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Congressional Record

PROCEEDINGS AND DEBATES OF THE 97th CONGRESS, FIRST SESSION

SENATE—*Monday, January 5, 1981*

(Legislative day of Monday, January 5, 1981)

The 5th day of January being the day prescribed by Public Law 96-566, 96th Congress, 2d session, for the meeting of the 1st session of the 97th Congress, the Senate assembled in its Chamber at the Capitol, at 12 o'clock meridian.

The VICE PRESIDENT. The Senate will please come to order. The Chaplain will offer the prayer.

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

PRAYER

God of our fathers and our God, who has made and preserved us a nation, we thank Thee for Thy care over us from generation to generation, and for the new era which unfolds before us. Let Thy spirit descend upon us with all its cleansing, healing, and creative power. Make us new persons for new times in a land newborn in spirit.

May the solemn induction of the new Members of this body be a renewal of the vocational vows of all others. In the deliberations of this new Congress keep our motives pure, our vision clear, our patriotism undefiled, our speech chaste, our judgments fair, and our consciences unbetrayed. Help us to develop work patterns which sustain the soul, nourish the mind, and strengthen the will. And give us grace to make time for the family, for home, and for worship.

What we pray for this body we pray for all others in the service of the Government. Send us each day to our tasks to do justly, to love mercy, and to walk humbly with our God.

Hear us as we pray together the prayer the Master taught us—

"Our Father who art in heaven, hallowed be Thy name, Thy kingdom come, Thy will be done in Earth, as it is in heaven. Give us this day our daily bread. And forgive us our trespasses as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil; For Thine is the kingdom, and the power, and the glory forever." Amen.

CREDENTIALS—RESIGNATIONS AND APPOINTMENTS

The VICE PRESIDENT. The Chair lays before the Senate letters of resignation of two Senators and certificates of appointment of two Senators to fill the vacancies caused by these resignations. Without objection, the reading will be waived, and the documents will be printed in the RECORD.

The documents ordered to be printed in the RECORD, are as follows:

U.S. SENATE,
Washington, D.C., November 14, 1980.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: This is to notify you that I have today informed the Governor of the State of Florida of my resignation as a member of the United States Senate, effective the close of business, December 31, 1980.

A copy of my letter to Governor Bob Graham is enclosed.

Warm personal regards.

Most cordially,

RICHARD (DICK) STONE.

U.S. SENATE,
Washington, D.C., November 14, 1980.

Hon. BOB GRAHAM,
Governor of Florida,
The Capitol, Tallahassee, Fla.

DEAR BOB: I herewith submit my resignation as United States Senator effective the close of business December 31, 1980. This notification should provide sufficient time for you to appoint my elected successor, Mrs. Paula Hawkins, so that her seniority can commence as of January 1, 1981.

Warm personal regards.

Most cordially,

RICHARD (DICK) STONE.

CERTIFICATE OF APPOINTMENT

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Florida, I, Bob Graham, the Governor of said State, do hereby appoint Paula Hawkins, a Senator from said State to represent said State in the Senate of the United States, effective January 1, 1981 for a term expiring noon January 3, 1981.

Witness: His excellency our Governor Bob Graham, and our seal hereto affixed at Tallahassee this twenty-third day of December, in the year of our Lord 1980.

BOB GRAHAM,
Governor.

U.S. SENATE,
Washington, D.C., December 15, 1980.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: As you will see in the enclosed letter to New Hampshire Governor Hugh Gallen, it is my intention to resign early so that Senator-elect Warren Rudman may enjoy seniority over some of his colleagues from larger states.

While I had hoped to resign effective December 26, 1980, it now appears that the closing of my office cannot be completed until December 29, and it is on that date that my resignation will be effective.

Sincerely,

JOHN A. DURKIN.

U.S. SENATE,
Washington, D.C., December 15, 1980.

Hon. HUGH J. GALLEN,
Governor, State of New Hampshire, State House, Concord, N.H.

DEAR GOVERNOR GALLEN: This is to advise you that I intend to resign my term in the Senate on December 29, 1980. I am doing this so Senator-elect Warren Rudman will enjoy seniority over newly elected Republican senators from larger states.

It is my understanding that arrangements should be made between your office and his so that he may be appointed by you and sworn in to fill out the balance of my term.

I had hoped that it would be possible for me to resign as early as December 26, however, the closing of my office is taking somewhat longer than anticipated.

Sincerely,

JOHN A. DURKIN.

THE STATE OF NEW HAMPSHIRE.

CERTIFICATE OF APPOINTMENT

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States, and the laws of the State of New Hampshire, I, Hugh J. Gallen, the Governor of said State, do hereby appoint Warren Rudman a Senator from said State to represent said State in the Senate of the United States until the vacancy therein,

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

caused by the resignation of John A. Durkin, is filled by election as provided by law.

Witness: His Excellency our Governor, Hugh J. Gallen, and our seal hereto affixed at Concord, New Hampshire, this twenty-ninth day of December, in the year of Our Lord, nineteen hundred and eighty.

By the Governor:

HUGH J. GALLEN,
Governor.

WILLIAM M. GARDNER,
Secretary of State.

The VICE PRESIDENT. The Chair lays before the Senate the credentials of 34 Senators elected for 6-year terms beginning January 3, 1981. All certificates, the Chair is advised, are in the form suggested by the Senate or contain all the essential requirements of the form suggested by the Senate. If there be no objection, the reading of the 34 certificates will be waived and they will be printed in full in the RECORD.

The certificates ordered to be printed in the RECORD, are as follows:

STATE OF SOUTH DAKOTA,
Secretary of State.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, James Abdnor was duly chosen by the qualified electors of the State of South Dakota a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1981.

Witness: His excellency our governor William J. Janklow and our seal hereto affixed at the State Capitol, Pierre, South Dakota, this 20th day of November, in the year of our Lord 1980.

WILLIAM J. JANKLOW,
Governor.

STATE OF NORTH DAKOTA,
Bismarck.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Mark Andrews was duly chosen by the qualified electors of the State of North Dakota a Senator from said State for the term of six years, beginning on the 3rd day of January, 1981.

Witness: His excellency our Governor Arthur A. Link, and our seal hereto affixed at Bismarck, North Dakota, this 17th day of December, in the year of our Lord 1980.

ARTHUR A. LINK,
Governor.

STATE OF ARKANSAS.

PROCLAMATION—CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, 1980, the Honorable Dale Bumpers was duly chosen by the qualified electors of the State of Arkansas as a Senator from said State to represent said State in the Senate of the United States for a term of six years, beginning on the 3rd day of January, 1981, the vote being:

Honorable Dale Bumpers	477,905
Mr. Bill Clark	330,576
Mr. Walter T. (Mac) McCarty	331

Witness: His Excellency our Governor Bill Clinton and our Seal hereto affixed at Little Rock, Arkansas, this 1st day of December, in the year of Our Lord 1980.

BILL CLINTON,
Governor.

STATE OF CALIFORNIA,
Executive Department.

CERTIFICATION OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Alan Cranston was duly chosen by the qualified electors of the State of California a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1981.

In witness whereof I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 1st day of December, 1980.

EDMUND G. BROWN, Jr.,
Governor of California.

STATE OF NEW YORK,
Executive Chamber.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, 1980, Alfonse M. D'Amato was duly chosen by the qualified electors of the State of New York a Senator from said State to represent said State in the Senate of the United States for the term of six years beginning on the third day of January, 1981.

Witness: His excellency our Governor, Hugh L. Carey, and our seal hereto affixed at Albany this tenth day of December, in the year of our Lord nineten hundred eighty.

HUGH L. CAREY,
Governor.

STATE OF ALABAMA,
Montgomery.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Jeremiah Denton was duly chosen by the qualified electors of the State of Alabama a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 20th day of January, 1981.

Witness: His excellency our Governor Fob James, and our seal hereto affixed at Montgomery, Alabama, this 24th day of November, in the year of our Lord 1980.

FORREST H. JAMES, Jr.,
Governor.

STATE OF ILLINOIS.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, nineteen hundred and eighty, Alan J. Dixon was duly chosen by the qualified electors of the State of Illinois, a Senator from said State, to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred and eighty one.

James R. Thompson, and our seal.

Springfield this twenty-sixth day of November, in the year of our Lord nineteen hundred and eighty.

JAMES R. THOMPSON,
Governor.

STATE OF CONNECTICUT,
Executive Department.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, nineteen hundred and eighty, Christopher J. Dodd was duly chosen by the electors of the State of Connecticut a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred and eighty-one.

Witness: Her Excellency our Governor, Ella Grasso, and our seal hereto affixed at Hartford, this twenty-sixth day of November, in the year of our Lord nineteen hundred and eighty.

ELLA GRASSO, *Governor.*

STATE OF KANSAS,
Executive Department.

CERTIFICATE OF ELECTION

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, nineteen hundred eighty, Bob Dole was duly chosen by the qualified electors of the State of Kansas a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred eighty-one.

Witness: The Honorable John Carlin, our Governor, and our seal hereto affixed at Topeka, this twenty-fifth day of November, in the year of our Lord nineteen hundred eighty.

JOHN W. CARLIN, *Governor.*

STATE OF MISSOURI.

CERTIFICATE OF ELECTION FOR U.S. SENATOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November 1980, Thomas F. Eagleton was duly chosen by the qualified electors of the State of Missouri a Senator from said State to represent said State in the Senate of the United States for a term of six years, beginning on the 3rd day of January, 1981.

In testimony whereof, I hereunto set my hand and cause to be affixed the Great Seal of the State of Missouri, in the City of Jefferson City this 8th day of December, 1980.

JOSEPH P. TEASDALE,
Governor.

STATE OF NORTH CAROLINA,
November 26, 1980.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the Fourth day of November, 1980, John P. East was duly chosen by the qualified electors of the State of North Carolina a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the Third day of January, 1981.

Witness: His excellency our governor James B. Hunt, Jr., and our seal hereto affixed at the Capitol this twenty-sixth day of November, in the year of our Lord 1980.

JAMES B. HUNT, Jr.,
Governor of North Carolina.

OFFICE OF THE GOVERNOR,
Frankfort, Ky.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Wendell H. Ford was duly chosen by the qualified electors of the Commonwealth of Kentucky a Senator from said state to represent said state in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1981.

Witness: His excellency our Governor John Y. Brown, Jr. and our seal hereto affixed at

Frankfort, Kentucky, in the year of our Lord 1980.

JOHN Y. BROWN, Jr.,
Governor.

STATE OF UTAH,
Executive Department.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Jake Garn was duly chosen by the qualified electors of the State of Utah a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1981.

Witness: His excellency our Governor Scott M. Matheson, and our seal hereto affixed at Salt Lake City, Utah, this 8th day of December, in the year of our Lord 1980.

SCOTT M. MATHESON,
Governor.

THE STATE OF OHIO.

CERTIFICATE OF ELECTION—U.S. SENATOR

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, 1980, John Glenn was duly chosen by the qualified electors of the State of Ohio a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, 1981.

Witness: His Excellency our Governor James A. Rhodes, and our Seal hereto affixed at Columbus, Ohio, this fourth day of December, in the year of Our Lord nineteen hundred Eighty.

JAMES A. RHODES,
Governor.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Barry Goldwater was duly chosen by the qualified electors of the State of Arizona a Senator from said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1981.

Witness: His excellency our Governor Bruce Babbitt, and our seal hereto affixed at Phoenix this 24th day of November, in the year of our Lord 1980.

BRUCE BABBITT,
Governor.

STATE OF WASHINGTON.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, nineteen hundred and eighty, Slade Gorton was duly chosen by the qualified electors of the State of Washington a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred and eighty-one.

In witness whereof, I have hereunto set my hand and caused the Seal of the State of Washington to be affixed at Olympia this fourth day of December, A.D., nineteen hundred and eighty.

DIXY LEE RAY,
Governor.

STATE OF IOWA,
Executive Department.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, 1980, Charles E. Grassley was duly chosen by the qualified electors of the State of Iowa a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1981.

Witness: His excellency our Governor Robert D. Ray, and our seal hereto affixed at Des Moines, Iowa, this 15th day of December, in the year of our Lord 1980.

ROBERT D. RAY,
Governor.

STATE OF COLORADO.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, 1980, Gary Hart was duly chosen by the qualified electors of the State of Colorado a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd of January, 1981.

Witness: His excellency our Governor Richard D. Lamm, and our seal hereto affixed at this eleventh day of December, in the year of our Lord, 1980.

RICHARD D. LAMM,
Governor.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November A.D., 1980, Paula Hawkins was duly chosen by the qualified electors of the State of Florida a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third of January, A.D., 1981.

Witness: His excellency our Governor, Bob Graham, and our seal hereto affixed at Tallahassee, this nineteenth day of November, in the year of our Lord 1980.

BOB GRAHAM,
Governor.

CERTIFICATE OF ELECTION

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, 1980, Ernest F. Hollings was duly chosen by the qualified electors of the State of South Carolina a Senator from said State to represent said State in the Senate of the United States for the term of six years beginning in January of 1981.

Witness: His excellency our Governor Richard W. Riley, and our seal hereto affixed at Columbia, South Carolina, this ninth day of December, in the year of our Lord 1980.

RICHARD W. RILEY,
Governor.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Daniel K. Inouye was duly chosen by the qualified electors of the State of Hawaii a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1981.

Witness: His excellency our Governor George R. Ariyoshi, and our seal hereto affixed at Honolulu, Hawaii, this 18th day of December, in the year of our Lord 1980.

GEORGE R. ARIYOSHI,
Governor.

THE STATE OF WISCONSIN,
Executive Department.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

I, Lee Sherman Dreyfus, Governor of the State of Wisconsin, do hereby certify that on the Fourth day of November, A.D., 1980, Robert W. Kasten, Jr., was duly chosen by the qualified electors of the State of Wisconsin a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the Third day of January, A.D. 1981.

In testimony whereof, I have hereunto set my hand and caused the Great Seal of the State of Wisconsin to be affixed. Done at the Capitol, in the City of Madison, this 2nd day of December, in the year of our Lord, One Thousand, Nine Hundred and Eighty.

LEE SHERMAN DREYFUS,
Governor.

STATE OF NEVADA,
Executive Department.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that at a general election held in the State of Nevada on Tuesday, the fourth day of November, nineteen hundred and eighty Paul Laxalt was duly elected by the qualified electors of the State of Nevada a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred and eighty-one, having received the highest number of votes cast for said office at said election, as appears by the certificate of the duly constituted and qualified Board of Canvassers now on file in the office of the Secretary of State at Carson City, Nevada.

In testimony whereof, I have hereunto set my hand and caused the Great Seal of the State of Nevada to be affixed at the State Capitol at Carson City, this first day of December, in the year of our Lord one thousand nine hundred and eighty.

ROBERT F. LIST,
Governor.

OFFICE OF THE GOVERNOR,
Montpelier, Vt.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Patrick J. Leahy was duly chosen by the qualified electors of the State of Vermont a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1981.

Witness: His excellency our Governor Richard A. Snelling, and our seal hereto affixed at Montpelier this 24th day of November, in the year of our Lord 1980.

RICHARD A. SNELLING,
Governor.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that Russell B. Long having received a majority of votes cast at the primary election held September 13, 1980 and having been unopposed at the general election held November 4, 1980, was duly chosen by the qualified electors of the State of Louisiana a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred and eighty-one.

Witness: His excellency, our Governor David C. Treen, and our Seal hereto affixed at Baton Rouge, this 18th day of November, in the year of our Lord, nineteen hundred and eighty.

DAVID C. TREEN,
Governor.

EXECUTIVE DEPARTMENT,
Annapolis, Md.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Charles McC. Mathias, Jr. was duly chosen by the qualified electors of the State of Maryland a Senator from said State to represent said State in the Senate of the United States for a term of six years, beginning on the 3rd day of January, 1981.

Witness: His Excellency our Governor, Harry Hughes, and our seal hereto affixed at the City of Annapolis, this 24th day of November, in the Year of Our Lord, One Thousand, Nine Hundred and Eighty.

HARRY HUGHES,
Governor.

SECRETARY OF STATE,
STATE OF GEORGIA.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Mack Mattingly was duly chosen by the qualified electors of the State of Georgia a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1981.

Witness: His Excellency our Governor, George Busbee, and our Seal hereto affixed at the State Capitol in Atlanta, Georgia, this 17th day of December, in the year of our Lord 1980.

GEORGE BUSBEE,
Governor.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, 1980, Frank H. Murkowski was duly chosen by the qualified electors of the State of Alaska a Senator from said State to represent said State in the Senate of the United States for a term of six years, beginning on the third day of January, 1981.

Witness: His Excellency our Governor, Jay Hammond, and our seal hereto affixed at Juneau this first day of December, in the year of our Lord 1980.

By the Governor:

JAY S. HAMMOND,
Governor.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Don Nickles was duly chosen by the qualified electors of the State of Oklahoma, a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1981.

Witness: His excellency our Governor, George Nigh, and our seal hereto affixed at this 10th day of November, 1980.

GEORGE NIGH,
Governor.

CERTIFICATE OF ELECTION

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Bob Packwood was duly chosen by the qualified electors of the State of Oregon a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning at noon on the 3rd day of January 1981.

Witness: His excellency our Governor, Victor G. Atiyeh, and the Seal of the State of Oregon hereto affixed at Salem, Oregon this 4th day of December, in the year of our Lord 1980.

VICTOR G. ATIYEH,
Governor.

STATE OF INDIANA,
Indianapolis, Ind.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, nineteen hundred eighty, Dan Quayle was duly chosen by the qualified electors of the State of Indiana a Senator from said State to represent said State in the Senate of the United States for the term of six years beginning on the third day of January, nineteen hundred eighty-one.

Witness: His excellency our Governor Otis R. Bowen, M.D. and our seal hereto affixed at Indianapolis, Indiana, this 29th day of November in the year of our Lord nineteen hundred eighty.

OTIS R. BOWEN,
Governor.

THE STATE OF NEW HAMPSHIRE.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, nineteen hundred and eighty Warren Rudman was duly chosen by the qualified electors of the State of New Hampshire a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred and eighty-one.

Witness: His Excellency, our Governor Hugh J. Gallen and our Seal hereto affixed at Concord this tenth day of December, in the year of our Lord nineteen hundred and eighty.

HUGH J. GALLEN,
Governor.

COMMONWEALTH OF PENNSYLVANIA.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November 1980, Arlen Specter was duly chosen by the qualified electors of the State of Pennsylvania a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, 1981.

Witness: His excellency our governor Dick Thornburgh, and our seal hereto affixed at Harrisburg this twelfth day of December, in the year of our Lord 1980.

DICK THORNBURGH,
Governor.

STATE OF IDAHO,
Department of State.

CERTIFICATE OF ELECTION FOR A SIX-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Steve Symms was duly chosen by the qualified electors of the State of Idaho a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3d day of January, 1981.

Witness: His excellency our governor John V. Evans, and our seal hereto affixed at Boise this 21st day of November, in the year of our Lord 1980.

By the governor:

JOHN V. EVANS,
Governor.

The VICE PRESIDENT. If the 34 Senators-elect will now present themselves at the desk in groups of four as their names are called in alphabetical order, the Chair will administer their oaths of office.

The clerk will call the names.

The legislative clerk called the names of Mr. ABDNOR, Mr. ANDREWS, Mr. BUMPERS, and Mr. CRANSTON.

These Senators, escorted by Mr. PRESSLER, Mr. BURDICK, Mr. PRYOR, and Mr. HAYAKAWA, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. D'AMATO, Mr. DENTON, Mr. DIXON, and Mr. DODD.

These Senators, escorted by Mr. MOYNIHAN, Mr. HEFLIN, Mr. WEICKER, and Mr. PERCY, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. DOLE, Mr. EAGLETON, Mr. EAST, and Mr. FORD.

These Senators, escorted by Mrs. KASSEBAUM, Mr. HELMS, Mr. DANFORTH, and Mr. HUDDLESTON, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. GARN, Mr. GLENN, Mr. GOLDWATER, and Mr. GORTON.

These Senators, escorted by Mr. HATCH, Mr. ROBERT C. BYRD, Mr. DECONCINI, and Mr. JACKSON, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. GRASSLEY, Mr. HART, Mrs. HAWKINS, and Mr. HOLLINGS.

These Senators, escorted by Mr. JEPSEN, Mr. ARMSTRONG, former Senator Brock of Tennessee, and Mr. THURMOND, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. INOUYE, Mr. KASTEN, Mr. LAXALT, and Mr. LEAHY.

These Senators, escorted by Mr. MATSUNAGA, Mr. PROXMIRE, Mr. CANNON, and Mr. STAFFORD, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. LONG, Mr. MATHIAS, Mr. MATTINGLY, and Mr. MURKOWSKI.

These Senators, escorted by Mr. JOHNSTON, Mr. SARBANES, Mr. NUNN, and Mr. BAKER, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. NICKLES, Mr. PACKWOOD, Mr. QUAYLE, and Mr. RUDMAN.

These Senators, escorted by Mr. BOREN, Mr. HATFIELD, Mr. LUGAR, and Mr. HUM-

PHREY, and former Senator Cotton of New Hampshire, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. SPECTER and Mr. SYMMS.

These Senators, escorted by Mr. HEINZ and Mr. MCCLURE, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President, and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

CALL OF THE ROLL

The VICE PRESIDENT. The Chair recognizes the Senator from Tennessee.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

[Quorum No. 1 Leg.]

Abdnor	Garn	Melcher
Andrews	Glenn	Mitchell
Armstrong	Goldwater	Moynihan
Baker	Gorton	Murkowski
Baucus	Grassley	Nickles
Bentsen	Hart	Nunn
Biden	Hatch	Packwood
Boren	Hatfield	Pell
Bumpers	Hawkins	Percy
Burdick	Hayakawa	Pressler
Byrd, Harry F., Jr.	Heflin	Proxmire
Byrd, Robert C.	Heinz	Pryor
Cannon	Helms	Quayle
Chafee	Hollings	Randolph
Chiles	Huddleston	Riegle
Cochran	Humphrey	Roth
Cohen	Inouye	Rudman
Cranston	Jackson	Sarbanes
D'Amato	Jepsen	Sasser
Danforth	Johnston	Schmitt
DeConcini	Kassebaum	Simpson
Denton	Kasten	Specter
Dixon	Kennedy	Stafford
Dodd	Laxalt	Stennis
Dole	Leahy	Symms
Domenici	Levin	Thurmond
Durenberger	Long	Tower
Eagleton	Lugar	Wallop
East	Mathias	Warner
Exon	Matsunaga	Weicker
Ford	Mattingly	Zorinsky
	McClure	

Mr. BAKER. I announce that the Senator from Minnesota (Mr. BOSCHWITZ), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from Ohio (Mr. METZENBAUM), the Senator from Massachusetts (Mr. TSONGAS), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

The VICE PRESIDENT. A quorum is present.

Mr. BAKER. Mr. President, may I take this opportunity to say that the distinguished Senator from Alaska (Mr. STEVENS) is necessarily absent on official business and could not be present in the Senate today for that reason.

LIST OF SENATORS BY STATES

Alabama.—Howell Heflin and Jeremiah Denton.

Alaska.—Theodore F. Stevens and Frank H. Murkowski.

Arizona.—Barry Goldwater and Dennis DeConcini.

Arkansas.—Dale Bumpers and David Pryor.

California.—Alan Cranston and S. I. Hayakawa.

Colorado.—Gary Hart and William L. Armstrong.

Connecticut.—Lowell P. Weicker, Jr. and Christopher J. Dodd.

Delaware.—William V. Roth, Jr. and Joseph R. Biden.

Florida.—Lawton Chiles and Paula Hawkins.

Georgia.—Sam Nunn and Mack Mattingly.

Hawaii.—Daniel K. Inouye and Spark M. Matsunaga.

Idaho.—James A. McClure and Steven D. Symms.

Illinois.—Charles H. Percy and Alan J. Dixon.

Indiana.—Richard G. Lugar and Dan Quayle.

Iowa.—Roger W. Jepsen and Charles E. Grassley.

Kansas.—Robert Dole and Nancy Landon Kassebaum.

Kentucky.—Walter (Dee) Huddleston and Wendell H. Ford.

Louisiana.—Russell B. Long and J. Bennett Johnston.

Maine.—William S. Cohen and George J. Mitchell.

Maryland.—Charles McC. Mathias and Paul S. Sarbanes.

Massachusetts.—Edward M. Kennedy and Paul E. Tsongas.

Michigan.—Carl Levin and Donald W. Riegle.

Minnesota.—Rudy Boschwitz and David Durenberger.

Mississippi.—John C. Stennis and Thad Cochran.

Missouri.—Thomas F. Eagleton and John C. Danforth.

Montana.—John Melcher and Max Baucus.

Nebraska.—J. James Exon and Edward Zorinsky.

Nevada.—Howard W. Cannon and Paul Laxalt.

New Hampshire.—Gordon J. Humphrey and Warren Rudman.

New Jersey.—Harrison A. Williams, Jr. and Bill Bradley.

New Mexico.—Pete V. Domenici and Harrison (Jack) Schmitt.

New York.—Daniel Patrick Moynihan and Alfonse M. D'Amato.

North Carolina.—Jesse Helms and John P. East.

North Dakota.—Quentin N. Burdick and Mark Andrews.

Ohio.—John Glenn and Howard M. Metzenbaum.

Oklahoma.—David L. Boren and Don Nickles.

Oregon.—Mark O. Hatfield and Bob Packwood.

Pennsylvania.—John Heinz and Arlen Specter.

Rhode Island.—Claiborne Pell and John H. Chafee.

South Carolina.—Strom Thurmond and Ernest F. Hollings.

South Dakota.—Larry Pressler and James Abdnor.

Tennessee.—Howard H. Baker, Jr., and Jim Sasser.

Texas.—John Tower and Lloyd Bentsen.

Utah.—Jake Garn and Orrin G. Hatch.

Vermont.—Robert T. Stafford and Patrick J. Leahy.

Virginia.—Harry F. Byrd, Jr. and John W. Warner.

Washington.—Henry M. Jackson and Slade Gorton.

West Virginia.—Jennings Randolph and Robert C. Byrd.

Wisconsin.—William Proxmire and Robert W. Kasten, Jr.

Wyoming.—Malcolm Wallop and Alan K. Simpson.

NOTIFICATION TO THE PRESIDENT

Mr. BAKER. Mr. President, I send a resolution to the desk and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 1) was considered and agreed to, as follows:

Resolved, That a committee consisting of two Senators be appointed by the Vice President to join such committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled and that the Congress is ready to receive any communication he may be pleased to make.

The VICE PRESIDENT. Pursuant to Senate Resolution 1, the Chair appoints the Senator from Tennessee (Mr. BAKER), and the Senator from West Virginia (Mr. ROBERT C. BYRD) as members of a committee to join the committee of the House of Representatives to wait upon the President of the United States and inform him that a quorum is assembled and that Congress is ready to receive any communication he may be pleased to make.

(Later the following occurred:)

Mr. BAKER. Mr. President, pursuant to the provisions of the resolution just adopted, I am happy to report that the distinguished minority leader and I have reached the President of the United States and notified him that the Senate is in session, that a quorum is present, and that we are prepared now to receive his messages and requests and transact such business as may properly come before the Senate.

The President asked us to particularly express his congratulations to new Members, his good wishes to those who are departing, to wish everyone here a happy new year, and he expressed the hope, if I may say so, that the transition in the executive department may be as smooth as the transition has been in the Senate.

I observed to the President that that was indeed the case, and was so in large measure due to the generosity and cooperation of the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD), our new minority leader.

I told him then, as I would reiterate now for the benefit of the Senate, that his cooperation in this transition has been most remarkable indeed; that I personally, and I believe every Member on this side, I am sure every Member on this side, wish to express our personal gratitude and appreciation to the Senator from West Virginia for that cooperation.

The President, as well, indicated that he stood ready to cooperate with the Senate and that he would have further messages to be delivered in due course.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, there is nothing I can add to what has already been stated lucidly, cogently, clearly, and completely as to the sense of our conversation with the President, and I am delighted to have served in this capacity and, as I say, I have nothing further to say.

Mr. BAKER. Mr. President, I thank the minority leader.

NOTIFICATION TO THE HOUSE

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 2) was considered and agreed to, as follows:

Resolved, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

HOUR OF DAILY MEETING

Mr. McCLURE. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection. the resolution (S. Res. 3) was considered and agreed to, as follows:

Resolved, That the hour of daily meeting of the Senate be 12 o'clock meridian unless otherwise ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President. I observe the presence of the incoming chairman of the Committee on Rules and Administration in the Chamber and I inquire if he has a resolution to offer in respect to the counting of the electoral vote.

COUNTING OF THE ELECTORAL VOTE

Mr. MATHIAS. Mr. President, I have a concurrent resolution which I send to the desk, and I ask for its immediate consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (S. Con. Res. 1) was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the two Houses of Congress shall meet in the Hall of the House of Representatives on Tuesday, the 6th day of January 1981, at 1 o'clock postmeridian, pursuant to the requirements of the Constitution and laws relating to the election of President and Vice President of the United States, and the President of the Senate shall be their Presiding Officer; that two tellers shall be previously appointed by the President of the Senate on the part of the Senate and two by the Speaker on the part of the House of Representatives, to whom shall be handed, as they are opened by the President of the Senate, all the certificates of the electoral votes, which certificates and papers shall be opened, presented, and acted upon in the alphabetical order of the States, beginning with the letter "A"; and said tellers, having then read the same in the presence and hearing of the two Houses, shall make a list of the votes as they shall appear from the said certificates; and the votes having been ascertained and counted in the manner and according to the rules by law provided, the result of the same shall be delivered to the President of the Senate, who shall thereupon announce the state of the vote, which announcement shall be deemed a sufficient declaration of the persons, if any, elected President and Vice President of the United States, and, together with a list of the votes, be entered on the Journals of the two Houses.

The VICE PRESIDENT. In accordance with the provisions of Senate Concurrent Resolution 1, the Chair appoints the Senator from Maryland (Mr. MATHIAS) and the Senator from Kentucky (Mr. FORD) tellers on the part of the Senate to count the electoral votes for President and Vice President of the United States on January 6, 1981.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Administrator of General Services Administration transmitting, pursuant to law, certified copies of the final ascertainment of the electors for President and Vice President from the several States and the District of Columbia which with the accompanying papers are ordered to lie on the table.

ELECTION OF THE PRESIDENT PRO TEMPORE OF THE SENATE

Mr. BAKER. Mr. President, I send to the desk a resolution in respect to the election of the President pro tempore of the Senate and ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 4) to elect the Honorable Strom Thurmond, of the State of South Carolina, to be President pro tempore of the Senate of the United States.

UP AMENDMENT NO. 1

Mr. ROBERT C. BYRD. Mr. President, I send an amendment to the desk and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an unprinted amendment numbered 1.

On page 1, lines 1 and 2, strike "the Honorable Strom Thurmond, a Senator from the State of South Carolina" and insert in lieu thereof "the Honorable John C. Stennis, a Senator from the State of Mississippi".

Mr. ROBERT C. BYRD. Mr. President, I have acted with some reluctance and also with some joy, so one might say that I have acted ambivalently.

My reluctance is born of my respect for the distinguished Senator from South Carolina (Mr. THURMOND). I have worked in this body with Mr. THURMOND for many years. I admire him, regard him highly, and under other circumstances I would join without further adieu in supporting the resolution that has been submitted by the distinguished Senator from Tennessee, the majority leader.

However, on our side of the aisle there is a patrician Senator who is a man of 33 years experience in this body. He was chairman of the Committee on Armed Services for 13 years. He is now the ranking member of that committee. He would also be the ranking member of the Appropriations Committee had he chose to claim that position.

Senator STENNIS was circuit judge in the State of Mississippi for many years before he came to the Senate.

When I first came to the Senate I went on the Committee on Appropriations and there I came to know JOHN STENNIS and respect and admire him. When the then majority leader became President I took Mr. Johnson's seat on the Armed Services Committee and there I had the opportunity to work under the late Senator Russell, who was chairman of that committee, and work with JOHN STENNIS, my friend.

He is a man who looks like a Senator, talks like a Senator, acts like a Senator, and who is a Senator's Senator in my humble judgment.

He is well-beloved by all Members of this Senate on both sides of the aisle. He is highly respected on both sides of the aisle, highly respected in and out of the Senate.

Mr. President, it is with a great deal of pleasure and with tremendous pride that I present him to the Senate today for its consideration, although I have some doubts with respect to the outcome [laughter], as I look about me here and see the slightly thinned ranks of the Democrats, and as I look to the other side and see the rather slightly bloated [laughter] ranks of the Republicans, realizing we will have to put up with that for a short while [laughter], and knowing beforehand that my nominee may not survive the vote count, so I do present this name with a great deal of admiration and respect and with great pride, and I urge the Senate to support the amendment.

Mr. BAKER. Mr. President, it is often said that beauty is in the eye of the beholder, and what may appear bloated on his side seems like mere political justice on this side. [Applause.]

Mr. President, my good friend, the distinguished Senator from West Virginia, the minority leader, understands what I am about to say is said in good grace and in keeping with our friendship and understanding.

He pointed out that he thought our increased numbers might be only temporary and transient. I would point out that no doubt is what Republicans thought in 1955 when they lost control of the Senate, so I would hope our 26 years will be as enjoyable as his 26 years. [Laughter and applause.]

Mr. President, I cannot say what difficulty I have in rising to oppose the amendment offered by the distinguished minority leader—I have to get used to that, the distinguished minority leader—because I, too, have such an extraordinary respect for the Senator from Mississippi. He and I come from the same region of the country. We, as I am fond of saying, share a common unfortified boundary between Tennessee and Mississippi.

He is a great man of distinction and has shed that light of distinction with his service in the Senate. It is with great reluctance that I rise in opposition to the amendment offered. I urge instead that our colleagues support the nomination of one of the finest men to grace the Senate of the United States in the person of Senator STROM THURMOND of South Carolina.

STROM THURMOND has become a political institution in his lifetime. He has been a trail blazer in the political arrangements of this country, and particularly of his region of the country.

I cannot think of a man or woman in this Chamber who has served with greater distinction and for a greater public good than has Senator STROM THURMOND of South Carolina.

Mr. President, it is, therefore, with great enthusiasm that I stand before my colleagues to urge that they elect as President pro tempore of the Senate the Senator from South Carolina, STROM THURMOND.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from West Virginia. [Putting the question.]

The amendment was rejected.

The VICE PRESIDENT. The question now recurs on agreeing to the resolution of the Senator from Tennessee. [Putting the question.]

The resolution (S. Res. 4) was agreed to as follows:

Resolved, That the Honorable Strom Thurmond, a Senator from the State of South Carolina, be, and he is hereby, elected President of the Senate pro tempore, to hold office during the pleasure of the Senate, in accordance with Rule I, paragraph 1, of the Standing Rules of the Senate.

[Applause, Senators rising.]

The VICE PRESIDENT. The Senator from Tennessee.

NOTIFICATION TO THE PRESIDENT

Mr. BAKER. Mr. President, is it the intention of the Chair to administer the oath to the new President pro tempore?

The VICE PRESIDENT. I will. I understood the order of business would be to act on the Secretary of the Senate first.

Mr. McCLURE. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 5) notifying the President of the United States of the election of a President pro tempore

Resolved, That the President of the United States be notified of the election of the Honorable STROM THURMOND, a Senator from the State of South Carolina, as President pro tempore.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution (S. Res. 5) was considered and agreed to.

SECRETARY OF THE SENATE

Mr. BAKER. Mr. President, I send to the desk a resolution in respect to the election of the Secretary of the Senate and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 6) electing William F. Hildenbrand as the Secretary of the Senate.

Resolved, That William F. Hildenbrand, of the District of Columbia, be, and he is hereby, elected Secretary of the Senate, beginning January 5, 1981.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution (S. Res. 6) was considered and agreed to.

SERGEANT AT ARMS

Mr. BAKER. Mr. President, I send to the desk a resolution in respect to the election of a Sergeant at Arms of the Senate of the United States and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 7) electing Howard Liebengood as the Sergeant at Arms and Doorkeeper of the Senate.

Resolved, That Howard Liebengood be, and he is hereby elected Sergeant at Arms and Doorkeeper of the Senate, beginning January 5, 1981.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution (S. Res. 7) was considered and agreed to.

SECRETARY FOR THE MAJORITY

Mr. BAKER. Mr. President, I send to the desk a resolution in respect to the election of the Secretary to the Majority of the Senate and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 8) electing Howard O. Greene, Jr. as the Secretary of the Majority of the Senate.

Resolved, That Howard O. Greene, Jr. be, and he is hereby elected Secretary for the Majority of the Senate, beginning January 5, 1981.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution (S. Res. 8) was considered and agreed to.

NOTIFICATION TO THE PRESIDENT

Mr. BAKER. Mr. President, I send to the desk a resolution in respect to notifying the President of the United States with respect to the election of the Secretary of the Senate and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 9) notifying the President of the United States of the election of a Secretary of the Senate.

Resolved, That the President of the United States be notified of the election of William F. Hildenbrand, of the District of Columbia, as Secretary of the Senate.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 9) was considered and agreed to.

ADMINISTRATION OF OATH TO THE PRESIDENT PRO TEMPORE

The VICE PRESIDENT. The Senator from South Carolina will, pursuant to the provisions of the Senate resolution, approach the rostrum, and I appoint Mr. STENNIS as a committee of one to escort the President pro tempore to the rostrum for the purpose of taking the oath.

The Honorable STROM THURMOND, escorted by Mr. STENNIS, advanced to the desk of the Vice President; the oath prescribed by law was administered to him by the Vice President.

[Applause, Senators rising.]

ADMINISTRATION OF OATH TO THE SECRETARY OF THE SENATE

The VICE PRESIDENT. The Secretary of the Senate will present himself for the taking of the oath of office, escorted by the Honorable Stanley J. Kimmitt.

The Honorable William F. Hildenbrand, escorted by the Honorable Stanley Kimmitt, advanced to the desk of the Vice President; the oath prescribed by law was administered to him by the Vice President.

[Applause, Senators rising.]

The President pro tempore (Mr. THURMOND) assumed the chair.

[Applause, Senators rising.]

SECRETARY FOR THE MINORITY

Mr. ROBERT C. BYRD. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 10) electing Walter J. Stewart as Secretary for the Minority of the Senate.

Resolved, That Walter J. Stewart be and he is hereby elected Secretary for the Minority of the Senate, beginning January 6, 1981.

The PRESIDENT pro tempore. Without objection, the resolution is agreed to.

Mr. CRANSTON addressed the Chair.

The PRESIDENT pro tempore. The Senator from California.

NOTIFICATION TO THE HOUSE

Mr. CRANSTON. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

S. RES. 11

Resolved, That the House of Representatives be notified of the election of the Honorable Strom Thurmond, a Senator from the State of South Carolina, as President pro tempore, and of William F. Hildenbrand, of the District of Columbia, as Secretary of the Senate.

The PRESIDENT pro tempore. Without objection, the resolution is agreed to.

Mr. BAKER addressed the Chair.

The PRESIDENT pro tempore. The Senator from Tennessee.

RESOLUTION TO AMEND RULE XXV OF THE STANDING RULES OF THE SENATE

Mr. BAKER. Mr. President, I send to the desk a resolution, on behalf of myself and Mr. ROBERT C. BYRD, in respect to the rules of the Senate dealing with the membership of committees and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 12) to amend Rule XXV of the Standing Rules of the Senate so as to allow certain Senators to serve, or continue serving, on more committees than otherwise would be permitted under such Rule.

The PRESIDENT pro tempore. Without objection, the resolution is agreed to.

The resolution (S. Res. 12) is as follows:

S. RES. 12

Resolved, That (a) the second sentence of paragraph 4(g) of Rule XXV of the Standing Rules of the Senate is amended by inserting "other than the Committee on Rules and Administration" immediately after "paragraph 3 (a) or (b)".

(b) Paragraph 4(h) of Rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new subdivision:

"(4) A Senator who on the last day of the Ninety-sixth Congress was serving as a Member on the Joint Economic Committee may, during the Ninety-seventh Congress, also serve as a member of the Committee on Intelligence so long as his service as a member of each such committee is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than two committees listed in paragraph 3 (a) or (b).".

(c) Paragraph 4 (i) of such Rule XXV is amended by—

(1) striking out subdivision (3) thereof,

(2) redesignating subdivision (4) thereof as subdivision (3), and

(3) by adding after subdivision (3) thereof (as so redesignated) the following new subdivisions:

"(4) A Senator who on the last day of the Ninety-sixth Congress was serving as a member of the Committee on Agriculture, Nutrition, and Forestry and the Committee on Appropriations or the Committee on Finance may, during the Ninety-seventh Congress, also serve as a member of the Committee on the Judiciary so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than three committees listed in paragraph 2.

"(5) A Senator who on the last day of the Ninety-sixth Congress was serving as a member of the Committee on Small Business and was also serving on the Committee on Intelligence may, during the Ninety-seventh Congress, continue to serve on both of such committees so long as service as a member of each such committee is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than two committees listed in paragraph 3 (a) or (b).

"(6) A Senator who on the last day of the Ninety-sixth Congress was serving as a member of the Committee on Appropriations and the Committee on Energy and Natural Resources may, during the Ninety-seventh Congress, also serve as a member of the Committee on Labor and Human Resources so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than three committees listed in paragraph 2.

"(7) A Senator who on the last day of the Ninety-sixth Congress was serving as a member of the Committee on the Judiciary and the Committee on Commerce, Science, and Transportation may, during the Ninety-seventh Congress, also serve as a member of the Committee on the Agriculture, Nutrition, and Forestry so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than three committees listed in paragraph 2.

"(8) A Senator who on the last day of the Ninety-sixth Congress was serving as a member of the Committee on the Judiciary and the Committee on Finance may, during the Ninety-seventh Congress, also serve as a member of the Committee on Environment and Public Works so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than three committees listed in paragraph 2.

"(9) A Senator who on the last day of the Ninety-sixth Congress was serving as a member of the Committee on Finance and the Committee on Banking, Housing, and Urban Affairs may, during the Ninety-seventh Congress, also serve as a member of the Committee on Energy and Natural Resources so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than three committees listed in paragraph 2.

"(10) A Senator who on the last day of the Ninety-sixth Congress was serving as a member of the Committee on Armed Services and the Committee on Labor and Human Resources may, during the Ninety-seventh Congress, also serve as a member of the Committee on Energy and Natural Resources so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than three committees listed in paragraph 2.

"(11) A Senator who on the last day of the Ninety-sixth Congress was serving as a member of the Committee on Appropriations and the Committee on Commerce, Science, and Transportation may, during the Ninety-seventh Congress, also serve as a member of the Committee on Banking, Housing, and Urban Affairs so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than three committees listed in paragraph 2.

"(12) A Senator who on the last day of the Ninety-sixth Congress was serving as a member of the Committee on Finance and the Committee on Environment and Public Works may, during the Ninety-seventh Congress, also serve as a member of the Committee on Banking, Housing, and Urban Affairs so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than three committees listed in paragraph 2.".

(d) Paragraph 4 of Rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new subparagraphs:

"(j) If the majority and minority leaders find that the limitation, imposed by the preceding provisions with respect to the number of committees listed in paragraphs 2 and 3 (a) and (b) upon which a Senator may serve, prevents the filling of all membership positions in any of such committees, then such leaders may enter into an agreement under which a Senator may serve on the Committee on the Budget while also serving on two other of the committees listed in paragraph 2 and on one of the committees listed in paragraph 3 (a) or (b). The provisions of this subparagraph shall be effective only during the Ninety-seventh Congress.

"(k) Two Senators, each of whom was first elected to the Senate for a term which commences on January 3, 1981, may serve, during the Ninety-seventh Congress, on the Committee on the Judiciary, the Committee on Labor and Human Resources, and also on one other committee listed in paragraph 2 so long as the service of the Senator as a member of each of such committees is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than three committees listed in paragraph 2.".

RESOLUTION TO AMEND PARAGRAPH 2 AND 3 OF RULE XXV OF THE STANDING RULES OF THE SENATE

Mr. BAKER. Mr. President, I send a resolution to the desk in respect to the size of committees and the allocation of members, and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 13) amending paragraphs 2 and 3 of rule XXV of the Standing Rules of the Senate.

The PRESIDENT pro tempore. Without objection, the resolution is agreed to.

The resolution (S. Res. 13) is as follows:

S. RES. 13

Resolved, That paragraphs 2 and 3 of rule XXV of the Standing Rules of the Senate are modified to read as follows:

"2. Except as otherwise provided by para-

graph 4 of this rule, each of the following standing committees shall consist of the number of Senators set forth in the following table on the line on which the name of that committee appears:

"Committee	Members
Agriculture, Nutrition and Forestry	17
Appropriations	29
Armed Services	17
Banking, Housing, and Urban Affairs	15
Commerce, Science, and Transportation	17
Energy and Natural Resources	20
Environment and Public Works	16
Finance	20
Foreign Relations	17
Governmental Affairs	17
Judiciary	18
Labor and Human Resources	16

"3 (a) Except as otherwise provided by paragraph 4 of this rule, each of the following standing committees shall consist of the number of Senators set forth in the following table on the line on which the name of that committee appears:

"Committee	Members
Budget	22
Rules and Administration	12
Veterans' Affairs	12

"(b) Each of the following committees and joint committees shall consist of the number of Senators (or Senate members, in the case of a joint committee) set forth in the following table on the line on which the name of that committee appears:

"Committee	Members
Aging	13
Intelligence	15
Small Business	17
Joint Economic Committee	10

"(c) Each of the following committees and joint committees shall consist of the number of Senators (or Senate members, in the case of a joint committee) set forth in the following table on the line on which the name of that committee appears:

"Committee	Members
Ethics	6
Indian Affairs	7
Joint Committee on Taxation	5

RESOLUTION MAKING MAJORITY PARTY APPOINTMENTS TO SENATE COMMITTEES FOR THE 97th CONGRESS

Mr. BAKER. Mr. President, I send to the desk a resolution making majority party appointments to the committees of the Senate and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 14) making majority party appointments to Senate committees for the 97th Congress, and electing chairmen of such committees.

The PRESIDENT pro tempore. Without objection, the resolution is agreed to.

The resolution (S. Res. 14) is as follows:

Resolved, That the following shall constitute the majority party's membership on the standing committees, the Select Committee on Small Business, and the Special Committee on Aging of the Senate for the 97th Congress:

Committee on Agriculture, Nutrition, and Forestry: Mr. Helms (chairman), Mr. Dole, Mr. Hayakawa, Mr. Lugar, Mr. Cochran, Mr. Boschwitz, Mr. Jepsen, Mrs. Hawkins, and Mr. Andrews.

Committtee on Appropriations: Mr. Hatfield (chairman), Mr. Stevens, Mr. Weicker, Mr. McClure, Mr. Laxalt, Mr. Garn, Mr. Schmitt, Mr. Cochran, Mr. Andrews, Mr. Abdnor, Mr. Kasten, Mr. D'Amato, Mr. Mattingly, Mr. Rudman, and Mr. Specter.

Committee on Armed Services: Mr. Tower (chairman), Mr. Thurmond, Mr. Goldwater, Mr. Warner, Mr. Humphrey, Mr. Cohen, Mr. Jepsen, Mr. Quayle, and Mr. Denton.

Committee on Banking, Housing, and Urban Affairs: Mr. Garn (chairman), Mr. Tower, Mr. Heinz, Mr. Armstrong, Mr. Lugar, Mr. D'Amato, Mr. Chafee, and Mr. Schmitt.

Committee on Commerce, Science, and Transportation: Mr. Packwood (chairman), Mr. Goldwater, Mr. Schmitt, Mr. Danforth, Mrs. Kassebaum, Mr. Pressler, Mr. Gorton, Mr. Stevens, and Mr. Kasten.

Committee on Energy and Natural Resources: Mr. McClure (chairman), Mr. Hatfield, Mr. Weicker, Mr. Domenici, Mr. Wallop, Mr. Warner, Mr. Humphrey, Mr. Murkowski, Mr. Nickles, Mr. East, and Mr. Heinz.

Committee on Environment and Public Works: Mr. Stafford (chairman), Mr. Baker, Mr. Domenici, Mr. Chafee, Mr. Simpson, Mr. Abdnor, Mr. Symms, Mr. Gorton, and Mr. Murkowski.

Committee on Finance: Mr. Dole (chairman), Mr. Packwood, Mr. Roth, Mr. Danforth, Mr. Chafee, Mr. Heinz, Mr. Wallop, Mr. Durenberger, Mr. Armstrong, Mr. Symms, and Mr. Grassley.

Committee on Foreign Relations: Mr. Percy (chairman), Mr. Baker, Mr. Helms, Mr. Hayakawa, Mr. Lugar, Mr. Mathias, Mrs. Kassebaum, Mr. Boschwitz, and Mr. Pressler.

Committee on Governmental Affairs: Mr. Roth (chairman), Mr. Percy, Mr. Stevens, Mr. Mathias, Mr. Danforth, Mr. Cohen, Mr. Durenberger, Mr. Mattingly, and Mr. Rudman.

Committee on the Judiciary: Mr. Thurmond (chairman), Mr. Mathias, Mr. Laxalt, Mr. Hatch, Mr. Dole, Mr. Simpson, Mr. East, Mr. Grassley, Mr. Denton, and Mr. Specter.

Committee on Labor and Human Resources: Mr. Hatch (chairman), Mr. Stafford, Mr. Quayle, Mrs. Hawkins, Mr. Nickles, Mr. Weicker, Mr. Humphrey, Mr. Denton, and Mr. East.

Committee on Aging: Mr. Heinz (chairman), Mr. Domenici, Mr. Percy, Mrs. Kassebaum, Mr. Cohen, Mr. Pressler, and Mr. Grassley.

Committee on the Budget: Mr. Domenici (chairman), Mr. Armstrong, Mrs. Kassebaum, Mr. Boschwitz, Mr. Hatch, Mr. Tower, Mr. Andrews, Mr. Symms, Mr. Grassley, Mr. Kasten, Mr. Quayle, and Mr. Gorton.

Committee on Rules and Administration: Mr. Mathias (chairman), Mr. Hatfield, Mr. Baker, Mr. McClure, Mr. Helms, Mr. Warner, and Mr. Dole.

Committee on Small Business: Mr. Weicker (chairman), Mr. Packwood, Mr. Hatch, Mr. Hayakawa, Mr. Boschwitz, Mr. Gorton, Mr. Nickles, Mr. Rudman, and Mr. D'Amato.

Committee on Veterans' Affairs: Mr. Simpson (chairman), Mr. Thurmond, Mr. Stafford, Mr. Kasten, Mr. Denton, Mr. Murkowski, and Mr. Specter.

RESOLUTION MAKING MINORITY PARTY APPOINTMENTS TO SENATE COMMITTEES FOR THE 97TH CONGRESS

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution making minority party appointments to the Senate committees, and I ask unanimous consent that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, the clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 15) making minority party appointments to Senate Committees for the 97th Congress.

The PRESIDENT pro tempore. Without objection, the resolution is agreed to.

The resolution (S. Res. 15) is as follows:

S. RES. 15

Resolved, That the following shall constitute the minority party's membership on the standing committees, the Select Committee on Small Business, and the Special Committee on Aging of the Senate for the Ninety-Seventh Congress:

Committee on Agriculture, Nutrition, and Forestry: Mr. Huddleston, Mr. Leahy, Mr. Zorinsky, Mr. Melcher, Mr. Pryor, Mr. Boren, Mr. Dixon and Mr. Heflin;

Committee on Appropriations: Mr. Proxmire, Mr. Stennis, Mr. Byrd of West Virginia, Mr. Inouye, Mr. Hollings, Mr. Eagleton, Mr. Chiles, Mr. Johnston, Mr. Huddleston, Mr. Burdick, Mr. Leahy, Mr. Sasser, Mr. DeConcini and Mr. Bumpers;

Committee on Armed Services: Mr. Stennis, Mr. Jackson, Mr. Cannon, Mr. Byrd of Virginia, Mr. Nunn, Mr. Hart, Mr. Exon and Mr. Levin;

Committee on Banking, Housing, and Urban Affairs: Mr. Williams, Mr. Proxmire, Mr. Cranston, Mr. Riegle, Mr. Sarbanes, Mr. Dodd and Mr. Dixon;

Committee on Commerce, Science, and Transportation: Mr. Cannon, Mr. Long, Mr. Hollings, Mr. Inouye, Mr. Ford, Mr. Riegle, Mr. Exon and Mr. Heflin;

Committee on Energy and Natural Resources: Mr. Jackson, Mr. Johnston, Mr. Bumpers, Mr. Ford, Mr. Metzenbaum, Mr. Matsunaga, Mr. Melcher, Mr. Tsongas and Mr. Bradley;

Committee on Environment and Public Works: Mr. Randolph, Mr. Bentsen, Mr. Burdick, Mr. Hart, Mr. Moynihan, Mr. Mitchell and Mr. Baucus;

Committee on Finance: Mr. Long, Mr. Byrd of Virginia, Mr. Bentsen, Mr. Matsunaga, Mr. Moynihan, Mr. Baucus, Mr. Boren, Mr. Bradley and Mr. Mitchell;

Committee on Foreign Relations: Mr. Pell, Mr. Biden, Mr. Glenn, Mr. Sarbanes, Mr. Zorinsky, Mr. Tsongas, Mr. Cranston and Mr. Dodd;

Committee on Governmental Affairs: Mr. Eagleton, Mr. Jackson, Mr. Chiles, Mr. Nunn, Mr. Glenn, Mr. Sasser, Mr. Pryor and Mr. Levin;

Committee on Judiciary: Mr. Biden, Mr. Kennedy, Mr. Byrd of West Virginia, Mr. Metzenbaum, Mr. DeConcini, Mr. Leahy, Mr. Baucus and Mr. Heflin;

Committee on Labor and Human Resources: Mr. Kennedy, Mr. Williams, Mr. Randolph, Mr. Pell, Mr. Eagleton, Mr. Riegle and Mr. Metzenbaum;

Committee on Rules and Administration: Mr. Ford, Mr. Cannon, Mr. Pell, Mr. Byrd of West Virginia and Mr. Williams;

Committee on the Budget: Mr. Hollings, Mr. Chiles, Mr. Biden, Mr. Johnston, Mr. Sasser, Mr. Hart, Mr. Metzenbaum, Mr. Riegle, Mr. Moynihan and Mr. Exon;

Committee on Veterans' Affairs: Mr. Cranston, Mr. Randolph, Mr. Matsunaga, Mr. DeConcini and Mr. Mitchell;

Select Committee on Small Business: Mr. Nunn, Mr. Huddleston, Mr. Bumpers, Mr. Sasser, Mr. Baucus, Mr. Levin, Mr. Tsongas and Mr. Dixon;

Special Committee on Aging: Mr. Chiles, Mr. Glenn, Mr. Melcher, Mr. Pryor, Mr. Bradley and Mr. Burdick.

FEDERAL ELECTION CAMPAIGN ACT OF 1971

Mr. ROBERT C. BYRD. Mr. President, I send a bill to the desk and I ask that it be read the first and second time and the Senate proceed to its immediate consideration.

The PRESIDENT pro tempore. Is there objection?

Mr. BAKER. Mr. President, I am not acquainted with the substance of the bill. The distinguished minority leader had advised me of his intention to introduce such a bill at this time. Because I am unfamiliar with its subject matter, I object to further consideration beyond the first reading.

The PRESIDENT pro tempore. The bill will be read the first time.

The legislative clerk read as follows:

A bill (S. 9) to amend the Federal Election Campaign Act of 1971 to provide reforms with respect to campaign contributions.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the bill be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RESOLUTION TO AMEND THE STANDING RULES

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution to amend the standing rules, and I ask unanimous consent that the Senate proceed to its immediate consideration.

The PRESIDENT pro tempore. Is there objection?

Mr. BAKER. Mr. President, I object.

The PRESIDENT pro tempore. Objection is heard.

The resolution will lie over under the rule.

The text of the resolution (S. Res. 16) is as follows:

Resolved, That Rule XV of the Standing Rules of the Senate is amended—

(1) by inserting after "Motions" in the caption a semicolon and the following: "GERMANENESS";

(2) by adding at the end thereof the following new paragraph:

"6. (a) At any time during the consideration of a bill or resolution, it shall twice be in order during a calendar day to move that no amendment, other than the reported committee amendments, which is not germane or relevant to the subject matter of the bill or resolution, or to the subject matter of an amendment proposed by the committee which reported the bill or resolution, shall thereafter be in order. The motion shall be privileged and shall be decided after one hour of debate, to be equally divided and controlled by the Majority Leader and the Minority Leader or their designees.

"(b) If a motion made under subparagraph (a) is agreed to by an affirmative vote of three-fifths of the Senators present and voting, then any floor amendment not already agreed to (except amendments proposed by the committee which reported the bill or resolution) which is not germane or relevant to the subject matter of the bill or resolution, or the subject matter of an amendment proposed by the committee which reported the bill or resolution, shall not be in order.

"(c) When a motion made under subparagraph (a) has been agreed to as provided in subparagraph (b) with respect to a bill or resolution, points of order with respect to questions of germaneness or relevancy of amendments shall be decided without debate, except that the Presiding Officer may entertain debate for his own guidance prior to ruling on the point of order. Appeals from the decision of the Presiding Officer on such points of order shall be decided without debate.

"(d) Whenever an appeal is taken from a decision of the Presiding Officer on the question of germaneness of an amendment, or whenever the Presiding Officer submits the question of germaneness or relevancy of an amendment to the Senate, the vote necessary to overturn the decision of the Presiding Officer or hold the amendment germane or relevant shall be two-thirds of the Senators present and voting, a quorum being present."

RESOLUTION TO PROVIDE FOR THE CONTINUATION OF THE JOINT COMMITTEE ON INAUGURAL CEREMONIES

Mr. HATFIELD. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 2) to provide for the continuation of the Joint Committee on Inaugural Ceremonies and for the appointment of two additional members thereto.

The PRESIDENT pro tempore. Without objection, the concurrent resolution is agreed to.

The concurrent resolution (S. Con. Res. 2) is as follows:

S. CON. RES. 2

Resolved by the Senate (the House of Representatives concurring), that effective from January 5, 1981, the joint committee created by Senate Concurrent Resolution 84, of the Ninety-sixth Congress, to make the necessary arrangements for the inauguration of the President-elect and Vice President-elect of the United States on the 20th day of January 1981, is hereby continued and for such purpose shall have the same power and authority as that conferred by such Senate Concurrent Resolution 84, of the Ninety-sixth Congress, except that the size of the Joint Committee is hereby increased to consist of four Senators and four Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively.

The PRESIDENT pro tempore. Pursuant to the concurrent resolution, the following Senators are members of the Joint Committee on the Inaugural:

The Senator from Oregon (Mr. HATFIELD); the Senator from Tennessee (Mr. BAKER); the Senator from West Virginia (Mr. ROBERT C. BYRD); and the Senator from Rhode Island (Mr. PELL).

Mr. BAKER addressed the Chair.

The PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. Mr. President, I have a series of unanimous-consent requests that I will make in respect to the Senate on today and tomorrow and, in some cases, for the remainder of this session.

AUTHORIZATION FOR COMMITTEE ON ETHICS TO MEET DURING SENATE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that for the duration of the 97th Congress, the Ethics Committee be authorized to meet at any time during the session of the Senate.

Mr. LONG. Mr. President, reserving the right to object, what committee is that?

Mr. BAKER. The Ethics Committee.

The PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

AUTHORIZATION TO REFER TREATIES AND NOMINATIONS ON THE DAY THEY ARE RECEIVED FROM THE PRESIDENT

Mr. BAKER. Mr. President, I ask unanimous consent that for the duration of the 97th Congress it be in order to refer treaties and nominations on the day when they are received from the President, even when the Senate has no executive session that day.

The PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

AUTHORIZATION FOR RECEIPT OF BILLS, JOINT RESOLUTIONS, SIMPLE RESOLUTIONS, AND CONCURRENT RESOLUTIONS

Mr. BAKER. Mr. President, I ask unanimous consent that during the 97th Congress Senators may be allowed to bring to the desk bills, joint resolutions, and simple resolutions for referral to appropriate committees.

The PRESIDENT pro tempore. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, does the distinguished majority leader intend to include in that request concurrent resolutions?

Mr. BAKER. Mr. President, I would include concurrent resolutions. The request literally stated was for bills, joint resolutions, and simple resolutions, but it should have included concurrent resolutions. I amend the unanimous-consent request to that effect and I thank the minority leader for his attention.

The PRESIDENT pro tempore. The unanimous-consent request, as modified, is agreed to.

ORDER FOR TIME LIMITATION ON ROLLCALL VOTES

Mr. BAKER. Mr. President, I ask unanimous consent for the duration of the 97th Congress there be a limitation of 15 minutes each upon any rollcall vote, with the warning signal to be sounded at the midway point, beginning at the last 7½ minutes, and when rollcall votes are of 10-minute duration, the warning signal be sounded at the beginning of the last 7½ minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION FOR MEMBERS OF THE STAFF TO RECEIVE REPORTS AT THE DESK WHEN PRESENTED BY A SENATOR

Mr. BAKER. Mr. President, I ask unanimous consent that during the 97th Congress it be in order for the proper members of the staff to receive reports at the desk when presented by a Senator at any time during the day of the session of the Senate.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the majority——

Mr. ROBERT C. BYRD. Will the distinguished majority leader repeat that last request?

Mr. BAKER. Yes. Mr. President, I am happy to. I ask unanimous consent that during the 97th Congress it be in order for the proper members of the staff to receive reports at the desk presented by a Senator anytime during the day of the session of the Senate.

Mr. ROBERT C. BYRD. This would mean that reports would be eligible for receipt at the desk on calendar days when the Senate has recessed and not necessarily just during morning business on a new legislative day. Is that correct?

Mr. BAKER. Mr. President, that would be my interpretation of the request. The purpose, of course, is to provide a greater ease and convenience for Members to file reports and not to limit it to that particular morning business period as would otherwise be the case under the standing rules and precedents. The effect of this request would be to provide that members of the staff of the Senate could receive those reports when presented by a Senator during any part of a day when the Senate was in session.

Mr. ROBERT C. BYRD. What is being done in one respect here is a waiving of Senate rule VIII with respect to receiving of committee reports during the period of morning business. Am I correct?

The PRESIDENT pro tempore. This is a standard request and has been done in the past when morning business occurred.

Mr. ROBERT C. BYRD. Mr. President, I have no objection. I simply wanted to understand the request.

Mr. BUMPERS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. BUMPERS. Do I understand this to mean that a committee report may be filed by a Senator or a staff member.

Mr. BAKER. If I may respond, it does not. It means only a Senator could file the report but it may be received at the desk by a member of the staff of this body.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER DESIGNATING DAILY ASSIGNMENT OF LEADERSHIP TIME

Mr. BAKER. Mr. President, I ask unanimous consent that the majority and minority leaders may daily, as during the past Congress, have up to 10 minutes each on each calendar day following the prayer and the disposition of the reading of, or the approval of, the Journal.

Mr. LONG. Mr. President, I object.

The PRESIDENT pro tempore. Objection is heard.

Mr. BAKER. Mr. President, I might say that this is a standard leadership time we have used in the past. It is for the purpose of allowing the majority leader and the minority leader to transact the routine business of the Senate which ordinarily occurs at the beginning of each session, and on occasion it is used to supplement the time for special orders or for time allocated otherwise for morning business. It is no special privilege as far as the majority leader is concerned, and I am sure the minority leader feels the same way. I would hope the distinguished Senator from Louisiana might not object to that request because otherwise it would make it more difficult to conduct the Senate's business.

Mr. LONG. Mr. President, when the Senate meets, if the majority leader wants to be recognized he will be recognized, and if the minority leader wants to be recognized I have no doubt he will be recognized. But it seems to me that other Senators have a right to insist that they be included while unanimous-consent requests are being made. If the majority leader wants to make a speech or if the minority leader wants to make a speech, it seems to me that any other Senator has the right to say, "Just a minute. While you are asking for that, put me in there for a few minutes. I would like to say something." This is the first time I have heard of this, so I must object.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. BAKER. I yield to the minority leader.

Mr. ROBERT C. BYRD. If I may say to my friend, as a very distinguished Senator who has been a Member of the Senate longer than any of the rest of us with the exception of Senator STENNIS, this is an order which is being sought by the distinguished majority leader which has been accorded both leaders during the past two Congresses. It is for the purpose of allowing the majority leader and the minority leader to carry on some business or to yield part of their time to Members on their respective sides if they see a need to do so. I do not think there has been any abuse of the order.

Mr. LONG. Has this request been made in a previous Congress?

Mr. ROBERT C. BYRD. Yes, in the past two Congresses. It has been made by me, as a matter of fact.

Mr. LONG. Then I will not object.

Mr. BENTSEN. Will the Senator yield for a question?

Mr. BAKER. I am happy to yield to the Senator from Texas.

Mr. BENTSEN. It is somewhat difficult to follow all of the changes being proposed. I ask only for information. Is this something that has been prepared in consultation with the minority leader?

Mr. BAKER. Mr. President, I might say that the request I have just made, about which we are having this conversation, I believe is an exact duplicate of the request made 2 years ago by the distinguished Senator from West Virginia as majority leader, and 2 years before that. These requests have been prepared, frankly, in consultation with the Parliamentarian and the staff of the minority leader. They are in the nature of housekeeping details. To the best of my ability I would represent to the Senator from Texas and all other Senators that there is nothing new or different. These are routine, regular, housekeeping provisions that need to be made for the convenience of the Senate and to expedite the progress of the business of this body.

Mr. LONG. Can the Senator assure us that these other requests he has here do not change anything, that it will be exactly the same as it was last year?

Mr. BAKER. I believe, Mr. President, if the Senator will yield to me, they are identical in every respect.

Mr. LONG. All I am asking is if the Senator is asking for something that will be different this year than last year, will he please so indicate when he makes his request? If all he is asking is for the same privilege that Mr. BYRD had as majority leader last year, I will not object, but I would like to know if something new is being done here. I was not aware that we had agreed by unanimous consent that throughout the session the majority and minority leaders would each be first recognized. If we are doing something that is different, I would like to know about it.

Mr. BAKER. We are not doing anything different. I believe that every one of these requests is now imbedded in the procedure and practice of the Senate to such an extent that it is recognized as a routine and regular housekeeping request necessary to conduct the business of the Senate.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. I wish to assure the Members on my side of the aisle that nothing new up to this point has been proposed. These are the regular routine orders that have been entered during the past 4 years. I assure those on my side of the aisle that nothing is new there and that, in my judgment, there will be nothing new in the additional requests that are going to be made. If there is, we will alert the body to it.

Mr. BAKER. If there is, Mr. President, I will be the most surprised Senator on the floor.

Mr. LONG. Had the Senator given that assurance to begin with, I would not have objected.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER GRANTING PRIVILEGE OF THE FLOOR TO THE PARLIAMENTARIAN OF THE HOUSE OF REPRESENTATIVES

Mr. BAKER. Mr. President, I ask unanimous consent that the Parliamentarian of the House of Representatives and his three assistants be given the privilege of the floor during the 97th Congress.

Mr. ROBERT C. BYRD. Reserving the right to object, Mr. President—Mr. President, I have no objection.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Now, Mr. President, can we have order in the Senate?

The PRESIDENT pro tempore. The Senator from Tennessee.

PROCEDURES FOR PRIVILEGE OF THE FLOOR DURING 97TH CONGRESS

Mr. BAKER. Mr. President, I ask unanimous consent that, for the dura-

tion of the 97th Congress, Senators be allowed to leave at the desk with the Journal clerk a list of no more than two staff members who will be granted the privilege of the floor during the consideration of the specific matter noted on the list, and that the Sergeant at Arms be instructed to rotate such staff members as space allows.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PRINTING OF CONFERENCE REPORTS

Mr. BAKER. Mr. President, I ask unanimous consent that, notwithstanding the provisions of the Legislative Reorganization Act, conference reports and statements accompanying them not be printed as Senate reports when such conference reports and statements have been printed as a House report, unless specific request is made in the Senate in each instance to have such a report printed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION FOR THE COMMITTEE ON APPROPRIATIONS TO TAKE CERTAIN ACTION

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Appropriations be authorized during the 97th Congress to file reports during adjournments or recesses of the Senate on appropriation bills, including joint resolutions, together with any accompanying notices of motions to suspend rule XVI, pursuant to rule V, for the purpose of offering certain amendments to such bills or joint resolutions, which proposed amendment shall be printed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION FOR THE SECRETARY OF THE SENATE TO TAKE CERTAIN ACTIONS

Mr. BAKER. Mr. President, I ask unanimous consent that, for the duration of the 97th Congress, the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossments of all Senate-passed bills and resolutions, Senate amendments to House bills and resolutions, Senate amendments to House amendments to Senate bills and resolutions, and Senate amendments to House amendments to Senate amendments to House bills and resolutions.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION FOR PROCEDURE ON TRANSACTION OF MORNING BUSINESS TODAY

Mr. BAKER. Mr. President, I ask unanimous consent that, until 5 p.m. today, morning business—the introduction of bills and joint resolutions and the submission of simple and concurrent resolutions and statements by Senators—may be transacted by being presented at the desk.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS TODAY UNTIL TOMORROW AND ORDER OF PROCEDURE TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 12 noon on tomorrow; and that, following the prayer on tomorrow and at no later than 12:40 p.m., on tomorrow, Senators march in a body to the Hall of the House of Representatives for the purpose of counting the electoral votes with respect to the last Presidential election.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. Yes, I yield.

Mr. ROBERT C. BYRD. Will the majority leader state to the Senate what his plans are for tomorrow following the counting of the electoral votes and beyond, for the remainder of the week, if he can?

Mr. BAKER. Mr. President, I thank the distinguished minority leader for his request. In a very real way, that request symbolizes the transfer of power in the Senate. It is the first time I have been honored with such a request to state my intentions with respect to the operation of the Senate. I am more than pleased to respond.

Mr. President, as I have indicated, the Senate will recess over until tomorrow at noon, to proceed at 12:40 p.m. to the hall of the House of Representatives to count the electoral votes pursuant to the last Presidential and Vice Presidential elections in accordance with the constitutional forms. Following that, there will be no further business before the Senate. Indeed, it is my expectation that the Senate will recess over, either until the 19th of January by resolution, or until Thursday, at which time, I shall expect a pro forma session, depending rather on the decision that is made in the other body in relation to the arrangement of their schedule.

Mr. ROBERT C. BYRD. I thank the distinguished majority leader. He does not anticipate, then, that the Senate will be called upon to perform its constitutional duties vis-a-vis the election of a Vice President?

Mr. BAKER. Mr. President, will the minority leader——

Mr. ROBERT C. BYRD. Following the counting of electoral ballots.

Mr. BAKER. The minority leader makes a very valid point. This matter will be disposed of by the counting of the electoral votes. That will, of course, include the election of both a President and a Vice President of the United States. The responsibility for the election of a Vice President does not devolve upon the Senate unless no candidate for that office achieves a majority in the Electoral College.

Mr. ROBERT C. BYRD. So he does not anticipate a tie vote in that instance?

Mr. BAKER. I do not anticipate a tie vote for any contested result. On the contrary, I expect that the electoral vote will be counted and tallied, and that a clear victor will emerge. Then we shall recess over until Thursday, if need be, or until the 19th, by resolution if possible.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON GEOGRAPHICAL RESTRICTIONS ON COMMERCIAL BANKING IN THE UNITED STATES—MESSAGE FROM THE PRESIDENT—PM 1

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

I am pleased to submit a report on the Geographic Restrictions on Commercial Banking in the United States, which was prepared pursuant to Section 14 of the International Banking Act of 1978 (P.L. 95-369, Sec. 14).

JIMMY CARTER.

THE WHITE HOUSE, *January 5, 1981.*

MESSAGE FROM THE HOUSE

At 3:44 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House has agreed to the following resolutions:

H. Res. 3. Resolution informing the Senate that a quorum of the House is present, and that the Honorable Thomas P. O'Neill, Jr. has been elected Speaker, and that Edmund L. Henshaw, Jr., of Virginia, has been elected Clerk of the House for the 97th Congress; and

H. Res. 4. Resolution informing the Senate that three Members be appointed by the Speaker on the part of the House to join with a committee on the part of the Senate to inform the President of the United States that a quorum of each House has been assembled and is ready to receive any communication that he may be pleased to make.

EXECUTIVE COMMUNICATION

The PRESIDING OFFICER laid before the Senate the following executive communication; which, together with accompanying reports, papers, and documents, was referred as indicated:

EC-1. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the twelfth annual report on Truth in Lending; to the Committee on Banking, Housing, and Urban Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOLE (for himself, Mr. ARMSTRONG, Mr. DURENBERGER, Mr. COHEN, Mr. BOSCHWITZ, Mr. SCHMITT, Mr. DECONCINI, Mr. PRESSLER, Mr. SYMMS, Mr. JEPSEN, Mr. HAYAKAWA, Mr. PERCY, Mr. HELMS, and Mr. DENTON):

S. 1. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions; to the Committee on Finance.

By Mr. MATHIAS:

S. 2. A bill to amend the Internal Revenue Code of 1954; to the Committee on Finance.

By Mr. PRYOR:

S. 3. To reduce paperwork in the administration of certain construction contract provisions of law relating to wage rates; to the Committee on Governmental Affairs.

By Mr. CHAFEE (for himself and Mr. BRADLEY):

S. 4. A bill to provide a cap on Federal unemployment tax rates in certain States; to the Committee on Finance.

By Mr. WARNER:

S. 5. A bill to amend title 38, United States Code, to provide a new program of educational assistance for persons who serve in the Armed Forces; to the Committee on Veterans' Affairs.

By Mr. HELMS (for himself, Mr. GOLDWATER, Mr. MCCLURE, and Mr. SYMMS):

S. 6. A bill to provide for the reinstatement of the dollar as a gold reserve currency, to stabilize the value of the dollar, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. THURMOND:

S. 7. A bill to amend title 38, United States Code, to provide a new educational assistance program for veterans and persons who serve on active duty with the Armed Forces after September 30, 1981, and for persons who perform service in the Selected Reserve of the Ready Reserve of an Armed Force after such date, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. DOLE (for himself, Mr. DECONCINI, Mr. TOWER, Mr. LUGAR, Mr. JEPSEN, and Mr. LAXALT):

S. 8. A bill to amend the Internal Revenue Code of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes; to the Committee on Finance.

By Mr. ROBERT C. BYRD:

S. 9. A bill to amend the Federal Election Campaign Act of 1971 to provide reforms with respect to campaign contributions.

By Mr. ROTH (for himself and Mr. EAGLETON):

S. 10. A bill to establish a Commission on More Effective Government, with the declared objective of improving the quality of government in the United States and of restoring public confidence in government at all levels; to the Committee on Governmental Affairs.

By Mr. MITCHELL (for himself and Mr. COHEN):

S. 11. A bill to prohibit the Secretary of the Treasury from processing potatoes for entry into the United States until certain measures are taken; to the Committee on Finance.

By Mr. DOLE (for himself and Mr. COCHRAN):

S. 12. A bill to amend the Internal Revenue Code of 1954 to allow a retirement savings deduction for persons covered by certain pension plans; to the Committee on Finance.

By Mr. DOLE:

S. 13. A bill to amend the Congressional Budget Act of 1974 to impose limits on the amounts of total budget outlays and Federal revenues set forth in concurrent resolutions on the budget, to require a two-thirds vote for agreeing to concurrent resolutions on the budget which set forth a deficit, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, by unanimous consent, pursuant to the order of August 4, 1977.

By Mr. ZORINSKY:

S. 14. A bill for the relief of Francisco D. Dozon, doctor of medicine; to the Committee on the Judiciary.

S. 15. A bill for the relief of Attilio Antonio LaFatia, Maria Rosa Scrofani (LaFatia), Piziana LaFatia, JoAnna LaFatia, and Mazzia LaFatia; to the Committee on the Judiciary;

S. 16. A bill for the relief of T.Sgt. Herman F. Baca, U.S. Air Force; to the Committee on the Judiciary.

S. 17. A bill to permit the importation of a leopard skin; to the Committee on Finance.

By Mr. CRANSTON:

S. 18. A bill to establish the Orange Coast National Urban Park in the State of California; to the Committee on Energy and Natural Resources.

By Mr. DOLE (for himself, Mr. BOREN, Mr. ARMSTRONG, Mr. BUMPERS, Mr. BURDICK, Mr. COCHRAN, Mr. DOMENICI, Mr. GARN, Mr. GLENN, Mr. GOLDWATER, Mr. HART, Mr. HAYAKAWA, Mr. HEFLIN, Mr. HELMS, Mr. HUMPHREY, Mr. JEPSEN, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. LAXALT, Mr. LONG, Mr. LUGAR, Mr. MELCHER, Mr. PERCY, Mr. PRYOR, Mr. RANDOLPH, Mr. SCHMITT, Mr. SIMPSON, Mr. TOWER, and Mr. WALLOP):

S. 19. A bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax; to the Committee on Finance.

By Mr. SASSER:

S. 20. A bill to amend title 18 of the United States Code to prohibit the robbery of a controlled substance from a pharmacy; to the Committee on the Judiciary.

By Mr. DECONCINI:

S. 21. A bill to establish a United States Court of Appeals for the Federal Circuit, to establish a United States Claims Court, and for other purposes; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. 22. A bill to amend the Communications Act of 1934 in order to recognize and confirm the applicability of and to strengthen and further the objectives of the first amendment to radio and television; to the Committee on Commerce, Science, and Transportation.

By Mr. DOLE (for himself and Mr. PERCY):

S. 23. A bill to amend the Internal Revenue Code of 1954 with respect to the special valuation of farm property for purposes of the estate tax; to the Committee on Finance.

By Mr. DOLE (for himself, Mr. CHAFEE, Mr. DANFORTH, Mr. GARN, Mr. HATFIELD, and Mr. WALLOP):

S. 24. A bill to amend the Internal Revenue Code of 1954 to provide for the establishment of, and the deduction of contributions to, education savings accounts and housing savings accounts; to the Committee on Finance.

By Mr. ARMSTRONG:

S. 25. A bill to amend title 38, United States Code, to provide a new educational assistance program for persons who enlist, reenlist, or otherwise enter the Armed Forces after December 31, 1980; and a career service person's educational assistance program, and to amend title 10, United States Code, to authorize an educational leave of absence for members of the Armed Forces; to the Committee on Veterans Affairs.

By Mr. PRESSLER:

S. 26. A bill to amend title 38 United States Code, to provide for a comprehensive program of improved benefits for veterans of the Vietnam era by establishing a program of Career Development, Advancement and Training, by establishing a Post-Vietnam Veteran's Recruitment, Retention and Readjustment Assistance Program, by providing for a conditional extension of the delimiting period with respect to educational assistance, by providing for the payment of tuition expenses under the GI Bill through an educational loan discharge program, by expanding for a period of two years the Psychological Readjustment program, by expanding and improving the effectiveness of outreach programs, educational and occupational counseling, and employment programs for Vietnam and post-Vietnam era veterans, by establishing an Interagency Veterans Coordinating Committee, and a Presidential Commission on Veterans Affairs, by providing for the identification, treatment, and compensation of veterans and dependents suffering from diseases or disabilities attributable to exposure to toxic substances, chemical or biological agents, or radiation and for other purposes; to the Committee on Veterans Affairs.

By Mr. DOLE:

S. 27. A bill to amend the Internal Revenue Code of 1954 to make permanent the allowance of a deduction for eliminating architectural and transportation barriers for the handicapped and to increase the amount of such deduction from $25,000 to $100,000; to the Committee on Finance.

By Mr. LUGAR:

S. 28. A bill to terminate the authorizations for Lafayette Dam and Reservoir, Big Pine Dam and Reservoir, Cliffy Creek Dam and Reservoir and the Big Blue Dam and Reservoir in the State of Indiana; to the Committee on Environment and Public Works.

S. 29. A bill to repeal the Federal requirement of incremental pricing under the Natural Gas Policy Act of 1978; to the Committee on Energy and Natural Resources.

By Mr. SASSER:

S. 30. A bill to provide for the payment of interest by the Federal Government on any amount due for more than thirty days to any person under the terms of a contract entered into by the Federal Government and such person; to the Committee on Governmental Affairs.

By Mr. ARMSTRONG (for himself, Mr. DOLE, Mr. BOREN, Mr. MATHIAS, Mr. GOLDWATER, and Mr. EXON):

S. 31. A bill to amend the Internal Revenue Code of 1954 with respect to the deduction of certain expenses in connection with the business use of homes and the rental of residences to family members, and for other purposes; to the Committee on Finance.

By Mr. CHAFEE (for himself, Mr. DECONCINI, Mr. DOMENICI, Mr. GOLDWATER, Mr. WILLIAMS, Mr. PERCY, Mr. TSONGAS, Mr. MOYNIHAN, Mr. BAUCUS, Mr. BENTSEN, Mr. BOSCHWITZ, Mr. CANNON, Mr. COHEN, Mr. DANFORTH, Mr. DOLE, Mr. DURENBERGER, Mr. EAGLETON, Mr. GLENN, Mr. HATFIELD, Mr. JEPSEN, Mr. JOHNSTON, Mr.

LEAHY, Mr. LEVIN, Mr. LUGAR, Mr. MATHIAS, Mr. MITCHELL, Mr. PELL, Mr. RANDOLPH, Mr. SIMPSON, Mr. SCHMITT, Mr. TOWER, Mr. WEICHER, Mr. BRADLEY, Mr. INOUYE, Mr. LAXALT, Mr. METZENBAUM, Mr. KENNEDY, Mr. ROBERT C. BYRD, Mr. HUMPHREY, and Mr. SARBANES):

S. 32. A bill to grant a Federal Charter to the Italian American War Veterans of the United States of America; to the Committee on the Judiciary.

By Mr. BURDICK:

S. 33. A bill to rescind the agricultural commodity export embargo to the Union of Soviet Socialist Republics; to the Committee on Banking, Housing, and Urban Affairs.

S. 34. A bill to amend the Internal Revenue Code; to the Committee on Finance.

By Mr. BURDICK:

S. 35. A bill to modify the authorization for the Burlington Dam, Souris River, North Dakota, contained in the Flood Control Act of 1970, and for other purposes; to the Committee on Environment and Public Works.

S. 36. A bill amending the conveyance of property to Mountrail County Park Commission, North Dakota, and for other purposes; to the Committee on Environment and Public Works.

S. 37. A bill to amend title VII of the Public Health Service Act to provide for making of grants to schools of medicine and osteopathy to assist them in the establishment and operation of educational programs; to the Committee on Labor and Human Resources.

S. 38. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; to the Committee on Finance.

By Mr. TOWER:

S. 39. A bill for the relief of Alberto Quilop Banez and Eloisa Yu Banez, his wife; to the Committee on the Judiciary.

By Mr. CRANSTON:

S. 40. A bill to establish the Big Sur Coast Area in the State of California; to the Committee on Energy and Natural Resources.

S. 41. A bill to authorize the establishment of the Desert Pupfish National Wildlife Refuge in the State of Nevada, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SASSER:

S. 42. A bill to enhance the ability of the Federal Government to collect delinquent debts; to the Committee on Governmental Affairs.

By Mr. SASSER (for himself, Mr. DURENBURGER, Mr. NUNN, Mr. ROTH, Mr. BRADLEY, Mr. EAGLETON, Mr. LEVIN, Mr. HATFIELD, Mr. HEFLIN, Mr. DANFORTH, and Mr. PRYOR):

S. 43. A bill to amend the Congressional Budget Act of 1974 to require the Director of the Congressional Budget Office to prepare and submit, for every bill or resolution reported in the House or the Senate which has certain specific economic consequences, an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, by unanimous consent jointly, pursuant to the order of August 4, 1977.

By Mr. BRADLEY:

S. 44. A bill to amend the Internal Revenue Code of 1954 to provide an income tax credit for social security taxes paid in 1981 and 1982; to the Committee on Finance.

By Mr. SASSER (for himself, Mr. NUNN, Mr. PRYOR, Mr. LEVIN, and Mr. BAUCUS):

S. 45. A bill to reform the laws relating to the provision of Federal assistance in order to provide State and local governments with greater flexibility in managing programs and projects using such assistance; to the Committee on Governmental Affairs.

By Mr. THURMOND:

S. 46. A bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits; to the Committee on Governmental Affairs.

By Mr. SCHMITT:

S. 47. A bill to amend the Immigration and Nationality Act to establish a temporary worker's visa program between the United States and Mexico; to the Committee on the Judiciary.

By Mr. DECONCINI:

S.J. Res. 1. Joint resolution to require the Federal Government to end deficit financing; to the Committee on the Judiciary.

By Mr. DECONCINI (for himself, Mr. DANFORTH, and Mr. ZORINSKY):

S.J. Res. 2. Joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office which members of the Senate and House of Representatives may serve; to the Committee on the Judiciary.

By Mr. PRYOR (for himself, Mr. BAUCUS, Mr. DURENBERGER, Mr. EXON, Mr. FORD, Mr. GARN, Mr. GLENN, Mr. RANDOLPH, Mr. LEAHY, Mr. CHAFEE, Mr. MATSUNAGA, Mr. PROXMIRE, Mr. LEVIN, and Mr. CRANSTON):

S.J. Res. 3. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. BURDICK:

S.J. Res. 4. Joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week"; to the Committee on the Judiciary.

By Mr. RIEGLE (for himself, Mr. ROTH, Mr. LEVIN, Mr. EAGLETON, Mr. BIDEN, Mr. GLENN, Mr. WILLIAMS, and Mr. METZENBAUM):

S.J. Res. 5. Joint resolution authorizing the President to enter into negotiations with foreign governments to limit the importation of automobiles and trucks into the United States; to the Committee on Finance.

By Mr. CRANSTON:

S.J. Res. 6. Joint resolution to establish a national policy for taking of predatory or scavenging mammals and birds on public lands, and for other purposes; to the Committee on Environment and Public Works.

By Mr. LUGAR:

S.J. Res. 7. Joint resolution proposing an amendment to the Constitution to require that Congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of Congress if the level of outlays exceeds the level of revenues; to the Committee on the Judiciary.

By Mr. MATHIAS (for himself and Mr. HATFIELD):

S.J. Res. 8. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and the Vice President of the United States; to the Committee on the Judiciary.

By Mr. THURMOND (for himself, Mr. DECONCINI, Mr. HATCH, Mr. HEFLIN, Mr. SIMPSON, Mr. LAXALT, Mr. EAST, and Mr. GRASSLEY):

S.J. Res. 9. Joint resolution proposing an amendment to the Constitution to promote fiscal responsibility; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOLE (for himself, Mr. ARMSTRONG, Mr. DURENBERGER, Mr. COHEN, Mr. BOSCHWITZ, Mr. SCHMITT, Mr. DECONCINI, Mr. PRESSLER, Mr. SYMMS, Mr. JEPSEN, Mr. HAYAKAWA, Mr. PERCY, Mr. HELMS, and Mr. DENTON):

S. 1. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and the amount of personal exemptions; to the Committee on Finance.

TAX EQUALIZATION ACT

● Mr. DOLE. Mr. President, despite all the debate over tax cuts in the 96th Congress, no action was taken to alleviate the rising burden of taxation that has become a drag on our economy. The election results have given us a mandate to reduce taxes. But whatever we do at this point, there will be a net increase in the taxes paid by the American people in 1981. Higher social security taxes, the windfall profit tax, and inflation will combine to raise the tax burden to record peacetime levels. The tax increase from inflation pushing people into higher brackets alone will amount to $20 billion or more in 1981.

TAXFLATION

Mr. President, inflation is our No. 1 tax problem. As inflation increases, a taxpayer's income must also increase to enable the family to buy the same amount of goods and services. But, as nominal income rises, the taxpayer is pushed into higher and higher tax brackets—thus, paying a larger tax bill—despite the fact that no gain in purchasing power has been realized. Because of our progressive tax system, the taxpayer is required to pay a higher percentage of his earnings in taxes. Although the taxpayer is earning more money to keep up with inflation, his or her real standard of living may actually decline.

INDEXING

Mr. President, the legislation I introduce today is designed to protect taxpayers from the tax impact of inflation by automatically adjusting tax liabilities each year to reflect increases in the cost of living. The Tax Equalization Act would adjust the personal income tax rates, the personal exemption, and the zero bracket amount to reflect increases in the cost of living as measured by the consumer price index during the previous year. The Tax Equalization Act is effective beginning with tax years after 1981, and will remain in effect for 4 years, at which point Congress will have an opportunity to review and determine

whether to continue the indexing adjustments.

Indexing is the way to stop unlegislated increases. Indexing is a simple concept. As inflation increases, the tax system is adjusted to prevent individuals from being pushed into higher tax brackets. For example, under the Tax Equalization Act, if the inflation rate for 1981 were 10 percent, the personal exemption would increase from $1,000 to $1,100.

VESTED INTEREST

The Government has a vested interest in inflation. For each percentage increase in the inflation rate, the Federal Government can expect an additional $1.5 to $1.9 billion in new tax revenues. According to the Joint Committee on Taxation, taxflation will increase taxes by around $20 billion in 1981. This yearly windfall bonus allows Congress to continually expand the role of Government without having explicitly to increase taxes to finance the programs it generates. The Tax Equalization Act, by depriving Congress of inflation-induced revenues, will encourage fiscal restraint and decrease the size of Government.

Many of the opponents of tax indexing have stated that such adjustments would be conceding defeat in our battle against inflation. This, of course, is nonsense. Indexing, by itself, will neither cause nor cure inflation. In fact, it may help to reduce the major impediment in our ability to control inflation—excessive Federal spending.

WAGE DEMANDS

Indexing may have a positive effect in keeping wage increases down. Without indexing, a worker realizes that a wage increase that just keeps pace with inflation will push him into a higher tax bracket. In order for him to achieve a real gain, his wages must rise faster than the cost of living. The inflation penalty inherent in the present tax structure is one of the basic reasons for inflationary wage demands, since workers must receive inflationary wage increases in excess of the cost-of-living increase simply to maintain the actual value of their take-home pay.

PUBLIC SUPPORT

Mr. President, Congress, from time to time, has reduced taxes in order to compensate for inflation. However, these reductions are often no more than a redistribution of the tax burden.

Mr. President, there are a number of other countries that have already adopted some form of tax indexing. These countries include Canada, France, Luxembourg, Denmark, Israel, Brazil, the Netherlands, and recently, Australia. In the United States, nine States, including Colorado and California, have already initiated indexed tax systems for the collection of their State income tax. In recent weeks the Advisory Commission on Intergovernmental Relations released a report concluding that State tax indexing systems help maintain the integrity of progressive taxation, protect low-income taxpayer, and increase political accountability. In addition, the New York Times has editorially endorsed tax indexing.

INCREASED REALITY

Mr. President, the Senator from Kansas believes that tax indexing will soon become a reality. In 1978 the House of Representatives passed a bill to prevent the Federal Government from taxing inflation on capital gains. Although this was not enacted into law, it was a significant step for indexing and an indication of things to come. In 1979, during the consideration of the windfall profit tax, an amendment which I introduced with a number of my distinguished colleagues received wide bipartisan support.

Mr. President, we cannot ignore the compelling arguments for indexing much longer. The American taxpayer understands the reasons that his taxes are increasing and that the Federal Government is the prime beneficiary.

Indexing is the logical and responsible way to end the see-saw syndrome of automatic and unlegislated tax increases caused by inflation. I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Tax Equalization Act".

SEC. 2. ADJUSTMENT TO INDIVIDUAL TAX RATES SO THAT INFLATION WILL NOT RESULT IN TAX INCREASES.

(a) GENERAL RULE.—Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) is amended by adding at the end thereof the following new subsection:

"(f) ADJUSTMENTS IN TAX TABLES SO THAT INFLATION WILL NOT RESULT IN TAX INCREASES.—

"(1) IN GENERAL.—

"(A) TAXABLE YEARS BEFORE 1986.—Not later than December 15 of each calendar year before 1983, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in subsections (a), (b), (c), (d), and (e) with respect to taxable years beginning in the succeeding calendar year.

"(B) TAXABLE YEARS AFTER 1985.—In the case of taxable years beginning after December 31, 1985, the tables prescribed under subparagraph (A) for taxable years beginning in 1985 shall apply in lieu of the tables contained in subsections (a), (b), (c), (d), and (e) with respect to taxable years beginning after 1985.

"(2) METHOD OF PRESCRIBING TABLES.—The table which under paragraph (1)(A) is to apply in lieu of the table contained in subsection (a), (b), (c), (d), or (e), as the case may be, with respect to taxable years beginning in any calendar year shall be prescribed—

"(A) by increasing—

"(i) the maximum dollar amount on which no tax is imposed under such table, and

"(ii) the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed under such table,

by the cost-of-living adjustment for such calendar year,

"(B) by not changing the rate applicable to any rate bracket as adjusted under subparagraph (A)(ii), and

"(C) by adjusting the amounts setting forth the tax to the extent necessary to reflect the adjustments in the rate brackets. If any increase determined under subparagraph (A) is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the next highest multiple of $10).

"(3) COST-OF-LIVING ADJUSTMENT.—For purposes of paragraph (1), the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

"(A) the CPI for the preceding calendar year, exceeds

"(B) the CPI for the calendar year 1980.

"(4) CPI FOR ANY CALENDAR YEAR.—For purposes of paragraph (3), the CPI for any calendar year is the average of the Consumer Price Index for the months ending in the 12-month period ending on September 30 of such calendar year.

"(5) CONSUMER PRICE INDEX.—For purposes of paragraph (4), the term 'Consumer Price Index' means the Consumer Price Index for all-urban consumers published by the Department of Labor.".

(b) DEFINITION OF ZERO BRACKET AMOUNT.—Subsection (d) of section 63 of such Code (defining zero bracket amount) is amended to read as follows:

"(d) ZERO BRACKET AMOUNT.—For purposes of this subtitle, the term 'zero bracket amount' means—

"(1) in the case of an individual to whom subsection (a), (b), (c), or (d) of section 1 applies, the maximum amount of taxable income on which no tax is imposed by the applicable subsection of section 1, or

"(2) zero in any other case.".

SEC. 3. COST-OF-LIVING ADJUSTMENTS IN AMOUNT OF PERSONAL EXEMPTIONS.

(a) GENERAL RULE.—Section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions for personal exemptions) is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount".

(b) EXEMPTION AMOUNT.—Section 151 of such Code is amended by adding at the end thereof the following new subsection:

"(f) EXEMPTION AMOUNT.—For purposes of this section, the term 'exemption amount' means, with respect to any taxable year, $1,000 increased by an amount equal to $1,000 multiplied by the cost-of-living adjustment (as defined in section 1(f)(3))—

"(1) for the calendar year in which the taxable year begins, or

"(2) in the case of a taxable year beginning after December 31, 1984, for calendar year 1985.

If the amount determined under the preceding sentence is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10 (or if such amount is a multiple of $5, such amount shall be increased to the next highest multiple of $10).".

SEC. 4. ADJUSTMENTS IN WITHHOLDING.

(a) IN GENERAL.—Subsection (a) of section 3402 of the Internal Revenue Code of 1954 (relating to requirement of withholding) is amended by inserting after the second sentence the following new sentence: "The Secretary shall, not later than December 15 of each calendar year before 1985, prescribe tables which shall apply in lieu of the tables prescribed above to wages paid during the succeeding calendar year and which shall be based on the tables prescribed under section 1(f) which apply with respect to taxable years beginning in such succeeding calendar year. The tables prescribed under the preceding sentence for 1985 shall also apply with respect to wages paid after 1985.".

(b) PERCENTAGE METHOD OF WITHHOLDING.—Paragraph (1) of section 3402(b) of such Code (relating to the percentage method of withholding) is amended by adding at the end thereof the following new sentence: "The Secretary shall, not later than December 15

of each calendar year before 1985, prescribe a table which shall apply in lieu of the above calendar year and which shall be based on the exemption amount (as defined in section 151(f) which applies to taxable years beginning in the succeeding calendar year. The table prescribed under the preceding sentence for 1985 shall also apply to wages paid after 1985.".

(c) WITHHOLDING ALLOWANCES BASED ON ITEMIZED DEDUCTIONS.—Paragraph (1) of section 3402(m) of such Code (relating to withholding allowances based on itemized deductions) is amended—

(1) by striking out "$1,000" and inserting in lieu thereof "the exemption amount (as determined under section 151(f) for taxable years beginning in the calendar year)"; and

(2) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) an amount equal to the maximum amount of taxable income for taxable years beginning in the calendar year on which no tax is imposed by section 1(a) (or section 1(b) in the case of an individual who is not married, within the meaning of section 143, and who is not a surviving spouse, as defined in section 2(a)).".

SEC. 5. RETURN REQUIREMENTS.

(a) Clause (i) of section 6012(a)(1)(A) of the Internal Revenue Code of 1954 is amended by striking out "$3,300" and inserting in lieu thereof "the sum of the exemption amount and the zero bracket amount applicable to such an individual".

(b) Clause (ii) of section 6012(a)(1)(A) of such Code is amended by striking out "$4,400" and inserting in lieu thereof "the sum of the exemption amount plus the zero bracket amount applicable to such an individual".

(c) Clause (iii) of section 6012(a)(1)(A) of such Code is amended by striking out "$5,400" and inserting in lieu thereof "the sum of twice the exemption amount plus the zero bracket amount applicable to a joint return".

(d) Paragraph (1) of section 6012(a) of such Code is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount".

(e) Paragraph (1) of section 6012(a) of such Code is amended by adding at the end thereof the following new subparagraph:

"(D) For purposes of this paragraph—

"(i) The term 'zero bracket amount' has the meaning given to such term by section 63(d).

"(ii) The term 'exemption amount' has the meaning given to such term by section 151(f).".

(f) Subparagraph (A) of section 6013(b)(3) of such Code is amended—

(1) by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount",

(2) by striking out "$2,000" each place it appears and inserting in lieu thereof "twice the exemption amount", and

(3) by adding at the end thereof the following new sentence: "For purposes of this subparagraph, the term 'exemption amount' has the meaning given to such term by section 151(f).".

SEC. 6. EFFECTIVE DATES.

(a) The amendments made by sections 1, 2, and 5 of this Act shall aply to taxable years beginning after December 31, 1981.

(b) The amendments made by section 4 of this Act shall apply to remuneration paid after December 31, 1981.

By Mr. MATHIAS:

S. 2. A bill to amend the Internal Revenue Code of 1954; to the Committee on Finance.

MARRIAGE TAX PENALTY

● Mr. MATHIAS. Mr. President, getting this country's economy moving again is the most important job facing the 97th Congress. President-elect Reagan and many Senators have supported a major tax cut that will spur productivity and ease the tax burden on all Americans, and I applaud these efforts. The ripple effect of a major tax cut will give our economy the boost it needs, and will help every household make ends meet in these inflationary times. Furthermore, a tax cut will give us a long delayed opportunity to end the most glaring inequity in our tax code, the marriage tax penalty, and I hope we seize this opportunity to do so.

Mr. President, in the last 20 years, our country has undergone great changes. We have put men on the Moon, learned to wait in gas lines, and watched miniskirts and wide ties come and go. Along with these noteworthy events, American society has seen an important evolution in family lifestyle. Last year, for the first time, more than 50 percent of all married American women were working outside the home—at jobs never before held by women, and at salaries more and more in line with the work they do. It is estimated that in the next 20 years, the number of women working outside the home will continue to increase, reaching 70 percent by 1990. Clearly, women wage-earners are now an integral part of American society.

Yet, in the face of this change, our tax system has stood still. Twenty-five years ago, we devised a system to allow married people to combine all family income and file their tax returns jointly. For a traditional family, with one wage-earner, this is a good system. It recognizes the expenses of raising a family, and taxes married people at an appropriately lower rate. As long as the majority of married couples were "traditional" couples, this system fell within our guidelines of being "fair and equitable to the majority of American citizens."

However, lifestyles have changed. The typical American family is no longer the traditional one. Over half of all married couples—40 million taxpayers—have two wage earners. Our tax system refuses to recognize this, and the majority of American couples are forced to pay extra taxes based upon an antiquated system that is now "fair and equitable" only to a minority of people.

This inequity is called the "marriage tax penalty." It taxes wage earners more if they are married than if they are not, because when two incomes are combined and filed jointly, both incomes are thrown into a higher tax bracket. This penalty affects all income levels, but hurts the middle income couple the most, increasing that couple's tax bill by as much as 63 percent. In short, our tax system has turned the so-called tender trap into a booby trap.

Clearly, this quirk in our tax code encourages people to save money by divorcing and simply living together, or never to marry at all.

Just listen to the letters I have received:

A Maryland minister writes that tax advisers are now advising people to live together rather than marry:

> It is interesting that the very things you said in your address to Congress, especially concerning the advice of tax advisers to older couples, contemplating marriage, is the same advice I had to give most reluctantly, and certainly with moral twinges of conscience. Yet, I know (my parishioners) could make ends meet easier as single persons than as married couples. There was no way I, as a pastor, could advise them to become man and wife under the present tax structure.

A sociologist from the University of California at San Francisco writes:

> As a sociologist I am acutely concerned over disincentives to women working and to laws and regulations which undermine the family . . . Bills such as (S. 336) are sorely needed to bring about the structural changes in our society which will allow women to realize their potential and have equal access to opportunities.

And listen to this cry from the heart from a distraught father:

> A few weeks ago . . . (my) daughter, a working girl in her early twenties, told me that she hoped to have children in the future, but would not necessarily get married . . . I tried, without sounding too preachy, to explain that a child deserved to grow up in a stable environment with both a father and a mother. But what chance have I got against a government which actually charges you money for getting married?

And, then there are examples like Mr. and Mrs. Boyter, from my own State of Maryland. For 3 years running, they have divorced at the end of the year, and remarried a few days later, after taking a vacation on the money they saved by filing as single people. I do not think our tax system should force a couple to this extreme.

It is our job as legislators to resolve this problem. Today I am reintroducing a bill which Representative MILLICENT FENWICK and I have introduced for the last three Congresses. Our bill would allow all married couples the option of filing their taxes as if they were single, using the rate schedule for single people. This proposal would simply allow all married couples to choose between two systems of filing, preventing them from paying higher taxes simply because they are married.

The Interdepartmental Task Force on Women concluded a major study on the married tax penalty which strongly supports my proposal as the "simplest way to permanently eliminate the marriage tax penalty." Our proposal is, in fact, not only the simplest, but I think the best way to eliminate the marriage tax penalty. A tax credit or deduction against the second spouse's income may be less expensive for the Treasury, but the reduction in the marriage tax would not be uniform for all couples, such a proposal would result in over-compensation for a few for the penalty they previously paid, and under compensation for the vast majority of taxpayers affected by this inequity.

Last year, in the Senate, my bill had over 30 cosponsors, and Representative

FENWICK's bill in the other body had over 250. Both the Republican and the Democratic platforms as well as 83 percent of the American public, according to a Gallup poll, support a reduction in the marriage tax penalty. The National Federation of Business and Professional Women, the Women's Equity Action League, the National Taxpayers Union, and the Family Service Association of America are among the many groups which have endorsed my bill. Clearly, the support for optional, separate filing is widespread and continuing to grow.

This penalty is not a problem that is going to disappear if we ignore it. Every time a woman enters the work force, the marriage penalty grows, as do the Treasury's windfall revenues. An obstacle to our proposal is the revenue loss. But this figure—estimated by the Joint Taxation Committee at $8 billion for 1981—makes the case for our bills more compelling. It spotlights the magnitude of the inequity, and the amount of tax money involved will only become larger and more difficult to deal with in the years ahead. The longer we wait to act, the harder it will be to wean the budget from this extra bite.

Mr. President, I ask each of my colleagues to study my bill and to join me in support of eliminating the marriage tax penalty. I ask unanimous consent that the text of my bill appear in the RECORD following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) so much of subsection (c) of section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) as precedes the table is amended to read as follows:

"(c) INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS) AND CERTAIN MARRIED INDIVIDUALS.—There is hereby imposed on the taxable income of—

"(1) every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)),

"(2) every married individual (as defined in section 143) who—

"(A) does not make a single return jointly with his spouse under section 6013,

"(B) who elects, at such time and in such manner as the Secretary prescribes, to have this subsection apply, and

"(C) whose spouse elects, at such time and in such manner the Secretary prescribes, to have the provisions of this subsection apply,

a tax determined in accordance with the following table:".

(b) Section 1 of such Code is amended by adding at the end thereof the following new subsection:

"(f) COMMUNITY PROPERTY LAWS.—In the case of a married individual (as defined in section 143) who elects to have the provisions of subsection (c) apply with respect to his taxable income for any taxable year, the computation of such taxable income shall be made without regard to any community property laws.".

(c) Subsection (d) of section 1 of such Code is amended—

(1) by inserting "CERTAIN" before "MARRIED" in the heading thereof, and

(2) by inserting ", or who elects to have the provisions of subsection (c) apply," after "section 6013".

(d) Subsection (d) of section 63 of such Code (relating to the definition of taxable income) is amended—

(1) by inserting ", or who is married and makes an election under section 1(c)" before the comma at the end of paragraph (2), and

(2) by inserting "under section 1(d)" after "return" in paragraph (3).

(e) Clause (i) of section 6012(a)(1)(A) of such Code (relating to persons required to make returns of income) is amended—

(1) by striking out ", is not" and inserting in lieu thereof "and is not", and

(2) by inserting "or who is married (as so determined) and makes an election under section 1(c)," before "and for the taxable year".

SEC. 2. Subsection (c) of section 42 of the Internal Revenue Code of 1954 (relating to general tax credit) is amended by inserting "under subsection (d) of section 1" after "return".

SEC. 3. (a) Section 44A of the Internal Revenue Code of 1954 (relating to expenses for household and dependent care services necessary for gainful employment) is amended—

(1) by inserting ", or a married individual who makes an election under section 1(c) for such year" after "year" the first place it appears in subsection (e)(1)(A),

(2) by inserting "and who has not so elected" after "year" the first place it appears in subsection (e)(1)(B),

(3) by inserting "CERTAIN" before "MARRIED" in the heading of subsection (f)(2), and

(4) by inserting "or make the election provided under section 1(c) for such year" before the period at the end of subsection (f)(2).

(b) Section 152 of such Code (relating to definition of dependent) is amended—

(1) by striking out "or (e)" in subsection (a) and inserting in lieu thereof lieu ", (e), or (f)", and

(2) by adding at the end thereof the following new subsection:

"(f) SUPPORT TEST IN CASE OF CREDIT FOR EMPLOYMENT-RELATED EXPENSES.—In the case of a married individual who makes an election under section 1(c) for the taxable year and who is entitled to claim the credit under section 44A with respect to any person but for the fact that he did not contribute over half of the support of such person, such person shall be treated for purposes of subsection (a) as having received over half of such support from such individual if—

"(1) over half of such support was received from such individual and his spouse;

"(2) the individual contributed over 10 percent of such support; and

"(3) the individual's spouse does not claim such person as a dependent in any taxable year beginning in such calendar year.".

SEC. 4. Section 1348 of the Internal Revenue Code of 1954 (relating to 50 percent maximum rate on personal service income) is amended by inserting "or make the election provided in section 1(c) for such year" before the period at the end of subsection (c).

SEC. 5. The amendments made by this Act apply to taxable years ending after the date of the enactment of this Act.●

By Mr. PRYOR:

S. 3. A bill to reduce paperwork in the administration of certain construction contract provisions of law relating to wage rates; to the Committee on Governmental Affairs.

PAPERWORK REDUCTION FOR CONSTRUCTION CONTRACTORS

● Mr. PRYOR. Mr. President, this bill has a simple purpose. This bill would change the requirement that construction contractors on Federal building projects report weekly concerning wages paid. The weekly report has become an unnecessary paperwork burden, so I propose to require instead that reports be filed with the contracting agencies only at the beginning and the end of the contract period.

This measure is intended to do something concrete and meaningful about burdensome Government regulations—something that will actually provide relief to the individuals affected. A good many people have been talking "regulatory reform" for some time. My hope is that enactment of this proposal would be at least a small step toward the reform that we all seek.

The Copeland Anti-Kickback Act, originally passed in 1934, makes it illegal to ask workers on Federal construction projects to kickback or return a portion of their wages to the contractor as a means of circumventing the prevailing wage standards of the Davis-Bacon Act. The Copeland Act and Department of Labor regulations implementing it require contractors to furnish weekly statements with respect to wages paid each employee during the preceding week.

In 1958 the Senate Government Operations Committee approved legislation amending the original act to remove the requirement that the weekly statements be "sworn affidavit(s)," and substituted instead the word "statement," making it subject to the False Information Act and, therefore, liable to criminal sanction. The purpose of that action is the same as the purpose of this proposal—that is, to simplify the filing of payroll information without reducing its usefulness as an enforcement tool.

It is the intention of this proposal to eliminate the requirement for submission of the weekly statement of wages and the requirement for submission of weekly payroll records. This proposal is intended to mean the total elimination of weekly filing requirements on federally involved construction contracts.

The language of the Copeland Act directs the Secretary of Labor to make "reasonable regulations" in furtherance of its purpose. Under current regulations, contractors must send weekly payroll reports to the contracting agency or to a Department of Labor area representative. The prime contractor is made responsible for assuring that all subcontractors used on the project adhere to the requirements, and for certifying and transmitting the subcontractors weekly payrolls to the contracting agency. This is in addition to a requirement that payroll and other basic records be preserved by contractors for a period of 3 years after the work is completed.

The information which is required to be reported weekly includes the following: Name and address of the contractor, project and its location, or contract number, payroll number, week of filing; and for each employee: Name, address, social security number, number of withholding exemptions, number of hours worked each day of the week, rate of pay, gross earnings, FICA, withholding tax and other deductions, and net wages paid for the week.

Additional requirements include more

certifications that no rebates have been made, and certifications about fringe benefits paid.

Theoretically, the weekly reports are examined by Department of Labor inspectors or other contract specialists, and the payroll information is compared to the prevailing wages prescribed by the Labor Department. However, Labor authorities have reported that real enforcement comes not from examination of these weekly payroll records submitted, but rather from spot checking carried out by the contracting agencies as well as the Department of Labor. When a worker reports an apparent violation, an onsite check is made.

Although it is difficult to pinpoint precisely the exact costs of complying weekly with the payroll reporting requirements, it is obvious that the paperwork involved is immense and the costs high.

Furthermore, the costs are not to the contractors alone. The monitoring requirement placed on contracting agencies is made burdensome and unwieldy when payrolls must be submitted weekly.

In a report released in 1979, the General Accounting Office estimated that the annual cost to contractors throughout the country is about $190 million. Although only a portion of this amount is directly attributable to the weekly reports required by the Copeland Act, I believe it to be a substantial portion.

My hope and aim is that Federal reporting requirements in this area will be amended to resemble the 1969 Arkansas law for public works construction. Section 14–635 of the Arkansas State Code requires simply that contractors and subcontractors keep records of the names, occupations, hours worked, and actual wages paid each workman, and that such records be available for inspection by the department which awarded the contract.

We, at the Federal level, can learn from this simple and reasonable approach.

This matter was fully considered in hearings of the Subcommittee on Federal Spending Practices and Open Government of the Senate Governmental Affairs Committee on October 2, 1979. Additionally, a major study of this issue was made by the Congressional Research Service. I ask unanimous consent that an excerpt from that study be printed in the RECORD following my statement.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

[Excerpt]

COPELAND ANTI-KICKBACK ACT: ELIMINATION OF WEEKLY WAGE REPORTING REQUIREMENTS

Background and pro-con analysis

(By Mary Jane Bolle)

V. SUMMARY OF ARGUMENTS FOR AND AGAINST S. 1681

Many of the arguments in support of the Pryor bill have been discussed at length previously in this paper, in setting for the backdrop and atmosphere surrounding the construction industry which is required to comply with the Copeland Act, and the Federal agency officials who enforce it. In summarizing these arguments reference is made to the pages where relevant discussion of many of the arguments appears. Where arguments either for or against the bill have not been previously discussed, they are considered in greater detail here. These arguments in no way reflect the viewpoint of the Library of Congress, Congressional Research Service, or the author of this paper.

Summary of Arguments in Favor of Eliminating Weekly Wage Reporting Requirements.—

(1) Four separate studies have concluded that weekly wage reporting requirements should be eliminated. These studies were conducted by the Commission on Government Procurement (1972), Professor Armand Thieblot of the Wharton School, in a study funded by the U.S. Chamber of Commerce (1975), Mr. Clinton C. Bourdon and Mr. Raymond E. Levitt from the Massachusetts Institute of Technology, in a study for the U.S. Department of Housing and Urban Development (1978), and the General Accounting Office. (See discussion on page 20–22 for their various recommendations.) The GAO stated additionally in its 1979 report that, "(If the Davis-Bacon Act were repealed, we believe there would be no need for contractors to submit the weekly payrolls to Labor, and this provision could be rescinded.)" [1]

(2) Other Federal laws passed since the Davis-Bacon and Copeland Acts offer enforceable wage protections to construction workers. With these other laws constituting a checks and balances system, the protection afforded by the weekly wage reporting requirements is not as crucial as it once was. These laws are summarized below:

(a) The Miller Act of 1935,[2] amended in 1978, requires that all contracts of more than $25,000 for federally funded construction work covered by the Davis-Bacon Act must be covered by a performance bond and payment bond furnished by the contractor. Every construction worker (or person who furnished material on a covered contract) has the right to sue the contractor or bonding company if he is not paid for his services within 90 days of performance.

(b) The Social Security and Wagner-Peyser Acts of 1935[3] established a program of unemployment insurance to insure workers against the loss of wages as a result of adverse economic conditions.

(c) The Fair Labor Standards Act of 1938[4] (amended many times) provided for a system of minimum wage requirements. In 1931 the Act was amended to cover certain workers in the construction industry. A 1973 study of the former Senate Labor Subcommittee indicated that 90 percent of all construction workers were covered by the Act.

(d) The Contract Work Hours and Safety Standards Act of 1962[5] (amended in 1976) requires contractors and subcontractors to pay laborers and mechanics performing on Government construction contracts, overtime pay for work in excess of 8 hours a day and 40 hours a week, at not less than 1½ times the basic rate. (The penalty is $10 for each violation for each calendar day of occurrence.)

(e) Walsh-Healy Public Contracts Act of 1936.[6] This is the first of two other prevailing wage laws (besides the Davis-Bacon Act) affecting the wages of employees working in Federal contracts. It applies to Federal supply contracts of more than $10,000 and to employees of contractors manufacturing or furnishing materials, supplies, articles or equipment to the Government. It requires that they be paid at least the minimum wages prevailing in the locality in which the materials are to be manufactured or furnished under contract.

(f) The Service Contract Act of 1965[7] is the second of two other prevailing wage laws affecting employees working on Federal contracts. It applies to Federal contracts for the furnishing of services to Federal agencies. It requires that employees be paid at least minimum wages as specified in the Fair Labor Standards Act, and for contracts of over $2,500 that employees be paid at least minimum wages prevailing for service employees in the respective localities.

It should also be noted that none of these laws or other Federal law containing labor standard provisions requires weekly reporting of wages to workers.

(3) The Copeland Act was passed as a Depression measure to protect the wages of workers. It is not needed today. In 1934 workers were substantially at the mercy of their employers. There does not exist today the same panic in the employment situation. Unemployment had reached 25 percent in 1933. The highest unemployment rate in recent years was 9.1 percent in May of 1975. Moreover, the average annual income of construction workers has risen from an estimated $1,674 in 1929 to about $14,000 in 1977.[8]

A General Accounting Office follow-up memo to the GAO report phrased the argument this way: [9]

"The fact that an estimated 3 million construction workers who work on projects not covered by Davis-Bacon are among the best paid workers in the country indicates to us that construction workers do not need the 'special protection' of the act deemed so essential by Labor."

(4) The weekly reporting requirements inundate the Federal agencies with paperwork. There are about 600,000 prime and subcontractors annually who are each providing weekly payroll forms to their contracting agencies.[10] This potentially results in a total of up to 31,200,000 payroll forms being processed by Federal Government agencies annually.

The Commission on Government Procurement stated that Government resident engineers and contracting personnel responsible for verification of such records were almost unanimous in their conclusion that few, if any, violations of significance were ever disclosed as a result of the review and verification of weekly payrolls.[11]

A letter dated September 22, 1977, written by the Secretary of Commerce to the Secretary of Labor in connection with the President's program to reduce the public reporting burden stated that: [12]

"There is no practical way nor any amount of staffing resources which will allow the Department (of Commerce) to make use of the mounting payroll reports EDA (the Economic Development Administration which was involved in about 6,000 projects under the local public works program during 1977) will accumulate."

One of the responses to the Associated General Contractor's study mentioned earlier said, with regard to the Federal agency ability to assimilate the reports sent in,[13]

"We feel that in many cases the reports are filed and not even reviewed. We have purposely made errors in reports to check this out and they have never been brought to our attention."

(5) The Copeland Act weekly wage reporting requirements represent significant costs to both contractors and the Government. Previous discussion shows that weekly reporting requirements are costly to both the private contractor and to the Federal Government. The Associated General Contractor Study suggests that the cost to contractors may be as great as $6 per week.[14] (Whether or not this cost is ultimately totally borne by the Federal Government depends on whether the project is federally funded or federally assisted.) The cost to Federal agencies for enforcement of the Copeland weekly wage reporting provisions may run as high as $15 million.[15]

FOOTNOTES

[1] The Davis-Bacon Act Should Be Repealed, report of the General Accounting Office, op. cit., p. 22.

[2] 40 U.S.C. 270.
[3] 42 U.S.C. 501 et seq., and 29 U.S.C. 49 et seq., respectively.
[4] 29 U.S.C. 201, et seq.
[5] 40 U.S.C. 327, et seq.
[6] 41 U.S.C. 35 et seq., 29 U.S.C. 251 et seq.
[7] 41 U.S.C. et seq.
[8] The Davis-Bacon Act Should Be Repealed, op. cit., p. 21.
[9] Memo of Comptroller General Elmer B. Staats, op. cit., p. 29.
[10] As reported in the memo of Comptroller General Elmer B. Staats, op. cit., p. 21.
[11] The Davis-Bacon Act Should Be Repealed, op. cit., p. 80.
[12] Ibid., p. 82.
[13] The Davis-Bacon Act Should Be Repealed, op. cit., p. 106.
[14] Memo of Comptroller General Elmer B. Staats, op. cit., p. 21.
[15] See p. 19 for breakdown of agency costs under the Davis-Bacon and Copeland Acts. ●

By Mr. CHAFEE (for himself and Mr. BRADLEY):

S. 4. A bill to provide a cap on Federal unemployment tax rates in certain States; to the Committee on Finance.

REPAYMENT OF STATE LOANS IN THE UNEMPLOYMENT COMPENSATION PROGRAM

● Mr. CHAFEE. Mr. President, the legislation I introduce today addresses the increasing problem of the repayment of loans made to States in the unemployment compensation program.

The bill is identical to an amendment which passed the Senate on October 2, 1980, during consideration of H.R. 8146, the Federal Unemployment Compensation Act. Due to the press of business at the close of the 96th session, the conference on H.R. 8146 was never convened.

I am honored to be joined in introducing this bill by my colleague Mr. BRADLEY, who worked tirelessly for its enactment last year.

Currently, 16 States owe more than $4.4 billion to the Federal Government for unemployment compensation program loans. I believe that States which borrowed money to meet unemployment insurance (UI) benefit claims should continue to repay those loans. I am concerned, however, that repayment schedule in current law is overly punitive and will result in loss of jobs and industry in indebted States. The bill I am introducing today seeks to ease this schedule while insuring continuous reimbursement of outstanding loans.

There are many reasons why States need to borrow money to meet UI benefit claims. Some factors, such as eligibility requirements, tax and benefit levels, and administrative efficiency, are primarily determined by State law.

States have less control, however, over two additional factors which have a far greater effect on unemployment compensation program costs: The number of unemployed and the duration of unemployment. These factors are influenced by national economic policy far more than by State law. Thus, a combination of State law and the national economic situation determine UI costs in each State.

During the 1974–76 recession, State UI trust fund payments exceeded income because of chronic, high levels of unemployment, coupled with a longer duration of unemployment for most workers. States were permitted to borrow from the Federal UI trust fund in order to meet benefit claims. Repayment of State loans was deferred until 1979.

At that time, indebted States were assessed an additional 0.3 percent of payroll under the Federal Unemployment Tax Act (FUTA) actually, a 0.3-percent reduction in the FUTA credit. This add-on was earmarked to repay the outstanding loan. The penalty tax is assessed all employers, regardless of their experience rating. For each subsequent year that there is an outstanding loan, the penalty tax increases by 0.3 percent.

The policy of annually increasing the penalty tax assessed employers in indebted States is a perfect example of a "catch 22." Indebted States are caught in the unenviable position of needing to reduce unemployment and attract new jobs in order to improve the fiscal stability of the UI programs, while being assessed an additional tax in order to repay the loan.

Higher taxes make businesses in the State less competitive, thereby providing an incentive for firms to cut jobs and relocate. Unemployment in the State increases, adding to the State's debt and need to borrow from the Federal Government to meet benefit claims.

This clearly does not make sense. In my view, States should be required to pay back their loans but should not be subject to a steadily increasing tax burden. An additional FUTA tax of 0.9 percent or 1.2 percent is highly punitive. It will force business to leave indebted States, only making matters worse.

The bill I introduce today establishes criteria for a State to qualify for a cap on the escalating penalty tax. If a State program is sound—according to the criteria in this bill and regulations issued by the Secretary of Labor—the penalty tax would be capped at a minimum of 0.6 percent. If a State that complies with these requirements is already subject to a higer penalty tax, the tax would be capped at the higher level.

In order to be eligible for the tax cap, a State must meet several requirements. First, the overall State unemployment insurance program solvency could not be decreased from the previous year. Its tax effort must not have been reduced and must be sufficient to meet that year's benefit obligations. No State legislation could have been enacted during the preceding year which had the effect of lessening the solvency of the program; that is, liberalization of benefits must be accompanied by an increase in taxes in order for a State to be eligible for the cap. Second, the State must repay its loan at the capped rate—0.6 percent or higher—and any additional loans received during the preceding year.

Mr. President, States which meet these requirements will have generally sound unemployment insurance systems. Revenues will equal or exceed benefit payments and new loans from the Federal Government will not be necessary.

States which have sound unemployment insurance programs and are repaying their loans should not continue to be penalized with an escalating penalty tax. States which fail to meet the solvency requirements or change their programs once a freeze is in effect would lose eligibility for the cap and be subject to the penalty tax in current law.

The bill also includes special provisions for recission-impacted States. In the case of States experiencing unusually high rates of unemployment, the bill would allow the cap to apply, except that affected States would not be required to have repaid any new loans taken out during the preceding year. To qualify for this exception, a State would have to have either, first an insured unemployment rate of 7 percent or more during a 26-week period in the Federal fiscal year preceding the determination date, or second, an insured unemployment rate during a 26-week period of that fiscal year which was 4.8 percent or higher and was at least 20-percent higher than the average insured unemployment rate in the comparable 26-week period of the 2 preceding fiscal years. States which qualify for this provision would have to repay any new loans no later than 12 months following the end of the first fiscal year in which they no longer qualify for the exception.

Over the long run, this bill has no impact on the budget. All outstanding loans will be repaid, but the payments will be spread over a longer period of time than what is contemplated by current law. Because States which qualify for the cap cannot increase their net loan balances, this bill may actually reduce the overall cost of the unemployment compensation program.

Mr. President, the bill I introduce today is extremely important to my State of Rhode Island as well as 15 other States, located in the industrialized Northeast and Midwest regions. Those States now in debt include: Connecticut, Delaware, District of Columbia, Illinois, Maine, Massachusetts, Michigan, Minnesota, Montana, New Jersey, Pennsylvania, Puerto Rico, Vermont and the Virgin Islands.

The unemployment compensation tax cap is a reasonable, fair and straightforward way to protect jobs and industry in these States. I urge speedy enactment of this bill. ●

● Mr. BRADLEY. Mr. President. I am pleased to join my colleague Senator CHAFEE in introducing this legislation which would assist the employers of New Jersey and more than a dozen other States to make an orderly repayment of funds borrowed from the Federal unemployment trust fund.

Widespread joblessness and declining tax revenues during the last recession forced 25 States to take loans from the Federal unemployment trust fund because they had exhausted their own resources. The State of New Jersey was forced to borrow nearly $750 million to meet its unemployment benefit obligations. As of last year, it has repaid $83 million—leaving an outstanding debt of almost $652 million. As of last year, a total of $4.3 billion is owed by the 12 States still in debt, including, Connecticut, Delaware, Illinois Maine, Massachu-

setts, Michigan, Montana, Pennsylvania, Rhode Island, Vermont, as well as New Jersey.

With the current economic outook—continued escalating interest rates, increased unemployment—additional States are likely to join the ranks of these 12. Furthermore, the burden of the "penalty tax" in the current law is likely to be the final straw for businesses in the 12 present debtor States.

Existing law permits States to borrow interest-free loans from the Federal unemployment trust fund. If the debt is not paid off on time, employers in the State face an escalating penalty tax of a 0.3-percent-per-year surcharge on employers' payments into the State fund. That means that the surcharge becomes 0.6 percent in the second year, 0.9 percent in the third year, and so on until the debt is entirely repaid. This surcharge is on top of the 0.7 percent Federal unemployment tax that all employers pay.

The legislation before us does not forgive any outstanding loans to anyone. What it does do is to establish a reasonable and orderly means of repaying the debt without destroying the economies of the States involved and bankrupting countless businesses for an economic climate they did not create.

Simply put, this amendment would cap the interest rates so the penalty tax would go no higher than 0.6 percent and, if States meet certain requirements, they could draw on their own unemployment trust funds or general revenues to pay the equivalent penalty tax instead of imposing that burden on employers. The indebted States would have extra flexibility during a recession. At the same time, the amendment places responsibility on these States to repay outstanding loans and not to liberalize employee benefits or decrease employer tax effort until the loans are repaid.

I believe that this legislation offers a reasoned approach to a severe and widespread national problem. It is an approach which was carefully crafted by the Senate Finance Committee last year with bipartisan support. It was also endorsed by this body last year as part of legislation which passed the Senate but which was not acted upon by the House.

I urge the Senate to act promptly in passing this legislation. States throughout the country cannot afford to wait for another year and worse economic conditions before relief is offered.●

By Mr. WARNER:

S. 5. A bill to amend title 38, United States Code, to provide a new program of educational assistance for persons who serve in the Armed Forces; to the Committee on Veterans' Affairs.

ARMED FORCES EDUCATIONAL ASSISTANCE ACT OF 1981

● Mr. WARNER. Mr. President, during the past year a very serious problem emerged with respect to our Nation's Armed Forces. It became clear during the course of 1980 that the readiness of our military forces had declined considerably and that one of the primary causes of this decline was the failure to recruit and to retain qualified individuals in adequate numbers to man our Forces.

The Congress and the Nation, in effect, were faced with a military manpower crisis. We were suffering a "hemorrhage of talent," in the words of the Chief of Naval Operations, Adm. Thomas Hayward. All our military services were encountering shortages of senior enlisted and junior officer personnel numbering in the tens of thousands.

In some instances these shortages of skilled personnel were so serious as to prevent the deployment of military units. A Navy ship, the U.S.S. *Canisteo,* was, in fact, removed from operational status and failed to deploy to the Mediterranean because the ship was judged unsafe due to personnel shortages. An aircraft carrier battle group narrowly missed being held back from deployment because of similar personnel shortages.

Happily, the Congress responded quickly and over the course of 1980 a substantial number of military manpower initiatives were passed into law. Military pay was raised; medical benefits were improved; enlistment and reenlistment bonuses were increased; Navy sea pay and submarine pay were increased; flight pay was increased; and a number of other pay and nonpay initiatives were approved.

In all, a very substantial sum of money was rightfully directed at our military manpower problems and I am hopeful that these efforts will help to stem the loss of highly skilled personnel from our Armed Forces. Early indications are that the manpower initiatives of the past year are having a positive impact and that reenlistment rates have improved.

However, more needs to be done if we are to maintain capable military forces over the long term. Military pay should be made competitive with civilian pay and a number of quality-of-life issues must be addressed, including military housing, medical care and other concerns of military personnel and their families.

One item, however, which would contribute greatly to recruiting and retaining quality military personnel would be to reinstitute the GI bill.

In my view, no single factor could do more to induce substantial numbers of high quality personnel to join the military than a new GI bill. Also a GI bill with a provision that earned benefits may be passed on to a spouse or children of a career military man or woman would be very helpful in retaining people in military service.

For these reasons I am today reintroducing a bill to provide a new form of the GI bill. This bill, if passed, will certainly improve recruiting prospects for our military services and induce qualified college-bound individuals or those with technical aptitude to enlist in our military services. Such a bill would also help to retain qualified individuals in our military services.

I believe it was a serious mistake for the Congress to terminate the GI bill in 1976. I believe we are paying a heavy price in the declining quality and overall aptitude of our military personnel and in the increased costs due to higher attrition of personnel who are unqualified. Congress should quickly reinstitute a new GI bill.

This bill I am introducing is designed to provide four basic educational assistance options which, taken together, will encourage enlistment and improve retention of quality military personnel.

The first option is specifically designed as an incentive for recruitment. To qualify for educational assistance, an enlistee must make a commitment of time and service. After 3 years of active duty and with a 3-year commitment to the Active Reserves, the individual qualifies for 18 months of educational assistance. This should also be an important benefit for those not necessarily interested in formal university level education, but who can take advantage of this option for junior college or technical school training. There is a critical national shortage of technicians, professional machine and tool designers, skilled medical assistants, et cetera, and such training should help alleviate that situation.

The second option is analogous to the original GI bill in concept and is designed as an incentive for both recruitment and retention. Thirty-six months of educational assistance would be provided to those who make the time and service commitment of 4 years of active duty, along with a 4-year service in the Active Reserves.

The third option provides 36 months of educational assistance to those individuals who remain on active duty 6 years before taking advantage of the GI bill. The Active Reserve commitment is waived. The 6 years of active duty should help relieve the critical skill shortage at intermediate enlisted personnel levels.

As an additional incentive for retention, a fourth option is provided which allows the individual to pass his or her 36-month educational assistance program on to a spouse or child after 16 years have been devoted to active duty.

The costs of this bill have been estimated to be about $1 billion per year which is only a small percentage of the amount of taxpayers' funds being spent by the Department of Education in aid to higher education loan and grant programs.

However, much of this cost would be offset by lower recruiting and training costs, and by savings accruing from lower attrition rates which would result from higher proportions of recruits who are high school graduates or are from the higher mental categories.

Also, in a very real sense, a GI bill would pay for itself over the long term, due to the increased tax revenues resulting from the improved earning potential of those who gain a higher education as a result of the GI bill. This was clearly the case with the World War II, Korea, and Vietnam GI bills.

In sum, a GI bill would be a good investment both in terms of improving our military forces and in improving the educational level and earning potential of millions of Americans.

Mr. President, several forms of the GI bill have been introduced over the past year and, though the details differ, there is strong support in the Congress for a new GI bill. President-elect Reagan has indicated his strong support for a return to the GI bill and I am hopeful that 1981 will be the year a new GI bill is instituted.

I urge that the Veterans Affairs Committee hold hearings on this and other GI bills at an early date.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Armed Forces Educational Assistance Act of 1981".

SEC. 2. (a) Title 38, United States Code, is amended by adding after chapter 32 the following new chapter:

"Chapter 33—ARMED FORCES EDUCATIONAL ASSISTANCE PROGRAM

"Sec.
"1644. Statement of purpose.
"1645. Definitions.
"1646. Eligibility, entitlement.
"1647. Time limitations for completing a program of education.
"1648. Educational assistance; subsistence allowance.
"1649. Program requirements.
"1650. Right of eligible veteran to transfer entitlement to spouse or dependent children.

"§ 1644. Statement of purpose

"It is the purpose of this chapter to demonstrate that an improved educational assistance program for persons who serve on active duty will not only exact honorable military service from such persons but will also increase the retention rate of current and future military personnel, increase recruitment of personnel, and enhance the quality of the military force generally.

"§ 1645. Definitions

"For the purposes of this chapter—

"(1)(A) The term 'eligible veteran' means any person who entered military service after September 30, 1981, and (i) served on active duty for three or more years after such date and was discharged or released therefrom under conditions other than dishonorable, or (ii) was discharged or released from active duty after such date for a service-connected disability.

"(B) The requirement of discharge or release, prescribed in subparagraph (A), shall be waived in the case of any person who has completed at least three years' active duty (which began after September 30, 1981).

"(C) For the purposes of subparagraphs (A) and (B), the term 'active duty' does not include any period during which an individual (i) was assigned full time by the Armed Forces to a civilian institution for a course of education which was substantially the same as established courses offered to civilians, (ii) served as a cadet or midshipman at one of the service academies, or (iii) served under the provisions of section 511 (d) of title 10 pursuant to an enlistment in the Army National Guard or the Air National Guard, or as a Reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve.

"(2) The terms 'program of education' and 'educational institution' shall have the same meaning as in subsections (b) and (c), respectively, of section 1652 of this title.

"§ 1646. Eligibility; entitlement

"(a) Except as otherwise provided in this section—

"(1) an eligible veteran who serves at least 36 consecutive months but less than 48 consecutive months of active duty and who agrees to serve as a member of the Ready Reserve of an armed force for three years immediately after such veteran's discharge or release from active duty shall be entitled to 18 months of educational assistance under this chapter;

"(2) an eligible veteran who serves at least 48 consecutive months but less than 72 consecutive months of active duty and who agrees to serve as a member of the Ready Reserve of an armed force for four years immediately after such veteran's discharge or release from active duty shall be entitled to 36 months of educational assistance under this chapter; and

"(3) an eligible veteran who serves at least 72 consecutive months of active duty shall be entitled to 36 months of educational assistance under this chapter without any requirement for service as a member of a reserve component of an armed force.

"(b) An eligible veteran who has served on active duty for a period of 16 years as of September 30, 1987, or any time thereafter, may transfer, as provided in section 1650 of this title, such veterans educational entitlement under this chapter to such veteran's spouse or children.

"(c) Whenever the period of entitlement under this section of an eligible veteran who is enrolled in an educational institution regularly operated on the quarter or semester system ends during a quarter or semester, such period shall be extended to the termination of such unexpired quarter or semester. In educational institutions not operated on the quarter or semester system, whenever the period of eligibility ends after a major portion of the course is completed such period shall be extended to the end of the course or for 12 weeks, whichever is the lesser period.

"(d) Eligible veterans under this chapter shall be eligible for education loans authorized by subchapter III of chapter 36 of this title in such amounts and on the same terms and conditions as provided in such subchapter, except that the term 'eligible veteran' as used in such subchapter shall be deemed to include 'eligible veteran' as defined in this chapter.

"(e) Except as provided in subsection (a) and in subchapter V of chapter 34 of this title, no eligible veteran shall receive educational assistance under this chapter in excess of 36 months.

"(f)(1) No educational assistance shall be afforded to any eligible veteran who fails to complete three consecutive years of active duty service.

"(2) The Administrator shall terminate the benefits under this chapter in the case of any veteran who fails to participate satisfactorily in the Ready Reserve of an armed force if such participation was a requirement for entitlement under this section. The Administrator may reinstate such benefits upon receipt of certification from the Secretary of Defense that such veteran is participating satisfactorily as a member of the Ready Reserve of an armed force.

"§ 1647. Time limitations for completing a program of education

"(a) No educational assistance shall be afforded an eligible veteran under this chapter beyond the date six years after the veteran's last discharge or release from active duty after September 30, 1981; except that, in the case of any eligible veteran who was prevented from initiating or completing such veteran's chosen program of education within such time period because of a physical or mental disability which was not the result of such veteran's own willful misconduct, such veteran shall, upon application, be granted an extension of the applicable delimiting period for such length of time as the Administrator determines, from the evidence, that such veteran was prevented from initiating or completing such program of education.

"(b) In the case of any eligible veteran who has been prevented, as determined by the Administrator, from completing a program of education under this chapter within the period prescribed by subsection (a), because the veteran had not met the nature of discharge requirements of this chapter before a change, correction, or modification of a discharge or dismissal made pursuant to section 1553 of title 10, the correction of the military records of the proper service department under section 1552 of title 10, or other corrective action by competent authority, then the six-year delimiting period shall run from the date the veteran's discharge or dismissal was changed, corrected, or modified.

"(c) In the case of any eligible veteran (1) who became eligible for educational assistance under the provisions of this chapter, and (2) who, subsequent to the veteran's last discharge or release from active duty, was captured and held as a prisoner of war by a foreign government or power, there shall be excluded, in computing the veteran's six-year period of eligibility for educational assistance, any period during which the veteran was so detained and any period immediately following the veteran's release from such detention during which the veteran was hospitalized at a military, civilian, or Veterans' Administration medical facility.

"§ 1648. Educational assistance; subsistence allowance

"(a) The Administrator shall pay, in the case of each eligible veteran pursuing a program of education under this chapter, the cost of such veteran's tuition and fees or $1,500 per school year (or an appropriate portion thereof, as determined under regulations which the Administrator shall prescribe, in the case of an eligible veteran pursuing a program of education on a part-time basis), whichever is less.

"(b) The Administrator shall pay to each eligible veteran pursuing a program of education under this chapter a subsistence allowance of $300 per month (or an appropriate portion thereof, as determined under regulations which the Administrator shall prescribe, in the case of an eligible veteran pursuing a program of education on a part-time basis), except that an eligible veteran pursuing a program of education while serving on active duty shall not be eligible for a subsistence allowance under this section.

"§ 1649. Program requirements

"The provisions of sections 1670, 1671, 1673, 1674, 1677, 1681(c), 1683, 1696, and 1698 of this title and the provisions of chapter 36 of this title shall be applicable to the educational assistance program provided for in this chapter.

"§ 1650. Right of eligible veteran to transfer entitlement to spouse or dependent children

"(a)(1) An eligible veteran described in section 1646(b) of this title may transfer all or any part of such veteran's educational entitlement under this chapter to such veteran's spouse or to a child of such veteran. Any transfer under the preceding sentence may be revoked at any time by the veteran making the transfer.

"(2) If a veteran described in paragraph (1) dies before making such an election but has never made an election not to transfer such entitlement, any unused entitlement of such veteran shall be automatically transferred to such veteran's surviving spouse or (if there is no surviving spouse or if the surviving spouse so elects) to such veteran's children.

"(b) Any transfer of entitlement under subsection (a) shall be made in such form and manner as the Administrator concerned may prescribe.

"(c) A spouse or surviving spouse or a child to whom entitlement is transferred

under this section is entitled to educational assistance under this chapter in the same manner and in the same amount as the veteran from whom the entitlement was transferred, except that the delimiting period shall be ten years after the date on which the entitlement is transferred or ten years after the veteran's last discharge or release from active duty, whichever is earlier. A surviving spouse is not entitled to educational assistance under this section by virtue of the service of another person during any period during which the surviving spouse is remarried.

"(d) The total amount of educational assistance available to a veteran entitled to educational assistance under section 1646 of this title and to the veteran's spouse and dependent children is the amount of educational assistance to which the veteran is entitled. If more than one person is being provided educational assistance for the same period by virtue of the entitlement of the same veteran, the subsistence allowance authorized by section 1648(b) of this title shall be divided in such manner as the person may specify or (if the person fails to specify) as the Secretary concerned may prescribe.".

(b) The table of chapters at the beginning of such title and at the beginning of part III of such title are each amended by adding below the item relating to chapter 32 the following new item:

"33. Armed Forces Educational Assistance Program.".

(c) Chapter 32 of title 38, United States Code, relating to the post-Vietnam-era veterans' educational assistance program, is amended by adding at the end thereof the following new section:

"§ 1644. Termination of program.

"No person who enters the military service after September 30, 1981, and who is eligible to earn educational assistance entitlement under chapter 33 of this title shall be eligible to participate in the program provided for in this chapter after such date, and no person who entered the military service before such date shall be eligible to participate in such program after September 30, 1983. The preceding sentence shall not be construed to deny benefit payments under this chapter to any eligible veteran who was a participant before the applicable termination date specified in the preceding sentence.".

(d) Clause (4) of section 1795 of title 38, United States Code, relating to limitation on period of assistance under two or more programs, is amended by inserting "33," after "chapters 31,".

SEC. 3. (a) The Administrator of Veterans' Affairs and the Secretary of Defense, not later than ninety days after the date of enactment of this Act, shall submit to the Congress a joint report containing their respective plans for implementing the educational assistance program provided for under chapter 33 of title 38, United States Code, as added by section 2 of this Act.

(b) The Secretary of Defense shall report to the Congress semiannually on the effect that the educational assistance program provided for under chapter 33 of title 38, United States Code, as added by section 2 of this Act, has had on the number and quality of individuals entering the Armed Forces. Each such report shall include—

(1) the number of original enlistments in the Armed Forces, the number of first reenlistments, and the number of other volunteers for active duty during the preceding six-month period;

(2) the retention and attrition rates in the Armed Forces during the preceding six-month period;

(3) a comparison of the enlistment, reenlistment, retention, and attrition rates in the Armed Forces during the preceding six-month period with those for a comparable period in each of the preceding five years; and

(4) such other pertinent information as the Secretary deems appropriate.●

By Mr. HELMS (for himself, Mr. GOLDWATER, Mr. MCCLURE, and Mr. SYMMS):

S. 6. A bill to provide for the reinstatement of the dollar as a gold reserve currency, to stabilize the valuation of the dollar, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

GOLD RESERVE ACT OF 1981

● Mr. HELMS. Mr. President, today, I offer a bill which would dramatically reform our Nation's monetary system.

My bill would provide for restoration of the dollar as the premier world currency.

The bill would provide for the removal of politics and manipulation from the monetary system.

The bill would provide for relative price stability—an end to inflation.

The bill would make the dollar as good as gold.

SUPPLY-SIDE MONETARY POLICY

Mr. President, the Gold Reserve Act of 1981 provides for a new gold standard designed to meet the needs of our complex economy and designed to take our Nation into the next century with growth and stable prices.

The Gold Reserve Act of 1981 is the monetary equivalent of supply-side, classical economics—the economics of growth, jobs and stable prices.

We must put an end to inflation. The American working man cannot survive more of the same old Keynesian medicine that made America's economy sick in the first place. The American economy cannot survive; the Nation itself is threatened.

The United States is the only nation that can provide a reserve currency—one that holds its value. The U.S. dollar is now sadly, a second-class currency. U.S. inflation helps feed international inflation and leads to the disruption of every economy in the West. We undermine the values of civilization by not stopping this insanity.

We undermine the very foundations of the family, the church, schools, communities, political and social institutions.

Why a gold standard? The answer to that is simple: It works. The hysteria of the inflationists, when they berate gold, reveals that they either do not understand the gold standard concept or inflation is a part of their game plan.

The Gold Reserve Act of 1980 provides that the Federal Reserve System administer monetary policy so as to provide for stable prices. This is accomplished by strictly limiting the authority of the central bank to manipulate the monetary base.

In brief, this act would prohibit the monetization of Federal debt, and require the regulation of monetary policy so as to keep the value of the currency equal to a given quantity of gold. Gold will serve as a "surrogate" for all goods and services, just as it has done for almost all stable monetary systems in recorded history.

THE MARKET SETS THE GOLD/DOLLAR RATIO

My proposal specifies that the marketplace will determine the"price of gold—the number of dollars per ounce; the number of grains per dollar. This will be done through a transition period of 6 months following enactment of the bill. During that period, the Federal Reserve would take no action to affect the money supply. The Treasury would announce that, after 6 months, it would stand ready to buy and sell gold at the average free market price of the last 5 business days at the end of that period.

The purpose of letting the marketplace determine the gold/dollar ratio is to prevent either more inflation or a deflation.

If, for example, the United States would attempt to reestablish the old, $35 per ounce price, the only way to prevent a massive run on gold stocks would be by greatly contracting the supply of dollars. Only if price levels were reduced through a great contraction of the money supply, would gold be worth $35 per ounce, thereby stemming the gold flows.

In the 1960's, the London Gold Pool and other mechanisms were devised to reduce the accessibility of individuals abroad from converting their dollars into gold. Since 1933, Americans were denied this vital ability. Only central banks were allowed to convert dollars to gold, and central banks are the economic institutions most susceptible to political pressure. The world's central banks are the institutions the U.S. Government could most easily persuade to refrain from requesting gold for dollars.

In Europe, it was the threat of troop removal that the Lyndon Johnson administration—and, one suspects, the Nixon administration—used on our dollar-glutted allies.

At the same time, the reduced convertibility of dollars into gold reduced the utility of dollars. The threat of devaluation made people and organizations less willing to hold dollars; this exacerbated an already difficult situation. The desirability of holding dollars declined, and this effectively increased the amount of unneeded dollars internationally. At home, monetary policy did little to try to maintain the value of the dollar. Monetary policy was aimed at financing deficits and tampering with the economy. Monetary policy was not administered to maintain the value of the currency—to make $35 be worth 1 ounce of gold.

The reduced convertibility was an attempt to treat a symptom, but it worsened the problem of excess dollars.

If monetary policy had been administered to maintain the $35-per-ounce price, then there would have been no need to curb convertibility.

Once inflation got out of hand, however, it was foolish to think of "going back" to the $35 price. Such a restoration would have meant a general price deflation brought on by a significant contraction in the money supply. If the free market was simply reflecting the monetary value of gold in 1974, when Americans again could own gold, then

gold at $200 per ounce would have meant that a restoration of the old $35 per ounce price required a massive reduction in the money supply: perhaps something like an 80-percent reduction, if a straight mathematical relationship is applicable.

What has happened in the past? In the 1920's Great Britain attempted to restore the gold standard it had abandoned in the midst of World War I. It restored the prewar gold/pound ratio in spite of the fact that there had been considerable inflation during the war. The upshot was a price deflation in Great Britain that led to great unemployment, economic contraction, and the abandonment of the gold standard again.

If Great Britain had chosen another gold/pound ratio that was double or triple the old ratio, then instead of deflation, there would have been more inflation until the general price level made the legislated ratio fit the marketplace.

The same is true in the establishment of a new gold standard for the United States. If we arbitrarily pick a gold/dollar ratio that would be too low—too few dollars per ounce—then, in order to protect that established ratio, there would have to be a contraction of the money supply: a deflation. If, on the other hand, we were to pick a gold/dollar ratio too high—too many dollars per ounce—then there would be an influx of gold to the central bank, an increase in the reserves, an addition to the money supply; inflation.

Thus, unless we would change the present value of the dollar, we have to allow the marketplace to tell us what the present value of the dollar is in terms of gold. Our purpose in monetary reform is to stabilize the value of the dollar and not allow for more disruptive inflation or for the concomitant monetary disorder, deflation. Thus, the market must be able to make the determination—with the full knowledge that once that determination is made, the United States will administer monetary policy to preserve it. In other words, we cannot use today's market price of gold of around $600 per ounce because that price may be quite different if the dollar were to be "as good as gold." The present price would be influenced by the changed utility of dollars vis-a-vis gold under a monetary system where the concept of "inflation hedges" becomes one with little practical use.

If we allow a 6-month transition period for the marketplace to establish the "price" of gold, we allow for the knowledge of the new monetary system to spread throughout the world, and for the market to dictate what the value of 1 ounce of gold is in terms of dollars and what the value of $1 is in terms of a quantity of gold.

There is no way that we can know today what that price is. There are a number of formulae which suggest anything from $400 per ounce to $1,000 per ounce. It has been said that I advocate the former, $400, price. That is, of course, wrong, for it would be supposing that I know what the market will determine. Many have said that the price would have to fall because the gold price is forced up today by those in the market for inflation hedges or in the market for something that serves as a real store of value. Undoubtedly this is true, but there has never, to my knowledge, been a definitive way of saying just how much of the gold market would dissolve if the United States were to make the dollar fully convertible.

The important factor is that the market would have a period of time to tell us what the proper "price" or the proper gold/dollar ratio is.

From then on, the price of gold would be fixed. The Federal Reserve would be required to keep the quantity of gold within a specific range as a percentage of the monetary base—the outstanding currency, and central bank member reserves. The target level of gold would be present gold stocks of 265 million ounces. The present monetary base is approximately $165 billion. The target gold reserve level would depend on the value of the U.S. gold stocks as a percentage of the monetary base.

MARKET-SET MONETARY POLICY

Just as we ask the marketplace to determine what the initial gold/dollar ratio will be, so we ask the marketplace to dictate the monetary policies that will keep the dollar/gold ratio stable.

If, for example, the system is in operation for some time, and we find that increased amounts of gold are coming into the Federal Reserve, what happens? First of all, the increased gold means that there are increased reserves in the central bank against which its member banks can make loans. But in addition, the increased reserves tell the bank authorities that the marketplace is desiring dollars over gold: that there is a need for more dollars. In such instances, the central bank can take actions such as purchasing Government securities to further increase its reserves and thus augment the supply of credit available in the economy.

The Federal Reserve would be bound by its reserve guidelines so it could not increase money supply excessively. It is also bound by the marketplace which would begin to turn in dollars for gold if the dollar's value began to fall as a result of actions by the monetary authorities resulting in too much liquidity. In this case, the turned-in dollars reduce the supply of currency in circulation, and redeemed gold reduces the bank reserves against which member banks can lend.

What the constancy of the system does is to provide a stabilization of the value of the currency. This automatic accommodation of changes in the market demand for money means that there is little to gain from monetary speculation for there is little change in the value of the currency. The system means that there is much to gain by counting on the long-term value of the currency for investment and savings.

THE NEED FOR ADDED COMMENTARY

It is my intention to ask a broad spectrum of economists, bankers, businessmen, and others for their views on this bill. I am prepared to make what modifications seem proper.

IS "PRICE STABILITY" THE PROPER GOAL?

Since I introduced the "Gold Reserve Act of 1980," S. 3181, in the 96th Congress, some concerns about that legislation have been brought to my attention. I think it is important to discuss them briefly.

The first has to do with the concept of "relative price stability." I have tried to discuss the present bill in the context of maintaining the value of the currency, rather than maintaining relative price stability. The confusion arises in two contexts.

The first, and relatively less important, is that price stability sounds a lot like we are saying that the price of a car will stay the same relative to the price of a loaf of bread or a suit of clothes. Under a free market, relative prices are always changing as tastes, technology, and other factors of production and demand change. The goal we want to accomplish with monetary reform is that the consumer and the businessman will know if price changes are a result of the changes in the value of the monetary unit or a result of market factors. In order for that individual to make a good decision, he must know that it is not the Government's money manipulators that are affecting the price of a given good or service.

The second aspect of this term, "price stability," is more important. It deals with the question of what makes up our definitions of inflation and price levels. The Consumer Price Index (CPI) is an index of goods and services worked up some years ago by somebody in the Department of Labor who thought it would be a good, rough, judgment of how much an average family of four has to spend to get along. But by using the CPI to index programs, contracts, and benefits, we politicize the index. We made adjustments to its political hotcakes. We institutionalize something that may or may not really reflect our own individual cost of living.

In other words, were our goal to stabilize the Consumer Price Index, we could probably come up with a monetary system that required the Federal Reserve Board to contract the money supply growth rates every time the CPI went up a point or two, and to increase the money supply growth rates every time the CPI went down a point or two. That would be the ultimate in institutionalizing a statistical abstract.

WHY NOT MONEY SUPPLY TARGETS?

The problem with price levels in some respect is similar to the problem with money supply targets themselves. Many of my friends have endorsed a system of legislated specific growth rates in the money supply—or one of the several definitions of the money supply presently in use.

In this case, the institutionalized statistical abstract would not be the CPI, it would be "M2" or "M1b." Monetary policy would be administered to reach a specific target of money supply.

The Nobel prize winner, Frederick von Hayek, accused those who would so define money as having a "pretense of knowledge." I suppose he would say the same about those who would put today's CPI on a pedestal in the same context. He said simply, that money cannot be defined because it changes from person to person and even from transaction to transaction. Certainly, we have seen the

various statistical monetary measurements change greatly with recent changes in the banking laws and with changes in the desires of the marketplace. Hayek says, and I think he is right in this regard, that the Federal Reserve System simply is not omniscient, and cannot judge for our economy what our money supply is, let alone what it should be.

WOULD A GOLD STANDARD LAST?

There is an added skepticism about the gold standard which should be addressed. It was recently published by Business Week magazine, a journal noted for its Keynesian outlook. The surprising thing was that it was a statement by the great Austrian economist himself, Frederick von Hayek. Hayek was asked by the writers at Business Week about a gold standard and replied that he thought that a gold standard was a gimmick that would be scrapped after a few years.

I suspect that Hayek was referring to a restoration of the Bretton Woods system which had few binding disciplines on the creation of credit. In other words, if we adopted a gold standard in 6 months, and if we were to sell gold at the newly fixed price, and then we continued to monetize a big Federal deficit, and we increased money supply whenever the computer in the basement of the Fed said to, then people would start turning in their dollars for gold and within a year or two there would not be any gold left. Hayek's prophecy would come true and we will be back where we started.

Hayek was also speaking from a deep skepticism of anything governmental. It is a skepticism that I share, in part, with him. I suspect that Professor von Havek would agree with me when I suggest that politicians should not have the power to debase the currency. The power that the politicians in the Federal Reserve System have today is just that. They contend that Congress has given them the mandate to do just what they are doing and to a large degree they are right. The present laws give the authority to the Fed to inflate, and inflate they do.

I suspect, in addition, that Hayek would also doubt that taking away the power to destroy the currency—as I would do—would be reversed by subsequent changes in the law. It is true that the meager disciplines of the Bretton Woods system were diluted by amendment after amendment. It is also true that there could be amendments to the Gold Reserve Act of 1981 that could change reserve requirements or in other ways dilute it. But as long as the individual has the opportunity to redeem his dollar into gold, the marketplace would provide discipline and the individual at least would not face the kind of confiscation of the value of his currency that now takes place.

In order to abandon the new Gold Reserve Act, the Government would once again require people to turn in all their gold as was done under the administration of Franklin Roosevelt.

Hayek's solution is an independent, floating gold currency that would exist alongside the dollar. I have no objections to such a system, and unless we can restore the dollar to a currency of choice, then I will do what I can to see that Americans have freedom to use what currency they would or to use gold. Hayek contends that if this gold currency is available, eventually people would turn to it instead of dollars. In theory, of course, he is right.

If the dollar becomes more and more useless as a decent form of money, people will seek alternates. But they will not do so until more destruction of the dollar takes place. They will not do it until we inflict even more damage on our economy—even more damage on our social and political institutions. There are historical precedents available, of course. The hyperinflation of Germany toward the end of World War II saw the use of cigarettes, chocolate and other commodities as alternative currencies. Most especially, the end of World War II saw the use of the U.S. dollar as the premier alternative currency. But I think that there would have to be a massive hyperinflation before alternative currencies would be used here voluntarily in daily commerce.

In Germany's other hyperinflation—that of 1922–23, the remedy was a gold standard. The remedy was the use of a government-adopted gold standard to stabilize the economy and allow people to resume their normal lives. In Germany, the gold standard came too late. Inflation virtually destroyed the middle class, and with the economic keel on which the republican form of government rested. The rise of totalitarian fascism followed.

In the United States, I do not think we have the luxury of waiting around until the present monetary system completely collapses. I do not want my country to pay that cost

ART LAFFER'S "BLUEPRINT"

I am indebted to Prof. Arthur Laffer, author of the paper, "The Reinstatement of the Dollar: The Blueprint," for his work in outlining the way that the new gold standard would be effectively and beneficially adopted by our Nation. The paper incorporates many concepts contained in the U.S. proposals offered at the Nairobi meeting of the International Moneary Fund and printed in the Economic Report of the President submitted in 1972.

On August 18, 1980, I asked that excerpts of the Laffer paper be printed in the CONGRESSIONAL RECORD. It is located on page 21576 in the Senate proceedings of that day.

OUR PRESENT MONEY MESS

Mr. President, the present, patchwork monetary system is staggering along without any clear hope of survival. Indeed, the most likely case is more inflation—more destruction of the monetary system.

That is what inflation is. It is the destruction of the money—the crumbling of the value of the dollar.

Inflation destroys the ability of the U.S. dollar to serve as money. It removes two of the three functions of money. Inflation means that the dollar no longer serves as a store of value. Inflation also means that the dollar no longer serves as a standard of value. Today, the dollar only serves as a medium of exchange, a unit of account that is good for today's transaction only at today's value. Tomorrow, the dollar will be worth less.

We can no longer use the dollar as a standard of value because of its changing value. As a result, there is no way that judgments can be made about relative prices over time. In other words, how can we judge the relative value between a 1980 model Chevrolet and a 1960 model Chevrolet? We cannot use their original purchase prices. Well, of course, we could have an economist calculate the depreciation of the value of the dollar in the past 20 years, and we would come up with a figure which would say that the $10,000 Chevrolet is really only a fraction of that amount when measured in 1960 dollars. Then we can compare the relative merits based on 1960 dollars. This price in 1960 dollars versus that price in 1960 dollars.

The great cost, difficulty, awkwardness of this process means that it is simply not done in almost all transactions. It means that the sovereign individual in the marketplace has lost one of the most important tools of making rational economic judgments—historical prices. It means that the inability of the individual to make rational judgments distorts the market. It delivers the wrong signals to producers. It means that there will be less goods and services available.

Today, the faltering present monetary system is being blamed on everything except the monetary authority. The present Federal Reserve System policies seem based on the principle that the monetary policy must accomplish things more than maintaining the value of the currency. The present Fed seems to think that its most important duty is to finance Federal deficits.

The present Federal Reserve System seems to have been under the impression that it had to hold down the Treasury funds rate before the election: I point to the fact that money supply was increasing at an unconscionable rate of over 17 percent per year in certain weeks before the election. Now we see the results: a predictable money crunch that has crippled the capital markets and threatens another recession. In the late summer, one Federal Reserve Board Governor said that they could not do anything about the money supply. Most recently a newspaper article quoted an unnamed Fed official who said that it was not the intention of the Board to let interest rates get this high.

POLITICAL MONEY MANAGERS

But the Governors on the Board of the Federal Reserve System are politically appointed, and confirmed by the Senate. It is not surprising that they act in such a way as to accommodate their political sponsors. They are all too clearly, mortal men.

What should be clear is that men should not be given such vast powers over the money system. Certainly, the power to corrupt the dollar is a corrupting influence itself.

What should be clear is that the Federal Reserve Act must be replaced with

legislation which would make the political appointees subject to an iron rule to maintain the value of the currency. That is the intent of my bill—its basic purpose.

Mr. President, I ask unanimous consent that a section-by-section analysis of the bill be printed in the RECORD along with the text of the Gold Reserve Act of 1981.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Gold Reserve Act of 1981".

FINDINGS

SEC. 2. The Congress finds that—

(1) maintenance of the value of the dollar is necessary for the economic independence and security of the individual and the family;

(2) monetary policy should provide for the maintenance of the value of the dollar;

(3) monetary policy is not a proper or effective tool for reaching economic or social goals, other than assuring the value of the monetary unit, the dollar;

(4) the destruction of the value of the dollar through chronic inflation is caused by monetary policy;

(5) the failure to contain inflation demonstrates that discretionary monetary policy must be tempered by a monetary standard;

(6) failure to maintain the value of the dollar has led to international economic disorder;

(7) experience in other countries as well as in the United States, over long stretches of time, has shown that a gold monetary standard has superior ability to maintain the value of currency; and

(8) a gold standard can provide a monetary system that maintains price stability in a growing economy.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "standard price of gold" means the average price of gold bullion at New York for immediate delivery prevailing during the five business days ending on the one hundred and eightieth day after the date of enactment of this Act, as determined and proclaimed by the Secretary of the Treasury, except that if a gold holiday is proclaimed under the provisions of section 7 of this Act, the standard price of gold then in effect shall cease to apply, and the "standard price of gold" shall mean the average price of gold bullion at New York for immediate delivery prevailing during the five business days ending on the ninetieth day after the proclamation of such gold holiday as determined and proclaimed by the Secretary of the Treasury;

(2) the term "gold reserves" means the value, at the standard price of gold, of the aggregate amount of gold held by the Federal Reserve banks or held by the Treasury in custody for such banks;

(3) the term "monetary base" means the aggregate of liabilities (excluding capital accounts) of the Federal Reserve banks;

(4) the terms "upper reserve limit" and "lower reserve limit" means 175 per centum and 25 per centum, respectively, of the target reserve quantity;

(5) the term "gold holiday" means the ninety days following proclamation of such holiday by the Board of Governors of the Federal Reserve System pursuant to section 7 of this Act; and

(6) the term "target reserve quantity" means that total value of gold, at the standard price of gold, which bears the same proportion to the monetary base as gold reserves bore to the monetary base on the one hundred and eighty-first day after approval of this Act or, if a gold holiday shall have been proclaimed, on the ninety-second day after proclamation of such holiday.

TRANSFER OF GOLD RESERVES

SEC. 4. Upon the enactment of this Act, the gold certificates issued and outstanding under the provisions of section 2(a) of the Gold Reserve Act of 1934 (31 U.S.C. 441) shall be canceled and every right, title, interest, and claim of the United States to the gold represented by such certificates shall pass to and are hereby vested in the several Federal Reserve banks holding such certificates. All gold so transferred, not in the possession of the Federal Reserve banks, shall be held in custody for the banks and delivered upon the order of the Board of Governors of the Federal Reserve System. The Secretary of the Treasury shall take such action as may be necessary to assure that such gold shall be so held and so delivered.

REVALUATION OF GOLD RESERVES

SEC. 5. Any increase or decrease in gold reserves due to a change in the standard price of gold shall be credited or debited to a special capital account to be established on the books of account of the Federal Reserve banks, but no credit balance shall be distributed to any stockholder or to the United States.

GOLD PURCHASES AND SALES

SEC. 6. (a) Each Federal Reserve bank shall sell gold on demand at a price equal to 100 7/10 per centum of the standard price of gold, and shall accept in payment therefor only Federal Reserve notes, whether issued by itself or another Federal Reserve bank, or drafts on reserve accounts or other deposits held by it.

(b) Each Federal Reserve bank shall buy gold when offered to it at a price equal to 99 3/10 per centum of the standard price of gold, and shall issue in payment therefor only Federal Reserve notes or deposit credits in that bank.

(c) Nothing in this section shall be deemed to require any Federal Reserve bank to buy or sell gold in any quantity less than that quantity having a value of $10,000 at the standard price of gold, except as provided in section 10 of this Act.

(d) The provisions of this section shall become effective on the one hundred and eighty-second day after the approval of this Act.

RESTRICTIONS ON CHANGES IN THE MONETARY BASE

SEC. 7. Notwithstanding subsections (b) and (c) of section 12A of the Federal Reserve Act (12 U.S.C. 263(b) and (c)) or any other provision of law, the monetary base—

(1) shall not be permitted to increase during any period in which gold reserves are less than 75 per centum of the target reserve quantity;

(2) shall be decreased by 1 per centum per month during any period in which gold reserves are less than 50 per centum of the target reserve quantity;

(3) shall be increased by 1 per centum per month during any period in which gold reserves are more than 125 per centum of the target reserve quantity; and

(4) shall be increased by 2 per centum per month during any period in which gold reserves are more than 150 per centum of the target reserve quantity.

GOLD HOLIDAY; PROCLAMATIONS; PROHIBITED ACTIONS

SEC. 8. (a) If gold reserves become less than 25 per centum, or more than 175 per centum, of the target reserve quantity, the Board of Governors of the Federal Reserve System shall proclaim a gold holiday.

(b) Upon proclamation of a gold holiday under subsection (a), the standard price of gold then in effect shall cease to apply, and a new standard price shall be determined in accordance with section 2(a) of this Act.

(c) Notwithstanding any other provision of law, during the period of any gold holiday proclaimed under subsection (a)—

(1) no Federal Reserve bank shall purchase gold for, or sell gold from, its gold reserves; and

(2) the monetary base shall not be permitted to increase or decrease by more than 1 per centum from its value at the time the gold holiday is proclaimed.

RULES AND REGULATIONS

SEC. 9. The Board of Governors of the Federal Reserve System shall prescribe rules and regulations to carry out the provisions of this Act other than section 9.

COINAGE

SEC. 10. The Secretary of the Treasury shall mint and issue gold coins of .900 fineness in such denominations and of such sizes and weights, but not less than one-fourth of an ounce, as he determines to be appropriate to meet public demand. Coins minted under this section shall be subject to the requirements of section 3517 of the Revised Statutes (31 U.S.C. 324), and shall bear such other patriotic designs, symbols, or inscriptions as the Secretary determines to be appropriate.

REPEAL OF EXISTING LAWS

SEC. 11. (a) Sections 5, 6, and 7, and the last sentence of section 15 of the Gold Reserve Act of 1934 (31 U.S.C. 315b, 408a, 408b, 444) are repealed.

(b) Section 11(n) of the Federal Reserve Act (12 U.S.C. 248(n)) is repealed.

SECTION-BY-SECTION SUMMARY OF THE GOLD RESERVE ACT OF 1981

Section 1. Short Title. "Gold Reserve Act of 1981".

Section 2. Findings. Maintenance of the value of the dollar is the sole proper goal of monetary policy. A gold standard is necessary to success in such policy.

Section 3. Definitions.

"Standard price of gold"; "gold reserves"; "monetary base"; "upper reserve limit" and "lower reserve limit"; "gold holiday"; "target reserve quantity".

Section 4. Transfer of gold reserves. All gold certificates evidencing gold held by Treasury as reserve for Federal Reserve System are cancelled, and the ownership of all the gold so evidenced reverts to the Federal Reserve, upon enactment. This exactly reverses the action taken by the Gold Reserve Act of 1934.

Section 5. Revaluation of gold reserves. When U.S. gold reserves are transferred to the Federal Reserve and valued at market (instead of, as at present, being valued at the artificial price of $42.22/fine troy ounce), there will be a substantial increase in Federal Reserve assets. To balance this on the other side of the books, a capital account is established which cannot be distributed to member banks holding Federal Reserve stock.

Section 6. Gold purchases and sales.

(a) and (b). Provide for sale and purchase, respectively, of gold by the Federal Reserve banks, on demand, payments to be made only in Federal Reserve notes or drafts on Federal Reserve liabilities (such as reserve accounts). Prices of transactions are set at 7/10 of one per cent on each side of the standard price of

gold, which is essentially the market price of gold for immediate delivery in New York in the week before resumption of gold transactions under this Act.

(c) Federal Reserve banks shall not be required to deal in quanities of gold of value less than $10,000, except for gold coins.

(d) Resumption of gold transactions will occur on the 182nd day after enactment of this Act.

Section 7. Restrictions on changes in the monetary base. The Federal Reserve System will be required to expand or contract the aggregate of its liabilities (thereby, through bank reserves, expanding or contracting the money supply) whenever the value of the gold reserves deviates substantially from the target reserve quantity. This target is set to maintain the same percentage of gold backing for Federal Reserve liabilities (including Federal Reserve notes and reserve accounts) as obtained on the day before resumption of gold transactions under this Act. Full discretion is allowed if gold reserves are between 75 percent and 125 percent of the target: the base may not be increased if reserves fall below 75 percent and must be decreased by 1 percent per month if they fall below 50 percent of the target. If reserves are above 125 percent of target, the monetary base must be increased 1 percent per month, and they must be increased by 2 percent per month if reserves are above 150 percent of the target.

Section 8. Gold holiday; Proclamation: Prohibited actions.

(a) If gold reserves deviate beyond 25 percent or 175 percent of the target, the Board of Governors of the Federal Reserve System is required to proclaim a gold holiday.

(b) During a gold holiday, for a period of 90 days, there will be no transactions in gold, and then a new standard price of gold will be established and gold transactions resumed on the 92nd day. The purpose of this provision is to prevent the entire economy from having to adjust, through inflation or deflation, to some extraordinary occurrence affecting the underlying supply or demand for gold. For example, discovery of the cyanide process for recovery of gold meant that the "natural" price of gold should decline. There is no economic purpose to having the entire monetary base and the economy adjust to this, so this provision would permit establishment of a new price standard.

(c) During the period of a gold holiday, there would be no gold transactions and the monetary base would not be permitted to vary by more than 1 percent from its value at the beginning of the period. Thus, the gold price will be established by the market and not be affected by government monetary actions.

Section 9. Rules and regulations. The Board of Governors of the Federal Reserve System is granted the usual authority to prescribe rules and regulations to carry out the Act.

Section 10. Coinage. Provides for gold coinage in sizes and weights to meet public demand, such coins to be determined by the Secretary of the Treasury, but not in size less than ¼ ounce.

Section 11. Repeal of existing laws. Repeals various parts of the Gold Reserve Act of 1934 that are inconsistent with the present Act, and section 11(n) of the Federal Reserve Act (pertaining to authority of the Secretary of the Treasury to seize gold).●

By Mr. DOLE (for himself, Mr. DECONCINI, Mr. TOWER, Mr. LUGAR, Mr. JEPSEN, and Mr. LAXALT):

S. 8. A bill to amend the Internal Revenue Code of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes; to the Committee on Finance.

INDEPENDENT CONTRACTORS

● Mr. DOLE. Mr. President, I send to the desk a bill to clarify the standards for determining whether an individual is an independent contractor or an employee.

NEW LEGISLATION SIMILAR TO EARLIER DOLE PROPOSAL

This bill is similar to the measure I introduced in the last Congress in that it provides objective criteria for the determination of independent contractor status. A new provision, however, has been added to provide that failure to meet the objective standards of the bill will not prohibit an individual from asserting independent contractor status under common law.

The addition of this "no inference" clause will assure that all individuals who traditionally have been considered independent contractors will continue to be treated as independent contractors for Federal tax purposes. This Senator, however, anticipates that most independent contractor issues will be settled by reference to the objective standards contained in this legislation. These objective standards should provide for a significant reduction in disputes with the Internal Revenue Service.

IRS AUDIT CAMPAIGN

Since the early 1970's the Internal Revenue Service has undertaken an aggressive audit campaign of employment taxes. In this effort the IRS has sought to recharacterize as employees many individuals who have been traditionally considered independent contractors. This increase in audits and in retroactive assessment of taxes has placed a great burden on many taxpayers who have relied upon long-standing characterization as independent contractors.

The distinction between an independent contractor and an employee is important because employers do not have to withhold on wages of independent contractors, nor pay social security or unemployment taxes. If the IRS prevails on a reclassification of employment tax status from an independent contractor to employee, the employer becomes liable for employment taxes which have not been withheld or paid to the Treasury.

The IRS effort to recharacterize independent contractors as employees has been based on a belief that independent contractors are not paying the taxes they owe the Government. No one would question that each segment of our population should pay its rightful share of taxes. Unfortunately, the IRS has undertaken a massive campaign in this area without satisfactorily showing that there is sufficient noncompliance to justify the increased burdens they seek to impose. This Senator, for one, remains unconvinced that independent contractors are avoiding any significant amount of taxes which would be paid if withholding were imposed.

PRIOR LEGISLATIVE ACTION

The Congress included in the Revenue Act of 1978 a provision which I sponsored to allow employers to continue to treat individuals as independent contractors if there was a "reasonable basis" for treating them as independent contractors in the past. This temporary measure was set to expire at the end of 1980 so that Congress would have the opportunity to fashion a permanent solution.

It proved to be impossible to act on a permanent solution by the expiration date of the temporary measure. This Senator was reluctantly forced to offer merely an additional 18-month extension of the status quo. This extension was enacted, along with several other extensions of present law, at the end of the session last year.

RESPONSIBILITY FOR EARLY ACTION

Mr. President, the Senator from Kansas believes this legislation being introduced today represents a good approach to an unfortunate problem. We have an obligation to many taxpayers in this country to provide them with certainty as to their responsibilities in the collection of taxes. We have an equal obligation not to impose requirements more restrictive than necessary to assure the collection of taxes due. This Senator truly hopes that this measure will be considered and acted upon prior to June 1982 so that further extension of temporary legislation will become unnecessary.●

By Mr. ROTH (for himself and Mr. EAGLETON):

S. 10. A bill to establish a Commission on More Effective Government, with the declared objective of improving the quality of government in the United States and of restoring public confidence in government at all levels; to the Committee on Government Affairs.

ESTABLISHMENT OF A CITIZENS COMMISSION ON MORE EFFECTIVE GOVERNMENT

● Mr. ROTH. Mr. President, we are all very concerned at the direction our Nation will follow throughout the new decade of the eighties. We are facing serious problems as a people which will require strong and effective leadership and a consistent, well constructed set of ideas and policies to guide our efforts. If we set our goals and develop our resources with careful foresight, I believe that we will emerge from the challenges of this decade stronger as a nation than ever before.

To help us cope with developments in this rapidly changing world, however, we must have an effective and coherent set of principles and, most importantly, a governmental structure capable of guiding our Nation's evolution. In my view, there is no task more pressing than to improve the quality and effectiveness of Federal, as well as State and local, service to the American public. We simply can no longer afford to tolerate a government which is expensive, wasteful, and incapable of balancing the many competing and diverse needs of our society. The American people must have confidence in their government and its direction. Without that confidence, we stand less chance of making the adjustments and adopting the new ideas and policies we must to cope with the future.

Unfortunately, as we are all too aware, the citizens of our Nation have steadily lost their confidence in government at all levels. The Advisory Commission on Intergovernmental Relations recently completed its annual survey on citizen attitudes toward government and its findings report, in startling clarity, the extent of public dissatisfaction with government. The Commission found, for example, that almost 40 percent of those surveyed felt the Federal Government has too much power. A plurality of those contacted believed that State and local governments are too fragmented and disorganized to be effective. Even more revealing, for the first time since 1972, the Commission found that the Federal Government was rated far less effective than local governments "in giving the people the most for their money."

Mr. President, I believe the American people do want their government, at all levels, to be active, but they also want an effective and efficient leadership capable of identifying the really pressing issues and formulating coherent policies. It is evident to me that the Government has tried to be all things to all people. It has begun to perform functions that are not Caesar's and as a consequence, it has begun to neglect Caesar's primary and important duties. Government is so involved in every conceivable issue that the urgent has begun to displace the necessary and important. We need to reshape our Government and make it manageable as well as more capable of performing its necessary functions.

For these reasons, Mr. President, I am today introducing, with Mr. EAGLETON, a bill to establish an 18-member commission on more effective government, modeled, to some degree, after the two successful Hoover Commissions of the 1940's and 1950's. The legislation will provide the commission with the tools it needs to study government at all levels and propose effective and I hope fundamental reforms in the governmental process. Similar legislation was introduced in the House last year by Congressman RICHARD BOLLING, with the support of over 160 cosponsors, and will be again this year an important priority for the Congressman. Congressman BOLLING and I met in early December on this legislation and agreed to make the push for the creation of a broad study commission a bipartisan and cooperative effort.

This proposal for a Hoover-style commission is one that I have made on several prior occasions. As a Member of the House of Representatives in 1968, I suggested a comprehensive reorganization and simplification effort under the direction of a 10-member commission. One hundred and four House Members joined me as cosponsors of that bill. Several years later, in the Senate, I again initiated a proposal for a major and comprehensive examination of the structure of Government as part of our effort to curb Federal spending. The same basic approach was included in S. 2925—the Government Economy and Spending Reform Act of 1976—which became known as the sunset bill. The sunset bill was introduced last year as S. 2 and had 74 cosponsors. Title III of that bill again provided for a commission to study Government structure and functions.

Mr. President, I believe the Commission proposed by the bill introduced today by Senator EAGLETON and myself must be made a first priority of the Congress. I believe we need a guide or blueprint to help us reorganize and improve our Government. We have given the President broad authority to reorganize the Government agencies and redirect Government policies. While this authority is important, I do not feel it provides the necessary tools we need to revitalize Government.

By their nature, reorganization plans concentrate on specific, often narrow policy and program areas. Broad overviews of the effectiveness of national policies are not possible through the reorganization process because it is designed largely to deal with management or administrative issues and problems. Further, reorganization plans seldom reflect broad public support and strong interest by Members of Congress. Often, such plans fall victim to the vested interests that private and professional interest groups have in existing policies and agency arrangements.

Ultimately, the true champion of reform and reorganization must be the American public in cooperation with both the President and the Congress. Unless there is a solid and recognized commitment by both Congress and the President with strong public backing, the various interest groups can play "reorganization roulette" and offset the intentions of one branch of Government by the actions of another branch. There must be a recognized political imperative to move in the direction of changing our Government in order to overcome the inertia and resistance of the existing chaos. The public mandate must outweigh the preference for inaction or muted reform.

This is why a commission, such as we propose in this bill, is so important. A commission which is jointly established by Congress and the President, and which has half of its members recruited from the general public, would embody a joint commitment and joint dedication to reform. It would transform public support and anticipation for reform into a practical mandate for the findings and the final blueprint of the commission. The commission would be in a position to sustain public support for an overhaul of government structure and objectives by enhancing reform proposals with political balance, objectivity and independence. The opportunity for significant and lasting reforms which presents itself today is one that should be used to the best possible advantage for the lasting improvement of government at all levels.

Mr. President, there has not been a governmentwide nor intergovernmental examination of government operation and structure for almost 30 years. A government which was complex and in need of reform in 1950 is now considerably larger and more complicated but still in need of reform. Some things do not change.

The Federal budget has grown from $45 billion in 1950 to a possible $660 billion or more in the current fiscal year. State and local governments spent a combined total of just over $20 billion in 1950 while they will spend over $350 billion in 1980. In an area in which I am particularly familiar, Federal assistance to State-local governments amounted to only $2.2 billion in 1950 and is projected to reach a level of over $90 billion in the 1981 fiscal year. In terms of sheer size, the problems and complexities of government have been compounded dramatically over the last three decades.

There are even more startling indicators of these dramatic changes. For instance, between the years 1930 and 1939, 149 new government agencies at the Federal level were created. Only 53 of those agencies were created by the Congress. The rest appeared through executive action of some type or another. By contrast, only 67 existing agencies terminated during that same time period. In the decade of the 1970's, 430 new agencies sprang to life, a threefold increase in agency births over the previous decade. Two hundred and sixty-five of those agencies were created by statute and during the same time period only 157 existing agencies were eliminated. Altogether, during the entire nearly half century from 1930 to 1978, 1,037 new agencies were born and only 550 were eliminated. The growth in government is more than an illusion and it has greatly constrained government's ability to lead our Nation.

We need another comprehensive review of our system of government. The commission we propose today, like the Hoover Commissions, can provide us with the mechanism to make that review and give us, I believe, a good return on our investment. The first Hoover Commission, for example, established by President Truman, served from 1947 to 1949. It made 273 recommendations to reorder the structure of government. Seventy-two percent of its recommendations (196) were eventually adopted. There have been estimates that the adoption of these recommendations has saved the taxpayer as much as $5 billion annually.

The second Hoover Commission was established by President Eisenhower and served from 1953 to 1955. It made 314 recommendations and of those 200 or 64 percent were adopted. These improvements have saved the taxpayers an estimated $4 billion a year. Yet, the two Hoover Commissions together cost less than $5 million.

I do not want to leave the impression that the Commission we are seeking will only be charged with streamlining and reorganizing Government operations. I believe the Commission should, and does have a far broader mandate. It should review not only the structure, but also the substance of government. It should ask fundamental questions such as which level of Government should have primary responsibility for a given policy? What is the President's role in directing Federal policies and managing programs? How should Congress restructure itself to reflect changing requirements? How do we establish mechanisms to reconcile the

many conflicting national policies? Is the typical agency structure in need of change?

We need, in other words, to fundmentally rethink our attitude toward Government and how it should function in and with our modern day society and economy. I believe the bill Senator EAGLETON and I introduce today can help us rethink our assumptions and, in the final analysis, make Government work better and more effectively in a rapidly changing world.

Mr. President, I have met with President-elect Reagan and members of the transition team about this proposal and they fully agree that a broad study of Government is needed. Although the bill I introduce today is not perfect, I plan to convene hearings in the Governmental Affairs Committee soon in an effort to strengthen and improve the legislation. I look forward to working with the incoming administration, Congressman BOLLING, Congressman JACK BROOKS, to whose committee the Bolling bill will be referred, and Senator EAGLETON, the ranking minority member on the Governmental Affairs Committee, to insure the enactment of this important measure.●

By Mr. DOLE (for himself and Mr. COCHRAN):

S. 12. A bill to amend the Internal Revenue Code of 1954 to allow a retirement savings deduction for persons covered by certain pension plans; to the Committee on Finance.

RETIREMENT SAVINGS DEDUCTION

● Mr. DOLE. Mr. President, today I am introducing legislation which will provide a substantial incentive to the many participants in tax-qualified retirement plans to save additional funds for their retirement. This legislation will allow individuals who participate in employer-sponsored plans to either contribute to such a plan or to a special retirement savings account and receive a tax deduction for that contribution.

NEED FOR RETIREMENT SAVINGS

Encouragement of savings for retirement must be a major emphasis of this Congress. We are all too aware how inflation has cruelly discounted the value of every individual's savings. Inflation has provided a major disincentive for long-term savings, such as for retirement years. Yet, the pressures on the social security system and private retirement plans make obvious that additional sources of retirement funding must be considered.

This Senator, for one, believes that encouragement of private savings must play a major part in the Nation's retirement policy. Encouraging voluntary savings has the advantage of imposing less Government on our people while making it more worthwhile for individuals to save, rather than spend their incomes on current consumption.

PRESENT INCENTIVES FOR RETIREMENT SAVINGS

Congress has seen the wisdom of such incentives for voluntary savings in the past. The Employee Retirement Income Security Act of 1974 included a provision which allows an individual to take a tax deduction for contributions to an individual retirement account.

However, this provision was limited to individuals who did not participate in an employer's tax-qualified retirement plan. The thought was that individuals who had no other retirement plan should be encouraged to set aside funds of their own for retirement.

This had some merit, especially since the primary concern was to provide a modest benefit for nonparticipants in pension plans at the same time that ERISA was enacted in an attempt to provide more responsible employer-sponsored pension plans.

INCENTIVES MUST BE BROADENED

However ERISA created a disparity which has resulted in a drop in employee participation in private pension plans and has created a disincentive for employers to establish modest pension plans with hopes that they could be made more generous in the future. Obviously, if an employer-sponsored plan must rely on substantial employee contributions in early years, it is unlikely to be considered as attractive to employees as an IRA to which contributions are tax deductible.

Furthermore, many individuals are considered to be participants in tax-qualified retirement plans even though, in fact, they may receive little or no benefits when they retire. For instance, in some plans an employee must work for 10 years before he obtains a nonforfeitable right to receive any retirement benefit. During these first 10 years an employee is considered to participate in the plan even though he may never remain employed by the same employer for the 10 years necessary to qualify for retirement benefits.

It should be clear that all employees should be allowed to deduct, within limits, amounts contributed to provide funds for retirement. Discrimination between employees based upon the mere existence of an employer-sponsored plan is neither reasonable nor good policy.

ESSENTIAL PART OF ECONOMIC RECOVERY

This Senator has introduced similar legislation in both the 95th and 96th Congress and has long been committed to legislation which will encourage long-term savings. There should be little doubt that there is now an increased awareness of the economic pressures awaiting employees who retire in an inflationary economy. I hope the time has come for action.

This Senator believes that a major part of any effort to restrain inflation must include incentives to make savings more attractive than immediately spending all income. At the same time, increased savings will provide the capital necessary to relieve some of the pressures which are causing interest rates to rise so dramatically and make economic recovery a realistic goal.

The Senator from Kansas also is introducing similar legislation which would encourage saving to purchase a first home and to fund college education. These incentives should be considered a foundation upon which to reverse the bias against saving and in favor of current consumption which now exists in our tax laws.●

By Mr. DOLE:

S. 13. A bill to amend the Congressional Budget Act of 1974 to impose limits on the amounts of total budget outlays and Federal revenues set forth in concurrent resolutions on the budget, to require a two-thirds vote for agreeing to concurrent resolutions on the budget which set forth a deficit, and for other purposes; pursuant to the order of September 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

SPENDING LIMITATION ACT

● Mr. DOLE. Mr. President, one of the most pressing and serious problems facing us as we reconvene for the start of the 97th Congress is the expanding role of Government. The American people are tired of seemingly limitless Government spending, ever increasing taxing, and a rapidly growing national deficit.

EXCESSIVE FEDERAL SPENDING

Mr. President, the public wants more efficient and smaller Government. In recent years a number of initiatives have been approved at the State level that limit Government spending and taxes.

The Federal Government has so far not heeded these warnings. Congress continues to increase spending, maintain unwarranted deficits, and legislate higher tax rates. The bill which I introduce today is designed to restore fiscal sanity and sound economic planning.

GOVERNMENTAL EXPENDITURES

Mr. President, the range of governmental activities has been increasingly expanding. In 1929, governmental expenditures—the combined Federal, State, and local spending—was 11 percent of our gross national product. Governmental spending as a percentage of gross national product rose to 20 percent in 1950, 30 percent in 1960, 35 percent in 1970, and nearly 38 percent in 1978.

Mr. President, the growth in Federal spending has been incredible. In fiscal year 1962, Federal outlays were slightly over $100 billion. In less than two decades from that time, the President of the United States submitted a budget over six times that number. To demonstrate how outrageous Federal spending has become, the Government increased new Government outlays by $130 billion in the 3 years ending in 1978.

NATIONAL DEBT

This tremendous increase in spending has brought about a dramatic growth in our national debt. In fiscal year 1975, the Federal debt stood at $544 billion. However, in only a short period of time, it is likely that the national debt will reach $1 trillion. Federal spending in the current fiscal year is up dramatically. However, if off-budget agencies are included, the figures appear even more dramatic. It is apparent that Federal spending, which has by all sane standards become out of control, needs to be cut back.

The expanding role of Government has led to a proliferation of Government agencies, regulations and bureaucratic morass. At least 90 Federal agencies are involved in issuing Government regulations. Some economists have said that Government regulation increases the

price of goods and services in the United States by as much as $200 billion a year.

BALANCED BUDGET

Mr. President, since 1950, the Federal budget has been balanced in only 5 years and the Government has not balanced the budget at all in the past decade. These budget deficits indicate a lack of a coherent fiscal policy. In fact, we seem to run a deficit no matter what the state of our economic affairs. Mr. President, I am introducing several proposals today. They include: Limits on Federal spending, taxes and a mandate for a Federal balanced budget. I believe that my approach is a sensible one to a chronic problem.

SPENDING AS PERCENTAGE OF GNP

Mr. President, in the current fiscal year, Federal spending will be approximately 22 percent of gross national product, the sum of all goods and services produced in the United States. The Senator from Kansas believes that that level, over the long run, is too high. My proposal calls for a limit on Federal spending as a percent of gross national product. The Senator from Kansas believes that it is time to return the percentage of Federal expenditures, as it relates to gross national product, to its historical level of 18 percent. The Spending Limitation Act requires the Government to decrease spending as a percent of gross national product until it reaches the 18 percent level in 3 years. In order to maintain some flexibility, spending may rise if the increase is approved by two-thirds of both Houses of Congress.

Mr. President, to complement the spending limitation, I am introducing a counterpart initiative to limit taxes. Under my proposal, the Congress ability to raise revenue is similarly limited to 18 percent of gross national product. This limit will act to curb Federal spending and insure potential tax relief to the overburdened taxpayer.

TAXING LIMITATION

Mr. President, the American people have had enough. They have had enough of big Government—inflation—and high taxes. The taxpayers' revolt that started in California and spread across the country is only the beginning. The taxpayers across the country are sending a message. We in Washington are obliged to listen.

Mr. President, the Senator from Kansas is also submitting initiatives to balance the Federal budget. It has been shown time and time again that the public overwhelmingly supports a federally balanced budget. According to a recent survey, more than 80 percent of Americans favor requiring the Congress to balance expenditures with revenue each year.

FEDERAL DEFICIT

The persistence of substantial deficits has been largely responsible for our serious inflation problem. When a government sustains a budget deficit, it is putting more money into the economy than it is taking out. It should be no surprise, given the persistent large deficits that have cumulated over the past two decades, that double-digit inflation continues to plague the economy. Control of the Federal deficit would help control inflation. Still, it is clear that a balanced budget by itself will not halt the expansion of the public sector at the expense of the private sector. That is why a balanced-budget requirement must be coupled with limits on spending and taxation.

The third requirement imposed by my Spending Limitation Act is a balanced Federal budget. However, to provide the Government with the necessary flexibility to adapt to changing economic circumstances, the Government may run a deficit in 2 of every 5 years. However, any such deficit must be made up within 2 years.

Mr. President, the issues raised by the Spending Limitation Act, described above, were debated in the 96th Congress. In fact, I introduced similar legislation 2 years ago. The Budget Committee held hearings last year on this and similar legislation, but no further action was taken. In addition, the Judiciary Committee considered at length proposals to amend the Constitution to limit Federal spending and mandate a balanced budget. While a consensus proposal on amending the Constitution came close to being approved by the Judiciary Committee, the issue of institutional restraints on the Federal budget was never really addressed in the last Congress.

I think it should be addressed in the 97th Congress, and I believe there is a good chance that it will be addressed, given the clear public mandate for a smaller and more efficient Government. I recognize however, that there is considerable divergence of opinion over how to best achieve budget restraint: Through resort to the Constitution, through a tighter budget process, through fixed limits on the budget or through changes in procedure designed to move us in the direction of restraint. I expect to be closely involved in the debate over these various approaches, and in the effort to reach a consensus that will satisfy the demands of the American people for a controlled Federal budget. In the meantime, I offer the Spending Limitation Act as one possible approach that I believe merits consideration. I may introduce further legislative proposals later in this session, but it is not too soon to start laying out the options and beginning the debate.●

By Mr. CRANSTON:

S. 18. A bill to establish the Orange Coast National Urban Park in the State of California; to the Committee on Energy and Natural Resources.

ORANGE COAST NATIONAL URBAN PARK

● Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to establish the Orange Coast National Urban Park in California. This is basically the same bill which Senator HAYAKAWA and I sponsored in the 96th Congress.

The Orange Coast area protected by this legislation comprises about 11,000 acres of land between the cities of Newport Beach and Laguna Beach. It is one of the last remaining stretches of coastal open space in southern California south of Los Angeles. In sharp contrast to its urban surroundings, this portion of the Orange County coast contains unspoiled steep narrow canyons with magnificent groves of sycamore and oak. The coastal hills rise to over 1,000 feet providing splendid views of the Pacific Ocean. Plant and animal life abounds. Federal acquisition of this area would provide outstanding recreational opportunities for over 13 million people who live within a 2-hour drive of the proposed park.

I also believe there is a national interest in protecting the Orange Coast, primarily because so many millions of Americans from every State in the Union visit the California coast, its mountains, and other tourist attractions each year. Orange County, which is famous for its fine beaches, has no national parks or recreation areas. The proposed park would benefit many thousands of tourists who visit the county annually.

In addition to its value as open space, the Orange Coast area has several unique and nationally significant resources worthy of protection. In a congressionally mandated study completed in 1978, the National Park Service reported that the coastal shelf, inland canyons and mountains of the Orange Coast area contain archeological and paleontological remains of national significance. According to the study, the area also contains two plants listed on the endangered species list and five rare and endangered birds, including the American golden eagle.

A little over a year ago, the State of California completed the acquisition of 2,000 acres and 3 miles of Orange County coastline at a cost of $32.6 million for the establishment of the Crystal Cove State Park. The purchase is the single largest park acquisition in the State's history. Now the State has an option until December 1981 on some property above Muddy Canyon valued at $3.5 million.

The legislation I am reintroducing today would protect the Orange Coast further through Federal park designation of the entire 11,000-acre area. The bill authorizes $38 million from the existing land and water conservation fund as a match to the State's efforts to provide open space and new recreational opportunities in this rapidly growing area of California. The two principal owners of the properties still privately held have agreed to donate substantial acreage to the park and sell the remaining land to the Federal Government. The lands owned by the State of California and its political subdivisions would be acquired only by donation or exchange.

Under the bill, the Secretary of Interior is authorized to convey properties to the State of California or enter into a cooperative agreement with the State or its political subdivision for State or local management of the park. There can be no Federal land acquisition of any of the properties within the proposed Orange Coast Park, however, until the Secretary has received a written commitment from the State or its political subdivision that the properties will be managed and developed at no direct Fed-

eral expense. The State has already indicated its willingness to manage the entire park if requested.

Mr. President, there is tremendous local support for this proposed park. The Orange Coast National Urban Park proposal is supported by the California Department of Parks and Recreation, the California Coastal Commission, the Orange County Board of Supervisors, all the affected cities, and all the affected property owners, as well as the conservationist community.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 18

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to provide for public outdoor recreation use and enjoyment of the Irvine Coast-Laguna area of California, and to protect the area's unique ecology and topography, its watershed, vegetation, and other natural and cultural resources, there is hereby established the Orange Coast National Urban Park (hereinafter in this Act referred to as the "park").

(b) The park shall consist of the lands and interests in lands within the boundary generally depicted on the map entitled "Boundary Map, Irvine Coast National Urban Park," numbered 20,064B, and dated May 1980, and the accompanying insert map, which shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior, and an additional area of approximately 25 acres shown on said map as the two most northerly exclusions from "Area C" adjacent to Laguna Canyon Road.

SEC. 2. Except as otherwise provided in this Act, it is the intention of the Congress that all the property within the park be acquired by December 31, 1985, and accordingly, any lands, or interests therein not acquired by that date shall no longer be deemed included in the park. Any land or interests therein owned by the State of California or any political subdivision thereof may be acquired only by donation or exchange. The Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized, with respect to the property acquired pursuant to this Act, (1) to convey the property to the State of California or any political subdivision thereof, subject to such terms, conditions, and reversionary provisions as will assure preservation of the property for public park or open-space purposes, and (2) to enter into an agreement with the State or a political subdivision thereof pursuant to which the State or such political subdivision shall administer, protect, and manage the property for public park or open-space purposes.

The Secretary shall not acquire any lands or interests therein for the purposes of this Act until he has received written commitments satisfactory to him from the State of California or a political subdivision thereof, which commitments shall provide for either a conveyance or agreement as described in this section, and which will specify that all property to be acquired by the Secretary will be managed and developed at no direct federal expense.

SEC. 3 Except as otherwise provided in this Act, the Secretary is authorized to acquire lands and interests therein within the boundaries of the park by donation, purchase with donated or appropriated funds, or exchange, or otherwise, which authority is expressly conditioned upon the following events occurring within the time periods indicated:

(a) On or before June 30, 1981, the California Coastal Commission shall have approved and certified, and the county of Orange shall have accepted, a local coastal program (as defined in the California Coastal Act of 1976), for the entire area identified as the "Irvine Coastal Area" on the map referred to in section 2 of this Act, which local coastal program shall provide, among other things, for a watershed management program for the area identified on such map as "Los Trancos Canyon".

(b) On or before June 30, 1981, the county of Orange and the owner of record of the area identified as "Area C" on such map shall have entered into an agreement, and the California Coastal Commission shall have approved such agreement, containing among other things an irrevocable offer to donate the entirety of Area C to the Secretary, the State of California or to a political subdivision thereof, which donation may be in phases and conditioned upon performance by the county of Orange of its obligations under such agreement: *Provided, however,* That the Secretary may, at his sole discretion, waive the foregoing condition.

(c) On or before December 31, 1981, the State of California shall have exercised its right to acquire the area identified as "State Expansion Area" on such map: *Provided, however,* That the Secretary may, at his sole discretion, waive the foregoing condition.

(d) The Secretary shall use all due diligence to acquire from the owner of record of the areas identified on such map as "Muddy Canyon", "Laurel Canyon", and the "Frontal Slopes of Wishbone Hill" a right to acquire such lands by purchase under the threat of condemnation, in a form acceptable to the Secretary. This right shall remain in effect until December 31, 1985. In the event said right is exercised on or before October 1, 1982, the total purchase price shall be $32,000,000, or the fair market value, whichever is less. In the event said right is exercised after October 1, 1982, said total purchase price shall be increased monthly in pro rata increments at the simple rate of 10 per centum per annum. Such right to acquire shall be in favor of the United States of America or such other public entity as the Secretary may designate and shall be assignable at any time by the Secretary, for consideration he deems in his discretion to be adequate, to the State of California or any political subdivision thereof or such other nonprofit, tax-exempt organization as the Secretary shall, in his discretion, deem appropriate: *Provided, however,* That any such assignment shall only be for park and/or open-space purposes.

In the event the total purchase price, as adjusted in accordance with the preceding formula, exceeds the total sum of $37,000,000, the Secretary, in his sole discretion, may either—

(1) delete from the areas to be purchased under the option the entire area shown on such map as the "Frontal Slopes of Wishbone Hill", in which case the total purchase price shall be recomputed on the basis of an original purchase price of $16,000,000 or the fair market value, whichever is less, instead of the $32,000,000 subject to the adjustment provided above: and/or

(2) assign all his rights, which shall be severable for this purpose only, to the State of California, or to a political subdivision thereof, to purchase the "Frontal Slopes of Wishbone Hill" for a total purchase price recomputed on the basis of an original purchase price of $16,000,000 or the fair market value, whichever is less, subject to the adjustment provided above.

SEC. 4. (a) In carrying out his authorities under this Act, the Secretary shall expeditiously take such actions as may be necessary to convey and transfer for purposes of the proposed San Joaquin Hills transportation corridor (as designated on the general plan of the county of Orange, California), and the proposed San Canyon Road as agreed upon by the county of Orange and the California Coastal Commission, such rights-of-way through the park as may be necessary for the establishment of such corridor and/or road. Such actions may also include the establishment by the Secretary of such conditions for the protection and utilization of the park as will facilitate the construction of such corridor and such road, the issuance of any certification required under the Act of August 27, 1958 (23 U.S.C. 317), for the transfer of lands within the park to the State highway department, or its nominee, and any combination of the foregoing actions and other action which the Secretary is required to take as a condition to the construction of such portions of the proposed corridor. and road.

(b) In exercising his authorities under regulations and applicable provisions of law (including, but not limited to, section 4(f) of the Department of Transportation Act (49 U.S.C. 1653(f)): and section 15(a) of the Act of September 13, 1966 (23 U.S.C. 138): and section 2(a)(1) of the Act of September 8, 1966 (49 U.S.C. 1610)), the Secretary of Transportation shall expeditiously take the actions required under such regulations and applicable provisions of law in such manner as will facilitate to the maximum extent practicable, the construction of so much of the transportation corridor and road referred to in subsection (a) of this section as is within the boundaries of the park or as otherwise affects the park.

SEC. 5. There are hereby authorized to be appropriated $38,000,000 and such additional sums as may be required to fulfill the provisions of section 3(d) for acquisition of lands and interests therein pursuant to this Act.●

By Mr. DOLE (for himself, Mr. BOREN, Mr. ARMSTRONG, Mr. BUMPERS, Mr. BURDICK, Mr. COCHRAN, Mr. DOMENICI, Mr. GARN, Mr. GLENN, Mr. GOLDWATER, Mr. HART, Mr. HAYAKAWA, Mr. HEFLIN, Mr. HELMS, Mr. HUMPHREY, Mr. JEPSEN, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. LAXALT, Mr. LONG, Mr. LUGAR, Mr. MELCHER, Mr. PERCY, Mr. PRYOR, Mr. RANDOLPH, Mr. SCHMITT, Mr. SIMPSON, Mr. TOWER, and Mr. WALLOP):

S. 19. A bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax; to the Committee on Finance.

SMALL ROYALTY OWNER RELIEF

● Mr. DOLE. Mr. President, the Senator from Kansas today would like to reintroduce a bill to provide permanent relief for small royalty owners from the harsh effects of the windfall profit tax.

On April 2, 1980, President Carter signed the windfall profit tax into law. Throughout the debate on the windfall profit legislation, it was characterized as a tax on the big oil companies. Nevertheless, the tax as enacted also applies to holders of even the tiniest oil royalty. Indeed, these small royalty owners are subjected to the full windfall profit tax rates—a 70-percent tax rate on upper and lower tier oil, a 60-percent tax rate

for stripper oil, and a 30-percent tax rate for newly discovered, incremental tertiary and heavy oil. These are the same windfall tax rates applicable to Exxon and the other giant, multinational oil companies.

This heavy tax has caused great hardship among the approximately 2 million royalty owners throughout the United States. The Senator from Kansas has heard from literally thousands of anguished royalty owners who have had their incomes slashed by this tax.

Contrary to popular myth the vast majority of these royalty owners are not wealthy individuals. Rather they are typically struggling farmers, retired persons who depend on small royalty checks to supplement their social security checks or others with the most modest incomes. Many of these individuals do not have sufficient income to have any Federal income tax liability. It is hard to justify the imposition of a windfall profit tax on such persons.

Testimony submitted to a Senate Finance Committee hearing last May revealed that about 60 percent of the 120,000 royalty owners in Kansas receive only about $600 of royalty income per year. This amounts to only $50 per month—hardly the income of an "oil profiteer."

The imposition of the windfall profit tax upon these small royalty owners has caused a substantial rollback in the income received by these individuals. This is especially true for royalty owners on stripper oil properties. On a barrel of stripper oil selling for $38, a royalty owner would typically receive a $4.75 royalty payment. After the imposition of the windfall profit tax, the royalty owners will have to pay a $1.71 tax on this royalty income. Thus, the royalty owner's payment per barrel will be slashed from $4.75 to $3.04 by the windfall profit tax—a 36-percent drop in income.

Mr. President, on the same day the windfall profit tax was signed into law, the Senator from Kansas introduced a bill to exempt all small royalty owners from the tax. The Senator from Kansas was joined introducing this bill by the distinguished Senator from Oklahoma (Mr. BOREN) and a number of other Members. By the close of the 96th Congress, there were 32 Senate cosponsors to the royalty owner bill and at least 100 House cosponsors to identical legislation introduced in the House. Under this bill, every royalty owner could receive a royalty of up to 10 barrels per day before he would be subject to the windfall tax. This 10-barrel-per-day exemption should cover virtually every small royalty owner in the United States. It is this bill that the Senator from Kansas is reintroducing today.

Hearings were held on the small royalty owner exemption in Oklahoma City; Great Bend, Kans.; and Austin, Tex. Collectively, nearly 7,500 persons attended these hearings.

Despite the growing support for the 10-barrel exemption, it was not enacted by the 96th Congress. Nevertheless, as part of the Omnibus Reconciliation Act of 1980 the last Congress did enact some temporary relief for small royalty owners. Under the Reconciliation Act provision, each royalty owner can claim a refund of up to $1,000 of windfall profit taxes incurred in 1980. While this provision will provide welcome relief to royalty owners, it is only a 1-year stopgap measure. Permanent relief is needed.

The Senator from Kansas is hopeful that the 10-barrel exemption introduced today will provide the model for this permanent relief.●

By Mr. SASSER:

S. 20. A bill to amend title 18 of the United States Code to prohibit the robbery of a controlled substance from a pharmacy; to the Committee on the Judiciary.

ROBBERIES INVOLVING CONTROLLED SUBSTANCES

● Mr. SASSER. Mr. President, I rise today to offer legislation that would allow the Federal Government to use its power to fight the increasing number of robberies of drugstores.

As the demand for drugs covered by the Controlled Substances Act has increased and as other sources for these drugs have been effectively eliminated, the criminal element has turned to retail pharmacies to supply certain narcotics. While these drugs are controlled by Federal law, when a pharmacist is robbed because he has these drugs on hand, the Federal Government can do nothing to give him help. It does not have the jurisdiction. The Federal Government controls who may prescribe drugs and for what illness. It sets penalties for illegal sales and possession. The Federal Government has done a very good job of drying up many traditional illicit sources of drugs. Paradoxically, that is one of the reasons drugstore robberies have increased. However, the Federal Government has not been able to step in to help prevent pharmacy robberies.

My bill would make the theft from a pharmacy of any substance listed in schedules I through IV of the Controlled Substance Act a Federal crime subject to a prison term of 10 years, a fine of $5,000 or both. Federal jurisdiction would be established when the robbery is for goods valued in excess of $500.

Mr. President, the need for this type of legislation has been recognized in the past. During discussion of the Criminal Code Reform Act in the 95th Congress, the Senate adopted unanimously an amendment that would have enacted the provisions of the bill I am offering today. The Senate Judiciary Committee adopted similar provisions when it reported the Criminal Code Reform Act during the last session of Congress. While the need for the provisions of my bill are widely recognized, implementation has unfortunately been blocked by the controversy around the larger issue of Criminal Code reform.

I do not think that we should allow any more delay. Last year I held hearings in the Senate Small Business Committee where this matter was discussed. I heard from pharmacists who live in daily fear of the crime that afflicts their industry. They have been victims and their friends have been victims. It is an unfortunate fact of life in their business. They fear not for their property but for their lives. Many of the pharmacists I have heard from keep "goodybags" on hand for drug-crazed robbers. They just want to keep the robber happy enough to keep him from shooting. They have seen too much of that.

It is not difficult to understand why drugstores are a prime target for robbers. It is not always a drug addict who robs pharmacies. It is often a regular street criminal who knows that he can steal a handful of dilaudid, a heroin substitute, and turn it into several thousands of dollars by sundown.

Mr. President, the problem is out of hand. Local officials cannot do the job alone. It is essential that the weight of the FBI and Drug Enforcement Administration be put behind the fight against drugstore crimes.●

By Mr. DECONCINI:

S. 21. A bill to establish a U.S. Court of Appeals for the Federal Circuit, to establish a U.S. Claims Court, and for other purposes; to the Committee on the Judiciary.

FEDERAL COURTS IMPROVEMENT ACT OF 1981

● Mr. DECONCINI. Mr. President, I am today introducing a bill, S. 21, the "Federal Courts Improvement Act of 1981." The bill is identical to the bill that had been agreed to between the House and the Senate at the close of the 96th Congress but which failed of passage for reasons unrelated to the text of the bill. In slightly modified form the Senate during the last Congress passed the bill as S. 1477 and the House passed the bill as H.R. 3806. The bill has been referred to as the most important court reform package of this century and I hope that the Committee on the Judiciary and the Senate will be able to again give its speedy approval to this legislation.

The heart of the bill is the creation of a new court of appeals for the Federal circuit and the elimination of the existing Court of Claims and Court of Customs and Patent Appeals. The new court will be made up of the judges of the disbanded courts and will have a similar jurisdiction with the prime exception that all patent appeals from the U.S. district courts will be heard by the new court.

It is my feeling and that of most patent lawyers, the judges of the courts affected, and commentators on the courts this change will greatly improve our Federal court system. Patent cases will be more speedily heard and greater certainty added to the law which in itself will cut back significantly on the litigation in the patent field. The certainty in the law should lead American corporations that develop patents to invest much greater resources to their research and development programs with the likely result of a technological boom in the 1980's. This, of course, means more jobs, social and scientific advancements, and should assist in bringing about a better balance of payments ratio with our trading partners.

Other aspects of the bill deal with mundane but important structural re-

forms to the Federal courts that hopefully will clarify a number of problem areas in the law and result in more effective and efficient administration of the Federal courts.

I want to thank all the parties whose input to this bill have made it possible, especially Daniel Meador, former Assistant Attorney General of the United States and his successor Maury Rosenberg, for all their assistance and that of their staff in the development of this bill. And although he did not have a direct impact on this bill, I would be remiss not to thank the Chief Justice of the United States, Warren Burger, for his consistent and tireless support of legislation to create a better court system. He is a wealth of ideas in a branch of government that is rather set in its ways. It is a tribute to Chief Justice Burger that our Federal Courts have met the litigation explosion of the seventies as well as they have and are on solid footing to meet the needs of the eighties.

With the support of the distinguished chairman of the Committee on the Judiciary, it will be my goal to pass this legislation out of the Senate in sufficient time for the House of Representatives to also act in a timely fashion, to avoid the end of session problems which caused the bill to die last Congress. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 21

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Courts Improvement Act of 1981".

TITLE I—UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT AND UNITED STATES COURT

PART A—ORGANIZATION, STRUCTURE, AND JURISDICTION

NUMBER AND COMPOSITION OF CIRCUITS

SEC. 101. Section 41 of title 28, United States Code, as amended by the Fifth Circuit Court of Appeals Reorganization Act of 1980, is amended by striking out "twelve" and inserting in lieu thereof "thirteen" and by adding at the end thereof the following:

"Federal..... All Federal judical districts.".

NUMBER OF CIRCUIT JUDGES

SEC. 102. (a) Section 44(a) of title 28, United States Code, as amended by the Fifth Circuit Court of Appeals Reorganization Act of 1980, is amended by adding at the end thereof the following:

"Federal..... 12".

(b)(1) Section 44(c) of title 28, United States Code, is amended by adding the following sentence at the end thereof: "While in active service, each circuit judge of the Federal judicial circuit appointed after October 1, 1981, and the chief judge of the Federal judicial circuit, whenever appointed, shall reside within fifty miles of the District of Columbia.".

(2) The first paragraph of section 48 of title 28, United States Code, is amended by striking out the first two sentences and inserting in lieu thereof the following:

"(a) The courts of appeals shall hold regular sessions at the places listed below, and at such other places within the respective circuit as each court may designate by rule:".

(3) Section 48(a) of title 28, United States Code, as amended by the Fifth Circuit Court of Appeals Reorganization Act of 1980, is amended further by inserting at the end of the table of circuits and places the following:

"Federal..... District of Columbia.".

(4) Section 48(a) of title 28, United States Code, is amended further by striking out the final paragraph and inserting in lieu thereof the following:

"(b) Each court of appeals may hold special sessions at any place within its circuit as the nature of the business may require, and upon such notice as the court orders. The court may transact any business at a special session which it might transact at a regular session.

"(c) Any court of appeals may pretermit, with the consent of the Judicial Conference of the United States, any regular session of court at any place for insufficient business or other good cause.".

PANELS OF JUDGES

SEC. 103. (a) Section 46(a) of title 28, United States Code, is amended by striking out "divisions" and inserting in lieu thereof "panels".

(b) Section 46(b) of title 28, United States Code, is amended—

(1) by striking out "divisions" each place it appears and inserting in lieu thereof "panels"; and

(2) by inserting immediately before the period at the end of the first sentence thereof the following: "; except that the United States Court of Appeals for the Federal Circuit may determine by rule the number of judges, not less than three, who constitute a panel".

NUMBER OF JUDGES FOR HEARINGS

SEC. 104. (a) The first sentence of section 46(c) of title 28, United States Code, is amended by inserting immediately after "three judges" the following: "(except that the United States Court of Appeals for the Federal Circuit may sit in panels of more than three judges if its rules so provide)".

(b) Section 46(d) of title 28, United States Code, is amended by striking out "division" and inserting in lieu thereof "panel".

ORGANIZATION OF UNITED STATES CLAIMS COURT

SEC. 105. (a) Chapter 7 of title 28, United States Code, is amended to read as follows:

"Chapter 7—UNITED STATES CLAIMS COURT

"Sec.
"171. Appointment and number of judges; character of court; designation of chief judge.
"172. Tenure and salaries of judges.
"173. Times and places of holding court.
"174. Assignment of judges; decisions.
"175. Official duty station; residence.
"176. Removal from office.
"177. Disbarment of removed judges.

"§ 171. Appointment and number of judges; character of court; designation of chief judge

"(a) The President shall appoint, by and with the advice and consent of the Senate, sixteen judges who shall constitute a court of record known, as the United States Claims Court. The court is declared to be a court established under article I of the Constitution of the United States.

"(b) The Claims Court shall at least biennially designate a judge to act as chief judge.

"§ 172. Tenure and salaries of judges

"(a) Each judge of the United States Claims Court shall be appointed for a term of fifteen years.

"(b) Each judge shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this title.

"§ 173. Times and places of holding court

"The principal office of the United States Claims Court shall be in the District of Columbia, but the Claims Court may hold court at such times and in such places as it may fix by rule of court. The times and places of the sessions of the Claims Court shall be prescribed with a view to securing reasonable opportunity to citizens to appear before the Claims Court with as little inconvenience and expense to citizens as is practicable.

"§ 174. Assignment of judges; decisions

"(a) The judicial power of the United States Claims Court with respect to any action, suit, or proceeding, except congressional reference cases, shall be exercised by a single judge, who may preside alone and hold a regular or special session of court at the same time other sessions are held by other judges.

"(b) All decisions of the Claims Court shall be preserved and open to inspection.

"§ 175. Official duty station; residence

"(a) The official duty station of each judge of the United States Claims Court is the District of Columbia.

"(b) After appointment and while in active service, each judge shall reside within fifty miles of the District of Columbia.

"§ 176. Removal from office

"Removal of a judge of the United States Claims Court during the term for which he is appointed shall be only for incompetency, misconduct, neglect of duty, engaging in the practice of law, or physical or mental disability. Removal shall be by the United States Court of Appeals for the Federal Circuit, but removal may not occur unless a majority of all the judges of such court of appeals concur in the order of removal. Before any order of removal may be entered, a full specification of the charges shall be furnished to the judge, and he shall be accorded an opportunity to be heard on the charges. Any cause for removal of any judge of the United States Claims Court coming to the knowledge of the Director of the Administrative Office of the United States Courts shall be reported by him to the chief judge of the United States Court of Appeals for the Federal Circuit, and a copy of the report shall at the same time be transmitted to the judge.

"§ 177. Disbarment of removed judges

"A judge of the United States Claims Court removed from office in accordance with section 176 of this title shall not be permitted at any time to practice before the Claims Court.".

(b) The item relating to chapter 7 in the chapter analysis of part I of title 28, United States Code, is amended to read as follows:

"7. United States Claims Court..... 171".

REPEAL OF PROVISIONS RELATING TO THE COURT OF CUSTOMS AND PATENT APPEALS

SEC. 106. Chapter 9 of title 28, United States Code, and the item relating to chapter 9 in the chapter analysis of part I of such title, are repealed.

INTERLOCUTORY APPEALS FROM CERTAIN ORDERS

SEC. 107. Section 256(b) of title 28, United States Code, is amended by striking out "section 1541(b)" and all that follows through "in that section." and inserting in lieu thereof the following: "section 1292(c)(3) of this title, and the United States Court of Appeals for the Federal Circuit may, in its discretion, consider the appeal.".

REPEAL; ASSIGNMENT OF CIRCUIT JUDGES

SEC. 108. Subsection (b) of section 291 of title 28, United States Code, is repealed.

ASSIGNMENT OF DISTRICT JUDGES

SEC. 109. Section 292(e) of title 28, United States Code, is amended by striking out "the Court of Claims, the Court of Customs and Patent Appeals or" and by striking out "in which the need arises".

REPEAL; ASSIGNMENT OF OTHER JUDGES

SEC. 110. Subsections (a), (c), and (d) of section 293 of title 28, United States Code, are repealed.

JUDICIAL CONFERENCE

SEC. 111. Section 331 of title 28, United States Code, is amended—

(1) in the first paragraph, by striking out ", the chief judge of the Court of Claims, the chief judge of the Court of Customs and Patent Appeals,"; and

(2) in the third paragraph, by striking out the second sentence.

RETIREMENT

SEC. 112. (a) Section 372(a) of title 28, United States Code, is amended—

(1) in the third paragraph, by striking out "Court of Claims, Court of Customs and Patent Appeals, or"; and

(2) in the fifth paragraph, by striking out "Court of Claims, Court of Customs and Patent Appeals, or".

(b) Section 372(b) of title 28, United States Code, is amended by striking out "Court of Claims, Court of Customs and Patent Appeals, or" each place it appears.

REPEAL; DISTRIBUTION OF COURT OF CLAIMS DECISIONS

SEC. 113. Section 415 of title 28, United States Code, and the item relating to section 415 in the section analysis of chapter 19 of such title, are repealed.

DEFINITIONS

SEC. 114. Section 451 of title 28, United States Code (including that section as it will become effective on April 1, 1984), is amended—

(1) in the first paragraph, by striking out "the Court of Claims, the Court of Customs and Patent Appeals,"; and

(2) in the third paragraph, by striking out "Court of Claims, Court of Customs and Patent Appeals,".

TRAVELING EXPENSES AND COURT ACCOMMODATIONS

SEC. 115. (a)(1) Section 456 of title 28, United States Code, is amended to read as follows:

"§ 456. Traveling expenses of justices and judges; official duty stations

"(a) The Director of the Administrative Office of the United States Courts shall pay each justice or judge of the United States and each retired justice or judge recalled or designated and assigned to active duty, while attending court or transacting official business at a place other than his official duty station, upon his certificate all necessary transportation expenses and also a per diem allowance for travel at the rate which the Director etablishes not to exceed the maximum per diem allowance fixed by section 5702(a) of title 5, or in accordance with regulations which the Director shall prescribe with the approval of the Judicial Conference of the United States, reimbursement for his actual and necessary expenses of subsistence not in excess of the maximum amount fixed by section 5702 of title 5.

"(b) The official duty station of the Chief Justice of the United States, the Justices of the Supreme Court of the United States, and the judges of the United States Court of Appeals for the District of Columbia Circuit, the United States Court of Appeals for the Federal Circuit, and the United States District Court for the District of Columbia shall be the District of Columbia.

"(c) The official duty station of the judges of the United States Court of International Trade shall be New York City.

"(d) The official duty station of each district judge shall be that place where a district court holds regular sessions at or near which the judge performs a substantial portion of his judicial work, which is nearest the place where he maintains his actual abode in which he customarily lives.

"(e) The official duty station of a circuit judge shall be that place where a circuit or district court holds regular sessions at or near which the judge performs a substantial portion of his judicial work, or that place where the Director provides chambers to the judge where he performs a substantial portion of his judicial work, which is nearest the place where he maintains his actual abode in which he customarily lives.

"(f) The official duty station of a retired judge shall be established in accordance with section 374 of this title.

"(g) Each circuit or district judge whose official duty station is not fixed expressly by this section shall notify the Director of the Administrative Office of the United States Courts in writing of his actual abode and official duty station upon his appointment and from time to time thereafter as his official duty station may change.".

(2) The item relating to section 456 in the section analysis of chapter 21 of title 28, United States Code, is amended to read as follows:

"456. Traveling expenses of justices and judges; official duty stations.".

(b)(1) Section 460 of title 28, United States Code, is amended to read as follows:

"§ 460. Application to other courts

"(a) Sections 452 through 459 and section 462 of this chapter shall also apply to the United States Claims Court, to each court created by Act of Congress in a territory which is invested with any jurisdiction of a district court of the United States, and to the judges thereof.

"(b) The official duty station of each judge referred to in subsection (a) which is not otherwise established by law shall be that place where the court holds regular sessions at or near which the judge performs a substantial portion of his judicial work, which is nearest the place where he maintains his actual abode in which he customarily lives.".

(2) The item relating to section 460 in the section analysis of chapter 21 of title 28, United States Code, is amended to read as follows:

"460. Application to other courts.".

(c)(1) Chapter 21 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 462. Court accommodations

"(a) Sessions of courts of the United States (except the Supreme Court) shall be held only at places where the Director of the Administrative Office of the United States Courts provides accommodations, or where suitable accommodations are furnished without cost to the judicial branch.

"(b) The Director of the Administrative Office of the United States Courts shall provide accommodations, including chambers and courtrooms, only at places where regular sessions of court are authorized by law to be held, but only if the judicial council of the appropriate circuit has approved the accommodations as necessary.

"(c) The limitations and restrictions contained in subsection (b) of this section shall not prevent the Director from furnishing chambers to circuit judges at places where Federal facilities are available when the judicial council of the circuit approves.

"(d) The Director of the Administrative Office of the United States Courts shall provide permanent accommodations for the United States Court of Appeals for the Federal Circuit and for the United States Claims Court only at the District of Columbia. However, each such court may hold regular and special sessions at other places utilizing the accommodations which the Director provides to other courts.

"(e) The Director of the Administrative Office of the United States Courts shall provide accommodations for probation officers, pretrial service officers, and Federal Public Defender Organizations at such places as may be approved by the judicial council of the appropriate circuit.

"(f) Upon the request of the Director, the Administrator of General Services is authorized and directed to provide the accommodations the Director requests.".

(2) The section analysis of chapter 21 of title 28, United States Code, is amended by adding at the end thereof the following new item:

"462. Court accommodations.".

(3) Section 142 of title 28, United States Code, and the item relating to section 142 in the section analysis of chapter 5 of such title, are repealed.

INTERESTS OF THE UNITED STATES IN CERTAIN ACTIONS

SEC. 116. Section 518(a) of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court or in the United States Court of Appeals for the Federal Circuit".

TRANSMISSION OF PETITIONS IN SUITS AGAINST THE UNITED STATES

SEC. 117. (a) Section 520 of title 28, United States Code, is amended—

(1) in subsection (a), by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court or in the United States Court of Appeals for the Federal Circuit"; and

(2) by striking out "Court of Claims" in the section heading and inserting in lieu thereof "United States Claims Court or in the United States Court of Appeals for the Federal Circuit".

(b) The item relating to section 520 in the section analysis of chapter 31 of title 28, United States Code, is amended to read as follows:

"520. Transmission of petitions in United States Claims Court or in United States Court of Appeals for the Federal Circuit; statement furnished by departments.".

BUDGET ESTIMATES

SEC. 118. Section 605 of title 28, United States Code, is amended by inserting immediately before the period at the end of the second undesignated paragraph the following: "and the estimate with respect to the United States Court of Appeals for the Federal Circuit shall be approved by such court" and by striking out "Bureau of the Budget" each place it appears and inserting in lieu thereof "Office of Management and Budget".

DEFINITION OF COURTS

SEC. 119. (a) Section 610 of title 28, United States Code, is amended by striking out "the Court of Claims, the Court of Customs and Patent Appeals" and inserting in lieu thereof "the United States Claims Court".

(b)(1) Section 713 of title 28, United States Code, is amended to read as follows:

"§ 713. Librarians

"(a) Each court of appeals may appoint a librarian who shall be subject to removal by the court.

"(b) The librarian, with the approval of the court, may appoint necessary library assistants in such numbers as the Director of the Administrative Office of the United States Courts may approve. The librarian may remove such library assistants with the approval of the court.".

(2) The item relating to section 713 in the section analysis of chapter 47, United States Code, is amended to read as follows:

"713. Librarians.".

(c)(1) Chapter 47 of title 28, United States Code, is amended by adding at the end thereof the following new sections:

"§ 714. Criers and messengers

"(a) Each court of appeals may appoint a crier who shall be suoject to removal by the court.

"(b) The crier, with the approval of the court, may appoint necessary messengers in such number as the Director of the Administrative Office of the United States Courts may approve. The crier may remove such messengers with the approval of the court, The crier shall also perform the duties of bailiff and messenger.

"§ 715. Staff attorneys and technical assistants

"(a) The chief judge of each court of appeals, with the approval of the court, may appoint a senior staff attorney, who shall be subject to removal by the chief judge with the approval of the court.

"(b) The senior staff attorney, with the approval of the court, may appoint necessary staff attorneys and secretarial and clerical employees in such numbers as the Director of the Administrative Office of the United States Courts may approve, but in no event may the number of staff attorneys exceed the number of positions expressly authorized in an annual appropriation act. The senior staff attorney may remove such staff attorneys and secretarial and clerical employees with the approval of the court.

"(c) The chief judge of the Court of Appeals for the Federal Circuit, with the approval of the court, may appoint a senior technical assistant who shall be subject to removal by the chief judge with the approval of the court.

"(d) The senior technical assistant, with the approval of the court, may appoint necessary technical assistants in such number as the Director of the Administrative Office of the United States Courts may approve, but in no event may the number of technical assistants in the Court of Appeals for the Federal Circuit exceed the number of circuit judges in regular active service within such circuit. The senior technical assistant may remove such technical assistants with the approval of the court.".

(2) The section analysis of chapter 47, United States Code, is amended by adding at the end thereof the following new items:

"714. Criers and messengers.
"715. Staff attorneys and technical assistants.".

OFFICERS AND EMPLOYEES OF THE UNITED STATES CLAIMS COURT

SEC. 120. (a) Section 791(a) of title 28, United States Code, is amended to read as follows:

"(a) The United States Claims Court may appoint a clerk, who shall be subject to removal by the court. The clerk, with the approval of the court, may appoint necessary deputies and employees in such numbers as may be approved by the Director of the Administrative Office of the United States Courts. Such deputies and employees shall be subject to removal by the clerk with the approval of the court.".

(b) Section 792 of title 28, United States Code, and the item relating to section 792 in the section analysis of chapter 51 of such title, are repealed.

(c)(1) Section 794 of title 28, United States Code, is amended to read as follows:

"§ 794. Law clerks and seceretaries

"The judges of the United States Claims Court may appoint necessary law clerks and secretaries, in such numbers as the Judicial Conference of the United States may approve subject to any limitation of the aggregate salaries of such employees which may be imposed by law.".

(2) The item relating to section 794 in the section analysis of chapter 51 of title 28, United States Code, is amended to read as follows:

"794. Law clerks and secretaries.".

(d)(1) Section 795 of title 28, United States Code, is amended to read as follows:

"§ 795. Bailiffs and messengers

"The chief judge of United States Claims Court, with the approval of the court, may appoint necessary bailiffs and messengers, in such numbers as the Director of the Administrative Office of the United States Courts may approve, each of whom shall be subject to removal by the chief judge, with the approval of the court.".

(2) The item relating to section 795 in the section analysis of chapter 51 of title 28, United States Code, is amended to read as follows:

"795. Bailiffs and messengers.".

(e) Section 796 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "Director of the Administrative Office of the United States Courts".

(f) Section 797 of title 28, United States Code, and the item relating to section 797 in the section analysis of chapter 51 of such title, are repealed.

(g)(1) The item relating to chapter 51 in the chapter analysis of part III of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(2) The chapter heading of chapter 51 of title 28, United States Code, is amended by striking out "COURT OF CLAIMS" and inserting in lieu thereof "UNITED STATES CLAIMS COURT".

ABOLISHMENT OF UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

SEC. 121. (a) Chapter 53 of title 28, United States Code, and the item relating to chapter 53 in the chapter analysis of part III of such title, are repealed.

(b) Subsection (a) of section 957 of title 28, United States Code, is amended by striking out "(a)" and subsection (b) of such section 957 is repealed.

TECHNICAL AND CONFORMING AMENDMENTS RELATING TO REPEAL OF COURT OF CUSTOMS AND PATENT APPEALS

SEC. 122. Sections 1255 and 1256 of title 28, United States Code, and the items relating to sections 1255 and 1256 in the section analysis of chapter 81 of such title, are repealed.

COURTS OF APPEALS JURISDICTION

SEC. 123. Section 1291 of title 28, United States Code, is amended—

(1) by inserting "(other than the United States Court of Appeals for the Federal Circuit)" after "courts of appeals"; and

(2) by adding at the end thereof the following new sentence: "The jurisdiction of the United States Court of Appeals for the Federal Circuit shall be limited to the jurisdiction described in sections 1292 (c) and (d) and 1295 of this title.".

INTERLOCUTORY DECISIONS

SEC. 124. (a) Section 1292(a) of title 28, United States Code, is amended—

(1) by striking out "The courts" and inserting in lieu thereof "Except as provided in subsections (c) and (d) of this section, the courts";

(2) by striking out the semicolon at the end of paragraph (3) and inserting in lieu thereof a period; and

(3) by striking out paragraph (4).

(b) Section 1292 of title 28, United States Code, is amended by adding at the end thereof the following new subsections:

"(c) The United States Court of Appeals for the Federal Circuit shall have exclusive jurisdiction—

"(1) of an appeal from an interlocutory order or decree described in subsection (a) of this section in any case over which the court would have jurisdiction of an appeal under section 1295 of this title; and

"(2) of an appeal from a judgment in a civil action for patent infringement which would otherwise be appealable to the United States Court of Appeals for the Federal Circuit and is final except for an accounting.

"(d)(1) When the chief judge of the Court of International Trade issues an order under the provisions of section 256(b) of this title, or when any judge of the Court of International Trade, in issuing any other interlocutory order, includes in the order a statement that a controlling question of law is involved with respect to which there is a substantial ground for difference of opinion and that an immediate appeal from its order may materially advance the ultimate termination of the litigation, the United States Court of Appeals for the Federal Circuit may, in its discretion, permit an appeal to be taken from such order, if application is made to that Court within ten days after the entry of such order.

"(2) When any judge of the United States Claims Court in issuing an interlocutory order, includes in the order a statement that a controlling question of law is involved with respect to which there is a substantial ground for difference of opinion and that an immediate appeal from its order may materially advance the ultimate termination of the litigation, the United States Court of Appeals for the Federal Circuit may, in its discretion, permit an appeal to be taken from such order, if application is made to that Court within ten days after the entry of such order.

"(3) Neither the application for nor the granting of an appeal under this subsection shall shall stay proceedings in the Court of International Trade or in the Claims Court, as the case may be, uness a stay is ordered by a judge of the Court of International Trade or the Claims Court or by the United States Court of Appeals for the Federal Circuit or a judge of that court.".

CIRCUITS IN WHICH DECISIONS ARE REVIEWABLE

SEC. 125. Section 1294 of title 28, United States Code, is amended by striking out "Appeals" and inserting in lieu thereof "Except as provided in section 1295 of this title, appeals".

JURISDICTION OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

SEC. 126. (a) Chapter 83 of title 28, United States Code, is amended by adding at the end thereof the following new sections:

"§ 1295. Jurisdiction of the United States Court of Appeals for the Federal Circuit

"(a) The United States Court of Appeals for the Federal Circuit shall have exclusive jurisdiction—

"(1) of an appeal from a final decision of a district court of the United States, the United States District Court for the District of the Canal Zone, the District Court of Guam, the District Court of the Virgin Islands, or the District Court for the Northern Mariana Islands, if the jurisdiction of that court was based, in whole or in part, on section 1338 of this title, except that a case involving a claim arising under any Act of Congress relating to copyrights or trademarks and no other claims under section 1338(a) shall be governed by sections 1281, 1292, and 1294 of this title;

"(2) of an appeal from a final decision of a district court of the United States, the United States District Court for the District of the Canal Zone, the District Court of Guam, the District Court of the Virgin Islands, or the District Court for the Northern Mariana Islands, if the jurisdiction of that court was based, in whole or in part, on section 1346 of this title, except that jurisdiction of an appeal in a case brought in a district court under section 1346(a)(1), 1346(b), or 1346(e) of this title or under section 1346(a)(2) when the claim is founded upon an Act of Congress or a regulation of an executive department providing for internal revenue shall be governed by sections 1291, 1292, and 1294 of this title;

"(3) of an appeal from a final decision of the United States Claims Court;

"(4) of an appeal from a decision of—

"(A) the Board of Appeals or the Board of Patent Interferences of the Patent and Trademark Office with respect to patent applications and interferences, at the instance of an applicant for a patent or any party to a patent interference, and any such appeal shall waive the right of such applicant or party to proceed under section 145 or 146 of title 35;

"(B) the Commissioner of Patents and Trademarks or the Trademark Trial and Appeal Board with respect to applications for registration of marks and other proceedings as provided in section 21 of the Trademark Act of 1946 (15 U.S.C. 1071); or

"(C) a district court to which a case was directed pursuant to section 145 or 146 of title 35;

"(5) of an appeal from a final decision of the United States Court of International Trade;

"(6) to review the final determinations of the United States International Trade Commission relating to unfair practices in import trade, made under section 337 of the Tariff Act of 1930 (19 U.S.C. 1337);

"(7) to review, by appeal on questions of law only, findings of the Secretary of Commerce under headnote 6 to schedule 8, part 4, of the Tariff Schedules of the United States (relating to importation of instruments or apparatus);

"(8) of an appeal under section 71 of the Plant Variety Protection Act (7 U.S.C. 2461);

"(9) of an appeal from a final order or final decision of the Merit Systems Protection Board, pursuant to sections 7703(b)(1) and 7703(d) of title 5; and

"(10) of an appeal from a final decision of an agency board of contract appeals pursuant to section 8(g)(1) of the Contract Disputes Act of 1978.

"(b) The head of any executive department or agency may, with the approval of the Attorney General, refer to the Court of Appeals for the Federal Circuit for judicial review any final decision rendered by a board of contract appeals pursuant to the terms of any contract with the United States awarded by that department or agency which the head of such department or agency has concluded is not entitled to finality pursuant to the review standards specified in section 10(b) of the Contract Disputes Act of 1978 (41 U.S.C. 609(b)). The head of each executive department or agency shall make any referral under this section within one hundred and twenty days after the receipt of a copy of the final appeal decision.

"(c) The Court of Appeals for the Federal Circuit shall review the matter referred in accordance with the standards specified in section 10(b) of the Contract Disputes Act of 1978. The court shall proceed with judicial review on the administrative record made before the board of contract appeals on matters so referred as in other cases pending in such court, shall determine the issue of finality of the appeal decision, and shall, if appropriate, render judgment thereon, or remand the matter to any administrative or executive body or official with such direction as it may deem proper and just.

"§ 1296. Precedence of cases in the United States Court of Appeals for the Federal Circuit

"Civil actions in the United States Court of Appeals for the Federal Circuit shall be given precedence, in accordance with the law applicable to such actions, in such order as the court may by rule establish.".

(b) The section analysis of chapter 83 of title 28, United States Code, is amended by adding at the end thereof the following new item:

"1295. Jurisdiction of the United States Court of Appeals for the Federal Circuit.

"1296. Precedence of cases in the United States Court of Appeals for the Federal Circuit.".

INTERSTATE COMMERCE COMMISSION ORDERS; JURISDICTION

SEC. 127. Section 1336(b) of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

UNITED STATES AS DEFENDANT; JURISDICTION

SEC. 128. Section 1346(a) of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

INTERSTATE COMMERCE COMMISSION ORDERS; VENUE

SEC. 129. Section 1398(b) of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

UNITED STATES AS DEFENDANT; VENUE

SEC. 130. Section 1402(a) of title 28, United States Code, is amended by inserting "in a district court" after "civil action".

CURE OR WAIVER OF DEFECTS

SEC. 131. Section 1406(c) of title 28, United States Code, is amended by striking out "Court of Claims" each place it appears and inserting in lieu thereof "Claims Court".

UNITED STATES CLAIMS COURT JURISDICTION AND VENUE

SEC. 132. (a) Section 1491 of title 28, United States Code, is amended to read as follows:

"§ 1491. Claims against United States generally; actions involving Tennessee Valley Authority

"(a)(1) The United States Claims Court shall have jurisdiction to render judgment upon any claim against the United States founded either upon the Constitution, or any Act of Congress or any regulation of an executive department, or upon any express or implied contract with the United States, or for liquidated or unliquidated damages in cases not sounding in tort. For the purpose of this paragraph, an express or implied contract with the Army and Air Force Exchange Service, Navy Exchanges, Marine Corps Exchanges, Coast Guard Exchanges, or Exchange Councils of the National Aeronautics and Space Administration shall be considered an express or implied contract with the United States.

"(2) To afford complete relief in controversies within its jurisdiction, the court may grant declaratory judgments and such equitable and extraordinary relief as it deems proper, including but not limited to injunctive relief; and the court may, to complete the relief afforded by a judgment, issue orders directing restoration to office or position, placement in appropriate duty or retirement status, and correction of applicable records; and any such orders issued pursuant to a grant of equitable or extraordinary relief or issued to complete relief may be issued to any appropriate official of the United States. In any case within its jurisdiction, the court shall have the power to remand appropriate matters to any administrative or executive body or official with such direction as it may deem proper and just. The Claims Court shall have jurisdiction to render judgment upon any claim by a contractor arising under section 10(a)(1) of the Contract Disputes Act of 1978.

"(b) Nothing herein shall be construed to give the United States Claims Court jurisdiction of any civil action within the exclusive jurisidiction of the Court of International Trade, or of any action against, or founded on conduct of, the Tennessee Valley Authority, or to amend or modify the provisions of the Tennessee Valley Authority Act of 1933 with respect to actions by or against the Authority.".

(b) Section 1492 of title 28, United States Code, is amended by striking out "chief commissioner of the Court of Claims" and inserting in lieu thereof "chief judge of the United States Claims Court".

(c)(1) Sections 1494, 1495, 1496, and 1497 of title 28, United States Code, are amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(2) The section heading of section 1497 of title 28, United States Code, is amended by striking out "growers," and inserting in lieu thereof "growers'".

(d) Section 1498 of title 28, United States Code, is amended—

(1) in subsection (a), by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court";

(2) in subsections (b) and (d), by striking out "Court of Claims" and inserting in lieu thereof "Claims Court".

(e) Sections 1499, 1500, 1501, 1502 and 1503 of title 28, United States Code, are amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(f) Section 1504 of title 28, United States Code, and the item relating to section 1504 in the section analysis of chapter 91 of such title, are repealed.

(g) Section 1505 of title 28, United States Code, is amended by striking out "Court of Claims" the first place it appears and inserting in lieu thereof of "United States Claims Court" and by striking out "Court of Claims" the second place it appears and inserting in lieu thereof "Claims Court".

(h) Section 1506 of title 28, United States Code, and the item in the section analysis of chapter 91 of such title, are repealed.

(i) Section 1507 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(j)(1) The item relating to chapter 91 in the chapter analysis of part IV of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(2) The chapter heading of chapter 91 of title 28, United States Code, is amended by striking out "COURT OF CLAIMS" and inserting in lieu thereof "UNITED STATES CLAIMS COURT".

(3) The item relating to section 1499 in the section analysis of chapter 91, United States Code, is amended to read as follows:

"1499. Liquidated damage withheld from contractors under Contract Work Hours Standards Act.".

REPEAL OF PROVISIONS RELATING TO THE COURT OF CUSTOMS AND PATENT APPEALS

SEC. 133. Chapter 93 of title 28, United States Code, and the item relating to chapter 93 in the chapter analysis of part IV of such title, are repealed.

REPEAL; CURE OF DEFECTS

SEC. 134. Section 1584 of title 28, United States Code, and the item relating to section

1584 in the section analysis of chapter 95 of such title, are repealed.

REPEAL; TIME FOR APPEAL

SEC. 135. Section 2110 of title 28, United States Code, and the item relating to section 2110 in the section analysis of chapter 133 of such title, are repealed.

COURT OF APPEALS JURISDICTION

SEC. 136. Section 2342 of title 28, United States Code, is amended—

(1) by inserting "(other than the United States Court of Appeals for the Federal Circuit)" after "court of appeals";

(2) in paragraph (4), by inserting "and" after the semicolon;

(3) in paragraph (5), by striking out "; and" and inserting in lieu thereof a period; and

(4) by striking out paragraph (6).

PLANT VARIETY PROTECTION OFFICE DECISIONS

SEC. 137. Section 2353 of title 28, United States Code, and the item relating to section 2353 in the section analysis of chapter 158 of such title, are repealed.

UNITED STATES CLAIMS COURT PROCEDURE

SEC. 138. (a) Sections 2501 and 2502(a) of title 28, United States Code, are amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(b)(1) Section 2503 of title 28, United States Code, is amended to read as follows:

"§ 2503. Proceedings generally

"Parties to any suit in the United States Claims Court may appear before a judge of that court in person or by attorney, produce evidence, and examine witnesses. The proceedings of the Claims Court shall be in accordance with such rules of practice and procedure (other than the rules of evidence) as the Claims Court may prescribe and in accordance with the rules of evidence applicable to trials without a jury in a district court of the United States. The judges shall fix times for trials, administer oaths or affirmations, examine witnesses, receive evidence, and enter dispositive judgments. Hearings shall, if convenient, be held in the counties where the witnesses reside.".

(2) The item relating to section 2503 in the section analysis of chapter 165 of title 28, United States Code, is amended by striking out "before commissioners".

(c) Section 2504 of title 28, United States Code, and the item relating to section 2504 in the section analysis of chapter 165 of such title, are repealed.

(d) Section 2505 of title 28, United States Code, is amended—

(1) by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court"; and

(2) by striking out "report findings" and inserting in lieu thereof "enter judgment".

(e) Section 2506 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(f) Section 2507 of title 28, United States Code, is amended—

(1) in subsection (a), by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court"; and

(2) in subsection (c), by striking out "Court of Claims" and inserting in lieu thereof "Claims Court".

(g) Section 2508 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(h)(1) Section 2509(a) of title 28, United States Code, is amended to read as follows:

"(a) Whenever a bill, except a bill for a pension, is referred by either House of Congress to the chief judge of the United States Claims Court pursuant to section 1492 of this title, the chief judge shall designate a judge as hearing officer for the case and a panel of three judges of the court to serve as a reviewing body. One member of the review panel shall be designated as presiding officer of the panel.".

(2) Section 2509 of title 28, United States Code, is amended—

(A) in subsections (b), (c), (d), and (f), by striking out "trial commissioner" and inserting in lieu thereof "hearing officer";

(B) in subsections (b), (c), and (e), by striking out "chief commissioner" and inserting in lieu thereof "chief judge";

(C) in subsections (b), (f), and (g), by striking out "Court of Claims" and inserting in lieu thereof "Claims Court";

(D) in subsection (d), by striking out "of commissioners";

(E) in subsection (g), by striking out "commissioners" the first place it appears and inserting in lieu thereof "judges"; and

(F) in subsection (g), by striking out "trial commissioners" and inserting in lieu thereof "hearing officers".

(i)(1) Section 2510 of title 28, United States Code, is amended to read as follows:

§ "2510. Referral of cases by Comptroller General

"(a) The Comptroller General may transmit to the United States Claims Court for trial and adjudication any claim or matter of which the Claims Court might take jurisdiction on the voluntary action of the claimant, together with all vouchers, papers, documents, and proofs pertaining thereto.

"(b) The Claims Court shall proceed with the claims or matters so referred as in other cases pending in such Court and shall render judgment thereon.".

(2) The item relating to section 2510 in the section analysis of chapter 165 of title 28, United States Code, is amended to read as follows:

"2510. Referral of cases by Comptroller General.".

(j)(1) Section 2511 of title 28, United States Code, is amended by striking out ", or of the Supreme Court upon review,".

(2) Sections 2511, 2512, 2513(c), 2514, and 2515(a) of title 28, United States Code, are amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(k) Section 2517 of title 28, United States Code, is amended—

(1) in subsection (a), by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court"; and

(2) in subsection (b), by striking out the comma at the end thereof and inserting in lieu thereof a period.

(l) Section 2518 of title 28, United States Code, and the item relating to section 2518 in the section analysis of chapter 165 of such title, are repealed.

(m) Section 2519 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(n)(1) Section 2520(a) of title 28, United States Code, is amended—

(A) by striking out "(a)";

(B) by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court"; and

(C) by striking out "$10" and inserting in lieu thereof "$60".

(2) Subsections (b) and (c) of section 2520 of title 28, United States Code, are repealed.

(3) The section heading for section 2520 of title 28, United States Code, is amended by striking out "; cost of printing record".

(4) The item relating to section 2520 in the section analysis of chapter 165 of title 28, United States Code, is amended to read as follows:

"2520. Fees.".

(o)(1) The item relating to chapter 165 in the chapter analysis of part VI of title 28, United States Code, is amended to read as follows:

"165. United States Claims Court Procedure ---------- 2501".

(2) The chapter heading of chapter 165 of title 28, United States Code, is amended by striking out "COURT OF CLAIMS" and inserting in lieu thereof "UNITED STATES CLAIMS COURT".

(p)(1) Section 1926 of title 28, United States Code, is amended to read as follows:

"§ 1926. Claims Court

"(a) The Judicial Conference of the United States shall prescribe from time to time the fees and costs to be charged and collected in the United States Claims Court.

"(b) The court and its officers shall collect only such fees and costs as the Judicial Conference prescribes. The court may require advance payment of fees by rule".

(2) The item relating to section 1926 in the section analysis of chapter 123 of title 28, United States Code, is amended to read as follows:

"1926. Claims Court.".

(q)(1) Chapter 165 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 2522. Notice of Appeal

"Review of a decision of the United States Claims Court shall be obtained by filing a notice of appeal with the clerk of the Claims Court within the time and in the manner prescribed for appeals to United States courts of appeals from the United States district courts.".

(2) The section analysis of chapter 165 of title 28, United States Code, is amended by adding at the end thereof the following new item:

"2522. Notice of Apeal.".

REPEAL OF PROVISIONS RELATING TO THE COURT OF CUSTOMS AND PATENT APPEALS

SEC. 139. Chapter 167 of title 28, United States Code, and the item relating to chapter 167 in the chapter analysis of part VI of such title, are repealed.

COURT OF INTERNATIONAL TRADE; PROCEDURE

SEC. 140. Section 2645(c) of title 28, United States Code, is amended by striking out "Customs and Patent Appeals within the time and in the manner provided in section 2601 of this title" and inserting in lieu thereof "Appeals for the Federal Circuit by filing a notice of appeal with the clerk of the Court of International Trade within the time and in the manner prescribed for appeals to United States courts of appeals from the United States district courts".

FEDERAL RULES OF EVIDENCE

SEC. 141. Rule 1101(a) of the Federal Rules of Evidence is amended by striking out "Court of Claims" the first place it appears and inserting in lieu thereof "Claims Court" and by striking out "and commissioners of the Court of Claims".

PART B—CONFORMING AMENDMENTS OUTSIDE TITLE 28

SEC. 142. Section 225(f)(C) of the Federal Salary Act of 1967 (2 U.S.C. 356(C)), is amended by inserting "and the judges of the United States Claims Court" immediately before the semicolon at the end thereof.

SEC. 143. Section 7703 of title 5, United States Code, is amended—

(1) in subsection (b)(1), by striking out "Court of Claims or a United States court of appeals as provided in Chapter 91 and 158, respectively, of title 28" and inserting in lieu thereof "United States Court of Appeals for the Federal Circuit";

(2) in subsection (c), by striking out "Court of Claims or a United States court of appeals" and inserting in lieu thereof

"Court of Appeals for the Federal Circuit"; and

(3) in subsection (d), by striking out "District of Columbia" and inserting in lieu thereof "Federal Circuit".

SEC. 144. The second sentence of section 71 of the Plant Variety Protection Act (7 U.S.C. 2461) is amended to read as follows: "The United States Court of Appeals for the Federal Circuit shall have jurisdiction.".

SEC. 145. Section 11(d) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2210(d)) is amended by striking out "Court of Claims of the United States" and inserting in lieu thereof "United States Claims Court".

SEC. 146. Section 204 of title 18, United States Code, and the section heading thereof are amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court or the United States Court of Appeals for the Federal Circuit".

SEC. 147. Section 39 of the Trademark Act of 1946 (15 U.S.C. 1121) is amended by inserting "(other than the United States Court of Appeals for the Federal Circuit)" after "circuit courts of appeal of the United States".

SEC. 148. Section 516A(a)(3) of the Tariff Act of 1930 (19 U.S.C. 1516a(a)(3)) is amended by striking out "subsections (b), (c), and (e) of".

SEC. 149. (a) Section 29 of the Act entitled "An Act to create an Indian Claims Commission, to provide for the powers, duties, and functions thereof, and for other purposes", approved August 13, 1946 (25 U.S.C. 70v-3), is amended by striking out "Court of Claims" each place it appears and inserting in lieu thereof "Claims Court".

(b) Subsection (c) of section 29 of such Act is repealed.

(c) Subsection (d) of section 29 of such Act is amended by striking "Supreme Court in accordance with the provisions of section 1255" and inserting in lieu thereof "United States Court of Appeals for the Federal Circuit in accordance with the provisions of section 1295".

SEC. 150. Section 2 of the Act of May 18, 1928 (25 U.S.C. 652) is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court" and by striking out "Court of Claims of the United States" and inserting in lieu thereof "United States Claims Court" and by striking out "Supreme Court of the United States" and inserting in lieu thereof "United States Court of Appeals for the Federal Circuit".

SEC. 151. Section 7422(e) of the Internal Revenue Code of 1954 is amended by striking out "Court of Claims" each place it appears and inserting in lieu thereof "United States Claims Court".

SEC. 152. Section 7428 of the Internal Revenue Code of 1954 is amended by striking out "Court of Claims" each place it appears and inserting in lieu thereof "Claims Court".

SEC. 153. (a) The second sentence of section 7456(c) of the Internal Revenue Code of 1954 is amended to read as follows: "Each commissioner shall receive pay at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351-361), as adjusted by section 461 of title 28, United States Code, and also necessary traveling expenses and per diem allowance, as provided in the Travel Expense Act of 1949, while traveling on official business and away from Washington, District of Columbia.".

(b) Notwithstanding the preceding paragraph, until such time as a change in the salary rate of a commissioner of the United States Tax Court occurs in accordance with section 7456(c) of the Internal Revenue Code of 1954, the salary of such commissioner shall be equal to the salary of a commissioner of the Court of Claims.

SEC. 154. Section 7482(a) of the Internal Revenue Code of 1954 is amended by inserting "(other than the United States Court of Appeals for the Federal Circuit)" after "United States Court of Appeals".

SEC. 155. Section 8(g)(1) of the Contract Disputes Act of 1978 (41 U.S.C. 607(g)(1) is amended—

(1) in subparagraph (A), by striking out "Court of Claims" and inserting in lieu thereof "United States Court of Appeals for the Federal Circuit"; and

(2) in subparagraph (B), by striking out "United States Court of Claims for judicial review, under section 2510 of title 28, United States Code, as amended herein," and inserting in lieu thereof "Court of Appeals for the Federal Circuit for judicial review under section 1295 of title 28, United States Code,".

SEC. 156. Section 10(c) of the Contract Disputes Act of 1978 (41 U.S.C. 609(c)) is amended by striking out ", or, in its discretion" and all that follows through "of the case".

SEC. 157. Section 713 of title 44, United States Code, is amended—

(1) by striking out "eight hundred and twenty-two" and inserting in lieu thereof "eight hundred and twenty";

(2) by inserting "and" after "Superintendent of Documents;"; and

(3) by striking out "to the Court of Claims, two copies; and".

SEC. 158. Section 1103 of title 44, United States Code, is amended by striking out ", the Court of Claims," and by striking out ", chief judge of the Court of Claims,".

SEC. 159. (a) The following provisions of law are amended by striking out "Court of Claims" each place it appears and inserting in lieu thereof "United States Claims Court":

(1) Sections 1 and 2 of the Act of October 19, 1973 (87 Stat. 466).

(2) Section 8715 of title 5, United States Code.

(3) Section 8912 of title 5, United States Code.

(4) Section 2273(b) of title 10, United States Code.

(5) Section 337(i) of the Tariff Act of 1930 (19 U.S.C. 1337(i)).

(6) Section 606(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2356(a)).

(7) Section 1 of the Act entitled "An Act providing for the allotment and distribution of Indian tribal funds", approved March 2, 1907 (25 U.S.C. 119).

(8) Section 2 of the Act of August 12, 1935 (25 U.S.C. 475a).

(9) Section 6110(i)(1) of the Internal Revenue Code of 1954.

(10) Section 2 of the Act of May 28, 1908 (30 U.S.C. 193a).

(11) Section 7 of the Act of July 31, 1894 (31 U.S.C. 72).

(12) Section 1302 of the Act of July 27, 1956 (31 U.S.C. 724a).

(13) Section 183 of title 35, United States Code.

(14) Section 104(c) of the Contract Work Hours and Safety Standards Act (40 U.S.C. 330(c)).

(15) Sections 13(b)(2) and 14 of the Contract Settlement Act of 1944 (41 U.S.C. 113(b) and 114).

(16) Sections 8(d), 10(a)(1), and 10(d) of the Contract Disputes Act of 1978 (41 U.S.C. 607(d), 609(a)(1), and 609(d)).

(17) Sections 171 and 173 of the Atomic Energy Act of 1954 (42 U.S.C. 2221 and 2223).

(18) Section 10(i) of the Trading with the Enemy Act (50 U.S.C. App. 10(i)).

(19) Sections 103(f), 103(i), 105, 106(a)(6), 108, 108A, and 114(5) of the Renegotiation Act of 1951 (50 U.S.C. App. 1213(f), 1213(i), 1215, 1216(a)(6), 1218, 1218a, and 1224(5)).

(20) Section 4 of the Act of July 2, 1948 (50 U.S.C. App. 1984).

(b) The section heading of section 108A of the Renegotiation Act of 1951 (50 U.S.C. App. 1218a) is amended by striking out "COURT OF CLAIMS" and inserting in lieu thereof "UNITED STATES CLAIMS COURT".

(c) Section 108A of the Renegotiation Act of 1951 (50 U.S.C. App. 1218a) is amended by striking out "Supreme Court upon certiorari in the manner provided in section 1255" and inserting in lieu thereof "United States Court of Appeals for the Federal Circuit in accordance with the provisions of section 1295".

SEC. 160. The following provisions of laws are amended by striking out "Court of Claims" each place it appears and inserting in lieu thereof "Claims Court.":

(1) Section 4(c) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(c)).

(2) Section 20 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831s).

(3) Section 403 of the International Claims Settlement Act of 1949 (22 U.S.C. 1642b).

(4) Section 2(a) of the Act of May 15, 1978 (92 Stat. 244).

(5) Section 311(i) of the Federal Water Pollution Control Act (33 U.S.C. 1321(i)).

(6) Section 10(b) of the Intervention on the High Seas Act (33 U.S.C. 1479(b)).

(7) Section 282 of title 35, United States Code.

(8) Section 5261 of the Revised Statutes (45 U.S.C. 87).

(9) Section 41(a) of the Trading with the Enemy Act (50 U.S.C. App. 42(a)).

SEC. 161. The following provisions of law are amended by striking out "United States Court of Customs and Patent Appeals" and "Court of Customs and Patent Appeals" each place they appear and inserting in lieu thereof "United States Court of Appeals for the Federal Circuit":

(1) Section 21 of the Trademark Act of 1946 (15 U.S.C. 1071).

(2) Section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182).

(3) Section 305(d) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2457(d)).

SEC. 162. (a) The following provisions of law are amended by striking out "Court of Customs and Patent Appeals" each place it appears and inserting in lieu thereof "Court of Appeals for the Federal Circuit":

(1) Subsections (d) and (f) of section 516 of the Tariff Act of 1930 (19 U.S.C. 1516 (d) and (f)).

(2) Section 516A (c) and (e) of the Tariff Act of 1930 (19 U.S.C. 1516a (c) and (e)).

(3) Section 528 of the Tariff Act of 1930 (19 U.S.C. 1528).

(4) Section 337(c) of the Tariff Act of 1930 (19 U.S.C. 1337(c)).

(5) Section 284(c) of the Trade Act of 1974 (19 U.S.C. 2395(c)).

(6) Section 308(9) of the Ethics in Government Act (28 U.S.C. App.),

(7) Sections 141 through 146 of title 35, United States Code.

(b)(1) The item relating to section 141 in the section analysis of chapter 13 of title 35, United States Code, is amended by striking out "Court of Customs and Patent Appeals" and inserting in lieu thereof "Court of Appeals for the Federal Circuit".

(2) The section heading for section 141 of title 35, United States Code, is amended by striking out "Court of Customs and Patent Appeals" and inserting in lieu thereof "Court of Appeals for the Federal Circuit".

SEC. 163. The following provisions of law are amended by striking out "the United States Court of Claims, the United States Court of Customs and Patent Appeals" each place it appears and inserting in lieu thereof "the United States Claims Court":

(1) Section 6001(4) of title 18, United States Code.

(2) Section 906 of title 44, United States Code.

PART C—MISCELLANEOUS PROVISIONS

EFFECTIVE DATE

SEC. 164. Except as provided in section 170 of this title, the provisions of this title shall take effect on October 1, 1981.

CONTINUED SERVICE OF CURRENT JUDGES

SEC. 165. The judges of the United States Court of Claims and of the United States Court of Customs and Patent Appeals in regular active service on the effective date of this Act shall continue in office as judges of the United States Court of Appeals for the Federal Circuit. Senior judges of the United States Court of Claims and of the United States Court of Customs and Patent Appeals on the effective date of this Act shall continue in office as senior judges of the United States Court of Appeals for the Federal Circuit.

APPOINTMENT OF CHIEF JUDGE OF COURT OF APPEALS FOR THE FEDERAL COURT

SEC. 166. Notwithstanding the provisions of section 45(a) of title 28, United States Code, the first chief judge of the United States Court of Appeals for the Federal Circuit shall be the Chief Judge of the United States Court of Claims or the Chief Judge of the United States Court of Customs and Patent Appeals, whoever has served longer as chief judge of his court. When the person who first serves as chief judge of the United States Court of Appeals for the Federal Circuit vacates that position, the position shall be filled in accordance with the provisions of such section 45(a).

COURT OF CLAIMS COMMISSIONERS

SEC. 167. (a) Notwithstanding the provisions of section 171(a) of title 28, United States Code, as amended by this Act, a commissioner of the United States Court of Claims serving immediately prior to the effective date of this Act shall become a judge of the United States Claims Court on the effective date of this Act.

(b) Notwithstanding the provisions of section 172(a) of title 28, United States Code, as amended by this Act, the initial term of office of a person who becomes a judge of the United States Claims Court under subsection (a) of this section shall expire on September 30, 1986, except that no such individual shall serve as a judge after reaching the age of seventy years.

(c) Notwithstanding the provisions of section 172(b) of title 28, United States Code, as amended by this Act, until such time as a change in the salary rate of a judge of the United States Claims Court occurs in accordance with such section 172(b), the salary of such judge shall be equal to the salary of a Commissioner of the Court of Claims.

(d) If any position of commissioner on the United States Court of Claims becomes vacant during the period beginning on the date of enactment of this Act and ending October 1, 1981, such position shall remain vacant during the remainder of such period and shall be filled, after October 1, 1981, by appointment in accordance with section 171 of title 28, United States Code, as amended by this Act.

EFFECT ON PENDING CASES

SEC. 168. Any matter pending before a commissioner of the United States Court of Claims on the effective date of this title shall be transferred to the United States Claims Courts. Any appeal which has been taken from a district court of the United States prior to the effective date shall be decided by the court of appeals in which it has been filed. Any matter pending before the United States Court of Customs and Patent Appeals or awaiting disposition by the United States Court of Claims on the effective date shall be transferred to the United States Court of Appeals for the Federal Circuit.

TVA LEGAL REPRESENTATION

SEC. 169. Nothing in this Act affects the authority of the Tennessee Valley Authority under the Tennessee Valley Authority Act of 1933 to represent itself by attorneys of its choosing.

TITLE II—GOVERNANCE AND ADMINISTRATION OF THE FEDERAL COURTS

PART A—CHIEF JUDGE TENURE

APPOINTMENT AND TERMS OF CHIEF JUDGES OF THE COURTS OF APPEALS

SEC. 201. (a) Section 45(a) of title 28, United States Code, is amended to read as follows:

"(a)(1) The chief judge of the circuit shall be the circuit judge in regular active service who is senior in commission of those judges who—

"(A) are sixty-four years of age or under;

"(B) have served for one year or more as circuit judge; and

"(C) have not served previously as chief judge.

"(2)(A) In any case in which no circuit judge meets the qualification of paragraph (1), the youngest circuit judge in regular active service who is sixty-five years of age or over and who has served as circuit judge for one year or more shall act as the chief judge.

"(B) In any case under subparagraph (A) in which there is no circuit judge in regular active service who has served as a circuit judge for one year or more, the circuit judge in regular active service who is senior in commission and who has not served previously as chief judge shall act as the chief judge.

"(3)(A) Except as provided in subparagraph (C), the chief judge of the circuit appointed under paragraph (1) shall serve for a term of seven years and shall serve after expiration of such term until another judge is eligible under paragraph (1) to serve as chief judge of the circuit.

"(B) Except as provided in subparagraph (C), a circuit judge acting as chief judge under subparagraph (A) or (B) or paragraph (2) shall serve until a judge has been appointed who meets the qualifications under paragraph (1).

"(C) No circuit judge may serve or act as chief judge of the circuit after attaining the age of seventy years unless no other circuit judge is qualified to serve as chief judge of the circuit under paragraph (1) or is qualified to act as chief judge under paragraph (2).".

(b) Section 45(c) of title 28, United States Code, is amended to read as follows:

"(c) If the chief judge desires to be relieved of his duties as chief judge while retaining his active status as circuit judge, he may so certify to the Chief Justice of the United States, and thereafter the chief judge of the circuit shall be such other circuit judge who is qualified to serve or act as chief judge under subsection (a).".

APPOINTMENT AND TERMS OF CHIEF JUDGES OF THE DISTRICT COURTS

SEC. 202. (a) Section 136(a) of title 28, United States Code, is amended to read as follows:

"(a)(1) In any district having more than one district judge, the chief judge of the district shall be the district judge in regular active service who is senior in commission of those judges who—

"(A) are sixty-four years of age or under;

"(B) have served for one year or more as district judge; and

"(C) have not served previously as chief judge.

"(2)(A) In any case in which no district judge meets the qualifications of paragraph (1), the youngest district judge in regular active service who is sixty-five years of age or over and who has served as district judge for one year or more shall act as the chief judge.

"(B) In any case under subparagraph (A) in which there is no district judge in regular active service who has served as a district judge for one year or more, the district judge in regular active service who is senior in commission and who has not served previously as chief judge shall act as the chief judge.

"(3)(A) Except as provided in subparagraph (C), the chief judge of the district appointed under paragraph (1) shall serve for a term of seven years and shall serve after expiration of such term until another judge is eligible under paragraph (1) to serve as chief judge of the district.

"(B) Except as provided in subparagraph (C), a district judge acting as chief judge under subparagraph (A) or (B) of paragraph (2) shall serve until a judge has been appointed who meets the qualifications under paragraph (1).

"(C) No district judge may serve or act as chief judge of the district after attaining the age of seventy years unless no other district judge is qualified to serve as chief judge of the district under paragraph (1) or is qualified to act as chief judge under paragraph (2).".

(b) Section 136(d) of title 28, United States Code, is amended to read as follows:

"(d) If the chief judge desires to be relieved of his duties as chief judge while retaining his active status as district judge, he may so certify to the Chief Justice of the United States, and thereafter, the chief judge of the district shall be such other district judge who is qualified to serve or act as chief judge under subsection (a).".

EFFECTIVE RATE; APPLICABILITY

SEC. 203. (a) The amendments to section 45 of title 28, United States Code, and to section 136 of such title, made by sections 201 and 202 of this part, shall take effect one year after the date of enactment of this Act but shall not apply to or affect any person as chief judge on such effective date.

(b) The provisions of sections 45(a) of title 28, United States Code, as in effect on the day before the effective date of this part, shall apply to the chief judge of a circuit serving on such effective date. The provisions of section 136(a) of title 28, United States Code, as in effect on the day before the effective date of this part, shall apply to the chief judge of a district court serving on such effective date.

PART B—PRECEDENCE AND COMPOSITION OF PANEL PRECEDENCE ON PANEL

SEC. 204. Section 45(b) of title 28, United States Code, is amended by inserting "of the court in regular active service" immediately after "circuit judges" in the second sentence.

COMPOSITION OF PANEL; REQUIREMENTS AND SIZE

SEC. 205. Section 46(b) of title 28, United States Code, as amended by this Act, is further amended by inserting after the first sentence thereof the following new sentence: "At least a majority of the judges of a panel of a court shall be judges of that court, unless such judges cannot sit because recused or disqualified or unless the chief judge of that court certifies that an emergency exists, including but not limited to the unavailability of a judge that court because of illness.".

PART C—JUDICIAL COUNCILS OF THE CIRCUITS

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 206. (a) Section 3006A (h)(2)(A) of title 18, United States Code, is amended—

(1) by striking out "judicial council" each place it appears and inserting in lieu thereof "court of appeals" in each instance; and

(2) by striking out "Judicial Council of the Circuit" and inserting in lieu thereof "court of appeals of the circuit".

(b) Section 3006A(i) of title 18, United States Code, is amended by striking "judicial council" and inserting in lieu thereof "court of appeals".

(c) The amendment made by subsection (a) of this section shall not affect the terms of existing appointments.

PART D—RETIREMENT AND PENSIONS

JUDICIAL RESIGNATION AND RETIREMENT

SEC. 207. (a) Section 371 of title 28, United States Code, is amended to read as follows:

"§ 371. Resignation or retirement for age.

"(a) Any justice or judge of the United States appointed to hold office during good behavior who resigns after attaining the age and meeting the service requirements, whether continuous or otherwise, of subsection (c) of this section shall, during the remainder of his lifetime, receive an annuity equal to the salary which he was receiving when he resigned.

"(b) Any justice or judge of the United States appointed to hold office during good behavior may retain his office but retire from regular active service after attaining the age and meeting the service requirements, whether continuous or otherwise of subsection (c) of this section. He shall, during the remainder of his lifetime, continue to receive the salary of the office. The President shall appoint, by and with the advice and consent of the Senate, a successor to a justice or judge who retires.

"(c) The age service requirements for resignation or retirement of a justice or judge of the United States under this section are as follows:

"Attained age:	Years service
65	15
70	10.".

(b) The amendments made by subsection (a) shall apply with respect to any justice or judge of the United States who retires on or after the date of enactment of this Act.

PENSIONS OF JUDGES WHO RESIGN TO ACCEPT EXECUTIVE POSITIONS

SEC. 208. (a) Section 8332(b) of title 5, United States Code, is amended by striking out "and" at the end of paragraph (8), by striking the period at the end of paragraph (9) and inserting in lieu thereof "; and", and by inserting at the end thereof the following new paragraph:

"(10) service as a justice or judge of the United States, as defined by section 451 of title 28, and service as a judge of a court created by Act of Congress in a territory which is invested with any jurisdiction of a district court of the United States, but no credit shall be allowed for such service if the employee is entitled to a salary or an annuity under section 371, 372, or 373 of title 28.".

(b) Section 8334 of title 5, United States Code, is amended by inserting at the end thereof the following new subsection:

"(l)(1) The Director of the Administrative Office of the United States Courts shall pay to the Fund the amount which an employee may deposit under subsection (c) of this section for service creditable under section 8332(b)(10) of this title if such creditable service immediately precedes service as an employee subject to this subchapter with a break in service of no more than ninety working days. The Director shall pay such amount from any appropriation available to him as a necessary expense of the appropriation concerned.

"(2) The amount the Director pays in accordance with paragraph (1) of this subsection shall be reduced by the amount of any refund to the employee under section 376 of title 28. Except to the extent of such reduction, the amount the Director pays to the Fund shall satisfy the deposit requirement of subsection (c) of this section.

"(3) Notwithstanding any other provision of law, the amount the Director pays under this subsection shall constitute an employer contribution to the Fund, excludable under section 402 of the Internal Revenue Code of 1954 from the employee's gross income until such time as the contribution is distributed or made available to the employee, and shall not be subject to refund or to lump-sum payment to the employee.".

PART E—TEMPORARY ASSIGNMENT OF JUSTICES AND JUDGES

ASSIGNMENT TO OTHER OFFICES WITHIN THE JUDICIAL BRANCH

SEC. 209. (a) Title 28, United States Code, is amended by inserting the following new chapter after chapter 13:

"Chapter 14—TEMPORARY ASSIGNMENT OF JUSTICES AND JUDGES TO OTHER OFFICES WITHIN THE JUDICIAL BRANCH

"Sec.
"301. Temporary assignment.
"302. Appointment of successor.
"303. Official duty station.
"304. Return to active service; seniority and precedence.

"§301. Temporary assignment

"Any retired justice of the United States, or any judge of the United States in active, senior, or retired status may be temporarily assigned by the Chief Justice to the position of Administrative Assistant to the Chief Justice, Director of the Administrative Office of the United States Courts, or Director of the Federal Judicial Center. Such service shall be without additional compensation.

"§ 302. Appointment of successor.

"Upon the temporary assignment of any judge in active status pursuant to section 301 of this title, the President shall, by and with the advice and consent of the Senate, appoint a successor to fill the vacancy resulting from such temporary assignment. After such a successor is appointed, if the judge who is temporarily assigned by the Chief Judge pursuant to section 301 of this title dies, resigns, or retires, then a vacancy requiring a further appointment does not occur. If the judge temporarily assigned resumes active service pursuant to section 304(a) of this title, the first vacancy created thereafter on that court shall not be filled.

"§ 303. Official duty station.

"Notwithstanding the provisions of sections 374 and 456 of this title, the official duty station of the Administrative Assistant to the Chief Justice, the Director of the Administrative Office of the United States Courts, and the Director of the Federal Judicial Center is the District of Columbia.

"§ 304. Return to active service; seniority and precedence.

"(a) Any judge who was in active service at the time of his temporary assignment made pursuant to section 301 of this title may resume such active service upon vacating his temporary assignment.

"(b) For the purposes of seniority and precedence, a judge who resumes active service under subsection (a) shall be considered to have been in continuous active service as a judge of that court.".

(b) The chapter analysis of part I of title 28, United States Code, is amended by inserting the following new item immediately after the item relating to chapter 13:

"1d. Temporary Assignment of Justices and Judges to Other Offices Within the Judicial Branch..... 301".

PART F—RULES OF PRACTICE

PUBLICATION OF RULES

SEC. 210. (a) Chapter 131 of title 28 of the United States Code is amended by adding at the end thereof the following section:

"§ 2077. Publication of rules; advisory committees.

"(a) The rules for the conduct of the business of each court of appeals, including the operating procedures of such court, shall be published. Each court of appeals shall print or cause to be printed necessary copies of the rules. The Judicial Conference shall prescribe the fees for sales of copies under section 1913 of this title, but the Judicial Conference may provide for free distribution of copies to members of the bar of each court and to other interested persons.

"(b) Each court of appeals shall appoint an advisory committee for the study of the rules of practice and internal operating procedures of the court of appeals. The advisory committee shall make recommendations to the court concerning such rules and procedures. Members of the committee shall serve without compensation, but the Director may pay travel and transportation expenses in accordance with section 5703 of title 5.".

(b) The section analysis of chapter 131 of title 28, United States Code, is amended by adding at the end thereof the following new item:

"2077. Publication of rules, advisory committees.".

* * * * *

TITLE III—JURISDICTION AND PROCEDURE

PART A—TRANSFER OF CASES

TRANSFER TO CURE WANT OF JURISDICTION

SEC. 301. (a) Title 28, United States Code, is amended by adding the following new chapter after chapter 97:

"Chapter 99.—GENERAL PROVISIONS

"Sec.
"1631. Transfer to cure want of jurisdiction.

"§ 1631. Transfer to cure want of jurisdiction

"Whenever a civil action is filed in a court of the United States, the United States Claims Court, a court created by Act of Congress in a territory which is invested with any jurisdiction of a district court of the United States, or a United States bankruptcy court, and that court finds that there is a want of jurisdiction, the court shall, if it is in the interests of justice, transfer such action to any other such court in which the action could have been brought at the time such action was filed, and the action shall proceed as if it had been filed in the transferee court on the date upon which it was actually filed in the transferor court.".

(b) The chapter analysis of part IV of title 28, United States Code, is amended by adding at the end thereof the following:

"99. General Provisions..... 1631".

PART B—INTEREST

INTEREST ON JUDGMENTS AND PREJUDGMENT INTEREST

SEC. 302. (a) Section 1961 of title 28, United States Code, is amended—

(1) by inserting "(a)" immediately before "Interest shall" in the first sentence;

(2) by striking out "at the rate allowed by State law" in the last sentence and inserting in lieu thereof the following: "at the rate established pursuant to section 6621 of the Internal Revenue Code of 1954 as of that date. The Director of the Administrative Office of the United States Courts shall distribute notice of that rate and any changes in it to all Federal judges"; and

(3) by adding at the end thereof the following new subsections:

"(b)(1) Except as provided in paragraph (2) or unless otherwise required by law, in awarding damages to a party the court may add to the sum of actual damages awarded a sum of interest computed over a period before the time of judgment where the facts of the controversy and the manner in which the case was litigated indicate that an award

of such projudgment interest is appropriate to afford the prevailing party complete relief. This prejudgment interest shall be computed at the rate fixed under subsection (a) at the time of judgment and measured from the time that the party against whom damages have been awarded became aware of his potential liability or from the time that he should have become aware of such liability but, in any case, not to exceed a period of five years.

"(2) Interest under paragraph (1) shall not be awarded on losses which will not be incurred until after judgment, nor shall such interest be awarded where such an award would be duplicative of some other sum awarded.

"(c) Interest shall be computed daily to the date of payment and shall be compounded annually.

"(d)(1) In any judgment of any court rendered against the United States for any overpayment with respect to any internal revenue tax, interest shall be allowed at an annual rate established under section 6621 of the Internal Revenue Code of 1954 upon the amount of overpayment, from the date of the payment or collection thereof to a date preceding the date of the refund check by not more than thirty days, such date to be determined by the Commissioner of Internal Revenue. The Commissioner is authorized to tender by check payment of any such judgment, with interest as herein provided, at any time after such judgment becomes final, whether or not a claim for such payment has been duly filed, and such tender shall stop the running of interest, whether or not such refund check is accepted by the judgment creditor.

"(2) Except as otherwise provided in paragraph (1) of this subsection, interest shall be allowed on all final judgments against the United States (including judgments of the United States Claims Court) as provided in subsections (a) and (b).".

(b) Sections 2411 and 2516 of title 28, United States Code, and the items relating to sections 2411 and 2516 in the section analyses of chapter 161 and chapter 165 of such title, respectively, are repealed.

(c) Section 1302 of the Act of July 27, 1956 (31 U.S.C. 724a), is amended by striking out "to which the provisions of subsection 2411(b) of title 28, United States Code apply" and by striking out "in accordance with subsection 2516(b) of title 28, United States Code".

TITLE IV—MISCELLANEOUS PROVISIONS

EFFECTIVE DATE

SEC. 401. The provisions of this Act shall take effect October 1, 1981 or sixty days after the date of enactment of this Act whichever is later.

EFFECT ON PENDING CASES

SEC. 402. Any matter pending before a commissioner of the United States Court of Claims on the effective date of this Act shall be transferred to the United States Claims Court. Any appeal which has been taken from a district court of the United States prior to the effective date shall be decided by the court of appeals in which it has been filed. Any matter pending before the United States Court of Customs and Patent Appeals or awaiting disposition by the United States Court of Claims on the effective date shall be transferred to the United States Court of Appeals for the Federal Circuit.●

By Mr. DOLE (for himself and Mr. PERCY):

S. 23. A bill to amend the Internal Revenue Code of 1954 with respect to the special valuation of farm property for purposes of the estate tax; to the Committee on Finance.

VALUATION OF FARM PROPERTY FOR ESTATE TAX

● Mr. DOLE. Mr. President, I am pleased to introduce with the distinguished Senator from Illinois (Mr. PERCY) a bill to correct an inequity in the implementation of the special use valuation for family farms.

The Tax Reform Act of 1976 allowed a special valuation for certain farm property at its current use rather than its highest and best use for the purposes of estate taxation. This section was designed to insure that land used for farming both before and after its owner's death would be valued for estate tax purposes on the basis of its value as farmland and not at an inflated value which would necessitate the breakup of family farms.

The formula used by the Internal Revenue Service for determining special use valuation of farmland requires that net annual gross cash rent for comparable farmland located in the area of the farm in question be divided by the average annual effective interest rate charged by Federal land banks on new agricultural loans to farmers and ranchers. The estate tax value is the average of the resulting amount for the five most recent calendar years ending before the decedent's death.

In Kansas, Illinois, and several other States, little farmland is cash rented; rather it is share leased on a percentage basis in which the lessor and lessee divide the expenses and profits of the farm operation. It is difficult in these States to find local cash rents.

In proposed regulations issued by the Internal Revenue Service on July 19, 1978, an exception was made to the requirement of gross cash rental figures in situations in which no farm property existed in the particular locality that was both comparable and leased on a cash basis. The proposed regulation would have permitted the cash rent to be determined by appraisal using share rents.

On September 10, 1979, however, the IRS reversed itself by issuing proposed regulations which prohibit the use of crop share rentals for the purpose of valuing farm property. The revised regulations became final in July 1980. These new regulations will make the election of the special use valuation prohibitively difficult in those States where share leasing of farmland is predominant. This is an obviously inequitable result.

Mr. President, in the last Congress Senator PERCY took the initiative on this issue by introducing legislation to allow the use of crop share rentals in valuing farm property for estate tax purposes. I was pleased to be the principal cosponsor of that legislation. I am introducing similar legislation today because this matter deserves immediate attention: The problem has already been allowed to persist for too long. I am pleased that Senator PERCY has agreed to cosponsor this legislation, and I know that he will join me in working for prompt passage. I understand that Senator PERCY is examining related problems regarding the availability of the special use valuation, and that he may at a later date make proposals to further ease the burden that farm estates face in proving their qualification for special use valuation. I will be happy to work with him in that effort. But in the meantime, the clarification regarding crop share rentals is urgently needed, and is clearly consistent with the intent of Congress to allow family farms to continue to exist after the death of the original owner. I urge expeditious consideration of and action on our bill.●

● Mr. PERCY. Mr. President, today Senator DOLE and I are reintroducing legislation to correct an inequity in the implementation of the special use valuation for family farms.

I originally introduced this legislation on October 4, 1979 as S. 1859. Although the Subcommittee on Taxation and Debt Management held hearings on my bill last year, the Senate Finance Committee did not have the opportunity to report the bill. Under the very able leadership of the distinguished Senator from Kansas (Mr. DOLE), I am very optimistic that the problem addressed by our legislation will be corrected.

Mr. President, last year the Internal Revenue Service interpreted a portion of the Tax Reform Act of 1976 in a manner which poses a threat to family farmers, contrary to the intent of Congress.

In 1976, we enacted the Tax Reform Act to make a fundamental change in estate tax policy for family farms. Prior to 1976, family farms, like other property, were valued at their highest and best use for estate tax purposes. This made the continuation of farming financially impossible for many family farmers. They were put out of business because they were forced to sell their land to pay the tax bill.

The Tax Reform Act recognized the importance of keeping the family farm intact by writing into the law a special provision—the special use valuation—which valued the family farm on its income potential as a farm; not on its value as a subdivision or its speculative agricultural value when it does not bear a reasonable relationship to its earning capacity. This act eased the estate tax burden on the heirs of family farms and made it possible for them to continue contributing to the agricultural productivity of the Nation. I fully supported this change.

Unfortunately, as too often happens with laws of good intent, the 1976 act is complex and its administration has been difficult. And in this particular case it has been grossly unfair.

The Tax Reform Act provided a formula to calculate the special use valuation.

The formula simply divides the net annual gross cash rent for comparable farmland in the area of the farm in question by the average annual effective interest rate charged by the Federal land banks on new agricultural loans to farmers and ranchers. The estate tax value is the average of the resulting amount for the 5 most recent calendar years ending before the decedent's death.

A problem has arisen in Illinois, Kansas, South Carolina, Oklahoma, and several other States where little farmland is cash rented. Most farmland in these

States is share leased on a percentage basis in which the lessor and lessee divide the expenses and profits of the farm operation.

The Internal Revenue Service in 1978 recognized that cash rent figures would be difficult to find in many States and allowed crop share leases to be substituted in the formula when no farm property existed in the particular locality that was both comparable and leased on a cash basis.

In September 1979 in proposed regulations and again last July in final regulations, the IRS reversed itself and prohibited the use of crop share lease figures in the special use formula. These regulations make the election of the special use valuation prohibitively difficult in those States where share leasing of farmland is predominant. This is an obviously inequitable result.

The bill Senator DOLE and I are reintroducing today will resolve this matter by allowing the substitution of crop share leases for cash rentals. This clarication is clearly consistent with the intent of Congress to allow family farms to continue to exist after the death of the original owner.●

By Mr. DOLE (for himself, Mr. CHAFEE, Mr. DANFORTH, Mr. GARN, Mr. HATFIELD, and Mr. WALLOP):

S. 24. A bill to amend the Internal Revenue Code of 1954 to provide for the establishment of, and the deduction of contributions to education savings accounts and housing savings accounts; to the Committee on Finance.

HOUSING AND EDUCATION SAVINGS ACCOUNTS

● Mr. DOLE. Mr. President, it is undeniable that inflation and a stagnating economy has had a major, adverse impact on the people of our Nation. For the first time in many years, people have begun to lose faith that they will be able to improve their lives and provide a better life for their children.

While it is not surprising that the state of the economy has led to dismay of our countrymen, this Senator is optimistic that the economy can and will be turned around. Obviously, to rebuild the economy will take time and will require broad efforts on the part of this Congress to curtail inflation and stimulate capital formation.

An important part of any effort to boost capital formation must be tax incentives which will encourage individuals to save for major events in their lives. The legislation I am introducing today will provide such an incentive by helping individuals to save for the purchase of their first home and for their children's education.

The mechanism for encouraging savings for these purposes would be accounts similar to those already authorized by statute for retirement savings. These accounts, like individual retirement accounts, would be simple to administer and would provide a mechanism for tax deferral, rather than tax avoidance.

HOUSING SAVINGS ACCOUNTS

The bill permits an individual to establish a housing savings account and to obtain a tax deduction of up to $1,500 for contributions to the account each year for 10 years. This would allow an individual to accumulate up to $15,000 plus investment gain over the life of the account. Married couples filing a joint return would be able to contribute $3,000 per year for a total of $30,000 plus gain on this investment.

The bill provides that a housing savings could be set up solely to fund the purchase of an individual's first home. It is these people who have suffered disproportionately from the vast inflation in housing prices over the last few years since they usually have insufficient means to save for an ever increasing minimum down payment. It may be possible to examine further whether less restrictive limitations may be necessary if other segments of our population are unable to sell a small house and purchase another modestly priced home.

If the amount accumulated in a housing savings account is used to purchase a first home, there will be no tax at the time the account assets are distributed. But this amount could be recaptured on a subsequent sale if another house is not purchased.

Let me give an example of how this bill would work. Suppose a couple contributed $2,000 per year to a housing savings account for 4 years and this investment grows in value to $9,000. The couple could take a tax deduction of $2,000 per year contributed to the account. They also would have to pay no tax on the $1,000 gain.

The $9,000 may be taken from the account and used to purchase a first home at any time. There would be no tax at that time. Similarly, there would be no tax if the couple subsquently sold their home and bought another of at least equal value. However, if the couple sold the home and decided not to buy another, the $9,000 would then be subject to tax. Alternatively, the one-time $100,000 exclusion of gain from sale of a principal residence by an individual who has attained age 55 would be reduced by the $9,000 when that first residence is sold.

MANY INDIVIDUALS PRECLUDED FROM HOMEOWNERSHIP

The purchase of a home has been the traditional way for young people to acquire a stake in our society. This legislation will thus provide a stabilizing influence on society as well as fostering a major aspect of the American dream which may otherwise vanish for many people.

It may be argued that a special incentive designed to facilitate an individual's purchase of his first home is unnecessary. Even a casual look at the statistics, however, proves the necessity of action. For instance, the price of a new home has doubled since 1974. Furthermore, escalating interest rates make financing less and less available to individuals who would otherwise purchase a home.

It has been estimated that, at a 15 percent mortgage interest rate, fewer than 5 percent of American families can afford the median price of a new home. This is a problem of crisis proportions for the vast majority of prospective new home buyers.

EDUCATION SAVINGS ACCOUNT

The second part of this bill is aimed at the other major expense incurred by families, the higher education of their children.

The bill provides that an education savings account may be established for each child. Parents and the child may contribute up to $1,000 per year to this account and receive a corresponding tax deduction. Contributions may be made each year of a child's life until the child reaches 21 or enrolls at a qualified college or vocational school, whichever occurs first.

Amounts from the fund will not be subject to tax when used for tuition, fees, and reasonable living expenses while the child is at a qualified educational institution. However, the amounts so expended will be included ratably in the child's income over a 10-year period beginning in the year the child attains age 25.

EDUCATION COSTS ARE PROHIBITIVE

The need to help families provide for higher education costs is manifest. The costs of an education at poth public and private colleges have increased dramatically over the past 10 years. For instance, the median cost of an education at a private college has increased 105 percent over the last 10 years and the median cost for an in-State student at a public university has increased 80 percent over the same period. The costs for both in-State and out-of-State students in public schools and for students in private schools have all out-paced the consumer price index for this period.

With the cost of higher education rising so dramatically, many people will not be able to afford to pursue higher education without assistance. This bill is intended to encourage long-term savings for education, rather than relying solely on loans and grants when an individual reaches college age.

CAPITAL FORMATION

I firmly believe that Government aid in the form of this type of tax incentive will provide an effective way to help individuals enjoy the benefits of homeownership and receive needed education while providing much needed funds to encourage capital investment.

Tax policy in this country has tended, in recent years, to encourage consumption and discourage investment, savings, and capital formation. Among major industrialized nations, the United States ranks last in savings as a percent of income, last in fixed investment as a percent of GNP, and last in productivity growth. This is no accident and it is not caused by the profligacy of our citizens. It is simply a result of tax policy.

The bill I am introducing today is intended to follow a new direction in tax policy, a policy encouraging savings, rather than consumption. There is no

more opportune time to commit ourselves to reversing the trend in this Nation's productivity and this commitment must consist, in major part, of incentives for investment.

INFLATION PROTECTION

Finally, Mr. President, both accounts provide for indexing of the maximum deductible contribution. I firmly believe that incentive for savings such as that provided in this bill will assist greatly in the fight against inflation. But in the meantime, it also is important that the impact of these provisions not be diminished by inflation while incomes are artificially increased by inflation forcing taxpayers into higher tax brackets. People of this Nation deserve protection from the ravages of inflation over which they can exercise so little control. This provides a mechanism to preserve the real value of the deductible amount in times of economic instability.

The Senator from Kansas recognizes that we in Congress have a duty to the people of this country to act with utmost fiscal responsibility. It may therefore be advisable to examine a phase-in of this legislation. For instance, if this bill is phased in over a 3-year period, the first year combined revenue loss estimate for both housing and education savings accounts would drop substantially. It is important to point out the positive revenue-producing effect of the additional funds that this legislation will make available to increase productive capacity, and is a very minor price to pay for such great benefits to be derived.

Mr. President, I hope that housing and education savings accounts, together with further liberalization of the individual retirement account provisions, will be quickly considered and enacted as part of a concerted program to initiate a sustained economic recovery.●

● Mr. CHAFEE. Mr. President, I rise to congratulate Senator DOLE for reintroducing the Housing and Education Savings Act, and to thank him for including me as a cosponsor for the second year in a row.

This legislation provides an enhanced opportunity for American families to save for the purchase of a first home and for the costs of college or vocational schooling. Individuals who save money in special housing or education savings accounts would be entitled to tax deductions for their contributions to these accounts and would not be taxed on the dollars earned by their savings. This will dramatically increase the return on individual savings and provide the kind of encouragement people need to save, rather than borrow, for future expenditures.

Mr. President, many Senators will recognize the similarity between these savings vehicles and the individual retirement account, which is currently used by millions of Americans to supplement their retirement incomes through tax-deferred savings.

By encouraging people to put away more of their disposable income, we can also help dampen the inflationary pressures caused by excess personal borrowing and the shortage of investment capital.

As chairman of the new Finance Subcommittee on Savings, Pensions and Investment Policy, I intend to push for enactment of new savings and investment incentives and will be introducing legislation of my own in the very near future. I hope to schedule subcommittee hearings on these proposals as soon as possible this session.●

By Mr. PRESSLER:

S. 26. A bill to amend title 38 United States Code, to provide for a comprehensive program of improved benefits for veterans of the Vietnam era by establishing a program of career development, advancement and training, by establishing a post-Vietnam veteran's recruitment, retention and readjustment assistance program, by providing for a conditional extension of the delimiting period with respect to educational assistance, by providing for the payment of tuition expenses under the GI bill through an educational loan discharge program, by extending for a period of 2 years the psychological readjustment program, by expending and improving the effectiveness of Outreach programs, educational and occupational counseling, and employment programs for Vietnam and post-Vietnam era veterans, by establishing an Interagency Veterans Coordinating Committee, and a Presidential Commission on Veterans Affairs, by providing for the identification, treatment, and compensation of veterans and dependents suffering from diseases or disabilities attributable to exposure to toxic substances, chemical or biological agents, or radiation and for other purposes; to the Committee on Veterans' Affairs.

COMPREHENSIVE VIETNAM AND POST VIETNAM ERA VETERANS READJUSTMENT, RECRUITMENT, AND RETENTION ASSISTANCE ACT OF 1981

● Mr. PRESSLER. Mr. President, I am introducing the Comprehensive Vietnam and Post-Vietnam Era Veterans Readjustment, Recruitment and Retention Assistance Act of 1981.

This legislation fulfills critical unmet needs as well as the commitments made by the Republican Party in its 1980 platform position on Vietnam and post-Vietnam era veterans. The legislation provides for a program of career development, advancement, and training; a conditional extension of the 10-year delimiting period with respect to use of GI benefits; a program for payment of tuition expenses under the GI bill through educational loan discharge provisions; a comprehensive post-Vietnam readjustment, recruitment, and retention program; establishment of a veterans interagency coordinating group to improve efficiency and weed out fraud and abuse; a program for the identification, treatment, and compensation of veterans and dependents suffering from diseases or disabilities attributable to exposure to agent orange, radiation, or other toxic substances; and a 2-year expansion and extension of the VA's psychological readjustment program.

Vietnam era veterans' unemployment currently exceeds half a million and is greater than the rate for nonveterans aged 25 to 29. Vietnam veterans and their families are plagued by fears and unanswered questions about the possible adverse health effects of the herbicide, agent orange. Delayed stress is taking a serious toll on the mental health of many Vietnam veterans.

The VA is ill equipped to address the magnitude of the problems with the current program which is scheduled to terminate in 8 months. Hundreds of millions of dollars are being lost to fraud, abuse, and waste, largely because efforts are uncoordinated, and laws and regulations are not being enforced. Over one-half of the Vietnam veterans are denied access to their readjustment benefits by the 10-year delimiting period. Today, the majority of Vietnam veterans with employment, readjustment, psychological or agent orange-related problems are, or soon will be, left without recourse to any meaningful assistance.

The All-Volunteer Armed Forces are failing to attract and retain a major and vital segment of society—white, middle-class youth. The Armed Forces have become overrepresentative of minorities, the unemployed, and distressed youth. Young white middle-class youth look at the fate of the Vietnam veterans and the problems they are experiencing, and are discouraged from serving in the Armed Forces. As long as the Congress allows the legacy of unemployment and broken promises to Vietnam veterans to continue, it perpetuates one of the strongest disincentives for capable young men and women to join and serve in today's Armed Forces.

In the past, veterans initiatives have been made on a piecemeal basis, they have usually provided too little to meet the problem, they have come too late to help many veterans, they usually have been irrelevant to veterans' readjustment needs, and they have also failed to contribute to meeting the Nation's military personnel needs.

The comprehensive legislation I am introducing today will address the Vietnam veterans' problems effectively and in a fiscally responsible manner. It is targeted to help those who need the help the most in the context of contemporary and future veterans' needs. The legislation also contains a comprehensive post-Vietnam readjustment recruitment and retention program to help address serious manpower problems in the Armed Forces today.

This year we will be devoting additional billions to military material. But the finest material is no better than the manpower which employs it. The comprehensive bill is an essential element of a stronger defense posture and a competent, motivated, and dedicated armed force. It also restores the attractiveness of military service to all segments of the Nation's youth.

Mr. President. I ask unanimous consent that a section-by-section analysis

of the Comprehensive Vietnam and Post-Vietnam Veterans' Readjustment Recruitment and Retention Assistance Act of 1981 be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

COMPREHENSIVE VIETNAM AND POST-VIETNAM VETERANS READJUSTMENT, RECRUITMENT AND RETENTION ASSISTANCE ACT OF 1981—SECTION-BY-SECTION ANALYSIS

TITLE I—INTERAGENCY COORDINATION AND VETERANS OUTREACH SERVICES

The bill expands the scope of the Veterans Administration's coordination and outreach functions to insure more effective utilization of existing resources and to inform veterans of the new opportunities accorded under the Act.

TITLE II—COMPENSATION AND TREATMENT FOR DISEASES AND DISABILITIES CAUSED BY TOXIC SUBSTANCES AND RADIATION EXPOSURE

Provides the VA with the authority it requires to treat and compensate veterans who have developed disabilities or diseases as a result of exposure to radiation or toxic substances [Agent Orange] in the line of duty. It would also grant the VA the authority to provide for the treatment and disability compensation of children born with diseases or deformities resulting from genetic damage to a parent exposed to radiation or toxic substances in the line of duty. Title II also provides for comprehensive screening of exposed veterans, and coordinated research including the establishment of a central registry of toxic substances and radiation related claims and symptoms.

TITLE III—READJUSTMENT COUNSELING IMPROVEMENT AND EXPANSION

The bill extends for two years and expands the scope of the VA's psychological readjustment program to provide for research and coordination with other mental health agencies and service delivery systems and to provide limited contract authority to use facilities outside of the VA when deemed necessary or appropriate. Would permit veterans with serious readjustment problems to receive Vocational Rehabilitation assistance.

TITLE IV—GI BILL PROGRAM ADJUSTMENTS

Provides for a one-time delimiting date extension of not more than the time required to complete training or two years whichever is the lesser period for veterans who demonstrate need. In addition, in the case of a wife of a disabled veteran, when married after disability occurred, computes delimiting date from the time when the spouse married the disabled veteran.

TITLE V—POST-VIETNAM RECRUITMENT, RETENTION AND READJUSTMENT ASSISTANCE PROGRAM

The bill establishes a new chapter 33 to provide readjustment, recruitment, and retention assistance programs for veterans of the All Volunteer Armed Forces (those who served after 1976). The program would entitle post-Vietnam veterans to GI Bill benefits at the rate of one month of benefit entitlement for each month of honorable service up to 45 months (additional entitlement could be authorized for critical combat and military skills). The program would allow career servicepersons to transfer their GI Bill entitlement to their spouses of children. The program also provides for an educational assistance initiative for persons who agree to serve four years in the Reserves.

TITLE VI—INTERAGENCY TASK FORCE: PRESIDENTIAL COMMISSION ON VETERANS' AFFAIRS

Establishes a Presidential Commission on Veterans Affairs and expands and enhances an Interagency Veterans Advisory Task Force to assist and advise in the coordination, development, and implementation of veterans programs, and would suggest changes needed to preclude waste, fraud, mismanagement, inefficiency and abuse in VA programs. In addition, the legislation would amend the accelerated entitlement program to allow needy veterans who qualify for a VA educational loan to discharge their loan obligations in the amount of GI Bill entitlement they have remaining upon the successful completion of their education and training.

TITLE VII—JOB COUNSELING, TRAINING AND PLACEMENT SERVICES FOR VIETNAM AND POST-VIETNAM ERA VETERANS

Entitles post-Vietnam All-Volunteer Armed Forces veterans to special employment and training programs authorized for Vietnam era veterans under chapter 42 (this would include eligibility to participate in CETA programs for veterans). It requires a specific estimate of funding which the Department of Labor will make available for veterans employment services.

TITLE IX—VETERANS CAREER DEVELOPMENT, ADVANCEMENT AND TRAINING ASSISTANCE

Establishes a program of career development, advancement, and training for Vietnam theatre, disabled and post-Vietnam era veterans through direct incentives to private sector employers. The program would subsidize up to one-third of a veteran's wages in a career and up to one-half of the wage and training costs if the career involved on-the-job training. The subsidies would derive from unused entitlement the veteran has earned under the GI Bill. Employer must agree that the employment and advancement opportunities are permanent and will continue after the career development, advancement and training allowances end. Allowances would vary from 9 to 18 months depending on the veteran's status and the severity of his or her employment problems. Career development will provide Vietnam veterans the opportunity to acquire meaningful and productive private sector careers commensurate with their abilities and aspirations, while insuring that the training and jobs promised under the All-Volunteer Armed Forces are supported by effective efforts.●

By Mr. DOLE:

S. 27. A bill to amend the Internal Revenue Code of 1954 to make permanent the allowance of a deduction for eliminating architectural and transportation barriers for the handicapped and to increase the amount of such deduction from $25,000 to $100,000; to the Committee on Finance.

ARCHITECTURAL AND TRANSPORTATION BARRIERS

● Mr. DOLE. Mr. President, I am pleased to reintroduce this legislation today which would amend the Internal Revenue Code of 1954 to extend permanently a provision which allows for expenses incurred when removing certain architectural and transportation barriers to be counted as a deduction by the taxpayer. The Senator from Maine (Mr. COHEN) joins me in this continuing effort to provide income tax incentives to promote the accessibility of existing facilities.

The idea of a tax incentive for the removal of barriers is not a new idea, for it was first proposed several years ago. In 1976 I introduced legislation which was incorporated into the 1976 Tax Reform Act which allowed a deduction of up to $25,000 for cost incurred in the removal of barriers. That provision expires at the end of this Congress, so I am therefore introducing this legislation to continue indefinitely that provision. The only change in this provision from current law is that a maximum of up to $100,000 is allowed to be claimed as a deduction, rather than $25,000.

Undoubtedly the disabled face many problems in our society. However, one of the most frustrating—and certainly one of the most needless—is that which they incur because of inaccessible design. Mr. President, I firmly believe that in this day and age there is no reason why facilities cannot be designed to accommodate the mobility limitations of the handicapped. Recognizing that there is much discrepancy between the way things should be and the way things are, I offer this legislation as a means to help bridge that gap.

Under present law, Government facilities are required to be accessible if they are constructed or renovated after 1968. While there have been many violations of this regulation, considerable progress has been made in recent years. This bill would address the problem of private facilities which are riddled with obstacles by giving private enterprise an economic incentive to take their own steps toward removing barriers.

Five years ago when I introduced similar legislation there was considerable support from disabled advocate groups. They were excited about the prospect of offering an incentive rather than a mandate to private industry, and thought that this was a workable approach to take. I am pleased that the handicapped groups have continued to believe that this is a reasonable means by which to address this problem, and look forward to discussing it in the Finance Committee.

Since 1976 I believe that disabled persons have made some gain. In general, I think the public is more sensitive to their needs and to the Federal legislation designed to protect their civil rights. However, this does not mean that the work has been accomplished. However, regardless of how much gain we make in the areas of education, employment, or whatever, all achievements will be somewhat limited until disabled persons are allowed to circulate freely on our sidewalks, in our buildings, and on our public transportation systems.

In many ways the problem of accessibility is one of the most pressing which faces disabled persons. We have made some progress with the provision in the 1976 tax law and I hope we will continue to press forward by extending and expanding it.

In all truthfulness, I will admit that I have been somewhat disappointed with the results of the 1976 tax provision. In many ways, response to it has been more limited than anticipated. Although I briefly debated whether or not to introduce legislation extending that provision, I decided that the provision was worthwhile.

I consulted the Building Owners and Managers Association International to solicit their opinion on this legislation. Their feeling was that the provision in current law is good, but too limited. First of all, the $25,000 limitation is quite low. With inflation, the high cost

of labor, and the ever increasing cost of construction, it is almost impossible to make substantial modification for under $25,000. Thus, the incentive becomes less attractive in reality than it is on paper. Second, I understand that the temporary regulations issued by the Department of the Treasury were not only late in forthcoming, but are also quite restrictive. This legislation gives us the opportunity to address both concerns.

In conclusion, I suggest that inasmuch as this legislation is designed to increase the mobility of physically disabled persons and to encourage their circulation along the pathways of society, I anticipate that this legislation will lead to increased employment of handicapped persons. It is difficult for disabled persons to seek gainful employment when they are denied access to transportation systems and buildings. It is my hope that this bill will continue efforts being made to integrate the disabled into all walks of life, and to allow them to make greater contributions to the world around us.●

By Mr. LUGAR:

S. 28. A bill to terminate the authorizations for Lafayette Dam and Reservoir, Big Pine Dam and Reservoir, Clifty Creek Dam and Reservoir, and the Big Blue Dam and Reservoir in the State of Indiana; to the Committee on Environment and Public Works.

TERMINATION OF AUTHORIZATION FOR CERTAIN DAMS

● Mr. LUGAR. Mr. President, the bill I am introducing today will deauthorize four dam and reservoir projects in my home State of Indiana.

These projects—Lafayette Lake Dam and Reservoir, Big Blue Dam and Reservoir, Big Pine Dam and Reservoir, and Clifty Creek Dam and Reservoir represent a cost to taxpayers in Indiana of over $300 million.

The Indiana House of Representatives and the Indiana Senate voted by overwhelming margins to deauthorize these projects in a bipartisan expression of support for their termination. Their deauthorizations are also supported by the Governor of Indiana, the wide majority of citizens who live in and around the project site areas, and numerous environmental groups in the State.

None of these projects can be justified economically on the basis of flood control by the corps' own figures, nor do any of them show a favorable benefit to cost ratio.

All of these projects are on the Army Corps of Engineers inactive list, and the corps estimates that their costs projections have escalated 12 to 15 percent a year since January 1977. At that time, Lafayette Lake was estimated to cost $111,000,000; Big Pine, $45,600,000, Clifty Creek, $36,000,000; and Big Blue, $115,000,000.

As with other major public works projects that have been pending over a period of years, the costs of constructing these four projects have risen dramatically. Their costs, coupled with potential damage to the environment, far exceed their benefits.

Since 1977, I have introduced legislation, with Senator Bayh, to deauthorize Big Pine, Lafayette Lake, and Clifty Creek. Last year, following action by the Indiana General Assembly, we added Big Blue to our deauthorization bill. Although deauthorizations for Big Pine and Lafayette Lake were adopted by the Senate in 1977, this legislation has continually failed to come before the House of Representatives for action, but has remained in the House committee.

It is clear that a majority of Indiana citizens do not want these projects built and support their immediate termination. We have an opportunity here to reduce Federal spending by hundreds of millions of dollars with a strong constituency supporting that effort. I hope that my colleagues will act favorably on this legislation in a responsible effort to terminate unnecessary and costly Federal projects.●

By Mr. LUGAR:

S. 29. A bill to repeal the Federal requirement of incremental pricing under the Natural Gas Policy Act of 1978; to the Committee on Energy and Natural Resources.

REPEAL OF TITLE II OF NATURAL GAS POLICY ACT

● Mr. LUGAR. Mr. President, the bill I am introducing today has a single purpose—to repeal title II of the Natural Gas Policy Act of 1978. Title II provides for the incremental pricing of natural gas to most interstate industrial gas users. Incremental pricing requires that certain natural gas acquisition costs incurred by the interstate pipelines be borne solely by industrial users until the rate paid by these users reaches the price of fuel oil. Intrastate industrial gas consumers are exempted from incremental pricing.

I introduced identical legislation last March which received the cosponsorship of over 20 Senators, both Democrats and Republicans. The same legislation, introduced in the House, had over 100 cosponsors.

Incremental pricing was a compromise provision included in the Natural Gas Policy Act of 1978 as the price for deregulation of natural gas. It is clear that the deregulation portion of this legislation is working, while the incremental pricing provisions are not.

With regard to deregulation, passage of the NGPA has increased the supply of natural gas. Additions to natural gas proved reserves were up 35 percent last year over 1978 and additions to reserves in the lower 48 were higher than they had been since 1968. New field discoveries were 52 percent higher than they had been in 1978 and at their highest level since 1967. And since passage of the NGPA, the rise in seismic activity reached a 20-year high.

This is strong evidence that the NGPA is working. However, as the American Gas Association stresses, incremental pricing is still impeding industrial gas sales to interstate customers. Phase II, which would have broadened the application of incremental pricing to virtually all industrial users of natural gas—some 50,000 users—was vetoed by the Congress last year. Nevertheless, phase I, affecting boiler users of 300 MCF a day or more, still remains in effect.

Incremental pricing of natural gas was enacted to protect residential energy consumers from the impact of rising natural gas prices by shifting much of the burden to industrial gas users. Since the passage of NGPA, a number of events have rendered incremental pricing totally inappropriate and unworkable.

Incremental pricing, in fact, will not protect residential users. Ironically, it will result in higher prices for all consumers. First, if industries convert to oil, gas utilities will lose their ability to load balance, thereby transferring additional fixed system costs to residential customers. Whether industries switch to oil or remain on natural gas, their energy costs will increase and will be passed on in the form of higher product prices to all consumers.

The irony of this policy is that oil and electric residential consumers will not only pay far more for fuel, but they will be subsidizing those customers that heat with gas. The reason is that the industrial users who are directly subsidizing the residential gas users will pass through these higher costs in the form of higher prices for all the goods and services they produce. Since incremental pricing will eventually affect virtually all industries, oil heat customers will face higher prices across the board.

According to the Federal Energy Regulatory Commission, last year, the average household will save, according to the most generous estimate to date, a maximum of only $2 per month from full implementation of incremental pricing. A Washington Post survey of energy experts also conducted last year reported predicted savings of only $1.25 per household per month.

Under phase I incremental pricing, consumers in Indiana were being treated to the royal protection of a full $1.50 for the entire 10-month period commencing January 1, 1980. FERC Chairman Charles Curtis, after months of struggling to devise a workable phase II, was quoted as saying that incremental pricing will not bring very much to any of its intended beneficiaries. "It is my personal view that this is a very crude instrument," Curtis said.

Incremental pricing will cost large numbers of jobs outrights, as some businesses close under the burden of artificially high gas prices.

Incremental pricing will cost thousands of additional jobs in the industrial Midwest and Northeast, as major industries choose to relocate or to site their expansions in the intrastate markets of the Sun Belt, where natural gas is not incrementally priced.

Incremental pricing will double the price disadvantage of American steel companies in competition with Japanese manufacturers not subject to incremental pricing, and this same phenomenon will occur in dozens of other industries faced with stiff foreign competition, jeopardizing still more jobs.

Incremental pricing will operate directly counter to national energy policy by driving industrial users out of natural gas and back to oil. This dangerous and unhappy trend has already commenced even under the partial incremental system of the NGPA's phase I.

It should be added that the impor-

tance of gas energy has been stressed in a Carnegie-Mellon Energy Productivity Center study. That study, which was aimed at achieving both energy conservation and a reduction of inflation, called for an increase in the use of only one fuel, natural gas. The study recommended a 68-percent increase in the industrial use of natural gas. The Carnegie-Mellon study therefore tied industrial gas use to an overall national strategy for more efficient use of energy in all of its forms.

Incremental pricing will discourage the use of natural gas, the cleanest fuel, in favor of environmentally damaging oil.

I would like to add one more test case to illustrate further what I have stated. Of great concern to me is the viability of industry and particularly, the steel companies in Indiana.

After 8 continuous months of no applicable surcharge, the alternate fuel price ceiling for January 1981, for Indiana, as published by the Energy Information Administration, has been dramatically increased from $2.51 to $3.40 per million Btu's.

This will require a surcharge to be placed on certain steel mill natural gas usage in northern Indiana of approximately $70 per million Btu, and will amount to an increase of 25 percent, for that gas subject to incremental pricing. This is an additional cost of natural gas of $634,000 for 1 month for the five major steel companies in Indiana, all of whom are currently struggling with an adverse economic situation and intense foreign competition.

The total burden of this surcharge on all industries in northern Indiana is estimated to be $1,248,000, which, in turn, will ultimately be refunded to exempt gas usage—residential customers in average amount of $0.47 per customer—a very small benefit for such a horrendous burden to job producing industries.

The need for immediate repeal of title II, incremental pricing is obvious. It is inflationary, is contrary to the Nation's energy policy of reducing oil imports, will cause industrial dislocation, and will not help residential customers. I hope my colleagues will support this bill, and I urge its prompt and immediate consideration.●

By Mr. SASSER:

S. 30. A bill to provide for the payment of interest by the Federal Government on any amount due for more than 30 days to any person under the terms of a contract entered into by the Federal Government and such person; to the Committee on Governmental Affairs.

LATE PAYMENTS ACT OF 1981

● Mr. SASSER. Mr. President, today I am introducing the Late Payments Act of 1981. If you are a small business who has had to deal with the Federal Government by selling or servicing certain material and you have failed to receive prompt payment, you would say indisputably that such a legislative move is "long overdue."

The purpose of the Late Payments Act is clear: To make the Federal Government do what most businesses do when they receive a bill for goods or services rendered—pay it within a reasonable period of time, 30 days. If a Federal agency does not pay the bill within 30 days after reciving an invoice, interest would be charged.

Such a measure is particularly needed by small businesses. The need is underscored by the current economic crisis, which already threatens the solvency of small businesses.

Large corporate contractors who deal with the Government have the financial and administrative ability to cope with occasional late payments and past due accounts receivable.

Small businesses—especially those businesses "in the field" that do not have the opportunity to secure large, broad-based contracts with Federal agencies and large grantees.

An order from a Federal agency to a small firm may be the largest order that such a firm receives. If the Federal agency, or large grantee, fails to make prompt payment for its order after receiving an invoice, it can cause serious cash-flow problems for the small business.

Adoption of a 30-day time period in which the Federal Government must pay its bills or face interest charges makes good business sense, and it implements what is regarded as a universal procedure in the American business community.

All the major credit card companies charge interest after 30 days. Most of the major retail operations in the Nation charge interest after a 30-day period.

The same small business that suffers heavy carrying costs because of a late payment from the Federal Government would receive little solace or sympathy from its own creditor if it attempted to explain away an overdue payment by saying: "Well, since I wasn't paid on time, neither will you. And you won't charge interest, either."

Perhaps the Late Payments Act of 1981 would not be necessary if the record of all Federal agencies in its payment procedures was good.

A recent study of this issue by the General Accounting Office showed that of 3,200 procurement invoices, 1,187 were paid more than 30 days after the invoice date. These overdue payments represented nearly 40 percent of the total invoices and almost 20 percent of the dollar volume of these invoices.

In addition, the GAO report showed that some Federal agencies are inexcusably delinquent in making payments on invoices. For instance, 74 percent of all invoices paid by the General Services Administration were made more than 30 days after the invoice date. The Department of Health and Human Services and the Commerce Department made late payments two-thirds of the time.

Small businesses simply do not have the cash flow capability or administrative resources to pursue overdue accounts the way large corporations do.

For many small businesses, the practice of late payments by the Federal Government is part of a double standard. They will tell you that the Internal Revenue Service would not look as kindly on small businesses if they made quarterly payments at the same rate at which the GAO study showed that Federal agencies made payments on its invoices.

Put another way, small businesses feel what they believe is a disproportionate share of the burden of Federal rules, regulations and guidelines at the same time they suffer disproportionately from poor business practices by the Federal Government.

Frankly, I think small businesses in America have been extraordinarily reticent on this issue. I suspect that one of the reasons for this is that they have been working overtime to make up for profits lost through late payments, and they have not had the time to be more assertive.

Mr. President, I say let us correct this imbalance through the passage of the Late Payments Act of 1981. It is a measure that would encourage the Federal establishment to put its books in order, to be no less business-like than the businesses that serve it.●

By Mr. ARMSTRONG (for himself, Mr. DOLE, Mr. BOREN, Mr. MATHIAS, Mr. GOLDWATER, and Mr. EXON):

S. 31. A bill to amend the Internal Revenue Code of 1954 with respect to the deduction of certain expenses in connection with the business use of homes and the rental of residences to family members, and for other purposes; to the Committee on Finance.

BUSINESS USE AND RENTAL OF HOMES

● Mr. ARMSTRONG. Mr. President, if a proposed ruling by the Internal Revenue Service is allowed to stand, taxpayers will almost always pay higher taxes if they choose to rent homes to family members rather than nonfamily members, or if they choose to operate part-time businesses in their homes.

This antifamily, antismall business policy is unwise.

That is why I am introducing, with the support of Senators DOLE, BOREN, EXON, GOLDWATER, and MATHIAS, legislation to repeal the so-called family rental/home business tax.

This tax stems from provisions included in the 1976 Tax Reform Act, and as those provisions were subsequently interpreted by proposed IRS rules. Included in these provisions are three particularly objectionable features:

First, individuals who rent homes to family members will almost certainly pay higher taxes than if they rent to nonfamily members.

Second, a homeowner who operates a legitimate part-time business from a home will no longer be able to deduct business-related expenses for that office.

Third, property owners who rent their property will be charged with a full day of personal use—and, therefore, excluded from normal business deductions for that day—for every visit if almost all of the time virtually every accompanying individual is devoted to repairing or maintaining the property.

The legislation I am introducing today accomplishes three objectives:

First, it removes any hint in the U.S. Tax Code that renting to family mem-

bers automatically carries a higher tax burden.

Second, it allows home-based entrepreneurs to deduct business expenses for maintaining offices in their homes.

Third, it allows a property owner to claim normal business deductions if he maintains or repairs rental property and is accompanied by individuals who do not assist him in the work.

This commonsense solution following enactment of the continuing resolution, House Joint Resolution 610, which included a provision barring IRS from enforcing the family rental tax through December 15. Subsequently, IRS announced it will withhold final regulations in this area until after July 1, 1981. This will give Congress the time it needs to enact corrective legislation.

My colleagues will be interested to know that the IRS argues that its proposed regulations do not absolutely bar business expense deductions for family rentals. Technically, IRS is right. But the practical effect of the proposed IRS regulations, and IRS agree, is that the regulations will increase taxes on most family rentals. Here is how the proposed IRS rule works:

If a taxpayer uses a rental residence for "personal use" (renting to relatives is a personal use) for more than 14 days, or 10 percent of the days held for rental, deductible expenses are governed by the following three-step formula:

1. Gross Deductible Expense = Total Expense X days rented at fair rental days unit is used for any purpose.

2. Deductible expenses may not exceed gross rental income.

3. Expenses must be deducted in the following order: mortgage interest, taxes, insurance, utilities, maintenance, depreciation.

Below is a case example showing how these regulations impose higher taxes when renting to family members.

Joe Brown is single and earns $25,000 in taxable income a year. He buys a $50,000 home with a $5,000 down payment, and finances the $45,000 mortgage at 10 percent interest. He rents the home to his mother for the entire year at $500/month. Thus:

Joe's annual rental income

Rent	$6,000
Total income	6,000

Joe's annual rental expenses

Mortgage interest	$4,500
Property tax	1,200
Insurance, utilities, maintenance	1,800
Depreciation (straight line basis)	2,500
Total expenses	10,000

Since Joe's expenses exceed rental income, he must deduct expenses according to the order established in the regulations. Thus, Joe can only deduct all mortgage interest and taxes ($5,700) plus $300 of the insurance, utilities and maintenance. Joe cannot deduct the remaining $1,500 of insurance, utilities or maintenance, or any of the depreciation expense.

Since Joe rented the residence at tax time, he must add the $6,000 rental income to the $25,000 he earned, and then subtract the allowable expenses of $6,000. So Joe will pay $5,952 in income taxes on $25,000 . . . while incurring $4,000 of other expenses he cannot deduct.

By contrast, if Joe had rented the home to a non-relative, he would be able to deduct the entire $10,000 of expenses. So Joe will pay $4,500 in taxes on $21,000 of taxable income. In this case, the family rental tax is $1,452.

In today's market, however, Joe Brown would not get a 10 percent interest rate. Joe Brown would likely have to pay more than 13 percent interest on his mortgage, and he would accumulate the $6,000 of the deductible expenses solely from mortgage interest and taxes.

Since these proposed new rules came to light a few weeks ago, congressional offices have been flooded with mail from constituents who oppose the new rules. And for good reason. The IRS proposal assumes there is wrongdoing in all rental transactions involving family members and operating a part-time business from home. This scattershot approach is not equitable, and must be stopped.

I urge enactment of this legislation.●

FAMILY RENTAL TAX

● Mr. DOLE. Mr. President, the Tax Reform Act of 1976 contained several provisions intended to limit the use of the business deduction for what were essentially personal expenses. These provisions included limitations on certain tax deductions relating to the business use of the home, renting to relatives, and the use of vacation homes.

On August 7, 1980, the Internal Revenue Service proposed regulations which many people consider to expand the limitations well beyond the intent of Congress. Senator ARMSTRONG and I were extremely concerned about the adverse impact of these proposed regulations on many Americans. On September 26, we, therefore, offered an amendment to the continuing resolution intended to prevent implementation and enforcement of these proposed regulations. The Congress passed this amendment and the Internal Revenue Service was blocked from implementing its regulations on this issue until December 15, 1980.

Senator ARMSTRONG and I were prepared to offer an additional limitation on IRS funding to prohibit implementation of these regulations when the continuing resolution was considered in December. However, we received written assurance from the Treasury Department that final regulations would not be published before mid-1981. This will allow sufficient time for consideration and enactment of a permanent solution to the problem highlighted by the proposed regulations. The legislation we are introducing today provides such a permanent solution.

It may be helpful to explain, in a little more detail, the genesis of the problem and the solution we are providing in this legislation.

BUSINESS USE OF HOME

In the Tax Reform Act of 1976 we provided rules intended to limit the deduction of expenses attributable to the business use of the home. Under the 1976 law, in order for a taxpayer to obtain a deduction for expenses relating to a business conducted from his home, he must use a specific part of the home exclusively as his principal place of business. I believe the intent of Congress was to allow a deduction only if the home is the principal office for a particular business. That is, if an individual feels he must "moonlight" at a business operated from his home, he should not be denied a business deduction merely because he may hold another full-time job. No one should be penalized for having the industry to hold more than one job.

Unfortunately, the Internal Revenue Service has interpreted the "principal place of business" test to mean that, if you hold a full-time job and operate another business from your home, you lose some of your business deductions for this second business.

This Senator cannot see any justification for the Internal Revenue Service position. The legislation introduced today makes clear that a deduction will be available without unwarranted limitations for expenses related to the use of a portion of a home for the operation of a business. The legislation provides that the "principal place of business" test is met if the deductions are related to any business if the principal place of business at which the taxpayer conducts that business is at home.

RENTING TO FAMILY MEMBERS

A second area which has evoked public outrage concerns a limitation on normal business expenses connected with rental property where a dwelling is rented to a family member. Back in 1976, Congress intended to place some limitation on the availability of business deductions relating to vacation homes which taxpayers used themselves for substantial periods. "Personal use" was broadly defined to include use by a brother, sister, spouse, grandparent, child, or grandchild. The rule has been construed by the Internal Revenue Service to apply to any dwelling unit, including houses, apartments, condominiums, mobile homes, and boats, as well as to vacation homes.

This presents a serious problem if a taxpayer rents any residence to a family member, instead of a stranger. For example, the IRS view would have the incredible result of limiting business deductions allowable to an individual if he rents a residence to his elderly parents, at the going rental rate. On the other hand, if he had rented the residence for the same rent to a stranger, there would be no similar limitation.

Whether or not the IRS is correct in arguing that it has not misinterpreted the law as written, this Senator is absolutely convinced that the IRS interpretation does not accurately reflect the concerns of Congress.

This discrimination against the family should not be tolerated. Our solution to this problem is simply to remove language from the applicable section of the Internal Revenue Code which could be interpreted by the IRS to allow discrimination against renting to family members. If a dwelling is rented at market rates, a taxpayer would receive the same treatment regardless of his relationship with his tenant.

We believe that the purpose of Congress to limit deduction of personal expenses related to vacation homes can be

served without discrimination against an individual's family.

PERSONAL USE OF VACATION HOME

A third area treated by the proposed regulations is what constitutes personal use of a vacation home. The 1976 act provided that business deductions related to the rental of a dwelling woud be limited if the taxpayer uses the dwelling for the greater of 14 days or 10 percent of the days for which the dwelling is rented.

This is a sensible rule for limiting the possible abuse of the business deduction provisions. However, the IRS has taken a very expansive view of when a taxpayer is considered to enjoy the use of his vacation home—a view that is not within the limits of the stautory language.

According to the IRS, a taxpayer who spends a day repairing or maintaining his property is considered to be "on vacation" if he spends the day working, but he does not force all other individuals with him who are capable of working to work full time also. For example, if a man spends all day fixing up property so that he can rent it, he will be considered to have used the property for his personal enjoyment if his teenaged son spends only part of the day working with him. Not only is this an unrealistic rule, but is also a rule that is incapable of enforcement.

The bill introduced today prevents the IRS from enforcing this absurd rule.

EARLY ACTION NEEDED

This bill is a remedial measure which deserves serious and early consideration by this Congress. It is designed to be limited merely to a clearer statement of congressional intent, rather than to break new ground. The "family rental tax" is an affront to the American family and should be put to rest at the earliest possible time. The Senator from Kansas is hopeful that this issue will be resolved by midyear and will not force additional limitations on IRS rulemaking authority. A substantive solution is a much preferable method of amending the tax laws than limiting administrative authority.●

By Mr. CHAFEE (for himself, Mr. TSONGAS, Mr. DECONCINI, Mr. DOMENICI, Mr. GOLDWATER, Mr. WILLIAMS, Mr. PERCY, Mr. MOYNIHAN, Mr. BAUCUS, Mr. BENTSEN, Mr. BOSCHWITZ, Mr. CANNON, Mr. COHEN, Mr. DANFORTH, Mr. DOLE, Mr. DURENBERGER, Mr. EAGLETON, Mr. GLENN, Mr. HATFIELD, Mr. JEPSEN, Mr. JOHNSTON, Mr. LEAHY, Mr. LEVIN, Mr. LUGAR, Mr. MATHIAS, Mr. MITCHELL, Mr. PELL, Mr. RANDOLPH, Mr. SIMPSON, Mr. SCHMITT, Mr. TOWER, Mr. WEICKER, Mr. BRADLEY, Mr. INOUYE, Mr. LAXALT, Mr. METZENBAUM, Mr. KENNEDY, Mr. ROBERT C. BYRD, Mr. HUMPHREY, and Mr. SARBANES):

S. 32. A bill to grant a Federal charter to the Italian American War Veterans of the United States of America; to the Committee on the Judiciary.

FEDERAL CHARTER TO ITALIAN AMERICAN WAR VETERANS

● Mr. CHAFEE. Mr. President, I rise today to speak on behalf of the Italian American War Veterans of the United States (IAWV), and to urge my colleagues here in the Senate to grant this fine organization a Federal charter.

My bill, which had 48 cosponsors in the 96th Congress, passed the Senate by unanimous vote on December 1, 1980. Unfortunately, the bill was delayed on the House side and time ran out on us before it could pass. Today, in reintroducing this legislation, I am pleased to say that I already have 40 cosponsors from both sides of the aisle. I am certain that this noncontroversial piece of legislation will be expeditiously handled in the 97th Congress, and will provide the IAWV with the charter they so richly deserve.

My reasons for introducing this legislation early this year grow out of the long and fruitful relationship I have had with the IAWV in the State of Rhode Island. I first began working with them 18 years ago, in 1963, when I was elected Governor of Rhode Island. Since that time, I have had ample opportunity to see their good works, and to appreciate their contribution to veterans and to the community at large.

The Rhode Island Department of the IAWV is neither the largest nor the oldest in the Nation. It was incorporated in 1950 and there are now 13 posts in the State. Yet, they have been very active in Rhode Island.

For many years, IAWV volunteers have served disabled and aged veterans in the veterans hospital in Davis Park, Providence, and the veterans home in Bristol. They have provided money for the maintenance of the veterans cemetery in Exeter, and for college scholarships to deserving young students. Earlier this year, the Rhode Island Department of the IAWV sent funds and supplies to the homeless refugees in the Azores following a serious earthquake in the islands.

As might be expected, the IAWV actively coordinates its activities with other veterans groups in the State and Mr. Dando DiManna, currently the Rhode Island department commander, is also vice president of the United Veterans Council of Rhode Island, an organization which combines all veterans organizations in the State.

In my judgment, Mr. President, the fine record of the IAWV in Rhode Island is a reflection of their solid work for veterans in other States as well. I recently received an example of this in the form of a letter from Joseph C. Barone of Syracuse, N.Y. Mr. Barone is the adjutant of the local chapter of the Disabled American Veterans. He wrote that the Italian American War Veterans in his area have cooperated in all endeavors to promote and assist less fortunate veterans, and "have proven themselves in the general welfare of the community at large in every respect."

It is my understanding that any group requesting a Federal charter must pass a set of basic requirements or "minimum standards" setout by this committee. Let me begin by saying that I support these standards, and never would have proposed a Federal charter for the IAWV unless I thought their organization and record of service to the Nation's veterans exceeded these standards in every possible way.

First, the IAWV has operated under various State charters for almost 50 years, the first such charter having been granted in 1932 in Connecticut. During this time, it has conducted a broad range of activities which are clearly in the public interest.

Second, the granting of a Federal charter will clearly provide the IAWV with a boost to its membership and its activities across the Nation. The lack of a charter inhibits public service organizations and places "redtape" between them and the very people they are trying to help. With a membership of almost 7,000 public-spirited people, the IAWV represents a terrific resource to be used in the battle to help disabled, aged and economically deprived veterans, their families and their communities. A Federal charter will help this resource to grow and to expand its activities.

Third, the Italian American War Veterans have an open door policy in terms of membership. While many of its members are drawn from those with Italian heritage, it is open to any honorably discharged American veteran regardless of sex, race, religion, and national origin.

Fourth, the IAWV is organized as a nonprofit service group in the States where it is incorporated. Its purpose is to engage in charitable, educational, civic improvement, and patriotic activities. The IAWV is engaged in activities which are truly national in scope, and it has been of service to this country for almost half a century.

Mr. President, recently I received a letter from a constituent in Rhode Island who asked why "the funds that once supported a fine veterans hospital system no longer exist." Her concerns were reflected in a recent letter written by Stan Pealer, national commander of the Disabled American Veterans, who stated, "We have an obligation to make certain that the men who sacrificed their health and their future for our country are not neglected."

It seems clear to me, Mr. President, that with the specter of fiscal austerity staring us in the face in the coming years, the problem of scarce resources for America's veterans is going to get worse, not better. We are all going to have to learn that Federal funds are not limitless and cannot meet all the demands of the deserving.

In my judgment, the volunteer services of groups like the IAWV and the Disabled American Veterans will of necessity plan an expanding role in serving the needs of our veterans. And we should encourage them to do so. Granting a Federal charter will cost this Congress and this Government little more than the cost of printing the document itself. Such an action would be a strong symbol of encouragement not only to the IAWV, but to other worthy organizations that perform similar services. What we will realize from this expenditure is more than just the savings to the Government of the services provided by the IAWV. What we will realize will be the deep personal satisfaction that comes from being part of an unselfish effort to help our fellow man.

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Mr. President, according to the Veterans' Administration, volunteer hours donated free of charge by public spirited organizations such as the Italian-American War Veterans amount to almost $35 million per year. These organizations provide an additional $45 million per year through donations of goods and materials. On this basis, and because of the possibility of more stringent Federal budgets in the future, I believe it is vital to support the voluntary efforts of all our veterans service organizations. Your support, and that of this Senate in obtaining a Federal charter for the IAWV will enhance their fine service to America's hospitalized veterans across the Nation.●

By Mr. CRANSTON:

S. 40. A bill to establish the Big Sur Coast Area in the State of California; to the Committee on Environment and Public Works.

BIG SUR COAST AREA ACT

● Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to establish the Big Sur Coast Area in California. As many Members of this body are aware, I have taken a deep personal interest in preservation of this magnificent stretch of undeveloped California coastline.

Everyone who knows and loves Big Sur as I do wants to keep it the way it is today, including the residents of the Big Sur Area. With strong local citizen support, the State of California and the local county governments are doing everything they can to protect the Big Sur Coast through zoning and the local coastal programs being developed under the California Coastal Act.

But in spite of these efforts, some residential and commercial development is occurring which over a period of time will alter the existing character of the Big Sur Coast and degrade its natural beauty.

The Big Sur Coast truly is a national treasure, and sooner or later the Federal Government is going to be called upon to help save it. I believe that it makes the best sense to act now before there is significant degradation or even a major threat to the resources. But once subdivision of the larger ranches occurs with a consequent increase in land values, the cost to the Federal Government will be much greater.

The bill I am offering today embodies the provisions of the Big Sur coast area bill passed by the House in the 96th Congress. This proposal has been carefully crafted to strike a balance between the interests of those who have pushed for strong Federal action to protect Big Sur and the concerns of local residents who fear a Federal takeover of the area.

The bill designates a 160,000-acre Big Sur coast area to be administered by the U.S. Forest Service. At the same time, it gives leadership and initiative to local residents through a Big Sur area council which is given the responsibility of recommending a comprehensive plan for the protection and management of the Big Sur coast. The land use component of the comprehensive plan is to incorporate the approved local coastal programs for Big Sur by Monterey and San Luis Obispo Counties. The Secretary of Agriculture would be granted the final authority to approve the comprehensive plan.

The bill authorizes a total of $30 million for land acquisition of those areas recommended for purchase in the plan. Of this amount, $25 million would be made available from the land and water conservation fund and $5 million from the Treasury for administration, planning, management, and grants for acquisition by the State, local governments, private nonprofit organizations or other public entities.

Mr. President, this is a very small price to preserve a unique and extraordinarily beautiful area. I believe the entire Nation will benefit from our efforts to protect the priceless resources of the Big Sur coast. I hope that the 97th Congress will enact this important legislation to protect for all posterity the Big Sur coast area.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 40

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Big Sur Coast Area Act".

SEC. 2. The Congress finds and declares that—

(a) the Big Sur coast is a unique region of national significance as the largest and most scenic stretch of undeveloped coastline in the coterminus United States;

(b) the unique beauty of the Big Sur coast is enhanced by its proximity to the Los Padres National Forest, including the Ventana Wilderness, and by the independent and self-reliant character of the people of the area;

(c) the existing character of the Big Sur coast and the existing rural communities which have contributed to the maintenance of the natural environment should be protected and preserved;

(d) the California State Highway Route Numbered 1 along the Big Sur Coast from Malpaso Creek in Monterey County to San Carpoforo Creek (San Carpojo Creek) in San Luis Obispo County provides one of the most beautiful drives in the United States, and shall remain a rural, scenic two-lane highway;

(e) there is growing development, tourist visitation, and associated vehicular traffic, particularly during peak use periods, which is adversely affecting the unique beauty and character of the Big Sur coast;

(f) the local planning efforts being conducted by Monterey and San Luis Obispo Counties, the citizens of the Big Sur coast, and the State of California pursuant to the California Coastal Act of 1976 and the Coastal Zone Management Act of 1972 (16 U.S.C. 1451–1464), and planning by the United States Forest Service for the Los Padres National Forest provide a unique foundation for coordinating Federal, State, and local planning and management processes;

(g) the local and State coastal planning and regulatory authorities lack sufficient resources to provide for adequate and comprehensive natural resource protection and equitable compensation to landowners, and to effectively manage appropriate public use and enjoyment of the area;

(h) effective protection of the existing character of the Big Sur coast and of the nationally significant natural and scenic resources, and enjoyment of these resources can be accomplished by State and local land-use control efforts coupled with appropriate Federal assistance where necessary to supplement these efforts, including the acquisition of selected lands and interests in lands and the provision of limited Federal management to implement coordinated policies for the Big Sur coast.

PURPOSES

SEC. 3. The purposes of this title are—

(a) to protect, preserve, and enhance the unique and significant natural resources and scenic qualities of the Big Sur coast, including, but not limited to, sensitive habitats and habitat for rare and endangered species, redwood canyons, beaches, fresh and marine waters, and the view from California State Highway Route Numbered 1, the Old Coast Road, and other significant public vista points;

(b) to protect and perpetuate the rural character and historic agricultural activities of the existing communities along the Big Sur coast and the historic and cultural values of the Big Sur coast in a manner consistent with natural and scenic resource protection;

(c) to provide for and manage public use and enjoyment of the area in a manner consistent with natural resource protection and maintenance of the existing rural landscape;

(d) to protect and support private landowners' conservation efforts consistent with the purposes stated in paragraphs (a), (b), and (c);

(e) to utilize the land-use planning, regulatory powers and implementation authorities of Monterey County, San Luis Obispo County and the State of California to the fullest extent possible consistent with the other purposes of this title;

(f) to provide Federal assistance in the development and implementation of a comprehensive management plan (hereinafter in this title referred to as the "plan"), and prior to the adoption of such plan, to protect those critical values of significance only when they are in danger of being adversely affected or destroyed; and

(g) to define the Federal role in the implementation and enforcement of the plan and other land-use plans for the Big Sur coast in a manner which maximizes coordination with the State and local units of government and private landowners, utilizes existing levels of jurisdiction and establishes appropriate governmental coordination and authority where necessary to accomplish the purposes of this title, and to provide appropriate financing and enforcement where necessary to preserve and protect the natural and scenic resources of the Big Sur coast.

BIG SUR COAST AREA

SEC. 4. (1) In order to carry out the purposes of this title, there is hereby established the Big Sur Coast Area (hereinafter in this title referred to as the "area"). All references to the area in this title shall be limited to the area described in this section.

(b) The boundary of the area shall generally extend from the southern bank of Malpaso Creek in Monterey County in the north to the northern bank of San Carpoforo Creek (San Carpojo Creek) in San Luis Obispo County in the South; its western boundary shall be the line three geographical miles seaward from the coastline of the State; its eastern boundary shall be the same as the inland boundary of the California Coastal Zone as established by the California Coastal Act of 1976 as in effect as of the date of enactment of this Act, except that in San Luis Obispo County the boundary shall be along the county line westerly from the intersection with the California Coastal

Commission's boundary to the intersection with the described southern boundary at a point approximately in the center of the northern line of section 1, township 25 south, range 6 east, Mount Diablo meridian; all as depicted on the map entitled "Boundary Map, Big Sur Coast Area," dated May 1, 1980, which shall be on file and available for public inspection in the office of the Chief, Forest Service, Department of Agriculture, in the field offices of the Forest Service in Monterey and San Luis Obispo Counties, and in the appropriate planning offices of the State and county governments involved.

BIG SUR COAST AREA COUNCIL

SEC. 5. (a) There is hereby established the Big Sur Coast Area Council (hereinafter in this title referred to as the "Council"), the members of which shall be appointed within ninety days after the date of enactment of this Act. Within one hundred and twenty days after the date of enactment of this Act, the Secretary of Agriculture (hereinafter in this title referred to as the "Secretary") shall convene the Council. The Council shall, in accordance with subsection (e), develop and recommend the plan, facilitate communication and coordination among the governmental agencies that have jurisdiction within the area and the residents and landowners of the area, and advise the Secretary on the appropriate Federal role in the management and administration of the area. The plan developed by the Council shall be prepared so as to carry out the purposes of this title. The Council shall, notwithstanding any other provision of law, be terminated only by an Act of Congress.

(b) The Council shall consist of the following representatives who shall be appointed by the Secretary from persons nominated as follows:

(1) one representative from the United States Forest Service to be nominated by the Secretary;

(2) one representative from the California Resources Agency to be nominated by the Governor of California;

(3) one representative from the California Coastal Commission to be nominated by the Governor of California;

(4) three representatives to be nominated by the Monterey County Board of Supervisors in such manner as may be determined by such Board of Supervisors—

(A) one who resides in the area from Malpaso Creek to Bixby Creek;

(B) one who resides in the area from Bixby Creek to Anderson Landing; and

(C) one who resides in the area from Anderson Landing to the Monterey and San Luis Obispo County line;

(5) one representative who resides in the area from the Monterey and San Luis Obispo County line to the southern boundary of the area to be nominated by the San Luis Obispo County Board of Supervisors in such manner as may be determined by such Board of Supervisors;

(6) one representative who resides in the area to be nominated by the Secretary; and

(7) one representative at large from the State of California to be nominated by the Secretary.

(c)(1) The terms of the representatives serving on the Council shall be for three years, except that the initial terms for the representatives shall be established by the nominating authority in accordance with the following:

(A) One of the representatives nominated by the Monterey County Board of Supervisors shall serve for a term of two years, and two of such representatives shall serve for terms of three years.

(B) The representative nominated by the San Luis Obispo County Board of Supervisors shall serve for a term of three years;

(C) One representative nominated by the Governor of the State of California shall serve for a term of two years and one shall serve for a term of three years;

(D) Two representatives nominated by the Secretary shall serve for a term of two years and one shall serve for a term of three years.

(2) All reappointments and renominations of representatives on the Council shall be made in the manner set forth in this section, except that any person appointed to fill the unexpired term of any representative on the Council shall be appointed only for the remainder of such term.

(3) If, for any reason, there is a failure to nominate any representative as provided in subsection (b), notwithstanding such failure, the Secretary shall convene the Council and the Council may conduct business.

(4) The representative of the United States Forest Service nominated under subsection (b)(1) shall serve as Chairman of the Council.

(5) To the maximum extent practicable, all meetings of the Council shall take place within the area.

(6)(A) Members of the Council who are full-time officers or employees of the United States, or of a State or local government, shall receive no additional pay on account of their service on the Council.

(B) While away from their homes or regular places of business in the performance of services for the Council, members of the Council shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service under section 5703 of title 5, United States Code.

(d) The Secretary shall provide the Council with such staff and technical assistance as the Secretary, after consultation with the Council, considers appropriate to enable the Council to carry out its duties.

(e) The Council shall be responsible for the following:

(1) Development and recommending to the Secretary the plan.

(2) Reviewing and monitoring the implementation by Federal, State, and local agencies having jurisdiction within the area of all programs set forth in the plan to ensure consistency and compliance with the plan, and making appropriate recommendations for revision and enforcement of the plan.

(3) Reviewing all Federal development projects and plans for consistency with the plan for the purpose of submitting recommendations thereon to the Coastal Commission in accordance with section 7(d) of this title.

(4) Recommending to the Secretary appropriate agreements with public agencies and private nonprofit organizations to further the purposes of this title, and to implement the plan.

(5) Making such other recommendations to the Secretary and State and local units of government as it may deem necessary to carry out the purposes of this title.

COMPREHENSIVE MANAGEMENT PLAN

SEC. 6. (a) On or before the expiration of the twenty-four month period following the date of the enactment of this Act, the Council shall recommend to the Secretary the plan for the protection and management of the area.

(b) During the development of the plan the Council shall—

(1) consult with appropriate officials of any local government or Federal or State agency which has jurisdiction over lands and waters within the area;

(2) consult with interested professional, business, conservation, and citizen organizations; and

(3) conduct public hearings at places within the area, and at such other places as may be appropriate, for the purposes of providing interested persons with an opportunity to testify with respect to matters to be addressed by the plan.

(c) The plan shall include the following components:

(1) The land-use plan component of the local coast programs developed by Monterey and San Luis Obispo Counties and certified by the California Coastal Commission pursuant to the California Coastal Act of 1976: *Provided*, That nothing contained in this title shall be construed to authorize the Secretary or the Council to amend any portion of the certified local coastal programs under the California Coastal Act of 1976.

(2) A component including, but not limited to, consideration of available land and water protection and management techniques, including zoning and regulation derived from State and local police powers, development and use standards and permit requirements, acquisition of conservation easements and other interests in land, public access agreements with private landowners, purchase of land for resale or leaseback, acquisition of public recreation sites and ecologically sensitive areas, and any other method of land and water protection and management which will help meet the goals and carry out the provisions of the plan.

(3) An inventory of lands and waters or interests therein, which should be considered for acquisition by the Secretary or, with Federal assistance, by private nonprofit organizations or public entities, for the following critical purposes: preservation of scenic views from California State Highway Route Numbered 1 and other important vista points; protection of environmentally sensitive habitat areas; public access to the beaches and coastal uplands; protection of the watershed, public health and safety; interpretation of the natural and cultural heritage of the area; development of minimal visitor-serving facilities; and implementation of the local coastal program.

(4) A coordination component including, but not limited to, provisions for the maximum feasible participation of State and local governments and the public in the implementation of the plan in a manner that will ensure the continued, uniform, and consistent protection of the area in accordance with the purposes of this title.

(5) A community resource protection component including, but not limited to, identification of rural residential enclaves and an assessment of them to consider whether more development is appropriate, consistent with the purpose of this title. Lands in areas determined to be suitable for development shall not be designated for purchase by the Secretary. The Secretary may enter into agreements with state or local agencies and may enter into contracts with private nonprofit organizations to assist in the implementation of this component in these areas.

(6) A highway transportation component implementing the intent of the California State Legislature regarding State Highway Route Numbered 1 expressed in the California Coastal Act of 1976. Such component shall include, but not be limited to, the specific manner to (A) preserve the rural, scenic, two-lane highway within the area, (B) ensure residents continued access to their homes, and (C) minimize highway congestion that seriously impairs the enjoyment of the natural and scenic resources of the area.

(7) A public use component which includes a plan for managing visitation to the area. This shall include, but need not be limited to, a plan for providing information about the scenic features, recreation opportunities, and visitor facilities in the area; a plan for the interpretation of the resource and natural values in the area for the enjoyment and appreciation of visitors; and a plan for managing public access and use to the extent necessary to protect the natural and scenic values in the area.

(8) A comprehensive resources protection

and management component including, but not limited to, all natural, historic, and cultural resources in the area, and protection and management of unique or sensitive plant or animal habitat, or both.

(9) An agricultural component including procedures for protection of the historic agricultural uses of existing agricultural lands.

(d) The Council shall treat the components of the plan as set forth in subsection (c) as the basis for the plan only insofar as there are no conflicts with the purposes of this title.

(e) If the local coastal programs for the area mandated by the California Coastal Act of 1976 are not certified by the California Coastal Commission by the statutory deadline of July 1, 1981, the Council shall proceed to recommend for adoption by the Secretary of a land-use plan and implementation program for the area that shall be in effect until certification of the local coastal programs. The interim land-use plan and implementation program shall be based on the policies of the California Coastal Act of 1976, and shall use to the maximum extent possible the planning for the area accomplished to date by the counties of Monterey and San Luis Obispo.

(f)(1) The Secretary shall, within one hundred and twenty days after the date the plan is submitted to him by the Council, review the plan to determine its consistency with the purposes of this title and shall, on the basis of this review, approve or amend the plan. Should the Secretary fail to act on the proposed plan within such period, the plan shall be treated as approved. If the Secretary amends the plan, the Secretary shall, within one hundred and twenty days after the date the plan is submitted to him by the Council, submit in writing to the Council any amendments made by the Secretary to the plan, together with an explanation of the reasons for such amendments.

(2) When the Secretary submits an amended plan to the Council, the Council shall respond to the amendments made by the Secretary by submitting to the Secretary, within ninety days after its receipt of the amended plan, any recommendations of the Council for changes in the plan (as amended by the Secretary) or, if the amended plan is acceptable to the Council, a statement that no revisions in the amended plan are proposed. If the Council fails to act within such ninety days, the Secretary's amended plan shall be deemed to be adopted.

(3) Within 30 days after receiving the response of the Council, the Secretary shall consider such recommendations and shall adopt a Plan which responds to the Council's recommendations in a manner which is consistent with the policies and purposes of this title.

(4) The plan may be revised from time to time in accordance with the procedure set forth in this section. The Council shall review the plan periodically, but not less frequently than once every five years.

ADMINISTRATIVE RESPONSIBILITIES WITHIN THE AREA

SEC. 7. (a)(1) Within the area, State and local governmental authorities of the State of California having jurisdiction shall exercise their authorities in a manner which is not inconsistent with the plan.

(2) Within one hundred and twenty days after the adoption of the plan, the counties of Monterey and San Luis Obispo and each State agency having jurisdiction in the area shall submit to the Council a program which describes the manner within their respective jurisdiction in which such county or agency shall provide for the implementation of the plan. The Council shall review the programs submitted under the preceding sentence and shall submit comments to each entity submitting such a program. The Council shall also consult with such entities and provide guidance to assist them in exercising their authorities in a manner consistent with the plan.

(b)(1) The Secretary shall administer the national forest system lands within the area in accordance with the provisions of this title and the laws applicable to the National Forest System in such manner as will best implement the plan adopted under section 6 of this title. Prior to the adoption of the plan, those portions of the area consisting of National Forest System lands shall be administered in accordance with the laws applicable to the National Forest System in a manner that will best achieve the purposes of this title. For the purposes of administration and management of lands or interests in lands acquired by the Secretary under the provisions of this title, the boundary of the Los Padres National Forest shall include such lands acquired within the boundaries of the area.

(2) The provisions of section 7(a)(1) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-4-4601-11) shall be applied within the area without regard to the acreage limitations set forth in such provisions, and in applying such provisions, the purposes of this title shall be treated as outdoor recreation purposes.

(3) Subject to valid existing rights, all federally owned lands within the area are withdrawn from the operation of the mining and mineral leasing laws of the United States. No timber harvest or other cutting of timber shall be permitted on so much of the Los Padres National Forest as is within the area except to the extent necessary to control fire, disease, or insect activity.

(c) The Secretary, with the advice of the Council, shall provide for the administration of the plan and shall insure, within his existing powers, that the plan is carried out by all Federal, State, and local agencies having jurisdiction within the areas as required under subsection (a). The Secretary may enter into contracts and agreements with State or local agencies, landowners, or private nonprofit organizations in order to provide for the management of the area in accordance with the provisions of the plan. Authority to enter into contracts and agreements and to make payments under this title shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts. The Secretary shall be responsible for implementing section 6(c)(7) of this title and for coordinating the efforts of Monterey and San Luis Obispo Counties and the State of California to manage visitation on lands within the boundaries of the area managed by the counties and the State.

(d) Any consistency certification, consistency determination, or negative determination submitted to the California Coastal Commission pursuant to section 307 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1451-1464) for any development project or plan within or adjacent to the area shall include a recommendation made by the Council for concurrence or objection by the coastal commission, based on the Council's review of the project or plan for its consistency with the plan. If the Council fails to make its recommendation within sixty days after the submission of a consistency review by the federal agency or the applicant to the coastal commission, the Council shall be considered to have made a recommendation for concurrence. Each Federal agency conducting or supporting activities directly affecting the area shall, after consultation with the Council, conduct or support such activities in a manner which is, to the maximum extent practicable, consistent with the plan. Any Federal agency proposing to undertake any development project in the area shall, after consultation with the Council, insure that the project is, to the maximum extent practicable, consistent with the plan.

LAND ACQUISITION AUTHORITIES AND RESTRICTIONS

SEC. 8. (a) From the date of enactment of this Act until adoption of the plan, the Secretary may acquire (1) lands, waters, or interests therein within the area by donation, purchase with donated or appropriated funds, or by exchange, where such lands, waters, or interests therein have been recommended for such acquistion by the Council, or (2) any other lands, waters, or interests therein determined by the Secretary; in accordance with the purposes of this title, to have critical ecological or scenic values which are in immediate danger of being adversely affected or destroyed.

(b) After the plan has been adopted, the Secretary shall have the following authorities in such areas as set forth in the plan:

(1)(A) The Secretary may acquire by donation, purchase with donated funds or by exchange in accordance with subparagraph (B), any lands, waters or interests therein (including scenic easements) within the area. Lands, waters or any interests therein within the area may be acquired without the consent of the owner thereof only to the extent provided under subsection (c) of this section. Lands, waters or any interests therein within the area owned by the State of California, or any political subdivision thereof, may be acquired only by donation or exchange. In exercising the authority provided under this subparagraph, the Secretary shall, to the extent feasible, acquire less than fee simple title to lands and waters.

(B) In exercising his authority to acquire property by exchange, the Secretary may accept title to any non-Federal property, or any interest therein, located within the area, and in exchange for such property or interest, may convey to the grantor any federally owned property under the jurisdiction of the Secretary within the State of California which the Secretary classifies as suitable for exchange or disposal. The values of the properties so exchanged shall be equal, or if not equal, shall be equalized by the payment of cash to the grantor or to the United States, as the circumstances require. In the exercise of the authority to exchange property, the Secretary may utilize authorities and procedures generally available to him in connection with the exchange of lands.

(2) The Secretary may make grants under this title to the State, local governments, or private non-profit organizations or public entities for the acquisition of lands and waters or interest therein within the area to carry out the purposes of this title. The grants authorized by this section shall—

(A) be made in accordance with regulations promulgated by the Secretary, consistent with other applicable law, to carry out the purposes of this title;

(B) not exceed 50 percentum of the total cost of each parcel acquired by the State, by any local government, or by private nonprofit organizations or other public entities under this paragraph;

(C) be supplemental to any other Federal financial assistance for any other program; and

(D) be subject to such additional terms and conditions as the Secretary may deem necessary to effectuate the purposes of this section.

(3) In accordance with the provisions of the plan, the Secretary may convey title of property acquired pursuant to this title to State and local governmental entities where management efficiencies would thereby result and where such lands would be managed and protected in accordance with the purposes of this title. If the Secretary publishes his written opinion that the property has ceased to be used and protected pursu-

ant to the provisions stipulated at the time of such conveyance, the title to the property shall promply revert to the United States, and the property shall be managed by the Secretary in accordance with the purposes of this title. Ninety days prior to his conveyance of property pursuant to this provision, the Secretary shall publish notice of the proposed conveyance in the Federal Register and shall also inform, in writing, the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate of his intention to do so and the reasons therefor. Upon such conveyance, the Secretary shall publish notice to that effect in the Federal Register.

(4) The Secretary may sell or lease back lands purchased within the area, as provided under paragraph (1), subject to restrictions in the deed or lease as the Secretary deems appropriate to ensure that such lands are used in a manner consistent with the purposes of this title; Provided, that the last previous owner or successor in interest shall be given right of first refusal of any such action proposed by the Secretary. The Secretary shall use the authority of this paragraph to provide for efficient management of the area and to preserve existing uses of the land in carrying out the purpose of this title.

(c)(1) The Secretary shall have no authority under subsection (b)(1) to acquire, to make grants to acquire, lands, waters or interests therein within the area without the consent of the owner thereof unless such acquisition is required—

(A) to provide for public access and recreation use as specified by the plan; or

(B)(i) to prevent new uses which would be substantially incompatible with the plan where the Secretary determines that there is no feasible alternative available to prevent such uses, (ii) to reclaim lands on which prior to adoption of the plan, to prevent such new uses have been initiated, or (iii) new uses which are substantially incompatible with the purposes of this title.

(2) In no event shall the Secretary acquire without the consent of the owner thereof any structure on which construction was initiated prior to July 1, 1980, including such lands on which the structure is located as are determined to be reasonably necessary to the use and enjoyment of the structure; Provided, that the structure was approved pursuant to State and local law.

(d) Whenever the Secretary of Defense determines any lands under his jurisdiction within the area are excess to the needs of the Department of Defense, such lands shall be transferred to the Secretary and shall be administered by the Secretary pursuant to the management plan. The exclusive jurisdiction exercised by the United States on the Federal lands transferred to the Department of Agriculture by the Department of Defense on June 4, 1957 (pursuant to 70 Stat. 736) is hereby changed to propriety jurisdiction.

SAVINGS PROVISION

SEC. 9. Nothing in this title shall be construed to affect or in any way diminish the authority of the California Department of Fish and Game or the California Fish and Game Commission to regulate or otherwise manage and preserve the fish and wildlife resources of the State in the area.

DEFINITIONS

SEC. 10. For purposes of this title, the term—

(1) "private non-profit organization" means an organization described in section 501(c) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(a) of such Code and which was exempt from taxation under section 501(a) on the date of the enactment of this title.

(2) "contract" includes a contract or cooperative agreement which may involve the expenditure of appropriated funds.

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. There is hereby authorized to be appropriated for the purposes of this title, effective October 1, 1981—

(1) an amount not to exceed $5,000,000 from the General Fund of the Treasury for administration, making grants, and management and planning, as authorized by this title; and

(2) an amount not to exceed $25,000,000 from the Land and Water Conservation Fund in the Treasury for acquisition, such sums to remain available until expended.●

By Mr. CRANSTON:

S. 41. A bill to authorize the establishment of the Desert Pupfish National Wildlife Refuge in the State of Nevada, and for other purposes; to the Committee on Energy and Natural Resources.

DESERT PUPFISH NATIONAL WILDLIFE REFUGE

Mr. CRANSTON. Mr. President, I rise to introduce, for appropriate reference, a bill to authorize the establishment of the Desert Pupfish National Wildlife Refuge, to protect the few remaining desert pupfish. This legislation is based on measures I introduced in the 92d through 96th Congresses. The new bill, however, cuts the acreage to about 75 percent of my original proposal.

The Ash Meadows Area of Nevada has been the home of the several species of pupfish for 20,000 years. During this time, the pupfish have adapted from the cold water, postglacial lakes which covered the Western United States following the last Ice Age to a totally different and inhospitable environment, which is typified by Devil's Hole—where the water is high in mineral content, low in oxygen, and 92 in temperature.

Yet the desert pupfish may not survive another decade unless steps are taken to preserve their unique habitat. The pumping of water and development threaten their existence.

Saving the remaining species and subspecies of this endangered fish, along with the protection of their habitat, is of importance not only for the maintenance of nature's diversity, but because of their tremendous value for studies of genetic evolution. Already man's needless indifference has permitted the extinction of several subspecies, and two which live in the Ash Meadows Area are on the brink of extinction.

In addition to the unique desert pupfish found in the Ash Meadows Area, botanical research conducted by Dr. Janice C. Beatley of the laboratory of nuclear medicine and radiation biology of the University of California at Los Angeles, assistant professor of botany James L. Reveal, of the University of Maryland, and others, has revealed unique species of plants growing in the Ash Meadows Area—plants that are found in no other place in the world.

Some of these plants were restricted by revolution to this single area; most of them are entirely different from plants in surrounding areas of Nevada and California. If a Desert Pupfish National Wildlife Refuge were established, not only would the desert pupfish be rescued from extinction but these unique species of plants would be preserved. As Professor Reveal states—

We are fighting time. No advanced technology will ever replace an extinct species.

The desert region which I propose as the site of the Desert Pupfish National Wildlife Refuge is a 40-acre parcel of hillside which is part of Death Valley National Monument, but separated by almost 20 miles of desert from the main body of the monument. The 40 acres was included in the national monument in 1952, because of a deep limestone chasm in the side of the hill at the bottom of which is a small warm water spring. It is called Devils Hole, and is surrounded by two chain link fences.

Outside of the fences the Park Service has erected a sign which reads as follows:

DEVIL'S HOLE

In the small pool at the bottom of this limestone cavern lives the entire population of Cyprinodon diabolis, one type of desert pupfish. These fish live in what is probably the most restricted environment of any animal in the world.

If the pupfish becomes extinct, it will be because of man's activities. The little pupfish stands as both a concrete example of a living species about to become extinct as a result of man's reckless expansion and as a symbol of what the environmental fight is all about. Few of us have ever seen a pupfish; unlike many other fish, pupfish cannot be eaten; and most would, in considering my proposal, find a question on the tip of their tongues: "What good are they? Why should we worry?"

The answer to that question is that we cannot afford not to worry about the unforeseen future consequences of allowing the desert pupfish to die out as a living species on the planet Earth. Much of the environmental crisis today is the result of man's failure to see far enough ahead to avoid some of the frightening consequences which all of us now face. Not only are we faced with a tremendously costly cleanup job, but we are faced with a struggle over our own future survival.

I sincerely hope that my colleagues will join with me in this effort to save the tiny desert pupfish from total extinction.

Mr. President, I ask unanimous consent that the full text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 41

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to preserve and protect several species of desert pupfish, and to interpret their evolution in areas of their natural environment, for the benefit and education of the people of the United States, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to establish the Desert Pupfish National Wildlife Refuge (hereinafter referred to as the "refuge") in the State of Nevada. The refuge shall contain certain lands in Ash Meadows, Nevada, comprising approximately 40,000 acres as depicted

on a map entitled "Ash Meadows, Nev.–Calif.", dated January, 1981.

SEC. 2. Within the boundary of the refuge, the Secretary may acquire lands, waters, and interests therein by donation, purchase with donated or appropriated funds, or exchange. Lands, waters, and interests therein owned by the State of Nevada, or any political subdivision thereof, may be acquired only with the consent of such owner. When the Secretary determines that lands, waters, and interests therein have been acquired sufficient to constitute an efficiently administrable unit for the purposes of this Act, he shall establish the refuge by publication of notice to that effect in the Federal Register. Pending such establishment and thereafter, the Secretary shall administer the lands, waters, and interests therein within the boundary of the refuge in accordance with the provisions of this Act.

SEC. 3. Effective upon establishment of the refuge pursuant to section 2, the Devil's Hole portion of Death Valley National Monument, which was added to the Death Valley National Monument by Proclamation numbered 2961 of January 17, 1952 (66 Stat. c 18), is abolished, as such, and the lands, waters, and interests therein are made a part of the refuge established pursuant to this Act. Any funds available for the Devil's Hole portion of Death Valley National Monument on the date of such establishment shall be available for the purposes of the refuge established pursuant to this Act.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. SASSER:

S. 42. A bill to enhance the ability of the Federal Government to collect delinquent taxes; to the Committee on Governmental Affairs.

DEBT COLLECTION PRACTICES IMPROVEMENTS ACT OF 1981

● Mr. SASSER. Mr. President, I am today introducing the Debt Collection Practices Improvements Act of 1981.

In the spring of 1980, I reported to my colleagues on the efforts of Federal agencies to collect just debts owed to the Treasury of the United States. The many reports by the General Accounting Office on governmental debt collection efforts chronicle a history of ineptitude and indifference. The reports also indicate that staggering sums of—as much as $1 billion a year in 1979 alone—are actually written off as uncollectable.

Unlike private institutions, the Federal Government has no coherent policy designed to recover money loaned to domestic and foreign institutions and individuals. In fiscal year 1979, the U.S. Office of Management and Budget reports that $175 billion is owed to the Government. Of this figure $47 billion is due to be repaid. The General Accounting Office has estimated that anywhere between $26 and $35 billion of this amount may be delinquent and that at least one-quarter, and possibly one-third of that delinquent debt will be lost to the Government. To put this loss in perspective, the recovery of the lowest estimated figure would have been sufficient to cover the outlays for 1980 of the Department of Justice, the Department of State, the entire appropriations for the legislative branch, and we still would have had almost a $500 million surplus to be used where most needed. Clearly, recovery of these funds would be an important step toward reducing waste and increasing the fiscal responsibility and restraint of their Government.

The information from the General Accounting Office led Senator PERCY and me last year to introduce the Debt Collection Act of 1980. This legislation, which we are reintroducing this year, is based on the recommendations contained in several GAO reports. Basically, this bill would allow Federal agencies to transmit the names of loan defaulters to credit bureaus as is commonly done in the private sector. We felt that the Debt Collection Act of 1980 was a start in the right direction, a meaningful effort to reverse the Federal Government's poor debt collection efforts.

Senator PERCY and I conducted hearings on the Debt Collection Act of 1980 last November. Much of the testimony at those hearings was supportive and encouraging. The distinguished Comptroller General of the United States, Elmer Staats, testified in support of the legislation, but suggested a number of additional steps not addressed in the bill.

The Comptroller's suggestions included: Charging interest on debts owed the Federal Government, preventing overpayments, contracting for debt collection assistance, collecting delinquent debt by offsets, more aggressive collection from Federal employees, using Internal Revenue Service locator assistance in tracking down delinquent debts and clarification of the 6-year statute of limitations on debt collection.

Some of these suggestions can be addressed administratively, others require further study, but several of the suggestions warrant immediate action. The Comptroller General specifically recommended legislation to:

Provide authority to collect general debts owed the Government by offset from a Federal employee's salary;

Recognize that the 6-year statute of limitations does not prohibit the offset of debts owed to the Government; and

Remove the restrictions on redisclosure of a debtor's address that has been obtained from the Internal Revenue Service.

The Debt Collection Practices Improvements Act of 1981, which I am introducing today, responds to the Comptroller General's recommendations. The bill does provide for three things: First, it provides for an offset from the salary of a Federal employee who is indebted to the Federal Government. Second, it clarifies the statute of limitations provision of title 28 of the United States Code by explaining that the section does not prevent the United States from collecting a claim against an individual by offsetting that amount against moneys payable by the United States to that individual. Finally, the bill amends the Internal Revenue Code to provide that the IRS may disclose a taxpayer's mailing address to an agency, under limited circumstances, to redisclose that information to consumer reporting agencies or debt collection agencies.

As I have noted, this bill compliments and expands upon other debt collection legislation which Senator PERCY and I and several of our colleagues are reintroducing. The two bills mark the beginning of a creative congressional response to a wasteful and intolerable situation, and I encourage my colleagues to give it their serious consideration during the 97th Congress.

Mr. President, I would like to have printed in the RECORD, along with my remarks, a copy of a letter from Mr. Bob Bullock, comptroller of public accounts for the State of Texas. In his letter, Mr. Bullock attests to the success—in the State of Texas—of debt collection practices similar to those called for in my legislation.

Also, I ask unanimous consent to have printed in the RECORD several summary tables prepared last year by the U.S. Office of Management and Budget outlining the amount of debt owed to the United States, as well as allowances—expected writeoffs of debts—and actual writeoffs that were made in 1979.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AUSTIN TEX.,
December 15, 1980.

The Hon. JAMES R. SASSER,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR SASSER: Your legislation to collect debts owed to the Federal government caught my attention because of a similar program underway in Texas.

Frankly, I think you are on the right track as far as fiscal sanity and financial responsibility.

Our program has been successful in tracking down and collecting from deadbeats and I can't see why the same theory wouldn't work on the federal level.

By way of background, the Comptroller of Public Accounts is Texas' chief fiscal officer and is responsible for collecting taxes as well as issuing warrants (payments) for goods and services purchased by state agencies.

Fortunately, Texas has a law (Article 4350) which prohibits the Comptroller from issuing a warrant to any person who is indebted to the state. The law was enacted more than 70 years ago and in 1967 it was broadened to include delinquent taxpayers.

In 1978, I established an automated accounting system and payment system which interfaces with tax information and tax collections.

Simply, we are able to short-circuit any state payment to a person or organization who owes the state a debt. When the debtor clears the delinquency, we make the payment.

Since mid-1978, I've held 75,038 warrants by using this system.

That resulted in the collection of $3,633,-557.48 in delinquent taxes.

While this system was designed to assist in the collection of delinquent taxes, we found it could be easily applied to other kinds of debts.

In mid-1979, I ordered the "warrant hold" program to comb the delinquency list on the state's student loan program.

The state had advanced education money to more than 130,000 students since 1966 and 13 years later there was a delinquency roster of more than 24,000 persons owing the state some $39 million.

During the first month, 641 state employees were identified as delinquent. In addition to these employees 322 other individuals were identified as owing student loans.

The paychecks of the state employees were "impounded" until these individuals either paid off the debt or made arrangements to make payments.

The 322 other debtors were individuals who had state payments due them for goods and services supplied to state agencies and their payments were held until the education loan debt was erased.

This action "cleared" $1.2 million the first month alone.

During the past year, the procedure for establishing holds on warrants and then releasing them as the accounts are cleared has become a routine part of our efforts to collect debts owed the state.

The success of the program finally led to several colleges and universities in the state asking me to help collect National Direct Student Loans (N.D.S.L.) for them.

Naturally, I'm pleased with the results, over the past couple years, in collecting debts owed to the state.

In delinquent taxes, we can account for more than $3 million that would not have otherwise been sent to the treasury. On student loans there are several million dollars that can now be put back to use on new student loans.

For sure, we aren't tackling the kind of debts that you want to see collected. I pass this information along to you in the spirit that if an administrator or government agency wants to collect debts, they can be collected. And, frankly, they can be collected without expensive or far-flung bureaucracies.

If you want additional information, please let me know.

And, again, I think you're on the right track. Keep up the good work.

Sincerely,

BOB BULLOCK,
Comptroller of Public Accounts.

GOVERNMENT-WIDE

STATUS OF RECEIVABLES DUE FROM THE PUBLIC, SEPT. 30, 1979

[Amounts in millions]

	Accounts receivable		Loans receivable		Total receivables	
	Amount	Percent	Amount	Percent	Amount	Percent
1. Total receivables	24,672.2	100.0	150,520.3	100.0	175,192.5	100.0
(a) Current	24,922.2	97.4	22,946.8	15.2	46,969.0	26.8
(b) Long term	650.0	2.6	127,573.5	84.8	128,223.5	73.2
2. Age of receivables:						
(a) Not delinquent	4,426.1	18.4	14,863.8	64.8	19,289.9	41.1
(b) Delinquent	17,538.2	73.0	7,732.2	33.7	25,270.4	53.8
1 to 30 days	314.1	1.3	169.6	.7	483.7	1.0
31 to 90 days	4,204.4	17.5	635.0	2.8	4,839.4	10.3
Over 90 days	13,019.7	54.2	6,927.6	30.2	19,947.3	42.5
(c) Not aged	2,057.9	8.6	350.8	1.5	2,408.7	5.1
Total allowances	3,341.7		2,944.0		6,285.7	
Total writeoffs	780.7		237.3		1,018.0	

DOMESTIC SUMMARY

STATUS OF RECEIVABLES DUE FROM THE PUBLIC SEPTEMBER 30, 1979

[Amounts in millions]

	Accounts receivable		Loans receivable		Total receivables	
	Amount	Percent	Amount	Percent	Amount	Percent
1. Total receivables	23,041.5	100.0	102,712.2	100.0	125,753.7	100.0
(a) Current	22,865.5	99.2	17,710.7	17.2	40,576.2	32.3
(b) Long term	176.0	.8	85,001.5	82.8	85,177.5	67.7
2. Age of receivables:						
(a) Not delinquent	3,452.5	15.1	10,906.3	61.6	14,358.8	35.4
(b) Delinquent	17,369.0	76.0	6,513.2	36.8	23,882.2	58.9
1 to 30 days	313.7	1.4	136.8	.8	450.5	1.1
31 to 90 days	4,204.1	18.4	581.3	3.3	4,785.4	11.8
Over 90 days	12,851.2	56.2	5,795.1	32.7	18,646.3	46.0
(c) Not aged	2,044.0	8.9	291.2	1.6	2,335.2	5.7
Total allowances	3,341.7		2,944.0		6,285.7	
Total writeoffs	780.7		237.3		1,018.0	

FOREIGN SUMMARY STATUS OF RECEIVABLES DUE FROM THE PUBLIC SEPTEMBER 30, 1979

[Amounts in millions]

	Accounts receivable		Loans receivable		Total receivables	
	Amount	Percent	Amount	Percent	Amount	Percent
1. Total receivables	1,630.7	100.0	47,808.1	100.0	49,438.8	100.0
(a) Current	1,156.7	70.9	5,236.1	10.9	6,392.8	12.9
(b) Long term	474.0	29.1	42,572.0	89.1	43,046.0	87.1
2. Age of receivables:						
(a) Not delinquent	973.6	84.2	3,957.5	75.6	4,931.1	77.1
(b) Delinquent	169.2	14.6	1,219.0	23.3	1,388.2	21.7
1 to 30 days	.4	(1)	32.8	.6	33.2	.5
31 to 90 days	.3	(1)	53.7	1.0	54.0	.8
Over 90 days[2]	168.5	14.6	1,132.5	21.7	1,301.0	20.4
(c) Not aged	13.9	1.2	59.6	1.1	73.5	1.2

[1] Less than 1/10 of 1 percent.

[2] All delinquencies for all over 90 day categories for Ex-Im and AID have been combined into this category. ●

By Mr. SASSER (for himself, Mr. DURENBERGER, Mr. NUNN, Mr. ROTH, Mr. EAGLETON, Mr. LEVIN, Mr. HATFIELD, Mr. HEFLIN, Mr. DANFORTH, and Mr. PRYOR):

S. 43. A bill to amend the Congressional Budget Act of 1974 to require the Director of the Congressional Budget Office to prepare and submit, for every bill or resolution reported in the House or the Senate which has certain specific economic consequences, an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

STATE AND LOCAL GOVERNMENT FISCAL NOTE ACT OF 1981

● Mr. SASSER. Mr. President, I rise today to introduce the State and Local Government Fiscal Note Act of 1981. This measure is, quite simply, a timely and necessary response to the rising chorus of voices in our land who are crying out for fiscally prudent and accountable behavior on the part of the Federal Government in its dealings with State and local governments.

Fiscal notes, or analyses of the costs of legislation to government, are not a new idea, although they represent a relatively recent phenomenon at the Federal level. It was not until the Congress

passed the Congressional Budget Act of 1974 that it directed the newly created Congressional Budget Office, or CBO, to prepare fiscal notes outlining the cost to the Federal Government of proposed legislation. Prior to that, these costs had simply not been determined.

Fiscal note processes originated at the State level. In the late 1950's, New Jersey and Wisconsin enacted fiscal note laws, and in the early 1960's, Missouri and Colorado did the same.

Many States, with constitutional limitations on their ability to raise new taxes and, hence, pay for new programs, found fiscal notes a sound device for anticipating the costs of new legislation—not only to State governments, but to local governments as well.

Some States have even adopted fiscal note procedures for proposed administrative rules and regulations. In total, 47 States have in place—either through statute or administrative action—procedures for fiscal notes on measures resulting in costs to State governments. And 35 States use fiscal notes for proposed legislation affecting local governments.

The rationale behind the proposed State and Local Government Fiscal Note Act of 1981 is plain and forthright. A fiscal note bill will serve as a "caution light," if you will, to Congress—warning of hazardous fiscal consequences ahead should it proceed with costly legislation.

From time to time a new Federal program, no matter how well-intentioned it is, ends up costing the Nation's States, counties, cities, townships and towns millions and even billions of dollars in unintended costs.

For example, Mr. President, many of us here are familiar with the Federal Water Pollution Control Act Amendments of 1972. Few in 1972 questioned the wisdom for the Federal Water Pollution Control Act, which was destined to channel billions of dollars for badly needed sewerage facilities across the Nation. As such, the 1972 amendments, with their promise of billions of dollars, were quite popular, both in and out of Congress.

Local governments in particular saw the funds as the solution to a costly capital improvement program they themselves were incapable of undertaking.

So, what happened? This legislation also contained requirements for pollution discharge standards for municipal sewage treatment operations. Ultimately, local governments spent $6 billion from 1972 to 1977 to pay the capital costs involved in meeting the Federal standards.

There are other examples in which conditions attached to congressional legislation or mandatory requirements by Federal agencies have made State and local governments sometimes question the benefit of even applying for funding under certain programs—which returns me to my original argument for this legislation.

Why is a State and Local Government Fiscal Note Act so important now?

The quickest explanation is that as long as the Federal Government was earmarking more and more money to State and local governments, the costs of complying with the conditions attached to that money did not really hurt.

Adjusted for inflation, Federal aid to State and local governments from 1956 to 1977 increased by over 450 percent. With that much fiscal relief, few State and local governments felt fiscal pain.

The past several years have brought a change, however, in the fiscal relationship between Federal, State, and local governments. For a variety of reasons, Congress has scaled down the level of Federal aid to other levels of government. Federal assistance to State and local governments in the past several years, when adjusted for inflation, has remained virtually stable.

And as the discussion over our Nation's economic future in recent months indicates, there may be little prospect for a reversal of this trend. In fact, the remainder of the 1980's may see a decline in Federal assistance to States. counties, cities, and towns across the Nation.

Mr. President, my bill recognizes the recent trends and demands extant in intergovernmental fiscal relations. It seeks to begin to remedy the situation now faced by State and local governments.

We in the Congress almost recognized the inherent need for such legislation last year. The same bill was approved unanimously by both the Senate Budget Committee and the Senate Governmental Affairs Committee. And the House Rules Committee had almost finished action on an identical version when the 96th Congress came to an end. Now, it is time to act again.

I might point out that, in developing this bill, there was input from representatives of State and local governments, who gave the measure their overwhelming endorsement, and from the CBO, which would prepare the fiscal notes. CBO, too, supports this bill.

Specifically, under the terms the State and Local Government Fiscal Note Act, proposed legislation would have to have a "threshold" impact of at least $200 million nationwide on State and local governments, or a significant impact on a particular region or level of government, before a fiscal note is required. And, secondly, the bill requires fiscal notes only for those bills or resolutions which are reported by congressional committees—not for all bills introduced. This would be a manageable process for CBO.

So, I urge my colleagues to give this measure their consideration and support.

In the long term, however, Mr. President, we in Congress will have to address the larger question—the question of just how we plan to give State and local governments the greater flexibility they need to deal with the formidable network of requirements, conditions, mandates, and expanded responsibilities the Congress and the Federal Government has imposed on them over the past few decades, at the same time State and local governments face the prospect of shrinking financial assistance to cope with it all.

Enactment of the State and Local Government Fiscal Note Act of 1981 is a sound, logical, first step in addressing this question.

I might point out, Mr. President, that this fiscal note concept has received widespread editorial support from various newspapers, and I ask unanimous consent to have printed in the RECORD in addition to my remarks, copies of two such editorials—one from the Washington Post and one from the Nashville Banner.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Nashville Banner, Sept. 13, 1980]

CONGRESS SHOULD POINT UP LOCAL COSTS OF ITS ACTIONS

Sen. Jim Sasser has offered a constructive and important piece of legislation with his bill that would force Congress to take a close look, before taking final action, at how much its major legislation would cost local and state governments to comply.

For as long as anyone can remember, Congress has been blamed by local public administrators for passing bills and forcing local officials to meet the expenses as best they could with limited operating budgets. For instance, it was revealed in a Senate hearing chaired by Sen. Sasser that St. Louis is building a bridge with federal funds, only to find federal requirements for ramps and elevators to serve the handicapped costing more than the bridge itself. Another was the case of New York City being hit with a bill for $2 billion, which it doesn't have, to provide access for the handicapped to several already-completed federal aid projects.

Private industry, as well as local governments, would benefit from Sen. Sasser's bill, as it, too, is burdened greatly with high costs of federal regulations.

Tennessee is one of only a few states which require the state to provide funding to local governments to implement, or comply with, state-mandated programs and services. The idea behind Sen. Sasser's legislation is that Congress might not enact certain legislation if it determines that the costs to implement it would be too great a burden on state and local governments.

A strong case in point, as explained by State Rep. John Bragg, chairman of the legislature's Finance Ways and Means Committee, is the Rehabilitation Act of 1973, which promises the handicapped full access to programs receiving federal funds. The legislation, and regulations which inevitably followed, cost state and local governments across the nation billions of dollars in extra outlays. Another regulation, the proposed measure governing bilingual education, may well cost the state of Virginia $10 million to comply.

Even if legislation were approved that would be costly to local governments, under Sen. Sasser's bill Congress would have to tell them roughly what costs would be incurred in order to comply. Since many state and local budgets must be approved before the federal budget, cost estimates for local officials would help them to prepare better for the extra financial strain.

Sen. Sasser proposes, rightly, that Congress immediately identify hidden and significant costs of its actions in order to give local governments adequate information for better policy-making and budget decisions. It has been needed for a long, long time, and we, along with local government officials and those in private industry, applaud the effort of Sen. Sasser in helping to know the costs of complying with federal regulations.

[From the Washington Post, Jan. 3, 1980]

GIFT HORSE

After two decades of soliciting federal grants, governors and mayors are becoming wary. The federal gift horse, they have

learned, is a ponderous beast dragging behind him a chain of encumbrances.

The most recent evidence of this reevaluation is the decision of Virginia's Gov. John Dalton to refuse federal money under the developmental disabilities program for certain retarded and disabled persons. Among the reasons cited by the governor were requirements that states establish elaborate evaluation systems, and find jobs with equal pay and benefits for personnel laid off as the result of program efforts to move institutionalized persons back into the community. These provisions are not new, and the governor's claims with respect to their potential cost are questionable. But his action should draw attention to a growing problem in our federal system.

When the federal government provides money to states and localities it must also try to see that the money is used efficiently for the purposes intended. But there are some devices employed in federal statutes and regulations that deserve closer scrutiny. One is the practice of specifying not only the general purpose of a program but the exact method of its operation without regard to the necessity and suitability of each minute requirement in each and every case. Day care, bilingual education and nursing-home regulations are frequently cited examples of this kind of overkill.

Still more galling to states and localities are federal commands with no federal dollars to back them up. The classic example of this kind is the federal regulation requiring not just that some, but rather *all* federally aided mass transit systems (including even local bus systems in small towns) be retrofitted to provide elevators and wheelchair lifts for the handicapped. Estimates of the potential cost to localities range to $20 billion, despite the uncertain benefit of this sort of transportation to many of the handicapped.

Not all of the many claims of heavy-handed federal regulation are of equal merit, and all of the regulations involved will be defended as necessary by well-meaning advocates. While some requirements are the work of overzealous bureaucrats, most spring directly from congressional statutes. Many of the most burdensome rules were added to federal laws at the behest of special interest groups with little or no public hearing or debate. Almost all passed into law with no estimation of their likely costs.

Congress already requires the Congressional Budget Office to prepare an estimate of the federal cost of all reported legislation prior to passage. Why not extend that same good rule to the likely costs for state and local governments as well?

● Mr. DURENBERGER. Mr. President, I am pleased to join with Senator SASSER and other colleagues as a sponsor of the State and Local Government Fiscal Note Act of 1981.

This legislation would require the Congressional Budget Office to prepare and each House of the Congress to consider a formal estimate of the costs incurred by State and local governments for each bill reported by a committee to the House or Senate of the United States. The Congressional Budget Act of 1974 already contains a fiscal note provision for the cost of new legislation to the Federal Government. Approximately 35 States require the preparation of fiscal notes for bills and resolutions considered by their legislatures.

At a time when resources for Federal Government action will be more scarce, but the demands for services ever as pressing, the fiscal note process required by this bill will afford needed protection to State and local governments and to their taxpayers. I am sure there will be a strong temptation in this Congress to continue with Federal activism.

It is our habit and one that will be hard to break. Faced with the public demand to reduce the size of the Federal budget and the scope of Federal activity, that temptation may take the form of seemingly innocent legislative language which keeps government growing by mandating State or local actions paid for with dollars that do not appear on the Federal ledger.

As the incoming chairman of the Subcommittee on Intergovernmental Relations, I am eager to take up the challenge of our new Republican President. His promise to thoroughly examine the Federal structure of government and to determine at which level services are best provided—and at which level services are best funded—means that the IGR Subcommittee will have a full plate in the coming 2 years. I see this fiscal note bill as an important step, necessary to provide the tools for a thorough review of the Federal system.

I want to thank Senator SASSER and Senator MOYNIHAN for bringing this approach to the attention of the Congress last year. Similar legislation was reported by both the Governmental Affairs Committee and the Budget Committee without dissent in the 96th Congress. I think this record portends early action in the 97th and I pledge these Senators my efforts to move this bill swiftly.

Thank you, Mr. President.●

● Mr. DANFORTH. Mr. President, I am pleased to cosponsor the State and Local Government Fiscal Note Act of 1981. This bill would require the Congressional Budget Office to estimate the costs which State and local governments can be expected to incur in complying with significant legislation. Last year I cosponsored an identical bill, which was favorably reported by the Governmental Affairs Committee but never considered by the full Senate.

Mr. President, this proposal is so reasonable it is surprising it has never been approved. It is simply good sense for Congress to have as much information as possible in assessing the impact of proposed legislation. If we are going to enact legislation imposing significant costs on State and local governments we should be aware of those costs at the time we are considering the legislation—not afterward. Congress good intentions—written into laws imposing all sorts of mandates on State and local governments—are paving a proverbial road to the poorhouse for many governments. This bill recognizes that a good deal of the costs imposed by Federal legislation may well be intentional and avoidable—that it would be a good idea for Congress to consider the impact of its actions on State and local governments before it acts.

I hope that my colleagues will join in support of this legislation. It is needed. But in addition, should this legislation pass and should this process be put into place, I hope and trust that my colleagues will heed the reports of the Congressional Budget Office—rejecting legislation imposing unjustified costs on State and local governments and modifying legislation imposing unnecessary costs on State and local governments, mindful that such costs must be borne by the taxpayers just as surely as the costs of any Federal spending program. The willingness to support this legislation now must carry with it the commitment to make it mean something in the future.●

By Mr. BRADLEY:

S. 44. A bill to amend the Internal Revenue Code of 1954 to provide an income tax credit for social security taxes paid in 1981 and 1982; to the Committee on Finance.

TAX CREDIT FOR SOCIAL SECURITY

● Mr. BRADLEY. Mr. President, as we begin the new 97th Congress and the country awaits the inauguration of a new President, our domestic agenda is already before us. 1981 will be the year the Government addresses our economic difficulties, with a hope that the country will indeed see the beginning of a revitalized economy, a stimulation of productivity, a return of millions of Americans to work, a reduction of taxes, and last and by no means least, a reversal of our economy's endemic inflation.

Americans look forward to the new administration s plans with hope and expectation. The campaign was full of dramatic rhetoric and confident promise. Much of the talk seemed to rely more on optimism and enthusiasm than traditional economic theory. But maybe the essential ingredients of a successful economic program are optimism and enthusiasm. If so, the new Republican leadership in the Senate and the Finance Committee, together with President Reagan's new government, have those qualities in abundance. I know that I speak for my Democratic colleagues on the committee and in the Senate in wishing them well. We all stand to gain if the new Republican leadership succeeds in making good on the promise that brought them to office.

The new administration promises its economic and tax plan soon after inauguration. That plan cannot come too soon. For January, as the month of new beginnings, is also the month of a new increase in social security taxes. Starting the first of this year, payroll taxes have increased by 8 percent, thus reducing the amount of spendable income of all Americans on salary at the very same time that double digit inflation continues to make their take-home pay worth even less.

The impact of the social security tax increase is not only on consumers, with its direct effect of reducing demand and further hampering recovery from the recession; the tax increase also applies to business, and drives up the labor costs that are directly related to prices. Thus this tax increase has two damaging effects; it reduces demand and slows down recovery while it drives up costs and prices, furthering inflationary pressure.

Americans might wonder at the wisdom which mandated a tax increase at this time. Unfortunately, the tax increase was made necessary by the depleted social security trust fund, which

badly needs a new infusion of revenues to stay solvent. The increase will fend off a crisis in the trust funds for a short while, but we will have to take a good hard look at social security reform this year if the system is to be put on a permanently sound basis. While the increase offers a temporary respite from a crisis in social security, it is bitter, difficult medicine for most Americans and for all businesses.

Nonetheless, we must have this payroll tax increase, which Americans will start seeing in their first weekly and biweekly paychecks in a few days.

I believe that it is necessary to compensate for this tax increase and to do so in a way which not only relieves taxpayers and businesses of the hardship I describe, but in a way which also has some direct benefit to the country's economy. For that reason, I have today introduced a bill for a temporary 2-year income tax credit amounting to 10 percent of social security tax payments. I am convinced that this proposal will stimulate employment by reducing the cost of labor. It will also provide business an infusion of cash flow quickly if the credit is returned during the tax year, reduce inflation by lowering the CPI, and offer immediate relief to individual taxpayers who will see the credit reflected in their withholding soon after it is enacted.

I offered this proposal last year, in the hopes that it would become part of the general tax reduction bill than being constructed by the Senate Finance Committee. That bill, as we all know, was the product of masterful cooperation between the majority and minority members of the committee, and belied claims that a good tax bill could not be written in the middle of a political campaign. It was also a tribute to Senators DOLE and LONG, who have now exchanged positions, but not, I hope, their commitment to that legislation. This bill was endorsed by candidate Reagan. Wisdom suggests that President Reagan will also endorse it.

My proposal forms a proper and needed complement to that legislation. I had intended to offer it to the committee bill as an amendment, had the tax bill been taken up by the Senate. I introduce it again today in the hopes that the tax bill that comes out of Finance this year will contain its provisions; if not, I will offer it on the floor.

Last year, when I first introduced the Senate version with Senators EAGLETON, RANDOLPH, and DURENBERGER, I enumerated the advantages I saw in the social security tax credit. They are even more valid today:

First, it provides needed additional income to businesses by reducing the amount they have to contribute as employer share of social security taxes. This income will be available for additional investments, for additional employment, and as much as 75 percent will be reflected in lower prices for goods and services. As it reduces the cost of labor it has an immediate impact on productivity. While admittedly this is not the long-term solution to increasing productivity, it does represent a needed shot in the arm to this critical problem of our economy.

Second, unlike other business tax cuts, this reduction will benefit all types of industry, not just those which are capital intensive. In this respect, it offers special advantages for the service sector of our economy which, of course, is labor intensive.

Third, it should be especially helpful in encouraging employment. It is estimated that it takes an investment of about $100,000 in the manufacturing sector to provide for each additional new employee. In the service sector, the cost is $20,000 to $40,000. And the service sector offers the greatest opportunities for employment of minorities, women, the unskilled, and others who are most immediately and seriously hurt by recession.

Fourth, this proposal offers tax benefits to both business and labor. The estimated $10.3 billion tax reduction for fiscal year 1981 and $16.2 billion for fiscal year 1982 will be divided about 2 to 1 in favor of individuals.

Fifth, the importance of this proposal in easing recession cannot be overstated. It should reduce the cost of goods and services immediately, by reducing the labor costs attributable to them. On the one hand, it makes those products more attractive to the consumer, while also providing more resources to the consumer with which to make those purchases.

Sixth, this tax cut will reduce inflation. The CBO estimates that it will actually reduce the rate of inflation by as much as 0.3 percent and at the least, by 0.1 percent, since most of the business labor cost savings will probably be reflected in lower prices.

Seventh, the proposal may go far toward counteracting the Federal revenue losses and expenses associated with the recession. As a rule of thumb, every increase in unemployment of 1 percent results in the loss of revenue and increases of other costs to the Federal Treasury of $29 billion. To the extent that this proposal does result in creating jobs, Federal revenues will increase. Counting the savings in the costs associated with unemployment and the return to the Treasury in increased income taxes from those at work, the net cost to the Treasury of this proposal would be reduced.

Eighth, as with all good tax cuts, this proposal is progressive. For those employees who have not had an increase in salary, the tax cut of 10 percent will more than offset the 8-percent increase in payroll taxes that is now in effect. And, since this is a tax credit, it will offer proportionately more benefits to those at the lower tax brackets than to individuals at the higher rates.

Finally, I propose to have this credit refundable, so it will benefit those at the very lowest income levels, as well.

Most important, however, this proposal is a way of attacking directly the great increase in social security taxes that will take effect on January 1.

I believe this is a proposition that should attract the support of Members on both sides of the aisle, because it is a job-creating, anti-inflationary tax cut that also increases productivity.●

By Mr. SASSER (for himself, Mr. NUNN, Mr. PRYOR, Mr. LEVIN and Mr. BAUCUS):

S. 45. A bill to reform the laws relating to the provision of Federal assistance in order to provide State and local governments with greater flexibility in managing programs and projects using such assistance; to the Committee on Governmental Affairs.

FEDERAL ASSISTANCE REFORM ACT OF 1981

● Mr. SASSER. Mr. President, I introduce legislation today with Senators LEVIN, PRYOR, NUNN, and BAUCUS to reduce the paperwork and cost burdens imposed on State and local governments, as well as nonprofit organizations, which receive Federal assistance.

This bill was shaped during the 96th Congress by the Governmental Affairs Committee in consultation with public interest groups, nonprofit organizations, and other groups affected by Federal grant programs. It was unanimously approved by the Senate Governmental Affairs Committee last September and passed the Senate on December 1. However, the press of business prevented its consideration in the House.

It is clear that the funding for intergovernmental aid programs is in a period of decline in the 1980's. For one thing, the buying power of the Federal assistance dollar is projected to decline 8.3 percent in 1981. For another, the Congress must attend to other priorities such as spending for defense and insuring the continuation of social security.

This decline in Federal assistance comes at a time when State and local governments face a budgetary squeeze because of the erosion of their own tax base. In addition, the proliferation of regulations attached to Federal assistance programs imposed heavy additional cost burdens on the recipients of grants.

The comprehensive grant reform legislation, S. 45, which I introduce today proposes several solutions to the problems of the Federal grant system.

This legislation, if enacted, would encourage congressional consideration or Presidentially proposed consolidations of duplicative, overlapping grant programs. Such consolidation of grant programs would mean fewer "strings" because there would be a reduction in the requirements for the administration of grant programs.

Passage of this legislation would put into statute the single audit of organizations receiving Federal assistance which is now administratively directed by OMB Circular A–102, attachment P. and it insures that the provisions of this circular are extended to nonprofit organizations as well as State and local governments. Putting this administrative directive into law gives it congressional backing and more clear authority.

This omnibus grant reform bill also strengthens the Joint Funding Simplification Act of 1974. Essentially, this procedure allows the administrative "con-

solidation" of grant programs through negotiation between grant recipients and Federal grant-making agencies. Once a joint funding agreement has been signed, recipients can administer grant programs with just one audit, one report and one application for renewal.

Although joint funding has already been reauthorized for another 5 years, until 1984, the passage of S. 45 allows strengthening revisions which give greater authority to the Office of Management and Budget and directs the Federal agencies to work with their counterparts in developing compatible grant procedures.

S. 45 incorporates a procedural "bill of rights" for recipients of Federal grants. This concept was suggested by Senator LEVIN. Essentially, the provisions of this section authorize Federal agencies to waive new regulations in cases where grant recipients have made a substantial commitment to compliance with a superseded requirement. It would also require notification to grant recipients whenever a Federal agency withdraws from or refuses to renew funding for an ongoing project or program so that the recipient would have an opportunity to respond. Agencies would also be required to explain their rejection of an application for a grant.

Several other provisions of S. 45 are intended to improve the management of Federal grant programs. The Office of Management and Budget is required to develop a system, in cooperation with Federal grant-making agencies, to provide comprehensive information on the amount and purpose of Federal assistance awarded a State or its subdivisions in a given fiscal year. The Advisory Commission on Intergovernmental Relations is directed to study alternative methods of delivering public services supported by Federal grants. And the OMB is directed to study the costs for administering the Federal assistance system by conducting a pilot study to develop methodology and coordinating annual agency reports on administrative expenditures for the 100 largest programs.

S. 45 also amends the Intergovernmental Cooperation Act, the statute governing the administration of the Federal assistance system, by adding a requirement that State legislatures be involved in decisionmaking about grant programs within their jurisdiction when their involvement is the practice within a State.

These reforms in the intergovernmental grant system are needed now more than ever before. The administrative costs for Federal assistance programs were offset in the past, when the grant system was growing at a rapid pace during the past 30 years. And they were offset when the State and local sector was one of the Nation's leading growth industries, with expenditures and employment outpacing Federal Government and private sector growth.

However, State and local expenditures from their own source revenues fell from 11.1 percent of the gross national product in 1975 to 10.5 percent of GNP in 1979. State and local employment declined from a 4.5 percent annual rate of growth between 1962 and 1972 to a 2.5 percent rate between 1973 and 1978.

Today, approximately 25 percent of the budgets of State and local governments is comprised of money from the Federal Government. The legislation I propose will give them the flexibility that is needed to manage this money well without becoming discouraged by the "hidden costs" of regulations and paperwork burdens.●

By Mr. THURMOND:

S. 46. A bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits; to the Committee on Governmental Affairs.

MILITARY RETIREMENT BILL

Mr. THURMOND. Mr. President, in 1956, the Congress, in passing a modification to the social security law (Public Law 84–881), inadvertently created an inequity that has come to be known as "catch-62," because the injustice is mandatory under the law. I am again proposing legislation for the fourth time to correct this inequity.

My measure refers to the provision in the law which requires that at age 62 and thereafter, all civil service retirees who are veterans and have combined their military service and civil service for calculation of their civil service annuities must involuntarily accept a recomputation of their annuities, omitting all credit for their military service after 1956. This is because of their eligibility for social security benefits due in any part to military service.

These annuity reductions take place even though the retiree may not receive social security payments because he is working, or would prefer to delay receiving them to age 65 for maximum payments, as all others are allowed to do.

This enforced substitution of a less advantageous civil service annuity when a veteran has properly qualified for an annuity based upon all his Government employment and the average of his highest 3 years' pay was placed in Public Law 84–881 without adequate hearings or evaluation of its long-term impacts.

Mr. President, while the intent of the law was to provide military personnel a portable social security benefit and to increase their incomes in retirement, the Civil Service Commission (CSC), now known as the Office of Personnel Management (OPM), objected to veterans receiving credit for both social security and their annuity for the same years of service. The Commission took the position that this would be a double credit in violation of laws which preclude crediting service to two retirement systems at the same time.

The fallacy in this objection is that the social security system is not a retirement system, and was never so intended. It was originated in 1936 as an old age benefit to keep persons in their declining years from becoming indigent. It was expected that social security recipients would have additional income from part-time work, personal savings, and retirement plans.

In order to qualify for a civil service combined annuity, a veteran entitled to military retired pay must waive all rights to it and accept only the annuity. There is no double credit for the military service; it is counted only for civil service retirement.

Military retirees who do not enter the civil service receive both their full retired pay and social security payments based upon the same periods of military service. Temporary Federal employees are also simultaneously covered by the social security system. Under Public Law 91–360, temporary employees who acquire permanent employee status and come under the civil service retirement system may credit all their temporary employment for retirement purposes without penalty at age 62. Also, they retain their social security entitlements based upon their temporary employment.

Mr. President, more than 350,000 temporary civil service employees have become permanent employees, and the number is increasing daily. Approximately 45 percent of the 2.9 million civil service and postal service employees have had some military service. Nearly 1 million, including 345,000 Vietnam veterans, have had service after 1956 and are subject to catch-62. Only 14 percent of these veterans are military retirees, but all will suffer from catch-62 when they become eligible for social security.

At present, Federal civil service retirees who have had no military service after 1956, do not suffer annuity reductions at age 62 if they are entitled to social security (or at any later age if they become so entitled). About 60 percent of civil service annuitants are entitled to social security payments in addition to their annuities.

Military retirees who do not enter the civil service draw retired pay from the date of their retirement and social security at age 62 or later, when eligible. The uniformed services have been required to contribute to social security since 1956, and any military retiree with 10 years of service after 1956 is eligible for social security on the basis of military service alone.

However, the individual with any military service after 1956, who enters the civil service and retires, counting his military service in the computation of his annuity, is required at age 62 to forfeit that portion based on his military service, if he is entitled to social security (or at any later age when he becomes so entitled). The annuity reduction takes place even when he cannot draw social security because he is working again, and he does not have the choice of deferring the annuity reduction to age 65 for maximum social security payments. Unlike the all-military careerist, or the all-civil-service careerist, the catch-62 victim is denied retirement income after age 62, based on all his Government service just because he transferred from military to civil service.

Mr. President, it is a matter of equity

that all employees of the civil service should receive equal consideration on retirement for service renedered to the U.S. Government, be it military or civil service. This was a principle of the Civil Service Retirement Act of 1920 and has remained constant except for the single anomaly catch-62 created in 1956 by section 8332(j), title 5, Public Law 84–881. Some agencies have obtained exceptions for all or part of their employees who are veterans. These exceptions are the Foreign Service, the Environmental Protection Agency, the Federal Water Pollution Control Administration, and the Consumer Product Safety Commission. In fairness, the policy should be the same for all. It is a gross injustice and discrimination for other veterans to be penalized monetarily by catch-62.

A civil service retiree who served in the uniformed services for 5 years after 1956, and has his required total of 40 quarters, will lose about 17 percent of his Federal annuity at age 62. A Federal employee retiring in 1979 with 11 years in the uniformed services after 1956, would find his annuity reduced by about 37 percent. The social security entitlement often is far less than the lost annuity income.

Mr. President, I am including a brief tabular comparison of the after-1962 incomes of typical civil service annuitants who are entitled to social security, veteran and nonveteran. Bear in mind that the Universal Social Security Study Group projected that nearly 80 percent of civil service employees are or will be qualified for social security through other employment. This table shows that the nonveteran annuitant entitled to social security always has a higher post-62 gross income than the veteran annuitant of the same grade and length of Government service.

The table is as follows:

ANNUAL INCOMES AT AGE 62 FOR AVERAGE CIVIL SERVANT WHO RETIRED AT AGE 55 WITH 30 YR OF GOVERNMENT SERVICE AND IS ENTITLED TO SOCIAL SECURITY (ALL VETERANS SUBJECT TO CATCH-62)

	Nonveteran with minimum social security income	Veteran with 3 yr military service	Veteran with 10 yr military service	Nonveteran with 20 yr social security coverage	Veteran with 20 yr military service	
					Combined annuity	Separate annuities
Annuity	11,400	10,180	7,350	11,050	4,400	3,200
Social security[1]	1,900	1,900	1,900	2,900	2,900	2,900
Military retirees	0	0	0	0	0	6,100
Total	13,300	12,080	9,250	13,950	7,300	12,200

[1] Typical low-level social security entitlements of civil service annuitants and 20-yr military retirees (worker only).

The above chart depicts the dramatic catch-62 inequity between the total post-62 retirement income of a typical veteran with 30 years of Government service, including 20 years of social-security-covered military service, and a nonveteran who spent all 30 years in the civil service and also acquired a matching 20 years of social security coverage in Government and private employment. Although the 20-year veteran is entitled to military retired pay, his total post-62 income is only $7,300 if he combines his two periods of Government service to have the same retirement income as the nonveteran at age 55; or only $6,100 from 55 to 62 and $12,200 thereafter, if he defers his civil service annuity to age 62 for maximum income thereafter. The nonveteran with the same total service has the maximum income of $11,050 from age 55 on with social security wholly additive at age 62 for a total of $13,950 thereafter.

Mr. President, it is simply disgraceful that our Government gives greater civil service retirement credit to its temporary employees, who stayed home with their families and worked only 40 hours a week at good incomes, than it does to those veterans who went to Vietnam as draftees and risked their lives for $75 per week take-home pay with no limit on their working hours.

There are other unfair aspects of the current catch-62 situation.

Many civil service retirees with military service were forced to take a combined retirement to qualify for immediate retirement income. Some military retirees had to take a combined civil service retirement to qualify their families for adequate survivor benefits. The military survivor benefit plan was not provided to the uniformed services until September 21, 1972.

A widow's benefit—the survivor's benefit—is calculated at 55 percent of the annuity of her sponsor. If he dies before reaching his 62d birthday, on the date he would have reached it her benefit is reduced to 55 percent of what his reduced annuity would have been at 62 had he lived.

Mr. President, to make the situation even more unfair, enforcement of Public Law 84–881 is inexact, and many individuals to whom catch-62 should apply are not identified and their annuities are not reduced at age 62. Those who have waived military retired pay to include their military service in annuity computations are more readily identified and their annuities reduced. Many thousands of annuitants with less than 20 years of military service counted in their annuity computations escape the legally required reductions at age 62 entirely. They are particularly likely to escape detection when they do not apply for social security, or when their military service alone is insufficient to qualify them for social security and is combined with other covered employment subsequent to civil service retirement to qualify for social security benefits.

Mr. President, I am introducing a bill to correct this injustice which has been unfairly denying retirement annuity credit for military service after 1956. It is identical with S. 92, which I introduced in the last Congress. The executive branch frustrated congressional action on this bill by failing to provide agency positions on this bill, as requested by the Committee on Governmental Affairs.

Mr. President, I have been unofficially advised that the Department of Defense supports my bill, and the Veterans' Administration is also anxious to have the current inequitable treatment of veterans ended; 12 of my distinguished colleagues joined me in cosponsoring S. 92, and I expect even more cosponsors for my new bill in the 97th Congress.

Mr. President, I am confident that my distinguished colleagues will want to go on record in support of this bill. It will end the discriminatory treatment to which a small group of veterans and their survivors have been subjected for 24 years.

My bill is a simple measure. It will end the current practice of recomputing the civil service retiree's annuity at age 62 to remove credit for social security covered military service and continue his or her annuity unchanged after age 62, the years in which the income is needed most.

Retirement annuities based on total service are already budgeted for these veterans from age 55 to age 62. Additional costs thereafter under my proposed change are a very small percentage increase in civil service retirement costs. Regardless of the money involved, however, we are dealing here not with any additional pay or "double dip," but with an injustice perpetrated in error.

The following organizations are supporting legislation to eliminate catch-62:

National Association for Uniformed Services.
Veterans of Foreign Wars.
The American Legion.
American Federation of Government Employees.
National Federation of Federal Employees.
National Treasury Employees' Union.
American Association of Retired Persons.
National Retired Teachers Association.
The Retired Officers Association.
Reserve Officers Association.
Fleet Reserve Association.
Naval Reserve Association.
National Association of Retired Federal Employees.
Air Force Association.
Air Force Sergeants Association.
Marine Corps League.
Marine Corps Reserve Officers Association.
Blinded Veterans Association.
Disabled American Veterans.
Disabled Officers Association.
Paralyzed Veterans of America.
Organization of Professional Employees/Dept. of Agriculture.

National Association of Federal/State Employees.
National Association of Rural Letter Carriers.
Jewish War Veterans.
Legion of Valor.
Regular Veterans Association.
Retreads.
Non Commissioned Officers Association.
National Association of Letter Carriers.
American Postal Workers Union, AFL–CIO.
Military Order of Purple Heart.
U.S. Army Warrant Officers Association.
Chief Warrant and Warrant Officers Association, USCG.
National Association of Concerned Veterans.
Federal Managers Association (formerly Nat'l Assoc. of Supervisors).
Amvets.

Mr. President, I urge my distinguished colleagues to support this most worthwhile measure. I ask unanimous consent that this bill be printed in the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8332(j) of title 5, United States Code, be amended—

(1) by striking out "military service, except military service covered by military leave with pay from a civilian position, performed by an individual after December 1956," in the first sentence thereof; and

(2) by striking out "the military service or" in the second sentence thereof.

(b) The amendment made by subsection (a) shall apply only in the case of annuities to which individuals become entitled on or after the date of the enactment of this Act.

(c)(1) Upon the written request to the United States Civil Service Commission (filed in such form and manner and containing such information as the Civil Service Commission shall by regulation prescribe) by any individual receiving an annuity before the date of the enactment of this Act to have the amendment made by subsection (a) apply to such annuity—

(A) the provisions of section 8332(j) of title 5, United States Code, as amended by subsection (a), shall apply to such annuity, and

(B) the Civil Service Commission shall recompute such annuity by redetermining the aggregate period of service on which the annuity is based so as to include military service excluded under such section 8332(j) as in effect on the day before such date of enactment.

(2) Any annuity which is recomputed under paragraph (1) shall be effective with respect to payments of such annuity for months after the month in which this Act is enacted and no payment of any such annuity for any month prior to such month shall be considered erroneous by reason of this paragraph.

(3) The Civil Service Commission shall take such actions as may be necessary to notify individuals receiving an annuity before the date of the enactment of this Act of the provisions of this section.

By Mr. SCHMITT:

S. 47. A bill to amend the Immigration and Nationality Act to establish a temporary worker's visa program between the United States and Mexico; to the Committee on the Judiciary.

UNITED STATES-MEXICO GOOD NEIGHBOR ACT OF 1981

● Mr. SCHMITT. Mr. President, today I am introducing a bill which is for all practical purposes identical to one I introduced in the 96th Congress (S. 1427) and carried the same title.

On this very day, President-elect Reagan and President Lopez Portillo of Mexico are meeting to discuss the future of our two countries. Mexico and the United States are inextricably linked in most activities involving commerce and international relations. In no area are we more intertwined than in the area of migration. Later this year the Select Commission on Immigration and Refugee Policy will issue its formal report. Its preliminary recommendations indicate that this will be a controversial problem and require resolution by this Congress.

Being from a Southwestern State, which has a lengthy border with Mexico, has naturally made me very interested in the problems of undocumented workers. The problem is now of truly national scope and importance, and the time for addressing our immigration policy is at hand.

The purpose of the bill I am reintroducing is to establish a legal framework for admitting a specified number of Mexican workers without adversely affecting domestic workers. However, for too long our policy in this area has failed to address the realities of Mexican migration.

No social problem facing North America is of more long-term significance to so many people than the problems of undocumented workers from Mexico.

It is a problem for the United States because there is a growing shortage of workers in jobs only workers from Mexico will take.

It is a problem for Mexico because any major restriction on Mexican workers would aggravate the extreme unemployment that country faces.

It is a problem for our Government because it is impossible to police the border between Mexico and the United States at reasonable cost. The harder we try, the richer the inhuman smugglers get without any significant reduction on the numbers of illegal aliens entering our country.

It is a problem for willing U.S. workers because undocumented workers at times displace these workers by working at much lower pay scales.

It is a problem for people; those in Mexico upon whom economic crisis has descended, those in this country whose businesses need workers, and those Mexicans who live in fear of being uprooted from the life they have made among us.

Increased border enforcement alone, employer's sanctions and national identity cards are neither workable in fact, nor humanistic in spirit.

However, in discussing these proposals it began to become apparent what was needed. New research, both in the United States and Mexico, disclose the scope and nature of the problem far better than ever before. It also became apparent what Mexico feels should be the essential elements of a solution to a problem which involves so many of her citizens.

First of all, modern research now indicates that most undocumented workers from Mexico come here because of a temporary and personal economic crisis in their family. They make only a few such trips in a lifetime and stay for only about 8 months. Those who stay longer appear to do so because of the difficulty of moving back and forth across the border or because they have established roots in the United States.

It also is clear, that the employment of Mexican workers is beneficial to the U.S. economy and the Mexican economy. For us, it fills jobs that would go unfilled and contributes to the productivity and tax base of the Nation at very little cost.

For Mexico, it is a direct people-to-people form of foreign aid and a means of training large numbers of future workers for their growing economy.

Putting all the available facts and commonsense together, the essential elements of a solution to the problem of illegal aliens, or undocumented workers, is as follows:

Make the workers legal for the 8 months they need to be here and are, in fact, needed.

Base the number of temporary worker visas on the number of unfilled jobs in agricultural, service, and other appropriate industries.

Allow U.S. workers to protect their jobs at specific business locations if qualified and willing U.S. workers are available.

Provide permanent residency in the United States for those Mexican nationals who can prove long-established roots here, lawful marriage, or lawful child or parent dependency.

All these elements, except for the last, are included in the bill I am introducing.

The question of allowing permanent residency under certain conditions is more difficult than other issues and should be addressed separately.

The benefits of a legal status would be immeasurable. By diverting this incredible stream of illegal aliens into a legal flow, the reduced pressure on our enforcement system will alleviate the strain now placed on it and enable it to function much more effectively. By merely having a legal status, the person who was formerly an undocumentado will be able to openly join unions which can then ensure that there is no exploitation of these temporary workers. By having a legal status, the workers will also be able to take advantage of the state workmen's compensation laws, earn a guaranteed minimum wage, file for appropriate tax refunds and—except for agricultural workers—they could engage in employment which could earn them a social security pension if they completed 40 quarters of work. By guaranteeing that these minimal benefits accrue to the temporary workers, we will also be reducing any opposition to this

approach in that the "exploitation factor" will be removed.

Under the provisions of the principal bill, the Attorney General, in consultation with the Secretary of State, will set up a program of temporary worker visas. Acting in consultation with the Secretaries of Agriculture, Labor, Commerce, and State, the Attorney General would establish annual and monthly quotas for temporary worker visas based on need over and above available domestic labor.

These visas would be issued in Mexico on a first-come first-served basis. The Mexican citizen holding such a visa would then be eligible to spend 240 days within the United States seeking or working at a job.

The legislation does not place any geographical restraint on where the visa holder may seek employment. Similarly, there is no prohibition on the type of work in which he or she may engage. There is, however, a provision designed to help protect the U.S. workers at any given business location from unreasonable labor competition from such a visa holder. The Secretary of Labor could make a finding that at a specific business or agricultural site, there are available qualified and willing domestic workers. If so, the Mexican national could be restricted from working at that site.

Should a visa holder fail to return to Mexico after the expiration date of the visa or enter the United States illegally, there would be stiff prohibitions on their eligibility for future visas. Also, the Attorney General is required to make semiannual reports to the Congress on the effectiveness of the program.

It is a widely known fact, supported by all recent studies on illegal immigration, that immigrants are coming to the United States for economic reasons. The gap between the standards of living of the developing countries and the United States creates a situation that attracts people from impoverished nations to seek a better standard of living in the United States.

The issue, has, however, been acute since 1968, when for the first time, emigration from countries of the Western Hemisphere into the United States was restricted. The impact of this decision was felt immediately.

By way of illustration, in fiscal year 1967, 161,608 illegal aliens were apprehended by the Immigration and Naturalization Service. By fiscal year 1976, that figure of deportable aliens had risen to 875,915. Of that figure, 88 percent were as a result of illegal entry and 89 percent, 781,474, were Mexican nationals, many of whom were repeated visitors.

As to total number of undocumented workers within the United States, one of the most widely accepted estimates—provided to the Immigration and Naturalization Service by Lesko and Associates—is 8.2 million illegals, 1975, of whom 5.2 million are from Mexico. Another recent estimate by the Bureau of Census sets this total figure at about 4 million. The vast majority of the Mexican migrants are young and from rural areas in Mexico. Many recent studies corroborate the fact that at least 70 percent of the Mexican nationals come to the United States for short periods of time and then return to Mexico without any intention of permanently residing in the United States.

These are very proud, hard-working people with close ties to their homeland who come to the United States to increase their earnings so that they may see their families through economic hardship.

We have a very unique situation with Mexico. In no other part of the world does a developing country, with severe economic problems, border such a technologically advanced country. This is the key factor involved in the large influx of illegal Mexican migration.

Historically, of course, Mexico has always provided the United States with large numbers of needed workers. In turn, the United States has trained and paid these workers to the benefit of Mexico and its economy. This should not be surprising especially when one recalls the history of the United States. In the West, especially in the Southwest, the Spanish presence and influence was very great. For example, the capital of my State of New Mexico, Santa Fe, was established in 1610, and remained in Spanish and later Mexican control until 1846 when General Kearny raised the U.S. flag.

Now, by simply legislating against the entrance into our country of Mexican nationals, as some propose, the United States would ignore, in a single act, both history and reality. There always has and there always will be a large number of Mexican workers in our country. Any effort on our part to seal off our long 900 mile common border is doomed to continued failure, and only benefits the worst kind of smugglers, those who traffic in human beings.

Furthermore, even if we were successful in sealing off the United States-Mexican border, the effect upon Mexico would be catastrophic.

Presently, about one half of the population in Mexico is under the age of 15. The present work force is estimated to be about 18 million. The unemployment rate is anywhere from 20 to 30 percent. By 1990, the work force will be 26 million, by the year 2000, 35 million.

Clearly, the only long-term solution is the rapid economic development of Mexico; however, in the short-term we can stabilize the situation with a legal worker program. We must act for both the short- and long-term. These people are not only our neighbors and in need, they are human beings.

We must also recognize the fact that the jobs these people take are jobs which are rejected by our citizens. Unlike the Mexican people, we have a social net to catch us before we hit the economic rock bottom. The emotional charge that undocumented workers take jobs away from the U.S. workers is unproven. In fact, recent studies indicate the contrary to be true. How many U.S. workers want to pick onions in 100° heat, or pick apples or work in low-paying service jobs? Unfortunately, the answer is very few. In fact, the existence of the low-paid undocumented worker is a base upon which jobs and products are made available to our economy.

I do not think that once the facts are known, our people would begrudge a Mexican neighbor the opportunity to honorably come to our country for a short time in order to earn a wage with which to feed his family, knowing that no willing U.S. citizen has lost a job as a result.

As a factfinding device to determine how New Mexicans feel about the possibility of providing a legal means by which Mexican immigrants may come to work temporarily in certain areas where there is a shortage of U.S. workers, I distributed a questionnaire to a cross-section of my constituents regarding a modified foreign worker program.

The majority of respondents stressed the fact that foreign workers are essential to many businesses and industries in the Southwest because there are not enough domestic workers who are willing to take the low-skill jobs that are required regardless of pay or other incentives offered. In addition, they stated that since many of the low-skill jobs are temporary in nature, U.S. citizens find it more profitable and secure to collect unemployment or public assistance.

Now, Mr. President, the legislation which I have introduced will do more than ease a difficult economic, social, and political situation in Mexico. It will also go a long way toward resolving two domestic problems that we in this country face.

First, there are a large number of illegal aliens in our country, who because of their status must live a shadowy existence. The price these people pay to seek employment in our country is enormous. First, they are exploited by the professional smugglers. The fees charged by these smugglers have ranged from $150 to $400 per worker, and abuses of these people are numerous.

Once the alien is here, the situation does not improve that greatly. At times, they are the victims of an employer or con artist who is aware of their status and their resultant inability to demand social justice in treatment. They must consistently look over their shoulder for fear that the Immigration and Naturalization Service is about to apprehend them. They dare not apply for social service, even when they are needed.

Now it may well be that this bill does not provide all the answers to this difficult question of the illegal alien. It is, however, a start supported by most workers in this field and by Mexican officials. It is my hope that the Senate Judiciary Committee will hold hearings on this legislation within the near future. The pros and cons of such a temporary worker program can be discussed; and, if necessary, changes and additions made to the bill.

In the meantime, I invite all Senators to cosponsor the bill as an expression of their concern for our relationship with Mexico and for basic social justice for those Mexicans presently illegally living within our country.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That this Act may be cited as the "United States-Mexico Good Neighbor Act of 1981."

FINDINGS

SEC. 2. The Congress finds that—

(a) strong economic and political cooperation between the United States and Mexico will benefit not only the people of these countries, but will also help to eliminate western hemisphere tensions;

(b) the root cause of illegal migration from Mexico into the United States is the lack of reasonable alternatives for economic well-being in Mexico relative to those in the United States;

(c) the mutual benefit of past economic cooperation through legal work programs and investment opportunities is well documented;

(d) in order to eliminate the present large and uncontrolled influx of undocumented workers a system of temporary legal admissions should be established;

(e) the vast majority of jobs that will be taken by Mexicans are in the agricultural and service industries where jobs are not now greatly in demand by American workers;

(f) many of the short-term economic needs of Mexicans and the short-term labor needs of American agricultural and service industries can be met by a temporary worker visa program for Mexicans seeking temporary employment in the United States;

(g) the value to Mexico of temporary employment of Mexican workers in the United States is in the direct flow of dollars into its economy and in the increase in skills within its labor force;

(h) a program of temporary worker visas would encourage the existing temporary nature of most Mexican migration into the United States;

(i) attempts to seal our vast border with Mexico to the flow of migrants are doomed to failure and only increase the exploitation of such workers by smugglers and unscrupulous employers;

(j) employer sanctions against the hiring of illegal Mexican migrants could result in discrimination against Hispanic Americans and/or in an unprecedented national identification system; and

(k) it is necessary to establish a legal framework for Mexican labor in the United States in order to harmonize the use of such workers, to prevent abuse of them by smugglers and unscrupulous employers, to better protect American workers from unfair competition, to reduce the flow of illegal migrants, and to permit a better understanding of the scope of the opportunities and problems related to Mexican workers in the United States and Mexico.

ESTABLISHMENT OF VISA PROGRAM

SEC. 3 Section 214 of the Immigration and Nationality Act is amended by adding the following new subsections at the end thereof;

"(e) (I) The Attorney General, in consultation with the Secretary of State, shall by regulation establish a program for the admission as nonimmigrants into the United States under section 101(a) (15) (M) of Mexican nationals who desire to temporarily perform services or labor in the United States. The regulations shall establish methods for establishing monthly and annual numerical quotas for the issuance of temporary worker visas in accordance with subsection (g). Visas shall be made available on the basis of such quotas to qualified applicants in the chronological order for which they are applied. Such visas shall permit each alien to temporarily perform services or labor within the United States for a period not to exceed 240 days during any calendar year, such period not necessarily a 240 day consecutive period. Such aliens shall not be required to obtain a petition of any prospective employer within the United States in order to obtain such a visa. Such visas shall not limit the geographical area within which the alien may be employed nor set any limitations on the type of employment for which the alien may be employed, except as provided in subsection (f).

"(2) Any alien who obtains a visa under the program established under paragraph (1) who (A) violates the restrictions with respect to the amount of time for which the alien is allowed to remain in the United States, or (B) violates any restriction required under subsection (f), shall be ineligible to obtain another visa under such program for a period of 5 years. Any alien who, after the inception of this program, enters the United States unlawfully shall be prohibited from obtaining a visa under such program for a period of 10 years.

"(f) The Attorney General, upon request from the Secretary of Labor, shall place specific restrictions on employment of aliens holding temporary work visas under this program at a specific business or agricultural site if employees or employers demonstrate that such aliens will displace available, qualified, and willing domestic workers. The Secretary of Labor shall establish the criteria under which such restrictions may be requested.

(g) When appropriate, the Attorney General shall seek the assistance of the Secretary of Agriculture, the Secretary of Commerce, and the Secretary of Labor in establishing the regulations under subsection (e), and in computing the annual and monthly numerical quotas for temporary worker visas, based upon the number of seasonal or cyclical workers sought by employers in the United States. In computing such quotas, the Attorney General shall also consider historical needs, availability of domestic labor, and the projected needs of prospective employers.".

UNITED STATES CONSULATES IN MEXICO

SEC. 4. (a) The Secretary of State is authorized to take such steps as are necessary in order to establish and expand the United States Consulates in Mexico in order to implement the program established in section 214 (e), (f), and (g) of the Immigration and Nationality Act, as added by section 3 of this Act.

(b) The Secretary of State shall coordinate with appropriate officials of Mexico in order to insure maximum awareness in Mexico of the nature and restrictions of the program established in section 214 (e), (f), and (g) of the Immigration and Nationality Act, as added by section 3 of this Act.

(c) The Secretary of Labor shall undertake to insure, to the extent practicable, that the nature and restrictions of the programs established in section 214 (e), (f), and (g) of the Immigration and Nationality Act, as added by section 3 of this Act are known to aliens of Mexican citizenship residing in the United States.

NONIMMIGRANT CATEGORY

SEC. 5. Section 101(a) (15) of the Immigration and Nationality Act is amended by adding at the end thereof the following:

"(M) a Mexican national who has no intention of abandoning his or her residence in Mexico who is coming to the United States for a period of not to exceed 6 months during any calendar year, for an indefinite number of such periods, to temporarily perform services or labor.".

EFFECT OF DEPORTATION

SEC. 6. Section 212(a) is amended—

(1) by inserting before the semicolon at the end of paragraph (16) a comma and the following: "except that the Attorney General shall not consent to the reapplying for admission of an alien described in section 101 (a) (15) (M)"; and

(2) by inserting before the semicolon at the end of paragraph (17) a comma and the following: "except that the Attorney General shall not consent to the applying or reapplying for admission of an alien described in section 101(a) (15) (M)".

PROHIBITION ON ADJUSTMENT OF STATUS UNDER TEMPORARY WORKER VISA PROGRAM

SEC. 6. Section 245(c) of the Immigration and Nationality Act is amended—

(1) by striking out "or", and

(2) by inserting immediately after "section 212(d) (4) (C)" a semicolon and the following: "or (4) any alien described in section 101(a) (15) (M)".

REPORT TO CONGRESS

SEC. 8. The Attorney General shall report semiannually to the Congress on the temporary worker visa program established in section 214(e), (f), and (g) of the Immigration and Nationality Act, as added by section 3 of this Act, and shall include in that report a summary of the number of visas issued under the program, the effectiveness of the program, enforcement problems related to the program, and any recommendations for legislative change in the program.

BILATERAL ADVISORY COMMISSION

SEC. 9. It is the sense of the Congress that the President should negotiate with the appropriate officials of the government of Mexico to establish an Advisory Commission on the Mexico-United States Temporary Worker Visa Program to consult with and advise the Attorney General in establishing the regulations, and in computing the monthly and annual numerical quotas, for the temporary worker visa program established under section 214(e), (f), and (g) of the Immigration and Nationality Act, as added by section 3 of this Act.

AUTHORIZATIONS

SEC. 10. There are authorized to be appropriated such sums as are necessary to carry out the provisions of this title.

TERMINATION

SEC. 11. This program shall terminate ten years after the date of enactment.●

By Mr. DECONCINI:

S.J. Res. 1. Joint resolution to require the Federal Government to end deficit spending; to the Committee on the Judiciary.

DEFICIT SPENDING

● Mr. DECONCINI. Mr. President, I am today introducing a constitutional amendment prohibiting deficit financing on the part of the Federal Government except in situations of grave national emergency declared by the Congress.

The content of the amendment we are suggesting, Mr. President, is well known. It would simply require the imposition of an income surtax to raise whatever additional revenues may be necessary to keep the budget in balance. This surtax would take effect for the calendar year following any fiscal year in which outlays exceeded revenues unless the Congress, by a two-thirds vote of those present and voting, declares a state of national emergency and suspends it in whole or in part. It would, thus, provide an uncomplicated and eminently prac-

ticable procedure for restoring responsible fiscal management to the Federal system.

It is becoming abundantly clear, Mr. President, that we cannot continue to live beyond our means as a nation. The old maxim. "There's no such thing as a free lunch," is as fundamentally valid for government as it is for any other institution or group. At some point, the laws of economics demand a settling of accounts. The costs of providing goods and services, whether in the private or public sector, may be temporarily postponed, but they cannot be avoided forever.

For too long the Federal Government has been operating as if it were exempt from the basic economic relationship. Deficit has been piled upon deficit, and in the process, the national debt has reached astronomical, indeed, almost incomprehensible magnitudes.

At the end of fiscal year 1977 the gross Federal debt stood at $785,583,000,000, which equals $3,571 for every man, woman, and child in this country. Yet, as astounding as these figures are, they understate the volume of public indebtedness in the United States. Thus, in 1976, the last year for which complete data have been compiled, the net Federal debt amounted to $515.8 billion. Off budget, but federally sponsored credit agencies had outstanding obligations of another $81.4 billion. At the same time, State and local governments were liable for $236.3 billion. Thus, 2 years ago, aggregate public debt in the United States came to a monumental $833.5 billion. The entire gross national product for that year, Mr. President, was only slightly more than double this amount, that is $1,750,000,000, and the interest on the Federal debt for that year was $27.2 billion, which was 7 percent of total outlays and a little over half of the deficit for that year.

The intervening biennium has brought over $100 billion in additional Federal deficits alone.

We cannot afford, Mr. President, to continue mortgaging the future in this manner. It is time to call a halt and bring this Nation's fiscal affairs back under some semblance of control. That is what the amendment I am introducing today intended to accomplish. It is imperative that we act promptly and expeditiously on this matter. Further delay can only worsen the economic and financial disarray with which we are confronted.

No one, to be sure, favors deficit financing as a matter of principle. Just the opposite is usually the case. I am sure that none of my colleagues think that deficits are desirable per se. At most, some may consider budgetary unbalances a necessary evil under certain economic conditions. Indeed, there is general agreement among my colleagues, and for that matter, most public officials from the President on down, as to the need for a balanced Federal budget. Yet, despite this seemingly overwhelmingly consensus, a consensus that I believe has been forming for some time, we have been unable to achieve it. In fact, deficit financing has become a virtual addiction in the Federal sector.

In only 9 of the last 31 years has the Federal budget been in the black. Worse still, outlays have exceeded receipts in every budget in this decade and the gap has widened dramatically since fiscal year 1974. In that year, the Federal deficit was $4.7 billion. In fiscal year 1975, it jumped to $45 billion and then shot to $65 billion in 1976. It has since hovered in the range between $40 and $55 billion.

The economic consequences have been as disruptive as they should have been predictable. Inflationary pressures have sharply intensified, compounding economic uncertainties, exacerbating social conflict and unrest, and raising the specter of coercive governmental interference in the private enterprise system. This instability in turn has discouraged capital formation and stunted the growth of productivity in American industry.

The consequences have been sluggish domestic growth coupled with chronically unfavorable trade balances and a dangerously weakened dollar.

The reason it has proved so difficult to accommodate the Federal budget to these economic realities, in my judgment, have less to do with ideology or political chicanery than is commonly supposed. They inhere, instead, in certain characteristics of the institutional system through which the budget is formulated.

Let me elaborate briefly. The focus in the existing budgetary process is almost exclusively on expenditures. We estimate revenues and try to adjust outlays accordingly. But there is no direct and explicit mechanism for coordinating revenue decisions with particular authorization and funding decisions. To be sure, the congressional budget process directs attention in a general sort of way to these relationships. But, to all intents and purposes, the process of forming tax policy still involves a different set of actors, roles, and interests than do the budgetary and appropriations processes. Moreover, even when tax policy remains relatively consistent, revenues may fluctuate owing to economic circumstances. The upshot is that the revenue side of the budget is, as a practical matter, uncontrollable. And, if budget receipts cannot be definitely known, they can, in a sense, be ignored, for recourse can always be had to additional borrowing to cover the costs of expanding existing programs or instituting new ones.

This temptation to resort to the easy expedient of deficit financing is rendered all the more appealing by the fact that, at any given time, approximately 80 percent of the Government's expenditures are uncontrollable.

It is, of course, always difficult to reach agreement as to where the requisite changes and reductions should be made. Reasonable people may well disagree as to the merit of this or that program or agency. Moreover, every program has its clients, supporters, and advocates.

Taken in combination, these factors mean that a strategy which relies solely on reducing Government spending to achieve a balanced budget suffers from severe handicaps.

The amendment I am introducing today would establish a procedure for coordinating tax and spending decisions and thus serve to make the real costs of governmental programs unmistakeably clear. It would, therefore, create a direct and compelling incentive for keeping a much tighter rein on Federal expenditures. It would, I believe, help to insure the kind of tough discipline that will be necessary to get Federal overspending under control and reverse the tendency toward unlimited growth in the public sector.

I urge my colleagues to support this measure, and I especially urge my colleagues on the Senate Judiciary Committee to hold indepth public hearings on this most pressing of economic issues affecting the well-being of all Americans.

I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 1

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. In exercising its powers under article I of the Constitution, and in particular its powers to lay and collect taxes, duties, imposts, and excises and to enact laws making appropriations, the Congress shall seek to assure that the total outlays of the Government during any fiscal year do not exceed the total receipts of the Government during such fiscal year.

"SEC. 2. No later than the twentieth day after the close of each fiscal year, the President shall—

"(1) ascertain the total receipts of the Government during such fiscal year, not including any receipts derived from the issuance of bonds, notes, or other obligations of the United States, and not including any receipts from any income tax surtax imposed under this article;

"(2) ascertain the total outlays of the Government during such fiscal year, not including any outlays for the redemption of bonds, notes, or other obligations of the United States; and

"(3) if the total receipts described in paragraph (1) are less than the total outlays described in paragraph (2), determine the percentage rate of income tax surtax, to be imposed as provided in section 3, which is necessary to provide an additional amount of revenue equal to the amount by which such total receipts are less than such total outlays, and transmit to the Congress, by special message, the rate of income tax surtax so determined.

"SEC. 3. Subject to the provisions of section 4, an income tax surtax, at the rate determined and transmitted by the President under section 2—

"(1) shall be effective for the calendar year following the close of the fiscal year with respect to which the determination was made, or for so much of such calendar year for which such surtax is not suspended under section 4, and

"(2) shall apply, as an additional income

tax for the period for which it is in effect, with respect to the income tax liability of each taxpayer which is attributable to the portion or portions of such taxpayer's taxable year or years which fall within such period.

The income tax liability attributable to a portion of a taxable year falling within a period shall be based upon the ratio of the number of days in the taxable year within such period to the total number of days in the taxable year.

"SEC. 4. In the case of a grave national emergency declared by Congress (including a state of war formally declared by Congress), the income tax surtax which would otherwise be in effect for a calendar year under section 3 may be suspended for such year, or a portion thereof, by a concurrent resolution agreed to by a rollcall vote of two-thirds of the Members present and voting of each House of Congress, with such resolution providing the period of time, if less than the whole calendar year, during which such surtax is to be suspended.

"SEC. 5. This article shall apply with respect to the first fiscal year beginning after the ratification of this article and each succeeding fiscal year.

"SEC. 6. The Congress shall have power to enforce this article by appropriate legislation.".●

By Mr. DECONCINI (for himself, Mr. DANFORTH, Mr. SCHMITT, and Mr. ZORINSKY):

S.J. Res. 2. Joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office which Members of the Senate and the House of Representatives may serve; to the Committee on the Judiciary.

LIMIT ON CONGRESSIONAL TERMS

● Mr. DECONCINI. Mr. President, today I introduce Senate Joint Resolution 2, a constitutional amendment to limit congressional terms.

The question of whether to limit congressional terms is one predating the Constitution. It was debated by the Continental Congress over 200 years ago, and resolved in that body by the adoption of a limit of 3 years service in any 6-year period. The question of limitation and length of terms has arisen in each U.S. Congress.

Mr. President, in the 95th Congress the Constitution Subcommittee, chaired by Senator Bayh, held hearings on Senate Joint Resolution 27 and Senate Joint Resolution 28. I believe an unbiased reading of those hearings makes a strong case for enactment of a constitutional amendment limiting congressional terms.

Our constitutional structure with its delicate checks and balances rests on the prudent assumption that men are corruptible and that power may be misused. This is a healthy skepticism; one that keeps us constantly aware of how fragile freedom really is. We have placed the power of the Congress as a check against the power of the Executive, with the Federal courts occupying the third point on the triad. In diffusing power among different groups and persons, we have tried to insure that no individual will dominate the Government and destroy our liberty.

To be true to our commitment that shared power is responsible power we need to address ourselves to the subtler dimensions of the problem. The 22d amendment to the Constitution removes an inherent contradiction in our system by limiting the terms a President can serve. The same contradiction persists in the unlimited terms for legislators. True, the potential for damage is less; the principle, however, is nonetheless valid.

Adoption of the amendment I propose should be viewed from two different perspectives. First, it would eliminate present disparities between Senators and Representatives based upon length of tenure. It would place each State, each district, each citizen on a more nearly equal footing, simultaneously, it would add an additional safeguard against possible abuse of power.

The second perspective is the one I would emphasize. It is the positive side of the amendment. By limiting the length of service in the legislature, we will be embracing the idea that new people should be brought constantly and consciously into the system. By opening the doors of the legislature to people from every walk of life and every age group, we will be providing far more opportunities for everyone to participate. I am especially committed to the youth of today as the hope of tomorrow. That youth should be encouraged to serve the Nation; it is our responsibility to insure that as few barriers as possible stand in the way.

Mr. President, the support congressional term limitations has received from our national leaders outside the legislative branch speaks well of the soundness of the idea.

In 1951, President Harry Truman announced his support for a 12-year limit on years of service for Senators and Representatives. Later, President Dwight Eisenhower also supported limiting Senators to two 6-year terms and Representatives to three 4-year terms. In his book, "Waging Peace," Eisenhower wrote that each person serving under term limitation—

Would tend to think of his Congressional career as an important and exciting interlude in his life, a period dedicated to the entire public rather than as a way of making a living or making a career of exercising continuous political power. . . . more rapid turnover of the membership in both Houses with its constant infusion of new blood would largely eliminate the "career" politician in Congress, but I can see little damage that would result from such a change except possibly to the personal ambitions of particular individuals.

Eisenhower went on to say that—

Experience may produce greater skill in political maneuvering in the legislative process, but [it] does not necessarily produce better statesmen.

When asked to comment upon Eisenhower's support for service limitation, President John Kennedy replied:

It's the sort of proposal I might advance in a post-presidential period, but not right now.

Dr. Milton Eisenhower, brother of the President, scholar and author, wrote not long ago that—

Service in the national Congress, instead of being a career, should be a contribution an individual makes to his country. Re-election should not be paramount and defeat at the polls should not be cause for personal frustration. Service in Congress should be an interruption to one's normal career, whether he or she be a lawyer, educator, manufacturer, finance expert, housewife, or social or cultural leader. . . . With reelection made less important and with the transcendent problems of keeping the nation at peace, prosperous, and constantly altering social programs and policies to meet changing economic, social, and cultural conditions, it seems inevitable that a more co-operative spirit would be evident in Washington [between the President and Congress].

Of course, in making any change in the Constitution that has served us well for these two centuries, reason counsels on the side of caution. I urge every Member of this Chamber to read the hearing record and weigh the arguments against limitation with those for it. I believe my colleagues will find, as do I, that this proposed amendment will bring the congressional structure more in line with the ideals of representative democracy and balanced power. The advantages the Nation would sacrifice by this change are those of concentration of power, unequal representation, and an insulated legislature.

Mr. President, I would like to conclude these remarks with a most appropriate quotation from America's first great statesman, Benjamin Franklin, who, in speaking of returning legislators to the private realm, stated:

In free governments the rulers are the servants, and the people are their superiors and sovereigns. For the former therefore to return among the latter was not to degrade them but to promote them.

I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 2

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. No person shall be elected to the Senate for more than two full terms. No person shall be elected to the House of Representatives for more than seven full terms.

"SEC. 2. Notwithstanding the provisions of section 1 of this article, any person may serve not more than fourteen years as a Senator or not more than fifteen years as a Representative.

"SEC. 3. For purposes of determining eligliability for election under section 1 of this article, no election occurring before the date this article is ratified shall be taken into account. For purposes of determining years of service under section 2 of this article, no service of any part of a term of office by a Senator or a Representative elected to such term before the date this article is ratified shall be taken into account.".●

By Mr. PRYOR (for himself, Mr. BAUCUS, Mr. DURENBERGER, Mr. EXON, Mr. FORD, Mr. GARN, Mr. GLENN, and Mr. RANDOLPH):

S.J. Res. 3. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

DIRECT ELECTION OF THE PRESIDENT AND VICE PRESIDENT

● Mr. PRYOR. Mr. President, tomorrow all of the Members of both Houses of Congress will meet in a joint session to count the votes cast by members of the electoral college for the President and Vice President of the United States. Once again we will have chosen the leaders of this country not by the popular vote of the people but by the antiquated system that was devised to suit the needs of a very different nation almost 200 years ago. A system which leaves open the possibility of a constitutional crisis with each Presidential election.

The time is long overdue to address the realities of our election process. We need to seek now to correct our outdated and potentially dangerous electoral college system. Our country stands for equality and "one man, one vote," yet under the electoral college system, all votes are not equal and many votes are negated or counted for an opponent. The electoral college system is not equitable to all Americans and does not provide our country with the best selection method for our two highest national officials.

The present electoral college system can elect a President who has fewer popular votes than his opponent. This has happened three times in our history:

In 1824, Andrew Jackson received more electoral votes and popular votes than John Quincy Adams, however, the election went to the House of Representatives and John Quincy Adams was elected.

In 1876, Samuel J. Tilden received a majority of more than 250,000 popular votes over Rutherford B. Hayes, but the returns from four States were contested. An electoral commission created by Congress to settle the dispute decided the contested returns in favor of Rutherford Hayes, however, and he won the election.

In 1888, although Grover Cleveland received a popular plurality of approximately 100,000 votes over Benjamin Harrison, he obtained only 168 electoral votes, and Benjamin Harrison with 233 electoral votes was elected President.

There have also been instances when the mere shift of the popular vote in one or two States would have given the election to the candidate who had not received the greatest total number of popular votes.

In 1960, a change of approximately 4,500 votes in Illinois and 23,000 votes in Texas would have given the election to Richard Nixon rather than John Kennedy.

In 1976, if less than 10,000 voters in Ohio and Hawaii had voted for Gerald Ford rather than Jimmy Carter, Gerald Ford would have carried both States, giving him a bare majority of 270 in the electoral college. Jimmy Carter would have received 1,670,000 more popular votes than Gerald Ford and still lost the election.

Other inequities also exist in the electoral college system which would be corrected by the adoption of direct popular election.

The entire electoral vote of a State is awarded to the winner of the popular vote, whether the margin of victory is 1 or 1 million votes. In two States with equal electoral votes, one candidate who received 85 percent of the popular vote in one State would only receive as many electoral votes as a candidate in the other State who won 51 percent of the popular vote. With direct popular election, all of the votes which are cast are counted and credited to each candidate. This method reflects the true margin of victory for each candidate.

Popular votes which are cast for the losing candidate are canceled out and cast for the winner. Since all the electoral votes of a State are cast for the winner of the popular vote, those votes which are cast for the losing candidate are in effect canceled and credited to the winning candidate. Under direct election, all the votes which are cast are credited to the candidate who won those votes.

Electoral votes assigned to each State remain the same regardless of the voter turnout. Thus, candidates would receive an equal number of electoral votes from two similar States even though 2 million more voters may have cast their ballots in one of the States. Under direct election, this inequity would be corrected. All the votes which are cast could be counted, correctly reflecting the strength of support in a given State.

The method of selecting a President in the event no candidate received an electoral majority is undemocratic. If the election goes to the House of Representatives, each State has one vote—determined by a poll of the delegation's members. The candidate receiving a majority of a delegation's votes receives the vote, but in the event there is a tie, the State loses its vote completely. Under direct election, if no candidate receives 40 percent of the popular vote, the two leading pairs of candidates would take part in a runoff election, voted on by the people, with the pair winning the largest number of popular votes being elected.

Presently a candidate could be elected by winning the electoral vote in only the 11 most populous States and the District of Columbia, regardless of the outcome in the rest of the country. The electoral vote from just these few States and the District of Columbia is enough to give a candidate an electoral majority in the electoral college and the Presidency. The President should be the representative of all the country and elected by all the people. Under the method of direct election, a candidate would necessarily require the votes which are cast from across the country to win the highest number of popular votes cast.

Because the number of a State's electoral votes is determined by its congressional allotment, there is a lag in the distribution of electoral votes because reapportionment only occurs once every decade after the census is taken. Thus, a candidate could win with a combination of States in 1980 and lose with the same combination in 1984.

The President and Vice President are the only representatives which are not directly elected by the people. All other such Federal, State, and local representatives are chosen by direct election. The 17th amendment to the Constitution in 1913 providing for the direct election of U.S. Senators affirmed each citizen's right to elect his or her own representatives.

If we examine the reasons why the electoral college came into existence, we find that the electoral system was a compromise between advocates of popular election and those who favored the executive to be chosen by the legislative branch. The question was whether the public had the necessary information to cast an informed vote.

The electoral college was devised to suit the conditions which existed in 1787. At that time, approximately 97 percent of the people lived in rural areas—on farms and plantations, and in log cabins; only five cities had a population over 10,000. It took from 3 to 6 days to travel from Boston to New York, and in many parts of the country roads were almost nonexistent. Mail and word of mouth were the principal means of communication. Newspapers, usually weekly, had small circulations and contained primarily local news.

The electoral system was a compromise which took into account the difficulties in communication and transportation, the desire to have an informed electorate, and the desire to bring the election closer to the people if direct election was not possible.

Today the situation is quite different. While the electoral college may have been proper in its time, almost two centuries ago, the country has matured greatly in the intervening years. Today citizens are capable of making informed judgments and casting their votes individually. We must look to our times and provide the best method of selecting our President and Vice President that we can devise. This is in keeping with the intent of the Founding Fathers.

Direct election will give every man and woman in every State of our Union an equal voice in the election of our two highest officials. Direct election will also do away with the inefficient and potentially dangerous electoral college. There is truth in the argument that if the electoral college truly represents the vote, it is not needed; and if it does not truly reflect the vote, it subverts the decision of the Nation as to who its national leaders should be.

Proposing an amendment to the Constitution is not an endeavor which should be taken lightly, rather only when the issue is of the utmost importance. We need only to remember the past year and the concern which was expressed when it appeared that a strong candidacy of Representative John Anderson might throw the Presidential election into the House of Representatives. A far more disastrous possibility in a close election would have been the election by electoral

vote of a candidate not receiving the majority of the popular vote.

We have survived another Presidential election year without the occurrence of either constitutional crisis. Now is the time to take the necessary action of referring to the States an amendment to the Constitution which will assure that all future Presidential elections will reflect the votes cast by the people. The citizens of our respective States have elected the Members of this body to serve as their representatives in the U.S. Senate, and I believe that they should have the right to elect their President and Vice President to lead this nation.

Mr. President, I ask unanimous consent that the text of Senate Joint Resolution 3 be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 3

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislature of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. The people of the several States and the District constituting the seat of Government of the United States shall elect the President and Vice President. Each elector shall cast a single vote for two persons who shall have consented to the joining of their names as candidates for the offices of President and Vice President. No candidate shall consent to the joinder of his name with that of more than one other person.

"SEC. 2. The electors of President and Vice President in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature, except that for electors of President and Vice President the legislature of any State may prescribe less restrictive residence qualifications and for electors of President and Vice President the Congress may establish uniform residence qualifications.

"SEC. 3. The persons joined as candidates for President and Vice President having the greatest number of votes shall be elected President and Vice President, if such number be at least 40 per centum of the whole number of votes cast.

"If, after any such election, none of the persons joined as candidates for President and Vice President is elected pursuant to the preceding paragraph, a runoff election shall be held in which the choice of President and Vice President shall be made from the two pairs of persons joined as candidates for President and Vice President who received the highest numbers of votes cast in the election. The pair of persons joined as candidates for President and Vice President receiving the greater number of votes in such runoff election shall be elected President and Vice President.

"SEC. 4. The times, places, and manner of holding such elections and entitlement to inclusion on the ballot shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations. The days for such elections shall be determined by Congress and shall be uniform throughout the United States. The Congress shall prescribe by law the times, places, and manner in which the results of such elections shall be ascertained and declared. No such election, other than a runoff election, shall be held later than the first Tuesday after the first Monday in November, and the results thereof shall be declared no later than the thirtieth day after the date on which the election occurs.

"SEC. 5. The Congress may by law provide for the case of the death, inability, or withdrawal of any candidate for President or Vice President before a President and Vice President have been elected, and for the case of the death of both the President-elect and Vice President-elect.

"SEC. 6. Sections 1 through 4 of this article shall take effect two years after the ratification of this article.

"SEC. 7. The Congress shall have power to enforce this article by appropriate legislation.".●

By Mr. BURDICK:

S.J. Res. 4. Joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week"; to the Committee on the Judiciary.

NATIONAL FAMILY WEEK

● Mr. BURDICK. Mr. President, I am today introducing a joint resolution that authorizes the President to issue an annual proclamation designating the week in November which includes Thanksgiving Day as "National Family Week."

We have celebrated National Family Week for the last 5 years as well as in 1972. Many States adopted their own resolutions in 1971 as well. In 1976, 1977, 1978, 1979, and 1980 both Houses of Congress approved resolutions authorizing this celebration. The legislation I am introducing today would establish National Family Week as an annual event, and, with the consistent support past Congresses have shown, I would hope that a permanent authorization will be considered.

The purpose of National Family Week is simple: it is a specific time to recognize the importance of the family in American life and the fundamental role it has played in forming the values upon which our Nation is based. Although many may be skeptical about the proliferation of official holidays, I think it is important to remember that National Family Week is neither commercial nor promotional. Its purpose is not to promote sales or festivities. Rather, it is a way to encourage people to pause for a moment and reflect on the way families have affected their lives and the course of the Nation.

The role of the family has changed dramatically in this century. From the basic economic and social unit of our society in the 1900's, the family today has evolved into a much different and less central role. For many, the family unit is breaking down, and an extended family living under one roof is virtually a thing of the past.

Despite these changes, however, the family unit is still the basic moral and economic unit for most of us. It is still where the values and experiences of one generation are passed on to the next. Because of this, I believe it is imperative that we recognize the importance of the family and do all we can to preserve it.

Last year 25 Senators cosponsored the National Family Week resolution with me, and over half the Members of the House cosponsored a similar measure. I am very hopeful that both Houses will again recognize the value of National Family Week and approve the joint resolution I am introducing today.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD at this point.

The joint resolution follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue annually a proclamation designating the week beginning on the Sunday preceding the fourth Thursday in November of each year as "National Family Week", and inviting the Governors of the several States, the chief officials of local governments, and the people of the United States to observe such day with appropriate ceremonies and activities.●

By Mr. RIEGLE (for himself, Mr. ROTH, Mr. LEVIN, Mr. EAGLETON, Mr. BIDEN, Mr. GLENN, Mr. WILLIAMS, and Mr. METZENBAUM):

S.J. Res. 5. Joint resolution authorizing the President to enter into negotiations with foreign governments to limit the importation of automobiles and trucks into the United States; to the Committee on Finance.

LIMITING IMPORTATION OF AUTOMOBILES AND TRUCKS

● Mr. RIEGLE. Mr. President, I am introducing today a joint resolution that would give the President the explicit authority to enter into negotiations with foreign governments to relieve foreign penetration of the U.S. automobile and truck markets. A bipartisan coalition of Senators joins me in cosponsoring this legislation.

A similar joint resolution received extensive consideration and support in the last Congress. The House of Representatives passed the resolution with a vote of 317 to 57. The joint resolution was cosponsored by 34 Senators, of both parties, representing many parts of the Nation and diverse philosophies. The Senate Finance Committee reported the joint resolution by a vote of 12 to 2. The full Senate voted 65 to 12 to consider the joint resolution, however a few Senators were able to prevent the Senate from acting on the joint resolution during the closing hours of the 96th Congress.

Our joint resolution would strengthen the President's ability to avoid an economically damaging surge in auto imports during the next few months. It would be a strong signal to Japanese car makers not to exploit the vulnerability of the American auto industry while it adjusts to new market conditions.

The provisions of this joint resolution are carefully circumscribed. The joint resolution would remove any legal obstacle to negotiations on a voluntary restraint agreement or an orderly marketing agreement to temporarily reduce auto imports into the U.S. market.

It would not direct the President to enter into such negotiations or give him any new powers to impose quotas or tariffs unilaterally.

Subsection (a) would give the President authority to negotiate with foreign governments to obtain import restraint agreements on cars, trucks, and auto parts used in assembly. That authority would expire on July 1, 1984.

Subsection (b) would place two reconditions on any negotiations: First the President would have to consider that the importation of autos, trucks or parts used in assembly is causing or threatening to cause serious injury to the domestic industry; and second, the President would have to be satisfied that the domestic industry has exhausted remedies under section 201 of the Trade Act of 1974. Any agreement would expire on June 30, 1984, thus limiting any import reduction to the period vitally needed to convert U.S. auto maufacturing facilities to the production of highly fuel efficient cars and trucks.

Subsection (c) would require the President to consult with interested parties in the private sector, including representatives of consumers, before entering into any agreement. The President could use the system of trade advisory committees that has been established under section 135 of the Trade Act of 1974, as amended, or a less formal procedure if that is more appropriate.

Subsection (d) would enable the President to implement an orderly marketing agreement by authorizing him to regulate the introduction of foreign cars into the U.S. market in accordance with the terms of such an agreement.

Section 2 would exempt the act of entering into an auto export agreement, and actions necessary to implement any agreement, from antitrust laws of the United States or any State. This is intended to prevent the implementation of an agreement from being delayed by court suits.

Mr. President, auto manufacturing is the keystone of this Nation's economy. It directly creates 1 out of every 12 manufacturing jobs and generates prime demand for such basic industries as steel, aluminum, rubber, textiles, machine tooling, and increasingly, electronics. It affects the economy of every State, and its health is vital to 50,000 small and medium-sized supplier firms and to 28,000 auto dealers.

The collapse of domestic auto sales has caused the layoff of 1 million American workers and has dangerously weakened the financial structure of the U.S. economy's dominant industry. The latest national unemployment figures are 7.5 percent. In some States and regions of the country, unemployment has reached levels which are catastrophic.

The Japanese efforts to further penetrate the U.S. market are escalating these problems into a disaster. Japanese imports captured more than 21 percent of the U.S. market in the first 11 months of 1980, and the Japanese are expanding their capacity enough to supply 50 percent of this country's vital small car market. That threatens to cause a massive permanent loss of U.S. jobs and a continued rise in the auto trade deficit with Japan well beyond the present $10 billion deficit.

In my own State of Michigan, unemployment was 12.5 percent in November. Unemployment has been at the highest level since the Great Depression; 540,000 people are now jobless in my State. Almost 280,000 people are collecting unemployment insurance, and more than 250,000 have been out of work so long that they have exhausted all their unemployment insurance benefits. More than 1 in 9 of our citizens have been forced to turn to some form of public assistance. We are suffering from the greatest economic catastrophe since the Depression of the 1930's. These are stark and brutal facts. They paint a grim picture of the human devastation to the people of my State.

But while the worst of this recession is centered in Michigan, it is a national problem where unemployment in November was at 8.8 percent in Ohio, 8.1 percent in Illinois, 7.2 percent in New Jersey, 7.5 percent in Pennsylvania, and 7.2 percent in New York. Because of the large size of these industrial States, the percentage figures represent millions of persons.

Today's problems in the American auto and truck industry are immense with massive financial losses being incurred at a time when $80 billion of new capital must be raised in order to modernize plants and retool production lines. The domestic auto companies are working at maximum speed to accomplish the conversion to smaller fuel efficient cars.

The 25 percent penetration by foreign suppliers, the extraordinarily high interest rates and the recession have combined to deal a crippling blow to the industry at this time. The prospect for the industry over the next several months is grim. Japan has substantial excess auto manufacturing capacity to further increase their U.S. market share if they choose to. Our domestic industry is in such a highly vulnerable position that we are almost certain to have continued shutdowns of American auto plants over the next few months.

Of particular concern is the strategy of Japanese automakers to penetrate the U.S. market. They have already strengthened their U.S. retail networks, increased overtime, and expanded production capacity to capture a whopping 21 percent of the U.S. auto sales in 1980. Because auto consumers typically show strong brand loyalty, the Japanese penetration threatens to permanently restructure the U.S. auto market and reduce the market shares and employment of domestic car manufacturers.

The Japanese Government has indicated its willingness to work out mutually acceptable limits on auto exports and avoid further disruption of the U.S. auto market.

Carter administration officials, however, believe that they need additional legal authority before they can enter into such negotiations. While there is considerable disagreement about the President's present authority to act in this matter, Congress should clear any legal obstacles to negotiations that both sides feel would be in the long-term interests of both countries.

I am pleased that the Senate Finance Committee's Trade Subcommittee has scheduled hearings on the auto crisis later this month. I believe that we must make a broad national response to end that crisis and that adoption of this resolution would be one important element of that response.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 5

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the President may, whenever the President determines such action appropriate, negotiate with the representatives of foreign governments in an effort to obtain agreements limiting the export from such countries, and the importation into the United States, of automobiles and trucks, and the parts used in assembling them, and enter into and carry out such agreements. The authority provided by the preceding sentence shall expire on July 1, 1984.

(b) No negotiation shall be entered into pursuant to subsection (a) unless the President considers, after consulting with the Secretary of Commerce and the United States Trade Representative, that increased imports of automobiles and trucks, and the parts used in assembling them, are causing serious injury, or threat thereof, to the domestic industry; and is satisfied that the domestic industry has exhausted available remedies under section 201 of the Trade Act of 1974. Further, any agreement entered into pursuant to subsection (a) shall be for a limited period of time, not to exceed the time necessary to allow orderly adjustment to import competition, and shall not have force and effect after June 30, 1984.

(c) The President shall seek information and advice from representative elements of the private sector, including representatives of consumers, with respect to negotiating objectives and bargaining positions before entering into an agreement referred to in subsection (a), either in accordance with section 135 of the Trade Act of 1974 or in accordance with such other procedures as the President may establish.

(d) The President is authorized to issue regulations governing the entry or withdrawal from warehouse of automobiles or trucks, and the parts used in assembling them, to carry out any agreement referred to in subsection (a).

SEC. 2. No person shall be liable for damages, penalties, or other sanctions under the Federal Trade Commission Act (15 U.S.C. 41–77), the Antitrust Acts (as defined in section 377 of the Tariff Act of 1930 (19 U.S.C. 1337), or any similar State law, based upon actions necessary to implement any agreement referred to in the first section of the joint resolution, or any modification or renewal of such an agreement●

● Mr. ROTH. Mr. President, I rise in support of this resolution, which would provide the President with the tools necessary to negotiate temporary quantitative limitations on the importation of automotive equipment. The joint resolution does not force the President's hand; it gives him the means to do something about imports if, after consultations, he determines that import measures are necessary.

Auto and truck imports threaten the very existence of this crucial domestic sector. Moreover, declines in these in-

dustries have sent shock waves throughout our economy as producers of secondary and tertiary goods and services suffer lost markets. It has been estimated that, in my own State of Delaware, automotive and related industries employ 21 percent of the work force. In Delaware and elsewhere, we must reverse the downward spiral of the American automotive industry if we are to restore a vital part of our Nation's economy to health.

Mr. President, this is an industry that has taken risks of its own. It has committed billions of dollars to retool and meet foreign competition and domestic demand for more fuel-efficient vehicles. Chrysler Corp., for example, has invested $50 million in new, automated machinery, computerized quality controls and other assembly line equipment for its Newark, Del. plant alone. If Chrysler, and other auto producers do not receive the breathing space they need from ever-expanding import competition, however, many of the dollars they invest now will be wasted.

I firmly believe the health of our automotive sector should be of serious concern to all Americans, indeed to the entire world. As a leader of the free world, we must maintain one of the industries that form the economic and national security backbone of our country. Our trading partners in Europe, the Far East and elsewhere must recognize they have a stake in a strong America built on healthy basic industries.

The United States has traditionally been one of the most open markets in the world. While I applaud this stance, and ardently support free and fair trade over the long term, I believe we must take into account the impact such free trade policies have had on many of our basic domestic industries. We must therefore afford the opportunity to provide American producers with the domestic and international remedies they need to learn to deal effectively with import competition. By providing the tools to negotiate a temporary import remedy, I am convinced we can move a giant step closer to easing our automotive industry into a dynamic world trading environment. Moreover, we can accomplish this objective without unduly hampering our long-term efforts to expand commerce worldwide.●

By Mr. LUGAR:

S.J. Res. 7. Joint resolution proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of the Congress if the level of outlays exceeds the level of revenues; to the Committee on the Judiciary.

CONSTITUTIONAL AMENDMENT RELATING TO CONGRESSIONAL BUDGET ACTION

● Mr. LUGAR. Mr. President, today I am introducing a resolution for a constitutional amendment to require a balanced Federal budget. I introduced the same resolution on the first day of the 96th Congress, exactly 2 years ago. Much has changed in the last 2 years, but the need for fiscal responsibility on the part of the Federal Government has not.

For the sake of newly elected Senators, let me review the record of the balanced budget amendment during the past 2 years. No less than 12 Senators introduced balanced budget amendment proposals early in the 96th Congress; many more Senators cosponsored one or more of these proposals. For example, my own resolution, Senate Joint Resolution 4, was cosponsored by 14 other Senators. In all, roughly one-third of all Senators expressed a firm commitment to the balanced budget principle. In order to coordinate their efforts, this group of Senators and their staffs met from time to time in an informal balanced budget caucus. Based largely upon the constructive leadership of five of the seven members of the Senate Subcommittee on the Constitution, this group agreed to support a common proposal, Senate Joint Resolution 126. This proposal was passed out of the subcommittee by a vote of 5 to 2, and referred to the full Judiciary Committee. There it was defeated by a close vote of 8 to 9.

I am hopeful that a balanced budget amendment will fare even better in the 97th Congress than it did in the 96th. At the beginning of the 96th Congress, 22 States had petitioned the Congress to send a balanced budget amendment proposal to the States or to call a Second Constitutional Convention. At the present, 30 States have done so, leaving the total only 4 States short of the 34 necessary for calling a constitutional convention.

Since the beginning of the 96th Congress, the United States has experienced 2 more years of enormous Federal deficits, and a rate of inflation which has raged out of control. The American people indicated in the November elections their overwhelming desire for a change in "business as usual" in Washington. Quite a number of our colleagues who did not perceive their message in time will no longer be with us in the new Congress. If the Congress does not act decisively in the coming year, more colleagues will likely share their fate. Poll after poll has revealed the continuing support of four out of five Americans for a balanced budget amendment.

Mr. President, my proposal simply requires a two-thirds majority in both Houses of Congress to adopt deficit budgets. Although it will restrict the ease with which Congress can adopt deficit budgets, my proposal will not flatly prohibit deficit budgets. There are compelling reasons why deficit budgets may be necessary from time to time. Pressing national security needs or severe economic dislocations are two such reasons. Accordingly, flat prohibitions on the Congress power to adopt deficit budgets appear to me unwise.

Nevertheless, no one could seriously deny that the budgetary record of the last two decades has been a sorry one of chronic deficits. The Congress has adopted deficit budgets year in and year out, in good times and bad, with only one exception in the last 21 years. Current interest payments on previous debt now constitutes a substantial portion of yearly expenditures. Years of short-term convenience and political expediency have resulted in a massive burden of debt which has been placed upon the American people.

What the economy requires, and what all Americans desire, is a sign that the Congress is finally prepared to address the question of fiscal responsibility forthrightly and decisively. Prompt adoption by the Senate of a balanced budget amendment resolution would be an excellent indication that America's economic recovery has begun.●

By Mr. MATHIAS (for himself and Mr. HATFIELD):

S.J. Res. 8. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

DIRECT ELECTION OF THE PRESIDENT AND VICE PRESIDENT

● Mr. MATHIAS. Mr. President, at 12:30 p.m. tomorrow in my capacity as chairman of the Rules Committee I will proceed to the House of Representatives to count the electoral ballots and certify the electoral college results.

I hope that the joint resolution I am introducing now will make that charade unnecessary hereafter and forevermore. It amends the Constitution to abolish the electoral college and provide for the direct popular election of the President and Vice President of the United States. This resolution is identical to Senate Joint Resolution 28, which, under the leadership of our former distinguished colleague from Indiana, Senator Bayh, was reported by the Senate Judiciary Committee and debated on the Senate floor in the 96th Congress.

In the course of the lengthy debate and hearings on this amendment, the argument most often used by its opponents is reminiscent of Mark Twain's advice: "If it ain't broke, don't fix it." But must we really wait for a crisis in the electoral process before we act? I think not.

Rather, we should look for the simplest and most democratic method for choosing the leaders of our land. We must face the reality that the electoral college system is antiquated and unnecessary. In the political climate of the 18th century, the founders were anxious that the best informed citizens be responsible for the selection of the President and Vice President. Indeed, methods of communication were limited and illiteracy was widespread.

As political and social conditions have changed, however, so have our laws. Thus, we have seen many reforms in the electoral process over the past two centuries, including the direct election of Senators and the enfranchisement of blacks, women, and 18-year-olds.

Viewed in light of these democratizing electoral reforms, the electoral college stands out as an anachronism. Above all, the electoral college is inconsistent with the fundamental principle of equal treatment under the law for

all Americans. Its flaws are widely recognized by legal scholars, Members of Congress, and many others. These include:

The uncertainty of whether the candidate who garners the most popular votes will ultimately prevail;

The State-by-State winner-take-all system;

The contingency election feature which, under certain circumstances, places with the House of Representatives the final decision in choosing the President instead of with the electorate at large; and

The faithless elector.

Concern over the deviation from democratic tenets is grounded in historical fact. Three times in our history, in 1824, 1876, and 1888, the winner of the popular election did not become President. Furthermore, a shift of less than 1 percent of the total popular vote cast could have produced a minority President 17 times.

Direct election is the most effective method to remedy these faults. As the late Senator Hubert Humphrey noted, only direct election insures that

"The votes of the American people wherever cast (are) counted directly and equally in determining who shall be President of the United States."

Only by direct election can the fundamental principle of equal treatment under the law for all Americans be incorporated into our Presidential selection process.

Fears have been expressed about electoral reform and it potential adverse effects on various blocs of voters as well as on the system as a whole. I do not find these dire forebodings persuasive.

One of the major indictments leveled at direct election is that it would weaken our system of federalism. It is contended that this proposal would have the effect of erasing State boundaries and shifting the overall strategy of a Presidential candidate from a State-by-State to a national one. I find this argument unconvincing. As former Senator Mike Mansfield stated in 1961 in reference to the electoral college:

The Federal system is not strengthened through an antiquated device which has not worked as it was intended to work when it was included in the Constitution and which, if anything, has become a divisive force in the Federal system by pitting groups of States against groups of States.

Finally, I would like to clarify the effect of a runoff provision in this resolution. With direct election, a winning candidate would have to receive at least 40 percent of the national vote. This provision would discourage single-issue splinter parties and ultimately strengthen the two-party system. A runoff between the two top contenders would be required only when no candidate received 40 percent of the popular vote. In fact, only one President was ever elected with less than 40 percent of the popular vote. That was President Lincoln who, in 1860, received 39.76 percent of the vote. Moreover, in the unlikely event that no candidate receives the requisite 40 percent of the vote, a runoff is certainly a more democratic procedure than selection by the House of Representatives, as is now provided for with the electoral college system.

Over the past 15 years, the electoral college mechanism has been thoroughly scrutinized by the Congress. The record compiled during this period not only warrants but demands the step contemplated by this joint resolution. The time has come to act on our findings. As chairman of the Committee on Rules and Administration, and as a longtime member of the Senate Judiciary Committee, I will do all in my power to insure that result.●

By Mr. THURMOND (for himself, Mr. DECONCINI, Mr. HATCH, Mr. HEFLIN, Mr. SIMPSON, Mr. LAXALT, Mr. EAST, Mr. DENTON, and Mr. GRASSLEY):

S.J. Res. 9. Joint resolution proposing an amendment to the Constitution to promote fiscal responsibility; to the Committee on the Judiciary.

CONSTITUTIONAL AMENDMENT TO PROMOTE FISCAL RESPONSIBILITY

Mr. THURMOND. Mr. President, today, I am introducing, along with Senators DECONCINI, HATCH, HEFLIN, SIMPSON, LAXALT, EAST, DENTON and GRASSLEY legislation proposing an amendmcnt to the Constitution to promote fiscal responsibility.

Polls indicate that 80 percent of all Americans favor fiscal responsibility and restraint by the Federal Government. The recent elections should leave no doubt in anyone's mind that the American people expect the Federal Government to exercise fiscal responsibility.

It is no surprise, of course, that there have been many different solutions proposed to put fiscal integrity back into Government. In the last Congress alone over almost 50 amendments were introduced. For years, I have advocated more fiscal responsibility by the Federal Government and in the last Congress I had my own amendment to balance the budget.

The resolution I am introducing today is identical to Senate Joint Resolution 126 which was pending last year. I am hopeful that in the next several months the Senate will have the opportunity to discuss this resolution and in time act on it.

Fundamentally, the proposed amendment is a procedural one. It is not an economic amendment. It requires the Congress to responsibly address its fiscal policies, but it does not predetermine what these policies must be. However, the resolution does remove two biases which exist in our current budgetary practice.

First, it does away with the current bias toward increased spending by reestablishing the relocationship between Government receipts and expenditures. Without setting an absolute limit on the amount that Congress can spend, the amendment simply requires that for each dollar spent, there is $1 raised. This would eliminate the current bias toward deficit spending.

As the system now works, on each appropriation bill there is concentrated support by those most likely to benefit from the expenditure and a generalized opposition composed of taxpayers who will have to shoulder the final burden of appropriation. My amendment would not prevent appropriation bills aimed at concentrated beneficiaries, but it would change the rules of the game. No longer would these special interest groups compete against the general taxpaying public, but these groups would be forced to compete against one another. The net result will be a more efficient use of Federal moneys which are available.

The second bias which this amendment would remove is the bias toward ever-increasing tax revenues. Because of our progressive tax structure, Congress reaps the benefits of tax bracket creep regardless of whether that higher marginal rate is caused by inflation or real growth. This is a real problem which few people fully realize. Presently, even if there were no real growth in our economy the funds available for Federal spending represents an increasingly larger share of our national wealth. This amendment removes this automatic increase in the Federal share by requiring that Congress must consciously decide that it wants the Federal sector to increase in size in relation to the private sector of our economy. Congress can still allow the Federal sector to consume a larger share of our wealth, but it must specifically vote for that increase.

Mr. President, those are the major principles of this proposed amendment. As one studies this amendment it becomes obvious that it would not write specific economic policy into the Constitution. It merely establishes the norm of a balanced budget, a norm desired by 80 percent of the American people, and then it allows the system to function in a responsible, accountable manner. It dos not limit Congress prerogatives, but it insures that Congress will make these decisions consciously and in the open. In this manner, we will insure that Congress is responsive to the wishes of the American people.

This amendment is the product of a bipartisan effort. It represents what we think is the best solution to a pressing problem. I encourage all of my colleagues to study this amendment, and I hope that they will join as cosponsors in this important step to restore fiscal responsibility to our Government.

SENATE RESOLUTION 17—RESOLUTION CONCERNING REVISION OF THE MONETARY POLICIES OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE ACT

Mr. SASSER (for himself, Mr. RANDOLPH, Mr. BRADLEY, Mr. LEVIN, Mr. BUMPERS, Mr. EXON, Mr. HUDDLESTON, Mr. BAUCUS, and Mr. MELCHER) submitted the following resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs.

S. RES. 17

Whereas the prime interest rate has increased to 20 per centum from 12.9 per centum in September 1979 and from 4.5 per centum since December 1960;

Whereas the acceleration of interest rates have contributed directly and significantly to the near tripling of bankruptcy rates during the past decade;

Whereas the high interest rates fostered by the monetary control policy of the Board of Governors of the Federal Reserve System have not reduced, but have increased, the rate of inflation as measured by the gross national product deflator;

Whereas current high interest rates threaten to destroy those sectors of the American economy that are critically important to the general well-being of our Nation, especially homebuilding, automobile production and sales, farming, and small business sectors;

Whereas high interest rates have not restrained the demand for credit, but have resulted in the rapid growth of credit demand. and subsequently higher interest rates;

Whereas the American business community and the American public have indicated serious reservations about the effectiveness of the Board's new policies;

Whereas the recent high volatility of interest rates have created a negative environment for business investment, productivity growth, and expansions; and

Whereas the Federal Open Market Committee which presently sets Federal interest rate policies does not fully reflect the economic concerns of many essential sectors of the American economy: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the Board of Governors of the Federal Reserve System should act immediately to prevent any further increases of interest rates and to reduce such rates as soon as practically possible;

(2) the Federal Reserve Board should act immediately to abandon its present policies of managing the monetary structure of this country which were initiated in October 1979, and shall institute alternative policies to restrain interest rates and the growth of nonessential credit directly;

(3) the Congress should take action to abolish the Federal Open Market Committee and to stipulate that all final decisions which are made to limit the growth of the money supply and interest rates be made by the Board of Governors of the Federal Reserve System;

(4) the Congress should take action to insure that the membership of the Board of Governors be so constituted as to include appropriate representation of all sectors of the American economy, especially those sectors that are particularly dependent on the need for stable financial markets;

(5) the Committee on Banking, Housing, and Urban Affairs of the Senate, in conjunction with the Joint Economic Committee, should study the advisability of seeking other necessary institutional reforms in the structure and operation of the Federal Reserve System that may be required to improve the management of this Nation's monetary structure with the goal of providing a stable and positive economic environment for growth and investment while reducing inflationary pressures, and to make a report of its findings to the Senate no later than June 1, 1981; and

(6) the study made under clause (5) of this section should include an investigation of (A) the feasibility of implementing a "dual prime rate" which can be used to channel credit to those sectors of the economy that have suffered from chronic credit shortages as a result of the Board's current monetary policies, and (B) the advisability of increased congressional supervision of policies affecting the Nation's monetary system.

Mr. SASSER. Mr. President. I rise today to once again draw attention of my colleagues for the need to abandon the current high interest rate policies of the Federal Reserve Board.

Since October 1979 the Federal Reserve Board has embarked on a misguided crusade to end inflation by relying on a tight money policy. And while the Federal Reserve Board should follow monetary policies that can moderate inflation, the Federal Reserve Board must understand that inflation cannot be halted through monetary policy alone.

Inflation must be attacked through sensible budget cutting, the adoption of tax cuts that will stimulate economic productivity, and through Federal policies that will reduce the economic drag of misguided regulations on American business. And the private sector must do its part as well. Big business and labor must moderate their price and wage policies so that we do not heighten inflationary expectations.

Inflation fighting requires teamwork. No single institution of Government can end inflation by its own actions. Yet that is precisely what the Federal Reserve Board is attempting to do today. Through its money management policies, the prime rate has once again reached 20 percent and has gone even higher. Why just 16 months ago, the prime rate was only 12.9 percent. Twenty years ago, the prime rate was 4.5 percent.

And what is the economic cost of this misguided interest rate policy?

In the homebuilding industry the devastation has been incredible. We should be building 2.3 million new housing units every year just to meet our normal housing demand. This year, because of soaring interest rates, we may build only 1.2 million units—a shortfall of 1.1 million units. And if high interest rates keep up, we will have a deficit of 2.4 million housing units by 1982.

And the cost of homeownership has risen dramatically as well. The National Association of Homebuilders, for example, has indicated the average cost of a $60,000 mortgage has risen by more than $100 per month. And due to high interest rates, only 18 percent of those who bought a house in 1980 were first-time homebuyers—a dramatic reduction in such homebuyers.

Other sectors have suffered as well.

This year over 2,100 automobile dealerships may go out of business, a rate nearly triple that for the period from 1975 through 1978. Overall business bankruptcies were running at a rate of 35 to 50 percent greater than the years between 1967 and 1979.

And through all this have we reduced inflation? Have we slowed down the demand for credit?

No, we have not.

Inflation is still running at well over 10 percent and higher. And in this period of ever spiraling interest rates, we find American business running scared and further bidding up the demand for credit thus, in October 1979, before the Federal Reserve Board announced its current interest rate policy, loan commitments by major commercial banks were growing at a rate of 17 percent. In the first quarter of 1980 when the prime rate moved to a 20-percent level, the loan commitment growth moved to 38 percent. And Mr. President, there is no indication that this loan commitment growth rate is slackening given the fear that American business has of spiraling interest rates.

So what do we have here? We have an interest rate policy that is shoving us back into a recession, bankrupting homebuilders, automobile dealers, small businessmen, and farmers.

We have an interest rate policy where the prime rate is changing almost weekly, making sound business investment plans almost impossible.

And tragically, we have an interest rate policy that is doing nothing, absolutely nothing to control inflation.

This hardly makes economic sense for American business or the American people.

Now there are some in the Congress that say—

Let's not criticize the Fed. They are just trying to do their job. Let them follow a tight money policy and interest rates will fall back to their natural levels as inflation subsides.

But, that, Mr. President, should not be the case.

We simply cannot continue to follow the Federal Reserve Board's high-interest policies. We must not be cowed or intimidated by those that say the Fed can bring down inflation if only we can leave it alone. The Fed's interest rate policies are not working and we must recognize that fact and act accordingly.

We simply do not have a monetary system that can be fully controlled by the Fed's monetary policies. Our monetary system is now international rather than national in character. We have no clear idea of the amount of money that can be subjected to the Federal Reserve Board's controls, and there is ample evidence that unless we follow complementary fiscal, wage-price, and regulatory policies, monetary policies will never, never control inflation. Indeed, without these policies and efforts to reduce nonessential credit more directly, the present Fed monetary policies will only drive up prices, including interest rates.

So, Mr. President, let us cut our costs while we can. Let us turn away from the human misery and economic chaos caused by high interest rates, and let us refashion our monetary policies accordingly.

I, for one, do not plan to stand idly by during this interest rate crisis.

Consequently, I am today submitting the resolution which is cosponsored by Senators RANDOLPH, BRADLEY, LEVIN, BUMPERS, EXON, HUDDLESTON, BAUCUS, and MELCHER.

In summary this resolution would:

Direct the Federal Reserve Board to take appropriate actions to hold down the prime rate and to reduce interest rates as soon as possible;

Direct the Federal Reserve Board to abandon its present approach of managing the money supply by means of meeting general monetary aggregate targets as announced in October 1979, and to restore traditional financial constraints such as Federal interest rate targets, and stronger reserve and margin requirements on borrowing;

Direct the Congress to have the Federal Reserve Board through its Board of Governors, rather than the open market committee, set national monetary policy;

Further direct the Congress to broaden the membership of the Federal Board of Governors in order to include representation of a wider spectrum of the economic community, and

Finally, to direct the Senate, through its established committees, to undertake a thorough investigation of the steps that are required to provide a more stable and growth-oriented monetary system that insures adequate credit supply to hard-pressed economic sectors while reducing the speculative and intrinsically inflationary pressures which now characterize the financial sector.

In such, Mr. President, the responsibility for sound monetary policy rests with the Congress. The American people do not expect us to sit idly by while our economy falters and stumbles. But, that is precisely what is happening today in no small measure because of the Federal Reserve Board's monetary policies. We must take concrete and far-reaching steps to end these high interest rate policies now.

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. HELMS. Mr. President, as chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, I advise Senators that a confirmation hearing has been scheduled on the nomination of John R. Block to be Secretary of Agriculture.

Mr. Block is well qualified for this position. He owns and operates a family farm near Galesburg, Ill. Most recently, he has served as director of the Illinois Department of Agriculture. He is a strong advocate of increased agricultural exports, and has served as a member of several agricultural export expansion projects.

The hearing will be held on Tuesday, January 6, beginning at 10 a.m. in room 4221 Dirksen Senate Office Building. The commitee will hear from Mr. Block, Members of Congress, and public witnesses.

Anyone wishing further information should contact Mac McCarthy or Denise Alexander of the Agriculture Committee staff at 224–2035.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of public hearings before the Committee on Energy and Natural Resources on the nomination of Mr. James G. Watt to be Secretary of the Interior and on the nomination of Mr. James B. Edwards to be Secretary of Energy.

The hearing for the nomination of Mr. Watt is scheduled for Wednesday, January 7, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building, with Thursday, January 8, reserved as an additional hearing date, if necessary. For further information, please contact Tony Bevinetto at 224–0611.

The hearing for the nomination of Mr. Edwards is scheduled for Monday, January 12, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building, with Tuesday, January 13, reserved as an additional hearing date, if necessary. For further information, please contact Chuck Trabandt at 224–7141.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510. For further information regarding the hearings, you may wish to contact Ms. Carol Garnett at 224–7153.

ADDITIONAL STATEMENTS

SEVERANCE PAY FOR SENATE EMPLOYEES

● Mr. MATHIAS. Mr. President, Senate Resolution 573, adopted by the Senate on December 16, 1980, provided for severance pay to those employees of the Senate terminated as the result of the transition to the new Republican majority in the 97th Congress.

On Monday, January 5, 1981, the Rules Committee prescribed regulations to govern the procedures for the payment of severance to qualified Senate employees. These regulations were sent to all affected Senate offices.

So that these regulations will be generally known, I ask that the Rules Committee regulations governing severance pay be printed in the RECORD at the conclusion of my remarks, along with two form letters to be used by affected employees and certifying offices.

It is important to note that for those employees terminated at the close of business January 2, 1981, the deadline for certification to the Rules Committee is not later than January 12, 1981. For those terminated later, the deadline is 10 days following actual termination.

The material follows:

REGULATIONS OF THE COMMITTEE ON RULES AND ADMINISTRATION FOR THE PAYMENT OF SEVERANCE PAY IN ACCORDANCE WITH SENATE RESOLUTION 573, 96TH CONGRESS, AGREED TO DECEMBER 16, 1980

1. Under the provisions of S. Res. 573 former Senate employees qualify for one month's basic pay, as severance pay, if:

(a) they were employed by a standing, select, joint, or special committee of the Senate, whose funds are disbursed by the Senate, or by the Office of the Vice President of the United States, the Secretary of the Senate, or the Sergeant at Arms and Doorkeeper of the Senate,

(1) on January 2, 1981, and

(2) were employed by the U.S. Senate for at least 183 days during 1980, and

(b) such employment as a Senate employee was terminated on or after January 2, 1981, solely and directly as a result of the reorganization of his office of employment, caused by the transition to a Senate in which a majority of Senators are members of the Republican party.

2. Affected employees must be certified as qualified for severance by the Chairman and Ranking Minority Member of their respective Committees, or by the Vice President, the Secretary or the Sergeant at Arms of the Senate, respectively.

3. Application forms, like that attached hereto, will be available to employees in the office of the Rules Committee, 305 Russell Senate Office Building.

4. Certification of qualification shall be submitted to the Rules Committee by the respective committees or office, on or before January 12, 1981 for all qualified employees terminated on January 2, 1981, and within ten days of such displacement termination if it occurs after January 2, 1981.

5. It shall be the responsibility of each affected employee to insure that his respective office or employment timely submits his certification to the Rules Committee, in accordance with the provisions of subsection (b) of S. Res. 573 and paragraph 4 of these regulations. Certifications may be by letter, for one or more affected employees, signed by the Chairman and Ranking Milnority Member of the Committee, or the Vice President, or the Secretary or Sergeant at Arms of the Senate, and stating that "such employees are certified as qualified for their appropriate severance payments in accordance with the provisions of S. Res. 573, agreed to December 16, 1980, and the regulations of the Senate Rules Committee promulgated thereto."

6. Upon receipt of properly completed Applications and Certifications, the Rules Committee will transmit such forms, approved by the Chairman of the Committee, to the Senate Disbursing Office for processing and payment.

7. Election by an employee to take retirement after qualifying termination will not affect his entitlement to full severance payment.

8. Re-employment in the Senate during the 30-day period after qualifying termination will result in a pro-rata reduction in such employee's severance payment, on a day-for-day basis, regardless of disparities in the applicable old and new Senate salaries.

ATTACHMENT NO. 1

(Employee Letter of Application for Severance Payment)

Hon. CHARLES McC. MATHIAS, Jr.,
Chairman, Committee on Rules and Administration, U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I hereby apply for such severance payment as I am entitled to pursuant to Senate Resolution 573, agreed to on December 16, 1980.

Sincerely,

_____ _____,
Employee.

ATTACHMENT NO. 2

(Letter of Certification of Qualification for Severance Payment)

Hon. CHARLES McC. MATHIAS, Jr.,
Chairman, Committee on Rules and Administration, U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: As Chairman and Ranking Minority Member, respectively, of the Committee on _____, we hereby certify that the following employees are qualified for their respective appropriate severance payments pursuant to the provisions of Senate Resolution 573, agreed to on December 16, 1980, and to the regulations pursuant thereto promulgated by the Committee on Rules and Administration.

(List Names)

Sincerely,

_____ _____,
Chairman,

_____ _____,
Ranking Minority Member.●

TRIBUTE TO SENATOR DICK SCHWEIKER

● Mr. SASSER. Mr. President, I would like to take a brief opportunity to salute the work and efforts of DICK SCHWEIKER.

DICK SCHWEIKER came to Congress 20 years ago. Since that time, the Congress and the country benefited from his diligent legislative endeavors in the areas of health, labor policy, and military concerns.

While DICK is most noted for his work on the Labor and Human Resources Committee—a committee on which he would now be serving as chairman were it not for his retirement—I have had the particular pleasure of working with him on the Senate Appropriations Committee. From that perspective, I have come to know DICK as a conscientious fair-minded individual. He is extremely concerned over fraud and abuse in Federal programs. Yet, DICK SCHWEIKER approaches these problems with a distinct compassion for his fellow man.

That is why I am pleased with his selection as the new Secretary for the Department of Health and Human Services. I know he will be committed to reducing wasteful spending, but I also know that he will be committed to those programs in which he played such an important founding role.

It is regrettable that DICK chose to end his career as an able legislator after only 20 years. However, there are certainly thousands of coal miners, jobless youths, poor and hungry children, older Americans, and working men and women who have the prospect of a brighter, more healthful tomorrow thanks to the dedication of DICK SCHWEIKER.●

HONOR COLUMBUS CAMPAIGN PRAISED

● Mr. DECONCINI. Mr. President, Charles T. Gabriele, a resident in the district of our congressional colleague GLADYS NOON SPELLMAN, a noted composer and a retired college professor, has received many honors for his "Christopher Columbus March," "My Heritage," "William Paca March," and other musical compositions. It is understandable that the Italian Government decorated him a cavaliere of the Republic of Italy and that the Order Sons of Italy in America established a lodge in his name.

However, Professor Gabriele deserves much praise for having formulated the "Honor Columbus Campaign," a program for revitalizing the image of Christopher Columbus in the schools. This program entails the donation of copies of "Christopher Columbus March" to school bands. The students then practice the march, striving for excellence. Those bands that achieve performance proficiency are presented awards during campaign events such as Columbus Day celebrations. Indeed a very fine program for helping to put Columbus back into the schools as well as encouraging musical excellence.

Mrs. SPELLMAN was the principal speaker at the Columbus Day celebration held at Pallotti High School in Laurel, Md., on October 13, 1980. The hosts of this memorable event were George L. Repass, principal, and Sister Patrice Wales, dean of students, Rev. Anthony Dal Balcon, administrator of Villa Rosa Rest Home in Mitchellville, gave the invocation, and Rev. Edward T. Hartel, pastor of St. Mary's Church in Laurel, gave the closing prayer.

I agree with Mrs. SPELLMAN that in recent years the image of Columbus has waned to a sad low. In her address she admonished the encycloped'a for short changing Columbus. She indicated that Columbus was a monumental figure who singlehandedly altered the course of history and that his contributions are far greater than being first. His discovery led to the founding of the greatest nation on this Earth. Later in the ceremony program, former Navy Secretary J. William Middendorf II, added that Columbus also represented "perfection" and that the "Honor Columbus Campaign" not only honors Columbus, but also encourages youths to achieve perfection.

Other speakers included Prince George's County Councilman Frank P. Casula, city of Laurel Mayor Robert J. Di Pietro, and Lawrence J. Hogan, Jr., representing his father, County Executive Hogan, who issued a proclamation commending the Prof. Charles T. Gabriele Lodge of Sons of Italy and the Pallotti High School.

Presentation of the awards was as follows: Judge Francis J. Valle of Baltimore. president of the Order of Sons of Italy in Maryland, presented a trophy to Luan Muller, bandmaster of Pikesville High School band. Joseph A. Nobile of Oxon Hill, president of Prince George's County Lodge of the Order Sons of Italy, presented a trophy to Joseph Kessler and Marilyn Delgado, representing Oxon Hill Senior High School band. Lt. Col. Donald Sells of Rockville, president of Mont-Iliano Lodge of the Order Sons of Italy, presented a trophy to Angela Seypoler, representing Wheaton High School band. Richard Berardino, of Laurel, president of Antonio Gatto Lodge, introduced three fellow lodge members who made the following awards: Councilman Casula presented a trophy to John B. Collins, bandmaster of Fort Meade High School band. Mayor Di Pietro presented a trophy to James P. Morrison, band director of Laurel Senior High School band. And Mary Markey, also of Laurel. presented a trophy to Martin Staub, band director of Paint Branch High School band. Victor Reyes, of Bowie, orator of the Prof. Charles T. Gabriele Lodge, presented Robert Gill, band director of Cardozo High School in the District of Columbia, a trophy. Former Navy Secretary Middendorf, of McLean, Va.. presented Carl Bianchi, band director of James Madison High School band in Vienna, Va., a trophy. Rev. Patrick W. Kemp, pastor of St. Edward's Church in Bowie, presented copies of "Christopher Columbus March" to several high school bands on behalf of the Knights of Columbus. On behalf of composer Charles T. Gabriele, Lt. Cmdr. Allen E. Beck, leader of the U.S. Naval Academy band, presented the "Composer's Award" trophy to John H. Mitchell, director of DeMatha High School band. Professor Gabriele presented Pallotti High School a trophy for being the first school to host an "Honor Columbus Campaign" ceremony.

Col. Francis Cipolla of Bowie, vice president of the Prof. Charles T. Gabriele Lodge, served as master of ceremonies of this historic event which was attended by 600 students and adults. During the program the U.S. Naval Academy band, under the direction of Lt. Cmdr. Allen E. Beck, performed patriotic selections. Professor Gabriele conducted a stirring performance of his "Christopher Columbus March."●

TRIBUTE TO SENATOR MIKE GRAVEL

● Mr. SASSER. Mr. President, I would like to join my colleagues in paying tribute to Senator Mike Gravel of Alaska.

During his 12 years in the Senate he has served his State and the Nation aggressively and courageously. From his membership on the Finance and Environment and Public Works Committees, Senator Gravel has had considerable impact on issues of crucial importance to Alaska. This has been no small task given the unique problems of this distant and vast State.

Mike has worked tirelessly on energy and environmental issues such as the crude oil pipeline which delivers much needed oil to the lower 48 States. More recently, he had directed his efforts to making an Alaska natural gas pipeline a reality.

Senator Gravel worked hard to forge a compromise on the important Native Claims Act that has been controversial for many years. He also worked diligently for the protection of American fisheries.

I applaud his dedication and the energy Mike has brought to his work in the Senate. Alaska will miss his effective advocacy of its interests.●

TRIBUTE TO SENATOR RICHARD STONE

● Mr. SASSER. Mr. President, it is my privilege and pleasure to pay tribute today to a man who has made a tremendous contribution to this body and to the American people, Senator Dick Stone.

Dick is to be commended for his leadership role in the Middle East peace plan. The spirit and the content of the Camp David agreements owe much to Dick Stone's leadership. I certainly hope that he will lend his sound judgment and keen insight to future diplomatic efforts in this area.

Through his service especially on the Foreign Relations Committee, Dick Stone has seen the need for strengthening our trade relations with the rest of the world. He has worked for legislation and trade agreements that have spurred agricultural exports to Japan and Taiwan and many other countries. And as one of the original founders of the U.S. Senate Tourism Caucus, he has understood the

need to encourage more international travel to this great country of ours.

Dick Stone has made important contributions on the domestic front as well. He has spoken strongly about the need to insure that condominium conversions do not wipe out the low-income rental market in this country. And he has supported much of the progressive health and nutrition legislation of the 94th, 95th, and 96th Congresses that have helped the less fortunate of his constituents.

Dick Stone's record of achievement is impressive. He has served the people of Florida and the United States honorably and well.●

TRIBUTE TO SENATOR RIBICOFF

● Mr. SASSER. Mr. President, Senator Abe Ribicoff will not be with us in the 97th Congress. We will miss his service and counsel in the U.S. Senate.

Abe is truly a unique man. He is the only active American to have served as State legislator, judge, Congressman, Governor, Cabinet officer, and U.S. Senator. The scope of Abe's service to our Nation is truly remarkable in this day and age.

The structure of American Government owes much to Abe Ribicoff, he has led the way in the creation of the Departments of Housing and Urban Development, Transportation, Energy and Education. He was the champion of the Civil Service Reform Act of 1978 which is so essential to building a productive Federal work force. And Abe has worked tirelessly to promote regulatory reform legislation that would revamp our burdensome regulatory bureaucracy.

I was privileged to serve with Abe Ribicoff during the last 4 years on the Senate Governmental Affairs Committee. As our chairman, Abe has been scrupulously fair to all members of our committee. He has worked us hard and demanded that we understand all the various facets of the legislation that we worked on. And, in no small measure, Abe's sense of good legislation has meant that the work of the Governmental Affairs Committee has always been received well in the U.S. Senate.

Abe has made his mark on international policy as well. He was a leader in the fight for strong nuclear nonproliferation legislation. And, in 1978 Abe served as a representative on the U.S. Mission to the United Nations. Abe has long been recognized as being a leader in the promotion of fair and free trade relations among the nations of the world.

Abe Ribicoff's record of public service speaks for itself. His character and integrity are a model for all those who wish to serve our Nation wisely and well.●

TRIBUTE TO SENATOR ADLAI STEVENSON

● Mr. SASSER. Mr. President, I rise to pay tribute to Adlai E. Stevenson who ends his Senate service with the 96th Congress.

The illustrious son of an illustrious father, Adlai Stevenson has continued the tradition of visionary Illinois public servants.

As a State legislator, State treasurer, and as U.S. Senator since 1970, Adlai has provided yeoman service to the people of Illinois.

But the Nation has benefited as well from Adlai's public service. He has understood the need for strong trade legislation in a time when the United States must have a strong economy which exports goods to all parts of the world. And it is fair to say that his legislative work on the Senate Commerce Committee will provide the foundation forevermore far-reaching trade and commerce legislation in the future.

Adlai has shown courage and integrity in his efforts to reform congressional operations. As a leader of sweeping Senate committee reforms in 1977, Adlai tread where so few of us care to go—in scrutinizing the effectiveness and efficiency of our own operations. But that is Adlai's measure—has never shirked duties just because they were unpopular or unfashionable.

The American Nation has been blessed by the Stevenson family of Illinois. The last four generations of Stevensons have enriched this Nation more than they will ever know. America will be hard put to repay the debt.●

TRIBUTE TO SENATOR DONALD STEWART

● Mr. SASSER. Mr. President, I rise to commend the work of Senator Donald Stewart, especially for his service on the Senate Small Business, Agriculture, and Banking, Housing, and Urban Affairs Committees.

Don's service on the Small Business Committee is especially meritorious. Don has been in the forefront of much of the small business legislation signed in the 96th Congress that has reversed the Federal tax and regulatory policies that have done so much harm to small business in the past. The list of the projects and investigations that the Small Business Committee has conducted under his guidance is truly impressive. Furthermore, Don has continued to draw the attention of the American people to the need to revise the ill-advised interest rate policies of the Federal Reserve Board which have done so much to impede small business expansion in this country.

Don has also been rightly concerned about the energy security of this country and has been recognized as a leader in our efforts to promote a strong and sensible alcohol fuels program. The 97th Congress will surely build on many energy poliices that Don advanced in his brief career in the U.S. Senate.

Don also has consistently spoken up against corruption, fraud, and waste in the Federal Government and elsewhere. He was a prime leader in the Senate investigations of the Bunker Hunt silver speculation scandal, and he has often joined with me and many other Senate colleagues in working to reduce unnecessary or wasteful Federal spending.

Don Stewart's expertise in these many areas will be missed in the U.S. Senate. But the legacy of his work will endure.

I wish Don well and hope that he will continue his work in the public interest of the Nation and his native State of Alabama.●

AMENDMENT TO CONTINUING RESOLUTION

● Mr. MITCHELL. Mr. President, I have today introduced a bill which addresses a very serious problem facing the potato producers of northern Maine.

Last April, potato producers of Maine were facing a very difficult financial crisis. To meet this crisis there was formed a special White House task force to study the problems confronting this industry, which is so vital to the economy of northern Maine.

One of the problems that has been identified is the apparent misdirection of potatoes that are being imported from Canada as seed stock to the supermarkets in New England.

Currently, there is an import quota of 114,000 cwt. for seed potatoes and a quota of 45,000 cwt. for table stock potatoes. When either quota is filled the tariff is doubled for that type. However, what is happening, is that once the table stock quota is reached, the Canadian producers are exporting potatoes under the seed quota in order to take advantage of the lower tariff, even though the potatoes are actually intended to be sold as table stock.

For example, from the beginning of the growing season in July until the end of December 1979, Canada had exported approximately 3.3 million pounds of seed potatoes. The quota for table stock potatoes was reached on December 27, 1979. In the following 3 months, over 21 million pounds of so-called seed potatoes were imported from Canada under the lower tariff. That is a 1,200 percent increase in the monthly average.

The table stock quota for 1980 was reached on November 12. From July 1 of this year until that date, Canada had exported no seed stock potatoes through Maine borders. In the first week following the triggering of the double tariff for table stock, over 980,000 pounds of seed potatoes were imported to Maine from Canada. Unfortunately, these so-called seed potatoes are eventually being sold as table stock potatoes. This substitution of seed potatoes for table stock potatoes is a disservice to consumers and to potato producers. Clearly, this practice voids the higher tariff disincentive.

I am told by Maine's commissioner of agriculture that the Federal task force indicated that the current laws do not contain an express prohibition of a change of the end use classification.

The U.S. Customs Service is doing its job properly. My amendment would simply require that appropriate measures be taken to assure that the end use of these potatoes is the same use for which they have been imported.

Accordingly, this bill will prohibit the expenditure of funds by the U.S. Customs Service to process the entry of any potatoes designated as seed stock until the President has certified that appropriate measures have been taken to achieve this purpose. This is the minimum step we

must take, not only to prevent unfair competition against American farmers, but to protect American consumers against the substitution of produce on their supermarket shelves.

I urge that my colleagues join me in supporting this bill.●

FAIR PRICES FOR FAMILY FARMERS

● Mr. PRESSLER. Mr. President, today I wish to once again address the importance of agriculture to all Americans. The strength of American agriculture lies in the preservation of the family farm.

My State of South Dakota was built on family farms and thrives on the bounty they produce. Farmers, consumers, small businesses, and laborers all benefit throughout the cycle from production to consumption. The family farm is the foundation for a strong agriculture and a healthy economy.

I am continually concerned about the future of the family farm. Over the last 5 years, the number of farms has consistently decreased, while the average size of farms has increased. Should this trend continue, the family farm could become a thing of the past. I, for one, do not intend to stand by and let that happen.

The new administration and the new leadership in the Senate present the 97th Congress with the opportunity to shape the farm bill to preserve the family farm. The new farm bill must be directed toward family farmers; to promote new family farmers, to maintain management at the family farm level, and to preserve the incentive to work, manage, and grow. These objectives all revolve around one basic principle—that family farmers must receive a fair price for their products.

I will soon introduce legislation that will tie price supports to parity and recognize the ever-increasing costs of production. Although family farms are efficient and productive, most elements of the cost of production are outside of their control. Because family farms cannot pass on the rising costs, many farmers lose money. Indeed, the Department of Agriculture estimates that net farm income declined approximately 25 percent from 1979 to 1980, in current dollars. When inflation is considered, the decline is even more frightening.

My legislation may not cure all the ills facing family farmers. But it will give family farmers a fighting chance and remove the bias—which has existed in the past—toward huge and corporate farms that are better able to absorb rising costs and weather fluctuating markets. My legislation will seek parity prices for family farmers to preserve our family farms. For when family farms profit, America profits.

Mr. President, farm family income security is increasingly dependent on U.S. foreign policy. The agricultural commodity export embargo which was imposed 1 year ago by President Carter for foreign policy reasons has been extended. I continue to oppose this embargo, both because it has not succeeded and because it is unfair to agricultural producers and exporters. Therefore, I will be introducing legislation early in this session to amend the Export Administration Act of 1979 so that the foreign policy grounds upon which a President may base an export embargo are better defined and to put a greater burden on the executive branch to consult with Congress before imposing such an embargo.

We owe it to family farmers to protect their right to put their production into international marketing channels. Not only will this benefit farmers, it will also benefit the entire Nation through improvements in our exports and a more favorable balance of trade. The worst thing that could happen to American agriculture would be for the Federal Government to take action on specious foreign policy grounds which forecloses potential multibillion dollar export markets for American farmers.●

GEORGIA BULLDOGS—NATIONAL FOOTBALL CHAMPIONS

● Mr. NUNN. Mr. President, they did it—and today 5 million Georgians are bursting with pride. "They" are the University of Georgia Bulldogs, and what they did was to vanquish 12 consecutive opponents on their way to capturing the National College Football Championship.

They did what no one believed could be done when the football season began in September. The Bulldogs were unranked at the beginning of the season, but they showed the Nation what dedication to excellence and perservance can achieve. Their coach, Vince Dooley, said it best: "This is the fightingest team I have ever coached."

The record proves it:

Georgia, 16—Tennessee, 15.
Georgia, 42—Texas A&M, 0.
Georgia, 20—Clemson, 16.
Georgia, 34—TCU, 3.
Georgia, 28—Ole Miss, 21.
Georgia, 41—Vanderbilt, 0.
Georgia, 27—Kentucky, 0.
Georgia, 13—South Carolina, 10.
Georgia, 26—Florida, 21.
Georgia, 31—Auburn, 21.
Georgia, 38—Georgia Tech, 20.

Finally, the 1980 champions defeated Notre Dame in the Sugar Bowl in New Orleans on New Year's Day by a score of 17 to 10 to lock up the national crown. Both wire services confirmed the obvious with their final polls which placed Georgia at the top of the list of major college football teams.

We in Georgia are very proud of Coach Vince Dooley and the Georgia Bulldogs.●

CAN THE U.S. ARMY FIGHT?

● Mr. NUNN. Mr. President, over the past year, there has been increased concern over the current status of the All-Volunteer Force, the readiness of military units, and the abi ity of the military services to attract sufficient numbers of high quality recruits and retain sufficient skilled, experienced personnel.

I ask that a recent series from the Washington Star entitled "Can the U.S. Army Fight?" by John Fialka be reported in the RECORD. These articles provide an excellent analysis of our military personnel problems and are based on facts and studies provided by the Army itself, other expert opinions, and personal interviews with soldiers.

I hope my colleagues will take the time to review these articles which highlight many of the serious problems we are facing.

The series follows:

[From the Washington Star, Dec. 15, 1980]

THE REPORT NO ONE WANTS TO TALK ABOUT

(By John Fialka)

After eight years of experimentation, the all-volunteer U.S. Army is faltering under the burden of increasingly severe manpower, morale and management problems. The Army's internal studies indicate that it may now be dangerously unprepared for combat.

The problems faced by the Army, as the Reagan administration takes command of the Pentagon, are deep-seated. They present strong evidence that not all of the nation's major defense problems are going to be solved by simply spending more money.

The deterioration of the Army's manpower situation has been measured and reported repeatedly by the Army in a complex, worldwide system of opinion sampling and surveys. Aimed at assessing the attitudes of officers and men, the program is known as the Human Readiness reporting system.

That system, according to sources in the Army and Defense Departments and on Capitol Hill, was quietly dismantled last January when the Secretary of the Army, Clifford L. Alexander Jr., read and angrily rejected the dismal conclusions of the latest report: "Human Readiness Report No. 5."

The sources, several of them highly placed, said that Alexander was so angry that he barred anyone in the Army from talking about the report. He has also imposed the same restriction on himself.

Human Readiness Report No. 5, a copy of which was obtained by The Washington Star, is based in part on surveys of more than 3,000 officers throughout the world. It concludes that the Army's most severe problem is a growing feeling among officers that there are large numbers of "low-ability personnel" among the junior noncommissioned officers who would lead the Army into battle.

The study, completed in August 1979, states that the lack of confidence is focused on corporals and younger sergeants—the men who lead teams, squads and platoons—and the specialists who serve in such crucial roles as tank gunners.

The most devastating portrait of the all-volunteer Army to emerge from the Army's own statistics, the study says that the concern over the competence of the junior noncommissioned officers has grown steadily since 1975.

It says the feeling is strongest among officers of combat units, especially in Europe where the Army has two corps—about 215,000 men—that are supposed to be the most combat-ready U.S. military units in the world.

There is considerable evidence that the officers are not alone in their concern. Among enlisted men who were asked by the Army whether their unit would "do a good job" in combat, there has also been a steady decline in optimism since the mid-1970s.

The lowest levels of optimism are indicated by junior enlisted men in Europe, where only 39 percent agreed that their units would do well in combat.

The study was prepared by the Army's Human Resources Directorate and signed by the man who was the unit's director last year, Maj. Gen. Walter F. Ulmer Jr., a former commandant at West Point.

Late last fall, the study and Ulmer found themselves on a collision course with Alexander. According to Army sources, the re-

sult was not only the shelving of Ulmer's report but the abolition of the entire "Human Readiness" reporting system, which has collected survey information and published annual reports based on it since 1974.

"There will be no Human Readiness Report No. 6," explained one well-placed Army source, who pointed out that in the normal course of events that study should have been ready this summer.

He said that the study raised Alexander's anger partly because it linked soldierly competence to intelligence and education levels, a sore point with the secretary of the Army. Alexander ordered intelligence scores removed from the field files of 400,000 soldiers last summer to prevent their use in personnel decisions by combat officers.

The source said that "pressure" was put on Ulmer to rewrite the conclusions of the report but that Ulmer—an officer who is regarded by his peers as an extremely stubborn and courageous man—did not rearrange the data to fit the much rosier view projected by Alexander.

In a classified letter accompanying the report, Ulmer notes that it draws on an accumulation of five years of data from questionnaires regularly given to thousands of officers and enlisted men throughout the Army.

"That the current report indicates a gradual decline in human readiness during the last 18–24 months will no doubt cause some controversy," Ulmer wrote. "Many of the problem areas discussed already are controversial and our 'measures' of them will be a subject of debate.

"I am convinced, however, that the data used for this report are acceptably reliable and permit a reasonably accurate assessment about trends in active Army human readiness. These trends are consistent with, and reinforce, findings from other recent studies and analyses."

Ulmer has since been given command of the 3rd Armored Division in Germany and he could not be reached for comment.

Through his Army spokesmen, Alexander repeatedly warned a Washington Star reporter that he would only consent to an interview on Army manpower problems if Human Readiness Report No. 5 were not discussed. Later Alexander grudgingly consented to the interview, but he adamantly refused to answer any questions about the report.

"Why don't you get away from the report?" said the departing secretary of the Army. Calling the document "outdated," he added, "I can't comment about the report, because I thought we are not going to be discussing the report at this time. I haven't reviewed the report and don't intend to at this time for this interview."

Maj. Gen. Robert A. Sullivan, the Army's chief of public affairs, said no other Army official would talk about the report, which he called "unscientific." Asked repeatedly for evidence that would show how the report's conclusions are either outdated or scientifically unsupportable, Sullivan and other Army spokesmen have not been forthcoming.

"This," explained one of them, wearily, "is a very, very sensitive subject."

The controversial report states that three key indicators of "unit climate," or the attitudes of enlisted men, have been declining since 1976. Unit morale, measured on a worldwide basis, has dropped steadily, with the lowest readings showing up among enlisted men in Europe.

Troop motivation, or the willingness of soldiers to "work hard to get things done," has shown a similar decline since 1976, with the exception of units stationed in Korea, where indicators of motivation were driven sharply upward after the ax-murder of two American officers in the demilitarized zone in August 1976. Soldier motivation, the study states, is "lowest in Europe."

"The percent of commanders and other officers serving in troop units who state that motivation, discipline and morale are a problem in their unit has increased steadily since 1977," the study says. "About 10–15 percent more currently cite each of these as problems than was the case in 1977."

While reportable incidents of crimes and disciplinary problems have dropped sharply since the beginning of the all-volunteer force, the study says that part of the decline is related to the "prudent use of the various expeditious discharge programs" that simply remove the soldier from the Army, rather than apply punishment.

According to Army statistics, 35.2 percent of new soldiers are now leaving the Army before their first three-year terms are completed.

Interestingly, the study notes that the Army's drug problem, which hit a high point during the late 1960s and early 1970s, appears to be dropping. In its place, however, is an increasing concern about alcoholism, especially among Army units in Europe.

Army commanders listed alcohol abuse as their second most serious problem—coming just a few percentage points behind their concern about junior NCO leadership. Marijuana abuse ranked in fourth place among 13 problem categories, and the use of hard drugs ranked last.

The central concern of the study—that officers are most concerned about what they see as declining competence of their corporals and younger sergeants—points up an extremely serious problem because it affects the "cohesion" of small units, or their ability to stick together under fire. Military analysts have long regarded unit cohesion as one of the prime measures of the fighting potential of an army.

The study suggests that the officers' worries about their men may be mirrored by their troops in another ominous statistic. Among first-term soldiers, the percentage of those who believe their officers "care about their welfare" has dropped from 50 percent to 40 percent in three years. The percentage of first-termers who believe that most of their officers are competent "has declined from over 60 percent to less than 45 percent."

The study notes another probably related statistic: The percentage of young captains and lieutenants who agree to stay in the Army after their first tours of duty has "declined substantially," with the sharpest rate of decline being in front-line combat units.

In 1975, 70 percent of the younger officers in combat units opted to stay on. By 1979, only 44 percent would make that decision. Among regular Army officers, the study noted, the percentage resigning after their first term doubled during those four years.

Among West Point graduates, generally regarded as the cream of the U.S. Army officer corps, the number of younger officers "voting with their feet," or opting out of the all-volunteer Army after their first term, was still higher, rising from 10 percent in 1975 to 25 percent in 1978.

The flap over the intelligence and education levels of enlisted troops first surfaced last spring when it was revealed that another major Army research effort, called the Army Training Study, concluded that there was a definite relationship between low intelligence scores and the inability of tank and air defense missile gunners to hit targets. (The Army Training Study also was shelved by Army officials.)

Secretary Alexander, testifying before the House Armed Services Committee in June, flatly rejected the thesis. "No one, no expert, has been able to state what difference it makes," he said, referring to intelligence scores.

Human Readiness Report No. 5, based on five years worth of Army behavioral data, takes the intelligence argument one step further. Scores of the Enlisted Efficiency Report, the basic annual "report card" for enlisted soldiers, and AWOL (absent without leave) records show that education level and mental aptitude often are accurate predictors of how well a soldier will perform in his unit, the report says.

"There is evidence that these indicators do in fact measure potential for military performance (not precisely, but not trivially either) and it would be imprudent to ignore them in the absence of other measures," the study says.

It notes that since 1976 the mental aptitude of the average Army male recruit has dropped by 5 percentage points. Twenty-eight percent of soldiers training at Forts Benning, Dix, Knox and Leonard Wood, it says, "read at or below the seventh-grade level." About a third of this group, it adds, actually read "at or below the fifth-grade level."

The Army, in its official response to The Star's request for a comment on the study, said that "numerous actions and programs initiated since that time have had an impact on a number of aspects of the issues treated by the study, altering many of the conditions observed and the analysis and conclusions made by the author."

Alexander, who announced last week that he is resigning, effective Jan. 20, is certain that intelligence scores and the matter of having or not having a high school degree has no bearing on the performance of his soldiers.

Recently, he explained, he visited the Army's sergeant-majors academy, training grounds for the cream of the non-commissioned officers in the Army, and asked how many of the trainees were high school dropouts. Nearly half raised their hands.

Later, Alexander noted, a group of sergeant-majors visited him in his office, and he asked how many scored in Category IV, the Army's lowest intelligence category.

"Over a third of them admitted they did, as a matter of fact. They raised their hands," Alexander said.

He cited their response as proof of his success in office. He appears to be serene in his confidence that after four years of running the Army he has won the manpower debate, regardless of what the reports he has shelved may say.

The data, he says, "does not amount to a hill of beans. It is quite irrelevant."

[From the Washington Star, Dec. 16, 1980]

U.S. Posts Dismal Record in NATO Competitions

(By John Fialka)

(The U.S. Army must prepare its units to fight outnumbered, and to win.—Excerpt from FM 100–5, the Army's basic field manual.)

Soldiers from the best, most combat-ready U.S. Army units have run up a dismal record of losses in recent competitions against other NATO armies in Europe.

Handpicked U.S. armor crews have been outgunned and outmaneuvered repeatedly by crews from the Netherlands, Belgium, Great Britain, Canada and West Germany in competitions designed to simulate armored warfare on the plains of Central Europe.

The results of the competitions—obtained by The Washington Star through the Freedom of Information Act and from NATO sources—are not widely known in the United States, not even among senior Pentagon officials. That is not, however the case in Europe, where the Army's failures are causing politicians and military men alike to discount heavily U.S. rhetoric about defense readiness.

The record begins in 1977, when U.S. tank crews finished sixth out of six in NATO's

most prestigious competition, a tank gunnery contest called the Canadian Army Trophy. They were beaten by the Canadians, West Germans, Belgians, British and Dutch, in that order.

In 1979 the Army overhauled its training program and fielded another team of elite tank crews. That year it finished fourth out of five, beaten by West Germany, Belgium and Great Britain.

For NATO cavalry units, the big contest is a German-sponsored event, called the Boeselager Armored Cavalry Competition, for crews of armored personnel carriers. In 1979, the first time the Army entered the contest, the United States finished last, behind 20 other crews.

This year, two U.S. APC crews made the best U.S. showing in recent history. They finished eighth and 10th among 23 competitors. They were beaten by six West German crews and teams from Canada and the Netherlands.

Spokesmen insist that these competitions do not indicate the Army's overall readiness and skills because other NATO units allegedly relieve their competition teams from daily chores and give them special training.

Secretary of the Army Clifford L. Alexander Jr. dismissed the scores as "marginal differences between crack units." He added, "Now I don't know of the particular events you're talking about, but I assume that they were all crack units."

U.S. allies, however, take a different view. "We do not look at this with *schadenfreude* (gloating)," said one German armored division commander. "Our safety and our lives depend on that (the American) army."

The German general would only agree to discuss the matter with a reporter if his identity were withheld. He said his impressions were not entirely based on the contests, but on a recent conversation with a German civilian, a foreman at a tank shooting range who has been in the business for 23 years.

The civilian, a connoisseur of precision tank gunnery, had this to say about the American crews that now train regularly at his range: "Forget the Americans. We don't talk about the Americans anymore. They use a tremendous amount of ammunition. They claim a remarkable number of hits. And then when we go out to renew the targets we see that the number of hits they claim is completely wrong. They simply missed the targets."

The general went on to admit that his private doubts about the competence of the American Army might be unfounded and that the contest results might be anomalous.

But, he explained, because the doubts are widely shared by officers of other NATO armies, the doubts themselves have military significance.

"Reputation and prestige are very important things, even if it may be wrong," the general said. "Part of the deterrence is credibility, and if an army doesn't have any credibility any more, that is bound to be a factor in deterrence."

One of the few senior West German military men willing to talk openly about the dismal U.S. competitive showing is Gen. Franz-Joseph Schulze, former NATO commander of 80,000 allied soldiers in Germany's central region.

"The last time, the American unit participating in the competition (the Canadian Cup) took the matter rather well. They had the feeling that at least they had knowledge of where the deficiencies were," explained Schulze.

"It was more serious the time before. There was such a disappointment that it was difficult for me to convince the 7th (U.S.) Army that they had to continue, that it would not be right for them to withdraw from the competitions," added Schulze, who retired a year ago.

After the 1979 contest, Schulze recalls, he walked among the tank crews and discovered that while it took the German crews an average of 2.3 seconds to identify targets, the American crews in the competition were taking twice that long.

In modern combat, accuracy and quickness may mean the difference between life or death. In a duel against the best anti-tank weapon—another tank—a near miss doesn't count. A successful tank "kill" requires a direct hit.

It takes approximately six seconds for the second-best anti-tank weapon, a wire-guided missile, to hit its target. Assuming the tank gunner sees the telltale back blast when the missile is fired, he can save himself only if he can fire and hit the enemy missile crew within that six seconds.

For younger American officers, filled with the can-do enthusiasm radiated by Secretary Alexander and enforced by the official Army doctrine of "fight outnumbered and win," a defeat at the hands of the Belgians, the Dutch, the Canadians, the British and then West Germans can be a shocking experience.

Consider this story, by the lieutenant colonel who was in charge of the U.S. tank crews picked for the 1977 Canadian Cup contest.

The officer, now a full colonel who commands a desk in the Pentagon, agreed to talk about the contest only if his name was withheld.

That summer, 12 of the U.S. Army's newest heavy tanks were loaded on special railroad flatcars in Bavaria and shipped to Bergen-Hohen, a desolate but well-equipped tank gunnery range in Northern Germany.

Along with the tanks went the 12 best four-man tank crew teams from a unit that had been designated the best U.S. tank battalion in Europe.

For the colonel, tanks were a lifelong passion. He was sure he knew good tankers, and he was extremely confident of the men he had picked. They would show the other members of the NATO alliance a thing or two.

The Canadian Cup contests, held at Bergen-Hohen since 1963, are the Olympics of NATO. For almost two generations, the measure of steel in a Central European army has begun with the quality of its tanks and the skill of its crews.

The stakes for the 1977 contest were high. There had been persistent rumors among the other NATO armies that the quality of the U.S. soldier had deteriorated since the All-Volunteer Army experiment begun in 1972.

A tank victory would put that to rest.

The colonel's team had over $7 million worth of military hardware. Each M-60A1 tank, equipped with the latest diesel engine and the last word in night vision devices, costs $600,000.

Confident as he was, the colonel knew he faced serious obstacles. At that time U.S. Army tank units did not train regularly at Bergen-Hohen because they were primarily located in southern Germany, near a less sophisticated gunnery range on the Czech border called Grafenwoehr.

While U.S. training at Grafenwoehr emphasized firing at stationary targets, the NATO units at Bergen-Hohen performed simulated tank battles between numbers of manuevering tanks, the kind of battles that most military planners envision if the tank-heavy forces of the Warsaw Pact ever cross the West German border.

But the colonel had done his best to drill his men on the differences between the two ranges, and they were all fired up for the contest. In other words, they were totally unprepared for the disaster that followed.

As his tanks manuevered in teams of three down the range, the young colonel stood watching on the sidelines with his heart in his mouth. Targets were popping up over a mile away. They were small, six-by-six foot targets, enemy tank silhouettes. They appeared with a telltale puff of smoke, as if a tank round had been fired.

"My guys were just not seeing some of the targets," recalls the colonel. "I was standing there jumping up and down yelling things like 'over there!' 'OVER THERE!' but of course they couldn't hear me. They were on their own. One gunner missed nearly all of his targets. I still can't explain that. I thought he was really good, one of my best."

Some people who know the American colonel say he was shattered by the experience. He admits that he still broods about it. "Before that," he told a reporter, "I had never come in second place in anything in my life."

Schulze and several other German senior officers suspect that one of the things that is showing up in the tank contests is a fundamental difference between the West German and the American Army. The West German army is a draftee force, drawing on a full spectrum of intelligence ranges. The 18-year-old German male has a 70 percent chance of being drafted, but he will not appear as a gunner or the commander of a tank unless he scores in the upper 40 percent range of intelligence tests.

He is also tested for mechanical aptitude and the psychomotor skills that allow quick target recognition and response. Furthermore, West Germany tries to keep tank crews together, while U.S. crews are constantly shifting.

In the U.S. Army, a majority of tank gunners and commanders ranks below the upper 40 percentile range of intelligence, according to a 1978 Army survey called the Army Training Study.

The survey of 1,288 tank crewmen, found that many of the gunners and commanders rapidly forgot what they had learned in training and that field training in Europe did not improve their situation. According to the survey, tank crew proficiency among U.S. units in Europe was 40 percent lower than combat-ready requirements and was 50 percent lower in U.S.-based armored units.

The Army's official position, as dictated by Secretary Alexander, is that such studies are "irrelevant," and Alexander's message has been heard down through the chain of command.

Brig. Gen. Frederic J. Brown, who was the director of the study, is now the chief training officer for the 8th Mechanized Infantry Division in Baumholder, Germany. He refused to discuss the implications of the study during a recent interview, saying he could only discuss his current assignment.

Brown's current job is critical because the 8th Division is the unit that would defend the Fulda Gap, one of the main invasion routes from the east into West Germany.

Because the Warsaw Pact forces have a 4–1 superiority in tanks, Brown admitted that the requirements for the survival of a U.S. tank crew in any battle to defend Fulda Gap are very stiff. They require tanks to hide in depressions of the terrain and then pop out to hit and "kill" as many as three enemy tanks at once.

"I expect the crews to get three target hits get back down—all in 15 seconds," said Brown, asserting that for some of his crews, those who have studied the border terrain, the assignment "is a piece of cake."

"Of course," Brown added, "not all of them can do that."

[From the Washington Star, Dec. 17, 1980]

U.S. SHELL GAMES COVER UP SERIOUS LACK OF READINESS

(Providence is always on the side of the last reserves.—Napoleon.)

Braunschweig, West Germany—For the first time since World War II, the tanks of

the 2nd Armored Division, Gen. George Patton's "Hell on Wheels" unit, were rolling through the northern plains here. They were fighting a mock battle near the East German border.

While it took Patton months to prepare his forces and move them here to Germany's "tank country," Col. Paul Schwartz, commander of the division's 1st Brigade, had brought his 2,000 men here from Fort Hood, Texas, in six days. If it came to war, Schwartz explained, he might do it in three or four days.

Germany is a country where people constantly live with the thought of war, where the autobahns and bridges are built with hollow sections so that demolition crews could quickly deny Warsaw Pact tank Columns easy passage from the East.

But the defense of West Germany in the swift, high-technology war NATO planners now envision may depend on Schwartz's getting his troops in place even quicker than his projections allow. While the United States had two years to build and test its army in World War II, the type of defense the United States is committed to here will pose a severe, almost instantaneous test of the readiness, stamina and combat skills of the units stationed in Europe.

The U.S. Army apparently is increasingly incapable of meeting that test. Its mounting problems in the areas of troop morale, competence and readiness, which have been revealed in recent NATO competitions and in Army studies, are among the unstated reasons why the United States has difficulty convincing West Germany to increase its defense spending and its manpower commitment to NATO.

As one senior diplomat in Bonn put it: "The West Germans measure their defense contributions in the skill of their army and in the size and readiness of their reserves. Those are areas that the U.S. has difficulty matching and that is where the problems here begin, although the Germans will never state that publicly. It is not just money. It is a complex, multi-faceted problem, and your army is squarely in the middle of it."

Perhaps the best way to understand the problem is to begin with the basic NATO plan for World War III, a concept called Forward Defense. Like the celebrated Von Schlieffen plan of World War I and the Maginot Line of World War II, it is an ambitious concept, but not without some rather rigid, controversial aspects.

In essence, it will require the two U.S. Army corps stationed here—some 215,000 soldiers—to fight at their assigned border positions and to hold for days without benefit of reserves.

In the classic military battle—the kind fought on sand tables in military academies and in the complex war games now flooding U.S. markets—the prudent commander almost always keeps one-third of his forces back. He will yield some land to gain enough time to be sure he knows where the enemy commander has committed his main force before committing his reserve units.

Under the Forward Defense concept—the foundation of NATO's defense structure and the underpinning of what has been considered for years as the United States' most serious foreign defense commitment—all forces here would be committed, thrown at the border to save as much of West Germany as possible.

Col. Schwartz's unit and the others coming in from the United States, Britain, Belgium and the Netherlands would be the reserves. Just how fast they materialize and how combat-ready they may be are not, as in previous wars, merely the tests of who will win or lose. Planners here regard them as the key determinants of whether and when an escalating nuclear war will begin.

Forward Defense is essentially a West German invention, deeply rooted in the geography and politics of America's strongest ally. Twenty-five percent of West Germany's industry and a considerable part of her population are situated in a 62-mile-wide strip along her eastern borders.

"Even minor losses of territory would be serious," explained Lt. Col. Hans Goebel, assistant head of the policy section of the German Defense Ministry's equivalent of the U.S. Joint Chiefs of Staff. "No German government could accept a strategy which gives up terrain in order to gain time. This requires Forward Defense as far east as possible."

As Goebel explained it, the concept requires "instantly available" forces that would attack the invader to prevent even a limited penetration. "We want to force the enemy to fight troops of several nations right up close to his border. For this we may have to accept certain operational disadvantages," Goebel added, referring to the absence of immediately available reserves.

"The defensive action we plan will be strongly tied to existing terrain. It will mean high casualties in the early stages," Goebel said, noting that for several months NATO planners have believed that the Soviet Union is building up the capability to launch an attack from a "standing start," an attack that could begin with as little as two days of obvious preparation.

If that happens, Goebel continued, then reserve units like Schwartz's, flying in from U.S. bases, might not arrive in time.

Much would depend upon the willingness of a U.S. president to send his troops before the battle, he pointed out.

"Early political decision is necessary. Time is the decisive factor, if the defense is to be successful. We envision a war for some days. After that, decisions to employ nuclear weapons or to go to negotiations must be undertaken," the German officer explained.

The U.S. commitment to the rigors of the Forward Defense concept, coupled with the chronic recruiting problems of the all-volunteer Army, is, according to U.S. Army officials, the major reason why overall Army readiness is poor and why six divisions now in the United States—including most of the units that would be sent over as NATO's reserves—are not ready for combat.

For several years, as recruiting has become difficult and as skilled sergeants and technicians have quit in droves, Army personnel experts have engaged in a shell game to keep Army units in Germany at or above their assigned combat strength. Many units in U.S.-based divisions have been "zeroed out," turned into paper phantoms so the recruits who would have filled them could be assigned to Europe, according to Gen. Edward C. Meyer, the Army's chief of staff.

The game has been played most intensely with sergeants. To fill their rapidly diminishing ranks, some sergeants have been permanently "borrowed" from stateside units and others have been given quick turnarounds, leaving them relatively little time between long tours in Germany.

This, in turn, has caused more sergeants to leave the service. The net effect is that many stateside units, including Schwartz's, have only 70 percent of the sergeants they're supposed to have.

According to Gen. Meyer and other Army leaders, a nation cannot have a credible army without competent sergeants. They are the basic teachers of the arts of warfare, the glue that holds small units together. They are a considerable part of the Army's corporate memory, especially when it comes to moving, firing and maintaining the complex tanks, guns, missile and communications systems needed to fight a NATO war.

Schwartz's unit came here not only lacking many sergeants, it also came over without most of its equipment. The 2,000 men came from Fort Hood with their M-16s and their field packs stuffed into chartered commercial airliners, just the way the reserves would arrive in time of war.

They landed where they would land in war, at the U.S. Air Force base at Ramstein, some 370 miles from the border. They drew their tanks and armored personnel carriers from specially built, air-conditioned warehouses at three nearby locations. Then they crossed the Rhine by ferry because one of the assumptions of the mock battle is that enemy aircraft have already blown the bridges.

The equipment warehouses constitute another kind of Army shell game shoring up the concept of Forward Defense. They contain some of the Army's best equipment, about three divisions' worth. The equipment is rarely used, but is well-maintained by German workmen.

The tanks drawn by Schwartz's men were two years old, but in excellent condition. They are part of a $3 billion equipment store that is known by one of the Army's more mind-boggling acronyms—POMCUS (prepositioned equipment configured in unit sets.)

POMCUS is another major reason why six U.S.-based regular Army divisions and nearly all of the Army Reserve and state National Guard units are short of the modern equipment they would need to be considered ready for combat.

Much of the equipment in the warehouses was accumulated during years of tight defense budgets by diverting new stocks from stateside units and indefinitely postponing modernization of equipment in National Guard and Reserve units, many of which train with Korean War-vintage equipment.

By 1982 according to Army plans, there will be three more divisions' worth of POMCUS here, roughly another $3 billion worth of equipment. Army planners see no other way to equip the reserve force in time, because flying the heavy equipment over would be a logistical and a financial impossibility given the immediacy of the expected need.

These are just the surface features of the strategic games that are being played here involving the U.S. Army. There are shell games within shell games. A good bit of the U.S. war reserve equipment stored here was borrowed for the Vietnam war and later drawn down for the 1973 Arab-Israeli conflict. Some of it has yet to be replaced.

The reserves for the reserves, the trained replacement soldiers who would be needed to fill casualties in Schwartz's unit and in frontline U.S. Army units, are largely nonexistent.

Because the Army reserve structure has suffered enormous attrition during the all-volunteer era, the branch of the Army that is supposed to provide replacements—the Independent Ready Reserve—is somewhere between 300,000 and 700,000 people short of the trained soldiers that would be needed in a NATO war scenario, depending upon which Pentagon official makes the assessment.

All of this, combined with the declining quality and morale in the active Army, have given West German military planners a peculiarly cold-eyed view of U.S. proposals to shift resources to the Persian Gulf.

That view was hightened a few weeks ago when Gen. Meyer decided to tackle the sergeants problem by stripping 6,000 sergeants from Army units here. They are now being shipped back home to rebuild what Meyer calls the "hollow Army" in the states, especially its long-neglected training base.

Although Meyer has repeatedly stressed that the move will eventually improve the U.S. ability to reinforce NATO as well as to project power into the Persian Gulf, that part of the message has become garbled here.

West German military officials know what happens to an already troubled army when you suddenly remove a large chunk of its sergeants, and Meyer did not help matters any by his failure to tell the West Germans about the move in advance.

"It (the failure to consult) is the devel's own cycle and we have to get out of it," said Gen. Franz-Joseph Schulze, who developed much of the current NATO defense plan while serving as planning deputy to Gen.

Alexander M. Haig when he was Supreme Allied Commander for NATO.

Schulze, who retired from the West German Army a year ago, said that while the official reaction from Bonn was subdued, "the real fear is that this is the beginning of another thinning out of the U.S. forces in Europe as we have seen during Korea and the Vietnam war."

One of the principal worries, Schulze said, is "whether the buildup of the (U.S.) Rapid Deployment Force will destroy all of our rapid reinforcement plans for Europe."

Each year NATO demonstrates its muscle to reinforce West Germany in exercises called Autumn Forge. The U.S. part of the exercise, the part that brought most of the "Hell on Wheels" division to exercises in northern Germany, is called Reforger.

This year Reforger was highlighted by the drop of a battalion of paratroopers from the 82nd Airborne Division flown directly from the United States, an event that caught the attention of the media, but did little to ease the German concerns about the U.S. Army.

"I have serious doubts whether politicians will do what soldiers are trained to do: to act into the face of uncertainty," said Schulze.

"You need forces on the ground. We have seen a fundamental change in reinforcement policy during the last three or four years. I would argue that to deter you have to get rid of the Reforger philosophy."

"If you want to deter a nuclear exchange, then that means the forces have to be there before the nuclear exchange," he added. "After the nuclear exchange anyone who has a structural force could be the emperor of Europe and that could be the Swiss if the Russians decided to spare them."

[From the Washington Star, Dec. 18, 1980]

SOCIAL CHANGE ALTERS SHAPE OF THE ARMY'S ENLISTED RANKS

(By John J. Fialka)

One of the first things the new Reagan administration's defense planners will discover is that the U.S. Army is no longer quite all there.

In 1965, Congress, the constitutional overseer of the Army, authorized a force structure of 16 combat divisions. To fill and support them then required the services of 1,422,493 soldiers and civilians.

Today there are still 16 combat divisions, but somewhere on the long, hard road to Vietnam, the Army has shrunk by 194,000 soldiers and 94,0000 civilians.

Despite the cutbacks—largely in enlisted ranks—Army officials insist their service has been growing ever stronger. "All in all, the Army now generates one-third more combat power than it did five years ago, and it does so with fewer soldiers," asserted Clifford L. Alexander Jr., secretary of the Army, in a recent speech.

Alexander was touting some of the new features of the Army: its complex, high-technology weaponry, the large numbers of women now present in the lower ranks, the greater percentages of people from minority groups and the high school dropouts who have fleshed out the ranks during the lean recruiting years of the late 1970s.

But almost any outsider who spends some time on an Army base or talks to experts about the Army on Capitol Hill and in academia will quickly find a large number of people who disagree with Alexander's assessment.

One of them is Dr. Charles C. Moskos Jr., professor of sociology at Northwestern University. Moskos is regarded as one of the foremost experts on the enlisted soldier. His views about Alexander's pro-nouncements are often very succinct.

"That's just baloney," he told a reporter.

Moskos sees a "tremendous social change" in the lower ranks of the new Army, but he seriously doubts whether it adds up to more combat power.

Thanks to the economic slowdown, the pipeline feeding people into the Army is currently running full. For the first time in years the Army has met its recruiting quota, bringing in 173,300 people in fiscal 1980.

Perhaps the most critical measure of the quality of the people in that pipeline is the number of high school dropouts the Army is attracting. In the 1965 Army, only 28 percent of the draftees were dropouts. Among the 1980 volunteers the figure is 46 percent.

Meanwhile, according to the Department of Education, the percentage of high school dropouts among 18-year-olds in the nation as a whole has declined from 33 percent to 26 percent.

Other services do much better. This year 75 percent of Navy recruits are high school graduates, the Marines reached 78 percent and the Air Force has 83 percent.

The Army has more black recruits than the other services. In 1970, blacks comprised 14 percent of the Army's enlisted ranks. At the moment 33 percent of new Army recruits are black. The percentage of blacks in combat units is between 40 and 50 percent, and, according to Alexander, 24 percent of the three top sergeant positions are now held by blacks.

In contrast, 22 percent of the Marine Corps is black. The Air Force, which is 16 percent black and the Navy, which is 11 percent black, more closely resemble the racial makeup of the nation as a whole, where 12 percent of the people between 17 and 44 years of age are black.

An interesting aspect of these statistics is that the Army is the one branch of service where the new black recruits are more highly educated than the whites. The Army's blacks, in terms of education, are fairly representative of their age group as a whole. The new white recruits are not, scoring far below the levels of their civilian peers.

In a sense, the Army's problem is a problem of color, but it is not the one that some people might think it is. "If you could paint the number of white high school dropouts blue, they would stand out a lot more than the blacks do," asserts Moskos, who believes that the almost total absence of the white, middle class soldier in combat units is the most profound contrast between the new army and armies of the recent past.

While the Army's mounting reading problems and its wholesale adoption of seventh grade level, comic-book-like training materials have been widely publicized, another change, the accompanying relaxation in traditional discipline, has not.

On Aug. 6, 1979, boot camp became a relatively benign environment as the Army Training and Doctrine Command introduced "constructive" training techniques.

The new order, called Initial Entry Changing Policies, forbade recruits to call their drill sergeants drill sergeants. They are now addressed simply as "sergeant." Recruits, on the other hand, are to be called "soldier" from the day of enlistment.

Cast out along with "drill sergeant" were skinhead haircuts, "nonproductive stress created by verbal or physical abuse," rules against moustaches, talking in the mess hall, and any notion that a recruit's character upon entering might have to be torn down and reconstructed. Spit-shined boots and polished floors are going out, too.

The new training emphasizes "self-discipline" among the troops and a "positive climate" among their leaders.

Recently, troops leaving boot camp at Fort Jackson, S.C., were given an Army questionnaire asking them whether their particular "sergeant" had given them enough sleep, taught them the proper combat skills or used profanity. "How frequently during training were you promised privileges you did not get?" the troops were asked.

Capt. Samuel J. Barlotta, one of the young training officers at the base, recently condemned the whole "positive approach" in an article for one of the Army's internal journals.

"The Army must get back to training soldiers instead of nice little boys and girls who are afraid of hearing a curse word, who have never been subjected to operating in an intense environment, who have never been yelled at and who, when confronted in combat with these types of circumstances, will be overwhelmed and confused.

"They will lay down their arms, costing the lives of you and me, the so-called professionals who trained them but prepared them for nothing," Barlotta warned his fellow officers.

A reporter who spent a day with an MP training battalion at Ft. McClellan found that an even more troubling policy for troop trainers was an edict requiring "unisex" training of men and women.

One week the members of the battalion would fall out of their campus-like dormitories into integrated platoons. The next week the women were put in one platoon and the men in another, as Army officials continued to battle about the policy.

In a private session with a reporter, both the men and the women officers in the unit said their greatest fear was what would happen to the female MPs in combat.

'The policy is that they're supposed to stay back from the FEBA (Forward Edge of Battle)," said one major, a Vietnam veteran. "Now you tell me where that will be and I'll tell you how this is going to work."

There are now 65,000 women in the active army—roughly eight times the level seen in past wars—and another 40,000 in the reserves and the National Guard. An Army fielded with that number of women will not only be a social experiment, but a military experiment as well. No other major army in the world is following the U.S. lead in training women for combat support roles.

Since basic training has been slowed down to accommodate the large number of soldiers with reading and other learning problems coming into the pipeline, recruits are learning only half of the basic combat skills, according to Army officials.

Last month the Army announced it will extend basic training from seven to eight weeks and make it tougher. Because of "budget constraints," however, the Army later admitted that implementing the new regime at all seven training bases will take until October 1983.

Thus many of the U.S. troops on NATO duty in Europe are getting on-the-job-training.

The U.S. Army in Europe is attacking the training problem with high technology. Some commanders are being issued new computers so that they can keep better track of unit training hours.

Another experiment under way is something called MILES (Multiple Integrated Laser Engagement System). It is a system of infrared lasers attached to various weapons, and laser sensors that are attached to soldiers, tanks and other battlefield targets.

When a laser beam, initiated by the firing of a blank M-16 rifle bullet or another weapon, hits a button-sized sensor worn on a soldiers helmet or field jacket, a buzzer goes off, something like that on a car when the seat belt isn't fastened.

The MILES sensors on a tank can distinguish between the lasers of a rifle, an anti-tank missile and the main gun of another tank. When a tank is properly "killed" a siren goes off, an oscillating yellow light on the turret is activated and the tank's ignition is turned off.

One of the Army's pet theories is that the American soldier is better because he is more innovative. The soldiers have proved that in Germany. Privates have tried to thwart MILES by smearing Vaseline on their laser

sensors. Sergeants have casually draped ponchos, helmets and plastic bags over the sensors on their tanks.

So far, though, the technicians have stayed one step ahead of them by installing more sensors, and war games are becoming more realistic.

"It's the best breakthrough I've seen in 28 years in the Army," claims Maj. Gen. William J. Livesay Jr., commander of the 8th Infantry Division, which is the first to begin large-scale training with MILES.

There are also a lot of things the enlisted man must do in the modern Army that will never become dramatic, short of an actual war. The list includes memorizing firing sequences for complicated weapons systems, like tanks and missile systems, and a myriad of maintenance chores.

A lot of it is boring, repetitive work, almost exactly the same type of challenge that foiled the high school dropout in the first place.

A young company commander put it this way: "If they're not motivated to get up to the 9th-grade reading level, they're not going to be motivated to learn to hit the target. If there's something wrong with the system, then they have to be able to write a report. If they can't write, that's another problem."

"The part that worries me the most," the captain went on, is the NBC (Nuclear, Biological and Chemical weapons) part of it. The test for nerve gas is too complicated. You have this sheet of little glass ampules. You break these in a certain sequence and drip them on a sheet of special testing paper which must be heated up.

"By the time some of my guys master that one, we'll all be dead."

Many of the officers and soldiers interviewed for this series noted that soldiers with low intelligence scores and those without high school diplomas can and do serve with courage and distinction. However, nearly all felt that the possession of a high school diploma was the best indicator of whether a given soldier will stick to and finish an assigned task.

According to Army statistics, 35 out of every 100 recruits now leave the Army before the end of their three-year enlistments. Among high school dropouts, the rate is 49 percent. Among women high school dropouts—who are beginning to enter the Army in large numbers—the dropout rate is 59 percent.

Some volunteers leave the Army for legitimate family or health problems, but many of them are leaving for disciplinary or drug-related problems that in an earlier era would have resulted in criminal charges. Today many problem soldiers are simply "papered out" of the Army, given honorable or general discharges.

The new system has certainly eased the burden of Army prosecutors. Among the 12,330 soldiers officially classified last year as deserters—a crime that carries up to a year in prison, forfeiture of pay and dishonorable discharge—Army statistics show that only six soldiers were successfully prosecuted.

But it has not eased the burden of commanders, who can no longer promise their good men that the disturbers in their units will be punished. A recent study by the Congressional Budget Office estimated that veterans benefits are accruing to the Army dropouts—many of whom have completed only a few months of service—at a cumulative rate of about $75 million a year.

There is still one more phase of the pipeline. For the thousands of soldiers now leaving the service every month, it does not end with a military flight home from Europe or Korea, or an early exit from a U.S. military base. For the Army dropout, it ends by pumping him back into the same community, the same ghetto or small town where he came from.

The experience under the philosophy of the new Army has probably not changed him very much; he has failed again. What is different about him is that he is among the relatively few young men in his neighborhood whom the nation has trained to use military weapons.

[From the Washington Star, Dec. 19, 1980]

IN VOLUNTEER ARMY, OFFICERS DO MORE

(By John J. Fialka)

The burden of running the Army increasingly rests on the 85,440 men and women who make up its officer corps.

As recruiters fill enlisted ranks with soldiers having basic reading and writing deficiencies, many jobs formerly delegated to sergeants are now done by officers.

The result is something like the "Peter Principle," only in reverse. Officers are often forced to function at one or more levels below their stated jobs.

It is a subtle change that has become part and parcel of the volunteer Army.

Officers are also a rarer commodity in the 1980 Army. Since Vietnam, the ratio of officers to total Army strength has dropped from 17 percent to 11 percent and the Army finds it increasingly difficult to retain skilled combat commanders.

Meanwhile, the Army is still trying to cure what some people call "the doctrine of zero defects" or the "ticket puncher syndrome," the career that consists of rapid transfers and promotions, where one mistake can ruin a career. The policy is "up or out." To survive, an officer's unit must always look good.

Judging from Washington Star interviews with more than 100 officers in combat commands, both here and in Europe, the No. 1 problem of the ambitious officer is how you can "look good" when the troops who come into your command are increasingly less literate, less intelligent and often less motivated.

Some observers believe success in the officer corps has become a kind of management game not really related to combat at all.

"The younger officers don't believe in the system," asserts Richard A. Gabriel, a political scientist and Army Reserve major who wrote "Crisis in Command," a study of the Army's failures during Vietnam.

"They see it for what it is. It's a job," adds Gabriel. "If our Army is ever sent to combat it will not stand. . . . We're going to collapse like the French army in 1940. The only difference is that, relatively speaking, they had better weapons."

While many younger officers interviewed would quarrel with that, most agreed on one point: One aspect of the game is that the true readiness of the Army doesn't always show up on reports. Consider this dilemma, gleaned from an afternoon spent with a lieutenant colonel in command of an armored battalion, a man regarded by his peers as a bright, up-and-coming young officer.

"I have increasing difficulty getting people to fix the tank turrets. That's a complex mechanism and the guys just have problems getting it right. I could go to brigade meetings and say, 'Hey, my guys are having problems with tank turrets,' but there are two other battalion commanders there, and you know what they're going to say? They're going to say 'What problem? We don't have any problem with turrets.' So that's a subject that never comes up at brigade meetings."

The upshot is that the young commander pushes harder on his few good mechanics, often pushing so hard that they join the river of skilled technicians leaving the Army. He also spends long hours crawling over the tanks himself, to be sure they will pass inspection.

If the old, draftee Army, the younger officer always had a few "sparkplugs" who could always find ways to make things work. Now they are mostly gone.

In the old Army the sergeants did the paperwork. In the new Army, which has more paperwork, there are fewer sergeants who can read and write. Now the lieutenant colonel uses his lieutenants to account for tools and spare parts.

The commander finds his battalion structure so fragile that it takes 18-hour days to keep the unit functioning. "I am at the post all the time. I can't be a good husband. I can't be a good father. That's a large price to pay," he explained.

What would happen in wartime? a reporter asked. The commander looked down at his boots for a minute, tracing a pattern in the greasy dust of the motor pool compound where is 54 M-60 tanks—worth $50 million—were in various stages of repair.

Then he looked up, confronting the reporter with a quick, icy smile. "My guys," he said, "will fight like hell."

Ticket-punching involves two things: relatively short tours of duty and evaluation reports that rarely use any adjective other than "outstanding."

The problems with ticket punching first became obvious in Vietnam, where the press by officers for combat commands created a situation in which enlisted men served 12-month tours under fire while their officers served only six.

Afterwards, in 1971, the Army War College produced the first of a series of internal reports studying problems in the officer corps.

It criticized the "ambitious, transitory commander—marginally skilled in the complexities of his duties—engulfed in producing statistical results, fearful of personal failure, too busy to talk with or listen to his subordinates, and determined to submit acceptably optimistic reports which reflect faultless completion of a variety of tasks at the expense of the sweat and frustration of his subordinates."

Officers in other armies, particularly Britain's and West Germany's, express amazement over the short duty tours in the U.S. system. A combat command in their armies is often four or five years long.

They also take a dim view of the "zero defects" syndrome. "You show me an officer who hasn't made a mistake in a year or two and I'll show you a man who has been afraid to try anything," said one senior German officer.

In August 1979, after nine years of handwringing by U.S. generals, another internal study, an Army-wide attitude survey called Human Readiness Report No. 5, concluded that in the "view of many officers," the problems posed by ticket-punching had become worse in the all-volunteer Army.

Eighty percent of captains and lieutenants and 65 percent of more senior officers agreed that "the need to stay competitive has caused some shading of the truth." Only 39 percent of all officers agreed that they were satisfied that their reports accurately reflected unit readiness to their superiors.

The view from the captain's vantage point is often even more muddied than his superior's, partly because of the anxiety over ticket-punching and partly because it is the captain who must cope with disciplinary problems.

A crucial Army role is played by the 11th Armored Cavalry Regiment, which guards the Fulda Gap, a border area in southern West Germany that is a likely route for a tank invasion from the east.

A 27-year-old company commander who agreed to talk about his difficulties there was preoccupied by a disciplinary case involving one Pvt. Michaelson (not his real name), a man the captain wanted to keep in his unit.

The captain spends about a quarter of his work week, some 15 to 20 hours, handling disciplinary cases. He has had major problems with insubordination, cases where

enlisted men talk back or refuse commands of their officers.

"Basically all you can do is ease them out of the service," he explained, noting that the paperwork and the burden of proof that the Army currently requires for prosecution make that option "almost impossible to handle."

The captain's problem is that if he "eased" all his disciplinay problems out of the service he wouldn't have much of a unit left. Some soldiers who are not disciplinary problems will cause trouble if they see it as an early, easy way out of the Army, he reasoned.

One result is that he has now had two cases in which soldiers have escalated their insubordination to the point where he could no longer ignore them. Both attempted to burn down the barracks.

"You're forced into it," the captain said, explaining the long hours spent getting the two barracks-burners out of his unit. "You can't leave them with the troops."

Michaelson, however, was different. He was like many young men in the unit, a high school dropout with a tangled social background. He had spent some time in mental institutions and, the captain discovered, his one weakness was that he tended to break down under stress.

But he was a good truck driver who tried hard, and the captain wanted to keep him. The trouble was that he took up a lot of his captain's time.

In his last adventure, Michaelson got drunk and stole a truck. Upbraided for it by his first sergeant, he went berserk. The sergeant threw him up against a wall locker. Then Michaelson filed an assault complaint against the sergeant.

The captain learned about it when the sergeant called him from jail. The case has taken hundreds of hours to straighten out and it's not over yet.

"I'm not a commander any more," shrugged the captain. "I'm really more of an administrator."

The first senior Army officer to launch a serious attack on ticket punching and the related, gradual unraveling of the Army under the all-volunteer regime is the man at the top: Gen. Edward C. Meyer, the Army's chief of staff.

Meyer is trying to recreate an atmosphere something like that of the mid 1960s, when he was a company commander in Germany. In the old days, he explained, the bonds between combat commanders and their men were much clearer.

Some examples:

On pay day Capt. Meyer put's his .45 on his hip and sat down at a table in front of a large stack of greenbacks. He personally paid each man. Today they are paid electronically by a computer in Indianapolis.

In the old days, Capt. Meyer fed his men in a company mess. Now they go to a larger, consolidated mess somewhere else on the base.

The privates in Capt. Meyer's unit made only about one-seventh the pay of their senior sergeants and on weekends often stayed on the base. There Capt. Meyer provided entertainment and organized football and baseball teams.

Now, because the pay scales have been compressed and "front-loaded" to attract new recruits, the private earns about one-third of the pay top sergeants make. Now the privates take off on weekends and the sergeants and younger officers must stay on the base.

In the old days the troops lived in platoon-sized barracks. Today, under one of the Army's "reforms," they live three to a room, a change that Meyer believes has further weakened unit morale.

Meyer admits that not all of these conditions can be changed, but he is trying to change some fundamental ones.

He started last January by quietly extending combat commands from an average of 18 months to between 30 to 36 months.

A problem closely related to the rapid, in-and-out movement of the ticket-punching officer is the accelerating turnover among enlisted men. This problem, officially called "turbulence," is related to the Army's personnel replacement system, which trains recruits and then sends them out individually to fill gaps in existing units.

Turbulence did not matter that much when the basic tools were rifles and shovels, but in a mechanized army, soldiers must function and maintain their weapons in teams.

Meyer is searching for a way to replace whole units, rotating them through 18-month tours in Europe. He would also like to give each unit a sense of mission and history, like that offered by the British regimental system. To do that he needs to find a way to keep a given unit and its officers together.

Meyer's effort is based on research that has been under way since the Korean War. The theory is that men do not fight and die for extraneous things like Mom's apple pie or the peculiar charisma of a given commander.

They fight for each other. They fight because their squad or platoon is a kind of super family: intimate, disciplined and motivated. In a word, a squad will fight rather than run if it is cohesive.

Small-unit cohesion is the new buzzword in Meyer's army, but the reality will be some time in coming.

The view of most of the younger officers interviewed is that what Meyer is trying to do is a painful, but necessary first step. But many of them also believe that reform has come very late in the game. They have developed some hard-eyed views of the reality they face.

"The essential difference between you and me," remarked one captain, the officer of a unit that would be sent to reinforce the 11th Armored Cavalry's defense of the Fulda Gap, "is that when the world ends, they will wake us up to see it. It will come to you in your bed."●

OUR RELATIONSHIP WITH IRAN

● Mr. HEINZ. Mr. President, a recent advertisement which appeared in the Washington Post on January 4 dramatically makes clear the differing points of view about the present situation in Iran among Iranians and Iranian-Americans who have long been interested in that country. Just as there appears to be little consensus within the Iranian leadership over what to do about the hostages, this advertisement suggests there is little consensus among Iranians over what to do about their government.

Without getting into the merits of these obviously strongly felt differences, I do think the advertisement contains a useful lesson for those of us less close to this situation—that we should not put on all the people of Iran the burden of our disagreements with their government. We have a long history of warm relations with the Iranian people which should not be forgotten by them or by us. I hope that when the current difficulties have been resolved we will be able to rebuild that relationship. Mr. President, I ask that the text of the excerpt from the Post be printed at this point in the RECORD.

The text follows:

OPEN LETTER TO THE PRESIDENT-ELECT RONALD REAGAN

DEAR MR. REAGAN: On two recent occasions concerning the U.S. hostages in Iran, you have made statements such as "criminals, kidnappers, and barbarians." Although on the first occasion you have made it clear you were referring to the hostages' captors; the lack of any specific reference on the second occasion has caused concern among a large segment of Iranians as well as many Americans acquainted with Iran who maintain close contact with their Iranian friends.

We would like to bring to your attention and the attention of all the Americans and the people of the free world that, there is distinction between the terrorist gang who are holding power in Iran and the general and genuine population of Iran by citing the following facts:

Since February 1979, over 800,000 Iranians have left their homeland and millions of others would leave Iran if it were physically and financially possible. Some have fled the terror by risking their lives and thousands have been victims of summary execution in so called "Islamic Revolutionary Courts."

Before the present chaos in Iran, over 1,000,000 members of the international community were treated in the best manner. More than 50,000 Americans and other foreigners, along with their families, resided and worked in Iran, and were respected and secured by our laws.

Americans and Iranians have had a friendship of long duration, economically, militarily and culturally. During their period thousands of intellectuals and students have studied and were influenced by American institutions.

Thousands of Iranians who are holding jobs in different countries are respected and trusted for their integrity and behavior.

Therefore it is logical that the practices of the *terrorist gang* in Iran, under the guise of Islam, goes against the wishes of the majority of Iranians and this group's policies are opposed to the spirit of Islam and the teaching of hold Koran.

We definitely understand and support your concern for the lives and safety of the 52 Americans held hostages in Iran; however, we hope that as the president of a free world country, you should at least have some concern for the 36 million Iranians who are held captive in their own country under the tyranny of a group of religious fanatics.

In the past fourteen months the U.S. government has tried in vain to come to some kind of accommodation with the terrorist regimes in Iran. However, in spite of all those efforts, not only the problem has remained unresolved, but in addition, it has caused false hopes, embarrassment, and humiliation for U.S. prestige at home and abroad.

It is our firm belief that the hostage problem *cannot be solved* until the Iranian people are able to overthrow the existing terrorist regime in their homeland. And in order to do so they need the moral and material support of the responsible freedom-loving citizens and countries of the world.

Therefore, we urge you Mr. President, to distinguish between the terrorists flouting international law and the majority of Iranians who are law-abiding; to initiate a firm policy to end the blackmail, kidnapping and terrorism which has been allowed to disrupt diplomatic relations, as well as to create an international misunderstanding in the world community towards millions of Iranians whose revolution for the establishment of a democratic institution, freedom, and the rule of law has been vanquished by the present terrorist regime in Iran.

We hope that the revised American policy and the pressure of world public opinion

soon will help the Iranian people to put an end to this tyrannical, corrupt regime and Iran will once again resume the place as a responsible, respected member in the world community.

We would urge all the concerned American people, especially those who have visited Iran or who have lived and worked in Iran and are familiar with the true nature of Iranian morals and values, to send letters and telegrams to President-elect Reagan and to their senators and congressmen expressing support for decisive action and a unified policy against international terrorism now!

IRANIAN-AMERICAN COMMITTEE FOR PROTECTION OF IRANIAN INSTEGRITY.●

BRIEFING SCHEDULED CONCERNING THE SITUATION IN EL SALVADOR

● Mr. HELMS. Mr. President, the situation in El Salvador deteriorates steadily. Yesterday came the news that two American labor organizers were murdered in El Salvador. As yet, it is not known whether the murders were politically inspired. Nor, if they indeed were politically inspired, is it known whether the murders were committed by partisans of the right in El Salvador, or partisans of the left.

Mr. President, it is essential to reserve judgment until all relevant facts can be accumulated. After all, both sides had motives to murder two Americans. The right, it can be argued, murdered the labor organizers because they were helping force implementation of the hated land reform program and because they were symbols of an unpopular interventionist program of the United States in El Salvador.

On the other hand, the left, it can be argued, was motivated to murder the two Americans, in the hope that the United States will throw up its hands in disgust at the whole matter, withdraw its aid money and its support for the current government—thus leaving the fate of tiny El Salvador to the mercy of the left, or at least to the anarchy of a bloody civil war.

Because the Senate does not have the facts on which to make a considered judgment about El Salvador, I have this morning asked the Departments of State and Defense, and the CIA, to come before the Subcommittee on Hemispheric Affairs and brief interested Senators on that subcommittee concerning what information the executive branch may have about the murders and the general situation in El Salvador. The briefing is at 4:30 p.m. in S–116 in the Capitol.●

CONGRATULATIONS TO FRANKLIN HIGH SCHOOL BAND

● Mr. SASSER. Mr. President, the Franklin High School marching band of Franklin, Tenn., is to be congratulated for its splendid performance in the annual Orange Bowl Parade in Miami, Fla.

Not only did the band make our great State proud in being 1 of the only 10 such units selected from across the Nation to participate in the colorful parade, but also it was named "grand champion" in competition prior to the parade.

Under the able direction of Wayne Simpson, the student musicians returned to their high school January 2 to a rousing welcome indicative of the community support which is the backbone of successful extracurricular interscholastic endeavors.

The 192 band members who reaped these honors did so only after contributing patience, hard work and practice. They even conducted their own fundraising drives to underwrite the expense of the trip.

The band also enjoyed the unwavering support of parents, boosters, friends, and students, and was enhanced by the drive and determination of its director, Mr. Simpson, and the school principal, Carl Pike.

All involved in the band's excellent performance and its signal honor of winning "grand champion" status are to be congratulated. They have made our entire State proud.●

NOMINATION OF ALEXANDER HAIG

● Mr. NUNN. Mr. President, as the 97th Congress gets underway, none of the responsibilities we shoulder is more important than our advice and consent role under the U.S. Constitution. We have a duty to carefully examine the background, experience, abilities, views and integrity of those whom President-elect Reagan has nominated for his cabinet.

One of the most important of these positions is that of Secretary of State, for which the President-elect has nominated Alexander Haig.

America faces many critical problems in foreign policy today. Our challenge in the Senate is to build a broad bipartisan consensus on foreign policy and national security strategy to cope with the serious threats of the decade ahead. Nothing could be more damaging to this effort than a rehashing of the traumatic Watergate experience.

The Foreign Relations Committee has the duty and obligation to conduct thorough hearings on the nomination of Alexander Haig, but neither the Foreign Relations Committee nor the Senate has any duty or obligation to reopen a detailed Watergate investigation.

The Watergate affair was one of the most investigated events in American history. I have long been under the impression that the Special Prosecutor vigorously pursued any criminal leads or criminal allegations during this period. Leon Jaworski and his top assistants should be asked whether there was any evidence of criminal conduct on the part of Alexander Haig.

If evidence of illegal or unethical conduct by the nominee was found, certainly this evidence should be pursued by the Foreign Relations Committee and made known to the Senate. If not, then I see no need to drag the country back through the morass of Watergate.

For those who are insatiably curious about the Nixon era and Watergate, there are plenty of books they can buy. Televised hearings dominated by Watergate would serve to convince our allies and adversaries that we are still obsessed with Watergate. A nation obsessed with the past cannot be a leader in the future.

I recognize the legitimate and rational concern of those who are concerned about a military officer heading up our State Department. As a general rule, I share that apprehension. As George Marshall clearly established, however, there are notable exceptions to this rule. I believe that Alexander Haig will be one of these notable exceptions.

No military officer in recent American history has had more diplomatic and foreign policy experience than Alexander Haig. No military officer in recent history has had more personal experience with the crucial separation of military and civilian functions in our Government. Few Americans today have the degree of foreign policy expertise and strategic grasp of Alexander Haig.

Mr. President, I plan to support the confirmation of Alexander Haig, and I pledge to do all I can to promote a bipartisan approach to the crucial problems facing our Nation and the world today.●

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. BAKER. Now, Mr. President, in order to permit the distinguished minority leader and me to perform the duties assigned to us by the Chair with respect to the notification of the President of the United States, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

There being no objection, the Senate, at 1:14 p.m., recessed subject to the call of the Chair; whereupon, at 3:44 p.m., the Senate reassembled when called to order by the Presiding Officer (Mr. PRESSLER).

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, I thank the Chair.

Mr. President, I wish to commend the distinguished occupant of the chair. I believe he is the first Republican to grace that position following on after the election of the Republican majority, and following on after the election of a Republican President pro tempore of the Senate. So I congratulate him for that signal honor.

I am awaiting the arrival on the floor of the distinguished minority leader, and while we are doing that I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

RECESS UNTIL TOMORROW

Mr. BAKER. Mr. President, if there is no further business to come before the Senate today, I move, in accordance with the order previously entered, that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and at 3:49 p.m., the Senate recessed until Tuesday, January 6, 1981, at 12 meridian.

NOMINATIONS

Executive nominations received by the Senate January 5, 1981:

DEPARTMENT OF STATE

The following-named Foreign Service Information officers for promotion in the Foreign Service to the classes indicated:

Foreign Service Information officers of class 1:

Alan H. Dodds, of Nevada.
Marilyn Johnson, of New Hampshire.
William A. Rugh, of Maryland.
James P. Thurber, Jr., of California.
Robert C. Voth, of California.
Stanley A. Zuckerman, of Virginia.

Foreign Service Information officers of class 2:

Albert Ball, of Virginia.
Mary Frances Cowan, of New Jersey.
Arthur S. Giuliano, of Virginia.
Sally M. Grooms, of Illinois.
Barbara A. Hutchison, of Delaware.
Kent D. Obee, of Idaho.
Robert A. Powers, of Virginia.
Marie Louise Telich, of California.
Richard E. Undeland, of Virginia.

Foreign Service Information officers of class 3:

Sheldon H. Avenius, Jr., of New York.
Brian E. Carlson, of Virginia.
James B. Carroll, of Illinois.
James F. Channing, of Virginia.
James W. Findley, of West Virginia.
John A. Fredenburg, of Florida.
Gail J. Gulliksen, of New Jersey.
Corinne A. Heditsian, of Rhode Island.
Bernard M. Hensgen, of Virginia.
James J. Hogan, Jr., of New Hampshire.
Mary Roberta Jones, of Montana.
John E. Katzka, of California.
David K. Krecke, of Michigan.
Frederick E. V. LaSor, of California.
Charles C. Loveridge, of Utah.
William H. Maurer, Jr., of Virginia.
Michael Mennard, of California.
Robert P. Milton, of Georgia.
Ray Peppers, of South Carolina.
Stanley N. Schrager, of Illinois.
James H. Sease, of Oregon.

Foreign Service Information officers of class 4:

Philix Silvio Aragón, of New Mexico.
Kenneth R. Audroué, of California.
Sheridan W. Bell III, of Pennsylvania.
George P. Bonfoc, of California.
Michael L. Braxton, of the District of Columbia.
Guy Burton, of New Jersey.
William D. Cavness, Jr., of Florida.
Susan Ann Clyde, of the District of Columbia.
Charles Miller Crouch, of Connecticut.
William C. Dawson, Jr., of Kentucky.
David P. Good, of Virginia.
Arthur E. Green, of New York.
Robert B. Hall, of Oregon.
Don Reed Hamilton, of Oklahoma.
Hugh H. Hara, of Illinois.
Beverly C. Hendrix, of Pennsylvania.
Tyrone William Kemp, of New York.
Nicholas Mele, of California.
Diana Moxhay, of New York.
William T. Peters, of Michigan.
Lawrence I. Piotkin, of the District of Columbia.
Ronald J. Post, of California.
Anna M. Romanski, of New Jersey.
Ralph H. Ruedy, of Iowa.
Paul J. Saxton, of Virginia.
John Walsh, of New Jersey.

Foreign Service Information officers of class 5:

Stephen L. Akers, of Connecticut.
Alexander Almasov, of Connecticut.
Rose Susan Berstein, of Rhode Island.
Susan E. Brandt, of Florida.
Mary Ellen Connell, of Florida.
Daryl A. Daniels, of Illinois.
Douglas A. Davidson, of California.
Thomas J. Delaney, of New York.
Carol Doerflein, of New Jersey.
John P. Dwyer, of Connecticut.
Helmut Fischer, of California.
K. Kimberly King, of California.
David Kurakane, of California.
Katherine Inez Lee, of Alabama.
Gary B. MacDonald, of Washington.
Barbara Calandra Moore, of Oregon.
Yolanda Maria Martinez Robinson, of California.
Stephen R. Rounds, of New Hampshire.
Bernard Francis Shinkman, of Virginia.
Charles N. Silver, of Maryland.
Catherine M. Smith, of Connecticut.
Pamela Sherry Sterne, of New York.
Sydnee L. Tyson, of California.
Mark Van Fleet, of Pennsylvania.
Arthur Zegelbone, of Illinois.

Foreign Service Information officers of class 6:

David R. Andresen, of Texas.
Louise Bedichek, of New York.
Cynthia B. Caples, of Texas.
Marianne Craven, of Vermont.
Robert Lee Earle, of Maryland.
David Ettinger, of New Jersey.
Thomas F. X. Haran, Jr., of Massachusetts.
Mary Ann Ignatius, of Hawaii.
Lee James Irwin, of Wisconsin.
J. Michael Korff, of California.
William M. Morgan, of California.
Warren Morningstar, of Utah.
Jeffrey C. Murray, of Maryland.
Edward H. Platte, of the District of Columbia.
John D. Roney, of Missouri.
Margarete Schmidt, of the District of Columbia.
Daniel J. Schuman, of Michigan.
Stephen A. Seche, of Massachusetts.
Patricia L. Sharpe, of Florida.
Holly Stewart, of the District of Columbia.
Craig J. Stromme, of New York.
Walter Theurer, of Texas.

Foreign Service Information officers of class 7:

Ruth A. Kurzbauer, of Ohio.
Gregory Lagana, of Indiana.

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the regular corps of the Public Health Service subject to qualifications therefore as provided by law and regulations:

For permanent promotion:

To be medical director

Kenneth S. Brown	Ward B. Hurlburt
Francis Caprio	James D. MacLowry
Frank Clarke	Robert G. Martin
Philip A. Corfman	James E Maynard
Anthony N. Damato	David M. Neville, Jr.
John C. Duffy	Joost J. Oppenheim
James D. Fett	Jacqueline Whang Peng
J. William Flynt, Jr.	Donald L. Randall
Michael M. Frank	John A. Vaillancourt
Robert G. Godersky	John J. Witte
Kenneth L. Herrmann	

To be senior surgeon

George W. Brown	Jerry M. Lyle
Gerald D. Buker	Frank L. Mitchell
Glyn G. Caldwell	Daniel W. Nebert
William A. Eaton	William W. Niemeck
Evan Eisenberg	Thomas J. Porter
Stephen J. Kraus	Lee M. Schmidt
Wojciech A. Krotoski	Albert T. Snoke
Frederick P. Li	Robert W. Sullivan

To be surgeon

Robert S. Blumberg	Kenneth P. Moritsugu
Ronald Fried	Derald L. Seid

To be dental director

Richard R. Baker	Charles H. Hayden
Robert C. Birch	Karl J. Hettwer
Norman L. Clark	John H. Holt
Merwyn C. Crump	Richard D. Lowe
Richard Q. Dunn	Horace E. Lyon
Robert C. Faine	Richard P. Ribisl, Jr.
Paul D. Frazier	Wayne E. Stroud
Ralph A. Frew	

To be senior dental surgeon

Robert W. Beck	John H. Nasi
John P. Clark	Michael W. Roberts
Jerry L. Dickson	John P. Short
J. David Erickson	Harry D. Smole
Stephen Gobel	James B. Sweet
Gene F. Grewell	George T. Ward
Jerry L. Gribble	Steven A. Weiss
Regis M. Nairn	

To be dental surgeon

Thomas G. Atkins	Melvin L. Lerner
Robert J. Collins, Jr.	Reginald Louie
Edward S. Colyer	Robert J. Partak
Richard D. Crockett	Daniel L. Pinson
Merle C. Drew	Donald R. Sciame
David M. Gabelman	Ray P. Vanderhook
James C. Hamilton	
Richard L. Hetherington	

To be nurse director

Kathryn G. Ames	Ellen I. McDonald
Jennifer Boondas	Annette McLemore
Virginia B. Brown	June G. Michalski
Celeste B. Evans	M. Ethel Payne
Janet L. Lunceford	

To be senior nurse officer

Katharine A. Callaway	Donna G. Roehl
Thomas P. Phillips	Sadie J. Stout

To be nurse officer

Suzanne Dahlman	Gail M. Tidmore
Paul A. Ducommun	Daniel J. Walz
Kathleen A. Moore	

To be senior assistant nurse officer

Larry R. Tripp

To be engineer director

James H. Eagen	Joseph M. Hans, Jr.
Santo A. Furfari	John J. Henderson
Lawrence P. Gazda	Anton J. Muhich

To be senior engineer officer

Donald A. Anderson	William F. Johnson
Robert L. Boln, Jr.	Richard Liberace
William L. Brinck	Edwin C. Lippy
Jerry L. Butler	Troy Marceleno
John D. Clem	William F. Martin
Jackie Demarco	James C. Meredith
Cyde J. Dial	F. Warren Norris, Jr.
Leslie M. Dunn	James G. Payne, Jr.
Tommie E. Flora	Claude A. J. Schleyer
Walter E. Gundaker	Keith R. Sherer
Robert E. Hatten	Roger T. Shigehara
William F. Holcomb	Chester L. Tate, Jr.
Michael E. Jensen	James E. Warren
Raymond H. Johnson, Jr.	

To be engineer officer

Joseph S. Ali	Wallace Hampton
George L. Allen, Jr.	Robert W. Harding
William F. Barnard	Gerald R. Harris
Mark A. Brumbaugh	Robert H. James
Herbert Caudill, Jr.	Paul F. Kanitz
Patrick A. Crotty	Peter C. Karalekas, Jr.
Ronald D. Dobbin	Wayne E. Mohler
William E. Engle	Ralph C. Olsen
Ted W. Fowler	Harvey W. Rogers
C. Lewis Fox, Jr.	

To be scientist director

Robert K. Bergman
Robert G. Patzer
Harley G. Sheffield

To be senior scientist

James E. Davis	Ashley Foster
Stanley A. Edlavitch	Denis J. Prager

To be scientist

John D. Boice, Jr.	Roland A. Garcia
Charles K. Bowles	William A. Kachadorian
Donald L. Campbell	Kenneth Krell
Edward J. Cone	
Robert M. Gagne	

To be sanitarian director

Gene P. Burke	Philip J. Robbins
Harry Haverland	Donald R. Smith
Alfred B. Kline	Geswaldo A. Verrone
John L. Kreimeyer	William P. Wollschlager
Joseph Lovett	Litsey L. Zellner
James W. Pees	
Charles R. Porter	

To be senior sanitarian

Kenneth E. Bailey
William S. Clinger
Theadore H. Ericksen,
Orin O. Evans
Conrad P. Ferrara
Curtis A. Golden
F. Gene Headley
William E. Knestis
Eugene W. Lewis
Jon R. Perry
Donavan C. Shook
Laren J. Sickles
Theodore A. Ziegler

To be sanitarian

Richard A. Lemen
Eladio Perez-Zayas
Michael J. Sacoman
Ray A. Van Ostran
Joseph W. Winkler

To be senior assistant sanitarian

Jack L. Christy

To be veterinary officer director

George M. Baer
David L. Madden

To be senior veterinary officer

James W. Ebert
Charles G. Liddle
John G. Orthoefer

To be veterinary officer

Dennis D. Juranek
Richard E. Race

To be pharmacist director

Clarence L. Fortner
Ronald D. Gilbert
Philip R. Hugill

To be senior pharmacist

Gordon R. Aird
Charles A. Branagan, Jr.
Emil L. Cekada
Joseph H. Deffenbaugh, Jr.
John T. Gimon
Sydney H. Hamet
Samuel C. Ingraham III
Kent T. Johnson
Jackie L. Knight
John J. Lucas
Jules M. Meisler
James E. Mills
Richard A. Moss
Andrew J. Passeri, Jr.
William H. Peterson, Jr.
Francis A. Quam
Robert J. Schollard

To be pharmacist

Cletis V. Bonnett
Homer R. Burton
David C. Ewing
Roger D. Gorton
Stephen C. Croft
James K. Hooper
Tillman H. Hughes
Edgar R. Jeter
Christopher P. Konrad
Gary L. Nelson
William C. Robinson, Jr.
Robert J. Tonelli
John M. Twitty
Joseph C. Whitaker

To be senior assistant pharmacist

Michael F. Breckinridge
Roy S. Cram, Jr.
Robert B. Oshida
Larry A. Pfeifer
Gordon W. Reiter
George R. Schmidt
Larry C. Steward

To be senior dietitian

Barbara H. Dennis

To be therapist director

Richard S. Mazzacone
Robert D. Skinner
Ronnie E. Townsend
William D. Wallis

To be senior therapist

Donald S. Henderson
Jonathan T. Spry
Leonard A. Stone

To be therapist

Robert E. Mansell
Margaret A. Wilson

To be senior assistant therapist

Bruce P. Klein

To be health services director

Owen L. Ellingson
Arthur N. Jarvis
Reginald A. Spindler
William K. Young, Jr.

To be senior health services officer

Harold A. Bond
Joseph A. Brennan, Jr.
William J. Brown
David W. Callagy
James E. Hamilton
Thomas J. Keast
Barbara A. Maxwell
Bert L. Murphy
Edward B. Radden
Elmer G. Renegar, Jr.
Edwin P. Yarnell

To be health services officer

Robert J. Battjes
Paul A. Dickson
John R. Heinz
Bruce A. Herman
John E. Hickey
Daniel A. Hoffman
Michael J. Kennedy
Richard E. Lippman
Frederick J. Miller
Jennings E. Partridge
John H. Peterson
Fred M. Randall
Paul F. Schulze
David R. Selby
Stuart M. Swayze
Thomas C. Voskuhl

To be senior assistant health services officer

Raymond L. Clark
Kenneth C. Diepold
Paul Durand
Alfred G. Fahlstedt
Robert P. Nugent

IN THE COAST GUARD

The following-named commanders of the Coast Guard Reserve to be permanent commissioned officers in the Coast Guard Reserve in the grade of captain:

Welton H. Jones, Jr.
David A. Wills
Robert K. Mills
Philip L. Adair
Harry Y. Char
William B. Christy
Richard R. Kuhn
Ronald P. Hunter
George H. Peck, III
Jerome J. Salomone
Henry H. Odom
Jay H. Pearson
Clarence F. Smith, Jr.
Daniel E. Williams
Allyn S. Norton, Jr.
Kerney W. Bolton
Roger L. Oberndorf
Richard E. Wheeler
George M. Pettyjohn
Frederick J. Turner
Richard H. Crawford
John M. Bohunsky, Jr.
Ora F. Fraze, III
Marcus J. Wallace, Jr.

The following officers of the United States Coast Guard for promotion to the grade of lieutenant commander:

John L. Glen
Gary L. Gregory
Kenneth M. Coffland
David F. Wallace
Thomas A. Rummel
Robert M. Letourneau
William J. Seney
Robert C. Dorfler
Pedro G. Filipowsky
David L. Edwards
Kenneth S. Shepard, Jr.
William R. Phillips
Steven W. Vagts
Harry A. Vaughan
Terry L. Lott
James D. Manclark
Eric E. Erickson
William A. Dickerson III
James H. Williams
Alexandre Legault
James L. McClinton
Michael J. Haucke
Mark E. Charbonneau
Bernard P. Obrien, Jr.
Jerry W. Degan
Gaetano Martini
Douglas R. Halsey
Robert A. Taylor
Jon A. Thulin
Bruce I. Merchant
Bruce K. Klimek
Robert W. Montfort
William R. Miller
William A. Cassels
Robert G. Vorthman, Jr.
Russel J. Lutz
Richard T. Bartlett
Ronald D. Reck
Bruce M. Wallisch
John R. Frost
Leonard F. Bosma
William S. Davis
Jack L. Buri
Stephen V. Hughes III
Roger T. Argalas
Larry A. Doyle
Edward G. Rosenberg
Brian G. Basel
Laird H. Hall
Gordon N. Hanson
John J. Murray, Jr.
John T. Sugimoto
Dennis G. Beck
Steven C. Borloz
Benjamin J. Stoppe, Jr.
Richard R. Mead
Gary L. Frago
Patrick M. Stillman
Dennis M. Egan
Penn F. Shade
David A. Rogers
Bienvenido Abiles
Winston S. Jones
Thomas P. Dolan
Richard A. Knee
Stephen R. Osmer
James W. Norton
Bruce E. Melnick
William R. Armstrong
Marlin L. Shelton
Edward J. Peak
Thomas H. Gilmour
Richard J. Sellers
Craig P. Coy
William H. Wissman
Christopher G. Burns
Arthur E. Crostick
Joseph A. Stimatz
Arthur R. Butler
Norman B. Henslee
Dennis D. Rome
Edmond P. Thompson
Robert J. Wells, Jr.
Terry W. Newell
James W. Gormanson
Harry W. Forster, Jr.
Steve S. Sheek
Lawrence G. Brudnicki
James M. Alderson
Frederic R. Gill
Jimmy Ng
Danny D. Benefield
John C. Malmrose
Richard T. Buckingham
Walter G. Johnson
Charles F. Klingler
Joseph M. Kyle, Jr.
Thomas D. Yearout
Charles B. Williams
Clay A. Fust
James F. McEntire, Jr.
Henry F. Baley, IV
Erroll M. Brown
Michael D. Shidle
Hampton E. Beasley, Jr.
Patrick J. Popieski
John W. Whitehouse
Ronald C. Gonski
Phillip C. Smith
Alan D. Summy
Carl R. Smith
Thomas J. Meyers
James E. Whiting
Jan. E. Terveen
James M. Cooper
Joseph H. Jones, Jr.
James W. Meyer
Mark D. Noll, Jr.
Gary M. Heil
Michael D. Hathaway
Tim B. Doherty
Wayne H. Ogle
James W. Underwood
Edwin E. Rollison, Jr.
Hugh T. Grant
Danny J. Sanromani
Gary R. Westling
Richard W. Withers
James L. Rohn
Edward E. Page
Bradley J. Niesen
Gary L. Swan
Robert D. Innes, Jr.
William B. Turek
Paul L. Barger
Dean L. Harder

The following graduate of the Coast Guard Academy to be a permanent commissioned officer in the Coast Guard in the grade of ensign:

Michael P. Farrell

IN THE AIR FORCE

The following-named officers for promotion as a Reserve of the Air Force, under the appropriate provisions of chapter 35 and 837, title 10, United States Code.

LINE OF THE AIR FORCE

Lieutenant colonel to colonel

Abbee, James G., xxx-xx-xxxx.
Adams, Edwin H., Jr., xxx-xx-xxxx.
Albi, Joseph R., xxx-xx-xxxx.
Alton, Thomas W., xxx-xx-xxxx.
Archer, Stuart H., xxx-xx-xxxx.
Ary, Charles D., xxx-xx-xxxx.
Baldwin, Harold R., xxx-xx-xxxx.
Barmore, Gaston C., Jr., xxx-xx-xxxx.
Bates, James M., xxx-xx-xxxx.
Baumer, Gerald C., xxx-xx-xxxx.
Bennett, Joe E., xxx-xx-xxxx.
Bermel, Blaine L., xxx-xx-xxxx.
Boffin, Kenneth G., xxx-xx-xxxx.
Boyd, Clifton E., xxx-xx-xxxx.
Bressi, Samuel N., Jr., xxx-xx-xxxx.
Briant, Robert C., xxx-xx-xxxx.
Brooks, Raymond M., xxx-xx-xxxx.
Buckel, Charles A., xxx-xx-xxxx.
Buehler, Norman C., xxx-xx-xxxx.
Bustamante, Elizabeth L., xxx-xx-xxxx.
Caldwell, Dana T., xxx-xx-xxxx.
Campbell, Conrad E., xxx-xx-xxxx.
Carpenter, Shirley M., xxx-xx-xxxx.
Carpenter, William L., xxx-xx-xxxx.
Carr, William H., xxx-xx-xxxx.
Chambliss, Alton M., xxx-xx-xxxx.
Chase, Norman E., xxx-xx-xxxx.
Cobb, Laurence A., xxx-xx-xxxx.
Colson, Kenneth R., xxx-xx-xxxx.
Compton, Roger B., xxx-xx-xxxx.
Conroe, Wallace W., xxx-xx-xxxx.
Copenhaver, James D., xxx-xx-xxxx.
Crump, Gerald F., xxx-xx-xxxx.
Dawson, David S., Jr., xxx-xx-xxxx.
Dewitt, William E., xxx-xx-xxxx.
Dolin, Phyllis A., xxx-xx-xxxx.
Dove, Edgar C., xxx-xx-xxxx.
Duckwitz, William G., xxx-xx-xxxx.
Duddy, John H., III, xxx-xx-xxxx.
Edrington, John D., Jr., xxx-xx-xxxx.
Ennis, George S., Jr., xxx-xx-xxxx.
Epstein, Heinz, C., xxx-xx-xxxx.
Erwine, Everett D., xxx-xx-xxxx.
Estrella, George, xxx-xx-xxxx.
Evans, David J., xxx-xx-xxxx.
Fean, Robert A., xxx-xx-xxxx.
Filleau, Clifford R., xxx-xx-xxxx.
Fischer, Robert H., xxx-xx-xxxx.
Fordham, Lawrence C., xxx-xx-xxxx.
Freeman, William H., Jr., xxx-xx-xxxx.
Freytag, Richard A., xxx-xx-xxxx.
Fuller, William T., Jr., xxx-xx-xxxx.
Furukawa, Joseph K., xxx-xx-xxxx.

Gaston, Leonard G. xxx-xx-xxxx.
Glass, Charles S. xxx-xx-xxxx.
Glover, Harlan W. xxx-xx-xxxx.
Goldfarb, Abraham xxx-xx-xxxx.
Gorman, Irwin xxx-xx-xxxx.
Griffin, Edward L. xxx-xx-xxxx.
Guidice, Donald A. xxx-xx-xxxx.
Guinouard, Donald E. xxx-xx-xxxx.
Hafler, Harry A. xxx-xx-xxxx.
Hamer, James E. xxx-xx-xxxx.
Hanaway, James F., Jr. xxx-xx-xxxx.
Hart, James W., Jr. xxx-xx-xxxx.
Hellauer, Joseph F., Jr. xxx-xx-xxxx.
Hermann, Peter J. xxx-xx-xxxx.
Hillman, Donald W. xxx-xx-xxxx.
Idrogo, Samuel xxx-xx-xxxx.
Jackson, Michael H. xxx-xx-xxxx.
Jenkins, Joseph F. xxx-xx-xxxx.
Jensencurrie, Laura B. xxx-xx-xxxx.
Jones, Thomas M., Jr. xxx-xx-xxxx.
Justin, James G. xxx-xx-xxxx.
Keegan, Dennis F. xxx-xx-xxxx.
Kemp, Thomas D., III xxx-xx-xxxx.
Kingston, George xxx-xx-xxxx.
Klein, Jacques P. xxx-xx-xxxx.
Kloess, Lawrence H., Jr. xxx-xx-xxxx.
Knight, Roger G. xxx-xx-xxxx.
Koselka, William J. xxx-xx-xxxx.
Kumler, David A. xxx-xx-xxxx.
Larson, Alric T. xxx-xx-xxxx.
Latimer, George W., Jr. xxx-xx-xxxx.
Laub, Dale J. xxx-xx-xxxx.
Lindstrom, Richard E. xxx-xx-xxxx.
Linkous, Rodney L. xxx-xx-xxxx.
Lusk, Edward E. xxx-xx-xxxx.
Mason, Allen S. xxx-xx-xxxx.
McAnally, Samuel D. xxx-xx-xxxx.
McDermott, Leo B., Jr. xxx-xx-xxxx.
McGee, James R. xxx-xx-xxxx.
McKeown, Frank J. xxx-xx-xxxx.
McLaughlin, George G. xxx-xx-xxxx.
McNulty, Edward J. xxx-xx-xxxx.
Mench, Edwin E., Jr. xxx-xx-xxxx.
Meyers, William E. xxx-xx-xxxx.
Milbrandt, Ransom J. xxx-xx-xxxx.
Monan, Gerald E. xxx-xx-xxxx.
Monczewski, Matthew E. xxx-xx-xxxx.
Mulvihill, Jeremiah J. xxx-xx-xxxx.
Nesbitt, John R. xxx-xx-xxxx.
O'Donohue, Daniel J., Jr. xxx-xx-xxxx.
Olmeda, Edward J. xxx-xx-xxxx.
Pantone, Donald M. xxx-xx-xxxx.
Pappert, Eugene X. xxx-xx-xxxx.
Paskevicz, Louis xxx-xx-xxxx.
Peden, Roger L. xxx-xx-xxxx.
Perciballi, Angelo J. xxx-xx-xxxx.
Perrin, James E. xxx-xx-xxxx.
Petersen, Robert G. xxx-xx-xxxx.
Porter, Samuel R. xxx-xx-xxxx.
Prevallet, Donald E. xxx-xx-xxxx.
Ranson, James C. xxx-xx-xxxx.
Redmond, Glenn W. xxx-xx-xxxx.
Rehm, Jerry T. xxx-xx-xxxx.
Robbins, Wayne K. xxx-xx-xxxx.
Robertson, Gilbert A. xxx-xx-xxxx.
Robertson, Wesley L., III xxx-xx-xxxx.
Roth, Donald C. xxx-xx-xxxx.
Sanders, Ned M. xxx-xx-xxxx.
Schloesser, Stanley F. xxx-xx-xxxx.
Schornstein, Stuart J. xxx-xx-xxxx.
Sefchik, Francis T. xxx-xx-xxxx.
Sharp, Richard M. xxx-xx-xxxx.
Simon, James E. xxx-xx-xxxx.
Smith, Clarence E., Jr. xxx-xx-xxxx.
Smith, Jerrold F. xxx-xx-xxxx.
Smith, John H., Jr. xxx-xx-xxxx.
Smith, John R. xxx-xx-xxxx.
Smith, Roy I., Jr. xxx-xx-xxxx.
Snow, William A. xxx-xx-xxxx.
Standfield, Eugene F. xxx-xx-xxxx.
Stanton, Ronald L. xxx-xx-xxxx.
Steele, John J., Jr. xxx-xx-xxxx.
Streeter, Richard G. xxx-xx-xxxx.
Sullivan, Eugene F., Jr. xxx-xx-xxxx.
Thomas, James A. xxx-xx-xxxx.
Thomson, David A. xxx-xx-xxxx.
Tidwell, Frank R. xxx-xx-xxxx.
Toolson, Gene A. xxx-xx-xxxx.
Torpy, Charles R. xxx-xx-xxxx.
Trimble, Preston A. xxx-xx-xxxx.
Troyer, Thomas G. xxx-xx-xxxx.
Turano, Eugene A. xxx-xx-xxxx.
Viener, Rudolph, III xxx-xx-xxxx.
Vorwald, Guenter W. xxx-xx-xxxx.
Waller, Alan M. xxx-xx-xxxx.
Watkins, James V. xxx-xx-xxxx.
Watson, Joe N. xxx-xx-xxxx.
Watson, Robert C. xxx-xx-xxxx.
Weiss, Joel M. xxx-xx-xxxx.
Williams, Don V. xxx-xx-xxxx.
Williams, Jimmie M. xxx-xx-xxxx.
Wilson, Charles G. xxx-xx-xxxx.
Wilson, Larry W. xxx-xx-xxxx.
Wolfe, Wayne D. xxx-xx-xxxx.
Wood, Bruce P. xxx-xx-xxxx.
Wright, Robert L. xxx-xx-xxxx.

CHAPLAIN CORPS

Andreasen, Samuel G. xxx-xx-xxxx.
Duggan, Paul E. xxx-xx-xxxx.
Herrstrom, Brewster C. xxx-xx-xxxx.
Pielemeier, Gary L. xxx-xx-xxxx.
Prendergast, Thomas J. xxx-xx-xxxx.
Rhett, William P., Jr. xxx-xx-xxxx.
Tolbert, I. V., xxx-xx-xxxx.
Whitehouse, Donald S. xxx-xx-xxxx.

DENTAL CORPS

Kay, William D., xxx-xx-xxxx.
Reger, Roy H. xxx-xx-xxxx.
Robinson, Harold D. xxx-xx-xxxx.

MEDICAL CORPS

Abramo, Arnold A. xxx-xx-xxxx.
Baser, Ali N., xxx-xx-xxxx.
Bost, Charles R. xxx-xx-xxxx.
Britt, Darryl B. xxx-xx-xxxx.
Broome, Larry G. xxx-xx-xxxx.
Christman, James E. xxx-xx-xxxx.
Cooper, James T. xxx-xx-xxxx.
Darienzo, Charles M. xxx-xx-xxxx.
Davis, Merritt G., Jr. xxx-xx-xxxx.
Desanto, Lawrence W. xxx-xx-xxxx.
Dinmore, Richard C. xxx-xx-xxxx.
Egan, Robert C. xxx-xx-xxxx.
Fisher, John A. xxx-xx-xxxx.
Fry, Harold H. xxx-xx-xxxx.
Gensler, Thomas D. xxx-xx-xxxx.
Goff, Terry H. xxx-xx-xxxx.
Graham, John L. xxx-xx-xxxx.
Griffin, Robert P. xxx-xx-xxxx.
Hafermann, David R. xxx-xx-xxxx.
Hard, Benjamin F. xxx-xx-xxxx.
Harville, Victor L., Jr. xxx-xx-xxxx.
Hucke, Samuel T., Jr. xxx-xx-xxxx.
Janes, Robert G. xxx-xx-xxxx.
Kuhn, Charles R. xxx-xx-xxxx.
Lamb, Johnny M. xxx-xx-xxxx.
Lansford, Doyle K. xxx-xx-xxxx.
Lee, Chang H. xxx-xx-xxxx.
Mabeus, Duane F. xxx-xx-xxxx.
Mapes, Donald L. xxx-xx-xxxx.
Martin, Archibald M. xxx-xx-xxxx.
Meyer, James E. xxx-xx-xxxx.
Miller, James B. xxx-xx-xxxx.
Mills, Billy G. xxx-xx-xxxx.
Nathan, Lester A. xxx-xx-xxxx.
Nielsen, John R. xxx-xx-xxxx.
Postles, William T. xxx-xx-xxxx.
Rivera, Antonio M. xxx-xx-xxxx.
Sacchetti, Louis J. xxx-xx-xxxx.
Schwab, Edward T. xxx-xx-xxxx.
Wasserman, James M. xxx-xx-xxxx.
Watters, John A., Jr. xxx-xx-xxxx.

NURSE CORPS

Butler, Norma J. xxx-xx-xxxx.
Cruse, Annie H. xxx-xx-xxxx.
David, Joy M., xxx-xx-xxxx.
Diehl, Joyce M., xxx-xx-xxxx.
Finnegan, James B. xxx-xx-xxxx.
Gray, Joan I. xxx-xx-xxxx.
Hewitson, Joyce C. xxx-xx-xxxx.
Iverson, Carol J. xxx-xx-xxxx.
Liberty, Gail N. xxx-xx-xxxx.
Mahoney, Margaret J. xxx-xx-xxxx.
May, Peggy S., xxx-xx-xxxx.
Melnik, Clara A., xxx-xx-xxxx.
Mursch, Sara B. xxx-xx-xxxx.
Prue, Mildred S. xxx-xx-xxxx.
Spors, Hiltrud G. xxx-xx-xxxx.
Thomas, Loretta A. xxx-xx-xxxx.

MEDICAL SERVICE CORPS

Patrick, John F. xxx-xx-xxxx.
Pearce, James T. xxx-xx-xxxx.
Wilson, Charles E. xxx-xx-xxxx.

BIOMEDICAL SCIENCE

Brunner, George D. xxx-xx-xxxx.
Carter, Phyllis A. xxx-xx-xxxx.
Christenberry, Curtis C. xxx-xx-xxxx.
Craig, Dan J. xxx-xx-xxxx.
Kamerbeek, Maria G. xxx-xx-xxxx.
Snyder, Gerald R. xxx-xx-xxxx.

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a) title 10 of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. Larry K. Arnold, xxx-xx-xxxx.
Maj. Charles M. Baier, Jr., xxx-xx-xxxx.
Maj. James F. Barto, xxx-xx-xxxx.
Maj. Gary A. Brewington, xxx-xx-xxxx.
Maj. John D. Brownlee, xxx-xx-xxxx.
Maj. Robert A. Bunn, xxx-xx-xxxx.
Maj. John D. Calvin, xxx-xx-xxxx.
Maj. Richard C. Cosgrave, xxx-xx-xxxx.
Maj. John R. Dockendorff, xxx-xx-xxxx.
Maj. Warren J. Drouhard, Jr. xxx-xx-xxxx.
Maj. Paul D. Duvall, xxx-xx-xxxx.
Maj. John S. Gerber, Jr. xxx-xx-xxxx.
Maj. Tommy R. Gilbert, xxx-xx-xxxx.
Maj. Richard A. Guglielmi, xxx-xx-xxxx.
Maj. Harry B. Hoover, Jr., xxx-xx-xxxx.
Maj. Robert A. Hotchkiss, xxx-xx-xxxx.
Maj. Armin R. Lichtfuss, xxx-xx-xxxx.
Maj. George L. Lickman, xxx-xx-xxxx.
Maj. Melvyn S. Montano, xxx-xx-xxxx.
Maj. Thomas W. Myers, xxx-xx-xxxx.
Maj. Gerald B. Olender, xxx-xx-xxxx.
Maj. Jack C. Paterno, Jr. xxx-xx-xxxx.
Maj. Dewey R. Preslar, xxx-xx-xxxx.
Maj. David J. Rist, xxx-xx-xxxx.
Maj. David M. Rodrigues, xxx-xx-xxxx.
Maj. Joseph K. Simeone, xxx-xx-xxxx.
Maj. Richard D. Switzer, xxx-xx-xxxx.
Maj. Harold R. Tollefson, xxx-xx-xxxx.

JUDGE ADVOCATE

Maj. Robert V. Paschon, xxx-xx-xxxx.
Maj. Charles E. Racine, xxx-xx-xxxx.

CHAPLAIN

Maj. Harold G. Geiss, xxx-xx-xxxx.
Maj. James A. Kees, xxx-xx-xxxx.

MEDICAL CORPS

Maj. Rudolf G. Carlstein, xxx-xx-xxxx.
Maj. Richard O. Reinhart, xxx-xx-xxxx.
Maj. Philip E. Zongker, xxx-xx-xxxx.

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under provisions of title 10, United States Code, sections 3305; 3284 and 3299:

MEDICAL CORPS

To be colonel

Brandel, George P., xxx-xx-xxxx.
Gardner, Richard M., xxx-xx-xxxx.

DENTAL CORPS

To be colonel

Hoffman, Jerry I., xxx-xx-xxxx.

MEDICAL SERVICE CORPS

To be colonel

Gillespie, Ronald L., xxx-xx-xxxx.

ARMY PROMOTION LIST

To be lieutenant colonel

Collins, Billy C., xxx-xx-xxxx.
Davis, Donald R., xxx-xx-xxxx.
Lehrfeld, William R. xxx-xx-xxxx.

MEDICAL CORPS

To be lieutenant colonel

Miyazawa, Kunio, xxx-xx-xxxx.
Rumbaugh, James H., xxx-xx-xxxx.

VETERINARY CORPS

To be lieutenant colonel

Bixby, Howard R., xxx-xx-xxxx.

ARMY PROMOTION LIST

To be major

Behnke, Douglas J., xxx-xx-xxxx.
Briggs, Earl D., xxx-xx-xxxx.
Crosby, John W., xxx-xx-xxxx.
Davis, Glenn E., xxx-xx-xxxx.
Dever, Benny J., xxx-xx-xxxx.
Donnellan, Robert F., xxx-xx-xxxx.
Flournoy, John H., Jr., xxx-xx-xxxx.
Freedman, Gary M., xxx-xx-xxxx.
Frost, Jerry D., xxx-xx-xxxx.
Grube, Uwe A., xxx-xx-xxxx.
Harrison, Klein S., xxx-xx-xxxx.
Hollis, James B., Jr., xxx-xx-xxxx.
Lloyd, Howard M., Jr., xxx-xx-xxxx.
Millard, Arthur F., xxx-xx-xxxx.
Norton, William E., Jr., xxx-xx-xxxx.
Nowlin, James M., xxx-xx-xxxx.
O'Connor, Joseph E., xxx-xx-xxxx.
Peck, Daniel J., xxx-xx-xxxx.
Remencus, Brooks E., xxx-xx-xxxx.
Rice, Frances P., xxx-xx-xxxx.
Rosebeary, Michael L., xxx-xx-xxxx.
Schleicher, Juergen H., xxx-xx-xxxx.
Severson, Barton E., xxx-xx-xxxx.
Simiele, Frank A., xxx-xx-xxxx.
Small, Harry C. Jr., xxx-xx-xxxx.
Steve, Joseph A., Jr., xxx-xx-xxxx.
Talbert, David A., xxx-xx-xxxx.
Tom, Jeffrey G., xxx-xx-xxxx.
Trevino, Visente V., xxx-xx-xxxx.

ARMY PROMOTION LIST

To be captain

Burke, Michael A., xxx-xx-xxxx.
East, Robert B., xxx-xx-xxxx.
Davis, Jay L., xxx-xx-xxxx.
Gamboa, Donna G., xxx-xx-xxxx.
Holland, Paul R., III, xxx-xx-xxxx.
Kastner, William G., xxx-xx-xxxx.
Kendall, Mariyln J., xxx-xx-xxxx.
Lyons, David L., xxx-xx-xxxx.
Mills, David F., xxx-xx-xxxx.
Morris, William R., III, xxx-xx-xxxx.
Morrison, Linda L., xxx-xx-xxxx.
Obermeyer, Kenneth M., xxx-xx-xxxx.
Peer, Stephen M., xxx-xx-xxxx.
Reaney, David W., xxx-xx-xxxx.
Rose, Charles A., xxx-xx-xxxx.
Rynearson, Charles B., xxx-xx-xxxx.
Seigler, Robert D., xxx-xx-xxxx.
Simmons, Hollis E., III, xxx-xx-xxxx.

MEDICAL CORPS

To be captain

Harper, Michael G., xxx-xx-xxxx.

The following-named officers for promotion in the Army of the United States, under provisions of title 10, United States Code, sections 3442 and 3447:

ARMY PROMOTION LIST

To be colonel

Crerar, John H., II, xxx-xx-xxxx.
Deshields, Charles E., xxx-xx-xxxx.
Howell, Leamon E., xxx-xx-xxxx.
McKee, William S., xxx-xx-xxxx.

DENTAL CORPS

To be colonel

Jastrzembski, Steve V., xxx-xx-xxxx.
Stanton, Gary A., xxx-xx-xxxx.

MEDICAL CORPS

To be colonel

Bell, Exter F., Jr., xxx-xx-xxxx.
Collin, Daniel B., xxx-xx-xxxx.

ARMY PROMOTION LIST

To be lieutenant colonel

Barcena, Luis C., xxx-xx-xxxx.
Batts, William M., III, xxx-xx-xxxx.
Buford, Lauren D., xxx-xx-xxxx.
Burelli, Robert C., xxx-xx-xxxx.
Chamberlain, Wayne J., xxx-xx-xxxx.
Clay, James E., xxx-xx-xxxx.
Clegg, Ronald W., xxx-xx-xxxx.
Covalucci, Robert J., xxx-xx-xxxx.
Draper, Floyd L., xxx-xx-xxxx.
Eveleth, Robert G., xxx-xx-xxxx.
Gibbs, Terrence H., xxx-xx-xxxx.
Gonzales-Rodriquez, Francisco, xxx-xx-xx...
Greene, Mervin W., xxx-xx-xxxx.
Halker, William H., Jr., xxx-xx-xxxx.
Jackman, William L., xxx-xx-xxxx.
Levanson, Joel S., xxx-xx-xxxx.
Orenstein, Leo R., xxx-xx-xxxx.
Primm, Columbus F., Jr., xxx-xx-xxxx.
Rasmussen, Delbert T., xxx-xx-xxxx.
Rezek, Ronald E., xxx-xx-xxxx.
Rinaldo, Richard J., xxx-xx-xxxx.
Thames, John W., Jr., xxx-xx-xxxx.
Watts, Robert P., Sr., xxx-xx-xxxx.
Weise, David G., xxx-xx-xxxx.
Zebell, Robert A., xxx-xx-xxxx.

MEDICAL CORPS

To be lieutenant colonel

Farrell, Shari L., xxx-xx-xxxx.
Vyas, Hansa B., xxx-xx-xxxx.
Weaver, Michael, xxx-xx-xxxx.

MEDICAL SERVICE CORPS

To be lieutenant colonel

Muul, Illar, xxx-xx-xxxx.
Ward, Stewart R., xxx-xx-xxxx.

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 3370 and 3383:

ARMY PROMOTION LIST

To be colonel

Bilbrey, Robert E., xxx-xx-xxxx.
Culbreath, Richard A., xxx-xx-xxxx.
Culmer, James D., xxx-xx-xxxx.
Gillen, Richard F., xxx-xx-xxxx.
Herrmann, Thomas A., xxx-xx-xxxx.
Huseland, Stanley A., xxx-xx-xxxx.
Magrogan, Francis G., xxx-xx-xxxx.
Winkler, Jack L., xxx-xx-xxxx.

CHAPLAIN

To be colonel

Eastham, Frederick, xxx-xx-xxxx.
Johnson, Robert R., xxx-xx-xxxx.

The following-named officers for promotion in the Reserve of the Army of the United States under the provisions of title 10, United States Code, sections 3370 and 3383:

ARMY PROMOTION LIST

To be lieutenant colonel

Abrahamson, Ray S., xxx-xx-xxxx.
Adams, Charles K., xxx-xx-xxxx.
Adams, Linthon C., xxx-xx-xxxx.
Adams, William K., xxx-xx-xxxx.
Ahern, John M., xxx-xx-xxxx.
Albino, Salvatore W., xxx-xx-xxxx.
Aldrich, Leon C., xxx-xx-xxxx.
Alexander, John R., xxx-xx-xxxx.
Allen, Paul F., xxx-xx-xxxx.
Alverson, William K., xxx-xx-xxxx.
Amerson, Larry C., xxx-xx-xxxx.
Amirault, Robert J., xxx-xx-xxxx.
Ancelin, Donald R., xxx-xx-xxxx.
Anderson, Charles W., xxx-xx-xxxx.
Anderson, John E., xxx-xx-xxxx.
Anderson, Leonard H., xxx-xx-xxxx.
Anderson, Robert O., xxx-xx-xxxx.
Anduss, Lynn E., xxx-xx-xxxx.
Armacost, James A., xxx-xx-xxxx.
Armstrong, Alan L., xxx-xx-xxxx.
Armstrong, Charles, xxx-xx-xxxx.
Arnott, Thomas P., xxx-xx-xxxx.
Arrington, R. L., xxx-xx-xxxx.
Auen, Harold K., xxx-xx-xxxx.
Ausley, Joseph M., JF., xxx-xx-xxxx.
Austin, Duane, xxx-xx-xxxx.
Austin, Louis W., xxx-xx-xxxx.
Autrey, Willie E., xxx-xx-xxxx.
Avitabile, Louis N., xxx-xx-xxxx.
Ayers, Robert D., xxx-xx-xxxx.
Baal, John M., xxx-xx-xxxx.
Babcock, Charles B., xxx-xx-xxxx.
Baca, Gilbert S., xxx-xx-xxxx.
Badalian, Hrair, xxx-xx-xxxx.
Bailes, Elbert L., xxx-xx-xxxx.
Bailey, C. D., Jr., xxx-xx-xxxx.
Bailey, Joseph B., xxx-xx-xxxx.
Bailey, Joseph W., xxx-xx-xxxx.
Bailey, Thomas H., xxx-xx-xxxx.
Baize, Billy D., xxx-xx-xxxx.
Baker, John L., xxx-xx-xxxx.
Ball, Elizabeth C., xxx-xx-xxxx.
Banks, William J., xxx-xx-xxxx.
Barland, Gordon H., xxx-xx-xxxx.
Barnhart, Fred P., xxx-xx-xxxx.
Barrows, Raymond R., xxx-xx-xxxx.
Barrs, Robert F., xxx-xx-xxxx.
Bartels, Larry T., xxx-xx-xxxx.
Bartkus, Albert A., xxx-xx-xxxx.
Barton, David C., xxx-xx-xxxx.
Barton, Kenneth P., xxx-xx-xxxx.
Batterson, James R., xxx-xx-xxxx.
Bauer, Joseph L., xxx-xx-xxxx.
Bayliss, M. A., Jr., xxx-xx-xxxx.
Beach, Ted A., xxx-xx-xxxx.
Beatty, Norman G., xxx-xx-xxxx.
Beatty, Norman H., xxx-xx-xxxx.
Beckle, Robert E., xxx-xx-xxxx.
Beckno, John, Jr., xxx-xx-xxxx.
Becton, Herbert E., xxx-xx-xxxx.
Belanger, Joseph A., xxx-xx-xxxx.
Bellis, Edward A., xxx-xx-xxxx.
Benson, Sumner, xxx-xx-xxxx.
Berry, James L., xxx-xx-xxxx.
Birberick, John R., xxx-xx-xxxx.
Bishop, Noyes S., Jr., xxx-xx-xxxx.
Bissonnette, Robert, xxx-xx-xxxx.
Black, Willie F., Jr., xxx-xx-xxxx.
Blackstad, James P., xxx-xx-xxxx.
Blair, Jimmy S., xxx-xx-xxxx.
Blake, William L., xxx-xx-xxxx.
Blalock, Kenneth H., xxx-xx-xxxx.
Blank, Gerald L., xxx-xx-xxxx.
Blauvelt, James A., xxx-xx-xxxx.
Blue, Dorsey D., xxx-xx-xxxx.
Boarnet, Bernard N., xxx-xx-xxxx.
Boatright, Spessard, xxx-xx-xxxx.
Bobnick, James E., xxx-xx-xxxx.
Bode, Jerome G., xxx-xx-xxxx.
Bodisco, Michael A., xxx-xx-xxxx.
Bonaccorso, Santo L., xxx-xx-xxxx.
Bonanno, Jack F., xxx-xx-xxxx.
Booker, Marshall L., xxx-xx-xxxx.
Boone, Daniel R., xxx-xx-xxxx.
Boone, John M., xxx-xx-xxxx.
Borden, Charles A., xxx-xx-xxxx.
Borel, Charles E., xxx-xx-xxxx.
Boring, Franklin E., xxx-xx-xxxx.
Bortree, Walter E., xxx-xx-xxxx.
Botelho, Richard E., xxx-xx-xxxx.
Boterf, Chester A., xxx-xx-xxxx.
Bowden, Jackson R., xxx-xx-xxxx.
Bowe, Howard M., xxx-xx-xxxx.
Bowman, Charles L., xxx-xx-xxxx.
Bowman, William D., xxx-xx-xxxx.
Boysen, Stephen M., xxx-xx-xxxx.
Brace, James B., xxx-xx-xxxx.
Bradlee, William J., xxx-xx-xxxx.
Branch, Jackson A., xxx-xx-xxxx.
Bray, Lloyd L., xxx-xx-xxxx.
Brock, Rogers E., JF., xxx-xx-xxxx.
Brogan, James A., xxx-xx-xxxx.
Brooks, Boyce F., xxx-xx-xxxx.
Brown,. Alan W., xxx-xx-xxxx.
Brown, Conrad I., xxx-xx-xxxx.
Brown, Gerald T., xxx-xx-xxxx.
Brown, James A., xxx-xx-xxxx.
Brown, John L., xxx-xx-xxxx.
Brown, Kenneth W., xxx-xx-xxxx.
Bruce, Robert C., xxx-xx-xxxx.
Brunner, Joseph F., xxx-xx-xxxx.
Brushie, Leonard J., xxx-xx-xxxx.
Bube, Joseph F., xxx-xx-xxxx.
Buck, Richard L., xxx-xx-xxxx.
Buckman, Robert D., xxx-xx-xxxx.
Bullis, Franklin J., xxx-xx-xxxx.
Buntin, Thomas J., xxx-xx-xxxx.
Burke, David E., xxx-xx-xxxx.

Burkett, Robert E., xxx-xx-xxxx
Burnett, James H. Jr., xxx-xx-xxxx
Burnside, Bradley W., xxx-xx-xxxx
Burrows, Leroy T., xxx-xx-xxxx
Bush, Evan M., xxx-xx-xxxx
Butcher, Glen E., xxx-xx-xxxx
Butler, Bennie W., xxx-xx-xxxx
Butler, Herman Jr., xxx-xx-xxxx
Byse, Robert J., xxx-xx-xxxx
Cacciola, Philip P., xxx-xx-xxxx
Cahill, James E. Jr., xxx-xx-xxxx
Caldwell, Haskell J., xxx-xx-xxxx
Callaway, Chas B., xxx-xx-xxxx
Campbell, Mitchell, xxx-xx-xxxx
Cardon, Marvin B., xxx-xx-xxxx
Carlan, Carl R., xxx-xx-xxxx
Carlson, G. E., Jr., xxx-xx-xxxx
Carlton, Frank A., xxx-xx-xxxx
Carpenter, Michael, xxx-xx-xxxx
Carpenter, Neil E., xxx-xx-xxxx
Carrillo-Rivera, Luis M., xxx-xx-xxxx
Carver, James G., xxx-xx-xxxx
Casey, Charles R., xxx-xx-xxxx
Cashman, Frederick, xxx-xx-xxxx
Cassell, Peter I., xxx-xx-xxxx
Cassell, Richard S., xxx-xx-xxxx
Cellini, William F., xxx-xx-xxxx
Chacon, Ray M., xxx-xx-xxxx
Chafin, William V., xxx-xx-xxxx
Chambers, Leslie B., xxx-xx-xxxx
Chapman, Malcolm E., xxx-xx-xxxx
Childress, Russell, xxx-xx-xxxx
Chisholm, Raymond G., xxx-xx-xxxx
Church, Billy R., xxx-xx-xxxx
Cinnamon, Michael M., xxx-xx-xxxx
Clark, Robert L., xxx-xx-xxxx
Clark, William E., xxx-xx-xxxx
Clarke, Warren E., xxx-xx-xxxx
Coffman, Herbert C., xxx-xx-xxxx
Coleman, Martin W., xxx-xx-xxxx
Collard, Kenwood J., xxx-xx-xxxx
Collier, Curtis A., xxx-xx-xxxx
Collins, James T., xxx-xx-xxxx
Collins, Larry W., xxx-xx-xxxx
Collins, Rollin E., xxx-xx-xxxx
Confer, James R., xxx-xx-xxxx
Conlon, Robert C., xxx-xx-xxxx
Conn, Charles C., xxx-xx-xxxx
Connell, Jerry L., xxx-xx-xxxx
Connor, John G., xxx-xx-xxxx
Cook, Gerald L., xxx-xx-xxxx
Cooley, Robert E., xxx-xx-xxxx
Coomer, Carroll M., xxx-xx-xxxx
Cooper, Glenwood L., xxx-xx-xxxx
Copsinis, Jerry S., xxx-xx-xxxx
Cornelius, Marcus M., xxx-xx-xxxx
Cortinez, Robert R., xxx-xx-xxxx
Costa, Louis P., xxx-xx-xxxx
Cotner, Calvin B., xxx-xx-xxxx
Cotton, Charles A., xxx-xx-xxxx
Cowart, Franklin O., xxx-xx-xxxx
Cox, Anthony A., xxx-xx-xxxx
Cox, Charles G., xxx-xx-xxxx
Cox, John G., xxx-xx-xxxx
Craft, Toby W., xxx-xx-xxxx
Crane, Lawrence W., xxx-xx-xxxx
Crawford, Ernest W., xxx-xx-xxxx
Crawford, Everett J., xxx-xx-xxxx
Crittenden, Jerry J., xxx-xx-xxxx
Crockett, Ralph G., xxx-xx-xxxx
Cromwell, George E., xxx-xx-xxxx
Crossley, Ronnie N., xxx-xx-xxxx
Crowley, Robert L., xxx-xx-xxxx
Cruz, Margarito, xxx-xx-xxxx
Culver, Donald E., xxx-xx-xxxx
Curtis, John D., xxx-xx-xxxx
Cusack, John A., xxx-xx-xxxx
Cyr, Ronald T., xxx-xx-xxxx
Czarnecki, William, xxx-xx-xxxx
Damutz, Edward V., xxx-xx-xxxx
Dana, Leroy J., xxx-xx-xxxx
Dancer, Charles R., xxx-xx-xxxx
Dandaneau, George E., xxx-xx-xxxx
Daniel, Jack R., xxx-xx-xxxx
Daniel, James D., xxx-xx-xxxx
Dany, Daniel M., xxx-xx-xxxx
Darpino, Ernest R., xxx-xx-xxxx
David, Raymond S., xxx-xx-xxxx
Davidson, Danny E., xxx-xx-xxxx
Davis, Bobby E., xxx-xx-xxxx
Davis, Curtis E., xxx-xx-xxxx
Davis, Frank D., xxx-xx-xxxx
Davis, Robert H., xxx-xx-xxxx
Davis, Stephen, xxx-xx-xxxx
Davis, William H., xxx-xx-xxxx
Dawson, Floyd, xxx-xx-xxxx
Dayoc, Michael J., xxx-xx-xxxx
Deboer, Edward D., xxx-xx-xxxx
Delatorre, Raul A., xxx-xx-xxxx
Delbridge, Wilfred, xxx-xx-xxxx
Demczak, Ronald J., xxx-xx-xxxx
Dennis, Raymond L., xxx-xx-xxxx
Derham, Richard A., xxx-xx-xxxx
Desormeaux, Emile, xxx-xx-xxxx
Desselle, Edsel J., xxx-xx-xxxx
Dewitt, John L., xxx-xx-xxxx
Diaz, John V., xxx-xx-xxxx
Dichiara, Girlamo, xxx-xx-xxxx
Dickerson, Wallace, xxx-xx-xxxx
Dickman, Arthur J., xxx-xx-xxxx
Dinardo, John R., xxx-xx-xxxx
Dippman, James C., xxx-xx-xxxx
Dirska, Alfred J., xxx-xx-xxxx
Dixon, Charles E., xxx-xx-xxxx
Dobrzykowski, Edward, xxx-xx-xxxx
Doehrman, Kenneth R., xxx-xx-xxxx
Doerler, Charles E., xxx-xx-xxxx
Domalewski, Stanley, xxx-xx-xxxx
Domey, Richard L., xxx-xx-xxxx
Dooley, Russell D., xxx-xx-xxxx
Dorn, Norman K., xxx-xx-xxxx
Dougalas, James A., xxx-xx-xxxx
Douma, Richard, xxx-xx-xxxx
Dowd, Matthew J., xxx-xx-xxxx
Duncan, Bobby S., xxx-xx-xxxx
Duncan, James H., Jr., xxx-xx-xxxx
Dunlap, Leland B., xxx-xx-xxxx
Dunmon, Thomas E., xxx-xx-xxxx
Dunn, David A., xxx-xx-xxxx
Dunn, Marty H., xxx-xx-xxxx
Durbin, Harry M., xxx-xx-xxxx
Durr, Donald D., xxx-xx-xxxx
Dyer, Roger A., xxx-xx-xxxx
Dykes, David W., xxx-xx-xxxx
Dzierzeski, Edward, xxx-xx-xxxx
Dzierzeski, Stanley, xxx-xx-xxxx
Easterling, Jimmy W., xxx-xx-xxxx
Eberhardt, Alan A., xxx-xx-xxxx
Eccles, Daniel L., xxx-xx-xxxx
Eikenberry, Jeris G., xxx-xx-xxxx
Eisenhut, Thomas R., xxx-xx-xxxx
Ellenburg, Carl R., xxx-xx-xxxx
Ellett, Dan A., xxx-xx-xxxx
Elliott, Charles P., xxx-xx-xxxx
Elrod, Jackie W., xxx-xx-xxxx
Epley, Gerald G., xxx-xx-xxxx
Ericksen, Arthur R., xxx-xx-xxxx
Evanco, John E., xxx-xx-xxxx
Evans, James O., xxx-xx-xxxx
Evans, John R., xxx-xx-xxxx
Fahrion, Daniel D., xxx-xx-xxxx
Fairbairn, Grady L., xxx-xx-xxxx
Fasching, Kenneth P., xxx-xx-xxxx
Fellows, Harry K., xxx-xx-xxxx
Fera, Ralph J., xxx-xx-xxxx
Ferebee, Donald L., xxx-xx-xxxx
Ferrene, Otto W., Jr., xxx-xx-xxxx
Ferri, Ronald E., xxx-xx-xxxx
Field, Jerre J., xxx-xx-xxxx
Field, Jerry R., xxx-xx-xxxx
Fields, Michael G., xxx-xx-xxxx
Fields, Thurman M., xxx-xx-xxxx
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Wellman, Allen C., xxx-xx-xxxx.
Wells, Jay L., xxx-xx-xxxx.
Wendel, David J., xxx-xx-xxxx.
Werner, William P., xxx-xx-xxxx.
West, J. B., xxx-xx-xxxx.
West, Worthing L., xxx-xx-xxxx.
Wester, William, xxx-xx-xxxx.
Westermeier, John T., xxx-xx-xxxx.
Wheeler, James H., xxx-xx-xxxx.
Wheeler, Mason W., xxx-xx-xxxx.
Whitfield, Robert J., xxx-xx-xxxx.
Wick, Dennis W. Sr., xxx-xx-xxxx.
Wilkinson, Maurice, xxx-xx-xxxx.
Williams, Jack, xxx-xx-xxxx.
Williams, Jerry D., xxx-xx-xxxx.
Williams, Joseph R., xxx-xx-xxxx.
Williams, Ray E., xxx-xx-xxxx.
Williams, Robert E., xxx-xx-xxxx.
Williams, Wilbert, xxx-xx-xxxx.
Wilson, Robert M., xxx-xx-xxxx.
Winesett, Frank, xxx-xx-xxxx.
Wingers, Johnny M., xxx-xx-xxxx.
Winterle, David D., xxx-xx-xxxx.
Withee, Charles E., xxx-xx-xxxx.
Wither, James D. Jr., xxx-xx-xxxx.
Wolff, James W., xxx-xx-xxxx.
Woll, Joseph E., xxx-xx-xxxx.
Wood, Roy F., xxx-xx-xxxx.
Woods, Richard L. Sr., xxx-xx-xxxx.
Woodward, Bernis A., xxx-xx-xxxx.
Woody, Robert B., xxx-xx-xxxx.
Wright, Hugh M., xxx-xx-xxxx.
Wright, Reverdy E., xxx-xx-xxxx.
Wright, Robert A., xxx-xx-xxxx.
Wrightson, Wilford, xxx-xx-xxxx.
Wurzbacher, Charlie, xxx-xx-xxxx.
Wyman, Peter R., xxx-xx-xxxx.
Yaeger, Carl H., xxx-xx-xxxx.
Yap, Randolph H., xxx-xx-xxxx.
Yarbrough, David W., xxx-xx-xxxx.
Yashima, Wallace K., xxx-xx-xxxx.
Yeary, Warren J., xxx-xx-xxxx.
York, James N., xxx-xx-xxxx.
Young, Doy D., xxx-xx-xxxx.
Young, William D., xxx-xx-xxxx.
Zaic, William L., xxx-xx-xxxx.
Ziebarth, Earl W. Jr., xxx-xx-xxxx.
Zieske, Arthur N., xxx-xx-xxxx.
Zimmerman, Harry G., xxx-xx-xxxx.
Zirkle, William D., xxx-xx-xxxx.
Zolnoski, Vincent J., xxx-xx-xxxx.

CHAPLAIN

To be lieutenant colonel

Abel, Donald W., xxx-xx-xxxx.
Ackley, Robert H., xxx-xx-xxxx.
Anderson, Bruce D., xxx-xx-xxxx.

Arold, Richard J. xxx-xx-xxxx
Arturet-Melendez, A. xxx-xx-xxxx
Baker, Richard C. xxx-xx-xxxx
Banner, Ernest A. xxx-xx-xxxx
Barnett, Dillmus W. xxx-xx-xxxx
Baxter, Gary G. xxx-xx-xxxx
Benonis, Richard R. xxx-xx-xxxx
Berger, Murray J. xxx-xx-xxxx
Betts, Richard M. xxx-xx-xxxx
Bickley, Hugh J. xxx-xx-xxxx
Bradley, Roger L. xxx-xx-xxxx
Bryon, George T. xxx-xx-xxxx
Bunnett, Thomas T. xxx-xx-xxxx
Campbell, Robert L. xxx-xx-xxxx
Carroll, Emmitt T. xxx-xx-xxxx
Cohen, Gary G. xxx-xx-xxxx
Collins, Delton xxx-xx-xxxx
Cooper, Reuel J. xxx-xx-xxxx
Corbett, Clarence L. xxx-xx-xxxx
Daniels, Franklin D. xxx-xx-xxxx
Daniels, James W. xxx-xx-xxxx
Davidson, Neal R. xxx-xx-xxxx
Davis, Charles J. xxx-xx-xxxx
Davis, Daniel O. xxx-xx-xxxx
Deady, Robert M. xxx-xx-xxxx
Dean, Jasper J. xxx-xx-xxxx
Delgehausen, L. E. xxx-xx-xxxx
Dorshimer, John R. xxx-xx-xxxx
Drozd, Henry J. xxx-xx-xxxx
Duncan, Francis J. xxx-xx-xxxx
Flonsh, Phillip M. xxx-xx-xxxx
Fowler, Donald E. xxx-xx-xxxx
Entwistle, Daniell A. xxx-xx-xxxx
Freeman, Eumid N. xxx-xx-xxxx
Gaffney, Edward M. xxx-xx-xxxx
Gardella, Donald L. xxx-xx-xxxx
Garlepy, Robert E. xxx-xx-xxxx
Giudice, Anthony R. xxx-xx-xxxx
Glass, James L. xxx-xx-xxxx
Goforth, Billy E. xxx-xx-xxxx
Gogl, George L. xxx-xx-xxxx
Gorham, Donald H. xxx-xx-xxxx
Green, Jesse C. xxx-xx-xxxx
Guesnier, Rene xxx-xx-xxxx
Hadad, Gerald A. xxx-xx-xxxx
Halvorsen, Richard xxx-xx-xxxx
Hartlage, Albert J. xxx-xx-xxxx
Hoehne, William F. xxx-xx-xxxx
Horn, Elmer G. xxx-xx-xxxx
Hoyme, David A. xxx-xx-xxxx
Huntzingger, Gene xxx-xx-xxxx
Hutchens, James M. xxx-xx-xxxx
Iverson, Virgil G. xxx-xx-xxxx
Jett, Billy C. xxx-xx-xxxx
Johnson, Richard C. xxx-xx-xxxx
Jopp, Frank G. xxx-xx-xxxx
Kastell, Frans R. xxx-xx-xxxx
Keenen, Marvin D. xxx-xx-xxxx
King, Roba L. xxx-xx-xxxx
Knapp, Donald W. xxx-xx-xxxx
Kochanek, Donald R. xxx-xx-xxxx
Kowal, John P. xxx-xx-xxxx
Larson, John L. xxx-xx-xxxx
Lisk, Richard A. xxx-xx-xxxx
Litorja, Marvin C. xxx-xx-xxxx
Lokkesmoe, Robert G. xxx-xx-xxxx
Lovingood, Richard xxx-xx-xxxx
Maddox, Fred L. xxx-xx-xxxx
Marcantonio, Clement xxx-xx-xxxx
Marsh, Robert W. xxx-xx-xxxx
Mask, Robert H. xxx-xx-xxxx
Mason, Alexander M. xxx-xx-xxxx
May, Huel E. xxx-xx-xxxx
McGown, Andrew D. xxx-xx-xxxx
McLean, Richard xxx-xx-xxxx
Michelson, Aaron D. xxx-xx-xxxx
Miles, Joel L. xxx-xx-xxxx
Mills, Harold L. xxx-xx-xxxx
Mirtz, Benjamin F. xxx-xx-xxxx
Moss, Robert H. xxx-xx-xxxx
Murphy, Conall E. xxx-xx-xxxx
Neely, Donald xxx-xx-xxxx
Nichols, George H. xxx-xx-xxxx
Nondorf, Aloysius J. xxx-xx-xxxx
Norris, Elvin B. xxx-xx-xxxx
Novikoff, John xxx-xx-xxxx
O'Connor, John L. xxx-xx-xxxx
Ornburn, Frank M. xxx-xx-xxxx
Price, Billy J. xxx-xx-xxxx
Rausch, Hubert A. xxx-xx-xxxx
Reed, George L. Jr. xxx-xx-xxxx
Renfrow, Kenneth E. xxx-xx-xxxx
Richardson, Ezra J. xxx-xx-xxxx
Riemer, Hilbert W. xxx-xx-xxxx
Rodeck, Ronald R. xxx-xx-xxxx
Roe, Russell A. xxx-xx-xxxx
Rudasill, Leroy U. xxx-xx-xxxx
Russell, Charles N. xxx-xx-xxxx
Schalm, Roger B. xxx-xx-xxxx
Schmidt, Donavon V. xxx-xx-xxxx
Silveri, Donato P. xxx-xx-xxxx
Singletary, James D. xxx-xx-xxxx
Sipantzi, Vahan xxx-xx-xxxx
Skinner, Albert C. xxx-xx-xxxx
Smidt, Francis R. xxx-xx-xxxx
Spiller, Jimmie C. xxx-xx-xxxx
Stalling, Bennie A. xxx-xx-xxxx
Steffer, Robert W. xxx-xx-xxxx
Stephens, Carl R. xxx-xx-xxxx
Stiscia, Alfred R. xxx-xx-xxxx
Swanson, John xxx-xx-xxxx
Swanson, Loren R. xxx-xx-xxxx
Thomas, Jack L. xxx-xx-xxxx
Timm, Harry W. xxx-xx-xxxx
Trapold, John T. xxx-xx-xxxx
Utley, Lathrop P. xxx-xx-xxxx
Waddle, Walter R. xxx-xx-xxxx
Wade, Henry G. xxx-xx-xxxx
Warme, Thomas M. xxx-xx-xxxx
Wells, William L. xxx-xx-xxxx
Wilkins, Frank G. xxx-xx-xxxx
Wilson, Donald G. xxx-xx-xxxx
Wilson, Hoyt, xxx-xx-xxxx

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 591, 593, and 594:

MEDICAL CORPS

To be colonel

Brown, J. Royston xxx-xx-xxxx
Dibenedetto, Margarete xxx-xx-xxxx
Jakoby, Ruth xxx-xx-xxxx
Kirshman, Herbert S. xxx-xx-xxxx
Knouse, Charles A. xxx-xx-xxxx
Mayer, Klaus, xxx-xx-xxxx
Watanabe, Henry K. xxx-xx-xxxx

ARMY PROMOTION LIST

To be lieutenant colonel

Mannschreck, Dannen D. xxx-xx-xxxx
Sinnott, John P. xxx-xx-xxxx
Salamone, Luciano C. xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Dodson, Charles A. xxx-xx-xxxx
Duckworth, James H. xxx-xx-xxxx
Goodwin, James D. Sr. xxx-xx-xxxx
Wilson, Roy L., xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Asuncion, Celedonio M. xxx-xx-xxxx
Battles, James W. xxx-xx-xxxx
Bellott, Grace xxx-xx-xxxx
Brown, Robert S. xxx-xx-xxxx
Bush, Roger A. xxx-xx-xxxx
Cotter, Clement P. xxx-xx-xxxx
Dunaif, Samuel L. xxx-xx-xxxx
Fager, Donald B. xxx-xx-xxxx
Gibaldi, Andre V. xxx-xx-xxxx
Grossman, Thomas W. xxx-xx-xxxx
Heiny, Arlen B. xxx-xx-xxxx
Keeling, Hershell L. xxx-xx-xxxx
Kramer, Kenyon K. xxx-xx-xxxx
McCreary, Maurice L. xxx-xx-xxxx
Milham, Jimmie L. xxx-xx-xxxx
Moffat, John P. xxx-xx-xxxx
Nunez, Maria L. xxx-xx-xxxx
Osborne, Horace H. xxx-xx-xxxx
Pablos, Gliceria T. xxx-xx-xxxx
Payne, Ronald A. xxx-xx-xxxx
Popejoy, Lou A. xxx-xx-xxxx
Semon, Hakin xxx-xx-xxxx
Shapiro, Robert L. xxx-xx-xxxx
Strong, James S. xxx-xx-xxxx
Strefling, John L. xxx-xx-xxxx
Sue, Samuel S. xxx-xx-xxxx
Swallow, Charles T. xxx-xx-xxxx
White, Betty J. xxx-xx-xxxx
Zyznomyrsky, Zenon B. xxx-xx-xxxx

The following-named officers for appointment in the Army of the United States, under the provisions of title 10, United States Congress, section 3494:

MEDICAL CORPS

To be colonel

Rend, Charles A. xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Carroll, Charles xxx-xx-xxxx
Garcia, Jose H. xxx-xx-xxxx
Haynes, Ralph L. xxx-xx-xxxx

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Congress, section 3385:

ARMY PROMOTION LIST

To be colonel

Anderson, Benny P. xxx-xx-xxxx
Berthold, Julius L. xxx-xx-xxxx
Carline, John L. xxx-xx-xxxx
Cole, Donald C. xxx-xx-xxxx
Cordell, Lloyd B. xxx-xx-xxxx
Dougherty, Edward T., Jr. xxx-xx-xxxx
Falkner, Murry C. xxx-xx-xxxx
Gordon, Thomas B. xxx-xx-xxxx
Gustafson, Allan C. xxx-xx-xxxx
Hoelscher, James E. xxx-xx-xxxx
Jones, Donald L. xxx-xx-xxxx
Judge, Jimmie xxx-xx-xxxx
Meadows, Robert E., xxx-xx-xxxx
Morris, Earle E., Jr. xxx-xx-xxxx
Nalley, Wayland J. xxx-xx-xxxx
Wickham, Herbert F., III xxx-xx-xxxx
Whitley, Douglas B. xxx-xx-xxxx

MEDICAL CORPS

To be colonel

French, Alfred R. xxx-xx-xxxx
Jesseph, John E. xxx-xx-xxxx

ARMY PROMOTION LIST

To be lieutenant colonel

Backman, Richard W. xxx-xx-xxxx
Baiden, Hugh G., Jr. xxx-xx-xxxx
Bryan, Alan J. xxx-xx-xxxx
Cantwell, James F., Jr. xxx-xx-xxxx
Christensen, Ronald F. xxx-xx-xxxx
Cobleigh, Gerard P. xxx-xx-xxxx
Davies, Joseph D. xxx-xx-xxxx
Deangelis, Rocco R. xxx-xx-xxxx
Derrick, Donald E. xxx-xx-xxxx
Duffie, John B. xxx-xx-xxxx
Furman, Leroy F. xxx-xx-xxxx
Hartman, William G. xxx-xx-xxxx
Idol, Tony G. xxx-xx-xxxx
Johnson, Conrad A. xxx-xx-xxxx
Kohutka, George A. xxx-xx-xxxx
LaBollita, Francis A. xxx-xx-xxxx
Lancaster, John D. xxx-xx-xxxx
Larsen, Raymond E. xxx-xx-xxxx
Lesesne, Joab M., Jr. xxx-xx-xxxx
MacDonald, James B. xxx-xx-xxxx
Mutchler, John E. xxx-xx-xxxx
Ocasio-Belen, Felix E. xxx-xx-xxxx
Permenter, Larry M. xxx-xx-xxxx
Robinson, Harold G. xxx-xx-xxxx
Rhodes, Charles A. xxx-xx-xxxx
Royse, Edward E. xxx-xx-xxxx
Schaneman, Robert A. xxx-xx-xxxx
Spears, Stanhope, S. xxx-xx-xxxx
Taylor, Alfred T., Jr. xxx-xx-xxxx
Thompson, Hoyt E. xxx-xx-xxxx
Woodson, Ronald P. xxx-xx-xxxx
Yeager, Jack E. xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Gauthier, Robert V., Sr. xxx-xx-xxxx
Keith, Francis E. xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Hauge, Arthur L. xxx-xx-xxxx
Kim, Hong Kyun K. xxx-xx-xxxx
Nogueras, Juan A. xxx-xx-xxxx

Thomas, William J. xxx-xx-xxxx
Widrow, Bernice M., xxx-xx-xxxx

ARMY PROMOTION LIST

To be lieutenant colonel

Backman, Richard W. xxx-xx-xxxx
Baiden, Hugh G. Jr. xxx-xx-xxxx
Bryan, Alan J. xxx-xx-xxxx
Cantwell, James F. Jr. xxx-xx-xxxx
Christensen, Ronald F. xxx-xx-xxxx
Cobleigh, Gerard P. xxx-xx-xxxx
Davies, Joseph D. xxx-xx-xxxx
Deangelis, Rocco R. xxx-xx-xxxx
Derrick, Donald E. xxx-xx-xxxx
Duffie, John B. xxx-xx-xxxx
Furman, Leroy F. xxx-xx-xxxx
Hartman, William G. xxx-xx-xxxx
Idol, Tony G. xxx-xx-xxxx
Johnson, Conrad A. xxx-xx-xxxx
Kohutka, George A. xxx-xx-xxxx
LaBollita, Francis A. xxx-xx-xxxx
Lancaster, John D. xxx-xx-xxxx
Larsen, Raymond E. xxx-xx-xxxx
Lesesne, Joab M. Jr. xxx-xx-xxxx
MacDonald, James B. xxx-xx-xxxx
Mutchler, John E. xxx-xx-xxxx
Ocasio-Belen, Felix E. xxx-xx-xxxx
Permenter, Larry M. xxx-xx-xxxx
Robinson, Harold G. xxx-xx-xxxx
Rhodes, Charles A. xxx-xx-xxxx
Royse, Edward E. xxx-xx-xxxx
Schaneman, Robert A. xxx-xx-xxxx
Spears, Stanhope, S. xxx-xx-xxxx
Taylor, Alfred T. Jr. xxx-xx-xxxx
Thompson, Hoyt E. xxx-xx-xxxx
Woodson, Ronald P. xxx-xx-xxxx
Yeager, Jack E. xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Gauthier, Robert V. Sr. xxx-xx-xxxx
Keith, Francis E. xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Hauge, Arthur L., xxx-xx-xxxx
Kim, Hong Kyun K., xxx-xx-xxxx
Nogueras, Juan A., xxx-xx-xxxx
Thomas, William J., xxx-xx-xxxx
Widrow, Bernice M., xxx-xx-xxxx

IN THE NAVY

The following-named Naval Reserve Officers Training Corps candidates to be appointed permanent ensign in the line or staff corps of the U.S. Navy, subject to qualification therefor as provided by law:

Cangelosi, Diana T.
Zeller, Daniel E.

The following-named Navy Enlisted Scientific Education Program candidates to be appointed permanent ensign in the line of the U.S. Navy, subject to qualification therefor as provided by law:

Kirkland, Michael
Martinez, Ricardo

The following-named U.S. Naval Reserve officers to be appointed permanent lieutenant commander and temporary commander in the Medical Corps of the U.S. Navy, subject to qualification therefor as provided by law:

Etienne, Harry
Ruiz, Hernan G.
Sands, John P., Jr.
Zel, Gerald

The following-named U.S. Naval Reserve officers to be appointed permanent lieutenant commander in the Medical Corps of the U.S. Navy, subject to qualification therefor as provided by law:

Burns, William W.
Deleon Mendoza, Felicisima
Eguiguren, Vicente L.
Espiritu, Roger F.
Isaac, Felix
Mendoza, Salustiano F.
Parina, Bernardo B.
Rafanan, Manuel O.
Supnet, Benbrigido M.
Supnet, Leonora D.

James S. Arthur, U.S. Naval Reserve officer, to be appointed a permanent lieutenant commander in the Dental Corps of the U.S. Navy, subject to qualification therefor as provided by law.

The following-named Navy enlisted candidates to be appointed permanent chief warrant officer, W–2, in the U.S. Navy, subject to qualification therefor as provided by law:

Adams, Sidney J., Jr.
Alex, Michael K.
Allen, Jimmie S.
Anderson, Melvin J.
Arbogast, Michael L.
Arnold, James L.
Avelino, William V.
Bacon, Robert F., Jr.
Barley, Billy J.
Barley, Donald G.
Bartley, Thomas E., Jr.
Bass, William O., Sr.
Baumann, Donald H.
Beery, Lester R.
Behm, Marshall M.
Bell, Darvin S.
Bellew, Richard J.
Bench, William L.
Bernabe, Ricardo G.
Bingham, Larry R.
Birdwell, Larry E.
Blackburn, Alan D.
Blass, Steven M.
Bloxham, John W.
Boissonneault, Alan
Boneta, Ralph
Bovastro, Charles J.
Bowen, Larry L.
Boyda, John P.
Brake, Larry J.
Brooks, Benny R.
Browder, Charles F.
Brown, William D., Jr.
Broxson, Joseph C.
Bryfogle, David T.
Buehler, Lynn R.
Burbar, Kendall E.
Burgess, Ray C.
Burke, Michael S.
Burse, William M., Jr.
Byrne, Charles A.
Caldwell, Alan L.
Carideo, Anthony P.
Castaneda, Armando A.
Casto, Randy O.
Castor, David L.
Caudill, Ronald W.
Charvez, Carlos
Chateauneuf, Richard
Chatfield, Charles A.
Clendenin, James M.
Cocherell, Bobby R.
Coe, Thomas C.
Colbow, David A.
Cole, Robert M.
Collier, Carl M.
Collins, Joseph L.
Collins, Kenneth L.
Conrey, Gilbert A.
Cook, William E., Jr.
Cooney, Robert F.
Cooper, Ronald M.
Corbin, James R.
Cotant, James O., Jr.
Coyle, James E.
Cozzo, Leonard P., Jr.
Crawley, Lowell B., Jr.
Crick, Jerry L.
Crites, Gregory P.
Crosby, Elvin G.
Cyr, Peter F.
Czajkowski, Frank J.
Daniels, Larry M.
Darnell, Kenneth W.
Davis, Douglas L.
Davis, Raymond E.
Davis, Ronald E.
Decker, Jefferson L.
Dewald, Martin J.
Dodd, Oliver, Jr.
Dorio, Michael
Dougherty, Patrick M.
Doyle, Bruce D.
Ducich, George C.
Duley, Robert A.
Duncan, John L., Jr.
Dunham, Howard R., Jr.
Dyson, Francis W.
Dziedzicki, Robert A.
Eastwood, Raymon D.
Edler, Charles W.
Edwards, William R.
Eggleton, Frank C.
Eldridge, Paul W.
Escano, Ronnie A.
Esteban, Oscar B.
Evans, Tracy W.
Fagan, Lemuel D.
Ferrell, Charles T.
Fenton, Douglas D.
Fetcho, Paul E.
Forbes, James F.
Frampton, Thomas L. J.
Frazier, Richard J. J.
Friedlander, Allen R.
Fuller, Charles D.
Gaines, Arthur F., Jr.
Garcia, Doncarlos S.
Gary, Cephas H.
Geiger, Howard L.
Geitz, William C.
Getty, Bruce E.
Ginder, Carl L.
Giorgianni, Thomas J.
Glover, William T.
Gonzalez, Pedro L.
Goodboe, Michael E.
Gordin, Steven L.
Griffith, Ronald L.
Guay, Philip A., Jr.
Haas, Eugene C., Jr.
Hale, William A., Jr.
Hall, Dwight G.
Hamather, Fred M.
Hammill, Stephen J.
Hancock, James H.
Hardine, Milton J.
Harmon, William R.
Harris, Johnny T.
Hass, Randall M.
Haver, John W., II
Hayes, Charles R.
Hensley, John C.
Henson, Milton L.
Herman, Alfred J.
Herron, Steven P.
Hess, Donald D.
Hewitt, Marion J.
Hickey, William L.
Hiebert, Bruce A.
Hill, James G.
Hoffman, Donald F.
Holland, Daniel E.
Hollis, W. D.
Hood, Robert H.
Hover, Edwin M.
Huck, John E.
Hudson, George E., Jr.
Huffman, Stuart A., Jr.
Hummel, Joseph L.
Hunnicutt, James A.
Huntsman, Kenneth A.
Jardon, Gary L.
Johnson, Leroy A.
Johnson, William G.
Jones, Edmund P.
Jordan, Frederick H.
Joy, Terry G.
Kalosky, David F.
Kelley, Michael T.
Kelly, Roland W.
Kelsey, Brent A.
Kiser, James P., Jr.
Klaus, Peter W.
Kogler, Kenneth L.
Lachance, Paul M.
Lea, James L.
Leard, Dennis P.
Lee, Roger M.
Legaspi, Rodel R.
Leonard, Luther D.
Libby, Darrell B.
Ligtermolt, Marinus
Littlecloud, Roberto
Lombard, James F., Jr.
Louis, Michael L.
Ludlam, Stephen
Luscan, John J.
McCartney, Richard A.
McCauley, Walter J.
McClearn, Donald B.
McElroy, Richard S. I.
McGovern, Samuel D.
McKibben, Jerry D.
McLaughlin, Michael
McMullen, William D.
McRay, William M.
McWhirter, Ralph L. J.
MacDonald, Ronald W.
Macedo, Manuel A.
Manning, Steve P.
Mantanona, Daniel J.
Martin, Branton F., Jr.
Martin, Darel L.
Mason, Richard J.
Mathews, Harold A., Jr
Mathews, Larry
Matthiesen, John D.
Maynor, William H.
Medeiros, Clarence H.
Meier, Bernard W., Jr.
Merritt, Solon W., Jr.
Meservey, John E.
Meyers, Eric J.
Michelson, Craig
Miller, Harold L.
Miller, John W., III
Miller, Joseph H.
Mills, Jerry C.
Misenheimer, Kenneth
Mitchell, Henry A., Jr.
Mitchell, James C., Jr.
Mock, Robert F.
Monroe, Rolland L.
Moorhead, Alexander
Morgan, Ronnie H.
Morgan, William R.
Morris, Robert L.
Morrison, Michael W.
Morway, Ronald C.
Moss, Phillip E.
Nalley, Charles L.
Naylor, Gerald W.
Niblett, Kenneth T.
Nickerson, Roger A.
Nye, Robert J.
O'Brien, James A.
O'Connor, Thomas F.
Odell, Leonard D.
Olen, Robert A.
Otto, John E.
Pacheco, Antonio L.
Padgett, James L.
Pajaro, Victor M.
Parks, Raymond C., Jr.
Pascual, Alfredo S.
Pasquarelli, Vincent
Pasag, Samuel E.
Payne, Robert D., II
Payne, Tommy L.
Peck, Gene F.
Phillips, DeWayne E.
Pierce, James W.
Pilkington, William
Pittman, John S.
Platzkow, Ronald E.
Pope, Malcolm P.
Porter, James D.
Predmore, Thomas J.
Pugh, Gary L.
Queen, Harold V.
Quinlan, Michael R.
Radabaugh, Forrest A.
Reed, Robert W., Jr.
Rees, Lloyd C.
Reyes, Cezar M.
Reynolds, Thomas K.
Richardson, Charles
Richardson, Dale N. J.
Riehn, Carl J., Jr.
Riggs, Francis A.
Rinehart, Bruce T.
Rippee, Robert A.
Robinson, Gerald G.
Robinson, James W.
Romeo, Donald H.
Rosenbalm, Craig M.
Roushey, James A.
Sanders, Terry L.
Schloesser, Robert A.
Schmidlkofer, Paul W.
Shepard, Earl L.
Shirley, William Q.
Sirmans, Robert D.
Smith, Carroll B.
Smith, Grant A.
Smith, Vernon G., Jr.
Smith, Wilbur C.
Spicer, Elmer A., Jr.
Stein, Michael E.
Stephens, James R.
Stewart, Lyle E.
Stillman, Fred J.
Storm, Henry J.
Stover, Edward M.
Stroble, John T.
Stumpf, Marc
Sullivan, George W. J.
Swientek, Joseph D.
Swindle, Johnny L.
Taft, Kenneth A.
Taylor, Kenneth N.
Taylor, William T.
Teasdale, Vance A.
Tessier, Ronald J.
Thomason, James A.
Thompson, John E.
Tollefson, Thomas W.
Tombleson, Michael A.
Tomer, Arthur W.
Toney, Cleveland S.
Toth, Wayne L.
Trelewicz, Robert R.
Trujillo, Michael G.
Tuttle, Barry A.
Tyson, Donald R.
Upton, Charles R.
Vandagriff, Arthur J.
Van Londen, Wouter
Vault, Frank L., IV
Vernon, Dennis L.
Wadholm, Donnie R.
Wagner, Dennis L.
Walker, Burman H., Jr.
Wall, Garland R., Jr.
Wallace, Clarence L.
Waltz, Michael E.
Wankowski, John S.
Weiss, William G., III
Welch, Samuel J., Jr.
Welch, William M., Jr.
Whatley, Ronnie T.
Wiggs, Morrie L.
Wilhite, David M.
Willey, Frederick E.
Williams, George A.
Williamson, Charles
Willoughby, Raymond
Windon, Larry R.
Woodruff, John A.
Wright, Kenneth S.
Wright, Samuel L.
Yearty, Dennis M.
Youtsey, Edwin T.

Ives C. Thillet, Naval Reserve officer, to be appointed a temporary commander in the Medical Corps in the U.S. Navy, subject to qualification therefor as provided by law.

The following-named Navy enlisted candidates to be appointed ensign in the U.S. Navy, for limited duty, for temporary service, subject to qualification therefor as provided by law:

Abel, Jay K.
Africa, Galileo A.
Aguinaldo, Angel G.
Alley, Robert D.
Ames, Ronald E.
Anderson, Raymond G.
Aniskevich, Stephen
Archer, Robert W.
Arthur, Douglas S.
Babich, Eugene V.
Bailey, Bruce C.
Baish, Frederick S.
Baker, Dennis O.
Baker, Ronald A.
Baker, Ronald M.
Ballard, Robert M.
Balvocius, Philip M.
Barber, James A.
Barron, Benjamin J.
Belaire, Huey N.
Belt, Keith A.
Bentley, Arnold L.
Bera, Michael O.
Berrier, Keith T.
Berry, Dennis R.
Bevill, James R.
Biddle, Raymond D., Jr.
Blair, Charles M., III
Blair, Dan
Blauvelt, Everett A.
Block, James M.
Blyth, Bert E.
Bodkin, David E., Sr.
Bogart, Michael J.
Bolger, Gregory R.
Bonnette, Michael R.
Booth, Martin S.
Boothe, Edward M.
Botello, Raul, Jr.
Boudreaux, Lou E.
Bowles, Donald W.
Boye, Robin D.
Braithwood, Edward G.
Brockway, Daniel C.
Brooks, William T., Jr.
Bukoski, George E.
Burba, Michael J.
Burris, James E.
Butler, Wilton N., Jr.
Calderwood, William
Caldwell, Jack D.
Calligan, William E.
Canaday, Leon P.
Carder, Ronald L.
Carroll, Richard V.
Carter, David A.
Carter, Linda L.
Castiglione, Thomas
Casto, Lester M.
Castor, Robert J.
Catullo, Arthur S.
Chatten, Calvin R.
Chenault, Daniel M.
Chilton, Thomas E.
Cline, Jaer J. D.
Cole, William K.
Collins, Timothy A.
Combs, William W.
Connolly, Michael G.
Conover, Gerrit W.
Conroy, Patrick M.
Cose, James P.
Cowan, Brien M.
Cronin, Dennis M.
Cribbis, Richard J.
Crawford, Ivan L., Jr.
Currivan, Paul B.
Curry, Charles J.
Cushing, Paul R.
Cusick, Michael J.
Dalton, Elizabeth H.
Davidson, Dickie C.
Davidson, George W.
Deal, Jerry W.
Deck, Ervin C.
Defendi, Dennis C.
Dennison, Lee E.
Digangi, Charles J. J.
Dimmick, Michael A.
Dobbs, Willoughby B.
Dodmead, James M.
Dove, William L.
Downs, Robert L.
Duell, Leslie R.
Easton, Stephen C.
Edwards, Dennis E.
Elliott, William C.
Elmore, William L.
English, Kenneth P.
Engman, Harold A., Jr.
Estela, Oniel M.
Everett, John C., Jr.
Fallon, Michael A.
Fathke, Donald D.
Faust, Donald B.
Feeney, William S.
Fix, Bruce P.
Flores, Manuel A.
Fowler, David J.
Fox, Robert A.
Francoeur, Leonard C.
Frank, Randall W.
Franklin, Eugene
Freeman, Kenneth W.
French, Kenneth D.
Fuchs, Louis G.
Fulkerson, Terry L.
Fuller, Frank B., Jr.
Furlong, Ronald L.
Gallaher, Richard D.
Gallion, Lloyd E.
Gamber, John A.
Gambone, Ralph M.
Garletts, Donald R.
Gee, Carlton E., Jr.
Gentry, Michael S.
Gentry, William D.
Gerik, John L.
Glenn, William G.
Goldsworthy, David R.
Gould, Harrell L.
Green, Frank, Jr.
Greene, Thomas M.
Gregory, Ralph M.
Grubbs, James W.
Guptill, William C.
Gurath, Michael W.
Gustafson, David B.
Guthrie, Donald W.
Hagan, Thomas M.
Hahn, Brant E.
Hahn, Robert D., Jr.
Haraldson, Gary L.
Harbaugh, John J., Jr.
Hardy, Dallas S.
Harrell, Daniel T.
Harris, Frederick L.
Harris, Roger L.
Harris, Stephen H.
Harrison, Richard E.
Harrison, Robert M.
Hartington, William
Hartman, Ronald G.
Hayes, Calvin
Heape, William E.
Henderson, James Q.
Hendy, William L.
Henninger, Terence P.
Hermanson, Kenneth A.
Hicks, Duane D.
Highfill, James J.
Hill, Martin R.
Hill, Norman L., Jr.
Hlusko, Edward G.
Hoberg, Gary E.
Hoover, Steven L.
Hope, Richard R.
Hostetler, Ricky D.
Howard, James R.
Howser, Thomas J.
Hublitz, Gary R.
Ingram, Billy R.
Jackson, Robert E.
Janik, Louis A.
Jessup, Daniel F.
Johnson, Craig R.
Johnson, Douglas C.
Johnson, Peter F.
Johnson, Roy A.
Johnson, Thad A.
Jones, Thomas E.
Josephs, Robert M.
Junkins, Carroll E.
Junkins, Richard C.
Justice, Kenneth B.
Kalinowski, Robert Z.
Keaney, Thomas E.
Kennerson, Michael A.
Kightlinger, Edward
Kinsey, Luther D.
Kleckner, Anna R. E.
Knapp, Michael L.
Kobs, Paul I.
Kout, James P.
Kusha, Joseph E.
Krekeler, Adron D.
Krumrine, Deborah B.
Kusmierz, Richard T.
Kuykendall, Jerry L.
Lambert, Otis P.
Lamontagne, David E.
Lane, William R., Jr.
Langham, Jerry D.
Langley, Earl T.
Laughlin, Richard F.
Laurent, Michael J.
Lavine, Michael L.
Lawson, Lawrence J.
Lee, Steven E.
Leonaitis, James A.
Letke, Thomas R.
Lewia, Bruce C.
Lierman, Theodore W
Livingston, Ryan M.
Lofton, Gerald C.
Lott, Jack L.
Lupi, Sebastian A.
McCaffrey, George J.
McCall, David C.
McCall, Warren B.
McClintock, Elmer C.
McCready, Michael D.
McFarland, William E
McGuire, Philip M.
McKimmy, Emery M.
Machleit, Rickie L.
Magnuson, Franklin C
Maguire, Bernard L. I.
Mallicoat, Duane W.
Mangold, Leo B.
Mangiantini, Guido E
Mangus, Gregg R.
Manning, Robert L.
Marlette, William F.
Martin, Frederick F.
Martin, Michael R.
Masterman, Howard W.
Mattern, Peter A.
Matthews, Jack A.
Mayes, Frederick W.
Mead, Michael E.
Megahee, William D. I
Mendoza, John
Mikell, John S., Jr.
Miller, Douglas R.
Miller, Howard P.
Miller, John H.
Misconis, Leo A., Jr.
Moller, Carlos E.
Monahan, Richard E.
Moore, Donald A.
Moore, Gregory
Moran, Thomas C.
Morgan, Kenny
Mosley, David L.
Mount, Arnold A.
Murphy, Thomas F.
Murray, Robert H., III
Myers, Joseph O., Jr.
Newland, Robert E.
Nolan, Larry E.
Novak, Jerome T.
Nussbaum, Jack V.
O'Brien, Patrick T.
Oderman, Carl W., Jr.
Pagan, Samuel W.
Pait, Gerald L.
Parish, Benjamin A.
Pehl, Peter, II
Penix, Larry D.
Perau, Monte R.
Perkins, David L.
Perry, David
Perry, Lorenz M.
Peterson, James T.
Phelps, Kenneth A.
Phenis, James C.
Phillips, David C.
Piccus, David L.
Pickles, Norman W., Jr.
Pitcavage, Edward W.
Pitt, Richard F., Jr.
Plude, Douglas J.
Pochel, Stephen R.
Prather, Larry J.
Price, Dennis M.
Pulford, Michael J.
Pum, Joseph H.
Pyle, Ronald E.
Quiros, Freddie E.
Radke, Franklin B.
Ramirez, Orlando
Re, Philip T.
Reaka, Michael W.
Reap, Daniel J.
Renier, Clifford J. J.
Ritarita, Edmundo L.
Rives, Richard S.
Roberts, Richard D. J.
Roberts, Stephen L.
Robinson, Oscar J.
Rodkey, Joseph R.
Rodriguez, Richard N.
Rodriguez, Robert J.
Roe, Richard A.
Rogers, Troy M.
Rolfe, Patrick W.
Rose, Jerald L.
Ruff, James R.
Ruth, Dennis B.
Sacks, Joseph C.
Sammons, Gloria J.
Savage, Earl E.
Scharf, Michael J.
Schmidt, Larry F.
Schwecke, James K.
Sciancalepore, Michael
Scott, Morris V.
Scott, Randall E.
Seiferd, Vincent L. J.
Senk, Stephen M.
Shank, Jeffrey B.
Shaunessy, Martin J.
Shervey, Bruce E.
Shirley, Calvin C.
Simmons, John A.
Sinyard, William A.
Skube, Edward A., Jr.
Small, Noel A.
Smith, Dale D.
Smith, Gary D.
Snyder, Clinton T., II
Sola, Domingo R.
Sourgose, Frank J., Jr.
Speirs, Douglas W.
Spradlin, Larry L.
Stangeland, Herbert
Stenzel, Leonard C. J.
Stephan, David A.
Steppling, James D.
Stevens, Leigh E.
Stevens, Mark W.
Stewart, Daniel L.
Stobart, Ralph E.
Stofan, Wayne E.
Stonecypher, Maurice
St. Jean, Michael A.
Stotts, William J.
Strange, Vernon L.
Sullivan, Lawrence J.
Summers, Charles
Sutton, Ronald C.
Swartz, Russell P.
Swift, Preston L.
Tabor, Daniel N., III
Tackett, Danny R.
Tangen, Larry A.
Tarrani, Joseph M.
Taylor, Michael J.
Taylor, Winford J.
Teague, Carl R.
Tessier, James J.
Thayer, Richard E., Jr.
Thompkins, Robert W.
Thompson, Robert A.
Thoms, Harry R., Jr.
Thorness, Marvin A.
Torell, Clark R., Jr.
Tostevin, Daniel C.
Trahan, Theresa J.
Trexler, Eric M.
Truan, Michael A.
Upton, Michael L.
Urello, Howard P.
Vajda, James E.
Vanderstine, Robert
Varga, John K.
Venter, Dale A.
Ventura, Denis F.
Vilcheck, John R., Jr.
Virgin, Albert C.
Walker, Anthony E.
Walker, Robert L.
Walter, Owen F.
Warn, Richard D.
Watts, Harold D.
Webb, Stephen C.
Welton, Michael J.
Weselis, James A.
White, James S.
Whitney, Walter M.
Williamson, James L.
Winston, Eugene
Witt, Richard C., Jr.
Wood, David W.
Word, Samuel B., Jr.
Worth, Mary L.
Wright, David H.
Yaskin, Michael
Zalonis, James E.

Raymond W. Scallen, civilian college graduate, to be appointed a permanent captain in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

The following-named ex-Navy officers to be appointed permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Rozendal, Robert H.
Whitehead, William O.

The following-named civilian college graduates to be appointed permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Beringer, Everett D.
Irving, Buster L.

Lyman P. Wojan, ex-Reserve officer, to be appointed a permanent commander and a temporary captain for special duty (Merchant Marine, deck) in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Alexander H. Dorman, civilian college graduate, to be appointed a permanent commander and a temporary captain for special duty (Merchant Marine, engineering) in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Charles W. Schwab, U.S. Navy officer, to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Douglas E. May, U.S. Navy officer, to be appointed a temporary commander in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Raymond E. Barringer, civilian college graduate, to be appointed a temporary commander for special duty (Merchant Marine, Engineering) in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

John W. Weiss, ex-Reserve officer, to be appointed a temporary commander for special duty (Merchant Marine, deck) in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

IN THE MARINE CORPS

The following-named women officers of the Marine Corps for permanent appointment to the grade of captain under the provisions of title 10, United States Code, section 5771:

Linda C. Arms
Roberta L. Beaty
Gwendolyn E. Blizzard
Robin C. Brookins
Janice P. Closson
Karen L. Corbett

June M. Dignan
Teresa L. Dillon
Marion E. Eason
Colleen M. Flynn
Elizabeth K. Freund
Sarah E. Fry
Debra Haas
Carole J. Hansen
Robin L. Higgins
Jerri L. Jones
Barbara M. Keltz
Rosa K. Knight
Kathleen G. Kramer
Leellen Kratochvil
Maureen M. Lynch
Alyce M. Mahlock
Shirley A. Manzi
Patricia B. Martin
Rosemary L. McCammond
Christine A. McKay
Nancy A. Myers
Crystal M. Nans
Kelley J. Nielsen
Berva B. Noone
Margaret M. Nordin
Bonita J. Olivett
Carolyn L. Rice
Ana M. Roberts
Bonnie J. Robison
Barbara J. Rollins
Megan G. Sanford
Joanne L. Schilling
Judith C. Shaw
Sheri A. Smith
Emma M. Taylor
Jo A. Taylor
Wilma L. Turner
Janice M. Vancamp
Margarete A. Vinskey
Roxanne L. Waters
Denice T. Williams
Lorraine C. Williamson
Debra A. Woodard
Pamela F. Yarbrough

The following-named male officers of the Marine Corps for temporary appointment to the grade of captain under the provisions of title 10, United States Code, section 5769:

James E. Adams
David R. Aday
Jimmy D. Adkins
Daniel Aguilar
Byron A. Alexander
William T. Alexander
Mark E. Alfers
Donald B. Allegro
John R. Allen
Randolph D. Alles
Michael C. Anderson
Wayne C. Anderson
James C. Andrus
Scott E. Apgar
Michael F. Applegate
Thomas E. Archer II
Roy A. Arnold
Michael L. Arter
Stephen E. Arthur
Lawrence W. Astyk
John H. Aten
Richard A. Atkisson
Lauren D. Ayers, Jr.
Frank A. Baleskie
Anthony Banaszewski
Jeffrey M. Banwell
Terry L. Barger
Steven F. Barilich
Dennis J. Barr
James J. Barry III
Mark P. Barthel
Ralph G. Bass
Robert H. Bauman
Dennis W. Beal
Ronald D. Bean
Maynard P. Bearce
Gerald W. Becknell
Patrick J. Behnke
Romeo W. Belanger, Jr.
Francis X. Bergmeister
John W. Berkley
Paul A. Berna
Richard L. Bernarde
Bruce Besemer
Raymond L. Betros
Brent J. Beverly
Eddie Bickham
Mark W. Bircher
Michael J. Blaine
Leonard A. Blasiol
Alan L. Bliss
John T. Boggs, Jr.
Patrick S. Bole
Kenneth L. Boles
Kent R. Bolin
James R. Bonnell
Henry Bookhardt
Gordon C. Bourgeois
Terry R. Bower
Charlie C. Boyd, Jr.
John F. Boyle
Gary W. Bradley
Terry W. Bradley
Thomas I. Branch
Kevin B. Brewer
Gregory K. Brickhouse
Steven P. Brierty
Wayne E. Briggs
Woodford E. Broaddus
George S. Brock
Mark L. Broin
Alan A. Bromka
Russell A. Brooks
Timothy E. Brooks
Gary W. Brown
Larry K. Brown
Terrence D. Brown
William D. Brown
Roy D. Bryant
Geoffrey J. Bullung
Joseph F. Buranosky
Roland N. Burgess
Paul A. Burkholder
Steven Busch
Felix M. Bush
Roy R. Byrd
Greg D. Calhoun
Daniel L. Calise
Peter J. Calvello
Robert D. Campbell
Robert I. Campbell
Randy B. Carlton
Mario V. Carmo
Andrew J. Carrabus
Aron K. Champion
Gerald R. Chapman
Johnny F. Charles
Robert S. Chester
Joseph C. Chiles
Samuel H. Christopher IV
Daniel F. Chwalisz
Barry H. Clark
Bradley S. Clark
John C. Clark
Michael E. Clark
Robert B. Clark
Steven E. Clark
Scott W. Clarke
Ronald E. Clemons
Robert A. Coates
Curtis A. Cobb
Ray J. Coffman
Gerald L. Colby
Thomas V. Colella
Gary C. Conary
Edward J. Condon
Christophe J. Conlan
George W. Connell III
Mark A. Conner
Timothy J. Connolly, J
Donald B. Conrad
Michael J. Cooper
William J. Corcoran
Jeffrey A. Cory
Allen Coulter
Larry A. Cowart
Robert L. Crabb
Constant P. Craig
Ralph D. Craig
Donald E. Creighton
James M. Crites
Donald G. Croom
John G. Crosby, Jr.
Clyde V. Croswell, Jr.
Gary R. Cullop
John P. Curry
Robert S. Cypher
Michael N. Daily
Michael F. Daly
Michael L. Dammer
Richard A. Daprato, Jr.
Rodell C. Darling
Robert G. David
Thomas A. Davidson
James C. Davis
James M. Davis
Sidney F. Davis
Thomas M. Davis
Michael T. Daw
Charles H. Dawson III
Ralph D. Dawson
Richard B. Dawson
David R. Dean
William T. Decamp
Armando G. Deguzman
Francis J. Demoss
Dymond R. Dempster
James I. Dennis III
Vincent G. Depierre
Bruce D. Devers
Robert N. Diab
Dennis J. Dilucente
Charles L. Dirienzo, Jr.
William N. Dischinger
Charles E. Dolejs
Leo M. Donnelly
Michael S. Dossett
Michael J. Doughty
Robert D. Dozier
Michael L. Drennan
Vincent M. Dubois, Jr.
Charles R. Dyer
Dale A. Dykhuizen
Michael T. Edwards
Richard J. Eisloeffel
Richard E. Ekerberg, Jr.
Steven T. Elkins
Ronald L. Ellis
Oregon Emerson III
Kenneth R. England
Stephen A. Epley
Rick C. Erickson
Alfred J. Espinoza
Stephen D. Ewers
Philip J. Exner
John R. Farris, Jr.
Zenas E. Fearing, Jr.
Brian T. Fenlon
Timothy B. Ferris
Donald M. Finney
Jeffrey C. Fishbaugh
Thomas W. Fitzgerald
Leonard J. Fitzgibbons
John S. Flanagan II
Roy W. Flentge
Larry G. Flores
John W. Foley
Michael R. Fonteno
Steven W. Forney
Michael F. Forrester
Henry J. Foshee
Frank E. Foster
Harold H. Fox II
Roylance J. Frank, Jr.
Joseph H. Franz G.
Richard M. Frazier
Kent R. Freeland
Mark Freitas
Lee W. Freund
Arthur G. Friend
Steve A. Fris
Jack R. Gallino
Alfred A. Gambone, Jr.
Leslie C. Garrison
Timothy M. Gaskins
Harold A. Gawerecki
Michael E. George
Rodney J. Gerdes
John L. Gerlaugh
Mark J. Gibson
Kevin M. Gilpin
Bruce A. Giron
Charles D. Godby
Gregory G. Golden
Kenneth B. Goodrow
Robert W. Gose
Darrell L. Goudge
Dirk S. Graham
Sylvester Graves
Wilbur L. Graves III
Tommy S. Gray
Eric J. Green
Eric J. Gremminger
Craig A. Griffith
Leon D. Guenzler
Benjamin S. Guerrero
Ramon L. Guerrero
Charles M. Gurganus
Pepper E. Guthrie
Kenneth Guy
Mark W. Haas
David L. Hackemeyer
James A. Haig
Gary L. Hall
Michael D. Halloran
Richard F. Hamme
Gerald M. Hammes
Donald B. Hanks
Patrick H. Hannum
Robert S. Hansel
Kenneth S. Harbin
Jon T. Hardwick
Edward A. Harper
William L. Harraman
Richard E. Harrell
Charles R. Harris
Timothy B. Harris
Willie J. Harris
Donald S. Hartman, Jr.
Rodney G. Harvey
Michael S. Haskell
Carson E. Haury
William R. Hayes
Michael L. Heath
Raymond B. Held
Timothy W. Helms
Tony A. Helms
John F. Hemleben
Mark L. Hendricks
Martin W. Hendrix
James A. Henry
David C. Hering
Charles M. Herndon, Jr.
Timothy J. Hesketh
Richard W. Hess
William R. Hestir
Mark A. Hickey
Ernest E. Hickson
James M. Higgins
Peter E. Higgins
Clayton F. Hill
Terry L. Hill
Aiden E. Hingle, Jr.
Lew D. Hodge
Mitchell S. Hoffman
William M. Hoffman
Jay W. Hommer
Donald C. House, Jr.
Harvey E. Howard, Jr.
Joseph D. Howard
Gordon A. Howe
Alan P. Howell
Jack M. Hughes
James G. Hughes
Michael J. Hughes
Richard D. Hughes
Timothy P. Hughes
Robert J. Hugin
Mark C. Hunt
Joseph M. Husick
Vince L. Huston
Phillip R. Hutcherson
Maurice B. Hutchinson
John A. Hutchison
Timothy M. Hutchison
Glen A. Inserra
Robert A. Ipavec
Warren W. Irvine
Steven W. Jacklin
Dennis J. Jackson, Jr.
Otis J. Jackson, Jr.
Everett L. Jacobson
Gerald T. Janda
Richard E. Jannell
Kevin P. Janowsky
Robert L. Jenkins
Harold L. Jennings, Jr.
James M. Jennings
Richard M. Jensen
Edward A. Jeter
Edward I. Johnson
Gary Johnson
Joe V. Johnson
Roy H. Johnson
Scott U. Johnson
Terrie B. Johnson
William L. Johnson III
Jere J. Johnston
George L. Joiner, Jr.
Charles L. Jones
David A. Jorgensen
Joseph E. Joutras
Dennis Judge
Arlow A. Julian
Timothy J. Kaminski
Peter J. Keenan
Donald M. Keithly
William F. Keller, Jr.
William R. Kellner, Jr.
Michael T. Kelly
Kit M. Kerkesner
Michael L. Kernan
David T. Kerrick
Joseph D. Kinney
John J. Kirk
Thomas H. Kitto
Gordon Klau
David P. Klemme
Christian P. Klinefelter
Robert J. Knapp
Donald R. Knauss
Daniel S. Knisley
Philip E. Knobel
Calvin A. Knox
Robert W. Knowles
Robert M. Knutzen
John Konicki
Gary R. Kozlusky
John E. Kraus
John E. Kruse
Philip B. Kumpis
Carl F. Kusch
John C. Ladd
Paul L. Ladd
David J. Landolfi
Stephen E. Lane
Robert L. Langrill
Randall W. Larsen
Ronald O. Larson
Ivan W. Lassiter
Rufus B. Laws
Paul W. Leblanc
Marc D. Lederman
Kevin H. Leeman
Vincent R. Leone, Jr.
Kent A. Leonhardt
Curtis A. Leslie
Daniel C. Leutner
Danny U. Lewis
James E. Lindsey
Richard M. Linton
Jerome C. Liscomb
Clifton E. Little
Gary A. Littlejohn
Duane B. Logan
Robert R. Logan
Leonard C. Long III
Thomas B. Long, Jr.
Richard C. Lopez
Tommy L. Lopez
Paul S. Loschiavo
James M. Lowe
Steven M. Lowery
Robert E. Lund
Michael J. Lyden
Gregg L. Lynes
John F. MacDonald, Jr.
Bron N. Madrigan
Gary J. Magnuson
David F. Maier
Michael A. Malachowsky
John D. Mann
Joel R. Mariani
Jeffery L. Marrin
Michael A. Marriott
Paul J. Matthews
Clement J. Matylinski
Patricio Mayorga, Jr.
John J. McAteer III
Michael L. McCabe
Charles B. McClain
Tommy B. McClelland, Jr.
Howell G. McCleskey
Michael P. McCloskey
Gary M. McConnell
Charles R. McCord IV
Chester H. McFarland
Douglas J. McGinley
William T. McKenzie
David A. McMaster
Michael D. McMillan
Rand A. McNally
James S. McTighe
William M. Meade
Joseph V. Medina
William L. Meeks
Charles J. Mehalic
John M. Melink
Frank E. Merrifield, Jr.
William H. Merring III
Phil H. Meyer, Jr.
David C. Mickelson
Jim B. Mickler
Frang E. Mikolajczak
John R. Miles
Blaise P. Miller
Mark C. Miller
William F. Miller, Jr
James R. Milner
William R. Mimiaga
Scott J. Minturn
John M. Misiewicz
David M. Mitchell
Joseph E. Moeder
Leonard M. Mokan
John G. Molter
Douglas J. Montgomery
Richard A. Montgomery
David B. Moore
Gregory A. Moore
Richard S. Moore
Robert H. Moore
Richard D. Morgan
Gregory S. Morin
Phillip A. Morris
Way P. Moy
George E. Mueller, Jr.
Leonard A. Mueller
Michael J. Mueller
Charles V. Mugno
Gary W. Munn
Brian A. Murray
Bryan K. Murray
Joseph I. Musca

Dillard O. Myers
John D. Myers
Kenneth P. Myers
Arthur L. Nalls, Jr.
Clayton F. Nans
Roderic S. Navarre
Alan J. Neff
Carlos Negron, Jr.
Ronald O. Neher
Charles P. Neimeyer
Kenneth E. Neu
Jeffrey A. Neufeld
James L. Newbold
Michael S. Newhouse
Phillip L. Newman
Rosco A. Newsom
John B. Noel
Martin R. Nolan
David B. Norris
William R. Norvell
Robert A. Nuzum
Eric N. Nyberg
John P. O'Connor
Lawrence J. O'Donnell, Jr.
Allen E. Oliver
Randy P. Oneal
William R. O'Neil
Gordon C. O'Neill
Craig E. Opel
Roy F. Page
Menelaos P. Palles
Robert D. Papak
Joseph A. Papay, Jr.
Robert S. Paris
Robert R. Parker, Jr.
Randall D. Parman
Charles S. Patton
Osland Paulding
Leslie M. Payne, Jr.
Steven A. Peak
Raymond M. Peavy
Reynolds B. Peele
Michael L. Pellegrini
George D. Penny
Teddy H. Perrodin
Michael F. Perry
Gary N. Peters
Bruce K. Petit
Walter E. Pfandl
Thomas E. Phillips
Merrill L. Pierce
Eugenio G. Pino
Paul J. Pisano
Christophe D. Platt
James M. Plumer
Roger R. Poole
Richard J. Poppe
Dennis C. Pratt
Raymond W. Priest
Randall R. Pritchett
Bobby E. Purnell
Phillip E. Pyle, Jr.
Edgar F. Quigley, Jr.
Mario T. Rabusin
John C. Rader
William A. Radtke III
Curtis G. Raetz
Stephen W. Randall
Manuel G. Rangel, Jr.
John J. Rankin
Richard C. Rascher
Franklin V. Reagan
George E. Rector, Jr.
John T. Rees
Stephen K. Reese
Joseph A. Regan
Michael R. Regner
Charles W. Reif
Harley J. Rhoten
Eugene J. Richardson III
Guy S. Richardson
Rodney C. Richardson
Thomas C. Richardson
Edward Richey, Jr.
Stephen W. Richey
Chester A. Riley III
Jerry A. Roberts
Mark A. Roberts
Gerald B. Robertson II
David J. Robinson
Wayne D. Robinson
Terry G. Robling
Melvin Rogers
William G. Rohlfs, Jr.
Louis L. Rosanelli
Knute K. Rosche
David M. Rosenau
James M. Rush
Brendan P. Ryan
James T. Ryan
Peter L. Rybacki
Eugene R. Rybak
Jonathan T. Ryberg
Daniel W. Sable
David A. Salzman
Kevin G. Sandri
William A. Sanderson
Francis J. Sansone
Bennett W. Saylor
John M. Scepurek
Duane R. Schattle
Steven M. Schenk
Mark A. Schon
Kenneth W. Schwenke
William E. Scull
William T. Sears
John D. Self
Tommy L. Sellers
Robert J. Semonich
Thomas R. Serrin
Curtis J. Shaffer
Fred J. Shane
Carl H. Sharperson, Jr
David J. Shaw
Michael T. Shaw
Joseph L. Sheppard, Jr.
Karim Shihata
Thomas L. Shirk
Daniel W. Shupe, Jr.
Patrick K. Shy
Clifford M. Simmons
Reginald S. Simmons
Walter W. Simmons
Raymond M. Simon
Johnny A. Simonowich
Dan Simons
Neil E. Sizemore
Bryant W. Smith II
Jordan B. Smith, Jr.
Richard J. Smith
Thomas M. Smith
Vincent L. Smith
Dennis L. Smock
William T. Snider, Jr.
Robert E. Snyder
Paul F. Souza
Pedro E. Souza
Michael A. Sovacool
Marcus E. Sowl, Jr.
Jack K. Sparks
John E. Sparks, Jr.
Richard M. Speidel
Melvin G Spiese
Louis P. Sposato, Jr.
Ricky H. Spykes
Kim Stalnaker
Mikal P. Stampke
Gregory W. Stanley
Paul T. Stanley
Ernest B. Stark
Randall L. Stegner
Gary D. Stewart
Harry P. Stickley, III
Anthony Z. Stobiecki
John W. Stokes
Silas L. Strother
Ralph Sturgeon, Jr.
James A. Summers, Jr.
Richard M. Summers
Carroll B. Sumrall
John R. Suter
Stephen D. Swazee
William S Sweeney
Theodore M. Swendra, Jr.
James M. Tate
Frank B. Taylor, Jr.
Jonathan M. Taylor
Michael E. Taylor
Richard F. Tedeschi
David E. Ternes
Kenneth W. Terry
Thomas F. Thaler
Jeffrey R. Theinert
Victor J. Thombs
Dennis C. Thompson
Steven P. Tidwell
Peter B. Todsen, II
Jeffrey J. Tomlin
John A. Toolan, Jr
Charles E. Tower, Jr.
Craig W. Towsey
Randall L. Trammell
Dennis F. Tretter
Danny K. Trout
Robert P. Troy, Jr.
Alan A. Turk
Tommy L. Tyrrell, Jr.
Graydon S. Uyeda
Mark D. Vail
Charles E. Vallandingham
Jackson M. Vanderburg
Kevin A. Vietti
James B. Vile
Stanley H. Vilhauer
Douglas A. Vogel
Blair R Vorgang
Lyndon F. Vrooman
Derrell E. Wade
Thomas D. Waldhauser
Frank A. Walizer
Lawrence G. Walker
Jeffrey S. Wall
Rory J. Walsh
David G. Waltrip
Belton R. Ward, Jr.
Kevin L. Warkentin
Bradford G. Washabaugh
Paul W. Watson
Dolph N. Watts
Richard D. Watts
Stephen D. Weldon
Karl D. Wells
Mark Wells
Michael D. Weltsch
James M. Wenk
Raymond W. Wersel
James G. Westberg
George M. Wheeler
John D. Whitaker
Jonathan C. White
Steve E. White
Peter A. Whitenack
Walter W. Whitington III
Kenneth D. Wickwire
Terrence W. Wilcutt
Jeffrey L. Wilkinson
Robert J. Wilkinson, Jr.
Anthony W. Williams
Dennis J. Williams
James D. Williams, Jr.
Jan J. Williams
Kenneth D. Williams
Kenneth R. Williams, Jr.
Lansdale B. Williams, Jr.
Loxie A. Williams III
Ronald M. Williams
David J. Wilson
David M. Winn
Floyd H. Winn, Jr.
Kevin H. Winters
Johnny M. Withrow
W. L. Wolf
Robert S. Wolfe
Michael A. Woodcock
Benjamin G. Wyatt
Francis J. Wysocki
Thomas M. Yackley
Stephen A. Yates
James M. Yeager
Stanley J. Yelito, Jr.
Wade Yoffee

First Lieutenant Timothy W. Foley, U.S. Marine Corps for appointment to the grade of captain pursuant to title 10, United States Code, section 6222.

IN THE MARINE CORPS

The following-named Naval Reserve Officers Training Corps graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, section 2107, subject to the qualifications therefor as provided by law:

Alvick, Robert A.
Askey, Charles F.
Banicki, Gary A.
Bardel, Patrick J.
Cain, Curtis A.
Chung, David Y.
Coffing, Mark A.
Cutter, David M.
Davis, Mark J.
Falls, Charles S.
Falvey, Joseph L.
Farris, Kevin L.
Franklin, Randall B.
Hanson, Michael A.
Hearnsberger, Brian J.
Heft, Stephen M.
Males, William G.
Montgomery, Kenneth A.
Neely, Jeffrey C.
Nelson, Randal L.
Nowak, Thomas T.
Pritchett, David F.
Provensano, Joseph D., III
Reisenfeld, Jeffrey
Slaughter, Meril M.
Stone, Michael A.
Temple, Jay L.
Thompson, Chet D.
Tucker, Brian J.
Winn, Michael C.

The following-named Naval Reserve Officers Training Corps graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, section 5590, subject to the qualifications therefor as provided by law:

Ballinger, Catherine A.
Botta, Jeannine A.
McCracken, Teresa L.

The following-named temporary disability retired officers for reappointment to the grade of captain in the U.S. Marine Corps, pursuant to title 10, United States Code, section 1211, subject to the qualifications therefor as provided by law:

Reeves, Walter A.

HOUSE OF REPRESENTATIVES—*Monday, January 5, 1981*

This being the day fixed by the 20th amendment of the Constitution and by Public Law 566 of the 96th Congress for the annual meeting of the Congress of the United States, the Members-elect of the 97th Congress met in their Hall, and at 12 o'clock noon, were called to order by the Sergeant at Arms of the House of Representatives, Hon. Benjamin J. Guthrie.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, from whom we have received the gift of life and opportunities for service to people about us, we ask Your blessing upon those who are to enter into responsibility in this new Congress. Keep them ever in Your grace and bestow upon them Your abundant spirit. Renew them each day with strength for the high calling they will assume, that supported by Your love, they may lead this Nation in the paths of peace and good will. Raise the vision of all the people of the land that we may truly open our hearts to those who suffer or are in great need. As we see dispute and anger between the peoples, enable us to be reconcilers and healers, that together we may sense our common creation and our shared humanity. May Your bountiful spirit surround us and encourage us that we may do justice, love, mercy and ever walk humbly with You. In Your holy name we pray. Amen.

The SERGEANT AT ARMS. Representatives-elect to the 97th Congress, this being the day fixed by the 20th amendment of the Constitution and Public Law 566 of the 96th Congress for the meeting of the 97th Congress, the Clerk of the 96th Congress has prepared the official roll of the Representatives-elect. Pursuant to 2 U.S.C. 26, the Sergeant at Arms of the 96th Congress will make the following announcement:

Certificates of election covering the 435 seats in the 97th Congress have been received by the Clerk of the House of Representatives, and the names of those persons whose credentials show that they were regularly elected as Representatives in accordance with the laws of their respective States and of the United States will be called.

Without objection, the Representatives-elect will record their presence by electronic device, and their names will be reported in alphabetical order by States, beginning with the State of Alabama, to determine whether a quorum is present.

There was no objection.

The call was taken by electronic device, and the following Representatives-elect responded to their names:

[Roll No. 1]

	ALABAMA	
Dickinson	Bevill	Smith, Ala.
Nichols	Flippo	Shelby
	ALASKA	
	Young, Alaska	
	ARIZONA	
Rhodes	Stump	Rudd
Udall		
	ARKANSAS	
Alexander	Hammer-	Anthony
Bethune	schmidt	
	CALIFORNIA	
Chappie	Panetta	Dymally
Clausen	Pashayan	Anderson
Matsui	Thomas	Grisham
Fazio	Lagomarsino	Lungren
Burton, John	Goldwater	Dreier
Burton, Phillip	Fiedler	Brown, Calif.
Miller, Calif.	Moorhead	Lewis
Dellums	Beilenson	Patterson
Stark	Waxman	Dannemeyer
Edwards, Calif.	Roybal	Badham, Calif.
Lantos	Rousselot	Lowery, Calif.
Mineta	Dixon	Hunter
Shumway	Hawkins	Burgener
Coelho	Danielson	
	COLORADO	
Schroeder	Kogovsek	Kramer
Wirth	Brown, Colo.	
	CONNECTICUT	
Cotter	DeNardis	Ratchford
Gejdenson	McKinney	Moffett
	DELAWARE	
	Evans, Del.	
	FLORIDA	
Hutto	Young, Fla.	Mica
Fuqua	Gibbons	Shaw
Bennett	Ireland	Lehman
Chappell	Nelson	Pepper
McCollum	Bafalis	Fascell
	GEORGIA	
Ginn	Levitas	Evans, Ga.
Hatcher	Gingrich	Jenkins
Brinkley	McDonald	Barnard
	HAWAII	
Heftel	Akaka	
	IDAHO	
Craig	Hansen, Idaho	
	ILLINOIS	
Washington	Yates	O'Brien
Savage	Porter	Michel
Russo	Annunzio	Railsback
Derwinski	Crane, Philip	Findley
Fary	McClory	Madigan
Hyde	Erlenborn	Crane, Daniel
Collins, Ill.	Corcoran	Price
Rostenkowski	Martin, Ill.	Simon
	INDIANA	
Benjamin	Evans, Ind.	Sharp
Fithian	Myers	Jacobs
Hiler	Deckard	
Coats	Hamilton	
	IOWA	
Leach, Iowa	Evans, Iowa	Harkin
Tauke	Smith, Iowa	
	KANSAS	
Roberts, Kans.	Winn	Whittaker
Jeffries	Glickman	
	KENTUCKY	
Hubbard	Snyder	Perkins
Natcher	Rogers	
Mazzoli	Hopkins	
	LOUISIANA	
Livingston	Roemer	Breaux
Boggs	Huckaby	Long, La.
Tauzin	Moore	
	MAINE	
Emery	Snowe	
	MARYLAND	
Dyson	Holt	Barnes
Long, Md.	Byron	
Mikulski	Mitchell, Md.	
	MASSACHUSETTS	
Conte	Shannon	Moakley
Boland	Mavroules	Heckler
Early	Markey	Donnelly
Frank	O'Neill	Studds
	MICHIGAN	
Conyers	Kildee	Hertel
Pursell	Traxler	Ford, Mich.
Wolpe	Albosta	Dingell
Stockman	Davis	Brodhead
Sawyer	Bonior, Mich.	Blanchard
Dunn	Crockett	Broomfield
	MINNESOTA	
Erdahl	Vento	Stangeland
Hagedorn	Sabo	Oberstar
Frenzel	Weber, Minn.	
	MISSISSIPPI	
Whitten	Montgomery	Lott
Bowen	Hinson	
	MISSOURI	
Clay	Skelton	Bailey, Mo.
Young, Mo.	Bolling	Volkmer
Gephardt	Taylor	Emerson
	MONTANA	
Williams, Mont.	Marlenee	
	NEBRASKA	
Bereuter	Daub	Smith, Nebr.
	NEVADA	
	Santini	
	NEW HAMPSHIRE	
D'Amours	Gregg	
	NEW JERSEY	
Florio	Forsythe	Minish
Hughes	Roukema	Rinaldo
Howard	Roe	Courter
Smith, N.J.	Hollenbeck	Guarini
Fenwick	Rodino	Dwyer
	NEW MEXICO	
Lujan	Skeen	
	NEW YORK	
Carney	LeBoutillier	Scheuer
Downey	Addabbo	Chisholm
Carman	Rosenthal	Richmond
Lent	Ferraro	Zeferetti
McGrath	Biaggi	Schumer

Green	Fish	Wortley
Rangel	Gilman	Lee
Weiss	McHugh	Horton
Garcia	Stratton	Conable
Bingham	Solomon	Nowak
Peyser	Martin, N.Y.	Kemp
Ottinger	Mitchell, N.Y.	Lundine
	NORTH CAROLINA	
Jones, N.C.	Johnston	Broyhill
Fountain	Rose	Hendon
Whitley	Hefner	
Neal	Martin, N.C.	
	NORTH DAKOTA	
	Dorgan, N.Dak	
	OHIO	
Gradison	Miller, Ohio	Applegate
Luken	Stanton, Ohio	Williams, Ohio
Hall, Ohio	Shamansky	Oakar
Guyer	Pease	Stokes
Latta	Seiberling	Eckart
McEwen	Wylie	Mottl
Kindness	Regula	
Weber, Ohio	Ashbrook	
	OKLAHOMA	
Jones, Okla.	Watkins	Edwards, Okla.
Synar	McCurdy	English
	OREGON	
AuCoin	Wyden	Weaver
Smith, Oreg.		
	PENNSYLVANIA	
Foglietta	Shuster	Walgren
Gray	McDade	Goodling
Lederer	Nelligan	Gaydos
Dougherty	Murtha	Bailey, Pa.
Schulze	Coughlin	Murphy
Yatron	Coyne, William	Clinger
Edgar	Ritter	Marks
Coyne, James	Walker	Atkinson
	RHODE ISLAND	
	Schneider	
	SOUTH CAROLINA	
Hartnett	Derrick	Holland
Spence	Campbell	Napier
	SOUTH DAKOTA	
Daschle	Roberts, S.Dak.	
	TENNESSEE	
Quillen	Gore	Jones, Tenn.
Duncan	Boner, Tenn.	Ford, Tenn.
Bouquard	Beard	
	TEXAS	
Hall, Sam	Brooks	Stenholm
Wilson	Pickle	Leland
Collins, Tex.	Leath, Tex.	Hance
Hall, Ralph	Wright	Gonzalez
Mattox	Hightower	Loeffler
Gramm	Patman	Paul
Archer	de la Garza	Kazen
Fields	White	Frost
	UTAH	
Hansen, Utah	Marriott	
	VERMONT	
	VIRGINIA	
Trible	Daniel, Dan	Wampler
Whitehurst	Butler	Wolf
Bliley	Robinson	
Daniel, R. W.	Parris	
	WASHINGTON	
Swift	Morrison	Dicks
Bonker	Foley	Lowry, Wash.
	WEST VIRGINIA	
Mollohan	Staton, W.Va.	Rahall
Benedict		
	WISCONSIN	
Aspin	Zablocki	Obey
Kastenmeier	Reuss	Roth
Gunderson	Petri	Sensenbrenner
	WYOMING	
	Cheney	

The SERGEANT AT ARMS. The quorum call discloses that 417 Representatives-elect have answered to their names. A quorum is present.

ANNOUNCEMENT BY THE SERGEANT AT ARMS

The SERGEANT AT ARMS. The Chair will state the credentials regular in form have been received showing the elections of the Honorable BALTASAR CORRADA as Resident Commissioner from the Commonwealth of Puerto Rico for a term of 4 years beginning January 3, 1981; the election of the Honorable WALTER E. FAUNTROY as Delegate from the District of Columbia; the election of the Honorable ANTONIO WON PAT as Delegate from Guam; the election of the Honorable RON DE LUGO as Delegate from the Virgin Islands; and the election of the Honorable FOFO I. F. SUNIA, as Delegate from American Samoa.

□ 1230

ELECTION OF SPEAKER

The SERGEANT AT ARMS. The next order of business is the election of the Speaker of the House of Representatives for the 97th Congress.

Nominations are now in order.

The Sergeant at Arms recognizes the gentleman form Louisiana (Mr. LONG).

Mr. LONG of Louisiana. Mr. Sergeant at Arms, as chairman of the Democratic Caucus, I am directed by the unanimous vote of that caucus to present for election to the office of the Speaker of the House of Representatives of the 97th Congress the name of the Honorable THOMAS P. O'NEILL, Jr., a Representative-elect from the Commonwealth of Massachusetts.

The SERGEANT AT ARMS. The Chair now recognizes the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Sergeant at Arms, as chairman of the Republican Conference and by the authority and direction and unanimous vote of the Republican Conference, it is my honor to nominate for Speaker of the House of Representative the Honorable ROBERT H. MICHEL, a Representative-elect from the State of Illinois to the 97th Congress.

The SERGEANT AT ARMS. The Honorable THOMAS P. O'NEILL, Jr., a Representative-elect from the Commonwealth of Massachusetts and the Honorable ROBERT H. MICHEL, a Representative-elect from the State of Illinois, have been placed in nomination.

There being no further nominations, the Sergeant at Arms will appoint tellers.

The Chair appoints the gentleman from California (Mr. HAWKINS), the gentleman from Alabama (Mr. DICKINSON), the gentlewoman from New York (Mrs. CHISHOLM), the gentlewoman from Massachusetts (Mrs. HECKLER).

The tellers will come forward and take their seats at the desk in front of the Speaker's rostrum.

The roll will now be called, and those responding to their names will indicate by surname the nominee of their choice.

The reading clerk will now call the roll.

The tellers having taken their places, the House proceeded to vote for the Speaker.

The following is the result of the vote:

[Roll No. 2]

O'NEILL—234

Addabbo	Evans, Ga.	Lundine
Akaka	Evans, Ind.	McCurdy
Albosta	Fary	McHugh
Alexander	Fascell	Markey
Anderson	Fazio	Matsui
Annunzio	Ferraro	Mattox
Anthony	Fithian	Mavroules
Applegate	Flippo	Mazzoli
Aspin	Florio	Mica
Atkinson	Foglietta	Mikulski
AuCoin	Foley	Miller, Calif.
Bailey, Pa.	Ford, Mich.	Mineta
Barnard	Ford, Tenn.	Minish
Barnes	Fountain	Mitchell, Md.
Beilenson	Frank	Moakley
Benjamin	Frost	Moffett
Bennett	Fuqua	Mollohan
Bevill	Garcia	Montgomery
Biaggi	Gaydos	Mottl
Bingham	Gejdenson	Murphy
Blanchard	Gephardt	Murtha
Boggs	Gibbons	Natcher
Boland	Ginn	Neal
Bolling	Glickman	Nelson
Boner	Gonzalez	Nichols
Bonior	Gore	Nowak
Bonker	Gramm	Oakar
Bouquard	Gray	Oberstar
Bowen	Guarini	Obey
Breaux	Hall, Ohio	Ottinger
Brinkley	Hall, Ralph	Panetta
Brodhead	Hall, Sam	Patman
Brooks	Hamilton	Patterson
Brown, Calif.	Hance	Pease
Burton, John	Harkin	Pepper
Burton, Phillip	Hatcher	Perkins
Byron	Hawkins	Peyser
Chappell	Hefner	Pickle
Chisholm	Heftel	Price
Clay	Hertel	Rahall
Coelho	Hightower	Rangel
Collins, Ill.	Holland	Ratchford
Conyers	Howard	Reuss
Cotter	Hubbard	Richmond
Coyne, William	Huckaby	Rodino
Crockett	Hughes	Roe
D'Amours	Hutto	Roemer
Daniel, Dan	Ireland	Rose
Danielson	Jacobs	Rosenthal
Daschle	Jenkins	Rostenkowski
de la Garza	Jones, N.C.	Roybal
Dellums	Jones, Okla.	Russo
Derrick	Jones, Tenn.	Sabo
Dicks	Kastenmeier	Santini
Dingell	Kazen	Savage
Dixon	Kildee	Scheuer
Donnelly	Kogovsek	Schroeder
Dorgan, N.Dak.	Lantos	Schumer
Downey	Leath, Tex.	Seiberling
Dwyer	Lederer	Shamansky
Dymally	Lehman	Shannon
Dyson	Leland	Sharp
Early	Levitas	Shelby
Eckart	Long, La.	Simon
Edgar	Long, Md.	Skelton
Edwards, Calif.	Lowry, Wash.	Smith, Iowa
English	Luken	St Germain

Stark	Vento	Williams, Mont.
Stenholm	Volkmer	Wilson
Stokes	Walgren	Wirth
Stratton	Washington	Wolpe
Studds	Watkins	Wright
Stump	Waxman	Wyden
Swift	Weaver	Yates
Synar	Weiss	Yatron
Tauzin	White	Young, Mo.
Traxler	Whitley	Zablocki
Udall	Whitten	Zeferetti

MICHEL—182

Archer	Gilman	Morrison
Ashbrook	Gingrich	Myers
Badham	Goldwater	Napier
Bafalis	Goodling	Nelligan
Bailey, Mo.	Gradison	O'Brien
Beard	Green	Parris
Benedict	Gregg	Pashayan
Bereuter	Grisham	Paul
Bethune	Gunderson	Petri
Bliley	Guyer	Porter
Broomfield	Hagedorn	Pursell
Brown, Colo.	Hammer-schmidt	Quillen
Broyhill	Hansen, Idaho	Railsback
Burgener	Hansen, Utah	Regula
Butler	Hartnett	Rhodes
Campbell	Heckler	Rinaldo
Carman	Hendon	Ritter
Carney	Hiler	Roberts, Kans.
Chappie	Hinson	Roberts, S.Dak.
Cheney	Hollenbeck	Robinson
Clausen	Holt	Rogers
Clinger	Hopkins	Roth
Coats	Horton	Roukema
Coleman	Hunter	Rousselot
Collins, Tex.	Hyde	Rudd
Conable	Jeffries	Sawyer
Conte	Johnston	Schneider
Corcoran	Kemp	Schulze
Coughlin	Kindness	Sensenbrenner
Courter	Kramer	Shaw
Coyne, James	Lagomarsino	Shumway
Craig	Latta	Shuster
Crane, Daniel	Leach, Iowa	Skeen
Crane, Philip	LeBoutillier	Smith, Ala.
Daniel, R. W.	Lee	Smith, Nebr.
Dannemeyer	Lent	Smith, N.J.
Daub	Lewis	Smith, Oreg.
Davis	Livingston	Snowe
DeNardis	Loeffler	Snyder
Deckard	Lott	Solomon
Derwinski	Lowery, Calif.	Spence
Dickinson	Lujan	Stangeland
Dornan, Calif.	Lungren	Stanton, Ohio
Dougherty	McClory	Staton, W.Va.
Dreier	McCollum	Tauke
Duncan	McDade	Taylor
Dunn	McEwen	Thomas
Edwards, Okla.	McGrath	Trible
Emerson	McKinney	Walker
Emery	Madigan	Wampler
Erdahl	Marks	Weber, Minn.
Erlenborn	Marlenee	Weber, Ohio
Evans, Del.	Marriott	Whitehurst
Evans, Iowa	Martin, Ill.	Whittaker
Fenwick	Martin, N.C.	Williams, Ohio
Fiedler	Martin, N.Y.	Winn
Fields	Miller, Ohio	Wolf
Findley	Mitchell, N.Y.	Wortley
Fish	Moore	Wylie
Forsythe	Moorhead	Young, Alaska
Frenzel		Young, Fla.

PRESENT—2

Michel	O'Neill

NOT VOTING—2

McDonald	Stockman

□ 1310

The SERGEANT AT ARMS. The tellers agree in their tallies that the total number of votes cast is 419, of which the Honorable THOMAS P. O'NEILL, JR., of Massachusetts, has received 234, and the Honorable ROBERT H. MICHEL, of Illinois, has received 182, with 2 voting "present."

Therefore, the Honorable THOMAS P. O'NEILL, JR., of Massachusetts, is duly elected Speaker of the House of Representatives for the 97th Congress, having received a majority of the votes cast.

The Sergeant at Arms appoints the following committee to escort the Speaker-elect to the chair: The gentleman from Illinois (Mr. MICHEL), the gentleman from Texas (Mr. WRIGHT), the gentleman from Mississippi (Mr. LOTT), the gentleman from Louisiana (Mr. LONG), the gentleman from Massachusetts (Mr. BOLAND), and the gentleman from Massachusetts (Mr. CONTE).

The committee will retire from the Chamber to escort the Speaker-elect to the chair.

The Doorkeeper announced the Speaker-elect of the House of Representatives of the 97th Congress, who was escorted to the chair by the Committee of Escort.

Mr. MICHEL. Mr. Speaker, and my colleagues and guests of the House, and ladies and gentlemen: Since 1899 it has been customary, with three notable exceptions, in the contest for Speaker for the vanquished to present the victor to the House. Before exercising that very high privilege, I should like, with you permission, Mr. Speaker, to make several very brief observations.

You know, for a Republican it is a mighty long trek up to the top of this Speaker's dais. For this Member, it has taken 25 years. I might add that there is only one other sitting Republican Member of this House, JOHN RHODES of Arizona, who has ever served under anyone other than a Democratic Speaker, and that was 27 years ago.

In all candor, Mr. Speaker, you have a very impressive view from this vantage point, and I guess one could easily get accustomed to it. I particularly like the sight of 52 new Republican freshmen.

May I take this opportunity to publicly thank my Republican colleagues for the high honor that they have accorded me and my family is presenting me as a candidate for Speaker. The result, of course, was predictable, and I suspect this will not be the last of the straight party-line votes during the balance of this session. I hope, however, that they will be held to a minimum, for on a straight party-line vote we Republicans cannot possibly win one of them in this House.

□ 1320

To my friends here on the Democratic side of the aisle I say that we know all too well that you still are in the majority with a 51-vote margin. I should like to feel, however, that when the really big issues of great importance are considered in this House, there will be many occasions when partisanship will be laid aside and a significant number of you will be so persuaded by our logic, by our good sense, and by our compelling arguments that you will actually vote with us from time to time.

You do have it within your power in this House to give life and breath to the new President-elect's proposals, to modify them slightly or drastically, or, if you choose, to kill them outright.

I simply want to pledge to you Members on the Democratic side my desire as the Republican leader to work with you in the best interest of the American people.

And to you, Mr. Speaker, let me say that we have been very good personal friends for a number of years. We have talked about the adversary role that we are obliged to play from time to time. I might dare to say that we have even had our differences out there on the golf course—on the first tee—when handicap strokes were at issue.

We do have a mutual respect, however, for one another and know that after the legislative battles of each day are over and the adjournment bell sounds, we can still be the very best of friends, and no doubt before this day has run its course there will be another test of that relationship.

I have a gavel here, Mr. Speaker, and in past years I have observed you using it very tenderly and gently at times. There have been other occasions when you have been very firm, and I suspect there were several times when I thought you might have been inclined to wield the gavel a bit too harshly. But then we all know that it depends on the temperament of the House at any given time.

I would like to think that as individual Members of this great body, this Member included, we are all going to pledge ourselves to live strictly by the rules, have the utmost respect and the highest regard for the traditions of this House, and, of course, conduct ourselves in such a fashion as to bring nothing but credit to this great institution.

If we do that, Mr. Speaker, then you will have no alternative but to wield this gavel fairly and in a nonpartisan way.

I congratulate you, sir. It is a very high privilege and personal honor for this Member from Illinois to present to this House the Speaker-elect of the 97th Congress from the great State of Massachusetts, the Honorable THOMAS P. O'NEILL, JR.

[Applause, the Members rising.]

Mr. O'NEILL. My colleagues, let me say that I appreciate the remarks of the minority leader, Mr. BOB MICHEL, who is one of my closest social friends. Such friendship is one of the great things, I believe, that this Nation has to offer, and you new Members will ul-

timately learn, when you go abroad to broaden yourselves, that there are many nations of the world where those who are of different parties do not speak to each other. You will find that they look at Americans and say, "This is unbelievable—that Members of the two parties of the Congress of the United States may differ philosophically and still seem to be close friends."

I think perhaps we are the only Nation in the world where, when we shut the session down at the end of the evening, we socialize together. That is one of the great attributes of democracy.

I am sure that JOHN RHODES would tell you, BOB, that more than 27 years is not all that long ago, and I am sure that for many years to come you will play the exact role you have played today. This is the one time when a Republican can come up and bang the gavel and open the session to introduce a new Speaker.

I do want you to have this gavel as a token of the esteem we have for you and to commemorate the fact that you were one of the Republicans who through the years have had the great privilege of coming up here and opening this session and introducing the Speaker. So this is for you, BOB.

Fellow Members, family, and friends, I am deeply honored and greatly pleased to be elected for a third time as Speaker of the U.S. House of Representatives. I want to extend my special thanks to my wife, Millie, who is sitting in the gallery, and my family, who have given so much support to me through a lifetime.

I am grateful to the people who voted for me in the Eighth Congressional District of Massachusetts and who have sent me here 15 consecutive times. I am grateful to my colleagues on this side of the aisle for the support they have given me through the years on the majority side.

No other honor that I have received do I value more highly. No responsibility that I have been given will I exercise more faithfully.

I have spent a lifetime in parliamentary bodies—16 years in the great and General Court of Massachusetts and 28 years in this House of Representatives. Churchill once said, you could call me a child of the House; I too was "born" in the House, and I believe in the legislative process. I am proud to preside over the greatest legislative body in the history of this Earth.

With renewed dedication and purpose and with strong feelings of pride and obligation, I accept the mantle of leadership and the position of authority. I take this gavel as an emblem of resolve, an emblem of responsibility, and an emblem of privilege. I pledge to you that I will wield it strongly and decisively and always according to the traditions and the parliamentary procedures of this House.

The 97th Congress convenes under unusual but not unprecedented circumstances. Each branch is controlled by a rival political party. Enacting laws, by design of the Founding Fathers, is seldom a simple matter. In our present circumstances it is bound to be challenging.

Nevertheless, because the Members of this branch are elected every 2 years, we are truly sensitive to the desires of the people and the problems that face this great Nation. The leadership of this House is impatient to satisfy these desires and to solve these many problems. The process will not be easy, but we intend to adapt to changed circumstances.

We intend to seek the common ground with the other body and with the new President. When differences occur, as they no doubt will, we will air them in an atmosphere of constructive dialog rather than partisan recrimination. We intend to prove that Jefferson was right when he stated that our Government is "founded not on the fears and follies of men, but in his reason."

Long before American dominance in world affairs placed special demands on American Presidents, Woodrow Wilson, a professor at the time at Princeton, observed that the American President was the "most heavily burdened officer in the world." I have served with seven different Presidents; many of you have served with more, and I can personally attest to the accuracy of Wilson's statement.

On January 20, a new President will take office. Let me say today that we seek to work with him to meet the challenges that face this Nation, and I personally wish him well as he assumes this greatest of responsibilities.

The challenges that we will meet are many and varied. The American people expect us to reduce inflation, improve productivity, promote employment, provide for the needy and the aged, strengthen the national defense, and yet balance the budget.

□ 1330

As we begin a new decade we have more to do, but we have much to work with as well. For example, reinvigorating our economy is high on everyone's agenda. Fortunately, as Walter Heller recently pointed out in the Wall Street Journal—we start out with something to work with—the American worker is still the most productive in the world.

The volume of our exports have increased by over a third since 1977; the Federal civilian work force is smaller in 1980 than it was in 1970; and per capita Government spending has declined for the last 2 years. In addition our oil imports are at their lowest level in 4 years.

In world affairs, renewed Soviet expansionism caused the passage in the 96th Congress of the largest single increase in a peacetime defense budget since World War II. We are prepared to cooperate with President-elect Reagan in allocating the resources necessary to make America the world's most powerful force for peace and freedom.

These expenditures will be massive and costly. The human costs of military expenditures were noted in 1953, when I first came here as a Member, by President Dwight D. Eisenhower when he stated—

> Every gun that is fired, every warship launched, every rocket fired signifies in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed.

As we start a new Congress and a new decade let us recall the philosopher Ralph Waldo Emerson's description of America as—

> The country of the future . . . it is the country of beginnings.

The Founding Fathers felt that for the people to have a share in this Government—The "First Branch," as they called this House in the Constitutional Convention—the House must begin anew every 2 years.

The Government they crafted has been unique in its ability to reconcile unity with diversity and majority rule with individual rights. By retaining our confidence in this complicated but proven system of governing and by exhibiting our willingness to accept the outcome of our legislative process, we will prove once again that our system does work.

As we do so let us not ignore the words of Daniel Webster spoken in Charlestown, Mass.—an area I have represented in this Congress for the last 28 years—155 years ago and inscribed above the Speaker's rostrum, "and see whether in our day and generation may not perform something worthy to be remembered."

I thank you all.

[Applause, the Members rising.]

Mr. O'NEILL. I ask the distinguished dean of the House of Representatives, the gentleman from Mississippi (Mr. WHITTEN) to administer the oath of office.

Mr. WHITTEN then administered the oath of office to Mr. O'NEILL, of Massachusetts.

[Applause, the Members rising.]

SWEARING IN OF MEMBERS

The SPEAKER. According to the precedent, the Chair will swear in all Members of the House at this time.

If the Members will rise, the Chair will now administer the oath of office.

The Members-elect and Delegates-elect and the Resident Commissioner-

elect rose, and the Speaker administered the oath of office to them.

The SPEAKER. The gentlemen and gentlewomen are now Members of Congress.

The Chair recognizes the gentleman from Louisiana (Mr. LONG).

MAJORITY LEADER

Mr. LONG of Louisiana. Mr. Speaker, as chairman of the Democratic Caucus, I have been directed to report to the House that the Democratic Members have selected as majority leader the gentleman from Texas, the Honorable JIM WRIGHT.

□ 1340

The SPEAKER. The Chair now recognizes the gentleman from New York (Mr. KEMP).

MINORITY LEADER

Mr. KEMP. Mr. Speaker, as chairman of the Republican Conference, I am directed by that conference to officially notify the House that the gentleman from Illinois, the Honorable ROBERT H. MICHEL, has been selected by the Republican Members of the House as the minority leader of the House.

MAJORITY WHIP

Mr. WRIGHT. Mr. Speaker, I have the honor to advise the Members of the House that the very distinguished legislator, a great American, the gentleman from Washington (Mr. FOLEY) has been chosen to serve as the Democratic whip of the House.

MINORITY WHIP

Mr. KEMP. Mr. Speaker, as chairman of the Republican Conference, I am directed by that conference to notify the House officially that our Republican Members have selected as our minority whip the gentleman from Mississippi, the Honorable TRENT LOTT.

ELECTION OF CLERK OF THE HOUSE, SERGEANT AT ARMS, DOORKEEPER, POSTMASTER, AND CHAPLAIN

Mr. LONG of Louisiana. Mr. Speaker, I offer a resolution (H. Res. 1) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1

Resolved, That Edmund L. Henshaw, Jr., of the Commonwealth of Virginia, be, and he is hereby, chosen Clerk of the House of Representatives;

That Benjamin J. Guthrie, of the Commonwealth of Virginia, be, and he is hereby, chosen Sergeant at Arms of the House of Representatives;

That James T. Molloy, of the State of New York, be, and he is hereby, chosen Doorkeeper of the House of Representatives;

That Robert V. Rota, of the Commonwealth of Pennsylvania, be, and he is hereby, chosen Postmaster of the House of Representatives; and

That Reverend James David Ford, of the Commonwealth of Virginia, be, and he is hereby, chosen Chaplain of the House of Representatives.

Mr. KEMP. Mr. Speaker, I shall offer a substitute for the resolution just offered by the gentleman from Louisiana (Mr. LONG), but before offering the substitute, I request that there be a division of the question on the resolution so that we may have a separate vote on the Office of the Chaplain.

The SPEAKER. The question is on agreeing to the portion of the resolution providing for the election of the Chaplain.

That portion of the resolution was agreed to.

SUBSTITUTE AMENDMENT OFFERED BY MR. KEMP

Mr. KEMP. Mr. Speaker, I offer a substitute amendment for the remainder of the resolution.

The Clerk read the substitute amendment, as follows:

Amendment offered by Mr. KEMP of New York as a substitute for the remainder of House Resolution 1:

Resolved, That Hyde H. Murray of the State of Maryland, be, and he is hereby, chosen Clerk of the House of Representatives;

That Walter P. Kennedy, of the State of New Jersey, be, and he is hereby, chosen Sergeant at Arms of the House of Representatives;

That Tommy Lee Winebrenner, of the State of Indiana, be, and he is hereby, chosen Doorkeeper of the House of Representatives;

That Ronald W. Lasch, of the State of New Jersey, be, and he is hereby, chosen Postmaster of the House of Representatives.

The SPEAKER. The question is on the substitute amendment offered by the gentleman from New York (Mr. KEMP).

The substitute amendment was rejected.

The SPEAKER. The question is on the resolution offered by the gentleman from Louisiana (Mr. LONG).

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. Will the officers elected present themselves in the well of the House?

The officers-elect presented themselves at the bar of the House and took the oath of office.

The SPEAKER. Congratulations to all of you.

NOTIFICATION TO SENATE OF ORGANIZATION OF THE HOUSE

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 2) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 2

Resolved, That the Senate be informed that a quorum of the House of Representatives has assembled; that Thomas P. O'Neill, Jr., a Representative from the Commonwealth of Massachusetts, has been elected Speaker; and Edmund L. Henshaw, Jr., a citizen of the Commonwealth of Virginia, has been elected Clerk of the House of Representatives of the Ninety-seventh Congress.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE TO NOTIFY THE PRESIDENT OF THE UNITED STATES OF THE ASSEMBLY OF THE CONGRESS

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 3) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 3

Resolved, That a committee of three Members be appointed by the Speaker on the part of the House of Representatives to join with a committee on the part of the Senate to notify the President of the United States that a quorum of each House has been assembled, and that Congress is ready to receive any communication that he may be pleased to make.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Chair appoints as members of the committee on the part of the House to join the committee on the part of the Senate to notify the President of the United States that a quorum of each House has been assembled, and that Congress is ready to receive any communication that he may be pleased to make, the gentleman from Texas (Mr. WRIGHT), the gentleman from Illinois (Mr. MICHEL), and the gentleman from Washington (Mr. FOLEY).

AUTHORIZING THE CLERK TO INFORM THE PRESIDENT OF THE UNITED STATES OF THE ELECTION OF THE SPEAKER AND THE CLERK OF THE HOUSE OF REPRESENTATIVES

Mr. WHITTEN. Mr. Speaker, I offer a resolution (H. Res. 4) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 4

Resolved, That the Clerk be instructed to inform the President of the United States that the House of Representatives has elected Thomas P. O'Neill, Jr., a Representative from the Commonwealth of Massachusetts, Speaker; and Edmund L. Henshaw, Jr., a citizen of the Commonwealth of Virginia, Clerk of the House of Representatives of the Ninety-seventh Congress.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RULES OF THE HOUSE

Mr. WRIGHT. Mr. Speaker, I offer a privileged resolution (H. Res. 5) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 5

Resolved, That the Rules of the House of Representatives of the Ninety-sixth Congress, including all applicable provisions of law which constituted the Rules of the House at the end of the Ninety-sixth Congress, be, and they are hereby, adopted as the Rules of the House of Representatives of the Ninety-seventh Congress, with the following amendments included therein as part thereof, to wit:

(1) In Rule I, clause 4 is amended by adding at the end thereof the following new sentence: "The Speaker is authorized to sign enrolled bills whether or not the House is in session.".

(2) In Rule I, clause 5(b)(1) is amended to read as follows:

"(b)(1) On any legislative day whenever a recorded vote is ordered or the yeas and nays are ordered, or a vote is objected to under clause 4 of Rule XV on any of the following questions, the Speaker may, in his discretion, postpone further proceedings on each such question to a designated time or place in the legislative schedule on that legislative day or within two legislative days:

"(A) the question of passing bills;

"(B) the question of adopting resolutions;

"(C) the question of ordering the previous question on privileged resolutions reported from the Committee on Rules;

"(D) the question of agreeing to conference reports; and

"(E) the question of agreeing to motions to suspend the rules.".

(3) In Rule III, add at the end thereof the following new clause:

"5. The Clerk is authorized to receive messages from the President and from the Senate at any time that the House is not in session.".

(4) In Rule VIII, add at the end thereof the following new clause:

"3. (a) A Member may not authorize any other individual to cast his vote or record his presence in the House or Committee of the Whole.

"(b) No individual other than a Member may cast a vote or record a Member's presence in the House or Committee of the Whole.

"(c) A Member may not cast a vote for any other Member or record another Member's presence in the House or Committee of the Whole.".

(5) In Rule X, the first sentence of clause 1(e)(1) is amended to read as follows: "Committee on the Budget, to consist of thirty Members as follows:

"(A) twenty-eight Members who are members of other standing committees, including five Members who are members of the Committee on Appropriations, and five Members who are members of the Committee on Ways and Means;

"(B) one Member from the leadership of the majority party; and

"(C) one Member from the leadership of the minority party.".

(6) In Rule X, clause 1 is amended by redesignating paragraph (l) as paragraph (h) and by redesignating paragraphs (h) through (k) accordingly.

(7) In Rule X, clause 4(d)(3) is amended by striking out "a scheduling service which may be used" and inserting in lieu thereof "a scheduling service which shall be used".

(8) In Rule X, clause 5 is amended by striking out paragraphs (d) and (e).

(9) In Rule XI, clause 2(g)(3) is amended by inserting immediately before the period at the end thereof the following: "and promptly entered into the committee scheduling service of the House Information Systems".

(10) In Rule XI, the first sentence of clause 2(i) is amended to read as follows: "No committee of the House (except the Committee on Appropriations, the Committee on the Budget, the Committee on Rules, the Committee on Standards of Official Conduct, and the Committee on Ways and Means) may sit, without special leave, while the House is reading a measure for amendment under the five-minute rule.".

(11) In Rule XI, the last sentence of clause 2(l)(6) is amended to read as follows: "This subparagraph shall not apply to—

"(A) any measure for the declaration of war, or the declaration of a national emergency, by the Congress; or

"(B) any decision, determination, or action by a Government agency which would become or continue to be, effective unless disapproved or otherwise invalidated by one or both Houses of Congress.

For the purposes of the preceding sentence, a Government agency includes any department, agency, establishment, wholly owned Government corporation, or instrumentality of the Federal Government or the government of the District of Columbia.".

(12) In Rule XI, clause 4(a) is amended by inserting after "The Committee on Appropriations—on general appropriations bills" the following: "and on joint resolutions continuing appropriations for a fiscal year if reported after September 15 preceding the beginning of such fiscal year".

(13) In Rule XI, clause 4 is amended by striking out paragraph (e).

(14) In Rule XIII, clause 7(d) is amended to read as follows:

"(d) The preceding provisions of this clause do not apply to the Committee on Appropriations, the Committee on House Administration, the Committee on Rules, and the Committee on Standards of Official Conduct, and do not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974 has been timely submitted prior to the filing of the report and included in the report pursuant to clause 2(l)(3)(C) of Rule XI."

(15) In Rule XXIII, the second sentence of clause 2(a) is amended to read as follows: "The first time that a Committee of the Whole finds itself without a quorum during any day, the Chairman shall invoke the procedure for the call of the roll under clause 5 of Rule XV, unless, in his discretion, he orders a call of the Committee to be taken by the procedure set forth in clause 1 or clause 2(b) of Rule XV: *Provided*, That the Chairman may in his discretion refuse to entertain a point of order that a quorum is not present during general debate only.".

(16) In Rule XXIII, clause 5 is amended by inserting "(a)" immediately after "5" and by adding at the end of such clause the following new paragraph:

"(b) It shall be in order to move in the Committee of the Whole to dispense with the reading of an amendment if the amendment has been printed in the bill as reported from a committee, or if any Member shall have caused the amendment to be printed in the Congressional Record, and to be submitted to the Clerk, or to any responsible staff member designated by the Chairman, of the reporting committee or committees, at least one day prior to floor consideration, and said motion shall be decided without debate.".

(17) In Rule XXVII, clause 3 is amended by striking out "(a)" immediately after "3" and by striking out paragraph (b).

(18) At the end of Rule XLIX, add the following new rule:

"RULE L

"PROCEDURE FOR RESPONSE TO SUBPENAS

"1. When any Member, officer, or employee of the House of Representatives is properly served with a subpena or other judicial order directing appearance as a witness relating to the official functions of the House or for the production or disclosure of any documents relating to the official functions of the House, such Member, officer, or employee shall comply, consistently with the privileges and rights of the House, with said subpena or other judicial order as hereinafter provided, unless otherwise determined pursuant to the provisions of this rule.

"2. Upon receipt of a properly served subpena or other judicial order directing appearance as a witness relating to the official functions of the House or for the production or disclosure of any documents relating to the official functions of the House, such Member, officer, or employee shall promptly notify, in writing, the Speaker of its receipt and such notification shall then be promptly laid before the House by the Speaker, except that during a period of recess or adjournment of longer than three days, no such notification to the House shall be required. However, upon the reconvening of the House, such notification shall then be promptly laid before the House by the Speaker.

"3. Once notification has been laid before the House, the Member, officer, or employee shall determine whether the issuance of the subpena or other judicial order is a proper exercise of the court's jurisdiction, is material and relevant, and is consistent with the privileges and rights of the House. The Member, officer, or employee shall notify the Speaker prior to seeking judicial determination of these matters.

"4. Upon determination whether the subpena or other judicial order is a proper exercise of the court's jurisdiction, is material and relevant, and is consistent with the privileges and rights of the House, the Member, officer, or employee shall immediately notify, in writing, the Speaker of such a determination.

"5. The Speaker shall inform the House of the determination of whether the subpena or other judicial order is a proper exercise of the court's jurisdiction, is material and relevant, and is consistent with the privileges and rights of the House, and shall generally describe the records or information sought, except that during any recess or adjournment of the House for longer than three days, no such notification is required. However, upon the reconvening of the House, such notification shall then be promptly laid before the House by the Speaker.

"6. Upon such notification to the House that said subpena is a proper exercise of the court's jurisdiction, is material and relevant,

and is consistent with the privileges and rights of the House, the Member, officer, or employee shall comply with such subpena or other judicial order by supplying certified copies, unless the House adopts a resolution to the contrary; except that under no circumstances shall any minutes or transcripts of executive sessions, or any evidence of witnesses in respect thereto, be disclosed or copied. Should the House be in recess or adjournment for longer than three days, the Speaker may authorize compliance or take such other action as he deems appropriate under the circumstances during the pendency of such recess or adjournment. And upon the reconvening of the House, all matters having transpired under this clause shall be laid promptly before the House by the Speaker.

"7. A copy of this rule shall be transmitted by the Clerk of the House to any of said courts whenever any such subpena or other judicial order is issued and served on a Member, officer, or employee of the House.

"8. Nothing in this rule shall be construed to deprive, condition or waiver the constitutional or legal rights applicable or available to any Member, officer, or employee of the House, or of the House itself, or the right of a Member or the House to assert such privilege or right before any court in the United States, or the right of the House thereafter to assert such privilege or immunity before any court in the United States.".

Mr. WRIGHT (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The gentleman from Texas (Mr. WRIGHT) is recognized for 1 hour.

Mr. WRIGHT. Mr. Speaker, I will yield for purposes of debate only 30 minutes to the very distinguished minority leader, the gentleman from Illinois (Mr. MICHEL), pending which, I yield myself such time as I may consume in a preliminary description of what is involved in the rules changes.

Fundamentally, we seek to amend the rules in such ways as to facilitate the conduct of the business of the House. Nothing dramatic nor highly controversial is embodied, in my judgment, in these proposed rules changes.

We would seek in this package of rules modifications to achieve two basic functions: First, to write into the standing rules existing traditional administrative housekeeping practices, in order that we may eliminate the need for recurring unanimous-consent requests on separate resolutions.

□ 1350

The second thing we seek to do by these modifications is to expedite the conduct of the House business, to enable Members more predictably to determine their schedules consistent with the constitutional requirement of a quorum to conduct business. These are the principal changes.

I will yield to the gentleman from Illinois such time as he may desire to consume at this point for purposes of debate, and I reserve the balance of my time.

Mr. MICHEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to the ordering of the previous question.

The rules we have before us are an extension of those adopted by the 96th Congress. They were too restrictive then and they are too restrictive now. Two years' time has not vindicated them.

The majority is also proposing a few changes, which they refer to as merely technical in nature. They are technical to the extent that they represent no sweeping change. They are significant to the extent that they perpetuate the gradual concentration of power in the hands of a few.

Having said that, however, I will tell you it is not my intention to fight these rules. The country does not have the time to spend on these issues, and we do not have the votes. You know it and I know it.

When it comes to House rules, only one rule applies: The Speaker wins and we lose.

There are more important issues we must discuss today. One is the matter of committee ratios. When it comes to the composition of House committees, the majority seems to believe that a little representative government is better than none, and a lot of representative government is worse than a little. The majority has provided for representation on some committees and not on others. On two major committees, Rules and Ways and Means, the majority has substituted autocracy for democracy.

Since the 95th Congress, Republicans have increased their membership in this House by 45. Yet in those 4 years, we have not been allowed one single additional seat on either Rules or Ways and Means. Ways and Means is the taxwriting committee of the Congress through which the very cornerstone of President Reagan's economic program must pass. If the majority intends to work with the new administration on tax reform, why then does the majority assume such an arbitrary and obstructionist attitude toward who sits on that committee? There is a message in those numbers and it must not escape the attention of the American people.

However, as intolerable as they are, even the ratios are secondary to what we must do today, our first day in office. The people are not preoccupied with rules or ratios. They are preoccupied with the economy. They want us to do something about it, before we do anything else.

We can start today. We can impose a ceiling on Federal spending. We can begin cleaning up a budget process that is so badly beaten and bruised, there is a real danger it will not survive the year.

The first priority is a limitation on spending. Our amendment would prohibit the House from considering any resolution that contained a level of outlays in excess of a certain percentage of the gross national product. You are all familiar with the idea. The Rules Committee has held extensive hearings on it. It has bipartisan support. It is something all of us can live with.

Our proposal would put outlays for fiscal 1982 at 22.5 percent of the GNP. The figure for fiscal 1983 would be 22 percent. In the 2 following years, the figures would be lowered a full percentage point.

Tying spending to the GNP is nothing new. It is no panacea and it is not going to tie the hands of the new administration or the Congress. It is a commitment we can make today to the people who committed themselves to us last November.

Our second proposal transfers the legislative oversight of the Budget Act of 1974 from the Rules Committee to the Budget Committee. The Committee on Rules has this authority now only because it has always had it. There is no other justification or logic behind it. But there is good reason for change.

The budget process is a mess. In fiscal 1980 we adjusted budget figures no less than six times. Outlay projections went from $532 billion in May 1979 to $578 billion in July 1980. The same sad scenario has been replayed in fiscal 1981. My good colleague from California, Mr. ROUSSELOT, by himself, has been closer to the mark on economic projections than the entire majority staff. The Rules Committee has continually reported out one budget waiver after another, 50 or 60 times a year. And last year we just started violating the law outright.

The budget process is threatened with extinction and if we do not move now to salvage it, we may as well revert back to our old method of operation and save the taxpayers the expense of staff and paperwork.

What has the Rules Committee done over the last 6 years? Very little. Only one set of hearings has been held in all that time. And those were in 1980. They brought no results. They were for show, not substance.

The SPEAKER pro tempore (Mr. ALEXANDER). The time of the gentleman from Illinois (Mr. MICHEL) has expired.

Mr. MICHEL. Mr. Speaker, I yield myself 1 additional minute. I will insert in the RECORD at this point an analysis which I prepared about the so-called technical amendments being offered by the majority. As I said earlier, this previous question fight is not over those changes, but rather wheth-

er the House will adopt our amendment strengthening the budget process and placing a ceiling on Federal spending. A copy of my analysis follows:

THE DEMOCRAT RULES PACKAGE: AN ANALYSIS OF THE RULES CHANGES

(Prepared by the Office of the Republican Leader, Robert H. Michel)

INTRODUCTION

The rules changes proposed by the Majority Leadership are expected to be offered as H. Res. 5 of the 97th Congress on January 5, 1981.

There will be one hour of debate on the resolution and no opportunity for amendment. Republicans will attempt to defeat the previous question on the resolution to offer an alternative.

The changes proposed by the Majority are deceptive. Their relation to other rules and precedents of the House have been simplified in order to better explain their full impact on House operations.

Members are being told that these changes are merely "technical" in nature. That may be true when considered individually. However, the changes were originally proposed as part of a larger package, most of which was postponed for action at a later date. Given the potential for additional rules changes, the "technical" amendments take on new meaning. Furthermore, the new changes must be considered in the context that they are extensions of the changes made at the outset of the 96th Congress. Rules changes adopted at that time brought about much greater concentration of power in the hands of a few and further restrained free and open debate. Rules proposed for the 97th Congress perpetuate and extend the concentration of power and the erosion of open deliberation.

(1) Authority of the Speaker and his officer:

(a) Speaker authorized to sign enrolled bills when House not in session.

Amend clause 4 of Rule I by adding at the end thereof the following:

"The Speaker is authorized to sign enrolled bills whether or not the House is in session."

(b) Suspensions—change vote postponement procedure "rules" and previous questions of rules.

Amend clause 5(b)(1) of Rule I to read as follows:

"(b)(1) On any legislative day whenever a recorded vote is ordered or the yeas and nays are ordered, or a vote is objected to under clause 4 of Rule XV on any of the following questions, the Speaker may, in his discretion, postpone further proceedings on each such question to a designated time or place in the legislative schedule on that legislative day or within two legislative days:

(1) The question of passing bills;

(2) The question of adopting resolutions;

(3) The question of ordering the previous question on privileged resolutions reported from the Committee on Rules;

(4) The question of agreeing to conference reports; and

(5) The question of agreeing to motions to suspend the rules.

Delete clause 3(b) of Rule XXVII and delete "(a)" after "3" in clause 3 of Rule XXVIII.

Delete clause 4(e) of Rule XI.

(c) Duties of the Clerk—receive message.

Amend Rule III by adding at the end thereof the following new clause:

"5. The Clerk is authorized to receive messages from the President and from the Senate at any time that the House is not in session."

Comments

(a) The current practice has been to grant unanimous consent anytime the House adjourns to authorize the Speaker to sign enrolled bills. The Committee on House Administration notifies the House as to the accuracy of the enrollment of each bill and should submit this before its signing (IV, 3452). Technically the signing should be while the House is in session and in the presence of a quorum. It is assumed that this power would automatically be transferred to any elected Speaker pro tempore (Clause 7, Rule I), but not to a designated Speaker pro tempore.

(b) At the beginning of last Congress the Majority Leadership was given very broad discretion in the scheduling of votes on legislation. Under that change, the Speaker was allowed the discretion to postpone votes on "rules" reported from Rules Committee (Rule XI, 4(e)) or legislation considered under suspension of the Rules until the end of all such consideration or until the next legislative day. Speaker was given the power to postpone roll call votes on final passage of a bill, resolutions, or conference report (Rule I, 5(b)) to a later time on the same day of consideration or within two legislative days of consideration. It was argued at the time that vote postponements will lessen the meaning of debate and eliminate any requirement for the Member to be on the House Floor during consideration of legislation. Last Congress the Speaker was also given the authority to cluster any of the postponed votes, allowing fifteen minutes for the first roll vote by electronic device, and may reduce to five minutes each subsequent vote.

Formerly the only requirement on the Speaker was that he announce his intention to postpone votes in the case of "rules" and suspensions of the rules.

Under the current procedure once postponed voting on suspensions begins no further motions to suspend may be considered. This rule change would allow the Speaker the discretion to allow further suspensions to be considered on the same day with postponed and clustered votes. This would place all authority for deferral of votes to be in Rule I—Duties of the Speaker, and treat all votes similarly in that they can be postponed for up to two legislative days. In other words, on Monday or Tuesday, measures could be debated and recorded votes could be postponed and clustered until Wednesday or Thursday. This could take public attention away from those debates which spell out for the press and the general public, the pros and cons of the issues before Congress. Postponement also gives the Majority Leadership a great deal more power to schedule votes at times when the Leadership knows enough votes to sustain its position are available. Such a concentration of power is not consistent with the spirit of a truly open and deliberative body.

(c) Unanimous consent is normally given to authorize the Clerk to receive messages from the President and from the Senate whenever the House adjourns over several days. This rule change would provide standing authority for him to receive messages at any time the House is not in session. This would not have any effect on those legislative veto provisions (i.e. deferrals, rescissions) which require action within a certain time period as the countdown would not begin until the messages are actually laid before the House. This would also prevent any attempts at pocket-vetoes during any non sine die adjournments of the Congress, because in the Kennedy vs. Sampson case the courts held that the President could not "pocket-veto" during an adjournment to a day certain since the Senate had authorized the receiving of messages while they were not in session.

(2) Prohibition on "phantom voting":

(a) Prohibiting a Member from casting another Member's vote, or recording another Member's presence in the House.

Rule VIII is amended by inserting at the end thereof the following new clause:

"3. (a) A Member may not authorize any other individual to cast his vote or record his presence in the House or Committee of the Whole.

(b) No individual other than a Member may cast a vote or record a Member's presence in the House or Committee of the Whole.

(c) A Member may not cast a vote for any other Member or record another Member's presence in the House or Committee of the Whole."

Comments

(a) During the last Congress it was discovered that on at least two occasions (May 14, 1979 and July 30, 1979) that votes were cast and recorded for Members who were not physically in town to cast such votes. The Committee on Standards of Official Conduct reported its findings of these voting anomalies on May 15, 1980 (House Report 96-991). It could not prove any specific wrong doing but recommended that this proposed rules change be added to the Rules of the House.

(3) Expand size of Committee on the Budget:

(a) The Budget Committee is increased from twenty-five members to thirty members.

In Rule X, the first sentence of clause 1(e)(1) is amended to read as follows:

"Committee on the Budget, to consist of 30 Members as follows:

"(A) twenty-eight Members who are members of other standing committees, including five Members who are members of the Committee on Appropriations, and five Members who are members of the Committee on Ways and Means;

"(B) one Member from the leadership of the majority party; and

"(C) one Member from the leadership of the minority party."

Comments

(a) The Committee on the Budget was established in the 93d Congress effective July 12, 1974 by sec. 101 of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-944). The membership was increased from twenty-three members to twenty-five at the beginning of the next Congress (H.Res. 5, 94th Congress). The rule as originally written stated that of the twenty-five members thirteen members must be members of standing committees other than the Committee on Ways and Means or Appropriations. The rule as now written is ambiguous in that it says that the Committee shall consist of thirty members, twenty-eight who are members of other standing committees as well as two from the leadership. The caucus-drafted language implies that the leadership appointments should not be a member of any other committee, although we assume that is not their intention.

(4) House Information Systems—committee scheduling:

(a) Requiring all committees and subcommittees to use HIS scheduling services.

In Rule X, clause 4(d)(3) is amended by striking out "a scheduling service which may be used" and inserting in lieu thereof "a scheduling service which shall be used".

In Rule X, clause 5 is amended by striking out paragraphs (d) and (e).

In Rule XI, clause 2(g)(3) is amended by inserting immediately before the period at the end thereof the following: "and promptly entered into the committee scheduling service of the House Information Systems".

Comments

(a) The Bolling Committee on Committees reform (H. Res. 988, 93d Congress) tried to have Committees and Subcommittees eliminate any meeting and scheduling conflicts by giving the Committee on House Administration the responsibility over a House Information Systems. Use of the systems was optional but this rules change would make its use mandatory. This would also amend those sections of the rule requiring public notice of committee hearings to require a prompt entering of such notice in the committee scheduling service of HIS. There will continue to be conflicts as long as the number of Committee and Subcommittees remains as large as it has been.

(5) Committee on Ways and Means:

(a) Ways and Means to sit under the five minute Rule.

Amend the first sentence of clause 2(i), Rule XI to read as follows:

"No committee of the House (except the Committee on Appropriations, the Committee on the Budget, the Committee on Rules, the Committee on Standards of Official Conduct, and the Committee on Ways and Means) may sit, without special leave, while the House is reading a measure for amendment under the five-minute rule."

Comments

(a) The Committee on Ways and Means has traditionally been permitted, by unanimous consent granted by each Congress, to sit while the House is reading a measure for amendment under the five-minute rule.

This rule formerly prohibited Committees from sitting at any time while the House was in session but in 1970 was changed to only during the five-minute rule. In 1975 only the Committees on the Budget, Appropriations and Rules were exempted. In 1977 the Committee on Standards of Official Conduct was included with them. This rules change would reflect the current practice of including Ways and Means by unanimous consent.

(6) Exemption from 3-day rule:

(a) Apply exemption from 3-day rule to any decision which would become effective unless disapproved by Congress (present exception applies only to "executive decisions".

Amend the last sentence of clause 2(1)(6) to read as follows:

"This subparagraph shall not apply to—

(A) any measure for the declaration of war, or the declaration of a national emergency, by the Congress; or

(B) any decision, determination, or action by a Government agency which would become or continue to be, effective unless disapproved or otherwise invalidated by one or both Houses of Congress. For the purpose of the preceding sentence, a Government agency includes any department, agency, establishment, wholly owned Government corporation, or instrumentality of the Federal Government or the government of the District of Columbia.

Comments

(a) The rule currently states that any measure reported by a committee shall not be considered in the House until the third calendar day after the report has been available. The rule provides for a two exceptions: (1) declaration of war or national emergency or (2) legislative votes of any executive decision.

There are a number of laws which allow legislative vetoes of entities which are not part of the Executive Branch, i.e., D.C. Home Rule Act. This would include all government agencies covered by legislative veto statutes exempt from the three-day layover requirement. This would also exempt any congressional approval requirement of any quasi-governmental corporation such as possibly any new synthetic fuel enterprise.

(7) Continuing appropriations privilege:

(a) Permit continuing appropriations to be privileged after certain date.

Clause 4(a) of Rule XI is amended by inserting after "The Committee on Appropriations—on general appropriations bills" the following: "and on joint resolutions continuing appropriations for a fiscal year if reported after September 15 preceding the beginning of such fiscal year."

Comments

(a) Under the existing rules of the House only general appropriation bills embodying funds of any agency or agencies are privileged for consideration in the House. This means that its report is filed in the House and a motion to resolve into committee is privileged and no "rule" from Rules Committee is required to consider it.

The Congressional Budget Act requires a specific timetable for appropriations bill to be completed. Once they are finalized the Congressional budget of that fiscal year must be completed no later than September 15th. That is the date this rules change would make continuing appropriations bills privileged. The implication is that the same appropriation bills won't be final so any resolution providing a continuation should be given special status. If the appropriations aren't final the Congressional budget resolution would be meaningless and not final. Unanimous consent or "rules" for consideration have routinely been used and this rules change merely portends failed budget deadlines.

(8) Committee cost estimates:

(a) Committee cost estimate optional if CBO estimate included in report.

Amend clause 7(d), Rule XIII to read as follows:

"(d) The preceding provisions of this clause do not apply to the Committee on Appropriations, the Committee on House Administration, the Committee on Rules, and the Committee on Standards of Official Conduct, do not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974 has been timely submitted prior to the filing of the report and included in the report pursuant to clause 2(1)(3)(C) of Rule XI."

Comments

(a) The rules currently require committees to include in their reports on public bills a five year estimate made by the Committee of the costs which would be incurred in carrying out such bill. The Congressional Budget Act (P.L. 93-344) created a Congressional Budget Office (section 201) and required it to submit to each committee a five year cost estimate of their bills (section 403). Committees are also required to include such CBO cost estimate in their report. Many committees now adopt the CBO estimates as their own and this rules change would allow them to rely on CBO rather than their own independent estimate, which they still make if they so desire.

(9) Quorum during general debate:

(a) Eliminate mandatory quorum call during general debate in Committee of Whole.

Amend the second sentence of clause 2(a) of Rule XXIII to read as follows:

"The first time that a Committee of the Whole finds itself without a quorum during any day, the Chairman shall invoke the procedure for the call of the roll under clause 5 of Rule XV, unless, in his discretion, he orders a call of the Committee to be taken by the procedure set forth in clause 1 of clause 2(b) of Rule XV: provided, that the Chairman may in his discretion refuse to entertain a point of order that a quorum is not present during general debate only."

Comments

(a) Article I, section 5, clause 1 of the Constitution states that a quorum is necessary to do business in the House of Representatives. In 1977 the rules of the House were changed to prohibit the Chair from entertaining a point of no quorum unless a pending question has been put to a vote. In adopting that rule (Rule XV, clause 6) the House has presumably determined that the conduct of debate in the House is not such business as requires a quorum under the Constitution. In 1977 the rules were changed also to prohibit quorum calls under the five-minute rule unless the Chairman has put the question on a pending proposition, but would allow one during general debate, the first time the Committee of the Whole finds itself without a quorum during that day. This Rules change would allow the Chair the discretion to entertain a point of no quorum during general debate therefore allowing the scheduling of general debate at the end of the day or any time where it is less likely there will be a quorum. This lessens even more the significance of debate on matters considered in the House.

(10) Reading of amendments:

(a) Motion to dispense with reading of certain amendments in Committee of Whole.

Amend clause 5 of Rule XXIII by inserting the following new subclause:

"(b) It shall be in order to move in the Committee of the Whole to dispense with the reading of an amendment if the amendment has been printed in the bill as reported from a committee, or if any Member shall have caused the amendment to be printed in the Congressional Record, and to be submitted to the Clerk of the reporting committee or committees, at least one day prior to floor consideration, and said motion shall be decided without debate."

Comments

(a) In the House there were initially three readings. The bill was read in full in order that the membership may understand the question as a whole. After general debate it is then read a second time under the five-minute rule when it was open to amendment and debate in all its parts. The third reading was the reading in full in its final form just prior to passage. The Rules Committee has been routinely waiving the first reading and the third reading is by title only. This rules change would allow a nondebatable motion to be made to dispense

with any committee reported amendment or any amendment printed in the Record. This rule is intended to stop any Member from forcing the reading of amendments for dilatory purposes. This proposal would accomplish that only in part as it involves only amendments printed in the Record. A Member could still offer unprinted amendments and require them to be read in full. If the Majority Leadership intends to have the Rules Committee require that all amendments must be printed in the Record then all reading could be dispensed with, although such a printing requirement would prevent the Committee of the Whole from truly working its will as it could only consider those amendments printed a day before.

(11) CRS summary of bills—Joint Committee on Atomic Energy:

(a) Permit clustering of all or some suspensions at Speaker's discretion, with right to permit additional suspensions at end of day; consolidate in one rule all circumstances where the Speaker may postpone and cluster votes.

Amend clause 5(b)(1) of Rule I to read as follows:

"(b)(1) On any legislative day whenever a recorded vote is ordered or the yeas and nays are ordered, or a vote is objected to under clause 4 of Rule XV on any of the following questions, the Speaker may, in his discretion, postpone further proceedings on each such question to a designated time or place in the legislative schedule on that legislative day or within two legislative days:

(1) the question of passing bills;

(2) the question of adopting resolutions;

(3) the question of ordering the previous question on privileged resolutions reported from the Committee on Rules;

(4) the question of agreeing to conference reports; and

(5) the question of agreeing to motions to suspend the rules.

Delete clause 3(b) of Rule XXVII and delete "(a)" after "3" in clause 3 of Rule XXVIII.

Delete clause 4(e) of Rule XI.

Comments

(a) Clause 5(d) requires that after the introduction in the House of each bill or resolution the Congressional Research Service of the Library of Congress prepares a factual description of each measure not to exceed one hundred words and publish such description in the Congressional Record and the Digest of Public General Bills and Resolutions as soon as possible after introduction. The description usually appears in the Congressional Record well after the introduction of the bill and isn't much more than the long title of the bill. The cost to the Library of Congress of preparing these summaries is about $9,000 per year. It is basically prepared as a bi-product of the bill digest. Eighteen people work on the bill digest, and it is estimated that about fifty hours per year per person is required to do the summaries. These summaries also go into the House Information System and other computer systems, so presumably they would still have to be prepared for that use even if they were no longer inserted in the Record.

(12) Procedure for response to subpenas add a new rule L—procedure for response to subpenas:

(a) The Rule contains the following principal provisions:

Section 1—When a House Member, officer, or employee is served with a subpena requesting appearance as a witness or the production of documents, relating to the official functions of the House, he shall comply unless otherwise determined pursuant to the resolution.

Section 2—Upon receipt of such a subpena, the Member, officer, or employee shall promptly notify the Speaker of its receipt in writing, and such notification shall then be laid promptly before the House, except during a recess or adjournment of more than three days, in which case no notification of the House is required until it reconvenes.

Section 3—Once notification of receipt is laid before the House, the Member, officer, or employee shall determine whether it is a proper exercise of the court's jurisdiction, is material and relevant, and is consistent with the privileges and rights of the House, and shall notify the Speaker prior to seeking any judicial determination of these matters.

Section 4—Once a determination has been made as to the above three criteria, the Member, officer, or employee shall immediately notify the Speaker in writing of such determination.

Section 5—The Speaker shall then inform the House of such determination and generally describe the information sought, except during a recess or adjournment of longer than three days, no such notification is required until the House reconvenes.

Section 6—Once the House has been notified of such determination, the Member, officer, or employee shall comply with the subpena by supplying certified copies, unless the House adopts a resolution to the contrary. If the House is in recess or adjournment for longer than three days when notice of determination is made, the Speaker may authorize compliance or take such other action as he deems appropriate. Upon the reconvening of the House, all actions transpiring under this section shall be laid promptly before the House.

Section 7—A copy of the Rule shall be transmitted by the Clerk of the House to any court issuing a subpena on a Member, officer, or employee.

Section 8—Nothing in the resolution is to be construed as depriving, conditioning or waiving the constitutional or legal rights of any Member, officer, employee or the House itself, or the right of a Member or the House to assert such privilege or right before any court in the U.S.

Comments

(a) This procedure was adopted during the 96th Congress, on September 17, 1980, by a recorded vote of 380 to 23. The Speaker is committed to informing the Republican Leadership of any subpena served and to consult with them about what action should be taken in response.

ERRATA

Number (11) should read as follows up to "COMMENTS" section:

(11) CRS summary of bills—Joint Committee on Atomic Energy

(a) Delete requirement of CRS summary of bills and prohibition on reference to Joint Committee on Atomic Energy:

Delete clauses 5(d) and 5(e) of Rule X.

Mr. MICHEL. Mr. Speaker, it is just good commonsense to put authority for the Budget Act in the hands of the Budget Committee.

My fellow colleagues, we are all Members of a new Congress. We are not an extension of the 96th Congress and we must not leave that impression in the minds of the American people.

We have the opportunity today to start fresh, to begin anew.

Let us not blow it.

I urge a vote against the previous question in order that we may consider our proposed budget amendments.

At this point I will insert copies of our proposed amendments with a brief explanation of each:

AMENDMENT No. 1

This amendment requires that total federal outlays as defined in Concurrent Budget Resolutions be limited to a certain percentage of the Gross National Product.

The amendment establishes an outlay ceiling for Fiscal Year 1982 at 22.5% of the Gross National Product. The Fiscal Year 1983 ceiling would be 22% of GNP; the Fiscal Year 1984 ceiling 21%, and the Fiscal Year 1985 ceiling 20%, bringing total outlays down to a percentage of GNP close to that which existed in 1974.

The provisions establishing a limitation on expenditures could be waived by majority vote of the House. The provision is limited in its impact to direct federal expenditures and does not affect such items as tax expenditures or off-budget items.

The following statistics offer some perspective as to how spending currently relates to GNP. The information was compiled by Data Resources, Inc.

[Dollars in billions]

	Projection of GNP, December 1980	Projection of outlays, December 1980	Percent of GNP
Fiscal year:			
1980	$2,521.4	$579.0	23.0
1981	2,771.1	637.6	23.0
1982	3,138.7	706.4	22.5

The Republican proposal is similar in concept to provisions of legislation introduced in the 96th Congress, including the Kemp-Roth proposals for tax reform; H.R. 5371 offered by Mr. Jones of Oklahoma, and H.R. 6021 offered by Mr. Giaimo of Connecticut.

The Committee on Rules conducted extensive hearings on these measures in January, February and March of 1980. It was expected that those hearings would result in a House vote on some form of spending limitation; however, no specific vote on these proposals was forthcoming prior to adjournment of the 96th Congress.

PROPOSED RULES CHANGE

In Rule XXIII, clause 8 is amended by inserting "(a)" immediately after "8" and by adding at the end of such clause the following new paragraph:

"(b) It shall not be in order in the House or in a Committee of the Whole to consider any concurrent resolution on the budget for any fiscal year if the level of total budget outlays contained in the resolution exceeds—

"(1) for the fiscal year ending on September 30, 1982, an amount equal to 22½ percent of the estimated gross national product for such fiscal year;

"(2) for the fiscal year ending on September 30, 1983, an amount equal to 22 percent of the estimated gross national product for such fiscal year;

"(3) for the fiscal year ending on September 30, 1984, an amount equal to 21 percent of the estimated gross national product for such fiscal year; and

"(4) for the fiscal year ending on September 30, 1985, and for each following fiscal year, an amount equal to 20 percent of the

estimated gross national product for such fiscal year."

AMENDMENT NO. 2

This amendment changes Rule X, Clause 1(e), of the House to provide for a transfer of legislative oversight authority of the Budget Act of 1974 from the Rules Committee to the Budget Committee of the House. The Budget Committee would be authorized to conduct hearings on matters relating to the performance of the budget process and to report recommendations to the full House, under the same procedures followed by the other standing committees in relation to their area of jurisdiction.

The Budget Act of 1974 was first reported by the House Rules Committee and that Committee has retained jurisdiction over legislative oversight of the Act since that time. However, throughout the past six years, the Rules Committee has conducted no hearings in regard to its oversight responsibilities, with one exception. In January, February and March of 1980, the Rules Committee agreed to conduct hearings on measures calling for some form of spending limitation, specifically those that would tie spending to a percent of the Gross National Product. No legislation was reported out as a result of those hearings.

This provision would bring the House Budget Committee more closely in line with the oversight capabilities of the Senate Budget Committee. It would place legislative oversight of the Budget Act in the hands of those Members and staff who are most familiar with the functions of the Act, and its application to the formulation of budget resolutions.

PROPOSED RULES CHANGE

In Rule X, clause 1(e) is amended by inserting immediately after subparagraph (2) the following new subparagraph:

"(3) The Congressional Budget and Impoundment Control Act of 1974, except emergency waivers."

and by redesignating subparagraph "(3)" as "(4)".

Mr. Speaker, does the majority leader desire to yield to Members on his side?

Mr. WRIGHT. No. I would be happy, Mr. Speaker, if the distinguished minority leader might continue to consume such time as he or his colleagues might desire.

Mr. MICHEL. I thank the distinguished majority leader.

I would at this time yield 5 minutes to the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Speaker, we could just as well go back to our offices and run the videotape from the rules debate at the beginning of the last Congress, because the House Democratic Party is still stuck in this undemocratic groove of dictating House rules for the new Congress without adequate debate, amendments, or minority participation.

It is hard to believe that just a few minutes ago we all took the oath of office which binds us to supporting and defending the Constitution, and now we are openly and flagrantly flouting that founding document by ignoring one of its central provisions which states, in article I, section 5:

Each House may determine the rules of its proceedings.

I was led to believe a few minutes ago that I was part of this House, as were some 191 of my colleagues on this side of the aisle. And yet we had no say in determining the rules which are before us today in this resolution. No, these were all hammered out behind the closed doors of the Democratic Caucus. How, oh, how can the so-called Democratic Party in the House justify such secrecy and exclusion in formulating the rules for the people's House—exclusion not just of the minority party, but of the public and press as well? How, oh, how can the so-called Democratic Party in the House justify disenfranchising some 96 million Americans represented on this side of the aisle from this process?

Mr. Speaker, it has always puzzled me as to just what the Democrats fear so much that they would have to resort to such a legislative straitjacket—especially on the very first day of a new Congress. Is the majority leadership telling the American people that their elected Representatives really cannot be trusted to set their own legislative ground rules for themselves? And if we cannot even be trusted to debate and amend our own rules, how can we possibly be trusted to legislate?

Could it be that the majority leadership is afraid some of their own members might break ranks to vote for Republican rules changes? Are they in effect admitting that we just might have some good ideas on this side of the aisle that might fly if the majority leadership did not keep our wings clipped? Or is the majority leadership also afraid that their own party members might be capable of some independent thinking and acting of their own? That they might just have some ideas for improving this institution?

Mr. Speaker, in the face of this perplexing parliamentary situation, we are left only the device of the previous question vote. We would ask our colleagues on the other side of the aisle to join us in defeating the previous question so we can at least offer 2 amendments to your list of 18 amendments. You can then reject those amendments if you like, but at least give us a chance to offer them. You might even find you like them since they go to the heart of what this last election was all about—how to get our budget and our economy under control. We would like to amend House rules as they relate to the budget act to limit outlays in the budget resolution to a fixed percentage of the estimated gross national product. This is taken directly from a bill introduced in the last Congress by the gentleman from Oklahoma (Mr. JONES), the new chairman of the Budget Committee. Our distinguished majority leader (Mr. WRIGHT), in testifying for an even more stringent spending control measure before the Rules Committee last year said, and I quote:

We need to tilt the weight of the rules so as to make it easier for those who would balance the budget and relatively harder for those who would not.

He went on to say:

In the end, we have to reserve the right of the majority of the people's elected representatives to work its will.

That is all we are asking in the additional rule we want to propose today: To tilt the rules in favor of spending control and a balanced budget. To demonstrate to the American people at the outset of this new Congress that we are deadly serious about righting this devastated economy and assisting our new President in bringing Government spending under control. I would therefore urge my colleagues to join in defeating the previous question so we can offer this important amendment.

Second, I would advise my colleagues that we intend to offer a motion to commit this resolution to a select committee to report back with an equitable committee party ratio rule—one which recognizes the tradition of giving the majority party three-fifths of the seats on Appropriations, Ways and Means, and Budget, and two-thirds of the seats on Rules, but no more. There can be no excuse for the Democratic Caucus rule that would award Democrats nearly 69 percent of the Rules Committee seats and nearly 66 percent of the Ways and Means seats. Our proposed rule would return those committees to the traditional two-thirds and three-fifths majority share respectively. The Budget and Appropriations Committees would also enjoy three-fifths majority representation under our rule, and the rest of the House committees, except for Ethics which is bipartisan, would reflect the overall House party ratio.

I urge my colleagues in the interest of fairness, equity, and tradition to vote for this motion to commit with instructions.

□ 1400

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would like to announce that any Member-elect who failed to take the oath of office may present himself or herself in the well of the House prior to the vote on the previous question on the resolution now pending or on any other rollcall vote.

The Chair now recognizes the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Tennessee (Mr. QUILLEN).

Mr. QUILLEN. Mr. Speaker, I would like to make a special point at this

time if I may. We have just observed the democratic process in action. We elected a Speaker by some 59 percent of the vote. If the absentees had been present it would have been 56 percent of the vote. So I think that the majority of the House as constituted, 56 and 44, is a fair majority.

Now let us turn that around. Democracy in action. Let us go to the House Rules Committee. The caucus of the Democratic Party mandated that the percentage would be 69 percent Democrat and 31 percent Republican. My colleagues know what a steamroller is. A steamroller is a piece of equipment that cannot be stopped and runs over everything in front of it. That is exactly what the Democrats are proposing here today.

Let us go to the Ways and Means Committee. The Democrats are a little bit better at heart, so to speak. They say that the Republicans can have only 34 percent and the Democrats must have 66 percent.

If we go to the Budget Committee we have the same kind of percentages that the Democrats are now demanding that we go by as Republicans on the powerful committees of this House.

Yet we just witnessed the election of a Speaker in a democratic process where the true ratio of the House was exemplified. Therefore I appeal to those who are in power, in the leadership, to be fair. Do not be a steamroller because there is a day of reckoning. Besides, the American people mandated that we must do a job.

The steamroller presents to me an idea that one is going to try to block, going to try to steamroll, going to try to add obstacles in the way of the administration's proposals. Is that what my colleagues are going to do? Lay it on the line.

Mr. Speaker, these proposed party ratios make a mockery of the name, Democratic Party and that vital democratic tenet of fair and equal representation—of one-man, one vote. It is not just that the minority party in the House has been wronged, but that the 96 million American people represented by 192 Republican Representatives in the House have been wronged. If the Rules and Ways and Means Committees do not more accurately reflect House membership and the will of the American people as expressed last November 4, then how can we expect the decisions and legislation out of those committees to fulfill the wishes of the American people?

Mr. Speaker, these committee party ratios are not presently established by House rules, but rather are dictated from behind the closed doors of the majority party caucus, with no opportunity for the House to even ratify that decision. It seems to me that this is not only an undemocratic way of determining party ratios, but unconstitutional as well since the Constitution provides that—

Each House may determine the Rules of its proceedings.

One of the most fundamental components of our legislative process is the House committee system—its establishment and operation. Certainly the full House should determine the size and party makeup of our committees, and not just the Democratic Caucus.

What we are proposing today is that the party ratios be established in the rules of the House, and that those ratios be fixed according to the traditional ratios I have already mentioned. We will offer this rule change in our motion to commit this rules resolution to a select committee with instructions to report the resolution back with this one additional rule. I strongly urge my colleagues on both sides of the aisle to support this fair and democratic rule change.

Mr. MICHEL. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I thank my distinguished minority leader for yielding. I would agree with everything that has been said by him. These rules are probably the best we can get out of a bad situation.

But while I agree 100 percent with everything that has been said by the minority whip and the minority leader, I do not like restrictive rules. I have been consistent in opposing gag rules, gag limits, closed rules, and maneuvers that restrict debate on the floor. At the same time I would like to congratulate the Democratic majority for one limited area of their proposed rules changes. I would like to thank them and congratulate them not for what they included in their proposed package, but for what they left out. I think we ought to at least count our blessings there. Aside from the Democrat imposed ratios on the committees which I think are blatantly unfair, the operating rules at least for the 97th Congress will not be that much worse than they were in the 96th Congress.

I confess to some difficulty even at this moment of euphoria and reconciliation. I am not sure actually which one of the three or four Democratic parties over there I should congratulate. I know last year when this 96th Congress staggered to a conclusion, the corridors around the Capitol were rife with all of the proposals that you Democrats were going to make. You were going to limit the amendments that could be offered to appropriations bills. You were going to raise the number for requesting record votes, all aimed at restricting the ability of the House to operate and to legislate and for the House to work its will. I well recall a debate last year with my good friend from California (Mr. JOHN BURTON) when there was an effort on the part of some of the liberals on the other side to limit debate, and objecting to some of the amendments that were offered. Somewhat sarcastically, maybe a little wistfully, I pointed out that I thought the floor of the House was a very poor place to legislate and if many on that side had their way we would not legislate on the floor of the House. We would get a package, we would ratify it, and it would be one vote up or down, no amendments.

So at least whatever else happens, I must thank the Democratic Party for not moving in that direction. As I said earlier, I am not sure which of the parties over there deserve the praise. I know many of my conservative Democrat friends bristled immediately at the thought of limiting debate on the floor and they opposed these moves within the Democratic Caucus, in the proper way that they should, the proposed Democratic proposals for rule changes.

I would also say that many of my liberal friends have been here long enough to know that rules cut both ways. The same rule change that would limit conservatives in offering an amendment would also limit liberals in offering amendments.

So I think at least in the spirit of compromise and euphoria that we have in the first day, I do want to congratulate the Democratic majority in this one limited area. Thank you for what you did not include in these rules. While I cannot agree with what you have done and the package you have presented, at least you have not made them worse and, for that small favor, I say thanks.

Mr. MICHEL. Mr. Speaker, I yield 1 minute to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Speaker, I thank my colleague for this time.

I would like to bring to the House something that I think we really ought to face. I think we ought to have a rule in this House that we treat the people's money with more respect, that we do not allow appropriations out of the people's purse in any shorter time than 5 days before we adjourn so that when an amendment is offered or the bill can be offered we have time to study it.

We all know what goes on here. This year was not as bad as some other years, but the desire to adjourn, the deadline of adjournment and then these appropriations are added, added and added, and everybody knows why. They were not done before because this is the system. You get them in when people are anxious to adjourn and you do it by unanimous consent. You make enemies if you object, and the system does not work to the benefit of the public.

□ 1410

I think we should really face it. I know it will not happen this time. But I do wish that we could get this in the Rules of the House, that we do not appropriate any bill. Any bill that is brought to the floor, it means 5 days before we adjourn. We have in this House, since I have been here, voted on a $20 billion tax cut, and we did not even see the bill. We only saw a mimeographed digest.

How is it possible to treat the people's money in this callous and careless and flagrantly irresponsible way? We must change.

Mr. MICHEL. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. MOORE).

Mr. MOORE. I thank the Republican leader for yielding.

Mr. Speaker, I am not sure that the American people understand what we are doing here today. As a member of the Ways and Means Committee, I would just like to give my viewpoint on what I think is really going on.

The adoption of these rules is important to determine how this House shall operate for the next 2 years. But it also amounts to a great deal of philosophical and political decisionmaking going into what makes up these rules.

The Ways and Means Committee is simply being stacked. That is a good word for it, the best word I can think of. I think the people of America ought to understand it. The Ways and Means Committee is being stacked. It is being stacked by a philosophical minority in this House, it is being stacked by the same people who were repudiated overwhelmingly by the American people on November 4, in order to block what those people wanted done. A tax cut was not passed by the 96th Congress. The philosophical majority of that Congress is the philosophical minority of this Congress. But that group still controls the makeup of rules of this House, and these rules that are before us to vote on today are nothing more than stacking the Ways and Means Committee, to thwart the decision of the American people on November 4, to see to it that we still do not get a tax cut, like we did not get in the last Congress and under the last administration. I think the American people ought to understand that this vote that shall be coming up, this vote on whether or not to vote down the previous question, amounts to simply stacking the committee and thwarting the will of the American people and the economic policy they voted for.

I urge that we vote down the previous question so that we have an opportunity to vote for a set of rules that will let happen what the American people wanted. I think the American people ought to understand that this is not a mere technical vote, this is not merely a procedural vote. This is a very substantial, substantive vote that folks back home ought to understand as to how their Congressman and Congresswoman voted.

Mr. Speaker, I urge that we vote down the previous question.

Mr. MICHEL. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. I thank the distinguished minority leader for yielding, and I would like to point out, Mr. Speaker, that the gentleman from Texas, the majority leader, described the rules changes as an attempt to expedite and to facilitate. Mr. Speaker, it seems to me that what we have here is really an attempt to severely limit the debate of the House of Representatives.

Since I have been here we have had individual gag rules on many occasions before this House. It seems to me that what we are being asked to adopt here today is a collective gag rule. This House has long been a bastion of open debate. We have had the idea in the House of Representatives that men and women could exchange ideas and, out of that, produce good legislation. Well, this would take away some of that attempt to debate. It would also mean that the majority would not even hear some of the views of the minority on specific issues.

What we are really doing is violating a meaningful parliamentary tradition in this country, open debate. I would say, Mr. Speaker, that it is time that we stand up and do something about it. The attempt to gag this House should be roundly defeated by supporting the motion to defeat the previous question.

Mr. MICHEL. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, this is an economic fight. It is a mistake to gag this House and prevent it from fulfilling the promises that were made during this past election. If this rule is passed as it is, we will not have a chance to fulfill the economic promises that the American people are waiting for. And make no mistake about it, that is exactly what we will be doing if we pass this rule as is.

It cannot be passed over as easily as the majority leader would like to make us believe. It is saddling this House with an inability to fulfill the economic promises that were made by Members of this House, by the President, and by Members of the other body. I think it would be a major mistake for this country to believe that we are fulfilling their promises if this rule is passed as is.

So I urge my colleagues to vote down the previous question, so that we can free up this rule by several amendments that will be offered.

Mr. MICHEL. Mr. Speaker, I yield 5 minutes to the distinguished ranking minority member of the Ways and Means Committee, the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr Speaker, there are lots of things I would like to talk about in these rules. For instance, I think the clustering of votes is an abomination. It reduces the attention of the House, the understanding of the issues, it usually reduces the attendance at debate considerably. I think, also, the minority leader is absolutely right when he says that the economic issue is central and that we should give control over this issue to the Budget Committee rather than to the Rules Committee, which, as we know, has been splendidly stacked by the rules we are about to vote on.

I want to spend most of my time, however, talking about what is happening to the Ways and Means Committee. You know, one of the things that saddens the American people is that elections come and elections go, but politics is always with us. Elections should make a difference. We had in the 95th Congress 12 members of the Republican Party on the Ways and Means Committee. In the 96th, we had 12. In the 97th, we have 12. By this rule we have moved, of course, the ratio from 2-to-1 plus 1 in the 95th to 2-to-1 minus 1 now; that is all the response we have had to two elections which have added 45 Republicans to the House. Now, I say that is grossly unfair. It is manipulative. That is reason enough to oppose this rule. But it is also unrealistic.

The power reality on the the floor is going to be different from the committee ratio of the tax-writing committee and there is no more important issue between the Government and the people than taxation. Taxation is an issue that should be dealt with by a body representative of the House as a whole. Under this rule it is not going to be handled in that way.

Now, another probably effect of this change is going to be to shift the tax initiative from the House of Representatives to the Senate. The administration will much more easily interface with the Senate, which is going to be representative of the popular vote, while in our body we will find a measure prepared by the Ways and Means Committee going to the floor in unacceptable form, an impasse inherent in the process, and the inevitable result is going to be a proliferation of nongermane amendments from the Senate. Rules can impose a restriction of amendments to the Ways and Means bill, and the floor as a whole will have no alternative but complete rejection when it finds the committee work out of phase.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Illinois.

Mr. MICHEL. Does not the Constitution itself provide that money bills originate in this body?

Mr. CONABLE. Mr. Speaker, may I say to my minority leader that this is the saddest thing of all. This step is in derogation of our constitutional role in the House, and it is a most unfortunate development. The inevitable result is going to be not just a manipulative result, not just an unrealistic result, not just an unfair result; it is going to be a result which downgrades the processes of the House in relation to our primary function, the generation of money bills.

Now, Mr. Speaker, I know that nothing can be done about this. It has been said that there are no prizes for second place, and the majority is controling this with a naked exercise of power. But power should be fairly used. It is not being fairly used in this respect, and we are going to have to remind you of this time and time again during the 97th Congress. I pledge that the minority on the Ways and Means Committee will not forget this in the 97th Congress. We are going to remind the people of the United States that if results are not what they would like, it is due to unfairness on the part of the leadership in foisting this kind of committee ratio off on us.

We are going to do the best we can, of course. We are going to cooperate and try to put through a program that will be representative of what the people want. But when that fails, we are going to be sure that everyone understands where the problem is. We may remind you of this in the next Congress, too. We have had a tradition of 3 to 2, except in those times when the party ratio in the House has been even greater than that. To violate that tradition is to ask for trouble in the future. I must say that I regret that the majority party is not exercising the restraint of which we know any great political party should be capable in this respect.

□ 1420

Mr. WRIGHT. Mr. Speaker, I yield 3 minutes to the very distinguished gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, I thank the gentleman from Texas for yielding to me. I would like to direct an inquiry concerning the change in the rules relative to the Budget Committee.

As I read the proposed changes, the only increase is the increase in numbers from 25 to 30 members on that committee. Is that the majority leader's understanding of the rule change?

Mr. WRIGHT. The gentleman is exactly correct. There will be an increase in numbers. No other fundamental change is intended.

Mr. LATTA. As in the past, we have had representatives from the leadership on the majority side as well as the minority side. The gentleman from Texas, the majority leader, has been representative of the leadership for the majority party, and I have been the representative of the minority party on that committee. As far as our two particular statuses on that committee are concerned, they will not change?

Mr. WRIGHT. The gentleman from Ohio is absolutely correct. If he will refer to the last four lines on page 3 of the committee print of the resolution, he will observe that the rule expressly provides for one member from the leadership of the majority party and one member from the leadership of the minority party. The gentleman from Ohio and I have had the privilege of serving in those two positions, and I would presume it likely that we might do so in this Congress.

In any extent, whomever the Speaker may determine to appoint for the majority party, and whomever the minority leader or the minority party among them may select—and I would hope that it might be the gentleman from Ohio (Mr. LATTA)—will indeed be privileged to serve without hindrance under this rule.

Mr. LATTA. Notwithstanding the fact that both the gentleman from Texas, the majority leader, and myself serve on other committees?

Mr. WRIGHT. In this instance I do not think serving or not serving on other committees has any bearing whatever. The reference on line 15 to 28 members who are members of other standing committees is intended to distinguish them from the 5 members who are members of the Committee on Appropriations, and the 5 who are members of the Committee on Ways and Means. It does not have any bearing whatever with respect to the leadership appointees. The leadership in each party is free to appoint whomever that leadership may choose.

The gentleman from Ohio may or may not serve on other committees. The gentleman from Texas, as the gentleman from Ohio is probably aware, serves also on the Committee on Intelligence, and that does not serve as any bar or barrier to my being appointed, if the Speaker should choose to appoint me again, to serve for the leadership on the Committee on the Budget. Surely, it would not serve to prevent the gentleman from Ohio from being appointed again or selected by his party to serve in that same capacity.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. WRIGHT. Mr. Speaker, I yield 1 additional minute to the gentleman from Ohio.

Mr. LATTA. I thank the majority leader for yielding.

The ratio on this committee will be 18 for the majority side and 12 for the minority side?

Mr. WRIGHT. The gentleman is correct.

Mr. LATTA. I thank the majority leader for yielding.

Mr. WRIGHT. Mr. Speaker, I yield myself such time as I may consume at this juncture.

I just want to observe that the only objection that I have heard offered to the rules are, first, the committee ratios; and, second, the limitations on spending, which some of the gentleman on my right would like to enter as a part of the rules of the House. Now, I am going to yield very shortly to the distinguished gentleman from Oklahoma (Mr. JONES), who will be chairman of the House Committee on the Budget, to respond to that second suggestion and to give such assurances as I think will be pleasing to Members on both sides of the aisle concerning our determination that there will be some realistic means of controlling expenditures. Whether it be by establishing an arbitrary percentage of the gross national product, as I understand the distinguished minority leader or his associates would desire to offer as an amendment to the rules, or whether it be by some other effective means, I think we all can be assured that there will be an opportunity during this Congress for the Members to vote on some means of establishing a limitation upon expenditures.

Now, to the end that that might be further discussed, I yield 5 minutes, or such part thereof as he may desire to consume, to the very distinguished gentleman from Oklahoma, the chairman of the Committee on the Budget (Mr. JONES).

Mr. JONES of Oklahoma. Mr. Speaker, I thank the distinguished majority leader for yielding.

Mr. Speaker, I would like to address the second point that has been referred to as a suggestion to the proposed rules of the majority party. That pertains to the spending limit amendment. I recognize that the exercise that we are going through here today is basically a partisan exercise, because it deals with organization, rules, and by tradition it has been partisan and the vote, the speeches, will basically be along party lines. But, I think the thing that is encouraging to me is that underlying those partisan traditions I think is a bipartisan effort to make our budget process work and to use Federal budget policy to help get this economy under control and back on a track toward real economic growth.

Now, I have a particular interest in the proposal which the minority party is advancing, one to limit Federal

spending to a percentage of the gross national product because, as many of you know, I and a number of other Democrats and Republicans alike in the last Congress offered essentially this same resolution in the form of legislation, which we were not able to get acted upon. As the new chairman of the Budget Committee, I am committed to making sure that we do have a substantive vote on a spending limit amendment.

The amendment which I introduced last year and which was, as I say, cosponsored by Democrats and Republicans alike, does have some flaws in it, at least as it pertains to the new economic realities that all of us face. I know some members of the minority party and members of the majority party have talked to me about the need to refine this concept so that it truly can be a workable concept, and so that it will send the proper signals out to the financial markets, that the Congress is indeed serious about fighting inflation through budget policy in a workable fashion. And so, immediately after our caucus nominated me as budget chairman in December, I met with a number of economists from the universities as well as the Budget Committee staff to begin the refining process of this spending limit proposal.

I think it would be premature at this time to put a spending limit amendment as outlined here in the House rules, but I can assure the Members that as we tackle the very tough question, the very tough problem of bringing our budget policy under control, that we will have a spending limit amendment similar to the one that we are discussing here today, to be voted on by the entire House of Representatives.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. JONES of Oklahoma. I will be happy to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate our new chairman of the Budget Committee yielding to me. The gentleman is aware that many of the concepts of the amendment to be offered by the gentleman from Illinois (Mr. MICHEL) on the first amendment is very similar to the amendment that the gentleman from Oklahoma offered and that may of us cosponsored and favored.

Mr. JONES of Oklahoma. I have so stated.

Mr. ROUSSELOT. The projections, even though they are slightly different today on future economic projections there is not that much difference on this spending limit as it relates to the gross national product, as I am sure the gentleman is aware. How has the gentleman changed his mind?

Mr. JONES of Oklahoma. I have not changed my mind. As I say, I am delighted to see that this principle, this concept which was introduced by our party in the last Congress and cosponsored by your party members in the last Congress, that this concept is being discussed in a bipartisan manner. What we are trying to do is to make this concept as workable and reasonable as we possibly can.

□ 1430

For example, I have felt that this arbitrary ceiling of 22½ percent, working itself down to 20 percent of GNP, may have us working against economic cycles and we may actually be spending too much in coming years, as we have in the past 2 years, spending too much on economic conditions.

So we are working on a leeway. When a recession is higher than we would like and we have perhaps a half a percent above that target, and where the economy is gaining real ground and we do not need to spend, say, 22½ percent, we would have the target come down some.

These are the kinds of things we are trying to do to define the concept and really make it work.

At this time I do not want to offer—and I do not think the gentleman from California (Mr. ROUSSELOT) would want me to do it, nor would he want to do it—a substantive proposal that could be improved upon, particularly in this forum on an issue such as we are discussing today, which is basically a partisan issue and a procedural matter as well.

The SPEAKER pro tempore. The time of the gentleman from Oklahoma (Mr. JONES) has expired.

Mr. WRIGHT. Mr. Speaker, do I understand correctly, if I could have the attention of the minority leader or the gentlemen who are controlling the debate on the Republican side, that there is only one other speaker on the minority side?

Mr. MICHEL. Mr. Speaker, the gentleman is correct; yes.

Mr. WRIGHT. In that case, Mr. Speaker, at this time I yield 5 minutes or such portion thereof as he would desire to consume to the chairman of the Committee on Appropriations, the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Speaker, I would just like to call attention to several facts that seem to be forgotten as we move along.

I was co-chairman of the study group which recommended the establishment of a Budget Committee, and I was a member of that committee the first year. It was recommended that the committee, by and large, be members of the Committee on Appropriations and the Committee on Ways and Means, since they were the primary committees, who heard witnesses and testimony, and then there were to be a limited number of representatives from the legislative committees.

That principle has been reversed now. Membership of those two committees is now cut down, on the Budget Committee, and numerically it has come under the control of the legislative committees, to a great degree.

Let me call attention to the fact that when the previous chairman of the Appropriations Committee, Mr. Mahon, announced that he was going to retire, I knew what the situation was and I had a study made for the Committee on Appropriations on a variety of fiscal matters. We found out that the Committee on Appropriations, for 36 of the last 37 years has been below the budget. What has happened is that through legislation such as entitlements and contract authority recommended by the authorizing committees, the Congress went over the budget. I voted for some of it but the point is that the problem was not with bills from the Appropriations Committee. The study showed that some 58 percent was beyond the annual appropriation process. This 58 percent was effectively escaping the discipline of the annual review in the appropriation process.

The other thing I would like to call attention to involves the calculation of the gross national product. Why the figures are carried this way, I do not know, but the gross national product—and I have had this confirmed by the top people in the executive branch—is the sum total of all goods and services. That is the sum total that is spent. So the more that is wasted, the greater the GNP.

Forty-two percent of those who come into the Army do not go beyond the first tour of duty, and their training and pay and replacement costs are counted as part of the gross national product. Any Government spending, whether it is efficient or wasted is counted. The more that is wasted, the greater the GNP. So under some budget control formulas, the more we waste, the more we can spend.

If we are going to have a sound and constructive system, we had better tie it to something firm. If we are going to do something to balance the budget and do all these other things, we had better look to these things where entitlements have been mandated by the legislative committees, because again the Committee on Appropriations has been below the budget for 36 out of the last 37 years.

These are facts that should be considered. I do not know the answer to all these things. I have made recommendations to the Budget Committee. I voted for the establishment of the Budget Committee, and I voted for the last budget resolution, knowing that it was unrealistic. For a number of reasons we have been forced to operate

under an extensive continuing resolution and there are many uncertainties now and many more ahead for the balance of this year. That is not a good way to run things.

I have been trying to do the best I could with the support of my committee. I am pleased that we have made our recommendations as we did. But if we are to accomplish what we hope, we must tie it down to something that is not shaky, because the more we waste, the greater the GNP, and the greater the GNP, the more we can spend under certain proposals.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, we have only one more speaker on our side, and I wonder if the gentleman from Illinois (Mr. MICHEL) would like to use time now.

Mr. MICHEL. Yes, Mr. Speaker. I yield the balance of my time to the gentleman from New York (Mr. KEMP).

The SPEAKER pro tempore. The gentleman from New York (Mr. KEMP) is recognized for 3 minutes.

Mr. KEMP. Mr. Speaker, I thank the Republican minority leader, and I rise to urge the House to vote down the previous question.

I must agree that the rule changes proposed by the majority would further concentrate power in the hands of the majority leadership and further undermine the remaining privileges of the minority.

For example, proposed change 1(b) would expand the majority leadership's ability to postpone and schedule voting to separate it from debate on the issue at hand and to accommodate the schedules of absentee members of the majority.

Change 6(a) would further erode the 3-day rule for consideration of measures reported by committee.

Change 7 would further weaken the budget process by making it easier to ignore the September 15 budget deadline, since continuing appropriations bills would be privileged.

Change 8, by making independent committee cost estimates optional, would further aggrandize the role of the Congressional Budget Office, which has not always been a model of impartiality in such cases.

Change 9 would abolish the right to demand a quorum call, thereby lessening the significance of debate on the floor.

Change 10 would permit nondebatable motions to dispense with the reading of committee-reported amendments and those printed in the RECORD.

We have also made the point that we are deeply upset and concerned about the proposed committee ratios, but put the ratios and the rules changes aside for a moment. What we really want to dramatize today is the fact that the economy is the No. 1 issue, not just for Republicans or Democrats, but for all the American people.

Our Speaker, the Honorable "TIP" O'NEILL, said that the American people expect us to move on inflation, they expect us to move on employment and productivity, they expect us to be concerned about the needy, and they expect us to balance the budget and to revitalize the U.S. economy. And he was right. But then he went on to quote Walter Heller, who said in the Wall Street Journal a few days ago that every American working man and woman is more productive than ever, that the massive borrowing of the Federal Government is not all that much of a concern to the American people because it is less than 1 percent of the gross national product, and that really there is not much to be concerned about because we are building from a sounder base.

Mr. Speaker, I say to the Members of the House that that just will not cut with the American people. With the prime rate at 20.5 percent, with interest rates in the long-term bond market into double digits, with the consumer price index well into the double-digit figures, and with the bond market skittish, the American people are concerned about the problem of stagflation. That is why high rates of inflation and low rates of economic growth—steady as you go—just will not meet the mandate that the people sent us last November.

What this side of the aisle said is that rather than arguing about the rules of the House, as important as they may be to us, what is of greater concern to us is the economy. Our constituents and the American people are demanding action, but we are told today by the distinguished new chairman of the Budget Committee that we cannot move until a perfect spending limitation bill is found.

I have recently been reading the great historian, William Manchester. I read his book on Franklin Roosevelt, and as I understand it, Mr. Roosevelt, after taking the inaugural oath, went to the White House after the pro forma inaugural ceremonies. He went straight to the White House and called for a bank holiday. That was not the perfect thing to do, and it might have been considered wrong from some of our perspectives. But he did something. He told the American people that the President and the Congress had to move quickly and within 24 hours he and his economic advisers took strong action.

I am not advocating further Government intervention in the economy as a way of alleviating the people's concern, but I am suggesting that the American people voted for a change. They wanted us to take action, and there is no more symbolic nor more substantive move that this Congress could make to restore financial credibility to the bond market, to the equity markets, and to the long-term-interest rate situation in this country than to put a ceiling on Government spending and pave the way for an economic recovery and an improved fiscal program.

Essentially, the majority faces a choice of fiscal policies—it can oppose efforts to remove tax and regulatory disincentives and to get a handle on Federal spending; or it can support efforts to revitalize our economy and to control the Federal budget.

By opposing the previous question, the majority has a chance to give the authority for oversight of the budget process to the Budget Committee instead of the Rules Committee. In the last budget, we changed spending estimates no less than six times. The Rules Committee held exactly one set of hearings in the last 6 years, without result. The Rules Committee has reported literally scores of budget waivers, and a few months ago, Congress was violating the law as laid down by the Budget Act. Clearly, this committee is not doing the oversight job that needs to be done.

The majority has a chance, as well, to support an amendment to place a ceiling on spending as a share of the economy. The Republican amendment would limit Federal on-budget spending to 22.5 percent of GNP in fiscal year 1982, 22 percent in fiscal year 1983, 21 percent in fiscal year 1984, and 20 percent in fiscal year 1985.

It is sometimes argued that tax-rate reduction is not possible without spending limitation. I believe the reverse is also true. Without removing disincentives to employment, productivity, and growth, and without reducing inflation, spending limitation cannot succeed. The reason is that so much of the Federal budget depends on the misery index—the combination of the rates of inflation and unemployment. Inflation raises debt service, procurement costs and indexed payments to individuals. Unemployment automatically increases payments for unemployment benefits, trade adjustment benefits, welfare, and other entitlement programs. It also loses revenue. The CBO estimates the impact of 1 percentage point of increased unemployment on the Federal deficit at $25 to $29 billion in lost revenue and automatic spending increases. Each percentage point of inflation adds about $6 billion to Federal spending.

In an economy which is contracting because of faulty economic policy, spending is out of control, and yet there are fewer resources to pay for it. I ask my colleagues on the majority side to consider the arithmetic impli-

cations of their attitude to economic policy.

GNP last year was about $2.5 trillion. Since 1973, real economic growth has averaged 1.9 percent a year—only half the long-term trend of 3.7 percent, and far below the 4.6-percent average achieved during the 1960's. If real economic growth continues to stagnate as it has in recent years, growing at about 2 percent annually, GNP will barely stagger to $3 trillion by the end of the decade, in constant dollars. But if real GNP were to grow at the average rate of the 1960's, it would reach $4 trillion in real terms during the same period—or almost one-third larger.

Consider also that 23 percent of a $3 trillion economy is $690 billion. The same Federal budget is only 17.3 percent of a $4 trillion economy. On the other hand, 20 percent of a $4 trillion economy would yield $800 billion.

In setting long-term economic policy, there is no tradeoff between cutting tax rates and paying for Federal expenditures. There is only a choice between growth and contraction.

With incentives for higher economic growth, incomes would be substantially higher and jobs more plentiful. Federal revenues would be high enough for a balanced budget, adequate funding of health, education and social programs, and unquestioned military preeminence. Economic growth would eliminate budget deficits caused by stagnation, and reduce pressure on the Federal Reserve to create more money. We could end inflation. The social gains from economic growth would be enormous. Faster growth, higher incomes, and plentiful jobs are exactly what the underprivileged and minorities have been seeking for many years.

Where does the majority stand on the economic future of the country? Does it plan to support initiatives to revive the economic growth we need to provide jobs and develop the resources to pay for necessary defense and social programs? Or does the Democratic Party plan to continue favoring an ever-larger Government share of the economy, and destroying economic incentives and opportunity which are the last and best hope of the poor and disadvantaged?

The time to answer that question is right now—by opposing the previous question, and supporting the Republican amendments to regain control of the Federal budget, and then the new administration's economic stabilization and recovery plan.

The SPEAKER pro tempore. The time of the gentleman from New York (Mr. KEMP) has expired.

The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

● Mr. FRENZEL. Mr. Speaker, in the first place there is never enough time to discuss the rules of this before they are adopted. They will govern our total conduct here for the next 2 years, but most of us have not even seen them in writing yet.

The reason for lack of discussion is not that we are terribly busy, for we will do nothing for the next 2 weeks, and almost nothing for a month after that. It is, of course, that the majority would prefer that the rules not be discussed.

Unfortunately, the rules are something more than an item of interest for scholarly research by students of parliamentary procedure. We, all of us, have to live under these rules. More important laws, more programs, more ideas, pass or fail here on matters of procedure than on matters of substance.

Unfortunately also, our rules are a relatively untidy assemblage of majority whims accumulated over more than 200 years. They are archaic, arcane, and often asinine. This year's changes only make them more so. They are in desperate need of emergency repairs, and, if this House is serious about its work, they are in need of drastic, comprehensive overhaul.

Egregious examples of bad procedure abound. The suspension rule, for instance, is outrageously overused and abused, and needs strong limits on its use. The proliferation of the suspension procedure is really the hallmark of the Democratic majority of the decade of the 1970's. Apparently unwilling to stand the scrutiny of debate or to risk amendments, the majority group has simply expanded suspensions. This has snuffed out debate and amendments on some of the major legislation of the 96th Congress.

Over the past decade the Republican minority has demanded, futilely of course, that proxy voting in committees be eliminated. It is antithetical to the representative form government that Members, who campaign vigorously for the privilege of representing about a half-million people, are allowed to give that precious vote to someone else, usually a chairman who cannot pass a questionable bill without it.

We have also demanded, again futilely, that the rule allowing committees to transact business with less than half its Members present be rescinded. That odious flaw in our rules deserves no further comment.

The Reorganization Act of 1970 gives the minority one-third of committee staff but the House rules have warped the intent of that law for 10 years. We used to ask for more staff to equal one-third of what the majority uses, but since the staff explosion of the past half-dozen years, we have been asking that the majority staff be cut to only twice as much as we use. The savings would be fantastic.

However, the worst item in these rules which the Democrat majority wants us to adopt today with 60 minutes of debate, all controlled by the majority, and no amendments, is the establishment of scandalously unfair ratios of Democrats to Republicans on important committees. The Democrat Caucus, in an obvious attempt to reverse the election mandate, has packed the key committees.

Republican candidates for the House got about 50 percent of the votes. Because of malapportionment of districts, we got 44 percent of the House seats. These Democrat rules give us 31 percent of the Rules Committee, 34 percent of Ways and Means, and 40 percent of the Appropriations and Budget Committees.

Those unfair ratios are more than unfair. They have been carefully engineered to deny the changes that the people said they wanted when they voted in November. They apply only to the major issues of spending and taxes. Fair ratios; that is, 44 percent Republican membership, are established for other committees. Only the important committees have been stacked.

The Speaker has been quoted as saying that Republicans established a 3-to-2 ratio in Ways and Means a quarter of a century ago and that justifies today's grand larceny. Most people, being aware of the intervening one-person-one-vote decision of the Supreme Court would reject that petty argument out of hand.

Those of us who have been here in this House in the past decade do, in addition, remember the Democrat reforms of the 1970's. This Speaker, and many of the people who will vote for this distinctly undemocratic rule, promised us reform, ethical conduct, openness, and a new kind of politics.

Is stacking committees ethical conduct? Is adopting this rule in a closed caucus openness? I don't think so. It may have been acceptable political conduct in the Boston of Mayor Curley, but it is surely unworthy of any political party today, especially one which has tooted its own horn ad nauseum about fairness and ethics.

With stacked committees, it is likely that much of the mandate of the recent elections cannot become law. How will President-elect Reagan move a tax program out of a Ways and Means Committee which has only one-third Republican membership?

If the mandate is frustrated, and if the vote of the American people is reversed, by the rules of this House, the Democrat majority in this House will not escape the blame. That majority is advised that even if the people and the press do not know much, or apparently do not care much, about unfairness, they do understand economics. They will be carefully and regularly advised how this ratio rule is affecting

the progress of important economic legislation.●

Mr. WRIGHT. Mr. Speaker, we have had a useful discussion. There has been some rather extreme rhetoric to which we have been exposed.

Under the circumstances, I think that is to be expected, and it is to be understood. However, I do think that we ought to understand that this is exactly what the House has done traditionally on the opening day of every Congress for as long as I can remember, and the Parliamentarian advises me that he has no knowledge of any other procedure than that which we are following today.

One of the gentlemen on the Republican side referred to this as an exercise in autocracy. Another referred to the flouting of the Constitution by this means. One other Member indicated that he felt we were being dictated to by this process of amending the rules on the opening day under this kind of a 1-hour time limit.

I am not aware of any other situation that ever has applied. One of the Members referred to this as a gag rule, and certainly there is no intention to apply a gag rule.

I think we have had an interesting and useful debate. Two objections have been offered to the changes in the rules, and those are not really objections to the proposed changes in the rules. One of them is an objection to the committee ratios that the majority party has been directed by the Democratic Caucus to seek in this Congress. The other is a demand that there be written into the rules of the House something that never has been written into the rules of the House, and that is a limitation upon expenditures based upon the gross national product. That would be an entirely unprecedented thing, if it were to be done.

Now, the gentleman who offered that panacea for all of our ills ought to be reassured by the statements that have been made by the chairman of the Committee on Appropriations and the chairman of the Committee on the Budget, and the Members ought to be reassured that there will be a very serious effort made to establish a workable limitation upon expenditures. Perhaps it would be tied to the gross national product, and perhaps it would not be, but surely the rules of the House adopted on the opening day of each session are not the appropriate place in which to repose some entirely new and undebated concept of a limitation on total spending as a percentage of the gross national product.

□ 1440

With regard to all of the talk we have heard about the committee ratios, I would just like to point out that we on the majority side are being considerably more generous in our division of committee positions than was the minority party when it, the Republican Party, was last in the majority. On the last occasion when the Republican Party held a majority in the past, it held a majority by only eight Members. That represented 51.2 percent of the House seats. If House committees had been divided precisely by that means, they would have been divided almost evenly and yet the average Republican percentage on committees in general during that 83d Congress, the last occasion upon which the Republicans were in the majority, was 55.3 percent, not 51.2 percent, 4.1 percent higher than the Republican House percentage would have indicated.

At the beginning of the 96th Congress, by contrast, the one just ended, the Democratic Members held 63.8 percent of the House seats but the average Democratic percentage on committees was only one-half a percentage point higher or 64.3 percent. I think that will surely demonstrate that we have tried to be responsible in the exercise of that power which goes with the majority.

Mr. MICHEL. Mr. Speaker, would my friend from Texas yield?

Mr. WRIGHT. Surely I will yield to my distinguished friend, the minority leader.

Mr. MICHEL. Talking in more recent times when supposedly the Democrats had a 2-to-1 majority, where that really hurt, and few people realized, down at the subcommittee level where your 2 to 1 plus 1; seven for a majority, two for a minority; is just not the way to get a good product at the subcommittee level.

Now, the gentleman refers to the 83d Congress when we had this narrow margin in the House but I would remind the gentleman that up to that time the practice in this body, no matter whether one had a majority of 100 or 150, the natural breakdown was 2 to 1 for Rules, 3 to 2 for Appropriations and Ways and Means, and that was before we had a Committee on the Budget. That was practice up to that time so there was nothing unique about the fact that when we had it by that narrow margin in the first Eisenhower term that we should have exercised what was practiced up to that time and it was not unduly unfair.

We hope in time we might very well have even a slim majority on this side and then, of course, we will have to reassess our position. We will have been living in different times than we were 20 or 30 years ago.

Mr. WRIGHT. I thank the gentleman from Illinois. I believe the gentleman has made precisely the point that I have been attempting to make. This is, there are a few committees which are instruments of the leadership. Back in 1953 when the Republican Party was in the majority it had to have a working majority on both committees if it was to assert the responsibilities of leadership which the public had given to it.

That same identical position applies today. Those committees we regard to include the Committee on Appropriations, the Committee on Rules, and the Committee on Ways and Means.

On that occasion, those 27 years or such matter ago, when the minority party was then the majority party, it insisted, though it enjoyed only an eight vote margin—51 percent of the membership—it insisted on having 30 to 20 on Appropriations. That is 3 to 2. It insisted on an 8 to 4 division on the Rules Committee, 2 to 1. It insisted on a 15-10 division on the Committee on Ways and Means, 3 to 2.

Now, it is necessary for the majority party, as the Republicans recognized in those days, to have a working majority on these particular leadership committees if that party is to function as a leadership party. If it is to carry out the mandates that have been given to it by the American people in sending its Members to be the majority party in the Congress.

So it is we are doing precisely that same thing. I think the gentleman would acknowledge that what we have sought by way of a division on the Committee on Appropriations is exactly the same as they sought, 3 to 2, when they had only an eight vote margin. What we seek on the Committee on Rules is not an unreasonable division.

Mr. MICHEL. Mr. Speaker, will the gentleman again yield?

Mr. WRIGHT. Yes, I will yield to my friend.

Mr. MICHEL. That is an unreasonable ratio, 11 to 5. A 2 to 1 plus 1. That might have been appropriate for two or three Congresses back but not today. The reason is that the gentleman knows what function the Rules Committee performs in this House. It is a traffic cop for every piece of legislation and to think that we cannot get by with just 2 to 1 but have to still maintain 2 to 1 plus 1, puts us in a very critical bind.

I might even be willing to concede that if on the Committee on Ways and Means the majority adhered to that principle of 24, if that is the case, or 20 to 12, in that light. However, that is not the case.

At one time there was some talk to the effect, well, 23 to 12 could possibly be changed to 23 to 13. That would at least be some movement in that direction. I would have hoped maybe it would have been possible for the majority leader under Speaker to go back to the Democratic Caucus and get that kind of an adjustment but if the majority side is so adamant on that, then, of course, we have no alternative but to make the point we are making, that

it is critical in this time for us to have a reasonable shake in the Committee on Ways and Means in which committee there will be so much of the action flowing in the early days of this session.

Mr. WRIGHT. Mr. Speaker, I appreciate, of course, the role of advocacy which falls unavoidably upon the shoulders of the gentleman from Illinois. Were I in the gentleman's position I would probably be making exactly the same point. I think the facts will bear me out in the conclusion that we on the Democratic side have been every bit as considerate and probably even more generous than our leadership position would have warranted throughout the years and again today.

If the gentleman from Illinois were right in asserting that a 2 to 1 plus 1 margin were inappropriate at a time when we enjoy a 51 Member majority, then surely he would have to conclude that a 2-to-1 ratio was highly inappropriate when his party enjoyed only an 8 vote margin.

Mr. Speaker, we are not arguing that point nor are we trying to rewrite history. I only suggest that it is the responsibility of the majority party, and it always has been, to exercise effective leadership in the Congress. We assume that responsibility gladly.

In the last Congress we gave an average committee breakdown which was within one-half of 1 percentage point across the board of the membership division between the two parties. I think that bespeaks fairness, it bespeaks equanimity, it bespeaks equity, and that is what we are trying to do today.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. Mr. Speaker, I do not choose to yield further. I think the gentleman from New York has made his point and has made it well. The gentleman from New York feels there is something special in the Committee on Ways and Means which ought to confer upon the minority party, particularly in view of the fact that the minority party now occupies the White House, a more narrow division than is extended in the 23-to-12 ratio. That is not quite 2 to 1.

Mr. Speaker, I would recognize that the gentleman is sincere in the argument he makes but I would offer to the gentleman this suggestion: Just as the American people chose to select a Republican to sit in the White House, just so have the American people chosen a Democratic majority to exercise leadership in the House. We do not want to have a role of confrontation continuously belaboring our relations with the White House or with the other body.

□ 1450

To the extent that it is possible, I pledge to the gentleman that we want to have a role of cooperation, that we want to work with the new President-elect, and that we want to work with our contraries in the other body to try to fashion creative legislative solutions, and they include those which the gentleman has referred to earlier.

I think all of the Members understand what is at issue. What is at issue, quite plainly, my colleagues, is the question of a right of the majority to exercise the leadership and the function of responsibility that has been reposed in that majority by the American people, and that we expect to do.

Mr. Speaker, I move the previous question on the resolution.

The SPEAKER pro tempore. Will the gentleman from Texas withhold moving the previous question until after the Speaker has resumed the chair for the swearing in of Members-elect?

Mr. WRIGHT. I withdraw the motion, and I will offer it after the administration of the oath of office.

SWEARING IN OF MEMBERS

The SPEAKER. Members who have not taken the oath of office will kindly step to the well.

If the Members will raise their right hand, the Chair will now administer the oath of office.

The Speaker administered the oath of office to the following Members-elect: Hon. PHIL GRAMM; Hon. SAM B. HALL, Jr.; Hon. CHARLES WHITLEY; Hon. MARTIN OLAV SABO; Hon. DAN MICA; Hon. ANTHONY C. BEILENSON, and Hon. FLOYD SPENCE.

The SPEAKER. The gentlemen are now Members of Congress.

The SPEAKER. The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The question is on ordering the previous question.

Mr. MICHEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote taken by electronic device, and there were—yeas 216, nays 179, not voting 24, as follows:

[Roll No. 3]

YEAS—216

Addabbo	Blanchard	Clay
Akaka	Boggs	Coelho
Albosta	Boland	Conyers
Alexander	Bolling	Cotter
Anderson	Boner	Coyne, William
Annunzio	Bonior	Crockett
Applegate	Bonker	D'Amours
Aspin	Bouquard	Daniel, Dan
AuCoin	Bowen	Danielson
Bailey, Pa.	Breaux	Daschle
Barnard	Brinkley	de la Garza
Barnes	Brodhead	Dellums
Beilenson	Brooks	Dicks
Benjamin	Brown, Calif.	Dingell
Bennett	Burton, John	Dixon
Bevill	Burton, Phillip	Donnelly
Biaggi	Byron	Dorgan, N.Dak.
Bingham	Chappell	Downey
Dwyer	Jones, Tenn.	Rodino
Dyson	Kastenmeier	Rose
Early	Kazen	Rosenthal
Eckart	Kildee	Rostenkowski
Edgar	Kogovsek	Roybal
English	Lantos	Russo
Evans, Ga.	Leath, Tex.	Sabo
Evans, Ind.	Lehman	Santini
Fary	Leland	Savage
Fascell	Levitas	Scheuer
Fazio	Long, La.	Schroeder
Ferraro	Long, Md.	Schumer
Fithian	Lowry, Wash.	Seiberling
Flippo	Luken	Shamansky
Florio	Lundine	Shannon
Foglietta	McCurdy	Sharp
Foley	McHugh	Shelby
Ford, Mich.	Markey	Simon
Ford, Tenn.	Matsui	Skelton
Fountain	Mattox	Smith, Iowa
Frank	Mavroules	St Germain
Frost	Mazzoli	Stark
Fuqua	Mica	Stenholm
Garcia	Mikulski	Stokes
Gaydos	Miller, Calif.	Stratton
Gephardt	Mineta	Studds
Gibbons	Minish	Stump
Ginn	Mitchell, Md.	Swift
Glickman	Moakley	Synar
Gonzalez	Moffett	Tauzin
Gore	Mollohan	Traxler
Gramm	Montgomery	Udall
Gray	Mottl	Vento
Hall, Ohio	Murphy	Volkmer
Hall, Sam	Murtha	Walgren
Hamilton	Natcher	Washington
Hance	Neal	Watkins
Harkin	Nelson	Waxman
Hatcher	Nowak	Weaver
Hawkins	Oakar	Weiss
Hefner	Oberstar	White
Heftel	Ottinger	Whitley
Hertel	Panetta	Whitten
Hightower	Patman	Williams, Mont.
Holland	Pease	Wilson
Howard	Pepper	Wirth
Hubbard	Perkins	Wolpe
Huckaby	Peyser	Wright
Hughes	Pickle	Wyden
Hutto	Price	Yates
Ireland	Rahall	Yatron
Jenkins	Rangel	Young, Mo.
Jones, N.C.	Ratchford	Zablocki
Jones, Okla.	Richmond	Zeferetti

NAYS—179

Archer	Derwinski	Hollenbeck
Ashbrook	Dickinson	Holt
Badham	Dornan, Calif.	Hopkins
Bafalis	Dougherty	Horton
Bailey, Mo.	Dreier	Hunter
Beard	Duncan	Hyde
Benedict	Dunn	Jacobs
Bereuter	Edwards, Okla.	Jeffries
Bethune	Emerson	Johnston
Bliley	Emery	Kemp
Broomfield	Erdahl	Kindness
Brown, Colo.	Erlenborn	Kramer
Broyhill	Evans, Del.	Lagomarsino
Burgener	Evans, Iowa	Latta
Butler	Fenwick	Leach, Iowa
Campbell	Fiedler	LeBoutillier
Carman	Fields	Lee
Carney	Findley	Lent
Chappie	Fish	Lewis
Cheney	Forsythe	Livingston
Clausen	Frenzel	Loeffler
Clinger	Gilman	Lott
Coats	Gingrich	Lowery, Calif.
Coleman	Goldwater	Lujan
Collins, Tex.	Goodling	Lungren
Conable	Gradison	McClory
Conte	Green	McCollum
Corcoran	Gregg	McDade
Coughlin	Gunderson	McDonald
Courter	Guyer	McEwen
Coyne, James	Hagedorn	McGrath
Craig	Hammer-schmidt	McKinney
Crane, Daniel	Hansen, Idaho	Madigan
Daniel, R.W.	Hansen, Utah	Marks
Dannemeyer	Heckler	Marlenee
Daub	Hendon	Marriott
Davis	Hiler	Martin, Ill.
Deckard	Hinson	Martin, N.C.
DeNardis		Martin, N.Y.

Michel	Roberts, Kans.	Snyder
Miller, Ohio	Roberts, S.Dak.	Solomon
Mitchell, N.Y.	Robinson	Spence
Moore	Roemer	Stangeland
Morrison	Rogers	Staton, W.Va.
Myers	Roukema	Tauke
Napier	Rousselot	Taylor
Nelligan	Rudd	Thomas
O'Brien	Sawyer	Trible
Parris	Schneider	Walker
Pashayan	Schulze	Wampler
Paul	Sensenbrenner	Weber, Minn.
Petri	Shaw	Weber, Ohio
Porter	Shumway	Whitehurst
Pursell	Shuster	Whittaker
Quillen	Skeen	Williams, Ohio
Railsback	Smith, Ala.	Winn
Regula	Smith, Nebr.	Wolf
Rhodes	Smith, N.J.	Wortley
Rinaldo	Smith, Oreg.	Wylie
Ritter	Snowe	Young, Fla.

NOT VOTING—24

Anthony	Gejdenson	Obey
Atkinson	Grisham	Patterson
Chisholm	Guarini	Reuss
Collins, Ill.	Hall, Ralph	Roe
Crane, Philip	Hartnett	Roth
Derrick	Lederer	Stanton, Ohio
Dymally	Moorhead	Stockman
Edwards, Calif.	Nichols	Young, Alaska

□ 1510

So the previous question was ordered.

The result of the vote was announced as above recorded.

MOTION TO COMMIT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Speaker, I offer a motion to commit.

The Clerk read as follows:

Mr. MICHEL moves to commit the resolution (H. Res. 5) to a select committee to be appointed by the Speaker and to be composed of nine members, not more than five of whom shall be from the same political party, with instructions to report the same back to the House within 7 calendar days with the following amendment:

On page 10, after line 8, add the following:

(19) In rule X, clause 6(a) is amended by adding the following new subparagraph:

"(3) The membership of each committee (and of each subcommittee, task force or subunit thereof), shall reflect the ratio of majority to minority party members of the House at the beginning of this Congress. This subparagraph shall not apply to—

"(A) the Committee on Appropriations, three-fifths of whose members shall be from the majority party and two-fifths of whose members shall be from the minority party;

"(B) the Committee on the Budget, three-fifths of whose members shall be from the majority party and two-fifths of whose members shall be from the minority party;

"(C) the Committee on Rules, two-thirds of whose members shall be from the majority party and one-third of whose members shall be from the minority party;

"(D) the Committee on Standards of Official Conduct, which shall be constituted as provided for in subparagraph (2); and

"(E) the Committee on Ways and Means, three-fifths of whose members shall be from the majority party and two-fifths of whose members shall be from the minority party."

Mr. MICHEL (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Illinois?

Mr. LOTT. Mr. Speaker, reserving the right to object, I will not object except to ask the distinguished Republican leader to explain the motion.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the distinguished minority leader.

Mr. MICHEL. Mr. Speaker, as indicated, this motion is not a debatable motion. Most of my colleagues have been conversant with motions to recommit. This is a motion to commit to a select committee of nine members, five of whom would be Members of the majority party, to accomplish several goals.

Let me briefly—while I am no better reader than the reading clerk—outline for my colleagues what these things are and then, if there are any questions, I can answer and respond to the inquiries.

On page 10, after line 8, add the following:

(19) In rule X, clause 6(a) is amended by adding the following new subparagraph:

"(3) The membership of each committee (and of each subcommittee, task force or subunit thereof), shall reflect the ratio of majority to minority party members of the House at the beginning of this Congress. This subparagraph shall not apply to—

(A) the Committee on Appropriations, three-fifths of whose members shall be from the majority party and two-fifths of whose members shall be from the minority party;

(B) the Committee on the Budget, three-fifths of whose members shall be from the majority party and two-fifths of whose members shall be from the minority party;

(C) the Committee on Rules, two-thirds of whose members shall be from the majority party and one-third of whose members shall be from the minority party;

(D) The Committee on Standards of Official Conduct, which shall be constituted as provided for in subparagraph (2); and

(E) the Committee on Ways and Means, three-fifths of whose members shall be from the majority party and two-fifths of whose members shall be from the minority party.

Concerning the first paragraph which I read, we understand in conversations with the distinguished speaker and leaders on the Democratic side that there will be more or less a 5-to-4 ratio on all of those committees, depending upon how events unfold. But we would then have that traditional 3-to-2 margin on the Appropriations, which I understand my colleagues are prepared to give us by way of 33 to 22. On the budget it would be 18 to 12, 3 to 2. The 23-to-12 ratio on Ways and Means would be what we consider to be a much more fair and equitable alinement of the 3 to 2 plus 1. Rules would be 2 to 1.

That really is the thrust of our special motion.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. LOTT. Further reserving the right to object, I yield to the gentleman from California.

Mr. JOHN L. BURTON. I just wonder how much staff this new committee has. Where are we going to house it? How much taxpayers' dollars is it going to cost? I hope the gentleman from Texas (Mr. COLLINS) is listening. How much money is involved in the creation of a new committee of the House of Representatives?

I am shocked that the first official act of the gentleman from Illinois (Mr. MICHEL) as a leader is to propose an additional expenditure of taxpayers' dollars. But I thank the gentleman for yielding and would like an answer to that question forthwith.

Mr. LOTT. Further reserving the right to object, I would like to yield to the leader for an explanation.

Mr. MICHEL. I appreciate my colleague yielding.

Mr. JOHN L. BURTON. Mr. VANDER JAGT would not have done that to us, I will tell you that.

Mr. LOTT. I yield to the leader.

Mr. MICHEL. The gentleman has made that point several times in previous Congresses. I would expect that he would propound that kind of a question in this Congress.

The thrust of my motion, however, requires that this be done within 7 days. I am inclined to think that under those circumstances, and with the little work that would be involved here, that there would be very little, if any, expenditure of public funds.

Mr. JOHN L. BURTON. We have gone down that road before.

If the gentleman will yield further, is this an entitlement committee?

Mr. MICHEL. I did not know the gentleman had yielded to the gentleman from California.

Mr. LOTT. I yield to the gentleman from Illinois.

Mr. JOHN L. BURTON. I hope this is not an entitlement. We have been down that road again and again.

Mr. MICHEL. I think we have probably had enough discussion on the motion, Mr. Speaker.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. LOTT. Further reserving the right to object, I yield to the gentleman.

Mr. ASHBROOK. I would like to add to my colleague from California, if past is any prolog the five would probably spend some money but the four over here would not.

Mr. LOTT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. ALEXANDER). Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to commit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to commit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. MICHEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 180, nays 220, not voting 19, as follows:

[Roll No. 4]

YEAS—180

Archer	Goldwater	Myers
Ashbrook	Goodling	Napier
Badham	Gradison	Nelligan
Bafalis	Green	O'Brien
Bailey, Mo.	Gregg	Parris
Beard	Grisham	Pashayan
Benedict	Gunderson	Paul
Bereuter	Guyer	Petri
Bethune	Hagedorn	Porter
Bliley	Hammer-schmidt	Pursell
Broomfield	Hansen, Idaho	Quillen
Brown, Colo.	Hansen, Utah	Railsback
Broyhill	Hartnett	Regula
Burgener	Heckler	Rhodes
Butler	Hendon	Rinaldo
Campbell	Hiler	Ritter
Carman	Hinson	Roberts, Kans.
Carney	Hollenbeck	Roberts, S.Dak.
Chappie	Holt	Robinson
Cheney	Hopkins	Rogers
Clausen	Horton	Roth
Clinger	Hunter	Roukema
Coats	Hyde	Rousselot
Coleman	Jeffries	Rudd
Collins, Tex.	Kemp	Sawyer
Conable	Kindness	Schneider
Conte	Kramer	Schulze
Corcoran	Lagomarsino	Sensenbrenner
Coughlin	Latta	Shaw
Courter	Leach, Iowa	Shumway
Coyne, James	LeBoutillier	Shuster
Craig	Lee	Skeen
Crane, Daniel	Lent	Smith, Ala.
Daniel, R. W.	Lewis	Smith, Nebr.
Dannemeyer	Livingston	Smith, N.J.
Daub	Loeffler	Smith, Oreg.
Deckard	Lott	Snowe
DeNardis	Lowery, Calif.	Snyder
Derwinski	Lujan	Solomon
Dickinson	Lungren	Spence
Dornan, Calif.	McClory	Stangeland
Dougherty	McCollum	Staton, W.Va.
Dreier	McDade	Tauke
Duncan	McDonald	Taylor
Dunn	McEwen	Thomas
Edwards, Okla.	McGrath	Trible
Emerson	McKinney	Walker
Emery	Madigan	Wampler
Erdahl	Marks	Weber, Minn.
Erlenborn	Marlenee	Weber, Ohio
Evans, Del.	Marriott	Whitehurst
Evans, Iowa	Martin, Ill.	Whittaker
Fenwick	Martin, N.C.	Williams, Ohio
Fiedler	Martin, N.Y.	Winn
Fields	Michel	Wolf
Findley	Miller, Ohio	Wortley
Fish	Mitchell, N.Y.	Wylie
Forsythe	Moore	Young, Alaska
Frenzel	Moorhead	Young, Fla.
Gilman	Morrison	
Gingrich		

NAYS—220

Addabbo	Biaggi	Byron
Akaka	Bingham	Chappell
Albosta	Blanchard	Clay
Alexander	Boggs	Coelho
Anderson	Boland	Conyers
Annunzio	Bolling	Cotter
Applegate	Boner, Tenn.	Coyne, William
Aspin	Bonior, Mich.	Crockett
Atkinson	Bonker	D'Amours
AuCoin	Bouquard	Daniel, Dan
Bailey, Pa.	Bowen	Danielson
Barnard	Brinkley	Daschle
Barnes	Brodhead	de la Garza
Beilenson	Brooks	Dellums
Benjamin	Brown, Calif.	Derrick
Bennett	Burton, John	Dicks
Bevill	Burton, Phillip	Dingell
Dixon	Ireland	Ratchford
Donnelly	Jacobs	Richmond
Dorgan, N.Dak.	Jenkins	Rodino
Downey	Jones, N.C.	Roe
Dwyer	Jones, Okla.	Rose
Dymally	Jones, Tenn.	Rosenthal
Dyson	Kastenmeier	Rostenkowski
Early	Kazen	Roybal
Eckart	Kildee	Russo
Edgar	Kogovsek	Sabo
Edwards, Calif.	Lantos	St Germain
English	Leath, Tex.	Santini
Evans, Ga.	Lehman	Savage
Evans, Ind.	Leland	Scheuer
Fary	Levitas	Schroeder
Fascell	Long, La.	Schumer
Fazio	Long, Md.	Seiberling
Ferraro	Lowry, Wash.	Shamansky
Fithian	Luken	Shannon
Flippo	Lundine	Sharp
Florio	McCurdy	Shelby
Foglietta	McHugh	Simon
Foley	Markey	Skelton
Ford, Mich.	Matsui	Smith, Iowa
Ford, Tenn.	Mattox	Stark
Fountain	Mavroules	Stenholm
Frank	Mazzoli	Stratton
Frost	Mica	Studds
Fuqua	Mikulski	Stump
Garcia	Miller, Calif.	Swift
Gaydos	Mineta	Synar
Gephardt	Minish	Traxler
Gibbons	Mitchell, Md.	Udall
Ginn	Moakley	Vento
Glickman	Moffett	Volkmer
Gonzalez	Mollohan	Walgren
Gore	Montgomery	Washington
Gramm	Murphy	Watkins
Gray	Murtha	Waxman
Guarini	Natcher	Weaver
Hall, Ohio	Neal	Weiss
Hall, Sam	Nelson	White
Hamilton	Nowak	Whitley
Hance	Oakar	Whitten
Harkin	Oberstar	Williams, Mont.
Hatcher	Ottinger	Wilson
Hawkins	Panetta	Wirth
Hefner	Patman	Wolpe
Heftel	Patterson	Wright
Hertel	Pease	Wyden
Hightower	Pepper	Yates
Holland	Perkins	Yatron
Howard	Peyser	Young, Mo.
Hubbard	Pickle	Zablocki
Huckaby	Price	Zeferetti
Hughes	Rahall	
Hutto	Rangel	

NOT VOTING—19

Anthony	Hall, Ralph	Roemer
Breaux	Johnston	Stanton, Ohio
Chisholm	Lederer	Stockman
Collins, Ill.	Mottl	Stokes
Crane, Philip	Nichols	Tauzin
Davis	Obey	
Gejdenson	Reuss	

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will announce that one of the voting terminals has been judged out of order. The Chair reminds each Member of his or her responsibility to verify their respective votes.

□ 1530

So the motion to commit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to recommit was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed the following resolutions:

S. RES. 1

Resolved, That a committee consisting of two Senators be appointed by the Vice President to join such committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled and that the Congress is ready to receive any communication he may be pleased to make.

S. RES. 2

Resolved, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

S. RES. 11

Resolved, That the House of Representatives be notified of the election of the Honorable Strom Thurmond, a Senator from the State of South Carolina, as President pro tempore, and of William F. Hildenbrand, of the District of Columbia, as Secretary of the Senate.

The message also announced that the Senate had passed concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. Con. Res. 1. Concurrent resolution to provide for the counting on January 6, 1981, of the electoral votes for President and Vice President of the United States; and

S. Con. Res. 2. Concurrent resolution to provide for the continuation of the Joint Committee on Inaugural Ceremonies and for the appointment of two additional members thereto.

COMPENSATION OF CERTAIN MINORITY EMPLOYEES

Mr. MICHEL. Mr. Speaker, I offer a resolution (H. Res. 6) and ask unanimous consent for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 6

Resolved, That pursuant to the Legislative Pay Act of 1929, as amended, five of the six minority employees authorized therein shall be the following named persons, effective January 3, 1981, until otherwise ordered by the House, to-wit: Hyde H. Murray, Walter P. Kennedy, Tommy Lee Winebrenner, Ronald W. Lasch, and William R. Pitts, Jr., each to receive gross compensation pursuant to the provisions of House Resolution 119, Ninety-fifth Congress, as enacted into permanent law by section 115 of Public Law 95-94.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING SPEAKER OR DEPUTY TO ADMINISTER OATH OF OFFICE TO HON. JACK EDWARDS AT MOBILE, ALA.

Mr. MICHEL. Mr. Speaker, I offer a privileged resolution (H. Res. 7) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 7

Resolved, Whereas Jack Edwards, a Representative-elect from the State of Alabama, from the First District thereof, has been unable from sickness to appear in person to be sworn as a Member of the House, and there being no contest or question as to his election; Therefore be it

Resolved, That the Speaker, or deputy named by him, be, and he is hereby, authorized to administer the oath of office to the Honorable Jack Edwards at Mobile, Alabama, and that the said oath be accepted and received by the House as the oath of office of the said Jack Edwards.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1540

The SPEAKER. Pursuant to the authority of House Resolution 7, 97th Congress, the Chair appoints the Honorable William Brevard Hand, U.S. district judge, southern district, Mobile, Ala., to administer the oath of office to the Honorable JACK EDWARDS.

HOUR OF MEETING OF HOUSE OF REPRESENTATIVES

Mr. BOLLING. Mr. Speaker, I offer a privileged resolution (H. Res. 8) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 8

Resolved, That until otherwise ordered, the hour of the meeting of the House shall be 12 o'clock meridian on Mondays and Tuesdays; 3 o'clock post meridiem on Wednesdays; 11 o'clock ante meridiem on all other days of the week up to and including May 14, 1981; and that from May 15, 1981, until the end of the first session, the hour of daily meeting of the House shall be 12 o'clock meridian on Mondays and Tuesdays and 10 o'clock ante meridiem on all other days of the week.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR A JOINT SESSION TO COUNT ELECTORAL VOTES

The SPEAKER laid before the House a privileged Senate concurrent resolution (S. Con. Res. 1), which was read by the Clerk, as follows:

S. CON. RES. 1

Resolved by the Senate (the House of Representatives concurring), That the two Houses of Congress shall meet in the Hall of the House of Representatives on Tuesday, the 6th day of January 1981, at 1 o'clock post meridian, pursuant to the requirements of the Constitution and laws relating to the election of President and Vice President of the United States, and the President of the Senate shall be their Presiding Officer; that two tellers shall be previously appointed by the President of the Senate on the part of the Senate and two by the Speaker on the part of the House of Representatives, to whom shall be handed, as they are opened by the President of the Senate, all the certificates of the electoral votes, which certificates and papers shall be opened, presented, and acted upon in the alphabetical order of the States, beginning with the letter "A"; and said tellers, having then read the same in the presence and hearing of the two Houses, shall make a list of the votes as they shall appear from the said certificates; and the votes having been ascertained and counted in the manner and according to the rules by law provided, the result of the same shall be delivered to the President of the Senate, who shall thereupon announce the state of the vote, which announcement shall be deemed a sufficient declaration of the persons, if any, elected President and Vice President of the United States, and, together with a list of the votes, be entered on the Journals of the two Houses.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of Senate Concurrent Resolution 1, the Chair appoints as tellers on the part of the House to count the electoral votes on January 6, 1981, the gentleman from California (Mr. HAWKINS) and the gentleman from Alabama (Mr. DICKINSON).

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 5, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Under Rule III, Clause 4 (Section 647) of the Rules of the House of Representatives, I herewith designate Mr. W. Raymond Colley, Deputy Clerk, to sign any and all papers and do all other acts for me under the name of the Clerk of the House which he would be authorized to do by virtue of this designation, except such as are provided by statute, in cases of my temporary absence or disability.

If Mr. Colley should not be able to act in my behalf for any reason, then Mr. Thomas E. Ladd, Assistant to the Clerk, should similarly perform such duties under the same conditions as are authorized by this designation.

These designations shall remain in effect for the 97th Congress or until revoked by me.

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 5, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House received in the Clerk's Office at 11:10 a.m. on Monday, January 5, 1981, and said to contain a message from the President wherein he transmits the report on the Geographic Restrictions on Commercial Banking in the United States as required by P.L. 95-369, Sec. 14.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

REPORT ON GEOGRAPHIC RESTRICTIONS ON COMMERCIAL BANKING IN THE UNITED STATES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. ALEXANDER) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Banking, Finance and Urban Affairs:

To the Congress of the United States:

I am pleased to submit a report on the Geographic Restrictions on Commercial Banking in the United States, which was prepared pursuant to Section 14 of the International Banking Act of 1978 (P.L. 95-369, Sec. 14).

JIMMY CARTER.

THE WHITE HOUSE, *January 5, 1981.*

AUTHORIZING FUNDS FOR THE STANDING AND SELECT COMMITTEES OF THE HOUSE OF REPRESENTATIVES

Mr. HAWKINS. Mr. Speaker, I offer a resolution (H. Res. 9) and ask unanimous consent for its immediate consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. FRENZEL. Mr. Speaker, reserving the right to object, I do so only to give the distinguished incipient chairman of the Committee on House Administration a chance to discuss the resolution, if he wishes.

The SPEAKER pro tempore. The Chair will inquire, would the gentleman from Minnesota (Mr. FRENZEL) allow the resolution to be read?

Mr. FRENZEL. I will, Mr. Speaker. I withdraw my reservation of objection.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 9

Resolved, That (a) there shall be paid out of the contingent fund of the House, in accordance with subsection (b), for the period beginning January 3, 1981, and ending March 31, 1981, such sums as may be necessary for the continuance of necessary projects, activities, operations, and services, by contract or otherwise, including payment of staff salaries for services performed, by each standing or select committee established in the Rules of the House.

(b) Each committee referred to in subsection (a) shall be entitled, for each month during the period specified in subsection (a), to payments out of the contingent fund of the House in amounts equal to nine percentum of the total amount authorized for use by such committee during the second session of the Ninety-sixth Congress.

SEC. 2. In the case of any former select committee of the House—

(1) which was established by resolution during Ninety-sixth Congress; and

(2) for which a reestablishing resolution is introduced in the Ninety-seventh Congress;

such committee shall be entitled, for each month during the period specified in subsection (a) of the first section, to payments out of the contingent fund of the House, for the purposes specified in subsection (a) of the first section, in amounts equal to nine percentum of the total amount authorized for use by such committee during the second session of the Ninety-sixth Congress.

SEC. 3. The entitlement of any standing or select committee of the House to payments under this resolution shall cease on the effective date of the primary expense resolution adopted with respect to such committee.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to rules and regulations promulgated by the Committee on House Administration.

SEC. 5. Notwithstanding any provision of law, Rule of the House, or other authority, from January 3, 1981, until the election of the chairman of the committee involved in the Ninety-seventh Congress—

(1) the Member of the House who was chairman of a committee of the House which was in existence at the close of the Ninety-sixth Congress (if such Member is a Member of the House in Ninety-seventh Congress); or

(2) in any other case, the ranking majority party member of such committee who was serving on such committee at the close of the Ninety-sixth Congress (and is a Member of the House in the Ninety-seventh Congress);

may approve payments under this resolution under rules and regulations promulgated by the Committee on House Administration.

Mr. HAWKINS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. FRENZEL. Mr. Speaker, reserving the right to object, I do so simply to give the committee chairman a chance to describe the resolution.

Mr. HAWKINS. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the distinguished acting chairman.

Mr. HAWKINS. Mr. Speaker, section 1 of the resolution will authorize each standing committee of the House, and the two permament select committees established in the rules of the House—the Select Committee on Aging and the permanent Select Committee on Intelligence—to expend necessary moneys from the contingent fund until the House is able to adopt primary expense resolutions covering such committees, or until March 31, 1981.

Section 2 of the resolution provides the basis for authorizing the Select Committee on Narcotics Abuse and Control to expend moneys from the contingent fund until the committee is reconstituted and funded by resolution, or until March 31, 1981. The select committee has indicated its intention to seek reconstitution, and would qualify under section 2 upon the introduction of a reconstitution resolution. There are no other former select committees which intend to seek reconstitution.

Section 3 provides that funds spent by a committee under the continuing resolution shall be debited against amounts authorized in the primary expense resolution.

Section 4 requires compliance with the regulations of the Committee on House Administration, and any rules necessary to administer the continuing resolution.

Section 5 provides that a returning Member who served as chairman of a committee during the 96th Congress, or if there is no returning chairman, then the next ranking majority party member, be authorized to sign the vouchers and certifications necessary to make payments under the continuing resolution, until such time as a chairman is duly elected for the 97th Congress. This provision is essential to insure the timely payment of routine and continuing expenditures, including January committee payrolls, which must be processed prior to the earliest date upon which the House is scheduled to consider action on committees.

This resolution will maintain the overall status quo with respect to the expenditure of funds by standing and select committees. Its spending authority is identical to the continuing resolution adopted for the 2d session of the 96th Congress in that each committee will be authorized to expend not to exceed 9 percent per month of the funds authorized for its operation in the last session.

The resolution clearly served its purpose in the last Congress, and everyone is familiar with the meaning and application of the language.

Mr. FRENZEL. Mr. Speaker, further reserving the right to object, the gentleman's description is accurate. The resolution is similar to the one we pass each biennium. I have no objection to dispensing with its further reading or to its passage.

Mr. Speaker, I withdraw my reservation of objection.

Mr. HAWKINS. Mr. Speaker, I thank the gentleman from Minnesota (Mr. FRENZEL).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California that the resolution be considered as read and printed in the RECORD?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from California (Mr. HAWKINS)?

There was no objection.

Mr. HAWKINS. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REPORT OF COMMITTEE TO NOTIFY THE PRESIDENT OF THE UNITED STATES OF THE ASSEMBLY OF THE CONGRESS

Mr. WRIGHT. Mr. Speaker, your committee to notify the President that the House has met, that a quorum is present, and that we are ready to do business and receive messages from him has performed that function—and a pleasant one it was.

The President was in very fine spirits and allowed that he was most happy that the House is now in session, and that he can feel more easy and feel the Nation is in good hands. He gave us all his best wishes for a Happy New Year in a most highly nonpartisan way and extended to all those whom we represent the best regards from himself and the First Lady.

□ 1550

Mr. MICHEL. Mr. Speaker, I might just add, Mr. Majority Leader, that the President was very complimentary of the chore of the 96th Congress and hoped as much from this. Naturally, I quickly responded that with our increased support we are going to do even better.

The SPEAKER pro tempore. The Chair thanks the committee for reporting on its notification of the President.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. On behalf of the Speaker, the Chair would like to make a statement concerning the introduction and reference of bills and resolutions.

As Members are aware, they have the privilege today of introducing bills. Heretofore on the opening day of a new Congress, several thousand bills

have been introduced. It will be readily apparent to all Members that it may be a physical impossibility for the Speaker to examine each bill for reference today. The Chair will do his best to refer as many bills as possible, but he will ask the indulgence of Members if he is unable to refer all the bills that may be introduced. Those bills which are not referred and do not appear in the RECORD as of today will be included in the next day's RECORD and printed with a date as of today.

The Chair has advised all officers and employees of the House that are involved in the processing of bills that every bill, resolution, memorial, petition, or other material that is placed in the hopper must bear the signature of a Member. Where a bill or resolution is jointly sponsored, the signature must be that of the Member first named thereon. The bill clerk is instructed to return to the Member any bill which appears in the hopper without an original signature. This procedure was inaugurated in the 92d Congress. It has worked well, and the Chair thinks that it is essential to continue this practice to insure the integrity of the process by which legislation is introduced in the House.

The Chair also desires to announce that pursuant to authority conferred upon him in clause 5, rule X, the sequential referral of any bills and resolutions in the 97th Congress from a committee initially reporting thereon to a second or subsequent committee will be based upon the subject matter contained in any amendment recommended by a reporting committee, as well as upon the original text of the bill or resolution.

AUTHORIZING THE SPEAKER TO DECLARE RECESS ON TOMORROW

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that on Tuesday, January 6, 1981, it may be in order for the Speaker to declare a recess at any time subject to the call of the Chair.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

OFFERING THE ADMINISTRATION ANOTHER OPTION IN DEALING WITH THE HOSTAGE SITUATION IN IRAN

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAN DANIEL. Mr. Speaker, today I am introducing a bill to require the payment of $1 million per day for each hostage presently held by Iran from the date the bill is enacted until the hostages are returned home.

During the recess, I discussed this with Mr. Warren Christopher, Deputy Secretary of State. Mr. Christopher did not endorse or oppose the proposal but did advise that such a proposal would require legislation. Hence this bill which provides another option.

Mr. Speaker, without success, our Government has attempted to deal in a rational way with irrational people. We have proposed civilized solutions in an uncivilized environment. What I am proposing is a concrete disincentive to whoever is in charge in Iran, for money apparently speaks its own language to these people. It is beyond any interpretation of decency that the Iranian Government should hold American citizens for ransom, but at the very least, by assigning a dollar value to the lives of these hostages Iran has delineated the extent of its callousness and contempt for law and humanity.

MALFUNCTION OF VOTING MACHINES ON HOUSE FLOOR

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, I take this time simply that I may yield to the gentleman from Pennsylvania (Mr. GAYDOS) for a discussion regarding the malfunctioning of the voting machines in the House today.

Mr. GAYDOS. Mr. Speaker, I thank my colleague from Texas for yielding.

Mr. Speaker, I wish to make a matter of record a complaint lodged principally by the Pennsylvania delegation but also by others who used our voting station No. 28. I believe that is the accurate identification. That station is back in the so-called Cherokee Strip on the left as I face the Speaker.

I inserted my card and upon the insertion, I noted the card automatically voted aye, incorrectly. I tried to make a change and the machine would not respond. Consequently, there was a large number of voters using the same station and I am sure they could explain their own lack of confidence in station 28.

Mr. Speaker, I think this intrinsically shows that this system and these voting stations do make errors and are subject to errors.

Mr. Speaker, my colleague from Pennsylvania (Mr. BAILEY) has been most vociferous in the past in pointing out what he believed to be an error committed by the machine in recording his vote. I think the situation today will somewhat offset the teasing of which he was the recipient at an earlier time.

Mr. Speaker, I thank the majority leader for yielding to me. I again want to conclude by making it a matter of record that errors do occur and that if we are not alert we may have our votes improperly reported by this electronic machine.

Mr. WRIGHT. Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. BAILEY).

Mr. BAILEY. Mr. Speaker, I thank the majority leader for yielding.

I take special pleasure, ironic pleasure I suppose, in pointing out the error committed by the machine today, since I have had difficulty with it in the past. In an attempt to investigate the difficulty I was previously informed that the machine could not make the type of mistake that I felt it did.

Today when I inserted my card in the machine it recorded my vote initially. When I inserted my card a second time, the machine changed my vote. I then had to come to the well and cast a vote by written card.

Mr. Speaker, adopting the excellent choice of words by our colleague from Pennsylvania (Mr. GAYDOS) because of the machine's misfunction today I feel my past criticisms to be vindicated.

Mr. GAYDOS. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I do yield to the gentleman from Pennsylvania.

Mr. GAYDOS. Mr. Speaker, being on the Committee on House Administration, we had at one time considered a mechanism using a thumbprint or some kind of a print. The reason we are making some issue out of this situation is because some Members of this House have been accused, directly or indirectly, of improperly using their voting cards. I again want to make it a matter of record that it is possible for this mechanism to function improperly.

Mr. Speaker, I shall bring this before the Committee on House Administration, hopefully on behalf of every Member of this House, and suggest we should reanalyze the system and possibly again consider or reconsider some change in the computer or the computer programing. Some 8 years ago when we installed this system, I had insisted upon a thumbprint because I knew at that time the difficulty experienced by the State of Pennsylvania with so-called phantom voting or absentee voting and things of that nature.

Mr. Speaker, I would again ask everyone to reconsider their opinions on some of the accusations that have been made that some Member has or has not utilized his voting card or privilege properly.

Mr. DOUGHERTY. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I do yield to the gentleman from Pennsylvania.

Mr. DOUGHERTY. I happened to have been back in the corner when the voting incident occurred. I would like to go on record in support of my two colleagues from Pennsylvania.

□ 1600

I specifically saw the gentleman from Pennsylvania (Mr. GAYDOS) submit his card in the rear machine, and the green light show up. The gentleman from Pennsylvania (Mr. GAYDOS) then went to the machine immediately in front of him and changed his vote to "no." He brought his card back and reinserted it in the back machine, and the green light was lit, which means that having tried to change his vote, it did not come up on the back machine.

In effect, I would aver to what the gentlemen from Pennsylvania are saying is absolutely correct on the vote. The last machine in the back of the Chamber was not working properly, and it indicates a weakness in the system.

Mr. WRIGHT. I simply want to say that I was an additional witness in the case of the gentleman from Pennsylvania (Mr. GAYDOS), and two other Members who tried to do identically the same thing, which was to record a "no" vote, voting station No. 28, that box in the extreme southeast corner of this Chamber, and on all those occasions the machine refused to record a "no" vote at this particular rollcall and recorded instead "aye" votes.

That being the case, I think it is a rarity and a most extremely unusual, if not unprecedented occurrence, but I should like to attest as a witness to this event.

ADJOURNMENT OF THE HOUSE TO VARIOUS DATES DURING JANUARY 1981

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns on January 6, 1981, it adjourn to meet at noon on Friday, January 9, 1981; that when the House adjourns on that day, it adjourn to meet at noon on Tuesday, January 13, 1981; that when the House adjourns on that day, it adjourn to meet at noon on Friday, January 16, 1981; and that when the House adjourns on that day, it adjourn to meet at noon on Monday, January 19, 1981.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. SENSENBRENNER. Mr. Speaker, reserving the right to object, will the distinguished majority leader please inform the House on whether any legislative business will be scheduled for any of those days so that the Members can make their plans?

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentleman from Texas.

Mr. WRIGHT. There is absolutely no legislative business scheduled for any of those days between January 6 and January 19. It had been our original intention to introduce a resolution calling for an adjournment during that entire period, but there was objection to that.

Therefore, we will adjourn over for 3-day lapses, and meet in pro forma sessions only.

Mr. SENSENBRENNER. I thank the distinguished majority leader and, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT AS MEMBERS OF HOUSE OFFICE BUILDING COMMISSION

The SPEAKER. Pursuant to the provisions of 40 U.S.C. 175 and 176, the Chair appoints as Members of the House Office Building Commission to serve with himself: The gentleman from Texas (Mr. WRIGHT) and the gentleman from Illinois (Mr. MICHEL).

ABSCAM AND THE ASSASSINATION OF JUDGE JOHN W. WOOD

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

● Mr. GONZALEZ. Mr. Speaker, I rise to renew in the new Congress what we left hovering as a specter over the last so-called Abscam and the tremendous crime committed 2 years ago in the assassination of Federal District Judge John W. Wood.

The Congress is not a continuing body, but that does not mean that the problems and concerns left unresolved at the end of one Congress should not concern the next; far from it. Our greatest business should be to deal with the issues that have been left over from the past.

Not least of these is the need to take a dispassionate look at what has happened in the so-called Abscam cases, and to compare that investigative action with the investigative action in another, equally serious matter, the assassination of Judge John Wood and the assault on U.S. Attorney James Kerr.

Both these situations involve the independence of branches of our Government—the independence of this, the first branch from overweening and improper actions of the executive, and the independence of the judiciary, which can be endangered by criminal elements that seek to intimidate the judges and law enforcement officers of the Nation. If the independence of the Congress is threatened, then the whole basis of democratic representation is endangered. The threat to the judiciary, represented by the Wood and Kerr cases, is no less serious. On the one hand we lose the ability to independently make law. On the other we lose the ability of law itself to function.

In the Abscam case, it is incredible that everyone, almost everyone, overlooks the crucial fact that this was not an investigation of crimes that had been committed. It was instead an elaborate staging of situations in which crime might be made to occur. There is a critical difference—and the difference goes to the whole basis of our legal system, the presumption of innocence. The Abscam case did not investigate people who were presumed to be innocent. Far from it—the technique was to create the crime and create the guilt with it. This is the exact technique that you would find in the Gulag; it is the technique of the totalitarian, of the police state.

We ought to ask why it was that the Justice Department resorted to this sinister tactic, this clear assault on the right of presumed innocence. Why should our Government go about staging crimes? We must force ourselves to ask what would happen if the intention has been to intimidate Members of Congress.

It ought to concern us to note just who the targets were, and ask ourselves how they got selected. Could it have been that one or more had too close ties to labor, and were selected because of that? A listing of all those involved in these cases certainly could lend credence to that kind of speculation. It is interesting to note the other scam operation was LabScam, that is, labor unions. Why not business, or professions.

Why, is the question. Why the sinister business of creating crime, and why these particular targets?

We have to ask ourselves as well, if the Justice Department had all the resources, and all the ingenuity, and all the priority necessary for this extraordinary investigation, has it not been able to solve crimes that really did happen, crimes of the gravest moment—and I refer to the assassination of Judge Wood, still unsolved, and the assault on James Kerr, for which no perpetrator has even been charged. Is it not a matter of greater moment to solve an actual crime against public officials, than to dedicate millions of dollars in resources to fabricate crimes implicating other officials.

We have to ask why, too, all the Abscam evidence was made available to the press, months before any indictments were ever brought. There is no way to gainsay that all this publicity, unmatched in American history, was prejudicial. The disclosure of this information was enormously damaging to the Justice Department and to the defendants. It was in fact disgraceful. We were told that the leaks would be investigated, and that measures would be taken against anyone found responsible for them. Today, a full year later,

there has never been a report on the results of that investigation, nor has there ever been a report indicating that anyone was ever penalized for this, surely the most complete and massive leak of criminal evidence in the long history of the Justice Department.

We have to ask why there is some inability on the part of our law enforcement agencies to solve real crimes, crimes of the greatest import—while at the same time it redeems its reputation with a fantastic and indeed grotesque business designed to lure public officials into crime. We have to remember that at least one thoughtful judge found the conduct of the Government so egregiously wrong that he dismissed the cases against indicated persons. That judge noted what we should remember: even the threat of an indictment impinges upon the independence of a legislator. Any prosecutor will tell you it is no hard trick to obtain an indictment. With the kind of powers employed in Abscam, the threat ought to be easy to see.

We have a special obligation to heed the hard questions. We are elected to do that. The questions I have raised must be confronted, sooner or later. We ought to ask ourselves if it is any less a crime to accept massive gifts from political action committees than to accept money from strange characters who are promising to make investments in districts. What, we might ask, would have been the reaction if Ozzie Myers or Frank Thompson had been smart enough to suggest that his interlocutors set up a PAC? Would they then have created an indictable offense? What is the difference between one who accepts hundreds of thousands from PAC's, and one who takes money from supposed businessmen? The difference is that one is a form of open corruption, and the other a more traditional form of it. I have seen both kinds, and both are wrong. But how many among us are willing to recognize that corruption, even if open and above board, is corruption nevertheless.●

THE NONDISCRIMINATION IN INSURANCE ACT

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. DINGELL) is recognized for 5 minutes.

● Mr. DINGELL. Mr. Speaker, as this 97th Congress convenes, I invite all Members of the House to cosponsor the nondiscrimination in insurance bill which I introduced today.

This bill has one single, simple, narrow, objective—to eliminate discrimination, on the basis of race, color, religion, sex, or national origin, in insurance and annuities. It prohibits such discrimination in all phases of insurance and annuities—in access and availability of coverage and underwriting; in the terms, conditions, rates, benefits, and requirements of the insurance and annuity contracts; and in the methods for determining them. It would not do anything else. It would not in any other way interfere with any State's power to regulate the insurance industry. It would not affect any other type of action by any insurance company.

This bill, like the bill (H.R. 100) in the 96th Congress on which 85 Members joined me as cosponsors and on which preliminary subcommittee hearings were held last year, is patterned after three major laws which are now in the United States Code, namely:

Title VII of the Civil Rights Act of 1964, which prohibits such discrimination in employment;

Title VIII of the Civil Rights Act of 1968, which prohibits such discrimination in housing; and

The Equal Credit Opportunity Act which prohibits such discrimination in consumer credit and finance.

Like the employment and housing antidiscrimination laws, this will place primary jurisdiction in the States to deal with such discrimination in insurance and annuities. Thus, the bill specifically provides that any complaint that an insurer has committed an unlawful discriminatory act—that is, based on race, color, religion, sex, or national origin—must first be filed with the appropriate State agency, if the State has a law prohibiting such discrimination and an agency to administer and enforce that State law. Only if the State has no such law or agency, or fails to resolve it to the complainant's satisfaction, will this bill allow the complainant to seek the next remedy, namely, to file a judicial action in a State or Federal court. The availability of that judicial remedy will, of course, encourage the enactment of State laws prohibiting such discrimination. It will also help make the administration of the State law more effective, because the State can then proceed to eliminate discrimination based on race, color, religion, sex, or national origin, without any fear that such action may result in insurance companies or their contracts moving to another State which allows such discrimination.

WHY THIS BILL SHOULD BE ENACTED

The principle of prohibiting discrimination based on race, color, religion, sex, or national origin is now part of our fundamental law and doctrine. We have made great strides toward making that principle into living reality—in employment, public accommodations, housing, credit, government regulation and government benefits, transportation, recreation, voting, education, athletics, and many other areas of life.

But one of the greatest remaining gaps is in insurance and annuities. Blacks are heavily discriminated against in property, accident, casualty, and health insurance, and more subtly in other forms of insurance. Sex discrimination is blatant and widespread. These discriminations have widespread impact on millions of people. Our national policy of ending discrimination on the basis of race, color, religion, sex, or national origin demands that such discrimination in insurance and annuities also be ended.

This bill will not harm the insurance industry. It will help to protect consumers, business, poor people, widows, and orphans. It will not intrude on the ability or powers of any State, which complies with the nondiscrimination principle, to regulate the insurance industry. Most defined-benefit pension and annuity plans, and much of the group forms of insurance, already operate without such discrimination. Several Federal courts, including the Supreme Court of the United States, have already ruled that sex discrimination in pension plans violates title VII of the Civil Rights Act of 1964, but many insurance companies still engage in such discrimination in their annuity plans. This bill will eliminate that disparity between the requirements of title VII as now applied by the courts in employment-related plans, and the industry's discriminatory practices, and will thus prevent possible frustration of title VII's nondiscrimination mandate. It is a bill whose enactment is long overdue.

Last year, many organizations endorsed H.R. 100, including among them the Leadership Conference on Civil Rights; American Association of University Professors; the AFL-CIO; National Women's Political Caucus; NAACP; American Association of University Women; Women's Equity Action League; American Civil Liberties Union; Mexican-American Legal Defense Fund; National Organization for Women; Interdepartmental Task Force on Women; Women, U.S.A.; and many other groups.

I invite all Members to cosponsor this bill. I intend, after a reasonable time for responses, to ask that the bill be reprinted to list all cosponsors.●

THE HANDGUN CONTROL ACT OF 1981

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 15 minutes.

● Mr. BINGHAM. Mr. Speaker, today I am offering legislation which could save the lives of some 10,000 people each year. Passage of this legislation, H.R. 40, could mean the difference between life and death to these individuals by placing stringent controls on the manufacture, sale, and possession of the deadly handgun.

There is strong public support for stronger handgun controls in the wake of the recent assassination of singer John Lennon and the murder of Dr. Michael Halberstam, noted cardiologist and handgun control advocate. The world will miss not only the famous individuals who have been killed by handguns, but the ordinary men, women, and children—our constituents—who are cut down daily by this most dangerous weapon. We have the power to act and pass effective gun control legislation, and for the sake of our constituents, we should do so quickly.

The legislation I am introducing, H.R. 40, would ban the importation, manufacture, sale, purchase, transfer, receipt, possession, or transportation of handguns by ordinary citizens. H.R. 40 would make it difficult for would-be criminals to obtain handguns, and would keep "law abiding" citizens from committing crimes of passion. it would also stop innocent children from picking up the handgun of a relative and killing themselves or a friend with it. Had H.R. 40 been law, then the assassin of John Lennon would not have been able to purchase a handgun so easily.

Following is the full text of H.R. 40:

H.R. 40

A bill to prohibit the importation, manufacture, sale, purchase, transfer, receipt, possession, or transportation of handguns, except for or by members of the Armed Forces, law enforcement officials, and, as authorized by the Secretary of the Treasury, licensed importers, manufacturers, dealers, antique collectors, and pistol clubs

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Handgun Control Act of 1981".

SECTION 1. The Congress hereby finds and declares—

(a) that annual sales of handguns in the United States have risen sharply in the last decade, bringing the total number of handguns in private hands to approximately twenty-four million by the end of 1968; and

(b) that handguns play a major role, and a role disproportionate to their number in comparison with long guns, in the commission of homicide, aggravated assault, and armed robbery, and that the percentage of violent crimes in which handguns are used is increasing; and

(c) that most homicides are committed in altercations between relatives, neighbors, or other acquaintances, rather than in a confrontation between strangers; and

(d) that handguns in the home are of less value than is commonly thought in defending against intruders, and are more likely to increase the danger of a firearm fatality to the inhabitants than to enhance their personal safety; and

(e) that with few exceptions, handguns are not used for sporting or recreational purposes and that such purposes do not require keeping handguns in private homes; and

(f) that more than one-half of all handguns are acquired secondhand and that licensing and restrictions on sale of new handguns will not significantly reduce handgun crime and handgun violence; and

(g) that violent crimes perpetrated with handguns constitute a burden upon and interfere with interstate and foreign commerce and threaten the internal security and domestic tranquillity of the Nation; and

(h) that fear of firearms crimes discourages citizens from traveling between the States to conduct business or to visit the Nation's Capital; and

(i) that crimes committed with guns have disrupted our national political processes, and threaten the republican form of government within the States as guaranteed by article IV of the Constitution; and

(j) that a national firearms policy which restricts the availability of handguns for nonlaw enforcement and nonmilitary purposes will significantly reduce violent crime, reduce deaths from handguns, and reduce other handgun violence in the United States.

SEC. 2. Title 18, United States Code, is amended by inserting immediately after chapter 50 thereof the following new chapter:

"Chapter 50A—HANDGUNS

"Sec.
"1091. Unlawful acts.
"1092. Licensing.
"1093. Penalties.
"1094. Exceptions.
"1095. Voluntary delivery to law enforcement agency; reimbursement.
"1096. Rules and regulations.
"1097. Effect on State law.
"1098. Separability clause.
"1099. Appropriations.
"1100. Definitions.

§1091. Unlawful acts

"(a) Except as provided in section 1094 of this chapter and in subsection (c) of this section, it shall be unlawful for any person to import, manufacture, sell, buy, transfer, receive, or transport any handgun and handgun ammunition.

"(b) Except as provided in section 1094 of this chapter and in subsection (c) of this section, it shall be unlawful, after one hundred and eighty days from the effective date of this chapter, for any person to own or possess any handgun or handgun ammunition.

"(c) The Secretary may, consistent with public safety and necessity, exempt from the operation of subsection (a) and subsection (b) of this section such importation, manufacture, sale, purchase, transfer, receipt, possession, ownership, or transportation of handguns and handgun ammunition by importers, manufacturers, or dealers, licensed under chapter 44 of this title, and by pistol clubs licensed under this chapter, as may in his judgment be required for the operation of such pistol clubs or for purposes in section 1094 of this chapter.

"(d) It shall be unlawful for any licensed importer, manufacturer, or dealer to sell or otherwise transfer any handgun or handgun ammunition to any person, except another licensed importer, manufacturer, or dealer, without presentation by the purchaser or recipient of written verification that the receipt or purchase is being made by or on behalf of a person or government agency eligible to obtain and possess handguns under section 1094 of this chapter or a pistol club licensed under this chapter.

"(e) Every manufacturer, importer, and dealer who sells or otherwise transfers handguns or handgun ammunition shall maintain records of sale or transfer of handguns and handgun ammunition in such form as the Secretary may by regulations provide and shall permit the Secretary to enter the premises at reasonable times for the purpose of inspecting such records.

"§1092. Licensing

"(a) A pistol club desiring to be licensed under this chapter shall file an application for such license with the Secretary. The application shall be in such form and contain such information as the Secretary shall by regulation prescribe. The fee for such license shall be $25 per year.

"(b) Any importer, manufacturer, or dealer desiring to be licensed under this chapter shall apply as provided in chapter 44 of this title.

"(c) Any application submitted under subsection (a) shall be approved if—

"(1) no member of the pistol club is a person whose membership and participation in the club is in violation of any applicable State laws;

"(2) no member of the pistol club is prohibited from transporting, shipping, or receiving firearms or ammunition in interstate or foreign commerce under section 922 (g) or (h) of this title;

"(3) no member of the pistol club has willfully violated any of the provisions of this chapter or of chapter 44 of this title or any regulations issued thereunder;

"(4) the pistol club has not willfully failed to disclose any material information required, or has not made any false statement as to any material fact in connection with its application;

"(5) the club has been founded and operated for bona fide target or sport shooting and other legitimate recreational purposes; and

"(6) the pistol club has premises from which it operates and—

"(A) maintains possession and control of the handguns used by its members, and

"(B)(i) has procedures and facilities for keeping such handguns in a secure place, under the control of the club's chief officer, at all times when they are not being used for target shooting or other sporting or recreational purposes, or

"(ii) has effected arrangements for the storage of the members' handguns in a facility of the local police department or other nearby law enforcement agency.

"(d)(1) The Secretary must approve or deny an application for a license with the sixty-day period beginning on the date it is received. If the Secretary fails to act within such period, the applicant may file an action under section 1361 of title 28 to compel the Secretary to act. If the Secretary approves an applicant's application, such applicant shall be issued a license upon payment of the prescribed fee.

"(2) The Secretary may, after notice and opportunity for hearing, revoke any license issued under this section if the holder of such license has violated any provision of this chapter or of chapter 44 of this title or any rule or regulations prescribed by the Secretary under such chapters. The Secretary's action under this paragraph may be reviewed only as provided in subsection (e) of this section.

"(e)(1) Any person whose application for a license is denied and any holder of a license which is revoked shall receive a written notice from the Secretary stating specifically the grounds upon which the application was denied or upon which the license was revoked. Any notice of revocation of a license shall be given to the holder of such li-

cense before the effective date of the revocation.

"(2) If the Secretary denies an application for, or revokes, a license, he shall, upon request by the aggrieved party, promptly hold a hearing to review his denial or revocation. In the case of a revocation of a license, the Secretary shall upon the request of the holder of the license stay the effective date of the revocation. A hearing held under this paragraph shall be held at a location convenient to the aggrieved party.

"(3) If after a hearing held under paragraph (2) the Secretary decides not to reverse his decision to deny an application or revoke a license, the Secretary shall give notice of his decision to the aggrieved party. The aggrieved party may at any time within sixty days after the date notice was given under this paragraph file a petition with the United States district court for the district in which he resides or has his principal place of business for a judicial review of such denial or revocation. In a proceeding conducted under this subsection, the court may consider any evidence submitted by the parties to the proceeding. If the court decides that the Secretary was not authorized to deny the application or to revoke the license, the court shall order the Secretary to take such action as may be necessary to comply with the judgment of the court.

"(f) Each licensed pistol club shall maintain such records of receipt, sale, or other disposition, of handguns at such place, for such period, and in such form as the Secretary may by regulations prescribe. Such pistol clubs shall make such records available for inspection at all reasonable times, and shall submit to the Secretary such reports and information with respect to such records and the contents thereof as he shall by regulations prescribe. The Secretary may enter at reasonable times the premises (including places of storage) of any pistol club for the purpose of inspecting or examining (1) any records of documents required to be kept by such pistol club under the provisions of this chapter or chapter 44 of this title and regulations issued under such chapters, and (2) any handguns or ammunition kept or stored by such pistol club at such premises.

"(g) Licenses issued under the provisions of subsection (c) of this section shall be kept posted and kept available for inspection on the premises covered by the license.

"(h) The loss or theft of any firearms shall be reported by the person from whose possession it was lost or stolen, within thirty days after such loss or theft is discovered, to the Secretary. Such report shall include such information as the Secretary by regulation shall prescribe, including, without limitation, the date and place of theft or loss.

"§ 1093. Penalties

"(a) Whoever violates any provision of Section 1091 of this chapter shall be fined not more than $5,000, or imprisoned not more than five years, or both, and shall become eligible for parole as the Board of Parole shall determine.

"(b) Whoever knowingly makes any false statement or representation with respect to the information required by the provisions of this chapter to be kept in the records of an importer, manufacturer, dealer or pistol club, licensed under this chapter, or in applying for a pistol club license under the provisions of this chapter, shall be fined not more than $5,000, or imprisoned not more than five years, or both, and shall become eligible for parole as the Board of Parole shall determine.

"(c) Any handgun or handgun ammunition involved or used in, or intended to be used in, any violation of the provisions of this chapter or chapter 44 of this title or any rule or regulation promulgated thereunder, or any violation of any other criminal law of the United States, shall be subject to seizure and forfeiture and all provisions of the Internal Revenue Code of 1954 relating to the seizure, forfeiture, and disposition of firearms shall, so far as applicable, extend to seizures and forfeitures under the provisions of this chapter.

"(d) Except as provided in subsection (b), no information or evidence obtained from an application or certificate of registration required to be submitted or retained by a natural person in order to comply with any provision of the chapter or regulations issued by the Secretary shall be used, directly or indirectly, as evidence against that person in a criminal proceeding with respect to a violation of law occurring prior to or concurrently with the filing of the application for registration containing the information or evidence.

"§ 1094. Exceptions

"(a) The provisions of this chapter shall not apply with respect to the importation, manufacture, sale, purchase, transfer, receipt, or transportation of any handgun or handgun ammunition which the Secretary determines is being imported or manufactured for, sold, or transferred to, purchased, received, owned, possessed, or transported by, or issued for the use of—

"(1) a professional security guard service which is licensed by the State in which the handgun is to be used, and which is authorized to provide armed security guards for hire; or

"(2) the United States or any department or agency thereof or any State or any department, agency, or political subdivision thereof.

"(b) Every security guard service purchasing, receiving, owning, possessing, or transporting handguns under subsection (a) shall maintain records of receipts, sale, ownership, and possession of handguns in such form as the Secretary may provide and permit the Secretary to enter the premises at reasonable times for the purpose of inspecting such records.

"(c) The provisions of this chapter shall not apply with respect to the importation, sale, purchase, transfer, receipt, or transportation of a handgun manufactured before 1890, or any other handgun which the Secretary determines is unserviceable, not restorable to firing condition, and intended for use as a curio, museum piece, or collector's item.

"§ 1095. Voluntary delivery to law enforcement agency; reimbursement

"(a) A person may at any time deliver to any Federal, State, or local law enforcement agency designated by the Secretary a handgun owned or possessed by such person. The Secretary shall arrange with each agency designated to receive handguns for the transfer, destruction, or other disposition of all handguns delivered under this section.

"(b) Upon proof of lawful acquisition and ownership by a person delivering a handgun to a law enforcement agency under this section, within one hundred and eighty days of the effective date of this chapter, the owner of the handgun shall be entitled to receive from the United States a payment equal to the fair market value of the handgun or $25, whichever is more. The Secretary shall provide for the payment, directly or indirectly, through Federal, State, and local law enforcement agencies, of the amounts to which owners of handguns delivered under this section are entitled.

"(c) The amounts authorized in subsection (b) of this section shall be paid out of the fees collected under section 1092(a) of this chapter to the extent that such fees are sufficient for this purpose. The remainder of amounts authorized in subsection (b) of this section shall be paid out of general revenues.

"§ 1096. Rules and regulations

"(a) The Secretary may prescribe such rules and regulations as he deems necessary to carry out the provisions of this chapter.

"§ 1097. Effect on State law

"No provision of this chapter shall be construed as indicating an intent on the part of the Congress to occupy the field in which such provision operates to the exclusion of the law of any State on the same subject, unless there is a direct and positive conflict between such provision and the law of the State so that the two cannot be reconciled or consistently stand together.

"§ 1098. Separability

"If any provision of this chapter or the application thereof to any person or circumstance is held invalid, the remainder of the chapter and the application of such provision to other persons not similarly situated or to other circumstances shall not be affected thereby.

"§ 1099. Assistance to the Secretary

"When requested by the Secretary, Federal departments and agencies shall assist the Secretary in the administration of this title.

"§ 1100. Appropriations

"There are authorized to be appropriated such sums as are necessary to carry out the purposes of this chapter.

"§ 1101. Definitions

"As used in this chapter—

"(1) The term 'person' and the term 'whoever' includes any individual, corporation, company, association, firm, partnership, club, society, or joint-stock company.

"(2) The term 'importer' means any person engaged in the business of importing or bringing handguns into the United States for purposes of sale or distribution; and the term 'licensed importer' means any such person licensed under the provisions of chapter 44 of this title.

"(3) The term 'manufacturer' means any person engaged in the manufacture or assembly of handguns for the purposes of sale or distribution; and the term 'licensed manufacturer' means any such person licensed under the provisions of chapter 44 of this title.

"(4) The term 'dealer' means (A) any person engaged in the business of selling handguns at wholesale or retail, (B) any person engaged in the business of repairing handguns or of making or fitting special barrels, or trigger mechanisms to handguns, or (C) any person who is a pawnbroker. The term "licensed dealer' means any dealer who is licensed under the provisions of chapter 44 of this title.

"(5) The term 'fair market value' means the prevailing price on the open market for such weapons immediately prior to enactment or at the time of voluntary transfer under section 1095 of this chapter, whichever is higher, the method of establishing such prices to be prescribed by the Secretary in accordance with his authority under section 1096.

"(6) The term 'Secretary' or 'Secretary of the Treasury' means the Secretary of the Treasury or his delegate.

"(7) The term 'handgun' means any weapon—

"(A) designed or redesigned, or made, or remade, and intended to be fired while held in one hand;

"(B) having a barrel less than ten inches in length; and

"(C) designed or redesigned, or made or remade, to use the energy of an explosive to expel a projectile or projectiles through a smooth or rifled bore.

"(8) The term 'handgun ammunition' means ammunition or cartridge cases, or bullets designed for use primarily in handguns.

"(9) The term 'pistol club' means a club organized for target shooting with handguns or to use handguns for sporting or other recreational purposes.

"(10) The term 'licensed pistol club' means a pistol club which is licensed under this chapter."

Sec. 3. The enforcement and administration of the amendment made by this Act shall be vested in the Secretary of the Treasury.

Sec. 4. Nothing in this Act or the amendment made thereby shall be construed as modifying or affecting any provision of—

(a) the National Firearms Act (chapter 53 of the Internal Revenue Code of 1954);

(b) section 414 of the Mutual Security Act of 1954 (22 U.S.C. 1934), as amended, relating to munitions control; or

(c) section 1715 of title 18, United States Code, relating to nonmailable firearms.

Sec. 5. The provisions of this Act shall take effect one hundred and eighty days following the date of enactment.●

TRIBUTE TO THE LIFE OF CLOYS HOBBS

The SPEAKER. Under a previous order of the House, the gentleman from Kentucky (Mr. HUBBARD) is recognized for 5 minutes.

Mr. HUBBARD. Mr. Speaker, it is my privilege today, the first day of the 97th Congress, to give this tribute to the life of Cloys A. Hobbs, a dear friend of mine from my hometown of Mayfield, Ky., who died last October 5 at the age of 66.

Cloys Hobbs was an intelligent, effective, hard working, personable man whose integrity, diligence, and smile won for him the respect and admiration of those who knew him.

For 37 years Mr. Hobbs was president of Jackson Purchase Production Credit Association in western Kentucky.

An active member of High Point Baptist Church of Mayfield, he served that church as deacon and treasurer.

Surviving are his wife, Mrs. Rachel Hobbs; his father, Carl Hobbs, of Fancy Farm, Ky; a daughter, Mrs. Curtis "Mignon" Cole, of Spartanburg, S.C., and a son, Robert Hobbs, Paducah, Ky.

Other survivors include three sisters, Mrs. Charles Long, Kuttawa, Ky.; Mrs. Sam Brown, Livermore, Ky., and Mrs. Jimmy Bodkin, Arlington, Ky., two brothers, Scott Hobbs, Fountaintown, Ind., and Vodra Hobbs, Bardwell, Ky., four grandchildren and several nieces and nephews.

Obviously, this Member of Congress was very much a friend and admirer of Cloys Hobbs. However, I speak for thousands in Kentucky who were also friends and admirers of this fine gentleman.

GENERAL LEAVE

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on House Resolution 5, which was adopted earlier today.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. LOTT) to revise and extend their remarks and include extraneous material:)

Mr. COLLINS of Texas, for 60 minutes, January 6, 1981.

(The following Members (at the request of Mr. DYMALLY) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. DINGELL, for 5 minutes, today.
Mr. BINGHAM, for 15 minutes, today.
Mr. HUBBARD, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LOTT) and to include extraneous matter:)

Mr. SOLOMON.
Mr. DANNEMEYER.
Mr. WHITEHURST.
Mr. SHUMWAY.
Mr. ROTH.
Mr. DUNCAN.
Mr. MCCLORY.
Mr. WAMPLER in two instances.
Mr. ASHBROOK in three instances.
Mr. FINDLEY.
Mr. COLLINS of Texas in three instances.
Mr. MILLER of Ohio in three instances.
Mr. SCHULZE in two instances.
Mr. MICHEL.

(The following Members (at the request of Mr. DYMALLY) and to include extraneous matter:)

Mr. ANDERSON of California in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. ROSENTHAL in 10 instances.
Mrs. BOUQUARD in five instances.
Mr. HAMILTON in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. ASPIN.
Mr. PEYSER.
Mr. BARNARD.
Mr. TRAXLER.
Mr. BIAGGI in 10 instances.
Mr. BINGHAM in six instances.
Mr. RICHMOND.
Mr. DOWNEY.
Mr. HUBBARD.
Mr. BROOKS in two instances.
Mr. ZEFERETTI.

ADJOURNMENT

Mr. DYMALLY. Mr Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 8 minutes p.m.), the House adjourned until tomorrow, Tuesday, January 6, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Assistant Secretary of Defense (Comptroller), transmitting certification that no use was made of funds appropriated in the Department of Defense Appropriation Act, 1980, or the Military Construction Appropriation Act, 1980, during the second half of fiscal year 1980, to make payments under contracts in foreign countries except where it was determined that the use of foreign currencies was not feasible, pursuant to sections 735 and 109 of the respective acts; to the Committee on Appropriations.

2. A letter from the Acting Comptroller General of the United States, transmitting his review of the deferrals and revised deferrals of budget authority contained in the message from the President dated December 2, 1980 (H. Doc. No. 96-388), pursuant to section 1014 (b) and (c) of Public Law 93-344 (H. Doc. No. 97-4); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Secretary of the Army, transmitting the annual reports for fiscal year 1980 on voluntary agreements entered into by the Army under the Defense Production Act of 1950, pursuant to section 708(1) of the act, as amended (89 Stat. 810); to the Committee on Banking, Finance and Urban Affairs.

4. A letter from the president and chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during September 1980 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

5. A letter from the first vice president and vice chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction exceeding

$100 million with British Airways, pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

6. A letter from the first vice president and vice chairman, Export-Import Bank of the United States, transmitting a report covering the quarter ended September 30, 1980, on the export expansion facility program, pursuant to Public Law 90-390; to the Committee on Banking, Finance and Urban Affairs.

7. A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting the 12th annual report on Truth in Lending, pursuant to section 114 of Public Law 90-321; to the Committee on Banking, Finance and Urban Affairs.

8. A letter from the Attorney General, transmitting the second annual report of the Rehabilitation Act Interagency Coordinating Council, pursuant to section 507 of Public Law 93-112, as amended (92 Stat. 2983); to the Committee on Education and Labor.

9. A letter from the Secretary of Labor transmitting a report on coordination in the administration and enforcement of the Occupational Safety and Health Act of 1970 and other Federal laws affecting occupational safety and health, pursuant to section 4(b)(3) of the act (Public Law 91-596); to the Committee on Education and Labor.

10. A letter from the Secretary of Education, transmitting proposed amendments to the regulations governing the library career training program, pursuant to section 431(d)(1) of the General Education Provisions Act; to the Committee on Education and Labor.

11. A letter from the Secretary of Education, transmitting proposed revisions to the regulations governing the strengthening research library resources program, pursuant to section 431(d)(1) of the General Education Provisions Act; to the Committee on Education and Labor.

12. A letter from the Secretary of Education, transmitting proposed amendments to the regulations governing the Education Appeal Board, pursuant to section 431(d)(1) of the General Education Provisions Act; to the Committee on Education and Labor.

13. A letter from the Secretary of Education, transmitting proposed final regulations to govern the precollege teacher development in science program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

14. A letter from the Secretary of Education, transmitting proposed final regulations to govern the part 690 Pell grant program (formerly the basic educational opportunity Grant program), pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

15. A letter from the Secretary of Education, transmitting proposed final regulations governing the rehabilitation training program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

16. A letter from the Secretary of Education, transmitting proposed final regulations governing the program of assistance to States for education of handicapped children, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

17. A letter from the Secretary of Education, transmitting proposed final regulations establishing general provisions for student assistance programs, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

18. A letter from the Chairman, Advisory Panel on Financing Elementary and Secondary Education, transmitting a report on the Panel's activities during calendar year 1980, pursuant to section 1203(f) of Public Law 95-561; to the Committee on Education and Labor.

19. A letter from the Secretary of Health and Human Services, transmitting a report on the direct and affiliated medical residency program, pursuant to section 771(b)(2) of the Public Health Service Act; to the Committee on Energy and Commerce.

20. A letter from the Secretary of Health and Human Services, transmitting the annual report for fiscal year 1979 on the health maintenance organization program, pursuant to section 1315 of the Public Health Service Act; to the Committee on Energy and Commerce.

21. A letter from the Acting General Counsel, Department of Energy, transmitting notice of meetings related to the international energy program to be held on January 6, in New York, N.Y., and on January 14 and 15, in White Plains, N.Y.; to the Committee on Energy and Commerce.

22. A letter from the Acting Administrator, Energy Information Administration, Department of Energy, transmitting a monthly report for September 1980, on changes in market shares for refined petroleum products and retail gasoline, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Energy and Commerce.

23. A letter from the Acting Administrator, Energy Information Administration, Department of Energy, transmitting a report covering the period July through September 1980, on imports of crude oil, residual fuel oil, refined petroleum products, natural gas, and coal; reserves and production of crude oil, natural gas, and coal; refinery activities; and inventories; together with data on exploratory activity, exports, nuclear energy, and electric power, pursuant to section 11(c)(2) of the Energy Supply and Environmental Coordination Act of 1974; to the Committee on Energy and Commerce.

24. A letter from the Chairman, Interstate Commerce Commission, transmitting a report on the impact of contracts for rail service on competition among shippers, pursuant to 49 U.S.C. 10713(m)(3) (94 Stat. 1908); to the Committee on Energy and Commerce.

25. A letter from the Director, U.S. Office of Consumer Affairs, transmitting a draft of proposed legislation entitled "The Consumer Information and Cost-Saving Act of 1981"; to the Committee on Energy and Commerce.

26. A letter from the vice president for Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the X Corporation for the month of July 1980, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Energy and Commerce.

27. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 80-29, finding that the sale of defense articles and defense services to the Government of Papua New Guinea will strengthen the security of the United States and promote world peace, pursuant to section 3(a)(1) of the Arms Export Control Act; to the Committee on Foreign Affairs.

28. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of France for permission to transfer certain U.S.-origin military equipment to Singapore, pursuant to section 3 of the Arms Export Control Act; to the Committee on Foreign Affairs.

29. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Australia for permission to transfer certain U.S.-origin defense equipment to the Government of Papua New Guinea, pursuant to section 3 of the Arms Export Control Act; to the Committee on Foreign Affairs.

30. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain defense equipment sold commercially to Sweden (Transmittal No MC-28-80), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

31. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain defense equipment sold commercially to Spain (Transmittal No. MC-2-81), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

32. A letter from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

33. A letter from the Acting Secretary of the Treasury, transmitting a report on foreign portfolio investment in the United States as of December 31, 1978, pursuant to section 4(c)(1) of Public Law 94-472; to the Committee on Foreign Affairs.

34. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting various project performance audit reports prepared by the International Bank for Reconstruction and Development and project performance audit reports or project completion reports prepared by the Asian Development Bank, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

35. A letter from the Deputy Director, Defense Security Assistance Agency, transmitting quarterly and annual reports on foreign military sales of September 30, 1980, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

36. A letter from the Deputy Director, Defense Security Assistance Agency, transmitting addenda to the quarterly and annual reports on foreign military sales as of September 30, 1980, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

37. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the number of officers and employees of the U.S. Government and U.S. civilian personnel in foreign countries for assignment in implementation of sales and

commercial exports under the Arms Export Control Act, as of June 30, 1980, pursuant to section 36(a)(7) of the Arms Export Control Act; to the Committee on Foreign Affairs.

38. A letter from the Secretary of Commerce, transmitting notice of the extension and expansion of export controls maintained for foreign policy purposes, pursuant to section 6(e) of the Export Administration Act of 1979; to the Committee on Foreign Affairs.

39. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of proposed changes in an existing Navy records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

40. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of proposed changes in an existing Air Force records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

41. A letter from the Assistant Secretary of Housing and Urban Development for Administration, transmitting notice of a proposed change in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

42. A letter from the Assistant Attorney General for Administration, transmitting the Justice Department's annual report for fiscal year 1980 on disposal of foreign excess property, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

43. A letter from the Secretary of Transportation, transmitting a report on the department's disposal of foreign excess property during fiscal year 1980, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

44. A letter from the Administrator of General Services, transmitting followup reports on the recommendations contained in the report of the Board of Visitors to the Air Force Academy, dated 1978, and the reports of the Board of Visitors, U.S. Military Academy, dated November 20, 1978, and April 29, 1976, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

45. A letter from the Chairman, Navy Resale and Services Support Office Retirement Trust, transmitting the annual report of the Trust for calendar year 1979, pursuant to section 121(a)(2) of the Budget and Accounting Procedures Act of 1950, as amended; to the Committee on Government Operations.

46. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during November 1980, pursuant to section 234 of the Legislative Reorganization Act of 1970, as amended; to the Committee on Government Operations.

47. A letter from the Comptroller General of the United States, transmitting a report on the ability of Federal agencies to counter possible loss of automatic data processing systems and maintain continuity of operations in a disaster (AFMD-81-16, December 18, 1980); to the Committee on Government Operations.

48. A letter from the Comptroller General of the United States, transmitting a report on the impact of Federal matching and maintenance of effort requirements on State and local governments (GGD-81-7, December 23, 1980); to the Committee on Government Operations.

49. A letter from the Acting Comptroller General of the United States, transmitting a report on improving the management of Federal travel (FPCD-81-13, December 24, 1980); to the Committee on Government Operations.

50. A letter from the Secretary of the Interior, transmitting a report as to whether additional compassionate compensation may be justified for the Rongelap and Utirik individuals who were exposed to radiation fallout as a result of the thermonuclear detonation of March 1, 1954, pursuant to section 104(a)(5) of Public Law 95-134; to the Committee on Interior and Insular Affairs.

51. A letter from the Acting Assistant Secretary of the Interior, transmitting financial statements of the Colorado River Basin Project for fiscal year 1980, pursuant to section 404 of Public Law 90-537; to the Committee on Interior and Insular Affairs.

52. A letter from the Chairman, U.S. Nuclear Regulatory Commission; transmitting a proposed regulation to implement the new section 147 of the Atomic Energy Act of 1954 enacted by section 207 of Public Law 96-295; to the Committee on Interior and Insular Affairs.

53. A letter from the Clerk, U.S. Court of Claims, transmitting a copy of the court's judgment order in case No. 247, *The Seminole Nation of Oklahoma* v. *The United States;* to the Committee on Interior and Insular Affairs.

54. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

55. A letter from the Secretary, Federal Trade Commission, transmitting the fourth annual report on the operation of the premerger notification provisions of the Clayton Act, pursuant to section 7A(j) of the act, as amended (90 Stat. 1394); to the Committee on the Judiciary.

56. A letter from the Comptroller General of the United States, transmitting a draft of proposed legislation to amend the Equal Access to Justice Act, and for other purposes; to the Committee on the Judiciary.

57. A letter from the Chairman, Little League Baseball, transmitting the annual report and audit of the organization for the year ended September 30, 1980, pursuant to section 14(b) of Public Law 88-378; to the Committee on the Judiciary.

58. A letter from the Secretary of Commerce, transmitting the annual report on the relative cost of shipbuilding in the various coastal districts of the United States, pursuant to section 213(c) of the Merchant Marine Act, 1936, as amended; to the Committee on Merchant Marine and Fisheries.

59. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report covering fiscal year 1980 on expenditures from the President's Unanticipated Needs Fund, pursuant to 3 U.S.C. 108(b); to the Committee on Post Office and Civil Service.

60. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on the investigation of allegations of violations of procurement law, mismanagement, and harassment at the John F. Kennedy Space Center, Fla., pursuant to 5 U.S.C. 1206(b)(5)(A); to the Committee on Post Office and Civil Service.

61. A letter from the Secretary of Transportation, transmitting a report on the study of the potential for reducing urban blight adjacent to Federal-aid primary and Interstate highways located in central business districts, pursuant to section 159 of Public Law 95-599; to the Committee on Public Works and Transportation.

62. A letter from the Administrator of General Services, transmitting a prospectus proposing the construction of a Federal office building in San Frnacisco, Calif., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

63. A letter from the Administrator of General Services, transmitting a report on a building project survey for New Orleans, La., pursuant to section 11(b) of Public Law 86-249; to the Committee on Public Works and Transportation.

64. A letter from the Associate Director for Natural Resources and Commercial Service, Office of Science and Technology Policy, Executive Office of the President, transmitting a report on the status of the Office's negotiations with the National Academy of Sciences with regard to a comprehensive assessment of the impact of increasing levels of atmospheric carbon dioxide, pursuant to section 711(a)(2) of Public Law 96-294; to the Committee on Science and Technology.

65. A letter from the Administrator of Veterans Affairs, transmitting the annual report for fiscal year 1980 on the exchange of medical information program, pursuant to 38 U.S.C. 5057; to the Committee on Veterans' Affairs.

66. A letter from the Chairman, U.S. International Commission, transmitting the 31st report on the operation of the trade agreements program, pursuant to section 163(b) of the Trade Act of 1974; to the Committee on Ways and Means.

67. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a determination that it would further the foreign policy and national interests of the United States to provide economic assistance to Mozambique, pursuant to section 533(b) of the Foreign Assistance Act of 1961, as amended, and section 511 the fiscal year 1980 foreign assistance and related programs appropriation bill (H.R. 4473), as made applicable to fiscal year 1981 by section 101(b) of Public Law 96-369; jointly, to the Committees on Appropriations, and Foreign Affairs.

68. A letter from the Chairman, National Transportation Safety Board, transmitting a copy of the Board's letter appealing the Office of Management and Budget's budget allowance for the Board for fiscal year 1982, pursuant to section 304(b)(7) of Public Law 93-633; jointly, to the Committees on Appropriations, and Public Works and Transportation.

69. A letter from the vice president for Government Affairs, National Railroad Passenger Corporation, transmitting a report on mail and express revenues, pursuant to section 131 of Public Law 96-73; jointly, to the Committees on Energy and Commerce, and Post Office and Civil Service.

70. A letter from the Comptroller General of the United States, transmitting a report on the Defense Department's authority to plan the size of new military hospitals and clinics (HRD-81-24, December 17, 1980); jointly, to the Committees on Government Operations, and Armed Services.

71. A letter from the Comptroller General of the United States, transmitting a report on internal controls to prevent waste and fraud at military exchanges (FPCD-81-19,

December 31, 1980); jointly, to the Committees on Government Operations, and Armed Forces.

72. A letter from the Comptroller General of the United States, transmitting a report on energy conservation standards for new buildings being developed by the Department of Energy (EMD-81-2, December 23, 1980); jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs.

73. A letter from the Comptroller General of the United States, transmitting a report on how the Departments of State and Health and Human Services can help improve the care and protection of guardianship children (HRD-81-7, December 30, 1980); jointly, to the Committees on Government Operations, Foreign Affairs, and Ways and Means.

74. A letter from the Comptroller General of the United States, transmitting a report assessing 1980 census results in 10 urban areas (GGD-81-29, December 24, 1980); jointly, to the Committees on Government Operations, the Judiciary, and Post Office and Civil Service.

75. A letter from the Comptroller General of the United States, transmitting a report on the cost, effectiveness, and reasonableness of permitting voluntary early retirements to solve staffing problems in the civil service (FPCD-81-8, December 31, 1980); jointly, to the Committees on Government Operations, and Post Office and Civil Service.

76. A letter from the Comptroller General of the United States, transmitting a report on management of the Department of Energy's solar energy research and development projects (EMD-81-10, December 22, 1980); jointly, to the Committees on Government Operations, and Science and Technology.

77. A letter from the Comptroller General of the United States, transmitting a report summarizing actions taken on GAO's recommendations in 27 previous reports on the Social Security Administration's income security programs (HRD-81-37, December 31, 1980); jointly, to the Committees on Government Operations, and Ways and Means.

78. A letter from the Secretary of the Interior and the Secretary of Agriculture, transmitting the third report on the protection, management, and control of wild horses and burros on public lands, pursuant to section 11 of Public Law 92-195, as amended; jointly, to the Committees on Interior and Insular Affairs, and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Submitted December 29, 1980*]

Mr. PEPPER: Select Committee on Aging. Report on activities of the Select Committee on Aging, during the 96th Congress (Rept. No. 96-1543). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted December 31, 1980*]

Mr. PRICE: Committee on Armed Services. Report of the activities of the Committee on Armed Services (Rept. No. 96-1555). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. Report on survey of activities of the House Committee on Rules (Rept. No. 96-1556). Referred to the Committee of the Whole House on the State of the Union.

Mr. HANLEY: Committee on Post Office and Civil Service. Report on legislative review by the Committee on Post Office and Civil Service (Rept. No. 96-1557). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted January 2, 1981*]

Mr. NEDZI: Committee on House Administration. Report on activities of the Committee on House Administration during the 96th Congress (Rept. No. 96-1558). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Veterans' Affairs. Report on activities of the Committee on Veteran's Affairs during the 96th Congress (Rept. No. 96-1559). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. Report on activities of the Committee on Science and Technology during the 96th Congress (Rept. No. 96-1560). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. Report on activities of the Committee on Interior and Insular Affairs during the 96th Congress (Rept. No. 96-1561). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee on Appropriations. Report on activities of the Committee on Appropriations during the 96th Congress (Rep. No. 96-1562). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASHLEY: Committee on Merchant Marine and Fisheries. Report on activities of the Committee on Merchant Marine and Fisheries during the 96th Congress Rept. No. 96-1563). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. Report on activities of the Committee on Agriculture during the 96th Congress (Rept. No. 96-1564). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Public Works and Transportation. Report on activities of the Committee on Public Works and Transportation during the 96th Congress (Rept. No. 96-1565). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. Report on activities of the Committee on Interstate and Foreign Commerce during the 96th Congress (Rept. No. 96-1566). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MOAKLEY:

H.R. 1. A bill to make regulations more cost-effective, to insure periodic review of old rules, to improve regulatory planning and management, to eliminate needless formality and delay, to enhance public participation in the regulatory process, to establish a select committee of the House of Representatives to conduct investigations of Federal agency rules, to establish procedures for congressional review of agency rules, and for other purposes; divided and referred as follows: Titles I, II and III to the Committee on the Judiciary and Title IV to the Committee on Rules.

By Mr. BLANCHARD (for himself, Mr. MINETA, Mr. GEPHARDT, Mr. RUSSO, Mr. FITHIAN, Mr. ALBOSTA, Mr. APPLEGATE, Mr. BENNETT, Mr. BOLAND, Mr. COELHO, Ms. FERRARO, Mr. FUQUA, Mr. GUYER, Mr. HALL of Ohio, Mr. HIGHTOWER, Mr. KASTENMEIER, Mr. KOGOVSEK, Mr. MAZZOLI, Mr. MOLLOHAN, Mr. MONTGOMERY, Mr. STARK, Mr. STUDDS, Mr. SYNAR, Mr. UDALL, Mr. VOLKMER, Mr. WHITEHURST, Mr. WHITLEY, and Mr. YATRON):

H.R. 2. A bill to require reauthorization of budget authority for Government programs at least every 10 years, to provide for review of Government programs at least every 10 years, and for other purposes; jointly, to the Committees on Rules and Government Operations.

By Mr. ALBOSTA:

H.R. 3. A bill to amend the Internal Revenue Code of 1954 to provide a simplified system of capital cost recovery, to provide additional incentives for investment in areas of high unemployment, and for other purposes; to the Committee on Ways and Means.

By Mr. BOLAND (for himself, Mr. MAZZOLI and Mr. ROBINSON):

H.R. 4. A bill to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying certain U.S. intelligence officers, agents, informants, and sources; to the Permanent Select Committee on Intelligence.

By Mr. DANIELSON:

H.R. 5. A bill to require the public disclosure of lobbying and related activities; to the Committee on the Judiciary.

By Mr. RHODES:

H.R. 6. A bill to provide for the establishment of a U.S. Court of Labor-Management Relations which shall have jurisdiction over certain labor disputes in industries substantially affecting commerce; to the Committee on the Judiciary.

By Mr. FRENZEL (for himself and Mr. HEFTEL):

H.R. 7. A bill to reduce the capital gains tax rate and for other purposes; to the Committee on Ways and Means.

By Mr. BROOKS (for himself and Mr. DERWINSKI):

H.R. 8. A bill to recognize the Cabinet status of the Director of the Office of Management and Budget, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FUQUA:

H.R. 9. A bill to designate components of the National Wilderness Preservation System in the State of Florida; to the Committee on Interior and Insular Affairs.

By Mr. CLAY:

H.R. 10. A bill to amend title 39 of the United States Code to require that at least 10 percent of expenditures by the Postal Service under certain contracts entered into by the Postal Service are expended for minority business enterprises, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Iowa (for himself and Mr. MCDADE):

H.R. 11. A bill to assist innovative small businesses by strengthening their role in

federally funded research and development and by fostering their formation and growth in the economy, and to encourage investment in small businesses; jointly, to the Committees on Small Business, Ways and Means, and the Judiciary.

H.R. 12. A bill to provide the Small Business Administration with additional authority to assist small business concerns in obtaining financing and for other purposes; to the Committee on Small Business.

H.R. 13. A bill to provide for better access to the Federal courts for small businesses and others with small to moderate size claims, to expand the duties of the Office of Advocacy of the Small Business Administration, and for other purposes; jointly, to the Committees on the Judiciary and Small Business.

By Mr. MINISH:

H.R. 14. A bill to establish a National Development Bank to provide loans to finance urgently needed public facilities for State and local governments, to help achieve a full employment economy by providing loans for the establishment of businesses and industries, and the expansion and improvement of such existing businesses and industries, and to provide job training for unskilled and semiskilled unemployed workers and underemployed; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WYLIE:

H.R. 15. A bill to amend the Internal Revenue Code of 1954 to increase to $10,000 the amount of savings interest which may be excluded from gross income by individuals and to make such exclusion permanent; to the Committee on Ways and Means.

By Mr. DINGELL:

H.R. 16. A bill to provide a program of national health insurance, and for other purposes; to the Committee on Energy and Commerce.

By Mr. BENNETT:

H.R. 17. A bill to protect the constitutional rights of those subject to the military system, to revise the Uniform Code of Military Justice, and for other purposes; to the Committee on Armed Services.

By Mr. BOLLING:

H.R. 18. A bill to establish a Commission on More Effective Government, with the declared objective of improving the quality of government in the United States and of restoring public confidence in government at all levels; to the Committee on Government Operations.

By Mr. PICKLE:

H.R. 19. A bill to provide a comprehensive program to improve cargo security for property being transported in interstate and foreign commerce; jointly, to the Committees on Energy and Commerce, the Judiciary, Merchant Marine and Fisheries, Public Works and Transportation, and Ways and Means.

By Mr. RAILSBACK:

H.R. 20. A bill to amend the copyright law, title 17 of the United States Code, to provide for protection of ornamental designs of useful articles; to the Committee on the Judiciary.

H.R. 21. A bill to amend title 18, United States Code, to permit a Federal court, upon the recommendation of the U.S. prosecutor, to place certain persons charged with Federal crimes in programs of community supervision and services; to the Committee on the Judiciary.

By Mrs. HOLT:

H.R. 22. A bill to improve the congressional budget process by the establishment in the House of Representatives of a two-step budget procedure for the consideration of a first required concurrent resolution on the budget; to the Committee on Rules.

By Mr. WAMPLER:

H.R. 23. A bill to extend and amend title XIV of the Food and Agriculture Act of 1977 for 5 years; and for other purposes; to the Committee on Agriculture.

By Mr. DANIELSON:

H.R. 24. A bill to amend title 28 of the United States Code to provide for an exclusive remedy against the United States in suits based upon acts or omissions of U.S. employees, to provide a remedy against the United States with respect to constitutional torts, to establish procedures whereby a person injured by a constitutional tort may initiate and participate in a disciplinary inquiry with respect to such tort, and for other purposes; to the Committee on the Judiciary.

By Mr. ERLENBORN:

H.R. 25. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act to revise the manner of computing the benefits provided under such act, to provide for certification of physicians eligible to provide medical care to workers covered by such act, to provide for an attorney to serve as the representative of the special fund established under such act, to establish a benefits review board the members of which are appointed by the President, to establish an advisory committee to evaluate the manner in which the provisions of the act are carried out, and for other purposes; to the Committee on Education and Labor.

By Mr. YATES:

H.R. 26. A bill to amend the act of August 27, 1935, to provide for the administration, maintenance, and operation of the Institute of American Indian Arts by the Indian Arts and Crafts Boards; to the Committee on Interior and Insular Affairs.

By Mr. ANDERSON:

H.R. 27. A bill to amend chapter 44 of title 18 of the United States Code to extend and strengthen the mandatory penalty feature of the prohibition against the use of firearms in Federal felonies, and for other purposes; to the Committee on the Judiciary.

H.R. 28. A bill entitled the "Madrona Marsh National Wildlife Refuge Act"; to the Committee on Merchant Marine and Fisheries.

H.R. 29. A bill to require the Secretary of Commerce to undertake a study to determine the effects of certain past ocean dumping of radioactive wastes; jointly, to the Committees on Merchant Marine and Fisheries, and Science and Technology.

By Mr. SAM B. HALL, JR.:

H.R. 30. A bill to authorize construction of the Little Cypress Lake and Reservoir, Texas; to the Committee on Public Works and Transportation.

By Mr. ANNUNZIO:

H.R. 31. A bill to amend the Truth in Lending Act to encourage cash discounts, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 32. A bill to limit the authority of the Secretary of Health, Education, and Welfare with respect to regulation of vitamin and mineral products for over-the counter human use; to the Committee on Energy and Commerce.

H.R. 33. A bill to grant a Federal charter to the Italian American War Veterans of the United States; to the Committee on the Judiciary.

H.R. 34. A bill to make additional immigrant visas available for immigrants from certain foreign countries, and for other purposes; to the Committee on the Judiciary.

H.R. 35. A bill to amend the Gun Control Act of 1968 to provide for separate offense and consecutive sentencing in felonies involving the use of a firearm; to the Committee on the Judiciary.

H.R. 36. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights; to the Committee on the Judiciary.

H.R. 37. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 38. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

By Mr. CLAY:

H.R. 39. A bill to amend title 39, United States Code, to restore to Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BINGHAM:

H.R. 40. A bill to prohibit the importation, manufacture, sale, purchase, transfer, receipt, possession, or transportation of handguns, except for or by members of the Armed Forces, law enforcement officials, and, as authorized by the Secretary of the Treasury, licensed importers, manufacturers, dealers, antique collectors, and pistol clubs; to the Committee on the Judiciary.

By Mr. APPLEGATE:

H.R. 41. A bill to require that direct Presidential primary elections be held throughout the United States on the first Tuesday after the first Monday in May of each Presidential election year; to the Committee on House Administration.

H.R. 42. A bill to amend the Immigration and Nationality Act of 1952 (8 U.S.C. 1251), relating to the general classes of deportable aliens; to the Committee on the Judiciary.

H.R. 43. A bill to amend the Internal Revenue Code of 1954 to eliminate the changes made by the Tax Reform Act of 1976 in the exclusion from gross income of sick pay; to the Committee on Ways and Means.

By Mr. ARCHER:

H.R. 44. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income up to $1,000 of interest and dividends; to the Committee on Ways and Means.

H.R. 45. A bill to amend the Internal Revenue Code of 1954 to exempt independent producers and royalty owners from the windfall profit tax on the first 1,000 barrels of daily production; to the Committee on Ways and Means.

H.R. 46. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. ASHBROOK:

H.R. 47. A bill to require foreign persons who acquire, transfer, or hold interests in agricultural land to report such transactions and holdings to the Secretary of Agriculture

and to direct the Secretary to analyze information contained in such reports and determine the effects such transactions and holdings have, particularly on family farms and rural communities, and for other purposes; to the Committee on Agriculture.

H.R. 48. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

H.R. 49. A bill to amend the National Labor Relations Act to provide for strike votes, direct court appeals in election cases, and to guarantee the right to challenge a union's majority status; to the Committee on Education and Labor.

H.R. 50. A bill to amend the National Labor Relations Act to protect the rights or employees, to strengthen the remedies under such act, and for other purposes; to the Committee on Education and Labor.

H.R. 51. A bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to stone mining operations or to sand and gravel mining operations; to the Committee on Education and Labor.

By Mr. OBERSTAR:

H.R. 52. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. ASHBROOK:

H.R. 53. A bill to amend the National Labor Relations Act to exclude illegal aliens from coverage under the act; to the Committee on Education and Labor.

H.R. 54. A bill to consolidate and simplify the administration of Federal aid for elementary and secondary education authorized by the Elementary and Secondary Education Act of 1965, as amended, in order to eliminate unnecessary paperwork and undue Federal interference in our schools, and for other purposes; to the Committee on Education and Labor.

By Mrs. BOGGS (for herself, Mr. LIVINGSTON, Mr. BEVILL, Mr. BREAUX, Mr. LONG of Louisiana, Mr. MOORE, Mr. TAUZIN, and Mr. YOUNG of Missouri):

H.R. 55. A bill to provide for improving the efficiency of certain rivers and harbors of the United States and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ASHBROOK:

H.R. 56. A bill relating to the settlement of debts owed the United States by foreign countries; to the Committee on Foreign Affairs.

H.R. 57. A bill to reduce payments to the United Nations and its affiliated agencies; to the Committee on Foreign Affairs.

By Mr. LONG of Louisiana (for himself and Mr. DERRICK):

H.R. 58. A bill to establish as a part of the Rules of the House of Representatives and the Senate a procedure for the periodic congressional review of Federal programs and tax expenditures, and to improve legislative oversight of Federal activities and regulatory programs; to the Committee on Rules.

By Mr. ASHBROOK:

H.R. 59. A bill to prohibit Soviet energy investments; to the Committee on Foreign Affairs.

H.R. 60. A bill to provide for the regulation of State Presidential primary elections; to the Committee on House Administration.

H.R. 61. A bill to amend section 4 of the Internal Security Act of 1950; to the Committee on the Judiciary.

H.R. 62. A bill to provide additional penalties for the use of firearms or destructive devices in the commission of certain crimes of violence; to the Committee on the Judiciary.

By Mr. SCHULZE:

H.R. 63. A bill to amend the Internal Revenue Code of 1954 to encourage individuals to invest in the stock of domestic corporations by allowing a 10-percent income tax credit for such investments; to the Committee on Ways and Means.

By Mr. ALBOSTA:

H.R. 64. A bill to amend titles II and XVI of the Social Security Act to provide that an individual receiving child's insurance benefits on the basis of blindness or other disability shall not lose his or her entitlement to such benefits by reason of marriage, if such marriage is to a recipient of supplemental security income benefits; to the Committee on Ways and Means.

By Mr. ALBOSTA (for himself, Mr. OTTINGER, Mr. PEPPER, Mr. GRISHAM, Mr. CLAY, Mr. WHITTEN, Mr. MURPHY, Mr. BAFALIS, Mr. WILLIAMS of Ohio, Mr. PAUL, Mrs. HOLT, Mr. WHITEHURST, Mr. HUGHES, Mr. FORSYTHE, Mr. BROYHILL, Mr. YATRON, Mr. YOUNG of Missouri, Mr. PERKINS, Mr. RINALDO, Mr. GREEN, Mr. MOTTL, Mr. SAM B. HALL, JR., Mr. KRAMER, Mr. NICHOLS, Mr. BEVILL, Mrs. SCHROEDER, Mr. FUQUA, Mr. GINGRICH, Ms. OAKAR, Mr. ADDABBO, Mr. GUYER, Mr. GOLDWATER, Mr. JOHN L. BURTON, Mr. OBERSTAR, Mr. LAGOMARSINO, Mr. KILDEE, Mr. COELHO, Mr. LEHMAN, Mr. PANETTA, Mr. RICHMOND, Mr. WINN, Mr. YOUNG of Florida, Mr. CORRADA, Mr. CONYERS, Mr. WON PAT, Mr. MATSUI, Mr. RATCHFORD, Mr. WAMPLER, Mr. DOUGHERTY, Mr. MITCHELL of New York, Mr. ZABLOCKI, Mr. ROTH, Mr. MONTGOMERY, Mr. DOWNEY, Mr. VENTO, Mr. LEACH of Iowa, Mr. LOTT, Mr. PORTER, Mr. WEISS, Mr. HUTTO, Mr. HORTON, Mr. WILLIAMS of Montana, Mr. DANIEL B. CRANE, Mr. WILSON, Mr. CAMPBELL, and Mr. ROE):

H.R. 65. A bill to amend title II of the Social Security Act to reaffirm the fact that benefits payable thereunder are exempt from all taxation; to the Committee on Ways and Means.

By Mr. PERKINS:

H.R. 66. A bill to extend the authorization of appropriations under the Vocational Educational Act of 1963; to the Committee on Education and Labor.

By Mr. ASHBROOK:

H.R. 67. A bill to amend the Internal Security Act of 1950 to control and penalize terrorists, and for other purposes; to the Committee on the Judiciary.

H.R. 68. A bill to make it a Federal crime to kill or assault a fireman or law enforcement officer engaged in the performance of his duties when the offender travels in interstate commerce or uses any facility of interstate commerce for such purpose; to the Committee on the Judiciary.

H.R. 69. A bill to amend chapter 44 of title 18, United States Code, to exempt ammunition from Federal regulations under the Gun Control Act of 1968; to the Committee on the Judiciary.

By Mr. FINDLEY (for himself, Mr. ANNUNZIO, Mr. BENNETT, Mr. COELHO, Mr. EDWARDS of California, Mr. GILMAN, Mr. HORTON, Mr. HYDE, Mr. LEDERER, Mr. MOAKLEY, Mr. MURPHY, Mr. PANETTA, Mr. PERKINS, Mr. RICHMOND, Mr. ROE, Mr. WEISS, Mr. WHITEHURST, and Mr. YATRON):

H.R. 70. A bill to amend the Age Discrimination in Employment Act of 1967 to provide that individuals who are 40 years of age or older shall be protected by the provisions of such act, and for other purposes; jointly, to the Committees on Education and Labor, and Post Office and Civil Service.

By Mr. ASHBROOK:

H.R. 71. A bill to repeal the Gun Control Act of 1968 to the Committee on the Judiciary.

H.R. 72. A bill to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school; to the Committee on the Judiciary.

H.R. 73. A bill to limit the jurisdiction of the courts of the United States in matters relating to abortion to the Committee on the Judiciary.

H.R. 74. A bill to amend the Fair Labor Standards Act of 1938, as amended, to exclude illegal aliens from coverage under the act; to the Committee on Education and Labor.

H.R. 75. A bill to provide that certain criminal penalties imposed as a result of the failure of an individual to answer to questions submitted in connection with a census or survey conducted under title 13, United States Code, shall not be applicable to any census taken under section 142 of such title; to the Committee on Post Office and Civil Service.

H.R. 76. A bill to guarantee that every employee of the Federal Government shall have the right to refrain from union activity; to the Committee on Post Office and Civil Service.

H.R. 77. A bill to remove certain criminal penalties imposed as a result of the failure of an individual to answer questions submitted in connection with a census or survey conducted under title 13, United States Code; to the Committee on Post Office and Civil Service.

H.R. 78. A bill to make the first Monday in February a legal public holiday for Lincoln's birthday; to the Committee on Post Office and Civil Service.

H.R. 79. A bill to amend title 38 of the United States Code to deny veterans' benefits to certain individuals whose discharges from service during the Vietnam era under less than honorable conditions are administratively upgraded under temporarily revised standards to discharge under honorable conditions; to the Committee on Veterans' Affairs.

H.R. 80. A bill to amend the Internal Revenue Code of 1954 to subject foreign investors to the capital gains tax on gain from the sale or exchange of certain farmland and other rural land located in the United States; to the Committee on Ways and Means.

By Mr. EDWARDS of California:

H.R. 81. A bill to amend the Internal Revenue Code of 1954 to provide tax reform and tax incentives for individuals and businesses; to the Committee on Ways and Means.

By Mr. ASHBROOK:

H.R. 82. A bill to provide that the Internal Revenue Service may not implement certain rules relating to the determination of whether private schools have discriminatory policies until Congress provides specific guidelines for such determinations; to the Committee on Ways and Means.

H.R. 83. A bill to provide direct aid to the States and territories for educational purposes only for the benefit of the taxpayers and local governments; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 84. A bill to establish temporary provisions governing the day and times for the elections of Senators, Members of the House of Representatives, and electors of the President and Vice President; to the Committee on House Administration.

By Mr. BIAGGI (for himself, and Mr. YOUNG of Alaska, Mr. JONES of North Carolina, Mr. STUDDS, Mr. SNYDER, Mr. HUGHES, Mr. OBERSTAR, Mr. LENT, Mr. TRIBLE, Mr. HUBBARD, Mr. D'AMOURS, Mr. AKAKA, Mr. DORNAN, Ms. MIKULSKI, Mr. FORSYTHE, Mr. EVANS of Delaware, Mr. ZEFERETTI, and Mr. MARTIN of North Carolina):

H.R. 85. A bill to provide a comprehensive system of liability and compensation for oil spill damage and removal costs, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, Public Works and Transportation, and Ways and Means.

By Mr. ASHBROOK:

H.R. 86. A bill to amend the Internal Revenue Code of 1954 to require most individuals to have as their taxable year a year which will require the filing of tax returns just before the November elections; to the Committee on Ways and Means.

H.R. 87. A bill to amend the Internal Revenue Code of 1954 to allow the chartible deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

H.R. 88. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide an exemption from coverage under the social security program, through a tax refund procedure for employees who are members of religious faiths which oppose participation in such program, and to provide a similar exemption on a current basis (pursuant to waiver certificates filed in advance) for employers engaged in farming and their employees in cases where both are members of such faiths; and to make the existing exemption for self-employed members of such faiths available to certain additional individuals; to the Committee on Ways and Means.

H.R. 89. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to deduct, or to claim a credit for, amounts paid as tuition to provide an education for himself, for his spouse, or for his dependents; to the Committee on Ways and Means.

H.R. 90. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to deduct, or to claim a credit for, amounts paid as tuition to provide an education for himself, for his spouse, or for his dependents; to the Committee on Ways and Means.

H.R. 91. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pension, or other retirement benefits; to the Committee on Ways and Means.

H.R. 92. A bill to amend the Internal Revenue Code of 1954 to allow an income tax credit for tuition expenses of the taxpayer or his spouse or a dependent at an institution of higher education, and an additional credit for gifts or contributions made to any institution of higher education; to the Committee on Ways and Means.

H.R. 93. A bill to amend title II of the Social Security Act to increase to $5,000 the amount of outside earnings permitted each year without deductions from benefits thereunder; to the Committee on Ways and Means.

H.R. 94. A bill to exempt limited amounts of oil production by independent producers from the windfall profit tax and for other purposes; to the Committee on Ways and Means.

H.R. 95. A bill to amend the Internal Revenue Code of 1954 to prohibit the Internal Revenue Service from terminating for reasons of racial discrimination the tax exempt status of any organization established for the purposes of educational instruction without proper adjudication by a court of the United States or of any State; to the Committee on Ways and Means.

H.R. 96. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 97. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. BENNETT:

H.R. 98. A bill to make eligible for annuities payable under section 4 of Public Law 92-425 (relating to the Armed Forces survivor benefit plan) persons who became widows during the 18-month period following the effective date of such law; to the Committee on Armed Services.

H.R. 99. A bill to amend title 10, United States Code, to regulate the discharge of members of the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. DINGELL:

H.R. 100. A bill to prohibit discrimination in insurance on the basis of race, color, religion, sex or national origin; to the Committee on Energy and Commerce.

By Mr. BENNETT:

H.R. 101. A bill to amend the urban development action grant program with respect to determining the level of physical and economic distress of certain urban counties; to the Committee on Banking, Finance and Urban Affairs.

H.R. 102. A bill to provide Federal grants to assist elementary and secondary schools to carry on programs to teach the principles of citizenship and ethics; to the Committee on Education and Labor.

H.R. 103. A bill to amend the Regional Rail Reorganization Act of 1973 to provide a payment for certain protected employees to insure that such employees were not disadvantaged between April 1 and September 30, 1976, with respect to preretirement life and medical insurance benefits; to the Committee on Energy and Commerce.

H.R. 104. A bill to provide for the regular review of certain Federal agencies and for the abolition of such agencies after such review unless Congress specifically provides for their continued existence; to the Committee on Government Operations.

H.R. 105. A bill to establish a series of six regional Presidential primaries at which the public may express its preference for the nomination of an individual for election to the office of President of the United States; to the Committee on House Administration.

H.R. 106. A bill to amend the Federal Election Campaign Act of 1971 to provide that, with respect to any Federal election, no expenditure may be made by a candidate or political committee unless there are sufficient funds in the checking account maintained by such committee to pay the amount of such expenditure and all other checks drawn on such account and unpaid, and for other purposes; to the Committee on House Administration.

H.R. 107. A bill to require certain reports to the Federal Election Commission, and for other purposes; to the Committee on House Administration.

H.R. 108. A bill to establish controls on year-end expenditure practices of Federal agencies; to the Committee on Government Operations.

H.R. 109. A bill to amend the Arms Export Control Act (formerly Foreign Military Sales Act) to authorize the President to prescribe regulations for protecting arms information from the risk of indiscriminate export; to the Committee on Foreign Affairs.

By Mr. BLANCHARD:

H.R. 110. A bill to amend the Internal Revenue Code of 1954 to provide a credit for amounts contributed to an individual housing account, and for other purposes; to the Committee on Ways and Means.

By Mr. BENNETT:

H.R. 111. A bill to provide for disclosure by lobbyists, and for other purposes; to the Committee on the Judiciary.

H.R. 112. A bill to amend chapter 313 of title 18 of the United States Code to improve the system dealing with mental defectives charged with offenses against the United States; to the Committee on the Judiciary.

H.R. 113. A bill to subject certain nationals or citizens of the United States to the jurisdiction of the U.S. district courts for their crimes committed outside the United States and to provide for the apprehension, restraint, removal, and delivery of such persons; to the Committee on the Judiciary.

H.R. 114. A bill to amend title 28 of the United States Code to limit the jurisdiction of courts established by Congress under article III of the Constitution of the United States over State cases; to the Committee on the Judiciary.

H.R. 115. A bill to prohibit any act or threat of violence in a labor dispute and any conspiracy to accomplish such act or threat and to impose criminal and civil penalties therefor; to the Committee on the Judiciary.

H.R. 116. A bill to amend title 5, United States Code, to permit present and former civilian employees of the U.S. Government to receive civil service annuity credit for retirement purposes for all their periods of service to the United States (Federal Government, uniformed services and District of Columbia government) including such service which was covered by social security, regardless of eligibility for social security benefits; to the Committee on Post Office and Civil Service.

H.R. 117. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

H.R. 118. A bill to authorize the discharge of dredged or fill material as part of Federal projects for the construction of the Fernandina Harbor Jetties, Fla., and the portion of the Intracoastal Waterway between Saint Mary's River and Saint John's River, Fla.; to the Committee on Public Works and Transportation.

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H.R. 119. A bill to amend the Federal Aviation Act of 1958 to require regulations prohibiting air carriers from dispensing alcoholic beverages and tobacco without charge to passengers aboard air carrier aircraft; to the Committee on Public Works and Transportation.

H.R. 120. A bill to require the submission to Congress of research proposals prior to the expenditure of Federal funds; to the Committee on Science and Technology.

H.R. 121. A bill to provide for a national cemetery in Duval County, Fla.; to the Committee on Veterans' Affairs.

H.R. 122. A bill to provide for a Veterans' Administration general medical and surgical hospital at Jacksonville, Fla., and to achieve cooperation with the University of Florida College of Medicine in its activities in Jacksonville; to the Committee on Veterans' Affairs.

H.R. 123. A bill to amend title XVI of the Social Security Act to provide that an alien may not qualify for supplemental security income benefits unless he not only is a permanent resident of the United States but has also continously resided in the United States for at least 5 years; to the Committee on Ways and Means.

H.R. 124. A bill to amend the Internal Revenue Code of 1954 to provide that the unified credit against the estate tax shall not be reduced by certain gifts made during 1976 which are includible in the gross estate of the decedent; to the Committee on Ways and Means.

H.R. 125. A bill to amend the Internal Revenue Code of 1954 to provide that no individual shall pay an income tax of less than 10 percent of his net income which exceeds $30,000 for any taxable year; to the Committee on Ways and Means.

H.R. 126. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 127. A bill to amend title 10, United States Code, and the Public Health Service Act, as amended, to provided for adjustments in the benefits afforded participants in the Armed Forces health professions scholarship programs; jointly, to the Committees on Armed Services and Energy and Commerce.

H.R. 128. A bill to provide that payments for military retired pay shall be made by the Civil Service Commission and that appropriations for such purpose shall be made to the Civil Service Commission; jointly, to the Committees on Armed Services and Post Office and Civil Service.

H.R. 129. A bill to amend the Defense Production Act of 1950, as amended; jointly, to the Committees on Armed Services, Banking, Finance and Urban Affairs, Government Operations, and Post Office and Civil Service.

H.R. 130. A bill to abolish the National Security Council, and for other purposes; jointly, to the Committees on Armed Services and the Permanent Select Committee on Intelligence.

H.R. 131. A bill to amend the National Security Act of 1947 to establish by law procedures for the classification and protection of sensitive information relating to the national security, to provide criminal penalties for unauthorized disclosure of such information, to limit matters that may be classified and impose penalties for unauthorized classification, to provide for declassification, and for other purposes; jointly, to the Committees on Armed Services and the Permanent Select Committee on Intelligence.

H.R. 132. A bill to provide that any abandoned historic shipwreck located, in part, on the Outer Continental Shelf or on lands beneath navigable waters within the boundaries of a State shall be the property of the United States (subject to transfer to that State after adoption of an adequate State plan), and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

H.R. 133. A bill to amend title 18, United States Code, to prohibit the unauthorized disclosure of information concerning individuals engaged or assisting in foreign intelligence or counterintelligence activities, and for other purposes; jointly, to the Committee on the Judiciary and the Permanent Select Committee on Intelligence.

By Mr. BENNETT (for himself and Mr. CHAPPELL):

H.R. 134. A bill to amend title 28 of the United States Code and the rules governing section 2254 cases in the U.S. district courts to change the types of hearings which a magistrate may conduct and to change the jurisdiction for the consideration of, and the standards for the granting of, writs of habeas corpus by Federal courts upon the application of persons in custody pursuant to judgments of State courts; to the Committee on the Judiciary.

By Mr. BENNETT (for himself and Mr. LUKEN):

H.R. 135. A bill to amend title 38, United States Code, to provide a new educational assistance program for persons who enlist, reenlist, or otherwise enter the Armed Forces after December 31, 1981; to provide for the cancellation of certain education loans in the case of individuals who perform service in the Selected Reserve of the Ready Reserve of an Armed Force; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BIAGGI:

H.R. 136. A bill to amend the Social Security Act to provide that the Federal Government will gradually take over the local share of welfare and medicaid costs, and for other purposes; jointly to the Committees on Ways and Means, and Energy and Commerce.

By Mr. BINGHAM:

H.R. 137. A bill to provide for judicial review of administrative determinations made by the Board of Veterans Appeals; to the Committee on Veterans' Affairs.

H.R. 138. A bill to amend title V of the Social Security Act to require States to provide women access to their obstetric medical records and current information on obstetrical procedures; to amend the Federal Food, Drug, and Cosmetic Act to require the dissemination of information on the effects and risks of drugs and devices on the health of pregnant and parturient women and of prospective and developing children; and to provide for a study on the delayed long-term effect on child development of obstetrical drugs and procedures administered to or used by pregnant and parturient women; jointly to the Committees on Ways and Means, and Energy and Commerce.

H.R. 139. A bill to amend title V of the Social Security Act to require States to provide women access to their obstetric medical records and current information on obstetrical procedures; to amend the Federal Food, Drug, and Cosmetic Act to require the dissemination of information on the effects and risks of drugs and devices on the health of pregnant and parturient women and of prospective and developing children; and to provide for a study on the delayed long-term effect on child development of obstetrical drugs and procedures administered to or used by pregnant and parturient women; jointly to the Committees on Ways and Means, and Energy and Commerce.

By Mr. BINGHAM (for himself and Mr. WHITTAKER):

H.R. 140. A bill to amend section 6(e)(2) of the Land and Water Conservation Fund Act of 1965, as amended; to the Committee on Interior and Insular Affairs.

By Mr. BOLAND:

H.R. 141. A bill to preserve and promote the resources of the Connecticut River Valley, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BRODHEAD:

H.R. 142. A bill to amend the Internal Revenue Code of 1954 to repeal the excise tax on trucks and tractors and parts and accessories for such vehicles; to the Committee on Ways and Means.

H.R. 143. A bill to provide a program of emergency unemployment compensation; to the Committee on Ways and Means.

H.R. 144. A bill to amend the Internal Revenue Code of 1954 to encourage employment and the modernization of manufacturing plants by providing an additional investment credit for machinery placed in service in existing manufacturing plants or in nearby plants; to the Committee on Ways and Means.

H.R. 145. A bill to amend title XVI of the Social Security Act with respect to the negotiability of supplemental security income checks, and for other purposes; to the Committee on Ways and Means.

H.R. 146. A bill to amend the Internal Revenue Code of 1954 to allow a refundable income tax credit for the purchase of new automobiles manufactured by certain companies which have substantially increased their average fuel economy; to the Committee on Ways and Means.

H.R. 147. A bill to amend the Internal Revenue Code of 1954 to make the investment tax credit for motor vehicle manufacturing property refundable; to the Committee on Ways and Means.

H.R. 148. A bill to amend the Internal Revenue Code of 1954 to remove certain limitations in the case of charitable contributions of literary, musical, or artistic compositions, or similar property; to the Committee on Ways and Means.

H.R. 149. A bill to amend the Internal Revenue Code of 1954 to make certain changes in the provisions which increase the Federal unemployment tax in States which have outstanding Federal loans; to the Committee on Ways and Means.

H.R. 150. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that disability insurance benefits and the medicare program shall be financed from general revenues (pursuant to annual authorizations) rather than through the imposition of employment and self-employment taxes as at present, with the new method of financing being gradually phased in over a 3-year period, and to adjust the rates of such taxes (for purposes of financing the OASI program) accordingly; to the Committee on Ways and Means.

H.R. 151. A bill to provide for reimbursement to States experiencing high rates of insured unemployment, to reimburse States for the costs of providing certain extended benefits paid before 1981, and to cancel certain advances made to the Federal extended

unemployment compensation account; to the Committee on Ways and Means.

H.R. 152. A bill to provide medicare coverage for orthopedic shoes or other supportive devices prescribed by a physician for correction or treatment of abnormalities of the feet or legs which cause serious detrimental medical effects; jointly to the Committees on Ways and Means, and Energy and Commerce.

H.R. 153. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, and hearing aids among the items and services for which payment may be made under the supplementary medical insurance program; jointly to the Committees on Ways and Means, and Energy and Commerce.

By Mr. BROOMFIELD:

H.R. 154. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Ways and Means.

H.R. 155. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest and dividends on deposits in savings institutions; to the Committee on Ways and Means.

By Mr. BURGENER:

H.R. 156. A bill to amend the Immigration and Nationality Act to prevent the illegal entry and employment of aliens in the United States, to facilitate the admission of aliens for temporary employment, to regulate the issuance and use of social security account cards, and for other purposes; jointly, to the Committees on the Judiciary, Education and Labor, and Ways and Means.

By Mr. CAMPBELL:

H.R. 157. A bill to amend the Fair Labor Standards Act of 1938 to provide a special minimum wage for the employment for limited periods of time of youth aged nineteen and under and to broaden the authority for the employment of full-time students at a special minimum wage; to the Committee on Education and Labor.

H.R. 158. A bill to prohibit the mandatory termination or phaseout of the use by public utilities of any particular energy source; to the Committee on Energy and Commerce.

H.R. 159. A bill to provide procedures for certain cases of death or disqualification of persons eligible to be selected as President or Vice President by the Congress; to the Committee on House Administration.

By Mr. STUMP:

H.R. 160. A bill to remove residency requirements and acreage limitations applicable to land subject to reclamation law; to the Committee on Interior and Insular Affairs.

By Mr. CAMPBELL:

H.R. 161. A bill to provide for the payment of losses incurred as a result of the ban on the use of the chemical Tris in apparel, fabric, yarn or fiber, and for other purposes; to the Committee on the Judiciary.

H.R. 162. A bill for the relief of certain hospitals and health-care facilities; to the Committee on Ways and Means.

By Mr. CLAUSEN:

H.R. 163. A bill to provide for the payment by the Government of Iran of those U.S. citizens held hostage in the U.S. Embassy in Tehran; to the Committee on Foreign Affairs.

H.R. 164. A bill authorizing the Secretary of the Interior to retain as a national reserve, lands of the Outer Continental Shelf included in the proposed lease sale numbered 53, and prohibiting the Secretary from leasing such lands for oil or gas production or development, except as recommended by the President of the United States and not disapproved by the Congress, and for other purpose; to the Committee on Interior and Insular Affairs.

H.R. 165. A bill to amend the Internal Revenue Code of 1954 to increase for taxable years beginning after December 31, 1980, the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemptions for dependents, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

H.R. 166. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 167. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

By Mr. CLAY:

H.R. 168. A bill to amend title 39 United States Code to provide that the U.S. Postal Service shall be subject to certain provisions of the Occupational Safety and Health Act of 1970; to the Committee on Post Office and Civil Service.

H.R. 169. A bill to amend title 39 of the United States Code to provide for congressional review of capital investments proposed by the Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 170. A bill to amend title 39 of the United States Code to provide for the right of employees of the Postal Service to a safe working environment, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 171. A bill to provide for congressional review of proposed changes in postal services; to the Committee on Post Office and Civil Service.

H.R. 172. A bill to amend title 39 of the United States Code to prohibit the Postal Service from limiting regular daily mail delivery to fewer than six days each week, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 173. A bill to amend title 39 of the United States Code to remove the budget of the Postal Rate Commission from the control of the Postal Service; to the Committee on Post Office and Civil Service.

H.R. 174. A bill to amend title 39 of the United States Code to terminate the Board of Governors of the U.S. Postal Service, to provide that the exercise of the power of the Postal Service shall be directed by the Postmaster General, to revise the authority of the Postal Rate Commission, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 175. A bill to amend title 39 of the United States Code to insure organizational independence for the Postal Rate Commission, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 176. A bill to amend chapter 79 of title 5 of the United States Code to provide for the application of occupational safety and health standards to the Federal workplace, and for other purposes; jointly, to the Committees on Education and Labor and Post Office and Civil Service.

By Mr. CONABLE:

H.R. 177. A bill to amend the Internal Revenue Code of 1954 to reduce the tax effect known as the marriage penalty by permitting the deduction, without regard to whether deductions are itemized, of 10 percent of the earned income of the spouse whose earned income is lower than that of the other spouse; to the Committee on Ways and Means.

H.R. 178. A bill to amend the Internal Revenue Code of 1954 to provide for the establishment of and the deduction of contributions to, education savings accounts and housing saving accounts; to the Committee on Ways and Means.

By Mr. CORCORAN:

H.R. 179. A bill to repeal the provisions of law allowing automatic cost-of-living adjustments in the salaries of Members of Congress; to the Committee on Post Office and Civil Service.

By Mr. D'AMOURS:

H.R. 180. A bill to amend title 4 of the United States Code to restrict the authority of any State to impose any income tax on any compensation paid to any individual who is not a domiciliary or resident of such State; to the Committee on the Judiciary.

H.R. 181. A bill to amend the Internal Revenue Code of 1954 to provide that expenditures for woodburning stoves shall be eligible for the residential energy credit for energy conservation expenditures; to the Committee on Ways and Means.

H.R. 182. A bill to amend the Internal Revenue Code of 1954 to provide that services performed for camps by certain students who generally are not eligible to receive unemployment compensation will not be subject to the Federal unemployment tax; to the Committee on Ways and Means.

By Mr. DAN DANIEL:

H.R. 183. A bill providing that $1,000,000 per day shall vest in the United States from the blocked Iranian assets for each of the 52 American hostages until the hostages are released, and to provide for the compensation of the hostages and their families; to the Committee on Foreign Affairs.

By Mr. DANIELSON:

H.R. 184. A bill to provide a uniform time for the closing of the polling places in all elections of the electors of the President and Vice President of the United States, and for other purposes; to the Committee on House Administration.

H.R. 185. A bill to amend the Immigration and Nationality Act to provide that any person who pays any compensation to an illegal alien shall be guilty of a petty offense and subject to a fine; to the Committee on the Judiciary.

H.R. 186. A bill to amend the Internal Revenue Code of 1954 to disallow deductions from gross income for salary paid to aliens illegally employed in the United States; to the Committee on Ways and Means.

H.R. 187. A bill to amend the Internal Revenue Code of 1954 to allow an itemized deduction for certain salaries and other compensation paid for personal services; to the Committee on Ways and Means.

By Mr. DANNEMEYER:

H.R. 188. A bill to amend the Clean Air Act to repeal the requirement that State implementation plans provide for periodic inspection and testing of motor vehicles; to the Committee on Energy and Commerce.

By Mr. DE LA GARZA:

H.R. 189. A bill to strengthen the penalty provisions of the Gun Control Act of 1968; to the Committee on the Judiciary.

By Mr. DOWNEY:

H.R. 190. A bill to amend the Internal Revenue Code of 1954 to provide for the establishment of the deduction of contributions to parents' and students' savings accounts for educational purposes; to the Committee on Ways and Means.

H.R. 191. A bill to amend the Internal Revenue Code of 1954 to allow the deduction for contributions to individual retirement savings even though the taxpayer is an active participant in a pension plan and to require the Secretary of the Treasury to provide, with the instructions for completing individual income tax returns, a simple-language explanation of the requirements and benefits of such deduction; to the Committee on Ways and Means.

By Mr. DUNCAN:

H.R. 192. A bill to provide that social security benefit increases occurring after May 1981 shall not be considered as income or resources for the purposes of determining the eligibility for or amount of assistance which any individual or family is provided under certain Federal housing laws; to the Committee on Banking, Finance and Urban Affairs.

H.R. 193. A bill to provide for assistance to certain urban counties under title I of the Housing and Community Development Act of 1974; to the Committee on Banking, Finance and Urban Affairs.

H.R. 194. A bill to amend the Railroad Unemployment Insurance Act to increase the maximum daily benefit from $25 to $40; to the Committee on Energy and Commerce.

H.R. 195. A bill to amend the Railroad Retirement Act of 1974 to provide spouses' and widows' benefits to certain divorced persons; to the Committee on Energy and Commerce.

H.R. 196. A bill to amend the Railroad Retirement Act of 1974 to provide an increased benefit for certain persons by changing the requirement that such persons have been fully insured under the Social Security Act as of December 31 of calendar year in which they last rendered railroad-related service; to the Committee on Energy and Commerce.

H.R. 197. A bill to amend the Railroad Retirement Act of 1974 to provide for the counting of certain World War II military service toward the years of service requirements for eligibility for certain benefits under such Act; to the Committee on Energy and Commerce.

H.R. 198. A bill to amend the Railroad Retirement Act of 1974 to eliminate disqualification of employed spouses for certain annuities; to the Committee on Energy and Commerce.

H.R. 199. A bill to amend chapter 44 of title 18 of the United States Code, respecting firearms, to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

By Mr. CLAY:

H.R. 200. A bill to amend title 5, United States Code, to restore to Federal civilian employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DUNCAN:

H.R. 201. A bill to amend the Tennessee Valley Authority Act of 1933 relating to the sale of electricity to industrial users by the Tennessee Valley Authority through States, counties, municipalities, and cooperative organizations; to the Committee on Public Works and Transportation.

H.R. 202. A bill to amend the Internal Revenue Code of 1954 to provide that an unmarried individual who maintains a household shall be considered a head of household, without regard to whether the individual has a dependent who is a member of the household; to the Committee on Ways and Means.

H.R. 203. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions; to the Committee on Ways and Means.

H.R. 204. A bill to provide for permanent tax rate reductions for individuals and incentives for new plant and equipment; to the Committee on Ways and Means.

H.R. 205. A bill to require the Internal Revenue Service to follow Frederick against the United States in the administration of the Internal Revenue Code of 1954 with respect to transportation expenses; to the Committee on Ways and Means.

H.R. 206. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for charitable contribution of the right to use a residence for occupancy by handicapped individuals; to the Committee on Ways and Means.

H.R. 207. A bill to amend the Internal Revenue Code of 1954 to exempt from the excise tax imposed on trailers any trailer designed to be used with a light-duty vehicle for farming purposes or for transporting horses or livestock; to the Committee on Ways and Means.

H.R. 208. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest and to prohibit the imposition of a penalty for failure to pay tax on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

H.R. 209. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

H.R. 210. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for contributions for the construction or maintenance of buildings housing fraternal organizations; to the Committee on Ways and Means.

H.R. 211. A bill to provide for demonstration projects whereby medicare patients receiving chemotherapy or radiation therapy may be housed and boarded in settings other than inpatient hospital facilities; to the Committee on Ways and Means.

H.R. 212. A bill to amend title II of the Social Security Act to provide that mother's insurance benefits will continue to be paid as long as the mother has in her care a child, entitled to child's insurance benefits, who is between ages 18 and 22 and is a full-time student; to the Committee on Ways and Means.

H.R. 213. A bill to amend the Internal Revenue Code of 1954 to provide that gross income shall not include interest on certain obligations issued by the Tennessee Valley Authority; to the Committee on Ways and Means.

H.R. 214. A bill to amend title XVIII of the Social Security Act to include as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; jointly, to the Committees on Ways and Means, and Energy and Commerce.

By Mr. ENGLISH:

H.R. 215. A bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax; to the Committee on Ways and Means.

By Ms. FERRARO:

H.R. 216. A bill to provide that elderly persons residing in dwelling units receiving Federal assistance shall be provided with certain rights in the lease agreements between the elderly persons and the owners of the units; to the Committee on Banking, Finance and Urban Affairs.

H.R. 217. A bill to amend the Fair Labor Standards Act of 1938 to narrow the circumstances under which an employer employing employees subject to that act may have wage differentials based on sex of the employees; to the Committee on Education and Labor.

H.R. 218. A bill to amend the Urban Mass Transportation Act of 1964 to require recipients of assistance under such act to establish plans for crime prevention for public mass transportation systems; to the Committee on Public Works and Transportation.

H.R. 219. A bill to amend the Federal Aviation Act of 1958 to provide for criteria for the provision of air navigation and traffic control facilities and services, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 220. A bill to promote the development of methods of research, experimentation, and testing that minimize the use of, and pain and suffering to, live animals; jointly, to the Committees on Energy and Commerce, and Science and Technology.

By Mr. FISH:

H.R. 221. A bill to provide for payment to each American hostage in Iran of $100 for each day of captivity; to the Committee on Foreign Affairs.

H.R. 222. A bill to provide that polling and registration places for elections for federal office be accessible to physically handicapped and elderly individuals, and for other purposes; to the Committee on House Administration.

H.R. 223. A bill to amend section 1332 of title 28, United States Code, to grant jurisdiction to the district courts to enforce any custody order of a State court against a parent who, in contravention of such order, takes a child to another State; to the Committee on the Judiciary.

H.R. 224. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

H.R. 225. A bill to revise the laws governing appointments to the service academies so as to relieve Members of Congress from the responsibility of making nominations for appointments thereto, and for other purposes; jointly, to the Committees on Armed Services and Merchant Marine and Fisheries.

By Mr. FISH (for himself, Mr. MOORHEAD, and Mr. HORTON):

H.R. 226. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

By Mr. FUQUA:

H.R. 227. A bill to amend title 10 of the United States Code in order to establish Optometry Corps in the Army and the Navy and to provide a separate optometric service within the Air Force; to the Committee on Armed Services.

H.R. 228. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

H.R. 229. A bill to amend the Occupational Safety and Health Act of 1970 to provide that where violations are corrected within the prescribed abatement period no penalty shall be assessed; to the Committee on Education and Labor.

H.R. 230. A bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to stone mining operations or to sand and gravel mining operations; to the Committee on Education and Labor.

H.R. 231. A bill to amend the Controlled Substances Act to provide for persons who obtain or attempt to obtain narcotics or other controlled substances from a retail pharmacy by force and violence, and for other purposes; to the Committee on Energy and Commerce.

H.R. 232. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit State and County extension services to obtain excess property from the United States; to the Committee on Government Operations.

H.R. 233. A bill to amend the Miller Act to authorize the payment of attorney fees and litigation cost to a prevailing plaintiff from performance bonds furnished by Federal contractors; to the Committee on the Judiciary.

H.R. 234. A bill to repeal the Gun Control Act of 1968, to reenact the Federal Firearms Act, to make the use of a firearm to commit certain felonies a Federal crime where that use violates State law, and for other purposes; to the Committee on the Judiciary.

H.R. 235. A bill to amend title 39, United States Code, to require the United States Postal Service to make certain considerations prior to the closing of third- and fourth-class post offices; to the Committee on Post Office and Civil Service.

H.R. 236. A bill to authorize and direct the Secretary of the Army to convey to the trustees of the Salem Wesleyan Church a certain parcel of land of the United States at the Jim Woodruff Dam and Reservoir project, Florida; to the Committee on Public Works and Transportation.

H.R. 237. A bill to direct the Administrator of General Services to provide for the construction of a public building in Tallahassee, Fla.; to the Committee on Public Works and Transportation.

H.R. 238. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 239. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 240. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committees on Ways and Means.

H.R. 241. A bill to amend title XVI of the Social Security Act to provide that supplemental security income benefits which are due an individual who dies without leaving an eligible spouse shall be paid to the person or persons who paid the expenses of such individual's last illness and burial; to the Committee on Ways and Means.

H.R. 242. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Ways and Means.

H.R. 243. A bill to permit either House of Congress to disapprove certain rules proposed by executive agencies; jointly to the Committees on the Judiciary, and Rules.

H.R. 244. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly to the Committees on Ways and Means, and Energy and Commerce.

H.R. 245. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly to the Committees on Ways and Means, and Energy and Commerce.

By Mr. GOODLING:

H.R. 246. A bill to amend the Internal Revenue Code of 1954 to increase by $3,000 the amount of living expenses which may be deducted by Members of Congress; to the Committee on Ways and Means.

By Mr. GRADISON (for himself, Mr. ARCHER, Mr. ASHBROOK, Mr. BAFALIS, Mr. BARNARD, Mr. BEARD, Mr. BEREUTER, Mr. BETHUNE, Mr. BLANCHARD, Mrs. BOUQUARD, Mr. BOWEN, Mr. BROYHILL, Mr. BURGENER, Mr. JOHN L. BURTON, Mr. CAMPBELL, Mr. CARNEY, Mr. CHAPPELL, Mr. CHENEY, Mr. CLAUSEN, Mr. CLINGER, Mr. COELHO, Mr. COLEMAN, Mr. COLLINS of Texas, Mr. CONABLE, Mr. CONTE, Mr. CORCORAN, Mr. COUGHLIN, Mr. COURTER, Mr. ROBERT W. DANIEL, JR., Mr. DANNEMEYER, Mr. DAVIS, Mr. DERWINSKI, Mr. DICKINSON, Mr. DORNAN of California, Mr. DOUGHERTY, Mr. DUNCAN, Mr. EDWARDS of Oklahoma, Mr. ERDAHL, Mr. EVANS of Indiana, Mr. EVANS of Georgia, Mr. FAZIO, Mr. FORSYTHE, Mr. FRENZEL, Mr. FROST, Mr. GILMAN, Mr. GINGRICH, Mr. GINN, Mr. GOLDWATER, Mr. GOODLING, Mr. GRAMM, Mr. GREEN, Mr. GRISHAM, Mr. GUYER, Mr. HAGEDORN, Mr. HANSEN of Idaho, Mrs. HECKLER, Mr. HINSON, Mr. HOLLENBECK, Mr. HOPKINS, Mr. HORTON, Mr. IRELAND, Mr. JACOBS, Mr. JEFFRIES, Mr. JONES of North Carolina, Mr. KEMP, Mr. KILDEE, Mr. KINDNESS, Mr. KRAMER, Mr. LEACH of Iowa, Mr. LEE, Mr. LENT, Mr. LEVITAS, Mr. LEWIS, Mr. LIVINGSTON, Mr. LOEFFLER, Mr. LAGOMARSINO, Mr. LOTT, Mr. LATTA, Mr. LUKEN, Mr. LUNGREN, Mr. MCDONALD, Mr. MCEWEN, Mr. MADIGAN, Mr. MARKS, Mr. MARRIOTT, Mr. MARTIN of North Carolina, Mr. MOTTL, Mr. MICHEL, Mr. MILLER of Ohio, Mr. MILLER of California, Mr. MITCHELL of New York, Mr. MOORHEAD, Mr. MOORE, Mr. MURPHY, Mr. O'BRIEN, Mr. PASHAYAN, Mr. PETRI, Mr. PURSELL, Mr. RAILSBACK, Mr. REGULA, Mr. RITTER, Mr. ROBINSON, Mr. ROE, Mr. ROTH, Mr. ROUSSELOT, Mr. RUDD, Mr. SAWYER, Mr. SCHULZE, Mr. SENSENBRENNER, Mr. SHUMWAY, Mrs. SMITH of Nebraska, Mrs. SNOWE, Mr. SNYDER, Mr. SOLOMON, Mr. SPENCE, Mr. STANGELAND, Mr. STANTON of Ohio, Mr. STOKES, Mr. STOCKMAN, Mr. SWIFT, Mr. TAUKE, Mr. THOMAS, Mr. TRIBLE, Mr. WALKER, Mr. WAMPLER, Mr. WHITEHURST, Mr. WHITTAKER, Mr. WILLIAMS of Ohio, Mr. WILSON, Mr. WINN, Mr. WYLIE, Mr. YATRON, and Mr. YOUNG of Florida):

H.R. 247. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions; to the Committee on Ways and Means.

By Mr. GUARINI (for himself and Mr. DUNCAN):

H.R. 248. A bill to amend the Internal Revenue Code of 1954 to provide for a deduction for certain amounts paid into a reserve for service liability losses and expenses of design professionals, and for other purposes; to the Committee on Ways and Means.

By Mr. GUYER:

H.R. 249. A bill to amend section 6(d)(1) of the Food Stamp Act of 1977, and for other purposes; to the Committee on Agriculture.

H.R. 250. A bill to amend the Food Stamp Act of 1977 to provide for the acceptance by pharmacies of food stamps in exchange for food supplements prescribed for consumption by cancer patients; to the Committee on Agriculture.

H.R. 251. A bill to amend the Truth in Lending Act to require that contracts and agreements respecting credit transactions subject to the Act be written in clear and understandable language; to the Committee on Banking, Finance and Urban Affairs.

H.R. 252. A bill to amend the Elementary and Secondary Education Act of 1965 to provide assistance for the establishment of basic standards of educational proficiency applicable to public school students; to the Committee on Education and Labor.

H.R. 253. A bill to provide Federal financial assistance to employers, labor organizations, or consortiums thereof, or other groups or individuals, to establish and operate occupational alcoholism programs for the diagnosis and treatment of alcohol abuse and alcoholism in employed persons, including managerial personnel, and their dependents, and for other purposes; to the Committee on Education and Labor.

H.R. 254. A bill to amend title VII of the Civil Rights Act of 1964 to provide increased protection to employees' religious observances and practices; to the Committee on Education and Labor.

H.R. 255. A bill to amend the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically handicapped because of such handicap; to the Committee on Education and Labor.

H.R. 256. A bill to expand the medical freedom of choice of consumers by amending the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under that act solely to assure their safety;

to the Committee on Energy and Commerce.

H.R. 257. A bill to improve agency responsiveness to citizen complaints and inquiries, to require submission to Congress of information on administrative procedures used to handle citizen complaints and inquiries, and for other purposes; to the Committee on Government Operations.

H.R. 258. A bill to amend chapter 44 of title 18 of the United States Code to extend the mandatory penalty feature of the prohibition against the use of firearms in Federal felonies, and for other purposes; to the Committee on the Judiciary.

H.R. 259. A bill to amend the Administrative Procedure Act to require the performance and publication of economic impact analyses in the Federal Register for all proposed and final rules which are subject to the provisions of that act; to the Committee on the Judiciary.

H.R. 260. A bill to encourage on-the-scene emergency care aboard aircraft by relieving physicians, registered nurses, and aircraft employees from civil liability for damages resulting from any act or omission in rendering such care; to the Committee on the Judiciary.

H.R. 261. A bill to amend title 39, United States Code, to establish a reduced rate of postage for certain mail matter of private individuals; to the Committee on Post Office and Civil Service.

H.R. 262. A bill to amend title 5, United States Code, to deny Federal retirement annuities to individuals convicted of any felony, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 263. A bill to amend the Internal Revenue Code of 1954 to provide a credit for tutition paid for higher education; to the Committee on Ways and Means.

H.R. 264. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to provide that any individual may elect, on an annual basis, to contribute to a private retirement plan rather than participating in the social security program; to the Committee on Ways and Means.

H.R. 265. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

H.R. 266. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Ways and Means.

H.R. 267. A bill to reduce the amount of paperwork required by Federal agencies and to increase congressional awareness of the increase in paperwork required by bills and joint resolutions under consideration by Congress; jointly, to the Committees on Government Operations, and Rules.

[The remainder of the bills and resolutions introduced today will appear in the RECORD of Tuesday, January 6. All bills introduced on January 5 will be printed with that date.]

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

1. By the SPEAKER: Memorial of the Legislature of the State of Illinois, relative to the Republic of China on Taiwan; to the Committee on Foreign Affairs.

2. Also, memorial of the Senate of the State of New Jersey, relative to immigration of Italian earthquake victims; to the Committee on the Judiciary.

3. Also, memorial of the Legislature of the Territory of Guam, relative to the election of Ronald Reagan and George Bush as President and Vice President of the United States; to the Committee on Post Office and Civil Service.

4. Also, memorial of the House of Representatives of the State of Ohio, relative to accelerated depreciation allowances for capital assets of American industry; to the Committee on Ways and Means.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1. By the SPEAKER: Petition of the Kauai County Council, Hawaii, relative to the Farmers Home Administration's interest credit program; to the Committee on Agriculture.

2. Also, petition of the Suffolk County Legislature, New York, relative to human rights in northern Ireland; to the Committee on Foreign Affairs.

3. Also, petition of the city council, Philadelphia, Pa., relative to earthquake relief for southern Italy; to the Committee on Foreign Affairs.

4. Also, petition of the Congress of the Federated States of Micronesia, Kolonia, Ponape, Eastern Caroline Islands, relative to the service of the Honorable Robert Duncan; to the Committee on Interior and Insular Affairs.

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EXTENSIONS OF REMARKS

SMALL BUSINESS TAX RELIEF ACT OF 1981

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. SCHULZE. Mr. Speaker, in the last Congress my Small Business Tax Relief Act attracted the bipartism support of nearly 160 Members of the House. Unfortunately the conditions which motivated my introduction of this bill still exist. Therefore, today, I am introducing the Small Business Tax Relief Act of 1981.

Briefly, the seven provisions of my bill would:

First, permit a small businessman to sell his business, reinvest the profit within 18 months in another small business without paying tax, as in the case of an individual's residence;

Second, increase the allowance of additional first depreciation for small business;

Third, permit rapid amortization of certain federally required expenditures;

Fourth, liberalize the provisions with respect to small domestic international sales corporations;

Fifth, provide for the optional cash or accrual method of accounting for sole proprietors;

Sixth, require the IRS to refund employers their proportionate share of excess social security payments made on behalf of employees who were employed by two or more employers during the year, and finally my bill would;

Seventh, grant a tax credit of $5 for each document or form which a small business is required to file under Federal law.

The Small Business Tax Relief Act of 1981 is a balanced and multifaceted bill which will assist our small entrepreneurs in a meaningful way. I urge all of my colleagues whose constituencies include small businesses to join me in facilitating the formation and growth of small business by cosponsoring the Small Business Tax Relief Act of 1981.

To give a more detailed explanation of my bill I am providing a description of each provision.

First, gain from a sale sole proprietorship. This "rollover" provision would allow a small businessman who sells his entire business interest and reinvests the entire proceeds in another qualifying small business venture within 18 months to recognize no gain at that time. If the sale occurs after age 55 years, the taxpayer has the option of electing capital gains treatment on the accumulated gain or ordinary income treatment in conjunction with a special 10-year averaging mechanism.

Second, increase in additional first-year depreciation allowance for small business. This section of the bill would simply increase the amount which may be claimed for additional first-year depreciation from the existing 20 percent of the first $10,000 to $20,000 if married and filing jointly—of investment to 25 percent of the first $25,000 to $50,000 if married and filing jointly—of investment. This provision is designed primarily to benefit the small businessman by allowing him to recoup a greater part of his investment via reduced tax liability.

Third, rapid amortization of certain federally required expenditures. This section provides for the rapid amortization over a 36-month period, of federally required expenditures for plant and equipment. The aim of this provision is to give rapid writeoff to businesses forced to comply with Federal laws or regulations such as OSHA, HHS rules for the handicapped, regulations governing pollution control and so forth. To qualify for rapid amortization, such changes would have to be certified by the particular Federal agency as being in compliance with the law and of a type which does not significantly increase output or capacity. This provision would apply only to existing facilities.

Fourth, removal of certain limitations of deferral in cases of small DISC's. The domestic international sales corporation is an important device for increasing export sales and in so doing, reducing our balance-of-payments deficit and inflation. This provision of my bill changes current law to allow a small DISC having an adjusted taxable income of $1 million or less to be exempt from the base period limitations imposed on large DISC's. As a result of this change, small manufacturers will be encouraged to develop export sales as a result of the tax deferral offered via the small DISC provision.

Fifth, optional cash method of accounting for taxpayers operating as a sole proprietor. This section allows the sole proprietor to choose the method of accounting, either cash or accrual, which will be more beneficial. Small businesses with inventory which are frequently not equipped to utilize the LIFO accounting provisions currently suffer a hidden tax which is brought about by the inflationary increase in the value of that inventory. Under this section of my bill, any appreciation of inventory would not have to be shown until such time as there is a cash sale providing the proceeds with which to pay the tax.

Sixth, refund or credit of employer share of certain excess social security taxes. Social security taxes are a source of agitation to most employers, because of the amount of related paperwork. Yet, many employers unknowingly pay a greater amount in social security than is necessary. This occurs when an employee is employed by two or more employers during the year. In this situation there is, generally, an excess employer contribution which is never refunded to the employers. Presently, an employee can claim a credit for excess social security tax withheld. However, there is no similar provision for employers. This provision of my bill would require the IRS to credit or refund to each employer his proportionate share of the overpayment. Qualifying employers would be identified when an employee claimed the credit. Within 90 days, the IRS must credit or refund the appropriate amount to each employer. One of the benefits of this plan is that employers automatically receive the payment without having to complete any complex forms or paperwork.

Seventh, expense of filing Federal forms. This final section of the bill would grant a tax credit of $5 for each form or document which a small business is required to file pursuant to Federal law. The crushing burden of Federal paperwork is well known to every small businessman. The theory behind this provision should help to defray the expense of complying with the requirements it imposes on business.

Tax policy plays an integral part in the success or failure of a new business enterprise. It is significant to note that the Small Business Administration indicates that out of every 10 new businesses, only 5 will be operating within 2 years. In order to insure the viability of our economy, it is essential that Congress take the actions needed to bolster the existing small business community and encourage the creation of new businesses.

I urge my colleagues to join with me in aiding American small business.

Thank you.●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

LEGISLATION TO ADJUST OMB PAY LEVELS

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. BROOKS. Mr. Speaker, today Congressman ED DERWINSKI and I offer legislation to raise the level of the Director of the Office of Management and Budget to Cabinet status. Congress has recognized that the position of OMB Director is as important as that of Cabinet officers, by requiring that nominees for the position be confirmed by the Senate. But we have failed to follow through by compensating the Director at the level of Cabinet Secretaries, and his Deputy at the level of Deputy Cabinet officers.

This is an important bill for several reasons. First, simple equity demands that officials at similar levels of responsibility be compensated equally. In addition, the OMB Director, as the President's chief representative in dealing with Cabinet Secretaries on essential administrative and budget issues, should be able to conduct those dealings on the same management level as those officials. The same principle holds true for the Deputy OMB Director in his transactions with lower level Cabinet officials.

The effective operation of OMB is not a Republican or Democratic issue. The ability to conduct business on the same management level with Cabinet officers will be just as important and valuable for DAVE STOCKMAN as it would have been for Jim McIntyre. I hope this bill will be approved promptly by Congress.●

JUDGES' SALARIES VERSUS THE POWER OF THE PURSE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. ASHBROOK. Mr. Speaker, once again, we have cause to wish that the Supreme Court were as concerned about the rights of Congress as it has been about the rights of criminals. The Court has set precedents which have allowed dangerous criminals back on the streets at enormous risk and cost to the public. This has been regarded as merely the price the public has to pay so that the most extreme technical legalities are exercised by the police and by prosecutors.

But when it comes to judicial salaries, the Court finds that an invasion of the fundamental constitutional prerogative of the legislative branch, the power of the purse, must yield. People may be murdered, children must be bused, but these are simply necessary sacrifices to be made for a strict adherence to the Constitution. Judges' salaries, however, would seem to be a different matter altogether.

The history of legislative power in the Anglo-Saxon tradition begins with the power of the purse. The previously absolute authority of English monarch was harnessed by Parliament only as Kings became dependent on the legislature for money. It was with this example in mind that the Founding Fathers wrote the Constitution, and it was emphasized by their requirement that money bills originate in the House of Representatives.

If the public can face the physical danger of criminals let loose for the sake of avoiding dangerous legal precedents, judges can forego pay raises for the same purpose. The Congress has the power and the duty to check the abuse of power represented by the *Will* decision, and we should not hesitate to do so.●

TRIBUTE TO ANDY JACOBS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. EDWARDS of California. Mr. Speaker, I want to bring to the attention of my colleagues a recent article by Colman McCarthy of the Washington Post about our esteemed colleague, ANDY JACOBS. I think this article illuminates the rare qualities and style that ANDY has brought to this body during the years he has been here. I cannot think of any Member of Congress who is more respected by his or her colleagues than the gentleman from Indiana, ANDY JACOBS. I commend the article to all here in the House.

[From the Minneapolis Tribune, Dec. 27, 1980]

HERE'S PROOF A LIBERAL CAN BE THRIFTY

(By Colman McCarthy)

WASHINGTON.—On the next to last day of the 96th Congress—a tradition-honored moment when the special interests rush under the federal money tree to give it a final greedy shake—one scheme to reach the floor of the House had an audacity all its own. It was an amendment supposedly intended to help fire-disaster victims in San Bernardino, Calif., by permitting the issuance of $225 million worth of tax-free mortgage bonds.

Something smelled fishy, at least to the alert nostrils of Rep. Andy Jacobs, Indiana Democrat. This is another welfare bill for the affluent, Jacobs said to himself, thinking of the countless others he had seen since he came to Congress in 1964.

"For every three dollars government would give up under this program," Jacobs explained later, "one dollar would get through to the homeowner. The other two would be siphoned off by the money-changers along the way—lawyers, brokers and the rest. First, San Bernardino was already declared a disaster area, and a separate 5-percent loan was available. Second, we have to presume that at least some of those people in San Bernardino who have been so successful in life remembered to take out fire insurance."

On the House floor, late in the afternoon on a Saturday, Jacobs argued that the legislation was really an appropriations bill and thus out of order at this time. His argument held, and the federal pocket—at least for this $225 million—remained unpicked.

The maneuver was vintage Andy Jacobs: He knew the facts, he was on the barricades at the right moment, and he acted with the authenticity of one who is unique in Congress in being entitled to call himself "a parsimonious progressive." According to the National Taxpayers Union, Jacob's attentiveness to wasteful federal spending "has saved the country billions of dollars."

As the national mood seems to be turning to the kind of fiscal accountability that Jacobs, almost by himself, has been championing, he is a fitting model for the new group of politicians now coming to Congress fresh from winning elections with their "cut the budget" and "stop the spending" speeches.

Jacobs, a tall fellow, a former policeman and a vegetarian who is as lean physically as he'd like the government to be financially, would appear to be this group's natural leader. Except that when he is aroar about federal waste, he means it. He starts with himself.

He believes that at $60,600 a year, congressional wages are too high; so he accepts only $44,600, his salary when he first came to town. He was wounded in Korea, but his health is fine now (as it naturally would be with a non-meat diet), so he refuses his veteran's disability check. In November, he used only $13,000 for reelection, compared with the House record of $1.8 million set by a California Republican.

House members are allowed a staff of 22; Jacobs' functions smoothly with eight. To look at itself on television, the House provided members with closed-circuit color sets. Jacobs said no thanks, hooking up his 14-year-old black and white for the job. "I know of no good reason for viewing Tip O'Neill in color," he quips.

In 1974, his conscientiousness saved his life. On booking a flight from Indianapolis to Washington, Jacobs was told that only first-class seats were available. He said no. Even though it was a government-paid trip, he wanted to save the public the extra $20. Instead, he went coach on an earlier flight. The plane he would have taken crashed into a mountain as it approached Dulles airport. There were no survivors.

With a little effort—say the hiring of a ninth staff member to write press releases and a tenth to deliver them hot to the media—Jacobs might be better known for his money-saving ways. But he instinctively understands how the Washington game works: Become a showman and you are dismissible. By avoiding the flashy—and by being on the House floor on lonely Saturday afternoons when it is make-the-rich-richer time—Jacobs wins the respect not only of groups like the National Taxpayers Union, but also the taxpayers in his own conservative district.

His hometown paper, the Indianapolis Star, a voice of the Stolid Right, says that Jacobs is "shocking," not for his views on cutting waste and balancing the budget, but because he is a *Democrat* who thinks that way. The shock was such that the Star en-

dorsed him in his last race, which was a shock to Jacobs and his 65 ADA rating as well.

It is possible to be a liberal and not be an extravagant spender. In a long conversation in his office the other day, Jacobs said, "Let's give the necessities the highest priorities." This would seem to be a new kind of liberalism, except that, as Jacobs has been practicing it, it has been around for some time, and more than earning its keep.●

DEDUCTING COST OF HIGHER EDUCATION

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. DOWNEY. Mr. Speaker, today I am introducing a bill to establish the parents and students savings program, otherwise known as the PASS plan. Under PASS, a taxpayer would be allowed a deduction for contributions made to a qualified higher education fund which must be established solely for the purpose of paying for the future costs of higher education of eligible beneficiaries. For each student, a taxpayer could make contributions to a PASS fund which may total up to $1,500 each year. The student beneficiary could then use the assets of the fund for attending college or other institutions of higher education anywhere in the United States. After the beneficiaries finish college, they would be required to report the distributions received from the fund as ordinary income, with the tax liability spread over a 5-year period.

Under this plan, the taxpayer would be able to deduct the amounts contributed to the account from his or her taxable income, and the beneficiary would owe the tax on the interest and original deposits at his or her lower income tax level.

This PASS plan was originally enacted by New York State in 1978 and has been successful there. Other States also offer incentives for educational savings; however, the participation rate in these plans would increase dramatically if there were also Federal tax incentives to encourage families to plan for their educational costs. A Federal PASS program would provide a strong incentive for this kind of long-range savings which would also be an important source of funds for capital investment by business.

Furthermore, our Nation's saving rate compares unfavorably with other nations. Our savings rate of 4.5 percent of disposable income is small compared to 24 percent in Japan, 17 percent in West Germany, and 14 percent in Great Britian. Most of our industrial competitors have extensive Government programs and subsidies to encourage savings. This PASS plan would promote savings for investment in education, which, like the GI bill, would turn out to be the most dollar-wide spending by the Federal Government.

Finally, a Federal PASS program would decrease the demand for federally subsidized student loans by making it possible for more families to shoulder the burden of spiraling college costs.

Like any other tax cut proposal, it is important to benefit those that need help the most. My bill will do just that, by giving parents a break from the crushing burden of college costs, while increasing the supply of money for business investment.●

SOLOMON BALANCED BUDGET AMENDMENT

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. SOLOMON. Mr. Speaker, today I am introducing a proposed constitutional amendment to require a balanced Federal budget. This proposal is identical to House Joint Resolution 274, which I introduced in the 96th Congress, and it is once again being sponsored in the other body by Senator RICHARD LUGAR.

Only once since 1960 has the Federal Government limited its spending to available revenues. Successive Presidents and Congresses have proven themselves unable to resist pressures to spend, and there is reasonable doubt that the budget will ever be balanced again in the absence of a constitutional amendment to enforce the discipline which the Congress has not exercised itself.

A look at what happened during consideration of the fiscal 1981 budget explains why enforced restraint is necessary. At the time the first concurrent budget resolution was adopted, Congress was projecting a slight budget surplus. By the time the second budget resolution was adopted, the surplus has become a deficit in excess of $27 billion. Now, barring unforeseen circumstances, the deficit is likely to double.

It is clear that Congress is reluctant to pass an amendment to restrain itself. However, I believe that a flexible approach to balanced budgets stands a reasonable chance of enactment, and that is what I have proposed.

Simply stated, the Solomon amendment requires that when Congress votes on a concurrent budget resolution in which projected revenues exceed projected outlays, a two-thirds majority of those present and voting would be necessary for passage. A balanced budget could be approved by a simple majority vote.

The key feature of this amendment is that it establishes a balanced budget as a normal situation. It will be more difficult to secure a two-thirds vote for a deficit than a simple majority for a balanced budget. This proposal will make diversions from the norm exceptions which are justified only in circumstances so compelling that they can convince two-thirds of the Members of both Houses that deficits are necessary.

I sincerely believe that this proposal will improve the budget process because it will force the Congress to heed the budget deadlines it established in 1974, and ignored ever since. My amendment would involve no serious disruption or alteration of the budget process, but it would require the Congress to take the budget process more seriously.

Indeed, the Solomon amendment would increase the flexibility of the budget process. We are currently on a course in which larger and larger portions of the budget are considered uncontrollable. The only flexibility in the current arrangement is to adopt even larger than usual deficits. The two-thirds proposal will liberate the budget process from its current tendency toward uncontrollability, and will thus possess the merits of both sunset legislation and zero-based budgeting.

Whenever two-thirds of the Members of both Houses agree that a deficit is necessary—for whatever reason—it will be possible to adopt one. Congress could choose to stimulate the economy through increased spending or tax cuts. This amendment would, however, undoubtedly lead to somewhat greater restraint in applying governmental stimulus, and this would be a useful corrective to current policy.

It is abundantly clear that the American people want the Government to start living within its means. All recent polls—including the one last November 4—have shown overwhelming support for more responsible budget policy. Also, a majority of the States have gone on record in support of a constitutional amendment to balance the budget. I believe that my amendment has the advantage of being flexible, straightforward, and streamlined. It gives budget considerations an appropriate place in the Constitution. At the same time, it gives Congress the latitude it needs to deal effectively with economic circumstances as they develop. I urge my colleagues to join me in cosponsoring this legislation.●

TRIBUTE TO GEORGIA BULLDOGS

HON. DOUG BARNARD, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. BARNARD. Mr. Speaker, on Thursday, January 1, 1981, at the 47th annual Sugar Bowl in New Orleans, La., the national football championship was decided when the University of Georgia Bulldogs were victorious. This team performed as true champions in not only this game but for the entire season. It has been with exemplary courage and admirable determination that the University of Georgia team has fought for and won every contest in a sportsmanlike manner. Never focusing on individual statistics, the quest has always been a total team effort resulting in well-deserved victories. It has not been a club of superlatives but instead a group of young men fighting for a common goal.

But this has also been a team of individual talent. Led by the National Coach of the Year, Coach Vince Dooley, the team had matchless direction. Coach Dooley has been at the University of Georgia for 17 years. During those years he has had a record of 130-56-6; been named SEC Coach of the Year 6 times; taken 12 Georgia teams to bowl games; elected NCAA District Coach of the Year 6 times, and served as the chairman of the American Football Coaches Association's Ethics Committee. Let me also add that Coach Dooley had the assistance of the best defensive coordinator and assistant coach in the Nation in Erk Russell.

This year's team also had very gifted players. Three Bulldogs were given first team All-American status; Scott Woerner, Rex Robinson, and, of course, Herschel Walker. These fine young people all deserve applause and commendation for a job well done. Mr. Walker should receive special recognition as the first freshman ever to receive consensus All American as a freshman and for finishing highest ever as a freshman, third place, in competition for the Heisman Trophy.

These men have made us proud. They have gloriously represented the University of Georgia, one of the finest universities in the Nation. The University of Georgia in Athens, Ga., is the oldest chartered State university in the Nation having received that charter in 1785. It has grown to a student population of 22,500 and a faculty of 2,000. UGA now boasts 13 schools and colleges and awards 18 masters degrees in 125 areas of concentration as well as 3 doctorates in 73 areas of concentration.

Please join with me today in commending these fine young men and their coaches in their finest victory and their excellent representation of this outstanding institution of higher learning.●

WINDFALL PROFIT TAX PROBLEMS

HON. GLENN ENGLISH

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. ENGLISH. Mr. Speaker, on March 13, 1980, the House of Representatives approved a new excise tax on the oil industry, the Crude Oil Windfall Profit Tax Act of 1980. This act imposes an excise tax on all producers of domestic crude oil. The term producer means the holder of the economic interest with respect to the crude oil in place in the ground. Under this definition, a royalty owner is considered to be a producer of crude oil.

There are thousands of small royalty owners throughout this Nation who have nothing to do with the production of crude oil. They do not drill the wells, they do not pump, transport, refine, retail or wholesale the product. Many of these small royalty owners hold the right to only a small fraction of low producing wells which often produce only a few barrels of crude oil per day. The monthly royalty income to these small royalty owners is small, often less than $100 per month, sometimes considerably less. In many instances, these meager checks are needed to supplement social security payments or retirement income of our elderly citizens. I dare say that many farmers, struggling to survive in the face of high interest rates and escalating operating costs, have been able to do so solely because of the royalty revenue they may be fortunate enough to receive. And now, the windfall profit tax has reduced these needed revenues to the point of forcing financial hardship on these small royalty owners.

Mr. Speaker, I opposed the windfall profit tax because I believed it was poor energy policy. I still believe that. What I cannot believe is that my colleagues who supported this legislation intended for it to apply to small royalty owners. The windfall profit tax allows independent producers to apply special tax rates to their windfall profits on the first 1,000 barrels a day of tier one and tier two oil. Specific exemptions exist for certain entities and organizations. Yet, royalty owners are subject to the same high taxation rate as the major integrated oil companies. This, Mr. Speaker, is absolutely ludicrous, a fact recognized when this body granted a $1,000 credit for 1980 windfall tax payments as part of the budget reconciliation bill. This credit, however, is only a temporary credit and a permanent, more equitable, solution is needed.

I have today introduced legislation which, when enacted, will provide permanent relief from the windfall profit tax for the thousands of small royalty owners who have been unfairly categorized with the major integrated oil companies. This legislation would exempt the first 10 barrels per day of royalty owner interest from the windfall profit tax. This modification to the Crude Oil Windfall Profit Tax Act of 1980 will provide much needed financial relief to small royalty owners who have been unjustly and unfairly burdened by this act. I urge the support of my colleagues in calling for the rapid enactment of this bill during the early days of the 97th Congress.●

STATEMENT TO ACCOMPANY THE IRA BILL

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. DOWNEY. Mr. Speaker, today I am introducing a bill to permit any individual to make annual contributions to an individual retirement account regardless of any other affiliation with a private or public pension plan.

Today, the annual savings rate of U.S. citizens of 4.5 percent compares unfavorably with other nations such as Japan with a rate of 24 percent, West Germany with 17 percent, and Great Britain with 14 percent. One of the reasons for the serious decline of our housing industry is this lower percentage of savings. Too small savings for future retirement also causes Government spending on social programs to increase, thus increasing the size of the Federal budget. To encourage retirement savings, contributions to these IRA's would be tax deferred, and amounts up to $1,500 annually would be permitted. Taxes would be levied at the lower retirement rate when benefits were withdrawn from these accounts.

The President's Commission on Pension Policy stated in its interim report that:

> The lowest rate of return is from an annual contribution to a regular savings account. Employee contributions to a qualified pension plan provide a somewhat higher return on the investment. The highest monthly pension for the same $100 contribution is available to those employees who invest in an IRA or Keogh up to the limits imposed on those plans. This return on the contribution is equivalent to the return on the employer contribution to a qualified pension plan.

My bill also includes a provision to overcome the previous low-user rate of IRA's by lower income earners by directing the Treasury Department to provide to each taxpayer a "plain Eng-

lish" explanation of individual retirement accounts and their benefits.

This tax cut would benefit our economy in two important ways. One, it would encourage individuals to save for their own retirement and increase the money supply of financial institutions. By lowering the need for lending houses to borrow at high rates the housing industry would begin to return to its normally healthy status. By allowing this money to circulate through our economy we could lower Government spending and cut the rate of inflation. This can only benefit all of us.●

THE DAVID MOSS STORY

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. DUNCAN. Mr. Speaker, as we start the 97th Congress, I am aware that I along with all of my other colleagues will find ourselves faced with uncountable challenges during the coming months. I feel it would be very much in order if we pause for a few minutes to not only contemplate the challenges we will face but to also reflect on how other persons have met challenges and turned seemingly hopeless situations into outstanding achievements.

One such example of how apparent defeat can be turned into accomplishment was given by the late David Moss of Ringgold, Ga. Moss came to the University of Tennessee in Knoxville as a scholarship athlete. Though his on-the-field playing career was cut short by cancer, David Moss continued to make outstanding contributions to his school, his employer, and his family. David Moss died on December 17, 1980. But his comparatively short life benefited many scores of people.

The David Moss story was never told any better than it was on December 20, 1980, when Mr. Marvin West, sports editor of the Knoxville News-Sentinel, paid tribute to this outstanding young man.

[From the Knoxville News-Sentinel, Dec. 20, 1980]

THEY HAD A FUNERAL FOR DAVID • • • BUT MOSS LOVE WILL LIVE ON

(By Marvin West)

They buried a Tennessee treasure Saturday but, believe me, the David Moss Story didn't end at the Ringgold, Ga., Community Cemetery.

No Volunteer athlete I know has made a greater impact on those around him. Friends will never forget. Those who shook his hand will remember the firm grip and the way his eyes searched to meet theirs. Those who heard him speak surely felt the motivation, depth and sincerity. Those who saw him only at a distance must know he didn't hold anything back.

In Ringgold, whence he came, David is a sports legend, state high jump champion, Parade All-American in basketball, the kind people will talk about in years to come and say, "You remember that game against . . ."

He didn't do all that much at Tennessee. He could jump higher as a freshman than anybody 6-4 and above many bigger but he wasn't a great shooter. I could see he'd contribute but I never thought he'd be a star.

No, that wasn't how David did it. He made it as a man. Just two quarters removed from the security of his living room, at age 17, Moss took the terrible news that he was losing a leg to cancer . . . and didn't flinch. He came back from traumatic surgery with an artificial limb, a walking stick and a smile to warm your heart.

He made appointed rounds, in pursuit of a business degree, to little boys' banquets, all around town and often out, on assignment as a Ray Mears coaching aide. David never sought sympathy. He wouldn't have it on a platter. He accepted a car from Tennessee fans. He needed one and he sure couldn't buy it. But, he wasn't looking for favors and when he reached out his hand, it was to pick someone up.

David went about life as if nothing had happened. He knew the odds but did not whimper about tough luck. He married pretty Priscilla Little and interviewed for jobs.

The night that would have been his final appearance as a basketball senior, David marched out to mid-court at Stokely Center, stood in the spotlight and soaked up a thunderous ovation. Smokey stood with him, as if on holy ground. It was, David Moss was that special.

IBM hired him. IBM will take a risk with talent, David responded. He stirred those he met in that little company. So said IBM's Saturday speaker, a Mr. Wall. Could be winners are winners, wherever they go.

First Baptist Church, on Nashville Street, in Ringgold, in North Georgia, set a record. As funerals go, it was like Easter, standing room only. The black folk borrowed the white folk's biggest church because they wanted to accommodate the crowd. All pews were filled, some to overflowing. Hosts carried in folding chairs. Some sat on steps in the balcony.

There was a wall of flowers, a spray from former teachers, one arrangement that looked like a big orange basketball. Five preachers took turns reading scriptures and saying prayers and recalling the good life of David Moss. "Amens" far outnumbered tears. Songs from the soul are uplifting and they were presented with enthusiasm, to be heard in the vestibule and parking lot.

Dr. J. C. Neal, United Methodist, downtown Carrollton, delivered an entire sermon in two minutes: "This man David was a champion, a scholar, a star and a Christian. He had great courage and great faith. He was a fighter, a doer, a positive person.

"Sometimes, when people get a grip on the world, they lose touch with God. David didn't. I think the impact of his life reaches far beyond what we can see."

Dr. Neal said all that and sat down. I felt like applauding.

Mears got it said, too. The former Tennessee coach told the story of driving David home to tell his parents of the original crisis, of the forthcoming operation.

"He wanted to tell them himself. When it was time to go to the hospital, Mr. and Mrs. Moss got into the back seat of my car. David sat beside me. He wanted to know how to adjust his seat forward so his mother, behind him, would have more room.

"You need to know this about David Moss. At a time like that, he wasn't concerned if his legs were cramped. He wanted his mother to be comfortable."

The church was still as death when Mears told of his personal depression, how there were times he didn't want to live and how he looked to David Moss for strength to go on.

"I hope I gave him something in return."

Chuck Threeths, ex-Vol, home for halftime from a basketball league in Finland, wasn't on the program but he remembers • • • how David Moss changed his mind • • • and his life.

Chuck grew up in New York and thought if you ventured south of Cincinnati you'd bump into burning crosses and men in white robes.

"David told me how Tennessee cared for him, about the thousand letters and the car. I remember the words, 'Look what they did for me!' "

A moment later, Threeths was saying, "Look what he did for me. He was true. He loved everybody. He was love. He had more courage than I have ever seen.

"David knew how to live and how to die. I don't argue with God but I don't understand why, at 24. We need more David Mosses, not less.

"I think I am trying to tell you he made all of us who knew him at least a little better. When you looked at him and saw that smile, you knew material things aren't so all-fired important, after all.

"This man touched lives and changed a few. Me, I'd rather be a David Moss than a Dr. J."

It isn't over, the Moss story. We can't allow it to be.

Mr. Speaker, I feel confident all of us have benefited by reading about the courage shown by David Moss. His life was marked by courage and determination not often found. We can learn much from David Moss, even though his time on Earth was cut short by tragedy.●

AUTO EMISSION SANCTIONS CANNOT BE SANCTIONED ON A COST-EFFECTIVENESS BASIS

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. DANNEMEYER. Mr. Speaker, purportedly acting under sections 176(a) and 316(b) of the Clean Air Act Amendments of 1977, the Environmental Protection Agency (EPA) announced on December 11, 1980, that Federal highway and sewer funds for the States of California and Kentucky would be cut off because those States had not adopted a mandatory, periodic auto emission inspection and maintenance (I/M) program. Notwithstanding the fact that this announcement is based on a questionable interpretation of the law, and comes at an equally questionable time, the crux of the matter is that mandatory auto emis-

sion inspection simply cannot be justified on a cost-effectiveness basis.

Based on a variety of reports and studies, it would appear that, for a first year cost of $272.2 to $467.3 million—which will rise to $400 to $500 million per year by 1987—Californians can expect no more than a 4- to 5-percent reduction in air pollution from mandatory I/M. A joint report, prepared by the California Air Resources Board and the California Department of Consumer Affairs, indicates 5 percent; a study done by the Economic Research Institution in La Jolla puts the figure at 4 percent or less. Either way, that is not much of a return on a program that could cost as much as $37 per car in California the first year. Nor does it take into account the fact that technclogical advances in the auto industry coupled with the natural attrition of older, more pollution prone, cars will result in a reduction of auto-caused air pollution anyway.

Mr. Speaker, California is not unique in its opposition to mandatory I/M. Not only is Kentucky likewise affected by the recent EPA directive—which will start being felt sometime around the end of this month—but, contrary to what EPA would have us believe, a lot of other States have reservations about I/M as well. One State, Michigan, approved I/M only after requiring that its attorney general sue EPA in the event sanctions are threatened. In two other States, New York and Pennsylvania, the legislatures have indicated they may not fund I/M even though they have previously authorized it. Three States, Ohio, Texas, and Missouri, have made implementation of mandatory I/M contingent upon favorable findings by study commissions. And five other States are planning to review the merits of I/M again this year. Only four States, Oregon, Arizona, Rhode Island, and New Jersey, have actually begun implementing I/M and New Jersey is one of those States that will be taking another look in 1981. In short, if it were not for the fact EPA has been given a big sanctions stick—which could strike down as much as $850 million in Federal funds for the State of California—one doubts very many States would have considered I/M a cost-effective way of dealing with pollution.

The ultimate irony of all this is that section 176(a) of the Clean Air Act Amendments of 1977 does not say that States must adopt mandatory I/M as part of their Clean Air Act implementation plans in order to escape the aforementioned sanctions; it only says that they must "consider" I/M. Of course, EPA has its own line of legal reasoning to support its contention that the word "consider" really means adopt, but just as a court is likely to uphold such a contention, so too could a court uphold an EPA finding that the word "consider" means just what most people understand it to mean—take under advisement. The law is that unspecific and, in the case of California one can further argue that, by requiring tailpipe inspection every time auto ownership changes, as the State legislature has done, the State has not only considered I/M but has already adopted an acceptable plan for it.

What all this boils down to is that EPA, simply by changing its interpretation of the law, can legally put an end to such a cost-ineffective response to the pollution problem. Fortunately, there is reason to believe that EPA, under the incoming administration, might just do that. From what I have been told, the transition team for EPA recommended that the agency defer its final I/M ruling until after the new administration takes office. Now that does not mean that EPA will necessarily reconsider; it simply means that it might and I, for one, hope that it will. However, in case it does not, I am today introducing a bill that would settle this controversy for once and for all by eliminating the alleged requirement that State implementation plans (SIP's), under the Clean Air Act Amendments of 1977, provide for periodic auto emission inspection and testing. Identical legislation was introduced in the 96th Congress by Representatives Satterfield and STOCKMAN and enjoyed considerable support in the Health Subcommittee of the Commerce Committee. But now, with the refusal—so far—of the California and Kentucky Legislatures to buckle under to the threats of a faceless bureaucracy, the issue can be postponed no longer. I urge my colleagues, both in the Commerce Committee and in the House as a whole, to act favorably on this measure without further delay.●

THE BATTLE OFF THE VIRGINIA CAPES, SEPTEMBER 5, 1781

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. WHITEHURST. Mr. Speaker, the celebration for our Nation's 200th birthday, which began with such fanfare and enthusiasm on January 1, 1976, will reach another climax in 1981 with the commemoration of the surrender at Yorktown. A major ceremony has been planned for this October, and national recognition will be given to this great event.

At the same time, however, there is a less well-known event which took place in 1781, one which played a major part in making the victory at Yorktown possible: The battle off the Virginia Capes on September 5, 1781, when the French Fleet under the command of Adm. Francois de Grasse won an important victory.

Today I am introducing a resolution to provide appropriate recognition to the battle off the Virginia Capes, and I hope that it will have the support of my colleagues. Permit me at this time, Mr. Speaker, to offer a little of the background of this battle, to illustrate its importance to the final American victory.

American military and naval might in our War for Independence was bolstered dramatically by the contributions of a number of foreign officers, of whom two of the most accomplished were the French General Rochambeau and the French Adm. Francois de Grasse. During the dramatic Yorktown campaign, in the closing moments of the war, both performed brilliantly, to the great benefit of the fledgling American Republic. Insofar as naval activity was concerned, no action was more vital to American success than the leadership of Admiral de Grasse in the battle off the Virginia Capes in September 1781.

Rochambeau has unquestionably been the better known of the two French leaders prior to the Franco-American Alliance of 1778, having served the Bourbon Monarchy with distinction as a general officer in the War of the Austrian Succession and the 7 Years' War. De Grasse, on the other hand, was regarded only as a competent squadron commander, and it was in this capacity that he was dispatched to the New World in 1778, with orders to protect the interests of France in the Caribbean area as well as those of Spain, which, as an ally of France, has entered into a war with England under the terms of the Franco-American Alliance.

Despite the limited nature of his assignment, de Grasse was moved to make a greater contribution to the American Revolutionary cause. In fact, he had been fighting the British Empire since his early youth, and on one occasion, having been taken as a prisoner at sea, spent 3 months studying the Royal Navy at close range. In the Caribbean battles which began in 1778, he served as a subordinate under Adm. Jean d'Estaing, winning promotion in the process to the rank of rear admiral and securing an independent command. At 6 feet 2 inches, he was one of the tallest men in the French Navy, and it was said of him that he was "six foot six on days of battle."

The Yorktown Campaign of 1781, which involved de Grasse in the battle off the Virginia Capes, was basically a French idea, and its result was largely determined by French participants. As a concept, it was initially opposed by the American commander, Gen. George Washington, who preferred the strategy of striking the British stronghold at New York City. This

proposal was opposed by French General Rochambeau, and as commander of the sizable French expeditionary force stationed in Rhode Island, Rochambeau was one of the major authors of the American military plan as finally adopted. Contrary to Washington's recommendations, Rochambeau called for combining the French Expeditionary Force with the main body of the American Northern Army and their joint advance into Virginia, there to engage the forces of British General Cornwallis, stationed on the Yorktown Peninsula. To assist in this endeavor Rochambeau proposed the use of the French naval contingent in the Caribbean under the command of de Grasse.

Of additional significance at this point was the role of de Grasse as a financial agent, looking to the rescue of the American economy, which was almost collapsing under the strain of war exigencies. In July 1781, de Grasse received dispatches at Cap Francois in Haiti, transmitted from Rochambeau in Rhode Island, advising of several recent and vital developments: The nearly bankrupt condition of both the American Continental Army and the French Expeditionary Force, the planned Allied attack on Yorktown, and the extreme need for naval support in any such attack. Recognizing the vital importance of rapid movement, and informed by the Spanish, who has just captured Pensacola, that they had no military plans requiring his services in the near future, de Grasse decided to depart promptly for the Chesapeake Bay to support the impending Franco-American attack on Yorktown.

Picking up one French general, the Marquis Saint-Simon, and 3,500 French troops under his command at Cap Francois, de Grasse prepared himself for the trip north, assuring the Spanish authorities that the troops involved would all be back in the Caribbean by November. Within 12 days after the receipt of Rochambeau's dispatches, Saint-Simon's men had all been loaded aboard French vessels, and the French Fleet was ready to sail. But the funds necessary to insure the success of this complex undertaking were not yet available. An appeal for financial assistance was therefore dispatched by frigate to Spanish authorities in Havana, and the response was decidedly encouraging: 1.2 million livres, raised entirely through private contributions. These funds would enable French officials in the American Colonies to lend a month's payroll to the Continental Army, an action which General Washington regarded as extremely important to the American cause at that moment, in order to help stave off the threat of mutiny. In addition, the French Army of Rochambeau would be provided with the specie to purchase necessary supplies in Virginia.

On August 14, 1781, Washington and Rochambeau received word that de Grasse was on his way to the Chesapeake Bay and Yorktown. Under his command was a fleet of 26 ships of the line, of which the British expected him to remove no more than half from the Caribbean at any time, for any reason, since they assumed that his principal responsibility was to protect the French islands in that sector. But when de Grasse departed for the Chesapeake, he took the entire fleet with him.

Belatedly sensing a naval assault on Cornwallis' position, the British naval commanders at New York City brought a sizable fleet of their own into play, some 19 ships of the line. But they were too late, because de Grasse had preceded them into Chesapeake Bay, and with a larger force, just in time for the arrival of the Allied land expedition from the north. Upon sighting the French Fleet on August 30, 1781, George Washington is said to have jumped for joy, shouting the name of Admiral de Grasse.

Joining combat off the Virginia Capes on September 5, 1781, the British and French Fleets sought to bar each other from access to Chesapeake Bay and Yorktown. The outcome would determine whether or not Cornwallis would be trapped without a means of supply. When the British appeared, the French fleet was already in the Chesapeake Bay supporting the Franco-American Army. Saint-Simon's troops were being landed on the Virginia shore, several ships of the line were guarding the mouths of the James and York Rivers to blockade the transports to Cornwallis, and some light vessels were preparing to move up the bay to embark other French and American troops gathered at Baltimore and Annapolis for movement to the Yorktown Peninsula. In addition, de Grasse was expecting the convoy of Adm. Louis de Barras, which had left Newport, R.I., on August 25, bearing the French siege train and other vital equipment.

De Grasse issued orders to the 24 ships-of-the-line that were immediately available, and they filed out of the bay, ready for action. Against them stood only 19 British vessels, but despite the odds, the British attacked first. According to a French eyewitness account:

The two vans having come so close as to be almost within pistol shot, the fire was long well sustained, and the affair seemed about to be decisive when (British) Admiral Hood made a signal to the English rear division, which he commanded, to bear down on the French rear. (Admiral de Grasse) witnessed this movement with pleasure and prepared to tack his whole fleet together, bearing NNW, which would have inevitably thrown the English line into confusion, but (British) Admiral Graves anticipated him and signaled his whole fleet to keep the wind. The heads of the two fleets gradually fell off in consequence * * * and the fire ceased * * *

Only the 8 leading British ships and the first 15 French ships took a significant part in this initial battle, but the results proved disastrous to British plans. The *Terrible*, a British battleship with 64 guns, was so badly damaged as to be regarded as incapable to return safely to her base. She therefore was set afire and destroyed, at the order of British Admiral Graves. The *London*, which had served throughout the battle as Graves' flagship, was so badly punished by de Grasse's *Ville De Paris* that all her masts had to be replaced. The British frigates *Iris* and *Richmond* had gone off on their own on September 6, seeking refuge in Chesapeake Bay, and they were captured on the 11th when they emerged in hopes of rejoining the main body of the British Fleet.

Following the fighting of September 5, the rival naval forces maintained their lines but withheld their fire, drifting southward to the vicinity of Cape Hatteras. On the morning of September 9, the French lost sight of the British fleet, and on September 11, de Grasse directed the return of his own fleet to the Chesapeake Bay, where he joined forces with French Admiral Barras, who had arrived with a squadron the previous day. The resulting numerical superiority of the French on Chesapeake Bay sealed the doom of Cornwallis at Yorktown. On October 19, 1781, a rescue of Cornwallis was attempted by a fleet of 23 British ships of the line, sailing from New York City. But on that very day, Cornwallis surrendered.

Thus, Mr. Speaker, as we approach the celebration of the final victory at Yorktown in October, it seems to me that it is only fitting that we also commemorate the battle off the Virginia Capes on September 5, 1781, when the French fleet, under the command of Admiral de Grasse, played such a vital role in bringing about the ultimate victory at Yorktown.

Thank you, Mr. Speaker.●

ON SHOOTING HORSES

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. SHUMWAY. Mr. Speaker, the Wall Street Journal has been carrying a series of articles concerning the floundering Chrysler Corp. On December 26, the Journal provided an editorial response to Chrysler Chairman Iacocca's criticism of previous editorials, and I believe that commentary should be shared with all of my colleagues here in the House. In addition to out-

lining some salient reasons why this particular instance of Federal bailout should be terminated, the editorial underlines a major premise: the power of example. If Chrysler remains viable solely as a result of a costly Federal life support system, what is to prevent other failing companies from vying for the same privilege?

I commend the following article to my colleagues' attention:

ON SHOOTING HORSES

Our running debate with Chrysler Chairman Lee A. Iacocca continues today with a letter from Mr. Iacocca saying we should have titled our previous editorial "They Shoot Horses, Don't they?" It's an interesting thought, since the point of Jane Fonda's memorable words was apparently that society is more humane toward horses than people.

Fine judgments about social justice we will leave to Miss Fonda. But someone ought to note that if Chrysler were reorganized or liquidated under the bankruptcy laws, Mr. Iacocca's rhetoric to the contrary, its facilities and employes would not vanish off the face of the earth. There would of course be disappointment and pain. Its auto workers might not be able to find other jobs paying twice or more the U.S. industrial average, its executives' egos would be bruised, and its bankers might not be paid in full on the loans for which they have collected premium interest rates.

Against these costs, though, must be laid the price of keeping Chrysler alive as a ward of the state. Having the taxpayers make good on the guarantees the federal government has advanced is not the most important part of the price. More important is the power of the example in the economy as a whole. If failing corporations are not allowed to pass out of their misery, all other corporations have an incentive to leverage up their balance sheets with increasingly risky debt. This creates powerful forces for additional money creation and inflation, to the detriment of us all.

It is fairly evident to most people that the U.S. economy is not what it should be. The symptoms are well known: double-digit inflation, chaotic credit markets, chronic unemployment, sluggish economic growth. Many of the people affected by these circumstances are worse off than those at Chrysler, who at least have cushions in the form of unemployment benefits. Jobs, careers and savings are at risk for the likes of a carpenter affected by credit market impacts on homebuilding, the widow who is watching her savings lose value, the cop whose city is forced to cut back vital services. Or for that matter, there are folks at Ford, who aren't feeling so good either.

The people who have been chosen by Washington to receive federal sustenance are fortunate indeed. But what about all the people who have not, and who moreover are under obligation to pay off the loans when the sustenance plans fail? Who is protecting them from economic risks?

There is more to it than that. Mr. Iacocca attempts a distinction between what he was talking about and we were talking about with regard to Federal Reserve management of the dollar. But there is very little distinction to be made. Those wild interest rates that jump up and down and create such uncertainty and turmoil for business didn't get that way by accident. The mistakes the Fed made last summer were not the kind auto executives would have been inclined to criticize, since they were intended to revive the economy with another dose of easy money and credit. They did to some degree, but they also revived the inflation expectations that sent interest rates soaring.

We can't blame the Chrysler people for wanting to survive. But we don't think public policy can be made in terms of politicians picking a few entities to protect against the onslaughts of competition and adversity. That principle holds true whether the favored few are auto companies, farmers or giant cities. The credit markets are signaling more than anything else that the nation's supply of genuine capital (as opposed to the fake capital created by inflation) is getting very thin indeed. Unless we return to a process where capital is rationed not by the politicians but by judgments, on merit, by individual lenders—forced by a sound money policy to make real choices—the United States will continue to make less and less efficient use of its capital. That means, purely and simply, that we will have less growth, fewer jobs, more inflation.

No one wants Chrysler to die. The new administration should move quickly to get the Department of Transportation out of the hair of the auto makers, so they can start making competitive decisions again. The UAW should be told to bargain with the auto makers, not Washington. The Nader crowd should be invited to go pick on the Japanese. Energy policy, the cover for some of the worst depredations against the auto industry, should be focused on restoring competition in the energy industry by getting the government out. As to Chrysler, it is not a question of shooting horses, but of disconnecting a life support system we can ill afford.●

NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. WAMPLER. Mr. Speaker, I am today introducing legislation to extend and amend the National Agricultural Research, Extension, and Teaching Policy Act of 1977, title XIV of the Food and Agriculture Act of 1977.

Mr. Speaker, one of the principal undertakings of this new Congress will be to write a new farm bill to replace many of the provisions of the Food and Agriculture Act of 1977, which will expire this year. While the funding authorizing provisions of title XIV of the 1977 Farm Act will not expire until the end of fiscal year 1982, there are a number of technical changes needed in the law which have been experienced since the law was enacted in 1977, to require including the revision of this title in the new farm bill.

I consider the enactment of the extension and the amendments offered in my bill to title XIV or similar legislation as perhaps one of the important steps this Congress will undertake.

Few of us, Mr. Speaker, think about shortages of food and fiber. We have been principally concerned in the Congress, going back for almost half a century, with agricultural overages—managing surpluses if you will. Most of the young people in the United States have never lifted a hoe or a sack of grain. Few of us know that it took 30 years of trial and error research and development to gain the benefits of hybrid corn, a discovery that tripled America's corn production. Today many of our people think our food and fibers are manufactured by big supermarkets. We talk about undernourished people—we use the word "starving," but how many of us have seen a starving American?

However, Mr. Speaker, we do have starving people in this world; the estimates place them in the millions. And each year for the next 20 years we are going to add a new nation the size of France to this world; a noplace, yet an everyplace state, of some 75 million souls to be fed, clothed, and sheltered by somebody, someplace. And come the year 2000, this exploding population will increase at an even faster rate.

Since the world food situation points to an increasingly tight world supply-demand balance in the 1980's and 1990's and beyond, this leaves the farmers and ranchers of the world with little choice but to increase food and fiber production to meet these new demands.

Our own country, Mr. Speaker, as the principal supplier of many of these agricultural products, is now faced with a new problem—a change in policy. Heretofore, the Committee on Agriculture, this House, the American people, have had the luxury of concerning ourselves with the old problem of managing agricultural surpluses—and farmer price supports. From this day forward, Mr. Speaker—even though some of us may say it will be slow in coming—we will be increasingly concerned, as we face each coming year with the new task of managing agricultural shortages. Already there are voices from some quarters advocating restricting exports, to hold down predicted food price increases. I call your attention to a lengthy article in the November 28, 1980, issue of the Wall Street Journal by Terri Minsky, entitled "Big Increases in Food Prices Loom as World Demands More U.S. Grain." I also want to remind my colleague that we have been paying, for the most part, for our oil imports with farm exports. I like to say the exports of grains and other farm products from our farms and ranches have made the difference these last several years whether the average American has walked or ridden to work.

We are also faced, Mr. Speaker, with several other problems that can only be solved by more and better research. We must find a way to reduce the cost

of producing food, which today is driving farmers and ranchers off the farm and raising the cost of food to consumers. We must also consider that current technology will only permit us to increase food and fiber production by putting additional land into production or by applying increasing amounts of fertilizers and pesticides, all of which will require more petroleum-based energy. Even if we could rely on these current technologies we would find them hardly capable of increasing production to meet more than several years of anticipated population growth. The fact is we have little land to put into production and other existing technologies require increased use of already short petroleum and, additionally, increase environmental hazards.

The bill I am introducing today extends the goal set forth in the 1977 Act to double agricultural research, extension, and teaching in the food and agricultural sciences over the period 1976 to 1981 by extending the goal 5 more years to fiscal year 1987.

Congress must take the lead, as it has since the days of Abraham Lincoln, to insure that American farmers, ranchers, and the food and fiber industries of our country have the scientific technology in the form of tools, seed, animal breeds, and know-how to provide a bountiful and safe food supply, at reasonable costs, for our own people and the ever-increasing demands of an exploding world population.

My bill also contains a number of technical amendments to the 1977 Agricultural Research, Extension, and Teaching Act to reinforce the Federal-State research and extension partnership, to strengthen the land-grant college and university system, by increasing in law its representation on the Joint Council, and to require that Hatch formula funding to State Agricultural Experiment Stations constitute one-fourth, 25 percent, of all funds appropriated to the Secretary of Agriculture for food and agriculture research. The bill further establishes an Assistant Secretary for Agriculture Research, Extension, and Teaching, thus elevating the current Administrator and his function to the hierarchy of the Department of Agriculture, a place of eminence this function has traditionally held in USDA. The bill also establishes for the first time an aquacultural research and extension program with the Department of Agriculture, which includes a modest $7,500,000 Federal-State research program to improve the productivity and marketability of domestic aquaculture to meet the domestic market for aquatic food.

Mr. Speaker, I recognize that the outgoing administration has a draft proposal to amend title XIV of the 1977 farm bill. I have been made privy to this proposal. I am also aware that the National Association of State Universities and Land Grant Colleges also has recommendations that will be finalized within the very near future. Also distinguished members of the President-elect's transition team, as well as the Office of Technology Assessment, have been looking at means to improve our agricultural research and extension system. This bill I am introducing today includes many of these proposals. Hopefully my bill will act as a catalyst to lay all of these ideas before our Agriculture Committee and in the end will further strengthen what has been the backbone of this Nation—American agriculture.●

COMPREHENSIVE OIL POLLUTION LIABILITY AND COMPENSATION ACT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. BIAGGI. Mr. Speaker, I am introducing today a bill—for the third Congress in a row—to provide a comprehensive system of liability and compensation for damage caused by oil pollution and for removal costs. This bill is essentially the same as H.R. 85, which was passed by the House during the last Congress by a recorded vote of 288 to 11. It is also very similar to a predecessor bill, H.R. 6803, that was passed by the House during the 95th Congress.

I believe many Members of the House are familiar with the reasons why the oilspill title of H.R. 85 failed of final enactment. Suffice to say that these reasons did not relate to the merits of that title. The concept of a comprehensive oilspill liability and compensation bill has long been accepted and the bill that passed the House was generally acceptable to industry, the administration, and environmental groups as well as to four committees of the House. I am hopeful that now that Congress has dealt with spills of hazardous substances and clean up of hazardous waste dump sites, we can focus on oilspill legislation without the confusion of issues that was engendered by considering all three subjects at once. I have been assured by Members of both Houses that consideration of this legislation will be a priority matter in the 97th Congress.

This legislation had its inception over 10 years ago when the tank vessel *Torry Canyon* grounded off the southwest coast of England in 1967. In that incident, approximately 100,000 tons of crude oil were spilled into the ocean and ultimately fouled the shores of the British Isles and the coast of France.

The oil pollution problem was again highlighted in 1969 when a production platform off Santa Barbara, Calif., suffered a blowout that lasted for many days and discharged considerable amounts of oil before it could be brought under control.

Since then, numerous other casualties have highlighted the oil pollution problem and the need for a national and comprehensive oilspill liability and compensation scheme.

While existing oil pollution legislation permits compensation for cleanup and removal costs, there is no legislation that adequately and timely compensates those who have been victimized.

One particular casualty, the grounding of the very large crude carrier *Amoco Cadiz*—of 228,513 tons—off the coast of France on March 16, 1978, is a recent and memorable reminder of the need to establish such a system.

A recent and significant casualty that did affect our coastal environment and economic well-being was the blowout of IXTOC I in the Bay of Campeche, Mexico, on June 3, 1979. The impact of this spill and the resulting oil pollution of the Texas coastal environment and the waters of the Gulf of Mexico were extensive. The litigation of oilspill liability and compensation issues arising out of this incident are likewise extensive and no doubt will be protracted. Had the proposed legislation been in place, the alternative would have been fair, adequate, and prompt compensation to those who were victimized. Therefore, it continues to be necessary to provide for adequate compensation to those parties who suffer damage from the effect of oil pollution incidents occurring along our coasts and in the waters of the United States.

Prevention of oilspills is still considered to be the most effective means of protecting our coastal and estuarine environment from damage. The Port and Tanker Safety Act of 1978—which I was privileged to sponsor and pursue during the 95th Congress—should be very effective in this area of prevention. However, we cannot preclude the possibility of oilspills occurring due to mechanical failures and the carelessness of individuals.

In the United States, the public's concern had led to the enactment of a number of measures to improve the quality of our waters and control pollution. The Water Quality Improvement Act of 1970—which was subsequently amended by the Federal Water Pollution Control Act Amendments of 1972—and most recently amended by the Clean Water Act of 1977—declared, as a national policy, that there should be no discharges of oil into or upon our waters. In addition to numerous specific measures for the protection of the marine environ-

ment, they established liability on the part of spillers for the costs of cleanup. These acts, however, do not address themselves to the question of any damages other than for the costs of cleanup.

Three other Federal statutes have been enacted which do address the problems of liability for damages. In the Trans-Alaska Pipeline Authorization Act, the Congress in 1973—for the first time—addressed in Federal statute the issue of liability for damages other than cleanup costs. We created a compensation fund available to respond to damage caused by oil pollution from vessels moving TAP's oil to ports in the continental United States.

A similar scheme of liability and compensation was also established in the Deepwater Port Act of 1974 for oil pollution damage from offshore facilities constructed pursuant to the act or from vessels at those facilities.

The Congress—in enacting the Outer Continental Shelf Lands Act Amendments of 1978, during the last days of the 95th Congress—established a similar liability and compensation scheme for oil pollution damage related to OCS activities. The Coast Guard has enabling regulations for the establishment of a federally administered Outer Continental Shelf fund to provide compensation for losses which are not otherwise compensated. These regulations detail requirements for the establishment of financial responsibility, settlement and adjudication of claims, notification of oil pollution incidents, designation of pollution sources, and many other related provisions.

These measures are necessary to insure that funds are available to pay for the prompt removal of any oil spilled or discharged as a result of OCS activities—and to compensate for any damage to public and private interests caused by such spills or discharges when, for whatever reason, payment is not made by those responsible for the source of the oil pollution.

While this offshore fund legislation focuses on oil pollution incidents arising in connection with OCS activities, it contains parallel provisions to the House-passed bill H.R. 85, which was not acted upon by the Senate during the latter part of the 96th Congress.

The bill I am introducing today likewise parallels these provisions and will expand the scope of coverage to include virtually all marine oil pollution from vessels and from onshore facilities. My proposal would continue the imposition of strict liability on persons responsible for an oilspill—while creating a domestic compensation fund that would be available to settle claims in excess of a spiller's liability.

The concepts of this bill have had broad support from the users of oil—from the oil industry itself—from the insurance industry which does the underwriting—and from many environmental groups. The bill I am introducing today should continue to receive overwhelming bipartisan support. The bill:

Establishes strict liability for the owners and operators of the source of oil discharges;

Creates a backup compensation fund to respond to damage claims which are not satisfied;

Provides for the establishment of an oil pollution trust fund supported by a tax of 1.3 cents a barrel on crude oil and petroleum products;

Provides for superseding duplicative funds and procedures which now exist in various Federal and State statutes;

Provides for evidence of financial responsibility sufficient to satisfy the maximum amount of liability; and

Provides a simple and workable claims settlement procedure.

I reiterate my prior conviction that this bill is practicable in application—and fully considers the needs of those who have been victimized by oil pollution. I firmly believe that we must act now in the public interest and provide a comprehensive oil pollution liability and compensation scheme.

One might ask: "Why has this legislative initiative—if it has broad support—met strenuous opposition by our colleagues in the Senate?" Before commenting, I might note that only a limited number of our colleagues in the Senate have voiced opposition—but those few have been successful in preventing enactment of this important legislation in the last three Congresses.

Prior to discussing the issues which prevented enactment, I would like to discuss the study by the Attorney General on the methods and procedures for implementing a uniform law providing liability for cleanup costs and damages caused by oilspills from ocean-related sources. This study was reported to the Congress on July 3, 1975.

As many of you might recollect, during Congress consideration of the Deepwater Port Act of 1974, Public Law 93-627, enacted on January 3, 1975, the weaknesses in oilspill liability and compensation laws became indisputedly evident. The Senate, in particular, adopted a provision which required that "the study shall give particular attention to methods of adjudicating and settling claims as rapidly, economically, and equitably as possible."

I believe that the Attorney General's study and his report have served as valuable background to the intricate legal problems associated with oil pollution liability and compensation. I further believe that the bill we passed in the last two Congresses and the bill I am introducing today have considered or adopted all of the recommendations in the report.

One of the major issues which received and continues to receive considerable attention is the question of preemption of State laws.

It has been claimed that, by permitting the States to establish liability schemes and other requirements as they see fit, the States—on an individual basis—can develop such strict requirements that the owners and operators of all modes of transportation—that is, vessel, truck, train, and pipeline—and the owners and operators of storage, transfer, and processing facilities will exercise such extreme care and diligence that there will be no oil pollution. This is simply not true. This is what I call emotional reasoning—completely without foundation, in fact.

The simple fact is that in any business or industrial activity, there is a recognized potential for damage with attendant liability. Even the homeowner or renter recognizes that he can cause damage to a visiting guest and can be made liable for those damages.

The issue of liability touches all of us in our day-to-day activities, and we protect ourselves by obtaining the necessary insurance. The transportation industry, the oil industry, any industry—like the homeowner or renter—protects itself with insurance.

No matter what liability limits are established—and no matter who, State or Federal, establishes them, the end line is insurability. For example, if a vessel operator cannot obtain insurance, then there will be no vessels carrying the needed oil. The same can be said for the other modes of transportation. A case in point is the history of the oil pollution liability law in the State of Florida.

While the Supreme Court upheld some provisions of that law, the inability to insure to meet these provisions—and the resultant loss of vessel transportation of oil—created a serious oil distribution problem that was only remedied when these provisions were not enforced. As a matter of fact, they were eventually brought in parallel with existing Federal law, where they remain today.

It is also argued that the States should have the right to maintain their own funds—to charge their own fees—and to provide for the payments of any economic or natural resources damages they see fit.

No one argues with this right, and no one wants to see an erosion of State power. However, one must think of the consuming public—the ones who will, in the end, pay for whatever liability and compensation scheme or schemes are developed.

A patchwork of oilspill liability and compensation laws on the Federal and State levels can only create excessive bureaucracies and a mass of paperwork.

How can the various affected industries and transportation modes cope with 50 or more liability and compensation schemes and funds, which I am sure are going to be varied and complex? The burden we are imposing—if we do not preempt State laws in this field—will only create a greater burden on you and I, the paying consumer. I sympathize with those who advocate State's rights, but I have considerably more sympathy for the paying consumer.

I believe we must ask ourselves, "What do we really want and how can that best be achieved?"

First, we must consider what damage should be made compensable.

Second, we must examine the limit of liability we want to impose.

Third, we want to make sure that, no matter what the damage is, there will be funds available for compensation.

Fourth, although we want the oil industry to pay for the creation of a fund, it must be recognized that the user of oil—the consumer—in the end will be paying through increased cost of the product.

I believe my bill provides for a simple and practicable system for the compensation of a broad range of oil pollution damage. It also imposes reasonable and insurable limits of liability on the owner or operator of the particular transportation mode or facility—thereby making him the frontline payer in most instances, and insuring frontline responsibility for responding to an oil pollution incident.

Another issue which has had extensive review is the limit of liability problem. During the 95th and 96th Congresses, the hearings on H.R. 6803 and H.R. 85, respectively and the attendant reports clearly documented the rationale for certain limits of liability.

The bill provides that, in the preponderance of incidents, the source of the pollution will be liable for all claims. In those cases where the pollution is extensive, the source of the pollution will be held liable for all claims up to reasonable and insurable limits, while the owner of the oil carries the burden for claims exceeding those limits by contributing to the fund. Thus, the cost of oil pollution is spread between the owner or operator of the transportation mode or facility from which oil enters the environment—and the owner of the oil which creates the pollution risk.

Ultimately, of course, as I have previously stated, the cost is reflected in large measure in the cost of the product—and is therefore borne by the user of the oil, the consumer.

Different limitations of liability are necessary due to the many varied modes of transportation and facilities. With respect to different limits of liability for various types of vessels, it is readily apparent that a general cargo freighter—carrying only oil bunkers for the vessel's operation—does not present as great a risk of oil pollution as a tank vessel that not only has bunkers on board but also carries a cargo of oil.

The same rationale is applicable to tank barges, which often carry considerably less than a self-propelled tank vessel. However, it must be remembered that limitations of liability do not reduce the amount of funds available for payment of damages, since the fund—which is supported by all oil owners—is available to pay any additional amounts above the limitations.

During the last two Congresses, there was considerable discussion within both the Subcommittee on Coast Guard and Navigation and the Committee on Merchant Marine and Fisheries on a maximum ceiling of liability for tank vessels. There was eventual agreement on a maximum level of $30 million, because this was reported as being the so-called insurable limit, the limit of coverage that could be provided by the international insurance market.

Another issue which I have reviewed and reconsidered is the many purposes which have been advocated for the use of the fund. I still believe that the fund should be established for limited purposes—and should provide an immediate source of available funds for cleanup and should assure reasonable and expeditious compensation to the damaged party. I do not believe the fund we are establishing should be available for the payment of costs which are of a capital or research nature—and which are normally subject to authorization and appropriation processes.

A final issue of a somewhat lesser concern has been the method and procedure for processing claims and the related administration of the fund. The bill is designed to provide for minimal governmental interference—with strong incentives for prompt and equitable settlement using detailed statutory provisions. I believe that many of these procedures are so important in creating substantial incentives to settle damage claims that they cannot be left to the imagination of the administration through regulatory and rulemaking procedures.

Further, many of these requirements—such as types of claims payable; types of investigative, court, or attorney fees; and the availability of interest charges—are so substantive that we might create a vacuum if they were not included in the bill.

The objectives of my oilspill liability and compensation legislation are to:

Establish one fund at the Federal level that will provide ample money for prompt compensation of oilspill damage;

Establish one set of oilspill liability laws for the entire Nation, covering all types of oilspills from all sources;

Remove the overlaps and bare spots of the present patchwork system; and

Minimize the bureaucracy.

This, in turn, will benefit the one who has been victimized as well as the one who will pay for this compensation—the ultimate consumer of oil.

I, therefore, am introducing legislation similar to H.R. 85, which was passed by the House during the last Congress, for reconsideration by this Congress.●

A TRIBUTE TO SECRETARY OF COMMERCE PHILIP M. KLUTZNICK

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. ROSENTHAL. Mr. Speaker, I rise today to pay tribute to Philip M. Klutznick, the outgoing Secretary of Commerce. Mr. Klutznick has served in some significant capacity under every Democratic President since Franklin Roosevelt. He is an important link between our generation of governmental leaders and those who established the era of social justice and social progress in the United States under the New Deal.

As Secretary of Commerce, Mr. Klutznick infused this administration with his deep personal concern for the welfare of his countrymen, and his profound desire to see the American business community prosper in tandum with the improving welfare of the American people. During slightly more than a year in office he has advanced a great deal of difficult legislation. The "shippers export declaration" legislation is an important addition to our body of laws, as is the new patent bill which should assist the U.S. ability to utilize innovations.

Mr. Klutznick's career as a diplomat, first under President Eisenhower and then under President Kennedy, was of great significance for this country since he was one of the first of our senior diplomats to show a profound interest in the development problems of the nations of the Third World.

Widely active in the affairs of the American Jewish community, Mr. Klutznick has historically led the way in building ties between this Jewish community and the Arab world. He has long enjoyed the respect of the Arab Ambassadors in Washington, and he is a welcome guest in many of the Arab capitals. His term as president of the World Jewish Congress was marked by his usual spirit of broad

humanitarian concern for all the people of the world.

We associate Mr. Klutznick with Franklin Roosevelt, his wife Eleanor, with Harry Truman, Adlai Stevenson, and our late distinguished Senator from New York, Herbert Lehman. I am sure that he will remain vigilant in his attention to the affairs of our country so that we may once again see him grace the halls of Washington. While he sojourns in Chicago I wish him good health and happiness.●

TO ESTABLISH A NATIONAL SCIENCE COUNCIL TO DECIDE ON SCIENTIFIC FACTS

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. WAMPLER. Mr. Speaker, last February 13, I introduced legislation, H.R. 6521, to divide the regulatory decisionmaking process into two stages. The first stage would have a scientific council define and evaluate the scientific question of whether or not a substance was a risk—a hazard—and to what degree it was a hazard. In the second stage, our current regulators would assess the significance of the risk—the benefits, if any, to be derived from the substance and the appropriate means, if any, for limiting its use.

To accomplish the first stage would require the creation of an independent science body of the highest qualifications to make the scientific risk evaluations, to assure that our regulatory decisions are based on the best objective science available. A section-by-section analysis of my earlier bill, titled "The National Science Council Act of 1980," was placed in the CONGRESSIONAL RECORD page 2791 on February 13, 1980. As a result of favorable comments received from numerous scientists in academia and industry in a detailed review of my bill, I have made one modification to the bill I am introducing today. H.R. 6521 would have placed the task of selecting the scientists after they were nominated by the National Academy of Sciences in the President of the United States. Many of those commenting on the bill felt that allowing the President to select the Council members would make the Council subject to political manipulation. Most of them would have preferred having the Academy nominate and select the Council. But the Academy itself opposed the task of selecting the final makeup of the Council and also providing for its facilities, administrative staffing, and furnishing other administrative activities required to support the Council. H.R. 6521 would have required the Office of Science and Technology Policy to have provided this support.

The bill I am introducing today would transfer these tasks—that of selecting the scientists to make up the Council and that of providing for its administrative support—to the Chairman of the National Science Board, the independent governing body of the National Science Foundation. This action, it is thought, would further increase the independence of the Science Council.

Mr. Speaker, we must halt the confusion now existing in the different regulatory decisionmaking agencies of our Government over whether or not a particular substance should or should not be banned from our food or use in the workplace, such as saccharin and nitrite, to name a few.

The failure of Federal agencies to adopt a consistent approach to identifying and regulating these substances has imposed an increasing number of stringent and desperate restrictions on the uses of chemicals, without a sound scientific basis for many of these actions, thereby limiting the quantity, quality, and variety of food, fiber, and forest products available to consumers. The failure on the part of the regulators in Government to follow good scientific procedures has evoked such severe criticism by consumers and by scientists in Government, academic institutions, and industry, that the Congress has become increasingly involved in implementing regulatory policy with respect to these substances.

Hopefully, Mr. Speaker, this problem can be cured administratively but in the event it cannot, this bill will go a long way toward correcting this most severe regulatory problem.●

NO MEDICAL DEFENSE TO A NUCLEAR ATTACK

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. BINGHAM. Mr. Speaker, during the past year Dr. Howard H. Hiatt, dean of the Harvard School of Public Health, has performed a great public service by pointing out the impossibility of providing anything like adequate medical care for the vast numbers of people who would be critically injured in a nuclear attack, regardless of any alleged civil defense preparations. His efforts have struck a responsive chord in the medical community, both here and abroad.

Last month leading American and Soviet doctors met in Switzerland and agreed that "Physicians in a postattack period would be unable to provide effective care for the sick and injured." The following article about the meeting from the Boston Globe of Sunday, December 7, 1980, is of particular interest now that some American leaders are saying a nuclear war would be survivable:

[From the Boston Globe, Sun., Dec. 7, 1980]

UNITED STATES, SOVIET DOCTORS AGREE N-DEFENSE AN ILLUSION

(By Richard A. Knox)

A group of Soviet and American physicians meeting in Switzerland agreed yesterday that nuclear war between the superpowers would be "an unparalleled human disaster" and that civil defense measures designed to save significant numbers of civilians in either country are "an illusion."

The outcome of the unprecedented discussions, which included three of the Soviet Union's most prominent medical authorities, was learned in telephone interviews with members of both delegations at the conclusion of the two-day sessions.

The doctors' talks also produced agreement that:

"Physicians in a postattack period would be unable to provide effective care for the sick and injured."

Even if nuclear weapons are never used, the enormous price tag of the nuclear arms race "is diverting scarce resources desperately needed for medical and human needs."

"Physicians can and should make important contributions to the prevention of such a disaster," the bilateral group said.

The doctors' joint declaration was adopted during the first-ever formal discussions between medical leaders of the two leading nuclear powers on the human consequences of nuclear war and the arms race.

The talks, which took place Friday and yesterday, officially launched a new doctors' organization called International Physicians for the Prevention of Nuclear War. After the two delegations agreed on the main principles behind the group, the Soviets asked to add a plea for "all physicians of the world to raise their voices against nuclear war and for nuclear disarmament."

"Our task is to show the people of the world what nuclear war is," Dr. Eugene Chazov, Soviet deputy minister of health, said yesterday in a telephone interview with The Globe from Geneva. Chazov is co-chairman of the new group with Dr. Bernard Lown of the Harvard School of Public Health.

"In some countries there is a new understanding of the consequences of nuclear war," he added, speaking through an interpreter. "In this sense I would like to recall the words of Albert Einstein when he was asked a question concerning when World War III would start. He said: 'I don't know when it will start. But I know for sure there will be no World War IV.'"

The Geneva meeting is the latest in a rapidly growing new movement among physicians designed to call attention to the horrors of nuclear war, which Dean Howart H. Hiatt of the Harvard School of Public Health has called "the last epidemic."

The effort, which began last February with a much-publicized conference in Cambridge on the medical consequences of nuclear war, has since spread to the medical communities of other countries—and even captured the attention of the politically conservative American Medical Assn.

A group of British doctors last month announced the formation of a group called Medical Campaign against Nuclear Weapons "to heighten the awareness of the medical profession and of those concerned with

public policy about the medical implications of nuclear war."

Hiatt spoke to the AMA Board of Trustees in June on the role of doctors in preventing nuclear war as "our only recourse," and last month the Journal of the AMA carried an editorial by him on the issue. Tomorrow at the AMA's interim meeting in San Francisco the organization will consider a resolution calling for "the immediate education of all physicians concerning the catastrophic consequences of thermonuclear warfare."

The Geneva meeting was the first to recruit leading Soviet physicians into the effort. The US and Soviet delegations agreed on the agenda for the first full-scale working session of the groups, to be held March 19-26 at a location near Washington.

The three Boston doctors who initiated the private meetings said from Geneva yesterday that they were startled to achieve agreement on the group's main principles from such highly placed Soviet physicians—especially on the unequivocal statement regarding civil defense.

"We were rather taken aback, quite frankly, that the Soviets would agree to that," Lown, the leader of the American delegation, said. Many US politicians and defense analysts portray the Soviets as counting heavily on large-scale civil defense measures, such as mass evacuations, to ensure greater "survivability" following a nuclear attack.

During the recent US election campaign, both Ronald Reagan and George Bush said that nuclear war is survivable and that the Soviets are basing military strategy on the assumption that a significant proportion of the population can be protected from nuclear attack.

"All we've heard lately is that the Soviets are preparing for war," said Dr. James E. Muller of Harvard Medical School, a Russian-speaking heart specialist who helped organize the talks and went to Geneva. "These doctors are saying that such preparation is futile."

The Americans said they were relieved that the Soviet doctors seem determined to avoid using the new organization as a propaganda platform. In June, after the Bostonians first contacted Soviet physicians to propose a joint campaign against nuclear war, they received a letter that blamed US imperialism for initiating and perpetuating the nuclear arms race.

There was no such posturing this weekend, the US doctors said, and their Soviet counterparts seemed "especially eager to depoliticize the major questions."

When the issue of the June letter was raised by the Americans, Dr. Eric Chivian of the Massachusetts General Hospital reported, "the Soviets themselves said, 'If we get into this it will sabotage our medical purpose. We are not politicians or military experts, we are doctors.' "

In discussing the short- and long-term consequences of nuclear war, the group will try to avoid politics by staying close to health effects and medical capabilities in the wake of nuclear exchange. "At the same time," Chivian said, "we have no doubts that everything we say will have tremendous political implications."

"In this struggle we must unite all physicians regardless of their political views," Chazov said yesterday. "If nuclear war starts, there will be huge losses of both American and Soviet peoples."

The March meeting will be a series of workshops in which various experts from the two nations—and possibly from other countries as well—will attempt to quantify and describe the immediate and long-term effects of a nuclear attack.

Chazov, a cardiac specialist who is also chairman of the USSR's union of cardiologists and director-general of the National Cardiology Research Center in Moscow, has known Lown for 15 years through medical exchanges with US heart researchers.

Another member of the Soviet delegation, Dr. Mihael I. Kuzin, was dean of the First Moscow Medical School 13 years ago, when Muller was a student there. He is now director of the Veshnevsky Institute of Surgery in Moscow, where one of the Soviet Union's major treatment centers for serious burns is located, and the author of a book on the effects of nuclear war.

The third member of the delegation, Dr. Loenid Ilyin, is chairman of the National Committee on Radiation Protection, director of the National Institute of Biophysics and an expert on the radiation effects of nuclear explosions.

All three are members of the 13-man Presidium of the Soviet Academy of Medical Sciences, a select group of only 130 leading academicians.

The American doctors said they were encouraged that the Soviets sent doctors who were qualified experts to discuss the medical effects of nuclear war. "On two counts it is extremely important who they have chosen to send," Muller said. "They are among the important Soviet physicians and their areas of expertise are related to the problem."

A Soviet television camera crew accompanied the three Soviet doctors to Geneva to tape the joint declaration for a national newcast in the USSR tomorrow.●

SMALL BUSINESS AND FAMILY FARMS PRESERVATION ACT

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. ROTH. Mr. Speaker, today I introduced legislation designed to correct certain inequities in the estate and gift tax law. My legislation will amend the Internal Revenue Code of 1954 to increase the unified credit against estate and gift taxes so that estates under $500,000 will not be subject to estate tax and to increase the gift tax exclusion from $3,000 to $6,000.

Almost everyone in America suffers today from excessive taxation. However, in the area of estate and gifts taxes, the situation has dramatically damaging effects on individual taxpayers and creates far-reaching negative economic impacts.

The entire estate and gifts tax structure is heavily slanted against passing down family farms and small businesses. In my view, it is a tragic situation that family farms and small businesses cannot be passed from generation to generation because the estate taxes are too high.

Moreover, these taxes serve as a real disincentive to productivity and innovation because there is little desire to create and build a productive business if it cannot be passed down to one's heirs. The purpose of estate and gift tax laws has always been redistribution of wealth, not revenue raising. In the name of redistribution, we are now facing the social problem of small businesses and family farms that cannot be passed from generation to generation and yet the tax only brings in approximately 1 percent of Federal revenue per year.

Another point has to do with entities to which these farms and businesses are being transferred. Competition from enormous corporate interest has spurred the trend toward agribusiness. Many of these farms and small businesses being transferred to large conglomerates include some owned in part or in whole by foreign interest, thereby creating the possibility of foreign encroachment on private ownership by U.S. citizens.

The current rates, deductions, exclusions, and credits were last revised in a major way during the formulation of the Tax Reform Act of 1976. Current estate and gift tax rates were merged into a single system by that law. Inflation has made a mockery of these figures. Further, the 1976 drafters failed to raise the gift tax exclusion, which has been in existence since 1942. For example, individuals who pay more than $3,000 for a child's college tuition or for an elderly parent's medical expenses must pay gift taxes on the excess over $3,000.

In short, the entire estate and gift tax structure is heavily slanted against passing down family farms and small businesses. It is forcing many to sell out or liquidate before death in order to pay the estate tax bills. My legislation would help to correct this problem and provide a more equitable transfer of property to future generations. I welcome my colleagues to cosponsor this badly needed legislative relief.●

FACTS AND VISIONS

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. PEYSER. Mr. Speaker, in September 1980, I had the opportunity of being at Harvard University where my son Tom had just enrolled as a freshman. While there I attended the Opening Day ceremonies and listened to a sermon preached by the Rev. Peter J. Gomes. I was so impressed by what he had to say that I requested his permission, which he granted, to have the text of his sermon appear in the CONGRESSIONAL RECORD. It is my opinion that the freshmen Members of Congress, as well as other Members, could gain a great deal by reading

what Rev. Gomes has to say. If they just insert "The Congress" where Harvard is spoken of and "Members of Congress" where students are spoken of, it is my feeling that this message would be a great help to all of us. I am pleased to insert the text of Rev. Gomes' sermon:

FACTS AND VISIONS

A sermon preached in the Memorial Church, Harvard University, by The Reverend Peter J. Gomes, Minister and Plummer Professor of Christian Morals, Freshman Sunday, September 7, 1980.

Text: For there is still a vision for the appointed time.—Habakkuk 2:2 N.E.B.

Let me once again take this opportunity to welcome to Harvard and to this church the members of the Class of 1984 and their parents. In a class of great accomplishment and distinction, it perhaps can be said that you have already achieved your greatest accomplishment to date: and that is surviving the fact of your arrival yesterday. Here in Cambridge we conspire to provide a heavensent day and hell-bent traffic as the final test for admission. Our theory is if you can survive the traffic of Harvard Square and the confusion of the College Yard, the lack of directions to dormitories and the seemingly random nature of the driveways and paths, then you are truly the sort of survivor that Harvard and Radcliffe want. We therefore salute you, the survivors. But there is, of course, much more to it than all that, though "all that" is quite considerable. And that is why I have the privilege of the "first word" with you upon your arrival. Your Harvard experience begins here in the Memorial Church not because we don't know what else to do with you, but rather because we want to impress upon you the fact that you cannot make it here alone, or on your own. We begin together here because we need you: the new and vital members of our ancient community of scholars. And you need us, because we know where the bodies are buried; we need one another and each other; and, indeed, this service affirms that we need God as well to be a central part of our enterprise here. Thus we begin together: an old adventure for some of us, and a new and thrilling adventure for most of you, and we begin it together in the presence of God, who was before we were and who will be long after we are gone. It is important to remember that, especially as you come to terms with your accomplishments and those things that remain to be done. To begin in church is to acknowledge with profound and simple modesty that we don't know enough and that what we do know is not enough. This church will stand to remind you all of your days here that all of the facts of Widener and the Science Center are not sufficient if there is no vision to set those facts in order, to provide priority, proportion, and perspective to our lives. And it will serve to remind you as well, that there is a vision for the appointed time.

Now you bring to us so many gifts and talents: your board scores, your letters of recommendation, your parent's tuition. You bring us the diversity of the earth and the special skills of special people. There may even be among you some mediocre, normal, and ordinary people as well. I certainly hope so for there are many of us already here who crave your company and support as well. Perhaps you are not unlike the boy from the Ozarks who, when it was announced that he was admitted to Harvard, was asked, "What are you going to study there?" He replied, "Oh, I am not going to study anything; they are going to study me." There comes from time to time that terrible time in the freshman year when you are convinced that you are an unwilling subject in some bizarre human experiment conducted in the admissions office, or, at worst, you are "a demographical distributive factor" in the diversity machine. On those days you will long for New Haven or for such other exotic foreign parts, but the fact of the matter is you are here, most of you for the duration, and, by God's grace, and your own hard work, you had better come to terms with that reality, and the sooner the better. It is at just such points as this that you need to be reminded that you are neither the first nor the last to go through these trials of spirit here. You are in fact not the first class of '84, there have been three before you, and while not one of those classes has produced a single memorable figure in history, they nevertheless survived, even as will you.

Survival is not enough, however, for you expect and are expected not only to spend quantity time but quality time here as well. And what, we might ask, can you contribute to the quality of the time spent here with us in Cambridge? Well, by who you are, you contribute a freshness and a vitality, a newness to the scene and the enterprise. Some will call it naivete: but if it is naive to buy a book with the intention of reading it, to take a course with the intention of learning from it; to make a friendship with the intention of growing from it, then we need more of that naivete in this place. You do not yet know our ways and so you will bring us the vitality of your own ways of thinking, being, and doing. That is how this great and good place has come into being over nearly three and one half centuries: it has willingly accepted the variety of gifts of its members and made them its own. You have your ideals and your wonder to bring here and you should not be ashamed of making those gifts to so venerable a place as this.

You have what it takes, so take what you have and enrich the place and your part in it by sharing in the spirit and substance of its labors. This means in some measure that you must have a hearty regard for facts. You must care to think and know whereof you speak. In these days of cheap opinions and cheaper words, that is easier said than done, but it is nevertheless for you to do with us. Have a regard for what you say: say what you mean and mean what you say, not bad advice, even for Harvard students. The work of this place is accomplished in slow, measured cadences, accompanied by the accumulation of sometimes unassuming little facts, which, when taken together, assist us in the search for truth. The scholar in general and the Christian scholar in particular is very much a part of that process and has a healthy regard for the vitality of facts. Two times two is frequently four, and water seldom runs up hill. These indeed are "facts," and they help us orient ourselves in an increasingly dis-orienting world. The great historian of the American experience, Charles A. Beard, was once asked to write a little book on the lessons to be learned from history, a subject filled with "facts," so we are told. Professor Beard replied not with a book but with four simple and familiar aphorisms drawn from the collected folk wisdom of the west: 1. Whom the gods would destroy they first make mad with power; 2. The mills of God grind slowly but they grind exceedingly small; 3. The bee fertilizes the flower it robs; 4. When it is dark enough you can see the stars.

Now some of the clever among you can see in Professor Beard's answer the rudiments of the Harvard core curriculum: politics, moral philosophy, biology, and astronomy. But the fact of the matter is that these by themselves are a rather incomplete set of realities, true as they may be, upon which to build either a philosophy of history or a platform for the future. Incomplete because while they are true, they are sufficient enough to give us the full picture without vision to which we need to see our way. Major General Stanley in Gilbert and Sullivan's "Pirates of Penzance," was "the very model of a modern major general, with information vegetable, animal, and mineral," together with many cheerful facts about the square of the hypoteneuse. But he was also a liar, a braggart, and a very stupid character. Harvard has produced more than its fair share of "modern Major Generals" since the matriculation of your predecessors in the class of 1684, but it has not produced its fair share of those men and women of competence and compassion, facts and vision, who see themselves as part of God's plan for righteousness, justice, and mercy in the world, but who accept the fact that not only is there still a vision for the appointed time, but that they are a part of that vision, have a place in it, a responsibility for it.

T. S. Eliot '13, writing of William James '69, once remarked, "he had a mind so fine that no idea could penetrate it." A fine mind is a wonderful thing: we specialize in that here. But it is not enough without an ample vision to inspire it, a passion to fuel it, and a faith to sustain it. (That is why it is the poets and not the philosophers who are remembered as the voice of an age.) Even in these cynical and self-serving times where it is difficult to see much of value surviving the threats and tantrums of the age, there is, in the word of that unpronounceable prophet, a vision still for this time, and it is the same old vision that has obtained from the beginning of time itself, the vision of the kingdom of God in which loving minds and learned hearts are put to the service of creation in response to the love of the creator.

Thus, when we read the Beatitudes we are reading not simply a formula for successful living in "never-never land," we are reading a vision for times such as these, a vision that sustains our own reality, a life-style to be aspired to in the midst of our despair. Blessed, or more accurately, happy are they who in the darkness hold onto this vision of how things can, ought, and must be if the darkness is ever to be overcome.

And you, my dear friends, are a part of all this: you are a part of the vision that can by God's grace transform mere facts into that truth that sets us all free from bondage to the past and fear of the future. You, and I, and this old college are part of that vision that in Christ has made us and sustains us, and in whose service is our only perfect freedom. It will not be easy, but most things worth accomplishing never are. There will be days when the effort to reconcile your facts with your visions will not seem worth the while, and there will be more congenial things to do and be. And yet you will never be what you can become until your mind is animated by what your soul sees: that is called insight, and by that light is the only journey worth taking made. May you begin that journey with us in this place today, and the grace of God go with you.

Let us Pray:

Blessed Lord, what it is to be young,
To be of, to be for, be among—

Be enchanted, enthralled,
Be the caller, the called,
The singer, the song, and the sung.
(David T. W. McCord '23)●

ARTISTS PENALIZED UNFAIRLY

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. RICHMOND. Mr. Speaker, in 1969, Congress decided to change the tax code specifically to stop elected officials from donating their personal papers to libraries or archives and receiving large tax deductions for those contributions. Congress acted properly in closing a large tax loophole which was, unfortunately, used by a few elected officials.

At the same time that Congress closed this loophole it quite unintentionally changed the tax laws that allowed artists to contribute their art works, manuscripts, and compositions to museums and libraries. This was never the intent of Congress, yet we have been unable to rectify the situation in 12 years. Unfortunately, an entire decade has come and gone and a tremendous amount of art work, manuscripts, and compositions have been lost to personal sales or outright destruction because artists can receive no more than the cost of materials when contributing their art work to a tax-exempt organization.

The unfairness of this situation is most evident when one considers an art collector may buy a work from an artist, keep that work for a year, and then give it away at its fair market value and receive a tax deduction for the full amount. While I do not suggest that it is unfair for the collector to receive such a deduction, I certainly believe it is unfair that the artist is prohibited from receiving a similar deduction for his or her work.

We continually ask the artists in our society to subsidize the museums and arts centers by contributing their time and talents, by working for minimum wages and by contributing their art work. It is time that we stop a gross negligence by the Federal Government and allow artists the deduction which they so rightfully deserve.

Ironically, when the artist dies, the same art work he or she could not give away for more than the cost of materials is now taxed, for estate tax purposes, at its full fair market value. This means, for example, that the artist may get a $5 tax deduction for contributing an art work while the same art work—for which he could receive only a minimal deduction—is not taxed as part of his estate at the full fair market value which may be thousands of dollars.

The vast majority of artists do not sell all the art work that they produce in their lifetimes. I have known several artists who paint 5 to 10 pictures each month. If, for example, an artist becomes regionally known and his works begin to sell for $1,000 each and if he has 1,000 works left in the estate at the time of his death then the estate will be taxed by the IRS at $1 million. The chart below will explain this tax structure. The family will have to pay $308,000 if the artist was not married; with the marital deduction his widow will have to pay $118,000. If the family does not have this much money to pay the taxes, then it would seem to follow that at $1,000 apiece either 118 pieces or 308 pieces could be sold to pay the estate taxes. Unfortunately, trying to sell that much work in a short period of time gluts the art market and forces prices down. Second, these prices do not take into account any middleman. Thus, if the family decides to try and sell the art work through a gallery or an auction house—as is usually the case—the family might have to sell twice as many works to receive enough money to pay the estate taxes.

	Single	Married
Gross estate after deduction of:		
Administration expenses	$1,000,000	$1,000,000
Marital deduction		500,000
Adjusted gross estate	1,000,000	500,000
Total Federal and State estate taxes	308,000	118,000
Total Federal and State income taxes on sale of assets to raise funds to pay estate taxes	[1]0	[1]0
Total taxes	308,000	118,000

[1]No income tax because of step up in basis of art work to estate value.
Assumptions: (1) All art work produced after 1976. No consideration for other income earned by estate or heirs. (2) No consideration for estate tax added to basis. (3) Art work did not increase in value after death. (4) State estate tax equals credit for State tax on Federal estate tax return.

Mr. Speaker, because of this situation many artists have opted to destroy their art work rather than force their families into bankruptcy. Several well known artists have begun destroying their work. This is not only a loss of national treasures, it is also a national disgrace.

I have introduced legislation that will permit artists to donate their works to museums and other nonprofit institutions. This legislation would take artists back to pre-1969, when they were allowed to take a full fair market tax deduction for contributing their works. The prohibition with regard to contribution of official papers by politicians would still remain in effect. Similarly, I have introduced legislation which would, from estate tax purposes only, allow the valuation of the art work left in the artist's estate at the cost of materials. All this would mean is that the family would not be forced to liquidate the estate to pay the taxes. If the estate decided to sell any individual piece of art work, then ordinary income taxes would still be paid on that sale. I have received several comments about these pieces of legislation from artists and supporters of the arts and I would like to enter them into the RECORD at this time:

COMMENTS BY ARTISTS AND CULTURAL REPRESENTATIVES ON THE BILL TO RECTIFY ARTIST'S ESTATE TAXES.

This bill is essential to family security and piece of mind of every creative artist in the country. Evaluating artists' work at cost solves the agonizing problem of heirs having to quickly sell the art to pay the estate tax.

RUBIN GOREWITZ,
President, Artists' Rights Today.

The irony of an artist not to be able to afford being alive or dead can be creatively altered by the passing of your bill. Everyone survives in this change in the law, even the deceased is comforted. Thank you.

ROBERT RAUSCHENBERG,
Prominent American Artist.

The present estate tax situation is a glaring inequity. It seems to me an appalling contradiction that an artist giving a gift of his or her own work to a public institution may deduct only the cost of producing that work. (Usually about $75.) At the artist's death that same work is then assessed at fair market value and this figure often reaches into the hundreds of thousands of dollars. The real losers in this situation are our public institutions, libraries, and museums and thus the American people. If we are to believe that the arts are a national resource, let us encourage them with this measure.

JAMIE WYETH,
Prominent American Artist.

Artists' Equity Association, the national organization for professionals in the visual arts, endorses H.R. 1720 so that created art work may be valued for estate tax purposes at the costs of artists' materials. In addition to relieving the punitive burden on artists' heirs, the legislation would, if enacted, bring the code into line with those portions that pertain to deductions for casualty losses and charitable donations.

GILDA ELLIS,
President, Artists' Equity Association.

I want to thank you for writing this bill to enable the artist at his death to leave his work evaluated at cost to his heirs. This would help stop the confusion between esthetic value and money, so that after death each painting could achieve its own value and be taxed as it is sold. Thomas Hart Benton whose morals adorned the Truman Library burned many of his works so his family wouldn't inherit an immediate, unusual tax burden. The passing of this bill will help normalize a stricken cultural situation.

JAMES ROSENQUIST,
Prominent American Artist.

An unfair contradiction exists in present tax law. In an artist's estate, his work is taxed at full value, but should he donate his works to an institution during his life-time, the works are valued essentially at zero. One end or the other of this contradiction

should be changed. I am very much in favor of H.R. 1720.

ROY LICHTENSTEIN,
Prominent American Artist.

As an artist deeply concerned about the welfare of my family, I heartily endorse this bill. Being an artist is a risky and uncertain occupation. I am disturbed that I can contribute to a museum and only deduct cost of materials. If I give the work as a gift, I must pay a gift tax. I cheerfully pay all my taxes when I sell my work. When I die, my heirs under present law would be forced to pay large taxes on unsold works. Your bill redresses an unfair situation and I wish you great success in your endeavors.

GEORGE SEGAL,
Prominent American Artist.

Mr. Speaker, these bills will rectify current tax structures which discriminate against artists and will provide some relief to the pressing financial burdens facing individuals and cultural institutions. I hope that my colleagues in Congress will act swiftly to pass these bills putting to an end glaring errors in the current tax laws unfairly penalizing artists and art institutions and insuring that the American people will have the opportunity to enjoy the creative efforts of contemporary artists.

I urge my colleagues to join with me in insuring that the tax inequities I propose to eliminate are ended in the very near future.

The following is the text of the legislation:

H.R. —

A bill to amend the Internal Revenue Code of 1954 to remove certain limitations in the case of charitable contributions of literary, musical, or artistic compositions, or similar property

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (e) of section 170 of the Internal Revenue Code of 1954 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end thereof the following new paragraph:

"(4) SPECIAL RULE FOR CERTAIN CONTRIBUTIONS OF LITERARY, MUSICAL, OR ARTISTIC COMPOSTIONS.—

"(A) IN GENERAL.—In the case of any charitable contribution of a literary, musical, or artistic composition, any letter or memorandum, or similar property if such property was created by the personal efforts of the taxpayer making such contribution, the amount of such contribution shall be the fair market value of the property contributed at the time of such contribution and no reduction in such amount shall be made under subparagraph (A) or (B) of paragraph (1).

"(B) CERTAIN CONTRIBUTIONS BY PUBLIC OFFICIALS.—Subparagraph (A) shall not apply in the case of any charitable contribution of any letter, memorandum, or similar property which was written, prepared, or produced by or for an individual while such individual was an officer or employee of the United States or of any State (or political subdivision thereof) if the writing, preparation, or production of such property was related to, or arose out of, the performance of such individual's duties as such an officer or employee."

(b) The amendment made by subsection (a) shall apply to contributions made after December 31, 1980, in taxable years ending after such date.

H.R. —

A bill to amend the Internal Revenue Code of 1954 to provide that the executor may elect to disregard, in the valuation for estate tax purposes of certain items created by the decedent during his life, any amount which would not have been capital gain if such item had been sold by the decedent at its fair market value

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part III of subchapter A of chapter 11 of the Internal Revenue Code of 1954 (relating to gross estate) is amended by inserting after section 2032A the following new section:

"SEC. 2032B. VALUATION OF CERTAIN ITEMS CREATED BY THE DECEDENT.

"(a) GENERAL RULE.—If—

"(1) the decedent was (at the time of his death) a citizen or resident of the United States, and

"(2) the executor elects the application of this section,

then, for purposes of this chapter, the value of qualified creative property shall be determined under subsection (b).

"(b) VALUE OF QUALIFIED CREATIVE PROPERTY.—For purposes of subsection (a), the value of qualified creative property of the decedent shall not include any amount which would not have been capital gain if such property had been sold by the decedent at its fair market value (determined at the time of the valuation of the gross estate of the decedent).

"(c) QUALIFIED CREATIVE PROPERTY DEFINED.—For purposes of this section, the term 'qualified creative property' means any copyright, any literary, musical, or artistic composition, any letter or memorandum, or any similar property—

"(1) which was held by the decedent at the time of his death, and

"(2) which was created by the personal efforts of the decedent.

"(d) ELECTION.—The election under this section shall be made not later than the time prescribed by section 6075(a) for filing the return of tax imposed by section 2001 (including extensions thereof), and shall be made in such manner as the Secretary shall by regulations prescribe."

(b) The table of sections for such part III is amended by inserting after the item relating to section 2032A the following new item:

"Sec. 2032B. Valuation of certain items created by the decedent."

(c) Paragraph (3) of section 1014(a) of such Code (relating to basis of property acquired from a decedent) is amended by striking out "section 2032A" and inserting in lieu thereof "section 2032A or 2032B".

SEC. 2. The amendments made by the first section of this Act shall apply to estates of decedents dying on or after January 1, 1981.●

CONSTITUTIONAL AMENDMENT NEEDED TO LIMIT FEDERAL SPENDING

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. McCLORY. Mr. Speaker, in my judgment, no recent development has been more welcome or more urgently necessary than the spread of awareness among the American public and their elected representatives that our grave economic difficulties cannot be overcome unless and until the Congress and the administration take immediate action to control runaway Government spending and to eliminate massive Federal deficits.

Federal expenditures climbed $86 billion, from $493 billion to $579 billion between fiscal year 1979 and fiscal year 1980, and are projected to rise by a nearly equal amount to in excess of $660 billion in fiscal year 1981. It has been over a decade since the Nation has had a budget surplus, and meanwhile the national debt has increased from $382 billion in 1970 to over $908 billion in the latest figures available. Mr. Speaker, this is nothing less than fiscal madness.

In the last Congress, the Judiciary Subcommittee on Monopolies and Commercial Law, on which I have been ranking minority member, held seven hearings and heard testimony from over 40 witnesses on nearly 200 constitutional amendments to limit Federal spending. Those of us who favored this approach to restore fiscal integrity to our Government were frustrated by the unwillingness of our chairman to proceed to markup and by the lack of a broad consensus on a single workable formula. I am frankly optimistic however, that the recent election returns have reduced the first obstacle and that the second can be met by early agreement in this Congress among proponents.

The amendment I am introducing today, a modification of House joint resolution 269, which I sponsored in the last Congress, seeks to promote that consensus. It provides that expenditures in any fiscal year, including interest on debt but excluding expenditures for repayment of debt principal, shall not exceed revenues collected in that year, except revenues raised by borrowing on the credit of the United States, nor the average of expenditures as a percentage of gross national product over the 3 preceding fiscal years. Revenues would exclude amounts raised by borrowing on the credit of the United States, but such borrowing, except for refinancing of debt incurred prior to the amendment coming into effect, must be specifical-

ly authorized by Congress for capital expenditures for a period of time not to exceed their useful life. Congress is mandated to provide by law for the repayment of the debt of the United States existing when the amendment comes into effect. Any provisions of the amendment may be suspended for a year whenever two-thirds of the Congress determines it to be necessary. The amendment is made applicable to fiscal years commencing more than 2 years after ratification.

My amendment embodies a number of concepts which I believe should attract broad support from the Members of the House. Among these are the following:

First, that expenditures should be both balanced against revenues and capped as a proportion of GNP;

Second, that if GNP is a measure that it should be retrospective over several years to achieve greater accuracy and to minimize the effect of swings in the business cycle;

Third, that borrowing for capital expenditures should only be for a period of time commensurate with the probable useful lives of the tangible assets acquired;

Fourth, that a separate capital budget is a concept which can be as viable on the Federal budget level as it is in most States;

Fifth, that a constitutional mandate for retirement of the Federal debt should be made flexible by not prescribing particular congressional action; and

Sixth, that provision for a congressional override by two-thirds vote is necessary and appropriate.

I commend this approach to my colleagues, I encourage your cosponsorship, and I pledge myself to work diligently to secure early passage of a realistic and effective spending limitation amendment in this Congress.●

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. ZEFERETTI. Mr. Speaker, I have introduced today H. Res. 13 to reconstitute the Select Committee on Narcotics Abuse and Control in the 97th Congress. This measure is identical to the resolution that established the Select Committee on Narcotics Abuse and Control in the 96th Congress. The committee would be authorized "to conduct a continuing comprehensive study and review of the problems of narcotics, drug, and polydrug abuse and control," to review executive branch recommendations concerning drug abuse programs and policies, and to recommend legislation or other action to the appropriate standing committees of the House. The committee would not have legislative jurisdiction.

Drug abuse and drug trafficking are among the most serious social problems facing our Nation today, and unfortunately, they will continue to present difficult challenges for the foreseeable future. Drug trafficking in the United States has become a $50–$60 billion-a-year industry. Our hard-won successes in reducing the level of heroin addiction and the number of heroin-related deaths and injuries nationally are now threatened by a new influx of high-grade heroin from Southwest Asia that has already created a heroin crisis in several eastern U.S. cities. Marihuana and cocaine use are at all-time highs, and the abuse of prescription drugs constitutes a serious threat, particularly for vulnerable populations such as the growing number of elderly people in our society.

Developing and implementing effective, long-term strategies to meet the problems of drug abuse requires the continued, concentrated effort of the Congress and the executive branch, working together with State and local governments, the private sector, and the international community. We cannot afford to lose the momentum that has been generated in the past several years. Continuing the Select Committee on Narcotics Abuse and Control will assure that the House has the resources and the expertise needed to conduct the comprehensive oversight essential to the formation of sound drug abuse policies and programs.

During the 96th Congress, the Select Committee on Narcotics Abuse and Control recommended that the House establish a permanent Special Oversight Committee on Drug Abuse and Control. The committee's recommendation was presented in a report to the House entitled "Recommendation for Continued House Oversight of Drug Abuse Problem" (H. Rept. 96-1380), a copy of which was circulated to all House Members. Because of the many changes in the membership of the Congress, and also because a new administration will soon take office, we believe it best to defer seeking permanent status at this time. Nonetheless, many of the reasons we offered for creating a permanent committee—namely, the scope of the problem, the need for comprehensive, coordinated oversight and the fragmentation of drug abuse jurisdiction among the standing committees of the House—apply with equal force to continuing the select committee for an appropriate interim period. I encourage each of you to consider these arguments carefully.

There is strong grassroots support to continue the work of the committee. Parents, educators, State, local, and private drug abuse treatment organizations as well as law enforcement organizations have petitioned for our continuance. The National Federation of Parents for Drug Free Youth, comprised of concerned parent groups throughout the country, passed a resolution strongly supporting the continuance of the committee and conducted a letterwriting campaign to Members of Congress. These groups look to the committee as the only body in the Congress which is committed solely to address the complex problems of drug abuse and they need our continued support.

Drug abuse and drug trafficking affect virtually every congressional district. Controlling and preventing these menaces merit the bipartisan support of this body. I urge you to support the continuation of the Select Committee on Narcotics Abuse and Control and invite you to join with me in sponsoring H. Res. 13.●

"SAME-TIME"/SUNDAY VOTING BILL

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. BIAGGI. Mr. Speaker, last August I introduced a bill, H.R. 7928, to establish Sunday elections and uniform voting hours nationwide on a trial basis. At that time, I expressed my conviction that these two changes would help to stimulate our Nation's dismal voter turnout rate and prevent west coast voter apathy during Presidential elections.

Today, convinced more than ever that these election reforms are necessary, I am reintroducing this measure in identical form, and am hopeful it will receive prompt consideration.

Specifically, my bill would require that all general elections be held on Sunday, and all polls across the country open and close during the same 9-hour period of 12 to 9 p.m. (e.s.t.) in Presidential election years. The 6-year trial period would begin in 1982, with the Federal Elections Commission monitoring the impact of the changes on voter turnout.

The need for these changes is clear:

Voter turnout has declined in every Presidential election since 1960;

The 1980 voter turnout was the lowest for a Presidential election in 32 years—with only 52.3 percent of all those eligible actually participating;

In non-Presidential elections, the figures are far worse—only 34 percent went to the polls in 1978;

Voter turnout in Western European democracies where national elections are held on Sundays averages nearly 40 percent higher than our own; and

Voter participation declined from 1976 in every Pacific time zone State, including Alaska and Hawaii, where polls were still open when the first projections of a Ronald Reagan victory were announced.

Since launching my campaign for "Same-Time"/Sunday voting last August, the proposal has received enthusiastic endorsements from the media, religious leaders, State election officials, and numerous other interested groups and individuals around the country.

Mr. Speaker, the facts clearly indicate that our current election process is failing us miserably. We must not allow this deterioration in our democratic process to continue. I offer my proposal as a responsible and effective solution, and urge my colleagues to join me in this crucial cause.●

INTEREST RATES ADVERSELY AFFECTING HOUSING STARTS

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. HUBBARD. Mr. Speaker, to express his concerns about the problems homebuilders are confronting with uncontrollable interest rates, one of my friends, Frank W. Wagner, president of Wagner-Shuck Builders, Inc., of Owensboro, Ky., wrote the following letter to me. I want to share this letter with my colleagues because I believe that Mr. Wagner has included suggestions which could be beneficial to us in our search for solutions to the problem of decreased housing starts.

Carroll, it is obvious to you, no doubt, that our industry is in an extremely precarious position.

Something must be done right away to bring the interest rate down which is going to necessitate an immediate and no doubt unpopular move by someone in Congress. Any effort in this regard will most certainly mean an outflow or reduction in income to the treasury.

I have written to both Senators Huddleston and Ford begging for an immediate moratorium on income taxes charged against earnings on deposit in savings institutions earmarked for home financing. Our National Association has been asking for this for quite some time and there is sufficient evidence to indicate that the result of such action could instantly create adequate home financing money at a rate that many more Americans can qualify to pay. It is appalling to note that with 14% mortgage interest rates (which incidentally is the average rate here in Owensboro), only 9.1% of American families in this nation could qualify for a $60,000 mortgage. More alarming, however, is that our industry, probably the second most significant industry in our country, is experiencing an unemployment rate in excess of 17%. The resulting inactivity plus the additional burden of those receiving federal assistance is creating billions of dollars in deficits to the treasury. One source quoted a 1% decrease in unemployment as amounting to an increase of between $20-27 billion being added to the treasury.

These are indeed complex problems and certainly there are several things the government can do to immediately help including, but not limited to, the lifting of income taxes on savings dividends to encourage deposits for the purpose of home loans. Something else which would immediately help the movement of existing house inventory would be a tax credit, which was most effectively done back in 1974-1975. Another proven method of stimulating sales would be the reactivation of the Emergency Home Purchase Act of 1974 (Brooke-Cranston). This is something we begged for back in May, but to no avail, which ironically, had this program been implemented then, mortgages purchased by GNMA at three points under market at that time could have subsequently been sold at close to par.

It is frustrating to me to see our government supporting farmers and other industry, but doing nothing to help our industry which is in a crisis situation because of government's inappropriate action.

I really did not mean to rattle on about our problems but we do need help and it has got to come from government and in order to help it needs to be fast. Out of the 15 largest builders in Kentucky, all but two are in precarious financial condition and many of the smaller ones have already failed.

I know that of all the people in office you are indeed one of the most concerned for the welfare of our industry and feel that we can continue to count on you for support. Perhaps with your close connection with the House leadership, you may just be the one to help solve some of our problems. Needless to say, any efforts in this regard will be greatly appreciated and I would be most anxious to supply you with direct and precise facts concerning our problem.●

WILL RUSSIA INVADE POLAND

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. ASPIN. Mr. Speaker, Americans are breathing more easily about Poland, generally believing that each day that passes without a Soviet invasion makes an invasion all the more unlikely. But, in reality, the most dangerous time for Poland is just around the corner—and the chances of a Soviet invasion are very high.

Looking at recent U.S. press accounts, the most widely accepted interpretation holds that Moscow has been prepared militarily to invade since early December. But there is strong evidence that Moscow is not yet prepared, either militarily or politically.

The main piece of evidence for a lack of political preparedness is the absence of a constant propaganda line. Before any major initiative, Moscow always starts greasing the propaganda skids by telling the world how bad are the conditions the Red army is planning to cure. That has not yet happened.

On December 6, Moscow hosted an Eastern summit that underscored Moscow's lack of political preparation. The Rumanians were invited and attended. Because of their firm opposition to Moscow's claimed authority to preserve the Communist commonwealth, the Rumanians would never have gone to that summit if a propaganda line had been fixed and they thought a decision to invade was preordained. It is probable, therefore, that they attended because they knew a decision remained to be made and they hoped to be able to influence the outcome.

The final political preparations have most likely not been made because the Russians are unready militarily. The Russians are careful and, some might say, plodding planners. Before the 1968 invasion of Czechoslovakia, the Red army exercised each component of the invasion force, sometimes more than once.

Some analysts viewed this as politically motivated—that the Russians were making noises, first, to scare the Czechs into complying without an invasion, and, second, to try to lull the West and fool it about the true invasion date.

But this misses the point that long and careful preparations are a fixture of Soviet military doctrine. Czech intelligence officers, who have been trained in the Soviet system, said it took the Russians 6 months to prepare for the 1968 invasion of Czechoslovakia. It would take an equal time to prepare a similar invasion; 6 months, they insist, is the standard.

The Polish strikes began in mid-July. If the Russians began working on the invasion option at that time—the earliest they could possibly have begun preparations—then the time to begin worrying seriously about an invasion is after mid-January.

U.S. officials have been touting Soviet preparedness since as early as December 3. It is this official position, more than anything else, that Fed expectations of Soviet action early in December and that has produced the current sense of ease. But this may be another case of the common intelligence failure known as mirror imaging—assuming that others are like us. The United States has a firefighter approach to the use of military force and is very conscious of the importance of speed in the event of intervention. The Soviets give much greater weight to advance preparation.

Thus, on December 9, one administration official told newsmen that the Russians had done "everything short of starting the motors." Reports such as these grossly exaggerated the state of readiness of the Red army. On December 12, it was reported in the press that Soviet forces were "reconnoitering" routes into Poland. That, in itself, indicated the Russians were far from ready. Reconnoitering is a step taken

during the runup to a military operation, not at the last minute after units have already reached a state of readiness.

If the Soviet preparation time is the usual 6 months and the Soviet leadership does decide to go ahead, the invasion of Poland can come sometime after mid-January. But a decision cannot be postponed long after that point. The window during which the invasion can be launched stretches only from roughly mid-January to late March. The window closes by the end of March for three reasons.

First, there is the weather. In the spring, the invasion routes turn to mud. That would complicate the task of the invading force and make the invasion far more difficult. The frozen ground of winter is a preferable fighting stage for the Russians and their tank-led forces than the mud of the Russian rasputitsa, the "roadlessness" of spring.

Second, there is the mobilization timetable. The Russians called up thousands of reservists a few weeks ago, an action that helped to fuel the concerns about an invasion. Those troops are due to head homeward in March. Of course, they could be held on duty longer, but that would lower troop morale and threaten production plans at the factories from which they were drawn. What is more, the equipment now being exercised will begin to show the effects of extensive use.

Third, there is the unique Soviet draft system. The biannual callup of conscripts who are due to head homeward in May. Again, their tours of duty could be extended, but only at the risk of considerable disruption to the creaky Soviet administrative apparatus.

Politically, the invasion window will also close by late March because the Polish Party Congress is due to convene soon afterward. The current party leadership is relatively pliant, but the Congress could choose a new leadership more likely to lead resistance to a Soviet invasion. While there is little question that the Soviet Army could crush the Polish Army, Moscow would certainly prefer to avoid the additional costs—both political and human—of bloody warfare.

Will the Russians invade? There is no definitive word: The Kremlin probably has yet to make up its own mind. Once the political and military preparations are in place, the decision can be made in less than 72 hours before the borders of Poland are crossed. But the odds certainly lean toward an invasion for three key reasons.

First, there is the bureaucratic momentum. A great deal of time, effort, and money is being expended on preparations, which have a way of taking on a life of their own. Many up-and-coming Communist bureaucrats working on this project undoubtedly see a chance to advance their careers. While the window is open, Kremlin decisionmakers will be reminded of the old dictum: Use it or lose it. If those leaders decide not to invade, the opportunity will pass—if Poland blows up, guess who will take the heat. Furthermore, on no other occasion of which we are aware have the Soviets failed to use the moblized forces at their command after such massive preparations.

Second, the overriding concern of the Russians is the perpetuation of Communist party control in Warsaw—by definition that means crippling the nascent independent trade union movement. Moscow has been trying to control the unions through the Polish Communist Party. Poland's Communists today, however, are anything but a reliable instrument of Kremlin control. Some of them even sympathize with the trade union movement. Unless Stanislaw Kania, the party First Secretary, can whip the party into line—and convince Moscow that he has done so—the Soviet leadership will have but one option—to invade.

Third, Kania faces opposition within his own party, not just from those who sympathize with the unions, but also from personal and professional opponents who would love to see Kania get his comeuppence. That opposition sees a Russian invasion as a means to effect a clean sweep of the Kania clique. Thus there are elements within Poland eagerly urging the Russians to get on with it.

In sum, the real danger period for Poland has not passed; it is just about to begin. And while the Soviet Politburo has probably not yet voted on whether to invade, the head of steam building inside the Kremlin makes an invasion far more likely than a peaceful resolution.●

ELEANOR JOSAITIS: A WOMAN WHO CARES

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. TRAXLER. Mr. Speaker, it gives me great pleasure to advise our colleagues today that Eleanor M. Josaitis of Detroit, Mich., has been selected as the Career Guild's First Woman of the Year for 1981.

It is rare that a Member of Congress has an opportunity to get to know and work with an individual from outside one's own congressional district, but I am very pleased that as a member of the Subcommittee on Agricultural Appropriations I have had the good fortune to work with Eleanor over the past few years to help safeguard the continued operation of the commodity supplemental feeding program, a program which provides food items to needy mothers, infants, and children at one of the lowest per person costs of any Federal feeding program.

Eleanor Josaitis is the codirector of Focus: HOPE, a Detroit organization that was established as a result of the riots in Detroit in 1968 to help thousands to find jobs, maintain their dignity, and avoid the ravages of hunger. Focus: HOPE is the largest commodity supplemental feeding program in the Nation, serving about 40,000 individuals a month. The program is expanding daily, and today is particularly significant as Focus: HOPE opens another food distribution center in Detroit.

Many people will take on several projects during their lifetimes, and only a select few leave a mark that will be remembered and used as a model. Eleanor Josaitis is such a person. She has set one simple goal for herself: to do whatever is possible to help those in need. With this one goal, she has worked to feed the hungry, to provide legal representation for those who might not otherwise have had it, to aid the old and the young when they are ill, to help those who want work to find it, and, most importantly, to be a friend to those who believe that they have been forgotten by society.

Eleanor has worked with Father William Cunningham, a priest who believed that he needed to be involved with people to be helpful and founded Focus: HOPE. Together they have earned the respect of civil rights and hunger organizations throughout the Nation.

The work of Eleanor Josaitis has been so impressive that in 1978 she was chosen by Secretary of Agriculture Bob Bergland to serve as a member of the National Advisory Panel on Maternal, Infant and Fetal Nutrition, and has in that position done more than anyone could imagine to help people understand the importance of the commodity supplemental feeding program.

Mr. Speaker, I am proud to know Eleanor Josaitis, and I would like all of our colleagues to know more about this exemplary woman who believes that Government can and does help people. I am submitting a copy of the release announcing Eleanor's selection, and I commend it to all of our colleagues who may want to know more about this woman who will be honored in Chicago on January 30 with an awards luncheon:

ELEANOR M. JOSAITIS NAMED CAREER GUILD WOMAN OF THE YEAR

EVANSTON, ILL.—Eleanor M. Josaitis of Detroit, Michigan, has been selected Career Guild Woman of the Year for 1981. Ms. Josaitis is Associate Director and co-founder of Focus: HOPE, a civil and human rights movement in metropolitan Detroit. She will be honored at a luncheon to be held January 30, in Evanston.

In the words of her nominator, Career Guild member, Marilyn Mosier of Detroit, Eleanor Josaitis is "a 'dynamite' woman exploding with energy, social commitment, and leadership ability".

Twelve years ago, after the Detroit riots and the assassination of Dr. Martin Luther King, Eleanor Josaitis realized what really mattered to her. Her reaction to national and local racial problems was moral outrage and a plan for action.

Eleanor and her husband and five young children moved from their suburban home to a house in an integrated neighborhood of Detroit. Both parents felt that they should raise their family in a racially and economically integrated neighborhood. They "didn't want the children to have narrow minds", but wanted them to be "open and generous", Eleanor explains.

She had first become aware of the poverty that existed in Detroit when Father William Cunningham visited her suburban church as a week-end assistant. Realizing the social and racial inequities of the inner city, Eleanor reached with her concern for basic human rights.

In 1968, Eleanor, Father Cunningham, and Father Jerry Fraser, responding to the moral and social crisis in Detroit, founded Focus: HOPE to deal with racism and inequalities suffered by people in the city. As Eleanor explains, they asked themselves, "What are we as Christian men and women doing about this?" Thus emerged their dream to bring black and white people together and to feed the hungry. They became the leaders of the project; and after they began to do something, others followed.

"If you put people in a position where they see an injustice, they will then become a part of the solution," Eleanor believes. "I am convinced that there are thousands and thousands of people who want to contribute, who want to do something to combat injustice and inequality. But someone needs to lead." Eleanor sees herself as a catalyst to affect change.

In response to discriminatory food prices in the inner city, the Food Prescription Program was established. Today this program distributes food to 38,000 low income and undernourished mothers, pregnant women, babies, and pre-school children each month. Food from the U.S. Department of Agriculture is distributed according to a prescription based on the family's need.

Currently, there are three food distribution centers, but a fourth will be opened soon. The number of recipients will increase to 48,000. However, Eleanor points out that Detroit health department statistics indicate that there are 138,000 people in the city who need assistance. "Even though we're proud of what we're doing, we're a long way from getting the job done," she says.

Father Cunningham and Eleanor Josaitis now oversee a staff of 96 at Focus: HOPE, and other programs involve encouraging teenagers to stay in school, support for inner city neighborhood problem solving, equal employment opportunities, and public education. Soon Focus: HOPE will expand its services with a food program for senior citizens and a plan to improve the quality of inner city housing.

Eleanor Josaitis' concern for people and their well-being dominates her home, her family life, and her career. Eleanor's own children are now age 14, 18, 20, 22, and 23. At one time the family opened their home to a foster child. Commenting on the "life of reality" they have experienced, Eleanor says of her children, "They are loving and giving. They have moral fiber, a sense of fairness. They are intolerant of injustice. They, too, will affect changes in society."

Eleanor has been appointed to the U.S. Department of Agriculture Advisory Council on Maternal, Infant and Fetal Nutrition. The council reports to the President and Congress and makes recommendations for food assistance programs.

"We at Focus: HOPE are willing to help other communities in any way possible to start a program," she states. "We believe in the program. It works."

"Eleanor Josaitis' success," her nominator points out, "illustrates what creativity, drive, moral strength, and hard work can accomplish." She is an impressive role model for women everywhere.●

INTRODUCING CONSTITUTIONAL AMENDMENT FOR 6-YEAR PRESIDENTIAL TERM

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. BROOKS. Mr. Speaker, today I am introducing a proposed constitutional amendment to provide for a single, 6-year term of office for the President. Let me say at the outset that my decision is in no way influenced by the election of Ronald Reagan as President. No incumbent President's term of office would be affected by this amendment if it were adopted. Nor is it my intention to reduce the power and influence of the Office of President. To the contrary, I believe a single, 6-year term of office would make the President a stronger, more effective leader of the Nation.

This is not a new suggestion. It was considered at the Constitutional Convention, has been brought forward periodically in the 200 years since then, and has been the subject of hearings in the House and Senate in recent Congresses.

Despite the failure of all those previous efforts to bring about the change, I am persuaded to try again because of my conviction that the stresses and complexities of the Office of President of the United States have become so great; that the decisions the President must make have such awesome import for the entire world, that we must do everything we can to make the Office as effective as it can be. I am further convinced that it would be in the best interest of the Nation if the person in the Oval Office were free to concentrate on running the country instead of running for a second 4-year term.

Mr. Speaker, we have just seen how distracting the demands of partisan politics can be on a President. President Carter was forced to spend nearly the entire last year of his term in grueling campaigns, first for his party's nomination, and then for reelection. And at the same time, he had the full responsibilities of his Office to carry out.

We can only speculate as to whether the decisions he made and the actions he took in the vitally important matters he had to deal with during that period might have been different if he had been free of the concerns of reelection. But there can be no doubt that those concerns were present, and that the pressures they created added to the burdens the President bore.

We do not need to add to the burdens of the Presidency. It is already a job that will tax to the fullest the capacities of whoever holds the Office. By setting a 6-year term and removing the possibility of reelection, we would be permitting the skills, energies, intelligence, and dedication the job requires to be focused where they should be—on leading the Nation—instead of having them diluted and diverted in political campaigning.

I hope this proposal will be given serious consideration during the 97th Congress.●

INTELLIGENCE PRIORITIES FOR THE 97TH CONGRESS

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. BOLAND. Mr. Speaker, today, the first meeting of the 97th Congress, seems to me an appropriate time in which to make some observations concerning the state of the U.S. intelligence community.

Much has been said in recent months about the health of our intelligence services. I feel that, throughout that period, too little emphasis was placed on the positive developments that I have observed in 3½ years as chairman of the Permanent Select Committee on Intelligence. To list but a few, our Nation is served by technical intelligence systems unsurpassed by any other nation; by a solid corps of dedicated, highly professional intelligence careerists; by an improved indications and warning system; by increased attention to a healthy analytic effort; and by annual qualitative improvements in intelligence production. Last, there has been established, and I believe firmly established, the positive role that Congress can play through oversight of intelligence activities, through review and authorization of the intelligence budget and through the enactment of legislation that meets the special needs of intelligence operations while providing the same protections to Americans as do other government activities. The most important aspect of the congressional role—access to information—is now guaranteed by statute. The budget

and legislative processes work well—as is amply testified to by the endorsements of all the officials heading our intelligence agencies.

All these developments are positive signs that the U.S. intelligence community remains strong, second to none. Yet there are problems which must receive attention. The list is familiar because of the attention devoted to these problems in the preceding Congresses. The most important one is also the most difficult to attack—that of morale among those who, by stealth and clandestine craft, must collect human intelligence, the sine qua non that can expose the enemy's intentions and plans.

Because of the importance of human intelligence collection, much has been proposed to improve morale. The essence of these proposals has been to protect intelligence personnel as they go about their duties. Thus much attention was given to improving cover and assuring intelligence sources of the integrity of U.S. security. A three-pronged effort-intelligence identities protection (H.R. 5615, which I reintroduce today in the form in which it was reported by both the Intelligence and Judiciary Committees), amendment of the Freedom of Information Act and the plugging of leaks—was put forward. Although the 96th Congress achieved some progress toward considering these initiatives, no final resolution occurred. Also deferred was a more ambitious effort of enacting intelligence charter legislation, an effort to legitimitize and place the seal of approval on intelligence activities within guidelines established by law. The complexity of this task seems to have been its principal foe, yet the clearing away of ambiguities and legal uncertainties remains an important goal of the intelligence community.

Mr. Speaker, the new President will have his own ideas on how to use the capabilities of the intelligence community and how to resolve its problems. The Permanent Select Committee on Intelligence will work hard with him and with the new Director of Central Intelligence to formulate programs to achieve these ends. One change is already apparent. The new Director of Central Intelligence will have Cabinet rank, a preeminence no predecessor has ever achieved.

In the midst of all the changes that are and will be taking place, however, I wish to make clear to the new President, the House, and American people, that the Permanent Select Committee on Intelligence will take its role in these matters very seriously. It will expect to be kept fully informed of intelligence operations in accordance with the new oversight statute. It will examine the budget and all legislative proposals carefully and fully. And most importantly, it will seek to proceed in these tasks on the basis of the very positive foundations built by both the Ford and Carter administrations.

Among these basic authorities are those established by Executive order (E.O. 11905 under President Ford; E.O. 12036 under President Carter) which strengthened the central management of the intelligence community and provided for Attorney General approval of operating procedures affecting Americans. These guidelines have provided certain basic protections through two administrations—Republican and Democratic. Their thrust has been to foster respect for the rights of citizens in a fashion that does not impede intelligence operations. Further, essential statutory authority, such as the Foreign Intelligence Surveillance Act and the Classified Information Procedures Act, has improved the ability of intelligence and legal authorities to operate effectively within a framework that protects basic privacy rights of Americans. Public endorsements by key intelligence officials of the essential value of these achievements places a heavy burden on those who would change them.

It has been the experience of the committee—as, I am sure, it will continue to be—that full consultation concerning, and consideration for, intelligence needs can produce legislation which provides the authorities and procedures essential to intelligence operations without sacrificing the individual liberties of Americans. The strong evidence is that clearly established legal, administrative, and organizational lines of authority insure legitimacy, public approval, and effective operation of essential intelligence tasks.

The intelligence community can work toward the resolution of the problems it faces through the same careful procedures that have produced authorities which have proven effective. The Permanent Select Committee on Intelligence will continue to be sympathetic to intelligence concerns. It will seek to insure flexible responses to problems while establishing firm protections where necessary. The essential operations of the committee will continue in a bipartisan fashion. Where members disagree, their differences will be aired in full public view and by debate that preserves the secrecy of important national security secrets.

Mr. Speaker, I personally, and I am sure the committee as a whole, pledge to complete the task begun by Presidents Ford and Carter of rejuvenating, improving, and legitimizing the intelligence process. The increased challenges that face the Nation and create the demands upon intelligence will make this task all the harder, but I believe that much can be accomplished in the 97th Congress if the cooperative approach which is the President-elect's trademark helps guide the process of finding solutions to these challenges.●

INDIVIDUAL INVESTORS INCENTIVE ACT OF 1981

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. SCHULZE. Mr. Speaker, 3 years ago, this legislative body took a positive step to encourage investment and promote the growth of capital formation with the passage of the Revenue Act of 1978, maximum Federal tax rates on long-term capital gains were rolled back from 49 percent to 28 percent.

This measure which was overwhelming approved by the Congress was rightfully hailed as a significant development for it began to reverse our past misguided economic policies. These past policies have resulted in our Government taxing profits and dividends, savings and capital, sales and income, and all of the other rewards of risk taking so heavily that the risks are no longer worth taking.

While I do not wish to minimize the importance of the capital gains reduction, it must be viewed as only the first step in our ongoing struggle to reduce our Nation's declining productivity growth by encouraging individuals to invest their savings in America's future.

Regrettably, the United States remains a nation with a low level of capital investment and the lowest savings rate of all major industrialized nations. In the last 10 years, at least 6 million investors have left the stock market and every group of individuals, except those 65 or older have opted to not invest their savings in American industry. This mass defection of individual shareholders has had an extremely detrimental impact on capital formation and has virtually eliminated the equity capital market for small and new enterprises.

As a result of this lack of investment, the United States is losing its lead in innovation and the technological superiority we have enjoyed for many years. I find it extremely disturbing that in the past 5 years, foreign citizens have won more than one-third of all patents issued by the U.S. Government.

In response to this growing problem, I have drafted legislation, which I introduce today, which will increase productivity, create jobs, provide additional capital for research and development, and will strengthen our Nation's ability to compete overseas. The bill will accomplish this purpose by providing a 10-percent tax credit of up to $1,000 to individuals or $2,000 to

married couples filing a joint tax return for new or additional investments in stocks, bonds, and mutual funds investing in domestic corporations.

Additionally, the bill encourages investment in all types of businesses by stipulating that there would be no limit on the size of a company whose stock would be a permissible investment. Further, it provides for a minimum 12-month holding period in order to qualify for the tax credit thus encouraging investment rather than speculative trading.

Finally, the tax credit would not be limited to new stock issues, due to the fact secondary markets are no less important to equity capital formation than the sale of new issues.

This legislation which I am proposing has the strong support of such groups as the 700 chief executives of the committee of publicly owned companies and the national association of investment clubs which is comprised of over 4,000 clubs and over 51,000 small investors.

It should also be noted that this concept is not an untested idea but is modeled after a French law enacted in 1978. As a result of this law, Frenchmen investing in the stocks of French companies were permitted to deduct up to 5,000 francs—roughly $1,200—from their taxable income each year for 4 consecutive years. Since the enactment of this investment incentive, the French Bourse Stock Index has increased by over 60 percent with 1 million Frenchmen taking advantage of this incentive. Half of these individuals have been firsttime investors which contrasts with our dwindling and aging shareholders.

Mr. Speaker, rarely do we have an opportunity to pass legislation beneficial to all of our constitutents. There is nothing in this proposal which any interest group could find objectionable, that is unless they object to increased productivity, the creation of new jobs, additional capital for research and development, and improved efficiency in American industry.

I urge my colleagues to examine this legislation and to adopt this proposal, the Individual Investors Incentive Act of 1981, as a realistic means of attracting vitally needed investment which will facilitate the development of capital formation.

Thank you.●

AVOIDING A GOP ECONOMIC DUNKIRK

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. FINDLEY. Mr. Speaker, our colleague, DAVE STOCKMAN, has written one of the most penetrating analysis I have seen of our Nation's economic plight. In a comprehensive memorandum to President-elect Reagan, Mr. STOCKMAN has set forth a long list of excellent recommendations which he believes will bring inflation under control, lower interest rates, lessen unemployment, and promote stable economic growth. As the new Director of the Office of Management and Budget, Mr. STOCKMAN will be in a unique position to implement these recommendations. So that all may review his proposal, I am today placing his memorandum in the CONGRESSIONAL RECORD. It is without question one of the most important proposals of its kind and it deserves the thoughtful study of all Americans.

Text of memorandum follows:

AVOIDING A GOP ECONOMIC DUNKIRK

I. THE GATHERING STORM

The momentum of short-run economic, financial and budget forces is creating the conditions for an economic Dunkirk during the first 24 months of the Reagan Administration. These major factors threaten:

1. A second 1980 credit crunch

By year end bank rates are likely to hit the 15-17 percent range, causing further deterioration in long-term capital markets for bonds and equities, a renewed consumer spending slowdown, and intensified uncertainty throughout financial markets.

There are a number of potential contributory forces. The most important is the fact that the Fed has been substantially overshooting its 1980 money supply growth goals ever since mid summer. Were Volcker to attempt to use the interregnum to impose the severe constraint necessary to get back on track, M1-B, for example, would have to be held to essentially a zero growth rate for the remainder of the year to fall within the 6.5 percent upper target for 1980.

In addition, the Treasury will impose massive financing requirements on the market through January 1, including about $100 billion in refinancing and potentially $25-28 billion in new cash requirements at current budget operating levels (fourth quarter). While private credit requirements are likely to soften in response to the emerging slowdown in housing, durables and other real sectors, year-end seasonal borrowing requirements are still likely to be heavy.

In all, President Reagan will inherit thoroughly disordered credit and capital markets punishingly high interest rates, and a hair-trigger market psychology posed to respond strongly to early economic policy signals in either favorable or unfavorable ways.

The pre-eminent danger is that an initial economic policy package that includes the tax cuts but does not contain decisive, credible elements on matters of outlay control, future budget authority reduction, and a believable plan for curtailing the Federal Government's massive direct and indirect credit absorption will generate pervasive expectations of a continuing "Reagan inflation." Such a development would almost ensure that high interest rates would hang over the economy well into the first year, deadening housing and durables markets and thwarting the industrial capital spending boom required to propel sustained economic growth. Thus, Thatcherization can only be avoided if the initial economic policy package simultaneous spurs the output side of the economy and also elicits a swift downward revision of inflationary expectations in the financial markets.

2. A double-dip recession in early 1981

This is now at least a 50 percent possibility given emerging conditions in the financial markets and gathering evidence from the output side of the economy. Stagnant or declining real GNP growth in the first two quarters would generate staggering political and policy challenges. These include a further worsening of an already dismal budget posture (see below) and a profusion of "quick fix" remedies for various "wounded" sectors of the economy. The latter would include intense pressure for formal or informal auto import restraints, activation of Brooke-Cranston or similar costly housing bailouts, maintenance of current excessive CETA employment levels, accelerated drawdown of various lending and grant aids under SBA, EDA, and FmHA, a further 13 week extension of Federal unemployment benefits, etc. Obviously, the intense political pressures for many of these quick fix aids will distract from the Reagan program on the economic fundamentals (supply side tax cuts, regulatory reform, and firm long-term fiscal discipline) and threaten to lock in budget costs and policy initiatives that are out of step with the basic policy thrust.

There is a further danger; the Federal budget has now become an automatic "coast-to-coast soup line" that dispenses remedial aid with almost reckless abandon, converting the traditional notion of automatic stabilizers into multitudinous outlay spasms throughout the budget. For instance, the estimates for FY 81 trade adjustment assistance have exploded from $400 million in the spring to $2.5 billion as of November, and the summer drought will cause SBA emergency farm loan aid to surge by $1.1 billion above planned levels.

For these reasons, the first hard look at the unvarnished FY 81 and 82 budget posture by our own OMB people is likely to elicit coronary contractions among some, and produce an intense polarization between supply-side tax cutters and the more fiscally orthodox. An internecine struggle over deferral or temporary abandonment of the tax program could ensue. The result would be a severe demoralization and fractionalization of GOP ranks and an erosion of our capacity to govern successfully and revive the economy before November 1982.

3. Federal budget and credit hemorrhage

The latest estimates place fiscal year 1981 outlays at nearly $650 billion. That represents a $20 billion outlay growth since the August estimates; a $36 billion growth since the First Budget Resolution passed in June; an outlay level $73 billion above fiscal year 1980; and a $157 billion growth since the books closed on fiscal year 1979 just 13 months ago.

The table below illustrates the full dimension of the coast-to-coast soup line problem mentioned above and the manner in which it drives outlay aggregates upward at mind-numbing speed. A worsening of the informal "misery index" (i.e. higher inflation and interest rates, or lower output growth and employment rates) drives hard on entitlements, indexing, debt servicing, budget authority spend-down rates, and loan facilities spread throughout the Federal government, resulting in a surge of incremental outlays.

Between June and November, for example, Federal outlay estimates have risen

from $613 billion to $649 billion. Of the $36 billion growth in outlay estimates, fully $26 billion or 72 percent is due to automatic budget responses to the mechanisms listed above.

The $3.2 billion increment for interest outlays represents a revision of the 1981 average T-bill rate from 9.6 in June to 11.0 in the latest estimate. Similarly, the $9.2 billion increment for trade adjustment assistance, food stamps, cash assistance, and unemployment benefits represents a revised assumption about the expected duration of high unemployment during calendar 1981. The continuing disintermediation crisis in the thrift sector will cause nearly a billion dollar draw-down from the savings and loan insurance fund. Category (4) presents still another example of the soup line dynamic: when private sector orders soften, Federal defense and "brick and mortar" contractors tend to speed up delivery on contract work, increasing the spend-out rate against obligated authority in the pipeline—in this case by about $5 billion.

These illustrations drive home a fundamental point: Achieving fiscal control over outlays and Treasury borrowing cannot be conducted as an accounting exercise or exclusively through legislated spending cuts in the orthodox sense. Only a comprehensive economic package that spurs output and employment growth and lowers inflation expectations and interest rates has any hope of stopping the present hemorrhage.

SOURCES OF $36 BILLION GROWTH IN FISCAL YEAR 1981 OUTLAY ESTIMATES BETWEEN JUNE AND NOVEMBER

[Dollars in billions]

Program	Cost [1]
(1) Due to higher inflation:	
Indexed benefits:	
Social security	$0.75
Pension benefits	.40
Specific price reestimates:	
Defense fuel costs	1.20
Medicare	1.90
Food assistance	1.65
Subtotal	5.90
(2) Due to higher interest rates:	
Student loans	.40
Interest on the debt	1.30
Rural housing programs	.15
FSLIC outlays	.95
Subtotal	2.80
(3) Due to higher unemployment:	
Medicaid	.60
Assistance payments	.75
Unemployment insurance	4.70
TRA	2.10
Food stamps	.30
Federal supplemental unemployment insurance benefits	.70
Subtotal	9.15
(4) Due to general economic conditions:	
Defense Department procurement	3.35
Non-defense procurement	3.25
Corps of Engineers	.10
EPA sewer construction	.10
VA construction	.10
SBA disaster loans	1.35
Subtotal	8.25
Grand total	26.10

[1] Excess cost over June, first budget resolution.

The deficit and total Federal credit activity figures are even more alarming. When the off-budget deficit is included, which it must be since most of this category represents Treasury advances to the Federal Financing Bank (which in turn are financed in the government market for bonds and T-bills), the pre-tax cut deficit for fiscal year 1981 ranges between $50-60 billion.* This follows a closing level of nearly $80 billion for fiscal year 1980 (including off-budget).

The vigorous tax cut package required to spur the supply side of the economy could raise the total static fiscal year 1981 deficit to the $60-80 billion range, depending upon the timing of tax cut implementation and real GNP, employment and inflation levels during the remaining nine months of the fiscal year. These parameters make clear that unless the tax cut program is accompanied by a credible and severe program to curtail fiscal year 1981-82 outlays, future spending authority, and overall Federal credit absorption, financial market worries about a "Reagan inflation" will be solidly confirmed by the budget posture.

An alternative indication of the fiscal management crisis is given by the figures for new loan and loan guarantee activities during fiscal year 1981 by Federal agencies. These are now estimated at $150 billion, with only $44 billion of this amount included in the official on-budget accounts. Thus, Federal credit agencies will absorb an additional $100 billion in available funds beyond the Treasury's requirements for financing the official deficit.

It is these spending growth trends, deficit levels, and Federal credit absorption parameters which are generating market expectations of a chronic and severe Reagan inflation: market participants simply will not accept the Federal Reserve's money growth and anti-inflation goals in light of this massive governmental domination of credit markets.

4. Commodity shocks and the final destruction of Volcker monetary policy

The U.S. economy is likely to face two serious commodity price run-ups during the next 5-15 months. First, if the Iran-Iraq war is not soon terminated, today's excess worldwide crude and product inventories will be largely depleted by February or March. Under those conditions, heavy spot market buying, inventory accumulation, and eventually panic bidding on world markets will once again emerge. Indeed, unless the war combatants exhaust themselves at an early date and move quickly back into at least limited production, this outcome is almost certain by spring. Under these circumstances, OPEC contract rates will rise toward spot market levels in the $40-50 per barrel range during the first and second quarters of 1981, which a consequent price shock to the U.S. economy. Even a $10 per barrel increase in average U.S. refiner acquisition cost would add $50-60 billion annually to aggregate national petroleum expenditures (assuming full decontrol).

Similarly, the present rapid draw-down of worldwide feed grain and protein oil reserves could turn into a rout by the fall of 1981, if the Soviets have another "Communist" (i.e. poor) harvest and production is average-to-below-average elsewhere in the world. Under an adverse 1981 harvest scenario, but not an improbable one, $4-5 corn, $6-7 wheat, and $10-11 soybeans are a distinct possibility.

The problem here is that demand for these basic commodities is highly inelastic in the very short run; and this generates strong credit demands from both the business and household sectors to finance existing consumption levels without cutting back on other expenditures. If the Federal Reserve chooses to accommodate these commodity price/credit demand shocks, as it has in the past, then in the context of the massive Federal credit demand and financial market disorders described above, only one result is certain: the already tattered credibility of the post-October 1979 Volcker monetary policy will be destroyed. The Federal Reserve will subsequently succumb to enormous internal strife and external pressure, and the conditions for full-scale financial panic and unprecedented global monetary turbulence will be present. The January economic package, therefore, must be formulated with these probable 1981 commodity shocks and resulting financial market pressures clearly in mind.

Ticking regulatory time bomb

Unless swift, comprehensive and far-reaching regulatory policy corrections are undertaken immediately, an unprecedented, quantum scale-up of the much discussed "regulatory burden" will occur during the next 18-40 months. Without going into exhaustive detail, the basic dynamic is this: During the early and mid 1970's, Congress approved more than a dozen sweeping environmental, energy and safety enabling authorities, which for all practical purposes are devoid of policy standards and criteria for cost-benefit, cost-effectiveness, and comparative risk analysis. Subsequently, McGovernite no-growth activists assumed control of most of the relevant sub-Cabinet policy posts during the Carter Administration. They have spent the past four years "tooling up" for implementation through a mind-boggling outpouring of rule-makings, interpretative guidelines, and major litigation—all heavily biased toward maximization of regulatory scope and burden. Thus, this decade-long process of regulatory evolution is just now reaching the stage at which it will sweep through the industrial economy with near gale force, preempting multi-billions in investment capital, driving up operating costs, and siphoning off management and technical personnel in an incredible morass of new controls and compliance procedures.

In the auto manufacturing sector, for example, new or substantially tougher regulations in the following areas will impact the industry during 1981-84: passive restraint standard (airbags)—1981 passenger tailpipe standard (including an unnecessary 3.4 gram/mile CO_2 limit)—unproven 5 mph bumper standards—final heavy duty engine emission standards—vast new audit, enforcement and compliance procedures, and a new performance warranty system—light duty diesel particulate and NO_x standards—heavy duty truck noise standards—model year 83-85 light duty truck emission standards—MY 83-85 light duty truck fuel econo standards—bus noise standards—ad infinitum. These measures alone will generate $10 to $20 billion in capital and operating costs while yielding modest to non-existent social benefits.

Similarly, a cradle-to-grave hazardous waste control system under RCRA will take effect in 1981 at an annual cost of up to $2 billion. While prudent national waste disposal standards are clearly needed, the RCRA system is a monument to mindless excess: It treats degreasing fluids and PCB's in the same manner; and the proposed standards and controls for generators, transporters and disposers, along with relevant explanations and definitions, encom-

* This assumes current estimate revenues of $615 billion, outlays of $649 billion, an on-budget deficit of $35 billion, and an off-budget deficit of $20 billion.

pass more than 500 pages of the Federal Register.

Multi-billion overkill has also bloomed in the regulatory embellishment of the Toxic Substances Control Act, which threatens to emulate FDA "regulatory lag" on new chemical introductions. The proposed OSHA generic carcinogen standard and the technology based BACT, RACT, LAER and NSPS standards under the Clean Air Act also represent staggering excess built upon dubious scientific and economic premises. Three thousand pages of appliance efficiency standards scheduled for implementation in 13 categories of home appliances in 1981 also threaten to create multi-billion dollar havoc in the appliance industry.

There are also literally dozens of recently completed or still pending rule-makings targeted to specific sectors of the industrial economy as follows: proposed NSPS standards for small industrial boilers (10 to 250 million BTU per hour) are estimated at $1-2 billion over 1980-85; proposed utility sector standards for bottom ash, fly ash and cooling water control could cost $3.3 billion; pending OSHA hearing conservation standards, $500 million; abrasive blasting standards, $130 million; and asbestos control standards, up to $600 million. New industrial waste water pretreatment standards—EPA's proposed fluorocarbon-refrigerant control program—the CAA stage II vapor recovery and fugitive hydrocarbon control program—the vehicle inspection and maintenance program—all have price tags in excess of $1 billion. Moreover, most of the country will fail to meet the 1982 compliance deadline for one or more regulated air pollutants, thereby facing a potential absolute shut-down on the permitting of new or modified industrial sources. All told, there are easily in excess of $100 billion in new environmental safety and energy compliance costs scheduled for the early 1980's.

II. THE THREAT OF POLITICAL DISSOLUTION

This review of the multiple challenges and threats lying in ambush contains an inescapable warning: things could go very badly during the first year, resulting in incalculable erosion of GOP momentum, unity and public confidence. If bold policies are not swiftly, deftly and courageously implemented in the first six months, Washington will quickly become engulfed in political disorder commensurate with the surrounding economic disarray. A golden opportunity for permanent conservative policy revision and political realignment could be thoroughly dissipated before the Reagan Administration is even up to speed.

The specific danger is this: If President Reagan does not lead a creatively orchestrated high-profile policy offensive based on revision of the fundamentals—supply side tax cuts and regulatory relief, stern outlay control and Federal fiscal retrenchment, and monetary reform and dollar stabilization—the thin Senate Republican majority and the de facto conservative majority in the House will fragment and succumb to parochial "fire-fighting as usual" in response to specific conditions of constituency distress.

For example, unless the whole remaining system of crude oil price controls, refiner entitlements, gasoline allocations, and product price controls is administratively terminated "cold turkey" by February 1, there is a high probability of gasoline lines and general petroleum market disorder by early spring. These conditions would predictably elicit a desultory new round of Capitol Hill initiated energy policy tinkering reminiscent of the mindless exercises of Summer 1979. Intense political struggles would develop over implementation of the stand-by conservation programs, extension of EPA controls and allocations, and funding levels for various pie-in-the-sky solar, conservation, synfuels and renewables programs. The Administration would lose the energy policy initiative and become engulfed in defensive battles, and frenetic energy legislating would preempt Hill attention from more important budget control, entitlement reform, and regulatory revision efforts. In short, if gas lines are permitted to erupt due to equivocation on revocation of controls, debilitating legislative, and political distractions will be created.

Similarly, failure to spur early economic expansion and alter financial market inflation expectations will result in a plethora of Capitol Hill initiatives to "fix up" the housing, auto and steel sectors, hype up exports, subsidize capital formation, provide municipal fiscal relief, etc. Again, the Administration would be thrown on the defensive. Finally, persistence of "misery index" driven budget deficits, high interest and inflation rates, and continued monetary policy vacillation at the Fed would quickly destroy the present GOP consensus on economic policy, pitting tax cutters against budget cutters and capital formation boosters against Kemp-Roth supporters.

To prevent early dissolution of the incipient Republican majority, only one remedy is available: an initial Administration economic program that is so bold, sweeping and sustained that it—

Totally dominates the Washington agenda during 1981;

Holds promise of propelling the economy into vigorous expansion and the financial markets into a bullish pyschology;

Preempts the kind of debilitating distractions outlined above.

The major components and tenor of such an orchestrated policy offensive are described below.

III. EMERGENCY ECONOMIC STABILIZATION AND RECOVERY PROGRAM

In order to dominate, shape and control the Washington agenda, President Reagan should declare a national economic emergency soon after inauguration. He should tell the Congress and the nation that the economic, financial, budget, energy, and regulatory conditions he inherited are far worse than anyone had imagined. He should request that Congress organize quickly and clear the decks for exclusive action during the next 100 days on an Emergency Economic Stabilization and Recovery Program he would soon announce. The Administration should spend the next two to three weeks in fevered consultation with Hill Congressional leaders and interested private parties on the details of the package.

Five major principles should govern the formulation of the package:

1. A static "waste-cutting" approach to the fiscal year 1981 outlay component of the fiscal hemorrhage will hardly make a dent in the true fiscal problem. Persisting high "misery index" conditions in the economy will drive the soup line mechanisms of the budget faster than short-run, line-item cuts can be made on Capitol Hill. Fiscal stabilization (i.e. elimination of deficits and excessive rates of spending growth) can only be achieved by sharp improvement in the economic indicators over the next 24 months. This means that the policy initiatives designed to spur output growth and to lower inflation expectations and interest rates must carry a large share of the fiscal stabilization burden. Improvement in the "outside" economic forces driving the budget is just as important as success in the "inside" efforts to effect legislative and administrative accounting reductions.

2. For this reason, dilution of the tax cut program in order to limit short-run static revenue losses during the remainder of fiscal year 1981 and fiscal year 1982 would be counter-productive. Weak real GNP and employment growth over calendar 1981 and 1982 will generate soup line expenditures equal to or greater than any static revenue gains from trimming the tax program.

3. The needed rebound of real GNP growth and especially vigorous expansion in the capital spending sector of the economy can not be accomplished by tax cuts alone. A dramatic, substantial recision of the regulatory burden is needed both for the short-term cash flow relief it will provide to business firms and the long-term signal it will provide to corporate investment planners. A major "regulatory ventilation" will do as much to boost business confidence as tax and fiscal measures.

4. High, permanent inflation expectations have killed the long-term bond and equity markets that are required to fuel a capital spending boom and regeneration of robust economic growth. Moreover, this has caused a compression of the financial liability structure of business into the short-term market for bank loans and commercial paper, and has caused a flight of savings into tangible assets like precious metals, land, etc. The result of this credit market dislocation and inversion is that superheated markets for short-term credits keep interest rates high and volatile and make monetary policy almost impossible to conduct.

The Reagan financial stabilization plan must seek to restore credit and capital market order and equilibrium by supporting monetary policy reform and removing the primary cause of long-term inflation pessimism: the explosive growth of out-year Federal liabilities, spending authority, and credit absorption.

This points to the real leverage and locus for budget control: severe recession of entitlement and new obligational authority in the Federal spending pipeline, which creates outlay streams and borrowing requirements in fiscal year 1982, fiscal year 1983 and beyond. The critical nature of future spending authority is dramatically illustrated by the experience during fiscal year 1980: new budget authority increased from $556 billion (fiscal year 1979) to nearly $660 billion in fiscal year 1980, an increase of more than $100 billion, or 18 percent. Much of this authority will create outlay streams and Treasury cash borrowing requirements in fiscal year 1981 and beyond.

The fiscal stabilization package adopted during the 100 day session, therefore, must be at minimum equally weighted between out-year spending and entitlement authority reductions and cash outlay savings for the remainder of fiscal year 1981. Indeed, the latter possibilities are apparently being exaggerated and over-emphasized. Of the current $649 billion fiscal year 1981 outlay estimate, $187 billion stems from prior year obligations or authority and cannot be stopped legally; $97 billion represents defense spending from current obligations and should not be stopped; another $260 billion represents permanent authority primarily for Social Security and interest. The latter can only be reduced by "outside" economic

improvements, and the former would be a political disaster to tinker with in the first round. This leaves $159 billion in controllable outlays, half of which will be spent or obligated before Congress acts in February-April. In short, $13 billion (2 percent) in waste-cutting type fiscal year 1981 cash outlay savings must be gotten from an $80 billion slice of the budget. Achieving this 16 percent hold-down will be tough and necessary, but if it is the primary or exclusive focus of the initial fiscal package, the ball game will be lost.

Again, the primary aim of the fiscal control component must be to shift long-term inflation expectations downward and restore bond and equity markets. Severe reductions in out-year authority and Federal credit absorption can accomplish this. In turn, robust long-term capital markets would lessen the traffic jam in short-term credit markets by permitting corporate portfolio restructuring and by drawing savings out of unproductive tangible assets. The conditions for re-establishing monetary policy credibility would be achieved and short-term interest rates, demand for money and inflation expectations would adjust accordingly.

5. Certain preemptive steps must be taken early on to keep control of the agenda and to maintain Capitol Hill focus on the Stabilization and Recovery Program. Foremost, all remaining petroleum product controls and allocations should be cancelled on day one. This will prevent a "gasoline line crisis," but will permit retail prices to run up rapidly if the world market tightens sharply as expected. This prospective price run-up can be readily converted into an asset: It can provide the political motor force for a legislative and administrative program to step up U.S. energy program production (see below).

In addition, some informal agreement should be sought with Chairmen Hatch, Garn and others to defer the labor policy agenda (minimum wage, Davis Bacon, etc.) until the fall of 1981. Both committees will have a substantial role in the stabilization program, and there is no point in antagonizing organized labor during this critical period. Similarly, the Moral Majority agenda should also be deferred. Pursuit of these issues during the 100 day period would only unleash cross-cutting controversy and political pressures which would undermine the fundamental Administration and Congressional GOP economic task.

The following includes a brief itemization of the major components of the Stabilization and Recovery Program:

(a) Supply-Side Tax Components

The calendar year 1981 and 1982 installments of Kemp-Roth, reduction of the top income tax rate on unearned income to 50 percent, further reduction in capital gains, and a substantial reform along 10-5-3 lines of corporate depreciation.

(b) Fiscal Stabilization Component

This would consist of two parts. First, the cash outlay savings measures for the remainder of fiscal year 1981 would be aimed at holding outlays to the $635 billion range. A hiring freeze and a severe cutback in agency travel, equipment procurement, and outside contracting would be the major areas for savings.

The second part would be oriented toward entitlement revisions and budget authority reductions in fiscal year 1982 and beyond. Some of this could be accomplished through budget authority rescissions included in the remainder of the fiscal year 1981 appropriations bill. This would have to be enacted before the expected December-March continuing resolution expires. Expiration of the continuing resolution would provide strong leverage. Another part could be accomplished through the revised fiscal year 1982 budget and scaled-back requests for new budget authority. The remainder would require the legislative committees to address a carefully tailored package of initial entitlement revisions.

Expressed in functional program and spending areas the out-year authority reduction package should address the following items, with a view to reducing Federal domestic program levels by $30-50 billion per annum in the fiscal year 1982-83 period:

(1) *Public sector capital investment deferrals.* We are now spending about $25 billion per year for highways, mass transit, sewer treatment facilities, public works, national parks, and airport facilities. These are all necessary and productive Federal investments, but their benefit stream will accrue over the next 20-40 years. In light of the current financial crisis, a modest deferral and stretch-out of activity rates (a 10-20 percent reduction) in these areas should be considered.

(2) *Non-Social Security entitlements.* Current expenditures for food stamps, cash assistance, Medicaid, disability, heating assistance, housing assistance, WIC, school lunches, and unemployment compensation amount to $100 billion. A carefully tailored package to reduce eligibility, overlap and abuse should be developed for these areas—with potential savings of $10-20 billion.

(3) *Low priority program cut-backs.* Total fiscal year 1981 expenditures of NASA, CETA, UDAG, the Community Development Program, EDA, urban parks, impact aid, Action, Department of Energy commercialization and information programs, arts and humanities, and the Consumer Cooperative Bank amount to $25 billion. Most of these programs are ineffective or of low priority and could be cut by at least one third or $8 billion.

(4) *Federal credit, lending and guarantee reform.* As was indicated previously, concessional direct lending and loan guarantee activities by on-budget, off-budget, and government sponsored enterprises is now running rampant, absorbing ever bigger shares of available credit market funds. These programs are buried in HUD, SBA, FmHA, EDA, USDA, Commerce and HHS, as well as in the traditional housing credit and farm credit agencies. Controlling SBA direct grant activities, for instance, will accomplish little if program activity is simply shifted to concessional loan authorities, with the resultant outlays laundered through the FFB.

(c) Regulatory Ventilation

This component also has two segments. The first and most urgent is a well-planned and orchestrated series of unilateral administrative actions to defer, revise or rescind existing and pending regulations where clear legal authority exists. The potential here is really staggering, as this hastily compiled list of specific actions indicates. The important thing is that the work-up on these initiatives must occur during the transition and very early after the inauguration. Again, the aim would be to firmly jolt business confidence and market psychology in a favorable direction.

ACTION AND IMPACT

(1) Grant model year 1982 CO waiver: $300 million auto industry savings.

(2) Rescind passive restraint standard: $300-600 million auto investment savings over 3 years.

(3) Relax 1984 heavy duty truck emission standard: Minimum savings of $100 million.

(4) Simplify auto emissions certification and testing: $80 million per year.

(5) Modify ambient air standard for ozone to permit multiple exceedences or higher standard value in conformance with scientific evidence: $15 to $40 billion in reduced compliance costs over next 8 years.

(6) Eliminate unnecessary NSPS for small industrial boilers: $1-2 billion over next 5 years.

(7) Cancel EPA fuel additive testing program: Savings of $90 to $120 million.

(8) Relax proposed light duty truck emission standards for post-1983: Savings would be a substantial fraction of currently estimated $1.3 billion compliance cost.

(9) Modify or defer EPA pretreatment standards for industrial wastewater: Savings of a substantial fraction of the $6 billion compliance cost for just three sectors—utilities, steel and paper.

(10) Cancel DOE appliance efficiency standards: Avoids multi-billion havoc in an industry that is already improving product efficiency in response to market pressure.

(11) Eliminate building energy performance standards: Market forces are working here, too, but rigid BTU budgets for each new structure could cost billions per year for non cost-effective energy savings.

(12) Modify RCRA to incorporate "degree of hazard" and control system simplification: Savings would be some fraction of $2 billion per year.

(13) Defer new OSHA workplace noise standards: Save $250 million per year.

(14) Modify or defer pending OSHA standards on scaffolding, asbestos exposure, cadmium and chromium exposure, and grain elevator dust control: More than $1 billion in annual combined savings.

These are suggestive illustrations with rough savings parameters from among literally dozens of potential unilateral administrative actions of this sort. A centralized Transition Task Force charged with identification of targets for early action and determination of required legal and rule-making procedures to commence after inauguration could help speed this initiative.

On a second front, both temporary and permanent statutory revisions will be needed. There are literally dozens of rule-making and compliance deadlines on the statute books for the next 20 months that cannot be prudently met. An omnibus "suspense bill" might be necessary during the 100 day session to defer these deadlines and to implement the one year moratorium on new rule-makings proposed by Murray Wiedenbaum.

Finally, a fundamental legislative policy reform package to be considered after the 100 day period will have to be developed. This would primarily involve the insertion of mandatory cost-benefit, cost-effectiveness, and comparative risk analyses into the basic enabling acts—Clean Air and Water, Safe Drinking Water, TOSCA, RCRA, OSHA, etc. Without these statutory changes, administrative rule-making revisions in many cases will be subject to successful court challenge.

(d) Contingency Energy Package

The probable 1981 "oil shock" could entail serious political and economic disruption. Therefore, the preemptive step of dismantling controls before the crisis really hits is

imperative. Incidentally, the combination of immediate decontrol and a $10 rise in the world price would increase windfall profits tax revenue by $20–25 billion during calendar 1981, thereby adding substantially to short-run budget posture improvement, if not to long-run energy production prospects.

But beyond this, a planning team should be readying a package of emergency steps to increase short-run domestic energy production and utilization. This should be implemented if the world market pinch becomes severe. The primary areas for short-run gains would be: accelerated licensing of a half-dozen completed nuclear plants; removal of all end-use restrictions on natural gas; changes in NGPA to permit accelerated infill drilling and near-term production gains; elimination of stripper, marginal and EOR oil properties from the windfall tax; emergency variances from SO_2 standards for industrial and utility coal boilers; and power wheeling from coal-nuclear to oil-based utility systems.

If the crisis is severe enough, rapid statutory revision of the natural gas decontrol program and modification of the windfall tax might be considered as part of the 100 day agenda.

(e) A Monetary Accord

The markets have now almost completely lost confidence in Volcker and the new monetary policy. Only an extraordinary gesture can restore the credibility that will be required during the next two years. President Reagan should meet with Volcker or the entire Federal Reserve Board at an early date and issue them a new informal "charter"—namely, to eschew all consideration of extraneous economic variables, like short-term interest rates, housing market conditions, business cycle fluctuations, etc., and to concentrate instead on one exclusive task: bringing the growth of Federal Reserve credit and bank reserves to a prudent rate and stabilization of the international and domestic purchasing power of the dollar.

The President and Congress would jointly take responsibility for ameliorating credit and capital market conditions through implementation of the Stabilization and Recovery Program and would stoutly defend the Fed from all political attacks. Insulation of the Fed from extraneous economic and financial preoccupations, political pressures, recalibration of its monetary objective, and restoration of its tattered credibility is the critical lynch-pin in the whole program.●

LOCAL BOY MAKES GOOD: DIXON, ILL., CHEERS RONALD REAGAN

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. MICHEL. Mr. Speaker, there are many versions of the American dream and one of the most exciting is the rise of a young American of modest means to the highest office of the land. It happened to Abe Lincoln, an adopted son of Illinois and it has happened once again, this time to a native son of Illinois, Ronald Reagan. Born in Tampico, Reagan came to manhood in Dixon and attended Eureka College in Woodford County.

The Glasford Gazette/Hanna City-Trivoli Index of Illinois recently published an article which tells of the pride of citizens of Dixon, Ill. over the great achievements of "local boy", President-elect Ronald Reagan.

At this time I wish to include in the RECORD, "Town of Dixon Popping Its Buttons Over Local Boy" from the Glasford Gazette/Hanna City-Trivoli Index, December 25, 1980.

TOWN OF DIXON POPPING ITS BUTTONS OVER LOCAL BOY

(By Randy Bridson)

The placid Northern Illinois town of Dixon claims a "Lincoln Soldier" statue as one of its attractions. But from now on, the 16th President of the United States will have to share the spotlight in Dixon with the latest man to be elected to that office.

In this town on the Rock River, some people still know President-elect Ronald Reagan by his childhood nickname "Dutch." November 4 was in fact "Dutch Day" in Dixon. The streets were decked with flags—from the 50 States—and red, white, and blue streamers. And when it became clear that Ronald Reagan would be elected the 40th President by an impressive margin, townspeople cheered in the streets and school bands marched in the crisp autumn night. A local boy had reached the top.

Dixon, of course, does not have "exclusive rights" to "Dutch" Reagan. He was born in Tampico, southwest of Dixon, on Feb. 6, 1911. His college alma mater is Eureka College in Woodford County. Still, it is Dixon where Reagan grew into a young man on the threshold of adulthood.

Mrs. Helen Lawton of Dixon recalls that "all the kids knew him" because he was a lifeguard during most of his high school and college summers at Lowell Park, several miles outside of Dixon. Mrs. Lawton, six years behind Reagan in school, lived next door to the Reagan family at one time in the early 1930s and kept in touch with the family even after he had moved to California and subsequently brought his parents, Nelle and Jack, west with him.

Mrs. Lawton recalls vacationing with mother Nelle Reagan in 1950 and spending one Sunday on the first California ranch which Reagan owned, where she visited with the then-movie actor and her son rode horses with two of the Reagan children.

He came from a family of modest means and was not always the athletic, strapping fellow he portrayed in the movies, says Mrs. Lawton.

The Reagan family, including oldest son Neil, moved frequently from the time Ronald was born in Tampico until they came to Dixon and rented their first of five homes in that town in 1920. The Reagans "had a rough time of it," Mrs. Lawton recalls. Jack was a shoe salesman who was sometimes out of work. Mother Nelle earned $14 a week by doing alternations in a dress shop.

Nelle was "a very wonderful Christian woman," Mrs. Lawton recalls. "I think a lot of it has rubbed off on Dutch . . . he was raised to be that kind of a person."

During his early high school days, he was small and had poor eye sight, she says. But through "pure determination" to succeed, he went on to play football in both high school and Eureka College.

After graduating from Eureka in 1932, his "gift of gab" earned him a stint in radio broadcasting which in turn led to a Hollywood screen test and a career in movies.

Mrs. Lawton says a group of local citizens has purchased the first home in Dixon (on Hennepin Avenue) where the Reagans lived. They hope to restore the home and fill it with Reagan memorabilia.

She says the Reagan of Dixon days was a well-liked young man—just as many in town were. But the thought that he would someday become President of the United States just never crossed many folks' minds back then.

Now, of course, Dixon is "popping its buttons" with pride, she adds, as the first native-born Illinoisan elected President prepares to occupy the Oval Office.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, January 6, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JANUARY 7

9:30 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on the current state of the U.S. economy.

5302 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation

To hold hearings on the prospective nomination of Malcolm Baldrige, of Connecticut, to be Secretary of Commerce.

235 Russell Building

Energy and Natural Resources

To hold hearings on the prospective nomination of James G. Watt, of Colorado, to be Secretary of the Interior.

3110 Dirksen Building

Labor and Human Resources

To hold hearings on the prospective nomination of Raymond J. Donovan, of New Jersey, to be Secretary of Labor.

4232 Dirksen Building

JANUARY 8

9:30 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on the current state of the U.S. economy.

5302 Dirksen Building

10:00 a.m.

Energy and Natural Resources

To continue hearings on the prospective nomination of James G. Watt, of Colorado, to be Secretary of the Interior.

3110 Dirksen Building

Governmental Affairs

To hold hearings on the prospective nomination of David A. Stockman, of Michigan, to be Director of the Office of Management and Budget.

3302 Dirksen Building

Select on Intelligence

To hold a closed organizational business meeting.

S-407, Capitol

JANUARY 9

10:00 a.m.

Foreign Relations

To hold hearings on the prospective nomination of Alexander M. Haig, Jr., of Connecticut, to be Secretary of State.

1202 Dirksen Building

Joint Economic

To hold hearings on the employment-unemployment situation for December.

2128 Rayburn Building

JANUARY 10

10:00 a.m.

Foreign Relations

To continue hearings on the prospective nomination of Alexander M. Haig, Jr., of Connecticut, to be Secretary of State.

1202 Dirksen Building

JANUARY 12

10:00 a.m.

Energy and Natural Resources

To hold hearings of the prospective nomination of James B. Edwards, of South Carolina, to be Secretary of Energy.

3110 Dirksen Building

JANUARY 13

10:00 a.m.

Energy and Natural Resources

To continue hearings on the prospective nomination of James B. Edwards, of South Carolina, to be Secretary of Energy.

3110 Dirksen Building

JANUARY 15

10:00 a.m.

Judiciary

To hold hearings on the prospective nomination of William French Smith, of California, to be Attorney General, Department of Justice.

2228 Dirksen Building

SENATE—*Tuesday, January 6, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Almighty God, in whom our fathers trusted, we thank Thee for this Nation, born amid suffering, nourished in freedom and built upon faith in Thee and in Thy law. Enable us to rejoice in this day of precious memories and bright hopes, a day emblematic of representative government of free men.

Grant to each American a solemn sense of civic responsibility. Hold us firmly to all that is right and good and true. Make sacred our stewardship of power and of wealth, that both may be honorably acquired and worthily used.

Give us a part in the recovery of national purpose, the renewal of pure religion and a refined patriotism. Quicken our love of America that beyond the events of today we may see the shining glory of the Republic both as a heritage and as a trust.

In the Redeemer's name, we pray. Amen.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. I thank the Chair.

APPOINTMENT OF MAJORITY PARTY'S MEMBERSHIP ON THE SELECT COMMITTEE ON ETHICS

Mr. BAKER. Mr. President, I have a resolution in respect to the appointment of majority members of the Select Committee on Ethics. I send the resolution to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 18) appointing majority party's membership on the Select Committee on Ethics.

The PRESIDENT pro tempore. Without objection, the resolution is agreed to.

The resolution (S. Res. 18) is as follows:

S. RES. 18

Resolved, That the following shall constitute the majority party's membership on the Select Committee on Ethics:

Malcolm Wallop, Chairman; Thad Cochran, Mack Mattingly.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, in a moment I will have a unanimous-consent request in respect to the introduction of bills and joint resolutions and other related matters. Before I do that, however, I need to consult with the other body in respect to their intention on recessing over or adjourning.

I ask unanimous consent that I may reserve the remainder of my time under the standing order. I am prepared at this point to yield the floor so that the minority leader may be recognized, if he wishes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The Senator from West Virginia.

APPOINTMENT OF THE MINORITY PARTY'S MEMBERSHIP ON THE SELECT COMMITTEE ON ETHICS FOR THE 97TH CONGRESS

Mr. ROBERT C. BYRD. Mr. President, I send a resolution to the desk appointing minority party membership on the Select Committee on Ethics and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 19) appointing minority party's membership on the Select Committee on Ethics for the 97th Congress.

The PRESIDENT pro tempore. Without objection, the resolution is agreed to.

The resolution (S. Res. 19) is as follows:

S. RES. 19

Resolved, That the following shall constitute the minority party's membership on the Select Committee on Ethics for the 97th Congress:

Mr. Heflin, Vice-Chairman; Mr. Pryor, Mr. Eagleton.

ORDER FOR CERTAIN ACTION UNTIL 5 P.M. TODAY

Mr. BAKER. Mr. President, I ask unanimous consent that until 5 p.m. today, morning business, the introduction of bills, joint resolutions, simple resolutions, and concurrent resolutions may be transacted and statements submitted by Senators by being presented at the desk.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I have no need for my time. Unless the majority leader or Mr. CRANSTON would like some additional time I am prepared to yield it back.

Mr. BAKER. Mr. President, I yield back my time under the standing order.

Mr. ROBERT C. BYRD. Mr. President, I yield back my time.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDENT pro tempore. The Chair, pursuant to Senate Resolution 400, 94th Congress, and Senate Resolution 4, 95th Congress, appoints the following Senators to the Select Committee on Intelligence: The Senator from Arizona (Mr. GOLDWATER), chairman; the Senator from Utah (Mr. GARN); the Senator from Rhode Island (Mr. CHAFEE); the Senator from Indiana (Mr. LUGAR); the Senator from Wyoming (Mr. WALLOP); the Senator from Minnesota (Mr. DURENBERGER); the Senator from Delaware (Mr. ROTH); and the Senator from New Mexico (Mr. SCHMITT).

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to section 1024 of title 15, United States Code, appoints the following Senators to the Joint Economic Committee: The Senator from Iowa (Mr. JEPSEN), vice chairman; the Senator from Delaware (Mr. ROTH); the Senator from South Dakota (Mr. ABDNOR); the Senator from Idaho (Mr. SYMMS); the Senator from Florida (Mrs. HAWKINS); and the Senator from Georgia (Mr. MATTINGLY).

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MURKOWSKI). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a

period for routine morning business, not to exceed 20 minutes in length, and that Senators may speak therein for not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

At 12:02 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to the following concurrent resolutions, without amendment:

S. Con. Res. 1. Concurrent resolution to provide for the counting on January 6, 1981, of the electoral votes for President and Vice President of the United States.

S. Con. Res. 2. Concurrent resolution to provide for the continuation of the Joint Committee on Inaugural ceremonies and for the appointment of two additional members thereto.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. COHEN:

S. 48. A bill to amend title 10, United States Code, to provide expanded opportunities for individuals to earn education benefits based on honorable active service in the armed forces, and for other purposes; to the Committee on Veterans Affairs.

By Mr. CRANSTON (for himself and Mr. TSONGAS):

S. 49. A bill to amend the Uniform Time Act of 1966 to provide that daylight savings time commence each year on the first Sunday in March rather than the last Sunday in April; to the Committee on Commerce, Science, and Transportation.

By Mr. DECONCINI:

S. 50. A bill to amend certain provisions of title 28, United States Code, relating to venue, and to provide for special venue provisions in cases relating to the environment; to the Committee on the Judiciary.

By Mr. CRANSTON:

S. 51. A bill to require persons who manufacture cigarettes or little cigars for sale or distribution in commerce to meet performance standards prescribed by the Consumer Product Safety Commission, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HAYAKAWA:

S. 52. A bill to amend the Clean Air Act to repeal the requirement that State implementation plans provide for periodic inspection and testing of motor vehicles; to the Committee on Environment and Public Works.

S. 53. A bill to amend the Voting Rights Act of 1965 to repeal certain requirements relating to bilingual election requirements; to the Committee on the Judiciary.

S. 54. A bill to repeal the provisions of title 23, United States Code, requiring a national maximum speed limit of 55 miles per hour; to the Committee on Environment and Public Works.

By Mr. HAYAKAWA (for himself and Mr. DECONCINI):

S. 55. A bill to establish provisions governing the day and time for the election of electors of the President and Vice President; to the Committee on Rules and Administration.

S. 56. A bill to establish provisions governing the day and times for the election of electors of the President and Vice President; to the Committee on Rules and Administration.

S. 57. A bill to establish temporary provisions governing the day and times for the elections of Senators, Members of the House of Representatives, and electors of the President and Vice President; to the Committee on Rules and Administration.

S. 58. A bill to restrict the release of results from Presidential elections until all the polls are closed; to the Committee on Rules and Administration.

By Mr. BIDEN:

S. 59. A bill to amend the Congressional Budget Act of 1974 to terminate certain existing entitlement authority and prohibit new entitlement authority, to terminate certain existing permanent budget authority and prohibit new permanent budget authority, to provide that the new budget authority can be available for outlays only for a single fiscal year, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, by unanimous consent pursuant to the order of August 4, 1977.

By Mr. BUMPERS:

S. 60. A bill to establish competitive oil and gas leasing and modify leasing procedures for onshore Federal lands; to the Committee on Energy and Natural Resources.

By Mr. SASSER:

S. 61. A bill to reduce Federal travel and consultant costs, and to improve Federal debt collection procedures; to the Committee on Governmental Affairs.

By Mr. HUDDLESTON:

S. 62. A bill for the relief of Carol Allen Gilliam; to the Committee on the Judiciary.

By Mr. RANDOLPH (for himself, Mr. HEINZ, Mr. GLENN and Mr. LUGAR):

S. 63. A bill to amend the Clean Air Act to provide compliance date extensions for steel-making facilities on a case-by-case basis to facilitate modernization; to the Committee on Environment and Public Works.

By Mr. HEFLIN:

S. 64. A bill for the relief of Mohannad Zaheer, his wife, Imbiaz Zaheer, and his sons, Eram Zaheer and Asim Zaheer; to the Committee on the Judiciary.

S. 65. A bill for the relief of Jae Sill Rim and his wife, Young Ja Rim; to the Committee on the Judiciary.

By Mr. HAYAKAWA (for himself, Mr. HELMS, Mr. LAXALT and Mr. PRESSLER):

S. 66. A bill to amend section 4067 of the Revised Statutes to define further the circumstances under which certain aliens within the United States may be treated as alien enemies; to the Committee on the Judiciary.

By Mr. BUMPERS (for himself, Mr. SIMPSON and Mr. LAXALT):

S. 67. A bill to improve and expedite the administrative process and clarify the standards for judicial review of administrative action; to the Committee on the Judiciary.

By Mr. RANDOLPH:

S. 68. A bill to recognize the importance of ports and harbors to this country's economy and national defense, and the world's economy and energy self-sufficiency, and to authorize construction of harbor improvements to promote domestic commerce and to facilitate United States export of coal and other commodities; to the Committee on Environment and Public Works.

By Mr. CANNON:

S. 69. A bill to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. INOUYE:

S. 70. A bill for the relief of George Hook Wo Young; to the Committee on the Judiciary.

S. 71. A bill for the relief of Mrs. Araceli Gushiken; to the Committee on the Judiciary.

S. 72. A bill for the relief of Sylvester Hiongue; to the Committee on the Judiciary.

S. 73. A bill for the relief of Mrs. Tomo Kaaiakamanu; to the Committee on the Judiciary.

S. 74. A bill for the relief of John K. Karaya, Mary W. Karaya, Martin M. Z. Karaya, Peter D. Karaya, and Andrew M. Karaya; to the Committee on the Judiciary.

By Mr. WALLOP (for himself, Mr. MOYNIHAN, and Mr. CRANSTON):

S. 75. A bill to amend the Internal Revenue Code of 1954 to encourage capital investment by individuals and corporations; to the Committee on Finance.

By Mr. INOUYE:

S. 76. A bill for the relief of Sun Ok iKm, Ok Lyun Kim, Koang Hi Kim, Chin Hi Kim, Hyun Soo Kim; to the Committee on the Judiciary.

S. 77. A bill for the relief of Benjamin N. Mascarenas; to the Committee on the Judicary.

S. 78. A bill for the relief of Dr. Kenneth P. K. Ng and his wife Mrs. Wai Lin Ng; to the Committee on the Judiciary.

S. 79. A bill for the relief of Joseph Y. Quijano, his wife Marichu Larrazabal Quijano and his son, Franz Joseph Quijano and his daughter, Maria Estrella Quijano; to the Committee on the Judiciary.

S. 80. A bill for the relief of Mr. Pennisimani Mau; to the Committee on the Judiciary.

S. 81. A bill for the relief of Mr. Andres B. Pasion; to the Committee on the Judiciary.

S. 82. A bill for the relief of Arron P. K. Yung; to the Committee on the Judiciary.

By Mr. HEINZ (for himself, Mr. HEFLIN, Mr. GOLDWATER, Mr. DURENBERGER, and Mr. TOWER):

S. 83. A bill to amend the Congressional Budget Act of 1974 to limit the level of total budget outlays in any fiscal year and to require compensation for additional costs imposed on State and local governments, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, by unanimous consent pursuant to the order of August 4, 1977.

By Mr. DOLE:

S. 84. A bill to amend title 5, United States Code, to eliminate an inequity in computing annuities of Federal law enforcement officers or firefighters; to the Committee on Governmental Affairs.

By Mr. HUDDLESTON:

S.J. Res. 10. Joint resolution to establish a Commission on Presidential Nominations;

to the Committee on Rules and Administration.

By Mr. HEFLIN:

S.J. Res. 11. Joint resolution establishing the policy with respect to the number of digits which should be used as ZIP codes or other codes used for mail delivery; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COHEN:

S. 48. A bill to amend title 10, United States Code, to provide expanded opportunities for individuals to earn education benefits based on honorable active service in the Armed Forces, and for other purposes; to the Committee on Veterans Affairs.

GI BILL EDUCATION BENEFITS

● Mr. COHEN. Mr. President, during the 96th Congress, I was the first Member of the Senate to introduce legislation calling for a new GI bill. Today, I am reintroducing that legislation.

When I introduced S. 2020 in November of 1979, there appeared little chance that a program of educational assistance in return for military service, ended by Congress in 1976, would be reinstated. Despite the clear need, little attention had been given to the serious manpower problems which are at least partially attributable to the elimination of educational benefits.

The prospects for a return to the GI bill are much better today than they were when I proposed this measure. The Army has listed it as its top legislative priority for this Congress. The Senate Veterans' Affairs Committee held hearings last summer on my proposal and a bill introduced by my distinguished colleague from Colorado, BILL ARMSTRONG. Senator WARNER and Senator THURMOND, colleagues of mine on the Armed Services Committee, have introduced bills of their own, as has Senator CRANSTON, who chaired the Veterans' Affairs Committee in the last Congress. Finally, both the Senate and House Armed Services Committees included educational test packages in their versions of the defense authorization bill, and the two were incorporated into the conference report on that measure. They are now being implemented.

All of these actions give recognition to one important fact. Educational benefits have consistently been listed as one of the most popular incentives for joining the military. Congress' decision to eliminate the GI bill 4 years ago has been cited as one of the key factors in the perception of those in—or considering—military service that benefits are eroding.

The purpose of my bill is to provide an opportunity for individuals to earn educational benefits based on honorable service in the military. It should encourage more top-quality young men and women to enlist and reenlist in the service.

Basically the bill would provide education benefits at the same rate authorized veterans pursuing a program of education under chapter 34, title 38, United States Code.

The legislation does not require a monetary contribution from the participant as does the current veterans education assistance program (VEAP). Rather it requires something more valuable—time. Eligibility for education under this proposal begins when the member has completed 2 years of honorable service. The maximum educational benefit cannot be earned in less than 48 months.

The program is a simple one. After completing 2 years of service, a member in a critical skill or combat arms position becomes eligible for 18 months of educational assistance. Those in noncritical or noncombat arms occupations earn 12 months of educational assistance.

Benefits continue to accrue beyond the 2-year point. Those with critical skills or in combat arms will earn the maximum 36 months of benefits in 4 years. For their noncritical/noncombat arms counterparts the 36-month maximum may be earned in 6 years.

In the case of individuals choosing to serve the minimum 2-year active duty period or serving less than a full enlistment the program requires that they be transferred to the reserve forces to help alleviate reserve manpower shortages.

Further to reduce attrition figures, the bill will not, in most cases, allow military members to collect their eligibility if they fail to complete the first 2 years of their enlistment or reenlistment. This is why it is called an "earned" educational assistance program. No education benefits are earned if the service obligation is not fulfilled.

For young people sincerely interested in attaining an educational goal, the bill offers a program of assistance for services rendered. It also provides for education loans and gives the eligible veteran 10 years from the date of last discharge from active duty to complete the education earned as a result of the proposal.

The program will produce a recruiting incentive aimed directly at a desirable target group—high school graduates not in college. These are the committed, top-quality individuals that the services need to attract and retain.

While there is a cost involved in reestablishing this program of educational benefits, it is likely to provide far greater short- and long-range benefits. These go beyond the quality of our defense forces. The U.S. Treasury should reap benefits from the veterans who use the program. Testimony before the Senate Veterans' Affairs Committee in 1975 illustrated the fact that: 'Veterans using the GI bill return to the Federal Treasury more than the Nation invests in them to pay for 36 months of college."

The new GI bill I have proposed will, I hope, serve as a reflection of the commitment of Congress to those who sacrifice years of their lives to serve in the Nation's defense. We must not forget the special sacrifices made by our young men and women in uniform, whether in peacetime or in war.

VEAP does not provide adequate recognition of the efforts made by those who serve. Simply put, the program has been a failure. The reason why is clear. Its primary goal was to reduce the cost to the Government of post-service education, not to reward individuals for military service.

Unfortunately, at the same time this route has been taken to save the Government money, Federal educational assistance programs not requiring any service to the Nation has burgeoned. As Dr. Charles Moskos, the noted military sociologist, has so eloquently put it, today we have the GI bill, without the GI.

In a time when military real wages were diminishing, prior to the approval last year of several pay improvements, it is little wonder that VEAP has failed to be a recruiting incentive. And it is easy to understand why recruiters so badly want a return to the GI bill.

A recent U.S. Navy memo concluded: 'The quality high school graduate who lacked sufficient funds for a college education lost in essence a $4,000-plus enlistment bonus with the demise of the old GI bill." The memo noted that its elimination and replacement with VEAP did nothing but work against the All-Volunteer Force.

Just a few years ago, a survey of soldiers pointed out that educational benefits were the main reason for joining the Army. The old GI bill helped recruit 25 to 30 percent of the volunteers entering the Armed Forces. In December 1976, the last month for the old GI bill, a record 27,585 youths enlisted in the Army. The year before, only about half that many, 14,173, enlisted.

Organizations such as the Noncommissioned Officers Association (NCOA) warned Congress that elimination of the GI bill could have serious negative repercussions on the quality and quantity of recruits for military service. Unfortunately, as reports of this past year have reflected, this prediction has been borne out. It is time that we acknowledge the mistake we made and that we take steps to correct our earlier action.

The approach embodied in my proposal is, I think, one which will have far-ranging benefits for our young men and women considering military service, for our Armed Forces, and for the Nation itself. It will aid recruiting efforts, enhance the quality of our defense force, encourage educational advancement, and stimulate the economy. As the old GI bill did, my proposal will return far more than it will cost.

Perhaps the major difference from—and improvement of—the old GI bill is the provision that participants must serve a minimum of 2 years before they are eligible for benefits. This should help reduce the services' attrition problem. It will also insure that only committed,

qualified young men and women who have given 2 or more years in service to their country will reap the benefits of the program.

Costs will thus be reduced in two ways. The Navy has estimated that each recruit dropout represents a $7,000-plus loss. For every individual encouraged to serve a full term of enlistment or reenlistment, a substantial savings accrues. Extending the minimum service time from 6 months to 2 years for benefits eligibility will limit participation to those most deserving and will bring costs down significantly.

I believe this approach represents the direction we should be going as we seek to strengthen our military forces. And it reflects my firm belief that the Nation should give proper recognition to those who have served in their Nation's behalf. We owe them a considerable debt. Reinstating educational benefits for veterans is one small way of repaying them for their military service.

The NCOA deserves great credit for its work on this legislation. It has been in the forefront in working for a return to GI bill education benefits. I am pleased to work with NCOA in this important endeavor.

I also look forward to working with my colleagues who have introduced GI bill proposals of their own. This legislation must be a top priority of the 97th Congress. I hope we can join together to develop the best possible proposal—and to win its early approval this year.●

By Mr. CRANSTON (for himself and Mr. TSONGAS):

S. 49. A bill to amend the Uniform Time Act of 1966 to provide that daylight savings time commence each year on the first Sunday in March rather than the last Sunday in April; to the Committee on Conmmerce, Science, and Transportation.

EXTENSION OF DAYLIGHT SAVINGS TIME

Mr. CRANSTON. Mr. President, we are today introducing a bill to extend by approximately 2 months daylight savings time, commencing on the first Sunday of the first March after the bill is enacted.

This measure would save us an estimated 100,000 barrels of oil per day for 2 months, or approximately 5.6 million barrels of oil each year. In addition to, and as a result of, this huge energy savings, our bill would save more than $150 million or more for American consumers, at current oil prices.

Under present law, daylight savings time goes into effect on the last Sunday of April each year, and ends 6 months later, on the last Sunday in October.

Under our bill, daylight savings time would begin on the first Sunday in March each year and continue until the last Sunday in October.

In 1973, Congress passed the Emergency Daylight Savings Time Energy Conservation Act authorizing a 2-year experiment with year-round DST beginning in January of 1974.

Because that approach continued daylight savings time through the winter months, requiring children to go to school in the dark, there was considerable opposition to it.

During October of that year, in response to concerns expressed by both the general public and the Department of Transportation, this act was repealed. It was subsequently replaced by Public Law 93–434, to provide for 8 months of daylight savings time beginning with the last Sunday in February and ending the last Sunday in October, 1 week longer than my bill would do. The purpose of this bill is to use daylight savings time where there is more daylight. It does not require children to go to school in the dark.

Studies done by the Department of Transportation have supported the concept of 8 months of daylight savings time.

Moreover, under the underlying law, any State which so wishes may exempt itself from adopting daylight savings time.

Public Law 93–434 expired in April, 1975, returning us to a 6-month daylight savings time, although in the 94th Congress, the Senate passed by a vote of 70 to 23 S. 2391 which provided for daylight savings time on a 7-month basis.

The House of Representatives failed to enact the 7-month plan and it died at the end of the 94th Congress.

This is a sensible, painless and cost-free way to reduce energy demand in order to reduce our dependence on imported oil. We believe it should be considered promptly and adopted promptly.

Mr. President, our current law makes no scientific sense. School children need no more early morning or late afternoon light in the spring than in the fall.

Under present law, using 1981 as an example, daylight savings time will commence on April 27 and end on October 26.

But on April 27, the daylight hours are far longer than on October 26.

The equivalent day to April 27 is August 17. That is, on April 27 and on August 17, 1981, the daylight will be the same length.

That is because April 27 is 37 days after the vernal equinox (March 21) and August 1 is 37 days before the autumnal equinox (September 23).

By the same token, the equivalent day for October 26 (33 days after the autumnal equinox)) is February 16 (33 days before the vernal equinox). Again, the time between sunrise and sunset on February 16 will be just as long as on October 26.

The length of the daylight hours we derive from the sun results from the constant tilt of the Earth as it revolves around the Sun. This tilt causes the length of day and night to change, causing the seasons.

On March 21 (the vernal equinox) and September 21 (the autumnal equinox), the light just reaches from one pole to the other. The Sun is directly overhead at the equator and days and nights are equal all over the globe.

The vernal equinox begins spring in the northern hemisphere, just as the autumnal equinox begins fall.

The daylight hours then increase in length from March 21 until June 21 (the summer solstic) when the North Pole is most tilted toward the Sun. June 21—our traditional first days of summer—is the longest day of the year.

The days then shorten until the winter solstice (December 22), when the light of the Sun falls well short of the North Pole.

Mr. President, my legislation errs on the side of caution. It does not change the ending date for d.s.t., which this year will be October 26, at all. Nor would it move the starting day for d.s.t. all the way to February 16, when equivalent light conditions will exist.

Rather, it changes the starting date to the first Sunday in March—this year that would be on March 1. Again, the equivalent date in terms of daylight hours would be October 13, well before daylight savings time is presently scheduled to end.

We introduced similar legislation in the last Congress, which did not receive hearings because the Department of Transportation was late in indicating support for the bill.

But it did receive favorable editorial response:

I ask unanimous consent that an editorial from the Camarillo, Calif., Daily News, dated May 9, 1979, be included at this point in my remarks:

MORE DST MAKES GOOD SENSE

California's Senator Alan Cranston has proposed a plan that makes lots of sense even without its main objective, which is a good one.

Cranston has introduced legislation which would extend Daylight Savings Time to eight months a year.

According to our senior senator, the additional two months of DST would save the United States the energy equivalent of six million barrels of oil each year.

Cranston's bill would add the two extra months of DST in the springtime. In compliance with the current daylight savings program, clocks were turned one hour ahead a week ago Sunday, the last Sunday of April. That will be reversed the last Sunday in October when standard time is resumed.

If the legislation is adopted, Daylight Savings Time will begin the first Sunday in March next year and each succeeding year.

Sen. Cranston did not originate the idea. During the first big energy crunch of 1973–74, Congress passed emergency legislation that provided for year-round Daylight Savings Time. This was repealed because of complaints that children were endangered while waiting for buses or walking to school in the dark during winter months.

Congress then replaced the year-round DST experiment with an eight-month program, similar to the one being proposed by Cranston. But like so many energy-saving schemes, such as car-pooling; it fell by the wayside and when the emergency legislation expired in 1975, we went back to six months of Daylight Savings Time.

There has been much talk about using solar energy to conserve fuel. One simple method of using the sun's power for lighting, with no capital outlay required, would be to begin Daylight Savings Time two months earlier.

Even if there were no energy shortage, expanding DST would be welcomed by many people who enjoy that extra hour of daylight during their active hours. Cranston's proposal should get strong and immediate support.

An identical bill to the one we are today introducing will be introduced in the House by Congressman CARLOS J. MOORHEAD this week.

I hope that hearings will be held promptly on this legislation by the Commerce, Science and Transportation Committee, and that this bill will be ultimately adopted.

I ask unanimous consent that the bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 49

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 3(a) of the Uniform Time Act of 1966 (15 U.S.C. § 260a(a)) is amended by striking out "last Sunday of April" and inserting in lieu thereof "first Sunday of March".

Section 2. The amendment made by the first section of this act shall take effect at 2 a.m. on the first Sunday of the first March beginning after the date of the enactment of this act.

By Mr. DECONCINI:

S. 50. A bill to amend certain provisions of title 28, United States Code, relating to venue, and to provide for special venue provisions in cases relating to the environment; to the Committee on the Judiciary.

VENUE PROVISIONS RELATING TO ENVIRONMENTAL CASES

● Mr. DECONCINI. Mr. President, I am introducing today a bill to insure that environmental cases are brought in court of the general area where the environmental impact or injury occurs. The bill, S. 50, is identical to S. 3028 reported last Congress from the Committee on the Judiciary, but which was never considered by the full Senate.

PURPOSE OF THE BILL

The bill rests on the premise that in certain environmental actions essentially against the United States, the most appropriate forum to hear the case is the Federal district court located in the judicial district where the primary impact or subject matter of the case is located. Currently, such actions may be brought in several diverse forums at the discretion of the plaintiff. The bill is designed to provide specific guidance to the Federal courts with respect to the transfer of such cases without disrupting the plaintiff's traditional right to initially select a forum. S. 50 also provides district and appellate courts with the authority to consider the primarily local or regional impact of any action or proceeding as a factor in such a court's change of venue deliberations.

The bill further responds to a need for a mechanism for notifying states through their attorneys general of the pendancy of an environmental action filed in the United States District Court for the District Court for the District of Columbia when the action may be primarily local to such states. Such a notice system will increase public confidence in the Federal judicial system by providing states with the opportunity to participate in environmental actions that affect them through timely intervention in such actions.

BACKGROUND

Legislation to correct certain major inadequacies in the Federal venue statutes was the subject of congressional evaluation in the 87th Congress resulting in enactment of the Mandamus and Venue Act of 1962 (Public Law 87-748; 76 Stat. 744, October 5, 1962). Prior to this Act civil actions against the Federal government were restricted to the United States District Court for the District of Columbia because, in part, of the doctrine of "indispensable parties," which limited such actions to Washington, home of the indispensable agency head or other government official. In its consideration of "this historic accident," the Senate Judiciary Committee noted that "the current state of the law respecting venue in actions against Government officials is contrary to the sound and equitable administration of justice." (Senate Report 1992, 87th Cong., 2d Sess., August 31, 1962; U.S. Code, Cong. & Ad. News 2784; *see also* H.R. Report No. 536, 87th Cong. 1st Sess.) [1] With passage of the Act the law was changed to "make it possible to bring actions against Government officials and agencies in U.S. district courts outside the District of Columbia . . ." (S. Rept. 1992). The resulting change in the law broadened venue in such actions to include not only where "a defendant in the action resides," but also, except where a statute calls for specific venue, where "the cause of action arose" or where "any real property involved in the action is situated" or where "the plaintiff resides if no real property is involved in the action" (28 U.S.C. 1391(e)). This change applies to all cases where the United States is a defendant, i.e., the Act is not restricted to a specific type of case such as an environmental matter.

EXPLANATION OF THE BILL

Although the Mandamus and Venue Act cured the technical impediment that had restricted cases against the United States to the District of Columbia, the Act did not consider how such a venue provision might protect the committee's desire to "assist in achieving prompt administration of justice by making it possible to bring these actions in courts throughout the country . . ." (S. Rept. 1992). Nor did the Act contemplate the impact on its findings and purpose by the advent of litigation of potentially primary "local" issues in non-local district courts because of a broadened interpretation given to the requirements for standing. (*Sierra Club* v. *Morton*, 405 U.S. 727 (1972)).

Hearings were held in the 96th Congress (See Senate Committee on the Judiciary, Subcommittee on Improvements in Judicial Machinery, Federal Venue Statutes, Hearings, 96th Cong. 2d sess. Feb. 20, 1980) to consider legislative proposals designed to update the Mandamus and Venue Act of 1962. Both S. 739, introduced by Senator Paul Laxalt, and S. 1472, introduced by Senator Dennis DeConcini would have required that certain civil actions originate in a judicial district where a "substantial portion of the impact or injury" occurred; both bills made similar changes at the appellate level. S. 739 would have applied to all civil actions against the United States regardless of subject matter; S. 1472 was restricted to environmental actions regardless of the type of defendant (i.e., the United States or otherwise). The hearing particularly substantiated the inadequacies of the Federal venue statutes with respect to environmental matters with case histories demonstrating the use of Federal district courts outside of the local area of impact [*Defenders of Wildlife* v. *Andrus*, 455 F. Supp. 446 (D.D.C. 1978)[2]; *Natural Resources Defense Council* v. *Morton*, 388 F. Supp. 829 (D.D.C. 1974); *National Wildlife Federation* v. *Brock Adams*, Civ. Action No. 78-2090 (D.D.C. 1979); *Pyramid Lake Tribe of Indians* v. *Morton*,[3] 354 F. Supp. 252 (D.D.C. 1973)]; the difficulty parties encounter in seeking transfer (change of venue) of such an action to the local judicial district [*Environmental Defense Fund* v. *Costle*, 79 F.R.D. 235 (D.D.C. 1978); *National Wildlife Federation* v. *Andrus*,[4] Civ. A. No. 78-1522 (D.D.C. 1978)]; and problems of an intervenor in such an action [*Sierra Club* v. *Andrus*,[5] 487 F. Supp. 443 (D.D.C. 1980); *Environmental Defense Fund* v. *Costle*, infra; *National Wildlife Federation* v. *Andrus*, infra.]

Opponents to the bills claimed that the proposed changes would undermine the basic purpose of a venue statute, create additional threshold litigation and inhibit venue flexibility. At the hearing, James Moorman, Assistant Attorney General, Land and Natural Resources Division, testifying for the Department of Justice, agreed that there was a problem in certain cases; however, he favored a solution "less sweeping" than either S. 739 or S. 1472. Moorman stated that "(O)ur best suggestion is a combination of a new notice requirement and an amendment to the transfer section (1404(a)) to establish a presumption in favor of transferring cases in which the impact is primarily local." On May 2, 1980, the Subcommittee on Improvements in Judicial Machinery favorably reported an original Subcommittee bill incorporating the essence (i.e., a notice and presumption for transfer provision) but not the method of the Department of Justice suggestion.[6]

The original Subcommittee bill reflected the following policy conclusions: (1) the traditional right of the plaintiff to initially choose a forum under 28 U.S.C. 1391(e) in an action against the United States should not be disturbed; (2) current statutes specifying venue should not be overturned; (3) the notice and presumption sections of the bill should relate only to local environmental actions where the United States is a defendant; and (4) the notice section should be triggered solely by such actions filed in the United States District Court for the District of Columbia. S. 3028 also reflects these very same policy conclusions.

On May 7, 1980 the Senate Committee on the Judiciary considered this original Subcommittee bill as an amendment to the Regulatory Flexibility and Administrative Reform Act of 1980 (S. 2147). At this time one substantive amendment was accepted; this amendment added language to the new transfer section that would allow a rebuttal argument against the "presumption" (for transfer) section if the action was "substantially national rather than local in effect or scope." The original Subcommittee bill, as amended, was overwhelmingly accepted as an amendment to S. 262 (S. 2147), which was reported, without objection, by the Committee.

On June 24, 1980 the Committee on the Judiciary met in open executive session at which time it considerd S. 3028, a bill virtually identical to the original Subcommittee

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Footnotes at end of article.

bill. The differences with tre original Subcommittee bill relate to the definition of "local" and the type of action that may be "national." The Committee then ordered S. 3028, without amendment, favorably reported, which is identical to the text of the bill I am introducing today.

CONCLUSION

S. 50 will promote greater judicial efficiency by encouraging plaintiffs filing civil actions against a Federal government agency to file such actions in a local Federal district court when the primary impact of the action is in the local judicial district, particularly when the case deals with the environment. If the subject matter is locally situated, or if the cause of action arises locally, or if the environmental, economic or other effects of the action have a primarily local impact, the judicial efficiency resulting from a localized adjudication should be encouraged and enhanced and not denied. The bill is a logical extension of the Mandamus and Venue Act of 1962. That Act expanded the general venue statute for actions against the Federal government to allow—for the first time—any civil action against the Federal government to be brought in a local district court rather than only in the United States District Court for the District of Columbia. The bill merely fine-tunes the 1962 Act to provide district courts with additional specific guidance when considering motions to transfer actions of a "local environmental nature" to the local judicial district of primary impact. S. 50 also provides district and appellate courts with the authority to consider the local impact of any civil action as a factor in such courts' consideration of a change of venue motion. In addition, S. 50 creates a system for notifying state attorneys general of the pendancy in the United States District Court for the District of Columbia of an action against the Federal government that is an action of a "local environmental nature."

FOOTNOTES

[1] The Committee's intentions are well stated in the Senate Report:

"Frequently, the administrative determinations involved are made not in Washington but in the field. In either event, these are actions which are in essence against the United States. The Government official is defended by the Department of Justice whether the action is brought in the District of Columbia or in any other district. U.S. attorneys are present in every judicial district. Requiring the Government to defend Government officials and agencies in places other than Washington would not appear to be a burdensome imposition.

"On the other hand, where a citizen lives thousands of miles from Washington, where the property involved is located outside of the District of Columbia, where the cause of action arose elsewhere, to require that the action be brought in Washington is to tailor our judicial processes to the convenience of the Government rather than to provide readily available, inexpensive judicial remedies for the citizen who is aggrieved by the workings of Government.

"Frequently, these proceedings involve problems which are recurrent but peculiar to certain areas, such as water rights, grazing land permits, and mineral rights. These are problems with which judges in those areas are familiar and which they can handle expeditiously and intelligently."

[2] This was actually the second action dealing with Ruby Lake Wildlife Refuge brought by Defenders of Wildlife. The first action, *Defenders of Wildlife* v. *Andrus*, Civil Action No. 78–1210 (D.D.C. 1978) sought to invalidate special regulations signed by the Director, Fish and Wildlife Service on April 21, 1978 which permitted certain recreational activities within the Ruby Lake Wildlife Refuge. That action resulted in a remand of the regulations in question to the Secretary of the Interior for a determination of whether "the permitted recreational use would not interfere with the Refuge's primary purpose." In addition, the action resulted in a ban on the use of the Refuge just prior to the July 4th holiday. The Director signed new regulations on July 19, 1978 again permitting certain recreational usage of the Refuge, which led to the second action. This second action specifically sought declaratory and injunctive relief to prohibit the Federal defendants from permitting (through the regulations) power boating within Ruby Lake Wildlife Refuge and from permitting all boating within the Refuge prior to July 15 of each year. Ruby Lake Wildlife Refuge is located wholly within the State of Nevada; it is the only publically-owned boating recreational area within 125 miles of northeast Nevada's primary population centers, and its primary users (Nevadans) had use of the facility since its establishment in 1963. The action in the District Court for the District of Columbia generated additional court action. (*State of Nevada, et al.* v. *United States of America, et al.*, Civil Action No. 11473, 7th Judicial District Court, Nevada (1978) and *State of Nevada* v. *United States of America, et al.*, Civil Action No. R–78–0157 BRT (D. Nev. 1978)).

[3] This action challenged the government's regulations dealing with the supply of water from Pyramid Lake (wholly located in Nevada) to TCID, the Truckee-Carson Irrigation District. TCID was not a party to the litigation, even through 60,000 acres of irrigated Nevada land depend on TCID for water. The action sought to reduce the TCID's water supply by 30 percent. The Department of Justice, defending the Secretary, neither sought to transfer the case nor to dismiss for failure to join an indispensable party, TCID. This Washington, D.C. action generated additional Federal litigation in Nevada (*TCID* v. *Secretary of the Department of the Interior*, Civ. A. No. R–74–34 B RT (D. Nev. 1974)) to invalidate the regulations adopted pursuant to the Washington, D.C. action. Denying the United States' motion for summary judgment in the Nevada action, the Federal district court in Nevada commented on the Washington action: "* * * It is, nevertheless, obvious that the case was presented to him (Judge Gesell of the United States District Court for the District of Columbia) by parties who did not represent competing interests. The United States of America has never been able to decide whom it represents in these controversies."

[4] In this controversy, the City of Denver determined that an additional water treatment facility was needed to meet the needs of the City; a bond issue to finance this project—the Foothills Project—was passed by a wide margin. Although a related lawsuit was under way in Colorado, the plaintiffs filed suit in Washington D.C., to stop construction on NEPA grounds. A motion to transfer the D.C. case to Colorado was denied. Ultimately, and after more than 2 years of costly delay and court action, the case was settled along with an overall compromise, allowing Denver to do what it had intended in the beginning, pursuant to a Consent Decree entered February 26, 1979 in the United States District Court for the District of Columbia.

[5] In this action the plaintiffs filed a lawsuit in Washington, D.C., requesting the court to order the Secretary of Interior to "define, assert, and protest federal reserved water rights . . . in southern Utah and northern Arizona." The suit basically challenged the Secretary's discretion with respect to an alleged failure to "carry out their trust and statutory obligations." On behalf of the town of Escalante, Utah and others, the Mountain States Legal Foundation intervened and assumed the financial burden and inconvenience of traveling to Washington, D.C. After more than a year and a half of court action, summary judgment was entered on March 21, 1980, in favor of the defendants (as to 3 of 5 claims); the remaining two plaintiff claims were dismissed.

[6] The Department of Justice approach was essentially similar to the Subcommittee's with respect to the "notice" provision except that the Department's definition of "local" was restricted to an "impact on interests in no more than five states." The Department's version of a "presumption" section similarly restricted "local" to an action affecting five or fewer states. The Committee believes, however, that a numerical test for "local" would be unnecessarily restrictive on the courts; the discretion of the courts in this area has been and should continue to be free from such an objective limitation. In either event (i.e., the notice or presumption sections) their changes would not have restricted the provisions to environmental actions. In addition, the Department of Justice version would not have provided the court with the right to transfer the action on its own motion. The Committee feels that this right (it is not a requirement) will be particularly helpful in situations where the court identifies circumstances dictating transfer that escape the parties. The Subcommittee concluded that although non-environmental cases should be addressed (as reflected in the Justice Department version), the Hearing Record demonstrated that the "notice" and "presumption" proposals were particularly needed for environmental actions brought against the United States. Therefore, the Justice Department's suggestion to not restrict the legislation to environmental actions was adopted by the Committee only with respect to the more general provisions of S. 3028, Sections 2(a) and (3).●

By Mr. CRANSTON:

S. 51. A bill to require persons who manufacture cigarettes or little cigars for sale or distribution in commerce to meet performance standards prescribed by the Consumer Product Safety Commission, and for other purposes; to the Committee on Commerce, Science, and Transportation.

CIGARETTE SAFETY ACT

Mr. CRANSTON. Mr. President, 6 weeks ago the front page headline in the Washington Post read, "At Least 85 Die in Las Vegas Hotel-Casino Blaze." The fire was apparently caused by an electrical malfunction. Similar headlines covered the front page of every newspaper across the country. Imagine if in the 6 weeks since the MGM fire two similar hotel fires had occurred, each also claiming 85 lives. The public outcry over the loss of these 255 lives would have justifiably been enormous. Swift action to improve fire safety in our Nation's hotels would have been demanded.

So why is so little attention paid to the 265 lives which on the average are lost every 6 weeks in cigarette-caused fires? Probably because most of these fires are less dramatic. Large numbers of lives are not lost at one time in one location. So most Americans do not realize that at the end of each year when the National Fire Administration compiles fire statistics, cigarettes routinely come out the No. 1 cause of both residential fire deaths and fire injuries. In 1979, such fires resulted in 2.300 deaths, 5,800 injuries, and $210 million in property damage.

The agonizing truth about most of the

74,000 fires caused each year by lighted cigarettes is that tragedy easily could have been prevented.

In reintroducing the Cigarette Safety Act, S. 51, Senator TSONGAS and I recognize that there is a simple—truly preventive—step Congress can and should take to address the leading cause of residential fires. Our bill would give the Consumer Product Safety Commission authority it is now specifically denied to develop a mandatory performance test of a cigarette's tendency to ignite upholstered furniture and mattresses.

We know it is economically feasible to manufacture a safer cigarette. The National Bureau of Standards reports there are currently a few cigarettes on the market that could pass such a performance test. In other words, the cigarette manufacturers inadvertently created a cigarette which has a lower tendency to ignite upholstery and now sells those cigarettes at the same price and with the same success with which it sells other brands.

This is not an antismoking bill. It is legislation directed at a proven safety hazard, a hazard which the cigarette manufacturing industry has regrettably decided not to address voluntarily.

It has been suggested by the Tobacco Institute that public education about the dangers of carelessly dropping lit cigarettes would help solve this serious fire threat. My colleagues might be interested in knowing that out of the 616 million cigarettes smoked in this country each year 99.99 percent are properly disposed of. Considering human fallibility, it seems that an extremely high percentage of smokers are very mindful of their lit cigarettes. I doubt whether this percentage could be further improved upon through any means.

I am sure that my colleagues will agree that "fire-proofing" cigarettes is far easier, cheaper and more effective than attempting to fireproof everything they might be accidentally dropped on.

The 2,300 lives that will be lost in 1981 from cigarette fires will not be confined to any one region of this country. It is a national problem that demands a national solution. I urge my colleagues to join me in working to reduce this major fire danger by supporting this legislation.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 51

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Cigarette Safety Act".

DEFINITIONS

SEC. 2. For purposes of this Act, the term—

(1) "cigarette", "commerce", "United States", and "little cigar" have the meanings prescribed in paragraphs (1), (2), (3), and (7), respectively, of section 3 of the Federal Cigarette Labeling and Advertising Act;

(2) "sale or distribution" includes distribution of samples or any other distribution not for sale;

(3) "Commission" means the Consumer Product Safety Commission; and

(4) "cigarette safety standard" means any performance standard or cigarette safety rule promulgated by the Commission.

FINDINGS

SEC. 3. (a) The Congress finds that—

(1) the United States Fire Administration has determined that the careless use of smoking materials is the leading cause of fire-related death and injury in residences in the United States;

(2) fires caused by cigarettes and the careless use of smoking materials in the United States annually—

(A) kill approximately two thousand three hundred people,

(B) injure approximately five thousand eight hundred people, and

(C) result in property damage amounting to approximately $210,000,000;

(3) laboratory experiments have shown that a cigarette will burn continuously for approximately 20 to 45 minutes when placed on a flat surface and that there is a reasonable period of time for which a burning cigarette must remain in contact with fabrics before a fire will result;

(4) as presently marketed, cigarettes and little cigars are a dangerous ignition source which present an unreasonable risk of injury; and

(5) it is feasible and practical to produce cigarettes and little cigars which do not present an unreasonable risk of injury.

(b) The Congress declares it to be the policy of the United States—

(1) to reduce the loss of life and property in the United States by requiring that cigarettes and little cigars manufactured for sale or distribution in commerce be processed to ensure that such cigarettes or little cigars—

(A) if ignited, will stop burning within a time period designated by the Commission, if such cigarettes or little cigars are not smoked during such period, or

(B) meet some other performance standard promulgated by the Commission to insure that such cigarettes or cigars do not ignite smoldering upholstered furniture and mattress fires; and

(2) that such proceeding be accomplished without the addition of any toxic elements to a cigarette or little cigars.

RULEMAKING

SEC. 4. (a) (1) The Commission shall promulgate, within 24 months after the date of enactment of this Act, final consumer product safety standards for cigarettes and little cigars which set performance standards ensuring that such cigarettes and little cigars have a minimum capacity for igniting smoldering upholstered furniture and mattress fires.

(2) Performance standards for cigarettes and little cigars shall be developed by the Commission based on objective studies, including studies conducted by the Bureau of Standards of the Department of Commerce.

(b) The Commission shall commence the proceedings for the development of the cigarette safety standards under this Act by the publication in the Federal Register of an advance notice of proposed rulemaking which shall—

(1) state that Congress has declared that a safety standard for cigarettes and little cigars is necessary and that such standard shall be promulgated by the Commission; and

(2) invite interested persons to present their views concerning such standards, orally or in writing, during a period of not less than 30 days immediately following publication of such notice.

(c) Within 12 months after publication of the notice required by subsection (b), the Commission shall publish in the Federal Register general notice of proposed rulemaking under section 553(b) of title 5, United States Code. Such general notice of proposed rulemaking shall include the terms and substance of the proposed cigarette safety standard.

(d) Within months after publication of the notice required by subsection (b), the Commission shall promulgate the standard after there has been an opportunity for interested persons to orally present their views.

(e) (1) The final rule promulgating the cigarette safety standard shall specify the date such standard is to take effect, not to exceed 48 months after the date of enactment of this Act. If the Commission finds by the 18th month after the date of enactment of this Act that it is unable to issue the rule within this specified time period it shall prepare and transmit a report to the Committee on Commerce, Science and Transportation of the Senate and the Committee on Intertsate and Foreign Commerce of the House of Representatives, outlining the reasons for the extension and designating the additional time period required, not to exceed one year, to issue a rule, and the Commission shall issue a notice of extension in the Federal Register.

(2) For purposes of this Act, the rulemaking provisions of sections 7 and 9 of the Consumer Product Safety Act, shall not apply, and notwithstanding any other provision of law, the Commission shall not be required to make findings pursuant to these sections.

(3) The Commission may by rule prohibit a manufacturer of cigarettes or little cigars from stockpiling such products to which the standard promulgated pursuant to this section applies. For purposes of this paragraph, the term "stockpiling" means manufacturing or importing a product between the date of promulgation of such consumer product safety standard and its effective date at a rate greater than the rate at which such products were produced or imported during the one year period immediately preceding the date of enactment of this Act.

JUDICIAL REVIEW

SEC. 5. (a) Any person who is adversely affected or aggrieved by the standard promulgated pursuant to this Act may, at any time prior to the 60th day after the Commission promulgates the final rule, file a petition with the United States Court of Appeals for the circuit in which such person resides or has his principal place of business for a judicial review of this rule. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commission. The Commission shall file in the court the record of the proceedings on which the Commission based its final rule as provided in section 2112 of title 28, United States Code.

(b) If the petitioner applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that such additional evidence is material and that there was no opportunity to adduce such evidence in the proceeding before the Commission, the court may order such additional evidence (and evidence in rebuttal thereof) to be taken before the Commission in a hearing or in such other manner, and upon such terms and conditions, as the court deems proper. The Commission may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file such modified or new findings, and its recommendations, if any, for the modification of the final rule.

(c) Upon the filing of the petition under this section, the court shall have jurisdiction to review the final rule of the Commission, as modified, in accordance with chapter 7 of title 5, United States Code. If the court ordered additional evidence to be taken under subsection (b) of this section, the court shall also review the Commission's final rule to determine if, on the basis of the entire record before the court pursuant to subsections (a) and (b) of this section, it is

supported by substantial evidence. If the court finds the final rule is not so supported, the court may require its modification or reversal.

(d) The judgment of the court in affirming, setting aside or modifying, in whole or in part, the Commission's final rule shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28, United States Code.

(e) Section 11 of the Consumer Product Safety Act does not apply to judicial review of the Commission's final cigarette safety standard.

REMEDIES

SEC. 6. The cigarette safety standards, as promulgated in a final rule, shall be deemed to be a Consumer Product Safety Standard as defined under section 3 of the Consumer Product Safety Act, and shall be subject to all remedial and penalty provisions of the Consumer Product Safety Act.

CONFORMING AMENDMENTS

SEC. 7. Section 3(a)(1)(B) of the Consumer Product Safety Act is amended by adding after the word "products" the following: "except that cigarettes and little cigars are deemed to be consumer products for the purposes of regulating them as an ignition source".

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. For each of the first three fiscal years beginning after the date of enactment of this Act, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. HAYAKAWA:

S. 52. A bill to amend the Clean Air Act to repeal the requirement that State implementation plans provide for periodic inspection and testing of motor vehicles; to the Committee on Environment and Public Works.

AMENDMENT OF CLEAN AIR ACT

Mr. HAYAKAWA. Mr. President, today I am introducing a bill to amend the Clean Air Act so that each State will be able to determine whether or not a mandatory inspection and maintenance program for motor vehicles is necessary and practicable. I do this with the hope that such legislation will help put a stop to the type of blatant coercion that is currently being used against the State of California by the Environmental Protection Agency.

The Clean Air Act requires each State to submit to the EPA an implementation plan which provides for the attainment of national ambient air quality standards by December 31, 1982. However, in recognizing that attainment may not be possible in some areas by that deadline, the act also provides that a State which demonstrates that it is unable to attain the national standards for ozone or carbon monoxide prior to December 31, 1982, may provide in its implementation plan for attainment of those standards no later than December 31, 1987. But there is a catch. In order to take advantage of this extension, the State must establish a specific schedule for implementation of a vehicle emission control inspection and maintenance program. I believe this catch or this requirement is a deviation from the overall philosophy of the Clean Air Act under which the States are generally free to choose the control measures which they believe to be appropriate.

The legislation which I am introducing allows the States to choose the programs by which they will attain the national air quality standards. It does not alter air quality standards, and it does not alter the deadlines by which they must be achieved. Specifically, this legislation would delete the requirement that forces a State which cannot meet the national standards for photochemical oxidants (ozone) or carbon monoxide by the 1982 deadline to establish a specific schedule for implementation of a vehicle emission control inspection and maintenance program.

Thus, a State would be required to have an inspection and maintenance program only to the extent to which it found such a program to be necessary and practicable. Moreover, this bill would add a new section to the Clean Air Act which would provide that: First the Administrator of the EPA could not require an inspection and maintenance program as a condition of approval for any State implementation plan, second if the Administrator, rather than the State, promulgates an implementation plan it may not require an inspection and maintenance program, and third any State may revise its implementation plan to eliminate an inspection and maintenance program.

Now it makes sense to allow States to use means other than inspection and maintenance programs to control emissions, because there is considerable disagreement about the benefits to be derived by implementing such programs. The EPA has suggested that based on data developed in Portland and Eugene, Oreg., one might expect a 24-percent reduction in hydrocarbons and a 34-percent reduction in carbon monoxide over a year's time. However, these figures have been contested by some very responsible sources. A study done for the legislative analyst of the State of California projects only a 17.4-percent reduction in hydrocarbons and a 22.4-percent reduction in CO. These reductions could still be considered substantial. But a report done jointly by the California Air Resources Board and the California Department of Consumer Affairs projects only a 5-percent reduction in total hydrocarbons and a 1-percent reduction in total oxide emissions as a result of an inspection and maintenance program. This would represent a relatively small impact.

The total cost to all of the States subject to the inspection and maintenance requirements would be in the range of $300 to $800 million a year. One must ask the question, "Are the projected benefits worth an investment of this magnitude?" Other factors will significantly influence automotive emissions in future years. The dominant influence will be the changing composition of the automotive fleet. As newer, low-emission cars replace older cars, total emissions will fall, regardless of whether inspection and maintenance is required. More reliable emissions control technology and a reduction in total mileage driven as a result of higher gasoline prices can also be expected to have a significant impact. I believe the determination of how much an inspection and maintenance program will enhance these factors and the decision to invest in such a program should be left to be made by each State.

The need for this legislation is made evident by the EPA's actions against my own State of California. Because the State legislature has voted against the establishment of legal authority necessary to implement a motor vehicle inspection and maintenance program, the EPA has formally indicated, in a notice of proposed rulemaking, its intention to withhold up to $850 million in Federal highway and sewer funds that would otherwise go to California. It is also threatening to hold up approvals for further industrial expansion in the State. These threats constitute nothing less than blatant coercion on the part of the Environmental Protection Agency, and it is my intent to strip away this power to coerce. The Clean Air Act seemingly gives the EPA the power to use this form of coercion; therefore, the Clean Air Act must be corrected.

Nobody opposes clean air. But more and more people are demanding that flexibility and common sense be exercised in our pursuit of air quality goals. This is evident in the current administration's own steel revitalization program, and I suspect it will be evident in the next administration's economic revitalization programs. Passage of this legislation will help to insure that the Environmental Protection Agency will lead the States toward the attainment of national air quality standards through commonsense and flexibility, and will help put a stop to the type of "arm twisting" tactics that are currently being employed by the EPA against the State of California.

By Mr. HAYAKAWA:

S. 53. A bill to amend the Voting Rights Act of 1965 to repeal certain requirements relating to bilingual election requirements; to the Committee on the Judiciary.

AMENDMENT OF VOTING RIGHTS ACT

Mr. HAYAKAWA. Mr. President, today I am introducing legislation to amend the Voting Rights Act by deleting the provisions added in 1975 which require that bilingual election materials be provided in certain States and counties.

When the 94th Congress amended the Voting Rights Act to require the use of bilingual ballots, the intent was to bring our nonEnglish-speaking population into the mainstream of American society by allowing them to vote in a language they can read and understand. The effect of that act, however, is to foster the fallacy among immigrants to the United States that it is not necessary to learn English. That fallacy can lead to trouble for all of us in the years ahead.

As a semanticist, I must point out that language is a means of communication. If you speak one language and I speak another and we need to communicate, either I must learn your language or you must learn mine. If I decide not to learn your language and you decide not to learn mine, we have established a barrier

to communication by which both our cultures are impoverished. Throughout our history our Nation has been enriched because our immigrants have eliminated communications barriers with the use of a common language—English.

With the use of bilingual ballots, however, we are saying to our non-English-speaking citizens that they can fully participate in the political process without overcoming the language barrier. That simply is not true.

Suppose, for instance, a Spanish-speaking citizen wants to vote for a Presidential candidate or one of the various State propositions being offered. While the individual may have a ballot printed in Spanish, it will not help illuminate the differences between the candidates; it will not enlighten him on the effect the proposition will have on his life. Voter information pamphlets which are supposed to explain the issues in question are often so bureaucratically written that they are incomprehensible in any language. So those who do not understand English are totally dependent on information received from foreign language television programs and newspapers, and discussions with friends and relatives. They are excluded from the broader perspective obtained from English-language newspapers, magazines, and television programs. They cannot listen to an English-speaking candidate present his or her own views. While the non-English-speaking citizen has been provided with an easier means to express his views, a ballot in his own language, he has been discouraged from obtaining the wide range of information necessary to develop those views.

At some point the person who does not speak English will realize the political limitations. As a member of a minority-language group, he will find it impossible to run for an office that serves a constituency whose majority speak English. He cannot effectively address his views to those who do not understand his language, so he surrounds himself with those who do. This political polarization can lead to a separatist movement, especially among our growing Spanish-speaking population.

There are those who argue that bilingual ballots are necessary for those citizens who, in years past, were denied the opportunity to learn English. These people are dependent upon, and have available to them, the assistance of foreign language newspapers, television programs, and friends and relatives. It may be unfortunate, but with or without a bilingual ballot that dependence will remain.

I am introducing legislation to abolish bilingual ballots because I believe that our country's greatness is directly related to our unique ability to merge a multitude of foreign cultures into one. The key to this ability is the acceptance of a common language that allows each new culture group to communicate and share ideas with those who have been here longer. We cannot as a nation afford to ignore the value of the American melting pot.

The bilingual ballot is a long step in the wrong direction. Real political participation, social participation and cultural participation in all aspects of American life cannot be achieved through misguided mechanisms like the bilingual ballot. It is time we told our non-English speaking citizens the truth: They need to learn English.

By Mr. HAYAKAWA:

S. 54. A bill to repeal the provisions of title 23, United States Code, requiring a national maximum speed limit of 55 miles per hour; to the Committee on Environment and Public Works.

THE 55-MILE-PER-HOUR SPEED LIMIT

Mr. HAYAKAWA. Mr. President, I am today introducing a bill, for appropriate reference, which will right an injustice that began in 1974 and continues to harass States with no regard for responsibility or reality. I refer to the national maximum speed limit of 55 miles per hour.

This is not the first time I have introduced this legislation; I hope it will be the last. The time has come for Congress to recognize its responsibility to the States and to the people by correcting a problem which has less to do with lives and fuel than with the expansion of Federal power into areas reserved for the States.

Prior to 1974, the various States were charged with the responsibility of establishing maximum speed limits. To this day the States retain, not only that responsibility, but that authority. The Federal Government does not have the power to deprive the States of that responsibility—so it threatens to deprive Federal highway funds to States which maintain maximum speed limits in excess of 55 miles per hour. That is nothing less than extortion.

If that is not enough, the Federal Government requires that the States not only establish maximum speed limits at 55 miles per hour, to be eligible for owed highway funds, States are required to demonstrate compliance with the limit. In many States, that is not possible—because drivers will not accept this Federal mandate.

Not unlike prohibition, the national speed limit is creating a population of criminals. Like prohibition, the national speed limit cannot be tolerated. Ironically, a prohibition on alcoholic beverage would have a much greater impact on traffic fatalities and fuel economy than the 55-per-mile-hour speed limit could ever have; since nearly half of all traffic fatalities involve drunken driving, the absence of intoxicants would severely decrease highway accidents; the production of ethyl alcohol, which was formerly made for human consumption, could be converted to an alternate fuel source. But prohibition was repealed because it infringed on the right of an individual to choose. Similarly, the national maximum speed limit should be repealed because it infringes on the right of States to determine what a safe and economical speed is for their own highways.

It simply does not make sense for a citizen of New Jersey to determine what a safe rate of speed is on California highways. New Jersey is a densely populated State which is 166 miles in length; the distance between California's two major commerce centers, San Francisco and Los Angeles, is 347 miles through sparsely populated agricultural land. So while a speed of 55 miles per hour may be appropriate for New Jersey, it is not appropriate for California.

I am not advocating that we abolish the 55-mile-per-hour speed limit. I am saying that the responsibility for making that determination should be returned to the States, and that Federal blackmail for highway funds must stop.

There are those who argue that the national speed limit has saved lives and conserves fuel, however, to be responsible for a change in the highway death toll, or the rate of fuel consumption, the limit would have to be observed. A 50-percent compliance rate could hardly be considered demonstrative, and must be considered to have had limited influence on either highway deaths or fuel economy.

The highway fatality statistics, which proponents of the national speed limit cite, include all deaths involving a motor vehicle, on all roads in the country. Deaths resulting from speed in excess of 55 miles per hour form an estimated 5 percent of the total. Moreover, while the number of highway deaths dropped significantly in 1974, the year in which the national speed limit became effective, since 1975 that number has been increasing. It was easy to claim a significant correlation then. It is more difficult to explain the increase in fatalities as a result of the national speed limit, especially in that face of recent safety innovations. Perhaps a more reasonable explanation of the entire phenomenon is that traffic volume decreased significantly in 1974 and 1975 because of the Arab oil embargo and the subsequent rise in fuel prices; with decreased traffic volume came fewer highway deaths.

Similarly, the contribution of the national speed limit to fuel conservation has been exaggerated. One estimate concludes that the 55-mile-per-hour limit has an impact on one-half of 1 percent of the total fuel consumption of the United States. Another estimate concludes that the speed limit has had no greater impact on fuel economy than properly inflated tires would have.

I ask unanimous consent that an article by John Tomerlin and the results of a survey conducted by Road & Track magazine be printed in the RECORD at this point.

There being no objection, the article and survey were ordered to be printed in the RECORD, as follows:

[A Road & Track Report, May 1980]

THE 55-MILE-PER-HOUR MYTH—SIX YEARS OF SPEED PROHIBITION

(By John Tomerlin)

On January 2, 1974, less than two months after Saudi Arabia's King Faisal announced a halt in shipments of Middle Eastern oil to the United States, the Emergency Highway Energy Conservation Act was signed into law, establishing 55 mph as the nation's maximum legal highway speed. One year later the

Federal-Aid Highway Amendments provided for an indefinite extension of the National maximum speed limit (Nmsl) on the grounds that it had contributed significantly to fuel conservation and was responsible for a major reduction in traffic accidents and deaths.

Under the provisions of the legislation, states that fail either to establish a 55-mph speed limit or to certify certain levels of enforcement will be penalized by the loss of a portion of their gasoline-tax funds. Administration of the law is in the hands of two agencies of the Department of Transportation (DOT)—the National Highway Traffic Safety Administration (NHTSA), which oversees enforcement by the states, and the Federal Highway Administration (FHwA), which collects and analyzes speed-control and speed-monitoring data.

These and other branches of the DOT collaborate on public information programs to promote the advantages of the 55-mph limit. According to these sources, the Nmsl is the "most significant action taken on behalf of traffic safety in half a century," one that has saved the nation at least 1.5 billion gallons of gasoline per year and prevented upward of 6000 fatalities annually. Both figures could be doubled, it is claimed, by greater efforts at enforcement.

Greater efforts are a certainty. The Highway Safety Act of 1978 authorizes up to $50 million per year to help the states enforce the Nmsl. This money is in addition to whatever share of state gasoline-tax funds the Secretary of Transportation sees fit to mandate for enforcement. In 1979, $40 million in 402 funds[1] were earmarked for this purpose, while for fiscal 1980 Congress has budgeted $20 million. This kind of multiple-source funding makes a precise analysis of long-range costs difficult, but NHTSA officials now estimate that direct federal aid to speed enforcement will cost taxpayers $646 million over the next decade. In all likelihood this is an underestimate.

Given the magnitude of commitment to the 55-mph speed limit, it might be expected that a substantial amount of evidence exists proving that it performs as claimed. In fact, such evidence is lacking. Claims for savings of "over 4 million gallons of gas a day" are challenged by every professional survey of fuel consumption to date; and analyses of the alleged safety benefits of the Nmsl are so inconclusive that former Transportation Secretary Brock Adams admitted during appropriations hearings in 1977 that, "We have found that no accurate estimate can be made on the overall safety impact of the 55-mph speed limit . . ."

Adams went on to assure the Congress that it should have "high confidence" that the federal limit had contributed to safety, but he failed to emphasize the importance of other changes that took place with the Nmsl. There were significant reductions in vehicle mileage in the wake of the Arab oil embargo, resulting in lessened exposure to accidents; there was an increase in driver awareness, especially during periods of uncertain fuel supplies; and there was a continuation of the historical trend to greater safety resulting from improved highways, vehicles and driver licensing procedures.

Although the safety benefits of the Nmsl have proved elusive, its negative effects are all too concrete. It has severely restricted application of the best-known technique for setting highway speeds for maximum safety, replacing it with an arbitrary speed that ignores local needs and conditions. It has created a nation of scofflaws and resulted in a significant diversion of police services from other vital functions. It has caused dissension between the federal and state governments, between legislators and their constituents, and between the public and their law enforcement and judiciary officials—to the disadvantage of all concerned.

Based on six years of practical experience, it is not too much to say that the experiment with Speed Prohibition is a failure, and that the greatest obstacle to further gains in highway safety has become the 55-mph speed limit itself.

55 MPH AND FUEL

The idea for saving energy by reducing highway speeds was not developed overnight. As early as May 1973 the Secretary of Transportation began urging the states to reduce their limits; and that summer similar requests were made by the Senate and the President. In support of these appeals were the results of tests performed by the FHwA in October 1973, comparing fuel consumption rates at various speeds in 13 American-made cars.

"The Effect of Speed on Automobile Gasoline Consumption Rates" documented economy losses in all cars tested, at all speeds higher than 50 mph. On average, mileage dropped off 10 percent when speed was increased from 50 mph to 60 mph; at 70 mph, mileage fell an average of 25 percent. No tests were performed at 55 mph, perhaps because that speed had not at that time been selected for the national speed limit.[2]

In view of the fact that Americans consume a virtual sea of gasoline each year—110 billion gallons of it in 1973, and considerably more today—the prospects for achieving significant savings by reducing speeds seemed good.

So good, the Administration began claiming success almost at once. "In the first six months of 1974, about 135,000 barrels of gasoline were saved each day that would have been consumed under previous speed limits," the Federal Energy Administration announced. NHTSA agreed with this estimate, adding that more than 98,000 barrels per day continued to be saved thereafter.

As it turned out, both estimates were premature and inaccurate. When professional studies were commissioned to determine the impacts of the speed limit on conservation, the findings were quite different. The Mitre Corp. in a report to the National Science Foundation, discovered that while 255,000 fewer barrels of fuel per day were consumed in 1974 than in 1973, most of this was the result of shortages and reduced travel. Only about 71,000 barrels per day could "possibly" be attributed to the "combined efforts of the 55-mph speed limit and more fuel-efficient cars."

A second study, performed by Braddock, Dunn and McDonald in September 1974, also for the National Science Foundation, agreed with the theoretical possibility of saving 200,000 barrels of gas per day by reducing highway speeds—but, after examining consumption trends and traffic volumes for the winter of 1973 and the spring of 1974, the researchers concluded: "There was no actual improvement" in consumption.

Somewhere, between theory and application, the expected conservation benefits of the National maximum speed limit had vanished.

Less than half of one percent

There's no mystery about the Nmsl's failure to live up to expectations. To begin with, reliance on the results of the FHwA's tests gave rise to false hopes. Whereas the Highway Administration performed straight-time runs at constant speeds on uncrowded roadways—conditions "not likely to occur in normal operation," as the researchers themselves conceded, most motorists spend little if any time in such circumstances. The rest is spent braking, shifting, accelerating, changing lanes and so on. Much of it is spent on roads where 55 mph or better is either inadvisable or impossible.

As those who have made the experiment know, a consistent 10-percent improvement in mileage is difficult to achieve through speed control alone; and even that requires some techniques not necessarily recommended from a safety standpoint.

A second miscalculation was the failure to analyze the potential for making a significant impact on energy problems. Only about one-third of the total vehicle mileage traveled in this country is on roads where 55 mph or more is possible; and only about half of that mileage actually is driven at or above the limit. This means only one-sixth of all vehicle miles are subject to any fuel savings from the Nmsl.

The precise amount of saving will average around 12 percent, depending on car weight, engine efficiency and the exact speed above 55 mph; which means that the formula for the *maximum* savings available from the Nmsl, assuming absolute compliance would be: 33⅓ percent x 50 percent x 12 percent. Or, a little less than 2 percent of consumption.

Inasmuch as the petroleum for highway transportation represents about one-quarter of the nation's energy needs, the greatest possible savings amount to *less than one-half of one percent* of total energy requirements.

From a moral viewpoint there is something to be said for saving even this minuscule amount; but from an economic point of view,[3] the value of that half of a percent must be discounted for enforcement and other costs. These happen to be substantial. In addition to the federal contribution of around $65 million per year, an estimated $2.5 billion is spent by local police and traffic services. Ever-increasing portions of this money are being directed at monitoring and enforcing the 55-mph speed limit. Currently NHTSA requires annual reports from all of the states on every type of road: interstate highways, urban and rural; multi-lane divided and undivided roads, urban and rural; federally aided primary roads, urban and rural; plus summaries of average speeds on these roads, median speeds, 85th-percentile speeds, and the ratios of traffic exceeding 55, 60 and 65 mph.

And now the DOT is demanding that such reports be made quarterly, hence four times the expense.

The FHwA, which heretofore required only "representative" speed data, now wants measurements for *all* traffic—a task so monumental that government spokesmen admit, "technology for this calculation is not presently available." When and if the technology becomes available, certain states with lower traffic densities (no freeway rush hours, for example) are virtually certain to fail the federal guidelines on compliance, for which the penalty is the loss of a portion of 402 funds. This will have the ironic effect of curtailing safety improvements on the affected state's highways.

California's Department of Transportation estimates that federal enforcement guidelines will increase its administrative costs from $20,000 at present, to more than $200,000.

Another cost attributable to the Nmsl is its impact on truckers. Although trucks, like cars, get better mileage at lower speeds (assuming proper final-drive ratios), the savings in fixed, per-mile costs at higher speeds outweigh the added expense of fuel. A recent report from an office of the Department of Agriculture revealed that while a 33-percent improvement in fuel consumption reduced a trucker's per-mile expense about 3.5¢, triple that savings resulted from an increase in speed of 10 mph.

All of this suggest that, even if total compliance with the Nmsl were achievable, the maximum benefits would be less than the costs involved.

Total compliance appears highly unlikely. In spite of large infusions of manpower and money during the past six years, noncompli-

Footnotes at end of article.

ance is widespread and rising. According to official estimates, more than half of all traffic on roads with the Nmsl now exceeds 55 mph. An estimated 70–80 percent of all drivers do so at least some of the time. The average speed or traffic, which fell 7–10 mph during the initial gasoline crisis—and again during shortages last year—has risen steadily at all other times. Eighty-fifth percentile speeds, which have special value as indicators of traffic behavior in general, are consistently above 60 mph—as high as 68 mph in some places.

Meanwhile, arrests nationally for speeds in excess of the Nmsl have risen from 5.7 million in 1973, to more than 8 million this past year, to no apparent effect.

Lowering the average weight of the passenger car fleet 1000 lb per car will save several times as much gasoline as the 55-mph speed limit purports to save; slightly higher tire pressures and more frequent tuneups would be more effective (there is, of course, some cost involved with tuneups); and, considering that radial tires improve mileage 3–5 percent, it would be cheaper and more effective to give a set to every driver who doesn't presently use them than to persist with the current unpopular impractical program.

55 MPH AND SAFETY

One of the most significant consequences of the Arab oil embargo was a dramatic decline in traffic accidents and deaths. During 1974 there were some 230,000 fewer accidents than the previous year, a reduction of nearly 4 percent. Highway [4] fatalities dropped 16 percent as compared to 1973—from 54.600 to 46.000—and the death rate per 100 million vehicle miles fell from 4.3 to 3.6. Supporters of the Nmsl were quick to credit lower speeds for such changes.

"At least 66 percent of the fatality reduction is directly attributable to the 5-mph speed limit," the DOT announced, adding that on the basis of its studies, "4500 to 6000 lives have been saved each year as a result."

Other members of the safety establishment, while assigning a smaller percentage of the improvement to the new speed limit, agreed generally with this assessment. The few dissenters were criticized as much for their motives as for their findings; average speeds had decreased at the same time accidents had decreased, a cause-effect relationship was presumed.

There were other causes, however. Fewer vehicle miles because of gasoline shortages and higher prices [5] meant less overall exposure, hence fewer accidents. Increased driver awareness played a role, though no one could say how much of one. And some technological improvements, such as added miles of interstate highway; increased use of radial tires; the advent of better safety belts and the belt-ignition interlock, etc., also contributed. What wasn't understood at the time was how great the cumulative effect of these changes would be.

It is now clear that they account for virtually the entire gain in highway safety during and after the gasoline crisis of 1973–1974. Although no exact statistics exist, and the estimates vary all the way from 4 percent (California) to 12 percent (North Carolina), most authorities concur in a 5 percent overall mileage reduction. While this isn't much, it had greater significance because of the *kinds* of driving most affected. Night driving decreased more than daytime; rural driving more than city driving; and weekend and holiday traffic was hardest hit of all. A typical case was Iowa, where mileage dropped only 6–8 percent on rural roads during weekdays, but fell 25–30 percent on weekends.

Inasmuch as the kinds of driving most affected by the gasoline crisis also are associated with the highest accident rates (alcohol abuse, driver fatigue and anti-social driving all are at their peaks), reduced mileage accounted for about 30 percent of the reduction in fatalities during first-half 1974.[6] This calculation takes into account lighter traffic density (a factor missed by several authorities) which is a well established corollary of accident rates. In fact, top officials at the California Department of Transportation are worried by evidence that, "Density remains the most reliable indicator of accident incidence."

A second major change in conditions during late 1973 and early 1974 was the alteration in driver attitudes. Although difficult to quantify, the effects of this heightened awareness were manifested in two ways. Average speeds began to drop before the Nmsl was passed—reaching their lowest level in January before major enforcement began; and during this period speeds decreased on *all* roads, not just those posted for the lower limit.

Statistics show that voluntary actions produced the greatest gains in safety.

The death rate, having reached its lowest level in history between October 1973 and January 1974, began rising simultaneously with the enforcement of the Nmsl. It increased still further as normal gasoline supplies were restored and the Arab embargo ended.

Although reduced nonessential driving and heightened driver awareness were responsible for most of the safety improvement through first-half 1974, a third influence was at work. This was the evolutionary trend to greater traffic safety, a tendency that has continued, and American highways have become consistently safer for the past half century.

Between 1925 and 1975 the death rate declined from 19.0 to 3.4—an improvement of roughly 3.5 percent per year—while highway speeds rose with equal consistency. This agreement between greater speed and greater safety was achieved through consistent, rational improvements in the highway environment: everything from better median dividers, energy-absorbing barriers on bridge abutments and breakaway light standards, to the refinement of 3-point safety belt systems.[7]

Fifty years of traffic history suggests that the death rate would have declined by some amount with or without a fuel crisis, and with or without a 55-mph speed limit. Washington, D.C.-based safety advocate Roger Johnson has noted, "Following a sharp decline in fatality rates from 1973 to 1974, actual rates gradually approached predicted rates until, in 1978, they exceeded predicted rates".

It is apparent from Table 3 that, while voluntary speed reductions were associated with minor improvements in safety at the beginning of the fuel crisis, the National speed limit *per se* had little or no impact. This finding is consistent with all that is known about proper speed zoning, the underlying principle of which was set forth in a pamphlet by the Southern California Automobile Club: "Generally speaking, traffic laws that reflect the behavior of the majority of motorists are found to be successful [while] laws that arbitrarily restrict the majority of drivers encourage wholesale violations, lack the public's support, and usually fail to bring about desirable changes in driving behavior. This is especially true of speed zoning."

The 85th Percentile

Speed limits that "reflect the behavior of the majority" are determined by the 85th percentile method. Traffic is monitored and speeds recorded for a section of road where prima facie speed limits are desired; the speed that 15 out of every 100 cars exceed, and that the other 85 travel at or below, is the 85th percent speed. Speed limits normally are set 5 mph below this figure.

This technique is founded on an observation made some 25 years ago by Matthew C. Sielski, a traffic engineer for the Chicago Motor Club. On the basis of extensive studies of accidents along selected midwestern highways, Sielski determined that, "Most motorists drive at a reasonable and proper speed, and are capable of recognizing conditions that warrant lower speeds."

Practical experience has borne out this conclusion. Where observations are made along unposted roads with no concealed hazards, cars traveling at the 85th-percentile speed have been found to have the fewest accidents; statistically, a car traveling this speed is 5–6 times less likely to crash than one driving 5–10 mph *below* the posted limit.

The effect of posting speed limits at or near the 85th percentile is to reduce the number of accidents occurring on that road; it reduces them whether the previous limit was *above or below* the 85th percentile speed.[8] But this invaluable implement of highway safety cannot be applied on freeways, parkways, interstate highways and other limited-access roads where the consequences of crashes are most severe, until the federal formula is withdrawn and decision-making powers are returned to local jurisdictions.

In the meantime, the ability of local agencies to provide effective traffic management is being hampered by federal requirements. Officers have many responsibilities in addition to enforcing speed limits; assisting at the scene of accidents, fires and public disturbances; arresting drunk and aggressive drivers; aiding stranded motorists; identifying hazards and patroling high-risk areas, and much more. Yet, in order to meet the DOT schedule for increased compliance with the Nmsl, police have been forced to pull out of high-risk areas on weekends and holidays, in order to patrol freeways and interstate highways where the risk of an accident is lowest.[9]

In Oregon, for instance, state police now devote one-third of their time to patroling freeways, where only 6 percent of that state's traffic fatalities occur. Better than 53 percent of the arrests made are for exceeding the Nmsl, even though that act is considered a minor cause of accidents. Oregon authorities have calculated that the "direct increase in enforcement cost in terms of officer patrol on freeways . . . amounts to $1,382,971 annually because of the 55-mph basic rule."

An analysis by the California Highway Patrol has shown that speed-caused accidents resulted in 30 percent of all fatalities in that state; "Thus 70 percent of all fatalities resulted from causes other than speed, an indication that enforcement concentration on speed violations alone would not be consistent with the demonstrated accident problem."

In North Carolina, the Highway Safety Research Center (HSRC) ran a statistical comparison of the leading causes of traffic accidents, versus the number of traffic tickets issued for each of those actions, attempting to determine the appropriateness of enforcement. Here is a partial listing of the result.

"There is an enormous mismatch between enforcement practice and . . . crash involvement," the HRSC researchers concluded.

R&T RECOMMENDS

This mismatch is likely to continue until popular misconceptions about the relationship between speed and accidents are corrected. For example, traffic engineers now know that speed is the primary causal factor in only 4–6 percent of all accidents—speed in this case meaning "too fast for conditions," not merely "exceeding posted limits." Yet crackdowns on speeding—particularly on open, lightly traveled highways with the lowest accident rates—continue to be a favorite tactic of many officials and politicians.

There is no question that speed intensifies the likelihood and severity of injuries when accidents do occur; but an equally well established tenet of 20th century transportation is man's decision to travel faster

Footnotes at end of article.

than he can afford to crash. Under such circumstances there is more to gain from eliminating the causes of accidents than from the effort to impose Speed Prohibition.

The 85th percentile is not only the best known method for setting realistic speed limits, it has the added advantage of increasing the overall proportion of traffic traveling within the pace (the 10 mph range in which the highest percentage of traffic moves). It is an established fact that fewer accidents occur when the greatest number of cars are traveling within the pace. Another important factor is that vehicle fuel economy would benefit from a smoother flow of traffic.

Accordingly, R&T recommends the following:

1. Immediate repeal of the 55-mph National maximum speed limit. State legislators must be urged to take action in the true interests of highway safety;

2. Reallocation of funding from the Highway Safety Act of 1978 to increase the use of the 85th percentile in setting prima facie limits on all roads, and for identifying and eliminating concealed road hazards;

3. Federal aid to expand and implement the concept of Traffic Management By Objectives, in which the primary objective is the reduction of accidents and the saving of lives;

4. Considering the profound effect they have had on society and the market place, continued implementation of the federally mandated Corporate Average Fuel Economy (CAFE) standards as the most productive approach to fuel economy savings.

FOOTNOTES

[1] Title 23, section 402 of the U.S. Government Code. Such terms as "402 money," "federal highway funds," etc. refer to what amounts to revenue sharing as applied to gasoline taxes.

[2] The President initially called for a 50-mph limit, possibly suggested by an oil company ad campaign in May which featured the slogan, "50 is thrifty." Congress raised the final figure to 55.

[3] See "Where Has All the Gasoline Gone?" R&T, July 1979.

[4] Traffic statistics, which vary according to source, are rounded for purposes of this discussion.

[5] The cost of a gallon of regular gasoline rose from 35–40 cents in December 1973, to above 60 cents in April 1974.

[6] In North Carolina, where accidents and deaths were down 10 percent and 22 percent respectively, it was determined that both reductions were due "primarily to decreases in rural, weekend accidents."

[7] The major contributor to highway deaths which is sometimes obscured by the government's emphasis on 55-mph enforcement, has been and continues to be the drunk driver.

[8] It may be that the only identifiable benefit of the 55-mph speed limit was on roads with hidden hazards, where posting had been set dangerously high.

[9] The death rate on rural interstate highways in 1979 was about 1.6, as opposed to 3.3 for all roads.

Speed Limit Survey: Results of the R&T Speed Limit Questionnaire

More than 20,000 Speed Limit Questionnaires have been received from the April and May 1980 issues of R&T. In addition to answering the 25 questions (some of them multiple part) in the survey, most respondents added extensive comments on such subjects as safety, fuel conservation and traffic enforcement. All in all, the questionnaire prompted an impressive demonstration of the interest most drivers feel in the 55-mph National maximum speed limit (Nmsl).

Although several other surveys have been performed by the National Highway Traffic Safety Administration and law enforcement agencies—all purporting to show widespread popular support for the 55-mph limit—such findings are sharply at odds with observed traffic speeds.[1]

R&T's sampling, in addition to providing the largest data base of any such survey to date, also is the first to be performed on a knowledgeable, well informed segment of the driving public. It may be no coincidence, then, that the results are highly compatible with actual highway experience.

This is not to claim that the R&T survey is unbiased, or that it represents the viewpoint of the "average" motorist. The personal data obtained from questionnaires indicates that most respondents are above average in income, education and driving experience. Just over half (54 percent) reported earnings of between $20,000–$50,000 per year; one-third said they earned $20,000 or less; the top 14 percent have incomes of $50,000 per year or better.

The sample group is well educated, 55 percent having been to college, and 32 percent reporting graduate school experience.

The mean age of respondents is 32, with three-quarters of the total vote coming from those between ages 25 and 55. Only 1 percent of the participants are under 18, and 2 percent are over age 60.

Most are relatively high-mileage drivers: Only 9 percent drive less than 10,000 miles per year; 48 percent drive 10,000–20,000 miles/year; 36 percent 20,000–40,000 miles/year; and the top 6 percent log more than 40,000 miles annually.

By cross referencing the respondents' personal data with their answers to key survey questions, it's possible to arrive at interesting, often intriguing, conclusions. Such as:

The two age groups most *opposed* to repealing the 55-mph Nmsl are drivers under 18 years—or above age 60.

The more education a motorist has, the less likely he is to agree that "55 saves" lives or fuel.

The more experienced a driver is, the more he disagrees with the statement "Speed kills."

The Key Questions

One of the goals of the Speed Limit Questionnaire was to sample reader opinion prior to and after the publication of "The 55-mph Myth,"[2] John Tomerlin's in-depth study of the national speed limit. Identical questionnaires, except for color-coding for identification, were run the month before and the month of the article. April brought approximately 14,000 responses, while May resulted in an additional 6000 completed questionnaires; there was minimal overlap in "before" and "after" balloting, so that it was possible to determine how, and how much, opinions were influenced by the information contained in the Tomerlin article.

It's apparent from the results that the article had major impact. Although a majority of replies in April indicated skepticism of the Nmsl's life-saving potential, this tendency was far more pronounced in May, as shown by the answers to Question 1:

[In percent]

	April	May
Do you think the 55-mi/h speed limit saves lives?		
Yes	30	21
No	63	75
Don't know	7	4

Not only did the Nmsl's credibility sink by nearly one-third after readers were presented with the facts, the number of undecided votes fell by an even larger percentage factor.

Both changes are more than large enough to be considered "significant," in the language of statisticians.

Also quite significant is the fact that respondents' belief in "55 saves lives" is inversely proportional to the amount of driving they do. Those who drive 10,000 miles/year or less answered yes 32% of the time to Question 1; only 16% of motorists who drive 40,000–50,000 miles/year agreed to the safety value of the Nmsl.

Those surveyed are more ready to believe that the 55-mph limit saves some fuel than that it saves lives. April opinion is almost evenly divided on the question—a situation that changed drastically after a discussion of the subject in "The 55-mph Myth." The answers to Question 2 were:

[In percent]

	April	May
Do you think the 55-mi/h speed limit saves fuel?		
Yes	46	32
No	48	63
Don't know	6	5

As in Question 1, the more experienced drivers are less convinced of the benefits of the Nmsl than low-mileage drivers. About 48 percent of those who reported driving 10,000 miles/year or less think 55 mph saves them fuel, a figure that dropped to 40 percent for those who drive more than 10,000 but fewer than 40,000 miles/year, and plunged to 26 percent for those who drive 50,000 miles/year or more.

In light of the above, it could have been expected that a majority of those surveyed would be in favor of repealing the 55-mph national speed limit. But the responses to Question 3 brought a surprise: Far more respondents voted to *repeal* the Nmsl than had questioned either its fuel conservation or safety benefits. The totals on Question 3 were:

[In percent]

	April	May
Do you think the 55-mi/h speed limit should be repealed?		
Yes	85	89
No	12	9
Don't know	3	2

Part of the explanation for such lopsided sentiment in favor of repeal is that, while many feel the Nmsl might save some lives or fuel, most believe there are better ways to produce this result than with massive federal intervention. Many feel that the savings obtained are measurably less than the disadvantages entailed, as in such "additional comments" as:

"I believe the speed limit has saved lives and fuel, however not in sufficient amounts to justify the other costs." Or,

"Fifty-five could save some lives, but getting drunk drivers off the road could save many more." Or,

"As an energy-conscious motorist, I feel the government has overstepped its moral and constitutional grounds."

None of the Above

It is clear again in the answers to Question 3 that "miles driven" has an important influence on voter opinion. The smallest plurality in favor of repeal is the 10,000 miles/year-or-less group at 75 percent. This margin rises steadily with higher mileage, reaching an astonishing 98.6 percent for repeal among those who drive as much as 40,000–50,000 miles.

As mentioned earlier, when broken down

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[1] Official speed surveys show that the majority of traffic now exceeds 55 mph, with 70–80 percent of motorists doing so at least part of the time.

[2] R&T, May 1980.

by age groups, those who oppose repeal of the Nmsl most frequently are below age 18 (25 percent "no") and from age 60–64 (32 percent "no"). Those strongest in favor of repeal according to age are:

[In percent]

	For repeal	Opposed
Age:		
18 to 24	85	9
25 to 29	89	9
30 to 34	86	12
35 to 39	91	7
40 to 44	91	7
45 to 49	84	14
50 to 54	89	11
55 to 59	77	22

(With the difference from 100 percent being "Don't Know").

Many readers learned of the 85th percentile method of setting speed limits from "The 55-mph Myth." According to the California Department of Motor Vehicles, "Speed limits established on this basis conform on the consensus of those who drive the highway as to what speed is reasonable and safe, and are not dependent on the judgment of one or a few individuals."[3]

Speed limits set by the 85th percentile result in a more orderly flow of traffic and fewer accidents—a fact that has been withheld from the public by NHTSA, presumably in order to protect the 55-mph speed limit, which is in direct conflict with it. This lack of information probably explains why only 13% of those surveyed in April checked "always" in answer to Question 4: *How often should the 85th percentile principle be used to set speed limits?*

In May, the vote for "always" soared to 31%, reflecting an enormous 130% increase in approval for this known life-saving technique.

Question 6 revealed a sizable loss of confidence in the job being done by the DOT and NHTSA in the areas of vehicle safety, highway safety and fuel conservation. Assessments of federal efforts are highest in the first department, vehicle safety, probably in recognition of several worthwhile mechanical improvements mandated in recent years. The government does less well with respect to highway safety, and poorest of all in the matter of fuel conservation. A summary of results in the three categories of Question 6 looks like this:

[In percent]

	April	May
Has the DOT/NHTSA made a worthwhile contribution to:		
Vehicle safety?		
Yes	44.5	41
No	36.5	43
Don't know	19.0	16
Highway safety?		
Yes	32.5	33
No	42.5	47
Don't know	25.0	20
Fuel conservation?		
Yes	13.0	10
No	65.0	73
Don't know	22.0	17

Reductions in the "don't know" column are large enough to account for the vote shift indicating that the DOT/NHTSA has not improved either vehicle safety or highway safety between "April" and "May." Interestingly, a substantial number remain undecided on both questions.

There is less ambiguity about fuel conservation, where a large majority find the DOT/NHTSA contribution—and presumably that of the Nmsl—to be unsatisfactory.

[3] *State of California Traffic Manual*, DOT, 1977.

OUR READERS GET INVOLVED

Participants in the speed limit survey are willing to do more than complain about the poor performance of government. When asked if they would be willing to pay a 50¢/gal. tax on gasoline with proceeds going to (a) "develop alternative fuels," or (b) "develop mass transit systems," an impressive 23 percent voted for one or the other of these programs.

Another 20 percent show support for "total decontrol of crude oil and pump prices," with a like number indicating a preference for "more car pooling." Least popular are "coupon rationing," 6 percent; "odd-even rationing," 4 percent; and "government takeover of the oil industry," 3.4 percent.

Significantly, the least popular choice of all is "no action," with less than 2 percent of the vote; while "other solutions" command 22 percent, the largest total in any single category. Some recommended solutions are: "Eliminate EPA regulations" . . . "Tax cars with poor fuel economy" . . . "Reduce registration fees for fuel-efficient cars" . . . "Abolish DOE (DOT . . . NHTSA . . . etc.)" . . . "Personal conservation efforts," and, perhaps the most intriguing suggestion of all, "Phase out replacement parts for older model gas-guzzlers."

A similar independence of thought emerges in regard to the role of speed in accidents. Readers show little confidence in the dangerous but popular oversimplification, "Speed kills," and reject it by an even larger margin after learning (in "The 55-mph Myth") that speed is a primary cause in only 5 percent of all fatal accidents. The complete vote on this question (No. 9) was:

[In percent]

	April	May
Is speeding a major contributor to traffic accidents?		
Yes	22	15
No	71	80
Don't know	7	5

On closely related Question 13, *How responsible was the 55-mph limit for the 9000 fewer traffic deaths in 1974?* there was a significant shift in votes following "The 55-mph Myth." Whereas 12% of April responses find the Nmsl "mostly" responsible, only 8% credit it this highly in May. Fifty percent of April balloting gives the Nmsl "some" credit, compared to 44% in May; but the big swing is in the number of voters who say the speed limit is "not responsible" for the reduction in deaths. In April, 38% said "not responsible"; in May, the tally rose to 48%.

Major concern was expressed in "The 55-mph Myth" over the deterioration in relationships "between federal and state governments, between legislators and their constituents, and between the public and their law enforcement officials. . . ." Responses to Question 19 indicate that voters are aware of both the problem and its causes. A large majority, 71% in April and 77% in May, say that relations between police and drivers are "worse." About 25% think there has been "no change," while only 1% believe relations have "improved."

It isn't necessary to look very far for the reason for poorer relations. Readers who think speed enforcement has increased had their suspicions confirmed in "The 55-mph Myth." The answers to Question 17 reflect this heightened awareness:

[In percent]

	April	May
Since the 55-mi/h speed limit was instituted, do you think enforcement has:		
Increased slightly?	27	27
Increased greatly?	38	49
Decreased?	17	12
Not changed?	18	12

In spite of greatly increased enforcement, more motorists are disregarding the Nmsl than ever before. Survey respondents show that they are well aware of this fact in their answers to Question 7: *Does the 55-mph speed limit encourage disobedience of the law?* An overwhelming majority affirmed John Tomerlin's assertion that the Nmsl has "created a nation of scofflaws." More than 85% in April—and 88% in May—answer yes to Question 7; 11.5% and 8%, respectively, say no, with about 3% undecided.

To the directly related Question 8: *What percentage of the public do you think disregards the 55-mph speed limit?* the majority of voters (60%) indicate their belief that most drivers now break the law. Another 20% of those taking part in the sample think the level of disobedience is even higher: all the way up to 100%.

Respondents appear to be quite candid in assessing their own driving habits. Replies to Question 10, essentially unchanged between April and May, are:

[In percent]

	April	May
Did you obey highway speed limits before the 55-mi/h limit was instituted?		
All the time	7.5	7
Most of time	67	66
Some of time	23	24
Never	2.5	3

The majority—54% in April and 52% in May—say they normally drive 55–65 mph on limited-access highways; between one-quarter and one-third say they go 65–75 mph, while only 4% from each sample claim they "usually" drive faster than 75 mph. (Less than 1.5% say they drive slower than 55 mph.)

How many people "usually" stick to the federally sanctioned 55 mph? Of these 20,000 motorists, the answer is less than 7%.

HOW DO R&T READERS DRIVE?

A more detailed picture of the driving habits of those who participated in the survey emerges from Question 12. With responses virtually unchanged in April and May, a substantial majority—58%—say they exceed the Nmsl "most of the time."

Those who exceed 55 mph "some of the time" tally 23%; 17% drive faster "all the time," and only 2% claim never to exceed the limit.

Driving speed proved to be the most age-sensitive category in the questionnaire. When Question 24, "age," was cross referenced with Question 10, "obey the 55-mph speed limit," the results were those shown in Table 1.

TABLE 1.—AGE VERSUS EXCEED 55-MI/H LIMIT

[In percent]

Exceed 55	All of the time	Most of the time	Some of the time	Never
Age group under 18	18	41	23	18
18 to 24	11	64	21	4
25 to 29	7	67	23	3
30 to 34	5	67	26	2
35 to 39	4	65	27	4
40 to 44	6	66	25	3
45 to 49	9	69	20	2
50 to 54	10	74	14	2
55 to 59	9	66	25	0
60 to 64	18	68	14	0
65 plus	0	81	19	0

The distribution on this table is symmetrical and self-consistent, conforming closely to several commonly accepted indicators of traffic behavior. Although those under 18 are under-represented in this survey, it is ominous to note this group's extremely high ranking, both in full compli-

ance and total rejection of the Nmsl. What this means in terms of future attitudes toward safety and traffic authorities should be a matter for concern.

There is, as might be imagined, a certain lack of enthusiasm for stiffer fines or penalties for violating the Nmsl. Question 14 asked: *How many convictions for this offense should be grounds for losing one's license?* Balloting shows some tolerance (28% of the answers) for 2 convictions, but none at all for any lesser number. By far the most frequent response to this question—63% in April and 71% in May—is for "other," with agreement that Nmsl violators should not be penalized at all but drunk or reckless drivers should pay the full penalty of the law, while others should be excused.

Few are in favor of punishing Nmsl offenses by adding points to licenses—only 16%—while 80% prefer a fine but no points. The amount of fine most voters suggest would not please the authorities, though: more than one-third of the returns name $5 as the appropriate penalty, while another 23% prefer a warning or suggest fining gas-guzzlers but not fuel-efficient cars. There is scattered support, about 17% in each case, for fines of either $10 or $25, but little acceptance for any higher penalty.

In fact, about the same number of votes (8%) are cast for fines larger than $25 as there are readers who claim never to exceed the Nmsl...

WHO IS IN FAVOR OF 55?

Opinions on what constitutes a safe and reasonable speed on freeways, thruways, interstates and other limited-access highways vary widely. Given the size of the sample, this diversity could be expected; what had not been anticipated is the decisive plurality in favor of setting speed limits—both urban and rural—according to "conditions."

The popularity of setting limits as a consequence of actual road conditions increased radically, statistically speaking, after publication of "The 55-mph Myth" (see Table 2).

TABLE 2

[In percent]

	April		May	
	Urban	Rural	Urban	Rural
Preferred speed limit on limited-access highways should be:				
45 mi/h	1.5	0.5	1	0.5
55 mi/h	20.5	7.0	16	6.0
65 mi/h	20.0	13.0	16	7.0
70 mi/h	8.0	16.0	6	15.0
75 mi/h	2.0	10.5	2	10.0
80 mi/h	.5	4.5		3.0
Unlimited	1.5	11.0	1	10.0
Set according to conditions	44.0	34.0	56	48.0
Other	4.0	4.0	2	.5

It is interesting that the 6–7 percent who favor a 55-mph speed limit on "rural" highways is the same percent saying it "always" obeyed the speed limit in Question 8. Here, as in other respects, the responses to the R&T "Speed Limit Questionnaire" show an impressive inner consistency.

Given the size of the sample and the obvious lack of widespread support for, or acceptance of, the 55-mph speed limit, it seems reasonable to ask: Who still supports it? Part of the answer may lie in the fact that, as has been seen, attitudes toward the Nmsl are highly "age sensitive." In all major categories, "saves lives," "saves fuel," "should be repealed," the older the respondent, the more likely that he/she will support the 55-mph speed limit.

And, of course, those who make the laws in this country tend to fall into the higher age brackets.

Many people will study this survey and be satisfied to know where they rank in the broad spectrum of opinion represented, or to learn what the majority of drivers think or do. For those with a professional interest in traffic safety, the data may be of even greater interest. For there are answers implicit in this study to such crucial questions as: Is the 55-mph National maximum speed limit working to save fuel or lives? (It is not.) What are the prospects for imposing the Nmsl by force on an intelligent and informed public? (Virtually nonexistent.) Are there better means for saving energy and improving safety than a national speed limit? (An overwhelming majority believes there are.)

Whether the answers are taken to heart by those in positions of authority is another question.

Mr. President, I quarrel here, not so much with the merits of the 55-mile-per-hour speed limit, but with the argumentation it produces. I suggest that we rid ourselves of this burden, and return the right of setting maximum speed limits to the States.

I ask that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 54

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 141 of title 23, United States Code, is amended—

(1) by striking out subsection (a);

(2) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively; and

(3) by striking out "subsection (b)" in paragraphs (1) and (2) of subsection (a), as redesignated by clause (2) of this subsection, and inserting in lieu thereof "subsection (a)".

(b) Section 154 of such title is repealed.

SEC. 2. The amendments made by the first section of this Act shall become effective as of October 1, 1980.

By Mr. HAYAKAWA (for himself and Mr. DECONCINI):

S. 55. A bill to establish provisions governing the day and time for the election of electors of the President and Vice President; to the Committee on Rules and Administration.

S. 56. A bill to establish provisions governing the day and times for the election of electors of the President and Vice President; to the Committee on Rules and Administration.

S. 57. A bill to establish temporary provisions governing the day and times for the elections of Senators, Members of the House of Representatives, and electors of the President and Vice President; to the Committee on Rules and Administration.

S. 58. A bill to restrict the release of results from Presidential elections until all the polls are closed; to the Committee on Rules and Administration.

LEGISLATION RELATING TO ELECTION DAY AND TIME FOR CLOSING OF POLLS

Mr. HAYAKAWA. Mr. President, on election day, November 4, 1980, while many people in our Western States were waiting to cast their votes for our country's next President, word was received that President Carter had conceded the election to Ronald Reagan. A great many of these potential voters turned around and went home.

Several Members of Congress may have lost their bids for reelection because those people failed to vote.

One of the most important privileges we Americans have is the right to cast a vote for our choice of candidates for the office of President. The results of that race often have a substantial effect on the races for the House and Senate, which are decided on the same day. The practice of projecting the Presidential winner on the basis of 1 or 2 percent of the returns certainly does not create a climate which best insures a fair election and maximum participation in the election process. But at present we find the press telling us who has won the Presidential race after receiving only a tiny fraction of the actual returns.

Part of our problem this past election day came from the polls taken by the television networks of voters who had just finished casting their ballots. We cannot prevent the press from taking this kind of poll, nor can we stop them from making predictions based on such a poll. But we can keep the press from having access to any actual election results until everyone has had the opportunity to vote. At least in this way each voter would be assured that early predictions were based only on conjecture.

I wish the news media were willing to curtail their own guesswork activities and join us in the attempt to encourage every voting age citizen to participate in the election process. However, what we have today is a race between the major television networks which has overshadowed the importance of the race for the Presidency.

Our problems November 4 were not new; we first had trouble when early election results were broadcast in 1960. In the years since 1960 several bills have been introduced in Congress to deal with the problem, but a solution has never been enacted. It is time we woke up and faced the reality of the situation; it is time to enact a solution.

Because of the seriousness of this problem, on November 18 I offered not one, but four different proposals for a solution. Today my colleague from Arizona and I are reintroducing those bills. Each one provides the means to make the results from the Presidential race available at the same time across the country. We are offering four different measures in order to insure that the possible solutions are each given thorough consideration, to insure that any potential problems are thoroughly aired, and to allow the selection of a solution which will best serve our country's needs.

Two of the bills set an hour for all the polls across the country to close simultaneously. Certain Western States would have additional voting hours on the preceding Monday evening to insure that all States have a total of 12 hours for voting. One proposal changes election day to Sunday, with all the polls opening and closing simultaneously. The remaining bill requires that the results of

the Presidential race be embargoed until all the polls across the country have closed.

Each of these bills offers a workable solution to the problem that we faced on November 4. We cannot allow the continuation of the current situation when it causes a person to turn away from the polls because his vote has become meaningless.

In recent years we have witnessed a declining number of the people who are eligible to vote make that simple effort. This is the only opportunity many people have to participate in their own governing process. This participation is guaranteed by our Constitution; it is up to us to insure that the guarantee is meaningful.

By Mr. BIDEN:

S. 59. A bill to amend the Congressional Budget Act of 1974 to terminate certain existing entitlement authority and prohibit new entitlement authority, to terminate certain existing permanent budget authority and prohibit new permanent budget authority, to provide that the new budget authority can be available for outlays only for a single fiscal year, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, by unanimous consent pursuant to the order of August 4, 1977.

CONGRESSIONAL BUDGET ACT AMENDMENTS OF 1981

● Mr. BIDEN. Mr. President, in its efforts to reduce spending, the Congress is always haunted by the uncontrollable spending in the Federal budget. These are a variety of programs that under existing laws spend money automatically, without any annual review or action by Congress. They do not depend on the annual review of the budget and appropriation process for their funds and thus these opportunities for control are lost.

The legislation I am introducing today seeks to bring this so-called uncontrollable spending under control. Controlling the uncontrollables would require that virtually all future actions that commit the Federal Government to spending must be approved in an appropriation bill. My bill would eliminate permanent appropriations that authorize spending forever with no further action by Congress. It would require that spending for each year be approved in an appropriation bill for that year—thus wiping out billions of dollars of authority to spend that carry over from year to year, bloating the Federal budget. It would not allow any money to be committed until it had been appropriated, bringing under control much backdoor spending through entitlements, loan guarantees, contract authority and borrowing authority. There are certain exceptions for social security programs.

Under this bill, each year there would be a congressional budget setting forth the major spending priorities, not just for the coming year but for 5 years. And it would no longer be inhibited by tagging certain expenditures as uncontrollable.

And then, the Appropriations Committees would go over the budget line by line. But now it would be the whole budget, all the new spending for the next year. And they could cut almost anything. Obviously, we would normally want to honor previous commitments and ongoing activities, but we would now have the option of bringing them to a halt. This is no panacea. It alone will not balance the budget. But combined with other spending reforms, it will accomplish much toward reducing Federal spending and holding down inflation.

Just two statistics, Mr. President, can demonstrate the fiscal problem that uncontrollable spending presents. Although the problem is not new, it is certainly growing larger. At the beginning of this decade, the uncontrollable spending in the 1970 budget was estimated at 64 percent of the total. In dollars, this uncontrollable spending represented about $125 billion. The 1981 budget, which will start the next decade, is expected to be inflated by about $500 billion in uncontrollables, more than 75 percent of the total budget.

The problem of Federal budget control is summed up well in a paragraph from a study prepared for the House Budget Committee by Allen Schick of the Library of Congress. Entitled, "Congressional Control of Expenditures" it comments on the loss of congressional control (page 61):

> Over the years, Congress has lost bits and pieces of budgetary control through an assortment of legislative and executive actions. An expedient in one case establishes a precedent for another. Whatever the special circumstances which justified the first use of a new practice, it is hard to resist later extensions to other situations. If already existing experiences cannot be extended to new circumstances, legislative or executive minds will fertilely devise new ones. Under the stress of spending pressures, isolated fissures in the wall of budget control merge into massive gaps, undermining the ability of Congress to govern the purse.

The issues surrounding budget control of Federal spending are complex, as is the law governing it. Budget control is an important issue, particularly in these days of high deficits and high inflation. However, in enacting legislation Congress is almost always seeking other goals in addition to cost controls. Clearly, the Federal Government must meet its contractual obligations and pay the interest on its debt. It does not want retired persons to go through long periods of uncertainty as to whether pensions they had been promised will be forthcoming. It does not want to create massive uncertainty regarding Federal action among the business and financial communities. It wants local governments to be able to budget with some certainty as to Federal action affecting them. It wants to respond quickly to emergencies. But the Federal Government does not want these things to the point where it loses all control over its own financial destiny.

Congress has allowed the pendulum to swing too far toward certainty of Federal action, away from fiscal control and responsibility. It is time for a reasonable reversal. The Congressional Budget Act of 1974 was a major swing in the right direction. I believe that enactment of the bill I offer today will strengthen the operation of that legislation. I believe this bill, Mr. President, represents the next logical step toward more responsible Federal budgetary control.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD as follows:

S. 59

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Congressional Budget Act Amendments of 1981".

SEC. 2. (a) Title IV of the Congressional Budget Act of 1974 (2. U.S.C. 1351–1353) is amended by striking out section 401 and inserting in lieu thereof the following new sections:

"NEW SPENDING AUTHORITY

"SEC. 401. (a) NEW SPENDING AUTHORITY SUBJECT TO APPROPRIATIONS ACTS.—It shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment which provides new spending authority unless that bill, resolution, or amendment also provides that such new spending authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

"(b) DEFINITIONS.—For purposes of this section—

"(1) The term 'new spending authority' means spending authority not provided by law on the effective date of section 2 of the Congressional Budget Act Amendments of 1981, including any increase in or addition to spending authority provided by law on such date.

"(2) The term 'spending authority' means authority (whether temporary or permanent)—

"(A) to enter into contracts under which the United States is obligated to make outlays, the budget authority for which is not provided in advance by appropriation Acts;

"(B) to incur indebtedness (other than indebtedness incurred under the Second Liberty Bond Act) for the repayment of which the United States is liable, the budget authority for which is not provided in advance by appropriation Acts;

"(C) to make payments (including loans and grants), the budget authority for which is not provided for in advance by appropriation Acts, to any person or government if, under the provisions of the law containing such authority, the United States is obligated to make such payments to persons or governments who meet the requirements established by such law;

"(D) to insure or guarantee on behalf of the United States the repayment of indebtedness incurred by another person or government, the budget authority for which is not provided in advance by appropriation Acts; and

"(E) to obligate the United States by any other means to make outlays, the budget authority for which is not provided in advance by appropriation Acts.

"NEW PERMANENT BUDGET AUTHORITY

"SEC. 401A. (a) PROHIBITION OF NEW PERMANENT BUDGET AUTHORITY.—It shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment which provides new permanent budget authority.

"(b) DEFINITIONS.—For purposes of this section—

"(1) The term 'new permanent budget authority' means permanent budget authority not provided by law on the effective date of section 2 of the Congressional Budget Act Amendments of 1981, including any increase in or addition to permanent budget authority provided by law on such date.

"(2) The term 'permanent budget authority' means budget authority provided for an indefinite period of time or an unspecified number of fiscal years which does not require recurring action by the Congress.

"NEW BUDGET AUTHORITY TO BE PROVIDED FOR SINGLE FISCAL YEAR

"SEC. 401B. It shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment which provides new budget authority which is to be available for outlays therefrom during any fiscal year or other period after the close of the fiscal year for which such new budget authority is provided.".

(b) The table of contents in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking out the item relating to section 401 and inserting in lieu thereof the following:

"Sec. 401. New spending authority.
"Sec. 401A. New permanent budget authority.
"Sec. 401B. New budget authority to be provided for single fiscal year.".

(c) Section 303(a) of the Congressional Budget Act of 1974 (31 U.S.C. 1324(a)) is amended—

(1) by inserting "or" at the end of paragraph (2);

(2) by striking out "or" at the end of paragraph (3); and

(3) by striking out paragraph (4).

(d) Section 309 of such Act (31 U.S.C. 1330) is amended to read as follows:

"COMPLETION OF ACTION ON BILLS PROVIDING NEW BUDGET AUTHORITY

"SEC. 309. Except as otherwise provided pursuant to this title, not later than the seventh day after Labor Day of each year, the Congress shall complete action on all bills and resolutions providing new budget authority for the fiscal year beginning on October 1 of such year, other than supplemental, deficiency, and continuing appropriation bills and resolutions, and other than the reconciliation bill for such year, if required to be reported under section 310(c). The preceding sentence shall not apply to any bill or resolution if legislation authorizing the enactment of new budget authority to be provided in such bill or resolution has not been timely enacted.".

(e) Section 310(a)(1) of such Act (31 U.S.C. 1331(a)(1)) is amended—

(1) by inserting "and" at the end of subparagraph (A);

(2) by striking out "and" at the end of subparagraph (B); and

(3) by striking out subparagraph (C).

(f) Section 311(a) of such Act (31 U.S.C. 1332(a)) is amended by striking out ", providing new spending authority described in subsection 401(c)(2)(C) to become effective during such fiscal year,".

(g) Section 402 of such Act (31 U.S.C. 1330) is amended—

(1) by inserting "or provides new spending authority to become effective during a fiscal year" after "for a fiscal year" in subsection (a); and

(2) by striking out subsections (e) and (f).

(h) This section shall take effect on the first day of the Ninety-eighth Congress.

SEC. 3. (a) Title VI of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new section:

"TERMINATION OF CERTAIN SPENDING AUTHORITY AND PERMANENT BUDGET AUTHORITY; SINGLE-YEAR NEW BUDGET AUTHORITY

"SEC. 608. (a) Effective with respect to the fiscal year beginning on October 1, 1983, and succeeding fiscal years—

"(1) all spending authority (as defined in section 401(b)(2) of the Congressional Budget Act of 1974) which is provided by law on the effective date of section 2 of the Congressional Budget Act Amendments of 1981 shall be effective only to the extent that new budget authority therefor is provided in appropriation Acts;

"(2) all provisions of law providing permanent budget authority (as defined in section 401A(b)(2) of the Congressional Budget Act of 1974) shall cease to be effective for the purpose of providing such budget authority; and

"(3) new budget authority which is provided for any fiscal year shall not be available for outlays therefrom after the close of such fiscal year.

"(b) EXCEPTIONS.—

"(1) Paragraph (1) of subsection (a) shall not apply to spending authority described in section 401(b)(2)(C) provided by the Social Security Act on the effective date of section 2 of the Congressional Budget Act Amendments of 1981.

"(2) Paragraph (2) of subsection (a) shall not apply to permanent budget authority (as in effect on the effective date of section 2 of the Congressional Budget Act Amendments of 1981) for—

"(A) payments to or from a trust fund established by the Social Security Act, but only to the extent provided by such Act on such effective date;

"(B) payments of interest on obligations constituting a part of the public debt of the United States; or

"(C) payments of refunds of internal revenue collections, but not including payments to any person in excess of his tax liability under the internal revenue laws.".

(b) The table of contents in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting the following after the item relating to section 607:

"Sec. 608. Termination of certain spending authority and permanent budget authority; single-year new budget authority.".

SEC. 4. (a)(1) Clause 1(b)(4) of rule X of the Rules of the House of Representatives is amended to read as follows:

"(4) The extent or amount of spending authority (as described in the Congressional Budget Act of 1974) that is to be effective for a fiscal year.".

(2) Clause 4(a) of such rule is amended by striking out subparagraph (2).

(b) Paragraph 1(b) of rule XXV of the Standing Rules of the Senate is amended by striking out subparagraphs 3 and 4 and inserting in lieu thereof the following:

"3. The extent or amount of spending authority described in section 401(b) of the Congressional Budget Act of 1974 that is to be effective for a fiscal year.".

SEC. 5. Sections 2 and 4 of this Act (and the amendments made by such sections) are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.●

By Mr. BUMPERS:

S. 60. A bill to establish competitive oil and gas leasing and modify leasing procedures for onshore Federal lands; to the Committee on Energy and Natural Resources.

FEDERAL OIL AND GAS LEASING ACT OF 1981

● Mr. BUMPERS. Mr. President, today I am introducing S. 60, a bill which will reform the Federal onshore oil and gas leasing system.

This bill is identical to S. 1637, which was favorably reported out of the Senate Committeee on Energy and Natural Resources in the 96th Congress. It is designed to assure a fair return to the public for development of its resources, reduce speculation, assure diligent development of oil and gas leases, and simplify leasing procedures to promote rapid development of oil and gas on Federal lands.

Under the existing system, only about 3 percent of Federal leases are sold competitively. Regardless of the fair market value of the tracts, the remainder are sold noncompetitively for an annual rental of $1 an acre for 10 years without any obligation to drill. In 1979 the Department of Interior issued only 319 leases covering 62,608 acres competitively. In the same year, 10,530 leases covering 12,980,128 acres were leased noncompetitively.

Noncompetitive leases are issued in two ways. Lands which have never been leased for oil and gas are leased to the first person filing an application. Lands which have been previously leased for oil and gas are available through a filing system which treats all applications filed within a certain period as having been filed simultaneously. The winner of the lease is chosen by lottery. Both systems are subject to the Secretary of the Interior's discretion not to lease at all.

Last year, the Secretary of Interior suspended oil and gas leasing on Federal lands because a Justice Department investigation disclosed fraudulent activity in the lottery and the over-the-counter systems on a scale never imagined by some of the most persistent critics of the existing system. Although noncompetitive leasing will be resumed later this month under new regulations, fraudulent activities are likely to continue until these valuable resources are sold on a competitive basis.

An egregious example of the problem with the current system occurred in the summer of 1979 when the Department leased over 30,000 acres in Fort Chaffee, Ark., for only $1 an acre. The acreage was in the middle of a known gas field, land already producing gas. In testimony before the Senate Subcommittee on Energy Resources and Materials Production, experienced oil and gas men testified that some of the Fort Chaffee acreage could have been leased for $500 an acre. The most conservative estimates are that the lease would have

brought between $10–$14 million if it had been competitively bid.

The overthrust belt, consisting of about 20 million acres, is considered the most promising area of the country for developments of oil and gas. Yet under the existing system, 12 million acres have already been leased for $1 an acre.

The advertising literature of filing service companies, which were created solely to take advantage of the present lottery system, is filled with examples of people who won noncompetitive leases and paid $1 an acre only to assign them for immediate cash bonus payments and future royalties. Information supplied by the Department of the Interior at hearings on S. 1637 showed that a lessee received $200,000 plus future royalties for a lease obtained from the Federal Government for $2,157, plus a $10 filing fee.

The argument has been made by opponents that a more competitive system will add unacceptable front-end costs which will impair exploration. These costs are not new or additional. They exist on every lease and are met by every operator who eventually gains a lease. Instead of competing for an assignment from a lease under a noncompetitive system, operators will be competing for the initial lease itself under a more competitive system.

Arguments are made that independents, who indeed do most of the exploring in this country, will be cut out. Yet, of the leases competitively bid, both by the United States and the States, independents have consistently gotten over 80 percent of them.

Existing law does not require diligent development of oil and gas leases. The Department of Interior estimates that most oil and gas leases are never drilled and those which are drilled are not developed until the last 2 years of the 10-year primary term. Based on the number of outstanding leases in 1979 and the number of wells actually drilled, it is estimated that only 1.3 percent of outstanding leases were drilled.

This bill contains a more stringent diligence requirement for exploring and developing leased tracts, provides for more flexibility in setting royalty rates on all tracts to be leased, permits the leasing of tracts of a larger size more capable of being explored and developed, and gives the Department greater authority to control speculative lease assignments. The competitive leasing system required by this legislation contains all the reforms necessary to insure an efficient, effective and equitable leasing program which will be most responsive to our need for prompt exploration for, and development of, our Nation's remaining oil and gas resources.

At a time when every effort is being made to balance the budget and increase energy production, the noncompetitive leasing system is an anachronism. It is rife with invitations to fraud and inequities. Most major oil and gas producing States in the Nation have a competitive leasing system. Why should the United States let its lands by lottery? The law must be changed immediately, and this bill should be given the highest priority on the Senate agenda.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 60

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Federal Oil and Gas Leasing Act of 1981."

SEC. 2. Subsections (a) through (e) of section 17 of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (30 U.S.C. 226(a) through (e)), are amended to read as follows and subsection 17(f) and following are relettered accordingly:

"SEC. 17. (a) The Secretary may lease onshore Federal lands for oil and gas development by competitive bidding only. Competitive bidding shall be on the basis of those bidding systems set forth in section 8(a)(1) of the Outer Continental Shelf Lands Act, as amended (43 U.S.C. 1335), which the Secretary determines would maximize competition.

"(b) At least once each quarter, the Secretary shall invite the public nomination of areas favorable for the discovery of oil or gas. Any area of the public domain that receives two or more public nominations and which the Secretary determines to be available and suitable for oil and gas leasing shall automatically be offered for lease by the Secretary at one of the next two scheduled lease sales. Any area of the public domain that receives a single nomination in two successive quarters which the Secretary determines to be available and suitable for oil and gas leasing shall automatically be offered for lease by the Secretary at one of the next two scheduled lease sales.

"(c) The Secretary shall hold competitive oil and gas lease sales in states where tract nominations are received, on a quarterly basis. Such sales shall consist of all available and suitable tracts nominated for leasing as specified in section 17(b) and any additional areas selected by the Secretary of Interior.

"(d) The Secretary shall issue a lease to the highest responsible qualified bidder for each tract offered at a lease sale.

"(e) No lease issued under this section shall be for a tract exceeding five thousand one hundred and twenty acres, unless the Secretary finds that a larger area is necessary to comprise a reasonable economic unit.

"(f) Each lease that the Secretary issues under this section shall be for an initial period of five years and so long thereafter as oil or gas is produced in paying quantities or drilling or well reworking operations as approved by the Secretary are conducted thereon. A lessee may apply to extend the initial term for an additional period or periods not to exceed a total of five years. Each extension application shall include an exploration plan for the extended term. The Secretary, in his discretion, may extend the initial term only if he finds that because of adverse technical, environmental or economic conditions which are beyond the control of the lessee, the lessee cannot adequately explore the lease during the initial five year term or any extended term. Nothing in this subsection shall be construed as affecting existing leases.

"(g) All leases issued under this section shall be conditioned upon payment by the lessee of a rental or not less than $2 per acre each year of the lease. Each year's lease rental shall be paid in advance. A minimum royalty of $4 per acre in lieu of rental shall be payable at the expiration of each lease year beginning on or after a discovery of oil or gas in paying quantities on the lands leased.".

SEC. 3. Action taken by the Secretary pursuant to the bidding, nomination, and lease procedures of subsections (a), (b), and (c) of section 17 of the Act of February 25, 1920 (U.S.C. 226 (a) through (c)), shall not be considered "major Federal actions" for purposes of implementing section 102 of the National Environmental Policy Act. Nothing in this subsection shall be construed as affecting the application of section 102 of that Act to the issuance of a lease under section 17.

SEC. 4. Section 30(a) of the Act of February 25, 1920 (30 U.S.C. 187a) is amended by striking the third sentence and inserting in lieu thereof "The Secretary shall disapprove the assignment or sublease only for lack of qualification of the assignee or sublessee or for lack of sufficient bond: *Provided, however.* That the Secretary may, in his discretion, disapprove an assignment (1) of a separate zone or deposit under any lease, (2) of less than six hundred and forty acres, or (3) containing an overriding royalty which exceeds limitations established by regulations.".

SEC. 5. The Secretary shall prescribe such rules and regulations, or amendments to existing rules and regulations, as may be necessary to reflect the amendments made by this Act within one hundred and eighty days after the date of enactment of this Act.●

By Mr. SASSER:

S. 61. A bill to reduce Federal travel and consultant costs, and to improve Federal debt collection procedures; to the Committee on Governmental Affairs.

REDUCTION OF FEDERAL TRAVEL AND CONSULTANT COSTS

● Mr. SASSER. Mr. President, I rise to introduce legislation to reduce nonessential travel and consultant costs, and to improve the woefully inadequate Federal debt collection operations.

Mr. President, in fiscal year 1981, the Federal Government has budgeted $8.9 billion for travel and transportation of Federal employees. In addition, $3 billion to $5 billion will be spent on consultants. Recent testimony by representatives of the Office of Management and Budget indicates that the Federal Government is owed $175 billion. Of that amount $47 billion is currently due and $25 billion is delinquent. The sum of $6 billion has been set aside for bad debts and $1 billion was written off in fiscal year 1979 alone.

OMB testimony also indicates that up to $16 billion could be cut from the Federal deficit if the Federal Government would conduct a more vigorous and effective effort to collect its debts.

In order to address this situation, I am sponsoring this legislation (S. 61) which would require cutbacks in nondefense travel by Federal employees, reductions in consultant costs, and more vigorous efforts to collect Federal debts. The proposed legislation sets a goal of $2 billion in savings to be achieved through these measures, which seems particularly modest in view of testimony that indicates that $16 billion could be

collected in delinquent debts through more vigorous collection efforts.

Mr. President, as the sponsor of this legislation, which requires reductions in the Federal Government's fiscal year 1981 expenditures for travel and transportation and the use of experts or consultants, and requires agencies to intensify efforts to improve the collection of debts owed to the Federal Government, I would like to clarify that the provisions of this legislation are not intended to apply to the power program of the Tennessee Valley Authority. This is consistent with the treatment of TVA's power program under last year's travel and transportation restrictions. The TVA power program operates on a totally self-financing basis and receives no appropriations; its proposed expenditures are presented in conjunction with the President's budget solely for informational purposes.

I also want to make it absolutely clear that this legislation is in no way intended to diminish in any degree the intelligence-gathering activities or combat readiness of the Armed Forces.

Mr. President, this legislation is identical to section 156 of House Joint Resolution 637, which I proposed, and which was agreed to in conference. The conference report on House Joint Resolution 637 was then approved overwhelmingly by both Houses of Congress, but failed of enactment in the last days of the 96th Congress because of an extraneous issue. It is my hope that this legislation will again receive the support of my colleagues so that this legislation may be enacted and the $2 billion in savings achieved.●

By Mr. RANDOLPH:

S. 63. A bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization; to the Committee on Environment and Public Works.

STEEL INDUSTRY COMPLIANCE EXTENSION ACT OF 1981

● Mr. RANDOLPH. Mr. President, I introduce today legislation to amend the Clean Air Act. This legislation has been developed as a proposal of the Steel Tripartite Committee to help revitalize the American steel industry.

The Steel Tripartite Committee consisted of representatives from Government, the steel industry, and labor. There also was participation by the environmental community. We propose an extension for compliance with certain requirements of the Clean Air Act only if the steel industry promises to invest the money saved by deferral of expenditures on pollution control equipment in the modernization of its facilities.

The amendment was the subject of a hearing, which I chaired, before the Environment and Public Works Committee last year. At that time representatives from National Steel Corp., the Environmental Protection Agency, the United Steelworkers of America, the Natural Resources Defense Council, and the Office of Technology Assessment gave testimony.

The subject matter of this proposal has been agreed to by the Environmental Protection Agency, the United Steelworkers of America, the Natural Resources Defense Council and several steel companies. This stretchout is supported by President Carter, and I believe it has been endorsed in principle by President-elect Reagan.

The Committee on Environment and Public Works expects to consider numerous proposals to amend the Clean Air Act this year. I hope that committee members will give early attention to the bill I introduce with the helpful cosponsorship of Senators GLENN, HEINZ, and LUGAR, all of whom serve with me as members of the Senate Steel Caucus.

CLEAN AIR ACT MODIFICATIONS NECESSARY TO MAINTAIN EMPLOYMENT IN DOMESTIC STEEL INDUSTRY, ENHANCE INTERNATIONAL COMPETITIVENESS OF AMERICAN STEEL INDUSTRY

Mr. HEINZ. Mr. President, I rise today to offer, along with my distinguished colleague from West Virginia, legislation that would amend the Clean Air Act to insure that timely compliance with air quality standards does not jeopardize the ability of the American steel industry—in which 54,000 workers are already jobless and another 15,000 on short weeks—to make the capital investments necessary to preserve American jobs and compete with foreign producers.

This legislation is supported by both the outgoing and incoming Presidents and reflects a consensus agreed to by the Steel Tripartite Advisory Committee, including the American Iron and Steel Institute, the International Steelworkers Union, EPA and other agencies, and representatives of the environmental community. In view of the consensus favoring this legislative change, I would hope that its enactment will be swift.

Briefly, this legislation would grant the EPA Administrator the discretionary authority to enter into consent decrees with individual iron and steel producers establishing a schedule for extending compliance with Clean Air Act requirements by up to 3 years beyond the current statutory deadline of December 31, 1982. Any stretchout of pollution control requirements would have to be accompanied by a modernization of existing facilities to improve productivity and efficiency.

Not only would modernization of facilities in many cases result in cleaner operations, the stretchout could only be granted if it would not significantly reduce air quality in the area. And, of course, air quality standards would still have to be met no later than December 31, 1985. As an added inducement for firms to proceed as scheduled with the plant modernizations and pollution abatement expenditures prescribed in such consent decrees, monetary penalties would be imposed for noncompliance with the terms of the consent decree.

By stretching out compliance with Clean Air Act requirements, this legislation will insure that pollution abatement expenditures do not jeopardize the ability of firms to finance replacement of obsolete facilities and expand productive capacity—thereby creating more jobs, increasing productivity, improving the competitiveness of the American goods at home and abroad, and reducing inflation.

As an example of the economic burden imposed by pollution control requirements, in my native Monongahela Valley in Pennsylvania, one company alone, U.S. Steel Corp., has already spent $400 million on environmental controls. As socially desirable as this expenditure may have been, and as desirable as the additional pollution abatement investments required by law may be, none of this investment will help produce an additional ounce of coke or steel.

In the steel industry as a whole, the capital shortfall forecast for the coming years—unless environmental control compliance requirements are stretched out—bodes ill for the future of domestic producers. Although an Arthur Little study forecast annual capital needs for the industry of some $7 billion, to finance plant modernization and pollution abatement required by law, the industry was projected to be able to generate only $3 to $3.5 billion annually for such purposes. Because pollution abatement expenditures are required by law, the impact of this impending capital shortfall is clear.

As an additional example of the impact of environmental expenditures on the steel industry, I ask unanimous consent that there be inserted in the RECORD recent journal articles.

In closing, Mr. President, I hope that my colleagues on the Environment and Public Works Committee and in the Senate as a whole will make passage of this measure a top priority.

The article follows:

[From the Washington Report, Apr. 14, 1980]

PITTSBURGH'S POLLUTION DECISION

(By Nick Thimmesch)

The steel industry is fretting plenty these days over what the Allegheny, Pa., County Board of Commissioners will do with a proposal to change that county's clean-air standards. If the board swings toward the tendencies of the Environmental Protection Agency, the steelmakers argue that operating in the Pittsburgh area—and possibly in other steel centers as well—will be very difficult.

Egads, Pittsburgh without steel? That seems as unlikely as Pittsburgh without championship sports teams. But the financially strapped steel industry is concerned that the exorbitant cost of cleaning up that last five percent of air pollutants—with questionable health benefits—would push the industry into an uncompetitive position.

Once, Pittsburgh was 'Darkness At Noon,' but that was a long time ago. Today, Pittsburgh air seems as clean as any in the nation, but according to EPA, the county air standards do not conform to the 1977 amendments to the Federal Clean Air Act. Moreover, EPA classifies Allegheny County as a "nonattainment area," meaning industry cannot expand in the county.

Now the steel companies say they want to build new facilities in Pittsburgh and other industries say they are ready to do the same. U.S. Steel Corp. Chairman David Roderick says that his firm is ready to replace the old open-hearth shop at Homestead with a new, basic oxygen facility and also is ready to install a new caster at another Monongahela Valley plant—providing the county modifies its plan to comply with the Clean Air Act and that U.S. Steel can modify its 1979 consent decree with the EPA.

SPEND MILLIONS

That 1979 agreement would require a $400-million environmental expenditure by U.S. Steel, the biggest single outlay in the history of such negotiations. Smaller manufacturers are hit proportionately just as hard as the big ones on environmental costs and sometimes scream even louder.

Since Pittsburgh lost 30,000 manufacturing jobs (mostly in smaller firms) between 1970–79, some doomsayers claim it could become another Youngstown.

The larger, national issue here is whether the steel industry can afford to spend $4 billion in constant 1978 dollars through 1985 to comply with the 1972 air-quality and 1984 water-quality deadlines. The industry estimates that this cost will add $20 to $30 per ton to the cost of raw steel production and that federally required capital spending for environmental controls is now at 25 percent of all industry capital expenditures. As of Jan. 1, 1979, the steelmakers spent $6 billion to comply with air and water standards, raising the air-pollution-free level to 95 percent.

DOUBTFUL BENEFIT

The argument is now made that raising the level to 98 or 99 percent will cost as much as the first 90 percent. No less an environmentalist than William D. Ruckelshaus, once cursed by some industrialists for clamping down on pollsters when he was EPA's first director, now challenges whether the aggravation and expense of achieving absolute conformance to standards is worth the actual health benefits.

"It is clear that as cleanup costs escalate out of sight," Ruckelshaus declared in a 1979 speech, "with hundreds of millions of dollars spent for no benefits, this thing has become insane. The public winds up paying for something of highly doubtful benefit.

"Are clean-air standards worth the candle? I don't know and I submit neither does anyone else. We have no credible universally accepted process to arrive at a common data base."

Environmentalists argue that the last five percent is critical because the pollution contains fine particulate matter which can be drawn deep into the lungs and is retained longer. "What you can't see," says Robert Rauch, a lawyer for the Environmental Defense Fund, "can hurt you. Fine particulates from steel mills and electric utilities are insidious."

COULD AFFECT OTHER AREAS

And so the debate rages in Pittsburgh. The steel companies are afraid that if they lose the Allegheny County battle, those standards will also be imposed on them in Chicago, Buffalo, Cleveland and Detroit. A battle is already enjoined in Utah, where EPA has charged that U.S. Steel's Geneva Works is not preparing sufficiently for compliance with the 1982 clean-air standards and should spend $177 million on pollution control equipment instead of the $50 million contemplated.

What is interesting in Utah is that both U.S. senators and the state's two representatives are backing the steel company against the government on the basis that the Geneva Works is vital to the state.

SHORTFALL EACH YEAR

National Steel Chairman and CEO George Stinson says the industry now needs up to $7 billion a year to replace and modernize present plants and to install and pay for environmental controls. "Even in good years," he says, "we can generate only $3 to $3.5 billion for these purposes, so there's shortfall."

Between 1972 and 1977, the industry's capital spending was far less than its world competition. "We can compete because we're still efficient," Stinson says, "but we've got to be relieved of environmental costs that achieve no health gains and only hold back overdue modernization."

Big Steel in America is cutting back on plants and employment. We should be moving ahead in both areas. Ironically, the urge which prompted America to plunge into environmentalism is the same urge which earlier sparked the building of our once-marvelous industrial engine.

ADVERSARY SITUATION

That same vigor has caused the pursuit of pollution control to become an adversary situation which can turn fierce—the kind which rubs feelings raw, discourages enterprise and often causes firms to lose competitive advantages in world markets.

Other nations seem to be able to resolve their environmental and safety requirement differences by conciliation or arbitration. Other nations, particularly the Japanese, are increasingly tough competition for U.S. manufacturers.

What goes on in those meetings of the Allegheny County Board of Commissioners between now and June 1, when they must come up with a final plan for the Pennsylvania Department of Environmental Resources—which must submit the plan to EPA—will have much to do with how steel and other industries will be able to do business in the 1980's.

[From the Green Bay (Wis.) Press Gazette, Mar. 21, 1980]

ENVIRONMENTAL ZEAL THREATENS STEEL FIRMS

(By Louis Rukeyser)

NEW YORK.—Pollution is bad.

Right?

And therefore anything that fights pollution is good.

Right?

Wrong.

And therein lies one of the central errors of economic policy in the 1970s that will have to be corrected if the U.S. economy is truly going to get moving in the 1980s.

The steel industry—badgered, beleaguered and bemused—provides a classic example.

It's certainly no secret that this vital industry is in trouble. U.S. Steel announced in December the closing of 15 plants that would idle about 13,000 employees—including 3,200 to be phased out in June in Youngstown, Ohio, where some of the plants date back to the turn of the century.

The nation's steel industry will now have lost more than 38,000 jobs because of shutdowns in the last three years. And the worst is yet to come.

The rule of thumb in the industry is that for every million tons of capacity lost, roughly 4,000 jobs are lost.

Last year, according to the American Iron and Steel Institute, total U.S. steel making capacity dropped from 158 million to 155 million tons—and actual production fell from 137 million to 135 million. A downtrend in industry employment began in December, when U.S. Steel made its disheartening announcement, and indications are that the labor force will show sharp dips in 1980. A further capacity decline of 10–15 percent is predicted by 1982.

Of course, the situation cannot all be blamed on well-meaning efforts to clean up the nation's air and water.

The steel companies face an array of obstacles: intense foreign competition, a drastic shortage of investment capital for badly needed expansion for modernization, the gathering recession and particularly the economic woes of Detroit: shrinking sales, a large backlog of unsold 1979 cars and the use of less steel in 1980 models.

But environmental regulatory problems do help significantly to cloud the future.

The steel companies argue with considerable merit that the cost of meeting the federal 1982 air-quality and 1984 water-quality deadlines could force them to postpone many expansion and modernization plans that would otherwise consume the available capital.

Unless the Environmental Protection Agency eases its current regulations, the firms maintain, it could accelerate the premature shutdown of as much as 26 million tons of old "limited-life" capacity by the end of 1982 by making it unprofitable to retrofit such outdated equipment.

Before visions of 19th century smokestacks belching vicious poisons into the air dance into your head, consider what we're really talking about.

J. Robert Ferguson Jr., U.S. Steel's executive vice president of engineering and research, points out that it cost only $1,200 per pound per hour to control the first 99 percent of the emissions from the company's steel-making furnace at Fairfield, Ala. But to handle the last 1 percent as well would cost a whopping $400,000 per pound per hour.

Given the country's other pressing and neglected economic problems for the 1980s, the real question is: Is that the best way this money could be spent?

George A. Stinson, chairman of National Steel Corp.—the nation's third-largest steel producer—and head of the industry's Environmental Campaign Task Force, told me that no industry had contributed more to the national environmental effort than steel—up to 25 percent of the industry's total capital expenditures—but that the regulations now provided little flexibility for local conditions, frequently force what he terms "overkill" and thus contributes to decisions to close plants.

Given the environmental gains already made, Stinson said, the unyielding regulations would add only marginal improvements to air and water quality—and have little, if anything, to do with public health.

Instead, in pursuit of idealized "aesthetics," the regulations siphon away money that a capital-short industry otherwise would use to replace existing facilities.

Nobody wants to move backward in fighting pollution: the true challenge is setting the right priorities and paces for its future elimination.

And that's an issue where the ideologues and bureaucrats have fouled, not cleared, the national air.●

By Mr. HAYAKAWA:

S. 66. A bill to amend section 4067 of the Revised Statutes to define further the circumstances under which certain aliens within the United States may be treated as alien enemies; to the Committee on the Judiciary.

AMERICAN SOVEREIGNTY PROTECTION ACT

● Mr. HAYAKAWA. Mr. President, on March 19 of last year I introduced the American Sovereignty Protection Act in an effort to deal with the Iranian situation. In the ensuing months it has become increasingly apparent to me that this legislation provides an appropriate and necessary Presidential authority for the contemporary milieu.

As I see it, the question arises as to what in this day and age constitutes a "war" or "state of hostilities" requiring extraordinary measures. On the basis of what all of us have been witnessing in the last 30 years on the international scene, I respectfully submit that the concept of "war" in this nuclear age has changed. Incidents—perpetuated with governmental approval—of international

terrorism, of taking and killing diplomatic personnel, of seizing diplomatic property, of invading foreign territory, of prolonged fighting without declaration of war are too numerous to be listed here.

In a less "enlightened" period of history most of these events would have been followed by miscellaneous declarations of war but today the situation is different. The nuclear stalemate that exists necessitates extreme caution and prevents the principal actors in the international arena from formalizing warlike actions which de facto amounts to the conduct of war. Accordingly, we have invented such terms as "police actions," "liberation movements," "protection of some particular doctrine," and "humanitarian rescue missions."

Mr. President, I believe that not a single Member of the Senate would deny that in the last decade there were innumerable cases of a "state of antagonism" and/or of "struggle between opposing forces" which were tantamount to a de facto war although war was not declared. Obviously, the taking of our hostages in Iran was the impetus for introducing the American Sovereignty Protection Act.

However, projecting the experiences of the last 30 years into the future, it seems to me of paramount importance to give the President authority to deal with situations which would have seemed unthinkable in 1798 when the Alien Enemy Act was written.

The Alien Enemy Act, allows the President to declare that nationals of a country with whom we are at declared war or when any invasion or predatory incursion is perpetrated, attempted or threatened against the territory of the United States shall be liable to be apprehended, restrained, secured, and removed as alien enemies. My bill amends the Alien Enemy Act to expand the definition of alien enemies to include nationals of foreign nations or governments (or the aiding or abetting by a foreign nation or government of any individual or group) who seize or hold the premises of a diplomatic mission and/or the taking of any diplomatic agent of the United States as hostage.

When our Embassy in Tehran was seized and Americans were taken hostage I was deeply outraged—as were all Americans. But the initial release of some of the hostages gave us hope that all might be returned home in the very near future. And so we tied yellow ribbons and appealed to the United Nations and to the International Court of Justice, expecting that reason would prevail.

Fifteen months have passed and so far efforts on the part of the Carter administration to gain the release of the hostages have failed. In the meantime pro-Khomeini Iranians held anti-American demonstrations in many of our cities—in some cases leading to violence. The subsequent arrests of many of these Iranian dissidents illustrated the inadequacy of present immigration regulations which did not provide the necessary Presidential authority for the deportation of the demonstrating Iranian nationals. Had the American Sovereignty Protection Act been enacted into law, the President would have had the necessary authority to detain at his discretion these dissidents for eventual deportation.

It is my fervent hope, Mr. President, that the hostage situation will be resolved soon. I also hope that we will not be subjected again to violent demonstrations similar to those of last fall. But it is imperative that Congress enact measures that reflect the world as it exists in the 1980's. The American Sovereignty Protection Act is one measure that does just that. Mr. President, I urge the Senate to give this important legislation its immediate consideration.●

By Mr. BUMPERS (for himself, Mr. SIMPSON, and Mr. LAXALT):

S. 67. A bill to improve and expedite the administrative process and clarify the standards for judicial review of administrative action; to the Committee on the Judiciary.

ADMINISTRATIVE PROCEDURE ACT AMENDMENTS OF 1981

● Mr. BUMPERS. Mr. President, I am today introducing a bill entitled the "Administrative Procedure Act Amendments of 1981." The bill referred on behalf of myself, Mr. SIMPSON and Mr. LAXALT is designed to accomplish the long overdue task of revising those sections of the Administrative Procedure Act which have proved to be no longer sufficient to meet the goals of providing our citizens adequate participation in the regulatory process, insuring prompt agency decisions and maintaining the traditional role of the courts as final arbiters of the law.

Specifically, the bill which I am introducing today will amend the general rulemaking provisions of the APA to incorporate much of the case law which has been developed over the last 10 years. These changes, some of which have previously been incorporated in agency organic statutes such as the Clean Air Act, are necessary to provide adequate citizen participation in the many complex rulemakings that have come to be a crucial aspect of the administrative process. See, generally, the Judicial Review of Informal Rulemaking Procedure: When May Something More Formal Be Required? 27 A.U.L. Rev. 781 (1978).

The bill would also provide for expedited proceedings in those cases which have traditionally been labeled adjudications but which do not involve contested factual issues. A similar provision has been recommended by the American Bar Association as a necessary and desirable change in the APA.

Third, the bill authorizes agencies to establish boards to review initial decisions of administrative law judges and other presiding employees. The provision is designed to speed agency decisionmaking by helping to clarify issues before they arrive at the agency review level and thus limit the amount of review time that must be spent by the agencies.

Finally, the bill contains what I believe are crucial amendments to the judicial review provisions contained in section 706 of the APA. These amendments to section 706 have come to be known as the Bumpers amendment, and are identical to the provisions of the amendment I offered to H.R. 3806 on September 30, 1980, during the 96th Congress.

These judicial review provisions have gathered a great deal of support and have the endorsement of many groups; they represent a sensible approach to solving some of the problems we are facing with overzealous regulators. Here is a brief explanation of these provisions.

POLICY

The amendments to section 706 of the Administrative Procedure Act are premised on the basic constitutional principle that in a representative democracy, legislative power shall be exercised by elected representatives and not by unelected officials who are not directly responsible to the electorate. The delegation doctrine requires that there be mechanisms for controlling the exercise of delegated regulatory power.

These mechanisms are the requirements that when the legislature delegates power it must establish an "intelligible principle" to govern the delegate, and that the judiciary will hold invalid actions which are not authorized by the statutory delegation. In the words of Mr. Justice Reed—

> An agency may not finally determine the limits of its statutory power. That is a judicial function. *Social Security Board* v. *Nierotko*, 327 U.S. 358, 369 (1946).

The insertion of the word "independently" in the introductory sentence of section 706 reemphasizes this primary role in the courts.

SCOPE OF AGENCY JURISDICTION

The first sentence of new subsection (c) of section 706 directs the courts to exercise their traditional review function to prevent an agency from acting beyond its regulatory authority.

This provision directs the courts to play a more active role in policing regulatory power by closely construing statutes which transfer regulatory authority to administrators. See Stewart, The Reformation of American Administrative Law, 88 Harv. L. Rev. 1667 (1975). The Supreme Court has followed this approach in two recent decisions. See *FCC* v. *Midwest Video Corp.*, 99 S. Ct. 824 (1979); *NLRB* v. *Catholic Bishops of Chicago*. 99 S. Ct. 1313 (1979). See also *Kent* v. *Dulles*, 357 U.S. 116 (1958); *National Cable Television Assn. Inc.* v. *United States*, 415 U.S. 336 (1974); Schwartz, Administrative Law Cases During 1979, 32 Ad. L. Rev. 411, 413–415 (1980).

Under subsection (c), a court must determine that the agency's authority to act has been granted expressly in the language of its organic statute or, in the event of ambiguity, by reference to the statute's legislative history or other materials relevant to ascertaining legislative intent. This provision is intended to underscore the duty of the courts to insure that agencies do not transgress the outer boundaries of their authority. Indeed, for a court to allow an agency to go beyond these boundaries would be "an unwar-

ranted judicial intrusion upon the legislative sphere wholly at odds with the democratic processes of lawmaking contemplated by the Constitution." *Lubrizol Corp.* v. *EPA*, 562 F.2d 807, 820 (D.C. Cir. 1977). See *City of Palestine* v. *United States*, 559 F.2d 408, 414 (5th Cir. 1977); *Nat'l Nutritional Foods Ass'n* v. *Matthews*, 557 F.2d 325, 326 (2d Cir. 1976).

Subsection (c), then, does not seek to impose any new, strange, or radical duty on the judiciary. Instead, it simply directs the reviewing court to take a hard look at an agency's assertions of regulatory jurisdiction or authority. It will allow the reviewing courts to make use of all appropriate materials for ascertaining the legislative will, but it is not intended to allow abuses of post-hoc legislative history. *Consumer Product Safety Commission* v. *GTE Sylvania* — U.S. — 64 L. Ed. 2d 766 (1980). Performance of this duty often will be difficult, but I am confident that the good sense and resourcefulness of the Federal judiciary will be equal to the task.

In making such determinations, the court will be influenced not only by the statute's legislative history but also by the nature of the asserted power. If, for example, the agency is asserting a basic or significant extension of authority, especially one which bears on personal liberties or heralds significant involvement of the agency in a new area or imposes significant costs, the reviewing court should not uphold the extension unless it is convinced that the statute and relevant legal materials demonstrate that Congress specifically or generally addressed the issue, and that the statute does contain the authority asserted by the agency.

On the other hand, if the asserted authority at issue relates to an interstitial or minor matter, the reviewing court might well conclude that although Congress had not really addressed the issue, the matter is of such a character that sensible administration necessarily requires exercise of such an implementing authority.

From the perspective of the agencies, it is true that some statutes are imperfectly drafted, or are silent or even conflicting. In these circumstances, agencies must use their discretion soundly to formulate the most appropriate means of carrying out their basic statutory mandates, filling in what are interstices of the statutory framework by which they are bound but adhering scrupulously to express or implied limitations on their authority.

It should be emphasized that the primary thrust of this portion of the amendment is to curb attempts by agencies to exercise positive jurisdiction in areas beyond the boundaries spelled out in their organic statutes. It is not intended to prevent an agency from exempting from regulation activities or persons under the traditional de minimus rationale where such exemptions are consistent with the basic purposes of the statute. Nor is this amendment intended to preclude rational interpretation and application of statutory criteria in ways that lessen the costs and other burdens of regulation.

The intent is to exclude those cases where the agency exercises its permissible discretion and declines to take affirmative action. Such a declaration is consonant with the policy to encourage agencies to refrain from taking unnecessary or inappropriate regulatory measures.

Nor is the amendment intended to nullify broad grants of administrative discretion where Congress knowingly intends that. When the statute and legislative history are clear that Congress intended a broad delegation, and the grant is not so unconfined as to violate the delegation doctrine, courts should give effect to such an intended broad grant. But the reviewer—the court, not the agency—is to determine independently whether the asserted power has in fact been conferred, either expressly or by implication.

THE "NO PRESUMPTION" CRITERION

The second sentence of new subsection (c) of section 706, together with the insertion of the word "independently" in subsection (a), is intended to make clear that Congress intends the courts to perform, and to perform diligently, their traditional role as the ultimate and impartial interpreters of the law. It is designed to insure that as to decisions of law, the agency and the appellant stand on equal footing before the law without bias, preference, or deference to either and without any presumption in support of or against agency action, except as to questions of jurisdiction, where the first part of subsection (c) imposes the burden upon the agency.

In providing that the "no presumption" criterion will apply only to questions of law, the intent is to preserve the existing "arbitrary, capricious, an abuse of discretion" standard of section 706 with respect to policy determinations within the permissible limits of agency discretion. The intent is also to make it clear that the reviewing court will apply the new "substantial support" standard in clause 2(F) only to agency factual determinations.

Thus, ample room is left for proper reliance on agency expertise where it actually exists. It is recognized that some issues will involve mixed legal and policy, or mixed legal and fact, aspects. Regardless of the agency's characterization of the issues, the courts must independently define the issues and reexamine independently the questions of law involved; at the same time, the courts should recognize the primary role of the agency with respect to choice of policy, official notice of legislative facts, and factual findings.

It is not the intent of the no presumption criterion to preclude consideration of an agency legal interpretation. This interpretation will be one element of the process of independent judicial reexamination. The effect of any agency interpretative judgment, whether contained in a rule or order, on the court's own interpretation should not, however, depend on some general rule or deference. Rather the court, in examining the agency interpretation, should evaluate the thoroughness in its consideration, the validity of its reasoning, its consistency with earlier and later pronouncements and all these factors which give it power to persuade if lacking power to control. *Skidmore* v. *Swift & Co.* 323 U.S. 134, 140 (1944). The court should also weigh any countervailing factors bearing on the validity of the agency's legal position.

Thus, the court may not regard the agency's reading of the statute as controlling or entitled to a deference that would avoid the court's reaching its own independent judgment. Accordingly, under this amendment, a reviewing court may not proceed on the asumption that it should uphold an agency's statutory construction so long as that construction is not unreasonable or not irrational. Instead, the court shall regard the interpretation of the statute as a judicial question.

SUBSTANTIAL SUPPORT FOR FACTUAL DETERMINATIONS

The substantial support standard of new clause 2(F) of paragraph (a) relates to review of factual determinations in informal rulemakings. The standard recognizes that in such proceedings there is a distinction between an exercise of discretion (policy choice) by the agency, which remains subject to the "arbitrary, capricious, an abuse of discretion" standard of clause 2(A), and the factual foundation for such a choice.

Relying on the analysis in administrative Conference Recommendation 74 to 4, 1 CFR, sections 305.74–4, the new clause 2(F) requires substantial support for factual determinations in informal rulemaking in two cases:

First. Where the finding of fact is necessary to the rule, that is to say, where the policy choice would fail to satisfy the arbitrary, capricious, an abuse of discretion criterion absent such a finding of fact.

Second. Where the finding of fact is an "asserted" basis for the rule, that is to say, where the agency relies on the finding as part of its rationale for the policy choice reflected in the rule.

Under the terms of clause 2(F) the "substantial support" must be found in "the rulemaking file, viewed as a whole." This provision meshes with other provisions of the act amending section 553 calling for the organized and systematic development of a file on which the rulemaking action is to be based. Pedersen, Formal Records and Informal Rulemaking, 85 Yale L.J. 38 (1975). The amendment does not preclude an agency in an appropriate case from taking official notice of legislative facts that underpin policy choice.

Earlier versions of this amendment used the words "substantial evidence" rather than "substantial support."

The change in language is meant to negate any implication that the intent of the amendment is to require indirectly the use of trial-type procedures in informal rulemaking. Procedural requirements for such rulemaking will be found in other provisions of the Administrative Procedure Act, as amended, and in

constitutional and common law considerations of fairness.

On the other hand, the words "substantial support" are intended to require that the data or materials on which the agency bases its factual determinations must be reliable and credible even though they have not been generated through trial-type procedures, and even though they do not necessarily satisfy the rules of evidence applied in judicial proceedings.

Enactment of these three changes in section 706 will not require all Federal courts to alter their decisional process. As Mr. Justice Frankfurter said with respect to a similar congressional endeavor some years ago:

> Some—perhaps a majority—have always applied the attitude reflected in this legislation. To explore whether a particular court should or should not alter its practice would only divert attention from the application of the standard now prescribed to a futile inquiry into the nature of the test formerly used by a particular court. *Universal Camera Corp.* v. *NLRB*, 340 U.S. 474, 490 (1951).

The ultimate objective of this amendment is to make sure that the pace and scope of regulation conform to the timetable and map established by elected representatives rather than by an unelected bureaucracy.

TECHNICAL

First. The changes in section 706 are not intended to affect any applicable rule of law which provides that in a civil or criminal action reliance on an agency rule or order is a defense. Thus, a defendant who has acted in compliance with an agency rule or order would continue to have any protection the law now provides even if the rule or order is subsequently found to be invalid.

Second. The Congress expects that whenever an agency rule or order is challenged in a civil action where a private party is suing under an express or implied right of action for violation of an agency rule (arguably not a "proceeding for judicial enforcement" within the meaning of section 703 to which the section 706 scope of review applies), the court will apply the same standards of review as set forth in section 706. In stating this expectation there is no intention to imply any new standing or right of a defendant to challenge the validity of an agency rule or order. Thus, only if and to the extent that a rule can be reviewed by the court in the action would the reviewing court be expected to apply the same section 706 tests of lawfulness of agency action.

Third. While this amendment applies to the judicial review of questions arising under the existing and future organic acts of Congress where the general standards for judicial review as previously articulated in section 706 have been applicable, it is not intended either to change any settled judicial interpretation existing at the date of enactment as to the boundaries of a particular agency's jurisdiction or authority determined by a Federal appellate court, or to unsettle any res judicata or collateral estoppel effects of prior court decisions that have become final.

Mr. President, if the November elections taught us anything it is that the people are desperate for the Congress to take firm, yet rational and thoughtful, action to get Government off of their backs. The people do not mind regulations as such, but they are sick and tired of unnecessary and onerous regulations promulgated by bureaucrats over which they have no control. This bill, which Senator LAXALT and I introduce today, offers a rational approach to these problems. It will send a clear message to the regulation-writers that considerable circumspection is in order. It will send a clear message that it is time for the administrative process to become rational and thoughtful. It is our hope that the Senate will act quickly and decisively on this bill.●

By Mr. CANNON:

S. 69. A bill to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes; to the Committee on Commerce, Science, and Transportation.

PRODUCT LIABILITY RISK RETENTION ACT OF 1981

● Mr. CANNON. Mr. President, I am pleased to introduce the Product Liability Risk Retention Act, a bill that would allow manufacturers, wholesale-distributors and retailers to establish product liability risk retention groups and to purchase product liability insurance on a group basis.

This bill provides a much needed alternative solution to an immediate problem facing all product sellers today—the opportunity to secure protection against product liability loss at reasonable rates. The bill I am introducing today is the bill reported by the Commerce Committee late in the last session of Congress. It reflects substantial amendments made by the committee on the basis of the hearings in the 96th Congress. I hope that this legislation will be considered early in the 97th Congress.

Adoption by the State courts of new and expanded theories of liability has imposed a disproportionate legal burden on small businesses who find themselves exposed to enormous risk of loss with little or no means of obtaining competitively priced insurance protection against that risk of loss.

Sudden and dramatic increases in premiums, inconsistently applied, have created a crisis for product sellers today insofar as their ability to absorb such increases. The alternatives currently available to the product seller have indeed been very bleak. One alternative, forced upon far too many product sellers, has been to do business without insurance protection. The consequences of such an alternative, both as to injured parties and as to product sellers, are so severe as to make this a totally unacceptable alternative.

Nevertheless, the product seller faces a significant availability problem with respect to obtaining protection against risk of loss. The real issue is not whether the product seller can obtain any insurance protection at all—but rather it is whether such insurance protection is affordable.

Affordability at any price translates into nonavailability for the product seller, especially the small businessman who has neither the resources to absorb the prohibitive costs of insurance protection nor the ability to pass these costs on in a competitive manner.

The Product Liability Risk Retention Act of 1981 provides an acceptable alternative to the affordability problem that is immediately available to those who need it most. It provides an opportunity for product sellers of all sizes to participate in a form of self-insurance on a group basis. This will result in insurance protection costs that will be more closely related to each particular form of operation and risk of loss.

The hills and valleys created by panic pricing and by inconsistent applications of rate making criterion will dissipate as competitive forces in the marketplace increase. Product sellers will be assured of objective evaluations of risk and commensurate premium rates based on such evaluations.

The Risk Retention Act is supported by over 200 national business organizations, including the National Association of Wholesaler-Distributors, the National Association of Manufacturers, the National Machine Tool Builders Association, the National Federation of Independent Businesses, and the Small Business Legislative Council.

The bill accomplishes its purposes without creating any new regulatory agency by utilizing the existing mechanisms of the State insurance departments.

Today a self-insuring group is required to comply with various State countersignature laws and to utilize a fronting company to do business in other States. Thus, such self-insurers must comply with the same regulations as a full line insurance company selling to the public. But, these self-insuring groups are not full line insurance companies selling to the public at large. The fact is that self-insuring groups composed of small businesses find it unfeasible to pool their resources because of this unnecessary regulation.

Under this bill, unnecessary regulation is removed, but necessary State regulation of the domicile is retained, and an opportunity is afforded for small companies to secure risk protection not currently available to them.

The small businesses who have been impacted so severely by the product liability problem need the immediate relief this bill can give them. I urge you all to support this proposal which will provide that relief.●

By Mr. WALLOP (for himself, Mr. MOYNIHAN, and Mr. CRANSTON):

S. 75. A bill to amend the Internal Revenue Code of 1954 to encourage capital investment by individuals and corporations; to the Committee on Finance.

INVESTMENT INCENTIVE ACT OF 1981

● Mr. WALLOP. Mr. President, today I am joining with my distinguished colleague, Senator MOYNIHAN, in introducing the Investment Incentive Act of 1981, legislation reducing the effective capital gains tax rate for individuals from 28 to 17.5 percent. The cur-

rent maximum individual tax rate of 28 percent results from a 40-percent inclusion of the capital gain times the 70-percent maximum tax rate on so-called unearned or investment income. Under our proposal, the individual would include 25 percent of his capital gain, thus paying a maximum tax rate of 17.5 percent. The bill also reduces the capital gains tax rate for corporations from 28 to 17.5 percent.

This bill continues the process begun by the Revenue Act of 1978, and carried forward by the Senate Finance Committee 1980 tax cut bill of encouraging productive investment by helping ameliorate the bias in the tax system against saving and investment.

POSITIVE EFFECTS OF THE 1978 CAPITAL GAINS TAX REDUCTION

The Revenue Act of 1978 reduced the maximum effective capital gains tax rate for individuals from about 49 percent to 28 percent. That act also reduced the alternative tax rate of 30 percent on corporate net capital gains to 28 percent. Hailed by many as a first step toward encouraging needed new capital formation, the positive impact of the cut in capital gains tax rates is now being felt.

The 1978 cut in capital gains taxation has served as an extremely effective stimulus to investment and has bolstered the economy in an otherwise difficult economic period. The cut has had a substantial effect on capital formation, the primary source of productivity and employment growth, and it has done so at a relatively modest cost. Lower capital gains tax rates have exerted a powerful leverage effect on the equity investment process, stimulating higher equity values, more venture capital, more equity capital for rapidly growing companies, greater common stock ownership, and increasing total common stock offerings.

The reports of financial experts regarding the investment climate since the passage of the Revenue Act of 1978 are impressive and edifying.

A dramatic increase in funds entering the venture capital market has taken place. Industry sources indicate that venture capital investment has risen from an average of $325 million per year in the 1974–77 period to $550 million in 1978 and $1 billion in 1979. During the first 9 months of 1980, investment of venture capital firms rose to $400 million.

Stock issues for firms going public for the first time are on the rise. According to the research publication "Going Public," in 1974, only 15 firms tapped the new issues market for a total of $51 million. During 1978, 46 public offerings raised $250 million, nearly a fivefold increase in 4 years. In 1979, 81 firms raised $506 million, and for the first 9 months of 1980, an incredible 145 public offerings raised almost $668 million.

The capital gains tax reduction has been a shot in the arm for existing stocks, too. For example, September 16, 1980, was a remarkable day for the country's equity markets. The most popular market index—the Dow Jones industrial average—climbed 15.36 points and record levels were reached by the New York Stock Exchange's Composite Index of all common stocks, the NASDAQ Composite Index and the Standard and Poor's 500-Stock Index. The day was especially interesting because of the performance of the last index. The S. & P. 500 reached 128.87 which, in turn, was 41.6 percent above its close of 90.98 on April 13, 1978. On that date, the Steiger bill providing for pre-1969 treatment of capital gains, was introduced, formally starting the dramatic reversal of the trend to higher capital gains taxes in the United States. The index of the American Stock Exchange, home of many small and medium-sized public companies, rose 155.0 percent during the same time period. These increases have come at a time of considerable economic uncertainty and high rates of inflation, traditional stock market depressants.

Actual business outlays in 1979 for new plant and equipment showed surprising strength despite the uncertain economic climate. Expenditures rose from $154 billion in 1978 to $177 billion in 1979, an increase of 15 percent. In 1980, purchases are expected to top $192 billion.

A substantial expansion in the percentage of corporate investments in private venture capital partnerships has been observed. Industrial corporations, which provided only 5 percent of private venture capital funding in 1970, committed about 16 percent of funds raised from mid-1979 to mid-1980, according to the research publication, Venture Capital.

Individual investors, who fled the stock market in the first half of the 1970's following the increase in capital gains tax rates, have come back strongly since 1978, according to a recently released study by the New York Stock Exchange. The NYSE study shows that most of the new investors are younger, less affluent, and own less stock than individual investors who have been in the market for a number of years. Taken every 5 years, the survey showed nearly 31 million individuals owned stock in 1970 but this figure fell precipitously to 25 million by 1975. The 1980 results show 29.8 million stockholders this year, an increase of 4.6 million over 1975. According to the survey another 115 million individuals currently have an indirect share in the stock market through their pension funds and insurance policies.

The latest revenue estimates from the Treasury Department indicate that increased realizations from the 1978 cut are now close to 60 percent above the level of the original forecast. The original estimates for the 1978 capital gains cut showed an anticipated revenue gain from induced realizations, or "unlocking," of $573 million in 1979 and $535 million in 1980. The Treasury recently projected revenue gains from "unlocking" of $900 million in these 2 years, 1979 and 1980. In addition, these estimates do not take into account that reductions in the capital gains tax encourage individuals to invest in new business enterprises. These new companies and their new employees will contribute to individual income tax revenue. This so-called "feedback" plays an important role in generating new tax revenues to the Federal Government.

NEED FOR FURTHER CAPITAL GAINS TAX REDUCTIONS

The impressive influx of new capital and new investors comes at a time when this Nation must have an increase both in saving and investment to realize its growth potential, provide new jobs, encourage the production and efficient use of energy, and increase its ability to compete in worldwide markets. Economic growth depends on the availability of new capital, capital that must come primarily from the savings of individuals and businesses. The demand for capital today is increasing, yet the bias in our tax system against saving and investment raises the cost of capital. The high cost of capital is a significant factor in this Nation's declining rate of growth of productivity and has helped erode the competitive position of the United States in world markets.

The increasing activity in the equity market and the return of the "little guy" to the market are encouraging signs. The combination of high rates of inflation and tax laws biased against saving and investment had discouraged the traditional forms of personal saving and investment.

High rates of inflation, which have made significant inroads in the ability and willingness of American families to save and invest in productive assets, have an equally deleterious effect on corporations. A strong stock market allows established companies to sell additional stock at attractive prices and thus helps companies avoid an overreliance on debt financing. At today's interest rates, this allows corporations to save 13 or 14 percent in annual interest payments. In fact, in the first 9 months of 1980, corporations raised some $8.3 billion in additional commonstock offerings, more than in any full year since 1972. This booming equity market has an added plus: By keeping companies out of the debt market, it eases the upward pressure on interest rates, lessening inflationary pressures.

A recent study conducted by the accounting firm of Arthur Andersen & Co. of the taxation of capital gains realized on the sale of portfolio stock investments by individual residents of 10 countries showed that, even with the 1978 capital gains tax cut, most other industrialized countries tax capital gains less than the United States. The study showed that, of the 10 countries reviewed, only Canada includes in the taxable income of individuals a greater percentage of long-term gains than does the United States. But in Canada, there is no holding period required for long-term treatment while in the United States, the requirement to qualify as long-term gains is 1 year. In addition, the maximum tax on income is 43 percent in Canada, compared to 70 percent (on so-called "unearned" income) in the United States. Canada includes 50 percent of long-term gain, while 40 percent is included in the United States and Sweden. The United Kingdom taxes gains at a flat rate of 30 percent. The remaining countries in the study—Australia, Belgium, Germany, Italy, Japan, and The Netherlands—provide for total exemptions for long-term gain.

In terms of the minimum holding period required to qualify for long-term gain treatment, only Sweden requires a longer holding period than does the United States. As can be seen from the summary below, Sweden requires a 2-year holding period, the United States and Australia require 1 year, Germany requires 6 months, and the remaining countries grant the same capital gain treatment to both long- and short-term gains.

COMPARISON OF INDIVIDUAL TAXATION OF CAPITAL GAINS ON PORTFOLIO STOCK INVESTMENTS IN 10 COUNTRIES

Country	Maximum short-term capital gain tax rate [1]	Maximum long-term capital gain tax rate [1]	Minimum holding period to qualify for long-term gain treatment	Maximum annual net worth tax rate
United States	70 percent	28 percent	1 yr	None.
Australia	60 percent	Exempt	1 yr	None.
Belgium	Exempt	Exempt	None	None.
Canada	22 percent	22 percent	None	None.
Germany	56 percent	Exempt	6 mo	0.7 percent.
Italy	Exempt	Exempt	None	None.
Japan	Exempt	Exempt	None	None.
Netherlands	Exempt	Exempt	None	0.8 percent.
Sweden	58 percent	23 percent	2 yr	2.5 percent.
United Kingdom	30 percent	30 percent	None	None.

[1] State, provincial and local taxes not included.

Source: Arthur Andersen & Co., June 1980.

CAPITAL GAINS TAX CUTS AND AGRICULTURE

Mr. President, we often associate capital gains taxation with the major financial issues of capital formation and general economic growth, but capital gains taxation also affects the most essential and basic enterprises in our economy—farms and ranches. A tax on capital appreciation discourages the replacement of worn out or obsolete equipment, retards new investments, and inhibits the creation of new jobs, that stem from the purchase of farm machinery.

The detrimental effects of capital gains taxes is especially acute in the cattle industry. Livestock operations require significant capital investment in land, equipment, and animals. Even under the best conditions, livestock and farm operations require several years before a profitable cash flow can be achieved. Even when profits are realized, they produce a rate of return which is one of the lowest of all national industries. In addition, raising cattle and sheep is a very high-risk business. Uncertain and damaging weather conditions, diseases, market fluctuations, Government regulation, foreign imports, and ever-increasing production costs are constant threats to economic survival.

As a consequence, it is not uncommon for a farm or cattle operation to produce little or no income, or even to operate at a loss, for long periods of time. For many cattlemen, capital gains from the sale of breeding animals, equipment or land may represent most, if not all, of their income in a taxable year. Moreover, the capital gains can sometimes be of considerable size. For example, circumstances beyond the control of a cattleman such as drought may force him to make a dispersal sale of the breeding herd or sell a large parcel of ranch land, thereby generating recognition of large capital gains.

The current high rate of tax on capital gains is, therefore, of vital concern to cattlemen and the agricultural industry. When a substantial portion of a recognized capital gain must be paid to the Government in taxes, the ability of a farmer or rancher to reinvest the proceeds in the farm or ranch operation to modernize his operation and make it more productive is correspondingly reduced. In most cases, the impact of the capital gains tax can go beyond merely reducing the farmer's or rancher's ability to expand his operation.

Frequently, the gain on which taxes are paid is nothing more than a paper profit produced by inflation, and does not reflect any true economic gain. In this situation, the tax bite can prevent a cattleman from simply maintaining the status quo, let alone expanding or improving his operation, since he usually does not have enough after-tax income to replace the capital taken by the Government in the form of taxes. In an industry which requires a high degree of capital investment to yield a relatively small return, this contraction of capital through taxation can prove fatal.

Lowering the capital gains taxes will also have a beneficial effect for farmers and landowners who own timberland and wood lots. The reduced capital gains tax rates called for in this legislation will give greater incentive for increased investment in and management of our timber resources; 59 percent of the Nation's commercial timber is owned by individual farmers, partnerships and small corporations. Since timber is treated similarly to other capital assets, a reduction in the capital gains tax rate will provide additional incentive for increased plantings and higher productivity on private timber lands. These tax changes will help expand our forest resources, and allow timber-growing communities and wood product consumers to look forward to a continued supply of raw materials.

REVENUE ESTIMATES OF CAPITAL GAINS TAX CUTS

The cost of the 1978 reduction in capital gains taxes has proven to be much smaller than originally estimated. The $2.8 billion revenue estimate originally projected by the Joint Committee on Taxation has been substantially offset by nearly $1 billion per year in added tax receipts from increased capital gains realization, according to preliminary estimates by the Treasury Department.

The joint committee's estimate does not take into account that reductions in the capital gains tax encourage individuals to invest in new enterprises. These new companies, generally among the most dynamic in the economy, pay business taxes and their new employees will contribute to individual income tax revenues. This so-called feedback plays an important role in generating new revenue to the Treasury.

While the final results are not yet in from 1978's crucial reverse in the trend toward the overtaxation of capital, it seems apparent from the evidence thus far that further reductions in capital gains tax rates would encourage even greater advances in investment in the innovative small business sector, and strengthen the economy's potential for growth and job creation.

CONCLUSION

Mr. President, we ended the decade of the 1970's with an economy burdened by a record of insufficient growth, inadequate job creation, poor productivity performance, and a deep-seated inflationary bent. Study after study now calls for greater attention to the economic basics: greater investment and saving to stabilize and revitalize our economy. The focus of public policy has begun to shift from shortrun, Keynesian solutions—an ever-larger role for government with an emphasis on fiscal and monetary policies favoring consumption over providing our society with the means to meet the future adequately prepared—toward longer range, supply side policies which work to expand and increase our capital stock.

The Revenue Act of 1978 pointed the direction for tax policy and events following the passage of that act—the resurgence of individual investors into the equity markets, the increase in the availability of venture capital, the increase in new stock issues, and the strength and exuberence of the equities markets—signal that the economy will respond to well-structured tax initiatives. This Congress must now choose to follow the lead set for us. We now need to reduce further the tax on capital and clear the way for stronger and greater investment in the future.

Mr. President, I ask unanimous consent that the bill I am introducing today, with my distinguished cosponsors, be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 75

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASE IN CAPITOL GAINS DEDUCTION.

(a) IN GENERAL.—Subsection (a) of section 1202 of the Internal Revenue Code of 1954 (relating to deduction for capital gains) is amended by striking out "60 percent" and inserting in lieu thereof "75 percent".

(b) CONFORMING AMENDMENTS.—

(1) Subsection (c) of section 1202 of such Code is amended to read as follows:

"(c) TAXABLE YEARS WHICH INCLUDE JANUARY 1, 1981.—If for any taxable year begin-

ning before January 1, 1981, and ending after December 31, 1980, a taxpayer other than a corporation has a net capital gain, the deduction under subsection (a) shall be the sum of—

"(1) 75 percent of the lesser of—

"(A) the net capital gain for the taxable year, or

"(B) the net capital gain taking into account only gain or loss property taken into account for the portion of the taxable year after December 31, 1980, plus

"(2) 60 percent of the excess of—

"(A) the net capital gain for the taxable year, ever

"(B) the amount of net capital gain taken into account under paragraph (1).".

(2) Subparagraph (B) of section 170(e)(1) of such Code (relating to charitable deductions for contributions of capital gain property) is amended by striking out "40 percent" and inserting in lieu thereof "25 percent".

(c) REDUCTION IN RATE OF ALTERNATIVE MINIMUM TAX.—Subsection (a) of section 55 (relating to alternative minimum tax imposed) is amended to read as follows:

"(a) ALTERNATIVE MINIMUM TAX IMPOSED.—In the case of a taxpayer other than a corporation, if—

"(1) an amount equal to the sum of—

"(A) 10 percent of so much of the alternative minimum taxable income as exceeds $20,000, but does not exceed $60,000, plus

"(B) 17.5 percent of so much of the alternative minimum taxable income as exceeds $60,000, exceeds

"(2) the regular tax for the taxable year, then there is imposed (in addition to all other taxes imposed by this title) a tax equal to the amount of such excess.".

(d) SPECIAL RULE FOR PASS-THROUGH ENTITIES.—

(1) IN GENERAL.—In applying sections 1201(c)(2)(A)(ii) and 1202(c)(1)(P) of the Internal Revenue Code of 1954 with respect to any pass-through entity, the determination of the period for which gain or loss is properly taken into account shall be made at the entity level.

(2) PASS-THROUGH ENTITY DEFINED.—For purposes of paragraph (1), the term "pass-through entity" means—

(A) a regulated investment company,

(B) a real estate investment trust,

(C) an electing small business corporation,

(D) a partnership,

(E) an estate or trust, and

(F) a common trust fund.

(e) EFFECTIVE DATES.—

(1) The amendments made by subsections (a), (b)(1), and (d) shall apply to taxable years ending after December 31, 1980.

(2) The amendment made by subsection (b)(2) shall apply to contributions made after December 31, 1980.

(3) The amendments made by subsection (c) shall apply to taxable years beginning after December 31, 1980.

SEC. 2. REDUCTION OF ALTERNATIVE CAPITAL GAINS FOR CORPORATIONS.

(a) GENERAL RULE.—Paragraph (2) of section 1201(a) of the Internal Revenue Code of 1954 (relating to alternative tax for corporations) is amended by striking out "28 percent" and inserting in lieu thereof "17.5 percent".

(b) TRANSITIONAL RULE.—Subsection (c) of section 1201 is amended to read as follows:

"(c) TAXABLE YEARS WHICH INCLUDE JANUARY 1, 1981.—If for any taxable year beginning before January 1, 1981, and ending after December 31, 1980, a corporation has a net capital gain, then subsection (a) shall be applied by substituting for the language of paragraph (2) the following:

"(2) (A) a tax of 17.5 percent of the lesser of—

"(i) the net capital gain for the taxable year, or

"(ii) the net capital gain taking into account only gain or loss properly taken into account for the portion of the taxable year after December 31, 1980, plus

"(B) a tax of 28 percent of the excess of—

"(i) the net capital gains for the taxable year, over

"(ii) the amount of net capital gain taken into account under subparagraph (A).".

(c) CONFORMING AMENDMENTS.—

(1) Subsection (c)(2) of section 58 of such Code is amended by striking out "28 percent (30 percent if the exchange occurs before January 1, 1979)" and inserting in lieu thereof "17.5 percent".

(2) Subparagraph (B) of section 170(e)(1) of such Code (relating to charitable deduction for contributions of capital gain property) is amended by striking out "28/46" and inserting in lieu thereof "17.5/46".

(3) Subparagraph (E) of section 593(b)(2) of such Code (relating to addition to reserves for bad debts) is amended by striking out "18/46" each place it appears and inserting in lieu thereof "28.5/46".

(4) Clause (iii) of section 852(b)(3)(D) of such Code (relating to treatment by shareholders of undistributed capital gains) is amended by striking out "72 percent" and inserting in lieu thereof "82.5 percent".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years ending after December 31, 1980.

(2) CHARITABLE CONTRIBUTIONS. — The amendment made by paragraph (2) of subsection (c) shall apply to gifts made after December 31, 1980.●

By Mr. HEINZ (for himself, Mr. HEFLIN, Mr. DURENBERGER, Mr. GOLDWATER, and Mr. TOWER):

S. 83. A bill to amend the Congressional Budget Act of 1974 to limit the level of total budget outlays in any fiscal year and to require compensation for additional costs imposed on State and local governments, and for other purposes; pursuant to the order of September 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

AMENDMENT OF CONGRESSIONAL BUDGET ACT OF 1974

● Mr. HEINZ. Mr. President, the legislation I am offering today is a statutory version of a constitutional amendment I offered last year and intend to reintroduce when the 97th Congress begins in earnest on January 19. The purpose of that amendment would be to halt the runaway growth of Federal spending.

Given the overwhelming mandate of the recent election—reflecting a desire on the part of most Americans for less Federal Government intrusion into their lives—I would hope that passage of a constitutional limitation on spending would be of top priority.

As many may be aware, the constitutional amendment, drafted by Nobel laureate Dr. Milton Friedman and the National Tax Limitation Committee, would limit the growth of Federal spending to no more than the rate of growth of the gross national product.

Like many of my colleagues, I am dismayed that the so-called balanced budget we so triumphantly passed back in June will in fact show a deficit of perhaps as much as $50 billion. As dismayed as I am by the prospect of yet another massive budget deficit, and as important as I believe it is to insure that the Federal Government spends no more than it collects in taxes, I feel that we are deluding ourselves to think that our economic problems will be solved merely by balancing the Federal budget.

Regardless of how hard the heavy hand of recession puts its thumb on the scales of the so-called balanced budget for the current fiscal year, that really is not the issue. The key to solving our problem of declining productivity and the double-digit inflation accompanying it is not just to balance the Federal budget—although that is a necessary first step. After all, we could have a balanced budget at $1 trillion.

The key is to bring under control the amount of our output, the amount of our productive resources, usurped by the Federal Government.

To halt the unrestrained growth of the Federal Government as an ever-increasing chunk of our Nation's output, the measure I am introducing today and which I intend to reintroduce in the form of a constitutional amendment on the 19th would do the following things:

First, it prohibits Congress from increasing outlays—both on and off budget—in any fiscal year by a rate greater than the increase in nominal GNP in the calendar year ending before the start of that fiscal year.

Second, during times of high inflation, Government spending would be limited even more. Whenever the inflation rate exceeded 3 percent, the percentage increase in outlays which would otherwise be permitted would be reduced.

Third, it prevents the Federal Government from forcing the States to expand their services by simply replacing Federal grants-in-aid with Federal mandates. it also stipulates that the Federal spending limit would be reduced even further when Federal grants to the States decline over a set period.

Fourth, it authorizes emergency spending above the overall limit subject to a declaration by the President and a two-thirds vote of both Houses of Congress. In addition, the measure allows increases in the spending limit, on a year-to-year basis, if three-fourths of the Members of both Houses approve.

As an indication of the demonstrated need for such a limitation, consider the following statistics. Federal spending as a share of GNP has increased from 18 percent in 1965 to an estimated 22.3 percent today. For 10 of the past 15 years, Federal spending has increased at a faster rate than has GNP. In one year alone, fiscal year 1967, Federal spending increased by more than twice the 8.2-percent increase in GNP. In three other years, Federal spending increased by 4.5 percent or more than the most recent increase in the GNP.

My amendment—unlike measures which would limit Federal spending to a fixed percentage of GNP—would bring about reductions in the growth of spending gradually. Thus provided would be a

reasonable transition period to the fiscal discipline we so desperately need, without drastic cuts in ongoing programs.

Mr. President, thanks to a considerable amount of analysis, I can provide some idea of the benefits of this legislation. For example, had it been in effect just since 1970:

Our national debt would be lower today than it was in 1970, instead of its actually being $624 billion higher.

Interest payments on the national debt would be at least $35 billion lower this year, instead of being over $60 billion.

Federal debt per household would have been cut significantly from $6,098 per household in 1970 to $4,788 today. Unfortunately, in the real world without this legislation, the Federal debt per household today is instead a staggering $11,652.

I ask unanimous consent that tables demonstrating the impact which this measure would have had on Federal outlays since 1965 (table 1) and Federal debt since 1970 (table 2) be inserted in the RECORD.

As a further example, Mr. President, the following table demonstrates the impact that this measure, had it already been on the books, would have had on the Carter administration's budget projections for fiscal years 1980 through 1985:

Fiscal year	GNP [1]	Federal outlays [2]	Federal outlays [3]	Net reduction	Federal spending (percent) [3]
1980	2,558	583.9	583.9	0	22.8
1981	2,879	630.2	630.2	0	32.4
1982	3,172	699.6	686.3	13.3	21.6
1983	3,588	771.5	744.1	27.4	20.7
1984	4,027	857.8	831.6	26.2	20.7
1985	4,479	936.1	930.0	6.1	20.8

[1] As projected by the President in his March budget message.
[2] As projected in the March budget.
[3] After implementation of my bill.

These limitations on the proportion of GNP consumed by the Government are consistent with congressional efforts to limit Federal spending to 21 percent of GNP. They are consistent with requirements of the Humphrey-Hawkins Act that spending as a percentage of GNP be reduced. And they are consistent with the Revenue Act of 1978 which established—as a matter of national policy—that spending be reduced to less than 21 percent of GNP.

Besides limiting the percentage of GNP usurped by the Federal Government, this amendment would also, of course, limit the growth of Federal spending, which has been accelerating at an alarming rate for the past 20 years. It took 173 years for our Federal budget to reach $100 billion, in 1962. But it took only 9 more years for the budget to reach $200 billion; 4 more years for it to exceed $300 billion; 2 more years to exceed $400 billion, in 1977; and 4 more years to exceed $600 billion, in the current fiscal year.

Finally, this amendment would provide a means of controlling the growth of the national debt, which is fast approaching $1 trillion. Four times last year, the 96th Congress increased the limit on the national debt: First, from $798 billion to $830 billion; then to $879 billion; then to $905 billion; and, finally, to $935 billion.

As a result of all these temporary increases in the debt ceiling, interest on the national debt alone is projected to be $67 billion in fiscal year 1981—making it the third largest item of Federal spending. The runaway Federal spending which this national debt represents is the major cause of double-digit inflation—and a burgeoning Federal bureaucracy which imposes even more inflationary costs on the beleaguered taxpayer, businessman, and State and local government.

As currently drafted, the amendment would control the growth of the national debt only in an indirect way. This limitation could be made more explicit by perhaps adding a stipulation that the national debt could only be increased beyond its level at the time of ratification by a three-fourths rate of both Houses of Congress, and then only on a temporary basis. I would be happy to include such a provision in the amendment if my colleagues feel that would strengthen it.

To summarize, Mr. President, passage of this measure is necessary because—like the compulsive eater, the chronic gambler, and the alcoholic—the Federal Government needs to be saved from itself. Although like following a doctor's advice, many may be reluctant at first to embrace what we prescribe. But I am convinced this treatment will help reverse the habits of nearly two decades that have weakened our economy and productive base.

I believe the end result will be to liberate enormous reserves of creative energy and productivity today latent in America.

I strongly urge my distinguished colleagues to spend the next 2 weeks reviewing this legislation, to offer constructive suggestions for its improvement, and to join me as a cosponsor of the constitutional amendment to be introduced on January 19.

I ask unanimous consent that the text of this legislation and a chart be inserted in the RECORD.

There being no objection, the bill and chart were ordered to be printed in the RECORD, as follows:

S. 83

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title III of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new section:

"LIMITATION ON LEVEL OF TOTAL BUDGET OUTLAYS

"SEC. 312. (a) IN GENERAL.—

"(1) Notwithstanding any other provisions of this Act (but subject to paragraphs (2), (3), and (4) of this subsection and to subsection (b)), total budget outlays (as defined for purposes of this section in subsection (c)(2)) for any particular fiscal year beginning after September 30, 1980, shall not exceed total budget outlays (as so defined) for the preceding fiscal year by a percentage greater than the percentage of the increase in nominal gross national product which occurred during the last calendar year ending before the first day of that particular fiscal year.

"(2) The maximum amount of total budget outlays which is otherwise permitted for any fiscal year under paragraph (1) may be changed by a specified dollar amount by the Congress, through the adoption of a provision to that effect in a concurrent resolution on the budget under section 301, 304, or 310 or through the adoption of any other concurrent resolution which has (and is limited to) that effect, if such provision or such other concurrent resolution is agreed to by the affirmative vote of three-fourths of the authorized membership of each House.

"(3) If the inflation rate for the last calendar year ending before the first day of a particular fiscal year was more than 3 per centum, the percentage increase in total budget outlays which is otherwise permitted for such fiscal year under paragraph (1) (after the application of paragraph (2)) shall be reduced by a percentage equal to one-fourth of the percentage by which such inflation rate exceeded 3 per centum.

"(4) If the total amount of the Federal grants to State and local governments which are included in the budget for any fiscal year, computed as a fraction of the total budget outlays for such fiscal year, is less than the smallest of the corresponding fractions for the three preceding fiscal years, the maximum amount of total budget outlays which is otherwise permitted for such fiscal year under paragraph (1) (after the application of paragraphs (2) and (3)) shall be reduced to the extent necessary to make such fraction for the fiscal year involved exactly equal to the smallest of such corresponding fractions for the three preceding fiscal years.

"(b) EMERGENCY OUTLAYS.—Following the declaration of an emergency by the President, at any time during any fiscal year while the emergency continues, the Congress may authorize a specified amount of emergency outlays for such fiscal year (over and above the maximum amount of total budget outlays permitted for such fiscal year under subsection (a)), through the adoption of a provision to that effect in a concurrent resolution on the budget under section 304 or 310, or through the adoption (after a concurrent resolution on the budget has been adopted for such fiscal year under section 304 or 310) of any other concurrent resolution which has (and is limited to) that effect, if such provision or such other concurrent resolution is agreed to by the affirmative vote of two-thirds of the authorized membership of each House.

"(c) DEFINITIONS.—For purposes of the preceding provisions of this section—

"(1) the 'inflation rate' for any calendar year is the percentage by which the percentage increase in nominal gross national product for that calendar year exceeds the percentage increase in real gross national product for that year;

"(2) the term 'total budget outlays' includes all off-budget outlays, but does not include redemptions of the public debt or any emergency outlays authorized under subsection (b) (and, for purposes both of such preceding provisions and of the provisions of subsection (d), the term 'off-budget outlays' means outlays which under specific provisions of law are not included in the totals of the budget of the United States Government and are exempt from any annual expenditure and net lending (budget outlays) limitations imposed on such budget); and

"(3) the 'nominal gross national product' and 'real gross national product' for any calendar year shall be determined and promulgated by the Secretary of Commerce.

"(d) REQUIREMENTS APPLICABLE TO BUDGET RESOLUTIONS.—It shall not be in order in either the House of Representatives or the Senate to consider or adopt a concurrent resolution on the budget for any fiscal year under section 301, 304, or 310, or to con-

sider or adopt any amendment to such a concurrent resolution, if the level of total budget outlays which is set forth in such resolution or which would result from such amendment exceeds the maximum amount of total budget outlays which (when added to the total of all off-budget outlays for such fiscal year) would be permitted for such year under subsections (a) and (b) of this section.".

SEC. 2. Title III of the Congressional Budget Act of 1974, as amended by the first section of this Act, is further amended by adding at the end thereof the following new section:

"REQUIREMENT OF COMPENSATION FOR ADDITIONAL COSTS IMPOSED ON STATE AND LOCAL GOVERNMENTS

"SEC. 313. (a) IN GENERAL.—No State or local government may be directly or indirectly required by any Federal law hereafter enacted, or by any officer or agency of the United States pursuant to such a law, to perform any new or additional functions or engage in any new or additional activities, or to expand any of the functions or activities which it is already performing or in which it is already engaged, without compensation equal to the necessary costs incurred in connection with such new, additional, or expanded functions or activities.

"(b) Requirements for Congressional Action.—It shall not be in order in either the House of Representatives or the Senate to consider or pass any bill or joint resolution (or to consider or adopt any amendment to a bill or joint resolution) which directly or indirectly requires a State or local government to perform any new or additional function, engage in any new or additional activity, or expand any function or activity which it is already performing or in which it is already engaged, unless compensation for such State or local government in an amount equal to the necessary costs incurred in connection with such new, additional, or expanded function or activity—

"(1) is authorized or otherwise provided for in such bill, joint resolution, or amendment, or in a law previously enacted; and

"(2) is included as part of the total budget outlays which are permitted for the fiscal year involved under section 312(a), as set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year.".

SEC. 3. (a) The table of contents for the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end of the matter relating to title III the following new items:

"Sec. 312. Limitation on level of total budget outlays.

"Sec. 313. Requirement of compensation for additional costs imposed on State and local governments.".

(b) Section 301(a) of the Congressional Budget Act of 1974 is amended—

(1) by inserting "(subject to section 312)" after "total budget outlays" in paragraph (1);

(2) by redesignating paragraphs (5) through (7) as paragraphs (6) through (8), respectively; and

(3) by inserting after paragraph (4) the following new paragraph:

"(5) the estimated amount of the grants to be made to State and local governments, both as an aggregate amount and as a fraction of total budget outlays;".

(c) Section 310(a) of such Act is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively;

(2) by inserting after paragraph (2) the following new paragraph:

"(3) specify the amount by which grants to State and local governments, both as an aggregate amount and as a fraction of total budget outlays, are to be changed and direct the committees having jurisdiction to recommend such change;"; and

(3) by striking out "(1), (2), and (3)" in the paragraph redesignated as paragraph (5) by paragraph (1) of this subsection and inserting in lieu thereof "(1), (2), (3), and (4)".

(d) Section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), is amended—

(1) by striking out "301(a)(1)-(5)" in subsection (d) and inserting in lieu thereof "301(a)(1)-(6)"; and

(2) by adding at the end thereof the following new subsection:

"(k) The Budget transmitted pursuant to subsection (a) for each fiscal year shall be prepared, on the basis of the best estimates then available, in such a manner as to assure compliance with sections 312 and 313 of the Congressional Budget Act of 1974; and the President shall from time to time during each fiscal year take such action as may be necessary to assure continuing compliance with such sections.".

SEC. 4. The amendments made by this Act shall apply with respect to fiscal years beginning on or after October 1, 1980.

TABLE 1.—TOTAL OUTLAYS OF THE FEDERAL GOVERNMENT, 1965–82

Year	Total outlays (billions)		Year-to-year (percent change)		Share of GNP (percent)		Year	Total outlays (billions)		Year-to-year (percent change)		Share of GNP (percent)	
	Actual	Amendment	Actual	Amendment	Actual	Amendment		Actual	Amendment	Actual	Amendment	Actual	Amendment
1965	118.4	NA	−0.2	NA	18.0	NA	1975	334.2	294.0	23.3	10.8	22.9	20.2
1966	134.7	NA	13.8	NA	18.7	NA	1976	373.7	313.1	11.8	6.5	23.0	19.3
1967	158.3	NA	17.5	NA	20.4	NA	Transition quarter	96.5	79.8	NA	NA	NA	NA
1968	178.8	NA	13.0	NA	21.5	NA	1977	411.4	339.1	8.0	6.6	22.4	18.5
1969	184.6	NA	3.2	NA	20.4	NA	1978	461.2	375.0	12.1	10.6	22.6	18.4
1970	196.6	200.6	6.5	8.6	20.5	20.9	1979	505.4	413.3	9.6	10.2	22.1	18.1
1971	211.4	215.0	7.5	7.2	20.7	21.1	1980	543.5	456.3	7.5	10.3	21.7	18.2
1972	232.0	224.5	9.7	4.4	20.9	20.2	1981	589.5	502.1	8.5	10.0	21.4	18.2
1973	247.1	241.7	6.5	7.7	20.0	19.5	1982	626.0	544.6	6.2	8.5	20.7	18.0
1974	271.1	265.4	9.7	9.8	19.9	19.5							

Source: Actuals: Budget of the United States (1980). Amendment: Simulation assumes total outlays are equal to maximum permissible outlays.

TABLE 2.—DEBT OF THE FEDERAL GOVERNMENT, 1970–82

Year	Annual Federal deficit (surplus) (billions)		Total Federal debt (billions)		Federal debt/household (dollars)		Federal interest payments (billions)		Outlays less interest (billions)	
	Actual	Amendment	Actual	Amendment	Actual	Amendment	Actual	Amendment	Actual	Amendment
1970	2.9	6.9	382.6	386.6	6,035	6,098	18.3	18.5	178.3	182.1
1971	23.0	26.6	409.5	417.0	6,319	6,435	19.6	20.0	191.8	195.0
1972	23.4	15.9	437.3	437.3	6,556	6,556	20.6	20.6	211.4	208.9
1973	14.9	9.5	468.4	463.0	6,858	6,779	22.8	22.5	224.3	219.2
1974	6.2	.5	486.2	475.1	6,956	6,797	28.0	27.4	243.1	238.0
1975	53.2	13.0	544.1	492.8	7,653	6,931	30.9	28.0	303.3	266.0
1976	73.7	13.1	631.9	520.0	8,668	7,133	34.5	28.4	339.2	284.7
1977	53.6	(18.7)	709.1	503.2	9,570	6,858	38.0	27.2	373.4	311.9
1978	59.2	(27.0)	780.4	493.3	10,268	6,491	44.0	27.8	417.2	347.2
1979	49.4	(42.7)	839.2	460.0	10,828	5,935	52.8	28.9	452.6	384.4
1980	40.9	(46.3)	899.0	432.6	11,365	5,463	57.0	27.4	486.5	428.9
1981	12.7	(74.8)	940.3	386.4	11,652	4,788	59.1	24.3	530.4	477.7
1982	(26.6)	(108.0)	951.9	316.7	11,566	3,848	59.5	19.8	566.5	524.8

By Mr. DOLE:

S. 84. A bill to amend title 5, United States Code to eliminate an inequity in computing annuities of Federal law enforcement officers or firefighters; to the Committee on Governmental Affairs.

COMPUTING ANNUITIES OF FEDERAL LAW ENFORCEMENT OFFICERS AND FIREFIGHTERS

● Mr. DOLE. Mr. President, the bill I am offering at this time was originally introduced as Senate bill S. 565 during February of 1977. At that time, I pointed out that the legislation is intended to correct an oversight in Public Law 93–350, which was enacted by the 93d Congress. I subsequently introduced it as S. 99 in the 96th Congress.

ANNUITY COMPUTATION FORMULA

Mr. President, during the 93d Congress, we gave our approval to a bill, H.R. 9281—later enacted as Public Law 93–350—to provide Federal law enforcement and firefighting personnel a special 2½ percent retirement computation formula in recognition of the special hazardous duty service which they perform. In doing so, however, we failed to recognize the substantial inequity that would result from premising the incentive credit on a full 20 years of service in such capacity.

In order to correct that oversight, I propose this bill to extend appropriate annuity credit to retiring Federal employees who have at least 5 years' service as law enforcement or firefighter personnel, but who have not completed 20 years. This would be consistent with the full credit given congressional employees under the higher 2½ percent formula after they have served 5 years (5 U.S.C.A. 8339 (b)).

As the law now stands, Government employees who have performed "hazardous duties" for fewer than 20 years are penalized merely because they fail to reach the magic benefit line. Even though they were exposed to the same dangers, subjected to the same perils, and employed in the same high risk endeavors for our Nation, they receive no recognition if, for one reason or another, they choose or are compelled to leave such service 1 day before their 20 years are up.

SUPPORT FOR AMENDMENT

This legislation has been endorsed by the International Association of Chiefs of Police, Inc., and has been praised by the Federal Criminal Investigators Association, the National Treasury Employees Union, and the Society of Former Special Agents of the FBI. In August 1978, this bill was accepted by the Senate as an amendment to the Civil Service Reform Act. Unfortunately, the amendment was dropped in conference. The Senate also approved it as an amendment to last year's continuing resolution, but it was dropped in conference along with other Senate amendments entangled in the pay raise dispute. I believe there remains a good deal of support in Congress for the measure, and I hope we see its enactment in the 97th Congress.

Although the Civil Service Commission is on record as opposing preferential computation formulas as a reward for particular kinds of service, it seems to me that as long as the current law provides for such treatment, all those entitled should receive it. If they do not, we are going to find ourselves in the business of suppressing lateral movement of these types of Government employees, as well as discouraging the initial recruitment of qualified personnel who may not wish to commit themselves for a full 20 years in such a demanding profession.

In addition to the recruitment argument, it is my belief that the change I am proposing could also operate to help retain qualified and experienced personnel within the Government by encouraging them to stay in, or return to, civil service rather than the private sector. Too often, now, for example, a firefighter or law enforcement officer who has put in perhaps 10 years of service and decides that it is not in his own or his family's best interest to continue for another 10 years, would have just as much motivation to go to private industry as to another Government agency.

It seems to me that 5 years is a reasonable minimum to expect of a career-orientated professional and that, in many instances, we are promoting morale problems and indifference among 15- to 20-year agents who are "putting in their time" simply because of the leverage being held over them by the 20-year requirement. Again, I think we could have a much more dedicated, effective, and inspired contingent of Federal officers if they knew they could transfer at any time from a hazardous position and still receive full credit for the period spent in that position when they eventually qualified for Government retirement.

Since the bill I am proposing would become effective upon enactment, any problem of recomputation for those already retired would be avoided. Moreover, Federal service retirement computations are done on an individual basis anyway, and no additional administrative burden would be imposed.

Any measure designed to eliminate an existing inequity should, Mr. President, receive the sympathetic consideration of this body. I hope the Senate Governmental Affairs Committee will schedule hearings on the computation formula for Federal hazardous-duty employees.●

By Mr. HEFLIN:

S.J. Res. 11. Joint resolution establishing the policy with respect to the number of digits which should be used as ZIP codes or other codes used for mail delivery; to the Committee on Governmental Affairs.

ZIP CODES AND OTHER MAIL CODES

● Mr. HEFLIN. Mr. President, today I am introducing a joint resolution to put a halt to the Postal Service's proposed plan to expand the present five-digit ZIP code to nine digits until Congress can fully study the cost effectiveness of the plan and make a decision, by law, whether to approve or disapprove its implementation.

The Postal Service has already delayed implementing the nine-digit ZIP code from April to June in the face of overwhelming public disapproval and mounting congressional opposition to the proposal.

In order to implement the nine-digit ZIP code the Postal Service will be required to spend more than $1 billion for new and sophisticated equipment to handle the expanded ZIP. But the costs do not stop there. It has been estimated that the cost to American businesses to convert their mailing lists to the nine-digit ZIP would be an additional $1 billion. These costs would ultimately be passed on to American consumers who are already suffering from the debilitating effects of double-digit inflation.

Mr. President, I am not opposed to a Postal Service attempt to improve service. However, I am not convinced that the Postal Service has thought this proposal through or that most Members of Congress are aware of the enormous costs of the nine-digit ZIP. This proposal should be thoroughly studied by the Congress as to the cost to the Postal Service, the cost to the business community and the consuming public, the social consequences and the technical issues associated with the proposal. Only after such a thorough study and only after positive congressional action should such a proposal be implemented.

Mr. President, I am convinced that the Postal Service can improve and speed up mail delivery by other means than four more numbers to the ZIP code. The American people have proven that they are willing to use the present five-digit ZIP code, but the public reaction to the nine-digit ZIP has been universally negative. For the expanded ZIP code proposal to work it must have the support of the American people. From the many people of Alabama that have contacted me on this subject, it appears the nine-digit ZIP code is doomed to fail.

Mr. President, my resolution differs from others that have been introduced dealing with this subject in that it spells out that the plan cannot be implemented until Congress approves it by law.

The Postal Service has postponed the implementation of the nine-digit ZIP, but it has not scrapped the plan. Unless Congress takes positive action to halt the proposal, it will take effect June 1, 1981. Mr. President, I ask that my resolution be quickly approved by the Senate.●

ADDITIONAL COSPONSORS

S. 44

At the request of Mr. BRADLEY, the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Missouri (Mr. EAGLETON) were added as cosponsors of S. 44, a bill to amend the Internal Revenue Code of 1954 to provide an income tax credit for social security taxes paid in 1981 and 1982.

SENATE RESOLUTION 17

At the request of Mr. SASSER, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of Senate Resolution 17, a resolution concerning revision of the monetary policies of the Board

of Governors of the Federal Reserve System.

SENATE RESOLUTION 20—RESOLUTION CONCERNING TELEVISED SENATE PROCEEDINGS

Mr. BAKER (for himself and Mr. ROTH) submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 20

Resolved, That the Committee on Rules and Administration is authorized and directed to provide for television and radio coverage (including videotapes and radio broadcast recordings) of proceedings in the Senate Chamber. Such coverage shall be provided for continuously at all times, except for any time when a meeting with closed doors is ordered.

SEC. 2. Under such terms and conditions as the Committee on Rules and Administration may prescribe—

(1) television and radio coverage of proceedings in the Senate Chamber provided for in the first section shall be made available to public and commercial television and radio broadcasting stations and networks; and

(2) videotapes and recordings shall be made available to such stations and networks, to Members of the Senate, and to such other organizations and persons as the committee may authorize.

SEC. 3. The television and radio coverage of proceedings in the Senate Chamber under this resolution shall be carried out in such manner as the Committee on Rules and Administration shall prescribe.

Mr. BAKER. Mr. President, I am this morning sending to the desk a resolution which would provide for the televised coverage of the proceedings of the Senate in this Chamber.

Basically, this resolution simply allows us a vehicle by which I trust we will be able to accommodate the concerns many of my colleagues have expressed with regards to televised coverage of our proceedings. I understand and appreciate those concerns, Mr. President, and I certainly desire nothing which would detract from or diminish the dignity and efficacy of this body.

However, I have consistently supported some form of televised recordings of our business here in the Senate. Such coverage, in my view, is simply a modern-day extension of the public gallery and the public's right to view the legislative process of their Government in a first-hand manner. A great many difficult decisions are to be made in this Chamber in the weeks and months to come. Some form of televised coverage of those decisions being formulated will, I believe, enhance the public understanding, acceptance, and support of those decisions.

Similarly, it is my hope and intention that the Senate, from time to time, will discuss and debate in a broad context the great issues of the time, not necessarily related to a specific piece of legislation pending at the moment. Through such discussion and debate, I hope we will be able to establish a broad national agenda for America. Televised coverage of these discussions will afford the American public greater input and understanding of that agenda, an understanding which can only serve to benefit this Senate and our Nation.

SENATE RESOLUTION 21—RESOLUTION COMMENDING JAMES DUMARESQ CLAVELL FOR HIS CONTRIBUTIONS TO LITERATURE

Mr. HAYAKAWA submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 21

Whereas James Clavell is a widely acclaimed author whose writings have been enjoyed by the American people;

Whereas James Clavell has written such outstanding novels as "Shogun", "King Rat", and "Tai-Pan: A Novel of Hong Kong";

Whereas James Clavell has written many successful screenplays such as "To Sir With Love" and "The Great Escape" for which he received the Writers Guild Best Screenplay Award in 1964; and

Whereas James Clavell, through his sensitive portrayal of Japanese customs and heritage in the novel "Shogun" has enhanced the understanding of the American people of Japanese culture: Now, therefore, be it

Resolved, That the Senate commends James duMaresq Clavell for his outstanding contributions to literature.

Sec. 2. The Secretary of the Senate shall transmit a copy of this resolution to James duMaresq Clavell.

NOTICES OF HEARINGS

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, I wish to announce that the Budget Committee will hold hearings on January 13 and January 14, 1981 in room 6202 of the Dirksen Senate Office Building to examine the current economic situation and its impact on the Federal budget. The hearings will begin at 10 a.m. on Tuesday, January 13, and will last until the noon hour, and will then recommence at 2 p.m. that afternoon. On Wednesday, January 14, there will only be a morning session commencing at 10 a.m.

On the morning of January 13, the committee will hear testimony from Arthur Burns, presently with the American Enterprise Institute and formerly the chairman of the Federal Reserve Board. In the afternoon, it will hear from Larry Kudlow, chief economist for the Wall Street firm of Bear, Stearns, Inc., and Donald E. Maude, senior financial economist and chairman of the Interest Rate Policy Committee of Merrill Lynch, Pierce, Fenner and Smith. Martin Feldstein, president of the National Bureau of Economic Research and professor of economics at Harvard University, and Barry Bosworth, senior fellow at the Brookings Institution will testify the morning of January 14.

These hearings will form the basis for much of the Budget Committee's early work on both the 1981 and 1982 fiscal year budgets. For further information, or more details, please contact Bill Stringer of the Senate Budget Committee staff at 224–0538.

ADDITIONAL STATEMENTS

DEATH OF MICHAEL P. HAMMER

● Mr. MATHIAS. Mr. President, Michael P. Hammer of Potomac, Md., was a man dedicated to improving the lives of the poor farmers in Latin America through agrarian reform. On Saturday, he was brutally murdered in San Salvador for his involvement in the land reform program in El Salvador. Mark Pearlman, a colleague and, Rodolfo Viera, the head of El Salvador's agrarian reform institute, were also killed.

Mike Hammer, an acknowledged expert in agrarian affairs in Latin America, spent most of his professional life with the American Institute for Free Labor Development, an affiliate of the AFL–CIO created to support the formation of democratic trade unions in Latin America.

He believed that a more equitable distribution of land was the key to improving the lives of the poor farmers in Latin America. He first became involved in El Salvador in 1966, when he was country director for AIFLD. He was instrumental in the formation of a democratic organization for small farmers. He has worked throughout the region since that time, but returned often to El Salvador. He had just arrived in El Salvador on Saturday morning to assist Mr. Viera, who he had heard was about to be removed from his position.

The agrarian reform program, begun last March, was a key to the ruling junta's program to liberalize the country's economic and social structure. The program has been very controversial, however, and has come under attack from both rightist and leftist guerillas. Close to 200 people connected with the program have been killed in the last 9 months, according to the Department of State.

It is not yet clear who is responsible for killing these three men. What is clear is that a very dedicated and able man, Michael Hammer, has lost his life in defense of his beliefs. We all share in the loss and extend our deep sympathy to his family.●

S. 27—FREEDOM OF ACCESS

● Mr. COHEN. Mr. President, I am pleased to join again with the Senator from Kansas (Mr. DOLE) in cosponsoring legislation to upgrade and extend section 190 of the Internal Revenue Code.

This little-known section is based on legislation I originally introduced in the House during the 93d Congress. That bill, the Freedom of Access Act, called for tax incentives to encourage owners of buildings and transportation facilities to remove structural barriers from the paths of the aged and disabled.

Senator DOLE introduced that measure in the Senate, and, through his efforts, it was added as an amendment to the Tax Reform Act of 1976. As enacted, this provision allowed an annual deduction of up to $25,000 for the expenses of barrier removal for a 3-year period which ended on December 31. That period has been extended, but the need to increase the level of the allowable deduction remains.

The proposal I am cosponsoring with Senator DOLE would upgrade the allowable deduction from $25,000 to $100,000 per year. It would also make the section a permanent addition to the code. I think these modifications are reasonable and desirable.

One of the most serious and least understood problems facing elderly and handicapped persons today is the large number of architectural barriers that stand in their way. It is estimated that 1 of every 10 persons in the United States has limited mobility because of a temporary or permanent physical handicap.

With our growing elderly population and our improved medical technology, which provides many with mobility not previously possible, the number of individuals hampered by architectural barriers will continue to expand. Unfortunately, all too often, our communities are designed to accommodate only the able-bodied adult. As Dr. Henry Betts of the Rehabilitation Institute of Chicago has remarked:

Centuries ago, parents of deformed or handicapped babies in Sparta abandoned their infants on the hills, and the Eskimos still abandon their aged on icebergs. We're supposed to be the most progressive of societies. But by designing the vast majority of facilities and services to meet the needs of the "average" young, able-bodied American, by creating an environment with architectural barriers which limit the mobility of millions of Americans, we have taken the disabled and aged off the hills and icebergs and imprisoned them in their homes.

For too long, we have tacitly ignored our duty as a compassionate nation to see that our handicapped and elderly have as productive a role in our society as possible. Handicapped people must surmount many obstacles alone. We need not compound the physical and psychological problems of these citizens with structural barriers that keep them shut away from interaction with the rest of their community.

Obviously, the best time to eliminate barriers is before they are constructed. Studies have shown that when a barrier-free environment is planned prior to construction, the expense usually runs less than 1 percent of the total cost.

Where barriers are already in place, it is important to remember that the costs of removal are generally a one-time expense. Afterward, as customers and employees, handicapped persons will return the investment through their patronage.

The National Commission on Architectural Barriers to Rehabilitation of the Handicapped concluded that:

The greatest single obstacle to the gainful employment of handicapped persons is the architectural barriers they must contend with.

The promises of equal employment opportunity in the Rehabilitation Act and the Age Discrimination in Employment Act ring hollow if the elderly and handicapped cannot reach places of employment to begin with.

In 1975, the Urban Institute estimated that $13 billion could be saved from Government disability and welfare programs if public transportation alone were accessible to handicapped persons, thus enabling them to get to and from work. Other estimates suggest that employment of this group would yield an additional minimum of $824 million in wages. Such sums overwhelmingly offset the costs of this bill. Clearly, more can and must be done to open up the workplace to those with limited mobility.

Mr. President, I submit that it is time to give the Nation's disabled and elderly a productive place in our society. We must now take the necessary steps to place commercial buildings and transportation within the reach of all American citizens.

A country which can leap the barrier of space to put a man on the Moon should not stumble at a street curb. Mobility need not stand in the way of equal access to services and opportunities.●

ELEANOR JOSAITIS NAMED CAREER GUILD WOMAN OF THE YEAR

● Mr. RIEGLE. Mr. President, recently, Eleanor Josaitis was named the "Career Guild Woman of the Year." She is truly an outstanding woman, whose work has touched thousands of people in Michigan. I have known Eleanor for many years, and our relationship has been marked with friendship and a common interest in the enhancment of the lives of the disadvantaged.

Eleanor does not seek the limelight, and most of her work is done without the benefit of publicity. For this reason, I am especially pleased that she is receiving the recognition that she richly deserves. She has spent countless hours making Focus: HOPE the effective organization that it is. Its work includes operating the largest commodity supplemental feeding program in the country, developing new education programs for inner-city youth, and implementing innovative programs to control juvenile crime.

This honor is appropriate for Eleanor, since it represents the fact that she gives herself for the growth and improvement of her community. She is dedicated to the renewal of Detroit, and to the belief that opportunity exists in this country for everyone to achieve his fullest potential. I am proud to be associated with Eleanor and her work with Focus: HOPE, and I wish her the best in the coming year.●

ENDING THE MARRIAGE PENALTY TAX

● Mr. WARNER. Mr. President, I am pleased to join today as a cosponsor of the bill which my distinguished colleague from Maryland has once again introduced in this Chamber. This measure, commonly referred to as the "marriage tax" bill, would amend the Internal Revenue Code to allow married individuals to elect the same tax rates currently applicable to unmarried individuals.

The injustices in our Federal tax code affecting married individuals have existed for the past 12 years. In 1969, Congress acted to alleviate the inequitable taxation of single workers, who were then paying as much as 42 percent more in taxes than married workers. But, in readjusting the tax equations, Congress reversed the situation, imposing a higher tax on married individuals.

As a result, married persons may no longer file single returns, and spouses who are working pay more in taxes than two single individuals who have the same combined income as does the married couple.

Mr. President, in recent years the inequity of this situation has aroused much public attention and concern. I am certain we have all heard the stories of married couples who take annual "divorce vacations" at the end of each year. They travel to a foreign country, divorce, remarry on the first day of the new year, and pay for the entire trip with the money they have saved from being "single individuals."

The marriage penalty tax is felt by all married couples, regardless of their income. In recent years, a married couple earning a combined income of $40,000 owed $4,350 more in taxes than two single individuals earning a comparable amount. Two persons each earning $5,000 owed $703 in taxes if they were married, and $500 if they were not.

While there have been modest attempts in recent years to lessen the marriage penalty tax, wedded couples continue to be penalized solely for having chosen matrimony over remaining single. With the huge increase in the number of working wives, coupled with the continuing impact of inflation, the time has come to eliminate the marriage penalty tax once and for all.

The importance of the institution of marriage to our Nation far outweighs any fiscal considerations in terms of less revenue to the U.S. Treasury.

The bill which my colleague from Maryland has introduced would allow married couples the choice of filing either a joint return or separate returns. In the Congress just ended, this bill enjoyed the cosponsorship of more than 30 Senators. It is my fervent hope that positive action can be taken on this measure quickly, in order to insure wedded couples the same opportunities as single individuals.●

THE TRANSPORTATION TASK FORCE RECOMMENDATION TO HALT WORK ON INTERSTATE HIGHWAY SYSTEM

● Mr. CHILES. Mr. President, I was very distressed to learn last week that President-elect Reagan's transportation task force has recommended that work on the Nation's Interstate Highway System be halted. While over 90 percent of the interstate system has been completed, there remain substantial gaps. These incomplete segments impair commerce and mean that highway transportation in some fast growing areas and between certain large population centers has not progressed past a 1950's level. Of the total 42,500-mile system authorized by Congress, some 1,500 miles remains to be done. Florida leads the Nation with almost 300 uncompleted miles of interstate and these unfinished segments represent significant holes in the transportation links between the heavily populated areas of south Florida. For example, most of I–75 in the southwest Florida area connecting Tampa with Miami is incomplete and other large gaps exist in St. Lucie, Martin, Palm Beach, Broward, and Dade Counties along the east coast.

There is no question that Florida's No. 1 highway priority is the elim-

ination of these gaps and the completion of the interstate system. Because Florida's economy is so dependent on tourism, agriculture, and a number of other rapidly growing industries, it is essential that our transportation facilities be in place and operating as soon as possible. Unfortunately, Florida cannot possibly claim that its highway system is in place while major population centers lack modern interstate connections. Not only do the task force's recommendations threaten the economic growth and development of my State, they also raise a serious question of equity.

Since work on the Interstate System began, Florida has kicked in some $3.3 billion in gasoline taxes to the highway trust fund but has received only $2.1 billion from the trust fund for completion of its own system. In short, Florida has been contributing greatly to the completion of interstate mileage in other States while waiting to have its own system completed. Now, all of a sudden, we are hearing talk about halting work and allowing large gaps in the system to remain. This, I do not believe, is equitable and it's certainly not acceptable.

In addition, I think it is important to note that in 1980 we saw a sizable reduction in interstate obligation ceilings due to President Carter's deferral of some $1 billion in highway obligations. I think actions like this underscore our need to act responsibly in these difficult budget times but I do not think we can afford to take actions like stopping work on the interstate system that could well threaten our long term economic viability. While I have long supported reasonable budget cuts, I am concerned that the task force has made some generalizations regarding interstate completion costs that are misleading.

In certain cases, such as the urban project in New York where it is estimated that a 4-mile stretch of interstate will cost $1 billion, completion cost may be excessive. But this just is not the case with the uncompleted Florida mileage. Most of the urban mileage in Florida has already been completed and a great deal of the remaining mileage is in rural areas and is designed simply to connect the fast growing urban centers of south Florida.

Mr. President, I cannot overstate my concern with the task force's interstate highway recommendations. Fortunately, the interstate highway program was authorized by Congress and any changes would have to be approved by Congress. I intend to do everything I can to make sure that we get our interstate system finished and finished in a timely manner.●

S. 19—A MEASURE TO OFFER RELIEF TO ROYALTY OWNERS FROM THE WINDFALL PROFIT TAX

● Mr. PERCY. Mr. President, I am proud to be an original cosponsor of the bill offered by the Senator from Kansas (Mr. DOLE) yesterday, S. 19. This measure would exempt certain royalty owners from the undue burden the windfall profit tax has placed on their lives.

It is perfectly clear that Congress made a grievous error last year when we passed the windfall profit tax: by taxing those individuals who had partial ownership in small parcels of land across this Nation, and who leased this land to oil companies for drilling, we taxed hundreds of thousands of individuals who depend on these earnings for their survival. We may not have meant to do it—the original Senate bill exempted royalty owners from the windfall profit tax. Yet we have done it nonetheless, and many, many citizens in Illinois and across the country are suffering as a result.

It is a myth to think that the windfall profit tax has affected only large oil companies. It is a myth to think that most royalty owners are wealthy individuals who can afford an ever-increasing tax on their oil earnings.

In fact, an overwhelming number of royalty owners are struggling farmers, retired persons on social security, and others who literally need these earnings to live. The royalties they have received from oil production have often totaled $50 per month or less. Combined with social security, it has often been hardly enough to provide for a comfortable retirement for these individuals.

But the effects of this windfall profit tax on these persons have literally been disasterous. Current law subjects each one of these royalty owners, no matter how impoverished, to the greatest windfall profit tax rate—to the same tax rate now applied to the largest oil companies. There is a 70-percent tax on upper and lower tier oil, a 60-percent tax on stripper oil, and a 30-percent tax on newly discovered, incremental tertiary, and heavy oils for these persons.

I have received thousands of letters from my constituents in Illinois who have told me, frankly, that this tax has made their dreams of a comfortable retirement nearly impossible. In Illinois, and in many other States across the Nation, most of the royalty owners receive earnings from the production of oil from stripper wells, wells which produce 10 barrels of oil per day or less. This oil has been decontrolled for several years; a tax on its profits means a serious drop in earnings. This is an unpalatable situation that must be corrected.

Mr. President, I was honored last year to be among the first cosponsors of Senator DOLE's royalty owners exemption bill. The bill would have exempted every royalty owner from the windfall profit tax for his first 10 barrels of oil produced daily. That measure was not enacted by the 96th Congress; S. 19 is identical to it.

The Congress has begun to see the need for royalty owner relief, however we did pass a measure last year which allows each royalty owner a refund of up to $1,000 for windfall profit taxes incurred in 1980. I am hopeful that the measure will be only a first step toward providing permanent tax exemptions for these individuals.

Exempting royalty owners from the tax for the first 10 barrels produced daily is not going to remove the tax burden one bit from those who were originally intended to pay it—the oil corporations of this country. Exempting royalty owners, instead, will offer an important measure of relief to a group of persons who were badly neglected by the Congress last year. We have a chance to improve their lives markedly through passage of this simple bill. We should not refuse to help them.

I urge the Congress to enact S. 19 as quickly as possible.●

RECESS UNTIL 12:40 P.M.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate stand in recess until 12:40 p.m.

There being no objection, the Senate, at 12:24 p.m., recessed until 12:40 p.m.; whereupon, the Senate reassembled at 12:40 p.m. when called to order by the Presiding Officer (Mr. MURKOWSKI).

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. BAKER. Mr. President, I thank the Chair.

ORDER FOR RECESSES

Mr. BAKER. Mr. President, I ask unanimous consent that when the joint session is completed today the Senate stand in recess until Thursday, January 8, at 11 a.m., and that when the Senate convenes on Thursday, January 8, it immediately stand in recess until Monday, January 12, at 11 a.m. and that when the Senate convenes on January 12 it immediately stand in recess until Thursday, January 15, at 11 a.m. and that when the Senate convenes on January 15 it immediately stand in recess until Monday, January 19, at 11 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER PERMITTING INTRODUCTION OF BILLS, RESOLUTIONS, AND STATEMENTS ON JANUARY 15, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that on Thursday, January 15, Senators be permitted to introduce bills, resolutions, and statements between the hours of 9 a.m. and 3 p.m. but for that purpose only and no business to be transacted.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING THE SECRETARY OF THE SENATE TO RECEIVE MESSAGES

Mr. BAKER. Mr. President, I ask unanimous consent that during the recesses of the Senate as specified in this request the Secretary of the Senate be authorized to receive messages from the President of the United States and the

House of Representatives and that such communications be appropriately referred.

Mr. GLENN. Mr. President, reserving the right to object, and I do not plan to object, I wish to clarify. Will January 15 be the only date on which Senators may introduce bills, resolutions, and statements?

Mr. BAKER. Mr. President, it will be on Thursday, January 15.

Mr. GLENN. That will be the only day?

Mr. BAKER. The single day during that period when bills, resolutions, and statements may be introduced.

Mr. GLENN. On the other days they may not be introduced?

Mr. BAKER. The other days would be pure pro forma with no provisions to introduce bills, resolutions, and statements.

Mr. GLENN. Then it will be January 15.

I do not object.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT MEETING OF THE TWO HOUSES FOR THE PURPOSE OF COUNTING ELECTORAL VOTES CAST FOR THE PRESIDENT AND VICE PRESIDENT OF THE UNITED STATES

The PRESIDING OFFICER. In accordance with the provisions of Senate Concurrent Resolution 1, the Senate will now proceed to the Hall of the House of Representatives.

Thereupon, at 12:42 p.m., the Senate, preceded by the Sergeant at Arms, Howard Liebengood, and the Secretary of the Senate, William F. Hildenbrand, proceeded to the Hall of the House of Representatives to count the electoral votes cast for the President and Vice President of the United States.

(The counting of the electoral votes cast for the President and Vice President of the United States appears in the proceedings of the House of Representatives in today's RECORD.)

RECESS UNTIL THURSDAY, JANUARY 8, 1981, AT 11 A.M.

At the conclusion of the joint session of the two Houses, and in accordance with the order previously entered, at 1:30 p.m., the Senate recessed until Thursday, January 8, 1981, at 11 a.m.

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HOUSE OF REPRESENTATIVES—*Tuesday, January 6, 1981*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We raise our voices to You, O God, in thankfulness and praise in the bounty You have given our Nation and the multitude of ways by which the people have been blessed.

Since the birth of our country we have celebrated Your abiding presence in all the circumstances of life—in good times and in bad, in our laughter and in our tears. We pray that Your Spirit will continue to be known in our lives through the words of judgment and forgiveness and assurance and peace. Be with us each day, O God, and strenghten us to do Your will, that justice will roll down like waters and righteousness like an even flowing stream. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

INAUGURATION CEREMONIES OF PRESIDENT-ELECT AND VICE-PRESIDENT-ELECT OF THE UNITED STATES

The SPEAKER laid before the House a Senate concurrent resolution (S. Con. Res. 2), which was read by the Clerk, as follows:

S. CON. RES. 2

Resolved by the Senate (the House of Representatives concurring), That effective from January 5, 1981, the joint committee created by Senate Concurrent Resolution 84, of the Ninety-Sixth Congress, to make the necessary arrangements for the inauguration of the President-elect and Vice President-elect of the United States on the 20th day of January 1981, is hereby continued and for such purpose shall have the same power and authority as that conferred by such Senate Concurrent Resolution 84, of the Ninety-sixth Congress, except that the size of the Joint Committee is hereby increased to consist of four Senators and four Representatives to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively.

The SPEAKER. Is there objection to the present consideration of the Senate concurrent resolution?

There was no objection.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of Senate Concurrent Resolution 2, 97th Congress, the Chair appoints as members of the joint committee to make the necessary arrangements for the inauguration of the President-elect and the Vice-President-elect of the United States on the 20th day of January 1981, the following Members on the part of the House: Mr. RHODES, of Arizona; Mr. MICHEL, of Illinois; Mr. O'NEILL, of Massachusetts; and Mr. WRIGHT, of Texas.

SWEARING IN OF MEMBER-ELECT

The SPEAKER. Will the gentleman from Ohio (Mr. BROWN) kindly come to the well of the House and take the oath of office at this time?

Mr. BROWN of Ohio appeared at the bar of the House and took the oath of office.

RECESS

The SPEAKER. The House will stand in recess until 12:50 p.m.

Accordingly (at 12 o'clock and 5 minutes p.m.), the House stood in recess until 12 o'clock and 50 minutes p.m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 o'clock and 50 minutes p.m.

□ 1250

COUNTING ELECTORAL VOTES—JOINT SESSION OF THE HOUSE AND SENATE HELD PURSUANT TO THE PROVISIONS OF SENATE CONCURRENT RESOLUTION 1

At 12 o'clock and 50 minutes p.m., the Doorkeeper, the Honorable James T. Molloy, announced the Vice President and the Senate of the United States.

The Senate entered the Hall of the House of Representatives, headed by the Vice President and the Secretary of the Senate, the Members and officers of the House rising to receive them.

The Vice President took his seat as the Presiding Officer of the joint convention of the two Houses, the Speaker of the House occupying the chair on his left.

□ 1300

The joint session was called to order by the Vice President.

The VICE PRESIDENT. Mr. Speaker, Members of the Congress, the Senate and the House of Representatives, pursuant to the requirements of the Constitution and the laws of the United States, have met in joint session for the purpose of opening the certificates and ascertaining and counting the votes of the electors of the several States for President and Vice President.

Under the precedents, unless a motion shall be made in any case, the reading of the formal portions of the certificates will be dispensed with. After ascertainment has been made that the certificates are authentic and correct in form, the tellers will count and make a list of the votes cast by the electors of the several States.

The tellers on the part of the two Houses will take their respective places at the Clerk's desk.

The tellers, Mr. MATHIAS and Mr. FORD on the part of the Senate, and Mr. HAWKINS and Mr. DICKINSON on the part of the House, took their places at the desk.

The VICE PRESIDENT. The Chair will now hand to the tellers the certificates of the electors for President and Vice President of the State of Alabama, and they will count and make a list of the votes cast by that State.

Mr. DICKINSON (one of the tellers). Mr. President, the certificate of the electoral vote of the State of Alabama seems to be regular in form and authentic, and it appears therefrom that Ronald Reagan of the State of California received nine votes for President, and GEORGE BUSH of the State of Texas received nine votes for Vice President.

The VICE PRESIDENT. There being no objection, the Chair will omit in further procedure the formal statement just made for the State of Alabama, and we will open the certificates in alphabetical order and pass to the tellers the certificates showing the vote of the electors in each State; and the tellers will then read, count, and announce the result in each State as was done in the case of the State of Alabama.

Is there objection?

The Chair hears no objection.

There was no objection.

The tellers then proceeded to read, count, and announce, as was done in the case of the State of Alabama, the

electoral votes of the several States in alphabetical order.

□ 1320

The VICE PRESIDENT. Gentlemen and gentlewomen of the Congress, the certificates of all of the States have now been opened and read and the tellers will make the final ascertainment of the results and deliver the same to the Vice President.

The tellers delivered to the Vice President the following statement of the results:

The undersigned, CHARLES MCC. MATHIAS, JR. and WENDELL H. FORD, tellers on the part of the Senate, AUGUSTUS F. HAWKINS and WILLIAM L. DICKINSON, tellers on the part of the House of Representatives, report the following as the result of the ascertainment and counting of the electoral vote for President and Vice President of the United States for the term beginning on the twentieth day of January, nineteen hundred and eighty-one.

States	Electoral votes of each State	For President		For Vice President	
		Ronald Reagan	Jimmy Carter	George Bush	Walter Mondale
Alabama	9	9		9	
Alaska	3	3		3	
Arizona	6	6		6	
Arkansas	6	6		6	
California	45	45		45	
Colorado	7	7		7	
Connecticut	8	8		8	
Delaware	3	3		3	
District of Columbia	3		3		3
Florida	17	17		17	
Georgia	12		12		12
Hawaii	4		4		4
Idaho	4	4		4	
Illinois	26	26		26	
Indiana	13	13		13	
Iowa	8	8		8	
Kansas	7	7		7	
Kentucky	9	9		9	
Louisiana	10	10		10	
Maine	4	4		4	
Maryland	10		10		10
Massachusetts	14	14		14	
Michigan	21	21		21	
Minnesota	10		10		10
Mississippi	7	7		7	
Missouri	12	12		12	
Montana	4	4		4	
Nebraska	5	5		5	
Nevada	3	3		3	
New Hampshire	4	4		4	
New Jersey	17	17		17	
New Mexico	4	4		4	
New York	41	41		41	
North Carolina	13	13		13	
North Dakota	3	3		3	
Ohio	25	25		25	
Oklahoma	8	8		8	
Oregon	6	6		6	
Pennsylvania	27	27		27	
Rhode Island	4		4		4
South Carolina	8	8		8	
South Dakota	4	4		4	
Tennessee	10	10		10	
Texas	26	26		26	
Utah	4	4		4	
Vermont	3	3		3	
Virginia	12	12		12	
Washington	9	9		9	
West Virginia	6		6		6
Wisconsin	11	11		11	
Wyoming	3	3		3	
Total	538	489	49	489	49

CHARLES MCC. MATHIAS, JR.,
WENDELL H. FORD,
Tellers on the Part of the Senate.
AUGUSTUS F. HAWKINS,
WILLIAM L. DICKINSON,
Tellers on the Part of the House.

The VICE PRESIDENT. The state of the vote for President of the United States, as delivered to the President of the Senate, is as follows:

The whole number of the electors appointed to vote for President of the United States is 538, of which a majority is 270.

Ronald Reagan, of the State of California, has received for President of the United States 489 votes;

Jimmy Carter, of the State of Georgia, has received 49 votes.

The state of the vote for Vice President of the United States, as delivered to the President of the Senate, is as follows:

The whole number of the electors appointed to vote for Vice President of the United States is 538, of which a majority is 270.

GEORGE BUSH, of the State of Texas, has received for Vice President of the United States 489 votes;

WALTER F. MONDALE, of the State of Minnesota, has received 49 votes.

This announcement of the state of the vote by the President of the Senate shall be deemed a sufficient declaration of the persons elected President and Vice President of the United States, each for the term beginning on the 20th day of January, 1981, and shall be entered, together with a list of the votes, on the Journals of the Senate and House of Representatives.

The purpose for which the joint session of the two Houses of Congress has been called, pursuant to Senate Concurrent Resolution 1, 97th Congress, having been accomplished, the Chair declares the joint session dissolved.

(Thereupon, at 1 o'clock and 30 minutes p.m., the joint session of the two Houses of Congress was dissolved.)

□ 1330

The House was called to order by the Speaker.

The SPEAKER. Pursuant to Senate Concurrent Resolution 1, the Chair directs that the electoral votes be spread at large upon the Journal.

INTRODUCTION OF ECONOMIC LEGISLATION—JANUARY 5, 1981

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

ECONOMIC GROWTH AND PRICE STABILITY PROGRAM OF 1981

Mr. BROWN of Ohio. Mr. Speaker, the Nation faces severe economic problems. Congress must use its wisdom, creativity, courage, and statesmanship to solve them.

We must act quickly because the people of this country have suffered too long. Our economy is beset by:

An inflation rate teetering on the brink of running away;

A growing real tax burden and an adverse regulatory environment leading to a slowing of the growth of our real gross national product;

Serious underinvestment, aggravating a failure to achieve a reasonable strategy for long-run economic growth;

Negative productivity growth in the American business sector in the past year and the lowest productivity growth of any industrial nation the past 10 years as the American manufacturing plant continues to age; and

A continuing gnawing problem of heavy structural unemployment, especially among blacks and teenagers.

Clearly, the major economic concerns of Americans today are inflation, taxes, Federal deficits, Government regulation, and structural unemployment.

Today, as ranking House minority member of the Joint Economic Committee, I am introducing a package of legislation which can serve as a Republican economic program to solve the foregoing list of economic ills. The goal of the package is to stimulate economic growth and curb inflation. It incorporates the best economic proposals of the last Congress. It is in the forefront of sound, modern economic theory, which takes into account both the supply side and demand side of our economy.

The economic package contains five elements: Tax reform, reduced Federal spending, savings promotion, reduced Federal regulation, and a targeted program to cure structural unemployment. I believe this is a well-balanced program and it hits at the key sore spots in our economy.

In recent years, policymakers have been at a loss to explain why inflation and unemployment have been so stubborn. The fact is inflation and unemployment have only been as inflexible as the policymakers. The policymakers have lumped tax policy and spending policy in one category—fiscal policy—and have lost all flexibility by treating it as one rigid policy tool. They have linked fiscal policy to monetary policy in rigid fashion as well. Monetary and fiscal policies were either both too tight or both too easy, all stop or all go. Demand was pumped up or drawn down. No attention at all was paid to supply policy, or to ways in which tax policy could be used independently to affect costs, prices, employment, and growth.

Inflation is too much money chasing too few goods. The trick is to fight inflation by reducing money growth while stimulating production, the supply of goods, and services—through carefully designed tax reduction and restructuring—and reducing the growth of Federal spending to eliminate Federal borrowing and crowding out. These targeted policies, some easy and some tight, could solve our problems.

In recent years, we have pumped up demand by increasing spending and creating money faster than ever. We have had the biggest deficits in history. We assumed that supply would automatically rise to satisfy the demand. This policy did not work. Output did not respond.

Output did not respond because Government has strangled it with higher taxes, higher costs, and higher regulatory burdens. Government has pumped up demand and throttled supply. No wonder we have had inflation. Furthermore, that same inflation has only made the supply situation worse.

Inflation lowers the rate of return to every worthwhile growth activity. As the reward falls, the activity declines.

Inflation pushes people into higher tax brackets. The marginal taxes taken out of each cost-of-living raise have reached amazing levels. Even middle-income taxpayers now face tax rates of 40 to 50 percent on each additional dollar earned. In fact, if the trend of 1972–79 continues, by 1986 everyone with an income of $20,000 in 1972 purchasing power will be in the 50-percent marginal bracket.

The high and rising marginal tax burdens have reduced the rate of return to labor. There has been no increase in real aftertax spendable earnings for the average worker since 1965. Extra effort is taxed at record rates. Workers have substituted leisure, early retirement, and nontaxable fringe benefits for added work and added pay.

Saving is also hard hit. The aftertax reward to saving is miserably inadequate in view of the great social service that saving performs. Saving is inherently double taxed. Income is taxed when earned. If it is spent on a good or service, only a small sales tax is incurred. If it is saved, the "service" acquired—interest or dividends—is taxed at rates up to 70 percent. Inflation increases this double-tax burden as it pushes taxpayers toward the upper brackets, reducing the reward to saving even further. Taxpayers have substituted consumption for saving, and tax-sheltered saving for ordinary saving. The supply of saving to the stock, bond, and other credit markets for use by ordinary business has been choked off.

Inflation has caused a gross understatement of depreciation, the amount of plant and equipment that is wearing out. As a result, business profits are overstated, and taxes are overpaid by 25 to 30 percent. The rate of return on the use of equipment is reduced, leading to a drop in desired investment. The cost of just standing still increases, as depreciation allowed by the tax code proves inadequate to replace old machinery. Even as overstated taxes and mandated pollution control spending reduce corporate cash flow, firms must dip into that cash flow to pay inflated prices for new machines. Little is left over to raise dividends or make higher interest payments to overcome the reduced desire to save on the part of taxpayers.

The supply of credit to business is further reduced, and the cost of that credit increased, by the increasing preemption of our limited supply of savings by Government borrowing to fund the Federal deficit.

The general profitability of business is further eroded by an enormous regulatory burden, the cost of which is now in the neighborhood of $100 billion a year, almost 5 percent of GNP. It reduces productivity and discourages all forms of production. It curbs the use of plant and equipment, labor, and land. It exacerbates inflation and results in the underemployment of every conceivable factor of production.

How do we fight this situation? There is no great mystery. The methods have been thoroughly studied and are ready to use if we only have the will. Here is the program:

To fight inflation and defend the value of the dollar, curb the creation of new money.

To keep slower money growth from causing a credit crunch and recession, get the Government out of the credit market by curbing the growth of Government spending to end the deficits.

To further increase the supply of credit for real growth, encourage saving by cutting personal tax rates and index the personal income tax to keep inflation from undoing the tax cut. Institute tax incentives for additional saving to offset the double taxation which saving now faces.

To encourage business to use the added saving to produce real growth, enact replacement cost or indexed depreciation. Encourage the employment of all inputs in their most efficient uses by cutting corporate tax rates to discourage the use of shelters.

To prevent the taxation of illusory capital gains due only to inflation, adjust the purchase price of capital assets for inflation when calculating taxable gains.

To reduce our soaring regulatory burdens, abolish existing regulations that are excessive, duplicative, or contradictory. Require that regulations be drafted to minimize costs to consumers and businessmen. Establish a regulatory budget, which puts a cap on the cost each Federal agency or department could impose on the private sector.

To increase work effort and the supply of labor, reduce personal tax rates and index the income tax to keep inflation from undoing the tax cut.

To make untrained workers employable, institute a wage subsidy for the hiring of unskilled workers, putting the hard-core unemployed into real training programs in the private sector. Delay further increases in the minimum wage in order to prevent thousands of teenagers and unskilled workers from being priced out of the market.

That is the program. It is infinitely more flexible than the stop-and-go policies of recent years. It can fight unemployment and inflation simultaneously. It will produce sustainable real economic growth and higher living standards for the first time in nearly a decade.

Here is a description of the bills.

PERSONAL TAX RATE REDUCTION

Increased tax credits or rebates, or wage guarantees, do nothing to increase the rate of return, the reward after taxes, to additional labor or saving. Only reduction of the marginal tax rates in each bracket, the rates that apply to added earnings due to added effort, can do that. Accordingly, in the last Congress, I cosponsored, and in this Congress I will cosponsor, the Kemp-Roth bill or a reasonable facsimile.

This should be part of a sound program to increase work effort and total saving, and to redirect saving out of shelters and into America's ordinary cash-starved businesses. A tax reduction bill of even this size will only serve to offset the tax increases that will be generated in the next few years due to social security tax increases and the effects of inflation in pushing people into higher tax brackets. Kemp-Roth works primarily because it is the right shape to stimulate supply.

INDEXING THE PERSONAL INCOME TAX

Each year, as incomes rise to keep up with the cost of living, millions of workers find themselves in higher tax brackets. The increased tax burden often robs the worker of any real increase in spendable earnings. In fact, today's average worker has had no real increase in real spendable earnings, after taxes and inflation, since 1965. That is 15 years of stagnant real spendable income even though nominal wages have more than doubled.

Because of higher tax brackets, many workers are discouraged from accepting overtime labor bargains for nontaxable fringe benefits, including more time off. Spouses who might seek part-time work find the added income taxed at high rates, and stay home. Saving is discouraged, as inflation erodes the principal and higher tax brackets steal the interest. Tax shelters are now used by millions who once had no need for them. Others simply spend. Growth rates of employment and real income are reduced.

Under the current tax code, tax revenues rise about 16 percent every time prices rise by 10 percent. The extra 6-percent rise in revenue is due to "bracket creep" as inflation pushes taxpayers into higher tax brackets. Bracket creep has effectively repealed

the Kennedy tax cut of 1964 and subsequent tax reductions.

Indexing prevents inflation from pushing taxpayers into higher tax brackets just because they receive a cost-of-living increase. Indexing would hold Government revenues to a 10-percent increase when prices rose 10 percent. Thus, it does not deny the Government the revenue needed to keep up with prices. It simply denies the Government its automatic windfall from inflation.

Under the bill, each December, the Secretary of the Treasury would calculate the percent by which the average consumer price index rose for the 12 months ending September 30. All fixed dollar amounts in the income tax tables would be increased by that percent; the personal exemption, the "zero tax bracket"—that is, the standard deduction—and all the income levels which separate one tax bracket from the next, would be adjusted. This is the standard textbook method for accurately insuring that the same real income always faces the same real tax rate, both on average and at the margin. It ends the current system under which taxpayers on average have faced tax rates on additional income which are 1 or 2 percent higher each year. It ends the bracket creep problem which nurtures tax shelters, consumption, and leisure at the expense of work effort and straightforward saving and investment. It gives workers a chance for real wage increase even without double-digit wage demands.

A tax rate reduction program, such as has been proposed by Congressman KEMP and Senator ROTH, should be enacted, with indexing to take effect thereafter. The Kemp-Roth bill introduced last year included such a proposal for indexing to take effect in 1983 after 3 years of tax rate reduction.

If rate reduction is not enacted, immediate indexing becomes imperative. Indexing would neither roll back the use of tax shelters, nor restore incentives lost to previous taxflation. Only rate reduction can do that. However, indexing would prevent the further deterioration of spendable earnings and savings due to future taxflation.

INDEXING CAPITAL GAINS

This bill, modeled after the Archer amendment to the Revenue Act of 1978, would adjust the basis of capital assets for inflation in determining gains and losses for tax purposes. It would involve increasing the purchase price of our asset by the percent increase in the Consumer Price Index since the asset was levied on purely illusionary "gains" due to inflation.

Capital gains have been eroded by inflation to such an extent that most reported capital gains are really losses when adjusted for inflation. Prof. Martin Feldstein reported to the Joint Economic Committee on an exhaustive study of capital gains reported in 1973 tax returns. Taking all returns into account, the reported nominal gains of $4.6 billion were in fact real losses of nearly $1 billion, yet all the reported gains were taxed. Worse yet, the bulk of this overtaxation fell on middle-income taxpayers. The tax code was never intended to operate in this way. On average, on those gains which were still gains even after adjusting for inflation, the real effective tax rate was doubled.

As pointed out in the 1978 joint economic report:

Capital gains are already overtaxed. They are not ordinary income, and we should not be trying to tax them as if they were.

Capital gains occur when the price of an earning asset rises. The price increase is generally caused by a perceived increase in the future earnings of the asset. Those future earnings will be taxed when they occur. To tax the rise in the asset's value as well as the future earnings is to double tax those earnings. For this reason, no major nation treats capital gains as ordinary income.

To add to this double taxation by imposing taxes on the portion of gains due to inflation raises the effective tax rate well above rates intended in the Tax Code. In fact, taxing real capital losses means we impose a tax in excess of 100 percent on the "profit" from many transactions. This combination of inflation plus a tax on capital transfers has locked in thousands of investors and sharply reduced trading of all types of property. As a result, as several studies show, the Government is actually losing more money because of discouraged activity than it gained by raising capital gains tax rates in 1969.

More importantly, the country has lost out on a great deal of growth because saving and the efficient allocation of capital have been retarded.

DEPRECIATION REFORM

The Senate Finance Committee, in a nearly unanimous bipartisan vote, produced a program of personal and business tax rate reductions in 1980 largely geared toward the supply side of the economy. Most of the bill's provisions have some impact on marginal incentives.

An important part of the Senate Finance Committee package deals with depreciation. Congress has been more familiar with the problems of inadequate depreciation, and more united on the sort of tax changes that are needed, than any other tax question. Had we taken action on this matter a year or more ago, we might have averted the current needless recession, the rise in unemployment, and the slump in productivity that plague us today.

There are two major depreciation plans with widespread bipartisan support in the Congress. One is the Senate Finance Committee proposal. The other is the Conable-Jones 10-5-3 proposal.

The 10-5-3 proposal has the cosponsorship of a majority in the House and the backing of a majority in the Senate. It is simple and powerful. It has been slowed down by technical concerns and worries over its cost. These problems are not insurmountable.

The Senate Finance Committee proposal is somewhat smaller in size, but almost as simple and as easy for firms to use as the 10-5-3 approach. It too, requires some technical adjustments, which I intend to offer here today. The depreciation plan which I am introducing today is based on the Senate Finance Committee plan, but modifies it somewhat. It sets up four categories of equipment and machinery. Assets in these categories are to be depreciated over timespans of 2, 4, 7, or 10 years. Equipment, which now has the longest tax lives under the current ADR—asset depreciation range—system, would fall into the 10-year category. Shorter lived assets would fall into the shorter categories. Each asset will experience a significant reduction, at least 40 percent, in its writeoff period. In each category, there is an investment tax credit. My bill provides a 10-percent investment tax credit (ITC) for assets in the 7- and 10-year categories, a 7½-percent ITC for the 4-year category, and a 4-percent ITC for the 2-year category. This is a change from the Senate bill, which gave the 4- and 2-year categories smaller ITC's, 6 percent and 2½ percent respectively.

The increased ITC's are essential if smaller businesses are to be better off under the revised depreciation system than they are under current law. Smaller firms are in lower income tax brackets than larger firms. For those in the lower brackets, the depreciation allowances, which are deductions from taxable income, save less in taxes than for those in the higher brackets. for lower bracket firms, the ITC, which is a credit against tax, is relatively more valuable. The Senate bill grants shorter asset lives, faster depreciation, but with a reduced ITC. This tradeoff was carried too far for the smaller firms. The enlarged ITC in this bill remedies the defect. The change makes certain that firms of all sizes experience a significant improvement in their capital cost recovery allowances compared to current law.

Another provision of the Senate bill allows firms to write off $25,000 in new equipment in the first year—expensing. This is a very important provision for small business, greatly simplifying their accounting procedures. Unfortunately, the bill provides no

ITC for this equipment. For small firms the ITC obtainable under other provisions of the bill for assets written off over several years is more valuable than the added gains from first-year writeoff. No small firm would take advantage of this provision as it stands. To remedy the problem, my bill provides a 4-percent ITC for the $25,000 of expensed assets.

The rest of the bill parallels the Senate version. A fact sheet follows. For more detail on this legislation, see Senate Report 96-940 on H.R. 5829, subtitle B.

I am also introducing today two additional bills concerning depreciation. One would allow firms to write off pollution-control equipment in the year of purchase—expensing. A 4-percent ITC would be permitted.

The second bill cuts right to the heart of the depreciation question. Why do we make firms depreciate their machinery and equipment over many years? The standard tax base in the United States is income. The theory is that a machine should be written off over the time it earns income for the firm—the machine's useful life. This is fine philosophy, but it is economic nonsense. Aside from the obvious fact that a machine may become economically or technologically obsolete long before it wears out, there is a deeper problem.

Any income tax is a double tax on saving and investment, compared to consumption. Money saved and invested was taxed when it was earned. If it is saved and invested, instead of consumed, the earnings on the investment are taxed again. A tax system which is neutral between saving and consumption would tax either the income that got saved, or the earnings of the saving, but not both. This is why the value added taxes of Europe permit the full deduction of an investment in the year it is made.

The ideal unbiased tax code would permit a firm to deduct the cost of a machine as soon as it is purchased. The third bill I offer today would permit firms to write off their equipment and machinery over any time period they choose, and in any proportion in each tax year, with a 4-percent ITC. Some firms would prefer a longer depreciation period with all the deductions in later years if they were losing money in the year of purchase and had no profits to offset at that time. This is a bill for the future. It is the ideal system we should approach over time.

CAPITAL INVESTMENT ACT OF 1981

This legislation offers broad incentives to invest. It is based on the depreciation amendments reported by the Senate Finance Committee, with an important perfecting amendment.

1. SIMPLIFIED COST RECOVERY (SCR)

The bill establishes a simplified cost recovery system (SCR) which provides tax incentives for investment in equipment and machinery. Under the legislation, equipment would be classified in one of four recovery accounts with a recovery period of 2, 4, 7, or 10 years. Generally, equipment and machinery would be depreciated 40 percent faster than under present law. A simple "open-ended account" system for computing depreciation deductions, which has been successful in Canada, would replace the complicated "vintage account" system of present law.

In addition, the investment tax credit rules would be modified. Assets with recovery periods of 7 or 10 years would receive a 10-percent investment tax credit, as in the Senate Finance Committee bill. Assets with 4- and 2-year recovery periods would receive 7½-percent and 4-percent investment tax credits, respectively, higher than those in the Senate bill, 6 percent and 2½ percent, respectively. This modification is necessary if smaller firms are to receive improved incentives to invest, compared to current law.

2. STRUCTURES

At the option of the taxpayer, structures and structural components would be eligible for 20-year straight line depreciation with section 1250 recapture. This compares to a useful life of some 30 years for apartment buildings, 35 years for industrial structures, and 40 years for commercial structures under present law. Also, at the option of the taxpayer, certain low-income rental housing would be eligible for 15-year straight line depreciation with section 1250 recapture. This compares to a useful life of some 30 years for low-income housing under present law. Another option is provided for taxpayers who build, hold, and occupy structures for use in their business, rather than for resale. These would include plants or retail structures built by manufacturing or commercial firms for their own use. These structures would be eligible for 15-year straight line depreciation with section 1245 recapture. These provisions would provide an audit-proof system for taxpayers by eliminating disputes over useful life between businessmen and the Internal Revenue Service.

These provisions will encourage the construction of new factory buildings which is so important in modernizing our industrial base. The new rules will provide a needed stimulus to the depressed housing industry and help create jobs in the construction industry. Additional incentives are provided for low-income housing.

3. PROGRESS PAYMENTS

The bill permits firms to begin depreciation with respect to progress payments for property which requires a long period of construction, rather than wait until it is placed in service.

4. REHABILITATION OF COMMERCIAL AND INDUSTRIAL STRUCTURES

In an effort to help revitalize some of the older industrial sections of the Nation, the legislation increases the existing 10-percent investment tax credit for the rehabilitation of commercial and industrial structures to 25 percent.

5. SMALL BUSINESS SIMPLIFICATION AND INCENTIVE

In an effort to provide substantial simplification and a real tax incentive for small business, taxpayers can elect a first year writeoff, expensing, for the first $25,000 of annual investments in equipment and machinery. A 4-percent investment tax credit is allowed, which is not part of the Senate bill. This is necessary to make this option as attractive as ordinary multiyear depreciation with the investment tax credit allowed in that case. Hundreds of thousands of small businessmen across the Nation would no longer have to worry about burdensome depreciation calculations if they elect this option.

ENCOURAGING SAVING

These are tense times. We are threatened militarily and economically from abroad. At home, Americans struggle with each other for a bigger slice of a shrinking pie. It did not have to be this way.

If we had saved and invested a bit more; if our GNP had grown only 1½ percentage points faster each year since 1950, we would now have a $3¾ trillion economy instead of a $2½ trillion economy. We would have $200 billion more in Federal revenues, balanced budgets, stable prices, income and payroll tax cuts, 50 percent higher living standards, millions more jobs, a solvent social security system, an ultramodern productive economy three times the size of the Soviet Union's instead of twice their size, and unquestioned military superiority. Russia simply could not have kept up with us.

Faster growth, higher incomes, and plentiful jobs are exactly what the unemployed, underprivileged, and the minorities of this country have been seeking for many years. It is no accident that the greatest gains in income, jobs, and dignity for minority workers have come during periods of rapid expansion.

Growth is critical, and saving is critical to growth. We have thrown away 30 years. The hour is very late. It is high time we got started.

The United States has the lowest rate of saving in the Western World, resulting in the lowest rate of productivity growth, investment, and real wage increases among the major industrialized nations. Personal saving is falling because inflation and high tax rates reduce the real rate of return on savings. As people are pushed into higher tax brackets, they get to keep

less of each additional dollar of savings income. Since income from savings is added to income earned from personal service, the highest tax rate each taxpayer pays is imposed on his or her savings income. The higher the tax rate individuals face on additional income from saving, the less likely they are to save. Thus, the present high tax rates discourage new savings, encourage consumption, and force savings away from productive investments into tax-exempt bonds and tax shelters.

The total amount of saving in the United States—personal saving, retained earnings, and depreciation setasides—has already fallen so low that we are not providing enough investment to keep pace with replacing worn-out machinery and equipping a growing labor force. This is leading to falling productivity, lower real wages, and reduced job opportunities. Unless action is taken, we face a decade of stagnation.

This is too crucial an issue for casual legislation. We have to do it right, without ideology and without wishful thinking. It is a fact of life that the top half of the income distribution earns more than three-quarters of taxable income and undoubtedly does 90 percent or more of the Nation's personal saving. We have to encourage those with the capacity to save to do so to give this country the growth it needs to compete and survive in a hostile world. But the higher income groups are not the only ones that save. And whether we like it or not, that means reducing the tax rates on added earnings from added savings for people at all income levels.

I have made a careful study of this issue over several years. The Joint Economic Committee has held hearings on growth and noted the importance of savings in this process. We heard from the best experts in the country. I can tell you this: Savings can be encouraged. We can grow faster. Let me summarize some of what I have learned.

I must stress very strongly that the naive approach of exempting a limited dollar amount of interest from the tax does not do much. It merely rewards old saving. Most returns have more interest and dividend income than the ceilings in a limited $200 or $400 exclusion. IRS figures prove this beyond a shadow of a doubt. The tax status of any added interest is completely unchanged by the exclusion. If the taxpayer had become discouraged and had stopped saving before the exclusion, he still will not save after the exclusion. If the taxpayer was using tax shelters before the exclusion, he will still use them after the exclusion. We can justify some sort of exclusion on equity grounds to aid the elderly, whose interest on old bonds has been severely eroded by inflation. But we cannot, we must not, fool ourselves into thinking that a limited exclusion will increase saving in the economy.

There are only two effective ways to encourage more saving: First, reduce the tax rate on savings income in each existing tax bracket; and second, shift savings income into lower brackets.

Unless the actual tax rate paid on the last few dollars, on the marginal potential added dollars of savings income, is reduced, behavior will not be changed and saving will not be increased.

Today I am introducing two savings bills which incorporate these approaches. The first bill continues the existing interest exclusion, but it also reduces the effective tax rate on savings income by exempting 25 percent of every dollar of savings income above the $200–$400 exclusions from tax. This lowers the effective tax rates from the current range of 14 to 70 percent to 19½ to 52½ percent, greatly increasing the incentive to save.

The bill is designed to encourage a higher rate of saving by reducing the tax rates which apply to interest and dividend income. The bill provides a two-part approach to interest and dividend income.

To compensate existing savings for the effects of inflation on fixed interest, the bill continues the provision in existing law which excludes from taxable income 100 percent of the first $200 and $400 of interest and dividend income on single and joint returns.

To encourage new saving, the bill excludes from taxable income 5 percent of all interest and dividends above the amounts described above, increasing annually in stages—10, 15, 20 percent—to 25 percent in the fifth year after enactment.

In order to encourage new savings, the tax rates which apply to interest and dividends must be reduced. A limited interest tax exemption will not substantially increase saving. It will primarily reward existing savings. On equity grounds, an interest exemption is advisable for senior citizens and low- and moderate-income taxpayers. This bill continues this exemption. But, in order to encourage additional savings, the tax rates at which additional savings income is taxed must be reduced. The 25-percent exclusion of additional interest and dividends has the effect of reducing the tax rates on additional savings income by one-quarter. For example, an individual in the 28-percent tax bracket would see the effective marginal tax rate on savings income fall to 21 percent. The 40-percent bracket would effectively fall to 30 percent, and the 70-percent bracket to 53 percent. This would result in a substantial increase in saving, a switch out of tax shelters, reduced interest rates, and less pressure on the Federal Reserve to create money. It is a pro-growth, anti-inflationary step of great effectiveness.

The second savings bill which I am introducing today with Representative ROUSSELOT and Senator ROTH is even better than the above described bill because it targets the incentives more strongly at these people of working age who can and should save more and spend less. Current law combines savings income and personal service income, which puts the savings income in high brackets. I propose to split income into two parts for tax purposes. The first dollar of both earned income and unearned income would start in the 14-percent bracket, and the top tax rate on both would be 50 percent. Deductions and personal exemptions would be taken against either type of income, whichever was higher, or split between them. The two taxes would be added to find the total tax bill.

For most working-age taxpayers, the bulk of income is earned through personal service, with only a few hundred or a few thousand in savings income added on the top. This bill would bring this income down from the taxpayer's top bracket, where it may face rates of 21, 36, or even 70 percent, and puts it into the 14 or 16 percent brackets, producing a great jump in incentives at relatively low cost.

Let me elaborate on some of the rationale and the details on the income-splitting bill. The bill will treat interest and dividend income more equally with personal service income for tax purposes, thereby encouraging saving and economic growth. This is a carefully targeted proposal of particular benefit to Americans of working years with the desire and ability to save and invest to provide for their retirement and to help the country grow.

On equity grounds, many Members have proposed an interest and dividend exclusion to partially compensate for the damage inflation has done to interest and dividend income from existing savings. This bill does not interfere with such efforts to reward existing saving.

However, in order to encourage additional savings, the tax rates at which additional savings income is taxed must be reduced. The bill equalizes tax rates for both earned and unearned income at rates ranging from 14 to a maximum of 50 percent. This ends the discrimination against saving which has been in the tax code since 1969. Currently, personal service income faces a maximum tax rate of 50 percent, while savings income faces a top rate of 70 percent. The change will raise revenue because of a sharp drop in the use of tax shelters as the top rate is reduced to 50 percent for all forms of income.

Furthermore, low- and middle-income tax rates on savings income are reduced by an income-splitting provision. In current law, after exemptions, earned and unearned income are added together to obtain taxable income, stacking one on top of the other to reach the higher brackets. Under this proposal, each taxpayer would compute a tax on earned income alone, and on unearned income alone, and then add the taxes together. In this way, the first dollar of each type of income would start in the 14-percent tax bracket. Each type of income would rise only through as many brackets as its own size would warrant. The result would be lower tax rates on added income of both types. Specifically, the tax rate on additional interest and dividends from added savings would be in a lower tax bracket than at present for most taxpayers, resulting in more incentive to add to savings.

Currently, individuals with more than $10,000 in preference income—income from tax-sheltered activities—are subject to the minimum tax. As a further inducement for such individuals to return to more productive, ordinary investment, the bill limits the participation of those upper income individuals who continue to use tax shelters. Individuals with more than $10,000 in preference income, other than capital gains, are prohibited from using this income-splitting provision.

The reduction of the top tax rate to 50 percent would cost $4 to $5 billion, and the income-splitting provision, which could be phased in overtime, would add another $8 to $9 billion. These provisions would result in substantial revenue reflow to the Treasury by sharply encouraging a switch from tax-exempt to taxable investments, thus reducing the cost considerably.

We must move on this matter. We cannot wait to find room in the budget. We must make room in the budget. When fully phased in the income-splitting bill will run about $12 to $14 billion at today's prices. This is before tax reflows which are expected to be substantial. For the 25-percent exclusion bill, the initial costs will be less, but the reflows will also be less. The dollar for dollar net benefit to the economy from the income-splitting bill is much more powerful than the 25-percent exclusion bill. But both bills together will finance themselves in the capital markets in the short run out of the savings they generate. They will not be inflationary. In the long run, they will spur economic growth and cause people to leave the tax shelters for ordinary income, and will pay for themselves by tax revenue reflows.

There is ample money for these bills. Inflation is raising taxes in real terms above current annual levels by $15 billion a year, year after year. This means $15 billion the first year, $30 billion the second, $45 billion the third, and so on. It should be no trouble to phase in a bill that will take only the first year's increase. It is affordable. It is essential. It is time to act.

FEDERAL SPENDING LIMITATION

This bill amends the Budget Act to require that spending ceilings in future budget resolutions for fiscal years 1982, 1983, 1984, and 1985 not exceed, respectively, 21, 20, 19, and 18 percent of each year's projected GNP, except by vote of two-thirds of each House of Congress.

REGULATION

One of the most serious problems facing our economy is the stifling effect on profits, incentives, and investments from Federal regulations.

Over the past decade, we have witnessed a huge explosion of Federal rules and regulations. In the mid-1950's, some 10,000 pages were published in the Federal Register each year. By 1970, 15 years later, that number had doubled to 20,000, but now the number of pages added each year is about 75,000. Today, the cumulative Federal Registers fill 52 large shelves and totals over 800,000 pages, and is growing. In fact, Federal regulation is America's No. 1 growth industry.

Shelf space to house these regulations is not what concerns me. What concerns me is the costs these regulations impose on our economy.

In a 1979 study for the Joint Economic Committee, Murray Weidenbaum, professor at Washington University in St. Louis, put the private sector compliance costs at $97.9 billion. In addition, the agency administrative costs total $4.8 billion.

Much of this $102 billion regulatory burden is well intentioned. Concerns over safety, the environment, and consumer protection are legitimate concerns. But, it is time we applied some cost-benefit analyses to these regulations. There must be situations where the cost burdens imposed on society by these regulations exceed the benefits to society.

A number of witnesses who have testified before the Joint Economic Committee in recent years have made a strong point of the fact that Federal regulation aggravates our inflation problem. Higher prices due to regulation stem from two sources: First, the direct dollar expense of compliance with the regulations, currently costing $100 billion in the aggregate, as noted, which comes to about 6 percent of personal consumption expenditures. As a microexample, Government safety and pollution-control devices add about $660 to the price of the average automobile. Second is the adverse impact on productivity. When scientists and researchers are diverted from the constructive pursuits for which they are trained and qualified, to collecting data and filling out forms for Government agencies, productivity declines. Edward F. Denison of the Brookings Institution has estimated that, in recent years, Government regulations have caused a loss of approximately one-fourth of the potential annual increase in productivity. This reduced output per person, of course, exacerbates our already disturbing inflationary pressures.

Something must be done. Americans want these burdens removed; they want action now.

The regulatory reform package I am introducing today is varied, covering three aspects. It is designed to alter our Federal regulatory system. It introduces accountability—both in the Federal agencies and in the Congress. It introduces a system for abolishing existing regulations which are excessive, duplicative, contradictory, or inefficient. It mandates a thorough overhaul of the system for reviewing proposed regulations before issuance to insure that they minimize costs to consumers and businessmen. It seeks to reduce the cost of individual rules and regulations, both in direct tax costs and in the indirect costs of complying with them. The three bills are entitled: "The Regulatory Conflicts Elimination Act of 1981," "The Regulatory Cost Reduction Act of 1981," and "The Federal Regulatory Budget Act of 1981."

Briefly, this is what each bill does.

THE REGULATORY CONFLICTS ACT OF 1981

Under this legislation, the Office of Management and Budget will annually report to Congress and the President on Federal agency rules or regulations which duplicate or conflict with one another. At the start of each fiscal year, the President and the head of each agency will submit to Congress his recommendations for resolving or eliminating duplication or conflicts among these rules or regulations. The recommendations will go into effect 60 days following their submission unless Congress disapproves. The GAO will evaluate the President's recommendations as well as each agency's progress in implementing the recommendations.

It is senseless for a businessman to be put squarely between the rock and the hard place where complying with one regulation requires violating another.

This legislation is designed to eliminate the irrationality of overlapping and contradictory regulations.

THE REGULATORY COST REDUCTION ACT OF 1981

Under this legislation, the regulatory agencies will be required to meet their regulatory objectives in the most cost-effective manner.

Congress generally fails to impose a cost-effectiveness requirement in most measures establishing new regulatory

programs. As a result, regulatory agencies often issue regulations that employ excessively costly methods to achieve their goals. This is a tragic waste of our country's scarce resources.

We need to clean up our environment; we need to make our highways safe; we need to improve the health and safety of our workplaces. But, if we do this wastefully and inefficiently, we are simply misusing valuable resources that could be used to achieve other important goals.

Therefore, regulatory agencies should be required to minimize the cost of achieving their regulatory goals unless this consideration is overridden by a more important national goal. My bill will do this. All agencies will be required to examine all options for attacking a regulatory problem and to choose the least costly alternative. They will be required to publish a regulatory impact analysis in the Federal Register to back up their existing regulations. The only regulations exempt from this requirement are those dealing with military affairs, agency management, and procurement.

Regulation on its face is bad enough. But onerous regulation, not founded on least-cost principles, frustrates business and hurts consumers. If we have to have regulation, enactment of this bill will assure that it is at least efficient regulation.

THE REGULATORY BUDGET ACT OF 1981

My final bill would amend the Congressional Budget Act of 1974 to require the Congress to establish a regulatory budget, along with an administrative budget, which sets for each agency or department the maximum costs of compliance with rules and regulations promulgated by that agency or department. This bill, each year, forces the President and Congress to put a cap on the costs each agency could impose on the private sector, similar to ceilings imposed on the costs of administering the agencies.

It establishes a formal mechanism within the framework of the Congressional Budget Act passed 7 years ago for limiting the burden of Federal rules and regulations. Annually, the President and Congress would establish a maximum regulatory cost—a ceiling—for each Federal agency. This ceiling would be fixed, inviolate, just as agency budgets are today. The cap would be determined after an extensive, broad-based series of hearings, administrative reviews, with ample opportunity for public input.

In the past, the fiscal budget was quite adequate to show the impact of Government on the economy, since almost all Federal Government activities involved direct taxation and direct spending. If one added to these the financial commitments—through loans, guarantees, and insurance—of some 14 off-budget agencies, one could get a fairly clear picture of the Government's impact on the economy. Most of the economic effect of regulation is hidden, since Government-required private sector spending for auto safety, mine safety, pollution control, and consumer protection, plus the attendant paperwork costs, do not appear in the Government's budget figures. They are cloaked in off-off-budget spending, required of the private sector to comply with Federal regulation.

My bill will remove the ignorance surrounding the actual magnitude of costs imposed on the private sector by Federal regulations. This bill, and the other bills I am introducing, would force the Federal agencies to account for their rules, to assess what associated costs exist, and to toe the line in minimizing their costs.

The congressional budget process has worked well in serving to stress the need for spending restraint by Congress. It has increased Congress ability to assess the current status of the Federal budget, and to project—and, thereby control—future spending levels.

It is my hope that the Federal Regulatory Budget Act will yield similar benefits in reining in the runaway cost of burgeoning Federal regulations. There is little question that such restraints are long overdue. It is my conviction that adopting the congressional budget process is the best and most effective way to impose these restraints.

STRUCTURAL UNEMPLOYMENT

There is one economic problem that is most devastating to society. That problem is structural unemployment—that is, unemployment essentially caused by low skills; skills so few and so minimal that the person literally faces a life of unemployment, or at best part-time employment.

It is because of the present desperate situation and inevitable and hopeless future, that the structurally unemployed present this country with a severe test.

To meet this test, I am introducing a bill that will deal squarely with structural unemployment. This bill puts to use our most potent weapon in fighting this or any other economic problem—the private sector.

By the private sector I do not mean just business, but the entire private sector—labor, business, schools, religious organizations, citizen groups, and other members of the local community. Under this bill, these aspects of the private sector will combine the work together to match the structurally unemployed with available jobs. This community combination has proved highly successful in many localities across the country for the opportunities industrialization centers, the Committee for Economic Development, and other organizations that deal directly with structural unemployment.

The bill provides a wage subsidy paid to employers for training and employment. States would approve acceptable employer programs and petition the Secretary of Labor for the subsidy money. The subsidy, which begins at 50 percent of the wage, is decreased at 6-month intervals until it ends after 2 years of employment.

I stress that this subsidy would only be paid if training is provided. Training is the key to the solution. If structural unemployment is defined as being caused by low skills, then any bill that does not stress training is a waste of time and money. This bill will establish training as a requirement in order to provide the structurally unemployed with what they need most. The bill also establishes a priority system for granting these subsidies to private employers; assuring the subsidies will go to the areas where they are most needed and will be most successful.

The first priority established by this bill is the targeting of subsidies to areas of high unemployment. It is an unfortunate fact of our economy that structural unemployment is most severe in the most desperate of economic situations, where the structurally unemployed not only lack skills, but face a job market so depressed that they have only a small chance of receiving employment or training. They have lost man's most important defense—hope.

The second priority is for small business. The Joint Economic Committee has heard time and time again over the years that the most helpful solution to this structural unemployment problem is small business. The reasons are simple. Every community has a great number of small businesses whose condition and needs are most known to the rest of the community. These are the employers that are most responsive to wage subsidies. If only one-third of the 10 million small businesses in the United States would hire just one new employee each, we would more than solve our overall unemployment problem.

As I said earlier, the concept of community is very important to solving the problem of structural unemployment. The biggest problem in any training and employment program is the location of jobs and job retention. Local, private organizations that draw together various aspects of the community to solve the problem of structural unemployment have shown a far greater success in placing people in permanent jobs than any Federal Government training program.

Accordingly, this bill offers its final priority to those employers who use these community organizations in

finding employees. This priority guarantees that the hired worker will be carefully matched to the specific job. And just as important, these organizations will provide the support services after employment which are so critical to the newly hired, low-skill employee. The use of these organizations—called intermediate organizations—separate this bill from other employment and training bills. Judging from the unmatched success of intermediate organizations, it makes this a superior bill.

This bill has an important provision that guarantees that the subsidies will help those who need it the most.

This provision addresses the question of who is eligible for the subsidy. In other words, who is structurally unemployed? This bill uses a simple but reliable definition for structural unemployment that prevents the loss of time and effort just trying to figure out who can be hired under the subsidy.

Eligibility is defined as being out of work for at least 5 weeks and exhausting or being monetarily ineligible to receive unemployment compensation. Thus, the bill identifies workers who have been out of work for a long time and workers who have such low skills that their spotty pattern of employment provides them with only a short time period of unemployment compensation. This simple definition would include youths who have never held a job and, therefore, are not eligible for unemployment compensation. Likewise eligible would be the growing number of women who, by personal choice or economic hardship, have returned to the labor market after an absence of many years and with low marketable skills.

Highly skilled workers would not be eligible under this definition unless they faced dire economic circumstances. The reason is that highly trained workers who lose their jobs would receive unemployment compensation for a long period of time. Only if the highly trained worker was unemployed until unemployment compensation ran out would that person be eligible for subsidized employment.

Another important feature of this bill which improves efficiency is a minimum paperwork provision. This provision provides that no State will receive any Federal money for job subsidization until that State has assured the Secretary of Labor that its modus operandi requires a minimum of paperwork on the part of the employer. This unique feature ingrains administrative efficiency in the program at its inception. This is far different than other bills that start a program and then find out it is impossible to administer.

We must solve this problem of structural unemployment because our slumping economy needs the input of these workers.

But, most crucially, we must solve this problem to help millions of people who find their lives robbed of security, opportunity, and, most of all, hope.

EXPLANATION AS TO VOTE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, it was necessary for me to be absent from the House from December 11 through December 16, 1980, when the 96th Congress adjourned sine die. I therefore missed the following rollcalls. If present I would have voted as follows:

Rollcall No. 677, on December 11, the House voted to suspend the rules and pass the conference report on S. 1097, to establish a national tourism policy, a Cabinet level coordinating council and a nonprofit corporation as an implementing agency to carry out the national tourism policy. I would have voted "nay."

Rollcall No. 678, on December 12, the House failed to suspend the rules and pass House Resolution 829, providing for agreeing to the Senate amendment, with an amendment, to H.R. 4231, to designate the John D. Larkins, Jr., Federal Building. I would have voted "nay."

Rollcall No. 680, on December 13, the House receded from its disagreement and concurred in Senate amendment No. 30, to House Joint Resolution 637, making further continuing appropriations for the fiscal year 1981. I would have voted "yea."

Rollcall No. 681, on December 15, the House approved the Journal of Saturday, December 13, 1980. I would have voted "yea."

CONGRESSIONAL STAFF CUTS

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 60 minutes.

Mr. COLLINS of Texas. Mr. Speaker, inflation is the No. 1 concern of America today. Our constituents are looking to Congress to correct it. Too much government caused by too much congressional spending has created this high inflation. America has more Government than it wants, more regulations than it needs, and more taxes than the people can afford to pay.

Congress is responsible for the tremendous growth in the bureaucracy. The heart of the problem is in our own House. We have hired more people on congressional committees and have given them more money. The end result is more bureaucracy. These oversized, overpaid committee employees are directly responsible for the increase in the Federal budget, from $232 billion in 1972 to $494 billion in 1979. The number of committee staff has grown from 817 in 1972 to 1,939 in 1979. The cost of these staff has exploded from $14 million to nearly $96 million during this same period, an increase in funding of 586 percent.

We have known this deficit Government spending has caused inflation. To curb Government growth we must get at the cause of spending—committee staffs. These people draft the budget bills and draft the committee funding resolutions. Really, they write regulations to keep their jobs.

Two years ago in the 96th Congress, we began the fight to reduce committee staff and funding. The average vote was 264 to 120. But the votes to cut gained in 1980 for an average vote of 248 to 151. This Congress will see 52 more new Republicans voting in the House, and, combined with more support from conservative Democrats, we are going to vote for savings and a more efficient Congress.

As we begin this session, each House committee meets to establish its own budget request. They should cut down to basics. Their budget must then go to the Subcommittee on Accounts. The next step is approval from the full House Administration Committee. In the fourth and final stage, the committee budgets come to the House floor. We all must be ready to reduce inflated budgets.

To assist you in the preparation of your 1981 committee budgets, I submit eight tables which reflect the unnecessary expansion of so many committees since 1970. This material was prepared with the assistance of Congressional Research Service. For example, in 1978, 90 percent of expenditures went for salaries. The Committee on the District and the Rules Committee spent nearly 98 percent of their funds on salaries.

Salaries are the major item for consideration. Some committees are also out of line on travel expenses, witness fees and excessive computer and equipment costs. But the real concern, and our emphasis, will be to eliminate all of these excessive investigative staff and their cost.

Let us look at some comparisons for the 92d and 96th Congresses: Agriculture funding ballooned from $250,000 to $2,272,000. House Administration, with its duplicative computer services, grew from $615,000 to $22,699,500. Merchant Marine zoomed from $519,000 to $3,176,245. Ways and Means expanded from $75,000 to $4,252,000. Why should the Rules Committee that had a $5,000 budget in the 92d Congress need $1,134,000 in the 96th? Total committee budgets for these investigative staff grew from $6,800,000 in 1971 to $46,762,000 in 1979. When we cut the fat out of these committee budgets we will take the

first step toward reducing the size of the Government.

The material follows:

FACTSHEET—COMMITTEE STAFF FUNDING: STATUTORY AND INVESTIGATIVE

Committee staff in the House are divided into two categories: statutory and investigative. Statutory employees are hired without regard to political affiliation, solely on the basis of their ability to perform required duties, and are prohibited from performing work other than committee business during their hours of employment. Statutory staff are augmented by investigative personnel, hired pursuant to annual "inquiries and investigations" funding resolutions. Investigative staff are not covered by the legal protections and prohibitions under which statutory staff function.

All House committees except Appropriations and Budget are authorized to employ up to 30 statutory staff (18 professional and 12 clerical). The Appropriations and Budget Committees are permitted by House Rule XI to determine the appropriate level of staff they require. Neither committee is required to submit a funding resolution for employment of investigative staff.

Committees are funded through the Legislative Branch Appropriations Act approved by the Congress each year. Several line items in the appropriations measure relate to committee funding. Statutory staff for standing committees (including Appropriations and Budget Committees) are funded under "Committee Employees." Separate line items provide funds for studies and investigations expenses of the Appropriations and Budget Committees.

The contingent fund of the House covers all other committee expenses. Two line items under the contingent fund section contain contingent fund moneys to cover these expenses: (a) the "Special and Select Committees" line item provides funds for the expenses and salaries of special and select committees, salaries of nonstatutory (investigative) staff of standing committees, and the expenses of committee investigations and studies, and; (b) the "Allowances and Expenses" line item provides funds for other expenses of all committees, e.g. government contributions to employee life insurance fund, retirement fund, and health benefits; postage needs; furniture and furnishings, and stenographic reports of committee hearings. The "Allowances and Expenses" category also provides funds for telephone, telegraph, and stationery supplies, as they relate to the legislative function of committees. It does not provide for telephone and stationery expenses related to committee investigations and studies, since these are included in committee budgets and funded under the "Special and Select Committee" funds.

Appropriations for committee expenses are made on a fiscal year basis by the Legislative Branch Appropriations Act. However, for committees to obtain funds for special and select committee expenses and staff salaries, they must submit a budget to the House Administration Committee for each session.

Budget estimates for statutory staff salaries are based generally on past cost and usage. Similarly, estimates for committee funding resolutions are based on past experiences and anticipated needs.

TABLE I.—SUMMARY STATISTICS ON COMMITTEE STAFF AND FUNDING

Committee	92d	93d	94th	95th	96th	Percent increase
Agriculture:						
Staff	18	20	48	56	68	278
Funding	$250,000	$300,000	$1,585,561	$1,980,200	$2,272,200	809
Armed Services:						
Staff	33	29	38	48	50	52
Funding	$450,000	$375,000	$1,554,275	$1,235,500	$1,504,000	234
Banking, Finance Urban Affairs:						
Staff	49	51	85	107	105	114
Funding	$1,518,500	$2,138,300	$3,876,113	$5,227,180	$5,004,887	230
District of Columbia:						
Staff	38	34	43	38	41	8
Funding	$250,000	$550,000	$783,211	$550,000	$604,670	142
Education and Labor:						
Staff	82	95	114	102	113	38
Funding	$2,478,000	$2,620,000	$4,218,000	$4,286,000	$4,939,500	99
Foreign Affairs:						
Staff	32	36	54	93	85	166
Funding	$936,582	$1,168,735	$2,016,169	$3,680,762	$3,620,923	287
Government Operations:						
Staff	57	58	68	80	83	46
Funding	$1,832,600	$2,111,000	$3,129,000	$3,597,000	$4,368,400	138
House Administration:						
Staff	31	122	217	268	284	816
Funding	$615,000	$5,570,000	$11,768,000	$20,767,500	$22,699,500	3,591
Interior and Insular Affairs:						
Staff	19	38	57	64	74	289
Funding	$704,000	$1,496,000	$1,860,182	$1,975,000	$2,516,679	257
Interstate and Foreign Commerce:						
Staff	46	56	112	130	160	248
Funding	$1,474,000	$1,819,000	$6,056,000	$6,602,000	$7,458,000	406
Judiciary:						
Staff	39	44	69	84	82	110
Funding	$800,000	$2,880,218	$3,107,857	$2,779,020	$2,838,676	255
Merchant Marine and Fisheries:						
Staff	23	22	28	62	91	296
Funding	$519,000	$494,500	$810,500	$2,300,000	$3,176,245	512
Post Office and Civil Service:						
Staff	44	44	61	61	65	48
Funding	$1,056,000	$1,173,500	$1,439,000	$1,550,000	$1,800,000	70
Public Works and Transportation:						
Staff	47	64	88	88	82	74
Funding	$1,871,560	$2,914,180	$4,418,848	$4,050,000	$3,740,000	100
Rules:						
Staff	6	7	18	24	40	567
Funding	$5,000	$7,000	$67,750	$91,500	$1,134,000	22,580
Science and Technology:						
Staff	25	27	47	77	89	256
Funding	$790,000	$780,000	$1,296,738	$2,898,400	$3,496,800	343
Small Business:						
Staff			27	39	50	85
Funding			$1,056,925	$1,387,650	$1,528,650	45
Standards of Office Conduct:						
Staff	5	5	5	31	15	200
Funding	$25,000	$25,000	$270,000	$1,020,000	$1,000,000	3,900
Veterans Affairs:						
Staff	19	18	26	31	34	79
Funding	$260,000	$270,000	$814,763	$900,000	$752,490	189
Ways and Means:						
Staff	23	31	63	92	98	326
Funding	$75,000	$520,000	$3,615,000	$4,230,000	$4,252,000	5,569

TABLE II.—HOUSE APPROPRIATIONS FOR COMMITTEE EXPENSES, 1971–79

Fiscal year	Committee employees (statutory)	Appropriations/budget investigations	Select and special committees (includes funding resolutions for standing committees)
1971	$6,560,000	$1,015,000	$6,800,000
1972	8,381,000	1,219,000	10,770,000
1973	8,400,000	1,447,000	12,675,000
1974	8,400,000	1,612,000	14,175,000
1975	8,762,000	1,875,000	14,618,000
1976	20,766,000	[1]2,274,000	20,450,000
1977	21,805,000	[1]2,937,000	23,993,000
1978	24,705,000	[1]3,164,000	32,700,000
1979	24,705,000	[1]3,156,000	46,762,000

[1]Includes investigative funds for the Budget Committee as well.

TABLE III.—TOTAL AUTHORIZATIONS FOR "INQUIRIES AND INVESTIGATIONS", 92D–96TH CONGRESSES

Committee	92d	93d	94th	95th	96th	Percent increase
Agriculture	250,000	300,000	1,585,561	1,980,200	2,272,200	809
Armed Services	450,000	375,000	1,554,275	1,235,500	1,504,000	234
Banking, Finance and Urban Affairs	1,518,500	2,138,300	3,876,113	5,227,180	5,004,887	230
District of Columbia	250,000	550,000	783,211	550,000	604,670	142
Education and Labor	2,478,000	2,620,000	4,218,000	4,286,000	4,939,500	99
Foreign Affairs	936,582	1,168,735	2,016,169	3,680,762	3,620,923	287
Government Operations	1,832,600	2,111,000	3,129,000	3,597,000	4,368,400	138
House Administration [1]	615,000	5,570,000	11,768,000	20,767,500	22,699,500	3,591
Interior and Insular Affairs	704,000	1,496,000	1,860,182	1,975,000	2,516,679	257
Interstate and Foreign Commerce	1,474,000	1,819,000	6,056,000	6,602,000	7,458,000	406
Judiciary	800,000	2,880,218	3,107,857	2,779,020	2,838,676	255
Merchant Marine and Fisheries	519,000	494,500	810,500	2,300,000	3,176,245	512
Post Office and Civil Service	1,056,000	1,173,500	1,439,000	1,550,000	1,800,000	70
Public Works and Transportation	1,871,560	2,914,180	4,418,848	4,050,000	3,740,000	100
Rules	5,000	7,000	67,750	91,500	1,134,000	22,580
Science and Technology	790,000	780,000	1,296,738	2,898,400	3,496,800	343
Small Business			1,056,925	1,387,650	1,528,650	45
Standards of Official Conduct	25,000	25,000	270,000	1,030,000	1,000,000	3,900
Veterans' Affairs	260,000	270,000	814,763	900,000	752,490	189
Ways and Means	75,000	520,000	3,615,000	4,230,000	4,252,000	5,569

[1]Includes HIS.

TABLE IV.—HOUSE COMMITTEE STAFF LEVELS: STATUTORY AND INVESTIGATIVE, 1973–79 [1]

Committee	1973		1974		1975		1976		1977		1978		1979	
	Statutory	Investigative	Statutory	Investigative	Statutory	Investigative	Statutory	Investigative	Statutory	Investigative	Statutory	Investigative	Statutory	Investigative
Agriculture	11	9	10	12	26	22	29	29	29	27	31	27	28	43
Appropriations	69	8	78	7	91	7	111	7	125	([2])	[2]129	([2])	123	8
Armed Services	23	6	25	5	29	9	27	12	30	18	29	16	30	17
Banking, Finance and Urban Affairs	9	42	9	50	17	68	26	86	24	83	29	81	24	125
Budget	([3])	([3])	([3])	([3])	[3]67	([3])	[3]65	([3])	[3]56	[3]20	[3]77	([3])	[3]84	([3])
District of Columbia	13	21	12	25	28	15	30	24	24	14	24	11	27	12
Education and Labor	12	83	12	96	26	88	25	104	23	79	22	81	26	94
Foreign Affairs	11	25	10	31	28	26	24	40	26	67	26	75	29	54
Government Operations	11	47	12	52	20	48	17	56	15	65	19	63	19	67
House Administration [4]	12	110	12	151	26	191	30	218	28	240	35	234	30	236
Interior and Insular Affairs	12	26	10	31	30	27	30	28	28	36	29	39	29	58
Interstate and Foreign Commerce	16	40	16	42	29	83	25	113	27	103	28	121	27	127
Judiciary	15	29	15	157	23	46	22	62	28	56	29	53	30	52
Merchant Marine and Fisheries	10	12	10	12	20	8	24	10	30	32	29	50	28	63
Post Office and Civil Service	11	33	9	34	23	38	27	37	28	33	30	35	30	36
Public Works and Transportation	12	52	12	60	22	66	25	76	25	63	27	56	28	54
Rules [5]	7		9		18		26		24		25		27	15
Science and Technology	12	15	12	17	28	19	28	25	28	49	33	47	30	57
Small Business	([3])	([3])	([3])	([3])	13	14	10	21	11	28	9	31	20	29
Standards of Official Conduct	5	([5])	5	([5])	5	([5])	14	([5])	26	5	28	9	16	
Veterans' Affairs	10	8	10	6	20	6	22	9	19	12	22	12	23	10
Ways and Means	27	4	27	4	26	37	30	56	26	66	29	64	30	64
Total	308	570	315	792	615	818	667	1,013	680	1,096	739	1,105	738	1,221

[1]Staff levels for 1973–76 are those as of June 30 of each year. Staff levels for 1977 and 1978 are those as of Sept. 30.
[2]Appropriations and Budget Committees are permitted to establish their own staff levels. Staff report formats make it impossible to determine which staff held statutory positions and which held investigative positions. In such instances, combined staff figures are included in the statutory staff total.
[3]Committee was not a standing committee.
[4]Figures include employees of House Information Systems, the central computer facility.
[5]Committee did not employ investigative staff.

TABLE V.—COMMITTEE WORKLOAD, 92D–96TH CONGRESSES

Committee	92d		93d		94th		95th		96th	
	Referred	Reported	Referred	Reported	Referred	Reported	Referred	Reported	Referred	Reported
Agriculture	615	48	666	46	772	51	785	95	394	49
Armed Services	791	82	740	68	621	34	484	124	375	40
Banking, Finance, and Urban Affairs	664	24	1,087	33	743	29	825	80	483	19
District of Columbia	274	57	222	27	94	13	84	38	43	15
Education and Labor	1,117	29	1,244	40	1,084	34	1,112	83	520	33
Foreign Affairs	1,068	31	970	90	798	46	967	93	542	28
Government Operations	468	14	536	27	565	20	478	57	325	22
Interior and Insular Affairs	1,072	121	1,094	105	1,036	107	880	247	639	123
Interstate and Foreign Commerce	2,164	54	2,712	67	2,442	66	2,322	140	1,331	86
Judiciary	2,536	([1])	3,601	211	2,883	61	3,049	310	2,121	180

TABLE V.—COMMITTEE WORKLOAD, 92D–96TH CONGRESSES—Continued

Committee	92d		93d		94th		95th		96th	
	Referred	Reported	Referred	Reported	Referred	Reported	Referred	Reported	Referred	Reported
Merchant Marine and Fisheries	535	55	514	54	478	50	477	138	261	68
Post Office and Civil Service	792	33	877	33	1,543	50	1,474	132	677	39
Public Works and Transportation	746	23	649	40	891	160	830	132	473	64
Science and Technology	158	7	283	11	261	21	224	55	187	35
Small Business [1]					96	4	144	16	80	14
Veterans Affairs	693	63	840	15	720	23	709	249	339	11
Ways and Means	3,157	68	3,420	45	3,740	96	3,924	140	2,383	91

[1] Created as standing committee in 1975.
[2] Data not available.

TABLE VI.—EXPENDITURES OF STANDING COMMITTEES IN THE U.S. HOUSE OF REPRESENTATIVES 95TH CONGRESS, 2D SESSION (1978) [1]

Committee	Statutory	Salaries investigative	Total	Training	Travel	Equipment	Consultants	Miscellaneous	Total
Agriculture	$959,626	$651,088	$1,610,714		$37,039	$85,005		$103	$1,732,861
Armed Services	876,549	380,986	1,257,535	3,567	55,199	16,570	8,509		1,341,380
Banking, Finance and Urban Affairs	928,229	2,036,744	2,964,973		73,283	101,348	24,052	24,760	3,188,416
District of Columbia	661,443	230,818	892,261		3,614	16,330			912,205
Education and Labor	880,291	1,629,263	2,509,554		81,242	57,661	2,667	429	2,651,553
Government Operations	636,458	1,535,558	2,172,016		43,733	68,226	5,219	172	2,289,366
House Administration	974,091	389,944	1,364,035		35,212	38,500	26,524	47,463	1,511,734
Interior and Insular Affairs	1,041,805	758,079	1,799,884		77,171	20,562	6,147	33,766	1,937,530
International Relations	875,886	1,294,036	2,169,922		101,286	48,385	37,161	559	2,357,313
Interstate and Foreign Commerce	941,236	2,993,564	3,934,800		124,131	59,851	43,310	77,465	4,239,557
Judiciary	947,006	1,067,157	2,014,163	815	48,869	68,109	55,798		2,187,754
Merchant Marine and Fisheries	977,191	948,655	1,925,846		97,916	68,347	113,980	4,238	2,210,327
Post Office and Civil Service	943,271	593,183	1,536,454		45,898	28,722		2,589	1,613,663
Public Works and Transportation	947,543	1,465,615	2,413,158		117,862	45,145	3,904	305	2,580,374
Rules	644,088		644,088		598	14,746			659,432
Science and Technology	974,300	1,077,101	2,051,401		89,051	61,692	59,048		2,261,192
Small Business	304,100	598,567	902,667		21,016	13,624	2,803	10,777	950,887
Standards of Official Conduct	860,890	189,874	1,050,764		47,545	27,478	158,936	15,929	1,300,652
Veterans' Affairs	609,989	211,303	821,292		33,742	22,883	5,318		883,235
Ways and Means	1,086,185	1,592,056	2,678,241		85,618	68,221	1,275,000		4,107,080
Total	17,070,177	19,643,591	36,713,768	4,382	1,220,025	931,405	1,828,376	218,555	40,916,511

[1] Does not include data on the Appropriations or Budget Committees.

TABLE VII.—INVESTIGATIVE STAFF—ANNUAL SALARIES [1]

[Dollars in thousands]

Committee	$50 plus	$40 to $50	$30 to $40	$20 to $30	$10 to $20	$0 to $10	Total
Agriculture			12	11	13	3	39
Armed Services	3	5	2	2	10		22
Banking, Finance and Urban Affairs	9	8	18	13	17	1	66
District of Columbia				1	9	1	11
Education and Labor	4	4	14	27	40	17	106
Foreign Affairs	2	7	11	16	19		55
Government Operations	7	10	17	19	13		66
House Administration		1	0	5	22	7	35
House Information Systems	2	9	38	58	89	2	198
Interior and Insular Affairs			9	18	13	1	41
Interstate and Foreign Commerce	8	15	28	31	33	1	116
Judiciary		2	7	19	22	1	51
Merchant Marine and Fisheries		1	5	28	21		55
Post Office and Civil Service			2	14	14	6	36
Public Works and Transportation	1	6	11	16	19		53
Rules			1	5	10	1	17
Science and Technology		8	14	11	24	3	60
Small Business	2		6	9	6		23
Standards of Official Conduct							
Veterans' Affairs			1	4	4		9
Ways and Means	5	6	12	11	27		61
Total	43	82	208	318	425	44	1,120

[1] November, 1980 payroll.

TABLE VIII.—1980 VOTES ON COMMITTEE FUNDING

COMMITTEE	1980 vote	1980 votes minus defeats and retirees
Agriculture	288–115	236–103
Armed Services	Voice	
Banking, Finance & Urban Affairs	231–169	186–146
District of Columbia	Voice	
Education and Labor	210–184	168–165
Foreign Affairs	220–175	178–156
Government Operations	241–159	195–142
House Administration (includes HIS)	232–162	191–144
Interior and Insular Affairs	257–146	209–130
Interstate and Foreign Commerce	271–132	228–120
Judiciary	260–139	219–123
Merchant Marine and Fisheries	237–166	191–148
Post Office and Civil Service	206–194	161–175
Public Works and Transportation	307–92	252–84
Rules	220–176	
Science and Technology	257–145	209–129
Small Business	343–57	284–52
Standards of Official Conduct	382–1	
Veterans' Affairs	Voice	
Ways and Means	250–151	202–136

Average vote in 1979: 264–120.
Average vote in 1980: 248–151.
Votes needed in 1981: 51.
52 new Republicans came into the 97th Congress.
Committees terminated in 1980: (1) Select Committee on Committees, (2) Select Committee on Narcotics Abuse and Control, (3) Select Committee on Outer Continental Shelf, (4) Select Committee on Population.

FAIRNESS FOR CALIFORNIA FISHERMEN

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, I bring to your attention legislation of tremendous importance to the fishermen of California. It is an amendment to the Fishery Conservation and Management Act of 1976 to create a California Pacific Fishery Management Council to have jurisdiction over the State's vast fishery resources.

Since the enactment of the 1976 law which created the present Pacific Fishery Management Council, California fishermen have felt that their concerns are not being fully represented. While the members of the council have tried in good faith to be sensitive and responsible to the needs of California fishermen, the fact of the council's overextended jurisidiction has prevented it from doing an adequate job. The basic purpose of these councils was to provide for the specific needs of fishermen in line with particular problems they may face in their areas. California has a 1,000-mile coastline with unique fisheries and concerns. When these are combined with the problems of Oregon, and Washington, and Idaho, California fishermen get the short end of the stick.

My colleagues will note that the 96th Congress passed a 3-year reauthorization of the Fishery Conservation and Management Act which expanded the voting membership on the Pacific Fishery Management Council from 13 to 15.

I commend my colleagues on the Merchant Marine and Fisheries Committee for this reform because it reflects the committee's recognition of the present Pacific Fishery Management Council's inability to do the job. I believe, however, that additional reform is needed to address the needs of California is needed to address the needs of California fishermen in particular. As the Commerce Department moves forward with the adoption of various fishery management plans, it is vital that we create a separate council with jurisdiction over the 1,000 miles of coastal fisheries off of California.

The California State Legislature has passed a resolution urging Congress to create the very council I propose in my legislation. At present, the Pacific Fishery Management Council includes the Western States of Oregon, Washington, and Idaho, as well as California. Yet California has more fisheries in the fishery conservation zone than the other Pacific council States combined. In fact, of the many species of fish for which management plans are being developed, only three of those found in California waters are common to the other States. Indeed, a number of the east coast management councils encompass areas a great deal smaller than California alone, much less the present Pacific council.

In the interest of equitable representation, I urge my colleagues to support this effort. Your support in bringing this matter before the committee will be greatly appreciated.

The following is the text of my proposal:

H.R. 770

A bill to amend section 302(a) of the Fishery Conservation and Management Act of 1976 to create a new California Pacific Council with authority over the fisheries in the Pacific Ocean seaward of the State of California

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fairness for California Fishermen Act of 1981".

SEC. 2. Section 302(a) of the Fishery Conservation and Management Act of 1976 is amended—

(1) in the matter preceding paragraph (1), by striking out "eight" and inserting in lieu thereof "nine";

(2) in paragraph (6), by striking out "California,"; and

(3) by adding at the end the following new paragraph:

"(9) CALIFORNIA PACIFIC COUNCIL.—The California Pacific Fishery Management Council shall consist of the State of California and shall have authority over the fisheries in the Pacific Ocean seaward of such State. The California Pacific Council shall have 9 voting members, including 7 appointed by the Secretary pursuant to subsection (b)(1)(C) (7 of whom shall be appointed from the State of California).".

VIRGINIA DELEGATION INTRODUCES PORT DREDGING BILL

The SPEAKER pro tempore (Mr. AUCOIN). Under a previous order of the House, the gentleman from Virginia (Mr. TRIBLE) is recognized for 5 minutes.

● Mr. TRIBLE. Mr. Speaker, in the last year there has been a dramatic surge in worldwide demand for American coal. The nations of Western Europe and Japan have chosen to rely on the coal available in the United States, rather than depend on uncertain supplies of increasingly expensive Mideast oil.

This development has assumed national importance. The economic gains—increased employment and investment, and a decrease in our balance-of-payments deficit—will have a national impact. In addition, the American coal industry is experiencing a revitalization, particularly the coal-producing States of Kentucky, West Virginia, Pennsylvania, and Ohio. Demand will continue to rise and coal exports are expected to double in the next decade.

This valuable natural resource must pass through our ports and our ports have proved the weakest link in the chain of supply running from American mines to foreign facilities. Nowhere is this more evident than in the port of Hampton Roads. Seventy percent of the coal exported by the United States flows through Hampton Roads and the Virginia Port Authority estimates that coal exports through Hampton Roads will increase by 33 percent this year.

There are, however, serious problems which jeopardize our Nation's position as a major coal exporter. One is the adequacy of coal loading facilities. American business is moving rapidly to meet this challenge. There have been commitments to construct large new loading facilities, and other proposals are under active consideration.

These new facilities alone will not be enough. The capacity of the port to receive large coal colliers, load them, and turn them around without excessive delay is also inadequate. The consequence is exceedingly long vessel delays at the port. These vessel delays are costly. The queue of colliers awaiting pier space in Hampton Roads frequently now exceeds 100 vessels. Each day a collier sits idle costs an estimated $15,000 and vessels have been lying at anchor for up to 35 days.

These delays, and their attendant costs, threaten our position as a coal exporter and could, conceivably, lead the nations of the world to turn to other sources. Our domestic economy—especially the economies of our coal-producing States—and our balance of payments would suffer irreparably.

The solution to the problem of port capacity is to deepen the channels of Hampton Roads to accommodate super colliers. Many ships now depart from Hampton Roads carrying several thousand tons of coal less than their

full capacity. This means more ships waiting at anchorage.

Studies done by the Army Corps of Engineers indicate that with each foot of increased draft, the typical collier will be able to load an additional 5,000 tons of coal. Were the channel deepened to 55 feet, the deeper draft vessels now calling at Hampton Roads would be able to carry an additional 55,000 tons per ship. Many of the foreign ports have channels of depths of 55 feet or more which can readily accommodate the larger vessels.

The Army Corps of Engineers has been actively studying the issues since 1969. Their feasibility report recommends deepening the major channels in Hampton Roads from 45 to 55 feet up to coal loading facilities in Norfolk and Newport News, and the dredging of a new channel in the Atlantic Ocean to a depth of 57 feet. In addition, the project would provide three fixed mooring areas, each capable of handling two vessels simultaneously.

The cost-benefit analysis for the projects computed by the corps is 4.7 to 1. With the anticipated expansion of coal facilities, the port will have the capacity to handle an additional 40 million tons of steam coal. If this additional 40 million tons is included in the economic analysis, the cost-benefit ratio will rise to 9.1 to 1.

Yesterday Virginia's 10 Members of this body introduced legislation which will contribute substantially to resolution of the port capacity problem. It authorizes the Secretary of the Army, acting through the Army Corps of Engineers, to dredge the port of Hampton Roads to a depth of 55 feet. In addition, the legislation calls for the construction of needed anchorage and mooring areas for vessels. The project is to proceed on an expedited basis to insure completion at the earliest possible date.

In sum, this legislation will maintain America's competitiveness in the international market, contribute substantially to our balance of payments, and improve our domestic economy. It is a measure that merits prompt congressional action.●

ABSCAM AGAIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, yesterday the Justice Department asserted that it has the right to lure a public official into a criminal act, even when, and I quote:

> There is no reasonable indication that that particular individual has engaged, or is engaging in, the illegal activity that is properly under investigation.

This assertion is at the heart of the whole Abscam business. In each and every case, the FBI offered bribes to people who had not committed crimes, but who the FBI thought might be induced to commit crimes. For the courts, this kind of perverse process raises the legal question of what entrapment is or is not. For me, and others who are concerned about our constitutional system, the question is, Whatever happened to the right of presumed innocence, and whatever happened to the separation of powers?

Even the Justice Department recognizes how thin is the line between what they are doing and what they can properly do; even they recognize that this kind of technique is so dangerous that abusive investigators could wreck the Constitution itself. That is why they add to their guidelines on undercover operations the caveat:

> In any undercover operation, the decision to offer an inducement to an individual . . . shall be based solely on law enforcement considerations.

Another way of saying this is that the Justice Department does not think it would be nice to offer bribes to public officials as a way of getting at or doing in the opponents or enemies of any particular administration. Now I am not an enemy of the present administration, far from it—but I know that past administrations, and specifically the Nixon administration, was not above using investigative powers and regulatory powers to punish perceived opponents. Knowing that history, how could anyone fail to be alarmed at the assertion that investigators can attempt to bribe people who are known to be innocent, and how can anyone believe that the caveat quoted above has any meaning or offers any protection?

The undercover operations guidelines issued yesterday by the Attorney General sanctify the Abscam techniques, but they do not erase the questions about this sinister method of so-called law enforcement. Legal investigations are supposed to be concerned with solving crimes that have actually taken place, not creating criminal acts.

The quick reaction to what I am saying is to shrug and say that an innocent person might be counted on to refuse to be tempted. But that begs the question: Why should an innocent person be put to such a test? What kind of Orwellian vision is it that invites agents of the Government to place in front of innocent persons deals that they cannot afford to pass up? The guidelines say that the FBI cannot offer a bribe to anyone who is not predisposed to accept. But by definition, anyone who does accept would be predisposed, and therefore anyone can be approached by the bagmen of the FBI.

Now let us suppose that the FBI uses this kind of technique merely to amass evidence so as to put officials under its control. What then becomes of the independence of public officials? The answer is self-evident. And we should not think for a moment that this kind of blackmail has not taken place; we know that it has. The undercover guidelines issued yesterday simply make it easier for this to happen.

The business of law enforcement agencies is to investigate criminal acts, not manufacture them. Abscam was not an investigation into criminal acts; it was the actual manufacture of criminal acts. There is no denying that the evidence showed money changing hands, and that was illegal. But the issue is this: How can we know that any one of those individuals has ever before committed a crime, or would have ever done so? Does the FBI have a license to go out and offer fantastic temptations, so as to entice people into criminal acts? I say that they do not, and if they do, if they can go out and manufacture crime, the whole basis of our judicial system is in trouble. We are confronted with the techniques of the tyrant.

I have grown up in a rougher school than most. I know what it is to have someone try to set up a frame to compromise a political enemy, for that has been done to me. I know what it is to be the target of FBI surveillance, for no crime greater than to attend an NAACP meeting and advocate racial justice. I know what it is to be confronted, as a poor man, with offers of great opportunity by people who want a lever over me and my office. But others have not been through that kind of experience, do not understand how thin the line is between law enforcement and legal abuse, do not know how dearly have been bought our constitutional protections.

I have seen enough to know, with no doubt whatever, that when the Attorney General claims the right to offer criminal bribes to people who have done no wrong, are known to be innocent, and who might never do anything wrong, it is dangerous, it is pernicious, and it is contrary to our basic principles. Who but the tyrant has any interest in inducing innocent people to commit crimes? Who but the tyrant seeks to manufacture crime, rather than investigate actual criminal acts? Who but the tyrant seeks to use perverse methods in the pursuit of some self-defined goal or good? For we all know that when the criminal acts of criminal regimes are revealed, the jurisdiction is always the same: It was for the good of the country. The argument of tyrants and the creed of slaves is: Necessity.

Our country is one of the few on the face of the Earth that has proclaimed that good goals and right ends are not to be attained by perverse means and wrong acts. We stand threatened today, all of us. Remember: The worse of slaves are corrupted free men.

I commend to my colleagues that report of the New York Times on the Justice Department's claim to the right of offering bribes to the innocent:

NEW RULES FOR FBI FORBID ENTRAPMENT—BUT AGENT COULD BE AUTHORIZED TO OFFER BRIBE TO A PUBLIC OFFICIAL

(By Robert Pear)

WASHINGTON, January 5.—The Justice Department issued guidelines today under which the Director of the Federal Bureau of Investigation could, in some cases, authorize undercover agents to offer a bribe to a public official "even though there is no reasonable indication that that particular individual has engaged, or is engaging" in a crime.

The guidelines, approved by Attorney General Benjamin R. Civiletti, were prepared jointly by officials of the bureau and the department. The rules state that "entrapment should be scrupulously avoided" in all undercover operations. Entrapment is defined in the guidelines as "the inducement or encouragment of an individual to engage in illegal activity in which he would otherwise not be disposed to engage."

The Justice Department, in a statement accompanying the rules, said they were "significantly more restrictive" than the law of entrapment or the constitutional principles requiring "due process of law" in Federal investigations.

Meanwhile, the attorney for one of the Abscam defendants, Representative Raymond F. Lederer, Democrat of Pennsylvania, said as the trial opened in Federal District Court in Brooklyn that the defense would argue that the Congressman was a victim of illegal "entrapment" by Federal undercover agents. [Page A17.]

The law of entrapment, now somewhat murky, is almost certain to be clarified by the courts in cases arising from the Abscam investigation of corruption among elected officials. In those cases, undercover Federal agents, posing as representatives of wealthy Arab sheiks, offered bribes to members of Congress and other officials selected by "middle men" cooperating with the bureau.

Last November, a Federal judge set aside the convictions of two Philadelphia officials after finding that the Abscam investigators had "stretched" the law and "entrapped" the defendants.

Irvin B. Nathan, the Deputy Assistant Attorney General who supervised the Abscam investigation, said that, under the guidelines, it would have been "essentially the same," though perhaps with "certain refinements and improvements in procedural matters."

The new rules make formal existing procedures and do not make it significantly easier or more difficult for agents to gain approval for undercover investigations.

The standards issued today have been in preparation for 18 months. Justice Department officials said, in response to questions, that the final review might have been expedited slightly to insure publication before the Carter Administration leaves office on Jan. 20.

In the last three years, the bureau has increasingly used undercover techniques to investigate white-collar crime, political corruption and organized crime.

The new guidelines define the type of information that the bureau must have before beginning an undercover investigation, and establish a multilevel system of review requiring higher authorization for the use of particularly sensitive techniques.

TOP REVIEW REQUIRED

The guidelines say that certain types of undercover operations may not be approved by an F.B.I. field supervisor and must be referred to Washington, where a committee of Justice Department and bureau officials will review the proposal.

Investigations in this category include those requiring the expenditure of more than $20,000, those lasting more than six months and those focusing on the activities of a public official, a foreign government or a news organization.

"Under the law of entrapment," the guidelines read, "inducements may be offered to an individual even though there is no reasonable indication that that particular individual has engaged, or is engaging, in the illegal activity that is properly under investigation."

Before authorizing the offer of a bribe or other inducement to commit a crime, the review committee must have reason to believe that the recipient "is engaging, has engaged or is likely to engage in illegal activity." Alternatively, the committee must conclude that the people being offered an opportunity to commit some crime were "predisposed" to do so.

Even if neither of these conditions is satisfied, the Director of the bureau may still authorize the payment of a bribe, subject to general restrictions found elsewhere in the guidelines.

EXCERPTS FROM GUIDELINES ON COVERT OPERATIONS

WASHINGTON, January 5.—Following are excerpts from the guidelines issued today by the Justice Department to govern undercover operations conducted by the Federal Bureau of Investigation:

AUTHORIZATION OF THE CREATION OF OPPORTUNITIES FOR ILLEGAL ACTIVITY

(1) Entrapment should be scrupulously avoided. Entrapment is the inducement or encouragement of an individual to engage in illegal activity in which he would otherwise not be disposed to engage.

(2) In addition to complying with any legal requirements, before approving an undercover operation involving an invitation to engage in illegal activity, the approving authority should be satisfied that

(a) The corrupt nature of the activity is reasonably clear to potential subjects;

(b) There is a reasonable indication that the undercover operation will reveal illegal activities; and

(c) The nature of any inducement is not unjustifiable in view of the character of the illegal transaction in which the individual is invited to engage.

(3) Under the law of entrapment, inducements may be offered to an individual even though there is no reasonable indication that that particular individual has engaged, or is engaging, in the illegal activity that is properly under investigation. Nonetheless, no such undercover operation shall be approved without the specific written authorization of the Director, unless the Undercover Operations Review Committee determines, insofar as practicable, that either

(a) there is a reasonable indication, based on information developed through informants or other means, that the subject is engaging, has engaged, or is likely to engage in illegal activity of a similar type; or

(b) The opportunity for illegal activity has been structured so that there is reason for believing that persons drawn to the opportunity, or brought to it, are predisposed to engage in the contemplated illegal activity.

(4) In any undercover operation, the decision to offer an inducement to an individual, or to otherwise invite an individual to engage in illegal activity, shall be based solely on law enforcement considerations.

ELECTORAL COLLEGE HAS OUTLIVED ITS USEFULNESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS) is recognized for 5 minutes.

● Mr. BROOKS. Mr. Speaker, there is no question but that our Constitution is one of the greatest charters of government ever written. But one reason it has served so admirably for over 200 years as the foundation for our Government is that we have been willing to change it when the need arose. I believe such a need is now upon us.

If there was one area in which the Founding Fathers saw the future with something less than their usual clarity and wisdom, it was in the manner in which we would elect our President. They either failed to see, or hoped to prevent, the rise of political parties and the direct participation of the people in the election of our national leader. By providing for electors who would actually select the President, and having all of a State's electoral votes counted for the leading candidate in that State, they devised a system that in light of today's reality is undemocratic, cumbersome, and potentially dangerous.

I am introducing a resolution today that would abolish the electoral college and provide for the direct election of the President by the voters—the method by which we elect all our other public officials and the only method that is consistent with the democratic ideals that we profess to follow.

My amendment would provide that the candidate receiving at least 40 percent of the popular vote would be elected. If no candidate got 40 percent, there would be a runoff election between the top two finishers.

Mr. Speaker, this is a proposal that received serious attention by the Congress about 10 years ago. I cosponsored it then, so I want to assure my Republican friends that this is not something I am coming forward with at this time just because the present electoral system seems to be favorable to them. In the good old days when we had a solid Democratic South, the system was favorable to the Democrats, and it is not unlikely that the pendulum will swing again.

But the point is that we should not have an electoral system that is favorable or unfavorable to any specific candidate or party. We should have one that is fair to everyone, and particularly to the voters. We do not have such a system now.

There are many problems to be faced in making so drastic a change in so fundamental a process as the election of a President. But I believe we must face those problems and try to devise a solution if we are to keep our system flexible enough to meet the demands of a changing world. One of our greatest strengths as a nation is the manner in which we provide for the peaceful exchange of power from one administration to another. But we are courting great danger by clinging to a system that could easily lead to the installation of a President who did not receive the most popular votes. There is no need to take such a risk.

I recognize that there may be other solutions to this dilemma than the one I am proposing. I am willing to listen to them and consider them. What I urgently desire is that Congress undertake the task of finding a solution. That is why I am introducing this resolution today.

A TRIBUTE TO JIM CLEVELAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, in the rush of reaching adjournment last year, I regret that I failed to take the opportunity to pay tribute to a very close, personal friend who retired from the House of Representatives after 18 years of outstanding service. I refer to Jim Cleveland and would like to take this opportunity at the beginning of the 97th Congress to pay tribute to him.

He served with distinction on the Public Works and Transportation Committee and House Administration Committee. In fact, one of his last legislative chores was to fashion realistic legislative language that would lead to improved service for the handicapped on public transportation without causing an undue financial burden on local units of government.

Jim Cleveland proved himself to be a friend of the handicapped who are dependent on public transportation, as well as a consistent supporter of improved highways and traffic safety in America.

Mr. Speaker, we will all miss Jim Cleveland's wit and also his ability to express himself clearly in House debate. He was always able to come right to the point of any legislative debate and express the important points with clarity.

Jim Cleveland has returned to New Hampshire where he will be involved in private business. I know my colleagues will join with me in wishing him the very best in the years to come and in expressing the hope that he will not be a stranger to Washington. We are indeed thankful for Jim Cleveland's service to his Nation.●

LEGISLATION TO RECHARTER FEDERAL AVIATION ADMINISTRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, I have today introduced a bill to recharter the Federal Aviation Administration. This legislation will make aviation safety the FAA's sole mission.

It has been my concern for many years that the Federal Aviation Administration has problems in setting priorities and executing its primary responsibilities of regulating aviation safety. My concerns are based on a number of considerations, such as the time lag between the identification of an aviation hazard and action by the FAA. For example, in 1977, I spoke out on the floor of this House on the large number of recommendations made by the National Transportation Safety Board to the FAA which the FAA had accepted but never acted on in any final fashion. The numbers of open recommendations were in the hundreds. That situation is not much improved.

In addition, when the FAA does regulate, it writes the regulations to fit the present state of the art. There is no challenge to the aerospace manufacturers to design an improved technology. This is not the way we achieved progress in the automobile industry or in the environment. We passed legislation telling them where we expected them to be at a future time. The state of the art was not at those levels, but the manufacturers developed the state of the art to meet the regulations. This is something we need to do in aviation, but the FAA is blind to the example.

Why is it that the FAA rulemaking is a reaction to accidents rather than anticipatory?

In my quest for answers as to why FAA has these problems in identifying safety hazards and taking action on them, I have run into a stone wall. I have never been able to get satisfactory answers from FAA. I have written Administrators of the FAA. I have queried FAA officials in hearing after hearing.

The problem cannot be money. The FAA has an aviation trust fund created by ticket taxes and overseas departure fees which will reach $4 billion this year. What, then is the problem?

Since I could not get an explanation or a solution for these problems from the FAA, I asked the GAO to investigate and report.

The report, which was released February 29, 1980, after a full year's study of the FAA, substantiated my beliefs that the core of FAA's problem is not knowing what its priorities should be. To quote from the report:

> FAA's missions are defined in various statutes, executive directives, and national transportation policy statements. These missions should be translated into safety goals and objectives and, ultimately, agency safety priorities. However, FAA's attempts to do this have been unsuccessful, leaving the agency with statements of its safety goals, objectives, and priorities which are not current and need to be updated.

The last time the FAA expressed its policy was in April 1965, with updates in 1972 and 1973. These orders are still listed as current FAA directives.

Since these policy statements were issued, FAA has made some attempts to define safety goals, incentives, and priorities. Each effort, however, was short-lived and failed.

Almost every year, according to the GAO report, FAA attempts to list its priorities and goals and every year the attempt either fails, or the goals are so broad as to be useless in setting policy.

In thinking over the problems of the FAA, I have concluded that a large part of the problem is the FAA's dual role in being responsible both for aviation safety and also for promoting the civil aviation industry. I believe that the GAO reports bear this out in the examples I have given which demonstrate the lack of priorities and objectives and the inability to reach a consensus even within the FAA itself as to what those priorities should be.

Therefore, it seems to me that Congress role in all this is to relieve the FAA of a dual responsibility which can cause internal conflicts and which is draining the resources needed to manage the Nation's airspace in the most efficient and safe way humanly possible. In order to be free to devote itself solely to the safety of aviation, FAA needs to be freed from having to promote the industry and to make economic decisions instead of safety decisions.

My bill proposes to put the economic, nonsafety related areas elsewhere in the Department of Transportation, thus allowing the FAA to concentrate its full resources and considerable talent on safety matters.

Section 1 restricts the Federal Aviation Administration to performing only those functions related to aviation safety and transfers the nonsafety functions to the Secretary of Transportation. Within 120 days after the enactment of this bill, the Secretary of Transportation will identify and report to the Congress those aviation functions which are nonsafety and the office within the Department of Transportation to which these functions will be transferred.

Section 2 restricts the Secretary of Transportation from delegating to the Federal Aviation Administration any

functions not pertaining to aviation safety.

Section 3 transfers all personnel, contracts, property, records, and other related assets and liabilities related to the nonsafety aviation functions to the Secretary of Transportation.

Section 4 states that all orders, determinations, rules, regulations, permits, contracts, licenses, and privileges shall continue in effect according to their terms until modified, terminated, superseded, set aside or repealed by the Secretary of Transportation by any court of competent jurisdiction or by operation of law. Proceedings pending that relate to the nonsafety functions of the FAA shall be continued before the Department of Transportation.

Section 5 says that references in the Federal law—related to the nonsafety functions being transferred to the Department of Transportation—to the Administrator of the FAA or to the Federal Aviation Administration shall be deemed to refer to the Secretary of Transportation or to the Department of Transportation respectively.

Section 6 transfers the non-safety-related functions of the Federal Aviation Administration to the Secretary of Transportation 180 days after the date of enactment of this legislation.

H.R. 697

A bill to provide that the Federal Aviation Administration shall only perform functions relating to aviation safety, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 301 of the Federal Aviation Act of 1958 (49 U.S.C. 1341) is amended by adding at the end thereof the following new subsection:

"DUTIES OF THE ADMINISTRATOR

"(d) The Administrator shall perform the functions, powers, and duties of the Secretary of Transportation pertaining to aviation safety, including, but not limited to, the functions, powers, and duties transferred to the Administrator by section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c); 80 Stat. 937). Notwithstanding any other provision of law, the Administrator shall not perform any functions, powers, and duties other than those pertaining to aviation safety.".

(b)(1) Any functions, powers, and duties performed by the Administrator of the Federal Aviation Administration before the effective date of this Act which do not pertain to aviation safety (as identified by the Secretary of Transportation under paragraph (2) of this subsection) shall be performed on and after such effective date by the Secretary of Transportation.

(2) Not later than one hundred and twenty days after the date of enactment of this Act, the Secretary of Transportation shall identify, and report to the Congress on, the functions, powers, and duties described in paragraph (1) of this subsection and the office within the Department of Transportation which will perform such functions, powers, and duties after the effective date of this Act.

(c) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the side heading

"Sec. 301. Creation of Agency."

is amended by adding at the end thereof the following:

"(d) Duties of the Administrator.".

SEC. 2. Section 9(e) of the Department of Transportation Act is amended by inserting at the end thereof the following new paragraph:

"(4) Notwithstanding any other provision of this subsection, no functions, powers, or duties of the Secretary or any officer or employee of the Department which do not pertain to aviation safety may be delegated to the Federal Aviation Administration, the Administrator of such Administration, or any officer or employee of such Administration.".

SEC. 3. The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available in connection with the functions, powers, and duties described in subsection (b) of the first section of this Act are hereby transferred to the Secretary of Transportation.

SEC. 4. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective in the exercise of the functions, powers, and duties described in subsection (b) of the first section of this Act by the Federal Aviation Administration or any court of competent jurisdiction, and

(2) which are in effect at the time this Act takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary of Transportation, by any court of competent jurisdiction, or by operation of law.

(b) The provisions of this Act shall not affect any proceedings pending at the time this Act takes effect before the Federal Aviation Administration; but such proceedings, to the extent that they relate to functions, powers, and duties described in subsection (b) of the first section of this Act shall be continued before the Department of Transportation. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary of Transportation, by a court of competent jurisdiction, or by operation of law.

(c) Except as provided in subsection (e)—

(1) the provisions of this Act shall not affect suits commenced prior to the date this Act takes effect, and

(2) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this Act has not been enacted.

(d) No suit, action, or other proceeding commenced by or against any officer of the Federal Aviation Administration in his official capacity shall abate by reason of the enactment of this Act. No cause of action by or against the Federal Aviation Administration or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this Act.

(e) If, before the date on which this Act takes effect, the Federal Aviation Administration or any officer thereof in his official capacity, is a party to a suit in connection with any function, power, or duty described in subsection (b) of the first section of this Act, then such suit shall be continued with the Secretary substituted.

SEC. 5. With respect to any functions, powers, and duties described in subsection (b) of the first section of this Act, reference in any other Federal law to the Administrator of the Federal Aviation Administration or to the Federal Aviation Administration shall be deemed to refer to the Secretary of Transportation or to the Department of Transportation, respectively.

SEC. 6. This Act (other than subsection (b)(2) of the first section of this Act) and the amendments made by this Act shall take effect one hundred and eighty days after the date of enactment of this Act.●

THE FALLS OF THE OHIO—A NATIONAL WILDLIFE REFUGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. SNYDER) is recognized for 10 minutes.

● Mr. SNYDER. Mr. Speaker, in the heart of Louisville, Ky., lies one of the natural wonders of the world: The Falls of the Ohio River. Yesterday, I introduced legislation which would establish the area known as the Falls of the Ohio as a national wildlife refuge. This bill is identical to H.R. 7940 which I introduced during the 96th Congress.

The Falls of the Ohio is an area located in the Ohio River which includes a unique and world-renowned 300-million-year-old fossilized coral reef which is the only place where the Ohio River flows over bedrock. These wetlands have also become nationally known among ornithologists as one of the most exciting places in the country to see migrating waterbirds, waterfowl and shorebirds as well as an attraction for fishermen, other outdoor enthusiasts, archeologists and amateur collectors of artifacts. Perhaps nowhere else in the world is there an area which offers such geological, ornithological, archeological and paleontological distinctions within such close proximity to a major metropolitan area.

The coral reef of the falls is one of the finest horizontal exposures in the world of Devonian fossil corals. Nearly 900 nominal species of fossil corals have been founded on specimens collected from approximately 150 feet of coral beds in the falls area. Corals from the Falls of the Ohio can be seen in almost every natural history museum in the world.

To those who understand its significance, it is a natural wonder of the world, a jewel, a treasure house of the Earth's history. Yet it has never been protected, and often it has been a victim of unknowing "rock collectors" who may hammer out some valuable specimen without realizing they are interfering with the hands of time.

Actually the falls consisted of a series of rapids, falling some 26 feet in a 2-mile stretch beginning at a point near the McAlpine Dam.

For many years before the dam and locks were built, boats and barges heading downstream shot the falls at highwater with pilots who knew the dangerous course and its pitfalls. They made a specialty of falls operation.

It was in 1817 that Capt. Henry Shreve, with a canny eye on both the law—Robert Fulton and Robert Livingston's steamship patent gave them a monopoly on the steamboat trade—and the falls, built the giant *G. Washington* with a shrewd innovation that altered the course of commercial river operations.

Instead of a tall, oscillating, vertical cylinder which required deep draft, Shreve substituted a pair of fixed horizontal cylinders he could lay flat on deck. That gave him a tongue-in-cheek possible loophole from the language of the Fulton-Livingston patent. But more importantly, it gave him a shallow draft to run on the falls, not in it. Captain Shreve reportedly boasted, "I can run the falls in a heavy dew."

The falls is also a favorite habitat for wildlife. Among the birds spotted in the falls area are several species of sandpipers, and herons, the snowy egret, piping plover, blue-winged teal duck, ringed-bill gull, and the common and black terns.

Several species of heron frequent the area. Stately great blue herons bring their young there to feed, while little green herons nervously prowl the banks. In the evenings, vast numbers of elegant black-crowned night herons wing their way into the area for their nightly sojourn.

The large pools and back-eddies in the lower stretch of this portion of the river harbor large concentrations of waterfowl. Diving ducks like the lesser scaup, canvasbacks and redheads feed on the abundant Crustacae in these backwater retreats. Goldeneye, bufflehead and ringnecked ducks vie with them for food, too.

Huge flotillas of puddle ducks use the area as a resting spot in the fall and winter of the year. Wood ducks, mallards, black ducks, widgeon, blue- and green-winged teal and pintails migrate into this unique ecological niche every year.

John James Audubon saw an osprey, or fishhawk, nesting when he visited George Rogers Clark at his home in Clarksville, Ind. Also reported by Audubon was a swallow-tailed kite, which has not been seen in Kentucky in this century.

In past years, as many as 75 species of birds, including many waterfowl have been at the falls. The migratory birds that pause and nest on the islands at the falls are an unmatched display of birdlife so far inland. Many of the birds that stop there breed in Canada and Alaska, including Arctic regions, and spend their winters on the gulf coast and in Central and South America.

The area still serves as a haven for some of the most diverse bird-life in the Southeast. Shorebirds such as the sandpiper, plover, killdeer and snipe are commonplace. Early in the mornings and late in the evenings you can observe them skittering across the flats in search of food.

However, in recent years, a chief concern has been the dramatic decline in the population of these birds. Within recent years, poachers with guns have killed many of the birds and driven off others. Egrets, for example, were familiar sights at the falls in the 1940's and 1950's but are no longer visitors there. This decline in population levels has also been due largely to changes that were made in dam construction near the falls, which has resulted in excess silt accumulation, and serves to dramatically highlight the urgent need to protect this area.

At the same location was a crossing of the ancient buffalo trace, known to have been used by mastodons and by tens of thousands of buffaloes in giant herds, on their way to the salt licks of Kentucky. The buffalo trace continued on through the Cumberland Gap in the southeastern corner of Kentucky, following in general the pioneer route later famous as the Wilderness Road. Its northwestern extension through Bullitt and Jefferson Counties carried pioneers past many of the salt licks—as important to the settlers as to the animals—and then to the falls.

Because of the unusual bottom structure of the river bed, the area also has an incredibly abundant fish population. Largemouth, smallmouth and Kentucky spotted bass work the sand bars and shoals in search of minnows. White bass, crappie and bluegill swim side by side with them. Walleye have been showing up with increasing frequency, and the area supports one of the largest sauger populations in the country. The annual spring sauger run draws fishing enthusiasts from all over the Midwest.

Rough fish such as gar, buffalo, carp, white perch and paddlefish are so numerous that you can actually see them teeming in the shallows. The catfish clan is well represented, too. Blue, channel, flathead, bullhead and white catfish abound in the waters.

Yet, despite the efforts, for over 20 years, by interested, hard-working local groups, plans to establish the falls as a bi-State park have failed. The legislation which I am introducing today represents an attempt to break the stalemate which currently exists, before any more serious harm to the falls and its resources is allowed to occur.

The proposed refuge area extends from the Pennsylvania Railroad bridge downstream to the Kentucky and Indiana Terminal Railroad bridge at New Albany, following the downsteam line of McAlpine Dam and curling around the Louisville hydroelectric plant. It would include an estimated 1,000 acres of land and water, the largest recreational open space left in the heart of the Louisville metropolitan area.

It is my belief that the Falls of the Ohio National Wildlife Refuge will represent one of the most unique and interesting wildlife refuges in our country and that it will not only continue to attract the fishermen, nature lovers and scientists who now visit there, but it will insure that future generations also have an opportunity to appreciate and learn about nature.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. SENSENBRENNER) to revise and extend his remarks and include extraneous material:)

Mr. TRIBLE, for 5 minutes, today.

Mr. CORCORAN, for 5 minutes, today.

Mr. SNYDER, for 10 minutes, today.

(The following Members (at the request of Mr. PATMAN) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. BROOKS, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

Mr. LEVITAS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SENSENBRENNER) and to include extraneous matter:)

Mr. HANSEN of Idaho in five instances.

Mr. LAGOMARSINO.

Mr. DERWINSKI in two instances.

Mr. BROWN of Ohio in two instances.

Mr. MICHEL.

Mr. PARRIS.

(The following Members (at the request of Mr. PATMAN) and to include extraneous matter:)

Mr. FROST.

Mr. HOLLAND in five instances.

Mr. STARK.

Mr. HUBBARD.

Mr. GEPHARDT.

Mr. STUDDS.

ADJOURNMENT

Mr. PATMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 47 minutes p.m.), under its previous order, the House adjourned until Friday, January 9, 1981, at 12 o'clock noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees, and delegations traveling under an authorization from the Speaker, concerning the foreign currencies and U.S. dollars utilized by them during the third and fourth quarters of calendar year 1980 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1980

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Peter W. Rodino, Jr., M.C.	7/7	7/10	Italy		372.00		2,597.00				2,969.00
Garner J. Cline, staff	7/7	7/10	Italy		372.00		2,711.00				3,083.00
John Conyers, Jr., M.C.	8/25	8/31	Venezuela		840.00		1,044.00				1,884.00
Steven Raikin, staff	8/25	9/6	Venezuela		1,560.00		505.00				2,065.00
Timothy A. Boggs, staff	8/25	9/6	Venezuela		1,680.00		1,007.00				2,687.00
Hayden Gregory, staff	8/26	9/5	Venezuela		1,200.00		505.00				1,705.00
Robert F. Drinan, M.C.	8/30	9/2	Venezuela		404.21		829.00				1,233.21
Committee total [3]					6,428.21		9,198.00				15,626.21

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Enter committee totals on the last page of the report only.

PETER W. RODINO, JR.,
Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
John P. O'Hara	10/20	10/25	Germany	DM 977.40	540.00					DM 977.40	540.00
Committee total [3]					540.00						540.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Enter committee totals on the last page of the report only.

HAROLD T. JOHNSON,
Chairman.

January 2, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Bill Frenzel	11/10	11/12	Belgium	7,104.00	228.00		36.27				264.27
	11/12	11/17	Denmark	2,887.50	525.00						525.00
	11/17	11/17	France								
Transportation by Department of Defense							2,650.85				2,650.85
Thelma J. Askey	10/19	10/22	Switzerland	496.05	300.00						300.00
	10/22	10/25	Belgium	10,288.00	351.00						351.00
Refund					(117.00)						(117.00)
							982.00				982.00
Richard Self	10/19	10/25	Switzerland	1,157.45	700.00		982.00				1,682.00
Mary Lane Wignot	11/2	11/11	Switzerland	1,024.80	600.00		982.00				1,582.00
Committee totals [3]					2,587.00		5,633.12				8,220.12

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Enter committee totals on the last page of the report only.

AL ULLMAN,
Chairman.

December 31, 1980.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

79. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Federal Crop Insurance Corporation for Administrative and Operating Expenses for fiscal year 1981 has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

80. A letter from the Acting Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of the proposed conversion to contractor performance of the guard services activity at Fort Knox, Ky., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

81. A letter from the Assistant Attorney General (Antitrust Division), transmitting a report covering calendar year 1980 on enforcement of the Truth in Lending Act, pursuant to section 114 of the Consumer Credit Protection Act of 1968, as amended; to the Committee on Banking, Finance and Urban Affairs.

82. A letter from the Commissioner on Aging, Department of Health and Human Services, transmitting three reports on transportation services for older persons, pursuant to section 411 of the Older Americans Act of 1965, as amended (92 Stat. 1539); to the Committee on Education and Labor.

83. A letter from the Acting Deputy Secretary of Energy, transmitting the annual report for calendar year 1979 on the Department's industrial energy efficiency program, pursuant to section 876 of the Energy Policy and Conservation Act; to the Committee on Energy and Commerce.

84. A letter from the Acting Deputy Secretary of Energy, transmitting a report on the results of preliminary energy audits of Federal buildings with 1,000 or more square feet, pursuant to section 547(b) of Public Law 95-619; to the Committee on Energy and Commerce.

85. A letter from the Assistant Secretary of Energy for Conservation and Solar Energy, transmitting notice of a delay until spring, 1981, of the prescription of final energy efficiency standards for eight consumer products, required by January 2, 1981, by the Energy Policy and Conservation Act, as amended; to the Committee on Energy and Commerce.

86. A letter from the Acting Chairman, Federal Energy Regulatory Commission, transmitting proposed regulations to exempt mechanical cogeneration facilities from the incremental pricing program required by section 201 of the Natural Gas Policy Act of 1978, pursuant to section 206(d) of the act; to the Committee on Energy and Commerce.

87. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on U.S. efforts to encourage third country aid and investment in Egypt and Israel and the impact of Arab sanctions on the economy of Egypt, pursuant to section 7(b) of Public Law 96-35; to the Committee on Foreign Affairs.

88. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

89. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

90. A letter from the Secretary of the Interior, transmitting a report covering fiscal year 1980 on the disposal of surplus Federal real property for park, recreation, and historic monument purposes, pursuant to section 203(o) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

91. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, transmitting the annual report for fiscal year 1980 on the agency's disposal for foreign excess property, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

92. A letter from the Acting Secretary of Agriculture, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

93. A letter from the Assistant Secretary for Health and Surgeon General, Department of Health and Human Services, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

94. A letter from the Administrator, Health Care Financing Administration, Department of Health and Human Services, transmitting notice of proposed changes in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

95. A letter from the Director, Office of Administration, U.S. Nuclear Regulatory Commission, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

96. A letter from the Administrator of General Services, transmitting copies of certificates of ascertainment of electors appointed to the Electoral College received from various States, pursuant to 3 U.S.C. 6; to the Committee on House Administration.

97. A letter from the Administrator of General Services, transmitting additional copies of certificates of ascertainment of electors appointed to the Electoral College received from various States, pursuant to 3 U.S.C. 6; to the Committee on House Administration.

98. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $72,920.39 in excess rental and minimum royalty payments to C & K Petroleum Inc., Getty Oil Co., Shell Oil Co., Diamond Shamrock Corp., and Texasgulf Inc., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953, as amended; to the Committee on Interior and Insular Affairs.

99. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $115,690.88 and $17,780.41 to Amoco Production Co., and Superior Oil Co., respectively, for excess gas royalties, pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953, as amended; to the Committee on Interior and Insular Affairs.

100. A letter from the Chairman and Members, U.S. Commission on Civil Rights, transmitting recommendations of the Commission, pursuant to section 104(c) of Public Law 85-315, as amended; to the Committee on the Judiciary.

101. A letter from the Clerk, U.S. Court of Claims, transmitting a report on all judgments rendered by the court during fiscal year 1980, pursuant to 28 U.S.C. 791(c); to the Committee on the Judiciary.

102. A letter from the Adjutant General, Military Order of the Purple Heart, transmitting the audit report of the organization as of June 30, 1980, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

103. A letter from the General Counsel of the Navy, transmitting a report in response to a complaint filed with the Special Counsel of the Merit Systems Protection Board, pursuant to 5 U.S.C. 1206(b)(5); to the Committee on Post Office and Civil Service.

104. A letter from the Librarian of Congress, transmitting a report on scientific and professional positions in existence in the Library of Congress during calendar year 1980, pursuant to 5 U.S.C. 3104(c); to the Committee on Post Office and Civil Service.

105. A letter from the Administrator of General Services, transmitting a report on response to a complaint filed with the Special Counsel of the Merit Systems Protection Board, pursuant to 5 U.S.C. 1206(b)(5); to the Committee on Post Office and Civil Service.

106. A letter from the Administrator of Veterans' Affairs, transmitting a report covering fiscal year 1980 on the nature and disposition of all cases in which an institution, approved for veterans benefits, utilizes advertising, sales or enrollment practices which are erroneous, deceptive, or misleading, pursuant to 38 U.S.C. 1796(d); to the Committee on Veterans' Affairs.

107. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting the statement of liabilities and other financial commitments of the U.S. Government as of September 30, 1980, pursuant to section 402 of Public Law 89-809; to the Committee on Ways and Means.

108. A letter from the Secretary of Education, transmitting proposed final regulations to govern international education programs, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; jointly, to the Committees on Education and Labor, and Foreign Affairs.

109. A letter from the Under Secretary of Agriculture for International Affairs and Commodity Programs, transmitting a commodity and country allocation table showing the planned programing of food assistance under titles I and III of the Agricultural Trade Development and Assistance Act, covering the second quarter of fiscal year 1981, pursuant to section 408(b) of the act; jointly, to the Committees on Foreign Affairs and Agriculture.

110. A letter from the Comptroller General of the United States, transmitting a report on Federal examinations of privately owned financial institutions (GGD-81-12, January 6, 1981); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

111. A letter from the Comptroller General of the United States, transmitting a report on the implications for Federal policy of New York State's public assistance cost-sharing policies (PAD-81-11, December 16, 1980); jointly, to the Committees on Government Operations, Energy and Commerce, and Ways and Means.

112. A letter from the Comptroller General of the United States, transmitting a report on problems in assessing the cancer risks of low-level ionizing radiation exposure (EMD-81-1, January 2, 1981); jointly, to the Committees on Government Operations, Interior and Insular Affairs, and Energy and Commerce.

113. A letter from the Comptroller General of the United States, transmitting a report on Federal monitoring of Trans-Alaska oil pipeline operations (EMD-81-11, January 6, 1981); jointly, to the Committees on Government Operations, Interior and Insular Affairs, and Energy and Commerce.

114. A letter from the Secretary of Health and Human Services, transmitting the annual report for calendar year 1980 on the activities of the Maternal and Child Health Services Research Grants Review Committee, pursuant to section 1114(f) of the Social Security Act; jointly, to the Committees on Ways and Means, and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Submitted January 2, 1981*]

Mr. RODINO: Committee on the Judiciary. Report on the activities of the Committee on the Judiciary during the 96th Congress (Rept. No. 96-1567). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[*Omitted from the Record of January 5, 1981*]

By Mr. ALBOSTA:

H.R. 268. A bill to provide that each State must establish a jobfare program, and require participation therein by residents of the State who are receiving benefits or assistance under the AFDC, food stamp, and public housing programs, as a condition of the State's eligibility for Federal assistance in connection with those programs; jointly, to the Committees on Agriculture, Banking, Finance and Urban Affairs, Education and Labor and Ways and Means.

By Mr. FINDLEY (for himself, Mr. CHAPPELL, Mr. COELHO, Mr. COLLINS of Texas, Mr. DANIEL B. CRANE, Mr. DERWINSKI, Mr. ERLENBORN, Mr. HANSEN of Idaho, Mrs. HOLT, Mr. MARTIN of North Carolina, Ms. MARTIN of Illinois, Mr. MOLLOHAN, Mr. PETRI, Mr. SPENCE, Mr. WHITEHURST, Mr. WINN, Mr. WON PAT, Mr. O'BRIEN, Mr. BUTLER, and Mr. BROYHILL):

H.R. 269. A bill to provide that each State must establish a workfare program, and require participation therein by all residents of the State who are receiving benefits or assistance under the aid to families with dependent children, food stamp, and public housing programs, as a condition of the State's eligibility for Federal assistance in connection with those programs; jointly, to the Committees on Education and Labor, Ways and Means, Agriculture, and Banking, Finance and Urban Affairs.

By Mr. HANSEN of Idaho:

H.R. 270. A bill to amend the Food Stamp Act of 1964, to exclude from coverage under the act households which have members who are on strike, and for other purposes; to the Committee on Agriculture.

H.R. 271. A bill to provide for at-large appointment of the Federal Reserve Chairman; to the Committee on Banking, Finance and Urban Affairs.

H.R. 272. A bill to amend the Federal Reserve Act to provide that the Chairman and Vice Chairman of the Board shall continue to serve until their successors are designated and have qualified; to the Committee on Banking, Finance and Urban Affairs.

H.R. 273. A bill to amend the Federal Reserve Act to require that detailed minutes of Federal Open Market Committee meetings be released to the general public 5 years after the date of the meeting to which they relate; to the Committee on Banking, Finance and Urban Affairs.

H.R. 274. A bill to provide for steady, noninflationary growth in the money supply; to the Committee on Banking, Finance and Urban Affairs.

H.R. 275. A bill to repeal the authority of the Secretary of the Treasury to seize privately owned gold; to the Committee on Banking, Finance and Urban Affairs.

H.R. 276. A bill to amend the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

H.R. 277. A bill to amend the Occupational Safety and Health Act of 1970 to prohibit restrictions on work rules in locations in which there is hunting, fishing, or shooting sports, and for other purposes; to the Committee on Education and Labor.

H.R. 278. A bill to amend the Occupational Safety and Health Act of 1970 to exempt small businesses having no more than 10 full-time employees or the equivalent thereof, and does not have an occupational injury incidence rate exceeding 7 per 100 full-time employees based upon the annual Bureau of Labor Statistics survey of 3- and 4-digit Standard Industrial Classification Code industries; to the Committee on Education and Labor.

H.R. 279. A bill to amend the Occupational Safety and Health Act of 1970 to provide that the Secretary of Labor may conduct inspections at the workplace of an employer only after the issuance of a search warrant; to the Committee on Education and Labor.

H.R. 280. A bill to exempt nonhazardous businesses from the Occupational Safety and Health Act of 1970, and for other purposes; to the Committee on Education and Labor.

H.R. 281. A bill to amend section 16(a) of the National School Lunch Act to permit the State of Idaho to receive cash payments in lieu of donated foods for purposes of programs under such act and under the Child Nutrition Act of 1966; to the Committee on Education and Labor.

H.R. 282. A bill to repeal the Occupational Safety and Health Act; to the Committee on Education and Labor.

H.R. 283. A bill to amend the Contract Work Hours Standards Act to require overtime compensation only for hours of employment in excess of 40 hours in a workweek; to the Committee on Education and Labor.

H.R. 284. A bill to amend the Occupational Safety and Health Act of 1970 to concentrate enforcement activities on hazardous workplaces, to exempt family farms from the act, to encourage self-initiative in improving occupational safety and health, to provide the procedures by which the Secretary of Labor may procure a search warrant for the purpose of conducting inspections at the workplace of an employer pursuant to the act, and for other purposes; to the Committee on Education and Labor.

H.R. 285. A bill to amend the Clean Air Act to repeal the requirement that State implementation plans provide for periodic inspection and testing of motor vehicles; to the Committee on Energy and Commerce.

H.R. 286. A bill to amend the Clean Air Act to make certain modifications in provisions relating to automobile emission control devices and fuel additives, and for other purposes; to the Committee on Energy and Commerce.

H.R. 287. A bill entitled the "State Legislative and Administrative Procedure Protection Act of 1981"; to the Committee on Energy and Commerce.

H.R. 288. A bill to establish a commission which shall be called the Iran Claims Settlement Commission and to enable the President of the United States to release the assets frozen by Presidential order on November 14, 1979; to the Committee on Foreign Affairs.

H.R. 289. A bill to require the Environmental Protection Agency and all other Federal regulatory agencies to evaulate, prior to the issuance of a regulation, the potential economic effect and environmental impact of such regulations; to the Committee on Government Operations.

H.R. 290. A bill to establish a commission and task force to review all Federal Government programs, determine what economies and efficiencies can be achieved through program consolidation, review the functions carried out by each level of government, and make recommendations for more clearly defining the respective responsibilities of such levels, and for other purposes; to the Committee on Government Operations.

H.R. 291. A bill to amend the Public Rangelands Improvement Act of 1978, to prevent the loss of economic grazing units, to prevent increased unemployment and food inflation, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 292. A bill to amend and supplement the acreage limitation and residency provi-

sions of the Federal reclamation laws, as amended and supplemented, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 293. A bill to establish a ceiling on statutory wilderness designated lands located within the National Forest System in the State of Idaho; to the Committee on Interior and Insular Affairs.

H.R. 294. A bill to amend certain provisions of title 28, United States Code, relating to venue in the district courts and courts of appeals; to the Committee on the Judiciary.

H.R. 295. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 296. A bill to provide that in civil actions where the United States is a plaintiff, a prevailing defendant may recover a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

H.R. 297. A bill providing that any State legislature which rescinds its ratification of a proposed amendment to the Constitution shall not be considered to have ratified the amendment; to the Committee on the Judiciary.

H.R. 298. A bill to remove statutory limitations upon the application of the Sherman Act to labor organizations and their activities, and for other purposes; to the Committee on the Judiciary.

H.R. 299. A bill to restore and promote competition in the marketing of motor fuel by prohibiting the control, operation, or acquisition of marketing outlets by petroleum refiners, producers, and distributors, and for other purposes; to the Committee on the Judiciary.

H.R. 300. A bill to require that Federal agencies publish certain statements during the rulemaking process, and for other purposes; to the Committee on the Judiciary.

H.R. 301. A bill to amend title 38, United States Code, to allow beneficiaries of U.S. Government life insurance policies to elect to receive such insurance in a lump sum, rather than in monthly installments, when the insured has not specified the method of payment of such insurance; to the Committee on Veterans' Affairs.

H.R. 302. A bill to amend the Federal Aviation Act of 1958 to prohibit the Secretary of Transportation and the Administrator of the Federal Aviation Administration from issuing any rule, regulation, or order relating to certain aspects of the control of navigable airspace; to the Committee on Public Works and Transportation.

H.R. 303. A bill to amend title 38 of the United States Code to deny veterans' benefits to certain individuals whose discharges from active military service under less than honorable conditions are administratively upgraded under the revised standards as implemented by the Department of Defense's special discharge review program; to the Committee on Veterans' Affairs.

H.R. 304. A bill to amend the Internal Revenue Code of 1954 to repeal the estate and gift taxes; to the Committee on Ways and Means.

H.R. 305. A bill to amend the Internal Revenue Code of 1954 to provide individuals a credit against income tax for certain amounts of savings; to the Committee on Ways and Means.

H.R. 306. A bill to amend the Internal Revenue Code of 1954 to exempt dividends from Federal taxation, to allocate corporate income tax revenues for payments to qualified registered voters, and for other purposes; to the Committee on Ways and Means.

H.R. 307. A bill to exempt limited amounts of oil production by independent producers from the windfall profit tax and for other purposes; to the Committee on Ways and Means.

H.R. 308. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 309. A bill to amend title II of the Social Security Act to increase to $24,000 in 1981—with automatic adjustments thereafter—the amount of outside earnings which a beneficiary age 65 or over may have in any taxable year without suffering reductions in the amount of his benefits; to the Committee on Ways and Means.

H.R. 310. A bill to prohibit the importation into the United States of certain agricultural products of Cuba, to include citrus, winter vegetables, and tropical fruits until after 1989; to the Committee on Ways and Means.

H.R. 311. A bill to strengthen the American family and promote the virtues of family life through education, tax assistance, and related measures; jointly, to the Committees on Agriculture, Armed Services, Education and Labor, the Judiciary, and Ways and Means.

H.R. 312. A bill to reduce interest and inflation, and for other purposes; jointly, to the Committees on Banking and Finance, Government Operations, Rules, and Ways and Means.

H.R. 313. A bill to prescribe the conditions with respect to affirmative action programs required of Federal grantees and contractors in complying with nondiscrimination programs, to prescribe the necessary requirements for a finding of discrimination in certain actions brought on the basis of discrimination in employment, and to prescribe reasonable limits on the collection of data relating to race, color, religion, sex, or national origin, and for other purposes; jointly, to the Committees on Education and Labor and the Judiciary.

H.R. 314. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 315. A bill to amend title XVIII of the Social Security Act to include, as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. HIGHTOWER (for himself, Mr. STENHOLM, Mr. ANTHONY, Mr. ARCHER, Mr. BEARD, Mr. BOWEN, Mr. BRINKLEY, Mr. BROOKS, Mr. BURGENER, Mr. COLLINS of Texas, Mr. PHILIP M. CRANE, Mr. ROBERT W. DANIEL, JR., Mr. EDWARDS of Oklahoma, Mr. DE LA GARZA, Mr. DERWINSKI, Mr. DORNAN of California, Mr. DUNCAN, Mr. ENGLISH, Mr. ERDAHL, of Minnesota, Mr. FISH, Mr. FORSYTHE, Mr. FROST, Mr. GARCIA, Mr. GOLDWATER, Mr. GRAMM, Mr. GRISHAM, Mr. GUYER, Mr. SAM B. HALL, JR., Mr. HANCE, Mrs. HOLT, Mr. HOPKINS, Mr. HUGHES, Mr. HYDE, Mr. JACOBS, Mr. JEFFRIES, Mr. JONES of North Carolina, Mr. KAZEN, Mr. KEMP, Mr. KOGOVSEK, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LATTA, Mr. LEATH of Texas, Mr. LOEFFLER, Mr. LOTT, Mr. LUJAN, Mr. MARRIOTT, Mr. MONTGOMERY, Mr. MOOREHEAD, Mr. NELSON, Mr. PAUL, Mr. PICKLE, Mr. RAILSBACK, Mrs. SCHROEDER, Mr. SENSENBRENNER, Mr. SHELBY, Mr. SHUMWAY, Mr. STANGELAND, Mr. SYNAR, Mr. WAMPLER, Mr. WHITE, Mr. WHITEHURST, Mr. WILSON, Mr. WINN, Mr. WRIGHT, and Mr. ALEXANDER):

H.R. 316. A bill to provide that a Federal agency may not require that any person maintain records for a period in excess of 4 years, and a Federal agency may not commence an action for enforcement of a law or regulation or for collection of a civil fine after 4 years from the date of the act which is the subject of the enforcement action or fine, and for other purposes; to the Committee on Government Operations.

By Mr. HIGHTOWER (for himself, Mr. ANTHONY, Mr. ARCHER, Mr. BAFALIS, Mr. BENJAMIN, Mr. BEVILL, Mr. BONER of Tennessee, Mrs. BOUQUARD, Mr. BOWEN, Mr. BROOKS, Mr. BURGENER, Mr. DANIEL B. CRANE, Mr. COLLINS of Texas, Mr. CORCORAN, Mr. CORRADA, Mr. ROBERT W. DANIEL, JR., Mr. DAN DANIEL, Mr. DORNAN of California, Mr. DOUGHERTY, Mr. DUNCAN, Mr. FUQUA, Mr. GIBBONS, Mr. GINN, Mr. GOLDWATER, Mr. GRAMM, Mr. GUYER, Mr. HANCE, Mr. HANSEN of Idaho, Mr. HEFTEL, Mr. HINSON, Mrs. HOLT, Mr. HUBBARD, Mr. HYDE, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LEATH of Texas, Mr. LEVITAS, Mr. LIVINGSTON, Mr. LUJAN, Mr. MCCLORY, Mr. MCDADE, Mr. MATTOX, Mr. MITCHELL of New York, Mr. MONTGOMERY, Mr. MURPHY, Mr. MYERS, Mr. NICHOLS, Mr. PEPPER, Mr. QUILLEN, Mr. REGULA, Mr. ROBINSON, Mr. ROE, Mr. SMITH of Iowa, Mr. STENHOLM, Mr. STUMP, Mr. TRAXLER, Mr. WHITEHURST, Mr. WILLIAMS of Ohio, Mr. WILSON, Mr. WON PAT, Mr. YATRON, Mr. YOUNG of Florida, and Mr. YOUNG of Missouri):

H.R. 317. A bill to amend the Immigration and Nationality Act to provide for the deportation of nonimmigrant alien students who knowingly participated in a violent political demonstration or otherwise participated in activities inconsistent with the terms of their admittance to the United States; to the Committee on the Judiciary.

By Mr. HIGHTOWER (for himself, Mr. LEATH of Texas, Mr. ANTHONY, Mr. ARCHER, Mr. BUTLER, Mr. CAMPBELL, Mr. COELHO, Mr. CORCORAN, Mr. DANIEL B. CRANE, Mr. ROBERT W. DANIEL, JR., Mr. DORNAN of California, Mr. EDWARDS of Oklahoma, Mr. ENGLISH, Mr. FORSYTHE, Mr. GONZALEZ, Mr. GRAMM, Mr. GUYER, Mr. HANCE, Mr. HINSON, Mr. JONES of Oklahoma, Mr. LAGOMARSINO, Mr. LEHMAN, Mr. LUJAN, Mr. MONTGOMERY, Mr. PEPPER, Mr. STENHOLM, Mr. SYNAR, Mr. TAUZIN, Mr. WEISS, Mr.

WILLIAMS of Montana, Mr. WILSON, Mr. WINN, Mr. YATRON, and Mr. YOUNG of Missouri):

H.R. 318. A bill to amend the Internal Revenue Code of 1954 to exempt from the windfall profit tax oil produced from interests held by or for residential child care agencies; to the Committee on Ways and Means.

By Mrs. HOLT:

H.R. 319. A bill to amend title 10, United States Code, to reduce cost sharing required of participants in the civilian health program of the uniformed services (CHAMPUS) for inpatient medical care provided on an emergency basis; to the Committee on Armed Services.

H.R. 320. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

H.R. 321. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

H.R. 322. A bill to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 to provide emphasis within the National Institute on Alcohol Abuse and Alcoholism for families of alcohol abusers and alcoholics; to the Committee on Energy and Commerce.

H.R. 323. A bill to provide a remedy for sex discrimination by the insurance business with respect to the availability and scope of insurance coverage for women; to the Committee on Energy and Commerce.

H.R. 324. A bill to provide for payments in lieu of real property taxes, with respect to certain real property owned by the Federal Government; to the Committee on Government Operations.

H.R. 325. A bill to provide for the inclusion of certain Federal entities in the budget totals, effective with the 1985 budget; to the Committee on Government Operations.

H.R. 326. A bill to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school; to the Committee on the Judiciary.

H.R. 327. A bill to amend title IV of the Civil Rights Act of 1964 to prohibit federally ordered assignment of teachers or students on racial and other similar grounds; to the Committee on the Judiciary.

H.R. 328. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

H.R. 329. A bill to repeal section 3108 of title 5, United States Code, which prohibits the employment by the United States and the District of Columbia of individuals employed by detective agencies; to the Committee on Post Office and Civil Service.

H.R. 330. A bill to provide for reconstruction and rehabilitation of any bridge on the Interstate System which is both owned by the U.S. Government and located in two States and the District of Columbia; to the Committee on Public Works and Transportation.

H.R. 331. A bill to amend the Congressional Budget Act of 1974 to establish in the Congress a zero-base budgeting process, with full congressional review of each Federal program at least once every 6 years; to the Committee on Rules.

H.R. 332. A bill to amend the Internal Revenue Code of 1954 to prohibit the Internal Revenue Service from terminating for reasons of racial discrimination the tax exempt status of any organization established for the purposes of educational instruction without proper adjudication by a court of the United States or of any State; to the Committee on Ways and Means.

H.R. 333. A bill to provide that individuals who retired on disability before October 1, 1976, shall be entitled to the exclusion for disability payments under section 105(d) of the Internal Revenue Code of 1954 without regard to the income limitation in such section, and for other purposes; to the Committee on Ways and Means.

H.R. 334. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in banks and certain other savings institutions; to the Committee on Ways and Means.

H.R. 335. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for expenses paid by him for the education of any of his dependents at an institution of higher learning; to the Committee on Ways and Means.

H.R. 336. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlords; to the Committee on Ways and Means.

H.R. 337. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Ways and Means.

H.R. 338. A bill to amend the Internal Revenue Code of 1954 to allow an exemption for certain professional liability insurance organizations; to the Committee on Ways and Means.

H.R. 339. A bill to provide that the statue of Maj. Gen. George Gordon Meade be transferred to Fort George G. Meade, Md.; jointly, to the Committees on House Administration and Armed Services.

H.R. 340. A bill to assure the continued dedication of the United States to quality education and the neighborhood school concept; jointly, to the Committees on the Judiciary and Education and Labor.

By Mr. HORTON:

H.R. 341. A bill to create a National Commission on Compulsive Gambling; to the Committee on Energy and Commerce.

H.R. 342. A bill to amend title 39 of the United States Code for the purpose of establishing a new procedure for fixing rates and classes of mail, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 343. A bill to modify the navigation project at Irondequoit Bay, N.Y.; to the Committee on Public Works and Transportation.

H.R. 344. A bill to amend title 38, United States Code, so as to provide a special pension program for veterans of World War I; to the Committee on Veterans' Affairs.

H.R. 345. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deductions to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

H.R. 346. A bill to amend the Internal Revenue Code of 1954 to allow the residential energy credit for certain wood or peat burning stoves; to the Committee on Ways and Means.

H.R. 347. A bill to amend title II of the Social Security Act to increase to $750 in all cases the amount of the lump-sum death payment thereunder; to the Committee on Ways and Means.

H.R. 348. A bill to provide for the termination of the Interim Convention on the Conservation of North Pacific Fur Seals of February 9, 1957, to prohibit the taking of seals in the Pribilof Islands, and for other purposes; jointly, to the Committees on Foreign Affairs, Interior and Insular Affairs, and Merchant Marine and Fisheries.

H.R. 349. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means, and Energy and Commerce.

By Mr. HYDE:

H.R. 350. A bill to amend the Accounting and Auditing Act of 1950 to require ongoing evaluations and reports on the adequacy of the systems of internal accounting and administrative control of each executive agency; to the Committee on Government Operations.

H.R. 351. A bill to provide a penalty for the robbery or attempted robbery of any controlled substance from any pharmacy; to the Committee on the Judiciary.

H.R. 352. A bill to amend title 18 of the United States Code to revise and improve the laws controlling false identification crimes; to the Committee on the Judiciary.

By Mr. HYDE (for himself and Mr. LUNGREN):

H.R. 353. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

By Mr. JACOBS:

H.R. 354. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights; to the Committee on the Judiciary.

H.R. 355. A bill to amend the Federal Aviation Act of 1958 to authorize reduced-rate air transportation to the United States for certain persons who have been or will be adopted by a resident of the United States; to the Committee on Public Works and Transportation.

H.R. 356. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment for purposes of sections 219 and 220 of such code of certain individuals who separate from service with an employer during the taxable year; to the Committee on Ways and Means.

H.R. 357. A bill to amend title II of the Social Security Act to require actual dependency as a condition of a stepchild's eligibility for child's insurance benefits, thereby preventing an insured individual's stepchildren from qualifying for such benefits on his or her wage record—and thereby reducing the benefits of his or her natural children—if they are being supported by their natural parent; to the Committee on Ways and Means.

H.R. 358. A bill to amend title II of the Social Security Act to provide that surviving

divorced wives, as well as widows, may marry after attaining age 60 without affecting their entitlement to widow's insurance benefits; to the Committee on Ways and Means.

H.R. 359. A bill to amend the Internal Revenue Code of 1954 to provide for the nonrecognition of gain from the sale of stock in a domestic corporation engaged in a trade or business related to energy if within 90 days after the sale the proceeds are invested in stock of another such corporation; to the Committee on Ways and Means.

H.R. 360. A bill to amend the Internal Revenue Code of 1954 to deny the business deduction for any amount paid or incurred for regularly scheduled air transportation to the extent such amount exceeds the normal tourist class fare for such transportation; to the Committee on Ways and Means.

H.R. 361. A bill to amend Public Law 94-484, the Health Professions Educational Assistance Act of 1976, as amended, relating to the immigration of foreign medical graduates; jointly, to the Committees on Energy and Commerce and the Judiciary.

H.R. 362. A bill to amend title XVIII of the Social Security Act for the purpose of mandating guidelines with respect to the return of unused home dialysis supplies; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. KASTENMEIER:

H.R. 363. A bill to amend the Internal Revenue Code of 1954 to provide that cigarette advertising is not a deductible business expense; to the Committee on Ways and Means.

By Mr. KILDEE (for himself, Mr. BRODHEAD, Mr. BONIOR of Michigan, and Mr. TRAXLER):

H.R. 364. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from gross income of a certain portion of amounts received as annuities, pensions, or other retirement benefits by individuals who have attained age 65; to the Committee on Ways and Means.

By Mr. LEDERER:

H.R. 365. A bill to extend for one year the provisions of law relating to the business expenses of State legislators; to the Committee on Ways and Means.

H.R. 366. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition for elementary and secondary education; to the Committee on Ways and Means.

By Mr. LENT:

H.R. 367. A bill to authorize the Secretary of Housing and Urban Development to make grants to local agencies for converting closed school buildings to efficient, alternate uses, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 368. A bill to direct the Secretary of the Treasury to compensate States and units of local government for the loss of real property tax revenues due to the tax-exempt status of certain real estate property owned or occupied by foreign countries and international organizations; to the Committee on Government Operations.

H.R. 369. A bill to amend the Internal Revenue Code of 1954 to allow certain low- and middle-income individuals a refundable tax credit for a certain portion of the property taxes paid by them on their principal residences or of the rent they pay for their principal residences; to the Committee on Ways and Means.

H.R. 370. A bill to amend the Internal Revenue Code of 1954 to provide individuals a limited exclusion from gross income for interest on deposits in certain savings institutions; to the Committee on Ways and Means.

H.R. 371. A bill to amend title II of the Social Security Act to improve the treatment of women through the establishment and payment of working spouse's benefits; to the Committee on Ways and Means.

H.R. 372. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 373. A bill to establish a task force to study and evaluate the taxation of real property by State and local governments, the effects of such taxation on certain taxpayers, and the feasibility of Federal taxation and other policies designed to reduce the dependence of State and local governments on such taxation; jointly to the Committees on Ways and Means and Government Operations.

By Mr. LONG of Maryland:

H.R. 374. A bill to discourage the use of leg-hold or steel jaw traps on animals in the United States; to the Committee on Energy and Commerce.

H.R. 375. A bill to amend the Communications Act of 1934 to provide that telephone receivers may not be sold in interstate commerce unless they are manufactured in a manner which permits their use by persons with hearing impairments; to the Committee on Energy and Commerce.

H.R. 376. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 377. A bill to amend title II of the Social Security Act to reaffirm the fact that benefits payable thereunder are exempt from all taxation; to the Committee on Ways and Means.

H.R. 378. A bill to amend the Internal Revenue Code of 1954 to provide individuals a limited exclusion from gross income for interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. LUKEN:

H.R. 379. A bill to require adjustments in census population figures for aliens in the United States illegally so as to prevent distortions in the reapportionment of the House of Representatives, the legislative apportionment and districting of the States, and the allocation of funds under Federal assistance programs; jointly, to the Committees on the Judiciary and Post Office and Civil Service.

By Mr. LUKEN (for himself, Mr. GOLDWATER, Mr. MOTTL, Mr. ROBERT W. DANIEL, JR., Mr. SCHEUER, Mr. MAZZOLI, Mr. DOUGHERTY, Mr. FORSYTHE, Mr. LIVINGSTON, Mr. VOLKMER, Mr. EDWARDS of Oklahoma, Mr. SNYDER, AND Mr. CHAPPELL):

H.R. 380. A bill to amend the Internal Revene Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Ways and Means.

By Mr. McKINNEY:

H.R. 381. A bill to protect the rights of individuals guaranteed by the Constitution of the United States and to prevent unwarranted invasion of their privacy by prohibiting the use of polygraph equipment for certain purposes; jointly, to the Committees on the Judiciary and Education and Labor.

By Mr. MINISH:

H.R. 382. A bill to provide for the regular review of certain Federal agencies and for the abolition of such agencies after such review unless Congress specifically provides for their continued existence; to the Committee on Government Operations.

By Mr. MOORHEAD:

H.R. 383. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public involvement in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. NATCHER:

H.R. 384. A bill to extend veteran benefits to persons serving in the Armed Forces between November 12, 1918, and July 2, 1921; to the Committee on Veterans' Affairs.

By Mr. NEAL:

H.R. 385. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide that rescue squad members are entitled to death benefits made available under such act; to the Committee on the Judiciary.

H.R. 386. A bill to amend the Federal Salary Act of 1967 and the Legislative Reorganization Act of 1946 to provide that adjustments in the pay for Members of Congress may not take effect unless specifically approved by each House of Congress; to the Committee on Post Office and Civil Service.

H.R. 387. A bill to protect the confidentiality of the identities of certain employees of the Central Intelligence Agency; to the Permanent Select Committee on Intelligence.

H.R. 388. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

H.R. 389. A bill to amend the Internal Revenue Code of 1954 to allow individuals a credit against income tax for qualified fire detector expenses; to the Committee on Ways and Means.

By Mr. NOWAK:

H.R. 390. A bill to amend the Internal Revenue Code of 1954 to provide tax incentives for businesses located in distressed areas; to the Committee on Ways and Means.

By Mr. PAUL:

H.R. 391. A bill to repeal the privilege of banks to create money; to the Committee on Banking, Finance and Urban Affairs.

H.R. 392. A bill proposing an amendment to the Constitution of the United States guaranteeing the right to life; to the Committee on the Judiciary.

H.R. 393. A bill to amend section 404 of the Federal Water Pollution Control Act to restrict the jurisdiction of the United States over discharge of dredged or fill material to discharges into waters which are navigable and for other purposes; to the Committee on Public Works and Transportation.

By Mr. PERKINS:

H.R. 394. A bill to assist the States and local educational agencies in providing educational programs of high quality in elementary and secondary schools; to the Committee on Education and Labor.

H.R. 395. A bill to amend the Clean Air Act; to the Committee on Energy and Commerce.

H.R. 396. A bill to amend the Surface Mining Control and Reclamation Act of 1977 to provide that performance standards for the reclamation of surface coal mining operations shall not require restoration of lands to the approximate original contour where the surface owner specifies a different reclamation standard; to the Committee on Interior and Insular Affairs.

By Mr. PERKINS (for himself and Mr. GOODLING):

H.R. 397. A bill to dismiss certain cases pending before the Education Appeal Board; to the Committee on Education and Labor.

By Mr. PICKLE:

H.R. 398. A bill to amend the Fair Labor Standards Act of 1938 to raise the dollar volume test for coverage of employees of enterprises engaged in commerce or the production of goods for commerce to $750,000; to the Committee on Education and Labor.

H.R. 399. A bill to amend the mineral leasing laws of the United States to provide for uniform treatment of certain receipts under such laws, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 400. A bill to remove Members of Congress from the purview of section 225 of the Federal Salary Act of 1967, relating to the Commission on Executive, Legislative, and Judicial Salaries, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 401. A bill to provide mandatory social security coverage for Members of Congress and the Vice President; to the Committee on Ways and Means.

By Mr. QUILLEN:

H.R. 402. A bill to amend the Federal Civil Defense Act of 1950 to allow Federal civil defense funds to be used by local civil defense agencies for natural disaster relief, and for other purposes; to the Committee on Armed Services.

H.R. 403. A bill to amend Public Law 874, relating to Federal impact aid, to provide for the use of current assessed values of Federal property in determining eligibility for assistance under such act; to the Committee on Education and Labor.

H.R. 404. A bill to amend the Railroad Retirement Act of 1974 to change benefit eligibility requirements so that individuals who have completed 30 years of service as an employee and have attained the age of 55 years are eligible and so that certain other individuals who have attained the age of 55 years and are related to employees are also eligible; to the Committee on Energy and Commerce.

H.R. 405. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 406. A bill to amend the Public Health Act to authorize the Secretary of Health and Human Services to provide assistance for the treatment of epilepsy; to the Committee on Energy and Commerce.

H.R. 407. A bill to provide for payments in lieu of real property taxes, with respect to certain real property owned by the Federal Government; to the Committee on Government Operations.

H.R. 408. A bill to remove from the Supreme Court of the United States and the district courts of the United States jurisdiction over any case relating to voluntary prayer in any public school or public building; to the Committee on the Judiciary.

H.R. 409. A bill to provide reduced rates for nonprofit senior citizens organizations; to the Committee on Post Office and Civil Service.

H.R. 410. A bill to amend title 39 of the United States Code to provide for door delivery of mail to the physically handicapped, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 411. A bill to amend title 38, United States Code, to provide that monthly annuity payments under the Railroad Retirement Act of 1974 shall not be included as income for the purpose of determining eligibility for or the amount of certain veterans' pension and dependency and indemnity compensation benefits; to the Committee on Veterans' Affairs.

H.R. 412. A bill to amend title 38 of the United States Code to remove the time limitation within which programs of education for veterans must be completed; to the Committee on Veterans' Affairs.

H.R. 413. A bill to amend title 38, United States Code, to require that burials be permitted in national cemeteries on weekends and holidays; to the Committee on Veterans Affairs.

H.R. 414. A bill to amend title II of the Social Security Act to provide that an individual's entitlement to benefits thereunder shall continue through the month of his or her death (without affecting any other person's entitlement to benefits for that month), in order to provide such individual's family with assistance in meeting the extra death-related expenses; to the Committee on Ways and Means.

H.R. 415. A bill to amend title II of the Social Security Act to provide that widow's insurance benefits shall be payable at age 50, without actuarial reduction and without regard to disability; to the Committee on Ways and Means.

H.R. 416. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 417. A bill to amend title 10 of the United States Code to permit senior Reserve officers' training programs to be established at public community colleges; to the Committee on Armed Services.

H.R. 418. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

H.R. 419. A bill to amend the tax laws of the United States to encourage the preservation of independent local newspapers; to the Committee on Ways and Means.

H.R. 420. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for contributions for the construction or maintenance of buildings housing fraternal organizations; to the Committee on Ways and Means.

H.R. 421. A bill to amend the Internal Revenue Code of 1954 to increase to $6,000 the exclusion from taxable gifts made during a calendar year by a donor to a person; to the Committee on Ways and Means.

H.R. 422. A bill to amend the Internal Revenue Code of 1954 to provide that the requirement that unemployment compensation be reduced by certain retirement benefits will not apply to social security and railroad retirement benefits; to the Committee on Ways and Means.

H.R. 423. A bill to amend the Internal Revenue Code of 1954 to increase the accumulated earnings credit, to increase the amount of used equipment eligible for the investment tax credit, and to allow certain small businesses to use the cash method of accounting without regard to inventories; to the Committee on Ways and Means.

H.R. 424. A bill to amend the Internal Revenue Code of 1954 to increase to $1,200 the personal income tax exemptions of taxpayer (including the exemption for a spouse, the exemptions for dependents, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

H.R. 425. A bill to amend the Internal Revenue Code of 1954 to provide that an individual may deduct amounts paid for his higher education, or for the higher education of any of his dependents; to the Committee on Ways and Means.

H.R. 426. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

H.R. 427. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

H.R. 428. A bill to amend the Internal Revenue Code of 1954 to provide to individuals who have attained the age of 62 a refundable credit against income tax for increases in real property taxes and utility bills; to the Committee on Ways and Means.

H.R. 429. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for amounts paid by an individual for dependent care services to enable him to perform volunteer services for certain organizations; to the Committee on Ways and Means.

H.R. 430. A bill to amend the Internal Revenue Code of 1954 to allow handicapped individuals a deduction for certain transportation expenses; to the Committee on Ways and Means.

H.R. 431. A bill to amend the Internal Revenue Code of 1954 to exempt farmers from the highway use tax on heavy trucks used for farm purposes; to the Committee on Ways and Means.

H.R. 432. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

H.R. 433. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

H.R. 434. A bill to require authorizations of new budget authority for Government programs at least every 6 years; to provide for review of Government programs every 6 years, and for other purposes; to the Committee on Rules.

H.R. 435. A bill to extend from 5 to 10 years the period during which individuals becoming eligible for Government pensions may qualify for an exemption from the pension offset provisions of the Social Security Act; to the Committee on Ways and Means.

H.R. 436. A bill to amend title 10, United States Code, to allow supplies under the control of departments and agencies within the Department of Defense to be transferred to the Federal Emergency Management Agency as if it were within the De-

partment of Defense and to amend the Federal Civil Defense Act of 1950 to authorize the Federal Emergency Management Agency to loan to State and local governments property transferred to such agency from other Federal agencies as excess property; jointly; to the Committees on Armed Services, and Government Operations.

H.R. 437. A bill to amend the Social Security Act to provide for inclusion of the services of licensed practical nurses under medicare and medicaid; jointly, to the Committees on Ways and Means, and Energy and Commerce.

H.R. 438. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurses under medicare and medicaid; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 439. A bill to amend title XVIII of the Social Security Act to require the continued application of the nursing salary cost differential which is presently allowed in determining the reasonable cost of inpatient nursing care for purposes of reimbursement to providers under the medicare program; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 440. A bill to amend part B of title XI of the Social Security Act to assure appropriate participation by professional registered nurses in the peer review, and related activities authorized thereunder; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 441. A bill to amend the Social Security Act to provide for the payment of services by psychologists, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 442. A bill to provide a 3-year residency requirement for aliens receiving supplemental security income benefits and to require every alien admitted for permanent residence to have a sponsor who will contract to support him for 3 years, or to have other means of support; jointly, to the Committees on Ways and Means and the Judiciary.

By Mr. RICHMOND:

H.R. 443. A bill to amend the Federal Hazardous Substances Act to establish labeling requirements applicable to substances which cause chronic health side effects, and for other purposes; to the Committee on Energy and Commerce.

H.R. 444. A bill to amend the Internal Revenue Code of 1954 to remove certain limitations in the case of charitable contributions of literary, musical, or artistic compositions, or similar property; to the Committee on Ways and Means.

H.R. 445. A bill to amend the Internal Revenue Code of 1954 to provide that the executor may elect to disregard, in the valuation for estate tax purposes of certain items created by the decedent during his life, any amount which would not have been capital gain if such item had been sold by the decedent at its fair market value; to the Committee on Ways and Means.

By Mr. ROBINSON:

H.R. 446. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities; to the Committee on Education and Labor.

H.R. 447. A bill to amend the National Labor Relations act to provide for a freedom of choice in labor relations for full-time and part-time secondary and college students by exempting them from compulsory union membership, and for other purposes; to the Committee on Education and Labor.

H.R. 448. A bill to limit U.S. contributions to the United Nations; to the Committee on Foreign Affairs.

H.R. 449. A bill to establish the authorized area of Shenandoah National Park; to the Committee on Interior and Insular Affairs.

H.R. 450. A bill to amend section 1951, title 18, United States Code, act of July 3, 1946; to the Committee on the Judiciary.

H.R. 451. A bill to provide for the exclusion from the United States of aliens affiliated with terrorist organizations, to require investigations of registered agents of such organizations, and for other purposes; to the Committee on the Judiciary.

H.R. 452. A bill relating to collective-bargaining representation of postal employees; to the Committee on Post Office and Civil Service,

H.R. 453. A bill to amend the Small Business Emergency Relief Act to provide for emergency relief for small business concerns in connection with fixed-price Government contracts for the lease of real property; to the Committee on Small Business.

H.R. 454. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

H.R. 455. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest and to prohibit the imposition of a penalty for failure to pay tax on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

H.R. 456. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

H.R. 457. A bill to provide for congressional review of all regulations relating to costs and expenditures for health care, reimbursements to individuals or providers of health care, and for other purposes; jointly, to the Committees on Energy and Commerce, Ways and Means and Rules.

H.R. 458. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. ROTH:

H.R. 459. A bill entitled "Domestic Crime Control and Prevention Act"; to the Committee on the Judiciary.

By Mr. ROE:

H.R. 460. A bill to correct inequities in the termination and renewal of franchises, to protect franchisees from unfair practices, to protect franchisors and franchisees from actions inconsistent with the successful operation of franchises, to provide consumers with the benefits which result from a competitive and open market economy, and for other purposes; to the Committee on Energy and Commerce.

H.R. 461. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest and to prohibit the imposition of a penalty for failure to pay tax on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

H.R. 462. A bill to amend the Equal Credit Opportunity Act to prohibit discrimination against any applicant for credit on the basis of the geographical location of the applicant's residence; to the Committee on Banking, Finance and Urban Affairs.

H.R. 463. A bill to amend the Federal Food, Drug, and Cosmetic Act and the Fair Packaging and Labeling Act and to otherwise require the labels on foods and food products to disclose all of their ingredients and any changes in their ingredients, their nutritional content, accurate weight data, storage information, their manufacturers, packers, and distributors, and their unit prices and to provide for uniform product grading and prohibit misleading brand names; to the Committee on Energy and Commerce.

H.R. 464. A bill to provide for the safeguarding of taxpayer rights, and for other purposes; to the Committee on Ways and Means.

H.R. 465. A bill to correct inequities in the relationship between sales representatives and their principals, and for other purposes; to the Committee on Energy and Commerce.

H.R. 466. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit of $250 to an individual for expenditures for health insurance premiums; to the Committee on Ways and Means.

H.R. 467. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption where a taxpayer, his spouse, or any dependent of the taxpayer is handicapped; to the Committee on Ways and Means.

H.R. 468. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $10,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

H.R. 469. A bill to amend the Internal Revenue Code of 1954 to exclude from the gross income of individuals who have attained the age of 62 $3,000 of interest received during any taxable year; to the Committee on Ways and Means.

H.R. 470. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 471. A bill to amend title XVI of the Social Security Act to direct the Secretary, in determining the extent to which the value of an individual's home is excludable for purposes of establishing his or her eligibility for supplemental security income benefits, to take into account regional variations in the market prices of homes and to make periodic adjustments reflecting changes in land and home values; to the Committee on Ways and Means.

H.R. 472. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to taxpayers who contribute the right to use certain real property to charitable organizations for outpatient geriatric clinics or for multipurpose senior centers; to the Committee on Ways and Means.

H.R. 473. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

H.R. 474. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individ-

uals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 475. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the annual gift tax exclusion from $3,000 to $6,000; to the Committee on Ways and Means.

H.R. 476. A bill to amend the Internal Revenue Code of 1954 to provide that the standard mileage rate for use of a passenger automobile which may be used in computing the charitable contribution deduction shall be the same as the standard mileage rate which may be used in computing the business expense deduction; to the Committee on Ways and Means.

H.R. 477. A bill to amend the Internal Revenue Code of 1954 to restore the deduction for State and local taxes on gasoline and other motor fuels and to allow the deduction for such taxes without regard to whether the taxpayer itemizes other deductions; to the Committee on Ways and Means.

H.R. 478. A bill to eliminate the offset against social security benefits in the case of spouses and surviving spouses receiving certain Government pensions; to the Committee on Ways and Means.

H.R. 479. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to reduce social security taxes and apply the proceeds thereof exclusively to the financing of the old-age, survivors, and disability insurance program, with the medicare program being hereafter financed from general revenues (earmarking a portion of Federal income tax receipts for that purpose) rather than through the imposition of employment and self-employment taxes as at present; to the Committee on Ways and Means.

H.R. 480. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Ways and Means.

H.R. 481. A bill to amend the Internal Revenue Code of 1954 to provide that severance pay resulting from a plant closing shall be subject to tax at reduced rates; to the Committee on Ways and Means.

H.R. 482. A bill to amend the Internal Revenue Code of 1954 to provide individuals a credit against income tax for amounts paid or incurred by the taxpayer for alterations to his principal residence in order to make such residence more suitable for handicapped family members; to the Committee on Ways and Means.

H.R. 483. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for one-third of the amount of certain local wage taxes paid by individuals who are not residents of the local governmental area; to the Committee on Ways and Means.

H.R. 484. A bill to amend the Internal Revenue Code of 1954 to clarify the tax exemption for interest on obligations of volunteer fire departments; to the Committee on Ways and Means.

H.R. 485. A bill to amend the Internal Revenue Code of 1954 to allow a refundable tax credit for amounts paid for increases in electricity under automatic fuel adjustment clauses as a result of the shutdown of the nuclear generating facilities; to the Committee on Ways and Means.

H.R. 486. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses of elementary and secondary education; to the Committee on Ways and Means.

H.R. 487. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

H.R. 488. A bill relating to tax treatment of qualified dividend reinvestment plans; to the Committee on Ways and Means.

H.R. 489. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for State and local public utility taxes; to the Committee on Ways and Means.

H.R. 490. A bill to amend the Internal Revenue Code of 1954 to treat permanently and totally disabled individuals in the same way as individuals who have attained the age of 55 for purposes of the one-time exclusion of gain from the sale of a principal residence; to the Committee on Ways and Means.

H.R. 491. A bill to amend section 411 of the Higher Education Act of 1965 to exclude from eligibility calculations for basic grants the value of a family's residence; to the Committee on Education and Labor.

H.R. 492. A bill to amend the Home Owners' Loan Act of 1933 to provide that a Federal savings and loan association may not offer a renegotiable rate mortgage to any person unless such association also offers such person a standard mortgage instrument; to the Committee on Banking, Finance and Urban Affairs.

H.R. 493. A bill to stimulate research and development aimed at the production of gasohol as an alternative energy source by establishing national demonstration facilities for the conversion of garbage and other solid wastes into fuels, to be constructed by the Secretary of Energy under the Federal Nonnuclear Energy Research and Development Act of 1974; to the Committee on Science and Technology.

H.R. 494. A bill to provide for a Council of Oil Importing Nations, and for other purposes; to the Committee on Foreign Affairs.

H.R. 495. A bill to provide for an accelerated program of wind energy research, development, and demonstration, to be carried out by the Department of Energy with the support of the National Aeronautics and Space Administration and other Federal agencies; to the Committee on Science and Technology.

H.R. 496. A bill to amend the Clean Air Act to promote the use of alcohol as a motor vehicle fuel and as an additive to motor vehicle fuels, and for other purposes; to the Committee on Energy and Commerce.

H.R. 497. A bill to provide for a research, development, and evaluation program to determine the feasibility of collecting in space solar energy to be transmitted to Earth and to generate electricity for domestic purposes; to the Committee on Science and Technology.

H.R. 498. A bill to provide that the Federal Government shall assume 100 per centum of all Federal, State, and local welfare costs; to the Committee on Ways and Means.

H.R. 499. A bill to provide that the U.S. District Court for the Judicial District of New Jersey shall be held at Paterson, N.J., in addition to those places currently provided by law; to the Committee on the Judiciary.

H.R. 500. A bill to amend the Congressional Budget Act to require the Congressional Budget Office, for every bill or resolution reported in the House or Senate, to prepare and submit (along with its regular estimate of the Federal cost involved) an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution; to the Committee on Rules.

By Mr. GEPHARDT (for himself and Mr. CONABLE):

H.R. 501. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

By Mr. ROE:

H.R. 502. A bill to establish as a part of the Rules of the House of Representatives and the Senate a procedure for the periodic congressional review of Federal programs and tax expenditures, and to improve legislative oversight of Federal activities and regulatory programs; to the Committee on Rules.

H.R. 503. A bill to amend the Older Americans Act and the Public Health Service Act to provide expanded counseling assistance for the elderly sick and disabled; to the Committee on Education and Labor.

H.R. 504. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Energy and Commerce, and Ways Means.

H.R. 505. A bill to amend title XVIII of the Social Security Act to include, as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; jointly, to the Committees on Energy and Commerce, and Ways Means.

H.R. 506. A bill to permit the introduction or delivery for introduction of laetrile into interstate commerce without the approval of a new drug application under the Federal Food, Drug, and Cosmetic Act; to the Committee on Energy and Commerce.

H.R. 507. A bill to amend the Public Health Service Act to provide for the control of vitiligo; to the Energy and Commerce.

By Mr. KASTENMEIER:

H.R. 508. A bill to promote competition in the production of coal, uranium, and geothermal power; to the Committee on the Judiciary.

H.R. 509. A bill to establish a Federal Oil and Gas Corporation; jointly, to the Committees on Energy and Commerce, Interior and Insular Affairs, and Science and Technology.

By Mr. ROE:

H.R. 510. A bill to amend title XVI of the Social Security Act to provide that the income and resources of parents shall not be attributed to their children (for purposes of determining the eligibility of such children for supplemental security income benefits) in certain cases where the payment of such benefits is necessary to enable the parents to provide disability-related home care without which the children would require continued institutionalization; to the Committee on Ways and Means.

H.R. 511. A bill to establish a commission to hear, determine, and pay claims against the United States for money damages for the injuries to individuals who contracted the Guillain-Barre Syndrome after receiving immunizations under the national swine flu immunization program, and for other purposes; to the Committee on the Judiciary.

H.R. 512. A bill directing the President to take certain actions with respect to any country which engages in certain hostile actions against property of the United States or U.S. officers or employees assigned to duty abroad; to the Committee on Foreign Affairs.

H.R. 513. A bill to amend the Export Administration Act of 1969 to improve the administration of export controls by assigning to the Secretary of Defense the primary responsibility for identifying the types of technologies and goods which shall be controlled for national security purposes; by providing for a comprehensive and continuing review of export controls with a view to strengthening controls over exports of critical technologies and goods while facilitating exports of any technologies and goods which will not significantly adversely affect the national security of the United States; and by providing for congressional oversight of such exports; and for other purposes; jointly, to the Committees on Foreign Affairs and Armed Services.

H.R. 514. A bill to amend title 38, United States Code, to establish a Court of Veterans' Appeals and to prescribe its jurisdiction and functions; to the Committee on Veterans' Affairs.

H.R. 515. A bill to amend title 38 of the United States Code in order to provide mortgage protection life insurance to certain veterans unable to acquire commercial life insurance because of service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 516. A bill to amend title 38, United States Code, to provide that agricultural employment required for eligibility for educational assistance under the GI bill for a person enrolled in a farm cooperative program need not be full-time employment or the principal expected source of income of such person and may include employment in establishments engaged in the processing, distribution, or sale of agricultural products; to the Committee on Veterans' Affairs.

H.R. 517. A bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the uniformed services to receive compensation concurrently with retired pay, without deduction from either; to the Committee on Veterans' Affairs.

H.R. 518. A bill to amend title 38, United States Code, to promote the care and treatment of veterans in State veterans' homes; to the Committee on Veterans' Affairs.

H.R. 519. A bill to amend title 38, United States Code, to provide for the payment of service pensions to veterans of World War I and the surviving spouses and children of such veterans; to the Committee on Veterans' Affairs.

H.R. 520. A bill to amend title 38, United States Code, to eliminate the time period in which a veteran has to use his educational benefits; to the Committee on Veterans' Affairs.

H.R. 521. A bill to extend the eligibility of certain persons for educational benefits under the GI bill; to the Committee on Veterans' Affairs.

H.R. 522. A bill to amend title 38 of the United States Code in order to authorize the Administrator of Veterans' Affairs to make scholarship grants to individuals attending medical schools on the condition that such individuals will serve in Veterans' Administration facilities for a certain period of time upon completion of professional training, and for other purposes; to the Committee of Veterans' Affairs.

H.R. 523. A bill to amend title 38, United States Code, to waive the 1-year limitation on claims for compensation from the Veterans' Administration for disabilities and diseases incurred in or aggravated by military service in the case of claims by veterans who served in Southeast Asia during the Vietnam era for compensation for disabilities resulting from exposure to the phenoxy herbicide known as agent orange or other phenoxy herbicides; to the Committee on Veterans' Affairs.

H.R. 524. A bill to amend title 10, United States Code, to raise to 45 the maximum age at which an individual may receive an original appointment as a commissioned officer of the Armed Forces; to the Committee on Armed Services.

H.R. 525. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights; to the Committee on the Judiciary.

H.R. 526. A bill to amend chapter 44 of title 18 of the United States Code to extend the mandatory penalty feature of the prohibition against the use of firearms in Federal felonies, and for other purposes; to the Committee on the Judiciary.

H.R. 527. A bill to amend title 18, United States Code, to increase the term of imprisonment for certain offenses relating to carrying or using firearms, to eliminate eligibility for parole with respect to such term, and to require that such term be served before and consecutively to any related sentence of imprisonment; to the Committee on the Judiciary.

H.R. 528. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to add a requirement that the comprehensive State plan include provisions for attention to the special problems of prevention, treatment, and other aspects of crimes against the elderly; to the Committee on the Judiciary.

H.R. 529. A bill to amend the Flammable Fabrics Act to prohibit the manufacture for sale in commerce of articles of interior furnishing intended for use in any public facility unless such articles conform with requirements established by the Consumer Product Safety Commission designed to make such articles fire resistant; to the Committee on Energy and Commerce.

H.R. 530. A bill to amend the Federal Aviation Act of 1958, relating to aircraft piracy, to provide a method for combating terrorism, and for other purposes; jointly to the Committees on Public Works and Transportation, the Judiciary, and Foreign Affairs.

H.R. 531. A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that States reduce the amount of unemployment compensation payable for any week by the amount of certain retirement benefits; to the Committee on Ways and Means.

H.R. 532. A bill to provide income tax incentives for the modification of certain facilities so as to remove architectural and transportational barriers to the handicapped and elderly; to the Committee on Ways and Means.

H.R. 533. A bill to increase alternatives to institutionalization for senior citizens; jointly, to the Committees on Energy and Commerce and Ways and Means.

H.R. 534. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

H.R. 535. A bill to amend title II of the Social Security Act to provide in certain cases for an exchange of credits between the old-age, survivors, and disability insurance system and the civil service retirement system so as to enable individuals who have coverage under both systems to obtain maximum benefits based on their combined service; to the Committee on Ways and Means.

H.R. 536. A bill to amend the Older Americans Act of 1965 to provide that the Commissioner of the Administration on Aging may make grants to assist older persons adversely affected by natural disasters, and for other purposes; to the Committee on Education and Labor.

H.R. 537. A bill to amend various laws relating to civil rights to extend their protection to the elderly, and for other purposes; to the Committee on the Judiciary.

H.R. 538. A bill to amend title II of the Social Security Act to provide that the widow's or widower's insurance benefits to which a disabled individual becomes entitled before attaining age 60 shall not be less than the amount (71½ percent of the deceased spouse's primary insurance amount) to which they would have been reduced if the first month of such entitlement had been the month in which such individual attained that age; to the Committee on Ways and Means.

H.R. 539. A bill to amend title II of the Social Security Act to provide that upon the death of one member of a married couple the surviving spouse or surviving divorced spouse shall automatically inherit the deceased spouse's earnings credits to the extent that such credits were earned during the period of their marriage; to the Committee on Ways and Means.

H.R. 540. A bill to amend title II of the Social Security Act to provide that a divorced spouse may qualify for benefits on the basis of a marriage which lasted for as few as 5 years (instead of only on the basis of a marriage which lasted for 10 or more years as at present) in the case of certain late-life divorces; to the Committee on Ways and Means.

H.R. 541. A bill to amend title II of the Social Security Act to provide that a husband and wife may elect to split their earnings for social security purposes upon the retirement of either or both of them, or upon their divorce, and to equalize the benefits payable to a retired worker and his or her spouse (on such worker's wage record) if they have not so elected; to the Committee on Ways and Means.

H.R. 542. A bill to amend title II of the Social Security Act to provide for the payment of a transition benefit to the spouse of an insured individual upon such individual's death if such spouse has attained age 50 and is not otherwise immediately eligible for benefits; to the Committee on Ways and Means.

H.R. 543. A bill to amend title II of the Social Security Act to provide that the combined earnings of a husband and wife during the period of their marriage shall be divided equally and shared between them for benefit purposes, so as to recognize the economic contribution of each spouse to the marriage and assure that each spouse will have social security protection in his or her own right; to the Committee on Ways and Means.

H.R. 544. A bill to amend title II of the Social Security Act to reaffirm the fact that

benefits payable thereunder are exempt from all taxation; to the Committee on Ways and Means.

H.R. 545. A bill to amend title XVIII of the Social Security Act to provide for the enforcement of standards relating to the rights of patients in certain medical facilities; jointly, to the Committees on Ways and Means, and Energy and Commerce.

H.R. 546. A bill to amend title XIX of the Social Security Act to permit States to establish flexible income contribution and resource standards for couples in which one spouse is in a nursing home; to the Committee on Energy and Commerce.

H.R. 547. A bill to establish a program to promote the utilization of spinoffs from space technology in meeting the needs and alleviating the suffering of the elderly; to the Committee on Science and Technology.

H.R. 548. A bill to amend title 38, United States Code, to provide that remarriage of the surviving spouse of a veteran after age 60 shall not result in termination of dependency and indemnity compensation; to the Committee on Veterans' Affairs.

H.R. 549. A bill to establish within the Department of Health and Human Services a Home Health Clearinghouse to provide elderly persons with a single place where they can obtain complete information on the Federal home health programs available to them; to the Committee on Energy and Commerce.

H.R. 550. A bill to establish a program of drug benefits for the aged; to establish a Drug Benefits Council and other appropriate management controls to provide for the efficient administration of such program; and to require the conducting of certain studies and experiments, to enhance the capability of the Secretary of Health and Human Services to administer such program, and for other purposes; to the Committee on Energy and Commerce.

H.R. 551. A bill to amend title 38 of the United States Code in order to waive the payment of premiums for National Life Insurance by certain persons who have attained age 70; to the Committee on Veterans' Affairs.

H.R. 552. A bill to direct the Secretary of Health and Human Services to provide Federal minimum standards for health insurance for the elderly, and to amend title XVIII of the Social Security Act for the purpose of directing the Secretary to study methods of further improving the regulation of health insurance for the elderly and to evaluate methods by which the medicare program could more fully meet the health insurance needs of the elderly; jointly, to the Committees on Ways and Means, and Energy and Commerce.

H.R. 553. A bill to further amend the Older Americans Act of 1965, as amended, to establish a program under which institutions of higher education may receive grants to defray 55 percent of the tuition costs of older persons attending such institutions on a tuition-free basis, and for other purposes; to the Committee on Education and Labor.

H.R. 554. A bill to amend title II of the Social Security Act to increase from $255 to $750 the lump sum death payment which will be made in the case of an insured individual who dies leaving a relatively small estate; to the Committee on Ways and Means.

H.R. 555. A bill to provide for an accelerated program for the recovery of energy from municipal wastes, and for other purposes; jointly, to the Committees on Science and Technology and Energy and Commerce.

By Mr. ROE (for himself, Mr. HOLLENBECK, and Mr. RICHMOND):

H.R. 556. A bill to establish a National Center of Alternative Research; to develop and coordinate alternative methods of research and testing which do not involve the use of live animals; to develop training programs in the use of alternative methods of research and testing which do not involve the use of live animals; to eliminate or minimize the duplication of experiments on live animals; to disseminate information on such methods; and for other purposes; jointly, to the Committees on Energy and Commerce and Science and Technology.

By Mr. ROE:

H.R. 557. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for the cutting and removal of corns, warts, and calluses, and the reduction of club nails; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 558. A bill to amend title 5, United States Code, to entitle Civil Air Patrol Cadets 18 years of age and older to compensation available to Civil Air Patrol senior members in the event of disability or death, and to increase the level of compensation available to both; to the Committee on Education and Labor.

H.R. 559. A bill to amend the Commodity Credit Corporation Charter Act to create within the Commodity Credit Corporation a national grain board, to provide the highest possible prices in foreign markets for American agricultural producers, to provide price and supply stability in domestic markets, and for other purposes; jointly, to the Committees on Agriculture and Foreign Affairs.

H.R. 560. A bill to provide for the termination of the Interim Convention on the Conservation of North Pacific Fur Seals of February 9, 1957, to prohibit the taking of seals in the Pribilof Islands, and for other purposes; jointly, to the Committees on Foreign Affairs, Merchant Marine and Fisheries, and Interior and Insular Affairs.

H.R. 561. A bill to establish an Interagency Committee on Arson Control to coordinate Federal antiarson programs, to amend various provisions of the law relating to programs for arson investigation, prevention, and detection, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, and the Judiciary.

H.R. 562. A bill to create a national system of health security; jointly to the Committees on Energy and Commerce, and Ways and Means.

H.R. 563. A bill to provide that all petroleum imported into the United States after September 1, 1981, shall not be available for purchase other than by the Government of the United States; jointly, to the Committees on Energy and Commerce and Ways and Means.

H.R. 564. A bill to establish a Space Industrialization Corporation to promote, encourage, and assist in the development of new products, processes, and industries using the properties of the space environment; jointly, to the Committees on Banking, Finance and Urban Affairs and Science and Technology.

H.R. 565. A bill to require business concerns which undertake changes of operations to give notice to the Secretary of Labor, and to affected labor organizations, employees, and local governments; to require business concerns to provide assistance to employees who suffer an employment loss caused by changes of operations, to authorize the Secretary of Labor to provide assistance to such business concerns, and to such affected employees and local governments; and for other purposes; jointly, to the Committees on Education and Labor and Banking, Finance and Urban Affairs.

By Mr. ROTH:

H.R. 566. A bill authorizing to provide for the filing of tariffs by common carriers by water in the foreign commerce of the United States; to the Committee on Merchant Marine and Fisheries.

H.R. 567. A bill relating to the treatment of certain annuity contracts; to the Committee on Ways and Means.

H.R. 568. A bill to amend the Internal Revenue Code of 1954 to increase the unified credit against estate and gift taxes so that estates under $500,000 will not be subject to estate tax and to increase the gift tax exclusion from $3,000 to $6,000; to the Committee on Ways and Means.

By Mr. ROYBAL:

H.R. 569. A bill to amend section 8 of the United States Housing Act of 1937 for the purpose of reducing the amount of rent required to be paid by elderly families residing in dwelling units assisted by Federal contributions authorized by such section; to the Committee on Banking, Finance and Urban Affairs.

H.R. 570. A bill to provide that elderly persons residing in dwelling units receiving Federal assistance shall be provided with certain rights in the lease agreements between the elderly persons and the owners of the units; to the Committee on Banking, Finance and Urban Affairs.

H.R. 571. A bill to amend the National Housing Act and other acts for the purpose of providing assistance for outpatient geriatric clinics and for multipurpose senior centers, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 572. A bill to provide for the inclusion of emergency power equipment in federally assisted multifamily housing facilities which are designed for occupancy in whole or substantial part by the elderly, and to authorize Federal loans to finance the provision of such equipment for those facilities; to the Committee on Banking, Finance and Urban Affairs.

H.R. 573. A bill to provide assistance and coordination in the provision of child-care services for children living in homes with working parents, and for other purposes; to the Committee on Education and Labor.

H.R. 574. A bill to amend the Education of the Handicapped Act to provide tutorial and related instructional services for homebound children through the employment of college students, particularly veterans and other students who themselves are handicapped; to the Committee on Education and Labor.

H.R. 575. A bill to amend the Community Services Act of 1974 to permit the Director of Community Services Administration to furnish assistance for the installation of security devices in the residences of elderly persons; to the Committee on Education and Labor.

H.R. 576. A bill to amend the Older Americans Act of 1965 to provide assistance for the installation of security devices in the residences of elderly persons; to the Committee on Education and Labor.

H.R. 577. A bill to provide expanded counseling assistance for the elderly sick and disabled; to the Committee on Education and Labor.

H.R. 578. A bill to provide for the monthly publication of a Consumer Price Index for the Elderly and to provide for studies to be made with regard to utilizing such index in determining cost-of-living adjustments authorized in certain Federal programs for individuals who are at least 62 years of age; to the Committee on Education and Labor.

H.R. 579. A bill to establish an Office of Spanish-Speaking Affairs in the Executive Office of the President, and for other purposes; to the Committee on Government Operations.

H.R. 580. A bill to provide for payment by the United States for certain medical services and treatment provided to United States citizens and permanent residents suffering from physical injuries attributable to the atomic bomb explosions on Hiroshima and Nagasaki, Japan, in August 1945; to the Committee on the Judiciary.

H.R. 581. A bill to provide for grants to States for the payment of compensation to certain elderly individuals who are injured by criminal acts and omissions or who suffer property loss as a result of certain criminal acts and omissions, and for other purposes; to the Committee on the Judiciary.

H.R. 582. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

H.R. 583. A bill to amend the Legal Services Corporation Act to provide legal assistance to older persons in connection with their participation in certain health insurance and medical assistance programs under the Social Security Act; to the Committee on the Judiciary.

H.R. 584. A bill to amend title 5, United States Code, to include as creditable service for civil service retirement purposes service as an enrollee of the Civilian Conservation Corps, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 585. A bill to require that each executive department regularly publish certain statistics relating to Americans of Spanish origin or descent; to the Committee on Post Office and Civil Service.

H.R. 586. A bill to amend the Small Business Act to increase to $110,000 the amount of a borrower's disaster loans eligible for a 3 per centum interest rate; to the Committee on Small Business.

H.R. 587. A bill to amend the Second Liberty Bond Act to provide that individuals age 65 or older who purchase certain U.S. savings bonds shall be paid a rate of interest which is 2 per centum higher than the rate of inflation; to the Committee on Ways and Means.

H.R. 588. A bill to amend the Internal Revenue Code of 1954 to provide that certain rentals to members of the taxpayer's family will not be treated as personal use by the taxpayer for purposes of the disallowance of certain expenses in connection with the business use of homes, rental of vacation homes, et cetera; to the Committee on Ways and Means.

H.R. 589. A bill to amend title II of the Social Security Act to increase to $10,000 in the case of an individual under age 65, and to $15,000 in the case of an individual age 65 or over, the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

H.R. 590. A bill to amend title XVI of the Social Security Act to provide for the payment of a special housing allowance to each recipient of supplemental security income benefits whose housing expenses exceed an amount equal to 25 per centum of his or her income, so as to reduce such expenses to that amount; to the Committee on Ways and Means.

H.R. 591. A bill to amend title XX of the Social Security Act to include among the services eligible for Federal assistance under such title the installation of devices to promote the security of the elderly in their homes; to the Committee on Ways and Means.

H.R. 592. A bill to amend the Internal Revenue Code of 1954 to make permanent law the deduction for expenditures to remove architectural and transportation barriers to the handicapped and elderly; to the Committee on Ways and Means.

H.R. 593. A bill to amend the Social Security Act to make certain that recipients of supplemental security income benefits, recipients of social services, recipients of aid to families with dependent children, and recipients of aid or assistance under certain other Federal and federally assisted programs will not have the amount of such benefits, services, aid, or assistance reduced because of increases in monthly social security benefits; and to provide that cost-of-living increases in annuity, pension, retirement, disability, or other employment-related benefits being paid to an individual under a public program, occurring after such individual's initial entitlement to such benefits, shall not be included in such individual's income in determining his or her eligibility for supplemental security income benefits; to the Committee on Ways and Means.

H.R. 594. A bill to authorize the Secretary of Housing and Urban Development to encourage and assist in the development on a demonstration basis of several carefully planned projects to meet the special healthcare and related needs of elderly persons in a campus-type setting; jointly, to the Committees on Banking, Finance and Urban Affairs, and Energy and Commerce.

H.R. 595. A bill to establish a Commission on a North American Economic Alliance; jointly, to the Committees on Foreign Affairs, and Ways and Means.

H.R. 596. A bill to amend title XVIII of the Social Security Act to include hearing aids and dentures among the items and services for which payment may be made under the supplementary medical insurance program; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 597. A bill to amend titles XVIII and XIX of the Social Security Act to include services of licensed (registered) nurses, physician extenders, and nurse practitioners among the services for which payment may be made under the medicare and medicaid programs; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. ROYBAL (for himself and Mr. WAXMAN):

H.R. 598. A bill to establish an Office of Federal Audio-Visual Policy within the Office of Management and Budget, and for other purposes; to the Committee on Government Operations.

By Mr. ROUSSELOT:

H.R. 599. A bill to amend the Federal Mine Safety and Health Act of 1977 to provide that the provisions of such act shall not apply to stone mining operations, sand and gravel mining operations, or certain surface construction operations; to the Committee on Education and Labor.

H.R. 600. A bill to repeal the Emergency Petroleum Allocation Act; to the Committee on Energy and Commerce.

H.R. 601. A bill to amend title 39, United States Code, to eliminate certain provisions relating to private carriage of letters, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 602. A bill to amend the Internal Revenue Code of 1954 to provide for automatic cost-of-living adjustments in the income tax and withholding rates; to the Committee on Ways and Means.

H.R. 603. A bill to amend sections 46(f) and 167(l) of the Internal Revenue Code of 1954 regarding the treatment of public utility property and to provide a transitional rule with respect thereto; to the Committee on Ways and Means.

H.R. 604. A bill to amend the Internal Revenue Code of 1954 to provide that the investment tax credit shall be allowable with respect to certain small boilers fueled by oil or gas; to the Committee on Ways and Means.

H.R. 605. A bill to amend the Internal Revenue Code of 1954 to provide that the investment tax credit for energy property shall apply to certain property which is at least 10 percent more efficient than the property replaced; to the Committee on Ways and Means.

H.R. 606. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

H.R. 607. A bill to amend the Internal Revenue Code of 1954 to allow individuals under age 55 to elect the one-time exclusion of gain from sale of principal residence; to the Committee on Ways and Means.

H.R. 608. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $10,000 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

H.R. 609. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $5,000 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

H.R. 610. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $2,000 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

H.R. 611. A bill to amend the Internal Revenue Code of 1954 to cut in half the capital gains tax on the sale of certain stocks and bonds of qualified small corporations; to the Committee on Ways and Means.

H.R. 612. A bill to amend the Internal Revenue Code of 1954 to repeal the provisions requiring withholding of tax on certain gambling winnings; to the Committee on Ways and Means.

H.R. 613. A bill to amend the Internal Revenue Code of 1954 and for other purposes; to the Committee on Ways and Means.

H.R. 614. A bill to repeal the earnings limitation of the Social Security Act; to the Committee on Ways and Means.

H.R. 615. A bill to amend title XI of the Social Security Act to repeal the provision for the establishment of professional standards review organizations to review services covered under the medicare and medicaid programs; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. ROUSSELOT (for himself and Mr. HANSEN of Idaho):

H.R. 616. A bill to repeal the Occupational Safety and Health Act; to the Committee on Education and Labor.

By Mr. ROUSSELOT (for himself and Mr. LEWIS):

H.R. 617. A bill to amend the Internal Revenue Code of 1954 to provide for a definition of the term "artificial bait"; to the Committee on Ways and Means.

By Mr. SHUMWAY:

H.R. 618. A bill to convey certain interests in public lands to the city of Angels, Calif.; to the Committee on Interior and Insular Affairs.

H.R. 619. A bill to amend the Immigration and Nationality Act to facilitate the admission of aliens for temporary agricultural employment; to the Committee on the Judiciary.

H.R. 620. A bill to amend the Immigration and Nationality Act to provide for labor certification on an areawide, rather than on a countrywide, basis for admittance of temporary agricultural laborers; to the Committee on the Judiciary.

H.R. 621. A bill to amend the Internal Revenue Code of 1954 to provide for equipment which conserves irrigation water an additional 10 percent investment tax credit and an election to depreciate such equipment based on a 3-year useful life; to the Committee on Ways and Means.

H.R. 622. A bill to amend the Internal Revenue Code of 1954 to repeal the estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Ways and Means.

H.R. 623. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. SMITH of Iowa:

H.R. 624. A bill to provide family farmers and others with timely information concerning export sales of certain agricultural commodities; to the Committee on Agriculture.

H.R. 625. A bill to amend the United States Grain Standards Act for the purpose of expanding foreign trade by improving and maintaining the quality of grain shipped from an export elevator at an export port location; to the Committee on Agriculture.

H.R. 626. A bill to repeal the 1976 Official Standards for Grades of Carcass Beef; to the Committee on Agriculture.

H.R. 627. A bill to authorize loans for study at nonprofit institutions of higher education; to the Committee on Education and Labor.

H.R. 628. A bill to amend section 403 of the Federal Food, Drug, and Cosmetic Act to require that foods intended for human consumption be labeled to show the amount of sodium and potassium they contain; to the Committee on Energy and Commerce.

H.R. 629. A bill to require the consideration of environmental and other factors, and the stockpiling and replacement of soil on all public works projects and highway and other projects which are federally assisted, on federally held land, and on projects which affect commerce among the States, or the general welfare and quality of life of the Nation; jointly, to the Committees on Agriculture and Public Works and Transportation.

H.R. 630. A bill to clarify the eligibility of certain small businesses for loans under the Small Business Act, to aid, protect, and preserve small businesses in meat production and marketing, and for other purposes; jointly, to the Committees on Agriculture and Small Business.

H.R. 631. A bill to amend the Small Business Act to assist and protect small businesses and to protect small businesses against unreasonable use of economic power by major meatpacking companies, and for other purposes; jointly, to the Committees on Agriculture and Small Business.

By Mr. SNYDER:

H.R. 632. A bill to establish the Falls of the Ohio Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.

By Mr. SOLOMON:

H.R. 633. A bill to provide that rates of pay for Members of Congress shall not be subject to adjustment under the Federal Salary Act of 1967 or subject to any other automatic adjustment; to the Committee on Post Office and Civil Service.

H.R. 634. A bill to amend the Internal Revenue Code of 1954 to provide individuals a limited exclusion from gross income for interest on deposits in certain savings institutions; to the Committee on Ways and Means.

H.R. 635. A bill to amend title II of the Social Security Act to make it clear that social security benefits are and will continue to be exempt from all taxation; to the Committee on Ways and Means.

By Mr. TRIBLE (for himself, Mr. WHITEHURST, Mr. ROBINSON, Mr. BUTLER, Mr. ROBERT W. DANIEL, JR., Mr. BLILEY, Mr. WOLF, Mr. WAMPLER, Mr. PARRIS, and Mr. DAN DANIEL):

H.R. 636. A bill to provide for dredging of Hampton Roads Harbor and Channels, Virginia; to the Committee on Public Works and Transportation.

By Mr. WALKER:

H.R. 637. A bill to amend the Food Stamp Act of 1977 to authorize the States to establish eligibility standards for participation in the food stamp program and benefit levels under such program, and for other purposes; to the Committee on Agriculture.

By Mr. WAMPLER:

H.R. 638. A bill to establish the National Science Council to decide questions of scientific fact which arise in agency adjudications involving restricting the use of certain substances which are primarily used in food production, processing, or marketing and which may be harmful to human health, and for other purposes; jointly, to the Committees on Agriculture, Energy and Commerce, and Science and Technology.

By Mr. WEAVER:

H.R. 639. A bill to prohibit the export of unprocessed timber harvested from lands owned by the United States located west of the hundredth meridian and in the continental United States, and for other purposes; jointly, to the Committees on Agriculture, Foreign Affairs and Interior and Insular Affairs.

By Mr. WHITEHURST:

H.R. 640. A bill to amend chapter 55 of title 10, United States Code, to authorize the provision of medical and dental care to surviving spouses of members and certain former members of the uniformed services who are not remarried; to the Committee on Armed Services.

H.R. 641. A bill to provide a basic allowance for quarters for certain members of the armed services while on field or sea duty; to the Committee on Armed Services.

H.R. 642. A bill to establish a National Zoological Foundation; to the Committee on Merchant Marine and Fisheries.

H.R. 643. A bill to modify the navigation project for Lynnhaven inlet, bay, and connecting waters, Virginia; to the Committee on Public Works and Transportation.

H.R. 644. A bill to amend title 38, United States Code, to provide that remarriage of the surviving spouse of a veteran after age 60 shall not result in termination of dependency and indemnity compensation; to the Committee on Veterans Affairs.

H.R. 645. A bill to amend the Internal Revenue Code of 1954 to provide taxsaving incentives for savings accounts established for the purpose of purchasing a home; to the Committee on Ways and Means.

H.R. 646. A bill to amend the Internal Revenue Code of 1954 to provide for individual supplemental retirement savings; to the Committee on Ways and Means.

H.R. 647. A bill to terminate the Department of Energy; jointly, to the Committees on Government Operations, and Rules.

By Mr. WYLIE:

H.R. 648. A bill to amend the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or economic necessity declared by the Congress; jointly, to the Committees on Government Operations, and Rules.

H.R. 649. A bill to amend the Congressional Budget Act of 1974 to limit the total of all Federal expenditures and outlays to 2 per centum of gross national product after September 30, 1983, except in time of war or economic necessity declared by the Congress; jointly to the Committees on Government Operations, and Rules.

H.R. 650. A bill to amend the Congressional Budget Act of 1974 to set a maximum percentage of 7 per centum by which Federal expenditures and new budget authority could increase from any one fiscal year to the next fiscal year, except in time of war or in time of economic necessity declared by Congress; jointly, to the Committees on Government Operations, and Rules.

By Mr. YATES:

H.R. 651. A bill to amend title 42, United States Code, chapter 7, subchapter II to reduce from 10 to 5 years the length of time a divorced woman's marriage to an insured individual must have lasted in order for her to qualify for wife's or widow's benefits on his wage record; to the Committee on the Judiciary.

H.R. 652. A bill to prohibit the importation, manufacture, sale, purchase, transfer, receipt, or transportation of handguns, in any manner affecting interstate or foreign commerce, except for or by members of the Armed Forces, law enforcement officials, and, as authorized by the Secretary of the Treasury, licensed importers, manufacturers, dealers, and pistol clubs; to the Committee on the Judiciary.

H.R. 653. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; to the Committee on Ways and Means.

By Mr. PICKLE:

H.R. 654. A bill relating to tax treatment of qualified dividend reinvestment plans; to the Committee on Ways and Means.

By Mr. YATES:

H.R. 655. A bill to encourage increased use of public transit systems by amending chapter 1 of title 26, United States Code, to allow a credit against individual income taxes for funds expended by a taxpayer for payment of public transit fares from his or her residence to his or her place of employment and

from his or her place of employment to his or her residence; to the Committee on Ways and Means.

H.R. 656. A bill to amend chapter 1 of title 26, United States Code, to allow a deduction to tenants of houses or apartments for their proportionate share of the taxes and interest paid by their landlords; to the Committee on Ways and Means.

H.R. 657. A bill to reduce until the close of June 30, 1983, the rate of duty on certain woven fabrics of wool; to the Committee on Ways and Means.

By Mr. ZEFERETTI:

H.R. 658. A bill to provide assistance for the construction, acquisition, and renovation of State and local prison facilities, and for other purposes; to the Committee on the Judiciary.

H.R. 659. A bill to amend title XX of the Social Security Act to increase the entitlement ceiling, and for other purposes; to the Committee on Ways and Means.

H.R. 660. A bill to amend the Tariff Schedules of the United States to repeal the special tariff treatment accorded to articles assembled abroad with components produced in the United States; to the Committee on Ways and Means.

By Mr. BROOKS:

H.J. Res. 1. Joint resolution proposing an amendment to the Constitution of the United States to provide for single 6-year terms for the President and Vice President, and to repeal the 22d article of amendment to the Constitution; to the Committee on the Judiciary.

By Mr. COLEMAN (for himself, Mr. BADHAM, Mr. BLILEY, Mr. BROWN of Colorado, Mr. BURGENER, Mr. CAMPBELL, Mr. COLLINS of Texas, Mr. CORCORAN, Mr. DANIEL B. CRANE, Mr. ROBERT W. DANIEL, JR., Mr. DERWINSKI, Mr. DORNAN of California, Mr. DUNCAN, Mr. EDWARDS of Oklahoma, Mr. EMERSON, Mr. FORSYTHE, Mr. HARTNETT, Mr. HUBBARD, Mr. JEFFRIES, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LEE, Mr. LUJAN, Mr. LUNGREN, MS. MARTIN of Illinois, Mr. MONTGOMERY, Mr. NICHOLS, Mr. ROBERTS, Mr. SIMON, Mr. SPENCE, Mr. WALKER, Mr. WHITTAKER, and Mr. YATRON):

H.J. Res. 2. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. NEAL:

H.J. Res. 3. Joint resolution proposing an amendment to the Constitution of the United States to provide that, except in cases of war or other grave national emergency as determined by the Congress, expenditures of the United States in each fiscal year shall not exceed 20 percent of the gross national product for the preceding calendar year, and expenditures of the United States in each fiscal year shall not exceed revenues of the United States for that fiscal year; to the Committee on the Judiciary.

By Mr. McCLORY:

H.J. Res. 4. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget, the limitation of expenditures, and the reduction of the public debt; to the Committee on the Judiciary.

By Mr. ALBOSTA:

H.J. Res. 5. Joint resolution authorizing the President to enter into negotiations with foreign governments to limit the importation of automobiles and trucks into the United States; to the Committee on Ways and Means.

By Mr. ANNUNZIO (for himself and Mr. MCCLORY):

H.J. Res. 6. Joint resolution recognizing the State of Illinois and the city of Chicago as hosts in 1992 of the official quincentennial celebration of the discovery of America; to the Committee on Post Office and Civil Service.

By Mr. APPLEGATE:

H.J. Res. 7. Joint resolution proposing that a Presidential commission be established to study full implications of compliance with the Clean Air Act, as amended, and adjusting the criteria that is used in monitoring air quality; to the Committee on Energy and Commerce.

H.J. Res. 8. Joint resolution proposing an amendment to the Constitution of the United States to limit the terms of office of the judges of the Supreme and inferior courts; to the Committee on the Judiciary.

By Mr. ARCHER:

H.J. Res. 9. Joint resolution proposing an amendment to the Constitution of the United States requiring the submission of balanced Federal funds budgets by the President and action by the Congress to provide revenues to offset Federal funds deficits; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H.J. Res. 10. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. ASHBROOK:

H.J. Res. 11. Joint resolution proposing an amendment to the Constitution of the United States to provide that total taxation by the Federal Government of the people of the United States shall not exceed 15 percent of the gross national product, and to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

H.J. Res. 12. Joint resolution proposing an amendment to the Constitution of the United States to provide a new procedure for the election of the President and Vice President; to the Committee on the Judiciary.

H.J. Res 13. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right to life to the unborn; to the Committee on the Judiciary.

By Mr. BAFALIS (for himself, Mr. BURGENER, Mr. PHILIP M. CRANE, Mr. ROUSSELOT, Mr. LOTT, Mr. HYDE, Mr. YOUNG of Florida, Mr. COLLINS of Texas, Mr. MOORE, Mr. MARTIN of North Carolina, Mr. DUNCAN, Mr. WALKER, Mrs. HOLT, Mr. BEARD, Mr. BUTLER, Mr. GUYER, Mr. EVANS of Delaware, Mr. HANSEN of Idaho, Mr. SAM B. HALL, JR., Mr. EDWARDS of Oklahoma, Mr. LAGOMARSINO, Mr. SPENCE, Mr. MOTTL, Mr. SHUSTER, Mr. YOUNG of Alaska, and Mr. LOEFFLER):

H.J. Res 14. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. ASHBROOK:

H.J. Res 15. Joint resolution proposing an amendment to the Constitution of the United States relative to force and effect of treaties; to the Committee on the Judiciary.

H.J. Res 16. Joint resolution proposing an amendment to the Constitution of the United States relative to freedom from forced assignment to schools or jobs because of race, creed, or color; to the Committee on the Judiciary.

H.J. Res 17. Joint resolution proposing an amendment to the Constitution to permit the imposition and carrying out of the death penalty in certain cases; to the Committee on the Judiciary.

H.J. Res. 18. Joint resolution to establish a Joint Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. BENNETT:

H.J. Res. 19. Joint resolution proposing an amendment to the Constitution to provide that, except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year; to the Committee on the Judiciary.

H.J. Res. 20. Joint resolution proposing an amendment to the Constitution to provide for the direct election of the President and the Vice President and to authorize Congress to establish procedures relating to the nomination of Presidential and Vice-Presidential candidates; to the Committee on the Judiciary.

H.J. Res. 21. Joint resolution proposing an amendment to the Constitution of the United States allowing an item veto in appropriations; to the Committee on the Judiciary.

H.J. Res. 22. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling attendance in schools other than the one nearest the residence and to insure equal educational opportunities for all students wherever located; to the Committee on the Judiciary.

By Mr. ROUSSELOT (for himself, Mr. MCDONALD, Mr. PAUL, Mr. ASHBROOK, and Mr. COLLINS of Texas):

H.J. Res. 23. Joint resolution proposing an amendment to the Constitution of the United States relative to abolishing personal income, estate, and gift taxes and prohibiting the U.S. Government from engaging in business in competition with its citizens; to the Committee on the Judiciary.

By Mr. DE LA GARZA:

H.J. Res. 24. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

H.J. Res. 25. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations shall not exceed revenues of the United States, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. DUNCAN:

H.J. Res. 26. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. EMERSON:

H.J. Res. 27. Joint resolution proposing an amendment to the Constitution of the

United States with respect to the right to life; to the Committee on the Judiciary.

H.J. Res. 28. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling the attendance of a student in a public school other than the public school nearest the residence of such student; to the Committee on the Judiciary.

By Mr. FUQUA:

H.J. Res. 29. Joint resolution proposing an amendment to the Constitution of the United States to establish a new procedure for the election of the President and Vice President; to the Committee on the Judiciary.

H.J. Res. 30. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

H.J. Res. 31. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. GUYER:

H.J. Res. 32. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life to the unborn; to the Committee on the Judiciary.

By Mr. JACOBS:

H.J. Res. 33. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. GUYER:

H.J. Res. 34. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

H.J. Res. 35. Joint resolution proposing an amendment to the Constitution of the United States for the purpose of limiting the power of Congress to tax; to the Committee on the Judiciary.

H.J. Res. 36. Joint resolution proposing an amendment to the Constitution of the United States to provide that total taxation by the Federal Government of the people of the United States shall not exceed 15 percent of the gross national product, and to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. HANSEN of Idaho:

H.J. Res. 37. Joint resolution to establish a select committee for the implementation of interparliamentary relations between the legislatures of the Government of Iran and the Government of the United States; jointly to the Committees on Foreign Affairs and Rules.

H.J. Res. 38. Joint resolution proposing an amendment to the Constitution of the United States allowing the District of Columbia and the territories and possessions of the United States to have Representatives in the House of Representatives; to the Committee on the Judiciary.

H.J. Res. 39. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

H.J. Res. 40. Joint resolution proposing an amendment to the Constitution of the United States to provide that total taxation by the Federal Government of the people of the United States shall not exceed 15 percent of the gross national product, and to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

H.J. Res. 41. Joint resolution proposing an amendment to the Constitution of the United States to provide that the level of total outlays of the United States for any fiscal year shall not exceed the level of total receipts of the United States for such fiscal year and for the disposition of unanticipated deficits; to the Committee on the Judiciary.

H.J. Res. 42. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 43. Joint resolution proposing an amendment to the Constitution to protect the people of the United States against excessive governmental burdens and unsound fiscal and monetary policies by limiting total outlays of the Government; to the Committee on the Judiciary.

By Mrs. HOLT:

H.J. Res. 44. Joint resolution proposing an amendment to the Constitution of the United States for the purpose of limiting the power of Congress to tax; to the Committee on the Judiciary.

H.J. Res. 45. Joint resolution to amend the Constitution of the United States to require a balanced Federal budget; to the Committee on the Judiciary.

H.J. Res. 46. Joint resolution proposing an amendment to the Constitution of the United States relative to neighborhood schools; to the Committee on the Judiciary.

H.J. Res. 47. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. HORTON:

H.J. Res. 48. Joint resolution to authorize the President to issue annually a proclamation designating November 7 of each year as "National Teenager Day"; to the Committee on Post Office and Civil Service.

By Mr. HYDE:

H.J. Res. 49. Joint resolution proposing an amendment to the Constitution of the United States providing that all persons shall have the right to be free from discrimination; to the Committee on the Judiciary.

H.J. Res. 50. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life to the unborn; to the Committee on the Judiciary.

By Mr. JACOBS:

H.J. Res. 51. Joint resolution proposing an amendment to the Constitution of the United States to limit service by Representatives, Senators, and Federal judges; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.J. Res. 52. Joint resolution proposing an amendment to the Constitution of the United States relating to the election of the President and Vice President; to the Committee on the Judiciary.

By Mr. LATTA:

H.J. Res. 53. Joint resolution proposing an amendment to the Constitution to prohibit the Congress from making any law which would cause the total amount of the expenditures by the United States in any fiscal year to exceed the total amount of revenues received during that fiscal year, and which would require the Congress to provide a reasonable sum of money in each fiscal year to be applied on the repayment of the national debt; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.J. Res. 54. Joint resolution proposing an amendment to the Constitution of the United States to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or economic necessity declared by the Congress; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. MOORHEAD:

H.J. Res. 55. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on Judiciary.

By Mr. MOTTL (for himself and Mr. BAFALIS):

H.J. Res. 56. Joint resolution proposing an amendment to the Constitution of the United States under which the courts of the United States may not assign any person to any school on the basis of race, religion, or national origin; to the Committee on the Judiciary.

By Mr. QUILLEN:

H.J. Res. 57. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or threat of war as determined by the Congress; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. RAILSBACK:

H.J. Res. 58. Joint resolution proposing an amendment to the Constitution to protect the people of the United States against excessive governmental burdens and unsound fiscal and monetary policies by limiting the total outlays of the Government; to the Committee on the Judiciary.

By Mr. ROBINSON:

H.J. Res. 59. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 60. Joint resolution proposing an amendment to the Constitution relating to the continuance in office of judges of the Supreme Court and of inferior courts; to the Committee on the Judiciary.

H.J. Res. 61. Joint resolution to proclaim June 4, 1981, as "Jack Jouett Day"; to the Committee on Post Office and Civil Service.

By Mr. RHODES:

H.J. Res. 62. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. ROE:

H.J. Res. 63. Joint resolution to proclaim March 20, 1981 as "National Agriculture

Day"; to the Committee on the Post Office and Civil Service.

By Mr. ROUSSELOT:

H.J. Res. 64. Joint resolution proposing an amendment to the Constitution of the United States requiring a review by the Congress of each rule and regulation issued to carry out any law and allowing the Congress to approve, modify, or disapprove such rules or regulation; to the Committee on the Judiciary.

By Mr. SHUMWAY:

H.J. Res. 65. Joint resolution proposing an amendment to the Constitution of the United States providing for staggered 4-year terms for Representatives, for a limitation on the number of terms a person may serve in the House of Representatives or the Senate, and for other purposes; to the Committee on the Judiciary.

By Mr. SOLOMON:

H.J. Res. 66. Joint resolution proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of the Congress if the level of outlays exceeds the level of revenues; to the Committee on the Judiciary.

H.J. Res. 67. Joint resolution proposing an amendment to the Constitution of the United States with respect to the proposal and the enactment of laws by popular vote of the people of the United States; to the Committee on the Judiciary.

By Mr. WHITEHURST:

H.J. Res. 68. Joint resolution designating September 5, 1981, as "Battle off the Virginia Capes Day"; to the Committee on Post Office and Civil Service.

By Mr. WYLIE:

H.J. Res. 69. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. SMITH of Iowa:

H.J. Res. 70. Joint resolution proposing an amendment to the Constitution of the United States relating to the nomination of individuals for election to the offices of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. NEAL (for himself and Mr. ROBERT W. DANIEL, JR.):

H. Con. Res. 1. Concurrent resolution declaring the sense of Congress regarding periods of silence in the public schools; jointly, to the Committees on the Judiciary and Education and Labor.

By Mr. ANDERSON:

H. Con. Res. 2. Concurrent resolution to express the thanks of the Congress of the United States to those persons who, during the period of October 4 through 6, 1980, directly participated in the rescuing of 510 people onboard the burning passenger vessel *Prinsendam* off the coast of Alaska; to the Committee on Merchant Marine and Fisheries.

By Mr. ANNUNZIO:

H. Con. Res. 3. Concurrent resolution expressing the sense of the Congress relating to films and broadcasts which defame, stereotype, ridicule, demean, or degrade ethnic, racial, and religious groups; to the Committee on Energy and Commerce.

By Mr. ASHBROOK:

H. Con. Res. 4. Concurrent resolution to reiterate that the Congress has not delegated to the Federal Trade Commission any authority to preempt the laws of the States and their political subdivisions; to the Committee on Energy and Commerce.

H. Con. Res. 5. Concurrent resolution expressing the sense of the Congress with respect to the Baltic States; to the Committee on Foreign Affairs.

H. Con. Res. 6. Concurrent resolution to uphold the separation of powers between the executive and legislative branches of Government in the termination of treaties; to the Committee on Foreign Affairs.

By Mr. FISH:

H. Con. Res. 7. Concurrent resolution expressing the sense of the Congress that all nuclear weapons in the world should be eliminated; jointly, to the Committees on Armed Services and Foreign Affairs.

By Mr. FUQUA:

H. Con. Res. 8. Concurrent resolution to collect overdue debts; to the Committee on Foreign Affairs.

By Mr. HANSEN of Idaho:

H. Con. Res. 9. Concurrent resolution expressing the sense of the Congress that the Congress should immediately hold hearings and conduct an investigation to find facts necessary for the release of the American hostages in Iran; to the Committee on Foreign Affairs.

H. Con. Res. 10. Concurrent resolution to authorize participation in an interparliamentary meeting between delegates from the Congress of the United States and the Parliament of the Islamic Republic of Iran to discuss matters of concern to the people of both nations, including, but not limited to, the steps necessary to bring about the release of American diplomatic personnel and others detained by militant elements within the country of Iran; to the Committee on Foreign Affairs.

H. Con. Res. 11. Concurrent resolution expressing the sense of the Congress that the U.S. Postal Service should not reduce the frequency of mail delivery service; to the Committee on Post Office and Civil Service.

By Mrs. HOLT:

H. Con. Res. 12. Concurrent resolution to collect overdue debts; to the Committee on Foreign Affairs.

H. Con. Res. 13. Concurrent resolution declaring the sense of Congress regarding periods of silence in the public schools; jointly, to the Committees on the Judiciary, and Education and Labor.

By Mr. HORTON:

H. Con. Res. 14. Concurrent resolution requesting the President of the United States to seek the release of Yuriy Skukhevych; to the Committee on Foreign Affairs.

By Mr. LONG of Maryland:

H. Con. Res. 15. Concurrent resolution expressing the sense of Congress with respect to periods of silence (for private prayer, meditation, contemplation, or introspection) in public schools; jointly, to the Committees on Education and Labor, and the Judiciary.

H. Con. Res. 16. Concurrent resolution stating the intent of the Congress that social security benefits payable to prison inmates be surrendered to defray the current costs to the taxpayer of supporting prisoners in penal institutions as well as supporting their dependents on public assistance; to the Committee on Ways and Means.

By Mr. RAILSBACK:

H. Con. Res. 17. Concurrent resolution declaring the sense of Congress regarding periods of silence in the public schools; jointly, to the Committees on Education and Labor and the Judiciary.

By Mr. ROE:

H. Con. Res. 18. Concurrent resolution urging a moratorium on the commercial killing of whales; to the Committee on Foreign Affairs.

H. Con. Res. 19. Concurrent resolution expressing the sense of the Congress with respect to the strategic importance of Israel to the United States; to the Committee on Foreign Affairs.

H. Con. Res. 20. Concurrent resolution urging the President to attempt to bring about the establishment of an international food cartel involving the major food-exporting countries which would use export prices for food commodities as a bargaining tool in negotiations with the Organization of Petroleum Exporting Countries for reasonable oil prices; to the Committee on Foreign Affairs.

H. Con. Res. 21. Concurrent resolution expressing the sense of the Congress that the United States should recognize Jerusalem as the capital of Israel, and that the U.S. Embassy in Israel should be relocated to Jerusalem; to the Committee on Foreign Affairs.

H. Con. Res. 22. Concurrent resolution expressing the sense of the Congress that April 22, 1981, should be celebrated as "Earth Day, 1981"; to the Committee on Post Office and Civil Service.

By Mr. APPLEGATE:

H. Res. 10. Resolution to express the sense of the House of Representatives that the United States of America should establish and actively and immediately pursue a national energy plan that emphasizes and demands the use of domestic coal as a means of displacing current foreign energy imports, and for other purposes; to the Committee on Energy and Commerce.

By Mr. ARCHER (for himself, Mr. PETRI, Mr. COLLINS of Texas, Mr. KEMP, Mrs. HOLT, Mr. JEFFRIES, Mr. CORCORAN, Mr. HUBBARD, Mr. SOLOMON, Mr. DORNAN of California, Mr. JACOBS, Mr. EDWARDS of Oklahoma, Mr. ROBERT W. DANIEL, JR., Mr. GRAMM, Mr. WINN. Mr. ROBINSON, Mr. WHITEHURST, Mr. BURGENER, and Mr. GREGG):

H. Res. 11. Resolution expressing the sense of the House that the Congress should limit legislative branch appropriations for the 97th Congress to not more than 90 percent of such appropriations for the 96th Congress; to the Committee on House Administration.

By Mr. ASHBROOK:

H. Res. 12. Resolution providing for the impeachment of U.S. District Judge Frank J. Battisti; to the Committee on Judiciary.

By Mr. ZEFERETTI (for himself, Mr. BEARD, Mrs. COLLINS of Illinois, Mr. COUGHLIN, Mr. DE LA GARZA, Mr. ENGLISH, Mr. EVANS of Georgia, Mr. GILMAN, Mr. GUYER, Mr. NEAL, Mr. RAILSBACK, Mr. RANGEL, Mr. RODINO, Mr. DORNAN, and Mr. SCHEUER):

H. Res. 13. Resolution to establish the Select Committee on Narcotics Abuse and Control; to the Committee on Rules.

By Mr. ASHBROOK:

H. Res. 14. Resolution to amend the Rules of the House of Representatives to reestablish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. BENNETT:

H. Res. 15. Resolution authorizing the Committee on House Administration to acquire a suitable residence to be maintained as a home for pages employed by the House of Representatives; to the Committee on House Administration.

By Mr. GUYER:

H. Res. 16. Resolution to reaffirm the use of our national motto on currency; to the

Committee on Banking, Finance and Urban Affairs.

H. Res. 17. Resolution to amend the Rules of the House of Representatives to require that reports accompanying certain bills and joint resolutions reported by committees contain computations of the potential tax impact of such bills and resolutions on the individual taxpayer; to the Committee on Rules.

H. Res. 18. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. HANSEN of Idaho:

H. Res. 19. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mrs. HOLT:

H. Res. 20. Resolution providing for the immediate consideration of the bill—H.R. 326—to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school; to the Committee on Rules.

By Mr. HORTON:

H. Res. 21. Resolution amending clause 7 of rule XVIII of the rules of the House; to the Committee on Rules.

By Mr. JACOBS:

H. Res. 22. Resolution establishing a committee to recommend a memorial to the late Honorable Allard K. Lowenstein; to the Committee on Rules.

By Mr. MOAKLEY (for himself and Mr. BOLAND:)

H. Res. 23. Resolution to provide for the printing as a House document of tributes made to the late former Speaker John W. McCormack on the floor of the House, and for other purposes; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

[*Omitted from the Record of January 5, 1981*]

By Mr. ANDERSON:

H.R. 661. A bill for the relief of Blanca Rosa Luna de Frei; to the Committee on the Judiciary.

H.R. 662. A bill for the relief of John S. Tichenor and Pearl G. Tichenor; to the Committee on the Judiciary.

By Mr. ASHBROOK:

H.R. 663. A bill for the relief of Sgt. Garland Conner; to the Committee on the Judiciary.

By Mr. BENNETT:

H.R. 664. A bill for the relief of Earnestine Austin; to the Committee on the Judiciary.

By Mr. BOLAND:

H.R. 665. A bill for the relief of Mrs. Mae Ferris; to the Committee on the Judiciary.

By Mr. D'AMOURS:

H.R. 666. A bill for the relief of Alberto Feliciano Jentimane and Nancy Mwatindodini Jentimane, husband and wife; to the Committee on the Judiciary.

By Mr. DUNCAN:

H.R. 667. A bill for the relief of Clyde E. Petree; to the Committee on the Judiciary.

H.R. 668. A bill for the relief of Dean Alan Peden; to the Committee on the Judiciary.

H.R. 669. A bill for the relief of Camel Manufacturing Co.; to the Committee on the Judiciary.

By Mr. EDWARDS of California:

H.R. 670. A bill for the relief of Felipe Cabral, Lucrecia Cabral, Juan Cabral, Carlos Eduardo Cabral, Leticia Cabral, Maria de la Luz Cabral, and Maria Moreno Cabral; to the Committee on the Judiciary.

By Mr. FISH:

H.R. 671. A bill for the relief of Louis Rizzo; to the Committee on the Judiciary.

H.R. 672. A bill for the relief of Karen Odell Donnelly; to the Committee on the Judiciary.

By Mr. FUQUA:

H.R. 673. A bill for the relief of Michael D. Howard; to the Committee on the Judiciary.

H.R. 674. A bill for the relief of Marija Artis; to the Committee on the Judiciary.

H.R. 675. A bill for the relief of Archibald M. Withers; to the Committee on the Judiciary.

H.R. 676. A bill for the relief of Dr. R. E. Kalman; to the Committee on the Judiciary.

By Mr. GONZALEZ:

H.R. 677. A bill for the relief of Marcelo Enrile Inton; to the Committee on the Judiciary.

By Mr. HANSEN of Idaho:

H.R. 678. A bill for the relief of Walter Mario Piccirillo, Emma Piccirillo, spouse; and Mario Williams Piccirillo and Roberto Piccirillo, sons; to the Committee on the Judiciary.

H.R. 679. A bill for the relief of Amina (Mona) Abou-Bakr; to the Committee on the Judiciary.

H.R. 680. A bill for the relief of Mrs. William F. Wong; to the Committee on the Judiciary.

By Mr. HUBBARD:

H.R. 681. A bill for the relief of Dr. Jaime Bon Tiu and his wife, Eve Coo Tiu; to the Committee on the Judiciary.

H.R. 682. A bill for the relief of Emmanuel Najera Macaraeg and his wife, Aurora C. Macaraeg; to the Committee on the Judiciary.

H.R. 683. A bill for the relief of Dr. Ricardo B. Maddela and his wife, Dr. Zenaida Andaya Maddela; to the Committee on the Judiciary.

By Mr. LEHMAN:

H.R. 684. A bill for the relief of Kang Ok Boon; to the Committee on the Judiciary.

By Mr. LENT:

H.R. 685. A bill for the relief of Antonio Lopez Rodriguez; to the Committee on the Judiciary.

H.R. 686. A bill for the relief of Ana Maria Escandell; to the Committee on the Judiciary.

H.R. 687. A bill for the relief of Norman Shubinsky; to the Committee on the Judiciary.

By Mr. McCLORY:

H.R. 688. A bill for the relief of Junior Edmund Moncrieffe; to the Committee on the Judiciary.

By Mr. MONTGOMERY:

H.R. 689. A bill for the relief of Heung-Sang Chun (also known as Margret Chun); to the Committee on the Judiciary.

By Mr. NATCHER:

H.R. 690. A bill for the relief of Dr. Kok Liong Tan and his wife, Gloria Siao Tan; to the Committee on the Judiciary.

By Mr. PERKINS:

H.R. 691. A bill for the relief of Dr. Bonifacio B. Aranas, Mrs. Helen Aranas, and their children, Ethel Aranas, Eileen Aranas, Bonifacio Aranas, Jr., and Lourra Aranas; to the Committee on the Judiciary.

By Mr. SHUMWAY:

H.R. 692. A bill to provide for the exchange of certain lands within Tuolumne County, Calif.; to the Committee on Interior and Insular Affairs.

By Mr. SMITH of Iowa:

H.R. 693. A bill for the relief of Jerome J. Hartmann and Rita J. Hartmann; to the Committee on the Judiciary.

By Mr. STENHOLM:

H.R. 694. A bill for the relief of Virgilio C. Carandang (doctor of medicine) and Cecilia Tanedo Carandang; to the Committee on the Judiciary.

H.R. 695. A bill for the relief of Dr. Ricardo Mateo Rodriguez; to the Committee on the Judiciary.

H.R. 696. A bill for the relief of Dr. Vidal O. Simpao, Jr.; to the Committee on the Judiciary.

By Mr. WHITTAKER:

H.R. 697. A bill for the relief of Divyakant Chaturbhai Patel, his wife Shakuntala Divyakant Patel, and their children Darsika Patel and Preete Patel; to the Committee on the Judiciary.

H.R. 698. A bill for the relief of Indravadan Chaturbhai Patel, his wife Anjana Indravadan Patel, and their son Preeyesh I Patel; to the Committee on the Judiciary.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[*Introduced January 6, 1981*]

By Mr. BROWN of Ohio:

H.R. 699. A bill to establish a program of Federal grants to encourage the employment and training of unemployed individuals; to the Committee on Education and Labor.

H.R. 700. A bill to establish a procedure to reduce the cost of compliance with Federal rules and regulations by requiring the adoption of the most cost-effective alternative; to the Committee on the Judiciary.

H.R. 701. A bill to reduce duplicative and conflicting Federal rules or regulations, and for other purposes; to the Committee on the Judiciary.

H.R. 702. A bill to amend the Congressional Budget Act of 1974 to limit Federal outlays, over a 4-year period, to specified percentages of the projected gross national product; to the Committee on Rules.

H.R. 703. A bill to amend the Congressional Budget Act of 1974 to require the Congress to establish, for each fiscal year, a regulatory budget for each Federal agency which sets the maximum costs of compliance with all rules and regulations promulgated by that agency, and for other purposes; to the Committee on Rules.

H.R. 704. A bill to provide that adjustments to the pay of Members of the Congress based on adjustments to rates of pay under the general schedule under title 5 of the United States Code shall not take effect without the express approval by both Houses of the Congress; to the Committee on Post Office and Civil Service.

H.R. 705. A bill to provide that adjustments to the pay of Members of the Congress shall take effect at the beginning of the Congress following the Congress in which they are approved, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 706. A bill to amend title II of the Social Security Act to provide for a phasing out of the application of the earnings test in the case of individuals age 65 or over; to the Committee on Ways and Means.

H.R. 707. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions; to the Committee on Ways and Means.

H.R. 708. A bill to amend the Internal Revenue Code of 1954 to increase the amount of dividends and interest which are excluded from gross income, and for other purposes; to the Committee on Ways and Means.

H.R. 709. A bill to amend the Internal Revenue Code of 1954 to provide that the amount of depreciation deduction with respect to any property for a taxable year shall be an amount selected by the taxpayer; to the Committee on Ways and Means.

H.R. 710. A bill to amend the Internal Revenue Code of 1954 to provide a simplified cost recovery system for recovery property; to the Committee on Ways and Means.

H.R. 711. A bill to amend the Internal Revenue Code of 1954 to provide that taxpayers may elect a 12-month amortization period—in lieu of the 60-month period—for any certified pollution control facility; to the Committee on Ways and Means.

H.R. 712. A bill to amend the Internal Revenue Code of 1954 to provide for the indexing of certain assets for purposes of determining gain or loss; to the Committee on Ways and Means.

By Mr. BROWN of Ohio (for himself and Mr. ROUSSELOT):

H.R. 713. A bill to amend the Internal Revenue Code of 1954 to provide for a 50-percent maximum rate of income tax for individuals, to provide for a separate computation of such tax on personal service income and nonpersonal service income, and for other purposes; to the Committee on Ways and Means.

By Mrs. COLLINS of Illinois:

H.R. 714. A bill to permit Federal financial assistance provided by section 8 housing to be made available in Chicago, Ill., through existing Federal programs without regard to criteria which presently prohibit the use of such assistance for such purpose; to the Committee on Banking, Finance and Urban Affairs.

H.R. 715. A bill to amend section 312 of the Housing Act of 1964 for the purpose of authorizing $245,000,000 to be appropriated under such section for rehabilitation loans for fiscal year 1982; to the Committee on Banking, Finance and Urban Affairs.

H.R. 716. A bill to protect purchasers and prospective purchasers of condominium housing units, and residents of multifamily structures being converted to condominium units, by providing for the establishment of national minimum standards for condominiums—to be administered by a newly created Assistant Secretary in the Department of Housing and Urban Development—to encourage the States to establish similar standards, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 717. A bill to amend the Truth in Lending Act to require lenders to post current interest rates charged for various categories of loans to consumers; to the Committee on Banking, Finance and Urban Affairs.

H.R. 718. A bill to amend the Truth in Lending Act to prohibit discrimination on account of age in credit card transactions; to the Committee on Banking, Finance and Urban Affairs.

H.R. 719. A bill to provide that certain services under the Older Americans Act of 1965 be delivered by personnel trained in the field of aging and to encourage the development of training programs in the field of aging under the Higher Education Act of 1965; to the Committee on Education and Labor.

H.R. 720. A bill to make it an unfair practice for any retailer to increase the price of certain consumer commodities once he marks the price on any such consumer commodity, and to permit the Federal Trade Commission to order any such retailer to refund any amounts of money obtained by so increasing the price of such consumer commodity; to the Committee on Energy and Commerce.

H.R. 721. A bill to prohibit involuntary terminations by electric and natural gas utilities of service for residential heating and other residential purposes between October 15 of each year and April 14 of the following year and in cases in which such terminations present special dangers to health, and for other purposes; to the Committee on Energy and Commerce.

H.R. 722. A bill to prohibit the export of certain militarily significant items to the Republic of South Africa and to provide for notification to the Congress of the proposed issuance of a validated license for an export to the Republic of South Africa, with each House of Congress being able to prevent the issuance of any such license by adoption of a resolution of disapproval; to the Committee on Foreign Affairs.

H.R. 723. A bill to amend title 18 of the United States Code to provide penalties for assaults against the elderly that result in medical expenses paid by the United States; to the Committee on the Judiciary.

H.R. 724. A bill to amend the Immigration and Nationality Act to require that any alien who has been detained for further inquiry or who has been temporarily excluded shall have the right to be represented by counsel from the time of such detention or exclusion; and for other purposes; to the Committee on the Judiciary.

H.R. 725. A bill to amend title 5, United States Code, to require certain Federal agencies to provide to certain employees notice of procedures through which such employees may challenge actions taken against them by such agencies; to the Committee on Post Office and Civil Service.

H.R. 726. A bill to amend chapter 4 of title 23, United States Code, to authorize the Secretary of Transportation to make incentive grants to any State which uses certain information relating to auto safety devices in its procedure for the issuance of motor vehicle operating permits; to the Committee on Public Works and Transportation.

H.R. 727. A bill to amend the Internal Revenue Code of 1954 to provide an additional personal exemption for certain elderly individuals whose spouses have died; to the Committee on Ways and Means.

H.R. 728. A bill to amend part A of title XVIII of the Social Security Act to provide emergency assistance to medicare-participating hospitals to enable them to continue to provide vital medical and other health services; to the Committee on Ways and Means.

H.R. 729. A bill to amend the Public Works and Economic Development Act of 1965, as amended, to establish an emergency Federal economic assistance program, to authorize the President to declare communities of the Nation which meet certain economic and employment criteria to be economic disaster communities, and for other purposes; jointly, to the Committees on Public Works and Transportation, and Banking, Finance and Urban Affairs.

H.R. 730. A bill to provide payment for dental services under part B of the medicare program; jointly, to the Committees on Ways and Means, and Energy and Commerce.

H.R. 731. A bill to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine Papanicolaou tests for the diagnosis of uterine cancer; jointly, to the Committees on Ways and Means, and Energy and Commerce.

By Mr. COLLINS of Texas:

H.R. 732. A bill to amend the Employee Retirement Income Security Act of 1974 with respect to certain reporting and disclosure requirements; to the Committee on Education and Labor.

H.R. 733. A bill providing for the conversion of the U.S. Postal Service into a privately owned and operated entity; to the Committee on Post Office and Civil Service.

H.R. 734. A bill to reduce the number of individuals employed by the Federal Government in executive agencies in or near the District of Columbia; to the Committee on Post Office and Civil Service.

H.R. 735. A bill to establish a 10-year moratorium on the construction, alteration, acquisition, or leasing of certain buildings for use by Federal agencies in the Greater Washington area; to the Committee on Public Works and Transportation.

H.R. 736. A bill to amend the Congressional Budget Act of 1974 to assure a balanced budget by requiring that Federal expenditures be limited to Federal revenues under the congressional budget process; to the Committee on Rules.

H.R. 737. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 738. A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard, personal exemption, and depreciation deductions, and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

H.R. 739. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

H.R. 740. A bill to provide that Federal taxes may not be increased during a 4-year period; to the Committee on Ways and Means.

H.R. 741. A bill to prohibit permanently the issuance of regulations on the taxation of fringe benefits; to the Committee on Ways and Means.

H.R. 742. A bill to prescribe the conditions with respect to affirmative action programs required of Federal grantees and contractors in complying with nondiscrimination programs, to prescribe the necessary requirements for a finding of discrimination in certain actions brought on the basis of discrimination in employment and to prescribe reasonable limits on the collection of

data relating to race, color, religion, sex, or national origin, and for other purposes; jointly, to the Committees on the Judiciary, and Education and Labor.

By Mr. CONABLE:

H.R. 743. A bill to reinstate the tax treatment with respect to annuity contracts with reserves based on a segregated asset account as they existed prior to issuance of revenue ruling 77-85; to the Committee on Ways and Means.

By Mr. D'AMOURS:

H.R. 744. A bill to prohibit any State from imposing a tax on the income derived by any individual from services in the Federal area within such State if such individual is not a resident or domiciliary of such State; to the Committee on the Judiciary.

By Mr. DAN DANIEL:

H.R. 745. A bill to amend title 10, United States Code, to establish a policy for improved and more flexible contracting procedures for the Department of Defense, to allow the Department of Defense to use multiyear procurement contracts under less restrictive conditions, and for other purposes; to the Committee on Armed Services.

By Mr. DANIELSON:

H.R. 746. A bill to amend the Administrative Procedure Act to make regulations more cost effective, to insure periodic review of old rules, to improve regulatory planning and management, to eliminate needless formality and delay, to enhance public participation in the regulatory process, and for other purposes; to the Committee on the Judiciary.

By Mr. EDWARDS of California:

H.R. 747. A bill to amend title 38, United States Code, to extend the period of Vietnam era veterans' eligibility for readjustment counseling and related mental health services; to the Committee on Veterans' Affairs.

HR. 748. A bill to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration; and for other purposes; to the Committee on Veterans' Affairs.

H.R. 749. A bill to amend title 5 of the United States Code to increase the efficiency of Government-wide efforts to collect debts owed the United States, to require the Office of Management and Budget to establish regulations for reporting on debts owed the United States, and to provide additional procedures for the collection of debts of the United States; jointly, to the Committees on the Judiciary, and Government Operations.

By Mr. FINDLEY (for himself, Mr. HORTON, Mr. LAGOMARSINO, Mr. PRICE, and Mr. LONG of Maryland):

H.R. 750. A bill to create a body corporate known as Daughters of Union Veterans of the Civil War; to the Committee on the Judiciary.

By Mr. FISH:

H.R. 751. A bill to terminate the granting of construction licenses of nuclear fission powerplants in the United States pending action by the Congress following a comprehensive 5-year study of the nuclear fuel cycle, with particular reference to its safety and environmental hazards, to be conducted by the Office of Technology Assessment, and for other purposes; jointly, to the Committees on Energy and Commerce, Interior and Insular Affairs, and Foreign Affairs.

By Mr. GONZALEZ:

H.R. 752. A bill to amend the Internal Revenue Code of 1954 to provide tax incentives to encourage the building and rehabilitation of rental housing and low-income housing; to the Committee on Ways and Means.

H.R. 753. A bill to improve the physical security features of the motor vehicle and its parts, increase the criminal penalties of persons trafficking in stolen motor vehicles and parts, and to curtail the exportation of stolen motor vehicles and for other purposes; jointly, to the Committees on Energy and Commerce, the Judiciary, and Ways and Means.

By Mr. HANSEN of Idaho:

H.R. 754. A bill to amend title 28 of the United States Code to provide for special venue provisions in cases relating to the environment; to the Committee on the Judiciary.

By Mr. KAZEN:

H.R. 755. A bill to provide financial assistance for school construction to local educational agencies educating large numbers of immigrant children born in Mexico; jointly, to the Committees on Public Works and Transportation, and Education and Labor.

By Mr. KILDEE (for himself and Mr. BONER of Tennessee):

H.R. 756. A bill to amend title 5 of the United States Code to provide death benefits to survivors of Federal law enforcement officers and firefighters, and for other purposes; to the Committee on Education and Labor.

By Mr. KILDEE (for himself, Mr. GIBBONS, and Mr. BONER of Tennessee):

H.R. 757. A bill to amend title 5 of the United States Code to provide death benefits to survivors of Federal law enforcement officers and firefighters, and for other purposes; to the Committee on Education and Labor.

By Mr. LEVITAS:

H.R. 758. A bill to amend title 18, United States Code, to further restrict the interception of certain wire or oral communications; to the Committee on the Judiciary.

H.R. 759. A bill to provide for a study of the problems of allocating the use of airport facilities; to the Committee on Public Works and Transportation.

By Mr. LEWIS:

H.R. 760. A bill to amend title II of the Social Security Act to make it clear that social security benefits are and will continue to be exempt from all taxation; to the Committee on Ways and Means.

By Mr. McDONALD:

H.R. 761. A bill to insure the equal protection of the laws and to protect the liberty of citizens as guaranteed by the 14th amendment, by eliminating Federal court jurisdiction over forced school attendance; to the Committee on the Judiciary.

H.R. 762. A bill to prohibit the removal before January 1, 1982, of houseboats or floating cabins from water resource areas under the jurisdiction of the Corps of Engineers; to the Committee on Public Works and Transportation.

By Mr. MARLENEE:

H.R. 763. A bill to amend the Clean Air Act to permit a State legislature to contest the redesignation under such act of an area within such State by an Indian tribe, and for other purposes; to the Committee on Energy and Commerce.

H.R. 764. A bill to amend the Solid Waste Disposal Act to exempt rural communities from the prohibition on open dumping of solid waste; to the Committee on Energy and Commerce.

H.R. 765. A bill to convey certain lands and to remove certain restrictions from certain previous conveyances of lands in Custer County, Mont.; to the Committee on Interior and Insular Affairs.

H.R. 766. A bill to exempt limited amounts of oil production by independent producers from the windfall profit tax and for other purposes; to the Committee on Ways and Means.

By Ms. MIKULSKI:

H.R. 767. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for individuals who perform voluntary services for certain public service organizations; to the Committee on Ways and Means.

H.R. 768. A bill to amend the Internal Revenue Code of 1954 to provide that the standard mileage rate for use of a passenger automobile which may be used in computing the charitable contribution deduction shall be the same as the standard mileage rate which may be used in computing the business expense deduction; to the Committee on Ways and Means.

By Ms. OAKAR (for herself and Mr. PEPPER):

H.R. 769. A bill to provide financial assistance for programs for the prevention, identification, and treatment of elder abuse, neglect, and exploitation, to establish a National Center on Elder Abuse, and for other purposes; jointly, to the Committees on Education and Labor and Energy and Commerce.

By Mr. PANETTA (for himself and Mr. CLAUSEN):

H.R. 770. A bill to amend section 302(a) of the Fishery Conservation and Management Act of 1976 to create a new California Pacific Council with authority over the fisheries in the Pacific Ocean seaward of the State of California; to the Committee on Merchant Marine and Fisheries.

By Mr. QUILLEN:

H.R. 771. A bill to create a commission to grant exclusive franchises for the exploration for and the commercial development of geothermal energy and for the right to market any such energy in its natural state, and for other purposes; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. REGULA (for himself and Mr. SEIBERLING):

H.R. 772. A bill to provide for the retention of the name of Mount McKinley; to the Committee on Interior and Insular Affairs.

By Mr. REUSS:

H.R. 773. A bill to amend the Federal Reserve Act to eliminate the Federal Open Market Committee and vest its powers in the Board of Governors of the Federal Reserve System; to the Committee on Banking, Finance and Urban Affairs.

By Mr. STUDDS:

H.R. 774. A bill to amend the Uniform Time Act of 1966 to extend the period of daylight savings time in each year, and for other purposes; to the Committee on Energy and Commerce.

H.R. 775. A bill to require that State elections, within the same region of the United States, for delegates to national Presidential nominating conventions be held on the same date, and for other purposes; to the Committee on House Administration.

By Mr. TRAXLER:

H.R. 776. A bill to provide for the issuance of a postage stamp to commemorate the 150th anniversary of the birth of Dr. Samuel A. Mudd; to the Committee on Post Office and Civil Service.

By Mr. WATKINS:

H.R. 777. A bill to change the name of Clayton Lake which is an element of the flood control project for the Clayton and Tuskahoma Reservoirs, Kiamichi River, Oklahoma, to Sardis Lake; to the Committee on Public Works and Transportation.

By Mr. WINN:

H.R. 778. A bill to amend title 28 of the United States Code to provide that the clerk of each U.S. district court and U.S. bankruptcy court shall reside in the district for which he is appointed, or within 20 miles of his official station; to the Committee on the Judiciary.

By Mr. WRIGHT (for himself and Mr. STENHOLM):

H.R. 779. A bill to authorize the Secretary of the Army to contract with the Tarrant County Water Control and Improvement District No. 1 and the city of Weatherford, Tex., for the use of water supply storage in Benbrook Lake, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ZEFERETTI:

H.R. 780. A bill to amend the Congressional Budget Act to require the Congressional Budget Office, for every significant bill or resolution reported in the House or Senate, to prepare and submit an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution; to the Committee on Rules.

By Mr. ANDERSON:

H.J. Res. 71. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. ANDERSON (for himself, Mr. DANIEL B. CRANE, Mr. FARY, Mr. GOLDWATER, Mr. RUDD, Mr. RHODES, and Mr. HAMMERSCHMIDT):

H.J. Res. 72. Joint resolution to designate the week commencing with the third Monday in February of 1982 as "National Patriotism Week"; to the Committee on Post Office and Civil Service.

By Mrs. COLLINS of Illinois:

H.J. Res. 73. Joint resolution to provide for the designation of August 31, 1981, as "Working Mothers' Day"; to the Committee on Post Office and Civil Service.

H.J. Res. 74. Joint resolution to provide for the designation of September as "National Sickle Cell Month" to the Committee on Post Office and Civil Service.

By Mr. COLLINS of Texas:

H.J. Res. 75. Joint resolution proposing an amendment to the Constitution of the United States to provide for a single 6-year term of office for the President, Vice President, and Senators, and for other purposes; to the Committee on the Judiciary.

By Mr. KAZEN:

H.J. Res. 76. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying of the national debt; to the Committee on the Judiciary.

By Mr. STUDDS:

H.J. Res. 77. Joint resolution proposing an amendment to the Constitution of the United States to provide for single 6-year terms for the President and Vice President, and to repeal the 22d article of amendment to the Constitution; to the Committee on the Judiciary.

By Mr. STUDDS:

H.J. Res. 78. Joint resolution proposing an amendment to the Constitution of the United States to limit to 18 the number of years Senators and Representatives may serve; to the Committee on the Judiciary.

H.J. Res. 79. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. BROOKS:

H.J. Res. 80. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. COLLINS of Texas:

H. Con. Res. 23. Concurrent resolution expressing the sense of Congress with regard to compliance with laws relating to equal employment opportunity in the competitive service of the Federal civil service; to the Committee on Post Office and Civil Service.

By Mr. WINN:

H. Con. Res. 24. Concurrent resolution expressing the sense of the Congress with respect to the International Year of Disabled Persons; to the Committee on Foreign Affairs.

By Mr. EDWARDS of California:

H. Res. 24. Resolution expressing the sense of the House that the Board of Governors of the Federal Reserve System should immediately take steps to reduce interest rates; to the Committee on Banking, Finance and Urban Affairs.

By Mr. COLLINS of Texas:

H. Res. 25. Resolution to provide for a 50-percent reduction of the amount of funds available to, of the number of individuals employed as staff for, and of the amount of office space and number of telephone lines available for use by, any committee of the House of Representatives during the 98th Congress; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

[*Introduced January 6, 1981*]

By Mr. FROST:

H.R. 781. A bill for the relief of Bishop College; to the Committee on the Judiciary.

By Mr. HUBBARD:

H.R. 782. A bill for the relief of Dr. Javad Najafi Sani, his wife, Parvin Nahvi, and their children, Roya N. Sani and Farhad N. Sani; to the Committee on the Judiciary.

By Mr. KAZEN:

H.R. 783. A bill for the relief of Roland Karl Heinz Vogel; to the Committee on the Judiciary.

By Ms. MIKULSKI (by request):

H.R. 784. A bill for the relief of Mirza Arqueta, Griselda Arqueta, Brenda Arqueta, and Clarisa Arqueta; to the Committee on the Judiciary.

By Ms. MIKULSKI:

H.R. 785. A bill for the relief of James McColvin; to the Committee on the Judiciary.

By Ms. MIKULSKI (by request):

H.R. 786. A bill for the relief of Lagrimas Martinez and Ruiz Martinez; to the Committee on the Judiciary.

By Ms. MIKULSKI:

H.R. 787. A bill for the relief of Zeinalabedin A. Namini, his wife Nourani Namini, and their children Ramin Namini and Mahnaz Namini; to the Committee on the Judiciary.

H.R. 788. A bill for the relief of Michael Whitlock; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

KENNAN ON THE UNITED STATES AND RUSSIA

HON. GERRY E. STUDDS
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. STUDDS. Mr. Speaker, George Kennan has for more than three decades been one of America's most eloquent and farseeing experts on relations between our Nation and the Soviet Union. In a recent speech delivered in West Germany, Mr. Kennan spoke brilliantly about the almost irresistible but thoroughly irrational forces which are fueling the arms race between the superpowers at this time. His comments are logical, his thesis chilling, and I commend his words to the attention of my colleagues:

THE MOMENT A CRUCIAL ONE—A PLEA TO REPLACE ARMS WITH REASON

(By George F. Kennan)

When I glance back over these past 50 years, it seems evident that the East-West relationship has been burdened at all times by certain unique factors which lie in the very nature of the respective societies—factors, that is, that do not reflect just the policies of any given government at any given moment but rather deeply rooted, habitual and in part subconscious reactions of the respective political establishments.

I have no doubt that there are a number of habits, customs and uniformities of behavior, all deeply ingrained in the American tradition, which impede, for others, the conduct of relations with the Amerian government.

There is, for example, the extensive fragmentation of authority throughout our governmental system—a fragmentation which often makes it hard for the foreign representative to know who speaks for the American government as a whole and with whom it might be useful for him to speak. There is the absence of any collective Cabinet responsibility or indeed of any system of mutual responsibility between the executive and legislative branches of government.

When we look at the Soviet regime, we also encounter a whole series of customs and habits, equally deeply rooted historically, which also weighs heavily on the external relationships of that regime.

These, strangely enough, seem to have been inherited much less from the models of the recent Petersburg epoch than from those of the earlier Grandy Duchy of Muscovy. And they have found a remarkable reinforcement in the established traditions of Leninist Marxism itself: in its high sense of orthodoxy, its intolerance for contrary opinion, its tendency to identify ideological dissent with moral perversity, its ingrained distrust of the heretical outsider.

These then, in both cases, are what I might call the permanent complications of the East-West relationship. They place limitations on the type of peaceful coexistence that can prevail between the two worlds. Unfortunately, they have not been the only major complications to which the relationship has been subject. There have been others, less permanent, but even more serious; and it is to these that we must now turn.

The first of these and the one that marked the relationship throughout much of the 1920s and 1930s was the world-revolutionary commitment of the early Leninist regime, with its accompanying expression in rhetoric and activity.

It is true, of course, that the period of the intensive pursuit of world-revolutionary undertakings was brief. As early as 1921, aims of this nature were already ceasing to enjoy the highest priority in the policies of the Kremlin.

Their place was being taken by considerations of the self-preservation of the regime and of the agricultural and industrial development of the USSR. But the world-revolutionary rhetoric remained substantially unchanged throughout the remaining years of the 1920s and much of the 1930s; and Moscow continued throughout that period to maintain in the various Western countries small factions of local communist followers over whom it exerted the strictest discipline, whom it endeavored to use as instruments for the explication and pursuit of its own policies and whose unquestioning, loyalty it demanded even when this conflicted with any conceivable loyalty to their own governments.

So unusual were these practices, so unprecedented in modern usage and so disturbing to Western governments and publics, that they formed, the main cause for the high degree of tension and uncertainty then prevailing in the relations between Russia and the West.

The Americans, unable to accommodate themselves to the recognition that their great country was no longer defensible, threw themselves headlong into the nuclear arms race. In the U-2 episode and the Cuban missile crisis, the two great nuclear powers traded fateful mistakes further confirming each other in the conviction that in armed force, and in armed force alone, lay their only hopes of salvation.

And out of all these ingredients, including some of more recent origin, there was brewed that immensely disturbing and tragic situation in which we find ourselves today: this anxious competition in the development of new armaments; this blind dehumanization of the prospective adversary; this systematic distortion of that adversary's motivation and intentions; this steady displacement of political considerations by military ones in the calculations of statesmanship; in short, this dreadful militarization of the entire East-West relationship.

There are certain specific features of this moral and political cul-de-sac I have just described which warrant our attention.

First, it represents a basic change, as compared with the first two decades of Soviet power, in the source of East-West tensions. Gone, or largely gone, is the world-revolutionary fervor that marked the early stages of Soviet power. Gone, too, are the anxieties that fervor provoked in Western circles.

The Soviet Union is still seen as a menace, yes—but primarily as an aggressive military menace. It is not the capacity of the Kremlin for promoting social revolution in other countries that is feared and resented. Even the Soviet efforts to gain influence in the Third World are viewed primarily not from the standpoint of their possible effects on social revolution as such but from the standpoint of their effects on the world balance of military power.

Secondly, I would point out that this whole great militarization of concept about the Cold War is largely unnecessary. There is no rational reason for it. Neither side wants a third world war. Neither side sees in such a war a promising means of advancing its interests.

The West has no intention of attacking the Soviet Union. The Soviet leadership, I am satisfied, has no intention, and has never had any intention, of attacking Western Europe.

The interests of the two sides conflict, to be sure, at a number of points. Experience has proven, most unfortunately, that in smaller and more remote conflicts, where the stakes are less than total, armed force on a limited scale might still continue to play a certain role, whether we like it or not. This possibility cannot, in any case, be excluded.

The United States has used its armed forces in this manner three times since World War II: in Lebanon, in Santo Domingo and in Vietnam. The Soviet Union now does likewise in Afghanistan.

Thirdly, while this militarization of concept and behavior is thus devoid of rational basis, it is a phenomenon of the greatest conceivable seriousness and dangerousness. It is dangerous precisely because it needs no rational basis—because it feeds upon itself and provides its own momentum.

No one will understand the danger we are all in today unless he recognizes that governments in this modern world have not yet learned to cope with the compulsions that arise for them not just from an adversary's cultivation of armed force on a major scale but from their own as well.

Peoples and governments of this present age have not yet learned how to create and cultivate great military establishments, and particularly those which include weapons of mass destruction, without becoming the servants rather than the masters of that which they have created, and without resigning themselves helplessly to the compulsive forces they have thus unleashed.

The historical research with which I have recently been occupied has carried me back to the diplomacy of the European powers of a century ago; and I find these truths clearly evidenced in the record of those times, even though the terribleness of the weapons then at the disposal of great governments did not approach what we know today.

I find instances there of great powers which had no seriously conflicting interests at all—no conflicts of interest, that is, which could remotely have justified the sacrifices and miseries of a war. Yet they, too, were carried helpless along into the catastrophe of the first world war; and the force that carried them in that direction was simply the momentum of the weapons race in which they were then involved.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

This not only can happen again, it is happening.

We are all being carried along at this very moment toward a new military conflict—a conflict which could not conceivably end, for any of the parties, in anything less than disaster.

It is sobering to remember that modern history offers no example of the cultivation by rival powers of armed force on a massive scale which did not in the end lead to an outbreak of hostilities. And there is no reason to believe that our measure of control over the fateful process is any greater than that of the powers that have been caught up in it in the past.

We are not greater, or wiser, than our ancestors. It would take a measure of insight—of understanding, of restraint, of willingness to accept the minor risks in order to avoid the supreme ones—it would take a measure of these qualities greater than anything yet visible on either side to permit us to release ourselves from this terrible convulsion and to save ourselves, and others, from the catastrophe to which it is leading.

One is obliged to doubt that there could be any voice from within the societies of the two superpowers strong enough to bring about this act of self-emancipation, on which the future of civilization itself may depend. It would take a very strong voice, indeed a powerful chorus of voices, from the outside, to say to the decision makers of the two superpowers what should be said to them:

"For the love of God, of your children, and of the civilization to which you belong, cease this madness. You have a duty not just to the generation of the present—you have a duty to civilization's past, which you threaten to render meaningless, and to its future, which you threaten to render nonexistent. You are mortal men. You are capable of error. You have no right to hold in your hands—there is no one wise enough and strong enough to hold in his hands—destructive powers sufficient to put an end to civilized life on a great portion of our planet. No one should wish to hold such powers. Thrust them from you. The risks you might thereby assume are not greater—could not be greater—than those which you are now incurring for us all."

This, I repeat, is what should be said to those who pursue the nuclear weapons race. But where is the voice powerful enough to say it?

There is a very special tragedy in this weapons race. It is tragic because it created the illusion of a total conflict of interest between the two societies; and it does this at a time when their problems are in large measure really common ones.

It tends to conceal the fact that both of these societies are today confronted with new internal problems which were never envisaged in either of the ideologies that originally divided them—problems that supersede the essentially 19th-century conditions to which both of these ideologies, and Marxism in particular, were addressed.

In part I am referring to the environmental problems with which we are now all familiar; the question as to whether great industrial societies can learn to exist without polluting, exhausting, and thus destroying the natural resources essential to their very existence.

But beyond that, there are deeper problems—social and even moral and spiritual—which are coming increasingly to affect all the highly industrialized, urbanized and technologically advanced societies of this modern age. What is involved here is essentially the question as to how life is to be given an adequate meaning, how the quality of life and experience is to be assured, for the individual citizen in the highly artificial and overcomplicated social environment that modern technology has created.

The present moment is in many respects a crucial one. Not for 30 years has the political tension reached so high and dangerous a point as it has today. Not in all this time has there been so high a degree of misunderstanding, of suspicion, of bewilderment, and of sheer military fear.

We must expect that in both the Soviet Union and the United States the coming months will see extensive changes in governmental leadership. Will the new leaders be able to reverse these trends?

It will not be too late for them to make the effort to do so.

Two things, as I see it, would be necessary.

First, of course, would be the overcoming of the military fixations that now command in so high degree the reactions on both sides.

What is urgently needed is that statesmen on both sides of the line should take their military establishments in hand and insist that these should become the servants, not the masters and determinants, of political action.

On both sides, one must learn to accept the fact there is no security to be found in the quest for military superiority—that only in the reduction, not the multiplication, of the existing monstrous arsenals can the true security of any nation be found.

But beyond this, when it comes to the more normal and permanent problems of foreign policy, both of the superpowers could serve the cause of peace by developing a bit more humility in their view of themselves and of their relationship to their world environment, particularly the Third World.

Both could take better account of the bitterness of their own domestic problems, and of the need for overcoming some of these problems before indulging themselves in dreams of external grandeur and world leadership.●

BIAGGI INVITES MEMBERS TO JOIN AD HOC CONGRESSIONAL COMMITTEE FOR IRISH AFFAIRS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. BIAGGI. Mr. Speaker, as we begin the 97th Congress, I wish to take this occasion to invite all Members to join the ad hoc Congressional Committee for Irish Affairs.

The committee was established on September 27, 1977, following a direct request by the then-president of the Ancient Order of Hibernians, Jack Keane. The AOH, the oldest and largest of Irish-American organizations, asked me to create and chair the committee because of my longstanding concern about peace and justice in the North.

In the 96th Congress, our membership was comprised of 132 Members of both parties. In our history, we have sought to focus new attention on the overall Irish question. We feel we have succeeded in raising the issue from relative obscurity to one which commands national and international attention.

Our main objectives revolve around trying to make a positive contribution to the process which will lead to peace, justice, and human rights for Ireland. We do not seek to propose or impose any solutions upon the people of Ireland, but neither do we want to permit the perpetuation of a political vacuum which prohibits movement toward peace.

The ad hoc committee, in the strongest possible terms, condemns the use of violence. We deplore all civilian and official violence. Our members have been critical of both forms. The ad hoc committee seeks a restoration of all human rights for the people of Ireland and is strongly opposed to any U.S. assistance being provided which can restrict human rights. In July 1979, our committee spearheaded the effort which led to an August 1979 decision by the Department of State to suspend all future U.S. arms shipments to the Royal Ulster Constabulary, the main police force of Northern Ireland. Our effort was a result of a January 1979 sale of 3,500 rifles to the RUC which was approved by the Department of State. This sale was agreed to despite the fact that the RUC had been cited on repeated occasions for human rights violations. This suspension is now entering its 17th month and we will closely monitor developments with the new administration to insure it is honored until such time as an overall review is completed and reforms are implemented by the British Government.

The ad hoc committee enjoys the active support of leading Irish-American organizations including the Ancient Order of Hibernians and the Irish National Caucus. I urge Members to join this important organization and thus demonstrate your commitment to the cause of peace in Northern Ireland.●

REINTRODUCING THE MOTOR VEHICLE THEFT PREVENTION ACT

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. GONZALEZ. Mr. Speaker, I am reintroducing a bill that is vitally needed to help decrease the enormous number of auto thefts in our Nation each year. This bill, known as the Motor Vehicle Theft Prevention Act of 1981 was reported out of the Com-

merce Committee late in the last Congress and unfortunately was unable to be considered in the House before the 96th Congress adjourned. However, I am hopeful that this measure can receive action early in this session.

In my hometown of San Antonio there are about 3,700 vehicles stolen each year, and the number nationwide is close to 1 million. In terms of dollar figures the loss to the victimized owners and taxpayers amount to $4 billion a year. These figures indicate that while some of the thievery is done by joyriding teenagers a large portion of auto theft is done by an organized business run by professionals.

I believe that my bill is one of the answers to the auto theft problem because it would require better identification of vehicle parts and a vast number of vehicles are stolen for parts. This is why the recovery rate for stolen vehicles is so poor; there is usually nothing left to recover.

At the present time vehicle identification numbers are attached only to engines and transmissions. Professional thieves normally junk these parts because they can be traced and they deal in parts which cannot be identified such as doors, hoods, fenders, frames, trunk lids, and deck lids.

The bill I am proposing also makes it a crime to remove, alter, or obliterate a marked part, sets up new penalties for trafficking in stolen vehicles and parts, and makes auto theft rings subject to the Federal racketeering laws.

At the present time there is no Federal law that prohibits the export of stolen vehicles or parts. My bill makes this act a Federal offense. Because of the location of San Antonio this is a very important feature as the number of stolen vehicles that end up across the border is large and growing. My bill would give the Federal authorities the power that they need to investigate and take action against the professional thieves who are finding a market for these stolen autos and parts in Mexico.

It is important to remember that auto theft ends up costing everyone, not just the victim. The ever-increasing trend in professional auto theft has led to higher insurance premiums for many, especially for those who live in high auto theft areas.

I believe that my bill is a big step in the direction of reducing auto theft in our Nation and I urge the Members to support my efforts in this regard.●

LET'S LAY DOWN LAW TO SOVIETS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. MICHEL. Mr. Speaker, it would seem apparent that we are going to see a change of attitude on the part of our Government toward the Soviet Union approximately 30 seconds after President-elect Reagan takes the oath of office. I recently came across some very interesting and, for the most part, useful, suggestions as to how we might approach the Soviet Union from now on. I want to bring these suggestions to your attention, so at this time I insert in the RECORD, "Let's Lay Down Law to Soviets" by Richard F. Staar, a senior fellow of the Hoover Institution at Stanford University, printed in the Chicago Tribune, January 3, 1981.

LET'S LAY DOWN LAW TO SOVIETS

Relations with the Soviet Union during the 1980s should be predicated on the clear understanding that Soviet leaders will continue to differ considerably in attitude from their American counterparts. Subterfuge, dissembling, and outright dishonesty are deeply imbedded in the psychological makeup of Soviet leaders, whose conspiratorial mentality was molded by the Bolshevik Revolution, Leninist new-Machiavellianism, Stalinist terror, and the unedifying politics of the totalitarian state. They cannot be explained away in terms of Soviet suspicions or fear of declining U.S. strategic power. They obviously color perceptions vis-a-vis any country not under U.S.S.R. control.

The struggle for power that will follow the late President Leonid Brezhnev's disappearance from the scene may also involve an extended period of disorientation in Moscow. This opportunity could be exploited by a strong American President who has studied past relations with the U.S.S.R. and decided to place them on a genuine quid pro quo basis. It is futile to hope that a new generation of Soviet leaders will voluntarily change course since the present one has proven so successful in dealings with the United States. The following are suggested as possible courses of action:

Without waiting for a policy change that cannot possibly occur in the Soviet Union, unless incentive exists, the new administration in Washington should establish a small group of experts to analyze Soviet propaganda activities, not only to monitor Russian-language publications and broadcasts over Radio Moscow but to refute them systematically and persistently.

Espionage capability can be reduced by limiting personnel at the Soviet Embassy and consulates in the U.S. (350 plus 550 at the United Nations) to the same number of American diplomatic personnel stationed in the Soviet Union (153). Furthermore, if a Soviet citizen is caught in activities not compatible with his or her status, reciprocal expulsion should not be accepted and no replacement should be allowed to enter this country.

The U.S. would strengthen its position by requiring the Soviet Union to balance its accounts periodically and make up the deficit by supplying this country with strategic raw materials needed here.

If an American citizen is roughed up, interrogated by the secret police, and convicted on the basis of falsified evidence, the Soviet ambassador in Washington should be informed that he will be expelled and his counterpart in Moscow recalled if such harassment is not stopped immediately. Accreditation of Soviet journalists should be revoked when their counterparts are harassed by KGB agents.

No future SALT agreement may be preferable to having one that shackles the U.S. and accepts Russian promises on faith alone. The same reasoning is applicable to talks on force reductions between NATO and the Warsaw Pact. Tough Soviet bargaining must be countered by equal firmness.

The U.S. must project itself to the Third World as a revolutionary system that has brought prosperity to the American working class, where skilled laborers often earn more money than professors and where human rights are strongly upheld by press and courts. The corollary would be a campaign that will expose false Soviet propaganda concerning America and tell the truth about Soviet colonialism in central Asia and Eastern Europe through such forums as the UN and the U.S. International Communications Agency externally, as well as through the mass media internally.

Special emphasis should be placed on a broad campaign in support of generally accepted human rights. Based upon the 1948 Universal Declaration of Human Rights convention and the 1975 Final Act at Helsinki, violations of specific provisions should be called to the attention of world public opinion.

More care should be taken that all exchange programs are reciprocal and not largely channels for transmission of technical information. Soviet scholars should not be permitted to travel all over the U.S. while Americans are restricted largely to a few cities in the U.S.S.R.

Finally, the U.S. has a weapon that is probably more powerful than oil; huge agricultural surpluses. During fiscal year 1980–1981, these will include 110 million metric tons of grain alone sold to other countries. The U.S. government could purchase all such crops for export and establish a "grain board" on which American farmers would be represented. Free market proponents may oppose such an agreement, but there is no better way for it to be used than as a humanitarian instrument to alleviate famine in the Third World.●

INCREASING MEMBERS' ACCOUNTABILITY IN RECEIVING PAY HIKES

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. BROWN of Ohio. Mr. Speaker, today I have introduced two bills designed to increase the accountability of Members of Congress in voting themselves pay increases.

The first bill provides that any increase in the rate of pay for Members of Congress shall not take effect earlier than the beginning of the next Congress. This assures that each Member of this body will have to stand before their constituents for reelection before a scheduled salary increase can take effect and is similar to the law governing pay raises for the Ohio General Assembly—as well as 36 other State legislatures.

However, unlike Ohio law, this legislation uses the same definition for the start of a new Congress as the definition of election day. This prevents the possibility of Congress reconvening in a lame duck session to vote itself a pay raise in the next Congress.

Retired Congressman Charles Whalen along with 176 cosponsors introduced a measure very similar to this during the 95th Congress and that bill was reported by the Post Office and Civil Service Committee. However, as those of us who were Members of the House at that time will recall, the measure failed under suspension of the rules amidst confusion over a provision added to the bill in committee. This provision barred in the future any amendments to House budget or appropriations bills which would directly or indirectly prevent the payment of increases in pay raises for Members of Congress. This was widely interpreted as a move to bar votes killing future automatic cost-of-living increases. It also presented procedural problems for the future because it put an unprecedented stipulation upon the appropriations process. My bill does not include this provision.

However, my second bill deals with this problem in that it amends the present procedure through which Congress receives its annual, Presidentially recommended cost-of-living increase.

At present, unless Congress introduces and approves a disapproval resolution of an annual cost-of-living raise, the increase automatically takes effect 60 days after the President presents his recommendations to Congress. My bill requires Congress to express its approval of the recommendation in order to receive it. This bill will bring the automatic cost-of-living increase out of the closet and put it before the scrutiny of the American public, where it belongs.

If the Democratic leadership refuses to let this legislation see the light of day, it will be a clear indication that their intention is to force the brunt of the burden of our spiraling inflation onto the American public, rather than share in the sacrifices their free-wheeling spending practices have forced upon all other Americans.●

BIAGGI SPONSORS WELFARE REFORM LEGISLATION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. BIAGGI. Mr. Speaker, on the first day of the 97th Congress I introduced legislation to provide for meaningful welfare reform for State and local governments. I introduce this bill today as a reflection of the high priority I give to its passage.

Central to this legislation are its provisions increasing the Federal reimbursement of State and local expenditures for benefits under the aid to families with dependent children (AFDC) and medicaid programs from the current 50 percent to 75 percent in fiscal year 1982, 80 percent in fiscal year 1983, 85 percent in fiscal year 1984, and 90 percent for fiscal year 1985 and beyond.

In addition under my legislation, which I might point out is identical to legislation offered in the 96th Congress by the distinguished Senator from my home State of New York, Mr. MOYNIHAN, in those States where cities, counties or local governments share in the cost of AFDC and/or medicaid the State is required to pass-through the additional Federal funding to the localities to the extent necessary to eliminate the entire local share. The remainder of the additional Federal funding is retained by the States which may use it for increased benefits or expanded medicaid coverage or fiscal relief.

This legislation could prove to be medicine to restore the fiscal health of areas in this Nation such as my home city of New York. New York City has an onerous burden caused by the ever increasing costs associated with the AFDC and medicaid program.

If we are truly committed to the dual goals of providing long-overdue fiscal relief to beleaguered State and local governments and also to provide the mechanism to provide long-needed benefit increases for our neediest citizens—we must commit ourselves to passage of my bill. I am beginning the process today with the introduction of the legislation and I pledge to work diligently throughout this Congress on behalf of its passage.●

PRIVACY LAWS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. LAGOMARSINO. Mr. Speaker, several years ago we passed a law protecting individuals against unnecessary violations of privacy. The right to privacy is a valued right in our society, and distinguishes us from many other, more authoritarian societies. Unfortunately, this law is being interpreted in some instances in ways that affect other rights, particularly the right of persons to be protected from violence and crime.

A recent Los Angeles Times editorial addresses this problem in eloquent fashion, citing instances where the law is being used to protect criminals and criminal activity at the expense of innocent victims. I commend this editorial to my colleagues and include the text of the editorial in the RECORD:

[From the Los Angeles Times, Dec. 22, 1980]

PERVERSION OF PRINCIPLE

Individual privacy is a fundamental value in a civilized society, and must be protected from unjustified encroachment by government or intrusion from any other quarter.

But that principle has been perverted in recent years into a screen imposed between the public and the operation of the criminal-justice system.

Only this month, when reporters sought to obtain the criminal-arrest record of the man accused of the murder of Dr. Michael J. Halberstam, officials of the Federal Bureau of Investigation refused to release the information. Such disclosure, they said, would intrude on the privacy of the suspect. Subsequently it was revealed that he was an escaped felon who had been sentenced to prison four times and arrested at least 25 times.

This absurdity is only one of many inimical results of laws in many states, including California, that restrict access by the public and news organizations to records of arrests, indictments, trials, acquittals, convictions and sentences.

After an employee of a mental institution in Texas last month was accused of raping a patient, it was discovered that he previously had been convicted of rape. Texas law denied the hospital a right to screen his arrest record before employment.

In the District of Columbia, a man obtained a custodian's job at an apartment house for women. Only after he had murdered a tenant was it revealed that he was a convicted rapist and burglar.

Five years ago, Oregon enacted a law that closed most criminal records to the public. An Oregon man whose daughter was missing finally located her three days later in a mental hospital after he filed a missing-person report. Only then did he find out that she had been arrested. Authorities had refused to disclose her arrest. Oregon promptly repealed the ludicrous law.

Oddly enough, among the strongest supporters of suppression of criminal records is the American Civil Liberties Union. ACLU attorneys often argue, no doubt with the best of intentions, that disclosure of such records harms the released offender's chances for employment. But what of the rights of the woman murdered in the Washington apartment house? What of the rights of an elementary-school girl in California who was raped by an employee who had, unknown to school officials, a record of sex offenses?

The ACLU's position implicitly suggests that justice is a private affair between the accused and the state. That is an authoritarian notion and one that if accepted in this country would give the police the power of secret arrest and detention. Criminal-justice records, available for public inspection, are the great democratic safeguard against abuses in the criminal-justice system.

The serious offender against the law does carry the burden of his past, but by his act he has breached his own privacy. The ACLU's claim of privacy in the offender's behalf must not be imposed at the risk of the lives of schoolgirls or other innocents.●

IMPROPER REPRESENTATION ON COMMITTEES

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. PARRIS. Mr. Speaker, I am angry and appalled by the failure of the majority to provide proper representation for the minority in committee assignments.

While it is obvious that this is and must be a political body, I do not believe that the results of the November elections should be undercut by denying the Republicans a fair share of the seats on the major committees.

It is obvious that the majority is attempting to insure that President Reagan's proposals, particularly in the tax and budget areas, may not receive proper consideration by this House.

In last November's elections the Republican Party outpolled the Democrats nationally yet only gained 44 percent of the House seats, a fitting testament to the ability of our State legislatures to gerrymander. In spite of holding 44 percent of the House seats the Republicans will only receive 34 percent of the seats in the Ways and Means Committee, 40 percent of the seats on Appropriations and Budget, and a mere 31 percent of the seats on the Rules Committee, a fitting testament to the political tyranny of the majority.

The party which temporarily has the majority in this House is clearly acting to deny the mandate given to the President and his party in the November election. If the President's programs are not enacted as a result of this obstructionism, and we are not able to rescue the country from the mess the majority has gotten us into, I do not think the American people will have any difficulty in deciding where to place the blame.●

ELIMINATION OF THE SOCIAL SECURITY EARNING LIMITATION

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. BROWN of Ohio. Mr. Speaker, today I am reintroducing a bill that eliminates, over a 6-year period, the retirement test of the social security program for Americans ages 65 to 71. This legislation is similar to the amendment proposed by the House during its consideration of the Social Security Amendments of 1977 which, unfortunately, was considerably weakened by the Senate. In the last session of Congress, my bill was introduced in the Senate by the Honorable PAUL LAXALT of Nevada.

Current law requires those between the ages of 65 and 71 to forgo $1 of social security for every $2 of income earned over $5,500 per year. Although the Social Security Amendments of 1977 provides for this age limit to drop to 69 in 1982, my bill would reduce the age to which earnings limits apply by 1 year, each year, beginning in 1981 until 1986 when the test will be eliminated.

The purpose of the social security system is to provide a minimum income for minimum need and not to impose a ceiling on retirement income. At age 65, those citizens who paid into the system are entitled to benefits earned without regard to their employment status.

In 1981, a retiring worker, age 65 may continue to work and receive between $153.10 and $677 in monthly benefits without penalty provided he does not exceed the $5,500 per year limitation. Past this limit, an individual loses $1 of benefits for every $2 of earnings. It seems to me most inequitable to impose a 50-percent tax based solely on the annuitant's age and desire to work especially during these inflationary times when the added income is needed to merely maintain a decent standard of living. I am sure my colleagues will agree that is a perverse law that hurts the very people we want to help, those who did not earn enough in their younger years to retire with an adequate income.

At present, I am awaiting an update of the cost of my proposal. However, last year, the Social Security Administration's actuary office estimated this measure would cost the Government an additional $600 million in 1981 and 1982, $900 million in 1983, $1.4 billion in 1984, and $2.2 billion in 1985. However, these numbers do not reflect the additional tax revenues that would flow to the Treasury from the employed individuals. Also omitted are the increased payments to the social security fund and the reduction in public assistance expenditures.

Mr. Speaker, my bill is a reasonable solution to end the unjust penalty imposed upon this Nation's elderly. With double digit inflation rates, the relief can come none too soon. I urge the House to act as it did in 1977 and remove this inequity from the law.

Thank you, Mr. Speaker.●

IRISH HUNGER STRIKE ENDS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. BIAGGI. Mr. Speaker, during the last days of the 96th Congress, a situation was unfolding in Northern Ireland which was of intense concern to me as chairman of the ad hoc Congressional Committee for Irish Affairs.

Beginning on October 27, seven male prisoners in the Long Kesh prison in Northern Ireland began a hunger strike to protest the British Government's failure to grant them political status and other basic prison reforms. They were later joined by three women prisoners from the Armagh prison in the north.

For 7½ weeks, the strike continued, heightening new fears of violence throughout the six counties. Starting on October 29, I led members of the ad hoc committee in a number of appeals for a humanitarian resolution of the problem. Our communications were sent to President Carter and Secretary of State Muskie prior to his early December meeting with Prime Minister Thatcher. In addition, we appealed to the United Nations to involve itself in a mediating capacity to try and expedite the reopening of dialog between the various sides in the dispute.

On December 18, the hunger strike ended after one of the striking prisoners was nearing total blindness and death. The end of the hunger strike has precipitated a wide variety of interpretations by different observers of the Northern Ireland scene.

I wish at this point in the RECORD to insert the text of the official British Government statement issued on the occasion of the ending of the hunger strike for the benefit of my colleagues. The statement was printed by the New York Times:

BRITISH STATEMENT ON IRISH STRIKE

LONDON, Dec. 19.—Following is the text of a statement by the Secretary for Northern Ireland, Humphrey Atkins, that was delivered in the House of Commons today after being presented last night to the Irish prisoners who were on a hunger strike in Belfast and who then called it off:

1. On Dec. 4 the Government set out clearly what is available to all prisoners in Northern Ireland's prisons.

2. We hoped that this would bring an end to the protests. Two more weeks have passed. The protests continue. Those on hunger strike are two weeks nearer death.

3. Their demand for political status is not going to be granted. The European Commission of Human Rights has considered the case made to it by the protesters for political status and has rejected it. The commission asked the Government to keep the humanitarian aspects of the prison regime under continuing review. The Government responded positively to that request with the changes on nine specific points which I set forth in detail in my statement to the House of Commons on Dec. 4. It is our concern that these protests and the hunger strike should not lead to pointless deaths. To the protesters and those on hunger strike I want to say: "There is no reason to go on. The Government has made its response. I want to spell out for you and your families what will happen when the protests end."

4. First of all, any such prisoner will be put into a clean cell. If, as I hope, all prisoners end their protests, we shall begin the task of cleaning up all the cells right away and this would take a week or 10 days.

5. Within a few days clothing provided by their families will be given to any prisoners giving up their protest so that they can wear it during recreation, association and visits. As soon as possible all prisoners will be issued with civilian-type clothing for wear during the working day. From then on, as I said in October, denim prison uniform becomes a thing of the past for all prisoners.

6. They will also immediately become entitled every month to eight letters, four parcels and four visits.

7. Prisoners who end their protest will be able to associate within each wing of the prison blocks in the evening and at weekends. If large groups of prisoners cease their protest simultaneously, a few days may be needed for cleaning up.

8. We want to work out for every prisoner the kinds of available activity which we think suit him best—work (including of course the work of servicing the prison itself), vocational training and educational training. Again, if groups of prisoners come off the protest together, getting this program organized will take some time.

9. On the question of remission—and this will be of special importance to the prisoners' families—provision already exists for lost remission to be restored after subsequent good behavior. We shall immediately start reviewing each case individually.

10. We do not want any prisoners to die; but if they persist in their hunger strike they will not be forcibly fed. If they die, it will be from their own choice. If they choose to live, the conditions available to them meet in a practical and humane way the kind of things they have been asking for. But we shall not let the way we run the prisons be determined by hunger strikes or any other threat.

11. Northern Ireland prisons are acknowledged to include some of the best in the United Kingdom. The boards of visitors will continue to play their part in maintaining this position. For our part we will, subject to the overriding requirements of security, keep prison conditions—and that includes clothing, work, association, education, training and remission—under continuing review.

12. It is the Government's earnest wish that, in the light of these possibilities, all prisoners now protesting in one form or another will bring their protest to an end. In particular, those on hunger strike have nothing to gain by fasting to death. The time to stop is now.●

H.R. 501: TAX DEDUCTION FOR CHARITABLE CONTRIBUTIONS

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. GEPHARDT. Mr. Speaker, today my colleague Representative BARBER CONABLE and I are introducing legislation to permit all taxpayers to claim a tax deduction for their contributions to charitable organizations whether or not they itemize their personal deductions.

This legislation has received serious attention in previous Congresses in both the Committee on Ways and Means and in the Senate Finance Committee. A large share of the credit for the substantial progress made in the last 4 years toward enactment of this concept must go to our former colleague, Representative Joseph Fisher of Virginia. His leadership on this issue was invaluable, and the fact that the bill we are introducing today stands such a good chance of enactment during the 97th Congress is due to his considerable efforts and influence on its behalf.

Joining with us in cosponsoring this legislation are Senators DANIEL P. MOYNIHAN and ROBERT PACKWOOD, who are introducing an identical bill.

In the 96th Congress, this measure was sponsored by 253 House Members and 43 Senators. I trust that this breadth of support from both sides of the aisle will soon be evident in the 97th Congress as well.

The rationale behind this bill continues to be both timely and relevant. The major idea is that people ought not be taxed on money they contribute to charitable causes. This should be true whether or not other economic actions make it advantageous for them to itemize personal deductions. Allowing everyone to deduct charitable contributions from taxable income, as this bill proposes, would restore the badly eroded incentives for supporting the independent sector and would strengthen the precarious position of charities in today's inflationary economy. We need to reestablish a proper and appropriate balance between the Government and the voluntary sector. Reaffirming this balance is crucial in today's tightfisted environment, which is restricting Government's ability to support social services, cultural activities, health, education, and many other important services.

The Tax Code currently discourages many individuals from making the contributions that are necessary to sustain the vitality of the independent sector. Two-thirds of the tax returns filed currently use the so-called standard deduction rather than itemization of personal deductions. This is particularly true for taxpayers in the middle and lower income brackets where inflation is already viciously bearing down on people's ability to support themselves and their families and eroding their support for charity. For many, it is becoming increasingly impossible to continue making contributions of after-tax dollars.

These same economic conditions which are adversely impacting people's ability to make charitable contributions are simultaneously reducing the Government's ability to provide services and creating greater needs for such services than ever before. Transferring some of this necessary work of society out of the public sector and into the community—the independent, the voluntary and the nonprofit sector—offers a way out of this dilemma. H.R. 501 provides an incentive to taxpayers to make the charitable contributions which are necessary to accomplish this goal of disengaging the Government from doing many of the things that could be accomplished just as well or even better through voluntary, charitable organizations.●

TRIBUTE TO RETIRED MEMBERS FROM CALIFORNIA

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. STARK. Mr. Speaker, I rise to express my gratitude to Bizz Johnson, Jim Corman, Jim Lloyd, and Lionel Van Deerlin who retired at the end of the last Congress. These men have served their districts, the State of California, and the entire Nation well and faithfully. Their leadership will be especially missed by those of us who are their colleagues from California.

If I may, I'd like to express my personal thanks to Jim Corman for 20 years of service to the people of California and the Nation.

It has been my rare privilege to serve with Jim on the Ways and Means Committee and on the Subcommittee on Public Assistance and Unemployment Compensation, which he has chaired so ably.

I can say with confidence that no Member of this body has better represented the needs of the poor and the disadvantaged than Jim Corman. We've all been educated by his eloquence and his sincerity on welfare reform and national health insurance.

But Jim Corman's constituency is larger than the disenfranchised of this Nation—it includes every American taxpayer who is concerned about tax equity and justice.

Jim Corman is above all a man with a vision of the United States where no person is cold or hungry, sick, or left by the wayside because of social or political forces beyond his control. He has shared that vision with me and with all of us. We are better legislators, better men and women, and better Americans because of it.

Thanks are not enough. We have come a long way in the last 20 years toward the realization of the goals that Jim Corman and I share. But the job is not done, and I know that Jim Corman will not stop working in the years ahead. So I would like to say to that distinguished gentleman from California—you have my thanks and my promise to continue to work with you to realize the vision we share.

And to all my retired colleagues from California we are honoring, I offer my thanks.●

PRIVATE BILL FOR THE RELIEF OF BISHOP COLLEGE

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. FROST. Mr. Speaker, I am introducing a private bill today which proposes to relieve Bishop College, of Dallas, Tex., of the pressures of its debt to the Federal Government. This is the successor to the legislation I introduced last year on behalf of Bishop.

For the benefit of my colleagues who are not familiar with this story, I should say that Bishop is a 200-year-old black college with a rich and proud tradition. It is known nationwide as an institution suited for serving the special needs of black students.

Yet, like many of our black colleges, Bishop fell victim several years ago to the twin pressures of falling enrollments and rising operating costs. The "Great Society" programs of the sixties offered some relief, but the variety of rules and reporting requirements that accompanied programs such as title III and title IV made compliance difficult for an administration staffed primarily by ministers and educators. The technical problems were compounded by the actions of a few misguided officials at Bishop who used Federal funds for other than their intended purpose. They did so believing they could save the college, yet the result was that Bishop amassed such a large debt to the Federal Government that its continued operation became questionable.

In August 1979, after an arduous negotiation process, the Department of Health, Education, and Welfare and Bishop College agreed to the terms of Bishop's repayment schedule. Those terms were stringent, yet Bishop's officials were convinced that the college could be rehabilitated.

Mr. Speaker, in the year and one-half since that agreement was signed, Bishop's administrators have been proven correct. They have replaced nonproductive staff with competent and technically proficient financial administrators. This was crucial to the college's future, as a substantial portion of its debt had resulted from funds which may have been used for legitimate purposes but which Bishop's officials could not adequately account for.

Bishop's new administrators have streamlined the college's operations. The academic program has been reduced. Unused lands have been sold off and a profitable bicentennial drive was launched and generated substantial new funds for the school. Most important, a permanent President has been hired, and he has worked diligently over the past year and one-half to turn the school around.

There is every reason to believe that Bishop is on its way to recovery. Officials from the Department of Education will attest to its progress, much of which has taken place during the short time since I introduced the first bill on Bishop's behalf.

But, Mr. Speaker, the terms of the 1979 repayment agreement require Bishop to begin repaying its debt to the Federal Government on August 31, 1981. Interest on that debt has been accruing since 1979, and the terms of the agreement require Bishop to repay the debt in exceptionally large installments. Quite truthfully, those installments are so large that Bishop will be faced with a difficult choice this summer: It can continue to guide the school toward recovery while at the same time providing high quality education, or it can put student needs on the back burner while it makes its debt to the Government its No. 1 priority.

Please understand that no one involved with this college believes that it has been victimized by the Federal Government. Bishop's officials are well aware that the college and its administrators are solely responsible for its current problems. But it is also important to remember that those individuals who were operating the school when it ran up this debt are now out of the system. With only a very few exceptions, there are new administrators at Bishop. And while those individuals may not be connected with Bishop's past mistakes, they took their jobs with the realization they had inherited the mistakes of their predecessors and they have every intention of living up to their obligations.

Mr. Speaker, my bill will enable this college and its administrators to live up to those obligations without forcing it to close its doors. This bill will combine the debts of years up to and including 1978, and will stretch the repayment terms over a 30-year period. More important, it will require Bishop to pay only the principal on that debt—all interest will be forgiven. An interest-free note is crucial to the settlement, as it is the interest now accruing at an annual rate of 10 percent which is compounding Bishop's debt situation. I might add that I am proposing this package with the advice and consent of Department of Education officials. They too are convinced of Bishop's potential, but they are concerned that they do not have the authority to administratively extend the terms of the note over a 30-year period and forgive the interest.

Finally, Mr. Speaker, I will make the same observation I made last year when I spoke out on Bishop's behalf. Should the Federal Government not search for a manageable solution to this problem, it will not be its loss if the college closes and it will not be the loss of the American people. The ultimate losers will be the students—the ones now enrolled and those who plan to enroll there someday. Those young men and women who look to schools like Bishop for their futures will suffer the most if this college is not permitted to continue building on its progress of the past several years.

This package sets a strong precedent for future debt settlements. It puts this body on record as expecting schools which accept Federal funds to use those funds properly and to compensate the Government for any funds that are not used properly. but it also demonstrates that this body can be flexible—that it can recognize how events can get out of control and how it is the innocent who ultimately suffer in the process. I urge my colleagues to look on this college with understanding, and to give every consideration to the legislative package I am introducing today.

Thank you.●

THE TEN COMMANDMENTS

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. HUBBARD. Mr. Speaker, the U.S. Supreme Court recently ruled that Kentucky's public schools could not place copies of the Ten Commandments in their classrooms. It mattered little to the Court that private donors purchased these copies of the Ten Commandments and that no one forced Kentucky's schoolchildren to read or study the posted commandments. The Supreme Court seems so determined to wipe away all mention or hint of God in our public schools that it has overlooked the fact that a copy of the Ten Commandments hangs in a prominent place in its own chambers. Furthermore, the Supreme Court fails to recognize that the Ten Commandments serve not only as a good guide to schoolchildren for daily living but also as a fundamental basis of Western legal tradition.

I would like to introduce the text of a letter by Gayle R. Rogers, of Wickliffe, Ky., which highlights the detrimental impact of this Supreme Court ruling:

I am shocked at the recent Supreme Court decision to eliminate the Ten Commandments from Kentucky schools. As the wife of a high school principal, I am particularly aware of the necessity of some sort of moral guidance for our young people.

Can't the appellate jurisdiction be limited? Can't the states have the final say in how to run their schools? Can't God's people have a voice in what is right and wrong for their children? I feel so very helpless in combating the problems that face our nation, but I so feel we should express

our views to the leaders who are in a position in government to do something!●

THE RESIDENTIAL RENTAL HOUSING TAX INCENTIVE ACT OF 1981

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. GONZALEZ. Mr. Speaker, there is a great need all across the country for rental housing, and most specifically in urban areas. Thus, I am reintroducing a bill that I proposed late in the last Congress entitled, "The Residential Rental Housing Tax Incentive Act of 1981."

The purpose of my proposal is to encourage the building of rental housing. At the present time the vacancy rate is around 5 percent which means that every rental building has practically every usable unit rented.

This is a crisis situation for many new families or young people wanting to get out on their own, and also for the elderly who have been displaced from their previous homes either due to condominium conversions or the high cost of upkeep in owning a home today. These people are unable to find a decent place to live.

At the present time builders are finding it more lucrative to build other forms of housing, but my bill tries to deal with that problem by providing tax incentives in order to get more reasonably priced housing on the market.

My bill calls for accelerated tax depreciation of new buildings, a 5-year writeoff on improvements to existing low-income apartments, and repeal of the restrictions on amortization of construction-period interest and taxes.

We need to provide decent and affordable housing in every area of our Nation and I believe that my bill is a step in the right direction.

The Committee on Ways and Means will have the Tax Code under consideration for substantial revision in the next few months and I am hopeful that they will give my bill serious consideration.●

SENATE—*Thursday, January 8, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met at 11 a.m., and was called to order by the Honorable PAULA HAWKINS, a Senator from the State of Florida.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 8, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAULA HAWKINS, a Senator from the State of Florida, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mrs. HAWKINS thereupon assumed the chair as Acting President pro tempore.

RECESS UNTIL 11 A.M., ON MONDAY, JANUARY 12, 1981

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate stands in recess until 11 a.m., on Monday, January 12, 1981.

Thereupon, at 11:01 a.m., the Senate recessed under the order of Tuesday, January 6, 1981, until Monday, January 12, 1981, at 11 a.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

HOUSE OF REPRESENTATIVES—*Friday, January 9, 1981*

The House met at 12 o'clock noon.

The Reverend Mr. Charles A. Mallon, permanent deacon, Holy Family Church, Mitchellville, Md., offered the following prayer:

For everything there is a season, and a time for every matter under heaven; a time to be born; and a time to die; a time to plant, and a time to pluck up what is planted; a time to kill, and a time to heal; a time to break down, and a time to build up; a time to weep, and a time to laugh; a time to mourn, and a time to dance; a time to cast away stones, and a time to gather stones together; a time to embrace, and a time to refrain from embracing; a time to seek, and a time to lose; a time to keep, and a time to cast away; a time to rend, and a time to sew; a time to keep silence, and a time to speak; a time to love, and a time to hate; a time for war, and a time for peace. What gain has the worker from his toil?—Ecclesiastes 3: 1-9.

Father, You have created time and brought us into its embrace. We have learned to toil throughout our entry into time, and to measure our gain in terms of achievements. Teach us the value of this eternal gift and help us to recognize Your presence in this time that is ours.

We ask this through Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

SWEARING IN OF MEMBER-ELECT

The SPEAKER. Will the gentleman from New York (Mr. MOLINARI) kindly come to the well of the House and take the oath of office at this time?

Mr. MOLINARI appeared at the bar of the House and took the oath of office.

LOOKING FORWARD TO SERVING IN 97TH CONGRESS

(Mr. MOLINARI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOLINARI. Mr. Speaker, I would like to thank the Chair for permitting me to be sworn in today. I would also like to recognize Mr. D'AMATO, the junior Senator from the great State of New York, Mr. LOTT, and Mr. VANDER JAGT for taking the time from their busy schedules to be with me.

I would like to apologize to the many family, close friends, and supporters of mine from New York's 17th District that traveled to Washington to view Monday's ceremonies. I regret that I was unable to be present with them to join in on the festivities. I owe my presence here today to them and many more like them who were unable to attend. We have fought many battles together in the past. With their continued help and support I hope to fight many more in the future.

I look forward to working with my fellow colleagues of the 97th Congress in solving many of the problems that afflict our great Nation—in particular in easing the tremendous tax burden that is placed on our citizens, and protecting the health and safety of the people in and around Staten Island from the oversaturation of toxic chemical pollution.

Let me also reaffirm my pledge to my constituents that I will serve them in the years ahead with efficient, open, and honest government.

Thank you.

COMMUNICATION FROM WILLIAM BREVARD HAND, U.S. DISTRICT JUDGE, SOUTHERN DISTRICT OF ALABAMA, REGARDING OATH OF OFFICE ADMINISTERED TO REPRESENTATIVE-ELECT JACK EDWARDS

The SPEAKER laid before the House the following communication from William Brevard Hand, U.S. district judge, southern district of Alabama:

U.S. DISTRICT COURT,
SOUTHERN DISTRICT OF ALABAMA,
Mobile, Ala., January 5, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives, H-209, The Capitol, Washington, D.C.

DEAR MR. SPEAKER: In accordance with your designation of me, pursuant to House Resolution 7, Ninety-seventh Congress, adopted by the House of Representatives, to administer the oath of office to Representative-Elect Jack Edwards, of the first district of Alabama, I have the honor to report that on the 5th day of January, 1981, at Mobile County, State of Alabama, I administered the oath of office to Mr. Edwards, form prescribed by section 1757 of the Revised Statutes of the United States, being the form of oath administered to Members of the House of Representatives, to which Mr. Edwards subscribed.

Sincerely,

WILLIAM BREVARD HAND,
U.S. District Judge.

The SPEAKER. Pursuant to House Resolution 7, the oath is considered and accepted and received by the House.

The Member is reelected and officially a Member of the House of Representatives.

ANNOUNCEMENT OF APPOINTMENT OF CHIEF DEPUTY REPUBLICAN WHIP

Mr. LOTT. Mr. Speaker, it is my very great pleasure to announce that I have appointed the gentleman from Maine, Mr. DAVID F. EMERY, as chief deputy Republican whip for the 97th Congress.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., *January 7, 1981.*

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, the Clerk has received on this date the following messages from the Secretary of the Senate:

(1) That the President pro tempore, pursuant to Senate Concurrent Resolution 2, 97th Congress, appointed Mr. Hatfield, Mr. Baker, Mr. Robert C. Byrd, and Mr. Pell to the Joint Committee on the Inaugural Ceremonies.

(2) That the Vice President, pursuant to section 1024 of title 15, United States Code, appointed the following Senators to the Joint Economic Committee: Mr. Jepsen (vice chairman), Mr. Roth, Mr. Abdnor, Mr. Symms, Mrs. Hawkins, and Mr. Mattingly.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., *January 9, 1981.*

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House

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of Representatives, I have the honor to transmit sealed envelopes received from The White House as follows:

(1) At 1:45 p.m. on Wednesday, January 7, 1981 and said to contain a message from the President where he transmits the 1980 Census to the Congress.

(2) At 1:45 p.m. on Wednesday, January 7, 1981 and said to contain a message from the President wherein he transmits the Ninth Annual Report on the Administration of the Federal Railroad Safety Act of 1970.

(3) At 1:45 p.m. on Wednesday, January 7, 1981 and said to contain a message from the President where he transmits the 1979 Annual Report on United States Participation in the United Nations.

(4) At 6:13 p.m. on Wednesday, January 7, 1981 and said to contain a message from the President on Federal Executive, Legislative, and Judicial Salaries.

(5) At 2:13 p.m. on Thursday, January 8, 1981 and said to contain a message from the President wherein he transmits the Annual Report on Pipeline Safety for the Calendar Year 1979.

(6) At 2:13 p.m. on Thursday, January 8, 1981 and said to contain a message from the President wherein he transmits the Ninth Annual Report on Hazardous Materials Control.

(7) At 2:13 p.m. on Thursday, January 8, 1981 and said to contain a message from the President wherein he transmits the Eleventh Annual Report on the Administration of the Natural Gas Pipeline Safety Act of 1968, covering activities of calendar year 1978.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

□ 1210

MARTIN LUTHER KING, JR., LEGAL HOLIDAY

(Mr. CONYERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONYERS. Mr. Speaker, again this year I am very privileged to introduce this bill on behalf of the hundreds of Members who supported the memory of Martin Luther King and the notion that the time has come that his birthday be celebrated as a public legal holiday. I have introduced this legislation in every Congress since 1968, and, since that time, we have witnessed a growing interest and concern. Fifteen States now officially honor him, as do hundreds of cities and millions of people, and his birthday is indeed an international event.

So I entreat my colleagues, the new administration, and citizens from all over this country to join with me in the great and important opportunity that this Congress has to make legal and public and national and international the celebration of the birth date of the late Reverend Martin Luther King, Jr.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. CONYERS. I yield to my colleague, the gentleman from Illinois, the ranking minority member on the Committee on the Judiciary.

Mr. McCLORY. I thank the gentleman for yielding.

Mr. Speaker, I do support the measure. I might say that I supported the Martin Luther King birthday as a Monday holiday, and I think that if we could agree on that, I do not see any reason why we should not pass that measure overwhelmingly.

Mr. CONYERS. Mr. Speaker, my colleague, the gentleman from Illinois (Mr. McCLORY) has always supported us on that, and we understand the importance of that caveat.

It seems to me that the moment has come, and this is the session, and I urge that immediate and swift action be taken on this measure.

STATEMENT PREPARED BY DIRECTOR OF THE CENSUS, DEPARTMENT OF COMMERCE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-5)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on the Judiciary and the Committee on Post Office and Civil Service and ordered to be printed:

To the Congress of the United States:

Pursuant to the provisions of Title 2, United States Code, Section 2a(a), I transmit herewith a statement prepared by the Director of the Census, Department of Commerce, pursuant to Title 13, United States Code, Section 141(b) showing (1) the population of each State and the District of Columbia as ascertained by the Twentieth Decennial Census of the population, and (2) the number of Representatives to which each State would be entitled under an apportionment of the existing number of Representatives by the method of equal proportions.

JIMMY CARTER.

THE WHITE HOUSE, *January 7, 1981.*

NINTH ANNUAL REPORT ON THE ADMINISTRATION OF THE FEDERAL RAILROAD SAFETY ACT OF 1970—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Energy and Commerce:

To the Congress of the United States:

I transmit herewith the Ninth Annual Report on the Administration of the Federal Railroad Safety Act of 1970 (45 U.S.C. 421 et seq.) as required by that Act. This report was prepared in accordance with Section 211 of the Act and covers the period from January 1, 1979, through December 31, 1979.

JIMMY CARTER.

THE WHITE HOUSE, *January 7, 1981.*

REPORT OF ACTIVITIES OF U.S. GOVERNMENT IN THE UNITED NATIONS AND ITS AFFILIATED AGENCIES DURING 1979—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I am pleased to transmit to the Congress this report of the activities of the United States Government in the United Nations and its affiliated agencies during calendar year 1979.

The international crisis created by the seizure of the American Embassy in Tehran and the taking of Americans hostage overshadowed much of the 34th General Assembly. In this atmosphere, the United States directed its efforts in the United Nations toward supporting the work of the Secretary General and the Security Council to resolve this breach of international law. The Secretary General brought the issue to the Council which unanimously called upon the Government of Iran to release the hostages. Ironically, after three years of negotiations, the Assembly adopted by consensus the Convention Against the Taking of Hostages. This Convention affirms that there is no valid excuse for the taking of hostages and that there are no circumstances under which the seizure of hostages can be condoned.

Both the Security Council and the General Assembly focused international attention on the continued military occupation of Kampuchea by Vietnam. Of particular note during 1979 was the Security Council's termination of sanctions against Southern Rhodesia, a result of the agreement by the Lancaster House Conference.

On economic issues, UN actions ranged from highly technical meetings such as those on commodities, to continuing the work of the International Monetary Fund and to political dicussions in the General Assembly on the future of international economy and development.

These discussions, attended by almost all UN members, saw a continuous, intense, and sometimes acrimonious series of exchanges between the developed and developing countries on the organization of the international economy, the nature of international

economic relations, and the effects of both on economic development. This resulted in the decision by the 34th General Assembly to hold further meetings on these issues. We believe that negotiations of this kind and at this level are important and necessary to relations between developed and developing countries. However, whether the U.S. participates in these global negotiations will depend on how effectively we use but do not intrude upon the agencies of the UN and other international organizations.

The United States continues to monitor closely UN expenditures and programs and supports the Secretary General's efforts to limit budget growth.

Our participation in the United Nations and its related agencies and programs is an integral part of our foreign policy. As this report makes clear, the United Nations system of organizations is important and sometimes indispensable to the achievement of many of our central foreign policy objectives. This report should contribute to American understanding of and support for the United Nations and to the continuing active and constructive role of the United States.

JIMMY CARTER.

THE WHITE HOUSE, *January 7, 1981.*

PUBLIC SERVICE COMPENSATION LEVELS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-6)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Post Office and Civil Service and ordered to be printed:

To the Congress of the United States:

If the Federal Government is to meet successfully the enormous challenges it faces in these difficult times, it must be able to attract and retain men and women of outstanding ability and experience for its highest posts.

Monetary awards are not the principal attractions offered by the public service, and complete parity with private sector salaries is neither desirable nor possible. Those who serve at the highest levels of the Federal Government expect and are willing to make some financial sacrifice to serve their country. Nevertheless, compensation levels today have fallen below the point at which they provide adequate monetary recognition of the complexity and importance of top Federal jobs.

The financial sacrifice demanded of top Federal officials is becoming far too great. Since the last quadrennial adjustment in 1977, the salaries of those officials have increased only 5.5 percent. During that same period, the CPI has risen by about 45 percent, which means that the purchasing power of these salaries has declined by about 28 percent.

I fully recognize that the salaries already being paid these officials look very large to the average taxpayer. But when we are seeking to fill an Assistant Secretary position, a Bureau Chief position, or one of the other top level policymaking positions in the Executive Branch, we want people who know the specialized field involved and who have had extensive experience and success in it. Usually, these people are already being highly paid, and there is a limit to the financial sacrifices they can afford to make.

Not only is the discrepancy between private sector executive pay large now; it is continuing to widen. Since 1977, for example, while Federal executive pay has risen only 5.5 percent, private sector executive pay has gone up about 25 percent. If this gap continues to widen, government service will be so unattractive that increasing numbers of the best qualified will refuse to serve.

These observations apply equally to the selection of judges. The Federal judiciary has traditionally drawn a substantial number of appointees from the top echelons of the legal profession. These individuals are mature, experienced, and often at the height of their career earnings. When they become judges, it is usually at a financial sacrifice. If the sacrifice we ask becomes too great, increasing numbers of those best qualified will refuse consideration for appointment. The Attorney General tells me we are already receiving many declinations from lawyers of the quality we desire. We must not allow that trend to accelerate.

In addition to the recruiting problem, there are important considerations of retention and of equity. Resignations from the Federal bench show a disturbing tendency: only seven Federal judges resigned in the 1950's, and eight in the 1960's; but 24 resigned in the 1970's. Three resigned in 1980 alone.

The Constitution wisely provided that Federal judges would be appointed for life. The founders believed, and experience has confirmed, that lifetime service enhances the integrity and independence of a judge's performance. It also strengthens public confidence that judges possess these qualities, and increases public respect for their decisions. When lifetime judges leave the bench because of inadequate salaries, the public loses more than their experience and efficiency. The public also loses the confidence in the judicial process that is central to the success of our Constitutional system.

Obviously, many judges will not leave the bench even for the much larger salaries they could earn by returning to private practice. But the devotion of these judges should not be rewarded by unfair treatment. Something must be done to encourage and reward continuous judicial service.

Turning now to career executives, you know that Executive Levels IV and V are by law the ceiling for career salaries. You know also that General Schedule salaries have risen by 31.9 percent over the period in which executive salaries rose by only 5.5 percent. As a result, more and more GS employees each year reach the executive pay ceiling.

Consequently, we now have a salary system in which up to seven levels of career executives and managers are all receiving the same pay. Career executives who are promoted to more responsible and demanding positions often receive no pay increase whatsoever to compensate them for taking on heavier responsibilities. Agencies with field organizations, which need to advance successful managers from district offices to regional offices to headquarters offices, find it increasingly difficult to persuade capable employees to move their families for "promotions" that carry no pay increase.

One result of this compression is that many experienced and valuable career executives are retiring as quickly as they become eligible for retirement. For the twelve month period ending last March, a startling 75 percent of career executives in the 55-59 age bracket who were at the executive pay ceiling and were eligible to retire, did so. The result is that talented, experienced and creative public servants are leaving when they are of maximum value to their agencies. Unless these trends are reversed, the nation cannot expect to retain a high quality senior career group.

Congress shares many of these salary problems. We all know that people do not run for office because of the salaries involved, and that many people would run for Congress even if the members drew no pay at all. But it is of vital importance to have Congressional salaries high enough to attract a broad range of people, including those who want their families to enjoy the same standard of living they would if they were carrying even moderately comparable responsibilities in other occupations.

Congressional salaries have experienced the same loss of purchasing power as those already discussed. Yet, Congressmen face even greater expense than the other groups because they must maintain two residences and have other expenses stemming from their unique responsibilities. So they, too, need pay increases.

As the new law provides, a Commission on Executive, Legislative and Judicial Salaries has considered these and related salary issues. This Commission, which was composed of distinguished private citizens with no selfish

interests in Federal pay scales, made the findings I have summarized above. To correct them, it has unanimously recommended salary increases averaging about 40 percent.

I have no doubt that the facts fully justify those recommendations. Nevertheless, I continue to be concerned that we balance compensation needs against Federal Government leadership in fighting inflation and in minimizing the overall costs of government. Consequently, I am recommending to you in my budget for FY 1982 that smaller increases be allowed at this time, but—just as importantly—that we commit ourselves to allowing future increases annually to prevent these salary problems from continuing to worsen.

As you know, General Schedule employees received increases in FY 1979 and FY 1980 that totaled 16.8 percent. By operation of PL 94-82, the legal salaries of top level officials also increased by these same amounts. Congress, with my concurrence, enacted appropriation language that temporarily prohibited the *payment* of those increases to the top officials. Consequently, their payable salaries are now 16.8 percent below their legal salaries. Several judges sued over the application of that appropriation limitation to the judiciary and recently won a Supreme Court decision that means many judges will receive the 16.8 percent in question.

I believe the least we can do at this point is to give the Executive and Legislative branch officials the 16.8 percent already received by most General Schedule employees and already won by the judges. Just as important as the immediate increase, however, is adoption of the principle that we will allow whatever increase is granted General Schedule employees in October of 1981 and in subsequent years to be paid also to the top level officials, as PL 94-82 provides. Only by following this principle can we prevent the salary muddle from becoming worse every year. Experience has shown that if we wait four years to make salary adjustments in a time of rapid inflation, the needed catch-up will be so large as to be unacceptable to our citizens.

Because the case for a significant increase in the salaries of Federal judges is especially strong, I urge also that Congress give consideration to a salary scale for judges that would explicitly recognize the public importance of continuous judicial service; for example, by an annual or periodic increase for longevity in addition to the cost of living adjustments that are made from time to time.

In addition, I urge that Congress give careful consideration to the five non-salary recommendations made by the Commission, especially their proposal for a special two year study of the complex and harmful compensation problems that now exist.

The Commission concluded that the conditions I have outlined constitute "... a quiet crisis, unperceived by most citizens of the nation but requiring an immediate response by the President and the Congress to safeguard the high quality of its senior officials." I agree with that conclusion and urge you to act favorably upon my recommendations. President-elect Reagan has authorized me to say that he fully supports these recommendations.

PL 95-19 provides that each House must within 60 days conduct a separate recorded vote on my recommendations for each branch of government. In addition, if you wish to accept my recommendation to make the current legal rates payable now, you should amend section 101(c) of PL 96-536 accordingly.

In the event that you decide you do not wish to approve increases for your own Members, I strongly urge that you allow them for officials of the Executive and Judicial branches. The gravity of the "quiet crisis" those branches face requires you to do no less.

JIMMY CARTER.

THE WHITE HOUSE, *January 7, 1981.*

DEPARTMENT OF TRANSPORTATION ANNUAL REPORT ON PIPELINE SAFETY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Energy and Commerce and the Committee on Public Works and Transportation:

To the Congress of the United States:

I hereby transmit to Congress the Department of Transportation's annual report on pipeline safety. The submitted report covers pipeline safety and related activities for the calendar year of 1979. This combined report is prepared as required by section 213(c) of the Hazardous Liquid Pipeline Safety Act of 1979.

This report is the Department's First Annual Combined Report on Pipeline Safety for 1979. The combined reports are: the 12th Annual Report of the Natural Gas Pipeline Safety Act of 1968 as amended, submitted in accordance with section 16 of the Act; and the First Annual Report of the Hazardous Liquid Pipeline Safety Act of 1979 in accordance with section 213(a) of this Act.

JIMMY CARTER.

THE WHITE HOUSE, *January 8, 1981.*

□ 1220

NINTH ANNUAL REPORT ON HAZARDOUS MATERIALS CONTROL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Energy and Commerce, the Committee on Merchant Marine and Fisheries, and the Committee on Public Works and Transportation:

To the Congress of the United States:

I transmit herewith the Ninth Annual Report on Hazardous Materials Control as required by the Hazardous Materials Transportation Act, Title I of Public Law 93-633. This report has been prepared in accordance with Section 109 of the Act and covers calendar year 1978.

JIMMY CARTER.

THE WHITE HOUSE, *January 8, 1981.*

ELEVENTH ANNUAL REPORT OF NATURAL GAS PIPELINE SAFETY ACT OF 1968—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. ALEXANDER) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce and the Committee on Interior and Insular Affairs:

To the Congress of the United States:

I hereby transmit to Congress the 11th Annual Report of the Natural Gas Pipeline Safety Act of 1968, covering pipeline activities for the calendar year of 1978. This report is submitted in accordance with section 14 of the Act.

Included in this report are two other elements concerning pipeline safety: the annual report on the administration of the Mineral Leasing Act of 1920, submitted in accordance with subsection 28(w)(4) of this Act; and a report on liquid pipeline safety programs.

This report details the Department of Transportation's responsibility and progress in regulating safe pipeline transport of natural and other gases on Federal lands.

JIMMY CARTER.

THE WHITE HOUSE, *January 8, 1981.*

LEGISLATION INTRODUCED REGARDING MILITARY PERSONNEL EDUCATIONAL BENEFITS ENTITLEMENT

(Mr. HUNTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNTER. Mr. Speaker, during my campaign for Congress, I tried to meet and talk with large numbers of residents of the 42d Congressional District. Among the most eye-opening experiences were my conversations with active duty military personnel—of all ranks, years of service, and occupational specialties. These young men and women pulled no punches in explaining what was right and, more often, what was wrong with military service. Their candor was an education in itself.

Obviously, they were very concerned about the economic realities of military life—low pay, increasing out-of-pocket medical expenses, and the continuing threat of the loss of other benefits, such as commissaries and retirement. It is important to note the the 96th Congress took several dramatic, if long overdue, steps to reverse the downtrend. Along with the Nunn-Warner package and the 11.7 percent pay raise, the single most important shot in the arm for the Navy was the substantial increase in sea and submarine pay approved in the final hours.

We will make a very serious mistake, however, if we consider these measures the final chapter and thereby once again close the book on improvements in military compensation and the quality of military life. In my conversations during the campaign, I was particularly impressed by the importance which many servicemen and women attach to education. One of the three or four most frequently asked questions was why Congress had eliminated the GI bill and, more specifically, why Congress was making Vietnam-era servicemen choose between their GI bill entitlement and a military career.

The law which abolished the Vietnam-era GI education bill also provided that anyone entitled to educational assistance under the terms of the pre-1976 law must use all their benefits prior to 1989 or completely lose them. This presents no great problem for the average veteran who, like me, returned to civilian life after his hitch in the Army was finished. The 1989 cutoff is proving increasingly to be a major obstacle to retention of the career force. A large number of midterm careerists with pre-1976 service will begin leaving the services, literally in droves, early in this decade in order to use their educational benefits prior to the 1989 termination date. Ironically, those individuals who leave in order to use their educational benefits will be the most highly motivated and best trained—in other words, the cream of our midcareer force. With the Navy alone already short 20,000 skilled petty officers, this is a group of experienced personnel that we can scarcely afford to lose.

I am, therefore, today introducing legislation which would give military personnel entitled to educational benefits under the pre-1976 GI bill a period of 6 years from their release from active duty in which to use their educational benefits entitlement, regardless of the 1989 cutoff. With 6 years, the individual will have an opportunity to use his or her full 45-months of education and will have approximately a year's grace period in which to get relocated, attend to family problems, establish finances, et cetera. The 6-year time limitation does not extend the program for an inordinate period of time for the Government, but it does give the individual some degree of flexibility for unexpected crises and financial obligations.

It is imperative that we act this year on this extension of time. If we wait until 1983, 1985 or, worse yet, 1987, the quality career people we so urgently need to retain will be gone. I urge my colleagues to act expeditiously. The hourglass is rapidly running out of sand.

BURDEN OF FEDERAL REGULATIONS MUST BE EASED

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, today I am introducing legislation which aims at improving the standards for judicial review of administrative-regulatory decisions. The bill is structured as an amendment to the judicial review section of the Administrative Procedure Act (5 U.S.C. 706).

The language of my bill is based upon, and is a direct descendant of, an amendment originally offered by Senator DALE BUMPERS of Arkansas. In the last Congress, I was pleased to be one of the principal sponsors of the Bumpers amendment in the House of Representatives. Our efforts met with some success, in that we were able to attach revised language embodying this amendment to the comprehensive regulatory reform bill (H.R. 3263) during House Judiciary Committee deliberations on that subject. Unfortunately, the 96th Congress adjourned before taking final action on either the comprehensive bill or the Bumpers amendment by itself.

The legislation I introduce today would set clear boundaries for the executive branch departments and the independent regulatory agencies in the exercise of their statutory power. Agencies cannot, and should not, be permitted to be the final interpreters of their own authority. In keeping with this philosophy, my bill would abolish the presumption of validity currently afforded regulatory agency decisions in Federal courts. Now, as to questions of law, a court would not accord any presumption in favor of or against agency action.

Consequently, the Federal courts are directed to exercise greater scrutiny when interpreting agency powers. The deference to the so-called administrative expertise would no longer be so extensive. Rather, the courts are encouraged to take a hard and independent look at an agency's exercise of jurisdiction and authority. The amendment would make statutory the hard look doctrine enunciated by Judge Leventhal when he was serving on the District of Columbia Circuit Court of Appeals. The language of the bill directs a court to make an independent determination as to whether or not the agency action was based upon power expressly granted in the organic statute or may readily be ascertained from the surrounding legislative intent. This approach merely recognizes and reinforces the traditional constitutional role of our Federal courts in determining agency jurisdiction. It does not create new powers or a new role for the Federal courts.

Under the terms of this bill, the substantial evidence rule would continue to be applied to adjudicatory proceedings and to formal rulemaking proceedings. (5 U.S.C. 554; 556-557.) Further, my bill does not alter the burden of proof with respect to regulations adopted through the informal rulemaking process, that is, where no hearing is required to be on the record. Those regulations would still be subject to the arbitrary, capricious standard currently applied under Federal law.

It is my feeling that to subject rules promulgated under the informal procedure to a more difficult standard of review would unduly formalize and delay the rulemaking process. I did not want to hamper the efforts of the new Reagan administration to undertake deregulation efforts through the informal rulemaking procedure. Under the APA, rulemaking includes the repeal of existing rules, as well as the promulgation of new rules or amendments to existing rules. By confining my amendment to judicial review of adjudicative and formal rulemaking procedures, I have left open the option of the new administration to repeal unnecessary or ill-advised regulations through the use of the informal rulemaking mechanism. So, any challenges to the repeal of rules would have to be shown to be arbitrary or capricious.

The national concerns which prompted both the Bumpers amendment and a laundry list of regulatory reform proposals, are still very much

in evidence. The American people are fed up with being overregulated and underserved by big Government. I strongly believe that the enactment of a Bumpers amendment would be a significant, important step toward true regulatory reform. But, nevertheless, I fully recognize that it would represent only one step in this overall effort. I look forward to working closely with the new Reagan administration toward the enactment of this legislation, as well as on the formulation and passage of a new omnibus regulatory reform bill.

NUCLEAR INSPECTION TOURS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, during the period January 8 to 18, I will have the opportunity to inspect several nuclear power and waste facilities in Japan and Taiwan in order to ascertain knowledge about how these two countries are utilizing nuclear power. Following is a statement that I provided the press describing the nature of my foreign tour:

Congressman Tom Corcoran (R-Ottawa) announced today that he will participate in an inspection tour of nuclear power and waste facilities in the Far East during the period of Jan. 8-18. This tour will consist of 5 days in Japan and 5 days in Taiwan.

In Japan, Corcoran will participate in a fact-finding visit for the purpose of inspecting various nuclear facilities and meeting with Japanese government and nuclear industry officials. This trip has been authorized by the House Committee on Energy and Commerce, of which Corcoran is a member, and will be funded by the Department of State. Through the cooperation of the Atomic Industrial Forum, a Washington, D.C.-based international trade association which specializes in nuclear energy policy, and Japanese officials, the congressman will learn more about the advances the Japanese have made in nuclear technology.

Corcoran's interest in nuclear power and waste disposal stems from the fact that his congressional district includes a site near Morris which is currently operating as the only away-from-reactor facility receiving commercially-generated spent nuclear fuel in this country. His district also includes two operating and two under-construction nuclear power plants; Illinois, with 7 operating facilities, leads the nation in nuclear power. His efforts to prevent a federal takeover of the Morris storage site and his activities on the nuclear-oversight committee have made Corcoran a leading figure in nuclear power debates in Congress.

In Taiwan; the Sino-American Cultural and Economic Association has invited Corcoran to spend 5 days participating in a fact-finding trip emphasizing economic, social and cultural developments of mutual interest to the U.S. and Taiwan. The Association is a private, non-profit organization financed by business interests in Taiwan, similar to our Chamber of Commerce. While in Taiwan, Corcoran will tour various nuclear and coal facilities, inspect the Taiwanese postal system from his vantage point as a senior member of the House Committee on Post Office and Civil Service, and attend meetings with the American Soybean Association, an export-promotion group located in Taipei. Corcoran's district is one of the largest exporters of soybeans in the U.S.

"I believe that my visits to these two countries will give me the added expertise I need to continue my work in Congress, especially in the nuclear- and coal-related areas of our energy policy," Corcoran said. "I intend to learn from the on-site inspections and discussions with government and nuclear industry officials why these countries appear to be technologically advanced in this regard." He said he would issue a report on his findings upon his return.●

LEGISLATION TO RECHARTER FEDERAL AVIATION ADMINISTRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 10 minutes.

● Mr. LEVITAS. Mr. Speaker, I have today introduced a bill to recharter the Federal Aviation Administration. This legislation will make aviation safety the FAA's sole mission.

It has been my concern for many years that the Federal Aviation Administration has problems in setting priorities and executing its primary responsibilities of regulating aviation safety. My concerns are based on a number of considerations, such as the time lag between the identification of an aviation hazard and action by the FAA. For example, in 1977, I spoke out on the floor of this House on the large number of recommendations made by the National Transportation Safety Board to the FAA which the FAA had accepted but never acted on in any final fashion. The numbers of open recommendations were in the hundreds. That situation is not much improved.

In addition, when the FAA does regulate, it writes the regulations to fit the present state of the art. There is no challenge to the aerospace manufacturers to design an improved technology. This is not the way we achieved progress in the automobile industry or in the environment. We passed legislation telling them where we expected them to be at a future time. The state of the art was not at those levels, but the manufacturers developed the state of the art to meet the regulations. This is something we need to do in aviation, but the FAA is blind to the example.

Why is it that the FAA rulemaking is a reaction to accidents rather than anticipatory?

In my quest for answers as to why FAA has these problems in identifying safety hazards and taking action on them, I have run into a stone wall. I have never been able to get satisfactory answers from FAA. I have written Administrators of the FAA. I have queried FAA officials in hearing after hearing.

The problem cannot be money. The FAA has an aviation trust fund created by ticket taxes and overseas departure fees which will reach $4 billion this year. What, then, is the problem?

Since I could not get an explanation or a solution for these problems from the FAA, I asked the GAO to investigate and report.

The report, which was released February 29, 1980, after a full year's study of the FAA, substantiated my beliefs that the core of FAA's problem is not knowing what its priorities should be. To quote from the report:

FAA's missions are defined in various statutes, executive directives, and national transportation policy statements. These missions should be translated into safety goals and objectives and, ultimately, agency safety priorities. However, FAA's attempts to do this have been unsuccessful, leaving the agency with statements of its safety goals, objectives, and priorities which are not current and need to be updated.

The last time the FAA expressed its policy was in April 1965, with updates in 1972 and 1973. These orders are still listed as current FAA directives.

Since these policy statements were issued, FAA has made some attempts to define safety goals, incentives, and priorities. Each effort, however, was short-lived and failed.

Almost every year, according to the GAO report, FAA attempts to list its priorities and goals and every year the attempt either fails, or the goals are so broad as to be useless in setting policy.

In thinking over the problems of the FAA, I have concluded that a large part of the problem is the FAA's dual role in being responsible both for aviation safety and also for promoting the civil aviation industry. I believe that the GAO report bears this out in the examples I have given which demonstrate the lack of priorities and objectives and the inability to reach a consensus even within the FAA itself as to what those priorities should be.

Therefore, it seems to me that Congress role in all of this is to relieve the FAA of a dual responsibility which can cause internal conflicts and which is draining the resources needed to manage the Nation's airspace in the most efficient and safe way humanly possible. In order to be free to devote itself solely to the safety of aviation, FAA needs to be freed from having to promote the industry and to make economic decisions instead of safety decisions.

My bill proposes to put the economic, nonsafety related areas elsewhere in the Department of Transportation, thus allowing the FAA to concentrate its full resources and considerable talent on safety matters.

Section 1 restricts the Federal Aviation Administration to performing

only those functions related to aviation safety and transfers the nonsafety functions to the Secretary of Transportation. Within 120 days after the enactment of this bill, the Secretary of Transportation will identify and report to the Congress those aviation functions which are nonsafety and the office within the Department of Transportation to which these functions will be transferred.

Section 2 restricts the Secretary of Transportation from delegating to the Federal Aviation Administration any functions not pertaining to aviation safety.

Section 3 transfers all personnel, contracts, property, records, and other related assets and liabilities related to the nonsafety aviation functions to the Secretary of Transportation.

Section 4 states that all orders, determinations, rules, regulations, permits, contracts, licenses, and privileges shall continue in effect according to their terms until modified, terminated, superseded, set aside or repealed by the Secretary of Transportation, by any court of competent jurisdiction or by operation of law. Proceedings pending that relate to the nonsafety functions of the FAA shall be continued before the Department of Transportation.

Section 5 says that references in the Federal law—related to the nonsafety functions being transferred to the Department of Transportation—to the Administrator of the FAA or to the Federal Aviation Administration shall be deemed to refer to the Secretary of Transportation or to the Department of Transportation respectively.

Section 6 transfers the non-safety-related functions of the Federal Aviation Administration to the Secretary of Transportation 180 days after the date of enactment of this legislation.

H.R. 816

A bill to provide that the Federal Aviation Administration shall only perform functions relating to aviation safety, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 301 of the Federal Aviation Act of 1958 (49 U.S.C. 1341) is amended by adding at the end thereof the following new subsection:

"DUTIES OF THE ADMINISTRATOR

"(d) The Administrator shall perform the functions, powers, and duties of the Secretary of Transportation pertaining to aviation safety, including, but not limited to, the functions, powers, and duties transferred to the Administrator by section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c); 80 Stat. 937). Notwithstanding any other provision of law, the Administrator shall not perform any functions, powers, and duties other than those pertaining to aviation safety.".

(b)(1) Any functions, powers, and duties performed by the Administrator of the Federal Aviation Administration before the effective date of this Act which do not pertain to aviation safety (as identified by the Secretary of Transportation under paragraph (2) of this subsection) shall be performed on and after such effective date by the Secretary of Transportation.

(2) Not later than one hundred and twenty days after the date of enactment of this Act, the Secretary of Transportation shall identify, and report to the Congress on, the functions, powers, and duties described in paragraph (1) of this subsection and the office within the Department of Transportation which will perform such functions, powers, and duties after the effective date of this Act.

(c) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the side heading

"Sec. 301. Creation of Agency."

is amended by adding at the end thereof the following:

"(d) Duties of the Administrator.".

SEC. 2. Section 9(e) of the Department of Transportation Act is amended by inserting at the end thereof the following new paragraph:

"(4) Notwithstanding any other provision of this subsection, no functions, powers, or duties of the Secretary or any officer or employee of the Department which do not pertain to aviation safety may be delegated to the Federal Aviation Administration, the Administrator of such Administration, or any officer or employee of such Administration.".

SEC. 3. The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available in connection with the functions, powers, and duties described in subsection (b) of the first section of this Act are hereby transferred to the Secretary of Transportation.

SEC. 4. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective in the exercise of the functions, powers, and duties described in subsection (b) of the first section of this Act by the Federal Aviation Administration or any court of competent jurisdiction, and

(2) which are in effect at the time this Act takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary of Transportation, by any court of competent jurisdiction, or by operation of law.

(b) The provisions of this Act shall not affect any proceedings pending at the time this Act takes effect before the Federal Aviation Administration; but such proceedings, to the extent that they relate to functions, powers, and duties described in subsection (b) of the first section of this Act shall be continued before the Department of Transportation. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary of Transportation, by a court of competent jurisdiction, or by operation of law.

(c) Except as provided in subsection (e)—

(1) the provisions of this Act shall not affect suits commenced prior to the date this Act takes effect, and

(2) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this Act had not been enacted.

(d) No suit, action, or other proceeding commenced by or against any officer of the Federal Aviation Administration in his official capacity shall abate by reason of the enactment of this Act. No cause of action by or against the Federal Aviation Administration or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this Act.

(e) If, before the date on which this Act takes effect, the Federal Aviation Administration or any officer thereof in his official capacity, is a party to a suit in connection with any function, power, or duty described in subsection (b) of the first section of this Act, then such suit shall be continued with the Secretary substituted.

SEC. 5. With respect to any functions, powers, and duties described in subsection (b) of the first section of this Act, reference in any other Federal law to the Administrator of the Federal Aviation Administration or to the Federal Aviation Administration shall be deemed to refer to the Secretary of Transportation or to the Department of Transportation, respectively.

SEC. 6. This Act (other than subsection (b)(2) of the first section of this Act) and the amendments made by this Act shall take effect one hundred and eighty days after the date of enactment of this Act.●

H.R. 1—REGULATION REFORM ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 5 minutes.

● Mr. MOAKLEY. Mr. Speaker, on the first day of the session I introduced a bill (H.R. 1), the Regulation Reform Act of 1981. Titles I, II, and III of the bill have been referred to the Committee on the Judiciary and are substantially modeled after the regulatory reform bill (H.R. 3263) reported from that committee in the last Congress.

Title IV of H.R. 1 is a new proposition and has been referred to the Committee on Rules. This title would establish a House select committee responsible for systematic scrutiny of Federal regulations and would provide procedures for congressional review of agency rules.

LEGISLATIVE VETO

Mr. Speaker, H.R. 1 provides Congress with a unique opportunity to make hard, and long overdue, decisions about how it will assert responsibility for the vast Federal regulations. And it provides us with an opportunity to make these decisions in the broad context of regulatory reform so that we can insure that improvements in the procedures by which agencies make rules and are consistent with improvement in the manner by which we review them. As the first bill of this

Congress, H.R. 1 puts the difficult issue of legislative veto squarely before the two committees having jurisdiction over the subject.

As chairman of the Subcommittee on Rules of the House, I have participated in extensive hearings on bills which propose to give Congress the unilateral power to nullify Federal agency rules. We have received testimony not only from lawyers, judges, Federal regulatory officials, Federal and State legislators, and academic experts. We have also held field hearings and listened to farmers, small college administrators, dry cleaners, and local government officials.

No one who has participated in these studies could help but determine that something is critically wrong and that there is a dangerous level of public resentment and dissatisfaction over the method by which Federal rules are prepared. We have heard numerous cases in which a rule by one agency prohibits a company from doing something it is required to do by the rule of another agency. Although this sort of situation may sound funny, a small businessman can hardly be expected to be amused; Federal rules have all the force of law and carry civil, and sometimes criminal, penalties.

More subtle forms of duplication, overlap, and conflict between rules of different agencies, or even the same agency, are common. And the cumulative impact of these regulations is imposing serious economic burdens and compliance costs on business and the costs contribute to our domestic inflation and our ability to compete for foreign markets.

I am certainly not surprised that a majority of the House responded in the last Congress by cosponsoring H.R. 1776 and other bills proposing a legislative veto.

But there are serious difficulties with the legislative veto.

The constitutionality of the veto is seriously questioned. Indeed the U.S. court of appeals last month overturned one legislative veto by finding it unconstitutional. I do not want to take unfair advantage of the doubts raised by that ruling; the specific case was a unique one dealing with an adjudicatory, rather than a regulatory, function and its implications should be weighed cautiously. Nevertheless, I would have to be convinced that no other alternative would work before I could suggest that Congress tell the public it was going to solve its problems by arming itself with this big gun, only to have the Supreme Court rule later that the gun was empty.

I would also suggest that there are some serious problems with the legislative veto even if its constitutionality is affirmed. Hundreds of legislative vetoes, applicable to specific agencies or programs, already have been enacted. In the past decade we have enacted veto provisions applicable to the FTC and to portions of EPA, GSA, INS, HUD, Education, Energy, and scores of other agencies. Could anyone argue that these agencies as a result have become models of regulation or that this congressional control has made the quality of their regulatory activities better? The sad truth is that Congress has been much more interested in arming itself with this tool than in using it. In each recent session, the number of new veto laws established has exceeded the number of times Congress used the hundreds of vetoes already on the books.

In fact, Mr. Speaker, I am not entirely sure that the situation might not be even worse if the veto was used more. The most serious problem with the veto is that it is too easy. It would permit, indeed, require, Congress to respond to a lengthy, complex, or technical rule that had required years to write with a simple "yes" or "no." To cite a 1977 case, OSHA issued a rule that required butcher shops to use grated floors in work areas but compliance was difficult because of an Agriculture Department rule that prohibited grated floors. If we had had a generic legislative veto, the issue would have been put before Congress in this form: "Do we overturn the OSHA rule, condemning our constituents who work in meat processing to unacceptably high incidents of injury on wet tile floors? Or do we overturn the Agriculture rule and expose our constituents to the danger of meat contaminated by rotting meat particles under grated floors?"

It might be hoped that such issues would be resolved during committee consideration of the veto resolutions. But, even under the most rational committee reorganization, veto resolutions on food and labor rules would go to different committees. And neither rule, in the case cited, was unreasonable on its own; the problem was purely a matter of the cumulative impact of rules written by two separate departments which are under the jurisdiction of separate committees in both the House and Senate.

SELECT COMMITTEE

Mr. Speaker, H.R. 1 meets most of the goals of the legislative veto. But it meets the goals in a manner that is likely to be more effective than I believe would be the case with a generic legislative veto.

The congressional review system proposed in H.R. 1 would provide a coherent method for Congress to manage the Federal regulatory process in a manner that is open, on the record, and, above all, constructive.

The bill would establish a select committee which could examine any Federal agency rule or sets of related or overlapping rules and would have significant authority to place the issue before the House.

It is with some reluctance that I propose the creation of a new congressional committee. I am aware of the political and policy concerns but feel that the central problem of Federal regulation cannot be addressed as effectively without this structural change. The select committee would be established with due regard for the need to protect the primacy of the legislative committees in policy matters and specifically is intended to take on the work least well handled through the existing committee structure, resolution of conflict and duplication between agencies.

The select committee approach would facilitate nonpartisan review of regulations which is essential if anything is to be accomplished within the political context established by the 1980 House, Senate, and Presidential elections.

The proposed Committee on Regulatory Affairs could review any Federal agency rule or set of related or conflicting rules. It would always act when requested by the appropriate standing committee and could do so on its own initiative or in response to requests by Members or groups of Members, the agencies themselves, or the public.

Through hearings or less formal reviews the select committee could be expected to obtain significant voluntary improvements by Federal agencies. In the event of an impasse, the select committee could place the issue before the House in a number of ways. The select committee would be able to choose the least confrontative method which would enable Congress to assert its legislative prerogatives and, faced with any agency intransigence, could later present the House with more forceful responses.

REPORTS

The first step in any case in which problems could not be resolved through hearings would be to file a report stating the specific grounds on which it objected to a rule. Grounds on which the committee could object are established by the bill:

(1) in the case of a new agency rule, the rule was not submitted to the select committee;

(2) the rule is arbitrary, capricious, or unreasonable;

(3) the rule duplicates, overlaps, or conflicts with other Federal rules or statutes (or common State regulations or statutes) in such a way that compliance is unnecessarily costly or burdensome;

(4) the rule imposes a significant cost or burden which is not adequately offset by the public benefit;

(5) the rule (A) has been issued in such a way as to make it unreasonable to expect the regulated community to be aware of the rule, (B) is written in such a way that the regulated community cannot reasonably be expected to understand the rule, or (C) does

not provide adequate guidance for compliance; or

(6) the rule (A) is beyond the statutory authority of the agency or (B) is inconsistent with the legislative intent of the applicable statutes, or (C) is inappropriate because of changed circumstances.

However, if the select committee determined that the agency had acted within its statutory authority but objected to the rule on policy grounds, it would present its concerns to the legislative committee which would have sole authority to act.

If the select committee made a report objecting to a rule, the head of the agency would be required to certify that he or she had personally read the rule in question; to respond to the issues raised by the report; and to indicate any changes it was making. I may have too much faith in the value of commonsense but I firmly believe that many regulatory dilemmas would solve themselves if a method like this could be established to force the head of an agency to read rules to which his name has been signed.

LEGISLATIVE REVIEW

The select committee, in an impasse, could present the House with a joint resolution, the enactment of which would nullify the rule in question. Since a joint resolution requires the concurrence of the Senate and must be signed by the President—or his veto overridden—this is not a "legislative veto," in the sense the word is understood.

Congress has the power, in making the original delegation of rulemaking power to the agency, to set any limitations, requirements, or instructions it wishes in the law. If the President objects, he can veto the bill. If those ground rules are to be changed later, the President should not be bypassed. I took that position under a President from my own party and, in introducing H.R. 1, I am taking that position again under a Republican President.

Since the majority of members of most regulatory commissions will not be appointees of the new President until nearly the end of his term and since it is the rules of these agencies which seem to involve the most controversy, I am unsure, even as a matter of politics, why it would be necessary to bypass the President.

JUDICIAL REVIEW

I believe that there is one case in which Congress ought to be able to act decisively, even over a President's objection: when an agency issues a rule that is beyond the statutory authority of the agency or inconsistent with the clear legislative intent of the underlying law. For this reason, H.R. 1 proposes that the select committee could present a simple resolution to the House finding the regulation beyond statutory authority or inconsistent with legislative intent. If the House passed such a resolution, in any subsequent judicial challenge to the rule, the agency would enjoy absolutely no presumption of validity and would carry the full burden of proof as a matter of law. If such a resolution was passed, the select committee would have specific legal standing to file suit, on behalf of the House, to overturn the regulation. Of course, the select committee could not go to court except by this specific vote of the House.

As a matter of comity, the same standing would be granted to similar resolutions of the Senate.

This procedure meets the stated goals of proponents of the legislative veto. It provides a method by which Congress can overturn an agency rule, even over the objections of the President, but does so in a manner whose constitutionality is beyond doubt. It is, in fact, in particular harmony with the concept of checks and balances.

Mr. Speaker, I believe that these tools will enable Congress to meet the public demand for congressional accountability for Federal regulation. But I wish to point out that I do not intend to close the door on the more traditional legislative veto. In 2 years H.R. 1 requires the select committee to report on the success of this review system; the Rules and the Judiciary Committees are specifically directed to consider the need for the one or two House veto in the light of that experience. I would hope, incidentally, that there would have been a definitive Supreme Court ruling on the veto by that time, since numerous cases are now in the courts.

REGULATORY REFORM

Titles I, II, and III of H.R. 1 have been referred to the House Judiciary Committee. In the last Congress, under the leadership of the gentleman from California (Mr. DANIELSON), the committee reported H.R. 3263.

Because of the prominence of H.R. 1 and because my own committee has no jurisdiction over the subject matter of these titles, I felt constrained to use the text of the prior Judiciary Committee bill.

As a result, I find myself in the unusual position of being sponsor of a bill to which I would support some amendments. In particular, I would urge the Committee on the Judiciary to consider modifications to title III to improve funding for public participating in agency rulemaking.

I should also point out that there are two changes in these titles from H.R. 3263. Although the changes are related to the proposed select committee, the Judiciary Committee has jurisdiction for these matters:

LEVIN-BOREN

The Judiciary Committee had reported a version of the legislative veto which involved the use of a joint resolution—which requires Presidental signature—although providing delays in the effectiveness of rules if the authorizing committee acted on such a resolution, in order to give Congress time to act. H.R. 1 carries this provision but makes this provision applicable to reports from the select committee as well as the legislative committee.

BUMPERS

In the Senate during the last Congress, Senator BUMPERS offered an amendment to a different bill which would have shifted the entire burden of proof to agencies in all judicial challenges to regulations. The Judiciary Committee, in H.R. 3263, adopted a modified version of the Bumpers amendment. H.R. 1 contains a complete substitute for this provision which triggers this shift in burden of proof only if one House of Congress passes a resolution such as I have previously described.

Mr. Speaker, I believe that H.R. 1 provides a reasonable basis for congressional action on legislative review of agency rules within the context of regulatory reform. I would hope that title IV of this bill can be incorporated in any regulatory reform bill reported from the Judiciary Committee.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HUNTER) to revise and extend their remarks and include extraneous material:)

Mr. CORCORAN, for 5 minutes, today.

(The following Members (at the request of Mr. SUNIA) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. LEVITAS, for 10 minutes, today.
Mr. MOAKLEY, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HUNTER) and to include extraneous matter:)

Mr. HORTON.
Mrs. ROUKEMA.
Mr. DERWINSKI in three instances.
Mr. PARRIS.
Mr. MOLINARI.
Mr. BROOMFIELD.

(The following Members (at the request of Mr. SUNIA) and to include extraneous matter:)

Mr. WEISS in five instances.
Mr. PICKLE in 25 instances.
Mr. BOLLING.
Mr. BARNES in two instances.

Mr. MOAKLEY in five instances.
Mr. HAMILTON in five instances.

ADJOURNMENT

Mr. SUNIA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 25 minutes p.m.), under its previous order, the House adjourned until Tuesday, January 13, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

115. A letter from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting the annual reports for fiscal year 1980 on aviation career incentive pay, pursuant to 37 U.S.C. 301a; to the Committee on Armed Services.

116. A letter from the Attorney General, transmitting the annual report for fiscal year 1980 on enforcement of title II (extortionate credit transactions) of the Consumer Credit Protection Act of 1968, pursuant to section 203 of the act (Public Law 90-321); to the Committee on Banking, Finance and Urban Affairs.

117. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-307, "To repeal provisions of law for the application of the penalty of death and to substitute in lieu thereof the penalty of life imprisonment, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

118. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-308, "To raise the settlement authority of the Mayor with regard to claims against the District of Columbia government, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

119. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act, 3-309, "To prohibit new construction or substantial rehabilitation in designated community development program areas," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

120. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-310, "To authorize the Mayor to transfer the Old Benning Road Elementary School to the Washington Metropolitan Area Transit Authority in exchange for the Brook Mansion and Basic renovation thereof," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

121. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-311, "To subject to criminal penalty failure or refusal to pay the lawful fare for a taxicab," pursuant to section 602(c), of Public Law 93-198; to the Committee on the District of Columbia.

122. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-312, "To amend the District of Columbia Architectural Barriers Act of 1980 to exclude public utility operating facilities not open to the public from coverage under the act," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

123. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-313, "To create a Law Revision Commission in the District of Columbia," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

124. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-314, "To order the closing of a public alley abutting lots 48, 69, and 800 in Square 376, bounded by 10th Street, NW., G Street, NW., 9th Street, NW., and F Street, NW., and to accept the dedication of land in square 376 for alley purposes (S. D. 71-7-1-Revised) (Ward 2)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

125. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-315, "To order the closing of the public alley abutting lot 800 in Square N-5951 and Parcel 234/38, between Martin Luther King, Jr., Avenue, SE., and Seventh Street, SE.; Seventh Street, SE., between LeBaum Street, SE., and Parcel 234/38; and a portion of LeBaum Street, SE., between Martin Luther King, Jr., Avenue, SE., and Parcel 234/38 (S.O. 79-341-Revised) (Ward 8)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

126. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-316, "To order the closing of a portion of public alley which abuts lots 26, 25, 24, 23, 63, 62, 61, 60, 59, 31, 30, and 51 in Square 6154, bounded by Condon Terrace, SE., and 4th Street, SE. (S.D. 78-278) (Ward 8)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

127. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-317, "To order the closing of a portion of public alley abutting lots 818 and 819 in Square 1074, bounded by 15th Street, SE., C Street, SE., 16th Street, SE., and D Street SE. (S.O. 75-211) (Ward 6)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

128. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-331, "To establish an Office of the General Counsel within the Public Service Commission," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

129. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-334, "To eliminate the maximum weight requirement for motorized bicycles registered in the District of Columbia," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

130. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-335, "To order the closing of the public alleys abutting lots 809, 812, 43, 826, 49, 22, 50, 803, 804, 805, 806, 807, and 808 in square 254, bounded by 14th Street, N.W., F Street, NW., 13th Street, NW., and E Street NW. (S.O. 80-123) (Ward 2)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

131. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-336, "To amend the District of Columbia Air Quality Control Regulations," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

132. A letter from the Secretary of Labor and the Secretary of Education, transmitting the annual report for fiscal year 1978 on the status of bilingual vocational education, pursuant to section 182 of the Vocational Education Act of 1963, as amended; to the Committee on Education and Labor.

133. A letter from the Secretary of Education, transmitting proposed final regulations for the national direct student loan program, the college work-study program, and the supplemental educational opportunity grant program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

134. A letter from the Secretary of Education, transmitting proposed final regulations for the transition program for refugee children and the educational services for Cuban and Haitian entrant children program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

135. A letter from the Secretary of Education, transmitting proposed final regulations on the annual funding priorities for Department of Education programs, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

136. A letter from the Secretary of Education, transmitting proposed final regulations for title I, of the Elementary and Secondary Education Act, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

137. A letter from the Secretary of Agriculture, transmitting a report that the Department has funded no research into the effects of changes in the ozone in the stratosphere upon animals, pursuant to section 154(d) of the Clean Air Act, as amended; to the Committee on Energy and Commerce.

138. A letter from the Secretary of Health and Human Services, transmitting an interim report on the study of State laws, practices, and systems used to investigate sudden and unexplained infant deaths, required by section 1121(c)(2) of the Public Health Service Act; to the Committee on Energy and Commerce.

139. A letter from the vice president for government affairs, National Railroad Passenger Corporation, transmitting a report covering the month of October 1980 on the average number of passengers per day on board each train operated, and the ontime performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Energy and Commerce.

140. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on steps taken by the Administrator of the Agency for International Development to alter U.S. programs under part I of the Foreign Assistance Act of 1961 in any country because of human rights considerations, pursuant to section 116(d)(2) of the act, as amended; to the Committee on Foreign Affairs.

141. A letter from the Secretary of the Treasury, transmitting the combined state-

ment of receipts, expenditures, and balances of the U.S. Government for fiscal year 1980, pursuant to section 15 of the act of July 31, 1894, and section 114 of the act of September 12, 1950; to the Committee on Government Operations.

142. A letter from the General Counsel, Department of Health and Human Services, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

143. A letter from the Secretary of the Interior, transmitting a preliminary report on the plan for health care and related programs for people of the Marshall Islands, pursuant to section 102 of Public Law 96-205; to the Committee on Interior and Insular Affairs.

144. A letter from the Secretary of the Interior, transmitting the annual report of the Migratory Bird Conservation Commission for fiscal year 1980, pursuant to section 3 of the act of February 18, 1929; to the Committee on Merchant Marine and Fisheries.

145. A letter from the Assistant Secretary of the Army (Civil Works), resubmitting the fifth annual report recommending deauthorization of various water resources projects (H. Doc. No. 96-360), transmitted during the 2d Session of the 96th Congress pursuant to section 12 of the Water Resources Development Act of 1974, as amended; to the Committee on Public Works and Transportation.

146. A letter from the Attorney General, transmitting notice of the Justice Department's decision not to defend the constitutionality of section 202(f) of the Social Security Act in *Steven J. Cramer* v. *Califano* (E.D. N.Y., Civil No. 78-1523) and *Robert M. Vitale* v. *Califano* (S.D. Fla., Civil No. 78-6551), pursuant to section 21 of Public Law 96-132; to the Committee on Ways and Means.

147. A letter from the Comptroller General of the United States, transmitting a report on Amtrak's passenger service contracts (CED-81-35, January 7, 1981); jointly, to the Committees on Government Operations and Energy and Commerce.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CHAPPELL:

H.R. 789. A bill to amend title 10, United States Code, to provide a new Assistant Secretary of Defense for Reserve Affairs and to change the existing position of Assistant Secretary of Defense for Manpower and Reserve Affairs to Assistant Secretary of Defense for Manpower; to the Committee on Armed Services.

H.R. 790. A bill to amend the Occupational Safety and Health Act of 1970, and for other purposes; to the Committee on Education and Labor.

H.R. 791. A bill to assist in combating crime by reducing the incidence of recidivism, providing improved Federal, State, and local correctional facilities and services, strengthening administration of Federal corrections, strengthening control over probationers, parolees, and persons found not guilty by reason of insanity, and for other purposes; to the Committee on the Judiciary.

H.R. 792. A bill to authorize the Attorney General to exchange criminal record information with certain State and local agencies; to the Committee on the Judiciary.

H.R. 793. A bill to amend the Immigration and Nationality Act to provide for the deportation of certain nonimmigrant aliens who knowingly participated in unlawful or violent acts in connection with a political demonstration; to the Committee on the Judiciary.

H.R. 794. A bill to authorize the Secretary of the Interior to classify and inventory wetland resources, to measure wetlands degradation, to evaluate the environmental contribution of natural wetlands, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 795. A bill to amend title 38 of the United States Code so as to treat certain expeditionary campaigns as periods of war for the purposes of such title; to the Committee on Veterans' Affairs.

H.R. 796. A bill to provide for the establishment of a national cemetery in Florida; to the Committee on Veterans' Affairs.

H.R. 797. A bill to provide for a Veterans' Administration hospital in the Halifax area of Volusia County, Fla.; to the Committee on Veterans' Affairs.

H.R. 798. A bill to amend title II of the Social Security Act to eliminate the 5-month waiting period which is presently a prerequisite of eligibility insurance benefits or the disability freeze; to the Committee on Ways and Means.

H.R. 799. A bill to amend title II of the Social Security Act to provide that an individual may qualify for disability insurance benefits and the disability freeze if he has 40 quarters of coverage, regardless of when such quarters were earned; to the Committee on Ways and Means.

By Mr. CONYERS (for himself, Mrs. CHISHOLM, Mr. CLAY, Mrs. COLLINS of Illinois, Mr. CROCKETT, Mr. DELLUMS, Mr. DIXON, Mr. DYMALLY, Mr. FAUNTROY, Mr. FORD of Tennessee, Mr. GRAY, Mr. HAWKINS, Mr. LELAND, Mr. MITCHELL of Maryland, Mr. NOWAK, Mr. RANGEL, Mr. RODINO, Mr. SAVAGE, Mr. STOKES, and Mr. WASHINGTON):

H.R. 800. A bill to designate the birthday of Martin Luther King, Jr., a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. CHAPPELL:

H.R. 801. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 802. A bill to amend the Internal Revenue Code of 1954 to prohibit the Internal Revenue Service from terminating for reasons of racial discrimination the tax-exempt status of any organization established for the purposes of educational instruction without proper adjudication by a court of the United States or of any State; to the Committee on Ways and Means.

H.R. 803. A bill to amend the Internal Revenue Code of 1954 to allow individuals to designate $1 of their income tax liability to be used for purposes of reducing the public debt of the United States; to the Committee on Ways and Means.

H.R. 804. A bill to amend the Clean Air Act and the Federal Water Pollution Control Act to provide that compliance orders shall include cost-benefit analyses; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

H.R. 805. A bill to amend titles II and XVIII of the Social Security Act to eliminate the requirement that an individual must have been entitled to disability benefits for at least 24 consecutive months in order to qualify for medicare on the basis of disability; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 806. A bill to amend title XVIII of the Social Security Act to provide for the administrative and judicial review of claims (involving the amount of benefits payable) which arises under the supplementary medical insurance program; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. McCLORY:

H.R. 807. A bill to expand the scope of judicial review of agency action so as to make Federal agencies more responsive to the will of the people and the intent of Congress; to the Committee on the Judiciary.

By Mr. McKINNEY:

H.R. 808. A bill to amend the Immigration and Nationality Act to provide preferential treatment in the admission of certain children of U.S. Armed Forces personnel; to the Committee on the Judiciary.

By Mr. DAN DANIEL:

H.R. 809. A bill to amend title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954 to increase from $150 to $500 the minimum amount of cash remuneration which a farmworker must generally receive from an employer in any year (for agricultural labor) in order for such remuneration to constitute covered wages for purposes of social security benefits and taxes; to the Committee on Ways and Means.

By Mr. ROBERT W. DANIEL, JR.:

H.R. 810. A bill to terminate authorization for a portion of the Nansemond River project, Va.; to the Committee on Public Works and Transportation.

H.R. 811. A bill to terminate the authorization for a portion of the Norfolk Harbor and Thimble Shoal Channel, Va., improvement project; to the Committee on Public Works and Transportation.

H.R. 812. A bill to modify the project for navigation on the Southern Branch of Elizabeth River, Va., to the Committee on Public Works and Transportation.

H.R. 813. A bill to permit the Corps of Engineers or its contractors to dispose of dredged material from the Norfolk Harbor Channel project in certain ocean waters; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

By Mr. GONZALEZ:

H.R. 814. A bill to amend the Truth in Lending Act to encourage cash discounts; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HUNTER (for himself, Mr. BURGENER, Mr. LOWERY of California, and Mr. WOLF):

H.R. 815. A bill to amend title 38 of the United States Code to allow eligible veterans to receive certain educational assistance during the 6-year period following their last discharge or release from active duty even if such period extends beyond December 31, 1989; to the Committee on Veterans' Affairs.

By Mr. LEVITAS:

H.R. 816. A bill to provide that the Federal Aviation Administration shall only perform functions relating to aviation safety, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ROUSSELOT:

H.R. 817. A bill to amend sections 46(f) and 167(1) of the Internal Revenue Code of 1954 with respect to the treatment of public utility property; to the Committee on Ways and Means.

H.R. 818. A bill to amend the Internal Revenue Code of 1954 to allow individuals a credit against income taxes for expenses incurred as a result of an income tax audit, in any case in which the taxpayer is not liable for more taxes as the result of such audit; to the Committee on Ways and Means.

H.R. 819. A bill to amend part A of title IV of the Social Security Act to make it clear that any State may impose work requirements as a condition of eligibility for aid to families with dependent children; to the Committee on Ways and Means.

H.R. 820. A bill to amend the Internal Revenue Code of 1954 to exclude from the gross income of individuals who have attained the age of 62, $3,000 of interest received during any taxable year; to the Committee on Ways and Means.

By Mr. ROUSSELOT (for himself, Mr. PICKLE, Mr. DOWNEY, Mr. BAFALIS, Mr. KEMP, and Mr. COURTER):

H.R. 821. A bill to amend the Internal Revenue Code of 1954 to cut in half the capital gains tax on the sale of certain stocks and bonds of qualified small corporations; to the Committee on Ways and Means.

By Mr. SHANNON:

H.R. 822. A bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of incentive stock options; to the Committee on Ways and Means.

By Mr. STARK (for himself and Mr. EDWARDS of California):

H.R. 823. A bill to establish certain limitations relating to the movement of professional sports franchises, to require the equal sharing of revenues under certain professional sports broadcasting agreements, and for other purposes; to the Committee on the Judiciary.

By Mr. SHANNON:

H.J. Res. 81. Joint resolution designating August 2, 1981, as "National Day of Peace"; to the Committee on Post Office and Civil Service.

By Mr. GONZALEZ:

H. Con. Res. 25. Concurrent resolution expressing the sense of Congress on the Iranian crisis; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHAPPELL:

H.R. 824. A bill for the relief of Ellen and Horst Bliedung; to the Committee on the Judiciary.

H.R. 825. A bill for the relief of Yick Bong Au Yeung; to the Committee on the Judiciary.

H.R. 826. A bill for the relief of Ramona Castro Flores Vda. De Guzman; to the Committee on the Judiciary.

By Mr. McDONALD:

H.R. 827. A bill for the relief of Vernon Myers; to the Committee on the Judiciary.

By Mr. NOWAK:

H.R. 828. A bill for the relief of George G. Barrios, doctor of medicine, his wife Olga T. Cruz, and their children Kurt F. Barrios and Karl S. Barrios; to the Committee on the Judiciary.

H.R. 829. A bill for the relief of Johnny C. Reyes, doctor of medicine; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 63: Mr. PHILIP M. CRANE, Mr. MCCLORY, and Mr. HORTON.

H.R. 247: Mr. BROOMFIELD, Mr. SHUSTER, Mr. FISH, Mr. EMERY, Mr. HYDE, Mr. LUJAN, Mr. MARLENEE, Mr. PAUL, Mr. BROWN of Ohio, Mr. HALL of Ohio, Mr. EDWARDS of Alabama, Mr. MCKINNEY,and Mr. DECKARD.

H. Res. 13: Mr. DORNAN of California.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5. By the SPEAKER: Petition of the Association of the U.S. Army, Arlington, Va., relative to defense problems; to the Committee on Armed Services.

6. Also, petition of the Forest District Civic Association, Buffalo, N.Y., relative to the House Select Committee on Narcotics and Drug Abuse; to the Committee on Rules.

EXTENSIONS OF REMARKS

WREAKING HAVOC IN CENTRAL AMERICA

HON. WM. S. BROOMFIELD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. BROOMFIELD. Mr. Speaker, the brutal murders of two American labor organizers and their Salvadorian counterpart in El Salvador on January 3, 1981, brings to seven the number of U.S. citizens killed in that tiny Central American nation in the last few weeks. This wave of shocking violence has at least temporarily focused the attention of the American people on the death and destruction taking place throughout that region.

Unfortunately, while much print has been devoted to the emotional aspects of these tragedies, far too little time has been spent over the last few years in looking at the cause of the violence and the real problems facing our allies in the area. At the same time there is a serious need to review U.S. posture and policy options in the region as a result of 4 years of the Carter administration. In this regard, I would like to bring to the attention of my colleagues an article that appeared in the Washington Star of January 4.

Entitled "Wreaking Havoc in Central America," the article was written by Mrs. Jeane J. Kirkpatrick, who is Leavy professor of government at Georgetown University, and a resident scholar of the American Enterprise Institute. Most recently she was designated to be U.S. Ambassador to the United Nations in the Reagan administration.

In her article Mrs. Kirkpatrick brilliantly analyzed the real issues in the current unrest and clearly spells out the U.S. interests that are at stake. The entire text of her article follows:

WREAKING HAVOC IN CENTRAL AMERICA

(By Jeane J. Kirkpatrick)

While American attention in the past year has been focused on other matters, developments of great potential importance in Central America and the Caribbean have passed almost unnoticed. The deterioration of the U.S. position in the hemisphere has created serious vulnerabilities where none existed, and threatens now to confront this country with the unprecedented need to defend itself against a ring of Soviet bases on and around our southern and eastern borders.

The first fruits of the Soviet and Cuban efforts are the new governments of Grenada and Nicaragua, whose commitment to Marxist-Leninist principles and solidarity with Soviet/Cuban policies led Castro to brag on returning from Managua, "Now there are three of us." There may soon be four. El Salvador, having arrived now at the edge of anarchy, is threatened by well-armed guerrillas whose fanaticism and violence remind some observers of Pol Pot. Meanwhile, the terrorism has reappeared in Guatemala.

Slower but no less serious transformations are under way in Guyana, where ties to Castro have become extensive and tight, and in Martinique and Guadeloupe, where Castroite groups threaten existing governments.

American policies have not only proved incapable of dealing with Soviet/Cuban expansion in the area, they have positively contributed to it and to the growth of neutralism, the destabilization of friendly governments, the spread of Cuban influence, and the decline of U.S. power in the region. Hence one of the most urgent tasks of the Reagan administration will be to revise the U.S. approach to Latin America and the Caribbean.

To an extent unusual in government, Carter administration policies toward Latin America and the Caribbean (as in the world more broadly) were derived mainly from an ideology rather than from tradition, habit, or improvisation.

Indeed, nothing is as important as understanding the relationship between the recent failures of American policy—in Latin America and elsewhere—and the philosophy of foreign affairs that inspired that policy. Such an effort of understanding requires, first, that we disregard the notion that the failure of the Carter policy was the personal failure of a man unskilled in the ways of diplomacy; and second, that we look beyond superficial day-to-day policy changes to the stable orientations that reassert themselves after each discrete crisis in world affairs.

No one expressed the new approach better than Zbigniew Brzezinski, whose book, Between Two Ages, spelled out the implications of the new spirit for Latin American policy. Brzezinski argued that previous policies were inappropriate to the new realities of declining ideological competition, declining nationalism, increased global interdependence and rising Third World expectations. The U.S. should therefore give up its historic hemispheric posture, which had postulated a "special relationship" with Latin America and emphasized hemispheric security and, since World War II, anti-Communism. We should instead make an explicit move to abandon the Monroe Doctrine, "concede that in the new global age geographic or hemispheric contiguity no longer need be politically decisive," adopt a "more detached attitude toward revolutionary processes," demonstrate more "patience," and take an increasingly depoliticized approach to aid and trade.

"Change" was the favorite word of administration policy-makers. Carter, Vance, and their associates reiterated their conviction that the world was in the grip of a process of transformation which was irresistible, systematic, and desirable. Spokesmen reiterated that "our national interests align us naturally and inescapably with the forces of change, of democracy, of human rights and of equitable development" (Philip Habib). And the belief that the whole world was caught up in a process of modernization moving it toward greater democracy and equality subtly transformed itself into an imperative: The U.S. should throw its power behind the "progressive" forces seeking change, even if they "seem" anti-American or pro-Soviet.

A REGION TRANSFORMED

The policies which grew out of these beliefs have had a large impact on U.S. relations with most nations of South America. In Central America in particular, the direction of administration policy interacted with the presence there of weak regimes and Cuban-supported insurgents to transform the region into a battleground in an ideological war that the administration did not understand and could not acknowledge.

In Central America the boundaries between the political system, the economy, the military establishment, and the Church are often unclear and unreliable. Weak governments confront strong social groups, and no institution is able to establish its authority over the whole.

A democratic facade—elections, political parties, and fairly broad participation—is a feature of these systems. But the impact of democratic forms is modified by varying degrees of fraud, intimidation, and restrictions on who may participate. Corruption is endemic. Political institutions are not strong enough to channel and contain the claims of various groups. No procedure is recognized as the legitimate route to power, so competition for influence proceeds by whatever means are at hand: the Church manipulates symbols of rectitude; workers resort to strikes; businessmen use bribery; political parties use votes; politicians use persuasion and demagoguery; military officers use force. Lack of consensus permits political competition of various kinds and gives the last word to those who dispose of the greatest force.

THE ROLE OF VIOLENCE

Violence or the threat of violence is an integral, regular, predictable part of these political systems—a fact which is obscured by our way of describing military "interventions" in Latin political systems as if the system were normally peaceable. Coups, demonstrations, strikes, plots and counterplots are, in fact, the norm.

Traditionally, however, actual violence has been limited by the need to draw support from diverse sectors of the society and by the fact that politics has not been viewed as involving ultimate stakes. The various competitors for power have sought control of government to increase their wealth and prestige, not for the "higher" and more dangerous purpose of restructuring society. Traditionally, competitors do not destroy each other. The habit of permitting opponents to survive to fight another day is reflected in the tendency of Latin regimes to instability. In such a system a government normally lasts as long as it is able to prevent a coalition from forming among its opponents. Because there is no consensus on what makes government itself legitimate, successive regimes remain vulnerable to attacks on their legitimacy. They are also especially vulnerable to attacks on public order, which tends to be tenuous and to lack a firm base in tradition, habit and affection.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

GUERRILLAS STEP I

To these patterns of political interaction there has been added in recent years the unfamiliar guerrilla violence of revolutionaries linked to Cuba by ideology and training, and through Cuba to the Soviet Union. Such groups rely on terrorism to destroy public order, to disrupt the economy and make normal life impossible, to demoralize the police, and mortally wound the government by demonstrating its inability to maintain public order.

It is at this point that the roles of Cuba on the one hand, and the U.S. on the other hand, become crucial. Cuba stands ready to succor, train, equip, and advise revolutionaries produced within these societies and to supply weapons for a general insurgency when that is created. The U.S. is important to existing authorities as a source of economic aid and moral and military support. Traditionally, it has also exercised a veto power over governments in the area and reinforced acceptable governments with its tacit approval When aid and comfort from the U.S. in the form of money arms, and the services of counterinsurgency experts are no longer available governments like those of Nicaragua, El Salvador and Guatemala are weakened. And when it finally sinks in that the U.S. prefers insurgents to incumbents, the blow to such weak traditional regimes is devastating.

THE NICARAGUAN EXAMPLE

The now familiar case of Nicaragua illustrates to perfection what happens when "affirmative pressures for change" on the part of the U.S. interact with Cuban-backed insurgency and a government especially vulnerable to shifts in U.S. policy.

What did the Carter administration do in Nicaragua? It brought down the Somoza regime. The Carter administration did not "lose" Nicaragua in the sense in which it was once charged Harry Truman had "lost" China or Eisenhower Cuba—by failing to prevent a given outcome. In the case of Nicaragua, the State Department acted at critical junctures to weaken the government of Anastasio Somoza and to strengthen his opponents.

First, it declared "open season" on the Somoza regime. When in the spring of 1977 the State Department announced that shipments of arms would be halted for human-rights violations, and followed this with announcements that economic aid would be withheld, it served notice that the regime no longer enjoyed the approval of the United States and could no longer count on its protection.

Second, the Carter administration's policies inhibited the Somoza regime in dealing with its opponents while they were weak enough to be dealt with. Fearful of U.S. reproaches and reprisals, Somoza fluctuated between repression and indulgence in his response to violence.

Third, by its "mediation" efforts and its initiatives in the Organization of American States (OAS), the Carter administration encouraged the internationalization of the opposition. Further, it demoralized Somoza and his supporters by insisting that Somoza's continuation in power was the principal obstacle to a viable, centrist, democratic government. Finally, the State Department deprived the Somoza regime of legitimacy not only by repeated condemnations for human-rights violations but also by publishing a demand for Somoza's resignation and by negotiating with the opposition.

MAKE ROOM FOR CHANGE

Why did the Carter administration do these things? Because it thought the fall of Somoza would bring progress to Nicaragua. Viron Vaky put it this way.

"The Nicaraguan tragedy stems from dynastic rule. Times have changed, Nicaragua has changed, but the government of Nicaragua has not."

Somoza should relinquish power to make room for "change." When he declined to do so, the Carter administration accused him of "polarizing" the situation. When the National Guard responded to the revolutionaries' violence with violence, the State Department said that the National Guard had "radicalized the opposition." On the other hand, the fact that Cubans were supplying arms to the FSLN was not regarded as being of much importance.

The Carter administration expected that democracy would emerge in Nicaragua. Even after it had become clear that the FSLN, which was known to harbor powerful antidemocratic tendencies, was the dominant force in the new regime, U.S. spokesmen continued to speak of the events in Nicaragua as a democratic revolution.

STILL HOPING FOR BEST

The expectation that change would produce progress and that socialism equaled social justice made it difficult for Carter policy-makers to assess Nicaragua's new rulers realistically, even though grounds for concern about their intentions, already numerous before the triumph, continued to multiply.

Revolution begins with destruction. The first consequence of the destabilization of Somoza was a civil war in which some 40,000 Nicaraguans lost their most basic human right (life), another 100,000 were left homeless, and some $2 billion worth of destruction was wrought. Nicaragua was left in shambles.

Where did the expectations, the hopes, the intentions of the Carter administration then lead us and the Nicaraguans who took the consequences? Although the FSLN had solemnly committed itself to hold free elections, its leaders have shown no disposition to share the power they seized in July 1979. Sandinista leaders have made no secret of their opinion that competitive elections are an unsatisfactory and unnecessary mechanism. Junta members have asserted that the people spoke through the revolution and that any way, having been brainwashed by 40 years of Somoza rule, they are not capable of choosing among candidates—at least not until they have been "reeducated" by the Sandinistas.

Restrictions on unfavorable news constitute just one significant part of the Sandinistas' gradual campaign to control the climate of opinion. Television and radio had already been brought under control. Among opposition newspapers, only La Prensa remains: it has already come under pressures more harsh than those applied during the Somoza era, and its continuation as an independent critical voice is at best uncertain. The literacy campaign has extended the junta's reach further into the minds of Nicaragua's people as well as into the countryside. Every lesson in the literacy textbooks instructs students in the prescribed interpretation of Nicaragua's past, present, and future.

TOTALITARIAN TRADEMARK

Efforts to organize and coordinate other traditionally nongovernmental associations reflect the characteristic totalitarian desire to absorb the society into the state, to transform social groups into agencies and instruments of the government. This has required taking over some existing institutions, co-opting and/or intimidating others, and forcibly eliminating others—such as the National Guard, whose members have either fled into exile or remain in prison with little prospect of ever being tried, much less released.

But the Sandinistas do not rely on control of existing agencies to preserve their power. To accomplish that task new institutions have been forged, the most important of which are an enormous, all-new revolutionary army whose training (military and political) and equipment have been provided by Cubans, and a new internal police force which is already more extensive and effective than Somoza's.

The most telling indicator of Sandinista intentions and commitments is their unambiguous identification of Nicaragua with the foreign policy and perspectives of the Soviet Union.

"We have emerged from one dictatorship and entered another," asserted moderate Alfonso Robelo recently. "Nicaragua has become a satellite of a satellite of the Soviet Union."

UNCHASTENED BY EXPERIENCE

Nothing that happened in Nicaragua seemed able to dampen the Carter people's enthusiasm for "change" in Central America. In El Salvador, Guatemala, Bolivia, and wherever else the opportunity presented itself, the administration demonstrated the priorities, predilections, and policies that in less than four years have transformed the political map of the hemisphere.

Because it failed to take account of basic characteristics of Latin political systems, the Carter administration underestimated the fragility of order in these societies and overestimated the ease with which authority, once undermined, can be restored. Because it regarded revolutionaries as beneficent agents of change, it mistook their goals and motives and could not grasp the problem of governments which became the object of revolutionary violence. Because it misunderstood the relations between economics and politics, it wrongly assumed (as in El Salvador) that economic reforms would necessarily and promptly produce positive results. Because it misunderstood the relations between "social justice" and authority, it assumed that only "just" governments can survive. Finally, because it misunderstood the relations between justice and violence, the Carter administration fell into an effort to fight howitzers with land reform and urban guerrillas with improved fertilizers.

Above all, the Carter administration failed to understand politics. Politics is conducted by persons who by various means, including propaganda and violence, seek to realize some vision of the public good. Those visions may be beneficent or diabolic. But they constitute the real motives of real political actors. When men are treated like "forces," their intentions, values, and world view tend to be ignored. But in Nicaragua the intentions and ideology of the Sandinistas have already shaped the outcome of the revolution, as in El Salvador the intentions and ideology of the leading revolutionaries create intransigence where there might have been willingness to cooperate and compromise, nihilism where there might have been reform.

BUILDING A NEW POLICY

The first step in the reconstruction of U.S. policy for Latin America is intellectual. It requires thinking more realistically about the politics of Latin America, about the alternatives to existing governments, and about the amounts and kinds of aid and time that would be required to improve the lives and expand the liberties of the people of the area. The choices are frequently unattractive.

The second step is to assess realistically the impact of various alternatives on the security of the United States and on the safety and autonomy of the other nations of the hemisphere.

The third step is to abandon the globalist approach which denies the realities of culture, character, geography, economics, and history in favor of a vague, abstract universalism "stripped," in Edmund Burke's words, "of every relation," standing "in all the nakedness and solitude of metaphysical abstraction." What must replace it is a foreign policy that builds (again Burke) on the "concrete circumstances" which give . . . to every political principle its distinguishing color and discriminating effect."

Once the intellectual debris has been cleared away, it should become feasible to construct a Latin American policy that will protect U.S. security interests and make the actual lives of actual people in Latin America somewhat better and somewhat freer.●

NEW JERSEY COMMUNITY BREAKS A TRADITION TO HONOR THE HOSTAGES

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mrs. ROUKEMA. Mr. Speaker, a community in my district, the borough of Waldwick, has broken a long-standing local tradition as its way of showing continued strong support for the 52 American hostages.

Each New Year's Day, a citizen of Waldwick is honored as the "Citizen of the Year." This year, the Waldwick Borough Council broke tradition by honoring the 52 American hostages as "Citizens of the Year" and placing a plaque in the borough hall. The action of the council stands as a symbol of the concern that we all share.

I was honored to be asked to accept the Waldwick Council's proclamation this past New Year's Day. I have forwarded the proclamation to the families of the hostages. The courage of the hostages—and their families—is an example to us all. I feel the council's action is a heartfelt and poignant expression of the deeply held feelings of millions of Americans.

I join the people of Waldwick in their prayers that the hostages will soon be returned, and I am proud to share their official proclamation with my colleagues.

PROCLAMATION

Whereas the Mayor and Council of the Borough of Waldwick holds its Organizational Meeting on January 1st at 12 noon; and,

Whereas at this meeting the governing body traditionally recognizes and honors an outstanding citizen of Waldwick; and,

Whereas 52 Americans have been held hostage by Iran for the past 14 months; and,

Whereas all Waldwick residents are desirous of demonstrating their love and support for the 52 courageous Americans being held captive;

Now, therefore, I, John E. Cassetta, Mayor of the Borough of Waldwick, on this 1st day of January 1981 proclaim the 52 hostages to be honorary citizens of the Borough of Waldwick and, further, let it be known that the Mayor and Council of the Borough of Waldwick names the 52 American hostages to be the worthy recipients of the Citizen of the Year Award of the Borough of Waldwick, as we join with their families, friends and our entire nation in hope and prayer for their well-being and long awaited homecoming.

John E. Cassetta, Mayor; G. T. Bell, Councilman; Richard Bradley, Councilman; William Branagh, Councilman; Russell J. Litchult, Councilman; Frank T. McKenna, Councilman; Lawrence E. Williams, Councilman.●

SOME GOOD NEWS ABOUT REGULATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, December 24, 1980, into the CONGRESSIONAL RECORD:

SOME GOOD NEWS ABOUT REGULATION

The direction of the meeting was clear from the outset. In this small Southern Indiana town, people were asking a simple but very important question: how do we lighten the burden of federal regulation? I spent the better part of an hour discussing the question that day, agreeing that the burden is excessive, pointing out where progress has been made toward deregulation, and giving my views on innovative methods of regulation that should be tried, methods that make regulation less intrusive.

There are scores of common-sense ways to minimize regulatory interference in the lives and work of Americans. The following are some of the new techniques that are being tried by federal agencies. The use of such techniques should be encouraged:

Standards of performance: Instead of telling people what to do and how to do it, regulators can set overall goals and leave people to choose the best means of compliance. Such standards of performance yield the same results, but they permit more individual freedom, cut the cost of regulation, and encourage people to seek out new technologies of compliance that will make for even greater savings in the future. Among good examples of this regulatory technique are the standards of fuel economy for fleets of new vehicles.

Tiering: The word "tiering" refers to the practice of tailoring regulation to the size of the organization being regulated. Most closely identified with small business, tiering is being employed more and more to ease compliance, open up federal programs, and cut down on reporting and recordkeeping. A notable example of this regulatory technique is OSHA's virtual elimination of reporting for firms with fewer than ten workers.

Marketable rights: In areas where regulators control the public's access to a limited resource (for example, radio frequencies), the ability to market the right to access is an important alternative to time-consuming administrative decisions. The quick, efficient market replaces the slow, cumbersome bureaucracy. One proposal would have the government assign radio frequencies by auction and would allow assignees to sell or transfer their rights.

Economic incentives: Rather than ordering people and organizations to take certain actions, regulators can offer them economic incentives as encouragement. Lower taxes and lower fees are just two of the "carrots" that can replace "sticks". Economic incentives play a major role in our national energy policy, but they are not confined to that mission. The Postal Service, for example, offers a discount for pre-sorted mail, an incentive expected to save mailers $800 million and the government $1.4 billion every year.

Reform of compliance: The government is discovering that federal inspection and inflexible penalties are not always needed to guarantee compliance with regulations. Inspection by third parties and supervised self-regulation are alternatives to federal inspection; penalties that reflect the degree of non-compliance are alternatives to inflexible penalties. Examples of reform are a program of volunteers who assess products for safety and a proposal that a graduated "emission fee" be paid by automotive manufacturers for each polluting engine produced.

Enhanced competition: In many instances where regulators are concerned with the availability and cost of a service, competition may be a better policy than regulation. Again, the idea is that the market can "decide" more quickly and efficiently than the bureaucracy. Congress has moved to enhance competition and loosen regulation in the airline, banking, railroad, and trucking industries. The telecommunications industry may be next.

Disclosure of information: The government can sometimes achieve its regulatory goals with little more than information. Also, it can sometimes use information in conjunction with existing regulatory programs to secure more benefits at a reduced cost. For example, regulators have chosen to label (rather than control) major noise-emitting products. Also, they have launched an educational program to assist people in the selection of the appropriate kind of long-term care for elderly relatives.

Voluntary standards: Regulators are coming to rely on voluntary standards in an increasing number of fields. Whether set by third parties or by the regulated organizations themselves, such standards are beneficial because they draw on private expertise and can

Government has looked too often to a direct form of regulation, one of command and control, to solve problems. Such regulation, however, consumes too much time, costs too much money, and destroys too much initiative.

The trend toward innovative methods of regulation is still in its early stages, so it is too soon to say what the ultimate impact will be. I am persuaded, however, that such methods must be encouraged because they result in immediate savings, substitute the judgments of individuals and businesses for

those of bureaucrats, give regulated organizations more flexibility in the conduct of their affairs, and under the antagonistic attitudes that divide the people from the government. I am not expecting miraculous progress against overregulation, but I believe that Congress should press hard for positive changes in regulatory

DWYER COMMENTS ON INFANT FEEDING AND WORLD POLITICS

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. HORTON. Mr. Speaker, in recent years we have witnessed a spirited debate, both here and abroad, over the manufacture and sale of baby food in developing nations. This debate reached its zenith when the issue surfaced on Capitol Hill when hearings in both the House and Senate were held. While no legislative action was taken, legislative proposals were reviewed by the Foreign Affairs Committee and the Health Subcommittee of the Committee on Labor and Human Resources in the Senate.

Will Dwyer, who reports on economic and political affairs for the Public Affairs Broadcast Group of Los Angeles, recently went to Geneva, Switzerland, to cover preparations being made by the World Health Organization to adopt an international marketing code for infant formula. The following commentary is based on the half-hour documentary he wrote and produced on the issue. The "In Depth" broadcast series, in which the Dwyer documentary is included, is carried by several hundred U.S. radio stations which are affiliated with Public Affairs Broadcast Group.

The text follows:

INFANT FEEDING AND WORLD POLITICS

The swearing-in of Ronald Reagan as U.S. President no doubt will evoke an enthusiastic response from those in the free market cheering section. But, their glee could quickly turn to gloom if they look at some current goings on in Geneva at the World Health Organization.

The issue involves what this United Nations agency may attempt to do in regulating the baby food business. It is a controversy in which emotional arguments often outweigh scientific ones and where anti-business activism can be found parading under church banners.

THIRD WORLD BACKGROUND

Various studies in recent years have reported a decline in breastfeeding of infants, especially by new mothers in the world's developing countries. Bottle feeding, either as a substitute or a supplement, has gained popularity. In some cases, what the bottle contains is infant formula produced by several companies in the industrialized parts of the world.

For a variety of reasons, many in the international community strongly oppose the advertising and other promotional practices of baby food makers. It is their view that such activity turns women away from breastfeeding to formula.

They also asserted that poor women neither could afford the cost of formula nor were careful enough to avoid its contamination, arguing they mixed it with polluted water.

BUILDUP AND INTENSIFICATION

Probably the most visible sign of infant feeding activism in this country came in the Nestle boycott. Because the giant Swiss chocolate maker is the leading supplier of infant formula, its candy bars and other products were targeted for boycott. Campuses were the principal place of protest.

The impact of this "don't buy" campaign appears to have been negligible. Some of that probably is explained by the caption of the cartoon that showed a man at the sales counter ordering "whatever *they're* against this week!".

Infant formula opponents successfully brought the issue before the Congress. A round of hearings was held by Senator Kennedy's Health Subcommittee.

And from this forum, the issue was next raised in Geneva, Switzerland, before the World Health Organization.

THE WHAT OF WHO

Formally known as a specialized agency of the United Nations, WHO was chartered in 1948 to serve as an international focal point for disease fighting and the improvement of public health.

Much of its work is heroic. Many of its achievements, especially in smallpox eradication and national quarantines, are worthy of continuing accolade.

THE CODE QUESTION

At a Geneva meeting in the fall of 1979, sponsored jointly by WHO and UNICEF, all involved parties—governments, scientists, activists and industry—came to a consensus on how to promote breastfeeding. The marketing code proposal was but one of many recommendations, and only to assure, as the U.N.'s own document states, that "marketing of breastmilk substitutes and weaning foods should be designed not to discourage breastfeeding."

Since then, the proverbial "inch" given has become at least a "meter" and threatens to become a "mile" before it's over.

The current version of the code, scheduled for final action by the World Health Assembly in May of 1981, is decidedly Draconian. From such benign beginnings as found in the industry-activist harmony of 1979, the present wording effectively would socialize the spectrum of marketing for infant formula.

Item: No advertising of these fully-legal products would be allowed.

Item: No sampling of infant formula—even to health professionals—would be permitted.

Item: Employer recognition of sales success by bonuses to its formula marketers would be forbidden.

Many of the code's proposed provisions give rise to immediate difficulty in the U.S. and other industrial nations. For example, a measure to snuff out advertising runs afoul of our First Amendment "free speech" guarantees. The Supreme Court has afforded commercial expression essentially the same protection as political statements.

Additionally, where the code calls for cooperation among manufacturers to end certain promotional practices, that kind of "cooperation" would be collusion in the U.S. and an invitation to indictment on anti-trust charges.

THE OUTCOME?

As with much of the U.N., the United States is the WHO's biggest benefactor. American taxpayer dollars fund 25 percent of the agency's annual working budget.

Therefore, opponents of such severe restrictions as this code would impose are counting on the Reagan mandate for reduced regulation to be a moderating influence in Geneva. Some worry aloud, however, that Washington bureaucrats known for their sympathy to international business intervention may beat their new bosses, the Reagan appointees, to the draw.

Should WHO succeed in enforcing regulations on infant food marketing, the action would be unprecedented. But, more significantly, it will telegraph a message about the appetite for control this agency has discovered.

But, after all, wasn't it a psalmist who spoke of "ordained strength" coming "out of the mouths of babes?"●

CHARLES D. OBERSHAW

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. LEWIS. Mr. Speaker, I would like to take this opportunity to recognize one of the truly fine men in America today, Mr. Charles D. Obershaw, president of the San Bernardino Area Chamber of Commerce.

Charles Obershaw has been the driving force in the growth and development of San Bernardino and the "Inland Empire" for many years. His contributions to community activities and charitable causes have earned him a warm place in the hearts of all who have had the opportunity to work with him.

During his term of office, the San Bernardino Area Chamber of Commerce reached the 1,000 new member level for the first time. He raised the necessary funds to sponsor a Regional Urban Development Assistance Team to come to San Bernardino from the American Institute of Architects. This was totally supported through private funds.

Beyond his contributions to the chamber of commerce, Charles Obershaw is a member of the Redevelopment Commission, the Bicentennial Committee, the Argonauts Club, and the Parks and Recreation Commission.

Mr. Speaker, Charles Obershaw has served San Bernardino and the "Inland Empire" in a way few before him have. He is an inspiration to the people who work with him and a driving force in our community. It is my privilege today to commend Charles D. Obershaw to the House of Representatives and extend my very best wishes to him and his family.●

THE BIG CONGRESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, December 17, 1980, into the CONGRESSIONAL RECORD:

THE BIG CONGRESS

One place to start attacking big government in Washington is in the Congress itself. My impression is that congressional staffs have grown too large and have gained too much influence. I agree with the complaints I hear about the "unelected bureaucracy" that helps Congressmen and Senators with their constituents and aids them in guiding the legislative process. A respected colleague of mine recently remarked that "you can become a prisoner of your staff." A senior Senator made the same point more bluntly when he said: "Staff runs Congress."

During most of its history, Congress has gotten by with very little staff. The first permanent staffs in Congress, a handful of clerks who worked for committees, were hired in 1856, and it was not until 1900 that all standing panels in the House and Senate had such assistance. Personal staffs, also consisting of a few clerks, made their appearance in the closing years of the last century. One of the main reasons why staff has been so slow to proliferate on Capitol Hill may have been legislators' fear that staff help might be seen as a sign of inability to master the job. A second reason is that Congress has done less in the past than it does today.

Whatever the situation decades ago, it has changed dramatically since the mid-1950's. According to one reckoning, Congress and all its agencies were staffed with 5,200 employees at a cost of $70 million 25 years ago. By 1980, staff had quadrupled to 20,000 at a cost of $1.2 billion. Today's Congress may pale when compared to the executive branch, but it is a giant when compared to the Congress of yesteryear. The additional staff, of course, generates additional work. It needs more space, more parking, and more supporting services. One result of this growth is that members of Congress have become too busy and too dependent on staff. As staff permits more constituents, special interest groups, and legislative ideas to press upon legislators whose time and energy are limited, the legislators must spread themselves more thinly. They find it hard to reflect on the issues. Another result is a huge budget for Congress.

As might be expected, there are understandable causes behind the expansion of congressional staffs. One is the increase in demand for services to constituents. In 1910, the year the number of House seats was fixed at 435, each Congressman represented 212,000 people. Today, he represents 500,000. The constituencies of Senators have grown just as rapidly. The growth of government since the Second World War has made these expanding constituencies more desirous of help in their relations with government. In a period of 25 years after 1940, for example, the number of social security recipients rose from 330,000 to 21 million. Such an increase can be multiplied time and again for the many federal initiatives that touch people's lives. Active and growing special interest groups make sure that the needs of constituents are known.

Other factors have caused Congress to hire staff. A principal factor was the executive-legislative confrontation that characterized the Johnson and Nixon Administrations. In the view of many, Mr. Johnson misled Congress concerning his conduct of the Vietnam War. Without a big staff at its disposal, Congress had to accept what it was given. A few years later, Mr. Nixon impounded large sums of money Congress had appropriated. Congress reacted by creating the budget committees and their supporting staffs. Another factor of importance is the unprecedented rate at which complex issues are coming before Congress. Prior to the 1970's, for example, few legislators were concerned about the availability of adequate supplies of energy. This is only one of dozens of new, technically difficult issues which have forced legislators to seek expert help. The legislative reforms that swept through Congress some years ago constitute another factor behind the growth of staff. During that time, the power of committee chairmen was redistributed among younger members. This "democratization" of Congress led to a sharp increase in the number of committees and subcommittees, each of which has its own staff.

The expansion of staff in Congress, then, has come about for several reasons: the strong demands of constituents and special interest groups, a desire for independence from the executive, the greater number and complexity of issues on the agenda, and reforms that disbursed power and gave younger members a voice. In a sense, Congress has grown because government and the interests it serves have grown. These others have grown faster, but all the growth is interrelated. Each feeds on the others, and feeds them in turn.

If we are to have a Congress that is responsive to the people, independent of the executive, expert enough to handle complex issues, and open to the leadership of new members, we must have an adequate congressional staff. But it is time to call a halt to growth. Reductions in staff must begin, and subcommittees must be cut. What started out as an honest attempt to make Congress better has gotten out of hand. When I was in conference committee with a few colleagues not long ago, I saw dozens of aides jammed into the room. Most of them watched and listened but did little else. Congress must make use of the tools it has. It does not need new ones.

I am not persuaded that the extra capability provided to individual members by staff means that Congress as a whole has greater capability. In fact, I suspect that the broader capability of individual members, supported by large and aggressive staffs, may have overloaded the system. Instead of adding new staff when problems arise, Congress should tighten its belt and organize itself in the most efficient manner possible. If staff can be trimmed and if each legislator can learn to be a better manager, the potential danger posed by an unelected bureaucracy on Capitol Hill will be greatly diminished. We may even find that Congress will work better.●

JAYCEE WEEK

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. PARRIS. Mr. Speaker, the second week of January marks a special time for over 550 young men in the Eighth Congressional District of Virginia. These men are celebrating an anniversary. Over 61 years ago, the Jaycees, formerly known as the Junior Chamber of Commerce, was founded in St. Louis and in 1981 boasts over 450,000 members in the United States. Jaycees across America are actively involved in civic affairs today as they have been over the years. They have tackled difficult problems in their communities, States, and on the national and international level—all with one purpose in mind—the common good.

Mr. Speaker, these 550 young men, in 9 local and 2 institutional chapters in my district are an integral part of the over 180 chapters throughout Virginia. They toil long hours, on and off their jobs, on projects to help retarded children, victims of muscular dystrophy, cystic fibrosis, juvenile diabetes, and heart disease. They perform a wide range of community action programs and individual development projects designed to improve themselves and their families. All of these young men exemplify their creed which states that, "service to humanity is the best work of life."

I salute the Jaycees on their 61st year of service to the people of northern Virginia and wish at this time to recognize the presidents and State directors of those outstanding chapters located in the Eighth District, and known to the Jaycees as District 22, "Super Nova" region.●

CENSORSHIP OF INTERNATIONAL NEWS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. DERWINSKI. Mr. Speaker, a recent development that has not been the subject of constant attention, but which arouses indignation is the endorsement of the UNESCO plan by the world's governments last month at a conference held in Belgrade, Yugoslavia. This plan does, in fact, call for censorship of international news.

I wish to insert a most penetrating article by Shirley Hazzard, who has worked in the United Nations Secretariat for 10 years and is the author of the novel, "Defeat of an Ideal: A Study of the Self-Destruction of the

United Nations." Her article, which follows, appeared in the December 30 Chicago Sun-Times:

[From Chicago Sun-Times, Dec. 30, 1980]

UN HATCHES PLAN TO MUZZLE WORLD NEWS FLOW

(By Shirley Hazzard)

The United Nations is impotent, yet not harmless. The delusion that the UN is as incapable of evil as it is of virtue presumably accounts for public inertia over the UNESCO "world information order" endorsed by the world's governments last month at a conference in Belgrade, Yugoslavia.

Few Americans even seem aware of this abomination, which constitutes, in brief, a plan for official interference in the International flow of news and ideas.

While the concept approved at Belgrade is interred in jargon and presented as a means of improving global communications, its ultimate intent is starkly clear. When we are told of journalistic "principles" that will "take into account the public interest," and of "the concept of an international code of ethics" for the communications media, we recognize the very restraints under which journalists already labor in totalitarian states—whether in the Soviet Union or South Africa, Chile or Cuba, China, South Korea or Saudi Arabia. When we hear that the press will be "encouraged" by governments to refrain from inciting "hostility," we readily imagine how that word may be defined in—for example—Pravda, and used against courageous voices throughout the world.

The UNESCO plan is put forward in particular as a means of facilitating the flow of news from Third World countries; in other words, as a method of sealing off from world view events in such places as Cambodia or Libya. The truth is that the peoples of the Third World urgently need to develop a free press, rather than a Newspeak machine, just as their governments need the corrective of free journalism.

That the United States, Britain and other Western governments should have acquiesced—with ineffectual criticisms—in this sinister farce need surprise no one. There are few governments with sufficient integrity to deny themselves the opportunity offered by the UNESCO plan to impose censorship in particular instances, under pretense of conforming with an international convention. Publication of such revelations as the Nixon tapes might easily be held, by an embarrassed administration, to violate "the public interest." In the absence of forceful protest from the public or the media, Western governments felt able to "join the consensus" at Belgrade—a euphemistic "consensus" having been substituted for a "vote," in an ominous foretaste of the vocabulary we may expect under the "international code of ethics."

Near its close, the conference was enthusiastically addressed by the leader of the Palestine Liberation Organization, Yasir Arafat. The UNESCO plan undertakes to assist the PLO and other terrorist movements by improving their propaganda methods—thus augmenting the PLO propaganda unit long since installed at United Nations headquarters in New York.

As with any UN venture, further studies are inevitably, interminably and expensively envisaged. Composition of the ponderous document approved at Belgrade has itself consumed years of intrigue and dispute and spawned inane conferences and innumerable haunts. An additional "intergovernmental council" of 35 nations is now in view, and—with costs already in the millions—UNESCO looks forward to a bonanza of committees and an eventual agency for administering its Orwellian "plan."

While there is no dispassionate proof of UNESCO's ability to manage any undertaking with competence, it would be foolhardy, in this case, for the public to rely on mere UN incapacity as a safeguard, since the eagerness of officialdom to act against a free press is an unusually compelling force.

That such an act or repression can be proposed to us by an international institution, that our government endorses it, that the American press itself is largely indifferent toward it and that the public is silent tells us much about the apathy induced, worldwide, by UN deliberations.

The fatal weakness of the United Nations lies in its complete lack of public accountability and exposure.

The organization's hideous record on human rights cries out for public study, as does the collusion of UN officials in that crime. The staggering disproportion between any useful UN service and its gigantic cost is ripe for examination. In fawning on official torturers and terrorists, the UN leadership has contributed—as in Iran—to the rise of fanaticism by denying a legitimate voice to moderation and dissent and by disregarding a flood of humanitarian appeals.

The crisis of morale and capacity at the UN can no longer be contained or ignored. The brave and lonely figures who struggle, within the UN Secretariat, to bring health to this malignant body deserve public support, and this can only be developed by a realistic press.

Now it is up to the press to raise the alarm.●

DAVID GREENE

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. LEWIS. Mr. Speaker, today I would like to honor Mr. David Greene, an outstanding American philanthropist who will celebrate his 80th birthday this January 14.

David Greene is a man whose presence, success, and generosity have been recognized and appreciated wherever he has been, from Long Island to Palm Springs. As his financial success has contributed to the health of the American economy, his spirit of giving has contributed to the lives of all he meets.

He gave the rehabilitation center wing to the Desert Hospital in Palm Springs and a wing to the North Shore University Hospital in Manhasset, Long Island. He has actively supported many events, such as the Desert Auxiliary Ball and the William Demarest Tourney, which have benefited and served the community.

The United Jewish Appeal in New York and Palm Springs, the national cerebral palsy organization, the Jewish Welfare Federation, and the Long Island Jewish Hospital are all recipients of his philanthropy.

Mr. David Greene embodies a spirit of giving which has made America the great Nation she is. It is a privilege to live in the community with him. I commend him to the House of Representatives and extend my best wishes to him.●

THE TRANSITION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, January 7, 1981, into the CONGRESSIONAL RECORD:

THE TRANSITION

It is my impression that the transfer of power from one administration to its successor is one feature of our government that works rather well. Surely one of our strengths as a country is that this transfer of power from one President to the next is done smoothly. Despite all the charges and counter-charges of the campaign and all the predictions of disaster if one candidate or the other were to win, the vote of a majority of the people is clearly accepted and both sides strive to act in the national interest. One has only to observe the turmoil and violence that often accompany the transfer of power in other countries of the world to appreciate the magnitude of our accomplishment. The presidential transition now underway in Washington tends to reaffirm one's faith in the American political process.

The transition is clearly a delicate period. A defeated incumbent remains the President for ten weeks. Unlike other democratic nations, the United States experiences a transitional "gap" during which the defeated President continues to make appointments, to conduct foreign affairs, and to take care that the laws are faithfully executed. If necessary, he may even ask Congress to commit troops abroad or declare war.

As a practical matter, however, his power slips away. The sense of urgency and responsibility fades. There is work to be done, but it is inevitable that morale will lag and planning stop. Everyone's interest shifts to his successor. The incumbent President holds the levers of power and remains the chief executive until Inauguration Day, but actual power shifts to his successor. Most decisions are left to the day when the President-elect takes over the White House. The ambiguities of power during the transition often puzzle foreign leaders and could present a danger to the country if these leaders believed that the government was in disarray or that nobody was in charge. The United States must be careful that our adversaries do not act to take advantage of the situation. It is, therefore, important that the President and the President-elect convey to the world the sense that the fundamental elements of American policy continue unchanged during the shift of administrations.

The transfer of authority to govern is an exceedingly important time for the incoming administration. During this crowded and

chaotic period, members of the new administration must design and implement their plans and find the best available people to fill some 3,000 key policy-making jobs. Advisors to the President-elect know that a new President must act forcefully and boldly. If he does not, he may lose the political "clout" that he needs to carry forward his proposals. In recent years Congress has come to recognize the importance of the transition by appropriating funds for it—$2 million for the President-elect and $1 million for the outgoing President.

Transitions usually begin with the incoming and departing Presidents vowing complete cooperation. This year President Carter set the right tone for the transition when he promised "the best transition" in history. He directed officials in his administration to cooperate fully with representatives of the Reagan Administration. It is my feeling that Mr. Carter's directives have been followed in general.

The transition is not a simple exercise. It is not surprising to see a few "hitches". This transition has grown bigger and more complex than the Reagan Administration expected. In fact, it has become the most elaborate transition ever. No one has produced a definite count of the number of persons involved, but estimates range from 580 to 1,200. It is 50 per cent over budget—a cost overrun of $1 million. It has been untidy on occasion. Senior transition officials have often disassociated themselves from reports leaking out of dozens of transition teams. One day recently the President-elect's chief advisor on foreign policy warned some 200 transition officials to curtail their comments on international affairs. Internal memoranda containing recommended positions on issues have been slipping out so fast that Reagan aides have had to deny daily that decisions on policies have been made. In addition, Mr. Reagan has been slow in selecting his cabinet. Although they can be troublesome, such "snafus" are normal for the period during which power is transferred in a democracy. For the incoming President, they should serve as warning signs of the problems that lie ahead.

It seems to me that the transition is also a time of hope. There is a sense of new beginning with a new President who will lead us into a new decade. People tend to be more optimistic about the immediate future. They hope that he will do better than his predecessor. To be sure, there are undercurrents of anxiety and nervousness about the future, but these are unavoidable. The transition is bound to be a period of high expectation for the new President and his new administration.●

RECONSTITUTING THE NARCOTICS SELECT COMMITTEE

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. ZEFERETTI. Mr. Speaker, on Monday, January 5, 1981, I introduced House Resolution 13, creating in the 97th Congress a Select Committee on Narcotics Abuse and Control. A copy of my statement introducing this resolution appears in the CONGRESSIONAL RECORD on page 149. The name of my distinguished colleague, the gentleman from California (Mr. DORNAN), was inadvertently omitted as an original cosponsor.

The following Members have cosponsored House Resolution 13: Mr. BEARD, Mrs. COLLINS of Illinois, Mr. COUGHLIN, Mr. DORNAN of California, Mr. DE LA GARZA, Mr. ENGLISH, Mr. EVANS of Georgia, Mr. GILMAN, Mr. GUYER, Mr. NEAL, Mr. RAILSBACK, Mr. RANGEL, Mr. RODINO, and Mr. SCHEUER.

Mr. Speaker, I am inserting at this point in the RECORD the complete text of House Resolution 13 and would welcome the support of my colleagues in reconstituting our select committee:

H. RES. 13

A bill to establish the Select Committee on Narcotics Abuse and Control.

Resolved, That there is hereby established in the House of Representatives a select committee to be known as the Select Committee on Narcotics Abuse and Control (hereinafter referred to as the "select committee").

FUNCTIONS

SEC. 2. The select committee shall not have legislative jurisdiction. The select committee shall have authority—

(1) to conduct a continuing comprehensive study and review of the problems of narcotics, drug, and polydrug abuse and control, including (but not limited to) the study and review of (A) the abuse and control of opium and its derivatives, other narcotic drugs, psychotropics, and other controlled substances, as defined in the Comprehensive Drug Abuse Prevention and Control Act of 1970, and any such drug or substance when used in combination with any other substance; (B) domestic and international trafficking, manufacturing, and distribution; (C) treatment, prevention, and rehabilitation; (D) narcotics-related violations of the Internal Revenue Code of 1954; (E) international treaties and agreements relating to the control of narcotics and drug abuse; (F) the role of organized crime in narcotics and drug abuse; (G) problems of narcotics and drug abuse and control in the Armed Forces of the United States; (H) problems of narcotics and drug abuse and control in industry; and (I) the approach of the criminal justice system with respect to narcotics and drug law violations and crimes related to drug abuse;

(2) to review any recommendations made by the President, or by any department or agency of the executive branch of the Federal Government, relating to programs or policies affecting narcotics or drug abuse or control; and

(3) to recommend to the appropriate committees of the House legislation or other action the select committee considers necessary with respect to programs or policies affecting narcotics or drug abuse or control.

APPOINTMENT AND MEMBERSHIP

SEC. 3. (a) The select committee shall be composed of seventeen Members of the House, who shall be appointed by the Speaker, one of whom he shall designate as chairman. At least one member of the select committee shall be chosen from each of the following committees of the House: The Committee on Agriculture, the Committee on Armed Services, the Committee on Government Operations, the Committee on Foreign Affairs, the Committee on Energy and Commerce, the Committee on the Judiciary, the Committee on Merchant Marine and Fisheries, and the Committee on Ways and Means.

(b) Any vacancy occurring in the membership of the select committee shall be filled in the same manner in which the original appointment was made.

AUTHORITY AND PROCEDURES

SEC. 4. (a) For purposes of carrying out this resolution the select committee is authorized to sit and act during the present Congress at such times and places within the United States, including any Commonwealth or possession thereof, or elsewhere, whether the House is in session, has recessed, or has adjourned, and to hold such hearings as it deems necessary.

(b) The provisions of clauses 1, 2, and 3 of rule XI of the Rules of the House of Representatives shall apply to the select committee.

ADMINISTRATIVE PROVISIONS

SEC. 5. (a) Subject to the adoption of expense resolutions as required by clause 5 of rule XI of the Rules of the House of Representatives, the select committee may incur expenses in connection with its duties under this resolution.

(b) In carrying out its functions under this resolution, the select committee is authorized—

(1) to appoint, either on a permanent basis or as experts or consultants, such staff as the select committee considers necessary;

(2) to prescribe the duties and responsibilities of such staff;

(3) to fix the compensation of such staff at a single per annum gross rate which does not exceed the highest rate of basic pay, as in effect from time to time, of level V of the Executive Schedule in section 5316 of title 5, United States Code;

(4) to terminate the employment of any such staff as the select committee considers appropriate; and

(5) to reimburse members of the select committee and of its staff for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties and responsibilities for the select committee, other than expenses in connection with any meeting of the select committee held in the District of Columbia.

REPORTS

SEC. 6. (a)(1) The select committee shall report to the House with respect to the results of any field investigation or inspection it conducts.

(2) The select committee shall submit an annual report to the House which shall include a summary of the activities of the select committee during the calendar year to which the report applies.

(b) Any such report which is made when the House is not in session shall be filed with the Clerk of the House●

INTERNATIONAL CONCERNS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. DERWINSKI. Mr. Speaker, I want to commend both the U.S. delegation to the Madrid review meeting of the Conference on Security and Cooperation in Europe and the Voice of

America for its recent increase in broadcasting to the Soviet Union.

In my judgment, the performance of the U.S. delegation to the first phase of the Conference on Security and Cooperation in Europe or Helsinki accords review meeting, recently concluded in Madrid, was outstanding. The delegation's position on "equal rights and self-determination of peoples" was particularly forthright and forceful.

As a long-time advocate of the cause of the subject peoples of the Soviet empire, I believe the delegation should be complimented for its strong advocacy that the denial of self-determination is a threat to peace. In addition to reiterating U.S. refusal to recognize the illegal Soviet occupation of the Baltic countries, the U.S. delegation stressed the importance of the right of all nations and national minorities to pursue their national identity, to express their culture and to use their language, as well as their right to economic development of their own.

More than anything else in the world, the dictators of the Soviet Union fear the truth. The Soviet invasion of Afghanistan and their efforts to intimidate the free trade movement in Poland demonstrate the perpetual totalitarian nature of the Red regime. We have to fight back in forums such as the Madrid Conference and through our radio facilities.

I also want to commend the Voice of America, the U.S. official overseas broadcasting service, for its response to the threat of a Soviet invasion of Poland. VOA has expanded its programing in six Soviet languages. It is essential that the peoples of the Soviet Union have access to the truth of their government's actions in the world and what the world thinks about them. Both the U.S. delegation to the CSCE review meeting in Madrid and the VOA, in expanding its programing to the Soviet Union at this critical period, deserve recognition and commendation.●

CONTINUING MOMENTUM FOR HANDGUN CONTROLS

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. BARNES. Mr. Speaker, I would like to bring to the attention of my colleagues an editorial in the Washington Post of January 6, 1980, entitled "Pistol-Packing People." I hope that our constituents, and the media, will continue to press the Congress for significant action to control the sale and use of handguns.

The editorial follows:

PISTOL-PACKING PEOPLE

While the new Congress is in town setting up shop, we offer a few items for the files that every member should keep on the great American weapon—the handgun—and how it affects, or extinguishes, the lives of people back home. Unfortunately, space considerations don't allow anything close to a district-by-district roster of the atrocities involving handguns that have occurred during the latest congressional break; perhaps constituents around the country will assist their elected officials in keeping tabs on hometown killings and other local handgun news.

Who knows—if voters get mad enough about the refusal of Congress to crack down on America's handgun traffic, maybe they will start noticing exactly which lawmakers do what about gun control legislation; and during the session, we'll try to help out by naming names from time to time. In the meantime, a casual flip through the latest reports on how America puts the handgun to work turns up a variety of grim examples:

Most prominent in this latest roundup, of course, is Sunday's tragic story out of Richmond, in which the senior executive assistant to the governor is reported to have killed himself after shooting his fiancee three times with a .38-caliber pistol. Yes, the National Rifle Association and other groups that front for the pistol traffickers would want you to know that in this case the person doing the shooting had a permit to carry a concealed weapon. That's right—and it just goes to show that a registered concealed gun can be just as deadly as an illegal gun. But what if there weren't any handguns of any kind on the open market?

The stock answer from the pistol pack is that people would be stripped of protection against all sorts of outlaws. This assumes, naturally, that people can keep a loaded pistol at-the-ready instead of disassembled and locked up. That's when you get stories like the one on our wires yesterday, about a woman in Los Angeles who kept a handgun under her pillow in case of burglars; her 3-year-old son found it and now he is dead.

Also found dead over the weekend in Delmar, Iowa, were a mother and her five young children; about 450 miles away, in Yale, S.D., the body of the woman's husband was found, and police termed his death an apparent suicide. Then there's the self-defense story of a man in Oak Lawn, Ill., who reportedly boasted that he and 15 friends had set up their own "army"; police seized 19 guns of unspecified lengths at his home.

But enough for now. Sooner or later, another headline-maker will be assassinated and members of Congress will wring their hands and do little else about banning handguns. If there is any fresh hope at all this year, it is in a report that Sen. Strom Thurmond, the new chairman of the Senate Judiciary Committee, is taking a serious look at ways to curb pistol traffic. His support for such a bill could be just the thing to turn the tide.●

IMPROVING THE CONSULTATIVE PROCESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, December 31, 1980, into the CONGRESSIONAL RECORD:

In the newsletter I wrote two weeks ago, I suggested that we should start attacking big government by cutting the size of the Congress. The use of consultants by federal agencies—the subject of this newsletter—is another place to mount the attack against big government.

The use of consultants is a normal, legitimate, and economical way for the federal government to operate. A short-term contract for the work of a highly skilled adviser is often preferable to the permanent employment of a person whose expertise would be utilized only part of the time. The public is served well by thoughtfully constructed and effectively executed studies on a wide variety of issues confronting government. In the past, consultants have studied many issues in the areas of environmental protections, health care, and transportation, to name just a few. Consultants have done much to help government function more efficiently.

Notwithstanding the benefits of the consultative process, hearings in Congress and investigations by journalists have established to my satisfaction that the growing use of consultants by the federal government has produced massive waste and abuse. These twin problems are extreme and pervasive. They have turned a worthwhile practice into an epidemic of misspending. Consequently, the use of consultants must be immediately and sharply curtailed.

It has been estimated that the federal government spent $13.4 billion on research contracts last year. As much as $2.3 billion may have gone to consultants. The size of these sums implies that consultants and contractors have become an invisible branch of government, one that has assumed a large portion of the workload in some agencies. A congressional inquiry revealed that the Department of Energy, for example, spent 87 per cent of its $11-billion budget on consultants and contractors, letting 4,000 contracts to firms whose combined workforce totaled more than 200,000. These workers outnumbered the department's own staff nearly ten to one. What is more disturbing, testimony offered in hearings showed that the Department of Energy could not produce the results of millions of dollars in contracts. In addition, it paid millions of dollars to consulting firms in apparent violation of rules concerning conflict of interest.

We should not focus our criticism on only one agency—the problems of waste and abuse in consulting are widespread and have many aspects. The system of competitive bidding for contracts has collapsed. Some agencies award a disproportionate number of contracts in the final quarter of the year, an action which casts doubt on the legitimacy of the contracts since it may be viewed only as an effort to ensure that all appropriated funds are expended. Studies which may be unnecessary at the outset are not monitored and eventually go unread. Some agencies simply fail to search the relevant literature before contracting with consultants for new studies. Researchers present bills for days not worked. Unreasonably high fees for them are not uncommon. Consultants chosen to do research may have a deep financial self-interest in the outcome of their studies. Federal officials leave their posts, go to work as consultants at high pay, and then receive contracts from colleagues who remained in the agencies they left. Officials responsible for administering contracts routinely accept favors from those to whom contracts are awarded.

Congress and the executive branch—the latter working through the Office of Management and Budget—must get serious about waste and abuse in the consultative process. No one in government today seems to know how many consultants government has, nor at what cost or for what purpose they work, so better information is needed. We should insist that there be genuine competition in the awarding of contracts. We must halt the practice of awarding contracts at the end of the year. We should constantly question the need for consultants, turning instead to regular federal employees whenever possible. We must stop duplication of research by demanding rigorous searches of repositories and libraries prior to the initiation of studies. We should examine consultants' fees with greater care and reduce them generally across the board. We must be on the lookout for conflict of interest, disqualifying consultants for either the fact or the appearance of it. Finally—and as a signal of our dissatisfaction with waste and abuse—we should reduce appropriations for consultants across the board.

Congress has a special responsibility to oversee and investigate the consultative process. New legislation may be necessary to redress specific problems. The 96th Congress considered bills to restrict the process both by allowing individuals alone to act as consultants and by requiring extended control and disclosure of the activities of consultants under contract. Other proposals outlined procedures and criteria for contract offers and payments.

It is essential that agencies charged with the administration of federal programs—many of them ordered by the Congress—be able to acquire the services of consultants. I have no objection to the reasonable and proper use of expert advice by government. My emphasis, however, is on the words "reasonable and proper." There is no denying that the consultative process is badly out of line. We should spare no effort to put it right again.

THE DITCHLEY FOUNDATION LECTURE—XVII

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. BOLLING. Mr. Speaker, the lecture which follows was the 17th Ditchley Foundation lecture and it was delivered by Lewis Thomas, M.D., at Ditchley Park in the United Kingdom on July 11, 1980. Some will know Ditchley Park as the beautiful English country house at which useful dialogs among leaders of various nations, often England and the United States, take place. And some will recognize Lewis Thomas, M.D., as the author of the quite wonderful essays published in "The Medusa and the Snail" and "The Lives of a Cell." The lecture "On the Usefulness of Biology" is one of the most stimulating and thoughtful statements about our world and our condition on it that I have seen.

The lecture follows:

On the Usefulness of Biology

(By Lewis Thomas)

Male songbirds are able to sing because they possess, in the left side of their brains, a solid cluster of nerve cells for mediating and regulating this function. Females, songless, do not have such centers; we must assume that they have other specialized receptor cells for listening to the song, but we don't know where these are. It is an interesting observation, frequently cited these days in the vast literature of neurobiology as a piece of evidence for lateralization of brain function in animals other than ourselves, perhaps analogous to the localization of speech centers in the left hemisphere of right-handed humans.

The calls of songbirds have been analyzed by acoustic physiologists for their information content; an immense literature has evolved just in the last decade or so, reducing birdsong to its essential, species-specific content of signals.

A female firefly attracts, from distant trees in the dead of night, males of her own species for the purpose of mating. She does this by emitting sets of flashes in code—repetitions of two tightly coupled flares, for example. Not long ago it was reported in *Nature* that the females of one species regularly switched signals after successful mating, attracting thus a flurry of males of another species which they then ate.

Bees are able to navigate with accuracy the route between the hive and sugar sources because of lenses for sensing polarized light from the sun. Pigeons find their way home on cloudy days by the use of tiny magnets just beneath their skulls. Certain strains of marine bacteria are also equipped with magnetite, enabling them to orient themselves in deep waters containing nutrient.

The Skylab satellite lost its predicted altitude and fell to earth because of sunspots; the planet's atmosphere expanded just enough to lightly brush against the vehicle, trapping it with friction.

News items like these turn up in almost every week's cascade of scientific journals, and there is no doubt that we are caught up in something like a revolution in science, with the speed of entry of new bits of information increasing each year. It is not only known that DNA is the essential stuff of reproduction; this material can be handled in the laboratory as easily as tape, spliced, edited, inserted into other strips of DNA and so forth. Bacteria can be induced to make insulin; fused cells can be invented to produce absolutely pure antibodies. Science moves, it seems, from strength to strength.

You'd think that fifty years of such progress would have provided all of us with so rich a library of reductionist detail that we might now begin to settle back with satisfaction at having at hand so many final answers. The trouble is that what come in looking like answers turn out, on close inspection, to be new puzzles.

I claim that puzzlement is an identifying characteristic of the human species, genetically governed, universal, and a central determinant of human behaviour. I can go this far with sociobiology, but then, influenced by this same trait, my mind falls away in confusion. Uncertainty, the sure sense that the ground is shifting at every step, is one of the marks of humanity. We keep changing our minds together, in a biological process rather similar, in its outlines, to evolution itself.

The great body of science, built like a vast hill over the past 300 years, is a mobile, unsteady structure, made up of solid-enough single bits of information but with all the bits always moving about, fitting together in different ways, adding new bits to themselves with flourishes of adornment as though always consulting a mirror, giving the whole arrangement something like the unpredictability and unreliability of living flesh. Human knowledge doesn't stay put, it evolves by what we call trial and error, or as is more usually the sequence, error and trial.

Other animals differ from us in this respect. Each of them has at least one thing to be very good at, even superlatively skilled, surefooted. Any beetle can live a flawless, impeccable life, infallible in the business of procreating beetles. Not us: we are not necessarily good at anything in particular except language, and using this we tend to get things wrong. It is built into our genes to veer off from the point; somehow or other we have been selected in evolution for the gift of ambiguity.

This is how we fell into the way of science. The endeavor is not, as is sometimes thought, a way of building, a solid indestructible body of immutable truth, fact laid precisely upon fact in the manner of twigs in an anthill. Science is not like this at all; it keeps changing, shifting, revising, discovering that it was wrong and then heaving itself explosively apart to redesign everything. It is a living thing, a celebration of human fallibility. At its very best, it is rather like an embryo.

Ordinarily, scientists do not talk this way about their trade, because there is always in the air the feeling that this time we have it right, this time we are about to come into possession of a finished science, knowing, almost everything about everything. Biology has been moving so fast, in just the last few years, that there is some risk of making it seem nearly complete, at the very stage in its development when it is, in real life, just getting ready to take off. It is nothing like finished, it is only just at the beginning.

We are in trouble whenever persuaded that we know everything: Today, an intellectually fashionable view of man's place in nature is that there is really no problem: the plain answer is that it makes no sense, no sense at all. The universe is meaningless for human beings; we bumbled our way into the place by a series of random and senseless biological accidents. The sky is not blue; that is an optical illusion: the sky is black. You can walk on the moon if you feel like it, but there is nothing to do there except look at the earth, and when you've seen one earth, you've seen them all. The animals and plants of the planet are at hostile odds with one another, each bent on elbowing any nearby neighbour off the earth. Genes, tapes of polymer, are the ultimate adversaries and, by random, the only real survivors.

This grasp of things is sometimes presented as though based on science, with the implication that we already know most of the important knowable matters and this is the way it all turns out. It is the wisdom of the 20th century, contemplating as its only epiphany the news that the world is an absurd apparatus.

In the circumstance, we would surely have no obligations except to our individual selves, and of course to the genes coding out those selves.

I believe something considerably less than this. I take it as an article of faith that we humans are a profoundly immature species, only now beginning the process of learning how to learn. Our most spectacular biologi-

cal attribute, which identifies us as our particular sort of animal, is of course, language and the deep nature of this gift is a mystery. We are aware of our consciousness, but we cannot even make good guesses as to how this awareness arises in our brains, or even, for that matter, that it does arise there for sure. We do not understand how a solitary cell, fused from two, can differentiate into an embryo and then into the systems of tissues and organs that become us, nor do we know how a tadpole accomplishes his emergence, nor even a flea. We can make up instant myths, transiently satisfying but always subject to abandonment, about the origin of life on the planet. We do not understand why we make music, or dance, or paint or write poems. We are bewildered, especially in this century, by the pervasive latency of love.

Our place in the life of the world is still unfathomable because we have so much to learn, but it is surely not absurd. We matter. For a time, anyway, it looks as though we will be responsible for the thinking of the system which seems to mean, at this stage, the responsibility not to do damage to the rest of life if we can help it. There is no hope of thinking our way through the quandary except by learning more, and part of the learning (not all of it, mind you, but a good part) can only be achieved by science, more and better science, not for our longevity or comfort or affluence but for comprehension, without which our long survival is unlikely.

The culmination of a liberal arts education ought to include, among other matters, the news that we do not understand a flea, much less the making of a thought. We can get there one day if we keep at it, but we are nowhere near and there are mountains and centuries of work still to be done.

The physicists are more candid than the biologists in acknowledging the profundity of their ignorance. They have had to live more unsettling lives, having survived one astonishment after another, running into queerness after queerness in their explorations of the very small and very large affairs of nature. They know better than to conclude that they can conclude. You can see this in the offhand diffidence of their technical jargon, terms designed to stay away from anything like meaning: strange particles, particles with flavour and colour, the choice of Joyce for quarks; best of all, the most extraordinarily ordinary, banal phrase for the starting up of the whole universe: The Big Bang. It is an evidence of maturity in physics that such flat, sparsely evocative, unallusive words as Big Bang came into the language to describe so great an occasion. But just think of the more accurate alternative: it couldn't have been a Bang, of course—without an atmosphere it must have been absolutely silent; the proper term would be The Great Light, but today's physicists, most of them anyway, puzzled by the inconclusiveness of their knowledge, know better than to talk that way.

One major question needing to be examined is the general attitude of nature. A century ago there was a consensus about this: nature was 'red in tooth and claw', evolution was a record of open warfare among competing species, the fittest were the strongest aggressors and so forth. Now it begins to look different. The tiniest and most fragile of organisms dominate the life of the earth: the chloroplasts inside the cells of plants, which turn solar energy into food and suppy the oxygen for breathing, appear to be the descendants of ancient blue-green algae, living now as permanent lodgers within the cells of 'higher' forms; the mitochondria of all nucleated cells, which serve as engines for all the functions of life, are the progeny of bacteria which took to living as cells-inside-cells long ago. The urge to form partnerships, to link up in collaborative arrangements, is perhaps the oldest, strongest and most fundamental force in nature. There are no solitary, free-living creatures; every form of life is dependent on other forms. The great successes in evolution, the mutants who have, so to speak, made it, have done so by fitting in with, and sustaining, the rest of life.

The hardest of all the problems confronting our species is the linkage between each of our individual, unique, person-specific selves and all the rest of us. We are perhaps no different from the bees in our general arrangement of interdependence, but an individual bee has a lot less brain to think with, and therefore, I would assume, a lot less to think about. We have enormous brains, the best brains on earth so we say, and along with these marvellous organs comes the gift of worry. The main worry, I'd guess, is how to be single, sentient beings, fully aware of being aware and, at the same time, the working parts of a social species.

An optimistic view of this dilemma, which I take for my comfort, is that we have come only part of the way along, and there is an embarrassing asymmetry in our evolutionary progress to date. We are already highly skilled at being individuals, and we are reasonably skilled although still prone to error, at living in families. Each of us has a circle of friends, and each member of that circle has another circle of friends, and so it goes, and you'd think this would end up in a solid geometry of friendship all around the earth, but something always goes wrong, at one border or another. In small groups, we tend to like each other, or at least we are glad to put up with each other.

But get us together in large clusters, especially dense clusters in bad times, and we can become the most primitive, self-destructive, failure-doomed of creatures. Not always, of course. There is another side to our grouped selves, immensely heartening: you see it best in concert halls, every one listening intently, all together, listening together. We are, for sure, a mixed breed, but when we are collectively engaged in listening to music we are at our very best, the most highly social animals on earth. This is a genuine mystery, and not one to be solved soon by science. What goes on in the human mind in response to music is anyone's guess.

My own guess, unsupported by anything resembling data, is that music is the sound made by thinking. It is not about thinking about anything in particular; it is the way words arrange themselves into ideas, and ideas into meaning. It is about grammar. I do not believe there is ever such a thing as a single thought. Each time you try to do this—just think about the word music, for instance—you discover that distant tympani of thought are heard at the same time, and still more strings of thought a few moments later, and then descants of ideas, popping into the mind as we say. Some of the lines of thought run together, in parallel, but other separate notions, subthoughts, weave in and out, interrupting and embellishing, changing the whole meaning into something different, then swinging away into other orbits, setting up resonances in other regions of the mind. Very old, deeply seated thoughts are sounded in a recurring series like a continuo, holding up all the higher bits of idea in a coherent structure.

You cannot think about music and about nothing else at the same time; your mind is set alive and conducts itself as though it contained its own orchestra. The Art of Fugue is the sound made by a profound mind, meditating, thinking of two things at once, then four, then sixteen, and the ideas multiply in a geometric series until they are expanding at the speed of light and the whole sound becomes a wave of pure white thought, and then in the Last Great Fugue, Bach signs his name.

It may be that the neurobiologists will be able, some day, to tell us how this works. The cortex of the brain is made up of what are called 'modules', clusters of nerve cells arranged in columns, all interconnected with each other and with the other clusters in an immense network. When one of the cells in a column is sounded there is activity in the others, and then the firing off of cells in other columns set at great distances in other regions of the brain.

Perhaps music is a way of finding out how the brain works. We usually put it the other way round, when we think about it at all, and say that if we could know more about the mind we might then begin to understand music. I prefer the first approach. Start with the notion that music describes the process of thinking, and work your way back. It will take a long time, generations of the brightest people in town, vast sums in government grants, new buildings on the outskirts of Washington to house a National Institute of Bach, and I would rather pay taxes for this than anything, even oil, even solar energy.

We like to think of ourselves as unique individuals, each marvelously different from every other, and we set great store on the human self as the centre of the universe; we have constructed whole societies and their religions on the idea that the individual person is the unique culmination of nature's progress and the most special thing around. And, at the same time, we have imagined that there is a sameness, or an absence of individuality, an interchangeability among all the members of other species. The minnows in a school are, for all practical purposes, all versions of the same minnow. Mice are simply mice.

It is, as it turns out, not so. All creatures are unique selves. Minnows can tell each other apart as though they wore name-tags; catfish can do the same. The only genuine duplicates are the odd set of identical twins and those strains of interminably inbred mice that end up with interchangeable parts. Even the individual motile bacteria cloned from a single colony have been discovered to differ from each other in significant ways: they swim in different ways, tumble at different intervals, and the differences are characteristic and consistent for each single organism observed. There is nothing unique about being unique.

Moreover, the markers governing selfness are specific and invariant, allowing for no errors. If you are going to have a closed ecosystem containing an endless variety of organisms as the ultimate destiny for planetary life—as I believe has become demonstrably the case—you would have to begin by setting up the necessary linkages and inter-dependencies on which any such system of life would have to depend. It is a particularly urgent problem if you have to keep adapting to new varieties of creatures all the time, as was foreordained by the built-in mutability, the error-proneness, of the DNA molecule. In order to get the thing going, and then to keep it going in the face

of constant changes in the configurations of living things, you would have to have something like symbiosis as a fundamental and universal process.

But partnerships have to have a certain steadiness and predictability to survive for any length of time. You cannot have linkages between creatures that have nothing at all to offer to each other, and partners have to be equipped with accurate information about the identity of each other. There would, in short, be required an information system capable of emitting signals indicating usefulness. You can see this sort of system still conspicuously at work in the life of the sea. There are here no unattached, isolated animals. Creatures live on each other, next to each other, inside the same carapaces and, most commonly of all, inside each other. The emergence of mitochondria and chloroplasts as organelles is only one example, perhaps one of the earliest and most spectacular, of this tendency in nature. According to recent investigations, the cilia at the surface of modern eukaryotic cells like the cells in our own bronchial tubes, are the descendants of spirochaetes which originally became attached as symbionts. You can still observe the beginnings of this kind of partnership in the protozoans which live inside the digestive tract of certain termites. These single-celled animals are famous for the speed and accuracy with which they are propelled through the termite's digestive contents, in search of bits of wood. Propulsion is provided by the rhythmic, synchronized beating of what look like cilia under low magnification but turn out to be perfectly formed spirochaetes under electron microscopy.

Indeed, the Australian termite is really all you need for a paradigm of symbiosis. The termite lives as a useful partner with forests, converting dead wood to reusable forms of organic matter. The protozoan, *myxotricha paradoxa*, propelled by its symbiotic spirochaetes, engulfs the fragments of wood chewed to proper size by the termite. Inside the protozoan, the wood is digested by enzymes provided by bacteria which live as permanent symbionts within and on the surface of the protozoan's flesh. The termite is not just an animal, it is a committee, rather like a government—but this puts a high value on government.

For minisystems like this to work, there have to be infallible recognition mechanisms. The spirochaetes must find information at the protozoan's surfaces, to know where and how to attach; the bacteria have to incorporate themselves and be recognized by the host as organelles; the protozoan has to find the termite, and here the recognition mechanisms are crucial: only one species of *myxotricha* can live in only one species of termite.

Sometimes symbiosis produces biological freaks, which seem to make no sense at all, but possess at the same time, a puzzling kind of beauty.

The mimosa girdler is an excellent example. This is the brainiest insect I know of, thinking hard all the way. I recently received a gift of this beetle, packed in cotton from a young pathologist friend who recently moved from Manhattan to Houston and bought a house in the country with a capacious backyard containing, among various growths, several mimosa trees. He discovered his prize when he noticed some small, neat mounds of wood cylinders, precisely cut into quarter-inch lengths, about a millimeter in diameter, on the floor of the deck which extends behind his house under the shade of one of the mimosa trees. Clinically trained for quick observation and action, he looked above for the source of such craft and found his first girdler. Later, in astonishment tinged with dismay, he found he had lots of them, but only on his mimosas, not on any of the other trees around.

So, the first thing to say about the mimosa girdler is that this tree has evolved an attractant of some sort, guiding this particular beetle through a confusion of other tree smells to the base of a mimosa, up the trunk and out onto a branch where the work is performed, perhaps in a gradient of irresistible fragrance all the way. It is important to note here that the mimosa thrives, more than most trees of its size, on pruning. Untouched, it has a limited life span; it will grow pretty well for 25 years or so and then dies off, but with constant trimming the mimosa can go on and on, bursting with flowers year after year. From the tree's point of view, this seems to be the function of the mimosa girdler.

The insect is about an inch long, a quiet-looking animal in a clerical grey carapace with a subdued stripe of lighter grey across the middle. The beetle has in mind three crucial pieces of behaviour. First, of course, is finding the right tree and climbing it. Second is the laying of eggs. This is done by cutting a narrow slit, longitudinally placed out at the periphery of the limb, the eggs, four or five of them, are deposited in the slit, which then heals over so neatly that it cannot be seen.

Then, the last step. The eggs cannot hatch in live wood, nor can the larvae survive. This is the point of the girdle, which the beetle makes, beaver style, by hunching itself around, chiselling out the wood in tiny cylinders with a sharp protuberance of its mandible. Mind you, the beetle obtains, so far as is known, no profit from this action. The wood is not eaten; it drops to the ground. It is an immense expenditure of energy, consuming several hours of hard work by the beetle, equivalent to ten years of labour for us. But it is essential for the success of egg-laying. Once girdled, the branch dies, and falls in the next brisk wind. Then the larvae can hatch, at home in an abundance of food, and the cycle can start again.

This, as I say, takes thinking and I am more curious about what goes on in the mind of that beetle than about the mediation of whales or the small talk of dolphins. Also, I'd like a better understanding of how these three separate, seemingly independent but tightly interlocked pieces of behaviour got selected in the evolution of this beetle. I know the doctrine, and I believe it of course: these are aspects of adaptive, heritable behaviour which probably started out as quite different 'preadaptive' ceremonies, intended for other purposes. Pure chance, and successive modifications of the DNA in certain individual beetles, over an interminable period of time, led, by a sort of biological accident, to today's successful girdler, and today's pruned mimosa trees.

But there is a primitive part of my mind, probably a network in my limbic system, which keeps insisting that I've got it wrong. I hear a voice that says, you've got it wrong. That's a smart bug, smarter than you'll ever be, and it knows exactly what it is doing every step of the way, and why. Trouble is, you don't know how to talk to a beetle, or even listen.

The greatest single achievement of nature to date was surely the invention of the molecule of DNA. We have had it from the very beginning, built into the first cell to emerge, membranes and all, somewhere in the soupy water of the cooling planet three thousand million years ago. All of today's DNA, strung through all the cells of the earth, is simply an extension and elaboration of that first molecule. In a fundamental sense we cannot claim to have made progress, since the method used for growth and replication is essentially unchanged.

It is a lucky thing for us that nature has exhibited such a restraint and good taste in evolution. Given brains of the size and complexity of ours, capable of manufacturing an infinity of sentences in strings long enough to stretch from here to the sun and back again, we are given at the same time a sense of limitation, preventing us from settling all our affairs once and for all by words alone. In a lesser world, we might have been condemned long ago to string out one huge set of sentences, wrapping ourselves in a cocoon of changeless words, immutable, in which to live forever like the termites who can never revolutionize the inner structure of their hills. We in contrast, can make up new thoughts whenever we feel like it. Nature has been kind to us, leaving us leeway, never piling it on too much. Having been given brains with a certain power but limited by a certain fallibility, we are better equipped for finding our way through the future.

Biology needs a better word than error for the driving force in evolution. Or maybe error will do after all, when you remember that it came from an old Indo-European root meaning to wander about, looking for something.

I cannot abide the notion of purposelessness and blind chance in nature, and yet I do not know what to put in its place for the quietening of my mind. It is absurd to say that a place like this place is absurd, when it contains in front of our eyes so many billions of different forms of life, each one in its way absolutely perfect, all linked together to form what would surely seem to an outsider a huge, spherical organism.

Some people believe that we are in trouble because of science, and that we should stop doing science and go back to living in nature, with nature, contemplating nature. It is too late for us to do this, too late by several hundred years, and there are now too many of us here: four billion already, with the likelihood of doubling that population and doubling it again within the lifetime of some of the people alive today.

What I would like to know most about the developing earth is: does it already have a mind? Or will it some day gain a mind and are we part of that? Are we a tissue for the earth's awareness?

I like this thought, even though I cannot take it anywhere, and I must say it embarrasses me. I have that nagging hunch that it is a presumption, a piece of ultimate hubris. A single insect may have only two thoughts, maybe three, but there are a lot of insects. The million blind and almost mindless termites in a hill make up, in their collective life, an intelligence, a kind of brain, now capable of building endless vaulted chambers and turning perfect arches, thinking all the way. I would like to know what whales are thinking about, or dolphins, but if I were hoping to find out how intercommunication really works on this planet, I would study termites.

I am willing to predict, uncertainly, provisionally, that there is one central, universal aspect of human behaviour, genetically set by our very nature, biologically governed,

driving each of us along. Depending on how one looks at it, it can be defined as the urge to be useful. This urge drives society along, sets our behaviour as individuals and in groups, invents all our myths, writes our poetry, composes our music.

This is why it is so hard being a juvenile species, still milling around in groups, trying to construct a civilization that will last. Being useful is easy for an ant; you just wait for the right chemical signal, at the right stage of the construction of the hill, and then you go looking for a twig of exactly the right size for that stage and carry it back, up the flank of the hill, and put it in place, and then you go and do that again. An ant can dine out on his usefulness, all his life, and never get it wrong.

It is a different problem for us, carrying such risks of doing it wrong, getting the wrong twig, losing the hill, not even recognizing, yet, the outline of the hill. We are beset by strings of DNA, immense arrays of genes, instructing each of us to be helpful, impelling us to try our whole lives to be useful, but never telling us how. The instructions are not coded out in anything like an operator's manual; we have to make guesses all the time. The difficulty is increased when groups of us are set to work together; I have seen, and sat on, numberless feckless committees, not one of which intended anything other than great merit. Larger collections of us, cities for instance, hardly ever get anything right. And, of course, there is the modern nation, probably the most stupefying example of biological error since the age of the great reptiles, wrong at every turn, but always felicitating itself loudly on its great value. It is a biological problem as much so as a coral reef or a rain forest, but such things as happen to human nations, error piled on error, could never happen in a school of fish. It is, when you think about it, a humiliation, but then humble and human are cognate words; both derived from an old root word meaning, simply, earth. We are smarter than the fish but their instructions come along in their eggs; ours we are obliged to figure out, and we are, in this respect, slow learners.

If you are going to make up a story about the earth, based on today's scientific information, it is useful to have a third person to tell the tale. For this role, I summon that sagacious and ubiquitous gentleman know as the Extraterrestrial Visitor. Zipping through our part of the galaxy, his attention is caught by our small, suburban solar system, and he comes in among the planets, carrying along a number of instruments in a vehicle whose details I need not bother imagining.

He spots the earth and sees the difference immediately, moving in for a closer look. No matter where he came from, or what he has seen before, I take it for granted that his first reaction is an indrawn breath at its sheer beauty. I have no doubt that there are colonies of life elsewhere in the universe, and perhaps he has seen them all, but I choose to doubt that there can be many celestial bodies at the very springtime of their development, marked so extravagantly by exuberance, youth and perfection of detail, as this one.

Let me change the story here, to insert more time. He sees the earth now, but he is one of the older Extraterrestrial Visitors, and has been making periodic detours in our direction since the birth of the structure, the laying down of bone four billion years ago, and taking time-lapse photographs close up, every few hundred thousand years. Running the whole film through, this year, say, what sort of impression would he have of us?

I think he would conclude that his lens had caught the gestation, still in progress, of a stupendous embryo, clinging to a warm round stone by what we call earth, or soil, turning slowly in the sun. He would have seen this creature starting from a single cell, fertilized by lightening or ultraviolet light or cosmic rays or what-have-you. For two billion-odd years he would observe the formation of a sort of blastula, a huge cluster of cells multiplying first in the sea and later on land, all pretty much the same kind of primitive, non-nucleated cell. Then the film would show a green tinge here and there, and then, with the appearance of oxygen, and thanks to the sun, an explosive emergence of new forms of life would be seen everywhere, new cells with nuclei, new collections of cells gathering to form tissues, coral reefs, and, finally, roses, dolphins and then at last ourselves, off and running, making metaphors and music, the newest and youngest working parts of the planet.

I would like to think that we are on our way to becoming an embryonic central nervous system for the whole system; I even like the notion that our cities, still primitive, archaic, fragile structures, could turn into the precursors of ganglia, to be ultimately linked in a network around the planet. But I do worry, from time to time, about that other possibility; that we are a transient tissue, replaceable, biologically representing a try at something needing better means of perfection, and therefore on our way down under the hill, interesting fossils for contemplation by some other kind of creature. In my more depressed moments I find this a plausible form of heartsink. But at better times, remembering how skilled our species is with language and metaphor almost from birth, how good we are at recognizing and recording our mistakes, and how spectacularly we excel all other creatures on this planet because of the presence in our midst, from time to time, of people like Johann Sebastian Bach and Mark Twain displaying for all the world what we can do as a species with our brains when we put our minds to it, and remembering that Nature is by nature parsimonious, tending to hang on to useful things when they really do work, I have hopes for our survival into maturity. I say: just get us through the next 20 years, maybe 25, and then we will have thousands of years ahead. Perhaps, after all, we do have a long way to go. If this is so we have a lot to learn, and I do like that thought.

It is, after all, the oldest of human ideas, and still by all odds the best one.●

SENATE—*Monday, January 12, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met at 11 a.m., and was called to order by the Honorable MACK MATTINGLY, a Senator from the State of Georgia.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 12, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable MACK MATTINGLY, a Senator from the State of Georgia, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. MATTINGLY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ASSISTANT MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The assistant majority leader is recognized.

ORDER FOR CHANGE IN CONVENING TIME ON MONDAY, JANUARY 19, 1981, TO 4 P.M.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the convening of the Senate on Monday, January 19, 1981, be changed from 11 a.m. to 4 p.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 11 A.M. ON THURSDAY, JANUARY 15, 1981

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will stand in recess until 11 a.m. on Thursday, January 15, 1981.

Thereupon, at 11:01 a.m., the Senate recessed under the order of Tuesday, January 6, 1981, until Thursday, January 15, 1981, at 11 a.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, January 13, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JANUARY 14

9:00 a.m.
Foreign Relations
To continue hearings on the prospective nomination of Alexander M. Haig, Jr., of Connecticut, to be Secretary of State.
1202 Dirksen Building

9:30 a.m.
Finance
International Trade Subcommittee
To hold hearings on aspects of the problems facing the domestic automobile industry.
2221 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider the prospective nominations of James G. Watt, of Colorado, to be Secretary of the Interior, and James B. Edwards, of South Carolina, to be Secretary of Energy.
3110 Dirksen Building

2:00 p.m.
Foreign Relations
To continue hearings on the prospective nomination of Alexander M. Haig, Jr., of Connecticut, to be Secretary of State.
1202 Dirksen Building

JANUARY 15

9:30 a.m.
Finance
International Trade Subcommittee
To continue hearings on aspects of the problems facing the domestic automobile industry.
2221 Dirksen Building

10:00 a.m.
Judiciary
To hold hearings on the prospective nomination of William French Smith, of California, to be Attorney General, Department of Justice.
2228 Dirksen Building

JANUARY 21

10:00 a.m.
Budget
To hold hearings to examine the current economic situation and its impact on the Federal budget.
6202 Dirksen Building

2:00 p.m.
Budget
To continue hearings to examine the current economic situation and its impact on the Federal budget.
6202 Dirksen Building

JANUARY 22

10:00 a.m.
Budget
To continue hearings to examine the current economic situation and its impact on the Federal budget.
6202 Dirksen Building

FEBRUARY 24

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1981 from the Disabled American Veterans.
318 Russell Building

HOUSE OF REPRESENTATIVES—*Tuesday, January 13, 1981*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. NATCHER).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. NATCHER) laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
January 9, 1981.

I hereby designate the Honorable WILLIAM H. NATCHER to act as Speaker pro tempore on Tuesday, January 13, 1981.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Reverend Mr. Charles A. Mallon, permanent deacon, Holy Family Church, Mitchellville, Md., offered the following prayer:

In You O Lord, I take refuge; let me never be put to shame. In Your justice rescue me, incline Your ear to me, make haste to deliver me! Be my rock of refuge, a stronghold to give me safety. You are my rock and my fortress; for Your name's sake You will lead and guide me. You will free me from the snare they set for me for You are my refuge. Into Your hands I commend my spirit; You will redeem me, O Lord, O faithful God.—Psalms 31: 1-6.

Father we are mindful that on every level of the legislative process, decisionmaking is a way of life. Our Nation's representatives and staff employees are constantly confronted with decisions which might bring ruin and shame upon themselves. It is in this area of decision that we are most in need of Your strength, for we wish to choose justly and maintain our personal integrity. Rescue us and deliver us from those who would snare us because we ask this in the name of Your Son, Christ our Lord. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

TRIBUTE TO BOB HOPE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 15 minutes.

● Mr. O'NEILL. Mr. Speaker, on January 18, an historic event is going to take place in Burbank, Calif., that will be hailed nationwide. On that occasion, Bob Hope will celebrate his 30th anniversary on television—three decades in which television has grown from an infant industry to one of the biggest and most influential in America.

Bob Hope is pure Americana. Time magazine, in its cover article, once called Hope—

The Will Rogers of his age, a kind of updated, urbanized Farmer's Almanac of political and social currents. Hope has become the friend of politicians and statesmen, tycoons and sportsmen. These are the public figures at whom he tees off at a banquet or on television.

Of his way of handling such celebrities, a magazine once noted that "Hope punctures pomposity but the punctured love it."

Beginning with a telecast in 1950 in which his guest stars were Dinah Shore, Douglas Fairbanks, Jr., and Bea Lillie, Bob Hope has gone on to establish probably the most impressive record in the medium in which he was a pioneer. According to Variety, nearly 50 percent of the people tuning into television on any night when Bob Hope has been on the air during the past 30 years, have tuned in a Hope special. His 44.8 share of the audience over that long a period is unmatched.

Bob Hope is more than a popular entertainer. He is one of a kind. He has undoubtedly appeared at more benefits and raised more money for worthy causes than any other human being. He still makes an average of 250 appearances each year. Those appearances may be as far afield as the U.S. Embassy in Moscow or as close to home as the nearest veterans' hospital.

His dedication to entertaining service men and women all over the world is legendary. Some of the most memorable and poignant moments on television were those showing our service men and women in combat areas in far-off places enjoying the wit of Bob Hope and his troupe of entertainers.

No wonder more stars than have attended many Academy Award functions will be on hand at NBC Burbank to pay tribute to this master showman. More than 200 stars will be seen via clips of film from shows Hope has done in the past. Hundreds more will be in the audience. Appearing in "live" tribute to the man called affectionately "Old Ski Nose" will be: Lucille Ball, Milton Berle, George Burns, Glen Campbell, Rosemary Clooney, Sammy Davis, Jr., Douglas Fairbanks, Jr., Eydie Gorme and Steve Lawrence, Marie Osmond, Martha Raye, Brooke Shields, Tanya Tucker, Robert Urich, and Les Brown and his Band of Renown.

The syndicated columnist, Don Freeman, has written of Hope's 30-year tenure on television:

An incredible stretch for a medium that devours talent with such graceless profligacy. Hope, for all his origins in England, is distinctively in the American tradition, a jaunty symbol of the American spirit. Hope is more than a great comedian. Bob Hope is a state of mind, a mood, an attitude, a part of our lives—warm and winning and indomitable.●

MARTIN LUTHER KING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. WASHINGTON) is recognized for 5 minutes.

● Mr. WASHINGTON. Mr. Speaker, on Thursday, January 15, we will celebrate the birthday of Martin Luther King. I would like to share with my colleagues the text of a speech which I will deliver in Chicago that day:

We are here today to celebrate our holiday, the birthday of Martin Luther King. It is the only day set aside for remembrance of our achievements as a people, as black people in America.

We are here to celebrate our great leader, he whose dream lives on in all of us, whose example lends strength to each of us.

We are here, finally, because we know—as simply living in America teaches every black person—that Martin Luther King's struggle is still only just begun.

Martin led a three pronged struggle:

He led us first to seek social justice, so that no one among us would be denied the right to go to a good school, the right to a good home in any community, the right to a seat on the bus or a meal at the lunch counter.

He led us, second, to seek political justice: That we black people would have the right to vote, the right to choose our own leaders.

He led us, finally, to seek economic justice: That no American of any color would go hungry, that no American of any color would be without a job, that all Americans, regardless of color would have the right to improve their lives at work by forming strong labor unions.

Martin voiced our dream, but he did not invent it. His dream, our dream, was built on the sweat and the blood of countless thousands of known and nameless heroes.

On this day, Martin's day, we must remember the men and women who constructed that dream.

We must remember Crispus Attucks, the black man who was the first man to die for American independence. Shot down in the

Boston massacre, Attucks gave his life for a nation not yet born and for a freedom that his people—our ancestors—would not begin to share for nearly one hundred years.

We must remember the leaders of the slave revolts—Denmark Vesey, Nat Turner and a host of others. They, too, gave their lives to make us free people, and this a free nation.

We must remember Harriet Tubman, the escaped slave who risked death by returning to the South again and again, leading hundreds to freedom.

We must remember Frederick Douglass, the great abolitionist statesman.

We must remember W. E. B. Dubois and all our great scholars and teachers.

Finally, we must remember Martin Luther King, Jr., and all those who with him gave their lives for our modern freedom struggles.

We must remember them all today, because this is our only holiday. Crispus Attucks was the first to give his life for independence. Yet we do not celebrate Crispus Attuck's birthday.

Long before Lincoln, Denmark Vesey gave his life to end the slavery system that destroyed our ancestors and divided America. Yet we do not celebrate Denmark Vesey's birthday.

Here in Illinois we do have our one day to celebrate all of them: This day, the birthday of Martin Luther King is a State holiday, yet, incredibly, it is not yet a national holiday.

As a State legislator in Springfield I led the fight to make King's birthday a State holiday. In Washington, I have already joined my friend and colleague, Congressman John Conyers of Michigan, in sponsoring a bill which will make King's birthday a national holiday, for all Americans to celebrate our black freedom struggles. Our black history is a valiant history. We must celebrate it. We must not let our history be forgotten.

But remembrance is not enough. We must live the lessons of our leaders.

Heed the words of Frederick Douglass "If there is no struggle, there is no progress. Those who profess to favor freedom, and yet depreciate agitation, are men who want crops without plowing up the ground. They want rain without thunder and lightning. They want the ocean without the awful roar of its many waters."

Frederick Douglass told your ancestors that "power concedes nothing without a demand . . . if we ever get free from all the oppressions and wrongs heaped upon us, we must pay for their removal. We must do this by labor, by suffering, by sacrifice, and if needs be, by our lives and the lives of others."

Martin Luther King and the thousands who marched with him heard those words. By their struggles, their peaceful yet demanding presence, they tore a few links from the chains of oppression which have bound our people since they came to this continent more than three hundred years ago.

He, and we, weakened those chains. But we did not break them.

Our black families still must get by on just sixty percent of the average white family's income. Nearly half of our black children are still born into poverty. Our people, eleven percent of the United States population, still hold just one percent of all elected political offices.

And today we face new dangers. Our enemies again grown strong. They aim to block our progress. Furthermore, they aim to take back what little we have already won. Finally, some aim to take not merely our rights, but our lives.

The Klan and the Nazis are again on the march. On this very day, our holiday, they are spreading their racist message with an anti-black demonstration in Buffalo, New York.

Across the country, racists attack our people. There is a connection between the murders in Buffalo, the ruthless massacre of small black children in Atlanta, the attempt on the life of Urban League President Vernon Jordan. Whether or not these acts constitute a conspiracy is besides the point. Their message is clear. America has given birth to a new generaton of haters, a new rampaging lynch mob.

But violent racists may not be our most dangerous enemies. They have their counterparts—refined, softspoken, elegantly dressed but every bit as hostile to you and me—in government, industry and academia.

There are those in the United States Congress who would take away the Voting Rights Act, and sell our southern brothers and sisters back into political slavery.

There are those in the Reagan administration who would ban affirmative action, so that they may sell us all back into economic slavery.

There are those who aim to take away the Justice Department's power to enforce our civil rights laws, selling us back into the slavery of a segregated social system.

Here in Chicago we think we have some power. We have three black members in the U.S. House of Representatives, more than any other city has ever had. We have fifteen black men and women on the city council. We have five blacks on the school board.

But, here too, our enemies are on the march.

Racist violence greets any black person who moves onto the "wrong" block on the southwest side of our city.

A white, downtown political machine still tries to force us to accept its lackies as our political representatives. Soon, if we don't stop them, we will be forced to watch helpless as the city council and State legislature redistrict away from black people the political representation for which we fought so hard.

Though our schools are two thirds black, a white power structure still aims to impose its candidate to run those schools. And our young people still graduate into a world which offers most no hope for decent jobs.

In such a city, in such a nation, to merely commemorate the past would dishonor our fallen heroes. We honor Martin Luther King only when we work to complete the justice struggle for which he gave his life. Only if we work together, for change, will we achieve the day he dreamed of, the day when, in Martin's words: "All of God's children, black men and white men, Jews and Gentiles, Protestants and Catholics, will be able to join hands and sing: Free at last! Free at last! Thank God almighty, we are free at last!"

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. TAUZIN) to revise and extend their remarks and include extraneous material:)

Mr. O'NEILL, for 15 minutes, today.

Mr. WASHINGTON, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. BLILEY) and to include extraneous matter:)

Mr. DERWINSKI in four instances.

Mr. COLLINS of Texas.

Mr. SAWYER.

Mr. LAGOMARSINO in two instances.

Mr. FINDLEY.

Mr. MICHEL.

Mr. MCCLORY.

(The following Members (at the request of Mr. TAUZIN) and to include extraneous matter:)

Mr. SEIBERLING in 10 instances.

Mr. BRODHEAD.

Mr. ANDERSON of California in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. APPLEGATE.

ADJOURNMENT

Mr. TAUZIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 5 minutes p.m.), under its previous order, the House adjourned until Friday, January 16, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows.

148. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of January 1, 1981, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. 97-7); to the Committee on Appropriations and ordered to be printed.

149. A letter from the Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of the proposed conversion to contractor performance of the central issue facility activity at Fort Riley, Kans., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

150. A letter from the Commander, Naval Facilities Engineering Command, Department of the Navy, transmitting a report on Navy military construction contracts award-

ed on other than a competitive basis to the lowest responsible bidder, and the top 10 architect-engineer firms, covering fiscal year 1980, pursuant to section 604 of Public Law 96-418; to the Committee on Armed Services.

151. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelfstocking and custodial services function at Beale Air Force Base, Calif., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

152. A letter from the Acting Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting summary reports of pupil assessment projects conducted in the Department's dependent schools during the 1979-80 school year, pursuant to section 1405(b) of Public Law 95-561; to the Committee on Education and Labor.

153. A letter from the Secretary of Education, transmitting proposed final regulations to govern the selection criteria for the fellowship grants for graduate and professional study program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

154. A letter from the Secretary of Education, transmitting proposed final regulations to govern the selection criteria for the instructional media for the handicapped program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

155. A letter from the Secretary of Education, transmitting proposed final regulations for the handicapped interpretation—individualized education program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

156. A letter from the Secretary of Education, transmitting proposed final regulations for the guaranteed student loan program, deferment provisions pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

157. A letter from the Secretary of Education, transmitting proposed final regulations to govern the guaranteed student loan program, provision to refund tuition charges and other fees, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

158. A letter from the Secretary of Education, transmitting proposed final regulations to govern the centers for independent living program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

159. A letter from the Secretary of Education, transmitting proposed final regulations to govern the State vocational rehabilitation and independent living rehabilitation programs, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

160. A letter from the Secretary of Education, transmitting proposed final regulations to implement the Asbestos School Hazard Detection and Control Act of 1980, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

161. A letter from the Secretary of Education, transmitting proposed final regulations to govern the Arts in Education Act of 1978, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

162. A letter from the Secretary of Education, transmitting a proposed final rule changing the definition of "handicapped children" under Part B of the Education of the Handicapped Act, as amended, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

163. A letter from the Secretary of Education, transmitting proposed final regulations to govern the Law-Related Education Act of 1978, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

164. A letter from the Comptroller, Department of State, transmitting the Department's semiannual report on international narcotics control program activities for the period ended September 30, 1980, pursuant to the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

165. A letter from the Director, Defense Security Assistance Agency, transmitting a report covering the quarter ended December 31, 1980, listing the price and availability estimates provided to countries and the requests for issuance of letters of offer received, pursuant to section 28 of the Arms Export Control Act, as amended; to the Committee on Foreign Affairs.

166. A letter from the Assistant Attorney General for Administration transmitting notice of a proposed new records system for the Federal Bureau of Investigation, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

167. A letter from the Secretary of Education, transmitting a report on the donation of Federal surplus real property donated to educational institutions, covering fiscal year 1980, pursuant to section 203(o) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

168. A letter from the Administrator of General Services, transmitting a report on the donation of Federal surplus personal property to States and local organizations for public purposes, covering fiscal year 1980, pursuant to section 203(o) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

169. A letter from the Comptroller General of the United States, transmitting a report on the interaction of Federal aid and State aid in New York State (PAD-81-10, December 16, 1980); to the Committee on Government Operations.

170. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

171. A letter from the president, National Safety Council, transmitting the audit report of the organization for the year ended June 30, 1980, pursuant to a section 3 of Public Law 88-504; to the Committee on the Judiciary.

172. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report on Federal radio navigation systems, pursuant to section 507(b) of the Communications Satellite Act of 1962, as amended; jointly, to the Committees on Energy and Commerce, and Merchant Marine and Fisheries.

173. A letter from the Comptroller General of the United States, transmitting a report on the examination of financial statement of the Panama Canal organization for fiscal year 1979, pursuant to section 106 of the Government Corporation Control Act (ID-81-14, Jan. 12, 1981) (H. Doc. No. 97-8); jointly to the Committees on Government Operations, and Merchant Marine and Fisheries, and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLLINS of Texas:

H.R. 830. A bill to abolish the Department of Energy, and for other purposes; to the Committee on Government Operations.

By Mr. PHILIP M. CRANE:

H.R. 831. A bill to provide that all Federal Reserve notes and other currencies of the United States shall be redeemable in gold; to the Committee on Banking, Finance and Urban Affairs

H.R. 832. A bill to amend title 5 of the United States Code to provide that a rule promulgated by a Federal agency may not become final unless such agency submits such rule and an economic impact statement with respect to such rule and statement, and for other purposes; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H.R. 833. A bill to extend duty-free treatment to prayer shawls, bags for the keeping of prayer shawls, and certain headware used in religious observances; to the Committee on Ways and Means.

By Ms. FERRARO:

H.R. 834. A bill to grant immigrant visas to certain nationals of Italy who were victims of earthquakes which occurred on or about November 23, 1980, in Italy; to the Committee on the Judiciary.

H.R. 835. A bill to amend the Internal Revenue Code of 1954 to allow employers a tax credit for hiring displaced homemakers; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.R. 836. A bill to establish a United States-Mexico Joint Development Bank; jointly, to the Committees on Banking, Finance and Urban Affairs and Foreign Affairs.

By Mr. LEACH of Iowa:

H.R. 837. A bill to provide that the proposed increases in imputed interest rates under sections 482 and 483 of the Internal Revenue Code of 1954 shall not apply to farms and other small businesses; to the Committee on Ways and Means.

By Mr. McDONALD:

H.R. 838. A bill to provide that existing regulations issued by the Secretary of Labor with respect to occupational exposure to cotton dust shall cease to be effective and that any future regulations with respect to such exposure shall be subject to congressional disapproval; to the Committee on Education and Labor.

By Mr. MILLER of Ohio:

H.R. 839. A bill to authorize the construction of such facilities as deemed necessary by the Secretary of the Army (acting through the Chief of Engineers) in the vicinity of Logan and Nelsonville, Ohio, for the purpose of providing adequate flood protection to this area; to the Committee on Public Works and Transportation.

H.R. 840. A bill to terminate the authorization of the Salt Creek Dam and Reservoir project, Ohio; to the Committee on Public Works and Transportation.

By Mr. MILLER of Ohio (for himself and Mr. SNYDER):

H.R. 841. A bill to name the U.S. Post Office building in Portsmouth, Ohio, the "William H. Harsha U.S. Post Office Building"; to the Committee on Public Works and Transportation.

By Mr. OBERSTAR:

H.R. 842. A bill to amend the National Labor Relations Act to repeal the provision which permits States to prohibit agreements requiring membership in a labor organization as a condition of employment; to the Committee on Education and Labor.

H.R. 843. A bill to establish mandatory penalties for use of a firearm during the commission of a felony, and for other purposes; to the Committee on the Judiciary.

H.R. 844. A bill to amend the Great Lakes Pilotage Act of 1960 to limit the liability of U.S. registered pilots so as to provide for reciprocal and equitable participation by United States and Canadian citizens in the pilotage of vessels on the Great Lakes; to the Committee on Merchant Marine and Fisheries.

By Mr. OBERSTAR (for himself and Mr. VENTO):

H.R. 845. A bill to restructure the financing of the activities of the St. Lawrence Seaway Development Corporation; to the Committee on Public Works and Transportation.

H.R. 846. A bill to revise the boundary of Voyageurs National Park in the State of Minnesota, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PHILIP M. CRANE:

H.J. Res. 82. Joint resolution to amend the Constitution of the United States to provide that appropriations made by the United States shall not exceed 33⅓ percent of the average national income of the prior 3 calendar years, except as specified during war or national emergency; to the Committee on the Judiciary.

By Mr. REUSS (for himself and Mr. KASTENMEIER):

H.J. Res. 83. Joint resolution to designate March 16 of each year, the anniversary of the birth date of James Madison, as "Freedom of Information Day"; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. OBERSTAR introduced a bill (H.R. 847) for the relief of Herman R. Klun and Helen Klun, which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

TRIBUTE TO HAROLD C. UREY

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. FINDLEY. Mr. Speaker, it is with sadness that I offer the following words of tribute to Harold Clayton Urey, an outstanding American, a Nobel laureate and a proponent of Atlantic Union, who died on January 5, 1981.

Harold Urey received the Nobel Prize in chemistry in 1934 for his discovery of deuterium. His experiments with deuterium and his later work for the Manhattan project were essential to the making of the first U.S. atomic bomb. After World War II, Urey made major contributions to the science of space exploration and to the understanding of the origins of the universe. He is considered by many to be the founder of modern lunar science.

For Harold Urey a deep commitment to scientific discovery did not, however, mean a life of self-imposed isolation in the research laboratory. Indeed, he considered it his moral obligation as a scientist to understand the impact of his work on social and political forces and to help mankind adapt to technological change.

The car, the airplane, and the telephone were all 20th century developments which had touched everyday life in largely positive ways. But Urey was most sensitive to the potential for destruction in new technology such as the atom bomb. As he stated in 1960, "For the first time in history, no country is large enough to maintain within its border a relatively secure heartland which can be regarded as free from attack."

Dr. Urey considered it absolutely critical to develop new political institutions to accommodate new technologies such as the bomb, to promote solutions to the world's growing problems, to avoid the sure devastation of war, and to maintain individual liberty. The institution best suited to respond to all these needs was a Union of the Atlantic Democracies. Urey felt so deeply about Atlantic Union that he often stated that his promotion of its ideals and goals was more important than anything he would ever do for science.

A federal union of the democratic world would make the political, military, and ideological strength of the West so great that it would diminish the potential for aggression from the Communist bloc and decrease the possibility of war. Consequently, the liberty of the individual and the dignity of mankind would be preserved.

In order to appreciate fully Dr. Harold Urey's compassion for humanity and his recommended steps toward Atlantic Union which would insure its survival in freedom and prosperity, I recommend to my colleagues the following excerpts from a speech he delivered in 1960. Though 20 years old, the speech is amazingly prescient about the problems of 1981 and the ever more urgent need for the Atlantic democracies to unite in a federal union to meet them.

ATLANTIC UNION IS IMPERATIVE

My own political memories go back to the first decade of this century when I was a student in the grade schools and high schools of Indiana. My first memories include the high cost of living, which we have heard about ever since, and the Hague International Court of Justice. We had the greatest hopes that it would solve many international problems, yet today it has dropped out of the news almost entirely.

Since that time, international news has consisted of peace conferences, threats of wars, diplomatic maneuvers, World War I, the League of Nations and its many troublesome discussions, Locarno, the pact to outlaw the war as an instrument of national policy, Munich, World War II, the Yalta Conference, the Potsdam Conference, the many troubled arguments of the United Nations since its creation, threats and counterthreats of war, peaceful uses of atomic energy, disarmament conferences, the summit fiasco, the many travels of the President of the United States, the Vice-President, the Secretary of State, the travels of Khrushchev to the U.S., the travels of other heads of state. At the end of this long list I am led to inquire: did or will any of these things delay the coming of World War III by a single year? I am led to doubt it.

These diplomatic moves are to a large extent only the continuation of national policies by other methods than war. They are an attempt to further the interests of nations or groups of nations by other methods. One becomes completely weary of the clichés of such conferences. A just peace, lasting peace, peace with honor, and so forth.

The conferences on disarmament are disillusioning. So many people believe that disarmament would solve the problem of war and apparently they do not realize that armament is not the cause of war, but the threat of war is the cause of armament. There are two groups of people who are for disarmament: Those who are sincere and the muddle-headed.

Khrushchev is for disarmament and it is quite obvious that he is not muddle-headed at all. He knows that if the western world could be induced to abandon its bases, its planes, its bombs, that he would be able to advance the interests of his group much more effectively than he could otherwise. The armaments of the western world are a definite impediment to his plans for world conquest and he is not at all muddled about the matter. Other, very well-meaning people have not thought through the basis of a peaceful world or even the basis of local peace.

It is not possible to disarm in the absence of legal means to keep order. This is true of small communities and even individuals. The simple office of justice of the peace carries with it an understanding of the basis of peace. Men have learned through their long history which is beset with wars and periods of peace that there is indeed no basis for peace even in very localized areas except with the establishment of the forms of law, and only so long as they are able to be maintained over limited times and limited areas does peace exist.

* * * * *

The world has changed completely since 1900. In 1900, it was one hour from my home in the country to the town five miles away. Today it is approximately five minutes. It was three or four days from Chicago to Los Angeles; today it is four or five hours. It was two weeks from New York to London; today it is six hours. It was 80 days around the world, and it will soon be 100 minutes. In my youth, the machine gun was a dreadful weapon. Today we talk about the possibility of 50 million casualties in a day or so. Communication was not slow in the early years of this century. The telegraph and telephone were reasonably rapid, but today radio has increased the rate of communication until there is hardly any privacy left any more.

What I wish to emphasize is that the magnitude of these changes is so great that it involves a change in the quality of the modern world. For the first time in history, no country is large enough to maintain within its border a relatively secure heartland which can be regarded as free from attack. It was in a way not necessary to develop the atomic bomb to make us realize that the modern world has developed to an intolerable situation. The atomic bomb nevertheless has put an enormous exclamation point after any conclusions of this kind.

It of course goes without saying that such revolutionary changes in the physical world must produce changes in our political organizations. We have moved to a place where a modern war could destroy all the civilization of the world for a long period to come in the future. It may be that war will come but it will produce an effect from which we will not recover in a short period of time, and completely new types of civilizations might develop on the ruins.

In considering problems of this kind we are all thinking of survival in a physical sense, but we are also thinking of the survival of our institutions. We should like to take forethought with regard to these problems. It seems to me that remarkable political institutions were invented by our forefathers when they founded this country, and these political inventions can be important in the present situation.

The 13 states of North America formed an effective alliance under what was known as the Articles of Confederation. Under these

Articles each state remained sovereign. The Confederation could not levy taxes, conscript an army, or control trade between the colonies, etc. It won a war of independence, and as soon as the war was over, began to fall apart.

The history of this confederation resembles on a smaller scale, what has happened in two world wars. Alliances are formed, political differences and animosities are forgotten, a successful war is fought, and then immediately the alliance begins to disintegrate.

In the case of these 13 colonies, some very astute men drafted a remarkable constitution in which they introduced the concept of a federal government which was given sovereignty over certain political areas of activity, while sovereignty over all other activities was reserved to the states. This government with this sovereignty was constructed with an effective organization for carrying out its duties, executive, legislative and judicial branches, the power of police within its area of sovereignty, and the power of taxation to support its activities.

A "whiskey rebellion" was required to convince the states that the federal government had power, and it was necessary to have a Civil War to decide that once having subscribed to this federal type of government no state could withdraw again.

This government had within it the power of growth. States were added steadily across the North American continent, and now outside of this area is Alaska and Hawaii. This constitution laid the political basis for what is today the most powerful and the richest country on the earth. We should note our history shows us what can be done by the application of this principle to government. It seems to me that it is obvious that another such application is needed in the modern world.

NATO MAKES MANY DOUBT

In practice, this country must cooperate with England, with France, with other countries of Western Europe. It must cooperate with the South American states, and it must try to cooperate with the Asiatic countries whose interests bear upon the interests of this country.

* * * * *

Always, * * * we wonder whether the grand Atlantic alliance known as NATO will hold together in the next sticky situation. We are not the only ones who wonder. Our allies who are in far more dangerous positions than we are wonder if we will continue to support them in the next difficult situation. For example, if Denmark were invaded, what would we do? The Danes wonder too.

The cooperation with all these other countries involves military matters, foreign affairs relative to our relations with the Communist bloc, Africa, the Middle East, the Far East. They also involve commercial and economic relations. We are constantly worrying about trade problems between us and our allies and between the allies themselves.

* * * * *

These areas of cooperation indicate that what we need is a federal government whose sovereignty is limited to matters of military and foreign affairs and to the economics of what is now international trade.

The problems which we face considering such a federal government are very great indeed. The English have a monarchy and a state religion. The Japanese have an emperor and religions which are strange to us. Countries of Europe have monarchies, traditions, history, educational systems and legal systems which are not quite the same as our own. South America is cursed with unstable governments that have a marked tendency to become dictatorships. The U.S.S.R. has Communism and has always lived under a dictatorship. Africa is emerging from savagery, and sometimes, as recent evidence indicates, we are not so sure they are emerging. India has masses of illiterate and very poor people. China is a dictatorship over very poor and illiterate people. The question comes up as to whether we could organize these countries into a single federal government. I do not believe this would be possible.

The Communist U.S.S.R. has another answer to this question, however. Moscow believes that it can be done. Its methods are ruthless. It destroys all religion, all royalties and all classes. It destroys intellectuals and all government forms and re-makes all institutions in the pattern of Communism.

We require a more gradual method. We require the consent of the governed and we wish to preserve cultural institutions. We may well ask whom in this mass of people could we include in such a government and whom could we not include. In the latter group I would definitely place the U.S.S.R., China and most of Africa. I would say that we could include Western Europe with the probable exception of Spain and Portugal; North America, probably including Mexico; we could only surely include Australia and New Zealand. It would certainly be hoped that soon we should be able to include Japan, India and parts of South America.

We may ask what would be the results of such a political reorganization in the world. First of all, there would be no more wars between the members of such a federal group. Differences between these countries would be settled by legal methods by a supreme court. Execution of the laws would be in the hands of the police, not in the hands of an army.

In the second place, we would have a much better chance of maintaining a peace, a troubled peace it is true, but a peace nonetheless with the Communist bloc. The U.S.S.R. and China most probably would not attack a very strong political power unless provoked by most overt acts. From the position of the enormous strength that would result for the Western world with such a political organization, there would be no need to attack the Communist bloc.

The Communist bloc knows that we will not attack them at the present time and from a postion of greater strength it would be possible to make it even more evident that we have no intentions of doing this in the future. Such an organization would give us the basis for patient waiting for the evolution of democracy in the U.S.S.R. and China. We all recognize that we cannot impose democracy by force unless that force can completely crush the old order, and it is very doubtful that the western nations could successfully crush the Soviet Union without suffering crushing destruction themselves.

It is often stated that the idea of overwhelming strength on the part of the democracies of the world as opposed to the Communist bloc is impossible since both sides have atomic and hydrogen bombs and this makes any disparity in military strength impossible. I think this is true, or that it will be true in a short time.

But it is also stated, and I believe correctly, that neither side can use these immensely powerful weapons for they will surely destroy both sides in a major conflict. I rather think that this is understood by the people of the U.S. and those who represent us in Washington. I also think that it is realized by the Soviet Union.

As a practical matter of pursuing the policies of these individual groups it is not possible to use these great weapons. All of us, therefore, must fall back on something else.

In fact, it appears that the Soviet Union is actively pursuing a policy of disruption in any part of the world where it can exert influence—Cuba, Africa, the Middle East, the Far East—and attempts are made to promote disorder and misunderstanding in Europe and between Europe and the U.S. In other words, it is pursuing other means of waging conflict than the use of atomic bombs.

This means that the West must strengthen its means of waging its war along similar lines. The Union of the democratic countries of the West in a Federal Government would promote great strength along these other lines.

In the third place, such a federation would greatly increase the prosperity of all members of the federation. To a certain extent, the establishment of law and order over a limited part of the earth where only anarchy reigns would add greatly to the security and prosperity of the people taking part. It would furnish the basis for a growth of this type of organization over much of the rest of the earth's surface.

This is a very simple and brief statement of a situation that exists in the modern world. It could be elaborated in much greater detail with much additional specific problems added to the discussion. Such additional details must be considered if an Atlantic Union, or a World Union, is to be considered and constructed. In the years ahead this should be done with great diligence.

It should be realized that this is not an easy development and it is not entirely safe from the possibilities of war and loss of our political freedom. It is, however, in my opinion, the most likely development which will enable us to avoid both of these catastrophic possibilities. Trying to preserve the status quo of complete national independence as has been done during the years of this century will lead in the immediate years ahead most probably to World War III.●

ELECTRONIC MAIL

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. DERWINSKI. Mr. Speaker, the U.S. Postal Service must have a meaningful role in electronic mail, if it is to continue to serve all of the mail-using public. That point was underscored logically and forcefully in a January 12 editorial in the Federal Times. Despite overwhelming odds, Postmaster General William Bolger is making a determined effort to see that the Postal Service is not sidelined in the continuing jurisdictional dispute on electronic mail. The Federal Times ed-

itorial, which is recommended reading, follows:

HANG IN, BILL

The key to the U.S. Postal Service's survival in this decade quite simply is whether this 200-year-old institution is permitted a meaningful role in the already burgeoning telecommunications marketplace.

Quite frankly we had just about written off the semi-independent postal corporation in 1980. It had been stymied by upstarts at the Postal Rate Commission, sniped at by a questionable Commerce Department official, side-tracked by the Federal Communications Commission and betrayed by one or two on its own board of governors.

And behind it all were the often hysterical and certainly short-sighted minions of the telecommunications industry who—demonstrating an unseemly avidity—used fair means and foul to elbow USPS from contention.

For postal workers—particularly postal clerks—exclusion spelled the almost certain loss in the next several years of something on the order of 100,000 or more jobs.

Thus we were pleased to discover that Postmaster General William F. Bolger has at last started to fight back. He dispatched Senior Assistant PMG Paul E. Jaquish to define this new get-tough policy at a convocation of telecommunication industry experts here in Washington just several weeks ago.

Jaquish's message, this newspaper has learned, had these industry folks squirming in their seats.

A sample of his statement follows:

"We see the [postal service's telecommunications arm] as having full scale involvement in generation I and II electronic mail services. We see this as a cooperative role with the telecommunications industry, but not a role in which the postal service is relegated to that of a delivery service for electronic mail, where the communications industry claims jurisdiction for all collection and distribution services."

Whether USPS is able to make good on its intent remains to be seen. Many postal experts believe it may already be too late for the postal service and postal workers. We hope they are wrong.

But what we praise here is a PMG, who despite the odds against him—including a union president who has made common cause with the telecommunications industry—is resolved to wage the good fight for postal workers and more importantly the public who would be ripped this way and that once the telecommuncations industry cornered the market.

Hang in there, Bill.●

MARKETING OF INFANT FORMULA IN THIRD WORLD COUNTRIES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. LAGOMARSINO. Mr. Speaker, the Subcommittee on International Economic Policy and Trade, on which I am ranking minority member, reviewed last year the marketing of infant formula in Third World countries. During extensive hearings, food industry spokesmen, drug company representatives, and their critics presented their views on a proposed marketing code for the infant food industry being prepared by the World Health Organization. That new code is expected to be considered in May at the next world health assembly.

According to some observers, the procedures adopted in drafting the code have not permitted all the affected parties to participate fully in the development of the code. Kenneth Olson, writing in Third World Forum describes the factors affecting this issue and the position of the infant food industries regarding the marketing code.

I urge my colleagues to give serious attention to Mr. Olson's comments:

NOTES BY KENNETH G. OLSON, INTERNATIONAL AFFAIRS CONSULTANT

A little-publicized new effort by a United Nations agency may bring Third World problems under regulatory control of U.N. bureaucrats: the World Health Organization (WHO) is writing a marketing code for the world infant food industry.

This effort is unique in two ways. It is the first attempt by WHO to regulate a specific industry—in this instance, an industry that sought WHO intervention against a worldwide campaign that called the industry directly responsible for millions of infant deaths in the Third World.

Secondly, the code is being drafted—not by national delegations at public sessions as is usual—but by the WHO Secretariat, in secrecy. National governments and the food industry have only commented on completed drafts of the code, to be sent to the World Health Assembly in May 1981 for ratification.

Food industry spokesmen say they have little opportunity to contribute to the drafting process, and fear code may be "railroaded" through the Assembly by an overwhelming vote.

They also say the situation can set a precedent for other products labeled "hazardous," for whatever reason, to Third World peoples.

In the early 1970's, world concern about the decline of breastfeeding in poor countries, said to be caused by an early—perhaps unnecessary—shift to bottlefeeding, led to meetings among U.N. personnel, pediatricians, and industry representatives. One result was a 1972 report by the U.N. Protein Advisory Group. Another was industry's formation of the International Council of Infant Food Industries (ICIFI), which adopted a voluntary code of ethics and working program to improve infant nutrition.

Some observers were hostile. Dr. Derrick B. Jelliffe, a British nutritionist, rejected the U.N. recommendations and attacked the food industry. He argued that bottlefeeding of processed infant foods caused malnutrition, was largely instigated by industry and therefore was responsible for "commerciogenic malnutrition" and ultimately for millions of deaths.

Jelliffe's logic was not widely accepted by other nutritionists or U.N. officials, but did appeal to some church and charitable organizations. Working through the World Council of Churches and the National Council of Churches, Jelliffe and others accused the industry of "killing babies for profit" and calling for boycotts against them. One Swiss organization attacking Nestle for "killing babies" was convicted of libel in 1976, which added more fuel to the emotional controversy.

The issue was further publicized in 1978, when Sen. Edward Kennedy conducted hearings in the U.S. Senate on Third World nutrition problems. ISIFE recommended that the infant food controversy be resolved by rational, professional dialogue under World Health Organization auspices.

To the WHO, the industry has argued that "breast is best," but few mothers can breastfeed only, because of insufficient breast milk and because they work outside their homes. Few poor Third World mothers actually buy infant formulas; instead, they buy local foods that are often unsuitable as breast milk substitutes or supplements. Even in areas where infant formulas are not promoted, breastfeeding has declined.

Decommercialization is obviously not the magic formula to correct Third World malnutrition.

The industry agrees that infant formula should not compete with breast milk and that it should not discourage breastfeeding. The industry also says it shares responsibility, with governments and the health professions, to ensure that infant foods are used correctly and that mothers can make informed choices.

Industry critics, through the International Baby Food Action Network, argue that breast milk substitutes are unnecessary for most mothers. They also say aggressive industry promotion creates an artificial need for infant formula and leads to less breastfeeding. They argue that poor mothers lack the money, knowledge, and facilities to use infant formula correctly, so infant formulas should not be promoted. Some critics say infant foods should be used only by medical prescription.

Critics' attacks seem more calculated to curb industry activity than the problem of Third World malnutrition. As one observer phrased it, critics are "throwing the baby out with the bath water."

A basic consensus was reached at a WHO/UNICEF meeting in 1979: the promotion of breast milk substitutes should not be designed to increase sales to the detriment of breastfeeding.

WHO and UNICEF were empowered to "organize the process" to prepare "an international code of marketing of infant formula and other products used as breast milk substitutes . . . with the involvement of all concerned parties," which was unanimously confirmed in May 1980.

Industry and ICIFI feel industry critics have been warmly received at industry's expense.

Since the drafting is private, industry cannot contribute to the process, and ICIFI comments on three drafts have been largely ignored. ICIFI protests that the drafts do not recognize industry's role in teaching correct use of infant formulas.

When the next World Health Assembly meets in May 1981 to consider adopting the new code, the Secretariat will probably have its way, unless national government delegates ask what is really likely to advance the nutritional wellbeing of Third World infants—politics or better food.●

PAT HURLEY OF ILLINOIS—JOB WELL DONE

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. McCLORY. Mr. Speaker, politics often involves doing a hundred things all at once. A huge task must be completed on deadline by an ad hoc organization of volunteers and a few professionals which came into existence just the day before. When the task is done, the organization dissolves as quickly as it appeared, and no one is around to say thanks for a job well done.

Patricia Hurley of my home State of Illinois has devoted herself to two jobs in particular this past year which have involved long hours of attention to detail, endless coping with personal demands—whether reasonable or unreasonable—and little prospect of thanks at the end.

Mr. Speaker, during the summer of 1980, Patricia Hurley had the huge task of being a coordinator for the Illinois delegation to the Republican National Convention. She handled the hundreds of personal and political problems which arose in that hectic atmosphere and did a thoroughly professional job.

For most of us, that would have been enough aggravation to last a lifetime. But when Ronald Reagan was elected President, the Republican Party in Illinois asked Pat Hurley to take on yet another thankless task—serving as one of two coordinators from the State of Illinois for the 1981 inaugural. Pat accepted this job and set about it with the same competence, dedication, and personal grace which has marked all her endeavors in politics.

Mr. Speaker, although a job as inaugural coordinator is more likely to gain one enemies rather than friends, I have yet to hear an unfriendly word said about Pat Hurley.

Mr. Speaker, at this time, I wish to thank and commend Patricia Hurley for a job well done. Pat Hurley is not only a credit to the Republican Party of Illinois, but to the Nation as well.●

DETROIT WOMAN WINS NATIONAL AWARD

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. BRODHEAD. Mr. Speaker, a remarkable woman who has made significant contributions to assist the poor and underprivileged in Detroit for the past 13 years has received national acclaim. Eleanor Josaitis, associate director of Focus: HOPE, a Detroit civil rights organization, has been named "Woman of the Year" by the Career Guild.

Mrs. Josaitis was chosen from thousands of nominees from all 50 States and she richly deserves the honor. I have had the privilege of working with her and Father William Cunningham, director of Focus: HOPE on a wide range of projects from supplemental feeding programs for mothers, infants, and senior citizens to racial brotherhood classes in high schools.

She leads a selfless, caring life and she will undoubtedly find some way to use this award to help others. I would like to share a story from the Detroit News of January 11 which explains the award.

The article follows:

SHE PUTS SOFT TOUCH IN RACISM FIGHT

(By Lowell Cauffiel)

"Above all, do something."

Those words go everywhere with Eleanor Josaitis, who is associate director of Focus: HOPE, the Detroit racial brotherhood group.

They're scrawled on a frayed scrap of paper she keeps tucked in her wallet.

Her belief in doing something is one reason the Career Guild, a women's clothing retailing service, this month will announce Mrs. Josaitis has been chosen as its first national Woman of the Year. The award follows months of screening thousands of nominees from all 50 states.

The aim of the award is to provide "role models" for women, and Mrs. Josaitis is some model: She's a 45-year-old former housewife and mother who managed to turn social activist without discarding her soft, almost gentle way of speaking.

In less than 15 years, with what she called no more "credentials" than a high school diploma, Mrs. Josaitis has accomplished the kind of feats that formally schooled social workers and activists fantasize about. She has:

Been the catalyst, colleagues say, that turned Focus: HOPE, originally meant to be a "temporary" race relations effort after the Detroit riots of 1967, into a nationally respected, multipurpose organization aimed at breaking the back of racism and poverty.

Been an influential member of the U.S. Department of Agriculture's national advisory council on maternal, infant and fetal nutrition as well as Detroit's task force on hunger and malnutrition.

Been, say congressional staffers, one of Washington's most successful lobbyists for efficient food projects for the poor.

At a comparatively low salary, a portion of which she donates back to the organization, administered Focus: HOPE, which now has 103 employees and a $10 million budget which is four times that of New Detroit.

Raised, with her husband, Donald, five children.

Fr. William Cunningham, Focus: HOPE director, whose own flamboyant style and wide media exposure has often overshadowed others in the group, says of Mrs. Josaitis:

"She has the ability to see the practical application of civil rights principles.

"She is the connection. She is the one they trust. She is who everybody calls. When they say, 'Cunningham, you're way off base with this one, or tell Cunningham he's drunk,' they call Josaitis."

Mrs. Josaitis said her activism in racial problems was spurred unexpectedly in the 1960s. At the time a pregnant Taylor housewife, she was sitting in her living room watching television.

"I was watching the Nuremberg trials on TV and then the news came on with these pictures of police horses riding through crowds in Selma, Ala., and police using cattle prods on black protesters," she said.

"It hit me: My God is this America or Nazi Germany?

"It's nice to be an armchair liberal, but I said to myself, what can you do about it, Josaitis?"

Mrs. Josaitis eventually met Fr. Cunningham in Taylor's St. Alfred's parish, and the two began brain-storming during a time when many Catholics were trying to apply their religious principles to social activism.

During the summer following the Detroit riots of 1967, the two and another priest, the Rev. Jerome Fraser, organized a series of pulpit talks by priests they recruited to help make Detroit area Catholics understand the causes of racial unrest.

It was a scheme of sorts, as Cardinal John Dearden was not even informed of the plan until it was too late to stop it.

Mrs. Josaitis was the catalyst, says Fr. Cunningham.

"What we had," remembers Fr. Cunningham, "was two academic-type priests, me and Jerry, trying to map out these complex strategies to make people understand why Detroit was being torn apart. We had all these heavy intellectual plans of attack.

"But then Eleanor said, 'Why don't you speak to the people on Sunday morning? You have to present this in moral terms.'"

Such no-frills practicality, rather than complex intellectualizing, is a hallmark of Mrs. Josaitis.

Do something, don't just talk about it.

"I really don't want to come across in some kind of self-righteous thing here," Mrs. Josaitis said. "But when I sat in church as a kid and heard the gospel say 'feed the poor,' I took it seriously. Religion so often makes people passive—an opiate. To me, it should be a burr under your saddle."

When Suburban housewives couldn't understand why inner city blacks complained of high food and prescription prices in Detroit, she organized scores of suburban women to conduct a price survey in Detroit, sending them to do their own shopping in the inner city stores.

Several years later, Mrs. Josaitis and another Focus: HOPE staffer were in Washington and having no luck at getting to Earl Butz, then secretary of agriculture in the Nixon administration, to talk about nutritional problems of the poor.

Mrs. Josaitis went to Butz's office, waited until Butz's secretary went into the ladies room, followed her in and fast-talked her way into an immediate audience with the Cabinet member.

Last summer, when Vice-President-elect George Bush—then still a presidential candidate—came to Detroit on a campaign swing, Mrs. Josaitis arranged for Bush and Gov. William Milliken to tour the Focus: HOPE food operation.

"Some staff members said, 'What the hell would you want to do that for? We're all registered Democrats here.'" Fr. Cunningham remembers.

"But there she was sitting down between Bush and the governor, never blinking an eye."

Said Mrs. Josaitis:

"I don't care if they were using us politically. It gave me a chance to invite them into the solution."

Simply, it's hard to refuse Eleanor Josaitis.

"She has a very personal and honest style," said Roger Szemraj, legislative assistant to U.S. Rep. J. Robert Traxler, member of the agricultural appropriations subcommittee.

"Sometimes people become so submersed in their programs they become stodgy. But that's not the case with her. She's always full of enthusiasm and looking for better ways to do things."

There was a time, Mrs. Josaitis said, when she was insecure about her clout and acceptance in political and intellectual circles because she lacked a college degree.

Mrs. Josaitis says, "It took me a while to learn that traditional credentials are an obstacle only if you think they are," she said.●

WORLDWIDE KIWANIS WEEK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. DERWINSKI. Mr. Speaker, I wish to take this opportunity to direct the special attention of the Members to the upcoming observance of "Worldwide Kiwanis Week," which is sponsored by Kiwanis International. This week, which runs from January 18 through 24, promotes global goodwill and closer relationships between Kiwanis clubs around the world.

An article from the recent edition of Kiwanis magazine reports the president of Kiwanis International, Merald Enstad, as saying that—

Worldwide understanding, cooperation, and goodwill can be renewed and strengthened through this unique program. Worldwide Kiwanis Week helps us celebrate the fellowship of service that is truly what Kiwanis is all about.

Many of the Kiwanis clubs will take part in developing permanent communications with another club in different part of the world. For the most part, these twinning relationships have developed into something that lasts for many years.

As an active member of Kiwanis for many years, I was especially pleased to note this observance and to see that this great service organization, whose roots began in the United States in 1916, is now making international efforts toward promoting goodwill between the United States and the world community.●

GEN. ALTON D. SLAY—PRODUCTIVITY

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. COLLINS of Texas. Mr. Speaker, Gen. Alton D. Slay made an important speech in Dallas, Tex., this past month. He outlined the facts concerning the decline in American productivity with its related negative impact on our Nation's defense.

I was glad the general put it on the line as the folks in my hometown want to know where we stand. I heard from Bill Cooper, chairman of the board of the Dallas Market Center. Bill heads up the Dallas Council on World Affairs that held a conference to determine America's preparedness. Gen. Alton D. Slay is commander of Air Force Systems Command and he was specific in alerting us to America's decline in productivity. Let us face the facts. Let me review with you some of the key points that were made by Air Force Gen. Alton D. Slay on America's resources and production:

I'm not going to talk about the fact that the overpowering strategic nuclear power edge we had over the Soviet Union 15 years ago has vanished.

I'm not going to tell you that during the last decade our Armed Forces strength has declined 40 percent while Soviet Armed Forces strength grew by 25 percent.

I'm not going to mention the fact that during the 1970's, Soviet spending on things related to military research and development, military weapons systems acquisition, and military facilities, exceed that which we spent on those things by $240 billion.

I won't burden you with the statistic that the Soviets now have three times as many engineers engaged in military research and development as do we, nor with the fact that they are graduating six times the number of engineers each year that we do.

And I won't try to support such a statement by telling you about the fact that they now outproduce us 11½ to 1 in armored vehicles and artillery tubes; 18 to 1 in surface-to-air-missiles; 3 to 1 in attack helicopters; and 2 to 1 in submarines, naval surface combatant ships, and tactical fighter aircraft.

Also, I won't try to make anything at all out of the fact that they've introduced three totally new types of ICBM's since we introduced our last one—the Minuteman III—over 10 years ago.

And I won't advertise the fact that they have deployed over 600 new ICBM's since we deployed our last Minuteman III 5 years ago.

Nor will I trouble you with the fact that they have commissioned over 60 new ballistic missile subs since we commissioned our last Poseidon Sub 13 years ago; Nor even with the fact that they're building 30 bombers every year and have built almost 600 bombers since we built our last B-52 20 years ago.

But I will talk about another type of decline—the decline of our economic, industrial, and technical power relative to the rest of the world.

In past times, we in the United States have always been proud to believe and to proclaim that we were basically a self-sufficient nation.

Today, the self-sufficiency myth is completely destroyed. In terms of many essential nonfuel materials, the United States is a "have not" nation.

Today the United States is more than 50 percent dependent on foreign sources for 23 of the 40 essential nonfuel minerals we use in the United States; and almost totally import dependent for 12 of the most critical of these.

The Soviet Union is totally independent of foreign sources for all but 5 of these 40 essential minerals and in none of those 5 are they 50 percent dependent.

Much of the world's production and reserves of a number of our critical materials are located in two areas of the world: Siberia and Southern Africa. These two areas contain 99 percent of the world's reserves of platinum group metals; 80 percent of the world's manganese ore; 97 percent of the world's vanadium; 96 percent of the world's chrome; 87 percent of the world's diamonds; 60 percent of the world's vermiculite; and 50 percent of the world's fluorspar, iron ore, asbestos, and uranium.

OPEC controls only 52 percent of the world's oil supply and the power of that cartel needs no commentary.

In 1973, in Prague, Leonid Brezhnev made the following comment to Siad Barre, President of Somalia, and I quote: "Our aim is to gain control of the two great treasure houses on which the west depends. The energy treasure house of the Persian Gulf and the mineral treasure house of Central and Southern Africa." Think what's happened since. Five nations in Central and Southern Africa and about that number in the general Persian Gulf area already under heavy Soviet influence or control.

Our national stockpile is grossly deficient in many of these essential minerals—in fact we are below established goals in 37 critical materials; this shortage amounts to $11 billion or 61 percent of the desired inventory of $18 billion. And no purchases have been made to add to the stockpile in over 20 years.

It takes up to 10 years to develop and bring a material deposit into production without any Federal constraints; but we do have many Federal constraints to mining—80 different Federal laws administered by 20 different Federal agencies constrain mineral exploration and mining operations in the United States.

As a result of these laws, over 75 percent of the public land in the United States has either been withdrawn or severely restricted from mining and mineral exploration—most of it in the last few years. This equates to an area the size of the entire United States east of the Mississippi River.

Moving up to the next industrial echelon, we find another capacity problem. There are, for instance, only three remaining U.S. suppliers of large forgings—the kind we need for aircraft landing gear and engine components. Literally hundreds of foundries were closed in the mid-1970's as a result of very ambitious OSHA/EPA rulemaking—51 have closed just in the last 2 years.

The shrinking industrial base, coupled with increasing demand, not only nationally, but worldwide for scarce materials, and products made from these materials has resulted in greatly lengthened lead times—as much as 200 percent—and greatly escalated costs—as much as a 300-percent price rise in just the last 2 years.

The United States is dead last in productivity growth rate of all industrialized Western nations and our productivity growth rate continues to decline.

According to the Bureau of Labor Statistics, while Japan's rate has been increasing annually at almost 8 percent and West Germany's at almost 5 percent for the past 20 years, the United States has been limping along at an average growth rate of 1.5 percent over that period.

But that's an average. Last year, we had a negative growth rate of eight-tenths of 1 percent. In other words, we didn't grow at all—our rate went down, not up.

There are a lot of reasons for our productivity decline.

One of the most important is low capital investment in modern plant and equipment, and low amounts spent for research and development.

Today the average U.S. plant is 20 years old—8 years older than the equivalent German plant and more than 10 years older than the equivalent Japanese plant.

The United States is dead last among industrial countries in investment in new and modern equipment as a percent of the gross national product.

Furthermore, a significant share of the capital investment that has been made in recent years has been for the installation of pollution abatement and health and safety equipment which do not contribute to productivity.

The ratio of our national R. & D. expenditures to GNP has decreased nearly 24 percent in the last 15 years and much of today's R. & D. is spent to comply with Government regulations—in some industries compliance R. & D. approaches 40 percent of the total amount spent.

Another reason for our productivity decline is poor quality of much of the output of our industry.

Poor quality and poor productivity are costing every man, woman, and child in the United States. It's costing the Department of Defense dearly in military preparedness; it's costing American industry dearly in profit and reputation; and it's costing the country dearly in international trade.

In 1960, we imported only 5 percent of our consumer electronic goods. Today we import 51 percent.

In 1960, we imported only 4 percent of our automobiles. Today we import 27 percent.

In 1960, we imported only 3 percent of our metal forming machine tools. Today we import 25 percent.

In 1960, we imported only a fraction of 1 percent of our electrical components. Today we import over 20 percent.

In 1960, we imported only 2 percent of our industrial chemicals. Today we import 20 percent.

In 1960, we imported only 4 percent of our steel. Today we import 14 percent.

Those losses mean lost jobs, lost profits, lost taxes, lost opportunity.

Last year our balance of payments for merchandise was $29.5 billion in the red. For the first half of this year, we were $18.5 billion in the red. Oil imports generally get blamed for these deficits, but Japan and West Germany import all of their oil and yet they have a strong surplus of exports over imports. Why are they so different? We're losing our markets overseas, and at home, because we are failing to put out enough high quality products at a competitive price.

Foreign nations are now setting world productivity and quality standards—not the United States; and Japan is the leader.

The total foreign share of the United States auto market now stands at a whopping 27 percent.

And there's another black spot. Our electronic industry is fast being surpassed by the Japanese. For instance they gained a toehold in the world's semiconductor markets a few years ago and now seem bound and determined to take it over. They now enjoy 41 percent of the world market in a key component of modern computers.

Why? A combination of high productivity, reasonable price, and high quality.

There is currently a great shortage of technically educated professionals and skilled labor in the United States and the forecast is that things will get worse. For instance, the N.S.F. projects an 80 percent shortage of computer professionals, an 87 percent shortage of statistical professionals and a 47 percent shortage of industrial engineers by 1990.

The forging industry is currently 20 percent short of its needs for die designers, 18 percent short in impression die makers, and 13 percent short of trim makers.

The tooling and precision machining industry could hire 60,000 journeymen right now if they were available and they say that that shortage could quadruple by 1985.

Japan is graduating more engineers in Japan every year than the United States, even though their population is roughly one-half of ours.

It is a gross contradiction to think that we can maintain our position as a first-rate military power with a second-rate industrial base.

I've sponsored a legislative change and regulatory change package to modernize government contracting procedures and make the act of doing business with the government easier. Central to this proposal is a law change to enable government agencies to use multiyear contracts to save money and encourage capital investment. Currently, we are required to contract one year at a time—a very poor and expensive procedure which also is a great disincentive to capital investment in new plant and equipment.

I've worked with the Federal Emergency Management Agency, and the Congress on getting a more rational critical materials policy and I'm pushing very hard to get Congress to revitalize the stockpile.

I've asked Congress to change our depreciation laws and to enact other legislation to incentivize capital investment in productivity enhancing venture.

We need many voices raised to keep these problems visible and on the public conscience.

What we don't need are soothsayers—Pollyannas—who claim that everything will turn out all right if we just sit and wait. Things won't turn out all right unless we make things turn out all right.●

OFFICIAL CAR OF THE U.S. SKI TEAM

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. APPLEGATE. Mr. Speaker, over the Christmas holidays, I had the opportunity to be viewing television when a commercial came on about the U.S. ski team, and, in particular, the official car of the team, a Subaru. As I am sure you know this is a Japanese-produced vehicle.

At a time of most severe economic hardship in one of, if not the most basic industry in the United States, that being the auto industry, I am quite dismayed that an entity that represents America, such as the U.S. ski team, would favor foreign products over those made in America. I do not claim to be qualified to judge the merits of the official car versus those of American products, although I am sure there are American products of equal quality; however, I believe that the underlying theme of the U.S. ski team, that of pride in America should be carried out in every way possible. To only take this concept to the slopes of mountains and then forget about it when it comes to strengthening our national economy, and, in turn, our national security, is hypocritical at best. I do not mean to imply that a single Subaru is a direct threat to our national security, but certainly, when it is promoted as it is by the ski team and then grouped together with other foreign makes, there is a definite detrimental overall effect.

In light of current economic and industrial conditions, I strongly urge the U.S. ski team to take immediate action and reject this or any other foreign product as an official car of the team. If an official car is indeed needed at all, the team should select one that promotes American industry and helps our economy to grow and prosper. I further believe a public statement to this affect should also be made.●

GERALD R. FORD PRESIDENTIAL MUSEUM

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. SAWYER. Mr. Speaker, I am extremely proud to inform my colleagues of the planned opening of the Gerald R. Ford Presidential Museum in my home town of Grand Rapids, Mich., in September 1981.

The museum, built to honor our 38th President, marks a significant step in the redevelopment of the city of Grand Rapids, just as the tenure of President Ford marked a significant transition for our Nation.

There can be no doubt that Jerry Ford helped shape the successful all-American image of Grand Rapids, which he represented in Congress before assuming the responsibilities of Vice President and later President. The residents of the Fifth Congressional District are excited to be joined by the entire Nation in saying a well-deserved "thank you" through the grand opening of the Ford Presidential Museum.

I am pleased to include an article from the Grand Rapids Press of December 16, 1980, which tells more for those who may want to know about the Ford Presidential Museum opening:

WEEK-LONG FESTIVAL IS PART OF FORD MUSEUM DEDICATION

(By Jim Harger)

A week-long festival attracting an array of international entertainment and political figures was announced Tuesday for the Sept. 14 through 19 dedication of the Gerald R. Ford Presidential Museum.

Comedian Bob Hope is planning to film an NBC television special about Grand Rapids during the celebration.

And, President-elect Ronald Reagan, Vice President-elect George Bush, Israeli Prime Minister Menachim Begin, Egyptian President Anwar Sadat, Canadian Prime Minister Pierre Trudeau and a host of national leaders are expected to appear and possibly lecture during the dedication week.

In addition to the Ford Museum dedication on Sept. 18, the "Celebration on the Grand II" will feature the reopening of the Pantlind Hotel as the Amway Grand Plaza Hotel on Sept. 15 and dedication of the Grand Rapids Art Museum on Sept. 16.

In a press conference Tuesday, Museum Dedication Committee co-chairman Richard DeVos, president of Amway Corp., said the extravaganza is expected to draw national media exposure to Grand Rapids.

"They will watch Grand Rapids move into the big time," said DeVos of the celebration. "Ford represents what Grand Rapids really is. You just know this town is going to hit the big time."

"Hope wants to capture the spirit of Grand Rapids and Ford on film to let other cities in the U.S. know what's good about America," said DeVos in a joint statement with Werner Veit, president of Booth Newspapers and co-chairman of the dedication committee.

"While other cities are failing, Grand Rapids is totally rejuvenating itself," said DeVos, who said the television special will include performances by Tony Orlando, Beverly Sills, Sammy Davis, Jr., and Pearl Bailey.

Frank Sinatra, Glen Campbell and the Oak Ridge Boys also have been extended invitations, said DeVos.

Hope's show, which is expected to be more somber than his typical television presentation, also will feature the comedian and Ford strolling through the Presidential Museum, reminiscing about Ford's political past.

"Jerry Ford had a healing effect on this country," said a spokesman for the dedication committee. "There's been a healing effect, too, on this city by the leaders in this community. That's what they're going to try to catch in the Hope show."

In addition to Reagan and Bush, Senate Majority Leader-elect Howard Baker and Speaker of the House Thomas P. O'Neill will attend and are expected to co-chair an honorary "Committee of '81," a non-functioning honorary group of 81 persons demonstrating the broad, representative nature of the celebration, said DeVos.

The celebration committee also hopes to attract U.S. Sen. Edward Kennedy, Lady Bird Johnson, former Secretary of State Henry Kissinger, former Treasury Secretary William Simon, former Defense Secretary Donald Rumsfeld, members of the U.S. Supreme Court, Congress and other Ford Cabinet members.

DeVos said other dignitaries, such as President Jimmy Carter, will be invited but have not yet been contacted.

"President Ford is calling in every political and entertainment chit he had out for this," said a spokesman for the dedication committee.

"I don't know of any city outside of Washington during a Presidental Inauguration that's managed to get people of their caliber together," said the spokesman.

The U.S. Marine Corps band, the Naval Academy Glee Club and the Strolling Strings—performers at White House black tie dinners—also will participate during the week.

For West Michigan residents, the festival will feature a downtown salmon fishing derby, hot-air balloon races, fireworks and parades, said Peter Secchia, head of committee's operations and community events subcommittee.

All of the community events will be self-funded, said Secchia, a long-time personal friend of Ford.

The $500,000 that will be needed to finance the overall planning of the events probably will be raised through "expensive luncheons", a dinner before the Bob Hope show and tickets to Hope's show and rehearsals, said DeVos.

A coordinating committee to raise funds and complete plans for the event will be made up of the chairmen of various subcommittees under the dedication committee.

Subcommittee chairmen are: Casey Wondergem of Amway, public relations; Secchia of Universal Companies, operations and community events; architect and builder Jordan Sheperd, commemorative committee; Martin J. Allen of Old Kent Bank and Wood's Willard Schroeder, arrangements; Peter Cook and Robert Hooker of Mazda Great Lakes with Carl Morgenstern of Old Kent Bank and Trust, finance.

Amway will plan its own dedication activities for the Amway Grand Plaza Hotel. Molly Bradshaw and Carson Donley will plan the dedication of the Art Museum.

DeVos also announced the selection of Danny Gaydou of Booth Newspapers as treasurer of the dedication committee, and the hiring of Ben Dean as the initial staff person for the museum dedication.●

TRIBUTE TO STU NOLTON

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. LAGOMARSINO. Mr. Speaker, on January 5, just as we were being sworn in for the 97th Congress, my field representative and good friend, Stu Nolton, passed away in Santa Barbara.

I have known Stu since college days, and he and his wife, June, have been close to my wife, Norma, and me for many years. Stu was a veteran of World War II and a businessman in the district prior to joining my staff as district coordinator when I served in the California State Senate. After my election to this House nearly 7 years ago he continued to work as field coordinator in my Santa Barbara office. He was a loyal patriot and public official, and his counsel and efforts in behalf of public safety, in which he specialized, will be missed by me and by my constituents.

On their behalf, I would like to extend the condolences of this House to his widow, June, and to his daughters, Lori and Lisa; and to add my own sentiments that he was a good friend and colleague who will be remembered.●

THE 1980 CENSUS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. DERWINSKI. Mr. Speaker, the 1980 census has been the subject of much knee-jerk criticism, most of which is unwarranted. Therefore, I was especially pleased to note the editorial in the Chicago Sun-Times of January 6, which is a most accurate summation of the results of the census count.

This editorial follows:

TAKE CENSUS AS IT IS

The final census count is in, and the U.S. Supreme Court has invalidated a lower court's order that would have blocked its certification.

New York, Detroit and 30 other municipalities are crying "undercount," and their battles will continue in the courts. But we might as well all learn to live with the final numbers. Nothing is likely to change.

Even if the 1980 count is not "the most accurate ever," as the Census Bureau claims, it's close enough so that laborious, expensive patchwork would not significantly alter application of the census to congressional reapportionment or federal aid to cities and states, which is what the screaming is all about.

For one thing, as Princeton Professor Richard P. Nathan wrote in the Wall Street Journal, past evidence indicates that "undercounted people tend to be spread fairly evenly over the country." If anything, "proportionately larger numbers of people were missed [in 1970] in rural areas and in the South" than in the Northern cities.

For another, the claim that a city loses $200 for every uncounted resident is wrong.

That claim assumes that federal grants would grow by $200 with the discovery of every person who has been uncounted. Actually, over all grant totals are fixed by law, and population corrections would be so evenly spread that redivision of the available funds would bring minimal changes.

Furthermore, federal aid is shared on other than per capita considerations. For example, community development block grants, riches cornucopia for most cities, favor those with declining populations. Thus, finding the uncounted would negate this distress factor.

Let's take it as is—226,504,825.●

SENATE—*Thursday, January 15, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met at 11 a.m., and was called to order by the Honorable WARREN RUDMAN, a Senator from the State of New Hampshire.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 15, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable WARREN RUDMAN, a Senator from the State of New Hampshire, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. RUDMAN thereupon assumed the chair as Acting President pro tempore.

RECESS UNTIL 4 P.M. ON MONDAY, JANUARY 19, 1981

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will stand in recess until 4 p.m. on Monday, January 19, 1981.

Thereupon, at 11:01 a.m., the Senate recessed under the order of Tuesday, January 6, 1981, as modified by the order of Monday, January 12, 1981, until Monday, January 19, 1981, at 4 p.m.

ROUTINE MORNING BUSINESS

(The following bills, resolutions, and statements were introduced and submitted today under the order of January 6, 1981:)

MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 7, January 8, and January 14, 1981, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on January 7, January 8, and January 14, 1981, are printed at the end of the Senate proceedings.)

ANNUAL REPORT ON ADMINISTRATION OF THE FEDERAL RAILROAD SAFETY ACT—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 2

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 7, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I transmit herewith the Ninth Annual Report on the Administration of the Federal Railroad Safety Act of 1970 (45 U.S.C. 421 et seq.) as required by that Act. This report was prepared in accordance with Section 211 of the Act and covers the period from January 1, 1979, through December 31, 1979.

JIMMY CARTER.

THE WHITE HOUSE, *January 7, 1981.*

REPORT ON ACTIVITIES OF THE UNITED STATES GOVERNMENT IN THE UNITED NATIONS—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 3

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 7, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit to the Congress this report of the activities of the United States Government in the United Nations and its affiliated agencies during calendar year 1979.

The international crisis created by the seizure of the American Embassy in Tehran and the taking of Americans hostage overshadowed much of the 34th General Assembly. In this atmosphere, the United States directed its efforts in the United Nations toward supporting the work of the Secretary General and the Security Council to resolve this breach of international law. The Secretary General brought the issue to the Council which unanimously called upon the Government of Iran to release the hostages. Ironically, after three years of negotiations, the Assembly adopted by consensus the Convention Against the Taking of Hostages. This Convention affirms that there is no valid excuse for the taking of hostages and that there are no circumstances under which the seizure of hostages can be condoned.

Both the Security Council and the General Assembly focused international attention on the continued military occupation of Kampuchea by Vietnam. Of particular note during 1979 was the Security Council's termination of sanctions against Southern Rhodesia, a result of the agreement by the Lancaster House Conference.

On economic issues, UN actions ranged from highly technical meetings such as those on commodities, to continuing the work of the International Monetary Fund and to political discussions in the General Assembly on the future of international economy and development.

These discussions, attended by almost all U.N. members, saw a continuous, intense, and sometimes acrimonious series of exchanges between the developed and developing countries on the organization of the international economy, the nature of international economic relations, and the effects of both on economic development. This resulted in the decision by the 34th General Assembly to hold further meetings on these issues. We believe that negotiations of this kind and at this level are important and necessary to relations between developed and developing countries. However, whether the U.S. participates in these global negotiations will depend on how effectively we use but do not intrude upon the agencies of the U.N. and other international organizations.

The United States continues to monitor closely U.N. expenditures and programs and supports the Secretary General's efforts to limit budget growth.

Our participation in the United Nations and its related agencies and programs is an integral part of our foreign policy. As this report makes clear, the United Nations system of organizations is important and sometimes indispensable to the achievement of many of our central foreign policy objectives. This report should contribute to American understanding of and support for the United Nations and to the continuing active and constructive role of the United States.

JIMMY CARTER.

THE WHITE HOUSE, *January 7, 1981.*

FEDERAL, EXECUTIVE, LEGISLATIVE, AND JUDICIAL SALARIES—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 4

Under the authority of the order of the Senate on January 6, 1981, the Secretary of the Senate, on January 7, 1981, received the following message from the President of the United States; which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

If the Federal Government is to meet successfully the enormous challenges it faces in these difficult times, it must be able to attract and retain men and women of outstanding ability and experience for its highest posts.

Monetary awards are not the principal attractions offered by the public service, and complete parity with private sector salaries is neither desirable nor possible. Those who serve at the highest levels of the Federal Government expect and are willing to make some financial sacrifice to serve their country. Nevertheless, compensation levels today have fallen below the point at which they provide adequate monetary recognition of the complexity and importance of top Federal jobs.

The financial sacrifice demanded of top Federal officials is becoming far too great. Since the last quadrennial adjustment in 1977, the salaries of those officials have increased only 5.5 percent. During that same period, the CPI has risen by about 45 percent, which means that the purchasing power of these salaries has declined by about 28 percent.

I fully recognize that the salaries already being paid these officials look very large to the average taxpayer. But when we are seeking to fill an Assistant Secretary position, a Bureau Chief position, or one of the other top level policymaking positions in the Executive Branch, we want people who know the specialized field involved and who have had extensive experience and success in it. Usually, these people are already being highly paid, and there is a limit to the financial sacrifices they can afford to make.

Not only is the discrepancy between private sector executive pay large now; it is continuing to widen. Since 1977, for example, while Federal executive pay has risen only 5.5 percent, private sector executive pay has gone up about 25 percent. If this gap continues to widen, government service will be so unattractive that increasing numbers of the best qualified will refuse to serve.

These observations apply equally to the selection of judges. The Federal judiciary has traditionally drawn a substantial number of appointees from the top echelons of the legal profession. These individuals are mature, experienced, and often at the height of their career earnings. When they become judges, it is usually at a financial sacrifice. If the sacrifice we ask becomes too great, increasing numbers of those best qualified will refuse consideration for appointment. The Attorney General tells me we are already receiving many declinations from lawyers of the quality we desire. We must not allow that trend to accelerate.

In addition to the recruiting problem, there are important considerations of retention and of equity. Resignations from the Federal bench show a disturbing tendency: only seven Federal judges resigned in the 1950's, and eight in the 1960's: but 24 resigned in the 1970's. Three resigned in 1980 alone.

The Constitution wisely provided that Federal judges would be appointed for life. The founders believed, and experience has confirmed, that lifetime service enhances the integrity and independence of a judge's performance. It also strengthens public confidence that judges possess these qualities, and increases public respect for their decisions. When lifetime judges leave the bench because of inadequate salaries, the public loses more than their experience and efficiency. The public also loses the confidence in the judicial process that is central to the success of our Constitutional system.

Obviously, many judges will not leave the bench even for the much larger salaries they could earn by returning to private practice. But the devotion of these judges should not be rewarded by unfair treatment. Something must be done to encourage and reward continuous judicial service.

Turning now to career executives, you know that Executive Levels IV and V are by law the ceiling for career salaries. You know also that General Schedule salaries have risen by 31.9 percent over the period in which executive salaries rose by only 5.5 percent. As a result, more and more GS employees each year reach the executive pay ceiling.

Consequently, we now have a salary system in which up to seven levels of career executives and managers are all receiving the same pay. Career executives who are promoted to more responsible and demanding positions often receive no pay increase whatsoever to compensate them for taking on heavier responsibilities. Agencies with field organizations, which need to advance successful managers from district offices to regional offices to headquarters offices, find it increasingly difficult to persuade capable employees to move their families for "promotions" that carry no pay increase.

One result of this compression is that many experienced and valuable career executives are retiring as quickly as they become eligible for retirement. For the twelve month period ending last March, a startling 75 percent of career executives in the 55–59 age bracket who were at the executive pay ceiling and were eligible to retire, did so. The result is that talented, experienced and creative public servants are leaving when they are of maximum value to their agencies. Unless these trends are reversed, the nation cannot expect to retain a high quality senior career group.

Congress shares many of these salary problems. We all know that people do not run for office because of the salaries involved, and that many people would run for Congress even if the members drew no pay at all. But it is of vital importance to have Congressional salaries high enough to attract a broad range of people, including those who want their families to enjoy the same standard of living they would if they were carrying even moderately comparable responsibilities in other occupations.

Congressional salaries have experienced the same loss of purchasing power as those already discussed. Yet, Congressmen face even greater expense than the other groups because they must maintain two residences and have other expenses stemming from their unique responsibilities. So they, too, need pay increases.

As the law provides, a Commission on Executive, Legislative and Judicial Salaries has considered these and related salary issues. This Commission, which was composed of distinguished private citizens with no selfish interests in Federal pay scales, made the findings I have summarized above. To correct them, it has unanimously recommended salary increases averaging about 40 percent.

I have no doubt that the facts fully justify those recommendations. Nevertheless, I continue to be concerned that we balance compensation needs against Federal Government leadership in fighting inflation and in minimizing the overall costs of government. Consequently, I am recommending to you in my budget for FY 1982 that smaller increases be allowed at this time, but——just as importantly—that we commit ourselves to allowing future increases annually to prevent these salary problems from continuing to worsen.

As you know, General Schedule employees received increases in FY 1979 and FY 1980 that totaled 16.8 percent. By operation of PL 94–82, the legal salaries of top level officials also increased by these same amounts. Congress, with my concurrence, enacted appropriation language that temporarily prohibited the *payment* of those increases to the top officials. Consequently, their payable salaries are now 16.8 percent below their legal salaries. Several judges sued over the application of that appropriation limitation to the judiciary and recently won a Supreme Court decision that means many judges will receive the 16.8 percent in question.

I believe the least we can do at this point is to give the Executive and Legislative branch officials the 16.8 percent already received by most General Schedule employees and already won by the judges. Just as important as the immediate increase, however, is adoption of the principle that we will allow whatever increase is granted General Schedule employees in October of 1981 and in subsequent years to be paid also to the top level officials, as PL 94–82 provides. Only by following this principle can we prevent the salary muddle from becoming worse every year. Experience has shown that if we wait four years to make salary adjustments in a time of rapid inflation, the needed catch-up will be so large as to be unacceptable to our citizens.

Because the case for a significant increase in the salaries of Federal judges is especially strong, I urge also that Congress give consideration to a salary scale for judges that would explicitly recognize the public importance of continuous judicial service: for example, by an annual or periodic increase for longevity in addition to the cost of living adjustments that are made from time to time.

In addition, I urge that Congress give careful consideration to the five non-salary recommendations made by the Commission, especially their proposal for a two year study of the complex and harmful compensation problems that now exist.

The Commission concluded that the conditions I have outlined constitute "... a quiet crisis, unperceived by most citizens of the nation but requiring an immediate response by the President and the Congress to safeguard the high quality of its senior officials." I agree with that conclusion and urge you to act favorably upon my recommendations. President-elect Reagan has authorized me to say that he fully supports these recommendations.

PL 95–19 provides that each House must within 60 days conduct a separate recorded vote on my recommendations for each branch of government. In addition, if you wish to accept my recommendation to make the current legal rates payable now, you should amend section 101(c) of P.L. 96–536 accordingly.

In the event that you decide you do not wish to approve increases for your own Members, I strongly urge that you allow them for officials of the Executive and Judicial branches. The gravity of the "quiet crisis" those branches face requires you to do no less.

JIMMY CARTER.

THE WHITE HOUSE, *January 7, 1981.*

REPORT ON 20TH DECENNIAL CENSUS AND APPORTIONMENT OF REPRESENTATIVES—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 5

Under the authority of the order of the Senate on January 6, 1981, the Secretary of the Senate, on January 7, 1981, received the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

Pursuant to the provisions of Title 2, United States Code, Section 2a(a), I transmit herewith a statement prepared by the Director of the Census, Department of Commerce, pursuant to Title 13, transmit herewith a statement prepared showing (1) the population of each State and the District of Columbia as ascertained by the Twentieth Decennial Census of the population, and (2) the number of Representatives to which each State would be entitled under an apportionment of the existing number of Representatives by the method of equal proportions.

JIMMY CARTER.

THE WHITE HOUSE, *January 7, 1981.*

ANNUAL REPORT ON HAZARDOUS MATERIALS CONTROL—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 6

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 8, 1981, received the following mesage from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I transmit herewith the Ninth Annual Report on Hazardous Materials Control as required by the Hazardous Materials Transportation Act, Title I of Public Law 93–633. This report has been pepared in accordance with Section 109 of the Act and covers calendar year 1978.

JIMMY CARTER.

THE WHITE HOUSE, *January 8, 1981.*

ANNUAL REPORT ON PIPELINE SAFETY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 7

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 8, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I hereby transmit to Congress the Department of Transportation's annual report on pipeline safety. The submitted report covers pipeline safety and related activities for the calendar year of 1979. This combined report is prepared as required by section 213(c) of the Hazardous Liquid Pipeline Safety Act of 1979.

This report is the Department's First Annual Combined Report on Pipeline Safety for 1979. The combined reports are: the 12th Annual Report of the Natural Gas Pipeline Safety Act of 1968 as amended, submitted in accordance with section 16 of the Act; and the First Annual Report of the Hazardous Liquid Pipeline Safety Act of 1979 in accordance with section 213(a) of this Act.

JIMMY CARTER.

THE WHITE HOUSE, *January 8, 1981.*

ANNUAL REPORT OF THE NATURAL GAS PIPELINE SAFETY ACT OF 1968—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 8

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 8, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Environment and Public Works:

To the Congress of the United States:

I hereby transmit to Congress the 11th Annual Report of the Natural Gas Pipeline Safety Act of 1968, covering pipeline activities for the calendar year of 1978. This report is submitted in accordance with section 14 of the Act.

Included in this report are two other elements concerning pipeline safety: the annual report on the administration of the Mineral Leasing Act of 1920, submitted in accordance with subsection 28(w)(4) of this Act; and a report on liquid pipeline safety programs.

This report details the Department of Transportation's responsibility and progress in regulating safe pipeline transport of natural and other gases on Federal lands.

JIMMY CARTER.

THE WHITE HOUSE, *January 8, 1981.*

EXTENSION OF EMERGENCY BUILDING TEMPERATURE RESTRICTIONS—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 9

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 13, 1981, received the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Energy and Natural Resources.

To the Congress of the United States:

On July 10, 1979, I issued a Proclamation pursuant to the Energy Policy and Conservation Act of 1975 by which I implemented Standby Energy Conservation Contingency Plan No. 2 and imposed emergency building temperature restrictions, effective July 16, 1979. On April 15, 1980, I issued a Proclamation which continued those emergency building temperature restrictions until January 16, 1981.

I have now issued the attached Proclamation which renews the required statutory findings and continues the Plan in effect until October 16, 1981, unless sooner rescinded.

JIMMY CARTER.

THE WHITE HOUSE, *January 13, 1981.*

ANNUAL REPORT OF THE DEPARTMENT OF EDUCATION—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 10

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 13, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

I am pleased to transmit to the Congress the first Annual Report of the Department of Education, as required by Section 426 of Public Law 96–88, the Department of Education Organization Act.

The Report outlines the progress of the Department during Fiscal Year 1980 in the attainment of its goals, priorities, and plans. It also emphasizes this Administration's efforts to provide more responsible and effective Federal support for education.

I believe that we have made substantial progress since the Department of Education opened its doors on May 4, 1980, in providing new leadership and support for American education.

JIMMY CARTER.

THE WHITE HOUSE, *January 13, 1981.*

ANNUAL REPORTS ON ADMINISTRATION OF THE NATIONAL TRAFFIC AND MOTOR VEHICLE SAFETY ACT—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 11

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 13, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation.

To the Congress of the United States:

The Highway Safety Act and the National Traffic and Motor Vehicle Safety Act, both enacted in 1966, initiated a cohesive national effort to reduce the deaths and injuries on the Nation's highways and require annual reports on the administration of these acts.

The report on motor vehicle safety includes the annual report required by Title I of the Motor Vehicle Information and Cost Savings Act of 1972 (bumper standards). An annual report is also required by the Energy Policy and Conservation Act of 1975 which amended the Motor Vehicle Information and Cost Savings Act and directed the Secretary of Transportation to set, adjust and enforce motor vehicle fuel economy standards. Similar reporting requirements are contained in the Department of Energy Act of 1978 with respect to the use of advanced technology by the automobile industry. These requirements have been met in the Fourth Annual Fuel Economy Report, the highlights of which are summarized in the motor vehicle safety report.

In the Highway Safety Acts of 1973, 1976 and 1978, the Congress expressed its special interest in certain aspects of traffic safety which are addressed in the volume on highway safety.

The combination of motor vehicle and highway safety standards, enforcement, and research have reduced the fatality rate by about 39 percent. This reduction has been achieved in spite of tremendous increases in traffic volume—registered motor vehicles up 67 percent, licensed drivers up 42 percent, vehicle miles driven up 64 percent.

Even so, 51,083 people met violent deaths on the highways in 1979—up from 50,331 in 1978. Based on current trends, each person born this year can expect to be involved in a crash every 10 years. One in 60 will be killed, and one in 20 will be seriously injured.

In addition to the persistent problems of drunk driving and speeding, several influences have contributed to the upward trend in fatalities: the increasing nonobservance of the 55 mph speed limit, which in some States is only lightly enforced; the repeal, or weakening, of motorcycle helmet laws; the increasingly widespread use of vans and light trucks, which have not been subject to the majority of Federal motor vehicle safety standards; the fact that the Nation's roads are deteriorating faster than they can be maintained, especially the non-Interstate Systems, where more than 90 percent of all fatal accidents occur; and the shift to smaller, lighter cars.

While small cars made up only 38 percent of the cars on the road in 1979, small car occupants accounted for a disproportionate 55 percent of the deaths that year in two-vehicle crashes. Because of the lower weight of smaller cars, their occupants fare poorly in collisions, particularly in collisions with heavier vehicles. In a crash between a subcompact car and a full-sized model which is severe enough to cause a fatality, the occupants of the small car are eight times more likely to be killed than the occupants of the large car.

As America moves into the small car era, the consequences of ignoring the need for further safety improvements become unacceptable in both human and economic terms. Traffic safety must be given a high priority by Federal, State and municipal Governments, by the automotive industry, by private organizations, and most important of all, by the potential victims of highway accidents—the public.

JIMMY CARTER.

THE WHITE HOUSE, *January 13, 1981.*

ANNUAL REPORT OF THE U.S. ARMS CONTROL AND DISARMAMENT AGENCY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 12

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 13, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

In transmitting to you the 1980 Annual Report of the United States Arms Control and Disarmament Agency, I must emphasize that in 1980, although efforts to control the arms race have made some progress, they have also suffered a serious setback.

The SALT negotiations, aimed at controlling the strategic nuclear arms competition between the United States and the Soviet Union, have continued through four Administrations. The SALT II Treaty, which I signed in June 1979 with Soviet President Brezhnev, represents a significant step in the direction of such arms control. This treaty was the subject of intense national debate and of hearings by three committees of the Senate. However, the Soviet invasion of Afghanistan in December 1979 made it necessary for me to ask the Senate to delay consideration of the SALT II Treaty on the floor, although, as I informed the Congress, I intended to take up the treaty again after dealing with more urgent matters.

The subsequent Presidential campaign and election have had the effect of referring to the incoming Administration and Congress the question of what action to take with respect to the SALT II Treaty. The fact that this treaty has not been ratified raises serious issues concerning our national security and future arms control efforts.

In the period of relative calm that follow an election year, it should be possible to move quickly toward a mutually acceptable SALT II Treaty that will be ratified by the Senate. This is important to our own national security, and it is the strong wish of all our allies. In addition, while some progress has been made in other arms control negotiations—such as those seeking a Comprehensive Nuclear Test Ban Treaty, a treaty banning chemical weapons, and a treaty to achieve Mutual and Balanced Force Reductions in Europe—success in these efforts is probably dependent upon resolving the issue of SALT II.

Similarly, the success of our continuing efforts to prevent the proliferation of nuclear weapons in other countries is directly related to what the major nuclear powers do in controlling their own nuclear arsenals.

There are many serious problems in this world, but I continue to believe, as I stated in submitting the first annual arms control report of this Administration, that "The challenge of preventing war—and redirecting resources from arsenals of war to human needs—is the greatest challenge confronting mankind in this last quarter of the 20th century." We have made progress, but much remains to be done. The future depends on our success.

JIMMY CARTER.

THE WHITE HOUSE, *January 13, 1981.*

MESSAGE FROM THE HOUSE RECEIVED DURING RECESS

Under the authority of the order of January 6, 1981, the following message from the House of Representatives was received on January 8, 1981, during the recess of the Senate:

Pursuant to the provisions of Senate Concurrent Resolution 2, 97th Congress, the Speaker appoints as members of the Joint Committee To Make Necessary Arrangements for the Inauguration of the President-Elect and the Vice President-elect of the United States on the 20th day of January 1981, the following members on the part of the House: Mr. RHODES, Mr. MICHEL, Mr. O'NEILL, and Mr. WRIGHT.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–2. A communication from the Under Secretary of Agriculture for International Affairs and Commodity Programs, transmitting, pursuant to law, the second quarterly commodity and country allocation table showing the planned programing of food assistance for fiscal year 1981; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3. A communication from the Administrator of the Rural Electrification Administration, transmitting, pursuant to law, notice of a commitment to guarantee a non-REA loan to the Saluda River Electric Cooperative, Inc., of Laurens, S.C.; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4. A communication from the Administrator of the Rural Electrification Administration, transmitting, pursuant to law, notice of a commitment to guarantee a non-REA loan to the North Carolina Electric Membership Corp. of Raleigh, N.C.; to the Committee on Agriculture, Nutrition, and Forestry.

EC–5. A communication from the Deputy Assistant Administrator of the Environmental Protection Agency for pesticide programs, transmitting, pursuant to law, a final regulation for the enforcement of the Federal Insecticide, Fungicide, and Rodenticide Act; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Audit of the Office of the Attending Physician Revolving Fund—Fiscal Year 1980"4, to the Committee on Appropriations.

EC–7. A communication from the Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a report on the use of funds made appropriated in the Department of Defense Appropriation Act and the Military Construction Appropriations Act; to the Committee on Appropriations.

EC–8. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Legislation on Sizing Military Medical Facilities Needed To Correct Improper Practices, Save Money, and Resolve Policy Conflicts"; to the Committee on Armed Services.

EC–9. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "More Effective Internal Controls Needed to Prevent Fraud and Waste in Military Exchanges"; to the Committee on Armed Services.

EC–10. A communication from the Assistant Attorney General, Antitrust Division, transmitting, pursuant to law, a report on the enforcement of Title I of the Consumer Credit Protection Act for calendar year 1980; to the Committee on Banking, Housing, and Urban Affairs.

EC–11. A communication from the First Vice President and Vice Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on the activities of the Bank concerning the export expansion facility program for the quarter ended September 30, 1980; to the Committee on Banking, Housing, and Urban Affairs.

EC–12. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Examinations of Financial Institutions: Issues That Need To Be Resolved"; to the Committee on Banking, Housing, and Urban Affairs.

EC–13. A communication from the Secretary of the Army, transmitting, pursuant to law, the annual report on the administration of the Voluntary Agreements Program under the Defense Production Act as of September 30, 1980; to the Committee on Banking, Housing, and Urban Affairs.

EC–14. A communication from the Secretary of Commerce, transmitting pursuant to law, a report on the extension and expansion of certain export controls for foreign policy purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC–15. A communication from the First Vice President and Vice Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on a transaction of the Bank on a transaction involving U.S. exports to the United Kingdom; to the Committee on Banking, Housing, and Urban Affairs.

EC–16. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on loan, guarantee, and insurance transactions involving communist countries for September 1980; to the Committee on Banking, Housing, and Urban Affairs.

EC–17. A communication from the Chairman of the Interstate Commerce Commission, transmitting, pursuant to law, a report on the impacts of contracts for rail service with purchasers of rail service, to the Committee of Commerce, Science, and Transportation.

EC–18. A communication from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report on the December 31, 1980 comprehensive benchmark survey of foreign residents' portfolio investment in the United States; to the Committee on Commerce, Science, and Transportation.

EC–19. A communication from the Secretary of Commerce, transmitting, pursuant to law, the annual report on the relative cost of shipbuilding in the various coastal districts of the United States; to the Committee on Commerce, Science, and Transportation.

EC–20. A communication from the Secretary of the Interior as Chairman of the Migratory Bird Conservation Commission, transmitting, pursuant to law, the annual report of the Migratory Bird Conservation Commission for fiscal year 1980; to the Committee on Commerce, Science, and Transportation.

EC–21. A communication from the Vice President for Government Affairs of the National Railroad Passenger Corporation, transmitting, pursuant to law, a report on total itemized revenues and expenses and revenues and expenses of each train operated by the Corporation for the month of July 1980; to the Committee on Commerce, Science, and Transportation.

EC–22. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "An Assessment of 1980 Census Results in 10 Urban Areas"; to the Committee on Commerce, Science, and Transportation.

EC–23. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on committees which advise and consult with the Secretary for calendar year 1980; to the Committee on Finance.

EC–24. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Implementing GAO's Recommendations on the Social Security Administration's Programs Could Save Billions"; to the Committee on Finance.

EC–25. A communication from the Chairman of the National Commission on Unemployment Compensation, transmitting, pursuant to law, the final report of the Commission; to the Committee on Finance.

EC–26. A communication from the Chairman of the U.S. International Trade Commission, transmitting, pursuant to law, the 31st report of the Commission on the operation of the trade agreements program; to the Committee on Finance.

EC–27. A communication from the Fiscal Assistant Secretary of the Treasury, transmitting, pursuant to law, the statement of liabilities and other financial commitments of the U.S. Government as of September 30, 1980; to the Committee on Finance.

EC–28. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the U.S. Government, in the 60-day period prior to December 24, 1980; to the Committee on Foreign Relations.

EC–29. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties entered into by the United States in the 60-day period prior to Decembr 22, 1980; to the Committee on Foreign Relations.

EC–30. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to December 15, 1980; to the Committee on Foreign Relations.

EC–31. A communication from the Acting Chairman of the Federal Energy Regulatory Commission, transmitting, pursuant to law, regulations which would exempt mechanical cogeneration facilities from the incremental pricing program required under the Natural Gas Pricing Act; to the Committee on Energy and Natural Resources.

EC–32. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Trans-Alaska Oil Pipeline Operations: More Federal Monitoring Needed"; to the Committee on Energy and Natural Resources.

EC–33. A communication from the Acting Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report on imports of crude oil, residual fuel, refined petroleum products, natural gas, and coal; reserves and production of crude oil, natural gas, and coal; refinery activities; and inventories; for the period July through September 1980; to the Committee on Energy and Natural Resources.

EC–34. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Improved Data and Procedures Needed for Development and Implementation of Building Energy Performance Standards"; to the Committee on Energy and Natural Resources.

EC–35. A communication from the Acting Deputy Secretary of Energy, transmitting,

pursuant to law, the annual report of the Department's industrial energy efficiency program for calendar year 1979; to the Committee on Energy and Natural Resources.

EC–36. A communication from the Acting Administrator of the Energy Information, Administration, Department of Energy, transmitting, pursuant to law, a report on sale of refined petroleum products and retail gasoline for September 1980; to the Committee on Energy and Natural Resources.

EC–37. A communication from the Acting Assistant Secretary of the Interior, transmitting, pursuant to law, the financial statements of the Colorado River Basin project for the fiscal year 1980; to the Committee on Energy and Natural Resources.

EC–38. A communication from the Secretary of the Interior and the Secretary of Agriculture, transmitting, pursuant to law, the third report on the protection, management, and control of wild burros and horses on public lands; to the Committee on Energy and Natural Resources.

EC–39. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a proposed prospectus for the acquisition of space by lease in Sacramento, Calif.; to the Committee on Environment and Public Works.

EC–40. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report of building project survey which proposes the construction of a Federal office building in San Francisco, Calif.; to the Committee on Environment and Public Works.

EC–41. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the study of the potential for reducing urban blight adjacent to Federal-aid primary and Interstate highways located in central business districts; to the Committee on Environment and Public Works.

EC–42. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report of building project survey for New Orleans, La.; to the Committee on Environment and Public Works.

EC–43. A communication from the Deputy Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a proposed alteration to a system of records in the Department of the Navy for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–44. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Voluntary Early Retirements in the Civil Service Too Often Misused"; to the Committee on Governmental Affairs.

EC–45. A communication from the Assistant Secretary of Health and Human Services for Health and Surgeon General, transmitting, pursuant to law, a report on a proposed new system of records for the Department for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–46. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "New York State Public Assistance Cost-Sharing Policies: Implications for Federal Policy"; to the Committee on Governmental Affairs.

EC–47. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Management Problems Impede Success of DOE's Solar Energy Projects"; to the Committee on Governmental Affairs.

EC–48. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Proposed Changes in Federal Matching and Maintenance of Effort Requirement for State and Local Governments"; to the Committee on Governmental Affairs.

EC–49. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Proposals for Improving the Management of Federal Travel"; to the Committee on Governmental Affairs.

EC–50. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report on an investigation involving the Federal Procurement Data Center; to the Committee on Governmental Affairs.

EC–51. A communication from the Assistant Secretary of Housing and Urban Development, transmitting, pursuant to law, a proposed change to a system of records in the Department for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–52. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a proposed change in a system of records for the Department of Defense for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–53. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Most Federal Agencies Have Done Little Planning for ADP Disasters"; to the Committee on Governmental Affairs.

EC–54. A communication from the Chairman of the Navy Resale and Services Support Office, transmitting, pursuant to law, a statement of General Information Actuary's report and Auditor's report; to the Committee on Governmental Affairs.

EC–55. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, a report of NASA on allegations submitted to the Office of Special Counsel of the Merit Systems Protection Board by an employee of the John F. Kennedy Space Center, Florida; to the Committee on Governmental Affairs.

EC–56. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a follow up report on the recommendations of the Board of Visitors to the Air Force Academy, 1978, and the report of the Board of Visitors to the U.S. Military Academy, November 20, 1978 and April 29, 1976; to the Committee on Governmental Affairs.

EC–57. A communication from the Acting Administrator of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report on certain aliens who have been granted temporary admission to the United States under section 212(d)(3) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC–58. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a proposed amendment to the payment provisions of the Equal Access to Justice Act; to the Committee on the Judiciary.

EC–59. A communication from the Clerk of the U.S. Court of Claims, transmitting, pursuant to law, a statement of all judgments rendered by the Court of Claims for fiscal year 1980, the amount thereof, the parties in whose favor rendered, and a brief synopsis of the nature of the claims; to the Committee on the Judiciary.

EC–60. A communication from the Chairman, Vice Chairman, and Commissioners of the U.S. Commission on Civil Rights, transmitting, pursuant to law, recommendations of the Commission; to the Committee on the Judiciary.

EC–61. A communication from the Secretary of Labor, transmitting, pursuant to law, a report on the enforcement of regulations pertaining to the Occupational Safety and Health Act of 1970; to the Committee on Labor and Human Resources.

EC–62. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems in Assessing the Cancer Risks of Low-Level Ionizing Radiation Exposure"; to the Committee on Labor and Human Resources.

EC–63. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for precollege teacher development in science program; to the Committee on Labor and Human Resources.

EC–64. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for international education programs; to the Committee on Labor and Human Resources.

EC–65. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for student assistance general provisions; to the Committee on Labor and Human Resources.

EC–66. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for rehabilitation training program; to the Committee on Labor and Human Resources.

EC–67. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for assistance to States for education of handicapped children—nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance; to the Committee on Labor and Human Resources.

EC–68. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations—part 690, Pell grant program, formerly Basic Educational Opportunity Grant Program; to the Committee on Labor and Human Resources.

EC–69. A communication from the Chairman of the Advisory Panel on Financing Elementary and Secondary Education, transmitting, pursuant to law, the annual report of the panel for calendar year 1980; to the Committee on Labor and Human Resources.

EC–70. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on the health maintenance organization program for fiscal year 1979; to the Committee on Labor and Human Resources.

EC–71. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for strengthening research library resources program; to the Committee on Labor and Human Resources.

EC–72. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Guyana Tragedy Points to a Need For Better Care and Protection of Guardianship Children"; to the Committee on Labor and Human Resources.

EC–73. A communication from the Secretary of Education, transmitting, pursuant to

law, final regulations for the Education Appeal Board extending designation of jurisdiction; to the Committee on Labor and Human Resources.

EC–74. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for library career training program—Title II–B–HEA; to the Committee on Labor and Human Resources.

EC–75. A communication from the Attorney General of the United States as Chairman of the Rehabilitation Act Interagency Coordinating Council, transmitting, pursuant to law, the annual report on the activities of the Council for 1980; to the Committee on Labor and Human Resources.

EC–76. A communication from the Administrator of the Veterans' Administration, transmitting, pursuant to law, the report concerning the exchange of medical information program of the Veterans' Administration for fiscal year 1980; to the Committee on Veterans' Affairs.

EC–77. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on budget rescissions and deferrals contained in the President's second special message to the Congress; pursuant to the order of January 30, 1975, referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Foreign Relations, the Committee on Armed Services, the Committee on Commerce, Science, and Transportation, the Committee on Finance, and the Committee on Environment and Public Works.

EC–78. A communication from the Assistant Secretary of the Treasury, transmitting, pursuant to law, project performance reports prepared by the International Bank for Reconstruction and Development, special studies prepared by the External Review and Evaluation Office of the Inter-American Development Bank, and project performance audit reports or project completion reports prepared by the Asian Development Bank; to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–1. A resolution adopted by the County Council of Kauai County, Hawaii, regarding helping low and moderate income families of Kauai in financing home ownership; to the Committee on Agriculture, Nutrition, and Forestry.

POM–2. A petition from a citizen of Indianapolis, Indiana, favoring the building of a navy to protect our national security; to the Committee on Armed Services.

POM–3. A resolution adopted by the Senate of the State of New Jersey; to the Committee on the Judiciary.

"SENATE RESOLUTION

"Whereas, Among the many thousands left homeless by the earthquake which last month devastated a wide region of southern Italy is a large number of persons having close ties to this country through the presence here of friends and kinsmen who have emigrated hither at various times in the past and who have maintained affectionate connections with the communities of their origin; and,

"Whereas, Many of these persons have suffered not only the destruction of their homes, their possessions and their means of livelihood, but also the loss of family and friends and, in some instances, the near-total obliteration of entire communities; and,

"Whereas, It is natural to expect that survivors of such calamities may find hope in the proffered assistance and warm sympathies of their American kinsmen, and that they may find better prospects of rebuilding their lives and reestablishing communal ties here than in their native localities; and,

"Whereas, In particular, the children orphaned by the recent disaster face a bleak future in their native region, and the care and compassion so generously offered to them by persons in this country should be facilitated by all possible means, official and private; and,

"Whereas, Proposals have been made in the Congress of the United States for such modification of our immigration laws as may be necessary to expedite the entry into this country of such persons, and in particular of orphaned children; now, therefore,

"Be It Resolved by the Senate of the State of New Jersey:

"That the Congress of the United States be memoralized to give early attention to proposals for expediting the entry into this country of the victims of the recent Italian earthquake—especially the children orphaned thereby—and to enact such legislation as may be necessary or expedient to that end; and

"Be It Further Resolved, That duly authenticated copies of this resolution be transmitted to the Vice President of the United States and the Speaker of the House of Representatives, and to each of the members of Congress elected from this State."

POM–4. A petition from a citizen of Houston, Texas, favoring the adoption of legislation to make the birthday of Martin Luther King, Jr. a national holiday; to the Committee on the Judiciary.

POM–5. A petition from a citizen of St. Louis, Missouri relating to the selection of certain personnel in the Reagan Administration; to the Committee on Labor and Human Resources.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BENTSEN (for himself, Mr. JOHNSTON, and Mr. TOWER):

S. 85. A bill to amend the Internal Revenue Code of 1954 to exempt independent producers and royalty owners from the windfall profit tax on the first 1,000 barrels of daily production; to the Committee on Finance.

By Mr. PROXMIRE:

S. 86. A bill to amend the Food Stamp Act of 1977 to revise eligibility to participate in the food stamp program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BOREN (for himself and Mr. NICKLES):

S. 87. A bill to repeal the windfall profit tax; to the Committee on Finance.

S. 88. A bill to exempt newly discovered oil from the windfall profit tax; to the Committee on Finance.

S. 89. A bill to exempt incremental tertiary oil from the windfall profit tax; to the Committee on Finance.

S. 90. A bill to exempt certain royalty interests from the windfall profit tax; to the Committee on Finance.

By Mr. BOREN (for himself, Mr. NICKLES, and Mr. DOLE):

S. 91. A bill to exempt stripper well oil from the windfall profit tax; to the Committee on Finance.

S. 92. A bill to amend the Internal Revenue Code of 1954 to provide, in lieu of the reduced rates for independent producer oil, an exemption of 1,000 barrels per day from the crude oil windfall profit tax for independent producers and royalty owners; to the Committee on Finance.

By Mr. MATHIAS (for himself, Mr. KENNEDY, Mr. LEVIN, Mr. GLENN, Mr. PERCY, Mr. METZENBAUM, Mr. BIDEN, Mr. WILLIAMS, Mr. MATSUNAGA, Mr. LUGAR, Mr. RIEGLE, Mr. SARBANES, Mr. HEINZ, Mr. TSONGAS, Mr. MOYNIHAN, and Mr. INOUYE):

S. 93. A bill to designate of Martin Luther King, Jr., a legal public holiday; to the Committee on the Judiciary.

By Mr. GRASSLEY:

S. 94. A bill for the relief of Adel Shervin; to the Committee on the Judiciary.

By Mr. PERCY (for himself and Mr. GLENN):

S. 95. A bill to effect certain reorganization of the Federal Government to strengthen Federal programs and policies with respect to nuclear waste management; to the Committee on Governmental Affairs.

By Mr. BUMPERS (for himself, Mr. JACKSON, and Mr. TSONGAS):

S. 96. A bill to direct the Secretary of the Interior to provide for the protection of the Barrier Islands, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. JEPSEN:

S. 97. A bill for the relief of Artemio C. Santiago, doctor of medicine, and Josefina Santiago, husband and wife; to the Committee on the Judiciary.

By Mr. DANFORTH (for himself, Mr. BRADLEY, Mr. BENTSEN, Mr. CHAFEE, Mr. HEINZ, Mr. CRANSTON, and Mr. TSONGAS):

S. 98. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for certain research and experimental expenditures, and for other purposes; to the Committee on Finance.

By Mr. JEPSEN:

S. 99. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child; to the Committee on Finance.

By Mr. INOUYE:

S. 100. A bill for the relief of Mrs. Manuela Valenzuela Acosta and Evangelina Acosta, to the Committee on the Judiciary.

By Mr. DECONCINI:

S. 101. A bill to amend title 18 of the United States Code to define and limit the exclusionary rule in Federal criminal proceedings; to the Committee on the Judiciary.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 102. A bill to amend titles XVIII and XIX of the Social Security Act to provide that professional nurse services shall be covered under part B of medicare and shall be a required service under medicaid; to the Committee on Finance.

S. 103. A bill to amend title 5 of the United States Code to provide payments under Government health plans for services of nurses

not performed in connection with a physician; to the Committee on Governmental Affairs.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 104. A bill to amend title I of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to prohibit the reduction of disability payments under employer-maintained disability compensation plans whenever certain social security benefit programs are increased; to the Committee on Finance.

S. 105. A bill to amend chapter 34 of title 38, United States Code, to authorize the Administrator of Veteran's Affairs to extend, under certain circumstances, the period within which a veteran must complete a program of education under such chapter; to the Committee on Veterans' Affairs.

By Mr. INOUYE:

S. 106. A bill to require the disclosure of information relating reports prepared for executive agencies by experts or consultants; to the Committee on Governmental Affairs.

S. 107. A bill to amend title 10, United States Code, to authorize former members of the armed forces who are totally disabled as the result of a service-connected disability to travel on military aircraft in the same manner and to the same extent as retired members of the armed forces are permitted to travel on such aircraft; to the Committee on Armed Services.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 108. A bill to amend title 10 of the United States Code relating to retention in active service of certain officers; to the Committee on Armed Services.

S. 109. A bill to amend title 38, United States Code, to provide that the Administrator of Veterans' Affairs may furnish outpatient dental services and treatment for a non-service connected disability to any war veteran who has a service-connected disability of 80 percentum or more; to the Committee on Veterans' Affairs.

S. 110. A bill to amend titles XVIII and XIX of the Social Security Act to provide that gerontological nurse practitioner services shall be covered under part B of medicare and shall be a required service under medicaid; to the Committee on Finance.

By Mr. DECONCINI:

S. 111. A bill to provide for open meetings of the Judicial Conference of the United States, to provide procedures to implement that policy, and for other purposes; to the Committee on the Judiciary.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 112. A bill to amend section 1003 of title 38, United States Code, relating to memorial areas and appropriate memorials to honor the memory of certain deceased members of the Armed Forces whose remains were buried at sea, have not been identified, or were nonrecoverable; to the Committee on Veterans' Affairs.

By Mr. INOUYE (for himself, Mr. MATSUNAGA, and Mr. THURMOND):

S. 113. A bill to amend chapter 67 of title 10, United States Code, to grant eligibility for retired pay to certain reservists who did not perform active duty before August 16, 1945, and for other purposes; to the Committee on Armed Services.

By Mr. DECONCINI:

S. 114. A bill to establish rational criteria for the imposition of the sentence of death, and for other purposes; to the Committee on the Judiciary.

By Mr. INOUYE:

S. 115. A bill for the relief of Mr. and Mrs. John Reginald Delaney; to the Committee on the Judiciary.

S. 116. A bill for the relief of Bounrid Vongphacdy, Phouangchith Vongphacdy, Chanmany Vongphacdy, Chandara Vongphacdy, Khamwa Phixanouxan; to the Committee on the Judiciary.

S. 117. A bill for the relief of Alfredo M. Maglinao; to the Committee on the Judiciary.

S. 118. A bill for the relief of Shon Ning Lee; to the Committee on the Judiciary.

S. 119. A bill for the relief of Mrs. Shu-Yung Gloria Kaw; to the Committee on the Judiciary.

S. 120. A bill for the relief of Mrs. Ting Ping Cheung-Yeh; to the Committee on the Judiciary.

S. 121. A bill for the relief of Ms. Saturnina V. Bonifacio; to the Committee on the Judiciary.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 122. A bill to authorize the spouses of certain former members of the armed forces of the United States to use the services and facilities of post exchanges and commissaries; to the Committee on Armed Services.

S. 123. A bill to amend titles XVIII and XIX of the Social Security Act to provide more adequate coverage of the services of mental health specialists under the Medicare supplemental benefits program and under Medicaid programs; to the Committee on Finance.

S. 124. A bill to limit the costs resulting from acts of negligence in health care and to improve the level of health care services in the United States, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. INOUYE:

S. 125. A bill to revise and codify the Shipping Act, 1916, and related laws; to the Committee on Commerce, Science, and Transportation.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 126. A bill to establish the position of Associate Director for Minority Concerns in the National Institute on Alcohol Abuse and Alcoholism; to the Committee on Labor and Human Resources.

S. 127. A bill to establish the position of Associate Director for Minority Concerns in the National Institute on Drug Abuse; to the Committee on Labor and Human Resources.

S. 128. A bill to amend section 1002 of title 38, United States Code, to authorize the burial in a national cemetery of the parents of certain members of the Armed Forces who die in active service; to the Committee on Veterans' Affairs.

By Mr. INOUYE:

S. 129. A bill to authorize the Secretary of Commerce to sell the obsolete vessel U.S.S. *Comstock* (LSD–19) to Pacific Marine, a United States company, for conversion for operation under the American flag, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 130. A bill to amend the Immigration and Nationality Act with respect to the granting of United States Citizenship to certain mentally retarded adults; to the Committee on the Judiciary.

S. 131. A bill to incorporate the Pearl Harbor Survivors Association; to the Committee on the Judiciary.

S. 132. A bill to amend title XII of the Public Health Service Act to provide demonstration programs relating to emergency child health care; to the Committee on Labor and Human Resources.

S. 133. A bill to amend section 1079 of title 10, United States Code, to eliminate the requirement for using customary charges in developing a profile of physician charges and to permit the updating of charge profiles more often than once a year; to the Committee on Armed Services.

S. 134. A bill to amend section 203 of the Federal Property and Administrative Services Act of 1949 to authorize the donation of surplus real or personal property for use in connection with a public harbor; to the Committee on Governmental Affairs.

S. 135. A bill to limit the amount that may be obligated by any agency of the Federal Government for contracts in the last three months of any fiscal year; to the Committee on Governmental Affairs.

By Mr. INOUYE:

S. 136. A bill to authorize reduced postage rates for certain mail matter sent to Members of Congress; to the Committee on Governmental Affairs.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 137. A bill to require that skilled nursing facilities furnishing services under the medicare and medicaid programs be adequately equipped with wheelchairs and other appropriate equipment and supplies; to the Committee on Finance.

S. 138. A bill to amend chapter 55 of title 10, United States Code, to improve vision care services under CHAMPUS; to the Committee on Armed Services.

By Mr. HATCH:

S. 139. A bill entitled "The Comprehensive Health Care Reform Act; to the Committee on Finance.

S. 140. A bill to provide for a National Blood Program, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S.J. Res. 12. Joint resolution to authorize and request the President to designate November 14 of each year as "Operating Room Nurses Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN (for himself, Mr. JOHNSTON, and Mr. TOWER):

S. 85. A bill to amend the Internal Revenue Code of 1954 to exempt independent producers and royalty owners from the windfall profits tax on the first 1,000 barrels of daily production; to the Committee on Finance.

EXEMPTION OF CERTAIN PRODUCERS FROM WINDFALL PROFITS TAX

● Mr. BENTSEN. Mr. President, on April 2, 1980, the President signed into law a massive tax guaranteeing less domestic energy production in the future while insuring our continued, growing, and expensive dependence on foreign sources of energy supply. I consistently voted against the windfall profit tax because it symbolizes the sort of disastrous energy policy this Nation can no longer afford.

The fact that the tax has been in effect 9 months only strengthens my determination to redress the injustices inherent in the notion of "windfall profits" and embodied in the tax.

When people consider the issue of the windfall profit tax there is a tendency

to believe it is targeted solely at the major oil companies—the so-called Seven Sisters—who, according to conventional wisdom, stand to reap huge, unearned profits from the decontrol of oil. The general public failed to recognize that the windfall profit tax also victimizes millions of individuals, millions of royalty owners, who hold title to an average of less than five barrels per day of crude production from their land.

Another major defect in the bill signed into law by President Carter is that it imposes a stiff excise tax—some $22 billion over the next decade—on oil produced by America's 12,000 independent producers.

Most of the oil and gas found in this country is due to the efforts of our independent producers. Unlike the majors, these entrepreneurs have no other fish to fry. Their only activity, their only source of income, is to search for oil and gas in this country.

They drill the wells that are not big enough or profitable enough for the majors; they take the chances considered too risky by the majors. Day in and day out they find oil—millions of barrels of oil—that would otherwise remain under the ground.

The statistics are by now familiar and compelling. Independents drill 90 percent of the wildcat wells in this country. They find 75 percent of the new oil and gas fields. They account for 54 percent of our new oil and gas reserves.

The vast majority of independents are unincorporated, and their profits are subject to a maximum tax rate of 70 percent—not the 46 percent corporate tax rate enjoyed by their competition.

If we are sincerely concerned about increasing domestic oil and gas production, I can think of no more efficient way to go about it. Year after year it has been demonstrated that when we give our independent producers $100 in incentives, they will invest $105 in new production at a time we desperately need every drop of oil we can produce in this country.

Mr. President, if we want to make maximum effective use of our energy assets in America, it simply makes no sense to place a windfall profit tax on the first 1,000 barrels of daily production from our independent operators. It makes no sense to take $22 billion out of production over this decade.

The effect of such a tax is clear and indisputable: It takes resources away from those who invest in our energy future. It increases our dependence on imported energy. It imposes a hug regulatory burden on those least able to contend with it.

What happens to the so-called windfall profit that will be earned by the independent producers? That income, earned in the risky and expensive business of exploration, will be reinvested—dollar for dollar and then some—in activities leading directly to greater energy production in America. That, in my opinion, is a trend that should be encouraged, particularly at a time when it is becoming increasingly costly and risky to find oil and gas in this country.

Accordingly, Mr. President, I am introducing legislation today designed to eliminate two of the more onerous aspects of the windfall profit tax. My legislation would exempt royalty owners, millions of whom depend on this modest income to cope with inflation, from paying a windfall profit tax which clearly should not have been applied to them. It would also provide a complete and total exemption for the first 1,000 barrels of daily production by America's independent producers.

The Senate is clearly on record, Mr. President, as favoring both exemptions and I am hopeful that we can move promptly to redress these flagrant injustices in the windfall profit tax.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 85

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 4987 of the Internal Revenue Code of 1954 (relating to amount of windfall profit tax) is amended to read as follows:

"SEC. 4987. AMOUNT OF TAX.

"(a) IN GENERAL.—The amount of tax imposed by section 4986 with respect to any barrel of taxable crude oil shall be the applicable percentage of the windfall profit on such barrel.

"(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a)—

"(1) GENERAL RULE FOR TIERS 1 AND 2.—The applicable percentage for tier 1 oil and tier 2 oil is—

"Tier 1 70
"Tier 2 60

"(2) TIER 3 OIL.—The applicable percentage for tier 3 oil is 30 percent.

"(c) FRACTIONAL PART OF BARREL.—In the case of a fraction of a barrel, the tax imposed by section 4986 shall be the same fraction of the amount of such tax imposed on the whole barrel.".

SEC. 2. Section 4991(b) of the Internal Revenue Code of 1954 (relating to taxable crude oil) is amended to read as follows:

"(b) EXEMPT OIL.—For purposes of this chapter, the term 'exempt oil' means—

"(1) any crude oil from a qualified governmental interest or a qualified charitable interest,

"(2) any exempt Indian oil,

"(3) any exempt Alaskan oil,

"(4) any exempt front-end oil, and

"(5) any independent producer and royalty owner oil.".

SEC. 3. Section 4992 of the Internal Revenue Code of 1954 (relating to independent producer oil) is amended by—

(a) changing the heading to read

"SEC. 4992. INDEPENDENT PRODUCER AND ROYALTY OWNER OIL."

(b) striking paragraph (d)(1)(D), and

(c) striking paragraph (d)(2).

SEC. 4. EFFECTIVE DATE.—The amendments made by this Act shall be effective beginning January 1, 1981.●

By Mr. BOREN (for himself and Mr. NICKLES):

S. 87. A bill to repeal the windfall profit tax; to the Committee on Finance.

S. 88. A bill to exempt newly discovered oil from the windfall profit tax; to the Committee on Finance.

S. 89. A bill to exempt incremental tertiary oil from the windfall profit tax; to the Committee on Finance.

S. 90. A bill to exempt certain royalty interest from the windfall profit tax; to the Committee on Finance.

By Mr. BOREN (for himself, Mr. NICKLES, and Mr. DOLE):

S. 91. A bill to exempt stripper well oil from the windfall profit tax; to the Committee on Finance.

S. 92. A bill to amend the Internal Revenue Code of 1954 to provide, in lieu producer oil, an exemption of 1,000 barrels per day from the crude oil windfall profit tax for independent producers and royalty owners; to the Committee on Finance.

LEGISLATION TO REPEAL AND TO AMEND THE WINDFALL PROFIT TAX

● Mr. BOREN. Mr. President, a first-year analysis of the windfall profit tax is ample proof of the need to repeal, or substantially change, this unfair tax. Statistics show that as many as 1.7 million barrels per day could be developed and produced by the mid-to-late 1980's if the windfall profit tax had not been coupled with price decontrol. When price controls were clamped on oil in 1975, the price rollback amounted to a 12.41 percent price reduction. The equivalent price rollback under the windfall profit tax is 16.91 percent for independents and 33.93 percent for major integrated companies. The impact on producers is quite significant.

I believe that the loss of net revenue to the producer and the serious additional administrative difficulties imposed by this tax are proving to be major deterrents to additional recovery of oil. For example, the producer or first purchaser of oil must integrate revenue and royalty accounting with Department of Energy pricing procedures, incorporate new tax definitions and calculations in his accounting system and develop new collection and reporting systems. For many independent producers, the additional accounting requirements imposed by the tax are so onerous that many have given up the business altogether because of the many headaches involved.

What is most absurd about this unfair tax is that consumers in the United States are paying higher gasoline prices, but their money is not being used to increase domestic production—it is only going to increase the Government's coffers. Instead of more energy, we are getting higher taxes, more Government spending, and more bureaucracy, all of which we certainly do not need.

In addition to the problems this tax has caused for producers, the group which is truly suffering most from imposition of the windfall tax is the royalty owner. Many of these persons are retired and count on their royalty checks to supplement social security. Farmers and ranchers also constitute a significant part of this group. The majority of these royalty owners have purchased their royalty interests as part of their

savings for retirement. It is truly unfair to tax the royalty owner under the windfall profit tax.

Therefore, because of the serious energy situation our country is facing and to alleviate the many administrative problems and personal inequities this tax has caused, I am today introducing a package of six bills which will have the effect of dismantling the windfall profit tax. My colleague, Senator NICKLES, is joining as principal cosponsor.

The package includes:

First, A bill to totally repeal the windfall profit tax.

Second, A bill to provide a total and permanent exemption for royalty owners. The Senator from Kansas (Mr. DOLE) and I worked very hard during the last session to try to prevent royalty owners from being taxed, and when defeated in that effort, urged Congress to reconsider and provide at least some temporary relief. We were successful in passing a one-time, $1,000 refund for royalty owners during the waning hours of the 96th Congress. But we need to make this a total and permanent exemption. There are over 2 million royalty owners in the United States who are being hurt by this tax, and the majority of these persons draw a royalty check of only $200 per month or less. These persons are not "oil barons," but average citizens who have worked to save and invest for their future, and are now finding their investment being taken away from them by the Federal Government.

Third. Legislation to provide an exemption from the tax for stripper wells. Over 72 percent of the Nation's 516,752 crude oil wells are stripper wells. These wells account for 16.16 percent of the Nation's oil production. The number of stripper wells declined to a low of 365,733 in 1975 with the enactment of the Energy Policy and Conservation Act (EPCA) which rolled back the price of stripper oil from free market to upper tier price. In September 1976, the Congress recognized the value of escrowing the known reserves and remaining oil-in-price associated with stripper wells, and freed stripper crude oil production from price controls. As a result of this action, the number of stripper wells was increased to 374,635 as of January 1, 1979, and the number of abandonments has declined sharply.

Stripper wells are extremely sensitive to price because of their low average production, 2.86 barrels per day, and the subsequent volumes of saltwater produced with stripper crude oil. If we compare the impact of the imposition of EPCA to the imposition of the windfall tax, we will see 13,318 premature stripper well abandonments, 10,728 fewer stripper well additions, and a 131,475 barrel per day reduction in crude oil production. We need to act now to prevent the abandonments which occurred in 1975 from recurring.

Fourth. A bill to exempt newly-discovered oil. It is expected that this exemption alone would increase oil production by as much as 1½ million barrels per day by 1990. The whole rationale of having a windfall profit tax has been that it would be a tax on inventory profits—but there can be no profits tax on something which has not even been discovered yet.

Fifth. A bill to exempt incremental tertiary oil from the tax is also part of this package. Although long hours were spent in order to provide an understandable and workable definition of incremental tertiary oil, there are a volume of problems with this portion of the windfall bill. Vague rules covering recoupable expenses for such projects, and other administrative headaches of a similar nature, are holding back the kind of investment needed to get these projects going. The tax should be eliminated in order to provide maximum incentives for producers to make the investment required in tertiary projects, and thus, to insure production of the significant recoverable reserves. The DOE has testified that with proper inducement, over 2 million barrels per day could be recovered by 1990.

Sixth. A bill to exempt the first 1,000 barrels per day of production by an independent producer. As a nation, we must recognize and preserve the role of the independent producer. The windfall tax has had a greater impact on the independent than on the large oil companies. Because the independent producer derives his income from a single activity, the discovery and production of oil and gas, any capital loss resulting from increased taxes means that fewer wells can be drilled. During the 5-year period from 1969 through 1973, independent producers accounted for 89.2 percent of the wildcat wells drilled, 75 percent of the new fields found, and 54 percent of the total oil and gas discovered. These producers plowback 105 percent of their wellhead revenues from both crude oil and natural gas production into more exploration, drilling, and production activities. It costs tremendous amounts of money to explore and drill for oil.

The needed capital must not be taken away from the independent producer, especially at a time when we need to be increasing domestic production and decreasing our dependence on unstable, foreign sources of oil. An exemption of this type would also eliminate much of the administrative burden which is now being imposed by this tax on small producers.

Our current energy crisis is not primarily economic. It is certainly not the result of a shortage of energy resources. The problem is a political one. It is obvious that we produce too little energy in the United States and that we consume too much, yet we continue to follow a policy of taxing production while subsidizing consumption. It makes no sense economically, even though it plays well politically.

It is always popular to tell people what they want to hear. Many wish to believe that we can have more energy by paying less for it. The truth is that the only way that we can become free from a dependence on OPEC is to invest our money in producing more energy here at home. The windfall profit tax does not in any way help us move toward that goal. Instead, it represents a giant step backward which must be rectified in order for the United States to become energy self-sufficient in the future.●

By Mr. MATHIAS (for himself, Mr. KENNEDY, Mr. LEVIN, Mr. GLENN, Mr. PERCY, Mr. METZENBAUM, Mr. BIDEN, Mr. WILLIAMS, Mr. MATSUNAGA, Mr. LUGAR, Mr. RIEGLE, Mr. SARBANES, Mr. HEINZ, Mr. TSONGAS, Mr. MOYNIHAN, and Mr. INOUYE):

S. 93. A bill to designate the birthday of Martin Luther King, Jr., a legal public holiday; to the Committee on the Judiciary.

MARTIN LUTHER KING HOLIDAY

● Mr. MATHIAS. Mr. President, today I send to the desk a bill to designate the birthday of Martin Luther King, Jr., a legal public holiday. This legislation has been introduced every Congress since Dr. King's death in 1968. His contribution to the civil rights movement of the 1960's was unique. In spite of the many words of praise that have been bestowed on this man and his epic struggle to redeem for black Americans what he called "the promissory note" of the Constitution, no legislation designating a day in his honor has been enacted.

Today, most Americans are too young to remember the atmosphere of the sixties in which Dr. King undertook his peaceful crusade to achieve equal rights for his people. The air then was saturated with hate and fear and his every act of conscience from Selma to Memphis was a demonstration of physical and moral courage that inspired the world. His legacy to his people and all Americans is incalculable. Observing Dr. King's birthday as a Federal holiday is a fitting tribute to a man of vision who became a great national leader and hero. Such a holiday would stimulate schools, community, and civic organizations and individuals to examine Dr. King's extraordinary quest for justice and to partake of his vision of equality. This official recognition is long overdue.

A national holiday would renew our commitment to fulfilling his dream. Some elements of this dream have been achieved. The 1965 Voting Rights Act is a legislative result of this great crusade for voting rights. We have also made progress in our efforts to achieve equal opportunity and open housing. Setting aside the birthday of Martin Luther King, Jr. as a legal public holiday in recognition of his aspirations would not only be a suitable way to honor the memory of a great American, but would provide us with an occasion, annually, to take stock of our progress as a people in securing to all Americans their basic civil rights and civil liberties.●

● Mr. KENNEDY. Mr. President, I am proud to join today with Senator MATHIAS and other colleagues in the Senate in introducing legislation to designate January 15, Martin Luther King, Jr.'s birthday as a national holiday.

This legislation, which has been introduced in every Congress since Dr. King's tragic death in 1968, is long overdue. No

American has made greater contributions toward equality and justice in this century than Dr. King. The winner of the Nobel Peace Prize, he is recognized not only throughout the Nation, but also worldwide, as the architect of our peaceful revolution in civil rights and as one of the greatest and most inspiring leaders in American history.

By commemorating his birthday with the introduction of this legislation, we join hands with thousands of Americans who have gathered today in the District of Columbia and throughout this Nation to honor the life and work of Dr. King, and to renew their own commitment to the principles which Dr. King so eloquently espoused—the quest for social justice, the end to discrimination, and the belief in the equality of all men and women.

In testimony before the Judiciary Committee last Congress, Mrs. Coretta King spoke eloquently of the importance of creating a national holiday to commemorate her husband's birthday:

> We deeply believe, along with millons of other Americans of good will, that in the interest of improved human relations in our country there should be a national holiday honoring a Black American, a national holiday each January 15, which would be much more than a focal point for honoring the contributions of Blacks to American history. We believe that, in addition, it would serve as an annual reminder to Americans of all races that there is a vital relationship between nonviolent protest and the promise of democracy.

This legislation making January 15 a national holiday is identical to the bill favorably recommended by the Senate Judiciary Committee in 1979. We made substantial progress toward enacting this legislation in the past Congress. It was supported by a broad bipartisan coalition of 38 cosponsors in the Senate, and over 100 in the House. We hope that 1981 will be the year in which this legislation is finally passed.

As we work together to meet the difficult social and economic challenges of this new decade, let us honor together the leader who succeeded so well in achieving major change in our society through peaceful means. And in honoring Dr. King, we will be honoring the best in our country and in ourselves.●

Mr. LEVIN. Mr. President, I am honored to join my colleagues Senators MATHIAS, KENNEDY, BIDEN, METZENBAUM, PERCY, and GLENN in the sponsorship of legislation to designate January 15, Dr. Martin Luther King's birthday, as a national holiday.

Dr. King's death is 13 years behind us now. To a great extent, deeply felt passions and the frustration, anguish, and bitterness with which the Nation was consumed during that tragic year of 1968 have cooled.

What remains with us and what is indelibly woven into the fabric and history of our Nation is the vision which Dr. King lived for and the dream for which he died. This vision and dream embraced all Americans in Dr. King's quest to make a living reality our fundamental principles, that "all men are created equal," and with a right to "life, liberty, and the pursuit of happiness." His legacy, known throughout the world, is that he lived and died for these ideals.

This great warrior, whose battlefield was the hearts and minds of those who did not feel that justice and dignity were meant for all humankind, whose shield and armor was strong determination and an unassailable character and whose ammunition was moral conviction and self-sacrifice deserves the fullest honor of this Nation.

Few have dedicated their life so fully and tirelessly in the struggle of equality as Dr. King.

From the bus boycott in Montgomery to the sanitation workers in Memphis, his unyielding commitment to improve the lot of all Americans was demonstrated—he achieved significant goals by peaceful and aggressive nonviolence actions.

To King, the means was as beneficial to those in the struggle as the ends they were seeking.

With reference to the 11-month-long successful Montgomery bus boycott, he said:

> "Nonviolence had tremendous psychological importance to the Negro . . . This method was grasped by the Negro masses because it embodied the dignity of struggle, of moral conviction and self-sacrifice. The Negro was able to face his adversary, to concede to him a physical advantage and to defeat him because the superior force of the oppressor had become powerless . . . I am convinced that the courage and discipline with which Negro thousands accepted nonviolence healed the internal wounds of Negro millions who did not themselves march in the street or sit in the jails of the South. One need not participate directly in order to be involved . . . to have pride in those who were the principals . . . to restore to them some of the pride and honor which had been stripped from them over the centuries.

When the Supreme Court order to end segregation on buses was delivered to Montgomery, Dr. King proudly told an overflow crowd at a local church:

> We came to see that, in the long run, it is more honorable to walk in dignity than ride in humiliation. So in a quiet dignified manner, we decided to substitute tired feet for tired souls, and walk the streets of Montgomery until the sagging walls of injustice had been crushed.

One way of insuring renewed dedication to his goals of freedom and equality is to enact legislation to honor Dr. King by designating January 15 as a national holiday—allowing Americans at least 1 day each year to honor Dr. King's contributions to this country.

Mr. President, I would like to end my remarks with what the very essence of Dr. King's life, in his own words:

> I have a dream . . . it is a dream deeply rooted in the American dream. I have a dream that one day this nation will rise up, live out the true meaning of its creed: "We hold these truths to be self-evident, that all men are created equal." I have a dream that my four little children will one day live in a nation where they will not be judged by the color of their skin but by the content of their character.

The following is a Detroit Free Press editorial which appeared in this morning's paper relative to the anniversary of Dr. King's birthday and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

KING: HIS DREAM OF JUSTICE CONTINUES, AND SO DOES THE FIGHT FOR A NATIONAL HOLIDAY

It's been 13 years since an assassin's bullet struck down the Rev. Martin Luther King, Jr. in Memphis, but he remains a living force. Family members and former companions continue speaking and agitating for justice in his name. Detroiters attending a Stevie Wonder concert Sunday left Cobo Hall and strode into the streets singing "Happy Birthday," Stevie's tribute to the late civil rights leader.

The drive to make Dr. King's birthday, Jan. 15, a national holiday goes on, too, but with much less success; some states, such as Michigan, observe his birthday while others do not. Critics claim the country has too many holidays and another would only waste time and cut productivity. Most of our national holidays, it is further noted, honor events, not men.

The critics have a point, but it is not very strong. Presidents Abraham Lincoln and George Washington, one considered the father of freedom for the slaves, the other the father of his country, have been honored by holidays. More to the point, in honoring Dr. King, the country would be paying homage to both a momentous event, the birth of the civil rights movement, and a man who was equal to the times.

He was the man who had the right combination of skills to help transform a boycott of buses in Montgomery, Ala., into a full-scale movement for racial justice and equity, a movement that mobilized blacks, seared the consciences of whites and left an indelible mark on this nation. A national holiday is not too much of a tribute to such a man and such a time.

Yet as bills are introduced this week in Congress calling for a national observance of Dr. King's birthday, the same old arguments are apt to be heard again from people who, as Stevie Wonder puts it, "cannot see the dream as clear as he." It is time to expose those arguments for the hypocritical shams they are and past time to end the wrangling about honoring a man who so clearly deserves national recognition.

A TRIBUTE TO MARTIN LUTHER KING, JR.

● Mr. GLENN. Mr. President, I am proud to be a sponsor of the bill which is being introduced today to make the birthday of Martin Luther King, Jr., a national holiday. This bill is identical to S. 25, a bill which I sponsored along with many other Senators in the 96th Congress.

Martin Luther King, Jr., was an American with a dream of peace. It was to that dream that he dedicated his life—a life that was tragically ended only 39 years after it began at the hands of an assassin. Throughout his brief but full life, Martin Luther King, Jr., stood with other American martyrs in the cause of freedom, justice, and equality. To accomplish these goals, he espoused a policy of nonviolent protest. It is surely no accident that Dr. King's policy of nonviolence became the dominant force in the civil rights movement during the period of its greatest achievement.

Dr. King made his first mark on the civil rights movement in 1956 by mobilizing Montgomery's black community in support of the bus boycott which eventually resulted in the U.S. Supreme Court's declaration that Alabama's segregated bus system was unconstitutional.

A year later, Dr. King was elected president of the Southern Christian Leadership Conference. In 1963, he led a successful campaign against unfair hiring practices in Birmingham, Ala. During the same year, he led the historic March on Washington which preceded and may have hastened the enactment of the Civil Rights Act of 1964.

In recognition of his steadfast commitment to nonviolence in the pursuit of racial harmony and social justice, Dr. King was awarded the Nobel Peace Prize in 1964. Subsequently, he led the Selma-to-Montgomery "Freedom March" to increase minority voter registration. Several years later, Dr. King's life was taken shortly after he joined the striking Memphis sanitation workers' efforts to win decent wages, working conditions, and job benefits.

Mr. President, I sincerely hope that my colleagues will join with me today in sponsoring this bill to commemorate the birthday of this courageous American, renowned leader and man of peace. Because his life symbolized many of the ideals and principles which have been fundamental to this Nation since its inception and which continue to distinguish us from our adversaries on the world stage, let us resolve to make Dr. King's birthday a holiday—but even more, let us resolve to make an America full of freedom and equal opportunity—the living memorial he deserves.

● Mr. METZENBAUM. Mr. President, I am pleased to join my colleagues in introducing this legislation to designate January 15, the birthday of Martin Luther King, Jr., a legal public holiday.

I do not know of any legislation more worthy of our immediate attention than this measure. Dr. King was not only one of our finest and most courageous leaders, he was a teacher of the highest order as well. He taught us about justice and decency, about the basic goodness of human beings and about the need to better the lot of those less fortunate than we. He taught us to stand up against intolerance, prejudice, and injustice, whatever the source and to struggle nonviolently and with dignity for the goal of equality of opportunity for all. He taught us to hope and dream of better times when "justice rolls down like waters and righteousness like a mighty stream." And perhaps most important of all, he taught us that one man—one committed, caring, courageous and selfless man—can make a difference.

Legislation to designate January 15 a national holiday has been introduced in every Congress since Dr. King's death in 1968. And frankly I am baffled that there can be any question about honoring the greatness of Dr. King in this way. Dr. King transformed the spirit of this Nation. He kindled a passion for justice and social reform that will forever burn in our hearts. I will always be proud that I had the privilege of marching with him from Selma to Montgomery. The least we can do is acknowledge Dr. King's unselfish contribution to this society by commemorating his name through a national holiday. And perhaps in these troubled times such remembrance will also serve to keep our own commitment to justice, equality, and peace burning bright. As our distinguished former colleague Senator Birch Bayh, chief sponsor of this legislation during the last Congress, so eloquently testified at hearings on S. 25 in the 96th Congress:

> If we as a nation remember Dr. King's birthday each year, it will provide us with an annual reminder that the pursuit of equal justice for all is a task we all share as American citizens—a task which will not be completed until we can truly say that no American is a second-class citizen.

Dr. King committed his life to the betterment of his fellow human beings. From Selma to Montgomery to Birmingham to the Lincoln Memorial to Memphis, Tenn., Dr. King carried his message of hope, peace, and justice. His vision of true equality for all Americans has continued to shine brightly years after his tragic death. By honoring Dr. King through the creation of a national holiday commemorating his name, we help to build a greater national commitment to the goals which Dr. King dedicated his life to achieving.

As in the past, the effort in this Congress to enact the Martin Luther King, Jr., bill is a truly bipartisan effort. And that is as it should be. For Dr. King's message of hope transcends political parties. The goals he helped us set for ourselves and our society are goals that all just men and women strive for regardless of political affiliation. It is my fervent hope that this will be the year in which my colleagues on both sides of the aisle—here and in the House—will join together and finally succeed in properly honoring Dr. King's memory by making his birthday an occasion of national celebration and remembrance.●

By Mr. PERCY (for himself and Mr. GLENN):

S. 95. A bill to effect certain reorganization of the Federal Government to strengthen Federal programs and policies with respect to nuclear waste management; to the Committee on Governmental Affairs.

NUCLEAR WASTE MANAGEMENT REORGANIZATION ACT OF 1981

● Mr. PERCY. Mr. President, last year for the first time Congress seriously and thoroughly examined the crucial, complicated issue of nuclear waste management. The Senate and the House of Representatives, at long last, considered and passed separate bills which sought to resolve an issue which should have been resolved long ago: where, when, and how this Nation should proceed to dispose of the 7,700 tons of spent reactor fuel, and the 70 million gallons of high-level radioactive waste from military sources which have been building up in temporary storage pools across America since the nuclear age began—which continue to build up even as I speak.

Unfortunately, the 96th Congress was unable to reach a consensus on a single comprehensive nuclear waste bill: There are serious differences of opinion which continue to exist over several very important issues: Whether or not to construct new temporary away-from-reactor storage facilities, whether or not to dispose of nuclear wastes only in a geologic medium.

Despite our setback in the last Congress to pass comprehensive legislation, it is clear that real progress was made nonetheless: Congress is now fully alert to the fact that the nuclear waste disposal problem is a real one, and that it is not going to go away unless we resolve it. It is perfectly clear to all of us that, unless we take it upon ourselves to pass comprehensive nuclear waste legislation in the 97th Congress, we are going to be jeopardizing the energy and environmental security of this country. I call upon all Members to join me in a commitment to make passage of comprehensive nuclear waste legislation one of the highest, if not the highest, energy legislative priority of this new Congress.

It should be emphasized, Mr. President, that Congress made genuine progress last year in dealing with one particularly sensitive aspect of the nuclear waste controversy, despite the fact that no final bill was passed. The question of the proper role for State and local authorities in Federal decisionmaking was clearly one of the most controversial of all issues when the 96th Congress began; the feeling was held in some quarters that States deserved an ultimate, final veto power to block any disposal decisions made by the Department of Energy. Others believed that the less power given to States in nuclear waste decisionmaking, the better.

By year's end, however, a growing consensus had emerged among Members of Congress, and among the general public, that States deserved an extensive, guaranteed role in working with the Federal Government in all aspects of waste management planning. State and local groups came to realize that no good purpose was served by an absolute State veto, that to award such unilateral authority would probably remove the chance for ever resolving the disposal controversy. Similarly, advocates of a strong national nuclear program came to see that States could be given a substantive role in decisionmaking that would not necessarily prevent reaching a viable solution to the waste management problem.

In the last Congress both Houses passed bills giving States an extensive, if not an ideal, role in waste disposal planning. The contours of this authority were similar in the two bills: State review groups were authorized to work with the DOE and other Federal agencies; the review groups were given the power to reject a repository plan of the DOE, an action which would give Congress the responsibility of deciding whether such a plan should proceed to the Nuclear Regulatory Commission for licensing; and the disapproval of the plan by one House of Congress, in support of a State review group's objections, was required to prevent its licensing review by the NRC.

Mr. President, this "one House veto" procedure was seen by many Members last year as a tolerable, but not an ideal, means of granting limited power to the States in this matter. In a genuine effort to reach a compromise that might have

led to final passage of a bill, the "one House veto" was accepted as a necessary concession. Many of us preferred a "two House approval" process which would have given even greater power to a State review group. This mechanism was based on the theory that the burden lay with DOE to prove that a waste disposal facility was worthy of NRC license review, not with a State to prove it was unworthy. Under a "two House approval" process, a repository plan would not go to the NRC unless both Houses of Congress affirmed the plan's merits.

I wholeheartedly endorse this "two House approval" process, Mr. President, and on March 28, 1979, I introduced the legislation along with Senator GLENN which established a strong role for the States and which included such a process. Nearly every other provision of our legislation, the "Nuclear Waste Management Reorganization Act," S. 742, was adopted by the Senate 83 to 0 last summer; compromise was made only on the "one House veto" process, for the reasons I have described above.

Nonetheless, I am proud that the Senate accepted the bulk of S. 742 and saw that bill as an appropriate vehicle for giving substantive power to the States in nuclear waste decisionmaking. S. 742 won the endorsement last year of the National Governors Association; the National Association of Counties; the National Council of State Legislatures; and the Environmental Policy Center. It is my expectation that these groups will continue to support the concepts which were embodied in S. 742.

At this time, therefore, I am reintroducing the Percy-Glenn "Nuclear Waste Management Reorganization Act." As chairman of the Governmental Affairs Subcommittee on Energy, Nuclear Proliferation, and Government Processes, I look forward to holding new hearings as quickly as possible on the formula for States' rights which this bill creates. Our legislation can and will be improved, but there is no doubt in my mind that the basic structure we provide for State participation—guaranteeing States a substantial but not an excessive right to affect nuclear waste policy—offers a practical and sensible solution to this important national issue.

In addition to the text of this legislation, Mr. President, I ask unanimous consent that my original floor statement on the "Nuclear Waste Management Reorganization Act," offered in March, 1979, be inserted into the RECORD.

There being no objection, the bill and statement were ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be referred to as the "Nuclear Waste Management Reorganization Act of 1981".

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TITLE I—FINDINGS, PURPOSES, AND DEFINITIONS

DECLARATION OF FINDINGS

SEC. 101. (a) The Congress finds that—

(1) nuclear wastes generated in the national defense program have been accumulating for more than thirty years, and spent nuclear fuel and nuclear wastes from the commercial industry are increasing rapidly;

(2) nuclear waste has become a major issue of public concern;

(3) stringent precautions must be taken to ensure that nuclear wastes do not adversely affect the public health and safety of this or future generations;

(4) confidence in the ability of the Federal Government to manage a program providing for the safe and permanent disposal of nuclear wastes must be substantially increased if nuclear power is to contribute significantly to meeting the energy needs of the United States in the future;

(5) Federal nuclear waste disposal programs have been ineffective due to—

(A) inadequate coordination among the various Federal agencies and departments which have responsibilities relating to nuclear waste management;

(B) the lack of a policymaking process which integrates the views of all Federal agencies and departments into a comprehensive government-wide policy;

(C) the lack of an organizational mechanism which affords States, localities, and the public the opportunity to participate fully in the formulation of Federal nuclear waste management policy; and

(D) the lack of an organizational mechanism which allows States and localities to review Federal plans for the development of nuclear waste disposal facilities, and to ensure thereby that such plans adequately protect State and local interests;

(6) a Nuclear Waste Management Planning Council must be established to afford States, localities, and the public the opportunity to participate fully in the formulation of Federal nuclear waste management policy;

(7) a Nuclear Waste Coordinating Committee must be established in order to—

(A) improve the coordination of the activities of Federal departments and agencies with respect to nuclear waste management;

(B) annually prepare a Nuclear Waste Management Plan which reflects the views of all Federal agencies and departments with responsibilities pertaining to nuclear waste management and the views of the Nuclear Waste Management Planning Council; and

(C) prepare Repository Development Reports and Repository Loading Reports with respect to proposed nuclear waste disposal facilities;

(8) Nuclear Waste Repository Review Panels must be established to ensure that States and localities have adequate opportunities to review plans for the development of Federal nuclear waste disposal facilities.

DECLARATION OF PURPOSES

SEC. 102. The Congress declares that there is a compelling need to improve coordination among Federal agencies and departments with respect to nuclear waste management activities, to establish a policymaking process which integrates the views of all such agencies and departments, together with the views of States, localities, and the public, and to provide for State and local review of Federal plans for the development of nuclear waste disposal facilities. It is the purpose of this Act to—

(1) establish a Nuclear Waste Management Planning Council to provide State, local, and public views in the Federal nuclear waste management policy development process;

(2) establish a Nuclear Waste Coordinating Committee, to improve coordination of Federal nuclear waste management programs, to prepare annually a Nuclear Waste Management Plan which reflects the views of all interested parties, and to prepare Repository Development Reports and Repository Loading Reports with respect to proposed nuclear waste disosal facilities; and

(3) establish Nuclear Waste Repository posed nuclear waste disposal facilities; and localities have adequate opportunity to review Federal plans for the development of nuclear waste disposal facilities.

DEFINITIONS

SEC. 103. For the purposes of this Act the term—

(1) "Committee" means the Nuclear Waste Coordinating Committee;

(2) "Council" means the Nuclear Waste Management Planning Council;

(3) "Secretary" means the Secretary of Energy;

(4) "Department" means the Department of Energy;

(5) "Review Panel" means a Nuclear Waste Repository Review Panel;

(6) "Chairman" means the Chairman of a Review Panel;

(7) "Plan" means the annual Nuclear Waste Management Plan;

(8) "Governor" means the Governor of a State, or successors to the Governor, during their respective terms of office, or their designees;

(9) "Nuclear waste" means high-level waste, transuranic contaminated waste and low-level waste;

(10) "high-level waste" means the highly radioactive wastes resulting from the reprocessing of spent nuclear fuel, and includes both the liquid waste which is produced directly in reprocessing and any solid material into which such liquid waste is made;

(11) "transuranic contaminated waste" means material contaminated with elements having an atomic number greater than 92, including neptunium, plutonium, americium, and curium, in concentrations of greater than 10 nanocuries per gram;

(12) "low-level waste" means material contaminated with radioactive elements emitting beta or gamma particles or with traces of transuranic elements in concentrations less than 10 nanocuries per gram;

(13) "spent nuclear fuel" means fuel which has been discharged from a nuclear reactor following irradiation, whose constituent elements have not been separated by reprocessing;

(14) "repository" means a facility for the permanent disposal of high-level waste, transuranic contaminated waste, or spent nuclear fuel, whether or not such facility is designed to permit the subsequent recovery

of such material, except for facilities to be used exclusively for research and development purposes containing an insignificant amount of such material;

(15) "storage" means retention of nuclear waste or spent nuclear fuel with the intent to recover such material for subsequent use, processing, or disposal;

(16) "disposal" means the emplacement of nuclear waste or spent nuclear fuel with no intent of recovery, whether or not such emplacement permits the recovery of such materials;

(17) "local government" means any political subdivision of a State including any town, city, township, borough, parish, village, county, or other general purpose political subdivision of a State;

(18) "Indian tribe" means an Indian tribe, as defined in the Indian Self-Determination and Education Assistance Act (Public Law 93-638);

(19) "public health and safety" means the public health and safety of current and future generations;

(20) "nuclear waste and spent nuclear fuel management" means the transport, storage, and disposal of nuclear waste and spent nuclear fuel; and

(21) "main shaft" means the primary vertical access shaft of a nuclear waste repository.

TITLE II—ESTABLISHMENT, MEMBERSHIP, AND FUNCTIONS OF NUCLEAR WASTE MANAGEMENT PLANNING COUNCIL

ESTABLISHMENT OF NUCLEAR WASTE MANAGEMENT PLANNING COUNCIL

SEC. 201. There is established a Nuclear Waste Management Planning Council as an independent instrumentality of the United States in the executive branch.

MEMBERSHIP OF THE COUNCIL

SEC. 202. (a) The Council shall consist of fifteen members appointed by the President. Eleven members of the Council shall be elected officials of State or local government or Indian tribes, except that not less than three such members shall be elected officials of local government or of Indian tribes. The remaining four members of the Council shall be selected from interested members of the public. Members of the Council shall be appointed for a term of two years and may be reappointed for additional terms. No member appointed as one of the eleven elected officials may continue to serve on the Council if such member ceases to be an elected official of State or local government or of an Indian tribe.

(b) In appointing members of the Council, the President shall endeavor to ensure representation of a broad range of views with respect to nuclear waste and spent nuclear fuel management and to ensure representation of areas which are users of nuclear power and of areas which are serving or may be likely to serve as locations for nuclear waste and spent nuclear fuel storage or disposal or which may be directly or substantially affected by such activities.

(c) The Chairman of the Council shall be a member of the Council designated by the President and shall be the Governor of a State.

FUNCTIONS OF THE COUNCIL

SEC. 203. (a) The Council shall—

(1) pursuant to section 301, appoint a representative to the Nuclear Waste Coordinating Committee;

(2) pursuant to the procedures set forth in section 303, provide views on the annual Nuclear Waste Management Plan to the President;

(3) advise the Federal agencies and departments having membership on the Committee on nuclear waste and spent nuclear fuel management policy, with special reference to issues pertaining to the siting and development of nuclear waste and spent nuclear fuel storage and disposal facilities; and

(4) comment on proposed Federal regulations, standards, and criteria pertaining to nuclear waste and spent nuclear fuel management and spent fuel storage, including radiation exposure standards.

(b) The Council shall have the authority to—

(1) obtain (in accordance with section 3109 of title 5, United States Code, but without regard to the limitation in such section on the number of days or the period of such service) the services of experts or consultants who have scientific or other pertinent professional qualifications;

(2) utilize, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, or local public agencies, with or without reimbursement therefor;

(3) accept voluntary and uncompensated services;

(4) accept unconditional gifts, or donations of services, money, or property, real, personal, or mixed, tangible or intangible; and

(5) enter into such contracts, leases, cooperative agreements, or other transactions, without regard to sections 3648 and 3709 of the Revised Statutes of the United States (31 U.S.C. 529, 41 U.S.C. 5), as may be necessary in the conduct of its functions, with any public agency, or with any person, firm, association, corporation, or educational institution.

(c) There are authorized to be appropriated to carry out the provisions of this title such sums as may be necessary.

TITLE III—ESTABLISHMENT, MEMBERSHIP, AND FUNCTIONS OF NUCLEAR WASTE COORDINATING COMMITTEE

ESTABLISHMENT OF NUCLEAR WASTE COORDINATING COMMITTEE

SEC. 301. There is established a Nuclear Waste Coordinating Committee as an independent instrumentality of the United States in the executive branch.

MEMBERSHIP OF THE COMMITTEE

SEC. 302. (a) The Secretary, the Council, the Nuclear Regulatory Commission, the Council on Environmental Quality, the Director of the Office of Science and Technology Policy, the Administrator of the Environmental Protection Agency, the Secretaries of Interior, Transportation, and State, and the head of any other Federal agency or department designated by the President shall each appoint one representative to serve as members of the Committee.

(b) The representative of the Department shall serve as the Chairman of the Committee.

(c) The Nuclear Regulatory Commission shall participate in the activities of the Committee to the extent it determines such participation to be consistent with the independent regulatory responsibilities of the Commission.

FUNCTIONS OF THE COMMITTEE

SEC. 303. (a) The Committee shall facilitate the coordination of activities of the Federal agencies and departments represented on the Committee with respect to nuclear waste and spent nuclear fuel management so as to minimize duplication of effort and unnecessary delay in Federal nuclear waste and spent nuclear fuel management programs.

(b) The Committee shall make recommendations to the President to resolve jurisdictional disputes and schedule conflicts regarding the activities of the Federal agencies and departments represented on the Committee.

(c) The Committee shall prepare an annual Nuclear Waste Management Plan for the fiscal years 1983, 1984, 1985, 1986, and 1987, as follows:

(1) To the maximum extent feasible, the Plan shall incorporate the views of all members of the Committee. If significant divergence of opinion exists among Committee members on major issues, the draft Plan shall indicate where such divergences of opinion exist and shall include the relevant options for consideration by the President following the submission of public comment pursuant to paragraph (2).

(2) The Committee shall make the draft Plan available for public comment for at least thirty days, and shall thereafter submit the draft Plan to the President; concurrent with the submission of the draft Plan to the President, the Federal departments and agencies represented on the Committee and the Council shall submit their views on the draft Plan to the President.

(3)(A) The President shall review the draft Plan and the comments he receives thereon and shall resolve any divergent views presented pursuant to paragraph (1), and may further modify the draft Plan as he deems appropriate.

(B) Protection of the public health and safety shall be foremost among the factors to be weighted by the President in reviewing the draft Plan.

(4) Not later than March 1, 1982, and March 1 of each succeeding year thereafter through March 1, 1986, the Committee shall submit the final version of the Plan for the next fiscal year to the Congress.

(5) Any committee of either House of Congress reporting a bill authorizing funds for activities described in the Plan shall consider the Plan and may specify in any report accompanying such bill the extent to which such proposed authorization is consistent with the Plan.

(d)(1) At such time as any Federal agency or department represented on the Committee shall decide to undertake the study of any area within a State for the purpose of determining its suitability for a nuclear waste or spent nuclear fuel repository or storage facility, the Committee shall notify in writing the Governor of the State in which the area is located of such determination and shall furnish such Governor all relevant information on a current basis concerning the program of the relevant Federal agency or department for such study.

(2) The Committee shall seek the views of appropriate agencies of any State containing an area under study for the purposes described in subsection (d)(1) and, at the discretion of the Chairman of the Committee, the appropriate agencies of any concerned adjacent State. Technical representatives designated by the Governor of each such State may participate in the technical analyses performed by the relevant Federal agency or department.

(e)(1) The Committee shall—

(a) at the earliest feasible time prior to the intended submission by any Federal agency or department to the Nuclear Regulatory Commission of an application for a license to construct the main shaft of a nuclear waste repository, or

(B) in the event that such agency or department is not required by law to obtain a license from the Nuclear Regulatory Commission for the construction of the main shaft of such repository, at the earliest feasible time prior to undertaking site preparation work leading to construction of the main shaft of such repository,

prepare a nuclear waste Repository Development Report. The Chairman of the Committee shall have the authority to resolve differences of view among Committee members with respect to such report. The Committee shall immediately notify the Governor of the State in which such proposed reposi-

tory would be located of its decision to prepare the Repository Development Report.

(2) The Repository Development Report shall contain—

(A) a detailed description of—

(i) the design of the repository and plans for its construction;

(ii) proposed operating procedures for the emplacement of high-level or transuranic contaminated wastes or spent nuclear fuel, including amounts and types of waste or spent nuclear fuel to be emplaced, loading factors, waste form, and packaging;

(iii) procedures for maintaining the retrievability of emplaced nuclear waste or spent nuclear fuel and for subsequent shaft and tunnel sealing; and

(iv) plans for perpetual care and monitoring of the facility;

(B) an analysis of the anticipated environmental, health, and safety impacts of the proposed facility, including a discussion of any remaining areas of scientific and technological uncertainty and plans for resolving such uncertainties, with specific reference to information to be collected during the course of the proposed facility's construction and operation;

(C) a plan for the transport of high-level or transuranic contaminated waste or spent nuclear fuel to the repository, including an assessment of anticipated environmental, health, and safety impacts and a description of emergency planning procedures; and

(D) any plan to provide financial assistance to State or local governments or Indian tribes with respect to impacts arising from the proposed repository.

(3) The Committee shall coordinate the preparation of a Repository Development Report for a proposed facility with the preparation of any pertinent Environmental Impact Statements mandated by the National Environmental Policy Act so as to avoid unnecessary delay and duplication of effort. Nothing in this title shall be construed to relieve any Federal agency or department of any duty imposed by that Act.

(4) If a Nuclear Waste Repository Review Panel has been convened with respect to a proposed repository pursuant to section 401—

(A) the Committee shall prepare the Repository Development Report with respect to such proposed repository in close cooperation with the appropriate Review Panel and shall incorporate the views of such Panel into such Repository Development Report to the maximum extent feasible;

(B) upon completing the Repository Development Report, the Committee shall submit the Repository Development Report to the Review Panel for final review.

(5) The Committee shall submit the Repository Development Report for a proposed repository to the Congress, together with the comments of the appropriate Review Panel, if one has been convened with respect to the proposed repository, and any formal objections raised by the Chairman of such Review Panel with respect to such Report. Until a Repository Development Report for a proposed repository has been submitted by the Committee to the Congress no Federal agency or department may undertake site preparation work leading to the construction of the main shaft of such repository, except that where the Chairman of the Review Panel convened with respect to such repository formally objects to such Repository Development Report pursuant to the provisions of section 403(b), the action prohibited in this paragraph may not be taken unless and until Congress shall have passed a concurrent resolution pursuant to section 304 stating in substance that the Repository Development Report equitably balances State, local, and national interests.

(6) In the event that Congress fails to pass a concurrent resolution as specified in paragraph (5) with respect to a Repository Development Report to which the Chairman of the relevant Panel has formally objected, the prohibitions set forth in paragraph (5) shall remain in effect until such time as—

(A) the Committee shall have submitted to the Congress a revised Repository Development Report to which the Chairman of the relevant Review Panel has not formally objected, or

(B) Congress shall have passed a concurrent resolution as specified in paragraph (5) with respect to a revised Repository Development Report to which the Chairman of the relevant Panel shall have formally objected.

Each revised Repository Development Report shall be prepared pursuant to the procedures set forth in this section and in section 403 pertaining to the preparation of Repository Development Reports.

(f)(1) The Committee shall—

(A) at the earliest feasible time prior to the intended submission by any Federal agency or department to the Nuclear Regulatory Commission of an application for a license to emplace significant quantities of high-level or transuranic contaminated nuclear waste or spent nuclear fuel into a repository; or

(B) in the event that such agency or department is not required by law to obtain a license from the Nuclear Regulatory Commission in order to emplace significant quantities of high-level or transuranic contaminated nuclear waste or spent nuclear fuel into such repository, at the earliest feasible time prior to beginning the emplacement of such waste or spent nuclear fuel into such repository,

prepare a Repository Loading Report with respect to such repository. The Chairman of the Committee shall have authority to resolve differences of view among Committee members with respect to such report. The Committee shall immediately notify the Governor of the State in which such repository is located of its decision to prepare the Repository Loading Report.

(2) The Repository Loading Report prepared with respect to such repository shall contain the information required in the Repository Development Report prepared with respect to such repository pursuant to section 303(e)(1), appropriately updated. The Repository Loading Report for such repository shall identify any significant differences between the plans, descriptions, and analyses contained therein and those presented in the Repository Development Report prepared with respect to such repository. Special emphasis shall be given to assessing the significance of information collected during the course of the construction of the repository to the analyses of the anticipated environmental, health, and safety impacts of such repository.

(3) If a Nuclear Waste Repository Review Panel has been convened with respect to a proposed repository pursuant to section 401, the Committee shall—

(A) prepare the Repository Loading Report with respect to such repository in close cooperation with the Review Panel and shall incorporate the views of such Panel into such report to the maximum extent feasible;

(B) upon completing such Repository Loading Report, the Committee shall submit the report to the Review Panel for final review.

(4) No Federal agency or department may emplace significant quantities of nuclear wastes or spent nuclear fuel into any repository, unless and until the Committee shall have submitted to the Congress a Repository Loading Report prepared with respect to such repository, together with the comments of the appropriate Nuclear Waste Repository Review Panel, and a period of thirty days of continuous session of Congress (as defined in section 304) shall have elapsed.

CONGRESSIONAL REVIEW PROCEDURES

SEC. 304. (a) Not later than forty-five days of continuous session after the date of transmittal to the Congress of a Repository Development Report with respect to which the Chairman of the appropriate Review Panel has raised formal objections, the committees of the House of Representatives and of the Senate to which such Repository Development Report is referred shall submit a report to their respective House on their views and recommendations respecting such Repository Development Report together with a concurrent resolution, as defined in subsection (g), stating in substance that the Congress believes that the report equitably balances State, local, and national interests. If any such committee has not reported such a resolution at the end of such forty-five-day period, such committee shall be deemed to be discharged from further consideration of such Repository Development Report. If no such resolution has been reported at the end of such period, the first resolution as defined in subsection (g) which is introduced within five days thereafter within such House shall be placed on the appropriate calendar of such House.

(b) The Chairman of the Coordinating Committee may amend a report to address any objection raised to it by the Chairman of the Appropriate Review Panel during the first thirty days of continuous session after it is submitted to the Congress.

(c) When the relevant committee or committees have reported such a resolution (or have been discharged from further consideration of such a resolution pursuant to subsection (a)), or when a resolution has been introduced and placed on the appropriate calendar pursuant to subsection (a), as the case may be, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. The motion shall not be subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to, or disagreed to, shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

(d) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than ten hours, which shall be divided equally between individuals favoring and individuals opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to a motion to postpone, or a motion to recommit the resolution, or a motion to proceed to the consideration of other business is not in order. A motion to reconsider the vote by which the resolution is agreed to, or disagreed to, shall not be in order. No amendment to any concurrent resolution pursuant to the procedures of this section is in order except as provided in subsection (e).

(e) Immediately following (1) the conclusion of the debate on such concurrent resolution, (2) a single quorum call at the conclusion of debate if requested in accordance with the rules of the appropriate House, and (3) the consideration of an amendment introduced by the majority leader or his designee to insert the phrase "does not" in lieu of the word "does" if the resolution under consideration is a concurrent resolution

of approval, the vote on final approval of the resolution shall occur.

(f) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to such a resolution shall be decided without debate.

(g) For the purposes of this section, "concurrent resolution" means only a concurrent resolution, the matter after the resolving clause of which is as follows: "That the Congress believes that the Repository Development Report numbered relating to the proposed development of a nuclear waste or spent nuclear fuel repository at within the State of transmitted to Congress by the Nuclear Waste Coordinating Committee on , 19 (as amended by the Chairman of the Nuclear Waste Coordinating Committee on , 19) equitably balances State, local, and national interests.", the blank spaces therein being appropriately filled and the text in parenthesis being included if the Chairman of the Coordinating Committee has amended the report pursuant to subsection (b).

(h) If the Congress has not passed a concurrent resolution in accordance with the procedures described in this section within sixty days of continuous session after the transmittal of the Repository Development Report, such report shall be considered rejected.

(i) For the purposes of this section—

(1) continuity of session is broken only by an adjournment of Congress sine die; and

(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.

(j) This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by subsection (g) of this section; and they supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(k) In considering any Repository Development Report submitted to the Congress pursuant to this title, the Congress may obtain the views and comments of the Nuclear Regulatory Commission on such report. The provision of views by the Commission shall not be construed as binding the Commission with respect to any subsequent licensing action pertaining to the repository which is the subject of such Repository Development Report.

(l) The passage of a resolution by the Congress pursuant to this title shall in no way be considered as binding with respect to any subsequent licensing action of the Nuclear Regulatory Commission pertaining to the repository which is the subject of such resolution.

(m) For the purposes of this section a revised Repository Development Report as set forth in section 303(e)(6) shall be deemed to be a Repository Development Report.

EFFECT OF OTHER LAWS

SEC. 305. (a) Nothing in this Act shall affect the authority of the Nuclear Regulatory Commission to license and regulate high-level or transuranic contaminated waste or spent nuclear fuel storage and disposal pursuant to section 202 of the Energy Reorganization Act of 1974 or of byproduct, source, or special nuclear material pursuant to section 201(f) of such Act.

(b) Nothing in this Act shall exempt any Federal department or agency from the requirements of the National Environmental Policy Act.

(c) Nothing in this Act shall affect the authority of States to inspect nuclear facilities as designated pursuant to State law pursuant to section 274 of the Atomic Energy Act.

TITLE IV—ESTABLISHMENT, MEMBERSHIP, AND FUNCTIONS OF NUCLEAR WASTE REPOSITORY REVIEW PANELS

ESTABLISHMENT OF NUCLEAR WASTE REPOSITORY REVIEW PANELS

SEC. 401. (a) At any time within one hundred and twenty days after receiving notification of the intention of the Committee to prepare a Repository Development Report pursuant to section 303(e)(1) with respect to a proposed repository to be located within a State, the Governor of such State receiving such notification may establish a Nuclear Waste Repository Review Panel to facilitate State and local participation in the planning and development of such repository.

(b) The procedures provided by sections 303(e), 304, and 403(b) for State and local review and for submission to the Congress of objections to the Repository Development Report prepared with respect to a proposed repository, and the procedures provided by sections 303(f) and 403(c) for State and local review and for submission to the Congress of comments on the Repository Loading Report prepared with respect to such repository, shall not apply with respect to such repository unless there shall have been convened a Nuclear Waste Repository Review Panel with respect to such repository pursuant to subsection (a).

(c) A Review Panel convened pursuant to section 401(a) with respect to a proposed repository shall continue to function until—

(1) the Committee formally notifies the Panel that the Federal Government no longer intends to construct and operate such repository, or

(2) the Committee formally notifies the Panel that a Repository Loading Report prepared with respect to such repository has been submitted to the Congress pursuant to section 303(f), and the Chairman of the Panel thereafter declares the Panel to be adjourned.

MEMBERSHIP OF REVIEW PANELS

SEC. 402. A Review Panel convened by a Govenor pursuant to section 401(a) shall consist of—

(1) the Governor convening the Panel who shall serve as the Chairman of the Panel;

(2) seven additional individuals from the State of the convening Governor to be appointed by the Governor and to serve at the pleasure of the Governor. The convening Governor shall include on the Panel individuals who are local government or Indian tribe officials of the area under study by the Department as a possible site for the proposed nuclear waste and spent nuclear fuel repository and may include—

(A) other officials of the State's government including members of the State legislature, and

(B) interested residents of the State, except that such residents shall be selected so as to ensure representation of a broad range of views on nuclear waste repository development issues; and

(3)(A) the Governors of any adjacent State or States, to be appointed by the Council, upon a finding that such State or States may be directly and substantially affected by the operation of a nuclear waste repository situated in the State of the convening Governor;

(B) Each Governor so appointed by the Council may appoint up to three additional individuals from his State to serve on the Review Panel at the pleasure of the Governor. Such Governor shall include among such appointees at least one local government or Indian official of the areas which would be directly and substantially affected by the development of the proposed repository, and may include—

(i) other officials of the State government including members of the State legislature, and

(ii) interested residents of the State, except that such residents shall be selected so as to ensure representation of a broad range of views on nuclear waste or spent nuclear fuel repository development issues.

FUNCTIONS OF REVIEW PANELS

SEC. 403. (a) A Review Panel established pursuant to section 401(a) shall meet regularly to review current and planned actions of the Federal agencies and departments having membership on the Committee with respect to the siting, construction, and operation of the relevant proposed nuclear waste repository. Representatives of such agencies and departments shall meet regularly with the Review Panel to explain their activities and obtain the views of the Panel thereon.

(b)(1) A Review Panel shall cooperate closely with the Committee in the preparation of a Repository Development Report prepared pursuant to section 303(e)(4)(A).

(2) A Review Panel shall, within ninety days after receipt of a Repository Development Report pursuant to section 303(e)(4), ascertain whether the report adequately provides for the protection of State and local interests and may hold public hearings on the Repository Development Report in support of this review.

(3) Within ninety days after the Review Panel receives the Repository Development Report, the Chairman of the Panel, after consultation with other Panel members, may submit to the Committee formal objections that the Repository Development Report does not adequately provide for the protection of State and local interests. A formal objection shall state the grounds therefor and shall also propose amendments to the Repository Development Report whose implementation would remove the basis for such objections. The Chairman of the Panel and other members of the Panel may provide comments on the Repository Development Report to the Committee regardless of whether the Chairman has submitted formal objections to the Repository Development Report.

(c)(1) A Review Panel shall cooperate closely with the Committee in the preparation of a Repository Loading Report prepared pursuant to section 303(f)(1).

(2) Such Review Panel shall, within ninety days after receipt of the Repository Loading Report pursuant to section 303(f)(4), ascertain whether the report adequately provides for the protection of State and local interests and may hold public hearings on the report in support of this review.

(3) Within ninety days after such Review Panel receives such Repository Loading Report, the members of the Panel shall submit their comments on such report to the Committee.

STATEMENT BY SENATOR PERCY

Mr. PERCY. Mr. President, Senator Glenn and I are introducing this bill at a crucial time in the national debate on nuclear waste management. In recent months that debate has become focused on the efforts of the interagency review group (IRG) on nuclear waste management. The IRG has spent a year reviewing the issue and formulating recommendations for administration policy. It has summarized its conclusions in a report issued last week.

The IRG effort has encouraged a broad discussion of the issues which must be addressed as we formulate nuclear waste management policy. It is now up to the Congress to address those issues and, where appropriate, to pass legislation to insure that they are resolved.

The issues facing us today are of two kinds: Technical and institutional. The technical issues include doubts as to the geologic formations and waste packaging best suited to permanent nuclear waste disposal. While Congress itself cannot "resolve" all of the technical issues being raised today, it can, and I believe should, express confidence that those issues can be resolved given the proper research.

It is in the institutional area where direct congressional action is most clearly needed. If there is a nuclear waste management crisis today, it exists not because the technical issues are so intractable, but because the Federal programs designed to address them have been so inadequate. Those programs have in the past been poorly planned, poorly managed, and poorly coordinated, and have lacked coherent principles to guide their development.

The result has been a dramatic loss in public confidence in the Federal Government's ability to do the job. This drop in public confidence has been accompanied by a blurring of public perceptions of the issues. The technical issues have grown in stature and have become inseparably linked to the Federal Government's inability to deal with them, so that the public now perceives nuclear waste as an ominous problem to which there may be no solution.

Some members of the Federal Government have finally come to recognize the significance of this situation. In testimony before Senator GLENN'S Energy Nuclear Proliferation and Federal Services Subcommittee, Gus Speth of the Council on Environmental Quality noted that:

". . . We all inherited a seriously flawed Federal program that has provided a poor basis for getting to the right answer quickly and little basis for public confidence. The history of waste management in the United States provides warning of the risks of having policy formulation colored by past programs and promotional concerns. It is a history of failure to produce an acceptable method of waste disposal. Devising a program for the future must take into account the loss of credibility that has ensued; it will not be enough to devise a program that could be credible under other circumstances."

I agree wholeheartedly with these comments. Reestablishing public confidence in Federal nuclear waste management programs will not be easy, but it is essential if those programs are to be successful.

In order to win back the public's confidence, we must identify and correct the weaknesses in current Federal nuclear waste programs. We must anticipate the challenges which those programs will face in the future, and insure that they are equipped to handle them. Last, we must base those programs on sound principles which can guide their development in the future and gain public acceptance for the results they produce.

I see two areas where improvements must be made, and which are addressed in this legislation. The first involves policy formation and program planning at the national level, and the second involves the siting and development of nuclear waste disposal facilities.

On the issue of policy formation and program planning, I believe there are three main deficiencies in the way that these activities are being undertaken today. First, the efforts of the various Federal agencies and departments with responsibilities for nuclear waste management are poorly coordinated. Efforts undertaken by some agencies are unnecessarily duplicated by others, and as program objectives shift there is a danger that the regulations needed to license those programs will not be in place in time.

Second, there is no policy planning process which involves all of the relevant Federal agencies and departments in the formation of a comprehensive, governmentwide policy toward nuclear waste. Indeed, even within these various agencies and departments there seems to be little in the way of rigorous policy planning.

Last, State and local government officials and the public have no way to provide meaningful input into Federal nuclear waste policy. Decisions which will ultimately affect some States and localities very directly are made in the depths of the bureaucracy and buried within budget legislation. It should hardly be surprising, given the current mood of distrust of the Federal Government, that States, localities, and the public are likely to oppose such decisions when they are implemented.

I do not believe that the answer to these problems lies in creating a new Federal agency for nuclear waste management. The legislation which Senator GLENN and I are introducing contains several provisions which will correct these deficiencies while leaving primary responsibility for nuclear waste management where it is now, in the Department of Energy.

First, our bill proposes the establishment of a Nuclear Waste Coordinating Committee. The coordinating committee would consist of representatives of the various Federal agencies which have responsibilities relating to nuclear waste management, including DOE, DOI, CEQ, EPA, and the NRC. It would also have a member representing the Nuclear Waste Management Planning Council, which I will discuss shortly. The committee would be chaired by the representative of the Department of Energy.

The coordinating committee would have several functions. First it would work to improve coordination of the efforts of its member agencies, and to resolve jurisdictional disputes and scheduling conflicts. If necessary, it would make recommendations to the President on these issues.

Second, in each of the first 5 years of its existence, the committee would be required to prepare a comprehensive nuclear waste management plan describing current and planned Federal nuclear waste management programs. In preparing the plan, the members of the committee would work to integrate and reconcile the views of their respective organizations. If agreement could not be reached among committee members on key provisions of the plan, the different views would be brought to the attention of the President and resolved by him. The resulting final document, which would represent Government-wide nuclear waste policy, would then be submitted to Congress.

A key feature of the bill is the creation of a Nuclear Waste Management Planning Council. The members of the Council would be appointed by the President, and would include 11 officials of State or local government, and 4 private citizens. The Council would be the mechanism through which these groups could participate in the formation of Federal nuclear waste policy. A representative of the Council would participate fully in the activities of the coordinating committee, including the preparation of the annual nuclear waste management plan. The Council would also advise the various Federal agencies on nuclear waste management issues.

I believe that these measures would correct the deficiences I discussed above. While they require the creation of two new Government entities, I believe that is an acceptable price to pay. Wherever possible, Senator Glenn and I have tried to minimize that price. We have for example "'sunsetted" the preparation of the annual plan, in the expectation that after 5 years a stable and comprehensive Federal nuclear waste policy will have emerged.

One of the best arguments for the measures we are advocating has been the IRG effort itself. Whatever its failings, the IRG has produced some highly valuable self-criticism of the Federal Government's nuclear waste management efforts. It has forced the agencies to come together, to ask themselves tough questions about what each of them was doing and why, and finally to try to put the pieces together in a defensible and coherent whole. The value of such a process was noted by Worth Bateman of the Department of Energy, in testimony before the Energy and Environment Subcommittee of the House Interior and Insular Affairs Committee:

"The Administration also recognizes that a successful waste management policy is not just a DOE policy. It must be developed in conjunction with the many executive agencies which already have a statutory role or other interests bearing directly on waste management. Moreover, a successful policy also requires broad public understanding, participation and support."

I agree with Mr. Bateman's assessment, and believe that the measures we have suggested will insure that a rigorous policy formation process will be employed in the future.

The second main area we have addressed in the legislation is the process by which nuclear waste repositories are sited and developed. As their mistrust of Federal nuclear waste management programs has grown. State governments have increasingly demanded the right to stop the construction of Federal nuclear waste repositories within their borders. Although the Federal Government seems clearly to have preempted the States' right to control the siting of such facilities a dozen States have nevertheless enacted laws which purport to give them some control over repository siting. Whether such laws are valid or not, it is clear that States have numerous other legal and political tools at their disposal with which they can effectively stop construction of Federal nuclear waste repositories.

The dangers of this situation cannot be overemphasized. Given the current atmosphere, the Federal Government will be lucky to find States willing to accept these repositories. Even if it finds such States, we have no assurances that they will contain the best sites for repositories.

Clearly, a major revision in Federal policy is needed. If such a revision is not made, repository siting could well prove to be the Achilles' heel of the entire nuclear waste management effort.

In revising the current process, we must recognize several key facts. First, it is clear that States do have legitimate concerns about nuclear waste repositories, or more precisely, about the Federal Government's ability to construct and operate them safely. This mistrust is the sad legacy of the past performance of the Federal Government. In order to overcome it, we must establish a process which allows States to raise their legitimate concerns about these facilities and insures that those concerns will be addressed.

On the other hand, we must realize that ultimate control over the siting of nuclear waste repositories should remain in the hands of the Federal Government. If State Governments are given unlimited veto power over such repositories, I believe they will utilize that power whether or not their fears about them are legitimate. Public anxiety about the problem is so great that most,

if not all, State governments would be forced to exercise the veto.

In short, both the State veto and Federal preemption approches to repository siting contain elements which are absolutely essential to a successful repository siting process. Neither approach alone is likely to produce desirable results, given the current atmosphere of public mistrust. Clearly then we must seek a "middle ground" between the two approaches, one which incorporates their essential elements while excluding their physical flaws.

The legislation Senator Glenn and I are proposing attempts to set forth such an approach. Under the bill, the Federal Government would be required to provide early notification to the Governor of a State of its intention to construct a repository for high level nuclear waste, spent nuclear fuel or TRU-wastes in that State. Upon receiving such notification, the Governor could convene a repository review panel to participate in the planning of the repository. The review panel would consist of the Governor, who would serve as chairman, together with other State and local government officials and concerned private citizens from the State, and representatives of concerned adjacent States.

The Nuclear Waste Coordinating Committee which I described earlier would be required to prepare a detailed repository review report for the proposed repository. The report would contain descriptions of the design of the facility and proposed operating procedures for it, safety and environmental analyses, and plans for transporting wastes and providing economic assistance to affected States and localities. The representative of the Department of Energy would take the lead in the preparation of the report, and would have the authority to resolve disputes among committee members over its contents. In preparing the report, the committee would be required to consult closely with the review panel and incorporate its views into the report to the maximum extent feasible.

When the committee finished the report, it would submit it to the review panel for final review. If the Governor who convened the panel believed that the report did not adequately protect State and local interests, he could, after consulting with other panel members, raise formal objections to the report. If he did not raise formal objections, licensing and construction of the facility could proceed.

If the Governor did raise formal objections, the repository could not be built unless the Congress passed a concurrent resolution stating that the report adequately balanced State, local and national interests. Congress would have 60 days in which to consider such a resolution, with such consideration taking place under highly expedited procedures. If Congress did not pass a resolution in the 60-day period, the repository could not be built unless a revised repository development report was prepared. The revised report would have to be prepared under the same procedures, and would be subject to the same review, as was the original report.

I believe that this approach reconciles the conflicting needs of giving the States a significant role in repository siting while maintaining ultimate Federal control. Under this proposal, States would have the right to demand that Congress review the Federal Government's plans for a repository to ensure that they adequately protect the interests of affected States and localities. The debate over those plans would be highly visable, and the decision on their adequacy would be made by elected members of Congress responsible to their constituents. Congress would have the right, if it was satisfied that the plans adequately responded to legitimate States and local concerns, to direct that the repository be built.

This process has several inherent advantages. First, it would force the Federal facilities and establish their safety prior to constructing them. The review panels would provide forums through which the States would participate in the preparation of those plans from the outset, and thereby develop confidence in them and in the Federal Government itself. Both the States and the Federal Government would have clear incentives to participate in this process in a responsible manner, since both would know that their cases might be scrutinized by the Congress.

Several additional comments should be made about the process we are proposing. First, I would like to address the question of whether Congress is up to the role which this bill would give to it. To begin with, the bill does not ask Congress to make final, definitive judgments on the complex technical issues which will undoubtedly be raised about these facilities. Instead, it asks Congress to make a general finding about whether the Federal Government has done a defensible job of addressing those issues and other issues which are of concern to the States. In short, it asks Congress to play a vigorous oversight and review role. Such congressional review would not replace or prejudge either the NEPA process or NRC licensing of these facilities, and it would be through those processes that final judgments would be passed on the complex technical issues.

It could be argued that Congress will not be able to address an issue such as this on the merits alone, that the vote in the Senate will be 98 to 2 against the State in which a repository is to be located. I do not accept these arguments. Congress has repeatedly shown that it can act responsibly on an issue such as this and can strike a fair balance between national and local interests. Good examples can be found in some of the environmental and parks bills which Congress has considered recently.

The nuclear industry may worry that the process we are proposing will be time consuming and will carry with it an element of uncertainty. However, I believe that it has less potential for delay and uncertainty than either the current situation or any of the alternatives I have heard proposed. To begin with, it should be emphasized that, if current expectations hold, the process I have outlined would be employed only a handful of times before the turn of the century. Furthermore, under our proposal, the role of the States, the Federal Government and Congress are clearly defined and circumscribed. If and when objections come up to the Congress, they will be considered under highly expedited procedures which will prevent the use of dilatory parliamentary tactics and ensure that Congress will be able to act if it so wishes.

To be sure, we have no assurance that Congress will overrule a State's objections and direct a repository to be built. However, I believe that if a majority of the Members of either House of Congress cannot be convinced that the plans for such a repository are adequate, then those plans should be improved before the repository is built.

In sum, I believe that the process that Senator GLENN and I are proposing will enable us to select the best possible sites for repositories in the shortest time possible, and gain public acceptance of those facilities. Our proposal recognizes that the primary obstacle to siting and developing these facilities is public mistrust of the Federal Government. If we are to succeed in getting them built, the Federal Government has no alternative but to work hard to regain the public's confidence. The measures we have suggested will ensure that the Federal Government will indeed work hard to produce the high level of results which the public deserves.

Before closing, Mr. President, I would like to emphasize again that there are a number of other nuclear waste issues which must be addressed by this Congress. In particular, I believe that Congress must establish a funding mechanism which will ensure that the producers of commercial nuclear wastes pay all of the costs of disposing of those wastes. I introduced legislation in the last session of Congress which would have established such a mechanism, and may reintroduce such legislation, again during this session.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section summary of it be printed in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION SUMMARY: NUCLEAR WASTE MANAGEMENT REORGANIZATION ACT OF 1979

Title I. Findings, Purposes, and Definitions.

Sec. 101. Findings.

Sec. 102. Purposes.

Sec. 103. Definitions.

Title II. Establishment, Membership, and Functions of Nuclear Waste Management Planning Council.

Sec. 201. Establishes the Council as an independent instrumentality of U.S. in the Executive Branch.

Sec. 202. Membership. The Council is to have 15 members appointed by the President. Eleven are to be elected officials of State or local government and the remaining four shall be interested private citizens. The Chairman of the Council is to be the Governor of a State.

Sec. 203. Functions. The Council shall appoint a representative to the Nuclear Waste Coordinating Committee pursuant to section 302. The Council shall also advise federal agencies and departments on nuclear waste and spent nuclear fuel management policy.

Title III. Establishment Membership and Functions of Nuclear Waste Coordinating Committee.

Sec. 301. Establishes the Committee as an independent instrumentality of the U.S. in the Executive Branch.

Sec. 302. Membership. The Council and all federal agencies with responsibilities relating to nuclear waste and spent nuclear fuel management are to appoint representatives to the Committee. The DOE representative shall serve as Chairman.

Sec. 303.

303(a). The Committee is to facilitate coordination of federal activities with respect to nuclear waste and spent nuclear fuel management.

303(b). The Committee is to attempt to resolve jurisdictional and scheduling disputes and to make recommendations on such matters to the President where necessary.

303(c). The Committee is to prepare an annual Nuclear Waste Management Plan for each fiscal year through 1985.

To the maximum extent feasible the Plan is to incorporate the views of all members of the Committee. If members disagree over the major provisions of the Plan, the draft Plan shall so indicate and shall include relevant options for Presidential consideration.

The draft Plan shall be made available for public comment and shall then be submitted to the President, together with the views of the members of the Committee.

The President may modify the draft Plan as necessary. In so doing, protection of the public health and safety is to be foremost among the factors weighed.

The Committee shall submit final version of the Plan to the Congress by March 1, 1980, and by March 1 of each succeeding year

thereafter, through March 1, 1984. Congressional authorizing committees would then consider the Plan.

303(d). The Committee is to notify the Governor of a State of Federal plans to undertake studies in the State leading to the siting a nuclear waste or spent nuclear fuel repository or storage facility in that state. Thereafter the Committee shall seek the views of appropriate agencies of any such State, and shall permit technical representatives of such States to participate in any federal technical analyses performed.

303(e). Prior to the commencement of construction of a repository by any Federal agency or department, the Committee must prepare a Repository Development Report for that repository. The Report shall contain descriptions of the design and proposed operating procedures of the proposed repository; safety and environmental analyses; plans for transporting nuclear wastes to the repository; and plans for providing federal impact aid or other assistance to States and localities affected by it.

If a Repository Review Panel has been convened with respect to the proposed repository pursuant to section 401, the Committee is to consult closely with the Panel while preparing the Report.

Upon completing the Report, the Committee shall submit it to the Review Panel. After a 90-day review period, the Chairman of the Panel (the Governor of the State containing the facility) may submit formal objections to the Report to the Committee if he believes that the Report does not adequately protect state and local interests. (See Section 403) The Committee must then submit the Report, together with such objections if any to the Congress.

If the Chairman has not raised formal objections, the appropriate federal agency may proceed with construction or licensing of the repository.

If the Chairman has raised objections, the construction or licensing of the repository may not proceed unless Congress passes a concurrent resolution, pursuant to the procedures set forth in section 304, stating that the Report equitably balances State, local, and national interests.

If Congress does not pass the resolution within the 60 day period, construction or licensing of the repository may not proceed unless and until a revised Repository Development Report has been prepared following the same procedures for preparation and review outlined above; and, either (1) the Chairman of the relevant Panel does not formally object to such revised Report or (2) if he does object, Congress passes a concurrent resolution (as above) with respect to the revised report.

303(f). Repository Loading Reports. Prior to the emplacement of significant quantities of nuclear waste or spent nuclear fuel in a repository by any Federal agency or department, the Committee shall prepare a Repository Loading Report. The Repository Loading Report shall update the information contained in the relevant Repository Development Report. The Committee shall prepare such Loading Report in consultation with the Repository Review Panel formed with respect to that repository, and upon completing such Report shall submit it to the Panel for review. The Committee shall submit the complete Loading Report and the comments of the Review Panel on it to the Congress. The procedures for submitting and resolving formal objections of the Panel shall not apply in the case of Repository Loading Reports.

Sec. 304. Congressional Review Procedures. Congress shall have 60 days of continuous session after receiving a Repository Development Report to which the Chairman of a Panel has objected in which to pass a concurrent resolution stating that the Report equitably balances local, State, and national interests.

Committees to which the Report is referred shall have 45 days of continuous session to report such a resolution, after which they would be discharged from further consideration of it. The Chairman of the Committee would be able to amend the Report for the first 30 days of continuous session after its submission. Consideration of the resolution on the floors of both Houses would be under highly expedited procedures.

Sec. 305. Effect on Other Laws. The provisions of this Act shall in no way affect the authority of the NRC to license waste facilities, nor shall it relieve any Federal department or agency of the requirements of the National Environmental Policy Act.

Title IV: Establishment, Membership, and Functions of Nuclear Waste Repository Review Panels.

Sec. 401. Establishment of Nuclear Waste Repository Review Panels. Within 120 days after receiving notification of the Committees' intent to prepare a Repository Development Report for a repository in his state, the Governor of the State may form a nuclear waste Repository Review Panel.

The Repository Review Panel would remain convened until such time as the Committee formally notifies the Panel that the federal government no longer intends to construct or operate such proposed repository, or until such time as the Committee notifies the Panel that a Repository Loading Report prepared with respect to such repository has been submitted to the Congress pursuant to section 303.

Sec. 402. Membership. A Repository Review Panel would consist of the Governor convening the Panel, who would be its Chairman; seven additional State and local government officials and private citizens from that State to be appointed by the Governor; the Governors of any adjacent State or States which would be directly affected by the development of the repository in question, to be appointed by the Nuclear Waste Management Planning Council; and three representatives from each such adjacent State to be appointed by the respective Governor of that State.

Sec. 403. Functions. The Repository Review Panel would review current and planned federal actions regarding the siting, construction, and operation of the relevant proposed repository, and would participate in the preparation of the Repository Development Report for the repository and would, within 90 days after receipt of the Repository Development Report, ascertain whether the Report adequately provided for the protection of State and local interests. At the end of that 90 day period, the Chairman of the Panel, after consultation with other Panel members, could submit to the Committee formal objections that the Repository Development Report does not adequately provide for the protection of State and local interests. The Chairman would state the grounds for his decision and propose amendments to the Repository Development Report.

The Repository Review Panel would participate in the preparation of and would comment on any Repository Loading Report prepared for such repository.●

● Mr. GLENN. Mr. President, on behalf of Senator PERCY and myself, Senator PERCY is reintroducing today the Nuclear Waste Management Reorganization Act, which he and I coauthored during the 96th Congress. A version of this bill, which provides a major new role for States in Federal nuclear waste disposal activities, ultimately was included as an amendment to the comprehensive nuclear waste legislation passed by the Senate last session (S. 2189).

That amendment, I might note, passed by a vote of 83 to 0; the House of Representatives passed similar language on the State role issue, also by a strong majority, but in the closing days of the last session we were unable to compromise the two bills to the satisfaction of all parties. This record demonstrates, however, the very strong support for the general approach Senator PERCY and I have embodied in this bill.

The text of the Nuclear Waste Management Reorganization Act which Senator PERCY is introducing today is identical to the original version of the Percy-Glenn bill introduced at the beginning of the 96th Congress—S. 742.

To provide some additional background on the bill, I am inserting at the end of my remarks a statement that I made at the time of the bill's original introduction. I might note that while there have been considerable improvements in coordination among the concerned executive branch agencies and in easing some of the tensions between the States and the Federal Government, serious problems remain in both areas. Moreover, many of the positive changes which have been made are embodied in Executive Orders or other discretionary rulings or initiatives and do not have the permanence which is essential in this difficult area. We must have a solid, predictable, and effective mechanism for resolving differences among all the parties involved. In a word, legislation is needed and the Percy-Glenn bill provides an evenhanded, widely accepted approach for bringing our national nuclear waste disposal efforts to a successful conclusion.

Mr. President, I ask unanimous consent that the statement I made at the time of the bill's original introduction be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR GLENN

Mr. GLENN. Mr. President, the introduction of the Nuclear Waste Management Reorganization Act of 1979 [now, of 1981] which I have coauthored with Senator Percy, is a major new initiative in our Nation's long-term effort to address the problem of disposing of radioactive wastes safely and permanently. For the past 30 years these lethal and long-lived byproducts of our nuclear weapons and civilian nuclear power programs have been accumulating at temporary storage facilities around the country and, as nuclear power expands in the decades ahead, the amounts of radioactive wastes generated, while not excessive now, will increase in almost geometric proportions.

Serious difficulties have plagued our efforts to develop methods for disposing of these dangerous materials, and numerous technical questions remain to be resolved even today. . . . Major research, development, and demonstration efforts will be needed to deal systematically with these outstanding issues.

One reason for our current lack of knowledge is that over the years the Department of Energy's predecessor agencies, ERDA and AEC, gave relatively little attention to nuclear waste management and tended to minimize the overall difficulty of this task. Related research and development activities

were funded at modest levels and were focused on a narrow range of waste disposal options; fundamental earth sciences questions—geology and hydrology—received little attention. Moreover, little or no account was taken of the research needs of other agencies, in particular the Nuclear Regulatory Commission and the Environmental Protection Agency which are responsible for regulating U.S. nuclear waste disposal activities.

Uncertainty still plagues executive branch nuclear waste program planning today. DOE is proceeding with its Waste Isolation Pilot Plant in Carlsbad, N. Mex., despite the fact that the basic regulatory standards necessary to evaluate the WIPP site have not been issued by the Nuclear Regulatory Commission and the Environmental Protection Agency. [This problem continues even in 1981.]

This lack of coordination among concerned Federal agencies has had a counterpart in the area of Federal-State relations. In particular the Federal nuclear waste disposal program has lacked adequate opportunity for State and local and public participation. Crucial siting and design decisions have been taken outside public view and, until recently, early consultation with individual States even on such vital matters as the siting of a major nuclear waste repository within their borders has often been nonexistent. In reaction to this history of Federal highhandedness many States and municipalities have enacted laws restricting the storage or transport of nuclear wastes in areas under their jurisdiction. The result is a pattern of restrictions on Federal waste management efforts which may seriously hinder our attack on this problem.

The Nuclear Waste Management Reorganization Act of 1979, which Senator PERCY and I are introducing today, attempts to remedy these difficulties by—

Creating a Federal interagency Nuclear Waste Coordinating Committee to insure an integrated government-wide approach to nuclear waste management issues based on comprehensive, annual plans;

Creating a Nuclear Waste Management Planning Council consisting of 11 State and local elected officials and 4 members of the public to participate in the development of Federal nuclear waste management policy; and

Establishing a process to give States and localities, through specially created nuclear waste repository review panels, a dramatically increased role in decisions regarding the siting of individual nuclear waste repositories. This process would permit a State to ban further work on a repository until both Houses of Congress passed a resolution overruling the State's objections.

At the Federal level the Coordinating Committee would insure the proper integration of all Federal waste management actions, including R. & D. activities, and its annual plan would provide a clear statement to the Congress and the public of the direction of the Federal program. State, local, and public views would be incorporated from the start via the advice provided by the Nuclear Waste Management Planning Council, one of whose members would sit on the interagency Coordinating Committee, to provide continuous representation of the Planning Council. This would insure substantial State input on such crucial matters as repository site, selection.

In addition, under the bill, individual States would be immediately notified of any contemplated Federal activities within their borders regarding the siting of a nuclear waste storage or disposal facility and State participation in any Federal evaluations would be encouraged. If, on the basis of such early studies the Federal Coordinating Committee determined to proceed with development of a repository within a given State the Committee would prepare a repository development report on the facility. At the same time, the Governor of that State would convene a nuclear waste repository review panel to work with the Federal Committee on the report being prepared and to review the final report. If the Governor, who would chair the panel, objected to the report on the ground that it did not adequately protect State and local interests, no application for a license to construct the facility could be submitted to the Nuclear Regulatory Commission—or, if no license were required, no site preparation work could begin—until Congress passed a concurrent resolution stating that the report equitably balanced State, local, and national interests.

This mechanism will insure a full review of the State's concerns, while at the same time allowing the repository to go forward if that is found to be essential to the national interest. Negotiations between the Federal Government and the State could continue after the report and the State objections were submitted to Congress. Amendments to the report reflecting the outcome of such negotiations would be possible for the first 30 days of continuous session after the report was submitted.

I believe this mechanism, by giving the States the clear right to put a freeze on further Federal activity, and giving Congress the right to review the matter and to consider it in the context of the wide range of Federal programs affecting the States involved, will allow an orderly and timely resolution of this area of potentially serious State-Federal conflict.

Mr. President, the organizational structure and procedures created by this bill will insure that decisions on the ultimate disposal of nuclear waste will proceed in a scientifically careful and informed manner, and through political and social consensus. I urge the support of my colleagues for it.●

By Mr. BUMPERS (for himself, Mr. JACKSON, and Mr. TSONGAS):

S. 96. A bill to direct the Secretary of the Interior to provide for the protection of the barrier islands, and for other purposes; to the Committee on Energy and Natural Resources.

PROTECTION FOR THE BARRIER ISLANDS

● Mr. BUMPERS. Mr. President, I am introducing today, along with Senator JACKSON and Senator TSONGAS, legislation designed to significantly limit wasteful Federal expenditures which encourage inappropriate development on the barrier islands of the east and gulf coasts of the United States. This legislation was reported unanimously from the Energy and Natural Resources and Environment and Public Works Committees last year. Unfortunately, the Senate was unable to act on this matter before the end of the 96th Congress.

There are over 300 barrier islands, barrier spits, and bay barriers located off the Atlantic and gulf coasts. These entities consist of unconsolidated sand which, as a result of wave action and the rising sea level, migrate toward the shoreline. The deflection of the waves by barrier islands protects the mainland behind them. In fact, many coastal communities and harbors owe their very existence to the protection provided by the barrier islands. A variety of activities, many of them federally funded, can damage these important entities. The creation of building sites destroys these natural vital processes. Bulldozing dunes to provide for oceanfront development greatly diminishes island stability. Diking and filling wetlands and marshes often destroy important wildlife habitat as well as nutrients critical to healthy fish populations. Groins and jetties are built to enhance one beach, but rob sand from another island thus greatly accelerating island retreat.

The development man places on these islands is extremely vulnerable to the violent storms and hurricanes which frequently strike the barrier islands with the full brunt of their force. Access to these islands is usually by ferry or two-lane roads which are often inadequate to evacuate people quickly and safely in cases of impending hurricanes or other disasters.

It is estimated that more than $500 million in Federal funds has been spent over the last 3 years on barrier islands through some 30 different programs administered by 20 different Federal agencies. Much of this money was spent to encourage and subsidize the type of unwise development discussed above. It seems to me to be a tremendous waste of Federal funds to encourage new development on these islands by providing beach stabilization, bridge construction, wastewater treatment facilities, and flood insurance assistance in the first instance, and then paying for reconstruction of these facilities, often in the same place, following a major storm. In an effort to limit the impact of this problem, a limitation and redirection of Federal development subsidies for undeveloped barrier islands are in order.

The legislation I am introducing today will accomplish three things: First, it will help reduce the waste associated with many Federal programs which encourage unwise development on barrier islands; second, it will help reduce the safety hazard associated with hurricanes and other storms; and third, it will serve to protect the important natural, historic, and cultural resources associated with these barrier island ecosystems.

It is important to note that this legislation will only limit Federal actions, assistance, or permits for certain undeveloped islands or undeveloped portions of islands. Developed islands or portions thereof would not be adversely affected. In addition, expenditures for public recreation, navigational safety, energy development, and other crucial projects will not be affected at all.

Mr. President, I am hopeful that this important legislation can be enacted before the end of this Congress. I urge my colleagues to join with me in supporting this measure.●

By Mr. JEPSEN:

S. 97. A bill for the relief of Artemio C. Santiago, doctor of medicine, and Josefina Santiago, husband and wife; to the Committee on the Judiciary.

ARTEMIO C. SANTIAGO AND JOSEFINA SANTIAGO

● Mr. JEPSEN. Mr. President, I send to the desk a bill for the relief of Artemio C. Santiago, M.D., and Josefina Santiago, husband and wife, and ask that it be read twice and reported to the appropriate committee.

Mr. President, I introduced an exact bill on behalf of the Santiago family in

the 96th Congress with the hope of preventing what I and the citizens of Fort Madison, Iowa, consider an unfortunate situation.

Dr. Santiago and his family are of Filipino origin. He and his family entered the United States in 1972 for the purpose of continuing his medical education. Dr. Santiago has initiated his medical training in the Philippines, his residency in Detroit, Mich., an internship in Lorrain, Ohio, and his internal medicine residency in Allen Park, Mich. Dr. Santiago joined in the Valley Clinic in Fort Madison in 1977 and is now a partner in the clinic with an established practice and referral service.

Mr. President, it is very obvious that the problem here does not involve Dr. Santiago's credentials or standing within the community of Fort Madison. The problem is centered on his inability to obtain permanent residency or citizenship within the United States.

The rationale used to deny Dr. Santiago and his family a work permit or permanent residency is that he is no longer eligible for an educational visa. U.S. immigration officials have argued that his request for a work permit as a doctor is not justified because there is not a shortage of doctors in the United States.

His problem is further complicated in that there is a 10-year waiting list of Filipinos awaiting permission for permanent residency in the United States.

Mr. President, I do not concur with that assessment. I am sure many of my colleagues from rural States or States with rural areas will agree that there is a real and frustrating shortage of doctors in rural America. The rural areas of the country desperately need qualified physicians. This is particularly true in my home State of Iowa.

According to the Valley Clinic officials, Dr. Santiago is the only board certified internist in the city of Fort Madison and general county area. His presence and service in Fort Madison has been of mutual benefit to all.

Therefore, it is with great hope this legislation will be passed during this session of Congress.●

By Mr. DANFORTH (for himself, Mr. BRADLEY, Mr. BENTSEN, Mr. CHAFEE, Mr. HEINZ, Mr. CRANSTON, and Mr. TSONGAS):

S. 98. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for certain research and experimental expenditures, and for other purposes; to the Committee on Finance.

RESEARCH AND DEVELOPMENT ACT OF 1981

● Mr. DANFORTH. Mr. President, last year I introduced several pieces of legislation aimed at stimulating additional research and development in our country. One of these bills, S. 2906, was incorporated—with only minor modification—in H.R. 5829, the major tax cut bill reported out of the Senate Finance Committee on September 15, 1980. The bill I am introducing today is the same provision approved by the Senate Finance Committee last year by a vote of 19 to 1.

The Senate Finance Committee report sets out the reasons for the committee's decision as follows:

The committee believes that a substantial tax credit for incremental research and experimental expenditures will overcome the resistance of many businesses to bear the costs of staff and facilities which must be incurred in initiating or expanding research programs. While such costs bear characteristics of investment activity, the relationships between the investment and the subsequent earnings often are less directly identifiable, and many businesses are reluctant to allocate scarce investment funds for uncertain rewards.

Research and experimentation are basic activities that must precede the development and application of new techniques and equipment to production and the development and manufacture of new products. The committee believes that its multifaceted approach in the bill, designed to stimulate a higher rate of capital formation and to increase productivity, appropriately includes incentives for greater private activity in research.

In recent years, spending for these purposes by the federal government and businesses has not been adequate. Although current expenditures increased throughout the past 12 years, real outlays (expressed in 1972 prices) fluctuated in a $2 billion range between $19.1 and $21.1 billion for most of the period. Relative to real gross national product, real research expenditures decreased through 1978 and increased minimally in 1979.

If we are going to control inflation in our country, we must adopt a multifaceted approach designed to stimulate a higher rate of capital and to increase productivity. In my opinion, and that of 18 other Finance Committee members last year, that "multifaceted" approach should include incentives for research and development similar to those which I am introducing today.

Scientific knowledge has always been the cutting edge of American economic strength. As a result, the United States has become the most advanced country in the world. Some studies have concluded that technological innovation has accounted for more than 51 percent of the growth in U.S. productivity. Therefore, America stands to suffer from the decline in research and development spending that has occurred during the last decade. Our current rate of productivity is unacceptably low, and is a major factor in inflation, growing unemployment, and our adverse balance of foreign trade. The legislation I am introducing today can provide a means for reversing these trends. In my opinion, it is essential that legislation similar to this be included in any tax reduction bill enacted by the Congress this year.

Mr. President, I ask unanimous consent that this bill be printed in full following the statement of the Senator from New Jersey (Mr. BRADLEY).●

● Mr. BRADLEY. Mr. President, I am pleased again to have the opportunity to cosponsor with my good friend from Missouri, Mr. DANFORTH, a proposal to offer a maximum 25 percent tax credit for incremental investments in research and experimentation.

As we begin a new year with a determination to improve our economy, increase productivity, and restore American industrial competitiveness in world markets, the importance of this provision cannot be overstated. Innovation has always been the hallmark of our economy. We grew to be the world's strongest economy principally because we developed new products and built them better and more efficiently than anyone else. The decline of our relative position today is due in large part because we have not maintained that great lead over our competitors in these fundamental attributes.

If we are to restore our competitive position and invigorate our economy, we must pay more attention to research and development. Yet strangely, with all the special tax provisions designed to help business, the code is silent on one of the most helpful kinds of tax stimulus. That is why this proposal is so important. It offers an incentive for investment in research and experimentation, and it does so in a way which rewards new levels of investments. Thus, its direct benefit would be to those areas of our economy which are growing and which are the most dynamic. Two sectors that come quickest to mind are electronics and genetic engineering. In different ways these two growth areas are also greatly in need of investments, the one because the research is moving so fast and the competition from foreign sources is so keen, the other because the field is so new, the possibilities potentially unlimited, but the products are not yet commercially developed. There are, of course, other sectors of the economy that would be benefited besides these two.

I am pleased that the Finance Committee adopted this proposal last year in its tax bill. I hope that it will once again find its way into the tax legislation that most certainly will be forthcoming from Congress this year.●

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 98

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TAX CREDIT ALLOWED.

(a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"SEC. 44F. CREDIT FOR RESEARCH AND EXPERIMENTAL EXPENDITURES.

"(a) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 25 percent of the qualified research or experimental expenditures paid or incurred by the taxpayer during the taxable year in carrying on any trade or business of the taxpayer.

"(b) QUALIFIED RESEARCH AND EXPERIMENTAL EXPENDITURES.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified research and experimental expenditures' means the excess of—

"(A) the research and experimental expenditures of the taxpayer for the taxable year, over

"(B) the average of such expenditures during the base period of the taxpayer.

"(2) BASE PERIOD.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'base period' means the 3 taxable years immediately preceding the taxable year for which the determination is being made.

"(B) TRANSITIONAL RULES.—Subparagraph (A) shall be applied—

"(i) by substituting 'first taxable year' for '3 taxable years' in the case of taxable years beginning in 1981, and

"(ii) by substituting '2' for '3' in the case of taxable years beginning in 1982.

"(3) DEEMED TAXABLE YEARS.—If the number of taxable years in the base period exceeds the number of taxable years of—

"(A) the taxpayer, or

"(B) any person with whom the taxpayer is required to aggregate expenditures under subsection (c)(2),

which precede the taxable year, then the taxpayer or such person shall be treated as having a number of taxable years equal to such excess during which no research and experimental expenditures were made.

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) RESEARCH AND EXPERIMENTAL EXPENDITURES.—The term 'research and experimental expenditures' has the meaning given to such term by section 174(f), except that such term shall only include expenditures for research and experimentation conducted within the United States.

"(2) AGGREGATION OF EXPENDITURES.—

"(A) CONTROLLED GROUP OF CORPORATIONS.—In determining the amount of the credit under this section—

"(i) all research and experimental expenditures of members of the same controlled group of corporations shall be treated as expenditures of a single taxpayer, and

"(ii) the credit (if any) allowable by this section to each such member shall be its proportionate share of the increase in research and experimental expenditures giving rise to the credit.

"(B) COMMON CONTROL.—Under regulations prescribed by the Secretary, in determining the amount of the credit under this section—

"(i) all research and experimental expenditures of trades or businesses (whether or not incorporated) which are under common control shall be treated as expenditures of a single taxpayer, and

"(ii) the credit (if any) allowable by this section to each such person shall be its proportionate share of the increase in research and experimental expenditures giving rise to the credit.

The regulations prescribed under this subparagraph shall be based on principles similar to the principles which apply in the case of subparagraph (A).

"(3) PASSTHROUGH IN THE CASE OF SUBCHAPTER S CORPORATIONS, ETC.—Under regulations prescribed by the Secretary, rules similar to the rules of subsections (d) and (e) of section 52 shall apply.

"(4) ADJUSTMENTS FOR CERTAIN ACQUISITIONS, ETC.—Under regulations prescribed by the Secretary—

"(A) ACQUISITIONS.—If, after December 31, 1979, a taxpayer acquires the major portion of a trade or business of another person (hereinafter in this paragraph referred to as the 'predecessor') or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying this section for any taxable year ending after such acquisition, the amount of research and experimental expenditures paid or incurred by the taxpayer during periods before such acquisition shall be increased by so much of such expenditures paid or incurred by the predecessor with respect to the acquired trade or business as is attributable to the portion of such trade or business or separate unit acquired by the taxpayer.

"(B) DISPOSITIONS.—If, after December 31, 1979—

"(i) a taxpayer disposes of the major portion of any trade or business or the major portion of a separate unit of a trade or business in a transaction to which subparagraph (A) applies, and

"(ii) the taxpayer furnishes the acquiring person such information as is necessary for the application of subparagraph (A),

then, for purposes of applying this section for any taxable year ending after such disposition, the amount of research and experimental expenditures paid or incurred by the taxpayer during periods before such disposition shall be decreased by so much of such expenditures as is attributable to the portion of such trade or business or separate unit disposed of by the taxpayer.

"(5) SHORT TAXABLE YEARS.—In the case of any short taxable year, research and experimental expenditures shall be annualized in such circumstances and under such methods as the Secretary may prescribe by regulation.

"(6) CONTROLLED GROUP OF CORPORATIONS.—The term 'controlled group of corporations' has the same meaning given to such term by section 1563(a), except that—

"(A) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1), and

"(B) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

"(d) LIMITATION BASED ON AMOUNT OF TAX.—

"(1) IN GENERAL.—The credit allowed by subsection (a) for any taxable year shall not exceed the amount of the tax imposed by this chapter reduced by the sum of the credits allowable under a section of this part having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43. For purposes of the preceding sentence, the term 'tax imposed by this chapter' shall not include any tax treated as not imposed by this chapter under the last sentence of section 53(a).

"(2) CARRYBACK AND CARRYOVER OF UNUSED CREDIT.—

"(A) ALLOWANCE OF CREDIT.—If the amount of the credit determined under this section for any taxable year exceeds the limitation provided by paragraph (1) for such taxable year (hereinafter in this paragraph referred to as the 'unused credit year'), such excess shall be—

"(i) a research and experimental credit carryback to each of the 3 taxable years preceding the unused credit year, and

"(ii) a research and experimental credit carryover to each of the 7 taxable years following the unused credit year,

and shall be added to the amount allowable as a credit by this section for such years. If any portion of such excess is a carryback to a taxable year beginning before January 1, 1981, this section shall be deemed to have been in effect for such taxable year for purposes of allowing such carryback as a credit under this section. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of 10 taxable years to which (by reason of clauses (i) and (ii)) such credit may be carried, and then to each of the other 9 taxable years to the extent that, because of the limitation contained in subparagraph (B), such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(B) LIMITATION.—The amount of the unused credit which may be added under subparagraph (A) for any preceding or succeeding taxable year shall not exceed the amount by which the limitation provided by paragraph (1) for such taxable year exceeds the sum of—

"(i) the credit allowable under this section for such taxable year, and

"(ii) the amounts which, by reason of this paragraph, are added to the amount allowable for such taxable year and which are attributable to taxable years preceding the unused credit year.".

(b) DEDUCTION FOR RESEARCH AND EXPERIMENTAL EXPENDITURES.—

(1) IN GENERAL.—Section 280C (relating to disallowance of deduction for portion of wages for which credit is claimed under section 40 or 44B) is amended by adding at the end thereof the following new subsection:

"(c) RULE FOR SECTION 44F CREDIT.—In the case of an individual or an electing small business corporation (within the meaning of section 1371(b)), no deduction shall be allowed for that portion of research and experimental expenditures paid or incurred during the taxable year which is equal to the amount allowable as a credit under section 44F for such taxable year (determined without regard to section 44F(d)).".

(2) CONFORMING AMENDMENTS.—

(A) The heading for section 280C is amended to read as follows:

"Sec. 280C. Expenditures for which credit is claimed under section 40, 44B, 44B, OR 44F."

(B) The item relating to section 280C in the table of sections for part IX of subchapter B of chapter 1 is amended to read as follows:.

"Sec. 280C. Expenditures for which credit is claimed under section 40, 44B, or 44F.".

(c) TECHNICAL AMENDMENTS RELATED TO CARRYOVER AND CARRYBACK OF CREDITS.—

(1) CARRYOVER OF CREDIT.—

(A) Subsection (c) of section 55 (relating to credits) is amended by striking out paragraph (3) and inserting in lieu thereof the following new paragraph:

"(3) CARRYBACK AND CARRYOVER OF CERTAIN CREDITS.—For purposes of this part—

"(A) SUBSTITUTE LIMITATION.—In any taxable year in which a tax is imposed by this section (referred to as the 'current taxable year') the limitation on the amount (if any) of credit which may be carried back or over for any credit allowable under subpart A which is not allowable against the tax imposed by this section shall be computed in accordance with subparagraphs (B) and (C).

"(B) ORDER.—The amount of any limitation on carrybacks or carryovers under this paragraph shall be determined with respect to each credit in reverse order of the letter or number designation of the credits.

"(C) DETERMINATION OF AMOUNT.—The amount of each such limitation shall be the amount (if any) by which—

"(i) the amount of the credit allowable for the current taxable year (determined without regard to this paragraph), exceeds

"(ii) the smaller of—

"(I) such limitation (determined without regard to this paragraph), or

"(II) the net tax imposed by this section for the taxable year (reduced by the sum of the amounts determined under this clause with respect to any credit which has a higher number or letter designation).

"(D) NET TAX IMPOSED BY THIS SECTION.—For purposes of this paragraph, the term 'net tax imposed by this section' means the tax imposed by this section reduced by the credit allowed by section 33(a), as modified by paragraph (2).".

(B) Subsection (c) of section 381 (relating to items of the distributor or transferor corporation) is amended by adding at the end thereof the following new paragraph:

"(28) CREDIT UNDER SECTION 44F.—The acquiring corporation shall take into account (to the extent proper to carry out the purposes of this section and section 44F, and under such regulations as may be prescribed by the Secretary) the items required to be taken

into account for purposes of section 44F in respect of the distributor or transferor corporation.".

(C) Section 383 (relating to special limitations on unused investment credits, work incentive program credits, new employee credits, alcohol fuel credits, foreign taxes, and capital losses), as in effect for taxable years beginning after June 30, 1982, is amended—

(i) by inserting "to any unused credit of the corporation under section 44F(d)(2)," after "44E(e)(2),", and

(ii) by inserting "RESEARCH AND EXPERIMENTAL CREDITS," after "ALCOHOL FUEL CREDITS," in the section heading.

(D) Section 383 (as in effect on the day before the date of the enactment of the Tax Reform Act of 1976) is amended—

(i) by inserting "to any unused credit of the corporation which could otherwise be carried forward under section 44F(d)(2)," after "44E(e)(2),", and

(ii) by inserting "RESEARCH AND EXPERIMENTAL CREDITS," after "ALCOHOL FUEL CREDITS," in the section heading.

(E) The table of sections for part V of subchapter C of chapter 1 is amended by inserting "alcohol fuel credits, research and experimental credits," after "new employee credits," in the item relating to section 383.

(2) CARRYBACK OF CREDIT.—

(A) Subparagraph (C) of section 6511(d)(4) (defining credit carryback) is amended by striking out "and new employee credit carryback" and inserting in lieu thereof "new employee credit carryback, and research and experimental credit carryback".

(B) Section 6411 (relating to quick refunds in respect of tentative carryback adjustments) is amended—

(i) by striking out "or unused new employee credit" each place it appears and inserting in lieu thereof "unused new employee credit, or unused research and experimental credit";

(ii) by inserting "by a research and experimental credit carryback provided in section 44F(d)(2)," after "53(b)," in the first sentence of subsection (a);

(iii) by striking out "or a new employee credit carryback from" each place it appears and inserting in lieu thereof "a new employee credit carryback, or a research and experimental credit carryback from"; and

(iv) by striking out "work incentive program carryback)" and inserting in lieu thereof "work incentive program carryback, or, in the case of a research and experimental credit carryback, to an investment credit carryback, a work incentive program carryback, or a new employee credit carryback)".

(d) OTHER TECHNICAL AND CLERICAL AMENDMENTS.—

(1) Subsection (b) of section 6096 (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44E" and inserting in lieu thereof "44E, and 44F".

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 44E the following new item:

"Sec. 44F. Credit for research and experimental expenditures.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1980.

SEC. 232. RESEARCH AND EXPERIMENTAL EXPENDITURES DEFINED.

(a) IN GENERAL.—Section 174 (relating to deduction for research and experimental expenditures), as amended by section 231(b), is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

(f) RESEARCH AND EXPERIMENTAL EXPENDITURES DEFINED.—

"(1) IN GENERAL.—For purposes of this section, the term 'research and experimental expenditures' means amounts paid or incurred by the taxpayer—

"(A) for research for the purpose of discovering information which is potentially useful in—

"(i) the development of a new business item for the taxpayer, or

"(ii) bringing about a significant improvement in an existing business item of the taxpayer, or

"(B) in applying results obtained by research to develop a plan or design for a new business item for the taxpayer, or for a significant improvement in an existing business item of the taxpayer.

"(2) EXCLUSIONS.—The term 'research and experimental expenditures' does not include expenditures related to—

"(A) research in the social sciences or the humanities; and

"(B) to the extent that such expenditures are funded by a grant, contract or subcontract for research and development with any agency or instrumentality of any Federal, State, or local government.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) RESEARCH.—The term 'research' means a planned search or critical investigation, and includes experimentation.

"(B) BUSINESS ITEM.—The term 'business item' means a product, service, process, or technique for use by the taxpayer in a trade or business.

"(C) EXISTING.—The term 'existing' means a business item sold or used by the taxpayer in a trade or business before the taxpayer paid or incurred the amounts for research, or for the application of research results.

"(4) LIMITATION OF AMOUNTS SPENT FOR APPLIED RESEARCH.—No amount shall be taken into account under paragraph (1) as a research and experimental expenditure which is paid or incurred for research, or the application of research results, in connection with a business item after the point at which—

"(A) the new business item or significantly improved business item meets specific functional and economic requirements of the taxpayer for that item, or

"(B) the new or improved item is ready for manufacture, sale, or use.

"(5) PERSONS WITH COMMON INTERESTS.—For purposes of this subsection, a business item of any person with whom the taxpayer is required to aggregate expenditures under section 44F(c)(2) shall be treated as a business item of the taxpayer.".

(b) CONFORMING AMENDMENT.—Subsections (a) and (b) of section 174 are amended by striking out "research or experimental" each place such term appears and inserting in lieu thereof "research and experimental".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1980.●

By Mr. JEPSEN:

S. 99. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child; to the Committee on Finance.

TAX DEDUCTION FOR EXPENSES INVOLVED IN THE ADOPTION OF A CHILD

● Mr. JEPSEN. Mr. President, I send to the desk a bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child.

Mr. President, it was my pleasure during the 96th Congress to introduce a similar bill along with Senator HATFIELD of Oregon, S. 2959. Without exception the bill has captured the interest and imagination of everyone concerned about the status of adoption in America and abroad.

The bill I introduce today has several modifications. After some review and discussion the revised version has an established ceiling of $3,500 for domestic adoption and a $4,500 ceiling for international adoptions. The bill provides that deduction shall be allowable for the first $500 of adoption expenses paid or incurred with respect to an adoption.

The bill further provides that no deduction shall be allowable for any amount for adoption expenses paid from any funds received under Federal, State, or local program. The purpose of this provision is to eliminate the possible abuse of doubledipping.

Finally the bill provides that the act shall apply to adoption expenses paid or incurred after December 31, 1978, in connection with any adoption which becomes final after December 31, 1980.

Mr. President, I am particularly proud of this bill. It has been a labor of love thus far and I look forward to additional comments and additions as may be necessary.

Mr. President, it is my intention to have additional remarks and accompanying material submitted to this bill when the Senate officially reconvenes next week. I would however ask unanimous consent that my remarks of Thursday, July 24, 1980, be inserted into the RECORD, together with the text of the bill.

There being no objection, the bill and the statement were ordered to be printed in the RECORD, as follows:

S. 99

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as section 222 and by inserting after section 220 the following new section:

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction the amount of the adoption expenses paid or incurred by the taxpayer during the taxable year.

"(b) LIMITATION ON DEDUCTIONS.—

"(1) MINIMUM DOLLAR AMOUNT.—No deduction shall be allowable under subsection (a) for the first $500 of adoption expenses paid or incurred with respect to the adoption of any child.

"(2) MAXIMUM DOLLAR AMOUNT.—The aggregate amount allowable as a deduction under subsection (a) for all taxable years with respect to the adoption of any child shall not exceed $3,500 ($4,500 in the case of an international adoption).

"(3) DENIAL OF DOUBLE BENEFIT.—

"(A) IN GENERAL.—No deduction shall be allowable under subsection (a) for any amount for which a deduction or credit is allowable under any other provision of this chapter.

"(B) GRANTS.—No deduction shall be allowable under subsection (a) for any adoption expense paid from any funds received under any Federal, State, or local program.

"(c) DEFINITIONS.—For purposes of this section—

"(1) ADOPTION EXPENSES.—The term 'adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law.

"(2) INTERNATIONAL ADOPTION.—The term 'international adoption' means an adoption—

"(A) occurring under the laws of a foreign country, or

"(B) involving a child who was a citizen of a foreign country who—

"(i) was brought to the United States for the purpose of adoption, or

"(ii) came to the United States under circumstances with respect to which the necessity for the child's placement in adoption proceedings was reasonably foreseeable.".

(b) Section 62 of such Code (defining adjusted gross income) is amended by inserting after paragraph (16) the following new paragraph:

"(17) ADOPTION EXPENSES.—The deduction allowed by section 221.".

(c) The table of sections for such part VII is amended by striking out the item relating to section 221 and inserting in lieu thereof the following:

"Sec. 221. Adoption expenses.
"Sec. 222. Cross references.".

(d) The amendments made by this Act shall apply to adoption expenses paid or incurred after December 31, 1978, in connection with any adoption which becomes final after December 31, 1980.

Mr. JEPSEN. Mr. President, I send to the desk a bill on behalf of myself and the Senator from Oregon (Mr. HATFIELD) which would allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child.

Specifically, Mr. President, the bill amends (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 by including an additional new section entitled "Adoption Expenses." Under the new section there are three new subsections:

(a) "Allowance of Deduction," which establishes the deduction allowance to individuals who incur expenses in an adoption during the taxable year. These deductions are limited to:

Reasonable and necessary adoptive fees.
Court costs.
Attorney fees, and
Other expenses which are directly related to the legal adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law.

(b) "Adoption Expenses Defined," which defines the term "adoption expense."

(c) "Denial of Double Benefit," which provides that there shall be no amount under the bill for computing a deduction or credit under the provisions of itemized deductions for individuals.

The remainder of the bill makes necessary technical corrections to the Internal Revenue Code consistent with the provisions of the bill.

There are many reasons why this bill is necessary. First and foremost is the fact that as a result of Federal and State laws, the Supreme Court decisions relating to adoptions, child custody provisions and parental rights, the cost of adoption has increased dramatically over the years. This is of particular concern to me because of the large number of individuals who literally wait years for the opportunity to adopt and then are faced with the burden of committing large sums of money to finalize the adoption process.

Unbeknown to many Americans, the adoption process involves a great deal of expertise and technical knowledge in statutory as well as administrative law. Even under the most convenient or conducive circumstances an adoption is a lengthy and tedious process.

For example, a blue ribbon case, involving an unwanted child by a college coed who has an adoptive family waiting and financially prepared to accept the child, the process is still filled with high costs, legal technicalities, and administrative delays.

Depending on which State or region of the country a person lives, there may be the cost of terminating the parental rights of a biological parent. Second, the adoptive family may be required to pay for prenatal and maternity care. Then, there is the preplacement cost, and thereafter the actual cost of placement. After placement is provided there is a fee for the State or private agency involved in licensing or providing background information on the child and its ancestry regarding genetic disease. Now comes reasonable attorney fees, court costs and other incidental costs associated with finalizing the adoption process. I must emphasize again, that these are minimal costs of a blue ribbon adoption. The average adoption and adoptions involving a hard-to-place child is much more costly.

In spite of the high cost, tedious technical legal work, and administrative delays, there are a great number of individual families who have a strong desire to adopt a child. This bill will help to encourage and maintain their desires, because it offers a hedge against the built-in financial economic disincentives associated with the adoption process.

Mr. President, I have not yet formally requested a revenue estimate on this bill, but I have made several informal inquiries to the Joint Committee on Taxation and various child welfare and national adoption associations here in Washington and around the country.

According to the Joint Committee on Taxation, there are approximately 150,000 adoptions annually in America. One-third of these adoptions are among families and relatives. Another one-third involves agency adoptions, and the final one-third involves independent adoptions. The Joint Committee on Taxation received this information from the Children's Bureau of the Department of Health and Human Services. The cost to the Nation in lost revenues resulting from this bill according to the committee would be approximately $50 to $60 million.

The nongovernment figures are twice the administration figures, therefore, we may be talking about approximately 300,000 adoptions nationwide with an estimated cost between $100 and $120 million in lost revenues.

I realize that in this period of economic crisis it is not popular to talk about new or additional expenditures. Nevertheless, the adoption process and the public interest in insuring that children in need, as well as individual families who desire to adopt, have every reasonable available alternative to do so must be addressed.

Mr. President, according to the Senate Finance Committee report to H.R. 3434, the Child Welfare Amendments of 1979, the cost of foster care under "Aid to Families with Dependent Children" (AFDC) was approximately $351,171,877 in 1977. I emphasize again, this figure only represents foster care under AFDC. Unfortunately, figures for 1979–80 are not available on the cost of foster care. Nevertheless, it is expected that foster care in America has exceeded $400 million today.

Therefore, Mr. President, the bill I offer will have the effect on reducing the cost of foster care. If children are taken out of the foster care setting, and placed in homes as adopted children, the cost to State and local governments and the Federal match for foster care will be greatly reduced, and as such, represents a very attractive offset of expenditures and loss revenues.

Every child in America should have the opportunity to be surrounded by the love and warmth of a family. Likewise, every individual family ought to have an opportunity to share its sense of family with a child in need if it so desires. There is no such thing as an unwanted child so long as there are parents who want to adopt a child.

The bill which I offer is only one step to curbing the dramatic impact of the high cost of adoptions for those individuals who wish to adopt a child, while at the same time it opens up a new avenue of choice for those individuals who for personal or financial reasons do not desire an unwanted child.

The issue is whether or not the Congress is willing or prepared to respond to this situation in an effective and responsible manner. Therefore, I ask for your support and the support of this Congress in addressing this issue.●

By Mr. DECONCINI:

S. 101. A bill to amend title 18 of the United States Code to define and limit the exclusionary rule in Federal criminal proceedings; to the Committee on the Judiciary.

EXCLUSIONARY RULE

● Mr. DECONCINI. Mr. President, today I am introducing a bill to define and limit the exclusionary rule. The exclusionary rule is the judicially created doctrine under which evidence secured in violation of the fourth amendment becomes inadmissible. The rule has stimulated both beneficial and unfortunate changes in the American system of criminal justice.

One of the more troubling attributes of the rule is the uncertainty of its demands. S. 101 is designed to solve this problem. It would define and limit application of the exclusionary rule in Federal courts. The definition and limitations it would impose are drawn from recent Supreme Court decisions. It would

strengthen the rule and the protections afforded by the fourth amendment by eliminating the unreasonable applications of the rule.

Some scholars view the rule as constitutionally required and immune from congressional modification, see Kamisar, "Is the Exclusionary Rule an 'Illogical' or 'Unnatural' Interpretation of the fourth amendment?" 62 Judicature 66 (1978). The history of the Supreme Court's treatment of the rule makes such assertions untenable, nor does the fourth amendment itself require such an interpretation. It states:

> The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrant shall be issued, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized (U.S. Const. amend. IV).

Unlike the fifth amendment, there is no express language of exclusion. However, concern over abusive law enforcement procedures led the Supreme Court to hold in 1914 that evidence secured by Federal officers in violation of an individual's fourth amendment rights must be excluded from his Federal criminal trial, *Weeks* v. *United States*, 232 U.S. 383 (1914). The Court subsequently made the exclusionary rule applicable to the States through the due process clause of the 14th amendment, *Mapp* v. *Ohio*, 367 U.S. 643 (1961).

Although some of the earlier cases might suggest that the rule is a Fourth Amendment imperative, see, for example, *Elkins* v. *United States*, 364 U.S. 206 (1960), the recent cases make it clear that the rule is a judicial creation subject to modification, see, *United States* v. *Janis*, 428 U.S. 433 (1976); *Stone* v. *Powell*, 428 U.S. 465 (1976); *United States* v. *Ceccolini*, 435 U.S. 268 (1978).

The Court's treatment in Stone against Powell, supra, of the "imperative of judicial integrity" rationale for the rule demonstrates that the rule cannot be considered constitutionally required without reference to the deterrent effect of exclusion in a particular case:

> Although our decisions often have alluded to the "imperative of integrity," *e.g.*, *United States* v. *Peltier*, 422 U.S. 531, 536–539 (1975), they demonstrate the limited role of this justification in the determination whether to apply the rule in a particular context. Logically extended this justification would require that courts exclude unconstitutionally seized evidence despite lack of objection by the defendant, or even over his assent. *Cf. Henry* v. *Mississippi*, 379 U.S. 443 (1965). It would also require abandonment of the standing limitations on who may object to the introduction of unconstitutionally seized evidence. *Alderman* v. *United States*, 394 U.S. 165 (1969), and retreat from the proposition that judicial proceedings need not abate when the defendant's person is unconstitutionally seized, *Gerstein* v. *Pugh*, 420 U.S. 103, 119 (1975); *Frisble* v. *Collins*, 342 U.S. 519 (1952). Similarly, the interest in promoting judicial integrity does not prevent the use of illegally seized evidence in grand jury proceedings. *United States* v. *Calandra*, 414 U.S. 338 (1974). Nor does it require that the trial court exclude such evidence from use for impeachment of a defendant even though its introduction is certain to result in conviction in some cases. *Walter* v. *United States*, 347 U.S. 62 (1954). 428 U.S. at 485.

Instead of viewing the question in absolute constitutional terms, the Court has utilized a balancing test in deciding whether to extend the scope of the rule which the bill would codify in all cases:

> Recognizing not only the benefits but the costs, which are often substantial, of the exclusionary rule, we have said that "application of the rule has been restricted to those areas where remedial objectives are thought most efficaciously served." *United States* v. *Calandra*, 414 U.S. 338, 348 (1974), United *States* v. *Ceccolini*, 435 U.S. 268, 274 (1978).
>
> In short, we conclude that exclusion from federal civil proceedings of evidence unlawfully seized by a state criminal enforcement officer has not been shown to have sufficient likelihood of deterring the conduct of the state police so that it outweighs the societal costs imposed by the exclusion. This court, therefore, is not justified in so extending the exclusionary rule. *United States* v. *Janis*, 428 U.S. 433, 454 (1976).

The Supreme Court, of course, has the authority to modify the exclusionary rule by judicial decision. In order for Congress to similarly change the rule, it must hold comparable authority. It does. The Constitution vests Congress with the power to ordain and establish inferior courts, U.S. Constitution, article III, section 1; to make regulations and establish exceptions with respect to the appellate jurisdiction of the Supreme Court, U.S. Constitution, article III, section 2; and to make all laws necessary and proper for carrying into execution the powers granted the Federal Government by the Constitution, including those granted the courts, U.S. Constitution, article I, section 8. It is generally conceded that Congress has the power to establish rules for the admissibility of evidence in Federal courts, *Usery* v. *Turner Elkhorn Mining Co.*, 428 U.S. 1, 31 (1976); *Tot* v. *United States*, 319 U.S. 463, 467 (1943). Congress has recently exercised this authority by passage of the Federal Rules of Evidence, 88 Stat. 1929 (1975).

Further evidence of the general belief than Congress has the authority to define, modify, and limit the fourth amendment exclusionary rule comes from the bills introduced in the last several Congresses.

These proposals fall into three categories. Some, like S. 101 would bar exclusion of evidence secured through insubstantial violations of the fourth amendment: H.R. 12868 (95th Cong., Representative HYDE and others); S. 2657 (92d Cong., Senator BENTSEN); H.R. 13682 (92d Cong., Representative Hogan). Others would eliminate the exclusionary rule in favor of a statutory claim of cause of action, S. 3014 (95th Cong., Senator Griffin); H.R. 5628 (94th Cong., Representative Steiger); H.R. 10275 (93d Cong., Representative Steiger). The final group includes features of the first two categories. These bills would both eliminate the exclusionary rule in cases of insubstantial violations and provide for a claim or cause of action as a remedy for violation: S. 881 (93d Cong., Senator BENTSEN); H.R. 17096 (92d Cong., Representative McKay). Each of these approaches present problems. Providing for a claim or cause of action for fourth amendment violations brings up collateral issues that should be considered separately. Moreover, total abolition of the Rule ignores the powerful deterrent effect that the rule imposes on police activity.

S. 101 would bar exclusion in Federal criminal cases unless the court found, as a matter of law, that the violation was intentional or substantial. Restriction of the exclusionary rule in instances of unintentional, or insubstantial good faith violations finds support both in the cases and among legal scholars:

> "At least in some cases of this sort, where, in contrast to confessions of dubious reliability, the evidence cannot impair any proper defense on the merits, the object of deterrence would be sufficiently achieved if the police were denied the fruit of activity intentionally or flagrantly illegal—where there was no reasonable cause." Friendly, *Benchmarks*, 260–61 (1967), noted in *Stone v. Powell*, 428 U.S. 465, 490 (1976); see also, *United States v. Janis*, 428 U.S. 433, 454 n.28 (1976); *United States v. Ceccolini*, 435 U.S. 268, 280 (1978); ALI, *A Model Code of Pre-Arraignment Procedure*, SS 290.2(4)(b).

S. 101 requires the court to look at all the circumstances of a case to determine whether a violation was substantial. The court is specifically directed to look at five factors, the first of which is the extent to which the violation was reckless.

The extent to which privacy is invaded is also a circumstance that would be considered in determining whether a violation was substantial. This same wording is found in a comparable provision of the ALI, "A Model of Pre-Arraignment Procedure," SS 290.2(4)(c), and is drawn from the Court's opinions in *Davis* v. *Mississippi*, 394 U.S. 721, 727–28 (1969); *Terry* v. *Ohio*, 392 U.S. 1 (1968); and *United States* v. *Dionisio*, 410 U.S. 1 (1973). These cases reflect the view that the fourth amendment, itself, demands less protection where the level of police invasion is less intrusive.

The third circumstance to be considered is whether exclusion would be an effective deterrent. This is the basic test which the Court used in Ceccolini and the cases in which it refused to expand the exclusionary rule's application. A virtually identical provision is contained in the ALI, "A Model Code of Pre-Arraignment Procedure," SS 290.2(4)(d).

The final specific circumstance which courts might consider under S. 1885 in determining whether a violation was substantial is "whether, but for the violation, the things seized would have been discovered, or the relationship between discovery and violation is attenuated." This provision also reflects the ALI provisions, SS 290.2(4)(e), and a number of Supreme Court decisions. The Court in Ceccolini observed that—

> The constitutional question under the Fourth Amendment was phrased in *Wong Sun* v. *United States*, 371 U.S. 471 (1963), as whether "the connection between the lawless conduct of the police and the discovery of the challenged evidence has become so

attenuated as to dissipate the taint." 435 U.S. at 273–74.

Also, the fact that evidence would have been available without the violation is a factor to be considered for purposes of exclusion. The Ceccolini court looked at the facts in light of this specific factor:

While the particular knowledge to which Hennessey testified at trial can be logically traced back to Biro's discovery of the policy slips, both the identity of Hennessey and her relationship with the respondent were well known to those investigating the case. *Id.* at 279.

By thus clearly delineating the dimensions of the exclusionary rule, S. 1885 would both invigorate fourth amendment protections and ease the caseload burdens of the Federal courts.

It is undeniable that given a choice between applying the exclusionary rule in hard cases and interpreting the Fourth Amendment so as to make application of the rule unnecessary, the judicial temptation to apply the fourth amendment narrowly is very alluring, see Geller, "Enforcing the Fourth Amendment: The Exclusionary Rule and Its Alternatives," 1975 "Washington University Law Quarterly," 621, 682–84; *Coolidge* v. *New Hampshire*, 403 U.S. 443, 490–91 (1971) (Harland, J., dissenting):

From the several opinions that have been filed in this case, it is apparent that the law of search and seizure is due for an overhauling.

By removing the application of the exclusionary rule in cases of unintentional or insubstantial fourth amendment violations, S. 1885 would reduce judicial efforts now expended in such cases frequently at the expense of the scope of fourth amendment protections. Yet, importantly, the bill requires the court to first find whether, as a matter of law, a violation had occurred. In novel factual situations the court would make a determination whether the specific facts constituted a violation, and then whether the violation was intentional or substantial. This provision is intended to overcome the objections of those who fear that a limitation on absolute exclusion will freeze fourth amendment adjudication at its present stage of development.

Since the bill preserves the rule for substantial violations, while eliminating application in those cases most likely to produce a narrower interpretation of the fourth amendment, it should enhance the protection of individual privacy.

That the criminal accused has a right not to be convicted on the basis of evidence secured in violation of the Constitution is questionable, see, *United States* v. *Calandra*, 414 U.S. 338 (1974). Still, the bill would deny the Government the benefits of either intentional or substantial wrongdoing.

The heart of S. 101 is the elimination of the exclusionary rule where it has no deterrent effect. While there is debate as to the efficacy of the rule, its total abolition would not lead to greater compliance with the fourth amendment.

Mr. President, S. 101 will preserve and strengthen the exclusionary rule in instances of flagrant violation. This will allow the continued development of the Federal law of search and seizure. Police activity will still be subject to judicial review and law enforcement agencies will continue to have the responsibility to educate, train, and supervise their employees, see Oaks, "Studying the Exclusionary Rule in Search and Seizure," 37 University of Chicago Law Review 665, 756 (1970).

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 101

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 223 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 3505. Definition and limitation of exclusionary rule

"(a) Evidence shall not be excluded from any Federal criminal proceeding solely because that evidence was obtained in violation of the fourth amendment to the Constitution unless the court finds as a matter of law that—

"(1) a violation has occurred, and

"(2) such violation was intentional or substantial.

"(b) In determining whether a violation is substantial for the purposes of this section, the court shall consider all of the circumstances, including—

"(1) the extent to which the violation was reckless;

"(2) the extent to which privacy was invaded;

"(3) the extent to which exclusion will tend to prevent such violations;

"(4) whether, but for the violation, the things seized would have been discovered; or whether the relationship between the things discovered and the violation is attenuated.".

(b) The table of sections of such chapter is amended by adding at the end thereof the following item:

"3505. Definition and limitation of exclusionary rule.".●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 102. A bill to amend title XVIII and XIX of the Social Security Act to provide that professional nurse services shall be covered under part B of medicare and shall be a required service under medicaid; to the Committee on Finance.

S. 103. A bill to amend title 5 of the United States Code to provide payments under Government health plans for services of nurses not performed in connection with a physician; to the Committee on Governmental Affairs.

LEGISLATION RELATING TO NURSE SERVICES

● Mr. INOUYE. Mr. President, today I am introducing legislation to amend both the Social Security Act and the Federal employee health benefit program to provide that professional nursing services will be a mandated benefit regardless of whether or not there is actual physician involvement.

In my judgment, for too long a time now, we have assumed that our Nation's health care programs should reimburse services provided by physicians and treat nursing services as if they were merely incidental to those of a physician. Accordingly, we do in fact have a mechanism for reimbursing nursing services, but that is by "masking" services as if they were in fact provided by a physician or clearly labeling them as incidental to a physician.

I personally do not feel that this is an appropriate recognition for the many skills of our Nation's professional nurses nor do I feel that it has been a cost-effective manner in insuring quality care. Accordingly, my proposal today would rectify that situation and allow our Nation's professional nurses to bill appropriately for the care that they provide.

Mr. President, I ask unanimous consent that the text of these bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 102

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(s)(2) of the Social Security Act is amended—

(1) by striking out "and" at the end of subparagraph (F);

(2) by adding "and" at the end of subparagraph (G); and

(3) by adding at the end thereof the following new subparagraph:

"(H) professional nurse services;".

(b) Section 1861 of such Act is amended by adding at the end thereof the following new subsection:

"PROFESSIONAL NURSE SERVICES

"(dd)(1) The term 'professional nurse services' means services performed by or under the direct supervision of a professional nurse (as defined in paragraph (2)) which he is legally authorized to perform under State law (or the State regulatory mechanism provided by State law) of the State in which such services are performed, whether or not he is under the supervision of, or associated with, a physician or other health care provider.

"(2) The term 'professional nurse' means an individual who is a registered nurse and is licensed to practice nursing in the State in which the professional nurse services are performed.".

SEC. 2. (a) Section 1905(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (17);

(2) by redesignating paragraph (18) as paragraph (19); and

(3) by inserting after paragraph (17) the following new paragraph:

"(18) professional nurse services (as defined in section 1861(dd)); and".

(b) Section 1902(a) of such Act is amended—

(1) by striking out "paragraphs (1) through (5) and (17)" in paragraph (13)(B) and inserting in lieu thereof "paragraphs (1) through (5), (17), and (18)";

(2) by striking out "paragraphs (1) through (5) and (17)" in paragraph (13)(C)(i) and inserting in lieu thereof "paragraphs (1) through (5), (17), and (18)";

(3) by striking out "paragraphs numbered (1) through (17)" in paragraph (13)(C)(ii) and inserting in lieu thereof "paragraphs numbered (1) through (18)"; and

(4) by striking out "paragraphs (1) through (5), (7), and (17)" in paragraph (14)(A)(i) and inserting in lieu thereof "paragraphs (1) through (5), (7), (17), and (18)".

SEC. 3. (a) The amendments made by the first section of this Act shall be effective with respect to services performed on or after the first day of the first month which begins more than 60 days after the date of the enactment of this Act.

(b)(1) Except as provided under paragraph (2), the amendments made by section 2 shall be effective with respect to payments under title XIX of the Social Security Act for calendar quarters beginning more than 60 days after the date of the enactment of this Act.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by section 2, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

S. 103

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (k) of section 8902 of title 5, United States Code, is amended by striking out "or optometrist" each place it appears and inserting in lieu thereof ", optometrist, or nurse".

SEC. 2. The amendment made by the first section of this Act shall apply to contracts entered into on or after the date of the enactment of this Act.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 104. A bill to amend title I of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to prohibit the reduction of disability payments under employer-maintained disability compensation plans whenever certain social security benefit programs are increased; to the Committee on Finance.

DISABILITY PAYMENTS

● Mr. INOUYE. Mr. President, today I am reintroducing a bill designed to deal with a serious inequity, currently legal, which allows insurance companies to reduce private disability benefits paid to policyholders by the amount of cost-of-living increases in social security payments.

Congress, in providing periodic cost-of-living increases in social security payments, intended to allow the income of beneficiaries to keep pace with inflation. That intent is completely subverted when insurance companies can reduce benefit payments by the amount of the cost-of-living increases. By using that practice insurance companies force disabled social security beneficiaries to live on fixed incomes subject to the ravages of inflation, while earning an unfair windfall profit themselves on each increase in social security payments. The disabled, who may well be unable to supplement their income with other employment and who often require ever more expensive medical treatment, can ill afford to have the cost-of-living increases intended for them diverted to subsidize insurance companies.

Therefore, I wish to take some corrective action. My bill will accomplish the reform so urgently needed in this area without disturbing the customary State regulation of the insurance industry. It amends the 1974 Employee Retirement Income Security Act and the 1954 Internal Revenue Code to prohibit the accrual of increased social security benefits toward defraying, reducing, or subrogating the payments owed beneficiaries under private insurance contracts.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 104

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 206(b) of the Employee Retirement Income Security Act of 1974 is amended by striking out "a pension plan" in paragraph (1) and inserting in lieu thereof "an employee welfare benefit plan".

SEC. 2. (a) Section 264 of the Internal Revenue Code of 1954 (relating to certain amounts paid in connection with insurance contracts) is amended by adding at the end thereof the following new subsection:

"(d) Certain Disability Compensation Plans.—Notwithstanding the provisions of sections 162, 212, and 404, no deduction shall be allowed for amounts paid or contributed to or under a disability compensation plan by the employer maintaining that plan if under the plan the benefits payable to an individual receiving benefits under the plan are reduced, or any scheduled increase in such benefits is omitted, on account of any increase in monthly insurance benefits to which such an individual is entitled under title II of the Social Security Act if such increase occurs after such individual begins to receive benefits under such plan. For purposes of this subsection, the term 'disability compensation plan' means a program (including a program of insurance) established by an employer under which employees receive periodic payments or a lump-sum payment in compensation for physical or mental disability resulting from their employment.".

(b)(1) The caption of section 264 of such Code is amended by inserting after "CONTRACTS" the following: "OR UNDER CERTAIN DISABILITY COMPENSATION PLANS".

(2) The table of sections for part IX of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 264 and inserting in lieu thereof the following:

"Sec. 2644. Certain amounts paid in connection with insurance contracts or under certain disability compensation plans.".

SEC. 3. The amendment made by the first section of this Act applies to plan years beginning after the date of the enactment of this Act. The amendment made by section 2 applies to taxable years beginning after the date of the enactment of this Act.●

By Mr. INOUYE (for himself and MATSUNAGA):

S. 105. A bill to amend chapter 34 of title 38, United States Code, to authorize the Administrator of Veterans' Affairs to extend, under certain circumstances, the period within which a veteran must complete a program of education under such chapter; to the Committee on Veteran's Affairs.

EXTENSION OF EDUCATION BENEFITS

● Mr. INOUYE. Mr. President, today I am proposing legislation to authorize the Administrator of the Veterans' Administration to extend, upon a showing of compelling reasons, the period within which a veteran must use his or her educational benefits.

Our present laws entitle veterans, who are discharged after January 31, 1955, 10 years to complete their educational pursuits with the stipulation that this time limit does not go beyond December 31, 1989. An extension of this time limit is provided to those veterans who have been prevented from beginning or completing their chosen program of education because of a physical or mental disability, and not the result of willful misconduct.

Unfortunately, however, recently discharged veterans have been able to obtain only minimal assistance in their efforts to move upward toward their educational goals. Accordingly, with this amendment, I am seeking to give every opportunity possible to the members of the Armed Forces to lead productive and prosperous lives when they return home. I also feel that this amendment possesses the potential of enhancing our capability to recruit and retain members of the Armed Forces.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 105

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1662 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"EXTENSION OF DELIMITING PERIOD

"(f) Notwithstanding any other provision of this subsection, other than subsection (e), the Administrator is authorized to extend, for such period as the Administrator deems appropriate, the delimiting period applicable to any veteran when such veteran can demonstrate a compelling reason for such veteran's inability to complete such veteran's educational program within the delimiting period otherwise applicable. The Administrator shall issue regulations specifying the reasons for which extensions under this subsection will be granted.".●

By Mr. INOUYE:

S. 106. A bill to require the disclosure of information relating reports prepared for executive agencies by experts or consultants; to the Committee on Governmental Affairs.

FEDERAL REPORTS AUTHORSHIP DISCLOSURE ACT OF 1981

● Mr. INOUYE. Mr. President, as part of our continuing efforts to provide a more open government, we have enacted laws for freedom of information, government in the sunshine, campaign finance disclosure, and established the Federal Elections Commission. We have in recent years passed various disclosure laws.

Today, I introduce a disclosure bill which affects us in many ways as both Members of Congress and American citizens.

Many of the decisions we make and the opinions we form are based upon studies we read, produced by the Federal Government. We assume that a report issued by a Government agency repre-

sents the collective wisdom of the career officers in that agency who have developed considerable expertise in the execution of their work.

Unfortunately, sometimes this is not the case. These Government officials are often too busy to devote time to research and writing. Instead, outside consultants and experts are hired to prepare studies which are subsequently released for public consumption. I believe that all Government reports, like medicine and foods, should be labeled so that we, in Congress and the American public, can have an opportunity to know what we are going to digest before we swallow it.

The purpose of this bill is to make every Government agency that issues a report, be it a study, plan, evaluation, manual, presentation, publication or other document, state who actually prepared it if it was not prepared by personnel of that agency. In this way, the consumers of information will have a better idea of the real source of Government-disseminated information.

In addition, the bill calls for disclosure of the amount of the contract and the names of the principal experts or consultants who worked on the report. Too often, some agencies have permitted travesties in funding contracts far beyond the value of the report to be produced.

If each report contracted by a Government agency had to disclose how much it cost, much abuse might be avoided. I am sure that many agencies would think twice about okaying contracts if the subsequent reports were to state the cost of the contract.

The bill will force disclosure of the type of bidding used to let the contracts. Too often sweetheart deals are permitted, because of the supposed sole-source competence of one firm. Too often cost-plus contracts allow a supposedly lowest cost bidder to escalate the final price far beyond their competitors' original bids. Publishing the type of contracting used in each report will permit the public and the competition to be aware of what contracting procedures were used and allow them to challenge any inequities they perceive. Finally, this bill will require that copies of all such reports be deposited with the General Accounting Office.

Mr. President, this bill is one more measure, like those we have enacted in recent years, to make our Government more open and more deserving of the faith the American people have entrusted to us. In itself, it will not dramatically change the nature of Government operations, but it will be one more step in our continuing efforts to make our Government more open and responsive to the American people.

To further exemplify the attributes of the bill that I am introducing today, I would like to call your attention to an article recently published in the spring, 1980, edition of Management entitled "An Interview with U.S. Senator Pryor—Are Anonymous Consultants Establishing Federal Policy?" As my distinguished colleague so eloquently states:

It is time . . . to bring some sunshine into the consulting business arrangements with government via being able to identify who the consultants are, how they got these contracts, who signed off on each one, for what reason it was given, and whether it was sole source or competitive.

The article illustrates the dangerous implications involved in contracting out with little or no accountability assumed by the consultants performing the work. As a result, I ask unanimous consent for printing of the text of the bill and of the article in the RECORD.

There being no objection, the bill and the article were ordered to be printed in the RECORD, as follows:

S. 106

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Reports Authorship Disclosure Act of 1981".

SEC. 2. (a) For the purposes of this Act, the term—

(1) "agency" means any authority in the executive branch of the Government of the United States;

(2) "expert or consultant" means any individual who is not an official, officer, or employee of the United States Government or any organization consisting of two or more such individuals; and

(3) "report" means a study, plan, evaluation, manual, presentation or other document which is prepared by an expert or consultant pursuant to a contract or purchase order with an agency, and which is submitted (A) to such agency, or (B) on behalf of such agency, to any other authority of the United States Government.

(b) Any document which is published, distributed, or transmitted by any agency and which consists of, in whole or in part, information or other matter derived from any report which was submitted to such agency pursuant to a contract between any agency and an expert or consultant which was initially awarded for the preparation of that document, shall include on the title page or the next consecutive page—

(1) the names of the principal experts or consultants who prepared or contributed to such report;

(2) the duration and the beginning and closing dates, if available, of the contract pursuant to which such report was prepared;

(3) the total amount to be paid by such agency under such contract;

(4) the name of the agency to which such report was submitted and the name of the officer or employee who awarded such contract;

(5) the type of procurement which was used prior to the award of any such contract; and

(6) a copy of each such document shall be supplied to the General Accounting Office not later than 10 days after the date of issue of such document. Each document shall be recorded in order of receipt by the General Accounting Office and maintained by said Office for a period of five years following its date of issue.

AN INTERVIEW WITH U.S. SENATOR DAVID PRYOR

Q. You have served as a State Representative, Congressman, Governor and Senator since you were first elected to public office in 1960. How has government changed in that time?

A. Obviously, it has become much more complex. That trend, of course, began long before I was elected, began at least 30 years ago. Congress has delegated an enormous amount of its power to regulatory and administrative agencies. For the most part, that is both understandable and acceptable. But the agencies have, in turn, passed that authority on to consulting firms which are, to a very great degree, beyond accountability. Far from the people or their elected representatives, decisions are being made which affect the lives of our citizens. That is a dangerous trend, an undemocratic one, and I think may even be an unconstitutional one.

Q. Could you be specific? Could you give me an example of what you find troubling?

A. Sure. All of us are immensely concerned with the cost of government regulations. The Senate Committee on Governmental Affairs, in considering regulatory reform legislation, has mandated analysis and impact statements on the cost/benefit ratio of regulations. What happens? Instead of making the analysis in house, agencies turn to outside consultants, often on sole source contracts. As a Senator, I don't want the views of some anonymous consultant. The theory that judgments made "out there" are more objective is false.

There are serious potential, if not actual, problems of conflict of interest as unaccountable outsiders begin to make basic decisions for us. The decision on whether a regulation is too costly or not is not a decision to be left to a kind of shadow government that is neither elected nor appointed. I repeat: it is a very dangerous trend.

Contracting out has another debilitating consequence. Because it is a lucrative business, private firms can recruit government career employees because of higher salaries.

Q. Is that a real problem?

A. Sure it is. Contractors have the ability to pay more money and offer other inducements. They attract some of our more able people, leaving government less able to do what Congress has mandated because we've lost that manpower. The agency then says, "Look, we don't have the proper manpower to do what you ask. We need money to go outside."

That just doesn't make sense. We are creating an insatiable monster that is devouring our own people. As a result, we are already to the point where we are mandating regulatory reform responsibilities to agencies knowing full well that they may not have the expertise left to do the job.

But we haven't reached a point of no return. I think we can, and must, do these jobs within government. We can do it at less expense and more efficiently and responsibly. We still have the opportunity to save ourselves if we act, instead of just accepting the inevitability of contracting out.

Q. How big do you think the contracting out business and bureaucracy is?

A. No one knows precisely. I don't. Our committee doesn't. We all have tried to find out. Even the President doesn't know, and he has been possibly the first President to really try to get a handle on it. During his first month or two in office, he directed the Office of Management and Budget to report on the number of contracts, how much and with whom. There are billions of dollars of contracts out there, and in three years of trying hard, OMB has not been able to come up with a complete list. It is so institutionalized—beyond party or administration. It's incredible. We are shooting in the dark when we try to question what's going on.

Q. Is there something that should be done, that will be done?

A. Well, I'm trying . . . by oversight, by statute . . . to bring some sunshine into the consulting business arrangements with governments. I want us to be able to identify who the consultants are, how they got their contracts, who signed on each one, for what reason it was given and whether it was sole source or competitive. Demanding that kind of information on each contract would be a huge first step into the sunshine.

Q. Are you saying that all the money spent on consultants' contracts is wasted?

A. No. Some of it is useful. Some of it is even necessary. But, as I've said, nobody knows. GAO has analyzed the results and says that in one department, the Department of Defense, almost 40 percent of the results are never looked at and obviously, therefore, never used.

Beyond that, many more contracts should never be let because the subject has already been studied, either in another part of the same agency, or in another agency. The system goes on its inefficient and expensive way because everything is so fuzzy. We don't have a clearing house on proposed contracts to match what is proposed with what is available or being done elsewhere. Who knows what wisdom is covered with dust on some shelf? If we eliminated duplication and the 40 percent nobody reads, we could probably save half of what we spend on consulting contracts.

Q. Would you have a single clearing house? One for each agency?

A. Well, I started out with the idea of one clearing house for the entire Federal government, but I think that is probably too unwieldly and not the way to begin. I would now start with one for each department. And I'd make them report to Congress annually.

Q. Are there some agencies worse than others?

A. The answer is yes, but I really don't want to point fingers at anyone, where they don't have a chance to respond. In any case, it is a government-wide problem. I would guess that some agencies farm out half their professional work to consultants. They become great big laundries . . . legal ones, of course . . . which pass huge quantities of appropriated money through to private firms. It's a welfare program for PhD's. It's a very scary thing to have questions of basic concern to this nation being decided by faceless private institutions and people. Back home, we'd say that's swimming in very sharky waters.

Q. Some managers would not agree with you. They feel it is cheaper and more efficient to go outside to get a job done, rather than hiring career civil servants with the long-term burden of medical benefits and retirement and salaries. What do you say to them?

A. Of course there are going to be many instances where there is technical expertise outside government that we need and need quickly. That is the benefit of contracting out—reaching out to what you don't have available.

What I object to is the mentality of never considering alternatives to contracting out. It has become a Pavlovian reaction. Got a problem, get a consultant.

I am not saying get rid of all consultants. I am saying justify the contracts. I am saying use career public servants more. If we did, we'd eliminate a lot of what I see as bad procedure.

Q. What about employment ceilings? Good or bad?

A. I'm not for hiring anyone we don't need, but we have made such a virtue of employee ceilings and not adding anyone to the payroll that we are deluding ourselves. The bottom line is the amount of dollars we spend, not how many Federal employees we have. It is really deceitful to say with such pride that we have kept the number of employees down while we tremendously increase the dollars going to consulting firms.

Q. Will there be new regulations, new standards, more oversight on contracting out?

A. Yes. Hopefully this session. But if not now, then soon. I mentioned earlier some of the things I think need to known about every contract. I have proposed that these questions and others like them be answered for every contract let. I hope ultimately to have all agencies of government covered by this kind of sunshine legislation. When I am successful, and I intend to be, we will for the first time, know what we are doing and where we are in the field of consultants and contracting out.

You haven't asked, but I want to add something here that I've thought about for some time. The consultant problem is not just a Washington, D.C. problem. It is not just a Federal problem. It exists on a state and local level, too. And, to a large degree, I think it is a problem because Federal regulations and policies, often written by consulting firms, lock in the need for state and local governments to hire consultants to perform certain tasks and to meet certain criteria before grants or loans are made. We see an increased entanglement of the consulting industry on Federal, state and local levels. It's a vicious cycle.

Q. You spoke earlier of constitutional questions of contracting out. Could you expand on that?

A. I don't pretend to be a constitutional scholar, but I think we are very close, in many instances, to the improper delegation of authority. I frankly think that consultants are establishing Federal policy, something that was not contemplated by the Constitution or Congress. It's tough enough for citizens to try to hold their elected representatives accountable and responsible. They can't touch the consultant hiding in the murky waters of contracting out. That is no way to govern. That is no way to restore faith in government.

Q. How has this all come about?

A. Well, the complexity we talked about at first, the involvement of government in more fields, in more technical fields. I think, too, maybe both Congress and Federal managers have been too casual with defining who establishes policy. I hope to do something about that. Even without new legislation, I also hope that managers will take it upon themselves to question their own actions in contracting out.

I can tell you that I am looking closely right now at an arrangement one major agency has with some of its contractors. They provide what amounts almost to a retainer fee to a consulting firm, saying, essentially, "We will be calling on you from time to time for advice. When we use up your retainer, let us know and we'll give you some more." It's an outrageous system.

I know that managers need discretionary power, but it shouldn't be so discretionary that it abuses the public trust. Responsible managers should be able to defend their actions . . . and their results.

I don't expect to solve the problems of contracting out by myself or quickly. But I intend to persist until I have the allies to do so. The American people deserve better than having their lives regulated by consultants to agencies who have been directed by Congress to do something.●

By Mr. INOUYE:

S. 107. A bill to amend title 10, United States Code, to authorize former members of the Armed Forces who are totally disabled as the result of a service-connected disability to travel on military aircraft in the same manner and to the same extent as retired members of the Armed Forces are permitted to travel on such aircraft; to the Committee on Armed Services.

TRAVEL OF CERTAIN FORMER MEMBERS OF THE ARMED FORCES

● Mr. INOUYE. Mr. President, today I am reintroducing a bill which is of great importance to a group of patriotic Americans. This legislation is designed to extend space-available travel privileges on military aircraft to those who have been totally disabled in the service of our country.

Currently, retired members of the Armed Forces are permitted to travel on a space-available basis on unscheduled military flights within the continental United States and on scheduled overseas flights operated by the military airlift command. My bill would provide the same benefits for 100-percent, service-connected disabled veterans.

Surely we owe these heroic men and women who have given so much for our country a debt of gratitude. Of course, we can never repay them for the sacrifice they have made on behalf of all of us but we can surely try to make their lives more pleasant and fulfilling. One way in which we can help is to extend military travel privileges to these distinguished American veterans. I have received numerous letters from all over the country attesting to the importance attached to this issue by veterans. Therefore, I ask that my colleagues show their concern and join me in saying "thank you" by supporting this legislation.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 107

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 53 (relating to miscellaneous right and benefits) of title 10, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 1032. Travel privileges on military aircraft for certain former members of the armed forces

"A former member of the armed forces who is entitled to compensation from the Veterans' Administration for a service-connected disability rated total in degree by the Veterans' Administration is entitled, in the same manner and to the same extent as are retired members of the armed forces, to travel on a space-available basis on unscheduled military flights within the continental United States and on scheduled overseas flights operated by the Military Airlift Command.".

SEC. 2. The table of sections at the beginning of chapter 53 of title 10, United States Code, is amended by adding at the end thereof a new item as follows:

"1032. Travel privileges on military aircraft for certain former members of the armed forces.".●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 108. A bill to amend title 10 of the United States Code relating to retention in active service of certain officers; to the Committee on Armed Services.

RETENTION OF CERTAIN ACTIVE SERVICE OFFICERS

Mr. INOUYE. Mr. President, a situation has been called to my attention which I believe requires congressional action. Under the law presently in force, the Secretary of the Army may retain in an active status any consenting reserve

officer in the Medical Corps, the Dental Corps, the Chaplaincy, the Army Nurse Corps, or the Army Medical Specialist Corps, until that officer reaches 60 years of age. Officers not included in the enumerated branches of the Army must retire when they satisfy the mandatory retirement requirements. In my judgment, this provision results in a significant loss of talent and taxpayer dollars. There are many situations in which Reserve officers continue to serve after they fulfill the conditions for mandatory retirement. Even though they want to give of their time and talent, even though thousands of taxpayers' dollars have gone toward training them, and even though the Army itself would like to continue to utilize their services the law forces these officers to retire.

The bill which I am reintroducing today would amend title 10 of the United States Code to allow the Secretary of the Army to retain a consenting Reserve officer in active status, regardless of his branch of service, until he reaches 60 years of age. Enactment of this bill will not result in an increase in the budgetary requirements of the Department of Defense. Therefore, I believe that this measure, which can offer so much at such a small cost, is deserving of the support of the Congress.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD as follows:

S. 108

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 3855 of title 10, United States Code, is amended by striking out everything after "reserve officer" down through the period and inserting in lieu thereof "until the date on which such officer becomes sixty years of age.".●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 109. A bill to amend title 38, United States Code, to provide that the Administrator of Veterans' Affairs may furnish outpatient dental services and treatment for a non-service-connected disability to any war veteran who has a service connected disability of 80 per centum or more; to the Committee on Armed Services.

CERTAIN MEDICAL TREATMENT TO CERTAIN DISABLED VETERANS

● Mr. INOUYE. Mr. President, I am introducing today, legislation which would provide for free outpatient dental care to any war veteran who is 80 percent or more disabled as a result of his military service. Veterans will be eligible for this care even if their dental problems are unrelated to their service injuries.

Legislation passed by the 91st Congress provides free medical and outpatient care for veterans of all wars who were totally and permanently disabled by service-related injuries. This law, Public Law 91–102, was designed to care for the medical needs that would arise during their lives, but would be unrelated to their military wounds. It however, specifically forbids payment for outpatient dental care. My bill seeks to fill the gap left by Public Law 91–102.

According to one estimate, 175,000 veterans would be eligible for dental care if this bill is passed. Currently, these men get free care only if their problems are directly related to their service disability. But, as the Disabled American Veterans noted when they urged me to introduce this measure, many veterans live on limited, fixed incomes. Dental costs are rising along with everything else in these inflationary times, and an increasing number are being forced to go without proper dental care because they cannot afford it.

Until 1973, blind, paraplegic veterans were eligible for free outpatient dental services. But the regulation permitting that was rescinded in 1973, much to the dismay of the severely disabled veterans who were its beneficiaries. Even now, veterans who attend school or undergo on-the-job training and spend time at a VA hospital are eligible for dental treatment without regard to their degree of disability. But many veterans do not want to, or cannot, be admitted to our overcrowded and understaffed veterans hospitals.

This neglect of men who served their Nation with honor strikes me as nearly criminal. How can we ask young Americans to serve this country when they see how it has ignored the needs of those who fought in past years to keep America free?

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 109

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (5) of section 612(b) of title 38, United States Code, is amended to read as follows:

"(5) which is a non-service-connected condition or disability of a veteran of any war who has a service-connected disability rated as 80 per centum or more; or".●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 110. A bill to amend titles XVIII and XIX of the Social Security Act to provide that gerontological nurse practitioner services shall be covered under part B of medicare and shall be a required service under medicaid; to the Committee on Finance.

PROVISIONS OF CERTAIN SERVICES UNDER MEDICARE

● Mr. INOUYE. Mr. President, today I am introducing legislation which would amend our Nation's medicare law in order to provide for the independent reimbursement of those services that are rendered by professional gerontological nurse practitioners. Reimbursement of gerontological nurse practitioners should be provided whether they are self-employed, employed within an organized nursing service such as a nursing home, or employed within a multidisciplinary agency that lacks an organized nursing service organization.

The population of America is growing increasingly older, with more than 10 percent of all people now age 65 or older. The aged person, likely to have one or more chronic diseases, is in need of long-term health care. Long-term care demands more of the human service known as nursing than any other profession. Most of the known needs of medicare beneficiaries for primary health care services can be provided by qualified registered nurses.

Gerontological nurse practitioners are registered nurses who have received specialized education that prepares them to assume responsibility for delivery of primary care to older adults. Studies of the role of nurse practitioners conclude that care provided by these professionals is comparable in outcome to care given by physicians, rates high in consumer satisfaction, and is cost-effective. Care rendered by nurse practitioners has been applauded because of the priority placed on patient education, fostering self-care strategies, illness prevention, and health maintenance. Nursing services are intrinsically therapeutic in and of themselves and thereby, capable of restoring patients to optimal health or enabling them to adapt to chronic illness, disability, or terminal disease.

The first meaningful contact between patients in underserved areas and the health care system most often involves a public health nurse or nurse practitioner. For most patients the nurse practitioner sees, assesses, and treats with no direct physician involvement. Requirement of a physician's signature or so-called supervision is unnecessary and very costly.

The present structure makes hiring practitioners an economic liability for health care administrators. The provisions within the medicare reimbursement program are restrictive and prevent the delivery of needed health care services to persons who reside in rural areas of this country. Nurses in private practice in underserved areas have been forced to shut down needed facilities because of the inability to qualify for third-party funds.

Patients who need and want nursing services must make out-of-pocket payments in addition to paying high insurance premiums. If people are to have access to health care services, nurses must be recognized as providers of health care whose services are reimbursed through health insurance provisions of the medicare law.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 110

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(s)(2) of the Social Security Act is amended—

(1) by striking out "and" at the end of subparagraph (F);

(2) by adding "and" at the end of subparagraph (G); and

(3) by adding at the end thereof the following new subparagraph:

"(H) gerontological nurse practitioner services;".

(b) Section 1861 of such Act is amended by adding at the end thereof the following new subsection:

"Gerontological Nurse Practitioner Services

"(dd) (1) The term 'gerontological nurse practitioner services' means services performed by a gerontological nurse practitioner (as defined in paragraph (2)) which he is legally authorized to perform under State law (or the State regulatory mechanism provided by State law) of the State in which such services are performed, whether or not he is under the supervision of, or associated with, a physician or other health care provider.

"(2) The term 'gerontological nurse practitioner' means an individual who—

"(A) is a registered nurse and is licensed to practice nursing in the State in which the gerontological nurse practitioner services are performed; and

"(B) (i) holds a master's degree in gerontological nursing or related field from an accredited educational institution, or

"(ii) is certified as a gerontological nurse practitioner by the duly recognized professional nurses association.".

SEC. 2. (a) Section 1905(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (17);

(2) by redesignating paragraph (18) as paragraph (19); and

(3) by inserting after paragraph (17) the following new paragraph:

"(18) gerontological nurse practitioner services (as defined in section 1861(dd)) and".

(b) Section 1902(a) of such Act is amended—

(1) by striking out "paragraphs (1) through (5) and (17)" in paragraph (13)(B) and inserting in lieu thereof "paragraphs (1) through (5), (17), and (18)";

(2) by striking out "paragraphs (1) through (5) and (17)" in paragraph (13)(C)(i) and inserting in lieu thereof "paragraphs (1) through (5), (17), and (18)";

(3) by striking out "paragraphs numbered (1) through (17)" in paragraph (13)(C)(ii) and inserting in lieu thereof "paragraphs numbered (1) through (18)"; and

(4) by striking out "paragraphs (1) through (5), (7), and (17)" in paragraph (14)(A)(i) and inserting in lieu thereof "paragraphs (1) through (5), (7), (17), and (18)".

SEC. 3. (a) Section 1861(j)(4) of the Social Security Act is amended by striking out "and" at the end of clause (A) and by inserting before the semicolon the following: ", and (C) provides that a gerontological nurse practitioner (as defined in subsection (dd)(2)) shall be available, on at least a consultant basis, to assure that necessary gerontological nursing services are furnished to patients".

(b) The first sentence of section 1905(c) of such Act is amended by striking out "and" at the end of clause (3) and by inserting before the period the following: ", and (5) provides that a gerontological nurse practitioner (as defined in section 1861(dd)(2) shall be available, on at least a consultant basis, to assure that necessary gerontological nursing services are furnished to patients".

SEC. 4. (a) The amendments made by the first section of this Act shall be effective with respect to services performed on or after the first day of the first month which begins more than 60 days after the date of the enactment of this Act.

(b)(1) Except as provided under paragraph (2), the amendments made by section 2 shall be effective with respect to payments under title XIX of the Social Security Act for calendar quarters beginning more than 60 days after the date of the enactment of this Act.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by section 2, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

(c) The amendments made by section 3 shall become effective on the first day of the first month which begins more than 60 days after the date of the enactment of this Act.●

By Mr. DECONCINI:

S. 111. A bill to provide for open meetings of the Judicial Conference of the United States, to provide procedures to implement that policy, and for other purposes; to the Committee on the Judiciary.

JUDICIAL CONFERENCE IN THE SUNSHINE ACT

● Mr. DECONCINI. Mr. President, democracy does not prosper in darkness. In a free and open society, secrecy should be the exception, not the rule. It has only been within the last decade that Congress has opened the doors of the Federal agencies as well as its own to public scrutiny. At the time these important steps were taken, there were the forecasters of doom who told us that Government could not possibly function effectively without the closed door. Nonetheless, both Congress and the executive branch have appeared to survive this public scrutiny intact, and the integrity of the decisionmaking process has been unaffected. The growing openness in Government has contributed to a far better understanding by the public and media of the processes by which policies are formulated. Knowledge can only strengthen the institutions of our Government.

This legislation mandates that certain aspects of the judicial branch involving policymaking be open to public observation. The focus of the legislation is on the Judicial Conference and its committees, subcommittees, and advisory committees. These bodies represent the policymaking organizations of the Federal judiciary. Since its establishment in 1922, the Judicial Conference has taken the lead in modernizing and adapting the Federal judiciary to changing conditions.

However, the work of the Judicial Conference is not per se judicial: Rather it is more accurately quasi-legislative and quasi-administrative. For example, the Judicial Conference issues position statements on matters of general policy, including legislation pending in Congress; it enacts regulations governing the behavior and conduct of judges; and most significant, it proposes and makes procedural rules that are binding on the Nation's courts. The decisions reached in proposing a new rule or changing an old one that affect, for example, class action cases may have as much ultimate effect on the Nation as an act of Congress. While the issues involved in no way touch upon the guilt or innocence of specific parties or the outcome of a specific civil case; they are matters of broad policy which affect us all as citizens.

The issue was probably best articulated by former Senator Sam Ervin. Let me quote him on this point:

> They certainly do not act as judges when they vote to approve or disapprove of pending legislation, or adopt rules of financial disclosure for their colleagues. Why, then, should the conference meet in secret? I believe that when the judges act as policy makers and lobbyists, it follows that their discussions should be public. If the conference supports or opposes a bill, the Congress and the public should have free access to the conference's debate on that proposal. The Congress should know how carefully the judicial conference researches its position so that it can attach relative weights to them.

The essence of our judicial system is the impartiality of judges. Thus, it is important to protect judges from external influences when they act in their judicial capacity. For example, the deliberations of an appellate panel or of the Supreme Court should, in my view, be protected and shielded from the public. Even though these decisions potentially affect other persons beyond the immediate parties involved, the primary function of our judicial system is to impartially decide individual cases or controversies.

It is important to note that this legislation does not violate that principle in any way. It is concerned solely with the nonjudicial policymaking and administrative functions of the Conference.

The provisions of this bill apply to meetings of the Judicial Conference of the United States and each committee, subcommittee, and advisory committee thereof. The disposition of all business by members of each judicial entity must adhere to certain guidelines that generally require every meeting to be open to the public. Exceptions to the open meeting requirement do exist, however. This bill mandates that the Judicial Conference establish rules of procedure for the reasonable closing of a meeting or any portion thereof if it involves accusing a person of a crime, personnel matters with respect to a specific officer or employee of the judiciary, a pending case or controversy, or any other matter of a similar nature.

The Judicial Conference must also establish appropriate rules of procedure for public notice of all meetings, including date, time, location, subject matter, and whether the meeting is to be open or closed; for obtaining public comment on proposed rules of practice and procedure and on the formulation of policies which will have substantial impact on the legal profession, the public, or an officer or employee of the judiciary; and for filing of petitions on rule changes and petitions for the formulation of policies.

Mr. President, at this point I urge my colleagues to support this proposal, a streamlined version of its predecessor of the 96th Congress (S. 2045), and ask unanimous consent that the text of the

proposed Judicial Conference in the Sunshine Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 111

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Judicial Conference in the Sunshine Act"

OPEN MEETINGS OF THE JUDICIAL CONFERENCE

SEC. 2. (a) Chapter 15 of title 28, United States Code, is amended by adding the following new section immediately after section 334:

"§ 335. Open Meetings of the Judicial Conference

"(3) Meetings of the Judicial Conference of the United States, and committees, subcommittees, and advisory committees of the Judicial Conference of the United States, which shall be open to public observation include, but are not limited to, meetings in which—

"(1) the issuance, amendment, or repeal of a rule of practice and procedure is analyzed, evaluated, or recommended, modified, adopted, or rejected;

"(2) policy is analyzed, evaluated, formulated or adopted which will have a substantial impact on the legal profession, the public, or an officer or employee of the court; or

"(3) proposed legislation is considered or discussed or positions with respect to proposed legislation are adopted by the Judicial Conference.

"(b) The Judicial Conference shall establish appropriate rules of procedure to implement subsection (a) of this section, including rules of procedure for—

"(1) public notice of the time, place, and subject matter of meetings of the Judicial Conference, and committees, subcommittees, and advisory committees of the Judicial Conference;

"(2) obtaining public comment on proposed rules of practice and procedures and on the formulation of policies which will have substantial impact on the legal profession, the public, or an officer or employee of the judiciary; and

"(3) filing by interested persons of petitions for the issuance, amendment, or repeal of any rule of practice and procedure, and petitions for the formulation of policies which will have substantial impact on the legal profession, the public, or an officer or employee of the judiciary.

"(c) The Judicial Conference shall establish rules of procedure for the reasonable closing of a meeting or any portion thereof, if such meeting or portion thereof involves accusing a person of a crime, personnel matters with respect to a specific officer or employee of the judiciary, a pending case or controversy, or any other matter of a similar nature.

"(d) The Judicial Conference shall establish a procedure for the annual reporting to Congress on the compliance by the Judicial Conference, and committees, subcommittees, and advisory committees of the Judicial Conference, with the requirements of this section.

"(e) The rules of procedure established under subsection (b) and (c) shall not take effect until they have been reported to Congress by the Chief Justice at or after the beginning of a regular session of Congress but not later than the first day of October and until the expiration of 180 days after they have been so reported. If either House of Congress within the time period described in the preceding sentence shall by resolution disapprove any rule of procedure so reported such rule of procedure shall not take effect. The effective date of any rule of procedure may be deferred by either House of Congress to a later date or until approved by Act of Congress. Any rule of procedure whether proposed or in effect may be amended by Act of Congress.".

(b) The table of sections for chapter 15 of such title is amended by inserting immediately after the item relating to section 334 the following new item:

"335. Open meetings of the judicial conference.".

COMPLIANCE AND EFFECTIVE DATES

SEC. 3. (a) The provisions of subsection (a) of section 335 of title 28, United States Code (as added by section 2 of this Act) shall take effect October 1, 1981. During the period beginning October 1, 1981 and ending on the effective date of the rules of procedure established under subsections (b) and (c) of section 335 of title 28, United States Code, the Judicial Conference of the United States may adopt such interim rules of procedure as may be necessary to implement subsection (a) of such section.

(b) The Judicial Conference of the United States shall submit to Congress, not later than October 1, 1981, the rules of procedure required to be established under subsection (b) and (c) of section 335 of title 28, United States Code (as added by section 2 of this Act).●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 112. A bill to amend section 1003 of title 38, United States Code, relating to memorial areas and appropriate memorials to honor the memory of certain deceased members of the Armed Forces whose remains were buried at sea, have not been identified, or were nonrecoverable; to the Committee on Veterans' Affairs.

MEMORIAL AREAS AND APPROPRIATE MEMORIALS FOR CERTAIN SERVICEMEN

● Mr. INOUYE. Mr. President, I am reintroducing at this time a bill to amend section 1003 of title 38, United States Code, which deals with memorial areas and appropriate memorials to honor the memory of deceased members of the Armed Forces whose remains were buried at sea, have not been identified, or were nonrecoverable. My proposal would extend this provision to include those members of the Armed Forces who have donated their remains for use in medical research and training, and also those who chose to be cremated and have their ashes scattered. Those honorable men and women who have chosen to extend their service to their country even beyond death by contribution of their bodies for medical research should not be deprived of the right to be memorialized after their deaths.

In my judgment, the Congress of the United States should properly acknowledge these patriotic men and women by providing for burial in a national cemetery. Similarly, I believe that this legislation should also extend to those members of the Armed Forces who have chosen, for religious reasons, to have their ashes scattered rather than inurned in a national cemetery. The manner in which their bodies are put to rest has no reflection on the years of service they gave to their country.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 112

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1003(a) of title 38, United States Code, is amended by striking out "or have been determined to be nonrecoverable." and inserting in lieu thereof ", have been determined to be nonrecoverable or have been donated for use in medical research or training.".●

By Mr. INOUYE (for himself, Mr. MATSUNAGA, and Mr. THURMOND):

S. 113. A bill to amend chapter 67 of title 10, United States Code, to grant eligibility for retired pay to certain reservists who did not perform active duty before August 16, 1945, and for other purposes; to the Committee on Armed Services.

RETIRED PAY FOR CERTAIN RESERVISTS

● Mr. INOUYE. Mr. President, regulations currently governing retirement pay for reservists do not provide benefits for those who did not serve on active duty before August 16, 1945, the end of World War II. Although these regulations are designed to insure that only the most deserving reservists are compensated for their sacrifice to our Nation, I believe that they are unnecessarily restrictive in that no benefits are provided to those who came to the aid of our country during the Berlin crisis, the Korean war, the Cuban missile crisis, and the Vietnam war, or who served for an extended period of time following the end of World War II. These men and women have performed services for our country fully as valuable as those rendered by activated reservists who served during World War II.

The legislation I am reintroducing today recognizes the contribution made by these individuals and corrects the current inequity in the law by granting them eligibility for retirement benefits. I urge that my colleagues in the U.S. Senate join me in rewarding these reservists for the service they rendered to the United States in its times of need.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 113

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 67 of title 10, United States Code, is amended as follows:

(1) Section 1331(c) is amended as follows:

"(c) No person who before August 16, 1945, was a Reserve of an armed force, or a member of the Army without component or other category covered by section 1332(a)(1) of this title except a regular component, is eligible for retired pay under this chapter unless he performed—

"(1) active duty after April 5, 1917, and before November 12, 1918, or after September 8, 1940, and before January 1, 1947;

"(2) active duty (other than for training) after June 26, 1950, and before July 28, 1953, after August 13, 1961, and before May 31, 1963, or after August 4, 1964, and before March 28, 1973; or

"(3) at least twenty years of service (computed under section 1332 of this title) after August 15, 1945.".

(2) Section 1332(b) is amended by adding the following new clause after clause (7):

"(8) Service before August 16, 1945, if eligibility for retired pay is based on section 1331(c)(3) of this title.".

(3) Section 1333 is amended—

(A) by striking out "For" and inserting in lieu thereof "(a) Except as provided in subsection (b), for"; and

(B) by adding the following new subsection:

"(b) Service before August 16, 1945, may not be counted under subsection (a) if eligibility for retired pay is based on section 1331(c)(3) of this title.".●

By Mr. DECONCINI (for himself and Mr. THURMOND):

S. 114. A bill to establish rational criteria for the imposition of the sentence of death, and for other purposes; to the Committee on the Judiciary.

CAPITAL PUNISHMENT

● Mr. DECONCINI. Mr. President, I am introducing today, on behalf of myself and my distinguished colleague, the Chairman of the Judiciary Committee, Senator THURMOND, a bill to amend title 18, United States Code, to establish a procedure which will meet the constitutional requirements for the imposition of capital punishment enunciated by the Supreme Court in Gregg against Georgia and companion cases, and in Furman against Georgia.

The bill is nearly identical to S. 114 of the 96th Congress that was reported favorably by the Committee on the Judiciary, but never taken up by the full Senate. The bill has been refined slightly to comport with recent Supreme Court decisions broadening the use of mitigating factors.

The bill is similar to S. 1382 of the 95th Congress which was introduced by Senator McClellan and 19 cosponsors on April 26, 1977, and is in some respects similar to S. 1401 of the 93d Congress which passed the Senate on March 13, 1974, by a vote of 54 to 33.

Beginning in 1976, the Supreme Court has decided a group of landmark death penalty cases—Gregg against Georgia, Proffitt against Florida, Jurek against Texas, Woodson against North Carolina, and Roberts against Louisiana—in which the death penalty was held constitutional when imposed under certain procedures which guarded against the unfettered discretion condemned in Furman, but which retained the important flexibility to consider the aggravating and mitigating factors of each case. Mandatory death penalty statutes were struck down.

S. 114 is drafted to meet the constitutional requirements of guided discretion based on rational criteria. The bill would provide that, after a conviction for an offense for which a penalty of death is authorized, the court must hold a separate hearing on whether to impose the death penalty. The hearing would normally be before the same jury which sat for trial, or if both parties agreed, before the judge. After both sides have an opportunity to present all relevant evidence, the jury would be asked to make special findings as to whether any of a list of mitigating or aggravating factors existed. The mitigating factors include such things as the youthfulness of the defendant, the extent of his involvement in the offense, any emotional problems of pressures, and the unforeseen nature of a resulting death. The aggravating factors would vary depending on whether the offense is one relating to treason or murder.

The jury would be required to determine by unanimous vote whether any of these factors existed. If no aggravating factors were found to exist, the court would impose a sentence of life imprisonment. If one or more aggravating factors were found to exist, the jury would then determine, in light of all the evidence, whether the aggravating factors found to exist sufficiently outweigh any mitigating factors found to exist, or in the absence of mitigating factors whether the aggravating factors were themselves sufficient, as to justify a sentence of death. If the jury finds that the death penalty is justified, the court is directed to impose a sentence of death.

The bill further provides that the defendant shall have a right to appeal the sentence and that such review shall have priority over all other cases. In order to affirm the sentence, the appellate court must determine that the sentence of death was not imposed under the influence of passion, prejudice, or other arbitrary factor; that the evidence supports the special findings; and that the sentence of death is not excessive considering both the crime and the defendant.

The record seems clear that the procedures imposed by this bill for the imposition of the death penalty successfully meet the constitutional requirements of the recent Supreme Court cases. None of the witnesses before the subcommittee hearings on S. 1382 could find any challenge to the constitutionality of the procedures set out in the bill for imposing the death penalty.

The main purpose of the bill is not to specify those Federal offenses for which the death penalty is to be authorized. Federal law already does this; and this bill would generally leave current law as it is, except to correct obvious inconsistencies or to avoid any potential constitutional difficulties.

There has already been extensive legislative consideration of the death penalty issue. The Subcommittee on Criminal Laws and Procedures of the Committee on the Judiciary held hearings in March and July of 1968 on a bill to abolish the death penalty for Federal offenses. Again in February 1972, and in April, June, and July 1973, it held hearings on bills to provide constitutional procedures for imposition of the death penalty. Through this extensive series of public hearings, the issue of whether we should have a Federal death penalty was examined in every respect. That broader question was ultimately resolved by the Committee on the Judiciary, and indeed, by the Senate, in favor of the death penalty. On March 13, 1974, the Senate passed S. 1401 by a vote of 54 to 33. Unfortunately, the bill was never acted upon by the House.

While opponents of the death penalty have asserted that it is ineffective as a deterrent and discriminatory against minorities, Dr. Ernest van den Haag, author of "Punishing Criminals," addressed these and other arguments. In reference to the deterrent effect of the death penalty, Dr. van den Haag stated:

> The preponderance of the evidence seems to me quite clearly now to indicate that the death penalty is far more deterrent than any other alternative . . . in the period 1933 to 1960, which in one investigation, every execution reduced the number of homicides committed by about 6 to 8. In other words, every time an execution took place, 6 to 8 victims of murder who would otherwise have been killed were not killed.

In response to the argument by opponents that the death penalty is discriminatory against minorities, Dr. van den Haag has asserted that even if such a doubtful proposition were true—

> That should lead us not to exonerate the poor and black who have committed this crime but also to catch the rich and white who have also committed the crime. In other words, it is not justice to say that if two persons are guilty of the same crime and one has been punished and the other has not, that's a reason for not punishing the first . . .

Ultimately, the conclusion in favor of the retention of capital punishment has its basis in the belief that the primary responsibility of society is the protection of its members so that they might live out their lives in peace and safety. Where the safety of its citizenry can no longer be guaranteed, society's basic reason for being disappears. In providing its members protection, society must do what is necessary to deter those who would break the laws and punish those who do so in an appropriate manner.

As Dr. van den Haag has said:

> I think it is simply unjust that we guarantee murderers that what they have done to their victims will never be done to them, that the murderer is guaranteed a continuous life, the kind of life he took from his victim. That seems to me unjust, immoral, and repulsive . . .

One can say many things about the Supreme Court's handling of the issue of capital punishment over the past decade. Many commentators were aghast at the Furman decision in 1972 that effectively declared unconstitutional most State capital punishment statutes as the court discovered new rights that had remained dormant for 200 years. In 1976 and again in 1978 the Court issued major opinions concerning capital punishment, but it is still not precisely clear what the Court intends. In *Lockett* v. *Ohio*, 438 U.S. 586, 602 (1978) the Chief Justice pointed out that—

> The signals from this Court have not . . . always been easy to decipher.

Mr. Justice Rehnquist, in the same area said:

> The Court has gone from pillar to post, with the result that the sort of reasonable predictability upon which legislatures, trial courts, and appellate courts must of necessity rely has been all but completely sacrificed.

If the pronouncements of the Court have been less than clear, the feeling of the vast majority of people and states of our Union has been quite clear and incapable of misunderstanding. Since the

Furman case, 35 states have reenacted their death penalty statutes and attempted to conform to the Supreme Court decisions. Congress also enacted into Public Law an air piracy statute that calls for the death penalty. Public opinion polls show that over the past decade the approval by the public for the use of the death penalty has increased steadily and is now approved by nearly two-thirds of the populace. We should take this clear expression of public desire to heart and reflect the public will with legislation restoring capital punishment.

Mr. President, it is my belief that S. 114 had the support of the majority of the members of the Senate Judiciary Committee last session. I ask my colleagues to give their unanimous support to this bill so that it may pass the Congress and be enacted into public law, and I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 114

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 227 of title 18 of the United States Code is amended by adding after section 3562 a new section 3562A, to read as follows:

"§ 3562A. Sentencing for capital offenses

"(a) HEARING REQUIRED.—A person shall be subjected to the penalty of death for any offense against the United States only if a hearing is held in accordance with this section.

"(b) HEARING BEFORE COURT OR JURY.—When a defendant is found guilty of or pleads guilty to an offense for which one of the sentences provided is death, the judge who presided at the trial or before whom the guilty plea was entered, or any other judge if the judge who presided at the trial or before whom the guilty plea was entered is unavailable, shall conduct a separate sentencing hearing to determine the punishment to be imposed. The hearing shall be conducted—

"(1) before the jury which determined the defendant's guilt;

"(2) before a jury impaneled for the purpose of the hearing if—

"(A) the defendant was convicted upon a plea of guilty;

"(B) the defendant was convicted after a trial before the court sitting without a jury;

"(C) the jury which determined the defendant's guilt has been discharged for good cause; or

"(D) after initial imposition of a sentence under this section, redetermination of the sentence under this section is necessary; or

"(3) before the court alone, upon the motion of the defendant and with the approval of the Government.

A jury impaneled pursuant to paragraph (2) of this subsection shall consist of twelve members, but, at any time before the conclusion of the hearing, the parties may stipulate with the approval of the court that it shall consist of any number less than twelve.

"(c) PROOF OF AGGRAVATING AND MITIGATING FACTORS.—Notwithstanding rule 32(c) of the Federal Rules of Criminal Procedure, when a defendant is found guilty of or pleads guilty to an offense for which one of the sentences provided is death, no presentence report shall be prepared. In the sentencing hearing, information may be presented as to any matter relevant to the sentence and shall include matters relating to any of the aggravating or mitigating factors set forth in subsections (f), (g), and (h) or any other mitigating factors. Information presented may include the trial transcript and exhibits if the hearing is held before a jury or judge not present during the trial. Any other information relevant to such mitigating or aggravating factors may be presented by either the Government or the defendant, regardless of its admissibility under the rules governing admission of evidence at criminal trials. The Government and the defendant shall be permitted to rebut any information received at the hearing and shall be given fair opportunity to present argument as to the adaquacy of the information to establish the existence of any of the aggravating or mitigating factors, and as to the appropriateness in that case of imposing a sentence of death. The Government shall open the argument. The defendant shall be permitted to reply. The Government shall then be permitted to reply in rebuttal. The burden of establishing the existence of any aggravating factor is on the Government, and is not satisfied unless established beyond a reasonable doubt. The burden of establishing the existence of any mitigating factor is on the defendant, and is not satisfied unless established by a preponderance of the information.

"(d) RETURN OF FINDINGS.—The jury, or if there is no jury, the court, shall consider all the information received during the hearing and the evidence received during the trial. It shall return special findings identifying any mitigating factors and any aggravating factors set forth in subsections (g) and (l) found to exist. A finding of such a factor by a jury shall be made by majority vote. If no such aggravating factors set forth in subsection (g) or (h) are found to exist the court shall impose a sentence, other than death, authorized by law. If one or more of such aggravating factors are found to exist, the jury, or if there is no jury, the court, shall then consider whether the aggravating factor or factors found to exist sufficiently outweigh any mitigating factor or factors found to exist, or in the absence of mitigating factors, whether the aggravating factors are themselves sufficient, to justify a sentence of death. Based upon this consideration, the jury by unanimous vote, or if there is no jury, the court, shall return a finding as to whether a sentence of death is justified.

"(e) IMPOSITION OF SENTENCE.—Upon a finding that a sentence of death is justified, the court shall sentence the defendant to death. Upon a contrary finding, the court shall impose a sentence, other than death, authorized by law.

"(f) MITIGATING FACTORS.—In determining whether a sentence of death is to be imposed on a defendant, the following mitigating factors shall be considered but are not exclusive:

"(1) the defendant was youthful at the time of the crime;

"(2) the defendant's capacity to appreciate the wrongfulness of his conduct or to conform his conduct to the requirements of law was significantly impaired, but not so impaired as to constitute a defense to the charge;

"(3) the defendant was under unusual and substantial duress, although not such duress as constitutes a defense to the charge;

"(4) the defendant is punishable as a principal or otherwise, but his participation was relatively minor;

"(5) the defendant could not reasonably have foreseen that his conduct in the course of the commission of murder, or other offense resulting in death for which he was convicted, would cause, or would create a grave risk of causing, death to any person.

"(g) AGGRAVATING FACTORS FOR TREASON AND ESPIONAGE.—If the defendant is found guilty of or pleads guilty to an offense under section 794 or section 2381 of this title, the following aggravating factors shall be considered:

"(1) the defendant has been convicted of another offense involving espionage or treason for which either a sentence of life imprisonment or death was authorized by statute;

"(2) in the commission of the offense the defendant knowingly created a grave risk of substantial danger to the national security;

"(3) in the commission of the offense the defendant knowingly created a grave risk of death to another person.

"(h) AGGRAVATING FACTORS FOR HOMICIDE.—If the defendant is found guilty of or pleads guilty to any other offense for which one of the sentences provided is death, the following aggravating factors shall be considered:

"(1) the death or injury resulting in death occurred during the commission or attempted commission of, or during the immediate flight from the commission or attempted commission of, an offense under section 751 (prisoners in custody of institution or officer), section 794 (gathering or delivering defense information to aid foreign government), section 844(d) (transportation of explosives in interstate commerce for certain purposes), section 844(f) (destruction of Government property by explosives), section 844(i) (destruction of property in interstate commerce by explosives), section 1201 (kidnaping), or section 2381 (treason) of this title, or section 902 (i) or (n) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1472 (i), (n)) (aircraft piracy);

"(2) the defendant has been convicted of another Federal offense, or a State offense resulting in the death of a person, for which a sentence of life imprisonment or a sentence of death was authorized by statute;

"(3) the defendant has previously been convicted of two or more State or Federal offenses punishable by a term of imprisonment of more than one year, committed on different occasions, involving the infliction of serious bodily injury upon another person;

"(4) in the commission of the offense the defendant knowingly created a grave risk of death to one or more persons;

"(5) the defendant committed the offense in an especially heinous, cruel, or depraved manner;

"(6) the defendant procured the commission of the offense by payment, or promise of payment, of anything of pecuniary value;

"(7) the defendant committed the offense as consideration for the receipt, or in the expectation of the receipt, of anything of pecuniary value;

"(8) the defendant committed the offense after substantial planning and premeditation to cause the death of a person or commit an act of terrorism;

"(9) the defendant committed the offense against—

"(A) the President of the United States, the President-elect, the Vice President, the Vice-President-elect, the Vice-President-designate, or, if there is no Vice President, the officer next in order of succession to the office of the President of the United States, or any person who is acting as President under the Constitution and laws of the United States;

"(B) a chief of state, head of government, or the political equivalent, of a foreign nation;

"(C) a foreign official listed in section 1116(b)(3)(A) of this title, if he is in the United States because of his official duties; or

"(D) a Federal judge, a Federal law-enforcement officer, or an employee of a United States penal or correctional institution, while performing his official duties or because of his status as a public servant. For purposes of this subsection, a 'law-enforcement officer' is a public servant authorized by law or by a Government agency or Congress to

conduct or engage in the prevention, investigation, or prosecution of an offense.".

SEC. 2. Section 34 of title 18 of the United States Code is amended by changing the comma after the words "imprisonment for life" to a period and deleting the remainder of the section.

SEC. 3. Section 794(a) of title 18 of the United States Code is amended by changing the period at the end of the section to a comma and by adding immediately thereafter the words "except that the sentence of death shall not be imposed unless the jury or, if there is no jury, the court, further finds that the offense directly concerned nuclear weaponry, military spacecraft or satellites, early warning systems, or other means of defense or retaliation against large-scale attack; war plans; communications intelligence or cryptographic information; or any other major weapons system or major element of defense strategy."

SEC. 4. Section 844(4d) of title 18 of the United States Code is amended by striking the words "as provided in section 34 of this title".

SEC. 5. Section 844(4f) of title 18 of the United States Code is amended by striking the words "as provided in section 34 of this title".

SEC. 6. Section 844(1) of title 18 of the United States Code is amended by striking the words "as provided in section 34 of this title".

SEC. 7. The second paragraph of section 1111(b) of title 18 of the United States Code is amended to read as follows:

"Whoever is guilty of murder in the first degree shall be punished by death or by imprisonment for life;".

SEC. 8. Section 1116(a) of title 18 of the United States Code is amended by striking the words "any such person who is found guilty of murder in the first degree shall be sentenced to imprisonment for life, and".

SEC. 9. Section 1201 of title 18 of the United States Code is amended by inserting after the words "or for life" in subsection (a) the words "and, if the death of any person results, shall be punished by death or life imprisonment".

SEC. 10. the last paragraph of section 1716 of title 18 of the United States Code is amended by changing the comma after the words "imprisonment for life" to a period and deleting the remainder of the paragraph.

SEC. 11. The second to the last paragraph of section 1992 of title 18 of the United States Code is amended by changing the comma after the words "imprisonment for life" to a period and deleting the remainder of the section.

SEC. 12. Section 2031 of title 18 of the United States Code is amended by deleting the words "death, or".

SEC. 13. Section 2113(e) of title 18 of the United States Code is amended by striking the words "or punished by death if the verdict of the jury shall so direct" and inserting in lieu thereof the words "or if death results shall be punished by death or life imprisonment".

SEC. 14. Section 903 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1473), is amended by striking subsection (c).

SEC. 15. The analysis of chapter 227 of title 18 of the United States Code is amended by inserting after item 3562 the following new item:

"3562A. Sentencing for capital offenses.".

SEC. 16. Section 3566 of title 18 of the United States Code is amended by adding a second paragraph as follows:

"In no event shall a sentence of death be carried out upon a pregnant woman".

SEC. 17. Chapter 235 of title 18 of the United States Code is amended by inserting immediately after section 3741 the following new section:

"§ 3742. Appeal from sentence of death

"In any case in which the sentence of death is imposed under section 3562A of this title, the sentence of death shall be subject to review by the court of appeals upon appeal by the defendant. Notice of appeal must be filed within the time prescribed for appeal of judgment in section 2107 of title 28 of the United States Code. An appeal under this section may be consolidated with an appeal of the judgment of conviction. Such review shall have priority over all other cases.

"On review of the sentence, the court of appeals shall consider the record, the evidence submitted during the trial, the information submitted during the sentencing hearings, the procedures employed in the sentencing hearing, and the special findings returned under section 3562A(d) of this title.

"The court shall affirm the sentence if it determines that: (1) the sentence of death was not imposed under the influence of passion, prejudice, or any other arbitrary factor; (2) the information supports the special finding of the existence of any aggravating factor or the failure to find any mitigating factors as set forth or allowed in section 3562A; and (3) the sentence of death is not excessive, considering both the crime and the defendant. In all other cases the court shall remand the case for reconsideration under section 3562A of this title. The court of appeals shall state in writing the reasons for its disposition of the review of the sentence.".

SEC. 18. The analysis of chapter 235 of title 18 of the United States Code is amended by adding at the end thereof the following new item:

"3742. Appeal from sentence of death.".

SEC. 19. The provisions of sections 3562A and 3742 of title 18 of the United States Code, as added by this Act, shall not apply to prosecutions under the Uniform Code of Military Justice (10 U.S.C. 801).●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 122. A bill to authorize the spouses of certain former members of the Armed Forces of the United States to use the services and facilities of post exchanges and commissaries; to the Committee on Armed Services.

USE OF POST EXCHANGES AND COMMISSARIES

● Mr. INOUYE. Mr. President, it has come to my attention over the past several years that certain laws regulating benefits for veterans and their dependents have contained weaknesses or omissions that should be corrected. I found this to be especially true in the case of the disabled veteran and his wife or widow, who pays a high personal price in indirect service to her country through caring for her handicapped husband. Government assistance often fails to provide adequate support, primarily because the law is broadly written and the personal lives and conditions of disabled families are specific and individual by nature. Thus, in certain cases where the law should apply, it does not, and for some families of veterans the result of service to their country is economic hardship and bureaucratic confusion.

I am introducing today, a measure designed to rectify obvious inequities in the existing law relating to Government benefits for the widows of veterans who had 100 percent service-related disabilities at the time of death.

It is a bill to authorize the widows of certain former members of the Armed Forces of the United States to use the service and facilities of post exchanges and commissaries.

The widow of a serviceman who is 100 percent service-disabled is not entitled to exchange and commissary privileges if her husband died while on active duty. However, if he died after being honorably discharged from the service, she is eligible for these privileges.

This measure will help only a small number of people. But it is these very people who have paid such an extraordinarily high price on behalf of their country and whose lives thereafter have been dictated by their spouses' disabilities.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 122

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 53 of title 10, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 1041. POST EXCHANGE AND COMMISSARY PRIVILEGES FOR SPOUSES OF CERTAIN FORMER MEMBERS OF THE ARMED FORCES

"Subject to such rules and regulations as the Secretary concerned may prescribe, the spouse of any former member of the armed forces who is entitled to dependency and indemnity compensation under chapter 13 of title 38 or to death compensation from the Veterans' Administration and the spouse of any former member of the armed forces who, at the time of such former member's death, was totally disabled as the result of one or more service-connected disabilities (as determined by the Veterans' Administration) shall be entitled to use the services and facilities of post exchanges and commissary stores operated under the jurisdiction of any military department.".

SEC. 2. The table of sections at the beginning of chapter 53 of title 10, United States Code, is amended by adding at the end thereof a new item as follows:

"1051. Post exchange and commissary privileges for spouses of certain former members of the armed forces.".●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 123. A bill to amend titles XVIII and XIX of the Social Security Act to provide more adequate coverage of the services of mental health specialists under the medicare supplemental benefits program and under medicaid programs; to the Committee on Finance.

MENTAL HEALTH SERVICES

● Mr. INOUYE. Mr. President, today I am introducing legislation that would amend our Nation's medicare and medicaid programs under the Social Security Act in order to insure that qualified mental health providers/specialists will be directly reimbursable under these programs.

For some time now, I have introduced legislation on behalf of each of our traditional mental health disciplines in order to insure that their highest level of practitioner would be directly reimbursable without any Federal requirement of physician supervision or referral.

In August 1978, the Senate Finance Committee held extensive public hearings on this matter for the first time in 7 years. Essentially, the mental health provision of the Social Security Act has not been modified since the original enactment. In my judgment, there is a very real need both to increase the scope of benefits and also given the unique nature of mental health symptoms and especially their "subjectiveness" an equally pressing need to insure that only high quality practitioners will be reimbursed. In this regard, I am especially pleased that the Department of Defense's CHAMPUS program has been directly reimbursing clinical psychologists for some time and has recently instituted a pilot demonstration project for independently reimbursing psychiatric nurses and clinical social workers. I am confident that when my colleagues on the Senate Finance Committee consider this bill, that the evidence that we have accumulated under the CHAMPUS program will be extremely helpful to them in their deliberations.

At this time, my proposal would essentially accomplish two purposes. First, it would make mental health benefits a mandated benefit and would reimburse up to $1,000 per year of professional services. In so doing, I have also recommended that we modify the current 50-50 copayment mechanism to the more traditional 80–20 copayment mechanism that is in fact in place for physical medicine. By so doing, I feel that we will significantly reduce the present discrimination that does exist in the current law, but also allow ourselves the opportunity to phase-in this increased benefit in a timely fashion. Eventually, I am confident that with appropriate utilization review procedures, there will no longer be a need for any overall limitations on this mental health benefit package.

The second major purpose that I hope to accomplish in introducing this legislation is to legislatively define at the Federal level the type of educational requirements that are necessary for each of the four traditional mental health disciplines to have obtained in order to practice independently. Accordingly, in my proposal, I have in some detail spelled out proposed definitions of clinical psychologists, clinical social workers, psychiatric nurse specialists, and psychiatrists. By adopting these educational requirements, as well as State licensure and/or certification, I am confident that we will be able to insure that only qualified practitioners will become reimbursable.

Finally, as was brought out during the public hearings in August 1978, there is no question that by increasing the availability of mental health services to our Nation's social security recipients, there is every indication that we will in fact be reducing the overall cost of our Nation's health care programs. For too long a time now, mental health coverage has been relegated to "second-class status" probably primarily due to its non-objective and somewhat fussy nature. Hopefully, as we continue our public deliberations on our Nation's mental health programs, the current stigma will diminish significantly.

Mr. President, I request unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 123

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of section 1861(r) of the Social Security Act is amended by inserting, immediately before the period at the end thereof, the following: ", or (6) except for the purposes of section 1814(a) other than (a)(2)(A), section 1835 except (a)(2) and (b)(1), and subsections (j), (k), (m), and (o) of this section, a mental health specialist, but (unless clause (1) of this subsection also applies to him) only with respect to functions which he is legally authorized to perform as such in the State in which he performs them".

(b) Section 1861 of such Act is further amended by adding at the end thereof the following new subsection:

"MENTAL HEALTH SPECIALIST

"(bb) (1) The term 'mental health specialist' means an individual who is a clinical psychologist (as defined in paragraph (2)), a clinical social worker (as defined in paragraph (3)), a psychiatric nurse specialist (as defined in paragraph (4)), or a psychiatrist (as defined in paragraph (5)).

"(2) The term 'clinical psychologist' means an individual who (A) is licensed or certified at the independent practice level of psychology by the State in which he so practices, (B) possesses a doctorate degree in psychology from a regionally accredited educational institution, or for those individuals who were licensed or certified prior to January 1, 1978, possess a master's degree in psychology and are listed in a national register of Mental Health Service Providers in psychology which the Secretary of the Department of Health and Human Services deems appropriate, and (C) possesses two years of supervised experience in health service, at least one year of which is post degree.

"(3) The term, 'clinical social worker' means an individual who (A) possesses a master's or doctor's degree in social work, (B) after obtaining such degree has performed at least two years of supervised clinical social work, and (C) is licensed or certified as such in the State in which he practices, or if such State does not license or certify clinical social workers, is listed in a national register of social workers who, by education and experience, qualify as health care providers in clinical social work.

"(4) The term 'psychiatric nurse specialist' means an individual who (A) is licensed to practice nursing by the State in which the individual practices nursing, (B) possesses a master's degree or higher degree in psychiatric nursing or a related field from an accredited educational institution, and (C) is certified as a psychiatric nurse by a duly recognized national professional nurse organization.

"(5) The term 'psychiatrist' means a physician who (A) is described in clause (1) of section 1861 (r), and (B) is board certified by the American Board of Psychiatry and Neurology or has successfully completed a minimum of three years of approved graduate medical training in psychiatry."

(c) Section 1833 (c) of such Act is amended by striking out all that follows "purposes of subsections (a) and (b)" and inserting in lieu thereof "no more than $1,000".

(d) The amendments made by subsections (a) and (b) of this section shall be effective in the case of services furnished after the date of enactment of this Act, and the amendment made by subsection (c) shall be applicable in the case of services furnished in any calendar year after calendar year 1980.

SEC. 2. (a) Section 1905 (a) of the Social Security Act is amended—

(1) by striking out 'and' at the end of paragraph (16),

(2) by redesignating paragraph (17) as paragraph (18), and

(3) by inserting immediately after paragraph (16) the following new paragraph:

"(17) services of a mental health specialist (as defined in section 1861 (bb)); and".

(b) Section 1902 (a) (13) (C) (ii) of such Act is amended by striking out "numbered (1) through (16)" and inserting in lieu thereof "numbered (1) through (17)".●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 124. A bill to limit the costs resulting from acts of negligence in health care and to improve the level of health care services in the United States, and for other purposes; to the Committee on Labor and Human Resources.

HEALTH CARE PROTECTION ACT OF 1981

● Mr. INOUYE. Mr. President, during the last days of the 96th Congress, I introduced legislation which I entitled the Health Care Protection Act of 1980, which would, if enacted, have established for the first time, uniform Federal standards for a network of health care malpractice screening panels across the Nation. As I indicated at that time, that particular bill was an outgrowth of earlier legislation which I introduced in 1975 during the midst of our medical malpractice insurance crisis.

My primary intent in introducing this bill was to share with my colleagues the results of efforts that Senator JACOB JAVITS and I had undertaken in conjunction with the Department of Justice. It was my hope that the bill would become a catalyst for continued public debate on the medical malpractice insurance crisis, as it was our judgment that the fundamental problems that existed in 1975 have not been significantly modified. Unfortunately, since the introduction of the Health Care Protection Act of 1980, additional information has come to my attention to show that we were in fact correct.

For example, according to a study recently published by the National Association of Insurance Commissioners, the average award during the period from July 1975 to December 1978 increased by 70 percent, from $26,565 to $45,187 with awards of $1 million or more increasing from 1 in every 1,000 paid claims in 1975 to 3 in every 1,000 paid claims in 1978. That is, whereas there were 5 awards of $1 million or more in 1975, there were 23 in 1978. The National Association of Insurance Commissioners further noted that the average indemnity for very serious nonfatal injuries increased from $213,000 to $349,000 during this time.

Since September of 1980, when I introduced the Health Care Protection Act, I received a number of suggestions from journalists, attorneys, and health care practitioners. Accordingly, I have modified my earlier proposal somewhat

in five specific areas. First, I have required that each State will specifically spell out those professions that will be deemed to provide health services for the purposes of their panels. Also, the membership of the screening panels shall be directed to include at least one lay person or consumer and I deleted any reference to membership in political parties. I have also required that the screening panel or division must render their decision in a timely fashion, that is, within 30 days, following their hearing, unless there are extraordinary circumstances and that the statute of limitations shall be tolled for 60 days following the date of their ultimate decision.

Finally, I would like to note that the issue of whether or not the panel's or division's ultimate conclusion should be made part of the record in a de novo trial was specifically raised. In all candor, I am not confident that either approach is necessarily appropriate and thus, would urge my colleagues to explore this matter in particular during the subsequent hearings. At this time, I request unanimous consent that my earlier remarks be printed in the CONGRESSIONAL RECORD as well as the text of the bill.

There being no objection, the bill and remarks were ordered to be printed in the RECORD, as follows:

S. 124

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Health Care Protection Act of 1981".

SEC. 2. CONGRESSIONAL FINDINGS AND STATEMENT OF PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the health care professions and industry serve needs vital to the continuing health and welfare of the American people and form a vital part of commerce between the States;

(2) every person needs ready and economical access to medical and other health care services for full participation in American society and for full exercise of individual rights;

(3) the health care professions and industry apply national standards of health care to State and regional needs and circumstances;

(4) the need to compensate persons injured by avoidable acts of health care negligence or malpractice and the resultant costs of malpractice insurance significantly increase the costs of medical and other health care services and products;

(5) divergent systems for insuring against, and for litigating and compensating, health care malpractice claims further raise the cost of needed malpractice insurance and prevent speedy compensation of injured persons;

(6) a large majority of the cost of premiums paid for malpractice insurance goes to investigating or trying malpractice claims in State courts, while less than one-third of the premium amounts are now used to compensate persons injured by malpractice;

(7) many more incidents of health care malpractice occur than result in a claim for damages, and many valid claims for compensation are prevented because of the high costs of trial; conversely, many claims of malpractice are unjustified but result in settlements or awards for damages out of sympathy for the physical condition of the claimant;

(8) these added costs of insurance protection, and the risk of liability for compensation, burden both the health care providers and their patients, further raising the cost of health care goods and services;

(9) these costs also increase the costs to the United States Government of carrying out its programs for aiding the people and the States in meeting health care needs, and affect the extent to which the United States may be financially liable for health care services afforded by its own officers or employees, including the military services and veterans and public health care programs;

(10) failure to compensate adequately persons injured by health care malpractice adversely affects the general health and welfare of the people of the United States and burdens commerce between the States;

(11) many States have experimented successfully with nonjudicial malpractice claims systems using screening panels to reduce the costs of processing malpractice claims;

(12) early examination of claims regarding health care malpractice, before they reach court, by malpractice screening panels organized by the States according to uniform Federal standards will aid materially in reaching just and timely resolutions of those claims at much lower administrative and litigation costs than those now experienced under the existing system of direct tort litigation and malpractice insurance;

(13) members of the public and responsible public officials of the states are entitled to be informed in all instances in which health care malpractice is found by a State screening panel or court, in order to protect against the risk of further malpractice and to minimize the necessary costs of insurance protection;

(14) a small percentage of the health care providers account for a disproportionately high percentage of all malpractice claims, and an even higher percentage of insurance payments to persons injured by health care malpractice; and

(15) because insurance premiums are usually set for an entire specialty group in a given region, these high-risk providers do not bear a financial burden proportionate to the amount of injury they cause, so there is not an effective financial incentive for the safe practice of medicine and other health care specialties.

(b) STATEMENT OF PURPOSE.—The purpose of this Act is to provide minimum Federal standards for the creation by each State of health care malpractice screening panels and procedures that will reduce the costs to the public and to the health care professions of malpractice, and will provide full and expeditious compensation to the victims of health care malpractice.

SEC. 3. UNIFORM STANDARDS FOR COMPENSATION FOR HEALTH CARE MALPRACTICE.

(a) STATE PROGRAM FOR COMPENSATION.—Each State shall be encouraged to establish within four years of the date of enactment of this Act a program for compensation and reduction of health care malpractice that complies with the standards set forth in this Act. The State may establish the program by legislative, executive, or judicial action, as authorized by the laws and constitution of the State.

(b) ATTORNEY GENERAL REGULATIONS.—The Attorney General shall have the authority to promulgate regulations for the interpretation and implementation of this Act. Without limiting the foregoing, within one year of the date of enactment of this Act, the Attorney General shall issue regulations concerning certification of State programs established under this Act and for the payments under section 8 to support State programs.

SEC. 4. MALPRACTICE SCREENING PANELS.

(a) ESTABLISHMENT.—Each State shall be encouraged to establish one or more malpractice screening panels to hear all claims of health care malpractice against persons in the State who are licensed or certified by the State to provide health care services or who provide health care services for which State law requires a license or certification. Each State shall, after consultation with the Attorney General, publish a list of the health care professions that are so licensed or certified and the health care professions of which members provide health care services so licensed or certified. If the State establishes more than one screening panel, the jurisdiction of the panels may be divided by geographic area within the State or by health care specialty.

(b) MEMBERSHIP AND APPOINTMENT.—(1) A malpractice screening panel shall have at least three members, chosen and appointed under the laws or constitution of the State. A State may require that a panel sit as a single body or may auhorize the panel to sit in smaller divisions of at least three members. Each panel, and each division before which a claim is heard, shall include at least one licensed or certified health care professional, one person admitted to practice law in the courts of the State, and one layperson who represents consumers and is not affiliated with a health care practitioner or health service institution, and may include such other members as the State shall provide. The State may annex a panel to a court of the State. The State shall specify the method of selection and assignment of members of the panels, and of any division thereof, in a manner that assures that each panel and division thereof will afford a full and fair hearing to all parties to any claim brought before it. The members of the panel shall be selected without regard to sex, race, religion, or national origin.

(2) The State shall provide that any member or employee of a screening panel is immune from suit for defamation, libel, or slander, arising from the performance of his official duties with the panel, unless malice or actual knowledge of the falsity of a defamatory statement is proved.

(c) JURISDICTION AND RULES OF PROCEDURE.—The State program shall be encouraged to provide for the following:

(1) Each panel shall have original and exclusive jurisdiction within the State, or such area of the State or health care specialty as State law shall provide, to hear and decide any claim for damages resulting from injury or death incurred as a consequence of health care malpractice by an individual, group, or organization that is required to be licensed or certified by the State in order to provide health care goods or services in that State.

(2) Except as provided in subsection (j) or as provided for claims against the United States, every claim within the jurisdiction of a panel shall be filed with, heard, and decided by the panel.

(3) The existence or absence of requisite injury, causation, negligence, malpractice, or any other element of a claim, or defense to a claim, shall be determined under the law of the State, but the State shall authorize each panel and the person who appoints the panel to establish rules of procedure for fair and expedited hearing and decision of claims. All such rules of procedure shall be published and made available to the public.

(d) CLAIM AND ANSWER.—Each State shall be encouraged to provide that a claim for damages resulting from injury or death incurred as a consequence of health care malpractice shall be filed with a malpractice screening panel within the State in which the malpractice allegedly occurred. The State

shall specify the procedure for filing a claim, including a procedure for transfer to the appropriate panel of a claim improperly filed with a court or with the wrong panel, and shall require that a copy of the claim and any accompanying documents be served at the time the claim is filed on each person alleged to have caused the injury, each of whom shall be named as a defendant. The State shall require that each defendant answer the claim in timely fashion and completely. The State shall provide that a filed claim fully describe the alleged malpractice that gave rise to the claim and the nature and extent of the injury that resulted and the manner in which it took place, list the names of all liable persons and describe their role in the malpractice, and list the names of all expert witnesses who will be called in support of the claim, including their qualifications.

(e) SCREENING AND PRELIMINARY INVESTIGATION.—The panel or division of the panel to which the claim is assigned shall promptly review each claim and answer. If in the course of its review the panel or division determines that particular evidence will be needed to decide the claim, the panel or division shall notify the claimant and each defendant, and provide them an opportunity to provide the evidence at or before the hearing on the claim. The panel may, on its own motion, engage expert consultants or witnesses during review or at a hearing, and their testimony or reports shall be admitted into evidence.

(f) DISCOVERY.—The panel or division may permit discovery and motion practice prior to the hearing required by subsection (g) only as specially provided by State law for malpractice screening panels. The panel shall not permit discovery that will burden unduly the claimant, the defendant, or any third party, in light of the size and nature of the claim, or that will delay unduly the resolution of the claim.

(g) HEARING.—The panel or division shall, within one hundred and eighty days of the date on which a claim is filed, conduct a hearing on the claim. One continuance, not to exceed ninety days may be granted any party upon a showing that extraordinary circumstances not within that party's control warrant delay in the interests of justice. At the hearing, each party may be represented by counsel. The claimant shall be required to put on all evidence supporting his claim, and each defendant shall be required to put on all evidence rebutting or defending against that claim. Notwithstanding the rules of evidence applicable in the State's courts, the panel or division may hear and consider any relevant and material evidence, but a State may establish and publish rules or procedures preventing the introduction of irrelevant, unprobative, or unduly repetitious evidence. A State may establish and publish such separate procedures for the conduct of panel hearings as comport with the due process of law and with this section. A panel or division shall be authorized to compel the appearance of witnesses and the production of documents or other evidence.

(h) PANEL OR DIVISION DECISION.—After hearing all the evidence presented by the claimant and each defendant, the panel or division shall decide whether or not the malpractice was proved, and, if it was proved, whether the injury resulted from proved malpractice of one or more of the defendants. The decision shall be submitted in writing on the date not more than thirty days following the conclusion of the hearing of the evidence (unless a delay is necessary due to extraordinary circumstances) and shall include a written statement of the findings of fact and conclusions of law on which the panel or division based its decision and determined any award under subsection (i).

(i) AWARDS OF DAMAGES.—If a panel or division finds compensable injury resulting from health care malpractice by one or more named defendants, it shall determine the amount of damages owed under State law by each liable defendant to the claimant, and shall enter an order to pay an award in that amount. An award by a panel is due upon entry of the award, but a State may provide for judicial enforcement of an award that is not paid promptly. In court proceedings to enforce an order to pay an award, the only issue shall be whether payment has been made according to the terms of the order. The decision of a panel or division shall not be open for review, except to review an allegation of unlawful conflict of interest by a member of the panel or division that entered the decision, or of fraud. A State shall provide that, notwithstanding any other provision of law but subject to any State law limiting the amount of recoverable damages—

(1) a panel or division may provide that any award for continuing or prospective damages of $100,000 or more be made in the form of suitable annual or other periodic payments as actual damages are incurred;

(2) a panel or division may provide that any award for damages of $200,000 or more may be satisfied by establishing a trust fund or purchasing an annuity for the life of each person to whom the award is made, or during continuance of the compensable injury or disability, with reversionary interest in the persons liable for the award; and

(3) the timing and amounts of periodic payments or of payments from a trust fund or annuity shall be such as to avoid hardship to, and assure full compensation of, the person or persons to whom the award is made, as determined by the panel or division thereof.

(j) TRIAL DE NOVO IN STATE COURT.—(1) Each State shall provide that any party to a claim decided by a panel or division shall be entitled to trial de novo on the claim before a State court of appropriate jurisdiction on motion filed within sixty days of the panel's or division's decision. The decision of the panel or division and its written statement and order to pay an award shall be admissible as evidence in such trial on motion of any party to the panel or division hearing. Any right of trial by jury shall be preserved. If a trial de novo is held at the request of a party, that party may be liable for all costs of trial and for reasonable attorney's fees to opposing parties if, after final judgment in the State court, that party has not substantially prevailed in the action.

(2) A party has substantially prevailed in a trial de novo if—

(A) the party was a defendant at the panel or division hearing and is found by the court not to be liable in damages, or to be liable for damages in an amount at least 20 per centum or $6,000 (whichever is higher) less than the defendant's liability as established by the panel or division; or

(B) the party was the claimant at the panel or division hearing and the court awards damages in an amount at least 20 per centum or $6,000 (whichever is higher) greater than the amount awarded to that claimant by the panel or division.

(k) REPORT OF FINDINGS OF MALPRACTICE OR NEGLIGENCE.—(1) The State shall require that if a panel, division, or court finds health care malpractice by one or more named defendants, or if a settlement agreement is filed with a panel or division before decision, the panel, division, or court shall within thirty days report its decision, or notice of the settlement, to the State Insurance Commissioner, together with its written statement, verdict, or opinion and any order of award made in the case. The panel or court shall within the same time make a similar report to the State licensing or certification board or professional conduct body, if any, with jurisdiction over the licensed or certified health care profession or industry concerned.

(2) The State Insurance Commissioner shall make all such reports available for public inspection by any person, shall take such further action with respect to the report of malpractice as State law authorizes, and shall promptly notify each insurance company or association offering malpractice insurance for the licensed or certified profession or business within the State of the terms of the panel's or court's decision, including the name of each person found to have committed professional malpractice, the nature of his liability, and the amount of any award.

(3) The State shall provide that insurance companies or associations are authorized to adjust their rates for persons who are held liable by a panel, division, or court for malpractice, or who have entered into two or more settlements within the preceding three years that require payments to claimants in malpractice actions.

(l) SETTLEMENT BEFORE DECISION OR AWARD.—The parties to a claim filed with, but not yet decided by, a panel may enter into a settlement agreement at any time. A written copy of the agreement shall be filed with the panel. Any such settlement shall not provide for attorney's fees in excess of the amount authorized under section 5 of this Act. Upon receiving a copy of the agreement, the panel shall close its file on the claim and shall forward notice of the settlement as provided in subsection (k).

(m) FILING CLAIM TOLLS STATUTE OF LIMITATION.—The State shall provide that a statute of limitation pertaining to a claim relating to malpractice is tolled from the date on which the claim is filed under subsection (d) to the date sixty days after the date of the panel's or division's decision.

SEC. 5. AWARD OF ATTORNEYS' FEES IN MALPRACTICE ACTIONS.

(a) Each State shall provide that in any action or claim filed under this Act with the panel in which the claimant receives an award of damages, the amount of payments to the claimant's attorney shall not exceed the sum of—

(1) one-third of the amount of an award less than $100,000;

(2) one-quarter of the amount of an award between $100,000 and $200,000;

(3) 20 per centum of the amount of an award between $200,000 and $300,000; and

(4) 15 per centum of the amount of an award in excess of $300,000.

(b) Each State shall provide that where a panel or division orders payment of an award of damages in accordance with the methods set forth in paragraph (1), (2), or (3) of section 4(i), payments of any contingent fee to the claimant's attorney shall be made out of the periodic payments therein provided for and shall in no instance be a larger fraction of such periodic payment than the proportion borne by the total fee payable under subsection (a) of this section to the total amount of damages awarded.

(c)(1) This section does not require that fees for malpractice claims be contingent fees, nor does it authorize the award of fees against a liable party except where authorized by section 4(j) or under State law.

(2) If an attorney accepts payment in excess of the amount provided by this section, he shall forfeit three times the amount of the excess, plus costs of recovery, to the State in any civil action for recovery brought by the State in any Federal district court within the State. The Federal district courts shall have original and exclusive jurisdiction of such actions for recovery.

SEC. 6. HEALTH CARE FACILITY RISK MANAGEMENT PROGRAMS.

(a) DEVELOPMENT OF PROGRAM.—Within two years of the date of enactment of this Act, each State shall be encouraged to develop a program to require each licensed hospital, outpatient facility other than the office of an individual practitioner, and residential health-care organization or facility, within the State to employ a risk management program consistent with the standards of this section. Each Federal health-care institution in a State shall comply with the State program approved by the Attorney General of the United States under section 7. A State risk management program shall be consistent with State law, which shall meet the minimum requirements set forth in subsection (b).

(b) MINIMUM REQUIREMENTS.—

(1) REPORTING.—The State shall require that each licensed hospital or residential health care organization adopt procedures for identifying and reporting to a risk management committee or office approved by the State all known or suspected incidents of malpractice by that hospital or organization, or by the staff of the hospital or organization, or persons using facilities with the permission of the hospital or organization and for identifying the causes of such incidents and suspected incidents.

(2) INVESTIGATION AND PREVENTION.—Each approved risk management committee or office shall prepare a case file on each reported incident as soon as it is reported, and investigate the merits of any likely claim while evidence is fresh and the reports of witnesses are readily available. The case files and reports of investigations shall be made available to the patient and hospital or licensed organization. The reports shall be reviewed by the hospital or licensed organization to identify actions which can be taken to reduce the risk of further incidents of the same nature.

(c) JOINT COMMITTEES AND OFFICES.—Two or more licensed hospitals or residential health care organizations may jointly establish or use the same approved risk management committee or office, and approved committees or offices may exchange information concerning risk experience, prevention, and management, except that such committees or offices shall not be used for the exchange of price information in a manner forbidden by the antitrust laws of the United States, to fix prices for health care or insurance services, or to divide markets in a manner forbidden by the antitrust laws of the United States.

SEC. 7. CERTIFICATION OF QUALIFYING PROGRAM.

(a) The Governor of the State shall certify to the Attorney General of the United States within two years of the date of enactment of this Act whether the State has adopted a program which in the opinion of the Governor is in compliance with the provisions of this Act. The Governor shall attach to the certification copies of all relevant State laws, rules, procedures, and regulations which are a part of the State program.

(b) The Attorney General shall examine each certification within sixty days of receipt, and approve the certification if it is in substantial compliance with this Act. If in his opinion a State program is not substantially in compliance, the Attorney General shall within fifteen days notify the Governor accordingly and shall recommend revisions which would bring the State program into compliance.

(c) If within four years following the date of enactment of this Act the Attorney General is of the opinion that the program of a State does not substantially comply with the requirements of this Act, the Attorney General shall report that noncompliance to the Speaker of the House of Representatives, to the President pro tempore of the Senate, and to the President of the United States, together with his recommendations.

SEC. 8. PAYMENTS TO STATES WITH COMPLYING PROGRAMS.

(a) PAYMENTS BY ATTORNEY GENERAL.—The Attorney General shall, within ninety days of approving a State program certified by the Governor, pay to that State the amount specified in subsection (d). Payment shall be made in a single installment to the State officer, agency, or organization authorized by State law to receive it.

(b) FINANCIAL DEVELOPMENT OF STATE PROGRAM.—Payments made under subsection (a) shall be used by the receiving State to support and pay the costs of establishing the screening panel or panels established by it in compliance with section 4 and the costs of developing and submitting the State program required by section 7. Any amount of the payment not required to support the panel or panels or to reimburse the State for the costs of the program may be used by the State to—

(1) identify the causes of health care malpractice incidents within the State and develop means or programs to prevent or reduce the severity and frequency of avoidable injuries to patients;

(2) review the structure, authority, and operations of approved State malpractice claims plans, risk-management committees, professional standards review organizations, professional licensing bodies, and professional conduct bodies for licensed or certified health care professionals and industries, and to develop or implement needed improvements; and

(3) develop or offer courses or materials on recognized standards for the safe and approved practice of any licensed or certified health care profession or industry within the State, and relating to ways in which the risks of avoidable injury to patients may be reduced and the standards of practice improved.

(c) REPORT OF GOVERNOR.—The Governor shall, within one year of the date of enactment of this Act, report to the Attorney General on the State's use of any payment received under subsection (a), and shall provide to the Attorney General upon request the results or reports of State actions funded under subsection (b).

(d) AMOUNT OF PAYMENTS.—The Attorney General shall allocate among the States the funds appropriated to make payments under this section as follows:

(1) The Attorney General shall allocate $250,000 to each State described in subsection (a). He shall allocate the remainder of the funds among the States according to State population.

(2) If a State has not submitted a certified program within thirty months after the date of enactment of this Act that complies with this Act, the Attorney General shall notify the Governor of the State that unless a program that is in compliance with this Act is certified within six months, the State's allocation will be terminated.

(3) If after six months from notification under paragraph (2) the State has not certified a program to the Attorney General, or if a certified State program is disapproved by the Attorney General as not in compliance with the requirements of this Act, the amount allocated to the State under paragraph (1) shall be reallocated as provided in paragraph (4).

(4) Unused funds subject to reallocation pursuant to paragraph (3) shall be reallocated and paid to those States which the Attorney General determines in his discretion are most in need of additional funds to support State programs adopted in compliance with this Act. In reallocating funds, the Attorney General shall consider all relevant circumstances, including—

(A) a high incidence of malpractice claims within the State;

(B) unique or unusual types of claims requiring exceptional expense to the State;

(C) long distances or other geographical barriers within the State which increase travel and administrative costs;

(D) particular claims involving unusual problems of proof or presenting new issues of scientific fact or professional standards;

(E) particular claims or patterns of claims involving similar or related injuries to a large number of persons similarly situated; and

(F) special litigation or management needs occasioned in order to comply with existing State law or State constitutional requirements.

(5) Unused funds subject to reallocation pursuant to paragraph (3) may also be allocated by the Attorney General to any State, or to the Federal Justice Research Program, for the purpose of assisting in the development or implementation of an initial or modified State program, or for studies of the operations of existing programs within a State. The results of any such study shall be reported to the Attorney General.

(6) Any decision by the Attorney General that a State program is not in compliance with this Act, or that funds allocated to a State shall revert, or to reallocate reverted funds, shall be final and not subject to judicial review.

There are authorized to be appropriated to the Department of Justice $25,000,000 for fiscal year 1982, and each succeeding fiscal year to carry out the purposes of this Act, which shall remain available until expended.

SEC. 10. DEFINITIONS.

For purposes of this Act—

(1) "malpractice" means malpractice, or professional negligence, by an individual or group that provides health care services or goods and that is required by State law to be licensed or certified to provide such services or goods within the State;

(2) "panel" means a malpractice screening panel established pursuant to section 4;

(3) "division" means a division of a malpractice screening panel that is authorized to hear and decide malpractice claims pursuant to this Act; and

(4) "State Insurance Commissioner" means the officer or agency of State government charged with licensing or regulating the business of providing insurance against claims of malpractice within the State.

[From the CONGRESSIONAL RECORD, Sept. 25, 1980]

By Mr. INOUYE:

S. 3161. A bill to limit the costs resulting from acts of negligence in health care and to improve the level of health care services in the United States, and for other purposes; to the Committee on Labor and Human Resources.

HEALTH CARE PROTECTION ACT

Mr. INOUYE. Mr. President, today I am introducing legislation which, if enacted, would establish for the first time, uniform Federal standards for a network of health care malpractice screening panels across our Nation. The Health Care Protection Act of 1980 is an outgrowth of earlier legislation that I introduced back in 1975 during the midst of our medical malpractice insurance crisis. My original proposal was essentially a workers compensation, no-fault approach. It attempted to isolate and deal separately with two, often emotionally charged, issues of practitioner competence and patient compensation. At that time, my colleague, Senator Kennedy, joined with me in proposing various alternative approaches, including another bill which proffered a screening panel approach.

During the past 5 years, in my judgment, we have come a long way in determining what should be the appropriate role for the Federal Government in the many complex issues that are often unfortunately grouped together under the general label of "medical malpractice." For example, we have recognized that there are many different types of health care practitioners with different responsibilities, levels of professional training, and modes of practice. Further, we have begun to appreciate the extent to which the emotional trauma that generally accompanies the classic medical malpractice suit is beneficial for neither the unfortunate patient nor the practitioner, regardless of the ultimate outcome of the trial. We have also come to publicly admit that the delivery of health care is still largely an art, rather than a precise science, and that although in retrospect it is oftentimes tempting to second-guess the practitioner, no one is well served by that approach.

Since 1975, a growing number of State legislatures, and even courts, have experimented with different approaches depending upon their own unique circumstances and philosophical orientations. Admittedly, for the past several years now, the malpractice crisis seems to have abated. And a number of my colleagues may wonder why today I still feel that it is important to address this issue. However, the answer is quite simple. From all that I have seen and read, we have not satisfactorily addressed the fundamental causes behind our earlier crisis. Accordingly, rather than being truly resolved, these highly complex issues are merely dormant. I am afraid that it will not be long before another emotionally charged crisis evolves, and this time it may well be more disruptive than before.

Mr. President, I ask unanimous consent that a reporting from the February 1980, issue of the National Law Journal be printed in the RECORD at this juncture.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

"IS ANOTHER CRISIS LOOMING?

"(By Stu Chapman)

"A new medical malpractice crisis could be brewing in the nation's courts.

"After a lull in litigation following the crisis of 1975, insurance carriers are reporting a dramatic increase in the number of liability claims filed against physicians. The increase in claims, accompanied by huge awards for plaintiffs, has prompted some of the nation's major insurance carriers to hike premiums for doctors.

"The St. Paul Fire and Marine Insurance Co., the largest medical malpractice carrier in the country, reports that malpractice claims against its physician subscribers rose 12 percent in 1978. The number of claims filed had dipped by as much as 11 percent during the previous two years.

"In Chicago, the Illinois State Medical Society said that more medical malpractice claims were filed in Cook County in September 1979 than in any month since November 1975.

"SUING POPULAR AGAIN

"Suing the doctor is popular again for a number of reasons.

"First, legislative efforts in many states to limit personal injury claims have undergone constitutional challenges. If the new malpractice laws have not been weakened, they apparently look less forbidding to attorneys than they did several years ago.

"At the same time, court decisions have been expanding physician liability, particularly concerning birth defects and injuries. For example, two New York cases held physicians liable for the lifelong special costs of caring for defective children if the doctors failed to warn the prospective parents of possible genetic risks.

"'The hair-raising verdicts are getting worse—particularly in New York,' said Don Fager, assistant treasurer of Medical Liability Mutual Insurance Co., the physician-owned company set up by the Medical Society of the State of New York. 'It used to be that we didn't get those million-dollar verdicts but now we get them routinely, and the publicity that accompanies them only whets the public's appetite for more.'

"MILLION-DOLLAR CASES

"Million-Dollar cases are becoming more commonplace, figures show. Jury Verdict Research Inc. shows 23 million-dollar cases in 1977 and 1978 compared to only a few for all preceding years combined.

"If the new groundswell of claims continues, it is not expected to have as widespread an impact, however, as the crisis that swamped physicians five years ago. The biggest difference: physician-owned insurance companies that can guarantee the availability of insurance for doctors and that are taking a tougher stand in fighting claims that might be marginal.

"The impact of the new doctor-owned companies on litigation can be seen in figures from the National Association of Insurance Commissioners. Its survey of claims closed between July 1, 1976, and June 30, 1978, showed a big jump in the number of cases going to court. The study shows 16 percent of the cases going to trial compared to only 5 percent previously. And the doctor-owned companies are proving to be tough opponents in court—winning 90 percent of their cases compared to 80 percent a few years ago."

Mr. INOUYE. Mr. President, in December 1978, then-Attorney General Griffin Bell announced the Department of Justice's intention to propose legislation establishing minimum standards for procedures to resolve malpractice claims. At that time, the Attorney General stated, in part, that—

"Medical malpractice problems are high on our agenda. These problems have reached troubling proportions in several ways: the cost of medical care is substantially increased; inflation is fueled; and expense and delay in litigation are exacerbated. The cost of malpractice insurance adds considerably to the cost of medical services to the people of the country. Last year, the nation's hospitals alone spent approximately $1.2 billion for malpractice insurance. This represents a six-fold increase over the past five years. The malpractice costs by themselves add approximately $5 per day for every person who requires hospitalization. Moreover, existing litigation procedures do not always assure that meritorious claims are compensated or that physicians and hospitals are adequately protected against unmeritorious claims.

"In an effort to get at this problem, we will send to the Congress a proposal to improve the process for resolving medical malpractice claims. The experience of several states shows that patients, doctors, and hospitals all benefit from a system that provides screening of malpractice claims and which is tied to improved professional discipline procedures.

"The use of screening panels provides a means of weeding out unfounded claims and encouraging prompt and fair settlement of those which are meritorious. We are going to propose national minimum standards for procedures to resolve malpractice claims. Within those national standards, the states would be free to shape individual systems to fit local needs and conditions. We believe this proposal would have a substantial effect in both reducing the cost and improving the quality of medical care."

In June 1979, after consultation with the Attorney General, Senator JAVITS and I shared a working draft of the proposed legislation with the 50 State Governors, requesting their review and comment. Again, since the earlier pressures no longer existed, there was considerable disagreement about whether the Federal Government ought to become involved at all. The other issues that they raised were also extremely helpful and I have tried to incorporte them wherever possible. Unfortunately, since Griffin Bell's departure from the Department of Justice, the administration's enthusiasm for aggressively addressing the malpractice issue has naturally cooled. However, the need is still pressing and I feel that it is appropriate to continue the dialog.

The cost of health care in our Nation has skyrocketed beyond belief and continues to escalate faster than almost any other segment of our economy. Before we can ever hope to enact a comprehensive national health insurance program, we must first address the issue of medical malpractice. In 1975, there were 20,000 medical malpractice claims, three-quarters of which arose from incidents that occurred within our Nation's hospitals. For the in-hospital claims that went the full route to a jury settlement, the average award was $350,000. It is estimated that our Nation's health care providers and hospitals presently pay over $1.25 billion a year in medical malpractice insurance premiums, yet only about 20 percent of this sum reached the pockets of malpractice victims. Further, it is estimated that there are between $2 billion and $7 billion a year of needless testing and procedures being performed merely because our nation's health care providers feel that they must practice what is known as defensive medicine.

Some 25 States established malpractice panels during the mid-1970s. The screening panel approach has worked especially well in the State of Hawaii, where 80 percent of the medical malpractice cases since 1976 have been settled out of court. Our Medical Claims Conciliation Panel has the support of lawyers, physicians, insurance companies and claimants. More specifically, interviews with Hawaii physicians revealed that 94 percent felt that the panels were helpful in resolving malpractice cases; 90 percent of the attorneys using the screening panels felt the same. In fact, the Pacific Business News heralded this procedure as curbing our state's medical malpractice insurance rates.

The bill that I am introducing today proposes a basic framework and economic incentive for our various state legislatures to develop their own malpractice screening panel programs. There are certain fundamental public policy value judgments inherent in my proposal that should be highlighted at this time. First, that malpractice is not limited only to the medical profession, but is the concern of all health care practitioners. Second, that a multidisciplinary screening approach should be utilized. Third, that all relevant information should be systematically collected and made public, and not hidden behind claims of privilege. And finally, that our malpractice insurance system should be reconceived to place far greater emphasis on compensating the unfortunate victim, rather than on pouring resources into courtroom clashes, claims administration, and insurer overhead.

My proposal is voluntary in nature. I have spelled out a number of specific standards which I feel would best serve the interests of all of the parties involved. I have authorized up to $25 million to be made available on a continuing basis for the Department of Justice to actively encourage states to comply. I proposed a mechanism for systematically collecting important data on malpractice claims, and in the future, when we have sufficient experience, I may very well make additional legislative recommendations.

It is my expectation that eventually every state will adopt this screening panel approach. Eventually, I hope that a truly no-fault approach patterned after our workers compensation laws can be developed, built upon the network of malpractice screening panels already in place, in order to insure that those who deserve compensation receive it, and that those practitioners who do not live up to appropriate standards are identified and properly limited in the scope of their practice.

Mr. President, I ask unanimous consent that the bill and its summary be included in the RECORD.

There being no objection, the bill and the summary were ordered to be printed in the RECORD, as follows:

S. 3161

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Health Care Protection Act of 1980".

SEC. 2. CONGRESSIONAL FINDINGS AND STATEMENT OF PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the health care professions and industry serve needs vital to the continuing health and welfare of the American people and form a vital part of commerce between the States;

(2) every person needs ready and economical access to medical and other health care services for full participation in American society and for full exercise of individual rights;

(3) the health care professions and industry apply national standards of health care to State and regional needs and circumstances;

(4) the need to compensate persons injured by avoidable acts of health care negligence or malpractice and the resultant costs of malpractice insurance significantly increase the costs of medical and other health care services and products;

(5) divergent systems for insuring against, and for litigating and compensating, health care malpractice claims further raise the cost of needed malpractice insurance and prevent speedy compensation of injured persons;

(6) a large majority of the cost of premiums paid for malpractice insurance goes to investigating or trying malpractice claims in State courts, while less than one-third of the premium amounts are now used to compensate perons injured by malpractice;

(7) many more incidents of health care malpractice occur than result in a claim for damages, and many valid claims for compensation are prevented because of the high costs of trial; conversely, many claims of malpractice are unjustified but result in settlements or awards for damages out of sympathy for the physical condition of the claimant;

(8) these added costs of insurance protection, and the risk of liability for compensation, burden both the health care providers and their patients, further raising the cost of health care goods and services;

(9) these costs also increase the costs to the United States Government of carrying out its programs for aiding the people and the States in meeting health care needs, and affect the extent to which the United States may be financially liable for health care services afforded by its own officers or employees, including the military services and veterans and public health care programs;

(10) failure to compensate adequately persons injured by health care malpractice adversely affects the general health and welfare of the people of the United States and burdens commerce between the States;

(11) many States have experimented successfully with nonjudicial malpractice claims systems using screening panels to reduce the costs of processing malpractice claims;

(12) early examination of claims regarding health care malpractice, before they reach court, by malpractice screening panels organized by the States according to uniform Federal standards will aid materially in reaching just and timely resolutions of those claims at much lower administrative and litigation costs than those now experienced under the existing system of direct tort litigation and malpractice insurance;

(13) members of the public and responsible public officials of the States are entitled to be informed in all instances in which health care malpractice is found by a State screening panel or court, in order to protect against the risk of further malpractice and to minimize the necessary costs of insurance protection;

(14) a small percentage of the health care providers account for a disproportionately high percentage of all malpractice claims, and an even higher percentage of insurance payments to persons injured by health care malpractice; and

(15) because insurance premiums are usually set for an entire specialty group in a given region, these high-risk providers do not bear a financial burden proportionate to the amount of injury they cause, so there is not an effective financial incentive for the safe practice of medicine and other health care specialties.

(b) Statement of Purpose.—The purpose of this Act is to provide minimum Federal standards for the creation by each State of health care malpractice screening panels and procedures that will reduce the costs to the public and to the health care professions of malpractice, and will provide full and expeditious compensation to the victims of health care malpractice.

SEC. 3. UNIFORM STANDARDS FOR COMPENSATION FOR HEALTH CARE MALPRACTICE.

(a) STATE PROGRAM FOR COMPENSATION.—Each State shall be encouraged to establish within four years of the date of enactment of this Act a program for compensation and reduction of health care malpractice that complies with the standards set forth in this Act. The State may establish the program by legislative, executive, or judicial action, as authorized by the laws and constitution of the State.

(b) ATTORNEY GENERAL REGULATIONS.—The Attorney General shall have authority to promulgate regulations for the interpretation and implementation of this Act. Without limiting the foregoing, within one year of the date of enactment of this Act, the Attorney General shall issue regulations concerning certification of State programs established under this Act and for the payments under section 8 to support State programs.

SEC. 4. MALPRACTICE SCREENING PANELS.

(a) ESTABLISHMENT.—Each State shall be encouraged to establish one or more malpractice screening panels to hear all claims of health care malpractice by persons in the State who are licensed or certified by the State to provide health care services or who provide health care services for which State law requires a license or certification. If the State establishes more than one screening panel, the jurisdiction of the panels may be divided by geographic area within the State or by health care specialty.

(b) MEMBERSHIP AND APPOINTMENT.—(1) A malpractice screening panel shall have at least three members, chosen and appointed under the laws or constitution of the State. A State may require that a panel sit as a single body or may authorize the panel to sit in smaller divisions of at least three members. Each panel, and each division before which a claim is heard shall include at least one licensed or certified health care professional and at least one person admitted to practice law in the courts of the State, and may include such other members as the State shall provide. The State may annex a panel to a court of the State. The State shall specify the method of selection and assignment of members of the panels, and of any division thereof, in a manner that assures that each panel and division thereof will afford a full and fair hearing to all parties to any claim brought before it. The panel shall not be composed entirely of members of the same political party or persuasion, and shall be selected without regard to the sex, race, religion, or national origin of any person.

(2) The State shall provide that any member or employee of a screening panel is immune from suit for defamation, libel, or slander, arising from the performance of his official duties with the panel, unless malice or actual knowledge of the falsity of a defamatory statement is proved.

(c) JURISDICTION AND RULES OF PROCEDURE.—The State program shall be encouraged to provide for the following:

(1) Each panel shall have original and exclusive jurisdiction within the State, or such area of the State or health care specialty as State law shall provide, to hear and decide any claim for damages resulting from injury or death incurred as a consequence of health care malpractice by an individual, group, or organization that is required to be licensed or certified by the State in order to provide health care goods or services in that State.

(2) Except as provided in subsection (j) or as provided for claims against the United States, every claim within the jurisdiction of a panel shall be filed with, heard, and decided by the panel.

(3) The existence or absence of requisite injury, causation negligence, malpractice, or any other element of a claim, or defense to a claim, shall be determined under the law of the State, but the State shall authorize each panel and the person who appoints the panel to establish rules of procedure for fair and expedited hearing and decision of claims. All such rules of procedure shall be published and made available to the public.

(d) CLAIM AND ANSWER.—Each State shall be encouraged to provide that a claim for damages resulting from injury or death incurred as a consequence of health care malpractice shall be filed with a malpractice screening panel within the State in which the malpractice allegedly occurred. The State shall specify the procedure for filing a claim, including a procedure for transfer to the appropriate panel of a claim improperly filed with a court or with the wrong panel, and shall require that a copy of the claim and any accompanying documents be served at the time the claim is filed on each person alleged to have caused the injury, each of whom shall be named as a defendant. The State shall require that each defendant answer the claim in timely fashion and completely. The State shall provide that a filed claim fully describe the alleged malpractice that gave rise to the claim and the nature and extent of the injury that resulted and the manner in which it took place, list the names of all liable persons and decide their role in the malpractice, and list the names of all expert witnesses who will be called in support of the claim, including therewith their qualifications.

(e) SCREENING AND PRELIMINARY INVESTIGATION.—The panel or division of the panel to which the claim is assigned shall promptly review each claim and answer. If in the course of its review the panel or division determines that particular evidence will be needed to decide the claim, the panel or division shall notify the claimant and each defendant, and provide them an opportunity to provide the evidence at or before the hearing on the claim. The panel may, on its own

motion, engage expert consultants or witnesses during review or at a hearing, and their testimony or reports shall be admitted into evidence.

(f) DISCOVERY.—The panel or division may permit discovery and motion practice prior to the hearing required by subsection (g) only as specially provided by State law for malpractice screening panels. The panel shall not permit discovery that will burden unduly the claimant, the defendant, or any third party, in light of the size and nature of the claim, or that will delay unduly the resolution of the claim.

(g) HEARING.—The panel or division shall, within one hundred and eighty days of the date on which a claim is filed, conduct a hearing on the claim. One continuance, not to exceed ninety days, may be granted any party upon a showing that extraordinary circumstances not within that party's control warrant delay in the interests of justice. At the hearing, each party may be represented by counsel. The claimant shall be required to put on all evidence supporting his claim, and each defendant shall be required to put on all evidence rebutting or defending against that claim. Notwithstanding the rules of evidence applicable in the State's courts, the panel or division may hear and consider any relevant and material evidence, but a State may establish and publish rules or procedures preventing the introduction of irrelevant, unprobative, or unduly repetitious evidence. A State may establish and publish such separate procedures for the conduct of panel hearings as comport with the due process of law and with this section. A panel or division shall be authorized to compel the appearance of witnesses and the production of documents or other evidence.

(h) PANEL OR DIVISION DECISION.—After hearing all the evidence presented by the claimant and each defendant, the panel or division shall decide whether or not the malpractice was proved, and, if it was proved, whether the injury resulted from proved malpractice of one or more of the defendants. The decision shall be in writing and shall include a written statement of the findings of fact and conclusions of law on which the panel or division based its decision and determined any award under subsection (i).

(i) AWARDS OF DAMAGES.—If a panel or division finds compensable injury resulting from health care malpractice by one or more named defendants, it shall determine the amount of damages owed under State law by each liable defendant to the claimant, and shall enter an order to pay an award in that amount. An award by a panel is due upon entry of the award, but a State may provide for judicial enforcement of an award that is not paid promptly. In court proceedings to enforce an order to pay an award, the only issue shall be whether payment has been made according to the terms of the order. The decision of a panel or division shall not be open for review, except to review an allegation of unlawful conflict of interest by a member of the panel or division that entered the decision, or of fraud. A State shall provide that, notwithstanding any other provision of law but subject to any State law limiting the amount of recoverable damages—

(1) a panel or division may provide that any award for continuing or prospective damages of $100,000 or more be made in the form of suitable annual or other periodic payments as actual damages are incurred;

(2) a panel or division may provide that any award for damages of $200,000 or more may be satisfied by establishing a trust fund or purchasing an annuity for the life of each person to whom the award is made, or during continuance of the compensable injury or disability, with reversionary interest in the persons liable for the award; and

(3) the timing and amounts of periodic payments or of payments from a trust fund or annuity shall be such as to avoid hardship to, and assure full compensation of, the person or persons to whom the award is made, as determined by the panel or division thereof.

(j) TRIAL DE NOVO IN STATE COURT.—(1) Each State shall provide that any party to a claim decided by a panel or division shall be entitled to trial de novo on the claim before a State court of appropriate jurisdicton on motion filed within sixty days of the panel's or division's decision. The decision of the panel or division and its written statement and order to pay an award shall be admissible as evidence in such trial on motion of any party to the panel or division hearing. Any right of trial by jury shall be preserved. If a trial de novo is held at the request of a party, that party may be liable for all cost of trial and for reasonable attorney's fees to opposing parties if, after final judgment in the State court, that party has not substantially prevailed in the action.

(2) A party has substantially prevailed in a trial de novo if—

(A) the party was a defendant at the panel or division hearing and is found by the court not to be liable in damages, or to be liable for damages in an amount at least 20 percent or $6,000 (whichever is higher) less than the defendant's liability as established by the panel or division; or

(B) the party was the claimant at the panel or division and the court awards damages in an amount at least 20 percent or $6,000 (whichever is higher) greater than the amount awarded to that claimant by the panel or division.

(k) REPORT OF FINDINGS OF MALPRACTICE OR NEGLIGENCE.—(1) The State shall require that if a panel, division, or court finds health care malpractice by one or more named defendants, or if a settlement agreement is filed with a panel or division before decision, the panel, division, or court shall within thirty days report its decision, or notice of the settlement, to the State Insurance Commissioner together with its written statement, verdict, or opinion and any order of award made in the case. The panel or court shall within the same time make a similar report to the State licensing or certification board or professional conduct body, if any, with jurisdiction over the licensed or certified health care profession or industry concerned.

(2) The State Insurance Commissioner shall make all such reports available for public inspection by any person, shall take such further action with respect to the report of malpractice as State law authorizes, and shall promptly notify each insurance company or association offering malpractice insurance for the licensed or certified profession or business within the State of the terms of the panel's or court's decision, including the name of each person found to have committed professional malpractice, the nature of his liability, and the amount of any award.

(3) The State shall provide that insurance companies or associations are authorized to adjust their rates for persons who are held liable by a panel, division, or court for malpractice, or who have entered into two or more settlements within the preceding three years that require payments to claimants in malpractice actions.

(l) SETTLEMENT BEFORE DECISION OR AWARD.—The parties to a claim filed with, but not yet decided by, a panel may enter into a settlement agreement at any time. A written copy of the agreement shall be filed with the panel. Any such settlement shall not provide for attorney's fees in excess of the amount authorized under section 5 of this Act. Upon receiving a copy of the agreement, the panel shall close its file on the claim and shall forward notice of the settlement as provided in subsection (k).

(m) FILING CLAIM TOLLS STATUTE OF LIMITATION.—The State shall provide that a statute of limitation pertaining to a claim relating to malpractice is tolled from the date on which the claim is filed under subsection (d) to the date of the panel's or division's decision.

SEC. 5. AWARD OF ATTORNEYS' FEES IN MALPRACTICE ACTIONS.

(a) Each State shall provide that in any action or claim filed under this Act with the panel in which the claimant receives an award of damages, the amount of payments to the claimant's attorney shall not exceed the sum of—

(1) one-third of the amount of an award of less than $100,000;

(2) one-quarter of the amount of an award between $100,000 and $200,000;

(3) 20 percent of the amount of an award between $200,000 and $300,000; and

(4) 15 percent of the amount of an award in excess of $300,000.

(b) Each State shall provide that where a panel or division orders payment of an award of damages in accordance with the methods set forth in paragraph (1), (2) or (3) of section 4(i), payments of any contingent fee to the claimant's attorney shall be made out of the periodic payments therein provided for and shall in no instance be a larger fraction of such periodic payment than the proportion borne by the total fee payable under subsection (a) of this section to the total amount of damages awarded.

(c)(1) This section does not require that fees for malpractice claims be contingent fees, nor does it authorize the award of fees against a liable party except where authorized by section 4(j) or under State law.

(2) If an attorney accepts payment in excess of the amount provided by this section, he shall forfeit three times the amount of the excess, plus costs of recovery, to the State in any civil action for recovery brought by the State in any Federal district court within the State. The Federal district courts shall have original and exclusive jurisdiction of such actions for recovery.

SEC. 6. HEALTH CARE FACILITY RISK MANAGEMENT PROGRAMS.

(a) DEVELOPMENT OF PROGRAM—Within two years of the date of enactment of this Act, each State shall be encouraged to develop a program to require each licensed hospital, out-patient facility other than the office of an individual practitioner, and residential health-care organization or facility, within the State to employ a risk management program consistent with the standards of this section. Each Federal health-care institution in a State shall comply with the State program approved by the Attorney General of the United States under section 7. A State risk management program shall be consistent with State law, which shall meet the minimum requirements set forth in subsection (b).

(b) MINIMUM REQUIREMENTS.—

(1) REPORTING.—The State shall require that each licensed hospital or residential health care organization adopt procedures for identifying and reporting to a risk management committee or office approved by the State all known or suspected incidents of malpractice by that hospital or organization, or by the staff of the hospital or organization, or persons using facilities with the permission of the hospital or organization and for identifying the causes of such incidents and suspected incidents.

(2) INVESTIGATION AND PREVENTION.—Each approved risk management committee or office shall prepare a case file on each reported incident as soon as it is reported, and

investigate the merits of any likely claim while evidence is fresh and the reports of witnesses are readily available. The case files and reports of investigations shall be made available to the patient and hospital or licensed organization. The reports shall be reviewed by the hospital or licensed organization to identify actions which can be taken to reduce the risk of further incidents of the same nature.

(c) JOINT COMMITTEES AND OFFICES.—Two or more licensed hospitals or residential health care organizations may jointly establish or use the same approved risk management committee or office, and approved committees or offices may exchange information concerning risk experience, prevention, and management, except that such committees or offices shall not be used for the exchange of price information in a manner forbidden by the antitrust laws of the United States, to fix prices for health care or insurance services, or to divide markets in a manner forbidden by the antitrust laws of the United States.

SEC. 7. CERTIFICATION OF QUALIFYING PROGRAM.

(a) The Governor of the State shall certify to the Attorney General of the United States within two years of the date of enactment of this Act whether the State has adopted a program which in the opinion of the Governor is in compliance with the provisions of this Act. The Governor shall attach to the certification copies of all relevant State laws, rules, procedures, and regulations which are a part of the State program.

(b) The Attorney General shall examine each certification within sixty days of receipt, and approve the certification if it is in substantial compliance with this Act. If in his opinion a State program is not substantially in compliance, the Attorney General shall within fifteen days notify the Governor accordingly and shall recommend revisions which would bring the State program into compliance.

(c) If within four years following the date of enactment of this Act the Attorney General is of the opinion that the program of a State does not substantially comply with the requirements of this Act, the Attorney General shall report that noncompliance to the Speaker of the House of Representatives, to the President pro tempore of the Senate, and to the President of the United States, together with his recommendations.

SEC. 8. PAYMENTS TO STATES WITH COMPLYING PROGRAMS.

(a) PAYMENTS BY ATTORNEY GENERAL.—The Attorney General shall, within ninety days of approving a State program certified by the Governor, pay to that State the amount specified in subsection (d). Payment shall be made in a single installment to the State officer, agency, or organization authorized by State law to receive it.

(b) FINANCIAL DEVELOPMENT OF STATE PROGRAM.—Payments made under subsection (a) shall be used by the receiving State to support and pay the costs of establishing the screening panel or panels established by it in compliance with section 4 and the costs of developing and submitting the State program required by section 7. Any amount of the payment not required to support the panel or panels or to reimburse the State for the costs of the program may be used by the State to—

(1) identify the causes of health care malpractice incidents within the State and develop means or programs to prevent or reduce the severity and frequency of avoidable injuries to patients;

(2) review the structure, authority, and operations of approved State malpractice claims plans, risk-management committees, professional standards review organizations, professional licensing bodies, and professional conduct bodies for licensed or certified health care professional and industries, and to develop or implement needed improvements; and

(3) develop or offer courses or materials on recognized standards for the safe and approved practice of any licensed or certified health care profession or industry within the State, and relating to ways in which the risks of avoidable injury to patients may be reduced and the standards of practice improved.

(c) REPORT OF GOVERNOR.—The Governor shall, within one year of the date of enactment of this Act, report to the Attorney General on the State's use of any payment received under subsection (a), and shall provide to the Attorney General upon request the results or reports of State actions funded under subsection (b).

(d) AMOUNT OF PAYMENTS.—The Attorney General shall allocate among the States the funds appropriated to make payments under this section as follows:

(1) The Attorney General shall allocate $250,000 to each State described in subsection (a). He shall allocate the remainder of the funds among the States according to state population.

(2) If a State has not submitted a certified program within thirty months after the date of enactment of this Act that complies with this Act, the Attorney General shall notify the Governor of the State that unless a program that is in compliance with this Act is certified within six months, the State's allocation will be terminated.

(3) If after six months from notification under paragraph (2) the State has not certified a program to the Attorney General, or if a certified State program is disapproved by the Attorney General as not in compliance with the requirements of this Act, the amount allocated to the State under paragraph (1) shall be reallocated as provided in paragraph (4).

(4) Unused funds subject to reallocation pursuant to paragraph (3) shall be reallocated and paid to those States which the Attorney General determines in his discretion are most in need of additional funds to support State programs adopted in compliance with this Act. In reallocating funds, the Attorney General shall consider all relevant circumstances, including—

(A) a high incidence of malpractice claims within the State;

(B) unique or unusual types of claims requiring exceptional expense to the State;

(C) long distances or other geographical barriers within the State which increase travel and administrative costs;

(D) particular claims involving unusual problems of proof or presenting new issues of scientific facts or professional standards;

(E) particular claims or patterns of claims involving similar or related injuries to a large number of persons similarly situated; and

(F) special litigation or management needs occasioned in order to comply with existing State law or State constitutional requirements.

(5) Unused funds subject to reallocation pursuant to paragraph (3) may also be allocated by the Attorney General to any State, or to the Federal Justice Research Program, for the purpose of assisting in the development or implementation of an initial or modified State program, or for studies of the operations of existing programs within a State. The results of any such study shall be reported to the Attorney General.

(6) Any decision by the Attorney General that a State program is not in compliance with this Act, or that funds allocated to a State shall revert, or to reallocate reverted funds, shall be final and not subject to judicial review.

SEC. 9. AUTHORIZATION.

There are authorized to be appropriated to the Department of Justice $25,000,000 for Fiscal Year 1981 and each succeeding Fiscal Year to carry out the purposes of this Act, which shall remain available until expended.

SEC. 10. DEFINITIONS.

For purposes of this Act—

(1) "malpractice" means malpractice, or professional negligence, by an individual or group that provides health care services or goods and that is required by State law to be licensed or certified to provide such services or good within the State;

(2) "panel" means a malpractice screening panel established pursuant to section 4;

(3) "division" means a division of a malpractice screening panel that is authorized to hear and decide malpractice claims pursuant to this Act; and

(4) "State Insurance Commissioner" means the officer or agency of State government charged with licensing or regulating the business of providing insurance against claims of malpractice within the State.

SUMMARY: THE HEALTH CARE PROTECTION ACT OF 1980

The Health Care Protection Act of 1980 ("the Act") provides financial incentives for States to establish health care malpractice screening panels in accordance with uniform federal standards. The Act also limits the size of attorney fees which can be awarded in a malpractice case, and introduces federal standards for health care facility risk management programs across the United States. It is intended to control the rising costs—in money and personal suffering—of malpractice disputes by providing uniform nationwide standards for fair, affordable and expedited review of malpractice damage claims. At the same time, the Act will improve the incentives for safer practice within the licensed health care professions and industries.

1. Scope. The Act covers all licensed and certified health care professions and industries. It is not limited to traditional "medical malpractice". Its scope includes all claims for damages resulting from injuries incurred as a result of malpractice or other negligent delivery of health care goods or services by any covered individual, group or organization.

2. Timing. Each state will be encouraged to: (a) establish a screening panel system for handling malpractice claims; (b) adopt a prescribed schedule of limits on attorney fees in malpractice cases; and (c) implement risk management programs which comply with the standards of the Act. An initial report would be due in two years from the date of enactment, and the Attorney General would authorize federal assistance payments to those states whose reports indicate that they have complying programs. The Attorney General would provide advice and assistance to the states, upon request, in developing or revising state programs to comply with the standards of the Act.

3. Uniform standards for malpractice screening panels. Each state would establish, under state law, one or more malpractice screening panel(s), which could be given specific jurisdiction according to state geography or health care specialty. Each panel would have three (3) or more members, with at least one licensed or certified health care professional and at least one member of the state bar on each panel or division before which a claim is heard.

All claims for damages resulting from health care malpractice or professional negligence would be heard and decided by the state panel using expedited procedures, within 180 days of the time a claim is filed. The state's statute of limitations would be tolled during that time. Any party dissatisfied with

the panel's decision would be entitled to a full trial in the state's courts, at which the panel's written decision and award could be introduced into evidence. If a party took advantage of the right to a trial de novo and still failed to substantially improve his position (by the larger of $6,000 or 20 percent) over the panel's decision, the trial court could require the party to pay all costs of the trial including his opponent's attorney fees. Panel and court awards for future damages could be satisfied under the Act by requiring the responsible party to set up an annuity or trust fund, or to make periodic payments as damages are incurred, rather than through a lump-sum payment which might give rise to a windfall profit later.

Panel and court findings that malpractice or professional negligence has occurred would be reported to the state insurance commissioner and the state professional licensing board. Such reports would also eventually be made available to the public. Insurance companies offering malpractice coverage would be authorized to charge higher premiums to persons or organizations with a history of frequent malpractice settlements or liability.

4. Uniform standards for the award of attorney fees in malpractice actions. The Act also establishes federal standards which set the maximum amount of contingency fees payable to attorneys in malpractice cases. An attorney could collect no more than one-third of the first $100,000 of any judgment, and would be limited to a progressively declining share of each additional $100,000 increment. An attorney who accepted a higher fee would be liable to the state for treble damages in an action in federal district court.

5. Health care facility risk management programs. Under the Act, each state would within two years develop a program requiring all residential health care facilities to employ an approved risk management program. These programs would identify report and investigate all known or suspected incidents of malpractice or negligence in a covered facility, and would require covered facilities and organizations to take positive steps to investigate and prevent future instances of malpractice or negligence.

6. Payments to States with complying plans. A total of $25 million would be authorized annually to fund state activities under the Act and would be allocated among the states by the Attorney General. Three years following its enactment, the Act would authorize the Attorney General to provide payments to only those states whose programs comply with the federal requirements. Funds not required for development costs could be used for studies and information development on state malpractice problems.●

By Mr. INOUYE:

S. 125. A bill to revise and codify the Shipping Act, 1916, and related laws; to the Committee on Labor and Human Resources.

OCEANS SHIPPING ACT OF 1981

● Mr. INOUYE. Mr. President, last year, after extensive hearings and deliberations by the Commerce Committee over a 3-year period, the Senate unanimouslv passed S. 2585, the Ocean Shipping Act of 1980. The legislation also had the overwhelming support of the maritime industry. Unfortunately, the House failed to act.

S. 2585 attempted the first major overhaul in 64 years of the Shipping Act, 1916, which is the blueprint of Federal regulation of international liner shipping. The 1916 act was enacted long before such technological breakthrough as containerization which revolutionized the maritime industry.

Mr. President, everyone familiar with our laws regulating international ocean commerce recognizes the urgent need to update the Shipping Act of 1916, if we are to assure a regulatory environment which encourages the lowest feasible and stable freight rates and the highest quality service to shippers and consignees.

Revision of that act is also necessary to enable U.S. ship operators to compete equally with their foreign counterparts for cargo in our own trades. As it is, because of judicial and administrative interpretations the provisions of the 1916 act have been unevenly applied to the detriment of U.S.-flag carriers.

Briefly, Mr. President, S. 2585 included the following major substantive changes in existing law:

Set forth a declaration of policy which clearly delineated the objectives of ocean transportation regulation in the foreign commerce of the United States.

The nine policy objectives specified in the bill were intended to serve as the substantive standards for the Federal Maritime Commission (FMC) evaluation of agreements involving concerted activity in international ocean shipping and patronage contracts between carriers, shippers, and consignees.

Clarified and reaffirms the complete exemption of concerted activities in ocean shipping (which are specified in the act) from the operation of the antitrust laws.

Established clear procedures for FMC approval of agreements and places statutory time limits on Commission action; provides for temporary approval of agreements; and establishes certain categories of presumptively approvable agreements.

Permitted the establishment and operation of shippers' councils within the United States.

Allowed greater flexibility in the type of patronage contracts offered by carriers and conferences.

Authorized the approval and implementation of intermodal agreements.

Directed the U.S. Government to negotiate intergovernmental maritime agreements between the United States and its trading partners as a matter of U.S. policy whenever conditions in foreign commerce warrant their use and prescribes guidelines for their development.

Subjected all carriers to independent, neutral body self-policing in order to ensure compliance with the requirement of the Act.

Clarified and reaffirms the independence of the FMC from OMB clearance of legislative recommendations, testimony or comments.

Provided for annual authorization of appropriations for the Commission, giving Congressional committees with substantive jurisdiction over Commission activities the opportunity to ensure that sufficient funds are allocated to implement the laws administered by the Commission.

Mr. President, with one exception, which I shall discuss, the legislation I am introducing today is, except for necessary technical changes, identical to S. 2585.

The change in the instant measure is a conforming one to reflect an amendment to the Shipping Act of 1916, which was enacted into law subsequent to Senate passage of S. 2585, that is, the Maritime Labor Agreements Act of 1980.

The Maritime Labor Agreements Act of 1980, also unanimously passed the Senate, with unanimous industry support. It does not therefore inject any controversial matter in the legislation I am introducing today.

Mr. President, I believe that if the legislation did nothing more than restore the primacy of the shipping laws to our international trades, it would merit the Senate's strong endorsement and approval. But the legislation does considerably more. It streamlines and updates our entire body of law regulating international liner shipping, and in the process fashions a regulatory system which will assure the maintenance of a dependable common carrier service responsive to the needs of the vessel operators, exporters, and importers in the waterborne commerce of the United States.

In my judgment this legislation is a necessary step toward restoring the U.S. merchant marine to a position of leadership in the world of ocean shipping.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 126. A bill to establish the position of Associate Director for Minority Concerns in the National Institute on Alcohol Abuse and Alcoholism; to the Committee on Labor and Human Resources.

S. 127. A bill to establish the position of Associate Director for Minority Concerns in the National Institute on Drug Abuse; to the Committee on Labor and Human Resources.

ESTABLISHMENT OF CERTAIN ASSOCIATE DIRECTORS

● Mr. INOUYE. Mr. President, today I am introducing legislation that would amend both the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, and the Drug Abuse Office and Treatment Act of 1972, in order to provide for the establishment of an Associate Director for Minority Concerns within each of these two important Institutes.

During our deliberations on the Reauthorization Act for both of these Institutes during the 96th Congress, the Senate unanimously accepted a floor amendment which I offered that would have established Associate Directors for underserved populations with broad-ranging policy, training, research, and treatment mandates.

Unfortunately, during the subsequent conference deliberations these Associate Director positions were deleted. However, during our deliberations on the Mental Health Systems Act, the third Institute within the Alcohol, Drug Abuse, and Mental Health Administration, my proposal for an Associate Director for Minority Concerns was accepted both in the U.S. Senate and the House of Representatives.

Accordingly, the conferees did retain the position and I have drafted these two proposals in keeping with the Mental Health Systems conference agreement. Specifically, the Associate Director for Minority Concerns shall develop and coordinate prevention, treatment, research and administrative policies and programs to insure increased emphasis in the alcoholism and/or drug abuse related needs of minority populations.

In so doing, needed demonstration programs and projects will be authorized and a long-term strategy will be devel-

oped to increase the representation of minority populations in the appropriate research and training programs.

There is no question that our Nation's minorities traditionally and unfortunately presently still possess a disproportionate percentage of alcoholism and drug abuse related symptoms. Hopefully, by targeting the specific populations and by developing innovative appropriate approaches, we will at long last be able to address these needs satisfactorily. Incidentally, during the past Congress, the Alcoholism, Drug Abuse, and Mental Health Administration submitted an in-depth report on their current minority training efforts and although I personally felt that they have come a long way, I remained impressed by the extent to which there is yet more to be done.

Mr. President, I request unanimous consent that the text of my bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 126

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 101 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended by adding the following new subsection at the end thereof:

"(e)(1) The Director of the National Institute on Alcohol Abuse and Alcoholism shall designate an Associate Director for Minority Concerns.

"(2) The Secretary, acting through the Associate Director for Minority Concerns, shall—

"(A) develop and coordinate prevention, treatment, research, and administrative policies and programs to assure increased emphasis on the alcohol and alcohol-related needs of minority populations;

"(B) support programs and projects relating to the delivery of alcohol and alcohol-related services to minority populations, including demonstration programs and projects;

"(C) develop a plan to increase the representation of minority populations in alcohol and alcohol-related service delivery and manpower programs;

"(D) support programs of basic and applied social and behavioral research on the alcohol and alcohol-related problems of minority populations;

"(E) study the effects of discrimination on institutions and individuals, including majority institutions and individuals;

"(F) develop systems to assist minority populations in adapting to, and coping with, the effects of discrimination;

"(G) support and develop research, demonstration, and training programs designed to eliminate institutional discrimination; and

"(H) provide increased emphasis on the concerns of minority populations in training programs, service delivery programs, and research endeavors of the Institute.".

(b) The amendment made by subsection (a) shall take effect on the date of the enactment of this Act or October 1, 1981, whichever occurs later.

S. 127

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 501 of the Drug Abuse Office and Treatment Act of 1972 is amended by adding the following new subsection at the end thereof:

"(e)(1) The Director of the National Institute on Drug Abuse shall designate an Associate Director for Minority Concerns.

"(2) The Secretary, acting through the Associate Director for Minority Concerns, shall—

"(A) develop and coordinate prevention, treatment, research, and administrative policies and programs to assure increased emphasis on the drug abuse and drug abuse-related needs of minority populations;

"(B) support programs and projects relating to the delivery of drug abuse and drug abuse-related services to minority populations, including demonstration programs and projects;

"(C) develop a plan to increase the representation of minority populations in drug abuse and drug abuse-related service delivery and manpower programs;

"(D) support programs of basic and applied social and behavioral research on the drug abuse and drug abuse-related problems of minority populations;

"(E) study the effects of discrimination on institutions and individuals, including majority institutions and individuals;

"(F) develop systems to assist minority populations in adapting to, and coping with, the effects of discrimination;

"(G) support and develop research, demonstration, and training programs designed to eliminate institutional discrimination; and

"(H) provide increased emphasis on the concerns of minority poulations in training programs, service delivery programs, and research endeavors of the Institute.".

(b) The amendment made by subsection (a) shall take effect on the date of the enactment of this Act or October 1, 1981, whichever occurs later.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 128. A bill to amend section 1002 of title 38, United States Code, to authorize the burial in a national cemetery of the parents of certain members of the Armed Forces who die in active service; to the Committee on Veterans Affairs.

BURIAL IN A NATIONAL CEMETERY

● Mr. INOUYE. Mr. President, I would like to take this opportunity to bring to the attention of my colleagues a current inequity regarding burial rights for members of the Armed Forces who died in active service.

Our present law entitles the spouses and/or children of these patriotic men and women to be buried alongside their loved ones in the national cemetery grounds. I am proposing legislation today to amend the appropriate section of the Code to further authorize the burial in a national cemetery of the parents of these patriotic men and women. My amendment would only apply for those parents who survive their son or daughter.

In many cases I understand that there has not been any spouse or child left behind when these honorable veterans die. Thus, their parents have been the only remaining family member. Accordingly, I strongly feel that they should have the right to join their beloved in final rest. I urge my colleagues to join with me in honoring these citizens who have sacrificed so much for our Nation.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 128

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1002 of title 38, United States Code, is amended by redesignating paragraph (6) as paragraph (7) and adding after paragraph (5) a new paragraph (6) as follows:

"(6) The surviving parents of any member of the Armed Forces who was the only child of such parents and whose death occurred under honorable conditions while such member was serving on active duty for a period of more than thirty days.".●

By Mr. INOUYE:

S. 129. A bill to authorize the Secretary of Commerce to sell the obsolete vessel U.S.S. *Comstock* (LSD–19) to Pacific Marine, a U.S. company, for American flag, and for other purposes; to the Committee on Commerce, Science, and Transportation.

SALE OF A U.S. VESSEL

● Mr. INOUYE. Mr. President, I am introducing today a bill to authorize the Secretary of Commerce to sell an obsolete vessel, the U.S.S. *Comstock,* to Pacific Marine, a firm based in Hawaii, for conversion for operation under the American flag as a support vessel in the Midway albacore fisheries.

The vessel will function as a drydock and would be capable of handling refrigerated containers on deck as well as fuel, fresh water, and spare parts to provide total support for the fishing fleet. It would provide a low cost alternative to support the fishing fleet during the Midway fisheries season and would be a sensible use of the vessel as a means to stimulate our fishing industry at a time when we are to rebuild our fishing fleet.

The ship is currently docked at Portland, Oreg., and was to have been sold for scrap this summer after being declared surplus. As a support vessel, its benefit to our national economy would be far enhanced rather than to permit it to be scrapped.

There are several safeguards which have been included in this bill. Conversion would have to be performed in the United States. It would have to be documented and operated under the laws of the United States. Finally, if it is scrapped, it would have to be scrapped in the domestic market.

Pacific Marine & Supply Co., Ltd., is located in Hawaii and has had a solid reputation for the last 36 years since it was founded in 1944. It has extensive repair and support facilities in Honolulu.

I believe that the bill is consistent with the pressing need for the United States to have a fishing fleet second to none. I strongly urge that it be passed.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 129

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provisions of law, the Secretary of Commerce is authorized, within two years of enactment of this Act, to sell, subject to such conditions as he deems are appropriate in the national interest, the USS *Comstock* (LSD–19) to Pacific Marine, a United States company, for conversion for

operation under the American flag in support of the Pacific fishing industry, provided, that (1) the Secretary shall not sell the vessel for less than its scrap value in the domestic market; (2) any conversion work shall be performed in the United States; (3) the vessel shall be documented and operated under the laws of the United States; and (4) if the vessel is scrapped, it shall be scrapped in the domestic market.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 130. A bill to amend the Immigration and Nationality Act with respect to the granting of U.S. citizenship to certain mentally retarded adults; to the Committee on the Judiciary.

GRANTING OF U.S. CITIZENSHIP TO RETARDED ADULTS

● Mr. INOUYE. Mr. President, during the 96th Congress, I introduced legislation that would amend the Immigration and Nationality Act to permit mentally retarded minors, who attain adulthood during the process of their application for citizenship, to become naturalized U.S. citizens in their own rights. When I originally introduced this bill, I felt that it was legislation that was merited and indeed necessary and I have not since that time received any other information that would contradict its importance.

This legislation, in my judgment, is necessary for several reasons, primarily because enactment will again demonstrate the continued compassion of America for those in need, while still preserving the integrity and the continuity of the family unit. This has always been a basic belief of our country.

My bill would give those mentally retarded aliens the opportunity to become citizens, without embarrassment and without the added burden to their families and legal guardians.

The present statute causes great hardship on certain families which have immigrated to the United States having mentally retarded children as family members. In the space of time required by the heads of these households to become citizens of our Nation, many of their retarded children will attain the age of adulthood chronologically. According to our laws, having attained the age of 18, these mentally retarded individuals are now required to demonstrate performances expected of a person with normal faculties in order for them to become U.S. citizens.

For example, the law requires that a person who seeks naturalization demonstrate knowledge of and attachment to the Constitution of the United States of America. He must comprehend the effect of the oath of renunciation and the allegiance and the nature of the obligation of citizenship. Yet, we know that many mentally retarded adults are simply not capable of such abstract conceptualization. Thus, we have a most unfortunate situation. The families have come to make their home in this country, yet they must now anguish over the denial of citizenship for their mentally retarded member. Various Immigration and Naturalization Service agents have personally informed me that they too are anguished in having to enforce this law.

I strongly believe that it was not the intention of the Immigration and Nationality Act to deny citizenship to these particular mentally retarded individuals and thereby ultimately cause hardship to their families who truly are eligible to become citizens.

It is with this belief in mind that I am reintroducing this legislation today.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 130

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That (a) section 101 (c) (1) of the Immigration and Nationality Act (8 U.S.C. 1101 (c) (1)), is amended by inserting ", except as otherwise provided in section 322," after "twenty-one years of age".

(b) Section 322 of such Act (8 U.S.C. 1433) is amended—

(1) by striking out in the first sentence of subsection (a) "and" after "eighteen years" and inserting in lieu thereof ", or if mentally retarded, and if";

(2) by inserting in the second sentence of subsection (a) "or is mentally retarded" after "tender years"; and

(3) by adding at the end thereof the following:

"(c) For purposes of applying this section to a child who is mentally retarded, the term 'child' has the same meanings as ascribed to such term in section 101 (c) (1), except that such meaning shall not include the age limitation of 21 years contained in such section, and the term 'parent' includes a parent of a child within the meaning of this sentence.".●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 131. A bill to incorporate the Pearl Harbor Survivors Association; to the Committee on the Judiciary.

PEARL HARBOR SURVIVORS ASSOCIATION

● Mr. INOUYE. Mr. President, I am proud to introduce before this distinguished body, a bill to incorporate the Pearl Harbor Survivors Association. This measure would bestow Federal recognition on this most honorable private nonprofit association.

Mr. President, the devastation of December 7, 1941, is still fresh for many of us, but for untold thousands, it was the catalyst for a personal sacrifice that could never be exceeded. The Pearl Harbor Survivors Association is comprised of men and women who defended our Nation against the onslaught of the Japanese attack on the Pacific fleet at Pearl Harbor. Since 1941, survivors of the Pearl Harbor attack have formed many local and regional groups, and there are now 127 active chapters located in almost every State. Their national organization, the Pearl Harbor Survivors Association, was incorporated in Missouri in 1958.

Today there are an estimated 15,000 surviving members of the U.S. Armed Forces who served at Pearl Harbor and in the area of Oahu during the December 7 attack. Of that number, the Pearl Harbor Survivors Association has an active membership of 7,990 men and women. Anyone who was a member of the Armed Forces on Oahu or was stationed aboard a ship located within 3 miles of the island on December 7, 1941, is eligible to join. Members must either have been honorably discharged or still be a member of the Armed Forces. The association conducts regular chapter, district, and State meetings, and a biennial national convention.

The motto of the organization is "Keep America Alert," which this association strives to accomplish through the preservation of historical mementos and chronicles of the Pearl Harbor attack, as well as preserving the gravesites of those who were killed in the attack. Their ultimate mission is to stimulate Americans to take a more active interest in the affairs and future of our Nation.

The Pearl Harbor Survivors Association is truly unique because it will only exist as long as there are actual survivors of Pearl Harbor. In my judgment, this association fulfills all of the necessary requirements to warrant a Federal charter. In all candor, Mr. President, this recognition is the least that we can do to honor the survivors of this infamous attack.

I am most proud to sponsor this legislation and I wish to insert in the RECORD a statement by the Pearl Harbor Survivors Association. I believe that it best summarizes the purposes of the organization.

Mr. President, at this time I request unanimous consent that the text of this bill and the Pearl Harbor Survivors Association's statement be printed in the RECORD.

There being no objection, the bill and statement were ordered to be printed in the RECORD, as follows:

S. 131

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That William E. Aupperlee, North Hollywood, California; Dale E. Speelman, Toledo, Ohio; G. Hall Pickard, Las Vegas, Nevada; Jesse E. Pond, Jr., Sperryville, Virginia; Henry R. Freitas, Walnut Creek, California; Roland L. Thomas, Cheyenne, Wyoming; George E. Demming, Albuquerque, New Mexico; Ben DeiSanti, Florissant, Missouri; David F. Briner, Waukegan, Illinois; Samuel D. Smith, Elon College, North Carolina; Hervey G. Spencer, Warren, Michigan; Mannie Siegle, Auburn, New York; and their successors, are hereby created and declared to be a body corporate by the name of Pearl Harbor Survivors Associaton, and by such name shall be known and have perpetual succession and the powers and limitations contained in this Act.

SEC. 2. The persons named in the first section of this Act are authorized to complete the organization of the corporation by the selection of officers and employees, the adoption of a constitution and bylaws, not inconsistent with this Act, and the doing of such other acts as may be necessary for such purpose.

SEC. 3. The objects and purposes of the corporation shall be:

(1) To uphold and defend the Constitution of the United States.

(2) To collate, preserve, and encourage the study of historical episodes, chronicles, mementos, and events pertaining to "The Day of Infamy, 7 December 1941", and in partic-

ular those memories and records of patriotic service performed by the heroic Pearl Harbor survivors and nonsurvivors and to shield from neglect the graves, past and future, of those who served at Pearl Harbor on such day.

(3) To stimulate communities and political subdivisions into taking more interest in the affairs and future of the United States of America, so as to "keep America alert".

(4) To fight unceasingly for our national security in order to protect Americans from enemies within our borders, as well as those from without; to the end that our American way of life be preserved, and to foster the spirit and practice of Americanism.

(5) To instill love of country and flag and to promote soundness of mind and body in the youth of our country.

SEC. 4. The corporation shall have power:

(1) To sue and be sued, complain, and defend in any court of competent jurisdiction.

(2) To adopt, alter, and use a corporate seal.

(3) To take gifts, legacies, and devises which will further the corporate purnoses.

(4) To adopt, amend, and alter a constitution and bylaws, not inconsistent with the laws of the United States or any State in which the corporation is to operate, for the management of its property and the regulation of its affairs.

(5) To charge and collect membership dues, subscription fees, and receive contributions or grants of money or property to be devoted to the carrying out of its purposes.

(6) To establish, regulate, and maintain offices for the conduct of the affairs of the corporation.

(7) To promote the formation of subordinate ladies auxiliaries, the membership requirements of which shall be determined according to the constitution and the bylaws of the corporation.

(8) To publish a magazine or other publications.

(9) To adopt emblems and badges.

(10) To do any and all lawful acts and things necessary or desirable in carrying out the objects and purposes of the corporation.

SEC. 5. Eligibility for membership in the corporation and the rights, privileges, and designation of classes of members shall be determined as the constitution and bylaws of the corporation may provide, but in no case shall eligibility for membership include persons who did not serve honorably in the Armed Forces of the United States of America.

SEC. 6. (a) The principal office of the corporation shall be located in Sperryville, Virginia, or in such other place as may be determined by the corporation; but the activities of the corporation shall not be confined to that place, but may be conducted through the various States, District of Columbia, and territories and possessions of the United States.

(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept services of process for the corporation; and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

SEC. 7. The corporation and its regional districts and local branches shall have the sole and exclusive right to use in carrying out its purposes the name "Pearl Harbor Survivors Association".

SEC. 8. (a) No part of the income or assets of the corporation shall inure to any of its members or officers as such, or be distributed to them during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of compensation to officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the executive board of the corporation.

(b) The corporation shall not make loans to its officers or employees. Any member of the executive board who votes for or assents to the making of a loan or advance to an officer or employee of the corporation, and any officer who participates in the making of such a loan or advance, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

SEC. 9. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

SEC. 10. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its national convention and executive board. All books and records of the corporation may be inspected by any member, or his agent or attorney, for any proper purpose, at any reasonable time.

SEC. 11. The provisions of sections 2 and 3 of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law" (36 U.S.C. 1102, 1103), approved August 30, 1964, shall apply with respect to the corporation.

SEC. 12. Upon dissolution or final liquidation of the corporation, after discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets of the corporation may be distributed in accordance with the determination of its governing board and in compliance with this Act and all other Federal and State laws applicable thereto.

SEC. 13. The corporation shall have no power to issue any shares of stock or to declare or pay any dividends.

SEC. 14. The corporation and its officers and agents as such shall not contribute to or otherwise support or assist any political party or candidate for public office.

SEC. 15. The corporation may acquire the assets of the Pearl Harbor Survivors Association, Incorporated, a corporation organized under the laws of the State of Missouri, upon discharging or satisfactorily providing for the payment and discharge of all of the liability of such corporation organized under the laws of such State and upon complying with all laws of the State of Missouri applicable thereto.

SEC. 16. The right to alter, amend, or repeal this Act is hereby expressly reserved.

REMEMBER PEARL HARBOR

On that peaceful Sunday morning, December 7th, 1941, an enemy attack force hit Pearl Harbor with all its fury of death and destruction. In only thirty short minutes the attackers accomplished their most important mission; they had wrecked the battle force of the United States Pacific Fleet. We also lost half of the military aircraft on the island. We accounted for ourselves as military, by fighting back, not yet aware that history had been thrust upon us. Pearl Harbor was the actual beginning of the great war which was to change the entire structure of the world. We Americans who were there demonstrated that we were prepared to give our lives, and did give them when necessary. Our sacrifices at Pearl Harbor united the nation and gave rise to a determination to protect and keep the American freedom. Our sacrifice alerted a relaxed nation, brought it to its feet and caused it to win World War II. The lesson we learned by our sacrifice will not be easily forgotten. Many of us are no longer of use as sailors, soldiers, marines, and airmen. We must make ourselves useful at home, by dedicating ourselves to the principles of freedom; by doing everything within our power to bring about a commitment of patriotism. We survivors who are still alive, for those who did not survive, can never permit ourselves to become vulnerable again. "Remember Pearl Harbor." ●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 132. A bill to amend title XII of the Public Health Service Act to provide demonstration programs relating to emergency child health care; to the Committee on Labor and Human Resources.

EMERGENCY CHILD HEALTH CARE

● Mr. INOUYE. Mr. President, today I am reintroducing legislation that would amend our Nation's emergency medical services programs to insure that special priority will be given to the development of demonstration projects addressing the many unique needs of our Nation's children. There is no question in my mind that our emergency medical services programs have demonstrated their extraordinary cost-effectiveness to date: however, various statistics have come to my attention that suggest that insufficient attention has been placed on the needs of our Nation's children and youth. For example, of all patients receiving in our Nation's hospital emergency departments, 20 to 35 percent are children or adolescents. Further, on weekends and especially at nights, children may account for more than 40 percent of all visits. Nearly 18 million children receive emergency medical services annually. Unfortunately, the American Hospital Association's statistics state that nearly 100,000 children are permanently crippled by trauma each year and as much as 55 percent of all deaths up to the age of 15 are due to injuries. From discussions that I have had with various professionals, both from the nursing profession and the medical profession, there would appear to be a consensus among our Nation's health care practitioners that children do indeed have unique psychological and physical needs.

In developing this legislation, I have been working closely with the American Academy of Pediatrics and the Hawaii Emergency Medical Services program in particular. I have been especially heartened by their ability to develop considerable grassroots support within the medical profession for this proposal. Above everything else, there seems to be unanimous agreement that children are not simply "miniature adults" and that special pediatric experience and technology is absolutely mandatory. Accordingly, I urge my colleagues in the Senate Labor and Human Resources Committee to give expeditious attention to this particular proposal.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 132

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Child Health Services Act of 1981".

SEC. 2. (a) Part A of title XII of the Public Health Service Act is amended by adding the following new section at the end thereof:

"EMERGENCY MEDICAL SERVICES FOR CHILDREN

"SEC. 1211. (a) The Secretary may make grants to and enter into contracts with eligible entities (at defined in section 1206 (a)) for demonstration programs for the expansion and improvement of emergency medical services systems to provide emergency medical services for children. No eligible entity may receive a grant or enter into a contract for a demonstration program under this section unless—

"(1) such entity has received a first grant under section 1203(e)(1);

"(2) such demonstration project is conducted in connection with an emergency medical services system; and

"(3) the eligible entity meets the requirements of section 1206(b).

"(b)(1) No grant or contract may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary. Such an application shall be in such form and be submitted in such manner as the Secretary shall by regulation prescribe. Such application shall provide assurances satisfactory to the Secretary that the applicant will make such reports and provide such other information respecting the grant or contract as the Secretary may require.

"(2) The Secretary may not approve an application for a grant or contract under this section for a demonstration program unless the application contains a full description of the program and provides assurances, satisfactory to the Secretary, that the program will be conducted as follows:

"(A) The program provides emergency medical services for children, including services to respond to trauma, accidental injuries and child abuse, poisonings, infectious diseases, respiratory difficulties, dehydration, and other life-threatening pediatric medical emergencies.

"(B) The program provides for the participation, in an advisory capacity, of concerned medical professionals and other interested groups.

"(C) The program provides for information programs relating to prevention of pediatric emergencies.

"(D) The program provides that trained personnel including paramedics are available to meet the needs if pediatric patients receiving services under the program.

"(E) The program provides that pediatric specialty facilities utilize biomedical communication systems, and that communities that do not have such specialty facilities are included in a communication system to facilitate emergency communication by physicians in such communities regarding pediatric patients.

"(F) The program provides for the coordination of emergency transportation of high-risk pediatric patients to regional specialty facilities.

"(G) The program assures that sufficient emergency facilities and critical care units for pediatric patients are available, including poison control centers.

"(H) The program provides for the transfer of pediatric patients to acute or other care facilities that will provide long-term care and rehabilitation.

"(I) The program provides for review and evaluation of pediatric services provided under the program, including appropriate methods for evaluating the cost-effectiveness of the program and the quality of care and services provided under the program.

"(c) The Secretary shall determine the amount of any grant or contract made under this section. Payments under such grants and contracts may be made in advance on the basis of estimates or by way of reimbursement, with necessary adjustments on account of underpayments or overpayments, and in such installments and on such terms and conditions as the Secretary finds necessary to carry out the purposes of such grants and contracts.

"(d)(1) Each recipient of a grant or contract under this section shall keep such records as the Secretary shall prescribe, including records that fully disclose the amount and disposition by such recipient of the proceeds of such grant or contract, the total cost of the undertaking in connection with which such grant or contract was made, the amount of the portion of the cost of the undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Secretary and the Comptroller General of the United States, or their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, and records of the recipient of grants or contracts under this section that are pertinent to such grants or contracts.

"(e) The Secretary may provide technical assistance to eligible entities with respect to programs assisted under this section.

"(f) The Secretary shall evaluate the demonstration programs supported under this section and shall submit to the Congress, not later than January 1, 1985, a report including—

"(1) the results of such demonstration programs;

"(2) the Secretary's evaluation of such programs, including the cost-effectiveness of such programs, the quality of care provided under such programs, and the effect of different geographic settings on the results of such programs; and

"(3) any recommendations the Secretary may have with respect to such programs.

"(g) There are authorized to be appropriated, $10,000,000 for the fiscal year ending September 30, 1982, $10,000,000 the fiscal year ending September 30, 1983, and $20,000,000 the fiscal year ending September 30, 1984.".

(b)(1) Section 1206(a) is amended by—

(A) striking out "and" after "1203,"; and

(B) inserting "and 1211," after "1204,".

(2) Section 1206(b)(1)(B) is amended—

(A) by striking out "or" after "1202(b)(1)" and inserting in lieu thereof a comma; and

(B) by inserting ", or 1211" after "1205".●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 133. A bill to amend section 1079 of title 10, United States Code, to eliminate the requirement for using customary charges in developing a profile of physician charges and to permit the updating of charge profiles more often than once a year; to the Committee on Armed Services.

DEVELOPING PROFILES FOR PHYSICIAN CHARGES

● Mr. INOUYE. Mr. President, today I am introducing legislation of a highly technical nature to modify the present CHAMPUS reimbursement procedures for those health care practitioners who deliver high quality care to CHAMPUS beneficiaries. I am introducing this bill in order to streamline the current reimbursement mechanism and insure that our Nation's health care practitioners will receive appropriate payment for the care that they provide.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 133

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (h) of section 1079 of title 10, United States Code, is amended to read as follows:

"(h) Payment of a charge for individual professional or other noninstitutional provider services for which a claim is submitted under a plan contracted for under subsection (a) may be denied to the extent that the charge exceeds an amount equivalent to the ninetieth percentile of the charges made for similar services in the same locality during the base period (not to exceed 12 months). The ninetieth percentile of charge levels will be developed on the basis of statistical data and methodology acceptable to the Secretary of Defense, in consultation with the Secretary of Health and Human Services and shall be updated not less than once a year (on July 1) from charges made during the base period.".

SEC. 2. The amendment made by the first section shall become effective on October 1, 1981.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 134. A bill to amend section 203 of the Federal Property and Administrative Services Act of 1949 to authorize the donation of surplus real or personal property for use in connection with a public harbor; to the Committee on Governmental Affairs.

DONATION OF SURPLUS REAL OR PERSONAL PROPERTY

● Mr. INOUYE. Mr. President, the Surplus Property Act of 1944 allows the transfer of surplus Federal real property, without monetary compensation, to local governments for the development or improvement of public airports. Current General Services Administration regulations also allow the conveyance of surplus lands for public airport use, or for wildlife conservation, or historical monuments as long as the lands remain in that use in perpetuity.

This treatment is due to the clear national interest in public airport development, improvement, operations, and maintenance. But we should not forget that these national interests exist with respect to our public harbor facilities which are presently excluded from the kind of preferential treatment now given to public airports.

Mr. President, the legislation I am again introducing today seeks nothing more than to correct this imbalance. It would amend section 203 of the Federal Property and Administrative Services Act of 1949 to authorize the donation of surplus real or personal property for use in connection with a public harbor.

Under this bill, surplus real property conveyed for purposes of a public harbor shall be conveyed in perpetuity as is the case for public airports.

The bill also provides that the surplus property so conveyed shall be without monetary consideration, at no cost, as is the case with public airports.

Mr. President, the intention of this measure is to seek for public harbors no more nor less than the same preferential treatment accorded public airports in the disposition of Federal real and personal property.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 134

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 203 of the Federal Property and Administrative Services Act of 1949 is amended by adding at the end thereof the following:

"(p) (1) Under such regulations as he may prescribe, the Administrator is authorized, in his discretion, to assign to the Secretary of the Army for disposal, without monetary consideration, such surplus real property or personal property (exclusive of property the highest and best use of which is determined by the Administrator to be industrial and which shall be so classified for disposal without regard to the provisions of this subsection) which, in the determination of the Secretary of the Army, is essential, suitable, or desirable for the development, improvement, operation, or maintenance of a public harbor, as defined in the River and Harbor Act of 1970, or which, in the determination of the Secretary of the Army, is reasonably necessary to fulfill the immediate and foreseeable future requirements of the grantee for the development, improvement, operation, or maintenance of such a public harbor, including property needed to develop sources of revenue from nonmaritime businesses at a public harbor.

"(2) The deed of conveyance of any surplus real property disposed of under the provisions of this subsection—

"(A) shall provide that all such property shall be used and maintained for the purpose for which it was conveyed in perpetuity, and in the event such property ceases to be used or maintained for such purpose during such period, all or any portion of such property shall revert in its then existing condition at the option of the Secretary of the Army to the United States; and

"(B) may contain such additional terms, reservations, restrictions, and conditions as may be determined by the Secretary of the Army to be necessary to safeguard the interests of the United States.

"(3) Subject to the disapproval of the Administrator within thirty days notice to him of any action to be taken under this subsection, the Secretary of the Army is authorized and directed—

"(A) to determine and enforce compliance with any terms, conditions, reservations, and restrictions contained in any instrument by which a transfer under this subsection is made;

"(B) to reform, correct, or amend any such instrument by the execution of a corrective, reformative, or amendatory instrument where necessary to correct such instrument or to conform such transfer to the requirements of applicable law; and

"(C) to (i) grant leases from any of the terms, conditions, reservations, and restrictions contained in, and (ii) convey, quitclaim, or release to the transferee or other eligible user, without monetary consideration, any right or interest reserved to the United States by any instrument by which such transfer was made if he determined that the property so transferred no longer serves the purpose for which it was transferred or that such release, conveyance, or quitclaim deed will not prevent the accomplishment of the purpose for which such property was transferred, except that any such release, conveyance, or quitclaim deed may be granted on, or made subject to, such terms and conditions as he shall deem necessary to protect or advance the interests of the United States.".●

By Mr. INOUYE:

S. 135. A bill to limit the amount that may be obligated by any agency of the Federal Government for contracts in the last 3 months of any fiscal year; to the Committee on Governmental Affairs.

OBLIGATION OF FUNDS FOR CONTRACTS IN LAST 3 MONTHS OF FISCAL YEAR

● Mr. INOUYE. Mr. President, I am introducing a bill establishing a limit on the proportion of funds that may be obligated by any agency under contracts entered into during each of the last 3 months of any fiscal year.

In this time of high inflation and the need for reducing deficits, it is essential that every agency be fiscally responsible and establish rigorous procedures for approving contracts. By restricting contract funds obligated during any one month in the final quarter of the fiscal year to not more than 10 percent of any agency's total contract obligations negotiated during the fiscal year as this bill establishes, it would encourage better management throughout the Government sector and save the taxpayers money.

The necessity for implementing such a bill is evident from two U.S. General Accounting Office reports which have been issued in the last 5 months. The reports show that disproportionately large amounts are expended for consultant contracts and other contracts in the latter months of the fiscal year.

GAO's report entitled "Spending Patterns of the Departments and Agencies of the Federal Government" (PAD–80–34) analyzed gross contract obligations incurred during fiscal years 1977, 1978, and the first half of 1979. It found that a disproportionate amount of obligations occurred in the last quarter of the fiscal year and particularly in the last month of that quarter. Associated with this dilemma of yearend surges in Government contract spending, GAO identified several problems: First, disruption of orderly funding of Government operations; second, certain procurement controls being bypassed, and third, the inflationary impact on the economy of these awards.

In addition, GAO reported in its analysis entitled "Controls Over Consulting Service Contracts at Federal Agencies Need Tightening" (PSAD–80–35) that an abnormal amount of spending occurred in the fourth quarter of the fiscal year. GAO indicated that such spending activity casts doubt upon the legitimacy of the agencies' contracting requirements. Further, it believes, as I do, that the "rush" to award contracts in the last quarter of any fiscal year can seriously impair the objectivity as well as the thoroughness of an agency's proposal evaluation process.

Mr. President, in view of the importance of this subject and the savings to the taxpayers associated with it, I ask unanimous consent that the bill be printed in the RECORD.

S. 135

Be it enacted by the Senate and House of Representaitves of the United States of America in Congress assembled, That (a) except as provided in subsection (b), the total amount that may be obligated by any agency under contracts entered into during each of the last three months of any fiscal year may not exceed an amount equal to 10 percent of the total amount obligated by such agency under all contracts entered into by such agency in such fiscal year.

(b) The Director of the Office of Management and Budget may, upon application by any agency, waive the limitation prescribed in subsection (a) with respect to a specific contract proposed by the agency. In any case in which the Director grants a waiver under this subsection, he shall transmit to the Congress and the Comptroller General of the United States a report describing the contract for which the waiver was made, including a statement of (1) the amount obligated under the contract and the amount by which it exceeds the limitation prescribed in subsection (a), and (2) the reasons of the Director for granting the waiver for such contract.

(c) For purposes of this Act, the term "agency" has the same meaning in section 551(1) of title 5, United States Code.●

By Mr. INOUYE:

S. 136. A bill to authorize reduced postage rates for certain mail matter sent to Members of Congress; to the Committee on Government Affairs.

REDUCED POSTAL RATES FOR CERTAIN MATTER

● Mr. INOUYE. Mr. President, I rise today to reintroduce a bill to provide for the issuance of a special 1-cent postage stamp to be used for correspondence with Members of Congress.

Mr. President, ours is a democratic Government—a representative Government and thus, by definition, one dependent on the continuing operation of a two-way communication system between the people of this country and their elected Representatives.

Each Member of the Congress is directly responsible to those people in his State or district whom he represents. He must not only keep communication channels open but, more importantly, he must be responsive to the concerns he receives through these channels. The most practical means of transmitting these constituent concerns is through the mail. It is most difficult for many of us to imagine ourselves in a situation where the desire to express an opinion is frustrated because we must think twice about spending money on a postage stamp. Unfortunately, we must face the fact that many of our Nation's citizens are forced to consider the purchase of a 15 cent postage stamp for the purpose of expressing a grievance, or opinion or idea, as something beyond their means.

The issuance of a 1-cent stamp for this purpose would effectively remove this prohibition and allow all citizens to apprise their Representatives and Senators of their individual thoughts and position on the issues facing our Nation. This measure would amend the Postal Reform Act of 1970 to provide for the issuance of these 1-cent stamps to be sold at U.S. Post Offices. The bill also authorizes appropriations necessary to account for the difference in postal revenue resulting from the sale of 1-cent stamps as opposed to prevailing postage rates for mail matter addressed to Congressmen which does not exceed 4 ounces in weight.

Recognizing the necessity of open communication between elected officials and the people, Congress adopted the franking system allowing congressional

communication between elected officials to constituents. We have neglected, however, to provide our constituents with a convenient and affordable means of access to their Senators and Congressmen. It is difficult to overstate the importance of this concept of individual expression. Each and every citizen has the right and the responsibility to participate in the democratic system, through both the ballot box and through correspondence with their representatives between elections.

Because the effective operation of our political system is dependent upon open communication, I am hopeful that this bill will receive the early approval of the Congress.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of the bill I have introduced today.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 136

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 32 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 3219. Mail matter sent to Members of Congress

"(a) Any person may send any piece of mail matter, not exceeding four ounces in weight, for postage of 1 cent to (1) any Member of the Senate representing the State, and (2) the member of the House of Representatives representing the district, in which such person resides, if that person uses a special stamp issued by the Postal Service for any such matter. The Postal Service shall issue special 1-cent stamps to be used in sending such matter, and such stamps shall only be sold at post offices.

"(b) For the purposes of this section—

"(1) 'district' includes Puerto Rico and the District of Columbia;

"(2) 'Member of the House of Representatives' includes a Representative, Delegate, and Resident Commissioner; and

"(3) a Member of the House of Representatives elected at large from a State having more than one district shall be considered a Member elected from each district of that State."

(b) The analysis of such chapter is amended by adding immediately below item 3218 the following new item:

"3219. Mail matter sent to Members of Congress.".

(c) Section 2401(c) of such title is amended by inserting after "3217" a comma and "3219".

(d) This Act is effective January 1, 1980.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 137. A bill to require that skilled nursing facilities furnishing services under the medicare and medicaid programs be adequately equipped with wheelchairs and other appropriate equipment and supplies; to the Committee on Finance.

EQUIPPING NURSING FACILITIES WITH WHEELCHAIRS

● Mr. INOUYE. Mr. President, today I am reintroducing legislation designed to improve the services provided at our nursing homes. This bill requires that those homes which furnish services under medicare and medicaid programs be adequately equipped with wheelchairs and other appropriate equipment and supplies.

Nursing homes are an essential service to our elderly, who often have no other place to live. Unfortunately, the quality of nursing homes throughout our country varies; many can rightly be depicted as crimes against humanity. There is evidence, in many of these homes, that the physical facilities are totally inadequate.

More specifically, in many nursing homes now receiving medicare and medicaid reimbursements, patients are confined to beds due to a severe lack of wheelchairs and other equipment. Such physical limitation proves to be extremely frustrating and debilitating to the convalescent elderly. However, studies have shown remarkable improvement in nursing home patients when physical mobility and activities are encouraged and supplied.

I urge my fellow colleagues to join with me in alleviating this sorry situation of the elderly, confined members of our society. Although my bill does not allow for beneficial therapy, at least physical mobility through the availability of wheelchairs and other such equipment, would be improved. We must not forget the needs of our elderly, infirm patients.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 137

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1861 (j) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (14),

(2) by inserting "and" at the end of paragraph (15), and

(3) by inserting after paragraph (15) the following new paragraph:

"(16) is adequately equipped (as determined under regulations of the Secretary) with wheelchairs and other appropriate equipment and supplies;".

SEC. 2. The amendments made by this Act shall become effective on the first day of the first month which begins more than 90 days after the date of enactment of this Act, and the Secretary of Health and Human Services shall, prior to such date, promulgate and have published in the Federal Register, the regulations which are referred to in section 1861(j)(16) of the Social Security Act (as amended by this Act).●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 138. A bill to amend chapter 55 of title 10, United States Code, to improve vision care services under CHAMPUS; to the Committee on Armed Services.

VISION CARE SERVICES

● Mr. INOUYE. Mr. President, today I am introducing legislation that would provide for a comprehensive and preventive vision care program for members of the uniformed services and their dependents by removing the present legislative restrictions under the civilian health and medical program of the uniformed services (CHAMPUS).

Presently, there are approximately 9.1 million Department of Defense beneficiaries worldwide, of which 8.6 million are eligible for CHAMPUS benefits.

Under my proposal, eye examinations, including, but not limited to, preventive and diagnostic services, when performed by a doctor of optometry, osteopathy, or medicine, will be authorized for reimbursement. In cases that are deemed appropriate, lenses and eyeglass frames will also be provided.

During our deliberations on the fiscal year 1980 Department of Defense appropriations bill, we decided to remove our prior Appropriations Committee restriction on optometry services. We did this primarily in recognition that all the available evidence now indicated that eye/vision disorders comprise the second most chronic health condition in our Nation. Given the pressing need to retain highly trained personnel in the armed services, it was out considered judgment that "skimping" in eye/vision care as a means of controlling costs, simply no longer made any sense. Unfortunately, however, it now becomes evident to me that it is also necessary to modify the basic CHAMPUS authorization act to accomplish our purpose.

Across our Nation, the major health provider of these vision services has been the doctor of optometry, commonly called the optometrist. He or she presently provides approximately two-thirds of the vision care services in the United States, and thereby functions as the basic entry point to the entire health care system for those in need of vision care.

The optometrist is exceptionally well prepared for this very important role. I understand that approximately 85 percent of the students entering optometry school have completed 3 or more years of college, usually majoring in the biological or physical sciences. The optometry professional curriculum itself consists of a total of 4 additional years, leading to the degree of doctor of optometry. Seven schools also have graduate programs which grant a master of science degree and six have programs leading to a Ph. D. in physiological optics. There are 14 fully operational schools and colleges of optometry nationwide such as Ohio State and the University of California. The total enrollment now approaches 5,000 with an aggregate graduating class of approximately 1,000 doctors of optometry each year. In all, there are currently approximately 20,000 active optometrists in the United States.

During our Senate Appropriations Committee deliberations, I was particularly distressed to learn that at this time it has been estimated that only 50 percent of the U.S. population who require some form of vision care services actually receive them. The American Optometric Association estimates that this figure can be broken-down demographically as follows: 25 percent of Americans under age 20; 40 percent between ages 20 to 30; 50 percent between ages 30 to 40; 70 percent of those aged 40 to 50; 85 percent of those aged 50 to 60; and 95 percent of those over 60.

Furthermore, apparently 46 percent of the U.S. population aged 18 to 44 wear corrective lenses, and over 51 percent of

our total population wear corrective lenses. Undoubtedly, the proportions are not significantly different for our active duty personnel or their families. Of special interest, 90 percent of the vision care services required are considered to be within the scope of the Optometrists Practicing Act.

In my judgment, it is now time for the Congress to commit ourselves to providing high quality health care to all our active duty personnel and their dependents. Without question, this must include ready access to eye/vision care, and especially the preventive examinations. For too long now, we have only talked about the importance of preventive services; the time has now come to provide them.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 138

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (3) of section 1079 of title 10, United States Code, is amended to read as follows:

"(3) eye examinations and vision care services (including but not limited to preventive, diagnostic and treatment services) may be provided when performed by a doctor of optometry, osteopathy, or medicine.".

SEC. 2. This Act becomes effective October 1, 1981.●

By Mr. HATCH:

S. 139. A bill entitled "The Comprehensive Health Care Reform Act"; to the Committee on Finance.

COMPREHENSIVE HEALTH CARE REFORM ACT

● Mr. HATCH. Mr. President, I am today introducing the Comprehensive Health Care Reform Act to contain health care costs, provide protection to individuals against catastrophic medical expenses, and encourage greater availability of preventive health benefits. I was cosponsor of this bill when it was introduced in 1979 as S. 1590 by Senator Richard S. Schweiker. This bill is an important part of the so-called competitive approach to a more comprehensive health benefit program for all Americans.

At the time the Comprehensive Health Care Reform Act was first introduced, I stated:

In these fiscally austere times, this is a commonsense approach to the problems facing our health care delivery system and a sane alternative to the $18 to $60 billion proposals now being bandied about congressional circles.

The Comprehensive Health Care Reform Act will address the health care issues of catastrophic health insurance, preventive medical care, and hospital cost containment. The beauty of it is that it will do so, not with further regulation or new government programs, but by using the tax system to promote more competition in health delivery and to put more emphasis on controlling costs.

The advocates of socialized medicine never point out that only 5 percent of Americans lack any health insurance, and a slightly higher percentage lacks catastrophic coverage. Both these groups could be protected by slightly expanding coverage of existing health programs. We are told that without more Government control, costs will go through the roof. But it was precisely when all the Government's programs, regulations, and paperwork began weighing down on the health care community that medical costs first took off. How will even more bureaucracy lead to lower costs?

We can solve the pressing problems of escalating medical costs, but only by reducing Government control and regulation and by simultaneously promoting more competition. The Comprehensive Health Care Reform Act is a sensible step in the right direction.

I pledged then to work with Senator Schweiker to assure that a fiscally painless, comprehensive health bill would be enacted. Little did I know when I made that pledge that the Senator would become the new Secretary of Health and Human Services, providing an opportunity for us to continue working together toward improvement of this bill and its eventual adoption.

In the year and a half since we first introduced the Comprehensive Health Care Reform Act there has been considerable dialog about "competitive" programs. Support for this approach has broadened. However the overall economic situation has greatly worsened and the immediate national environment is not favorable for comprehensive reform of the health care system, even if it ultimately results in more competition, less regulation, and containment of costs.

The importance of introducing the Comprehensive Health Care Reform Act at this time is to continue the nationwide discussion of competitive approaches. Hopefully this dialog will: Stimulate experiments, models, and studies that will refine the "competitive" approach; suggest interim measures that lead toward comprehensive reform; and shorten the final debate when the Nation is able to fully focus on this issue.

Senator Schweiker acknowledged these circumstances at his recent confirmation hearing when he predicted that, rather than offering a comprehensive package, the new administration would probably propose demonstration projects relating to health care competition. This caution is appropriate. Demonstration projects will find support even among enthusiastic advocates of a comprehensive-oriented reform. This reflects an acknowledgment of the complexity of the health care system, not evidence of doubt that the competitive approach is superior to a federalized health insurance and delivery system.

In continuing the debate on competition, I am particularly interested in receiving information on the strengths and weaknesses of the Comprehensive Health Care Reform Act, particularly any evidence that its provisions would or would not work.

Among the questions which need answers are:

First. Is the requirement that large employers provide three plans by different carriers a realistic one? Should it be required that an HMO be one of the plans?

Second. Will large numbers of individuals accept the risk of 25 percent copayment, up to 20 percent of family income? Will individuals accepting the risk use the health care system less? Will they be as healthy?

Third. Will States be willing to form insurance pools to provide coverage to uninsured individuals?

Fourth. Will the savings from increased health care competition offset the cost of increased health and tax benefits?

Fifth. Is it appropriate for the Federal Government to load onto the minimum benefit package requirements for preventive care services? Is it cost effective to do so?

In sum, I believe that national health policy should deal with cost containment, catastrophic health insurance, and preventive health care. A unified comprehensive approach to these problems is possible and this bill attempts to do just that.

As Richard Schweiker correctly stated nearly 2 years ago:

The fundamental cause of rampant health cost inflation and lack of catastrophic and preventive health insurance benefits is a noncompetitive third-party reimbursement system weighted too heavily toward first-dollar hospitalization coverage. Scarce resources and disenchantment with government regulation make it unlikely that yet another public program will be the solution.

In this situation, we can use tax incentives to offer Americans a tradeoff: If they are willing to pay slightly more in copayments for low-cost medical care, they can save enough money to obtain catastrophic protection and preventative care. In addition, they can stop the health cost inflationary spiral without new Government regulation. We can also use tax incentives to help restore competition to health care by giving our citizens a greater variety of health insurance choices and ensuring that they will save money on premiums if they choose more efficient providers of care.

The Comprehensive Health Care Reform Act is more realistic, more effective, and clearly less costly than the regulatory alternatives. Consequently I will be advocating this nonregulatory approach with the hope of achieving a most worthwhile goal: That all Americans have access to quality health care at a reasonable cost.

Mr. President, I ask unanimous consent that the bill and a summary be printed in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 139

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Comprehensive Health Care Reform Act".

TITLE I—COST CONTAINMENT INCENTIVES

SEC. 101. The Public Health Service Act is amended by adding the following new title at the end thereof:

TITLE XIX STANDARDS FOR HEALTH BENEFIT PLANS

"Part A—COST CONTAINMENT INCENTIVES

"CONDITIONS FOR FEDERAL TAX BENEFITS

"SEC. 1901. No deduction shall be allowed under section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses), and no exclusion shall be allowed

under section 106 of such Code (relating to contributions by employer to accident and health plans), for any contributions by an employer, to a health benefit plan for his employees, unless such employer meets the requirements of this part.

"COPAYMENT OPTION

"SEC. 1902. (a) An employer must offer to his employees at least one group health benefit plan for inpatient hospital services (notwithstanding any other health benefits available to an employee) having an annual copayment for hospital services, to be paid by the employee, of at least 25 percent, except as provided in subsection (b).

"(b) The copayment requirement of subsection (a) need not apply with respect to a period—

"(1) beginning with the date on which an employee and his spouse and dependent children covered under the plan have incurred out-of-pocket medical expenses during a calendar year in an amount in excess of 20 percent of the combined income of such individuals from wages and net earnings from self employment during the preceding calendar year, and

"(2) ending on the last day of such calendar year.

"(c) For purposes of this section, the term 'medical expenses' means expenses incurred for—

"(1) inpatient hospital services (as defined in section 1861(b) of the Social Security Act);

"(2) post-hospital extended care services (as defined in section 1861(i) of such Act);

"(3) home health services (as defined in section 1861(m) of such Act):

"(4) medical and other health services (as defined in section 1861(s) of such Act); and

"(5) prescription drugs and biologicals.

"(d) The requirements of this section shall apply to an employer only to the extent that such a plan is available.

"EMPLOYER CONTRIBUTION AND EMPLOYEE REBATES

"SEC. 1903. (a) If an employer makes an expenditure for any group health benefits plan offered by such employer on behalf of his employees, such employer shall make the same expenditure with respect to each plan per employee enrolled in such plan, regardless of the actual premium cost.

"(b) If an employer's expenditure under this section is more than the premium cost of the group health benefit plan selected by an employee, the employee shall receive the excess of the employer's expenditure amount over the premium cost, in cash or other benefits from the employer. Such amount shall not be considered income to the employee in accordance with section 106 of the Internal Revenue Code of 1954.

"(c) No employer shall unilaterally lower the amount of his expenditure for health benefit plans per employee offered by such employer after the effective date of this title, except for the purpose of complying with subsection (d).

"(d) No employer shall expend an amount for a health benefit plan on behalf of an employee in excess of the premium cost of the most costly group health benefit plan offered by such employer in which at least 10 percent of his employees are actually enrolled at the time that the expenditure is made.

"MULTIPLE CHOICE OF HEALTH PLANS

"SEC. 1904. (a) Each employer having at least 200 full-time employees shall make available to his employees a choice of not less than three health benefit plans, each of which meets the requirements of this title and each of which is offered by a different carrier.

"(b) The requirements of this section shall apply to an employer only to the extent that such plans are available.

"(c) For purposes of this title the term 'full-time employee' means an employee who works for any one employer at a rate of at least 25 hours per week, and has been such an employee for more than 30 days.

"RIGHTS OF COLLECTIVE BARGAINING REPRESENTATIVE

"SEC. 1905. (a) If any of the employees of an employer are represented by a collective bargaining representative or other employee representative designated or selected under law, offer of the group health benefit plan described in section 1902—

"(1) shall first be made to such collective bargaining representative or other employee representative, and

"(2) if such offer is accepted by such representative, shall then be made to each such employee.

"(b) Failure of a collective bargaining representative to accept such a plan shall not relieve the employer or employees of any requirement of this title for purposes of the Internal Revenue Code.".

TITLE II—CATASTROPHIC ILLNESS INSURANCE

SEC. 201. Title XIX of the Public Health Service Act (as added by title I of this Act) is amended by adding at the end thereof the following:

"PART B—CATASTROPHIC ILLNESS INSURANCE

"EMPLOYER PLANS—CONDITIONS FOR FEDERAL TAX BENEFITS

"SEC. 1921. No deduction shall be allowed under section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses), and no exclusion shall be allowed under section 106 of such Code (relating to contributions by employer to accident and health plans), for any contribution by an employer, having 50 or more full-time employees, to a health benefit plan for his employees, unless such plan meets the requirements of sections 1922 and 1923.

"MINIMUM CATASTROPHIC BENEFITS

"SEC. 1922. (a) A health benefit plan shall provide for payment, without any cost sharing by any individual covered under the plan, for medical expenses incurred by any employee or his spouse or dependent children covered under the plan with respect to any period—

"(1) beginning with the date on which such employee and his spouse and dependent children covered under the plan have incurred out-of-pocket medical expenses during a calendar year in an amount in excess of 20 percent of the combined income of such individuals from wages and net earnings from self employment during the preceding calendar year, and

"(2) ending on the last day of such calendar year.

"(b) For purposes of this section the term 'medical expenses' means expenses incurred for—

"(1) inpatient hospital services (as defined in section 1861(b) of the Social Security Act);

"(2) post-hospital extended care services (as defined in section 1861(i) of such Act);

"(3) home health services (as defined in section 1861(m) of such Act);

"(4) medical and other health services (as defined in section 1861(s) of such Act); and

"(5) prescription drugs and biologicals.

"COVERAGE FOR DEPENDENTS; CONTINUITY OF COVERAGE

"SEC. 1923. (a)(1) A health benefit plan shall provide the coverage required under section 1922 to the employee, and to his spouse and any of his dependent children (up to the age of 21) for whom he wishes to provide coverage under the plan, without regard to any pre-existing medical condition.

"(2) For purposes of this title a dependent child of an employee is an individual who is a child of such employee, and is a dependent of such employee within the meaning of section 152 of the Internal Revenue Code of 1954.

"(b) The plan shall continue coverage for covered individuals for a period of 6 months after the member employee becomes unemployed, ceases to be a full-time employee, or dies. Such coverage shall be continued in the same manner and subject to the same conditions as when such member employee was a full-time employee, but the plan may discontinue such coverage if the member employee becomes eligible to enroll in a plan as an employee of another employer or obtains equivalent catastrophic coverage. This subsection shall not apply to a member employee who was an employee for a period of less than 30 days.

"CARRIER POOLING REQUIREMENTS FOR CERTAIN INDIVIDUALS

"SEC. 1924. (a) Every carrier shall enter into an arrangement in each State in which it conducts business for the purpose of providing catastrophic illness insurance and preventive care coverage to those individuals in such State who are not eligible for a group health benefit plan meeting the requirements of this part and part C of this title, and are not eligible for a government program of health care. Such arrangements shall be made by the States or by mutual agreement among carriers.

"(b) Arrangements required under subsection (a) shall provide that—

"(1) individuals described in such subsection are assigned on an equitable basis to carriers;

"(2) each carrier shall provide coverage, which meets the requirements of section 1922 and part C of this title, to such individuals;

"(3) the proposition of such individuals assigned to a particular carrier in a State shall be equal to the proportion of the health benefit business provided in such State by such carrier; and

"(4) the premium cost to the individual for a health benefit plan under this section shall not exceed 125 percent of the premium cost of comparable group health benefit plans offered in the same geographic area.

"(c) For purposes of this title the term 'carrier' means a voluntary association, corporation, partnership, or other nongovernmental organization which is lawfully engaged in providing, paying for, or reimbursing the cost of, health services under group insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar group arrangements, in consideration of premiums of other periodic charges payable to the insurer, including a health benefit plan duly sponsored or underwritten by an employee organization.

"(d) Any carrier that fails to meet the requirements of this section shall not be permitted to participate in any health benefits program paid for in whole or in part with Federal funds.".

MEDICARE COVERAGE FOR CATASTROPHIC ILLNESS

SEC. 202. (a) Section 1812(a)(1) of the Social Security Act is amended to read as follows:

"(1) inpatient hospital services;".

(b) Section 1812(b) of such Act is amended—

(1) by striking out "(subject to subsection (c)";

(2) by striking out paragraph (1); and

(3) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(c) Section 1912(c) of such Act is repealed.

(d) Section 1812(e) of such Act is amended by striking out "(c)," and by striking out "inpatient hospital services,".

(e) Section 1813(a)(1) of the Social Security Act is amended—

(1) by inserting "(A)" after "SEC. 1813, (a)(1)";

(2) by striking out all that follows the first sentence thereof; and

(3) by adding at the end thereof the following new subparagraph:

"(B) Such amount shall be further reduced by a coinsurance amount equal to 20 percent of the charges imposed with respect to such individual for such services, but only for days which are not within a benefit period with respect to that individual (as defined in section 1861(bb)).".

(f) Section 1833(a) of such Act is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof ", and"; and

(3) by adding at the end thereof the following new paragraph:

"(4) in the case of all services described in section 1832(a) which are rendered during a benefit period (as defined in section 1861(bb)), 100 percent of the reasonable charge, reasonable cost, customary charge, or other criteria (as the case may be) as those criteria are otherwise determined for such services under this section.".

(g) Section 1861 of such Act is amended by adding at the end thereof the following new subsection:

"Benefit Period

"(bb) The term 'benefit period' means, with respect to any individual, a period during any calendar year—

"(1) beginning with the day on which the total expenses incurred by that individual (and not reimbursed under this title) during the calendar year for services for which any benefits under this title are payable, exceeds 20 percent of such individual's income from wages and net earnings from self-employment for the preceding calendar year, and

"(2) ending on the last day of such calendar year.".

TITLE III—PREVENTIVE CARE

SEC. 301. Title XIX of the Public Health Service Act (as added by titles I and II of this Act) is amended by adding at the end thereof the following part:

"PART C—PREVENTIVE CARE

"CONDITIONS FOR FEDERAL TAX BENEFITS

"SEC. 1941. No deduction shall be allowed under section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses), and no exclusion shall be allowed under section 106 of such Code (relating to contributions by employer to accident and health plans), for any contributions by an employer, having 50 or more full-time employees, to a health benefit plan for his employees, unless such plan meets the requirements of this part.

"PREVENTIVE CARE SERVICES

"SEC. 1942. (a) A health benefit plan shall provide coverage for the following services (as defined by the Secretary in regulations) to individuals covered under the plan—

"(1) comprehensive maternal care;

"(2) newborn and childhood screening and counseling for heritable and acquired diseases;

"(3) vision and hearing examinations for children;

"(4) childhood immunizations;

"(5) hypertension screening and counseling for adults;

"(6) screening and counseling for cervical cancer; and

"(7) periodic health examinations for adults.

"(b) The Secretary shall establish age and sex parameters with respect to the requirements, of subsection (a), which shall be reviewed and updated where appropriate on a biennial basis.

"CARRIER POOLING REQUIREMENT

"SEC. 1943. Any carrier entering into an arrangement under section 1924 of this Act shall provide preventive care coverage meeting the requirements of this part to those individuals for whom such carrier is required to provide coverage under such arrangement.".

TITLE IV—INTERNAL REVENUE CODE AMENDMENTS

SEC. 401. Section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by redesignating subsection (h) as subsection (i) and inserting after subsection (g) the following new subsection:

"(h) LIMITATION ON DEDUCTION OF COST OF HEALTH BENEFIT PLANS.—No deduction shall be allowed under subsection (a) for expenses paid or incurred by an employer in providing a health benefit plan for his employees, their spouses, or their dependents, unless such employer complies with the provisions of title XIX of the Public Health Service Act, to the extent such title applies to such employer. If a deduction is allowed under subsection (a) for such contributions, such deduction shall include any cash payment or other benefit made by the employer to the employee under section 1903 of the Public Health Service Act.".

SEC. 402. Section 106 of the Internal Revenue Code of 1954 (relating to contributions by employer to accident and health plans) is amended to read as follows:

"SEC. 106. CONTRIBUTIONS BY EMPLOYER TO ACCIDENT AND HEALTH PLANS

"(a) IN GENERAL.—Gross income does not include—

"(1) contributions by the employer to accident or health plans for compensation (through insurance or otherwise) to his employees for personal injuries or sickness, or

"(2) contributions by the employer to his employees as required under section 1903 of the Public Health Service Act.

"(b) PUBLIC HEALTH SERVICE ACT REQUIREMENTS.—The exclusion provided by subsection (a) shall not apply to contributions to a health benefit plan by an employer, or to contributions described in subsection (a)(2), unless such employer meets the requirements of title XIX of the Public Health Service Act, to the extent those requirements are applicable to such employer.".

TITLE V—EFFECTIVE DATES

SEC. 501. (a) Except as provided in subsections (b) and (c), the amendments made by this Act shall be effective with respect to taxable years beginning after December 31 of the year in which this Act is enacted.

(b) If, at the time the amendments made by this Act (other than those made by section 202) become effective, an employer has in effect a health benefit plan for his employees which is an item covered under a collective bargaining agreement, such amendments shall not be effective with respect to such employer until such time as the collective bargaining agreement expires, or January 1, 1982, whichever is earlier.

(c) The amendments made by section 202 of this Act (relating to title XVIII of the Social Security Act) shall become effective on the first day of the first calendar month beginning more than six months after the date of the enactment of this Act.

SUMMARY OF THE COMPREHENSIVE HEALTH CARE REFORM ACT OF 1981

I. BASIC PRINCIPLES

The bill addresess the health care issues of hospital cost containment, catastrophic health insurance, and disease prevention in a comprehensive and consistent manner.

It does so, not with further regulation or by setting up costly new government programs, but by rearranging federal tax incentives to attack the root cause of all three problems: a third-party reimbursement system, subsidized by federal tax deductions for health insurance premiums, that is noncompetitive and too heavily oriented toward providing first-dollar insurance coverage used primarily for short-term hospital care.

Under this "third-party" reimbursement system, 90 percent of all hospital bills are currently paid by insurance plans or government programs. Consequently, neither patients, doctors, nor hospitals have adequate incentives to hold down the prices of health care. Escalating costs, in turn, lead people to demand more insurance coverage for the relatively low-cost hospital services they encounter most often—broadening the range of services subject to third-party reimbursement but leaving people unprotected against the less frequently encountered catastrophic or preventive care expenses. Moreover, there is little competition in the health care system to help break this inflationary spiral.

The bill will change the third-party reimbursement system in a way that will attack the problems of rising costs, inadequate catastrophic coverage, and limited availability of preventive care.

(1) To reduce health cost inflation, it will—

(a) Encourage competition by requiring large employers, as a condition of deducting premium contributions from their gross income, to offer their employees the choice of at least *three* competing health plans.

(b) Encourage the patient to participate more actively in hospital service pricing decisions by requiring that at least one employee health plan offered by all employers contain a 25% cost-sharing provision for hospital services, effective until medical expenses exceed 20% of family income from wages and self employment. The employer would have to make this option available to his employees in order for the premium costs of any health plan he offers to be deductible from his gross income.

(c) Ensure that employees will receive a direct financial reward for choosing a high-deductible or other low-cost health plan in the form of tax-free premium rebates.

(2) To provide all Americans with a minimum level of catastrophic protection, the bill will utilize a combination of (a) additional prerequisites for tax deductible insurance plans, (b) state-administered insurance pooling arrangements, and (c) increased Medicare benefits.

(3) To encourage preventive care the bill will require that all insurance plans receiving favorable tax treatment contain a specified minimum level of health promotion/disease prevention benefits, without copayments.

COST IMPACT

Total new federal outlays under the plan would be approximately $5 billion per year, primarily for new medicare benefits. Projected savings to the federal government from the additional copayment provisions alone would be $2.5 billion per year.

The cost to the private sector will be about $3 billion per year. This will be offset by projected savings to the private sector from the annual copayment provisions alone of approximately $5 billion per year.

Therefore, the bill will offer the American people a tradeoff: if they are willing to share a little more on their short-term hospital costs through copayments, they can save enough money to obtain catastrophic protection and preventive care.

II. COST CONTAINMENT PROVISIONS

A. To encourage competition:

In order for an employer to deduct his contributions to employee health benefits

plans from his gross income for federal tax purposes—

1. If he has more than 200 full-time employees, he must offer them the choice of at least three health insurance plans. Each must be sponsored by an independent organizational entity.

2. An employer, regardless of the number of employees he has, must make the same dollar outlay for health benefits per employee (whether that outlay goes entirely to the employee's insurance company or is divided between premium payments to the insurance company and rebates to the employee.) An employer's outlay per employee for health benefits (though usually referred to as "employer contribution") is a known category and would not be hard to determine for purposes of administering the law. It is an amount set by the employer in advance on an annual basis through negotiations with employee representatives.

In addition:

Outlays per employee could not be lowered after the bill's effective date.

Outlays per employee could not exceed the amount of the highest cost plan actually selected by at least 10% of the employees. (This will ensure that an employee cannot use an artificially high outlay level to funnel tax free income to employees.)

3. If an employee chooses a plan whose premium cost is less than the employer's outlay per employee, he will be entitled to receive the difference between the outlay and the cost of the plan on a tax-free basis (or he could receive the payment in the form of other tax-free fringe benefits). Currently, few employers pass on such premium savings directly to their employees, giving them little incentive to choose lower cost plans.

EXAMPLE 1

	Plan 1	Plan 2	Plan 3
Total premium cost	$2,000	$1,000	$500
Employer contribution to plan	2,000	1,000	500
Employee contribution to plan	0	0	0
Refund to employee (employer outlay minus total premium cost)	0	1,000	1,500

Note: Employer's total outlay per employee, $2,000.

EXAMPLE 2

	Plan 1	Plan 2	Plan 3
Total premium cost	$1,000	$500	$250
Employer contribution to plan	600	500	250
Employee contribution to plan	400	0	0
Refund to employee (employer outlay minus total premium cost)	0	100	350

Note: Employer's total outlay per employee, $600.

4. The definition of health plans that must be offered is very broad. Generally, it includes all standard insurance arrangements certified under state laws, as well as health maintenance organizations and prepaid group practices.

5. The rights of collective bargaining agents are preserved by requiring that health plan alternatives be offered to the employees through them.

B. *Consumer Cost-Sharing:*

In order for any employer to continue to deduct any health insurance contributions from gross income, he must offer his employees at least one plan which includes an annual copayment rate for hospital services of at least 25 percent, effective at least until annual medical expenses exceed 20 percent of family income from wages or self-employment. The availability of tax free rebates (described above) will encourage employees to select this option, since it will frequently have a much lower premium cost than the other plans offered. A 25 percent cost-sharing plan would also have to be offered to government employees.

Cost impact

Negligible cost to federal and state governments.

$7.5 billion per year savings to the health system as a whole ($2.5 billion to the federal government and $5 billion to the private sector.)

III. CATASTROPHIC PROVISIONS

A. *For large-firm employers and their families—*

1. In order for premium costs to be tax deductible by employers or employer contributions to be tax exempt for employees, the plan for which the premium was paid must contain a minimum level of catastrophic protection for the employees and their families. Also, catastrophic coverage must continue for at least 6 months after an employee left the job.

2. This requirement will apply only to firms with more than 50 full-time employees and only to policies covering full-time employees.

3. The minimum level of catastrophic coverage will be full payment of all "medical expenses" (as defined under Medicare, excluding long-term nursing home care) incurred annually in excess of 20 percent of family income from wages or self-employment.

Cost impact

Negligible cost to federal and state governments.

Negligible cost to private sector but $6 billion financing burden shifted from employees to employers.

B. *For small firm employees (less than 50 employees), uninsurable risks, self-employed, and those without government or private insurance—*

1. States in cooperation with insurance carriers, will be encouraged to set up a mechanism for equitably assigning such individuals to insurance companies or carrier-sponsored insurance pools.

2. In order to continue participating in federal programs, an insurance company will have to enroll assigned individual's to provide them at least with catastrophic protection (as defined in section A, above). The premiums charged to assigned individuals can be no more than 125% of their comparable large-group rates for similar protection in the same geographic area.

Cost impact

Negligible cast to federal and state governments.

$1 billion cost to private sector.

C. *For the Elderly—*

Medicare will be restructured to provide catastrophic benefits.

Under current law, an individual must pay a $160 deductible under part A (hospital insurance) and a $60 deductible under part B (physician services insurance). There are also copayment requirements for hospital care: $40 per day for the 61st through the 90th day, and $80 per day for days he draws from a 60-day lifetime reserve. There is also a 150-day limit on covered hospital days.

The bill eliminates the 150-day limit and revises the copayment rates. An individual will have to pay 20% of the cost of hospital care regardless of the number of days he is in the hospital. However, once part A and B copayments reach 20% of annual net income in any one year, all copayment requirements would cease.

Cost impact

$0.8 billion per year to federal government.

IV. PREVENTIVE BENEFITS

In order for an employer to deduct the costs of health insurance premiums or an employee to exclude employer contributions from taxed income, the plan for which the deduction is claimed must contain:

1. Comprehensive (prenatal and perinatal) maternal care;
2. "Well-baby" clinic services, newborn nursery screen, vision and hearing exams;
3. Childhood immunizations;
4. Hypertension screening;
5. Cervical cancer screening; and
6. Periodic physical examinations.

Cost impact

Negligible cost to state and federal governments.

$8 billion per year cost to private sector.

This requirement would apply only to firms with more than 50 employees. Employees of firms with less than 50 employees would receive these preventive benefits through the state-administered pooling mechanism described in section III, B above. The individuals eligible for the pooling arrangement would also receive the preventive benefits, with the same 125 percent premium cap that applies to catastrophic benefits.●

By Mr. HATCH:

S. 140. A bill to provide for a national blood program, and for other purposes; to the Committee on Labor and Human Resources.

NATIONAL BLOOD PROGRAM

● Mr. HATCH. Mr. President, I am today introducing the Blood Assurance Act of 1981, which is designed to assure the adequate nationwide availability of quality blood and blood products.

Over the last 2 years, through two hearings and under the guiding hand of former Senator Richard S. Schweiker, the Committee on Labor and Human Resources has explored some of the continuing problems in the blood collection and delivery system in the United States. On July 31, 1979, Senator Schweiker introduced S. 1610. of which I became a cosponsor, in order to stimulate private activity related to solving a fundamental schism in the blood industry and to decrease inequities in charges for blood and blood products. It has always been our hope that the goals of this bill could be met without legislation.

The initial reaction to this bill was in some cases extremely favorable. For example the San Antonio. Tex.. Light on December 27, 1979, editorialized:

NATIONAL BLOOD EXCHANGE PROGRAM SHOULD BE ONE WHICH ADDRESSES ALL

Safe, sufficient supplies of blood and blood products will be assured under a Sen. Richard S. Schweiker bill, cosponsored by Utah Senator Orrin Hatch.

The Blood Assurance Act, S. 1610, is designed to ensure that blood will be available when needed for a reasonable charge.

It prohibits any levying of a "penalty fee" on anyone who receives blood but does not replace it through soliciting donations.

The bill also establishes a national blood exchange program to improve the availability of blood, and mandates Federal research and educational programs on the nature and need for blood.

Articles in several newspapers and Parade magazine, a supplement to the Sunday Light, created grave concern among blood donors and recipients, many of whom have called or writen Congressmen demanding remedy.

National blood policy, originally set in 1973, has never been fully implemented. Reports say that as a result blood banks can make more than $300 from one pint of blood that is usually donated at no charge, Hatch said.

The General Accounting Office (GAO) has

reported significant abuse of penalty fees charged to citizens unable to return the blood.

There's a lot of money in the blood industry—but money must take the backseat to public need. Jurisdictional infighting over these issues between some within the major blood outlets (the American Red Cross, the American Association of Blood Banks and scattered private suppliers) has hindered the transfer of blood from oversupplied areas to undersupplied areas. This cannot go on, he said.

Hatch, who is in line to become the top Republican on the Senate Labor and Human Resources Committee when Schweiker retires in 1981, feels that the national blood exchange program is a good government coordination plan to treat the problem of distribution, especially to poor areas.

"This is not an administrative program, which sometimes creates the worst kinds of bureaucracy. Rather it's a coordinating plan to aid the various suppliers in their duty. Federal research will aid in the expansion of our blood-access efforts for the future."

We agree with Hatch and support the efforts of Schweiker and Hatch, borne out of the Parade inquiry.

As a result of the efforts of Senator Schweiker and myself, there are indications that some progress has been made. Beginning next month the major organizations involved in blood activities in this country will enter into a 6-month implementation stage of a national blood resources sharing agreement. I am hopeful the continued cooperation of all parties to this agreement may solve some of the fundamental problems that have plagued the blood industry over the last few years. It is my intention to follow the progress made under the new sharing agreement and eventually to seek comment from across the Nation as to the impact of this program.

Assuring all Americans adequate blood resources is a significant and important health issue. It is clearly preferable that the existing blood organizations meet this goal without Federal legislation. However, the proposal incorporated in the Blood Assurance Act of 1981 is more a Federal prod than an intervention. On that basis, I am prepared to have this bill, and other proposals, considered by the Committee on Labor and Human Resources if current private initiatives fail. Finally, some future consideration may need to be given to the value of a "truth in giving" requirement. Many donor recruitment drives rely, explicitly or implicitly, upon a promise of an individual benefit to the donor when that in fact is not the case.

To further clarify the background of this bill and its relation to activities over the last decade. I have inserted in the RECORD at the end of my statement a speech given by Senator Schweiker in November 1979 and an article by him published in October 1980. Mr. President, I ask unanimous consent that these articles and the text of the bill be printed in the RECORD.

There being no objection, the bill and articles were ordered to be printed in the RECORD, as follows:

S. 140

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Blood Assurance Act of 1981"

PURPOSE

SEC. 2. It is the purpose of this Act to improve and assure the availability of blood and blood products as needed to all Americans, to facilitate the efficient transfer of blood and blood products throughout the United States, and to promote public awareness of the national need for safe and sufficient quantities of blood and blood products.

NONREPLACEMENT PENALTY PROHIBITED

SEC. 3 (a). No person shall, as a condition to the provision of blood to any individual—

(1) charge or collect any fee from, or on behalf of, such individual because such individual

(A) does not replace, or provide for the replacement of, the blood he receives; or

(B) does not have blood credits to assure replacement of such blood from a blood supplier;

(2) require the donation or provision of blood by, or on behalf of, such individual; and

(3) require a guarantee that blood will be transferred or require the transfer of blood, on behalf of such individual.

(b) Nothing in this section shall be construed to prohibit a blood supplier from recruiting blood donors by offering such donors incentives to provide blood, such as a discount on the charge to an individual for the provision of blood as a result of a blood donation or blood drive, except that such discount shall not exceed, per unit, the greater of—

(1) the average cost of recruiting a donor in the area; or

(2) 20 per centum of the cost of processing a unit of blood.

(c) For purposes of determining the discount allowed under subsection (b), the fair and reasonable regional recruitment and processing costs shall be determined under section 5(b)(1) of this Act.

(d)(1) Section 1813(a) of the Social Security Act is amended by striking out paragraph (2).

(2) Section 1833(b) of such Act is amended by striking out the last sentence.

(3) Section 1866(a)(2) of such Act is amended by striking out subparagraph (C).

(4) Section 1861(v)(1)(A) of such Act is amended (1) by striking out "and" before "(ii)", and (2) by inserting the following before the period at the end thereof: ", and (iii) take into account the processing fees incurred (other than fees paid to a donor of blood) by a provider of services in the replacement of blood (or equivalent quantities of packed red blood cells, as defined in regulations) furnished to an individual under this title, but only to the extent the provider furnishes documentation satisfactory to the Secretary demonstrating that it has been able to secure replacement of such blood only through the payment of such fees".

(e) This section shall become effective three years after the date of the enactment of this Act.

BLOOD EXCHANGE

SEC. 4. (a) No person shall deny to any health care facility or blood supplier the reciprocal exchange of available blood required as a result of patient needs, unless the exchange of such blood would, in the judgment of such person, deplete the available blood needed by such establishment. Such exchange shall be without regard for geographical location or affiliation of such establishment. The fair and reasonable charge for blood shall be determined under section 5(b)(1) of this Act.

(b) Nothing in this section shall be construed to require a health care facility or blood supplier to accept blood credits in lieu of blood in the fulfillment of a request for blood.

NATIONAL PROGRAM

SEC. 5. (a) It is the purpose of this section to encourage the continued operation of a private entity to facilitate the exchange of blood among health care facilities and blood suppliers as required under section 4 of this Act, and to ensure the maximum and efficient utilization of blood throughout the United States.

(b) In order to promote the purposes of this section, the Secretary, acting through a recognized private entity, composed of, in part, national blood suppliers, shall—

(1) foster the exchange and availability of blood;

(2) collect cost and charge data from blood suppliers, and analyze such data, to determine, among other things, the fair and reasonable exchange rates to be charged among blood suppliers for blood; and

(3) determine, and implement, any other actions that may be necessary to carry out the purposes of this section.

ENFORCEMENT

SEC. 6. (a)(1) If a person violates section 3 or 4 of this Act, and such person has a license for the maintenance of an establishment for the propagation or manufacture and preparation of blood under section 351 of the Public Health Service Act, the Secretary shall suspend or revoke such license for such period as he may prescribe.

(2) Section 351(d) of the Public Health Service Act is amended by inserting: "If any person having a license for the maintenance of an establishment for the propagation or manufacture and preparation of blood under this section violates section 3 or 4 of the Blood Assurance Act of 1979, the Secretary shall suspend or revoke such license for such period as he may prescribe under section 6 of such Act", after the first sentence.

(b)(1) If a person violates section 3 or 4 of this Act, and such person is a provider of services within the meaning of section 1861 (u) of the Social Security Act, such person shall be ineligible to receive payments under title SVIII of such Act for such period as the Secretary may prescribe.

(2) Section 1815 of the Social Security Act is amended by inserting the following new subsection at the end thereof:

"(d) No payment shall be made to a provider of services who violates section 3 or 4 of the Blood Assurances Act of 1981 for such period as the Secretary shall prescribe under section 6 of such Act.".

PUBLIC INFORMATION

SEC. 7. (a) Pursuant to his authority under section 1701 of the Public Health Service Act, the Secretary shall—

(1) analyze various aspects of donor recruitment;

(2) develop health education programs and materials and disseminate such information and materials to persons providing health care, to schools and businesses, and to the public generally;

(3) develop cooperative arrangements with private organizations to carry out the purposes of this section; and

(4) carry out a program to conduct studies and initiate demonstration projects to develop public information relating to the nature of, and need for, blood and blood donors.

(b) The Secretary shall submit, not later than two years after the date of the enactment of this Act, a report to the Committee on Labor and Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives respecting the implementation of this section and the results obtained from the activities authorized by it.

DEFINITIONS

SEC. 8. For the purposes of this Act, the term—

(1) "blood" means human blood, and includes packed red blood cells and other products derived from human blood;

(2) "blood supplier" means any entity that provides for the collection, processing, distribution, or transfusion of blood;

(3) "blood credits" means a guarantee by a blood supplier that such blood supplier will offset any blood replacement requests made by a health care facility or blood supplier against blood requests owed to such health care facility, blood supplier, or its affiliate;

(4) "establishment for the propagation or manufacture and preparation of blood" does not include establishments licensed exclusively under 21 CFR 640.64; and

(5) "Secretary" means the Secretary of Health, Education, and Welfare.

REMARKS OF SENATOR RICHARD S. SCHWEIKER TO THE AMERICAN ASSOCIATION OF BLOOD BANKS, NOVEMBER 5, 1979, LAS VEGAS, NEV.

It is a pleasure for me to be here speaking to you amid the glitter and the glamour. I find it somewhat ironic that we are convened here in the country's gambling capital to discuss a product—blood—and a system—blood banking—where we can ill afford to gamble. The odds for a sufficient blood supply must always be stacked in our favor.

I am particularly pleased that this audience represents those most closely involved with blood banking itself—technicians and specialists, recruiters, researchers, nurses, doctors, and administrators. This is my first opportunity since introducing my bill to speak to those of you directly on the firing line. Let me state right at the start—you are the folks who have been responsible for making blood banking among the most progressive medical industries in the world. In the past decade, both medically and organizationally, blood banking has taken great strides and witnessed several achievements. You are to be commended for your contributions to the improved health and welfare of our citizens.

Despite this significant record of accomplishment, there are persistent and serious problems which plague the industry. The result is an adverse impact on the blood consumer. These problems have prompted my legislation and bring me here to talk to you tonight.

Blood is unquestionably a national resource. And much like the oil and natural gas industries, we have the technical know-how to tap it and process it; we know where to find it, who our most likely donors are and we know where our future reserves are likely to be—the young, healthy population. The analogy ends there, however, for to acquire sufficient blood means relying on motivated individuals, dedicated organizations, and efficient blood agencies.

In 1973, the typical blood donor was a white male between the ages of 25 and 34. He lived in a metropolitan area outside the central city, had at least a high school diploma, had served in the military and earned a better than average salary. This statistical description suggests the need to spread the responsibility of an adequate donor supply among more eligible population groups. Availability is further constrained by the physical properties of blood. We continually have to maintain a proper balance between blood as a renewable resource and as a perishable product. Add to this the pressure of an ever-increasing need for blood and blood products, and it is easy to understand why donor recruitment is a relentless, never-ending pursuit.

The federal government has had a long and legitimate role in the activities of the blood banking industry, principally in research, regulation, and as a payor.

Prior to the mid-1960's, the government primarily performed scientific research through the National Institutes of Health. NIH appeared content to monitor technological developments in blood banking and their various applications. However, growing public concern over the stubborn post-transfusion hepatitis problem spurred Congress into establishing a National Blood Program in 1968. It also resulted in the transfer of the regulatory functions from the Public Health Service to the Food and Drug Administration, and that expanded the government's watchdog role over blood banking. Today the FDA licenses and inspects all interstate blood establishments and all manufacturers of source plasma. The quality of blood products is monitored through regulation. Thus, the federal government can claim at least partial credit for some of the gains made in the safety and efficacy of blood products.

The federal government is also the largest single blood buyer in the country through Medicare. Approximately one-third of the blood resource is consumed by persons aged 65 and over. Under Medicare insurance, such individuals have all their blood charges paid for except for the first three units under the nonreplacement fee. The Health Care Financing Administration of HEW reports that Medicare in 1977 paid $105 million and Medicare beneficiaries paid another $10 million.

This kind of money gives the federal government a large stake in the blood industry's operation. Are we sure we are getting the lowest possible blood charges? Are the elderly being treated fairly in the blood pricing system?

These and other questions prompted the Senate Subcommittee on Health and Scientific Affairs to examine the status of the nation's blood policy. The National Blood Policy was an outgrowth of public concern over the high incidence of post-transfusion hepatitis and its linkage to commercial blood collections. After a Presidential task force examined the current blood supply system, recommendations were made to the Department of Health, Education and Welfare which led to the formal statement of the nation's blood policy in 1973. In brief, the policy spelled out four goals: an adequate supply, high quality products, accessibility, and an efficient system. The overall objective was to strive toward an all voluntary donor blood supply. But other things, such as resource sharing, uniform accounting and reporting systems, and a national data collection system also were to be pursued. The blood banking industry, the providers, the insurance industry, and major blood consumer groups were urged to undertake responsibility for the policy. These interests responded by creating the American Blood Commission in 1975, with HEW's blessing.

During oversight hearings which I chaired on June 7th of this year, the Senate Health Subcommittee sought to answer several questions: What progress have we made toward achieving the National Blood Policy's goals? What, if anything, should be done to alter these goals or the manner in which we pursue them? Has HEW abdicated its role in monitoring the policy? Is the American Blood Commission an effective vehicle for implementing the policy?

The hearings opened many eyes concerning the state of the nation's blood system. Some major problems were uncovered.

First, the federal government, as the nation's largest blood purchaser, was being overcharged due to abuse of the nonreplacement fee. The Government Accounting Office testified that the blood replacement practices of some hospitals and blood banks discriminated against Medicare patients. Some institutions were billing nonreplacement fees to Medicare for blood supplied by blood banks that charge only processing fees. Medicare was often not informed when blood had been replaced. Often hospitals were just ignoring proper billing instructions from Medicare intermediaries. These abuses resulted in substantial overpayments by the government estimated to total millions of dollars annually. Just as appalling was the disclosure that the Health Care Financing Administration operating Medicare was aware of the abuses yet did nothing.

Second, the major blood suppliers—the American Red Cross and the American Association of Blood Banks—are waging a bitter civil war. This feud results in temporary regional shortages which postpone surgeries and inflict emotional and economic hardships on patients requiring blood. The Subcommittee heard several individuals describe their personal suffering at the hands of an uncooperative blood system.

Third, there is a wide disparity of charges for blood and blood products across the country with little data to explain why this occurs. For example, in 1978, the processing cost for a unit of whole blood was $17 in Johnstown, Pennsylvania, and $38 in San Jose, California. In Tulsa, Oklahoma, the charge for frozen red cells was $150, five times the charge for whole blood, but in Salt Lake City, it cost $60, only twice the cost of whole blood.

Fourth, the effectiveness of the ABC received mixed reviews. All agreed that the Commission was instrumental in assisting toward an all voluntary donor supply. The Commission's decision in 1977 to seek elimination of the nonreplacement fee was likewise courageous. Nevertheless, there is criticism of the Commission's ability to carry out policies it passes.

On the positive side, we learn that the percentage of paid or commercial blood collected in this country dropped from about 25 percent in 1971 to only 5 percent in 1978. This significant achievement has contributed to a reduction in the incidence of viral hepatitis.

But after careful examinations of all of the problems which surfaced at the hearings, I concluded that further meaningful progress toward a viable national blood policy needed the force of legislation. With substantial input from all the concerned blood organizations, I fashioned the Blood Assurance Act of 1979, introduced on July 31st in the Senate.

The nonreplacement fee has become the single most visible issue in blood banking today. It appears to be the major note of discord to harmony among all blood suppliers. It compounds an already complex accounting problem. Its supporters claim it a necessary inducement for replacing blood.

It is estimated that as few as 40 percent of all units used are replaced under the fee. HCFA estimates that only one out of three units are replaced by or for Medicare beneficiaries. This casts serious doubt on the replacement fee as an effective recruitment tool. We know that approximately 30 percent of the hospitals in the U.S. now use the fee. For some, the fee has become the source of considerable windfall revenue. Medicare alone pays $20 million annually for non-deductible, nonreplacement fees. Medicare patients pay many millions more from their own pockets for deductible units not replaced. This puts untold economic hardship on many who cannot replace the blood or pay the fees. I am firmly opposed to penalizing patients who have received blood but cannot replace it.

Testimony suggested the nonreplacement fee concept was not necessary to maintain the blood supply. The AABB went on record

in 1977 to eliminate the penalty fee concept. Several states have introduced legislation addressing the nonreplacement fee issue. Illinois recently passed a law prohibiting its use in that state. There is general acknowledgement by experts in the blood field that the nonreplacement fee is slowly declining. I believe legislation is necessary to hasten its demise.

My bill would prohibit the nonreplacement fee after a three-year phaseout period. The estimated impact of the fee's elimination would not result in additional Medicare costs and there is a possibility that some tax money might be saved. This recognizes that some processing fees will go up in institutions now charging nonreplacement fees. Some argue that this action will jeopardize the blood supply. I have seen no evidence that, allowing for an adjustment period of three years, the blood supply in an area cannot be maintained or even increased. The phaseout provision in my bill provides ample opportunity to prepare for the changeover.

I find merit in the argument that a discount incentive might be useful in attracting potential donors—as a recruiting tool. I am aware that many blood banks encourage a pre-deposit of blood by individuals, often through employer programs, so that the donor receives a break on any blood charges. With the relentless difficulties in blood recruitment nationally, a variety of positive incentives should be tried to encourage blood donation, and I believe the discount incentive is a good one.

For this reason I have included in my bill a provision which would allow blood banks to recruit donors by offering those donors a discount on the processing fee for any blood they might need later. There has been confusion about this provision by the industry, and I want to make my intent clear. The discount would only apply for the donor who deposits blood in advance of his or her need for blood. No discount would be allowed for the replacement of blood by or on behalf of the patient. This is not the nonreplacement fee under another name. It is simply an incentive to an individual who wishes to donate blood and at the same time obtain a guarantee of less costly blood should he or his family need it. The bill allows the amount of the discount to be the greater of 20% of the normal processing fee or the average cost of recruitment of a donor in the service area of the blood supplier. I am aware there is no commonly accepted definition of recruitment costs. I am confident the industry can come up with one. If not, the bill relegates such authority to the Secretary of HEW.

The division of our major blood banking organizations has existed for three decades. In recent years, the gap has widened. In 1976, the American Red Cross decided to withdraw from the AABB's National Clearinghouse Program. Regardless of the merits of the argument, the departure caused greater friction among the organizations. But it caused even more hardships on patients. Today, we have no single system for the exchange of blood between regions or institutions. With a national resource at stake, I find this situation intolerable. No one sick or injured should also have to worry about whether blood is available. The absence of a coordinated system nationally to facilitate blood exchange cannot continue.

For this reason my bill provides for the creation of one national program to exchange blood and blood products. But I am not creating a government program. This program would be operated under the authority of a private sector agency whose membership would include the nation's major blood suppliers. This unit would establish the program's operating policies and foster the transactions necessary to ensure an adequate blood supply everywhere in this country. One goal of this effort would be to reduce regional and seasonal shortages. Another goal would be to accommodate those who need blood away from home.

As I explained earlier, we found largely unexplained differences in charges for the same blood product. The price relationship between blood products also varies widely. Why the mystery? I was told the data either did not exist—or was not available. If the public is ever going to have any confidence that its precious donation is being handled efficiently, we need answers. The federal government has a right to know if charges to Medicare patients are the lowest possible.

Another important purpose of the national exchange program would be to collect cost and charge data from all participating blood banks. This data could be analyzed to determine fair and reasonable exchange rates.

HEW has been criticized for its poor performance in overseeing the National Blood Policy. Under my bill, the Secretary of HEW would have responsibility for monitoring the national exchange program. I envision a renewed federal commitment to protect the public interest and the government purse under this new program. Nevertheless, I seek as little regulatory intervention as possible—without sacrificing principle.

Another concern raised at the hearings and repeatedly in private conversations deals with this nation's ability and willingness to meet our future blood needs. For example, some are concerned about our continued dependence on Euroblood shipped to the U.S. from foreign donors. Others suggest America's younger population does not share an appropriate appreciation for our blood needs. I believe we must instill a greater appreciation of the nature and need for blood among our young people—so they too will give freely. There is little research that tackles the issues of donor motivation and recruitment strategy.

I have included a provision in my bill which directs the federal government to carry out research and public education projects concerning blood giving on a demonstration basis. This can be accomplished under existing authority within the Public Health Service for health promotion and health education. I view this activity to be as important as any other we might undertake to ensure a future blood supply.

I have described for you the Blood Assurance Act of 1979 as it is currently written. Today, however, I am announcing a further element which I intend to add to my legislative proposal.

It has been increasingly apparent to me that there is a general lack of public understanding, particularly by those who donate blood, as to how the blood system actually operates. There are numerous documented instances where a local recruitment appeal has misled donors. The donor expected something in return for his donation. But in fact, no guarantee existed. Such deception occurs under every type of recruitment system or philosophy. Often it is unintentional—but the result is always the same—donors do not fully understand what their donation entitles them to. In fact, as you and I know, it may not entitle them to anything. It is time we are candid with the American people.

I intend to close this credibility gap by amending my bill to include a "truth in giving" provision. This provision will require all blood collecting agencies to inform a person prior to or at the time of donation what, if any, benefits the donor gets. It is no different than the disclosure you get when borrowing money from a bank. It will, however, protect the public so that every prospective blood donor understands what he can expect for his blood donation.

The problems I have identified for you are serious ones. They must be handled in a firm yet responsible way. The blood industry itself recognizes the necessity to resolve these issues. Yet the problems persist and the industry continues to battle internally.

For my part, I worked carefully to fashion a solution which can be fair to all parties involved. My bill proposes a reasonable approach which favors no particular industry viewpoint yet protects the public interest. It does this with minimal federal intervention. It begs for private sector initiative to address and resolve the issues. I am aware of one recent action which steps in the right direction. The American Blood Commission at its September Board Meeting created a committee to develop a unified blood resource sharing system for the industry and the country. I am encouraged by this endeavor. But I will continue to push for passage of my legislative proposal until its objectives have been achieved.

I encourage you who are on the operating front in blood banking to let your regional and national organizations know your thoughts on these issues. I want you to view my bill as a vehicle for attacking the problems you face—not as government intrusion into your affairs. If these problems persist, you can expect far more direct government intervention. You must settle your differences and press forward.

The American public must be assured not only that these problems are solved but that they will not recur. They expect this and as blood donors they deserve no less. I challenge you to meet with those who differ with you—to resolve your differences and to develop a workable blood program for this country. The responsibility and opportunity are yours. I hope you will accept this challenge.

[From Lab World, October 1980]

LEGISLATIVE UPDATE

(By Richard Schweiker, U.S. Senator, Pennsylvania)

Public concern helped create a national blood policy to deal with hepatitis transfer in blood transfusions. That same concern is now testing that policy as a result of a schism that occurred between the two major blood suppliers four years ago.

While the two events may not equate in terms of human suffering, their importance to Americans cannot be minimized. The dissolution of an agreement in 1976 between the American Red Cross and the American Association of Blood Banks had its roots in a history of disagreements over recruiting philosophies, territorial claims and economic policies. Nevertheless, the parting was unexpected.

The absence of a single, unified system for blood resource sharing affected not only local blood center jurisdictions but it also crossed state lines. Letters and newspaper articles from around the country appeared in state and federal legislative offices. Legislative proposals cropped up in many states addressing the supply and economics of blood service. Even the Congress, which was silent during formation of the National Blood Policy during the early 70's, had to note the concern.

As the ranking Republican of the Senate Subcommittee on Health and Scientific Research, I was acutely aware of the controversy from problems in my own state of Pennsylvania. The concern there over lack of cooperation among blood banks led to substantive amendments to the Pennsylvania Blood Bank Act of 1972.

Staff inquiries found situations similar to Pennsylvania's in many other parts of the country. Additional issues surfaced concerning the economics of blood banking. Seven years had elapsed since enunciation of the blood policy and mounting public concern over recent developments. The time for airing the matter was overdue. On June 7, 1979, the Senate hearing to assess progress

on implementation of the National Blood Policy heard several witnesses who had fallen victims to gaps in the blood services system. The hearing also laid bare the intense rivalry between the major blood suppliers. Based on the testimony, I decided that introduction of legislation was the best way to move toward resolution of the issue. Thus, on July 31, 1979, I introduced the Blood Assurance Act, Senate Bill 1610.

The bill essentially proposed: 1. to establish through a private entity a national exchange program with all blood suppliers participating and the Secretary of Health and Human Services (HHS) overseeing its implementation; 2. to phase-out the non-replacement fee in three years; 3. a discount to encourage prospective blood donations; and 4. federal government support for public education and awareness of blood and blood needs.

Five months later, the three major blood suppliers—the American Red Cross, the American Association of Blood Banks and the Council of Community Blood Centers—together with the American Blood Commission formed a working group on blood resource sharing. After an erratic start, the group established a biweekly schedule and met in earnest. The issues were not easily ironed out.

In the meantime, doubts were expressed both privately and publicly whether S. 1610 would ever move legislatively. They were quickly dispelled when Senator Edward Kennedy (D-MA), chairman of the subcommittee, wrote me indicating he would gladly move the bill if industry efforts stalled. To reinforce this and to satisfy legislative protocol, hearings on S. 1610 were held in May 1980. Many of the first hearing's participants reappeared to state their views, including the Department of Health and Human Services, the three major blood organizations, the American Blood Commission and consumer groups such as the National Hemophilia Foundation and the American Kidney Foundation.

The Department of Health and Human Services, which had announced the laudable blood policy goals in 1973 only to ignore their implementation thereafter, once again jumped aboard the blood policy bandwagon by surprisingly supporting elimination of the non-replacement fee nationally. Nonetheless, after two General Accounting Office reports and a public hearing, the administration failed to take action to assure implementation of the national blood policy. HHS promised me an internal assessment of the progress in achieving blood policy goals.

Within weeks of the second hearing the resource sharing task force announced a tentative agreement for each of the participating organizations to approve. They told me they believed an approach had been drafted to which everyone could agree.

Hurdles remain, however. The boards of each of the four organizations must now approve the document. If changes are proposed, the working group must reconvene to consider them. The timetable for approval stretches until December of this year. If the agreement is ratified, a six-month implementation phase begins to work out the final operational details.

Based on the first-hand report from work group members, I am optimistic a resolution will soon be reached. Many years of learning the act of compromise, however, have taught me such agreements are fragile. For the sake of those who need blood and to ensure the integrity of the blood services field, a resolution must be won.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S.J. Res. 12. Joint resolution to authorize and request the President to designate November 14 of each year as "Operating Room Nurses Day"; to the Committee on the Judiciary.

OPERATING ROOM NURSES DAY

● Mr. INOUYE. Mr. President, today I am introducing a resolution that would authorize the President of the United States to designate November 14 of each year as "Operating Room Nurses Day".

The Association of Operating Room Nurses has a membership of nearly 28,500 with chapters in each of our 50 States and in several foreign countries. Since last year, the association has undertaken a nationwide education program to inform the public of the special role that our operating room nurses play in the health care of our Nation.

I have long felt that members of our nursing profession should receive more public recognition for their many hours of service to our Nation's ill and am especially impressed by the dedication and professionalism of these practitioners.

The operating room nurse is in many ways the guardian and overseer of operating room procedures, preserving the crucial quality of the environment, while at the same time monitoring the patient's vital signs and needs. The responsibilities of the operating room nurse do not begin and end in the operating room. They are often called upon before surgery to counsel patients who are fearful. After surgery they actively participate in the patient's recovery.

The association in establishing November 14 as "National Operating Room Nurses Day" has undertaken a most worthwhile goal of providing educational opportunities for our Nation to inform the public about the roles and responsibilities of the operating room nurse.

Accordingly, I am most pleased today to introduce this resolution and urge my Senate colleagues to join me in awarding operating room nurses the full recognition that they richly deserve.

Mr. President, I ask unanimous consent that the text of this resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 12

Whereas the Association of Operating Room Nurses, Incorporated, is a specialty nursing organization with a primary focus on education and a goal of excellence in patient care for all who undergo surgery;

Whereas there are twenty-eight thousand five hundred registered nurse members in such association;

Whereas on November 14, 1980, such association sponsored activities nationwide to educate the public about the role the members of the association play in health care; and

Whereas the association intends to continue to educate the public of the nursing care rendered during surgery: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate November 14 of each year as "Operating Room Nurses Day", and to call upon Federal, State, and local government agencies, and the people of the United States to observe such day with appropriate programs, ceremonies, and activities.●

SENATE RESOLUTION 22—RESOLUTION CALLING FOR A STUDY REGARDING THE INSTITUTION OF A BIENNIAL FISCAL PERIOD

Mr. BUMPERS submitted the following resolution which was referred jointly to the Committee on the Budget and the Committee on Governmental Affairs, pursuant to the order of August 4, 1977:

S. RES. 22

Resolved, That (a) The Committee on the Budget and the Committee on Governmental Affairs are authorized and directed to study the advisability and feasibility of conducting the fiscal affairs of the United States Government on a two-year fiscal period or, in the alternative, of having the Budget submitted and new budget authority enacted for two fiscal years at a time.

(b) Such committees may conduct such study jointly or separately and shall submit their joint report or separate reports, together with their recommendations to the Senate as soon as practicable, but not later than September 30, 1981.

● Mr. BUMPERS. Mr. President, today I am submitting a resolution which will require the Senate Budget and Governmental Affairs Committees to study the feasibility of conducting our Government's fiscal affairs on a biennial basis. Under this resolution, these committees will be directed to submit their recommendations to the Senate by September 30, 1981.

In submitting this resolution, Mr. President, I do not intend to minimize or undermine the Congressional Budget Act because I believe that it is an excellent tool in achieving control over the Federal budget. The Budget Committee has spent numerous hours on budget matters and because of its work each Member of this body has become more enlightened on budget matters. However, I do believe that because of the increasingly heavy workload of the Congress, biennial budgeting is an idea whose time has come.

The annual budget cycle poses a severe dilemma for Congress. On the one hand, annual review of authorizations and appropriations provides Congress with an opportunity to influence programs and policies, in addition to performing the oversight function. On the other hand, as annual authorizations and appropriations increase the workload of Congress, the quality and time spent on congressional oversight has diminished.

The study to be performed under this resolution could apply to all of the components of our budget processes—authorizations, appropriations, and the budget resolutions.

Annual authorizations place severe time restrictions on the legislative committees who must report the authorizing legislation by May 15 of each year. By using a biennial authorization cycle, these committees would have increased time to spend on their oversight responsibilities.

The only time we really perform our oversight responsibilities well around here is when there is a gigantic story in the press about some terrible aberration, how the Government has been ripped off. If it gets press and television attention, then, of course, we go right to

work on it. But we are not performing the mundane chore of oversight responsibility. This has generated much hostility across the country at the local levels where people are having to deal with the way we appropriate money and the purposes for which we appropriate it.

Before World War II, authorizations were usually permanent. It has been estimated that at the end of World War II, 95 percent of Federal spending, exclusive of one-time projects, was under permanent authorization. Therefore, Mr. President, this Government has recently moved toward an annual authorizations and appropriations process.

A biennial authorization procedure would help to alleviate the tremendous workload of Congress. If we could relieve the burden of annual authorizations, the Congress could spend more time in its oversight responsibilities. A 2-year authorization would free the legislative committees to investigate and review governmental agencies and programs more effectively. The biennial authorization procedure would also encourage the orderly consideration of authorizations and appropriations and relieve the scheduling problems caused when authorizations are not enacted on time. Indeed, Mr. President, this orderly consideration of authorizations is provided for in section 607 of the Congressional Budget and Impoundment Control Act of 1974. The section reads:

> In the case of a request for the enactment of legislation authorizing the enactment of new budget authority for a new program or activity which is to continue for more than one fiscal year, such request shall be for at least the first two fiscal years.

Finally, Mr. President, biennial authorizations would help relieve the scheduling and time problems that annual authorizations present. A study by the Congressional Research Service of authorizations which had created bottlenecks for appropriations acts, authorizations requiring budget waivers, bills with a large number of separate authorizations, and authorizations for large dollar amounts shows the time sequence for these bills. In the sampling for authorization bills in the 95th Congress almost half were not enacted until after the appropriations bills had been enacted.

Let me repeat that. Half of the authorization bills in the sampling had not been enacted at the time the appropriations were passed. You and I both know, Mr. President, that no money is supposed to be appropriated until it has been authorized.

Further, a majority of the authorization bills were not completed by early September. The study concludes:

> The sample indicates that the legislative process involved with some authorization bills has been too lengthy to be accommodated within the prescribed schedule in the Budget Act.

Everybody recognizes that we have a serious problem. Therefore, Mr. President, a biennial authorization procedure is necessary to give the Congress more time for oversight responsibilities and also, to have an orderly consideration of authorization and appropriations.

The second component of biennial budgeting is the appropriations process. Congress has traditionally encouraged and used annual appropriations to exert more control over the budget. For example, in 1966 the Joint Committee on the Organization of the Congress declared:

> We strongly believe that an annual review is the best means of insuring that Federal spending received adequate congressional attention.

Also, section 253 of the Legislative Reorganization Act encourages the Congress to make appropriations for continuing programs on an annual basis. Finally, section 402 of the Congressional Budget Act requires the committees of both Houses to study permanent appropriations and recommend terminations or modifications.

With the legislative directives I just mentioned, Mr. President, we are moving toward an increased number of annual appropriations. This can only mean an increased workload and additional time spent on appropriations. The result of this increased time on appropriations will be a diminished role for legislative oversight. I do not intend to diminish the vital part that the appropriations process plays in congressional responsibilities.

It is just that we are spending too much time on appropriations and not nearly enough time on seeing how that money is being spent.

The final part of a biennial fiscal cycle, Mr. President, could be the application of the biennial cycle to our existing budget resolution process. Instead of enacting the budget resolutions for a single fiscal year the Budget Committees could report the resolutions on a biennial basis. The Congressional Budget Act contains provisions to encourage the Budget Committees and Congress to look beyond the immediate fiscal year. Some of the requirements are:

First. The Congressional Budget Office must project the 5-year impact for every spending bill reported by the House and Senate Committees;

Second. At the beginning of each fiscal year the Congressional Budget Office must report to Congress on spending, revenue, surplus or deficit, public debt and tax expenditures for the coming 5 years; and

Third. The President must project the effects of his annual budget over 5 years.

Two-year budget resolutions would still provide Congress with budget control and permit planning and flexibility to adjust to changing economic conditions. Congress could enact 2-year budget resolutions and still retain some annual appropriations, while enacting 2-year appropriations on a selective basis.

We would not be locked in stone. We pass supplemental appropriations all year long.

The selective use of biennial appropriations with 2-year budget resolutions offers Congress the opportunity to study the effectiveness of the 2-year cycle without sacrificing much short-term control of the budget. It could also help in determining how the congressional workload and floor scheduling would be affected by a change to the 2-year cycle as well as whether a decrease in workload would encourage greater oversight.

In conclusion, Mr. President, I firmly believe that biennial budgeting is a procedure which can be effectively implemented and will alleviate many of the difficulties the Congress encounters in carrying out its very important oversight function. During this period of increasing demands on the Federal budget and the need for effective oversight to reduce programs which have gotten out of control, I think biennial budgeting is a method which can be used to strengthen our budget process.

When I was Governor of my State we used biennial budgeting. Most States in the country use it. I know the State of Arkansas is not the Federal Government and I promise you our budget does not approach it. However, we ran our government very efficiently and we did not have any problems budgeting on a biennial basis. We made some mistakes. We almost always had legislative sessions to correct them, but they did not take very long. One of the reasons Government is inefficient is because Congress is not overseeing and supervising the expenditure of the $600 billion we are appropriating. We are appropriating it, but we are not following it up to see how it is being spent.●

SENATE RESOLUTION 23—RESOLUTION RELATING TO THE DISAPPROVAL OF PAY INCREASES FOR MEMBERS OF CONGRESS AND INCREASES FOR SENIOR CIVIL SERVICE EXECUTIVES

Mr. CHAFEE submitted the following resolution, which was referred to the Committee on Governmental Affairs:

S. RES. 23

Resolved, That with respect to the recommendations of the President which are to be transmitted to the Congress with the President's budget for fiscal year 1982 pursuant to section 225(h) of the Federal Salary Act of 1967 (2 U.S.C. 358), the Senate—

(1) disapproves the proposed recommendations for increases in rates of pay for positions described in subparagraph (A) of section 225(f) of such Act (2 U.S.C. 356(A)), relating to Members of Congress, and

(2) approves the proposed recommendations for increases in rates of pay for all other offices and positions.

● Mr. CHAFEE. Mr. President, on January 7, 1981, President Carter sent to Congress a proposal to increase the pay of senior level civil service executives and Members of Congress. His recommendations were based on the report of the quadrennial commission authorized under the Federal Salary Act of 1967 which reviews salaries of Members of Congress.

Today, I am introducing a resolution disapproving that part of the President's proposal pertaining to Members of Congress. Approval of my resolution within 60 days by either House will allow this raise to go into effect for senior level civil servants while retaining the present cap on salaries for Members of Congress.

The argument is made that we should allow Members of Congress to have this raise, since their salaries are only adjusted every 4 years. This would allow them to keep pace with raises in the private sector, as well as maintaining their position in relation to civil service employees. But by focusing strictly on the

monetary arguments, we miss a larger and more important point.

The foundation of representative democracy is the confidence that the people have in their elected officials. Congress came close to violating this confidence late last year when a $10,000 pay raise was nearly approved before receiving the recommendations of the quadrennial commission.

Next month, we will be called upon to make difficult decisions about cutting spending in an effort to get the Federal budget under control. Few, if any, groups in our society who are receiving Federal aid will be exempt from this process. The public will have to have confidence in our judgment that these cuts have been spread equitably throughout the budget. Voting ourselves a pay raise prior to this process will damage that confidence and make it more difficult to receive support for the enactment of those painful decisions that are necessary to get our economy moving again. When Congress can bring inflation and Federal spending under control, then, and only then, should Congress consider the questions of pay raises for its Members.

The situation with civil service is another case altogether. The present cap on senior level pay causes two severe problems. First, it makes attracting top-notch people to Government service very difficult. A look at what has happened to senior level salaries since 1977—the date of the last quadrennial commission report—explains why.

Since 1977, Federal level executive pay has increased 5.5 percent. During this same period, comparable private sector pay has increased by 25 percent, general schedule civil service pay has increased by 32 percent, and the Consumer Price Index has gone up 45 percent.

Second, this wage disparity is a disincentive for people already part of civil service to either take a promotion or to stay on the job as they approach retirement. Seven grades of high level civil service executives are now paid the same. Each year, the pay cap is in effect, more grade levels bump up against the pay ceiling. Without the incentive of a pay raise, these people are becoming increasingly reluctant to accept the additional responsibility or the need to relocate that a promotion may bring.

In addition, the pay cap provides an incentive for executives to retire early. Last year, 75 percent of the Federal executives who had reached the pay ceiling and were eligible to retire, did so. This results in an incalculable loss of experience and knowledgeable talent to the Federal Government.

Mr. President, the ability to attract good people and to retain the qualified professionals already in Government are two key ingredients to making Government more efficient.

Approving this resolution will help improve the operations of the executive level without decreasing the confidence that the public has in its elected officials. I urge my colleagues to approve this resolution.●

NOTICES OF HEARINGS

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Senate Budget Committee has rescheduled its economic outlook hearings, originally dated January 13 and 14, for January 21 and 22. On both days there will be a 10 a.m. and 2 p.m. session in room 6202 of the Dirksen Senate Office Building.

On Wednesday, January 21, Dr. Arthur Burns, distinguished scholar-in-residence at the Washington-based American Enterprise Institute for Public Policy and Research and former chairman of the Federal Reserve Board, will testify at 10 a.m. That afternoon the committee will hear Mr. Larry Kudlow, chief economist at the Wall Street firm of Bear, Stearns & Co., and Mr. Alan Reynolds, vice-president of the First National Bank of Chicago.

The Thursday morning session will commence with the testimony of Dr. Martin Feldstein, president of Harvard University's National Bureau of Economic Research and former member of the President's Council of Economic Advisers, and Dr. Barry Bosworth, senior fellow at the Brookings Institution and former director of the President's Council on Wage and Price Stability. The hearings will convene after hearing from Dr. James M. Howell, senior vice-president and chief economist of the First National Bank of Boston, and Mr. Donald E. Maude, chief financial economist and chairman of the Interest Rate Policy Commission of Merill Lynch, Pierce, Fenner & Smith, Inc. of New York City.

For further information, contact Mr. Bill Stringer of the Budget Committee staff at 224–0538.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, the Energy and Natural Resources Committee will hold hearings Thursday, January 22, 1981, to review public and classified assessments of the world petroleum outlook for 1981. Even though domestic petroleum stocks remain above average, the exceedingly cold winter in the East and the continuing Iran-Iraq war will surely place downward pressure on stock levels. The hearings will provide expert opinion from Government, industry, and users on the current supply/demand balance and the outlook for petroleum supplies, including home heating oil and diesel fuel, for the coming year.

The first hearing, to start at 10 a.m. in 3110 Dirksen, will be open to the public and take testimony from the Department of Energy, an independent analyst, industry representative, distributor, and consumer representative.

In closed session beginning at 2 p.m. in S–407 of the Capitol, the committee will continue with testimony from the Central Intelligence Agency and the Departments of Energy and State.

Individuals, organizations, or companies wishing to submit statements for the record may send them for receipt by January 26 to: Committee on Energy and Natural Resources, Attention, Dave Russell, 3202 Dirksen Senate Office Building, Washington, D.C. 20510.

ADDITIONAL STATEMENTS

CONTINUE MILITARY REGISTRATION

● Mr. ROBERT C. BYRD. Mr. President, on January 5, the second phase of the military registration plan began. This phase called for young men born in 1962—19-year-olds—to register from January 5 to January 10. Right after the January 10 registration, the Selective Service System went to a system of continuous registration, which means that every young man will be required to register within 30 days after reaching his 18th birthday.

If the response to the second phase of the military registration plan is anywhere near as high as the response to the first phase, it will undoubtedly be a success. The first phase began on July 21, 1980, and continued for 2 weeks. At that time, 19- and 20-year-olds were required to register. There was a 94.5-percent response to the first registration period, and eligible men continued to register after the official registration period.

President-elect Reagan promised to address the question of military registration early in his administration. During the campaign, he criticized President Carter's military registration plan. Immediately after the campaign, some people began urging the newly elected President to act quickly to cancel military registration.

I understand that the President-elect has decided to study the matter in more depth before making a decision. While some on his transition team support cancellation of military registration, others, namely those on the Defense Department transition team, want to continue the registration requirement.

I am please that Mr. Reagan decided to postpone his decision on military registration. This is not a decision to be taken lightly, and I think that by postponing it, the President-elect gives himself the opportunity to consult with his advisers and carefully assess our military preparedness and defense capabilities. As President and Commander in Chief of our Armed Force, he might well view the situation differently. I hope he will.

I am a strong advocate of military registration. I was an active supporter of President Carter's proposal during the Senate's consideration last July of a resolution to revitalize the Selective Service System and to provide for the military registration of men aged 18, 19, and 20.

While I am familiar with the arguments against military registration which Mr. Reagan made during his campaign for the Presidency, they are inconsistent with the strong stands he has taken on foreign policy and defense. In his statements advocating a strong national defense, it is clear that Mr. Reagan recognizes the importance of military preparedness. I believe that military registration will enhance our military preparedness by providing a pool of backup manpower which could save crucial days in the event of a mobilization.

Mr. Reagan calls for an adequate reserve that can be called up at a moment's notice, and a skilled, experienced All-Volunteer Force that can handle sophisticated equipment. The Senate supports these goals, as it clearly indicated last year when it moved to increase the salaries and benefits for our military forces to attract and retain skilled personnel.

The vote to reinstitute military registration demonstrated our commitment and our resolve to upgrade our defense capabilities and military preparedness. I believe this action was perceived as a realistic, substantive response to potential and unpredictable international crises. It sent a signal to the Soviet Union and to our allies of our determination to place our Armed Forces in a state of readiness in the event that they have to respond to a military emergency.

Cancelling military registration—reversing a decision which a majority in the last Congress supported—would send another, potentially damaging, signal. It would create the impression that our commitment to strengthen our military preparedness and defense capabilities is an empty commitment.

I am confident that Mr. Reagan will thoroughly examine this issue. I hope that his decision will be one that I and I am sure a majority of my colleagues in the Senate can support—that is, to continue military registration.●

DEMOCRATIC SENATORS LUNCHEON

● Mr. ROBERT C. BYRD. Mr. President, on January 7 President-elect Ronald Reagan attended a luncheon in the U.S. Capitol with Democratic Senators.

Mr. Reagan initiated the meeting, and it was gracious of him to do so. Also attending were Vice President-elect George Bush, Senate Majority Leader HOWARD BAKER and Senator PAUL LAXALT, as well as several of Mr. Reagan's newly formed staff.

I will not attempt to reconstruct Mr. Reagan's talk, since no minutes of the meeting were kept. However, for the record, I would like to state my remarks as contained in my notes.

After thanking Mr. Reagan and Mr. Bush for having come to the Senate, I said the following:

Your Party has a majority in the Senate, but not in the House of Representatives. The problems facing this nation are not created by either party. Yet, they face both of us. And you will need the consensus of both parties to solve these problems.

These party majorities are not issue majorities. Resolving the hard issues requires talent, and we have a wealth of talent in the Democratic Party.

On the environment: Senator Hart is especially knowledgeable; on defense; Senators Nunn and Stennis have contributed ideas and leadership; on economic affairs: Senators Bentsen, Cranston and Long have extensive experience; on energy: Senators Jackson and Bradley will have many useful insights; and on the budget: Senator Hollings is our foremost expert. There are many more. Every Democratic senator has one or more areas of special knowledge. They can help you.

This will be your government for the next few years. I know that you face enormous challenges in defense, and economic affairs, and energy, and foreign relations. I hope that you will call upon this wealth of expertise during your years as President.

I hope that you will have Senate Democrats get together with you for additional meetings of this kind. We Democrats are happy to meet and talk with you, and we stand ready to do so at any time you may wish.

Mr. President, this has been the substance of my thoughts following Mr. Reagan's remarks. I considered the meeting to be very beneficial.

In my welcoming remarks, I told Mr. Reagan that he had our hopes for a strong and prosperous America as he begins his administration.

While the executive and legislative branches have their distinct duties, we are joined in common purpose. It was in this spirit that we, as Democrats, were honored to have Mr. Reagan meet with us.●

POLICY DECISIONS FACING THE NATIONAL SPACE PROGRAM

● Mr. CANNON. Mr. President, on December 29, 1980, the Space Shuttle system assembled in a launch configuration, was transferred from the assembly building to the launch pad at the NASA John F. Kennedy Space Center. Upon completion of a series of final preflight tests on the launch pad that may extend through March of this year, we expect the first orbital test flight of the Space Shuttle to occur. This flight will be a most significant event and the forerunner of introducing the Space Shuttle to operational service in October 1982, following completion of the presently scheduled four orbital test flights.

Mr. President, it was my privilege to have served on the Senate Committee on Aeronautical and Space Sciences from January 14, 1959, a few months after it was established and assigned legislative jurisdiction over the fledgling U.S. space program. This responsibility provided the opportunity to help guide the development of our initial capabilities in space, the successful achievement of the lunar landing commitment, and the decision to initiate the Space Shuttle project. My association with, and responsibility for, the national space program continued with the transfer of these functions to the Committee on Commerce, Science, and Transportation as a part of the Senate committee reorganization in 1977. Reflecting on our past accomplishments in space technology and the status of our program today, I believe it is most appropriate that we examine carefully where the Nation stands in space transportation, space applications, space science and advanced technology, and what our future needs may be.

The current launch preparations are the culmination of a major research and development program that was initiated in January 1972. The program, not unexpectedly, has experienced technical problems leading to schedule delays and a total development cost increase currently estimated at about 20 percent. While no one of us likes cost increases, it is important to recognize the technical complexity and sophistication involved in this undertaking. Against that background and measuring this performance against other projects, some of much lesser technical complexity, the result appears from the information available to the committee to be within a reasonable range.

Now that the Nation is on the threshold of introducing an extensive new capability in space operations, it is important that we address many new issues vital to the role of the United States as the leader in space research and technology. Our leadership role was established as national policy in the enactment of the National Aeronautics and Space Act of 1958. The Nation got a late start in space research and technology; however, with a strong resolve and comprehensive program commitments with the Apollo program as a centerpiece, we developed and demonstrated an extensive capability in space science, space applications, and space technology by the late 1960's. During the 1970's, in addition to committing to the development of a much more versatile and reusable space transportation system, we continued to extend our technological base with the Viking-Mars, Pioneer-Venus, and Voyager-Jupiter-Saturn space science successes, the initiation of Earth resources remote sensing technology and with advances in meteorological satellite systems. We have also learned that in generating the technology to carry out the charter in space, we have developed a new competence to apply to other important national needs, such as energy development. Today, in fact, NASA conducts energy research and development tasks valued at approximately $300 million annually for the Department of Energy.

The commitment to the Space Shuttle system, in addition to its reusability, versatility, and economy of operation, embodied the establishment of a national shuttle fleet to support U.S. civil and military, commercial/industrial, and international space activities, with the subsequent phaseout of the inflexible, more expensive, expendable launch vehicles included in the Delta, Atlas-Centaur, and Titan families. To accomplish the transition from the expendables and to provide a national capability to support increasing exploration and utilization of the space environment, it is essential that the United States have a Space Shuttle orbiter fleet of adequate size.

The currently proposed four vehicle fleet, with one orbiter complete and three in fabrication, is booked to capacity through 1986. This has made it necessary to continue to launch payloads with expendable vehicles well beyond the transition period originally anticipated. A major factor underlying this condition

is an unexpected growth in launch service requests, particularly for communications satellites, not to mention the acceleration in interest in using the Shuttle for both civil and military applications as the orbital test flight program nears.

Initially in fiscal year 1978, acquisition of a five orbiter fleet was proposed by the executive branch; however, the fleet size was reduced to four vehicles with the next budget submission in spite of the long fabrication period involved in building an orbiter. The Senate has consistently stressed the need for a five orbiter fleet. The Nation, in the Shuttle, is investing in a unique capability to extend its exploration and utilization of space, to advance space technology and to maintain its leadership role as set forth in the Space Act. We must address the issue of an adequately sized orbiter fleet promptly if we are to enjoy the benefits of our investment, whether it is to fly the traffic requests presented or to use the space environment to support national needs.

As I have noted, it has become necessary to continue the utilization of expendable launch vehicles to support all the launch service requests being received. This is a decision I agree with. Competition in the launch support field is emerging in Europe with the flight testing of the Ariane launch vehicle and the contracting of payloads for it. Japan is developing an expendable launch vehicle which may pose a further competitive threat. Since we have developed a fine record in suporting launch requests, we should now yield this advantage in the international marketplace.

A closely associated issue is that of pricing policy for launch services provided to others by shuttle or by expendable vehicles. Generally, we have been operating on a full cost recovery basis, a sound policy. However, we should monitor developments in this area very closely and evaluate our policies continuously to assure that, in the final analysis, they serve our national interest as a space-faring nation as competition intensifies. We should meet the competitive thrust with the space shuttle to the maximum extent possible but also with expendable launch vehicles if the situation demands. Quite simply, we should be prepared to support all launch requests.

Mr. President, one of the unique features of the space shuttle is to enable scientists and engineers to accompany and to conduct their experiments in space and to return the results to Earth for quick assessment and in the case of instrument development, a rapid conversion to operational hardware. Such activities are not now possible. It is this capability that will allow us to examine thoroughly and utilize the environment of space for national needs and to reduce the cost of space exploration. Inherent in capitalizing on the foregoing is the need to accelerate and increase our investment in payload development, particularly in the broad areas of space applications. Shuttle payload development funding, whether for direct shuttle applications or for European Space Agency-developed Spacelab—with the first unit furnished free to the United States—has been severely constrained in recent budget submissions of NASA. While the adverse impact of such reduced funding has been lessened by the delays in the availability of the space shuttle, it is now very important that these activities be reemphasized so that experiments related to space processing and manufacturing, Earth resources, weather and climate, advanced communications, life sciences, space sciences and other endeavors are ready when the shuttle attains operational status.

Maximizing the productive and beneficial use of the space environment by applying space technology to national needs implies a significant involvement of and investment by the private sector. The private sector has long been a participant in the U.S. space program primarily through the provision of hardware and supporting services in response to NASA requirements. However, based upon the traditional role of industry in our society, one would expect that application of the unique properties of space to materials processing and manufacturing, particularly those activities that represent extensions of such operations on Earth, is an initiative that should be pursued by the private sector. Policies should be developed and implemented to encourage investment by industry building upon the limited experience acquired to date from one major joint NASA/industry initiative.

Mr. President, the communications satellite industry, spawned by early NASA research, today is a multimillion-dollar enterprise; and it is a splendid example of the productive application of space technology. The United States is the principal builder and operator of communications satellites and in addition to the contribution to our economic wealth, this development has greatly enhanced business and social communications not only within and between the developed countries of the world but among the developing nations as well. Satellite communications offer a unique advantage in areas where traditional communications networks have not been constructed. It is for these reasons that the committee welcomed the reentry of NASA into advanced communications research 2 years ago in order to preserve our competitive edge as other nations enter this field. Funds should be provided to continue this highly successful space applications research effort.

Mr. President, I have been discussing the business/commercial aspects of space policy and the need to address issues to assure continued leadership and success on his high technology frontier. I would not want to neglect the need for continued investment in space science, an arena where we unquestionably lead the world. Our successes in space physics and astronomy and planetary exploration are unexcelled. Our scientists are using the planets as laboratories to enhance our understanding of the solar system and the uniqueness of the planet Earth in that system.

I would sugest this knowledge may some day become very important to the preservation of the Earth as a viable planet to support human endeavor. Space science is also essential to develop the knowledge to proceed with space applications and utilization of space to support national needs. Finally, Mr. President, space science heavily involves our university community, and it represents a stimulus to youth to enter careers in science and engineering. Without such stimulus, this Nation will be ill-equipped to deal effectively with the major problems of our time, such as energy and environmental pollution, and to compete in an increasingly competitive, technical international marketplace. As we move forward in the 1980's, we must assure that adequate support is given to space science so we do not surrender the distinctive position we now hold.

The items I have been discussing, space transportation, space applications, and space science, usually consist of major, well-identified projects. However, underlying the ability to accomplish such initiatives is a strong research and technology base. This involves advancing the state of the art in materials, structures, propulsion, life support systems, data handling and many other areas, and represents a multitude of small research tasks. The maintenance of a strong space research and technology program is essential to being prepared to exercise options and grasp opportunities in space in the future. Unfortunately, budget constraints applied in recent years have resulted in a gradual reduction of resources available to these fundamental activities. This trend must be reversed; and I might add, small increments of increased funding properly applied can be highly productive since research tasks do not require the large investments normally associated with hardware projects.

Mr. President, our most important asset is people. Without highly trained scientists, engineers, and managers, and skilled supporting personnel, it would not have been possible to proceed from a zero base in space in 1958 to the position of leadership we enjoy today. NASA reached an employment level of approximately 33,000 during the peak of Apollo program activity. In fiscal year 1981, NASA is authorized 22,713 positions, a decrease of about 30 percent during the past 11 years. While one recognizes the maximum effort associated with the Apollo lunar landing commitment required a much larger force than today's civil space program, the point has long since been passed at which NASA can maintain a viable force.

For example, committee requested reviews of the space shuttle program in 1979 clearly indicate NASA did not have sufficient project management staff on board. It is essential that the agency have positions available to recruit young scientists and engineers to reinvigorate the work force in a rapidly changing

technical environment and to halt the increasing average age of agency personnel. Without a steady influx of new people, NASA will be without the capacity to accomplish the research, development, and management tasks essential to maintaining leadership in space technology. One final point on the personnel issue. A prerequisite to attracting and retaining new and outstanding talent is a recognized national commitment to an aggressive space program. I suggest this could be evidenced by positive responses to the issues I have been discussing.

Mr. President, in my years in the Senate, I have been privileged to be very closely associated with all aspects of the Nation's space program almost from its inception. I have observed its setbacks and its triumphs as we have achieved a sound position in space transportation, space science, and space applications. We have invested heavily, and we have worked hard to attain a leadership posture. I would not like to see our position wither away. We should not walk away from the environment of space and leave it to others until such time as we understand fully its uses and its implications for our national well-being. It is for these reasons that I have identified some of the issues which I believe should be weighed carefully by the Senate in the 97th Congress as we enter the shuttle era.●

IN MEMORIAM: PROF. BRIGITTE BODENHEIMER

● Mr. WALLOP. Mr. President, I was shocked and saddened by the news of the untimely death of Brigitte Bodenheimer, professor emerita at the University of California School of Law at Davis, on January 7, 1981. Professor Bodenheimer was recognized at home and abroad as a leading family law scholar and child custody expert. She was respected, admired and well-liked by all those who had the privilege to know and work with her.

I came to know Professor Bodenheimer in the course of developing Federal legislation to deter child-snatching. Professor Bodenheimer generously offered her invaluable advice and counsel over 3 years which finally culminated in the enactment of the Parental Kidnaping Prevention Act on December 28, 1980. The Federal law is modeled in part on the Uniform Child Custody Jurisdiction Act, which Professor Bodenheimer helped write in 1968 as reporter for the National Conference on Commissioners on Uniform State Laws.

Brigitte Bodenheimer's devotion to the task of promoting secure and stable home environments and family relationships for children is also reflected in the recently concluded Treaty on the Civil Aspects of International Child Abduction. In her quiet but enormously competent manner, Professor Bodenheimer won the hearts and minds of the delegates of the 29 countries participating in the drafting of a treaty to foster international cooperation for the immediate return of abducted children. Fortunately, Brigitte lived to see the convention completed. It is my sincere hope that the treaty will soon be ratified by the United States to stand as a living memorial to Professor Bodenheimer's great achievements.

Brigitte Bodenheimer will be dearly missed by her many students, friends, family and by the countless children whose lives have been touched by her life-long dedication to the improvement of laws affecting children and their families. Her mark on society will never be forgotten.

Mr. President, I ask that a poem in tribute to Professor Bodenheimer written by her colleague and dear friend, Prof. Carol Bruch, be printed in the RECORD at the conclusion of my remarks so that all may gain an insight into the life and accomplishments of this marvelous woman.

The poem follows:

POEM IN TRIBUTE—APRIL 6, 1979*

(To Prof. Brigitte M. Bodenheimer, Emerita—In Tribute)

Forgive us, Brigitte, for noticing.
(Of course you hate the fuss!)
But it really *takes* a day, you know,
To say what you mean to us.

We know you've lots of things to do—
Teaching [1] and writing [2] and such [3]
Plus children to care for (thousands in fact!)
And all of it means so much.

But we've told Edgar to skip the news [4]
(Or at least we thought we did!)
And now we want to recount with pride
The things you'd rather have hid.

Two wars,[5] two countries,[6] two law school degrees,[7]
And nepotism rules on top! [8]
'Twix Neckan [9] and Putah [10] a diaper or two [11]
Nothing could make you stop.[12]

With grit,[13] with skill, with compassion deep
(The Levys [14] would be so proud!)
You've helped the folks whose needs got lost,
Those faceless in the crowd.

The poor,[15] the old,[16] the displaced too,[17]
They've all received your aid.
And you were there to help the young
As stepping stones were laid.

Juvenile courts,[18] adoption law [19]—
Your make is clear and fine—
And now the children of divorce
Can see a hopeful sign:

Conflict of laws [20] and new court schemes [21]—
You've thought it through anew,[22]
And as the world for kids improves,[23]
They'll owe their thanks to you.

So students, colleagues, even deans,
Whose lives you richly cheer,[24]
Join gladly here and now to name
Our "Person of the Year!"

And if my meter is quite poor,
You know it means in fact
That substance conquered form once more.
For sure you'll not mind that!

With love, respect—in fellowship—
We toast you, colleague dear:
Prosit! Much luck! Long life and health!
From friends both far and near!

—CAROL S. BRUCH [25]

FOOTNOTES

*On this day the Davis community marked Professor Bodenheimer's forthcoming retirement with lectures by Professors Homer H. Clark and Herma Hill Kay and a program at which various tributes (these lines among them) were read.

[1] Professor Bodenheimer began her university teaching career at the University of Utah's College of Law in 1962. During her four years as a member of that faculty she ran what can fairly be termed an intellectual gauntlet, teaching Commercial Law, Family Law, Criminal Law, Remedies and Federal Jurisdiction. Since 1971 at Davis, her coursework has concentrated in the Family Law area, expanded by classes in Children and the Law and yet another specialty, Marital Property Law. This remarkable diversity in teaching has not been confined to the university classroom. A veteran instructor of Utah's bar review course, Brigitte also wrote a much-used MANUAL FOR JUSTICES OF THE PEACE IN THE STATE OF UTAH (1956), and remains unfailingly helpful when those adrift in the sea of the law (be they laymen, practitioners, legislators or colleagues) turn to her for wise counsel.

[2] Citations to many of Professor Bodenheimer's significant works are contained in these footnotes. Her most recent publication can be found *infra* at page 229 of this volume. Bodenheimer and Neely-Kvarme, *Jurisdiction Over Child Custody and Adoption After Shaffer and Kulko*. Typically, it discusses exceedingly complex material with welcome clarity, illuminates the potential impact of abstract doctrine on those who turn to the law at times of personal crisis, and comes down firmly on the side of practicality and humanity, tempered with a dash of idealism.

[3] Undoubtedly the most important current "such" on Brigitte's agenda is her service as the U.S. State Department's expert at meetings on international child abduction by one parent at the Hague. Her presence augers well for the possibility of a meaningful international convention in this troubled area. *See* UNIFORM CHILD CUSTODY JURISDICTION ACT (1968); *Equal Rights, Visitation, and the Right to Move*, 1 FAM. ADVOCATE 18 (1978); *The International Kidnapping of Children: The United States Approach*, 11 FAM. L.Q. 83 (1977); *Progress under the Uniform Child Custody Jurisdiction Act and Remaining Problems: Punitive Decrees, Joint Custody, and Excessive Modifications*, 65 CALIF. L. REV. 978 (1977); *The Rights of Children and the Crisis in Custody Litigation: Modification of Custody In and Out of State*, 40 COLO. L. REV. 495 (1975); *Judicial and Legislative Cures for Child Custody Ills*, 12 THE JUDGES' J. 82 (1973); *The Uniform Child Custody Jurisdiction Act*, 3 FAM. L.Q. 304 (1969); *The Uniform Child Custody Jurisdiction Act: A Legislative Remedy for Children Caught in the Conflict of Laws*, 22 VAND. L. REV. 1207 (1969).

[4] Edgar and Brigitte Bodenheimer's shared interests and activities (including their lunchtime walks home across campus and dinner after the six o'clock news) mark an unusual marriage—one with abundant intellectual, professional and personal sharing that at the same time supports each's distinctive personality. Brigitte, for example, in contrast to Edgar, is a member of the "Brinksmanship School of Research and Writing." Somehow, for her the right word or the solution to a thorny problem often seems to come only long after the painstaking hours of research are completed and occasionally, indeed, after the editor's "deadline" is past. As a fellow member of this beleaguered group of scholars, I am continually sustained by the memory of one such occasion, when Brigitte's editor called to threaten that his publication simply could not wait any longer for her promised contribution. With a not-to-be-repressed giggle and only a modest display of pride, Brigitte later revealed that she had successfully reassured her distraught caller by saying that the manuscript was being typed and would be in the mail shortly—neglecting only to mention that *she* was the typist, busily composing at the keyboard!

[5] Professor Bodenheimer was born Brigitte M. Levy on September 27, 1912, in Berlin. She grew up in Berlin, Frankfurt and Freiburg, moving to Heidelberg with her parents and brother when her father, the distinguished

Roman law scholar Ernst Levy, accepted a chair at that university in 1928.

[6] One of the many forced to flee Germany during the 1930's, Brigitte came to the United States in 1933 as she was completing her doctorate degree in law at Heidelberg. Here, after a second legal education at Columbia University and the University of Washington, she became an American citizen in 1939 and, shortly thereafter, a member of the Washington State Bar.

[7] Dr. jur. 1934, University of Heidelberg; LL.B. 1936, University of Washington. One cannot recite these dates without commenting on the remarkable accomplishment that they reveal: a doctorate in German law at 21 and an American law degree a scant two years later!

[8] Because Edgar was a member of the law faculty at Utah during a period of strong nepotism rules, Brigitte's first teaching position was delayed until 1962 (15 years after their arrival in Salt Lake City), when she was appointed as a Lecturer. Only after the University made a waiver of its nepotism rule in her case did she become an Associate Professor of Law (in 1964). This unfortunate story was to be repeated. When Brigitte resigned her position at Utah in 1966 to come to Davis with Edgar as he became a founding member of our faculty, this university's nepotism rule, in turn, barred her from the classroom. Instead, she was given office space as an unsalaried research assistant, later using the (still unsalaried) title of Research Professor of Law. When the rule was finally relaxed somewhat Brigitte returned to teaching, first as a Lecturer in January 1971 and then as a full professor in 1972.

[9] The Neckar River, which flows through Heidelberg.

[10] Putah Creek, visible from Brigitte's office window at Davis.

[11] A modest understatement, as befits a tribute to Brigitte Bodenheimer. Peter, Tom and Rosenmarie (called "Ti") joined the Bodenheimers during their years in Washington State and Washington, D.C., and Brigitte was at home with them during their early years. *See* notes 6 *supra* and 12 *infra*. All three have followed in their parents' footsteps of scholarship and service, two as professors (Peter of Astro-Physics and Ti of English) and one (Tom) as a doctor specializing in the delivery of health care services to the poor. They have also contributed three grandchildren, to Edgar and Brigitte's continuing delight.

[12] It is to Brigitte's great credit that the hurdles placed in her professional path did not deter her from making consistent scholarly contributions. *See* note 8 *supra*. Her non-teaching years were as professionally fruitful as those spent in the universities, with legislative reform playing a major role. Professor Bodenheimer's training in this area started early, during her stint as an Attorney and, later, Assistant to the General Counsel of the Federal Public Housing Authority in Washington, D.C., from 1942–1946. Her special responsibilities for State and Federal legislation in the areas of temporary war housing, low-rent public housing and urban development were to influence her later work in Utah. In private practice after her 1947 move to Salt Lake City, Brigitte specialized in German restitution claims and real estate matters. *See Forfeitures under Real Estate Installment Contracts in Utah*, 3 UTAH L. REV. 30 (1952). Her next public employment, in 1952 as Special Assistant Attorney General to represent the State of Utah in litigation concerning the constitutionality of a Public Employee's Retirement Law, led her back to legislation. Before long Brigitte had drafted public employees' and teachers' retirement laws for Utah and Wyoming. Soon she became a familiar sight in the halls of the Utah legislature as she took part in two lengthy, ultimately successful, lobbying efforts. Her first project, as a member of an interprofessional Citizens' Committee on Divorce, lasted three years and produced a state marriage counseling service attached to the divorce courts. *See The Utah Marriage Counseling Experiment: An Account of Changes in Divorce Law and Procedure*, 7 UTAH L. REV. 443 (1961). This interest in the divorce process and its impact on litigants under stress has continued over the years. *See* BOOK REVIEW, *Foster and Freed, Law and the Family, New York*, 1 FAM. L.Q. 57 (1967); *Reflections on the Future of Grounds for Divorce*, 8 J. FAM. L. 179 (1968); *The New Canadian Divorce Law*, 2 FAM. L.Q. 213 (1968); *New Approaches of Psychiatry: Implications for Divorce Reform*, 1970 UTAH L. REV. 191; Book Review, *Rheinstein, Marriage Stability, Divorce, and the Law*, 7 FAM. L.Q. 112 (1973). Her next legislative foray, as Chairman of the Utah State Bar Committee on Juvenile Courts, was to have even greater eventual impact. In the first half of the sixties, her committee prepared a complete revision of the state's Juvenile Court Law, including a proposed removal of these courts from the then-existing control and supervision of the State Welfare Department. Two stormy legislative sessions and constitutional litigation followed, but the project's eventual success brought about more than a reform of the Utah Juvenile Courts. Governor Rampton, impressed with Brigitte's scholarship and legislative know-how, appointed her as Commissioner on Uniform State Laws for the State of Utah in 1965. Although Brigitte was to resign this position a year later upon her move to Davis, her affiliation with the National Conference of Commissioners on Uniform State Laws was renewed in 1967, when she was employed as Reporter to draft the UNIFORM CHILD CUSTODY JURISDICTION ACT, an Act with nationwide and international significance. *See* notes 3 *supra* and notes 13, 22, and 23 *infra*. Similar legislative work has continued unabated during her years since as a faculty member. *See* notes 18 and 19 *infra*.

[13] Brigitte's quiet tenacity has stood the law well. In the face of nepotism rules, she persevered in her scholarly contributions. Her legislative victories have been neither speedy nor simple. When convinced that a new idea is important and valuable, she is willing to sow the seed once, twice, or however many times, until the idea takes root. *See, e.g., Equal Rights, Visitation, and the Right to Move*, 1 FAM. ADVOCATE 18 (1978); *Progress under the Uniform Child Custody Jurisdiction Act and Remaining Problems: Punitive Decrees, Joint Custody, and Excessive Modifications*, 65 CALIF. L. REV. 978, 1004 (1977); *Foreword, Legal Problems in Family Law*, 6 U.C. DAVIS L. REV. vi, vii (1973) (arguing that restrictions on a custodial parent's ability to move out of the jurisdiction constitute a violation of the parent's constitutional right to travel). Fully capable of spirited indignation in private, she has a well-developed sense of proportion that tempers her public statements, combined with a canny ability to inspire others to trek to Sacramento, Los Angeles, or wherever to fight the good fight. But when children are endangered by a law proposed in Sacramento, or about to be significantly helped by a law proposed in Washington or the Hague, and Brigitte agrees that her personal involvement may be important, she sets aside her distaste for hurried travel and possible public confrontation. With the fine attention to detail that characterizes her work, she prepares a concise, articulate, always diplomatic, written statement of her views so that if the legislators (as they are sometimes wont) have their minds elsewhere during the hearings or are impatient, her arguments will not get lost in the shuffle. Such meticulous scholarship and good common sense may soon encourage the adoption of a federal provision that will require state courts to give full faith and credit to custody decrees under standards based upon the Uniform Child Custody Jurisdiction Act. *See* the report of pending federal legislation at 5 FAM. L. REP. (FLR) 2303 (Feb. 13, 1979).

[14] Brigitte's parents, Marie and Ernst Levy.

[15] *See* the report of her public and private work in real estate law and reparations law in note 12 *supra* and her articles dealing with inequity under California's community property laws, *The Community Without Community Property: The Need for Legislative Attention to Separate-Property Marriages Under Community Property Laws*, 8 CAL. W.L. REV. 381 (1972); *Justice Peters' Contribution to Family and Community Property Law*, 57 CALIF. L. REV. 577, (1969).

[16] See her work in the area of retirement laws described in note 12 *supra*.

[17] Brigitte has worked with the displaced in both the narrow and the broader senses of the term. In private practice, she represented victims of Nazi persecution as they sought recompense for their economic losses. *See* note 12 *supra*. A major part of her legislative and scholarly effort has been dedicated to the needs of children who may be displaced as a result of their own actions, or the actions of those around them. *See* the references to her work in the areas of juvenile law, adoption law, and custody law in notes 3, 12, and 13 *supra* and notes 18 and 19 *infra*.

[18] *See* note 12 *supra; The Multiplicity of Child Custody Proceedings—Problems of California Law*, 23 STAN L. REV. 753 (1971) (completed as a background study and recomendations for legislation in the areas of child custody and guardianship law for the California Law Revision Commission).

[19] Professor Bodenheimer's 1973 study of adoption law for the California Law Revision Commission will soon result in a draft proposal for a revised Adoption Law. *Cf. New Trends and Requirements in Adoption Law and Proposals for Legislative Change*, 49 So. CAL. L. REV. 10 (1975) (setting forth the analysis which will provide the basis for legislative drafting that Brigitte plans for this summer).

[20] Recognized as a leading family law scholar at home, Brigitte is known abroad as an expert in the conflict of laws. She is, happily, both. The uniqueness of her contributions in the areas of enforcement of custody decrees and jurisdiction is the degree to which she incorporates sound family law policy in the structure and interpretation of conflicts doctrine. *See* her writings and drafting cited in notes 3, 13, and 18 *supra* and notes 21 and 22 *infra*, and her article in this volume at page 229.

[21] *See* her work on conciliation courts and juvenile courts discussed in note 12 *supra*; her proposals for a new form of family court in California, set forth in her study of custody and guardianship law cited in note 18 *supra*; and the provisions of the UNIFORM CHILD CUSTODY JURISDICTION ACT that call for cooperative contact between courts sitting in related custody matters, discussed in note 22 *infra*.

[22] The UNIFORM CHILD CUSTODY JURISDICTION ACT amply demonstrates Professor Bodenheimer's unusual ability to shed years of traditional thought by cutting directly to the core of a problem. In the face of polar, albeit simultaneous, doctrines of custody jurisdiction under in personam and in rem rubrics, *compare* May v. Anderson, 345 U.S. 528 (1953) *with* Sampsell v. Superior Court, 32 Cal. 2d 763, 197 P.2d 739 (1948) *and* RESTATEMENT (SECOND) OF CONFLICT OF LAWS § 79 (1971), she anticipated Shaffer v. Heitner, 433 U.S. 186 (1977) by almost a decade. As the Act's Reporter, she opted for a form of forum conveniens that is defined with reference to factors that promote the court's ability to enter a substantively sound order. UNIFORM

CHILD CUSTODY JURISDICTION ACT, Prefatory Note, §§ 1, 3, 6, 7 and accompanying Comments (1968). The resulting custody order is given heightened protection in other jurisdictions, again for substantive reasons. *Id.* §§ 13–15 and accompanying Comments. Similarly creative and to the point are the Act's provisions for inter-court cooperation (§§ 19–22), for the return of absent parties for a unitary hearing (§ 11), and for recognition of custody orders without a reciprocity requirement in both the national and international settings (Prefatory Comment at 6, §§ 6, 7, 23 and accompanying Comments).

[23] The most dramatic example is the rapid acceptance of the UNIFORM CHILD CUSTODY JURISDICTION ACT, already adopted by 36 states. *See Jurisdiction Over Child Custody Adoption After Shaffer and Kulko*, page 229 *infra*, note 93.

[24] Eminently realistic, Brigitte has at the same time an infectiously optimistic view of the world. Her cup of tea and ready box of tissues, interspersed with an encouraging, "Of course you can!" and a consoling "Of course no one could!" bring many to her for comfort and counsel. In each tale Brigitte finds another message to add to her storehouse of human knowledge and, in her teaching, her writing and her advocacy, applies what she has learned to the benefit of others.

[25] Professor of Law, King Hall, University of California, Davis (on leave 1978–1979); Rheinstein Fellow, A. von Humboldt-Stiftung, Institut für Internationales Recht, University of Munich (1978–79).●

TELEVISION AND THE SENATE

● Mr. ROBERT C. BYRD. Mr. President, television coverage of the U.S. Senate is not a new proposal. I have been interested in this idea as early as the 93d Congress. On September 14, 1974, I introduced and the Senate subsequently adopted Senate Resolution 452, which provided for television, radio, and photographic coverage of the inauguration proceedings of Vice President Nelson Rockefeller. Earlier in the 93d Congress and again in the first session of the 94th, I cosponsored a resolution introduced by Senator Metcalf, generally authorizing television coverage of Senate proceedings. Both of these resolutions were referred to the Committee on Rules and Administration for further consideration. At the time, several questions regarding the extent of coverage and technological constraints needed to be resolved. Although no further formal action was taken on either of these measures, their introduction served to advance the Senate's discussion of the concept.

In the first session of the 95th Congress, I also cosponsored Senate Resolution 177, which authorized television, radio. and photographic coverage of only the Senate proceedings related to the contested Senate election in New Hampshire. This resolution was introduced on June 6, 1975, and after several days of Senate debate was adopted on June 9, 1975.

The resolution contained an amendment which made its implementation contingent on the Senate's reaching an overall time limitation on the proceedings in question. The text of the resolution also assumed that any broadcasting of the proceedings would be contingent on a mutually agreeable arrangement between the Senate leadership and the major networks regarding lighting and other technical logistics. Unfortunately, the Senate encountered serious difficulty in satisfying the terms of both contingencies. Consequently, broadcasting and photographic coverage of the proceedings related to the contested New Hampshire Senate seat never materialized.

In the 95th Congress, I was the primary sponsor of two additional broadcasting resolutions. The first of the two resolutions that I introduced in the 95th Congress was Senate Resolution 74, which authorized closed-circuit television from the Senate Chamber to the office of each Member of the Senate. This resolution was referred to the Rules Committee where no further formal action by the committee was taken. The second resolution I introduced in that session was Senate Resolution 268, which authorized radio coverage of the proceedings related to the Panama Canal Treaty. This resolution was subsequently adopted allowing the entire country to follow every development of that historic treaty.

My interest in providing selective coverage of the Senate's proceedings continued into the 96th Congress. At that time, I initiated meetings with officials of the public and commercial networks to explore the feasibility of television coverage of the Senate deliberation of SALT.

I believe the concept of television coverage of the Senate's proceedings has merit; however, it still raises many complex policy and logistical issues. The resolution recently introduced by Senator BAKER has been referred to the Committee on Rules and Administration. This will provide ample opportunity for my colleagues to thoroughly investigate the extent to which television coverage can serve the needs and purposes of the Senate.

I remain open to the possibility that there may be a role for television coverage of Senate proceedings. I will continue to seek the advice of my colleagues as we explore together its potential value to the Senate.●

NOTICE OF DETERMINATIONS BY THE SELECT COMMITTEE ON ETHICS

● Mr. WALLOP. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Ms. Erica Kenney, a member of the staff of Senator ZORINSKY, to participate in a cultural exchange program sponsored by a foreign educational organization, the Tamkang College of Arts and Sciences, in Taiwan from December 28, 1980, to January 4, 1981.

The committee has determined that participation by Ms. Kenney in the program in Taiwan, at the expense of Tamkang College, is in the interests of the Senate and the United States.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Mr. Stephen E. Ockenden, a member of the staff of Senator DURENBERGER, to participate in a program sponsored by a foreign educational organization, the Van Leer Jerusalem Foundation in Israel from January 4 to 18, 1981.

The committee has also received a request for a determination under rule 35 which would permit Mr. Ralph Oman, of the staff of Senator MATHIAS, to participate in a program sponsored by a foreign educational organization, Tamkang University in Taipei, Taiwan, from December 28, 1980, to January 4, 1981.

The committee has determined that participation by Mr. Ockenden and Mr. Oman in these programs is in the interests of the Senate and the United States.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Mr. Dave Holliday, a member of the staff of Senator BOREN, to participate in a program sponsored by a foreign educational organization, the Van Leer Jerusalem Foundation in Israel from January 4 to 18, 1981.

The committee has determined that participation by Mr. Holliday in this program is in the interests of the Senate and the United States.●

THE PARK POLICE AT FORT CHAFFEE

● Mr. BUMPERS. Mr. President, we have read numerous news reports about the incidents that have occurred at Fort Chaffee, Ark., since the Cuban refugees were relocated at that facility. Last week I received a letter from the magistrate of the western district of Arkansas, the Honorable Ned A. Stewart, Jr., informing me about the excellent work of the U.S. Park Police who have served under most difficult circumstances at Fort Chaffee. Mr. President, I shall submit for the RECORD at the conclusion of my remarks the letter from Judge Stewart.

In the letter, he points out that several individuals from the Park Police have performed their jobs in a professional and competent manner and he has singled out the following individuals for special praise: Detective Pat Moyer, U.S. Park Police. Washington, D.C.; Detective Louis Robinson, U.S. Park Police, Washington; and Mr. Raul Jimenez, Park Police interpreter, Puerto Rico State Police, San Juan, Puerto Rico.

He points out other individuals who have performed beyond the call of duty in support of the court proceedings involving refugee defendants in the temporary public defender office. These individuals are: Mr. Norman Lynch, Chief, Criminal Justice Act Division, Administrative Office of the U.S. Courts. Washington, D.C., and Mr. Ray Conrad. Federal public defender, Kansas City, Mo.

He gives special recognition to the spe-

cial prosecutor assigned to Judge Stewart's court, Capt. Leon Martinez, Judge Advocate General Corps, U.S. Army and to his secretary, Mrs. Janie Gazzola, and his court interpreter, Mrs. Rachel Smith.

All of these individuals have served in an outstanding capacity and their service should be noted by the Senate. It is a pleasure for me to recognize them in this manner.

For this reason I am bringing this letter to the attention of my colleagues. We often dwell on problems encountered by citizens when the Federal employees do not perform their jobs correctly. We also should be just as quick to praise when Federal employees do their jobs well.

Mr. President, I commend these individuals and also commend Judge Stewart for the fine role which he has played in expediting the court proceedings involving Cuban refugee defendants at Fort Chaffee.

The letter follows:

U.S. DISTRICT COURT,
Fort Smith, Ark., January 6, 1980.

Hon. DALE BUMPERS,
U.S. Senator,
Dirksen Senate Office Building,
Washington, D.C.
Hon. DAVID H. PRYOR,
U.S. Senator,
Russell Senate Office Building,
Washington, D.C.
Hon. JOHN PAUL HAMMERSCHMIDT,
U.S. Representative,
Rayburn House Office Building,
Washington, D.C.

GENTLEMEN: During the past several months, I have been heavily engaged in conducting misdemeanor court proceedings at Fort Chaffee involving Cuban refugee defendants. Since the inception of our court proceedings at Fort Chaffee in June of this past year, we have handled approximately 625 refugee defendants through my court. This is an unusually high volume of cases considering that none of the refugee defendants spoke English nor had any familiarity whatsoever with our judicial system.

It would have been virtually impossible for me to handle this volume of cases through my court but for the considerable assistance I have received from other federal agencies and employees engaged in law enforcement activities at Fort Chaffee. Many of these agencies and employees are no longer at Fort Chaffee, having been returned to their regular duty roles and stations. Although all of the assistance rendered me has been good, some has been particularly good to the end that, in my judgment, it is worthy of special praise and recognition. As all of you are directly concerned with Fort Chaffee, I thought it appropriate to call these matters to your attention.

Up until recently, the United States Park Police has had the principal responsibility for law enforcement within the refugee compound. This agency has recently been replaced in this regard by the Federal Protective Service. During their stay at Fort Chaffee, the Park Police did an outstanding job under what can only be described as very difficult conditions. While all the Park Police I encountered performed their jobs in a professional and competent manner, there are three individuals associated with this agency that I would like to single out for special praise: Detective Pat Moyer, U.S. Park Police, Washington, D.C.; Detective Louis Robinson, U.S. Park Police, Washington, D.C.; and Mr. Raul Jiminez, Park Police Interpreter, shortly to be associated, I believe, with the Puerto Rico State Police, San Juan, Puerto Rico. These three individuals were directly concerned with my court operations on a day to day basis and rendered invaluable services to my court on many, many occasions. I cannot praise these three men too highly.

We now have in place at Fort Chaffee solely in support of court proceedings involving refugee defendants a temporary Federal Public Defender office. Because of the high volume of refugee defendants going through my court, this office has proved crucial to the success of my court proceedings. When I requested the establishment of this office several months ago, I was fearful that administrative requirements would delay its establishment considerably if, indeed, it could be established at all. Mr. Norman Lynch, Chief, Criminal Justice Act Division, Administrative Office of the U.S. Courts, Washington, D.C. and Mr. Ray Conrad, Federal Public Defender, Kansas City, Missouri, came to my aid in this regard and established this temporary office in record time. I very much appreciate the special efforts put forth by these two men.

We also now have in place at Fort Chaffee a special prosecutor assigned to my court, a Captain Leo Martinez, Judge Advocate General Corps, U.S. Army. In addition to being an able officer and lawyer, Captain Martinez is bilingual and performs exceptionally well in my court on this account. Captain Martinez was made available to serve in my court through the special efforts of Mr. Larry McCord, U.S. Attorney, Fort Smith, and General Hugh R. Overholt, Judge Advocate General Corps, U.S. Army, Washington, D.C. A very good example of mutually beneficial civilian-military cooperation.

Finally, I must give special commendation to my secretary, Mrs. Janie Gazzola, and my court interpreter, Mrs. Rachel Smith. Both of these ladies have worked long, arduous hours under difficult conditions and done truly a superior job. Mrs. Smith, by the way, is the wife of a Fort Smith attorney, Mr. Don Smith, and is not a full time government employee. She has served in my court at considerable sacrifice to her family life.

I enclose for your inspection copy of a letter recently received by me from Major Frank E. Devine, Judge Advocate General Corps, U.S. Army, assigned to Fort Chaffee. It expresses quite well the situation at Fort Chaffee and it is in this background that the agencies and individuals mentioned above have functioned.

I very much appreciate your taking time out of a busy schedule to consider my comments. I feel strongly that the agencies and individuals mentioned above are most deserving of whatever recognition this letter might afford them.

Yours very truly,

NED A. STEWART, Jr.

DEPARTMENT OF THE ARMY, U.S. ARMY TASK FORCE/GARRISON, RESETTLEMENT OPERATION,
Fort Chaffee, Ark., December 19, 1980.

Hon. NED A. STEWART, Jr.,
U.S. Magistrate,
U.S. Post Office and Courthouse Building,
Fort Smith, Ark.

DEAR MR. STEWART: As I depart from my temporary duty assignment at Fort Chaffee, I wish to take this opportunity of expressing my personal appreciation for your cooperation with me and for the extensive efforts you and your staff have undertaken in the disposition of criminal cases arising at Fort Chaffee.

All the Federal agencies involved in the current refugee relocation effort were faced with a complex situation that was, perhaps, unique in our national experience. If it was to be successfully coped with, this situation required extensive departures from each agency's normal mode of operation. The extent to which each aspect of the total effort was successful reflected, in my opinion, the willingness of those involved to exercise initiative and to be innovative in approach.

In the law enforcement/judicial fields, the record establishes, I believe, that operations at Fort Chaffee have been markedly more successful than were those at Fort McCoy or Fort Indiantown Gap. In part this has been attributable to the presence at Fort Chaffee of a well-trained professional police force, the United States Park Police. Police work, however, is only the first stage of the judicial process. I am convinced that the factor which more than any other has distinguished law enforcement operations at Fort Chaffee from those at the other camps has been the vigorous prosecutive effort resulting in trials before the U.S. Magistrate and the U.S. District Court.

This effort has required extensive Federal involvement in matters not normally regarded as within the domain of the national government, and has necessitated the modification of normal prosecutorial guidelines. It has required also the commitment of extraordinary resources and personal endeavors far beyond those normally expected. The success of the prosecutive effort is demonstrated in the maintenance of a relatively secure environment within the enclave and the avoidance of either major outbreaks of organized criminal activity or of mass civil disturbances.

In my view, the success of the effort is further demonstrated by the fact that increasing numbers of Cubans are asserting their rights to a trial and to legal defense. The operation of the refugee enclave at Fort Chaffee has become, in effect, a laboratory demonstration to an alien population—one previously exposed only to a dictatorial regime—of the key role of the rule of law in the maintenance of an ordered society.

Your personal commitment to this effort as well as that of your staff have been central to the success of the endeavor. I am proud to have been associated, although in small part, with you in this task. As I depart, I thank you for your cooperation and assistance and express the hope that the successful efforts undertaken to date continue unabated until the closing of the refugee relocation center.

Sincerely,

FRANK E. DEVINE,
Major (P), JAGC,
Task Force Judge Advocate.

MESQUITE, TEX., POLICE DEPARTMENT

● Mr. TOWER. Mr. President, recently the Mesquite, Tex., Police Department successfully engaged in a resourceful investigation which resulted in the identification of the victim of a local murder. An account of that investigation was published in the January 4 edition of the Washington Post.

I commend the Mesquite Police Department for their excellent work on this case. This is an example of the professionalism of the detectives and of their determination to solve difficult cases.

I submit for the RECORD the article from the Washington Post.

The article follows:

CAR KEYS HELP TEXAS POLICE IDENTIFY BODY OF VIRGINIA WOMAN

(By Ronald D. White)

A set of car keys has helped Texas investigators identify the body of a woman found strangled in a motel room there three months ago as a resident of Woodbridge.

The body of Linda A. Adams, 30, who lived in the 16000 block of Carroll Avenue in Woodbridge, had no identification on it when

it was discovered Sept. 30 in Mesquite, Tex., Prince William County police said yesterday. But the Texas police did find keys to a Honda Civic that Adams owned.

After weeks of checks through Honda offices in California and Japan the police were able to trace the car to a Woodbridge auto dealer and to Adams, police said.

Authorities said that the car had been abandoned nearly three months ago at a North Carolina truck stop. But police said yesterday they have no idea why Adams abandoned the car there and hitchhiked more than 1,600 miles to Mesquite (pop. 70,000). Adams reportedly was last seen on Sept. 21 by her mother-in-law in North Carolina.

Mesquite detectives have distributed more than 1,100 photographs of Adams and a composite drawing of their prime suspect, a man known as Daniel Avery. Texas investigators have theorized that Adams met Avery at a truck stop after she arrived in Mesquite. The two had been seen at a bar there on the night before she was killed, police said.●

ADMINISTRATIVE PROCEDURE ACT AMENDMENTS OF 1981

● Mr. BUMPERS. Mr. President, on January 6, 1981, Senators SIMPSON, LAXALT, and I introduced S. 67, the Administrative Procedure Act Amendments of 1981. I ask that the text of this bill be printed in full in the RECORD.

The bill follows:

S. 67

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Administrative Procedure Act Amendments of 1981".

IMPROVING THE RULEMAKING PROCESS

SEC. 101. Section 553 of title 5, United States Code, is amended to read as follows:

"§ 553. Rulemaking

"(a)(1) This section applies according to the provisions thereof, except to the extent that notice and hearing is not required by statute and that there is involved—

"(A) a military or foreign affairs function of the United States;

"(B) a matter relating to agency management, organization, or personnel, or to loans, grants or benefits;

"(C) a matter relating to public property or contracts, except that an agency shall comply with any rule or directive relating to such matters issued by the Office of Federal Procurement Policy, the General Services Administration or any other agency pursuant to statute;

"(D) a rule which the agency for good cause finds involves a matter for which notice and public procedure is impracticable, unnecessary, or contrary to the public interest; or

"(E) an interpretative rule or a general statement of policy except that when the rule or statement has general applicability and would have a substantial impact on persons outside the agency, the agency shall after issuance of such rule or statement follow the procedures required by this section upon petition of any affected person.

"(2) In the case of a rule for which an agency makes a finding under clause (D) of this subsection, the agency shall publish the rule in the Federal Register with a brief statement of the finding of the agency under such paragraph and the reasons therefor.

"(b) General notice of proposed rulemaking shall be published in the Federal Register, unless persons subject thereto are named and either personally served or otherwise have actual notice thereof in accordance with law. The notice shall include—

"(1) the terms or substance of the proposed rule or a description of the subjects and issues involved;

"(2) a statement of the time, place, and nature of public rulemaking proceedings;

"(3) a brief discussion of the legal authority of the proposed rule;

"(4) a summary of the factual data on which the proposed rule is based;

"(5) a description of any methodology used in obtaining and analyzing the data; and

"(6) an identification of the reports, documents, studies or other information from which the factual data were derived.

This subsection shall not apply to rules of agency practice or procedure.

"(c)(1) Following the publication in the Federal Register of a general notice of proposed rulemaking required by subsection (b), the agency shall provide interested persons an opportunity to submit written comments, data, or documentary information. The agency shall also provide interested persons an opportunity for oral presentation of data, views, and arguments. A transcript shall be kept of any such oral presentations and the record of such proceeding shall be kept open for thirty days after completion of the proceeding to provide an opportunity for submission of rebuttal and supplementary comments.

"(2) The agency may use such additional oral or written procedures as it determines are appropriate considering the expected impact of the proposed rule, the nature of the facts in dispute, the numbers of persons interested in the dispute, the length of time available for consideration of the proposed rule, and such factors as the agency determines are appropriate.

"(d)(1) After consideration of the relevant matter presented, the agency shall incorporate in the final rule adopted a concise general statement of the basis and purpose of the rule. The statement shall include a response to the significant issues raised by the comments received by the agency.

"(2) If an agency expects, in its statement of basis and purpose for a final rule, to rely on written data or factual matter which is developed during the course of the rulemaking, which was not previously available for public comment, and which is likely to affect the outcome of the rulemaking, the agency shall permit the public a reasonable opportunity to comment thereon.

"(3) The required publication or service of a rule shall be made not less than thirty days before its effective date, except—

"(1) a rule which grants or recognizes an exemption or relieves a restriction;

"(2) interpretative rules and statements of policy;

"(3) as otherwise provided by the agency for good cause found and published with the rule; or

"(4) where a longer period of time is required by law.

"(e)(1) Not later than the date on which the agency publishes in the Federal Register a general notice of proposed rulemaking for a rule under subsection (b) of this section, the agency shall establish a public file for each rulemaking proceeding conducted pursuant to subsection (c) of this section. Except as provided in paragraph (2) of this subsection, the file shall include—

"(A) the notice of proposed rulemaking and any supplemental notice;

"(B) copies of, or identification of, all studies and documentary material upon which the agency relied in formulating the proposed or final rule;

"(C) copies of all written comments on the proposed rule or area of inquiry submitted pursuant to any agency notice of the proposed rulemaking published in the Federal Register;

"(D) all material which the agency, pursuant to any statute authorizing the promulgation of the rule, is required to make public in connection with the rulemaking or which the agency determines to make part of the record; and

"(E) any statement, description, or analysis required to be prepared by the agency in formulating the rule.

"(f) Each agency shall give an interested person the right to petition for the issuance, amendment, or repeal of a rule.".

EXPEDITED HEARING PROCEDURE

SEC. 102. (a)(1) Sections 558 and 559 of title 5, United States Code, are redesignated as sections 559 and 560, respectively.

(2) Section 555 of such title is redesignated as section 558.

(b) Subchapter II of chapter 5 of such title is amended by inserting after section 554 the following new section:

"§ 555. Expedited hearing procedure

"(a)(1) An agency may, in its discretion, apply this section to any agency proceeding subject to section 554 of this title which predominantly concerns policy issues of a general character, including ratemaking, rulemaking, and initial licensing proceedings, rather than a proceeding which predominantly concerns specific factual questions requiring trial-type procedures for their resolution, except that this section shall not apply to any proceeding to—

"(A) impose civil penalties or fines or otherwise to establish that a culpable violation of law has been committed by any person; or

"(B) determine the claims of any individual for benefits relating to his physical or mental condition, age, employment status or status as a dependent, survivor, or relative of another person.

"(2) Within one hundred and fifty days after the effective date of this chapter, and at such times thereafter as the agency may deem appropriate, each agency shall issue a rule (A) designating the categories of proceedings to which the provisions of this section shall apply, and (B) governing the manner in which proceedings subject to this section shall be conducted.

"(b) In the case of any proceeding conducted under this section, each agency shall require the party initiating the proceeding, including the agency, to submit in written form at the time the proceeding becomes subject to this section, a summary of the facts and arguments upon which such party initially proposes to rely that are known at such time to such party, unless the agency finds that the submission of such facts and arguments will unduly delay the proceeding or materially prejudice the rights of any party.

"(c) In any proceeding conducted under this section, the agency shall conduct a hearing to afford parties an opportunity to submit for the record such written data, views, or arguments and such responses to the data, views, or arguments submitted by other parties, as the agency or the presiding employee may specify. At the request of any party in the proceeding, the hearing shall include an opportunity for oral argument with respect to such written submissions. To the extent authorized by section 558 of this title or other law, the hearings shall be preceded by such discovery procedures as the agency determines appropriate.

"(d)(1) At the conclusion of any hearing, or applicable portion of any hearing, conducted under subsection (b) of this section, the presiding employee shall designate a disputed question for resolution in a formal hearing conducted under section 556(d) of this title if he determines—

"(A) such question consists of a genuine and substantial dispute of fact which only can be resolved with sufficient accuracy by introduction of reliable evidence at a formal hearing; and

"(B) the decision of the agency in the case is likely to depend in whole or in part on the resolution of such question.

"(2) In making a determination under paragraph (1) of this subsection, the presiding employee shall designate in writing the specific facts which are in genuine and substantial dispute, and the reason why the decision of the agency is likely to depend on the resolution of such facts. Upon review no court shall hold unlawful or set aside any agency action, finding, or conclusion on the basis of any choice of procedures made by the agency under this subsection, unless such choice was a abuse of discretion which prejudiced the rights of the parties.

"(e) For the purposes of any proceeding conducted under this section, the agency may designate one or more employees to assist the presiding employee by questioning parties at an oral hearing, or by otherwise advising the presiding employee. No employee designated under this subsection shall have any authority to issue any findings, decisions, or other orders in the proceeding.".

(c) (1) The item relating to section 555 in the table of sections for chapter 5 of such title is amended to read as follows:

"555. Expedited hearing procedure.".

(2) The items relating to sections 558 and 559 in such table are redesignated as the items relating to sections 559 and 560, respectively.

(3) Such table is amended by inserting after the item relating to section 557 the following:

"558. Ancillary matters.".

AGENCY REVIEW OF DECISIONS

SEC. 103. (a) Section 557 of title 5, United States Code, is amended to read as follows:

"§ 557. Initial decisions, conclusiveness; review by agency; submissions by parties; contents of decisions; record

"(a) This section applies, according to the provisions thereof, when a hearing is required to be conducted under section 554 of this title.

"(b) (1) If the agency did not preside at the hearing, the presiding employee or, in cases not subject to section 554(d), of this title, an employee qualified to preside at hearings pursuant to section 556 of this title, shall initially decide the cases unless the agency requires, either in specific cases or by general rule, the entire record to be certified to it for decision. When the presiding employee makes an initial decision, that decision then becomes the decision of the agency without further proceedings unless there is an appeal to, or review on motion of, the agency within time provided by rule. On appeal from or review of the initial decision, the agency has all the powers which it would have in making the initial decision except as it may limit the issues on notice or by rule.

"(2) Where the entire record has been certified to the agency for decision pursuant to paragraph (1) of this subsection, the presiding employee shall recommend a decision before certifying the record to the agency in cases conducted solely under section 556 of this title. In any proceeding conducted pursuant to section 555 of this title, the agency may require the presiding employee to certify the record to it with a recommended decision, or without a recommended decision but with such analysis of the record as the agency may specify, except that in the case of any disputed question designated under subsection (d) of such section for resolution in a formal hearing conducted under section 556 of this title, the agency shall require the presiding employee to make proposed findings and conclusions concerning such question.

"(3) Whenever the presiding employee submits the record without an initial or recommended decision, the agency shall issue a tentative decision or shall designate one of its responsible employees to recommend a decision except that such tentative or recommended decision may be omitted in a case in which the agency finds on the record that due and timely execution of its functions imperatively and unavoidably so requires.

"(c) Before a recommended, initial, or tentative decision, or a decision on agency review of the decision of presiding or responsible employees, the parties are entitled to a reasonable opportunity to submit for the consideration of the employees participating in the decisions or the agency—

"(1) proposed findings and conclusions; or

"(2) exceptions to the decision or recommended decisions of presiding or responsible employees or to tentative agency decisions; and

"(3) supporting reasons for the exceptions or proposed findings or conclusions.

The record shall show the ruling on each finding, conclusion, or exception presented. All decisions, including initial, recommended, and tentative decisions, are a part of the record and shall include a statement of—

"(A) findings and conclusions, and the reasons or basis therefor, on all the material issues of fact, law, or discretion presented on the record; and

"(B) the appropriate rule, order, sanction, relief, or denial thereof.

"(d) (1) (A) Each agency may establish by rule one or more boards to review decisions of presiding employees in accordance with the provisions of this section, except that no agency may subject any decision of the presiding employee to more than two different levels of review, including any review conducted by the agency itself. Each board authorized by this subsection shall be composed of one or more members of the body comprising the agency. Subject to paragraph (2) of this subsection, any agency may provide by rule that—

"(i) any decision or any category of decisions by the presiding employee shall become final unless reviewed by a board or by the agency; and

"(ii) any decision or any category of decisions made by a board on review shall become final unless reviewed by the agency.

"(B) Each agency shall specify by rule the circumstances and conditions, if any, under which the agency will entertain and consider appeals from the decision of the board or presiding employee. Such rule shall also specify the circumstances and conditions under which the agency shall exclude from the jurisdiction of the board responsibility for reviewing a decision or category of decisions.

"(2) Nothing in this subsection shall be construed to supersede—

"(A) any provision of law specifically governing the composition and organization of any employee board of a particular agency or the right of any agency members of a particular agency to direct review of decisions, or

"(B) any other authority of an agency to delegate the final decision to any agency members or other employees.

"(e) (1) In any proceeding, which is subject to section 554, except to the extent required for the disposition of ex parte matters as authorized by law—

"(A) no interested person outside the agency shall make or knowingly cause to be made to any member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of the proceeding, an ex parte communication relevant to the merits of the proceeding;

"(B) no member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of the proceeding shall make or knowingly cause to be made to any interested person outside the agency an ex parte communication relevant to the merits of the proceeding;

"(C) a member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of such proceeding who receives, or who makes or knowingly causes to be made, a communication prohibited by this subsection shall place on the public record of the proceedings—

"(i) all such written communications;

"(ii) memoranda stating the substance of all such oral communications;

"(iii) all written responses, and memoranda stating the substance of all oral responses, to the materials described in clauses (i) and (ii) of this subparagraph;

"(D) upon receipt of a communication knowingly made or knowingly caused to be made by a party in violation of this subsection, the agency, administrative law judge, or other employee presiding at the hearing may, to the extent consistent with the interests of justice and the policy of the underlying statutes, require the party to show cause why his claim or interest in the proceeding should not be dismissed, denied, disregarded, or otherwise adversely affected on account of such violation; and

"(E) the prohibitions of this subsection shall apply beginning at such time as the agency may designate, but in no case shall they begin to apply later than the time at which a proceeding is noticed for hearing unless the person responsible for the communication has knowledge that it will be noticed, in which case the prohibitions shall apply beginning at the time of his acquisition of such knowledge.

"(2) This subsection does not constitute authority to withhold information from Congress.".

JUDICIAL REVIEW

SEC. 104. Section 706 of title 5, United States Code, is amended to read as follows:

"§ 706. Scope of Review

"(a) To the extent necessary to decision and when presented, the reviewing court shall independently decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of an agency action. The reviewing court shall—

"(1) compel agency action unlawfully withheld or unreasonably delayed; and

"(2) hold unlawful and set aside agency action, findings and conclusions found to be—

"(A) arbitrary, capricious, an abuse of discretion or otherwise not in accordance with law;

"(B) contrary to constitutional right, power, privilege or immunity;

"(C) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right;

"(D) without observance of procedure required by law;

"(E) unsupported by substantial evidence in a proceeding subject to section 554 of this title or otherwise reviewed on the record;

"(F) without substantial support in the rulemaking file, viewed as a whole, for the asserted or necessary factual basis of a rule adopted in a proceeding subject to section 553 of this title; or

"(G) unwarranted by the facts to the extent that the facts are subject to trial de novo by the reviewing court.

"(b) In making the foregoing determinations, the court shall review the whole record or those parts of it cited by a party, and due account shall be taken of the rule of prejudicial error.

"(c) In making determinations under clause (2) (C) of subsection (a) of this section, the court shall require that action by

the agency is within the scope of agency jurisdiction or authority on the basis of the language of the statute or, in the event of ambiguity, other evidence of ascertainable legislative intent. In making determinations on other questions of law under this section, the court shall not accord any presumption in favor of or against agency action.".●

MICHAEL HAMMER, MARK PEARLMAN, AND RODOLFO VIERA

● Mr. MOYNIHAN. Mr. President, on the evening of January 3 two American trade unionists were murdered in the San Salvador Sheraton Hotel. Michael Hammer and Mark Pearlman, both of them representatives of the AFL–CIO's American Institute for Free Labor Development, were in El Salvador for one purpose: to help the small farmers and campesinos of that troubled country achieve a greater measure of justice and dignity.

Along with those two fine Americans, the assassins gunned down Jose Rodolfo Viera, president of the Salvadoran Communal Union, which has done so much to advance the interests of El Salvador's agricultural laborers and small farmers. Mr. Viera was also the director of El Salvador's Institute for Agrarian Transformation.

Though I did not know these men personally, their deaths fill me with sorrow and sincere sympathy for their families. They died in the prime of life, while doing good work for the good of others. Surely, they will be missed not only by those who knew them, but also by the thousands of workers whom they aided.

As trade unionists, these men were devoted to the idea that social reform should not come from above, but from the people themselves. They did the thankless and unglamorous jobs of teaching, of helping people organize themselves, and of designing a workable land reform program.

Michael Hammer and Mark Pearlman went to El Salvador because the trade unionists of that country needed assistance and asked for it. They were not intruders. They had been invited there. In the grand tradition of the American trade union movement, they went as brothers, hoping to bring to the workers of El Salvador at least a measure of the dignity and prosperity that American workers have achieved in this century through free trade unions and collective bargaining.

The assassinations of these men will not end the agrarian reform movement. Their lives will not have been in vain; their work will and must continue.

On January 9, Mr. President, a Mass of Christian Burial was celebrated for Mr. Hammer at the Fort Myer Memorial Chapel in Arlington, Va. The day before, a service was held at the AFL–CIO Headquarters in honor of Mr. Pearlman. I submit for the RECORD the remarks made at those services, and AFL–CIO President Lane Kirkland's statement.

The material follows:

REMARKS BY THE HONORABLE EDMUND S. MUSKIE, SECRETARY OF STATE

They devoted their careers to helping people in distant lands. That devotion cost them their lives. Their murder shocked and saddened all of us at the State Department, and friends and colleagues will not forget this sacrifice, we will not abandon their work.

To Mrs. Hammer, to Mike Junior and to all of Mike's friends here today, I know my words cannot ease your burden of grief but I ask you to remember this about Mike's work and his death—Mike gave his life for his country and the service of the American Labor Movement. He was making solidarity a reality by helping workers in other countries build stronger institutions and better lives. Our government supported his work and we commit ourselves to it once again in his memory.

Mike Hammer also gave his life for the working people of Latin America. He dedicated himself especially to helping poor and landless farmers—the vast majority of the people. In the field and later from Washington he helped them organize, strengthen their organization, struggle for land and credit to improve their lives and those of their children. Above all Mike Hammer gave his life for his ideals. The democratic ideals on which our country was founded and the ideals of the American Labor Movement. He strove to make democracy equal opportunity and human dignity a reality in El Salvador and throughout the hemisphere.

The greatest appreciation we can show for Mike Hammer and Mark Pearlman is to continue the work they started and to uphold the ideals they cherished. We are grateful their lives have touched ours. Their courage and dedication would inspire all of us to carry forward the cause for which they gave their lives.

REMARKS BY WILLIAM C. DOHERTY, JR.

Little did we know, only a few short weeks ago, when Mark Pearlman joined his brother AIFLD directors around the nightly poker table at the George Meany Labor Studies Center that traditionally accompanies our annual meeting, that he would soon be paying the ultimate price. We could not have imagined that this amiable, affable, dedicated and brilliant young man was gracing us with his company for the last time. But we full well knew, that for the short time he was among us that our lives were enriched by our friendship with him, and we are all better people because Mark Pearlman crossed our path.

The free trade union principles for which he lived were noble and the circumstances of his tragic death can serve no other purpose but to renew our commitment to fulfill those principles.

Let us remember Mark for his warm smile, gentle wit, scholarly mind, and great compassion for his fellow man. Let us remember that he was a man who could have chosen to be a comfortable lawyer in California, or any other safe place in this world, but instead chose to confront the danger and difficulties of El Salvador in order to serve an impoverished constituency far removed from his own culture and background. Mark was a man, a real man! I believe, Rabbi, in Yiddish you have an expression that summarizes such a person. He was a mensch!

Mark, your spirit lives on in all of us and in all of those who were fortunate enough to be touched by you. Despite all the problems in El Salvador, there are today thousands of campesinos living just a little bit better because you gave of your enormous talent to help them get on their plots of land. When they get clear title to it—as surely they will in the near future—this will be a fitting memorial for your efforts in El Salvador.

Dear brothers, sisters and friends, let us pray for our departed compañeros, let us meditate upon the meaning of the lives of Brothers Pearlman, Hammer and Viera, and draw great inspiration from what they did and tried to do. They have not died in vain and I know within my heart that they from their exalted position in God's heaven and we will all see their dream become a reality.

Thank you.

STATEMENT BY LANE KIRKLAND, AFL–CIO PRESIDENT

The AFL–CIO is outraged and saddened by the cold-blooded murders of American Institute for Free Labor Development (AIFLD) representatives Michael Hammer and Mark Pearlman, by extremist forces in El Salvador. These good men were in El Salvador to assist that nation's peasant unions to participate in a land reform program designed to improve the lives of hundreds of thousands of small farmers and to lay the foundation for a stable democratic society.

We are equally grieved by the assassination of our brother and friend Rodolfo Viera, president of the Union Comunal Salvadorena, the largest democratic peasant organization in the country.

The AFL–CIO calls upon the government of El Salvador to bring those responsible for these brutal murders to justice, and to redouble its efforts to bring about agrarian reform for the benefit of El Salvador's impoverished workers. Clear title must be granted to the 210,000 poor farmers who have been promised land.

The forces of extremism, the totalitarian right and left, must not be permitted to destroy the prospects for democratic reform, upon which depend the hopes of farmers and workers for a more peaceful and prosperous life. These brutal assassinations, coming within weeks of the similar cold-blooded killing of Felipe Zaldivar, president of the major democratic urban trade union center, are further proof of the determination of the extremists to destroy democratic institutions.

The AFL–CIO will continue its support to the rural and urban trade unions of El Salvador so long as they need and desire our help. We call upon the U.S. government to reiterate its support for the land reform program for which our brave friends gave their lives, and the success of which would be their best memorial.

We extend our deepest, heartfelt condolences to the families of Brothers Hammer, Pearlman and Viera.●

WHITE HOUSE CONFERENCE ON SMALL BUSINESS: FIRST ANNIVERSARY

● Mr. HUDDLESTON. Mr. President, 1 year ago this week, January 13–17, 1980, President Carter opened the largest convocation of small business people in the Nation's history—the White House Conference on Small Business. The process leading up to that Conference, from the germination of the idea with the former distinguished chairman of the Senate Small Business Committee, Gaylord Nelson, through the 18 months of State and regional meetings, involved thousands of small business owners and operators. Over 1,500 delegates met in Washington to debate and set an agenda for defining the relationship between the Federal and private sectors, and for enhancing the ability of small business to compete in the marketplace.

The results of that Conference were reflected in 60 issue recommendations—5 each in 12 subject areas of significant concern to small business—11 resolutions, and a detailed followup report by the White House Commission on Small Business.

That Conference was not the culmination of the event, but rather the starting

point for action. As my colleagues know, the 96th Congress immediately began concerted efforts to enact those top delegate recommendations requiring legislation. The final scorecard shows an impressive accomplishment—greater than many of us initially thought possible.

Fourteen of the top recommendations received substantial action by the 96th Congress. Eight of thirteen recommendations requiring legislation were enacted into law, including the Regulatory Flexibility Act, the Equal Access to Justice Act, the Paperwork Reduction Act of 1980, the Small Business Export Expansion Act, patent reform, securities deregulation, elimination of the carryover basis in estate and gift tax law, and strengthening the SBA Office of Advocacy. Four additional recommendations were favorably reported by Senate committees, but time ran out before final Senate action could occur, including corporate tax reductions, accelerated and simplified depreciation, regulatory reform, and small business innovation.

In the 97th Congress, Senator NUNN, the new ranking minority member of the Senate Small Business Committee, the other Democratic members of the committee, and I, intend to continue our efforts to implement the balance of the Conference recommendations. In addition, we should consider the desirability, and feasibility, of expanding the existing "agenda" which the White House Conference on Small Business established 1 year ago.●

NOMINATION OF JAMES B. EDWARDS TO BE SECRETARY OF ENERGY

● Mr. McCLURE. Mr. President, the Committee on Energy and Natural Resources held a hearing on January 12 on the nomination of James B. Edwards for Secretary of Energy. I am pleased to note that the press reports on the hearing were very favorable. I submit for the RECORD news articles.

The articles follow:

[From the New York Times, Jan. 13, 1981]

ENERGY CHOICE BACKS FASTER DECONTROL

(By Robert D. Hershey, Jr.)

WASHINGTON, January 12.—James B. Edwards today told the Senate committee considering his nomination as Secretary of Energy that he was strongly inclined to recommend that President-elect Ronald Reagan lift the remaining price controls on crude oil, gasoline and some other products "as soon as possible" after taking office next week.

The 53-year-old oral surgeon and former governor of South Carolina thus added his voice to others in the Reagan camp favoring immediate abolition of the controls, which are not scheduled to expire until Sept. 30.

An executive order carrying this out is said to have already been drafted by aides to the President-elect.

Dr. Edwards himself raised the question in the context of energy conservation in his opening statement to the Senate Energy Committee this morning.

MARKETPLACE EFFICACY

"Of course, it is foolish to waste what can be saved for a cost less than what is being thrown away," Dr. Edwards said. But "the marketplace is the most effective way to accomplish even more toward this objective," he said, "if energy prices truly reflect energy cost."

"This is one of the reasons why decontrol is so important, he added. "Decisions about automobiles, insulation, appliances, industrial processes and the like are made by millions of individual consumers and producers."

The growing sentiment toward accelerated decontrol also seems to reflect, though Dr. Edwards did not refer to it, the desire by budget makers for the added revenue in the form of "windfall profit" taxes it would produce.

Dr. Edwards fielded questions on almost every energy issue and a number of personal matters as well, but despite charges at one point that he had violated the law in connection with an island he and some friends own for hunting and fishing, his confirmation appeared this evening to be in little doubt.

QUESTION OF DISMANTLING

Dr. Edwards, who a few weeks ago had agreed with Mr. Reagan's pledge to dismantle the Department of Energy and said he would like to work himself out of his job as Energy Secretary, said today he and others were "rethinking" this idea.

"We still favor dismantling some of the regulatory apparatus, however," he declared, and he said he expected to be the country's principal energy spokesman and an initiator of policy.

Much of the policy lead in the Carter Administration had been taken at the White House.

He said he knew nothing of a published report stating that some Reagan advisers had recommended that Mr. Reagan merge the Energy Department and the Interior Department into a kind of superagency that would also include some functions now handled by the Commerce and Agriculture Departments.

Dr. Edwards, who was introduced to the committee by both his state's Senators, Strom Thurmond, a Republican and Ernest F. Hollings, a Democrat, made the following other responses to the committee:

Research and development of synthetic fuels, including building demonstration plants, should be pressed by the Federal Government, but "when it comes to commercialization I'd like to get the Government out."

In selecting sites for nuclear waste disposal plants, which he termed a national problem, the Government should consult closely with the states but should also have the ability to impose its will if agreement could not be reached. States should not be allowed an ultimate veto over a proposed site he said.

Of the strategic petroleum reserve, which he agreed was important to fill more quickly, some "gentle persuasion" would be needed to overcome objections to it from producers in the Organization of Petroleum Exporting Countries, particularly Saudi Arabia.

It might be a good idea if an oil export ban could be modified so Alaskan oil could be sent to Japan and exchanged, in effect, for Venezuelan oil that now goes to that country.

It was "tragic" that so much Federal land was now unavailable for energy development. "There is more than one use for lands," he said.

He has not yet formed an opinion about whether independent oil refiners should continue to enjoy the right to buy oil from the major companies after the price and allocation system ends. But he said "it sort of goes against my grain."

When asked why it took more than three years for the group of which he was a member to comply with a Federal cease-and-desist order against building dikes on 3,050 acres of Hutchinson Island south of Charleston, Mr. Edwards said the regulations were changing as construction proceeded and that he personally "knew nothing about the order."

[From the Washington Post, Jan. 13, 1981]

GOOD ANSWERS ON ENERGY

The next Secretary of energy, James B. Edwards, got off to a good start yesterday with the right answers to two of the first questions he'll have to settle. At his confirmation hearing, the Senate Energy Committee was running him through the predictable catechism, and Sen. Henry Jackson inquired about his intentions regarding oil and gasoline price controls. Mr. Edwards replied that he was inclined to recommend total decontrol "as soon as possible."

Absolutely correct. How soon is possible? Mr. Edwards declined to say. But it ought to be sometime between lunch and bedtime on Jan. 20. The sooner it's done, the better for the country. President Carter, to his great credit, started the process of decontrol last year on a schedule that runs through next September. The question now is whether to let that process continue gradually for another nine months or to end it at once. The present moment is an ideal one because competitive pressures are currently holding gasoline prices well below the legal ceiling and decontrol would have little immediate effect. If supplies tighten this spring—and that's a real possibility—most drivers would rather put up with higher prices than with renewed gasoline lines.

A couple of senators grumbled that higher prices don't help conservation because people have to use their cars. That's flatly and demonstrably wrong. On the contrary, conservation laws don't work unless they are reinforced by rising prices. When the price of gasoline rose in 1974, gasoline consumption fell. Then, for four years, the price of gasoline in real terms, adjusted for inflation, steadily fell and consumption rose sharply. When the price suddenly began to rise again in 1979, fuel consumption again dropped. Mr. Edwards will find that his department has very good statistics to support him here.

Some of the senators were worried about the inflationary effects of sudden decontrol. They might more usefully worry about the inflationary effects of continuing the controls. By keeping oil and gasoline prices artificially low for the past decade, this country has encouraged the high consumption that has driven up its imports. The rapid rise in American imports strained world supplies, which in turn made it possible for the exporting countries to keep raising prices. Oil prices, and the inflation rate, are higher today than they would have been if Americans had never attempted to control prices in the first place.

On another heavily lobbied subject, Sen. Bennett Johnston asked the new secretary whether he agreed that the independent refiners were entitled to still more subsidies and protection from competition. Mr. Edwards said that he did not. "Basically," he said, "I'm a free-market man." Oil refining is one of the most profitable businesses in the world and, while the independent refiners are accustomed to heavy government aid, it is utterly unjustified. Mr. Edwards will be pressed hard by many senators to strike a deal, but he would be wiser to stand fast. If consumers have to take the cold shower of decontrol, neither the Reagan administration nor anyone else can defend the perpetual bubble bath for the independent refiners.

[From the Wall Street Journal]

REAGAN'S CHOICE FOR ENERGY POST MIRRORS HIS STRESS ON OUTPUT RISE, DEREGULATION

(By Rich Jaroslovsky)

WASHINGTON.—James Edwards, Ronald Reagan's Energy Secretary-designate, sketched a policy mirroring his boss's emphasis on increased fuel production and deregulation of industry.

Testifying before the Senate Energy Committee, which is expected to approve his nomination, Mr. Edwards said he is "inclined" to recommend that Mr. Reagan decontrol petroleum prices "as soon as possible" after taking office. And the former South Carolina governor promised strong government support for all forms of energy, including nuclear power.

While staking out a position against federal regulations, Mr. Edwards appeared to lay to rest Mr. Reagan's campaign pledge to dismantle the Energy Department. "There has to be some point of focus" for government energy policy, Mr. Edwards acknowledged, and the Energy Department will be it.

Also, he said, the government will have to remain in the energy-regulating business, at least to be prepared for possible emergencies.

A BALANCED APPROACH

In a full day of testimony, Mr. Edwards generally glided smoothly through the proceedings. He told Senators that he will push for a "balanced approach to energy," including support for the environment and for energy conservation. But he pointedly rejected "the concept of conservation that focuses on no-growth policies," and repeatedly emphasized ways he thinks the nation can stimulate its energy output.

One way, he said, would be to speed up President Carter's timetable for lifting petroleum price controls, which currently are due to expire Sept. 30. Sen. J. Bennett Johnston (D., La.), citing government and private forecasters, argued that decontrol's increased production won't offset the long-term national decline in oil output. But Mr. Edwards took a more optimistic line. "I think we'll get a lot more production" through deregulation, he insisted.

Mr. Edwards said he is disturbed by the increasing flow of Western revenues to the oil-producing nations, but he isn't concerned by burgeoning oil company profits. Such profits, he said, are "the driving force that makes America great." At another point, he referred to the oil industry as "a lot of little people out there owning stocks."

Mr. Edwards also promised steps to "get the nuclear industry back on track again." He said he favors development of a nuclear breeder reactor, which was opposed by the Carter administration, and said that failing to build a plant to reprocess spent nuclear fuel would be like "saying no to another Alaska pipeline."

Mr. Edwards depicted himself as a champion of states' rights who will consult frequently with governors. But he opposed giving governors veto power over federal plans to dispose of radioactive wastes in their states. "We can't expect governors to take that political risk," the Energy Secretary-designate said. He added that he favors continued federal spending on nuclear research and development, as well as for synthetic fuels and other energy sources. But such aid should stop, he said, when technologies are ready to move onto commercial markets.

Senators pressed Mr. Edwards repeatedly on whether he will push to abolish the department. Chairman James McClure (R., Idaho) told the Secretary-designate that "the formulation and implementation of national energy policy must reside" in a single Cabinet officer, the Energy Secretary.

Mr. Edwards, who soon after his selection as Secretary said he looked forward to working for the demise of the department, said he now realizes that idea isn't "realistic." His major goal, and President-elect Reagan's, is rather to see the dismantling of "the regulations of the department." He said he doesn't know enough yet to evaluate a proposal, floated by some members of Mr. Reagan's energy transition team, to eventually merge the Energy and Interior Departments.

Mr. Edward's testimony may upset small and independent oil refiners. Under questioning from Sen. Johnston, the Secretary-designate singled out for criticism several regulations designed to aid such refiners by insuring that they have access to crude oil and that they aren't forced to bear the entire burden of high prices for oil they buy.

AVOIDS SPECIFICS

Such regulations, Mr. Edwards said, "mean that domestic crude oil is subsidizing importation of foreign crude." He promised to consider alternative policies that might help small and independent refiners survive, but added that "my basic philosophy is that the marketplace should control things like this."

Mr. Edwards also stressed the importance of market factors in determining the nation's use of coal and natural gas. But he generally stayed away from specifics.

The one regulatory area that requires additional effort, Mr. Edwards said, is contingency planning. The current standby gasoline rationing program would be a "disaster" if ever imposed, he said, but may have to remain until the new administration can come up with something better.

The new administration will proceed to fill the strategic petroleum reserve, a major Reagan campaign pledge, "as soon as possible," Mr. Edwards said. Many producing nations, including Saudi Arabia, have criticized such U.S. oil stockpiling, and Sen. Henry Jackson (D., Wash.) attacked what he termed a "quiet kind of blackmail" inherent in such complaints. Mr. Edwards, while promising to use some of the "quiet art of persuasion" on balky Persian Gulf nations, also said that the Reagan administration will be sensitive to the needs of "some friends who've been very kind to us" in the region.

The Secretary-designate also said the new administration is looking at new ways of financing oil-stockpile purchases. One way, he said, might be through a "quasi-private, quasi-public" entity that would issue a security linked to oil prices, "sort of like investing in futures." Other energy officials said such a plan has been suggested by Rep. David Stockman (R., Mich.), director-designate of the Office of Management and Budget, as one way of easing pressure on the federal deficit.

Answering a query from Sen. John Warner, (R., Va.) Mr. Edwards said he isn't inclined to support creation of a strategic natural-gas stockpile similar to the oil reserve. Instead, he said, it would be "better to keep the natural gas reserves, identified in the ground."

[From the Washington Post, Jan. 13, 1981]

EDWARDS FINDS ABOLISHING ENERGY DEPARTMENT HAS LOST MUCH OF ITS APPEAL

(By Joanne Omang)

Dr. James B. Edwards said yesterday that he used to favor abolishing the Department of Energy, but the idea has lost much of its appeal since he was nominated to be energy secretary.

Instead, the former South Carolina governor told the opening of his confirmation hearings that he wants to "unshackle the sleeping giant" of American industry to produce energy for continued economic growth. "There has to be some sort of focus for energy policy," he said. "We'll have a Department of Energy until you gentlemen [in Congress] decide otherwise."

The Energy and Natural Resources Committee was clearly glad to hear that. "You're a natural fast learner," said Sen. Spark Matsunaga (D-Hawaii).

President-elect Ronald Reagan said during the campaign that he intended to dismantle DOE, and Edwards said, when he was nominated for the Cabinet post that he was eager to go to Washington and "work myself out of a job."

Edwards, 53, a practicing oral surgeon, ducked many questions about specific energy policies with the reply that he had yet to study the issues. He said he wants to "dismantle some of the regulatory apparatus at DOE" but declined to predict any budget or personnel cuts.

He will recommend refilling the strategic petroleum reserve and decontrol of oil prices "as soon as possible," he said, but, in regard to natural gas prices, he said he will study the situation further. Edwards took no position on continuing the Synthetic Fuels Corp., but firmly favored more deepwater port construction to boost coal exports.

A proposal from Reagan's energy transition team to combine the Energy and Interior departments into one Cabinet-level department of energy and natural resources also will need a lot of study, Edwards said. "I'm not waffling; it's just a desire to get adequate data," he said.

The graying, soft-spoken Edwards repeatedly endorsed the production approach to energy self-sufficiency over other methods and emerged as a strong defender of the oil industry. "I wish we could conserve ourselves into full employment in this country but I don't believe we can," he said. "I believe we've got to produce, produce, produce."

Edwards hedged on the oil profits tax, saying he would "look at it very carefully" but that he was philosophically opposed to it. "Profits are a driving force of this country," he said.

Money flowing to the Arab oil cartel worries him more than U.S. oil company profits, he said, "because a lot of little people out there own stock in the oil companies and they are the ones benefiting." Any antitrust worries, he said, are the responsibility of Congress.

Sen. Howard Metzenbaum (D-Ohio) worried that Edwards had ignored consumer and environmental concerns as South Carolina governor, failing to name any consumer representatives or environmentalists to a private Energy Research Institute foundation, though its charter called for such representation. Edwards admitted that "in retrospect we have neglected the consumers," and said he would not do that as energy chief.

Asked about a remark in 1975 that South Carolina did not need antipollution laws because of its fresh breezes, Edwards said he doubted the quote was correct, "and if it is I would revise it." He had found, he said, that pine trees were emitting hydrocarbons, an air pollutant, "and I probably had some strong words to say about that"—indicating he did not believe his state needed to be protected from its trees.

Reagan has been subject to some gibing because of a well-publicized comment that trees could be called air polluters. The Environmental Protection Agency has said hydrocarbons are not a problem in forests where there are no nitrogen oxides, as there are in cities, with which to combine to form smog.

Edwards also defended his involvement in a duck hunting partnership on Hutchinson Island near Charleston, S.C., saying an illegal dike the group built there was "solely to increase wildlife habitat."

Metzenbaum questioned him on the three-year gap between a cease-and-desist order from the Army Corps of Engineers and the group's compliance. "If you don't have law and order in regard to your own operations, how can the people expect it in regard to the oil companies?" Metzenbaum asked.

"We didn't mean to violate any laws," Edwards responded. Negotiations with officials accounted for the delay, he said, and the project is now in full compliance.

Asked what he thought about Three Mile Island, Edwards said the name "conjures up a company that's in trouble and needs some help." The accident at this Pennsyl-

vania nuclear power plant in 1979 "showed that the system worked. Nobody was harmed. Nobody was killed," he said.

After the hearing, Edwards said he was "very pleased" with the "kind and gentlemanly" treatment he received. His nomination is expected to be approved this week without difficulty.

[From the Washington Star, Jan. 13, 1981]

DOE CHOICE: NO VOWS ON BUDGET CUT

(By Sheilah Kast)

President-elect Ronald Reagan's choice as Energy secretary doesn't expect the Energy Department to be dismantled soon. Moreover, he isn't even sure he can cut DOE's $12.5 billion budget.

"I'd like to say I'm going to cut it by half or 10 percent or even 5 percent," Energy Secretary-designate James B. Edwards, former governor of South Carolina, told the Senate Energy Committee yesterday. "But I'm aware of the political forces that come to bear. I would like to slow the growth, if not cut back. I'm not going to make you any promises."

At his confirmation hearing, Edwards repeatedly asserted that trimming the role of the federal government would allow American firms to find and produce more energy. Although energy prices will rise, Edwards contended, such a policy is best for consumers in the long run.

"One of the best things I can do for consumers is to make sure that when they go and turn on that light switch, the light goes on," said Edwards, an oral surgeon whose previous experience in energy policy came during 1975 to 1979 when he was governor of South Carolina.

In response to questions by committee member Howard M. Metzenbaum, D-Ohio, Edwards said he is less concerned about the transfer of billions of dollars from the pockets of consumers to the coffers of the oil companies than the transfer of billions of dollars from the United States to the Organization of Petroleum Exporting Countries.

"I'm not one of those who believes profit is a four-letter word," he said in response to Sen. Dale L. Bumpers, D-Ark., who noted that oil companies accrue roughly 40-percent of all U.S. manufacturing profits and that oil companies have been buying other energy resources, such as coal.

On the question of dismantling the Department of Energy, which had been a pledge in several of Reagan's campaign speeches, Edwards acknowledged, "There's been some rethinking, there's no doubt about that."

He said he did not think Reagan would change his mind about abolishing the department's role of allocating petroleum products and regulating their prices.

The vast bulk of the department's budget is spent on research and development, nuclear weapons, conservation projects and filling the Strategic Petroleum Reserve—all functions which Edwards said he favored continuing, at least to some extent.

After several senators quoted news reports that Reagan's advisers are suggesting merging the Interior and Energy Departments, Edwards said he had never before heard of the proposal.

"Until you gentlemen change the situation," he told the senators, "we will have a Department of Energy."

The advisers reportedly urged that no immediate move be made on the Interior-DOE merger, but that it be studied for a year.

Edwards told the senators that he would soon start a detailed study of each DOE program to determine what programs should be continued. Such a study was mandated by the 1977 law which set up the energy agency.

Edwards said he is inclined to recommend that Reagan speed up the decontrol of oil and gasoline prices, now scheduled to occur gradually until Oct. 1. Some experts estimate that such a speed-up would raise oil prices about $10 billion, and boost the price of a gallon of gasoline an extra 12 cents.

Edwards noted repeatedly that after the government started raising natural gas prices, the industry discovered much more natural gas.

On many issues, Edwards said he had not yet made up his mind.

For example, he declined to say whether he favored repealing the windfall-profits tax on oil, though he said he firmly opposed instituting a similar tax on natural gas. "I have always stood on less taxes", he said. "We would certainly look at it (the question of repeal) with an open mind."

Edwards also said he had not decided whether the Synthetic Fuels Corp., the quasi-governmental corporation set up by Congress last year to fund the building of massive plants to make synthetic fuels, should continue to exist.

At the committee's morning session, he said he did not know that the SFC would be empowered to make grants, as well as orchestrating financing from private sources. Later, referring to the SFC's budget, he said, "I can't spend $20 billion efficiently or effectively between now and 1990—that's too much money."

On topics related to nuclear power, Edwards said he favors giving states a strong role in planning where and how nuclear waste will be stored, but not a veto.

Asked what the phrase, "Three Mile Island" means to him, Edwards answered, "A company that's in trouble and needs some help." He said the March 1979 accident near Harrisburg, Pa., "showed that the system worked—no one was harmed or killed at Three-Mile Island." ●

MARTIN LUTHER KING, JR.

● Mr. DODD. Mr. Presdent, I wish to commemorate the 52d birthday of the Reverend Dr. Martin Luther King, Jr.

I am especially pleased that this, my first official statement in this Chamber, should be about a man of true peace—a man who stirred the conscience of an entire Nation and instilled in generations of Americans an understanding of the real meaning of social justice

The peace Martin Luther King, Jr., strove for all his life, both for his people and the country he loved, was never a quiet peace. It was, instead, a peace that called all its followers to constantly confront barriers, both physical and attitudinal, that denied any human being the opportunity to fulfill his or her potential. Dr. King sought a peace that would inspire each of us to reach out for the best in ourselves and others.

Today, those who believe in the same peace that Dr. King believed in must take little comfort in the limited progress we have made in the 12 years since his death. The U.S. Commission on Civil Rights reported this week that "In 1980 the Nation witnessed increased resistance to equal opportunity, deepening concern about the relationship between minorities and agencies responsible for the administration of justice, growing strength of groups that preach hate, and civil unrest in many communities." Discrimination in education, employment and housing is still widespread, and in order to root it out each of us in his own way must along with the Government take direct action.

Finally, Mr. President, it would be my hope that this year we will enact legislation making Martin Luther King's birthday a national holiday. By doing so, we would honor not only his specific achievements but also his ideals which make America a beacon of hope for the world.

At this time, Mr. President, I submit for the RECORD Martin Luther King's "Letter From Birmingham City Jail" (April 16, 1963) in which he talks about his idea of peace:

I have almost reached the regrettable conclusion that the Negroes' great stumbling block in the stride toward freedom is not the White Citizens' "Counciler" or the Ku Klux Klanner, but the white moderate who is more devoted to "order" than to justice; who prefers a negative peace which is the absence of tension to a positive peace which is the presence of justice; who constantly says, "I agree with you in the goal you seek, but I can't agree with your methods of direct action"; who paternalistically feels that he can set the timetable for another man's freedom, who lives by the myth of time and who constantly advised the Negro to wait until a "more convenient season." Shallow understanding from people of good will is more frustrating than absolute misunderstanding from people of ill will. Lukewarm acceptance is much more bewildering than outright rejection.

I had hoped that the white moderate would understand that law and order exist for the purpose of establishing justice, and that when they fail to do this they become the dangerously structured dams that block the flow of social progress. I had hoped that the white moderate would understand that the present tension in the South is merely a necessary phase of the transition from an obnoxious negative peace, where the Negro passively accepted his unjust plight, to a substance-filled positive peace, where all men will respect the dignity and worth of human personality. Actually, we who engage in nonviolent direct action are not the creators of tension. We merely bring to the surface the hidden tension that is already alive.●

PRESIDENT CARTER'S FAREWELL ADDRESS

Mr. ROBERT C. BYRD. Mr. President, last evening President Carter bid farewell to the American people in a brief televised address. He emphasized those issues which, to him personally, had been the most significant during his Presidency: nuclear arms control, the pursuit of human rights and the conservation of this Earth's natural resources. He promised to work for these goals as a private citizen as courageously as he had sought their achievement as President.

I wish President Carter and his family well as they return to life as private citizens. The President's remarks reflected, in a dignified fashion, the strength of the American political system as we complete the transition from one administration to another. We will value his advice and counsel in the days to come.

I ask that the text of President Carter's remarks be printed in the RECORD.

The text follows:

PREPARED TEXT OF CARTER'S FAREWELL ADDRESS ON MAJOR ISSUES FACING THE NATION

WASHINGTON, January 14.—Following is the prepared text of President Carter's farewell address to the nation tonight:

Good evening. In a few days, I will lay down my official responsibilities in this office to take up once more the only title in our

democracy superior to that of President, the title of citizen.

Of Vice President Mondale, my Cabinet and the hundreds of others who have served with me during these four years, I wish to say publicly what I have said in private: I thank them for the dedication and competence they have brought to the service of our country.

But I owe my deepest thanks to you, the American people, because you gave me this extraordinary opportunity to serve. We have faced great challenges together. We know that future problems will also be difficult, but I am now more convinced than ever that the United States—better than any other nation—can meet successfully whatever the future might bring.

These last four years have made me more certain than ever of the inner strength of our country—the unchanging value of our principles and ideals, the stability of our political system, the ingenuity and decency of our people.

Tonight I would like first to say a few words about this most special office, the Presidency of the United States.

This is at once the most powerful office in the world—and among the most severely constrained by law and custom. The President is given a broad responsibility to lead—but cannot do so without the support and consent of the people, expressed formally through the Congress and informally through a whole range of public and private institutions.

This is as it should be. Within our system of government every American has a right and duty to help shape the future course of the United States. Thoughtful criticism and close scrutiny of all Government officials by the press and the public are an important part of our democratic society. Now as in our past, only the understanding and involvement of the people through full and open debate can help to avoid mistakes and assure the continued dignity and safety of the nation.

Today we are asking our political system to do things of which the founding fathers never dreamed. The Government they designed for a few hundred thousand people now serves a nation of almost 230 million people. Their small coastal republic now spans beyond a continent, and we now have the responsibility to help lead much of the world through difficult times to a secure and prosperous future.

Today, as people have become more doubtful of the ability of the Government to deal with our problems, we are increasingly drawn to single-issue groups and special interest organizations to insure that whatever else happens our own personal views and our own private interests are protected. This is a disturbing factor in American political life. It tends to distort our purposes because the national interest is not always the sum of all our single or special interests. We are all Americans together and we must not forget that the common good is our common interest and our individual responsibility.

Because of the fragmented pressures of special interests, it is very important that the office of the President be a strong one, and that its constitutional authority be preserved. The President is the only elected official charged with representing all the people. In the moments of decision, after the different and conflicting views have been aired, it is the President who then must speak to the nation and for the nation.

I understand, as few others can, how formidable is the task the President-elect is about to undertake. To the very limits of conscience and conviction, I pledge to support him in that task. I wish him success and Godspeed.

I know from experience that Presidents have to face major issues that are controversial, broad in scope, and which do not arouse the natural support of a political majority.

THE THREE MAJOR ISSUES

For a few minutes now, I want to lay aside my role as a leader of one nation and speak to you as a fellow citizen of the world about three such issues: The threat of nuclear destruction, our stewardship of the physical resources of our planet and the pre-eminence of the basic rights of human beings.

It has now been 35 years since the first atomic bomb fell on Hiroshima. The great majority of the world's people cannot remember a time when the nuclear shadow did not hang over the earth. Our minds have adjusted to it, as after a time our eyes adjust to the dark.

Yet the risk of a nuclear conflagration has not lessened. It has not happened yet, but that can give us little comfort—for it only has to happen once.

The danger is becoming greater. As the arsenals of the super powers grow in size and sophistication and as other governments acquire these weapons, it may only be a matter of time before madness, desperation, greed or miscalculation lets loose this terrible force.

DESPAIR AFTER NUCLEAR WAR

In an all-out nuclear war, more destructive power than in all of World War II would be unleashed every second for the long afternoon it would take for all the missiles and bombs to fall. A World War II every second—more people killed in the first few hours than all the wars of history put together. The survivors, if any, would live in despair amid the poisoned ruins of a civilization that had committed suicide.

National weakness—real or perceived—can tempt aggression and thus cause war. That is why the United States cannot neglect its military strength. We must and we will remain strong. But with equal determination, the United States and all countries must find ways to control and reduce the horrifying danger that is posed by the world's stockpiles of nuclear arms.

This has been a concern of every American President since the moment we first saw what these weapons could do. Our leaders will require our understanding and support as they grapple with this difficult but crucial challenge. There is no disagreement on the goals or the basic approach to controlling this enormous destructive force. The answer lies not just in the attitudes or actions of world leaders, but in the concern and demands of all of us as we continue our struggle to preserve the peace.

Nuclear weapons are an expression of one side of our human character. But there is another side. The same rocket technology that delivers nuclear warheads has also taken us peacefully into space. From that perspective, we see our earth as it really is—a small and fragile and beautiful blue globe, the only home we have. We see no barriers of race or religion or country. We see the essential unity of our species and our planet; and with faith and common sense that bright vision will ultimately prevail.

QUALITY OF THE WORLD

Another major challenge is to protect the quality of this world within which we live. The shadows that fall across the future are cast not only by the kinds of weapons we have built but by the kind of world we will either nourish or neglect. There are real and growing dangers to our simple and most previous possessions: the air we breathe, the water we drink and the land which sustains us. The rapid depletion of irreplaceable minerals, the erosion of top-soil, the destruction of beauty, the blight of pollution, the demands of increasing billions of people all combine to create problems which are easy to observe and predict but difficult to resolve. If we do not act, the world of the year 2000 will be much less able to sustain life than it is now.

But there is no reason for despair. Acknowledging the physical realities of our planet does not mean a dismal future of endless sacrifice. In fact, acknowledging these realities is the first step in dealing with them. We can meet the resource problems of the world—water, food, minerals, farmlands, forests, overpopulation, pollution—if we tackle them with courage and foresight.

I have just been talking about forces of potential destruction that mankind has developed and how we might control them. It is equally important that we remember the beneficial forces that we have evolved over the ages and hold fast to them.

INDIVIDUAL HUMAN FREEDOMS

One of those constructive forces is enhancement of individual human freedoms through the strengthening of democracy, and the fight against deprivation, torture, terrorism and the persecution of people throughout the world. The struggle for human rights overrides all differences of color, nation or language.

Those who hunger for freedom, who thirst for human dignity, and who suffer for the sake of justice—they are the patriots of this cause.

I believe with all my heart that America must always stand for these basic human rights—at home and abroad. That is both our history and our destiny.

America did not invent human rights. In a very real sense it is the other way round. Human rights invented America.

Ours was the first nation in the history of the world to be founded explicitly on such an idea. Our social and political progress has been based on one fundamental principle—the value and importance of the individual. The fundamental force that unites us is not kinship or place of origin or religious preference. The love of liberty is the common blood that flows in our American veins.

IDEALS BEHIND THE NATION

The battle for human rights—at home and abroad—is far from over. We should never be surprised nor discouraged because the impact of our efforts has had varied results. Rather, we should take pride that the ideals which gave birth to our nation still inspire the hopes of oppressed people around the world. We have no cause for self-righteousness or complacency. But we have every reason to persevere, both in our own country and beyond our borders.

If we are to serve as a beacon for human rights we must continue to perfect here at home the rights and values we espouse around the world: A decent education for our children, adequate medical care for all Americans, an end to discrimination against minorities and women, a job for those able to work and freedom from injustice and religious intolerance.

We live in a time of transition, an uneasy era which is likely to endure for the rest of this century. It will be a period of tensions both within nations and between nations—of competition for scarce resources, of social, political and economic stresses and strains. During this period we may be tempted to abandon some of the time-honored principles and commitments which have been proven during the difficult times of past generatons.

We must never yield to this temptation. Our American values are not luxuries but necessities—not the salt in our bread but the bread itself. Our common vision of a free and just society is our greatest source of

cohesion at home and strength abroad—greater even than the bounty of our material blessings.

A VISION TO INSPIRE THE WORLD

Remember these words: "We hold these truths to be self-evident, that all men are created equal; that they are endowed by their creator with certain inalienable rights; that among these are life, liberty and the pursuit of happiness."

This vision still grips the imagination of the world. But we know that democracy is always an unfinished creation. Each generation must renew its foundations. Each generation must rediscover the meaning of this hallowed vision in the light of its own modern challenges. For this generation, life is nuclear survival; liberty is human rights: the pursuit of happiness is a planet whose resources are devoted to the physical and spiritual nourishment of its inhabitants.

As I return home to the South where I was born and raised. I am lookng forward to the opportunity to reflect and further to assess—I hope with accuracy—the circumstances of our times. I intend to give our new President my support, and I intend to work as a citizen, as I have worked as President, for the values this nation was founded to secure.

Again, from the bottom of my heart, I want to express to you the gratitude I feel. Thank you, fellow citizens, and farewell.

NOMINATIONS

Executive nominations received by the Secretary of the Senate January 7, 1981, under authority of the order of the Senate of January 6, 1981:

IN THE AIR FORCE

The following officers for temporary appointment in the United States Air Force to the grade indicated, under the provisions of chapter 839, title 10 of the United States Code:

To be brigadier general

Col. Richard F. Abel, [redacted] FR, Regular Air Force.

Col. Michael H. Alexander, [redacted] FR, Regular Air Force.

Col. Melvin G. Alkire, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Carl N. Beer, [redacted] FR, Regular Air Force.

Col. William P. Bowden, [redacted] FR, Regular Air Force.

Col. Elmer T. Brooks, [redacted] FR, Regular Air Force.

Col. James T. Callaghan, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Duncan W. Campbell, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Michael P. C. Carns, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Aloysius G. Casey, [redacted] FR, Regular Air Force.

Col. Wilson C. Cooney, [redacted] FR, Regular Air Force.

Col. Thomas L. Craig, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Milford E. Davis, [redacted] FR, Regular Air Force.

Col. Chris O. Divich, [redacted] FR, Regular Air Force.

Col. Fredric F. Doppelt, [redacted] FR, Regular Air Force, Medical.

Col. John J. Doran, Jr., [redacted] FR, Regular Air Force.

Col. Christian F. Dreyer, [redacted] FR, Regular Air Force.

Col. Michael J. Dugan, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Pintad M. Dyer III, [redacted] FR, Regular Air Force.

Col. David W. Forgan, [redacted] FR, Regular Air Force.

Col. Daniel B. Geran, [redacted] FR, Regular Air Force.

Col. Gordon A. Ginsburg, [redacted] FR, Regular Air Force.

Col. John E. Griffith, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Alfred G. Hansen, [redacted] FR, Regular Air Force.

Col. Edward J. Heinz, [redacted] FR, Regular Air Force.

Col. Thomas J. Hickey, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Jesse S. Hocker, [redacted] FR, Regular Air Force.

Col. Hansford T. Johnson, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. James G. Jones, [redacted] FR, Regular Air Force.

Col. Gordon P. Masterson, [redacted] FR, Regular Air Force.

Col. Robert I. McCann, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Thomas G. McInerney, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Merrill A. McPeak, [redacted] FR, (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Michael A. Nelson, [redacted] FR, (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Robert B. Patterson, [redacted] FR, Regular Air Force.

Col. Randall D. Peat, [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Leonard H. Perroots, [redacted] FR, Regular Air Force.

Col. Robert O. Petty, [redacted] FR, Regular Air Force.

Col. Jimmy C. Pettyjohn, [redacted] FR, Regular Air Force.

Col. Robert B. Plowden, Jr., [redacted] FR, Regular Air Force.

Col. Philip S. Prince, [redacted] FR, Regular Air Force.

Col. Donald L. Rans, [redacted] FR, (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Craven C. Rogers, Jr., [redacted] FR, (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Gerald C. Schwanki, [redacted] FR, Regular Air Force.

Col. Henry J. Sechler, [redacted] FR, Regular Air Force.

Col. William M. Shaw, Jr., [redacted] FR, Regular Air Force.

Col. Jack W. Sheppard, [redacted] FR, Regular Air Force.

Col. Ellie G. Shuler, Jr., [redacted] FR, (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Charles P. Skipton, [redacted] FR, Regular Air Force.

Col. Monroe T. Smith, [redacted] FR, (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Richard E. Steere, [redacted] FR, Regular Air Force.

Col. John T. Stihl, [redacted] FR, Regular Air Force.

Col. Donald J. Stuke, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Thomas G. Tobin, [redacted] FR, Regular Air Force.

Col. Russell L. Violett, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Donald B. Wagner, [redacted] FR, Regular Air Force, Medical.

Col. William B. Webb, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Bernard L. Weiss, [redacted] FR, Regular Air Force.

Col. Browning C. Wharton, [redacted] FR, Regular Air Force.

Col. Gordon E. Williams, [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

IN THE AIR FORCE

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapter 837, title 10, United States Code:

To be major general

Brig. Gen. S. T. Ayers, [redacted] FV, Air Force Reserve.

Brig. Gen. James J. Feeney, [redacted] FV, Air Force Reserve.

Brig. Gen. James E. McAdoo, [redacted] FV, Air Force Reserve.

Brig. Gen. Donald A. McGann, [redacted] FV, Air Force Reserve.

Brig. Gen. Richard A. Wegner, [redacted] FV, Air Force Reserve.

To be brigadier general

Col. Thomas H. Dinwiddie, [redacted] FV, Air Force Reserve.

Col. George P. A. Forschler, [redacted] FV, Air Force Reserve.

Col. George D. Leadbetter, [redacted] FV, Air Force Reserve.

Col. Edward L. McFarland, [redacted] FV, Air Force Reserve.

Col. James R. Milligan, [redacted] FV, Air Force Reserve.

Col. John D. Moore, [redacted] FV, Air Force Reserve.

Col. Billy B. Morgan, [redacted] FV, Air Force Reserve.

Col. Ronald G. Severs, [redacted] FV, Air Force Reserve.

Col. Raymond Thompson, [redacted] FV, Air Force Reserve.

Executive nominations received by the Secretary of the Senate January 8, 1981, under authority of the order of the Senate of January 6, 1981:

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

Dorothy Sellers, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for a term of 15 years, vice Edmond T. Daly, deceased.

Ricardo M. Urbina, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for a term of 15 years, vice Normalie Holloway Johnson, elevated.

BOARD FOR INTERNATIONAL BROADCASTING

John A. Gronouski, of Texas, to be a Member of the Board for International Broadcasting for a term expiring April 28, 1983 (reappointment).

COMMUNICATIONS SATELLITE CORPORATION

Thomas R. Donahue, of the District of Columbia, to be a Member of the Board of Directors of the Communications Satellite Corporation until the date of the annual meeting of the Corporation in 1981, vice George Meany.

DEPARTMENT OF ENERGY

Lynn R. Coleman, of the District of Columbia, to be Deputy Secretary of Energy, vice John C. Sawhill, resigned, to which office he was appointed during the last recess of the Senate.

THE JUDICIARY

Walter Meheula Heen, of Hawaii, to be U.S. District Judge for the District of Hawaii, vice Dick Yin Wong, deceased, to which office he was appointed during the last recess of the Senate.

FOREIGN CLAIMS SETTLEMENT COMMISSION

Ralph W. Emerson, of the District of Columbia, to be a Member of the Foreign Claims Settlement Commission of the United States for the term expiring September 30, 1981 (new position—Public Law 96-209), to which office he was appointed during the last recess of the Senate.

DEPARTMENT OF THE INTERIOR

Thomas W. Fredericks, of Colorado, to be an Assistant Secretary of the Interior, vice Forrest J. Gerard, resigned, to which office he was appointed during the last recess of the Senate.

DEPARTMENT OF AGRICULTURE

Alex P. Mercure, of New Mexico, to be Under Secretary of Agriculture for Small Community and Rural Development (new position), to which office he was appointed during the last recess of the Senate.

SOLAR ENERGY AND ENERGY CONSERVATION BANK

Joseph S. Bracewell, of Texas, to be president of the Solar Energy and Energy Conservation Bank (new position), to which office he was appointed during the last recess of the Senate.

COMMUNITY SERVICES ADMINISTRATION

The following-named persons to be Assistant Directors of the Community Services Administration, to which offices they were appointed during the last recess of the Senate:

Laird F. Harris, of Michigan, vice Frank Jones, resigned.

Harold Lafayette Thomas, of the District of Columbia, vice John B. Gabusi, resigned.

CORPORATION FOR PUBLIC BROADCASTING

The following-named persons to be Members of the Board of Directors of the Corporation for Public Broadcasting for terms expiring March 26, 1986, to which offices they were appointed during the last recess of the Senate:

Reuben W. Askanase, of Texas, vice Donald E. Santarelli, term expired.

Melba Pattillo Beals, of California, vice Lucius Perry Gregg, Jr., term expired.

FEDERAL ELECTION COMMISSION

Vernon W. Thomson, of Virginia, to be a Member of the Federal Election Commission for the remainder of the term expiring April 30, 1983, vice Max L. Friedersdorf, resigned, to which office he was appointed during the last recess of the Senate.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

Alice Coig McDonald, of Kentucky, to be a Member of the National Council on Educational Research for a term expiring September 30, 1982, vice John Corbally, term expired, to which office she was appointed during the last recess of the Senate.

NATIONAL LABOR RELATIONS BOARD

John C. Truesdale, of Maryland, to be a Member of the National Labor Relations Board for the term of 5 years expiring August 27, 1985 (reappointment), to which office he was appointed during the last recess of the Senate.

NATIONAL MUSEUM SERVICES BOARD

The following-named persons to be Members of the National Museum Services Board for terms expiring December 6, 1985, to which offices they were appointed during the last recess of the Senate:

John Connell, of California, vice Gary K. Clarke, term expired.

Dorothy Graham-Wheeler, of North Carolina, vice George Horse Capture, term expired.

Albert T. Klyberg, of Rhode Island, vice Charlotte Ferst, term expired.

U.S. POSTAL SERVICE

Wallace Nathaniel Hyde, of North Carolina, to be a Governor of the U.S. Postal Service for the term expiring December 8, 1989, vice M. A. Wright, term expired, to which office he was appointed during the last recess of the Senate.

U.S. SYNTHETIC FUELS CORPORATION

John C. Sawhill, of the District of Columbia, to be chairman of the Board of Directors of the U.S. Synthetic Fuels Corporation for a term of 7 years (new position), to which office he was appointed during the last recess of the Senate.

The following-named persons to be Members of the Board of Directors of the U.S. Synthetic Fuels Corporation for the term indicated, to which positions they were appointed during the last recess of the Senate:

John D. DeButts, of Virginia, for a term of 1 year (new position).

Catherine Blanchard Cleary, of Wisconsin, for a term of 2 years (new position).

Frank Savage, of New York, for a term of 3 years (new position).

Joseph Lane Kirkland, of the District of Columbia, for a term of 5 years (new position).

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the regular crops of the Public Health Service subject to qualifications therefore as provided by law and regulations:

For appointment:

To be senior surgeon

Norma M. Aquino
Wanho Cheung
Ernest F. Doherty, Jr.
Clyde W. Farson
Elba J. Garcia
George E. Hardy, Jr.
Allan S. Hild
Robert W. Jones
Anil Kumar
Sung W. Lee
David M. Logan
Raymond B. Mabrey
Audrey F. Manley
Julieta D. McAllister
George R. Stanley
Sumathy Vannarth
Benjamin C. Young, Jr.

To be surgeon

Myron J. Adams, Jr.
William B. Baine
John A. Barranger
Robert B. Craven
Kenneth J. Darcy
Edwin P. Ewing, Jr.
Robert D. Fischer
Robert E. Fontaine
Lillian Gavrilovich
Hettie S. Gibbs
Robert E. Johnson
Terry L. Kellenberger
Cheung-Ki Kim
Ira S. Lourie
Joseph B. McCormick
Richard C. Moore, Jr.
Thomas I. Nary
Richard J. OBrien, Jr.
Charles A. Patout, Jr.
Kenneth M. Petersen
Kenneth E. Powell
Neal L. Presant
Thomas B. Richards
Jeffrey A. Samuels
Lawrence B. Schonberger
Jay S. Weisfeld
Edith R. Welty
Rickey Wilson

To be senior assistant surgeon

Roy C. Baron
Angel R. Brana
Mitchell L. Cohen
Richard M. Douglass
Ralph L. Dru
Howard M. Friedman
David A. Goodman
Laurence D. Gruenwald
Vern W. Harpole
Thomas L. Harrison
Janice G. Hutchinson
Philip G. Jajosky
Andrew C. John
Anton P. Kemps
Thomas M. Kessler
Dorothy K. MacFarlane
David M. Morens
Ralph D. Morris
Michael H. Munoz
David N. Rose
Christopher Simpson
Steven M. Teutsch
Timothy J. Ungs, Jr.
Mark E. White

To be assistant surgeon

Edgar R. Cordivin
Martha L. Hauk
Lorenz F. Lassen
Neil J. Makela

To be dental surgeon

Bruce J. Baum
Jack Belchinsky
Anthony R. Cavalli
Jeffrey W. Hagen
James A. Lipton
Lawrence W. Walker

To be senior assistant dental surgeon

Robert J. Allen
Dale P. Armstrong
Raymond D. Barnum
Sylvia A. Bartalsky
Robert A. Best
Harold A. Black
William J. Bretz
James A. Coope
Fred E. Coy III
James J. Crumbaker
Thomas J. Decaro
Raney J. Deschenes
James W. Farrington
James N. Fodor
Robert D. Fowler
Neil F. Gardner
Dov Glazer
Andrew P. Goldbeck
Clarence E. Holden
Gerald L. Hussong
Lawrence M. Keil
James T. Lowe, Jr.
Ronald L. Majka
James M. Mixson
Kim R. Montgomery
Robert A. Palmer
Kenneth R. Powders
Scott M. Presson
John L. M. Robinson
Edward N. Sague
Francisco L. San Miguel-Mendez
Alan L. Sandler
Donald T. Sauter
Scott N. Schaar
Robert H. Selwitz
Kerald K. Shaddix
Richard M. Snyder
Barry H. Waterman

To be nurse officer

Dixie A. Deeter
Joyce A. Elmore
May B. Givan
Jean E. Hastings
Marie A. Moses
Susan Simmons
Marilyn W. Sjafiroeddin
Darlene M. Todd

To be senior assistant nurse officer

Naomi C. Ballard
Lawrence J. Beach
M. Elizabeth Dickey
Terry L. Godfrey
Bernardo J. Gonsalves
Frank J. Lang
Kathleen A. McCormick
Lynn E. McCourt
Carroll G. ONeill
Juliana Rugg
Joann Seger
Mary M. Shoultz
Andrew G. Sparber
Orville H. Tews
Kathleen A. Weis
Jaloo I. Zelonis

To be assistant nurse officer

Regan L. Crump
Janice M. Hyman
Roger A. Monson
Meredith J. Perkins
Arlene B. Wahwasuck
Deirdre S. Williams

To be senior engineer officer

David E. Clapp

To be engineer officer

Ralph L. Hogge
Roger C. Jensen
John E. Osborn
John R. Worlund

To be senior assistant engineer officer

Alfred A. Amendola
Stephen S. Aoyama
Barry J. Davis
Gary J. Hartz
Richard H. Johnson
Timothy A. McLaughlin
Bryan K. H. Yim

To be assistant engineer officer

James T. Sorensen

To be senior scientist

Joel M. Solomon

To be scientist

W. Kent Anger
David G. Hattan
George C. Jan
Jerry M. Johnson
Robert P. Klein
George J. Nemo

To be senior assistant scientist

Hugh J. Hansen
Joseph M. Lary III
Joseph M. Madden
Yeu-Tong Sit

To be sanitarian

Ronald H. Smith
Byron L. Tart, Jr.

To be senior assistant sanitarian

Alan M. Croft
Thomas E. Crow
Richard D. Eubanks
John J. Hanley
Robert F. Hendrickson
John T. Jankovic
John G. Sery

To be assistant sanitarian

Ralph T. Trout

To be senior veterinary officer

Richard P. Bradbury

To be veterinary officer

Milton April

To be pharmacist

David A. Apgar
Paul A. Goodspeed
Max Lager
Kay C. Pearson
Donald G. Weinand
Ray D. Westerlage

To be senior assistant pharmacist

Neil M. Abel
Marion T. Bearden
Thomas M. Dolan
Michael W. Dreis
Gordon R. Johnston
Alan R. Jorgenson
Laura E. Kachmarchik
Dianne L. Kennedy
Rick S. Larrabee
Craig R. McCormack
John E. Miller
Justina A. Molzon
James W. Moore
Robert C. Nelson
Thomas H. Perez
Richard R. Potter
Mark E. Ramey
Weldon B. Roberts
Christopher L. Shawyer
Michael G. Smith
David R. Taylor
Charles A. Trimmer
Timothy P. Utke
John D. Ware, Jr.
Paul R. Wright

To be assistant pharmacist

Yana R. Albers
Robert W. Boyce
Joseph M. Buccine
Paul N. Deramo
Mary B. Forbes
James P. Hannan
William A. Hess
Ralph B. Lillie
Dale R. Rasmussen
David L. Rosen
Cathie L. Schumaker
Michael R. Seybold
Gregory D. Thomas

To be Dietitian

Edward R. Tate

To be senior assistant dietitian

Janice M. Rary
Carol I. Johnson

To be assistant dietitian

Gloria J. Mostad

To be therapist

Arthur J. Plumstead, Jr.

To be senior assistant therapist

Beverly J. Bell
Marie A. Schroeder
Donald E. Tate

To be assistant therapist

Thomas G. Bennett III
Walter K. Cleary
Charles L. McGarvey
Sherry L. Phillips

To be health services officer

Johnell Branch
Louise Y. Doss
Leland D. Freidenburg, Jr.
Henry A. Hayes
Philip W. McClain
Philip M. McClean
Harley V. Piltingsrud
John B. Richardson

To be senior assistant health services officer

Eugenia Adams
Charles A. Beckwith
Raymond E. Biagini
Shelby A. Biedenkapp
Eleanor A. Crocker
Michael L. Davis
John H. DeLeon
Erik P. Deeter
John D. Gallicchio
John M. Garber
Jesse L. Glidewell
Edward N. Goodman
Kent E. Jaffe
Edwin A. Knecht
Mary E. Kreick
Andrew P. Lanza
George G. Martin
Anne O. Mitchell
Joseph A. Moquino
Leonard C. Nelson
Armando A. Pollack
Ann E. Russell

To be assistant health services officer

Patricia E. Brooks
Philip J. Burnell
Thomas F. Carrato
Dixie L. Cole
Joseph Dipaolo
Michael R. Hanna
Janet E. Johnson-Leclair
Robert M. Krochak
James D. McGlothlin
Wayne T. Sanderson
James P. Sprouse
Susan B. Toal

IN THE AIR FORCE

The following officer for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 35, 831, and 837, title 10, United States Code:

To be major general

Brig. Gen. JOHN B. CONWAY, [redacted] FG, Air National Guard.

Executive nominations received by the Senate January 14, 1981, under authority of the order of the Senate of January 6, 1981:

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for promotion to the grade of rear Admiral:

Capt. Robert S. Lucas, USCG.
Capt. Kenneth G. Wiman, USCG.
Capt. Edwin H. Daniels, USCG.
Capt. Clyde T. Lusk, Jr., USCG.

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for promotion to the grade of lieutenant:

Michael B. Karr
Steven B. Gerke
Marion J. Lewandowski
Ricardo Ledesma
Thomas C. Christian
Eric J. Rosenbluth
Terry T. White
Jerry D. Jackson
Daniel B. Lloyd
Elias J. Moukawsher
Hooper R. Brock
John A. Schott, Jr.
Gary F. Greene
Stephen L. Wilhelm
John R. Lynch
George E. Howe
Thomas W. Sparks
Garry B. Rolsma
Thomas A. Wenzel, Sr.
Gregory T. Jones
Richard J. Hartnett
Jerry K. Thorusen
Thomas P. Leveille
Joseph W. St. Martin
Frank N. McCarthey
Ronald W. Kaye
Jay D. Mahaffey
Steven P. Carpenter
Lawrence C. Vose
Joseph E. Wiggins
Kenneth S. Prime
Blaine D. Horrocks
Albert E. Simmons, Jr
Michael N. Powers
Peter L. Seidler II
Arthur M. Bonneau
Alan L. Peek
Kim L. Krzywicki
Phillip J. Heyl
Michael V. Franchini
John C. Nelson
Vincent J. Dicecco III
Andrew T. Moynahan
John P. Lanigan, Jr.
William A. Mathus
Robin K. Kutz
Dennis J. Houghton
Glenn R. Hermann
Marc A. Blanchard
William L. Fry
Phillip E. Coletti
Wayne A. Fisher
Donald B. Trone, Jr.
Edmundo Marmol
Roger D. Gibson
James S. Angert
David T. Levesque
Michael L. Butler
Richard F. Beseler
Stephen H. Goetchius
Paul C. Potvin, Jr.
David T. Glenn
Guy R. Nolan
Stephen A. Fiedler
Brian S. White
Richard W. Habib
Tony J. Barrett
John E. Harrington
Mark A. Grossetti
James B. Hall
Joseph L. Nimmich
Henry C. Deens III
Charles J. Bennardini, Jr.
Raymond E. Seebald
Kevin E. Schumacher
Donald E. Wilt II
James M. Hass IV
Robert J. Morrison, Jr.
Jeffrey S. Smith
Donald A. Ross
Guy R. Gerrard
Albert L. Barco IV
Gerald R. Wheatley
John A. Stout
David P. Pekoske
Robert M. Elsener
Victor J. Mihal
Robert J. Quirk
Michael W. Carr
Richard A. Rita, Jr.
Paul F. Zukunft
Justin H. Randall III
Scott R. Settimo
Arthur L. Halvorson
Richard P. Yatto
Jeffrey Q. Gamble
Jerome A. Iltis
Michael R. Moore
Thomas G. Gomes
Daniel R. Brown
Mark D. Layne
Michael D. Farrell
Robert S. Branham
Kenneth M. Bradford
Harald B. Creech
Michael A. Karman
Roger K. Butturini
Edward S. Carroll
Larry G. Nelson
William S. Cheever
Harold D. Morrison, Jr.
Gregory L. Oxley
Donald R. Goldstein
Thomas P. Johnson
Thomas H. Briggs
Victor A. Loher
Ronald B. Hoffmann
Dale E. Walker
Wayne E. Justice
Mark W. Byrum, Jr.
Keith G. Johnson
Robert J. Onorato, Jr.
David L. Hiltibrand, Jr.
Remer G. Boothe
Craig E. Bone
Robert L. McLaughlin
Robert A. Goetz
Michael D. Hazel
James A. Dale
John O. Skidmore
Collin S. Campbell
Paul C. Redwine
Thero Mitchell
Charles H. Denmark, Jr.
Jimmie G. Weibley
Timothy C. Stone

The following-named temporary officers of the Coast Guard to be permanent commissioned officers in the grade of lieutenant (junior grade):

Larry G. Nelson
William S. Cheever
Harold D. Morrison, Jr.
Gregory L. Oxley
Thomas P. Johnson
Thomas H. Briggs
Victor A. Loher
Donald R. Goldstein
James A. Dale
John O. Skidmore
Collin S. Campbell
Paul C. Redwine
Thero Mitchell
Charles H. Denmark, Jr.
Jimmie G. Weibley
Timothy C. Stone
Jerry D. Jackson

The following-named officer to be a permanent commissioned officer in the Coast Guard in the grade of lieutenant, having been found fit for duty while on the temporary disability retired list:

Timothy C. Hess

IN THE ARMY

The following-named officers for appointment to the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3284, 3306, and 3307:

To be major general

Maj. Gen. Charles P. Graham [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. James M. Rockwell, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Albert B. Akers [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Emmett W. Bowers [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Story C. Stevens [redacted], Army of the United States (brigadier general, U.S. Army).

Lt. Gen. James M. Thompson [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Edward B. Atkeson, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Richard X. Larkin [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Robert L. Wetzel [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Edmund R. Thompson, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Jack N. Merritt [redacted], Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Glenn K. Otis [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Guy S. Meloy III [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Maxwell R. Thurman, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. William E. Reed [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Robert Arter [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Edward C. Peter II [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Stan R. Sheridan, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Nathaniel R. Thompson, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. William E. Cooper, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Harvey D. Williams, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Drake Wilson, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Clarence E. McKnight, Jr., 413–34–8454, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Emmett Paige, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Orlando E. Gonzales, 524–28–8901, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Duard D. Ball, [redacted] Army of the United States (brigadier general, U.S. Army).

HOUSE OF REPRESENTATIVES—*Friday, January 16, 1981*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. NATCHER).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
January 9, 1981.

I hereby designate the Honorable WILLIAM H. NATCHER to act as Speaker pro tempore on Friday, January 16, 1981.

THOMAS P. O'NEILL, JR.,
Speaker of the House of Representatives.

PRAYER

Rev. Mr. Charles A. Mallon, permanent deacon, Holy Family Church, Mitchellville, Md., offered the following prayer:

The Lord is just in all His ways and holy in all His works. The Lord is near to all who call upon Him, to all who call upon Him in truth.—Psalms 145: 18.

Father, our Nation's political leadership is in transition, and we are mindful of both the joy and sorrow that accompanies administrative change. We pray for a holy transition, one that reflects Your presence, Your joy, Your compassion, Your gladness, Your faithfulness, Your justice, and Your strength.

We ask this through Christ our Lord. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

HOUR OF MEETING ON TUESDAY, JANUARY 20, 1981

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MOAKLEY. Mr. Speaker, on behalf of the majority leader, I desire to alert my colleagues that when we adjourn on Monday we will meet on Tuesday at 10:30 a.m. I urge all Members to be here promptly because the process for Members of the House will leave in a body promptly at 10:40 a.m. so that the inaugural exercises on the platform at the West Front might start precisely at 12 noon.

Members must display their official tickets in order to get a seat on the platform.

The seats to be occupied by Members of the Senate and House of Representatives have no cover and the area is unheated. Members are urged to dress appropriately for the weather.

No children will be allowed upon the platform, and there will be no seats except for Members actually holding tickets for their own seats.

Members of the House should be ready to leave the House Chamber not later than 10:40 a.m. The process will be headed by the Speaker pro tempore, the Clerk of the House, and the Chaplain who will assemble the House Members in procession with the House leadership, committee chairmen, and ranking minority members at the front of the procession. When notified by the coordinator, the Members of the House will move through the rotunda to their seats on the House side of the President's platform. House leadership, committee chairmen, and ranking minority members will be seated in the inner ring of the platform. Mr. James T. Molloy, Mr. Walter Kennedy, and Mr. Robert V. Rota will assist in the seating of all other Members in the outer ring.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. MOAKLEY. I gladly yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, I appreciate the gentleman giving us those instructions for the inaugural ceremonies next week. I wonder if the gentleman would be prepared to inform the Members what the program might be then for the balance of the week. It is my understanding that we would have no session on the following day, on Wednesday.

Mr. MOAKLEY. The gentleman is correct. We will have no session on Wednesday.

On Thursday, the House will meet at 11 a.m. for committee assignments and various other resolutions. I really do not know what they might be at this time.

We will also meet on Friday at 11 a.m.

Mr. MICHEL. I thank the gentleman. I think the Members would want to know whether or not they are obligated to be present for the balance of the week, or will be free to go back to their districts.

Mr. MOAKLEY. I thank the gentleman for the question.

Mr. MICHEL. I suppose the gentleman cannot, then, fully respond as to whether or not there would definitely be a program on Friday.

Mr. MOAKLEY. No, at this present time we just have knowledge that resolutions might be offered.

Mr. MICHEL. I do know that we do have those inportant resolutions on Thursday having to do with committee assignments.

Mr. MOAKLEY. Committee assignments will be made on Thursday.

Mr. MICHEL. I thank the gentleman.

ESTONIAN DISSIDENTS PUT ON TRIAL BY SOVIET UNION

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. FENWICK. Mr. Speaker, I would like to put on the Record of this House, in this Republic, what is happening to other people in other parts of the world. I would like to speak specifically of two people in the Baltic countries who have been taken up and who are now on trial for nothing more than exercising the rights guaranteed to them by a treaty which we signed together with the Soviet Union on the 1st of August, 1975.

I do not know how long this kind of thing is going to continue in the world; how long this empire, which acquired these lands by a treaty between Molotov, the Foreign Minister of the Soviet Union, and Ribbentrop, the Foreign Minister of Nazi Germany, allowing them to march their armies into these three helpless countries at the edge of the Baltic Sea.

I do not know how long this can last, and these people, trying to speak for some religious and other freedoms which are precious to them, how long they must suffer as they are now suffering.

Mr. Speaker, at this point I would like to insert an article from the Christian Science Monitor into the RECORD:

[From the Christian Science Monitor, Jan. 5, 1981]

KREMLIN STEPS UP ITS 4-YEAR ASSAULT ON BALTIC DISSIDENTS

(By David K. Willis)

Moscow.—Moving faster than expected, the Kremlin has intensified its drive against sensitive Baltic nationalism by putting on trial two well-known dissidents in the Republic of Estonia.

The trials, set to open Jan. 5 in the Estonian capital of Tallinn, continue a four-year

assault by Soviet authorities on all kinds of dissent in this country—an assault that has resulted in the arrest, trial, jailing, internal exile, or forced emigration of more than 450 dissidents of all kinds, whether advocating human rights or nationalism or religion.

The crackdown represents the Kremlin's answer to the hopes raised by the Helinski Final Act of August 1975. The act provided a platform for dissident activity. Today, dissidence continues, but both individual dissidents and their spokesmen have been dealt heavy blows.

On trial now are biologist and language teacher Mart Niklus, who capped two decades of dissident protest by signing a "Baltic appeal" for independence from Moscow in August 1979, and scientist Juri Kukk, who was a member of the Communist Party for 12 years but resigned after comparing Soviet life with conditions in France, where he spent a year in the mid-1970s.

Mr. Niklus's parents (he is unmarried), Mr. Kukk's wife and others in Tallinn and the university city of Tartu, where both men live, had expected trials to come in about a month from now.

They are surprised at the speed with which they are being held. The two men are being tried together, this newspaper has been told, but on different charges. Both are weak from prolonged hunger strikes.

Mr. Niklus faces up to 10 years in camps under Article 68 of the Estonian penal code, which prohibits spreading anti-Soviet propaganda. He was arrested March 19, 1980, in Tartu, after being fired from a job teaching English, French, and German at the Evening School of Foreign Languages there.

Mr. Kukk, arrested last March 13 in Tartu under Article 194, Section 1, of the code, faces three years in camps for spreading "prefabricated lies." He and his wife, Silvi, have a son aged 12 and a daughter aged 8.

Sources say verdicts of guilty are inevitable.

Niklus has been fighting the authorities since he graduated from the university of Tartu in 1957. The following year he sent abroad 15 photographs of Estonian slums, and was sentenced to 10 years in camps. He was released after eight.

In 1976 he tore up his Soviet passport after more harassment and was arrested again. He started a hunger strike and was mysteriously released after 56 days.

Harassment began again after he and 44 other Baltic dissidents signed the "Baltic appeal" in August 1979, the 40th anniversary of the Molotov-Ribbentrop pact that opened the way for Soviet troops to march into Estonia, Lithuania, and Latvia.

Baltic independence from Moscow is simply not possible in the foreseeable future, but yearning for it smolders on, especially in Estonia and Lithuania. Signers of the "appeal" have been systematically harassed: Mr. Niklus lost his job, two others were also fired, and others questioned.

The authorities were also angry at Niklus and Kukk for releasing to this newspaper in January 1980 an open letter to Soviet leader Leonid Brezhnev and UN Secretary-General Kurt Waldheim condemning the Soviet invasion of Afghanistan. The two men also asked the International Olympic Committee to move the 1980 Moscow Olympics to another country.

Several hundred students staged a public demonstration on Christmas Eve 1979 in Tartu, singing patriotic songs. In October 1980, encouraged by strikes in neighboring Gdansk in Poland in August, about 1,000 Estonian workers in a tractor factory in Tartu struck for two days.

Also in October, 2,000 students demonstrated in Tallinn, waving the Estonian national flag (now banned) and calling for Soviet troops to leave Estonia. The students were upset, in part, at official refusal to allow a local pop group, Propeller, to sing at half time at a soccer match because of a dispute over some of the lyrics.

After several more demonstrations, Estonian parents were lectured in schools to discipline their children properly.

Mr. Kukk was first arrested in late January 1980 after talking to this correspondent in a car on Moscow's main ring road. He was held for three days and escorted by police back to Tartu.

A mild-mannered, gentle chemist, he told me he was astonished at the official campaign against him after he resigned from the Communist Party in 1978.

"I thought I could just concentrate on my work at Tartu university," he said before his arrest, "Instead, my wife was told I would have to undergo psychiatric treatment. I lost my job. I was detained in Moscow—and I really began to see how the KGB operates. I really hadn't known anything about the KGB before. Now I do."

Since his arrest, Kukk has been in psychiatric institutions in Tallinn and Moscow, but sources say doctors were unable to prove he was mentally disturbed.

Meanwhile, the Kremlin campaign against other dissidents in the Soviet Union has continued recently, with several trials and jail sentences.

THE LATE HONORABLE EMANUEL CELLER

(Mr. WHITTEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHITTEN. Mr. Speaker, I have been requested by the New York delegation to announce the death of Mr. Emanuel Celler. Mr. Celler was a Member of the Congress for 50 years and served as chairman of the Judiciary Committee for over 20 years.

Mr. Speaker, I make this announcement today, and I also advise the Speaker that a day will be set aside to pay tribute to Mr. Celler.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, the one-time dean of the House of Representatives, the venerable Emanuel Celler, long-time chairman of the House Judiciary Committee, has come to the end of his lifeline.

While "Manny" Celler was defeated for reelection in the 1972 election, he remained active in the practice of law after he left us. Then, just shortly before his 93d birthday, he passed on to the world of eternal life.

We eulogized Manny Celler on October 12, 1972, just shortly before his final days in this body. Still, it is appropriate at this hour to reflect on his great and long life and his exceptional service to the institution of the Congress of the United States and to our Nation.

It was my privilege to serve with Manny Celler on the House Judiciary Committee over a period of 10 years and to experience firsthand his great talents as a scholar, as a lawyer, and as a compassionate and lovable individual.

Mr. Speaker, I am proud to recount today that I was able to work closely with Congressman Celler during those highly emotional and historic days when we enacted the civil rights and voting rights legislation which has brought a large measure of equality to our constitutional system of equal rights and opportunities.

Mr. Speaker, I do not undertake to delineate Manny Celler's many virtues or his extended record of service. Instead, I feel impelled only to express these words to heartfelt respect, admiration, and love for one of the alltime greats of our beloved House of Representatives.

It is my understanding that Manny Celler leaves a daughter, Jane Wertheimer, two grandchildren and two great grandchildren as his survivors and to them and to more distant relatives, as well as to all of the close friends and associates of former Congressman Emanuel Celler, my wife Doris and I extend our respect and deep sympathy.

May I add that as the ranking Republican on the House Judiciary Committee I intend these words to be expressive of the sentiments of all of my colleagues who serve on the committee.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Arizona.

Mr. RHODES. Mr. Speaker, I join with the gentleman from Mississippi and the gentleman from Illinois in expressing my sadness at the death of an old friend and fellow Member of the House, Emanuel Celler. He was a great Member of the House, and we miss him. I am sure all the Members join me in extending their sympathy to his family.

□ 1210

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. MICHEL. I appreciate the gentleman's yielding.

Mr. Speaker, I would like to say, too, that Mr. Celler was really a legend in his own time, serving in this body for the extended period that he did. There is no question but that in the history of this country, Manny Celler had a definite imprint on his legislative promise all through those many years. I am just happy that I came to this Congress as a relatively young man but was able to associate myself with one giant, as he was, and I am

sorry to learn through the press that he has died, but he certainly lived a long and useful life.

Mr. WHITTEN. I thank my colleagues.

Mr. Speaker, may I add to the statements of my colleagues here today. Manny Celler not only was an outstanding lawyer and possessed a brilliant mind, but in debate he would take a positive and determined stand. However, he was always gracious and kind, and I never saw him get upset about anything that transpired on the floor of this House. Younger Members and older Members, whether they agreed or disagreed about the issue at point, would always be treated like gentlemen by Manny Celler and, as a result, he was always treated in the same manner. He set a fine example for the younger Members, not only because of his long length of service, but in the way he conducted himself during that period. I know that all of us profited by serving with Manny Celler.

We also extend sympathy to his family and his loved ones and announce again that the country has lost a fine citizen.

● Mr. CONYERS. Mr. Speaker, it was a great privilege to be able to serve on the House Judiciary Committee, especially during the final years of Emanuel Celler's chairmanship. Singlehandedly, probably more than any other individual in Government, Manny Celler was responsible for fashioning the monumental civil rights agenda of modern times and shepherding it through Congress—the Civil Rights Act of 1957; the 1960 School and Voting Rights Act; the 1964 public accommodations law; and the 1965 Voting Rights Act.

His tenure as chairman of the Judiciary Committee also embraced the enactment of four constitutional amendments—the 23d amendment enabling citizens of the District of Columbia to vote in Presidential elections; the 24th amendment barring the levying of poll taxes in Federal elections; the 25th amendment providing for Presidential disability and succession; and the 26th amendment lowering the voting age to 18. For the record, Manny Celler during his 50-year service in the House of Representatives was largely responsible for the passage of more constitutional amendments than any Member of Congress, with the exception of Thomas Jefferson and James Madison.

His legislative accomplishments were extraordinary and unique. Yet for me Manny Celler will be most remembered for building the political support in Congress for the civil rights revolution, despite the great obstacles and odds that stood in the way. In this he showed the most extraordinary will, determination, steadfastness, as well as the basic political ability, first to create a civil rights legislative agenda and then to carry it through. America will always be in his debt for having done this so well.●

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks in today's RECORD on the life, character, and public service of the late Honorable Emanuel Celler.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

FRANCIS P. CROSSIN—EULOGY

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELLIGAN. Mr. Speaker, in my first address on the floor of the House, I rise to eulogize a dedicated public servant and family man who was also one of the most outstanding athletes ever to come out of northeastern Pennsylvania.

I refer to Francis P. Crossin of Kingston, Pa., who died tragically last week at the age of 57.

Frank Crossin, more commonly known as Chink, was a dominant figure in Luzerne County politics for nearly two decades, serving most recently as chairman of the county's commissioner board. He had been a member of the board for 13 years; prior to that, he served as a State legislator.

Although we were of different political persuasions, I say without hesitation that Frank Crossin was an able, tough-minded administrator whose abiding goal was to better serve the residents of Luzerne County

Before entering the political arena, he had shown the same dedication and versatility as a high school, college, and professional athlete.

While he excelled in football at Luzerne High School, he made his greatest mark in basketball, leading all Pennsylvania schoolboy scorers in 1941. He went on to earn All-America honors at the University of Pennsylvania, then played with the National Basketball Association's Philadelphia Warriors for several years before returning home to Kingston.

In addition to his political and business pursuits, Frank was active in a variety of religious, veterans', and civic organizations. They included: St. Ignatius Church, Kingston, and its Holy Name Society; the Luzerne Council of Knights of Columbus; Kingston Veterans of Foreign Wars 283; Catholic War Veterans of Edwardsville; Luzerne American Legion; Friendly Sons of St. Patrick, and Ancient Order of Hibernians.

Surviving are his wife, the former Helen Gutchmonoski; three sons, Robert, Frank, and Donald, and two daughters, Kathleen and Mary Margaret, all of Kingston; a sister, Mrs. John Gill of Forty Fort, and two brothers, Jack of Kingston and Joseph of Forty Fort.

One of the most penetrating portraits of Frank Crossin was provided in the latest issue of the influential Sunday Independent of Wilkes-Barre. Its front-page editorial said in part:

> Though his was largely a public image, there were many things about him that he kept to himself. Few, for instance, knew that he was a daily communicant.
>
> Chink Crossin was a man's man, stemming to some extent from his days as an athlete when he led Luzerne High School teams to their glory days in football and basketball
>
> He has rubbed elbows with the lofty and the lowly, yet he could relate to both.
>
> He was blessed with a personality and an energy seldom seen in any man, especially one who was battling an affliction.
>
> He was always worried more about the other guy than he was himself. He may not always have produced love and admiration from his political enemies, but even they had to respect him.
>
> Even with the score stacked against him, he was a battler to the end. He was a true friend to the man in need and a dedicated public servant.
>
> Just as surely as we all will miss him, Luzerne County has been the better for having had his service.

Frank Crossin chose to dedicate his adult career to public service in Luzerne County. But if he had chosen a national forum instead, he more than likely could have served in the Congress of the United States. In that role, the Nation would have been the better for having had his service.

PRESIDENT CARTER'S BUDGET STATEMENT—A SHELL GAME

(Mr. LEWIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS. Mr. Speaker, as I received President Carter's budget statement last evening it became obvious that his budget is nothing more than a shell game—and there was Mr. Carter playing the role of the classic flimflam man.

When I listened to the President's farewell address to the Nation, I felt empathy for a man who obviously believed he has given his best to the Nation but had been soundly defeated for a second term. But the very next day he presented budget figures that clearly do not reflect reality. Revenue figures so overinflated—budget expenditures so understated that informed observers can come to only one of two conclusions: Either the President continues to insist upon believing that we can wish problems away or that he is deliberately trying to set up

his successor for a fall in the budget year just ahead.

Several specific items were included in the projected revenues for fiscal year 1982 but failed to pass the last Congress and are unlikely to pass the 97th Congress—the 10-cent-a-gallon tax on gasoline and the 15-percent withholding tax on interest and dividend payments. Just these two items alone account for an overstatement in revenues of $18.5 billion.

Both proposals were soundly defeated in the past and clearly met with the disapproval of the American people. I can think of no reason for the inclusion of these items as revenues. If nothing else, Carter could have presented the new President-elect with factual projections, not optimistic figures that serve to hide the depth of our real economic problems.

There were several other specific assumptions made in estimating the 1982 budget that are highly questionable: Less than realistic increases in defense spending, a tax increase of $104.3 billion, an increase in the national debt of $45 billion, restricting civilian employee pay raises to 5.5 percent, does not include across-the-board tax cuts and limits the twice-a-year cost-of-living raises to Federal retirees to once a year.

President Carter concludes that his proposed budget involves a deficit of $27.5 billion. Everybody knows what happened with his past budget projections. A cursory review of these figures indicates an actual deficit of at least $50 billion.

If the American people are going to be able to believe in their Government again, if President-elect Reagan is to stand a chance to turn our economy around, we must deal in the real world. He must have factual information that clearly indicates how serious our economic problems are. The President-elect—indeed the people of this country, deserve no less.

WOMEN'S BASKETBALL TEAM OF CAL STATE UNIVERSITY

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, in my particular district, I have an outstanding institution of higher learning which many may not have heard of, Cal State University at Long Beach, which has an enrollment of about 32,000 students. This institution has many, many positive parts to it. It has been recognized as an outstanding institution for many years, and this year we have something even more unique. This year we have the women's basketball team at that institution, which is currently ranked fourth. They are with us today on part of a trip to the east coast, enjoying the beautiful weather here, having left 80° weather back home. They had a little setback against Old Dominion, but last night they managed to beat the University of Virginia by 2 points, and tomorrow night they are going to play the University of Maryland.

I would like on their behalf to publicly thank those institutions for having them here and to say to my colleagues that if you want to have an opportunity to really enjoy good women's basketball, you might think about looking in on that game tomorrow.

Mr. Speaker, I would like to say that I am very honored to have them here, to show them the Capitol of the United States, and to have them here during this very, very important week as we initiate a new administration in Washington, D.C.

PROPOSED BUDGET FOR FISCAL YEAR 1982

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I have had a chance to look at the proposed budget for fiscal 1982. My reaction is good, bad, and indifferent.

I react negatively to any budget that increases the tax burden on the American people by $100 billion. This one does. I react negatively to any budget that proposes new forms of taxation on top of what we already have. This one does. I react negatively to a budget that does not reflect reality. This budget can no more stand on its own than a strand of spaghetti.

I have a good feeling about some of the proposals the Carter administration has put forward. They have finally addressed the critical problem of entitlements and the need for their reform. It has been a long time coming. But theirs is just a first step, where many are needed.

I was pleased to see a solid commitment to defense.

Mostly, however, I have to be indifferent about this budget. Let us face it. It is a lameduck budget. It means relatively little at this juncture. It is time to move on, quickly and decisively. Next week is the beginning of a new era, and an even newer budget.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 16, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit sealed envelopes received from the White House as follows:

(1) At 3:55 p.m. on Tuesday, January 13, 1981 and said to contain a message from the President wherein he transmits the First Annual Report of the Department of Education.

(2) At 3:55 p.m. on Tuesday, January 13, 1981 and said to contain a message from the President wherein he transmits a proposed nuclear agreement between the United States and the Republic of Colombia concerning civil uses of nuclear energy.

(3) At 3:55 p.m. on Tuesday, January 13, 1981 and said to contain a message from the President wherein he transmits a copy of a proclamation by which he continues an extension of emergency building temperature restrictions.

(4) At 3:55 p.m. on Tuesday, January 13, 1981 and said to contain a message from the President wherein he transmits the 1980 Annual Report of the U.S. Arms Controls and Disarmament Agency.

(5) At 3:55 p.m. on Tuesday, January 13, 1981 and said to contain a message from the President wherein he transmits the 13th Annual Reports on Highway Safety and National Traffic and Motor Vehicle Safety for 1979.

(6) At 4:15 p.m. on Thursday, January 15, 1981 and said to contain a message from the President wherein he transmits the Third Special Message for FY 1981 under the Impoundment Control Act of 1974.

(7) At 4:15 p.m. on Thursday, January 15, 1981 and said to contain a message from the President wherein he transmits the Budget of the United States for Fiscal Year 1982.

(8) At 4:15 p.m. on Thursday, January 15, 1981 and said to contain a message from the President, wherein he transmits the second annual report on the United States Government's international activities in the field of science and technology, entitled "Science, Technology and American Diplomacy, 1981".

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

[*Omitted from the Record of Tuesday, December 30, 1980*]

WASHINGTON, D.C.,
December 17, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted December 16, 1980, the Clerk has received on this date the following messages from the Secretary of the Senate:

(1) That the Senate agree to the amendment of the House of Representatives to the bill (S. 3212) entitled "An Act to designate the 'Thomas J. McIntyre Federal Building' ".

(2) That the Senate passed without amendment House Concurrent Resolution 460.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, JR.,
Clerk, House of Representatives.
By THOMAS E. LADD,
Assistant to the Clerk.

FIRST ANNUAL REPORT OF DEPARTMENT OF EDUCATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following Message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

To the Congress of the United States:

I am pleased to transmit to the Congress the first Annual report of the Department of Education, as required by Section 426 of Public Law 96-88, the Department of Education Organization Act.

The Report outlines the progress of the Department during Fiscal Year 1980 in the attainment of its goals, priorities, and plans. It also emphasizes this Administration's efforts to provide more responsible and effective Federal support for education.

I believe that we have made substantial progress since the Department of Education opened its doors on May 4, 1980, in providing new leadership and support for American education.

JIMMY CARTER.

THE WHITE HOUSE, *January 13, 1981.*

TEXT OF PROPOSED AGREEMENT FOR COOPERATION BETWEEN UNITED STATES AND REPUBLIC OF COLOMBIA CONCERNING CIVIL USES OF NUCLEAR ENERGY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-9)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I am pleased to transmit to the Congress, pursuant to Section 123 (d) of the Atomic Energy Act of 1954, as amended, the text of the proposed Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of Colombia Concerning Civil Uses of Nuclear Energy and accompanying exchange of notes; my written approval, authorization and determination concerning the agreement; and the memorandum of the Director of the Arms Control and Disarmament Agency with the Nuclear Proliferation Assessment Statement concerning the agreement. The joint memorandum submitted to me by the Secretaries of State and Energy, which includes a summary analysis of the provisions of the agreement, and the views and recommendations of the Members of the Nuclear Regulatory Commission and the Director of the Arms Control and Disarmament Agency are also enclosed.

The Nuclear Non-Proliferation Act of March 10, 1978 sets forth certain requirements for new or amended peaceful nuclear cooperation agreements with other countries. In my judgment, the proposed agreement for cooperation between the United States and Colombia, together with its accompanying exchange of notes, meets all statutory requirements.

The proposed bilateral agreement between us reflects the desire of the Government of the United States and the Government of Colombia to update the framework for peaceful nuclear cooperation between our two countries in a manner that recognizes both the shared non-proliferation objectives and the close relationship between the United States and Colombia in the peaceful applications of nuclear energy. The proposed agreement will, in my view, further the non-proliferation and other foreign policy interests of the United States.

I have considered the views and recommendations of the interested agencies in reviewing the proposed agreement and have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the agreement and authorized its execution, and urge that the Congress give it favorable consideration.

JIMMY CARTER.

THE WHITE HOUSE, *January 13, 1981.*

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PROCLAMATION CONTINUING EMERGENCY BUILDING TEMPERATURE RESTRICTIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-10)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce and ordered to be printed:

To the Congress of the United States:

On July 10, 1979, I issued a Proclamation pursuant to the Energy Policy and Conservation Act of 1975 by which I implemented Standby Energy Conservation Contingency Plan No. 2 and imposed emergency building temperature restrictions, effective July 16, 1979. On April 15, 1980, I issued a Proclamation which continued those emergency building temperature restrictions until January 16, 1981.

I have now issued the attached Proclamation which renews the required statutory findings and continues the Plan in effect until October 16, 1981, unless sooner rescinded.

JIMMY CARTER.

THE WHITE HOUSE, *January 13, 1981.*

1980 ANNUAL REPORT OF UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs:

To the Congress of the United States:

In transmitting to you the 1980 Annual Report of the United States Arms Control and Disarmament Agency, I must emphasize that in 1980, although efforts to control the arms race have made some progress, they have also suffered a serious setback.

The SALT negotiations, aimed at controlling the strategic nuclear arms competition between the United States and the Soviet Union, have continued through four Administrations. The SALT II Treaty, which I signed in June 1979 with Soviet President Brezhnev, represents a significant step in the direction of such arms control. This treaty was the subject of intense national debate and of hearings by three committees of the Senate. However, the Soviet invasion of Afghanistan in December 1979 made it necessary for me to ask the Senate to delay consideration of the SALT II Treaty on the floor, although, as I informed the Congress, I intended to take up the treaty again after dealing with more urgent matters.

The subsequent Presidential campaign and election have had the effect of referring to the incoming Administration and Congress the question of what action to take with respect to the SALT II Treaty. The fact that this treaty has not been ratified raises serious issues concerning our national security and future arms control efforts.

In the period of relative calm that follows an election year, it should be possible to move quickly toward a mutually acceptable SALT II Treaty that will be ratified by the Senate. This is important to our own national security, and it is the strong wish of all our allies. In addition, while some progress has been in other arms control negotiations—such as those seeking a Comprehensive Nuclear Test Ban Treaty, a treaty banning chemical weapons, and a treaty to achieve Mutual and Balanced Forced Reductions—success in these efforts is probably dependent upon resolving the issue of SALT II. Similarly, the success of our continu-

ing efforts to prevent the proliferation of nuclear weapons in other countries is directly related to what the major nuclear powers do in controlling their own nuclear arsenals.

There are many serious problems in this world, but I continue to believe, as I stated in submitting the first annual arms control report of this Administration, that "The challenge of preventing war—and redirecting resources from arsenals of war to human needs—is the greatest challenge confronting mankind in this quarter of the 20th century." We have made progress, but much remains to be done. The future depends on our success.

JIMMY CARTER.

THE WHITE HOUSE, *January 13, 1981.*

ANNUAL REPORT ON HIGHWAY SAFETY ACT AND NATIONAL TRAFFIC AND MOTOR VEHICLE SAFETY ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce and to the Committee on Public Works and Transportation:

To the Congress of the United States:

The Highway Safety Act and the National Traffic and Motor Vehicle Safety Act, both enacted in 1966, initiated a cohesive national effort to reduce the deaths and injuries on the Nation's highways and require annual reports on the administration of these acts.

The report on motor vehicle safety includes the annual report required by Title I of the Motor Vehicle Information and Cost Savings Act of 1972 (bumper standards). An annual report is also required by the Energy Policy and Conservation Act of 1975 which amended the Motor Vehicle Information and Cost Savings Act and directed the Secretary of Transportation to set, adjust and enforce motor vehicle fuel economy standards. Similar reporting requirements are contained in the Department of Energy Act of 1978 with respect to the use of advanced technology by the automobile industry. These requirements have been met in the Fourth Annual Fuel Economy Report, the highlights of which are summarized in the motor vehicle safety report.

In the Highway Safety Acts of 1973, 1976 and 1978, the Congress expressed its special interest in certain aspects of traffic safety which are addressed in the volume on highway safety.

The combination of motor vehicle and highway safety standards, enforcement, and research have reduced the fatality rate by about 39 percent. This reduction has been achieved in spite of tremendous increases in traffic volume—registered motor vehicles up 67 percent, licensed drivers up 42 percent, vehicle miles driven up 64 percent.

Even so, 51,083 people met violent deaths on the highways in 1979—up from 50,331 in 1978. Based on current trends, each person born this year can expect to be involved in a crash every 10 years. One in 60 will be killed, and one in 20 will be seriously injured.

In addition to the persistent problems of drunk driving and speeding, several influences have contributed to the upward trend in fatalities: the increasing nonobservance of the 55 mph speed limit, which in some States is only lightly enforced; the repeal, or weakening, of motorcycle helmet laws; the increasingly widespread use of vans and light trucks, which have not been subject to the majority of Federal motor vehicle safety standards; the fact that the Nation's roads are deteriorating faster than they can be maintained, especially the non-Interstate Systems, where more than 90 percent of all fatal accidents occur; and the shift to smaller, lighter cars.

While small cars made up only 38 percent of the cars on the road in 1979, small car occupants accounted for a disproportionate 55 percent of the deaths that year in two-vehicle crashes. Because of the lower weight of smaller cars, their occupants fare poorly in collisions, particularly in collisions with heavier vehicles. In a crash between a subcompact car and a full-sized model which is severe enough to cause a fatality, the occupants of the small car are eight times more likely to be killed than the occupants of the large car.

As American moves into the small car era, the consequences of ignoring the need for further safety improvements become unacceptable in both human and economic terms. Traffic safety must be given a high priority by Federal, State and municipal Governments, by the automotive industry, by private organizations, and most important of all, by the potential victims of highway accidents—the public.

Jimmy Carter.

THE WHITE HOUSE, *January 13, 1981.*

PROPOSED NEW RESCISSIONS OF BUDGET AUTHORITY AND NEW DEFERRALS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-11)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose 33 new rescissions of budget authority previously provided by the Congress, totalling $1,142.4 million. In addition, I am reporting 15 new deferrals totalling $1,429.9 million and revisions to three previously-reported deferrals totalling $4.4 million.

The rescission proposals affect programs of the Departments of Commerce, Education, Energy, Health and Human Services, and Housing and Urban Development as well as the Community Services Administration, the Federal Mine Safety and Health Review Commission, the Federal payment to the Postal Service Fund, and the Tennessee Valley Authority. The deferrals affect programs of the Departments of Commerce, Defense, Energy, Interior, Justice, Labor, and State, as well as the intelligence community staff, the National Consumer Cooperative Bank, the Pennsylvania Avenue Development Corporation, and the Small Business Administration.

The details of each rescission proposal and deferral are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *January 15, 1981.*

BUDGET MESSAGE OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-2)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations, and in addition, part 7 of appendix is referred to the Committee on Post Office and Civil Service and ordered to be printed:

To the Congress of the United States:

My administration has faced a wide range of challenges at home and abroad, challenges stemming from our strengths, not our weaknesses: our strengths as a world leader, as a developed industrial nation, and as a heterogeneous democracy with high goals and great ambitions. Meeting these challenges satisfactorily requires that we establish priorities, recognizing the limits to even our Nation's enormous resources. We cannot do all that we wish at the same time. But we must provide for our security, establish the basis for a strong economy, protect the disadvantaged, build human and physical capital for the future, and safeguard this Nation's magnificent natural environment.

This budget provides for meeting these needs, while continuing a 4-year policy of prudence and restraint. While our budget deficits have been higher than I would have liked, their size has been determined for the most part by economic conditions. Even so, the trend has been downward. In 1976, the budget deficit equalled 4.0% of gross national product. This was reduced to 2.3% in the budget year that ended 3 months ago. The 1982 budget deficit is estimated to equal only 0.9% of gross national product.

The rate of growth in budget outlays has been held to a minimum. In spite of significant increases in indexed programs, outlays for nondefense programs—after adjusting for inflation—decrease slightly.

The 1982 budget calls for outlays of $739 billion, an increase of 1.0% when adjusted for inflation. Nondefense spending is projected to decline by 0.2% in real terms. The tax reductions I proposed as part of the economic revitalization program have been retained, but some have been delayed or phased in over a longer period in recognition of the continued high inflation rate. The budget deficit—which is now projected at $55.2 billion in 1981—is estimated to decline to $27.5 billion in 1982.

THE BUDGET TOTAL

[In billions of dollars]

	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
Outlays	579.6	662.7	739.3	817.3	890.3
Receipts	520.0	607.5	711.8	809.2	922.3
Surplus or deficit (—)	—59.6	—55.2	—27.5	—8.0	32.0
Budget authority	658.8	726.5	809.8	892.0	962.7
Credit budget	131.2	165.4	152.6		

In planning this budget, I have considered four major issues:

—What is the economic policy that will ensure prosperity for all while minimizing inflation?

—How much of our Nation's wealth should be used by the Federal Government?

—What are desirable spending proposals and strategies for defense, human resources, and investment?

—How can the management of Government be improved?

THE ECONOMY

During the last decade we withstood a series of economic shocks unprecedented in peacetime. The most dramatic of these were the explosive increases of OPEC oil prices. But we have also faced world commodity shortages, natural disasters, agricultural shortages, and major challenges to world peace and security. Our ability to deal with these shocks has been impaired by slower productivity growth and persistent, underlying inflationary forces built up over the past 5 years.

Nevertheless, the economy has proved remarkably resilient. Real output has grown at an average annual rate of 3% since I took office, and employment has grown by 2½%. Nearly 8 million productive private sector jobs have been added to the economy. However, unacceptably high inflation remains our most difficult economic problem. This inflation requires that we hold down the growth of the budget to the maximum extent, while still meeting the demands of national security and human compassion. I have done so, as I did in my earlier budgets.

While budget restraint is essential to any appropriate economic policy, high inflation cannot be attributed solely to Government spending. The growth in budget outlays has been more the result of economic factors than the cause of them. For fiscal year 1981 alone, budget outlays must be increased by $9 billion over last year's estimate as a result of higher interest rates. Yet this increase results not only from inflation but from the monetary policies undertaken to combat it. Nearly $18 billion for 1981 reflects higher defense costs and higher automatic inflation adjustments than were anticipated a year ago.

We are now in the early stages of economic recovery following a short recession. Typically, post-recessionary periods have been marked by vigorous economic growth abetted by stimulative policies such as large tax cuts or spending programs. I am not recommending such actions, because persistent inflationary pressures dictate a restrained fiscal policy. However, I continue to recommend specific tax reductions that contribute directly to increased productivity and long-term growth.

THE SIZE AND ROLE OF GOVERNMENT

We allocate about 23% of our Nation's output through the Federal budget. (Including all levels of government, the total government share of our gross national product is about one-third.) We must come close to matching Federal outlays with tax receipts if we are to avoid excessive and inflationary Federal borrowing. This means either controlling our appetite for spending or accepting the burden of higher taxes.

The growth of budget outlays is puzzling to many Americans, but it arises from valid social and national security concerns. Other developed countries face similar pressures. We face a threat to our security, as events in Afghanistan, the Middle East, and Eastern Europe make clear. We have a steadily aging population; as a result, the biggest single increase in the Federal budget is the rising cost of retirement programs, particularly social security. We must meet other important domestic needs: to assist the disadvantaged; to provide the capital needed by our cities and our transportation systems; to protect our environment; and to revitalize American industry.

I have been concerned with the proper role of the Federal Government in designing and providing such assistance. The Federal Government must not usurp functions that are best left to the private sector or to State and local governments. My administration has sought to make the proper assignments of responsibility, to resolve problems in the most efficient manner.

We have also recognized the need to simplify the system of Federal grants to State and local governments. Once again, I am proposing several grant consolidations in the 1982 budget, including a new proposal that would consolidate several highway programs. Previous consolidation proposals of my administration have been in the areas of youth training and employment, environment, energy conservation, airport development, and rehabilitation services. These consolidations are essential to improving our intergovernmental system. However, the Congress has so far agreed to consolidate only rehabilitation services grants. Therefore, I am proposing again the consolidations recommended earlier.

MAJOR BUDGET PRIORITIES

Spending growth can be constrained; not easily, not quickly, but it is possible. My budget priorities have been established, once again, to achieve this goal in a responsible manner.

Three years ago, in my 1979 budget message, I outlined the following principles:

—The Nation's armed forces must always stand sufficiently strong to deter aggression and to assure our security.

—An effective national energy plan is essential to reduce our increasingly critical dependence upon diminishing supplies of oil and gas, to encourage conservation of scarce energy resources, to stimulate conversion to more abundant fuels, and to reduce our large trade deficit.

—The essential human needs of our citizens must be given high priority.

—The Federal Government must lead the way in investment in the Nation's technological future.

—The Federal Government has an obligation to nurture and protect our environment—the common resource, birthright, and sustenance of the American people.

My 1982 budget is again based on these principles.

Tax policy and economic revitalization.—I continue to believe that large inflationary individual income tax cuts are neither appropriate nor possible today, however popular they might

appear in the short run. My economic revitalization program stresses tax reductions on a timetable that we can afford, and that will fight inflation by encouraging capital formation and increasing industrial productivity. This program stresses:

—simplification and liberalization of depreciation allowances;

—modification of the investment tax credit to encourage investment by temporarily depressed firms and by growing new firms;

—an income tax credit to offset increases in social security taxes;

—a liberalized earned income credit to also offset social security taxes and to encourage low-income earners to work;

—a working-spouse deduction to make more equitable the way working husbands and wives are taxed; and

—more favorable tax treatment for Americans in certain areas overseas to help American exports and strengthen the dollar.

Defense.—Maintaining a strong defense has been a primary objective of this administration. In order to meet the security needs of the Nation, real spending for defense increased in 1979 and 1980 by more than the 3% target I set at the NATO ministerial meeting in 1977. This real growth rate in defense spending has been maintained despite the adverse effects of higher than anticipated inflation, and restrained budgets.

To meet critical remaining needs, this budget includes a $6.3 billion supplemental request for 1981, largely for military pay increases and combat readiness. Together with congressional add-ons to my earlier 1981 request, this supplemental will increase defense programs almost 8% in real terms over 1980. For 1982 and beyond, the budget charts a course of sustained and balanced improvements in defense programs that will require real annual increases in funding of about 5% per year.

The budget request reflects a careful balance between the need to meet all critical defense needs, while maintaining fiscal restraint. There will be advocates for higher defense levels, but after careful review I do not believe that higher spending would add significantly to our national security. My budget already provides for the three major defense requirements:

—*Personnel recruitment and retention.*—Our armed forces can be no better than the quality of the people who serve in them. Accordingly, I recently approved the largest pay and benefits increase in history—a $4.5 billion compensation package that provides for an average compensation increase of 16%. This increase in base pay, plus better housing allowances, expanded enlistment and reenlistment bonuses, and special pay enhancements for submariners and other specialists, will help attract and retain highly qualified men and women.

—*Improving combat readiness.*—Increased compensation will be a key factor in overcoming key personnel shortages, which are the major source of readiness problems. In addition, there have been shortages in critical spare parts and, in a few cases, inadequate funds for training. The funds recommended by this budget should alleviate these problems.

—*Modernizing our forces.*—I also propose major investments to enhance substantially the capabilities of our forces. Strategic forces are being upgraded through continued procurement of Trident submarines and missiles, procurement of cruise missiles, modification of the B-52 bomber, and development of the MX missile. Army equipment, including tanks, armored vehicles, helicopters, and air defense and other missile systems, is being modernized. Fighter and attack planes are being added to Navy and Marine forces, and a continuing major shipbuilding program will add over 80 ships to our growing fleet between 1982 and 1986. The rapid deployment of our forces is being improved through the acquisition of more cargo ships and modification of airlift aircraft.

Foreign aid.—Foreign assistance remains crucial in achieving our country's international political and economic goals. From the start of my administration, I have stressed the need for substantial increases in assistance to friendly nations, many of whom are drastically harmed by constantly increasing oil prices and other external economic and security pressures. At the same time, I have insisted upon improved management of both our security and development assistance programs.

In the first 2 years of this administration, the Congress reduced my foreign aid requests but permitted some program growth. For the past 2 years, however, the Congress has failed to pass regular foreign aid appropriations. Assistance programs in 1981 are being funded under a continuing resolution that provides amounts slightly above the 1979 levels in nominal terms, and substantially below them in real terms.

I believe in the need for higher levels of aid to achieve foreign policy objectives, promote economic growth, and help needy people abroad. Foreign aid is not politically popular and represents an easy target for budget reduction. But it is not a wise one. For 1982, therefore, I am requesting a foreign assistance program level that is higher by 14% in real terms than the amount currently available for 1981. This request would reverse the recent real decline in aid and demonstrate that the United States retains its commitment to a world of politically stable and economically secure nations.

The bilateral development aid budget includes a U.S. response to the 1980 Venice Summit agreement that the major industrial countries should increase bilateral aid for food production, energy production and conservation, and family planning in the developing countries. Such an effort to increase the availability of resources on which the industrial countries depend will serve U.S. national security, and will stimulate additional actions by the private sector in the recipient countries. This U.S. effort is planned in the expectation that the other Summit countries will also increase aid in these sectors, in response to the Venice Summit agreement. We hope this initiative will lead to agreement on arrangements for increased consultation and cooperation among the major industrial countries providing increased bilateral aid to these three vital sectors.

Energy.—My administration, working with the Congress, has established fundamental new policies that will profoundly change the way the Nation produces and uses energy. They have already led to more domestic exploration and to substantial energy conservation. This energy program represents a major long-range national commitment to meeting one of our most pressing problems. It includes:

—Deregulation and decontrol of oil prices to be completed by October of this year.

—Establishment of the Synthetic Fuels Corporation, which will share with the private sector the risk in producing oil and natural gas substitutes that directly reduce U.S. oil imports.

—Support for energy research and development in technologies, such as solar and fusion energy, that the private sector would not finance.

—Development of the stategic petroleum reserve to reduce the impact of disruptions in world oil supplies.

—Energy conservation in public and nonprofit enterprises.

—Research on the environmental effects of energy production and use to assure that adverse effects on environmental quality are minimized.

Continuation of a sound energy policy is essential to the Nation's well-being in the coming decades. Such a policy must include the pricing of energy at its true cost, mechanisms to stimulate conservation, incentives for the continued development of our own domestic sources of energy, encourage-

ment for longer-run renewable forms of energy, and equity for all our citizens as we adjust to this new reality.

Basic science and space technology.—Basic research is essential to the long-term vitality of the Nation's economy. Because the benefits of such investments cannot be fully realized by individual companies, the Federal Government plays a key role in supporting such research.

My budgets have reversed a long period of decline in Federal support for basic research. The 1982 budget continues that policy by providing for 4% real growth in support for the conduct of basic research across all Federal agencies. The budget also provides for greater efforts to foster cooperation among government, business, and universities in research.

In addition, we have recognized the growing importance of improving scientific technology in the Nation's universities as critical to the advancement of science and to the training of scientific and engineering manpower.

My administration's comprehensive space policy encourages the practical, effective use of information obtained from oribiting satellites and the coordinated use of the Space Shuttle, now nearing completion. Successful resolution of development problems is expected to lead to the first manned orbital flight of the Shuttle in 1981.

With these increases, Federal support for basic research will have increased by almost 58% over 1978.

Social programs.—This budget supports my deep commitment to programs that help our citizens develop their full potential, and to programs assisting the poor, the unemployed, the elderly, and the sick.

The most extensive such programs are *social security* and *medicare.* Parts of this system are expected to experience short-run financing problems because higher than expected unemployment has decreased payroll taxes below previous forecasts, and high inflation has increased benefit payments. Therefore, the administration continues to urge the passage of legislation that would permit the three major social security trust funds to borrow from each other. In addition, it is essential that the Congress and the American people give early consideration to medium-term financing concerns.

The reports of the Commission on Pension Policy, which I established 2 years ago, and the National Commission on Social Security should stimulate constructive debate on these issues. These Commissions will complete their final reports during the coming months.

My administration has consistently maintained a strong commitment to remedying *youth unemployment* and the problems it causes. This budget includes an increase of $1.2 billion in 1982 and an additional increase of $0.8 billion in 1983 for the youth initiative I proposed last year. This initiative emphasizes the mastery of basic arithmetic and literacy skills, as well as the link between the classroom and the workplace.

The Job Corps would be continued at this year's level, serving twice as many youth as when my administration took office. In addition, my budget provides 240,000 public service jobs for low-income, long-term unemployed persons in 1982. This program is designed for the hard-core structurally unemployed, and includes substantial training in order to place men and women in permanent jobs. At the same time, the budget continues the countercyclical public service employment program through 1982 at the 100,000 level set by the Congress in 1981. The budget also provides a slight increase for the administration's private sector jobs initiative and essentially maintains the 1980 level of summer youth employment.

I am again proposing to augment medicaid with a *child health assurance* program effective by the end of 1982. This proposal, which the House of Representatives passed last year, would extend medicaid coverage to an additional 2 million children and pregnant women.

I am also proposing a number of changes in existing programs. For example, I am again proposing that retirement benefits for government employees be adjusted for inflation once, rather than twice, a year. This change would make these adjustments comparable to those for social security and most private sector automatic adjustment practices. The Congress approved a similar administration initiative last year for the food stamp program. This proposal would save $1.1 billion in 1982.

Benefits that are adjusted by statute for inflation will comprise nearly one-third of total Federal spending in 1981. During the last year, my administration has been assessing whether these adjustments are fair and equitable. We have concluded that the Consumer Price Index has several deficiencies as a measure of the true cost of living, particularly because of the manner in which it represents housing costs. I am therefore proposing, in this budget, that future benefits be based on an alternative, more representative index. The alternative index is already calculated and published by the Bureau of Labor Statistics. This proposal is designed to improve the technique of indexing these programs, not to reduce benefits. Therefore, no cost savings are assumed in the budget.

The budget also includes legislation to make unemployment benefits more nearly uniform among the States and to coordinate benefits more precisely with unemployment rates. Although this proposal would save about $2 billion in 1982 under the unemployment rates being projected for this budget, a slightly higher rate of unemployment would trigger extended benefits nationally. In such a case, unemployment benefits would be very close to those under current law. Even with the projected change, under current economic projections $1.5 billion would be paid in 1982 for extended benefits in States where the program is triggered.

I remain committed to a national health plan that would assure basic and catastrophic medical coverage for all Americans, as well as for prenatal and infant care. An estimated 22 million Americans lack any private or public health insurance coverage. Another 60 million people lack adequate basic coverage or protection against catastrophic medical expenses. Given the fact that adequate cost containment does not exist and the need for overall budgetary constraints, the budget does not include specific amounts for this plan. However, it is important that our Nation attempt to meet these needs and that the incentives in our health care system be restructured. A clear demonstration of success in restraining medical care costs is an essential prerequisite to the enactment of a national health plan.

My proposals to reform our welfare system should also be enacted as soon as possible. Such a program is essential to ensuring that no American goes hungry or lacks a reasonable income, and to provide needed fiscal relief to States, counties, and cities.

IMPROVING GOVERNMENT MANAGEMENT

This budget reinforces my commitment to use resources not only wisely, but efficiently. During my administration we have:

—installed new Offices of Inspectors General in 15 major agencies to combat waste, fraud, and abuse;
—carried out a major Government-wide reform of the civil service system;
—reorganized important areas of the Federal Government, particularly those concerned with education and energy;
—reduced permanent Federal civilian employment by 45,000;
—achieved budgetary savings directly through improved cash management; and
—reduced paperwork and established a paperwork budget.

Such efforts to streamline the way the Government conducts its business are rarely dramatic. Improved efficiency is not the product of a simple sweeping reform but, rather, of diligent, persistent attention to many aspects of Federal program management.

One important aspect of improved management has been in the budget

process itself. *Zero-base budgeting* is now an integral part of the decision-making system, providing a more systematic basis for making decisions. We have also instituted a 3-year budget planning horizon so that the longer range consequences of short-term budget decisions are fully considered and understood.

In 1978 I made a major commitment to establish a system of controlling *Federal credit* since, in the past, the very large Federal loan guarantee programs had largely escaped the discipline of the budget process. This system is now in place.

I am gratified that the Congress has supported these efforts to improve budget control. Appropriations bills now include limits on many credit programs. The congressional budget resolutions place significantly greater emphasis on longer range budget trends and set overall credit targets.

While the credit control system provides a means of assessing and limiting Federal credit programs, I believe Federal credit programs have become unduly complex and pose an increasing threat to the effective and efficient operation of private capital markets. In particular, the Federal Financing Bank has become a major and rapidly growing source of off-budget funds for direct loans to a wide range of borrowers.

Therefore, I am recommending that a panel of outstanding financial and budget experts should be established to examine these issues. Such a panel should consider the treatment of credit activities in the budget, the adequacy of program administration, uniform rules and procedures for Federal credit programs, the role of the Federal Financing Bank, and the relationship of tax-exempt financing to overall credit and tax policies.

CONCLUSION

My budget recommendations reflect the major changes that have taken place in our country over recent decades. In 1950, social security and railroad retirement benefits accounted for less than 3% of budget outlays. Last year they accounted for more than one-fifth of the total. Mandatory outlays for entitlement programs, the levels of which are fixed by law, for interest on the public debt, and for payments under binding contracts account for three-fourths of total budget outlays. Because so much of the budget is committed under current law before either the President or the Congress begins the annual budget formulation process, controlling budget growth has been difficult, and the results uneven. It has been difficult because benefit payments and other legal obligations have too often been spared from annual budget scrutiny. The results have been uneven because budget restraint has fallen disproportionately on programs subject to the annual appropriations process.

My administration and the Congress began to redress this imbalance in the 1981 budget. The Congress passed, and I signed into law, a reconciliation bill that for the first time was used as a mechanism for changing a variety of entitlement and tax programs. I do not propose that we break faith with the American people by arbitrarily or unfairly reducing entitlement programs. However, these programs developed independently, and they should be made less duplicative, more consistent, and more equitable. The size of these programs, and our need for budget restraint, requires that we address these problems. I urge the Congress to build upon last year's experience and review all aspects of the budget with equal care.

The allocation of one-fifth of our Nation's resources through the Federal budget is a complex, difficult, and contentious process. Restraint on any program, small or large, is usually subject to heated debate. At a time when there is broad consensus that the size of the Federal budget is too large, we can no longer—as individuals or groups—make special pleas for exceptions to budget discipline. Too often we have taken the attitude that individual benefits or particular programs or specific tax measures are not large enough to require restraint. Too often we have taken the attitude that there must be alternative sources for reductions in programs that benefit our particular group. This attitude is in part responsible for the rapid budget growth we have experienced—and can no longer afford.

Given our Nation's needs and our economic constraints, my recommendations meet the fundamental demands of our society: a strong defense, adequate protection for the poor and the disadvantaged, support for our free enterprise economy, and investment in the Nation's future.

JIMMY CARTER.

JANUARY 15, 1981.

□ 1235

SECOND ANNUAL REPORT ON U.S. GOVERNMENT'S INTERNATIONAL ACTIVITIES IN FIELD OF SCIENCE AND TECHNOLOGY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read, and together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and to the Committee on Science and Technology:

To the Congress of the United States:

In accordance with Title V of the Foreign Relations Authorization Act, Fiscal Year 1979 (P.L. 95-426), I am pleased to transmit to the Congress the second annual report on the United States Government's international activities in the field of science and technology.

The report—entitled "Science, Technology and American Diplomacy, 1981"—has been prepared by the Department of State in collaboration with the other departments and agencies concerned.

JIMMY CARTER.

THE WHITE HOUSE, *January 15, 1981.*

DO NOT PUT THE FROST BELT IN THE DEEP FREEZE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WORTLEY) is recognized for 10 minutes.

Mr. WORTLEY. Mr. Speaker, in this, my first address before my colleagues in the House of Representatives, I had hoped to discuss a program of promise, a plan using incentives, to benefit all Americans. Instead, I stand compelled, not to applaud an agenda which would better the economic climate of our country, but to condemn another agenda, one which would benefit only the semitropical temperate climate of certain regions in our land. I refer to a report made public a few hours ago, a report whose conclusions should outrage every one of us.

This report was written by President Carter's Commission for a National Agenda for the Eighties. But it is not national; it is regional in outlook. It is not an agenda; it is an obituary for the Northeast. It is certainly not for the eighties, or for the nineties or any other time in our Nation's future.

The report is a reckless requiem. It is a premature postmortem.

The Northeast, and New York State in particular, has many of our country's greatest financial, agricultural, educational, and cultural centers. Our region is rich in American history and tradition. To abandon it would be disastrous for the entire Nation, not just the Northeast, where fewer and fewer people would have to shoulder a bigger and bigger share of the tax burden.

There are other reasons we cannot afford to forget the Northeast States. The Federal Government cannot now bear the expense of building new roads, new hospitals, and other public services as it once could. If we encourage an exodus from the Northeast, we would lay to waste all that has been built there, and we would have to build it all again, somewhere else. I would hope that is not what President Carter had in mind when he called for a "New Foundation."

Another reason, of many, is that no one knows for sure whether available resources, such as water and energy,

exist in quantities large enough to take care of the mass migration which the report favors.

Yet the most important reason to reject this report is found in the district I represent, New York's 32d, which I believe is typical of the Northeast. Our district shares many of the urban and rural problems of our part of the United States, but I am sure we will solve those problems if we have the opportunity that the report would take from us. I am sure, because I know the people in our district. They work hard, they are energetic, and they still have hope.

I assure you that "the reports of our death are greatly exaggerated." The Northeast is as alive as we are today, and it will outlive us all if we reject the perilous premises and contorted conclusions of President Carter's Commission.

Abraham Lincoln observed: "A house divided against itself cannot stand." He knew that this Nation must thrive as a nation, that our people must prosper as a people, together. Lincoln was right, and still is.

TAX INCENTIVES FOR SAVERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. BONKER) is recognized for 5 minutes.

● Mr. BONKER. Mr. Speaker, there is a growing realization in the Congress that the U.S. economy lacks sufficient capital to continue its historical expansion of industry and productivity. Our country ranks last among the industrial nations in both the rate of savings as a percentage of disposable income and the rate of fixed investment, as a percentage of national output. On the average, Britons save 13 percent of their disposable income; West Germans save 15 percent; Japanese, 26 percent. But Americans save only 4.5 percent.

To increase productivity, provide sufficient funds for the home mortgage market, to replace worn out plants and equipment and make us more competitive in world markets, we need to encourage greater saving and investment.

There are many reasons for our poor savings record as a Nation, but one is clear: Our tax laws penalize the saver.

Congress acknowledged this fact last session, when it attached to the windfall profit tax a provision to increase the annual tax-free limit on savings and interest to $200 for individuals and to $400 for a joint tax return.

But I believe our current economic situation requires stronger medicine. For that reason, I am today introducing a bill which raises this exemption even further—gross income for tax purposes would not include amounts received as dividends or interest up to $1,000, or $2,000 for a joint return.

This legislation is particularly necessary at a time when the homebuilding industry has been ravaged by tight money and high interest rates. With meaningful tax incentives, the American public will be lured back to our thrift institutions, which also have suffered from the current economic climate. The result will be an increase in the capital available for investment as well as the provision of more money for home mortgages.

I would appreciate the support of my colleagues in this effort. We should not allow our tax laws to penalize those who otherwise would follow a sound savings program.●

UNIVERSAL COVERAGE FOR SOCIAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, I am today reintroducing legislation that would require Members of Congress and employees of the legislative and executive branches of the Federal Government to participate in the social security program.

Not all citizens outside of the Federal Government realize that most Federal employees do not participate at all in social security, and when they do become aware of this fact, their first question, logically enough, is: If the social security system is such a wonderful program, why do not Federal employees and those in Congress—which, after all, was the originator of the system and is now responsible for making desirable changes in it—participate in social security and come under its coverage? Is their own retirement system better and more beneficial?

It seems rather strange that the social security system which supposedly is good enough to cover 114 million working Americans at the present time, is apparently not good enough for Congress or even for the Commissioner of Social Security himself.

The confidence of the American public in the future viability of the social security system is already rapidly evaporating, as evidenced by the fact that more than 112,000 State and local government employees have relinquished their membership, which is voluntary, in the system, and well over 99,000 State and local employees are now in the 2-year process of doing so. In fact, one State, Alaska, has already terminated coverage for all State and local employees throughout the State.

We cannot let the commitment of the 95th Congress to improve social security falter or fail, because of a lack of concern or inaction on the part of the President and this Congress. And I can think of no better way for those of us who serve in Congress to demonstrate that we fully recognize this commitment and that we are totally resolved to carry it out than by placing ourselves under mandatory participation in the social security system, and thereby tying our own personal finances into the future of a program which already directly affects over 90 percent of the country's working population, because they are paying into the system, and 36 million, because they are receiving monthly benefits from it. It is our responsibility to take decisive action, because the wheels of change have already been set in motion in the Social Security Amendments of 1977. This legislation, which established the National Commission on Social Security, required it to do an extensive study on universal coverage. This study was just completed by the Commission, and based on a summary just released, the Commission recommends that social security coverage should be made compulsory in 1982 for all Federal, State, and local government employees not now covered by any retirement system, and for the President, Vice President, Cabinet members, Social Security Commissioner and Members of Congress, and employees of nonprofit organizations. The Commission also recommends that by 1985, all new Government employees joining civil service should be included on a mandatory basis. Certainly, we must now respond.

I believe required participation in the system by Members of Congress and other Federal employees would go a long way toward sensitizing the Congress and the executive branch as to what must be done.

After all, if the present system is so good, why should not we all pay for it and benefit from it? On that basis alone, I would confidently anticipate speedy and overwhelming passage of this legislation so that U.S. Representatives and Senators would be able to avail themselves of the social security system's present advantages and opportunities, providing, of course, that Members of Congress really do think that the program as it now exists is a good investment to make for one's future.

On the other hand, if enthusiastic congressional support for this legislation does not materialize after all, we should in all fairness explain to our constituents just why what is good enough for them is not good enough for us. We can certainly be quite confident that such an explanation will be requested, if not demanded, by our constituents. And if it is sought by enough people, the only justifiable and defensible response we can give will be to enact either this bill or the necessary remedial legislation.

In sum, I believe that all of us in the Congress will have more incentive promptly to improve the social secu-

rity system if we ourselves become part of it.

H.R. 889

A bill to provide coverage under the Federal old-age, survivors, and disability insurance system for all officers and employees of the United States and its instrumentalities other than those in the judicial branch

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) section 210(a) of the Social Security Act is amended by striking out paragraphs (5) and (6), and inserting in lieu thereof the following:

"(5) Service performed in the employ of the United States in the judicial branch, if such service is covered by a retirement system established by a law of the United States;".

(2) Section 210(a) of such Act is further amended by redesignating paragraphs (7) through (20) as paragraphs (6) through (19), respectively.

(b)(1) Section 205(o) of such Act is amended by striking out "section 210(a)(9)" and inserting in lieu thereof "section 210(a)(8)".

(2) Section 210(b) of such Act is amended by striking out "paragraph (9) of subsection (a)" and inserting in lieu thereof "paragraph (8) of subsection (a)".

(3) Section 210(l)(1) of such Act is amended to read as follows:

"(1) Except as provided in paragraph (4), the term 'employment' shall include—

"(A) service (other than service performed while on leave without pay) which is performed by an individual as a member of a uniformed service on active duty after December 1956, whether performed before, on, or after the effective date of the repeal of paragraph (6) of subsection (a), notwithstanding the provisions of subsection (a) as in effect before the repeal of such paragraphs; and

"(B) any service not covered by subparagraph (A) which is performed by an individual as a member of a uniformed service on or after the effective date of the repeal of paragraph (6) of subsection (a), if and to the extent that such service constitutes 'employment' under subsection (a) without regard to this paragraph.

For purposes of sections 202(i), 205(p)(i), 209, 215(h), and 229(a), both service described in subparagraph (A) and service described in subparagraph (B) shall be considered service to which the provisions of this paragraph are applicable.".

(4) Section 210(o) of such Act is amended by striking out ", notwithstanding the provisions of subsection (a),".

(5) Section 229(a) of such Act is amended by striking out "service as a member of a uniformed service (as defined in section 210(m)) which was included in the term 'employment' as defined in section 210(a) as a result of the provisions of section 210(l)" and inserting in lieu thereof "service, as a member of uniformed service, to which the provisions of section 210(l)(1) were applicable".

(6) Section 211(c)(2) of such Act is amended—

(A) by striking out "section 210(a)(14)(B)" in subparagraph (A) and inserting in lieu thereof "section 210(a)(13)(B)";

(B) by striking out "section 210(a)(16)" in subparagraph (B) and inserting in lieu thereof "section 210(a)(15)";

(C) by striking out "section 210(a) (11), (12), or (15)" in subparagraph (C) and inserting in lieu thereof "section 210(a) (10), (11), or (14)"; and

(D) by striking out "section 210(a)(20)" in subparagraph (F) and inserting in lieu thereof "section 210(a)(19)".

(7) Section 218(c)(5) of such Act is amended by striking out "other than paragraph (7)" and inserting in lieu thereof "other than paragraph (6)".

(8) Section 218(c)(6)(D) of such Act is amended by striking out "other than paragraph (7)" and inserting in lieu thereof "other than paragraph (6)".

(c) Section 18(2) of the Railroad Retirement Act of 1974 is amended by striking out "section 210(a)(9) of the Social Security Act" and inserting in lieu thereof "section 210(a)(8) of the Social Security Act".

SEC. 2. (a)(1) Section 3121(b) of the Internal Revenue Code of 1954 (relating to definition of employment) is amended by striking out paragraphs (5) and (6) and inserting in lieu thereof the following:

"(5) service performed in the employ of the United States in the judicial branch, if such service is covered by a retirement system established by a law of the United States;".

(2) Section 3132(b) of such Code is further amended by redesignating paragraphs (7) through (20) as paragraphs (6) through (19), respectively.

(b)(1) Section 1402(c)(2) of such Code (relating to definition of trade or business) is amended—

(A) by striking out "section 3121(b)(14)(B)" in subparagraph (A) and inserting in lieu thereof "section 3121(b)(13)(B)";

(B) by striking out "section 3121(b)(16)" in subparagraph (B) and inserting in lieu thereof "section 3121(b)(15)";

(C) by striking out "section 3121(b) (11), (12), or (15)" in subparagraph (C) and inserting in lieu thereof "section 3121(b) (10), (11), or (14)"; and

(D) by striking out "section 3121(b) (20)" in subparagraph (F) and inserting in lieu thereof "section 3121(b)(19)".

(2) Section 3121(c) of such Code (relating to included and excluded service) is amended by striking out "by subsection (b)(9)" and inserting in lieu thereof "by subsection (b)(8)".

(3) Subparagraphs (B) and (C) of section 3121(k)(1) of such Code (relating to waiver of exemption by organization) are each amended by striking out "subsection (b)(8)(B)" and "section 210(a)(8)(B)" and inserting in lieu thereof "subsection (b)(7)(B)" and "section 210(a)(7)(B)", respectively.

(4) Section 3121(m)(1) of such Code (relating to service in the uniformed services) is amended to read as follows:

"(1) INCLUSION OF SERVICE.—The term 'employment' shall include—

"(A) service (other than service performed while on leave without pay) which is performed by an individual as a member of a uniformed service on active duty after December 1956, whether performed before, on, or after the effective date of the repeal of paragraph (6) of subsection (b), notwithstanding the provisions of subsection (b) as in effect before the repeal of such paragraphs, and

"(B) any service not covered by subparagraph (A) which is performed by an individual as a member of a uniformed service on or after the effective date of the repeal of paragraph (6) of subsection (b), if and to the extent that such service constitutes 'employment' under subsection (b) without regard to this paragraph. For purposes of section 3122 and subsection (i)(2) of this section, both service described in subparagraph (A) and service described in subparagraph (B) shall be considered service to which the provisions of this paragraph are applicable.".

(5) Section 3121(p) of such Code (relating to Peace Corps volunteer service) is amended by striking out ", notwithstanding the provisions of subsection (b) of this section,".

(6) Section 3121(r)(3) of such Code (relating to election of coverage by religious orders) is amended by striking out "subsection (b)(8)(A)" and "section 210(a)(8)(A)" and inserting in lieu thereof "subsection (b)(7)(A)" and "section 210(a)(7)(A)", respectively.

(7) Section 3124 of such Code (relating to estimate of revenue reduction) is amended by striking out "section 3121(b)(9)" and inserting in lieu thereof "section 3121(b)(8)".

SEC. 3. The amendments made by this Act shall apply with respect to service performed after the last day of the month in which this Act is enacted.●

EXPORT-IMPORT BANK FINANCING NOTIFICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, I am notifying the House today of the U.S. Export-Import Bank's proposal to help finance the sale of more than $605 million worth of U.S.-made Boeing 757 jet aircraft to British Airways.

The Eximbank is prepared to extend a credit of $257,142,000 to British Airways to make possible the sale of the U.S.-made airframe components of 19 Boeing 757's and related spare parts.

In addition to this purchase, the Government-owned British Airways has indicated it may submit financing applications to Eximbank later for assistance in buying another 18 Boeing 757's.

This notification from Eximbank was referred to me as chairman, during the 96th Congress, of the Banking Committee's Subcommittee on International Trade, Investment and Monetary Policy. Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, requires that the Eximbank notify Congress of proposed loans or financial guarantees, or combinations thereof, of $100 million or more. Unless the Congress determines otherwise, the Eximbank may give final approval to the transaction after 25 days of continuous session of the Congress after notification.

I am submitting for the RECORD at this time a copy of the Eximbank notification providing the terms and details of the proposed financing. I would welcome any comments or questions my colleagues may have about the proposed British Airways transaction.

The Eximbank material follows:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., December 19, 1980.

Hon. STEPHEN L. NEAL,
Chairman, Subcommittee on International Trade, Investment and Monetary Policy, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, I have reported to the President of the Senate and the Speaker of the House of Representatives on an application currently pending consideration by the Bank. I am taking the liberty of providing you with a copy of this statement.

Sincerely,

H. K. ALLEN.

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., December 19, 1980.

SPEAKER OF THE HOUSE OF REPRESENTATIVES,
The Speaker's Room,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the House of Representatives with respect to the following transaction involving U.S. exports to the United Kingdom.

A. DESCRIPTION OF TRANSACTION

1. Purpose

Eximbank is prepared to make available a credit of $257,142,000 to British Airways (BA) to facilitate the purchase in the United States by BA of the U.S. components of 19 new Boeing 757 jet aircraft and related airframe spares. The total U.S. export value for this transaction is estimated to be $605,040,000.

BA has indicated plans to purchase 18 additional Boeing 757 jet aircraft for which it may submit financing applications for the U.S. components to Eximbank at a later date.

2. Identity of the Parties

BA is one of the largest airlines in the world and is wholly owned by the Government of the United Kingdom. Eximbank has dealt with BA and one of its predecessors, British Overseas Airways Corporation (BOAC), since the mid-1960's and all loan repayments have been made on a timely basis.

Her Majesty's Lord Commissioners of the Treasury on behalf of the United Kingdom, as in the past, will unconditionally guarantee repayment of the Eximbank Credit.

3. Nature and use of goods and services

The principal goods to be exported from the United States at this time are the airframe components of 19 medium range commercial jet aircraft to be used by BA to service demand on domestic and European routes. These aircraft will replace aging, fuel inefficient and noisy aircraft now in BA's fleet and which no longer meet government noise abatement regulations. They will not be operated on routes normally served by U.S. flag airlines. Deliveries of the aircraft are scheduled in late 1982, 1983, 1984 and early 1985. The aircraft will be powered by British made Rolls Royce engines which are being financed from private sources and not under the Eximbank Credit. BA is the first foreign airline to purchase this type of aircraft from Boeing.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

Eximbank's financing support for the export of U.S. aircraft has assisted U.S. aircraft manufacturers in obtaining approximately 80% of the world market (which includes the United States) for commercial jet aircraft. Through 1990, aircraft purchases by foreign airlines are expected to account for approximately 40% of the total U.S. aircraft sales. Over the next few years several large foreign airlines, such as BA, will be undertaking major re-equipment programs, and most airlines choosing a particular aircraft type will continue with future purchases of the same models to maintain fleet continuity. During these next few years there will be intense competition from foreign aircraft and engine manufacturers and they will be supported by subsidized export credit from government sources. Consequently Eximbank recognizes the need to support the sale of U.S. aircraft and engines in such a competitive environment by offering attractive financing so that U.S. manufacturers can maintain their position.

At the time BA was considering this first purchase of Boeing 757's by any airline it was necessary for BA also to consider the option of purchasing Airbus A300 or A310 aircraft. At about the same time as this choice needed to be made, the United Kingdom government decision was also being made for British aerospace manufacturers to resume participation in the Airbus consortium. Whether or not BA would proceed with the Boeing contract depended also upon the availability of Eximbank credit in addition to sufficiently competitive technological and cost features of the aircraft. Moreover, the ability to rely on the availability of Eximbank credit for 757 purchases will also influence BA's consideration of the purchase of the potential additional 18 aircraft which also will be compared to the A300 or A310 and the financing available for those aircraft at the time.

It should be noted that BA must conduct its commercial operations much like nongovernment airlines. It must seek profitable operations and manage its debt in a difficult environment of accelerating fuel and other inflationary costs. These factors are having strong adverse pressure on its earnings and equity base. Further, because a large number of the aircraft in its fleet are fuel inefficient, BA plans to replace these aircraft in the near future and this will further increase its debt structure. Present U.K. government policies do not favor additional equity infusions from that government. In view of the combined economic and competitive circumstances, BA seeks Eximbank credits to assist financing of its aircraft purchases and uses the only support of the U.K. government available to it, the government guarantee of indebtedness incurred.

The Boeing Company estimates that the export of the 19 Boeing 757 airframes and airframe spares will provide 13,200,000 man/hours for Boeing, its subsidiaries and its sub-suppliers. Additional benefits which will flow to the United States from the transaction included sizable follow-on exports of spare parts, and ground support and other related equipment.

2. The financing plan

The financing plan for the total U.S. procurement for the 757 airframes and airframe spares supported by the Eximbank Credit is as follows:

	Percent of U.S. costs	Amount
Cash payment	57.5	$347,898,000
Eximbank direct credit	42.5	257,142,000
Total	100	605,040,000

(a) Eximbank Charges.—The Eximbank Credit will bear interest at the rate of 9¼% per annum, payable semiannually. Eximbank will charge a commitment fee of one-half of 1% per annum of the undisbursed amounts of the Eximbank Credit.

(b) Repayment Terms.—Aggregate disbursements under the Eximbank Credit will be repaid by BA in three repayment schedules of 20 equal semiannual installments beginning (i) September 28, 1983, for aircraft and spares delivered during the period ending April 30, 1983; (ii) July 28, 1984, for aircraft and spares delivered during the period May 1, 1983 through March 30, 1984; and (iii) September 28, 1985, for aircraft and spares delivered during the period April 1, 1984 through September 20, 1985.

Attached is certain additional information on Eximbank activity in and economic data on the country involved in this transaction.

Sincerely,

H. K. ALLEN.

ATTACHMENT 1

EXIMBANK EXPOSURE IN THE UNITED KINGDOM

[As of Sept. 30, 1980, in thousands of dollars]

	Outstanding	Undisbursed
Direct loans	435,054	136,411
CFF loans	38	0
Financial guarantees	72,653	311,657
Bank guarantees and other	5,710	13,566
Insurance:		
Medium-term	2,501	3,056
Short-term	135,623	0
Total for the United Kingdom	651,579	464,690

Defaults and reschedulings

In the past ten years there have been no defaults or rescheduling of Export-Import Bank direct credits for U.S. export sales in the United Kingdom.

ATTACHMENT 2

UNITED KINGDOM

AREA AND POPULATION

Area: 244,000/sq. km.
Population (mid-1979): 55.8 million.
Population density: 229/sq. km.
GDP per capita (1979): $6,129.

SOURCES AND APPLICATION OF NATIONAL PRODUCT

[In percent]

Uses (1978):	
Consumption	53.8
Government	23.2
Capital formation	20.7
Stocks	1.0
Exports	33.9
Imports	−32.6
Total	100
Sources (1978):	
Agriculture, forestry and fishing	2.6
Mining and quarrying	3.2
Manufacturing	28.7
Construction	6.0
Transportation and communication	−8.2
Services	51.3
Total	100

GDP data	1976	1977	1978	1979	1980 (estimate)
Billions of dollars (nominal)	221	246	308	342	305
Rate of change (real)	3.6	1.4	3.3	.5	−3.5
Fiscal and monetary data:					
Government deficit (billions of dollars)	12.3	7.8	16.1	17.4	NA
Deficit as percent of GNP	5.5	3.2	5.2	5.1	NA
Percent increase in money supply (M3)	11.2	9.8	14.9	12.7	12.7
Savings ratio	14.6	13.9	15.2	14.4	17.0
Price data (percent increase over preceding year):					
CPI	16.5	15.9	8.3	17.5	18.5
WPI	17.3	19.8	9.1	12.2	16.3
Labor data (percent increase over preceding year):					
Wages (weekly rates)	16.5	10.3	14.6	15.5	19.0
Unemployment	5.3	5.7	5.7	5.4	7.1
External debt:					
Outstanding public debt (billions of dollars)	14.2	18.0	15.8	14.6	13.9
Debt/GDP (percent)	6.4	7.3	5.1	4.3	4.6
Debt service ratio (public debt only) [1]	7.3	4.8	2.9	4.9	NA
Balance-of-payments data (billions of dollars):					
Exports	45.9	56.1	−67.3	86.3	111.5
Imports	−52.4	−59.2	−70.2	−93.3	−111.3
Trade balance	−6.5	−3.1	−2.9	−7.0	−.2
Invisibles balance	4.5	3.8	4.2	2.1	1.0
Current account balance	−2.0	.7	1.3	−4.9	1.2
Capital account	−4.6	12.2	−3.0	9.0	NA
Overall balance	−6.6	12.9	−1.7	3.8	NA
Reserve data (billions of dollars):					
Foreign exchange (excluding gold)	3.4	20.1	16.0	19.9	.....
Gold (average London price)	2.6	3.3	4.4	12.1	.....

[1] For 1976 and 1977 includes only capital repayment.

Sources: IMF, IFS, and OECD survey, OECD.

ENERGY CONSERVATION BLOCK GRANTS FOR LOCAL GOVERNMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AuCoin) is recognized for 5 minutes.

● Mr. AuCOIN. Mr. Speaker, I am introducing today legislation that will encourage our Nation's communities to develop and implement comprehensive energy conservation plans. This legislation recognizes that conservation is our cheapest source of new energy and has the greatest potential for reducing our reliance on scarce fossil fuels. As important, it recognizes the value of local decisionmaking in mapping effective energy conservation programs.

One difficulty with the Federal Government's approach to energy conservation is that it relies on the application of Federal standards in local areas—standards that often are inappropriate and lack general community acceptance. One need only look at energy conservation standards for federally assisted housing to see the truth of this statement. By relying on local decisionmaking, energy conservation can be achieved through community consensus rather than through Federal edicts.

I would remind my colleagues that this is legislation I sponsored in the 96th Congress where it was reviewed by two committees along with other energy conservation proposals. Because this legislation offers a dynamic, new approach for solving our energy dilemma with such sweeping implications for the relationship between local communities and Federal Government, I am offering it again. I intend to press for action by this Congress.

Many Members have read of the trend-setting efforts in Portland, Oreg. to achieve significant energy savings through a multifaceted energy conservation program. I represent Portland and I am proud of the innovative approach the city has taken to saving energy. This program, developed by local citizen planning groups, sets a target of weatherizing homes and commercial buildings within 5 years. It also calls for revising zoning laws to promote higher population density near main public transit routes and provides a public education program on alternative energy systems. It is a bold, fresh approach to meeting our energy needs.

The legislation I am introducing would encourage local governments to develop plans similar to Portland's, but plans tailored to the distinct and individual needs of the community. In addition, my legislation would provide grants to cities for the development of proven alternative energy systems such as geothermal projects, industrial cogeneration, solid waste heat recovery, and other systems that will conserve scarce fossil fuels.

This legislation—actually two separate bills—would expand the existing programs for community development block grants and urban development action grants to eligible communities. One advantage of this approach is that it simplifies administration by providing that new initiatives are implemented through existing Federal programs.

In addition, energy conservation programs can be directly linked at the local levels with other community and economic development programs designed to benefit low-income persons.

Mr. Speaker, let me summarize each of the bills.

ENERGY BLOCK GRANTS

The first bill would encourage units of local government to adopt and implement community development energy plans and programs designed to achieve significant energy savings. To fulfill this objective, the Department of Housing and Urban Development would provide assistance under the community development block grant program. Local governments receiving energy block grants would be expected to:

Develop and implement a local energy conservation plan;

Enact or modify local ordinances, such as building codes and zoning laws, to encourage conservation;

Encourage energy conservation improvements in public buildings;

Provide financial and other assistance for energy-conserving improvements in residential structures, primarily for low- and moderate-income tenants and homeowners.

Grants would be awarded to local governments based on funding criteria for the community development block grant program. The structure of entitlement and discretionary applicants would be maintained. However, in allocating funds to local governments, the Secretary would be directed to take into account the potential energy savings possible as a result of the energy block grant program.

ENERGY ACTION GRANTS

The second bill would establish a new program similar to the urban development action grant program. This program would provide grants to local governments to assist in the expansion and development of feasible energy supply or conservation systems of proven technology.

The purpose of this program is to provide capital grants to local governments for alternative energy systems that may be technically feasible, but not yet economically feasible. The grants would provide only the subsidy necessary to lower the capital cost to the point of economic feasibility. This approach recognizes that most alter-

native energy systems have not developed the cost efficiencies that result from widespread use and higher levels of energy output. In addition, alternative energy systems that offset the use of scarce fossil fuels have a social value that may not be reflected in the cost savings from reduced consumption of fossil fuels.

The most exciting aspect of the energy action grant program is that it could provide a vehicle for one or more neighborhoods in a community to tap into an alternative energy system cooperatively. It is not farfetched to imagine that the solid waste collected from residences in one area of town could be hauled a short distance to a neighborhood solid waste heat recovery plant. The heat generated by such a plant would provide for some of the energy needs of the neighborhood.

Mr. Speaker, the message Americans have been sending to Washington over the past decade is that Washington does not have all the answers to the Nation's problems. Local decisionmaking can help contribute to solving these problems by designing programs that take into account differences among regions and communities.

The diversity of our towns and communities is one of our great national strengths. This legislation recognizes that strength and offers a fresh approach to tapping it for our common benefit. As we prepare for a change in administrations, I ask my colleagues to look anew at this important proposal in helping to solve one of our country's most pressing problems.●

THE CHINESE GULAG AND SELECTIVE INDIGNATION

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, the New York Times recently reported on the existence of what might be called a Chinese Gulag Archipelago, a system of forced-labor camps spread throughout the People's Republic of China (PRC). If the report in the Times is anywhere near true then we have partial confirmation of what many of us have long suspected: The Chinese people have been in the grip of a tyranny that is among the most brutal and repressive in human history. Indeed, what is happening now in China is nothing compared to the atrocities committed by Mao whose memory is revered by the Communist leaders.

I realize that the realities of international geopolitics make it necessary for us to engage in friendly relations with the rulers of the PRC. But that does not mean we should not criticize the human rights violations.

There are more civil and human rights violated by the Communist totalitarian governments in the PRC and the Soviet Union than by all of the authoritarian governments of Central and South America combined. Yet all we have heard in recent years is criticism of human rights violations in repressive authoritarian governments who, whatever else may be said about them, at least do not have as part of their guiding philosophy the defeat of the Western World.

I hope the Reagan administration carries out a true policy of human rights, one that openly criticizes the biggest, as well as the smallest, offenders instead of spending time and money castigating only those whose human rights offenses, while repugnant and unacceptable, do not exist on the monumental scale seen in the PRC. In short, I hope the Reagan administration stops the policy of selective indignation we have seen in recent years.

Mr. Speaker, I insert in the RECORD, "Hundreds of Thousands Toil in Chinese Labor Camps," from the New York Times, January 3, 1981:

HUNDREDS OF THOUSANDS TOIL IN CHINESE LABOR CAMPS

(By Fox Butterfield)

PEKING, JANUARY 2.—DESPITE A RECENT EFFORT TO CREATE A FAIR LEGAL SYSTEM AND PREVENT A RENEWAL OF THE ARBITRARY PERSECUTIONS OF THE CULTURAL REVOLUTION ERA, CHINA STILL OPERATES A VAST NETWORK OF LABOR REFORM CAMPS POPULATED BY HUNDREDS OF THOUSANDS OF PRISONERS.

This conclusion emerges from interviews with several dozen former camp inmates whose accounts presented a portrait of a system under which the work is hard, the food scanty and the punishment often brutal. A few months ago, a white-haired 70-year-old former Protestant minister was released from a labor camp near the city of Datong in Shanxi Province in northern China. He has worked there in a coal mine, along with 10,000 other prisoners, scraping up chunks of black rock with his bare hands for 23 years.

He has been sentenced to laodong gaizao, or "reform through labor." He had been accused, the man said recently, of being an "American spy." He had gone to divinity school in the United States and in 1949, after the triumph of the Communists, returned to China. When he was convicted in 1957, two agents of the Public Security Bureau, or the police, said there was no need for them to prove the charge. They said that he had been given his orders in America and that they could not go there to produce the evidence.

The prisoners in his camp worked from 6 A.M. to 6 P.M., seven days a week, with a day off every two weeks, the minister said. "If you didn't meet your daily quota of coal, measured by baskets filled, they charged you with having a bad attitude and cut your food ration or might eventually put you in solitary confinement," he said.

The normal diet was a steamed bun, made from coarse corn flour for breakfast, a watery soup or gruel for lunch and another steamed bun for dinner. He said he received meat only twice a month, and the small pieces were usually just chunks of fat. "But we devoured them happily because it was the only oil we got," he said.

When the man's son went to pick him up at the camp—he was too weak to travel on his own—he brought his father a wristwatch as a present, still a luxury here.

"But he wouldn't wear it," the son said. "When he tried it on, he said it reminded him of the handcuffs he had to wear much of the time."

The country has not produced an Alexandr I. Solzhenitsyn to chart the dimensions of the equivalent of what he called the Gulag Archipelago, the system of labor camps and political prisons in the Soviet Union under Stalin. It is impossible to calculate the exact number of inmates in labor reform camps; estimates by former convicts vary from several hundred thousand to a million.

OFFICIALS ARE SILENT ON CAMPS

The Government refuses to discuss the subject. Repeated requests for interviews with the information department of the Foreign Ministry, the Peking City Government, the Public Security Ministry and the Justice Ministry were all turned down. An official of the Justice Ministry, which is in charge of the court system, said his office had nothing to do with labor reform and that it was handled by the police.

Indeed, many of the convicts sent to labor camps, like the former minister, are apparently not tried at all in the Western sense but merely sentenced by the police. This is contrary to a new criminal code adopted last year.

China also has regular jails and a variety of detention centers where those people not yet convicted are kept. But more than 80 percent of all prisoners are assigned to the labor camps, the People's Daily, the Communist Party paper, once reported.

The use of physical punishment varies from camp to camp, ex-prisoners report. An official radio broadcast from Jilin Province in the northeast recently disclosed three instances in which inmates in a "forced labor team" were beated to death or seriously injured.

"Zang Yong, a prisoner sentenced to three years labor for robbery, attempted to escape from a forced labor team but was soon recaptured," the radio said. "At about 11 P.M. that night, the leader and five members of the team beat him to death." Two "responsible cadres" from the team were "temporarily relieved of their posts for self-examination."

Technically the prisoners in labor reform camps are divided into different categories: ordinary criminals sentenced to straight jail terms; those sent for reform through labor, and others given "reeducation through labor," a milder noncriminal sanction that carries a three- or four-year limit. Some are juvenile delinquents. But in practice, former inmates say, the different groups are often lumped together.

It is also difficult to distinguish political prisoners. Almost every convict, whether a murderer or dissident, is labeled a counter-revolutionary, and Peking insists that it does not hold anyone strictly as a political prisoner.

Each city and province maintains its own camp or set of camps. The Peking Public Security Bureau has a labor farm east of the city called the Clear River Farm, with about 20,000 prisoners, and suburban labor reform factories known as the New Capital Foundry, New Capital Tile and Brick Works, New

Capital Steel Working Plant and New Capital Rubber Plant.

BUILDING ROADS AND RAILROADS

In addition, some of the biggest camps have been established in sparsely populated and rugged frontier regions. As in their Russian equivalents, the prisoners are put to work building roads and railroads, clearing forests and swamps or laboring in mines.

One of these, known for its location on the Khanka Lake in the far northeast on the Soviet border, held 40,000 inmates before the brief border war with Russia in 1969, Chinese who were there claim. One of the prisoners was Ding Ling, the leading writer among the country's women and a veteran Communist.

After Peking's split with Moscow, the Government shifted a number of these camps to other parts of the country, "because they were afraid the prisoners were a security risk," according to an engineer who was once an inmate. His camp was originally in the mountains of Ningxia Province near the border with Outer Mongolia. All the prisoners and guards came from Tianjin, 800 miles to the east, and were under the city's jurisdiction.

One of the largest concentrations of camps is in Qinghai, an almost treeless, bitterly cold plateau of grasslands, salt lakes and snow-covered mountains originally inhabited by Tibetans. The province was closed to foreigners until two months ago. A group of Australian journalists taken to Xining, the provincial capital, as the first visitors, saw a mud-walled prison that stretched for a mile on the drive in from the airport.

A HUGE WALL AROUND THE CAMP

A Peking factory worker who was accused of stealing a bicycle and who was sent to Qinghai, recalled his arrival there. "We were in a convoy of trucks," he said. "The lead one had a machine gun mounted on it, and our own truck was covered with a tarpaulin and then a rope net so we couldn't see or jump out. At the rear came another truck full of soldiers with rifles."

He was assigned to a giant camp near the hamlet of Gonghe, 60 miles southwest of Xining. It was circled with two walls, the outer one so large that it took 15 minutes to walk to the inner enclosure. The camp had a factory for making automobile parts and wheat fields for its own food.

There are indications that the number of labor reform camp prisoners has been reduced in the past four years. Two of the largest categories of inmates—former Kuomintang Army officers and policemen and the people accused as rightists in 1958—have either died or been released in amnesties.

NO FREEDOM AT END OF TERM

But last year Peking pointedly republished a tough 1957 regulation that provided for "re-education through labor," and the Government is now evidently using the camps to try to discipline the cynical generation of young people created by the Cultural Revolution.

For example, Liu Qing, an editor of one of Peking's dissident journals, was sentenced to three years in a labor camp last winter. The Peking Daily reported recently that a young woman who was a photographer in the capital's Tien An Men Square who tricked passers-by into paying for pictures when her camera did not have film was also given three years.

A unique feature of the camps is that many prisoners stay on, or are kept on, after their sentences are over.

"In our society, they couldn't face going back home," said the engineer who had been in Ningxia. "It would always be on your personal dossier. You couldn't get a decent job, and you'd have trouble finding a wife."

"In the camps, at least the men had friends and they had learned a trade so they could make money," he said. "For some other people, the guards just tell you that your wife has divorced you or that they won't give you a residence permit to go back home, so you don't have a choice."

BOWED HEADS AND NO CONFIDENCE

Many of the ethnic Chinese inhabitants of Qinghai are now former prisoners, according to a former Red Guard who was sent there partly as servitude for his activities during the Cultural Revolution.

"You could always tell who they were by their eyes," the man said. "You got the feeling they didn't have any confidence left. When they talked with you, they always bowed their heads."

Last year, when Peking republished its old rules about labor reform, The Guangming Daily praised the successs of the labor camp system. The inmates, the paper said, "have gradually built up the concept of being patriotic and law abiding and have begun to feel it an honor to work. They have turned over a new leaf and followed the correct path. Practice of more than two decades has proved that education through labor has indeed achieved notable results."

THE YEAR OF THE HANDICAPPED

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, occasionally we come across an article that is refreshing in its original approach to an old subject. You would think that there would be nothing new to say, for example, on the subject to the handicapped. But Bill Campbell has done just that and I want to share the uncommon perceptive thoughts of this excellent syndicated columnist who is himself handicapped.

I include in the RECORD, "Year of Handicapped Won't Solve Problems" by Bill Campbell, Galesburg Register Mail, December 27, 1980:

YEAR OF HANDICAPPED WON'T SOLVE PROBLEMS

I read somewhere the other day that 1981 has been designated The Year of the Handicapped.

I don't know who proclaimed it so. I don't even know what it means. Maybe it's like The Year of the Monkey. Or perhaps it just means "Take a gimp to lunch this year."

Whatever it means, I'm not particularly excited about it because someone is always designating a day, a week or a year to someone else, and after the grand pronouncement nothing much happens. It'll be business as usual for the handicapped next year.

In recent years there has been some increased awareness of the problems of the handicapped, especially those of us in wheelchairs. This is mostly because there are more of us in chairs than ever before. Vietnam boosted our number dramatically, of course. And the heightened popularity of motorcycles and other mechanical toys has helped bolster our ranks. As a result, ramps are being installed here and there, and handicapped parking areas have appeared. Wheelchair ramps are still too few and far between, and handicapped parking spaces are more often than not filled by vehicles belonging to able-bodied creeps.

But ramps and parking facilities, necessary as they are, do not make a society accessible. If all the steps in this country were replaced with ramps it wouldn't solve our biggest problem. The real barrier which prevents handicapped persons from becoming a part of society is more subtle. The real barrier is ignorance.

That ignorance is personified in the view, held by many, that if you try hard enough you will be able to completely recover from your injuries—that somehow, if you stay in the chair, it's your own fault.

We are forever reading about how the doctors told the young man he would never walk again, but through his tremendous will, determination and courage, he is back on his feet today, running marathons. Sure, that happens. Rarely. And for every case like that there are hundreds where the doctors predicted the young man would never walk again, and in spite of his tremendous will, determination and courage, the doctors were right. The implication is that the hundreds who didn't walk again are failures.

Next year is The Year of the Handicapped—society's losers in the eyes of many. So build a ramp. Take a gimp to lunch.

Better yet, the next time you run into someone in a wheelchair take a look at yourself and how you feel about them.

THERE IS NO SUCH THING AS A FREE RIDE ON DEFENSE

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, we are already in one of the most crucial decades of our Nation's existence and if we are going to survive this decade with our freedom intact, we had better rid ourselves—and our allies—of certain myths. One of these myths is the belief that Japan can continue to enjoy the benefits of a free enterprise system and a political democracy without paying the necessary cost to defend these blessings. The time has come for Japan to become a working partner in the defense of the interests of the industrial democracies.

I include in the RECORD two articles from the New York Times: "Japanese Officials Say Groundwork Has Been Laid for a Military Buildup in 80's" and "U.S. Pressing Tokyo To Buttress Forces" from the New York Times, January 14, 1981:

JAPANESE OFFICIALS SAY GROUNDWORK HAS BEEN LAID FOR A MILITARY BUILDUP IN THE EIGHTIES

(By Henry Scott Stokes)

TOKYO, Jan. 13.—After a year of debate within the Government, Japan ended 1980 with a budget in which the military received a 7.6 percent increase.

The United States hoped last summer that the increase in the military budget would be far higher—at least 11 percent—

but those hopes were dashed as the press turned strongly against higher spending in the late autumn.

The $12 billion that Japan has budgeted for the coming fiscal year will still make it by far the largest military spender in Asia outside China, and Japanese officials believe that the groundwork has been laid for considerable increases later in the 1980's.

"The security relationship between Japan and the United States has never been so good as at present," said Minoru Tamba, a Foreign Ministry official concerned with United States-Japanese military affairs. "It should be stressed that the defense budget request has never been given such special attention since the end of World War II and that this stance is of epoch-making importance."

ATTITUDES MAY BE CHANGING

Whether this view will be shared by the Reagan administration remains to be seen, but there are grounds for believing that despite the disagreement with the United States over the arms budget, the long-term prospect is for somewhat different attitudes here on military matters than have prevailed since the end of World War II.

But the basic attitude that Japan should not become an aggressive military power will not change in the foreseeable future.

"Japanese abhorrence of military power since the termination of World War II has been much stronger than foreigners imagine," said Keiichi Ito, secretary general of the National Defense Council. "The Japanese still believe even today that the Japanese militarists started the war and for their sake the people had to lose many of their loved ones and suffer the hardships following defeat."

In the longer term, arms spending is expected to increase because of the slowly growing perception of a Soviet threat in Asia and the need to increase the ability of the Japanese armed forces.

FIVE-YEAR WEAPONS BUILDUP

Japan's 240,000-member armed forces are increasing their potential under a five-year, $14.5 billion weapons program that runs through 1984. The arms are intended to provide for defense of Japan itself while the United States focuses on strategic priorities with about 45,000 men based in Japan, including a Marine division on Okinawa, a Marine air wing at Iwakuni, near Hiroshima, the Seventh Fleet at Yokosuka, near Yokohama, and the Fifth Air Force at Yokota, near Tokyo.

The air force has been enhanced by arms purchases from the United States that include sophisticated F-15 fighters, P-3C antisubmarine planes and E-2C surveillance aircraft. These are the largest arms orders in Japan's history. In August, the air forces, which include about 320 fighter interceptors, were authorized for the first time to carry air-to-air missiles.

The ground forces, with a strength of about 150,000, are 30,000 under their approved ceiling of 180,000, mainly because the forces, in which service is voluntary, cannot entice recruits away from high-paying jobs in industry. A large part of the ground forces is concentrated in Hokkaido, Japan's northern island, the area closest to the Soviet Union.

The 50 or so destroyers in the Japanese navy were also authorized last summer to carry armed torpedoes, an authorization that was opposed by Japanese left-wing parties in Parliament as a breach of the hallowed principle of "civilian control." Critics of the action asserted that the Prime Minister, whose chairmanship of the National Defense Council makes him commander of all armed forces, did not give permission in advance for the changes.

GAPS IN JAPANESE MILITARY SEEN

Specialists here point to some important gaps in Japan's military. There are only 40,000 reservists, who receive scant training. This contrasts with the practice in many European countries of keeping reservist strength at the same level as the regular armed forces.

"Countries like Switzerland, Sweden or Yugoslavia all maintain big reserves, so by comparison the Japanese appear to be doing little there," a United States official said.

Another worry for some Americans is that the Japanese have no command center for combined service operations. In late 1979 the army and air force conducted a combined exercise on Hokkaido that was the first of its kind since World War II, but there is still no overall command to compare with the Joint Chiefs of Staff in the United States.

Lack of coordination between the branches has been a failing of Japan's forces since well before World War II, in which the army and navy often appeared to regard each other as the real enemy and not the Allies. The deficiency will not be remedied easily, American specialists say.

UNITED STATES-JAPANESE JOINT PLANNING

Two years ago Japan and the United States began an effort at "joint staff planning" of the kind that the United States has practiced for many years with its European allies to provide for contingencies in the event of a Soviet attack. There has been slow but steady progress, according to Japanese and American officials, although Japan is not ready to consider joining in regional defense outside its territory.

The Japanese military has other shortcomings, largely because the 1946 Constitution is interpreted as barring offensive weapons. It has no strategic bombers, no nuclear submarines, no long-range missiles and no aircraft carriers or ships larger than destroyers.

Another reason for hesitating over much bigger military spending is fear of antagonizing Asian neighbors, according to Koji Watanabe, a Foreign Ministry official.

"The Government is considering a steady increase in defense efforts in order to better cope with the type of danger and contingency Japan may face in the 80's," Mr. Watanabe said in an article in Asian Pacific Community, a Tokyo review. He added that in "clear contrast to the intensity of the controversy" over military affairs here, "the order of magnitude of the proposed defense spending is a very limited and modest one, according to the international standard of defense burden."

IMPORTANCE OF PUBLIC OPINION

The statement appears true in the short term, but some very important changes were made in the 1970's. "Through the 1970's the annual growth rate of our defense expenditure in real terms has been 6 to 7 percent, which is the highest among the U.S. allies," Mr. Tamba said.

Officials say that a slow shift in public opinion in favor of higher spending to meet a Soviet threat is likely to continue, provided that American pressure is not regarded as too strong.

Public opinion is likely to be the key to what Japan will do in military matters in the next few years. As a percentage of the national budget, military spending fell in every year in the 1970's and dropped from a peak of more that 13 percent 25 years ago to 5.1 percent in the 1981 budget. This decline may be traced to public hostility to arms spending and to a perception of the greater needs of welfare, public works and education.

The signals are confused. A poll taken by the Prime Ministers' office in 1979 indicated that 60 percent of the Japanese wanted to maintain the United States-Japanese security treaty, seen as the cornerstone of foreign policy, and favored the status quo for the armed forces. But another poll said that only 40 percent felt this way.

A poll taken in February 1980 by Yomiuri Shimbun, a Tokyo newspaper, said that 55 percent opposed any United States request that Japan strengthen its military while 25 percent were in favor.

"There is still no consensus here on the need for defense," said a United States official who specializes in military affairs.

U.S. PRESSING TOKYO TO BUTTRESS FORCES

(By Richard Halloran)

WASHINGTON, January 13.—Senior American officials have quietly urged Japanese officials in recent months to build conventional military power capable of defeating Soviet naval and air forces above, on and below the seas for a distance of 1,000 miles from Japan's shores.

United States officials said the Japanese could make a significant contribution to the common defense of northeast Asia if they would acquire the naval and air power, the modern equipment and the logistical support to accomplish that mission.

The objective, if a conflict should break out, would be to clear the skies of Soviet aircraft and to bottle up the Soviet surface and submarine fleet based across the Sea of Japan in Vladivostok. It is estimated that there are 100 bombers, 80 surface combatants and 80 submarines stationed there.

Beyond adding to the collective military strength opposing the Soviet Union, the officials said, a Japanese military buildup would free more American forces to move from the western Pacific to the waters around Southeast Asia and especially into the Indian Ocean and Arabian Sea near the Persian Gulf.

JAPAN GETS MORE OIL FROM GULF

They contended that such an enhancement would be even more in the Japanese national interest than in that of the United States since Japan is far more dependent on oil from the Persian Gulf and from Indonesia than is the United States.

American officials have also urged the Japanese to increase economic aid to South Korea and to China in ways that would allow those nations to use more of their own money for military spending. That would be intended to dissuade North Korea from military adventures and to help China tie down Soviet military forces along the 5,000-mile Chinese-Soviet border.

So far, however, said an informed official, "we have been frustrated and disappointed." Japanese military officials generally agreed with the concept, officials here said, but they have been unable to obtain the necessary funds from Japan's political leaders and the Finance Ministry.

President-elect Ronald Reagan's foreign policy advisers have indicated that they intend to pursue the issue with the Japanese, perhaps even more vigorously than the Carter Administration did. Caspar W.

Weinberger, Secretary of Defense-designate, said in Congressional testimony last week that both Japan and Western European nations must produce "real increases" in military spending.

THE ISSUE REMAINS SENSITIVE

The Reagan transition team at the State Department has identified military spending, along with trade disputes, as a critical issue between the United States and Japan. A report written by the team said, "Defense spending remains a sensitive issue for Japanese politicians; nonetheless, it is an issue which also concerns Americans."

Senator Charles H. Percy, Republican of Illinois, the new chairman of the Foreign Relations Committee, and Senator John G. Tower, Republican of Texas, the new chairman of the Armed Services Committee, are both known to believe that Japan should contribute more to collective security.

American officials have been reluctant to set definite numbers on what they want Japan to spend for military power because that tends to polarize political discussion and because it could be construed as interference in Japan's national affairs. Instead, they have urged the Japanese to spend enough to acquire an effective military ability to do what is necessary.

FINANCE MINISTRY CUTS ESTIMATE

Japanese military officials estimated last year that a 15 percent increase in military spending for the 1981 fiscal year would be needed to begin the buildup. Finance Ministry officials, however, at first cut that to 9.7 percent, wanting to keep the increase under 10 percent to avoid creating too much political opposition from the left. They agreed, however, to an additional 2.5 percent for military pay raises that would be counted elsewhere in the budget, making a total of 12.2 percent.

Officials here said that Defense Secretary Harold Brown, Ambassador Mike Mansfield and other senior American officials had been led by Japanese leaders to believe that the 12.2 percent total was firm. In late December, however, Tokyo announced that the increase would be only 7.6 percent.

That prompted Mr. Brown to issue a statement asserting that the budget proposal was so modest that it conveyed "a sense of complacency which simply cannot be justified by the facts."

He said: "It falls seriously short, whether measured by the security situation, by the discussions held between senior officials of our two Governments over the last year or by considerations of equitable burden-sharing."

UNITED STATES TAKING NEW APPROACH

Until the Soviet intervention in Afghanistan in December 1979, American officials had generally confined themselves to gentle suggestions that Japan "do more" to contribute to collective security. But the United States had few specific suggestions.

For their part, the Japanese brushed off allegations that they were getting a "free ride" on defense and resisted suggestions for a buildup by pointing to political pressures from the left, swiftly increasing deficit-financing in the nation's budget and fears among neighboring nations of a revival of Japanese militarism.

After Afghanistan, however, Secretary Brown told officials in Tokyo that the changes in the international situation meant that the United States, the Western European allies and Japan should make "steady and significant" increases in military spending over an extended period.

ALL THE PROPAGANDA THAT'S FIT TO PRINT

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, correspondent David K. Willis of the Christian Science Monitor has performed a public service by providing a "dictionary" of words and phrases used by Tass, the Soviet Union's official news agency. I think every Member of Congress should become acquainted with this "Newspeak" of the Soviets. At the same time we should be asking ourselves: How much time and energy and money are we in the United States spending to send our message to those in other lands compared with the Soviet Union's funding of its unrelenting program of anti-U.S. propaganda? It is my hope that President Reagan will make one of his top foreign policy priorities the revitalization and rebuilding of the U.S. overseas information program.

I insert in the RECORD, "Tass: All the Propaganda That's Fit To Print" and "'Dictionary' of Tass Words and Phrases" by David K. Willis of the Christian Science Monitor, January 12, 1981:

TASS: ALL THE PROPAGANDA THAT'S FIT TO PRINT

(By David K. Willis)

Moscow.—The Kremlin challenge comes not only in tanks and rockets, but also in words—the kind that clack endlessly from the small gray teleprinter that stands beside a battered gas stove and a small and ancient refrigerator in the back room of The Christian Science Monitor office here.

The room was built as a kitchen; the office, like all others in our building, was originally a small apartment.

The kitchen setting is apt, though. The little gray machine serves up dish after dish of propaganda prepared by the Soviet news agency Tass (the Russian initials for the Telegraph Agency of the Soviet Union) according to recipes set forth by the Kremlin.

The material is hard to read, harder to digest. No spontaneity, no fun, no liveliness. But after standing by the machine for 4½ years, starting and ending the day with its gray view of the world, I find myself wishing all Americans and their allies had to read it for at least a few days.

They would find the broadest and crudest of challenges: their own world turned on its head, all ideals and assumptions reversed, all items subordinated to the destructive view that everything good in the world is Soviet or pro-Soviet, and everything bad is American or pro-American.

Tass sends its basic service around the world. It reads all major overseas wire agencies and countless Western journals, taking advantage of Western freedom to play back criticisms of the West and ignore positive developments.

(Senior members of the Communist Party here are not given such heavily censored material. Some get "White Tass," which is a fuller compendium of Associated Press, United Press International, Reuters, and others. Top people get "Red Tass," which appears to be an almost complete version of daily news. In short, what anyone can read abroad, only the top people can see here.)

Tass is not a "news" agency at all, except that it does relay Soviet speeches and announcements. Every now and then it inserts a lighter note (the walrus population rising, the discovery of the bones of mammoths on which man may have beaten out primitive music), but even then the basic aim of Tass is preserved: to boost the Soviet system.

When it comes to the United States, no slander is bad enough. Here is one complete item, which indicates its lack of normal Western standards of reporting:

"Bonn Feb. 9 Tass.—During exercises in the FRG (West Germany), an American tank ran into a fence around a residential house in the city of Alzev, knocking down a West German policeman. The tank drove away from the accident scene. The policeman died." Item ends.

No other details. No explanations. Nothing except the barest details rewritten from local reports to make the US look as bad as possible. Have there been accidents involving Soviet troops in Eastern Europe? Don't read Tass to find out.

The Russian service is translated into other languages. The English version is awkward, since translation must be word for word to ensure political correctness. The last man to see the material before it is handed to teleprinter punchers is the political editor, who sees that nothing untoward creeps in.

Tass is a nonstop government circular and a relentless propagandist. And it uses words familiar to outside readers—"peace," "détente," and so on—but on Tass they have very different meanings.

The world of Tass is worth looking at closely. It gives insights into the heavy hand of Kremlin thought and action, the ideology in whose name all actions are taken and justified. Many people openly disbelieve the ideology by now, but its hold on power is still great.

If we let Tass words bounce around the world without knowing what they are and what they want to do, we simply make the Kremlin's job easier.

So here (below) is a minidictionary of Tass terms. It is offered in the tradition of the Marquis de Custine, a wise French nobleman who toured czarist Russia for five months in 1839.

"I do not blame the Russians for being what they are," he wrote later, "I blame them for pretending to be what we are."

"DICTIONARY" OF TASS WORDS AND PHRASES

(At first sight the words look the same as the ones we use. But they are not—whether on Tass or in Soviet speeches. They are the channels of Soviet ideology, and should be read as such.)

Across the ocean: code-phrase for the US, as in, "Those across the ocean who want. . . ."

Aggravated: what the arms race is, because of "those across the ocean. . . ."

Aggression: the foreign policy of the US, China, Egypt, South Africa, Britain, Australia. Usually "naked" or "unrestrained."

Bases: what Americans have around the world. The Soviet Union in Cuba, Aden, Vietnam, and elsewhere has only "friends."

Champions: those who support peace, Soviet-style (see "peace" below). As in, "Hel-

sinki peace champions held a rally today. . . ."

Consistent: Soviet policies. American ones are inconsistent.

Counterrevolutionary: anyone who favors a government Moscow doesn't. Western equivalent: "rebel," "guerrilla."

Democracy: one-party rule. Party selection of candidates for office, followed by ratification by the citizenry by "voting" for one pre-selected candidate per post.

Détente: an easing of the prospect of global shooting war, so that Moscow can get on with fighting capitalist states for influence by all other means (see "peace" below).

Don't you see?: parenthetical phrase to denote irony. As in, "The United States, don't you see, thinks it can lecture the USSR. . . ."

Facts are stubborn things: favorite Tass headline on its own version of events.

Farce: event "staged" by the West to criticize Moscow or its allies.

Good neighborliness: Soviet relations with its friends. The US only exploits.

Gunsights: what the imperialists have trained on peace.

Helsinki Final Act: document signed in 1975 to approve the postwar Soviet sphere in Europe. Also used by US and others to "interfere" in Soviet internal affairs.

Heroic: Soviet actions.

Hopeless: trying to threaten the Soviet Union. Suggesting Soviet troops leave Afghanistan.

Hullabaloo: much-loved Tass word. Any statement in the West construed to be anti-Soviet (Tass does a lot of construing). As in, ". . . The supporters of Bangkok raised a hullabaloo over these actions. . . ." (Vietnamese troops had just attacked Thailand from Cambodia.)

Independence: freedom from US influence, thus openness to Soviet influence.

Instigator: the US, also Egypt, China, etc.

Interference: any statement criticizing the Soviet Union or its friends. Anti-American statements by Moscow are the wise pronouncements of a great power.

Irreversible: what "detente" is (see above).

Liberation: freedom from US influence (see "independence"). It is predetermined by historical "laws."

Lies have short legs: favorite Tass headline attacking the West.

Nobody: the USSR, as in, "nobody threatens Japan (or Yugoslavia, or Western Europe, or detente)."

Nonaligned: anti-US, potentially pro-Moscow, as in Cuba.

Outrage: any action opposed to Soviet interests.

Peace: the absence of shooting war, in which Moscow can use all other means to dominate other countries.

Principled: a favorite word. Refers to all actions of the USSR, but none of the US.

Quill-drivers: the Western press.

Racism: how the US treats blacks, and South Africa as well. Only found outside the Soviet Union.

Reaction: as in "forces of imperialism and reaction." (Also, what Tass spends a lot of time doing; some Westerners call Moscow the "reaction capital of the world" for the way it reacts to even the smallest events abroad.)

Rebuff: administered by Moscow or its friends to any critic. Usually verbal. Almost always "resolute" or "firm."

Revolutionary: Soviet ideas, and others based on them.

Righteous: Soviet, Marxist, Leninist, Formerly also: Stalinist.

Rights: what the 1977 Soviet Constitution guarantees. What the US tramples underfoot.

Slander: criticism of Moscow or its friends.

Telegram: method of Tass propaganda. Separate items are devoted to even the most routine telegrams to other governments—and to the replies, no matter how formal or meaningless. As in: "A telegram has come in to Andrei Gromyko, minister of foreign affairs of the USSR, from Hans Dietrich Genscher, who expresses gratitude for the congratulations on the occasion of . . . . "

Threat: what the US is to the world.

Vital interests: what the Soviets have around the world. What the US does not have in the Persian Gulf or in Cuba.

THE FRUGAL LYNN MARTIN

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, one of the great delights of this Congress is the presence of so many talented newcomers to our ranks. The Christian Science Monitor recently published a glowing report about one of these incoming Members, Congresswoman LYNN MARTIN, our colleague from Illinois.

Mr. Speaker, I include the article entitled "Illinois Congresswoman Brings Her Frugal Style to Washington," appearing in the Christian Science Monitor of January 8, 1981, in the RECORD:

ILLINOIS CONGRESSWOMAN BRINGS HER FRUGAL STYLE TO WASHINGTON

(By Deborah Churchman)

WASHINGTON.—The new green-eyed congresswoman from John Anderson's district around Rockford, Ill., is keeping a skeptical eye on old-time Washingtonians. Standing in the middle of a marbled hallway, Lynn Martin points an accusing finger toward the caucus room from which she just ducked and says, "I have a feeling that you can be overcome by a place like this—like the people in there."

Their problem, as she sees it, is that they have to live here all year. "The same thing started to happen to me in Springfield [Ill., where she served a full term in the state House of Representatives and a half term in the Senate]. Toward the end of the session, even I was starting to vote for appropriations—I'd think, Aw, they need help. Even me!"

That is not how the lady got her reputation. Known variously as the "ax" or the "sledge," Ms. Martin set out to prove on state appropriations committees that, as she says in her low-key, quick voice, "all bureaucracy doesn't have to exist forever." She even cut hard-to-turn-down items like programs for the deaf and the multiple-handicapped.

The tightly wired congresswoman hopes to apply her incredulity to the US budget. "I'm not overly fond of big government," she says. But after three days of briefings she was starting to come to grips with the fact that she would probably not make the committee appointment she most desires. She whispers its name, "appro, appro, appro," while leaning over and punctuating each pro with a poke to the reporter.

Asked what she expects to do, should she be given the prestigious appointment to the Appropriations Committee, she replies in clipped lingo, "Work. Learn. Learn. Work."

That sums up her political career so far, a drive in the fast lane that has observers speculating on a future US Senate seat for the successful Ms. Martin. A high school teacher of government and economics, she became "interested in my community" and concerned over the Winnebago County Board, which she perceived as "out of touch" and "buried."

So she ran and found herself elected as the Board's Republican spokeswoman. Then she made a discovery. "You know what? The old ducks weren't ignoring the people after all-they really cared about the community in their own quiet way."

Her term on the County Board was a "learning experience" for her, "sort of selfish, really, though I do think I brought more openness to the community."

From there, she bounced into the Illinois House after a campaign "everybody knew I would lose but me." To move in, she had to move a Democratic incumbent out.

It was during her term in the Illinois House that she gained her reputation as "frugal—other people have nastier names for it." She also sponsored a bill she says New York State used as its model for their "Son of Sam" legislation, which makes it illegal for a criminal to profit from books or plays written about his crime.

In her next campaign she unseated another Democrat in the Illinois Senate, where she strode in to play "my usual Machiavellian games" to get her legislation through.

Political writer Jim George of the Rockford Register Star sees this as her greatest strength. "She learned how to play political games early and well," he says in a telephone interview. "She became close acquaintances with the Chicago Democrats, and got them to cosponsor her bills."

She laughs this off, saying, "I'm half-Irish, and so are they [the Chicago Democrats]. I like them—they tell funny stories."

One of her cosponsors is known more for his political heritage than his funny stories. Richard Daley, son of Chicago's legendary mayor, cosponsored a nursing home bill that Ms. Martin hopes will become a model law for other states.

She is obviously proud of this piece of work—a work she enjoyed. "I really like state government," she says, draining her ice cubes. "I think it's the government that has the best chance to get its act together."

So why is she leaving it, with her Senate term unfinished? "I had an opportunity to run for the House and wrestle with some things, like the direction of growth in government." She lists, ticking them off on her fingers, "energy, and the relationship of a peaceful country with other nations."

She also sees her new job as an opportunity to work for the "part of my constituency who are women." Although she supports the Equal Rights Amendment and is in favor of keeping abortion legal, she has no specific female legislation to bring before Congress.

"There was a lot of promise given in the 1960s," she says, "and I think the disappointments of the 1970s were accentuated by the enormity of those promises. I think it's dangerous for women's groups to support large, overall programs instead of specific goals."

She has a specific goal in mind. "In a recessive economy, the people hurt the most are minority women. So the best place I could help would be to get it going again. If

we're in a recession—if there are no jobs—programs don't mean a thing."

And so she has come to Washington, because "I knew if I ignored the opportunity, then I'd never have the right to complain about these things."

LET'S LAY DOWN THE LAW TO THE SOVIETS

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, it would seem apparent that we are going to see a change of attitude on the part of our Government toward the Soviet Union approximately 30 seconds after President-elect Reagan takes the oath of office. I recently came across some very interesting and, for the most part, useful, suggestions as to how we might approach the Soviet Union from now on. I want to bring these suggestions to your attention, so at this point, Mr. Speaker, I include the article, "Let's Lay Down the Law to Soviets," by Richard F. Staar, a senior fellow of the Hoover Institution at Stanford University, printed in the Chicago Tribune, January 3, 1981:

LET'S LAY DOWN LAW TO SOVIETS

(By Richard F. Staar)*

Relations with the Soviet Union during the 1980s should be predicated on the clear understanding that Soviet leaders will continue to differ considerably in attitude from their American counterparts. Subterfuge, dissembling, and outright dishonesty are deeply imbedded in the psychological makeup of Soviet leaders, whose conspiratorial mentality was molded by the Bolshevik Revolution, Leninist new-Machiavellianism, Stalinist terror, and the unedifying politics of the totalitarian state. They cannot be explained away in terms of Soviet suspicions or fear of declining U.S. strategic power. They obviously color perceptions vis-a-vis any country not under U.S.S.R. control.

The struggle for power that will follow the late President Leonid Brezhnev's disappearance from the scene may also involve an extended period of disorientation in Moscow. This opportunity could be exploited by a strong American President who has studied past relations with the U.S.S.R. and decided to place them on a genuine quid pro quo basis. It is futile to hope that a new generation of Soviet leaders will voluntarily change course since the present one has proven so successful in dealings with the United States. The following are suggested as possible courses of action:

Without waiting for a policy change that cannot possibly occur in the Soviet Union, unless incentive exists, the new administration in Washington should establish a small group of experts to analyze Soviet propaganda activities, not only to monitor Russian-language publications and broadcasts over Radio Moscow but to refute them systematically and persistently.

Espionage capability can be reduced by limiting personnel at the Soviet Embassy and consulates in the U.S. (350 plus 550 at the United Nations) to the same number of American diplomatic personnel stationed in the Soviet Union (153). Furthermore, if a Soviet citizen is caught in activities not compatible with his or her status, reciprocal expulsion should not be accepted and no replacement should be allowed to enter this country.

The U.S. would strengthen its position by requiring the Soviet Union to balance its accounts periodically and make up the deficit by supplying this country with strategic raw materials needed here.

If an American citizen is roughed up, interrogated by the secret police, and convicted on the basis of falsified evidence, the Soviet ambassador in Washington should be informed that he will be expelled and his counterpart in Moscow recalled if such harassment is not stopped immediately. Accreditation of Soviet journalists should be revoked when their counterparts are harassed by KGB agents.

No future SALT agreement may be preferable to having one that shackles the U.S. and accepts Russian promises on faith alone. The same reasoning is applicable to talks on force reductions between NATO and the Warsaw Pact. Tough Soviet bargaining must be countered by equal firmness.

The U.S. must project itself to the Third World as a revolutionary system that has brought prosperity to the American working class, where skilled laborers often earn more money than professors and where human rights are strongly upheld by press and courts. The corollary would be a campaign that will expose false Soviet propaganda concerning America and tell the truth about Soviet colonialism in central Asia and Eastern Europe through such forums as the UN and the U.S. International Communications Agency externally, as well as through the mass media internally.

Special emphasis should be placed on a broad campaign in support of generally accepted human rights. Based upon the 1948 Universal Declaration of Human Rights convention and the 1975 Final Act at Helsinki, violations of specific provisions should be called to the attention of world public opinion.

More care should be taken that all exchange programs are reciprocal and not largely channels for transmission of technical information. Soviet scholars should not be permitted to travel all over the U.S. while Americans are restricted largely to a few cities in the U.S.S.R.

Finally, the U.S. has a weapon that is probably more powerful than oil: huge agricultural surpluses. During fiscal year 1980-1981, these will include 110 million metric tons of grain alone sold to other countries. The U.S. government could purchase all such crops for export and establish a "grain board" on which American farmers would be represented. Free market proponents may oppose such an agreement, but there is no better way for it to be used than as a humanitarian instrument to alleviate famine in the Third World.

*Richard F. Staar is a senior fellow of Stanford's Hoover Institution and a contributor to "The United States in the 1980s" (Hoover Institution Press).

BIG GOVERNMENT: A THREAT TO FAMILY VALUES

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, in recent years we have seen and heard much about the need to strengthen the American family. But many of the calls for aid to the American family demand more, not less, Government intervention. Yet it seems quite clear that it has been Government policies that have hurt the family.

This view was recently supported in an article appearing in Newsweek magazine. I commend it to your attention because it spoke of one of the most important issues of the day.

Mr. Speaker, I insert in the RECORD, "Big Brother and Big Mother," by Jonathan Kellerman from Newsweek, January 12, 1981:

BIG BROTHER AND BIG MOTHER

(By Jonathan Kellerman)*

Last summer a conference was held, under the auspices of the Federal government, on The Family. The stated reason for this august gathering of experts, bureaucrats and special-interest groups was concern about the weakened state of that beleaguered institution. It was a seemingly noble purpose, for the family has occupied a sacrosanct role in American tradition. Reports on the conference suggest that, like many such well-intentioned caucuses, much more heat than light was generated. Nevertheless, a general statement of support for the family permeated the proceedings along with pledges by government officials that they would do all they could to help.

It sounds harmless enough, if not particularly profound. Government wants to strengthen the family. However, when one examines the role government has played in its relationship to the family, it is clear that not only has there been no support, on the contrary there has been a systematic erosion of the family, perpetrated by executive, legislative and judicial branches of government.

Consider mandatory busing as an example. Forcing children to relocate their educational environment in order to achieve racial harmony is a policy based upon social-science data of dubious validity. At best, busing can be considered a grandiose social experiment—an experiment in which participation is coerced. The irony is that the government itself espouses a policy of informed consent when it comes to the medical or scientific human research it funds. Subjects must be informed of any potential hazards and their participation must be totally voluntary. Each year Federal regulations concerning informed consent grow more stringent. And yet that same government mandates a major program of human experimentation, with more than a few suggested hazards, and foists it upon unwilling participants who are minors.

Taxation: Perhaps most destructive is the general tendency of government to engage in patterns of spending that contribute to rising levels of inflation and progressively weakened purchasing power of the dollar. As parents are forced to spend more time in the work force in order to achieve minimal standards of living, there is less time to spend in family activities. As inflation and government regulation drive the price of private housing upward to where home ownership becomes a perquisite of the rich, the psychological benefits of ownership, such as

*Dr. Kellerman, a psychologist, is the author of "Helping the Fearful Child," to be published this month.

privacy and space, are lost. And when government attempts to fill its draining coffers through predatory taxation, it only makes matters worse.

Even basic decisions about child rearing, such as discipline, have been removed from the purview of parents and handed over to public institutions. A 1977 Supreme Court decision gave the right to public-school officials to inflict corporal punishment upon children against their own wills and against the wills of their parents. At the same time schools are allowed to spank kids, they are abdicating responsibility over keeping them in class—who has seen or heard of a truant officer recently? I have personally witnessed several instances of parents begging educational officials to enforce rules of attendance, only to be met with shrugs and helpless looks.

Our rapidly burgeoning welfare system is still another case of government preempting the parental role. It is a well-known finding in psychology that much of what children learn occurs through modeling—imitation. The child who is not exposed to role models who work, earn money, manage their finances and generally engage in fiscally responsible behavior is less likely to learn how to assume control over his own economic survival when he reaches adulthood. It is not surprising, then, to find that the pattern of dependency and helplessness fostered by welfare repeats itself generation after generation. When government assumes the role of provider—the very name welfare implies this—it also takes over the roles of teacher, trainer and transmitter of norms, skills and values. In short, government, through its dispensing of sustenance and discouragement of initiative and self-help, becomes The Great Parent in the Sky, albeit an incompetent one.

Pap: The reality is that there is just so much power to go around when it comes to making decisions about the family. Government and the individual have been cast into competitive roles, with the individual losing ground. The trend of the last two decades toward more government intervention and control has carried with it a clear message to families: you are not competent to decide how to live your life—we know better. This has created low parental self-esteem and feelings of powerlessness that manifest themselves in the sociopolitical arena. Witness the knee-jerk response to dissatisfaction with the pap that is offered to children on television: parents demand that the government regulate, legislate, forbid. However, the way to minimize the noxious influence of TV is not through more government tinkering with the airwaves. The sure way is for parents who don't like what their kids are watching to take charge of the set: say no. Turn the damn thing off.

A similarly self-reliant, assertive challenge to government must be assumed by parents if we are to stem the tide of encroachment by institutions upon the family. Results of the 1980 Presidential and Congressional elections indicate growing public skepticism of the ability of government to manage our lives for us. One would hope that this does not represent merely a negative, blame-seeking reaction but, rather, that it is accompanied by enthusiasm for the basic competence of the individual. Such individualism does not imply a disregard for the value of cooperation and compassion, nor does it establish any single group as the ultimate judge of public morality. On the contrary, it recognizes the importance of diversity. Unless parents develop a political identity as parents and translate this into demanding a phase-out of government interference, the true threat in 1984 will not be Big Brother. It will be Big Mommy/Daddy.

TIME FOR A CONFERENCE OF THE INDUSTRIAL DEMOCRACIES

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, on February 21, 1980, I had the honor of addressing a meeting of the Air Force Reserve Officers Association in Washington, D.C. At that time I suggested that the problems faced by the West and Japan might best be overcome through a conference of industrial democracies. Such an organization would seek to coordinate all of the means by which these nations can and should communicate and defend their values—military, economic, social, cultural, intellectual, and communications. I stated, in part:

We have become too comfortable with the collective security organizations we created after World War II. We have failed to see that they no longer meet our current needs.

The conference as I envision it would be a loosely knit organization with no formal bureaucracy. The member nations would periodically discuss and perhaps set policy on a broad range of issues, ranging from military preparedness—which I believe would mean a larger role for Japan—to discussions of the implications of scientific discoveries, social movements, or demographic trends. I do not agree with what has been reported to be National Security Adviser Zbigniew Brzezinski's view that we need an annual summit meeting. Summit meetings are "events, where political superstars appear." I want a low-keyed meeting of high level officials not a media event.

It was—and is—my conviction that what the industrial democracies are faced with in the 1980's is the challenge of creating a new concept, a new idea to match the unique and complex problems we face. The old alliances, while they have served and may well continue to serve a purpose—NATO is but one example—should not be abandoned. But the organization I envision must address the whole range of problems that no single existing organization of democratic nations is addressing at this moment.

Nothing that has happened during the last 11 months has changed my mind concerning the need for such an organization. To the contrary: I am more convinced than ever that the key to progress for freedom in the 1980's can be found only in the realization that the entirety of our concerns—not just military, not just economic—must be addressed and debated. This can be done only with a formal organization created specifically for such a purpose, one that complements existing security and economic organizations.

Recently I came across a study published by the Joint Working Group of the Atlantic Council of the United States entitled, "The Common Security Interest of Japan, the United States and NATO." I strongly urge that you read this brief but lucid and penetrating study. At this time I want to insert into the RECORD the policy recommendations of that study because they contain what I believe to be very good suggestions as to how we may meet current worldwide problems through mutual cooperation. While I do not necessarily accept the Atlantic Union concept, I do agree in principle with its goal of the need for political as well as military and economic strength.

At this same time I want to insert into the RECORD an article written by Hobart Rowen, economic writer of the Washington Post, "Oil-Consuming Nations Need a United Front" which addresses these same concerns from a slightly different angle.

Mr. Speaker, I insert both abovementioned articles in the RECORD:

[The Atlantic Council of the United States, Policy Papers]

THE COMMON SECURITY INTERESTS OF JAPAN, THE UNITED STATES, AND NATO

(Joint Working Group of the Atlantic Council of the United States and the Research Institute for Peace and Security, Tokyo; U. Alexis Johnson, Chairman, George R. Packard, Rapporteur; foreword by Kenneth Rush and Masamichi Inoki.)

The Joint Working Group of the Atlantic Council of the United States and the Research Institute for Peace and Security of Japan believes that the following recommendations can be effective in defending the common security interests of Japan, the United States and NATO:

1. FORMING A POLITICAL FRAMEWORK FOR COMPREHENSIVE SECURITY

There should be established a procedure, within or outside the framework of the present "Big Seven" Economic Summit Conferences, for high level exchanges of views or consultations among the United States, the other major members of NATO and Japan on comprehensive security questions of common interest to include (but not be limited to) those set forth below. Such activities would address overall goals and missions, including equitable sharing of the overall costs and responsibilities. Existing institutions would be used to the maximum extent possible in implementing decisions that are reached, but new institutions might be established where necessary.[1]

[1]Franklin B. Weinstein comments: "I have reservations about the desirability of launching a regular program of multilateral security consultations at the summit level. In my judgment, it would be preferable to begin with less formal consultations at the working level. Such consultations are likely to be more effective as a means of exchanging views and less provocative, either to Japanese who question the appropriateness of their participation in such an endeavor, or the Soviets concerned about the possible development of an anti-Soviet united front."

2. ESTABLISHING A CREDIBLE MIDDLE EAST DETERRENT

To deter the Soviet Union from directly or indirectly expanding its influence in the Middle East or obtaining control of access to Middle Eastern oil supplies, an adequate deterrent force should be established as quickly as possible in that area, capable of a variety of missions on land, sea and in the air. The United States is the only country capable of taking the lead in this operation. Other North Atlantic Treaty nations and Japan should undertake agreed assignments within the region:

- France, the Federal Republic of Germany, the United Kingdom and Canada should provide appropriate military assets to the Middle East/Persian Gulf area to enhance allied capability and to demonstrate allied solidarity.
- Other NATO/Europe nations and Japan should apply their own civil assets, including airlift and sealift, to support this allied presence in the Middle East/Persian Gulf area. Countries with past operational experience in the Middle East region could provide valuable intelligence and training support for forces in or being deployed to the area.

3. MAINTAINING DETERRENCE ELSEWHERE

As the foregoing will require some drawdown of US forces earmarked for deployment to the European and Asia/Pacific theaters in an emergency, and perhaps even limited temporary reductions in US air and naval forces there in peacetime, other NATO nations and Japan should promptly increase their defense efforts to compensate for the drawdowns for American forces.

4. STRENGTHENING U.S. FORCES

The United States should make greater efforts to maintain a sufficiently strong and credible strategic nuclear posture vis-a-vis the Soviet Union.

The United States should promptly increase the size and quality of its conventional forces in order to maintain with its allies a satisfactory level of deterrence in all three theaters. In doing so, the US should fulfill its commitments under NATO's Long Term Defense Program.

The United States should immediately proceed to implement its plan to create and maintain substantial strategic petroleum reserves.

5. DEMONSTRATING CONTINUED US COMMITMENT IN THE ASIA/PACIFIC AREA

By word and deed, the US should avoid any implication that it intends to withdraw from the Asia/Pacific region. By demonstrating that it is and will remain a Pacific power, the United States can ease many of the anxieties of its allies and potential supporters in the region.

6. RESTORING US ECONOMIC HEALTH

The United States should promptly do whatever is necessary to restore its own economy to health, enhancing its productivity, curbing inflation, correcting balance of payments deficits, and reducing its dependence on oil imports.

7. INCREASING JAPAN'S DEFENSE CAPABILITIES

Japan should strengthen and improve its Self Defense Force. It should stress its air defense, anti-submarine and mine-laying capabilities. Japan may have to increase its own war reserve stockpiles, thereby decreasing its dependence on US combat-sustaining support.

8. INCREASING THE EFFECTIVENESS OF THE US-JAPAN SECURITY TREATY

To the maximum feasible extent, Japan and the United States should, in implementing the 1978 Joint Defense Guidelines, standardize and integrate their intelligence, communications, logistics, weapons and training systems for the purpose of being prepared to undertake joint operations in the event of an outbreak of hostilities.

The United States and Japan should also find new and effective means to coordinate joint operations. Japan should increase the application of its own civil assets—including airlift and sealift—to support the movement of U.S. reinforcements across the Pacific.

9. INCREASING JAPAN'S FINANCIAL CONTRIBUTION

Japan should continue to increase its share of the costs for maintaining U.S. troops and bases in Japan, since those troops contribute in an important way to the comprehensive security of Japan and the United States.

10. ENHANCING JAPAN'S CONTRIBUTION TO ALLIED ENERGY INDEPENDENCE

As a significant component of comprehensive allied security, Japan should devote a major new effort to support research and development of alternate sources of energy.

11. INCREASING JAPAN'S CONTRIBUTION TO MIDDLE EAST STABILITY

Japan should continue to increase its economic and technical assistance to areas of conflict and potential conflict, especially to key nations in the Middle East.

12. AVOIDING TRADE CONFLICTS AND PROTECTIONISM

Japan, the U.S., and the other NATO nations should not permit temporary and inevitable trade frictions to undermine their far more important and lasting interest in working together for the common good. Above all, the kind of protectionism which led to disaster in the 1930s must be avoided. The advanced industrial democracies share a huge stake in maintaining regional and world peace and security for all nations, and in preserving stability and growth of the world economy under conditions of orderly trade, investment and access to raw materials. They share an interest in seeing that representative governments flourish wherever possible. All of these shared interests—and more—dictate that they should place potentially divisive trade issues in the perspective of the larger goals and deal with them accordingly.

13. AFFIRMING U.S. SUPPORT FOR THE REPUBLIC OF KOREA

The United States must make it unmistakably clear that it will continue its support for the Republic of Korea, and that the United States intends to maintain ground combat forces there.[2]

14. ASSISTING THE PEOPLE'S REPUBLIC OF CHINA

The allied nations should provide economic and technological assistance but not lethal military equipment in support of the modernization program of the People's Republic of China.

15. SUPPORTING ASEAN

The ASEAN nations represent an important element in the maintenance of the stability of Southeast Asia and occupy a critically important geographic position on the sea lines of communication. The allied nations should continue to support ASEAN and maintain closer relations with these friendly nations.

16. SUPPORTING OTHER DIPLOMATIC AND POLITICAL MEASURES [3]

Although these recommendations have focused mainly on common security interests and the strengthening of defense capabilities, this should not be interpreted as in any way detracting from the importance of diplomatic and political measures aimed at reducing areas of potential conflict, especially in the Middle East.

The Joint Working Group strongly recommends that the allied nations energetically pursue such efforts in concert.

[2]Franklin B. Weinstein comments: "I do not agree that the U.S. should indicate an intention indefinitely to maintain ground combat forces in the ROK."

[3]Robert W. Barnett comments: "Beyond the foregoing recommendations, there must be readiness to explore mutually beneficial relations with the U.S.S.R., and to negotiate such trustworthy arms control and disarmament arrangements as can lift some of the burden of military spending from the world economy."

[From the Washington Post, Dec. 21, 1980]

OIL-CONSUMING NATIONS NEED A UNITED FRONT

(By Hobart Rowen)

Once again, OPEC has performed its unique flimflamming act to perfection, and the oil-consuming countries bow in obsequious relief that the damage is no greater.

The reality is that by raising oil prices another 10 percent (on top of the 150 percent to 180 percent increase since the beginning of 1979), the OPEC ministers have contemptuously thrown another log on the world's inflationary fire.

Sheik Ahmed Zaki Yamani and his cohorts clearly have the Western world's number, although this time there have been some angry responses—from the Carter White House and from a few of the less-timid industrial nations. But for the past seven years of price shocks by the Organization of Petroleum Exporting Countries, the general response—arising out of fear—has been one of complaisant accord.

What I find disgusting is the way in which oil-industry officials time after time have greeted each OPEC price increase with words suggesting that the cartel has acted modestly.

For example, the Bali increase puts the oil-price ceiling all the way up to $41 a barrel, with the benchmark for Saudi crude raised $2 to $32, retroactive to Nov. 1, while most of the others move up $4 to a benchmark of $36. For the United States it means another nickel a gallon at the pump and yet another ratchet of a half point on the inflation index.

Marshall Thomas, an editor of the highly respected Petroleum Intelligence Weekly, says the overall effect of the Bali decision will be to make oil markets "more chaotic and more expensive."

Yet, there was this kind of incredible response, as well:

"Remarkably moderate"—John H. Lichtblau of the Petroleum Industry Foundation.

"Surprisingly small in light of the Iran-Iraq war"—Theodore Eck of Standard Oil of Indiana.

". . . Will be easily absorbed by the marketplace"—New York analyst Everett Titus.

Note, please, that like all of its previous price hikes, the Saudi boost is retroactive. "We have reached an era of lawlessness," New York oil exert Walter J. Levy told me. "OPEC shows a contempt for the other side

and for all legal pricing principles on which international commerce and comity have been based. And we sit there and say: 'How marvelous! We've been knocked down again, but it won't kill us.' When is enough enough?"

Equally disturbing is the way in which much of the world's press has swallowed and then regurgitated the smooth propaganda line of Sheik Yamani, which portrays the Saudis as moderates, taking on other OPECers as hawks. Time after time, Yamani's assurances that the Saudis would hold out against a big price increase have made the headlines.

And when Yamani gives in at last minute to preserve OPEC "unity," the price increase to which the Saudis "reluctantly" agree is said to be less than it would have been if our friends the Saudis hadn't been in there, fighting for its great pal, the United States. Maybe you also believe in Santa Claus.

A September 1980, analysis by the Paris correspondent of The Washington Post after the last OPEC price increase—the one in Vienna—read as follows ". . . On reflection, OPEC unity tends to mean an orderly oil market—no matter how high prices are, and that is ultimately in the West's interest." Maybe you also believe in the tooth fairy.

In the latest price-boosting episode, what should have been emphasized was not the relative moderation of the price increase, but the fact that 10 percent is a shocking boost in the face of prevailing economic conditions. A New York Times analysis made precisely the right point. The latest OPEC squeeze "demonstrates the stranglehold that producing countries continue to hold over pricing levels. . . ."

A myth some Western journals advance is that OPEC, as a cartel, is somehow disintegrating. If anything, the Bali meeting shatters that silly idea, displaying beyond doubt the viability of the cartel. OPEC showed it was more concerned with making money than the fact that two of its members—Iraq and Iran—are at war (Iraq has kidnapped the Iranian oil minister) while Iraq and Syria have come close to blows.

The OPEC glue is oil profit—lots of it—not ideology. "Of course, OPEC remains effective," Levy said. "They not only can set a price floor, they still maintain a clearinghouse for ideas, there is a conscious parallelism in their actions, and they all basically follow the principle that you can produce less, charge more and earn more."

Meanwhile, our "friend" Yamani has predicted that oil prices will hit $50 a barrel next spring if the Western nations have the temerity to continue protective stockpiling. "You will have to pay for this if this [stockpiling] trend is not stopped," Yamani warned darkly in an interview with Weltwoche, a Swiss weekly.

I hope that the incoming Reagan administration will tell Yamani to stuff it—that it intends to accelerate the building of the absolutely critical Stategic Petroleum Reserve. Inattention to the SPR is one of the blackest marks against the Carter administration.

But the most important lesson, as Levy stresses, is that the consuming nations have to act together. "If we don't hang together, we will hang separately," Levy says. This has been clear for a long time, but the only thing we seem to have learned is how to grovel.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. WORTLEY) to revise and extend his remarks and include extraneous material:)

Mr. WORTLEY, for 10 minutes, today.

(The following Members (at the request of Mr. CORRADA) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. BONKER, for 5 minutes, today.
Mr. LEVITAS, for 5 minutes, today.
Mr. NEAL, for 5 minutes, today.
Mr. AUCOIN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. WORTLEY) and to include extraneous matter:)

Mr. DORNAN of California.
Mr. MCEWEN.
Mr. SMITH of New Jersey.
Mr. GREEN in two instances.
Mr. NELLIGAN.
Mr. GILMAN in two instances.
Mr. FISH.
Mr. PARRIS.
Mr. LEACH of Iowa.
Mr. DERWINSKI in two instances.
Mr. GRADISON.

(The following Members (at the request of Mr. CORRADA) and to include extraneous matter:)

Mr. DYSON.
Mr. CONYERS.
Mr. PEASE.
Mr. MCDONALD in five instances.
Mr. LUNDINE.
Mr. BINGHAM in two instances.
Mr. MILLER of California.

ADJOURNMENT

Mr. CORRADA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 47 minutes p.m.), under its previous order, the House adjourned until Monday, January 19, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

174. A letter from the Deputy Assistant Administrator for Pesticide Programs, U.S. Environmental Protection Agency, transmitting proposed final regulations to implement section 24(c) of the Federal Insecticide, Pesticide, and Rodenticide Act, as amended, pursuant to section 25(a)(4) of the act; to the Committee on Agriculture.

175. A letter from the Assistant Secretary of Defense (Comptroller), transmitting notice of the proposed obligation of $55.4 million in the Army Stock Fund for war reserve stocks, pursuant to section 736 of Public Law 96-527; to the Committee on Appropriations.

176. A letter from the Secretary of Housing and Urban Development, transmitting a report on a violation of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

177. A letter from the Secretary of the Army, transmitting the annual report of the U.S. Soldiers' and Airmen's Home for fiscal year 1979 and a copy of the annual general inspection of the Home, 1980, by the Inspector General of the Army, pursuant to the act of March 3, 1883, as amended; to the Committee on Armed Services.

178. A letter from the Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of the proposed conversion to contractor performance of the food services activity at Fort Knox, Ky., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

179. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the military family housing maintenance function at Tyndall Air Force Base, Fla., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

180. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the vehicle operations and maintenance function at Tinker Air Force Base, Okla., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

181. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the family housing maintenance function at F. E. Warren Air Force Base, Wyo., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

182. A letter from the Chief, Legislation Division, Office of Legislative Liaison, Department of the Air Force, transmitting a report on military construction contracts awarded by the Air Force without formal advertisement for fiscal year 1980, pursuant to section 604 of Public Law 95-356; to the Committee on Armed Services.

183. A letter from the Deputy Assistant Secretary of Defense (Information Operations and Reports), transmitting notice of the Navy's intention to omit the clause authorizing the Comptroller General to examine certain records which would otherwise be required to be included in a contract with British Aerospace and Rolls Royce Ltd. for the supply of post-production support of AV/TAV-8A Harrier and AV/TAV-8S Matador aircraft, pursuant to 10 U.S.C. 2313(c); to the Committee on Armed Services.

184. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature and estimated cost of various construction projects proposed to be undertaken by the Air National Guard, pursuant

to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

185. A letter from the Director, Federal Emergency Management Agency, transmitting a report that the Agency made no real or personal property acquisitions of emergency supplies and equipment during the quarter ended December 31, 1980, pursuant to section 201(h) of the Federal Civil Defense Act of 1950; to the Committee on Armed Services.

186. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-254, "To amend the District of Columbia Securities Act; to clarify and make technical amendments to provisions of the District of Columbia Government Comprehensive Merit Personnel Act of 1978 relating to public school teachers; to provide for voluntary retirement by public school teachers, police officers, and firefighters, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

187. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-255, "To amend the schedule of water rates and the charges for sanitary sewer services, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

188. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-256, "To amend the law which regulates finance charges for retail installment sales of motor vehicles in the District of Columbia, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

189. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-257, "To establish the real property tax rates for tax year 1981, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

190. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-258, "To eliminate restrictions relating to the operation of beauty shop and barber shop establishments in the District of Columbia in order that such establishments may remain open for business 7 consecutive days each week of the calendar year," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

191. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-259, "To establish in the Executive Office of the Mayor, the Office of Financial Management and the Office of the District of Columbia Treasurer; to authorize the performance of financial management functions by the Office of Financial Management and the Office of the Treasurer; and for other purposes, pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

192. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-260, "To increase the amount of revenue collected by the District of Columbia from sightseeing vehicles, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

193. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-261, "To provide protections for children determined to be in need of inpatient examinations in proceedings regarding delinquency, neglect, or in need of supervision", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

194. A letter from the Chariman, Council of the District of Columbia, transmitting District of Columbia Act 3-262, "To order the closing of a public alley abutting lots 30, 31, 32, 27, 801, 4, and 5 in Square 225, bounded by 15th Street, NW., F Street, NW., 14th Street, NW., and Pennsylvania Avenue, NW. (S.O. 79-392) (Ward 2)", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

195. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-263, "To order the closing of a north-south public alley abutting on lots 804, 828, 826, 820, 801, 802, 803, and 15 in Square 563, bounded by Massachusetts Avenue, NW., 2d Street, NW., New Jersey Avenue, NW., and H Street, NW., (S.O. 76-144) (Ward 2)," pursuant to section 602(c) of the Public Law 93-198; to the Committee on the District of Columbia.

196. A letter from the Chairman, Council of the District of Columbia, transmitting, District of Columbia Act 3-264 "To create a cause of action for damages against the District of Columbia by persons who have been unjustly convicted and imprisoned," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

197. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-265, "To amend the law with respect to the blind and otherwise physically handicapped to include deaf persons and persons using guide dogs, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

198. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-266, "To amend the District of Columbia Tissue Bank Act to authorize the Chief Medical Examiner to allow the removal of tissue from dead bodies in certain instances," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

199. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-267, "To revise the procedural rules of practice to govern hearings before the District of Columbia Alcoholic Beverage Control Board, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

200. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-272, "To amend the Firearms Control Regulation Act of 1975 to increase the criminal penalties thereunder, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

201. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-273, "To amend article 20, section 2 of the District of Columbia Police Regulations to permit indefinite posting of crime prevention signs, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

202. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-274, "To authorize the Mayor to take certain actions in connection with a public emergency," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

203. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-275, "To adopt the basic compensation system for the District of Columbia Board of Education and the University of the District of Columbia; to amend the provisions of the District of Columbia Government Comprehensive Merit Personnel Act of 1978 relating to compensation; and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

204. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-276, "To name the part in lot 1, Square 2927, Bounded by 13th Street, NW., Arkansas Avenue, NW., and Emerson Street, NW., in memory of Mary Church Terrell and Arthur Fletcher Elmes (Ward 4)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

205. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-277, "To amend the Motor Vehicle Regulations for the District of Columbia relating to exhaust emission standards and equipment requirements for motor vehicles operated in the District of Columbia," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

206. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-280, "To order the closing of a portion of a public alley abutting on lots 801 and 802 in Square 69, bounded by 21st Street, NW., 22d Street, NW., N Street, NW., and O Street, NW., and to accept the dedication of certain other land in Square 69 for public alley purposes (S.O. 78-295) (Ward 2)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

207. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-281, "To order the closing of a portion of Maine Avenue between 6th Street, SW., and 7th Street, SW. (S.O. 75-204) (Ward 2)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

208. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-282, "To order the closing of the public alleys abutting on lots 84, 85, 86, 87, 88, 809, 810, 865, 864, 846, 863, 862, 861, 860, 89, 802, 801, and 2 in Square 183, bounded by L Street, NW., and 16th Street, NW., and to accept the dedication of land in Square 183 for alley purposes (S.O. 80-25) (Ward 2)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

209. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 33-283, "To amend the District of Columbia Cooperative Association Act to provide for directors of housing cooperative associations appointed by nonprofit sponsors and to allow adequate compensation for the organization of the association including promotional, advertising, and legal fees," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

210. A letter from the Chairman, Council of the District of Columbia, transmitting

District of Columbia Act 3-284, "To repeal that portion of the District of Columbia Alcoholic Beverage Control Act which prohibits the sale of alcoholic beverages on the day of the Presidential election in the District of Columbia during the hours the polls are open, and for other purposes", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

211. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-285, "To establish the District of Columbia Civilian Complaint Review Board for the purpose of resolving citizen allegations of misconduct by officers of the Metropolitan Police Department and Special Police employed by the District of Columbia government," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

212. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-286, "To permit the appointment of administrative law judges to the Section of Hearings of the Office of Consumer Protection, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

213. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-287, "To provide for the disposition of unclaimed personal and intangible property in the District of Columbia," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

214. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-289, "To order the closing of a portion of an east-west public alley abutting on lots 800, 802, 803, 805, 807, 809, and 811 in Square N-699, bounded by K Street, SE., Half Street, SE., L Street, SE., and First Street, SE (S.O. 73-31) (Ward 2)", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

215. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-290, "To order the closing of Linnean Avenue, NW., between Lenore Lane, NW., and Audubon Terrace, NW., in Square 2246 (S.O. 79-260) (Ward 3)", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

216. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-291, "To order the closing of a public alley abutting lots 835 and 838 in Square 250, bounded by H Street, NW., 14th Street, NW., I Street, NW., and 13th Street, NW. (S.O. 72-101-Revised) (Ward 2)", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

217. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-292, "To order the closing of a public alley abutting lots 12 and 13 in Square 1370, bounded by Reservoir Road, NW., Whitehaven Parkway, NW., Foxhall Road, NW., and 47th Street, NW. (S.O. 76-71) (Ward 3)", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

218. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-293, "To designate the public alley abutting lots 49, 53, 48, 835, 832, 802, 810, 8, 811, 812, 813, 814, 815, 816, 817, 818, 819, 54, 821, and 822 in Square 1199, bounded by Wisconsin Avenue, NW., and 31st Street, NW., as Blues Alley (Ward 3)", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

219. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-297, "To amend the Day Care Policy Act with regard to income eligibility," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

220. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-298, "To amend the Healing Arts Practices Act, District of Columbia 1928," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

221. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-299, "To designate the east-west public alley abutting on lots 64, 93, 97, 809, 53, 10, and 98 in Square 988, bounded by Constitution Avenue, NE., and East Capitol Street, between Eleventh Street, NE., and Twelfth Street, NE., as Walter Houp Court (Ward 6)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

222. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-300, "To regulate the conduct of business operations in the District of Columbia consistent with the goals of a free enterprise system," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

223. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-306, to order the closing of a public alley in Square 159, bounded by N and 17th Streets, NW., and Rhode Island and Connecticut Avenues, NW., (S.O. 77-232) (Ward 2), pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

224. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-337, "To order the closing of the portion of the east-west public alley abutting lots 36, 5, 6, and 19 in square 5263, bounded by Dix Street, NE., and 59th Street, NE. (S.O. 79-439-Revised)(Ward 7); to amend the Police and Firemen's Retirement and Disability Act, and an act for the retirement of public school teachers in the District of Columbia to provide for the optional, voluntary retirement of police officers, firefighters and teachers; to amend the District of Columbia Depository Act of 1977, to allow for continuation for 1 year of depository contracts expiring in fiscal year 1981, and to move the date for submitting social criteria information from December 1 to May 1; and to amend the District of Columbia Motor-Vehicle Fuel and Sales Tax Act, and the District of Columbia Sales Tax Act; and for other purposes", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

225. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-338, "To provide procedures to protect underground facilities from destruction, damage, or dislocation by persons performing excavation or demolition operations, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

226. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-339, "To amend the District of Columbia Government Comprehensive Merit Personnel Act of 1978 to modify the standards for compensation setting, to authorize the Mayor to make changes to the compensation system or adjustments in the rates of pay based on a consideration of economic conditions and budgetary contraints, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

227. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act, 3-340, "To provide relocation assistance, stabilize residential rents, provide eviction controls, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

228. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-341, "To establish the District of Columbia Office of Energy for the development and implementation of the comprehensive energy plan and programs, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

229. A letter from the Secretary of Education, transmitting proposed regulations establishing a new program of training teachers of handicapped children, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and labor.

230. A letter from the Secretary of Education, transmitting proposed final regulations for the Cost of Attendance Provisions for Student Assistance Programs; national direct student loan, college work-study, supplemental educational opportunity grant, guaranteed student loan, parent loans for undergraduate students, and Pell grant programs, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

231. A letter from the Secretary of Education, transmitting proposed final regulations for the minority institutions science improvement program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

232. A letter from the Secretary of Education, transmitting proposed final regulations for selection criteria for fiscal year 1981 Grant and Contracts, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

233. A letter from the Secretary of Education, transmitting proposed final regulations for the Vocational Rehabilitation Service Projects, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

234. A letter from the Secretary of Education, transmitting proposed final regulations establishing the Family Contribution Schedules for 1981-82 under the Pell grant program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

235. A letter from the Secretary of Education, transmitting proposed final regulations interpreting part B of the Education of the Handicapped Act and section 504 of the Rehabilitation Act of 1973 to require public educational agencies to provide clean intermittent catheterization as a "related serv-

ice" to handicapped children entitled to receive services under those statutes, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

236. A letter from the Secretary of Health and Human Services, transmitting the annual report on the health consequences of smoking, pursuant to section 8(a) of Public Law 89-92, as amended (84 Stat. 89), and section 403 of Public Law 95-626; to the Committee on Energy and Commerce.

237. A letter from the Secretary of Health and Human Services, transmitting a report that no funds have been expended to make improvement to private property to alleviate health hazards in a migrant and community health center's catchment area, pursuant to section 329(f)(5) of the Public Health Service Act, as amended; to the Committee on Energy and Commerce.

238. A letter from the Secretary of Health and Human Services, transmitting a report on the Department's administration of the Fair Packaging and Labeling Act during fiscal year 1980, pursuant to section 8 of Public Law 89-755; to the Committee on Energy and Commerce.

239. A letter from the Secretary of Transportation, transmitting the fifth annual report on the automotive fuel economy program, covering fiscal year 1980, pursuant to section 502(a)(2) of the Motor Vehicle Information and Cost Savings Act; to the Committee on Energy and Commerce.

240. A letter from the Secretary of Commerce, transmitting a report on the imposition of foreign policy controls on certain exports to Libya, Iraq, the People's Democratic Republic of Yemen, and Syria, pursuant to section 6(e) of the Export Administration Act of 1979; to the Committee on Foreign Affairs.

241. A letter from the Director, U.S. Arms Control and Disarmament Agency, transmitting the administration's fiscal year 1982 arms control impact statements, pursuant to section 36(b)(2) of the Arms Control and Disarmament Act, as amended; to the Committee on Foreign Affairs.

242. A letter from the Assistant Secretary of the Treasury for Administration, transmitting notice of proposed changes in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

243. A letter from the Deputy Assistant Secretary of the Interior, transmitting notice of proposed changes in two existing records systems of the Bureau of Mines, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

244. A letter from the Administrator of General Services, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

245. A letter from the Vice Chairman, Board of Governors, U.S. Postal Service; transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1980, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

246. A letter from the Acting Director, Office of Procurement and Assistance Management, Department of Education, transmitting a report that the Department disposed of no foreign excess property during fiscal year 1980, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

247. A letter from the Director, International Communication Agency, transmitting a report on the agency's disposal of foreign excess property during fiscal year 1980, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

248. A letter from the Clerk, U.S. House of Representatives, transmitting a list of reports which it is the duty of any Officer or Department to make to Congress, pursuant to rule III, clause 2, of the Rules of the House of Representatives (H. Doc. No. 97-12); to the Committee on House Administration and ordered to be printed.

249. A letter from the Clerk, U.S. Court of Claims, transmitting the court's judgment order in docket No. 279-C, *The Blackfeet and Gros Ventre Tribes of Indians, residing upon the Fort Belknap Reservations in the State of Montana* v. *The United States*, and docket No. 250-A, *The Fort Belknap Indian Community, sometimes referred to as the Gros Ventre Tribe and Assiniboine Tribe of the Fort Belknap Indians* v. *The United States*; to the Committee on Interior and Insular Affairs.

250. A letter from the Attorney General, transmitting notice of the Justice Department's decision to refrain from enforcing 18 U.S.C. 1461 and 39 U.S.C. 3001(e), which make it illegal to mail certain matter relating to abortions, on the grounds that Federal court decisions have found such provisions unconstitutional, pursuant to section 21 of Public Law 96-132; to the Committee on the Judiciary.

251. A letter from the Deputy Director, Office of Management and Budget, transmitting a draft of proposed legislation to amend chapter 83 of title 5, United States Code, to provide for annual cost-of-living adjustment to civil service annuities, and for other purposes; to the Committee on Post Office and Civil Service.

252. A letter from the Deputy Director, Office of Personnel Management, transmitting the biennial report on the operation of the Senior Executive Service, pursuant to 5 U.S.C. 3135 and 4314; to the Committee on Post Office and Civil Service.

253. A letter from the Assistant Secretary of Agriculture for Administration, transmitting a negative report on the employment of specially qualified scientific and professional personnel for calendar year 1980, pursuant to 5 U.S.C. 3104(b); to the Committee on Post Office and Civil Service.

254. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notice of the proposed expenditure of funds in excess of the authorized amount for the fiscal year 1981 Space Shuttle program, pursuant to section 4 of Public Law 96-316; to the Committee on Science and Technology.

255. A letter from the Administrator of Veterans' Affairs, transmitting the annual report for fiscal year 1980 on the agency's program for the sharing of medical facilities, pursuant to 38 U.S.C. 5057; to the Committee on Veterans' Affairs.

256. A letter from the Chairman, National Commission on Social Security, transmitting a summary of the Commission's major recommendations, pursuant to section 361 of Public Law 95-216, as amended; to the Committee on Ways and Means.

257. A letter from the Deputy Director, Office of Personnel Management, transmitting a draft of proposed legislation to amend titles 5 and 37, United States Code, to extend the pay comparability concept to a total compensation comparability concept encompassing both pay and benefits, and for other purposes; jointly, to the Committees on Armed Services, Post Office and Civil Service, and Rules.

258. A letter from the Acting Comptroller General of the United States, transmitting a report on supply support costs of combat ships (LCD-81-9, January 15, 1981); jointly, to the Committees on Government Operations and Armed Services.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AuCOIN:

H.R. 848. A bill to amend the Housing and Community Development Act of 1974 to provide for grants to be made by the Secretary of Housing and Urban Development to cities, urban counties, and Indian tribes for energy development and conservation action; jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

H.R. 849. A bill to amend the Housing and Community Development Act of 1974 to provide for grants to be made by the Secretary of Housing and Urban Development to local governmental units and Indian tribes for the development of energy conservation plans and programs; jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

By Mr. GEPHARDT (for himself and Mr. STOCKMAN):

H.R. 850. A bill to institute fundamental reforms in the health care delivery system, to assist all Americans in obtaining health care, and to restrain increases in the cost of health care; jointly, to the Committees on Ways and Means, Energy and Commerce, the Judiciary, and Post Office and Civil Service.

By Mr. BONKER:

H.R. 851. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. PHILLIP BURTON:

H.R. 852. A bill to amend the Fair Labor Standards Act of 1938 to provide that blind persons may not be employed at less than the applicable minimum wage under that act; to the Committee on Education and Labor.

H.R. 853. A bill to provide benefits for sufferers from byssinosis; to the Committee on Education and Labor.

H.R. 854. A bill to require contractors of departments and agencies of the United States engaged in the production of motion picture films to pay prevailing wages; to the Committee on Education and Labor.

H.R. 855. A bill for the relief of certain natives of the Philippines who served in the U.S. Armed Forces during World War II; to the Committee on the Judiciary.

H.R. 856. A bill to provide for National Park Service Wilderness designation in the State of California, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 857. A bill to establish Barrier Islands National Parks, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 858. A bill to amend the Internal Revenue Code of 1954 to make permanent

certain rules relating to travel expenses of State legislators; to the Committee on Ways and Means.

H.R. 859. A bill to designate certain public lands in the State of California as wilderness, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Agriculture.

By Mr. PHILLIP BURTON (for himself, Mr. WEAVER, Mr. BONKER, Mr. MOFFETT, Mr. MAVROULES, Mr. NEAL, Mr. BAFALIS, and Mr. GORE):

H.R. 860. A bill to amend the Wild and Scenic Rivers Act to provide for the study of certain river segments for potential inclusion in the National Wild and Scenic Rivers System and to designate certain river segments for inclusion in such system, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PHILLIP BURTON (for himself, Mr. LAGOMARSINO, Mr. MILLER of California, Mr. KOGOVSEK, Mr. MINETA, Mr. CORCORAN, and Mr. SEIBERLING):

H.R. 861. A bill to amend the National Trails System Act by designating additional national scenic and historic trails, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PHILLIP BURTON (for himself, Mr. BEREUTER):

H.R. 862. A bill to establish the National Hostel Systems Act of 1981, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Banking Finance and Urban Affairs.

By Mr. PHILIP M. CRANE:

H.R. 863. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities; to the Committee on Education and Labor.

H.R. 864. A bill to limit U.S. contributions to the United Nations; to the Committee on Foreign Affairs.

H.R. 865. A bill to limit the jurisdiction of the Supreme Court and of the district courts in cases regarding voluntary school prayer; to the Committee on the Judiciary.

H.R. 866. A bill to protect the freedom of the press under the first amendment to the Constitution; to the Committee on the Judiciary.

H.R. 867. A bill to limit the jurisdiction of the Supreme Court and the district courts in certain cases; to the Committee on the Judiciary.

H.R. 868. A bill to amend title 18 of the United States Code to increase the penalties for persons convicted of committing a felony with or while unlawfully carrying a firearm; to the Committee on the Judiciary.

H.R. 869. A bill to limit the jurisdiction of the Supreme Court and of the district courts in certain cases; to the Committee on the Judiciary.

By Mr. GILMAN:

H.R. 870. A bill to establish the Domestic and International Hunger Foundation; jointly, to the Committees on Agriculture, and Foreign Affairs.

By Mr. GRADISON:

H.R. 871. A bill to provide for additional sentences for commission of a felony with use of a firearm; to the Committee on the Judiciary.

By Mr. GONZALEZ:

H.R. 872. A bill to amend title 38, United States Code, to authorize the Veterans' Administration to furnish veterans' benefits to certain veterans who were exposed to ionizing radiation as a result of nuclear testing conducted by the United States; and to establish within the National Cancer Institute an Advisory Panel on the Health Effects of Exposure to Radiation; jointly, to the Committees on Veterans' Affairs, and Energy and Commerce.

By Mr. GRADISON:

H.R. 873. A bill to amend title 39, United States Code, to prohibit certain franked mailings by Members of the Congress during certain periods before elections; to the Committee on Post Office and Civil Service.

By Mr. GREEN:

H.R. 874. A bill to amend title 18 of the United States Code to enhance personal safety and reduce crime by providing for the registration of handguns, the licensing of handgun users, and a ban on the sale, manufacture, and importation of certain handguns, and for other purposes; to the Committee on the Judiciary.

By Mr. JACOBS:

H.R. 875. A bill to require that $50 bills bear a portrait of Georgia Neese Clark Gray, the first woman to serve as Treasurer of the United States; to the Committee on Banking, Finance and Urban Affairs.

H.R. 876. A bill to amend the Motor Vehicle Information and Cost Savings Act to require Environmental Protection Agency automobile fuel economy tests to be based upon actual road conditions; to the Committee on Energy and Commerce.

H.R. 877. A bill to prohibit any person, in manufacturing cigarettes or little cigars for sale or distribution in commerce, from adding to such cigarettes or little cigars any substance which has the effect of continuing the burning of such cigarette or little cigar if left unattended; to the Committee on Energy and Commerce.

H.R. 878. A bill, the Former Presidential Enough is Enough and Taxpayers Relief Act of 1981; to the Committee on Government Operations.

H.R. 879. A bill to amend the Federal Election Campaign Act of 1971 to disallow the personal use of amounts received as contributions; to the Committee on House Administration.

H.R. 880. A bill to limit the amount of official funds available to a Member of Congress for the purchase of postage stamps to $100 for each calendar year; to the Committee on House Administration.

H.R. 881. A bill to establish the Federal right of every unemancipated child to be supported by such child's parent or parents and, therefore, to confer upon certain local courts of the District of Columbia and every State and territory of the U.S. jurisdiction to enforce such right regardless of such child's residence; to the Committee on the Judiciary.

H.R. 882. A bill to amend title 18 of the United States Code, to provide for rewards for information leading to the apprehension and conviction of certain kidnapers; to the Committee on the Judiciary.

H.R. 883. A bill to include home delivery of children's publications in the existing rates for children's publications sent to schools; to the Committee on Post Office and Civil Service.

H.R. 884. A bill to provide that the proceeds of the windfall profit tax shall be used to reduce the public debt; to the Committee on Ways and Means.

H.R. 885. A bill to prohibit payments of retirement benefits to those who are not retired; to the Committee on Ways and Means.

H.R. 886. A bill to amend the Internal Revenue Code of 1954 to exclude from the gross income of individuals over age 65 amounts received on the redemption of certain U.S. savings bonds which have been held for at least 10 years; to the Committee on Ways and Means.

H.R. 887. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to provide that an individual who has attained age 65, and who is eligible for old-age insurance benefits but has not filed application therefor, may elect (on an annual basis) to treat his or her employment or self-employment as not covered for social security benefit purposes and as exempt from social security taxes; to the Committee on Ways and Means.

H.R. 888. A bill to eliminate the exemption for Congress or for the United States from the application of certain provisions of Federal law relating to employment, privacy, and social security, and for other purposes; jointly, to the Committees on Education and Labor, Government Operations, and Ways and Means.

By Mr. LEVITAS:

H.R. 889. A bill to provide coverage under the Federal old-age, survivors, and disability insurance system for all officers and employees of the United States and its instrumentalities other than those in the judicial branch; to the Committee on Ways and Means.

By Mr. MARTIN of North Carolina:

H.R. 890. A bill to amend the Tax Reform Act of 1976 to postpone the effective dates of the family rental tax; to the Committee on Ways and Means.

H.R. 891. A bill to amend section 355 of the Revised Statutes of the United States to authorize the head of any agency of the United States to retrocede to a State concurrent jurisdiction over any lands or interests therein over which the United States has previously acquired exclusive jurisdiction; jointly, to the Committees on Interior and Insular Affairs, and Public Works and Transportation.

By Mr. MOORHEAD:

H.R. 892. A bill to incorporate the American Blood Commission; to the Committee on the Judiciary.

H.R. 893. A bill to amend title 18, United States Code, to revise the scope and applicability of the postemployment conflict of interest provisions with respect to officers and employees of the executive branch; to the Committee on the Judiciary.

H.R. 894. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. FORSYTHE:

H.J. Res. 84. Joint resolution designating the week of October 4 through October 11, 1981, as "National Diabetes Week"; to the Committee on Post Office and Civil Service.

By Mr. GRADISON:

H.J. Res. 85. Joint resolution proposing an amendment to the Constitution of the United States relative to incurrence of debt by the Federal Government; to the Committee on the Judiciary.

H.J. Res. 86. Joint resolution proposing an amendment to the Constitution of the United States relative to the assignment of public school students; to the Committee on the Judiciary.

By Mr. JACOBS:

H.J. Res. 87. Joint resolution proposing an amendment to the Constitution of the United States with respect to the compelling of testimony from a defendant in a criminal case in open court, a restriction on the use of prior convictions except when they are an element of the crime charged,

and the right of a defendant in a criminal case to be informed of the evidence against him; to the Committee on the Judiciary.

H.J. Res. 88. Joint resolution proposing an amendment to the Constitution of the United States allowing the States to propose amendments to the Constitution when the legislatures of two-thirds of the States have approved substantially identical proposals for an amendment; to the Committee on the Judiciary.

By Mr. PHILLIP BURTON:

H. Con. Res. 26. Concurrent resolution expressing the sense of the Congress regarding the biennial cost-of-living adjustments for Federal retirees; jointly, to the Committee on Armed Services and Post Office and Civil Service.

By Mr. JACOBS:

H. Con. Res. 27. Concurrent resolution expressing the sense of the Congress that any Federal agency that utilizes the Draize rabbit eye irritancy test should develop and validate alternative ophthalmic testing procedures that do not require the use of animal test subjects; to the Committee on Energy and Commerce.

H. Res. 26. Resolution to amend the Rules of the House of Representatives to require that measures affecting the salaries, freebies, or emoluments of Members or former Members of Congress be adopted by rollcall vote; to the Committee on Rules.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7. By the SPEAKER: Petition of the International Association of Chiefs of Police, Inc., Gaithersburg, Md., relative to public safety communications; to the Committee on Energy and Commerce.

8. Also, petition of the International Association of Chiefs of Police, Inc., Gaithersburg, Md., relative to use of force; to the Committee on the Judiciary.

9. Also, petition of the International Association of Chiefs of Police, Inc., Gaithersburg, Md., relative to 55-miles-per-hour speed limit and compliance standards; to the Committee on Public Works and Transportation.

10. Also, petition of the Universities Council on Water Resources, Inc., Lincoln, Nebr., relative to the Water Resources Council; jointly, to the Committees on Agriculture, Interior and Insular Affairs, and Public Works and Transportation.

EXTENSIONS OF REMARKS

NCLC—LaROUCHE GROUP REORGANIZES

HON. LARRY McDONALD
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. McDONALD. Mr. Speaker, members of the political cult led by Lyndon LaRouche again have undergone an organizational shakeup. Veteran LaRouche followers have been purged and the U.S. Labor Party (USLP) has been declared defunct. The original LaRouche organization, the National Caucus of Labor Committees (NCLC), remains as the core group of "friends of Lyndon LaRouche." But the NCLC's former principal political front, the USLP, has been abandoned in favor of a new grouping, the National Democratic Policy Committee (NDPC), which appeared following the Democratic National Convention.

New Solidarity, which proclaimed itself "The newspaper of the National Caucus of Labor Committees" until September 1979, now claims to be the "National Non-Partisan Newspaper of the American Whig Tradition." The revised terminology notwithstanding, the NCLC has not disbanded; and the list of offices, post office boxes, and phone numbers formerly published in New Solidarity as those of both the NCLC and the USLP have been relabeled "New Solidarity International Press Service (NSIPS)."

In part, the NCLC reoganization has developed from LaRouche's 1979-1980 effort to run as the Democratic Party's candidate for President of the United States. LaRouche and his followers have frequently floated grandiose schemes and plans. Rebuffed by Democratic voters in the primaries, and also with the loss of a recent court suit possibly providing impetus for abandoning the USLP, LaRouche is directing his followers to work within the Democratic Party via their new NDPC front. This is a tactic known as entryism—a favorite among Trotskyite Communists. Undoubtedly LaRouche became familiar with it during his dozen years as a member of the Socialist Workers Party (SWP).

As I have documented in previous reports to my colleagues on threats to the internal security of the United States (see the CONGRESSIONAL RECORD, Extensions of Remarks, for January 26, 1977; and June 28, 1977), the National Caucus of Labor Committees (NCLC) is a violence-prone, totalitarian political group.

The NCLC exhibits an extreme form of the personality cult customarily developed by contemporary totalitarian leaders whether Stalin, Mao, Hitler, or Enver Hoxha at the state level. Maintaining unswerving loyalty from his followers obviously has been a problem for LaRouche, who found he could not pretend to be a revolutionary demi-god unless he could distract his lackeys' eyes from his defects.

LaRouche's solution has been to maintain a near-hysterical fevered atmosphere inside the NCLC organization. To as great an extent as possible, the NCLC is a closed band, but one with its own unique twist that makes it as bizarre among political groupings as a "Moebius strip" is among geometrical figures.

LaRouche maintains an atmosphere of panic, paranoia, and confusion among his followers designed to prevent the sort of independent thinking and reflection that might lead them to challenge his orders or leave to find some more normal political grouping. Primarily, LaRouche relies on the tactic of repeatedly discovering bizarre assassination plots directed against him along with alleged treacheries among his followers and wild claims of grandiose international conspiracies, plots, and schemes—all averted only by the frenetic activity of his loyal "Caucusoids."

The replacement of the U.S. Labor Party by another "Caucusoid" front, the National Democratic Policy Committee, has occurred at the same time the USLP has lost a lawsuit it filed against the Anti-Defamation League (ADL) of B'nai B'rith. LaRouche's followers filed the lawsuit, demanding $26 million in damages, after the ADL published a report documenting the virulently antisemitic content of the USLP publications.

The trial judge in the New York State Supreme Court issued a 22-page opinion in which he said ADL's criticisms constituted fair comment on the positions and statements of USLP spokesmen. The judge concluded:

> It is only through public expression, protected so zealously by the First Amendment, that the clandestine work of bigotry and intolerances, which flourishes when comment is suppressed, can be exposed to the full light of public scrutiny and dealt with appropriately.

In part, the NCLC/USLP adoption of antisemitism appears to be an outgrowth of its mid-1970's backing of Libyan dictator Muammar Qaddafi, and its long-term united front operation with Liberty Lobby, an organization founded by Willis Carto who seeks to use American populist causes as the method to bring about a National Socialist (Nazi) regime.

The National Caucus of Labor Committees has undergone a number of bizarre shifts in its political line—the result of a combination of LaRouche's opportunism and his constant need to seek new issues to absorb his followers' interests and energies. However, it has been supportive of the Soviet Union for at least the past 7 years—a record of consistency for this group.

For example, in November 1973, NCLC backed a Middle East peacekeeping force of Soviet troops that would be better able to control the U.S.S.R.'s Middle East "clients." In 1974 and 1975, NCLC denounced arrests of Soviet-line Communists in Argentina and the shooting of members of a terrorist group run by the Moscow-line Colombian Communist Party, and alleged that the CIA was involved.

From 1976 through 1978, the NCLC/USLP line claimed that the CIA and Western intelligence agencies ran the Italian Red Brigades and West German Baader-Meinhof terrorists in order to bring about chaos and an excuse for institution of fascism. The same themes were played in the Soviet bloc press and in the media of a number of Western Marxist groups. The false claim that the CIA was responsible for the Red Brigades kidnaping and murder of former Italian prime minister Aldo Moro was a favorite KGB disinformation theme.

Recently LaRouche has been smearing conservatives, anti-Communists, journalists, and others as "KGB moles." LaRouche and his followers rationalize this by asserting that Soviet Communist Party chief Leonid Brezhnev is the world's leading supporter of peace who must be supported; but that there is a small faction in the KGB which wants nuclear war and uses its special agents—leading Western conservatives—to start one.

As have many anti-Semitic groups, the NCLC/USLP combined its smear attacks on American and Western European Jews with attacks on Israel. In 1973, the focus was the Middle East war and the sale of Israel bonds in the United States. By the next year, the NCLC was denouncing Israeli counterterrorist efforts as terror units and excoriated strikes against PLO centers in southern Lebanon.

During 1975, when the first reports of a massive Soviet military buildup began reaching the mass media and while evidence of direct Soviet backing for the MPLA in Angola mounted, the NCLC commenced charges that a

United States-British "axis" was "reviving the cold war." The "Caucusoid" backing of Stalinist chief of the Portuguese Communist Party, Alvaro Cunhal was hardly surprising. In 1977, the uncovering of a Soviet espionage ring in New Jersey was termed by NCLC/USLP "an undisguised attempt to provoke the Warsaw Pact," but, continued NCLC, "the socialist sector with Czechoslovakia in the lead, is fast unraveling the * * * networks Wall Street has used against it." By this, the NCLC was backing the persecution of the charter 77 dissidents.

And so the use in NCLC 1980 publications of materials from official Soviet propaganda media has not been a completely unprecedented development in the development of the LaRouche group. NCLC/USLP literature also has been supporting quite a few Cuban interests in Central and South America. These include attacking the Venezuelan Government because its supreme court overturned the convictions of four anti-Castro exiles; claiming prior to the Jamaican election that the Jamaican Labor Party, which was successful, was trying to bring about anarchy and civil war to benefit international drug dealers; and that conservative think tanks were conspiring to "collapse the Cuban economy and magnify internal political dissidence on the island."

As I have previously reported to my colleagues, NCLC chief Lyndon LaRouche was a member of the Trotskyite Communist Socialist Workers Party from the late 1940's to the early 1960's. After leaving the SWP, he became involved with Trotskyite splinter sects. When none of these groups recognized, as he wished, that Lyndon LaRouche, then using the alias or party name Lyn Marcus, was really a theoretician above the rank of Karl Marx, he formed his own small group.

Practicing the old Trotskyite technique called entryism, LaRouche's labor committees joined Students for a Democratic Society and recruited among SDS members. Lyn Marcus was sufficiently highly thought of by New York SDS members that he and several other labor committee leaders taught at the 1968 "Liberation School" held by SDS at Columbia University that summer. Just before faction fighting destroyed SDS, the organization expelled the SDS labor committees.

Despite the expulsion, assorted radical figures rallied to the defense of labor committee members arrested on weapons and explosives charges. For 3 years, the NCLC took a low profile. Early in 1973, NCLC emerged from obscurity with a campaign of savage slander and physical assaults on members of rival revolutionary groups. The SWP and the Communist Party, U.S.A., of which LaRouche was briefly a member, were the chief targets.

Bizarre and slanderous smears of all individuals perceived by LaRouche and the NCLC/USLP have become the hallmark of the group.

The NCLC has since ignored the CPUSA and SWP. LaRouche has found more interesting targets. NCLC/USLP continuously finds conspiracies which are trying to kill LaRouche, or provoke Russia into a nuclear war. At various times, these conspiracies have been run by amorphous entity termed "British intelligence" but which has been expanded to include hundreds of British and American organizations, corporations, research institutes, foundations, banks, legislators, government officials, organized crime chiefs, and individuals from reporters and novelists to songwriters.

When the Anti-Defamation League criticized NCLC/USLP antisemitism, New Solidarity, the newspaper of the National Caucus of Labor Committees and the U.S. Labor Party, ran a front-page story—August 22, 1978—headlined, "Israeli Intelligence Runs World Terrorism," by Jeffrey Steinberg, a long-time "Caucusoid." Steinberg wrote that a "terrorist international run largely through Israeli intelligence and its affiliated Zionist networks within Western Europe, the United States and Canada" was "responsible for the kidnaping and assassination of Hanns-Martin Schleyer and Aldo Moro."

Steinberg, who is styled the counter-intelligence editor of subsidiary NCLC publications, the Executive Intelligence Review, and Investigative Leads, was also security director of Citizens for LaRouche. LaRouche's security squads have received professional training in firearms and executive protection techniques. As a loyal cadre of LaRouche's political cult, Steinberg continues to churn out material for New Solidarity, now termed an "independent" newspaper. A recent article described U.S. neo-Nazi groups as "not a small band of criminal lunatics, but instead the covert arm of the secret services of several governments" which NCLC indicates are the United States, Britain, and Israel.

As noted earlier, LaRouche has customarily utilized the "Big Lie" technique against his targets. Currently the NCLC cadre are circulating an article on the letterhead of the New Solidarity International Press Service (NSIPS) signed by LaRouche, smearing several individuals as " 'moles' linked to Soviet KGB Gen. H. 'Kim' Philby."

It is interesting that the NCLC fuhrer chooses to smear as covert KGB agents a number of well-known investigative reporters. Some of them are well known as conservatives; others are liberals or even radicals. What they have in common is having investigated and written critically on the activities of Lyndon LaRouche and his minions.

Among those being smeared by LaRouche as "moles linked to Soviet KGB Gen. H. Philby" are John Rees, publisher of the respected newsletter on U.S. political groups, the Information Digest; political columnist ("The Intelligence War") Robert Moss; Michael Hementhaler, a member of the staff of the House Science and Technology Subcommittee, and Charles Fager, formerly a reporter for the Boston Phoenix, and who is now on the staff of my distinguished colleague from California, the Honorable PAUL N. MCCLOSKEY.

The institutions smeared include the conservative think tank, the Heritage Foundation, which has published criticisms of the NCLC.

Some 6 years ago, John Rees published a richly documented report on the origins, development, and activities of the LaRouche group. His wife, Louise, a member of my staff, has provided me with continuing updated research on terrorism, and on threats to U.S. security including LaRouche's NCLC apparatus. Independently, Chuck Fager also carried out original research into LaRouche's political history and NCLC, published in the Boston Phoenix. In the course of researching the article, he interviewed LaRouche's parents—an action which evidently earned him the undying enmity of the NCLC boss.

LaRouche's cadre have forgotten that information must be evaluated according to its source. LaRouche's efforts to discredit individuals and organizations who have exposed the activities of violence-oriented extremist groups—both his NCLC and others—have had the effect only of confirming the placement of NCLC and all other LaRouche operations in that category.

The operations of violence-oriented armed extremist groups who utilize coercive manipulative techniques to maintain a cadre totally dedicated to the whims of its leader should be of concern to individual citizens, to law enforcement agencies, and to this body. In regard to the LaRouche organization, the potential of a recourse to violence or terrorism against perceived enemies is obvious.●

DR. MARTIN LUTHER KING—A GREAT AMERICAN

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. GILMAN. Mr. Speaker, earlier this week I had the privilege and pleasure of speaking before the Middletown High School on the occasion of Dr. Martin Luther King's birthday. Dr. Martin Luther King was

a fine and exemplary American whose aims and goals of peace, nonviolence, and justice are in keeping with the desires of our Founding Fathers. His courageous stand on behalf of the rights of all Americans was not popular at the time that he espoused them; and yet Dr. King's vision transported him through hard times and through angry times.

We still have not declared the birthday of Dr. King a national holiday, although we came close to a final determination last Congress. I deeply hope that during the 97th Congress we will have the foresight to declare January 15 as a national holiday to commemorate the life and work of one of America's greatest leaders and true prophets.

Mr. Speaker, at this time I request permission to insert the brief remarks delivered at Middletown High School in the RECORD:

STATEMENT ON MARTIN LUTHER KING, JR., JANUARY 15, 1981

If he were not cut down in the prime of his life nearly thirteen years ago, the Rev. Martin Luther King, Jr., would be celebrating his fifty-second birthday today.

When I heard the news of Dr. King's tragic and senseless assassination on that sad April night in 1968, I was driving on the New York Thruway, returning from a meeting of the New York State Assembly in Albany, where I was then representing the 95th Assembly District of New York.

I shall never forget the thoughts that raced through my mind as the radio announcer injected that infamous bulletin.

I felt anger, sickness, fear, and pity.

Dr. King possessed so many noble virtues, and he exhibited them daily. He constantly intertwined courage and charity. He showed all people that social change can be brought about through the use of nonviolence. He made his arguments against bigotry, prejudice, and hatred living lessons for all of us.

The life of Dr. Martin Luther King was snuffed out prematurely, but his truths go marching on:

As long as inequality exists, as long as injustice exists, and until we truly become a land of brotherhood with equal justice for all, the goals which Dr. King set for all of us will be remembered. And the struggle will go on.

We will always remember the 1955 bus boycott in Montgomery, the demonstrations for equality in the early sixties, the march to Washington in 1963, the Civil Rights Act of 1964, and the march to Selma in 1965.

We will remember these milestones on the march to equal justice for all, and we will remember Martin Luther King for leading the way to each of these milestones and beyond.

Perhaps the greatest summary of Martin Luther King's career was presented to us by the Rev. Jesse Jackson, when he said of Dr. King:

He taught us that the freedom struggle is a marathon, not a sprint. A lot of people marched in Birmingham, then left, or marched in Selma, then left. But some of us learned that you've got to be there for a lifetime and be consistent, mountain high or mountain low. That gives you moral authority.

Dr. Martin Luther King Jr. had the moral authority to lead us all to moral, peaceful, non-violent change.●

CONGRESSMAN BILL GREEN SPEAKS ON RAISING THE RETIREMENT AGE

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. GREEN. Mr. Speaker, I have supported legislation in the last two Congresses which attempted to address the social security system's short- and long-term financial difficulties. My bill included proposals to raise the retirement age gradually from 65 to 68 beginning in the year 2000, eliminate gender based discrimination, eliminate the earnings limitation, and several other changes. On January 12, the National Commission on Social Security released its report on the program, proposing, among other things, that the normal retirement age for benefits be raised from 65 to 68 gradually after the turn of the century.

I am pleased that the Commission has proposed this change, as it is one which I have supported for some time, and which I believe merits our serious consideration. In the years after 2011, when the children of the postwar baby boom start turning 65, we shall be faced with a situation in which a roughly static work force will be paying for the retirement of an increasing number of older persons. My bill would not affect those who are presently retired, or who are considering retirement in the near future. It would simply provide payment into the system for an additional 3 years and put off collection of benefits for an additional 3 years. This small change would recognize that people are living and working longer today, and update the 45-year-old system to accommodate the lifestyles and health of today's and tomorrow's Americans.

I will introduce my bill—with a few minor changes—in the 97th Congress. I hope that action will be taken on the bill, particularly the provision pertaining to the retirement age. The importance of addressing the issues raised by the financial difficulty which the system faces cannot be stressed enough, and I look forward to solving the short- and long-term problems in the 97th Congress.●

DAVID ROCKEFELLER SPEAKS ON INFLATION

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. GRADISON. Mr. Speaker, no problem is more acute than inflation in America today, and there are few persons better able to advise us on how to deal with inflation than David Rockefeller, chairman of the Chase Manhattan Bank. For this reason I call to the attention of my colleagues Mr. Rockefeller's October 13, 1980, keynote address at the American Bankers Association convention in Chicago:

As always, I feel it is a special honor—even a spiritual homecoming—to address the American Bankers Association. I have been a banker now nearly 35 years, and there is no audience before which I feel so comfortable—and compatible.

It is a particular honor to be asked to speak to this distinguished group just two years after my first keynote address before you. On that occasion, I said—and I quote—"our economic problems are complex and not easily solved. But in my view, we cannot even begin to get at these problems unless we first attack one insidious root cause—namely government deficit spending and through it, that curse to all humanity—inflation."

Well, I guess the ABA feels that if at first you don't succeed, try, try again. Because here I am, back once more, with the same message and even greater urgency. During the last two years, inflation has continued to surge, and deficits have continued to grow. Productivity has continued to deteriorate, and personal savings—a vital source of future productivity growth and a crucial bastion against inflation—have shrivelled to the lowest level in recent history . . . and to the lowest rate of increase in the free world.

There is no question that we face an inflation crisis of worldwide reach and profound ramifications in the United States. Nonetheless, discussions of this crisis all too often drift off into metaphor, without first driving home the specific character and consequences of the problem. Inflation is compared to a "mythical dragon" that devours our substance; or "obesity," an effect of excessive consumption; or a "fire," as in the common warning not to fuel its flames. Or inflation is seen as a problem of the aerodynamics of money: the economy viewed as an airplane that has to be brought down safely, avoiding two extremes—either a crash landing or a runaway into an orbit of hyperinflation.

All these metaphors are vivid and alarming, particularly in combination: "an obese and blazing airborne dragon." But such images leave the audience more frightened than informed. Inflation is not a U.F.O. It is a mundane and pervasive reality that should be carefully considered in view of its effects and causes, its nature and its remedy.

Notice I mentioned its effects before its causes. That is because inflation is so often defined by its effects—namely rising prices—that many people have come to believe that rising prices are both the cause and the effect.

A recent study of the coverage of inflation on television news programs found that 80 percent of the reports deal with the problem only as a matter of price hikes or wage increases. The public then learns to see inflation as something done by the private sector: businesses lifting prices and pulling in higher profits; workers demanding raises; bankers asking higher interest rates. The government is left altogether out, which is somewhat like giving a performance of Hamlet without the moody Danish prince—in this case the moody American Adminis-

tration, Congress, and Federal Reserve Board. For inflation as every banker knows, is a decline in the value of money—and only government has the power to debase the currency by creating too much of it.

Nonetheless, erratically rising prices are indeed a key facet of inflation and an index of its destructive effects. The effect on the poor is particularly grievous. The goods and services consumed by a family living on a low budget cost just under $7,000 in 1970. Today, they cost nearly $12,600. And at the inflation rate of the last five years, this budget will be over $24,000 by 1990.

The food budget of an average family of four has risen from $59 a week in 1970 to $122 today.

This family can no longer afford a new house. A house that cost $29,000 to buy in 1970 would cost about $75,000 today. At the recent rate of inflation, the price of an identical house will be $131,000 just five years from now—and $231,000 by 1990.

The insidious impact of inflation cuts across our entire society. For example, the fastest growing population group is the one between 25 and 34 years of age: the period when most people marry and have their first children. According to the Department of Labor, such a family will have to double its real income in 10 years, even to maintain its standard of living as it moves from being a family of two to becoming a family of four.

Older people also suffer from inflation. Even though social security payments are tied to the Consumer Price Index, social security, on the average, amounts to just one-third of the incomes of the elderly. The elderly also hold approximately one-third of the nation's personal savings, and inflation has been destroying these savings at a rate of more than 10 percent a year—or an estimated $30 billion in 1979 alone. The sad fact is that what the government gives the elderly with one hand, it takes away with the other.

Some analysts of inflation—and demagogic politicians—try to divide the American people by blaming the problem on one group or another in the private sector: whether profiteering capitalists or greedy workers or grasping lobbies or even interest-gouging bankers.

Such explanations may be politically appealing. But to speak of a "wage-price spiral" and blame it on either wages or prices misses the point. Wages after all are simply the *price* of labor. What we really have is a "price-price spiral." Even interest rates can be considered the price of money, and the greater part of them now consists of an *inflation premium* based on expectations of inflation.

And there is one further price—or more accurately, *cost*—that is the most onerous of all. Over the last decade, this cost has risen faster than the cost of food or the cost of housing, faster than wages and infinitely faster than profits. You might think that I am speaking of the cost of energy. Well, I am not. The fastest rising cost in the American economy over the past 15 years is neither the cost of haircuts nor mortgages nor any of the other goods and services in the Consumer Price Index. It is the cost of *government*—federal, state and local—paid for through our systemic taxation.

Between 1975 and 1979, the Federal tax bill for all American families increased more than *eight* times as much as their fuel bill. During those years, personal consumption expenditures on gas and oil rose 65 percent, or by a total of more than $25 billion. Total personal taxes at the Federal level rose by $211 billion, or 78 percent, and total taxes at all levels rose by $303 billion.

To put it bluntly, the root of our current inflationary crisis is clearly the soaring price of government.

Yet this fact does not appear obvious to everyone. The monetarists among us have another explanation. They say inflation is a monetary phenomenon. We all know that if the supply of money increases more rapidly than supplies of goods and services, prices are likely to rise. The Federal Reserve has permitted this to happen. But a nagging question remains. Why has the supply of money in our country increased as much as it has—enough to fuel a rising inflation? Is it because our Federal Reserve is weak and supine, derelict in its duty to manage the money supply? Or are the reasons more complex?

I think the latter. In the end, in fact, the answer lies at the very heart of the socio-political process.

We don't have to search far and wide for the instigator of much of the increase in the money supply. It rests in the huge rise in government spending. As a nation, we have been unwilling to couple this increase in government claims on our economy with an equivalent reduction in private spending. Instead, we have countenanced a steady stream of government deficits. For 19 of the past 20 years, the Federal budget has been in deficit, with the total exceeding $400 billion. Add to this another $300 billion, representing borrowing and loan guarantees by over 150 Federal credit agencies, and it should be no mystery why our nation has experienced an inflationary increase in its money supply.

There are those who still contend that the Federal Reserve, like the Dutch boy with his finger in the dike, could have held back this monetary flood. Technically, this could have been possible. And yet, to do so would have been to fly in the face of what appeared to be the expressed will of the people. Budget deficits first ballooned as a result of the Vietnam War. They were compounded by the host of social programs that fell under the name of The Great Society—many of which were worthy in themselves, but which frequently were entered into with no understanding of future costs. Over the past decade, Federal outlays for education, health, social security and other benefits increased by $270 billion. And they now account for more than 60 percent of the total budget. Moreover, these outlays have gained the name "entitlements" and many have come to be indexed to inflation—so costs rise automatically.

These programs were all authorized by elected representatives of the people—who frequently promised that such programs would be enacted. That is why I say, in the end, inflation is the result of the socio-political process. It is not this group or that group that is to blame. All of us, collectively, are responsible.

It is popular these days and appropriate to analyze inflation and its cure in terms of demand side and supply elements. Clearly, the Federal budget is the outstanding culprit on the demand side.

A top priority of the new Congress therefore must be a more effective control over expenditures.

There is much to be said for further changes in the budget-making process—building on the reforms in the Budget Control Act of 1974—that would force Congress to control expenditures more effectively. One possibility would require any deficit to be approved by more than a simple majority vote—perhaps by two-thirds or more. Alternatively, a similar vote might be required to approve any appropriations bill. Or the President might be authorized to withhold expenditures that Congress has authorized, unless his decision is overridden by 60 percent of the Congress. Such changes merit serious consideration by both the Administration and the Congress.

At the same time, we must recognize that no effective control over expenses is possible without action on the so-called entitlements. Standards for some of these programs could be tightened without creating hardship for genuinely needy recipients. Moreover, the practice and method of indexing many of these benefits to inflation should be scrutinized carefully. Certainly upward adjustments for inflation need to be made for social security and other purposes. But I am opposed to using the Consumer Price Index as the inflation barometer for such purposes. Perhaps a more reasonable and more equitable measure would be the average increase in hourly wages. If this lagged somewhat behind the rate of inflation, both active workers and the retired would share the burden of adjustment during periods of rapid inflation. This approach would also permit retired people to share in the real growth of our economy once we got inflation under control.

While we as bankers should support efforts to bring the money supply under control, all the moral support in the world will be insufficient to ensure a sound monetary policy if Federal spending is allowed perpetually to expand beyond the willingness of the public to foot the bill.

Much of our tax system is also geared to the promotion of demand. In particular, capital gains taxes discourage saving. So too does the personal income tax. In both cases, income is taxed even if it is entirely lost to inflation. The tax system does not quite order us to spend rather than save. But an abysmal national record of saving indicates that more and more Americans are getting the point anyway.

While the government has promoted consumption, it has also been busy discouraging supply. If inflation can be roughly summed up as too much money chasing too few goods, a relative decline in production is as inflationary as a relative increase in money.

Inflation has made a travesty of reported corporate profits. American industry was reported to enjoy before-tax profits of close to $240 billion in 1979. A quarter of that amount represented under depreciation of assets and appreciation of inventory. These profits, of course, are not real; capital must be available to replace them. But the supposed gains are taxed anyway—and the capital available to expand production and improve efficiency accordingly erodes—a process that goes on year after year.

Environmental, health, safety and other regulations proliferate. They not only add directly to costs, and, therefore prices, but they also preempt billions in capital that otherwise might be productive.

Small wonder that the United States trails most of the major industrial nations in the share of output devoted to capital investment. Even less wonder that it trails in improving productivity and thus raising its standard of living.

A meaningful program to restrain inflation must emphasize an aggressive array of regulatory reforms and judicious supply-side tax cuts.

Many regulations—in the environmental, civil rights, and other areas—are useful and necessary. But too many regulations, issued too rapidly and thoughtlessly, in ever greater complexity, defeat their every purpose, except perhaps the enlargement of governmental power. A crucial mandate is to prune the forest of rules and let the economy grow.

Equally important is a prudent program of tax cuts for corporations and individuals. The initial purpose of supply side tax cuts is to counteract the damage already inflicted on America's corporations by the vicious interplay of inflation and taxes. While there is still some disagreement on the form that depreciation reform should take, there is now gratifying agreement that it has top priority in tax reform—that we must increase, and increase dramatically, the speed at which new plant and equipment can be written off. We should also implement a judicious program of income tax cuts that will ultimately encourage personal savings.

Special assistance for R&D also is justified because its benefits spread far beyond the company pursuing it. Otto Eckstein of Data Resources has concluded that supply side tax reforms designed to enhance productivity can be an effective instrument in overcoming inflation. In a report for the Joint Economic Committee, he presented empirical evidence of a multiplier effect in the relationship between productivity and inflation. Each sustained increase of one percent in productivity growth can bring a two percent reduction in the rate of inflation.

In the long run, innovation is perhaps the economy's most potent force for lower prices. Between 1950 and 1974, for example, high technology companies grew about twice as fast as the rest of the economy, while their prices grew only one-sixth as fast. In general, throughout the economy, the companies with the highest profits are those that can use earnings most productively in reducing the costs of the entire system.

Let me conclude on this note.

As bankers, you and I—and particularly you—must spread the word to all of those with whom we come in contact—our customers, our neighbors, the media, and politicians alike. We must convince our constituents that inflation, once and for all, must be brought under control. You in this audience carry considerable clout in your local communities. I would urge you to use it—to demand an end to the debauchery of the money of the American people and the betrayal of their trust.

The key truth we must communicate, the crucial fact we must face is that unless we halt the irresponsible growth of government spending—we will fail in all our other goals.

It is that simple and also that painful.

We are talking about programs that involve literally millions of Americans. The growth of such programs over the past 40 years is a great tribute to the generosity of the American people—and no major politician or other American leader, least of all myself—wishes to have these programs repealed.

But I would not be honest with you if I did not say something else: the headlong expansion of government benefits, if it continues, will make it impossible for us to control inflation, or restore healthy economic growth, or provide adequately for the national defense. The burden of government benefits on the productive economy must first be reduced, and future increases must be no greater than can be soundly supported by growth in the private economy.

We have reached the end of the line. The growth of social programs can no longer exceed the growth of the businesses on which they finally depend.

This is the bottom line.

But there is also a line of hope. For the best way to reduce the burden on all Americans is to enlarge the total economy and to give the poor and unemployed opportunities for real jobs. And that can be done if we have faith in the future of freedom. We can never surely predict what is to come. But we can be sure that any trial or difficulty can be overcome by the American people, if their leaders trust them to be free.

By relieving our workers and entrepreneurs of the burdens of inflation and controls, we can release the most powerful energies in the history of the globe—the energies that transformed a wilderness into the world's most productive economy. We face problems today. We confront limits. But if we remember our past, we can gain inspiration for our future. We can understand that our current limits and problems are merely our newest frontier.

In my own lifetime, I have seen America triumph over crises of depression and war far more desperate than our current plight. Provided we keep our trust with the American people—and maintain our faith in God and in freedom—I am confident we can prevail over the curse of inflation that afflicts us today.●

DECONTROL OIL NOW, AND SAVE

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. PARRIS. Mr. Speaker, as President Reagan begins his term of office as the 40th President of the United States, he faces a unique challenge in his effort to restore our economy.

One of the first steps he can take, which I believe will greatly assist America in its effort to reduce our dependence on foreign sources of energy, is to immediately decontrol the price of domestically produced petroleum.

These controls are scheduled to expire at the end of September 1981 and this action by the President would send a clear message to our allies of our willingness to reduce our level of imports.

I would like to insert at this time an article which appeared in the Washington Star of Sunday, January 11, 1981, for my colleagues' benefit and use.

The article follows:

DECONTROL OIL NOW, AND SAVE

It may not make sense at first glance, but immediate decontrol of domestic crude oil prices could end up saving the American consumer a lot of money. For quick decontrol is one of the most important steps that can be taken to try to prevent another devastating run-up in world oil prices that might well result from the Iran-Iraq War.

Price controls on oil keep average domestic crude oil prices $6 or so a barrel below world levels. The "composite" price, that is, the price of the national blend of domestic and imported oil which determines what consumers pay for products, will be about $3.50 a barrel lower than the average world price of about $39 a barrel, after the recent OPEC prices increases.

Price controls are scheduled to expire at the end of September. But some in the new Reagan administration argue that it should happen much sooner. In his "Economic Dunkirk" memorandum, budget director-designate David Stockman urged that domestic crude oil prices be "administratively terminated cold turkey" by February 1. Another Reagan adviser has recommended even swifter action—that he decontrol "within the first hour of moving into the White House and changing into his working clothes."

A number of reasons have emerged for swift decontrol. The most compelling, ironically, is that decontrol now might end up being cheaper for consumers than decontrol eight months later.

Oil prices were controlled along with everything else in 1971, as part of the Nixon freeze on wages and prices. Then a sudden rise in the world market in 1973-74 led to a long, grueling battle over domestic oil prices. Should they be set by the world market? Or should they somehow be restrained? Was the quadrupling in prices the result of international pressures or oil company manipulation? Were oil-company profits "obscene"?

The outcome of the debate was a clumsy, unwieldy system of oil price controls which, in 1975, were extended at least through September 1981, with the option to renew. In the period 1976-78, the composite price resulting from the blending of domestic prices with imported prices was 15 to 25 per cent less than the world price.

On April 5, 1979, in the midst of the Second Oil Shock, set off by the fall of the shah of Iran, President Carter announced that he would allow controls to run out at the end of September 1981. The move made a great deal of sense. For, during the latter half of the 1970s, American oil imports had increased dramatically—up to almost half of total domestic consumption. The United States had become by far the largest buyer of oil in the world and in German Chancellor Helmut Schmidt's phrase, its "sheer weight" in terms of imports and consumption had a profound impact on the market. Yet American consumers were given false signals by prices that, in effect, "lied" about the relationship of the domestic to the world market.

Amidst the passions and suspicions of those months, President Carter's act was a courageous political decision. It was received with surprising calm. Perhaps the public's thinking on the oil problem was undergoing a change. The fall of the shah and the rise of the ayatollah was bringing home how power had shifted from the oil companies to OPEC. Moreover, President Carter had followed up with a windfall profits tax that responded, in the eyes of many, to the equity issue.

But since the 1980 election, pressures have been building for immediate decontrol. Some of that can be explained in terms of basic Reagan policies—cut back on regulation, depend on the market—and as a response to vocal supporters.

The urgency, however, arises from another reason—the continuing war between Iran and Iraq. Given the amount of oil lost to the world market because of the conflict

(about 4 million barrels a day), as well as the risk that the war might spread, the world market has been relatively stable. This stability has been the result of high inventories, conservation, and recession in the consuming world. In addition, the International Energy Agency has provided a helpful framework for the Western nations to avoid the kind of competitive bidding that resulted in the more than doubling of oil prices in 1979 and the first part of 1980.

There are growing signs, however, that the calm could well turn into a storm, and the world in the spring and summer months could face another round of leapfrog and scrambling in the world oil market. Spot prices have begun to rise again. Since their mid-December meeting in Bali, the OPEC countries have begun pushing up prices, more than was at first expected. The Western Europeans and the Japanese are getting nervous, not knowing whether the Reagan administration will maintain the same level of commitment to a cooperative response. If they conclude that the United States is going to do otherwise, then they are likely to jump into the market, paying high spot prices for those extra barrels.

THE COST OF DECONTROL

What would be the costs to the American consumer of immediate decontrol?

Under phased decontrol, as currently working, the price of a "composite" barrel would rise gradually and reach completely decontrolled levels by Oct. 1, 1981. At that time, gasoline at the pump would be 22 cents a gallon higher than it is today if OPEC does not increase prices further. About 10 cents of this would be due to the recent OPEC price rise, and 12 cents would be due to decontrol. But with immediate decontrol, the rise of about 12 cents a gallon would occur fairly quickly—in a matter of weeks, rather than months.

In theory, at the end of the eight-month period, U.S. petroleum prices would be the same with either gradual or immediate decontrol. But, in fact, immediate decontrol likely would cause lower prices to exist on October 1, 1981, than if the prices were gradually decontrolled. Here are the reasons: (*1*) Immediate decontrol would help reduce U.S. imports during the interim period. (*2*) This would ease pressure on the world oil market. (*3*) This, in turn, would reduce the likelihood of a continuing increase in world oil prices.

In other words, the U.S. oil consumer faces the alternative of paying somewhat more now, or paying a good deal more later.

How would the higher oil prices that would result from swift decontrol reduce U.S. imports? In two ways: by reducing U.S. oil consumption and/or increasing U.S. oil production. In our judgment, a reduction in consumption is likely to be the most important.

Higher prices per se, of course, cause consumers to use less oil, sometimes by just doing without, and sometimes by substituting other forms of energy for oil. A one-step, highly visible price increase has more of an impact on consumer psychology than a gradual increase of, say, 1½ cents a month. The recognition would be driven home that the U.S. is no longer insulated from the world oil market.

This latter message will be received not only by U.S. consumers but also by government and consumers abroad. As a result, foreign governments will be in a better political position to instigate additional conservation measures there and to restrain spot bidding by their oil companies. Potential bidders for the high-priced spot crude could not be sure of making a profit on it. Thus, the U.S. actions will have a positive effect throughout the world.

DEMAND OUTSTRIPS SUPPLY

Because of the loss of crude oil in the world market due to the Iraq-Iran War, reduced demand on the market is of special importance now. The world is now consuming about 3.5 million barrels more crude oil each day than is being produced. In other words, each month inventories are falling by over 100 million barrels; and they will continue to fall until April 1980, when the seasonal decline in demand will drop consumption down to the level of available production. True, it would seem that ample crude oil would be available to meet summer requirements. But the problem is that a surplus of summer production will be needed to build up inventories for the following winter.

Therefore, unless the Iraq-Iran War eases sufficiently to allow the export of significant quantities of oil from Iraq and Iran by the latter half of 1981, a real shortage could develop next winter. The companies, fearing the greater consequences of a winter shortage compared with a summer one, would likely begin to build up inventories during the summer, thereby, in effect, moving the shortage forward into the summer. The likely result: higher crude oil prices in summer 1981. (For that matter, given the uncertainties of a continuing Iran-Iraq War, the companies might be unwilling to draw down their inventories even that long. In that case, a sharp upward movement in oil prices could occur even earlier, this spring.)

Hence the need to decontrol domestic oil prices now in order to head off what are likely to be substantially higher prices a little later in 1981. The final result of immediate decontrol would almost surely be lower oil prices in October.

There has been, of course, talk that immediate decontrol would result in increased U.S. production. In theory, this is logical. But in practice the impact on production would probably be minimal: for one thing, there is little spare rig capacity that could be brought into play prior to October.

TEN BILLION DOLLARS NOW, OR . . .

If immediate decontrol had no effect on world oil prices, then the amount of extra money to be paid by consumers between January and October 1981 would be in the area of $10 billion. As receipts, this $10 billion would be split very roughly as follows: oil companies, $2 billion; federal government, $7 billion; State and local governments, $1 billion. But if immediate decontrol does have the effects we describe, then it could end up saving the American consumer a lot of money. How?

Let us take as our time frame the years 1981 and 1982. Immediate decontrol, we have suggested, might cost the consumer about $10 billion—split up in the way described above.

But that must be weighed against the possible gains. A $1 increase in the price of oil on the world market that could have been averted by immediate decontrol would also end up costing the consumer $10 billion—except that $4 billion of this would leave the country to pay for imported oil.

FIFTY BILLION DOLLARS LATER

But if demand gets too hot this spring, the consequences in bid-up prices might well be more than $1. Consider the cost to the consumer of a $5 a barrel increase that otherwise would have been averted by swift decontrol—$50 billion, of which $20 billion would be exported to pay for oil imports. And then consider what a $10 a barrel increase would cost—$100 billion, of which $40 billion would be exported to pay for oil imports. The latter two assumptions for price increases are hardly unreasonable. After all, in the context of the 1979 oil shock, oil prices increased by $17 a barrel!

Yet the decision to decontrol swiftly should be taken with a sense of the political realities. In order to prevent an outbreak of renewed hostilities in the domestic political arena and the possible reimposition of controls at a later date, the new administration will need to attend to two important considerations.

PRESERVING EQUITY

The first is equity. Unless the system in which oil is decontrolled is seen to be fair by many consumers, then it will be subject to continuing political stress. Dealing with those stresses seems to have been one of the roles of the windfall profits tax. Almost certainly, it was a mistake to put a windfall tax on newly discovered oil; the urgency of finding new oil is so great that incentives should be pretty unambiguous. On the other hand, the windfall tax on old oil looks to be the price of decontrol in terms of the public's perception of equity.

Thus, if the Reagan administration decided to try to lift the windfall tax altogether, it might end up setting off a struggle that could lead after the 1982 election to recontrol! Nevertheless, as the new administration finds revenues from the windfall tax a useful way to meet other objectives, it is likely to lose interest in a wholesale repeal of the windfall tax.

The second requirement is the need to provide the American people with the tools to make a rapid adjustment to the rapid change in energy prices. This means such measures as expanded programs to make capital available for and to encourage investment in energy efficency—conservation. Thus, even as prices go up, their effects can be offset through increased efficiency that results in less consumption.

Without those tools, the "ouch" from the electorate is likely to become louder and louder, and the compelling and urgent arguments for permanent decontrol could end up being drowned out.●

TRIBUTE TO EMERSON HOLLOWAY

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. DYSON. Mr. Speaker, on New Year's Day, Wicomico County, on the lower Eastern Shore, lost one of its good friends, the Honorable Emerson Holloway.

The untimely passing away of Mr. Holloway is, indeed, a loss for the people of Wicomico County and his friends in Salisbury, Md. A member of the Wicomico County Council, Mr. Holloway was the first black ever elected to that position and his community was proud of the service he provided its citizens.

Mr. Holloway spent his life in the field of education, working for 33 years as a teacher and administrator in the Wicomico County School System. His dedication to children and the community was unwavering.

Mr. Speaker, as we sit up here on this hill overseeing the complex, often consuming needs of this country, we often neglect the simpler things of life. Emerson Holloway never overlooked the simple joys that came with community service. For men of his caliber, the smile of a child was as envigorating as an election win. I believe Emerson Holloway and his family believed in that principle and I would like to read a poem that they wrote for his funeral:

"Life's race well run
Life's work well done.
Life's crown is won.
Now comes rest."

Mr. Speaker, I thank you for your time.●

RUSSIFICATION OF BALTIC STATE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. DERWINSKI. Mr. Speaker, an article, which appeared in the December 16, Christian Science Monitor, draws attention to the tragedy that exists in the Soviet-conquered Baltic states. Christian Science Monitor Correspondent David Willis, reporting from Riga, Latvia, objectively comments on the strong determination of the people of these nations to continue to resist the "Russification" of their culture and national identities. The people of Lithuania, Estonia, and Latvia, have grudgingly learned to live with Russian rule, but have maintained their nationalistic spirit despite the blatant political repression, religious persecution, and cultural genocide to which they have been subjected by Moscow-imposed measures. It is of special importance that the United States continues to denounce the Soviet occupation and forcible annexation of these Baltic areas into the U.S.S.R.

I insert into the RECORD Mr. Willis' very timely article at this point:

RIGA, LATVIA, USSR.—Beneath the spires of medieval churches, along narrow, cobbled streets with the North German, Hanseatic flavor of Rostok and Lübeck, beside the glassy moats and stone towers of fairy-tale castles, the Baltic peoples of this non-Slav corner of the Soviet empire work to preserve their own cultural and national identities.

In Riga, the brooding, somber capital of Latvia, a broad-faced, quiet-spoken Latvian intellectual described how he and his friends take pride in their massive song festivals of 10,000 or more voices, and their own literature and art.

Latvian-language schools are reservoirs of local culture: Only about half the pupils bother to join the official Komsomol, or Young Communists' League—whereas in Russian-language schools the rate is 99 percent.

In all three Baltic states, primary and secondary school still takes one year longer than in the rest of the country: 11 years instead of 10. Local officials want to teach local culture as well as subjects required by Moscow. They fear then going back to 10 years would cut into local, not Russian, lessons.

In Tallinn, capital of neighboring Estonia, national pride is intense, linked in part to the local Lutheran faith.

During the 1980 Olympic yachting regatta, a senior official was asked by a Westerner how many gold medals his country had won. The answer was prompt: "One." The Westerner was puzzled: The Soviet Union had won at least 30 by then. He repeated the question. The answer was the same. Then the Westerner understood.

The official was referring to the gold medal won by Estonia (in the triple jump, by Jaak Uudmae). He had said it deliberately, to emphasize that the official considered himself an Estonian first, a Soviet citizen second.

Estonians easily understand Finnish, a sister language, and watch Finnish television from across the Gulf of Finland. They know as much about the West as East Germans do from West German TV.

The window on the West feeds glowing memories of Estonian independence between the two world wars and helps keep alive dissident activity in Tallinn and the university city of Tartu.

In Vilnius, capital of Lithuania, nationalism goes hand in hand with the Roman Catholic faith.

Believers sit in tiny apartments filled with crucifixes and color pictures of a Pope from neighboring Poland, and they tune into nightly 15-minute broadcasts from Vatican Radio.

Catholic sources estimate up to 75 percent of Lithuanians are believers: Party officials put the figure around 40 percent, which is still high. Masses are crowded. An underground church trains its own priests, claiming the sole seminary (in Kaunas) is infiltrated by the KGB.

Human-rights activists publish their own samizdat journal, Ausra, which means "Dawn" and is named after the first nationalist Lithuanian paper in the 1880s.

Few except the most fervent pretend that any of this resolute activity can lead to a return to political independence anytime soon. Soviet control, established after the 1939 Hitler-Stalin pact delineated spheres of influence, remains solid, brushing aside US refusal to acknowledge it.

Almost 50 percent of people living in the main cities are Russian Slavs. Only Russians are said to be allowed to work on the Riga docks, a mere few hundred miles around the Baltic coast from the militant shipyards of Gdansk, in Poland.

Walking through the streets of Riga, it is hard to hear Latvian spoken at all. Crowds of well-dressed Russians swing by, pushing in and out of cafes and shops more attractive than any in the Slavic republics.

The crackdown against dissidents in Moscow, Leningrad, Kiev, Yerevan, and Tbilisi after the 1975 Helsinki Final Act also took place in the baltics. Three Lithuanian activists, Balis Gayaskas, Viktoras Pyatkus, and Antonas Terleckas, have been jailed.

Mart Niklus and Yuri Kukk, both Estonians, are in custody. Three others, Enn Tarto, Erik Udam, and Endel Ratas, have been harassed since they and Niklus signed an appeal for Baltic independence in 1979.

Moscow keeps tight rein on local Communist parties and close watch on Americans and other Westerners who return to visit relatives.

The three republics may contain only 2.8 percent of the Soviet population (7.4 million out of 262 million in January 1979) and occupy less than 1 percent of Soviet territory, but they also represent highly strategic border areas, the invasion route for invaders from time immemorial.

As elaborate ceremonies opened the 1980 yacht regatta in Tallinn, the dim outline of a Soviet warship could be seen in the mist guarding the sea border with Finland. To sail outside the Bay to Tallinn, yachtsmen need hard-to-to-get passports and other papers showing political trustworthiness.

Most parts of the republics are off limits to Westerners, except for the three capitals and some other resort and coast areas such as the splendid stretch of beach at Yurmala outside Riga, and the Estonian resorts of Kokhtla Yarve and Narva.

Tourists can drive from Tallinn to Leningrad, but may not stop overnight en route.

Westerners may visit Kaunus, the ancient capital of Lithuania, but again, not overnight.

Yet for all this close control, the spirit of Baltic identity lives on, in young and old alike, as it has done through centuries of attack and occupation by Teutons, Poles, Swedes, and Russians.

To take the train or plane northwest from Moscow is to leave behind much of the dirt and inefficiency that mark the nonmilitary Soviet Union proper, and to return to a cleaner, more European world, to cities more Germanic, more Western, to shop windows decorated with bright hangings and discreet metalwork, to clean and pleasant hotels.

In Riga, my family and I turned into a coffee shop-cum-snack bar, sat at a long counter, and ordered hot piroshki (meat buns) and chocolate eclairs. Rare is the chance to do such a thing even in Moscow, let alone other Soviet cities.

In Vilnius, colleagues and I ate pastries in a cheerful, crowded restaurant better than any we had seen in Moscow.

In Tallinn, the Hotel Viru was built by Finns. More impressive even than the floor show are the bathrooms, the best in the entire country.

On the surface, the three republics are alike: more and more urban; more women than men (after effects of purge and war); clean streets, tidy fields, and neat fences; the highest rates of car ownership, personal incomes, and worker productivity in the Soviet Union.

To many Russians, the Baltics are "the West"—oases of service and vacation quiet. They lie on the beaches at Yurmala or Narva, wander the streets of Kaunus or Vilnius, listen to the famous organ said to have been dedicated by Liszt himself in 1884 in Riga's Domski Sobor (Dom Cathedral—now a concert hall).

More and more Slavs settle in the Baltics, as Moscow has allocated more industry there and as Russians and Ukrainians have sought a higher standard of living. That immigration has slowed in the past decade, but only Roman Catholic Lithuania, with its high birthrate, has succeeded in keeping the

Slavic proportion of its population from rising.

In Latvia, however, Latvians seem about to be outnumbered.

The Latvian population in Latvia rose by only 2,000 between 1970 and 1979, while the Russian population went up by 116,000.

And the non-Latvian population is about to jump again: Work is about to begin on a new metro (underground railroad) in Riga, and local residents are being told 50,000 extra workers will be brought in from outside to construct it. Many of these will be Slavs. (Residents are also being told that all new apartments constructed in Riga for the next few years will be reserved for the new construction workers and their families—a fact that displeases a number of Rigans, who say their city is too small to need a metro anyway.)

By 1970 Russians outnumbered Latvians in Riga itself (by 42.7 percent to 40.9 percent), and the ratio is even more lopsided today.

Estonia is the smallest Soviet republic, smaller than Belgium, flat and stony, with 1,446,000 people at the most recent census, in January 1979. It prides itself on increasing productivity as a way of keeping Slavic immigrants at bay. Although the rate of Slavic migration has slowed down, Slavs themselves (Russians, Byelorussians, and Ukrainians) now make up almost one-third of the population (32 percent), against less than one-quarter (22.3 percent) in 1959.

"Estonians are surprising in their passion for independence," says a non-Estonian Balt. "It's all that television they watch from Finland, and their young people."

Several hundred university students in the town of Tartu, population 90,000, gathered on Christmas Eve 1979 for the annual tribute at the grave of a national hero, Julius Kuperjanov, who was killed fighting the Russians for independence in 1919. They lighted candles and made speeches, and about 40 marched downtown before being arrested.

Emigré sources in Stockholm reported in October that a thousand workers in a tractor factory in Tartu had staged a brief strike to protest unrealistic production targets and a lack of raw materials. It was said to have been inspired by worker protests in Poland. Mart Niklus is on a hunger strike in a Tallinn jail after resisting Soviet influence all his adult life. He lost his job as a language teacher in a Tartu night school after signing the Baltic appeal last year.

Yuri Kukk, an inorganic chemist, lost his university post in Tartu after signing several appeals against the Moscow Olympics and the Soviet invasion of Afghanistan. He had earlier resigned from the Communist Party after a membership of 12 years on returning from a year's study near Paris.

Today Mr. Kukk is in a psychiatric hospital in Moscow, where doctors are making their fifth attempt to prove him mentally unbalanced. The first four efforts only emphasized his sanity, friends report.

Again and again, conversation with Estonians turn back to 61 years ago, when Estonia won its first and only real independence from a Russia torn by war and winter and revolution. Soviet historians dismiss the 20 years that followed as an aberration, and the reunion with the Soviet motherland is painted as inevitable.

Lithuania is a different place, half again as big as Estonia, flat and filled with lakes. It was heir to the Livonian empire that in the 17th century stretched east to the Black Sea until the Russian czars pushed it back.

Today it is about the size of Austria. It remains a nesting ground for storks flying from northern Europe to East Africa each winter. And it is still strongly Roman Catholic, impressed by seeing a Polish Pope on live television via Poland when John Paul II was installed in Rome.

"Lithuanians are emphatic, assertive," says a neighboring Balt. "I think it's largely their religion."

Troops had to be called out to subdue demonstrations in Vilnius in 1972. A Helsinki human-rights watchdog committee has operated, along with an underground church.

Southern Lithuania, occupied by Polish troops in 1920, became part of Poland in 1923, while the larger part of the country emerged into independence. In June 1940 Soviet troops marched in. After a German occupation, Lithuania became Soviet again in 1944.

Lithuania is more rural than its Baltic neighbors (39 percent of the people live in rural areas), and its birthrate is higher, as befits a Roman Catholic area.

Its population (3,399,000 as of January 1979) grew 8.7 percent more than in the preceding decade. Estonia grew by 8.1 percent and the Russian Federation (the biggest Slav republic) by only 6 percent.

The high birthrate enables Lithuanians to form 80 percent of their own republic's population, a much higher percentage than Estonians make up of Estonia (61 percent). Slavic inmigration has not affected the Lithuanian percentage for 20 years.

The trends are toward faster growth in the cities and continued Slavic settlers.

Party officials in Vilnius disparage religion and insist it is declining. In September 1980 the party newspaper Soviestkaya Litva made an unusual public attack on the Pope and accused the church of allying itself with "reactionary groupings." It criticized the Vatican Radio, thus indirectly confirming the radio's effectiveness and audience.

Latvia is about the same size as Lithuania, though its Lutheranism means a quieter form of independence and dissent, according to sources in Riga.

"For us the main thing is to survive," said one. "Ours is a passive resistance. We're trying to preserve our culture and our traditions. We suffer from the Russian presence: Our initiative is suppressed. The Russian standards of inefficiency and incompetence weigh on us. Our cities are not maintained. Shops are dirty. Service has declined."

Soviet officials scoff at such comments and insist that Soviet rule has brought the Baltics modern cities, greatly enhanced industry, and better living standards. They say they respect local cultures: Baltic sources say Soviet influence is inimical to their local ways.

Away from the Baltic shoreline, Latvia is largely forest. The Roman Catholic influence of Lithuania is much less in evidence: The reformation of the 16th century eliminated most of it.

Like its neighbors, Latvia was independent between 1922 and 1940, though it had had a right-wing dictatorship since 1934. It, too, was seized by the Soviets in 1940, taken by the Germans, and retaken by the Soviets at the end of the war.

Of concern to Latvian nationalists is the population trend: According to the census of 1979, only 53.7 percent of Latvia now consists of native Latvians, compared with 62 percent 20 years ago. Soon, Latvians may find themselves a minority in their own country, since their birthrate is low and Slavs keep on coming in slowly. Russians now make up 32.8 percent of the republic.

All Slavs, including Byelorussians, Ukrainians, and Poles, make up 43.5 percent.

"There's no hope for political independence," says one Western visitor to Riga, himself born in Latvia and now living abroad. "But when I write to my relatives asking if they want to emigrate, they say no—'We are the roots of our country,' they say."

He pauses. "The roots of their country. You can't argue with that."●

MARTIN LUTHER KING, JR.: A TRIBUTE

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. FISH. Mr. Speaker, I would like to share with my colleagues the text of a speech I delivered to the Dr. Martin Luther King Commemorative Committee of Dutchess County in Poughkeepsie on January 15, 1981, in honor of what would have been Dr. King's 52d birthday were it not for his untimely and tragic death. The text of the speech follows:

"History," said Emerson, "is the shadow cast by great men." On another occasion he noted that, "great men are those who see that spiritual is stronger than any material force, that thoughts rule the world." So it was with the life of Dr. Martin Luther King, Jr.

By furthering the civil rights of American Blacks he contributed to the liberties of all Americans, whatever their race or creed. By strengthening the cause of justice in this Nation he inspired millions throughout the world in mankind's common aspirations.

Dr. King once said, "Nonviolence is the answer to the crucial political and moral question of our time . . . the need for man to overcome oppression and violence without resorting to oppression and violence." Dr. King believed this could be achieved through love, compassion and faith and, armed with such conviction, he preached spiritual power in his moral crusade for civil rights reform in the 1960s. And it was largely through his tireless efforts and the strength of his beliefs that Congress passed the Civil Rights Act of 1964. That same year, Dr. King received the Nobel Peace Prize that gave him a forum to address the world.

The passage of years since his tragic and untimely death has in no way lessened the impact of his teachings nor clouded his memory in our minds and hearts. His message of redemption and reconciliation—his belief in spiritual power—is no less meaningful today than when Martin Luther King, Jr. lived. His life's work and unremitting adherence to social change through nonviolence serves as a great example in these turbulent and troubling times. As Andrew Young recently observed: Dr. King's message, "endures, spanning the seas and calling out to each new generation."

Dr. King helped redeem our Nation. To honor him I have continuously supported legislation to declare January 15, his birthday, a legal public holiday. Such recognition of this great human being is the most fit-

ting tribute a Nation can bestow on one of its most outstanding leaders.

Why a holiday some ask? Our answer is that his dream was the dream of an American, about his country; an affirmation of faith by a patriot.

Bestowing such an honor on Dr. King would transcend his status as a black civil rights leader. Such an act would recognize that Dr. King spoke as an American about the spiritual liberation of all people. He spoke of brotherhood, an end to poverty, of justice, of peace to you, yes, but also to me and to all mankind.●

POSTMORTEM: THE ELECTION AND THE ECONOMY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. McDONALD. Mr. Speaker, the pundits in the press and other self-appointed critics are already saying it is impossible for President-elect Reagan to balance the budget, cut taxes, and increase defense spending at the same time. Everyone agrees it will not be easy. Inflation is the No. 1 enemy that must be stopped and the first step in that direction is the creation of a balanced budget. Prof. Hans Sennholz has outlined the steps that need to be taken from that point to achieve the above goals. Obviously, they will be painful and many oxen will be gored in the process, but a return to a productive economy is desperately needed if this Nation is to remain the leader of the free world. Professor Sennholz tells us how in the December 1980 issue of Private Practice. I commend his article to the attention of my colleagues.

POSTMORTEM: THE ELECTION AND THE ECONOMY

Ronald Reagan will soon face the very issues that were burning during the long campaign: inflation, unemployment and foreign perils. To the many millions of Americans who elected him, he owes an obligation to face the issues with courage and dedication.

The causes of inflation, probably the greatest self-inflicted evil of our time, must be confronted courageously and diligently. The political pressures for federal deficit spending must be contained by stonewalling federal spending. In short, the federal budget must be balanced immediately.

To save the U.S. dollar from utter destruction and avert the frightful economic, social and political consequences of hyper-inflation, government spending must be brought under control. Surely, this is more easily said than done. Every president from F.D.R. to Jimmy Carter waxed eloquently about fiscal frugality and declared noisy wars on inflation while the U.S. dollar was shrinking at ever faster rates. And every president boosted federal spending for one reason or another, citing one full-employment doctrine or another.

If federal frugality provides the key to economic and social survival, how then can spending be cut in order to alleviate the inflationary pressures? Where should the cutting begin?

The U.S. budget can be balanced promptly and least painfully with the following cuts:

To set a shining example to the country he is leading, the President himself should take a salary cut of 50 percent.

The legislators who are the guardians of the public purse should lead the way to frugality by taking a cut of 25 percent.

All federal transfer spending, i.e., expenditures that benefit someone at the expense of someone else, must be cut by 5 percent.

This modest reduction in federal spending would bring immediate relief to our exhausted capital markets, which in turn would lower interest rates and the carrying charges of the federal debt. A mere drop of 3 percent would reduce the federal interest charges on more than $900 billion of debt by more than $27 billion. Altogether, these savings would suffice to restore fiscal solvency and integrity. They would give new life to the U.S. dollar and bring new hope to the people.

President Reagan will also face the burning issue of unemployment, which has been plaguing millions of Americans throughout many years of recession, economic stagnation and inflation. If he follows in the footsteps of his predecessors, the issue will continue to burn and get worse as the inflation is consuming productive capital and destroying jobs.

Unemployment is an economic cancer that not only causes poverty and despair, but also breeds immeasurable social and racial conflict. It must be a paramount concern to the new administration. But federal expenditures and make-work programs which have been tried again and again do not provide the answer. We do not need more "politics" as usual, but realistic labor policies that confront the real cause of unemployment—the maladjustment of price and cost. Both employment and unemployment are functions of labor costs. When individual employment costs exceed individual productivity and usefulness, the worker inflicts losses on his employer and therefore is likely to be unemployed. The federal minimum wage and legislated fringe costs, which together exceed $4 an hour and are scheduled to go higher, cause millions of unskilled workers, especially among our racial minorities, to be unemployed. This is why the federal minimum wage law must be repealed immediately. Moreover, all other federal acts and regulations that hamper the ready flow of labor in the national markets and encourage idleness must be rescinded without delay. There is full employment in freedom and unhampered labor markets.

The problems of unemployment are aggravated by the economic stagnation that has settled over the United States. The purchasing power incomes after taxes and inflation are actually eroding for most Americans. They are falling because countless government programs are promoting consumption at the expense of saving and investing. Many production facilities are worn out or antiquated because countless government programs are consuming our economic substance. With an insatiable appetite the taxing authorities are either inventing new taxes or raising old levies, consuming productive capital on an unprecedented scale. In short, our economy is in full retreat and in great danger of disintegration in a flurry of runaway inflation.

This ominous decline must be halted by an immediate reversal of policies. Business taxes must be lowered and regulatory costs be slashed. Surely, government need not promote saving and investing through special favors, but it must cease its ugly discrimination against capital accumulation. In particular, it must repeal the punitive and discriminatory tax rates on capital income and the steep progression on higher incomes that would otherwise be invested. The vicious estate tax which serves no purpose other than to destroy business capital in private hands must be rescinded immediately.

It must be emphasized that all such tax reductions to revive economic activity must not be allowed to engender new government deficits. A tax cut that is not matched by spending cuts is gross deception. It merely shifts some burden of government from favored taxpayers to lenders and inflation victims. Surely, tax relief for business tends to promote new business activity. But budgetary deficits for any reason not only exhaust the capital markets, but also feed the inflation. Both evils wreak havoc on business.

According to all expert reports, President Reagan faces unprecedented foreign perils that cast doubt on the future of the United States. During the 1960s and 1970s when our government was preoccupied with "redistribution" through massive spending on health, education and welfare, the Soviet Union built a superior ICBM force that is capable of smashing our weapons and rendering us defenseless. We are faced with a massive strategic preponderance by the Soviet Union.

The Soviets have at least 2,400 modern missiles aimed at U.S. defense installations. More than 326 of these missiles are SS-18s that carry 10 independently targeted warheads with a yield of about one megaton each. The United States has no missile force capable of disarming the Soviet Union. One thousand Minuteman IIs and IIIs spread in silos at a few Air Force bases have but slight chances against Soviet silos and military communications centers. They can best be used against population and industrial centers and "soft" military targets. Moreover, our Polaris-Poseidon fleet, consisting of 41 submarines carrying 16 missiles each with a yield of 40 kilotons, are useless for military targets. They are population-killing weapons designed to retaliate and revenge a nuclear attack. The Soviets, never wavering from the view that wars have winners and losers, built a nuclear force with disarming first-strike capabilities.

President Reagan will be severely tested in the coming years. He must frame a response to the Soviet threat, and avoid either succumbing to intimidation or blustering into war. If we want to survive a war as a free society, we must mend our defenses immediately. The hour is late and the dangers are growing. The coming years will be fraught with extreme dangers to our lives, fortunes and ways of life, dangers from which we can neither hide nor escape. To close our eyes is foolish and suicidal. To be afraid is natural and wise, for he who has no fears gives advantage to the dangers. To the Reagan administration, our fears of danger must be a spur to avert it.●

THE REDONDO BEACH 10K RUN

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. DORNAN of California. Mr. Speaker, on Sunday morning, January 25, the Redondo Beach Chamber of Commerce will again sponsor their annual Redondo Beach Super Bowl Sunday 10K Run through some of the most scenic portions of that beautiful coastal city. Although I will be unable to be present this year, I will certainly be thinking back to the excitement this annual event generated last year when I was on hand for the opening ceremonies.

This year marks the third running of what is now becoming one of the premiere long-distance runs in the Nation. Last year, over 10,000 people participated on the measured course, which was specially designed to enhance the enjoyment of the runners. The organizers have developed a controlled and uncongested finish area, allowing all runners to cross the finish line at full stride. This will also make it easier for all participants to get their precise times. Finally, a distinctive and unique T-shirt is awarded to all runners.

One might wonder why anyone would decide to hold a mass-presentation event on Super Bowl Sunday and expect that anyone would attend. When the organizers for the first run in 1979 sought a suitable date, Super Bowl Sunday was the only one available. And through a little entrepreneurship and a lot of healthy promotion, they have made it into one of the largest annual running events in the Nation in just 3 short years.

Actually, a 10K run on the morning of the Super Bowl isn't a bad idea. Since it begins long before the game, it gives runners a chance to go out and get some good, healthy exercise. So, on a day when many of us might be content to languish in front of the tube, we are provided with an opportunity to take part in an outstanding athletic event. At the conclusion of the Redondo Beach run, there will still be enough time to get home before the football action begins in New Orleans.

I would just like to take this opportunity to commend the great work of Race Director Hans Albrecht and committee members James D. Graham and Dennis R. McCarbe for their fine efforts in organizing this great event. I am sure this year's Redondo Beach run will, like last year's, prove successful. Perhaps the magic 30-minute mark will be broken. And to the runners—good luck. They are all winners for taking part.●

AFGHAN FREEDOM FIGHTERS DESERVE SUPPORT

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. DERWINSKI. Mr. Speaker, I would like to insert an article by Human Events columnist, John D. Lofton, Jr., who is a penetrating observer of the international scene. In the January 3 edition of Human Events, Mr. Lofton provides an in-depth study of Soviet expansionism, and calls for the support of the Afghan Freedom Fighters, a concept to which I certainly subscribe.

The article follows:

AFGHAN FREEDOM FIGHTERS DESERVE SUPPORT

The photograph haunts.

Appearing in the December issue of Geo magazine, it shows an Afghan freedom fighter fingering his prayer beads and holding in his left hand a small hatchet. The caption reads:

"These guerrillas were waiting for darkness before attacking a government garrison. Incredibly, some of them had only axes or shovels for weapons. Their adversaries were equipped with tanks, artillery, machine guns—and plenty of ammunition."

In the Geo article—written by Klaus Imbeck, a veteran German reporter who recently traveled to Afghanistan—a 50-year-old freedom-fighter commander, Gawher Khan, holding an 80-year-old Lee-Enfield rifle says:

"You see, we are fighting with rifles like this, and the Russians come with weapons as though they had to fight against the United States."

Khan says with considerable pride that he owns a dozen such rifles and plans to present one of them to his youngest son, an 11-year-old, when he comes of age a year from now.

In Time magazine, Leonid Brezhnev's chief spokesman, Leonid Zamyatin, says that Soviet actions in Afghanistan are to "render assistance" to the Afghan government and are "purely defensive." He observes:

"These actions pursue one aim: protection of our friends anw the security of our southern frontiers. No more than that."

But Zamyatin lies. What the Soviets are doing in Afghanistan is naked aggression, a classic example of Russian imperialism on the march.

Here are some of the things that have happened in Afghanistan in recent weeks.

According to reliable diplomatic reports, Soviet and Afghan forces have used informants to round up so-called rebel sympathizers in a tiny village 40 miles from Kabul and killed 12 of these individuals by deliberately running over them with tanks. After these men were killed, their homes were stripped of belongings, including furniture and food, and their families were left to fend for themselves.

An Afghan official who recently defected says that Soviet occupation forces have systematically looted millions of dollars of uranium ore and precious gems from Afghanistan without any compensation. Abdul Latif Aurah, a former department head in the Afghan Ministry of Mines and Industry, says that Soviet "advisers" are drawing up development policies with the aim of exploiting Afghanistan's resources for the benefit of the Soviet Union. He notes: "For 20 years they have been carrying out surveys and they know exactly where the mineral wealth lies."

Soviet helicopters have dropped hundreds of thousands of small boobytrap explosive devices in mountainous eastern Afghanistan in an attempt to restrict the movement of the freedom fighters. Some of these deadly things are shaped like toy cameras and watches, while others look like butterflies. A senior surgeon at a hospital in Pakistan says: "We've seen a rise in wounds requiring leg and foot amputation and a number of these were due to boobytrap bombs."

A background brief on Afghanistan published by the British Information Services says: "With the approach of winter, a real danger exists of famine in the country. Disease may also spread due to a growing shortage of medicines. The French organization Medecine du Monde has reported a complete breakdown of medical care in some areas, with chicken pox, pneumonia, tuberculosis, poliomyelitis and leprosy becoming endemic. Warnings of famine have come from many observers."

A former University of Kabul professor who fled his country says that the Soviets and their puppet Afghan government have combined to eliminate most intellectuals in Afghanistan. Sayd Majrooh estimates that the number killed, imprisoned or forced to flee is around 50,000, adding: "The cream of our society has been wiped out."

Tens of thousands of Afghans have been killed and more than one million refugees have fled the country since the Soviets invaded and occupied Afghanistan more than 10 months ago. Reliable sources report that the position of the freedom fighters battling the Soviets is deteriorating rapidly and verges on the desperate.

The brutal Soviet rape of Afghanistan has virtually no support in the world. The U.N. General Assembly recently renewed its call for the immediate withdrawal of "foreign" troops from Afghanistan by a vote of 111 to 22, including an overwhelming majority of Third World countries who joined the West.

As one of the earliest acts of his presidency, Ronald Reagan should hold a joint public press conference with his new CIA director, and they should announce that the United States is going to supply the Afghan freedom fighters with whatever supplies they need to successfully resist their Soviet attackers.

Why not? The Soviets are already accusing the United States of doing this—so why not do it?●

JIMMY CARTER'S LEGACY

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. BINGHAM. Mr. Speaker, in coming days historians and pundits will begin to assess the record Jimmy Carter compiled in 4 years in office. Already one such group allowed themselves to be quoted in the New York Times to the effect that Mr. Carter's only major achievement was his election. This is hogwash. President Carter will be remembered as a com-

passionate and decent President who had notable accomplishments in both the domestic and foreign policy arenas. In particular, the miracle at Camp David will rank with the very greatest Presidential achievements. But there is much more than that. Anthony Lewis, in the New York Times of January 11, assays the Carter record. I commend this piece to my colleagues.

[From the New York Times, Jan. 11, 1981]

THE KING MUST DIE

(By Anthony Lewis)

In "The King Must Die," the novel she built on Greek myths, Mary Renault told about the bloody political system of Naxos. Every year the ruling king of that island fought a stranger, and died. The stranger became king for a year and then lost his crown and his life. And the people celebrated.

Sometimes, these days, it seems as if the United States is following the model of mythical Naxos. We pile exaggerated hopes on our President and then, when inevitably he disappoints us, we destroy him.

But were there ever regrets on Naxos for the fallen king? Here, time does often bring a change of perspective: recognition that a once-scorned President brought good qualities to an impossible job. It happened to Harry Truman; it may be happening to Gerald Ford. And I think there will be rewards in history for the man now leaving office under the burden of rejection.

In Jimmy Carter's four years as President, no American soldier died in combat. That is a great achievement—a singular one in the last 50 years. It will look even more impressive if, as seems unhappily possible, the men around Ronald Reagan feel they must prove their toughness by military adventure.

Some people think it is easy for a President to avoid the use of arms; they charge Carter with being "soft." To the contrary, it requires will and courage for a President to say no to the advocates of force. President Kennedy, advised by his brother Robert, showed those qualities in the Cuban missile crisis in 1963. President Carter showed them in the Iran hostage crisis. His policy had flaws, but it was right and brave in putting the safety of the hostages first despite our frustration. Will Mr. Reagan similarly be able to resist the siren song of military retaliation?

The China policy of the Carter Administration is another achievement that may be in jeopardy, if the loose talk of Reagan and his people continues. Carter built on the Nixon breakthrough to cement a relationship with the People's Republic that is a crucial factor in international security.

The Panama Canal treaties were an act of courage that Presidents since Eisenhower, while recognizing the need, had lacked the political resolve to attempt. The treaties were part of a new policy moving the United States away from its old links with right-wing exploitation and oppression in Central America. Here again we may soon be nostalgic for Carter.

His greatest personal achievement was of course Camp David. We tend to take it for granted now, forgetting how extraordinary it was for an American President personally to shape such diplomatic instruments: not just the Camp David agreements but the treaty signed later, the first between Israel and an Arab neighbor. Without Jimmy Carter, both parties say, they could not have agreed.

There is also southern Africa, where Carter's support for British policy—against much pressure from the American right—made it possible to settle the savage war in Zimbabwe. With perseverance and some luck, there could be a settlement now in Namibia.

Finally, abroad, there was the Carter human rights policy. The critics say it was imperfect, and it was; no absolute symmetry is possible in such an area. But lives were saved, some torture stopped—and American idealism was represented in the world.

At home, history will probably rate his environmental record as Carter's most important accomplishment. He appointed sensible, sensitive administrators. Our children will be grateful for his legacy of cleaner, less dangerous surroundings, and for much natural beauty preserved—that is, unless the plunderers now have their way.

Carter's judicial appointments are also likely to be an impressive legacy. He never got to name anyone to the Supreme Court, but he picked 265 other Federal judges, most of them highly regarded in the legal profession and a significant number, for the first time, of women and members of minorities.

In energy, Carter did what five predecessors had been unable or unwilling to do: broke away from the distorting practice of holding American prices way below world levels. It was an essential step for both economic and security reasons, and one taken against the received liberal wisdom.

Carter also broke with outmoded liberal ideas to begin deregulation of airlines, trucks, banking.

But the domestic achievement that many will value in Jimmy Carter was a symbolic one: being elected President as a Southerner who rejected racism. That really brought the South back into the Union.

There were faults, deep ones. But Jimmy Carter is entitled to a moment of respect. I shall remember him on Labor Day last in Tuscumbia, Ala., when members of the Ku Klux Klan interrupted his first appearance of the election campaign. He said:

"As the first man from the Deep South in 140 years to be President of this nation, I say that these people in white sheets do not understand our region and what it's been through. . . . They do not understand what our country stands for. . . ."●

LIST OF KEY VOTES OF CONGRESSMAN DON J. PEASE, 96TH CONGRESS, 2D SESSION

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. PEASE. Mr. Speaker, it has become my practice to periodically list in the CONGRESSIONAL RECORD the key votes I have cast in the U.S. House of Representatives.

This list of my key votes is arranged as follows: Each item begins with the rollcall number of the vote, followed by the number of the bill or resolution, and a description of the question on which the vote was taken. This is followed by my own vote on the issue, either Y for yes, N for no, or NV for not voting. Finally, the vote of the entire House of Representatives is indicated by passed or failed followed by the yea-nay vote totals.

The list printed here includes key votes taken between June 5, 1980, and December 5, 1980.

301. H.R. 7428. Oil Import Fee/Debt Limit. Passage, over the president's June 5 veto, of the bill to extend through June 30 1980, the existing debt limit of $879 billion and to disapprove the $4.62 fee per barrel of imported oil that President Carter imposed effective March 15. June 5. Y, passed 335–34.

308. S. 562. Nuclear Regulatory Commission. Adoption of the conference report to authorize $426.8 million for FY80 and stiffen penalties for safety violations at nuclear reactor sites. June 10. Y, adopted 386–9.

315. H.R. 5200. Fair Housing Act Amendments. Passage of the bill to give the federal government new authority to enforce housing discrimination laws and to include handicapped persons within coverage of the fair housing laws, June 12. Y, passed 310–95.

321. H. Con. Res. 307. FY81 Budget Targets. Motion to approve the revised conference version of the resolution to revise binding FY80 budget totals and set FY81 budget targets as follows: for FY80—$658.9 billion in budget authority, $572.7 billion in outlays, $525.7 billion in revenues and a $47 billion deficit; for FY81—$697.2 billion in budget authority, $613.6 billion in outlays, $613.8 billion in revenues and a surplus of $200 million. June 12. Y agreed to 205–195.

326. H.R. 6413. National Aeronautics and Space Administration. Amendment to reduce FY81 funds for aeronautical research by $23.5 million in order to eliminate funding for research on advanced supersonic transport aircraft. June 13. Y, rejected 90–225.

339. H.R. 7542. FY80 Supplemental Appropriations. Amendment to rescind $100 million previously appropriated for the purchase of furniture by federal agencies, and to increase FY80 supplemental appropriations by $42,860,000 for the Agriculture Department's Food for Peace Program. June 17. Y, adopted 346–47.

342. H.R. 7542. FY80 Supplemental Appropriations. Amendment to delete from the bill $58 million in Army Corps of Engineers FY80 construction funds for the Tennessee-Tombigbee Waterway Project. June 18. Y, rejected 185–230.

344. H.R. 7542. FY80 Supplemental Appropriations. Amendment to provide the president with an additional $100 million for resettlement assistance for immigrants and refugees other than Cubans found by the Immigration and Naturalization Service to be convicted felons or prostitutes. June 19. Y, adopted 210–188.

346. S. 2698. Small Business Administration. Adoption of the conference report on the bill to authorize $1.2 billion in FY81 and $1.4 billion in FY82, FY83 and FY84 for Small Business Administration programs. June 19. Y, adopted (thus cleared for the president) 210–193.

350. H.R. 6418. Trucking Deregulation. Passage of the bill to substantially curtail federal regulation of the trucking industry, increase competition in the industry and allow individual trucking firms greater ability to change rates. June 19. Y, passed 367–13.

360. H.R. 3567. Soft Drink Bottlers' Antitrust Immunity. Motion to suspend the rules and pass a bill to insulate from antitrust challenge certain exclusive licenses

owned by soft drink bottlers. June 24. N, agreed to 377-34.

361. H.R. 77018. Pesticides Authorization. Motion to suspend the rules and pass the bill to authorize $77.5 million in FY81 to continue programs of the Federal Insecticide, Fungicide and Rodenticide Act and to provide for a two-house congressional veto of Environmental Protection Agency pesticides regulations. June 24. Y, agreed to 392-22.

362. H.R. 7590. Energy and Water Development Appropriations, FY81. Amendment to increase FY81 funding for energy supply, research and development by $107 million. June 24. Y, adopted 254-151.

363. H.J. Res. 521. Draft Registration Funding. Motion to adopt the Senate-passed version (containing a minor amendment deleting $10,000 from the bill for technical reasons) of President Carter's $13.3 million plan to register 19- and 20-year-old men for a possible military draft. June 25. N, agreed to (thus cleared for the president) 284-168.

364. H.R. 7590. Energy and Water Development Appropriations, FY81. Amendment to reduce by $200 million FY81 funding for the Tennessee-Tombigbee Waterway. June 25. Y, rejected 196-216.

365. H.R. 7590. Energy and Water Development Appropriations, FY81. Amendment to delete $2.1 million in FY81 funding for the O'Neill irrigation unit in Nebraska. June 25. Y, rejected 202-211.

368. H.R. 7590. Energy and Water Development Appropriations, FY81. Passage of the bill to appropriate in FY81 $11.71 billion for the Department of Energy, the Army Corps of Engineers, the Bureau of Reclamation and other agencies, June 25. Y, passed 334-87.

372. S. 932. Synthetic Fuels/Defense Production Act. Adoption of the conference report on the bill to authorize $20 billion for alcohol fuels and urban waste and $3 billion for a solar energy and conservation bank to provide subsidized loans; and to extend authorization of the Defense Production Act through September 30, 1986. June 26. Y, adopted 317-93.

379. S. 1308. Energy Mobilization Board. Motion to recommit to the House-Senate conference committee the conference report (thus killing the conference report) on the bill to provide for establishment of an Energy Mobilization Board to cut red tape and waive certain laws for priority energy projects. June 27. Y, agreed to 232-131.

381. H.R. 7592. Military Construction Appropriations, FY81. Passage of the bill to appropriate $4,801,119,000 for military construction projects of the Department of Defense in FY81. June 27. Y, passed 308-19.

387. H.R. 7321. National Tourism Policy. Motion to suspend the rules and pass the bill to establish a national tourism policy, a Cabinet-level coordinating council and a board to develop marketing and implementing plans and to promote foreign travel in the United States. July 1. N, agreed to 347-55.

390. H.R. 7584. State, Justice, Commerce, Judiciary Appropriations, FY81. Amendment, to the amendment, to add $22.37 million to the Immigration and Naturalization Service appropriation for 311 border patrol positions and 91 inspectors. July 1. Y, adopted 337-72.

397. H.R. 7542. FY80 Supplemental Appropriations. Motion to concur in the Senate foreign aid amendment with an amendment to reduce appropriations by $554 million and provide funds for the Export-Import Bank, aid to Nicaragua and other programs. July 2. Y, passed 212-178.

402. H.R. 7511. Veteran's Disability Compensation and Survival Benefits. Motion to suspend the rules and pass the bill to provide a 13% cost-of-living increase in the rates of disability compensation for disabled veterans and to raise the rates of dependency and indemnity compensation for survivors of disabled veterans. July 21. Y, passed 383-1.

404. H. Con. Res. 351. Social Security Taxation. Motion to suspend the rules and adopt the resolution stating the sense of Congress that Social Security benefits should remain exempt from federal taxation. July 21. Y, passed 384-1.

406. H.R. 7593. Legislative Branch Appropriations, FY81. Amendment to delete from the bill $210,000 intended to reimburse House members for travel to and from Washington, D.C., in the first session of the 97th Congress. July 21. Y, passed 217-159.

430. H.R. 7631. HUD & Independent Agencies Appropriation, FY81. Amendment to cut $542,000 from the National Commission on Air Quality. July 25. N, rejected 176-184.

434. H.R. 658. Bankruptcy Law Amendments. Motion to suspend the rules and pass the bill to prohibit persons who receive student loans from discharging those loans in bankruptcy proceedings. July 28, Y, rejected 205-178.

454. H.R. 7583. Treasury, Postal Service, General Government Appropriations, FY81. Amendment to prohibit the use of appropriated funds by the Internal Revenue Service for the study or implementation of a proposed withholding tax on interest and dividends. August 19. Y, passed 401-4.

466. H.R. 7583. Treasury, Postal Service, General Government Appropriations, FY81. Amendment to prevent any funds appropriated by the bill to pay for abortions or the administrative expenses of any plan under the Federal Employees Health Benefit Program that provides coverage for abortions. August 20. N, adopted 228-170.

483. H.R. 7299. Mental Health Systems. Passage of the bill to extend and expand community mental health services programs, state mental health programs and mental illness prevention programs, and to authorize for those programs a total of $78 million for FY81, $152 million for FY82, $177.5 million for FY83. August 22. Y, passed 277-15.

484. H.R. 6308. Fusion Energy Research. Motion to suspend the rules and pass the bill to authorize $435 million for accelerated development of fusion energy. August 25. Y, motion agreed to 365-7.

489. H.R. 6974. Defense Authorization. Adoption of the conference report on the bill to authorize $52.8 billion in FY81 for Defense Department weapons procurement, research, and development, testing and evaluation, and to authorize the manpower strengths of the military services. August 26. Y, adopted 360-49.

494. H.R. 6711. Youth Jobs and Education. Passage of the bill to revise and extend existing youth jobs programs, and to establish a new program of aid for the teaching of basic educational skills in junior and senior high schools with high proportions of low-income students. August 26. Y, passed 337-51.

499. H.R. 7998. Labor-HHS-Education Appropriations, FY81. Amendment to exempt businesses with 10 or fewer employees in industries with good safety records from certain OSHA safety regulations. August 27. N, adopted 225-178.

502. H.R. 7998. Labor-HHS-Education Appropriations, FY81. Passage of the bill to appropriate $84.55 billion for the Departments of Labor, Education, and Health and Human Resources. August 27. Y, passed 320-83.

516. H.R. 7765. Budget Reconciliation. Amendment to restore provisions of existing law providing semiannual cost-of-living adjustments (COLA) in benefits to federal military and civilian retirees. September 4. N, passed 309-72.

519. H.R. 7765. Budget Reconciliation. Passage of the bill, as required under the first budget resolution for FY81, to reduce 1981 outlays by $5.3 billion, and increase revenues by $3.9 billion. September 4. Y, passed 294-91.

534. H.R. 235. Rail Deregulation. Passage of the bill to substantially ease federal regulation of the railroad industry. September 9. Y, passed 337-20.

546. H.R. 8015. Defense Department Appropriations, FY81. Amendment to prohibit use of funds for production of binary chemical munitions. September 16. Y, rejected 125-276.

548. H.R. 8015. Defense Department Appropriations, FY81. Amendment to repeal law that prohibits the Defense Department from paying the premium price on procurement contracts in order to award the contracts to firms located in areas of high unemployment. Y, adopted 220-179.

549. H.R. 8105. Defense Department Appropriations, FY81. Passage of bill to appropriate $157.2 billion for Defense Department programs in FY81. Y, passed 351-42.

560. H. Con. Res. 367. India Nuclear Fuel. Adoption of the resolution disapproving the shipment to India by the United States of enriched nuclear fuel. September 18. Y, adopted 298-98.

571. H.R. 85. Oil and Chemical Spill Liability. Passage of the bill to set up two $375 million funds to clean up oil and chemical spills into navigable waterways, and to compensate victims of such spills for certain damages. September 19. Y, passed 288-11.

579. H.R. 7020. Hazardous Waste Disposal. Passage of the bill to set up a $1.2 billion "superfund" to clean up abandoned hazardous waste dump sites. September 23. Y, passed 351-23.

581. H.R. 7590. Energy/Water Development Appropriations, FY81. Motion to agree to a Senate amendment to authorize a $284 million flood control project in the Tug Fork River valley along the Kentucky-West Virginia border. September 24. N, motion agreed to 230-164.

586. H.R. 6777. Council on Wage and Price Stability. Passage of the bill to extend the Council on Wage and Price Stability through September 30, 1981, and to authorize $6.9 million in appropriations for the council. September 24. Y, passed 229-165.

601. H.R. 8146. Unemployment Compensation. Passage of the bill to extend federal financial support for state unemployment benefit programs. September 30. Y, passed 336-71.

618. H.R. 2977. Domestic Violence. Adoption of the conference report on the bill to provide federal funds to states to set up shelters for victims of domestic violence. October 1. Y, passed 276-117.

622. H. Res. 794. Michael Myers Expulsion. Adoption of the resolution to expel Representative Michael Myers from the House of Representatives. October 2. Y, passed 376-30.

640. H. Con. Res. 448. Second Budget Resolution, Fiscal 1981. Resolution to set binding budget levels for fiscal year ending Sept. 30, 1981, as follows: budget authority, $689.5

billion; outlays, $631.75 billion; revenues, $606.7 billion; and deficit, $25.05 billion. Y, adopted 203-191.

643. H.R. 6704. Juvenile Justice. Amendment to allow juvenile court judges to jail certain youthful offenders who violated valid court orders regulating their behavior. Nov. 19. Y, adopted 239-123.

654. H.J. Res. 598. Auto Import Limitation. Motion to suspend rules and pass bill to give the President authority, for three years, to negotiate auto import restrictions with foreign countries. Dec. 2. Y, agreed to 317-57.

662. H.R. 8378. Nuclear Waste Policy Act. To permit states to veto federally selected nuclear waste sites within their borders unless both Houses of Congress voted to override the veto. Dec. 3. N, rejected 161-218.

669. H.R. 7591. Agriculture Appropriations, Fiscal 1981. To appropriate $21,696,661,000 in fiscal 1981 for the Agriculture Department and related agencies. Dec. 4. Y, adopted 325-25.

675. H.R. 8379. Motor Vehicle Safety. Motion to suspend the rules and pass the bill to authorize appropriations for the National Highway Traffic Safety Administration, delay implementation of federal automobile passive restraint standards by one year and make those standards first applicable to smaller cars. Dec. 5. Y, motion rejected 205-126.●

AFTER TITO, A STRUGGLE—PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. McDONALD. Mr. Speaker, when President Tito died in Yugoslavia on May 4, 1980, there was a lot of hypocritical emotion expressed by many heads of state, in fact they appeared to wallow in it to paraphrase Hilaire du Berrier, who publishes a foreign affairs newsletter entitled: "H. du B. Reports." As he further stated in his May 1980 issue: "Perhaps now is an appropriate time to tell how Yugoslav reds killed more Yugoslavs than the Germans that a Communist might replace their King." Therefore, I wish to place his report on Tito in the CONGRESSIONAL RECORD at this point to correct some of the false impressions created over the years about this man. The material follows:

AFTER TITO, A STRUGGLE

MUCH OF THE TITO STORY WILL NEVER BE KNOWN

The official version is that Josep Broz Tito was born in the village of Kumrovec, near the border of Slovenia and Croatia, on May 7, 1892, of a Croatian drunkard father and a Slovakian peasant mother. Among the aliases he used in his climb upward as a revolutionary were Kostanjek, Tomanek and Walter. As a student he was a failure and after an apprenticeship with a locksmith he became a metal worker, more interested in labor agitation than job advancement. In 1913 he was drafted into the Austro-Hungarian Army and 1914 found him in the attack on Serbia, following the assassination of the Archduke Franz-Ferdinand of Sarajevo. A year later he was captured by the Russians and sent to the Siberian camp which was to be his communist university. 1917 found him in the thick of the insurrection in Saint Petersburg. When the illegal, Russian-directed communist party was set up in Vienna, Comrade Broz returned to Croatia to organize its Yugoslav arm, and the papers he signed during that period bore the initials T.I.T.O, for Tajna Internacionalna Terroristica Organizacija. Thus the name Tito was born. The organization was dissolved in 1921 after an attempt to assassinate the regent, who was to become King Alexander and die in Marseilles in 1934. Tito was working in shipyards and organizing labor cells when he was arrested on April 4, 1928, and sentenced to five years in Lepoglava prison where he was to later lock up his former friends.

When he got out of prison Tito went to Russia for advanced training in the Ecole Superieure of the communist party and emerged as agent No. 135 in the European branch of the Komintern. For a time, in 1935, he was teaching in Russia before being assigned a mission to Austria under the name of Ivan Velchik, with a job as a traveling salesman as a cover. August 1936 found him in Paris passing Yugoslav and Bulgarian volunteers on to the Civil War in Spain. By then his name was Tomanek and he was a Czechoslovakian engineer with letter drops in rue La Fayette, rue de Chabrol and Avenue Mathurin-Moreau. Among the future red leaders with him at the time were Clement Gottwald, the German, Palmiro Togliatti, Luigi Longo and Pietri Nenni, the Italians. In 1937 Stalin called him back to Moscow to help in the bloody purges of four former secretary-generals of the Yugoslav Communist Party and 150 Yugoslav party officials who had taken shelter in Russia. That accomplished, the way was clear for Tito to become head of the Yugoslav Communist Party under the name of Walter.

With the signing of the Russo-German pact on August 23, 1939, Hitler's wehrmacht needed communist help in staving off the Serbian nationalists and Stalin sent Tito home with explicit orders to co-operate with the Germans. There was nothing rebellious about Tito then. From April 1940 onward he condemned the imperialistic British and French attacks on Germany. And when the Germans invaded Yugoslavia in April 1941, Tito still did not lift a hand. Instead, he killed 280,000 of his fellow Croatians and from his HQ in Zagreb continued to work with the Italian High Command, denouncing the "chauvinistic Yugoslavs who wanted to oppose their Axis friends." Until the German invasion of Russia in June 1941, Hitler had no more faithful ally than Tito. Then orders came from Stalin to fight, but Tito was told to talk only of national liberation. The western camp had to be wooed back and "proletarian revolution" was not to be mentioned. By the end of June, 1941, the Germans had surrounded Serbia and driven 12,000 communists into the former Turkish Sandjac and Bosnia where General Draza Mihailovich had been uncontested ruler since the previous spring. Everywhere Mihailovich was acclaimed as a hero, the man who refused to surrender and abandoned his useless tanks to fight in the Ujidce and Cacak hills. Tito hid in Belgrade for a time, in the home of Yvan Ribar, the former minister, but in late July he appealed to Mihailovich and pretended to rally to the resistance. What Mihailovich did not know was that since June 22 Tito had been setting up a Communist General Staff which would cover Croatia, Bosnia and Montenegro and follow Moscow's orders, while Mihailovich was following London's.

December 1, 1941, was a big day in the Yugoslav camp. It was the anniversary of the 1918 proclamation of Yugoslav unity and as they celebrated it, Mihailovich's "chetniks" (members of his band) stacked their arms. At a given signal, Tito's partisans rushed for the chetniks' arms and tried to wipe them out. After a short fight the chetniks regained control and prevented Tito from taking over the Sandjac of Montenegro. From that moment Mihailovich was fighting against both the communists and the Germans.

A short time later two mysterious Russians appeared at Tito's HQ. One of them, Feodor Mahin, had passed for a white Russian in Yugolavia and published the anti-communist paper, "Ruskis Bornik," which King Alexander had financed. But in 1940 Mahin established contact with the Soviet embassy in Belgrade and began working openly with the Germans. With him, when he joined Tito, was another former Czarist officer named Wladimir Lebedev, who had passed as a white Russian journalist on the Belgrade daily, "Politika." Lebedev was a cultured man with dark glasses and a heavy beard which covered two-thirds of his face. His manners were aristocratic and he professed to be a monarchist, but as soon as the Russians re-established their embassy in Belgrade he was appointed press attaché and Tass correspondent on the Greek-Italian front. After the Germans invaded Yugoslavia on April 6, 1941, he disappeared and was not seen until a year later when he presented himself at Tito's camp near Foca. It was a period of complete confusion with Serbs fighting Croats, chetniks fighting Tito's partisans and all four being harassed by the Germans. Scattered groups of partisans straggling back to their hide-out noticed that a change had come over Tito. Gone was the sloppily-dressed man without polish or culture. The leader of the Partisans took to wearing a smart uniform, he seemed slightly larger than before and his hair was lighter. His Croatian accent had disappeared and he spoke like a Russian. Stranger still, he had five fingers on his left hand, while the Tito they had known had lost one in an accident.

One of the first to notice this was Tito's personal guard, Micha Popovich, who in 1943 carried his suspicions to Mihailovich. Two Montenegran students observed that their chief spoke several languages, that he had developed a passion for uniforms and decorations and lost his rude, peasant metal-worker manners. A few days later they were executed. Some did not dare to talk about it and others did not want to, but a rumor began circulating that while the confused fighting of April 1942 was going on the old Josep Broz with nine fingers had disappeared or been liquidated and Lebedev, minus beard and dark glasses, had taken his place. Captain Hudson, of the British Army, later recalled that he had landed on a Montenegran beach about ten miles south of the village of Budua on the night of October 25, 1941, accompanied by Colonel Zacharie Ostojich of the Royal Yugoslav Army. On their way northward to a rendezvous with Mihailovich, they were intercepted by Peko Dajcevic, Tito's commander in Montenegro. Dajcevic immediately reported to Tito and arranged for the British officer to meet him

in late January 1942. Captain Hudson never forgot Tito's admission that he dared not cooperate too closely with the British, after the liquidation of four Yugoslav communist leaders who had made that mistake. It was a few days after the meeting with Captain Hudson that Lebedev appeared at Tito's HQ as an emissary from Moscow. Stalin was taking no chances that his man and the Britisher might make an arrangement between them. About a month later the change appeared to take place and the battle between the partisans and Mihailovich's chetniks for the conquest of Yugoslavia took precedence over the war against the Germans.

THE DISHONEST ACCOUNT GIVEN THE WORLD

A broadcasting station within Russia began flooding the air with stories of the victories of Tito's partisans and the West took them up. So successful was the campaign to smear Mihailovich, R. Harris Smith perpetuated the anti-Mihailovich theme in his shockingly slanted book: "OSS—The Secret History of America's First Central Intelligence Agency." Smith wrote: "Shortly after the German invasion and subjugation of Yugoslavia in April 1941, the allied propaganda services began to manufacture a legend, a heroic tale of a bearded and bespectacled colonel named Draza Mihailovich, Chief of staff of a Yugoslav army unit at the time of his country's capitulation, he had refused to surrender. Taking to the hills in the wake of the Nazi victory, he formed a guerrilla army against the invaders." Smith, the CIA leftist who quit Langley to lecture in the university at Berkeley, California, sneered at reports of Mihailovich's lone battle for his country and King.●

THE DOMESTIC AND INTERNATIONAL HUNGER FOUNDATION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. GILMAN. Mr. Speaker, today I am introducing legislation to establish the Domestic and International Hunger Foundation. I first introduced this measure toward the close of the 96th Congress in an effort to stimulate discussion and comment about this proposal. Response from numerous individuals and organizations working to resolve the critical problem of global hunger and undernutrition was very favorable and I am hopeful that this legislation will receive early consideration by the 97th Congress.

This proposed organization is to be charged with the task of better informing the American people about the causes of and possible solutions to a problem which has a critical bearing on both our determination to fulfill our commitment to the humanitarian principles upon which our Nation was founded and our desire to insure our national security in the decades ahead. That problem is the scourge of hunger and undernutrition which plagues hundreds of millions of people throughout the world.

THE PROBLEM OF HUNGER AND THE WORK OF THE PRESIDENTIAL COMMISSION ON WORLD HUNGER

In my work as a member of The Presidential Commission on World Hunger, established by the President's Executive order of September 5, 1978, in response to a congressional resolution, my worst fears about the enormity of the problem and the immense suffering it brings to innocent children and adults were quickly confirmed. The consensus of those serving on the Commission, men and women who have devoted much of their professional and personal lives to seeking solutions to the hunger problem, was summed up as follows in the Commission's final report issued in March 1980:

> Of all the challenges facing the world today, agreement by the nations of the world on the actions required of all countries to eliminate hunger may be most important, and may also provide the most promising basis for other international actions to assure world peace. By placing the elimination of hunger high on its national agenda, the United States will demonstrate a major commitment to undertaking one of the most important tasks facing mankind.

In its comprehensive report establishing poverty as the principal cause of hunger and undernutrition, the Commission established that hunger has many inter-related causes tied into numerous political, economic, and social problems. While explaining that a major crisis of global food supply—of even more serious dimensions than the present energy crisis—appears likely within the next 20 years, unless steps are taken now to facilitate a significant increase in food production in the developing nations, the Commission underscored its finding that increased food production will not occur, however, without a market and will not benefit hungry people unless they acquire the purchasing power to enter the market. Solutions to ending hunger and undernutrition, thus lay in great measure with efforts to assure more equitable access to food and the resources to produce food through the generation of employment and income.

As the Roman philosopher Seneca proclaimed some 2,000 years earlier: "A hungry people listens not to reason, nor cares for justice, nor is bent by prayers." I doubt that any of us could expect a people whose mothers and fathers are plagued by hunger, seeing their children famished and stunted by malnutrition, to act otherwise.

The Commission found that the United States should be concerned about hunger because of moral obligation and responsibility and out of concern for national security. Traditional appeals to end hunger based on humanitarian concern are probably more familiar than the Commission's finding that promoting economic development in general, and overcoming hunger in particular, are tasks far more critical to the U.S. national security than most policymakers acknowledge or even believe. However, at a time when 750 million to 1 billion people suffer the physically and mentally debilitating effects of chronic undernutrition, hunger unquestionably becomes fused to the security concerns of our Nation and the entire international community because the deprivation experienced by the poor and hungry and those among them who can harness the indignation borne of being without the means to purchase or grow one's needed food, portends an explosive instability which will intensify during the next several decades. I might add that while our Commission was completing its report, the Independent Commission on International Development Issues, chaired by Willy Brandt, former Chancellor of the Federal Republic of Germany, concluded its own study which attached a similarly high priority to ending the world hunger problem.

The Commission noted also, in its findings about hunger and malnutrition in the United States that:

> While progress has been made in reducing the incidence of hunger and malnutrition in the United States, certain segments of the population of the United States, notably among native Americans, migrant workers, and the elderly remain vulnerable to malnutrition and related diseases.

THE NEED FOR PUBLIC EDUCATION

In addition to compiling a report identifying the causes of hunger and malnutrition, assessing past and present national programs and policies that affect hunger and malnutrition, and recommending to the President and Congress specific actions to create a national food and hunger policy, the Commission was charged by its mandate with undertaking a second phase of operations; helping to implement its recommendations and to focus attention on food and hunger issues through various public education activities.

The Commission's public education activities reached out to a broad crosssection of the American public including individuals, private voluntary organizations, the academic community, religious groups, consumer and labor organizations, and the private corporate sector. Numerous Commission publications were distributed, public hearings held, teaching materials developed, and efforts undertaken to involve constituency groups in learning about the causes and nature of and the possible solution to hunger.

Two public opinion polls conducted for the Hunger Commission demonstrated that the American people show strong public support for maintaining and even increasing U.S. assistance to the world's hungry. These public opinion surveys indicate, how-

ever, that there is a need to educate the American public about the complexities of hunger, the scale of the problem, and the realities of U.S. involvement because hunger seldom captures widespread public attention except in times of crisis or dire emergency.

At the Commission's final meeting, June 16, 1980, widespread agreement emerged that the Commission's public education campaign, while significant, had fallen short of the Commission's expectations. Strong support was demonstrated for followup public education activities, including the Commission's recommendation that Congress authorize funds to establish an organization to educate and inform the American public about world hunger.

The Commissioners noted that although the Commission would soon terminate, the problem of hunger was still very real, very critical. And while the Commission's public education activities revealed a concerned citizenry, the Commission could not, with the time and resources it was allotted, disseminate on a wide enough basis its findings and the reasons for its urgent appeal for action against hunger.

THE DOMESTIC AND INTERNATIONAL HUNGER FOUNDATION

Mr. Speaker, consultations with those serving on the Presidential Commission and with others who have worked long and hard on the problem of hunger and malnutrition has convinced me that we must continue our efforts to inform the American people about hunger and the serious implications it has for our Nation.

To achieve this objective, I propose the establishment of the Domestic and International Hunger Foundation. The Foundation's major functions would include: One, conducting, sponsoring, and otherwise supporting conferences, seminars, and workshops on matters pertaining to world hunger; two, developing reference materials dealing with world hunger which would be appropriate for elementary, secondary, and college level study; three, providing assistance for research and studies on the world hunger problem and the public perception of this problem; four, maintaining a speaker's bureau of individuals to discuss issues relating to world hunger; five, monitoring the implementation of the recommendations of the Presidential Commission on World Hunger; six, publishing and otherwise disseminating the results of hunger related research, studies, or investigations; seven, participating in the international exchange of learned publications and materials on hunger and retaining copies of such publications and materials for public access and review; eight, conducting symposia for interested individuals and representatives or organizations in order to explore means by which joint initiatives to alleviate world hunger could be undertaken; and nine, maintaining for public access an inventory of country and community requests for assistance in developing and implementing development assistance projects.

The Foundation's Board of Directors would be appointed by the President, by and with the advice and consent of the Senate. An Advisory Board of individuals representing a broad spectrum of public concerns relating to hunger would be selected to assist the Foundation in its activities. A modest budget would be authorized for the Foundation; a budget representing our Nation's first real commitment to informing the American people about the many dimensions of a problem which has and will continue to have a significant impact upon the lives of all our citizens * * * in this decade and in future decades.

Accordingly, Mr. Speaker, I urge my colleagues to support this legislation which I submit on behalf of all Americans committed to ending the hunger and undernutrition that claims the lives and productive potential of hundreds of millions of our fellow citizens throughout our Nation and throughout the world.

Mr. Speaker, I request that the complete text of this legislation be inserted at this point in the RECORD:

H.R. 870

A BILL TO ESTABLISH THE DOMESTIC AND INTERNATIONAL HUNGER FOUNDATION

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Domestic and International Hunger Foundation Act".

FINDINGS

SEC. 2. The Congress finds that—

(1) hunger and chronic undernutrition remain daily facts of life for hundreds of millions of people throughout the world;

(2) while progress has been made in reducing the incidence of hunger and malnutrition in the United States, certain segments of the population of the United States, notably among native Americans, migrant workers, and the elderly, remain vulnerable to malnutrition and related diseases;

(3) it is imperative that our Nation's policies be consistent with the right of every person in this country and elsewhere to a nutritionally adequate diet as outlined in the Right-to-Food Resolution of 1976;

(4) as the world's largest producer, consumer, and trader of food, the United States has a key role and responsibility in any effort to combat world hunger, and no significant progress is likely to be made without the active and wholehearted participation of the United States in efforts to assist nations and people to improve their capability to feed themselves;

(5) the world hunger problem is far more critical to the national security of the United States than most policymakers acknowledge or believe;

(6) a major global food supply crisis of even greater dimensions than the present energy crisis appears likely to occur within the next twenty years unless steps are taken to facilitate a significant increase in food production and to restructure the means by which food and the resources and technology needed to produce food are distributed;

(7) efforts to meet the rising global demand for food must take into consideration the limited nature of such resources as land, water, and energy, and the possible adverse effects which certain methods utilized to increase food production may have upon these resources;

(8) while world hunger has many interrelated causes, the central and most intransigent cause is poverty;

(9) gains in productivity must not be mistaken for nor subordinated to the goal of assuring more equitable access to food and the resources to produce food through the generation of employment and income;

(10) surveys indicate that the American people strongly support maintaining and even increasing efforts of the United States to eliminate world hunger; however, because hunger seldom captures widespread public attention except in times of catastrophe or dire emergency, it is necessary to further educate the American public about the complexity and scale of the world hunger problem, and the reasons why even greater United States involvement is required; and

(11) present efforts to increase public awareness of the world hunger problem and hunger-related issues fall far short of what is required.

ESTABLISHMENT

SEC. 3. (a) There is established a corporation to be known as the Domestic and International Hunger Foundation (hereinafter in this Act referred to as the "Foundation").

(b) The Foundation shall establish its principal office in the District of Columbia.

FUNCTIONS

SEC. 4. In order to alleviate the problems of world hunger and malnutrition, the Foundation shall—

(1) inform the American public about the causes of and possible solutions to such problems by—

(A) conducting, sponsoring, and otherwise supporting conferences, seminars, and workshops on matters pertaining to world hunger;

(B) developing and, upon request, providing reference materials dealing with world hunger which would be appropriate for use at the elementary school, secondary school, and college levels;

(C) providing assistance for research and studies on the world hunger problem and the public perception of this problem; and

(D) maintaining a speakers bureau of individuals to discuss issues relating to world hunger;

(2) monitor the implementation of the recommendations of the Presidential Commission on World Hunger, made in accordance with Executive Order 12078 (dated September 5, 1978);

(3) publish and otherwise disseminate the results of hunger-related research, studies, or investigations deemed appropriate by the Foundation;

(4) participate in the international exchange of learned publications and materials on hunger, and retain, if appropriate, copies of such publications and materials for public access and review;

(5) conduct symposia for interested individuals and representatives of organizations in order to explore means by which joint initiatives to alleviate world hunger could be undertaken; and

(6) maintain for public access a list of humanitarian organizations, governments of developing countries, and States or local units of government in the United States, requesting financial or other assistance in hunger or development assistance projects.

POWERS

SEC. 5. The Foundation—

(1) shall have perpetual succession unless dissolved by an Act of Congress;

(2) may adopt, alter, and use a corporate seal, which shall be judicially noticed;

(3) may sue and be sued, complain, and defend, in its corporate name in any court of competent jurisdiction;

(4) may make and perform such contracts and other arrangements as may be necessary for carrying out the functions of the Foundation;

(5) shall prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid;

(6) may employ and fix the compensation of not to exceed 70 persons at any one time;

(7) may lease, purchase, or otherwise acquire, own, hold, improve, use, dispose of, and otherwise deal in and with such real or personal property or interest therein as may be necessary for carrying out its functions;

(8) may accept money, property, and services of any kind by gift, devise, bequest, grant, or otherwise;

(9) may use the United States mails in the same manner and on the same conditions as the executive departments of the Federal Government;

(10) may, with the consent of any agency of the United States, use the information, services, facilities, and personnel of that agency in carrying out its functions;

(11) may procure the services of experts or organizations thereof in accordance with section 3109 of title 5, United States Code; and

(12) shall have such other powers as may be necessary or incident to carrying out its functions.

BOARD OF DIRECTORS

Sec. 6. (a) The management of the Foundation shall be vested in a board of directors (hereinafter in this Act referred to as the "Board"), which shall direct the exercise of all powers of the Foundation.

(b)(1) The Board shall be composed of seven members who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) One member of the Board shall be designated by the President to serve as Chairperson of the Board and another member of the Board shall be designated by the President to serve as Vice Chairperson of the Board. Each person designated as Chairperson or Vice Chairperson shall be so designated for the term of such person's appointment to the Board.

(3) Except as provided in paragraphs (4) and (5), and members of the Board shall be appointed for seven-year terms.

(4) Of the members first appointed to the Board—

(A) the member designated as Chairperson shall be appointed for a seven-year term,

(B) the member designated as Vice Chairperson shall be appointed for a six-year term,

(C) one member shall be appointed for a five-year term,

(D) one member shall be appointed for a four-year term,

(E) one member shall be appointed for a three-year term,

(F) one member shall be appointed for a two-year term, and

(G) one member shall be appointed for a one-year term.

(5) A vacancy on the Board shall be filled in the manner in which the original appointment was made. Any member appointed to fill a vacancy occurring before the expiration of the term for which such member's predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of such member's term until a successor to such member has taken office.

(c) The Board shall meet at any time pursuant to the call of the Chairperson or as may otherwise be provided by the bylaws of the Foundation. A majority of the Board shall constitute a quorum, and no action may be taken by the Board except by majority vote of all members of the Board. The Board shall adopt, and may from time to time amend, such bylaws as are necessary for the proper management and functioning of the Foundation.

(d) Members of the Board shall receive no compensation for their services as members of the Board, but may be reimbursed for actual and necessary expenses not exceeding $100 per day, and for transportation expenses, while engaged in their duties on behalf of the Foundation.

(e)(1) The Chairperson—

(A) shall be the chief executive officer of the Foundation, and

(B) shall not engage in any other business, vocation, or employment during that person's period of service with the Foundation.

(2) The chief executive officer of the Foundation shall receive compensation at a rate not to exceed that payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

ADVISORY COMMITTEE

SEC. 7. (a) There is established an advisory committee to the Board for the purpose of advising the Foundation with regard to the objectives and activities of the Foundation.

(b)(1) The advisory committee shall be composed of twenty members as follows:

(A) the Secretary of State, the Secretary of Agriculture, and the Director of the International Development Cooperation Agency;

(B) two members appointed from the House of Representatives by the Speaker of the House of Representatives;

(C) two members appointed from the Senate by the President pro tempore of the Senate; and

(D) thirteen individuals appointed by the President from academic institutions, religious organizations, labor groups, consumer interest groups, and the private corporate sector, with at least one individual to be appointed from each of those groups.

(2)(A) Individuals appointed under paragraph (1)(D) shall be appointed for four-year terms.

(B) Members of the House of Representatives and Senators appointed under paragraph (1) shall be appointed to serve until the Congress succeeding the Congress from which such Member or Senator was appointed first assembles.

(C) The provisions of section 6(b)(5) shall apply with respect to members of the advisory committee.

(c) The advisory committee shall meet with the Board upon the request of the Board, but not less than semiannually.

(d) The Board shall, after consultation with the advisory committee, provide the advisory committee with such professional, secretarial, and other services as the Board deems necessary for the advisory committee to carry out its functions under this Act.

(e) Members of the advisory committee shall receive no compensation for their services as members of the advisory committee, but shall be entitled to reimbursement in accordance with section 5703 of title 5, United States Code, for travel and other expenses incurred by them in the performance of their functions under this Act.

NONPROFIT CORPORATION; CONFLICT OF INTERESTS

SEC. 8. The Foundation shall be a nonprofit corporation and shall have no capital stock. No part of of its revenue, earnings, or other income or property shall inure to the benefit of its directors, officers, or employees, and such revenue, earnings, or other income or property shall be used for the carrying out of the functions of the Foundation. No director, officer, or employee of the Foundation shall in any manner directly or indirectly participate in the deliberation upon or the determination of any question affecting such individual's personal interests or the interests of any corporation, partnership, or organization in which such individual is directly or indirectly interested.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. There are authorized to be appropriated to carry out this Act—

(1) not to exceed $1,500,000 for the fiscal year ending September 30, 1982;

(2) not to exceed $3,500,000 for the fiscal year ending September 30, 1983;

(3) not to exceed $5,000,000 for the fiscal year ending September 30, 1984;

(4) such sums as may be necessary for each fiscal year thereafter.

REPORTS

SEC. 10. The Foundation shall transmit to the Congress each year a report on its activities in carrying out this Act during the preceding year.

GOVERNMENT CORPORATION CONTROL ACT

SEC. 11. The Foundation shall be subject to the provisions of the Government Corporation Control Act (31 U.S.C. 841 and following) relating to wholly owned Government corporations.●

GREEN INTRODUCES GUN CONTROL LEGISLATION

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. GREEN. Mr. Speaker, in the last few months we have witnessed the tragic deaths by shooting of outstanding Americans like Allard Lowenstein, Michael Halberstam, and John Lennon. Death due to the uncontrolled use of handguns is not a new phenomenon; in the past we have witnessed the deaths of John F. Kennedy and Martin Luther King, Jr., whose birthday we honored yesterday. These deaths and those of the 9,000 people killed by handguns annually—whose deaths are less well known but equally as devastating—are the reason I am introducing today the Personal Safety and Firearms Act of 1981.

This bill calls for the registration and licensing of handguns as well as harsher penalties for those who kill so needlessly. My commitment to a sensible legislative answer to this problem is indicated by the fact that this is the first bill I have introduced in this Congress.

It is hard to ignore the statistics that surround the "handgun war." Someone is murdered with a handgun every 50 minutes. A 1979 report of the Surgeon General indicated that firearms are second only to automobiles as a source of fatalities in the United States. Seventy-two percent of the law enforcement officers killed in 1979 were slain with handguns. No legislation can guarantee an end to crime; however, my legislation will make it more difficult for criminals to kill and also will help police in their investigations.

The first section of my bill calls for the registration of all handguns currently in circulation and of those yet to be sold. This registration would be a prerequisite to the purchase of ammunition; carrying an unregistered handgun would be a criminal offense. These controls should not only help those who have access to weapons but also aid in the location of criminals once offenses have been committed.

The second part of my bill calls for the licensing of handgun users. This system already exists in many States; my bill would clarify that no dealer or private individual could sell either handguns or ammunition to someone without a license with the individual's name, address, and photograph. All applicants would be thoroughly investigated as to their suitability for carrying a gun. The system would provide for local or Federal law enforcement authorities to conduct background investigations of applicants to locate felons, fugitives, or other criminals. Violation of either the licensing or registration provisions would subject the offender to up to 5 year imprisonment and/or $5,000 in fines.

Mr. ANDERSON of California, who has introduced a bill this session addressing crimes committed with guns, deserves credit for one provision of my bill which calls for an additional jail term of 5 years to be added to the jail sentence of anyone committing a felony with a firearm.

Last, my bill would remove from the marketplace any handgun which does not meet specified safety criteria in an effort to eliminate the so-called Saturday night specials.

There has been much debate the last few years as to whether "guns kill people" or whether "people kill people." I think my legislation addresses itself to both issues by assuring that those guns that are to be used will go only to those who can use them wisely.●

LIBERALS, UNDER THE CIRCUMSTANCES

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. MILLER of California. Mr. Speaker, we are all aware of the recent discussions about conservative mandates and repudiations of liberal policies. But in a recent article in the Washington Post, Harvard Prof. John Kenneth Galbraith suggests that these convenient political labels are no longer as well suited to describing the origins or impact of public policies as in the past.

Government policies, and consequently congressional actions, according to Professor Galbraith, are less the product of rigid ideology than acquiescence to political facts of life. Intrusion by Government means not only picky regulatory details but, for example, lavish subsidized benefits which the recently released Department of Agriculture study revealed are enjoyed overwhelmingly by the biggest and richest farmers in the United States. Where does Government assistance end and intrusion begin? What is the conservative or liberal view? These are the questions which Professor Galbraith challenges us to answer, and I would like to share his views with my colleagues.

The article follows:

LIBERALS, UNDER THE CIRCUMSTANCES

In these past weeks when my fellow liberals have gathered for companionate discussion and support, the topic has everywhere been the same: is Ronald Reagan really as conservative as billed; surely some streaks of liberalism will eventually show through; there must be some hope somewhere. I've been an uneasy participant in these symposiums; in the past, when liberals have won elections, I've wanted them to stay that way. I was sorry when Jimmy Carter's economists turned out to be conservatives and, as I've previously noted on these pages, considering what they accomplished in combining recession and inflation with the Election Day, so must Carter have been as well. Ronald Reagan and his people won the election. On foreign policy, like nearly all citizens, I want them to keep the worriers on leash, consider consequences, keep the peace. But on domestic policy they have won the right to their hopes.

I do, however, have another line of thought for my co-religionists that could even be of some service, however unwanted, to Reagan's people as well. It is that much of what has been called liberalism in the last half century has been merely an accommodation to historical change—to circumstance.

In the government of the United States, the role of ideology is greatly overemphasized, that of binding circumstance greatly undervalued. Vanity is involved; scholars, pundits, public officials and politicians all wish to believe themselves the arbiters of a wide area of decision. It allows them—us—to feel important. In practice, the scope for decision is very narrow; it's the result of relentlessly constricting change. This, on the whole, is more painful for conservatives than liberals. Liberals, if sometimes reluctantly, make a virtue of adjustment; conservatives have a moral commitment to the past. That is why they are conservatives.

The force of circumstance is evident everywhere one looks—once one learns to look for it. Regulation comes first to mind—the classic liberal hang-up. Airplanes are a metaphor. When many are in the air, someone must regulate their movement; one cannot have them flying into National Airport, or even Dulles, at random. Regulation of air traffic was the invention, not of liberals, but of the Wright brothers. The regulation of nuclear power is similarly compelled by technical change and by that mass of radioactive water in the containment vessel at Three Mile Island; that of chemical wastes by chemistry and past carelessness, including at the Love Canal. In southern California, automobiles pollute the air to the intense dissatisfaction of some of the most conservative people in all the republic. It's the absence of natural ventilation along with the cars, not the Los Angeles liberals, that brings controls on emissions and on the release of industrial gases and particulates.

The just-mentioned Californians live cheek-by-jowl, or nearly so, with impeccably conservative farmers, who are supplied with irrigation water by a benevolent federal government, and near to others who would like yet more water. It was God, not the liberals, who made the West both fertile and dry, and an impersonal process of history that gave the idea of development such power.

Government intrusion upon agriculture is, in many respects, the greatest triumph of history and circumstance over ideology. The market for agricultural products is diffused among many sellers and numerous buyers. On no industry will Adam Smith, on the return that numerous of Reagan's economists are hoping to arrange, look with such satisfaction. (Smith, a much-forgotten point, did not approve of corporations—joint-stock companies as they were called in his day.) But farmers have always excoriated the down-side tendencies of the free market, a deeply characteristic feature of the free market. And they really need price and income protection for the large investment that modern, high-technology farming now requires. So, in the United States, as in all the other industrial countries, farm support prices are in effect and accepted. Prices can still rise, but, below a certain substantial level, they cannot fall. It would be hard to imagine a more egregious intrusion on the conservative commitment to the free market.

Yet there stand the farmers with their costly equipment, and also the very great productivity gains that have accrued to a partially guaranteed return. The new head of the Senate Committee on Agriculture and Forestry, Sen. Jesse Helms, is a man of more than adequately conservative temper. But will farmers be returned to the free market? One all but yearns to see the effort. In fact, much time will be spent looking into the use of food stamps.

Aid to urban areas, usually thought a uniquely liberal initiative, is also an accommodation to change. As the American feder-

al system is arranged, economic growth and population movement give the federal government the revenues, the big cities the costs. Life in dense urban mass, we now know, is a very costly thing. Additionally, when the poor were scattered over the rural South and Puerto Rico, they could be allowed to starve or vegetate in a quiet way. Now that they are in the cities, it is no longer quite so easy to ignore them.

Social Security, unemployment compensation, aid to dependent children and medical assistance to the poor and the old were also liberal initiatives. And in any truly stern conservative view, all are socially enfeebling. But they, too, were an accommodation to historical change. In an earlier rural society, the old and the sick were wards of the family; unemployment was not a problem. Industrialization brought these protective measures in all industrial countries. Only a very severe conservative wishes to repeal the factory system.

Most disconcerting of all, socialism in its modern form is an accommodation to circumstance. Corporations have become very big. When they fail, the shock effect is very great. Too great. So, in Britain, France, Italy and now in the United States, there is a rapidly growing public sector consisting of firms that have taken refuge in the government. Chrysler, Amtrak, Conrail, anytime now some western railroads, maybe Ford—all are a part of a broad trend in what is still called the capitalist world. This socialism, however semantically disguised, is at the behest not of liberals but of conservatives. They lead the delegations down to Washington. It is, perhaps, the most bizarre triumph of circumstance over ideology.

There will be another such triumph in the months ahead involving monetary policy. The new administration is committed to a stronger use of this policy, and if it increases defense spending, cannot much reduce other expenditure, cuts taxes and eschews wage and price controls, there isn't anything else. For years now liberals and conservatives have been debating monetary policy in a symmetrically vacuous way as though it were an ideological issue. It's conservative to rely on it, liberal to oppose. The issue has little or nothing to do with ideology; the issue is, and simply, whether monetary policy works. if you control the money supply—and if you can control it—does all else fall into place?

In fact, all liberal bias apart, it doesn't work; corporations, trade unions, farmers and OPEC have intervened to make what might have served in the 19th century, albeit with some painful depressions, irrelevant now. And this is being affirmed by the increasingly instructive experience of Britain and by the way a more limited reliance on monetary policy is combining unemployment with inflation here at home. Again, the harsh rule of circumstance.

What has been called liberalism in the past has, in fact, been a kind of adaptive pragmatism, a phrase many of my fellow liberals find a trifle objectionable. And much of what has been called conservatism combines hope with a romantic resistance to the achieved fact of historical change. All this, if I may venture a forecast, the days ahead will attest.

THE INTERSTATE BANKING SHOOT-OUT—EASTERN GUNS RIDE WEST

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. LEACH of Iowa. Mr. Speaker, as president of a small town Iowa bank in the 1880's, my great-grandfather was shot in the arm by a bandit in a classic western-style bank robbery.

A posse of concerned citizens was quickly formed and chased Adel's only known bank robber 7 miles down country roads and across newly plowed fields before cornering him in a barn. Showing little instinct for modern-day criminal rights, the posse set fire to the barn and riddled the fugitive as he fled from its fiery hayloft.

The bank robber's body was then strapped to a horse and the posse returned triumphantly to town where the sheriff determined that the public interest would be best served by tying the body to a flagpole on the town square. A rather ghoulish warning was taped across the dead man's bullet-punctured chest: "This is what happens to bank robbers who come to Adel."

Today, small town bankers have reason to be as fearful that their vaults will be cleaned out by large out-of-State financial institutions as my great-grandfather was a century ago that his would be by an aspiring Jesse James.

Large money-center banks have long been calling on Congress to revise the banking laws to allow them to disregard State boundaries and set up shop nationwide. Their financial guns are aimed at banks in States like Iowa and in January in a report to Congress they received a substantial boost from the outgoing Carter administration. As one of its final acts before leaving office, the Carter White House urged that current restrictions on single State banking be liberalized.

Historically, Americans have been wary of concentrating banking authority in the hands of a few, and this concern has been reflected in statutes at the State and Federal levels. The McFadden Act of 1927 prohibits banks in one State from establishing banking operations in another State and the Douglas amendment to the Bank Holding Company Act of 1956 prohibits multibank holding companies from acquiring banks in other States unless the host State specifically permits such transactions. In addition, many States—the most important exception being California—limit in one way or another intra-State banking. Under current law, for example, no Iowa bank can maintain more than four branch offices and no bank holding company can control more than 8 percent of the total deposits in the State.

The major effect of banking laws now on the books has been to minimize the possibility of a few large banks coming to monopolize the capital markets of the country. However, some economists argue, and the Carter administration apparently agreed, that a lessening of restrictions on interstate banking would foster competition and therefore, allow the banking industry to serve the public more efficiently.

In theory there is some merit to this logic. But in practice individual States which have liberalized banking laws within their borders have found that bank expansion has come largely through acquisition and merger, rather than through the establishment of new institutions. Instead of promoting competition, State laws authorizing wide-scale branch banking have simply had a capital concentrating effect. Iowa for example, has one-eighth the population of California but more than twice as many banks. Practical experience would seem to fly in the face of the abstract economic theory that the absence of restrictions is always procompetitive.

Competitive is not the only issue at stake in considering changes in banking legislation. What would happen to interest rates? The prime rate, the fluctuations of which have been heralded so poignantly in recent months, represents the cost of borrowing money in the Nation's major financial centers. The prime in rural States like Iowa is substantially lower than that in money center areas. The changes in the Nation's banking laws advocated by the Carter administration and others would almost certainly cause a flattening of this difference, lowering the prime in New York City while raising it in Des Moines. It is doubtful that this would serve to strengthen the credit-intensive, agriculture-based economy of the Midwest.

Another question raised by the proposed liberalization of the banking laws relates to the availability of funds. Although conjectural, many believe interstate banking would result in concentration in the banking industry and that this in turn would give an unfair advantage to large corporate borrowers at the expense of small businesses and farmers. Whether concentration in banking benefits big business most or not, it is doubtful that the community concerns and know-how reflected on the boards of Iowa's 658 banks could be better reflected on the boards of banks 1,000 miles from the State. If interstate banking were authorized, it could very

well be that a few out-of-State bank boards would ultimately come to have the final say on what percentage of American private sector resources would be dedicated to specific parts of the national and international economy.

The fundamental irony in the prospect of big banks getting bigger is that large banks control more resources than smaller banks but are undercapitalized by comparison. The average Iowa bank has a capital base of 8 percent of its total deposits, whereas the largest banks in the country, such as Bank of America in California and Citibank in New York, have a capital base of approximately 2 percent of deposits. In addition, many believe it is the larger banks which have the more dubious loan portfolios. Agricultural loans that have farmland as security are simply more secure than some of the Third World and urban real estate debt carried by the large international banks.

The principle of interstate banking would seem, therefore, not only to create the prospect for concentration in an industry which by tradition Americans have preferred to be decentralized, but carries profound implications for the safety and soundness of the banking system itself. If the foreign loan portfolio of the large international banks proves as fragile as some economists contend it might, interstate banking could cause the international liabilities of America's largest banks to be passed on to domestic customers. Through interest rate premiums, Iowa farmers could be forced to bail out profligate international bankers. Walter Wriston could be the Jesse James of the 20th century, holding up rural banks to subsidize foreign loan losses.

Finally, it should be stressed that if banking becomes a centralized industry in America there inevitably will be carrot and stick efforts by the Federal Government to intercede and affect lending decisions. Decisions impacting on industries the Government wants aided or restrained can be pushed with relative ease on a concentrated banking system. On the other hand, decentralization has protected banks on the whole from overly coercive actions of Government.

I am convinced Congress would be well advised to scrutinize carefully the Carter administration proposal before tinkering with a State banking system which is functioning rather well today. Current restrictions on interstate banking may be exasperating to the larger banks. But keeping these restrictions in place could prove to be better public policy than the creation of a banking system where concentration becomes the norm. The problems of a decentralized industry are trivial compared to those of centralized power, especially where banking is concerned.●

COMMENT ON AMERICAN ECONOMY

HON. STANLEY N. LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. LUNDINE. Mr. Speaker, despite the serious concern—throughout this Congress and throughout the country—about the current state of the American economy, there is still a great deal of confusion over what we can do to improve the situation. Clearly, no one has the complete solution. But, I believe a sensible starting point is offered in an article by Howard J. Samuels which recently appeared in the Washington Post.

Mr. Samuels traces much of our current difficulty to a "misdiagnosis" of the problem. On the whole, he points out, we are not suffering from an overheated economy, where too much money is driving up the cost of too few goods. Therefore, our troubles are not susceptible to what has so far been primarily a monetarist solution. If we are going to curb inflation we must undertake a broad and coordinated program aimed at reducing the cost-push process.

I might quibble with Mr. Samuels on a couple of points. For example, whereas Mr. Samuels views wages as the main force "driving our inflation," I would qualify the statement by noting that other costs—such as those for equipment, energy, and raw materials—have gone up as well and that wage increases over the last 2 years have not kept up with inflation. And, when Mr. Samuels urges a tax cut for the average worker who has been hit most by inflation, I would go a step further and suggest a rollback in the payroll tax as the vehicle for such a reduction, since it would serve the added purpose of lowering labor costs.

These, however, are minor matters. In its basic outline, I believe Mr. Samuels' article is a clear and persuasive economic prescription which deserves consideration in the Congress and which fits our current economic picture a good deal better than the rash of expensive and poorly targeted tax cuts which currently enjoy favor under the exotic rubric of "supply-side economics." I commend this article to my colleagues' attention.

[From the Washington Post, Jan. 2, 1981]

. . . AND WHAT THE REPUBLICANS SHOULD REJECT

(By Howard J. Samuels)

Weary of inflation, crushing interest rates and slow growth, the American people elected Ronald Reagan in hope of constructive solutions. But as we near his inauguration, there is good reason to fear that the Reagan administration could be locking itself into policies that will bring only more of the same—or worse.

Surrounded by apostles of laissez-faire monetarist economics, Reagan seems poised to unleash a repeat in the United States of the policies now under way in Margaret Thatcher's Britain. There, a mix of tight money, tax cuts for business and the investing classes, and a hands-off approach to wages and prices has resulted in a long-running recession, mounting social tension and scant evidence of any increase in business investment or production. Before his advisers take their ideological scalpels to the American body politic, we should reexamine the monetarist diagnosis of our stagflation problems.

Reagan's economists generally argue that we must deal with a demand-related inflation caused by government deficits, too-rapid growth in the money supply and easy credit. To curb this excess demand, Reagan is committed to maintaining the tight-money, high-interest policies of the Federal Reserve Board until they "wring out" the cash and liquidity that causes inflation. Meanwhile, in the private sector, Reagan's ideology calls for letting companies set whatever prices will clear the market while unions demand whatever wage increases their bargaining power allows. But what if the cause of inflation is not rising demand fueled by excess money? And with unemployment verging on 8 percent, and less than 80 percent of U.S. plant capacity being used, what grounds are there for arguing that demand is pulling inflation up?

What is driving our inflation isn't demand—it is cost, and mainly the cost of wages running steadily above any gains in U.S. productivity. While the most optimistic projections of productivity increases are less than 2 percent in 1981, we are facing another round of labor settlements that could run upward of 12 percent. It is painful for a Democrat to bring this lesson home to a Republican president-elect: the gap between wage raises and productivity gains in our basic inflation rate.

Other costs too, particularly OPEC's energy price boosts, contributed to inflationary psychology in the 1970s. But the rise in unit labor costs has been fundamental and there is nothing in the new administration's policies that even begins to address the problem. Instead, the monetarists' proposed remedies of tight money and high interest rates, as Lee Iacocca would be only too happy to explain, promise to discourage capital investment, slow growth, increase unemployment and ultimately raise the federal deficit. Thus, a policy designed to curb a demand-related inflation will actually exacerbate the cost-related inflation we are suffering from. High interest simply adds another category of cost to the economy's burdens.

Nor is there much chance of breaking inflationary psychology by just the "supply-side" solution of lowering taxes to business and investors. We have already lowered taxes to these sectors substantially in recent years. Thatcher's Tories in Britain have too. But generous tax breaks to business alone will not stimulate investment—especially in an economy with so much slack. What has to be accomplished to make supply-side policies work is the creation of an environment in which businesses can look forward to profitable sales, increased demand and a genuine break in the drive of unions along an endless—and futile—game of "catch-up" with inflation.

For Reagan, that means thinking about the unthinkable: a major effort to involve labor and business in a new social compact coordinated by an activist government. As it stands, the tax cuts and tight-money poli-

cies that the incoming administration proposes are grossly biased toward the well-to-do. Labor will respond to them by struggling for the largest wage increases it can muscle, and the spiral of inflation will run on. What we must seek is a true accord between labor and management comparable to that achieved in Japan. There, in contrast to Britain, a spirit of understanding and mutual interest across the bargaining tables has led to low inflation, high investment, minimal unemployment and the most striking growth of any major economy in the world. Inflation, in short, is a social and political problem that cannot be solved by monetarist tinkering or a package of business tax breaks.

If we are going to endure a period of austerity, we must find a more equitable program. That means one of sacrifices for all—not simply "incentives" to business and investors. Here are a few parameters of a program that would have a chance of working:

Limit wage increases. Much as he may prefer dodging this politically volatile issue, Reagan must come to realize that labor will continue to reach for the largest settlements possible. Insofar as these settlements surpass the rise in productivity, they form the base of our inflation. They can only be halted by Reagan's working with labor to develop a program on wage restraint, preferably by consensus, but, if need be, by law. Arbitrarily, let us say that the ceiling we shoot for is 5 percent annually for three years. At best, this might limit the base rate of inflation to 3-4 percent. We must have an incomes policy.

Focus tax breaks on workers. Since any wage-restraint program would require substantial sacrifice by labor—and provide advantages for all businesses—there must be compensation from government. Since there is a limit to total tax reductions, I would argue that we should target a major portion of our tax breaks to individuals who earn less than, say $20,000—in recognition of the sacrifices the program asks of them. This, together with some flexibility for wage increases, would enable labor to keep within hailing distance of inflation.

Raise corporate taxes while increasing investment breaks. The nation cannot return to an aggressive approach to economic growth unless we reduce inflation. As a matter of justice, sacrifice from the business community is an essential concomitant to any restraint to the wage front by labor. There is little disagreement that we must stimulate investment and technology. They are essential to economic growth. There is also a basic understanding that we must stimulate and motivate entrepreneurialism and long-term investment strategies. We have, in the past decade, substantially reduced corporate and capital gains taxes. The nation must realize that there is just a limited amount the federal budget can absorb. If the federal government is to offer additional tax incentives, it is essential that businesses pay part of the price of reducing inflation and encouraging the supply side of our economy. Therefore, we must raise corporate taxes at the same time we offer the supply-side incentives. Thus, businesses that don't reinvest will pay part of the price of our new economic thrust.

This, I argue, is rough and negotiable, but as the minimum program to snap inflationary expectations and, at the same time, encouraging investment, it would require balanced sacrifice by labor and business. It would reward productive investment, especially in manufacturing. And, unlike the nouveau-monetarist program that Reagan appears bent on, it acknowledges the wage spiral as inflation's deepest root.

It is ever so much easier to pretend that technical manipulation of monetary and tax policies will stall inflation and lead to a new wave of productive investment. Those policies not only misdiagnose inflation, but also represent a political cop-out. If we really want to stop inflation, the working people of this country have to be involved and have to be asked for sacrifices. They are simply not going to cooperate with any program that lavishes handouts to business while simultaneously squeezing interest rates so high that their children can't afford to buy a home.●

THE MYTH OF AFRICAN INDEPENDENCE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. McDONALD. Mr. Speaker, since World War II, we have been watching the Western-induced winds of change blow over Africa. What have these winds of change produced? The theory is that they produced democracy, one man-one vote and prosperity. The grim reality is that they have produced a series of dictatorships, some Soviet controlled, labor camps, and misery. Food production has gone down, human rights violations have gone up, and chaos reigns supreme. The last stupid act of this policy is being played out now in South Africa and in particular Southwest Africa. There is still time to reverse this disastrous course of action. In a recent article by Dr. Christiaan Barnard, the famous South African heart surgeon, that appeared in Leaders magazine for January-March 1981, he outlines the problems of Africa and why Western policy is so wrong. It is an article worth reading and I commend it to the attention of my colleagues.

[From the Leaders magazine, January-March 1981]

THE MYTH OF AFRICAN INDEPENDENCE

(By Prof. Christiaan Barnard)

Following the installation of an internationally acceptable Black government in Zimbabwe, the human rights activists are zeroing in with a new vigour on South Africa, which they regard, with its appendage of Namibia/South West Africa, as the last redoubt of white rule and colonialism in Africa. The demand is becoming more insistent for radical change in South Africa, for the elimination forthwith of all forms of racial discrimination and, ultimately, for the introduction of one man, one vote—or, put another way, for the transfer of political power from white to black.

Where in Africa are the people better off because of one man, one vote? The answer, quite simply, is that the ordinary men and women—and children—of Africa are no better off since they have had one man, one vote elections (usually once only) than they were when they had no vote at all. In many, many cases, their quality of life is worse than it was before they had elections.

LOOK AT THE FACTS!

The Economic Commission for Africa, which is a United Nations organ, established that 14 African countries had achieved no growth at all since their independence in the 1960s and, indeed, that in most cases the standard of living was lower than before independence. Another UN body, the Food and Agriculture Organization, found that the per capita food production in Africa had declined by an average of 1.3 percent per annum. Africa features prominently in the United Nations list of "Most Seriously Affected Countries." Indeed, it is a myth that African countries are independent: In the last 20 years or so, they have become more dependent on the colonialists and imperialists—through billions of dollars in development aid from the West as well as their trade and other economic ties to the former mother countries. As far as maintenance of their power structures by weaponry, they have become dependent on their Communist masters in the case of countries such as Ethiopia and Angola. This picture of retrogression is to be found throughout most of Africa. In Mozambique, agricultural and industrial production has plummeted by 70 percent in the five brief years of independence.

This is a very tragic story of what one man, one vote has meant to Africa. And I have not even touched on the even more tragic record of Africa on human rights: The upwards of 1,500 people who, Amnesty International estimates, are in indefinite detention without trial in Tanzania; the uncounted thousands who were butchered to death in Equatorial Guinea; the 1.3 million refugees in Somalia who are victims of man's inhumanity to man; the statutory torture and murder machine established in Idi Amin's Uganda. . . .

Cold statistics such as these are frightening, often horrific. Is it possible, one wonders, for a Washingtonian or a Londoner or a Parisian or a Berliner to comprehend just what life is like in a one man, one vote African democracy?

THE VIEW FROM THE BLACK SIDE

Let me quote you a few remarks made by the black man in some of the independent African countries I have visited:

"The biggest disaster that ever struck our country was independence. From that time onwards, we have only gone backwards."

"The only change that independence brought about is that the white bosses have been replaced by the black bosses."

"Since independence there is the possibility to get to the top if you have the money to buy your position."

The treatment of the ordinary man in the street by their new black bosses is clearly illustrated by the story of Maria, aged 65, after she escaped from a rehabilitation camp in Mozambique: "We were treated like animals. We lived in tiny huts, which reeked of feces. There were insects, rats and flies everywhere. * * * the hunger. In the evenings, all the guards gave us was a small portion of maize or sorghum. The women were so hungry that they ate green grasshoppers and beetles. And almost all of them fell ill with fever, dysentery, malaria or jaundice. By day, we had to do hard labour: Clear the bush with hoes and axes, work in the maize and cotton fields, repair roads and drains. We were not allowed to wear any clothes from the waist up. The white and Indian women, especially, felt ashamed. The Frelimo guards amused themselves by fondling them. Inside the barbed wire at

night, the camp became a brothel. Whenever they felt like it, the guards grabbed a woman and raped her. Often, a whole troop would run through the camp looking for attractive women, mostly young ones."

SOUTH AFRICA'S REAL FEAR

It is the fear that South Africa, under a one man, one vote system, will show the same retrogression in its economy, its treatment of individuals, its standard of living and its quality of life that make me believe in a gradual evolutionary change.

The realist must acknowledge that the place and role of the white man in South Africa is not all negative.

In the Ivory Coast, which is one of the few black African countries that has shown an improvement in agricultural production, it is now estimated that there are more whites than before independence. In Zambia, 300 white farmers produce 65 percent of the country's agricultural output. In Zaire, whites run the rich copper and cobalt mines in the Shaba Province.

It is no mystery that in South Africa itself (with only 5.8 percent of the continent's population) 18.8 percent of Africa's wheat is produced as well as 20.2 percent of its potatoes, 32.4 percent of its sugar and 41.4 percent of its maize. It is no secret why South Africa is the only food exporter on the continent and the economic and industrial giant of Africa.

The history of Africa has shown that wherever the white expertise has left, a vacuum is created. This vacuum is either filled by social disorder and agricultural, economic and industrial deterioration; or it is filled by some or other non-African nation. Andrew Young has claimed that the Cubans have brought stability to Angola, and he has been criticized for the remark. I agree with this remark, because the withdrawal of the Portuguese from Angola created a vacuum, and if this vacuum was not filled by the Cubans, one would have seen tremendous social disorder, civil war and even a greater deterioration in agricultural and economic output than already exists.

Have those who preached a transfer of power from white to black in South Africa ever considered who would fill the vacuum that would immediately be created?

TEETHING PROBLEMS?

There are those who say that the problems that one sees in newly independent black African countries are just teething problems and that these will disappear. But is this really a valid thought? Liberia has had teething problems ever since it became independent over a century ago, in 1847. And its teething problems have only progressed to a stage where it is ruled by a master sergeant in the army who rids himself of troublesome opponents by shooting them. Ethiopia, which has been independent for even longer than that, still has teething problems with its painfully slow march toward human dignity for all: harsh and repressive rule by a military clique with the assistance of Russia, Cuba and East Germany—and no elections!

It has become fashionable, both in the West and in the East, to insist on selective-one man, one vote for Africa. When a one man, one vote election returned Bishop Abel Muzorewa to power in 1979, it was rejected by both West and East because the Americans, the British (or rather their governments) and the Russians did not approve of a Muzorewa government. But they did approve of a Mugabe government arising out of the one man, one vote election in 1980 even if it was more a case of one-man intimidated, one vote. So blatant has the selective one man, one vote concept become that President Nyerere of Tanzania, whose people have not had personal experience of democracy for something like 20 years, stated before the results of the 1980 election were announced that he could not accept the results because the election had been rigged. But after the results were announced, and Mr. Mugabe, of whom he approved, was declared the winner, Nyerere pronounced himself satisfied that the elections had been fair and free.

I WOULD WAGER ANY MONEY

I would wager any money that if with this same fair and free election Bishop Abel Muzorewa was returned to power, then neither the West nor the African countries, not to speak of the Communist countries, would have accepted the outcome of the election.

The same selective concept is being played out in Namibia/South West Africa where the West, jubilantly supported by the Russians and the United Nations, is spending a great deal of time trying to devise a one man, one vote election. Then they can give their blessing to Mr. Sam Nujoma's Swapo terror group if they win, but they can reject out of hand if one of the democratic parties within South West Africa comes out as the winner.

What is really meant is that the selective one man, one vote concept favours those who reject to participate with the white man to run the country, who reject democracy and seek power through violence. The West is perfectly content to underwrite this concept. But those who underwrite violence in this way, and even more so those who actively support it and even participate in it, should remember that it is not only the black man in Africa who can resort to violence. The white man in Africa can also become violent if provoked beyond endurance. The white man has also fought for his place in the sun: Indeed, the Afrikaner fought the very first war of independence in Africa. And it was the Afrikaner who originated guerrilla warfare, here in Africa.

We Afrikaners do not seek violence, and we will do everything in our power to prevent a violent solution to our problems. But we do not want to rush change. It is a handy slogan to say Change or Perish. But the history of Africa in the 1960s and 1970s shows that if you push change too far too fast then it can also be a case of Change and Perish.

We have rejected, and we still reject, the road of confrontation and violence. But if confrontation and violence is sprung upon us, do not think that the white man will succumb and run away. He can also partake in violence. And confrontation and violence does not necessarily mean that the black man will win.●

REFLECTIONS ON THE HAIG HEARINGS

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. BINGHAM. Mr. Speaker, after several days of listening to the Senate Foreign Relations Committee hearings on the confirmation of Alexander Haig, I have been once again struck by the value of this procedure.

I hope no one thinks, that because only two members of the committee voted against confirmation, the long hearings were a waste of time.

As General Haig himself said, the process was an education for him. Because the hearings covered so much ground, they were also, I feel sure, highly educational for those who listened, as I did, to the proceedings on National Public Radio, or who witnessed them on public television. Moreover, General Haig's testimony will provide a useful benchmark against which his performance can be evaluated as the months go by.

He was an impressive witness, who had carefully prepared himself in advance and had the benefit of the advice of an "old pro," former Secretary of HEW Joe Califano.

Senator PAUL TSONGAS in particular deserves great credit for his well-researched questioning and for his respectful but persistent effort to elicit from General Haig some disavowal of the mistakes of the late 1960's and early 1970's. I share his and Senator PAUL SARBANES' concern that General Haig's way of looking at the great planetary issues of the day is too narrow, perhaps dangerously so. On a personal note, I might add that Senator TSONGAS' performance once again made me proud that I had been able to help, in a very modest way, in his campaign for the Senate.

On another aspect of the Haig hearing, I am grateful to Bob Woodward of the Washington Post for putting the issue of the Watergate tapes in proper perspective. I insert herewith his column from the Washington Post for January 15.

DO NOT SUBPOENA THE TAPES

(By Bob Woodward)

The U.S. Senate should probably forget about obtaining any of the notorious Nixon tapes as part of the confirmation hearings of Alexander M. Haig, the secretary of state-designate. The subpoena for the logs of the 1973 Haig meetings with President Nixon should also be abandoned. It is a senseless chase. The subpoena is quite possibly illegal and, if challenged in court, is an almost sure loser for the Senate; the search is itself unfair and has no precedent in any other confirmation hearing.

Legally, the Senate and its Foreign Relations Committee have little to stand on. The Nixon tapes generated their very own Supreme Court decision, the 1974 ruling that directed Nixon to produce some tapes. Nixon lost on the particular taped conversations, but it is not well remembered that he won big on the overall principle. The unanimous court opinion stated emphatically, for the first time in a high court ruling, that the confidentiality of presidential communications is protected by the Constitution. The court said that the presidential confidentiality has "constitutional underpinnings . . . the privilege is fundmental to the operation of government."

The tone and language of the opinion make it clear that the tapes are presumed to be confidential and unobtainable unless

there is a presentation of sworn testimony that the discussion might be criminal. John Dean, former Nixon counsel, had testified precisely about specific meetings that were taped.

The Haig-Nixon conversations of 1973 do not come close to meeting such a standard. The senators in fact have said exactly the opposite and have fallen all over themselves praising Haig, saying that there is no evidence to suggest improper conduct on his part. Sen. Charles Percy, the committee chairman, who signed the subpoena for the 1973 logs said: "I have never seen a shred of evidence that would lead me not to believe that he [Haig] will be fit."

The law has for years been clear on at least one point: evidence is never obtainable to prove a charge that is not made. There has to be some reason, clue or hint of relevance or criminal activity before it generally can be subpoenaed. In the tapes opinion, the court applied the standard in the federal rules of criminal procedure about "relevance and admissibility"—the need to show that the subpoenaed tapes had something to do with the case and could be used in a trial. And the opinion goes on explicitly to note that a "fishing expedition" will not be permitted.

Granted, the Supreme Court opinion deals with a criminal trial only and not with the issue of a subpoena by a Senate committee. But the spirit of the 1973 rulings is clear—there has to be some established basis for seeking the material, not just a feeling that it might be useful. And another Senate committee, the Senate Watergate committee, did in 1973-74 try to get some of the Nixon tapes and lost its case.

Whether the Senate likes it or not, the Supreme Court might view its pursuit of the tapes as substantially less pressing than that of a prosecutor investigating a crime, especially if there is no specific charge. Carry the thought several steps further. Suppose Haig wrote some letters to his son during the same 1973 Watergate period and talked about the scandal in the White House. Should the Senate subpoena those letters also? No one has suggested that yet, but the Senate would have a better case to get such letters because they are not constitutionally protected as confidential, as the tapes are.

Four years ago when Cyrus Vance and Harold Brown were up for confirmation as secretary of state and secretary of defense, respectively, no one seriously suggested that the Senate subpoena documents from the Defense Department concerning their service during the Vietnam War era. But the Vietnam questions were able to be fully explored at their confirmation hearings.

It is little known that, because of the obstructionist actions of the White House in 1974, the Watergate prosecutors took a look at the actions of Haig, who was then serving as White House chief of staff, and at the actions of the White House lawyers. Though the Watergate prosecutors were not pleased with the delaying tactics and other stunts pulled by Nixon and his aides, Haig and the lawyers handling Nixon's case were unofficially cleared.

But there is much more than a principle of law involved in this resurfacing of Watergate and the tapes. The larger point has to do with the function of the Senate in reviewing someone's fitness for a Cabinet position. What are the limits? There must be some.

To turn to the practical questions posed by the tapes: the audio quality is terrible. The transcribing would be a nightmare task; the unintelligibles, the ambiguities, the vagueness and indirection of Nixon conversations are as maddening as the man himself. If the senators ever got the tapes, they might never be able to agree what actually was on them.

Haig was the chief aide to a criminal president trying to cover up an illegal eavesdropping operation. What would it mean if Haig, in an effort to console Nixon or get out of Nixon's office (Nixon was legend for keeping aides for hours rambling on), said something encouraging that would look bad now?

It is hard to agree with former special Watergate prosecutor Leon Jaworski's characterization of Haig's White House service during Watergate as "heroic." Haig was in a tough spot and played out many contradictory strategies on Watergate saying and doing many often contradictory things. He is probably a shameless self-promoter, and carried situation ethics to the point of making it a personal character flaw.

Haig, nonetheless, did keep a rickety and criminal ship of state afloat and helped ease Nixon out of office. To my mind, he should be neither hailed nor strangled for that role, only held accountable. That has happend and is happening. But let it happen without the tapes.●

HOUSE OF REPRESENTATIVES—*Monday, January 19, 1981*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Give thanks to the Lord, because He is good, and His love is eternal. Let the people of Israel say, "His love is eternal." Let the priests of God say, "His love is eternal." Let all who worship Him say, "His love is eternal."—Psalms 118: 1-4.

Our hearts are full of gratitude to You, O God, for Your faithful love to us and to all people. On this day we are conscious of the impending return of the hostages, and we are filled with joy that their ordeal will be ended. May Your spirit continue to strengthen them and their families in the days to come and cause them to know of our support and concern. Throughout the days of anguish and disappointment, Your love, O God, has been constant. For Your abiding presence and peace, we offer this our thanksgiving. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair wishes to make the following announcement concerning privileges of the floor for House staff during the 97th Congress.

Rule XXXII strictly limits those persons to whom the privileges of the floor during sessions of the House are extended, and that rule prohibits the Chair from entertaining requests for suspension or waiver of that rule. As reiterated as recently as August 22, 1974, by Speaker Albert under the principle stated in "Deschler's Procedure," chapter 4, section 3.4, the rule strictly limits the number of committee staff permitted on the floor at one time during the consideration of measures reported from their committees. To this end, the Chair requests all Members and committee staff to cooperate to assure that not more than the proper number of staff are on the floor, and then only during the actual consideration of measures reported from their committees. The Chair would extend this admonition to all properly admitted majority and minority staff by suggesting that their presence on the floor, including the areas behind the rail, be restricted to those periods during which their supervisors have properly requested their presence. The Chair has consulted with and has the concurrence of the minority leader with respect to this policy and has requested the Doorkeeper and the Sergeant at Arms to assure proper enforcement of the rule.

SWEARING IN OF MEMBERS-ELECT

The SPEAKER. Members who have not taken the oath of office will kindly step to the well.

If the Members will raise their right hand, the Chair will now administer the oath of office.

The Speaker administered the oath of office to the following Members-elect: Hon. GUY VANDER JAGT; Hon. PAUL N. MCCLOSKEY, JR.; Hon. ELWOOD HILLIS; Hon. JOEL PRITCHARD; and Hon. JOHN LAFALCE.

The SPEAKER. The gentlemen are now Members of Congress.

ANNOUNCEMENT ON BEHALF OF INAUGURAL COMMITTEE

(Mr. LONG of Louisiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LONG of Louisiana. Mr. Speaker, in addition to the remarks made by the acting majority leader on Friday, I desire to make the following announcement on behalf of the Inaugural Committee.

Following the inaugural ceremonies on the West Front, shuttle buses will be available on the east side of New Jersey Avenue between the Cannon and Longworth House Office Buildings, to take Members and two guests, who have purchased tickets for the inaugural parade, to the parade reviewing stands at the White House. The first buses will depart at 12:30 p.m. and the last will leave at 1 p.m., promptly. The buses will also be available to bring Members back to the Capitol after the parade.

HOUR OF MEETING TOMORROW

Mr. LONG of Louisiana. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10:30 a.m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

INAUGURAL CEREMONIES OF PRESIDENT AND VICE PRESIDENT OF THE UNITED STATES

Mr. LONG of Louisiana. Mr. Speaker, I offer a resolution (H. Res. 27) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 27

Resolved, That when the House convenes on Tuesday, January 20, 1981, it proceed to the West Front of the Capitol for the purpose of attending the inaugural ceremonies of the President and Vice President of the United States; and that upon the conclusion of the ceremonies the House stand adjourned until 11 o'clock ante meridiem Thursday, January 22, 1981.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RELEASE OF AMERICAN HOSTAGES

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MICHEL. Mr. Speaker, the release of the American hostages by Iran will live in history as a tribute to the unity, reason, and perseverance of the American people.

The courage of the hostages and their families have brought great honor to this Nation. They have shown the world what can be expected of Americans in times of crisis. They have demonstrated that Americans cannot be taken for granted and when tested, their fiber is as strong as the challenges they face.

President Carter, Secretary of State Muskie, and the dedicated public servants of our State Department deserve praise for their patience and hard work.

This is a time of great joy. But we must not let the euphoria of the moment blind us to the fact that we have the duty to learn from this experience. We should never again be caught defenseless against terrorism. We must have the capacity to take any action against terrorism that might be deemed necessary, immediately.

For the moment, however, we can only thank God that we have such great people as the families of the hostages. It was the families who bore the greatest burden and their joy is one

that is beyond our imagining. As to the hostages themselves, I join with all Americans in a simple, but heartfelt greeting: My fellow Americans, it is good to know you are free again, and will soon be home.

□ 1210

CONTINUING THE GRAIN EMBARGO

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. PEYSER. Mr. Speaker, 1 year ago the Soviet Union invaded Afghanistan. Shortly thereafter President Carter put in force the grain embargo.

Mr. Speaker, I shall introduce a resolution tomorrow urging the House to again express its very strong support of maintaining the grain embargo. I think in all fairness for President Reagan it is important that he know how we in the House feel on this most vital issue. We know today that in the Soviet Union they are suffering because of that grain embargo and for us to lift it would be to say the invasion of Afghanistan, where there are still over 80,000 Soviet troops, is perfectly acceptable.

Mr. Speaker, I am confident President Reagan will hold to the embargo but I think we ought to give him our help.

INCENTIVE PAY NEEDED FOR TITAN PROPELLANT HANDLING PERSONNEL

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, today I am introducing legislation to authorize the Secretaries of the various armed services to compensate personnel involved in particularly hazardous jobs for the extraordinary risks they face. I do so in light of the recommendation included in two reports on the safety of the Titan II missile system that such special pay be provided personnel involved in the delicate and hazardous task of handling the toxic propellant used in that system. In recognition of the fact that there are other similarly hazardous jobs in our military service, the bill I am introducing is written in general, discretionary fashion so the service Secretaries can assure that these people are adequately compensated. Similar authority is already on the books for hazardous civilian jobs.

In the case of the Titan II propellant personnel, either by accidentally breathing or coming into direct contact with the lethal missile fuel or its equally dangerous oxidizer, a person's health can be seriously damaged, even destroyed. In spite of protective garments and other precautions, the risk of contact for the propellant personnel remains great. And the accidents which have occurred at Titan sites point all too vividly to the types of tragic accidents that can occur.

It is no wonder that the retention rate for these jobs is far below that of the Air Force generally. Given the fact that it costs over $10,000 to train each new fuel system technician for the Titan system, it only seems wise to provide the kind of compensation that will encourage these highly technical personnel to stay with the job rather than to leave for more lucrative, safer positions elsewhere. That is what my legislation is aimed to do. I would welcome the support and help of all of my colleagues.

EMANUEL CELLER—MAY 8, 1888–JANUARY 15, 1981

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADDABBO. Mr. Speaker, in the history of this body some men have come to Washington to serve themselves. But not Emanuel Celler. He came to serve the people.

Last Thursday, Emanuel Celler, a former colleague and trusted friend, a champion of the poor, the weak, and the powerless, passed away at the age of 92. I will miss Manny very much, and it is with deep sadness and great personal loss that I add my respects today to his memory, a man I believe will certainly go down in history as one of the greatest, most dedicated, and articulate public servants the House of Representatives and this Nation has ever known. His accomplishments on behalf of the people of this country will never be equaled.

Emanuel Celler was a man who was loved by a great many people. Few human beings have touched so many, so often. He was admired and respected by those who marveled at his work and dedication. He was loved by those who enjoyed his humorous wit and countless stories, and revered for this uncanny ability to skillfully turn a phrase to get his point across. Few men, when chairing a hearing, could grasp the attention of those present as Manny could. While others would often struggle with 100 words to speak their mind, Manny could present his argument far more eloquently and clearly, with just a few.

In the half century he served in the House, this invaluable colleague, this man of vision, compassion, and integrity strove to help Americans who were powerless to help themselves. This was reflected very early in his career when he supported the New Deal and Fair Deal programs, tools which helped our country and the millions of Americans who suffered through the Depression, get back on its feet.

Many Americans will long remember his outstanding work as chairman of the House Judiciary Committee, a position he attained in 1949, and except when the Republicans controlled the House, a duty he held until he left Congress in 1972. As chairman, he helped shape the course of American civil liberties unlike any man before him. Landmark legislation, the 1957, 1964, and 1965 Civil Rights Acts, as well as the 1959 and 1968 acts became public law thanks to his tenacity and desire in securing their passage. Many people consider the 1964 Civil Rights Act one of the most important pieces of legislation ever passed in Washington, a bill covering desegregation in education, employment, and public accommodations. I shudder to think what would have happened to that law if Manny Celler had not fought so hard for it. His work in the area of civil rights is unparalleled in our history and Americans today are grateful for his efforts on behalf of them.

While some will recall his work in the area of civil rights, others will look back on his efforts in the area of the Constitution. In his role as chairman he was greatly responsible for the addition of four amendments, amendments which allowed citizens of the District of Columbia the right to vote in Presidential elections, barring poll taxes in Federal elections, the amendment on Presidential disability and succession, as well as the lowering of the voting age to 18.

Still others will reflect back on his influence and legislative skill in generating the support needed to abolish the use of national origins for setting immigration quotas, or for his role in the passage of Celler-Kefauver Antitrust Act of 1950.

Emanuel Celler was much more than a leader who helped pass legislation. My memories of him extend far beyond the parameters of the laws he fought for. To me, he was a friend here in Washington, or at home in New York. His advice was always the best, and he was never too busy to extend it. A genius of a man, his ability to fill the corridors with laughter will never be forgotten by his colleagues and friends, of which he had plenty. I considered it a privilege to have been his friend, and the lessons I learned from him I will carry with me forever.

To his family I extend my sincere condolence on their loss, a loss shared by a nation which appreciates all that he did for it. In this time of sadness they surely must be sustained by the memory of his lifetime and numerous achievements, as well as by the respect in which his memory is held by those fortunate to have known him.

GENERAL LEAVE

Mr. ADDABBO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the life, character, and public service of the late Emanuel Celler.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

RELEASE OF AMERICAN HOSTAGES

(Mr. SUNIA asked and was given permission to address the House for 1 minute.)

Mr. SUNIA. Mr. Speaker, for the purpose of attending and witnessing the ceremonies and official functions marking the inauguration of our 40th President, many people have come from all over the Nation into the Capital. The Speaker will be interested to know, that there is also a delegation from American Samoa, our small territorial outpost in the South Pacific, appointed and sent here by the president and speaker of the American Samoa Legislature to attend the inauguration. The feeling of belonging, and the desire to participate in the activities of our Nation, Mr. Speaker, is deep rooted in the minds of our Samoan leaders.

The delegation, made up of two Samoan senators and four members of the house, return to the territory following the ceremonies tomorrow and will bring news of this historical event to our people, 7,000 miles away.

Mr. Speaker, I thank you for the opportunity to bring to your attention their presence in the Nation's Capital.

RELEASE OF THE AMERICAN HOSTAGES

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute.)

Mr. BROOMFIELD. Mr. Speaker, like every American, I am deeply relieved that this long, tragic ordeal in Iran finally has come to an end for the hostages and their families.

For America their release could not be more opportune as we prepare to inaugurate a new President and raise the curtain on a new—hopefully brighter—chapter in our history.

Few of us will ever be asked to make the great sacrifice these 52 Americans have made for their country.

They conducted themselves with bravery and dignity throughout their more than 14 months of imprisonment, and this Nation owes them its eternal gratitude and respect.

RELEASE OF THE AMERICAN HOSTAGES

(Mr. CARMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARMAN. Mr. Speaker, after more than 14 months, in captivity, freedom is at hand for 52 long-suffering Americans who have been illegally held by Iran. This is a day that millions of us have prayed for. I am sure the families of the hostages can hardly contain their joy, and those of us who have shared their long, lonely vigil, in spirit, now share their happiness.

This is not a day for politics. Everyone involved in this crisis owes a debt of thanks to President Carter for negotiating an end to this tragic chapter in our history.

We can now stop counting the days that our brave people have been held in bondage by the ayatollah and begin counting the days and hours until they again set foot on American soil.

We all give thanks to God for this great day, the day of their return, and embrace this day as one of thanksgiving.

ENERGY IMPACTED RAIL AND HIGHWAY SAFETY ACT

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, I rise today to introduce desperately needed legislation to help solve one of our most pressing energy-related problems. My bill is the Energy Impacted Rail and Highway Safety Act.

This vital measure contains essential language passed in 1980 by both Houses in S. 2720, the Surface Transportation Act. Although the 96th Congress did not have time to complete action on this bill, I feel it is vital and necessary for the well-being of hundreds of thousands of people adversely affected by the soaring rail traffic of coal trains.

This legislation will authorize the Secretary to make cost-sharing grants for transportation projects to alleviate the environmental, social, and economic impact of increased train traffic to meet national energy requirements. It will also authorize cost-sharing grants to reconstruct, resurface, restore, and rehabilitate nontoll public roads that have incurred a substantial increase in use as a result of energy-transportation activities.

Funding for the measure will come from the windfall profit tax, with the Federal cost share to be 80 percent. No State shall, in any fiscal year, receive less than one-half of 1 percent or more than 12 percent of the total apportionment made in that year.

Mr. Speaker, all across this country, communities are experiencing the impact of increased use of coal. Our drive for energy independence is at long last at the top of our agenda, but we must remember those who are adversely affected by the boom in coal-resource development.

As I have stated many times, Nebraska has become the coal chute of the Nation. My State, especially the western part that I represent, is a major, if not only, route for almost all coal going to southern and eastern markets from the coal-rich Powder River Basin in Wyoming and the eastern coalfields of Colorado.

Railroads are the exclusive transporter of this vast resource, and as many of you know most of our towns in the Western States grew up around or alongside a rail line. The rail station and railroads were the lifeblood of western development. These railroads are still vital to the economy of my State for movement of agricultural products as well as freight.

We in the West are now seeing a new and difficult problem arise with the growth in coal transportation by rail. We have 44 communities in my district alone and thousands more in other districts and States that are in fact split in half by a set of railroad tracks.

With the drastic increase in coal traffic, essential services such as provided by hospitals, fire, and police departments are cut off from major segments of these communities for many hours daily with tracks crossable only intermittently between trains. Schools, businesses, and residential areas are separated. This has caused and will continue to cause increasingly severe problems for the people of these communities.

The State of Nebraska is served by 11 railroad companies with a total of 5,494 railroad crossings. Our fatality rate is double the national average for vehicle-train collisions. In 1978 alone, 183 accidents occurred at Nebraska grade crossings, resulting in 18 fatalities and 79 injuries. This rate is bound to increase as coal traffic more than triples, as estimated, in the coming years.

One railroad alone expects to increase from 15 trains per day to 70 trains a day by the year 2000. If you consider the average unit train takes 3 minutes to pass through a crossing, that translates to a total of 3.5 hours daily that the essential services I mentioned earlier are cut off. If you happen to be on the wrong side of the tracks, it could mean the difference between life and death.

The Nebraska State Department of Roads in a recent study indicated that 76 grade separations are needed in the State at an average cost of $2.5 million each. This study also indicated the need for 10 flashing lights and 154 flashing lights with gates for safety purposes. The study projected a cost of $207 million for these improvements in Nebraska alone.

It is clear to me that the burden of these improvements should not and cannot fall solely upon the shoulders of the small communities or of the State. The entire Nation is benefiting from the conversion from lessened oil usage to more coal usage, and I do not think it is too much to ask that the whole country help pay some of the enormous cost.

Using revenues from the windfall profit tax, my bill will make cost-sharing funds available for energy-impacted rail and highway transportation improvements. A total of $250 million is authorized for 1981, increasing by $50 million each year for 5 years.

Although there is no specified breakdown between highway and railroad use of these funds, I feel that it is vital to the safety and well-being of the communities involved that some sort of effort be initiated to help them solve their own version of the energy crisis—that of public safety and convenience.

Thank you, Mr. Speaker.

RELEASE OF THE AMERICAN HOSTAGES

(Mr. MARTIN of North Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTIN of North Carolina. Mr. Speaker, the drama of this week has built to a high pitch with the joyful yet tantalizing news of an agreement whereby the Iranian Government will release the American officials they have illegally held hostage for 1¼ years.

President Carter and his agents are to be commended for their tenacious efforts to effect this agreement, and we continue to hope and pray that it will succeed. We want our people home.

We also have reason to appreciate the intercession of the Government of Algeria on our behalf.

As for Iran, and its present Government, it will take a long time and much more that a negotiated document in three languages to heal the deep wounds of their callous humiliation of our Nation and its people. On this, the timely anniversary of the birth of Muhammed, we also are moved to recall the words of Jesus, who said in the Sermon on the Mount:

> Love your enemies and pray for those who persecute you.

Or as it is rendered in the sixth chapter of Luke:

> Love your enemies, do good to those who hate you, bless those who curse you, pray for those who abuse you.

That injunction clearly applies to us in the condition we have been placed by their hateful acts and will be difficult to live up to. As we pray for the safe return or our people, we must also offer a prayer of thanksgiving to God for softening the hearts of the captors and for strengthening the hearts of the hostages and their loved ones.

□ 1220

SWEARING IN OF MEMBERS-ELECT

The SPEAKER. Members who have not taken the oath of office will kindly step to the well.

If the Members will raise their right hand, the Chair will now administer the oath of office.

The Speaker administered the oath of office to the following Members-elect: Hon. BERKLEY BEDELL and Hon. IKE ANDREWS.

The SPEAKER. The gentlemen are now Members of Congress.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER. The Chair designates the honorable gentleman from Mississippi (Mr. WHITTEN) to act as Speaker pro tempore on Tuesday, January 20, 1981.

HOUSE MEMBERS SHOULD REMEMBER THE WORDS "GOD SAVE THIS INSTITUTION" AND "GOD SAVE THE UNITED STATES OF AMERICA"

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, this morning I had the pleasure of appearing before the Supreme Court and moving the admission to the Supreme Court bar, of a friend and a constituent of mine, Neal Barry Thompson of California. During that ceremony, I was struck with some words that were spoken. Those very simple words, as a matter of fact, has become tradition.

They basically are these: "God bless the United States, and God save this honorable Court."

Mr. Speaker, today as we again have one of the first few days of this, the 97th Congress, and the day before we inaugurate a new President, and on the day apparently that we will have the return of the hostages, it would do well for us to repeat those words, "God save this institution," and "God save the United States of America."

SWEARING IN OF MEMBER-ELECT

The SPEAKER. Will the gentleman from Georgia (Mr. FOWLER) kindly come to the well of the House and take the oath of office at this time?

Mr. FOWLER appeared at the bar of the House and took the oath of office.

PEOPLE OF PUERTO RICO REJOICE AT PENDING RELEASE OF HOSTAGES

(Mr. CORRADA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CORRADA. Mr. Speaker, the people of Puerto Rico unite in rejoicing with the rest of the Nation about the agreement that has been signed early this morning for the release of the hostages.

We are praying and hoping that they will soon be arriving on American soil, which means freedom and security to all of them.

Also, many of our folks have come up for the inauguration of President-elect Reagan tomorrow. More than 100 people have come from Puerto Rico, showing their interest in the matters of our Nation, and we only hope that sometime in the near future our people also will have the right to vote for the President of the United States.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. MOAKLEY) laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.
January 19, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit sealed envelopes received from The White House as follows:

(1) At 6:00 p.m. on Friday, January 16, 1981 and said to contain a message from the President on the State of the Union.

(2) At 6:00 p.m. on Friday, January 16, 1981 and said to contain a message from the President wherein he transmits the Tenth Annual Report of the Department of Transportation on Hazardous Materials Control covering calendar year 1979.

(3) At 6:00 p.m. on Friday, January 16, 1981 and said to contain a message from the President wherein he transmits the report by the Department of Defense and the Department of Transportation on the Military Cash Awards Program.

(4) At 6:00 p.m. on Friday, January 16, 1981 and said to contain a message from the President wherein he transmits the 1980 Annual Report of the ACTION Agency.

(5) At 6:00 p.m. on Friday, January 16, 1981 and said to contain a message from the President wherein he transmits the Second Annual Report on the Status of the Weatherization Assistance Program.

(6) At 6:00 p.m. on Friday, January 16, 1981 and said to contain a message from the President wherein he transmits the 23rd Quarterly Report of the Council on Wage and Price Stability.

(7) At 6:00 p.m. on Friday, January 16, 1981 and said to contain a message from the President wherein he transmits the 13th Annual Report of the Department of Transportation.

(8) At 1:00 p.m. on Saturday, January 17, 1981 and said to contain a message from the President wherein he transmits the Eleventh Annual Report of the Council on Environmental Quality.

(9) At 1:00 p.m. on Saturday, January 17, 1981 and said to contain a message from the President wherein he transmits the Economic Report of the President together with the annual report of the Council of Economic Advisers.

(10) At 10:06 a.m. on Monday, January 19, 1981 and said to contain a message from the President wherein he transmits the Third Annual Science and Technology Report.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
BY W. RAYMOND COLLEY,
Deputy Clerk.

STATE OF THE UNION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-13)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Union Calendar and ordered to be printed:

(For message, see proceeding of the Senate of today, January 19, 1981.)

□ 1230

TENTH ANNUAL REPORT ON HAZARDOUS MATERIALS CONTROL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce, the Committee on Merchant Marine and Fisheries, and the Committee on Public Works and Transportation:

(For message, see proceedings of the Senate of today, Jan. 19, 1981.)●

JOY OF THE FAMILIES OF THE HOSTAGES

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. NELLIGAN. Mr. Speaker, it is a deep pleasure for me to appear here this morning, because at 7:30 I spoke with Mrs. Theresa Lodeski, from Evansville, Pa., who is the mother of Brian German, one of our 52 hostages. It is my sincere belief that the pleasure she feels today and the happiness she feels today are the greatest of her entire life. I talked with her. She was in ecstasy.

To all the parents of the 52 hostages, I believe that this is indeed the greatest day of their entire life. For those constituents and citizens of the 11th Congressional District who are in Washington, D.C., today for the inauguration ceremonies, I welcome you to this great city, the capital of the greatest country in the entire world.

REPORT OF SECRETARY OF DEFENSE AND SECRETARY OF TRANSPORTATION ON AWARDS MADE DURING FY 1980 TO MEMBERS OF ARMED FORCES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Armed Services and the Committee on Merchant Marine and Fisheries:

(For message, see proceedings of the Senate of today, January 19, 1981.)

REPORT ON ACTION AGENCY FOR FY 1980—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor and the Committee on Foreign Affairs:

(For message, see proceedings of the Senate of today, January 19, 1981.)

SECOND ANNUAL REPORT ON THE WEATHERIZATION ASSISTANCE PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Agriculture, the Committee on Banking, Finance and Urban Affairs, the Committee on Education and Labor, and the Committee on Energy and Commerce:

(For message, see proceedings of the Senate of today, January 19, 1981.)

TWENTY-THIRD QUARTERLY REPORT OF COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Banking, Finance and Urban Affairs:

(For message, see proceedings of the Senate of today, January 19, 1981.)

□ 1240

THIRTEENTH ANNUAL REPORT OF DEPARTMENT OF TRANSPORTATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committees on Energy and Commerce, Merchant Marine and Fisheries, and Public Works and Transportation:

(For message, see proceedings of the Senate of today, January 19, 1981.)

ELEVENTH ANNUAL REPORT OF COUNCIL ON ENVIRONMENTAL QUALITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Merchant Marine and Fisheries:

(For message, see proceedings of the Senate of today, January 19, 1981.)

ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Joint Economic Committee:

(For message, see proceedings of the Senate of today, January 19, 1981.)

THIRD ANNUAL SCIENCE AND TECHNOLOGY REPORT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Science and Technology:

(For message, see proceedings of the Senate of today, January 19, 1981.)

□ 1250

LEGISLATION TO ESTABLISH POPULATION POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 5 minutes.

● Mr. OTTINGER. Mr. Speaker, today, I am introducing legislation intended to meet the threat our growing numbers pose to our economic prosperity and national interests.

This legislation declares the goal of population stabilization, by voluntary means, as the keystone of a national policy of planning for demographic change. Second, it grants the Federal Government the capacity to more accurately forecast and effectively respond to short-term and long-term trends in the relationships between population, resources, and the environment, both at home and abroad. And finally, it establishes, to fulfill these aims, an Office of Population Policy which, by directing, monitoring, and coordinating ongoing assessments of these relationships by its departments and agencies will enable the Federal Government to tailor its policies and programs to suit shifting demographic patterns.

Ignoring population growth and change will not stop them from reshaping our lives. Only conscious efforts at every level of government to understand them and plan ahead will make a difference. That is why I believe Congress should act now to make population stabilization the Nation's goal and to establish a White House Office of Population Policy to coordinate Federal planning for it.

I urge my colleagues to support this legislation. The text of my bill is printed below:

H.R. 907

A bill to establish a national population policy and to establish an Office of Population Policy

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title 13, United States Code, is amended by adding at the end thereof the following new chapter:

"Chapter 11—POPULATION POLICY

"Sec. 401. Purpose of chapter.
"Sec. 402. Declaration of policy.
"Sec. 403. Office of Population Policy.
"Sec. 404. Administration.
"Sec. 405. Policy review.
"Sec. 406. Annual report.
"Sec. 407. Definitions.

"§ 401. Purpose of chapter

The purposes of this chapter are—

"(1) to declare a national policy of coordinated planning for the Nation's approach to population change, and to establish a goal of eventual population stabilization in the United States as the keystone of a national population policy;

"(2) to facilitate the attainment of a balance between human population, the environment and natural resources, both nationally and, through cooperation with other nations, globally;

"(3) to improve the capability of the Federal Government to present the President of the United States and other Federal executives accurate, timely, and internally consistent projections of short-term and long-term trends in population, resources, and environment, both nationally and globally;

"(4) to establish for the purposes of this chapter, an Office of Population Policy with the requisite authority to direct and coordinate the continuing assessment by all agencies and departments of the Federal Government of national and global trends in population, resources, and environment, as factors materially affecting the maintenance of the national security and economic well-being of the citizens of the United States; and

"(5) to make possible, through these actions, effective and timely adjustments in Federal, State, and local policies and programs with regard to education, employment, housing, agriculture, commerce, transportation, communications, and services to senior citizens, based on the most current and accurate assessments of national and global trends.

"§ 402. Declaration of policy

"(a) Congress recognizes the direct relationship between population growth and economic development, environmental protection, natural resource availability, and national security. Congress further recognizes the impact of continued unplanned population change on the Nation, particularly as that change affects the national ability to fulfill needs for education, training and jobs, to provide needed health care, to maintain adequate energy supplies, to conserve natural resources, to produce food and agricultural goods, to satisfy the need for housing and transportation, to protect the environment, to provide income maintenance for retired and disabled persons, and to control Government expenditures. Congress recognizes the economic, social, governmental, and environmental advantages of a stabilized population. Congress also recognizes the present inability of the United States Government to derive internally consistent long-term projections of the United States and global trends in population, resources, and the environment; and the lack of effective means to adjust our foreign and domestic programs to the effects of population changes.

"(b) Congress declares that the Federal Government has the responsibility for coordinated planning for population change and declares as a national goal eventual population stabilization. It is the continuing policy of the Federal Government, consistent with other essential considerations of national policy and in cooperation with State and local governments as well as other concerned public and private organizations, to use all practicable means and measures, including financial and technical assistance, to foster and promote the general welfare by creating and maintaining conditions under which it is possible to stabilize the Nation's population at a level which is consistent with a high standard of living relative to available resources, with a respect for the environment, and without major social or economic dislocations, at the earliest possible time. In attaining population stabilization, an immigration policy, consistent with this goal, is essential. Further, it is the intent of Congress that the foreign policy of the United States include these same goals of encouraging global population stabilization and attainment of a long-term balance between human population, resources, and the environment.

"(c) Congress declares that the Federal Government must improve its capability to coordinate and improve domestic and global population, resource and environmental projections and to assess their impact on national security. It is the policy of the Federal Government to develop and maintain this capability and to coordinate decisonmaking, both domestic and international, with these projections.

"§ 403. Office of Population Policy

"(a) There is created in the Executive Office of the President an Office of Population Policy headed by a Director appointed by the President, by and with the advice and consent of the Senate. The Office shall employ such officers and employees as may be necessary for the carrying out of its functions under this chapter. It shall be the duty and function of the Office—

"(1) to assist and advise the President in the preparation of the National Population Change and Planning Report required by section 406 of this chapter;

"(2) to coordinate the use of population statistics, and projections research and to gather timely and authoritative information concerning the conditions and trends in current and foreseeable United States and global population change; to analyze and interpret such information for the purposes of determining whether such conditions and trends are likely to interfere with the achievement of the policies set forth in this chapter; and to compile and submit to the President and Congress studies relating to such conditions and trends;

"(3) to review and appraise the various legislation, regulations, programs, and activities of the Federal Government in light of purpose and policy of this chapter to determine the extent to which they are contributing to the achievement of such purpose and policy, and to make recommendations to the President and Congress with respect thereto;

"(4) to develop and recommend to the President and Congress national policies to plan for population changes, as well as to foster and promote population stabilization to meet the environmental, social, economic, health, and other requirements and goals of the Nation;

"(5) to review and revise projections of long-term trends in global population, resources and the environment and their impact on national security by updating the Global 2000 Report to the President at least every two years;

"(6) to develop and recommend to the President international policies to encourage global population stabilization consistent with the highest possible standard of living without a depletion of the resource base and without environmental degradation;

"(7) to conduct investigations, studies, surveys, research, and analysis relating to population change and its impact on resources and the environment and eventual national population stabilization;

"(8) to document and define changes in the Nation's population and to accumulate necessary data and other information for a continuing analysis of these changes or trends and an interpretation of their underlying causes;

"(9) to prepare the report required in section 406 of this chapter for submission at

least once a year to the President and Congress on the state and conditions of population change and its impact; and

"(10) to make and furnish such studies, reports thereon, and recommendations with respect to matters of policy and legislation as the President may request or the Congress authorizes.

"(b)(1) In exercising its powers, functions, and duties under this chapter, the Office shall—

"(A) consult with such representatives of science, industry, health, education, agriculture, labor, conservation, social welfare, and population organizations, State and local governments, and international or other groups, as it deems advisable; and

"(B) utilize to the fullest extent possible the services, facilities, and information of public and private agencies and organizations, and individuals, in order that duplication of effort and expense may be avoided.

"(2) Each department, agency, and instrumentality of the executive branch of the Government and each independent agency is directed to furnish or provide access to the Director such information as the Director deems necessary and is reasonable to carry out the functions of the Office under this chapter.

"(c) Directors of the Office shall serve full-time and shall be compensated at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code.

"(d) In carrying out the functions of the Office under this chapter, the Director is authorized to—

"(1) appoint such officers and employees as may be necessary to perform the function now or hereafter vested in the Office and to prescribe their duties;

"(2) obtain service as authorized by section 3109 of title 5, United States Code, at rates not to exceed the rate prescribed for GS-18 under section 5332 of such title:

"(e) There are authorized to be appropriated to carry out the provisions of this chapter not to exceed $800,000 for the first fiscal year commencing after the date of enactment of this chapter, $1,200,000 for the succeeding fiscal year, and $1,600,000 for each fiscal year thereafter.

"§ 404. Administration

"The Congress authorizes and directs that, to the fullest extent possible—

"(1) the policies, regulations, and public laws of the United States shall be interpreted and administered in accordance with the policies set forth in this chapter;

"(2) all agencies of the Federal Government shall—

"(A) utilize a systematic, interdisciplinary approach which will assure the integrated use of reliable demographic research in planning and decisionmaking affecting national and global population change and its impact on resources, environment, and national security, and eventual national and global population stabilization;

"(B) identify and develop, in consultation with the Office of Population Policy, established by section 403 of this chapter, methods and procedures which will ensure that national and global population change and the goal of eventual national and global population stabilization be given appropriate consideration in decisionmaking along with other environmental, economic, resource, and technical considerations;

"(C) make available to States, counties, municipalities, institutions, and individuals, advice and information useful to planning for population change and eventual national population stabilization; and

"(D) assist the Office of Population Policy established by this chapter.

"§ 405. Policy review

"All agencies of the Federal Government shall review their present statutory authority, administrative regulations, and current policies and procedure for the purpose of determining whether there are any deficiencies or inconsistencies therein which prohibit full compliance with the purposes and provisions of this chapter. They shall propose to the President and Congress such measures as may be necessary to bring their authority and policies into conformity with the intent, purposes, and policies set forth in this chapter within one year of its enactment.

"§ 406 Annual report

"The President shall transmit to the Congress annually a National Population Change and Planning Report (hereinafter referred to as the 'report') which shall set forth—

"(1) the current status of, and foreseeable trends in, national and global population change;

"(2) current and foreseeable trends in national population change;

"(3) the adequacy of available natural resources for fulfilling human, environmental, and economic requirements of the Nation and world projected on the basis of current and foreseeable population change;

"(4) the impact of long-term national and global population, resource, and environmental trends on the United States economy and national security;

"(5) a review of the legislation, regulations, and programs and activities of the Federal Government, State and local governments and nongovernmental entities, or individuals, in relation to their effect on and planning for population change and eventual national and global population stabilization; and

"(6) a program for remedying the deficiencies of existing legislation, regulations, and programs and activities consistent with the purposes and policies of this chapter.

"§ 407. Definitions

"For the purposes of this chapter, the term—

"(1) 'long term' means for a period of at least 20 years;

"(2) 'global population stabilization' means that stage in population change when births approximately equal deaths from one generation to the next globally;

"(3) 'national population stabilization' means that stage in population change when births and immigration approximately equal deaths and emigration from one generation of the next in the United States; and

"(4) 'population change' means changes in fertility, mortality, immigration, emigration, and inmigration which affect the number of people in the population, their age structure, and their geographic distribution as well as their health, education, employment, income, and resource needs.".

(b) The table of chapters of title 13, United States Code, is amended by adding at the end thereof the following:

"10. Population Policy ..... 401".

(c) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"Director, Office of Population Policy.".●

STATEMENT BY THE HONORABLE CLEMENT J. ZABLOCKI, CHAIRMAN OF THE COMMITTEE ON FOREIGN AFFAIRS, CONCERNING THE RELEASE OF U.S. HOSTAGES IN IRAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 10 minutes.

● Mr. ZABLOCKI. Mr. Speaker, the safe release of the U.S. hostages is a cause for rejoicing by their families and loved ones and by all Americans and indeed for the entire international community. Their release also is a hopeful indication that Iran will now be turning toward normal relations with other nations.

With this barrier to normal relations removed, the United States and Iran can now begin exploratory discussions looking toward resumption of relations between the two nations. As in the past, a peaceful and secure Iran is essential to peace in the region.

President Carter deserves strongest praise for his experienced leadership, determination, perseverance, and prudent actions which climaxed finally in the hostage release. While there has been a regrettable tendency by some to exploit the hostage situation for political ends in recent months, the historical record will demonstrate that the President's firmness and patience were the key to success. The Nation owes him its collective thanks.

There are many others to whom we owe thanks for the happy outcome announced today. There are the brave men who served, those who died, in the earlier rescue mission. There are our Canadian neighbors and their brave Embassy staff in Tehran who watched over our interests and brought some Americans to safety. There are allies and friends throughout the world who responded favorably to our requests for assistance.

As we welcome our countrymen home and join with their families in joyful thanks for their safe return, we also pledge whatever help to them is needed for full physical and mental recovery from their long confinement. We cannot in good conscience do any less.

Mr. Speaker, among the returned hostages is my constituent Marine Sgt. Kevin Hermening whom we welcome back to freedom with his parents, relatives, and friends. I share their joy, and want to add my prayer of thanksgiving to their prayers for his safe return.●

OUR NATIONAL SECURITY INTERESTS IN THE INDIAN OCEAN AND MIDEAST AREAS

(Mr. PRICE asked and was given permission to extend his remarks at

this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, on Saturday, January 17, a delegation of Armed Services Committee members which I headed returned from a 10-day visit to the Indian Ocean and Mideast areas to obtain information on matters related to our national security. Our efforts were very rewarding. Included at the close of my remarks is a news release we issued upon our return which summarizes some of the highlights of what we learned. We are preparing a detailed report which will be published as soon as we complete it.

I am also including the announcement we issued prior to our departure which outlined our objectives and mentioned developments which disturbed us in these regions.

Our allies in these regions stressed over and over again the absolute dependence on the United States as the leader of the free world to stem the advancement of communism. They pleaded with us to assume a greater role of leadership to stop the advances the Soviet Union has made in the past 3 or 4 years. They stressed their need for armament so that they themselves could do whatever fighting is necessary to stop efforts to take over the area. They pointed out many times the vital dependence of the United States, Europe, Japan, and other nations of the free world on Mideast oil. Leaders such as President Sadat also pointed out the urgency of obtaining military assistance due to the increasing activity of nations under Communist influence to advance their cause.

What we found is disturbing. The committee plans to give attention to the unfavorable developments which we noted in our deliberations on national security matters this year.

ARMED SERVICES DELEGATION HEARS WORLD LEADERS CALL FOR MORE ACTIVE ROLE BY THE U.S.

A House Armed Services Committee delegation has returned from an overseas fact-finding mission during which it met with heads of government in India, Singapore, Egypt and Greece on a variety of world issues and heard many of those leaders call for a more active U.S. role in preserving peace in their regions.

The delegation also met with foreign and defense ministers in each country, as well as with Greek and Indian parliamentarians, during the period January 6 through 17.

Chairman Melvin Price (D-Ill.) said the delegation found most leaders in the countries visited urging a more active role by the United States in world affairs, including their regions, and greater U.S. effort to counter Soviet adventurism in troubled parts of the world.

Indian Prime Minister Indira Gandhi, however, told the delegation she does not want superpower confrontation in the Indian Ocean area on matters which concern local governments. She said that both the United States and the Soviet Union should remove their military forces from the Indian Ocean.

When the Congressional members made the point that the United States was responding to growing Soviet presence in the region, Mrs. Gandhi would not acknowledge who came first to the region but said regardless of who initiated it, any military buildup by one power brings an escalating reaction from the other.

Mrs. Gandhi said India is directing its nuclear research toward meeting national energy requirements, that it would share nuclear technology to a limited degree with its neighbors, and it was not pursuing the development of further nuclear explosion capability. She insisted that the nuclear explosion India set off in 1974 was for "peaceful" purposes.

The delegation visited the Bhabha Atomic Research Center (BARC) at Bombay and received a briefing on its program.

Indian leaders made clear that they believe the United States has a contractual obligation to provide enriched uranium to India and failure to do so because of U.S. laws passed subsequently would be considered a breach of contract. This in turn would free India to seek the enriched nuclear fuel elsewhere, possibly the Soviet Union.

In a discussion that lasted more than two hours, Egyptian President Anwar Sadat reviewed the Soviet threat in Africa, urged an increased U.S. presence in the Indian Ocean and analyzed the present state of the peace process between Israel and Egypt.

Mr. Sadat cautioned the delegation not to be disappointed if there is no progress on the peace talks on the Palestinian issue until Fall because new governments were coming into power in the United States and probably Israel and they would need time to establish their positions on the matter.

Mr. Sadat and other Egyptian leaders reviewed problems in the pace and management of the U.S. military aid program for Egypt. He stressed that he would never ask for U.S. soldiers to defend Egypt but needed arms, not only to defend his country, but to assist in defending weaker African states threatened by the widening Soviet sphere of influence. He also called on the United States to give material support to nations in Africa and the Middle East who are resisting Soviet efforts to encircle the vital Red Sea and Persian Gulf area through the use of Cuban proxy forces and "Stooges."

He termed the Libyan intervention in Chad a dangerous development and claimed that Egypt could have contained Libya's adventurism in the region if the United States had sent him the arms he asked for several years ago.

Prime Minister Lee Kuan Yew, the frank speaking leader of Singapore, lectured the delegation on the need for the United States to "learn to act like" the great power that it is. He urged the United States to put Watergate and the Vietnam War behind it and reassert itself in the world, including a strong presence in the Indian Ocean.

He gave the delegation valuable insights on the war in Kampuchea and said free nations must keep the pressure on Vietnam to withdraw its forces.

Chairman Price said Singapore is a showplace of enlightened free enterprise. Its economic growth rate has averaged about 10 percent yearly in the last decade, inflation is running much lower than other nations (around 5 percent yearly) and unemployment has been below three percent.

Mr. Lee said Singapore is firmly on the side of the United States. "If you go down, we go down," he said.

In Athens, the delegation met with Prime Minister George Rallis, who told the group that now that Greece is reintegrated into the military arm of the North Atlantic Treaty Organization (NATO), he expects that a new U.S. base rights agreement with Greece can be completed within the next three months.

He also reviewed for the delegation the bilateral issues requiring resolution between Greece and Turkey, the need for balance in the U.S. arms aid program to the two NATO countries, and Greece's resolve to stand side-by-side with Turkey against any Soviet aggression in the area of NATO's Southeastern flank.

Chairman Price said the delegation will file a report with the full committee soon. He said portions of the report may be classified.

He expressed his appreciation to the delegation members who took time from their schedules to make the trip.

"I think they have gained information that will be very helpful to the committee, and I think they will be better able to carry out their work for having discussed vital issues with these world leaders," he said.

Other members of the delegation were:

Democrats: Richard C. White (Tex.), Bill Nichols (Ala.), Robert H. Mollohan (W.Va,), Bob Stump (Ariz.), Beverly B. Byron (Md.), and Earl Hutto (Fla.).

Republicans: G. William Whitehurst (Va.), Floyd Spence (S.C.), Robert W. Daniel, Jr., (Va.), James A. Courter (N.J.), and Larry J. Hopkins (Ky.).

HOUSE ARMED SERVICES COMMITTEE DELEGATION TO MAKE FACT-FINDING VISIT TO INDIA

A House Armed Services Committee delegation will visit India in early January to discuss with Indian leaders conditions in the Indian Ocean region during this period of heightened tension in the area, Chairman Melvin Price (D-Ill.) announced today. The delegation visit comes at a critical time, Price said, since the Soviet Union and India recently issued a joint resolution which called for "the dismantling of all foreign military and naval bases in the Indian Ocean" and oppposed "all forms of outside interference in the international affairs of the region."

Soviet President Leonid Brezhnev and Indian Prime Minister Indira Gandhi issued the declaration on December 11 at the conclusion of several days of meetings in New Delhi.

Congressman William L. Dickinson (R-Ala.), the Ranking Minority Member of the delegation, said the group will ask Indian leaders to clarify the meaning of the declaration.

"The declaration makes no mention of Afghanistan even though it is a part of the region and occupied by 85,000 Soviet troops," Dickinson said. "I think the delegation will try to learn India's perception on this world issue particularly since the Soviet-Indian statement does not distinguish how India and the Soviet Union respectively view outside interference," he added.

"The increase in U.S. Naval presence in the Indian Ocean and the planned prepositioning of U.S. military equipment in certain countries bordering the Indian Ocean make it important for us to be aware of the views of nations in that area," Price said. The Chairman noted that a committee delegation had visited Oman, Somalia, Pakistan and Saudi Arabia early in 1980.

Mr. Price said the delegation hoped also to get the views of leaders, in India and in

other nations visited, on the war in the Persian Gulf and the Soviet invasion of Afghanistan.

Price said the delegation will be on travel from January 6 to 17, stopping in Singapore, at the key gateway to the Indian Ocean, on the way to India, and visiting Cairo, Tel Aviv, and Athens before returning to Washington. In each country, the delegation hopes to meet with the head of State and the defense minister.

In Singapore, the delegation plans to discuss the increasing transit of Soviet warships through the straits of Malacca enroute to their Indian Ocean patrols, and increased Soviet use of bases in Vietnam and Kampuchea.

While in Cairo and Tel Aviv, the delegation will discuss with Egyptian and Israeli leaders the progress of negotiations on a peace treaty and obtain the views of leaders of these countries on the prospects for ending the Persian Gulf War.

While in Athens the delegation hopes to discuss with Greek leaders the possibilities of renewing the U.S. base rights agreement with Greece now that Turkey has removed its objections to Greece's reentry into the military arm of the North Atlantic Treaty Organization (NATO). Price noted that a committee delegation visited Turkey last April.

Other members of the delegation are:

Democrats: Richard C. White (Tex.), Bill Nichols (Ala.), Robert H. Mollohan (W. Va.), Bob Stump (Ariz.), Beverly B. Byron (Md.), and Earl Hutto (Fla.).

Republicans: G. William Whitehurst (Va.), Floyd Spence (S.C.), Robin L. Beard (Tenn.), Robert W. Daniel, Jr. (Va.), David F. Emery (Maine), James A. Courter (N.J.), and Larry J. Hopkins (Ky).

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SUNIA) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. OTTINGER, for 5 minutes, today.
Mr. ZABLOCKI, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. PARRIS) and to include extraneous matter:)

Mr. HYDE.
Mr. DERWINSKI in two instances.
Mr. PARRIS.
Mr. ROTH.

(The following Members (at the request of Mr. SUNIA), and to include extraneous matter:)

Mr. ANDERSON in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. ROSENTHAL in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. HAWKINS.
Mr. LEHMAN.
Mr. WEISS in 20 instances.
Mr. BIAGGI.

ADJOURNMENT

Mr. SUNIA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 53 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, January 20, 1981, at 10:30 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

259. A letter from the Assistant Secretary of the Army (Research, Development and Acquisition), transmitting a report for the period October 1, 1979 to September 30, 1980, on Army research and development contracts of $50,000 or more, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

260. A letter from the Assistant Secretary of the Air Force for Research, Development and Logistics, transmitting notice of a proposed conversion of the military family housing maintenance function at Blytheville Air Force Base, Ark., to contract performance, pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

261. A letter from the Director, Selective Service System, transmitting a semiannual report for the period ended September 30, 1980, including a report on the 1980 registration, pursuant to section 10(g) of the Military Selective Service Act, as amended; to the Committee on Armed Services.

262. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to increase the authorization for fiscal year 1981 for operating subsidies for public housing projects, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

263. A letter from the Assistant Secretary of the Treasury, transmitting a report on the activities of the multilateral development banks in the development of renewable energy resources in developing countries, pursuant to Public Law 96-259; to the Committee on Banking, Finance and Urban Affairs.

264. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on the export expansion facility program for the quarter ended December 31, 1980, pursuant to Public Law 90-390; to the Committee on Banking, Finance and Urban Affairs.

265. A letter from the Secretary of Health and Human Services; transmitting a draft of proposed legislation to extend authorizations of appropriations for the developmental disabilities programs under the Developmental Disabilities Assistance and Bill of Rights Act, and for other purposes; to the Committee on Energy and Commerce.

266. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend authorizations of appropriations for programs under the Older Americans Act of 1965; to the Committee on Education and Labor.

267. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Economic Opportunity Act of 1964 to extend and amend the Head Start and Native American programs, and for other purposes; to the Committee on Education and Labor.

268. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to extend authorizations of appropriations for programs under the Child Abuse Prevention and Treatment Act and the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978, and for other purposes; to the Committee on Education and Labor.

269. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to strengthen and improve medicaid services to low-income children and pregnant women, and for other purposes; to the Committee on Energy and Commerce.

270. A letter from the Secretary of Transportation, transmitting the Department's evaluation of the common stock of the National Railroad Passenger Corporation, pursuant to section 12 of Public Law 95-421; to the Committee on Energy and Commerce.

271. A communication from the President of the United States transmitting a report on progress toward the conclusion of a negotiated solution of the Cyprus problem, pursuant to section 620C(c) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

272. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on human rights in countries receiving development and security assistance, pursuant to sections 116(d) and 502B(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

273. A letter from the Assistant Secretary of State for Congressional Relations, transmitting Presidential Determination No. 81-2, authorizing the furnishing of certain defense articles and services to El Salvador under section 506(a) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

274. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, transmitting a report on the economic conditions in Egypt, Israel, Portugal, and Turkey, pursuant to Public Law 96-533; to the Committee on Foreign Affairs.

275. A letter from the Comptroller General of the United States, transmitting a report on Federal budget totals being understated because of current budget practices (PAD-81-22, Dec. 31, 1980); to the Committee on Government Operations.

276. A letter from the Director, Office of Administrative Services, Department of Commerce, transmitting a report on the Department's disposal of foreign excess property during fiscal year 1980, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

277. A letter from the Acting Assistant Secretary of Housing and Urban Development for Administration, transmitting notice of a proposed new records system,

pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

278. A letter from the Director, Selective Service System, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

279. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $274,083.33 in excess royalties to Pennzoil Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

280. A letter from the Acting Assistant Secretary of the Interior, transmitting a report on continuing studies of the quality of water of the Colorado River Basin, pursuant to sundry reporting requirements; to the Committee on Interior and Insular Affairs.

281. A communication from the President of the United States, transmitting a determination that the administration of the reception and placement grants, awarded to resettlement agencies for the performance of certain initial services for refugees coming to the United States, should be retained by the Department of State, pursuant to section 412(b)(1)(B) of the Refugee Act of 1980; to the Committee on the Judiciary.

282. A letter from the Chairman, Copyright Royalty Tribunal, transmitting the Tribunal's annual report, covering fiscal year 1980, pursuant to 17 U.S.C. 808; to the Committee on the Judiciary.

283. A letter from the Secretary of Commerce, transmitting the 1977-79 biennial report of the national sea grant college program, pursuant to Public Law 94-461; to the Committee on Merchant Marine and Fisheries.

284. A letter from the Secretary of Transportation, transmitting the first annual report on collision avoidance systems, pursuant to section 401 of Public Law 96-193; to the Committee on Public Works and Transportation.

285. A letter from the Secretary of Transportation, transmitting the Department's report on basic mass transportation systems, pursuant to section 318 of Public Law 95-599; to the Committee on Public Works and Transportation.

286. A letter from the Federal Cochairman, Ozarks Regional Commission, transmitting the 1980 annual report of the Commission, pursuant to section 510 of the Public Works and Economic Development Act of 1965; to the Committee on Public Works and Transportation.

287. A letter from the Chairman, Upper Mississippi River Basin Commission, transmitting the preliminary comprehensive master plan for the management of the Upper Mississippi River System, pursuant to section 101(a) of Public Law 95-502; to the Committee on Public Works and Transportation.

288. A letter from the Administrator, Environmental Protection Agency, transmitting a report on the review of the Department of Energy's conservation and solar energy programs, pursuant to section 11 of the Federal Nonnuclear Energy Research and Development Act; to the Committee on Science and Technology.

289. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Technology.

290. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to terminate the authority for the pursuit of flight training by veterans and for the pursuit of correspondence training by veterans, spouses, and surviving spouses, and for other purposes; to the Committee on Veterans' Affairs.

291. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to eliminate provision of outpatient dental treatment for service-connected noncompensable dental conditions which are unrelated to service trauma or prisoner-of-war status; to the Committee on Veterans' Affairs.

292. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Social Security Act to increase the effectiveness and improve the administration of certain programs under the act, and for other purposes; to the Committee on Ways and Means.

293. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend title II of the Social Security Act, and related provisions of the Internal Revenue Code of 1954, for miscellaneous purposes; when enacted, it will be cited as the "Social Security Amendments of 1981"; to the Committee on Ways and Means.

294. A letter from the Chairman, International Trade Commission, transmitting the Commission's 24th quarterly report on trade between the United States and the nonmarket economy countries, pursuant to section 410 of the Trade Act of 1974; to the Committee on Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows.

By Mr. AKAKA:

H.R. 895. A bill for the relief of certain natives of the Philippines who served in the U.S. Armed Forces during World War II; to the Committee on the Judiciary.

By Mr. BEARD:

H.R. 896. A bill to amend title 5, United States Code, to provide that legal public holidays established in the future occur on a Saturday or Sunday; to the Committee on Post Office and Civil Service.

H.R. 897. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income all dividends received by individuals from domestic corporations and to exclude from gross income interest on certain savings; to the Committee on Ways and Means.

Ms. FIEDLER:

H.R. 898. A bill to provide that certain benefits under the Hostage Relief Act of 1980 will be available to all the American hostages held in Iran; jointly, to the Committees on Foreign Affairs and Post Office and Civil Service.

By Mr. GLICKMAN (for himself and Mr. WHITTAKER):

H.R. 899. A bill to amend title 37, United States Code, to authorize special pay to a member of a uniformed service who performs duties that are unusually hazardous or performed under unusually severe working conditions; to the Committee on Armed Services.

By Mr. HYDE (for himself and Mr. MAZZOLI):

H.R. 900. A bill to provide that human life shall be deemed to exist from conception; to the Committee on the Judiciary.

By Mr. LEHMAN:

H.R. 901. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. LEVITAS:

H.R. 902. A bill to amend the Federal Aviation Act of 1958 to provide for the termination of the Civil Aeronautics Board on January 1, 1983; to the Committee on Public Works and Transportation.

H.R. 903. A bill to provide coverage under the Federal Old-Age, Survivors, and Disability Insurance System for all Members of Congress and other officers and employees in the legislative branch of the Government; to the Committee on Ways and Means.

By Mr. NOWAK:

H.R. 904. A bill to amend the Federal Water Pollution Control Act to provide grants for the costs of operation and maintenance of waste treatment works; to the Committee on Public Works and Transportation.

H.R. 905. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

H.R. 906. A bill to amend the Internal Revenue Code of 1954 to allow the deduction of the portion of certain charges which is allocable to the construction and maintenance of waste treatment works; to the Committee on Ways and Means.

By Mr. OTTINGER:

H.R. 907. A bill to establish a national population policy and to establish an Office of Population Policy; jointly, to the Committees on Government Operations and Post Office and Civil Service.

By Mr. RICHMOND (for himself and Mr. CORRADA):

H.R. 908. A bill to amend title XVI of the Social Security Act and related laws to extend the supplemental security income benefits program to Puerto Rico, the Virgin Islands, and Guam on the same basis as the States; to the Committee on Ways and Means.

By Mr. ROSENTHAL:

H.R. 909. A bill to permit the advertising of drug prices and to require retailers of prescription drugs to post the prices of certain commonly prescribed drugs; to the Committee on Energy and Commerce.

H.R. 910. A bill to require that certain drugs and pharmaceuticals be prominently labeled as to the date beyond which potency or efficacy becomes diminished; to the Committee on Energy and Commerce.

By Mr. ARCHER (for himself and Mr. PICKLE):

H.R. 911. A bill to amend the Internal Revenue Code of 1954 to increase the competitiveness of American firms operating abroad and to help increase markets for U.S. exports; to the Committee on Ways and Means.

By Mr. ROSENTHAL:

H.R. 912. A bill to amend the Federal Food, and Cosmetic Act so as to require that

in the labeling and advertising of drugs sold by prescription the "established name" of such drug must appear each time their proprietary name is used, and for other purposes; to the Committee on Energy and Commerce.

By Mr. FRENZEL:

H.R. 913. A bill to amend the Internal Revenue Code of 1954 to exempt from taxation the earned income of certain individuals working outside the United States; to the Committee on Ways and Means.

By Mr. ROSENTHAL:

H.R. 914. A bill to amend the Federal Food, Drug, and Cosmetic Act and the Fair Packaging and Labeling Act and to otherwise require the labels on foods and food products to disclose all of their ingredients and any changes in their ingredients, their nutritional content, accurate weight data, storage information, their manufacturers, packers, and distributors, and their unit prices and to provide for uniform product grading and prohibit misleading brand names; to the Committee on Energy and Commerce.

H.R. 915. A bill to amend title 35 of the United States Code to provide for compulsory licensing of prescription drug patents; to the Committee on the Judiciary.

By Mrs. SMITH of Nebraska:

H.R. 916. A bill to authorize the establishment of the Trails West National Historical Park in the State of Nebraska, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 917. A bill to amend the Internal Revenue Code of 1954 to provide estate and gift tax equity for family enterprises, and for other purposes; to the Committee on Ways and Means.

H.R. 918. A bill to amend the Internal Revenue Code of 1954 to allow farmers a refundable credit against income tax of up to $2,000 for amounts paid or incurred to convert farm equipment for alcohol fuel use; to the Committee on Ways and Means.

H.R. 919. A bill to amend title II of the Social Security Act to provide that disability insurance benefits may not be paid to individuals who are confined in penal institutions or correctional facilities; to the Committee on Ways and Means.

H.R. 920. A bill to amend the Internal Revenue Code of 1954 to exempt independent producers and royalty owners from the windfall profit tax on the first 1,000 barrels of daily production; to the Committee on Ways and Means.

H.R 921. A bill to amend the Internal Revenue Code of 1954 to provide individuals a refundable credit against income tax for maintaining a household, a member of which is an individual who has attained the age of 65; to the Committee on Ways and Means.

H.R. 922. A bill to amend title 23, United States Code, to authorize the Secretary of Transportation to make grants relating to energy impacted rail and highway transportation; jointly, to the Committees on Public Works and Transportation and Energy and Commerce.

By Mr. WEISS:

H.R. 923. A bill to provide that the Secretary of Housing and Urban Development may not approve any application for rental increases in federally assisted housing unless the amount of such increase is permitted under State and local law; to the Committee on Banking, Finance and Urban Affairs.

H.R. 924. A bill to establish a program of full employment, vocational training, and employment placement for all young Americans willing and able to work, and for other purposes; to the Committee on Education and Labor.

H.R. 925. A bill to amend the Labor-Management Reporting and Disclosure Act of 1959 to require reporting by certain employee associations; to the Committee on Education and Labor.

H.R. 926. A bill to provide that ionization smoke detectors shall bear a label specifying that they contain radioactive materials; to the Committee on Energy and Commerce.

H.R. 927. A bill to remove certain trade restrictions with respect to Cuba; to the Committee on Foreign Affairs.

H.R. 928. A bill to provide for payments in lieu of taxes to local governments by the Administrator of General Services based upon the amount of certain tax exempt property owned by the United States and foreign governments within such locality; to the Committee on Government Operations.

H.R. 929. A bill to amend title 18, United States Code, to require a specific judicial order for entry of premises to intercept a wire or oral communication under chapter 119 of such title; to the Committee on the Judiciary.

H.R. 930. A bill to establish a commission to study alternative methods to the use of live animals in laboratory research and testing; to the Committee on Science and Technology.

H.R. 931. A bill to amend the Internal Revenue Code of 1954 and the Comprehensive Employment and Training Act to provide for the eligibility of certain in-school youth for, and for the certification and referral of such youth to, jobs under the targeted jobs tax credit program; jointly, to the Committees on Education and Labor and Ways and Means.

H.R. 932. A bill to amend the Budget and Accounting Act, 1921, and the Congressional Budget Act of 1974 to require the inclusion of certain figures on capital and operational expenditures in the budgets transmitted to the Congress by the President and in the first concurrent resolutions on the budget; jointly, to the Committees on Government Operations and Rules.

H.R. 933. A bill to amend the Privacy Act of 1974 and the Communications Act of 1934 to provide for the protection of telephone records, and for other purposes; jointly, to the Committees on Government Operations, Energy and Commerce, and the Judiciary.

By Mr. WEISS (for himself, Mr. PERKINS, Mr. ROSENTHAL, Mr. DELLUMS, Mr. MITCHELL of Maryland, Mr. MOFFETT, and Mr. MOTTL):

H.R. 934. A bill to provide authority for the President to stabilize prices, wages, profits, interest rates, and corporate dividends; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WEISS (for himself and Mr. WAXMAN):

H.R. 935. A bill to amend the Age Discrimination in Employment Act of 1967 to permit persons to bring suits under the act in Federal district courts without regard to whether any proceedings have been commenced by or on behalf of such persons under State law, and for other purposes; to the Committee on Education and Labor.

By Mr. WEISS (for himself, Mr. MITCHELL of Maryland, Mrs. CHISHOLM, Mr. ROSENTHAL, and Mrs. COLLINS of Illinois):

H.R. 936. A bill to amend the Federal Food, Drug, and Cosmetic Act to require that the label and advertising for contraceptive drugs and devices state the effectiveness of the drugs and devices in preventing conception in humans, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WEISS (for himself, Mr. STARK, and Mr. MITCHELL of Maryland):

H.R. 937. A bill to provide that ionization smoke detectors containing any radioactive isotope shall be considered banned hazardous substances subject to the prohibitions of the Federal Hazardous Substances Act; to the Committee on Energy and Commerce.

By Mr. WEISS (for himself, Mr. CORRADA, Mr. VENTO, and Mr. LOWRY of Washington):

H.R. 938. A bill to amend title XIX of the Social Security Act to make assistance available under the medicaid program for patients in mental institutions without regard to their age (instead of only for those patients in such institutions who are under 22 or over 65 as at present); to the Committee on Energy and Commerce.

By Mr. WEISS (for himself, Mr. STARK, and Mr. MINETA):

H.R. 939. A bill to amend title 44, United States Code, to permit citizen suits to recover records wrongfully removed from agency files; to the Committee on Government Operations.

By Mr. WEISS (for himself, Mr. CORRADA, Mr. VENTO, AND MR. LOWRY of Washington):

H.R. 940. A bill to amend title XVI of the Social Security Act to eliminate the benefit reduction presently applicable to individuals receiving support and maintenance from families with whom they are living, to continue supplemental security income payments for 3 months when a beneficiary is institutionalized, to provide for the monitoring of the supplemental security income trial work period provisions, and to make it clear that supplemental security income benefits (for up to 3 months) may be paid on the basis of presumptive mental (as well as physical) disability; to the Committee on Ways and Means.

H.R. 941. A bill to amend title XX of the Social Security Act to increase Federal payments to States for services which will assist in removing people from institutions, including the provision of alternative housing, sheltered employment, and similar services; to the Committee on Ways and Means.

By Mr. WEISS (for himself and Mr. CLAY):

H.R. 942. A bill to amend the Hazardous Materials Transportation Act of 1974 to prohibit the transportation of radioactive materials in densely populated areas; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

By Mr. WEISS (for himself, Mr. RICHMOND, Mr. NOWAK, Mr. STARK, Mr. MITCHELL of Maryland, Mr. LEDERER, and Ms. SCHROEDER):

H.R. 943. A bill to facilitate the economic adjustment of communities, industries, and workers to civilian-oriented initiatives, projects, and commitments when they have been affected by reductions in defense or aerospace contracts, military facilities, and arms export which have occurred as a result of the Nation's efforts to pursue an international arms control policy and to realine defense expenditures according to changing national security requirements, and to prevent the ensuing dislocations from contributing to or exacerbating recessionary effects; jointly, to the Committees on Armed

Services, Banking, Finance and Urban Affairs, Education and Labor, Government Operations, and Ways and Means.

By Mr. WHITE:

H.R. 944. A bill to amend the Immigration and Nationality Act to provide for the issuance of nonimmigrant visas to certain aliens entering the United States to perform services or labor of a temporary or seasonal nature under specific contracts of employment and fair employment conditions; to require an immigrant alien to maintain a permanent residence as a condition for entering and remaining as an immigrant of the United States, and for other purposes; to the Committee on the Judiciary.

H.R. 945. A bill to establish a method whereby the Congress (acting in accordance with specified procedures) may prevent the adoption by the executive branch of rules or regulations which are contrary to law or inconsistent with congressional intent or which go beyond the mandate of the legislation which they are designed to implement; jointly, to the Committees on the Judiciary and Rules.

H.R. 946. A bill to amend the Clean Air Act with respect to the prevention and control of air pollution in border areas of the United States and countries contiguous to the United States, and for other purposes; jointly, to the Committees on Foreign Affairs and Energy and Commerce.

By Mr. BEARD:

H.J. Res. 89. Joint resolution proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of the Congress if the level of outlays exceeds the level of revenues; to the Committee on the Judiciary.

By Mr. NOWAK:

H.J. Res. 90. Joint resolution designating the first Sunday of October in every year as "National Choir Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. VOLKMER:

H.J. Res. 91. Joint resolution proposing an amendment to the Constitution of the United States prohibiting Federal courts from entering orders requiring the attendance of any student at a particular school; to the Committee on the Judiciary.

H.J. Res. 92. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. WEISS:

H.J. Res. 93. Joint resolution to renounce the first use of all nuclear weapons and to conclude treaties with all nations renouncing the first use of all nuclear weapons; to the Committee on Foreign Affairs.

By Mr. WEISS (for himself and Ms. FERRARO):

H.J. Res. 94. Joint resolution to provide that certain regulations issued by the Secretary of Transportation relating to highway routing of radioactive materials shall not be effective; to the Committee on Public Works and Transportation.

By Mr. WHITE:

H.J. Res. 95. Joint resolution proposing an amendment to the Constitution of the United States relating to the busing or involuntary assignment of students; to the Committee on the Judiciary.

H.J. Res. 96. Joint resolution proposing an amendment to the Constitution of the United States to provide that the level of total outlays of the United States for any fiscal year shall not exceed the level of total receipts of the United States for such fiscal year and to provide for the disposition of unanticipated deficits; to the Committee on the Judiciary.

By Mr. BEARD:

H. Con. Res. 28. Concurrent resolution establishing a Joint Select Committee on Defense Readiness and Mobilization Capability; to the Committee on Rules.

By Mr. WEISS:

H. Res. 28. Resolution to amend the Rules of the House of Representatives to require that all bills and resolutions have titles which accurately reflect their contents and all subject matters contained therein; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. SMITH of Nebraska:

H.R. 947. A bill for the relief of Rogelio Narvaez, doctor of medicine, and his wife, Perlita Narvaez, doctor of medicine; to the Committee on the Judiciary.

H.R. 948. A bill for the relief of Estella Chan, doctor of medicine; to the Committee on the Judiciary.

H.R. 949. A bill for the relief of Dr. Samuel K. K. Chung and Margarita Chung; to the Committee on the Judiciary.

H.R. 950. A bill for the relief of Teodoro A. Ando; to the Committee on the Judiciary.

By Mr. WHITE:

H.R. 951. A bill to increase the monthly basic pay of a certain officer of the Armed Forces and to make subsequent increases in pay and allowances for such officer reflective of changes in the Consumer Price Index; to the Committee on Armed Services.

By Mr. VOLKMER:

H.R. 952. A bill for the relief of Crisanto S. Gualberto (medical doctor), Thelma Castro Gualberto, Tina Gualberto, and Lala Gualberto; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 567: Mr. HYDE.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

11. By the SPEAKER: Petition of St. Clair County Commission, Ashville, Ala., relative to revenue sharing; to the Committee on Government Operations.

12. Also, petition of the Congress of the Federated States of Micronesia, relative to Japanese plans to dump nuclear waste; to the Committee on Interior and Insular Affairs.

13. Also, petition of the Congress of the Federated States of Micronesia, relative to funds needed for public education regarding the Draft Compact of Free Association; to the Committee on Interior and Insular Affairs.

SENATE—*Monday, January 19, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met at 4 p.m., and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O God, our Father, who in ages past heard the anguished prayer, "Let my people go," hear us once more as we offer this prayer for our fellow citizens in captivity to a foreign power. Come graciously near to each person who has suffered the separation, the loneliness, the uncertainty, and the pain of imprisonment. Teach us whatever lessons must be learned from this agonizing experience that comity and good will may prevail among the nations.

We thank Thee for those servants of the Government whose diligence, persistence, and skill give promise for release of the captives. We give Thee thanks especially for Thy servant, Jimmy Carter, for his indomitable spirit, his perseverance, and steadfastness in service to the Nation. We thank Thee for his devotion to social justice, to human rights, and to world peace. Grant him in days to come a serene soul and rewarding work.

Bestow upon us in this place Thy grace and sufficient wisdom for our duties. And may Thy goodness and mercy follow us all our days.

Through Him whose name is above every name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The Senator from Tennessee.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR PERIOD FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that following the time allocated under the standing order for the two leaders that there be a period for the transaction of routine morning business and that Senators may be permitted to speak therein.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I might say that it is my intention to attend to only one matter of routine business, which I have discussed with the minority leader, and then to yield my time under the standing order, or such other time as might be provided, to the distinguished minority leader if he so wishes.

ORDER FOR RECESS UNTIL 10:30 A.M. TOMORROW; ORDER FOR THE SENATE TO PROCEED AS A BODY, AT 10:50 A.M., TO THE INAUGURATION PROCEEDINGS, FOLLOWING THE CONCLUSION OF WHICH THE SENATE RECESS UNTIL 3 P.M.

Mr. BAKER. Mr. President, I ask unanimous consent that at the conclusion of the business of the Senate today, the Senate stand in recess until the hour of 10:30 a.m. tomorrow; further, I ask unanimous consent that at the hour of 10:50 a.m. tomorrow the Senate proceed as a body to the west front of the Capitol for the inauguration of the President and the Vice President of the United States, that the Senate stand in recess at that time until the hour of 3 p.m.; and finally, Mr. President, I ask unanimous consent that on tomorrow, the time allocated to the two leaders under the standing order follow the reconvening of the Senate at 3 p.m. as provided for in this request.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF RULE XXV OF THE STANDING RULES OF THE SENATE

Mr. BAKER. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The resolution will be stated by title.

The assistant legislative clerk read as follows:

Resolution (S. Res. 24) to amend paragraph 3 of rule XXV of the Standing Rules of the Senate.

Mr. BAKER. Mr. President, as I indicated earlier, this resolution has been cleared with the distinguished minority leader. It simply provides for a change in the total membership of the Aging Committee in order to accommodate the assignments to that committee by both caucuses.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 24) was considered and agreed to as follows:

S. RES. 24

To amend paragraph 3 of Rule XXV of the Standing Rules of the Senate.

Resolved, That Rule XXV, paragraph 3 (b), as amended by S. Res. 13 of the 97th Congress, is further amended by striking a new line:

"Aging ---------- 13"

and inserting in lieu thereof:

"Aging ---------- 15".

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NOS. 97–1 TO 97–4

Mr. BAKER. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from a Tax Convention with the Federal Republic of Germany, the Protocol to the Agreement on the Importation of Educational, Scientific, and Cultural Materials, the Consular Convention with the People's Republic of China, and a Protocol Relating to an Amendment to the International Civil Aviation Convention (Treaty Doc. Nos. 97–1 to 97–4, respectively), which were transmitted to the Senate by the President of the United States on January 15, January 16, and January 19, 1981.

I further ask that the four treaties be considered as having been read the first time; that they be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's messages in respect to the treaties be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The messages of the President are as follows:

To the Senate of the United States:

I transmit herewith for Senate advice and consent to ratification, the Convention between the United States of America and the Federal Republic of Germany for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Estates, Inheritances and Gifts (the Convention), signed at Bonn on December 3, 1980. For the information of the Senate, I also transmit the report of the Department of State with respect to the Convention.

The Convention is the first of its kind to be negotiated between the United States and the Federal Republic of Germany. It will apply, in the United States, to the Federal estate tax, the Federal gift tax, and the Federal tax on generation-skipping transfers, and in the Fed-

eral Republic of Germany, to the inheritance and gift tax.

In general, the Convention is similar to the estate and gift tax convention with the United Kingdom, which entered into force on November 11, 1979, and to the United States estate and gift tax convention with France, which entered into force on October 1, 1980.

The principle underlying the Convention is that the country of domicile may tax the estate and gifts of a decedent or donor on a worldwide basis, but must credit tax paid to the other State with respect to certain types of property located therein.

I recommend that the Senate give early and favorable consideration to the Convention and give advice and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *January 15, 1981.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Protocol to the Agreement on the Importation of Educational, Scientific, and Cultural Materials, adopted at Nairobi, Kenya, on November 26, 1976, and opened for signature at the United Nations on March 1, 1977. I also transmit, for the information of the Senate, the report of the Department of State with respect to the Protocol.

The Protocol amends and expands the coverage of the Agreement on the Importation of Educational, Scientific and Cultural Materials, which was adopted at Florence in July 1950, opened for signature on November 22, 1950, and entered into force for the United States on November 2, 1966. The purpose of the original Agreement was to facilitate the international flow of educational, scientific, and cultural materials, and generally the exchange of ideas, through the extension of duty-free treatment to a range of such educational, scientific and cultural materials. The present Protocol substantially broadens the list of eligible products, including those for the advancement of the blind and other handicapped persons.

Ratification of the Protocol is expected to have important beneficial effects on United States exports of products covered by the Agreement. It will also result in important benefits for the blind and handicapped in this country. I recommend, therefore, that the Senate give early and favorable consideration to the Protocol and advise and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *January 16, 1981.*

To the Senate of the United States:

I am transmitting for the Senate's advice and consent to ratification the Consular Convention between the United States of America and the People's Republic of China, signed at Washington on September 17, 1980. I am also transmitting for the information of the Senate the report of the Department of State with respect to the Convention.

The signing of the Convention is a significant step in the process of improving and broadening the relationship between the United States and the People's Republic of China. Consular relations between the two countries are not now the subject of a modern formal agreement. This Convention will establish firm obligations on such important matters as free communication between a national and his consul, notification of consular officers of the arrest and detention of their nationals and permission for visits by consuls to nationals who are under detention.

I also transmit for the information of the Senate two separate exchanges of letters, signed on September 17, 1980. The first sets forth the understanding of each side that:

1) reunification of families will be promoted as quickly as possible;

2) persons who may be regarded as possessing the nationality of both countries will be permitted to travel freely;

3) persons considered to be nationals of both countries will be entitled to the consular protection of the State whose valid passport (properly visaed) they possess while visiting the other and

4) financial benefits payable by one country to persons residing in the other will be paid under mutually agreed arrangements.

The second reflects agreement that three consulates, in addition to the two already established in each country, may be established.

I welcome the opportunity through this Consular Convention to improve the relations between the two countries and their nationals. I urge the Senate to give the Convention its prompt and favorable consideration.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1981.*

To the Senate of the United States:

I transmit herewith, for advice and consent of the Senate to ratification, a Protocol relating to an amendment to the Convention on International Civil Aviation, done at Montreal on October 6, 1980. The amendment permits a State in which an aircraft is registered to transfer its functions and duties under Articles 12, 30, 31 and 32(a) of the Convention on International Civil Aviation ("Convention") to the State of the operator leasing, chartering or interchanging that aircraft, subject to the latter State's agreement.

The Convention establishes the International Civil Aviation Organization ("IACO") and general rules for the safe and reasonable conduct of international civil aviation. The problems which arise today from the leasing of aircraft in international operations were not envisaged in 1944 at the time the Convention was drafted. These problems involve difficulties by the States of registry in discharging their responsibilities under Articles 12 (Rules of the Air), 30 (Aircraft Radio Equipment), 31 (Certificates of Airworthiness), and 32(a) (Licenses of Personnel). Ineffective discharge of these responsibilities by States of registry tends to decrease the level of safety in flight operations. The amendment would resolve these difficulties and facilitate greater safety by allowing a State of registry and a State of the operator to agree to transfer these responsibilities to the State of the operator.

The United States expects to benefit directly from this amendment. United States nationals and companies lease by far the greatest number of civil aircraft to operators of other States. In addition, under regulations of the Department of Transportation, United States air carriers may operate and carry local traffic within the United States on aircraft registered in other States. The role of the United States as the State of the operator of leased aircraft is therefore likely to expand.

This is the first substantive amendment of the Convention. It consummates years of United States effort and furthers United States objectives to facilitate safety in international flight operations. The IACO Assembly urged all Contracting States to ratify the amendment as soon as possible and to make any appropriate changes in their national laws. In accordance with Article 94 of the Convention, ratification by 98 Contracting States is required to bring this amendment into force. It would be desirable if the United States, originator of the amendment, were the first State to ratify it. I therefore recommend that the Senate give early and favorable consideration to the Protocol of Amendment, and advice and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1981.*

Mr. BAKER. Now, Mr. President, I am prepared at this time to yield any time I may have remaining under the standing order to the distinguished minority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader.

PROGRAM FOLLOWING THE INAUGURATION

Mr. ROBERT C. BYRD. Mr. President, I take this opportunity to ask the distinguished majority leader what the program will be for tomorrow when the Senate returns into session following the inauguration and what the business will be for the rest of the week, insofar as he can state it at this point.

Mr. BAKER. Mr. President, I thank the distinguished minority leader. I welcome his inquiry.

After we reconvene following the inauguration of the President and the Vice President on tomorrow, it is my hope and expectation that we will receive one or more messages from the President of the United States in respect to nominations to his Cabinet. I anticipate at that time that I will ask unanimous consent that the nominations be held at the desk and that the Senate proceed to their immediate consideration in some order.

I might say to my friend, the minority leader, that we are attempting now to negotiate time agreements on as many of them as possible. It will be tomorrow, I believe, for reasons that the minority leader is acquainted with, before we can complete those negotiations.

It would also be my expectation that there will be a request for the yeas and

nays on each of the nominations, so I would expect that on tomorrow we will not be able to complete consideration of all of the President's nominations submitted on tomorrow.

Therefore, we will proceed as we can until the hour of approximately 6 p.m., when it would be my intention to recess the Senate over until Wednesday and to resume the consideration of those nominations until they are disposed of.

I might also say it would appear at this time, for the information of the Senators, that on Tuesday, we probably will not begin with the nomination of the Secretary of State; that it probably will be my intention to ask consent to proceed with that nomination on Wednesday morning to accommodate the requests of certain Senators.

Following after the confirmation or the consideration of the nominations for Cabinet-level positions, there are no immediate plans for the balance of the week.

I assure my friend, the minority leader, that I shall consult and confer with him tomorrow after the inauguration and we can consult together on that subject.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader.

Let me say at the outset that I am delighted that the distinguished majority leader is with us today and looking as hale and hearty as ever. He has had a brief period of hospitalization and we regret that he has had that discomfort, but we are happy that he is back on the floor. We trust that he will have no further problems. I assure him that we have missed him, even though we have not been in session, except the pro forma sessions. We have followed his progress in the hospital and we have tried to keep in touch by telephone as well.

I know, on the part of my colleagues on this side of the aisle, that I express their gratitude at his being with us today. We are thankful for that.

Mr. President, may I suggest to the distinguished majority leader that it is my intention to have a conference later today, at which time the ranking members will be asked to advise my colleagues with reference to any nominees that come within their respective jurisdictions. I personally hope that the nominations could be disposed of with reasonable dispatch. Senator PROXMIRE has indicated that he wishes to have a rollcall vote on every Cabinet-level nominee. He is within his rights in making this request, and I personally think it is probably a good idea, myself.

He has also indicated that he would like to have at least 5 minutes on each nominee, which would allow him to ask questions of the chairman and ranking member of the committee handling the particular nomination that he is interested in.

Mr. PROXMIRE. Will the distinguished minority leader yield for a moment?

Mr. ROBERT C. BYRD. Yes.

Mr. PROXMIRE. I thank the distinguished Senator. As always, his statement is accurate. However, this Senator did not mean to imply that he would take either 5 minutes or 45 minutes. It depends, of course, on the particular case. I do expect in each case to have some questions for the manager with respect to the nominee. I intend to make a record on each.

I also intend to expedite these nominations as rapidly as possible. I hope we can confirm them and give President-elect Reagan his Cabinet as quickly as possible. I do feel we have a constitutional responsibility here and I do intend to make it as full a record as I can in each case.

Mr. BAKER. Will the distinguished minority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I entirely agree with the distinguished Senator from Wisconsin. I think we ought to have a rollcall on Cabinet appointments. I think they are extremely important. I thank the distinguished Senator from Wisconsin and I welcome his remarks that he wishes an expeditious confirmation of these nominees.

Mr. President, I take this opportunity to say that I have found nothing but the best and most generous cooperation from the minority leader and from every Member on the minority side in trying to put in place a Cabinet of President-elect Reagan's choosing at the earliest possible moment, consistent with the diligence of the inquiries that Members may seek. So I welcome the rollcalls, the inquiries, the debate.

I expect that time limitations would be the subject, or one of the subjects, of the Democratic caucus this afternoon. My final word would be that I hope they will be generous with us in that respect and give as brief time limitations as they possibly can in those cases where necessary.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield further, it would be my desire and certainly my intention to seek to expedite the action of the Senate on the nominees. Regardless of how I may personally feel about a particular nominee, I do not feel that that nomination should be unduly delayed. It will be my intention during the Democratic conference, may I say to the distinguished majority leader, to see that my colleagues will be willing to enter into time agreements on the various nominees, inluding the nomination of Mr. Haig.

I hope that the nomination of Mr. Haig can be disposed of on Wednesday. I believe that the new President should have his Government in place as much as possible for us to give him that Government. Each of us can quote our own particular sentiments in each case. The committees have acted with dispatch. The majority and minority on the committees have conducted the hearings expeditiously, and it seems to me that if we can proceed by time agreement to deal with these nominations, we ought to do it.

I personally have no doubt that Mr. Haig will be confirmed. The votes against him will be relatively few and it seems to me that if we can reach an agreement by which a final vote can be had on that particular nomination, especially, on Wednesday, it being the nomination for Secretary of State, it would be well for us to do so.

Mr. President, it will be my intention on this side of the aisle to attempt to get that kind of agreement. So if the majority leader thinks well of the suggestion, I would propose that, once the leader wishes to put the Senate into recess today, he do it on a call of the Chair basis because it may very well be—it may be—that once our conference has ended, I might have some information for him which will be helpful in his formulating unanimous-consent agreements with respect to the nominations.

Mr. BAKER. Mr. President, I thank the minority leader for his suggestion. It is a very welcome one. At the closing of morning business, I shall make that request in view of the suggestion just made.

May I say, Mr. President, as well, that I am deeply personally grateful to the minority leader for his remarks about my health. May I say I have only been in the hospital one other time and that was when I was a child. I had not been in the hospital more than an hour this time until I remembered why I did not like it. But I was well taken care of and I had a prompt recovery and I look forward to future activity.

Mr. President, if there is further time remaining to me under the standing order, I am prepared to yield it back or to yield it to the minority leader.

Mr. ROBERT C. BYRD. I thank the majority leader.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. ANDREWS). The Chair on behalf of the Vice President and upon the recommendation of the majority leader, pursuant to 22 U.S.C. 276, as amended, appoints the Senator from Vermont (Mr. STAFFORD) to attend the Interparliamentary Union meetings during the 97th Congress and to act as Chairman of the Senate Delegations to such Interparliamentary Union meetings during that time.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Senate Resolution 4, 95th Congress and Senate Resolution 448, 96th Congress, as amended, appoints the following Senators to the Select Committee on Indian Affairs: the Senator from Maine (Mr. COHEN), chairman; the Senator from Arizona (Mr. GOLDWATER); the Senator from North Dakota (Mr. ANDREWS); and the Senator from Washington (Mr. GORTON).

ORDER OF BUSINESS

Mr. PROXMIRE. Mr. President, are we in morning business?

The PRESIDING OFFICER. We are in morning business.

FIRST AMENDMENT CLARIFICATION ACT OF 1981

Mr. PROXMIRE. Mr. President, on January 5, I introduced S. 22, the First Amendment Clarification Act of 1981.

Since today is the 1st day of the 97th Congress that Senators can deliver statements on the Senate floor, I am taking this opportunity to make brief remarks concerning S. 22.

This bill is similar to a measure I first introduced in 1975 and then again in 1977 and 1979.

The major goal of this legislation is to give fuller meaning to our first amendment's guarantee of freedom of the press by abolishing the so-called Fairness Doctrine and the equal time rule.

FIRST AMENDMENT: 13 PERCENT EFFECTIVE

The first amendment forbids the Congress from passing any law that might diminish our right to have a free press.

But, unfortunately, Congress has enacted a law which does just that. I refer, of course, to the Communications Act, which has abridged the rights of a part of the free press.

Other means of mass communication—newspapers, magazines, pamphlets, books, and motion pictures—have kept their free press rights. But not broadcasting.

Broadcasting—radio and television—is the preferred source of news for 87 percent of the American people. Yet, because of governmental controls like the Fairness Doctrine and the equal time rule, broadcasters are second-class citizens when it comes to first amendment rights.

In practical terms, this means that our first amendment is only about 13-percent effective when it comes to freedom of the press. Obviously, we can and must do better.

Freedom of the press is for the benefit of all Americans. If television and radio, the most popular disseminators of news and opinion, continue to be tied down by stifling government regulation, the people of this Nation will continue to be the losers.

Mr. President, my bill aims to change this situation by giving broadcasters more of the first amendment freedom they deserve.

PURPOSE DEFINED

The first section of my bill defines its purpose: to recognize and confirm the applicability of the first amendment to broadcasting and to strengthen and further the objectives of the first amendment.

This purpose is to be accomplished by removing certain statutory and regulatory restrictions placed on broadcasters operating under the Communications Act of 1934.

Section 2 of my bill deals with the definition of "public interest, convenience, and necessity" under which broadcasters operate.

That phrase in the Communications Act is currently used to make broadcasters accountable to the Federal Communications Commission, after the fact, for everything they put on the air.

My proposals make it clear that the term "public interest, convenience, and necessity" cannot be construed to give the FCC jurisdiction to require that any person be provided broadcast time, or to require that any viewpoint be given broadcast time.

Section 3 of my bill repeals that part of the Communications Act which permits the FCC to revoke the license of any station that willfully refuses or fails to allow a candidate for Federal office to buy reasonable amounts of broadcast time.

SECTION 315 REPEALED

Section 4 repeals section 315 of the Communications Act of 1934. Section 315 contains both the equal time rule and the basis for the FCC's Fairness Doctrine.

The equal time rule requires that when a candidate for public office is given or sold time, any other candidate for that same office must be given an equal opportunity.

That sounds great. But the equal time rule is an abridgement of the first amendment. It is governmental control over a part of the free press.

The Fairness Doctrine of the FCC requires that broadcasters afford reasonable opportunities for the presentation of contrasting viewpoints on controversial issues of public importance.

Unlike the equal time requirement, the Fairness Doctrine does not call for each viewpoint to receive the same amount of air time. Nor does it require that the other viewpoint be given in the same program.

Again, that sounds fine. But the Fairness Doctrine, like the equal time rule, violates the first amendment. Once more, a segment of the free press is being regulated by the Government.

PUBLIC BROADCASTING

Section 5 deals with a first amendment problem contained in section 396 (g)(1)(A) of the Communications Act of 1934, which authorizes the Corporation for Public Broadcasting to facilitate the full development of educational broadcasting in which programs of high quality, obtained from diverse sources, are to be made available to noncommercial educational television or radio stations. But this must be done with "strict adherence to objectivity and balance in all programs or series of programs of a controversial nature."

Such a Government-imposed standard is inappropriate and undesirable. Trying to enforce it can result in a chilling effect on the free play of ideas which public broadcasting should help promote.

By simply deleting this standard, section 5 of my bill is designed to solve the first amendment problem it poses.

Finally, section 6 of my bill repeals the prohibition on political editorializing by noncommercial educational broadcasting stations. This section of the current law, aimed at licensees, seems clearly unconstitutional.

Mr. President, I ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 22

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE AND STATEMENT OF PURPOSE

SECTION 1. (a) This Act may be cited as the "First Amendment Clarification Act of 1981".

(b) It is the purpose of this Act to recognize and confirm the applicability of and to strengthen and further the objectives of the first amendment of the Constitution of the United States by removing statutory and regulatory restrictions on broadcasters operating under the Communications Act of 1934.

DEFINITION OF PUBLIC INTEREST, CONVENIENCE, AND NECESSITY

SEC. 2. Section 309 of the Communications Act of 1934 is amended by inserting at the end thereof the following:

"(i) Notwithstanding any other provision of this part, effective on and after the date of the enactment of this subsection for the purposes of this part, the term 'public interest, convenience, and necessity' shall not be construed to give the Commission jurisdiction to require the provision of broadcast time to any person or persons or for the expression of any viewpoint or viewpoints.".

REPEAL OF LICENSE OR CONSTRUCTION PERMIT REVOCATION POWER RELATING TO FACILITIES FOR CANDIDATES FOR FEDERAL PUBLIC OFFICE

SEC. 3. Section 312 (a) of the Communications Act of 1934 is amended by inserting "or" at the end of clause (5), striking out the semicolon and "or" at the end of clause (6) and inserting in lieu thereof a period, and striking out clause (7).

REPEAL OF SECTION 315 RELATING TO FACILITIES FOR CANDIDATES FOR PUBLIC OFFICE

SEC. 4. Section 315 of the Communications Act of 1934 is repealed.

REPEAL OF CERTAIN LIMITATIONS ON CORPORATION FOR PUBLIC BROADCASTING

SEC. 5. Section 396 (g)(1)(A) of the Communications Act of 1934 is amended by striking out all beginning with the comma following "telecommunications entities" to the semicolon at the end thereof.

REPEAL OF PROHIBITION OF POLITICAL EDITORIALS

SEC. 6. Section 399 of the Communications Act of 1934 is repealed.

THE COURAGE OF RAOUL WALLENBERG

Mr. PROXMIRE. Mr. President, on January 16, 1981, a meeting was held in Stockholm, Sweden, to honor a most extraordinary man: Raoul Wallenberg.

Mr. Wallenberg dedicated much of his life to helping the victims of the Nazi holocaust. He was a Swedish freedom fighter who saved more than 100,000 Hungarian Jews at the end of World War II. He literally pulled Jews out of the death marches and cattle trains bound for Auschwitz and provided them with Swedish passports of his own design. He placed these people in safe houses and personally defended them against the German death squads.

Ironically the Soviet Union, which of course was an enemy of Germany in World War II and presumably a friend of freedom—they say they were—sum-

moned Mr. Wallenberg to their headquarters, after the Russians took Budapest, and imprisoned him, and he has been in a Soviet prison ever since. Evidence strongly indicates that he has been held prisoner in the Gulag Archipelago for 36 years.

This remarkable Swede, who risked his life over and over, is an example of the power of one man's actions, by singlehandedly saving hundreds of thousands from certain destruction.

In the wake of the horror which Mr. Wallenberg fought, the U.N., in 1949, unanimously approved the Genocide Convention, which this country, with President Truman's leadership, urged. Thirty-two years later, the United States still has not decided to ratify that convention.

Mr. President, we have seen the profound effect of one man's will. Why can we not, as a nation, act in the same courageous spirit?

As I have pointed out over and over, every President since Harry Truman, Republican and Democrat, has pleaded with us to ratify this convention. The State Department persistently has pleaded with us to do so. The American Bar Association as well as every religious group—Protestant, Catholic, Jewish—have urged us to ratify the convention, and the Senate has failed to act. Only the Senate has to act. The House does not have to act. No further action is required by the executive branch. It is entirely in our hands.

I hope we do not forget the deeds of remarkable martyrs such as Raoul Wallenberg. Let us assure that such actions never need to be employed again, and let us ratify the Genocide Convention.

THE SAGEBRUSH REBELLION

Mr. DECONCINI. Mr. President, one issue that is certain to receive a great deal of attention over the next few years is the ownership and management of the vast amounts of Federal land in our Western States. The "Sagebrush Rebellion," as this movement has been termed, already has attracted a great deal of attention to the discontent and even bitterness that surrounds the Federal ownership of the majority of acres in most of the West.

It is a vital issue, and one that deserves substantial study by all of us. A recent conference sponsored by a group known as the League for the Advancement of States' Equal Rights (LASER) in Salt Lake City produced some informative dialog on the subject. That conference was covered by one of Arizona's top newspapermen, Loyal Meek, editor of the Phoenix Gazette. Mr. Meek's articles from the conference, I believe, present an objective and impartial overview of the underlying reasons for the sagebrush rebellion.

Mr. President, I ask unanimous consent that the articles be printed in the RECORD, and I urge my colleagues to read them and other materials on this most important subject.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Phoenix Gazette; Dec. 1, 1980]

REBELLION: THE SAGEBRUSHERS ARE COMING! THE SAGEBRUSHERS ARE COMING!

(By Loyal Meek)

SALT LAKE CITY.—Suddenly, the Sagebrush Rebellion has become a cause to be taken seriously.

Since it was launched a couple of years ago, the effort to get the national government to give its vast land holdings in the West to the states has been regarded as a crusade by quixotic cowboys.

Now, and especially following the Republicans' November surprise, these latter-day rebels in Arizona and 11 allied states are, depending on your point of view.

About to charge the ramparts of the political and bureaucratic establishment in Washington with a good possibility of restoring the federal system by gaining equal and just rights for the states west of the 100th meridian, or

Threatening to seize control of hundreds of millions of acres from the preservationists and turn them over to the exploiters and developers to rape the environment that belongs to all the American people.

Under the auspices of the League for the Advancement of States' Equal Rights, nearly 600 concerned citizens, experts and observers met here recently for three days of intensive and extensive discussions on federal land policy.

The conference was set up before the election. But the Nov. 4 results gave the gathering an air of positive euphoria, taking off from a telegraphed pledge from President-elect Ronald Reagan that:

"My administration will work to insure that the states have an equitable share of public lands and their natural resources."

The main thrust of the Sagebrush rebels, however, will be on the legislative rather than the executive or judicial fronts.

Resolutions adopted at the close of the LASER conference call for both congressional and state legislative actions.

Western state legislatures are urged:

To pressure Congress to hold immediate hearings and enact legislation leading to the divestiture of the public lands from the federal government and vesting title and responsibility for these lands in the respective states;

Establish within the state which has large public land segments an entity responsible for making necessary preparation for the orderly transfer of the public lands to the state government (Already done by the Arizona Legislature, over the veto of Gov. Babbitt);

Assure to all who possess rights in and upon the public lands the continuation of those rights, and

Protect the counties within each state from any erosion of the benefits and rights the counties now enjoy by virtue of the present administration of the public lands.

With much of the power in the new Congress shifting to the Republicans, the LASER conferees also resolved to urge adoptions of legislation such as was introduced by Sen. Orrin G. Hatch, R-Utah, and Rep. James Santini, D-Nev., in the current Congress .

The Hatch bill, co-sponsored by Arizona Sens. Goldwater, R, and DeConcini, D, provides for the conveyance of federally-owned unreserved, unappropriated lands to the states and establishes policy, methods, procedures, schedules and criteria for such transfers.

Sagebrush Rebellion leaders also called for an attack on a third front, to take their message to the American people, particularly in the East and among Western urbanites.

An alliance of interested parties and organizations is to be formed by Feb. 1. One of its main functions will be to develop an effective media program to enlighten the public about appropriate and effective utilization of the nation's resource heritage in the public lands.

This gets down to the heart of the issue.

The Sagebrush Rebels argue that the federal government has evolved from a trustee interested in a well balanced multiple use of public lands into a permanent manager with an ever increasing penchant for restricting their use.

The solution, which Reagan presumably endorses, is to let the various Western states take over control and management of these lands.

According to the Sagebrush Rebels' rationale, the respective states would not be about to let their resources, which would become the basis of their wealth, be raped or ruined. Instead, they would see to it that farmers and miners would be allowed, under careful supervision, to produce the food, fibers, energy and minerals that a healthy American economy needs, to the benefit of all consumers from Maine to Hawaii.

Naturally, opponents don't see it this way. They argue that the transfer of public lands would jeopardize economic and environmental values that accrue to the total American public from these lands and, furthermore, that the Western states are not capable of managing these lands on a sound, multiple use basis, or of conserving or enhancing the resources in the manner now being carried out—under congressional mandate—by the Bureau of Land Management and the U.S. Forest Service.

Sagebrush Rebels counter that they are as keen on conservation and enhancement as are Audubon societies and Sierra clubs. They go back to one of the founding fathers of conservation, President Theodore Roosevelt, to make their case. In a speech to the LASER conference, Sen. Malcolm Wallop, R-Wyo., quoted Roosevelt to the effect that "conservation means development as much as it does protection . . .

"The conservation of our natural resources and their proper use constitute the fundamental problem which underlies almost every other problem of our national life. Unless we maintain an adequate material basis for our civilization, we cannot maintain the institutions in which we take so great and so just a pride; and to waste and destroy our national resources means to undermine this material basis."

Today, given all our technological developments, the stakes are infinitely greater than they were in Teddy Roosevelt's day.

Public lands, a third of the nation's lands, include tremendous reserves of coal, oil, tar sands, oil shale, natural gas and minerals, as well as great potential in the renewable resources of farm and forest. Developing these resources while maintaining recreational uses and preserving natural areas and archeological treasures poses one of the greatest challenges to American ingenuity in the decade of the '80s.

The struggle over whether the feds or the states righters are the best qualified to meet this challenge promises to be a hard-fought one in Congress. Despite the euphoria at the LASER conference, realists cautioned that implementing the Sagebrush Rebellion program is going to be anything but easy.

Meanwhile, the battle on the judicial front has been given a lower priority.

Arizona is in the forefront of the effort to wrest control of the public lands from Washington by means of litigation. Attorney General Robert Corbin and his solicitor general, Anthony B. Ching, are preparing to seek permission from the United States Supreme Court to sue the United States for title to the public lands under the "equal footing" doctrine.

Upon admission into the Union, according to this argument, Arizona was entitled to and possessed of all the rights of dominion and sovereignty which belonged to the orig-

inal 13 states and which the other 24 states east of the 100th meridian achieved. As of now, however, the political prerogatives and sovereignty of Arizona has been constricted to such an extent that Arizona has complete dominion and sovereignty over only 30 percent of lands within its borders.

Opponents of the states rights position contend that the equal footing doctrine is absurd. The Audubon Society, for example, wonders whether, if the Western states acquire these millions of acres of public lands, would not the Eastern states cry out that, lacking equal state-owned acreage, now they are not on an equal footing.

This, say the Sagebrush Rebels, is in itself absurd. The equality has to do with sovereignty, not property, they say. If the doctrine were based on physical property, they point out, then all the states would have to be the same size, water distributed equally among them and the mountains leveled off so that the average elevation in Kansas would be the same as that in Colorado.

While some Sagebrush Rebels favor pursuing the court case vigorously, the majority favors giving priority to pursuing legislative remedies, now that the climate in Congress appears to be so much improved.

One of the most graphic examples of what equal footing and the right to control the public lands can mean to a state is provided by Texas. J. Evetts Haley, best known as the author of "A Texan Looks At Lyndon (Johnson)," told a LASER conference panel that "Texas offers a shining example of the wisdom of not letting those Yankees have control of the land." He cited the use made by Texas institutions of the revenue from oil leases, noting wryly that "the University of Texas is so rich from oil lease revenue that it is uninhibited in training socialists in how to go out and take over the system."

At the LASER conference one heard any number of horror stories about over-regulation by federal bureaucrats. One from a mining engineer typified them.

It seems that an effort was made to explore a boulder-strewn area at about 11,000 feet elevation for the possibility of a copper ore body. Officials would not let exploration proceed until the area had been studied for possible archeological findings, even though no native, however primitive, would have picked that spot to live.

Regulations also require that federal inspectors go in after an exploration is done to determine if the site had been returned to its original condition. The explorers did such a good job of restoration that the inspectors had to be shown where the exploratory holes were drilled!

Things like this, in connection with cattle, sheep and timber operations as well as with mining, have given much of the impetus to the Sagebrush Rebellion movement.

The fundamental premise of the Sagebrush Rebellion is that the closer authority and control is to the people the better the governance of the public lands will be. Proving that, however, will take some doing.

The challenge to the Sagebrush Rebellion is to persuade the nation that wilderness designation and wildlife protection need not be accomplished at the cost of agricultural production and that energy and mineral exploration and development can proceed under state control with due regard for the special character of the Western environment.

Sagebrush Rebels say that they love the earth as much as anyone; that they have the expertise and resources to manage the land properly; that they are not going to rush to sell land to private developers and speculators, and finally, that the public will not lose access to public lands for hunting, fishing and general recreation activities if and when they are given control over the public lands.

If the LASER conference demonstrated anything, it was that the Sagebrush Rebellion is serious—either as an opportunity or a threat, depending on how you feel about state versus national control and management of the public lands.

[From the Phoenix Gazette, Dec. 1, 1980]

MEET HISTORY'S FIRST INCORPORATED REBELLION

(By Loyal Meek)

Meet what is said to be history's first rebellion to be incorporated.

The Sagebush Rebellion was born in Nevada early last year when Assemblyman Dean Rhoads succeeded in getting legislation adopted claiming title to the federally administered lands within the state's borders. The name was coined by John Rice, a newsman covering the Nevada Legislature.

Rhoads, a cattleman, is a chief spokesman for the Sagebrush Rebellion. He has traveled extensively throughout the West, meeting with legislators, county officials, other leaders and interested citizens to discuss and explain the movement.

Many individuals and organizations have joined the Sagebrush Rebellion movement. These forces are now combined under the acronym LASER, standing for the League for the Advancement of States Equal Rights.

John L. Harmer, executive vice president and general counsel for LASER and former California lieutenant governor, recalls that the movement was first conceived two and a half years ago. A total of five persons attended the initial meeting, held in a motel room. It included himself and Sen. Barry Goldwater, R-Ariz., now chairman of the organization's advisory board. The next meeting was held a year ago in Reno and drew about 300 participants. The latest meeting in Salt Lake City last week had an attendance of nearly double that.

LASER, based in Salt Lake City, describes itself as a nonprofit foundation engaged in creating a broad base of public support in favor of divesting the federal government of the public domain.

That domain consists of 70 percent of the land mass west of the 100th meridian, a line running roughly north and south between New Mexico and Texas, Colorado and Nebraska and the western edge of the Dakotas. Federal ownership of these lands ranges from 97 percent of Alaska and 87 percent of Nevada to 44 percent of California.

LASER's purpose is to gather legal and economic data to demonstrate that historically, constitutionally and morally the public domain belongs to the respective states in which it is located.

Funds donated to LASER by corporations, businesses and individuals are used for research, education and information on public domain divestiture.

Officials of LASER decline to give specifics on who donates how much.

RESOLUTION OF THE NAVAJO TRIBAL COUNCIL

Mr. DECONCINI. Mr. President, in November of 1980, the Navajo Tribal Council passed a resolution authorizing and appointing certain official delegates to hear and discuss certain issues with President-elect Ronald Reagan and Vice President-elect George Bush and the transition team.

I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE NAVAJO TRIBAL COUNCIL

Whereas: 1. The Navajo Tribal Council, and its Chairman, Peter MacDonald, endorced and supported the candidacy of Ronald Reagan and George Bush; and

2. On November 4, 1980, the Navajo people and the American people gave Ronald Reagan and George Bush a landslide victory in the election for President and Vice President of the United States; and

3. During the next two and one-half (2½) months, the transition to the Reagan Presidency shall take place; and

4. It would be appropriate for the Navajo Nation to establish an official delegation to meet with the President-elect and his staff to inform them about the needs of the Navajo Nation, and to respond to inquiries from them concerning future policies of the United States. Now therefore be it resolved that:

1. The Navajo Tribal Council, for and on behalf of the Navajo people, congratulates President-elect Ronald Reagan and Vice President-elect George Bush on their landslide victory in the General Election held on November 4, 1980 and wishes them well during the forthcoming years in office.

2. The Navajo Tribal Council appoints an Official Delegation to meet and confer with the President-elect and his staff consisting of the following: Chairman: Peter MacDonald, Chairman, Navajo Tribal Council; Vice Chairman: Frank E. Paul, Vice Chairman, Navajo Tribal Council; Member: Chester Yazzi, Member, Navajo Tribal Council; Member: Tom Lee, Member, Navajo Tribal Council, Member, Guy Gorman, Member, Navajo Tribal Council.

3. The Official Delegation shall report to the Advisory Committee, Navajo Tribal Council, at its regular meetings and to the Navajo Tribal Council at its Winter Session on the results of its meetings and discussions with the President-elect and his staff.

LABOR'S ROLE IN TELECOMMUNICATIONS

Mr. FORD. Mr. President, in recent years technological innovations have revolutionized the transmission of messages throughout the world, turning our planet into a "global village" of shared information.

Indeed, since Samuel Morse patented his telegraph in 1837, man has striven to improve the efficiency of telecommunications services, to increase their usefulness, and to make them generally available to the public.

Yet it is only in the past few years that progress in new applications of technological developments have taken on truly striking proportions. For example:

Transoceanic submarine telephone cables have been laid on the world's seabeds.

Equipment has been put in space that through satellite communications gives rise to direct home TV reception and the relaying of photographic images by telecommunications from space.

Miniaturization has led to low-cost electronic technology that has enhanced the telecommunication service industry.

Mr. President, it is often overlooked, however, that despite these advances in technology, human resources continue to be the most essential ingredient for achieving world progress through telecommunications.

Moreover, labor unions, both on the national and international level, are playing a vital, though little-heralded role in not only improving the quality of life for the millions of workers who operate the complex communications systems that link the world, but also in safeguarding basic human rights.

Recently, I read an article which elab-

orates on this subject and which I believe captures the essence of organized labor's role in world telecommunications. This article, entitled "Telecommunications and Organized Labor," was coauthored by Glenn E. Watts, president of the Communications Workers of America and Mr. Lou Gerber, registered lobbyist for the CWA.

The CWA has long been one of the most progressive pillars in our Nation's pluralistic system. Its outlook is broad and internationalist in scope rather than narrow and confined only with its own self-interest.

Mr. President, so that our colleagues might have the privilege of sharing in this article, I ask unanimous consent that it be printed in the RECORD. This article appeared in "World Progress Through International Telecommunications," a publication of the United Nations Association of the United States of America.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TELECOMMUNICATIONS AND ORGANIZED LABOR

(By Glenn E. Watts and Lou Gerber)

Despite the burgeoning technological innovations that are revolutionizing the transmission of global messages, human resources continue to be the most essential ingredient for achieving world progress through telecommunications.

In this connection, postal, telegraph and telephone labor unions, both on the national level and through supranational instrumentalities, are playing a vital, though little-heralded, role in safeguarding basic human rights. They are carrying out this mission by improving the quality of life for the millions of workers who operate the complex communications systems that link the world.

Along this line, the 20th century poet Ezra Pound once called artists "the antennae of the race." In a similar way, a nation's communications media have been recognized as a mirror of its consciousness.

It is often overlooked, however, that labor unions, representing workers in telecommunications as well as other industries, also serve as a unique conveyor belt for radiating pluralistic concepts, such as freedom of speech and association, which can help sharpen a nation's transcultural outlook. In essence, the emergence of effective national telecommunications unions can profoundly transform the landscape of human values for the population at large as well as for communication workers, just as the installation of a sophisticated telephone and telegraph system can alter the entire economic infrastructure of a nation.

Indeed, labor unions, particularly in telecommunications, which penetrates into remote corners of developing countries, have been, in some cases, the first wholly indigenous organizations that the people of an emerging nation have ever known. As such, unions in these countries have an unparalleled capacity for influencing citizens' political, economic and social attitudes.

This is true largely because labor unions in developing nations have different origins and perform services distinct from those of worker organizations in Western nations. Whereas unions in the West were born in the steaming cauldron of the Industrial Revolution, organized labor in many emerging nations was the spearhead of historic movements toward political independence.

Because of this fact, union roots lie deep in the hearts of the people in many newer sovereignities. A number of telecommunications unions, indeed, have been in the forefront of post-World War II efforts to achieve political freedom in young nations and to attain an improved level of living.

Moreover, at the same time that organized labor has been at the cutting edge of political progress, unions in many developing counties also have served as prime instruments for obtaining improvements in a wide variety of areas far transcending their traditional role as a collective bargaining mechanism.

As George C. Lodge, former Assistant Secretary for International Affairs at the U.S. Department of Labor, has written, in emerging nations unions are often conceived as being a combination of the Red Cross, an American-style trade union, a political party and, in some ways, a religious organization. Their functions and activities, he wrote, "reach into every phase of urban life, including politics, housing, hospitals, labor-management bargaining, public parades, demonstrations, schools and colleges. Of these, the collective bargaining function is by no means the most important."

Of course, this perspective on the function of labor organizations does not at all ignore the universal role of unions in helping their members to achieve freedom and dignity where there have been domination and servility, and to obtain a square meal where before there has been starvation.

In a larger context, the world's telecommunications unions are involved on a global level, as well as within national borders, in seeking to uplift the quality of life of working people. Almost 200 unions, representing approximately 4 million telecommunications workers from nearly 100 countries, belong to the Postal, Telegraph and Telephone International (PTTI), based in Geneva, Switzerland. At age 60, the PTTI is one of the world's oldest international organizations.

Although the first international conference of postal telephone and telegraph workers took place in Paris in June 1911 at the Learned Societies Building, the PTTI as presently known was founded in Austria in February 1920. The first meeting of the organization was held in a period of social ferment, as indicated by the resolutions adopted there, protesting the blockade of Russia and criticizing the restrictive conditions under which the Republic of Austria was established.

Today, the PTTI provides a voluntary multinational framework through which its national affiliates, telecommunications unions in individual nations, can compare collective bargaining practices in their countries, study the impact of technology on their members, utilize the best training and research materials, orchestrate propaganda campaigns for calling attention to anti-worker practices and examine the shared or unique experiences of unionism in a variety of political and economic systems.

In addition, the PTTI seeks to foster implementation of the International Labor Organization's Convention 87, which recognizes freedom of association and the right to strike as universal human rights, and Convention 98, which emphasizes the right of workers to organize for the purpose of collective bargaining.

A case study illustrating the contributions that global organizations representing telecommunications workers can make is the search in recent years for a solution to the dilemma of achieving a balance between the introduction of innovative technology and the preservation of employment opportunities for wage earners.

While the development of efficient new machines may reflect "progress," the installation of useful inanimate devices can also be accompanied by the dark companions of unemployment, personal alienation and economic upheaval if workers are simply cast aside as social driftwood before the onrush of technology.

Recognizing this danger, a PTTI special committee on technological change issued a report on this perplexing problem in 1975. As a result, the PTTI itself subsequently urged the International Labor Organization to investigate the changing conditions of work and employment in postal and telecommunications services.

Acting on PTTI's request, the ILO, with the active participation of an International Telecommunication Union observer representative convened a meeting in Geneva between March 8 and 16, 1977, to examine the issue. An additional purpose of the meeting was to consider a series of draft resolutions submitted by worker representatives, dealing with the repercussions of technological change on employment and conditions of work, the health environment and safety of the workplace and job satisfaction.

It is notable that representatives of the world's telecommunications workers did not object to technological progress per se. They believed that everyone would be able to benefit from mechanical advances, but that such advances could only be introduced smoothly with the full cooperation of employees.

After extensive discussions at the 1977 meeting, the ILO, unique among international agencies in that it is tripartite, consisting of worker, employer and government representatives, adopted an unprecedented set of "General Principles." These were to serve as recommendations to nations confronting the problem of the impact of technology on the telecommunications workplace.

Among the broad principles agreed to were that technological changes in postal and telecommunications services should be pursued to the extent that they benefit workers and minimize the cost of communications to the general public. Specifically, the ILO recommended that, when substantial technological changes are introduced, "appropriate machinery should be developed and agreed to between employers and workers (to) ensure . . . that the workers are informed before the necessary decisions are taken on planning" such changes.

The General Principles stressed, further, that consultation between employers and worker representatives should take place not only on the question of the introduction of new technology, but also on the timing of the change and its potential social effects.

On the matter of social effects, the General Principles addressed such questions as job security, retraining and quality of worklife. They paid special attention to occupational health and safety stipulating that technological changes should be used not only to increase productivity, but also to improve the work environment.

In this regard, the General Principles emphasized that telecommunications employers should take full account of the effects of noise, temperature, lighting problems and other potential hazards to health in the layout of the workplace. They also made it clear that one reason why special consideration must be given to employees is that workers, far from being incidental chesspieces, will actually be "indispensable to operate technical equipment and control work processes."

In conclusion, as the world enters an era of rapid technological change, it is worth remembering that efficient telecommunications services under malevolent forms of government can serve as agents for conveying tremendous evil as well as a transmission system for the public welfare.

During the Nuremberg Trials, following World War II, for example, former Nazi Armaments Minister Albert Speer spoke on how the Hitler government has effectively employed the nation's telecommunications services to shape life in Germany. Said Speer: "The telephone, the teleprinter and the wireless made it possible for orders from the highest level to be given directly to the

lowest levels where, on account of the absolute authority behind them, they were carried out uncritically."

Having embarked upon a new decade nine months ago, we are also approaching the year 1984. Whether the world arrives four years from now at the doorstep of the Orwellian nightmare or emerges, instead, into the light of a genuinely free international order, may, in part, depend on the world community's wise management of telecommunications technology.

By paying special attention to this portentious vehicle and its impact on working people as well as other citizens, the leaders who guide our destiny can frustrate Orwell's dark dream of tomorrow and ensure the coming of a brighter era.

TRIBUTE TO DICK STONE

Mr. CHILES. Mr. President, I very much regret that the time has come when I must recognize and accept the departure of Dick Stone from the U.S. Senate. I feel a great sense of personal loss, but that is overshadowed by the real loss of his dedicated service to our State of Florida and to all the people of our Nation.

He has been an outstanding Senator, making his mark early in his term and and growing steadily in stature as he used his intelligence, energy and creativity so well in performance of his job.

Reference to only a handful of his accomplishments will attest to that performance.

Florida and other States are assured fairer sharing of Federal funds due to a census law mandating mid-decade census. It includes an amendment proposed by Dick Stone to require that updated population estimates be used in Federal aid formulae.

A severe hardship on social security recipients ended when the Treasury Department began delivering social security checks on Fridays. On long holiday weekends many people were not able to cash their checks until Tuesday and often went hungry.

The Veterans' Administration set a national policy on the acquisition and monitoring of cardiac pacemakers for veterans. The Pacemaker Diagnostic Clinic of Gainesville was awarded a contract allowing a veteran to test his pacemaker by phoning the company's computer.

Several Florida veterans finally received the war medals they deserved but had been denied through paperwork foulups.

Plagued by continuing water pollution problems which produced a sharp decline in the oyster industry, Wakulla County oystermen received Small Business Administration loans.

When the tobacco market opened in Live Oak and Lake City in 1979 and sales were extremely slow, the Department of Agriculture was persuaded to double the daily sales allocation figure for warehouses, thereby boosting sales.

For the 2 years Dick Stone led negotiations to get Japan to lift its ban on two citrus preservatives commonly used in Florida and this was done in 1979.

After he made a 3-week trip to the Far East in 1978, Japan and Taiwan pledged increased purchases of Florida citrus. Japan also announced its annual and seasonal quotas early, thus increasing the number of oranges that could be sold to Japan.

Under his initiative Taiwan sent trade teams to Florida in 1978 and 1979, resulting in their purchasing millions of dollars worth of our State's products.

Utility service in Leon County, Fla., will be more efficient and provide less costly service since the Federal Highway Administration funded construction of 6.2 miles of powerlines along Interstate 10. This was the first project of its kind in the country.

Fifteen oil-burning utility plants in Florida were granted exemptions from a Department of Energy regulation on coal conversion which would have pushed up electric rates to their customers.

The Florida Panhandle Emergency Medical Service Management Organization received over $500,000 to improve emergency medical care in northwest Florida.

A new agriculture trade office opened in Coral Gables, Fla., in 1979 will promote Florida products internationally.

The United States halted aid for 1 year for each instance in which a nation provides sanctuary to international terrorists under legislation he sponsored.

If the Internal Revenue Service makes a mathematical error in preparing a taxpayer's return, the agency can no longer charge interest on tax underpayments which result, thanks to Senator Stone's proposal.

Young people may be more likely to find jobs now that employers can take a jobs tax credit for high school work-study students they hire through age 19.

He has been a major innovator in efforts to accelerate interstate highway construction so that Florida can complete its missing links.

Two-way trade with Cuba in medicine, food, and agricultural products was blocked by the Foreign Relations Committee at Senator Stone's urging.

Wanting to encourage religious freedom among people of the Middle East, Dick Stone obtained an agreement from Saudi Arabia's King Khalid to allow Israel's Muslims to make the Hadj, the holy pilgrimage to Mecca.

These are but a few of his initiatives.

Dick Stone has long been a strong advocate of openness in Government, and his arrival in the Senate in 1975 gave a real boost to my efforts to gain passage of the Federal Government in the Sunshine Act which is now law. He also gave special effort to controlling Federal spending and the establishment of a national energy policy.

Put simply, he has been a doer and his work will be sorely missed.

Born September 22, 1928, in New York City, Senator Stone moved to Miami with his family when only 6 months old. He was graduated from Georgia Military College at Milledgeville and earned an AB degree cum laude in economics from Harvard University, followed by an LLB from Columbia University School of Law.

Senator Stone served as Miami city attorney in 1966, was twice elected to represent Dade County in the State senate and was elected Florida's secretary of state in 1970. He resigned that post to run for the U.S. Senate in 1974.

His wife is the former Marlene Singer and they have three children, Nancy, Amy, and Elliott.

As much as I have enjoyed the friendship, the enthusiastic spirit and the cooperative attitude of Dick Stone as we worked in the Senate, my wife Rhea has realized those same qualities from Marlene as they shared responsibilities in the leadership of Florida House, Floridian's [illegible] from home in Washington.

So, we say goodby, but only from the Senate. We look forward to continuing in friendship and we know the Stones, with their great abilities and large hearts, will always be providing service to people. Knowing their success is assured, we wish them health and happiness.

TRIBUTE TO BIRCH BAYH

Mr. CHILES. Mr. President, it is with regret that I say goodbye to my good friend, Birch Bayh. I am saddened by the fact that Senator Bayh will no longer occupy a seat in this body; however, I am deeply grateful for his 18 years of service and many accomplishments. His presence will be sorely missed but the examples he has set will endure for years to come. I am sure Birch Bayh will best be remembered for the four constitutional amendments he was instrumental in guiding through Congress. Two of these amendments, the 25th providing for an orderly succession of the President and Vice President and the 26th providing the franchise for 18-year-olds have been ratified by the States. The other two, the equal rights amendment and the District of Columbia voting rights amendment are still pending before the States.

It has been my personal privilege to work closely with Senator Bayh on the Senate Appropriations Committee where he has been Chairman of the Subcommittee on Transportation. I am deeply grateful to him for his fine work on this subcommittee where he has always been responsive to the many transportation needs of the State of Florida.

In the years to come, I wish Birch Bayh every success and hope that he will continue to provide us with his very wise counsel. his good honor, and unfailing sense of humanity. To be sure, he can be proud of his service in the Senate and of the legacy he has left.

TRIBUTE TO ROBERT MORGAN

Mr. CHILES. Mr. President, it is my pleasure to join many of my colleagues in honoring Senator Robert Morgan of North Carolina. Since coming to the Senate in 1974, he has made many valuable contributions to this body but more importantly has well served the interests and needs of the people of North Carolina. It has been my pleasure to work closely with Senator Morgan on a number of issues. In all these dealings and in day to day contacts, Senator Morgan has demonstrated a love for his work and a unique ability to get things done. I shall

never forget the long but very informative and enjoyable trip we participated in together to Alaska to get a firsthand look at the Alaska lands issue. As a Member of the Senate he has been extremely interested and active in a wide variety of issues. He has been an articulate spokesman for rural America and has been especially effective as chairman of the Subcommittee on Rural Housing. He has also advocated a strong national defense and efficient transit systems while stressing the limitations of the Federal Government.

Senator Morgan's expertise, drive, and compassion will be missed by all of us. It has been my deep honor to work with the Senator from North Carolina, and I know I join my colleagues in wishing him and his family all the best in the years to come.

TRIBUTE TO JACOB JAVITS

Mr. CHILES. Mr. President, one of the most bipartisan acts that one can accomplish in this body is to pay tribute to one of the Senate's most distinguished Members—Senator Jacob Javits.

When I first came to the Senate in 1970, Senator Javits had already established himself as one of the hardest-working and most competent Members of this body. He leaves a tremendous legacy of legislative achievements and also a reputation of courteous and patient understanding for each Member of the Senate. I served with Senator Javits as a member of the Governmental Affairs Committee and he contributed greatly to the harmonious workings of that committee. His uncanny ability to elicit compromises on even the most delicate issue before the committee, will be sorely missed.

Many citizens of my State, perhaps more proportionately than any other in this country, have felt and will feel the impact of one aspect of Senator Javits work. His leadership in the passage of the Age Discrimination and Employment amendments of 1978 is a clear illustration of his concern for the elderly. His work on the Labor and Human Resources Committee has reflected his concern for elderly citizens in this country.

Finally, Mr. President, I must note as many in this body already have, that Senator Javits served this country for nearly one-third of a century including four terms in the House of Representatives and four terms in the Senate. He distinguished himself each day of his service. We will all miss him, and we wish him well.

TRIBUTE TO WARREN MAGNUSON

Mr. CHILES. Mr. President, most Members of the Senate would agree, I believe, that the pinnacle of power in the Senate resides in the chairmanship of the Appropriations Committee. While I do not wish to take anything away from the importance of the other decisions made by the Senate, the fact is that most Government policy is finally determined when the money is divided up.

It has been my honor over the last several years to serve on the Appropriations Committee both as chairman of the Treasury, Postal Service, and General Government Subcommittee and as chairman of the District of Columbia Subcommittee in my earlier years on the committee. During this time I have observed the excellent manner in which Chairman Warren Magnuson has presided over the immensely important decisions which are made under his guidance.

Senator Magnuson's leadership and accomplishments in the cause of better health for the American people are indeed monumental. He has been not only a prime mover in establishing the National Cancer Institute and the National Heart Institute but the essential force in assuring strong, balanced, and highly effective programs at the entire National Institutes of Health.

The greatest tribute to Senator Magnuson in the field of health care are the tens of thousands of Americans who are alive today because of the great progress in treatment and prevention of disease spearheaded by the National Institutes of Health.

These accomplishments in health care might be a sufficient lifetime accomplishment for most men, but Senator Magnuson's leadership and accomplishments in the Senate have extended to many other fields.

For example, long before it became an object of concern in the popular or mass media, Warren Magnuson was pushing for consumer safeguards. Long before medicare, medicaid, and health benefit plans were fashionable legislative subjects in either the House or the Senate, Warren Magnuson was shaping important, farsighted programs that today help to care for the sick, the needy and those in the twilight of their lives. And long before competent, reliable leadership became the national preoccupation it became a decade ago, Warren Magnuson was providing just that kind of leadership in Washington, D.C. and for his home State of Washington.

The list of accomplishments of Senator Magnuson is indeed long, and he has virtually become a legend in his own time.

TRIBUTE TO GAYLORD NELSON

Mr. CHILES. Mr. President, the U.S. Congress will miss the leadership of Senator Gaylord Nelson. Although I am glad to know that Senator Nelson will continue on the national scene as the new chairman of the Wilderness Society, I am sorry that the Senate will no longer have this talented and hard-working man within its ranks.

Since his election to the U.S. Senate in 1962, Senator Nelson has earned a reputation as one of the most diligent and thorough Members of the Senate. He was never one to grandstand or to go for the headlines. Rather, his was an approach that strove for the heart of the issue and that relied upon logic for persuasion.

As chairman of the Senate Committee on Small Business, Senator Nelson has been a true friend and supporter of the small business community. For years, he has been an outspoken leader in the effort to bring our tax, regulatory, and administrative policies in the line with the important role small business plays in our economy.

And of course, Senator Nelson will always be remembered for his unwavering support of environmental legislation. He was the founder of what is now a very popular Earth Day and Earth Week. He introduced the first legislation to control strip mining, as well as the first legislation mandating fuel-efficiency standards for automobiles. There are many hard-working Members of the Senate, but few are as successful in getting their legislation passed as Senator Nelson.

It has been my pleasure to serve in the Senate with Gaylord, and I am sure this Nation will continue to benefit from his life-long commitment to public service.

TRIBUTE TO DONALD STEWART

Mr. CHILES. Mr. President, 2 years in the Senate just does not seem a long enough time for a bright, dedicated man like Donald Stewart. His record in this short time has been most impressive, as he has served well the interests of the people of Alabama and the Nation. In the process, Donald Stewart has earned the respect and admiration of his colleagues here in the Senate. He has gained the reputation as a hardworker and a straightshooter. His presence will undoubtedly be missed.

On coming to the Senate in 1978, Donald Stewart wasted no time in establishing himself as a capable and assertive legislator. He quickly made the best use out of his committee assignments on the Senate Committee on Banking, Housing, and Urban Affairs and the Senate Agriculture by focusing his energies on the many varied problems in housing and agriculture, two areas of particular relevance to Alabama. Coming from Florida, a State with a substantial interest of its own in agriculture, I have been greatly impressed by Donald Stewart's tireless efforts to champion the cause of the small farmer and to promote rural development programs.

His work on these matters has helped to improve the quality of rural life in America. This praise holds equally true for his efforts in housing, as he strove to focus national attention on ways in which we could better handle some of our present housing problems. It was this work, in fact, that earned for him his position as head of the Housing and Construction Subcommittee on the Senate Economic Task Force which was chaired by Senator BENTSEN last summer.

But Donald Stewart's contributions have not merely been confined to his committee work. He has also been actively involved in other priority issues, such as the development of alternative energy sources. As one of the Senate's chief proponents and spokesmen for alcohol fuel production, Donald Stewart played an essential role in incorporating a varied approach to alcohol fuel development in the omnibus energy bill which Congress passed during the recent session. He was able to exert such a positive influence in the Senate on this subject that he was selected as a representative for the energy conference committee;

the only Senate member of this Committee who was not a member of the Senate Energy Committee.

As one can plainly see, Donald Stewart's short time in the Senate has been well spent. I have enjoyed working with this young and talented gentleman from Alabama and am sorry that the Senate will not have an opportunity to continue to benefit from his valuable input. However, I expect that his achievements in the Senate have only served as a foreshadowing of the bright future he has ahead of him. I wish him all the best in his future endeavors.

TRIBUTE TO GEORGE McGOVERN

Mr. CHILES. Mr. President, George McGovern is an honest man of very high integrity. During his many years in the U.S. Senate, he has never gone against his beliefs, even when it would have been more popular to do so. I think the recent election results were testimony to his steadfast commitment to his priorities and attitudes. I wonder, who has not heard his voice championing the cause of the poor and underprivileged?

Senator George McGovern has been at the forefront of Congress efforts to emphasize better nutrition for Americans. He played a crucial role in getting the food stamp legislation passed in the Senate, and he went back later and worked to reform that program. As chairman of the Special Committee on Aging, I have been particularly interested in the effects that Senator McGovern's efforts have had for the Nation's elderly. I know that in my State, older citizens living on fixed incomes are much better off because of the work of George McGovern. At a time when inflation is taking bigger and bigger chunks of their fixed incomes, older Americans desperately need the benefits provided by our food stamp program.

I have also long admired George McGovern's work on behalf of the U.S. farmer. As a member of the Agriculture Committee, Senator McGovern has continued to fight to improve the conditions of the American farmer. Most recently, he has been working to place a floor under the world's grain prices, a long-term goal that is both complex and very difficult to achieve.

Although I have disagreed with some of Senator McGovern's positions, I have always admired his approach to solving the Nation's problems. And believe me, it has not been easy to be on the other side of the debate. He is a man of tremendous intelligence and knowledge, and I am sure the Senate will miss his input in the years ahead.

TRIBUTE TO JOHN CULVER

Mr. CHILES. Mr. President, I sincerely regret that Senator John Culver will not be with us in the 97th Congress. Throughout the 6 years he has served in the Senate, John Culver has consistently portrayed a dedication to purpose and commitment to principle, earning him the admiration and respect of his colleagues. His strong sense of dedication is matched by an equally driving sense of humor which warms those around him and endears him to many.

John Culver's presence in the Senate will be missed but, fortunately, his legislative accomplishments will remain with us. He has ably served on the Senate Armed Services Committee, the Environment and Public Works Committee, the Judiciary Committee, and the Select Committee on Small Business and has built a distinguished legislative record in each of these areas. John Culver has been a voice of foresight and reason on such issues as regulatory reform, environmental protection, and military preparedness and has achieved a position of leadership in discussions on control of nuclear weapons.

John Culver has served the people of Iowa since his election to the House of Representatives in 1964. He has worked hard for his State, fighting effectively for Federal support of public works projects throughout Iowa and expressing convincingly the needs and concerns of those he has represented. In his efforts to develop and support Government programs to benefit the agricultural interests of his State, Senator Culver authored significant legislation in the area of soil conservation. He has been a strong supporter of gasohol and other energy alternatives and has worked hard to preserve the family farm.

Senator Culver will be missed but not forgotten in this body. As his legislative achievements remain with us, so too, do the lasting impressions he has made on each of us. His sense of purpose, integrity, and dedication are examples to us all. I consider it a privilege to know John Culver and to have had the opportunity to serve with him in the U.S. Senate. I wish him all the best in future years.

TRIBUTE TO HENRY BELLMON

Mr. CHILES. Mr. President, I would like to say a few words of praise for Senator Henry Bellmon of Oklahoma, who is retiring from the Senate. We will be losing a dear friend and dedicated colleague who will be sorely missed. It has become commonplace, when discussing the development of the congressional budget process, to stress the critical role of bipartisan cooperation which Senator Bellmon protected through many troubled times. His bipartisan approach as ranking minority member has indeed made it possible for the budget process to work in the Senate, and I hope that approach will continue as we move to a new Senate and a new phase of budget control.

I should like to stress some other features of Henry Bellmon's role which are less well recognized. Making the budget process work has entailed more than just getting Members of both parties to adopt budget resolutions. It has meant going into other committees of the Senate and arguing for budgetary restraint. It has meant going to the floor of the Senate budget-cutting amendments to appropriations and authorizing bills. Let me assure you that it is even more difficult and unpopular to take on those specific program cuts than to vote for low budget resolution spending ceilings.

I have been privileged to serve on the Appropriations Committee with Senator Bellmon, and to work with him to pass budget cuts on the floor of the Senate. I can therefore vouch that he has never flinched in the face of a different duty to defend the budget. He has consistently put aside the natural tendency to give special treatment to pet projects or politically popular programs. Senator Bellmon has never sat back and remained silent when the public good is being threatened by narrower concerns. His forthrightness has lent courage to his colleagues to also stand up and be counted in the unpopular task of restraining Federal spending. Since he has always approached that task from the direction of rational discussion of program effects and national needs, and avoided vindictiveness or demogoguery, Senator Bellmon has won extra credibility with his colleagues and the public. That will be a difficult standard for those of us who remain to uphold, but his model will continue to be an inspiration to us.

Let me close, Mr. President, by saying that I hope the people of the United States do not totally or permanently lose the services of Senator Henry Bellmon. We will miss him as an active member of the Senate, but I hope he will continue to give us the benefit of his advice with the broad perspective of experience, combined with the extra vision provided by distance from the fray.

TRIBUTE TO SENATOR RICHARD SCHWEIKER

Mr. CHILES. Mr. President, I would like to extend best wishes to Senator Richard Schweiker, who is retiring from the Senate. I have been privileged to serve with Senator Schweiker on the Appropriations Committee, particularly on the Labor, Health and Human Services and Education Subcommittee. As ranking Republican on that subcommittee, Dick Schweiker has been a consistent force for rational policymaking. He has not been afraid to make the hard decisions to cut back outmoded or inefficient programs. At the same time, he has fought for increases for those programs which he considers top priority. He has always argued his positions with hard facts and logic, rather than rhetoric, and this has made him persuasive and effective.

I am therefore particularly pleased that Dick Schweiker will become the next Secretary of Health and Human Services. Administering that huge department, which spends so much money and ministers to so many human needs, will be a major challenge. I know he is equal to that challenge, and I look forward to working with him in his new role.

TRIBUTE TO FRANK CHURCH

Mr. CHILES. Mr. President, for the past 24 years the Senate has been significantly influenced by the presence of our colleague from Idaho. Frank Church. This influence has permeated the policies of our land, especially with regard

to foreign relations, human rights, the environment, and our older Americans.

As chairman and a member of the Foreign Relations Committee for 20 years, Senator Church is associated with gallant efforts to promote world peace and human rights. At the same time, he served his State of Idaho with the same vigor and devotion. Frank Church's endeavors on the Idaho wilderness legislation will long stand as a fine tribute to his many efforts on behalf of his home State.

Mr. President, I had the distinct privilege of succeeding Senator Church as chairman of the Senate Committee on Aging. His record and success as the advocate for the elderly within the Congress was a very tough act to follow. Frank Church's efforts led the Congress in recognizing the needs of senior citizens. He taught us all about these needs and followed these teachings with legislation which improved the lives for all Americans. Frank Church never lost a floor amendment on behalf of the elderly. He fought for a better social security system which would help seniors keep pace with inflation. He shaped the Older Americans Act from a demonstration program into a nationwide major service network. He authored legislation which provides special tax relief and benefits for older taxpayers.

Yes, Frank Church influenced the Senate. His presence will be missed, but his achievements will continue to bear witness to his devotion to this body, his State and his country. I wish Senator Church and his wife, Bethine, all the best in the coming years, which I am sure will be as productive as their last 24 years.

TRIBUTE TO MILTON R. YOUNG

Mr. CHILES. Mr. President, after nearly 36 years of distinguished service in the U.S. Senate, my good friend and colleague from North Dakota, Senator Milton Young, has decided to retire. He will be sorely missed by all of us who had the pleasure of serving with him in the Senate.

Milt has served longer than any other Republican in the U.S. Senate. He is the senior Republican in the Senate, and in the entire Congress. His election as President pro tempore of the Senate for the remainder of this session is proof of the high esteem which Milt commands in these Chambers.

I have come to know him best through our service together on the Appropriations Committee. It has been my privilege to observe his detailed knowledge of the matters brought before that committee and to often seek his wise advice.

It is with deepest regret and heartfelt best wishes that I say goodbye to Senator Milt Young.

TRIBUTE TO HERMAN TALMADGE

Mr. CHILES. Mr. President, it is with sadness and deep regret that I join in bidding farewell to a most distinguished colleague and friend, Senator Herman Talmadge of Georgia.

He is one of the ablest Members of the Senate. During his 24 years of service in the Senate both Georgia's interests and the Nation's interests have been well served by Herman.

During his long and productive career in the Senate, Senator Talmadge has championed the cause of the farmer and American agriculture. He is considered by many to have the best understanding of agriculture and agricultural issues of anyone in the Senate. He is truly "Mr. Agriculture." His knowledge and leadership in this field will be sorely missed by us all.

Senator Talmadge is known for his excellent constituent service to the citizens of Georgia. He has always strongly pursued those causes important to the citizens of Georgia.

It has been my privilege to serve with Senator Talmadge, and I wish him the very best in his future endeavors.

TRIBUTE TO JOHN DURKIN

Mr. CHILES. Mr. President, I wish to join my colleagues in wishing all the best to Senator John Durkin from New Hampshire.

As we all know, John brought with him the reputation of being a tough fighter. In New Hampshire, John, as State Insurance Commissioner, was an effective voice for the consumer. Likewise, in his years in the Senate, he has been respected by all of us as a tough, hard-working leader on those issues which he championed.

He will be most remembered for his work in the energy area. As a member of the Senate Energy Committee he worked to solve the special energy problems of the Northeast and for the development of alternate sources of energy.

I know John best from my work with him on the Appropriations and Aging Committees. I commend his support for legislation to improve the quality of life for our senior citizens and for adequate funding for those who have served our Nation in the military.

I wish him every success in his future endeavors.

TRIBUTE TO MIKE GRAVEL

Mr. CHILES. Mr. President, I want to take this occasion to say farewell to my colleague from Alaska, Senator Mike Gravel. For 12 years he has served his constituents of the State of Alaska and the people of the Nation well. Through his work on the Energy and Natural Resources and Environment and Public Works Committees he has made substantial contributions toward our Nation's energy problem and, at the same time, protecting our vital natural resources. His expertise in these areas will be greatly missed in the coming years.

One of his most outstanding legislative achievements was his efforts to make the trans-Alaska pipeline a reality. Clearly, this was one of the major steps toward our goal of energy independence.

Mike Gravel will be missed. My best to him in all his future endeavors.

TRIBUTE TO ADLAI STEVENSON

Mr. CHILES. Mr. President, it is an honor for me to have this opportunity to pay tribute to my colleague from Illinois, Mr. Adlai Stevenson. After a long and distinguished career as a public servant, 10 of those years in the U.S. Senate, Adlai Stevenson has chosen to leave the Congress, a loss to the people of Illinois, and to the Nation as well.

In the relatively short period of time which Senator Stevenson has served in the Senate, he has established a remarkable legislative record. He has served with distinction on the Banking, Housing, and Urban Affairs Committee and on the Commerce, Science, and Transportation Committee. As chairman of the Subcommittee on International Finance, he has become a leading advocate of establishing a national export policy. By bringing together a bipartisan group of Senators in an Export Caucus, he has generated renewed interest in eliminating unnecessary restrictions on U.S. exports, and has produced a consensus on ways to enable U.S. products to be more competitive in the international marketplace and at home. Flowing from his expertise in international trade and finance were such legislative accomplishments as the Export Administration Act, reform of the Export-Import Bank, and the Export Trading Company Act.

When this body needed someone to take on the tough but unglamorous assignment of reviewing the Senate committee system, the leadership turned to Senator Stevenson. As chairman of the Select Committee to Study the Senate Committee System, he tackled the difficult job with the same dedication and vision that he has brought to every undertaking.

And again, when the Senate needed someone to assume the rather thankless but extremely important task of chairing the Committee on Ethics, it turned to Senator Stevenson. His integrity and reputation for fairness made him the ideal leader in a task that required sensitivity, evenhandedness, and good judgment.

Senator Stevenson has consistently been able to see beyond the problems of the day, and present proposals that offered hope for the future. His accomplishments from his service in the Senate will enrich our country for many years to come.

I know I speak for all my colleagues in wishing Senator Stevenson all the best in his new endeavors.

TRIBUTE TO MRS. OTIS BOWEN—BELOVED WIFE, MOTHER AND A WOMAN OF COURAGE AND VALOR

Mr. QUAYLE. Mr. President, my last speech as a Member of the House was to pay tribute to a very special person, JOHN RHODES, who stepped down as Republican minority leader. As a U.S. Senator, my first speech will be about another very special person, Mrs. Beth Bowen, devoted wife of the outgoing Governor of my State, Dr. Otis Bowen. Mrs. Bowen lost a courageous and valiant fight against cancer on January 1.

Beth and Otis Bowen had a 42-year partnership of love and devotion. She and Governor Bowen were parents of four grown children—Rick, of Lawrenceburg, Ind.; Mrs. David McGrew, of Bellevue, Wash.; Tim, of Muncie, Ind., and Circuit Judge Rob Bowen, of Breman, Ind.

She was the strong right arm of Otis Bowen. When he introduced her at a kick-off luncheon for a cookbook she had written, the Governor said: "She is my governor, your first lady." Beth Bowen usually was at the side of her husband during their many years in politics and public life. Beyond her intense dedication to her husband, Beth Bowen was a strong and gracious mother to her children. Her graciousness as a mother extended to her duties as the first lady.

She also found time to devote to other important causes including the betterment of underprivileged and handicapped children and those subjected to child abuse.

Her fight against cancer will serve as an inspiration to those who would lose their faith in God and just give up. Beth Bowen never gave up—never lost faith.

I know that thousands of my fellow citizens in Indiana have gained strength from Beth Bowen in her love and fight for life. My wife, Marilyn, and I are proud to have enjoyed her friendship and her support. We extend our heartfelt sympathy to our beloved friend, Otis Bowen, and his family on their great loss. May God comfort them all during this time of sorrow.

It seems appropriate to close with an eloquent verse selected from Proverbs, 31:

A woman of valor who can find?
Her price is far above rubies.
The heart of her husband trusteth in her,
And he shall have no lack of gain.
She doeth him good and not evil,
All the days of her life.
She looketh well to the ways of her household,
And eateth not the bread of idleness.
She giveth food to her household,
And a portion for her maidens.
Strength and dignity are her clothing,
And she laugheth at the time to come.
She stretcheth out her hand to the poor,
Yea, she reacheth forth her hands to the needy.
She openeth her mouth with wisdom,
And the law of lovingkindness is on her tongue.
Her children rise up and call her blessed,
Her husband also, and he praiseth her:
"Many daughters have done worthily,
But thou excellest them all."
Grace is deceitful, and beauty is vain,
But a woman that revereth the Lord, she shall be praised.
Give her of the fruit of her hands,
And let her works praise her in the gates.

Beth Bowen will long be remembered as a great inspiration to all of us.

MESSAGES RECEIVED FROM THE PRESIDENT DURING THE RECESS

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 15, 1981, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received during the recess are printed at the at the end of today's proceedings of the Senate.)

BUDGET OF THE UNITED STATES FOR FISCAL YEAR 1982—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 13

Under the authority of the order of the Senate on January 6, 1981, the Secretary of the Senate, on January 15, 1981, received the following message from the President of the United States, together with accompanying documents which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations and the Committee on the Budget:

To the Congress of the United States:

My administration has faced a wide range of challenges at home and abroad, challenges stemming from our strengths, not our weaknesses: our strengths as a world leader, as a developed industrial nation, and as a heterogeneous democracy with high goals and great ambitions. Meeting these challenges satisfactorily requires that we establish priorities, recognizing the limits to even our Nation's enormous resources. We cannot do all that we wish at the same time. But we must provide for our security, establish the basis for a strong economy, protect the disadvantaged, build human and physical capital for the future, and safeguard this Nation's magnificent natural environment.

This budget provides for meeting these needs, while continuing a 4-year policy of prudence and restraint. While our budget deficits have been higher than I would have liked, their size has been determined for the most part by economic conditions. Even so, the trend has been downward. In 1976, the budget deficit equaled 4.0% of gross national product. This was reduced to 2.3% in the budget year that ended 3 months ago. The 1982 budget deficit is estimated to equal only 0.9% of gross national product.

The rate of growth in budget outlays has been held to a minimum. In spite of significant increases in indexed programs, outlays for nondefense programs—after adjusting for inflation—decrease slightly.

THE BUDGET TOTALS
(In billions of dollars)

	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
Outlays	579.6	662.7	739.3	817.3	890.3
Receipts	520.0	607.5	711.8	809.2	922.3
Surplus or deficit (—)	—59.6	—55.2	—27.5	—8.0	32.0
Budget authority	658.8	726.5	809.8	892.0	962.7
Credit budget	131.2	165.4	152.6		

The 1982 budget calls for outlays of $739 billion, an increase of 1.0% when adjusted for inflation. Nondefense spending is projected to decline by 0.2% in real terms. The tax reductions I proposed as part of the economic revitalization program have been retained, but some have been delayed or phased in over a longer period in recognition of the continued high inflation rate. The budget deficit—which is now projected at $55.2 billion in 1981—is estimated to decline to $27.5 billion in 1982.

In planning this budget, I have considered four major issues:

- What is the economic policy that will ensure prosperity for all while minimizing inflation?
- How much of our Nation's wealth should be used by the Federal Government?
- What are desirable spending proposals and strategies for defense, human resources, and investment?
- How can the management of Government be improved?

THE ECONOMY

During the last decade we withstood a series of economic shocks unprecedented in peacetime. The most dramatic of these were the explosive increases of OPEC oil prices. But we have also faced world commodity shortages, natural disasters, agricultural shortages, and major challenges to world peace and security. Our ability to deal with these shocks has been impaired by slower productivity growth and persistent, underlying inflationary forces built up over the past 15 years.

Nevertheless, the economy has proved remarkably resilient. Real output has grown at an average annual rate of 3% since I took office, and employment has grown by 2½%. Nearly 8 million productive private sector jobs have been added to the economy. However, unacceptably high inflation remains our most difficult economic problem. This inflation requires that we hold down the growth of the budget to the maximum extent, while still meeting the demands of national security and human compassion. I have done so, as I did in my earlier budgets.

While budget restraint is essential to any appropriate economic policy, high inflation cannot be attributed solely to Government spending. The growth in budget outlays has been more the result of economic factors than the cause of them. For fiscal year 1981 alone, budget outlays must be increased by $9 billion over last year's estimate as a result of higher interest rates. Yet this increase results not only from inflation but from the monetary policies undertaken to combat it. Nearly $18 billion for 1981 reflects higher defense costs and higher automatic inflation adjustments than were anticipated a year ago.

We are now in the early stages of economic recovery following a short recession. Typically, post-recessionary periods have been marked by vigorous economic growth abetted by stimulative policies such as large tax cuts or spending programs. I am not recommending such actions, because persistent inflationary pressures dictate a restrained fiscal policy. However, I continue to recommend specific tax reductions that contribute directly to increased productivity and long-term growth.

THE SIZE AND ROLE OF GOVERNMENT

We allocate about 23% of our Nation's output through the Federal budget. (Including all levels of government, the total

government share of our gross national product is about one-third.) We must come close to matching Federal outlays with tax receipts if we are to avoid excessive and inflationary Federal borrowing. This means either controlling our appetite for spending or accepting the burden of higher taxes.

The growth of budget outlays is puzzling to many Americans, but it arises from valid social and national security concerns. Other developed countries face similar pressures. We face a threat to our security, as events in Afghanistan, the Middle East, and Eastern Europe make clear. We have a steadily aging population; as a result, the biggest single increase in the Federal budget is the rising cost of retirement programs, particularly social security. We must meet other important domestic needs: to assist the disadvantaged; to provide the capital needed by our cities and our transportation systems; to protect our environment; and to revitalize American industry.

I have been concerned with the proper role of the Federal Government in designing and providing such assistance. The Federal Government must not usurp functions that are best left to the private sector or to State and local governments. My administration has sought to make the proper assignments of responsibility, to resolve problems in the most efficient manner.

We have also recognized the need to simplify the system of Federal grants to State and local governments. Once again, I am proposing several grant consolidations in the 1982 budget, including a new proposal that would consolidate several highway programs. Previous consolidation proposals of my administration have been in the areas of youth training and employment, environment, energy conservation, airport development, and rehabilitation services. These consolidations are essential to improving our intergovernmental system. However, the Congress has so far agreed to consolidate only rehabilitation services grants. Therefore, I am proposing again the consolidations recommended earlier.

MAJOR BUDGET PRIORITIES

Spending growth can be constrained; not easily, not quickly, but it is possible. My budget priorities have been established, once again, to achieve this goal in a responsible manner.

Three years ago, in my 1979 budget message, I outlined the following principles:

- The Nation's armed forces must always stand sufficiently strong to deter aggression and to assure our security.
- An effective national energy plan is essential to reduce our increasingly critical dependence upon diminishing supplies of oil and gas, to encourage conservation of scarce energy resources, to stimulate conversion to more abundant fuels, and to reduce our large trade deficit.
- The essential human needs of our citizens must be given high priority.
- The Federal Government must lead the way in investment in the Nation's technological future.
- The Federal Government has an obligation to nurture and protect our environment—the common resource, birthright, and sustenance of the American people.

My 1982 budget is again based on these principles.

Tax policy and economic revitalization.—I continue to believe that large inflationary individual income tax cuts are neither appropriate nor possible today, however popular they might appear in the short run. My economic revitalization program stresses tax reductions on a timetable that we can afford, and that will fight inflation by encouraging capital formation and increasing industrial productivity. This program stresses:

- simplification and liberalization of depreciation allowances;
- modification of the investment tax credit to encourage investment by temporarily depressed firms and by growing new firms;
- an income tax credit to offset increases in social security taxes;
- a liberalized earned income credit to also offset social security taxes and to encourage low-income earners to work;
- a working-spouse deduction to make more equitable the way working husbands and wives are taxed; and
- more favorable tax treatment for Americans in certain areas overseas to help American exports and strengthen the dollar.

Defense.—Maintaining a strong defense has been a primary objective of this administration. In order to meet the security needs of the Nation, real spending for defense increased in 1979 and 1980 by more than the 3 percent target I set at the NATO ministerial meeting in 1977. This real growth rate in defense spending has been maintained despite the adverse effects of higher than anticipated inflation, and restrained budgets.

To meet critical remaining needs, this budget includes a $6.3 billion supplemental request for 1981, largely for military pay increases and combat readiness. Together with congressional add-ons to my earlier 1981 request, this supplemental will increase defense programs almost 8 percent in real terms over 1980. For 1982 and beyond, the budget charts a course of sustained and balanced improvements in defense programs that will require real annual increases in funding of about 5 percent per year.

The budget request reflects a careful balance between the need to meet all critical defense needs, while maintaining fiscal restraint. There will be advocates for higher defense levels, but after careful review I do not believe that higher spending would add significantly to our national security. My budget already provides for the three major defense requirements:

- *Personnel recruitment and retention.*—Our armed forces can be no better than the quality of the people who serve in them. Accordingly, I recently approved the largest pay and benefits increase in history—a $4.5 billion compensation package that provides for an average compensation increase of 16 percent. This increase in base pay, plus better housing allowances, expanded enlistment and reenlistment bonuses, and special pay enhancements for submariners and other specialists, will help attract and retain highly qualified men and women.
- *Improving combat readiness.*—Increased compensation will be a key factor in overcoming key personnel shortages, which are the major source of readiness problems. In addition, there have been shortages in critical spare parts and, in a few cases, inadequate funds for training. The funds recommended by this budget should alleviate these problems.
- *Modernizing our forces.*—I also propose major investments to enhance substantially the capabilities of our forces. Strategic forces are being upgraded through continued procurement of Trident submarines and missiles, procurement of cruise missiles, modification of the B–52 bomber, and development of the MX missile. Army equipment, including tanks, armored vehicles, helicopters, and air defense and other missile systems, is being modernized. Fighter and attack planes are being added to Navy and Marine forces, and a continuing major shipbuilding program will add over 80 ships to our growing fleet between 1982 and 1986. The rapid deployment of our forces is being improved through the acquisition of more cargo ships and modification of airlift aircraft.

Foreign aid.—Foreign assistance remains crucial in achieving our country's international political and economic goals. From the start of my administration, I have stressed the need for substantial increases in assistance to friendly nations, many of whom are drastically harmed by constantly increasing oil prices and other external economic and security pressures. At the same time, I have insisted upon improved management of both our security and development assistance programs.

In the first 2 years of this administration, the Congress reduced my foreign aid requests but permitted some program growth. For the past 2 years, however, the Congress has failed to pass regular foreign aid appropriations. Assistance programs in 1981 are being funded under a continuing resolution that provides amounts slightly above the 1979 levels in nominal terms, and substantially below them in real terms.

I believe in the need for higher levels of aid to achieve foreign policy objectives, promote economic growth, and help needy people abroad. Foreign aid is not politically popular and represents an easy target for budget reduction. But it is not a wise one. For 1982, therefore, I am requesting a foreign assistance program level that is higher by 14% in real terms than the amount currently available for 1981. This request would reverse the recent real decline in aid and demonstrate that the United States retains its commitment to a world of politically stable and economically secure nations.

The bilateral development aid budget includes a U.S. response to the 1980 Venice Summit agreement that the major industrial countries should increase bilateral aid for food production, energy production and conservation, and family planning in the developing countries. Such an effort to increase the availability of resources on which the industrial countries depend will serve U.S. national security, and will stimulate additional actions by the private sector in the recipient countries. This U.S. effort is planned in the expectation that the other Summit countries will also increase aid in these sectors, in response to the Venice Summit agreement. We hope this initiative will lead to agreement on arrangements for increased consultation and cooperation among the major industrial countries providing increased bilateral aid to these three vital sectors.

Energy.—My administration, working with the Congress, has established fundamental new policies that will profoundly change the way the Nation produces and uses energy. They have already led to more domestic exploration and to substantial energy conservation. This energy program represents a major long-range national commitment to meeting one of our most pressing problems. It includes:

- Deregulation and decontrol of oil prices to be completed by October of this year.
- Establishment of the Synthetic Fuels Corporation, which will share with the private sector the risk in producing oil and natural gas substitutes that directly reduce U.S. oil imports.
- Support for energy research and development in technologies, such as solar and fusion energy, that the private sector would not finance.
- Development of the strategic petroleum reserve to reduce the impact of disruptions in world oil supplies.
- Energy conservation in public and nonprofit enterprises.
- Research on the environmental effects of energy production and use to assure that adverse effects on environmental quality are minimized.

Continuation of a sound energy policy is essential to the Nation's well-being in the coming decades. Such a policy must include the pricing of energy at its true cost, mechanisms to stimulate conservation, incentives for the continued development of our own domestic sources of energy, encouragement for longer-run renewable forms of energy, and equity for all our citizens as we adjust to this new reality.

Basic science and space technology.—Basic research is essential to the long-term vitality of the Nation's economy. Because the benefits of such investments cannot be fully realized by individual companies, the Federal Government plays a key role in supporting such research.

My budgets have reversed a long period of decline in Federal support for basic research. The 1982 budget continues that policy by providing for 4% real growth in support for the conduct of basic research across all Federal agencies. The budget also provides for greater efforts to foster cooperation among government, business, and universities in research.

In addition, we have recognized the growing importance of improving scientific technology in the Nation's universities as critical to the advancement of science and to the training of scientific and engineering manpower.

My administration's comprehensive space policy encourages the practical, effective use of information obtained from orbiting satellites and the coordinated use of the Space Shuttle, now nearing completion. Successful resolution of development problems is expected to lead to the first manned orbital flight of the Shuttle in 1981.

With these increases, Federal support for basic research will have increased by almost 58% over 1978.

Social programs.—This budget supports my deep commitment to programs that help our citizens develop their full potential, and to programs assisting the poor, the unemployed, the elderly, and the sick.

The most extensive such programs are *social security* and *medicare*. Parts of this system are expected to experience short-run financing problems because higher than expected unemployment has decreased payroll taxes below previous forecasts, and high inflation has increased benefit payments. Therefore, the administration continues to urge the passage of legislation that would permit the three major social security trust funds to borrow from each other. In addition, it is essential that the Congress and the American people give early consideration to medium-term financing concerns.

The reports of the Commission on Pension Policy, which I established 2 years ago, and the National Commission on Social Security should stimulate constructive debate on these issues. These Commissions will complete their final reports during the coming months.

My administration has consistently maintained a strong commitment to remedying *youth unemployment* and the problems it causes. This budget includes an increase of $1.2 billion in 1982 and an additional increase of $0.8 billion in 1983 for the youth initiative I proposed last year. This initiative emphasizes the mastery of basic arithmetic and literacy skills, as well as the link between the classroom and the workplace.

The Jobs Corps would be continued at this year's level, serving twice as many youth as when my administration took office. In addition, my budget provides 240,000 public service jobs for low-income, long-term unemployed persons in 1982. This program is designed for the hardcore structurally unemployed, and includes substantial training in order to place men and women in permanent jobs. At the same time, the budget continues the countercyclical public service employment program through 1982 at the 100,000 level set by the Congress for 1981. The budget also provides a slight increase for the administration's private sector jobs initiative and essentially maintains the 1980 level of summer youth employment.

I am again proposing to augment medicaid with a *child health assurance* program effective by the end of 1982. This proposal, which the House of Representatives passed last year, would extend medicaid coverage to an additional 2 million children and pregnant women.

I am also proposing a number of changes in existing programs. For example, I am again proposing that retirement benefits for government employees be adjusted for inflation once, rather than twice, a year. This change would make these adjustments comparable to those for social security and most private sector automatic adjustment practices. The Congress approved a similar administration initiative last year for the food stamp program. This proposal would save $1.1 billion in 1982.

Benefits that are adjusted by statute for inflation will comprise nearly one-third of total Federal spending in 1981. During the last year, my administration has been assessing whether these adjustments are fair and equitable. We have concluded that the Consumer Price Index has several deficiencies as a measure of the true cost of living, particularly because of the manner in which it represents housing costs. I am therefore proposing, in this budget, that future benefits be based on an alternative, more representative index. The alternative index is already calculated and published by the Bureau of Labor Statistics. This proposal is designed to improve the technique of indexing those programs, not to reduce benefits. Therefore, no cost savings are assumed in the budget.

The budget also includes legislation to make unemployment benefits more nearly uniform among the States and to coordinate benefits more precisely with unemployment rates. Although this proposal would save about $2 billion in 1982 under the unemployment rates being projected for this budget, a slightly higher rate of unemployment would trigger extended benefits nationally. In such a case, unemployment benefits would be very close to those under current law. Even with the projected change, under current economic projections $1.5 billion would be paid in 1982 for extended benefits in States where the program is triggered.

I remain committed to a national health plan that would assure basic and catastrophic medical coverage for all Americans, as well as for prenatal and infant care. An estimated 22 million Americans lack any private or public health insurance coverage. Another 60 million people lack adequate basic coverage of protection against catastrophic medical expenses. Given the fact that adequate cost containment does not exist and the need for overall budgetary constraints, the budget does not include specific amounts for this plan. However, it is important that our Nation attempt to meet these needs and that the incentives in our health care system be restructured. A clear demonstration of success in restraining medical care costs is an essential prerequisite to the enactment of a national health plan.

My proposals to reform our welfare system should also be enacted as soon as possible. Such a program is essential to ensuring that no American goes hungry or lacks a reasonable income, and to provide needed fiscal relief to States, counties, and cities.

IMPROVING GOVERNMENT MANAGEMENT

This budget reinforces my commitment to use resources not only wisely, but efficiently. During my administration we have:

- installed new Offices of Inspectors General in 15 major agencies to combat waste, fraud, and abuse;
- carried out a major Government-wide reform of the civil service system;
- reorganized important areas of the Federal Government, particularly those concerned with education and energy;
- reduced permanent Federal civilian employment by 45,000;
- achieved budgetary savings directly through improved cash management; and
- reduced paperwork and established a paperwork budget.

Such efforts to streamline the way the Government conducts its business are rarely dramatic. Improved efficiency is not the product of a simple sweeping reform but, rather, of diligent, persistent attention to many aspects of Federal program management.

One important aspect of improved management has been in the budget process itself. *Zero-base budgeting* is now an integral part of the decisionmaking system, providing a more systematic basis for making decisions. We have also instituted a 3-year budget planning horizon so that the longer range consequences of short-term budget decisions are fully considered and understood.

In 1978 I made a major commitment to establish a system of controlling *Federal credit* since, in the past, the very large Federal loan guarantee programs had largely escaped the discipline of the budget process. This system is now in place.

I am gratified that the Congress has supported these efforts to improve budget control. Appropriations bills now include limits on many credit programs. The congressional budget resolutions place significantly greater emphasis on longer range budget trends and set overall credit targets.

While the credit control system provides a means of assessing and limiting Federal credit programs, I believe Federal credit programs have become unduly complex and pose an increasing threat to the effective and efficient operation of private capital markets. In particular, the Federal Financing Bank has become a major and rapidly growing source of off-budget funds for direct loans to a wide range of borrowers.

Therefore, I am recommending that a panel of outstanding financial and budget experts should be established to examine these issues. Such a panel should consider the treatment of credit activities in the budget, the adequacy of program administration, uniform rules and procedures for Federal credit programs, the role of the Federal Financing Bank, and the relationship of tax-exempt financing to overall credit and tax policies.

CONCLUSION

My budget recommendations reflect the major changes that have taken place in our country over recent decades. In 1950, social security and railroad retirement benefits accounted for less than 3% of budget outlays. Last year they accounted for more than one-fifth of the total. Mandatory outlays for entitlement programs, the levels of which are fixed by law, for interest on the public debt, and for payments under binding contracts account for three-fourths of total budget outlays. Because so much of the budget is committed under current law before either the President or the Congress begins the annual budget formulation process, controlling budget growth has been difficult, and the results uneven. It has been difficult because benefit payments and other legal obligations have too often been spared from annual budget scrutiny. The results have been uneven because budget restraint has fallen disproportionately on programs subject to the annual appropriations process.

My administration and the Congress began to redress this imbalance in the 1981 budget. The Congress passed, and I signed into law, a reconciliation bill that for the first time was used as a mechanism for changing a variety of entitlement and tax programs. I do not propose that we break faith with the American people by arbitrarily or unfairly reducing entitlement programs. However, these programs developed independently, and they should be made less duplicative, more consistent, and more equitable. The size of these programs, and our need for budget restraint, requires that we address these problems. I urge the Congress to build upon last year's experience and review all aspects of the budget with equal care.

The allocation of one-fifth of our Nation's resources through the Federal budget is a complex, difficult, and contentious process. Restraint on any program, small or large, is usually subject to heated debate. At a time when there is broad consensus that the size of the Federal budget is too large, we can no longer—as individuals or groups—make special pleas for exceptions to budget discipline. Too often we have taken the attitude that individual benefits or particular programs or specific tax measures are not large enough to require restraint. Too often we have taken the attitude that there must be alternative sources for reductions in programs that benefit our particular group. This attitude is in part responsible for the rapid budget growth we have experienced—and can no longer afford.

Given our Nation's needs and our economic constraints, my recommendations meet the fundamental demands of our society: a strong defense, adequate protection for the poor and the disadvantaged, support for our free enterprise economy, and investment in the Nation's future.

JIMMY CARTER.

JANUARY 15, 1981.

THIRD SPECIAL MESSAGE FOR FISCAL YEAR 1981—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 14

Under the authority of the order of the Senate on January 6, 1981, the Secretary of the Senate, on January 15, 1981, received the following message from the President of the United States, together with accompanying reports; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Commerce, Science, and Transportation, the Committee on Labor and Human Resources, the Committee on Energy and Natural Resources, the Committee on Finance, the Committee on Banking, Housing, and Urban Affairs, the Committee on Governmental Affairs, the Committee on Environment and Public Works, the Committee on Foreign Relations, and the Select Committee on Small Business:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose 33 new rescissions of budget authority previously provided by the Congress, totalling $1,142.4 million. In addition, I am reporting 15 new deferrals totalling $1,429.9 million and revisions to three previously-reported deferrals totalling $4.4 million.

The rescission proposals affect programs of the Departments of Commerce, Education, Energy, Health and Human Services, and Housing and Urban Development as well as the Community Services Administration, the Federal Mine Safety and Health Review Commission, the Federal payment to the Postal Service Fund, and the Tennessee Valley Authority. The deferrals affect programs of the Departments of Commerce, Defense, Energy, Interior, Justice, Labor, and State, as well as the intelligence community staff, the National Consumer Cooperative Bank, the Pennsylvania Avenue Development Corporation, and the Small Business Administration.

The details of each rescission proposal and deferral are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *January 15, 1981.*

PROPOSED NUCLEAR AGREEMENT BETWEEN THE UNITED STATES AND COLOMBIA—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 15

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 15, 1981, received the following message from the President of the United States, together with accompanying documents which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit to the Congress, pursuant to Section 123(d) of the Atomic Energy Act of 1954, as amended, the text of the proposed Agreement for Cooperation Between the Government of

the United States of America and the Government of the Republic of Colombia Concerning Civil Uses of Nuclear Energy and accompanying exchange of notes; my written approval, authorization and determination concerning the agreement; and the memorandum of the Director of the Arms Control and Disarmament Agency with the Nuclear Proliferation Assessment Statement concerning the agreement. The joint memorandum submitted to me by the Secretaries of State and Energy, which includes a summary analysis of the provisions of the agreement, and the views and recommendations of the Members of the Nuclear Regulatory Commission and the Director of the Arms Control and Disarmament Agency are also enclosed.

The Nuclear Non-Proliferation Act of March 10, 1978 sets forth certain requirements for new or amended peaceful nuclear cooperation agreements with other countries. In my judgment, the proposed agreement for cooperation between the United States and Colombia, together with its accompanying exchange of notes, meets all statutory requirements.

The proposed bilateral agreement between us reflects the desire of the Government of the United States and the Government of Colombia to update the framework for peaceful nuclear cooperation between our two countries in a manner that recognizes both the shared nonproliferation objectives and the close relationship between the United States and Colombia in the peaceful applications of nuclear energy. The proposed agreement will, in my view, further the non-proliferation and other foreign policy interests of the United States.

I have considered the views and recommendations of the interested agenices in reviewing the proposed agreement and have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the agreement and authorized its execution, and urge that the Congress give its favorable consideration.

JIMMY CARTER.

THE WHITE HOUSE, *January 13, 1981.*

U.S. GOVERNMENT'S INTERNATIONAL ACTIVITIES IN SCIENCE AND TECHNOLOGY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 16

Under the authority of the order of the Senate on January 6, 1981, the Secretary of the Senate, on January 15, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with Title V of the Foreign Relations Authorization Act, Fiscal Year 1979 (P.L. 95-426), I am pleased to transmit to the Congress the second annual report on the United States Government's international activities in the field of science and technology.

The report—entitled "Science, Technology and American Diplomacy, 1981"—has been prepared by the Department of State in collaboration with the other departments and agencies concerned.

JIMMY CARTER.

THE WHITE HOUSE, *January 15, 1981.*

REPORT ON MILITARY CASH AWARDS PROGRAM—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 17

Under the authority of the order of Senate January 6, 1981, the Secretary of the State, on January 16, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Armed Services:

To the Congress of the United States:

Forwarded herewith in accordance with the provisions of 10 U.S.C. § 1124 are reports of the Secretary of Defense and the Secretary of Transportation on awards made during Fiscal Year 1980 to members of the Armed Forces for suggestions, inventions and scientific achievements.

Participation by military personnel in the cash awards program was authorized by the Congress in 1965. More than two million suggestion submissions since that time attest to the success which the program has had as a means of motivating military personnel to seek ways of reducing costs and improving efficiency. Of those suggestions submitted, more than 350,000 have been adopted with resultant tangible first-year benefits in excess of one billion dollars.

Of the 73,326 suggestions which were submitted by military personnel (including Coast Guard military personnel) during Fiscal Year 1980, 11,520 were adopted. Cash awards totalling $967,155 were paid for adopted suggestions during Fiscal Year 1980. These awards were based not only on tangible first-year benefits of $31,163,369 realized from adopted suggestions during the fiscal year, but also on many additional benefits and improvements of an intangible nature.

Enlisted personnel received $795,679 in awards during Fiscal Year 1980 representing 80% of the total cash awards paid during this period. Officer personnel received $194,626 during the fiscal year.

Attached are reports of the Secretary of Defense and the Secretary of Transportation containing statistical information on the military awards program and brief descriptions of some of the more noteworthy contributions made by the military personnel during Fiscal Year 1980.

JIMMY CARTER.

THE WHITE HOUSE, *January 16, 1981.*

THE 23D QUARTERLY REPORT OF THE COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 18

Under the authority of the order of the Senate on January 6, 1981, the Secretary of the Senate, on January 16, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with Section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the twenty-third quarterly report of the Council on Wage and Price Stability. The report contains a description of the Council's activities during the second quarter of 1980 in monitoring both prices and wages in the private sector and various Federal Government activities that may lead to higher costs and prices without creating commensurate benefits. It discusses Council reports, analyses, and filings before Federal regulatory agencies. It also describes the Council's activities of monitoring wages and prices as part of the anti-inflation program.

The Council on Wage and Price Stability has played an important role in supplementing fiscal and monetary policies by calling public attention to wage and price developments or actions by the Government that could be of concern to American consumers.

JIMMY CARTER.

THE WHITE HOUSE, *January 16, 1981.*

ANNUAL REPORT OF THE DEPARTMENT OF TRANSPORTATION—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 19

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 16, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I transmit herewith the Thirteenth Annual Report of the Department of Transportation. This report has been prepared in accordance with Section 11 of Public Law 89-670 and covers Fiscal Year 1979.

JIMMY CARTER.

THE WHITE HOUSE, *January 16, 1981.*

REPORT ON HAZARDOUS MATERIALS CONTROLS—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 20

Under the authority of the order of the Senate on January 6, 1981, the Secretary of the Senate, on January 16, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I transmit herewith the Tenth Annual Report on Hazardous Materials Controls as required by the Hazardous Materials Transportation Act, Title I of Public Law 93-633. This report has been prepared in

accordance with Section 109 of the Act and covers calendar year 1979.

JIMMY CARTER.

THE WHITE HOUSE, *January 16, 1981.*

REPORT ON STATUS OF WEATHERIZATION ASSISTANCE PROGRAM—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 21

Under the authority of the order of the Senate on January 6, 1981, the Secretary of the Senate, on January 16, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

I am pleased to send to the Congress the second annual report on the Status of the Weatherization Assistance Program, as required by Section 254 of the National Energy Conservation Policy Act (P.L. 95-619; 42 U.S.C. 8233).

JIMMY CARTER.

THE WHITE HOUSE, *January 16, 1981.*

ANNUAL REPORT OF THE ACTION AGENCY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 22

Under the authority of the order of the Senate on January 6, 1981, the Secretary of the Senate, on January 16, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

I am transmitting to the Congress the FY 1980 Annual Report of the ACTION Agency, as required by section 407 of the Domestic Volunteer Services Act of 1973, as amended.

JIMMY CARTER.

THE WHITE HOUSE, *January 16, 1981.*

STATE OF THE UNION—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 23

Under the authority of the order of the Senate on January 6, 1981, the Secretary of the Senate, on January 16, 1981, received the following message from the President of the United States; which were ordered to lie on the table:

To the Congress of the United States:

The State of the Union is sound. Our economy is recovering from a recession. A national energy plan is in place and our dependence on foreign oil is decreasing. We have been at peace for four uninterrupted years.

But, our Nation has serious problems. Inflation and unemployment are unacceptably high. The world oil market is increasingly tight. There are trouble spots throughout the world, and 53 American hostages are being held in Iran against international law and against every precept of human affairs.

However, I firmly believe that, as a result of the progress made in so many domestic and international areas over the past four years, our Nation is stronger, wealthier, more compassionate and freer than it was four years ago. I am proud of that fact. And I believe the Congress should be proud as well, for so much of what has been accomplished over the past four years has been due to the hard work, insights and cooperation of Congress. I applaud the Congress for its efforts and its achievements.

In this State of the Union Message I want to recount the achievements and progress of the last four years and to offer recommendations to the Congress for this year. While my term as President will end before the 97th Congress begins its work in earnest, I hope that my recommendations will serve as a guide for the direction this country should take so we build on the record of the past four years.

RECORD OF PROGRESS

When I took office, our Nation faced a number of serious domestic and international problems:

—no national energy policy existed, and our dependence on foreign oil was rapidly increasing;

—public trust in the integrity and openness of the government was low;

—the Federal government was operating inefficiently in administering essential programs and policies;

—major social problems were being ignored or poorly addressed by the Federal government;

—our defense posture was declining as a result of a defense budget which was continuously shrinking in real terms;

—the strength of the NATO Alliance needed to be bolstered;

—tensions between Israel and Egypt threatened another Middle East war; and

—America's resolve to oppose human rights violations was under serious question.

Over the past 48 months, clear progress has been made in solving the challenges we found in January of 1977:

—almost all of our comprehensive energy program have been enacted, and the Department of Energy has been established to administer the program;

—confidence in the government's integrity has been restored, and respect for the government's openness and fairness has been renewed;

—the government has been made more effective and efficient: the Civil Service system was completely reformed for the first time this century; 14 reorganization initiatives have been proposed to the Congress, approved, and implemented; two new Cabinet departments have been created to consolidate and streamline the government's handling of energy and education problems; inspectors general have been placed in each Cabinet department to combat fraud, waste and other abuses; the regulatory process has been reformed through creation of the Regulatory Council, implementation of Executive Order 12044 and its requirement for cost-impact analyses, elimination of unnecessary regulation, and passage of the Regulatory Flexibility Act; procedures have been established to assure citizen participation in government; and the airline, trucking, rail and communications industries are being deregulated; critical social problems, many long ignored by the Federal government, have been addressed directly; an urban policy was developed and implemented to reverse the decline in our urban areas; the Social Security System was refinanced to put it on a sound financial basis; the Humphrey-Hawkins Full Employment Act was enacted; Federal assistance for education was expanded by more than 75 percent; the minimum wage was increased to levels needed to ease the effects of inflation; affirmative action has been pursued aggressively—more blacks, Hispanics and women have been appointed to senior government positions and to judgeships than at any other time in our history; the ERA ratification deadline was extended to aid the ratification effort; and minority business procurement by the Federal government has more than doubled;

—the Nation's first sectoral policies were put in place, for the auto and steel industries, with my Administration demonstrating the value of cooperation between the government, business and labor;

—reversing previous trends, real defense spending has increased every year since 1977; the real increase in FY 1980 defense spending is well above 3 percent and I expect FY 1981 defense spending to be even higher; looking ahead, the defense program I am proposing is premised on a real increase in defense spending over the next five years of 20 percent or more;

—the NATO Alliance has proven its unity in responding to the situations in Eastern Europe and Southwest Asia and in agreeing on the issues to be addressed in the review of the Helsinki Final Act currently underway in Madrid;

—the peace process in the Middle East established at Camp David and by the Peace Treaty between Egypt and Israel is being buttressed on two fronts: steady progress in the normalization of Egyptian-Israeli relations in many fields, and the commitment of both Egypt and Israel, with United States' assistance, to see through to successful conclusion the autonomy negotiations for the West Bank and Gaza;

—the Panama Canal Treaties have been put into effect, which has helped to improve relations with Latin America;

—we have continued this Nation's strong commitment to the pursuit of human rights throughout the

world, evenhandedly and objectively; our commitment to a worldwide human rights policy has remained firm; and many other countries have given high priority to it;

—our resolve to oppose aggression, such as the illegal invasion of the Soviet Union into Afghanistan, has been supported by tough action.

I. ENSURING ECONOMIC STRENGTH

ECONOMY

During the last decade our Nation has withstood a series of economic shocks unprecedented in peacetime. The most dramatic of these has been the explosive increases of OPEC oil prices. But we have also faced world commodity shortages, natural disasters, agricultural shortages and major challenges to world peace and security. Our ability to deal with these shocks has been impaired because of a decrease in the growth of productivity and the persistence of underlying inflationary forces built up over the past 15 years.

Nevertheless, the economy has proved to be remarkably resilient. Real output has grown at an average rate of 3 percent per year since I took office, and employment has grown by 10 percent. We have added about 8 million productive private sector jobs to the economy. However, unacceptably high inflation—the most difficult economic problem I have faced—persists.

This inflation—which threatens the growth, productivity, and stability of our economy—requires that we restrain the growth of the budget to the maximum extent consistent with national security and human compassion. I have done so in my earlier budgets, and in my FY '82 budget. However, while restraint is essential to any appropriate economic policy, high inflation cannot be attributed solely to government spending. The growth in budget outlays has been more the result of economic factors than the cause of them.

We are now in the early stages of economic recovery following a short recession. Typically, a post-recessionary period has been marked by vigorous economic growth aided by anti-recessionary policy measures such as large tax cuts or big, stimulation spending programs. I have declined to recommend such actions to stimulate economic activity, because the persistent inflationary pressures that beset our economy today dictate a restrained fiscal policy.

Accordingly, I am asking the Congress to postpone until January 1, 1982, the personal tax reductions I had earlier proposed to take effect on January 1 of this year.

However, my 1982 budget proposes significant tax changes to increase the sources of financing for business investment. While emphasizing the need for continued fiscal restraint, this budget takes the first major step in a long-term tax reduction program designed to increase capital formation. The failure of our Nation's capital stock to grow at a rate that keeps pace with its labor force has clearly been one cause of our productivity slowdown. Higher investment rates are also critically needed to meet our Nation's energy needs, and to replace energy-inefficient plants and equipment with new energy-saving physical plants. The level of investment that is called for will not occur in the absence of policies to encourage it.

Therefore, my budget proposes a major liberalization of tax allowances for depreciation, as well as simplified depreciation accounting, increasing the allowable rates by about 40 percent. I am also proposing improvements in the investment tax credit, making it refundable, to meet the investment needs of firms with no current earnings.

These two proposals, along with carefully-phased tax reductions for individuals, will improve both economic efficiency and tax equity. I urge the Congress to enact legislation along the lines and timetable I have proposed.

THE 1982 BUDGET

The FY 1982 budget I have sent to the Congress continues our four-year policy of prudence and restraint. While the budget deficits during my term are higher than I would have liked, their size is determined for the most part by economic conditions. And in spite of these conditions, the relative size of the deficit continues to decline. In 1976, before I took office, the budget deficit equalled 4 percent of gross national product. It had been cut to 2.3 percent in the 1980 fiscal year just ended. My 1982 budget contains a deficit estimated to be less than 1 percent of our gross national product.

The rate of growth in Federal spending has been held to a minimum. Nevertheless, outlays are still rising more rapidly than many had anticipated, the result of many powerful forces in our society:

We face a threat to our security, as events in Afghanistan, the Middle East, and Eastern Europe make clear. We have a steadily aging population and, as a result, the biggest single increase in the Federal budget is the rising cost of retirement programs, particularly social security. We face other important domestic needs: to continue responsibility for the disadvantaged; to provide the capital needed by our cities and our transportation systems; to protect our environment; to revitalize American industry; and to increase the export of American goods and services so essential to the creation of jobs and a trade surplus.

Yet the Federal Government itself may not always be the proper source of such assistance. For example, it must not usurp functions if they can be more appropriately decided upon, managed, and financed by the private sector or by State and local governments. My Administration has always sought to consider the proper focus of responsibility for the most efficient resolution of problems.

We have also recognized the need to simplify the system of grants to State and local governments. I have again proposed several grant consolidations in the 1982 budget, including a new proposal that would consolidate several highway programs.

The pressures for growth in Federal use of national resources are great. My Administration has initiated many new approaches to cope with these pressures. We started a multi-year budget system, and we began a system for controlling Federal credit programs. Yet in spite of increasing needs to limit spending growth, we have consistently adhered to these strong budget principles:

—Our Nation's armed forces must always stand sufficiently strong to deter aggression and to assure our security.

—An effective national energy plan is essential to increase domestic production of oil and gas, to encourage conservation of our scarce energy resources, to stimulate conversion to more abundant fuels, and to reduce our trade deficit.

—The essential human needs of our citizens must be given the highest priority.

—The Federal Government must lead the way in investment in the Nation's technological future.

—The Federal Government has an obligation to nurture and protect our environment—the common resource, birthright, and sustenance of the American people.

My 1982 budget continues to support these principles. It also proposes responsible tax reductions to encourage a more productive economy, and adequate funding of our highest priority programs within an overall policy of constraint.

Fiscal restraint must be continued in the years ahead. Budgets must be tight enough to convince those who set wages and prices that the Federal government is serious about fighting inflation but not so tight as to choke off all growth.

Careful budget policy should be supplemented by other measures designed to reduce inflation at lower cost in lost output and employment. These other steps include measures to increase investment—such as the tax proposals included in my 1982 budget—and measures to increase competition and productivity in our economy. Voluntary incomes policies can also directly influence wages and prices in the direction of moderation and thereby bring inflation down faster and at lower cost to the economy. Through a tax-based incomes policy (TIP) we could provide tax incentives for firms and workers to moderate their wage and price increases. In the coming years, control of Federal expenditures can make possible periodic tax reductions. The Congress should therefore begin now to evaluate the potentialities of a TIP program so that when the next round of tax reductions is appropriate a TIP program will be seriously considered.

EMPLOYMENT

During the last four years we have given top priority to meeting the needs of workers and providing additional job opportunities to those who seek work. Since the end of 1976:

—almost 9 million new jobs have been added to the nation's economy

—total employment has reached 97 million. More jobs than ever before are held by women, minorities and young people. Employment over the past four years has increased by:

—17% for adult women

—11% for blacks, and

—30% for Hispanics

—employment of black teenagers increased by more than 5%, reversing the decline that occurred in the previous eight years.

Major initiatives launched by this Administration helped bring about these accomplishments and have provided a solid foundation for employment and training policy in the 1980's.

In 1977, as part of the comprehensive economic stimulus program:

—425,000 public service jobs were created

—a $1 billion youth employment initiative funded 200,000 jobs

—the doubling of the Job Corps to 44,000 slots began and 1 million summer youth jobs were approved—a 25 percent increase

In 1978:

—the Humphrey-Hawkins Full Employment Act became law

—the $400 million Private Sector Initiatives Program was begun

—a targeted jobs tax credit for disadvantaged youth and others with special employment barriers was enacted

—the Comprehensive Employment and Training Act was reauthorized for four years

In 1979:

—a $6 billion welfare reform proposal was introduced with funding for 400,000 public service jobs

—welfare reform demonstration projects were launched in communities around the country

—the Vice President initiated a nationwide review of youth unemployment in this country.

In 1980:

—the findings of the Vice President's Task Force revealed the major education and employment deficits that exist for poor and minority youngsters. As a result a $2 billion youth education and jobs initiative was introduced to provide unemployed youth with the basic education and work experience they need to compete in the labor market of the 1980's.

—As part of the economic revitalization program several steps were proposed to aid workers in high unemployment communities:

—an additional 13 weeks of unemployment benefits for the long term unemployed.

—$600 million to train the disadvantaged and unemployed for new private sector jobs.

—positive adjustment demonstrations to aid workers in declining industries.

—The important Title VII Private Sector Initiatives Program was reauthorized for an additional two years.

In addition to making significant progress in helping the disadvantaged and unemployed, important gains were realized for all workers:

—an historic national accord with organized labor made it possible for the views of working men and women to be heard as the nation's economic and domestic policies were formulated.

—the Mine Safety and Health Act brought about improved working conditions for the nation's 500,000 miners.

—substantial reforms of the Occupational Safety and Health Administration were accomplished to help reduce unnecessary burdens on business and to focus on major health and safety problems.

—the minimum wage was increased over a four year period from $2.30 to $3.35 an hour.

—the Black Lung Benefit Reform Act was signed into law.

—attempts to weaken the Davis-Bacon Act were defeated.

While substantial gains have been made in the last four years, continued efforts are required to ensure that this progress is continued:

—government must continue to make labor a full partner in the policy decisions that affect the interests of working men and women

—a broad, bipartisan effort to combat youth unemployment must be sustained.

—compassionate reform of the nation's welfare system should be continued with employment opportunities provided for those able to work

—workers in declining industries should be provided new skills and help in finding employment

TRADE

Over the past year, the U.S. trade picture improved as a result of solid export gains in both manufactured and agricultural products. Agricultural exports reached a new record of over $40 billion, while manufactured exports have grown by 24 percent to a record $144 billion. In these areas the United States recorded significant surpluses of $24 billion and $19 billion respectively. While our oil imports remained a major drain on our foreign exchange earnings, that drain was somewhat moderated by a 19 percent decline in the volume of oil imports.

U.S. trade negotiators made significant progress over the past year in assuring effective implementation of the agreements negotiated during the Tokyo Round of Multilateral Trade Negotiations. Agreements reached with the Japanese government, for example, will assure that the United States will be able to expand its exports to the Japanese market in such key areas as telecommunications equipment, tobacco, and lumber. Efforts by U.S. trade negotiators also helped to persuade a number of key developing countries to accept many of the non-tariff codes negotiated during the Multilateral Trade Negotiations. This will assure that these countries will increasingly assume obligations under the international trading system.

A difficult world economic environment posed a challenge for the management of trade relations. U.S. trade negotiators were called upon to manage serious sectoral problems in such areas as steel, and helped to assure that U.S. chemical exports will have continued access to the European market.

Close consultations with the private sector in the United States have enabled U.S. trade negotiators to pinpoint obstacles to U.S. trade in services, and to build a basis for future negotiations. Services have been an increasingly important source of export earnings for the United States, and the United States must assure continued and increased access to foreign markets.

The trade position of the United States has improved. But vigorous efforts are needed in a number of areas to assure continued market access for U.S. exports, particularly agricultural and high technology products, in which the United States continues to have a strong competitive edge. Continued efforts are also needed to remove many domestic disincentives, which now hamper U.S. export growth. And we must ensure that countries do not manipulate investment, or impose investment performance requirements which distort trade and cost us jobs in this country.

In short, we must continue to seek free—but fair—trade. That is the policy my Administration has pursued from the beginning, even in areas where foreign competition has clearly affected our domestic industry. In the steel industry, for instance, we have put a Trigger Price Mechanism into place to help prevent the dumping of steel. That action has strengthened the domestic steel industry. In the automobile industry, we have worked—without resort to import quotas—to strengthen the industry's ability to modernize and compete effectively.

SMALL BUSINESS

I have often said that there is nothing small about small business in America. These firms account for nearly one-half our gross national product; over half of new technology; and much more than half of the jobs created by industry.

Because this sector of the economy is the very lifeblood of our National economy, we have done much together to improve the competitive climate for smaller firms. These concerted efforts have been an integral part of my program to revitalize the economy.

They include my campaign to shrink substantially the cash and time consuming red tape burden imposed on business. They include my personally-directed policy of ambitiously increasing the Federal contracting dollars going to small firms, especially those owned by women and minorities. And they include my proposals to reinvigorate existing small businesses and assist the creation of new ones through tax reform; financing assistance; market expansion; and support of product innovation.

Many of my initiatives to facilitate the creation and growth of small businesses were made in response to the White House Conference on Small Business, which I convened. My Administration began the implementation of most of the ideas produced last year by that citizen's advisory body; others need to be addressed. I have proposed the reconvening of the Conference next year to review progress; reassess priorities; and set new goals. In the interim I hope that the incoming Administration and the new Congress will work with the com-

mittee I have established to keep these business development ideas alive and help implement Conference recommendations.

MINORITY BUSINESS

One of the most successful developments of my Administration has been the growth and strengthening of minority business. This is the first Administration to put the issue on the policy agenda as a matter of major importance. To implement the results of our early efforts in this field I submitted legislation to Congress designed to further the development of minority business.

We have reorganized the Office of Minority Business into the Minority Business Development Administration in the Department of Commerce. MBDA has already proven to be a major factor in assisting minority businesses to achieve equitable competitive positions in the marketplace.

The Federal government's procurement from minority-owned firms has nearly tripled since I took office. Federal deposits in minority-owned banks have more than doubled and minority ownership of radio and television stations has nearly doubled. The SBA administered 8(a) Pilot Program for procurement with the Army proved to be successful and I recently expanded the number of agencies involved to include NASA and the Departments of Energy and Transportation.

I firmly believe the critical path to full freedom and equality for America's minorities rests with the ability of minority communities to participate competitively in the free enterprise system. I believe the government has a fundamental responsibility to assist in the development of minority business and I hope the progress made in the last four years will continue.

II. CREATING ENERGY SECURITY

Since I took office, my highest legislative priorities have involved the reorientation and redirection of U.S. energy activities, and for the first time, to establish a coordinated national energy policy. The struggle to achieve that policy has been long and difficult, but the accomplishments of the past four years make clear that our country is finally serious about the problems caused by our overdependence on foreign oil. Our progress should not be lost. We must rely on and encourage multiple forms of energy production—coal, crude oil, natural gas, solar, nuclear, synthetics—and energy conservation. The framework put in place over the last four years will enable us to do this.

NATIONAL ENERGY POLICY

As a result of actions my Administration and the Congress have taken over the past four years, our country finally has a national energy policy:

—Under my program of phased decontrol, domestic crude oil price controls will end September 30, 1981. As a result exploratory drilling activities have reached an all-time high;

—Prices for new natural gas are being decontrolled under the Natural Gas Policy Act—and natural gas production is now at an all time high; the supply shortages of several years ago have been eliminated;

—The windfall profits tax on crude oil has been enacted providing $227 billion over ten years for assistance to low-income households, increased mass transit funding, and a massive investment in the production and development of alternative energy sources;

—The Synthetic Fuels Corporation has been established to help private companies build the facilities to produce energy from synthetic fuels;

—Solar energy funding has been quadrupled, solar energy tax credits enacted, and a Solar Energy and Energy Conservation Bank has been established;

—A route has been chosen to bring natural gas from the North Slope of Alaska to the lower 48 states;

—Coal production and consumption incentives have been increased, and coal production is now at its highest level in history;

—A gasoline rationing plan has been approved by Congress for possible use in the event of a severe energy supply shortage or interruption;

—Gasohol production has been dramatically increased, with a program being put in place to produce 500 million gallons of alcohol fuel by the end of this year—an amount that could enable gasohol to meet the demand for 10 percent of all unleaded gasoline;

—New energy conservation incentives have been provided for individuals, businesses and communities and conservation has increased dramatically. The U.S. has reduced oil imports by 25 percent—or 2 million barrels per day—over the past four years.

INCREASED DEVELOPMENT OF DOMESTIC ENERGY SOURCES

Although it is essential that the Nation reduce its dependence on imported fossil fuels and complete the transition to reliance on domestic renewable sources of energy, it is also important that this transition be accomplished in an orderly, economic, and environmentally sound manner. To this end, the Administration has launched several initiatives.

Leasing of oil and natural gas on federal lands, particularly the outer continental shelf, has been accelerated at the same time as the Administration has reformed leasing procedures through the 1978 amendments to the Outer Continental Shelf Lands Act. In 1979 the Interior Department held six OCS lease sales, the greatest number ever, which resulted in federal receipts of $6.5 billion, another record. The five-year OCS Leasing schedule was completed, requiring 36 sales over the next five years.

Since 1971 no general federal coal lease sales were suspended. Over the past four years the Administration has completely revised the federal coal leasing program to bring it into compliance with the requirements of 1976 Federal Land Planning and Management Act and other statutory provisions. The program is designed to balance the competing interests that affect resource development on public lands and to ensure that adequate supplies of coal will be available to meet national needs. As a result, the first general competitive federal coal lease sale in ten years will be held this month.

In July 1980, I signed into law the Energy Security Act of 1980 which established the Synthetic Fuels Corporation. The Corporation is designed to spur the development of commercial technologies for production of synthetic fuels, such as liquid and gaseous fuels from coal and the production of oil from oil shale. The Act provides the Corporation with an initial $22 billion to accomplish these objectives. The principal purpose of the legislation is to ensure that the nation will have available in the late 1980's the option to undertake commercial development of synthetic fuels if that becomes necessary. The Energy Security Act also provides significant incentives for the development of gasohol and biomass fuels, thereby enhancing the nation's supply of alternative energy sources.

COMMITMENT TO A SUSTAINABLE ENERGY FUTURE

The Administration's 1977 National Energy Plan marked an historic departure from the policies of previous Administrations. The plan stressed the importance of both energy *production* and *conservation* to achieving our ultimate national goal of relying primarily on secure sources of energy. The National Energy Plan made energy conservation a cornerstone of our national energy policy.

In 1978, I initiated the Administration's Solar Domestic Policy Review. This represented the first step towards widespread introduction of renewable energy sources into the Nation's economy. As a result of the Review, I issued the 1979 Solar Message to Congress, the first such message in the Nation's history. The Message outlined the Administration's solar program and established an ambitious national goal for the year 2000 of obtaining 20 percent of this Nation's energy from solar and renewable sources. The thrust of the federal solar program is to help industry develop solar energy sources by emphasizing basic research and development of solar technologies which are not currently economic, such as photovoltaics, which generate energy directly from the sun. At the same time, through tax incentives, education, and the Solar Energy and Energy Conservation Bank, the solar program encourages State and local governments, industry, and our citizens to expand their use of solar and renewable resource technologies currently available.

As a result of these policies and programs, the energy efficiency of the American economy has improved markedly and investments in renewable energy sources have grown significantly. It now takes 3½ percent less energy to produce a constant dollar of GNP than it did in January 1977. This increase in efficiency represents a savings of over 1.3 million barrels per day of oil equivalent, about the level of total oil production now occurring in Alaska. Over the same period, Federal support for conservation and solar energy has increased by more than 3000 percent, to $3.3 bil-

lion in FY 1981, including the tax credits for solar energy and energy conservation investments—these credits are expected to amount to $1.2 billion in FY 1981 and $1.5 billion in FY 1982.

COMMITMENT TO NUCLEAR SAFETY AND SECURITY

Since January 1977, significant progress has been achieved in resolving three critical problems resulting from the use of nuclear energy: radioactive waste management, nuclear safety and weapons proliferation.

In 1977, the Administration announced its nuclear nonproliferation policy and initiated the International Fuel Cycle Evaluation. In 1978, Congress passed the Nuclear Nonproliferation Act, an historic piece of legislation.

In February 1980, the Administration transmitted its nuclear waste management policy to the Congress. This policy was a major advance over all previous efforts. The principal aspects of that policy are: acknowledging the seriousness of the problem and the numerous technical and institutional issues; adopting a technically and environmentally conservative approach to the first permanent repository; and providing the states with significant involvement in nuclear waste disposal decisions by creating the State Planning Council. While much of the plan can be and is being implemented administratively, some new authorities are needed. The Congress should give early priority to enacting provisions for away-from-reactor storage and the State Planning Council.

The accident at Three Mile Island made the nation acutely aware of the safety risks posed by nuclear power plants. In response, the President established the Kemeny Commission to review the accident and make recommendations. Virtually all of the Commission's substantive recommendations were adopted by the Administration and are now being implemented by the Nuclear Regulatory Commission. The Congress adopted the President's proposed plan for the Nuclear Regulatory Commission and the Nuclear Safety Oversight Committee was established to ensure that the Administration's decisions were implemented.

Nuclear safety will remain a vital concern in the years ahead. We must continue to press ahead for the safe, secure disposal of radioactive wastes, and prevention of nuclear proliferation.

While significant growth in foreign demand for U.S. steam coal is foreseen, congestion must be removed at major U.S. coal exporting ports such as Hampton Roads, Virginia, and Baltimore, Maryland. My Administration has worked through the Interagency Coal Task Force Study to promote cooperation and coordination of resources between shippers, railroads, vessel broker/operators and port operators, and to determine the most appropriate Federal role in expanding and modernizing coal export facilities, including dredging deeper channels at selected ports. As a result of the Task Force's efforts, administrative steps have been taken by the Corps of Engineers to reduce significantly the amount of time required for planning and economic review of port dredging proposals. The Administration has also recommended that the Congress enact legislation to give the President generic authority to recommend appropriations for channel dredging activities. Private industry will, of course, play the major role in developing the United States' coal export facilities, but the government must continue to work to facilitate transportation to foreign markets.

III. ENHANCING BASIC HUMAN AND SOCIAL NEEDS

For too long prior to my Administration, many of our Nation's basic human and social needs were being ignored or handled insensitively by the Federal government. Over the last four years, we have significantly increased funding for many of the vital programs in these areas; developed new programs where needs were unaddressed; targeted Federal support to those individuals and areas most in need of our assistance; and removed barriers that have unnecessarily kept many disadvantaged citizens from obtaining aid for their most basic needs.

Our record has produced clear progress in the effort to solve some of the country's fundamental human and social problems. My Administration and the Congress, working together, have demonstrated that government must and can meet our citizens' basic human and social needs in a responsible and compassionate way.

But there is an unfinished agenda still before the Congress. If we are to meet our obligations to help all Americans realize the dreams of sound health care, decent housing, effective social services, a good education, and a meaningful job, important legislation still must be enacted. National Health Insurance, Welfare Reform, Child Health Assessment Program, are before the Congress and I urge their passage.

HEALTH

NATIONAL HEALTH PLAN

During my Administration, I proposed to Congress a National Health Plan which will enable the country to reach the goal of comprehensive, universal health care coverage. The legislation I submitted lays the foundation for this comprehensive plan and addresses the most serious problems of health financing and delivery. It is realistic and enactable. It does not overpromise or overspend, and, as a result, can be the solution to the thirty years of Congressional battles on national health insurance. My Plan includes the following key features:

—nearly 15 million additional poor would receive fully-subsidized comprehensive coverage;

—pre-natal and delivery services are provided for all pregnant women and coverage is provided for all acute care for infants in their first year of life;

—the elderly and disabled would have a limit of $1,250 placed on annual out-of-pocket medical expenses and would no longer face limits on hospital coverage;

—all full-time employees and their families would receive insurance against at least major medical expenses under mandated employer coverage;

—Medicare and Medicaid would be combined and expanded into an umbrella Federal program, Healthcare, for increased program efficiency accountability and uniformity; and

—strong cost controls and health system reforms would be implemented, including greater incentives for Health Maintenance Organizations.

I urge the new Congress to compare my Plan with the alternatives—programs which either do too little to improve the health care needs of Americans most in need or programs which would impose substantial financial burdens on the American taxpayers. I hope the Congress will see the need for and the benefits of my Plan and work toward prompt enactment. We cannot afford further delay in this vital area.

HEALTH CARE COST CONTROL

Inflation in health care costs remains unacceptably high. Throughout my Administration, legislation to reduce health care cost inflation was one of my highest priorities, but was not passed by the Congress. Therefore, my FY 1982 budget proposes sharing the responsibility for health care cost control with the private sector, through voluntary hospital cost guidelines and intensified monitoring. In the longer term, the health care reimbursement system must be reformed. We must move away from inflationary cost-based reimbursement and fee-for-service, and toward a system of prospective reimbursement, under which health care providers would operate within predetermined budgets. This reimbursement reform is essential to ultimately control inflation in health care costs, and will be a significant challenge to the new Congress.

HEALTH PROMOTION AND DISEASE PREVENTION

During my Administration, the Surgeon General released *Healthy People*, a landmark report on health promotion and disease prevention. The report signals the growing consensus that the Nation's health strategy must be refocused in the 1980's to emphasize the prevention of disease. Specifically, the report lays out measurable and achievable goals in the reduction of mortality which can be reached by 1990.

I urge the new Congress to endorse the principles of *Healthy People*, and to adopt the recommendations to achieve its goals. This will necessitate adoption of a broader concept of health care, to include such areas as environmental health, workplace health and safety, commercial product safety, traffic safety, and health education, promotion and information.

MATERNAL AND CHILD HEALTH

Ensuring a healthy start in life for children remains not only a high priority of my Administration, but also one of the most cost effective forms of health care.

When I took office, immunization levels for preventable childhood diseases

had fallen to 70%. As a result of a concerted nationwide effort during my Administration, I am pleased to report that now at least 90% of children under 15, and virtually all school-age children are immunized. In addition, reported cases of measles and mumps are at their lowest levels ever.

Under the National Health Plan I have proposed, there would be no cost-sharing for prenatal and delivery services for all pregnant women and for acute care provided to infants in their first year of life. These preventive services have extremely high returns in terms of improved newborn and long-term child health.

Under the Child Health Assurance Program (CHAP) legislation which I submitted to the Congress, and which passed the House, an additional two million low-income children under 18 would become eligible for Medicaid benefits, which would include special health assessments. CHAP would also improve the continuity of care for the nearly 14 million children now eligible for Medicaid. An additional 100,000 low-income pregnant women would become eligible for prenatal care under the proposal. I strongly urge the new Congress to enact CHAP and thereby provide millions of needy children with essential health services. The legislation has had strong bipartisan support, which should continue as the details of the bill are completed.

I also urge the new Congress to provide strong support for two highly successful ongoing programs: the special supplemental food program for women, infants and children (WIC) and Family Planning. The food supplements under WIC have been shown to effectively prevent ill health and thereby reduce later medical costs. The Family Planning program has been effective at reducing unwanted pregnancies among low-income women and adolescents.

EXPANSION OF SERVICES TO THE POOR AND UNDERSERVED

During my Administration, health services to the poor and underserved have been dramatically increased. The number of National Health Service Corps (NHSC) assignees providing services in medically underserved communities has grown from 500 in 1977 to nearly 3,000 in 1981. The population served by the NHSC has more than tripled since 1977. The number of Community Health Centers providing services in high priority underserved areas has doubled during my Administration, and will serve an estimated six million people in 1981. I strongly urge the new Congress to support these highly successful programs.

MENTAL HEALTH

One of the most significant health achievements during my Administration was the recent passage of the Mental Health Systems Act, which grew out of recommendations of my Commission on Mental Health. I join many others in my gratitude to the First Lady for her tireless and effective contribution to the passage of this important legislation.

The Act is designed to inaugurate a new era of Federal and State partnership in the planning and provision of mental health services. In addition, the Act specifically provides for prevention and support services to the chronically mentally ill to prevent unnecessary institutionalization and for the development of community-based mental health services. I urge the new Congress to provide adequate support for the full and timely implementation of this act.

HEALTH PROTECTION

With my active support, the Congress recently passed "Medigap" legislation, which provides for voluntary certification of health insurance policies supplemental to Medicare, to curb widespread abuses in this area.

In the area of toxic agent control, legislation which I submitted to the Congress recently passed. This will provide for a "super-fund" to cover hazardous waste cleanup costs.

In the area of accidental injury control, we have established automobile safety standards and increased enforcement activities with respect to the 55 MPH speed limit. By the end of the decade these actions are expected to save over 13,000 lives and 100,000 serious injuries each year.

I urge the new Congress to continue strong support for all these activities.

FOOD AND NUTRITION

Building on the comprehensive reform of the Food Stamp Program that I proposed and Congress passed in 1977, my Administration and the Congress worked together in 1979 and 1980 to enact several other important changes in the Program. These changes will further simplify administration and reduce fraud and error, will make the program more responsive to the needs of the elderly and disabled, and will increase the cap on allowable program expenditures. The Food Stamp Act will expire at the end of fiscal 1981. It is essential that the new Administration and the Congress continue this program to ensure complete eradication of the debilitating malnutrition witnessed and documented among thousands of children in the 1960's.

DRUG ABUSE PREVENTION

At the beginning of my Administration there were over a half million heroin addicts in the United States. Our continued emphasis on reducing the supply of heroin, as well as providing treatment and rehabilitation to its victims, has reduced the heroin addict population, reduced the number of heroin overdose deaths by 80%, and reduced the number of heroin related injuries by 50%. We have also seen and encouraged a national movement of parents and citizens committed to reversing the very serious and disturbing trends of adolescent drug abuse.

Drug abuse in many forms will continue to detract, however, from the quality of life of many Americans. To prevent that, I see four great challenges in the years ahead. First, we must deal aggressively with the supplies of illegal drugs at their source, through joint crop destruction programs with foreign nations and increased law enforcement and border interdiction. Second, we must look to citizens and parents across the country to help educate the increasing numbers of American youth who are experimenting with drugs to the dangers of drug abuse. Education is a key factor in reducing drug abuse. Third, we must focus our efforts on drug and alcohol abuse in the workplace for not only does this abuse contribute to low productivity but it also destroys the satisfaction and sense of purpose all Americans can gain from the work experience. Fourth, we need a change in attitude, from an attitude which condones the casual use of drugs to one that recognizes the appropriate use of drugs for medical purposes and condemns the inappropriate and harmful abuse of drugs. I hope the Congress and the new Administration will take action to meet each of these challenges.

EDUCATION

The American people have always recognized that education is one of the soundest investments they can make. The dividends are reflected in every dimension of our national life—from the strength of our economy and national security to the vitality of our music, art, and literature. Among the accomplishments that have given me the most satisfaction over the last four years are the contributions that my Administration has been able to make to the well-being of students and educators throughout the country.

This Administration has collaborated successfully with the Congress on landmark education legislation. Working with the Congressional leadership, my Administration spotlighted the importance of education by creating a new Department of Education. The Department has given education a strong voice at the Federal level, while at the same time reserving the actual control and operation of education to states, localities, and private institutions. The Department has successfully combined nearly 150 Federal education programs into a cohesive, streamlined organization that is more responsible to the needs of educators and students. The Department has made strides to cut red tape and paperwork and thereby to make the flow of Federal dollars to school districts and institutions of higher education more efficient. It is crucial that the Department be kept intact and strengthened.

Our collaboration with the Congress has resulted in numerous other important legislative accomplishments for education. A little over two years ago, I signed into law on the same day two major bills—one benefiting elementary and secondary education and the other, postsecondary education. The Education Amendments of 1978 embodied nearly all of my Administration's proposals for improvements in the Elementary and Secondary Education Act, including important new programs to improve students' achievement in the basic skills and to aid school districts with exceptionally high concentrations of children from low-income families. The Middle Income Student Assistance Act, legislation jointly sponsored by this Administration and the Congressional leadership, expanded eligibility for need-based Basic Educational Opportunity Grants to approximately one-third of the students enrolled in

post-secondary education and made many more students eligible for the first time for other types of grants, work-study, and loans.

Just three and a half months ago, my Administration and the Congress successfully concluded over two years of work on a major reauthorization bill that further expands benefits to postsecondary education. Reflected in the Education Amendments of 1980 are major Administration recommendations for improvements in the Higher Education Act—including proposals for better loan access for students; a new parent loan program; simplified application procedures for student financial aid; a strengthened Federal commitment to developing colleges, particularly the historically Black institutions; a new authorization for equipment and facilities modernization funding for the nation's major research universities; and revitalized international education programs.

Supplementing these legislative accomplishments have been important administrative actions aimed at reducing paperwork and simplifying regulations associated with Federal education programs. We also launched major initiatives to reduce the backlog of defaulted student loans and otherwise to curb fraud, abuse, and waste in education programs.

To insure that the education enterprise is ready to meet the scientific and technological changes of the future, we undertook a major study of the status of science and engineering education throughout the Nation. I hope that the findings from this report will serve as a springboard for needed reforms at all levels of education.

I am proud that this Administration has been able to provide the financial means to realize many of our legislative and administrative goals. Compared to the previous administration's last budget, I have requested the largest overall increase in Federal funding for education in our Nation's history. My budget requests have been particularly sensitive to the needs of special populations like minorities, women, the educationally and economically disadvantaged, the handicapped, and students with limited English-speaking ability. At the same time, I have requested significant increases for many programs designed to enhance the quality of American education, including programs relating to important areas as diverse as international education, research libraries, museums, and teacher centers.

Last year, I proposed to the Congress a major legislative initiative that would direct $2 billion into education and job training programs designed to alleviate youth unemployment through improved linkages between the schools and the workplace. This legislation generated bipartisan support; but unfortunately, action on it was not completed in the final, rushed days of the 96th Congress. I urge the new Congress—as it undertakes broad efforts to strengthen the economy as well as more specific tasks like reauthorizing the Vocational Education Act—to make the needs of our nation's unemployed youth a top priority for action. Only by combining a basic skills education program together with work training and employment incentives can we make substantial progress in eliminating one of the most severe social problems in our nation—youth unemployment, particularly among minorities. I am proud of the progress already made through passage of the Youth Employment and Demonstration Project Act of 1977 and the substantial increase in our investment in youth employment programs. The new legislation would cap these efforts.

INCOME SECURITY

SOCIAL SECURITY

One of the highest priorities of my Administration has been to continue the tradition of effectiveness and efficiency widely associated with the social security program, and to assure present and future beneficiaries that they will receive their benefits as expected. The earned benefits that are paid monthly to retired and disabled American workers and their families provide a significant measure of economic protection to millions of people who might otherwise face retirement or possible disability with fear. I have enacted changes to improve the benefits of many social security beneficiaries during my years as President.

The last four years have presented a special set of concerns over the financial stability of the social security system. Shortly after taking office I proposed and Congress enacted legislation to protect the stability of the old age and survivors trust fund and prevent the imminent exhaustion of the disability insurance trust fund, and to correct a flaw in the benefit formula that was threatening the long run health of the entire social security system. The actions taken by the Congress at my request helped stabilize the system. That legislation was later complemented by the Disability Insurance Amendments of 1980 which further bolstered the disability insurance program, and reduced certain inequities among beneficiaries.

My commitment to the essential retirement and disability protection provided to 35 million people each month has been demonstrated by the fact that without interruption those beneficiaries have continued to receive their social security benefits, including annual cost of living increases. Changing and unpredictable economic circumstances require that we continue to monitor the financial stability of the social security system. To correct anticipated short-term strains on the system, I proposed last year that the three funds be allowed to borrow from one another, and I urge the Congress again this year to adopt such interfund borrowing. To further strengthen the social security system and provide a greater degree of assurance to beneficiaries, given projected future economic uncertainties, additional action should be taken. Among the additional financing options available are borrowing from the general fund, financing half of the hospital insurance fund with general revenues. and increasing the payroll tax rate. The latter option is particularly unpalatable given the significant increase in the tax rate already mandated in law.

This Administration continues to oppose cuts in basic social security benefits and taxing social security benefits. The Administration continues to support annual indexing of social security benefits.

WELFARE REFORM

In 1979 I proposed a welfare reform package which offers solutions to some of the most urgent problems in our welfare system. This proposal is embodied in two bills—The Work and Training Opportunities Act and The Social Welfare Reform Amendments Act. The House passed the second of these two proposals. Within the framework of our present welfare system, my reform proposals offer achievable means to increase self-sufficiency through work rather than welfare, more adequate assistance to people unable to work, the removal of inequities in coverage under current programs, and fiscal relief needed by States and localities.

Our current welfare system is long overdue for serious reform; the system is wasteful and not fully effective. The legislation I have proposed will help eliminate inequities by establishing a national minimum benefit, and by directly relating benefit levels to the poverty threshold. It will reduce program complexity, which leads to inefficiency and waste, by simplifying and coordinating administration among different programs.

I urge the Congress to take action in this area along the lines I have recommended.

CHILD WELFARE

My Administration has worked closely with the Congress on legislation which is designed to improve greatly the child welfare services and foster care programs and to create a Federal system of adoption assistance. These improvements will be achieved with the recent enactment of H.R. 3434, the Adoption Assistance and Child Welfare Act of 1980. The well-being of children in need of homes and their permanent placement have been a primary concern of my Administration. This legislation will ensure that children are not lost in the foster care system, but instead will be returned to their families where possible or placed in permanent adoptive homes.

LOW-INCOME ENERGY ASSISTANCE

In 1979 I proposed a program to provide an annual total of $1.6 billion to low-income households which are hardest hit by rising energy bills. With the cooperation of Congress, we were able to move quickly to provide assistance to eligible households in time to meet their winter heating bills.

In response to the extreme heat conditions affecting many parts of the country during 1980, I directed the Community Services Administration to make available over $27 million to assist low-income individuals, especially the elderly, facing life threatening circumstances due to extreme heat.

Congress amended and reauthorized the low-income energy assistance program for fiscal year 1981, and provided $1.85 billion to meet anticipated increas-

ing need. The need for a program to help low-income households with rising energy expenses will not abate in the near future. The low-income energy assistance program should be reauthorized to meet those needs.

HOUSING

For the past 14 months, high interest rates have had a severe impact on the nation's housing market. Yet the current pressures and uncertainties should not obscure the achievements of the past four years.

Working with the Congress, the regulatory agencies, and the financial community, my Administration has brought about an expanded and steadier flow of funds into home mortgages. Deregulation of the interest rates payable by depository institutions, the evolution of variable and renegotiated rate mortgages, development of high yielding savings certificates, and expansion of the secondary mortgage market have all increased housing's ability to attract capital and have assured that mortgage money would not be cut off when interest rates rose. These actions will diminish the cyclicality of the housing industry. Further, we have secured legislation updating the Federal Government's emergency authority to provide support for the housing industry through the Brooke-Cranston program, and creating a new Section 235 housing stimulus program. These tools will enable the Federal Government to deal quickly and effectively with serious distress in this critical industry.

We have also worked to expand homeownership opportunities for Americans. By using innovative financing mechanisms, such as the graduated payment mortgage, we have increased the access of middle-income families to housing credit. By revitalizing the Section 235 program, we have enabled nearly 100,000 moderate income households to purchase new homes. By reducing paperwork and regulation in Federal programs, and by working with State and local governments to ease the regulatory burden, we have helped to hold down housing costs and produce affordable housing.

As a result of these governmentwide efforts, 5½ million more American families bought homes in the past four years than in any equivalent period in history. And more than 7 million homes have begun construction during my Administration, 1 million more than in the previous four years.

We have devoted particular effort to meeting the housing needs of low- and moderate-income families. In the past four years, more than 1 million subsidized units have been made available for occupancy by lower income Americans and more than 600,000 assisted units have gone into construction. In addition, we have undertaken a series of measures to revitalize and preserve the nation's 2 million units of public and assisted using.

For Fiscal Year 1982, I am proposing to continue our commitment to lower income housing. I am requesting funds to support 260,000 units of Section 8 and public housing, maintaining these programs at the level provided by Congress in Fiscal 1981.

While we have made progress in the past four years, in the future there are reasons for concern. Home price inflation and high interest rates threaten to put homeownership out of reach for first-time homebuyers. Lower income households, the elderly and those dependent upon rental housing face rising rents, low levels of rental housing construction by historic standards, and the threat of displacement due to conversion to condominiums and other factors. Housing will face strong competition for investment capital from the industrial sector generally and the energy industries, in particular.

To address these issues, I appointed a Presidential Task Force and Advisory Group last October. While this effort will not proceed due to the election result, I hope the incoming Administration will proceed with a similar venture.

The most important action government can take to meet America's housing needs is to restore stability to the economy and bring down the rate of inflation. Inflation has driven up home prices, operating costs and interest rates. Market uncertainty about inflation has contributed to the instability in interest rates, which has been an added burden to homebuilders and homebuyers alike. By making a long-term commitment to provide a framework for greater investment, sustained economic growth, and price stability, my Administration has begun the work of creating a healthy environment for housing.

TRANSPORTATION

With the passage of the Airline Deregulation Act of 1978, the Motor Carrier Act of 1980, and the Harley O. Staggers Rail Act of 1980, my Administration, working with the Congress, has initiated a new era of reduced regulation of transportation industries. Deregulation will lead to increased productivity and operating efficiencies in the industries involved, and stimulate price and service competition, to the benefit of consumers generally. I urge the new Administration to continue our efforts on behalf of deregulation legislation for the intercity passenger bus industry as well.

In the coming decade, the most significant challenge facing the nation in transportation services will be to improve a deteriorating physical infrastructure of roadways, railroads, waterways and mass transit systems, in order to conserve costly energy supplies while promoting effective transportation services.

HIGHWAYS

Our vast network of highways, which account for 90 percent of travel and 80 percent by value of freight traffic goods movement, is deteriorating. If current trends continue, a major proportion of the Interstate pavement will have deteriorated by the end of the 1980's.

Arresting the deterioration of the nation's system of highways is a high priority objective for the 1980's. We must reorient the Federal mission from major new construction projects to the stewardship of the existing Interstate Highway System. Interstate gaps should be judged on the connections they make and on their compatibility with community needs.

During this decade, highway investments will be needed to increase productivity, particularly in the elimination of bottlenecks, provide more efficient connections to ports and seek low-cost solutions to traffic demand.

My Administration has therefore recommended redefining completion of the Interstate system, consolidating over 27 categorical assistance programs into nine, and initiating a major repair and rehabilitation program for segments of the Interstate system. This effort should help maintain the condition and performance of the Nation's highways, particularly the Interstate and primary system; provide a realistic means to complete the Interstate system by 1990; ensure better program delivery through consolidation, and assist urban revitalization. In addition, the Congress must address the urgent funding problems of the highway trust fund, and the need to generate greater revenues.

MASS TRANSIT

In the past decade the nation's public transit systems' ridership increased at an annual average of 1.1% each year in the 1970's (6.9% in 1979). Continued increases in the cost of fuel are expected to make transit a growing part of the nation's transportation system.

As a result, my Administration projected a ten year, $43 billion program to increase mass transit capacity by 50 percent, and promote more energy efficient vehicle use in the next decade. The first part of this proposal was the five year, $24.7 billion Urban Mass Transportation Administration reauthorization legislation I sent to the Congress in March, 1980. I urge the 97th Congress to quickly enact this or similar legislation in 1981.

My Administration was also the first to have proposed and signed into law a non-urban formula grant program to assist rural areas and small communities with public transportation programs to end their dependence on the automobile, promote energy conservation and efficiency, and provide transportation services to impoverished rural communities.

A principal need of the 1980's will be maintaining mobility for all segments of the population in the face of severely increasing transportation costs and uncertainty of fuel supplies. We must improve the flexibility of our transportation system and offer greater choice and diversity in transportation services. While the private automobile will continue to be the principal means of transportation for many Americans, public transportation can become an increasingly attractive alternative. We, therefore, want to explore a variety of paratransit modes, various types of buses, modern rapid transit, regional rail systems and light rail systems.

Highway planning and transit planning must be integrated and related to State, regional, district and neighborhood planning efforts now in place or emerging. Low density development and land use threaten the fiscal capacity of many communities to support needed services and infrastructure.

ELDERLY AND HANDICAPPED TRANSPORTATION

Transportation policies in the 1980's must pay increasing attention to the needs of the elderly and handicapped.

By 1990, the number of people over 65 will have grown from today's 19 million to 27 million. During the same period, the number of handicapped—people who have difficulty using transit as well as autos, including the elderly—is expected to increase from 9 to 11 million, making up 4.5 percent of the population.

We must not retreat from a policy that affords a significant and growing portion of our population accessible public transportation while recognizing that the handicapped are a diverse group and will need flexible, door-to-door service where regular public transportation will not do the job.

RAILROADS

In addition, the Federal government must reassess the appropriate Federal role of support for passenger and freight rail services such as Amtrak and Conrail. Our goal through federal assistance should be to maintain and enhance adequate rail service, where it is not otherwise available to needy communities. But Federal subsidies must be closely scrutinized to be sure they are a stimulus to, and not a replacement for, private investment and initiative. Federal assistance cannot mean permanent subsidies for unprofitable operations.

WATERWAYS AND RURAL TRANSPORTATION

There is a growing need in rural and small communities for improved transportation services. Rail freight service to many communities has declined as railroads abandon unproductive branch lines. At the same time, rural roads are often inadequate to handle large, heavily-loaded trucks. The increased demand for "harvest to harbor" service has also placed an increased burden on rural transportation systems, while bottlenecks along the Mississippi River delay grain shipments to the Gulf of Mexico.

—To further develop the nation's waterways, my Administration began construction of a new 1,200 foot lock at the site of Lock and Dam 26 on the Mississippi River. When opened in 1987, the new lock will have a capacity of 86 million tons per year, an 18 percent increase over the present system. The U.S. Army Corps of Engineers has also undertaken studies to assess the feasibility of expanding the Bonneville Locks. Rehabilitation of John Day Lock was begun in 1980 and should be completed in 1982. My Administration also supports the completion of the Upper Mississippi River Master Plan to determine the feasibility of contructing a second lock at Alton, Illinois. These efforts will help alleviate delays in transporting corn, soybeans and other goods along the Mississippi River to the Gulf of Mexico.

—The Department of Transportation's new Small Community and Rural Transportation Policy will target federal assistance for passenger transportation, roads and highways, truck service, and railroad freight service to rural areas. This policy implements and expands upon the earlier White House Initiative. *Improving Transportation in Rural America*, announced in June, 1979, and the President's *Small Community and Rural Development Policy* announced in December, 1979. The Congress should seek ways to balance rail branch line abandonment with the service needs of rural and farm communities, provide financial assistance to rail branch line rehabilitation where appropriate, assist shippers to adjust to rail branch line abandonment where it takes place, and help make it possible for trucking firms to serve light density markets with dependable and efficient trucking services.

MARITIME POLICY

During my Administration I have sought to ensure that the U.S. maritime industry will not have to function at an unfair competitive disadvantage in the international market. As I indicated in my maritime policy statement to the Congress in July, 1979, the American merchant marine is vital to our Nation's welfare, and Federal actions should promote rather than harm it. In pursuit of this objective, I signed into law the Controlled Carrier Act of 1978, authorizing the Federal Maritime Commission to regulate certain rate cutting practices of some state-controlled carriers, and recently signed a bilateral maritime agreement with the People's Republic of China that will expand the access of American ships to 20 specified Chinese ports, and set aside for American-flag ships a substantial share (at least one-third) of the cargo between our countries. This agreement should officially foster expanded U.S. and Chinese shipping services linking the two countries, and will provide further momentum to the growth of Sino-American trade.

There is also a need to modernize and expand the dry bulk segment of our fleet. Our heavy dependence on foreign carriage of U.S.-bulk cargoes deprives the U.S. economy of seafaring and shipbuilding jobs, adds to the balance-of-payments deficit, deprives the Government of substantial tax revenues, and leaves the United States dependent on foreign-flag shipping for a continued supply of raw materials to support the civil economy and war production in time of war.

I therefore sent to the Congress proposed legislation to strengthen this woefully weak segment of the U.S.-flag fleet by removing certain disincentives to U.S. construction of dry bulkers and their operation under U.S. registry. Enactment of this proposed legislation would establish the basis for accelerating the rebuilding of the U.S.-flag dry bulk fleet toward a level commensurate with the position of the United States as the world's leading bulk trading country.

During the past year the Administration has stated its support for legislation that would provide specific Federal assistance for the installation of fuel-efficient engines in existing American ships, and would strengthen this country's shipbuilding mobilization base. Strengthening the fleet is important, but we must also maintain our shipbuilding base for future ship construction.

Provisions in existing laws calling for substantial or exclusive use of American-flag vessels to carry cargoes generated by the Government must be vigorously pursued.

I have therefore supported requirements that 50 percent of oil purchased for the strategic petroleum reserve be transported in U.S.-flag vessels, that the Cargo Preference Act be applied to materials furnished for the U.S. assisted construction of air bases in Israel, and to cargoes transported pursuant to the Chrysler Corporation Loan Guarantee Act. In addition, the deep Seabed Hard Mineral Resources Act requires that at least one ore carrier per mine site be a U.S.-flag vessel.

Much has been done, and much remains to be done. The FY 1982 budget includes a $107 million authorization for Construction Differential Subsidy ("CDS") funds which, added to the unobligated CDS balance of $100 million from 1980, and the recently enacted $135 million 1981 authorization, will provide an average of $171 million in CDS funds in 1981 and 1982.

COAL EXPORT POLICY

While significant growth in foreign demand for U.S. steam coal is foreseen, congestion at major U.S. coal exporting ports such as Hampton Roads, Virginia, and Baltimore, Maryland, could delay and impede exports.

My Administration has worked through the Interagency Coal Task Force Study, which I created, to promote cooperation and coordination of resources between shippers, railroads, vessel broker/operators and port operators, and to determine the most appropriate Federal role in expanding and modernizing coal export facilities, including dredging deeper channels at selected ports.

Some progress has already been made. In addition to action taken by transshippers to reduce the number of coal classifications used whenever possible, by the Norfolk and Western Railroad to upgrade its computer capability to quickly inventory its coal cars in its yards, and by the Chessie Railroad which is reactivating Pier 15 in Newport News and has established a berth near its Curtis Bay pier in Baltimore to decrease delays in vessel berthing, public activities will include:

—A $26.5 million plan developed by the State of Pennsylvania and Conrail to increase Conrail's coal handling capacity at Philadelphia;

—A proposal by the State of Virginia to construct a steam coal port on the Craney Island Disposal area in Portsmouth harbor;

—Plans by Mobile, Alabama, which operates the only publically owned coal terminal in the U.S. to enlarge its capacity at McDuffie Island to 10 million tons ground storage and 100 car unit train unloading capability;

—Development at New Orleans of steam coal facilities that are expected to add over 20 million tons of annual capacity by 1983; and

—The Corps of Engineers, working with other interested Federal agencies, will determine which ports should be dredged, to what depth and on what schedule, in order to

accommodate larger coal carrying vessels.

Private industry will, of course, play a major role in developing the United States' coal export facilities. The new Administration should continue to work to eliminate transportation bottlenecks that impede our access to foreign markets.

SPECIAL NEEDS

WOMEN

The past four years have been years of rapid advancement for women. Our focus has been two-fold: to provide American women with a full range of opportunities and to make them a part of the mainstream of every aspect of our national life and leadership.

I have appointed a record number of women to judgeships and to top government posts. Fully 22 percent of all my appointees are women, and I nominated 41 of the 46 women who sit on the Federal bench today. For the first time in our history, women occupy policymaking positions at the highest level of every Federal agency and department and have demonstrated their ability to serve our citizens well.

We have strengthened the rights of employed women by consolidating and strengthening enforcement of sex discrimination laws under the EEOC, by expanding employment rights of pregnant women through the Pregnancy Disability Bill, and by increasing federal employment opportunities for women through civil service reform, and flexi-time and part-time employment.

By executive order, I created the first national program to provide women businessowners with technical assistance, grants, loans, and improved access to federal contracts.

We have been sensitive to the needs of women who are homemakers. I established an Office of Families within HHS and sponsored the White House Conference on Families. We initiated a program targeting CETA funds to help displaced homemakers. The Social Security system was amended to eliminate the widow's penalty and a comprehensive study of discriminatory provisions and possible changes was presented to Congress. Legislation was passed to give divorced spouses of foreign service officers rights to share in pension benefits.

We created an office on domestic violence within HHS to coordinate the 12 agencies that now have domestic violence relief programs, and to distribute information on the problem and the services available to victims.

Despite a stringent budget for FY 1981, the Administration consistently supported the Women's Educational Equity Act and family planning activities, as well as other programs that affect women, such as food stamps, WIC, and social security.

We have been concerned not only about the American woman's opportunities, but ensuring equality for women around the world. In November, 1980, I sent to the Senate the Convention on the Elimination of All Forms of Discrimination Against Women. This United Nations document is the most comprehensive and detailed international agreement which seeks the advancement of women.

On women's issues, I have sought the counsel of men and women in and out of government and from all regions of our country. I established two panels—the President's Advisory Committee for Women and the Interdepartmental Task Force on Women—to advise me on these issues. The mandate for both groups expired on December 31, but they have left behind a comprehensive review of the status of women in our society today. That review provides excellent guidance for the work remaining in our battle against sex discrimination.

Even though we have made progress, much remains on the agenda for women. I remain committed to the Equal Rights Amendment and will continue to work for its passage. It is essential to the goal of bringing America's women fully into the mainstream of American life that the ERA be ratified.

The efforts begun for women in employment, business and education should be continued and strengthened. Money should be available to states to establish programs to help the victims of domestic violence. Congress should pass a national health care plan and a welfare reform program, and these measures should reflect the needs of women.

The talents of women should continue to be used to the fullest inside and outside of government, and efforts should continue to see that they have the widest range of opportunities and options.

HANDICAPPED

I hope that my Administration will be remembered in this area for leading the way toward full civil rights for handicapped Americans. When I took office, no federal agency had yet issued 504 regulations. As I leave office, this first step by every major agency and department in the federal government is almost complete. But it is only a first step. The years ahead will require steadfast dedication by the President to protect and promote these precious rights in the classroom, in the workplace, and in all public facilities so that handicapped individuals may join the American mainstream and contribute to the fullest their resources and talents to our economic and social life.

Just as we supported, in an unprecedented way, the civil rights of disabled persons in schools and in the workplace, other initiatives in health prevention—such as our immunization and nutrition programs for young children and new intense efforts to reverse spinal cord injury—must continue so that the incidence of disability continues to decline.

This year is the UN-declared International Year of Disabled Persons. We are organizing activities to celebrate and promote this important commemorative year within the government as well as in cooperation with private sector efforts in this country and around the world. The International Year will give our country the opportunity to recognize the talents and capabilities of our fellow citizens with disabilities. We can also share our rehabilitation and treatment skills with other countries and learn from them as well. I am proud that the United States leads the world in mainstreaming and treating disabled people. However, we have a long way to go before all psychological and physical barriers to disabled people are torn down and they can be full participants in our American way of life. We must pledge our full commitment to this goal during the International Year.

FAMILIES

Because of my concern for American families, my Administration convened last year the first White House Conference on Families which involved seven national hearings, over 506 state and local events, three White House Conferences, and the direct participation of more than 125,000 citizens. The Conference reaffirmed the centrality of families in our lives and nation but documented problems American families face as well. We also established the Office of Families within the Department of Health and Human Services to review government policies and programs that affect families.

I expect the departments and agencies within the executive branch of the Federal government as well as Members of Congress, corporate and business leaders, and State and local officials across the country, to study closely the recommendations of the White House Conference and implement them appropriately. As public policy is developed and implemented by the Federal government, cognizance of the work of the Conference should be taken as a pragmatic and essential step.

The Conference has done a good job of establishing an agenda for action to assure that the policies of the Federal government are more sensitive in their impact on families. I hope the Congress will review and seriously consider the Conference's recommendations.

OLDER AMERICANS

My Administration has taken great strides toward solving the difficult problems faced by older Americans. Early in my term we worked successfully with the Congress to assure adequate revenues for the Social Security Trust Funds. And last year the strength of the Social Security System was strengthened by legislation I proposed to permit borrowing among the separate trust funds. I have also signed into law legislation prohibiting employers from requiring retirement prior to age 70, and removing mandatory retirement for most Federal employees. In addition, my Administration worked very closely with Congress to amend the Older Americans Act in a way that has already improved administration of its housing, social services, food delivery, and employment programs.

This year, I will be submitting to Congress a budget which again demonstrates my commitment to programs for the elderly. It will include, as my previous budgets have, increased funding for nutrition, senior centers and home health care, and will focus added resources on the needs of older Americans.

With the 1981 White House Conference on Aging approaching, I hope the new Administration will make every ef-

fort to assure an effective and useful conference. This Conference should enable older Americans to voice their concerns and give us guidance in our continued efforts to ensure the quality of life so richly deserved by our senior citizens.

REFUGEES

We cannot hope to build a just and humane society at home if we ignore the humanitarian claims of refugees, their lives at stake, who have nowhere else to turn. Our country can be proud that hundreds of thousands of people around the world would risk everything they have—including their own lives—to come to our country.

This Administration initiated and implemented the first comprehensive reform of our refugee and immigration policies in over 25 years. We also established the first refugee coordination office in the Department of State under the leadership of a special ambassador and coordinator for refugee affairs and programs. The new legislation and the coordinator's office will bring common sense and consolidation to our Nation's previously fragmented, inconsistent, and in many ways, outdated, refugee and immigration policies.

With the unexpected arrival of thousands of Cubans and Haitians who sought refuge in our country last year, outside of our regular immigration and refugee admissions process, our country and its government were tested in being compassionate and responsive to a major human emergency. Because we had taken steps to reorganize our refugee programs, we met that test successfully. I am proud that the American people responded to this crisis with their traditional goodwill and hospitality. Also, we would never have been able to handle this unprecedented emergency without the efforts of the private resettlement agencies who have always been there to help refugees in crises.

Immigrants to this country always contribute more toward making our country stronger than they ever take from the system. I am confident that the newest arrivals to our country will carry on this tradition.

While we must remain committed to aiding and assisting those who come to our shores, at the same time we must uphold our immigration and refugee policies and provide adequate enforcement resources. As a result of our enforcement policy, the illegal flow from Cuba has been halted and an orderly process has been initiated to make certain that our refugee and immigration laws are honored.

This year the Select Commission on Immigration and Refugee Policy will complete its work and forward its advice and recommendations. I hope that the recommendations will be carefully considered by the new Administration and the Congress, for it is clear that we must take additional action to keep our immigration policy responsive to emergencies and ever changing times.

VETERANS

This country and its leadership has a continuing and unique obligation to the men and women who served their nation in the armed forces and helped maintain or restore peace in the world.

My commitment to veterans—as evidenced by my record—is characterized by a conscientious and consistent emphasis in these general areas:

First, we have worked to honor the Vietnam veteran. During my Administration, and under the leadership of VA Administrator Max Cleland, I was proud to lead our country in an overdue acknowledgement of our Nation's gratitude to the men and women who served their country during the bitter war in Southeast Asia. Their homecoming was deferred and seemed doomed to be ignored. Our country has matured in the last four years and at long last we were able to separate the war from the warrior and honor these veterans. But with our acknowledgement of their service goes an understanding that some Vietnam veterahs have unique needs and problems.

My Administration was able to launch a long sought after psychological readjustment and outreach program, unprecedented in its popularity, sensitivity and success. This program must be continued. The Administration has also grappled with the difficult questions posed by some veterans who served in Southeast Asia and were exposed to potentially harmful substances, including the herbicide known as Agent Orange. We have launched scientific inquiries that should answer many veterans' questions about their health and should provide the basis for establishing sound compensation policy. We cannot rest until their concerns are dealt with in a sensitive, expeditious and compassionate fashion.

Second, we have focused the VA health care system in the needs of the service-connected disabled veteran. We initiated and are implementing the first reform of the VA vocational rehabilitation system since its inception in 1943. Also, my Administration was the first to seek a cost-of-living increase for the recipients of VA compensation every year. My last budget also makes such a request. The Administration also launched the Disabled Veterans Outreach Program in the Department of Labor which has successfully placed disabled veterans in jobs. Services provided by the VA health care system will be further targeted to the special needs of disabled veterans during the coming year.

Third, the VA health care system—the largest in the free world—has maintained its independence and high quality during my Administration. We have made the system more efficient and have therefore treated more veterans than ever before by concentrating on outpatient care and through modern management improvements. As the median age of the American veteran population increases, we must concentrate on further changes within the VA system to keep it independent and to serve as a model to the nation and to the world as a center for research, treatment and rehabilitation.

GOVERNMENT ASSISTANCE

GENERAL AID TO STATE AND LOCAL GOVERNMENTS

Since taking office, I have been strongly committed to strengthening the fiscal and economic condition of our Nation's State and local governments. I have accomplished this goal by encouraging economic development of local communities, and by supporting the General Revenue Sharing and other essential grant-in-aid programs.

GRANTS-IN-AID TO STATES AND LOCALITIES

During my Administration, total grants-in-aid to State and local governments have increased by more than 40 percent—from $68 billion in Fiscal Year 1977 to $96 billion in Fiscal Year 1981. This significant increase in aid has allowed States and localities to maintain services that are essential to their citizens without imposing onerous tax burdens. It also has allowed us to establish an unprecedented partnership between the leaders of the Federal government and State and local government elected officials.

GENERAL REVENUE SHARING

Last year Congress enacted legislation that extends the General Revenue Sharing program for three more years. This program is the cornerstone of our efforts to maintain the fiscal health of our Nation's local government. It will provide $4.6 billion in each of the next three years to cities, counties and towns. This program is essential to the continued ability of our local governments to provide essential police, fire and sanitation services.

This legislation renewing GRS will be the cornerstone of Federal-State-local government relations in the 1980's. This policy will emphasize the need for all levels of government to cooperate in order to meet the needs of the most fiscally strained cities and counties, and also will emphasize the important role that GRS can play in forging this partnership. I am grateful that Congress moved quickly to assure that our Nation's localities can begin the 1980's in sound fiscal condition.

COUNTER-CYCLICAL ASSISTANCE

Last year, I proposed that Congress enact a $1 billion counter-cyclical fiscal assistance program to protect States and localities from unexpected changes in the national economy. This program unfortunately was not enacted by the 96th Congress. I, therefore, have not included funding for counter-cyclical aid in my Fiscal Year 1982 budget. Nevertheless, I urge Congress to enact a permanent stand-by counter-cyclical program, so that States and cities can be protected during the next economic downturn.

URBAN POLICY

Three years ago, I proposed the Nation's first comprehensive urban policy. That policy involved more than one hundred improvements in existing Federal programs, four new Executive Orders and nineteen pieces of urban-oriented legislation. With Congress' cooperation, sixteen of these bills have now been signed into law.

ECONOMIC DEVELOPMENT

One of the principal goals of my domestic policy has been to strengthen the private sector economic base of our Nation's economically troubled urban and rural areas. With Congress' cooperation, we have substantially expanded the Fed-

eral government's economic development programs and provided new tax incentives for private investment in urban and rural communities. These programs have helped many communities to attract new private sector jobs and investments and to retain the jobs and investments that already are in place.

When I took office, the Federal government was spending less than $300 million annually on economic development programs, and only $60 million of those funds in our Nation's urban areas. Since that time, we have created the Urban Development Action Grant (UDAG) program and substantially expanded the economic development programs in the Commerce Department. My FY 1982 budget requests more than $1.5 billion for economic development grants, loans and interest subsidies and almost $1.5 billion for loan guarantees. Approximately 60 percent of these funds will be spent in our Nation's urban areas. In addition, we have extended the 10 percent investment credit to include rehabilitation of existing industrial facilities as well as new construction.

I continue to believe that the development of private sector investment and jobs is the key to revitalizing our Nation's economically depressed urban and rural areas. To ensure that the necessary economic development goes forward, the Congress must continue to provide strong support for the UDAG program and the programs for the Economic Development Administration. Those programs provide a foundation for the economic development of our Nation in the 1980's.

COMMUNITY DEVELOPMENT

The partnership among Federal, State and local governments to revitalize our Nation's communities has been a high priority of my Administration. When I took office, I proposed a substantial expansion of the Community Development Block Grant (CDBG) program and the enactment of a new $400 million Urban Development Action Grant (UDAG) program. Both of these programs have provided essential community and economic development assistance to our Nation's cities and counties.

Last year, Congress reauthorized both the CDBG and UDAG programs. The CDBG program was reauthorized for three more years with annual funding increases of $150 million, and the UDAG program was extended for three years at the current funding level of $675 million annually. My 1982 budget requests full funding for both of these programs. These actions should help our Nation's cities and counties to continue the progress they have made in the last three years.

NEIGHBORHOODS

During my Administration we have taken numerous positive steps to achieve a full partnership of neighborhood organizations and government at all levels. We have successfully fought against red lining and housing discrimination. We created innovative Self Help funding and technical resource transfer mechanisms. We have created unique methods of access for neighborhood organizations to have a participating role in Federal and State government decision-making. Neighborhood based organizations are the threshold of the American community.

The Federal government will need to develop more innovative and practical ways for neighborhood based organizations to successfully participate in the identification and solution of local and neighborhood concerns. Full partnership will only be achieved with the knowing participation of leaders of government, business, education and unions. Neither state nor Federal solutions imposed from on high will suffice. Neighborhoods are the fabric and soul of this great land. Neighborhoods define the weave that has been used to create a permanent fabric. The Federal government must take every opportunity to provide access and influence to the individuals and organizations affected at the neighborhood level.

RURAL POLICY

Since the beginning of my Administration, I have been committed to improving the effectiveness with which the Federal government deals with the problems and needs of a rapidly changing rural America. The rapid growth of some rural areas has placed a heavy strain on communities and their resources. There are also persistent problems of poverty and economic stagnation in other parts of rural America. Some rural areas continue to lose population, as they have for the past several decades.

In December, 1979, I announced the Small Community and Rural Development Policy. It was the culmination of several years' work and was designed to address the varying needs of our rural population. In 1980, my Administration worked with the Congress to pass the Rural Development Policy Act of 1980. which when fully implemented will allow us to meet the needs of rural people and their communities more effectively and more efficiently.

As a result of the policy and the accompanying legislation, we have:

—Created the position of Under Secretary of Agriculture for Small Community and Rural Development to provide overall leadership.

—Established a White House Working Group to assist in the implementation of the policy.

—Worked with more than 40 governors to form State rural development councils to work in partnership with the White House Working Group, and the Federal agencies, to better deliver State and Federal programs to rural areas.

—Directed the White House Working Group to annually review existing and proposed policies, programs, and budget levels to determine their adequacy in meeting rural needs and the fulfilling of the policy's objectives and principles.

This effort on the part of my Administration and the Congress has resulted in a landmark policy. For the first time, rural affairs has received the prominence it has always deserved. It is a policy that can truly help alleviate the diverse and differing problems rural America will face in the 1980's.

With the help and dedication of a great many people around the country who are concerned with rural affairs, we have constructed a mechanism for dealing effectively with rural problems. There is now a great opportunity to successfully combine Federal efforts with the efforts of rural community leaders and residents. It is my hope this spirit of cooperation and record of accomplishment will be continued in the coming years.

CONSUMERS

In September, 1979, I signed an Executive Order designed to strengthen and coordinate Federal consumer programs and to establish procedures to improve and facilitate consumer participation in government decision-making. Forty Federal agencies have adopted programs to comply with the requirements of the Order. These programs will improve complaint handling, provide better information to consumers, enhance opportunities for public participation in government proceedings, and assure that the consumer point of view is considered in all programs, policies, and regulations.

While substantial progress has been made in assuring a consumer presence in Federal agencies, work must continue to meet fully the goals of the Executive Order. Close monitoring of agency compliance with the requirements of the Order is necessary. Continued evaluation to assure that the programs are effective and making maximum use of available resources is also essential. As a complement to these initiatives, efforts to provide financial assistance in regulatory proceedings to citizen groups, small businesses, and others whose participation is limited by their economic circumstances must continue to be pursued.

It is essential that consumer representatives in government pay particular attention to the needs and interests of low-income consumers and minorities. The Office of Consumer Affairs' publication, *People Power: What Communities Are Doing to Counter Inflation*, catalogues some of the ways that government and the private sector can assist the less powerful in our society to help themselves. New ways should be found to help foster this new people's movement which is founded on the principle of self-reliance.

SCIENCE AND TECHNOLOGY

Science and technology contribute immeasurably to the lives of all Americans. Our high standard of living is largely the product of the technology that surrounds us in the home or factory. Our good health is due in large part to our ever increasing scientific understanding. Our national security is assured by the application of technology. And our environment is protected by the use of science and technology. Indeed, our vision of the future is often largely defined by the bounty that we anticipate science and technology will bring.

The Federal government has a special role to play in science and technology. Although the fruits of scientific achievements surround us, it is often difficult to predict the benefits that will arise from a given scientific venture. And these benefits, even if predictable, do not usually lead to ownership rights. Accordingly, the Government has a special obligation

to support science as an investment in our future.

My Administration has sought to reverse a decade-long decline in funding. Despite the need for fiscal restraint, real support of basic research has grown nearly 11% during my term in office. And, my Administration has sought to increase the support of long-term research in the variety of mission agencies. In this way, we can harness the American genius for innovation to meet the economic, energy, health, and security challenges that confront our nation.

—*International Relations and National Security.* Science and technology are becoming increasingly important elements of our national security and foreign policies. This is especially so in the current age of sophisticated defense systems and of growing dependence among all countries on modern technology for all aspects of their economic strength. For these reasons, scientific and technological considerations have been integral elements of the Administration's decision-making on such national security and foreign policy issues as the modernization of our strategic weaponry, arms control, technology transfer, the growing bilateral relationship with China, and our relations with the developing world.

Four themes have shaped U.S. policy in international scientific and technological cooperation: pursuit of new international initiatives to advance our own research and development objectives; development and strengthening of scientific exchange to bridge politically ideological, and cultural divisions between this country and other countries; formulation of programs and institutional relations to help developing countries use science and technology beneficially; and cooperation with other nations to manage technologies with local impact. At my direction, my Science and Technology Adviser has actively pursued international programs in support of these four themes. We have given special attention to scientific and technical relations with China, to new forms of scientific and technical cooperation with Japan, to cooperation with Mexico, other Latin American and Caribbean countries and several states in Black America, and to the proposed Institute for Scientific and Technological Cooperation.

In particular our cooperation with developing countries reflects the importance that each of them has placed on the relationship between economic growth and scientific and technological capability. It also reflects their view that the great strength of the U.S. in science and technology makes close relations with the U.S. technical community an especially productive means of enhancing this capability. Scientific and technological assistance is a key linkage between the U.S. and the developing world, a linkage that has been under-utilized in the past and one which we must continue to work to strengthen.

—*Space Policy.* The Administration has established a framework for a strong and evolving space program for the 1980's.

The Administration's space policy reaffirmed the separation of military space systems and the open civil space program, and at the same time, provided new guidance on technology transfer between the civil and military programs. The civil space program centers on three basic tenets: First, our space policy will reflect a balanced strategy of applications, science, and technology development. Second, activities will be pursued when they can be uniquely or more efficiently accomplished in space. Third, a premature commitment to a high challenge, space-engineering initiative of the complexity of Apollo is inappropriate. As the Shuttle development phases down, however, there will be added flexibility to consider new space applications, space science and new space exploration activities.

—Technology Development. The Shuttle dominates our technology development effort and correctly so. It represents one of the most sophisticated technological challenges ever undertaken, and as a result, has encountered technical problems. Nonetheless, the first manned orbital flight is now scheduled for March, 1981. I have been pleased to support strongly the necessary funds for the Shuttle throughout my Administration.

—Space Applications. Since 1972, the U.S. has conducted experimental civil remote sensing through Landsat satellites, thereby realizing many successful applications. Recognizing this fact, I directed the implementation of an operational civil land satellite remote sensing system, with the operational management responsibility in Commerce's National Oceanic and Atmospheric Administration. In addition, because ocean observations from space can meet common civil and military data requirements, a National Oceanic Satellite System has been proposed as a major FY 1981 new start.

—Space Science Exploration. The goals of this Administration's policy in space science have been to: (1) continue a vigorous program of planetary exploration to understand the origin and evolution of the solar system; (2) utilize the space telescope and free-flying satellites to usher in a new era of astronomy; (3) develop a better understanding of the sun and its interaction with the terrestrial environment; and (4) utilize the Shuttle and Spacelab to conduct basic research that complements earth-based life science investigations.

DISTRICT OF COLUMBIA

Washington, D.C. is home to both the Federal government and to more than half a million American citizens. I have worked to improve the relationship between the Federal establishment and the Government of the District of Columbia in order to further the goals and spirit of home rule. The City controls more of its own destiny than was the case four years ago. Yet, despite the close cooperation between my Administration and that of Mayor Barry, we have not yet seen the necessary number of states ratify the Constitutional Amendment granting full voting representation in the Congress to the citizens of this city. It is my hope that this inequity will be rectified. The country and the people who inhabit Washington deserve no less.

THE ARTS

The arts are a precious national resource.

Federal support for the arts has been enhanced during my Administration by expanding government funding and services to arts institutions, individual artists, scholars, and teachers through the National Endowment for the Arts. We have broadened its scope and reach to a more diverse population. We have also reactivated the Federal Council on the Arts and Humanities.

It is my hope that during the coming years the new Administration and the Congress will:

—Continue support of institutions promoting development and understanding of the arts;

—Encourage business participation in a comprehensive effort to achieve a truly mixed economy of support for the arts;

—Explore a variety of mechanisms to nurture the creative talent of our citizens and build audiences for their work;

—Support strong, active National Endowments for the Arts;

—Seek greater recognition for the rich cultural tradition of the nation's minorities;

—Provide grants for the arts in low-income neighborhoods.

THE HUMANITIES

In recently reauthorizing Federal appropriations for the National Endowment for the Humanities, the Congress has once again reaffirmed that "the encouragement and support of national progress and scholarship in the humanities . . . while primarily a matter for private and local initiative, is also an appropriate matter of concern to the Federal Government" and that "a high civilization must not limit its efforts to science and technology alone but must give full value and support to the other great branches of man's scholarly and cultural activity in order to achieve a better understanding of the past, a better analysis of the present, and a better view of the future."

I believe we are in agreement that the humanities illuminate the values underlying important personal, social, and national questions raised in our society by its multiple links to and increasing dependence on technology, and by the diverse heritage of our many regions and ethnic groups. The humanities cast light on the broad issue of the role in a society of men and women of imagination and energy—those individuals who through their own example define "the spirit of the age," and in so doing move nations. Our Government's support for the hu-

manities, within the framework laid down by the Congress, is a recognition of their essential nourishment of the life of the mind and vital enrichment of our national life.

I will be proposing an increase in funding this year sufficient to enable the Endowment to maintain the same level of support offered our citizens in Fiscal Year 1981.

In the allocation of this funding, special emphasis will be given to:

—Humanities education in the nation's schools, in response to the great needs that have arisen in this area;

—Scholarly research designed to increase our understanding of the cultures, traditions, and historical forces at work in other nations and in our own;

—Drawing attention to the physical disintegration of the raw material of our cultural heritage—books, manuscripts, periodicals, and other documents—and to the development of techniques to prevent the destruction and to preserve those materials; and

—The dissemination of quality programming in the humanities to increasingly large American audiences through the use of radio and television.

The dominant effort in the Endowment's expenditures will be a commitment to strengthen and promulgate scholarly excellence and achievement in work in the humanities in our schools, colleges, universities, libraries, museums and other cultural institutions, as well as in the work of individual scholars or collaborative groups engaged in advanced research in the humanities.

In making its grants the Endowment will increase its emphasis on techniques which stimulate support for the humanities from non-Federal sources, in order to reinforce our tradition of private philanthropy in this field, and to insure and expand the financial viability of our cultural institutions and life.

INSULAR AREAS

I have been firmly committed to self-determination for Puerto Rico, the Virgin Islands, Guam, American Samoa and the Northern Mariana Islands, and have vigorously supported the realization of whatever political status aspirations are democratically chosen by their peoples. This principle was the keystone of the comprehensive territorial policy I sent the Congress last year. I am pleased that most of the legislative elements of that policy were endorsed by the 96th Congress.

The unique cultures, fragile economies, and locations of our Caribbean and Pacific Islands are distinct assets to the United States which require the sensitive application of policy. The United States Government should pursue initiatives begun by my Administration and the Congress to stimulate insular economic development; enhance treatment under Federal programs eliminating current inequities; provide vitally needed special assistance and coordinate and rationalize policies. These measures will result in greater self-sufficiency and balanced growth. In particular, I hope that the new Congress will support funding for fiscal management, comprehensive planning and other technical assistance for the territories, as well as create the commission I have proposed to review the applicability of all Federal laws to the insular areas and make recommendations for appropriate modification.

IV. REMOVING GOVERNMENTAL WASTE AND INEFFICIENCY

One of my major commitments has been to restore public faith in our Federal government by cutting out waste and inefficiency. In the past four years, we have made dramatic advances toward this goal, many of them previously considered impossible to achieve. Where government rules and operations were unnecessary, they have been eliminated, as with airline, rail, trucking and financial deregulation. Where government functions are needed, they have been streamlined, through such landmark measures as the Civil Service Reform Act of 1978. I hope that the new administration and the Congress will keep up the momentum we have established for effective and responsible change in this area of crucial public concern.

CIVIL SERVICE REFORM

In March 1978, I submitted the Civil Service Reform Act to Congress. I called it the centerpiece of my efforts to reform and reorganize the government. With bipartisan support from Congress, the bill passed, and I am pleased to say that implementation is running well ahead of the schedule. Throughout the service, we are putting into place the means to assure that reward and retention are based on performance and not simply on length of time on the job. In the first real test of the Reform Act, 98 percent of the eligible top-level managers joined the Senior Executive Service, choosing to relinquish job protections for the challenge and potential reward of this new corps of top executives. Though the Act does not require several of its key elements to be in operation for another year, some Federal agencies already have established merit pay systems for GS–13–15 managers, and most agencies are well on their way to establishing new performance standards for all their employees. All have paid out, or are now in the process of paying out, performance bonuses earned by outstanding members of the Senior Executive Service. Dismissals have increased by 10 percent, and dismissals specifically for inadequate job performance have risen 1500 percent, since the Act was adopted. Finally, we have established a fully independent Merit Systems Protection Board and Special Counsel to protect the rights of whistle-blowers and other Federal employees faced with threats to their rights.

In 1981, civil service reform faces critical challenges—all agencies must have fully functioning performance appraisal systems for all employees, and merit pay systems for compensating the government's 130,000 GS–13–15 managers. Performance bonuses for members of the Senior Executive Service will surely receive scrutiny. If this attention is balanced and constructive, it can only enhance the chances for ultimate success of our bipartisan commitment to the revolutionary and crucial pay-for-performance concept.

REGULATORY REFORM

During the past four years we have made tremendous progress in regulatory reform. We have discarded old economic regulations that prevented competition and raised consumer costs, and we have imposed strong management principles on the regulatory programs the country needs, cutting paperwork and other wasteful burdens. The challenge for the future is to continue the progress in both areas without crippling vital health and safety programs.

Our economic deregulation program has achieved major successes in five areas:

Airlines: The Airline Deregulation Act is generating healthy competition, saving billions in fares, and making the airlines more efficient. The Act provides that in 1985 the CAB itself will go out of existence.

Trucking: The trucking deregulation bill opens the industry to competition and allows truckers wide latitude on the routes they drive and the goods they haul. The bill also phases out most of the old law's immunity for setting rates. The Congressional Budget Office estimates these reforms will save as much as $8 billion per year and cut as much as half a percentage point from the inflation rate.

Railroads: Overregulation has stifled railroad management initiative, service, and competitive pricing. The new legislation gives the railroads the freedom they need to rebuild a strong, efficient railroad industry.

Financial Institutions: With the help of the Congress, over the past four years we have achieved two major pieces of financial reform legislation—legislation which has provided the basis for the most far-reaching changes in the financial services industry since the 1930's. The International Banking Act of 1978 was designed to reduce the advantages that foreign banks operating in the United States possessed in comparison to domestic banks. The Depository Institutions Deregulation and Monetary Control Act, adopted last March, provides for the phased elimination of a variety of anticompetitive barriers to financial institutions and freedom to offer services to and attract the savings of consumers, especially small savers.

Recently, I submitted to the Congress my Administration's recommendations for the phased liberalization of restrictions on geographic expansion by commercial banks. Last year the Administration and financial regulatory agencies proposed legislation to permit the interstate acquisition of failing depository institutions. In view of the difficult outlook for some depository institutions I strongly urge the Congress to take prompt favorable action on the failing bank legislation.

Telecommunications: While Congress did not pass legislation in this area, the Federal Communications Commission has taken dramatic action to open all aspects of communications to competition and to eliminate regulations in the areas where competition made them ob-

solete. The public is benefitting from an explosion of competition and new services.

While these initiatives represent dramatic progress in economic deregulation, continued work is needed. I urge Congress to act on communications legislation and to consider other proposed deregulation measures, such as legislation on the bus industry. In addition, the regulatory commissions must maintain their commitment to competition as the best regulator of all.

The other part of my reform program covers the regulations that are needed to protect the health, safety, and welfare of our citizens. For these regulations, my Administration has created a management program to cut costs without sacrificing goals. Under my Executive Order 12044, we required agencies to analyze the costs of their major new rules and consider alternative approaches—such as performance standards and voluntary codes—that may make rules less costly and more flexible. We created the Regulatory Analysis Review Group in the White House to analyze the most costly proposed new rules and find ways to improve them. The Regulatory Council was established to provide the first Government-wide listing of upcoming rules and eliminate overlapping and conflicting regulations. Agencies have launched "sunset" programs to weed out outmoded old regulations. We have acted to encourage public participation in regulatory decision-making.

These steps have already saved billions of dollars in regulatory costs and slashed thousands of outmoded regulations. We are moving steadily toward a regulatory system that provides needed protections fairly, predictably, and at minimum cost.

I urge Congress to continue on this steady path and resist the simplistic solutions that have been proposed as alternatives. Proposals like legislative veto and increased judicial review will add another layer to the regulatory process, making it more cumbersome and inefficient. The right approach to reform is to improve the individual statutes—where they need change—and to ensure that the regulatory agencies implement those statutes sensibly.

PAPERWORK REDUCTION

The Federal Government imposes a huge paperwork burden on business, local government, and the private sector. Many of these forms are needed for vital government functions, but others are duplicative, overly complex or obsolete.

During my Administration we cut the paperwork burden by 15 percent, and we created procedures to continue this progress. The new Paperwork Reduction Act centralizes, in OMB, oversight of all agencies' information requirements and strengthens OMB's authority to eliminate needless forms. The "paperwork budget" process, which I established by executive order, applies the discipline of the budget process to the hours of reporting time imposed on the public, forcing agencies to scrutinize all their forms each year. With effective implementation, these steps should allow further, substantial paperwork cuts in the years ahead.

TIGHTENING STANDARDS FOR GOVERNMENTAL EFFICIENCY AND INTEGRITY

To develop a foundation to carry out energy policy, we consolidated scattered energy programs and launched the Synthetic Fuels Corporation; to give education the priority it deserves and at the same time reduce HHS to more manageable size, I gave education a seat at the Cabinet table, to create a stronger system for attacking waste and fraud, I reorganized audit and investigative functions by putting an Inspector General in major agencies. Since I took office, we have submitted 14 reorganization initiatives and had them all approved by Congress.

We have saved hundreds of millions of dollars through the adoption of business-like cash management principles and set strict standards for personal financial disclosure and conflict of interest avoidance by high Federal officials.

To streamline the structure of the government, we have secured approval of 14 reorganization initiatives, improving the efficiency of the most important sectors of the government, including energy, education, and civil rights enforcement. We have eliminated more than 300 advisory committees as well as other agencies, boards and commissions which were obsolete or ineffective. Independent Inspectors General have been appointed in major agencies to attack fraud and waste. More than a billion dollars of questionable transactions have been identified through their audit activities.

The adoption of business-like cash management and debt collection initiatives will save over $1 billion, by streamlining the processing of receipts, by controlling disbursements more carefully, and by reducing idle cash balances. Finally this Administration has set strict standards for personal financial disclosure and conflict of interest avoidance by high Federal officials, to elevate the level of public trust in the government.

V. PROTECTING BASIC RIGHTS AND LIBERTIES

I am extremely proud of the advances we have made in ensuring equality and protecting the basic freedoms of all Americans.

—The Equal Employment Opportunity Commission (EEOC) and the Office of Federal Contract Compliance (OFCCP) have been reorganized and strengthened and a permanent civil rights unit has been established in OMB.

—To avoid fragmented, inconsistent and duplicative enforcement of civil rights laws, three agencies have been given coordinative and standard-setting responsibilities in discrete areas: EEOC for all employment-related activities, HUD for all those relating to housing, and the Department of Justice for all other areas.

—With the enactment of the Right to Financial Privacy Act and a bill limiting police search of newsrooms, we have begun to establish a sound, comprehensive, privacy program.

Ratification of the Equal Rights Amendment must be aggressively pursued. Only one year remains in which to obtain ratification by three additional states.

The Congress must give early attention to a number of important bills which remain. These bills would:

—strengthen the laws against discrimination in housing. Until it is enacted, the 1978 Civil Rights Act's promise of equal access to housing will remain unfulfilled;

—establish a charter for the FBI and the intelligence agencies. The failure to define in law the duties and responsibilities of these agencies has made possible some of the abuses which have occurred in recent years;

—establish privacy safeguards for medical research, bank, insurance and credit records; and provide special protection for election fund transfer systems.

EQUAL RIGHTS AMENDMENT

I remain committed as strongly as possible to the ratification of the Equal Rights Amendment.

As a result of our efforts in 1978, the Equal Rights Amendment's deadline for ratification was extended for three years. We have now one year and three States left. We cannot afford any delay in marshalling our resources and efforts to obtain the ratification of those three additional States.

Although the Congress has no official role in the ratification process at this point, you do have the ability to affect public opinion and the support of State Legislators for the Amendment. I urge Members from States which have not yet ratified the Equal Rights Amendment to use their influence to secure ratification. I will continue my own efforts to help ensure ratification of the Equal Rights Amendment.

MARTIN LUTHER KING, JR.

Dr. Martin Luther King, Jr. led this Nation's effort to provide all its citizens with civil rights and equal opportunities. His commitment to human rights, peace and non-violence stands as a monument to his humanity and courage. As one of our Nation's most outstanding leaders, it is appropriate that his birthday be commemorated as a national holiday. I hope the Congress will enact legislation this year that will achieve this goal.

FAIR HOUSING

The Fair Housing Act Amendments of 1980 passed the House of Representatives by an overwhelming bipartisan majority only to die in the Senate at the close of the 96th Congress.

The leaders of both parties have pledged to make the enactment of fair housing legislation a top priority of the incoming Congress. The need is pressing and a strengthened federal enforcement effort must be the primary method of resolution.

CRIMINAL CODE

The Federal criminal laws are often archaic, frequently contradictory and imprecise, and clearly in need of revision and codification. The new Administra-

tion should continue the work which has been begun to develop a Federal criminal code which simplifies and clarifies our criminal laws, while maintaining our basic civil liberties and protections.

PRIVACY

As our public and private institutions collect more and more information and as communications and computer technologies advance, we must act to protect the personal privacy of our citizens.

In the past four years we acted on the report of the Privacy Commission and established a national privacy policy. We worked with Congress to pass legislation restricting wiretaps and law enforcement access to bank records and to reporters' files. We reduced the number of personal files held by the government and restricted the transfer of personal information among Federal agencies. We also worked with the Organization for Economic Cooperation and Development to establish international guidelines to protect the privacy of personal information that is transferred across borders.

VI. PROTECTING AND DEVELOPING OUR NATURAL RESOURCES

Two of our Nation's most precious natural resources are our environment and our vast agricultural capacity. From the beginning of my Administration, I have worked with the Congress to enhance and protect, as well as develop our natural resources. In the environmental areas, I have been especially concerned about the importance of balancing the need for resource development with preserving a clean environment, and have taken numerous actions to foster this goal. In the agricultural area, I have taken the steps needed to improve farm incomes and to increase our agricultural production to record levels. That progress must be continued in the 1980's.

ENVIRONMENT

Preserving the quality of our environment has been among the most important objectives of my Administration and of the Congress. As a result of these shared commitments and the dedicated efforts of many members of the Congress and my Administration, we have achieved several historic accomplishments.

PROTECTION OF ALASKA LANDS

Passage of the Alaska National Interest Lands Conservation Act was one of the most important conservation actions of this century. At stake was the fate of millions of acres of beautiful land, outstanding and unique wildlife populations, native cultures, and the opportunity to ensure that future generations of Americans would be able to enjoy the benefits of these nationally significant resources. As a result of the leadership, commitment, and persistence of my Administration and the Congressional leadership, the Alaska Lands Bill was signed into law last December.

The Act adds 97 million acres of new parks and refuges, more than doubling the size of our National Park and National Wildlife Refuge Systems. The bill triples the size of our national wilderness system, increasing its size by 56 million acres. And by adding 25 free-flowing river segments to the Wild and Scenic River System, the bill almost doubles the river mileage in that system. The Alaska Lands Act reaffirms our commitment to the environment and strikes a balance between protecting areas of great beauty and allowing development of Alaska's oil, gas, mineral, and timber resources.

PROTECTION OF NATURAL RESOURCES

In addition to the Alaska Lands Act, over the past four years we have been able to expand significantly the national wilderness and parks systems. In 1978, the Congress passed the historic Omnibus Parks Act, which made 12 additions to the National Park System. The Act also established the first two national trails since the National Trails System Act was passed in 1968. Then, in 1980, as a result of my 1979 Environmental Message, the federal land management agencies have established almost 300 new National Recreational Trails. With the completion of the RARE II process. which eliminated the uncertainty surrounding the status of millions of acres of land, we called for over 15 million acres of new wilderness in the nation's National Forest, in 1980 the Congress established about 4.5 million acres of wilderness in the lower 48 states. In addition, the Administration recommended legislation to protect Lake Tahoe, and through an Executive Order has already established a mechanism to help ensure the Lake's protection. Finally, in 1980 the Administration established the Channel Islands Marine Sanctuary.

Administration actions over the past four years stressed the importance of providing federal support only for water resource projects that are economically and environmentally sound. This policy should have a major and lasting influence on the federal government's role in water resource development and management. The Administration's actions to recommend to the Congress only economically and environmentally sound water resource projects for funding resulted not only in our opposing uneconomic projects but also—in 1979—in the first Administration proposal of new project starts in 4 years.

One of the most significant water policy actions of the past four years was the Administration's June 6, 1978 Water Policy Reform Message to the Congress. This Message established a new national water resources policy with the following objectives:

—to give priority emphasis to water conservation;

—to consider environmental requirements and values more fully and along with economic factors in the planning and management of water projects and programs;

—to enhance cooperation between state and federal agencies in water resources planning and management.

In addition, the Executive Office of the President established 11 policy decision criteria to evaluate the proposed federal water projects, the Water Resources Council developed and adopted a new set of Principles and Standards for water projects which is binding on all federal construction agencies, and improved regulations were developed to implement the National Historic Preservation Act and the Fish and Wildlife Coordination Act. As a result, water resource projects must be determined to be economically sound before the Administration will recommend authorization or appropriation. Over the years ahead, this policy will help to reduce wasteful federal spending by targeting federal funds to the highest priority water resource projects.

In the pursuit of this policy, however, we cannot lose sight of the vital role that sound water resource projects play in providing irrigation, power, and flood control. We must also recognize the special needs of particular regions of the country in evaluating the need for additional projects.

ADDRESSING GLOBAL RESOURCE AND ENVIRONMENTAL PROBLEMS

The *Global 2000 Report to the President*, prepared in response to my 1977 Environmental Message, is the first of its kind. Never before has our government, or any government, taken such a comprehensive, long-range look at the interrelated global issues of resources, population, and environment.

The Report's conclusions are important. They point to a rapid increase in population and human needs through the year 2000 while at the same time a decline in the earth's capacity to meet those needs—*unless* nations of the world act decisively to alter current trends.

The United States has contributed actively to a series of UN conferences on the environment, population, and resources, and is preparing for the 1981 Conference on New and Renewable Sources of Energy. Following my 1977 Environmental Message, the Administration development assistance programs have added emphasis to natural resource management and environmental protection. My 1979 Environmental Message called attention to the alarming loss of world forests, particularly in the tropics. An interagency task force on tropical forests has developed a U.S. government program to encourage conservation and wise management of tropical forests. The Administration is encouraging action by other nations and world organizations to the same purpose. The United States is a world leader in wildlife conservation and the assessment of environmental effects of government actions. The January 5, 1979, Executive Order directing U.S. government agencies to consider the effects of their major actions abroad, is another example of this leadership.

COMMITMENT TO CONTROL OF POLLUTION AND HAZARDOUS CHEMICALS

Over the past four years, there has been steady progress towards cleaner air and water, sustained by the commitment of Congress and the Administration to these important national objectives. In addition, the Administration has developed several new pollution compliance approaches such as alternative and innovative waste water treatment projects, the "bubble" concept, the "offset" policy, and permit consolidation, all of which

are designed to reduce regulatory burdens on the private sector.

One of the most pressing problems to come to light in the past four years has been improper hazardous waste disposal. The Administration has moved on three fronts. First, we proposed the Oil Hazardous Substances and Hazardous Waste Response, Liability and Compensation Act (the "Superfund" bill) to provide comprehensive authority and $1.6 billion in funds to clean up abandoned hazardous waste disposal sites. In November 1980 the Congress passed a Superfund bill which I signed into law.

Second, the Administration established a hazardous waste enforcement strike force to ensure that when available, responsible parties are required to clean up sites posing dangers to public health and to the environment. To date, 50 lawsuits have been brought by the strike force.

Third, regulations implementing subtitle C of the Resource Conservation and Recovery Act were issued. The regulations establish comprehensive controls for hazardous waste and, together with vigorous enforcement, will help to ensure that Love Canal will not be repeated.

THE FUTURE

For the future, we cannot—and we must not—forget that we are charged with the stewardship of an irreplaceable environment and natural heritage. Our children, and our children's children, are dependent upon our maintaining our commitment to preserving and enhancing the quality of our environment. It is my hope that when our descendants look back on the 1980's they will be able to affirm:

—that we kept our commitment to the restoration of environmental quality;

—that we protected the public health from the continuing dangers of toxic chemicals, from pollution, from hazardous and radioactive waste, and that we made our communities safer, healthier and better places to live;

—that we preserved America's wilderness areas, and particularly its last great frontier, Alaska, for the benefit of all Americans in perpetuity;

—that we put this nation on a path to a sustainable energy future, one based increasingly on renewable resources and on energy conservation;

—that we moved to protect America's countryside and coastland from mismanagement and irresponsibility;

—that we redirected the management of the nation's water resources toward water conservation, sound development and environmental protection;

—that we faced squarely such worldwide problems as the destruction of forests, acid rain, carbon dioxide build-up and nuclear proliferation; and

—that we protected the habitat and the existence of our own species on this earth.

AGRICULTURE

THE FARM ECONOMY

The farm economy is sound and its future is bright. Agriculture remains a major bulwark of the nation's economy and an even more important factor in the world food system. The demand for America's agricultural abundance, here and abroad, continues to grow. In the near-term, the strength of this demand is expected to press hard against supplies, resulting in continued price strength.

The health and vitality of current-day agriculture represents a significant departure from the situation that existed when I came to office four years ago. In January 1977, the farm economy was in serious trouble. Farm prices and farm income were falling rapidly. Grain prices were at their lowest levels in years and steadily falling. Livestock producers, in their fourth straight year of record losses, were liquidating breeding herds at an unparalleled rate. Dairy farmers were losing money on every hundredweight of milk they produced. Sugar prices were in a nosedive.

Through a combination of improvements in old, established programs and the adoption of new approaches where innovation and change were needed, my Administration turned this situation around. Commodity prices have steadily risen. Farm income turned upward. U.S. farm exports set new records each year, increasing over 80 percent for the four year period. Livestock producers began rebuilding their herds. Dairy farmers began to earn a profit again.

RECENT POLICY INITIATIVES

Several major agricultural policy initiatives have been undertaken over the past year. Some are the culmination of policy proposals made earlier in this Administration; others are measures taken to help farmers offset the impact of rapid inflation in production costs. In combination, they represent a significant strengthening of our nation's food and agricultural policy. These initiatives include:

FOOD SECURITY RESERVE

The Congress authorized formation of a 4 million ton food grain reserve for use in international food assistance. This reserve makes it possible for the United States to stand behind its food aid commitment to food deficit nations, even during periods of short supplies and high prices. This corrects a serious fault in our past food assistance policy.

COMPREHENSIVE CROP INSURANCE

The Congress also authorized a significant new crop insurance program during 1980. This measure provides farmers with an important new program tool for sharing the economic risks that are inherent to agriculture. When fully operational, it will replace a hodgepodge of disaster programs that suffered from numerous shortcomings.

SPECIAL LOAN RATES

Another legislative measure passed late in the 2nd session of the 96th Congress authorizes the Secretary of Agriculture to provide higher loan rates to farmers who enter their grain in the farmer-owned grain reserve. This additional incentive to participate will further strengthen the reserve.

INCREASED LOAN PRICES

In July 1980, I administratively raised loan prices for wheat, feedgrains, and soybeans to help offset the effects of a serious cost-price squeeze. At the same time, the release and call prices for the grain reserve were adjusted upward.

HIGHER TARGET PRICES

The Agricultural Adjustment Act of 1980 raised the target prices for 1980-crop wheat and feed grain crops. This change corrected for shortcomings in the adjustment formula contained in the Food and Agriculture Act of 1977.

FUTURE AGENDA

The food and agricultural policies adopted by this Administration over the past four years, including those described above, will provide a firm foundation for future governmental actions in this field. Expiration of the Food and Agriculture Act of 1977 later this year will require early attention by the Congress. With relatively minor changes, most of the authorities contained in the 1977 Act should be extended in their present form. The farmer-owned grain reserve has proven to be a particularly effective means of stabilizing grain markets and should be preserved in essentially its present form.

Beyond this, it will be important for the Congress to keep a close eye on price-cost developments in the farm sector. As noted above, some of the actions I took last year were for the purpose of providing relief from the cost-price squeeze facing farmers. Should these pressures continue, further actions might be required.

My Administration has devoted particular attention to the issues of world hunger, agricultural and use, and the future structure of American agriculture. I encourage the Congress and the next Administration to review the results of these landmark enquiries and, where deemed appropriate, to act on their recommendations.

Following a careful review of the situation, I recently extended the suspension of grain sales to the Soviet Union. I am satisfied that this action has served its purpose effectively and fairly. However, as long as this suspension must remain in effect, it will be important for the next Administration and the Congress to take whatever actions are necessary to ensure that the burden does not fall unfairly on our Nation's farmers. This has been a key feature of my Administration's policy, and it should be maintained.

VII. FOREIGN POLICY

From the time I assumed office four years ago this month, I have stressed the need for this country to assert a leading role in a world undergoing the most extensive and intensive change in human history.

My policies have been directed in particular at three areas of change:

—The steady growth and increased projection abroad of Soviet military power—power that has grown faster than our own over the past two decades.

—the overwhelming dependence of Western nations, which now increasingly includes the United States, on vital oil supplies from the Middle East.

—the pressures of change in many nations of the developing world, in Iran and uncertainty about the

future stability of many developing countries.

As a result of those fundamental facts, we face some of the most serious challenges in the history of this nation. The Soviet invasion of Afghanistan is a threat to global peace, to East-West relations, and to regional stability and to the flow of oil. As the unprecedented and overwhelming vote in the General Assembly demonstrated, countries across the world—and particularly the non-aligned—regard the Soviet invasion as a threat to their independence and security. Turmoil within the region adjacent to the Persian Gulf poses risks for the security and prosperity of every oil importing nation and thus for the entire global economy. The continuing holding of American hostages in Iran is both an affront to civilized people everywhere, and a serious impediment to meeting the self-evident threat to widely-shared common interests—including those of Iran.

But as we focus our most urgent efforts on pressing problems, we will continue to pursue the benefits that only change can bring. For it always has been the essence of America that we want to move on—we understand that prosperity, progress and most of all peace cannot be had by standing still. A world of nations striving to preserve their independence, and of peoples aspiring for economic development and political freedom is not a world hostile to the ideals and interests of the United States. We face powerful adversaries but we have strong friends and dependable allies. We have common interests with the vast majority of the world's nations and peoples.

There have been encouraging developments in recent years, as well as matters requiring continued vigilance and concern:

—Our alliances with the world's most advanced and democratic states from Western Europe through Japan are stronger than ever.

—We have helped to bring about a dramatic improvement in relations between Egypt and Israel and an historic step towards a comprehensive Arab-Israeli settlement.

—Our relations with China are growing closer, providing a major new dimension in our policy in Asia and the world.

—Across southern Africa from Rhodesia to Namibia we are helping with the peaceful transition to majority rule in a context of respect for minority as well as majority rights.

—We have worked domestically and with our allies to respond to an uncertain energy situation by conservation and diversification of energy supplies based on internationally agreed targets.

—We have unambiguously demonstrated our commitment to defend Western interests in Southwest Asia, and we have significantly increased our ability to do so.

—And over the past four years the U.S. has developed an energy program which is comprehensive and ambitious. New institutions have been established such as the Synthetic Fuels Corporation and Solar Bank. Price decontrol for oil and gas is proceeding. American consumers have risen to the challenge, and we have experienced real improvements in consumption patterns.

The central challenge for us today is to our steadfastness of purpose. We are no longer tempted by isolationism. But we must also learn to deal effectively with the contradictions of the world—the need to cooperate with potential adversaries without euphoria, without undermining our determination to compete with such adversaries and if necessary confront the threats they may pose to our security.

We face a broad range of threats and opportunities. We have and should continue to pursue a broad range of defense, diplomatic and economic capabilities and objectives.

I see six basic goals for America in the world over the 1980's:

—First, we will continue, as we have over the past four years, to build America's military strength and that of our allies and friends. Neither the Soviet Union nor any other nation will have reason to question our will to sustain the strongest and most flexible defense forces.

—Second, we will pursue an active diplomacy in the world, working—together with our friends and allies—to resolve disputes through peaceful means and to make any aggressor pay a heavy price.

—Third, we will strive to resolve pressing international economic problems—particularly energy and inflation—and continue to pursue our still larger objective of global economic growth through expanded trade and development assistance and through the preservation of an open multilateral trading system.

—Fourth, we will continue vigorously to support the process of building democratic institutions and improving human rights protection around the world. We are deeply convinced that the future lies not with dictatorship but democracy.

—Fifth, we remain deeply committed to the process of mutual and verifiable arms control, particularly to the effort to prevent the spread and further development of nuclear weapons. Our decision to defer, but not abandon our efforts to secure ratification of the SALT II Treaty reflects our firm conviction that the United States has a profound national security interest in the constraints on Soviet nuclear forces which only that treaty can provide.

—Sixth, we must continue to look ahead in order to evaluate and respond to resource, environment and population challenges through the end of this century.

One very immediate and pressing objective that is uppermost on our minds and those of the American people is the release of our hostages in Iran.

We have no basic quarrel with the nation, the revolution or the people of Iran. The threat to them comes not from American policy but from Soviet actions in the region. We are prepared to work with the government of Iran to develop a new and mutually beneficial relationship.

But that will not be possible so long as Iran continues to hold American hostages, in defiance of the world community and civilized behavior. They must be released unharmed. We have thus far pursued a measured program of peaceful diplomatic and economic steps in an attempt to resolve this issue without resorting to other remedies available to us under international law. This reflects the deep respect of our nation for the rule of law and for the safety of our people being held, and our belief that a great power bears a responsibility to use its strength in a measured and judicious manner. But our patience is not unlimited and our concern for the well-being of our fellow citizens grows each day.

ENHANCING NATIONAL SECURITY—AMERICAN MILITARY STRENGTH

The maintenance of national security is my first concern, as it has been for every president before me.

We must have both the military power and the political will to deter our adversaries and to support our friends and allies.

We must pay whatever price is required to remain the strongest nation in the world. That price has increased as the military power of our major adversary has grown and its readiness to use that power been made all too evident in Afghanistan. The real increases in defense spending therefore probably will be higher than previously projected; protecting our security may require a larger share of our national wealth in the future.

THE U.S.-SOVIET RELATIONSHIP

We are demonstrating to the Soviet Union across a broad front that it will pay a heavy price for its aggression in terms of our relationship. Throughout the last decades U.S.-Soviet relations have been a mixture of cooperation and competition. The Soviet invasion of Afghanistan and the imposition of a puppet government have highlighted in the starkest terms the darker side of their policies—going well beyond competition and the legitimate pursuit of national interest, and violating all norms of international law and practice.

This attempt to subjugate an independent, non-aligned Islamic people is a callous violation of international law and the United Nations Charter, two fundamentals of international order. Hence, it is also a dangerous threat to world peace. For the first time since the communization of Eastern Europe after World War II, the Soviets have sent combat forces into an area that was not previously under their control, into a non-aligned and sovereign state.

The destruction of the independence of the Afghanistan government and the occupation by the Soviet Union have altered the strategic situation in that part of the world in a very ominous fashion. It has significantly shortened the strik-

ing distance to the Indian Ocean and the Persian Gulf for the Soviet Union.

It has also eliminated a buffer between the Soviet Union and Pakistan and presented a new threat to Iran. These two countries are now far more vulnerable to Soviet political intimidation. If that intimidation were to prove effective, the Soviet Union could control an area of vital strategic and economic significance to the survival of Western Europe, the Far East, and ultimately the United States.

It has now been over a year since the Soviet invasion of Afghanistan dealt a major blow to U.S.-Soviet relations and the entire international system. The U.S. response has proven to be serious and far-reaching. It has been increasingly effective, imposing real and sustained costs on the USSR's economy and international image.

Meanwhile, we have encouraged and supported efforts to reach a political settlement in Afghanistan which would lead to a withdrawal of Soviet forces from that country and meet the interests of all concerned. It is Soviet intransigence that has kept those efforts from bearing fruit.

Meanwhile, an overwhelming November resolution of the United Nations General Assembly on Afghanistan has again made clear that the world has not and will not forget Afghanistan. And our response continues to make it clear that Soviet use of force in pursuit of its international objectives is incompatible with the notion of business-as-usual.

BILATERAL COMMUNICATION

U.S.-Soviet relations remain strained by the continued Soviet presence in Afghanistan, by growing Soviet military capabilities, and by the Soviets' apparent willingness to use those capabilities without respect for the most basic norms of international behavior.

But the U.S.-Soviet relationship remains the single most important element in determining whether there will be war or peace. And so, despite serious strains in our relations, we have maintained a dialogue with the Soviet Union over the past year. Through this dialogue, we have ensured against bilateral misunderstandings and miscalculations which might escalate out of control, and have managed to avoid the injection of superpower rivalries into areas of tension like the Iran-Iraq conflict.

POLAND

Now, as was the case a year ago, the prospect of Soviet use of force threatens the international order. The Soviet Union has completed preparations for a possible military intervention against Poland. Although the situation in Poland has shown signs of stabilizing recently, Soviet forces remain in a high state of readiness and they could move into Poland on short notice. We continue to believe that the Polish people should be allowed to work out their internal problems themselves, without outside interference, and we have made clear to the Soviet leadership that any intervention in Poland would have severe and prolonged consequences for East-West detente, and U.S.-Soviet relations in particular.

DEFENSE BUDGET

For many years the Soviets have steadily increased their real defense spending, expanded their strategic forces, strengthened their forces in Europe and Asia, and enhanced their capability for projecting military force around the world directly or through the use of proxies. Afghanistan dramatizes the vastly increased military power of the Soviet Union.

The Soviet Union has built a war machine far beyond any reasonable requirements for their own defense and security. In contrast, our own defense spending declined in real terms every year from 1968 through 1976.

We have reversed this decline in our own effort. Every year since 1976 there has been a real increase in our defense spending—and our lead has encouraged increases by our allies. With the support of the Congress, we must and will make an even greater effort in the years ahead.

The Fiscal Year 1982 budget would increase funding authority for defense to more than $196 billion. This amount, together with a supplemental request for FY 1981 of about $6 billion, will more than meet my Administration's pledge for a sustained growth of 3 percent in real expenditures, and provides for 5 percent in program growth in FY 1982 and beyond.

The trends we mean to correct cannot be remedied overnight; we must be willing to see this program through. To ensure that we do so I am setting a growth rate for defense that we can sustain over the long haul.

The defense program I have proposed for the next five years will require some sacrifice—but sacrifice we can well afford.

The defense program emphasizes four areas:

—It ensures that our strategic nuclear forces will be equivalent to those of the Soviet Union and that deterrence against nuclear war will be maintained;

—It upgrades our forces so that the military balance between NATO and the Warsaw Pact will continue to deter the outbreak of war—conventional or nuclear—in Europe;

—It provides us the ability to come quickly to the aid of friends and allies around the globe;

—And it ensures that our Navy will continue to be the most powerful on the seas.

STRATEGIC FORCES

We are strengthening each of the three legs of our strategic forces. The cruise missile production which will begin next year will modernize our strategic air deterrent. B-52 capabilities will also be improved. These steps will maintain and enhance the B-52 fleet by improving its ability to deliver weapons against increasingly heavily defended targets.

We are also modernizing our strategic submarine force. Four more POSEIDON submarines backfitted with new, 4,000 mile TRIDENT I missiles began deployments in 1980. Nine TRIDENT submarines have been authorized through 1981, and we propose one more each year.

The new M-X missile program to enhance our land-based intercontinental ballistic missile force continues to make progress. Technical refinements in the basing design over the last year will result in operational benefits, lower costs, and reduced environmental impact. The M-X program continues to be an essential ingredient in our strategic posture—providing survivability, endurance, secure command and control and the capability to threaten targets the Soviets hold dear.

Our new systems will enable U.S. strategic forces to maintain equivalence in the face of the mounting Soviet challenge. We would however need an even greater investment in strategic systems to meet the likely Soviet buildup without SALT.

STRATEGIC DOCTRINE

This Administration's systematic contributions to the necessary evolution of strategic doctrine began in 1977 when I commissioned a comprehensive net assessment. From that base a number of thorough investigations of specific topics continued. I should emphasize that the need for an evolutionary doctrine is driven not by any change in our basic objective—which remains peace and freedom for all mankind. Rather, the need for change is driven by the inexorable buildup of Soviet military power and the increasing propensity of Soviet leaders to use this power in coercion and outright aggression to impose their will on others.

I have codified our evolving strategic doctrine in a number of interrelated and mutually supporting Presidential Directives. Their overarching theme is to provide a doctrinal basis—and the specific programs to implement it—that tells the world that no potential adversary of the United States could ever conclude that the fruits of his aggression would be significant or worth the enormous costs of our retaliation.

The Presidential Directives include:

PD-18: An overview of our strategic objectives

PD-37: Basic space policy

PD-41: Civil Defense

PD-53: Survivability and endurance for telecommunications

PD-57: Mobilization planning

PD-58: Continuity of Government

PD-59: Countervailing Strategy for General War

These policies have been devised to deter, first and foremost, Soviet aggression. As such they confront not only Soviet military forces but also Soviet military doctrine. By definition deterrence requires that we shape Soviet assessments about the risks of war—assessments they will make using their doctrine, not ours.

But at the same time we in no way seek to emulate their doctrine. In particular, nothing in our policy contemplates that nuclear warfare could ever be a deliberate instrument for achieving our own goals of peace and freedom. Moreover, our policies are carefully devised to provide the greatest possible incentives and

opportunities for future progress in arms control.

Finally our doctrinal evolution has been undertaken with appropriate consultation with our NATO Allies and others. We are fully consistent with NATO's strategy of flexible response.

FORCES FOR NATO

We are greatly accelerating our ability to reinforce Western Europe with massive ground and air forces in a crisis. We are undertaking a major modernization program for the Army's weapons and equipment, adding armor, firepower, and tactical mobility.

We are prepositioning more heavy equipment in Europe to help us cope with attacks with little warning, and greatly strengthening our airlift and sealift capabilities.

We are also improving our tactical air forces—buying about 1700 new fighter and attack aircraft over the next five years—and increasing the number of Air Force fighter wings by over 10 percent.

We are working closely with our European allies to secure the Host Nation Support necessary to enable us to deploy more quickly a greater ratio of combat forces to the European theater at a lower cost to the United States.

SECURITY ASSISTANCE

As we move to enhance U.S. defense capabilities, we must not lose sight of the need to assist others in maintaining their own security and independence. Events since World War II, most recently in Southwest Asia, have amply demonstrated that U.S. security cannot exist in a vacuum, and that our own prospects for peace are closely tied to those of our friends. The security assistance programs which I am proposing for the coming fiscal year thus directly promote vital U.S. foreign policy and national security aims—and are integral parts of our efforts to improve and upgrade our own military forces.

More specifically, these programs, which are part of our overall foreign aid request, promote U.S. security in two principal ways. First, they assist friendly and allied nations to develop the capability to defend themselves and maintain their own independence. An example during this past year was the timely support provided Thailand to help bolster that country's defenses against the large numbers of Soviet-backed Vietnamese troops ranged along its eastern frontier. In addition, over the years these programs have been important to the continued independence of other friends and allies such as Israel, Greece, Turkey and Korea. Second, security assistance constitutes an essential element in the broad cooperative relationships we have established with many nations which permit either U.S. bases on their territory or access by U.S. forces to their facilities. These programs have been particularly important with regard to the recently-concluded access agreements with various countries in the Persian Gulf and Indian Ocean regions and have been crucial to the protection of our interests throughout Southwest Asia.

RAPID DEPLOYMENT FORCES

We are systematically enhancing our ability to respond rapidly to non-NATO contingencies wherever required by our commitments or when our vital interests are threatened.

The rapid deployment forces we are assembling will be extraordinarily flexible: They could range in size from a few ships or air squadrons to formations as large as 100,000 men, together with their support. Our forces will be prepared for rapid deployment to any region of strategic significance.

Among the specific initiatives we are taking to help us respond to crises outside of Europe are:

—the development of a new fleet of large cargo aircraft with intercontinental range;

—the design and procurement of a force of Maritime Prepositioning Ships that will carry heavy equipment and supplies for three Marine Corps brigades;

—the procurement of fast sealift ships to move large quantities of men and material quickly from the U.S. to overseas areas of deployment;

—increasing training and exercise activities to ensure that our forces will be well prepared to deploy and operate in distant areas.

In addition, our European allies have agreed on the importance of providing support to U.S. deployments to Southwest Asia.

NAVAL FORCES

Seapower is indispensable to our global position—in peace and also in war. Our shipbuilding program will sustain a 550-ship Navy in the 1990's and we will continue to build the most capable ships afloat.

The program I have proposed will assure the ability of our Navy to operate in high threat areas, to maintain control of the seas and protect vital lines of communication—both military and economic—and to provide the strong maritime component of our rapid deployment forces. This is essential for operations in remote areas of the world, where we cannot predict far in advance the precise location of trouble, or preposition equipment on land.

MILITARY PERSONNEL

No matter how capable or advanced our weapons systems, our military security depends on the abilities, the training and the dedication of the people who serve in our armed forces. I am determined to recruit and to retain under any foreseeable circumstances an ample level of such skilled and experienced military personnel. This Administration has supported for FY 1981 the largest peacetime increase ever in military pay and allowances.

We have enhanced our readiness and combat endurance by improving the Reserve Components. All reservists are assigned to units structured to complement and provide needed depth to our active forces. Some reserve personnel have also now been equipped with new equipment.

MOBILIZATION PLANNING

We have completed our first phase of mobilization planning—the first such Presidentially-directed effort since World War II. The government-wide exercise of our mobilization plans at the end of 1980 showed, first, that planning pays off and, second, that much more needs to be done.

OUR INTELLIGENCE POSTURE

Our national interests are critically dependent on a strong and effective intelligence capability. We will maintain and strengthen the intelligence capabilities needed to assure our national security. Maintenance of and continued improvements in our multi-faceted intelligence effort are essential if we are to cope successfully with the turbulence and uncertainties of today's world.

The intelligence budget I have submitted to the Congress responds to our needs in a responsible way, providing for significant growth over the Fiscal Year 1981 budget. This growth will enable us to develop new technical means of intelligence collection while also assuring that the more traditional methods of intelligence work are also given proper stress. We must continue to integrate both modes of collection in our analyses.

REGIONAL POLICIES

Every President for over three decades has recognized that America's interests are global and that we must pursue a global foreign policy.

Two world wars have made clear our stake in Western Europe and the North Atlantic area. We are also inextricably linked with the Far East—politically, economically, and militarily. In both of these, the United States has a permanent presence and security commitments which would be automatically triggered. We have become increasingly conscious of our growing interests in a third area—the Middle East and the Persian Gulf area.

We have vital stakes in other major regions of the world as well. We have long recognized that in an era of interdependence, our own security and prosperity depend upon a larger common effort with friends and allies throughout the world.

THE ATLANTIC ALLIANCE

At the outset of this Administration, I emphasized the primacy of our Atlantic relationship in this country's national security agenda. We have made important progress toward making the Atlantic Alliance still more effective in a changing security environment.

In recognition of the threat which the Soviet invasion of Afghanistan posed to Western interests in both Europe and Southwest Asia, NATO foreign and defense ministers have expressed full support for U.S. efforts to develop a capability to respond to a contingency in Southwest Asia and have approved an extensive program to help fill the gap which could be created by the diversion of U.S. forces to that region.

The U.S. has not been alone in seeking to maintain stability in the Southwest Asia area and insure access to the needed resources there. The European nations with the capability to do so are improving their own forces in the region and providing greater economic and political support to the residents of the area. In

the face of the potential danger posed by the Iran-Iraq conflict, we have developed coordination among the Western forces in the area of the Persian Gulf in order to be able to safeguard passage in that essential waterway.

Concerning developments in and around Poland, the allies have achieved the highest level of cohesion and unity of purpose in making clear the effects on future East-West relations of a precipitous Soviet act there.

The alliance has continued to build on the progress of the past three years in improving its conventional forces through the Long-Term Defense Program. Though economic conditions throughout Europe today are making its achievement difficult, the yearly real increase of 3 percent in defense spending remains a goal actively sought by the alliance.

The NATO alliance also has moved forward during the past year with the implementation of its historic December 1979 decision to modernize its Theater Nuclear Force capabilities through deployment of improved Pershing ballistic missiles and ground-launched cruise missiles in Europe. Our allies continue to cooperate actively with us in this important joint endeavor, whose purpose is to demonstrate convincingly to the Soviet Union the potential costs of a nuclear conflict in Europe. At the same time, we offered convincing evidence of our commitment to arms control in Europe by initiating preliminary consultations with the Soviet Union in Geneva on the subject of negotiated limits on long-range theater nuclear forces. Also, during 1980 we initiated and carried out a withdrawal from our nuclear weapons stockpile in Europe of 1,000 nuclear warheads. This successful drawdown in our nuclear stockpile was a further tangible demonstration of our commitment to the updating of our existing theater nuclear forces in Europe.

In the NATO area, we continued to work closely with other countries in providing resources to help Turkey regain economic health. We regretted that massive political and internal security problems led the Turkish military to take over the government on September 12. The new Turkish authorities are making some progress in resolving those problems, and they have pledged an early return to civilian government. The tradition of the Turkish military gives us cause to take that pledge seriously. We welcomed the reestablishment of Greece's links to the integrated military command structure of the Atlantic Alliance—a move which we had strongly encouraged—as a major step toward strengthening NATO's vital southern flank at a time of international crisis and tension in adjacent areas. Greek reintegration exemplifies the importance which the allies place on cooperating in the common defense and shows that the allies can make the difficult decisions necessary to insure their continued security. We also welcomed the resumption of the intercommunal talks on Cyprus.

THE U.S. AND THE PACIFIC NATIONS

The United States is a Pacific nation, as much as it is an Atlantic nation. Our interests in Asia are as important to us as our interests in Europe. Our trade with Asia is as great as our trade with Europe. During the past four years we have regained a strong, dynamic and flexible posture for the United States in this vital region.

Our major alliances with Japan, Australia and New Zealand are now stronger than they ever have been, and together with the nations of western Europe, we have begun to form the basic political structure for dealing with international crises that affect us all. Japan, Australia and New Zealand have given us strong support in developing a strategy for responding to instability in the Persian Gulf.

Normalization of U.S. relations with China has facilitated China's full entry into the international community and encouraged a constructive Chinese role in the Asia-Pacific region. Our relations with China have been rapidly consolidated over the past year through the conclusion of a series of bilateral agreements. We have established a pattern of frequent and frank consultations between our two governments, exemplified by a series of high-level visits and by regular exchanges at the working level, through which we have been able to identify increasingly broad areas of common interest on which we can cooperate.

United States relations with the Association of Southeast Asian Nations (ASEAN) have also expanded dramatically in the past four years. ASEAN is now the focus for U.S. policy in Southeast Asia, and its cohesion and strength are essential to stability in this critical area and beyond.

Soviet-supported Vietnamese aggression in Indochina has posed a major challenge to regional stability. In response, we have reiterated our security commitment to Thailand and have provided emergency security assistance for Thai forces facing a Vietnamese military threat along the Thai-Cambodian border. We have worked closely with ASEAN and the UN to press for withdrawal of Vietnamese forces from Cambodia and to encourage a political settlement in Cambodia which permits that nation to be governed by leaders of its own choice.

We still look forward to the day when Cambodia peacefully can begin the process of rebuilding its social, economic and political institutions, after years of devastation and occupation. And, on humanitarian grounds and in support of our friends in the region, we have worked vigorously with international organizations to arrange relief and resettlement for the exodus of Indochinese refugees which threatened to overwhelm these nations.

We have maintained our alliance with Korea and helped assure Korea's security during a difficult period of political transition.

We have amended our military base agreement with the Philippines, ensuring stable access to these bases through 1991. The importance of our Philippine bases to the strategic flexibility of U.S. forces and our access to the Indian Ocean is self-evident.

Finally, we are in the process of concluding a long negotiation establishing Micronesia's status as a freely associated state.

We enter the 1980's with a firm strategic footing in East Asia and the Pacific, based on stable and productive U.S. relations with the majority of countries of the region. We have established a stable level of U.S. involvement in the region, appropriate to our own interests and to the interests of our friends and allies there.

THE MIDDLE EAST AND SOUTHWEST ASIA

The continuing Soviet occupation of Afghanistan and the dislocations caused by the Iraq-Iran war serve as constant reminders of the critical importance for us, and our allies, of a third strategic zone stretching across the Middle East, the Persian Gulf, and much of the Indian subcontinent. This Southwest Asian region has served as a key strategic and commercial link between East and West over the centuries. Today it produces two-thirds of the world's oil exports, providing most of the energy needs of our European allies and Japan. It has experienced almost continuous conflict between nations, internal instabilities in many countries, and regional rivalries, combined with very rapid economic and social change. And now the Soviet Union remains in occupation of one of these nations, ignoring world opinion which has called on it to get out.

We have taken several measures to meet these challenges.

MIDDLE EAST

In the Middle East, our determination to consolidate what has already been achieved in the peace process—and to buttress that accomplishment with further progress toward a comprehensive peace settlement—must remain a central goal of our foreign policy. Pursuant to their peace treaty, Egypt and Israel have made steady progress in the normalization of their relations in a variety of fields, bringing the benefits of peace directly to their people. The new relationship between Egypt and Israel stands as an example of peaceful cooperation in an increasingly fragmented and turbulent region.

Both President Sadat and Prime Minister Begin remain committed to the current negotiations to provide full autonomy to the inhabitants of the West Bank and Gaza. These negotiations have been complex and difficult, but they have already made significant progress, and it is vital that the two sides, with our assistance, see the process through to a successful conclusion. We also recognize the need to broaden the peace process to include other parties to the conflict and believe that a successful autonomy agreement is an essential first step toward this objective.

We have also taken a number of steps to strengthen our bilateral relations with both Israel and Egypt. We share important strategic interests with both of these countries.

We remain committed to Israel's security and are prepared to take concrete steps to support Israel whenever that security is threatened.

PERSIAN GULF

The Persian Gulf has been a vital crossroads for trade between Europe and Asia at many key moments in history. It

has become essential in recent years for its supply of oil to the United States, our allies, and our friends. We have taken effective measures to control our own consumption of imported fuel, working in cooperation with the other key industrial nations of the world. However, there is little doubt that the healthy growth of our American and world economies will depend for many years on continued safe access to the Persian Gulf's oil production. The denial of these oil supplies would threaten not only our own but world security.

The potent new threat from an advancing Soviet Union, against the background of regional instability of which it can take advantage, requires that we reinforce our ability to defend our regional friends and to protect the flow of oil. We are continuing to build on the strong political, economic, social and humanitarian ties which bind this government and the American people to friendly governments and peoples of the Persian Gulf.

We have also embarked on a course to reinforce the trust and confidence our regional friends have in our ability to come to their assistance rapidly with American military force if needed. We have increased our naval presence in the Indian Ocean. We have created a Rapid Deployment Force which can move quickly to the Gulf—or indeed any other area of the world where outside aggression threatens. We have concluded several agreements with countries which are prepared to let us use their airports and naval facilities in an emergency. We have met requests for reasonable amounts of American weaponry from regional countries which are anxious to defend themselves. And we are discussing with a number of our area friends further ways we can help to improve their security and ours, both for the short and the longer term.

SOUTH ASIA

We seek a South Asia comprising sovereign and stable states, free of outside interference, which can strengthen their political institutions according to their own national genius and can develop their economies for the betterment of their people.

The Soviet invasion of Afghanistan has posed a new challenge to this region, and particularly to neighboring Pakistan. We are engaged in a continuing dialogue with the Pakistan government concerning its development and security requirements and the economic burden imposed by Afghan refugees who have fled to Pakistan. We are participating with other aid consortium members in debt rescheduling and will continue to cooperate through the UNHCR in providing refugee assistance. We remain committed to Pakistan's territorial integrity and independence.

Developments in the broad South/Southwest Asian region have also lent a new importance to our relations with India, the largest and strongest power in the area. We share India's interest in a more constructive relationship. Indian policies and perceptions at times differ from our own, and we have established a candid dialogue with this sister democracy which seeks to avoid the misunderstandings which have sometimes complicated our ties.

We attach major importance to strong economic assistance programs to the countries in the area, which include a majority of the poor of the non-Communist world. We believe that these programs will help achieve stability in the area, an objective we share with the countries in the region. Great progress has been achieved by these countries in increasing food production; international cooperation in harnessing the great river resources of South Asia would contribute further to this goal and help to increase energy production.

We continue to give high priority to our non-proliferation goals in the area in the context of our broad global and regional priorities. The decision to continue supply of nuclear fuel to the Indian Tarapur reactors was sensitive to this effort.

AFRICA

The United States has achieved a new level of trust and cooperation with Africa. Our efforts, together with our allies, to achieve peace in southern Africa, our increased efforts to help the poorest countries in Africa to combat poverty, and our expanded efforts to promote trade and investment, have led to growing respect for the U.S. and to cooperation in areas of vital interest to the United States.

Africa is a continent of poor nations for the most part. It also contains many of the mineral resources vital for our economy. We have worked with Africa in a spirit of mutual cooperation to help the African nations solve their problems of poverty and to develop stronger ties between our private sector and African economies. Our assistance to Africa has more than doubled in the last four years. Equally important, we set in motion new mechanisms for private investment and trade.

Nigeria is the largest country in Black Africa and the second largest oil supplier to the United States. During this Administration we have greatly expanded and improved our relationship with Nigeria and other West African states whose aspirations for a constitutional democratic order we share and support. This interest was manifested both symbolically and practically by the visit of Vice President Mondale to West Africa in July (1980) and the successful visit to Washington of the President of Nigeria in October.

During Vice President Mondale's visit, a Joint Agricultural Consultative Committee was established, with the U.S. represented entirely by the private sector. This could herald a new role for the American private sector in helping solve the world's serious food shortages. I am pleased to say that our relations with Nigeria are at an all-time high, providing the foundation for an even stronger relationship in the years ahead.

Another tenet of this Administration's approach to African problems has been encouragement and support for regional solutions to Africa's problems. We have supported initiatives by the Organization of African Unity to solve the protracted conflict in the western Sahara, Chad, and the Horn. In Chad, the world is watching with dismay as a country torn by a devastating civil war has become a fertile field for Libya's exploitation, thus demonstrating that threats to peace can come from forces within as well as without Africa.

In southern Africa the United States continues to pursue a policy of encouraging peaceful development toward majority rule. In 1980, Southern Rhodesia became independent as Zimbabwe, a multiracial nation under a system of majority rule. Zambabwean independence last April was the culmination of a long struggle within the country and diplomatic efforts involving Great Britain, African states neighboring Zimbabwe, and the United States.

The focus of our efforts in pursuit of majority rule in southern Africa has now turned to Namibia. Negotiations are proceeding among concerned parties under the leadership of UN Secretary General Waldheim. This should lead to implementation of the UN plan for self-determination and independence for Namibia during 1981. If these negotiations are successfully concluded, sixty-five years of uncertainty over the status of the territory, including a seven-year-long war, will be ended.

Common efforts to resolve the Zimbabwean and Namibian issues have brought the United States closer both to its Western allies—Great Britain, France, the Federal Republic of Germany, and Canada—and to African states such as Tanzania, Zambia, Mozambique, Angola, and Botswana, with whom relations have at some times in the past been difficult. The success of these common undertakings demonstrates that complex problems with sometimes bitter and bloody histories can be resolved peacefully through negotiation.

In response to our active concern with issues of importance to Africans, African states have cooperated with us on issues of importance to our national interests. African states voted overwhelmingly in favor of the UN Resolution calling for release of the hostages, and for the UN Resolution condemning the Soviet invasion of Afghanistan. Two countries of Africa have signed access agreements with the U.S. allowing us use of naval and air facilities in the Indian Ocean.

Africans have become increasingly vocal on human rights. African leaders have spoken out on the issue of political prisoners, and the OAU is drafting its own Charter on Human Rights. Three countries in Africa—Nigeria, Ghana, and Uganda—have returned to civilian rule during the past year.

U.S. cooperation with Africa on all these matters represents a strong base on which we can build in future years.

Liberia is a country of long-standing ties with the U.S. and the site of considerable U.S. investment and facilities. This past April a coup replaced the government and a period of political and economic uncertainty ensued. The U.S. acted swiftly to meet this situation. We, together with African leaders, urged the release of political prisoners, and many

have been released; we provided emergency economic assistance to help avoid economic collapse, and helped to involve the IMF and the banking community to bring about economic stability; and we have worked closely with the new leaders to maintain Liberia's strong ties with the West and to protect America's vital interests.

NORTH AFRICA

In early 1979, following a Libyan-inspired commando attack on a Tunisian provincial city, the U.S. responded promptly to Tunisia's urgent request for assistance, both by airlifting needed military equipment and by making clear our longstanding interest in the security and integrity of this friendly country. The U.S. remains determined to oppose other irresponsible Libyan aspirations. Despairing of a productive dialogue with the Libyan authorities, the U.S. closed down its embassy in Libya and later expelled six Libyan diplomats in Washington in order to deter an intimidation campaign against Libyan citizens in the U.S.

U.S. relations with Algeria have improved, and Algeria has played an indispensable and effective role as intermediary between Iran and the U.S. over the hostage issue.

The strengthening of our arms supply relationship with Morocco has helped to deal with attacks inside its internationally recognized frontiers and to strengthen its confidence in seeking a political settlement of the Western Sahara conflict. While not assuming a mediatory role, the U.S. encouraged all interested parties to turn their energies to a peaceful and sensible compromise resolution of the war in the Sahara and supported efforts by the Organization of African Unity toward that end. As the year drew to a close, the U.S. was encouraged by evolution in the attitudes of all sides, and is hopeful that their differences will be peacefully resolved in the year ahead so that the vast economic potential of North Africa can be developed for the well-being of the people living there.

LATIN AMERICA AND THE CARIBBEAN

The principles of our policies in this hemisphere have been clear and constant over the last four years. We support democracy and respect for human rights. We have struggled with many to help free the region of both repression and terrorism. We have respected ideological diversity and opposed outside intervention in purely internal affairs. We will act, though, in response to a request for assistance by a country threatened by external aggression. We support social and economic development within a democratic framework. We support the peaceful settlement of disputes. We strongly encourage regional cooperation and shared responsibilities within the hemisphere to all these ends, and we have eagerly and regularly sought the advice of the leaders of the region on a wide range of issues.

Last November, I spoke to the General Assembly of the Organization of American States of a cause that has been closest to my heart—human rights. It is an issue that has found its time in the hemisphere. The cause is not mine alone, but an historic movement that will endure.

At Riobamba, Ecuador, last September four Andean Pact countries, Costa Rica, and Panama broke new ground by adopting a "Code of Conduct," stating that joint action in defense of human rights does not violate the principles of non-intervention in the internal affairs of states in this hemisphere. The Organization of American States has twice condemned the coup that overturned the democratic process in Bolivia and the widespread abuse of human rights by the regime which seized power. The Inter-American Commission on Human Rights has gained world acclaim for its dispassionate reports. It completed two major country studies this year in addition to its annual report. In a resolution adopted without opposition, the OAS General Assembly in November strongly supported the work of the Commission. The American Convention on Human Rights is in force and an Inter-American Court has been created to judge human rights violations. This convention has been pending before the Senate for two years; I hope the United States this year will join the other nations of the hemisphere in ratifying a convention which embodies principles that are our tradition.

The trend in favor of democracy has continued. During this past year, Peru inaugurated a democratically elected government. Brazil continues its process of liberalization. In Central America, Hondurans voted in record numbers in their first national elections in over eight years. In the Caribbean seven elections have returned governments firmly committed to the democratic traditions of the Commonwealth.

Another major contribution to peace in the hemisphere is Latin America's own Treaty for the Prohibition of Nuclear Weapons. On behalf of the United States, I signed Protocol I of this Treaty in May of 1977 and sent it to the Senate for ratification. I urge that it be acted upon promptly by the Senate in order that it be brought into the widest possible effect in the Latin American region.

Regional cooperation for development is gaining from Central America to the Andes, and throughout the Caribbean. The Caribbean Group for Cooperation in Economic Development, which we established with 29 other nations in 1977, has helped channel $750 million in external support for growth in the Caribbean. The recent meeting of the Chiefs of State of the Eastern Caribbean set a new precedent for cooperation in that region. Mexico and Venezuela jointly and Trinidad and Tobago separately have established oil facilities that will provide substantial assistance to their oil importing neighbors. The peace treaty between El Salvador and Honduras will hopefully stimulate Central America to move forward again toward economic integration. Formation of Caribbean/Central American Action, a private sector organization, has given a major impetus to improving people-to-people bonds and strengthening the role of private enterprise in the development of democratic societies.

The Panama treaties have been in force for over a year. A new partnership has been created with Panama; it is a model for large and small nations. A longstanding issue that divided us from our neighbors has been resolved. The security of the canal has been enhanced. The canal is operating as well as ever, with traffic through it reaching record levels this year. Canal employees, American and Panamanian alike, have remained on the job and have found their living and working conditions virtually unchanged.

In 1980, relations with Mexico continued to improve due in large measure to the effectiveness of the Coordinator for Mexican Affairs and the expanded use of the U.S.-Mexico Consultative Mechanism. By holding periodic meetings of its various working groups, we have been able to prevent mutual concerns from becoming political issues. The Secretary of State visited Mexico City in November, and, along with the Mexican Secretary of Foreign Relations, reviewed the performance of the Consultative Mechanism. The office of the Coordinator has ensured the implementation of my directive to all agencies to accord high priority to Mexican concerns. Trade with Mexico rose by almost 60 percent to nearly $30 billion, making that country our third largest trading partner.

These are all encouraging developments. Other problems remain, however.

The impact of large-scale migration is affecting many countries in the hemisphere. The most serious manifestation was the massive, illegal exodus from Cuba last summer. The Cuban government unilaterally encouraged the disorderly and even deadly migration of 125,000 of its citizens in complete disregard for international law or the immigration laws of its neighbors. Migrations of this nature clearly require concerted action, and we have asked the OAS to explore means of dealing with similar situations which may occur in the future.

We have a long-standing treaty with Colombia on Quita Sueno, Roncador, and Serrano which remains to be ratified by the Senate.

In Central America, the future of Nicaragua is unclear. Recent tensions, the restrictions on the press and political activity, an inordinate Cuban presence in the country and the tragic killing by the security forces of a businessman well known for his democratic orientation, cause us considerable concern. These are not encouraging developments. But those who seek a free society remain in the contest for their nation's destiny. They have asked us to help rebuild their country, and by our assistance, to demonstrate that the democratic nations do not intend to abandon Nicaragua to the Cubans. As long as those who intend to pursue their pluralistic goals play important roles in Nicaragua, it deserves our continuing support.

In El Salvador, we have supported the efforts of the Junta to change the fundamental basis of an inequitable system and to give a stake in a new nation to

those millions of people, who for so long, lived without hope or dignity. As the government struggles against those who would restore an old tyranny or impose a new one, the United States will continue to stand behind them.

We have increased our aid to the Caribbean, an area vital to our national security, and we should continue to build close relations based on mutual respect and understanding, and common interests.

As the nations of this hemisphere prepare to move further into the 1980's, I am struck by the depth of underlying commitment that there is to our common principles: nonintervention, peaceful settlement of disputes, cooperation for development, democracy and defense of basic human rights. I leave office satisfied that the political, economic, social and organizational basis for further progress with respect to all these principles have been substantially strengthened in the past four years. I am particularly reassured by the leadership of other nations of the hemisphere in advancing these principles. The success of our common task of improving the circumstances of all peoples and nations in the hemisphere can only be assured by the sharing of responsibility. I look forward to a hemisphere that at the end of this decade has proven itself anew as a leader in the promotion of both national and human dignity.

THE INTERNATIONAL ECONOMY

A growing defense effort and a vigorous foreign policy rest upon a strong economy here in the United States. And the strength of our own economy depends upon our ability to lead and compete in the international marketplace.

ENERGY

Last year, the war between Iraq and Iran led to the loss of nearly 4 million barrels of oil to world markets, the third major oil market disruption in the past seven years. This crisis has vividly demonstrated once again both the value of lessened dependence on oil imports and the continuing instability of the Persian Gulf area.

Under the leadership of the United States, the 21 members of the International Energy Agency took collective action to ensure that the oil shortfall stemming from the Iran-Iraq war would not be aggravated by competition for scarce spot market supplies. We are also working together to see that those nations most seriously affected by the oil disruption—including our key NATO allies Turkey and Portugal—can get the oil they need. At the most recent IEA Ministerial meeting we joined the other members in pledging to take those policy measures necessary to slice our joint oil imports in the first quarter of 1981 by 2.2 million barrels.

Our international cooperation efforts in the energy field are not limited to crisis management. At the Economic Summit meetings in Tokyo and Venice, the heads of government of the seven major industrial democracies agreed to a series of tough energy conservation and production goals. We are working together with all our allies and friends in this effort.

Construction has begun on a commercial scale coal liquefaction plant in West Virginia co-financed by the United States, Japan and West Germany. An interagency task force has just reported to me on a series of measures we need to take to increase coal production and exports. This report builds on the work of the International Energy Agency's Coal Industry Advisory Board. With the assurances of a reliable United States steam coal supply at reasonable prices, many of the electric power plants to be built in the 1980's and 1990's can be coal-fired rather than oil-burning.

We are working cooperatively with other nations to increase energy security in other areas as well. Joint research and development with our allies is underway in solar energy, nuclear power, industrial conservation and other areas. In addition, we are assisting rapidly industrializing nations to carefully assess their basic energy policy choices, and our development assistance program helps the developing countries to increase indigenous energy production to meet the energy needs of their poorest citizens. We support the proposal for a new World Bank energy affiliate to these same ends, whose fulfillment will contribute to a better global balance between energy supply and demand.

INTERNATIONAL MONETARY POLICY

Despite the rapid increase in oil costs, the policy measures we have taken to improve domestic economic performance have had a continued powerful effect on our external accounts and on the strength of the dollar. A strong dollar helps in the fight against inflation.

There has also been considerable forward movement in efforts to improve the functioning of the international monetary system. The stability of the international system of payments and trade is important to the stability and good health of our own economy. We have given strong support to the innovative steps being taken by the International Monetary Fund and World Bank to help promote early adjustment to the difficult international economic problems. Recent agreement to increase quotas by fifty percent will ensure the IMF has sufficient resources to perform its central role in promoting adjustment and financing payments imbalances. The World Bank's new structural adjustment lending program will also make an important contribution to international efforts to help countries achieve a sustainable level of growth and development.

SUGAR

In 1980, Congress passed U.S. implementing legislation for the International Sugar Agreement, thus fulfilling a major commitment of this Administration. The agreement is an important element in our international commodity policy with far-reaching implications for our relations with developing countries, particularly sugar producers in Latin America. Producers and consumers alike will benefit from a more stable market for this essential commodity.

COFFEE

At year's end, Congress approved implementing legislation permitting the U.S. to carry out fully its commitments under the International Coffee Agreement. Specifically, the legislation enables us to meet our part of an understanding negotiated last fall among members of the Agreement, which defends, by use of export quotas, a price range well below coffee prices of previous years and which commits major coffee producers to eliminate cartel arrangements that manipulate future markets to raise prices. The way is now open to a fully-functioning International Coffee Agreement which can help to stabilize this major world commodity market. The results will be positive for both consumers—who will be less likely to suffer from sharp increases in coffee prices—and producers—who can undertake future investment with assurance of greater protection against disruptive price fluctuations in their exports.

NATURAL RUBBER

In 1980, the International Natural Rubber Agreement entered into force provisionally. U.S. membership in this new body was approved overwhelmingly by the Senate last year. The natural rubber agreement is a model of its kind and should make a substantial contribution to a stable world market in this key industrial commodity. It is thus an excellent example of constructive steps to improve the operation of the world economy in ways which can benefit the developing and industrialized countries alike. In particular, the agreement has improved important U.S. relationships with the major natural rubber-producing countries of Southeast Asia.

COMMON FUND

The United States joined members of the United Nations Conference on Trade and Development, both developed and developing nations, in concluding Articles of Agreement in 1980 for a Common Fund to help international commodity agreements stabilize the prices of raw materials.

ECONOMIC COOPERATION WITH DEVELOPING NATIONS

Our relations with the developing nations are of major importance to the United States. The fabric of our relations with these countries has strong economic and political dimensions. They constitute the most rapidly growing markets for our exports, and are important sources of fuel and raw materials. Their political views are increasingly important, as demonstrated in their overwhelming condemnation of the Soviet invasion of Afghanistan. Our ability to work together with developing nations toward goals we have in common—their political independence, the resolution of regional tensions, and our growing ties of trade for example—require us to maintain the policy of active involvement with the developing world that we have pursued over the past four years.

The actions we have taken in such areas as energy, trade, commodities, and international financial institutions are all important to the welfare of the developing countries. Another important way the United States can directly assist these countries and demonstrate our concern for their future is through our

multilateral and bilateral foreign assistance program. The legislation which I will be submitting to you for FY 82 provides the authority and the funds to carry on this activity. Prompt Congressional action on this legislation is essential in order to attack such high priority global problems as food and energy, meet our treaty and base rights agreements, continue our peace efforts in the Middle East, provide economic and development support to countries in need, promote progress on North-South issues, protect Western interests, and counter Soviet influence.

Our proposed FY 1982 bilateral development aid program is directly responsive to the agreement reached at the 1980 Venice Economic Summit that the major industrial nations should increase their aid for food and energy production and for family planning. We understand that other Summit countries plan similar responses. It is also important to honor our international agreements for multilateral assistance by authorizing and appropriating funds for the International Financial Institutions. These multilateral programs enhance the efficiency of US contributions by combining them with those of many other donor countries to promote development; the proposed new World Bank affiliate to increase energy output in developing countries offers particular promise. All these types of aid benefit our long-run economic and political interests.

Progress was made on a number of economic issues in negotiations throughout the UN system. However, in spite of lengthy efforts in the United Nations, agreement has not been reached on how to launch a process of Global Negotiations in which nations might collectively work to solve such important issues as energy, food, protectionism, and population pressures. The United States continues to believe that progress can best be made when nations focus on such specific problems, rather than on procedural and institutional questions. It will continue to work to move the North-South dialogue into a more constructive phase.

FOOD—THE WAR ON HUNGER

The War on Hunger must be a continuous urgent priority. Major portions of the world's population continue to be threatened by the specter of hunger and malnutrition. During the past year, some 150 million people in 36 African countries were faced with near disaster as the result of serious drought, induced food shortages. Our government, working in concert with the UN's Food and Agricultural Organization (FAO), helped to respond to that need. But the problems of hunger cannot be solved by short-term measures. We must continue to support those activities, bilateral and multilateral, which aim at improving food production especially in developing countries and assuring global food security. These measures are necessary to the maintenance of a stable and healthy world economy.

I am pleased that negotiation of a new Food Aid Convention, which guarantees a minimum annual level of food assistance, was successfully concluded in March. The establishment of the International Emergency Wheat Reserve will enable the U.S. to meet its commitment under the new Convention to feed hungry people, even in times of short supply.

Of immediate concern is the prospect of millions of Africans threatened by famine because of drought and civil disturbances. The U.S. plea for increased food aid resulted in the organization of an international pledging conference and we are hopeful that widespread starvation will be avoided.

Good progress has been made since the Venice Economic Summit called for increased effort on this front. We and other donor countries have begun to assist poor countries develop long-term strategies to improve their food production. The World Bank will invest up to $4 billion in the next few years in improving the grain storage and food-handling capacity of countries prone to food shortages.

Good progress has been made since the Tokyo Economic Summit called for increased effort on this front. The World Bank is giving this problem top priority, as are some other donor countries. The resources of the consultative Group on International Agricultural Research will be doubled over a five-year period. The work of our own Institute of Scientific and Technological Cooperation will further strengthen the search for relevant new agricultural technologies.

The goal of freeing the world from hunger by the year 2000 should command the full support of all countries.

THE HUMAN DIMENSION OF FOREIGN POLICY

HUMAN RIGHTS

The human rights policy of the United States has been an integral part of our overall foreign policy for the past several years. This policy serves the national interest of the United States in several important ways: by encouraging respect by governments for the basic rights of human beings, it promotes peaceful, constructive change, reduces the likelihood of internal pressures for violent change and for the exploitation of these by our adversaries, and thus directly serves our long-term interest in peace and stability; by matching espousal of fundamental American principles of freedom with specific foreign policy actions, we stand out in vivid contrast to our ideological adversaries; by our efforts to expand freedom elsewhere, we render our own freedom, and our own nation, more secure. Countries that respect human rights make stronger allies and better friends.

Rather than attempt to dictate what system of government or institutions other countries should have, the U.S. supports, throughout the world, the internationally recognized human rights which all members of the United Nations have pledged themselves to respect. There is more than one model that can satisfy the continuing human reach for freedom and justice:

1980 has been a year of some disappointments, but has also seen some positive developments in the ongoing struggle for fulfillment of human rights throughout the world. In the year we have seen:

—Free elections were held and democratic governments installed in Peru, Dominica, and Jamaica. Honduras held a free election for installation of a constituent assembly. An interim government was subsequently named pointing toward national presidential elections in 1981. Brazil continues on its course of political liberalization.

—The "Charter of Conduct" signed in Riobamba, Ecuador, by Ecuador, Colombia, Venezuela, Peru, Costa Rica, Panama and Spain, affirms the importance of democracy and human rights for the Andean countries.

—The Organization of American States, in its annual General Assembly, approved a resolution in support of the Inter-American Human Rights Commission's work. The resolution took note of the Commission's annual report, which described the status of human rights in Chile, El Salvador, Paraguay and Uruguay; and the special reports on Argentina and Haiti, which described human rights conditions as investigated during on-site inspections to these countries.

—The awarding of the Nobel Prize for Peace to Adolfo Perez Esquivel of Argentina for his non-violent advocacy of human rights.

—The United States was able to rejoin the International Labor Organization after an absence of two years, as that UN body reformed its procedures to return to its original purpose of strengthening employer-employee government relations to insure human rights for the working people of the world.

The United States, of course, cannot take credit for all these various developments. But we can take satisfaction in knowing that our policies encourage and perhaps influence them.

Those who see a contradiction between our security and our humanitarian interests forget that the basis for a secure and stable society is the bond of trust between a government and its people. I profoundly believe that the future of our world is not to be found in authoritarianism: that wears the mask of order, or totalitarianism that wears the mask of justice. Instead, let us find our future in the human face of democracy, the human voice of individual liberty, the human hand of economic development.

HUMANITARIAN AID

The United States has continued to play its traditional role of safehaven for those who flee or are forced to flee their homes because of persecution or war. During 1980, the United States provided resettlement opportunities for 216,000 refugees from countries around the globe. In addition, the United States joined with other nations to provide relief to refugees in country of first asylum in Africa, the Middle East, and Asia.

The great majority of refugee admissions continued to be from Indochina. During 1980, 168,000 Indochinese were resettled in the United States. Although refugee populations persist in camps in Southeast Asia, and refugees continue to flee Vietnam, Laos and Kampuchea, the flow is not as great as in the past. One

factor in reducing the flow from Vietnam has been the successful negotiation and commencement of an Orderly Departure Program which permits us to process Vietnamese for resettlement in the United States with direct departure from Ho Chi Minh Ville in an orderly fashion. The first group of 250 departed Vietnam for the United States in December, 1980.

In addition to the refugees admitted last year, the United States accepted for entry into the United States 125,000 Cubans who were expelled by Fidel Castro. Federal and state authorities, as well as private voluntary agencies, responded with unprecedented vigor to coping with the unexpected influx of Cubans.

Major relief efforts to aid refugees in countries of first asylum continued in several areas of the world. In December, 1980, thirty-two nations, meeting in New York City, agreed to contribute $65 million to the continuing famine relief program in Kampuchea. Due in great part to the generosity of the American people and the leadership exercised in the international arena by the United States, we have played the pivotal role in ameliorating massive suffering in Kampuchea.

The United States has taken the lead among a group of donor countries who are providing relief to some two million refugees in the Horn of Africa who have been displaced by fighting in Ethiopia. U.S. assistance, primarily to Somalia, consists of $35 million worth of food and $18 million in cash and kind. Here again, United States efforts can in large part be credited with keeping hundreds of thousands of people alive.

Another major international relief effort has been mounted in Pakistan. The United States is one of 25 countries plus the European Economic Community who have been helping the Government of Pakistan to cope with the problem of feeding and sheltering the more than one million refugees that have been generated by the Soviet invasion of Afghanistan.

In April, 1980, the Congress passed the Refugee Act of 1980 which brought together, for the first time. in one piece of legislation the various threads of U.S. policy towards refugees. The law laid down a new, broader definition of the term refugee, established mechanisms for arriving at a level of refugee admissions through consultation with Congress, and established the Office of the United States Coordinator for Refugees.

It cannot be ignored that the destructive and aggressive policies of the Soviet Union have added immeasurably to the suffering in these three tragic situations.

THE CONTROL OF NUCLEAR WEAPONS

Together with our friends and allies, we are striving to build a world in which peoples with diverse interests can live freely and prosper. But all that humankind has achieved to date, all that we are seeking to accomplish, and human existence itself can be undone in an instant—in the catastrophe of a nuclear war.

Thus one of the central objectives of my Administration has been to control the proliferation of nuclear weapons to those nations which do not have them, and their further development by the existing nuclear powers—notably the Soviet Union and the United States.

NON-PROLIFERATION

My Administration has been committed to stemming the spread of nuclear weapons. Nuclear proliferation would raise the spectre of the use of nuclear explosives in crucial, unstable regions of the world endangering not only our security and that of our Allies, but that of the whole world. Non-proliferation is not and can not be a unilateral U.S. policy, nor should it be an issue of contention between the industrialized and developing states. The international non-proliferation effort requires the support of suppliers as well as importers of nuclear technology and materials.

We have been proceeding on a number of fronts:

—First, we have been seeking to encourage nations to accede to the Non-Proliferation Treaty. The U.S. is also actively encouraging other nations to accept full-scope safeguards on all of their nuclear activities and is asking other nuclear suppliers to adopt a full-scope safeguards requirement as a condition for future supply.

—Second, the International Nuclear Fuel Cycle Evaluation (INFCE), which was completed in 1980, demonstrated that suppliers and recipients can work together on these technically complex and sensitive issues. While differences remain, the INFCE effort provides a broader international basis for national decisions which must balance energy needs with non-proliferation concerns.

—Finally, we are working to encourage regional cooperation and restraint. Protocol I of the Treaty of Tlatelolco which will contribute to the lessening of nuclear dangers for our Latin American neighbors ought now to be ratified by the United States Senate.

LIMITATIONS ON STRATEGIC ARMS

I remain convinced that the SALT II Treaty is in our Nation's security interest and that it would add significantly to the control of nuclear weapons. I strongly support continuation of the SALT process and the negotiation of more far-reaching mutual restraints on nuclear weaponry.

CONCLUSION

We have new support in the world for our purposes of national independence and individual human dignity. We have a new will at home to do what is required to keep us the strongest nation cn earth.

We must move together into this decade with the strength which comes from realization of the dangers before us and from the confidence that together we can overcome them.

JIMMY CARTER.

THE WHITE HOUSE, *January 16, 1981.*

ANNUAL REPORT OF THE COUNCIL ON ENVIRONMENTAL QUALITY—MESSAGE FROM THE PRESIDENT—PM 24

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Environment and Public Works:

To the Congress of the United States:

I am pleased to transmit to the Congress the Eleventh Annual Report of the Council on Environmental Quality.

As the Report shows, the nation's environmental programs are producing tangible benefits. In two dozen of our larger cities, the number of days that air quality was in violation of pollution standards declined 18 percent between 1974 and 1978. By and large, water quality in our rivers and lakes has stopped deteriorating. Levels of certain damaging pesticides in the environment have ceased to climb or have dropped, and some of the bird species in danger of extinction a few years ago are returning. The number of American homes using solar power has increased tenfold in just four years. More efficient fuel use by cars and industry has helped to produce an 18 percent decline in oil imports by mid-1980 from 1977 levels.

The signs are unmistakable that we in the United States are learning how to live in balance with nature and beginning to find sustainable ways to exist on this Nation's plentiful but finite resources. Yet there are also undeniable signs that in many other parts of the world the Earth's carrying capacity—the ability of biological systems to meet human needs—is being threatened by human activities. At the time the Declaration of Independence was signed, there were fewer than one billion people on the Earth. Now there are four and one-half billion, and there will be more than six billion by the end of this century. If present trends continue, serious food scarcities are all too probable in many poor nations of the world. The world may continue to lose substantial areas of land to desertlike conditions. In addition, some projections indicate that as much as 40 percent of the world's remaining tropical forests, and perhaps 20 percent of all the species of plants, and animals on Earth, could disappear by the year 2000.

We can no longer assume as we could in the past that the Earth will heal and renew itself indefinitely. Human numbers and human works are catching up with the Earth's ability to recover. With care and careful management, our planet's resources—its water, soils, minerals, forests, fish and air—should be able to sustain us in great numbers. But to a degree unknown in past centuries, humankind is now a potent force on the face of the planet. The quality of human existence in the future will rest on careful stewardship and husbandry of the Earth's resources.

During the 1970s, the government and people of this Nation showed an ex-

traordinary grasp of the ties between human beings and their environment and demonstrated strong leadership in creating a sustainable relationship. The 1980s are presenting new challenges. Our Nation must continue to move forward and extend the progress we have made - progress for which we are being repaid many times over.

JIMMY CARTER,
THE WHITE HOUSE, *January 17, 1981.*

ECONOMIC REPORT OF THE PRESIDENT AND ANNUAL REPORT OF THE COUNCIL OF ECONOMIC ADVISERS—MESSAGE FROM THE PRESIDENT—PM 25

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Joint Economic Committee:

To the Congress of the United States:

Over the next few years our country faces several economic challenges that will test the will of our people and the capability of our government. We must find ways to bring down a stubborn inflation without choking off economic growth; we must channel a much larger share of our national output to investment and reverse a decade-long decline in productivity growth; and we must continue to reduce the Nation's dangerous vulnerability to disruptive changes in the world supply and price of oil.

In this *Economic Report* I set forth my views on how we can best meet those problems. The following *Annual Report of the Council of Economic Advisers* discusses the challenges and the policy responses in greater detail. It is useful to start by recognizing that in many respects we approach these challenges from a position of strength, with a record of significant economic progress, and the knowledge that over the past 4 years our people and our government have successfully resolved a number of difficult and potentially divisive economic issues. While it would be folly to close our minds to the stubbornness of the problems we face, it would serve the Nation equally ill to underrate our strengths and our proven ability to handle difficult issues.

STRENGTHS AND ACCOMPLISHMENTS

During the economic turmoil that characterized the decade of the 1970s, and especially during the past 4 years, the American economy succeeded in providing additional jobs for its people on a scale unsurpassed in our history. Employment grew by almost 25 percent over the decade, and by more than 11 percent in the past 4 years alone. Not only were jobs provided for a sharply rising population reaching working age, but job opportunities were opened up by the millions for new second earners, principally women. Neither Europe nor Japan came even close to the job performance of the American economy.

Along with employment, real per capita incomes grew during the past 4 years, despite the losses forced on the Nation by the huge increases in world oil prices and the effects of a slowing growth in productivity. As the year 1980 ended, per capita income, after taxes and adjusted for inflation, was some 8 percent higher than it was in 1976.

We have heard much about American industry losing its competitive edge in international markets and about the "deindustrialization" of America. In fact, during the 3 years prior to the onset of the 1980 recession—and the effects of that recession will be transient—the growth of industrial production in the United States was larger than it was in Germany, France, or the United Kingdom. The volume of American nonfarm exports rose by 35 percent between 1977 and the middle of 1980, and the share of U.S. exports among the total exports of the industrial countries rose by about 1¼ percentage points, reversing a declining trend that had been underway since the 1950s.

America's balance of payments is strong in large part because of its superior export performance. Despite a massive $40-billion annual drain of funds to pay for the oil-price increases of 1979 and 1980, our exports of goods and services now exceed our imports. Unlike the situation in most other oil-importing nations, our country's external balance is in surplus.

The dollar is also strong. After a period of weakness in its value abroad, we took decisive action 2 years ago to stabilize the dollar. Since then, in a world of sharply changing circumstances and disruptions of oil supply, the dollar has remained strong, and has risen in value compared to most major currencies.

While it is imperative that our country increase the share of its national output devoted to investment, the reason is not that investment has been weak in recent years. Between 1976 and 1980, real business investment grew almost 6 percent a year, substantially faster than GNP as a whole. Because of that rapid growth the share of business investment in GNP during the past 3 years exceeded that of any other 3-year period in the last three decades.

There are other areas where the Nation has made more progress than we sometimes realize. While we are properly concerned to limit the growth in Federal spending and voice our impatience with the waste and inefficiency that often exist in government programs, we should not forget the good that has been accomplished with these programs. Examples abound. In the early 1960s, for instance, infant mortality in the United States was scandalously high compared to other countries, and most of that high mortality was concentrated among the poor. Due in large part to programs like Medicaid, infant mortality has fallen sharply. More generally, we have dramatically improved access to medical care for the poor and the aged. Through Federal grants we have strengthened the mass transit systems of our major cities and helped our municipalities install critically needed waste treatment plants. We have helped millions of young people, who could not otherwise have afforded it, get a college education, and we have provided job training for workers who needed new skills.

Much attention is now focused on how to reduce the costs and ease the burden of Federal regulation to protect the environment, health, and safety. Concern about excessive regulatory costs is surely warranted, and my Administration has taken a number of specific steps to deal with the problem. In focusing attention on the burden of regulation, however, we should not lose sight of the substantial progress that has been made in enriching our lives, improving our health, and beautifying our country.

TACKLING DIFFICULT ISSUES

During the past 4 years the Nation has taken a series of important and in some cases painful steps to deal with its energy problems. Starting almost 2 years ago, we began to phaseout controls on domestic oil and natural gas prices. We thus moved to end the dangerous practice of holding U.S. energy prices below the world market price, a practice which tended to subsidize wasteful consumption and perpetuate our excessive dependence on oil imports.

Working with the Congress we also put in place the other principal elements of a comprehensive program to increase energy production and conserve energy use. We levied a windfall profits tax to divert the inevitable windfalls from oil decontrol to pay for the National Energy Program initiatives and to reduce the impact of decontrol on the poor.

Partly as a result of these policies we have begun to see dramatic results in both the supply and conservation of energy. There are now 70 percent more drilling rigs in operation than when my Administration took office, and the number of oil and gas wells being drilled has reached a new record. By late 1980 the United States was importing almost 30 percent less oil than it did 2 years ago and our gasoline use had dropped by more than 10 percent over the same period. While some of the reduction in energy use was due to the recession, most of it reflects real energy conservation.

What has happened in energy policy over the past 4 years augurs well for our country's future. Decontrolling domestic oil and gas was painful. It pushed up the prices each of us pay for driving and for heating our homes and added to our immediate inflation difficulties. But we showed that we were willing to take such painful steps when they were necessary in our Nation's longer-run interest. Because we are large-scale producers as well as consumers of energy, the energy problem was potentially a highly divisive issue in our country, involving the redistribution of hundreds of billions of dollars, pitting producer against consumer and one region of the Nation against another. But after prolonged and sometimes heated debate, we arrived at an approach that took account of the legitimate concerns of all groups and at the same time furthered the national interest. Dealing with the Nation's remaining economic problems will also require painful measures and the reconciliation of a number of different interests. Our handling of the energy problem should

raise our confidence that we can be successful elsewhere.

We have also had major successes in other fields. After decades of inaction, the past 4 years have seen the elimination of price-propping and competition-deadening regulations in a number of American industries. In these 4 years we witnessed more progress in economic deregulation than at any other time in the century. In the face of great skepticism and initial opposition, the executive branch, the Congress, and some of the independent regulatory agencies have deregulated or drastically reduced regulation in the airline, trucking, and railroad industries, and in banking and other financial institutions. We have also made a promising start in the communications industry. The transportation, communications, and finance industries comprise a triad that links the various strands of our economy together. Better performance in these industries should have effects far beyond their own boundaries.

The gains from deregulation will be substantial. For example, productivity and efficiency will be directly increased as transportation load factors are improved and empty backhauls reduced. One survey of studies estimates that reform in the trucking industry alone will lead to $5 billion in annual cost reductions. Even more important will be the longer-run spur to innovation and the increased flexibility that comes from opening up these industries to the fresh winds of competition.

Population trends will be working to help the country deal with some of its economic problems in the 1980s, whereas in the late 1960s and 1970s these trends required some difficult adjustments. The generation of the postwar baby boom began entering the labor market in the 1960s and the influx of new workers continued during the 1970s. The percentage of the population aged 16 to 24 rose sharply. And as birth rates slowed, women entered the labor force in ever increasing numbers. On average, the labor force became less experienced, and average productivity per worker suffered. The increased proportion of women and young people in the labor force also contributed to an increase in the average unemployment rate because the transition from school or home to job takes time and because these new workers sometimes had periods of unemployment as they explored different career possibilities.

Because of the slowdown in birth rates in the past 15 years, the 1980s will see about half as fast a growth in the labor force as in the 1970s. The proportion of experienced workers will rise, contributing to an increase in productivity, while the proportion of young people will fall, leading to a drop in unemployment.

There are a number of reasons, therefore, to confront with hope the economic challenges that face us. We have a solid record of achievement. In the fields of energy and deregulation we have already laid the foundations on which the future can build. And there are some favorable trends underway that should help raise productivity and reduce unemployment in the years ahead.

UNRESOLVED PROBLEMS

Despite much progress in recent years, we are faced with some serious problems. An inflation that was already bad became worse after the 1979 oil-price increase. Productivity growth, which had been declining sporadically for a decade, virtually ceased in the last several years. And although we have made substantial progress in adapting our economy to a world of higher oil prices, we remain dangerously vulnerable to serious supply disruption originating abroad.

These problems are closely related to each other. Our inflation stems in part from our oil vulnerability and our slowing productivity growth. High and rising inflation, in turn, tends to cause economic reactions that depress productivity. As we make progress in one of these areas, we will also make progress in the others.

None of the problems is so intractable that we cannot overcome it. But all are so deep-seated that progress will come slowly, only with persistence, and at the cost of some sacrifice on the part of us all.

INFLATION

In the first half of the 1960s inflation averaged about 1 percent a year, so low as to be virtually unnoticeable. In the past 15 years, however, the underlying rate of inflation has risen sporadically but inexorably and it is now running at about 10 percent a year.

During those 15 years there have been three major episodes in which the rate of inflation surged upward. The first came in the late 1960s, when the Vietnam war and the Great Society programs were financed for a number of years without a tax increase. The consequent high budget deficits during a period of economic prosperity generated strong inflationary pressures as total spending became excessive relative to the Nation's productive capacity. The second inflationary surge, which came in the early 1970s, was associated with the first massive oil-price increase, a worldwide crop shortage which drove up food prices, and an economy which again became somewhat overheated in 1972 and 1973. The third inflationary episode came in 1979 and 1980. It was principally triggered by another massive oil-price increase, but part of the rise in inflation may also have been due to overall demand in the economy pressing on available supply. Throughout the past decade, the slowing growth in productivity has pushed up the increase in business costs, adding its bit to the rise of inflation.

Late in each of the three inflationary episodes monetary and fiscal restraints were applied, and at the end of each a recession took place, with rising unemployment and idle capacity. Inflation did fall back somewhat, but at the end of each recession it had not declined to the level from which it started. And so the inflationary process has been characterized by ratchet-like behavior. A set of inflationary causes raises the rate of inflation; when the initiating factors disappear, inflation does not recede to its starting position despite the occurrence of recession; the wage-price spiral then tends to perpetuate itself at a new and higher level. Instead of an occasional 3 percentage point rise in inflation, which disappeared when the initial causes of the inflation were gone, our basic inflation rate rose first from 1 to 4 percent, then from 4 to 7 percent, and in this latest episode from 7 to 10 percent. It is this downward insensitivity of inflation in the face of economic slack that has given the last 15 years their inflationary bias.

A number of facts that are important for economic policy can be drawn from this history. *First*, excessive demand in the economy, fed by an overly large Federal budget deficit or excess growth in the money supply, was the major factor in one of the three inflationary episodes and played a subsidiary role in the other two. *Second*, twice in the last decade the tendency for government to stimulate the economy somewhat too freely during the recovery from recession probably played a role in retarding the decline of inflation or renewing its acceleration. That is why I was so insistent that a tax cut designed for quick economic stimulus not be enacted last year. *Third*, because the rate of increase in wages and prices did not decline very readily in response to the discipline of budgetary and monetary restraint, that restraint resulted only partly in reduced inflation; it also tended to retard the growth of output and employment. *Finally*, massive increases in world oil prices have twice in the past 7 years helped trigger a major inflationary episode. While we cannot eliminate our vulnerability to such shocks, a reduction in that vulnerability will improve our chances of avoiding new inflation in the future.

These realities dictate the broad tasks that economic policy must accomplish over the years ahead:

Our monetary and fiscal policies must apply steady anti-inflationary restraint to the economy. The restraint must be strong and persistent enough to convince those who set wages and prices that the government means to stand by its guns in the anti-inflation fight. But it must not be so severe or so restrictive as to prohibit even moderate economic growth and recovery, and thus collapse under its own political unreality.

We must seek means to reduce inflation at a lower cost in lost output and employment. These include measures to increase investment, the reform of regulation, and incomes policies. An increase in investment raises productivity growth which, in turn, tends to slow the rise in business costs and prices. Demand restraint will then produce more reduction of inflation and less reduction in output. Measures to lower regulatory costs and increase competition and flexibility in our economy will also directly lower inflationary pressures and let us have more economic growth without sacrificing our inflation goals. An improved set of voluntary incomes policies can directly influence wages and prices in the direction of moderation, and thereby bring inflation down faster and at lower costs.

Finally, we must build upon the foundations already laid and hasten our progress toward energy conservation and increased domestic energy supplies. We must also work to improve our capability of weathering a severe disruption in for-

eign oil supplies, since even a highly successful energy program will still leave our economy vulnerable to such disruptions over the coming decade.

Last August I outlined an Economic Revitalization Program that would accomplish the tasks set forth above. The specific economic policies I am recommending to the Congress in my 1982 *Budget Message* and in this *Economic Report* incorporate the elements of that revitalization program.

BUDGET AND TAX POLICIES

It is now estimated that the Federal budget for the current fiscal year 1981 will be in deficit by $55 billion, substantially more than I had hoped or planned. In part the size of that deficit reflects the loss of revenues induced by the recession from which our economy is now beginning to recover. Had the unemployment rate remained at the 6 percent level where it stood when I first submitted the 1981 budget last year, the deficit would now be less than $20 billion.

The size of the 1981 deficit also reflects three major factors which have driven up the estimates of Federal spending in the past 12 months. *First,* higher interest rates since the budget was originally submitted have added about $9 billion. *Second,* payments under many Federal programs, such as social security, are indexed to the consumer price index, which has proven in recent years to overstate significantly the actual rise in the cost of living because of the way it treats housing and mortgage interest costs. And *third,* defense spending was increased above original estimates.

As part of a program of anti-inflationary fiscal restraint I am recommending a number of steps that will help to cut the deficit in half, to $27.5 billion in the new budget for fiscal year 1982, and reduce it still further to $8 billion in 1983, despite the substantial increases in defense spending which I find it necessary to recommend for those years:

—Beyond exerting strict control over requests for new appropriations for ongoing programs, my 1982 budget sets forth a detailed list of requests to the Congress for the legislation needed to pare some $9 billion in spending in both fiscal 1982 and fiscal 1983. If enacted, these savings would help make possible a reduction in the share of GNP taken by Federal spending from 23.3 percent in 1981 to 23.0 percent in 1982 and 22.6 percent in 1983.

—The personal tax reductions which I am proposing should take effect on January 1, 1982, rather than at some earlier date in 1981.

—I am renewing my request to the Congress for a modest increase in the tax on gasoline; there is no better way to provide additional revenues for reducing the budget deficit than a measure which simultaneously reduces our imports of foreign oil.

—I still strongly support the national health insurance proposal that I earlier submitted to the Congress, but the need for budgetary restraint to control inflation requires that its introduction be delayed until more budgetary room is available and adequate cost containment is in place.

In order to avoid repetition of the recent situation in which many Federal payments rose too rapidly because they are tied to an index which does not accurately reflect changes in the cost of living, I am recommending that the Congress authorize use of a more representative index. I am informed by the Commissioner that the Bureau of Labor Statistics is now producing an index of this type and that it can quickly be made available on a timely basis.

Although my 1982 budget emphasizes the need for fiscal restraint, and for reduction of the deficit, it also takes the first major step in a long-term program of tax reductions aimed at increasing capital formation.

The causes of the longer-term slowdown in productivity growth are many—and some of them are still unknown. But a major depressing factor has been the failure of the Nation's capital stock to increase relative to its rapidly growing labor force in the past 5 or 6 years. Unlike earlier periods, American workers have not been working with increasing amounts of capital. Improving the trend of productivity growth will require restoring the growth of capital per worker.

Higher investment will also be critically required throughout America's energy-using industries to speed up the replacement of older energy-inefficient plant and machinery with newer energy-saving capital. In addition, a large expansion of energy-producing industries—both conventional and nonconventional—will add further to investment needs.

According to estimates made by my Council of Economic Advisers, the combined tasks of restoring the earlier growth of capital per worker and meeting the Nation's energy needs call for an increase in the share of investment in GNP from its recent 10½ percent to 12½ or 13 percent during the 1980s. This would require an expansion in investment by about one-fifth above the level that might normally be expected. It will not occur without the introduction of policies to make it happen.

To begin this task, my 1982 budget incorporates the two major changes in tax laws that I outlined last August in my Economic Revitalization Program to improve incentives and provide increased sources of financing for business investment. The first and most important proposal is a major liberalization of tax allowances for depreciation. Because tax depreciation is now based on the historic cost of an asset, inflation reduces allowable tax deductions relative to the cost of replacing an asset and thus lowers the profitability of investment. Inflation also distorts the tax treatment of assets with different useful lives. I am proposing a new approach to depreciation worked out by the Department of the Treasury which substantially simplifies depreciation accounting and increases the allowable rates of depreciation by about 40 percent. This approach, unlike some other depreciation liberalization proposals that have been introduced in the Congress, tends to avoid major distortions of economic incentives since it provides approximately equal percentage increases in allowable depreciation rates for each industry.

I also propose that the Congress expand investment incentives by improving the investment tax credit. That credit is now only partially available for short-lived assets; it should be made fully available. Even more importantly, part of the investment tax credit should be made refundable. Firms should be able to claim 30 percent of the value of the credit even if they had no tax liabilities for the year. In this way firms with substantial investment needs but with no current earnings can be supported in their efforts to rejuvenate and expand capital assets. Among these are younger and smaller firms that are just beginning to grow, and larger industries undergoing transition such as autos and steel. The latter may temporarily be experiencing depressed profitability but still have major investment needs for retooling or for new industrial facilities.

These two proposals would reduce business tax liabilities by $9 billion in calendar year 1981, $15 billion in 1982, and by 1985 the reductions would amount to over $27 billion. We estimate that with enactment of these new incentives business investment should increase 5–10 percent above its normally expected level in 1982, with additional gains thereafter.

While providing additional incentives for business investment, we can also move on a carefully phased basis to reduce other taxes in a way that improves both economic efficiency and tax equity. The Congress should enact an income tax credit for both employers and employees that would approximately offset the scheduled rise in social security payroll taxes that occurred in January of this year. To make the benefits available to lower-income workers who have no tax liability, I also propose an increase in the earned income tax credit. But, as I pointed out earlier in this *Report,* the critical importance of reducing the budget deficit as part of the fight against inflation has led me to recommend that this reduction take effect at the beginning of 1982, by which time the growth of revenues will make such a reduction consistent with overall budgetary objectives.

At the present time one of the major inequities in our tax system is the so-called marriage penalty. Under a wide range of cirmumstances a husband and wife, each working, will together pay a higher tax than if they were not married. I propose that this penalty be eased by making a tax credit available to the lesser-earning spouse. The credit should be introduced in two steps, half in 1982 and the other half in 1983.

I also propose that the Congress enact several important tax reforms: income from interest and dividends should be put on an equal footing with wages and other incomes by withholding taxes at the source; the excessive issuance of several types of tax-exempt bonds

should be curtailed; and the use of certain commodity futures transactions as a tax avoidance scheme should be prohibited.

The central feature of the tax policies I am proposing is their emphasis on increasing investment. By 1985, an unusually high 45 percent of the tax reductions will be directed toward spurring investment. But even this will not itself be sufficient to raise investment to the levels our country will need in the decade ahead in order to improve its productivity growth and deal with its energy problems. Careful control of Federal spending, however, will create the leeway for additional investment-oriented tax reductions in later years, within the framework of the overall budgetary restraint required to fight inflation. I do not believe that we should now commit budgetary resources to large-scale personal tax cuts which will stimulate consumption far more than investment and thereby foreclose the possibility of meeting the Nation's critical investment requirements.

MONETARY POLICY

Monetary policy is the responsibility of the Federal Reserve System, which is independent of the Executive. I respect that independence. But there are several broad aspects of monetary policy having to do with public perceptions that do fall within the purview of the President in his role as national leader.

Sustained restraint in monetary policy is a prerequisite to lowering inflation. The Federal Reserve exercises this restraint principally by keeping a strict limit on the growth of the Nation's money supply. In October 1979 the Federal Reserve modified its earlier policies and operating procedures to increase sharply the emphasis it gives to controlling the money supply. The Federal Reserve each year sets targets for monetary growth and seeks to hold the growth of the money supply within the targets. Increasingly the public in general and the financial community in particular have come to associate the credibility of the Federal Reserve and its determination to fight inflation with its success in keeping money growth continuously within the preannounced targets. It is very important, however, that public opinion not hold the Federal Reserve to such a rigid form of monetary targeting as to deprive it of the flexibility it needs to conduct a responsible monetary policy.

Temporary fluctuations in monetary conditions can sometimes cause the money supply to overrun or underrun the targets for a short period of time without any damage to anti-inflation objectives. Furthermore, economic developments occasionally occur that may make it appropriate for the Federal Reserve to modify the targets it had originally set, or to deviate from its announced aim of lowering the targets each year. If the public interprets occasional necessary changes in the longer-run monetary target ranges or short-run deviations of actual money growth from those targets as evidence that the Federal Reserve has lessened its determination to fight inflation and as a reason to expect higher inflation in the future, the Federal Reserve is confronted with an untenable situation. If it fails to make the adjustment in the monetary targets that is called for by a major change in economic circumstances, monetary policy may produce unwanted results. But if the Federal Reserve does change the targets in the face of public misunderstanding, it risks an impairment of its credibility. The same dilemma exists with respect to allowing short-run deviations in money growth from the target ranges.

Only if the public understands the realities, and the complexities, of carrying out an anti-inflationary monetary policy can the Federal Reserve successfully apply the measured restraint necessary to wring out inflation at minimum cost in production and jobs. On the one hand, the country must face the fact that in a world with a stubborn 10 percent inflation rate, keeping a tight rein on the growth of the money supply inevitably leads to interest rates that average significantly higher than those we were accustomed to in earlier periods of lower inflation. On the other hand, the public and the financial community must not become so obsessed with the mechanics of monetary targeting that any change in targets or any short-run deviation of money growth from those targets is taken as a sign that monetary restraint has been weakened.

Without reasoned and persistent monetary restraint, inflation cannot be licked. Perhaps more than in any other area of economic policy, however, achieving success in monetary policy depends on an informed public opinion.

INCOMES POLICIES

For the past 2 years my Administration has urged business and labor to comply with a set of voluntary pay and price standards. Even though it was introduced at a very difficult time—just before the oil-price explosion of 1979—this voluntary program of wage and price restraint did moderate the pace of inflation. It significantly reduced—although it could not eliminate—the effect of the oil-price rise on the underlying inflation rate.

After 2 years of operation there is general agreement that the current pay and price standards would not continue to be effective in their present form and without additional support. For this reason we have carefully examined the possibility of strengthening a voluntary incomes policy by using the tax system to provide incentives to firms and workers to slow the rate of inflation. This approach has been labeled a tax-based incomes policy (TIP). The detailed results of our review are contained in the accompanying *Annual Report of the Council of Economic Advisers*.

Broadly, we have concluded that an approach which provided a tax reduction to workers in firms whose average pay increase did not exceed some standard, set as part of a voluntary incomes policy, would be feasible and effective in helping to lower inflation. Two major conditions apply, however. *First*, such a policy must be a supplement to, not a substitute for, fiscal and monetary restraint. Without such restraint an incomes policy will produce only fleeting reductions in inflation or none at all. *Second*, a TIP program is likely to be desirable only on a temporary basis. After several years, such a program might cease to be effective and could induce significant distortions into wage relationships throughout the economy. But as an interim device to hasten the reduction in inflation and so shorten the period of reduced output and employment growth, a TIP program could serve the Nation well.

If the growth of Federal spending is restrained, periodic tax reductions will be both feasible and necessary in the years ahead as inflation and economic growth push taxpayers into higher brackets and raise average effective tax rates. Tax-based incomes policies are novel, and most people are unfamiliar with either the opportunities they present or the difficulties they pose. It is therefore highly unlikely that a TIP program could take effect in 1981. But it would be useful for the public in general, and the Congress in particular, to begin now to evaluate the pros and cons of TIP programs so that when the time comes for the next round of Federal tax cuts a TIP program will be seriously considered.

ENERGY

I am once again proposing that the Congress increase the Federal excise tax on gasoline by 10 cents per gallon as an additional incentive to cut petroleum consumption. The need for this tax is, if anything, even greater than it was 7 months ago when the Congress overturned my action to impose a gasoline conservation fee administratively.

We have once more seen a tightening of world oil supplies. The massive inventories built up in late 1979 and early 1980 have been drawn upon to make up for the loss of exports from Iran and Iraq. If that conflict should continue or if exports do not return to normal, the buffer which those record high inventories provided will be exhausted. Even in the last 2 months, we have seen significant escalation in prices charged by some OPEC members. National security requires us to put additional downward pressure on consumption of gasoline and other petroleum products. If we do not, OPEC may do it for us.

Paradoxically, one of the reasons given earlier for rejecting my proposed tax was that it was too small—some would have preferred a tax of 50 cents or even a dollar per gallon. Whether, over time, this Nation should move toward gasoline taxes that are comparable with those of our Western European allies is not a question that has to be answered now. In any event, to do so overnight would shock the economy excessively. At current gasoline consumption levels, a 50-cent per-gallon tax would draw approximately $50 billion per year out of consumers' pockets and require excessive adjustments by consumers and industry. It is much more sensible to start with the level I have proposed.

There is other important unfinished business to attend to in energy. The Congress failed to complete work on my pro-

posed Energy Mobilization Board, but events since August of 1979 have only made the case for the Board's creation more persuasive. It is equally important that we move ahead with the production of substitutes for petroleum. The Synthetic Fuels Corporation is established and operating. Its mission—to encourage commercial-scale production of synthetic fuels through risk-sharing with American industry—is vital.

My program of phased decontrol of domestic crude oil, along with the revamping of natural gas pricing policy contained in the Natural Gas Policy Act, is paying rich dividends. Drilling and seismic exploration have reached near-record levels. The Natural Gas Policy Act should be reviewed, however, to ensure that progress toward decontrol of new natural gas is not jeopardized by the increasing gap between oil prices and their natural gas equivalent, since world oil prices are now about twice those assumed in the act.

Our contingency planning to deal with a severe oil-supply disruption needs to be improved, since the authorities upon which many of the existing plans are based will expire at the end of September of this year. We have had underway for some time an examination of which, if any, of these authorities should be extended and what additional authorities might be required. This work should be completed as soon as possible.

Filling of the Strategic Petroleum Reserve must continue. The rate of fill should be at least the 100,000 barrels per day required by the Energy Security Act, and should, beyond that, be as high as can be accommodated without disrupting world oil markets.

INCREASE THE FLEXIBILITY OF OUR ECONOMY

Energy is not the only area where we must take additional steps to improve the ability of the economy to adjust to the changes that will be demanded of it in the years ahead. To the extent that we can reduce barriers to the flow of labor, capital, and other resources from inefficient to efficient uses, we can reduce inflationary pressures that arise from bottlenecks and economic rigidities and simultaneously speed up the pace of productivity growth.

We should not lose the momentum that has developed over the past 4 years in reducing obsolete and costly economic regulations. The Congress should complete its deliberations and pass legislation similar to that which I suggested last year to complete the task of modernizing our system of telecommunications regulation.

In the broad area of environmental, health and safety regulation, where deregulation is not an appropriate solution, we must expand on the successful beginning that has been made in providing greater flexibility and incentives for firms to meet environmental requirements in more cost-effective ways.

We must also continue our efforts to assure that the Nation's regulatory priorities are sensible. Our Nation can afford a cleaner environment, safer products, and healthier workplaces, but it does not have unlimited resources. Other national goals cry out for attention, and we cannot afford waste in attempting to achieve any of them.

During the coming years, when many of our most important industries will be facing difficult adjustment pressures, we must avoid taking shortsighted actions which block rather than promote this adjustment. Federal policies should indeed cushion the blow when sharp external shocks force an industry, its workers, and the communities within which it is located to undergo massive change in a short period of time. The programs of economic development and trade assistance which exist to meet these needs should be humanely and effectively administered. But such aid must be aimed at facilitating adjustment to change, not preventing it. While we can and should demand that all nations abide by internationally agreed-upon rules of trade, we must avoid the temptation to use the discretion open to us to prop up weak industries.

SUMMING UP: THE NEED FOR BALANCE

In the years immediately ahead, our country will be wrestling with two central domestic issues. The first is economic in nature: How can we reduce inflation while maintaining the economic growth that keeps our people employed? The second is even broader: What is the proper role of government in our society as spender of tax revenues and regulator of industry?

I am confident we can successfully come to grips with both of these issues. We would make a costly mistake, however, if we approached these problems with the view that there is some single answer to the economic problem and a single criterion for determining the role of government. The resolution of both of these great issues demands a balancing of many approaches and many considerations. Indeed, the only helpful simple proposition is the one which states that any simple and quick answer is automatically the wrong one.

The approach I have set forth in this *Report* will successfully meet the economic challenge. But it relies on not one but a number of essential elements. To reduce inflation we must be prepared for a period of sustained budgetary and monetary restraint. But since we know that this also tends to depress the growth of output and employment, we must not conclude that the greater the restraint the better. We want a degree of restraint that takes into account society's interest in employment and production as well as its concern to lower inflation. We can improve our prospects significantly by introducing investment-oriented tax cuts that increase supply and productivity. But the supply response will not be so quick or so great as to constitute an answer in and of itself. And, in particular, it would be very dangerous to make budgetary policy in the belief that the supply response can be so large as to wipe out the need for fiscal prudence and budgetary restraint. We can improve our prospects still further by the use of voluntary incomes policies, strengthened when budgetary resources become available by tax incentives for wage moderation. But, again, incomes policies alone will not do the job. If we try to rely on them excessively, we will do more harm than good. Only with a balance among the various elements, and only with persistence in the realization that sure progress will come gradually, can we have both lower inflation and better growth.

Sorting out the proper role of government also requires us to strike a balance. At times Federal spending has grown too rapidly. But in recent years, its growth did not result from the introduction of a host of new government programs by spendthrift politicians or a surge of profligacy by wasteful bureaucrats. It stemmed mainly from two sources: *first*, increased military spending to meet national security goals that are overwhelmingly supported by the American people; and *second*, the growth of long established and broadly accepted social security and social insurance programs that are directly or indirectly indexed against inflation or automatically responsive to an increase in unemployment.

There is some waste. There is some abuse. I have instituted a number of reforms to cut it back. I am sure my successors will continue this important effort. But waste and abuse are not the fundamental issues. The essence of the challenge that faces us is how to balance the various benefits that government programs confer on us against their costs in terms of higher taxes, higher deficits, and sometimes higher inflation.

It is my view that we must strike the balance so as to restrict for some time the overall growth of Federal spending to less than the growth of our economy, despite the faster increase of the military component of the budget. As a consequence, in my 1982 budget I have proposed a series of program reductions. I have suggested a delay in the effective date of new programs I believe important. I have recommended improvements in the index we use to adjust Federal programs for inflation.

I think we will do a better job in striking the right balance over the years ahead if we keep two principles in mind: The first is to recognize *reality*. The choices are in fact difficult, and we should not pretend that all we have to do is find wasteful programs with zero benefits. The second is to act with *compassion*. Some government programs provide special benefits for the poor and the disadvantaged; while these programs must not be immune from review and reform, they should not bear the brunt of the reductions.

The same general viewpoint is appropriate when we approach the problem of government as regulator, especially in protecting the environment, health, and safety. When we first awoke to the fact of generations of environmental neglect, we rushed to compensate for our mistake and paid too little attention to problems of cost and effectiveness. Sometimes the laws we passed and the deadlines we set took too little account of their economic impact. For 4 years my Administration has been engaged in a major program of finding ways to make regulations more cost-effective and to strike a reasonable

balance between environmental concerns and economic costs. A strong foundation has been laid. Much remains to be done. But lasting progress will not come unless we realize that there is a balance to be struck. Those who believe that virtually all regulation is bad and that the best regulation is a dead regulation will come to grips with the real problem no more successfully than the enthusiasts who believe that concern with regulatory costs is synonymous with lack of concern for the environment.

I believe that the government has indeed overregulated and that regulatory reform must continue to be a major objective of the Federal Government, as it has been during my Administration. But I also believe that true reform involves finding better ways to identify and to give proper consideration to gains as well as costs.

My reading of the distant and the nearby past gives me confidence that the American people can meet the challenges ahead. There are no simple formulas. There will be no quick victories. But an understanding of the diverse concerns we have, a pragmatic willingness to bring to bear a varied array of weapons, and persistence in the effort will bring success.

JIMMY CARTER.

THE WHITE HOUSE, *January 17, 1981.*

ANNUAL SCIENCE AND TECHNOLOGY REPORT—MESSAGE FROM THE PRESIDENT—PM 26

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I am pleased to submit to the Congress the Third Annual Science and Technology Report as required by the National Science and Technology Policy, Organization and Priorities Act of 1976.

Science and technology affect our lives in many ways, and policy decisions very often involve issues of a scientific and technical nature. Systematic assessment of scientific and technological developments is therefore a crucial element in the formation of effective public policy. My Administration has sought to make better use of science and technology in responding to challenges in many areas—energy, health, agriculture, environmental protection, national security, the quest for peace, economic productivity, and the renewal of our industrial base. The decisions, actions and programs described in this report show how developments in science and technology have interacted with recent public policies in these areas.

I hope that this report, like its predecessors and its companion, the *Five-Year Outlook* on science and technology will contribute to the informed discussion so essential to our scientific and technological capabilities and our future national strength.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1981.*

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–79. A communication from the Commander, Department of the Navy, Naval Facilities Engineering Command, transmitting, pursuant to law, reports indicating those military construction contracts awarded on other than a competitive bid basis to the lowest responsible bidder; to the Committee on Armed Services.

EC–80. A communication from the Comptroller General, transmitting, pursuant to law, a report entitled "Examination Of Fiscal Year 1979 Financial Statements Of The Panama Canal Organization And Treaty-Related Issues"; to the Committee on Armed Services.

EC–81. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, reports in compliance with the Aviation Career Incentive Act of 1974; to the Committee on Armed Services.

EC–82. A communication from the Acting Assistant Secretary of the Army, transmitting, pursuant to law, a study with respect to converting the guard services activity at Fort Knox, Ky.; to the Committee on Armed Services.

EC–83. A communication from the Deputy Assistant Secretary of Defense, Installations and Housing, transmitting, pursuant to law, notification of 41 construction projects to be undertaken by the Air National Defense; to the Committee on Armed Services.

EC–84. A communication from the Assistant Secretary of the Army, transmitting, pursuant to law, a study with respect to converting the central issue facility activity at Fort Riley, Kans.; to the Committee on Armed Services.

EC–85. A communication from the Assistant Secretary of the Air Force, Research, Development and Logistics, transmitting, pursuant to law, a study with respect to converting the commissary shelf-stocking and custodial services function at Beale Air Force Base, Calif.; to the Committee on Armed Services.

EC–86. A Communication from the Assistant Secretary of the Air Force, Research, Development, and Logistics, transmitting, pursuant to law, a study with respect to converting the vehicle operations and maintenance function at Tinker Air Force Base, Okla.; to the Committee on Armed Services.

EC–87. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on the imposition of foreign policy controls on certain exports to Libya, Iraq, the People's Democratic Republic of Yemen, and Syria; to the Committee on Banking, Housing, and Urban Affairs.

EC–88. A communication from the Comptroller General, transmitting, pursuant to law, a report entitled "New Strategy Required For Aiding Distressed Steel Industry"; to the Committee on Banking, Housing, and Urban Affairs.

EC–89. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, reports on the proposed use of funds appropriated pursuant to the National Aeronautics and Space Administration Authorization Act of 1981; to the Committee on Commerce, Science, and Transportation.

EC–90. A communication from the Comptroller General, transmitting, pursuant to law, a report entitled "Further Improvements Are Needed In Amtrak's Passenger Service Contracts, But They Won't Come Easily"; to the Committee on Commerce, Science, and Transportation.

EC–91. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report regarding the administration of the Fair Packaging and Labeling Act during fiscal year 1980; to the Committee on Commerce, Science, and Transportation.

EC–92. A communication from the Vice President of Amtrak, transmitting, pursuant to law, the average number of passengers and the on-time performance for Amtrak rail service during the month of October, 1980; to the Committee on Commerce, Science, and Transportation.

EC–93. A communication from the Secretary of Agriculture and the Secretary of Energy, transmitting, pursuant to law, the joint U.S. Department of Agriculture/U.S. Department of Energy Plan for Biomass Energy Production and Use; to the Committee on Energy and Natural Resources.

EC–94. A communication from the Acting Deputy Secretary, Department of Energy, transmitting, pursuant to law, a report on the results of preliminary energy audits of Federal buildings with one thousand or more square feet; to the Committee on Energy and Natural Resources.

EC–95. A communication from the Secretary of the Interior, transmitting, pursuant to law, a preliminary report regarding health care and related programs for people of the Marshall Islands; to the Committee on Energy and Natural Resources.

EC–96. A communication from the Assistant Secretary of the Army, transmitting, pursuant to law, the report of the Chief of Engineers entitled "Projects Recommended for Deauthorization—5th Annual Report"; to the Committee on Environment and Public Works.

EC–97. A communication from the Attorney General, transmitting, pursuant to law, notice that the United States will not defend the constitutionality of section 202(f) of the Social Security Act; to the Committee on Finance.

EC–98. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the "Treasury Combined Statement of Receipts, Expenditures and Balances of the United States Government for the Fiscal Year Ended September 30, 1980"; to the Committee on Finance.

EC–99. A communication from the Chairman of the National Commission on Social Security, transmitting, pursuant to law, the recommendations contained in the final report of the Commission; to the Committee on Finance.

EC–100. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to December 31, 1980; to the Committee on Foreign Relations.

EC–101. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 18, 1980; to the Committee on Governmental Affairs.

EC–102. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 18, 1980; to the Committee on Governmental Affairs.

EC–103. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–104. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–105. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law,

legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–106. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–107. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–108. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–109. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 25, 1980; to the Committee on Governmental Affairs.

EC–110. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–111. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–112. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–113. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–114. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–115. A communication from the General Counsel, Department of Health and Human Services, transmitting, pursuant to law, a report regarding a new ssytem of records—Demonstration Project; to the Committee on Governmental Affairs.

EC–116. A communication from the Acting Secretary of Agriculture, transmitting, pursuant to law, a report on a new system of records for the Department for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–117. A communication from the Assistant Administrator of the Agency for International Development, transmitting, pursuant to law, a report on the disposal of foreign excess property for fiscal year 1980; to the Committee on Governmental Affairs.

EC–118. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 16, 1980; to the Committee on Governmental Affairs.

EC–119. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 16, 1980; to the Committee on Governmental Affairs.

EC–120. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 12, 1980; to the Committee on Governmental Affairs.

EC–121. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 12, 1980; to the Committee on Governmental Affairs.

EC–122. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 12, 1980; to the Committee on Governmental Affairs.

EC–123. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Interaction of Federal and State Aid in New York State: Trends and Patterns, 1969–75"; to the Committee on Governmental Affairs.

EC–124. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 12, 1980; to the Committee on Governmental Affairs.

EC–125. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 25, 1980; to the Committee on Governmental Affairs.

EC–126. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 12, 1980 to the Committee on Governmental Affairs.

EC–127. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 16, 1980; to the Committee on Government Affairs.

EC–128. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 16, 1980; to the Committee on Governmental Affairs.

EC–129. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on October 28, 1980; to the Committee on Governmental Affairs.

EC–130. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 30, 1980; to the Committee on Governmental Affairs.

EC–131. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 16, 1980; to the Committee on Governmental Affairs.

EC–132. A communication from the Assistant Attorney General for Administration, transmitting, pursuant to law, a proposed new system of records for the Department of Justice for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–133. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a proposed new system of records for the General Services Administration for implementing the Privacy Act; to the Committtee on Governmental Affairs.

EC–134. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report of personal property donated under the Federal Property and Administration Services Act of 1949 for fiscal year 1980; to the Committee on Governmental Affairs.

EC–135. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–136. A communication from the Chairman of the Council of the Ditsrict of lumbia, transmitting, pursuant to law, legislation adopted by the Council on November 12, 1980; to the Committee on Governmental Affairs.

EC–137. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 12, 1980; to the Committee on Governmental Affairs.

EC–138. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 12, 1980; to the Committee on Governmental Affairs.

EC–139. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 12, 1980; to the Committee on Governmental Affairs.

EC–140. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on October 28, 1980; to the Committee on Governmental Affairs.

EC–141. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on October 28, 1980; to the Committee on Governmental Affairs.

EC–142. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–143. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–144. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–145. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act entitled "Naming of the Mary Terrell-Arthur Elmes Park"; to the Committee on Governmental Affairs.

EC–146. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act entitled "D.C. Exhaust Emission Inspection/Maintenance"; to the Committee on Governmental Affairs.

EC–147. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act entitled "D.C. Public Emergency Act of 1980"; to the Committee on Governmental Affairs.

EC–148. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act entitled "Crime Prevention Sign Posting of 1980"; to the Committee on Governmental Affairs.

EC–149. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 30, 1980; to the Committee on Governmental Affairs.

EC–150. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legisla-

tion adopted by the Council on September 30, 1980; to the Committee on Governmental Affairs.

EC–151. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 14, 1980; to the Committee on Governmental Affairs.

EC–152. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on October 10, 1980; to the Committee on Governmental Affairs.

EC–153. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on October 28, 1980; to the Committee on Governmental Affairs.

EC–154. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on October 28, 1980; to the Committee on Governmental Affairs.

EC–155. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on October 28, 1980; to the Committee on Governmental Affairs.

EC–156. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on October 28, 1980; to the Committee on Governmental Affairs.

EC–157. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on October 28, 1980; to the Committee on Governmental Affairs.

EC–158. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 30, 1980; to the Committee on Governmental Affairs.

EC–159. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 16, 1980; to the Committee on Governmental Affairs.

EC–160. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 16, 1980; to the Committee on Governmental Affairs.

EC–161. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 16, 1980; to the Committee on Governmental Affairs.

EC–162. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to an interpretation of the rules of the House of Representatives made by the Parliamentarian of the House, a copy of an act of the Council, D.C. Act 3–263, September 16, 1980; to the Committee on Governmental Affairs.

EC–163. A communication from the Attorney General of the United States, transmitting, pursuant to law, a report on the position of the Department of Justice that a certain provision of law enacted by the Congress is not constitutional, and that the Department will refrain from enforcement; to the Committee on the Judiciary.

EC–164. A communication from the President of the United States, transmitting, pursuant to law, a determination by him that the administration of certain sections of the Refugee Act of 1980 should be retained by the Department of State; to the Committee on the Judiciary.

EC–165. A communication from the Acting Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, 1,033 reports on visa petitions accorded third and sixth preference classification; to the Committee on the Judiciary.

EC–166. A communication from the Acting Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics, transmitting, pursuant to law, two reports of pupil assessment projects conducted by the Department of Defense on dependent's schools; to the Committee on Labor and Human Resources.

EC–167. A communication from the Secretary of Health and Human Resources, transmitting, pursuant to law, an interim report on the current status of the contractor's efforts in a study of sudden and unexplained infant deaths; to the Committee on Labor and Human Resources.

EC–168. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for instructional media for the handicapped program; to the Committee on Labor and Human Resources.

EC–169. A communication from the Secretary of Education, transmitting, pursuant to law, a report on final regulations for fellowship grants for graduate and professional study; to the Committee on Labor and Human Resources.

EC–170. A communication from the Secretary of Health and Human Resources, transmitting, pursuant to law, notice of a delay in delivery of a review of Federal programs of research on biological effects of ionizing radiation; to the Committee on Labor and Human Resources.

EC–171. A comunication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on direct and affiliated medical residency program data; to the Committee on Labor and Human Resources.

EC–172. A communication from the Assistant Secretary for Health and Surgeon General, transmitting, pursuant to law, a report on a new system of records; to the Committee on Labor and Human Resources.

EC–173. A communication from the Secretary of Education, transmitting, pursuant to law, a document which has been transmitted to the Federal Register for scheduled publication; to the Committee on Labor and Human Resources.

EC–174. A communication from the Secretary of Education, transmitting, pursuant to law, a document which has been transmitted to the Federal Register for scheduled publication; to the Committee on Labor and Human Resources.

EC–175. A communication from the Secretary of Education, transmitting, pursuant to law, a document which has been transmitted to the Federal Register for scheduled publication; to the Committee on Labor and Human Resources.

EC–176. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the health consequences of smoking; to the Committee on Labor and Human Resources.

EC–177. A communication from the Secretary of Labor and the Secretary of Education, transmitting, pursuant to law, a report on the status of bilingual vocational training; to the Committee on Labor and Human Resources.

EC–178. A communication from the Secretary of Education transmitting, pursuant to law, a report on final regulations for selection criteria for fiscal year 1981 grants and contracts; to the Committee on Labor and Human Resources.

EC–179. A communication from the Commissioner on Aging, Department of Health and Human Services, transmitting, pursuant to law, a report on revising Federal transportation programs for older individuals; to the Committee on Labor and Human Resources.

EC–180. A communication from the Commissioner on Aging, Department of Health and Human Services, transmitting, pursuant to law, two reports on providing transportation services for older persons; to the Committee on Labor and Human Resources.

EC–181. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the use of grant fund by migrant and community health center programs; to the Committee on Labor and Human Resources.

EC–182. A communication from the Secretary of Education, transmitting, pursuant to law, a technical amendment: final rule changing the definition of "handicapped children" under part B of the Education of the Handicapped Act, as amended; to the Committee on Labor and Human Resources.

EC–183. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for guaranteed student loan program deferment provisions; to the Committee on Labor and Human Resources.

EC–184. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for guaranteed student loan program, refund of tuition charges and other fees; to the Committee on Labor and Human Resources.

EC–185. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for handicapped interpretation—individualized education program; to the Committee on Labor and Human Resources.

EC–186. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for centers for independent living program: to the Committee on Labor and Human Resources.

EC–187. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for State vocational rehabilitation and independent living rehabilitation program; to the Committee on Labor and Human Resources.

EC–188. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for law-related education program; to the Committee on Labor and Human Resources.

EC–189. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for arts in education program; to the Committee on Labor and Human Resources.

EC–190. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for assistance to States for education of handicapped children catheterization; to the Committee on Labor and Human Resources.

EC–191. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for minority institutions science improvement program; to the Committee on Labor and Human Resources.

EC–192. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for training programs for teachers of handicapped children in areas with a shortage; to the Committee on Labor and Human Resources.

EC–193. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the cost of attendance provisions for student assistance programs—national direct student loan, college work study, supplemental educational opportunity grant, guaranteed student loan, parent loans for undergraduate students, and Pell grant programs; to the Committee on Labor and Human Resources.

EC–194. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for family contribution schedules 1981–82 Pell grant program;

to the Committee on Labor and Human Resources.

EC–195. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for asbestos detection and control: local educational agencies; asbestos detection and State plan: State education agencies; to the Committee on Labor and Human Resources.

EC–196. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for transition program for refugee children (34 CFR Part 538) and educational services for Cuban and Haitian entrant children program (34 CFR Part 539); to the Committee on Labor and Human Resources.

EC–197. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for Education Department general administrative regulations; annual funding priorities; to the Committee on Labor and Human Resources.

EC–198. A communication from the Administrator of the Veterans' Administration, transmitting, pursuant to law, the report on the sharing of medical resources program of the Veterans' Administration for fiscal year 1980; to the Committee on Veterans' Affairs.

EC–199. A communication from the Administrator of the Veterans' Administration, transmitting, pursuant to law, a report on the nature and disposition of all cases in which an institution, approved for veterans benefits, utilizes advertising, sales or enrollment practices which are erroneous, deceptive, or misleading, either by actual statement, omission, or intimation for fiscal year 1980; to the Committee on Veterans Affairs.

EC–200. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on budget rescissions and deferrals for January 1981; pursuant to the order of January 30, 1975, referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Foreign Relations, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Commerce, Science, and Transportation, the Committee on Armed Services, the Committee on Labor and Human Resources, the Committee on Energy and Natural Resources, the Committee on the Judiciary, the Committee on Finance, and the Committee on Environment and Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOLE, from the Committee on Finance:

Special report entitled "Legislative Review Activity; Report of the Committee on Finance" (Rept. No. 97–1).

By Mr. DOLE, from the Committee on Finance, without amendment:

S. Res. 25. An original resolution authorizing expenditures by the Committee on Finance; referred to the Committee on Rules and Administration, and

S. Res. 26. An original resolution authorizing the printing of extra copies of a document for use of the Committee on Finance; referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. TOWER, from the Committee on Armed Services:

Caspar W. Weinberger, designee to be the Secretary of Defense (Ex. Rept. 97–1).

By Mr. WARNER, from the Committee on Armed Services:

Frank C. Carlucci, designee to be Deputy Secretary of Defense (Ex. Rept. 97–2).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BENTSEN (for himself and Mr. BAUCUS):

S. 141. A bill relating to tax treatment of qualified dividend reinvestment plans; to the Committee on Finance, and

By Mr. BENTSEN:

S. 142. A bill to increase the amount of the exemption of certain interest and dividend income from taxation, and to make permanent the exemption of interest from taxation; to the Committee on Finance.

By Mr. ABDNOR:

S. 143. A bill for the relief of Bharat Persaud; to the Committee on the Judiciary.

By Mr. HEINZ (for himself, Mr. DANFORTH, Mr. BENTSEN, Mr. TSONGAS, Mr. RANDOLPH, Mr. CHAFEE, Mr. GLENN, Mr. EAST, Mr. BUMPERS, Mr. BOREN, Mr. HEFLIN, Mr. LUGAR, Mr. GOLDWATER, Mr. ABDNOR, Mr. BRADLEY, Mr. HATFIELD, Mr. BAUCUS, Mr. STAFFORD, Mr. GORTON, Mr. RUDMAN, Mr. JOHNSTON, Mr. SCHMITT, Mr. MELCHER, Mr. JEPSEN, Mr. SIMPSON, Mr. MATHIAS, Mr. DURENBERGER, Mr. DIXON, Mr. WALLOP, Mr. ARMSTRONG, Mr. SYMMS, Mr. DOLE, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. LONG, Mr. ROTH, Mr. WEICKER, Mr. EAGLETON, Mr. KASTEN, Mr. HUDDLESTON, Mr. SPECTER, Mr. LEVIN, Mr. PRESSLER, and Mr. COHEN):

S. 144. A bill to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MOYNIHAN:

S. 145. A bill to amend the Internal Revenue Code of 1954 to provide a 67 percent maximum tax rate for individual income taxes and to reduce the capital gains tax rates for corporations and individuals; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 146. A bill to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HARRY F. BYRD, JR.

S. 147. A bill to amend the Congressional Budget Act of 1974 to provide for a continuing study of entitlement authority; jointly, to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977;

S. 148. A bill to amend the Congressional Budget Act of 1974 to require a two-thirds vote in the Senate and House of Representatives for any modification of the Second Concurrent Budget Resolution; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977; and

S. 149. A bill to amend the Congressional Budget Act of 1974 to mandate pilot testing of major new federal programs; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 150. A bill to amend title 5 of the United States Code to provide payments under Government health plans for services of qualified mental health specialists; to the Committee on Governmental Affairs;

S. 151. A bill to allow an additional income exemption for a taxpayer or his spouse who is deaf or blind; to the Committee on Finance;

S. 152. A bill to amend titles XVIII and XIX of the Social Security Act to provide that clinical social worker services shall be covered under part B of medicare and shall be a required services under medicaid; to the Committee on Finance; and

S. 153. A bill to amend the Internal Revenue Code of 1954 to expand the category of targeted groups for whom the new employee credit is available to include displaced homemakers; to the Committee on Finance.

By Mr. PRYOR:

S. 154. A bill to amend title 37, United States Code, to authorize special pay to a member of a uniformed service who performs duties that are unusually hazardous or performed under unusually severe working conditions; to the Committee on Armed Services.

By Mr. SCHMITT:

S. 155. A bill to amend the Internal Revenue Code of 1954 to make additional interest from savings eligible for exclusion; to the Committee on Finance.

By Mr. CRANSTON:

S. 156. A bill for the relief of Maria Lourdes Bicasan; to the Committee on the Judiciary; and

S. 157. A bill for the relief of Zenaida Porte Rebultan; to the Committee on the Judiciary.

By Mr. HELMS:

S. 158. A bill to provide that human life shall be deemed to exist from conception; to the Committee on the Judiciary.

By Mr. SCHMITT:

S. 159. A bill to authorize the exchange of certain land held by the Navajo Tribe and the Bureau of Land Management, and for other purposes; to the Select Commitee on Indian Affairs; and

S. 160. A bill to authorize the Secretary of Agriculture to convey certain National Forest System lands, under specified conditions, to direct the Secretary of Interior to certify survey monuments within 180 days, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MATTINGLY:

S.J. Res. 13. Joint resolution proposing an amendment to the Constitution of the United States with respect to Senators and Representatives and the number of terms either may serve; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN (for himself and Mr. BAUCUS):

S. 141. A bill relating to tax treatment of qualified dividend reinvestment plans; to the Committee on Finance.

DIVIDEND REINVESTMENT

● Mr. BENTSEN. Mr. President, today I am introducing a proposal to defer current taxes on dividends reinvested in original issue stock—with an annual limit of $1,500 for a single taxpayer and $3,000 for a joint return. The stock received on such reinvestment would be regarded, for tax purposes, and essentially the equivalent of a conventional stock dividend with similar tax consequences.

This proposal is identical to S. 1543, a bill I sponsored during the 96th Congress.

My proposal is the most direct, most closely targeted and the most cost-effective proposal for encouraging new capital formation where it is most urgently

needed. It is the most direct because the reinvestment in new issue stock represents instantaneous formation of new capital. It is the most closely targeted because it represents a rifle shot which is 100-percent effective in producing new capital to capital intensive companies having an urgent need for such common stock capital to finance new facilities. It is most cost effective since it will provide a substantial input in new capital formation and new capital investment while involving a modest or nonexistent revenue loss.

Mr. President, while my proposal in general aids businesses badly in need of capital, it represents a tax cut for the individual taxpayer. It is the shareholder and not the corporation which receives the tax benefit under my proposal. Further, the benefits are to the small shareholder. For example, analysis of the participants in the General Telephone plan indicate that over 84 percent of the stockholders participating in that plan own less than 100 shares and that some 94 percent of the participants hold less than 200 shares.

In addition to providing direct substantial and immediate support for the formation of new equity, adoption of my proposal will: Reduce the double taxation on dividend income by eliminating the tax at the shareholder level when dividends are reinvested pursuant to a qualified plan and to encourage individual savings and thereby provide needed supplemental retirement income.

My proposal represents not only tax savings to the individual and needed capital to capital intensive industries, it also is a direct hit on the stagflation facing our Nation's economy today. A study by the firm of Robert R. Nathan Associates states that my proposal will increase national output by approximately $2.7 billion annually, increase business investment by about $1 billion annually and add about 50,000 jobs per year.●

By Mr. BENTSEN:

S. 142. A bill to increase the amount of the exemption of certain interest and dividend income from taxation, and to make permanent the exemption of interest from taxation; to the Committee on Finance.

SMALL SAVERS

● Mr. BENTSEN. Mr. President, I am today introducing legislation to increase the amount of the exemption of certain interest on dividend income from $200—$400 in the case of a joint return—to $1,000 and $2,000 respectfully and to make this exemption a permanent part of the Internal Revenue Code.

The 96th Congress adopted the Bentsen small saver provision. That provision for the first time excluded a limited amount of interest income from tax. My proposal today will increase the amount of interest excluded from income and make that provision permanent.

Mr. President, for more than 3 years now I have maintained that tax cuts, properly structured and targeted, need not be inflationary. One of the most effective ways to combat inflation in our America, rejuvenate productivity, increase capital available for investment, and stimulate the supply side of our economy is to eliminate the bias against savings and investment that has contributed so significantly to our current economic difficulties.

Due to inflation, individuals actually receive a negative rate of return on savings accounts. A tax on the interest received further penalizes the consumer who has already been hurt by inflation. The money deposited in a savings account has already been taxed at the time the individual earned the income. A second tax can be harsh.

My proposal will replace the stick of double taxation with a carrot for incentives for savings and investment. It will encourage millions of small savers to invest in the future of America. It will permit millions of senior citizens living on fixed incomes to cope more efficiently in an era of double-digit inflation.

The need for this proposal is clear. The United States has one of the poorest records of savings and investment when compared to other industrialized nations. Americans currently save only 4.1 percent of disposable income, the lowest figure in 28 years. The British, by comparison, save at a rate of 6.6 percent, the French at 13.1 percent, the West Germans at 13.2 percent and the Japanese at 25.3 percent. A study prepared by the Department of the Treasury indicates the total U.S. fixed investment as a share of national output between 1950 through 1973 was 17.5 percent. The U.S. figure ranks last among a group of major industrial nations. Our investment rate was 7.2 percentage points below the average commitment of the entire group. Even below that of Great Britain. Greater savings and investment will help boost productivity and reduce inflation.

This proposal would also increase the flow of capital to savings and loan associations and provide a more stable source of funds for homebuilding. Efforts must be taken to reduce the severe fluctuations in the housing industry.

Mr. President, I urge Congress to enact this important incentive for greater savings.●

By Mr. HEINZ (for himself, Mr. DANFORTH, Mr. BENTSEN, Mr. TSONGAS, Mr. RANDOLPH, Mr. CHAFEE, Mr. GLENN, Mr. EAST, Mr. BUMPERS, Mr. BOREN, Mr. HEFLIN, Mr. LUGAR, Mr. GOLDWATER, Mr. ABDNOR, Mr. BRADLEY, Mr. HATFIELD, Mr. BAUCUS, Mr. STAFFORD, Mr. GORTON, Mr. RUDMAN, Mr. JOHNSTON, Mr. SCHMITT, Mr. MELCHER, Mr. JEPSEN, Mr. SIMPSON, Mr. MATHIAS, Mr. DURENBERGER, Mr. DIXON, Mr. WALLOP, Mr. ARMSTRONG, Mr. SYMMS, Mr. DOLE, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. LONG, Mr. ROTH, Mr. WEICKER, Mr. EAGLETON, Mr. KASTEN, Mr. HUDDLESTON, Mr. SPECTER, Mr. LEVIN, Mr. PRESSLER, and Mr. COHEN):

S. 144. A bill to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally; to the Committee on Banking, Housing, and Urban Affairs.

EXPORT TRADING COMPANIES

Mr. HEINZ. Mr. President, this bill we are introducing today to promote the formation of export trading companies is the same, with only minor changes, as S. 2718 which passed the Senate last September 3 by a vote of 77 to 0. Unfortunately, the House did not take up S. 2718 last year, but we hope that prompt action by the Senate again this year will give the House ample time to fully consider the legislation and to act favorably on it.

Mr. President, this bill is the first serious attempt by Congress to remedy the dramatic competitive decline in the United States vis-a-vis our trading partners and our trading competitors.

It is the product of nearly 3 years of concerted effort by former Senator Stevenson and the International Finance Subcommittee, which I now chair, which has held hearings including witnesses from virtually every segment of our economy, from academics, from business people, from labor, from consumers, from exporters, from importers.

It represents, perhaps, the most carefully researched response to a national problem that I have seen in my nearly 10 years in legislative service.

And that problem is that we are faced with a situation in which our trade deficit is getting progressively worse. That is a serious problem, Mr. President, because it is through our earnings in exports that we pay our ever-increasing import bills, particularly the $90 billion a year for our oil imports.

We should be mightily concerned because, notwithstanding a burgeoning Federal budget deficit, estimated in this year of the balanced budget at some place between $50 and $60 billion, the sad fact is that our trade deficit, which is not between the American Government and our people, but between the American people and other foreign trading partners, could be nearly as large.

This fact—is a sign of the deep economic trouble this country is in.

I would be the first to admit that this legislation will not solve everyone of our trading problems. But it will at least bring us into the 20th century as far as international trade is concerned, and put us on a par with our trade competitors who have long been better organized and better structured for global competition.

With respect to trade opportunities, we approved the implementing legislation on the MTN more than a year ago and that was a major step toward breaking down the barriers to free and fair international trade.

However, it seems our trading competitors have taken far more advantage of those lessened barriers than we have, and the fault, if it lies anyplace, lies with the Government here in Washington, D.C.

While it is a fault, perhaps, not of commission but of omission, it is nonetheless a problem that we believe must be remedied, and remedied promptly through the passage of the strongest possible bill

that we can get from this Congress and the incoming administration.

I believe that this legislation in its present form is such a bill. By opening the door to the establishment of export trading companies, it will break down the barriers that we have erected over the years to the creation of meaningful institutions to help us and our firms, our employees, and our employers, export.

There is something of an irony to the fact that the sixth largest exporter in the United States is a Japanese trading company. Where, we may ask, are all the American trading companies?

The answer is that while a few may exist on paper, in terms of structure and the ability to perform, the ability to get financing, or the ability to offer services, the answer is that American trading companies do not exist. With rare exceptions, they are here only in name.

That is why our trading companies legislation, which addresses many of the disincentives to the effective formation and operation of trading companies, is so important.

So perhaps in the future we will be able to displace as the No. 6 U.S. exporter the Mitsui Trading Co., and maybe we will have some American trading companies right up there in the top 5 and relegate the Mitsuis and the others to the bottom 100.

Mr. President, one particular area of debate about this bill; which I would like to touch on briefly, concerns the provision regarding bank participation in export trading companies.

Very simply, if we are to mobilize our small- and medium-sized manufacturers into exporting, we have to have what I can best describe as strong and full service trading companies. That means financing, that means the participation of some kind of financial institutions, that means the participation, therefore, in our society of both banks and bank holding companies.

Without them, we cannot have successful, financially strong, trading companies unless we want to continue to operate with one or both arms tied behind us.

The Commerce Department has estimated that there are about 20,000 small- and medium-sized firms that could be exporting but are not. Export trading companies will facilitate the entry of these firms into world trade. The United States neglects billions of dollars in potential export business each year because small- and medium-sized producers cannot afford the cost and risks involved in fully developing opportunities to market their products and services abroad.

It is all too easy to explain away the nonparticipation of these 20,000 small- and medium-sized firms identified by the Commerce Department, who could export profitably but do not. The conventional wisdom is that these firms have compared the large, rich domestic market with the risky international environment and decided not to take chances, or that they have simply refused to make the effort necessary to find the right export management firm to handle the international segment of their business. These explanations may well be valid. But they do not justify inaction on the part of the administration or Congress. I believe that, in this case, we must go beyond the conventional wisdom and create an environment in which the export market actually becomes an attractive alternative to the expansion of domestic market opportunities. Export trading companies can do just that.

Obviously, we are not going to solve this problem overnight. But every successful program of trade promotion is a step in the right direction. Small- and medium-sized businesses have too long been excluded from the role in our Nation's export picture which similar sized firms play for our trade competitors. Where our competitors have incentives and official credit and promotion programs, we have antitrust barriers and structural impediments to surmount before our firms can even begin to compete.

This bill will help to overcome some of those barriers by encouraging the development of intermediaries to provide the marketing and financial tools necessary to help smaller business, while at the same time helping them to benefit from economies of scale and diffusion of risk.

The Japanese Shoshoga, or trading company, has strong financial ties with financial institutions, and this lesson has not been lost on many other countries. The same is true for the Europeans and Brazilians, and all the other countries that have strong trading companies.

Without question, if we want to get into the 20th century where exporting is concerned, we must have trading companies with financial muscle.

Second, there is, to me, some irony in the fact that if we do not permit American banks and bank holding companies to have necessary financial participation in American trading companies, they would be in the unique position of being able to own outright foreign trading companies in other countries, as they do now, but not here. We would be putting our American banks in the strange position of undercutting and weakening our trade surplus by the successful operation of trading companies in Brazil, Europe, and other places, owned or substantially owned by them, while prohibiting them from strengthening our trading position by permitting them to do the same thing here that they are permitted to do overseas.

Allowing the participation of the banking organizations in export trading companies does involve some risk but the provisions of this bill limit their financial exposure to such a degree that the risk is quite minimal if not as close to nonexistent as can be obtained in an uncertain world. At this point, is it not more important to ask, what do we risk if we do not act to increase our exports? That risk is known. Our trade deficit will continue to grow.

In evaluating the relative risks involved in an enterprise, we should consider all the possibilities. In this case, we must weight the risk to the banks of their involvement against the benefits to our economy which will be accrued by increased exports. The sponsors of this legislation believe that ETC's will significantly increase U.S. exports—particularly those of small- and medium-sized businesses—if they are adequately capitalized. At this point, the most effective way for ETC's to raise capital is to encourage banks to get into the business. If we enact legislation that will discourage the participation of banks in ETC's, we will have significantly decreased the probability that this legislation will be an effective vehicle with which to obtain the goal of increased exports, a goal upon which we all agree.

This bill can substantially and permanently expand U.S. exports, particularly by small- and medium-sized firms that do not export at present. It would revise Government policies which have tended to discourage formation of U.S. export trading companies in the past. It aims at long-term improvement in America's trade posture through improved export intermediation by private American export traders.

Title I would: First, increase the financial leverage of all exporters by directing the Export-Import Bank to develop an improved guarantee program to support commercial loans to U.S. exporters; Second, direct the Secretary of Commerce to promote export trading companies by providing information on such companies to U.S. producers; Third, permit banks to make limited investment in export trading companies (such investments could not exceed 5 percent of the banking capital and all controlling investments and all investments over $10 million would be subject to prior approval and conditions imposed by Federal bank regulatory agencies to insure the safety and soundness of banks and fair competition); Fourth, authorize additional appropriations to the Economic Development Administration and Small Business Administration to support increased loans and guarantees to enable expansion of U.S. exports, including exports through U.S. export trading companies.

Title II would revise the Webb-Pomerene Act of 1918 to clarify the anti-trust provisions applicable to export trade associations and export trading companies and provide a certification procedure which would enable such associations and companies to obtain anti-trust preclearance for specified export trade operations. The clearance procedure would facilitate exports by permitting firms to determine in advance exactly which export trade activities would be immune from anti-trust suit and which ones would not.

Earlier versions of this bill contained a third title which would extend the tax deferral available under the DISC (Domestic International Sales Corporation) provisions of the tax code to exports of export trading companies, including exports of services. It would also allow in same cases the use of subpart S of the tax code (which permits certain passthroughs to shareholders to closely held corporations). For jurisdictional reasons we have decided not to include title III in this year's bill and instead will soon be introducing a revised version of it separately. We remain committed to its enactment.

Mr. President, I urge my colleagues to

study this bill carefully, to weigh its enormous benefits against the risks of inaction, and then to join with me in supporting prompt committee action in reporting it and an overwhelming vote in the Senate in favor of it. I ask that the text of the bill be printed at this point in the RECORD, along with a brief summary of its provisions and congressional action on it last year.

There being no objection, the bill and the summary were ordered to be printed in the RECORD, as follows:

S. 144

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—EXPORT TRADING COMPANIES

SHORT TITLE

SEC. 101. This title may be cited as the "Export Trading Company Act of 1981".

FINDINGS

SEC. 102. (a) The Congress finds and declares that—

(1) tens of thousands of American companies produce exportable goods or services but do not engage in exporting;

(2) although the United States is the world's leading agricultural exporting nation, many farm products are not marketed as widely and effectively abroad as they could be through producer-owned export trading companies;

(3) exporting requires extensive specialized knowledge and skills and entails additional, unfamiliar risks which present costs for which smaller producers cannot realize economies of scale;

(4) export trade intermediaries, such as trading companies, can achieve economies of scale and acquire expertise enabling them to export goods and services profitably, at low per unit cost to producers;

(5) the United States lacks well-developed export trade intermediaries to package export trade services at reasonable prices (exporting services are fragmented into a multitude of separate functions; companies attempting to offer comprehensive export trade services lack financial leverage to reach a significant portion of potential United States exporters);

(6) State and local government activities which initiate, facilitate, expand export of products and services are an important and irreplaceable source for expansion of total United States exports, as well as for experimentation in the development of innovative export programs keyed to local, State, and regional economic needs;

(7) the development of export trading companies in the United States has been hampered by insular business attitudes and by Government regulations; and

(8) if United States export trading companies are to be successful in promoting United States exports and in competing with foreign trading companies, they must be able to draw on the resources, expertise, and knowledge of the United States banking system, both in the United States and abroad.

(b) The purpose of this Act is to increase United States exports of products and services, particularly by small, medium-size and minority concerns, by encouraging more efficient provision of export trade services to American producers and suppliers.

DEFINITIONS

SEC. 103. (a) As used in this Act—

(1) the term "export trade" means trade or commerce in goods in the United States or services produced in the United States, produced, and exported, or in the course of being exported, from the United States to any foreign nation;

(2) the term "goods produced in the United States" means tangible property manufactured, produced, grown, or extracted in the United States, the cost of the imported raw materials and components thereof shall not exceed 50 per centum of the sales price;

(3) the term "services produced in the United States" includes, but is not limited to accounting, amusement, architectural, automatic data processing, business, communications, construction franchising and licensing, consulting, engineering, financial, insurance, legal, management, repair, tourism, training, and transportation services, not less than 50 per centum of the sales or billings of which is provided by United States citizens or is otherwise attributable to the United States;

(4) the term "export trade services" includes, but is not limited to, consulting, international market research, advertising, marketing, insurance, product research and design, legal assistance, transportation, including trade documentation and freight forwarding, communication and processing of foreign orders to and for exporters and foreign purchasers, warehousing, foreign exchange, and financing, when provided in order to facilitate the export of goods or services produced in the United States;

(5) the term "export trading company" means a company, whether operated for profit or as a nonprofit organization, which does business under the laws of the United States or any State and which is organized and operated principally for the purposes of—

(A) exporting goods and services produced in the United States; and

(B) facilitating the exportation of goods and services produced in the United States by unaffiliated persons by providing one or more export trade services;

(6) the term "United States" means the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands;

(7) the term "Secretary" means the Secretary of Commerce; and

(8) the term "company" means any corporation, partnership, association, or similar organization, whether operated for profit or as a nonprofit organization.

(b) The Secretary is authorized, by regulation, to further define such terms consistent with this section.

FUNCTIONS OF THE SECRETARY OF COMMERCE

SEC. 104. The Secretary shall promote and encourage the formation and operation of export trading companies by providing information and advice to interested persons and by facilitating contact between producers of exportable goods and services and firms offering export trade services.

OWNERSHIP OF EXPORT TRADING COMPANIES BY BANKS, BANK HOLDING COMPANIES, AND INTERNATIONAL BANKING CORPORATIONS

SEC. 105. (a) For the purpose of this section—

(1) the term "banking organization" means any State bank, national bank, Federal savings bank, bankers' bank, bank holding company, Edge Act Corporation, or Agreement Corporation;

(2) the term "State bank" means any bank which is incorporated under the laws of any State, any territory of the United States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Virgin Islands, or any bank (except a national bank) which is operating under the Code of Law for the District of Columbia (hereinafter referred to as a "District bank");

(3) the term "State member bank" means any State bank, including a bankers' bank, which is a member of the Federal Reserve System;

(4) the term "State nonmember insured bank" means any State bank, including a bankers' bank, which is not a member of the Federal Reserve System, but the deposits of which are insured by the Federal Deposit Insurance Corporation;

(5) the term "bankers bank" means any bank insured by the Federal Deposit Insurance Corporation if the stock of such bank is owned exclusively by other banks (except to the extent State law requires directors' qualifying shares) and if such bank is engaged exclusively in providing banking services for other banks and their officers, directors, or employees;

(6) the term "bank holding company" has the same meaning as in the Bank Holding Company Act of 1956;

(7) the term "Edge Act Corporation" means a corporation organized under section 25(a) of the Federal Reserve Act;

(8) the term "Agreement Corporation" means a corporation operating subject to section 25 of the Federal Reserve Act;

(9) the term "appropriate Federal banking agency" means—

(A) the Comptroller of the Currency with respect to a national bank or any District bank;

(B) the Board of Governors of the Federal Reserve System with respect to a State member bank, bank holding company, Edge Act Corporation, or Agreement Corporation;

(C) the Federal Deposit Insurance Corporation with respect to a State nonmember insured bank except a District bank; and

(D) the Federal Home Loan Bank Board with respect to a Federal savings bank.

In any situation where the banking organization holding or making an investment in an export trading company is a subsidiary of another banking organization which is subject to the jurisdiction of another agency, and some form of agency approval or notification is required, such approval or notification need only be obtained from or made to, as the case may be, the appropriate Federal banking agency for the banking organization making or holding the investment in the export trading company.

(10) the term "capital and surplus" means paid in and unimpaired capital and surplus, and includes undivided profits;

(11) an "affiliate" of a banking organization or export trading company is a person who controls, is controlled by, or is under common control with such banking organization or export trading company;

(12) the terms "control" and "subsidiary" shall have the same meaning assigned to those terms in section 2 of the Bank Holding Company Act of 1956, and the terms "controlled" and "controlling" shall be construed consistently with the term "control" as defined in section 2 of the Bank Holding Company Act of 1956; and

(13) for the purposes of this section, the term "export trading company" means a company which does business under the laws of the United States or any State and which is exclusively engaged in activities related to international trade, whether operated for profit or as a nonprofit organization: *Provided, however*, That any such company must also either meet the definition of export trading company in section 103(a)(5) of this Act, or be organized and operated principally for the purpose of providing export trade services, as defined in section 103(a)(4) of this Act: *Provided, further*, That any such company, for purposes of this section, (A) may engage in or hold shares of a company engaged in the business of underwriting, selling, or distributing securities in the United States only to the extent that its banking organization investor may do so under ap-

plicable Federal and State banking law and regulations, and (B) may not engage in manufacturing or agricultural production activities.

(b)(1) Notwithstanding any prohibition, restriction, limitation, condition, or requirement of any law applicable only to banking organizations, a banking organization, subject to the limitations of subsection (c) and the procedures of this subsection, may invest directly and indirectly in the aggregate, up to 5 per centum of its consolidated capital and surplus (25 per centum in the case of an Edge Act Corporation or Agreement Corporation not engaged in banking) in the voting stock or other evidences of ownership of one or more export trading companies. A banking organization may—

(A) invest up to an aggregate amount of $10,000,000 in one or more export trading companies without the prior approval of the appropriate Federal banking agency, if such investment does not cause an export trading company to become a subsidiary of the investing banking organization; and

(B) make investments in excess of an aggregate amount of $10,000,000 in one or more export trading companies, or make any investment or take any other action which causes an export trading company to become a subsidiary of the investing banking organization of which will cause more than 50 per centum of the voting stock of an export trading company to be owned or controlled by banking organizations, only with the prior approval of the appropriate Federal banking agency.

Any banking organization which makes an investment under authority of clause (A) of the preceding sentence shall promptly notify the appropriate Federal banking agency of such investment and shall file such reports on such investment as such agency may require. If, after receipt of any such notification, the appropriate Federal banking agency determines, after notice and opportunity for hearing, that the export trading company is a subsidiary of the investing banking organization, it shall have authority to disapprove the investment or impose conditions on such investment under authority of subsection (d). In furtherance of such authority, the appropriate Federal banking agency may require divestiture of any voting stock or other evidences of ownership previously acquired, and may impose conditions necessary for the termination of any controlling relationship.

(2) If a banking organization proposes to make any investment or engage in any activity included within the following two subparagraphs, it must give the appropriate Federal banking agency ninety days prior written notice before it makes such investment or engages in such activity:

(A) any additional investment in an export trading company subsidiary; or

(B) the engagement by any export trading company subsidiary in any line of activity, including specifically the taking of title to goods, wares, merchandise, or commodities, if such activity was not disclosed in any prior application for approval.

During the notification period provided under this paragraph, the appropriate Federal banking agency may, by written notice, disapprove the proposed investment or activity or impose conditions on such investment or activity under authority of subsection (d). An additional investment or activity covered by this paragraph may be made or engaged in, as the case may be, prior to the expiration of the notification period if the appropriate Federal banking agency issues written notice of its intent not to disapprove.

(3) In the event of the failure of the appropriate Federal banking agency to act on any application for approval under paragraph (1)(B) of this subsection within a period of one hundred and twenty days, which period begins on the date the application has been accepted for processing by the appropriate Federal banking agency, the application shall be deemed to have been granted. In the event of the failure of the appropriate Federal banking agency either to disapprove or to impose conditions on any investment or activity subject to the prior notification requirements of paragraph (2) of this subsection within the sixty-day period provided therein, such period beginning on the date the notification has been received by the appropriate Federal banking agency, such investment or activity may be made or engaged in, as the case may be, any time after the expiration of such period.

(c) The following limitations apply to export trading companies and the investments in such companies by banking organizations:

(1) The name of any export trading company shall not be similar in any respect to that of a banking organization that owns any of its voting stock or other evidences of ownership.

(2) The total historical cost of the direct and indirect investments by a banking organization in an export trading company combined with extensions of credit by the banking organization and its direct and indirect subsidiaries to such export trading company shall not exceed 10 per centum of the banking organization's capital and surplus.

(3) A banking organization that owns any voting stock or other evidences of ownership of an export trading company shall terminate its ownership of such stock if the export trading company takes positions in commodities or commodities contracts, in securities, or in foreign exchange, other than as may be necessary in the course of its business operations.

(4) No banking organization holding voting stock or other evidences of ownership of any export trading company may extend credit or cause any affiliate to extend credit to any export trading company or to customers of such company on terms more favorable than those afforded similar borrowers in similar circumstances, and such extension of credit shall not involve more than the normal risk of repayment or present other unfavorable features.

(d)(1) In the case of every application under subsection (b)(1)(B) of this section, the appropriate Federal banking agency shall take into consideration the financial and managerial resources, competitive situation, and future prospects of the banking organization and export trading company concerned, and the benefits of the proposal to United States business, industrial, and agricultural concerns (with special emphasis on small, medium-size and minority concerns), and to improving United States competitiveness in world markets. The appropriate Federal banking agency may not approve any investment for which an application has been filed under subsection (b)(1)(B) if it finds that the export benefits of such proposal are outweighed in the public interest by any adverse financial, managerial, competitive, or other banking factors associated with the particular investment. Any disapproval order issued under this section must contain a statement of the reasons for disapproval.

(2) In approving any application submitted under subsection (b)(1)(B), the appropriate Federal banking agency may impose such conditions which, under the circumstances of such case, it may deem necessary (A) to limit a banking organization's financial exposure to an export trading company, or (B) to prevent possible conflicts of interest or unsafe or unsound banking practices. With respect to the taking of title to goods, wares, merchandise, or commodities by any export trading company subsidiary of a banking organization, the appropriate Federal banking agencies may, by order, regulation, or guidelines, establish standards designed to ensure against any unsafe or unsound practices that could adversely affect a controlling banking organization investor. In particular, the appropriate Federal banking agencies may establish inventory-to-capital ratios, based on the capital of the export trading company subsidiary, for those circumstances in which the export trading company subsidiary may bear a market risk on inventory held.

(3) In determining whether to impose any condition under the preceding paragraph (2), or in imposing such condition, the appropriate Federal banking agency must give due consideration to the size of the banking organization and export trading company involved, the degree of investment and other support to be provided by the banking organization to the export trading company, and the identity, character, and financial strength of any other investors in the export trading company. The appropriate Federal banking agency shall not impose any conditions or set standards for the taking of title which unnecessarily disadvantage, restrict or limit export trading companies in competing in world markets or in achieving the purposes of section 102 of this Act. In particular, in setting standards for the taking of title under the preceding paragraph (2), the appropriate Federal banking agencies shall give special weight to the need to take title in certain kinds of trade transactions, such as international barter transactions.

(4) Notwithstanding any other provision of this Act, the appropriate Federal banking agency may, whenever it has reasonable cause to believe that the ownership or control of any investment in an export trading company constitutes a serious risk to the financial safety, soundness, or stability of the banking organization and is inconsistent with sound banking principles or with the purposes of this Act or with the Financial Institutions Supervisory Act of 1966, order the banking organization, after due notice and opportunity for hearing, to terminate (within one hundred and twenty days or such longer period as the Board may direct in unusual circumstances) its investment in the export trading company.

(5) On or before two years after enactment of this Act, the appropriate Federal banking agencies shall jointly report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance, and Urban Affairs of the House of Representatives their recommendations with respect to the implementation of this section, their recommendations on any changes in United States law to facilitate the financing of United States exports, especially by small, medium-sized and minority business concerns, and their recommendations on the effects of ownership of United States banks by foreign banking organizations affiliated with trading companies doing business in the United States.

(e)(1) Any party aggrieved by an order of an appropriate Federal banking agency under this section may obtain a review of such order in the United States court of appeals within any circuit wherein such organization has its principal place of business, or in the court of appeals for the District of Columbia Circuit, by filing a notice of appeal in such court within thirty days from the date of such order, and simultaneously sending a copy of such notice by registered or certified mail to the appropriate Federal banking agency. The appropriate Federal banking agency shall promptly certify and file in such court the record upon which the order was based. The court shall set aside any order found to be (A) arbitrary, capricious, an abuse of discretion, or otherwise not in ac-

cordance with law; (B) contrary to constitutional right, power, privilege or immunity; or, (C) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right; or (D) without observance of procedure required by law. Except for violations of subsection (b)(3) of this section, the court shall remand for further consideration by the appropriate Federal banking agency any order set aside solely for procedural errors and may remand for further consideration by the appropriate Federal banking agency any order set aside for substantive errors. Upon remand, the appropriate Federal banking agency shall have no more than sixty days from date of issuance of the court's order to cure any procedural error or reconsider its prior order. If the agency fails to act within this period, the application or other matter subject to review shall be deemed to have been granted as a matter of law.

(f)(1) The appropriate Federal banking agencies are authorized and empowered to issue such rules, regulations, and orders, to require such reports, to delegate such functions, and to conduct such examinations of subsidiary export trading companies, as each of them may deem necessary in order to perform their respective duties and functions under this section and to administer and carry out the provisions and purposes of this section and prevent evasions thereof.

(2) In addition to any powers, remedies, or sanctions otherwise provided by law, compliance with the requirements imposed under this section may be enforced under section 8 of the Federal Deposit Insurance Act by any appropriate Federal banking agency defined in that Act.

(g) Nothing in this section shall at any time prevent any State from adopting a law prohibiting banks chartered under the laws of such State from investing in export trading companies or applying conditions, limitations, or restrictions on investments by banks chartered under the laws of such State in export trading companies in addition to any conditions, limitations, or restrictions provided under this section.

INITIAL INVESTMENTS AND OPERATING EXPENSES

SEC. 106. (a) The Economic Development Administration and the Small Business Administration are directed, in their consideration of applications by export trading companies for loans and guarantees, and operating grants to nonprofit organizations, including applications to make new investments related to the export of goods or services produced in the United States and to meet operating expenses, to give special weight to export-related benefits, including opening new markets for United States goods and services abroad and encouraging the involvement of small, medium-size and minority businesses or agricultural concerns in the export market.

(b) There are authorized to be appropriated as necessary to meet the purposes of this section, $20,000,000 for each fiscal year, 1981, 1982, 1983, 1984, and 1985. Amounts appropriated pursuant to the authority of this subsection shall be in addition to amounts appropriated under the authority of other Acts.

GUARANTEES FOR EXPORT ACCOUNTS RECEIVABLE AND INVENTORY

SEC. 107. The Export-Import Bank of the United States is authorized and directed to establish a program to provide guarantees for loans extended by financial institutions or other private creditors to export trading companies as defined in section 103(5) of this Act, or to other exporters, when such loans are secured by export accounts receivable or inventories of exportable goods, and when in the judgment of the Board of Directors—

(1) the private credit market is not providing adequate financing to enable otherwise creditworthy export trading companies or exporters to consummate export transactions; and

(2) such guarantees would facilitate expansion of exports which would not otherwise occur.

The Board of Directors shall attempt to insure that a major share of any loan guarantees ultimately serves to promote exports from small, medium-size and minority businesses of agricultural concerns. Guarantees provided under the authority of this section shall be subject to limitations contained in annual appropriations Acts.

TITLE II—EXPORT TRADE ASSOCIATIONS

SHORT TITLE

SEC. 201. This title may be cited as the "Export Trade Association Act of 1981".

FINDINGS; DECLARATION OF PURPOSE

SEC. 202. (a) FINDINGS.—The Congress finds and declares that—

(1) the exports of the American economy are responsible for creating and maintaining one out of every nine manufacturing jobs in the United States and for generating one out of every $7 of total United States goods produced;

(2) exports will play an even larger role in the United States economy in the future in the face of severe competition from foreign government-owned and subsidized commercial entities;

(3) between 1968 and 1977 the United States share of total world exports fell from 19 per centum to 13 per centum;

(4) trade deficits contribute to the decline of the dollar on international currency markets, fueling inflation at home;

(5) service-related industries are vital to the well-being of the American economy inasmuch as they create jobs for seven out of every ten Americans, provide 65 percentum of the Nation's gross national product, and represent a small but rapidly rising percentage of United States international trade;

(6) small and medium-sized firms are prime beneficiaries of joint exporting, through pooling of technical expertise, help in achieving economies of scale, and assistance in competing effectively in foreign markets; and

(7) the Department of Commerce has as one of its responsibilities the development and promotion of United States exports.

(b) PURPOSE.—It is the purpose of this Act to encourage American exports by establishing an office within the Department of Commerce to encourage and promote the formation of export trade associations through the Webb-Pomerene Act, by making the provisions of that Act explicitly applicable to the exportation of services, and by transferring the responsibility for administering that Act from the Federal Trade Commission to the Secretary of Commerce.

DEFINITIONS

SEC. 203. The Webb-Pomerene Act (15 U.S.C. 61–66) is amended by striking out the first section (15 U.S.C. 61) and inserting in lieu thereof the following:

"SECTION 1. DEFINITIONS.

"As used in this Act—

"(1) EXPORT TRADE.—The term 'export trade' means trade or commerce in goods, wares, merchandise, or services exported, or in the course of being exported from the United States or any territory thereof to any foreign nation.

"(2) SERVICE.—The term 'service' means intangible economic output, including, but not limited to—

"(A) business, repair, and amusement services;

"(B) management, legal, engineering, architectural, and other professional services; and

"(C) financial, insurance, transportation, and communication services.

"(3) EXPORT TRADE ACTIVITIES.—The term 'export trade activities' means activities or agreements in the course of export trade.

"(4) METHODS OF OPERATION.—The term 'methods of operation' means the methods by which an association or export trading company conducts or proposes to conduct export trade.

"(5) TRADE WITHIN THE UNITED STATES.—The term 'trade within the United States' whenever used in this Act means trade or commerce among the several States or in any territory of the United States, or in the District of Columbia, or between any such territory and another, or between any such territory or territories and any State or States or the District of Columbia, or between the District of Columbia and any State or States.

"(6) ASSOCIATION.—The term 'association' means any combination, by contract or other arrangement, of persons who are citizens of the United States, partnerships which are created under and exist pursuant to the laws of any State or of the United States, or corporations whether operated for profit or organized as nonprofit corporations, which are created under and exist pursuant to the laws of any State or of the United States.

"(7) EXPORT TRADING COMPANY.—The term 'export trading company' means an export trading company as defined in section 103(5) of the Export Trading Company Act of 1980.

"(8) ANTITRUST LAWS.—The term 'antitrust laws' means the antitrust laws defined in the first section of the Clayton Act (15 U.S.C. 12), sections 5 and 6 of the Federal Trade Commission Act (15 U.S.C. 45, 46), and any State antitrust or unfair competition law.

"(9) SECRETARY.—The term 'Secretary' means the Secretary of Commerce.

"(10) ATTORNEY GENERAL.—The term 'Attorney General' means the Attorney General of the United States.

"(11) COMMISSION.—The term 'Commission' means the Federal Trade Commission.".

ANTITRUST EXEMPTION

SEC. 204. The Webb-Pomerene Act (15 U.S.C. 61–66) is amended by striking out section 2 (15 U.S.C. 62) and inserting in lieu thereof the following:

"SEC. 2. EXEMPTION FROM ANTITRUST LAWS

"(a) ELIGIBILITY.—The export trade, export trade activities, and methods of operation of any association, entered in to the sole purpose of engaging in export trade, and engaged in or proposed to be engaged in such export trade, and the export trade, export trade activities and methods of operation of any export trading company, that—

"(1) serve to preserve to promote export trade;

"(2) result in neither a substantial lessening of competition or restraint of trade within the United States nor a substantial restraint of the export trade of any competitor of such association or export trading company;

"(3) do not unreasonably enhance, stabilize, or depress prices within the United States of the goods, wares, merchandise, or services of the class exported by such association or export trading company;

"(4) do not constitute unfair methods of competition against competitors engaged in the export trade of goods, wares, merchandise, or services of the class exported by such association or export trading company;

"(5) do not include any act which results, or may reasonably be expected to result, in the sale for consumption or resale within the United States of the goods, wares, merchandise, or services exported by the association or export trading company or its members; and

"(6) do not constitute trade or commerce

in the licensing of patents, technology, trademarks, or knowhow, except as incidental to the sale of the goods, wares, merchandise, or services exported by the association or export trading company or its members shall, when certified according to the procedures set forth in this Act, be eligible for the exemption provided in subsection (b).

"(b) EXEMPTION.—An association or an export trading company and its members are exempt from the operation of the antitrust laws with respect to their export trade, export trade activities and methods of operation that are specified in a certificate issued according to the procedures set forth in this Act, carried out in conformity with the provisions, terms, and conditions prescribed in such certificate and engaged in during the period in which such certificate is in effect. The subsequent revocation or invalidation in whole or in part of such certificate shall not render an association or its members or an export trading company or its members, liable under the antitrust laws for such export trade, export trade activities, or methods of operation engaged in during such period.

"(c) DISAGREEMENT OF ATTORNEY GENERAL OR COMMISSION.—Whenever, pursuant to section 4(b)(1) of this Act, the Attorney General or Commission has formally advised the Secretary of disagreement with the determination to issue a proposed certificate, and the Secretary has nonetheless issued such proposed certificate or an amended certificate, the exemption provided by this section shall not be effective until thirty days after the issuance of such certificate.".

AMENDMENT OF SECTION 3

SEC. 205. (a) CONFORMING CHANGES IN STYLE.—The Webb-Pomerene Act (15 U.S.C. 61–66) is amended—

(1) by inserting immediately before section 3 (15 U.S.C. 63) the following:

"SEC. 3. OWNERSHIP INTEREST IN OTHER TRADE ASSOCIATIONS PERMITTED.",

(2) by striking out "SEC. 3. That nothing" in section 3 and inserting in lieu thereof "Nothing".

ADMINISTRATION: ENFORCEMENT; REPORTS

SEC. 206. (a) IN GENERAL.—The Webb-Pomerene Act (15 U.S.C. 61–66) is amended by striking out sections 4 and 5 (15 U.S.C. 64 and 65) and inserting in lieu thereof the following sections:

"SEC. 4. CERTIFICATION.

"(a) PROCEDURE FOR APPLICATION.—Any association or export trading company seeking certification under this Act shall file with the Secretary a written application for certification setting forth the following:

"(1) The name of the association or export trading company.

"(2) The location of all of the offices or places of business of the association or export trading company in the United States and abroad.

"(3) The names and addresses of all of the officers, stockholders, and members of the association or export trading company.

"(4) A copy of the certificate or articles of incorporation and bylaws, if the association or export trading company is a corporation; or a copy of the articles, partnership, joint venture, or other agreement or contract under which the association or export trading company conducts or proposes to conduct its export trade activities or contract of association, if the association or export trading company is unincorporated.

"(5) A description of the goods, wares, merchandise, or services which the association or export trading company or their members export or propose to export.

"(6) A description of the domestic and international conditions, circumstances, and factors which show that the association or export trading company and its activities will serve a specified need in promoting the export trade of the described goods, wares, merchandise, or services.

"(7) The export trade activities in which the association or export trading company intends to engage and the methods by which the association or export trading company conducts or proposes to conduct export trade in the described goods, wares, merchandise, or services, including, but not limited to, any agreements to sell exclusively to or through the association or export trading company, any agreements with foreign persons who may act as joint selling agents, any agreements to acquire a foreign selling agent, any agreements for pooling tangible or intangible property or resources, or any territorial, price-maintenance, membership, or other restrictions to be imposed upon members of the association or export trading company.

"(8) The names of all countries where export trade in the described goods, wares, merchandise, or services is conducted or proposed to be conducted by or through the association or export trading company.

"(9) Any other information which the Secretary may request concerning the organization, operation, management, or finances of the association or export trading company; the relation of the association or export trading company to other associations, corporations, partnerships, and individuals; and competition or potential competition, and effects of the association or export trading company thereon. The Secretary may request such information as part of an initial application or as a necessary supplement thereto. The Secretary may not request information under this paragraph which is not reasonably available to the person making application or which is not necessary for certification of the prospective association or export trading company.

"(b) ISSUANCE OF CERTIFICATE.—

"(1) NINETY-DAY PERIOD. The Secretary shall issue a certificate to an association or export trading company within ninety days after receiving the application for certification or necessary supplement thereto if the Secretary, after consultation with the Attorney General and Commission, determines that the association and, its export trade, export trade activities and methods of operation, or export trading company, and its export trade, export trade activities and methods of operation meet the requirements of section 2 of this Act and will serve a specified need in promoting the export trade of the goods, wares, merchandise, or services described in the application for certification. The certificate shall specify the permissible export trade, export trade activities and methods of operation of the association or export trading company and shall include any terms and conditions the Secretary deems necessary to comply with the requirements of section 2 of this Act. The Secretary shall deliver to the Attorney General and the Commission a copy of any certificate that he proposes to issue. The Attorney General or Commission may, within fifteen days thereafter, give written notice to the Secretary of an intent to offer advice on the determination. The Attorney General or Commission may, after giving such written notice and within forty-five days of the time the Secretary has delivered a copy of a proposed certificate, formally advise the Secretary and the petitioning association or export trading company of disagreement with the Secretary's determination. The Secretary shall not issue any certificate prior to the expiration of such forty-five day period unless he has (A) received no notice of intent to offer advice by the Attorney General or the Commission within fifteen days after delivering a copy of a proposed certificate, or (B) received any noticed formal advice of disagreement or written confirmation that no formal disagreement will be transmitted from the Attorney General and the Commission. After the forty-five day period or, if no notice of intent to offer advice has been given, after the fifteen-day period, the Secretary shall either issue the proposed certificate, issue an amended certificate, or deny the application. Upon agreement of the applicant, the Secretary may delay taking action for not more than thirty additional days after the forty-five day period. Before offering advice on a proposed certification, the Attorney General and Commission shall consult in an effort to avoid, wherever possible, having both agencies offer advice on any application.

"(2) EXPEDITED CERTIFICATION.—In those instances where the temporary nature of the export trade activities, deadlines for bidding on contracts or filling orders, or any other circumstances beyond the control of the association or export trading company which have a significant impact on its export trade, make the 90-day period for application approval described in paragraph (1) of this subsection, or an amended application approval as provided in subsection (c) of this section, impractical for the association or export trading company seeking certification, such association or export trading company may request and may receive expedited action on its application for certification.

"(3) AUTOMATIC CERTIFICATION FOR EXISTING ASSOCIATIONS.—Any association registered with the Federal Trade Commission under this Act as of April 3, 1980, may file with the Secretary an application for automatic certification of any export trade, export trade activities, and methods of operation in which it was engaged prior to enactment of the Export Trade Association Act of 1980. Any such application must be filed within 180 days after the date of enactment of such Act and shall be acted upon by the Secretary in accordance with the procedures provided by this section. The Secretary shall issue to the association a certificate specifying the permissible export trade, export trade activities, and methods of operation that he determines are shown by the application (including any necessary supplement thereto), on its face, to be eligible for certification under this Act, and including any terms and conditions the Secretary deems necessary to comply with the requirements of section 2(a) of this Act, unless the Secretary possesses information clearly indicating that the requirements of section 2(a) are not met.

"(4) APPEAL OF DETERMINATION.—If the Secretary determines not to issue a certificate to an association or export trading company which has submitted an application or an amended application for certification, then he shall—

"(A) notify the association or export trading company of his determination and the reasons for his determination, and

"(B) upon request made by the association or export trading company afford it an opportunity for a hearing with respect to that determination in accordance with section 557 of title 5, United States Code.

"(c) MATERIAL CHANGES IN CIRCUMSTANCES; AMENDMENT OF CERTIFICATE.—Whenever there is a material change in the membership, export trade, export trade activities, or methods of operation, of an association or export trading company then it shall report such change to the Secretary and may apply to the Secretary for an amendment of its certificate. Any application for an amendment to a certificate shall set forth the requested amendment of the certificate and the reasons for the requested amendment. Any request for the amendment of a certificate shall be treated in the same manner as an original application for a certificate. If the request is filed within thirty days after a material

change which requires the amendment, and if the requested amendment is approved, then there shall be no interruption in the period for which the certificate is in effect.

"(d) AMENDMENT OR REVOCATION OF CERTIFICATE BY SECRETARY.—After notifying the association or export trading company involved and after an opportunity for hearing pursuant to section 554 of title 5, United States Code, the Secretary, on his own initiative—

"(1) may require that the organization or operation of the association or export trading company be modified to correspond with its certification, or

"(2) shall, upon a determination that the export trade, export trade activities or methods of operation of the association or export trading company no longer meet the requirements of section 2 of this Act, revoke the certificate or make such amendments as may be necessary to satisfy the requirements of such section.

"(e) ACTION FOR INVALIDATION OF CERTIFICATE BY ATTORNEY GENERAL OR COMMISSION.—

"(1) The Attorney General or the Commission may bring an action against an association or export trading company or its members to invalidate, in whole or in part, its certificate on the grounds that the export trade, export trade activities or methods of operation of the association or export trading company fail or have failed to meet the requirements of section 2 of this Act. Except in the case of an action brought during the period before an antitrust exemption becomes effective, as provided for in section 2(c), Attorney General or Commission shall notify any association or export trading company or member thereof, against which it intends to bring an action for invalidation thirty days in advance, as to its intent to file an action under this subsection. The district court shall consider any issues presented in any such action de novo and if it finds that the requirements of section 2 are not met, it shall issue an order declaring the certificate invalid or any other order necessary to effectuate the purposes of this Act and the requirements of section 2.

"(2) Any action brought under this subsection shall be considered an action described in section 1337 of title 28, United States Code. Pending any such action which was brought during the period any exemption is held in abeyance pursuant to section 2(c) of this Act, the court may make such temporary restraining order or prohibition as shall be deemed just in the premises.

"(3) No person other than the Attorney General or Commission shall have standing to bring an action against an association or export trading company or their respective members for failure of the association or export trading company or their respective export trade, export trade activities or methods of operation to meet the eligibility requirements of section 2 of this Act.

"(f) COMPLIANCE WITH OTHER LAWS.—Each association and each export trading company and any subsidiary thereof shall comply with United States export control laws pertaining to the export or transshipment of any good on the Commodity Control List to controlled countries. Such laws shall be complied with before actual shipment.

"SEC. 5. GUIDELINES.

"(a) INITIAL PROPOSED GUIDELINES.—Within ninety days after the enactment of the Export Trade Association Act of 1980, the Secretary, after consultation with the Attorney General, and the Commission shall publish proposed guidelines for purposes of determining whether export trade, export trade activities and methods of operation of an association or export trading company will meet the requirements of section 2 of this Act.

"(b) PUBLIC COMMENT PERIOD.—Following publication of the proposed guidelines, and any proposed revision of guidelines, interested parties shall have thirty days to comment on the proposed guidelines. The Secretary shall review the comments and, after consultation with the Attorney General, and Commission, publish final guidelines within thirty days after the last day on which comments may be made under the preceding sentence.

"(c) PERIODIC REVISION.—After publication of the final guidelines, the Secretary shall periodically review the guidelines and, after consultation with the Attorney General, and the Commission, propose revisions as needed.

"(d) APPLICATION OF ADMINISTRATIVE PROCEDURE ACT.—The promulgation of guidelines under this section shall not be considered rulemaking for purposes of subchapter II of chapter 5 of title 5, United States Code, and section 553 of such title shall not apply to their promulgation.

"SEC. 6. ANNUAL REPORTS.

"Every certified association or export trading company shall submit to the Secretary an annual report, in such form and at such time as he may require, which report updates where necessary the information described by section 4(a) of this Act.

"SEC. 7. OFFICE OF EXPORT TRADE IN DEPARTMENT OF COMMERCE.

"The Secretary shall establish within the Department of Commerce an office to promote and encourage to the greatest extent feasible the formation of export trade associations and export trading companies through the use of provisions of this Act in a manner consistent with this Act. The Office of Export Trade in the Department of Commerce shall report to the congressional committees of appropriate jurisdiction on an annual basis, all East-West trade transactions requiring validated licenses, and any other relevant information on the role of U.S. export trading companies or subsidiaries thereof in the East-West trade.

"SEC. 8. TEMPORARY ANTITRUST EXEMPTION FOR EXISTING ASSOCIATIONS.

"(a) ELIGIBILITY.—To be eligible for the antitrust exemption provided by this section, an association must have been registered with the Federal Trade Commission under this Act on April 3, 1980.

"(b) DURATION.—The antitrust exemption provided by this section shall extend only to the existence of an eligible association, and to agreements made and acts done by such association, prior to one hundred and eighty days after the date of enactment of the Export Trade Association Act of 1980, or, in the event that an eligible association files an application for certification pursuant to section 4 of this Act during such one hundred and eighty days, prior to the Secretary's determination on such application becoming final.

"(c) EXEMPTION.—Subject to the limitations in subsections (a) and (b), nothing contained in sections 1 to 7 of the Sherman Act shall be construed as declaring to be illegal an association entered into for the sole purpose of engaging in export trade and actually engaged solely in such export trade, or an agreement made or act done in the course of export trade by such association, provided such association, agreement, or act is not in restraint of trade within the United States, and is not in restraint of the export trade of any domestic competitor of such association: *Provided*, That such association does not, either in the United States or elsewhere, enter into any agreement, understanding, or conspiracy, or do any act which artificially or intentionally enhances or depresses prices within the United States of commodities of the class exported by such association, or which substantially lessens competition within the United States or otherwise restrains trade therein.

"SEC. 9. CONFIDENTIALITY OF APPLICATION AND ANNUAL REPORT INFORMATION.

"(a) GENERAL RULE.—Portions of applications made under section 4, including amendments to such applications, and annual reports made under section 6 that contain trade secrets or confidential business or financial information, the disclosure of which would harm the competitive position of the person submitting such information shall be confidential, and, except as authorized by this section, no officer or employee, or former officer or employee, of the United States shall disclose any such confidential information, obtained by him in any manner in connection with his service as such an officer or employee.

"(b) DISCLOSURE TO ATTORNEY GENERAL OR COMMISSION.—Whenever the Secretary believes that an applicant may be eligible for a certificate, or has issued a certificate to an association or export trading company, he shall promptly make available all materials filed by the applicant, association or export trading company, including applications and supplements thereto, reports of material changes, applications for amendments and annual reports, and information derived therefrom, to the Attorney General or Commission, or any employee or officer thereof, for official use in connection with an investigation or judicial or administrative proceeding under this Act or the antitrust laws to which the United States or the Commission is or may be a party. Such information may only be disclosed by the Secretary upon a prior certification that the information will be maintained in confidence and will only be used for such official law enforcement purposes.

"SEC. 10. MODIFICATION OF ASSOCIATION TO COMPLY WITH UNITED STATES OBLIGATIONS.

"At such time as the United States undertakes binding international obligations by treaty or statute, to the extent that the operations of any export trade association or export trading company, certified under this Act, are inconsistent with such international obligations, the Secretary may require the association or export trading company to modify its respective operations, and in so doing afford the association or export trading company a reasonable opportunity to comply therewith, so as to be consistent with such international obligations.

"SEC. 11. REGULATIONS.

"The Secretary, after consultation with the Attorney General and the Commission, shall promulgate such rules and regulations as may be necessary to carry out the purposes of this Act.

"SEC. 12. TASK FORCE STUDY.

"Seven years after the date of enactment of the Export Trade Association Act of 1980, the President shall appoint, by and with the advice and consent of the Senate, a task force to examine the effect of the operation of this Act on domestic competition and on United States international trade and to recommend either continuation, revision, or termination of the Webb-Pomerene Act. The task force shall have one year to conduct its study and to make its recommendations to the President.".

(b) REDESIGNATION OF SECTION 6.—The Act is amended—

(1) by striking out "SEC. 6." in section 6 (15 U.S.C. 66), and

(2) by inserting immediately before such section the following:

"SEC. 13. SHORT TITLE.".

SUMMARY OF THE EXPORT TRADING COMPANY ACT

Title I of S. 2718 would: (1) increase the financial leverage of all exporters by directing the Export-Import Bank to develop an improved guarantee program to support commercial loans to United States exporters; (2) direct the Secretary of Commerce to promote export trading companies by providing information on such companies to U.S. producers; (3) permit banks to make limited in-

vestments in export trading companies (such investments could not exceed 5 percent of the banking capital and all controlling investments and all investments over $10,000,000 would be subject to prior approval and conditions imposed by Federal bank regulatory agencies to ensure the safety and soundness of banks and fair competition); (4) authorize additional appropriations to the Economic Development Administration and Small Business Administration to support increased loans and guarantees to enable expansion of U.S. exports, including exports through United States export trading companies.

Title II would revise the Webb-Pomerene Act of 1918 to clarify antitrust provisions applicable to export trade associations and export trading companies and provide a certification procedure which would enable such associations and companies to obtain antitrust preclearance for specified export trade operations. The clearance procedure would facilitate exports by permitting firms to determine in advance exactly which export trade activities would be immune from antitrust suit and which ones would not.

Organizations which have supported the Export Trading Company Act: President's Export Council, the National Governors' Association, the U.S. Chamber of Commerce, the American Bankers Association, the Bankers Association for Foreign Trade, the National Forest Products Association, the National Association of Manufacturers, the American Association of Port Authorities, the Mining and Reclamation Council of America, the Emergency Committee for American Trade, the National Small Business Association, the American Textile Manufacturers Association, the Man-Made Fiber Producers Association, the American Apparel Manufacturers Association, the Scientific Apparatus Makers Association, the National Machine Tool Builders Association, the American Soybean Association, the Electronic Industries Association, the National Customs Brokers and Forwarders Association of America, the American League for Exports and Security Assistance, the American Electronics Association, the Business Roundtable, and many others.

Previous hearings on this legislation:

International Finance Subcommittee: September 17 and 18, 1979, March 17 and 18 and April 3, 1980.

Full Banking Committee: July 25, 1980.

Senate Floor debate: August 26, September 3, 1980.

Last year's bill (S. 2718) passed the Senate 77–0.

EXPORT TRADING COMPANY ACT OF 1981

Mr. DANFORTH. Mr. President, the United States needs to become an aggressive exporter of its goods and services. One need only look at our growing trade deficit to appreciate that our industries are losing the competitive battle within world markets.

For the first 70 years of the century our Nation had a positive trade balance with its trading partners. For the better part of this century U.S. industry was efficient, had innovative capacity, and was unexcelled in technological leadership. Today, the statistics and the outlook is not that encouraging. In 1977 the United States ran a $26.5 billion deficit, a $28.5 billion deficit the next year and a $25 billion deficit in 1979. Last year the projected trade deficit was to approach $30 billion. The economic stability of our Nation is being swiftly eroded.

In the last two decades the U.S. share of free world exports declined from 15 to 11 percent. Within the last 5 years our major competitors have managed to increase real exports by 4 percent a year, while the value of U.S. exports, adjusted for inflation, has shown little if no growth. Looking at the relative importance of exports as a percentage of GNP, U.S. exports account for approximately 7 percent of GNP in contrast to Japan where exports account for 14 percent of GNP and for 22 percent of GNP in Germany. Something has to be done to spur U.S. exports.

Mr. President, the "Export Trading Company Act of 1981" is a step in that direction. The bill encourages and provides a framework within which export trading companies may be formed. The bill enables banking institutions to invest in export trading companies under specified and carefully regulated conditions. Further, the legislation would significantly amend the Webb-Pomerence Act of 1918 to clarify the antitrust provisions applicable to export trade associations and provide a certification procedure whereunder export trading companies and trade associations may receive antitrust clearance for specified export trade activities.

Mr. President, as its author, I would like to address my remarks to the antitrust provisions of the "Export Trading Company Act of 1981", specifically title II. Title II finds its origin S. 864, the "Export Trade Association Act of 1979" introduced by myself and Senators BENTSEN, CHAFEE, Javits, and MATHIAS on April 4, 1979 and later joined by Senator HEINZ. Hearings were held on S. 864, and other bills, on September 17 and 18, 1979 before the Subcommittee on International Finance of the Senate Committee on Banking, Housing and Urban Affairs. A revised version of S. 864 was introduced on February 26, 1980 as amendment No. 1674. Hearings on the revision were held on March 17 and 18, and April 3, 1980. On September 3 the Senate by a vote of 77 to 0 passed S. 2718, the predecessor to the legislation introduced today.

Before I address myself to the particulars of title II, I believe a brief historical background of the current law—the Webb-Pomerence Act of 1918 (15 United States Code, sections 61–66)—which title II amends will prove beneficial.

In 1914 Congress directed the Federal Trade Commission to study and report to the Congress on the conditions affecting U.S. export trade. In 1916 the Federal Trade Commission published a report that found American manufacturers and producers when attempting individually to enter foreign markets to be at a disadvantage because of strong combinations of foreign competitors and organized buyers. The report also noted that the threat of antitrust prosecutions under the Sherman Act deterred exporters from carrying out collective efforts to challenge foreign cartels.

In response to the findings of the FTC report, Congress passed in 1918 what has come to be known as the Webb-Pomerene Act. The purpose behind passage of the Webb-Pomerene Act was to provide U.S. exporters with the ability to compete in international markets on an equal basis with their foreign competitors. The Webb-Pomerene Act provides a limited exemption from both the Sherman and Clayton Antitrust Acts to qualified joint ventures in export trade known as Webb-Pomerene associations. The Webb-Pomerene law exempts from U.S. antitrust laws any association established "for the sole purpose of engaging in export trade," (15 United States Code, Section 62) as long as the association, its acts, or any agreements into which the association enters, do not: First, restrain trade within the United States; second, restrain the export trade of any domestic competitor of the association; or third, artificially or intentionally enhance or depress prices within the United States of commodities of the class exported by such association or substantially lessen competition within the United States or otherwise restrict trade therein (15 United States Code, Sec. 62).

The Webb Act defines "export trade" to include only "trade or commerce in goods, wares, or merchandise exported, or in the course of being exported from the United States" (15 United States Code, Section 61). As is obvious, the Webb Act does not extend to exports of services.

Mr. President, both the legislative history of the Webb Act and the administrative and judicial interpretation of the act shed light on its scope and intended effect.

The debate on passage of the Webb Act was centered on the resolve of two points mentioned in the FTC report. These were: First, that American firms and U.S. exports might be benefited if cooperative arrangements reduced the costs of foreign marketing or enhanced the bargaining power of American firms when dealing with foreign buyers; and second, that domestic trade might be affected adversely if cooperative arrangements enabled American firms either to exploit consumers in the home markets or exclude nonmember firms from the export market.

The legislative history of the Webb Act, including both House and Senate Reports and the debates in the CONGRESSIONAL RECORD, evidences that Congress presumed that formation of export trade associations would enable smaller American firms to compete more effectively with large and powerful firms abroad by permitting American sellers to combine and bargain collectively. It was believed that the combined power of American firms would provide the means for entry into foreign markets which previously were blocked by the power and tactics of sellers and buyers abroad.

Early in the history of the Webb Act the FTC issued a letter setting forth its enforcement intentions. In that letter, known as the 1924 "silver letter," the FTC announced that an association could qualify under the Webb Act if it existed for no other purpose than to fix prices and allocate sales in foreign markets—as long as the substantive criteria set forth in the act were met—and while foreign corporations were excluded from membership in Webb associations, these associations might enter into any cooperative arrangements with

nonnationals which might enhance their trade position in foreign markets.

A second determination of the "silver letter"—permitting restrictive agreements between Webb associations and foreign nationals—was rescinded in 1955. Under the new criteria outlined by the FTC, if export associations enter into restrictive agreements with foreign competitors, those agreements will not be within the antitrust protections of the Webb Act and the lawfulness of the associations' activities will be judged under the Sherman Act, as would similar conduct by an individual exporter.

After issuance of the "silver letter" it was not until the 1940's that further clarification was afforded the scope of the Webb-Pomerence antitrust exemption through a series of investigations conducted by the commission known as the "202 series of recommendations." These investigations concluded that a Webb-Pomerene association may not:

Enter into agreements of any kind with domestic producers who are not members of the association which fix prices, terms of sale, or otherwise restrain the free export of goods of nonmember firms. Pipe Fittings and Valve Export Association. (1948)

Enter into agreements of any kind whereby exports of domestic nonmember producers are deducted from the export quota of the association. Florida Hard Rock Phosphate Export Association. (1945)

Enter into agreements of any kind which prohibit association members from selling to domestic exporters in competition with the association, or which deduct sales by a member within the United States from the member's export quotas through the association. Phosphate Export Association. (1946)

Falsely represent that it is the sole export representative of the United States in a given industry. Pacific Forest Industries. (1940)

Enter into agreements of any kind with owners or operators of shipping terminals, thereby restricting use of such terminals to only association members. Phosphate Export Association (1946).

Be involved in acquiring control of any patent or process useful in the production of the goods it markets. Sulphur Export Corporation (1947).

Enter into an agreement of any kind which precludes or restricts the right of the association or its members from using a trademark or label in the United States. General Milk Co., Inc., Ltd. (1947).

Enter an agreement of any kind whereby it controls or attempts to control any of the terms or conditions of sales by its members within the United States. Phosphate Export Association. (1949).

Enter an agreement of any kind with any foreign producer or cartel whereby the United States is designated as an exclusive trade area, or imports into the United States are otherwise curtailed or restricted. Export Screw Association of the United States. (1947).

Own stock, either directly or indirectly through subsidiaries, in corporations or other producers outside the United States. Export Screw Association of the United States. (1947).

Enter an agreement of any kind whereby foreign producers are guaranteed the right to sell within a given area a specified tonnage over and above sales in that area by the association. Sulphur Export Corp. (1947).

Enter an agreement of any kind which discriminates among its members as to the right of withdrawal, resignation or restricting the right of former members to compete with the association after withdrawal. Phosphate Export Association. (1946).

Conduct office operations jointly with a domestic trade association. Carbon Black Export, Inc. (1949).

Enter an agreement of any kind to "maintain the status quo" in the world market of the industry and to do nothing which would encourage or increase competition in the industry. Sulphur Export Corp. (1947).

Take into membership anyone who is not a citizen of the United States, nor any foreign purchaser, customer, representative, or agent of a foreign company. Phosphate Export Association (1946).

In 1966 the Commission in advisory opinion No. 91 determined that membership by a firm owning foreign entities is permissible in a Webb-Pomerene association.

Further clarification as to the parameter of the antitrust exemption provided under the Webb Act has been gained through adjudication of a number of cases brought by the Department of Justice. Of these cases there are two major decisions which interpret the scope of the Webb Act.

In the first case, United States against Alkall Export Association (southern district, New York, 1944) the court found that a Webb association had violated the Sherman Act by participating in foreign cartels that engaged in practices resulting in the use of monopoly power to extinguish the competition of independent domestic competitors engaged in export trade and, which carried out practices that stabilized domestic prices by removing surplus products from the domestic market.

In the second case, United States against Minnesota Mining Mfg. (district court, Massachusetts, 1950) the court held that an export association could not establish or operate jointly owned facilities abroad and then went on to give illustrations of conduct that a Webb association may lawfully carry out: First, an association could be created by a majority of the firms in an industry; second, the association could be used as the members' exclusive foreign outlet; third, members of the association could agree that goods would be purchased only from member producers; fourth, resale prices could be fixed for the associations' foreign distributors; fifth, prices could be fixed and quotas established for members; and sixth, foreign distributors could be required to handle only the members' products.

The Minnesota Mining case provides the most authoritative interpretation of the scope and rationale of the antitrust exemption under the Webb-Pomerene Act. As stated by the court:

> Now it may very well be that every successful export company does inevitably affect adversely the foreign commerce of those not in the joint enterprise and does bring the members of the enterprise so closely together as to affect adversely the members' competition in domestic commerce. Thus every export company may be a restraint. But if there are only these inevitable consequences, an export association is not an unlawful restraint. The Webb-Pomerene Act is an expression of Congressional will that such a restraint shall be permitted.

In enacting the Webb-Pomerene Act, Congress envisioned an eager American business community availing itself of the opportunity to pool its facilities, resources, and expertise in such a fashion as to implement an ambitious joint exporting program. That vision never materialized.

At their high water mark between 1930 and 1935, Webb-Pomerene associations numbered 57 and accounted for approximately 19 percent of total U.S. exports. Today the number of associations has dwindled to around 30 and their share of total U.S. exports has dipped to less than 2 percent.

The reasons for this poor showing are many. To list but a few:

The business community traditionally has placed top priority on tapping the vast domestic market and has been much slower to focus on the prospects overseas.

The ever-expanding U.S. service industries have been excluded from qualifying for the act's antitrust exemption.

The Department of Justice, and to a lesser extent the Federal Trade Commission, have been perceived by the business community as exhibiting a thinly veiled hostility toward Webb-Pomerene associations. Therefore, the threat of antitrust litigation has served as a deterrent to broader utilization of the Webb-Pomerene Act.

All in all, there remains the strong impression among most parties that the Webb-Pomerene Act is a quaint relic of the past—a cracked plate that is not good enough to be brought out for company and yet not so useless as to be thrown away. This is regrettable, particularly at a time when we are suffering year in and year out $30 billion deficits.

Title II to the Export Trading Company Act of 1981 modifies the Webb-Pomerene Act in a way that will permit many more American firms to make use of its updated provisions to promote exports.

Title II does the following:

It makes the provisions of the Webb-Pomerene Act explicitly applicable to the exportation of services. (The National Commission for the Review of Antitrust Laws and Procedures made this same recommendation in its report to the President.)

It expands and clarifies the Act's antitrust exemption for export trade associations, and provides an antitrust exemption for export companies formed under

title I to the Export Trading Company Act of 1981.

It requires that the antitrust immunity be made contingent upon a preclearance procedure.

It transfers the administration of the act from the FTC to the Department of Commerce.

It creates within the Department of Commerce an office to promote the formation of export trade associations and trading companies.

It provides for the establishment of a task force whose purpose will be to evaluate the effectiveness of the Webb-Pomerene Act in increasing U.S. exports and to make recommendations regarding its future to the President.

Mr. President, with respect to amendments made to the Webb-Pomerene Act by title II, section 201 states the short title of the act while section 202 sets forth findings by the Congress regarding exports and joint exporting activities and the need for amending the 1918 Webb-Pomerene Act (15 United States Code. sections 61 to 66).

Section 203 amends section 1 of the Webb-Pomerene Act (15 United States Code, section 61) and defines the pertinent terms to be used in the amended Webb-Pomerene Act. "Export trade" is amended to include trade in services as well as that in goods, wares or merchandise. "Service" is defined as meaning intangible economic output and is intended to be an all-encompassing definition, a term not limited by usage relevant to any particular point in time. The term "trade within the United States" retains the definition under section 1 of the Webb-Pomerene Act. The definition of "antitrust laws" is intended to be all inclusive of both Federal and State statutes prescribing the competitive norms within the marketplace. Within the Federal jurisdiction this includes the Sherman Act, the Clayton Act, the Wilson Tariff Act and the Federal Trade Commission Act. The remaining definitions in section 203 are self-explanatory. It should be noted that the amendments to the Webb Act contained in title II are expanded to include qualified "export trading companies" as well as Webb associations.

Section 204 of title II amends sections 2 and 4 of the Webb-Pomerene Act (15 United States Code, sections 62 and 64) and establishes the scope of the antitrust exemption. Section 2 of the Webb-Pomerene Act exempts from the application of the Sherman and Clayton Antitrust Acts—specifically sections 1 to 7 of title 15 of the United States Code—any Webb association that is established for the sole purpose of engaging in export trade; does not restrain trade in the United States; does not restrain the export trade of any domestic competitor of the association; that does not artificially or intentionally enhance or depress prices within the United States of commodities of the class exported by the association; or does not substantially lessen competition within the United States.

Section 4 of the Webb-Pomerene Act extends the jurisdiction of the Federal Trade Commission Act to include unfair methods of competition used in export trade even though the acts were engaged in outside the United States.

Section 204 of title II establishes a new section 2 to the Webb-Pomerene Act. Section 2(a) sets out the eligibility criteria for the antitrust exemption afforded under the act for export trade associations and trading companies. Section 2(a) establishes six eligibility criteria. They are that the association or trading company and their export trade activities:

First: Serve to preserve or promote export trade;

Second: Result in neither a substantial lessening of competition or restraint of trade within the United States nor a substantial restraint of the export trade of any competitor of such association;

Third: Do not unreasonably enhance, stabilize, or depress prices within the United States of the goods, wares, mrechandise, or services of the class exported by such association;

Fourth: Do not constitute unfair methods of competition against competitors engaged in the export trade of goods, wares, merchandise, or services of the class exported by such association;

Fifth: Do not include any act which results, or may reasonably be expected to result, in the sale for consumption or resale within the United States of the goods, wares, merchandise, or services exported by the association or export trading company or its members; and

Sixth: Do not constitute trade or commerce in the licensing of patents, technology, trademarks, or knowledge, except as incidental to the sale of the goods, wares, merchandise, or services exported by the association or export trading company or its members.

With the exception of the requirements in paragraphs (1), (4), and (6) of section 2(a) of the act—provisions that impose additional criteria for eligibility in addition to those found in the standards of the current Webb-Pomerene Act—the substantive law of antitrust as modified by the amended Webb-Pomerene Act has not been altered. The amendment of the Webb-Pomerene Act by section 204(a) of title II of S. 2718, with the exceptions as noted, in a codification of court interpretations of the Webb-Pomerene exemption to the domestic antitrust laws. In this regard I make specific reference to the decision in United States against Minnesota Mining and Manufacturing Co. which I alluded to earlier in my remarks. Also, the amendment is consistent with the present enforcement policy of both the Department of Justice and the Federal Trade Commission.

As stated by Ky Ewing, Deputy Assistant Attorney General, Antitrust Division, Justice Department, during hearings on S. 864—(now title II to the Export Trading Company Act of 1981—before the International Finance Subcommittee of the Senate Banking Committee on September 18, 1979:

We note (that S. 864) would require that a restraint of U.S. domestic trade be substantial before the exemption would disappear. The purpose of this proposal . . . is to bring the Act into what we conceive to be the current state of antitrust law interpreted by the court. (September 17, 18 hearing record on Export Trading and Trade Associations, p. 138).

Similarly, Daniel Schwartz, Deputy Director, Bureau of Competition, Federal Trade Commission, testified that the antitrust standards specified in S. 864 "are essentially equivalent to the standards of the Webb-Pomerene Act." (September 17, 18 hearing record on Export Trading and Trade Associations, p. 194.)

In his prepared statement, Mr. Ewing further explained that—

The judicially accepted legal threshold test for applicability of the Sherman Act to activity abroad places a heavier burden on government and private plaintiffs than that applicable domestically. The presence of a substantial and foreseeable effect on U.S. domestic or commerce is required, not merely some minimal effect. (September 17, 18 hearing record on Export Trading and Trade Associations, p. 144.)

Mr. Ewing also noted in his testimony before the subcommittee that—

The Department of Justice has long predicated its enforcement efforts in export related matters upon the ability to prove a substantial and foreseeable effect on U.S. commerce. (September 17, 18 hearing record on Export Trading and Trade Associations, pp. 154–155.)

Mr. President, during debate on S. 2718 last year, a question was raised that if section 204(a) is nothing more than a codification of not only current judicial understanding of section 2 of the Webb Act but also the enforcement intent of both the Department of Justice and the Federal Trade Commission, why was it necessary to amend this section of the Webb Act with the exception of paragraphs (1), (4), and (6) as I previously noted? The record evidences that the amendment is necessary in order to provide certainty to the business community in their international trade activities assuring them that their activities do not run afoul of domestic antitrust laws.

This is accomplished by establishing a certification procedure and by codifying not only present applicable case law but also the enforcement intentions of the antitrust oversight branches of our Government. Two examples will suffice. Under the present Webb-Pomerene Act, if an activity of a Webb association is "in restraint of trade within the United States"—section 2 of the Webb-Pomerene Act—then the international trading activity of that association is not exempt from prosecution under the antitrust laws. When is a "restraint" actionable? When it is de-minimus, insignificant, something more than inconsequential, substantial, or just what kind of measurement is to be employed? The Court in Minnesota Mining held that the restraint has to be something more than the inevitable consequences of the joint activity of competitors. The Department of Justice stated its enforcement intent under the Webb Act to be against joint exporting activities that have a substantial and foreseeable restraint on domestic trade. It would seem to this Senator that for the business community to be sure as to the circumstances under which its international trade conduct is to be held accountable, that the test judging the conduct be written in law. It is for this reason that "substantial" modifies the phrase "restraint of trade" and "sub-

stantially" modifies "lessening of competition" in section 2(a) of the act.

A second example relates to section 2 of the Webb-Pomerene Act which states that a joint exporting activity which "artificially or intentionally enhances or depresses prices within the United States" is outside the scope of the antitrust exemption provided by the act. The point I wish to make here is that for a business venture to rely on such a test—"artificially or intentionally"—is to place reliance on a standard which gives a false sense of security to joint exporting activities. The courts in the area of antitrust jurisprudence have developed a test that looks not to the mind—intent of the actors—but to the foreseeable consequences of their actions—the effect. It is for this reason that under paragraph 3 of section 2(a) of the act, the eligibility criteria is that the joint exporting activity does not "unreasonably enhance, stabilize or depress prices within the United States * * *," a test that looks to the effect of the actions not at the intent of the actors.

It should be noted that the eligibility criteria found in paragraph (6) of section 2(a) of the act requires nothing more than a determination by the Secretary that the international trading activity of the trade association or export trading company not be solely trade in the "licensing of patents, technology, trademarks, or know-how" with the exception that such trade may be present if it is incidental to the sale of goods or services. It is the purpose of the Export Trading Company Act of 1981 to further U.S. export trade in goods and services and not to promote trade in processes or ideas that could well result in the opposite effect occurring.

Mr. President, under section 2(b) of the act an export trade association, export trading company and their respective members that have their trade, trade activities and methods of operation certified according to the procedures set forth under section 4 of the act and carried out in conformity therewith are exempt from the operation of the antitrust laws be it private or sovereign—State or Federal—enforcement of those laws. The immunity from prosecution under the antitrust laws is complete from the day the certification goes into effect until it is either revoked or rendered invalid pursuant to actions taken under section 4 (d) or (e) of the act. If a revocation or invalidation occurs under the act, the loss of immunity is prospective only.

Mr. President, I believe it important to explain for the benefit of my colleagues how the antitrust immunity provided under title II, which attaches after certification, differs from the antitrust immunity afforded under the current Webb-Pomerene Act.

Under current law, a Webb-Pomerene association that complies with the filing requirements of section 5 of the Webb Act and which is not in violation of the substantive law standards of section 2 of the Webb-Pomerene Act is exempt from the operation of the antitrust laws but only as to those sections of the Sherman and Clayton statutes set out in the Webb-Pomerene statute. Further, neither the fact of immunity nor the extent thereof is known until an association is sued and obtains a judicial determination that section 2 of the Webb-Pomerene Act has not been violated. What the Webb association has is only a hope. A case in point is United States against United States Alkali Export Association (Southern District of New York, 1944). In that case a Webb association was charged with entering into agreements with foreign cartels for the purpose of dividing world alkali markets, assigning international quotas, and fixing prices in certain territories other than the United States.

The Webb association admitted the agreements but asserted in defense that it had complied with the filing requirements of section 5 of the statute, that its activities were not in violation of section 2 of the statute and therefore the association was immune from prosecution under the antitrust laws. Notwithstanding the association's belief that it was in compliance with the law, the court found to the contrary. The court's holding placed the arrangements employed by the alkali association outside the protective provisions of the Webb Act and exposed the association to liability under the antitrust laws. The Webb association which was organized in 1919 found out, after appeals, that the antitrust immunity which it believed it had for 40 years did in fact not exist.

Under the procedures established under title II, a Webb association—or for that matter an export trading company—whose export trade activities have been certified and which association or company acts within that certification knows for certain that those activities are exempt from both private and sovereign enforcement of either State or Federal antitrust laws. The latter, besides encompassing the Sherman and Clayton antitrust laws and the Wilson Tariff Act includes the antitrust provisions of the Federal Trade Commission Act, sections 5 and 6 thereof. The certainty provided through the certification process is not lost until action is taken pursuant to the provisions of title II either to revoke or invalidate the certification. If the latter occurs, the loss of the antitrust exemption is prospective—for future conduct only.

Under section 2(c) of the act, when a certificate is issued by the Commerce Department, and the Department of Justice or Federal Trade Commission has previously advised the Department of Commerce of its disagreement with a determination to issue a certificate granting immunity under the act, the immunity from the operation of the antitrust laws is held in abeyance for 30 days. This provision is applicable to the issuance of a certificate under section 4(b).

Section 205, Mr. President, provides conforming changes in style to section 3 of the Webb-Pomerene Act (15 United States Code, section 63).

Section 206 amends sections 4 and 5 of the Webb-Pomerene Act (15 United States Code, sections 64 and 65) and adds an additional seven sections to the act. Section 4 of the Webb-Pomerene Act extended the jurisdiction of the Federal Trade Commission Act to include acts committed outside the United States. Under title II both the Department of Justice and the Federal Trade Commission have authority to seek invalidation of a certificate when the export trade, export trade activities, or methods of operation of the association or trading company no longer meet the requirements of section 2 of the act. One of the eligibility criteria under the act, specifically paragraph (4) of section 2(a), is that of "unfair methods of competition," an antitrust standard uniquely within the expertise of the Federal Trade Commission and a standard which establishes a norm of competitive behavior prescribed by section 5 of the Federal Trade Commission Act. While under the current Webb Act there exists no exemption for joint exporting activity that may be found to violate section 5 of the Federal Trade Commission Act, such an exemption is provided under the Export Trading Company Act of 1981.

Section 5 of the Webb-Pomerene Act establishes administrative requirements for associations operating under the act. Each association, within 30 days after its formation, has to submit a statement to the Federal Trade Commission giving details concerning its certificate of incorporation and bylaws. The association must also furnish to the Commission such information as the Commission requests.

The Commission may also investigate associations if it believes that the law may have been violated. Recommendations for readjustment can be made by the Commission and if the association does not comply with the recommendations the Commission may refer its findings to the Department of Justice for any appropriate action. Under the present Webb-Pomerene law a Webb association that complies with the filing requirements of section 5 would not know if it had an immunity from the operation of the antitrust laws until a judicial determination was rendered that section 2 of the Webb-Pomerene Act had not been violated.

Mr. President, section 206 of title II provides a new section 4 to the Webb-Pomerene Act. Section 4(a) establishes the procedure to apply for certification as either an export trade association or export trading company. The section, specifically paragraphs (1) through (9), describes the information to be included in the application for certification which paragraphs I believe are self-explanatory.

Most notable of the informational filing requirements are a description of the circumstances showing that the association or export trading company will serve a need in promoting the export trade in the goods or services involved, a description of the methods by which the association or company intends to conduct its export trade and any other information which is reasonably available to the applying parties and which is necessary for the grant of certification.

Under section 4(b)(1) the Secretary

of Commerce is required to certify an association or company within 90 days after receiving the application. During this 90-day period the Secretary will have the opportunity to consult with both the Department of Justice and the Federal Trade Commission. The purpose for the consultation is to provide an opportunity for the two antitrust enforcement agencies of our Government to share with the Secretary of Commerce their respective analysis of and any concerns they may have relative to the eligibility criteria of the act, section 2(a).

Under section 4(b)(1) an association or company will be granted a certificate upon a determination by the Secretary that: First, the association or trading company and their respective export trade, trade activities and methods of operation meet the requirements of section 2 of the act and second, that the association or company and their respective activities will serve a specified need in the promotion of the applicable export trade.

Mr. President, during the hearings in 1979 and 1980 on S. 864 and amendment 1674 to S. 864, concern was raised as to the application of a "needs test" in the proposed legislation. In its report to the President and the Attorney General on January 22, 1979, the National Commission for the Review of Antitrust laws and Procedures concluded that if the Congress determines that it is necessary to continue the Webb-Pomerene exemption it should seriously consider that before any immunity from the operation of the antitrust laws is afforded an association of joint exporters, the latter "be required to make a showing of need".

Under section 2(a) of the act, specifically paragraph (1), one of the eligibility criteria for ascertaining whether a certification is to be issued is whether the joint exporting activities "serve to preserve or promote export trade." The question was asked as to how the eligibility criteria of section 2(a)(1) is related, if at all, first to the needs showing under section 4(a)(6) and second to the needs determination required of the Secretary under section 4(b)(1).

During the debate on S. 2718 last year, in a colloquy with Senator HEINZ, I stated there was no relationship. I went on to state that the reason for providing an exemption from the operation of the antitrust laws for the joint exporting activities of either a Webb association or Export Trading Company is that without such an exemption, and an exemption which is certain, it would not be reasonable to conclude that such joint exporting activities would be undertaken except on an infrequent basis.

Therefore, to encourage such activity, an exemption is available. However, the exemption should only be utilized to preserve—that is to say maintain the status quo—or promote—that is to say add to—export trade. To be eligible for the exemption, such a finding—that the association or trading company will preserve or promote export trade—should be made by the Secretary of Commerce. Further, since the existence of that fact is 1 of 6 eligibility criteria, the finding would be subject to judicial consideration under a section 4(e) action.

On the other hand, the determination by the Secretary under section 4(b)(1) utilizing information tendered pursuant to section 4(a)(6) is not subject to judicial consideration under a section 4(e) action. The reason behind requiring the Secretary to not only determine that the six eligibility criteria of section 2(a) will be met but that the activities of the Webb association or Export Trading Company will serve a specified need in promoting the export trade covered by the certification is simple.

It was believed that those seeking to avail themselves of the benefit of the Webb-Pomerene exemption should come forward and share with the oversight agency, the Department of Commerce, the reasons they believe their activities will be in furtherance of the export trade of our Nation. The needs demonstration required by section 4 of the act is nothing more than a subjective explanation by the association or trading company as to how its activities will further U.S. trade. The Secretary in his determination will either agree or disagree with that evaluation. Section 4 contemplates nothing more than a subjective explanation by the Webb association or trading company that the activities of the association or company will further U.S. export trade.

Mr. President, the Secretary, under section 4(b)(1) must specify in the certificate the permissible export trade, trade activities, and methods of operation of the association or company. The immunity from the operation of the antitrust laws provided by section 2(b) of the act applies to those enumerated activities.

Under section 4(b)(1) the Secretary must issue the certificate or deny the application 90 calendar days after an application is filed but may extend that process by an additional 30 days with the agreement of the applicant. After an application is filed, by the 45th day, the Secretary is to deliver to the Attorney General and the Federal Trade Commission a copy of any certificate the Secretary proposes to issue. No later than 15 days thereafter—in the case of a certificate delivered on the 45th day, by the 60th day—the Attorney General or Commission may given written notice of an intent to offer advice on the determination. If the Commission or Attorney General does not respond within the 15-day period or formally advises the Secretary of no disagreement with his intent to issue a certificate then the Secretary may issue a certificate at any time.

If the Attorney General or Commission advises the Secretary of an intent to offer advice on the application, then such advice must be provided the Secretary within 45 days of the date the Attorney General or Commission received from the Secretary a copy of the proposed certification. In the case of the Attorney General or Commission notifying the Secretary of Commerce of his intention to offer formal advice on the 60th day after the certificate has been filed the formal advice must be given by the 90th day, since the proposed certificate was tendered to each agency on the 45th day. The extension of time afforded under section 4(b) applies only to the granting of the certificate and not to the time during which the Attorney General or Commission is obligated to act.

Section 4(b)(2) of the act provides that an association may request expedited consideration on its application. The time constraints in section 4(b)(1) must still be honored but it is expected that if a need is demonstrated justifying expedition than all affected agencies will act in due speed.

Section 4(b)(3) provides automatic certification for existing Webb-Pomerene associations which request such certification within 180 days after enactment of the act. Under the amendment, the certification process for existing Webb-Pomerene associations is to comport with the process applicable to other associations seeking certification under the act, with two exceptions:

First, under paragraph (3) of section 4(b) the Secretary's review of the application for certification is to be summary in nature. Specifically, the Secretary is required to determine whether the application shows "on its face" whether a certificate should issue. It is further stated that unless the Secretary "possesses information clearly indicating that the requirements of section 2(a) are not met"—again, by looking at the application "on its face" and having available the advice of the Department of Justice or Federal Trade Commission—the Secretary must issue the certificate for the export trade, export trade activities and methods of operation that meet the requirements of section 2(a) of the act.

Second, when issuing a certificate pursuant to paragraph (3) of section 4(b) the Secretary need not determine that the association and its activities "will serve a specified need in promoting the export trade of the goods, wares, merchandise or services described in the application." An existing Webb-Pomerene association need not have to demonstrate that its existence is in furtherance of U.S. export trade. Such will be presumed.

Section 4(b)(4) provides a mechanism whereby an association whose application for certification or amendment thereto is denied is to be afforded a hearing with respect to that determination pursuant to section 557 of title 5 of the United States Code.

Section 4(c) of the act requires that after certification, if there occurs a material change—meaning something more than inconsequential—related to the association or trading company's membership, trade, trade activities or methods of operation, then an affirmative duty on the part of the association or company exists to report the change to the Department of Commerce. At the time the report is made the association or company may request that its certification be amended. Under section 4(c) if the request for an amendment to the certification is reported by the association or company within 30 days of the fact of

the change the antitrust immunity provided by the act continues uninterrupted if the material change subsequently becomes incorporated into the certification through approval by the Secretary of Commerce. The decision as to whether the 30-day test has been met is within the discretion of the Secretary who shall state such when acting upon the request for an amendment to the certification.

It should be noted that any interruption in the period of the antitrust immunity occasioned by the failure to notify the Secretary of a material change within the 30-day period does not affect the scope of the underlying certification except as to that part relevant to the material change. One final comment concerning section 4(c) is necessary. The request to obtain certification for a material change must be made within the 30-day period after the change occurs. The decision by the Secretary to accept the request and approve the change is not required to be made within the 30-day period.

Under section 4(d) the Secretary, after notification to an association or trading company and after affording it a hearing, may require that the association or company amend its organization or methods of operation to correspond to its grant of certification. Further, if the Secretary determines that the eligibility criteria of section 2(a) of the act are no longer met, the Secretary must either revoke the certification or himself make such amendments to the certification to satisfy the eligibility criteria of the act.

Mr. President, section 4(e)(1) authorizes either the Department of Justice or the Federal Trade Commission to bring an action to invalidate, in whole or in part, the certification granted to an association or trading company on the grounds that the eligibility criteria of section 2 of the act are no longer being met. Once an association or trading company's export trading activity has been certified under the act, the only action provided by law against the association, trading company or their respective members would be either a self-initiated action by the Secretary under section 4(d) of the act or an action by the Department of Justice or Federal Trade Commission under section 4(e) of the act. Under section 4(e) a private party does not have a cause of action against a Webb association, trading company or their respective members under the Federal, or for that matter, State antitrust laws for injury to it.

Section 4(e)(3) of the act provides that only the Department of Justice or the Federal Trade Commission has standing to bring a cause of action in court against a trading company or Webb association for violation of section 2 of the act. Therefore, apart from the complained against activity being ultravires to the certification, a private party has no standing to bring suit. However, after a certificate has been revoked or invalidated, a private party could have standing to bring an action under the antitrust laws based on activities subsequent to the revocation or invalidation. I would also point out that a private party who may be "aggrieved by an order of an appropriate banking agency" pursuant to section 105(e)(1) of title I of the Export Trading Company Act of 1981 may not employ the broad standing provision of section 105(e)(1) in order to obtain standing against an export trading company or association with respect to its export trade, trade activities and methods of operation.

Mr. President, under section 4(e)(1), before the Department of Justice or Federal Trade Commission may sue to invalidate a certification, it is required to notify the affected parties 30 calendar days in advance. It is anticipated that this 30-day period will allow sufficient time for the parties to resolve their differences, if at all possible. The 30-day notification period is not applicable to an action seeking a restraining order under section 4(e)(2).

The authority of the district court under an action for invalidation is to consider the issues de nova. The only issues that are before the court are whether the requirements of section 2(a) of the act, the eligibility criteria, are being complied with by the association or trading company. While the Secretary of Commerce must consider the requirements of section 2(a) and determine that the activities of the association or trading company will serve a specified need in promoting the applicable export trade in order to issue a certificate, the specified need determination of the Secretary is not an issue which is subject to consideration by the district court in a section 4(e)(1) action.

The district court in a section 4(e)(1) action may either issue an order invalidating the certificate, after which the association or company may continue to exist but does so without the protection of the antitrust immunity of section 2(b) of the act, or require the association or company to modify its organization or methods of operation in order to comply with the requirements of section 2(a) of the act.

Under section 4(e)(2), during the 30-day period, the effective date of the grant of certification is held in abeyance, the Department of Justice or Federal Trade Commission may seek an applicable order prohibiting the certificate from taking effect. It is anticipated this right of action granted by section 4(e)(2) will be used sparingly. This provision for a temporary restraining order or prohibition is applicable to the issuance of a certificate pursuant to section 4 of the act.

Further, the common law requirements applicable to the granting of either a temporary restraining order or preliminary injunction must be met by the moving party before the court can issue such an order. Congress means for this not to be an easy burden to overcome.

The provision for the restraining order or prohibition was added at the request of the Department of Justice. It exists as a safety valve where, in the opinion of the antitrust enforcement agencies of our Government, the Secretary of Commerce intends to issue a certification to either a Webb association or a trading company and there exists, on the face of the certification, obvious violations of section 2 of the act. The sole issue before the court is whether on the face of the certification there exists such obvious violations of section 2 of the act that a restraining order or prohibition must be issued.

Mr. President, section 5 of the act mandates that within 90 days after enactment, the Secretary of Commerce, after consulting with both the Department of Justice and the Federal Trade Commission, publish proposed guidelines. The guidelines are to relate to the process by which the Secretary of Commerce will reach his determinations under section 4 relative to whether the requirements of section 2 of the act are being met. The guidelines shall be periodically reviewed and revised where warranted.

Sections 6 and 7 of the act are self explanatory.

Under section 8 of the act, an existing Webb-Pomerene association which requests certification within the applicable time would not lose the immunity from the operation of the anti-trust laws provided under section 2 of the present Webb-Pomerene law until a final determination is made pursuant to the provisions of the Export Trading Company Act of 1981.

An existing Webb-Pomerene association which seeks certification under the act within 180 days after such act's enactment retains the immunity from the operation of the antitrust laws it had under section 2 of the present Webb-Pomerene law. This is accomplished by reenacting section 2 of such law, as provided under subsection (c) of section 8, but making the immunity provided by subsection (c) applicable only to existing Webb-Pomerene associations that meet the requisites of subsections (a) and (b) of section 8. The immunity which is carried over by section 8 from the current Webb-Pomerene law is not lost by a Webb-Pomerene association to which it attaches until a final determination is made as to the association's request for certification.

For instance, if the Secretary under paragraph (3) of section 4(b) determines not to issue a certificate to an existing Webb-Pomerene association or determines not to certify a method of operation requested in the application, and the association appeals that determination under the provisions of paragraph (4) to section 4(b), the immunity provided by section 8 continues to attach until a final decision is reached on the Webb-Pomerene association's request for certification.

Section 9 of the act requires that portions of applications, amendments, and annual reports that contain trade secrets or confidential business or financial information, which if disclosed could competitively harm the party submitting the information, be held confidential and not disclosed except as provided under section 9(b). The latter section, under specific circumstances, allows disclosure to the Attorney General or Federal Trade Commission. Sections 10, 11, and 12 of the act, I believe, are also self-explanatory.

Mr. President, in September 1978, then-President Carter announced steps that would be taken toward the formulation of a coordinated national export

policy. At that time, the President called for a reduction of domestic barriers to exports. He urged that the laws and policies affecting the international business community, including the antitrust laws, be administered firmly and fairly but with "a greater sensitivity to the importance of exports than has been the case in the past." The Export Trading Company Act of 1981 seeks to give some teeth to that proclamation.

Particularly, the changes in the Webb-Pomerene Act that we advocate will assure a more hospitable attitude toward those whose important task it is to push American goods and services abroad. Yet, at the same time the provisions which we offer for consideration today are tough enough to allow the appropriate authorities to uncover and terminate any domestic anticompetitive spillover from the operations of export trade associations or trading companies.

Mr. President, this bill alone is not going to solve the problem of our trade deficit. It is only a step, but it is a significant step in the right.

EXPORT TRADING COMPANY BILL

Mr. BENTSEN. Mr. President, there is broad agreement, in the Senate and throughout this country, that the state of our economy is the most urgent, important, and complex problem facing the Reagan administration.

In surveying our economic difficulties, I think any objective observer would conclude that the United States must remain competitive in rapidly expanding world markets. We must make every effort to increase our exports and narrow the trade deficit that has been running at about $30 billion a year, causing a hemmorhage of dollars abroad, fanning the fires of inflation, and placing additional pressure on the value of our currency.

The Export Trading Company legislation we are submitting today will not solve America's problems in world trade, but it will certainly help us remain competitive in the international marketplace and encourage many smaller, dynamic American firms to engage in export activities.

During the last Congress I was privileged to work closely with Senators STEVENSON, HEINZ, and DANFORTH in the effort to shape this legislation and bring it before the Senate. I believe the inherent logic behind the Export Trading Company bill and the urgent requirement for such legislation is evident from the fact that it was approved by a vote of 77 to 0 last September. Given the magnitude and urgency of the economic problems facing America today, I sincerely hope that we can get prompt and favorable Senate action on the Export Trading Company bill during this session.

Mr. President, many of our difficulties in international trade are a function of persistent, deep-seated domestic economic problems like inflation, declining productivity, and woefully low rates of savings and investment.

Before we can hope to compete successfully over the long term with nations like Japan and West Germany, we must demonstrate that we can put our own house in order. And it will take time, sacrifice, and discipline to achieve the fundamental reforms that will restore stability and real growth to the American economy.

The long-term nature of our economic problems should not, however, discourage us from taking steps that can have an immediate, positive impact on our ability to export. The time has long since passed when we can ask American business to sit back and accept unique, self-imposed restraints on their ability to market American products abroad.

The Export Trading Companies Act is designed to redress some of the inequities of the past; its sole purpose is to permit the formation of more efficient and effective U.S. export trading companies able to provide a wide variety of services to thousands of American businesses not traditionally oriented toward exports.

Last year, Mr. President, I traveled to East Asia with the Joint Economic Committee to meet with the American business community and assess our competitiveness in the region. We held 9 days of hearings, and I can tell you that the American business community abroad—those who are in the front lines in the battle for world markets—stressed the point, time and again, that our export performance would be well served by the sort of trading companies envisioned in this legislation.

We are not trying to make a line for line copy of the enormous—and enormously successful—Japanese trading companies. But we are looking at trading companies that will be able to spread out the risks, handle the paperwork, and absorb some of the currency fluctuations that currently deter many American firms from entering the export market. We are talking about trading companies that can help identify emerging market opportunities and match them with American producers; that can assist in organizing joint construction projects abroad, and deal effectively with the complex logistics of foreign trade.

This legislation also helps clarify many of the long-standing antitrust ambiguities that currently hinder the formation of American corsortia to bid on significant export projects. By updating the Webb-Pomerene Act and making it applicable to the export of services as well as goods, this legislation accomplishes an objective Senator DANFORTH and I have been pursuing for the past 2 years.

It also expands and clarifies the antitrust exemption for export trade associations and transfers administration of the act to the Department of Commerce. It creates an office within Commerce to promote joint export activities and establishes a specific certification procedure that will eliminate the element of uncertainty in current law.

I am also enthusiastic, Mr. President, about the banking aspects of this legislation which would permit the American banking community to participate in export trading companies, thereby providing the financial resources and expertise that have become such an essential ingredient in the success of our competitors.

We have seen time and again that the ability to offer attractive credit terms to potential foreign buyers often means the difference between winning and losing sales. By permitting U.S. banks to acquire ownership in export trading companies under specified conditions, and with appropriate safeguards, we can provide an important asset in our drive to restore export competitiveness to the American economy.

In considering this legislation, Mr. President, I think it is important to understand that American exporters are currently competing against the combined resources of some of the most efficient and aggressive trading nations in the world. We remain one of the few nations where government and business cling to an outmoded adversary relationship in the quest for vital world markets.

I can see no good reason to continue to deny our exporters the support and assistance of full-fledged American export trading companies, and I hope we can move promptly to pass this legislation.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 146. A bill to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes; to the Committee on Energy and Natural Resources.

ASSISTANCE TO HISTORIC CAMDEN

Mr. THURMOND. Mr. President, I am pleased today to introduce, along with my distinguished colleague from South Carolina, Mr. HOLLINGS, legislation to authorize the Secretary of the Interior to assist in the preservation of historic Camden, S.C.

Senator HOLLINGS and I introduced this measure in the 96th Congress; however, because it was attached to other more controversial legislation, it did not achieve final passage. I understand that the legislation we introduced in the last Congress, which was verbatim the measure we introduce today, met with no opposition in and of itself. In fact, both the House and the Senate passed separate measures containing the identical provision pertaining to historic Camden, but there was insufficient time for a conference to resolve differences in other parts of the legislation.

This bill authorizes the Secretary of the Interior to enter into cooperative agreements with the Camden Historical Commission, the Camden District Heritage Foundation, or other appropriate organizations to aid in the protection and restoration of historic areas. Thus, this bill will insure the continued preservation of Camden's historical assets without the greater expenditures which would have been necessary had Federal acquisition been required.

Mr. President, let me say a few words concerning the importance of preserving the historic nature of Camden. The town has played a significant role in the history of the United States. During the Revolutionary War, Camden was occupied by the British where they remained

from 1780 to 1781. In May 1781, the British were forced to retreat, setting fire to much of the town as they withdrew. The fall of Camden was a significant defeat for the British, and was a pivotal event in the American effort to regain control in the South. Among the military leaders associated with historic Camden are Horatio Gates and Nathaniel Greene of the Colonial Army, and Lord Cornwallis of Great Britain.

Contemporary America reflects a pride and a heritage which is the result of our forefathers' noble struggle for freedom in the American Revolution. Historic sites relevant to that struggle must be preserved so that present and future generations of Americans will be able to observe these areas and reflect on the accomplishments and sacrifies of our ancestors. Historic Camden is such an area.

Mr. President, the need for quick passage of this legislation is manifest, as aid to the various Camden historical societies must be provided soon to prevent destruction of many historical areas and artifacts. I would hope that committee action on this bill will proceed with all deliberate speed, in order that Senate action can be expedited. I hope that my colleagues will support this legislation.

Mr. President, I ask unanimous consent that a copy of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 146

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to assist in the preservation of the nationally significant historic resources associated with the town of Camden, South Carolina, a key location in the development of South Carolina and in military operations in the South during the American Revolution, the Secretary of the Interior is authorized, in accordance with subsection 2(e) of the Act of August 21, 1935 (49 Stat. 666), to enter into a cooperative agreement or agreements with the Camden Historical Commission, the Camden District Heritage Foundation, or other appropriate public, governmental, or private nonprofit entities pursuant to which the Secretary may assist in the protection, restoration, and interpretation of such resources for the benefit of the public.

(b) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Mr. HOLLINGS. Mr. President, I am pleased to join Senator THURMOND in introducing this bill to authorize the Secretary of Interior to take the necessary steps to assist in the preservation of the nationally significant resources associated with the town of Camden, S.C.

The 18th century town of Camden occupies an important place in the development of South Carolina and the military operations in the South during the American Revolution. Historic Camden's location along major transportation routes and its relation to other settlements made it a trade center of considerable economic and commercial importance in 18th century Southern colonial development. The townsite was laid out by 1774 on a rectangular grid pattern by Joseph Kershaw, the major contributor to the founding and growth of Camden. The settlement consisted of small frame structures, with the notable exception of Kershaw's house, which was apparently patterned after a large Charleston house.

The British occupied Camden in 1780–81 during the Revolution. They constructed five redoubts, fortified the powder magazine and jail, and palisaded the community and the Kershaw house. The most intense military activity included the nearby battles of Camden and Hobkirk's Hill and the related battles at Ninety Six, Cowpens, and Kings Mountain. The colonial Generals: Horatio Gates, Nathaniel Greene, Baron Johann DeKalb, and the British Charles Lord Cornwallis are among the primary military leaders associated with the town. The British retreated in May 1781, burning the palisaded town in an effort to minimize the site's strategic value. The fall of Camden as a British stronghold was pivotal to the eventual defeat of the British.

Few vestiges of the once active town remained after the British departure, and the town was rebuilt to the north after the Revolution. Today, the main features of the Historic Camden area include the site of the 1780–81 Revolutionary War community and several reconstructions—two redoubts (small earthen forts), a powder magazine, wooden palisades, and the Kershaw house (Cornwallis house). The combination of palisades and redoubts is notable as a unique defense system surrounding the frontier community during the Revolution.

I hope that my colleagues will support this legislation and that it will be enacted at an early date.

By Mr. HARRY F. BYRD, JR.

S. 147. A bill to amend the Congressional Budget Act of 1974 to provide for a continuing study of entitlement autority; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

S. 148. A bill to amend the Congressional Budget Act of 1974 to require a two-thirds vote in the Senate and House of Representatives for any modification of the second concurrent budget resolution; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

S. 149. A bill to amend the Congressional Budget Act of 1974 to mandate pilot testing of major new Federal programs; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

THE FUTURE OF THE BUDGET ACT

Mr. HARRY F. BYRD, JR. Mr. President, I am today introducing three measures to amend the Congressional Budget Act of 1974.

I understand that the Budget Committee soon will begin a thorough review of the act, in accordance with the recommendation included in the second concurrent budget resolution for 1981. It is my hope that the proposals advanced in the bills I am introducing today, along with suggestions of other Senators, will be given careful consideration during the Budget Committee's deliberations.

The measures I am recommending are intended to strengthen the budget process and make possible a realization of the goals set forth when the Budget Act was approved, nearly 7 years ago.

Let us look for a moment at the stated objectives of the act. I shall read the five purposes listed in the statute itself:

(1) to assure effective congressional control over the budgetary process;

(2) to provide for the congressional determination each year of the appropriate level of Federal revenues and expenditures;

(3) to provide a system of impoundment control;

(4) to establish national budget priorities; and

(5) to provide for the furnishing of information by the executive branch in a manner that will assist the Congress in discharging its duties.

I wish to address myself today to purposes Nos. 1, 2, and 4. The other two—Nos. 3 and 5—concerning impoundment control and information from the executive branch, are outside the scope of my discussion.

As I see it, purposes Nos. 1, 2, and 4 4 are intertwined. They can be summarized by stating that in enacting the 1974 legislation, Congress sought to create a mechanism for rational determination of budget priorities, under congressional control, resulting in a determination of appropriate levels of revenues and spending.

At this point, let me interject one observation. Nowhere in the purposes of the Budget Act do we find an intent to reduce the growth of Federal spending. I have previously noted, as have others, that the rate of increase in Federal spending has accelerated since implementation of the Budget Act. But the act was never intended to slow budget growth. Indeed, my own effort to make the act an instrument of spending control, by amending it to require balanced budgets, was specifically rejected by recorded vote of the Senate.

My observations about mushrooming spending since 1976 have not been criticisms of the Budget Act, or of the congressional budget process, but rather of the lack of fiscal discipline which pervades both the administration and the Congress.

Let us return to the real purposes of the Congressional Budget Act. How well have these purposes been fulfilled? Are we developing systematic priorities, exercising budgetary control and reasoning our way toward truly "appropriate"—and not merely expedient—levels of taxation and outlays?

Let me begin by stating that in all probability, the budgetary process of 1976 through 1979 represented an improvement over what would have prevailed in the absence of the Congressional Budget Act. I say this because all of us have witnessed and partaken in debates wherein categories of Federal spending have vied for support: Defense, education, jobs programs, veterans benefits, and many others. Nothing of

this kind occurred before passage of the act, nor could it have occurred in the absence of the act.

However, in my view, these debates have not come frequently enough, nor have they often resulted in rational and realistic priorities. All too often, budget resolutions have become after-the-fact ratifications of earlier spending decisions made with little regard for limitations on national resources.

I stated a moment ago that the budget process of 1976 through 1979 represented some improvement over the piecemeal procedures of earlier years. I am not at all sure this can be said of 1980. Last year, I believe the cracks in the foundation of the Budget Act began to show.

If there was a rational determination of budget levels and priorities last year, it escaped the attention of the Senator from Virginia.

We had three budgets for 1981 from President Carter—the first in deficit, the second in seeming but artificial balance, the third with a deficit larger than the first. And of course the President a few days ago, in submitting the 1982 budget, again raised the spending and deficit totals for 1981, making a fourth budget for 1981.

MAKING A FOURTH BUDGET FOR 1981

We enacted a first and second concurrent budget resolution, both well after their statutory deadlines. The first resolution established a phony balance which the second resolution demolished—but even the second resolution grossly understated spending and the deficit.

If there be those who regard this as rational coordination, they are entitled to their view.

In my opinion, what we had in 1980 was budgetary chaos.

What is needed at this point is a frank admission that the budget process is in trouble—indeed, is in danger of becoming a laughing stock—coupled with a renewed determination to make it work.

Today I shall make specific recommendations for three changes in the Congressional Budget Act. In a fourth area, that of the budget timetable, I am not prepared to submit a specific proposal, but rather call upon the Budget Committee, the Rules Committee and all other appropriate committees to study the present inadequacies, conduct hearings, and frame constructive amendments.

Among the objectives I believe the committee should seek are more realistic time allowances for action on authorizations, appropriations, the budget resolutions and reconciliation.

The Rules Committee may find it necessary, in pursuit of these goals, to consider a shift in the August recess in odd-numbered years required by law at present (Public Law 91-510, section 132).

In addition, the Rules and Budget Committees and others may wish to give thought to the proposal of former majority leader Mansfield to make the fiscal year coincide with the calendar year. This might further ease some scheduling problems, although admittedly there are complications. The transition from a July 1 starting date for the fiscal year to an October 1 date was engineered without notable difficulty, and I think the further change to January 1 could likewise be accomplished if found helpful.

Now as to my specific proposals: I believe we must recognize that our annual expenditure totals are being driven by the so-called uncontrollable elements of the budget.

In my view, the only truly uncontrollable item in the budget is interest on the debt, and even that can be controlled in the long run by elimination of deficit financing.

But of course I recognize that enormous difficulties stand in the way of modifying any of the entitlement programs which make up the vast bulk of the "uncontrollable ' items in the budget. I recognize, too, that many of these programs are meritorious, and that many are financed in part by the ultimate beneficiaries and their employers.

So let me make it clear at the outset that I am not standing here today to call for a radical revamping of social security, Federal retirement, or medical care for our senior citizens.

What I am suggesting, however, is that we examine, impartially and thoroughly, all items in the budget which are labeled "uncontrollable". Let us look, for example, at the appropriateness of the time factors and triggers in unemployment compensation; at the income eligibility levels and other criteria for food stamps; at the billions being committed for section 8 housing; at the continuing appropriateness of the present revenue-sharing formulas; at the method of indexing Federal benefits for inflation—and the accuracy of the Consumer Price Index as a guide for such indexing—and at the widespread allegations of fraud, waste, and abuse in many entitlement programs.

These are legitimate objects of scrutiny.

I am not certain that changes will be found necessary in all of them; nor, on the other hand, do I pretend that my list exhausts the possibilities of areas ripe for examination.

What I am proposing today is a continuing study by the Budget Committees, assisted by the Congressional Budget Office, of all entitlement authority in the budget. Needless to say, this would not preclude any similar inquiries by the Appropriations Committee or the authorizing committees; indeed, these should be encouraged. But the perspective of the Budget Committees and the CBO, covering the whole spectrum of Federal outlays, is most valuable.

I will be frank to say that in my view, we are going to have to bring some so-called uncontrollables under a reasonable degree of control. The alternative is surrender to endless doubling and redoubling of outlays for entitlement programs. Our resources are not infinite; our IOU's must not be infinite, either.

I would note that during the framing of the Congressional Budget Act, a continuing review of permanent budget authority was proposed in the Committee on Governmental Affairs but not included in the final bill. In retrospect, I think we can see the wisdom of what the Governmental Affairs Committee had in mind, and what I am now proposing is a variant of that original idea.

I am also proposing today an amendment which would revive another 1974 suggestion of the Committee on Governmental Affairs, namely a provision for mandatory pilot testing of new programs. I think the prudence of walking before we run in major Federal spending initiatives is self-evident. Omission of this section from the final Congressional Budget Act was a grievous error which clearly should be remedied.

The third and final amendment to the Congressional Budget Act which I am proposing today would require a two-thirds vote of each House for any revision of the second concurrent budget resolution.

The framers of the Budget Act clearly intended the second budget resolution to be "binding"—the word occurs again and again in the debates—yet revision of this so-called "binding"' resolution has become the rule rather than the exception. In 3 of the 5 years under the act, the second resolution has been set aside to increase spending, and this undoubtedly will occur again in the current fiscal year.

Each year that we exceed the second resolution, there are pious declarations that it will not happen again. This is somewhat reminiscent of the football coach who after each losing season says: "Wait till next year."

We have been waiting too long for "next year." Now it is time to tighten up the Budget Act.

The changes I am proposing today in the Congressional Budget Act are offered by a supporter of the act, who wishes to make of it an effective instrument. To cling to its present fictions, instead of adjusting it to the real world, is to insure its eventual relegation to the scrap heap of legislative history.

I am not wedded to the exact provisions which I am submitting to the Senate. I welcome the thoughts and proposals of my colleagues. But let us not simply pretend that all is well. Let us set ourselves to the task of fulfilling the real objectives of the act we launched with such high hopes 6 years ago.

Mr. President, I ask unanimous consent that the text of the three bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 147

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 703(a) of the Congressional Budget Act of 1974 is amended by striking the period at the end of Subsection (4), inserting in lieu thereof "; and", and adding thereafter the following:

"(5) analyzing all programs which authorize entitlements to the receipt of funds from the Government of the United States."

S. 148

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 304 of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following:

"No resolution on the budget for any fiscal year, or conference report on such resolution, subsequent to adoption of the second re-

quired budget resolution described in Section 310(a), shall take effect unless approved by affirmative recorded vote of two-thirds of all Members of each House of the Congress."

S. 149

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Title VI of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following:

"PILOT TESTING OF PROGRAMS

"SEC. 608. Notwithstanding any other provision of law, beginning with Fiscal Year 1982, no new program authorizing expenditure of ten million dollars or more in any fiscal year, or estimated by the Congressional Budget Office to result in budget outlays of ten million dollars or more in any fiscal year, shall be implemented until it shall have been tested on a pilot basis for a period of not less than one year with expenditure of not more than ten percent of the highest annual budget outlay for such program authorized by the Congress or estimated by the Congressional Budget Office for any fiscal year. Within 60 days of the completion of the pilot testing, the Secretary of the department, or chief official of such other agency as may be responsible for the conduct of the testing, shall submit to the Congress a report on the testing with appropriate recommendations."

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 150. A bill to amend title 5 of the United States Code to provide payments under Government health plans for services of qualified mental health specialists; to the Committee on Governmental Affairs.

PAYMENTS FOR MENTAL HEALTH SPECIALISTS

● Mr. INOUYE. Mr. President, today I am introducing legislation that would amend the Federal employee health benefit program in order to insure that if mental health services are to be made available, that those delivered by a qualified "mental health specialist" would be directly reimbursable.

Under the present provisions of our Federal Employee Health Benefit program, mental health services provided by physicians and clinical psychologists are already reimbursable as well as those provided by psychiatric nurses in certain medically underserved areas on a special experimental basis. In my judgment, the time has come to more appropriately delineate the qualifications of mental health care providers and to allow our Federal employees ready access to choose the practitioner of their choice.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 150

Be it enacted by the Senate and House of Representatives of the United State of America in Congress assembled, That subsection (k) of section 8902 of title 5, United States Code, is amended by striking out "or optometrist" each place it appears and inserting in lieu thereof ", optometrist, or qualified mental health specialist".

"MENTAL HEALTH SPECIALIST

"(1) The term 'mental health specialist' means an individual who is a clinical psychologist (as defined in paragraph (2)), a clinical social worker (as defined in paragraph (3)), a psychiatric nurse specialist (as defined in paragraph (4)), or a psychiatrist (as defined in paragraph (5)).

"(2) The term 'clinical psychologist' means an individual who (A) is licensed or certified at the independent practice level of psychology by the State in which he so practices, (B) possesses a doctorate degree in psychology from a regionally accredited educational institution, or for those individuals who were licensed or certified prior to January 1, 1978, possess a master's degree in psychology and are listed in a national register of Mental Health Service Providers in psychology which the Secretary of the Department of Health and Human Services deems appropriate, and (C) possesses two years of supervised experience in health service, at least one year of which is post degree.

"(3) The term, 'clinical social worker' means an individual who (A) possesses a master's or doctor's degree in social work, (B) after obtaining such degree has performed at least two years of supervised clinical social work, and (C) is licensed or certified as such in the State in which he practices, or if such State does not license or certify clinical social workers, is listed in a national register of social workers who, by education and experience, qualify as health care providers in clinical social work.

"(4) The term 'psychiatric nurse specialist' means an individual who (A) is licensed to practice nursing by the State in which the individual practices nursing, (B) possesses a master's degree or higher degree in psychiatric nursing or a related field from an accredited educational institution, and (C) is certified as a psychiatric nurse by and duly recognized national professional nurse organization.

"(5) The term 'psychiatrist' means a physician who (A) is described in clause (1) of section 1861 (r), and (B) is board certified by the American Board of Psychiatry and Neurology or has successfuly completed a minimum of three years of approved graduate medical training in psychiatry.".

SEC. 2. The amendment made by the first section of this Act shall apply to contracts entered into or after the date of the enactment of this Act.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 151. A bill to allow an additional income exemption for a taxpayer or his spouse who is deaf or blind; to the Committee on Finance.

INCOME EXEMPTION FOR THE BLIND AND DEAF

● Mr. INOUYE. Mr. President, today I am reintroducing legislation which will provide an additional tax exemption for a taxpayer or a taxpayer's spouse, who is deaf or blind. I originally introduced this bill in November 1973, and believe that the implementation of this legislation is long overdue.

In my judgment, the provisions proposed herein are more than just in helping to alleviate the present discrimination faced by deaf individuals. Let us consider the financial burden that many of these people must face in their efforts to lead normal lives. The purchasing of hearing aids, extra costs of automobile insurance, and higher educational expenses are only the most obvious examples. In addition, the fact of the matter is that most deaf people are underemployed with respect to their abilities and education.

Despite the support that members of the deaf community have shown in favor of this legislation, it has never been acted upon by the Senate Committee on Finance. While the Internal Revenue Service provides additional exemptions for blind taxpayers, the sad truth is that Hawaii is the only place in which the same exemptions are made for the deaf.

Further, there is little cause for fear that this will result in a great amount of lost revenue for the U.S. Treasury. There are approxmiately 450,000 profoundly deaf persons in this country. This number is slightly less than the 500,000 legally blind persons. Of the legally blind, only 190,631 persons claimed the additional exemption in 1978. It is reasonable to assume that approximately the same proportion of the deaf would claim the deduction.

Mr. President, I hope that my colleagues will give early and favorable consideration to this humanitarian measure. I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 151

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 151(d) of the Internal Revenue Code of 1954 (relating to additional exemption for blindness of taxpayer or spouse) is amended—

(1) by inserting "or deafness" after "blindness" in the heading;

(2) by striking out "blind" each place it appears in paragraphs (1) and (2) and inserting in lieu thereof "blind, or deaf"; and

(3) by adding at the end thereof the following new paragraph:

"(4) DEAFNESS DEFINED.—For purposes of this subsection, an individual is deaf only if his average loss in the speech frequencies (500 to 2,000 Hertz) in the better ear is 86 decibels, I.S.O. or worse."

(b) The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 152. A bill to amend titles XVIII and XIX of the Social Security Act to provide that clinical social worker services shall be covered under part B of medicare and shall be a required services under medicaid; to the Committee on Finance.

CLINICAL SOCIAL WORKER SERVICES

● Mr. INOUYE. Mr. President, slightly more than 4 years ago, in May 1976, during the 94th Congress, I introduced my original proposal on behalf of the National Association of Social Workers and the Federation of Clinical Social Workers. I am personally pleased by the extent to which the Congress is aware of the contribution that 85,000 social workers provide in the delivery of health care in our Nation.

Social workers are the dominant providers of care today in the mental health facilities around the Nation, and they provide more than 42 percent of the mental health treatment in community mental health centers. They also make up nearly one-third of the executive directors of community mental health centers.

In the 96th Congress, significant prog-

ress was made. In the Department of Defense appropriations bill for fiscal year 1981, we included a provision for a pilot demonstration project for direct reimbursement to clinical social workers for their mental health services under the civilian health and medical program of the uniformed services, otherwise known as CHAMPUS. Also, in the Omnibus Reconciliation Act of 1980, a provision was included to carry out demonstration projects to determine the administrative, financial, and other aspects of making the services of clinical social workers more generally available as part of the benefits included under title 18 of the Social Security Act.

Other legislation that I am introducing in this Congress provides for reimbursement of the services that social workers provide in mental health treatment, but in all candor, mental health is only one area of the vast amount of services that social workers of this Nation provide. The ability of people to live effectively in society often is hampered by the lack of resources, and problems that range from personal all the way to social unrest. The growing complexity of our society has greatly increased the need for social workers to assist individuals, families, groups and communities to solve their problems.

There are three basic areas in which social workers are utilized and by which they approach their work—casework, group work, and community organization. During their training, social workers can now also specialize in social institutions, a field which emcompasses health and education, or in social problems such as poverty.

Caseworkers deal with individuals and families in order to understand their personal problems and assist them in obtaining the appropriate resources, services, education, or job training that they require. In group settings, social workers help people to better understand themselves and others in order to achieve some productive goal. Social workers organize and implement activities for children, teenagers, adults, older persons, and other groups in community centers, hospitals, nursing homes and correctional facilities.

Finally, in community work, social workers coordinate the efforts of various political, civic, religious, business and union organizations in an effort to solve social problems such as crime, housing, poverty, and so forth, through community action. Social workers often coordinate existing services, organize fundraisers for community welfare activities and aid in developing new community services.

While most social workers do deal directly with individuals, groups, or families, a substantial number are directors and administrators who hire and train personnel, make budget decisions, evaluate agency problems, supervise staff, and serve as spokespersons for the agencies' clients. Others are employed as university professors, research workers, or consultants. Others are employed by community agencies and planning bodies of government, voluntary agencies, and other private organizations. In essence, social workers apply their training and expertise in a variety of settings. Although many work for agencies or institutions, many are in private practice and provide valuable counseling.

I am especially pleased to report that a growing number of social workers now specialize in the field of aging. They plan and evaluate services for the elderly, and help them deal with financial and other changes brought on by retirement. In nursing homes, they help patients and their families adjust to illness and the need for institutionalization and health care service.

With our ever-changing society, we need today, even more than ever before, to make use of the diverse qualifications of our Nation's social workers. The type of diverse services that the social workers provide is invaluable and I submit, should be made more available to the recipients of our social security program. The restrictions that exist today on the delivery of social worker services make it difficult, if not impossible, for our Nation's aged, poor, and disabled to receive not only quality mental health care, but also other services for which they are eligible. Finally, I am firmly convinced that with the rising cost of health care, it will be only by taking into account the psychosocial components involved that we can ever hope to remedy this situation.

Mr. President, in our Nation's social workers we have an invaluable resource that, in my judgment, we have just begun to tap. It is with this thought in mind today that I am genuinely excited about the opportunities before us. Formal independent Federal recognition is long overdue for our Nation's social workers and, accordingly, I am both proud and pleased to be introducing this legislation today.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 152

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(s)(2) of the Social Security Act is amended—

(1) by striking out "and" at the end of subparagraph (F);

(2) by adding "and" at the end of subparagraph (G); and

(3) by adding at the end thereof the following new subparagraph:

"(H) clinical social worker services;".

(b) Section 1861 of such Act is amended by adding at the end thereof the following new subsection:

"CLINICAL SOCIAL WORKER SERVICES

"(dd)(1) The term 'clinical social worker services' means services performed by a clinical social worker (as defined in paragraph (2)) which he is legally authorized to perform under State law (or the State regulatory mechanism provided by State law) of the State in which such services are performed, whether or not he is under the supervision of, or associated with, a physician or other health care provider.

"(2) The term 'clinical social worker' means an individual who—

"(A) (i) possesses a master's or doctor's degree in social work,

"(ii) after obtaining such degree has performed at least two years of supervised clinical social work, and

"(iii) is licensed or certified as a clinical social worker in the State in which the clinical social worker services are performed, or in those States which do not provide for licensure or certification, is listed in a national register of social workers who, by education and experience, qualify as health care providers in clinical social work.".

SEC. 2. (a) Section 1905(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (17);

(2) by redesignating paragraph (18) as paragraph (19); and

(3) by inserting after paragraph (17) the following new paragraph:

"(18) clinical social worker services (as defined in section 1861 (dd)); and".

(b) Section 1902(a) of such Act is amended—

(1) by striking out "paragraphs (1) through (5) and (17)" in paragraph (13)(B) and inserting in lieu thereof "paragraphs (1) through (5), (17), and (18)";

(2) by striking out "paragraphs (1) through (5) and (17)" in paragraph (13)(C)(i) and inserting in lieu thereof "paragraphs (1) through (5), (17), and (18)";

(3) by striking out "paragraphs numbered (1) through (17)" in paragraph (13)(C)(ii) and inserting in lieu thereof "paragraphs numbered (1) through (18)"; and

(4) by striking out "paragraphs (1) through (5), (7), and (17)" in paragraph (14)(A)(i) and inserting in lieu thereof "paragraphs (1) through (5), (7), (17), and (18)".

SEC. 3. (a) The amendments made by the first section of this Act shall be effective with respect to services performed on or after the first day of the first month which begins more than 60 days after the date of the enactment of this Act.

(b)(1) Except as provided under paragraph (2), the amendments made by section 2 shall be effective with respect to payments under title XIX of the Social Security Act for calendar quarters beginning more than 60 days after the date of the enactment of this Act.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by section 2, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 153. A bill to amend the Internal Revenue Code of 1954 to expand the category of targeted groups for whom the new employee credit is available to include displaced homemakers; to the Committee on Finance.

EMPLOYEE CREDIT FOR DISPLACED HOMEMAKERS

● Mr. INOUYE. Mr. President, today I am reintroducing legislation to aid a group of people whose contribution to the Nation's economic stability has been overlooked for far too long. I refer to the American homemaker, who traditionally has provided the foundation on which our economy is built.

Although she receives no monetary reward for her services, the woman who

stays to care for her husband and their children is invaluable to our national labor force. Yet, when she becomes displaced because of the death of a spouse or because of divorce or separation, her past service to her family and her country go unrecognized. Because of her prolonged absence from the labor force, she is at a disadvantage when circumstances force her to compete in the job market with younger, more experienced men and women.

Mr. President, an increasing number of homemakers are displaced in the middle years from their family role and left without any source of financial security. These displaced homemakers are often subject to discrimination in employment because of age, sex, and lack of recent paid work experience. To make matters worse, many of these women are ineligible for social security benefits or welfare assistance and desperately need to find work. I believe we owe a tremendous debt to this Nation's displaced homemakers and this bill would be one step toward repaying that debt.

This bill would give displaced homemakers a boost in their efforts to reenter the work force or to enter it for the first time by offering a tax credit to employers who hire them. It would amend the Internal Revenue Code of 1954 to add displaced homemakers to the list of people already targeted to benefit from this program, such as economically disadvantaged youth, welfare recipients, Vietnam-era veterans from economically disadvantaged families and economically disadvantaged ex-convicts. The current law provides employers with $3,000 credit per trainee for the first year and $1,500 for the second.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 153

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (1) of section 51(d) of the Internal Revenue Code of 1954 (relating to members of targeted groups) is amended—

(1) by striking out "or" at the end of subparagraphs (E) and (F),

(2) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a comma and "or", and

(3) by adding at the end thereof the following new subparagraph:

"(H) a displaced homemaker (as defined in paragraph (7) of section 3 of the Comprehensive Employment and Training Act Amendments of 1978 (29 U.S.C. 802))."

SEC. 2. The amendment made by the first section of this Act shall apply with respect to amounts paid or incurred after December 31, 1980, in taxable years ending after such date.●

By Mr. PRYOR:

S. 154. A bill to amend title 37, United States Code, to authorize special pay to a member of a uniformed service who performs duties that are unusually hazardous or performed under unusually severe working conditions; to the Committee on Armed Services.

SPECIAL PAY FOR CERTAIN HAZARDOUS DUTIES OR CONDITIONS

● Mr. PRYOR. Mr. President, this afternoon I am introducing legislation authorizing the Secretaries of the various armed services to specially compensate members who perform duties that are unusually hazardous. While this legislation is general in nature, to cover all branches of the armed services, it is specifically intended to include those individuals in the propellant transfer system (PTS) career field of the Air Force who work on the Titan II missiles. Identical legislation is being introduced today in the House of Representatives by Representative DAN GLICKMAN of Kansas.

This legislation is following the recommendations that have been included in two reports on the safety of the Titan II missile system. The most recent of these reports, dated December 1980, followed the tragic explosion near Damascus, Ark., which killed one person and injured several others.

While the December 1980 safety report points out a low 17-percent reenlistment systemwide figure for the Titan PTS career field, statistics from Little Rock Air Force Base show a much more critical situation. Today of the 51 authorized PTS positions in the maintenance squadron at Little Rock Air Force Base, only 38 people are assigned. Of these 38, 7 people are presently decertified and ineligible for duty, leaving only 31 of the 51 positions active.

In addition, only 4 of the 38 have had 4 or more years of on-the-job experience, while 32 of the 38 are serving their initial tours of duty in the Air Force. Experience is certainly lacking.

Since January 1979 of the 27 people who were in the career field at Little Rock Air Force Base and whose terms were up, only 1 was reenlisted. Others left the service entirely or transferred to other career fields. Retention in this critical area is, thus, a serious problem.

In light of the present situation, it seems we must recognize the hazards associated with the Titan missiles and provide incentives and encouragements for those individuals who work on them to remain on the job.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 154

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 5, title 37, United States Code, is amended as follows:

(a) by adding at the end thereof the following new section:

§ 314. Special pay: unusually hazardous duty or duty performed under unusually severe working conditions

"(a) Under regulations prescribed by the Secretary concerned, a member of a uniformed service who is entitled to basic pay may be paid special pay, in the amount set forth in subsection (b), for any month during which the member performs duties which have been determined by the Secretary concerned to be—

(1) unusually hazardous; or,

(2) performed under unusually severe working conditions.

(b) An officer who satisfies the requirements of subsection (a) is entitled to $110 a month, and an enlisted member who satisfies the requirements of subsection (a) is entitled to $55 a month.

(c) In time of war, the President may suspend the payment of the special pay described in this section.

(d) A member may not be paid more than one payment of special pay under this section for any period of service.

(e) A member may not be paid special pay under this section for any period of service for which that member receives special or incentive pay under sections 301, 301a, or 304 of this title."

(b) The analysis of chapter 5 is amended by inserting the following new item immediately below item 313:

"314. Special pay: unusually hazardous duty or duty performed under unusually severe working condition."

SEC. 2. This act takes effect on the first day of the third month following its enactment.

By Mr. SCHMITT:

S. 155. A bill to amend the Internal Revenue Code of 1954 to make additional interest from savings eligible for exclusion; to the Committee on Finance.

SAVINGS AND INVESTMENT INCENTIVES ACT OF 1981

● Mr. SCHMITT. Mr. President, it has become widely recognized that America must increase its rates of savings and investment if we are to have economic growth in the decade ahead.

A significant factor in the declining performance of the U.S. economy in the past decade has been falling rates of saving by the American public. Personal savings as a percentage of disposable personal income has undergone a steady decline from 7.7 percent in 1975 to 4.7 percent in the third quarter of this year. In every year since 1975, the amount of personal savings has fallen lower than the previous year. The overall reduction is approximately 38 percent.

It is generally recognized that savings is the source for investment and that investment is the generator of increased productivity and employment. Investment means new plants and equipment and new jobs to build new production facilities and operate new machinery. If the critical element of personal savings is absent from this equation, then production and employment suffer. To achieve the economic goals of full employment and price stability that are the express goals of our national economic policy, it is crucial that our economy generate increased investment through increased savings.

The legislation I am introducing today would permit taxpayers to exclude from taxation 25 percent of combined interest and dividend income. The 25-percent exemption would be phased in at 5 percent a year over a period of 5 years beginning in fiscal year 1982. A cap of $12,500 would be placed on the amount of combined interest and dividend interest that could be excluded. According to the Joint Committee on Taxation, the saving to the taxpayer would be about $1

billion in the first fiscal year and $5 to $7 billion when fully operative. Because the 25-percent exemption becomes effective gradually at 5 percent per year, it will minimize revenue loss in the early years while maximizing the increase in savings and investment.

Dr. Martin Feldstein, professor of economics at Harvard University, recently wrote an op-ed piece for the Wall Street Journal which recommends an approach similar to the one I am proposing today. Dr. Feldstein points out that the phased-in exemption of interest and dividend income would create a strong incentive for households to start saving now in order to take advantage of the lower tax rate when it becomes fully effective.

Dr. Feldstein's article is entitled: "Tax Incentives Without Deficits." I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The 25-percent exclusion of additional interest and dividends has the effect of reducing the tax rates on additional savings income by one-quarter. For example, an individual in the 28 percent tax bracket would see the effective marginal tax rate on savings income fall to 21 percent. The 40-percent bracket would effectively fall to 30 percent, and the 70-percent bracket to 53 percent. This would result in substantial increases in saving, a switch out of tax shelters, reduced interest rates and less pressure on the Federal Reserve to create money. It is a progrowth, anti-inflationary step of great effectiveness.

A larger exemption for income derived from interest and dividends is essential if the economy of the 1980's is to be one strong, real growth. Full employment and low inflation can only be achieved if there is sufficient capital to finance the investments required to make new discoveries, technologies, and build new plants.

A comprehensive view of the economy reveals an interdependency of all its' components; components which interact with each other. It would be shortsighted to assume that one part of this system could be altered without impacting on the system as a whole. According to estimates made by the Joint Committee on Taxation and the Department of Treasury, Federal taxes paid by Americans will increase by at least $1.5 trillion over the next 10 years as a result of upcoming social security, decontrol, windfall oil profits and inflation induced tax increases. Other estimates exceed $2 trillion. These will be the greatest tax increases in American history, as much as $200 billion per year. Those who contend that the economy can absorb these increases without creating dislocations are advocating a dangerous course. It is a course that may lead the United States down the road of indefinite, slow growth—or no growth at all.

This massive transfer of resources to the Government is of crucial importance to the economy, particularly since it comes at a time when we are already experiencing declining productivity and negative growth in the economy. It is, therefore, essential that the Congress take action to offset the effect of these taxes; and more importantly to create new incentives for savings and investment.

Recent studies have shown a close correlation between rates of growth and the rates of savings and investment. It is, therefore, no coincidence that the United States, with the lowest rate of savings among major industrialized nations, is also affected with stagnating economic growth. The U.S. rate of savings as a percentage of national income in 1976 was only 4.9 percent compared to rates of 7.1 percent in England; 12.4 percent in France; 13.0 percent in Germany; and 20.9 percent in Japan. The anemic level of U.S. savings as compared to the leading industrial nations of the world accounts, in part, for the declining GNP growth rate and high inflation rate of the United States as measured against these same nations. It is interesting to note that each of these countries offer considerably greater incentives to savings and investment than does the United States.

COMPARISON OF SAVINGS RATES, INFLATION RATES, FEDERAL DEFICIT, AND GNP GROWTH AMONG MAJOR INDUSTRIALIZED NATIONS

Year	United States	Japan	France	Germany	United Kingdom
Rate of consumer price inflation:					
1976	5.8	9.3	9.6	4.3	16.5
1977	6.5	8.1	9.4	3.6	15.9
1978	7.5	3.8	9.1	2.8	8.3
1979	11.3	3.6	10.7	4.1	13.4
Federal Government deficit as percentage of GNP:					
1976	3.3	2.0	.8	2.7	5.5
1977	2.7	6.1	.8	1.9	3.2
1978	2.1	6.5	.8	2.0	5.2
1979	1.2	5.3	NA	1.9	NA

Year	United States	Japan	France	Germany	United Kingdom
Savings as percentage of national income:					
1976	4.9	20.9	12.4	13.0	7.1
1977	5.7	20.3	12.8	12.9	8.4
1978	6.5	20.0	13.5	14.0	8.3
1979	NA	NA	NA	NA	NA
GNP growth rate:					
1976	5.9	6.5	4.6	5.1	3.6
1977	5.3	5.4	3.0	2.6	1.4
1978	4.4	5.6	3.3	3.4	3.3
1979	2.3	6.0	NA	4.8	NA

Source: IMF; OECD; U.S. Department of Commerce, International Economic Indicators, March 1980.

The table shows the relationship between savings rates and the rates of inflation and GNP growth among several major industralized nations. In 1978, for example, the rate of personal savings in Japan was 20 percent, more than three times that of the United States. At the same time, Japan's inflation rate was 3.8 percent, almost exactly half the U.S. inflation rate of 7.5 percent. In addition, the rate of economic growth in Japan, as measured by GNP, was 26 percent higher than the U.S. rate.

In other words, even while maintaining a deficit more than three times greater than the United States on a percentage basis, Japan was still able to hold inflation down and to enjoy high rates of growth. One explanation for this phenomenon is that the high rate of personal savings fueled by savings incentives provided by the Japanese Government, insures that there are adequate funds available for investment purposes even when the central government may need to borrow significant amounts to finance a deficit.

In the United States, where personal savings has been lower than any other major industralized country for several years, when the Treasury taps the capital markets to finance a deficit, the pressure generated on the market drives up interest rates—making it difficult for corporate borrowers to afford to borrow—and forces the Federal Reserve to inject funds into the system to maintain stable interest rates. The result is more inflation and a shortfall in investment which inevitably impacts on overall economic growth. The alternative is to develop appropriate incentives for savings and investment to produce fresh inflows of funds into our financial institutions and capital markets that will act as a stabilizing force with regard to inflation, while spurring greater investment in the plant and equipment needed for future economic growth.

NEW YORK STOCK EXCHANGE ON INVESTMENT

The Office of Economic Research at the New York Stock Exchange (NYSE) recently published a study entitled "Building a Better Future—Economic Choices for the 1980's." This study, conducted with the assistance of Prof. Lawrence Klein of Wharton Econometrics and Prof. John W. Kendrick of George Washington University and drawing upon the expertise of a number of other economists, demonstrates in detail the need to stimulate investment in the economy in order to generate economic growth. I ask unanimous consent that the text of this study be printed in full at the conclusion of my remarks. The NYSE study analyzes the impacts of three possible economic scenarios. The first of these alternatives assumes that the ratio of nonresidential fixed investment to GNP remains constant at its current level of 10.2 percent. Nonresidential fixed investment includes both personal and business investment for

nonresidential purposes. The effects of these "base case" assumptions on the economy of the 1980's is as follows:

Base case scenario, 1980–90

	Percent
Ratio of non-residental fixed investment/GNP	10.2
Real growth in GNP (average per year)	2.4
Inflation rate (GNP deflator, average per year)	7.7
Productivity growth (average per year)	1.1
Unemployment rate (average per year)	6.7

Under the second set of assumptions, the "pessimistic" scenario, the level of investment is assumed to fall to 9.6 percent. The effects of such a decline are significant. Unemployment would rise from 6.7 to 8.9 percent. Productivity growth would fall from 1.1 percent growth per year to 0.9 percent. The inflation rate, as measured by the GNP deflator, would rise from 7.7 to 8.9 percent. As the NYSE study states:

The pessimistic model underscores the direct relationship between low investment in plant and equipment the one-two punch of fewer new employment opportunities and high rates of inflation.

Low growth scenario, 1980–90

	Percent
Non-residential fixed investment/GNP	9.6
Real growth in GNP (average per pear)	2.0
Inflation rate (GNP deflator, average per year)	8.9
Productivity growth (average per year)	0.9
Unemployment rate (average per year)	8.9

The third scenario analyzed by the NYSE study contains the same assumptions as the "base case" and the "pessimistic" simulations with regard to oil prices, Federal Government defense expenditures, and monetary policy.

However, this scenario assumes that tax policies are implemented that would increase the investment/GNP ratio to 12.1 percent. In addition, it was assumed that Government regulation was eased somewhat such that productivity growth would increase by one-half of 1 percent over the period 1980–90. The impact of these policy changes is powerful. The following table shows the effect of an improvement in the investment/GNP ratio on inflation, productivity, unemployment, and economic growth:

High growth scenario, 1980–90

	Percent
Non-residential fixed investment/GNP	12.1
Real growth in GNP (average per year)	3.4
Inflation rate (GNP deflator, average per year)	6.7
Productivity growth (average per year)	2.0
Unemployment rate (average per year)	5.8

The result is a full percentage point increase in GNP growth over the base case scenario, accompanied by improvements in productivity, reduced inflation and an unemployment level of 5.8 percent, a level considered to be very near "full employment" by many economists. The following table compares the economic impact of three different levels of investment over the coming decade:

3 SCENARIOS, 1980–90

[In percent]

	Pessimistic	Base case	Optimistic
Investment to GNP	9.6	10.3	12.1
Real growth in GNP	2.0	2.4	3.4
Inflation (GNP deflator)	9.5	7.7	6.4
Unemployment rate	8.9	6.7	5.8

Clearly, the levels of economic growth, unemployment, productivity, and price stability achieved through the higher ratio of investment to GNP represent the most desirable outcome for the future.

Mr. President, the key variable in achieving the economic goals of full employment and low inflation is the rate of investment. Low investment leads to poor productivity growth, which results in high inflation and reduced GNP growth. These effects combined with increased unemployed produce lower personal savings. A shortfall in personal savings means fewer funds for investment, and the cycle repeats itself. This vicious circle must be broken and the most effective means of breaking it is to create new economic incentives that will encourage individuals to shift economic activity from consumption to savings and investment. The bill I am introducing today will help accomplish this goal. This legislation will affect every American with a savings account or investments.

Over 44 million Americans will benefit from reduced taxes on interest and dividends. Low- and moderate-income people will benefit in two ways. First, from lower taxes; and second, from the job production, real income growth, and overall increase in economic prosperity that will result. Older Americans on fixed incomes, facing high inflation, will benefit through an improved rate of return on their savings. In short, all aspects of the economy and all segments of our population will benefit from this proposal.

I urge my colleagues to join me in this effort to improve the rate of return our people receive on their savings and investment, for this is the key to economic growth in the decade ahead.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 155

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Savings and Investment Incentive Act of 1981".

SEC. 2. (a) Paragraph (1) of subsection (b) of section 116 of the Internal Revenue Code of 1954 (relating to partial exclusions of interest and dividends received by individuals) is amended to read as follows:

"(1) MAXIMUM AMOUNT.—

"(A) IN GENERAL.—The aggregate amount excluded under subsection (a) for any taxable year shall not exceed the sum of—

"(i) $200 ($400 in the case of a joint return under section 6013), plus

"(ii) 25 percent of so much of the amount of interest and dividends received during the taxable year which are not taken into account under clause (i) as does not exceed $50,000.

"(B) TRANSITIONAL RULE.—For purposes of applying subparagraph (A) (ii) for taxable years beginning before January 1, 1986, the following percentages shall be substituted for '25 percent' in the case of taxable years beginning in the calendar year to which each such percentage applies:

"Calendar year	Percentage
1982	5
1983	10
1984	15
1985	20.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1981.

TAX INCENTIVES WITHOUT DEFICITS

(By Martin Feldstein)

Despite the best efforts of the Carter administration, the tax cut debate has fortunately moved from "whether" to "what kind." There is of course the danger of a quick-fix election year tax cut aimed at stimulating employment and camouflaging next year's Social Security tax rise. But what is really needed is a multi-year program of tax cuts that will reduce some of the existing strong disincentives to capital formation and production. And if it is done in the right way, a multi-year tax cut could bring immediate increases in investment, saving and individual effort without any increases in the government deficit now or in the future.

The most important thing to consider in a tax-cut strategy is that all important economic decisions are based on expectations. What matters for current actions—investment, saving, the choice of jobs—is not the current tax rates but the rates that are expected.

Congress can therefore improve current incentives without any increase in the current deficit by enacting now a schedule of future tax cuts. These precommitted tax cuts can be financed as they occur out of the automatic revenue increases produced by inflation and out of the savings that could result from a slowdown in the growth of government spending. The commitment to a schedule of future tax cuts would give Congress and the government agencies time to shape their spending plans to the lower level of available revenue. Thus, while an immediate tax cut generally means an increased deficit, precommitted future tax cuts can change incentives without any deficits.

STIMULATING SAVING

Consider the problem of stimulating individuals to save more. Today the combination of inflation and high tax rates makes the real after-tax return negative for many individuals. To stimulate saving, the key requirement is to raise the real after-tax return that savers can expect to receive in the future on additions to their assets. One simple and direct way to achieve this would be to treat interest and dividends like capital gains—i.e., exclude 60 percent of all interest and dividends from taxable income. Of course, if this 60 percent exclusion were allowed all at once in 1981, the revenue loss would probably exceed the increased saving. The government's borrowing to finance this revenue loss would then absorb more than all of the increased saving—and the amount available for investment in plant and equipment would actually be reduced.

But what if the 60 percent exclusion were

enacted now with its effective date postponed until 1985? The government would clearly lose no revenue in the next four years. But households would have a strong incentive to start saving more immediately in order to have more assets on which to take fuller advantage of the lower tax rate when it becomes effective. Starting with a small exclusion in 1981 and allowing it to rise to 60 percent by 1985 would make the prospect of the full future exclusion more credible without changing the fundamental point that the immediate increase in saving can be substantially greater than the concurrent increase in the deficit.

The same idea of a precommitted tax cut can work to stimulate investment. Consider the effect of a major cut in the corporate tax rate—say from 46 percent to 36 percent—that is enacted now with an effective date in 1985. Although there would be no change in tax rates from 1981 through 1984, firms would have a substantial incentive to increase their investment spending immediately. Investments made during the next four years would benefit from depreciation at high tax rates while the subsequent profits would be subject to lower tax rates. Again, a gradual phase-in of the tax rate reduction would increase the credibility and visibility of the future rate reductions.

There are other ways to stimulate investment with little or no decrease in tax revenue. Replacing the existing historic cost depreciation method with an indexed depreciation system for all future investment would immediately raise the after-tax yield on all prospective projects. Indeed, at the current high rate of inflation, indexed depreciation would offer a greater stimulus to investment than the Conable-Jones 10–5–3 plan for accelerated depreciation. Indexed depreciation would involve no immediate revenue loss, and the future revenue losses would rise only slowly as the eligible capital stock grew.

For personal rate cuts, a slow but certain phasing in would also achieve most of the benefits of a large immediate rate cut without the large revenue loss. An individual who is deciding whether to change jobs, to relocate, to "invest" in more schooling or training, or just to work harder in the hope of better promotions will look at these future tax rates. Because a gradual phase-in could be financed by the automatic inflation tax windfalls and by a gradual reduction in the growth of government spending, tax rates could be reduced by 30 percent over a few years without any deficits.

Because of the progressivity of the tax schedule, a 10 percent rise in total personal income raises individual income tax collections by about 16 percent—and thus permits a 6 percent "tax cut" without any reduction in the ratio of taxes to personal income. Over four years, the cumulative tax "reduction" would be nearly 25 percent. Pruning the share of personal income that goes in federal personal taxes back to the ratio of 20 years ago would permit an additional real tax cut of 13 percent. The total real tax cut—combining inflation givebacks and real reductions—can be between 30 percent and 40 percent over the next four years. This provides a unique opportunity for a series of tax changes that combine across-the-board reductions in personal rates with specific incentives for saving and investment.

The supply side tax-cut goal of increasing incentives without budget deficits can be achieved in this way without depending on a miraculous response of labor supply or productivity. And to the extent that increases in individual effort and in capital accumulation raise national income over time, there will be greater tax revenues with which to finance either government spending or further tax reductions.

OLD-FASHIONED TAX CUT

Although this is a uniquely good time to begin a series of precommitted tax cuts focused on strengthening incentives, much of the talk in Washington is about an old-fashioned countercyclical tax cut. The advocates of such a policy seem to have forgotten that economists and forecasters just don't know enough to use tax cuts to attenuate the business cycle.

For a tax cut to reduce the current rise in unemployment, it would have to have been passed last year, long before the beginning of the recession was clearly in sight. A tax cut now would probably have its impact in 1981 and 1982 when the recession is past and the economy is expanding. Of course, the recession may potentially be worse than it now looks and output may continue to fall well into 1981. We know too little about just where the economy is going—and about the magnitude and timing of the impact of a tax cut—to recommend a countercyclical reduction in taxes.

The experience of the past 30 years shows that attempts at countercyclical fiscal policy have actually worsened the business cycle—expansionary policies overstimulating the economy and fiscal contractions deepening the recessions. The lesson of this experience is that attempts at fiscal stabilization should be avoided in the short swings of the business cycle and saved as the ultimate economic weapon to be unleashed only if the economy falls into a deep and protracted depression. That is not a reason to avoid a tax cut now but it does imply that the current tax cut should be aimed at long-run goals rather than at the current recession.

Our nation's economic survival and success in the 1980's will depend on the type of tax system we have. Now is the time to begin a serious restructuring that will restore incentives for saving, investment and individual effort. A firm legislative commitment to a gradual phasing-in of these tax changes can provide a major stimulus to current capital formation and individual productivity without any unwanted increase in the government deficit.

[From the New York Stock Exchange, Office of Economic Research, December 1979]

BUILDING A BETTER FUTURE—ECONOMIC CHOICES FOR THE 1980's

PREFACE

Poised on the threshold of a new decade, it is only natural to wonder what the future may hold for the American economy. Will the 1980s mirror the slow growth and persistent inflation of the 1970s or will we be able to wind down inflation and resume healthy growth? The answer is up to us. We can build a better future if we make the right economic policy choices.

This study addresses the central economic policy issue of the 1980s—how to move the American economy onto a path of faster growth and less inflation. It carries forward the analysis of productivity and growth presented in a New York Stock Exchange study published earlier this year *. That study concluded that low growth rates reflected, chiefly, inadequate capital investment and research and development outlays: the negative impact of government regulation; and the cyclical instability of over-all economic activity. It showed how declining productivity growth multiplies inflation over the longer run, how it weakens the dollar internationally, and how it freezes living standards at home. The analysis underscored the importance of improving the relationship between risks and rewards as a means of improving the environment for capital formation and economic growth.

This study was conducted with the active cooperation of the University of Pennsylvania's Wharton Econometric Forecasting Associates. Their economic simulations of the U.S. economy provided the basis for analyzing various scenarios and developing policy options to achieve better economic performance in the 1980s.

Reduced economic growth combined with runaway inflation has left family incomes at the end of the decade not far above those at the beginning. As the decade ends, the dollar is under attack and interest rates are at record levels. Productivity levels are actually falling.

This is a far cry from the decade of the 1960s when price rises were more moderate (2.3 percent per year in the 1960s versus 7.1 percent in the 1970s), growth in output was faster (4.1 percent per year versus 2.8 percent), productivity gains were higher (2.9 percent per year versus 1.4 percent), interest rates were lower (5.3 percent on average versus 8.1 percent) and unemployment less (4.8 percent versus 6.2 percent). These decade averages conceal even worse statistics on growth and inflation today.

Despite this bleak economic picture, our analysis offers ample cause for optimism. A better life for all Americans is achievable. Faster productivity gains, higher real growth, less inflation, higher levels of employment, and improved living standards can be attained.

There is one catch, however. To achieve the brighter economic future that all Americans desire, it will be essential to shift the emphasis in national economic policy from consumption to investment. If our rate of investment does not raise, the prospect is for continued stagflation and fewer new job opportunities—a particularly dismal prospect for families on the lower half of the income scale and young people entering the labor force.

But while economic policy must focus on shifting resources from consumption to investment, a rising investment rate, in itself, will not assure economic vibrancy. The problem is that the rate at which investment is converted into growth has been in a long-term decline. To dramatize the problem, NYSE economists have developed a new measure—the Investment Efficiency Ratio (IER). The IER measures how much real growth the economy has achieved for each dollar of new investment.

To raise the IER will require a resurgence of entrepreneurship. We will have to create an environment that can stimulate all-out efforts to develop new technologies, new processes, and new products and services, not only by new enterprises, but by established businesses as well. Our best projections for the 1980s show that we can raise the IER through policies designed to enable and encourage business to marshal and utilize our vast physical and human resources more effectively, and to reorganize work patterns in ways that will motivate workers to realize their full creative potential.

Of course, unpredictable and uncontrollable events can, at least in part, contravene even the most carefully designed economic policy prescriptions. The price and supply of energy, to cite an obvious major example, may fluctuate in response to political decisions by OPEC. Agricultural supplies are always at the mercy of the forces of nature. International economic and political developments can have major repercussions on our economy. But to the extent that we can control our own economic destiny, the decade ahead can bring higher real growth and less inflation than the one now ending. As this study dem-

onstrates, greater investment, efficiently implemented, is the key to building a better future.

The study was conceived and directed by Dr. William C. Freund, Senior Vice-President and Chief Economist of the New York Stock Exchange, with the able collaboration of NYSE staff economists Mel Colchamiro, Eugene Epstein and Ira Gelb.

We deeply appreciate the major contributions of the Wharton Econometric Forecasting Associates, Inc.—particularly Professor Lawrence Klein and his colleagues, Dr. Gene Guill and Dr. George Schink. Our special thanks, also, to Professor John W. Kendrick, of George Washington University, for his valuable comments along the way, and for his specific policy suggestions for encouraging investment and improving the Investment Efficiency Ratio. To a number of other economists who were kind enough to review the manuscript, we have already expressed our appreciation privately.

The Exchange, of course, accepts full responsibility for the analysis and study conclusions and for any errors or omissions.—William M. Batten, Chairman, New York Stock Exchange, Inc.

SUMMARY AND CONCLUSIONS

[Charts mentioned in text not reproducible in RECORD]

With the aid of Wharton's econometric model, we analyzed three possible economic paths for the 1980s. The results clearly show that raising the level and efficiency of capital investment can both reduce inflation and raise growth. What is needed is a national consensus to redirect a small portion of output from consumption to additional investment and to make investment more productive.

It may seem ironic that we must limit the proportion of output consumed now to be able to expand our consumption over the longer term. But that emerges as the clearest prescription for marshalling the resources needed to increase output and create conditions more favorable to satisfying consumer needs and wishes, and to lowering personal taxes.

Three specific economic scenarios were simulated and studied.

The base case illustrates what would happen if current policies remained largely unchanged.

The pessimistic simulation shows the economic impact of diminished investment relative to GNP and further declines in productivity growth

The optimistic case assumes the adoption of economic policies that will spark an increase in investment as a percentage of GNP, and some relaxation of government regulation of the economy.

The results of the three economic simulations are presented in summary form below, with each measure expressed as an average for the decade 1980–1990. The results indicate that policies designed to stimulate investment can in fact increase the investment/GNP ratio.

For the economy to perform at even minimally acceptable levels in the 1980s, U.S. capital requirements will be enormous—$1.8 trillion (in 1972 dollars). Both debt and equity financing needs in the 1980s will be significantly higher than in the 1970s, as shown.

This study introduces a new measure, the Investment Efficiency Ratio (IER). It measures the amount of real output created by a dollar of investment. A primary determinant of the IER is the level of entrepreneurship—the activity required in any market economy to develop new technologies, new processes and new products and services. The entrepreneur has the primary burden of converting investment into growth. If the entrepreneur's activities are stifled, the IER is likely to fall. And, in fact, the IER declined from 30.2 cents of real growth for each new investment dollar in the 1950s to only 12.8 cents in the 1970s.

One possible—but unlikely—reason for the decline might be that, as a nation, we have become less entrepreneurial. But the evidence does not really support that conclusion. The real problem seems to be that tax and regulatory policies have discouraged and hampered entrepreneurship and have been a drag on the IER in other ways as well. Inflation has also played a role by discouraging longer-term and riskier, but potentially high-reward, investments and by lowering real rates of return on all investments.

The capital gains tax increases enacted in 1969 and 1976 lowered the after-tax returns on investments in high-growth companies and made it more difficult for them to attract investment funds The shift of resources away from high-growth companies helped lower tho IER.

Regulation of the economy has helped pull down the IER by diverting resources away from directly productive uses. There is no doubt that regulation can improve health, safety and consumer protection. But regulatory overkill impedes entrepreneurial initiative in two ways. First, since government agencies frequently have the power to approve or disapprove a new venture, the entrepreneur runs the risk that a proposed venture will encounter costly delays—or that it may even be forbidden. Second, regulatory compliance raises costs, may unintentionally mandate operational inefficiencies, and can discourage entrepreneurs from entering new markets.

The study presents a variety of policy alternatives for raising the IER and realizing the optimistic growth scenario. Since specific proposals for bolstering economic growth are numerous and complex, they require careful examination and analysis. Our final chapter presents the high-growth policy options offered by Professor John W. Kendrick, a widely respected authority on the close relationship between productivity and economic growth. His recommendations include:

Ways to stimulate capital investment.

Techniques for promoting innovative research and development.

Proposals for improving labor force quality and efficiency.

Measures to offset the declining quality of our natural resources.

Ideas for increasing the mobility of capital and labor.

Suggestions for reducing swings in economic activity.

Recommendations for easing the burden of regulation.

We believe this study can contribute to the national discussion on appropriate economic policies for the decade of the 1980s. The right policies can enable consumers to enjoy both greater consumption and lower taxes without an inflation penalty.

THREE VIEWS OF THE U.S. ECONOMY IN THE 1980'S

We all tend to project our most recent experiences into the future. In terms of the economy, we usually expect good times to continue indefinitely; and we are generally pessimistic about the prospects for climbing out of a slump. If inflation has been rising, we assume the upward spiral will continue. When productivity and family income growth do poorly and the rate of unemployment is high, the nationwide mood projects more of the same.

Today, there is a widespread, but mistaken, belief that the basic forces that have generated inflation and slow growth in the 1970s cannot be reversed in the 1980s. But while there is no magic formula for instantly reversing a long inflationary trend or the forces that have limited national economic growth, neither is there any reason to be trapped by past policies. Trend is not destiny.

If we are willing to learn from experience, the future can be better than the recent past. America's economic future is very much in its own hands. Our ability to grow and prosper will depend largely on our ability to recognize the forces at work—and our will to reshape national policies.

The Exchange's analysis of the economy in the 1980s is based on a sophisticated mathematical model of the economy developed by the Wharton Econometric Forecasting Associates, Inc., under the direction of Professor Lawrence Klein. Three different simulations were developed from each of three fundamentally different sets of assumptions about the thrust of national economic policy in the 1980s. These simulations are not predictions; they are projections of the likely over-all consequences of three alternative courses national economic policy could take in decade ahead.

Modeling the future

The study's point of departure was a series of questions about what the American economy would be like in the 1980s if we:

Maintain the status quo with respect to national economic policies.

Pursue policies which discourage saving, capital investment and productivity growth, and further inhibit entrepreneurship.

Implement new policies to encourage saving, capital investment, productivity and entrepreneurship.

Based on these alternative assumptions, three simulations of the economy in the 1980s were developed. The results show that one of the most—perhaps the most—important variable in determining national economic prospects is the proportion of national output devoted to non-residential fixed investment; i.e., investment in new plant and equipment. That type of investment accounted for 10.5 percent of real GNP in 1979.

In our model representing the status quo, the rate of capital investment averages 10.2 percent for the decade 1980–1990. In the "pessimistic" scenario, it averages 9.6 percent for the decade, falling to 8.5 percent in 1990; in the "optimistic" scenario it averages 12.1 percent.

TABLE 1.—*Base case scenario, 1980–90*

	Percent
Real growth in GNP (average per year)	2.4
Inflation Rate (GNP deflator, average per year)	7.7
Productivity Growth (average per year)	1.1
Unemployment Rate (average per year)	6.7
Ratio of Non-Residential Fixed Investment/GNP	10.2

Key assumptions are discussed below. A separate paper detailing the underlying assumptions of all three economic simulations is available on request.[1]

Maintaining the status quo

What happens if we simply adhere to existing policies and allow present trends to continue? If, for example:

No new policies are adopted to stimulate investment beyond a $20 billion countercyclical reduction in personal and corporate taxes assumed by Wharton Econometrics for 1980.

Foreign oil prices rise an average of 10 percent annually.

Wage rates continue to increase an average of 9½ percent annually.

Government defense expenditures rise 3 percent annually in real terms through 1985 and 2 percent annually thereafter.

Monetary policy accommodates the rise in

Footnotes at end of article.

output and is neither particularly restrictive or expansive.

The result is a lackluster economy that continues the current trend of poor productivity growth, slow economic growth, and high inflation. Because the economy fails to absorb the increase in the labor force, both the number of unemployed and the unemployment rate rise. Gains in real incomes are very limited, keeping a tight lid on living standards.

More specifically, real growth hobbies along at a 2.4 percent annual rate.

Inflation, as measured by the consumer price index, rises at 8.1 percent a year over the decade, and by 7.7 percent in terms of the GNP price deflator. Productivity for all industries increases by a meager 1.1 percent annually. The unemployment rate averages 6.7 percent of the labor force.[2]

Sluggish economic growth, accompanied by high inflation and high unemployment, does little to improve the purchasing power of American families. Disposable household income would rise by only 0.9 percent per year in real dollars. At that rate it would take a generation to raise real family incomes by barely one-quarter. More precisely, in 1979 purchasing power, disposable household income would rise from an average of $20,800 in 1979 to $23,150 in 1990.

What if things turned worse?

It would not take much economic mismanagement to worsen the situation in the 1980s. The "pessimistic" scenario assumes much the same set of national economic policies as in the base case with respect to:

Oil prices;

Federal government defense expenditures;
Monetary policy;

Federal tax cuts.

However, wage rates are assumed to rise a bit faster, at an annual rate of 10.5 percent. The rate of investment drifts downward, averaging only 9.6 percent per year over the decade, dropping to 8.5 percent by 1990.

This set of assumptions produces a more dismal economic outlook. Real GNP growth averages a mere 2.0 percent per annum. Productivity growth drops to 0.9 percent per year. Inflation runs close to 9.5 percent annually, measured by the consumer price index, and 8.9 percent annually, measured by the GNP price deflator.

Unemployment would average an unacceptable 8.9 percent annually, with real economic growth too low to absorb an expanding labor force. Inevitably, younger, unskilled and less well educated workers would be hardest hit.

The steep rise in consumer prices would almost completely wipe out the assumed 10.5 percent increase in nominal wages, leaving purchasing power virtually unchanged. Real disposable household income in 1979 dollars would rise from $20,800 per family in 1979 to $21,500 by the end of the decade—a negligible 0.3 percent annually.

The pessimistic model underscores the direct relationship between low investment in plant and equipment and the one-two punch of fewer new employment opportunities and high rates of inflation.

TABLE 2.—*Low growth scenario, 1980–90*

	Percent
Real Growth in GNP (average per year)	2.0
Inflation Rate (GNP deflator average per year)	8.9
Productivity growth (average per year)	0.9
Unemployment Rate (average per year)	8.9
Non-Residential Fixed Investment/ GNP	9.6

Footnotes at end of article.

TABLE 3.—*High growth scenario, 1980–90*

	Percent
Real Growth in GNP (average per year)	3.4
Inflation Rate (GNP deflator average per year)	6.7
Productivity Growth (average per year)	2.0
Unemployment Rate (average per year)	5.8
Non-Residential Fixed Investment/ GNP	12.1

A more favorable alternative

In our "optimistic" scenario, assumptions were the same as in the "base case" and "pessimistic" simulations regarding:

Oil prices;

Federal government defense expenditures;
Monetary policy.

Further, we assumed wage increases averaging 9½ percent per year, as we did in the base case. However, the optimistic simulation does reflect two major policy assumptions that were not inputs in the first two simulations:

Tax policies were implemented in the expectation of raising the investment/GNP ratio. In fact, these tax changes did raise the ratio—from 10.5 percent in 1979 to 11.9 per cent in the period 1980–1985 and to 12.4 percent between 1985 and 1990—or an average of 12.1 percent for the entire decade.[3]

An easing of government regulation was assumed and imposed upon the model such that the national productivity growth would increase by one-half of one percentage point over the period 1980–1990.

Energy supply is, of course, a major factor in our economy. Underlying the high-growth alternative is the conclusion that energy needs can be met with strenuous efforts to conserve and to stimulate new energy supplies, particularly by heavier reliance on abundant coal. Appendix 1 of this study examines the energy demand supply situation.

The results of the third simulation again indicate that the rate of business investment is critical. The policies implemented lead to a satisfactory rate of real growth, less inflation, faster productivity growth and higher levels of employment.

The Summary table below provides destination signs on three divergent paths through the eighties. The policies we implement at the beginning of the decade will help determine where we end up.

The table tells us one striking thing: Higher investment rates are essential for creating a larger economic pie for all to share. But are these higher rates realistic and achievable? The answer is yes—if. They are achievable if we adopt policies explicitly designed to encourage them. That does not mean turning on the Federal spending tap. It does mean new policies to raise aftertax returns on investment and to encourage entrepreneurship.

If, on the other hand, the rate of investment is allowed to stagnate or drift downward, it will lower the efficiency of U.S. output. This, in turn, would restrain real growth and raise unemployment, with the added problem of accelerating inflation, making it particularly difficult for lower-to-middle-income families to make ends meet. Clearly, the key to avoiding this downward spiral is to develop effective ways to spur investment and encourage entrepreneurship as the first steps toward curing our national economic ills.

TABLE 4

[In percent]

	3 scenarios, 1980–90		
	Pessimistic	Base case	Optimistic
Real growth in GNP	2.0	2.4	3.4
Productivity growth	.9	1.1	2.1
Inflation (GNP deflator)	9.5	7.7	6.4
Unemployment rate	8.9	6.7	5.8
Investment to GNP	9.6	10.3	12.1

ENTREPRENEURSHIP AND THE INVESTMENT-EFFICIENCY RATIO

Introduction

The bourgeoisie, during its rule of scarce one hundred years, has created more massive and more colossal productive forces than have all preceding generations together. Subjugation of nature's forces to man, machinery, application of chemistry to industry and agriculture, steam-navigation, railways, electric telegraphs, clearing of whole continents for cultivation, canalization of rivers, whole populations conjured out of the ground—what earlier century had even a presentiment that such productive forces slumbered in the lap of social labor?—Karl Marx and Friederich Engles, The Communist Manifesto, 1848.

That statement by two of the staunchest enemies of the market system remains an eloquent tribute to the entrepreneurial spirit that the market system uniquely nurtures.

Yet at the time they wrote these words the revolution in man's productive forces had barely begun. What seemed "massive" and "colossal" in 1848 would appear puny by the standards of the next 130 years. If Marx and Engels could be so impressed by the achievements of capitalism in 1848, then how much more impressed would they be if they were alive today? Who knows—they might even have written a Capitalist Manifesto.

That is what we want this report to be. Some say that we have entered an era of environmental "limits" in which economic growth must cease—that it is time for the elements of dynamism so characteristic of capitalism to retire from the stage of history. Others say that even though a static economy is not desirable, the problems of "stagflation" make it unavoidable. But, in fact, a very different future is possible. The productive forces that have brought the achievements of the past two centuries can scale new heights. By unleashing entrepreneurial drive we can provide society with expanded output and an improved environment. Someday it should be possible to write, echoing Marx and Engels, that the advocates and prophets of no growth lacked "even a presentiment that such productive forces slumbered in the lap of social labor."

Investment-efficiency ratio defined

It is axiomatic that investment fuels growth—and that higher levels of investment bring higher levels of growth. But efforts to understand and explain what has been happening to the American economy in recent years—and to prescribe effective policies for improving the national economic performance—have been hampered by the lack of a simple, yet effective, measure of the relationship between capital investment and real growth.

The new measure introduced in the following pages, the Investment-Efficiency Ratio (IER), remains that deficiency. In effect, the IER shows how much real growth the economy has produced for each new dollar investment. The higher the real growth produced by each investment dollar, the higher the IER; the lower the real growth for each investment dollar, the lower the IER.

The IER enables us to measure the rate at which investment is converted into growth, with particular attention to whether that rate has been increasing or decreasing over the long term. In a sense, the IER is a "rate of return" for the economy as a whole. Just as the businessperson seeks profit returns on investment, so the economy, over all, seeks growth return on investment. The IER measures the aggregate growth returns. The IER concept is similar, though distinctly different from the concept of labor productivity, the subject of the Exchange's last economic report. The difference between the concepts are explained in Appendix 2.

Role of entrepreneurship

Since entrepreneurs play the key role in converting investment into growth, the degree of entrepreneurship is a prime determinant of the level of the IER.

Prof. Nathaniel H. Leff has defined entrepreneurship as the "capacity for innovation, investment and activist expansion in new markets, products and techniques."[4] While entrepreneurs are often regarded simply as people who start new businesses, entrepreneurship is, in fact, far more widely practiced—among established firms as well as new ones; among large firms as well as small. Whenever capital is put at risk to produce something new, or to develop a new way of producing something that is already in production, or to expand the marketable amount of an existing product, an entrepreneur is at work.

Entrepreneurship is not the same thing as management. The manager takes given inputs and directs the process by which these inputs produce predetermined outputs. The entrepreneur, on the other hand, alters the structure of inputs and outputs.

As Irving Kristol has suggested:

More and more chief executive officers of corporations refer to themselves as "managers," sometimes even "professional managers." Well, if that indeed is what they are—and some presumably fit the description—then they are wildly overpaid. A good CEO, even of a very large corporation, is above all an energetic and shrewd entrepreneur, seeking out—no, better; creating—new opportunities for profitable economic transactions. It is only the possession of this talent—and, like all talents, it is relatively uncommon—that justifies the high salaries they receive.[5]

The role of the entrepreneur is also different from the role of the inventor. Invention is often a vital prerequisite to entrepreneurship; but it becomes entrepreneurship only when it is extended to become part of the production process. For example, while the Americans invented the transistor, it was the Japanese who reaped many of the benefits from manufacturing, selling, and adapting it to new products. In that case, while the Americans were the inventors, the Japanese were, to a large extent, the entrepreneurs.

The higher the degree of entrepreneurship, the higher the IER. Entrepreneurs who do their job well will net a higher rate of return—i.e., growth—from a given level of investment than entrepreneurs who do their job poorly. This can be illustrated by imagining how the American economy would have grown without the development of the electric, petroleum and automobile industries. Without a high level of entrepreneurship, the same level of investment would have produced a far slower rate of growth.[6]

Professor Leff has written that "entrepreneurship is so important for economic development that it has sometimes been conceptualized as a 'fourth factor of production'."[7] Accordingly, public policies that stifle entrepreneurship are likely to cause a decline in the IER.

The disturbing fact is that the IER has been declining over the long term—and the decline has accelerated sharply in the 1970s. Each investment dollar is simply yielding less real growth than it used to.

Chart 8 summarizes the story. For every dollar invested, the economy has produced:

30.2 cents of real growth from 1950–59;
27.1 cents of real growth from 1960–69;
12.8 cents of real growth from 1970–78.

In other words, between 1970 and 1978, the IER declined to less than half of what it was in the 1960s and even farther below the levels of the 1950s.

Calculating the IER

The investment component used in determining the IER for each decade is nonresidential fixed investment—i.e., all private sector investment that adds to the stock of productive capital. Nonresidential fixed investment not only includes investment in manufacturing and agricultural plant and equipment but also in such things as retail and service industries.[8]

The growth component used in calculating the IER is the increase in real GNP—that is, GNP adjusted for inflation. This figure was reduced by the GNP growth attributable to manhours worked. The two primary contributors to GNP growth are labor input and capital input. Reducing the growth of GNP by the growth in manhours worked eliminates the contribution of the labor input, leaving GNP growth primarily attributable to capital input. It is this growth that we need in order to have an accurate measure of the investment-efficiency ratio. Chart 9 shows what this "adjusted" growth of real GNP was in the 1950s, '60s, and '70s. The "labor-adjusted" growth figure is then divided by the investment figure to calculate the IER for each decade.

Change in GNP/Capital Investment=IER

A variety of statistical definitions of investment and growth were tested (see Appendix 3). The important point is that no matter what investment and growth figures are used, the long-term trend looks the same; The IER of 1970s is significantly below the IER of prior decades.

Reasons for the decline in the IER

Two significant developments—both of which have substantially stifled entrepreneurship—have accompanied the IER decline.[9]

1. Regulation of the economy has increased. A regulated economy raises entrepreneurs' costs of pursuing opportunities. Inevitably, some of the opportunities will not be seized. Excessive regulation also diverts capital to nonproductive uses.

2. Tax impediments to risk investment have increased. Specifically, higher capital-gains tax rates lowered the after-tax return on growth-oriented investments as compared with the return on income-oriented investments. Therefore, some growth-oriented investments are unable to compete for funds. Since growth-oriented investments tend to be more innovative than income-oriented investments, the IER necessarily declines. In addition, high capital-gains taxes reduce capital mobility.

High rates of inflation have exacerbated the decline in the IER in the 1970s by discouraging longer-term and riskier, but potentially high-reward investments and by lowering real rates of return on all investments. Conversely, a higher IER in the 1980s can contribute to lessening inflation which in turn, will itself encourage more investment and real growth.

Increasing the rate of economic growth

There are two primary ways to increase the economy's rate of growth.

Increase the level of investment. To the extent we can raise the share of GNP that goes for capital investment, the rate of growth will increase without an increase in the IER.

Increase the IER. To the extent we can raise the IER, the rate of growth will increase without an increase in the level of investment.

Both factors are vitally important. If, for example, the level of investment rises substantially in the 1980's and the IER remains unchanged, the resulting growth rate will not match that of the 1960s, simply because the current level of the IER is so low. Similarly, if an increase in the IER is not accompanied by an increase in the level of investment, the overall growth rate will lag behind the 1960s' growth rate. Significant improvement in the growth rate will require both higher investment levels and an increase in the Investment Efficiency ratio.

The econometric projections cited in Chapter 1 indicate that the level of investment and the IER can both be increased. The "high growth" alternative suggests that a 3.4 percent GNP growth rate is a meaningful target. This can be achieved through an increase in the percentage of GNP devoted to investment as well as through an increase in the IER in the 1980s.

The three simulations of the economy permit us to calculate the IER in the 1980s in each of the three cases. As one would expect in the "optimistic" case the IER jumps significantly from its 1970–1978 level of .128. In fact, it jumps almost 50 percent—to .199. Under the assumptions generating the "pessimistic" and "base" simulations, predictably, the IER fares less well—.096 and .143, respectively.

Scenario	*IER*
Pessimistic	.096
Base	.143
Optimistic	.199

Thus we can adopt policies which will net us 19.9 cents worth of growth for each of our investment dollars in the 1980s or policies which will net us 14.3 cents or even only 9.9 cents. The choice is ours.

FEDERAL TAX POLICY AND ECONOMIC GROWTH IN THE 1980'S

Both theory and practice show that lower tax rates can spur saving and investment and help raise the Investment-Efficiency Ratio. Furthermore, there is little controversy that capital investment must be encouraged if we are to raise long-term productivity and economic growth. Since the goals of enhanced productivity and economic growth are not in dispute, why is there so much debate over the direction of tax policy? Why is there resistance to tax policies to increase investment?

Conflicting tenets of tax policy: A policy dilemma

It is almost universally agreed that tax policy is a legitimate and useful means of promoting economic growth and stability. The problem is, unfortunately, that tax measures which would directly promote saving, investment, and economic growth often run headon into the principle of tax equity; that is, what is perceived as a fair and equitable distribution of tax burdens.

This conflict is often expressed in two major theoretical principles, or desirable characteristics, of a tax system:

Economic Neutrality. Taxation should not alter economic decision-making by individual members of society.

Equity. People in like circumstances should be taxed equally. People in unlike circumstances should be taxed unequally; that is, progressivity should be built into the tax structure.

Economic Neutrality—While the concept may be attractive, the fact is that no tax policy is completely neutral. Every tax impinges upon economic decisions in one of three ways:

By affecting consumer choices among competing goods;

By readjusting the perceived relative desirability of work and leisure;

By altering the distribution of production between consumption and investment.

It is the third way that concerns us here. If a given rate of capital formation is needed by society to achieve its economic goals, taxes should be structured accordingly. If a higher rate of capital formation is regarded as desirable, tax policies should be altered to encourage capital formation. Tax neutrality should not stand in the way of achieving broad societal goals.

Footnotes at end of article.

Equity.—Economics textbooks reflect a general consensus about progressivity in the tax structure—that people with greater income should be taxed at a higher rate than people with lower income. This consensus has little to do with the logic of economics; it stems, rather, from an underlying philosophical belief that progressivity is "fair."

This is the root of the conflict over tax policy. If we are, in fact, to lower taxes on investment, then what happens to the principle of fairness? Since, in the short run, investment tax incentives almost always provide direct or indirect tax relief mainly for middle and upper-income persons, is it "fair" to lower taxes in ways that lessen the progressivity of the tax structure? Unfortunately, the question avoids the real issue: whether, over the longer run, higher productivity gains, more jobs and less inflation outweigh the societal "cost" of reducing the progressivity of our tax structure.

We do not purport to be able to demonstrate with numerical precision the extent to which the societal benefits of greater investment outweigh the societal costs. We do know, however, that the burden of a slow-growth high-inflation economy falls most heavily on lower-income people. Those with the least education, training, experience and seniority are usually the first to be let go when the economy slows, and the last to be hired when the economy rebounds.

The fact is that as a result of a relatively slow rate of economic growth and virulent inflation in the 1970s, real weekly earnings were actually lower at the end of the decade than at the beginning. The income-inflation treadmill is frustrating enough for most Americans, but it is worst for low-income groups. Simply put, those who are trying to "make up ground" lose the most when real income stagnates or advances very slowly.

Clearly, the best way to improve the economy's performance and to raise living standards for all is to adopt policies that will spur economic growth over the long term; and the evidence indicates that lower investment taxes can, in fact, provide the needed long-run stimulus to capital investment growth that other fiscal-policy measures have failed to develop.

Fiscal policy and economic growth

Higher rates of capital investment are necessary for high rates of output growth in the long run. The Federal government can contribute to increasing the investment rate through fiscal policy in three ways: [11]

It can adopt a policy of budget surpluses when the economy is operating at full employment.

It can increase the rate of investment in physical and human capital directly through its own expenditures.

It can adopt tax measures that provide stimulus for private saving and investment.

When the Federal government runs a budget surplus, it adds its own saving to that generated by the private sector, and puts downward pressure on interest rates.

However, budget surpluses have been few and far between and it would be unrealistic to assume that the Federal government will be generating surpluses in the coming decade. In the post-war period, Federal government surpluses occurred in only 8 out of 33 years, 6 of them before 1960. Moreover, the two Federal surpluses in the last 20 years—in 1960 and in 1969—totaled a slim $3.5 billion. Over the same period, 18 deficits totaled $372 billion.[12]

As for the second possibility—government investment in physical and human capital—public investment generally takes the form of investment in human capital rather than in factories and equipment.[13] Unlike foreign governments, the U.S. government only rarely invests directly in the bricks and mortar of factories and offices.

The third method—tax incentive for private saving and investment—may well be the most effective means by which public policy can influence long-term economic growth.

In the early 1960s, a host of business tax reforms were instituted in an attempt to spur our national rate of investment and economic growth. In 1962, the investment-tax credit was introduced and more liberal depreciation practices permitted. In 1964, the top corporate-income tax rate was lowered from 52 percent to 50 percent (and to 48 percent in 1965). These initiatives spurred additional investment in the private sector, as indicated by a significant increase in the percentage of national income devoted to capital investment in the years immediately following.

The ratio of non-residential fixed investment to GNP had averaged 9.2 percent during 1947–1963 and only 8.3 percent during 1958–1963. Directly after the new investment incentives took effect the rate jumped—from 8.8 percent in 1963 to 9.3 percent in 1964, 10.3 percent in 1965 and 10.8 percent in 1966 (see chart above). Since then, the rate of investment has generally moved lower.[14]

With the Investment-Efficiency Ratio down sharply, the need for increased levels of investment has become more urgent.

Further evidence of the responsiveness of saving and investment to favorable tax changes and increased rates of return comes from the findings of an important study by Professor Michael J. Boskin [15] of Stanford University and the National Bureau of Economic Research. Unlike most other studies in this area, which do not adjust for inflation and taxes, Professor Boskin used real after-tax rates of return. He estimated that the elasticity of savings to be positive, about 0.4. This means that a 10 percent increase in real after-tax returns on investment will induce a 4 percent increase in saving. Professor Boskin therefore concludes that high taxes on investment returns reduce the dollars available for investment in plant and equipment, lower the rate of economic growth and slow gains in national income below what could have been achieved.

Federal tax policy and the investment-efficiency ratio

Lower investment taxes can not only spur savings and investment, they can also influence the IER in two ways:

By encouraging capital mobility, especially by reducing the "lock-in" effect.

By encouraging investment in high-growth companies.

Encouraging capital mobility.—High taxes on capital gains prompt investors to lock themselves into long-term investments. The propect of paying high taxes discourages investors from selling appreciated capital assets. Since capital is limited and its constant redeployment is crucial to satisfying changing needs, high capital-gains taxes hinder economic efficiency. And, in fact, the two increases in capital-gains tax rates during 1969–1976 helped accelerate the decline in the Investment-Efficiency Ratio.

Internal Revenue Service data on capital-gains realizations by income groups indicate that those in the highest tax-rate brackets were increasingly reluctant to sell appreciated capital assets after the 1969 and 1976 tax-rate increases. Their unwillingness to realize gains, of course, withheld substantial amounts of capital from reinvestment opportunities elsewhere. These rate increases affected individuals in the 50 percent and over brackets; that is, those with adjusted gross income of $50,000 or more. Thus, if there were to be any evidence of an increase in the lock-in effect, it would show up as a lessening of realizations in the upper-income classes. Table 5 indicates that they did, in fact, cut back their realizations relative to those groups that were unaffected by the rate increases.

As the table shows, the percentage of realizations of the top income group fell from 43.8 percent to 39.9 percent after the increase in rates, indicating a worsening of the lock-in effect. When IRS data become available for 1978 and 1979, it will be possible to begin to judge the effects of the 1978 reduction in capital-gains tax rates.

TABLE 5.—THE EFFECT OF INCREASES IN CAPITAL GAINS TAX RATES ON REALIZATIONS OF LONG-TERM CAPITAL GAINS, 1964–76

[In percent]

	1964–69 average	1970–76 average [1]	Change
Income class:			
0 to $49,999	56.2	60.1	+3.9
$50,000 or more	43.8	39.9	−3.9
Total	100.0	100.0	

[1] Latest available data.

Source: U.S. Department of the Treasury, Internal Revenue Service.

Further evidence of the lock-in effect comes from the results of a recent study by Professor Martin Feldstein.[16] Based on 1973 IRS data, Professor Feldstein concludes that the selling of corporate stock is, in fact, very sensitive to capital-gains tax rates. The study indicates that limiting the top rate on capital gains to 25 percent, for example, would have nearly doubled the realization of gains from corporate stock sales—from $29.2 billion to $49.5 billion.

As we will see in the next section, when rates were lowered in 1978, money flowed to companies with potential for high growth, indicating that the selling of appreciated assets in 1978 and 1979 may well have accelerated.

Encouraging Investments in High-Growth Companies—Investments in corporations are usually motivated by the hope of earning profits from either dividend income or capital appreciation or both. Investments whose earnings potential depends mostly on capital appreciation are more sensitive to changes in capital-gains tax rates than investments whose profit potential is more directly related to dividend distributions. This is because dividend income is taxed at regular rates and is unaffected by changes in the capital-gains rate.

Thus, when the 1978 Tax Reform Act lowered the top rate on capital gains from 49 percent ot 28 percent, it eased the tax bite on earnings from growth-based investments relative to dividend and interest-income investments. Theoretically, therefore, this reform should have encouraged additional savings to flow into prospective high-growth investments. And it did!

One measure of this flow is the extent of capital raised by so-called venture capital firms for investment in promising new companies with high-growth potential. Chart 11 shows the striking effect of the lower capital-gains tax rates. Capital raised by professionally managed venture-capital firms soared to $215 million in 1978 ($165 million of it in the fourth quarter) from $40 million in 1976 and $19 million in 1977. A further increase, to $275 million, is estimated for 1979. As expected, money flowed to high-risk, high-growth investments because the lower capital-gains tax rates raised the after-tax rate of return and lowered the risk premium associated with such investments.

The decline of the IER

Before passage of the Tax Reform Act of 1978, tax policy in the 1970s had blunted the beneficial effects of the investment tax reforms of the early 1960s. The 1969 Tax Reform Act had increased the top rate on capital gains and instituted the so-called

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"minimum" tax. Together, these measures raised the effective top rate on capital gains from 25 percent to 42½ percent. The 1976 tax rate of return and lowered the risk rate to just over 49 percent.

The two increases lowered after tax returns on appreciated capital assets and diverted funds away from potentially high-growth ventures. Thus, despite the fact that the economy's rate of investment had increased a full percentage point, the extra investment was generating less economic growth than in the past. In other words, Federal tax policy unintentionally contributed to lowering the Investment-Efficiency Ratio.

Thus, there is much evidence to support the thesis that saving and investment, as well as the critical Investment-Efficiency Radio, are responsive to changes in tax rates. Lower investment taxes do, in fact, help increase rates of real-output growth. If after-tax rates of return on savings and investment are raised, we can expect the American economy to:

Increase its rate of saving and investment.
Increase the IER.
Increase its rate of growth.
Decrease its rate of price rises.

Lasting economic benefits can only be achieved through capital investment. Consumer and government spending do little to provide a foundation for future production and jobs. We must devote a sufficient proportion of our resources to build for the future. Our goal should be a more bountiful economy in which all can share. The view that our resources are too limited to achieve this goal is a myth. Realistic, long-term tax policies can contribute both to expanding the base of resources and to utilizing them more efficiently.

ECONOMIC REGULATION AND ECONOMIC GROWTH

Government regulation of the economy acts as a drag on economic growth. It does this in two principal ways: first, by diverting resources away from directly productive uses, and second, more intangibly, by stifling entrepreneurial initiative. This chapter will elaborate on both.

But, first, a disclaimer is in order. By looking solely at the costs of government regulation, we do not mean to imply that regulation does not bring with it many benefits. On the contrary, a good society is inconceivable without a large measure of government regulation. Where we mention particular regulatory programs, we are in no way making a judgment about the wisdom of these programs. Any such judgment of a regulatory program must take into account its benefits as well as its costs.

As we will shortly document, a movement toward deregulation is taking hold in Washington. This brief discussion is meant as general background to the complex problems that this movement must cope with.

Extent of regulation

One way of estimating the extent of regulation is to calculate the cost to the public sector of administering regulation and to the private sector of complying with it. The most comprehensive cost estimates available are those of the Center for the Study of American Business in St. Louis, which has calculated the cost of regulation at more than $100 billion a year.[17] The Center separates its cost estimates into two categories: administrative and compliance.

Compliance costs—which account for about 95 percent of the total—are those the private sector incurs in meeting regulatory requirements. Paperwork accounts for approximately 40 percent of estimated compliance costs: Businesses spend tens of thousands of man-years completing literally millions of copies of some 4400 different forms associated with government regulation. The remaining 60 percent of compliance costs is accounted for by a whole range of mandatory and voluntary responses to government regulation that serve to boost prices. For instance, price regulation of the dairy industry keeps fresh milk more expensive than it otherwise would be. The artificial price imposes a cost on consumers that is estimated at $1 billion a year. To take another example, import quotas prevent goods from coming into the country that could be produced more cheaply than domestic goods; consumers are thereby forced to pay the higher price for the domestic goods. There are just two examples among many.

Administrative costs—which account for about 5 percent of the total—are the direct costs to the taxpayer of running the federal regulatory agencies: the Environmental Protection Administration, Federal Energy Administration, Federal Trade Commission, Interstate Commerce Commission, Securities and Exchange Commission, Civil Aeronautics Board, and so on.

Critics have recently challenged the $100 billion figure as being too high.[18] But even if the true figure were half the $100 billion estimate, the costs of regulation would still be substantial. In other words, a fact beyond dispute is the enormous presence of government regulation in the economy.

No estimates exist for regulatory costs in earlier decades. However, there is little question that the costs were smaller, both in real dollars and as a percentage of GNP. The reason is simply that a whole range of regulatory agencies and laws did not exist in the 1950s and through most of the 1960s. These agencies and laws are mostly the result of the "new wave" of federal regulation in the area of consumer product safety, job safety, personnel practices, and environmental protection.[19]

Estimating the "growth drag"

The figure cited above were estimates of the financial cost of government regulation. The effect of this regulation on retarding economic growth is a somewhat different matter. Unfortunately, there are no comprehensive estimates as to the full "drag" that regulation has imposed on the growth of GNP. However, given the sheer magnitude of the expense, the growth drag must be substantial.

As stated earlier, one way government regulation retards economic growth is by diverting resources from directly productive uses. In this regard, productivity expert Edward Denison estimated the cost to business productivity attributable to meeting governmental pollution and job safety requirements—just two aspects of regulation among many. He found that in 1975 the level of productivity was 1.4 percent lower than it otherwise would have been—the equivalent of approximately $20 billion in GNP.[20] Professor John W. Kendrick, of George Washington University, came up with similar estimates.[21]

The other way in which government regulation retards economic growth is by stifling entrepreneurial initiative. Suppose someone (either an established business or an investor backing a new business) decides to introduce a new product or a new production process:

One problem he might face is the risk that the government will not approve the innovation—or that it may simply delay approval for so long that the venture becomes prohibitively costly. For instance, the President's Energy Resources Council pointed out that this problem plagued the infant synthetic fuel industry. Regulatory activity generally, the Council concluded, "could easily hold up or permanently postpone any attempt to build and operate a synthetic fuels plant." [22]

Another problem the enterpreneur might face is all the additional expense of complying with government regulation once the venture is operating. That additional expense could mean the difference between launching or abandoning a particular project.

There is yet another way in which government regulation stifles entrepreneurial initiative. This has to do with the influence on pension fund investment of the Employment Retirement Income Security Act of 1974 (ERISA). In his book on regulation, Murray Weidenbaum writes that the Act "shifted much of the concern of the management of pension funds from maximizing the return on contributions to following a more cautious approach of minimizing the likelihood that the fund managers will be criticized or even sued for their investment decisions." One result is that the pension fund manager develops a strong bias against potentially profitable, innovative investments. As Weidenbaum points out, the rules "thereby deprive smaller, newer, and riskier enterprises of an important source of venture capital." [23]

Move toward deregulation

A recently published Congressional study, of regulation concludes that alternative kinds of regulation, or no regulation at all, might be better in some cases:

"Simply because a problem exists and, in theory is remediable, does not mean that regulation or other government intervention is desirable. Controls should only be undertaken where there is a clearly identified problem that cannot otherwise be solved, and where the anticipated achievements are significant and not vitiated by projected adverse consequences." [24]

Even in the area of environmental improvement—where there is little question that regulation is vital—it might be possible to bring about cutbacks. It may well be that, for a particular industry, an environmental clean-up that is 95 percent effective will add to that industry's cost by 40 percent, but that an environmental clean-up that is 85 percent effective will add to that industry's costs by only 15 percent. The question then arises whether that extra 10 percent in environmental improvement is worth the steeply higher costs. The Environmental Protection Agency must have had this kind of consideration in mind when in 1978 it adopted new "cost reasonableness" standards for water clean-up.[25] The EPA predicts that these new standards will save companies substantial amounts in the purchase of clean-up equipment.

The action of the EPA is only one event among many in the general move toward deregulation.[26] For instance:

The Airline Deregulation Act of 1978 opened up competition for airline routes.

The Interstate Commerce Commission recently stopped requiring railroads to charge fixed rates for hauling fresh fruits and vegetables.

The Transportation Department's Federal Railroad Administration recently decided to revise freight-car safety standards with a view toward eliminating, "unnecessary and burdensome maintenance and inspection requirements."

The Federal Communications Commission has proposed to abolish rules that limit the activities of cable-television operators, radio broadcasters, and telephone companies.

President Carter has created the Regulatory Analysis Review Group, headed by Charles Schultze, Chairman of the Council of Economic Advisers, and Alfred Kahn, Chairman of the Council on Price and Wage Stabilization. Its purpose is to prevent the imposition of excessive regulation, with particular emphasis on monitoring the effect of regulation on inflation.

In response to a requirement of the Carter Administration, regulatory agencies now file economic impact statements when they propose rule changes. The economic impact

Footnotes at end of article.

statement is filed when the estimated costs of the rule change to private industry will be $100 million or more; the statement tries to weigh the benefits against the costs.

Thus, the move toward deregulation has clearly begun. So long as it takes a balanced view of both the benefits and costs of government regulation, society as a whole will be the better for it. The move toward deregulation can raise the IER, bring significant increases in economic growth, and can help to unwind inflation over time.

FINANCING NEEDS AND ECONOMIC GROWTH IN THE 1980'S

Most corporate external financing needs are met through debt rather than equity financing. One reason is that the after tax cost of debt financing is generally lower than that of equity financing. Interest payments on debt are tax-deductible while dividends—the equity equivalent of interest—are not. A dollar raised through debt, therefore, costs a corporation less on an after-tax basis, than a dollar raised through equity. A second reason is that bond financing avoids dilution of earnings and ownership control.

In recent years, stagnant equity prices and high interest rates on bonds have made debt financing seem more attractive to investors. But heavy reliance on debt financing has created some unpleasant balance-sheet problems as the 1980s approach.

Rising debt levels have made corporations more vulnerable to swings in earnings. This is especially true of newer corporations, which typically rely heavily on debt. In periods of weak profitability, corporations with high debt/equity ratios may experience a cash squeeze that can reduce managerial flexibility and endanger their ability to innovate and even to survive.

Trends in debt versus equity financing

Just as the economy must maintain a proper balance between saving and consumption to insure growth and create jobs, so must corporations maintain a proper balance between debt and equity financing to insure their own financial health.

Chart 12 shows how debt has consistently dwarfed equity financing. Over the years, debt has accounted for over 90 percent of new funds raised in the capital markets, and equity for less than 10 percent. In 1977, 1978 and early 1979, equity accounted for less than 3 percent of all funds raised externally.

Another important measure of corporate financial health, the relationship between liquid assets and short-term debt, also has deteriorated. As shown in Table 6, the ability of corporations to pay short-term debt has diminished significantly.

Debt financing has accelerated throughout the post-year period. As Chart 13 shows, corporate debt outstanding rose at an annual rate of 8.1 percent in the 1950s, 9.3 percent in the 1960s and 10.7 in the 1970s. Corporate reliance on debt has created a huge debt service obligation.

LIQUIDITY RATIO OF NONFINANCIAL CORPORATIONS

[Dollar amounts in billions]

	Liquid assets [1]	Short-term debt	Liquid assets as a percentage of short-term debt
1967	$62.0	$62.0	103.0
1968	67.0	68.6	97.4
1969	67.8	81.4	83.3
1970	68.7	87.9	78.2
1971	76.6	90.4	84.5
1972	84.0	103.2	81.4
1973	94.4	126.7	74.5
1974	99.1	157.3	63.0
1975	116.6	150.4	77.5
1976	132.1	159.9	82.6
1977	132.9	186.2	71.3
1978	142.0	217.4	65.3
1979 1st quarter	[2] 150.2	[2] 263.1	[2] 57.1

[1] Demand deposits, time deposits, U.S. Government securities, State and local obligations, and commercial paper.
[2] Preliminary.

Source: Board of Governors of the Federal Reserve System. Flow of funds.

The ability of corporations to pay fixed interest charges out of current profits (interest coverage) deteriorated sharply during 1955–1973. Annual corporate profits were only five times yearly interest charges in the 1970s, compared with much safer margins in previous periods (Chart 14).

The broadest measure of the corporate debt burden is the debt-to-equity ratio. This ratio was significantly higher in the 1970s (42.6 percent) than in the 1960s (29.5 percent). Thus, during the 1960s, U.S. manufacturing corporations averaged $2.35 worth of debt for each dollar of equity, compared with $3.39 in the 1970s.

These trends signal a significant warning. The current mix of debt/equity financing could severely limit future economic expansion. High debt/equity ratios may have contributed already to the slowdown in capital spending by raising risk premiums. The effect of increased risk due to large debt positions is difficult to quantify. However, non-residential fixed investment (in 1972 dollars) increased by 5.3 percent per year during 1958–1968, but only by 2.8 percent per year during 1968–1978. Undoubtedly, some investment projects were abandoned because the overhang of debt made further borrowing to finance new projects imprudent. With taxes stacked against equity financing, and with equity prices stagnant and price-earnings ratios low, capital spending suffered.

Continuing restraints on equity financing could force American corporation to continue to keep a tight rein on expansion, restricting America's ability to accommodate the growth needs of the 1980s.

Debt and equity financing needs of the 1980s

Based on the Wharton projections, U.S. capital requirements in the 1980s will be enormous, even for the economy to perform at minimally acceptable levels. The "base case" projects non-residential fixed investment at a staggering $1.8 trillion (in 1972 dollars), in the decade of the 1980s. This is what corporations will have to spend on replacement, modernization, and expansion of the productive capital stock.

Together, debt and equity financing have historically accounted for roughly 52 percent of all plant and equipment spending, while 48 percent has been financed out of retained earnings. If the 52 percent figure holds in the 1980s, corporations will have to incur $846 billion of additional debt and raise $97 billion (in 1972 dollars) worth of new equity, if the historical 90 percent/10 percent ratio of debt/equity financing remains constant.[27] If however, the proportion of externally funded plant and equipment spending rises for whatever reason—a slippage in corporate profitability, for example—U.S. corporations will face a still heavier external financing burden.

The projected $97 billion equity financing requirement for the 1980s represents an annual average of nearly $9 billion, significantly higher than what has been raised in the past. During 1970–1979, for example, net new equity financing averaged only $6 billion per year (in 1972 dollars). Thus, the task of achieving even mediocre economic results in the 1980s will require 50 percent more real net new equity financing than in the 1970s.

Debt needs in 1972 dollars will average $77 billion a year in the 1980s, compared with $50 billion per year in the 1970s. On top of the problem arising from servicing current debt levels, these additional debt requirements may well restrict the ability of corporations to finance new investment projects. This constraint may cause a retrenchment of capital expansion and economic growth if equity financing cannot be made more attractive. Thus, the equity financing needs projected here, high as they may seem, may not be high enough.

Footnotes at end of article.

POLICY CHOICES FOR THE 1980'S—AN OVERVIEW

Introduction

Our analysis has shown that two broad policy reforms would provide a major impetus to economic growth in the 1980's: an easing of the tax burden on investment and an easing of government regulation. They would speed growth by inducing a higher rate of investment and by encouraging entrepreneurial initiatives. In addition, the better control we can get over inflation, the more effective these measures will be in lifting investment.

The Exchange asked Professor John W. Kendrick [28] to consider specific tax, regulatory and other types of reforms that could boost economic growth. Highlights of his report follow.[29]

Tax policies

In his analysis, Professor Kendrick notes that capital investment is undertaken only when the net return on new investment is expected to exceed the cost of capital. The cost of capital includes the level of risk as well as the actual cost of money. The net return depends on before-tax profits and the effective rate of taxes on business profits. He points out that the 1979 Annual Report of the Council of Economic Advisers stresses the importance of tax policy in stimulating investment (pp. 130–131):

"If the investment needed to reach our economic goals . . . is to be realized, policy actions are required that will strengthen investment incentives and reduce investment costs and risks. Tax policy is one instrument that can encourage investment by lowering the rental cost of capital, or raising its after-tax return. . . . Over the longer term . . . opportunities for further general tax reduction emerge."

This viewpoint is reinforced by the Joint Economic Committee in its 1979 Report (pp. 21 and 61):

"From a longer run perspective, we need improved incentives to foster savings and investment and job creation."

". . . We agree with the Council of Economic Advisers that further steps to strengthen investment are needed. We favor policies that will raise real business fixed investment to 12 percent of real GNP."

Professor Kendrick summarizes the major alternatives for stimulating capital investment as follows:

Reduce taxes on business by:
Increasing depreciation allowances;
Increasing the investment-tax credit;
Reducing the corporate tax rate;
Reducing the double taxation of corporate income.

Reduce taxes on personal income by:
Reducing the steep graduation of tax rates;
Reducing personal income tax rates;
Reducing the top rate on unearned income.
Reducing the top rate on "unearned income" to 50 percent to bring it in line with rates on "earned" income.

Pursue policies that would tend to raise equity prices and reduce the cost of equity financing by:
Lowering taxes on personal income;
Providing "roll-over" treatment of capital gains that would defer the tax on gains when proceeds from sales of appreciated assets are reinvested;
Reducing capital-gains tax rates;
Taxing only inflation-adjusted capital gains;
Reducing double taxation of corporate income;
Increasing capital loss offsets against ordinary income.

Reduce the real (inflation-adjusted) rate of interest by encouraging saving (apart from the above measures) by:

Eliminating the Federal Reserve System's Regulation Q and permitting interest rates on savings accounts to be determined competitively;

Exempting some portion of investment income from taxation;

Encouraging personal saving by broadening the scope of Keogh and IRA-type tax-deferral plans on savings;

Encouraging Federal, state and local governments to build budget surpluses when private investment demand is strong and unemployment is low.

Professor Kendrick believes that the various options for reducing the cost of equity financing are particularly attractive in view of the high debt-equity ratios discussed earlier in this report. Higher real after-tax returns on capital assets would increase the demand for equities and reduce the cost of equity financing. Though the capital-gains tax cuts incorporated in the 1978 Tax Reform Act were a step in the right direction, additional tax incentives are needed if the enormous equity needs of the 1980s are to be met. The fact is that the 1978 capital-gains tax rate cuts left the top rates higher than they were in 1969.

The issue of the double taxation of corporate income is deserving of increased attention. Kendrick and others [30] point out that given the urgent need for equity capital, it is absurd to single out corporate income for especially burdensome tax treatment. It is taxed once, as it is earned by a company, and, a second time, when dividends are paid to the company's shareholders. The problem could be solved through either a credit against personal taxes for corporate taxes paid on dividends received, or by deducting dividends from the corporate-income tax base. Increasing the dividend exclusion would help ease the problem.

Easing government regulation

The effort to ease regulation of the economy should include the following:

Reduce the regulatory paperwork burden as recommended by the President's Commission on Paperwork.

Eliminate or modify economic regulation to promote efficiency and innovation in transportation, communications, public utilities and other heavily regulated industries.

Where rate regulation is deemed essential, companies that can demonstrate above-average productivity gains should be permitted a higher rate of return on invested capital.

Subject noneconomic regulations to cost-benefit analyses.

Work toward the reduction of tariffs, quotas and other forms of price supports and controls.

Curb practices which serve to restrict output, price competition, innovation and investment.

Promoting advances in technological knowledge and innovation

Research and development outlays are the fountainhead of technological progress. New processes and producers' goods are the chief elements in reducing costs and, thus, increasing productivity. Historically, advances in technological knowledge have contributed most importantly by productivity advances. Almost half of R&D is Federally financed, and privately financed R&D is influenced by government tax and other policies. Consequently, government policy with respect to R&D support is of major importance. Among steps that might be taken are:

The investment-tax credit could be expanded to cover business expenditures for R&D.

The present investment-tax credit for laboratory equipment could be increased and expanded to include construction.

A Federal organization could be established to promote and support cooperative business-university R&D projects.

Patent laws could be revised to strengthen protection of "intellectual-property rights." (Great Britain recently increased patent protection from 18 to 20 years.)

Dissemination of foreign and domestic technical information to U.S. businesses could be expanded and strengthened.

Antitrust laws and regulations could be modified to permit cooperative R&D programs by U.S. firms.

Governmental procurement programs could be used more extensively and vigorously to stimulate product and process innovations.

Increasing the quality of labor

More effective use of investment in education is necessary to improve training of scientists, engineers and other skilled technicians, as well as public and business managers, who make the decisions to innovate and are responsible for improving the ability of the work force to use increasingly complex technology.

Not only can more effective education and training enable many individuals to qualify for more highly-skilled jobs, but it can enable people to perform more efficiently with less supervision. Better education stimulates receptivity to new ideas for performing work. It is essential to keep labor skills abreast of shifts in the needs of the job market. A bad fit between skills and occupational needs is an impediment to growth.

Improving the health of individuals also increases production and productivity by increasing working life, reducing time lost due to illness or accident, and increasing vitality. Continued progress in this area would be beneficial.

Among many steps that could help improve labor force quality:

Create a strong Federal focal point for coordinating Federal programs to promote productivity in the private sector and in government itself at all levels.

The Department of Labor could take the lead in assisting firms to establish joint labor-management productivity teams or other types of productivity-improvement programs.

Private productivity and quality-of-work-life centers could receive the broadest possible support in their efforts to improve productivity in industry.

Provide funds to enable the Bureau of Labor Statistics to expand its monitoring and analysis of productivity.

Efforts to promote economic education in the schools and in adult education programs could be expanded.

Greater use of technology in teaching, through computer-assisted instruction, closed-circuit TV, and the like could be promoted.

School systems could place greater emphasis on career counseling, including interest and aptitude-testing, to help students choose careers that they will find the most rewarding.

Vocational educational curricula could be more frequently reviewed and revised to reflect labor and market needs.

Congress could consider legislation to remove incentives to early retirement.

Workers' expectations and attitudes have changed considerably over the years. Complaints today are just as apt to focus on "depersonalization" and "lack of challenge" as on money and economic security, and these dissatisfactions quickly translate into lower morale and weaker performance. It is important to find ways to build job interest and to use workers' individual talents and abilities more effectively. New organizational approaches to work should focus more on drawing on workers' knowledge in formulating decisions. The principles underlying the "quality-of-work-life" approach—encouraging greater worker involvement in determining job organization and working conditions—merit fuller exploration and implementation.[31]

Increasing the mobility of labor and capital

The ability to redeploy capital and human resources as needed, is an important element in assuring economic efficiency and growth. As noted earlier, tax policy modifications are crucial to improving the mobility of capital. But additional steps can be taken to further encourage the mobility of resources.

While the Department of Justice should vigorously enforce the antitrust laws, it should give greater weight to the prospects for technological innovation in evaluating proposed mergers.

Joint R&D ventures should be permitted when there is no reason to assume any intent to restrict markets or to fix prices.

Improving the general economic climate

A relatively stable rate of growth increases growth more than otherwise by avoiding the dislocations and reduced capital formation that accompany recessions. It also improves opportunities for economies of scale which, in turn, fosters faster growth.

In the past, economic policy has been largely concerned with short-term stabilization problems, with primary emphasis on aggregate demand. Much more attention must be paid to policies for attaining longer-term economic objectives, with particular regard to supply-side capabilities and incentives.

More generally, business confidence and, therefore, business capital spending, and stable economic growth would be improved by government actions aimed at reducing inflation. The 1979 Economic Report of the President stated (p. 117):

"Perhaps the most important single contribution to this objective [increasing capital investment] would be lower inflation. . . . Indirectly, reduced inflation would have even larger effects on financial markets. With declining inflation, we could look forward confidently to a marked fall in short- and long-term interest rates, to strongly rising stock prices, and hence to a reduction in the cost of both debt and equity capital."

For too long, our nation has down-played those economic policies which promise to build a sounder economy. The need to strengthen America's productivity is made all the more pressing by unsettled political and economic conditions abroad.

If we are to build a better economic future—and this study obviously, contradicts the pessimists who say we cannot—the public and private sectors, as a first prerequisite, will have to agree to conduct a frank and searching dialogue.

This study points to alternative courses of economic policy action for the 1980s. A better future can be achieved by raising capital formation to 12 percent of GNP, by easing regulatory burdens where costs exceed benefits, and by stimulating in a variety of ways entrepreneurship and innovation. Such policies will not produce overnight miracles. But they will, in time, lead to a gradual unwinding of inflation, restore greater confidence in the future of the American economy and bring a fair share of new prosperity into every American home.

Clearly, we can achieve a better economic future—IF we have the will and the discipline to work together to lift our national economy out of its current lethargy.

FOOTNOTES

*Reaching a Higher Standard of Living. NYSE, Office of Economic Research, January, 1979.

[1] Available for Dr. William C. Freund, Office of Economic Research, The New York Stock Exchange, Inc., 11 Wall Street, New York, New York 10005.

[2] The unemployment rates derived in this

study are based on labor force participation rates lower than those assumed in the Wharton model. The participation rates used fall within the moderate and low parameters of the latest Bureau of Labor Statistics' three-scenario-high-moderate-low participation rate projections for the 1980s. Higher participation rate assumptions will lead to higher rates of unemployment. The actual rates used are available on request.

[3] A wide variety of tax policy combinations could yield a 12 percent investment/GNP ratio—for example, larger investment tax credits, liberalized depreciation, capital-gains or other personal rate cuts, and dividend exclusions and tax credits, among others.

We assumed 1981 increases in the investment tax credit, a shortening of depreciation tax lives, and a decrease in personal income tax rates. Also assumed were personal income tax rebates in 1986–1990 so as to effectively index individual income tax bracket rates. These assumptions were selected not because of any preference but because the Wharton model could best accommodate them as a means of raising the investment/GNP ratio. The sole objective of this combination of tax changes, therefore, was to boost the investment/GNP ratio to 12 percent. Many other tax changes and combination of tax changes could also accomplish this goal. We do not mean to imply that the NYSE or Wharton Econometric Forecasting Associates, Inc., endorses or expects this or any particular tax package to be implemented.

[4] "Entrepreneurship and Economic Development: The Problem Revisited," Nathaniel H. Leff, Journal of Economic Literature, Vol. XVII (March 1979), p. 47.

[5] "Business vs. the Economy?" Irving Kristol, Wall Street Journal, June 26, 1979.

[6] "For an excellent history of the importance of entrepreneurship in fueling growth, see The Enterprising Americans: A Business History of the United States, by John Chamberlain, New York, 1963.

[7] Leff, op. cit., p. 47.

[8] This figure excludes inventory accumulation.

[9] One possible reason for the decline in the IER might be that the skill level of the labor force had declined. When the GNP growth rate was adjusted for the growth in the number of man-hours worked, we did not take into account the possibility of a decline in labor force skill levels. However, analysis shows that the labor force of the 1970s is, in fact, more skilled than the labor force of prior decades. See Reaching a Higher Standard of Living, Office of Economic Research, New York Stock Exchange, January, 1979, p. 39.

[10] This section draws in part from John F. Due, Government Finance, An Economic Analysis, 1963, especially Chapter 6. "The Principles of Taxation" (pp. 102–121).

[11] Joseph A. Pechman, Federal Tax Policy, The Brookings Institution, 1977, p. 24.

[12] There has been a steady increase in Federal spending as a share of GNP in the post-war period, much of it accounted for by transfer payments. As noted by Michael E. Levy in a September 1979 Business Economics article "Shedding the 'Free Lunch' Syndrome: A New Federal Budget Policy"): "The sharp escalation in the share of GNP accounted for by direct and indirect transfers to individuals—largely transfers from producers to non-producers—dates from the mid 1960s. These transfers, which had amounted to 3.5% of GNP in the late 1940s, rose to about 5% of GNP by 1965. After sharp increases during the next decade, they have ranged from about 9.5 percent to almost 10.5 percent in recent years."

[13] Physical investment by government normally is restricted to public works such as roads, sanitation systems and the like.

[14] Part of the reason for the downtrend has been the adverse effect of inflation on investment. A recent study by the National Bureau of Economic Research shows that taxes now take two-thirds of the total real income on corporate capital (Martin Feldstein and Lawrence Summers, "Inflation and the Taxation of Capital Income in the Corporate Sector," NBER Working Paper No. 312, January 1979). The distorting effects of inflation have returned corporate taxes to the level of the mid-1950s before accelerated depreciation and the investment tax credit began to reduce the tax burden. As the author of the NBER study recently stated ("Inflation and Saving: The Role of Taxes," Address by Martin Feldstein, President, NBER, and Professor of Economics, Harvard University, before the National Association of Manufacturers, March 29, 1979, p. 5): "The implication of a 66 percent effective rate of tax on corporate income is clear. Since the real rate of return on corporate capital before federal taxes is approximately 12%, the net rate of return after tax is only one-third of this or four percent. A net return of four percent is just not enough of an incentive to sustain the desirable level of saving and risk taking."

[15] Michael J. Boskin, "Taxation, Savings, and the Rate of Interest," Journal of Political Economy, April, 1978, pp. 3–27.

[16] Martin Feldstein, Joel Slemrod and Shlomo Yitzhaki, The Effects of Taxation on the Selling of Corporate Stock and the Realization of Capital Gains, National Bureau of Economic Research, Working Paper No. 250, June 1978.

On the "lock-in effect', see also "Inflation and the Excess Taxation of Capital Gains," by Martin Feldstein and Joel Slemrod, NBER Working Paper No. 234, 1978, and the summary of that study in "How Inflation Distorts the Taxation of Capital Gains," Harvard Business Review, Sept.-Oct., 1978.

[17] See The Cost of Federal Regulation of Economic Activity, by Murray L. Weidenbaum and Robert DeFina (American Enterprise Institute, Report No. 88, May 1978), and The Future of Business Regulation, by Murray Weidenbaum (American Management Association, New York, N.Y., 1979).

[18] See "A Challenge to Murray Weidenbaum," by Mark Green and Norman Waitzman, N.Y. Times, October 28, 1979.

[19] The Occupational Safety and Health Administration (OSHA) was created in 1973, the Environmental Protection Agency (EPA) in 1970, and the Equal Employment Opportunity Commission (EEOC) in 1972. In addition, according to Edward Denison, "Legislation relating to pollution passed prior to the mid 1960's . . . did not importantly affect business costs. Subsequent legislation did." ("Effects of Selected Changes in the Institutional and Human Environment upon Output per Unit of Input," Survey of Current Business, January 1978, p. 23.)

[20] Denison, Ibid., p. 21. 1975 is the last year for which Denison provides estimates.

[21] Cited in NYSE Study, January 1978, op. cit., p. 16.

[22] Synfuels Interagency Task Force. Recommendations for a Synthetic Fuels Commercialization Program, report submitted to the President's Energy Resources Council, Vol. 1 (Washington, D.C.; GPO, 1975), pp. C–22, 134 cited in Weidenbaum op cit., 24.

[23] Weidenbaum, op cit., p. 28.

[24] Study of Federal Regulation, Committee on Governmental Affairs. U.S. Government Printing Office, 1978. Vol. VI, p. xi.

[25] See "Federal Agencies East, Lift Some Regulations that Burden Business," Wall Street Journal, Sept. 4, 1979, pp. 1.

[26] Ibid.

[27] This allows only for the "base case" level of capital investment and economic growth. The "optimistic" scenario points to even higher needs—$120 billion of net new equity financing and $1.1 trillion of new debt financing.

[28] Dr. Kendrick is Professor of Economics at George Washington University. He is one of the country's leading authorities on productivity and its link to economic growth.

[29] A copy of Dr. Kendrick's full report can be obtained from Dr. William C. Freund, Office of Economic Research, New York Stock Exchange, Inc., 11 Wall Street, New York, New York 10005.

[30] See Morgan Guaranty Trust Company of New York: Monthly Survey, September 1979.

[31] For a further discussion of this subject, the reader is referred to The Dean's Lecture by William M. Batten, Chairman and CEO, NYSE, Commitment to Productivity: An Economic Act of Faith, Wharton School, Nov. 16, 1979. Copies are available on request from the NYSE.

APPENDIX 1: ENERGY SUPPLIES, 1980–1990

The economic slowdown of 1979–1980 will dampen the demand for energy and may diminish the gap between supply and demand for a time.[1] It would be wrong to draw long-term interferences from such a period. We must not allow ourselves to be lulled into a sense of security by this short-term improvement in market conditions.

It is anticipated that over the long run—through the next decade, for example—we will require increased supplies of energy, even with all-out conservation.

One recent analysis of the growing longer-run demand for energy concludes: "The average of the most reliable estimates that we've been able to review would indicate that our country's total consumption of energy is going to grow from about 80 quads today to approximately 100 quads by 1990, and perhaps 125 quads by the year 2000."[2]

After thus projecting an increase of 31 percent in energy consumption between 1980 and 1990, the analysis continues:

"This growth in energy consumption assumes no deep economic depression, a population growth to approximately 245 million people by 1990, and continued annual growth in real GNP on the order of 3.5 percent. . . . It also assumes a continued and dedicated effort to conserve and use energy more efficiently."[3]

Perhaps an increase of somewhat less than 31 percent over the decade would suffice if a herculean effort to conserve energy is launched. But the need for increasing supplies by some 25 percent is apparent.

Will our country be able to raise the supply of energy from 80 quads to, say, 100 quads in the next ten years?

It may be noted that there is less reason to be concerned about the adequacy of supply by the year 2000 than during 1980–1990, since new sources of energy and new technology, are likely to be developed by the year 2000. But it takes from five to ten years to bring major new production on stream, whether through new sources of supply or new technology. Delays also result from the long process of regulatory and judicial review.

The prospects for additional energy supplies in the coming decade can be clarified by identifying, first, the current sources of energy supply:

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[1] Of course, supply always equates to demand either through price or through allocations. But the demand at a given level of price can exceed the supply.

[2] Remarks by W. J. Bowen, Chairman, Transco Companies, before the New York Society of Security Analysts, April 11, 1979. A quad of energy is a quadrillion BTUs, or British Thermal Units, a measure of heat. A quadrillion is a thousand trillion.

[3] Ibid.

Table 7 shows that, of a total current supply of 70 quads, oil presently contributes 37, gas 20, coal 14, and uranium and hydroenergy 4 quads each.

TABLE 7.—*Sources of energy supply, 1979*

(Quadrillion BTUs)

Oil	
Domestic	18
Other	19
	37
Gas	
Domestic	18
Other	2
	20
Uranium	4
Hydro	4
Coal	14
Total	79

What can we expect by 1990, assuming that the total supply needed to fuel the American economy increases to approximately 100 quads of energy?

One scenario assumes that the oil supply will remain at the present level—that OPEC and other sources will be constrained not to exceed present production levels, because of their general reluctance to pump more of their limited resources.

President Carter announced publicly that our country would try to do better than merely hold oil imports steady. In his July, 1979, energy message, he pledged a goal "of cutting our dependence on foreign oil by one-half by the end of the decade—a saving of over four and a half million barrels of imported oil per day." Whether this goal is achievable remains to be seen. In our projections, we assume that oil imports will fall slightly or remain level rather than decline sharply by 1990.

Gas is assumed to increase to 25 guads, largely from foreign sources of supply. The assumption that uranium will rise from 4 to only 5 quads is probably realistic in light of the Three Mile Island incident. Hydropower is a small source and will remain so in the future.

That scenario leaves primarily coal to balance the supply-demand equation over the decade of the eighties. Fortunately, the U.S. has enormous reserves of coal. It is possible to double the supply of energy from coal, but that would require some modification of environmental standards and/or huge expenditures for anti-pollution investments. In any case, under the assumptions made here, the supply of energy from coal would have to rise from 14 to roughly 30 quads by 1990.

Above all, we must realize that our country will require increased energy supplies in the 1980s to achieve the economic growth projected by the optimistic scenario described in this study. That means, inevitably, that the U.S. must embark on a determined effort to break through existing barriers to increasing domestic supplies, especially from coal and shale. The optimistic scenario is achievable only through greater conservation and increased energy supplies.

TABLE 8.—*Projected sources of energy supply, 1980*

(Quadrillion BTUs)

Oil	
Domestic	18
Other	19
	37
Gas	
Domestic	16
Other	9
	25
Uranium	5
Hydro	5
Coal	30
Total	102

APPENDIX 2: THE IER CONCEPT VERSUS THE LABOR PRODUCTIVITY CONCEPT

How is the concept of the Investment-Efficiency Ratio (IER) different from the concept of labor productivity (the conventional way in which the productivity concept is used)? Labor productivity is a ratio between an economy's total output and total manhours; thus it is a measure of output per manhour. The IER is a ratio between an economy's growth of output and level of capital investment; thus it is a measure of growth returns per investment dollar. The following two equations summarize the matter:

Labor productivity equals Total Output/Manhours

Investment-Efficiency Ratio equals Output Growth/Capital Investment

Labor productivity can rise while the IER falls. Say that the level of investment increases faster than the increase in the number of manhours worked. Almost inevitably, the result will be an increase in labor productivity; since labor will have more capital to work with, total output should increase faster than manhours worked. On the other hand, there will not necessarily be an increase in the IER. The higher level of investment will almost certainly bring a higher level of growth—but the question is how much higher. If the increase in investment is greater than the increase in growth, then the result will be a decline in the IER; the growth returns per investment dollar will be lower.

The above example highlights a major difference between the two measures. Capital formation significantly influences the level of labor productivity. By contrast, the IER is more sensitive than labor productivity to the level of entrepreneurship. A high degree of entrepreneurship is what brings a high-growth return per investment dollar.

APPENDIX 3: CALCULATION OF THE INVESTMENT EFFICIENCY RATIO (IER)

The accompanying tables show different approaches to calculating the IER.

Part A of Table 9 shows the calculation of a "simple" IER—the ratio between dollars of growth and dollars of investment. Note that the IER for the 1970s is substantially below the IER for prior decades.

Part B shows how GNP growth is adjusted for growth in manhours worked. When the percentage growth in manhours is subtracted from the percentage growth in GNP, the result yields a percentage growth of GNP not attributable to manhour growth.

Part C shows how dollar figures are derived that correspond to the "labor-adjusted" percentage rates of growth derived in Part B. The percentage rates of growth in the second column (taken from the last column in Part B) are multiplied by the constant dollar GNP figure for the base year immediately preceding each decade (column 1). This yields a "labor-adjusted" growth of GNP for each decade in constant dollars.

Part D shows how the IER that appears in the text (p. 11) is calculated. (The figures in the second column are taken from the last column in Part C.) Note that the IER in this case shows a constant downtrend from the 1950s.

Part E introduces the factor of capital stock "discards"—capital that is retired from productive use. Column two lists the dollar worth of the capital stock retired from production in each decade. Subtracting these figures from the investment figures in column one yields nonresidential fixed investment net of discards (column three). This provides a fairly accurate measure of net new additions to the capital stock.

Part F calculates an IER with the use of the figures for additions to the capital stock derived in Part E. Here again, the IER shows a continuous downward trend from the 1950s.

TABLE 9.—CALCULATION OF THE IFR

	(1) Real nonresidential fixed investment, 1972 dollars (billions)	(2) Growth of real GNP, 1972 dollars (billions)	(3)([2]÷[1]×100) "Simple" investment-efficiency ratio
Part A:			
1950–59	$580.9	$228.7	39.5
1960–69	884.5	258.4	40.5
1970–78	1,099.8	306.3	27.9

	(1) Growth of real GNP (percent)	(2) Growth of man-hours worked (percent)	(3)([1−2]) GNP growth not attributable to man-hour growth (percent)
Part B:			
1950–59	46.8	11.0	35.8
1960–69	49.8	16.5	33.3
1970–78	28.4	15.4	13.0

	(1) "Base year" GNP, 1972 dollars (billions)	(2) GNP growth not attributable to man-hour growth (percent)	(3)([2]×[1]) "Labor adjusted" growth of real GNP, 1972 dollars (billions)
Part C:			
1949	$490.7	35.8	$175.7
1959	720.4	33.3	239.9
1969	1,078.8	13.0	140.2

	(1) Real nonresidential investment, 1972 dollars (billions)	(2) "Labor adjusted" growth of real GNP, 1972 dollars (billions)	(3)([2÷1]×100) "Labor adjusted" investment-efficiency ratio
Part D:			
1950–59	$580.9	$175.7	30.2
1960–69	884.5	239.9	27.1
1970–78	1,098.6	140.2	12.8

	(1) Real nonresidential fixed investment, 1972 dollars (billions)	(2) Capital stock discards, 1972 dollars (billions)	(3)([1−2]) Nonresidential fixed investment net of discards, 1972 dollars (billions)
Part E:			
1950–59	$550.9	$308.9	$272.0
1960–69	884.5	436.5	448.0
1970–78	1,098.6	553.7	554.9

	(1) Nonresidential fixed investment net of discards, 1972 dollars (billions)	(2) "Labor adjusted" growth of real GNP, 1972 dollars (billions)	(3)([2÷1]×100) Investment-efficiency ratio
Part F:			
1950–59	$272.0	$175.7	64.6
1960–69	448.0	239.9	53.5
1970–78	554.9	140.2	25.7

Sources: GNP and Investment Statistics: "The National Income and Product Accounts of the United States, 1929–74." Statistical tables and updtates from various issues of Survey of Current Business, Bureau of Economic Analysis.

Growth of man-hours: Constructed from data on total civilian employment and average weekly hours worked in the private nonagricultural sector, "Handbook of Labor Statistics" 1978, Bureau of Labor Statistics.

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By Mr. HELMS:

S. 158. A bill to provide that human life shall be deemed to exist from conception; to the Committee on the Judiciary.

HUMAN LIFE STATUTE

● Mr. HELMS. Mr. President, since the 1973 Supreme Court decisions in Roe against Wade and Doe against Bolton I have repeatedly stated on the floor of the Senate that I would withdraw from the debate on abortion if I could be convinced that abortion was not the deliberate taking of an innocent human life. Year after year, my challenge has been met with a resounding silence. To date, no one has dared to assert during the Senate debate that abortion is not the taking of a human life.

The medical evidence on when human life begins is very clear. Prof. Jerome LeJeune, for example, observes in Ethical Issues in Human Genetics that—

If a fertilized egg is not by itself a full man being, it could never become a man, because something would have to be added to it, and we know that does not happen.

Human life is a continuum, unbroken at any point by radical change. William James Hamilton states in his textbook "Human Embryology," that—

There are no essential differences between prenatal and postnatal development; the former is more rapid and results in more striking changes in shape and proportions; but in both, the basic mechanisms are very similar if not identical.

Dr. Bernard Nathanson, one of the founders of the National Abortion Rights Action League, impressively summed up the fundamental error of the Supreme Court decisions on the beginning of life when he wrote on page 207 of his book, "Aborting America":

Speaking for the "discipline of medicine," we know that there is an independent, self-initiating biological entity from the point when the sperm unites with the egg, and we are able to discern its presence and activity beginning with implantation. If this is not "life," what is? What Justice Harry Blackmun, the author of the decisions by the majority, ought to have said is that medicine cannot tell us whether or when (the fetus) is a protectable life, which medicine cannot say. That is a legal and philosophical matter, one the court evaded by deciding it could not tell "when life begins." This is the crucial flaw in the decision. From there, the court quickly determined (the fetus) is not a "person" shielded by the language of the Fourteenth Amendment...

Mr. President, I believe that it is appropriate for the Congress to determine when human life begins for the purpose of legal protection. Section 5 of the 14th amendment provides that the Congress shall have power to enforce its provisions and the Congress may act to clarify the intent of the amendment.

Today, I am introducing legislation to establish a congressional finding and declaration that human life begins at conception and is entitled to the protection of the law. I urge my colleagues in the Senate, and especially the members of the Senate Judiciary Committee, to give serious and careful consideration of this proposal.

Mr. President, I ask unanimous consent that a copy of my legislation be printed in the RECORD.

Mr. President, an excellent article by Stephen H. Galebach, Esq. in the winter 1981 issue of The Human Life Review, establishes clearly and impressively that the Congress has the power to enact such a proposal and I ask unanimous consent that it also be printed in the RECORD.

There being no objection, the bill and the article were ordered to be printed in the RECORD, as follows:

S. 158

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 42 of the United States Code shall be amended at the end thereof by adding the following new chapter:

"CHAPTER 101.

SECTION 1. The Congress finds that present day scientific evidence indicates a significant likelihood that actual human life exists from conception.

The Congress further finds that the 14th Amendment to the Constitution of the United States was intended to protect all human beings.

Upon the basis of these findings, and in the exercise of the powers of the Congress, including its power under Section 5 of the Fourteenth Amendment to the Constitution of the United States, the Congress hereby declares that for the purpose of enforcing the obligation of the States under the 14th Amendment not to deprive persons of life without due process of law, human life shall be deemed to exist from conception, without regard to race, sex, age, health, defect, or condition of dependency; and for this purpose "person" shall include all human life as defined herein.

SEC. 2. Notwithstanding any other provision of law, no inferior federal court ordained and established by Congress under article III of the Constitution of the United States shall have jurisdiction to issue any restraining order, temporary or permanent injunction, or declaratory judgment in any case involving or arising from any State law or municipal ordinance that (1) protects the rights of human persons between conception and birth or (2) prohibits, limits, or regulates (a) the performance of abortions or (b) the provision at public expense of funds, facilities, personnel, or other assistance for the performance of abortions.

SEC. 3. If any provision of this Act or the application thereof to any person or circumstance is judicially determined to be invalid, the validity of the remainder of the Act and

the application of such provision to other persons and circumstances shall not be affected by such determination."

A HUMAN LIFE STATUTE

(By Stephen H. Galebach)

(NOTE.—Stephen H. Galebach (B.A. Yale '74) received his law degree from Harvard in 1979, where he was Note Editor of the Harvard Law Review; he clerked at the U.S. Circuit Court of Appeals in the District of Columbia, and has recently joined the Washington law firm of Covington & Burling.)

Does Congress have constitutional power to enact such a statute? If Congress were to enact a statute of this sort, should the Supreme Court uphold it?

The Supreme Court's 1973 abortion decision in *Roe* v. *Wade* has received trenchant criticism for its defective legal reasoning as well as its consequences. For the growing number of citizens unwilling to tolerate the consequences of *Roe* v. *Wade*, the answer has appeared to lie in a constitutional amendment to protect unborn life. While such an amendment may well afford the surest protection for unborn children, it will require an extraordinary consensus and a protracted ratification effort.

Until the time when an amendment could be ratified, are there any interim answers that a simple majority of Congress could provide, consistent with the Constitution and with Supreme Court precedent? In fact there are. The Constitution was not designed to leave any form of human life unprotected. Nor do Supreme Court precedents, as we shall see, prevent or discourage Congress from acting in this area.

Both the Fifth Amendment and the Fourteenth Amendment protect human life. The Fifth Amendment protects life against acts of the federal government: "No person shall be . . . deprived of life, liberty, or property, without due process of law." In similar language the Fourteenth Amendment limits the action of states: "nor shall any State deprive any person of life, liberty, or property, without due process of law."

These provisions reflect the belief, expressed in our Declaration of Independence, that the right of life is sacred and inalienable.[2] Whether unborn children enjoy those rights to life already contained in the Constitution depends on how life is defined. If life begins at conception, these rights logically extend to unborn children. If life begins only at birth, unborn children enjoy no protection from the Constitution as it now stands. The beginnings of life thus pose a crucial question for those branches of the federal government that enforce the Fifth and the Fourteenth Amendments.

I. DETERMINING WHEN LIFE BEGINS

A. An inappropriate task for the courts

The judicial branch confronted the issue of when life begins in Roe v. Wade, when the state of Texas invoked the Fourteenth Amendment's protection of life as a justification for the state's anti-abortion statute. In rejecting this justification, the Supreme Court did not define unborn children as non-life or non-humans. Instead it refused to decide when human life begins and whether unborn children are human life. With this issue unresolved, the Court found nothing to indicate that unborn children are persons protected by the Fourteenth Amendment. Justice Blackmun concluded for the Court that "the word 'person,' as used in the Fourteenth Amendment, does not include the unborn."[3]

The Court's refusal to decide when life begins was central to the outcome of Roe v. Wade. Without a decision on this question, there was no way to show that Fourteenth Amendment protection logically extends to unborn children. Although the state of Texas asserted its own definition of when life begins, the Supreme Court held that the state had no authority to adopt "one theory of life."[4] With the Supreme Court and the state legislatures both unable to define when life begins, the state had no way to demonstrate that unborn children are human persons deserving protection. As a result, the state had no compelling interest sufficient to justify its anti-abortion statute. The Supreme Court therefore struck down the statute as an unjustified infringement of the mother's right of privacy to decide whether to "terminate her pregnancy," a right newly discovered in this case.[5]

The result of *Roe* v. *Wade* would have been entirely different, however, if any branch of government had been able constitutionally to examine when life begins and to resolve the question in favor of unborn children. If in enforcing the Fourteenth Amendment, a branch of the federal government had been able to declare that the unborn are human persons, then any state could invoke that declaration as a compelling state interest for prohibiting abortions. The Supreme Court acknowledged this in *Roe* v. *Wade*: "If the suggestion of personhood is established, the appellant's case, of course, collapses, for the fetus' right to life would then be guaranteed specifically by the Amendment."[6]

It may seem odd that the Supreme Court refused to address the issue of the beginning of life, when that issue is so fundamental to the scope of the Fourteenth Amendment and to the state's power to prohibit abortions. But the Court explained its refusal, and its explanation is very important. On the beginnings of life, the Court observed, there is a "wide divergence of thinking." The question is "sensitive and difficult."[7] For such questions the judiciary has no suitable evidentiary standards to determine an answer. A judge could only "speculate" on this difficult question. In short, the question stands outside the scope of judicial competence: "When those trained in the respective disciplines of medicine, philosophy, and theology are unable to arrive at any consensus, the judiciary, at this point in the development of man's knowledge, is not in a position to speculate as to the answer."[8]

Thus the failure of the Fourteenth Amendment to afford protection for the unborn, under *Roe* v. *Wade*, results from the institutional limitations of the judicial branch. Without a decision that the unborn are human life, it is not clear that the Fourteenth Amendment protects unborn children. And the Supreme Court gave strong reasons for abstaining from this question. But this does not end the matter. The Constitution gives Congress, as well as the courts, a role in the enforcement of the Fourteenth Amendment. If the question of when life begins can be addressed by Congress, and if Congress has a legitimate role in enforcing the Fourteenth Amendment's protection of life, then Congress can resolve the fundamental issue from which the Supreme Court abstained in *Roe* v. *Wade*.

B. An appropriate task for Congress

The Fourteenth Amendment provides: "The Congress shall have power to enforce, by appropriate legislation, the provisions of this article."[9] In enforcing the Amendment's protection of life, as in many other matters, Congress does not suffer from the same institutional limitations as the judiciary. Resolving sensitive and difficult policy questions, deciding between conflicting interests, making speculative judgments where no judicial standards can offer guidance—these are functions inherent in Congress's role and appropriate for Congress to perform.

To decide when human life begins involves the sort of considerations that are appropriate for Congress but not the courts. Any attempt to resolve the issue, as the Court observed, involves the examination of inconclusive evidence and the weighing of divergent views. By the nature of their position, congressmen are often called up to reflect the views of divergent constituencies on matters that cannot be resolved by conclusive evidence. Congress routinely weighs divergent views on questions that admit of no "correct" answer from a court's perspective: whether to tax one person to support another, whether to protect various species endangered by governmental or private activities, whether to require the use of safety precautions that protect people while causing them inconvenience. Legal standards provide no answers to these questions; in such matters, decisions "are and should be undertaken only by those directly responsible to the people whose welfare they advance or imperil."[10]

One can best appreciate the legislative nature of deciding when life begings by considering the issue as it confronts the decisionmaker. He must first examine the divergent views and conflicting evidence, mentioned by the *Roe* v. *Wade* opinion, to see if they provide an answer. If this step leaves him uncertain whether the unborn are human life, then he faces an especially delicate and complex issue of legislative policy: Should one extend protection if human life is probably at stake? Or only possibly at stake? What degree of possibility does one require before deciding to extend constitutional protection by deeming the unborn to be human life for purposes of the Fourteenth Amendment?

The legislative nature of this issue is further confirmed by the "political question" doctrine. The Supreme Court has developed this doctrine as a means to identify those issues that are appropriately resolved not by the courts, but rather by Congress, the President or the states. Although the Court did not invoke the political question doctrine in refusing to decide when life begins, the Court's reasoning could easily be explained by that doctrine. Political questions, according to Supreme Court precedent, are questions that are "delicate" and "complex," questions "of a kind for which the judiciary has neither aptitude, facilities nor responsibility."[11] Two of the major criteria for identifying a political question could be applied directly to the question of when life begins: "a lack of judicially discoverable and manageable standards for resolving it; or the impossibility of deciding without an initial policy determination of a kind clearly for nonjudicial discretion."[12] Questions of this sort, the Court has said are "wholly confided by our Constitution to the political departments of the government, Executive and Legislative."[13]

The political department most appropriate to decide when life begins is Congress. The enforcement clause of the Fourteenth Amendment expressly grants power to Congress. When a term of the Fourteenth Amendment cannot be defined by the judiciary in concrete application to a category of beings—here the unborn—then the definition of that term by Congress is appropriate legislation to enforce the Amendment.

If it appears strange that Congress should be able to play such a major role in formulating a national policy on the issue of abortions, that is only because the federal courts have gone to such great lengths to take control of this issue into their own hands. But when the courts have declared themselves incapable of resolving the beginnings of human life, it should be very hard for them to insist on taking this particular part of the abortion controversy out of Congress's hands and into their own. Before the Supreme Court stepped into this arena with its *Roe* opinion, former Justice Clark had recognized the legislative nature of the controversy:

Footnotes at end of article.

It is for the legislature to determine the proper balance, i.e., that point between prevention of conception and viability of the fetus which would give the State the compelling subordinating interest so that it may regulate or prohibit abortion without violating the individual's constitutionally protected rights.[14]

The Supreme Court, moreover, has recently acknowledged that Congress has a proper role in protecting human life. In its 1980 decision on the public funding of abortions, the Court recognized the "legitimate congressional interest in protecting potential life."[15] If Congress had an interest in protecting potential human life, it certainly has a legitimate interest in protecting what it considers likely to be actual human life. If Congress is to make fully-informed decisions to protect life, it must also have power to examine and answer such questions as what is actual life, what is potential life, what is likely to be actual life, and what protection should be extended to something that appears likely to be actual life.

If Congress decides that unborn children are human life for the purpose of the Fourteenth Amendment's protection of life, it follows logically that for this purpose they are "persons" as well. By common usage of language, any human being must be recognized as a person. The Supreme Court has interpreted "person" in the Fourteenth Amendment more broadly than common usage, to include corporations.[16]

Statements of the framers of the Fourteenth Amendment make it clear that "person" cannot include less than every human being. Congressman Bingham, author and sponsor of Section 1 of the Amendment, spoke of the right to equal protection and the right to life, liberty, and property for "every human being."[17] Senator Howard, who sponsored the amendment on the floor of the Senate, also viewed it as protecting all human beings.[18] The framers had good reason to contemplate unborn children as part of the human race, since in the decade leading up to the Fourteenth Amendment, physicians responded to new evidence about conception by calling for protection of human life from that point.[19]

A determination that unborn children are human life, therefore, fully justifies the correlative determination that they are persons. The latter determination, however, collides with the Supreme Court's holding in *Roe* v. *Wade* that the unborn are not persons. But that holding makes sense only in light of the Court's inability to decide whether the unborn are human life. Informed by a congressional determination that life begins at conception, the Court might well reach a different conclusion. Still, the potential conflict raises serious constitutional questions. Does the *Roe* v. *Wade* holding as to "person" deprive Congress of power to pass contrary legislation? If Congress does pass legislation declaring unborn children to be human life and persons, should the Court defer to Congress's determination?

II. CONGRESS AS CO-ENFORCER OF THE FOURTEENTH AMENDMENT

Supreme Court decisions have recognized that the Court does not have the only say in applying the Fourteenth Amendment. Under its Section 5 enforcement power Congress can apply, and has applied Fourteenth Amendment terms in ways that differ from and even contradict Supreme Court interpretations. The Court has consistently upheld such legislation in the past two decades, often giving sweeping approval to Congress's expansive role. The precise extent of Congress's power to apply the Fourteenth Amendment independent of the Court, and the degree of deference the Court gives to such congressional actions, have been central issues in a number of Supreme Court decisions.

Interplay between the Supreme Court and Congress on issues of interpretation and application of constitutional rights has arisen most prominently in the area of state tests for voter qualification. Of the leading cases on Congress's power to enforce the Fourteenth and Fifteenth Amendments, three cases have involved literacy tests for voting. Literacy tests have been challenged under the Fifteenth Amendment[20] as well as the Fourteenth; the enforcement power of Congress is the same under both amendments.[21]

Just as in the abortion area, the Supreme Court pronounced its constitutional interpretation concerning literacy tests before Congress took up the issue. In 1959 the Court held, in *Lassiter* v. *Northampton County Board of Elections*,[22] that literacy tests did not violate the Equal Protection Clause of the Fourteenth Amendment or abridge the right to vote on account of race contrary to the Fifteenth Amendment.[23] The *Lassiter* opinion expresses a clear judgment that literacy tests, considered in general, have no inherently discriminatory character: "Literacy and illiteracy are neutral on race, creed, color, and sex, as reports around the world show."[24] Only with evidence that a particular literacy test was actually employed to promote discrimination would the *Lassiter* Court find it to be a violation of the Fourteenth or Fifteenth Amendment.[25]

In the Voting Rights Act of 1965, however, Congress used its enforcement power to apply the Fourteenth and Fifteenth Amendments to state literacy tests in ways different from the Supreme Court in *Lassiter*. Section 4(a)-(d) of the Act suspended all voter qualification tests in those states or counties in which fewer than fifty percent of the voting-age residents registered or voted in the 1964 presidential election. For such states Congress found that literacy tests and similar voting qualifications abridged the right to vote on account of race.[26]

The Supreme Court upheld this part of the Act as an appropriate exercise of Congress's power to enforce the Fifteenth Amendment. In *South Carolina* v. *Katzenbach*[27] the Court held that Congress had complied with the Lassiter holding by making extensive, detailed legislative findings that literacy tests have been used to promote discrimination in most of the areas covered by the Act.[28] For those areas in which Congress had not found direct evidence of discriminatory use of the tests, the Court was satisfied that Congress had inferred or could infer a "significant danger" of discrimination.[29] By striking down those literacy tests that had actually been employed to promote discrimination, Congress did not depart from the Lassiter interpretation of the Fifteenth Amendment.[30] The further application of Section 4(a)-(d) to the other areas, in which there was a "significant danger" that tests would be applied discriminatorily, represented a slight modification of the Lassiter standard; this application was appropriate as a preventive measure to combat discrimination.[31]

Another provision of the Act, however, represented a sharp departure from Lassiter's interpretation of the Fourteenth Amendment. Section 4(e) struck down the use of English literacy tests in New York to exclude voters who had completed the sixth grade in Puerto Rican schools.[32] For this section Congress did not provide legislative fact-finding to show discriminatory application of New York's literacy test.[33] Without such evidence the Lassiter holding would of course indicate that New York's use of a literacy test was constitutionally valid. Congress could only strike down New York's use of the test by applying a standard different from Lassiter.

Nevertheless, in *Katzenbach* v. *Morgan*[34] the Supreme Court upheld Section 4(e). The Court held that Congress enjoys broad authority to interpret the provisions of the Fourteenth Amendment independent of the judicial branch. As the Court framed the issue: "Without regard to whether the judiciary would find that the Equal Protection Clause itself nullifies New York's English literacy requirement as so applied, could Congress prohibit the enforcement of the state law by legislating under § 5 of the Fourteenth Amendment?"[35]

The *Morgan* opinion answered this question in the affirmative. The Court gave two equal and alternative reasons for holding that Congress could prohibit enforcement of the literacy test. First, Congress could have struck down the literacy requirement in order to help the Puerto Rican community gain sufficient political power to secure nondiscriminatory treatment in the provision of public services. This rationale rests on the principle that Congress enjoys the same broad powers under Section 5 that it exercises under the Necessary and Proper Clause.[36] Congress may take any action that is "plainly adapted" to the objective of securing the guarantees of the Fourteenth Amendment.[37] Under this rationale, Congress may strike down an act of a state that does not in itself violate the Fourteenth Amendment, so long as Congress's action tends to protect some Fourteenth Amendment right against infringement by the state.[38]

As a second rationale, the Court held that Congress could rationally conclude that New York's use of a literacy test was invidious discrimination not justified by any compelling interest of the state—and was therefore a violation of equal protection.[39] Unlike *South Carolina* v. *Katzenbach*, the *Morgan* opinion did not require any legislative findings of fact to show discriminatory use of the literacy test. Instead, the Court was willing to let Congress conclude that a literacy test by its nature, with no evidence of its actual effects, violates the Fourteenth Amendment. The Court did not even require Congress to express its reasons for reaching a conclusion opposite to the *Lassiter* holding: "It is enough that we perceive a basis upon which Congress might predicate a judgment that the application of New York's English literacy requirement... constituted an invidious discrimination in violation of the Equal Protection Clause."[40] The broadly deferential attitude of the majority in *Morgan* toward Congress evoked a dissent from Justices Harlan and Stewart, which will figure prominently in our later discussion.

Both rationales of the *Morgan* opinion appeared to give Congress authority virtually to overrule the *Lassiter* holding. The Court emphasized the broad discretion of Congress to determine what legislation is appropriate to carry out the ends of the Civil War amendments.[41] Citing historical evidence of the framers' intent, the Court observed that the Fourteenth Amendment primarily enlarges the power of Congress rather than the Judiciary.[42] Commentators recognized *Morgan* as a broad endorsement of congressional power to interpret the substantive guarantees of the Fourteenth Amendment in ways that differ from or contradict prior interpretations of the Supreme Court.[43]

Four years after *Morgan*, Congress completed the process of undoing *Lassiter*. Title II of the Voting Rights Act Amendments of 1970 struck down all remaining state literacy tests.[44] The Supreme Court unanimously upheld Title II in *Oregon* v. *Mitchell*,[45] despite the lack of specific evidence of discriminatory application of these tests by states that still used them.[46] The Court relied on evidence available to Congress, showing that literacy tests are likely to have racially discriminatory effects wherever in the nation they may be used.[47] To say that literacy tests are likely to be discriminatory anywhere in the country is essentially the same as to say they are discriminatory by nature—a direct contradiction of the *Lassiter* holding.

Footnotes at end of article.

Although *Oregon* v. *Mitchell* endorsed a congressional interpretation of the Fourteenth Amendment at variance with the *Lassiter* holding, it left some uncertainty over the scope of Congress's power to apply the amendment independent of the courts. The 1970 Voting Rights Act Amendments had also invoked Section 5 of the Amendment as a justification for Congress to lower the voting age in federal and state elections. A divided Supreme Court in *Oregon* v. *Mitchell* allowed Congress to lower the voting age for federal elections but not for state elections. Four justices opted for a very broad view of congressional power under Section 5 to strike down the states' 21-year-old voting age requirements; four justices espoused a narrower view; and Justice Black cast the deciding vote on grounds divorced from the Section 5 power. Justice Brennan, joined by Justices White and Marshall, endorsed a broad scope of congressional power, emphasizing "proper regard for the special function of Congress in making determinations of legislative fact." [48] Justice Stewart took the narrower view in an opinion which we shall discuss later.

The ambiguity left by the divided Court in *Oregon* v. *Mitchell* has been largely resolved quite recently. Last Term two Supreme Court decisions expressly followed the *Morgan* view of Congress's power to enforce the Fourteenth and Fifteenth Amendments. *Fullilove* v. *Klutznick* followed the *Morgan* view that Congress's enforcement power is as broad as the Necessary and Proper Clause.[49] *Fullilove* specifically endorsed the broad power of Congress "in determining whether and what legislation is needed to secure the guarantees of the Fourteenth Amendment." [50]

The other case last Term, *City of Rome* v. *United States*,[51] approved the *Morgan* holding in the context of Congress's equivalent power to enforce the Fifteenth Amendment. *City of Rome* especially illuminates the first rationale of *Morgan*. The case arose from the application of the Voting Rights Act of 1965 to prohibit electoral changes made by the city of Rome, Georgia.[52] There was evidence that Rome's voting practices had racially discriminatory effects, but no evidence of any discriminatory intent.[53] For purposes of deciding the case, the Supreme Court assumed that the Fifteenth Amendment prohibits only purposeful discrimination and not actions with only discriminatory effects.[54]

Nevertheless, *City of Rome* held that Congress could prohibit Rome's changes in electoral practices. The Court acknowledged that Congress may enforce the Fifteenth Amendment by prohibiting practices that in themselves do not violate the Fifteenth Amendment. The Court required only that the prohibition of actions discriminatory in their effect be an "appropriate" and "proper" means to prevent the "risk of purposeful discrimination." [55] This reasoning builds on the first rationale of the *Morgan* opinion: Congress may strike at a constitutionally proper state action, in order to protect against a risk or likelihood of state infringement of a Fourteenth or Fifteenth Amendment right.

Supreme Court precedents, then, support a prominent role for Congress to enforce the Fourteenth Amendment in ways differing from the courts. Under the first rationale of *Morgan*, Congress was able in the *City of Rome* case to strike down electoral practices that a court could not have struck down without evidence of discriminatory intent. By following the second rationale of *Morgan*, Congress can also interpret the Fourteenth Amendment in ways that a court might not adopt.

Both rationales permit Congress to include unborn children within the protections of the Fourteenth Amendment, without regard to whether the judiciary would find them to be persons. The second rationale allows Congress to liberalize the scope of the term "person" if it has reason to do so. If Congress determines that life begins at conception, or that life possibly begin at conception, this presents a good reason—indeed, a compelling reason—to deem unborn Children to be persons. For Congress to examine evidence and draw conclusions on a matter unresolved and unresolvable by the Supreme Court is among the strongest bases imaginable for acting under the second rationale of *Morgan*. If the Fourteenth Amendment primarily enlarges the power of Congress and not the judiciary, then it surely gives Congress power to interpret a matter as to which Congress is competent and the courts are not.

Congress could also take action to extend the Fourteenth Amendment's protection to unborn children under the first rationale of Morgan. Even if Congress leaves undisturbed the Roe v. Wade holding that the Fourteenth Amendment protects only post-natal "persons," Congress can still protect the unborn under this rationale. First, Congress can examine the unanswered question of when life begins. Next, it can reasonably determine that at conception a life has come into being—a specific, individual life in terms of chromosomal structure and many consequential identifying characteristics. This individual life would probably proceed to enjoy the status of "person" with life protected by the Fourteenth Amendment but for the act of abortion. Therefore, in order to protect the unborn child against the risk that state action will prevent him or her from enjoying the right to post-natal life guaranteed by the Fourteenth Amendment, Congress may appropriately protect the unborn child's life between conception and birth. State-supported deprivation of unborn life may not be (for purposes or argument) a violation of the Fourteenth Amendment; but Congress can prohibit it in order to prevent the risk that individuals may be deprived by the state of an opportunity to enjoy a right to post-natal life guaranteed by the Fourteenth Amendment.

This line of reasoning from the first rationale of Morgan may appear at first glance too much like a debater's trick. But a concrete example helps to show the merit in this reasoning. Suppose that a state undertakes a program, in cooperation with expectant mothers, to eliminate a genetically identifiable group that is unwanted—for instance, children with Down's Syndrome (mongolism), to take an example not far removed from the realm of possibility. Under the holding of Roe v. Wade, the Fourteenth Amendment by its own force does not protect unborn mongoloid children. Thus the state might be able to identify all unborn mongoloid children through the use of amniocentesis techniques, and eliminate them by abortion. Could not Congress, then, declare unborn mongoloid children to be human life and persons under the Fourteenth Amendment, in order to protect them against the risk that their right to a life after birth may be deprived by state action?

It is difficult to deny that Congress has power to include unborn children within the scope of the Fourteenth Amendment's protection of life. For Congress to use this power would represent only a narrow and restrained exercise of Congress's authority to enforce the Fourteenth Amendment. To define "life" and "person" is only the first and smallest step that must be taken if any branch of the federal government is rationally to determine what scope of human life falls within the protection of the Fourteenth Amendment. Indeed, in Morgan the Court expressed dissatisfaction with the idea of limiting Congress' enforcement power to the "insignificant role" of "merely informing the judgment of the judiciary by particularizing the 'majestic generalities' of § 1 of the Amendment." [56] It is an even narrower role for Congress to inform the judiciary of the precise meaning of less general terms such as "life" and "person" in light of contemporary evidence on these matters.

Professor William Cohen has discussed whether Congress has power in "marginal cases" to enlarge the meaning of due process and equal protection, so long as it does not adopt interpretations or applications not reasonably within the scope of the constitutional terms.[57] He observes that Congress has especially solid justification to act on marginal questions of constitutional interpretation when they "involve drawing difficult lines that could best be drawn by legislatures." [58] Congress's power to adopt "arguable" interpretations expanding Fourteenth Amendment rights should not vary, he reasons, simply because the Supreme Court has expressed an opinion on the meaning of the constitutional term at issue: "Obviously, congressional power should neither depend upon whether Congress or the Court was first in the race to cope with the issue, nor vary with the voting breakdown when the Court finishes first." [59] Cohen concludes that theories which limit Congress to interpreting only in marginal cases are "not viable"—that Congress's enforcement power, in other words, should extend well beyond this narrow realm.[60]

The definition of "life" and "person" involves this sort of interpretation on the "margin." An interpretation of "life" and "person" that includes the unborn could not be held unwarranted by the language of the Fourteenth Amendment; the Constitution does not define either term. The framers of the Fourteenth Amendment did not try to specify concrete definitions of terms that are susceptible to varying interpretations. Instead, they chose "language capable of growth." [61] "Life" and "person" are among the most concrete and particular terms in the Fourteenth Amendment. Yet even these terms permit some degree of interpretation on the margin. Both terms are "capable of growing" to reflect a more liberal view of the scope of human existence.

The task of adjusting the meaning of "life" and "person" to accord with changing evidence and views of life is properly a task for Congress. Not only is the line between life and non-life a difficult one, more appropriately drawn by the legislature than by the courts; it is also a line that the Roe v. Wade opinion itself explicitly declared the courts unable to draw. If Congress draws the line at conception, the courts have no independent basis on which to draw a line different from that drawn by Congress. Under the approach of Katzenbach v. Morgan, followed as recently as last Term by the Supreme Court, the Court's prior definition of "person" in Roe v. Wade poses no greater barrier to congressional enforment action than the Lassiter holding posed to Congress's nationwide prohibition of literacy tests.

Our review of these Supreme Court precedents has mentioned dissents to the majority view. There is indeed a consistent minority view, first expressed by Justice Harlan's dissent in Katzenbach v. Morgan, next developed by Justice Stewart's opinion in Oregon v. Mitchell, and most recently espoused last Term by Justice Rehnquist. To arrive at a balanced assessment of the wisdom of congressional action to protect unborn life, we must pay close attention to these dissents as well as to the majority opinions.

The dissenting view emphasizes the distinction between the legislative and the judicial role. Justice Harlan maintained in Katzenbach v. Morgan that it was ultimately for the judicial branch to determine the substantive scope of the Fourteenth Amendments.[62] Justice Stewart objected in his Oregon v. Mitchell opinion that Congress

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does not have power to determine the substantive scope and application of the Equal Protection Clause.[63] And in City of Rome last Term, Justice Rehnquist argued that Congress cannot "effectively amend the Constitution" by interpreting the Fifteenth Amendment independently and escaping judicial review.[64]

At some points these dissents might be read as saying that Congress has no role whatever in interpreting the Fourteenth Amendment, that Congress is limited to providing remedies after the courts interpret the Amendment and identify violations of it. But the dissents do not go quite that far. Justice Harlan left open a legitimate though limited role for Congress to interpret the substantive scope of the Fourteenth Amendment: "To the extent 'legislative facts' are relevant to a judicial determination, Congress is well equipped to investigate them, and such determinations are of course entitled to due respect."[65]

Justice Harlan's view, repeated in essence by Justices Stewart and Rehnquist, is that the judiciary must make the final determination of the constitutional issue in light of the congressional findings of fact. These findings may of course influence the Court, and may change its mind. But Justice Harlan's view requires facts sufficient to justify a new constitutional interpretation, not just sufficient to afford some slight rational basis to Congress's interpretation of Fourteenth Amendment terms.

In Oregon v. Mitchell it is safe to say that Congress could not provide facts sufficient to convince Justice Harlan or Justice Stewart that the 21-year-old voting age requirement violated the Equal Protection Clause.[66] Similarly in City of Rome, Congress came forth with no evidence to persuade Justice Rehnquist that the city had done anything in violation of the Fifteenth Amendment.[67] But in South Carolina v. Katzenbach Congress had set forth voluminous findings of fact that persuaded Justices Harlan and Stewart—among others—that literacy tests in some areas did violate the Fifteenth Amendment.[68] Similar evidence convinced both justices again in Oregon v. Mitchell that Congress could strike down all literacy tests because they were thought to be discriminatory, despite the Lassiter holding.

Justice Harlan's recognition of a congressional role in this area is based on his observation that "questions of equal protection and due process are based not on abstract logic, but on empirical foundations."[69] How strongly Congress will influence the Court by legislative fact-finding depends on the relative competence of Congress and the courts to decide the particular empirical question. Both Justice Harlan and Justice Stewart recognized some matters on which Congress was at least as competent as the courts to express an opinion. For such matters these justices not only held that Congress has power to declare its views, but also held that the courts should give great deference to Congress.

Justice Harlan, writing for the Court in Glidden Co. v. Zdanok,[70] allowed a congressional declaration to overturn two earlier Supreme Court decisions on a matter of constitutional interpretation. The earlier decisions had held that the United States Court of Claims and the United States Court of Customs and Patent Appeals were courts created under Article I rather than Article III of the Constitution.[71] Subsequent to those decisions, Congress examined the historical evidence surrounding the creation of the two courts, and declared that they were created under Article III.

Justice Harlan's opinion in the *Glidden* case acknowledged Congress's competence to declare its views on this matter, even though the issue was one of "constitutional dimension" rather than statutory construction.[72] Deferring to Congress's declaration, Justice Harlan refused to follow the two earlier decisions because at the time they were decided, "the Court did not have the benefit of this congressional understanding."[73] To allow Congress to change the Court's mind did not violate Justice Harlan's theory of the judicial and legislative roles: "To give due weight to these congressional declarations is not of course to compromise the authority or responsibility of this Court as the utlimate expositor of the Constitution."[74]

Justice Stewart has endorsed the power of Congress to declare its interpretation of terms in the Thirteenth Amendment. This Amendment, which prohibits slavery and involuntary servitude, confers on Congress an enforcement power parallel to that conferred by the Fourteenth and Fifteenth Amendments.[75] Justice Stewart's opinion for the Court in *Jones* v. *Alfred H. Mayer Co.*[76] allowed Congress to enforce the Thirteenth Amendment by broadening the scope of its prohibitions to include particular acts of racial discrimination, on grounds that they are "badges and incidents" of slavery.[77] So long as its determinations are rational, Congress has authority to "determine what are the badges and the incidents of slavery" and to "translate that determination into effective legislation."[78]

The *Jones* decision had been accepted as binding precedent by all the justices, whether they take the broad or the narrow view of Congress's power to enforce the Civil War Amendments. In *Runyon* v. *McCrary*,[79] the justices disagreed over how far to extend *Jones*, but all the opinions in that case accepted *Jones* as binding precedent.[80] Last Term in a concurring opinion to *Fullilove* v. *Klutznick*, Justice Powell relied on *Jones* to show that Congress is competent to decide what types of racial discrimination come within the scope of the prohibitions of the Civil War Amendments.[81]

Jones establishes that Congress has some role in interpreting terms of the Thirteenth, Fourteenth and Fifteenth Amendments. Terms such as "slavery," "involuntary servitude," "life," and "person," are more concrete and particular than open-ended phrases such as "due process" and "equal protection." Yet even the more concrete terms admit of some ambiguities. In areas of ambiguity Congress may give these terms a broader scope than the Supreme Court has given them. Thus *Jones* supports Congress's authority to interpret "on the margin," as the *least* that Congress is empowered to do in enforcing the Civil War amendments.

Our discussion has already shown that the scope of "life" and "person" is an appropriate matter for Congress to interpret on the margin, in light of a determination of when life begins. For Congress to inform the courts of its determination of when life begins is appropriate under Justice Harlan's view of proper judicial and legislative roles. Indeed, a matter on which Congress is competent to decide and the courts are not is the most appropriate of all circumstances for Congress to express its judgment and for the courts to defer to Congress. Concerning such matters Justice Harlan has said: "I fully agree that judgments of the sort involved here are beyond the constitutional competence and constitutional authority of the judiciary . . . They are pre-eminently matters for legislative discretion, with judicial review, if it exists at all, reasonably limited."[82]

Because the question of when life begins is a matter for legislative discretion, and because the courts are not competent to resolve this matter, the courts should exercise great deference in reviewing any congressional declaration that the Fourteenth Amendment shall include unborn human persons in its protection of life against state action. Such deference would not compromise the Supreme Court's role as ultimate arbiter of the Constitution; it would simply comport with judicial limitations already recognized in Roe v. Wade. Thus, whether the Court follows the standard of the Morgan majority, or the stricter review standard of the minority, the result in this case is the same: the Supreme Court's interpretation of "person" in Roe v. Wade does not bar Congress from taking a different view based on its determination that human life begins or is likely to begin at conception.

When Congress has greater competence than the courts, Congress should take the lead in defining the content of Fourteenth Amendment rights.[83] Had Congress done so more frequently in the past, it could have alleviated some of the most troubling institutional problems in constitutional interpretation. For example, the Supreme Court's decision in Brown v. Board of Education[84] produced a result widely applauded today, but doubts still remain about the propriety of the Supreme Court's making the sociological judgments involved in that decision. What if Congress had taken the lead to enforce the Fourteenth Amendment by declaring its judgment, based on legislative fact-finding, that separate schooling is inherently unequal and contrary to the Equal Protection Clause? Such action could have placed the issue in the branch of government best suited to resolve it. And would we really want to argue that the Supreme Court's endorsement of "separate but equal" in Plessy v. Ferguson[85] would have barred such action by Congress?

III. POSSIBLE OBJECTIONS TO A HUMAN LIFE STATUTE

Our examination of Supreme Court opinions, both majority and dissenting suggests that Congress does have power to enforce the Fourteenth Amendment by enacting a statute similar to that set forth at the beginning of his article. There are additional arguments, however, that might be raised against such a statute. Several of them deserve close attention, though none is persuasive.

First, it might be argued that the same divergence of views that persuaded the Court in Roe v. Wade not to decide when life begins, also makes it impossible for Congress rationally to arrive at an answer. The crucial point, however, is that Congress does not need to be certain of an answer before it declares a national policy on when human life begins.

Throughout the cases on Congress enforcement power, the Supreme Court has held that Congress need only predicate its action on a danger to Fourteenth or Fifteenth Amendment rights, on a likelihood that particular circumstances might constitute a violation of protected rights. South Carolina v. Katzenbach allowed Congress to strike down South Carolina's literacy test even though the record contained no evidence that South Carolina had applied its voter qualification tests in any discriminatory way.[86] Sufficient for the Court was Congress inference from various facts that South Carolina might use its literacy test to discriminate.[87] In Katzenbach v. Morgan as well, there was no certainty that disenfranchisement of Puerto Ricans would deprive them of equal provision of government services; the mere likelihood of deprivation of rights was enough.[88] Last Term the City of Rome decision allowed Congress to prevent electoral changes that created only "the risk of purposeful discrimination."[89] In order to define the unborn as persons, therefore, Congress need only find a likelihood that life begins at conception.

This standard makes perfectly good sense.

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If Congress discerns a likelihood or possibility that human life may be endangered by state action, it should certainly be able to take immediate action, rather than wait until the state of knowledge advances to the point that we can say for certain that it really is human life that we have been eliminating. Congress has often taken action to protect life when the uncertainties were at least as great as in the matter of abortions. Regulating the use of new, relatively untested drugs, regulating or refusing to regulate the use of tobacco, requiring passive restraint devices in cars—all such actions involve a calculation of the risk that human life will be lost without federal action, combined with a rough weighing of how much we value the possible risk of loss of human life. In all these decisions the protection of life conflicts with the convenience of many people. Sometimes, as for instance with drugs, the protection of persons from possible harmful effects conflicts directly with the grave medical needs of other persons. Decisions related to possible risks to human life are not only appropriate for Congress, they are far more appropriate for Congress than for the courts.

Second, it might be argued that Congress may not decide anything about the beginnings of life because the issue is inherently religious. To enact a statute for purely religious reasons, the argument goes, is to violate the Establishment Clause of the First Amendment. Professor Tribe advanced this argument in 1973 in an attempt to provide a rationale for Roe v. Wade.[90] Even if the argument were good constitutional law, it is by no means clear that it would properly apply to the issue of abortion. Certainly one does not have to hold any religious beliefs in order to be able to examine biological evidence on the development of unborn children—or to look at an aborted child—and conclude that the unborn are likely to be human life.

The argument fails even more decisively as a general rule of constitutional law. Professor Tribe himself subsequently retracted it as a rationale for the abortion cases, recognizing that it would impede the free expression of religious beliefs in the political arena.[91] Finally, the Supreme Court settled the issue last Term when it ruled that legislation related to abortions does not violate the Establishment Clause just because it "happens to coincide or harmonize with the tenets of some or all religions."[92]

Third, one might argue that no branch of government should decide when life begins or decide whether abortions are acceptable; these decisions should instead be left to private individuals. For a court to espouse this view, however, would represent a decision as to when life begins. No society that values human life could permit private individuals to have the final say on the taking of innocent life. A court that rules out any role for Congress, the executive and the judiciary in protecting the unborn cannot pretend to be taking a neutral stand. If no branch of the government decides that the unborn are worth protecting, then the government implicitly decides that they are not human life. Since a decision must inevitably be made, the real question is which branch of government should make the decision. The answer to this question, as we have already seen, is the Congress.

A fourth argument against congressional action on this issue might proceed from the so-called "ratchet theory." Justice Brennan's opinion for the Court in Katzenbach v. Morgan set up a ratchet-like standard: Congress may expand Fourteenth Amendment rights but not restrict them. The enforcement clause of each Civil War amendment, under this theory, "does not grant Congress power to exercise discretion in the other direction and to enact 'statutes so as in effect to dilute equal protection and due process decisions of this Court.' "[93] The Court did not explain why Congress is so limited, except to assert: "We emphasize that Congress's power under § 5 grant Congress no power to restrict, abrogate, or dilute these guarantees."[94]

Some congressional actions to enforce Fourteenth Amendment protection for unborn children might be thought to run afoul of the ratchet theory by abrogating the right to privacy.[95] The most simple and straightforward action Congress could take in this area, however, would not present this difficulty. Congress could simply declare that "life" is deemed to commence at conception and that "person" includes all human life, for purposes of the Fourteenth Amendment's protection of life. In effect the Fourteenth Amendment would then read: no state shall deprive any person (including unborn children) of life (which begins at conception) . . . without due process of law.

By its terms this type of legislation would bring about an expansion of Fourteenth Amendment rights. Such legislation would exert a collateral effect on the right to privacy, but it would not abrogate or infringe that right as the Supreme Court has interpreted it. Congress's action would impose limits only on what states may do—it would limit the ability of states to perform abortions in institutions owned or operated by states and their subdivisions and it would restrict funding of abortions by states. The Supreme Court has already held, however, that statutory limitations on government funding of abortion do not infringe the right to privacy.[96] The privacy right to "terminate a pregnancy" does not require the government to fund or provide any abortions.[97] Thus a statute such as the one proposed here, preventing states from continuing to fund abortions, does not abrogate or infringe the right to privacy. Such legislation would not prevent women from obtaining abortions, since privately performed abortions are not state action. While it can be debated whether Congress may reach private action as well as state action when it enforces the Fourteenth Amendment,[98] it is clear that both the Fourteenth Amendment and the statute suggested here, by their direct terms, apply only to state action and not to private acts of abortion.

It is true, of course, that the suggested statute would create a situation in which states have a compelling state interest in the protection of unborn life, sufficient to justify anti-abortion statutes should states choose to enact them. Once the unborn child's status as human life and as a person is established by a branch of the government exercising power to enforce the Fourteenth Amendment, the states then have a constitutional standard of "life" and "person" to which they can refer. As the Supreme Court acknowledged in Roe v. Wade, the state then has a valid interest in protecting unborn life, and any challenge to a state's anti-abortion statute collapses.[99]

To create a situation in which states have a compelling interest in protecting human life, however, would not constitute an abrogation of the right to privacy by Congress. Any state might then choose to protect the unborn child's life at the expense of the right to privacy, but no state would be compelled by Congress action to do so. In effect, the proposed statute would make it clear that the privacy right to "terminate a pregnancy" conflicts with the life of the unborn child. This is not in itself a contraction of rights, but merely a recognition of reality. The fact is that the decision to abort an unborn child does conflict with the life of the unborn child. If the Supreme Court chooses to recognize a right to privacy in deciding whether to "terminate a pregnancy," and Congress decides that human life begins at conception, then of course the right to privacy will conflict with the right to life.

Some supporters of Roe v. Wade have acknowledged the underlying conflict between the two rights, and have recognized that the real constitutional issue comes down to a choice between them. Justice Douglas observed: "The interests of the mother and the fetus are opposed. On which side should the State throw its weight?"[100] In Roe v. Wade, however, the Court did not face the choice between these rights, because it refused to decide when life begins. Once Congress decides that life begins at conception, or is likely to begin at conception, the basic choice is squarely presented. The choice, whichever branch of government makes it, should not depend on the fortuity of which branch was first in the race to express its opinion.[101] Instead, the choice should turn on whether the life of the unborn child is more important than the right of the mother to decide whether or not to terminate her pregnancy. The proposed statute leaves this choice to the states, informed by Congress's judgment that unborn children are human life and human persons.

Whether the choice between these rights is eventually made by state legislatures, by Congress, or by courts, the fact remains that the statute suggested here does nothing more than expand the Fourteenth Amendment's protection of life to make it clear that indeed we do face a conflict of rights. A contraction of the scope of life under the Amendment—by congressional or judicial action—would of course be grounds for the utmost concern. But an expansion threatens only to err on the side of compassion and justice, as Senator Hatfield has well remarked: "It is difficult to bring to mind an advocate of justice whom history has condemned for a too 'liberal' view of the range of human life and personhood."[102]

A fifth possible objection to this statute is the argument that Congress may not delegate its power to the states. Congress does have unquestionable authority, however, to take many actions within its delegated powers, which indirectly result in giving the states powers they would not otherwise possess. Cases arising from the Commerce Clause provide an example. Such cases arise typically after the Supreme Court has declared a state unable to regulate a particular type of commerce because of the need for national uniformity. Congress then passes a statute declaring the particular subject matter to be of the type that states may regulate. As a result of the statute, the state can exert a power from which it otherwise would be foreclosed. The Supreme Court interprets this not as Congress delegating its power, but rather as Congress removing an obstacle to the state's exercise of its constitutional powers.[103]

In the area of abortions, the state's exercise of its police power to protect health and safety is blocked by an obstacle consisting of the lack of any compelling state interest for outlawing abortions. This obstacle exists only because neither the state nor the courts in *Roe* v. *Wade* were competent to define when human life begins. Once Congress performs this task under its Fourteenth Amendment power, no obstacle any longer exists to prevent the state from exerting its police power. Congress has not delegated any of its power—the police power was not its to delegate in the first place—but it has removed an obstacle to state exercise of a state power, just as in the Commerce Clause cases. This Congress and the states "were not forbidden to cooperate or by doing so to achieve legislative consequences, particularly in the great fields of regulating commerce and taxation,

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which, to some extent at least, neither could accomplish in isolated exertion." [104]

As a sixth objection, it might be argued that a mere declaration is not appropriate action to enforce the Fourteenth Amendment. But Congress may indeed choose to achieve its ends by declaration. It need not exert the full scope of its available power to enforce declared rights directly; it can leave implementation instead to the courts through the institution of legal action by other parties. For example, Section 10 of the Voting Rights Act of 1965 merely declared Congress's belief that poll taxes violate the Constitution. Congress did not require states to discontinue the use of poll taxes, but instead left implementation to the courts and authorized the Attorney General to file suits as appropriate.[105]

Congress has good reason to act by declaration without further enforcement in the matter of protecting unborn life under the Fourteenth Amendment. The only reason that many states are today depriving unborn children of life—by funding or providing abortions on demand—is that no branch of government has successfully defined when life begins. Once Congress declares that life is deemed to commence at conception, one can reasonably expect many states not only to halt state action that deprives the unborn of life, but also to invoke the compelling state interest in the protection of unborn persons, in order to prohibit private abortions.

It is appropriate therefore, for Congress initially to trust the good faith of the states to implement a congressional declaration that "person" and "life" include the unborn. Congress could well choose to delay any further enforcement action until it sees the extent of state compliance. Such a restrained action by Congress is well within Congress's discretion to decide "whether and what legislation is needed to secure the guarantees of the Fourteenth Amendment." [106]

The reasonableness of such action can perhaps best be seen by leaving the issue of abortion for a moment to consider a hypothetical. Suppose a federal court were to repeat the holding of Dred Scott today and decide that members of the black race do not have rights enforceable in court. Would it be unreasonable for Congress simply to declare that blacks are persons under the Fourteenth Amendment? Congress would not have to take specific measures to insure state compliance; it could simply assume that the states will act in good faith once the judicially-created obstacle to justice is removed.

That Congress chooses not to use the full scope of its powers against a perceived constitutional violation does not in any way undermine the validity of a declaratory statute. It might be argued that the proposed statute is irrational because it defines life and person for purposes of protection of life by the Fourteenth Amendment's Due Process Clause, but not for purposes of the Equal Protection Clause or the protection of liberty and property in the Due Process Clause. Congress does have power, though, to act in piecemeal fashion. On the issue of abortion it may be especially appropriate to do so.

Imagine this problem from the perspective of a Congressman who believes there is a likelihood that life begins at conception but who is not certain. He might not see any urgent need to protect property and liberty rights which the unborn child cannot yet enjoy and which do not have the same paramount importance as the right to life. Further, the Congressman might not wish to extend unborn children a guarantee of equal protection, which has no concrete meaning and will turn out to mean whatever the courts say it means. On the other hand, his perception that unborn children are likely to be human life becomes a much more compelling and urgent guide for public policy when the issue is the protection of life itself. Any legislator might rationally decide to protect against the risk that a human being may be deprived of life, even while refusing to protect immediately against an equal risk that a human being may be deprived of other rights. Further, he might choose to protect unborn children from state action under the Fourteenth Amendment, before addressing the issue of protection under the Fifth Amendment against federal governmental action.[107] In choosing this approach, the legislator would find firm support in statements by the Supreme Court that "a statute is not invalid under the Constitution because it might have gone farther than it did," [108] that a legislature need not "strike at all evils at the same time," [109] and that "reform may take one step at a time, addressing itself to the phase of the problem which seems most acute to the legislative mind." [110]

IV. CONCLUSION

All the constitutional considerations suggest that Congress would be well within the bounds of its authority were it to pass a Fourteenth Amendment enforcement statute defining "person" and "life" to include the unborn. The relative competence of the courts and Congress to decide when life begins suggests that Congress not only can do this, but should. It is because of the courts' limitations as fact-finders and policy-makers that they have left the nation without any answer to the question of when life begins. Since Congress does not share these limitations, it is positioned to fill this gap by serving as the proper institution to reflect and express society's answer to this question. By taking this initiative Congress could put an end to the great anomaly of our country's abortion policy since Roe v. Wade, a national policy founded on a non-answer to the most fundamental question underlying any abortion policy.

We should not delude ourselves, however, that the constitutional merit of such legislation assures its survival in the courts. For the past decade federal judges have not been noted for their reluctance to stretch the law in favor of abortions. Better than a statute would be an amendment to insure that our Constitution recognizes the unborn as human life.

Even an ironclad guarantee of status for the unborn as human persons, however, would not be foolproof protection against judges who are not committed to the idea that the worth of innocent human life is inviolable. One court, for instance, was willing to accept a legislative definition of unborn children as human beings, but nevertheless concluded that the state does not have a strong interest in protecting unborn human life. The court argued quite openly that "population growth must be restricted, not enhanced and thus the state interest in pronatalist statutes such as these is limited." [111] The same judge was willing to belittle the worth of human life in "a fetus likely to be born a mental or physical cripple." [112]

For a judge who employs such reasoning and refuses to acknowledge the equal worth of all human life, it is just as easy to circumvent a constitutional amendment as a statute declaring the unborn to be human. That is one good reason to insure that federal judges are men and women who either respect the value of human life or respect the limitations of the judicial role enough to refrain from imposing their views of population control or eugenics on the rest of us. At the same time we should not delay in enacting whatever legislation is within Congress's constitutional powers, to protect the lives of the unborn. Although we cannot hope to cure at once all the mischief caused by courts in the area of abortions, we must at least take those actions that currently lie within our power.

FOOTNOTES

[1] 410 U.S. 113 (1973). For a critique of the Court's reasoning by a commentator not opposed to abortions, see Ely, "The Wages of Crying Wolf: A Comment on Roe v. Wade," 82 Yale L.J. 920 (1973) (Reprinted in *The Human Life Review*, Vol. I, no. 1, Winter 1975). A stinging attack on the widespread taking of unborn life since *Roe* v. *Wade* has been delivered by the co-founder of the National Association for Repeal of Abortion Laws (now the National Abortion Rights Action League), see B. Nathanson, *Aborting America* (1979).

[2] "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness." The Declaration of Independence.

[3] See *Roe* v. *Wade*, 410 U.S. at 157–58.

[4] *Id.* at 162.

[5] *Id.* at 152–54.

[6] *Id.* at 156–57.

[7] *Id.* at 160.

[8] *Id.* at 159.

[9] U.S. Const., amend. XIV, § 5.

[10] *Chicago & Southern Air Lines, Inc.* v. *Waterman S. S. Corp.*, 333 U.S. 103, 111 (1948).

[11] *Id.* The "dominant considerations" in the political question doctrine are "the appropriateness under our system of government of attributing finality to the action of the political departments and also the lack of satisfactory criteria for a judicial determination." *Coleman* v. *Miller*, 307 U.S. 433, 454–55 (1939).

[12] *Baker* v. *Carr*, 369 U.S. 186, 217 (1962).

[13] *Chicago & Southern Air Lines, Inc.* v. *Waterman S. S. Corp.*, 333 U.S. 103, 111 (1948).

[14] Clark, "Religion, Morality, and Abortion: A Constitutional Appraisal," 2 Loyola U. of L. A. L. Rev. 1, 9 (1969).

[15] *Harris* v. *McRae*, 100 S. Ct. 2671, 2692 (1980).

[16] See, e.g., *Gulf, C. & S. F. Ry.* v. *Ellis*, 165 U.S. 150, 154 (1897)

[17] Cong. Globe, 39th Cong., 1st Sess. 1089 (1866) (statement of Cong. Bingham).

[18] Cong. Globe, 39th Cong., 1st Sess. 2766 (1866) (statement of Sen. Howard). See also Cincinnati Commercial, Aug. 27, 1866, at 1, col. 3 (address of Cong. Bingham at Bowerstown, Ohio, Aug. 24, 1866).

[19] See, e.g., 12 Transactions of A. M. A. 73–77 (1859). See J. Mohr, *Abortion in America: The Origins and Evolution of National Policy, 1800–1900*, at 165 (1978); J. Noonan, *A Private Choice: Abortion in America in the Seventies*, 52 (1979) (quoting minutes of A. M. A. annual meeting of 1859).

[20] The Fifteenth Amendment provides:

"Section 1. The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

"Section 2. The Congress shall have power to enforce this article by appropriate legislation."

[21] See *Fullilove* v. *Klutznick*, 100 S. Ct. 2758, 2774 (1980); *City of Rome* v. *United States*, 100 S. Ct. 1548, 1578 n.1. (1980) (Rehnquist, J. dissenting); *United States* v. *Guest*, 383 U. S. 745, 784 (1966) (opinion of Brennan, J.).

[22] 360 U. S. 45 (1959).

[23] See *id.* at 50–53. Appellant also raised a Seventeenth Amendment argument against the literacy test, with equal lack of success. See *id.* at 46, 50.

[24] *Id.* at 51.

[25] See *id.* at 50, 53.

[26] See 42 U.S.C. § 1973b(a)–(d) (1976). Most of the areas covered by this formula turned out to be in the South. The *Lassiter* case also involved a southern state, North Carolina.

[27] 383 U. S. 301 (1966).

[28] See *id.* at 310–15, 333–34.
[29] See *id.* at 329.
[30] See *id.* at 333–34.
[31] See *City of Rome* v. *United States*, 100 S. Ct. 1548, 1561 (1980). See also *id.* at 1575 (Powell, J., dissenting).
[32] See 42 U.S.C. § 1973b(e) (1976). Although the section speaks generally of American flag schools teaching in languages other than English, it refers in effect to Puerto Rican schools. The state that used a literacy test to exclude graduates of such schools was New York.
[33] Because Section 4(e) was introduced as an amendment to the Voting Rights Act on the floor of the Senate, it was debated only briefly and was not considered in congressional hearings. See 111 Cong. Rec. 11027–28, 11068–74 (1965).
[34] 384 U.S. 641 (1966).
[35] *Id.* at 649 (emphasis added).
[36] U.S. Const., art. 1, § 8.
[37] See *Katzenbach* v. *Morgan*, 384 U.S. at 650–53.
[38] See *id.* at 652–53.
[39] See *id.* at 653–56.
[40] *Id.* at 656 (emphasis added).
[41] See *id.* at 650–51.
[42] See *id.* at 648 & n. 7. "It is the power of Congress which has been enlarged." *Id.* at 648 (quoting *Ex parte Virginia*, 100 U.S. 339, 345, 1880).
[43] See, e. g., Cox, "The Supreme Court 1965 Term, Foreword: Constitutional Adjudication and the Promotion of Human Rights," 80 Harv. L. Rev. 91, 106–07 (1966); Burt, "Miranda and Title II: A Morganatic Marriage," 1969 Sup. Ct. Rev. 81, 81.
[44] Pub. L. No. 91–285, 84 Stat. 314, 318 (1970).
[45] 400 U. S. 112 (1970).
[46] See *Oregon* v. *Mitchell*, 400 U. S. 112, 216 (1970) (opinion of Harlan, J.).
[47] See *id.* at 131–34 (opinion of Black, J.); *id.* at 147 (opinion of Douglas, J.); *id.* at 233–36 (opinion of Brennan, White & Marshall, J. J.); *id.* at 282–84 (opinion of Stewart & Blackmun, J. J., and Burger, C. J.). See also *Gaston County* v. *United States*, 395 U. S. 285 (1969).
[48] *Oregon* v. *Mitchell*, 400 U. S. at 240 (opinion of Brennan, White, & Marshall, J. J.).
[49] 100 S. Ct. 2758, 2774 (1980).
[50] *Id.* (quoting *Katzenbach* v. *Morgan*, 384 U. S. at 651).
[51] 100 S. Ct. 1548 (1980).
[52] See *id.* at 1553–54.
[53] See *id.* at 1559.
[54] See *id.* at 1560.
[55] *Id.* at 1562.
[56] *Katzenbach* v. *Morgan*, 384 U.S. at 649.
[57] Cohen, "Congressional Power to Interpret Due Process and Equal Protection," 27 Stan. L. Rev. 603, 618–19 (1975). Another commentator describes this congressional role as "interpretive filling-out of the underlying constitutional guarantee." Monaghan, "The Supreme Court 1974 Term, Foreword: Constitutional Common Law," 89 Harv. L. Rev. 1, 23 (1975).
[58] *Id.* at 619.
[59] *Id.*
[60] See *id.* at 620.
[61] See Bickel, "The Original Understanding and the Segregation Decision," 69 Harv. L. Rev. 1, 63 (1955).
[62] See *Katzenbach* v. *Morgan*, 384 U.S. at 667–68 (Harlan, J., dissenting).
[63] See *Oregon* v. *Mitchell*, 400 U.S. at 295–96 (opinion of Stewart, J. & Burger, C. J.).
[64] See *City of Rome* v. *United States*, 100 S. Ct. at 1577–79, 1584–85 (Rehnquist, J., dissenting).
[65] *Katzenbach* v. *Morgan*, 384 U.S. at 668 (Harlan, J., dissenting).
[66] See *Oregon* v. *Mitchell*, 500 U.S. at 205–07 (opinion of Harlan, J.); *id.* at 294 (opinion of Stewart, J.).
[67] See *City of Rome* v. *United States*, 100 S. Ct. at 1581 (Rehnquist, J., dissenting).
[68] Justice Harlan discussed the relevance of this evidence to the constitutional determination in his later *Morgan* dissent. See 384 U.S. at 667–68 (Harlan, J., dissenting).
[69] *Katzenbach* v. *Morgan*, 384 U.S. at 668 (Harlan, J., dissenting).
[70] 370 U.S. 530 (1962).
[71] See *Ex parte Bakelite Corp.*, 279 U.S. 438 (1929); *Williams* v. *United States*, 289 U.S. 553 (1933).
[72] See *Glidden Co.* v. *Zdanok*, 370 U.S. at 536–37, 541–43.
[73] *Id.* at 542.
[74] *Id.* at 542–3.
[75] The Thirteenth Amendment reads as follows:
"Section 1. Neither slavery nor involuntary servitude, except as punishment for a crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.
"Section 2. Congress shall have power to enforce this article by appropriate legislation."
[76] 392 U.S. 409 (1968).
[77] See *id.* at 440–41.
[78] *Id.* at 440.
[79] 427 U.S. 160 (1976).
[80] See *id.* at 170 (opinion of the Court); *id.* at 186–87 (Powell, J., concurring); *id.* at 189–91 (Stevens, J., concurring); *id.* at 208 n. 13 (White, J., joined by Rehnquist, J., dissenting).
[81] See *Fullilove* v. *Klutznick*, 100 S. Ct. at 2786 (Powell, J., concurring).
[82] *Oregon* v. *Mitchell*, 400 U.S. at 206–07 (opinion of Harlan, J.).
[83] There are, of course, areas of constitutional interpretation apart from the Civil War amendments in which Congress has taken the lead and the courts have followed. One recurring example is found when Congress differs from the Supreme Court in interpreting the extent to which the Commerce Clause prohibits certain kinds of state regulation or taxation. See, e. g., *Prudential Ins. Co.* v. *Benjamin*, 328 U.S. 408, 423 (1946). Compare *Leisy* v. *Hardin*, 135 U.S. 100 (1890) with *In re Rahrer*, 140 U.S. 545 (1891).
[84] 347 U.S. 483 (1954).
[85] 163 U.S. 537 (1896).
[86] See Cox, "The Role of Congress in Constitutional Determinations," 40 U. Cin. L. Rev. 199, 227n. 100 (1971).
[87] See *South Carolina* v. *Katzenbach* 383 at 326.
[88] See 384 U.S. at 652–53.
[89] 100 S. Ct. at 1562 (emphasis added).
[90] See L. Tribe, "The Supreme Court, 1972 Term, Foreword: Toward a Model of Roles in the Due Process of Life and Law," 87 Harv. L. Rev., 1, 18–25 (1973).
[91] See L. Tribe, *American Constitutional Law* 928 (1978).
[92] *Harris* v. *McRae*, 100 S. Ct. 2671, 2689 (1980) (quoting *McGowan* v. *Maryland*, 366 U.S. 420, 442 (1961)).
[93] *Katzenbach* v. *Morgan*, 384 U. S. at 651 n. 10.
[94] *Id.*
[95] For example, if Congress enacted a federal criminal statute to prohibit abortion, its action would collide with the right to privacy. On one occasion Congress has taken action arguably contrary to the ratchet theory. In the Omnibus Crime Control and Prevention Act of 1967, Congress differed from the Supreme Court's view that police interrogation of a person in their custody is inherently coercive. See S. Rep. No. 1097, 90th Cong. 2d Sess. 60–61 (1968). The Supreme Court has not reviewed this provision.
[96] See *Harris* v. *McRae*, 100 S. Ct. 2671, 2685–89 (1980).
[97] See *id.* at 2688–89.
[98] See *United States* v. *Guest*, 383 U.S. 745 (1966); Frantz, "Congressional Power to Enforce the Fourteenth Amendment Against Private Acts," 73 Yale L.J. 1353 (1964).
[99] See *Roe* v. *Wade*, 410 U.S. at 156–57.
[100] *United States* v. *Vuitch*, 402 U.S. 62, 80 (1971) (Douglas, J., dissenting in part).
[101] See Cohen, *supra* note 59 and accompanying text.
[102] *Proposed Amendments to the U.S. Constitution to Protect Unborn Children: Hearings on S.J. Res. 119 & S.J. Res. 130 Before the Subcomm. on Constitutional Amendments of the Senate Judiciary Comm.*, 93d Cong., 2d Sess., pt. I, at 6 (1974) (statement of Sen. Hatfield).
[103] See *Prudential Ins. Co.* v. *Benjamin*, 328 U.S. 408 (1946).
[104] *Id.* at 439. See generally Koenig, "Federal and State Cooperation Under the Constitution," 36 Mich. L. Rev. 752 (1938).
[105] See 42 U.S.C. § 1973h (1976).
[106] *Katzenbach* v. *Morgan*, 348 U.S. at 651.
[107] The Fifth Amendment does not confer power on Congress to enforce its terms, but Congress may well have power to influence judicial interpretations of the Fifth Amendment's protection of life by informing the judiciary of its view on the beginnings of life.
[108] *Roschen* v. *Ward*, 279 U.S. 337, 339 (1929), quoted in *Katzenbach* v. *Morgan*, 384 U.S. at 657.
[109] *Semler* v. *Oregon State Board of Dental Examiners*, 294 U.S. 608, 610 (1935), quoted in *Katzenbach* v. *Morgan*, 384 U.S. at 657.
[110] *Williamson* v. *Lee Optical Co.*, 348 U.S. 483, 489 (1955), quoted in *Katzenbach* v. *Morgan*, 384 U.S. at 657.
[111] *Abele* v. *Markle*, 342 F. Supp. 800, 803–04 (D. Conn. 1972) (three-judge-court).
[112] *Id.* at 804.

By Mr. SCHMITT:

S. 159. A bill to authorize the exchange of certain land held by the Navajo Tribe and the Bureau of Land Management, and for other purposes; to the Select Committee on Indian Affairs.

NAVAJO LAND EXCHANGE

● Mr. SCHMITT. Mr. President, the State of New Mexico, particularly the northwestern region, is an area with a history of very complex land ownership patterns. The ownership of land in this area is held by private individuals, the State and Federal Governments, in addition to various tribal governments. This intermingled or "checkerboard" pattern has often resulted in conflicting land claims and serious delays in various forms of development and has handicapped the ability of the Bureau of Land Management (BLM) to properly manage public lands within its jurisdiction.

Unauthorized Indian occupancy on public lands forms a major part of this pattern. It is quite widespread in northwest New Mexico; and the status of land had become so confused that it has been a matter of serious concern to tribal, local, and State governments, in addition to private landowners. Unauthorized occupancy has existed on these lands in ever-increasing numbers, and in 1974 the Secretary of the Interior ordered the resolution of so-called "unauthorized occupancy" by Navajo people on public lands.

In response to this secretarial directive, the Navajo Tribe, the Bureau of Indian Affairs and the BLM agreed to coordinate their efforts to accomplish a land exchange between the Navajo Tribe for its fee title lands and BLM for its public lands.

The Navajo Tribe has acquired and made available for exchange certain private lands, identified by BLM as lands which will enhance BLM multiple-use management programs. Under the agreement reached between the tribe and BLM last year, the BLM will acquire all of the 79,800 acres owned by the Navajo Tribe in the Malpais area in exchange for public lands of equivalent market value upon which Navajo tribal members have located their homes and other improvements.

The genesis of this problem can be found in action taken by the U.S. Government in the early part of this century. Portions of public lands in what are now San Juan and McKinley Counties were temporarily withdrawn for use by the Navajo Tribe by Executive Order 709 in 1907. This authorized use was terminated in two stages by Executive Order 1000 (1908) and Executive Order 1284 (1911). These orders restored all unpatented lands to the public domain. However, the use of these lands by individual Navajo citizens did not cease with the issuance of the Executive orders of 1908 and 1911.

Navajos are said to have lived in the Four Corners area of New Mexico for approximately 475 years. This occupancy on public lands in the off-reservation use areas has not developed because of any mass migrations from the reservation, but rather because of the confusing land patterns. Navajo people have been grazing their livestock in off-reservation areas under BLM grazing permits for many, many years. Some of these people built homes where it was most convenient for their grazing.

The checkerboard land ownership and the lack of adequate survey markers made it difficult, and at times impossible, to determine if the land was public, private, Indian allotment or tribal trust land. Not until 1974, when BLM identified the problem, was the unauthorized occupancy verified. BLM and BIA survey teams located each home or other improvement, interviewed the occupants and attempted to check the survey corners. Because of the confusing land ownership and missing survey markers, the teams used a grid system of high altitude photos to finally determine proper boundary lines.

After many months of study and several years of meetings, the interested parties determined the only acceptable solution was the exchange of lands between BLM and the Navajo Tribe so that those individuals now living on BLM lands would not have to be relocated. It was the judgment of those involved that the land acquired by the tribe from the BLM should be held in trust by the United States as part of the Navajo tribal lands.

The Navajo Tribal Council appropriated funds to purchase the necessary private lands to offer in exchange for the Indian-occupied BLM lands. The BLM inventoried the area and determined the extent of the unauthorized occupancy and identified the lands that could be exchanged. As a result, approval of this agreement would result in the transfer of 57,000 acres of public land to the tribe and 79,800 acres of private land to BLM, lands which the BLM desires to acquire for the development of the El Malpais outstanding national area.

Mr. President, I am introducing today legislation to accomplish the goals of this collective effort by BIA, BLM, and the Navajo Tribe to eliminate unauthorized occupancy on public lands and to make some progress on the effort to consolidate or otherwise simplify the multiplicity of ownership patterns of the lands near or in the Navajo Reservation. This bill, in my opinion, represents the best interests of all the citizens of my State, and I urge its early consideration.●

By Mr. SCHMITT:

S. 160. A bill to authorize the Secretary of Agriculture to convey certain National Forest System lands, under specified conditions, to direct the Secretary of Interior to certify survey monuments within 180 days, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE BOUNDARY LINE FAIRNESS ACT OF 1981

●Mr. SCHMITT. Mr. President, I am introducing today legislation aimed at providing the Secretary of Agriculture with the administrative means of dealing with an estimated 50,000 title claim and trespass situations that currently exist on National Forest System lands.

This situation recently was brought to my attention by many New Mexicans who are losing property based upon the results of improved Federal land surveys being taken by the Bureau of Land Management (BLM) under contract from the U.S. Forest Service.

In 1967 the Forest Service contracted the BLM to resurvey the boundaries of the Lincoln National Forest. In 1969 the project ran out of funds and the surveys were never completed, nor were the updated boundaries and corners certified. However, in conducting the survey a difficulty developed in that the original brass monuments marking corners were not found, so survey crews placed new brass monuments—uncertified—supposedly as temporary markers. Ten years later, when Congress provided the funds to continue the resurvey of the boundaries of the Lincoln National Forest, the survey crews found the original certified corner monuments; and consequently, have been pulling up the more recent—1967–69—uncertified monuments.

This has, however, created yet another problem in that surveyors of the area have been using the forest's uncertified markers for the past 10 years to make "certified surveys" which title companies have been accepting for clear title descriptions.

Admittedly, the title companies should have never accepted the surveys; however, the cost of conducting a complete survey on a 2-acre parcel of land, for example, could exceed the cost of the property itself and apparently no one suspected that established public land boundaries would be altered.

Now 10 years later, the Forest Service and BLM survey teams using the new and more accurate laser techniques to mark lines have found many of the boundary lines between forest lands and private lands are inaccurate.

It is easy to understand the concern of the private land owners who have in good faith put up property fences and made other improvements based on an understandable assumption of clear titles. Now these titles cannot be considered clear until all resurveying is completed and certified. In addition, no one can sell or exchange property with an insured title until this matter is cleared up, not to mention the fact that the land owner has paid taxes for years on property that is now determined not to be his property.

If this situation developed between parties, property lines could be resolved under long-established legal precedents of law. However, since the other land owner is the Federal Government, laws that normally regulate boundary line disputes do not apply. Under "adverse possession" a well established legal principle, if the two parties had accepted the boundaries for 10 years and had paid taxes on the land, the courts would honor the established line regardless of what the new survey found. However, the adverse possession does not apply when your neighbor is the Federal Government and as a result property owners are finding their property lines being moved 30, 40, or 60 feet and are being asked to move their boundary fences and other improvements at a cost of thousands of dollars.

The Forest Service recognizes the majority of these people as being innocent trespassers on Federal land, but under existing law have no means of dealing with the situation other than granting a long-term lease. Last year the administration supported legislation to give the Secretary authority to sell these lands to the individual who suddenly finds he does not own the land he thought he did. He has purchased the property in good faith, conducted title search in good faith and did everything else that is necessary for a perfect title, only to be told later that the Federal survey, upon which his title search was based, has been found to be erroneous.

The legislation which I am sponsoring recognizes that in some cases the Federal Government is at fault by creating erroneous surveys. In such cases, it grants the Secretary of Agriculture administrative authority to deal with this situation where the land involved is less than 5 acres.

Second, my bill would direct that survey monuments placed on public lands must be certified by the Secretary of Interior within 180 days, thereby eliminating or reducing the possibility that subsequent private surveys will be based on uncertified markers.

In recent years, Mr. President, numerous private relief bills have been introduced to correct such land title disputes. This legislation would eliminate the need for private bills on the vast majority of these boundary disputes. Not only would this legislation reduce the need for private bills, even more important, it would provide for the fair treatment of the private land owner who now has little or

no recourse because his neighbor is the Federal Government.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 160

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Agriculture is authorized, when the Secretary determines it to be in the public interest, to convey by quitclaim deed, all right, title and interest of the United States in and to National Forest System lands described in subsection (b). The Secretary of Agriculture shall insert in any such quitclaim deed such terms, covenants, conditions, and reservations as the Secretary deems necessary to insure protection of the public interest, including protection of the scenic wildlife and wilderness values of the National Forest System and provision for appropriate public access to and use of lands within the system.

(b) The National Forest System lands which may be conveyed under this Act are those which are parcels of five acres or less which are encroached upon by improvements occupied or used under claim or color of title by persons to whom no advance notice was given that the improvements encroached or would enroach upon such parcels, and who in good faith relied upon an erroneous Federal land survey indicating that there was not such encroachment, or who in good faith relied upon an uncertified Federal survey marker or monument which failed to meet the requirements imposed in Section 2 of this Act.

SEC. 2. All monuments established by the Secretary of the Interior or such agency as the Secretary may designate in the survey of public lands after the date of enactment of this Act shall be certified by filing in the proper land office and by meeting all other requirements and conditions as to approval within one hundred eighty days after monumentation occurs.●

ADDITIONAL COSPONSORS

S. 1

At the request of Mr. DOLE, the Senator from Arizona (Mr. GOLDWATER), the Senator from Iowa (Mr. GRASSLEY), and the Senator from New Hampshire (Mr. HUMPHREY) were added as cosponsors of S. 1, a bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions.

S. 2

At the request of Mr. MATHIAS, the Senator from West Virginia (Mr. RANDOLPH), the Senator from North Dakota (Mr. BURDICK), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Texas (Mr. TOWER), the Senator from Illinois (Mr. PERCY), the Senator from Alaska (Mr. STEVENS), the Senator from Texas (Mr. BENTSEN), the Senator from Delaware (Mr. BIDEN), the Senator from New Mexico (Mr. DOMENICI), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Michigan (Mr. RIEGLE), the Senator from California (Mr. HAYAKAWA), the Senator from Arizona (Mr. DECONCINI), the Senator from Maryland (Mr. SARBANES), the Senator from Montana (Mr. BAUCUS), the Senator from Virginia (Mr. WARNER), the Senator from Alabama (Mr. HEFLIN), the Senator from Iowa (Mr. JEPSEN), the Senator from Washington (Mr. GORTON), the Senator from Indiana (Mr. QUAYLE), the Senator from New Hampshire (Mr. RUDMAN), and the Senator from Washington (Mr. JACKSON) were added as cosponsors of S. 2, a bill to amend the Internal Revenue Code of 1954.

S. 24

At the request of Mr. DOLE, the Senator from Arizona (Mr. DECONCINI), and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of S. 24, a bill to amend the Internal Revenue Code of 1954 to provide for the establishment of, and the deduction of contributions to, education savings accounts and housing savings accounts.

SENATE JOINT RESOLUTION 3

At the request of Mr. PRYOR, the Senator from Washington (Mr. JACKSON) was added as a cosponsor of Senate Joint Resolution 3, a joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

The following additional cosponsors were submitted on January 15, 1981, under the authority of the order of January 6, 1981, and inadvertently omitted from the RECORD of that date:

S. 27

At the request of Mr. COHEN, his name was added as a cosponsor of S. 27, a bill to amend the Internal Revenue Code of 1954 to make permanent the allowance of a deduction for eliminating architectural and transportation barriers for the handicapped and to increase the amount of such deduction from $25,000 to $100,000.

S. 93

At the request of Mr. MATHIAS, the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of S. 93, a bill to designate the birthday of Martin Luther King, Jr., a legal public holiday.

At the request of Mr. MOYNIHAN, his name was added as a cosponsor of S. 93, supra.

SENATE JOINT RESOLUTION 3

At the request of Mr. PRYOR, the Senator from Tennessee (Mr. BAKER), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Rhode Island (Mr. PELL), the Senator from Oklahoma (Mr. BOREN), and the Senator from Kansas (Mr. DOLE) were added as cosponsors of Senate Joint Resolution 3, a joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

SENATE RESOLUTION 20

At the request of Mr. BAKER, the Senator from Utah (Mr. GARN) was added as a cosponsor of Senate Resolution 20, a resolution providing for television and radio coverage of proceedings of the Senate.

SENATE RESOLUTION 25—ORIGINAL RESOLUTION AUTHORIZING EXPENDITURES BY THE COMMITTEE ON FINANCE

Mr. DOLE, from the Committee on Finance, reported the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 25

Resolved, That, in carrying out its powers, duties and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Finance is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,103,200, of which amount not to exceed $50,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(1) of the Legislative Reorganization Act of 1946, as amended.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 26—ORIGINAL RESOLUTION AUTHORIZING THE PRINTING OF A DOCUMENT FOR USE OF THE COMMITTEE ON FINANCE

Mr. DOLE, from the Committee on Finance, reported the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 26

Resolved, That a compilation of materials relating to the history of the Committee on Finance be printed, with illustrations, as a Senate document, and that there be printed such additional copies not to exceed $1,200 in cost of such document for the use of the Committee.

NOTICES OF HEARINGS

SUBCOMMITTEE ON INDUSTRIAL GROWTH AND PRODUCTIVITY

Mr. DOMENICI. Mr. President, the Industrial Growth and Productivity Subcommittee of the Senate Budget Committee will hold hearings on January 26, 27, and 28 in room 6202 of the Dirksen Senate Office Building at 10 a.m. each morning.

On Monday, January 26, the subcommittee will examine U.S. science and technology policy and the electronics industry and will receive testimony from Dr. Lewis Branscomb, Chairman of the

National Science Board, and vice president and chief scientist for IBM; Mr. Floyd Kvamme, president of National Advanced Systems; and Mr. Wolfgang Demisch, senior analyst for the Morgan-Stanley Co.

On Tuesday, January 27, the Honorable Henry Wallich, member of the Board of Governors for the Federal Reserve System, and Mr. William J. Abernathy, professor of business administration at the Harvard School of Business, will discuss the impact of Federal policies to improve the capacity of problem industries.

On Wednesday, January 28, the focus of the subcommittee will be the international context for U.S. industrial growth. Appearing before the members will be Gov. Reuben Askew, former U.S. Special Trade Representative, Mr. O. M. Roetman, vice president for international sales for the Boeing Co. and Mr. Franklin J. Vargo, Deputy Assistant Secretary for Policy, Planning and Analysis in International Economic Policy at the U.S. Department of Commerce.

For further information, contact Mr. Rick Brandon of the Budget Committee staff at 224–0836.

ADDITIONAL STATEMENTS

FINANCE COMMITTEE RULES

● Mr. DOLE. Mr. President the Legislative Reorganization Act requires each standing committee of the Senate to publish its rules in the Congressional Record at the beginning of each session of Congress. I ask that the rules of the Committee on Finance be printed in the Record.

The rules of the Committee on Finance are as follows:

COMMITTEE ON FINANCE

I. RULES OF PROCEDURE

(Adopted January 30, 1979)

Rule 1. *Regular Meeting Days.*—The regular meeting day of the committee shall be the second and fourth Tuesday of each month, except that if there be no business before the committee the regular meeting shall be omitted.

Rule 2. *Committe Meetings.*—(a) Except as provided by section 133(a) of the Legislative Reorganization Act of 1946 as amended by section 102(a) of the Legislative Reorganization Act of 1970 (relating to special meetings called by a majority of the committee) and subsection (b) of this rule, committee meetings, for the conduct of business, for the purpose of holding hearings, or for any other purpose, shall be called by the chairman. Members will be notified of committee meetings at least 48 hours in advance, unless the chairman determines that an emergency situation requires a meeting on shorter notice. The notification will include a written agenda together with materials prepared by the staff relating to that agenda. After the agenda for a committee meeting is published and distributed, no nongermane items may be brought up during that meeting unless at least two-thirds of the members present agree to consider those items.

(b) In the absence of the chairman, meetings of the committee may be called by the ranking majority member of the committee who is present, provided authority to call meetings has been delegated to such member by the chairman.

Rule. 3. *Presiding Officer.*—(a) The chairman shall preside at all meetings and hearings of the committee except that in his absence the ranking majority member who is present at the meeting shall preside.

(b) Notwithstanding the rule prescribed by subsection (a) any member of the committee may preside over the conduct of a hearing.

Rule 4. *Quorums.*—(a) Except as provided in subsections (b) and (c) seven members, including not less than one member of the majority party and one member of the minority party, shall constitute a quorum for the conduct of business.

(b) Notwithstanding the rule prescribed by subsection (a), one member shall constitute a quorum for the purpose of conducting a hearing.

(c) Once a quorum as prescribed by subsection (a) has been established for the conduct of business in executive session, the committee may continue to conduct business so long as five or more members are present, including not less than one member of the majority party and one member of the minority party.

Rule 5. *Reporting of Measures or Recommendations.*—No measure or recommendation shall be reported from the committee unless a majority of the committee is actually present and a majority of those present concur.

Rule 6. *Proxy Voting; Polling.*—(a) Except as provided by section 133(d) of the Legislative Reorganization Act of 1946 as amended by section 106(a) of the Legislative Reorganization Act of 1970 (relating to limitation on use of proxy voting to report a measure or matter), members who are unable to be present may have their vote recorded by proxy.

(b) At the discretion of the committee, members who are unable to be present and whose vote has not been cast by proxy may be polled for the purpose of recording their vote on any rollcall taken by the committee.

Rule 7. *Order of Motions.*—When several motions are before the committee dealing with related or overlapping matters, the chairman may specify the order in which the motions shall be voted upon.

Rule 8. *Bringing a Matter to a Vote.*—If the chairman determines that a motion or amendment has been adequately debated, he may call for a vote on such motion or amendment, and the vote shall then be taken, unless the committee votes to continue debate on such motion or amendment, as the case may be. The vote on a motion to continue debate on any motion or amendment shall be taken without debate.

Rule 9. *Public Announcement of Committee Votes.*—Pursuant to section 133(b) of the Legislative Reorganization Act of 1946 as amended by section 104(a) of the Legislative Reorganization Act of 1970 (relating to public announcement of votes), the results of rollcall votes taken by the committee on any measure (or amendment thereto) or matter shall be announced publicly not later than the day on which such measure or matter is ordered reported from the committee.

Rule 10. *Subpoenas.*—Subpoenas for attendance of witnesses and the production of memoranda, documents, and records shall be issued by the chairman, or by any other member of the committee designated by him.

Rule 11. *Open Committee Hearings.*—To the extent required by section 133A of the Legislative Reorganization Act of 1946 as amended by section 112(a) of the Legislative Reorganization Act of 1970 (relating to limitations on open hearings), each hearing conducted by the committee shall be open to the public.

Rule 12. *Announcement of Hearings.*—The committee shall undertake consistent with the provisions of section 133A of the Legislative Reorganization Act of 1946 as added by section 111(a) of the Legislative Reorganization Act of 1970 (relating to public notice of committee hearings) to issue public announcements of hearings it intends to hold at least one week prior to the commencement of such hearings.

Rule 13. *Witnesses at Hearings.*—(a) Each witness who is scheduled to testify at any hearing must submit his written testimony to the staff director not later than noon of the last business day preceding the day on which he is scheduled to appear. Such written testimony shall be accompanied by a brief summary of the principal points covered in the written testimony. Having submitted his written testimony, the witness shall be allowed not more than ten minutes for oral presentation of his statement.

(b) Witnesses may not read their entire written testimony, but must confine their oral presentation to a summarization of their arguments.

(c) Witnesses shall observe proper standards of dignity, decorum and propriety while presenting their views to the committee. Any witness who violates this rule shall be dismissed, and his testimony (both oral and written) shall not appear in the record of the hearing.

(d) In scheduling witnesses for hearings, the staff shall attempt to schedule witnesses so as to attain a balance of views early in the hearings. Every member of the committee may designate witnesses who will appear before the committee to testify. To the extent that a witness designated by a member cannot be scheduled to testify during the time set aside for the hearing, a special time will be set aside for that witness to testify if the member designating that witness is available at that time to chair the hearing.

Rule 14. *Audiences.*—Persons admitted into the audience for open hearings of the committee shall conduct themselves with the dignity, decorum, courtesy and propriety traditionally observed by the Senate. Demonstrations of approval or disapproval of any statement or act by any member or witness are not allowed. Persons creating confusion or distractions or otherwise disrupting the orderly proceeding of the hearing shall be expelled from the hearing.

Rule 15. *Broadcasting of Hearings.*—(a) Broadcasting of open hearings by television or radio coverage shall be allowed upon approval by the chairman of a request filed with the staff director not later than noon of the day before the day on which such coverage is desired.

(b) If such approval is granted, broadcasting coverage of the hearing shall be conducted unobtrusively and in accordance with the standards of dignity, propriety, courtesy and decorum traditionally observed by the Senate.

(c) Equipment necessary for coverage by television and radio media shall not be installed in, or removed from, the hearing room while the committee is in session.

(d) Additional lighting may be installed in the hearing room by the media in order to raise the ambient lighting level to the lowest level necessary to provide adequate television coverage of the hearing at the then current state of the art of television coverage.

(e) The additional lighting authorized by subsection (d) of this rule shall not be directed into the eyes of any members of the committee or of any witness, and at the request of any such member or witness, offending lighting shall be extinguished.

(f) No witness shall be required to be photographed at any hearing or to give testimony while the broadcasting (or coverage) of that hearing is being conducted. At the request of any such witness who does not wish to be subjected to radio or television coverage, all equipment used for coverage shall be turned off.

Rule 16. *Subcommittees*—(a) The chairman, subject to the approval of the committee, shall appoint legislative subcommittees. All legislation shall be kept on the full committee calendar unless a majority of the members present and voting agree to refer specific legislation to an appropriate subcommittee.

(b) The chairman may limit the period during which House-passed legislation referred to a subcommittee under paragraph (a) will remain in that subcommittee. At the end of that period, the legislation will be restored to the full committee calendar. The period referred to in the preceding sentences should be 6 weeks, but may be extended in the event that adjournment or a long recess is imminent.

(c) All decisions of the chairman are subject to approval or modification by a majority vote of the committee.

(d) The full committee may at any time by majority vote of those members present discharge a subcommittee from further consideration of a specific piece of legislation.

(e) Because the Senate is constitutionally prohibited from passing revenue legislation originating in the Senate, subcommittees may mark up legislation originating in the Senate and referred to them under Rule 16 (a) to develop specific proposals for full committee consideration but may not report such legislation to the full committee. The preceding sentence does not apply to nonrevenue legislation originating in the Senate.

(f) The chairman and ranking minority member shall serve as nonvoting *ex officio* members of the subcommittees on which they do not serve as voting members.

(g) Any member of the committee may attend hearings held by any subcommittee and question witnesses testifying before that subcommittee.

(h) Subcommittee meeting times shall be coordinated by the staff director to insure that—

(1) no subcommittee meeting will be held when the committee is in executive session, except by unanimous consent;

(2) no more than one subcommittee will meet when the full committee is holding hearings; and

(3) not more than two subcommittees will meet at the same time.

Notwithstanding paragraphs (2) and (3), a subcommittee may meet when the full committee is holding hearings and two subcommittees may meet at the same time only upon the approval of the chairman and the ranking minority member of the committee and subcommittees involved.

(i) All nominations shall be considered by the full committee.

(j) The chairman will attempt to schedule reasonably frequent meetings of the full committee to permit consideration of legislation reported favorably to the committee by the subcommittees.

Rule 17. *Amendment of Rules.*—The foregoing rules may be added to, modified, amended or suspended at any time. ●

A NEW BEGINNING

● Mr. DOLE. Mr. President, I ask that the following statement which I made at the first hearing of the Senate Committee on Finance of the 97th Congress be printed in the RECORD. The statement shares the sense of history with which I approach the chairmanship of this committee and gives just praise to the work of the distinguished Senator from Louisiana, the longtime chairman of the Senate Finance Committee.

The statement is as follows:

A NEW BEGINNING

This month, Americans begin a new course, along lines already broadly charted by her President-elect and demanded by her people. The Senate of the United States renews and refreshes its own mandate to lead. Each one of us is present at the creation of a new administration and more—a new attitude toward government itself, its possibilities and its limitations. An idea is struggling to be born, and to us falls the privilege and the challenge of shaping and nurturing it to fruition. Millions of Americans look to us to give life to their expression of popular will, to appeal to the best in their nation, and to write responsibly into law a new freedom and a reiteration of incentive as the key to economic prosperity and social justice for all.

Many of us find ourselves in a new and unaccustomed position. We have become the majority, entrusted with legislating. It is a change for those of us who have been in this city as long as I have, and who at times over the last 20 years nearly accepted the likelihood of permanent minority status. Now, we have been given a mandate for change—and history, not to mention the voters, will judge us harshly if we behave with timidity or shirk in any way from the test before us. That does not mean we will behave irrationally. We will reform, not raze.

As chairman of the Finance Committee, I expect to stand at the forefront of those who seek to redress the relationship between government and an economy it has unfortunately come to dominate in recent years. For 165 years the Finance Committee has overseen the domestic economy and standard of living. Three presidents—and a number of would-be presidents, have served on the Finance Committee. To serve in that position is to join the company of distinguished ghosts. 150 years ago, the committee first gained and then lost control of the entire appropriation process. In our own century, it has surrendered jurisdiction over banking and currency and veterans' benefits to other committees formed expressly for these functions. Even so, Finance continues to hold a powerful hand in the policy game. Legislation under its jurisdiction in 1981 includes all federal tax and tariffs, social security and public assistance programs, unemployment insurance, medicare and medicaid, general revenue sharing and—regrettably—a national debt fast approaching a trillion dollars.

All told, these areas account for nearly half the entire federal budget and in the months ahead, Finance will find itself dealing with reform proposals ranging from welfare changes to capital gains. There will always be room for compromising over details—but no room at all for retreat from basic principles. In 1981 we must be willing to stand up and cast the difficult vote that will insure a viable social security system for future generations of recipients. We must fashion a package of tax reductions that will stimulate productivity, attack inflation at its roots, and create badly needed jobs in the hardest-hit communities of America. We must restore our traditional position on cutting edge of the world market place and begin the process of long-term recovery for the auto and other recession-hit industries. Finally, we must find ways to eliminate waste from the federal budget without abandoning our historic commitment to aiding individuals truly in need.

This is an ambitious agenda. But then, none of us were elected to ruminate about change or ponder progress. We were sent here to make them happen. America has problems in 1981, serious ones. But she has potential that more than matches any or all of them. Insofar as the Finance Committee can help to realize that potential, I am determined that we will do so. In the tradition of chairmen from Henry Clay to Harry Byrd, Sr., to Russell Long. It is an activist legacy that Finance inherits, most recently from my distinguished colleague, the senior Senator from Louisiana, who for 14 years has been virtually synonymous with the committee and its work. I often think that headline makers in this and other cities' newsrooms have a stamp that they use periodically, reading, "Russell Long, powerful Chairman of the Senate Finance Committee, said today . . .".

Senator Long's power derived not from his position with the majority, nor even from his mastery of the legislative process alone—although no one among us has a greater mastery. Over the years he has used his knowledge and his power to shepherd numerous pieces of important legislation through this committee and the Senate itself: major tax bills in 1969, 1971, 1975, 1976, and 1978, trade legislation, social security solvency, and revenue sharing—the legacy of the Long years is an impressive one. This list is the product of a capacious mind, an instinct for compromise, a home-spun humor that casts our work in perspective, and an appealing alliance of fiscal hardheadedness and social compassion. Senator Long has been a leader because of his absolute command of the field of financing, and his absolute professionalism in guiding others less versed than he.

To fill such shoes is yet another challenge—a personal one, a political one. But each of us will confront many such challenges in 1981 and how we meet them will, to use Lincoln's phrase, "Light us down, in honor or dishonor, to the latest generation."

I know my colleagues. I respect you for your ability, your ideas, and your commitment. I know that none of us has a monopoly on wisdom, and I know that all of us have been asked by the American people to put aside politics as usual in this time of economic peril. We will cut taxes in 1981. We will put incentive back into the domestic economy. We will tackle the tough problems of social security and chronically sick industries. We will begin the process of making free enterprise truly free again. Most of all, knowing each of us in this room, I have no doubt that we will meet the challenge of leadership. Our consciences as well as our constituents will accept nothing less. ●

BALTIMORE HOLOCAUST MEMORIAL

● Mr. MATHIAS. Mr. President, on November 2, 1980, the people of Baltimore dedicated the city's holocaust memorial. This memorial, built on an acre of land donated by the Baltimore City Council with funds raised by the Baltimore Jewish Council, was designed by architects Donald Kann and Arthur Valk. Rabbi Herbert A. Friedman, President of the American Friends of the Jerusalem Academy, was the keynote speaker at the dedication ceremony.

Two giant concrete monoliths, representing the brutal force inflicted by the Nazis, lead to the stone memorial which is inscribed as follows:

This memorial represents one city's effort to remember the six million Jews who perished during the Holocaust, to remember a dark period in the history of mankind when the world stood silent as innocent men, women and children were murdered because of their religion.

I hope that the message of this memorial—that we must not forbet the horror of the holocaust lest history repeat itself—will be heard throughout the world.

I ask that Rabbi Friedman's moving evocation of the holocaust be placed in the RECORD.

The material follows:

WHY BUILD THIS WALL?

We have come to this place, filled with the darkness of destruction, seeking to find the light of courage. We have come because of the commandment of accompanying the dead. We accompany these dead to their grave because they went to it alone. And we must forever, for all time, follow them.

Those who are memoralized here were (we) Jews burned in the heat of a thousand ovens—and the world was cold. They gagged in the gas of a thousand chambers—and the world was silent. A million bullets thudded into inert flesh until it was no novelty—and a thousand bulldozers heaved the frozen, starved and mangled bodies into gaping holes in the exhausted earth. The soil could not shriek in protest. It could only accept and swallow the awful refuse. The smoke dissolved in the sky. The ashes were scattered on the winds. The bones disappeared—and when the whole hideous mess was over—mankind was indicted forever. The mark of Cain was burned into the brow, not only of jack-booted Nazis who were the active criminals, but of every single human being on earth who had failed to protest.

Nothing like this has ever happened before in the entire recorded history of the human race. The human animal is a fighting animal—worse than absolutely any other—and the rivers of blood spilt during millenia in wars over land or gold or religion or trade, spilt through torture, and inquisition and gladiatorial combat, spilt through hatred and greed and fear and pride, have been far greater than all the rivers of water on all the continents. But, never in all the fantastic episodes which have marked man's incredible eagerness to harm his brother, has there been one to match the murder of the Jews in the mid-20th century.

Deliberate, calculating, announced long in advance, described in detail, broadcast widely for all to know, and performed in an age when the technical means of communication were such that today's news reached the farthest point on earth by tomorrow, this mass murder was possible not because the victim was willing, but because his neighbor was. The criminal shot in the dead of night—there was no policeman to prevent him—and the neighbors closed their doors and windows in order not to become involved. The victims died—6 million of them—at the hands of two kinds of murderers, active and passive.

There are some who say that the victims themselves must share in the guilt of the crime, for they did not fight back. Especially the young, those born since the holocaust, and the free, those living in Israel and America, have made some savage and biting comments. Asking the question—why did the victims allow themselves to be led like sheep to the ovens?—they imply that there was cowardice or paralysis or some innate weakness. They suggest there was an alternative or a way to escape which the weak-livered Jews of Central Europe were not strong enough or clever enough to employ.

Th victims need no defense on this point. It is well known that they fought back in many ghettos—that they joined partisan and resistance groups—that they utilized all sorts of ingenious methods to avoid the enemy. And furthermore, it is historically clear that the long preparatory years of Nazi propaganda, the ceaseless transports from one area to another, the masquerading of death camps as work camps, the morale-cracking effect of hunger, the separation of families, the herding into ghettos and a hundred other devices all designed to confuse, harass and weaken—resulted in the unarmed civilian Jews being an unequal match for the greedy sadism of the Gestapo and the SS.

This place is erected to the memory of those victims. What purpose does it serve? Why build it?

First of all, to cause us to remember the crime. Human memory seeks to erase that which is painful. There cannot be an Eichmann trial to remind every new generation. So there must be symbols, employing poetry, imagery and illusion, to remind us of the harsh reality. This wall is such a symbol. We place it here, right in front of our noses, so that we shall see it as often as possible. It is not put off in some remote park or plaza which might be visited, at best, infrequently. It stands in this sanctuary where multitudes will be confronted by it constantly. We must never allow ourselves to forget the pain and horror it signifies.

Secondly, to cause us to understand the meaning of our existence. We were not accidental victims—but deliberately chosen for the slaughter. Our collective, existential presence in the world is an obstacle to the force of barbarism. So long as we exist, with our moral code and our set of values and our capacity to give birth to additional religions and our beliefs in justice and righteousness, we are a bone in the throat of all those who seek to organize the world differently. The world could not be dominated by Hitlerian philosophy so long as we existed in it. He understood this and kept on trying to destroy us up to his dying day. If he understood it, we certainly should. The wall will remind us of the ideals which must survive if civilization is to endure.

Third, to cause us to know that our fate is largely in our own hands. Almost no one—with some remarkable exceptions—lifted a finger to help us. We can protect ourselves mainly by ourselves. This is the metaphysical interpretation of the creation of the State of Israel within three short years after the destruction of European Jewry. It is almost as though history were saying that a sovereign independent Jewish political and military power was necessary in order to ensure that never again would any portion of world Jewry be defenseless. Should some future attack ever again be launched—and should the rest of the world again stand idly by—a free and independent Jewish commonwealth would rise as a powerful ally to aid the stricken. The wall reminds us that we must do all possible to keep our destiny in our own hands.

Fourth, to cause us to think always of those who stood silently by, and not to bear anger in our hearts against them, but to realize how weak and fragile most men are. Anger is a wasted emotion. The Christian world did not act with Christian love or charity. The Christian veneer proved to be awfully thin. There are some who say that the Christian religion displayed a terrible bankruptcy and impotence in the years of fearful testing. It was found wanting. But what is the sense of our going forward into the centuries ahead merely hating? Rather must we understand that people are morally weak and thus it is all the more imperative for us to maintain our strength and faith in Judaism's eternal role of civilizing mankind.

Fifth, to cause us to know that there is still a great mystery about God—but that, like Job, we must not be discouraged in the search to understand His relationship to man. Many people will look at this wall and it will turn them into atheists for they will not understand why He was silent at Aushwitz and all the other places named here. Others will recall that the religious faith of the victims themselves was not disturbed for they went to the flames singing Ani Ma'amin—I believe with perfect faith. The fact is that God is most often hidden from man—and never more so than during this frightful time of murder. Does He exist? Yes? No? Where was He? Was He powerless? The wall will not provide answers—but at least it will remind us to keep asking the questions. Without that, all is certain to be lost.

So, these are some of the purposes to be served by the building of this wall—to remember the crime; to understand our role as the victim; to develop our independent strength; to be understanding of human weakness; to keep searching for a God to make human life more meaningful.

May the men who built this wall accept our gratitude for their wisdom in doing so; may those of us in this generation who actually experienced the searing agony seek most forcefully to record it and interpret it so that its meaning shall never be lost; and may the anonymous millions of the past memorialized here, inspire the unborn millions of the future to live as Jews should, so that the whole human race can progress to the messianic time when such insane explosions as this will appear to be part of the frenzied infancy of man still not yet in control of himself. When the time finally comes that all men will be truly ashamed of what happened in this century—then we will be able to take down this wall for it will have served its purpose.●

CONTINUING RESOLUTION FOR FISCAL YEAR 1981

● Mr. INOUYE. Mr. President, during our deliberations at the close of the 96th Congress on the continuing resolution for fiscal year 1981 there were three particular Senate amendments that were unfortunately deleted when we accepted the final House proposal, even though the conferees had unanimously approved it during our prior deliberations. Accordingly, I wish today to alert my colleagues to these amendments and urge their timely consideration. In my judgment, none of these is in any way controversial.

The first proposal would have provided $1.54 million under our State and local governments revenue sharing program for the State of Hawaii as a noncontiguous State. The second would have permitted the Department of State to allocate no more than $200,000 to the General Services Administration for expenses incurred for the consultative group on United States-Japan economic relations. Finally the third proposal would have appropriated an additional $2 million for the fiscal year 1981 budget of the National Institute of Handicapped Research with specific report language emphasizing the many unique problems of the Pacific basin region. More specifically, the conferees agreed to language that—

In developing new Research and Training Centers the Department is urged to carefully consider the many unique health and rehabilitation needs of the Pacific Basin. For example, the conferees were distressed to learn that although there is a federal responsibility to provide care, that in the Marshall Islands nearly half of those 50 or over have diabetes; the incidence of childhood leukemia in Ponape and Kosrae is ten times the expected rate; and the incidence of high blood pressure in Guam and the Northern Marianas is 35 percent of those over 30. Further, major drug and alcoholism and adolescent suicide problems exist. Leprosy, yaws, filariasis and other tropical scourges are prevalent. There is also an extreme lack of qualified health/rehabilitation personnel as evidenced that in all of the Trust Territories there is only one registered physical therapist, 14 'expatriate physicians' and 36 Fiji-trained medical officers.

I fully realize that appropriations bills are initiated in the U.S. House of Representatives; however, given the noncon-

troversial nature of these three provisions, I did want to bring it to my colleagues' attention.●

REPORTING STATE TAX LIABILITY

● Mr. MATHIAS. Mr. President, I shall submit the newly released statement of the tax section of the New York State Bar Association in support of my bill, S. 1688 in the 96th Congress. This legislation is designed to limit the use of the so-called worldwide combined reporting system in assessing State tax liability. My bill brings the States into accord both with the practices of the Federal Government in taxing foreign source corporate income and with internationally accepted taxing procedures.

The statement of the New York Bar Association was not prepared in time to be included in the record of the hearings held on the bill before the Finance Committee last summer on June 24. Since I intend to reintroduce an amended version of S. 1688 at the earliest opportunity in the 97th Congress, I commend this paper to my colleagues for its lucid explanation of the problems addressed by my bill, and the need to enact it quickly.

I submit for the RECORD the statement of the New York Bar Association.

The statement follows:

STATEMENT IN SUPPORT OF S. 1688

(Before the Committee on Finance Subcommittee on Taxation and Debt Management)

The Tax Section of the New York State Bar Association submits the following statement in support of S. 1688.

On two prior occasions, the Tax Section has submitted reports on interstate taxation Bills to this Committee and other committees of the Congress.[1] These reports address comprehensive Bills and state the views of the Tax Section on a variety of subjects. The Tax Section continues to believe that the enactment of comprehensive Federal legislation is desirable to alleviate major problems concerning matters of jurisdiction, division of income and related corporations. Although S. 1688 is limited in scope and, therefore, does not contain solutions to some of these problems, the Tax Section supports the Bill as an important first step which proposes a sensible solution to the major problems in a sensitive and troublesome area of state taxation—the taxation of foreign commerce. For the reasons set out in the following paragraphs, the Tax Section believes that prompt action by the Congress on S. 1688 is justified and should not be delayed by reason of further attempts to gain a consensus with respect to a more comprehensive proposal.

The decision of the Supreme Court in the *Michelin*[2] case in 1976 overturned the "original package" doctrine and extended the power of the states and their political subdivisions to tax imported goods in their original packages while stored in warehouses waiting further shipment. This decision caused renewed interest in the taxation of foreign commerce by the states and their political subdivisions, culminating in an effort by the State of California to tax foreign owned and operated aircraft. The potential disruptive effects of this action and the possibility of retaliation by foreign governments caused the Solicitor General to file a brief for the United States as Amicus Curiae in *Japan Line, Ltd.*[3] At issue in this case was a property tax imposed by the County of Los Angeles on cargo containers belonging to Japanese shipping corporations and used exclusively in foreign commerce.

The Supreme Court's decision in favor of Japan Line is in large part attributable to its concern over the implications of the case for harming international relations as demonstrated by California's threatened action with respect to foreign owned aircraft.

The negotiation and ratification of a new tax convention between the United States and the United Kingdom brought to the attention of foreign governments the practice of some states of imposing a worldwide unitary system on foreign businesses with United States subsidiaries. A provision contained in the convention, later reserved by the Senate, provided that a state of the United States may not take into account, for income tax purposes, the income of a foreign corporation not doing business in the state if it is part of an affiliated group controlled by a United Kingdom corporation. The opposition of the states successfully defeated this attempt to restrict state taxation of foreign commerce, but it was agreed by both sides to the controversy that the matter was one for the Congress to address.[4] Accordingly, the problem was left unresolved and is today a very serious one for the trading partners of United States corporations.

On March 19, 1980, the Supreme Court handed down its decision in *Mobil Oil Corporation* v. *Commissioner of Taxes of Vermont*, a case in which state taxation of dividends received by a United States corporation from subsidiaries and affiliates organized and doing business in foreign countries was at issue. The Court held that Vermont was not precluded from taxing its proportionate share of these dividends, but declined to pass on the propriety of the apportionment scheme used by Vermont to determine its taxable share of the income. This and other questions were left unanswered by the decision.

Certainly the states will attempt to extend their taxing powers over foreign source dividends as far as permitted by the Court. This will result in numerous law suits in which courts will be asked to fashion apportionment schemes for corporations which receive large amounts of dividend income from foreign corporations. The judicial process, however, is designed to decide issues on a case-by-case basis and is poorly suited to the task of designing a scheme of interstate taxation. In the past, the Court has demonstrated a reluctance to involve itself in technical apportionment questions and has declined to review cases in which disparate treatment by states has resulted in duplicative taxation.[5] The Tax Section believes that there will be many instances of overreaching and unfair apportionment by the states if these matters are left to the judiciary. At the very least, there will be a long period of uncertainty and uneven treatment of United States corporations doing business overseas.

In 1973, the Subcommittee on State Taxation of Interstate Commerce of the Senate Committee on Finance held hearings on comprehensive proposals regarding state taxation of interstate and foreign commerce.[1] The stated purpose of these hearings was to focus upon realistic solutions to the thorny issues involved in state taxation of interstate commerce and, in so doing, to bring about a consensus among the states and business interests as to the contents of any Federal legislation. Since that time, no consensus has evolved that would support comprehensive legislation and no proposal has been enacted by the Congress.

S. 1688 focuses exclusively on the taxation of multinational businesses by the states and their political subdivisions. The first part of the Bill (proposed § 7518(a)) would, for purposes of imposing an income tax on a corporation, prohibit the states or their political subdivisions from taking into account, through worldwide combination or any other method, the income of foreign affiliates, unless that income is includable in the corporation's taxable income for Federal tax purposes. The second part of the Bill (proposed § 7518(e)) prescribes a partial or complete exemption for dividends received by United States corporations from foreign subsidiaries. The amount of the exemption is determined by a formula which is intended to limit state taxation of foreign dividends to the part which is effectively subject to Federal income tax. Since the Federal system of taxing intercorporate dividends is designed to avoid double taxation, the effect of the Bill would be to similarly limit state taxation. Both parts of the Bill would treat a domestic corporation as a foreign corporation where the income of the domestic corporation is predominately foreign source income.

S. 1688 deals with matters of extreme importance to foreign governments, to investments by foreign businesses in the United States, to investments in foreign countries by United States businesses and to the ability of United States businesses to compete in world markets. S. 1688 simplifies the tax laws applicable to foreign commerce and significantly reduces the risk of duplicative taxation. Traditionally, the Tax Section has stood for conformity of state and Federal tax laws as essential to simplification and for measures that prevent duplicative taxation. Accordingly, the Tax Section supports S. 1688. An analysis of the two major provisions of the Bill and a more detailed statement of the reasons for the Tax Section's support are set out in the following section of this statement.

PROHIBITION OF WORLDWIDE COMBINED REPORTING

In order to understand the prohibition of worldwide combination contained in S. 1688, it is necessary to describe the present system of state taxation of interstate corporations. States impose their income taxes on corporations doing business within and outside their borders by using an apportionment formula. The formula is applied to the corporation's taxable income base in order to arrive at the portion of the base against which the state's tax rate will be applied in order to determine the amount of tax due the state. The formula used in all but two states is composed of three factors: property, payroll and receipts. Most apportionment formulas represent the average of the fractions developed by dividing property located in the state by property everywhere, wages paid to employees located in the state by local wages and receipts from sales delivered to or services performed for customers in the state by total receipts. The factors are intented to reflect the income producing activities of the corporate taxpayer, and thus represent a fair measure of the portion of the corporation's entire income which is earned in the state and subject to tax by the state.

The so-called unitary theory as applied by a number of states ignores the separate corporate entity and treats an affiliated group of corporations engaged in phases of a single business as a unit for purposes of determining the taxable income base and the factors of the apportionment formula. In this manner, the income of affiliated corporations and their factors are taken into account in determining the income tax liability of the corporation (or corporations) subject to tax in the state. The process by which this is accomplished is called a combined report. In this report the taxable income of all of the affiliated corporations is combined and income from intercorporate transactions is eliminated. The factors (property, payroll and receipts) of the entire group are combined and the resulting fraction is ap-

Footnotes at end of article.

plied to the combined base. This computation determines the amount of income subject to tax by the state. If more than one member of the affiliated group is subject to tax in the state, the tax liability determined by the above method is divided between them in relation to their factors (property, payroll and receipts) located in the state. "Worldwide combination" refers to the procedure of taking the income and factors of foreign affiliates into account in constructing a combined report.

In the tax law there are two major theories of tax base division of a multinational business. They are the separate entity theory and the unitary theory. The separate entity approach treats each corporate member of the affiliated group which comprises the multinational enterprise as a separate taxpayer. The members are treated as if they were unrelated separate entities for the purpose of determining income from intercompany transactions. This approach requires the determination of arm's-length prices for goods and services sold or provided by one member to another. On the other hand, it avoids in most instances the need for allocating a tax base to a particular taxing jurisdiction because, as a general rule, each corporate entity conducts its business in only one country. There are many compelling non-tax reasons for a business to confine its activities to its home jurisdiction and to operate in foreign countries through foreign subsidiaries.

The unitary approach treats each member of an affiliated group as a part of a single enterprise. Accordingly, no income is realized until there is a sale to or other transaction with an unrelated party. Losses suffered by an affiliate are set off against the profits of other affiliates. The unitary approach recognizes the fact that there are economies of scale and reduced transaction costs in an affiliated organization. Even where no direct transfers are made, centralized managerial control over a group of affiliates may produce efficiencies in management, in raising capital, in obtaining quantity discounts and in advertising. In addition, diversification of risk creates potential savings even where there are few similarities between affiliates. Political and economic power may stem from large size alone regardless of the degree of compatibility between the affiliates. In short, there is a synergistic effect with respect to an affiliated group of corporations.

Since the tax base under the unitary theory is comprised of the combined incomes of the affiliated group of corporations, a means must be devised for dividing this base among national (or state) taxing jurisdictions. As stated above, the most common method used by the states is a three-factor formula composed of property, payroll and receipt factors. The efficacy of this apportionment scheme rests on the assumption that each element of the individual factors of the formula produces essentially the same profit. This is seldom the situation with respect to multinational groups of corporations doing business in widely separated parts of the world where wages, productivity, property values and cost of money differ greatly.

Neither the separate entity approach nor the unitary approach reflects the structure of multinational businesses or the way in which they produce income in all cases. Some multinational corporate groups are highly interrelated and interdependent while others are not.

The separate entity approach is not appropriate when a multinational corporate group is highly integrated and interdependent. On the other hand, the unitary approach is not appropriate where separate units are separately run and there is little interdependence and few intercompany transactions, but wide divergencies in profitability.

Each theory falls short of satisfying all of the tests of sound tax policy; i.e., ease of administration, certainty, neutrality and the avoidance of duplicative taxation. Proponents and opponents of S. 1688 have catalogued the arguments for and against each theory, but the practical force of any depends largely upon the particular case in which it is to be applied. The fact remains that there is insufficient data and analysis to determine conclusively which approach is more reflective of economic realities as a general rule.

The Tax Section believes that in supporting or opposing S. 1688 it is pointless to argue the relative merits of the separate entity or unitary approach to the taxation of multinational corporations. Under S. 1688, the states may tax all income, under either system, to the extent that the income is includable in the corporation's gross income for Federal tax purposes. Accordingly, under S. 1688 the states would be limited, in taxing foreign income, to the income taxable under the Internal Revenue Code and the practices of the Internal Revenue Service. If the Code should be amended or the Service change its practices, an entirely different result would occur under the provisions of the first part of S. 1688. The point at issue with respect to S. 1688 is the need for state tax laws to be in conformity with Federal tax laws with respect to the taxation of foreign commerce.

The Tax Section believes that there are compelling arguments in support of a Bill which retains flexibility in the choice between a unitary or separate entity approach but leaves that choice to the Federal Government. The Federal 46 percent tax is the larger tax, and it is reasonable to assume that the structure of this tax will reflect the tax policy considerations of the principal taxing body and the business interests involved. The resources available to the Federal Government for study and research greatly exceed those of the states. More importantly, the Federal Government is more sensitive to and concerned about the meshing of United States' tax policy and the tax policies of other governments. The Federal Government is the proper governmental body to deal with the governments of foreign countries in resolving the problem of duplicative taxation.

Most countries trading with the United States follow the separate entity theory in assigning income for tax purposes. Until this situation changes, the states would greatly enhance the risk of duplicative taxation by pursuing the unitary theory.[7] Pressures on the Federal Government to minimize the risk of duplicative taxation by following the separate entity theory will indirectly prevent the states from double taxing income of multinational businesses.

On the other hand, there is no basis for permitting the states to pursue a different approach than that used by the Federal Government. For the states to follow a different approach on the ground that it is better than the Federal approach would be highly questionable and would add an additional element of complexity as well as enhance the risk of duplicative taxation. In addition, the departure from the Federal approach by the states would, to some degree, counteract the anticipated effects of Federal tax policies with respect to the taxation of income from foreign operations.

EXEMPTION FOR FOREIGN SOURCE DIVIDENDS

The second part of S. 1688 permits the states to tax dividends received by a United States corporation from foreign subsidiaries only to the extent they are taxed by the Federal Government. The objective of the provision is the same as that discussed above in regard to the unitary approach—the prevention of double taxation.

Footnotes at end of article.

The taxation of intercorporate dividends creates a troublesome duplicative taxation problem which is exacerbated when the corporations involved are under common ownership. The taxation of dividends paid by a subsidiary to a parent corporation subjects a single economic gain to duplicative taxation and discriminates against those business enterprises that find it impracticable to operate in other than a multicorporate form by requiring them to bear a disproportionate share of the tax burden.

Therefore, there is no economically sound reason for subjecting earnings of affiliated corporations to more than one tax prior to their distribution to noncorporate shareholders.

S. 1688 would correct the single most serious problem of duplicative taxation created by state corporate income tax laws; that is, the taxation of intercorporate dividends paid by foreign subsidiaries to United States corporations. In order to understand how this state tax problem came about, it is necessary to describe the Federal method of taxing intercorporate dividends.

The Federal tax law provides for a deduction of 85% of dividends received from a domestic corporation and of 100% of dividends received from a domestic subsidiary (with certain minor exceptions). No deduction is provided for dividends received from a foreign corporation not engaged in trade or business in the United States. The multiple tax burden is mitigated with respect to dividends from foreign subsidiaries by means of the allowance of a foreign tax credit for income taxes paid by the foreign subsidiary. In computing this credit, the amount of earnings and profits actually distributed in the form of dividends by a foreign subsidiary must be increased (or "grossed-up" under Section 78 of the Internal Revenue Code) by the amount of foreign income tax paid by the foreign subsidiary with respect to those earnings and profits. This entire amount is subject to Federal tax, but credit is allowed the United States corporation for the foreign taxes paid by the foreign subsidiary. In effect, the foreign tax is deemed to have been paid by the United States corporation and the distributed earnings of the subsidiary are treated as if they had been earned directly through a branch.

Of the 44 states which impose a corporate net income tax, 17 follow the Federal rule with respect to the deduction for dividends received from a domestic subsidiary and 7 exempt all such dividends from tax. Three states allow a deduction based on different ownership percentages than required by the Federal tax law. In each instance, the deduction does not depend on whether the earnings being distributed have been subjected to tax by the state taxing the dividends or any other state. The remaining states tax dividends from domestic corporations to a greater degree than the Federal Government, but only 5 states provide no deduction of any kind.[8]

On the other hand, 27 states tax intercorporate dividends received from foreign subsidiaries and 17 states tax the Section 78 grossed-up dividends reflecting foreign income taxes already paid. The tax on the Section 78 "grossed up" amount is particularly troublesome because this amount is not an actual distribution to the taxpayer corporation, but merely a mechanism for claiming the credit for foreign taxes.

The reason for this widespread incidence of duplicative taxation is that most states have adopted the Federal tax law definition of taxable income as a starting point for determining state taxable income and parallel the Federal rule of including foreign source dividends in the income base, but then do not follow the second part of the Federal rule (allowance of some type of credit for foreign taxes) which is the basis for foreign source dividends being included in the Federal in-

come base in the first place. In addition, it would be impractical for the states to grant corporations a foreign tax credit because tax rates of many foreign countries which are major trading partners of the United States are higher than state tax rates.

The less favorable treatment accorded dividends received from foreign subsidiaries in state income tax laws is particularly troublesome for United States multinational business enterprises. Generally, business enterprises can operate in a single corporate form within the United States without serious adverse affects. Accordingly, the taxation of intercorporate dividends from domestic subsidiaries can be avoided by businesses operating in the United States. On the other hand, doing business in a foreign country through a branch organization may give rise to serious non-tax problems, and foreign operations are therefore generally conducted through separate subsidiaries.

S. 1688 recognizes the need for different treatment of dividends received from foreign subsidiaries under Federal and State tax laws, and for State income tax purposes equates the Federal tax credit to an exemption. The exemption is limited to dividends paid out of earnings that have been taxed by a foreign government. Accordingly, the States are permitted to tax the same portion of income which the Federal Government effectively taxes.

Example

1. Amount of dividend actually received	$115
2. Grossed-up dividend to reflect a 23 percent foreign tax rate	$150
3. Foreign taxes paid (23% × $150)	$35
4. Grossed-up dividend × 46 percent	$70
5. Item 3 dividend by Item 4 (percent)	$50
6. Excluded portion of dividend ($150 × .50	$75

There may be some technical difficulties with the formula in the bill, but the theory is logical and sound. The Tax Section supports the principle that dividends from foreign subsidiaries should not be subject to tax by the States to the extent that the earnings out of which they are paid have been taxed by foreign governments.[9]

If Congress is to fulfill its role of protecting and encouraging interstate and foreign commerce, corporations organized under the laws of a state of the United States should be protected from duplicative taxation by the States at least to the same degree that they are protected from duplicative taxation at the Federal level.

In opposing Federal legislation, representatives of State interests have attempted to justify a State tax on dividends received by a non-domiciled corporation doing business in the State from a non-domiciled corporation doing business entirely outside the State by drawing an analogy to the Federal tax law. Their analogy is faulty on two counts. It ignores the credit allowed by the Federal statute for income taxes paid to foreign governments on the earnings out of which the dividends are paid. Moreover, except in rare and unusual cases, the Federal Government does not require a corporation organized under the laws of a foreign country which engages in business within the United States (a) to pay any tax on dividends received from other foreign corporations or (b) to pay tax at the regular corporate rate on dividends from United States corporations.

If the states were to adopt the Federal scheme of intercorporate dividend taxation, they would provide for a deduction from income of 85% or 100% of dividends received from corporations subject to tax in the state. With respect to dividends received by domiciled corporations from non-domiciled subsidiaries, they would provide for a tax credit for taxes paid to other states by the subsidiaries. Only in rare situations would they tax dividends received by a non-domiciled corporation doing business in the state from other non-domiciled corporations. Unquestionably, this is not the present scheme of state taxation of intercorporate dividends and is not what the states want in the way of Federal legislation.

Some argue that S. 1688 favors foreign investment over domestic investment by limiting state taxation of dividends received from foreign corporations. Although this is an argument for limiting state taxation of all intercorporate dividends, at the present time most states follow the Federal rule with respect to the taxation of dividends received from United States corporations.[10] If a preference exists, therefore, it has been created by the Federal tax law and that is where corrective action should be taken. Tax policy in this area should be the same at all levels of government, whether perceived to be good, bad or indifferent. In this instance, the Tax Section believes that the policy underlying the Federal treatment of intercorporate dividends is a sound one.

The larger part of the dividends exempted by S. 1688 is from foreign subsidiary corporations. If worldwide combination were used to determine and assign income of United States corporations, these dividends would be eliminated in the construction of the combined report. From the standpoint of many United States corporations with foreign subsidiaries, the burdensome tax consequences of worldwide combination are not as great as those which would result from taxing dividends received from their foreign subsidiaries. Accordingly, a Bill which prohibits worldwide combined reporting but does not protect dividends received from foreign subsidiaries from duplicative taxation is unacceptable. In resolving one problem, it would create a more serious one.

Intercorporate dividends present unique tax problems because they are not paid to the ultimate owners of the business enterprise and the payor is not allowed an offsetting deduction. The Federal tax law recognizes these unique problems and, for the most part, deals with them. There is no reason to believe that the Federal Government is unable or unwilling to adopt sound tax policies in resolving these problems. If the states are permitted to ignore the problems or seek their own solutions, the tax law will be less equitable, or more complex, or both. In the case of foreign source dividend taxation, therefore, conformity of state and Federal tax laws is not only a meritorious goal in its own right, but accords with sound tax policy.

TECHNICAL COMMENTS

1. Section 7518(c) contains a narrow definition of "affiliated group" which would exclude a number of multinational corporate groups. There is no apparent reason to confine the definition to chains of corporations connected through stock ownership with a common parent corporation. It is suggested that the definition of "affiliated group" contained in Section 1563(a) of the Internal Revenue Code be used except that 50 percent ownership instead of 80 percent ownership be required.

2. The denominator of the exclusion fraction in Section 7518(e)(2)(A)(b) is 46 percent, which is the nominal federal corporate income tax rate. It may be appropriate to include an additional percentage to reflect an average state corporate income tax rate in order to better maintain neutrality between the treatment of domestic and foreign dividends.

3. Section 7518(d) treats certain domestic corporations as foreign corporations. The staff of the Joint Committee on Taxation has prepared a description of H.R. 5076 (a companion Bill to S. 1688) for the use of the Committee on Ways and Means in which it states that Domestic International Sale Corporations (D SCs) would be treated as foreign corporations by virtue of subsection 7518(d) and thus not includable in a combined report. (p. 19) While the Tax Section agrees with the staff of the Joint Committee that there is no justifiable reason for prohibiting the states from including the income of D SCs in combined returns, the Tax Section submits that subsection 7518(d) does not have the effect attributed to it by the staff of the Joint Committee. Subsection 7518(d) treats domestic corporations as foreign corporations if under section 861(a)(2)(A) dividends received from such corporations would not be treated as income from sources within the United States. Section 861(a)(2)(A) does not include D SCs. D SCs are included in section 861(a)(2)(D). Therefore, S. 1688 does not treat D SCs as foreign corporations and they can be included in a domestic combined report.

4. Section 7518(e) provides for the deduction allowed by section 243 with respect to dividends received from a domestic corporation described in section 7518(d). In many instances, a 100 percent deduction of the dividends received from such a domestic corporation will be allowed and will act to insulate from state taxation all foreign source income generated by assets placed in the domestic subsidiary. The Tax Section suggests that section 7518(e) be revised to exempt dividends of a domestic corporation described in section 7518(d) to the same extent that they would be exempt if they were received from a foreign corporation.

FOOTNOTES

[1] "Proposals For Improvement of Interstate Taxation Bills (H.R. 1538 & S. 317)", reproduced in 25 *The Tax Lawyer* 433 (1972) and "Supplemental Proposals for Improvement of Interstate Taxation Bills", reproduced in 27 *The Tax Lawyer* 213 (1974).

[2] *Michelin Tire Corp.* v. *Wages*, 423 U.S. 276 (1976).

[3] *Japan Line, Ltd.* v. *County of Los Angeles*, 441 U.S. 434 (1979).

[4] *See* "Dear Colleague" letter of Senators Mathias, Talmadge, Huddleston and Morgan dated October 26, 1979.

[5] For example, see *Kennecott Copper Corp.* v. *State Tax Commission*, 27 Utah 2d 119, *cert denied*, 93 S. Ct. 323 (1972); and *Commonwealth* v. *Emhart Corp.*, 443 Pa. 397, 278 A. 2d 916, *cert denied*, 92 S. Ct. 451 (1971).

[6] State Taxation of Interstate Commerce, Comm. Print, 93d Cong., 1st Session (1973).

[7] Substantially the same arguments were used in support of the Tax Section's appraisal of provisions regarding foreign source income in interstate taxation Bills before Congress in 1971 and 1973. (27 Tax Lawyer at 228–9).

[8] "A Study of the Income Tax Treatment Afforded Dividend Income by the Individual States". Report dated January 1980 of The Committee on State Taxation, Council of State Chambers of Commerce, 499 S. Capital St., S.W. Washington, D.C. 20003.

[9] This position is reflected in the earlier report of the Tax Section on interstate taxation Bills. (27 Tax Lawyer at 228–230).

[10] See above at page 16.

COUNTING OF THE ELECTORAL VOTE

● Senator MATHIAS. Mr. President, on behalf of the tellers on the part of the Senate, I wish to report on the counting of the vote for President and Vice President.

The state of the vote for President of the United States, as delivered to the President of the Senate, is as follows:

The whole number of electors appointed to vote for President of the

United States is 538, of which a majority is 270.

Ronald Reagan, of the State of California, has received for President of the United States 489 votes.

Jimmy Carter, of the State of Georgia, has received 49 votes.

The state of the vote for Vice President of the United States, as delivered to the President of the Senate, is as follows:

The whole number of electors appointed to vote for Vice President of the United States is 538, of which a majority is 270.

George Bush, of the State of Texas, has received for Vice President of the United States 489 votes.

WALTER F. MONDALE, of the State of Minnesota, has received 49 votes.●

CZECHOSLOVAK SOCIETY OF ARTS AND SCIENCES

● Mr. MATHIAS. Mr. President, the Czechoslovak Society of Arts and Sciences held its 10th World Congress in Washington at Georgetown University in October 1980. The 1,600 members of this Society are dedicated to the principles of free search for truth and knowledge and free dissemination of ideas. Their 10th Congress brought together scholars from all over the world who are interested in the promotion of Czechoslovak culture.

The Society was founded by Czechoslovak intellectuals who fled an oppressive society that had violated their human rights and cultural and scholarly freedom. They were joined by artists, scientists and scholars of many nationalities who share their interest in preserving Czechoslovak culture and traditions.

Since its founding in 1958, the Society has remained nonpartisan. Their belief that culture and freedom are inseparable transcends political differences. Senators will be interested in the Society's efforts to protect the inviolable right of cultural freedom, and so I ask that a statement on the activities and history of the Society be printed in the RECORD.

The statement follows:

CZECHOSLOVAK SOCIETY OF ARTS AND SCIENCES TENTH WORLD CONGRESS MEETS IN WASHINGTON, D.C.

The Czechoslovak Society of Arts and Sciences will hold its Tenth World Congress at Georgetown University in Washington, D.C. from October 17–20, 1980. The Congress is another important milestone in the Society's history. The first Congress of the Society, in 1962, was also held in the capitol city. 1980 marks twenty years from the meeting of the Society's first General Assembly in 1960 and the third decade of the Society's existence.

The members of the Society, who are mostly college professors, researchers, artists, musicians and writers, come from the ranks of political refugees who escaped from Czechoslovakia after the Nazi occupation of 1939, after the Communist coup of 1948, or after the invasion of the Warsaw pact powers in 1968. Many of them came to the United States and other countries of the Western world to regain their basic human rights. They joined together in the Society for the purpose of advancing Czechoslovak culture, research and scholarship in an atmosphere of freedom which is conducive to such pursuits. They were joined in their efforts by American-born artists and scientists and scholars of other nationalities who share a genuine interest in Czechoslovak culture and traditions.

THE CZECHOSLOVAK SOCIETY OF ARTS AND SCIENCES: ITS HISTORY AND AIMS

The first Czech refugees from religious persecution by the Hapsburg counter-reformation during the Thirty Years' War of 1618–48 arrived in New York, then New Amsterdam. The most prominent among them was Augustin Herman, later known as Lord of Bohemia Manor. During the 18th century many Moravian Brethren immigrated to this country and established the Moravian Brethren Church of America, with centers in Bethlehem, Pennsylvania and in Winston-Salem, North Carolina. Starting from the 1860's, many Czech and Slovak immigrants came to settle in America, looking for a better life in the New World. Before 1939, however, it was rare for a university professor, writer or artist to leave Czechoslovakia for permanent settlement abroad.

Then came World War II. The Nazi onslaught precipitated the emigration or escape of 20,000 persons. Among these exiles at least one fourth were intellectuals. At the end of the war, some returned to Czechoslovakia. Many, however, remained in the United States, Canada, England, France and other Western countries. A still greater exodus began in 1948 after the February Communist coup in Czechoslavakia. In the decade following that coup, over 60,000 people escaped to the West. It is estimated that about one tenth of these emigres, some 6,000 were intellectuals, scholars and professional people. Most of them found their way to the United States, Canada and Australia, while a few hundred established themselves in Western Europe and various countries in Central and South America, Asia and Africa. In the 1950's it became increasingly difficult for Czechs and Slovaks to emigrate from Czechoslovakia, either legally or by illegal crossing of the border, and the influx of Czech and Slovak refugees into the United States was reduced to a trickle. The situation changed in August 1968, after the liberalized Dubcek regime was crushed by the invasion of the powers of the Warsaw Pact. Another large exodus followed, largely consisting of intellectuals, some of whom were admitted to the United States or Canada. Only this time a majority of the refugees stayed in Western Europe.

During the fifties, intellectuals who had managed to leave Czechoslovakia and gain permanent residence in the United States, increasingly felt the need to maintain and further develop Czechoslovak culture. In Czechoslovakia, history was being rewritten as if Orwell's "1984" had been advanced by thirty years, and the writings of past and present Czech and Slovak authors were on the proscribed lists. In 1958, a group of scholars, led by the late Prof. Vaclav Hlavaty, a mathematician at the University of Indiana and Dr. Jaroslav Němec of the National Library of Medicine, began to organize these intellectuals throughout the world into the Czechoslovak Society of Arts and Sciences in America.

The Society is known among Czechs and Slovaks as SVU, an abbreviation of its name in the Czech and Slovak languages. Those living in the Western world welcomed its establishment enthusiastically and have supported it loyally for the past twenty two years. Comments in the controlled press of Czechoslovakia range from outright condemnation to reluctant acknowledgment of the Society's significance. From its inception the Society has maintained its nonpolitical character and refused to become an instrument of the so-called cold war. The membership, of course, is opposed to any totalitarian ideology of either the left or of the right, being fully aware that culture and freedom are inseparable.

SOCIETY ACTIVITIES

The organization from the beginning embarked upon an ambitious publishing program. Also, the Society held its first nationwide congress in April 1962 in Washington, D.C. Since that time, the Society's congresses have been held biannually at Columbia University, New York University, Cleveland State University, Georgia Washington University, and now again at Georgetown University where already two previous congresses were held. Interim congresses have been held in Switzerland, Ottawa, Canada and Los Angeles, California.

OFFICERS AND MEMBERSHIP

The present membership of the Society is close to 1600. Dr. Jan F. Triska of Stanford University is president. He is assisted by four vice presidents: Dr. William E. Harkins of Columbia University; Mr. Stanley J. Marsik of NASA-Lewis Research Center; Dr. Ladislav Matejka of the University of Michigan; and Dr. Milan Trpis of Johns Hopkins University. Secretary General of the Society is Dr. Vera Borkovec of The American University. Mr. Herbert Naylor, formerly with the U.S. National Library of Medicine, is treasurer of the Society. Dr. Jaroslav Pechacek, formerly with Radio Free Europe, is the chief editor of the society's newsletter Zpravy SVU.

The Society has local chapters in Washington, D.C.; New York City; Albany, New York; Cleveland, Ohio; Chicago, Illinois; Los Angeles and San Francisco-Bay area in California; Montreal, Ottawa, Toronto and Vancouver in Canada; Vienna, Austria; London, England; Geneva, Switzerland; Sydney and Melbourne, Australia; Wellington, New Zealand; and Pretoria, South Africa. Apart from its biannual congresses in the United States, the Society held its first European Conference at Horgen near Zurich in June 1970; a second European conference was held at Interlaken, Switzerland, September 17–19, 1976; an interim conference was held in October 7–9, 1977 in Ottawa, Canada; and a symposium in Los Angeles, California was held October 26–27, 1979.

Members of the Society are teaching at about 100 colleges and universities in the United States and Canada, as well as in Western Europe. Inquiries about the Society should be directed to the Secretary General, Dr. Vera Borkovec, 12013 Kemp Mill Road, Silver Spring, Maryland 20902, USA.●

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now stand in recess subject to the call of the Chair.

There being no objection, the Senate, at 4:28 p.m., recessed, subject to the call of the Chair.

The Senate reassembled at 4:52 p.m., when called to order by the President pro tempore.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, the distinguished minority leader has very gen-

erously suggested that we might recess the Senate subject to the call of the Chair in order to accommodate the possibility that the Democratic Caucus might be in a position to make certain representations to us in respect of the business of the Senate on tomorrow.

The commitments that have to be kept on this side of the aisle in particular make it impractical for us to wait much longer before the recess of the Senate.

I have notified the minority leader of what I am about to do, and it is agreeable with him.

RECORD OPEN UNTIL 5:30 P.M. TODAY

Mr. BAKER. Mr. President, before I ask consent to recess the Senate, I ask unanimous consent that the RECORD of today be held open until 5:30 p.m. for insertion of statements and the introduction of bills and resolutions.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I inquire of the Chair, was there a statement the Chair wished to make as a Senator from the State of South Carolina at this point?

The PRESIDENT pro tempore. Not at this time.

Mr. BAKER. I thank the Chair.

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. BAKER. Mr. President, if there be no further business to come before the Senate, and pursuant to the order previously entered, I move that the Senate stand in recess until the hour of 10:30 a.m. tomorrow.

The motion was agreed to; and at 4:54 p.m., the Senate recessed until Tuesday, January 20, 1981, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate January 15, 1981, during the recess of the Senate, under authority of the order of the Senate of January 6, 1981:

MISSISSIPPI RIVER COMMISSION

Maj. Gen. William Edgar Read, [redacted], United States Army, to be a member and President of the Mississippi River Commission, under the provisions of section 2 of an act of Congress, approved 28 June 1879 (21 Stat. 37) (33 U.S.C. 642).

IN THE ARMY

The following officer for appointment as a Reserve commissioned officer in the Adjutant General's Corps, Army National Guard of the United States, Reserve of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. Van Hixson, [redacted].

The following-named officers for temporary appointment in the Army of the United States to the grade indicated, under the provisions of title 110, United States Code, sections 3442 and 3447:

To be brigadier general

Col. Bernardo Loeffke, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. John H. Moellering, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert F. Molinelli, [redacted], U.S. Army.

Col. Albin G. Wheeler, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. William E. Pott, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Bruce R. Harri, [redacted], U.S. Army.

Col. Orren R. Whiddon, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Donald J. Delandro, [redacted], U.S. Army.

Col. Gerald H. Bethke, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. John J. Yeosock, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Donald S. Pihl, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. William E. Sweet, [redacted], U.S. Army.

Col. James W. van Loben Sels, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert E. Wagner, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Houston P. Houser, III, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Peter M. Dawkins, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Jerome B. Hilmes, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. William H. Gourley, [redacted], U.S. Army.

Col. Ronald W. Zeltman, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Burton D. Patrick, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Isaac D. Smith, [redacted], U.S. Army.

Col. Ronald M. Holdaway, [redacted], U.S. Army.

Col. Henry G. Skeen, [redacted], U.S. Army.

Col. Fred Hissong, Jr., [redacted], U.S. Army.

Col. Thurman D. Rodgers, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Sidney T. Weinstein, [redacted], U.S. Army.

Col. James R. Taylor, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Rocco Negris, [redacted], U.S. Army.

Col. Stephen R. Woods, [redacted], U.S. Army.

Col. Forrest T. Gay III, [redacted], U.S. Army.

Col. Jackson E. Rozier, Jr., [redacted], Army of the United States (major, U.S. Army).

Col. Lee D. Brown, [redacted], U.S. Army.

Col. James E. Shelton, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Lynn H. Stevens, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Harry D. Penzler, [redacted], U.S. Army.

Col. Robert W. Pointer, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Walter W. Kastenmayer, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. George R. Robertson, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Jack D. Woodall, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Curtis F. Hoglan, [redacted], U.S. Army).

Col. Mildred E. P. Hedberg, [redacted], U.S. Army.

Col. Edwin M. Aguanno, [redacted], U.S. Army.

Col. James Piner, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Eugene R. Cromartie, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. William S. Carpenter, [redacted], Army of the United States (major, U.S. Army).

Col. Jere L. Hickman, [redacted], U.S. Army.

Col. Carlton P. Weidenthal, [redacted], U.S. Army.

Col. Donald C. Hilbert, [redacted], U.S. Army.

Col. James C. Cercy, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Harry E. Soyster, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Joe J. Breedlove, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Donald E. Eckelbarger, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Johnnie H. Corns, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Thomas A. Sands, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Ray H. Lee, [redacted], U.S. Army.

Col. Cecil N. Neely, [redacted], Army of the United States (lieutenant colonel, U.S Army).

Col. Robert G. Lynn, [redacted], U.S. Army.

Col. Fred E. Elam, [redacted], Army of the United States (major, U.S. Army).

Col. Robert D. Morgan, [redacted], U.S. Army.

Col. Anthony A. Smith, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Ellis D. Parker, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Roy M. Strom, [redacted], U.S. Army.

Col. William F. Burns, [redacted], U.S. Army.

EXTENSIONS OF REMARKS

YOUTH UNEMPLOYMENT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, I am reintroducing two pieces of legislation which would effectively eliminate one of the most disturbing and ominous social concerns facing our Nation—an enormously high rate of youth unemployment.

The first of these bills, the Youth Employment Act of 1981, would create an effective program of full employment, vocational training, and job placement for all young Americans in need of work.

Although both the Carter administration and the Congress have made important and commendable commitments to job initiatives for young persons, the extent of the problem is such that further and more comprehensive efforts are urgently required. Indeed, only a very small proportion of all jobless youngsters are currently being assisted by any Federal work or training project. The persistence of unemployment rates for all youngsters in the 17-percent range and for black youth at a level twice as high should be sufficient proof that we must do more and that we must do it quickly.

The Youth Employment Act of 1981 seeks to insure, through a variety of mechanisms, full utilization of all public and private employment and training programs.

The bill will move the Nation toward full employment for all persons in the 16 to 24 age bracket by creating within the Department of Labor a national Youth Full Employment Board. This body will work with the Secretary of Labor and prime sponsor planning councils to achieve a significant reduction in the employment differential among various population groups and to place larger numbers of currently jobless young people in productive work positions.

The legislation stipulates that within 1 year of its enactment the overall joblessness rate for all American youngsters must not exceed 10 percent. Likewise, the bill requires a further reduction to an unemployment rate of 3 percent within 2 years of its passage and to genuine full employment by the third year. Jobs must, at the end of this period, be supplied within a reasonable period to all young people who are able and willing to work, the legislation states.

These objectives will be accomplished through the provision of financial assistance to the States, localities, private and nonprofit organizations, and the Youth Job Guarantee Office which is also established under the legislation. The funds will be used for job training and job placement in public service and private employment projects.

The Youth Job Guarantee Office, to be situated within the Department of Labor and in every participating locality, will direct the placement and eligible individuals in job slots. Any youngster facing "special handicaps"—for example, discrimination based on race, sex, physical handicap, or other factor—shall be given special consideration for placement in training or work.

A carefully delineated process for actual placement is also proposed under the legislation. Eligible individuals will be referred first to private and public employment placement units, then to jobs in public service or private employment projects, and finally, if a job is unavailable in either of these sectors, to a position that will be created under the legislation.

I believe, Mr. Speaker, that this legislation will move our Nation toward the eradication of unemployment among young people. The bill devises an effective and cost-efficient strategy for securing our economic future. There are few goals of greater importance to our Nation, and I hope that this Congress will begin to lead the country toward that reality.

The second piece of legislation would expand the targeted tax credit for job hiring. As currently constituted, the tax credit provides $3,000 in first-year savings to employers who hire an individual who fits into one of seven categories. My legislation expands one of these categories to include economically disadvantaged young persons, age 16 to 18, who are attending school. According to the most recently available Department of Labor statistics, some 1.7 million youngsters may potentially qualify for tax-credited hiring.

The legislation also amends the Comprehensive Employment and Training Act to allow certification and referral of youngsters to jobs under this program. The bill would encourage hundreds of thousands of young people to remain in school by enabling them simultaneously to complete their educations and to enhance family income.

Taken together, these two bills will successfully address the awesome and debilitating problem of youth unemployment. I strongly urge all my colleagues to join me in sponsoring this legislation and in working toward a full employment future for our Nation.

The following is a section-by-section analysis of the Youth Employment Act of 1981:

The first section is a statement of the purpose of the act: to establish a program of full employment, vocational training and employment placement for all young Americans willing and able to work. The second section states that although the rate of youth unemployment is excessively high, the efforts in this area have been insufficient. Members of a newly established National Youth Full Employment Board in the Department of Labor will work with the Secretary of Labor and prime sponsor planning councils towards two major objectives. These objectives are to reduce the differentials in employment rates among various population segments, and the rate of unemployment for all youths. Within one year of enactment, the unemployment rate must be at 10%, at 3% within two years, and within three years, jobs must be supplied for all youths who want to work within a reasonable period.

These objectives will be accomplished by the provision of financial assistance to states, localities, private and non-private organizations and the youth job guarantee office, which is established in the following section. The funds will be used for training, and placement in public service and private employment projects. The youth job guarantee office established in the Department of Labor, and every locality under section four, will ensure that eligible individuals will be placed in a job. Section five provides that any person who may face "special obstacles", for example discrimination based on sex or race, physical handicap and so on, will be given special consideration. This section establishes certain financial and auditing procedures. Under this section, eligible individuals will be referred first to private and public employment placement facilities, then to jobs on public service and private employment projects, and finally, if no job is found then placement will be made under this act.

Section 6 is a Davis-Bacon provision. Section 7 provides that none can be excluded because of discrimination; section 8 is the enforcement clause. Section 9 is an authorization of such sums as needed for fiscal years, 1982, 1983, 1984. Section 10 states that the CETA prime sponsor planning council shall place projects for assistance which provide public service and private employment. Section 11 defines the terms used in this Act.

H.R. 931

A bill to amend the Internal Revenue Code of 1954 and the Comprehensive Employment and Training Act to provide for the eligibility of certain in-school youth for, and for the certification and referral of such youth to, jobs under the targeted jobs tax credit program

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Section 51(d)(3) of the Internal Revenue Code of 1954 (relating to the amount of credit for employment of certain new employees) is amended to read as follows:

"(3) ECONOMICALLY DISADVANTAGED YOUTH.—

"(A) IN GENERAL.—The term 'economically disadvantaged youth' means any individual—

"(i) who is certified by the designated local agency as—

"(I) meeting the age requirements of subparagraph (B), and

"(II) being a member of an economically disadvantaged family (as determined under paragraph (9)); or

"(ii) who is certified by a prime sponsor under section 113 of the Comprehensive Employment and Training Act as—

"(I) meeting the age requirements of subparagraph (C),

"(II) being in regular attendance at a public or private elementary or secondary school, and

"(III) being a member of an economically disadvantaged family (as determined under paragraph (9)).

"(B) GENERAL AGE REQUIREMENTS.—An individual meets the requirements of this subparagraph if such individual has attained age 18 but not age 25 on the hiring date.

"(C) IN-SCHOOL YOUTH AGE REQUIREMENTS.—An individual meets the requirements of this subparagraph if such individual has attained age 16 but not age 19 on the hiring date.".

(b) The amendment made by subsection (a) of this section shall apply to amounts paid or incurred after September 30, 1981, in taxable years ending after such date with respect to individuals who are first hired after such date.

SEC. 2. (a) Section 103(a) of the Comprehensive Employment and Training Act is amended—

(1) by redesignating paragraphs (20) and (21) as paragraphs (21) and (22), respectively; and

(2) by inserting after paragraph (19) the following new paragraph:

"(20) include a description of the arrangements entered into under section 113 for the certification of in-school youth for jobs under the targeted jobs tax credit provisions of section 51 of the Internal Revenue Code of 1954;".

(b)(1) Part A of title I of the Comprehensive Employment and Training Act is amended by adding after section 112 the following new section:

"CERTIFICATION OF IN-SCHOOL YOUTH

"SEC. 113. (a) Each prime sponsor, upon the application of any individual who meets the requirement of section 51(b)(3)(A)(ii) of the Internal Revenue Code of 1954, shall provide to such individual certification of such eligibility and shall refer such individual to employers who have notified the prime sponsor of their willingness to participate in programs of employment which would qualify such employer for tax credits pursuant to the provisions of section 44B of such Code. Any such certification shall be withdrawn, and the employer so notified, upon receipt by the prime sponsor of notice under subsection (b) that such individual has failed to continue to be enrolled in and to regularly attend the classes conducted by a public or private elementary or secondary school.

"(b) Each prime sponsor shall enter into arrangements with public and private elementary and secondary schools in the area served by that prime sponsor (or with the local educational agencies administering such schools) under which the prime sponsor will be notified of the failure of any youth who has been certified under subsection (a) to continue to be enrolled in and to regularly attend the classes conducted by such school.".

(2) The table of contents of the Comprehensive Employment and Training Act is amended by inserting immediately after the item pertaining to section 112 the following new item:

"Sec. 113. Certification of in-school youth.".

(c) The amendments made by this section shall be effective October 1, 1981.

H.R. 924

A bill to establish a program of full employment, vocational training, and employment placement for all young Americans willing and able to work, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Youth Employment Act of 1981".

SEC. 2. The Congress finds that—

(1) the national rate of unemployment among youths is excessively high;

(2) the number of youths who have ceased to seek employment because of insufficient job opportunities is unprecedented; and

(3) employment problems faced by youth have not been adequately addressed by the Federal Government.

SEC. 3. (a) The Secretary shall establish a program to (1) provide financial assistance to States, political subdivisions of the States, and private for profit or nonprofit organizations established under section 109 of the Comprehensive Employment and Training Act, through the Youth Job Guarantee Office established under section 4 of this Act, in each labor market area of the country, for programs of training and employment in jobs on public service and private employment projects, for eligible individuals, and (2) provide special assistance to those eligible individuals who apply for such assistance, in accordance with the provisions of this Act.

(b) There is hereby established in the Department of Labor a National Youth Full Employment Board, to be composed of members appointed by the Secretary who shall include a majority of representatives from labor, civil rights, youth, and women's organizations, chosen from among nominees submitted by these organizations, which shall advise the Secretary with respect to the program under subsection (a).

(c) In carrying out the program under subsection (a) in any labor market area, the Secretary shall consult with the Board, and with the prime sponsor's planning councils established under section 109 of the Comprehensive Employment and Training Act which are located located in that labor market area.

(d)(1) The Secretary, in carrying out his functions under this Act shall seek to reduce differentials in employment rates among various population segments.

(2) The Secretary shall carry out his functions under this Act in such a way that, within one year of the date of enactment of this Act, the rate of unemployment among youths aged sixteen to twenty-four, inclusive, in any political subdivision of any State shall not exceed 10 per centum of the total labor force in such subdivision; within two years of the date of enactment of this Act, the rate of unemployment among youths aged sixteen to twenty-four, inclusive, in any political subdivision of any State shall not exceed 3 per centum of the total labor force in such subdivision; and within three years of the date of enactment of this Act, jobs should be supplied for all youths aged sixteen to twenty-four, inclusive, within a reasonable period.

SEC. 4. There is hereby established in the Department of Labor a Youth Job Guarantee Office, to be headed by a Director to be appointed by the Board, through which the Secretary shall carry out the program under section 3(a), in order to ensure that any eligible individual who applies for assistance under this Act shall be placed in useful and rewarding employment in a job on a project assisted under this Act or in other private or public employment. The Secretary shall establish a local office of the Youth Job Guarantee Office in each State.

SEC. 5. (a) In carrying out the program under section 3(a) through the Youth Job Guarantee Office, the Secretary shall, under regulations established by the Secretary—

(1) insure that among projects planned adequate consideration is given to such individuals and groups as may face special obstacles (as defined in section 11(6) of this Act) in finding and holding useful and rewarding employment and shall provide or have provided through the coordination of existing programs special assistance, including counseling, training, and, where necessary, transportation and migration assistance;

(2) enter into agreements with any agency or organization described in section 3(a) for public service and private employment projects to be administered by such agency or organization, and such agreements shall provide for assurances that (A) an annual independent audit of the project will be submitted to the Secretary, through the Youth Job Guarantee Office, (B) books and records of such agency or organization relating to the project shall be available for reasonable review by the Secretary through such Office, (C) no eligible individual employed or applying for employment on the project shall be discriminated against because of that individual's sex, race, color, religion, national origin, political affiliation, or belief, (D) applicable provisions of chapter 15 (relating to political activity of certain State and local employees) of title 5, United States Code, will be met, (E) an annual report describing and evaluating in detail the project will be submitted to the Secretary through such Office, and (F) the provisions of section 6 will be complied with;

(3) in the case of any application from any State or any political subdivision of a State to enter into an agreement under paragraph (2), require that the application contain—

(A) assurances that such fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, funds received under this Act,

(B) assurances that any woman employee on such a project shall be entitled to a maternity benefit of not less than six-months' leave without loss of pay or other employment benefits, and

(C) such other information as the Secretary deems necessary,

and approve any such applications which meets the requirements of subparagraphs (A) through (C);

(4) refer any eligible individual who applies in person for assistance under this Act, as appropriate (A) to private and public employment placement facilities, (B) for placement in jobs on public service and private employment projects conducted under any other Act and assisted under section 3 of this Act, or (C) in the event that, after attempting placement under clauses (A) and (B) for a period of five days after the date of the individual's application for assistance, there is not a high probability that successful placement for the individual will occur, then placement will be made in a program under section 3; and

(5) in cases where the Secretary, through the Youth Job Guarantee Office, determines on the basis of evidence obtained with respect to any otherwise eligible individual, that the individual is not in fact able or willing to work (and no such determination shall be based upon an individual's failure to work under any circumstances where such failure results from an unlawful employment practice prohibited by section 703 of the Civil Rights Act of 1964), declare that individual to be ineligible for assistance under this Act, and provide for appropriate administrative appeal procedures to review such determination if any appeal is sought within thirty days thereafter, which shall include procedures for the enrollment of that individual in the Job Corps, as provided in paragraph (3)(B), while such appeal or any judicial review of such determination is pending.

(b)(1) Any agreement entered into under subsection (a)(2) shall provide for reimbursement by the Secretary of the additional cost to the agency or organization described in section 3(a) of the public service or private employment project administered by such agency or organization.

(2) Any individual referred to a program under this Act shall be deemed to meet the eligibility requirements for such program.

SEC. 6. (a) All laborers and mechanics employed by contractors or subcontractors in any construction, alteration, or repair (including painting and decorating) on projects which are assisted under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary in accordance with the Davis-Bacon Act (40 U.S.C. 276-276a-5), or those of trade union standards, whichever is higher. The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934 (40 U.S.C. 276(c); 48 Stat. 948).

(b) The Secretary, through the Youth Job Guarantee Office, shall not enter into an agreement under section 5 unless the Secretary, through such Office, determines that—

(1) prevailing or trade union standards, whichever is higher, for the health, safety, and other conditions applicable to the performance of work and training on the project to be assisted are established and will be maintained;

(2) appropriate workmen's compensation protection will be provided for employees on this project;

(3) the project will not result in the displacement of employed workers or impair existing contracts for services or result in the substitution of Federal for other funds in connection with work that would otherwise be performed;

(4) no employee shall be paid less than the prevailing or union wage, whichever is higher, in effect in the area; and

(5) all employees shall receive compensation (A) that bears a positive relationship to their qualifications, experience, and training, and (B) that will effectively encourage them (from an economic standpoint) to advance to other employment.

SEC. 7. No person shall, on the ground of race, color, religion, age, sex, national origin, political affiliation or belief, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving financial assistance under this Act.

SEC. 8. The district courts of the United States shall have jurisdiction over any action brought seeking relief, including injunctive, declaratory, and other appropriate forms of relief as well as damages, by any person or by any class of persons deprived of rights created by or under this Act, which rights shall include, but not be limited to the right to useful paid employment at the rate of compensation provided by this Act, and any person or class of persons who has been so deprived by the United States shall be entitled in an action brought against the United States to recover damages, together with costs and reasonable attorney's fees.

SEC. 9. There are authorized to be appropriated for each of fiscal years 1982, 1983, and 1984, such sums as may be necessary to carry out the provisions of this Act.

SEC. 10. Section 109 of the Comprehensive Employment and Training Act is amended by adding at the end thereof the following new subsection:

"(g) In addition to its functions and responsibilities under subsection (a), each planning council shall—

"(1) identify local needs for additional youth employment opportunities, and, under guidelines established by the Secretary under the provisions of the Youth Employment Act of 1981, shall select and plan projects for assistance under such Act which shall provide public service and private employment (as such term is defined in section 11(2) of such Act) for young Americans; and

"(2) under standards, criteria, and guidelines established by the Secretary under the Youth Employment Act of 1981, monitor and evaluate projects assisted under such Act.".

SEC. 11. For purposes of this Act—

(1) the term "Secretary" means the Secretary of Labor;

(2) the term "public service and private employment", when used with respect to a project, means any project providing new or expanded goods or services to the public, which reflects the needs and desires of the local community served by the project, and may include any project providing social services, community health services, day care facilities, legal aid, public transportation, housing, recreation, cultural activities, sanitation, and environmental improvements;

(3) the term "Board" means the National Youth Full Employment Board established under section 3(b);

(4) the term "eligible individual" means any individual aged sixteen to twenty-four, inclusive, who is able and willing to work but who is not employed and who is unable to obtain employment other than by assistance under this Act;

(5) the term "able and willing to work", when used with respect to an individual, means any individual who, by application in person at a Youth Job Guarantee Office established under section 4, or at any regional office thereof, seeks assistance under this Act in obtaining a job, regardless of any visual, motor, or hearing impairment, mental retardation, or other handicap;

(6) the term "special obstacle", when used with respect to an eligible individual's efforts to find or hold useful and rewarding employment, includes past or present discrimination of bias on the basis of sex, color, religion, or national origin, physical or mental handicap, past or present receipt of public assistance, residence in a depressed urban or rural geographical area, past or present status as a member of the Armed Forces of the United States, unemployment resulting from relocation, closing, or reduced operations of industrial or military facilities, and such other special obstacles as the President or the Congress may from time to time designate for such purpose;

(7) the term "political subdivision" means any city, county, town, parish, village, or other general purpose political subdivision of a State; and

(8) the term "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and Trust Territory of the Pacific Islands.●

AGE DISCRIMINATION IN EMPLOYMENT ACT AMENDMENTS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, I am reintroducing with my colleague from California, Mr. WAXMAN, two amendments today to the Age Discrimination in Employment Act. I believe that this legislation is necessary to clarify ambiguities left by the 1978 amendments—Public Law 95-256—and a Supreme Court interpretation that runs contrary to congressional intent.

The first amendment, to section 15 would insure that Federal employees who are covered by the act have the same right to a jury trial as nonfederal employees. While it was never our intent to exclude Government workers in the 1978 amendments. Federal defendants have argued that Congress withheld this right. Although no Federal employee has, as of now, been denied a jury trial, I believe that the intent of the act must be clarified to preclude such a possibility.

The second amendment permits individual complainants to bypass State remedies and file directly in Federal court. The Supreme Court ruled 2 years ago in Oscar Mayer & Co. against Evans that in States where such remedies are available, resort to them is mandatory and not optional. Now after an individual files charges with a State agency, a 60-day waiting

period must be observed before Federal action can be commenced.

At the very least, complainants will be delayed 60 days. And there is of course the possibility that plaintiffs who are unfamiliar with this requirement could jeopardize their entire suit. I believe that complainants should not have to defer their Federal action in favor of State procedures unless they voluntarily choose to do so. Such a process is contrary to the purpose of the act which provides that disputes be rapidly adjudicated. By restating our intent more clearly we can insure that older workers will at least have their complaints heard on the merits quickly and not sidetracked or dismissed on procedural technicality.

Mr. Speaker, I believe that these amendments will successfully address any ambiguities in the 1978 amendments which are a result of drafting language, rather than congressional intent, I hope that our colleagues will join Mr. WAXMAN and me in support of this legislation.

A copy of the bill is printed below:

H.R. 935

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 14(b) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 633(b)) is amended by striking out "no suit may be" and all that follows through "*Provided,* That such" and inserting in lieu thereof the following: "any person who desires to bring a suit under section 7 of this Act may bring such suit without regard to whether any proceedings have been commenced by or on behalf of such person under the State law. If such person commences any proceeding under the State law before bringing a suit under section 7 of this Act, then such person may not bring any such suit under section 7 of this Act before the end of the period of sixty days following the commencement of proceedings under the State law, unless such proceedings have been earlier terminated. Such".

SEC. 2. Section 15(c) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 633a(c)) is amended by adding at the end thereof the following new sentence: "The provisions of section 7(c)(2) of this Act shall apply in the case of any action brought under this subsection.".●

WORKING TOWARD A BALANCED BUDGET

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. BEARD. Mr. Speaker, today I am reintroducing a joint resolution calling for a constitutional amendment that would require a two-thirds vote of each House of the Congress to pass a budget resolution which calls for deficit spending.

In the last 51 years, the Federal budget has been in deficit 42 times. The total amount of this deficit is a staggering $684.1 billion. This half-century of fiscal irresponsibility by the Federal Government is directly responsible for the serious trouble our economy is now experiencing. For the last decade we have suffered chronic inflation which is now running at double-digit rates. Attempts to cure this inflation by forcing recession have succeeded only in spreading the misery of unemployment along with the persistent inflation.

Currently, the Federal Reserve is allowing the prime interest rate to skyrocket by holding down the money supply. The interest rates leap upward because the Federal Government invades the credit markets to borrow to pay for its deficit. Whatever credit is left to private sector borrowers is priced high through the rise in interest rates.

Calls for the Federal Reserve to simply roll back interest rates are simplistic and miss the mark of finding a real and permanent solution. The only real and permanent solution to chronic inflation and wildly fluctuating interest rates is for the Federal Government to end its half-century record of constant overspending. A balanced budget must become a reality, not an ideal which is invoked only at election time.

There have been various proposals to effect an end to perpetual deficit spending. It should be clear by now that merely depending on Congress to show voluntary restraint—regardless of which party controls—is useless. The new budgetary process which was hailed only a few years ago as the solution has yet to achieve a single balanced budget.

I do not wish to drop this budgetary process. I do want to require—through the Constitution—that if this budget process is not going to result in a balanced budget, then two-thirds of both Houses must agree.

I believe that this approach is more workable than an amendment simply mandating a balanced budget or holding spending to a certain percentage of the gross national product. My amendment allows for deficit spending whenever there is a clear consensus that it is needed, such as during wartime. Nor does it require the difficult and controversial process of determining just what the GNP was and for what time period. My amendment would simply require that whenever the Congress takes the economically dangerous step of spending in deficit, it does so only as the result of broad consensus, not a mere 50 percent plus one majority. This approach admittedly will not guarantee a balanced budget, but it will create the constitutional framework within which a balanced budget will be far more likely to be achieved, not just this year, but every year. Yet, it also leaves the Congress the flexibility to meet emergency situations as they occur.●

KREMLIN STEPS UP ITS 4-YEAR ASSAULT ON BALTIC DISSIDENTS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. DERWINSKI. Mr. Speaker, 40 years ago on June 14, 1940, the Soviet Union began to execute its policy of expansionism in the Baltic States of Estonia, Latvia, and Lithuania; and today, these small nations remain under the iron-fisted control of Soviet totalitarianism. Continued political repression shown in the arrest, trial, jailing, and often forced exile or emigration for those dissidents advocating freedom of human rights, religion, and speech remains a reminder of the true attitude of the Soviet Union toward Baltic nationalism.

An article which appeared in the January 5, Christian Science Monitor, by David K. Willis, provides a first-hand look at the treatment of those dissidents who are advocating their basic human rights. This article follows:

NEWEST TRIAL OPENS TODAY; ONE CHARGE: "PREFABRICATED LIES"

Moscow.—Moving faster than expected, the Kremlin has intensified its drive against sensitive Baltic nationalism by putting on trial two well-known dissidents in the Republic of Estonia.

The trials, set to open Jan. 5 in the Estonian capital of Tallinn, continue a four-year assault by Soviet authorities on all kinds of dissent in this country—an assault that has resulted in the arrest, trial, jailing, internal exile, or forced emigration of more than 450 dissidents of all kinds, whether advocating human rights or nationalism or religion.

The crackdown represents the Kremlin's answer to the hopes raised by the Helsinki Final Act of August 1975. The act provided a platform for dissident activity. Today, dissidence continues, but both individual dissidents and their spokesmen have been dealt heavy blows.

On trial now are biologist and language teacher Mart Niklus, who capped two decades of dissident protest by signing a "Baltic appeal" for independence from Moscow in August 1979, and scientist Juri Kukk, who was a member of the Communist Party for 12 years but resigned after comparing Soviet life with conditions in France, where he spent a year in the mid-1970s.

Mr. Niklus' parents (he is unmarried), Mr. Kukk's wife, and others in Tallinn and the university city of Tartu, where both men live, had expected trials to come in about a month from now.

They are surprised at the speed with which they are being held. The two men are being tried together, this newspaper has been told, but on different charges. Both are weak from prolonged hunger strikes.

Mr. Niklus faces up to 10 years in camps under Article 68 of the Estonian penal code,

which prohibits spreading anti-Soviet propaganda. He was arrested March 19, 1980, in Tartu, after being fired from a job teaching English, French, and German at the Evening School of Foreign Languages here.

Mr. Kukk, arrested last March 13 in Tartu under Article 194, Section 1, of the code, faces three years in camps for spreading "prefabricated lies." He and his wife, Silvi, have a son aged 12 and a daughter aged 8.

Sources say verdicts of guilty are inevitable.

Niklus has been fighting the authorities since he graduated from the university of Tartu in 1957. The following year he sent abroad 15 photographs of Estonian slums, and was sentenced to 10 years in camps. He was released after eight.

In 1976 he tore up his Soviet passport after more harassment and was arrested again. He started a hunger strike and was mysteriously released after 56 days.

Harassment began again after he and 44 other Baltic dissidents signed the "Baltic appeal" in August 1979, the 40th anniversary of the Molotov-Ribbentrop pact that opened the way for Soviet troops to march into Estonia, Lithuania, and Latvia.

Baltic independence from Moscow is simply not possible in the foreseeable future, but yearning for it smolders on, especially in Estonia and Lithuania. Signers of the "appeal" have been systematically harassed: Mr. Niklus lost his job, two others were also fired, and others questioned.

The authorities were also angry at Niklus and Kukk for releasing to this newspaper in January 1980 an open letter to Soviet leader Leonid Brezhnev and UN Secretary-General Kurt Waldheim condemning the Soviet invasion of Afghanistan. The two men also asked the International Olympic Committee to move the 1980 Moscow Olympics to another country.

Several hundred students staged a public demonstration on Christmas Eve 1979 in Tartu, singing patriotic songs. In October 1980 encouraged by strikes in neighboring Gdansk in Poland in August, about 1,000 Estonian workers in a tractor factory in Tartu struck for two days.

Also in October, 2,000 students demonstrated in Tallinn, waving the Estonian national flag (now banned) and calling for Soviet troops to leave Estonia. The students were upset, in part, at official refusal to allow a local pop group, Propeller, to sing at half time at a soccer match because of a dispute over some of the lyrics.

After several more demonstrations, Estonian parents were lectured in schools to discipline their children properly.

Mr. Kukk was first arrested in late January 1980 after talking to this correspondent in a car on Moscow's main ring road. He was held for three days and escorted by police back to Tartu.

A mild-mannered, gentle chemist, he told me he was astonished at the official campaign against him after he resigned from the Communist Party in 1978.

"I thought I could just concentrate on my work at Tartu university," he said before his arrest. "Instead, my wife was told I would have to undergo psychiatric treatment. I lost my job. I was detained in Moscow—and I really began to see how the KGB operates. I really hadn't known anything about the KGB before. Now I do."

Since his arrest, Kukk has been in psychiatric institutions in Tallinn and Moscow, but sources say doctors were unable to prove he was mentally disturbed.

Meanwhile, the Kremlin campaign against other dissidents in the Soviet Union has continued recently, with several trials and jail sentences.●

STATEMENT ON PRIVACY OF TELEPHONE RECORDS LEGISLATION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1980

● Mr. WEISS. Mr. Speaker, in recent months there have been a number of reports that the Department of Justice has subpenaed the telephone toll records of newspaper reporters without the knowledge or consent of the reporters. In no case did it appear that the reporters or the newspapers were suspected of any crime. Even Justice Department officials involved in the subpenas called the Department's actions a misjudgment, in violation of the spirit of Department regulations, and something that the Department absolutely ought not to do.

After revelation of this activity, the Department changed its regulations to provide some protection for the news media from compulsory process for its telephone toll records. While these regulations represent a first step in the protection of telephone toll records, they do not and cannot go far enough to protect the privacy of this increasingly sensitive category of records. The regulations offer only a modicum of protection for the privacy of reporters and offer no protection for the privacy of others. The necessary protection can only come through Federal legislation.

Americans believe that they have a right to conduct their private affairs by telephone without fear of Government surveillance, and we have long recognized the need for protection of the content of telephone conversations. Telephone toll records can provide information about a citizen's social, business, and political contacts that can be just as sensitive in many cases as the content of the conversations. This is more true today than ever before, principally because of the extension of usage-sensitive pricing of telephone services to local as well as long distance service. This requires the recording by the telephone company of the number called along with the date, time, place, and duration of call.

In order to protect telephone toll records from unwarranted intrusion, I am today introducing the Federal Privacy of Telephone Records Act.

The bill restricts disclosure of an individual's telephone toll records by the telephone company. It permits access by Government agents only through use of a subpena or through an ex parte court order. If a subpena is employed to gain access to the records, the Government must notify an individual that it is seeking his records. After he is notified, the individual may go to court and challenge the request for his records.

Where the Government believes that notice to the individuals will harm its investigation, it may apply for a court order similar to the order required to tap a phone. The procedures in the bill for access to toll records, however, are less restrictive than those of the current wiretap statutes. In particular, the showing that the Government must make to obtain an order is one of reasonable cause—a standard less than the probable cause required for a search warrant but more than an allegation, suspicion, or mere belief. At the same time, the bill's requirements for obtaining an order for telephone records are substantially higher than the showing which is required to sustain a subpena or similar form of legal process.

Besides giving an individual the right to challenge a subpena for his records, the bill establishes civil liabilities of its provisions.

Finally, the bill provides strict limitations on the subsequent use and redisclosure of telephone toll records obtained by a Government agency, insuring that the records will not simply become information available for general Government use.

I urge my colleagues to join me in supporting this legislation to protect reporters and other citizens from unnecessary Government encroachments on their privacy.

The bill follows:

H.R. 933

A bill to amend the Privacy Act of 1974 and the Communications Act of 1934 to provide for the protection of telephone records, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Privacy of Telephone Records Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) the right to privacy is a personal and fundamental right protected by the Constitution of the United States;

(2) the records of telecommunications provide independent documentation of communications which, before the advent of the telephone, were considered uniquely private in character;

(3) our current legal system severely restricts access to the contents of telecommunications;

(4) the mere fact of a communication is often as revealing as the content;

(5) increasingly sophisticated telecommunications technologies permit and encourage telecommunications common carriers to keep records of the existence, date, location, time, and even parties to telecommunications; and

(6) the unprotected nature of records of the fact of a telecommunication endangers

the privacy of American citizens and chills the exercise of individual rights.

(b) The purposes of this Act are—

(1) to protect the privacy of telecommunications records from unwarranted disclosure; and

(2) to limit intrusion into personal privacy even where disclosure to government is deemed appropriate.

AMENDMENT TO TITLE 5, UNITED STATES CODE

SEC. 3. Section 552a of title 5, United States Code, is amended by inserting after subsection (q) the following new subsections:

"(r)(1) TELEPHONE RECORDS.—The head of each agency which maintains telephone record information (as defined by section 225(a)(6) of the Communications Act of 1934) shall designate an officer of supervisory rank in the agency to serve as telephone record custodian and shall promulgate regulations as necessary to carry out the provisions of this paragraph and paragraph (2). The telephone record custodian shall—

"(A) take possession of all telephone record information possessed or acquired by the agency;

"(B) be responsible for the use and disclosure of all such information;

"(C) cause the preparation of any copies of the information to the extent required for official use pursuant to the provisions of this paragraph or paragraph (2) and regulations adopted pursuant thereto;

"(D) not disclose any telephone record information except in accordance with paragraph (2);

"(E) upon the completion of—

"(i) the investigation for which telephone record information was acquired by the agency, or

"(ii) a case or proceeding arising from the investigation,

return to the person who produced the record all material which has not passed into the control of a court or grand jury through introduction into the record of a case or proceeding.

When any telephone record information has been produced by a person under this section for use in an investigation, and no case or proceeding arising therefrom has been instituted within a reasonable time after completion of the examination and analysis of all evidence assembled in the course of the investigation, such person shall be entitled, upon written demand made upon the head of the agency, to the return of all telephone record information produced by the person.

"(2) An agency, or any officer or employee thereof, shall not disclose any telephone record information (as defined by section 225(a)(6) of the Communications Act of 1934) to any person or make a copy of any telephone record information except—

"(A) with the written consent of the customer (as defined by section 225(a)(1) of such Act) to whom the telephone record information pertains;

"(B) to an attorney for the United States for the presentation of a case or proceeding before a court or grand jury on behalf of the United States which arose out of the investigation for which the telephone record information was acquired, when the attorney designated to appear on behalf of the United States in the proceeding or case determines that disclosure is required, but upon the conclusion of any such case or proceeding, the attorney shall return to the custodian any telephone record information which has not passed into the record of the case or proceeding; or

(C) at the written direction of the head of the agency, to a Government authority of the United States authorized by statute or Executive order to conduct foreign intelligence or counterintelligence activities solely for the purpose of conducting such activities.".

AMENDMENT TO COMMUNICATIONS ACT OF 1934

SEC. 4. The Communications Act of 1934 is amended by inserting after section 224 the following new section:

"TELEPHONE RECORDS

"SEC. 225. (a) For purposes of this section:

"(1) The term 'customer' means any person or authorized representative of such person who is subscribing or has subscribed to the services of a service provider.

"(2) The term 'Government authority' means any agency, department, bureau, or other authority of the Federal Government, or of any State, commonwealth, territory, or possession, or any political subdivision thereof, or any officer, employee, or agent of any of the foregoing.

"(3) The term 'intercept' means to acquire telephone record information at any time from initiation to completion of a telephone call, telegram, or similar message, through the use of any electronic, mechanical, or other device.

"(4) The term 'service provider' means any common carrier or other person who provides telecommunications transmission services within the territory of the United States, including any operator of a cable television or cable radio system. Such term does not include any person engaging in television or radio broadcasting.

"(5) The term 'telecommunication' means any telephone call or other transmission, emission, or reception of signs, signals, writings, images, and sound or intelligence of any nature by wire, radio, optical, or other electromagnetic systems.

"(6) The term 'telephone record information' means any information, other than the contents of a communication, which makes it possible to determine the existence, date, time, location, or parties involved in any telephone call or in any other telecommunication, including information recorded by means of a pen register or similar device.

"(b)(1) No service provider or its officers, employees, or agents shall disclose telephone record information or grant permission for an intercept of such information, except—

"(A) to a Government authority as provided by subsection (c); or

"(B) pursuant to the specific authorization of the customer identified by the telephone record.

"(2) Nothing in this section prohibits a service provider from disclosing telephone record information to its employees or agents to the extent necessary as a part of its provision of services.

"(3) Nothing in this section prohibits the disclosure of any telephone record information which is not identified with, or identifiable as being derived from, the telephone records of a particular customer.

"(c) A service provider may disclose telephone record information or may permit an intercept of a telecommunication for the purpose of obtaining telephone record information—

"(1) pursuant to the provisions of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.);

"(2) pursuant to a court ordered response to a summons or subpena which was issued under the requirements of subsection (d);

"(3) pursuant to a court order obtained under the provisions of subsection (e) and subsection (f); or

"(4) pursuant to the emergency provisions of subsection (g).

"(d)(1) A supervisory officer of a Government authority designated by regulation by the head of such authority may authorize or seek the issuance of an administrative summons or subpena or a judicial summons or subpena in order to obtain telephone record information from a service provider.

"(2) A customer, to the extent that telephone record information sought under this subsection relates to his subscribed services, shall—

"(A) be served with a copy of any summons or subpena issued pursuant to paragraph (1), or have a copy mailed to his last known address on or before the date on which the summons or subpena is served on the service provider, together with a notice of the customer's right to challenge the summons or subpena, in accordance with subparagraph (C) and subparagraph (D);

"(B) be permitted ten days from the date of service or fourteen days from the date of the mailing to reply to the summons or subpena;

"(C) be permitted to file (without filing fee) a motion to quash or otherwise limit the summons or subpena—

"(i) in the case of a judicial subpena, in the court which issued it;

"(ii) in the case of any other subpena or summons issued by a government authority of State, in a court of competent jurisdiction; or

"(iii) in the case of any other summons or subpena issued by a government authority of the United States, in the United States district court in the district where the customer resides, in the district in which the summons or subpena was issued, or in any other court of competent jurisdiction; and

"(D) be permitted to oppose, or seek to limit, the summons or subpena on any grounds which would otherwise be available if the customer were in possession of the information.

"(3) A court may order disclosure of telephone record information pursuant to a summons or subpena issued under paragraph (1) if—

"(A) a customer fails to initiate a challenge to the summons or subpena within the time limits established by paragraph (2)(B); or

"(B) the court determines, after the customer is afforded an opportunity to challenge the summons or subpena pursuant to paragraph (2), that—

"(i) there are reasonable grounds to believe that the information will be relevant to an investigation of a crime enumerated in subsection (e) or to a case or proceeding arising out of such investigation; and

"(ii) the Government authority has established that it possesses the authority to obtain the information from the custody of the customer.

A court may limit the scope of, or otherwise modify, any summons or subpena it orders to be enforced under subparagraph (B) as it determines would be in the interest of justice. In any order issued under this subsection the court shall cite this subsection as authority for the order.

"(e)(1) The Attorney General, an Assistant Attorney General, or a designated attorney who is an officer of the Department of Justice specifically authorized by regulation, may authorize an application to a

United States district court of competent jurisdiction for an order to acquire telephone record information from a service provider or to intercept telephone record information when such acquisition or interception may provide evidence of a criminal offense under a Federal law which constitutes a felony.

"(2) The Attorney General or chief criminal prosecutor of a State may authorize an application to a State court of competent jurisdiction for an order to acquire telephone record information from a service provider or to intercept telephone record information when the acquisition or interception may provide evidence of a criminal offense which involves murder, kidnaping, robbery, extortion, forgery, bribery, embezzlement, fraud, racketeering, a violation of this subsection, or any other crime which threatens serious physical injury to an individual or will result in serious damage to property and is punishable by imprisonment for more than one year.

"(3) Each application pursuant to paragraph (1) and paragraph (2) shall be made in writing upon oath or affirmation to a court of competent jurisdiction. Each application shall include the following information—

"(A) the identity of the investigative or law enforcement officer making, and the officer authorizing, the application;

"(B) a full statement of the facts and circumstances relied upon by the applicant to justify his belief that an order should be issued, including—

"(i) a reasonable description of the nature and location of the facilities from which, or the place where, the telephone record information is to be intercepted or of the service provider from whom the information will be obtained; and

"(ii) the identity of the person, if known, committing the offense with respect to which telephone record information is to be intercepted or records are to be acquired;

"(C) a reasonable description of what other investigative procedures have been tried and failed, or why other investigative procedures reasonably appear to be unlikely to succeed if tried;

"(D) a statement of the period of time for which an interception is likely to be required to be maintained and, if the nature of the investigation is such that the authorization for interception should not automatically terminate when the described telephone record information has been first obtained, a particular description of facts establishing reasonable cause to believe that additional telephone record information of the same type will occur thereafter;

"(E) to the extent known, a full statement concerning all previous applications for authorization to intercept, or for approval of interceptions begun under the emergency provisions of subsection (g), telephone record information involving any of the same persons specified in the application; and

"(F) where the application is for the extension of an order authorizing or approving interception, a statement setting forth the results thus far obtained from the interception, or a reasonable explanation of the failure to obtain such results

The court hearing the application involved may require the applicant to furnish additional evidence in support of an application.

"(f)(1) Upon application pursuant to subsection (e), the court may enter an ex parte order, as requested or as modified, authorizing or approving interception or acquisition of telephone record information within the jurisdiction of the court, if it determines on the basis of the facts submitted by the applicant that—

"(A) there is reasonable cause to believe that an individual is committing, has committed, or is about to commit an offense enumerated in subsection (e)(1) or subsection (e)(2);

"(B) there is reasonable cause to believe that information or evidence obtained through interception or acquistion of telephone record information identified with the individual will be relevant to the offense identified pursuant to subsection (e)(3)(B); and

"(C) alternative investigative procedures to obtain the same information or evidence have been tried and failed or reasonably appear to be unlikely to succeed if tried and the information sought is not reasonably available elsewhere.

"(2) Each order authorizing or approving the interception of any telephone record information or the acquisition of any telephone record information from a service provider shall specify—

"(A) the identity of the customer, if known, whose telephone record information is to be intercepted, or the identity of the customer whose telephone record information is to be acquired from a service provider;

"(B) the nature and location of the facilities as to which, or the place where, authority to intercept or to acquire records is granted;

"(C) a statement of the offense to which they relate;

"(D) the identity of the agency authorized to intercept or to acquire the telephone record information from the service provider; and

"(E) the period of time during which interception is authorized, including a statement as to whether or not the interception shall automatically terminate when the described telephone record information has been first obtained.

"(3) No order may authorize or approve the interception of any telephone record information for any period longer than is necessary to achieve the objective of the authorization, nor in any event longer than thirty days.

"(4) Extensions of an order authorizing interceptions may be granted, but only upon application for an extension made in accordance with subsection (e)(3) and with the court making the findings required by this subsection. The period of extension shall be no longer than the authorizing judge deems necessary to achieve the purposes for which it was granted and in no event for longer than thirty days.

"(5) Every order authorizing interception and extension shall contain a provision that the authorization to intercept shall be executed as soon as practicable, shall be conducted in such a way as to minimize the interception of telephone record information not subject to interception under the order or extension, and shall terminate upon attainment of the authorized objective, or in any event in thirty days.

"(6) Whenever an order authorizing interception for a period in excess of forty-eight hours is entered, the order may require reports to be made to the court which issued the order showing what progress has been made toward achievement of the authorized objective and the need for continued interception. Such reports shall be made at such reasonable intervals as the court may require.

"(7) Applications made and orders granted under this section shall be sealed by the court. Custody of the applications and orders shall be wherever the court directs. The applications and orders shall be disclosed only upon a showing of good cause before a court of competent jurisdiction and shall not be destroyed except on order of the issuing or denying court, and in any event shall be kept for ten years.

"(g)(1) Notwithstanding any other provision of this section, any investigative or law enforcement officer, specially designated in regulation by the Attorney General or by the principal prosecuting attorney of any State and acting pursuant to a statute of such State, who reasonably determines that—

"(A) an emergency situation exists with respect to criminal activities threatening to life which requires that telephone record information be intercepted or acquired before an order authorizing such interception or acquisition can with due diligence be obtained; and

"(B) there are grounds upon which an order could be entered to authorize the interception or acquisition; may intercept or acquire the telephone record information.

"(2) An application for an order approving an interception or acquisition pursuant to paragraph (1) shall be made in accordance with this subsection within forty-eight hours after the acquisition or after the interception occurs, or begins to occur. In the absence of an order, an interception shall immediately terminate when the information sought is obtained or when the application for the order is denied, whichever is earlier. In the event the application for the order is not approved, an inventory shall be served on the person named in the application as provided for in subsection (h).

"(3) Notwithstanding any other provision of this section, a special agent of the Secret Service may, for the purpose of carrying out the protective functions of the Secret Service under section 3056 of title 18, United States Code (relating to Secret Service functions), under section 202 of title 3 of such Code (relating to the Executive Protective Service), or under the Act of June 6, 1968 (18 U.S.C. 3056, note; 82 Stat. 170; relating to Secret Service protection of Presidential candidates), acquire or intercept telephone record information, except that—

"(A) the Director of the Secret Service shall authorize the acquisition or interception after determining that there is reason to believe that acquisition or interception is necessary in order to carry out the protective functions of the Secret Service;

"(B) an interception shall immediately terminate when the needed information is obtained;

"(C) the officer authorizing the acquisition or interception shall certify in writing within forty-eight hours to a United States district court of competent jurisdiction that—

"(i) acquisition or interception of the telephone record information of a designated customer occurred or is occurring; and

"(ii) there was reason to believe that acquisition or interception was necessary in order to carry out the protective functions of the Secret Service; and

"(D) if, after receiving the certification required by subparagraph (C), the court finds that the requirements of subparagraph (A) and subparagraph (B) were not met, the court shall order termination of the acquisition or interception, if not yet terminated, and an inventory shall be served on the cus-

tomer whose telephone record information was acquired or intercepted as provided for in subsection (h).

"(h)(1) Within a reasonable time, but not later than one hundred and twenty days, after the denial of an application for an order under subsection (f) or the termination of the period of an order or an extension thereof, the issuing or denying court shall cause to be served on the persons named in the order or the application, and such other parties to intercepted or acquired telephone record information as the court may determine in its discretion are in the interest of justice, an inventory which shall include notice of—

"(A) the fact of the entry of the order or the application;

"(B) the date of the entry, or the denial, of the application;

"(C) the period of authorized, approved, or disapproved interception, if telephone record information was intercepted; and

"(D) the fact that during such period telephone record information was or was not intercepted.

"(2) The court may in its discretion make available to the customer whose telephone record information was intercepted or acquired or his counsel for inspection portions of the telephone record information, the application, and the order.

"(3) Upon request by the applicant for an order, the court may grant a delay in service of the inventory or an other notification pursuant to paragraph (1), which delay shall not exceed one hundred and eighty days following the conclusion of the interception, if the court finds, upon the showing of the applicant, that there is reasonable cause to believe that service of the inventory would—

"(A) endanger the life or physical safety of any person;

"(B) result in flight from persecution;

"(C) result in destruction of, or tampering with, evidence; or

"(D) result in intimidation of potential witnesses.

If the court so finds, it shall enter an ex parte order granting the requested delay. Additional delays of not more than ninety days may be granted by the court upon application, but only in accordance with this paragraph. Upon expiration of the period of delay, the inventory shall be served immediately.

"(i) Any violation of the provisions of subsection (d), (e), (f), (g), or (h) may be punished as contempt of the court issuing or denying an order.

"(j) Whoever, other than a party to the telecommunication identified by telephone record information, in violation of this subsection intentionally discloses telephone record information or intercepts telephone record information shall be fined not more than $100,000 or imprisoned not more than five years, or both.

"(k)(1) A person aggrieved by a violation of this section in respect to telephone record information which identifies a telecommunication to which he was a party may maintain a civil action for actual damages and for equitable relief against—

"(A) the United States, an authority of a State which has waived its sovereign immunity under the Constitution to a claim for damages resulting from a violation of this section, or any other governmental unit, each of which shall be liable for violations of this section by their officers or employees while the officers or employees are acting within the scope of their office or employment; and

"(B) an officer or employee of a State who has violated this section, if the State has not waived its sovereign immunity as provided in subparagraph (A), or an officer or employee of the United States, a State, or any other governmental unit who has violated this section while acting outside the scope of his office or employment; and

"(C) any other violator.

The district courts of the United States shall have jurisdiction in the matters under the provisions of this subsection.

"(2) Any person entitled to recovery under this subsection shall receive not less than $10,000.

"(3) In any suit brought under this subsection in which the complainant has substantially prevailed, the court may, in addition to any actual damages or equitable relief, award such punitive damages as may be warranted and may assess against the defendant reasonable attorney fees and other costs of litigation reasonably incurred.

"(l) Whenever telephone record information has been disclosed, intercepted, or acquired in violation of this section, no part of such information and no evidence derived therefrom may be received in evidence in any trial, hearing, or other proceeding in or before any court, grand jury, department, officer, agency, regulatory body, legislative committee, or other authority of the United States, a State, or a political subdivision thereof, except to the extent that the telephone record information is used in the prosecution of a violation of this section or as evidence to impeach perjured testimony.

"(m) A good faith reliance on a court order issued pursuant to subsection (d) or subsection (f), or on the provisions of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.), where applicable, or on the provisions of subsection (g), shall constitute a complete defense to any civil action for damages brought under this section.".●

BUDGET AMENDMENTS OF 1981

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, I am today reintroducing legislation to require distinctions in the Federal budget between capital outlays and financing on one hand and current operational expenditures and revenues on the other.

When a business, a city, a State, or practically any other enterprise computes its profit or loss or its surplus or deficit for a given year, it does so by deducting expenses from revenues. Separate and distinct consideration is given to any long-term expenditure for capital needs it may have as compared with current operating expenses. Such a two-part budget is a much more accurate, rational, and useful portrayal of actual financial status than is the combined budget currently employed by the Federal Government. By balancing current operating income with expenses and by comparing long-term capital outlays with long-term financing, a much clearer and concise budgetary picture emerges.

It is, for example, most instructive to note that more than one-fifth of the fiscal 1982 Federal budget—$161.5 billion—represents capital investments. The remaining $576 billion in the fiscal 1982 budget represents operating expenditures and should, under standard and universally accepted accounting methods, be measured against the $711.8 billion in revenues for fiscal 1982. A $135 billion operating budget surplus results when this computation is used.

Were the Federal Government to employ the budget methodology used by almost every other financial entity, it would be clear to the public that there is, in fact, no operational budget deficit whatsoever.

The $27.5 billion deficit shown in the fiscal 1982 Federal budget is in reality the difference between capital outlays and the operational surplus. The Federal budget deficit, which we have all heard so much about, actually finances capital items exclusively. And these capital commitments in turn represent sound investments in America's future—investments that will yield benefits in the years to come.

Borrowing to finance capital outlays—which is what, in effect, the deficit represents—is universally considered sound business practice. Borrowing to meet operational needs is not.

In proposing a capital-operational breakdown in the Federal budget, I am not suggesting that the Government need not exercise sound fiscal planning, nor am I arguing that this kind of budgeting be used as an excuse to ignore waste and cost overruns. Indeed, I believe that the type of budgeting I am urging would facilitate identification of poor fiscal management and increase accountability.

As it exists today, the Federal budget is grossly misleading. The legislation I am offering would bring needed and helpful clarity to the budgetmaking process and would also encourage more informed participation by both Congress and the public in this process.

I urge my colleagues to support this effort to regularize and simplify the Federal budget.

A copy of the bill is printed below:

H.R. 5298

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Budget Amendments Act of 1981.".

SEC. 2. Section 201(a) of the Budget and Accounting Act, 1921 (31 U.S.C. 11(a)), is amended—

(1) by striking out "estimated expenditures" in paragraph (5) before "and proposed appropriations necessary" and inserting in lieu thereof "estimated capital expenditures and estimated operational expenditures";

(2) by striking out "expenditures" in paragraph (7) and inserting in lieu thereof "capi-

tal expenditures, operational expenditures"; and

(3) by striking out "estimated expenditures and receipts" in paragraph (8) and inserting in lieu thereof "estimated capital expenditures, estimated operational expenditures, estimated receipts".

SEC. 3. Section 301(a)(2) of the Congressional Budget Act of 1974 (31 U.S.C. 1322(a)(2)) is amended by inserting "for capital expenses and for operational expenses" after "an estimate of budget outlays".

SEC. 4. (a) Section 2 shall take effect with respect to all budgets transmitted pursuant to section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), more than 30 days after the date of the enactment of this Act.

(b) Section 3 shall take effect with respect to all first concurrent resolutions on the budget reported to both the House of Representatives and the Senate pursuant to section 301(d) of the Congressional Budget Act of 1974 (31 U.S.C. 1322(d)) more than 30 days after the date of the enactment of this Act.●

MILITARY MANPOWER INVESTIGATION

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. BEARD. Mr. Speaker, today, I am reintroducing a concurrent resolution to establish a joint select committee to study the critical situation which now exists in regard to our military manpower and mobilization capability.

Recent multiarticle series in the Washington Star and the New York Times have recognized a problem about which I have been deeply concerned for years: the problem is twofold; both quantity and quality of manpower are cause for deep concentration.

We have a reserve force which, frankly, is incapable of meeting its wartime mission because it is so undermanned. We have study after study done by the Department of Defense which reveals that the quality of the personnel in the military today is so low that basic missions cannot be accomplished. It was recently revealed by former Assistant Secretary of Defense Robert Pirie that more than half of the Army's recruits over the past 2 years tested in the lowest mental category of the four possible. Army skills qualifications tests, which test whether a soldier can do the minimum of what he is supposed to be able to do in a war, reveal failure rates of staggering proportions, such as 80 percent. We have recently witnessed a major scandal among recruiters, who were having such difficulty filling minimum quotas, and were under such pressure to do so by superiors, that they engaged in falsifying recruits' mental tests to assure the recruits were not disqualified.

I am not offering any particular solution to this appalling problem; I am not advocating a return to the draft, a draft for the reserves only, or no draft, just more pay. What I am offering is the vehicle for an objective, bipartisan and thorough investigation of this entire critical area, so that rational and effective solutions may be proposed, solutions which will have the support of both House and both parties.

Mr. Speaker, there is no more important facet of our Nation's defenses than the personnel of the Armed Forces. We must find out what has to be done to assure that our Armed Forces consist of adequate personnel both in terms of quality and quantity. That is the goal of the joint select committee I am proposing.●

NO FIRST USE RESOLUTION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, both the United States and the Soviet Union are moving away from nuclear weapons programs designed to deter use of such weapons and toward the dangerous notion of limited nuclear use as an acceptable policy option. It is vital that this Congress act quickly to reverse this policy slide.

The superpowers' strategies for the 1980's place ominous renewed emphasis on a first-strike capability that threatens human existence. This major revision of deterrence policy is certain to move the world closer to nuclear war.

Starting a nuclear attack must remain an unthinkable and categorically unacceptable option if we are to continue to live in a world free from the constant threat of mutual assured destruction. For this reason, I am introducing today a joint resolution renouncing first use of all nuclear weapons and urging conclusion of treaties with all nations which renounce first use. Both global security and the prospects for world peace will be undermined by continued pursuit of a preemptive first-strike capability.

In both tactical and strategic realms, a first use scenario is becoming increasingly feasible. The neutron bomb, for example, is a nuclear warhead expressly designed to repel conventional attacks. Use of neutron weaponry against tanks will invite nuclear retaliation, opening the door to full-scale atomic warfare.

The United States is moving toward a strategic nuclear first use posture. The Defense Department has clearly stated that U.S. nuclear missiles should be prepared to cover "hard" targets—such as Soviet missile silos—with at least one warhead which has the capacity to destroy that target.

Continued U.S. refinement and expansion of its first-use capability can be expected to lead the Soviet Union to determine that only a first strike of its own can nullify a perceived U.S. advantage. The development of overkill U.S. nuclear weaponry such as the expensive MX missile system and the neutron bomb place nuclear warfare on the level of conventional warfare, heightening anxieties on both sides.

This erosion of deterrence and the accelerating movement toward acceptance of potentially devastating nuclear weaponry must be checked immediately. The joint resolution I am offering today provides a means for doing this by formally adopting a "no first-use" policy.

I urge my colleagues to join me in supporting this legislation.

A copy of the resolution follows:

H.J. RES. —

Joint resolution to renounce the first use of all nuclear weapons and to conclude treaties with all nations renouncing the first use of all nuclear weapons

Whereas the United States and the Soviet Union both have developed nuclear weaponry to retaliate to a nuclear attack with equal or even greater force; and

Whereas this capability for retaliation has created a condition of mutual deterrence; and

Whereas the delicate balance of mutual deterrence has provided a disincentive to actual nuclear warfare; and

Whereas the United States and the Soviet Union both are moving toward development in both the strategic and tactical nuclear realms of first use capabilities; and

Whereas the increasing feasibility of the first use option heightens tensions on both sides and undermines mutual deterrence; and

Whereas continued pursuit and refinement of the first-use option will encourage preemptive nuclear attack; and

Whereas exercise of the first use option will result in a full-scale nuclear exchange and the subsequent destruction of much of civilization; and

Whereas the United States and all nations face no more solemn duty than preventing an atomic cataclysm; and

Whereas this duty can best be fulfilled by maintaining mutual deterrence and by working toward the elimination of all nuclear weapons; and

Whereas renouncing the first use of all atomic weapons is consonant with these obligations and aims: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it shall be the policy of the United States to renounce the first use of all nuclear weapons and to conclude treaties with all nations renouncing the first use of all nuclear weapons.●

ABOLISH THE OUTSIDE EARNINGS LIMIT FOR SOCIAL SECURITY RECIPIENTS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. LEHMAN. Mr. Speaker, today, I am reintroducing legislation to remove the limitation on the amount of outside income which an individual may earn while receiving social security benefits.

We are all aware of the serious financial problems which our elderly are facing. By limiting the amount of money a senior citizen can earn without losing social security benefits, we are discouraging senior citizens from continuing to work. However, most of our elderly cannot live on their social security benefits alone.

The earnings limit is unfair. It places the heaviest burden on low-income individuals, and only takes earned income into account. A nonworking social security beneficiary can continue to receive both social security payments and income from securities or rental property. It is important to remember that social security is an earned pension not related to need, and therefore there should be no limit on social security income.

Longer lifespans and better health are enabling our senior citizens to work longer, and this should be encouraged. Our economy can utilize their special skills, and it can little afford to lose their output and valuable contributions. Their employment will also increase general and social security tax revenues.

Limiting the amount of income a social security recipient can earn lowers the dignity and self-sufficiency of our elderly who are both willing and able to work. I therefore urge that every consideration be given to this important legislation to abolish the outside earnings limit during the 97th Congress.●

NORMALIZATION OF RELATIONS WITH CUBA

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday January 19, 1981

● Mr. WEISS. Mr. Speaker, I am introducing legislation today to end the U.S. trade embargo against Cuba and to establish full diplomatic relations between our two nations.

It is quite clear that the U.S. policy of ignoring Cuba's existence and of prohibiting any commerce between our countries has long since outlived whatever usefulness it may once have had. For nearly two decades the United States has tried, without discernible success, to use trade as a weapon against the Castro government. The embargo has not destabilized the Castro regime. It has not caused any slackening of the ties between Moscow and Havana. And it has not produced any apparent modifications in Cuban foreign policy.

The embargo has, however, inflicted severe economic hardships on the Cuban people, hardening resentment against the United States. It has also encouraged a heavy dependence by Cuba on a nation thousands of miles from its shores while precluding mutually beneficial commerce between Cuba and one of its closest neighbors.

Maintaining the embargo is now clearly contrary to the best interests of the United States. We have far more to gain—economically and politically—by restoring trade and diplomatic relations with Cuba than by clinging to an anachronistic, discredited, and counterproductive policy.

To its credit, the Carter administration has initiated efforts to lessen the hostility between the United States and Cuba. This process has, however, lost some of its momentum in recent months, and I am hopeful that my legislation will renew productive discussions and that its provisions will soon be adopted.

The recent influx of Cuban refugees to the United States clouded the issue surrounding the action I am proposing today. Still, these refugees will be assimilated into our society as refugees historically have been received by our Nation.

For its part, Cuba has in recent years repeatedly and consistently demonstrated its desire to enter into a normal relationship with the United States.

In 1973 the United States and Cuba signed an antihijacking agreement that has been respected by both parties and which has discouraged acts of air piracy.

A pact on maritime boundaries and fishing rights was concluded between our two nations in April 1977.

In August 1977, President Castro agreed to permit all single-source Americans to return to the United States and to bring with them family members, whether or not they are Cuban citizens.

In December of that same year, the Cuban Government agreed to release some 500 dual nationals and permit their emigration to the United States.

Most encouraging of all, Castro announced on November 21, 1978, that he would release 3,600 political prisoners in Cuba and permit their emigration to the United States. Now largely accomplished this release accounts for about 90 percent of all persons held in Cuban prisons on political charges.

And as a result of a dialog between Cuban-Americans residing in the United States and the Cuban Government, it was announced in December 1978 that families separated in the United States and on the island would be reunited. Permission for visits to the island by Cubans living abroad was also granted in the course of that historic dialog. Some 50,000 Cubans living in this country have visited their homeland since that agreement was reached.

Most recently, the Cubans released from imprisonment 27 U.S. citizens being held on assorted charges. This humane expression of goodwill further exhibits the possibility of revitalized relations between Cuba and our Nation.

It would seem, Mr. Speaker, that through these actions Cuba has fulfilled many of the human rights requirements which have been raised as prerequisites to normalization. More progress can and should be made in this area, but I believe that Cuba has now amply demonstrated its willingness to make concessions in its domestic policies in return for full ties with the United States.

We should not now turn our backs on this display of good faith and this commitment to compromise. Instead, we should move ahead expeditiously toward a normal relationship with Cuba which will facilitate further improvements in the human rights situation.

Continuing the embargo will lead increasingly to political isolation for the United States and will cause damage to our prestige throughout the Third World. Eleven nations in the Western Hemisphere now have full ties with Cuba. In addition, Canada, Japan, and many Western European nations enjoy a steady trade with the island. Japanese exports alone now total more than $500 million a year.

American companies would have a distinct competitive advantage in Cuban trade were the embargo lifted. Cuba is very anxious to purchase agricultural machinery and other types of technology from the United States. Exports would greatly outstrip imports of Cuban sugar and other products, thereby helping to lessen our balance-of-payments deficit.

The process of normalization between the United States and China also offers good reason to believe that the issue of expropriations and restitutions can be readily resolved between our governments. A formula for settling claims resulting from the seizure of American property in China was devised after Washington and Peking restored full relations. A similar agreement can, I am sure, be reached with Cuba following normalization.

Cuba and the United States will continue to have serious and far-reaching political differences for the foreseeable future. But differing economic

systems and world views have not prevented the United States from exchanging envoys and establishing trade links with the Soviet Union, China, and many Eastern European nations. Indeed, it has been shown that normal relations are almost always more conducive to U.S. interests throughout the world than is the policy of hostile noncommunication.

Ultimately, the United States and Cuba will normalize their relationship and develop trade links. This is certainly the direction in which U.S. foreign policy has been moving over the past 5 years. I urge my colleagues to hasten the day when political realism is formally substituted for an outmoded policy of animosity. I urge them to join me in cosponsoring this legislation and in working for an end to the embargo against Cuba.

A copy of the bill is printed below:

H.R. 927

A bill to remove certain trade restrictions with respect to Cuba

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 301(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 221(b)) is amended by striking out the second sentence.

(b) Section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)) is hereby repealed.

(c) Public Law 87-733 (76 Stat. 697), approved October 3, 1962, is hereby repealed.

(d) Presidential proclamation 3447 of February 3, 1962, shall cease to be effective on the date of enactment of this Act.

SEC. 2. Any regulations issued by the President or any Federal department or agency to carry out those provisions of law stricken or repealed by the first section of this Act, or to carry out the Presidential proclamation made ineffective by such section, shall cease to be effective on the date of the enactment of this Act.●

WIRETAP WARRANT LEGISLATION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, the right to privacy in one's own home is one of the most fundamental human rights. Until 1979 this right was generally protected under the fourth amendment. In an unprecedented decision, the Supreme Court ruled in Dalia against United States that the Government no longer must justify every invasion of privacy. Specifically, the Court held that the Government did not have to obtain express permission to break and enter a premise in order to implant eavesdropping equipment if the wiretap was previously authorized. Their rationale was that the right to enter a premise is implicit in the original wiretap order.

This ruling runs directly counter to the original intent of the fourth amendment. As Justice Brennan said in his dissent in Dalia:

Breaking and entering into private premises for the purpose of planting a bug cannot be characterized as a mere mode of warrant execution to be left to the discretion of the executing officer. The practice entails an invasion of privacy of constitutional significance distinct from that which attends nontrespassory surveillance; indeed it is tantamount to an independent search and seizure. First, rooms may be bugged without the need for surreptitious entry and physical invasion of private premises. Second, covert entry, a practice condemned long before we condemned unwarranted eavesdropping, breaches physical as well as conversational privacy. . . . Third, the practice is particularly intrusive and susceptible to abuse since it leaves naked to the hands and eyes of government agents items beyond the reach of simple eavesdropping.

It is vital to the survival of freedom in this country that each encroachment on a citizen's privacy be carefully scrutinized to insure that it constitutes the least intrusion possible under the circumstances. It should not be sufficient for the Government to prove that it needs to eavesdrop; it should also be required to prove that the only way in which it can do so is by entering the home. Without the need for this further justification, entering a private home without permission will soon appear to be an insignificant act.

In response to the need to protect our citizenry from unwarranted Government surveillance, I am today reintroducing legislation to amend the Omnibus Crime Control Act of 1968 to specifically require a separate warrant for breaking and entering a premise in order to implant electronic eavesdropping equipment. We must protect the fundamental rights upon which this country was built, and if this cannot be done through the courts, then it will have to be done through the Congress.

The text of the bill follows:

H.R. 929

A bill to amend title 18, United States Code, to require a specific judicial order for entry of premises to intercept a wire or oral communication under chapter 119 of such title

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2518 of title 18, United States Code, is amended by adding at the end thereof the following new matter:

"(11) Any entry of premises for the purpose of intercepting a wire or oral communication under this chapter shall be authorized by a separate order entered in the manner prescribed in this section if a search warrant would be required for such an entry made for a purpose other than such an interception. In addition to any information otherwise required for an application for an order under this section, an application under this subsection shall contain a description of the premises to be entered and a statement of the reasons for the entry.".●

PUBLIC HOLIDAY ACT

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. BEARD. Mr. Speaker, today I am reintroducing a bill I first introduced in the previous Congress to require that all future legal public holidays be celebrated on a Saturday or Sunday, without additional pay or leave for Federal employees. This proposal will not affect the celebration of existing national holidays.

According to the Office of Personnel Management, the personnel cost alone to the Federal Government of a holiday is estimated to be $194.5 million. While the Federal Government has no jurisdiction to propose national holidays for other than the District of Columbia and Federal employees, individual States usually follow its lead. The added personnel costs of such actions by the States could result in 10 to 20 times the $194.5 million estimated cost to the Federal Government. The overall cost can therefore be seen to be staggering for each Federal holiday.

In addition to the cost to the taxpayers, there is the extremely deleterious effect additional paid holidays would have on our national productivity, which is already lagging. When the Federal Government adopts a holiday, not only do many States and localities follow suit but private employers come under pressure to grant the same day off to their employees. The highly negative effect on national productivity is obvious.

In previous Congresses, bills have been introduced to honor such figures in American history as Andrew Jackson, Thomas Jefferson, Martin Luther King, Franklin D. Roosevelt, and Susan B. Anthony with paid Federal holidays. No doubt there are many other figures from American history whose contribution to this Nation would also merit being honored. My bill would in no way detract from the attempt to honor the individual; it would only avoid the staggering cost and serious effect on national productivity of yet another fully paid day off for Federal employees.●

CAPITAL FORMATION ACT OF 1981

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. BEARD. Mr. Speaker, we have heard the term "reindustrialization" with increasing frequency of late. And well we might, because the industrial

base of the United States needs to be revitalized if dividends are to increase our productivity in order to curb inflation and prepare our Nation to effectively compete in world markets.

In order to reindustrialize, to use that term, we must drastically increase the rate of investment in plant, equipment, and research and development. I am reintroducing a bill which will greatly increase the rate of private sector investing in the United States by ending the taxation of benefits received by individuals and exempting from taxation interest received on savings accounts up to $500 for individual returns, $1,000 for joint returns.

The purpose of ending the taxation of dividends is to attract vast new amounts of capital to American business corporations; it is just this type of new capital formation which is desperately needed by American businesses to revitalize themselves and increase productivity. New capital investment means new jobs and more goods produced, lessening inflation.

Ending taxation of dividends is actually ending a system of double taxation. Dividends are paid by corporations out of after-tax income. Thus the same dollars are taxed first to the corporation, then taxed again to the individual when distributed as dividends.

Ending the taxation of interest income from savings accounts up to the amount in the bill would accomplish two things: First, it gives a badly needed break to small savers, second, it will attract new capital to savings institutions, thus making available new amounts of money for such things as auto, home, and business loans.

Both of the major provisions of this bill are designed to encourage new capital investment in the private sector, investment which must occur if we are to prepare the American economy to compete in the world economy of the future.●

DEINSTITUTIONALIZATION BILLS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, I am today reintroducing three bills which are intended, as a package, to improve living conditions for persons released from mental institutions and for the communities in which they reside.

Former mental patients, thousands of whom have been "deinstitutionalized" in recent years under changing Federal and State policies, are often the most vulnerable members of our society. Frequently these individuals are forgotten once they leave institutions and are left to their own inadequate resources. Government at all levels has not provided the comprehensive followup services which are indispensable for insuring that these former patients can function as independent, productive citizens.

In my own district in New York City, several thousand former patients have been quite literally "dumped" into shoddy single room occupancy (SRO) hotels where they become prey for violent crime and where they are left, alone, to somehow become accepted members of the community.

There is a great deal the Federal Government can do to remedy this shameful situation. The three bills I am reintroducing address the problem from various perspectives and seek to make better social services available to former mental patients.

One bill would amend title XIX of the Social Security Act to provide medicaid assistance to patients in mental institutions regardless of their age. At present, medicaid eligibility is limited to those patients younger than 22 and older than 65. My legislation would enable patients of all ages to receive comprehensive treatment in institutions under the medicaid program.

A second bill I am reintroducing would amend title XX of the Social Security Act to increase Federal payments to States for services that would assist former patients in their communities. Among the assistance to be provided them would be sheltered employment, alternative housing, counseling, and therapeutic treatment.

The third bill in the package would amend title XVI of the Social Security Act to eliminate the benefit reduction under the supplemental security income (SSI) program that now occurs when an SSI receipient receives some financial support from other persons with whom he or she is residing. The legislation would also continue SSI payments for 3 months after a person is institutionalized so that the individual's home or apartment could be maintained while they are residing in a public facility. The bill also mandates close monitoring of SSI trial work provisions and clarifies the stipulation that SSI benefits may be paid on the basis of presumptive mental disability as well as presumptive physical disability.

Taken as a package, this legislation will do much to improve living conditions for mental patients in institutions and in the communities to which they are released.

We should be moved, not only by compassion for some of the least fortunate of our fellow Americans, but also by fiscal prudence to encourage former mental patients to become productive, independent members of our society. These bills will bring us closer to this aim.

I am very pleased that my colleagues Mr. CORRADA, Mr. VENTO, Mr. LOWRY of Washington, and Mr. SOLARZ are joining me in this effort. I invite other Members to join us in cosponsoring this legislation. Copy of the bills follows:

H.R. 941

A bill to amend title XX of the Social Security Act to increase Federal payments to States for services which will assist in removing people from institutions, including the provision of alternative housing, sheltered employment, and similar services

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2001(4) of the Social Security Act is amended by inserting after "less intensive care," the following: "and by providing for alternative housing, sheltered employment, and related items,".

SEC. 2. (a) Section 2002(a)(1) of the Social Security Act is amended by inserting after "planning services" in the matter preceding subparagraph (A) the following: ", 90 per centum of the total expenditures during that quarter for the provision of services directed at the goal of preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care and by providing for alternative housing, sheltered employment, and related items,".

(b) Section 2001(a)(1) of such Act is further amended—

(1) by adding "or" after the comma at the end of subparagraph (C);

(2) by striking out subparagraph (D); and

(3) by redesignating subparagraph (E) as subparagraph (D).

SEC. 3. The amendments made by the Act shall apply with respect to quarters beginning after September 30, 1978.

H.R. 940

A bill to amend title XVI of the Social Security Act to eliminate the benefit reduction presently applicable to individuals receiving support and maintenance from families with whom they are living, to continue supplemental security income payments for three months when a beneficiary is institutionalized, to provide for the monitoring of the supplemental security income trial work period provisions, and to make it clear that supplemental security income benefits (for up to three months) may be paid on the basis of presumptive mental (as well as physical) disability

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SUPPORT AND MAINTENANCE IN ANOTHER PERSON'S HOUSEHOLD

SECTION 1. (a) Clause (i) of section 1612(a)(2)(A) of the Social Security Act is amended to read as follows: "(i) in the case of any individual (and his eligible spouse, if any) living in another person's household, support and maintenance received in kind from such person shall not be included,".

(b) Clause (iii) of section 1612(a)(2)(A) of such Act is amended by striking out "and the provisions of clause (i) shall not be applicable".

ELIGIBILITY OF INDIVIDUALS IN CERTAIN MEDICAL INSTITUTIONS

SEC. 2. (a) Section 1611(e)(1)(A) of the Social Security Act is amended by striking out "subparagraph (B) and (C)" and inserting in lieu thereof "subparagraphs (B), (C), and (D)".

(b) Section 1611(a)(1) of such Act is further amended by redesignating subparagraph (C) as subparagraph (D), and by striking out subparagraph (B) and inserting in lieu thereof the following new subparagraphs:

"(B) Except as provided in subparagraph (C), in any case where an eligible individual or eligible spouse is in a hospital, extended care facility, nursing home, or intermediate care facility, such individual's benefit for the period ending with the third consecutive month throughout which he is in such hospital, home, or facility shall be determined as though he were continuing to reside outside the institution under the same conditions as before he entered the institution.

"(C) In any case where an eligible individual or eligible spouse, throughout any month, is in a hospital, extended care facility, nursing home, or intermediate care facility, receiving payments (with respect to such individual or spouse) under a State plan approved under title XIX, and such month is either—

"(i) the first month in any period of eligibility under this title based on an application filed in or before such month, or a month in a continuous period of months beginning with such first month, throughout which such individual or spouse is in a hospital, extended care facility, nursing home, or intermediate care facility (whether or not receiving payments with respect to such individual or spouse for each month in such period), or

"(ii) the fourth consecutive month throughout which, or a month in a continuous period beginning with such fourth consecutive month throughout which, such individual or spouse is in a hospital, extended care facility, nursing home, or intermediate care facility (whether or not receiving payments with respect to such individual or spouse for each month in such period), the benefit for such individual for such month shall be payable—

"(iii) in the case of an individual who does not have an eligible spouse, at a rate not in excess of $300 per year (reduced by the amount of any income of such individual which is not excluded pursuant to section 1612(b));

"(iv) in the case of an individual who has an eligible spouse, if only one of them is in such a hospital, home, or facility throughout such month, at a rate not in excess of the sum of—

"(I) the rate of $300 per year (reduced by the amount of any income, not excluded pursuant to section 1612(b), of the one who is in such hospital, home, or facility), and

"(II) the applicable rate specified in subsection (b)(1) (reduced by the amount of any income, not excluded pursuant to section 1612(b), of the other); and

"(v) in the case of an individual who has an eligible spouse, if both of them are in such a hospital, home, or facility throughout such month, at a rate not in excess of $600 per year (reduced by the amount of any income of either spouse which is not excluded pursuant to section 1612(b)); except that for purposes of any provision of law other than this subparagraph, any benefit determined under clause (iv) shall be deemed to be payable at a rate equal to the sum of the rate of $300 per year and the applicable rate specified in subsection (b)(1), reduced by any income of either spouse which is not excluded pursuant to section 1612(b).".

TRIAL WORK PERIODS

SEC. 3. Section 1614(a)(4) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

"(E) The Secretary shall monitor the operation of this paragraph on a continuing basis with particular emphasis upon the extent to which it is giving disabled individuals an effective opportunity to overcome their disabilities and return to active participation in the labor force, and shall take such actions as may be appropriate to make it clear to such individuals that, under the provisions of this paragraph, they can return to work and earn substantial amounts without losing their benefits if their earnings are related to the achievement of self-support.".

PAYMENT OF BENEFITS ON BASIS OF PRESUMPTIVE MENTAL DISABILITY

SEC. 4. Section 1631(a)(4)(B) of the Social Security Act is amended by inserting after "presumptively disabled" the following "(whether by reason of a physical impairment or a mental impairment)".

EFFECTIVE DATE

SEC. 5. The amendments made by this Act shall apply with respect to benefits payable for months after the month in which this Act is enacted.

H.R. 938

A bill to amend title XIX of the Social Security Act to make assistance available under the medicaid program for patients in mental institutions without regard to their age (instead of only for those patients in such institutions who are under 22 or over 65 as at present)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 1905(a) of the Social Security Act is amended—

(1) by striking out "for individuals 65 years of age or over in an institution for tuberculosis or mental diseases" in paragraph (14) and inserting in lieu thereof "for individuals in an institution for mental diseases (including but not limited to inpatient psychiatric hospital services as defined in subsection (h)) and for individuals 65 years of age or over in an institution for tuberculosis";

(2) by adding "and" after the semicolon at the end of paragraph (15);

(3) by striking out paragraph (16);

(4) by redesignating paragraph (17) as paragraph (16);

(5) by striking out "except as otherwise provided in paragraph (16)" (in the matter following the numbered paragraphs) and inserting in lieu thereof "except as otherwise provided in paragraph (14)"; and

(6) by striking out "or mental diseases" in subdivision (B) (in the matter following the numbered paragraphs).

SEC. 2. (a) Section 1902(a)(10) of the Social Security Act is amended (in the matter which follows subparagraph (C)) by striking out "(4), (14), or (16)" and inserting in lieu thereof "(4) or (14)".

(b) Section 1902(a)(13)(C)(ii)(I) of such Act is amended by striking out "(16)" and inserting in lieu thereof "(15)".

(c) Section 1902(a)(20) of such Act is amended by striking out "65 years of age or older" in the matter preceding subparagraph (A), and in subparagraph (C).

(d) Section 1902(a)(21) of such Act is amended by striking out "65 years of age or older".

(e)(1) Section 1905(c) of such Act is amended by striking out the last sentence.

(2) Section 1905(d) of such Act is repealed.

(f) Section 1905(h)(1) of such Act is amended—

(1) by striking out "paragraph (16) of subsection (a)" in the matter preceding subparagraph (A) and inserting in lieu thereof "paragraph (15) of subsection (a)";

(2) by striking out "for individuals under age 21" in the matter preceding subparagraph (A);

(3) by adding "and" after the semicolon at the end of subparagraph (A);

(4) by striking out "; and" at the end of subparagraph (B) and inserting in lieu thereof a period; and

(5) by striking out subparagraph (C).

SEC. 3. The amendments made by this Act shall apply with respect to care and services furnished in months after the month in which this Act is enacted.●

RADIOACTIVE MATERIALS TRANSPORT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, the hazards posed by radioactive materials have been amply documented. An additional threat is added when such substances are transported.

For this reason, I am today introducing two pieces of legislation which address this problem. Both of these pieces require our immediate attention, since the Department of Transportation today is promulgating new regulations regarding transport of radioactive cargo.

The first piece of legislation disapproves the new Department of Transportation regulations. These new rules preempt approximately 100 existing State and local regulations on transportation of radioactive substances in areas ranging from Missoula, Mont., to New York City. In place of stringent municipal regulations, the Department of Transportation establishes weak guidelines for routing and virtually no significant safety provisions.

The second piece of legislation I am introducing today specifically addresses the dangerous practice of routing radioactive cargo through densely populated urban areas. My legislation would prohibit the Department of Transportation from approving shipments of radioactive materials through geographic areas with population densities of more than 12,000 people per square mile. Exceptions to this ban would be made for radioactive elements used in medical diagnosis or treatment within the area or in cases of national emergency.

In New York City, for example, the municipal health code limits shipments of radioactive materials except for medical purposes or in the event of a national emergency. But DOT's new regulations will attempt to preempt this regulation, which is designed to protect the health and safety of New York City residents.

The New York City Bureau for Radiation Control strongly opposes any erosion of the health code's restrictions. Its director, Dr. Leonard Solon, points out that an accident or sabotage involving nuclear materials could result in as many as 10,000 immediate deaths and some 1 million latent cancer fatalities.

A section of the Hazardous Materials Transportation Act of 1974, section 105, gives the Secretary of Transportation authority to preempt local and State ordinances such as New York City's. My legislation would amend this provision.

Any slight inconvenience this legislation might impose on shippers will be more than offset by the safeguards we will be establishing for public health and safety. Studies done by the Energy Research & Development Association, the Nuclear Regulatory Commission, and the General Accounting Office—as well as by private industry—have expressed the gravity of the potential danger posed by nuclear materials. We can significantly reduce the risks of cataclysmic radiation hazards by keeping radioactive materials out of our more densely populated communities.

I urge my colleagues to join me in supporting both of these pieces of legislation.

Copies of both pieces of legislation follow:

H.R. 942

A bill to amend the Hazardous Materials Transportation Act of 1974 to prohibit the transportation of radioactive materials in densely populated areas

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 105 of the Hazardous Materials Transportation Act of 1975 is amended by adding the following new subsection at the end thereof:

"(d) The Secretary shall not issue any regulation, exemption, exception, or inconsistency ruling thereto, the effect of which is to permit the transportation of any radioactive material through or into a geographic area containing a population density greater than twelve thousand persons per square mile, except when the radioactive material involved is to be used for medical diagnosis or treatment in such area, or during a national emergency.".

H.J. RES. 94

Joint resolution to provide that certain regulations issued by the Secretary of Transportation relating to highway routing of radioactive materials shall not be effective

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the final rule relating to highway routing of radioactive materials issued by the Secretary of Transportation on January 19, 1981, and any other rule containing substantially the same provisions as such final rule, shall have no effect after the date of enactment of this joint resolution.●

THE AMERICAN HOSTAGES NEARING FREEDOM—CARTER MERITS HIGHEST COMMENDATION FOR WORK

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. BIAGGI. Mr. Speaker, as we await the last step in the securing of the freedom for our 52 American hostages from Iran, let us pay high praise to President Jimmy Carter for his extraordinary leadership over the entire length of this national ordeal but most especially during these last pivotal 48 hours.

The developments thus far are the most encouraging to date. As of this writing, the hostages are at the airport and some reports indicate they are in fact boarding the Algerian jets which will carry them to freedom. It will be that takeoff which will bring a collective sigh of relief to a beleaguered nation which has been agonizing over the hostage crisis from its inception on November 4, 1979.

We are approaching the end of a national nightmare. It is a special triumph for President Carter, a man of peace, and his policies of restraint. The President has resisted the exhortations of many Americans to resort to military action to free the hostages, at considerable risk to their safety. Instead, our hostages will be returning alive and hopefully well from Iran thus bearing testimonial to the wisdom and strength of President Carter's judgment and wisdom.

The families of the hostages and the American people owe a lasting debt of gratitude to President Carter and to Deputy Secretary of State Warren Christopher. The Nation's prayers are at the Tehran airport and are directed at speeding the departure of our citizens from Iran back home.●

PAYMENT IN LIEU OF TAXES

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, recent efforts to reduce local property taxes are severely hampered by exclusion of Federal property from local tax bases. I am introducing legislation today which addresses this major problem facing local governments.

Approximately three-fifths of the revenues generated by local governments is derived from property taxes. Undoubtedly, the need to provide adequate services without making property taxes prohibitive is one of the largest challenges facing communities across the Nation. This problem is exacerbated for localities by the fact that one-third of all the land in the United States is tax exempt, because it is owned by the Federal Government.

In an effort to help local jurisdictions, the 94th Congress passed the Payment in Lieu of Taxes Act—Public Law 94-565. Under this law the Federal Government makes payments to local governments in place of property taxes for national park system lands, national forest lands, wilderness areas under the jurisdiction of the Forest Service, Bureau of Land Management lands, and other lands within the boundaries of eligible localities.

Although Public Law 94-565 covers approximately one-half of all Federal properties, it does not cover property involved in general administration of the Federal Government—facilities designed to assist and promote commerce and other types of properties. For example, Federal office buildings, lighthouses, and Army installations are exempted from paying taxes and are not covered under any Federal program which compensates localities for lost revenues.

The legislation I am introducing will include these kinds of properties under a payment formula based on the appraised value of property and the local property tax rate. The Administrator of the General Services Administration would be responsible for administering this formula and making payments to local governments.

This bill would go a long way toward alleviating local property tax burdens and allow localities to continue to develop vital public services. I urge my colleagues to join me in supporting this legislation.

A copy of the bill follows:

H.R. 928

A bill to provide for payments in lieu of taxes to local governments by the Administrator of General Services based upon the amount of certain tax exempt property owned by the United States and foreign governments within such locality

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator is authorized and directed to make payments under section 3 of this Act for each fiscal year beginning on and after October 1, 1979, to each unit of local government in which entitlement properties are located.

SEC. 2. (a) To be eligible for payments under this Act for any fiscal year, a unit of local government shall submit an application, at such time, in such form, and con-

taining such information as the Administrator prescribes by regulation.

(b) Such applicant shall include a statement by the unit of local government, and an independent verification, of each of the following:

(1) the entitlement properties within its jurisdiction;

(2) the appraised value for each such property for purposes of the local property tax;

(3) the tax rate applicable to each such property;

(4) any other factors used by the unit of local government in computing tax liability; and

(5) the total tax revenues that would be available from the entitlement properties, determined by multiplying the value stated under paragraph (2) by the rate stated under paragraph (3) and applying any other factors stated under paragraph (4), for each such property, and adding the resulting figures for all such properties within the jurisdiction.

(c) The Administrator shall disapprove any application in which he determines that there exists a significant discrepancy between the figures provided by the unit of local government and by the independent verification under subsection (b), or otherwise determines that the figures provided by such unit are not reliable.

(d) Before disapproving any application the Administrator shall give notice thereof to the unit of local government. Such unit may then request a hearing before the Administrator within ninety days of such notice. It shall be within the discretion of the Administrator after such hearing to approve the original application or an amended application, or require a new application to be filed.

SEC. 3. The amount of any payment made under the first section of this Act for any fiscal year to a unit of local government whose application has been approved by the Administrator shall be the amount stated by the unit of local government under paragraph (5) of section 2(b).

SEC. 4. (a) There are authorized to be appropriated such sums as may be necessary for carrying out the provisions of this Act.

(b) If sums appropriated in any fiscal year are not sufficient to carry out the provisions of this Act, the Administrator shall ratably reduce the amounts paid to all units of local government whose applications are approved for such year. If additional funds are made available for such year, they shall be used to ratably increase the amount paid to each such unit of local government.

SEC. 5. As used in this Act, the term—

(1) "Administrator" means the Administrator of General Services;

(2) "entitlement property" means any of the following types of property which are exempt from the property taxation of the applicable unit of local government—

(A) buildings, structures, and other facilities, and land, owned by a foreign government or by an international organization as defined in section 1 of the International Organizations Immunities Act (22 U.S.C. 288);

(B) buildings, structures, and other facilities, and land upon which such improvements have been built, owned by the United States, excluding "entitlement lands" as defined in section 6(a) of the Act entitled "An Act to provide for certain payments to be made to local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such locality" (31 U.S.C. 1606(a); 90 Stat. 2665); and

(C) military installations.

(3) "unit of local government" means a county, municipality, parish, township, or other unit of government below the State which is a unit of general government and has taxing authority with respect to real property, as determined by the Administrator.●

POSITIVE RESULTS OF CETA EMPLOYMENT PROGRAMS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. HAWKINS. Mr. Speaker, the much maligned and misunderstood CETA program has come under increasing attack by observers who seek cuts in domestic programs in order to reduce Federal spending and the size of the budget deficit. Unfortunately, these CETA programs are rarely subjected to the same scrutiny to determine whether they are paying off for the participants and taxpayers alike.

It would be tragic indeed if the very programs which offer a route to self-sufficiency for hundreds of thousands of economically disadvantaged persons were terminated in a cost-cutting zeal resulting in further dependency and increased expenditures for nonproductive Federal income assistance payments.

Two recent articles on the CETA program provide evidence that the CETA programs are accomplishing their intended purpose. One describes an analysis by the National Association of Counties of successful placement of CETA participants in unsubsidized jobs, school, or military service. The second reports on the success of the public service employment program in New York City in providing a bridge from welfare to work.

The articles follow:

JOBS RISE FOR NATION'S POOR

Despite the sluggish economy, nearly 320,000 disadvantaged people turned their CETA experiences into "real" jobs in the first three quarters of fiscal 1980, according to a NACo analysis of recently released Labor Department reports.

A whopping 94 percent of those who entered unsubsidized employment met the tough government definition of "economically disadvantaged," when they joined CETA and 3.6 percent of those getting jobs were minorities.

According to NACoR's analysis, the 319,636 new workers represent 41.3 percent of those who left CETA from Title II, VI or VII programs from October 1979 through June 1980, the height of the recent recession. The success ratio, obviously, increases with the length of time a participant stays in CETA, especially for those who complete this training. These measures are preferred by program operators and are typically used in reporting Job Corps success. But county, city and state CETA programs count every enrollee, even those who sign up but never return. Nevertheless, in light of the characteristics of CETA enrollees, employment and training specialists consider 41 percent placement in a mass program like CETA a solid achievement.

Another 99,500 people left CETA during the same period to return to school, enter the military or take some other positive step toward self-sufficiency. Thus, a little more than 54 percent of those leaving CETA from the three key locally administered titles can be considered successes. (Long term studies are beginning to suggest that even those who dropped out or failed to find a job immediately may ultimately benefit economically from the experience, though it is too soon to draw specific conclusions.)

The NACoR analysis also points up CETA's success in upgrading its enrollees' income. While nearly 60 percent of CETA enrollees had never held a job or were making less than $3.10 an hour when they entered, CETA "graduates" earned a median wage of roughly $3.75 immediately after the program. In other words, a good 45 percent of those who got unsubsidized jobs after CETA were paid $4 or more per hour right away.

Central to any analysis of CETA's success is a description of who benefits from the program. Overwhelmingly, the most economically disadvantaged people were disproportionately likely to get unsubsidized work through CETA.

"Remember," said NACo Executive Director Bernard F. Hillenbrand, "that 94 percent of these people who got work were dirt poor."

Hillenbrand also noted that "nearly 40,000 veterans are among those who got jobs. The handicapped got 6.5 percent, and over 23,000 ex-offenders used CETA as a stepping stone to an honest job.

"This is exactly what CETA is supposed to do. It is the only program we've got that is so ambitious. CETA tries to change people's lives and it's working."

A BRIDGE FROM WELFARE TO WORK

To the Editor: The Times editorial (Dec. 30) pointing up the CETA public employment program's enormous potential as a bridge from welfare to work was heartening. Here in New York City we have, in fact, been using CETA intensely for that purpose over the last year, with good results.

Between January and November 1980, more than 5,000 employable general assistance recipients were moved off the rolls and into CETA training and jobs; since April, some 60 percent of all CETA Public Service Employment (PSE) positions in the city have been given to welfare clients. And in November, owing in large measure to these efforts, we saw the first decline in the general assistance caseload in years—representing an annualized savings of about $3.4 million in city tax-levy funds.

The national programs of the Manpower Demonstration Research Corporation, which you cited, and our own recent efforts offer good evidence that CETA is one major, sensible solution to the problem of employing those whom the private economy has left behind. It provides a vital "middle step" of subsidized training and work to individuals who often start out with crippling employment handicaps: few or no skills, little work experience, a history of dependence. Their chances of finding and keeping a decent unsubsidized job without such preparation are remote indeed.

The tragedy is that just as we are beginning to make CETA pay off for the welfare poor—and the taxpayers—Congress appears

to be heading toward total elimination of the program. It has already slashed $500 million from the CETA component and has firm plans for even deeper cuts in it over the next year or two. CETA's training and work experience components are in imminent danger of the same fate.

We will be lobbying hard to preserve what is left of the CETA program. At the same time, we are also placing new emphasis on other employment strategies—developing direct private-sector placements for our clients, for example, and requiring the Human Resources Administration's contractors (more than 3,000 companies and nonprofit agencies) to give them first preference for entry-level job openings.

Without resources for on-job training at least, however, we will be unable to improve upon, or even sustain, what has been achieved so far. Washington must pay more than lip service to the notion of giving welfare recipients the opportunity to work.

STANLEY BREZENOFF,
RONALD GAULT,
New York, Dec. 31, 1980.●

LEGISLATION REQUIRING NEW LABELING FOR CONTRACEPTIVE PRODUCTS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, I am today reintroducing legislation requiring the manufacturers of contraceptive drugs and devices to label their products and to include in their advertising an indication of the effectiveness of these products in preventing pregnancy.

Research into the relative merits and the validity of various claims of effectiveness is incomplete at present, and there is an urgent need for studies of this sort to move forward expeditiously. My legislation in fact stipulates that the Secretary of Health and Human Services shall develop a reliable standard for determining the effectiveness of contraceptive drugs and devices.

In addition to the effectiveness notice, the bill would mandate that contraceptive labeling include directions for use and a recommendation that professional advice be sought to determine the most appropriate form of contraception.

While available data are not yet fully conclusive, there are strong indications that many forms of contraception fail to fulfill the claims of their manufacturers. The consequences are often tragic for many families and couples.

One finding in this area comes from a preliminary panel report of the Food and Drug Administration dealing with contraceptives. In this 1978 study, the panel notes it has reviewed the claims made by the manufacturers of the various products under their purview. The panel tentatively concludes that "certain claims for effectiveness have been made in the past without adequate, valid supporting data." The FDA is also aware that there is a strong consumer interest in knowing the actual percentage effectiveness of each contraceptive product and is now in the process of reviewing public comments on labeling practices.

I believe that consumers of these drugs and devices have the right to be informed adequately as to the reliability of their chosen method of contraception. Failure rates should be truthfully presented to prospective purchasers so that they can make a crucial decision of this sort based on the most informed judgment possible. The results of unanticipated failure of one of these drugs or devices is frequently irreversible and always undesired.

A fully informed consumer's proper usage of contraceptives can significantly reduce the incidence of unwanted pregnancy and thereby decrease the need to make a choice about abortion. Unplanned pregnancies are not only a burden for many women and couples, they can also become a social and governmental burden as well. Reliable and safe contraception is an essential component of a high-quality health care system in our Nation. My bill would do much to meet the glaring need for consumer information and contraceptive research. I am very pleased that my colleagues Mr. MITCHELL of Maryland, Ms. CHISHOLM, Mr. ROSENTHAL, and Ms. COLLINS are joining me in this effort. I invite other Members to join us in cosponsoring this bill.

A copy of the bill follows:

H.R. 936

A bill to amend the Federal Food, Drug, and Cosmetic Act to require that the label and advertising for contraceptive drugs and devices state the effectiveness of the drugs and devices in preventing conception in humans, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Contraceptive Labeling and Advertising Act".

SEC. 2. (a) Section 502 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 352) is amended by adding at the end the following new paragraph:

"(u)(1) If it is a drug or device to prevent conception in humans, unless—

"(A) its label states (i) in accordance with subparagraph (2), the effectiveness of the drug or device in preventing conception in humans, (ii) directions for use, and (iii) that professional advice should be sought to determine the most appropriate form of contraception; and

"(B) unless the manufacturer, packer, or distributor thereof includes in advertisements and other printed descriptive matter issued or caused to be issued by the manufacturer, packer, or distributor with respect to the drug or device such information respecting the effectiveness of the drug or device in preventing conception in humans as may be required under subparagraph (2).

"(2) The Secretary shall by regulation establish for drugs and devices subject to subparagraph (1) standards for determining the effectiveness of such drugs and devices in preventing conception in humans and the form and manner in which such effectiveness shall be stated in the labels of such drugs and devices and in advertisements and other printed descriptive matter for such drugs and devices.".

(b) The Secretary of Health, Education, and Welfare shall first promulgate the regulation referred to in section 502(u)(2) of the Federal Food, Drug, and Cosmetic Act (as added by subsection (a) of this section) not later than one hundred and eighty days after the date of the enactment of this Act. Such regulation shall take effect upon its promulgation.●

IRS FLIP-FLOP DESTROYS SMALL RETIREMENT ACCOUNTS

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. ROTH. Mr. Speaker, 9,000 people in the State of Wisconsin having been informed by the IRS that it was all right to purchase certain tax deferred annuities were shocked to learn that the IRS did a flip-flop and revoked their approval by issuing revenue ruling 80-274.

On January 5, 1981, I introduced H.R. 567, providing for the revocation of Internal Revenue Service revenue ruling 80-274. This IRS ruling prohibits the tax deferral for an individual who purchases an insurance annuity from an insurance company, with the insurance company's proceeds being held at a financial institution.

In late September 1980, several insurance companies and savings and loan associations in the Eighth District of Wisconsin advised me that the Internal Revenue Service, relying on revenue ruling 77-85, had suddenly and without notice issued revenue ruling 80-274. This appears to be another instance where the IRS has legislated through administrative procedure. This most cavalier revenue ruling and the actions relating thereto constitute shabby and highhanded treatment of our citizens by the IRS.

Allow me now to get to the heart of the matter before us. Our country is experiencing a severe and growing shortage of capital, which is contributing to high interest rates and slowing our economic growth. Congress acknowledges the problem and speaks repeatedly of the reindustrialization of America. Although we have been mostly concerned about our manufacturing plants, the same concept is true for one of this Nation's major industries—the housing industry. The housing industry is undergoing very difficult times, and many thousands of people directly associated with real estate and home construction find themselves without work. What is

even more distressing is that forecasts for the future show that our stock of housing will not be sufficient to accommodate upcoming generations. With the need for capital to build our Nation's housing stock, the savings and loan industry needs ways to attract people to save.

Savings associations finance about two-thirds of America's housing and their ability to lend depends directly on people saving at their neighborhood savings and loan. In recent years the percent of disposable income a typical American family saves has been declining steadily—a dangerous trend which must be reversed if housing is to rebound.

Further, compared with other industrialized nations, the American wage earner saves far less than his Japanese and European counterparts. It is estimated that Americans now save less than 3 percent of their earned income, whereas the average Japanese worker saves 25 percent of his income and the West German worker saves about 11 percent. Clearly, we in Congress must fulfill our obligation to help people save, so that they may one day fulfill their dream of owning a home. The tax deferred annuity—TDA—is a model vehicle for this purpose. The TDA is not, as some have suggested, another loophole for the rich, but it is in most cases used by a wage or salary earner, middle aged or older, who has most of his home paid for and is now concerned about retirement and his ability to build a nest-egg for that important day. He or she knows about traditional savings accounts and money market certificates and is not anxious to use these because much of the return goes for Federal and State income taxes and often pushes total family income into higher tax brackets.

The American people are crying out for tax relief and the TDA is like an answer to their prayers because the tax deferral nature of the interest buildup. The TDA appeals to the serious saver, one who saves regularly, with meaningful amounts—the way experts say people should save.

Very briefly let me summarize some of the benefits to be derived from this program. The program:

First, allows people who wish to participate the opportunity to accumulate funds for their own retirement. The need for this is based on a recent survey, which indicates that 83 percent of the population is scared to death of running out of money before they run out of breath.

Second, by issuing TDA's through financial institutions, we reverse the flow of dollars that are fleeing from the banks and savings and loans and thus compounding the inflation rate, the problems of the housing industry and unemployment.

Third, the program was designed to keep the funds in the local bank and local savings and loan. This point is very important and should not be forgotten. These funds do not go out of State for some project no one cares about. To the contrary, these funds stay within the localities to work for a better quality of life for the participants and their fellow citizens.

Mr. Speaker, let me close by saying that this capricious and arbitrary revenue ruling should be revoked forthwith or at the very least suspended for 1 year to allow Congress time to study the matter.

The social security fund is in danger and our older citizens are looking for financial security. I believe tax deferred annuities are a good method by which an individual can determine his or her own future and the dignity that comes from living in a manner he or she determines, rather than a way of life dictated by some Federal bureaucrat at a Federal agency.

Mr. Speaker, Hon. Jay Janis, former Chairman of the Federal Home Loan Bank Board, wrote to former Treasury Secretary Miller explaining his opposition. I would urge my colleagues to read his letter and cosponsor H.R. 567. The responsibility for writing laws rests with Congress, not the Internal Revenue Service.

The letter follows:

FEDERAL HOME LOAN BANK BOARD,
Washington, D.C., October 10, 1980.

Hon. G. WILLIAM MILLER,
Secretary, Department of the Treasury, Washington, D.C.

DEAR MR. SECRETARY: I am writing to express my concern over the recent issuance of Revenue Ruling 80-274. The practical effect of the ruling is to preclude the use of group single premium retirement annuity contracts under which Federally insured savings and loan associations are designated as group contract holders. I believe the Internal Revenue Service should withdraw this recent ruling, and that the Treasury Department and the Internal Revenue Service should reconsider carefully the legal and policy implications of the ruling.

I am concerned about the adverse impact of the ruling on savings account funded annuity plans because these plans can be a significant incentive for increased savings by a major segment of the American public, and because these annuity plans have the potential to become a significant source of stable funds for Federally insured savings and loan associations.

Although Revenue Ruling 80-274 is limited ostensibly to the facts of a specific type of annuity contract involving savings and loan associations, as a practical matter, it raises major policy questions concerning the tax treatment of other types of annuities as well. The ruling fails to provide any reasoned legal analysis for its conclusion. In fact, strong legal arguments and precedent exist for concluding that the ruling is incorrect as a matter of law.

In view of the important policy considerations and the complex legal questions raised by the ruling, I believe it is more appropriate for a decision on the tax treatment of these annuity contracts to be the subject of a proceeding that would provide interested individuals and governmental agencies, including the Bank Board, an opportunity to participate. Therefore, I recommend immediate withdrawal of Revenue Ruling 80-274 and commencement of a rulemaking proceeding to consider the important and difficult issues raised by this ruling.

Sincerely,

JAY JANIS,
Chairman.●

STATEMENT FOR ECONOMIC STABILIZATION ACT OF 1981

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, I am today reintroducing legislation to provide the President with standby authority to institute wage and price controls, including restraints on interest rates, dividends, profits, and similar transfers.

The ravages of inflation must be halted now. Every sector of the economy is being damaged by an overall inflation rate that now exceeds 12 percent. Food and health costs are soaring, with prices for other goods and services continuing to spiral as well. As the purchasing power of the dollar declines, people with low, moderate, and fixed incomes suffer most.

The American people are demanding relief from runaway inflation. President Carter did implement a voluntary wage and price standard program. I applaud the step, but it was clearly not sufficient to prevent a new surge of double-digit inflation.

For any voluntary program to be effective, there must be a strong option available for enforcing the guidelines. If Congress grants the President this standby authorization, his ability to encourage voluntary economic restraints will be measurably enhanced. Hopefully the President will never need to impose the controls created by this legislation, but it is essential that they be at his disposal should the need arise.

I urge my colleagues to join me in supporting this legislation which will signal our willingness to attack inflation head on.

A copy of the bill follows:

H.R. 934

A bill, to provide authority for the President to stabilize prices, wages, profits, interest rates, and corporate dividends

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Economic Stabilization Act of 1981".

PRESIDENTIAL AUTHORITY

SEC. 2. The President is authorized to issue such orders and regulations as he may

deem appropriate to stabilize prices, rents, wages, salaries, and profits at levels not less than those prevailing on January 1, 1981, except that prices may be stabilized at levels below those prevailing on such data if it is necessary to eliminate windfall profits or if it is otherwise necessary to carry out the purpose of this title, and to stabilize interest rates and corporate dividends and similar transfers at levels consistent with orderly economic growth. Such orders and regulations may provide for the making of such adjustments as may be necessary to prevent gross inequities.

DELEGATION

SEC. 3. The President may delegate the performance of any function under this Act to such officers, departments, and agencies of the United States as he may deem appropriate.

PENALTY

SEC. 4. Whoever willfully violates any order or regulation under this Act shall be fined not more than $25,000.

INJUNCTIONS

SEC. 5. Whenever it appears to any agency of the United States, authorized by the President to exercise the authority contained in this section to enforce orders and regulations issued under this Act, that any person has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any regulation or order under this Act, it may in its discretion bring an action, in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. Upon application of the agency, any such court may also issue mandatory injunctions commanding any person to comply with any regulation or order under this Act.

EXPIRATION

SEC. 6. The authority to issue and enforce orders and regulations under this Act expires at midnight September 30, 1985, but such expiration shall not affect any proceeding under section 4 for violation of any such order or regulation, or for the punishment for contempt committed in the violation of any injunction issued under section 5, committed prior to October 1, 1985.●

HUMAN LIFE BILL

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. HYDE. Mr. Speaker, few issues have divided this Nation and the Congress like that of abortion, as we here are painfully aware. The fundamental reason this issue has proven so controversial—whether in regard to Federal financing of abortions, a constitutional amendment to reverse the 1973 Supreme Court decisions on abortion, or the numerous calls for an antiabortion constitutional convention by the State legislatures—is the question; Does abortion destroy innocent human life? For this reason, I am today, along with my good friend and Democratic colleague, Representative MAZZOLI, introducing a bill to create by Federal statute a finding of fact and declaration that human life begins at conception and is accordingly entitled to protection of Federal law. A companion bill is also being introduced in the U.S. Senate by Senator HELMS, who is well known as a leading defender of the sanctity of innocent human life.

This statutory solution for the dilemma of abortion on demand in America is not the only method for reversing the horrendous constitutional errors of *Roe* v. *Wade* and *Roe* v. *Bolton*. I hope that, before long, a constitutional amendment will be proposed by the Congress for eventual ratification by the States: But in the meantime we here in Congress can exercise our powers under the 14th amendment, and by statute establish the right to life of the unborn child. I am convinced we have a duty to do so.

A superb and detailed legal analysis of the authority and precedents for the Congress to undertake such a statute, is outlined in an article in the current Human Life Review—winter 1981—by Stephen Galeback, Esq. to be included in the RECORD today by Senator HELMS. I urge my colleagues to study carefully this proposal, and to consider cosponsoring this bill as well. I also urge the Judiciary Committee to give quick and careful review to this fair, reasonable, and legitimate effort to resolve what has obviously become the most difficult social issue of our time.

Dr. Bernard Nathanson was one of the founders of the National Association for Repeal of Abortion Laws, now known as the National Abortion Rights Action League—NARAL; it is one of the most vociferous proabortion lobbying groups here on Capitol Hill; Dr. Nathanson is also the author of "Aborting America," and he wrote in the New England Journal of Medicine as early as November 28, 1974, that "There is no longer serious doubt in my mind that human life exists within the womb from the very onset of pregnancy, despite the fact that the intrauterine life has been the subject of considerable dispute in the past" and "We must courageously face the fact—finally—that human life of a special order is being taken."

When both sides in this dilemma reach the same conclusion we in the Congress have no alternative but to act, and act quickly to restore protection to America's unborn children.

Dr. Nathanson's important article is printed below. I commend it to your study:

[From the New England Journal of Medicine, Nov. 28, 1974]

SOUNDING BOARD

DEEPER INTO ABORTION

(By Bernard N. Nathanson, M.D.)

In early 1969 I and a group of equally concerned and indignant citizens who had been outspoken on the subject of legalized abortion, organized a political action unit known as NARAL—then standing for National Association for Repeal of Abortion Laws, now known as the National Abortion Rights Action League. We were outspokenly militant on this matter and enlisted the women's movement and the Protestant clergy into our ranks. We used every device available to political-action groups such as pamphleteering, public demonstrations, exploitation of the media and lobbying in the appropriate legislative chambers. In late 1969 we mounted a demonstration outside one of the major university hospitals in New York City that had refused to perform even therapeutic abortions. My wife was on that picket line, and my three-year old son proudly carried a placard urging legalized abortion for all. Largely as a result of the efforts of this and a few similar groups, the monumental New York State Abortion Statute of 1970 was passed and signed into law by Governor Nelson Rockefeller. Our next goal was to assure ourselves that low cost, safe and humane abortions were available to all, and to that end we established the Center for Reproductive and Sexual Health, which was the first—and largest—abortion clinic in the Western world. Its record was detailed in these pages in February 1972.[1]

Some time ago—after a tenure of a year and a half—I resigned as director of the Center for Reproductive and Sexual Health. The Center had performed 60,000 abortions with no maternal deaths—an outstanding record of which we are proud. However, I am deeply troubled by my own increasing certainty that I had in fact presided over 60,000 deaths.

There is no longer serious doubt in my mind that human life exists within the womb from the very onset of pregnancy, despite the fact that the nature of the intrauterine life has been the subject of considerable dispute in the past. Electrocardiographic evidence of heart function has been established in embryos as early as six weeks. Electroencephalographic recordings of human brain activity have been noted in embryos at eight weeks. Our capacity to measure signs of life is daily becoming more sophisticated, and as time goes by, we will doubtless be able to isolate life signs at earlier and earlier stages in fetal development.

The Harvard Criteria for the pronouncement of death assert that if the subject is unresponsive to external stimuli, (e.g., pain). if the deep reflexes are absent, if there are no spontaneous movements or respiratory efforts, if the electroencephalogram reveals no activity of the brain, one may conclude that the patient is dead. If any or all of these criteria are absent—and the fetus does respond to pain, makes respiratory efforts, moves spontaneously, and has electroencephalographic activity—life must be present.

To those who cry that nothing can be human life that cannot exist independently, I ask if the patient totally dependent for his life on treatments by the artificial kidney twice weekly is alive? Is the person with chronic cardiac disease, soley dependent for his life on the tiny batteries on his pacemaker, alive? Would my life be safe in this city without my eyeglasses?

Life is an interdependent phenomenon for us all. It is a continuous spectrum that

[1] Nathanson, B. N.: Ambulatory abortion: experience with 26,000 cases (July 1, 1970, to August 1, 1971). N Engl J Med 286: 403-407, 1972.

begins in utero and ends at death—the bands of the spectrum are designated by words such as fetus, infant, child, adolescent, and adult.

We must courageously face the fact—finally—that human life of a special order is being taken. And since the vast majority of pregnancies are carried successfully to term, abortion must be seen as the interruption of a process that would otherwise have produced a citizen of the world. Denial of this reality is the crassest kind of moral evasiveness.

The fierce militants of the Woman's Liberation evade this issue and assert that the woman's right to bear or not to bear children is her absolute right. On the other hand the ferocious Right-to-Life legions proclaim no rights for the woman and absolute rights for the fetus.

But these "rights" that are held to be so obvious and so undeniable are highly suspect. None of us have "rights" that go beyond the inter-related life that is our common heritage on this planet. Our "rights" exist only because others around us care enough about us to see to it that we have them. They have no other source. They result from no other cause.

Somewhere in the vast philosophic plateau between the two implacably opposed camps—past the slogans, past the pamphlets, past even the demonstrations and the legislative threats—lies the infinitely agonizing truth. We are taking life, and the deliberate taking of life, even of a special order and under special circumstances, is an inexpressibly serious matter.

Somehow, we must not deny the pervasive sense of loss that should accompany abortion and its most unfortunate interruption of life. We must not coarsen our sensitivities through common practice and brute denial.

I offer no panacea. Certainly, the medical profession itself cannot shoulder the burden of this matter. The phrase "between a woman and her physician" is an empty one since the physician is only the instrument of her decision, and has no special knowledge of the moral dilemma or the ethical agony involved in the decision. Furthermore, there are seldom any purely medical indications for abortion. The decision is the most serious responsibility a woman can experience in her lifetime, and at present it is hers alone.

Can there be no help for the pregnant woman bearing the incalculable weight of this moral tension? Perhaps we could make available to her—though it should by no means be mandatory—a consultative body of unique design, much like Saint-Simon's Council of Newton. To meet the new moral challenges of the abortion decision, we may very well need specialists, some of new kinds, to serve on such a body—a psychohistorian, a human ecologist, a medical philosopher, an urbanologist-clergyman. The counseling that such a body could offer a pregnant woman would be designed to bring the whole sweep of human experience to bear on the decision—not just the narrow partisanship of committed young women who have had abortions and who typically staff the counselor ranks of hospitals and clinics now.

My concern is increased by the fact that the sloganeers, with their righteous pontifications and their undisguised desires to assert power over others, have polarized American reactions into dimly understood but tenaciously held positions. The din that has arisen in our land has already created an atmosphere in which it is difficult, if not impossible, for the individual to see the issues clearly and to reach an understanding free from the taint of the last shibboleth that was screamed in her ear.

Our sense of values has always placed the greatest importance upon the value of life itself. With a completely permissive legal climate for abortion (and I believe that we must have such a climate—that abortion must be unregulated by law) there is a danger that society will lose a certain moral tension that has been a vital part of its fabric. In pursuing a course of unlimited and uncontrolled abortion over future years, we must not permit ourselves to sink to a debased level of utilitarian semiconsciousness.

I plead for an honest, clear-eyed consideration of the abortion dilemma—an end to blind polarity. We have had enough screaming placards and mindless marches. The issue is human life, and it deserves the reverent stillness and ineffably grave thought appropriate to it.

We must work together to create a moral climate rich enough to provide for abortion, but sensitive enough to life to accommodate a profound sense of loss.

PERMITTING CITIZEN SUITS TO RECOVER WRONGFULLY REMOVED GOVERNMENT DOCUMENTS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, the right of citizen access to unclassified Government records is a fundamental principle of a free society, as Watergate reminded us. Yet we still face major obstacles to real openness.

Henry Kissinger's removal of telephone transcripts from his office shortly before he stepped down as Secretary of State 4 years ago illustrates one such obstacle. Mr. Kissinger removed these documents without the official review required by the Records Disposal Act (44 U.S.C. 3301) et seq. The Solicitor General has conceded that at least some of the transcripts qualify as official records. Nonetheless, the Supreme Court has ruled that private citizens have no right under existing law to recover the papers for the public's view. Although Mr. Kissinger did finally reach a compromise agreement with the State Department for the return of most of the documents, recovery of unlawfully removed records should not be made dependent upon the vagaries of private agreements.

I am today reintroducing legislation to create a private right of recovery and to deter Government officials from such improper removal of documents.

Mr. Kissinger deeded the transcripts, which recorded his notes of telephone conversations while Secretary of State, to the Library of Congress after having them removed from the State Department. Neither the State Department's records official nor the Administrator of General Services reviewed them.

But in the court case that followed, *Kissinger* v. *Reporters Committee for Freedom of the Press,* 445 U.S. 136 (1980), the Supreme Court ruled that the State Department cannot be required to recover documents no longer in its possession to satisfy a Freedom of Information Act (FOIA) request for them—even if they were unlawfully removed.

According to the Court, both the Records Disposal Act and the Federal Records Act of 1950, 44 U.S.C. 2901 et seq., allow only an agency head, with the assistance of the Administrator of General Services, to initiate an action through the Attorney General to recover records in such cases. The Court could find no evidence in the two applicable statutes that Congress had contemplated a private right of action. Therefore, any individual's request, including that of the Reporters Committee, could be refused. The telephone transcripts were thus shielded from public scrutiny for at least 25 years, under the terms of Kissinger's bequest.

The former Secretary had clearly circumvented the Freedom of Information Act. The New York Times declared that the decision created "a loophole in the Freedom of Information Act big enough for high officials to walk through." And Justice Stevens, in a dissenting opinion, viewed the outcome in ominous terms, saying that—

> It thus creates an incentive for outgoing agency officials to remove potentially embarrassing documents from their files in order to frustrate future FOIA requests.

Citizens must be granted the power to compel return of public records. This flaw in the Federal Records Management Acts must be corrected. Unless a private right of action is established, guarantees of open government are meaningless. To insure that the FOIA, in the words of Justice Brennan, "is to be more than a dead letter, we must necessarily incorporate some restraint upon the agency's powers to move documents beyond the reach of the FOIA requester."

Under my proposed legislation, an individual would have the right to bring suit in Federal district court to recover records unlawfully removed from any person or agency with custody of them. Prior to initiating any action, notice of the alleged violation must be given to the Administrator of GSA, the appropriate agency head, the Attorney General, and the person or agency which has custody of the documents. This notice provision permits the Government to comply with the procedures established in title 44 on its own initiative. If no action is

taken within 60 days, the individual can commence proceedings. In the event the Attorney General starts an action to recover the records, the interested party can intervene in the Attorney General's suit, as a matter of right, to guarantee diligent prosecution of the litigation. The legislation also permits the awarding of court costs, plus reasonable attorney's fees, to any party in an action.

My proposal is consistent with the Federal Government's interest in record control. It would enable the agency executive to have the information available when he needs it, in accordance with the statutes' legislative intent. Citizen suits will supplement the Federal records management system by further insuring retention of important documents.

I believe this legislation offers the strongest useful deterrent to the unlawful removal of records at all levels of government. I might note that last session I cosponsored legislation which would give the Archivist of the United States authority to begin proceedings to recover documents. I feel this additional measure introduced today is necessary, however, to avoid undue restraint that may be placed upon a Government official, such as the Archivist, in this type of situation.

In Kissinger, Justice Brennan noted that—

It is Congress which has the resources and responsibility to fashion a rule about document retention that comports with the objectives of the Freedom of Information Act.

I urge my colleagues to accept this charge and join me in supporting this legislation.

The text of the bill follows:

H.R. 939

A bill to amend title 44, United States Code, to permit citizen suits to recover records wrongfully removed from agency files

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 2905 of title 44, United States Code, is amended by designating the existing paragraph as subsection (a) and by adding at the end thereof the following new subsection:

"(b)(1) Except as provided in paragraphs (2) and (3), any person may commence a civil action on his own behalf against any person (including the United States and any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution) who is alleged to be in possession of any records removed from an agency in violation of the provisions of this chapter or of standards, procedures, or guidelines promulgated pursuant to such provisions. The district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to order the return of any such records or to issue any other orders necessary to obtain compliance with such provisions, standards, procedures or guidelines.

"(2) No action may be commenced under paragraph (1) prior to sixty days after the plaintiff has given notice of the alleged violation (A) to the Administrator of General Services, (B) to the head of the agency from which such records are alleged to have been removed, (C) to the Attorney General, and (D) to the person who is alleged to have custody of such records.

"(3) No action may be commenced under paragraph (1) if, within sixty days after receipt of the notice required by paragraph (2), the Attorney General commences and is diligently prosecuting an action for the recovery of the records to which such notice pertains, but if such an action is instituted the person giving such notice may intervene as a matter of right in such action.

"(4) In any action under this subsection, the Administrator, if not a party, may intervene as a matter of right.

"(5) The court, in issuing any final order in any action brought pursuant to paragraph (1) of this subsection, may award costs of litigation (including reasonable attorney fees) to any part, whenever the court determines such award is appropriate.".

SEC. 2. Section 3106 of title 44, United States Code, is amended by designating the existing paragraph as subsection (a) and by adding at the end thereof the following new subsection:

"(b)(1) Except as provided in paragraphs (2) and (3), any person may commence a civil action on his own behalf against any person (including the United States and any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution) who is alleged to be in possession of any records removed from an agency in violation of the provisions of this chapter or of standards, procedures, or guidelines promulgated pursuant to such provisions. The district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to order the return of any such records or to issue any other orders necessary to obtain compliance with such provisions, standards, procedures, or guidelines.

"(2) No action may be commenced under paragraph (1) prior to sixty days after the plaintiff has given notice of the alleged violation (A) to the Administrator of General Services, (B) to the head of the agency from which such records are alleged to have been removed, (C) to the Attorney General, and (D) to the person who is alleged to have custody of such records.

"(3) No action may be commenced under paragraph (1) if, within sixty days after receipt of the notice required by paragraph (2), the Attorney General commences and is diligently prosecuting an action for the recovery of the records to which such notice pertains, but if such an action is instituted the person giving such notice may intervene as a matter of right in such action.

"(4) In any action under this subsection, the Administrator, if not a party, may intervene as a matter of right.

"(5) The court, in issuing any final order in any action brought pursuant to paragraph (1) of this subsection, may award costs of litigation (including reasonable attorney fees) to any party, whenever the court determines such award is appropriate.".●

REGULATION OF SMOKE DETECTORS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, a number of highly respected scientists and radiologists have pointed out that a radioactive isotope commonly used in smoke detectors represents a serious threat to human health and to the environment. Americium-241, a waste product from the nuclear fuel cycle, is 53 times more radioactive by weight than plutonium-239, for example. Its half-life is 458 years, meaning that it retains its potentially lethal properties for several centuries. Ingestion of even a minute amount of americium-241 can cause cancer.

For this reason, I am introducing two bills today. The first would help alert the millions of consumers who purchase smoke detectors to the potentially hazardous threat smoke detectors containing radioactive materials present. This bill would require manufactureres of ionization smoke detectors to affix to their product and its packaging a notice which states: "This device contains radioactive material which might be hazardous to your health if ingested or improperly disposed." A recognized symbol for radioactivity would also be required to appear on the product.

The second bill I am introducing would regulate the sale of smoke detectors containing radioactive isotopes. This bill would prohibit the interstate sale of the ionization smoke detector, which accounts for approximately 75 percent of all currently marketed smoke detectors.

A safe and reliable alternative to the ionization type detector is currently available. This is the photoelectric variety, which does not contain any radioactive material and has been shown to be effective in providing early alerts.

These bills will help insure that prospective purchasers of smoke detectors be given essential information on the possible risks associated with these products. Forewarned by this notification, a consumer could then choose between the ionization device or a comparably effective model which contains no radioactive material.

There is no justification for continuing to sanction the sale and distribution of an unlabeled device which significantly increases radiological health hazards. These bills are important consumer product safety initiatives that will help safeguard public health and environmental quality. I hope that my colleagues will recognize the danger posed by the ionization smoke

detector, and join me in sponsoring these bills.

Copies of both bills follow:

H.R. 937

A bill to provide that ionization smoke detectors containing any radioactive isotope shall be considerd banned hazardous substances subject to the prohibitions of the Federal Hazardous Substances Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any ionization device which—

(1) is designed to detect the presence of smoke in the atmosphere; and

(2) contains any radioactive isotope; shall be considered to be a banned hazardous substance for purposes of the Federal Hazardous Substances Act (15 U.S.C. 1261 et seq.), and shall be subject to the prohibitions established in section 4 such Act (15 U.S.C. 1263) and to the other provisions of such Act.

SEC. 2. Any person who violates the provisions of section 4 of the Federal Hazardous Substances Act (15 U.S.C. 1263), in connection with the manufacture of the device specified in the first section of this Act, or in connection with the introduction or delivery for introduction of such device into interstate commerce, shall be subject to the penalties established in section 5 such Act (15 U.S.C. 1264).

SEC. 3. The device specified in the first section of this Act shall be liable to seizure in accordance with the provisions of section 6 of the Federal Hazardous Substances Act (15 U.S.C. 1265).

H.R. 926

A bill to provide that ionization smoke detectors shall bear a label specifying that they contain radioactive materials

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it shall be unlawful for any person engaged in the packaging or labeling of any ionization smoke detection device for distribution in commerce, or for any person (other than a common carrier for hire, a contract carrier for hire, or a freight forwarder for hire) engaged in the distribution in commerce of any packaged or labeled ionization smoke detection device, to distribute or to cause to be distributed in commerce any such device if such device is not labeled in a manner which complies with the requirements of section 2.

SEC. 2. (a) Any ionization smoke detection device distributed in commerce shall bear a label which—

(1) includes a recognized symbol indicating the presence of radioactive material; and

(2) bears the following statement: "This device contains radioactive material which may be hazardous to your health if ingested or improperly disposed.".

(b) The label required in subsection (a) shall be affixed to the outside back panel or portion of any ionization smoke detection device, and to any package containing such a device.

SEC. 3. Any violation of the first section of this Act shall constitute an unfair or deceptive act or practice in commerce in violation of section 5(a) of the Federal Trade Commission Act and shall be subject to enforcement under section 5(b) of the Federal Trade Commission Act.

SEC. 4. For purposes of this Act—

(1) the term "commerce" means—

(A) commerce between any State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States, and any place outside thereof; and

(B) commerce within the District of Columbia or within any territory or possession of the United States not organized with a legislative body;

but such term does not include exports to foreign countries; and

(2) the term "ionization smoke detection device" means any device which—

(A) is designed to detect the presence of smoke in the atmosphere; and

(B) contains any radioactive isotope.

SEC. 5. The provisions of this Act shall apply to any ionization smoke detection device which is available for retail sale in commerce after the date of the enactment of this Act.●

CIVIL LIBERTIES AND CIVIL RIGHTS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, today I am submitting for the RECORD my legislative summary of civil liberties and civil rights issues during the 96th Congress.

Civil liberties and civil rights came under heavy attack in the 96th Congress. While some gains were made, the list of accomplishments must focus on the defeat or postponement of dangerous legislation rather than progressive bills which were passed.

Two important legislative initiatives affecting civil liberties did pass during this Congress. The Civil Rights of Institutionalized Persons Act permits action by the Federal Government to protect the constitutional rights of individuals confined in prisons, mental hospitals, juvenile homes, and other institutions operated or owned by the State. This law should provide a significant new tool for Federal civil rights enforcement.

The other major civil liberties victory was the passage of the Privacy Protection Act of 1980. This legislation was designed to overturn the Supreme Court decision in Zurcher against Stanford Daily, which held that a surprise search of a newsroom did not violate the fourth amendment if a search warrant was used. Under the new statute, police searches for documentary materials held by journalists and others engaged in activities protected by the first amendment not suspected of a crime are expressly prohibited. Third parties, such as doctors and lawyers, are also protected, albeit less strictly, against surprise searches.

Among the many defensive battles that were waged in the past 2 years, one of the most successful prevented enactment of an omnibus criminal code bill. Although the efforts to codify all Federal criminal laws and revise those which require overhauling are commendable, I continue to believe that the omnibus approach is unsuited to this task. With so many provisions involved, legislative horsetrading becomes inevitable. Thus, the so-called criminal code reform act included unwise and potentially dangerous new provisions, while retaining existing laws that infringe upon civil liberties. The omnibus approach also results in a bill of great complexity, controversy, and size requiring extensive debate. With the bipartisan support of 34 House Members, I led the drive for open and unlimited debate on the bill and the number of amendments that could be offered to it. I strongly advocated full consideration of each of the bill's provisions. Recognition of the length of debate required for this important legislation was one of the major factors in the House leadership's decision not to bring the bill before the full House this Congress.

Another dangerous piece of legislation that never reached the full House was a bill to punish the disclosure of the identities of covert intelligence agents. The Intelligence Identities Protection Act would have made it a crime for anyone to reveal the identity of covert CIA and FBI agents, even if the information was already part of the public record. I, along with constitutional law professors and civil liberties groups, believed this legislation to be prone to potential abuse and an unconstitutional violation of first amendment rights. I was actively involved in the successful fight against this bill in the 96th Congress, and I will continue to oppose similar legislation that might be introduced in the 97th Congress.

The failure of the Senate to act on the Fair Housing Act Amendments forces the postponement of what has been called the most significant civil rights legislation in the last decade. Passed by the House in June 1980, this bill would have established administrative procedures through which the Fair Housing Act could have been inexpensively and expeditiously enforced. Pressure by special interest groups affected by the legislation stalled the bill in the Senate, where it died during the last days of the 96th Congress. Although the new Senate leadership promises to make it a priority in the new Congress, civil rights advocates were keenly disappointed that these amendments to truly end housing discrimination are still not law.

A constitutional amendment to prohibit court-ordered busing was defeated by a narrow vote of 216 to 209, after Representative RON MOTTL, Democrat from Ohio, managed to force the bill out of committee and onto the floor of the House by obtaining the requisite number of Members' signatures for such a maneuver. However, antibusing forces did achieve a temporary victory

by successfully attaching a rider to the Justice Department's fiscal year 1981 appropriations bill which would prohibit them from participating in or initiating school desegregation cases. President Carter's veto of the bill prevented this restriction from becoming law this year, but it is likely that similar legislation will be introduced next year.

Reversing its original opposition to draft registration, the House voted to resume registration at the request of the administration. The Soviet intervention in Afghanistan and concern over tensions in Middle East provided the impetus needed to pass the registration bill over vehement objections of civil rights, religious, women's, and student organizations. I strongly oppose resumption of the draft and repeatedly spoke out against it in the House and at meetings and rallies both on Capitol Hill and in the district. Although draft registration is now compulsory for all 18- and 19-year-old men, the draft debate will undoubtedly continue during the 97th Congress.

My bill to prohibit discrimination on the basis of sexual orientation received hearings by the Subcommittee on Employment Opportunities. These amendments to the Civil Rights Act ban discrimination against homosexuals in housing, employment, education, and public accommodations. Over 50 Congressmen and Congresswomen have joined with me in sponsoring legislation to end second-class citizen status for gay men and lesbian women.

The 96th Congress again failed to take final action on recognizing the birthday of Rev. Martin Luther King, Jr. On November 13, 1979, a bill declaring January 15 of each year as a national holiday fell only a few votes short of passage. This regrettable failure to honor the contributions of our Nation's foremost civil rights leader will hopefully be reversed in the 97th Congress, when this legislation will be introduced again.

In what may be another harbinger of difficult times ahead, the Privacy of Medical Information Act was defeated by the full House during the last weeks of the 96th Congress. The legislation, which would have prevented unauthorized disclosures of a patient's medical records while permitting greater patient access to those records, was shaped and reported favorably by the Subcommittee on Government Information and Individual Rights, of which I am a member.

The 96th Congress moved again toward even more restrictive provisions for medicaid funding of abortions. Debate continued in the House and Senate on this sensitive issue in connection with the passage of several major pieces of legislation. The Departments of Labor and Health and Human Services are currently funded under a continuing appropriations resolution which provides medicaid funding only when the life of the woman is endangered and in cases of promptly reported incidents of rape and incest. This language has grown more regressive in recent years and no longer provides abortion funding even for women who would suffer severe and long lasting physical health damage if the pregnancy were carried to term. The targets for the Hyde amendments have expanded and abortion riders were passed on appropriation bills funding the Departments of Defense and Justice, the Peace Corps, and the District of Columbia, among others. I believe the denial of medicaid funding to be economic discrimination and an infringement on a woman's right to privacy in this personal decision. I will continue to work actively in the 97th Congress to assure all women access to safe, legal abortion services.

The Senate passed legislation to require, in most cases, advance notice to courts if a break-in or a ruse is needed in order to install electronic eavesdropping equipment. This legislation became necessary after the Supreme Court ruled that the Government no longer needed to obtain a search warrant if the wiretap was previously authorized. Unfortunately the House took no action on the Senate-passed bill or on similar legislation that I introduced to specifically require a separate warrant for breaking and entering in order to implant a wiretap.

I plan to reintroduce this legislation in the new Congress.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, January 20, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JANUARY 21

10:00 a.m.
Budget
To hold hearings to examine the current economic situation and its impact on the Federal budget.
6202 Dirksen Building

Rules and Administration
To hold an organizational business meeting, to consider committee budget for 1981 and other legislative and administrative matters.
301 Russell Building

2:00 p.m.
Budget
To continue hearings to examine the current economic situation and its impact on the Federal budget.
6202 Dirksen Building

JANUARY 22

10:00 a.m.
Budget
To continue hearings to examine the current economic situation and its impact on the Federal budget.
6202 Dirksen Building

Energy and Natural Resources
To hold hearings on the world petroleum outlook for 1981.
3110 Dirksen Building

2:00 p.m.
Budget
To continue hearings to examine the current economic situation and its impact on the Federal budget.
6202 Dirksen Building

Energy and Natural Resources
To hold closed hearings on the world petroleum outlook for 1981.
Room S-407, Capitol

Select on Ethics
To hold an open and closed business meeting.
Room to be announced.

3:00 p.m.
Appropriations
Business meeting, to consider committee rules of procedure for the 97th Congress, committee budget for 1981, and announce subcommittee assignments.
Room S-128, Capitol

JANUARY 23

10:00 a.m.
Appropriations
Labor, Health, and Human Services, and Education Subcommittee
To meet on general subcommittee business.
1114 Dirksen Building

Select on Small Business
To hold oversight hearings on the 8A pilot program of the Small Business Administration.
424 Russell Building

JANUARY 26

10:00 a.m.
Budget
Industrial Growth Subcommittee
To hold hearings on U.S. science and technology policy, and its impact on the electronics industry.
6202 Dirksen Building

Labor and Human Resources
To hold an organizational business meeting, to consider the committee's budget for 1981, rules of procedure for

the 97th Congress, and announce subcommittee assignments.
4232 Dirksen Building

JANUARY 27

10:00 a.m.
Appropriations
To hold hearings to review the proposed budget for fiscal year 1982 and the state of the U.S. economy.
318 Russell Building

Budget
Industrial Growth Subcommittee
To hold hearings on the impact of Federal policy to improve the capacity of certain industries.
6202 Dirksen Building

Select on Small Business
To hold an organizational business meeting.
424 Russell Building

JANUARY 28

9:30 a.m.
Labor and Human Resources
To hold hearings on alleged sex discrimination in the workplace.
4232 Dirksen Building

10:00 a.m.
Appropriations
To continue hearings to review the proposed budget for fiscal year 1982 and the state of the U.S. economy.
Room to be announced

Budget
Industrial Growth Subcommittee
To hold hearings on the international context of U.S. industrial growth.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on Federal and State regulations affecting the automobile industry.
235 Russell Building

JANUARY 29

10:00 a.m.
Appropriations
To continue hearings to review the proposed budget for fiscal year 1982 and the state of the U.S. economy.
Room to be announced

JANUARY 30

10:00 a.m.
Appropriations
To continue hearings to review the proposed budget for fiscal year 1982 and the state of the U.S. economy.
Room to be announced

FEBRUARY 24

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1981 from the Disabled American Veterans.
318 Russell Building

HOUSE OF REPRESENTATIVES—January 20, 1981

The House met at 10:30 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, our help in ages past, our hope for years to come, may Your blessing be upon those to whom the responsibility of leading our Nation has been given. To those who in days past have given of themselves in the pursuit of justice, we offer our gratitude. To those who this day assume the burden of office we offer our prayers that they may lead the people in the ways of righteousness and reconciliation. Teach us all, O God, to acknowledge our dependence on You, recognizing that by ourselves we are weak and given to false pride. Help us to use our power and resources in ways that bring health and happiness to people and peace and concord to our world. O God, look with favor upon our land that through trust in You, we may be faithful in our tasks and so serve the common good. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to make an announcement on behalf of the Inaugural Committee.

Members must display their official tickets in order to get a seat on the platform.

The seats to be occupied by Members of the House have no cover and the area is unheated. Members are urged to dress appropriately for the weather.

No children will be allowed upon the platform, and there will be no seats except for Members actually holding tickets for their own seats.

The procession will be headed by the Sergeant at Arms bearing the mace. He will be followed by the Speaker pro tempore, the House leadership, committee chairmen, ranking minority members, and the other Members in order of seniority.

The Chair would encourage Members, as they gather in order of seniority, to congregate by classes in the well.

Pursuant to House Resolution 27, the Members of the House will now proceed to the West Front to attend the inaugural ceremonies for the President and Vice President of the United States.

Thereupon at 10 o'clock and 36 minutes a.m., the Members of the House, preceded by the Sergeant at Arms and the Speaker pro tempore, proceeded to the West Front of the Capitol.

ADJOURNMENT

At the conclusion of the inaugural ceremonies (at 12 o'clock and 23 minutes p.m.) the House, without returning to its Chamber, pursuant to House Resolution 27, stood in adjournment until Thursday, January 22, 1981, at 11 a.m.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DASCHLE:

H.R. 953. A bill to prohibit proposed regulatory increases in imputed interest rates for tax purposes on loan between related parties and on deferred payments in the case of certain sales of property; to the Committee on Ways and Means.

By Mr. GUYER:

H.R. 954. A bill to prohibit the use of master meters for gas and electricity supplied to new buildings having more than one unit, and for other purposes; to the Committee on Energy and Commerce.

H.R. 955. A bill to abolish the U.S. Postal Service, to repeal the Postal Reorganization Act, to reenact the former provisions of title 39, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 956. A bill to repeal the provisions of the Postal Reorganization Act and to reenact the former provisions of title 39, United States Code; to the Committee on Post Office and Civil Service.

H.R. 957. A bill to amend the Internal Revenue Code of 1954 to allow individuals to designate $10 or less of their income tax liability to be used for purposes of reducing the public debt of the United States; to the Committee on Ways and Means.

H.R. 958. A bill to amend the Internal Revenue Code of 1954 to provide for individuals a refundable tax credit for amounts paid or incurred for television subtitle equipment for use by the hearing-impaired individuals; to the Committee on Ways and Means.

H.R. 959. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

H.R. 960. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for amounts paid by speech-impaired or hearing-impaired individuals for use of toll telephone service by means of teletypewriters; to the Committee on Ways and Means.

H.R. 961. A bill to amend the Internal Revenue Code of 1954 to increase the unified credit against estate and gift taxes to provide that $500,000 of property shall be exempt from such taxes, and to provide an inflation adjustment of such amount; to the Committee on Ways and Means.

H.R. 962. A bill to amend title II of the Social Security Act to reaffirm the fact that benefits payable thereunder are exempt from all taxation; to the Committee on Ways and Means.

H.R. 963. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for the purchase and installation of certain teletypewriters for use by individuals whose sight, hearing, or speech is impaired; to the Committee on Ways and Means.

H.R. 964. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from the gross estate of a decedent of a portion of the value of certain interests in a farm or ranch or trade or business if the spouse or children of the decedent materially participate in such farm or ranch or trade or business; to the Committee on Ways and Means.

H.R. 965. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest and dividends on deposits in saving institutions; to the Committee on Ways and Means.

H.R. 966. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions; to the Committee on Ways and Means.

H.R. 967. A bill to amend the Internal Revenue Code of 1954 to provide that advertising of alcoholic beverages is not a deductible expense; to the Committee on Ways and Means.

H.R. 968. A bill to amend section 44A of the Internal Revenue Code of 1954 to allow all qualifying individuals to take into account employment-related expenses incurred for services outside the taxpayer's household in determining the credit for expenses for certain household and dependent care services under such section; to the Committee on Ways and Means.

H.R. 969. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Ways and Means.

H.R. 970. A bill to amend the Internal Revenue Code of 1954 to provide that trusts established for the payment of product liability claims, professional design liability claims, and related expenses shall be exempt from income tax, and that a deduction shall be allowed for contributions to such trusts; to the Committee on Ways and Means.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

H.R. 971. A bill to provide that each State must establish a workfare program, and require participation therein by all residents of the State who are receiving benefits or assistance under the aid to families with dependent children, food stamp, and public housing programs, as a condition of the State's eligibility for Federal assistance in connection with those programs; jointly, to the Committees on Education and Labor, Ways and Means, Agriculture, and Banking, Finance and Urban Affairs.

H.R. 972. A bill to terminate the Department of Energy; jointly, to the Committees on Government Operations and Rules.

H.R. 973. A bill to prescribe the conditions with respect to affirmative action programs required of Federal grantees and contractors in complying with nondiscrimination programs, to prescribe the necessary requirements for a finding of discrimination in certain actions brought on the basis of discrimination in employment and to prescribe reasonable limits on the collection of data relating to race, color, religion, sex, or national origin, and for other purposes; jointly, to the Committees on the Judiciary and Education and Labor.

H.R. 974. A bill to amend titles 5 and 37 of the United States Code to provide authority to continue the pay of Federal employees and military personnel during periods in which the enactment of appropriations is delayed; jointly, to the Committees on Post Office and Civil Service and Armed Services.

By Mr. McDONALD:

H.R. 975. A bill to amend the Food Stamp Act of 1964, to exclude from coverage under the act households which have members who are on strike, and for other purposes; to the Committee on Agriculture.

H.R. 976. A bill to limit eligibility for appointment and admission to any U.S. service academy to male individuals; jointly, to the Committees on Armed Services and Merchant Marine and Fisheries.

H.R. 977. A bill to require the Comptroller General of the United States to audit annually the gold held by the United States on the first day of each fiscal year and to report his findings to the Congress; to the Committee on Banking, Finance and Urban Affairs.

H.R. 978. A bill to repeal the Occupational Safety and Health Act of 1970; to the Committee on Education and Labor.

H.R. 979. A bill to repeal titles XV and XVI of the Public Health Service Act; to the Committee on Energy and Commerce.

H.R. 980. A bill to permit the introduction or delivery for introduction of laetrile into interstate commerce without the approval of a new drug application under the Federal Food, Drug, and Cosmetic Act; to the Committee on Energy and Commerce.

H.R. 981. A bill to restrict the authority of the Secretary of Health and Human Services with respect to the regulation of vitamin and mineral products for over-the-counter use; to the Committee on Energy and Commerce.

H.R. 982. A bill to exempt certain blood fractions from the Federal Food, Drug, and Cosmetic Act for 5 years, and for other purposes; to the Committee on Energy and Commerce.

H.R. 983. A bill to expand the medical freedom of choice of consumers by amending the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under that act solely to assure their safety; to the Committee on Energy and Commerce.

H.R. 984. A bill to reduce expenditures by the Federal Government, except expenditures for national defense and national security, for the fiscal year 1981; to the Committee on Government Operations.

H.R. 985. A bill to terminate Federal involvement in education; to the Committee on Government Operations.

H.R. 986. A bill to abolish the Federal Election Commission; to the Committee on House Administration.

H.R. 987. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 988. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any Federal felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

H.R. 989. A bill to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgement, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school; to the Committee on the Judiciary.

By Mr. CONABLE:

H.R. 990. A bill to amend and revise provisions of the Internal Revenue Code of 1954 relating to nonprofit organizations, and for other purposes; to the Committee on Ways and Means.

By Mr. McDONALD:

H.R. 991. A bill to provide for a 10 percent reduction in congressional salaries whenever the budget is not balanced; to the Committee on Post Office and Civil Service.

H.R. 992. A bill to amend title 23, United States Code, for the purpose of deleting the provisions relating to a national maximum speed limit of 55 miles per hour; to the Committee on Public Works and Transportation.

H.R. 993. A bill to provide that the Internal Revenue Service may not implement certain rules relating to the determination of whether private schools have discriminatory policies until Congress provides specific guidelines for such determination; to the Committee on Ways and Means.

H.R. 994. A bill to amend the Internal Revenue Code of 1954 to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns, and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 995. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 996. A bill to amend the Internal Revenue Code of 1954 to provide an inflation adjustment for the amount exempted from gift tax; to the Committee on Ways and Means.

By Mr. McDONALD (for himself, Mr. PHILIP M. CRANE, Mr. DANIEL B. CRANE, Mr. GUYER, and Mr. LAGOMARSINO):

H.R. 997. A bill to amend title XI of the Social Security Act to repeal the provision for the establishment of professional standards review organizations to review services covered under the medicare and medicaid programs; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. GUYER:

H.J. Res. 97. Joint resolution proposing an amendment to the Constitution of the United States limiting annual increases in Federal budget outlays and new Federal budget authority; to the Committee on the Judiciary.

H.J. Res. 98. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. LUKEN:

H.J. Res. 99. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. ROUSSELOT (for himself, Mr. COLLINS of Texas, Mrs. HOLT, Mr. LAGOMARSINO, Mr. EDWARDS of Oklahoma, Mr. ASHBROOK, Mr. GOLDWATER, Mr. MOORHEAD, Mr. LUJAN, Mr. WHITEHURST, Mr. GUYER, Mr. GINGRICH, Mr. BAFALIS, Mr. STANGELAND, Mr. PAUL, Mr. KINDNESS, Mr. BADHAM, Mr. FORSYTHE, Mr. BURGENER, Mr. DANNEMEYER, Mr. WINN, Mr. JEFFRIES, Mr. YOUNG of Florida, Mr. LUNGREN, Mr. DUNCAN, Mr. TRIBLE, Mr. LIVINGSTON, Mr. DREIER, Mr. SENSENBRENNER, Mr. WILSON, and Mr. DANIEL B. CRANE):

H.J. Res. 100. Joint resolution proposing an amendment to the Constitution of the United States to require (except during fiscal years during which the United States is at war or during which a suspension is approved) that the annual deficit of the United States be eliminated, to require tax rates to be reduced to offset the effects of inflation, and to establish a procedure for the approval of bills or joint resolutions affecting taxes; to the Committee on the Judiciary.

By Mr. LUKEN:

H.J. Res. 101. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. LUKEN (for himself, Mr. PRICE, and Mr. BOWEN):

H.J. Res. 102. Joint resolution designating the week beginning June 1, 1981, as "National Garden Week"; to the Committee on Post Office and Civil Service.

By Mr. McDONALD:

H. Con. Res. 29. Concurrent resolution expressing the sense of the Congress that homosexual acts and the class of individuals who advocate such conduct shall never receive special consideration or a protected status under law; to the Committee on the Judiciary.

H. Con. Res. 30. Concurrent resolution expressing the sense of the Congress with respect to balancing the Federal budget; jointly, to the Committees on Government Operations, Foreign Affairs, Banking, Finance and Urban Affairs, and Ways and Means.

By Mr. GUYER:

H. Con. Res. 31. Concurrent resolution urging the President to attempt to bring about the establishment of an international food cartel involving the major food exporting countries which would use export prices for food commodities as a bargaining tool in negotiations with the Organization of Pe-

troleum Exporting Countries for reasonable oil prices; to the Committee on Foreign Affairs.

By Mr. ST GERMAIN:

H. Con. Res. 32. Concurrent resolution declaring the sense of Congress regarding periods of silence in the public schools; jointly, to the Committees on Education and Labor and the Judiciary.

By Mr. McDONALD:

H. Res. 29. Resolution to establish a select committee to investigate illegal or unethical practices of the Internal Revenue Service; to the Committee on Rules.

By Mr. PEYSER (for himself, Mr. ADDABBO, Mr. BINGHAM, Mr. MCHUGH, and Mr. YATES):

H. Res. 30. Resolution urging the President to continue the embargo on exports of agricultural commodities to the Soviet Union as a result of its invasion and continued occupation of Afghanistan; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ST GERMAIN:

H.R. 998. A bill for the relief of Mrs. Samuel (Edys) Markovitz; to the Committee on the Judiciary.

H.R. 999. A bill for the relief of John and Margaret Diehl, Julie Eastridge, and Jerome and Betty Davis; to the Committee on the Judiciary.

SENATE—*Tuesday, January 20, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met at 10:30 a.m. and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Almighty God, in whom our fathers trusted, we thank Thee for the precious memories and bright hopes which stir within us this day.

We pray for Thy servant, Ronald Reagan, summoned by the people to guide the destiny of the Republic. Bestow upon him a wisdom higher than his own, a power greater than his own, and an unfailing spirituality derived from an enduring faith in Thee. Surround him with wise counselors and competent colleagues. Be with him in moments of loneliness and anguish. And be with Thy servant, GEORGE BUSH, that he may be ready at all times for the exigencies of history. Be with the Members of this body. Hold us to all that is right and good and true.

Renew in all the people a strong sense of civic responsibility. Rekindle the fire of high patriotism, of self-reliance, and personal industry. Give us a part in the recovery of national purpose and the revival of pure religion. Quicken our love of America that, beyond the glittering lights of today, we may see the shining glory of the Republic—"one nation under God, indivisible with liberty and justice for all." Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The Senator from Alaska is recognized.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings to date be approved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 10:49 A.M. TODAY

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate stand in recess until 10:49 a.m.

The PRESIDENT pro tempore. Without objection, it is so ordered. Recess until 10:49 a.m.

There being no objection, the Senate, at 10:32 a.m., recessed until 10:49 a.m.; whereupon, the Senate reassembled when called to order by the President pro tempore.

RECESS UNTIL 3 P.M.

The PRESIDENT pro tempore. Under the previous order, the Senate will proceed to the inaugural platform for the inauguration of our new President, Ronald Reagan. The Senate will then stand in recess until 3 o'clock today.

(Thereupon, at 10:49:25 a.m., the Senate recessed until 3 p.m.)

INAUGURATION OF THE PRESIDENT OF THE UNITED STATES AND THE VICE PRESIDENT

PROCESSION TO THE INAUGURAL PLATFORM

The Members of the House of Representatives, headed by Representative JAMIE L. WHITTEN, Speaker pro tempore, W. Raymond Colley, Deputy Clerk of the House, and the Reverend James David Ford, Chaplain, proceeded to the inaugural platform. House leadership, committee chairmen, and ranking minority members were seated in the inner ring of the platform. Mr. James T. Molloy, Mr. Walter Kennedy, and Mr. Robert V. Rota assisted in the seating of all other Members in the outer ring of the platform.

The Members of the U.S. Senate, headed by Senator STROM THURMOND, President pro tempore, William F. Hildenbrand, Secretary of the Senate, and the Reverend Edward L. R. Elson, D.D., Chaplain of the Senate, proceeded to the inaugural platform. Senate leadership, committee chairmen, and ranking minority members were seated in the inner ring of the platform. Mr. Walter J. Stewart and Mr. Howard O. Greene, Jr., assisted in seating all other Members in the outer ring of the platform.

The Governors of the States and the Mayor of the District of Columbia, were escorted by Mr. Joseph deGenova, assisted by two Capitol Police, to their seats in south boxes 1 and 2. The Governors' spouses, and the spouse of the Mayor of the District of Columbia, were escorted to their places in section A.

The members of the diplomatic corps were escorted from the Rayburn Room by Ms. Linda Melconian and Mr. Hyde Murray and were seated in the north boxes. Spouses of the diplomats were escorted by Mr. Tommy Winebrenner and Mr. Ronald Lasch to their seats in section A.

The members of the diplomatic corps spouses were escorted by Mr. Gerald Frank from the rotunda to their seats on the President's platform.

All the Justices of the Supreme Court were escorted to their seats on the President's platform by Mr. Martin B. Gold. The spouses of the Justices, except for the spouses of the Chief Justice and Associate Justice Stewart were escorted by Capitol Police to their seats in section A. Mrs. Burger and Mrs. Stewart were escorted by the coordinator to their seats on the President's platform.

MRS. BUSH AND MRS. MONDALE

Mrs. Baker, Mrs. Michel, Mrs. Pell, Mrs. Wright, and Mrs. Robert C. Byrd escorted Mrs. Bush and Mrs. Mondale, with assistance from the coordinator, to the President's platform.

MRS. REAGAN AND MRS. CARTER

Mrs. Hatfield, Mrs. Rhodes, and Mrs. O'Neill escorted Mrs. Reagan and Mrs. Carter, with assistance from the coordinator, to the platform.

PRESIDENT CARTER AND VICE PRESIDENT MONDALE

Mr. Mello G. Fish and Mr. Charles Mallon, accompanied by Mr. William McWhorter Cochrane, escorted President Carter and Vice President MONDALE, followed by Senator PELL, Senator ROBERT C. BYRD, Speaker O'NEILL, and Representative WRIGHT to the President's platform.

THE VICE PRESIDENT-ELECT

Mr. Howard S. Liebengood and Mr. Benjamin J. Guthrie escorted the Vice President-elect, Senator BAKER, and Representative MICHEL to the President's platform.

THE PRESIDENT-ELECT

Senator HATFIELD and Representative RHODES, accompanied by Mr. Thomas K. Decker, the Executive Director, escorted the President-elect to the President's platform.

This party joined the Sergeants at Arms, Speaker O'NEILL, Senator BAKER, Senator PELL, Representative MICHEL, Senator ROBERT C. BYRD, and Representative WRIGHT and proceeded to the platform.

The ANNOUNCER. Ladies and gentlemen, Senator MARK O. HATFIELD, chairman of the Joint Congressional Committee on Inaugural Ceremonies, will present the program.

[Applause.]

THE INAUGURAL CEREMONY

Mr. HATFIELD. Welcome to the historic first inauguration under the panoply of the west front of our Nation's Capitol. The 40th President of the United States takes his oath of office in a day when a tide of new hope is rising throughout our land. As an affirmation of this new hope, let us all join Michael Ryan of the U.S. Marines in singing a verse of "America the Beautiful."

All join and reach out and grasp the hand of your neighbor, and let this be a symbol of our unity.

(The U.S. Marine Corps Band, under the direction of Lt. Col. John Bourgeois, played "America the Beautiful," which was sung by Michael Ryan.)

[Applause.]

INVOCATION

Mr. HATFIELD. Please be seated.

This new hope is not promoted in lyricism but is a tough and realistic hope which is the instinct of the soul, the energizer of the mind.

For our invocation today, I present President-elect and Mrs. Reagan's pastor, the Reverend Donn Moomaw of the Bel Aire Presbyterian Church of Los Angeles.

Will you please stand?

Reverend MOOMAW. Wherever you might be, here in the United States and around the world, please bow with me in this moment of solemn dedication and prayer.

Gracious God, Our Father, we need you today, maybe as never before. We have not lived up to our personal or national potential. We have seen our world from our own selfish, parochial point of view. We have lived as though everything depended upon us. We confess our sin and seek Your forgiveness.

In this historic moment, we would pray for our President-elect Ronald Reagan. May he see himself as one who has been called by You to lead this country. May he take very seriously his accountability to You and do all he can to walk in Your truth, run with patience the race that is set before him, and stand mature and wholly devoted to doing Your will.

Grant him a steady peace, a brave and compassionate heart, a single desire to always be quick to give You all the praise and the honor and the glory.

Help and encourage Mrs. Reagan and the children in these days. Teach them, O God, to understand that with responsibility comes sacrifice, and with leadership comes loneliness. May they all find their companionship in You, O God.

We also pray for Vice President-elect GEORGE BUSH, the Cabinet, and all others who are in positions of leadership in this new administration. May they measure well the shortness of time and the length of eternity. May they see all people and things and nations from Your point of view.

We thank You, O God, for this moment of commitment. Give to all of us as a nation enough hard times to keep us humble and humane, enough tasks beyond our own abilities to keep us ever dependent upon You, enough joys and accomplishments to keep us pressing on and gloriously happy as we serve You together.

We thank You, O God, for the release of the hostages, and for all of those who have made this moment possible.

And so in this moment of new beginnings, our hearts beat with a cadence of pride in our country and hope in its future. Help us to stand proudly as American citizens and face every challenge with a confidence born of Your spirit and humbly touched by Your love and grace.

So to this end we commit ourselves and to this end we pray, in the name of the Lord of lords and King of kings, even Jesus Christ. Amen.

Mr. HATFIELD. Please be seated.

My fellow citizens, will you join me at this time in wishing good health and happiness to President and Mrs. Carter and the Vice President and Mrs. MONDALE?

[Applause.]

ADMINISTRATION OF OATH TO THE VICE PRESIDENT-ELECT

Mr. HATFIELD. I now present the Associate Justice of the U.S. Supreme Court, the Honorable Potter Stewart, who will administer the oath of office to the Vice President-elect.

[Applause.]

Associate Justice Potter Stewart administered to the Vice President-elect the oath of office prescribed by the Constitution, which he repeated, as follows:

I, GEORGE HERBERT WALKER BUSH, do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God.

Mr. JUSTICE STEWART. God bless you.

[Applause.]

ADMINISTRATION OF OATH TO THE PRESIDENT-ELECT

Mr. HATFIELD. The U.S. Marine Band will now play our national hymn, "God of Our Fathers."

(The U.S. Marine Corps Band played "God of Our Fathers.")

[Applause.]

Mr. HATFIELD. My fellow citizens, I now present the Chief Justice of the United States, the Honorable Warren Burger, who will administer the oath of office to the President-elect.

Mr. CHIEF JUSTICE BURGER. Put your hand on the Bible and raise your right hand and repeat after me.

The Chief Justice of the United States, Warren Earl Burger, administered to the President-elect the oath of office prescribed by the Constitution, which he repeated, as follows:

I, Ronald Reagan, do solemnly swear that I will faithfully execute the office of President of the United States, and will, to the best of my ability, preserve, protect, and defend the Constitution of the United States. So help me God.

Mr. CHIEF JUSTICE BURGER. I congratulate you.

[Applause.]

(Four ruffles and flourishes, "Hail To The Chief," and 21-gun salute.)

Mr. HATFIELD. My fellow countrymen, the President of the United States.

President REAGAN. Thank you.

[Applause.]

THE INAUGURAL ADDRESS

President REAGAN. Senator HATFIELD, Mr. Chief Justice, Mr. President, Vice President BUSH, Vice President MONDALE, Senator BAKER, Speaker O'NEILL, Reverend Moomaw, and my fellow citizens: To a few of us here today, this is a solemn and most momentous occasion. And, yet, in the history of our Nation, it is a commonplace occurrence.

The orderly transfer of authority as called for in the Constitution routinely takes place as it has for almost two centuries and few of us stop to think how unique we really are. In the eyes of many in the world, this every-4-year ceremony we accept as normal is nothing less than a miracle.

Mr. President, I want our fellow citizens to know how much you did to carry on this tradition. By your gracious cooperation in the transition process, you have shown a watching world that we are a united people pledged to maintaining a political system which guarantees individual liberty to a greater degree than any other, and I thank you and your people for all your help in maintaining the continuity which is the bulwark of our Republic.

[Applause.]

The business of our Nation goes forward. These United States are confronted with an economic affliction of great proportions. We suffer from the longest and one of the worst sustained inflations in our national history. It distorts our economic decisions, penalizes thrift, and crushes the struggling young and the fixed-income elderly alike. It threatens to shatter the lives of millions of our people.

Idle industries have cast workers into unemployment, causing human misery and personal indignity. Those who do work are denied a fair return for their labor by a tax system which penalizes successful achievement and keeps us from maintaining full productivity.

But great as our tax burden is, it has not kept pace with public spending. For decades, we have piled deficit upon deficit, mortgaging our future and our children's future for the temporary convenience of the present. To continue this long trend is to guarantee tremendous social, cultural, political, and economic upheavals.

You and I, as individuals, can, by borrowing, live beyond our means, but for only a limited period of time. Why, then, should we think that collectively, as a nation, we are not bound by that same limitation?

We must act today in order to preserve tomorrow. And let there be no misunderstanding—we are going to begin to act, beginning today.

The economic ills we suffer have come upon us over several decades. They will not go away in days, weeks, or months. But they will go away. They will go away because we, as Americans, have the capacity now, as we have had in the past, to do whatever needs to be done to preserve this last and greatest bastion of freedom.

In this present crisis, Government is not the solution to our problem. Government is the problem.

From time to time, we have been tempted to believe that society has become too complex to be managed by self-rule, that government by an elite group is superior to government for, by, and of the people. But if no one among us is capable of governing himself, then who among us has the capacity to govern someone else?

All of us together, in and out of Government, must bear the burden. The solutions we seek must be equitable, with no one group singled out to pay a higher price.

We hear much of special interest groups. Our concern must be for a special interest group that has been too long neglected. It knows no sectional boundaries or ethnic and racial divisions, and it crosses political party lines. It is made up of men and women who raise our food, patrol our streets, man our mines and

our factories, teach our children, keep our homes, and heal us when we are sick—professionals, industrialists, shopkeepers, clerks, cabbies, and truckdrivers. They are, in short, "We the people," this breed called Americans.

This administration's objective will be a healthy, vigorous, growing economy that provides equal opportunity for all Americans, with no barriers born of bigotry or discrimination. Putting America back to work means putting all Americans back to work. Ending inflation means freeing all Americans from the terror of runaway living costs. All must share in the productive work of this "new beginning" and all must share in the bounty of a revived economy. With the idealism and fairplay which are the core of our system and our strength, we can have a strong and prosperous America at peace with itself and the world.

So, as we begin, let us take inventory. We are a Nation that has a Government—not the other way around. And this makes us special among the nations of the Earth. Our Government has no power except that granted it by the people. It is time to check and reverse the growth of Government which shows signs of having grown beyond the consent of the governed.

It is my intention to curb the size and influence of the Federal Establishment and to demand recognition of the distinction between the powers granted to the Federal Government and those reserved to the States or to the people.

[Applause.]

All of us need to be reminded that the Federal Government did not create the States; the States created the Federal Government.

[Applause.]

So there will be no misunderstanding, it is not my intention to do away with government. It is, rather, to make it work—work with us, not over us; to stand by our side, not ride on our back. Government can and must provide opportunity, not smother it; foster productivity, not stifle it.

If we look to the answer as to why, for so many years, we achieved so much, prospered as no other people on earth, it was because here, in this land, we unleashed the energy and individual genius of man to a greater extent than has ever been done before. Freedom and the dignity of the individual have been more available and assured here than in any other place on earth. The price for this freedom at times has been high. But we have never been unwilling to pay that price.

It is no coincidence that our present troubles parallel and are proportionate to the intervention and intrusion in our lives that result from unnecessary and excessive growth of government.

It is time for us to realize that we are too great a nation to limit ourselves to small dreams. We are not, as some would have us believe, doomed to an inevitable decline. I do not believe in a fate that will fall on us no matter what we do. I do believe in a fate that will fall on us if we do nothing.

So, with all the creative energy at our command, let us begin an era of national renewal. Let us renew our determination, our courage, and our strength. And let us renew our faith and our hope. We have every right to dream heroic dreams.

Those who say that we are in a time when there are no heroes just don't know where to look. You can see heroes every day going in and out of factory gates. Others, a handful in number, produce enough food to feed all of us and then the world beyond.

You meet heroes across a counter—and they are on both sides of that counter. There are entrepreneurs with faith in themselves and faith in an idea who create new jobs, new wealth and opportunity. They are individuals and families whose taxes support the Government and whose voluntary gifts support church, charity, culture, art, and education. Their patriotism is quiet but deep. Their values sustain our national life.

I have used the words "they" and "their" in speaking of these heroes. I could say "you" and "your" because I am addressing the heroes of whom I speak—you, the citizens of this blessed land. Your dreams, your hopes, your goals, are going to be the dreams, the hopes and the goals of this administration, so help me God.

[Applause.]

We shall reflect the compassion that is so much a part of your makeup. How can we love our country and not love our countrymen? And loving them reach out a hand when they fall, heal them when they are sick, and provide opportunities to make them self-sufficient so they will be equal in fact and not just in theory?

Can we solve the problems confronting us? Well, the answer is an unequivocal and emphatic yes. To paraphrase Winston Churchill, I did not take the oath I have just taken with the intention of presiding over the dissolution of the world's strongest economy.

In the days ahead, I will propose removing the roadblocks that have slowed our economy and reduced productivity. Steps will be taken aimed at restoring the balance between the various levels of government. Progress may be slow—measured in inches and feet, not miles—but we will progress. It is time to reawaken this industrial giant, to get Government back within its means, and to lighten our punitive tax burden. And these will be our first priorities, and on these principles, there will be no compromise.

[Applause.]

On the eve of our struggle for independence a man who might have been one of the greatest among the Founding Fathers, Dr. Joseph Warren, President of the Massachusetts Congress, said to his fellow Americans, "Our country is in danger, but not to be despaired of . . . On you depend the fortunes of America. You are to decide the important question upon which rests the happiness and the liberty of millions yet unborn. Act worthy of yourselves."

Well, I believe we, the Americans of today, are ready to act worthy of ourselves, ready to do what must be done to ensure happiness and liberty for ourselves, our children and our children's children.

And as we renew ourselves here in our own land, we will be seen as having greater strength throughout the world. We will again be the exemplar of freedom and a beacon of hope for those who do not now have freedom.

To those neighbors and allies who share our freedom, we will strengthen our historic ties and assure them of our support and firm commitment. We will match loyalty with loyalty. We will strive for mutually beneficial relations. We will not use our friendship to impose on their sovereignty, for our own sovereignty is not for sale.

As for the enemies of freedom, those who are potential adversaries, they will be reminded that peace is the highest aspiration of the American people. We will negotiate for it, sacrifice for it; we will not surrender for it—now or ever.

[Applause.]

Our forebearance should never be misunderstood. Our reluctance for conflict should not be misjudged as a failure of will. When action is required to preserve our national security, we will act. We will maintain sufficient strength to prevail if need be, knowing that if we do so we have the best chance of never having to use that strength.

Above all we must realize that no arsenal, or no weapon in the arsenals of the world, is so formidable as the will and moral courage of free men and women. It is a weapon our adversaries in today's world do not have. It is a weapon that we as Americans do have. Let that be understood by those who practice terrorism and prey upon their neighbors.

[Applause.]

I am told that tens of thousands of prayer meetings are being held on this day, and for that I am deeply grateful. We are a Nation under God, and I believe God intended for us to be free. It would be fitting and good, I think, if on each Inaugural Day in future years it should be declared a day of prayer.

This is the first time in our history that this ceremony has been held, as you have been told, on this West Front of the Capitol. Standing here, one faces a magnificent vista, opening up on this city's special beauty and history. At the end of this open Mall are those shrines to the giants on whose shoulders we stand.

Directly in front of me, the monument to a monumental man: George Washington, Father of our country. A man of humility who came to greatness reluctantly. He led America out of revolutionary victory into infant nationhood.

Off to one side, the stately memorial to Thomas Jefferson. The Declaration of Independence flames with his eloquence.

And then beyond the reflecting pool the dignified columns of the Lincoln Memorial. Whoever would understand in his heart the meaning of America will find it in the life of Abraham Lincoln.

Beyond those monuments to heroism is the Potomac River, and on the far shore the sloping hills of Arlington National Cemetery with its row on row of simple white markers bearing crosses or Stars of David. They add up to only a tiny fraction of the price that has been paid for our freedom.

Each one of those markers is a monu-

ment to the kinds of hero I spoke of earlier. Their lives ended in places called Belleau Wood, The Argonne, Omaha Beach, Salerno and halfway around the world on Guadalcanal, Tarawa, Pork Chop Hill, The Chosin Reservior, and in a hundred rice paddies and jungles of a place called Vietnam.

Under one such marker lies a young man—Martin Treptow—who left his job in a small town barber shop in 1917 to go to France with the famed Rainbow Division. There, on the Western Front, he was killed trying to carry a message between battalions under heavy artillery fire.

We are told that on his body was found a diary. On the flyleaf under the heading, "My Pledge," he had written these words: "America must win this war. Therefore, I will work, I will save, I will sacrifice, I will endure, I will fight cheerfully and do my utmost, as if the issue of the whole struggle depended on me alone."

The crisis we are facing today does not require of us the kind of sacrifice that Martin Treptow and so many thousands of others were called upon to make. It does require, however, our best effort, and our willingness to believe in ourselves and to believe in our capacity to perform great deeds; to believe that together, with God's help, we can and will resolve the problems which now confront us.

And, after all, why shouldn't we believe that? We are Americans. God bless you and thank you.

[Applause.]

Mr. HATFIELD. Will you remain standing, please?

The Joint Congressional Committee on the Inauguration and all the Members of U.S. Congress are honored that you have come here for this great occasion today.

We close now with the benediction offered by Reverend Moomaw, which will be followed by the singing of the Star Spangled Banner by Mrs. Juanita Booker.

BENEDICTION

Reverend MOOMAW. May the Lord bless you and keep you; may the Lord make His face to shine upon you and be gracious unto you; may the Lord lift up the light of His countenance upon you and give you peace, both now and forever more. Amen.

PRESENTATION OF THE NATIONAL ANTHEM

(The National Anthem was sung by Mrs. Juanita Booker, accompanied by the U.S. Marine Corps Band, audience standing.)

[Applause.]

Mr. HATFIELD. Will you greet once more our President and Mrs. Reagan?

[Applause.]

(The inaugural ceremonies were concluded at 12:23 p.m.)

(Following the conclusion of the inaugural ceremonies, the Senate reassembled at 3 p.m., when called to order by the President pro tempore (Mr. THURMOND).

MESSAGES FROM THE PRESIDENT

The PRESIDENT pro tempore. The Senate will now receive a message from the President of the United States.

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES OF THE PRESIDENT WITH RESPECT TO NOMINATIONS OF CABINET OFFICERS HELD AT THE DESK

Mr. BAKER. Mr. President, I ask unanimous consent that the messages from the President, which are in respect to his nominations for Cabinet officers, be held at the desk pending further disposition of the Senate.

The PRESIDENT pro tempore. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, there will be no objection from this side. We on the Democratic side want to expedite the process of confirming the nominees. Some of the nominees will be confirmed quickly and without much debate. Others will require a little more time, but we stand ready to cooperate in expediting the nominees.

I feel the new President, as have his predecessors, should have those whom he has chosen insofar as the Senate is willing to confirm them in place as soon as possible so he can begin to govern. That will be the spirit on this side of the aisle as we approach this matter.

We are ready to enter into a time agreement which I have discussed with the distinguished majority leader, if he so wishes to propound it.

Mr. BAKER. Mr. President, I thank the minority leader, and I am most grateful for his graciousness and his expression of cooperation which he has stated previously privately, as well as on the floor of the Senate. It is characteristic of him and of his leadership and, I may say, augurs well for the beginnings of a good bipartisan relationship in matters of national importance that we are off to a start of this type.

I might say to the minority leader it is my intention to ask unanimous consent in a moment to proceed to the consideration, first, of the nomination of Caspar Weinberger to be Secretary of Defense. I would advise the distinguished minority leader, as I have done previously, that I had hoped to go first to the Secretary of State, who is the senior Cabinet officer, but at the specific request of the President I will alter that request and, in a moment, I will make such a request, such a unanimous-consent request.

I hope, Mr. President, in respect to the remainder of this day that we can dispose of the Secretary of Defense nomination on which, I assume, there will be a rollcall vote, based on the colloquy with the Senator from Wisconsin on yesterday, and then begin on the nomination of General Haig to be Secretary of State. If the minority leader is prepared to do so, I would like to propound, if he is prepared to respond, now a unanimous-consent request with respect to those two nominations.

Mr. ROBERT C. BYRD. Mr. President, first of all, I have no objection, as I represent the Members on this side of the aisle, to holding the nominations at the desk prior to their being sent to committee, and I also have no objection to proceeding with any nomination the distinguished majority leader wishes to proceed with or nominations today without their being held for a day.

The PRESIDENT pro tempore. Without objection, the Senator's request is agreed to.

Mr. BAKER. I thank the Chair.

TIME-LIMITATION AGREEMENT ON VARIOUS CABINET NOMINATIONS

Mr. BAKER. Mr. President, I now request that when the Senate goes into executive session to consider nominations, those held at the desk, that we first proceed to the consideration of the nomination of Caspar Weinberger to be Secretary of Defense, and on that nomination there be a total time of 100 minutes to be divided as follows: 45 minutes under the control of the ranking member of the Committee on Armed Services, the distinguished Senator from Mississippi (Mr. STENNIS); 15 minutes under the control of the distinguished chairman of the committee, Mr. TOWER; and 40 minutes under the control of the distinguished Senator from North Carolina (Mr. HELMS). That is the request.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object—and I will not object—I wonder if the distinguished majority leader would care to put all of the requests at one time, certainly those on which this side of the aisle requests 45 minutes, without singling out any one in particular?

Mr. BAKER. All right.

Mr. President, responding to the minority leader, let me go through the list, if the Chair will withhold granting the request.

Mr. President, I further ask unanimous consent that when we proceed to the consideration of the nomination of Alexander Haig to be Secretary of State that there be a time limitation of 4 hours to be divided as follows: 3 hours to be controlled by the ranking minority member, Senator PELL, the distinguished Senator from Rhode Island; the remaining hour to be controlled by the chairman of the committee, the distinguished Senator from Illinois (Mr. PERCY); and 30 minutes of that hour to be allocated to the distinguished Senator from Connecticut (Mr. WEICKER).

Mr. President, in addition, I ask unanimous consent that on the nomination of James Watt to be Secretary of the Interior that there be a 4½-hour time limitation to be divided as follows: 3 hours to be controlled by the ranking minority member, Senator JACKSON; and 1½ hours to be controlled by the distinguished chairman of the committee, Senator MCCLURE.

I further ask unanimous consent, Mr. President, that on the nomination of David Stockman, to be Director of the Office of Management and Budget, there be a 3-hour time limitation to be divided

as follows: 2 hours under the control of the ranking minority member, Mr. EAGLETON, and 1 hour under the control of the chairman of the committee, Senator ROTH.

Further, Mr. President, I ask unanimous consent that when the Senate reaches the nomination of James Edwards to be Secretary of Energy that there be a time limitation of 75 minutes to be divided as follows: 45 minutes under the control of the ranking minority member, Senator JACKSON; and 30 minutes under the control of the chairman of the committee, Senator MCCLURE.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object—and I shall not object to the requests en bloc—the Democratic side of the aisle is prepared to enter into agreements on all the remaining nominees with the exception of Mr. Stockman, and to the extent that 45 minutes be allotted to this side of the aisle under the control of the ranking minority member, if the distinguished majority leader—I am sorry, I misstated myself by a slip of the tongue. I did not mean to make reference to Mr. Stockman. My reference to the lack of any intention to enter into any time agreement on this side with respect to a nominee was with respect to the nomination of the Secretary of Labor.

Mr. BAKER. Mr. President, I thank the distinguished minority leader.

On the basis of that then I make this final addition to my unanimous-consent request. I ask unanimous consent that on all the remaining nominations which are now at the desk, having been transmitted by the President of the United States on this day, there be a time limitation of 45 minutes allocated to the minority, and 15 minutes allocated to the majority under the control of the ranking member of the jurisdictional committee in each instance, and the chairman of the jurisdictional committee on this side in each instance.

Mr. ROBERT C. BYRD. Mr. President, if the distinguished majority leader were to add this proviso, that 30 minutes of the time allotted to the Democratic side of the aisle be under the control of Mr. PROXMIRE on each nominee, I have no objection.

Mr. BAKER. Mr. President, I thank the distinguished minority leader, and I add that to my request.

The PRESIDENT pro tempore. Without objection, all requests are agreed to.

(Later the following occurred:)

Mr. BAKER. Mr. President, it has been called to my attention that, by inadvertence, it might be thought that I asked unanimous consent to limit the time on the nomination of Mr. Donovan to be Secretary of Labor. Just so there is no misunderstanding about that, Mr. President, I ask unanimous consent that the Donovan nomination not be included in the overall catchall request that I made just previously.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I thank the minority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the majority leader.

(End of later proceedings.)

Mr. BAKER. Mr. President, while we have a number of Senators in the Chamber, I would say once again that it is my intention in a few moments to ask unanimous consent to proceed first to the nomination of Caspar Weinberger to be Secretary of Defense. While there are a number of Senators here, I ask unanimous consent that it be in order to ask for the yeas and nays on that nomination.

The PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask for the yeas and nays on the nomination.

The PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, is it the intention of the majority leader to allow Senators to have a few minutes for routine morning business? I have a couple of statements I would like to make at this time.

Mr. BAKER. Mr. President, I am prepared to do that now, if the minority leader would wish, or we could do it later, as he might prefer.

Mr. President, if there is any remaining leader time, let me make one remark and then I will yield to the minority leader for such remarks as he may wish and then we will have a provision for the transaction of routine morning business.

Mr. TOWER. Mr. President, may we have order?

EXPRESSIONS OF APPRECIATION

Mr. BAKER. Mr. President, I would like to pay a special tribute to the distinguished minority leader for something that may not be widely known even in this body, and that is his perseverance, his initiative, and his request that the inauguration of the 40th President of the United States be held on the west front of the Capitol, a historic first.

We have just concluded that ceremony, and it was no less than majestic. I wish to pay my special respects to the distinguished minority leader for taking the initiative in making that possible and making that event so memorable.

At the same time, Mr. President, I wish to express my deep appreciation to the distinguished Senator from Oregon, Mr. HATFIELD, who was chairman of the Joint Congressional Committee on the Inauguration. I think the entire inauguration was conducted with style and grace, with a type of class that becomes the Congress of the United States, and the rapport that I hope will continue to exist between the three departments.

Mr. President, I wish to express my appreciation to all of those on the staff of the Senate and the Congress who have served so faithfully in making this truly a memorable day.

I yield to the minority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader. I thank him for his remarks with respect to the bit of a part that I played in having the inaugural ceremony conducted on the west side of the Capitol.

I must confess that at that time I clearly had in mind the inauguration of a Democratic President. But, nevertheless, I think we did the right thing in having it on the west side.

Mr. President, let me also add my commendations to those of the majority leader with respect to the work that Mr. HATFIELD has done and the class, poise, and dignity with which he carried out his responsibility today. I think that all Members of the Senate can be justly proud of Mr. HATFIELD.

PRESIDENT REAGAN

Mr. ROBERT C. BYRD. Mr. President, today is a day of hope in our country. Back in November we had our day of partisan contest. The winner of that election becomes much more than a victor of his party. He becomes the President of the United States. I congratulate President Ronald Wilson Reagan. I join with my fellow Democrats and with all Americans in wishing him an auspicious beginning, and a successful term of office.

More than anyone, the President represent our country. When the President succeeds, so do all of us. Every American has a stake in the strength and the wisdom of our President. That is why today is a day of national hope. The United States has a new leader, and all Americans wish him Godspeed.

Back in November and during the campaign there were negative comments about the state of our Nation—both sides criticized our policies and pointed to problems. Now it is time to leave behind the rhetoric of economic disaster and military weakness. Now is the time to look to our strengths, which are ample and enduring. Now is the time to focus on our problems as challenges, with a sense of perspective, and with a sense of purpose. The spirit of this land is proud and resilient. We know that we as a people have an inner strength, and we want to use it for the good of the country. We know that we are prepared to work, to sacrifice, and to better this Nation. We welcome a fresh chapter in our history.

The transition from President Carter to President Reagan is one of which we can be proud. There are few nations in the world capable of transferring power by the ballot. In many countries an event such as the one we have celebrated today would be accomplished not by respect for the rule of law and with dignity for both winner and loser—but rather by force of arms and tanks in the streets. We do live in a special country. We have a duty to preserve our system of representative democracy.

President Carter had a contract with the American people until today. History will record that he was a President tenacious for peace. He honored our country by working for the release of the American hostages in Iran right up to the last moment. We are proud of Jimmy Carter for this.

Mr. President, President Reagan stands before a nation of Republicans and Democrats, a nation strong by its ethnic, cultural, economic, and religious

diversity. We owe him our support and our cooperation to strengthen America. Today is indeed a day of hope for all Americans.

RELEASE OF AMERICAN HOSTAGES

Mr. ROBERT C. BYRD. Mr. President, in the early days of the Roman Empire, the ancient Latin poet Horace offered this advice and counsel: "The man who is tenacious of purpose in a rightful cause," he observed, "is not shaken from his firm resolve by the frenzy of his fellow citizens clamoring for what is wrong, or by the tyrant's threatening countenance." I do not know whether President Carter, Secretary of State Muskie, Deputy Secretary Christopher and others in the Carter administration were aware of the Latin poet's sage observation in their approach to gaining the release of the American hostages in Iran. But, at this juncture, it really does not matter.

What does matter is that the hostages are free and they are free because President Carter was, in fact, "tenacious of purpose" and "not shaken from his firm resolve" to win their release—and to win it in a dignified and honorable manner.

The Nation owes President Carter and his advisers a debt of gratitude for their determined and unfailing efforts to bring the hostage ordeal to a successful conclusion. A lesser man, a lesser President could easily have decided to turn his back and slowly walk away, leaving it as a problem for his successor. To his credit, President Carter refused to do so and for that, we can all be thankful. History will so record.

And history will also record that this was an issue on which all Americans were united, whether rich or poor, black or white, Democrat or Republican. It was a bipartisan issue and it was approached in just that fashion. Indeed, I would be remiss if I did not acknowledge the efforts of the incoming President, Mr. Reagan, and his advisers as well. Their efforts were supportive, constructive and forthright.

Clearly, then, a lot of people deserve a lot of credit in writing the final act of the hostage drama. Congratulations to all of them. The drama is over and well it should be.

With great fondness and affection we look forward to welcoming our fellow citizens home and we rejoice in the happiness of their families and friends.

Mr. President, I thank the distinguished majority leader for his courtesy.

Mr. BAKER. Mr. President, I thank the minority leader.

Mr. President, may I take this brief opportunity to join with the distinguished minority leader in paying my respects to President Carter. I have known him now for 4 years as President and before that as Governor of Georgia. I have known him as a friend and as President of the United States.

There is one point, however, that I would like to record at this moment. As the minority leader has correctly pointed out, a lesser man could easily have turned his back on the continuation of the diligence of effort that he has shown to gain the release of the American hostages in Iran.

I commend President Carter, I commend former Secretary of State Muskie, I commend former Under Secretary of State Warren Christopher, and so many others, for working right up to the last moment, not only to gain the release of our hostages, but also to liquidate a problem that would have been a very difficult one for our new President to face.

The country, this administration, all of us, owe to President Carter and his colleagues a debt of gratitude for that service, and I wish to express that at this time.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that at this time there be a period for the transaction of routine morning business, not to exceed 20 minutes, and that Senators may speak therein for not to exceed 5 minutes each.

The PRESIDENT pro tempore. Without objection——

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I will not object, I wonder if the distinguished majority leader will include in his request once he does proceed into executive session, that the first 15 minutes of executive session be allotted to Senator PROXMIRE without the time being charged against any nominee.

Mr. BAKER. Mr. President, I certainly have no objection to that. It is my understanding that the Senator from Wisconsin wishes to make a general statement about the nominations rather than about a particular nominee.

Mr. PROXMIRE. That is correct.

Mr. BAKER. I modify my previous unanimous-consent request so that the Senator from Wisconsin may have 15 minutes when we go into executive session for the purpose of considering Presidential nominees for Cabinet positions, and that such 15 minutes not be charged against any of the several nominations.

The PRESIDENT pro tempore. Without objection, the request, as modified, is agreed to.

RELEASE OF AMERICAN HOSTAGES BY IRAN

Mr. FORD. Mr. President, like all other Americans, I am thankful that the safe release of the hostages has finally been arranged and that they are now on their way home. My prayers remain with them and their families for the trying personal times ahead.

The resolution of this situation should be a sign to other nations that the value our country places on human life will not be compromised. The respect and importance that we assign to human life is a source of inner strength to this country. This is what made the situation in Iran so fragile, but the United States, through patience and perseverance, was able to drive a hard bargain without backing away from that principle.

This has been a very frustrating and trying experience for the Nation in general and the Carter administration in particular. As he leaves office, President Carter will do so knowing that he did his best and gave his all to win the release of the hostages and that despite the many obstacles involved he and his administration succeeded.

REPORT OF THE INTERAGENCY COAL EXPORT TASK FORCE

Mr. FORD. Mr. President, last September, the Senate Committee on Energy and Natural Resources, held 3 days of hearings on U.S. coal exports. I found chairing much of these hearings to have been both educational and somewhat disturbing.

The United States, always a major exporter of metallurgical coal, now can serve an increasingly important role as a major exporter of steam coal, both in the short term and over the longer run. The international market for steam coal will increase rapidly during the remainder of the century as an economic alternative to OPEC oil. The capability of the United States to satisfy this market will, in large part, be determined by national policies such as our policy regarding the expansion and dredging of ports.

One day of the September hearings was devoted to reports by, and questioning of, members of those agencies represented on the Interagency Coal Export Task Force. Today, I received my copy of the interim report of the task force, and I commend its study to all Members and all committees of jurisdiction.

Mr. President, I ask unanimous consent that the major findings and recommendations of the Interagency Coal Export Task Force be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INTERAGENCY COAL EXPORT TASK FORCE

INTRODUCTION: MAJOR FINDINGS AND RECOMMENDATIONS

Background

Coal was the dominant energy source and feedstock used by industrialized nations at the turn of the century. Within twenty years, however, coal's dominance began to erode with the discovery of large petroleum and natural gas reserves. As explorations, production and refining technology advanced, oil and gas became cheaper and more convenient to use, store and ship than coal. Coal's contribution toward the world's primary energy requirements fell from 49 percent in 1940 to only 29 percent in 1973. In 1973, OPEC initiated what has now grown to be a ten-fold increase in world oil prices. By comparison, coal prices have moved up modestly, and steam coal is now significantly cheaper than oil for use in large stationary facilities that generate electricity and industrial process heat, even including costs of new construction or conversion and emission-cleaning equipment. This together with concerns about stability of supply of oil, has accelerated a worldwide re-evaluation of the role of coal in meeting the world's energy needs. By 1979 coal's share of primary energy requirements had climbed to 33 percent. The United States, with vast recoverable coal reserves and an underutilized capacity to mine coal, has the potential to become a leading exporter of steam coal.

Growing international awareness of the need to rely on coal in order to fuel the economic growth of the industrialized world was reflected in commitments made at the Tokyo Economic Summit in June 1979. There, the United States joined with its industrialized allies to encourage coal use, facilitate its transport and avoid governmental interference with long-term contracts for coal, except in a national emergency.

In June 1980, the seven heads of State at the Economic Summit Meeting at Venice again turned their attention to coal. As part of the fundamental undertaking to "break the existing link between economic growth and consumption of oil . . . in this decade," the participants adopted the goal of doubling coal production and use by the early 1990's. They agreed to a number of implementing actions, including:

Encouragement of long-term commitments by coal producers and consumers;

Improvement of infrastructure in both exporting and importing countries, as far as is economically justified, to insure the required supply and use of coal;

Use of full authority to insure that increased use of coal does not damage the environment; and

A number of steps to bar the construction of new oil-fired generating capacity and to encourage the conversion of current capacity to other fuels.

In order to evidence the United States' commitment to a major role as a coal exporter, the President called a White House Coal Export Conference in December 1980. There, over 300 persons representing nearly all aspects of world coal trade heard panelists and audience participants review the promise and problems underlying United States coal export potential. Given a common and current understanding of the progress made and plans for additional actions, along with the commitment of the United States government, the attendees would, it was believed, be in a better position to move trade forward. A summary of the proceedings of the conference is contained in Appendix A. Participants in the Task Force are listed in Appendix B.

The Task Force

In connection with the international efforts of the United States supporting the use of coal, the Interagency Coal Export Task Force was formed in the summer of 1980 at the direction of the President. Its purpose was to report on possible courses of action to increase United States steam coal exports in a manner consistent with other national policies, including our commitment to environmental protection.

In its roughly six months of existence, the Task Force undertook a number of related activities. It assembled existing, and developed significant new information regarding the international coal market. It undertook analyses of apparent problems underlying coal exports. It served as a clearinghouse for ideas and information among those who had interests in coal exports; in many cases, it helped to bring parties together for possible mutual and national benefit. It served as a point of contact for foreign representatives both to obtain current information on developments in the United States and to register concerns. It made a contribution to public awareness that increased coal exports will serve both the domestic and international interests of the United States.

Just as the work of the Task Force naturally entails related activities, this interim Report embraced matters other than narrow proposals for Federal action. Any such proposals should be based on an adequate foundation and viewed in perspective. Thus, for example while it is not the purpose of this Report to describe comprehensively the geology or utilization of coal, it is necessary to refer to such material selectively, since it may be helpful in understanding the dynamics of the coal export market. Moreover, it is just as important to point out areas where Federal action is unnecessary. By cataloging the plans and achievements of private industry or of State and local governments, we can paint a more accurate picture and satisfy concerns that attention is being given to potential problem areas. We do not see the Task Force as an invitation for recommendations which necessitate federal intrusion into the free market, and, with a few significant exceptions, we view federal action as generally inappropriate here.

The report will, therefore, set forth a variety of information useful in understanding the process by which United States steam coal exports can increase, including current problems; ideas pursued but, for reason, rejected or deferred for others to consider; and conclusions reached by the Task Force on major situational factors—such as estimates of foreign demand for steam coal.

It must be emphasized that this is solely an interim Report. Much more needs to be done to evaluate the data and studies received by the Task Force. Given its relatively brief existence, the breadth of issues covered (from foreign energy policies to the condition of domestic waterways), and the large volume of materials recently received, it was not possible to integrate fully the work product or to reach interagency consensus on problems and solutions. Moreover, this Report does not constitute the entirety of the Task Force's written work. Listed in Appendix C are the extensive reports of the working subgroups of the Task Force and of its consultants. These will be made available for public review at the Department of Energy and for copying according to a procedure described herein (Appendix C). Those with particular interests in matters touched upon in this initial Report will have the opportunity to obtain more detail. Additional publication of this material may be undertaken when the final Report of the Task Force is completed.

Appendix D to this report provides a summary of existing Federal programs that are designed to support coal export activities.

Set forth in the following text are the current conclusions and recommendations of the Task Force on issues which are of primary importance to the United States' role as a supplier of the international market for steam coal. Other findings lie within the body of the report and may form the basis for future recommendations.

Conclusions and recommendations

1. World Coal Demand:

Based upon extensive, independent field studies in Europe and the Far East, the Task Force believes that there will be significant growth in world demand for steam coal. Such growth has already begun, has contributed to the almost seven-fold increase in U.S. overseas steam coal exports for 1980 over 1979, and is expected to continue beyond the end of this century. Import demand for the "primary overseas market" is projected in the table below:

TABLE I–1.—PRIMARY OVERSEAS MARKET DEMAND

[Million short tons per year] [1]

	Actual 1979	1985	1990	2000
Europe	62.6	97–123	146–190	273–343
Pacific rim	13.9	43	90	202–222
Total	76.5	140–166	236–280	475–565

[1] Our underlying projections of coal demand were computed in MTCE (million metric tons of coal equivalent). An MTCE measures both volume and heating value such that one MTCE equals 1,000,000 metric tons of coal with a heating value of 12,600 Btu per pound. Conversion to "short tons," which is the usual unit for shipments within the United States, requires first, multiplying MTCE by a factor of 1.1 to convert from metric to short tons, and then multiplying by a factor of 1.045 to reflect heating value of the low-sulfur bituminous coal likely to be exported by the United States. The combined conversion multiple is 1.15.

The projections for individual countries which comprise the foregoing projections are set forth in detail in Table I–2, which follows. For the period 1985–1990, these projections are roughly 20 percent higher than earlier projections by the World Coal Study; and for the year 2000, they lie within the high range of such projections.

The primary reason for this high projected growth is the escalating price of petroleum, the apparent undependability of its supply and the resulting need to convert to other fuels for reliable electric power generation and industrial process heat. The expected increase in imported coal demand is rendered more significant in light of the fact that the Task Force utilized more conservative assumptions for growth in the gross national product (GNP) of consuming countries and for the associated rates of growth in electricity demand. The increase in coal demand expectations over those of prior studies reflects certain curtailments or deferrals in consuming countries' plans for construction of nuclear facilities; additional conversion to coal use in the industrial sector (for example, cement manufacture), and a closer analysis of certain countries' likely consumption, not individually analyzed in previous studies.

It should be noted that almost all steam coal in world trade today is low-sulfur (generally below 1.5 percent and preferably below 1 percent), bituminous coal. Some industrial uses such as cement manufacture can accept somewhat higher sulfur levels, about 1.5 to 2 percent. The Task Force believes that the predominant steam coal demand will continue to be for low-sulfur, bituminous coal. The market for higher sulfur coal will be small, such coals being used primarily to blend with very low sulfur coal.[1]

TABLE I–2.—PRELIMINARY PROJECTIONS OF STEAM COAL IMPORTS BY COUNTRY AND REGION

[Short tons] [1]

	Year			
	1979	1985	1990	2000
Europe:				
Austria	3	5	6	17
Belgium/Luxembourg	6	13	17	23–33
Denmark	8	13	16	22
Finland	5	5–8	6–8	8–18
France	21	15–22	14–24	25–36
Greece	(2)	2	4	5
Italy	2	17	37–41	46–54
Ireland	1	2	4	7
Netherlands	3	7	15	33–37
Norway	(2)	1	1	3
Spain	4	7	9	24
Sweden	2	4	11	27
United Kingdom	2	0–8	0–8	0–10
West Germany	7	8–15	6–25	28–50
Subtotal	63	97–123	146–190	273–343
Pacific rim:				
Japan	3	25	48	99–118
Korea	6	9	16	51
Taiwan	5	4	16	41
Hong Kong		5	9	12
Subtotal	14	43	90	202–222
Total	77	140–166	236–280	475–565

[1] 1 short ton is assumed to contain 24,000,000 Btu. Totals may not add due to rounding.
[2] Unknown.

[1] Most of the coal in world trade today is metallurgical coal—used for production of metallurgical coke for steel manufacture. The United States is a major exporter of metallurgical coal, primarily to the Pacific Rim countries from Eastern and Gulf ports, shipping about 51 million tons in 1979, valued at about $2.8 billion. The demand for metallurgical coal is thus tied to worldwide steel production. The Task Force expects the growth of metallurgical coal trade to be slow.

2. The U.S. Share of the International Steam Coal Market:

The growth in the world steam coal trade reflected in the preceding section does not guarantee United States coal exporters a large or expanding share of the market. The United States' role depends on the buying strategies of the consuming countries, the policies and prices of competing exporters, and the actions taken by the United States to maintain reasonable prices, prompt delivery and dependable quality. Projections of United States coal exports, therefore, rest upon a number of highly uncertain factors.

The principal issues raised are:

Whether buyers will simply maximize purchases from the lowest cost suppliers;

Whether, instead, they will seek to diversify supply sources for security, with price operating as a secondary factor which might constrain the desire for diversification; or

Whether, regardless of buyers' strategies, world steam coal demand will grow until it enters a range where, given political and resource constraints on other sellers, only the United States can deliver the desired additional volumes.

Based on our interviews here and abroad and on other factors, we do not believe the United States' market share will turn entirely on a lowest-delivered-cost criterion. Rather, the lessons learned from the unstable energy markets of the last decade have shaped basic purchasing strategies for importing countries so as to emphasize security of supply and diversification of supply sources. The buying strategies also reflect the fact that coal is inexpensive relative to oil and natural gas. A certain range of differences in prices among coal suppliers is viewed as insubstantial in respect to both the savings to be gained by conversion to coal and the hidden costs inherent in the risks of nondiversification of supply.

As long as competing delivered-coal prices lie within an acceptable tolerance, which may be of the order of 10 percent, the Task Force believes the purchasing strategies will be determined by the foregoing considerations. If the United States maintains prices within this range, it would obtain a relatively stable share of the market, following initial growth as export facilities are developed.

Should the tolerance be exceeded, however, then buyers might follow one of two courses: they might direct their purchases to cheaper suppliers to the limit of the latters' ability to supply, leaving only residual purchases for the high-priced source. It is not possible to project the precise relationship between price and market share, where diversification is the primary goal. There seemed to be, agreement, however, among those who believe that buyers will follow the latter course, agreement on the exemplary case, that, if United States' coal were generally priced at $6–$8 per ton above others' prices, the result would be to reduce the United States' share of the European market from 30 percent to 25 percent.

Given the distance from mine to port in the United States, the costs of transportation, and the production costs (all relatively uncompressible factors), it is not likely that the United States will, in this decade, become the low-cost supplier in either Europe or the Pacific Rim. The United States will, however, generally be able to maintain reasonable delivered prices for its coal.

Our projections of the United States' market share, based on the analysis in Chapter 6, are summarized as follows:

TABLE I–3.—PROJECTED U.S. SHARE OF THE WORLD STEAM COAL MARKET [1]

	Percent			Millions of short tons		
	1985	1990	2000	1985	1990	2000
Worldwide	18	25	38	28	64	197
Europe	28	29	47	28	49	145
Pacific rim	(2)	17	25	(2)	15	52

[1] Assumptions underlying the projections are as follows:
a. The overall worldwide data are the task force projections. The assumptions regarding South Africa, Australia, and Canadian distribution of exports between Europe and the Pacific rim below are considered reasonable extensions of current market factors, but are provided as working hypotheses only.
b. Poland will continue steam-coal exports to Europe at the 1979 level.
c. South Africa will ship 50 percent of its coal to Europe, 50 percent to the Pacific rim.
d. Australia will ship 80 percent of its steam coal to the Pacific rim; 20 percent to Europe.
e. Canada will ship almost all of its coal to European buyers.
[2] Minimal.

3. Backlog at United States Coal Ports:

The immediate hindrance to expanding the United States' role in international steam coal trade is our limited capacity to store and load coal at the ports. During 1980, the output of port exporting facilities increased about 60 percent over 1979 levels; some terminals increased output by as much as 80 percent; and utilization of the principal loading piers was about 90 percent of available service hours. The Task Force believes that the practical limit of our coal export facilities was reached in 1980, when the United States was called upon to make up for export curtailment by two competitors (Poland and Australia).

As a consequence, long queues of ships, as many as 130, lay waiting to load at the East Coast coal port of Hampton Roads, Virginia in early January 1981, with an overall average waiting time of 40 days. Associated demurrage costs were reported to be as high as $10,000 per day per ship, which added an average of about $6.00 to $6.50 per ton to the cost of shipping United States coal. Even more serious than demurrage costs are the problems posed by untimely or undependable delivery to power plants dependent on coal. Although such delay could, in certain cases, be protected against by buyers' maintaining higher inventories at yet additional costs, the threat of uncertainty of delivery arouses special fears among potential customers.

The principal problem underlying the port backlogs of 1980 was that existing facilities and methods for moving coal to the ports, designed for metallurgical coal, were overtaxed by the surge of demand directed toward the United States and were unable to deal separately with steam coal. Metallurgical coal is a highly specialized product with as many as 500 blended sales grades, whose components are stored in the same hoppers used to transport it. Given an absence of ground storage at the ports, shippers were simply unable to maintain or move the volumes of steam coal necessary to fill orders and load ships. Waiting ships were not accepted for loading until all the coal ordered was on hand. Even if the necessary coal had been available at the port loading areas, then another bottleneck would have developed, because the capacity of piers and loading equipment was also inadequate.

Channel depth at the ports did not in itself play a primary role in the problem. The fragmentation of the coal market—reflected in the inability of one broker or transshipper of coal quickly to purchase coal from another in order to complete an order—did contribute to the problem. The Task Force studied whether a more rigorous ship reservation system would have ameliorated the problem at the coal ports, and concluded that it was not a cure for the current difficulties, although an improved system merits consideration for future use by port operators.

The development of new piers and associated coal loading equipment is not the responsibility of the federal government, but rather that of private industry, the States and local governments. Their response now appears to be entirely adequate, and, given reasonable governmental diligence in the processing of applications for permits, the principal problem at United States ports should begin to lessen by mid-1983. Approximately 18 million tons per year of new capacity is now under construction, and roughly an additional 81 million tons per year of new capacity is planned for the East Coast. For the Gulf Coast, 5 million tons per year additional capacity is under construction and another 33 million tons per year planned. Plans for the West Coast ports would add about 47 million tons per year of new capacity. In aggregate, 23 million tons per year of new capacity is under construction and there are plans for 160 million tons per year of additional new capacity.

The new port facility proposals are detailed in Table I–4, which was based on a survey of American ports conducted in August and September of 1980. It includes only those expansions which were firmly committed, as evidenced by commencement of actual site preparations or by early commitments of financial support or contracts. Some announced expansion plans were not included as they had not sufficiently matured at the time of the survey to be considerd reliable for planning purposes. This does not mean that they are unlikely to go forward. Some expansion plans have been firmed up since last September— e.g., acceleration of the Massey facility in Newport News, Virginia, and development of export capacity at Morehead City, North Carolina. Other new proposals, such as the 15–35 million tons per year facility at Marley Neck in Baltimore, were not included because development was at too early a stage at the time of the survey.

TABLE I–4.—EXISTING AND POTENTIAL EFFECTIVE CAPACITY FOR HANDLING EXPORT COAL AT U.S. PORTS

[Millions of short tons]

Port/terminal	Vessel size (DWT)		Existing capacity (10^6 tons)		Capacity expansion (10^6 tons)		Total mid- to long-term* effective capacity, 1985 (10^6 tons)
	Existing	Proposed	Designed	Effective	Planned	Underway	
East coast:							
New York, New York (P)	80,000				5.0		5.0
Philadelphia—Pier 124 (E)	60,000		5.0	2.5		6.5	9.0
Camden, New Jersey (P)	35,000				2.0		2.0
Wilmington, Delaware (P)	30,000				7.5		7.5
Lower Delaware Bay (P)	100,000+				10.0		10.0

Port/terminal	Vessel size (DWT)		Existing capacity (10^6 tons)		Capacity expansion (10^6 tons)		Total mid- to long-term* effective capacity, 1985 (10^6 tons)
	Existing	Proposed	Designed	Effective	Planned	Underway	
Baltimore (E)	70,000	100,000+	27.2	16.6	11.0	6.5	34.1
Norfolk:							
Pier 6 North (E)	80,000	100,000+	58.0	29.0	7.3		36.3
Pier 5 South (E)			8.0	4.0	1.0		5.0
Newport News:							
Pier 14 (E)	80,000	100,000+	33.0	16.5			16.5
Pier 15 (E)			14.6	5.3		5.0	10.3
Pier 9 (E)					5.0		5.0
Portsmouth (P)	50,000	100,000+			10.0		10.0
Morehead City (P)	50,000	100,000+			5.0		5.0
Charleston (P)	40,000	50,000			5.0		5.0
Savannah (P)	50,000	70,000			7.5		7.5
Brunswick (P)	30,000	43,000			5.0		5.0
Total east coast			145.8	73.9	81.3	18.0	173.2
Gulf coast:							
Mobile (E)	60,000	100,000+	11.0	5.5		5.0	10.5
New Orleans—Davant (E)	60,000	100,000+	14.0	7.0	3.0		10.0
Myrtle Grove (E)	60,000	100,000+	6.0	3.0	9.0		12.0
Mile 118 (P)	60,000	100,000+			4.0		4.0
Baton Rouge (Burnside) (E)	60,000	100,000+	5.0	2.0	4.0		6.0
Port Arthur (P)	60,000	100,000+			2.0		2.0
Galveston (P)	55,000	100,000+			10.0		10.0
Corpus Christi (P)	75,000	100,000+			0.5		0.5
Total gulf coast			36.0	17.5	32.5	5.0	55.0
West coast:							
Los Angeles (E)	100,000+		4.0	1.5	7.5		9.0
Long Beach (E)	100,000+		4.0	1.5	5.0		6.5
Sacramento (P)	30,000	40,000			1.2		1.2
Stockton (P)	35,000	40,000			1.2		1.2
Astoria (P)	50,000				5.0		5.0
Portland (P)	55,000				3.0		3.0
Coos Bay (P)	35,000				3.0		3.0
Kalama (P)	50,000				7.5		7.5
Bellingham (Cherry Point) (P)	100,000+				1.2		1.2
Dupont, Washington (P)	100,000+				3.0		3.0
Grays Harbor (P)	40,000	60,000			3.0		3.0
Anchorage (P)	100,000+				3.0		3.0
Trading Bay (P)	100,000+				3.0		3.0
Total west coast			8.0	3.0	46.6		49.6
Total United States			189.8	94.4	160.4	23.0	277.8

(E) Existing facility.
(P) Potential facility.
*Based on survey of U.S. ports, using 1985 as nominal date for mid- to long-term coal port development plans.

Source: Maritime Administration.

There is no apparent need for special federal assistance in the construction of coal handling facilities at the ports. There had existed what has been characterized as the "chicken-before-the-egg problem"—that is, foreign consumers were hesitant to consider long-term coal contracts absent investments in new port handling facilities, while potential investors in such facilities seemed reluctant to act until long-term contracts had been signed. In these circumstances, the Task Force explored the possibility of some Federal action to lessen or share the risk associated with new investments so as to eliminate the economic friction which inhibited development. By the fall of 1980, however, it appeared that, through the process of continued meetings and negotiations, the parties had become sufficiently assured as to the seriousness of each others' intentions. Venture capital began to flow toward the construction of facilities, and at the same time new long-term supply contracts were given for significant amounts of coal.

Some concerns are now being voiced about the construction of over-capacity at the ports. We expect, however, that individual construction plans will be adjusted with that prospect in mind. Also, new facilities are not constructed so that their full volume will be reached immediately, but rather so that they may accommodate larger volumes over time.

Although the proposed facilities will largely resolve foreign concerns over prompt delivery of American coal and associated demurrage charges, there have been concerns expressed because a number of these facilities on the East Coast will be owned by large coal producers. The smaller producers, it is feared, may be excluded from access to the port market. Since the conditions of access to these or other facilities have not been established, consideration of remedial action is inappropriate, although continued attention is warranted.

4. Deepening the Coal Ports:

By 1990, a large percent of world steam coal will be moving in vessels of 120,000 deadweight tons and larger. Most coal exporting nations and many coal importing nations, including Japan and most of Europe, have deepwater port facilities in operation, under construction or planned that are capable of accommodating large bulk carriers. Presently, East and Gulf Coast coal ports have depths ranging from 40 to 45 feet and, absent special tidal conditions, are limited to fully-loaded ships in a range of 40,000 to 80,000 deadweight tons.

The consequences of United States port limitations will be increased delivered cost of United States coal to foreign buyers. At current prices for bunker fuel, a 150,000 dwt ship can deliver coal to Europe from the East Coast for roughly $6.00 less per ton than one of 60,000 dwt capacity. This transportation cost difference alone amounts to just less than 10 percent of the delivered price of United States coal in Europe. The effect that this cost difference will have on the volume of United States coal export sales depends upon both the weight given to price in customers' buying strategies and the level of the other components of the delivered cost of coal. In terms of the savings to be achieved and correspondence to the trend of the shipping fleet, such ports are less than optimum for future coal trade.

Port depth issues connected with trade to the Far East involve different considerations. For coal shipments from the East or Gulf Coast to the Pacific Rim, the economies of scale for vessels larger than the 50,000–70,000 dwt range (the "Panamax" class) are offset by the much shorter voyage of a Panamax vessel through the canal. Moreover, there is harbor depth of 52 feet or greater in southern portions of the West Coast, and any dredging projects there, or in the Northwest, are likely to be on a scale more limited than on the East and Gulf Coasts; in any event, such projects will be ripe for consideration only at a later time.

Prior to the worldwide expansion in steam coal demand, and on the basis of needs as then perceived, the Congress directed the Corps of Engineers to undertake feasibility studies for various channel improvements on the East, Gulf and West Coasts. As a result of one of these studies, a project to deepen Baltimore Harbor to 50 feet was authorized by Congress in 1970, although it has not been funded. Currently, Congressionally authorized studies for channel improvements at Hampton Roads, Virginia; Mobile, Alabama, and New Orleans, Louisiana, have been completed or are in the process of completion. It appears that all of these reports will likely demonstrate favorable cost-benefit ratios in each case for a 55 foot channel. The current growth in coal exports and the projections made by the Task Force will likely require revision of the cost-benefit ratios more favorably to the proposed projects. Many other active channel deepening studies are underway, including, but not limited to, such locales as Portsmouth, Boston, New York, Charleston, Savannah, Galveston, Los Angeles-Long Beach, Columbia River at the mouth, and Grays Harbor.

The Task Force is not constituted to decide which, or whether any, ports should be

dredged, because the analysis of cost and benefits depends upon commerce in products other than coal. Such analysis involves two-way commerce: just as shipping economies would be available to buyers of United States coal and other products, they would be available to United States buyers who import goods from abroad. The analyses performed by the Corps of Engineers embrace these overall benefits, and there is an established process for determining whether ports should be improved—that is, the statutory process by which a study is authorized by the Congress, undertaken by the Corps of Engineers, reviewed by the Secretary of the Army and others in the Executive Branch and then considered by the Congress in order to determine which projects, if any, shall go forward.

The role of the Task Force is to project the coal flows likely to move to United States ports for export—the results of which are noted above—and to attempt to assess the effect that dredging decisions may have on future coal trade. Lowering the delivered cost of coal by use of larger ships would bring the United States closer to the possibility of selling in a price competitive range, should additional efficiencies be realized in other parts of the coal chain (production, loading, inland transportation, and port handling). As indicated in Chapter 6, such savings would likely put the United States in a position where it could compete in Europe on the basis of price with Australia, even if Australia were to employ lower cost coal-fired ships for transport. On the other hand, failure to take any action to improve coal ports could generate adverse reactions abroad which, apart from purely economic considerations, might affect our export levels. Finally, enhancing coal trade, as part of the international effort to increase coal production and use in order to reduce dependency on foreign oil by our industrialized allies, involves security considerations which go beyond the trade-related benefits noted above.

Although legislative proposals have been made for accelerated consideration of dredging projects, there are significant practical and political barriers to action. There are four apparently meritorious applications for port dredging currently authorized or in advanced stages of study entailing aggregate project costs of about $1.5 billion (as estimated in mid-1980) and will involve about $80 million per year in increased annual maintenance costs. While the federal share of this cost is somewhat smaller than the figure shown, budgeting constraints make it unlikely that all such ports can be dredged to the 55 foot depth addressed in current studies. Moreover, port dredging decisions have significant additional commercial consequences. The flow not only of traffic, but of investment, in a geographic area may well be rerouted by dredging decisions. Such decisions may have consequential effects for the coal mining industry, transmitted backwards along the rail and barge lines to affect the relative competitiveness of producers. It is likely that the political battle to be fought on behalf of these ports will be significant; it could impede the dredging of any port.

As a useful basis for cutting through the potentially serious problem of funding any of these projects, the Task Force believes that consideration should be given to the possibility of dredging these major coal ports to 50 feet in order to reach a stage where operations can be improved significantly and a decision on deeper channels reserved for decision at a future time. The cost of each project would be lessened significantly. At 50 feet, ships in excess of 100,000 dwt would be able to load (see pages 5–34 and 5–35 Infra). This capability will accommodate the preponderance of traffic likely within the time frame projected for the growth of the shipping fleet, and much of the expected economies could be captured while a move to a greater depth is being considered. Variations of this staging concept are possible for specific ports. In the continuing Task Force effort, the Ports and Ocean Transportation working group will examine this possible approach in more detail, with specific attention to any construction inefficiencies resulting from a phased approach, the costs of the projects at the staged depths, and the associated benefits.

5. A Better Process for Administrative Environmental Review:

The need to simplify, coordinate, and remove unnecessary delays from, governmental administrative and environmental reviews cannot be overstated. The current delays and entanglements involved in these processes were among the most cited problems in the comments received by the Task Force.

There are two general types of activities connected with coal exports in which such reviews are involved. First are the substantive, financial and environmental reviews, conducted sequentially by the Executive and Legislative branches, pursuant to the Rivers and Harbors Act of 1962, of proposed harbor improvements undertaken by the federal government—specifically the deepening of shipping channnels. Second are the reviews of non-federal construction activities, primarily for compliance with environmental laws, conducted by federal, state and local governments. These include the building of port facilities, piers, coal storage areas, coal handling facilities, and railroad lines. Each type of review presents somewhat different problems.

In the case of federal harbor improvements, the implementation process has frequently taken more than 20 years. From the time of issuance of a Congressional Resolution directing the Corps of Engineers to conduct a study until the time such report clears the several levels of administrative review has averaged nine to ten years. Awaiting Congressional authorization and funding has averaged another six to seven years. The execution of a project, including advanced planning, design and construction has averaged another eight years.

Task Force participants have already achieved some administrative expedition of the review process. Responding to a Presidential request in August 1980, the Secretary of the Army, acting through the Corps of Engineers and in consultation with the Task Force, implemented steps to shave several months from the "preauthorization" review process, and for approved projects, to compress the advanced engineering and construction activities so as to accelerate the benefits of dredging by making a deepened outbound channel operational at the earliest possible time.

In order to speed legislative action, the President in October 1980 announced his support of legislation that would provide blanket Congressional authorization for those harbor improvement projects approved in the administrative review process, thereby allowing the projects to qualify for Congressional appropriation of funds and the immediate commencement of projects for which funds were otherwise available. Similar legislation has recently been introduced with bipartisan support in the Congress. The legislation also provides that Congressional review of the environmental impact statement accompanying the project and subsequent approval of the project will constitute compliance with federal environmental projects and, therefore, will preempt litigation in the courts.

The Task Force recommends support of legislation of this type, with the proviso that through Congressional hearings or otherwise, a fair opportunity be provided for the presentation of objections to any such project on environmental grounds because of particular concerns over dredge disposal. It is our view however, that the more important issues facing harbor improvement in the Congress are those involving competition for funding between ports. The currently proposed legislation is not a substitute for the need for a serious effort by Congress and the incoming Administration to work out the substantive problems underlying the funding of specific port projects.

In the case of non-federal construction projects, the principal need is for a process which brings both the law and agencies of the several jurisdictions involved into a sensible and coordinated management plan so that unnecessary delays, costs, and contradictions are deleted from environmental review.

Several forms of an Energy Mobilization Board (EMB) had been proposed last year, to "fast track" critical energy projects. Without taking a position on the portions of the proposal that were viewed as controversial (Primarily those involving questions of substantive and procedural "override"), the Task Force endorses the principle of consolidated review and recommends enactment of legislation which would provide a mechanism for it. The Task Force notes, however, that previous proposals for an EMB would have to be revised in order to embrace the types of projects customarily involved in the construction of coal export facilities: specifically, the limit on the number of projects to be "fast tracked" by the EMB might well have precluded widespread inclusion of the projects needed for the expansion of coal exports. Moreover, the then proposed legislation would have had application only to projects enhancing domestic energy production; although coal exports benefit the United States financially and ultimately improve its energy posture, their broader purpose may have fallen outside this statutory criterion.

The Task Force recommends aggressive federal support for a number of initiatives at the federal and state level to establish management systems which will reduce duplication and conflict in administrative review. Among these efforts are:

The Environmental Protection Agency's "Priority Energy Projects Tracking System."

The Western Interstate Energy Board's project with the Department of Interior on Transportation rights of way and facility siting.

A new model program developed by the State of Colorado with funds provided by the Department of Energy—the Colorado "Joint Review Process for Major Energy and Mineral Resource Development Projects"—merits particular attention, because of its advanced state of development and its utility as a model for other states. It is a voluntary management plan which coordinates federal, state and local review in order to eliminate snarls and delays. By including all interests at an early stage, it provides a basis for avoiding the lengthy "end-games" often fought out by project proponents and environmentalists in the courts. The fact that the principal coordinating agency is the state tends to alleviate local fears of long-distance imposition of unwanted projects.

Although participation by the federal government in such a Joint Review Process is technically on a "voluntary" basis, the Task Force recommends that the President adopt a policy which directs federal agencies fully to cooperate and to participate constructively where such a joint review program is established by a state.

In recent weeks, the Joint Review Process has been presented to over 30 states in "workshops" and briefings sponsored by the federal government. The reception has generally been favorable. The Task Force recommends that

these briefings be extended to all states and that consideration be given to providing additional financial assistance to states which act affirmatively to establish such joint review programs to expedite consideration of important projects.

6. Noninterruption of Foreign Supply and Encouragement of Foreign Investment:

The United States must remain sensitive to the concern, registered repeatedly with the Task Force by foreign representatives, that coal exports might be restricted for political reasons or to stabilize domestic coal price or supply during certain periods. This concern rests on foreign perceptions of a willingness by the United States, at least where other products such as grain have been involved, to resort to embargoes as an instrument of national policy. Moreover, because one of the principal reasons for the industrialized countries' commitment to convert to coal is the actual and threatened petroleum supply interruptions during the 1970's, it is natural that they would insist that a new reliance on coal not be undermined by new uncertainties.

Continuity of supply should be a national commitment. Our strength as an exporter lies largely in the high degree of stability in our political and commercial system. The promise we offer of dependable supply goes a long way to offset the somewhat higher delivered price of United States coal. Moreover, our own experiences with petroleum supply interruptions should make us sensitive to the need for the reassurances requested by our customers. This reassurance also has domestic value: the new investments required for the construction of port handling capacity, railroad tracks and similar infrastructure are substantial, and the cost of, and access to, funds should not be made less favorable because coal export trade is viewed as interruptible for policy reasons.

At the same time, our customers should appreciate that they have little realistic basis for concern. At the June 1979 Economic Summit in Tokyo, the United States pledged not to interrupt coal trade pursuant to long-term contracts, except as required by national emergency. We have never previously interrupted coal exports. For example, during the 1978 strike which reduced national coal production by approximately 50 percent, the Department of Commerce exercised its statutory authority to monitor coal exports, but no interruptions or restrictions of supply occurred. Moreover, our supplies of coal are abundant, and our principal customers are our industrial and political allies. Even in the event of a national energy emergency, it would not be possible for domestic users to convert so rapidly to coal as to make restrictions on exports a likely occurrence. Finally, as noted by the President at the White House Coal Export Conference, American laws and courts protect foreign coal buyers in respect of their contracts.

Although our coal reserves and production capacity appear more than adequate to meet both domestic and export demand, concern has been expressed that short-term surges could affect the adequacy of supplies. In general, the Task Force believes this to be unlikely given the fact that coal is purchased primarily through long-term contracts. Should threatening circumstances nevertheless materialize, the Department of Commerce already has statutory authority under the Export Administration Act of 1979 to monitor and require reporting of contracts for coal export.

Turning to the subject of foreign investments in United States coal production facilities, the Task Force believes that the incoming Administration should reaffirm the assurance given by the President at the White House Coal Export Conference, that the United States welcomes investment by foreign buyers in coal mining and in improving transport loading and handling facilities. In addition to providing capital, such investment enhances exports by giving foreigners a stake in the success of the operation and encourages long-term commitments by giving additional security of supply.

Although there are some legal restrictions on alien ownership of mineral rights on public lands, these are not significant bars to foreign participation in investments. It would not be beneficial if foreign interests were to acquire control of the transportation or handling facilities at, or giving access to, the ports where alternative facilities at a port are not readily available—since foreign interests could then constrain trade in the same way that the United States had abjured or give preferences which would disadvantage other customers. There appears to be little threat or prospect of this occurring, and American planners of such facilities seem keenly aware of the need for American control. A related concern regarding patterns of domestic ownership of facilities is noted at page I–13. Comments received by the Task Force generally favored foreign investment in mines and production facilities but some raised questions about the need for such investments at the ports, at least on the East Coast.

7. Inland Transportation:

We do not believe that there is need for special federal action specifically directed toward improvement of facilities for inland transportation of export coal beyond actions currently under study.* The following points place the role of inland transportation in perspective:

In spite of the very sizeable increases projected for coal exports, this traffic will still be but a small percentage of the total demand placed on the rail and barge systems, as well as a small percentage of rail and barge coal traffic.

The lead times for making improvements to the land transportation system are usually shorter than lead times for mine and port development; therefore, road and railroad improvements generally can be completed in time to serve new mines or port facilities.

Barge transportation constraints on inland waterways occur principally at locks and dams; those constraints which already exist or are developing are either in the process of improvement or being studied by the Corps of Engineers. Expected future waterborne movements may cause other constraint points to appear. However, movement of export coal, by itself, will probably have only a marginal effect.

Although inland transportation rates account for a significant percentage of the price of export coal at the U.S. port, the rates appear to be related primarily to the distance from each port and the nature of the service provided, rather than to excesses or inefficiencies in the way carriers service the present export facilities. For western coal the level of rates primarily reflects the long distances from the mines to ports. For eastern coal, the level of rates primarily reflects the relatively high cost of single-car service that is typically purchased instead of unit train service.

In the West, where the movement of coal to port will create entirely new flow patterns, construction and upgrading of rail lines to particular mines or pier facilities will probably be necessary to accommodate large volumes of export coal. These improvements will depend upon the sources of coal selected by foreign buyers, their commitments through investment or long-term contract, and the coordinative skills of enterpreneurs, in packaging mine, rail and port "systems" to sell to foreign buyers.

Steam coal purchased on a spot basis for export will not trigger major investment responses by the rail, barge and mining industries. These industries will view spot purchases as noncommittal opportunity purchases and will service such coal movements accordingly. The federal government should not take action to encourage the premature emplacement of new facilities, but should encourage trade meetings and delegations where foreign and domestic representatives have the opportunity to appraise each other's intentions and move toward long-term mutual commitments.

On the other hand, federal action can influence the question of who participates in coal export. Absent a major expenditure to rehabilitate the coal haul roads in Appalachia, it will be difficult for small producers who depend upon truck transport to benefit from the export market. The smaller Eastern coal mines are inadequately served by rail spur or rail gathering lines, and generally have their coal trucked to a rail tipple, primarily over state maintained highways. A study recently completed by the Department of Transportation reported significant deferred maintenance costs on these roads estimated to be at least $4 billion. Funding for this purpose was defeated in the last Congress.

Those inland waterways systems that most likely will be used to transport steam coal for export were reviewed by the Task Force with the following observations:

The Missouri River is free of constraints.

The Lower Mississippi River between St. Louis and New Orleans is essentially unconstrained and can accept many times its current level of commerce.

The Upper Mississippi River is constrained. Some improvements to Lock and Dam 26 at Alton, Illinois, are underway. The Upper Mississippi River Commission is in the process of producing a Master Plan and recommendations for further improvements.

Locks and dams on the Ohio, Kanawha, and Monongahela Rivers have limited reserve capacities and are expected to impede steam coal flows. It is too early to state specifically which locks and dams will require expansion to handle steam coal exports. Because of long lead times, four to seven years (for high priority studies) from onset of planning to completion, the Task Force recommends that coal traffic on these waterways be carefully monitored to provide early warning to the Corps of Engineers to start the process to improve the locks and dams as required.

Coal slurry pipelines are economical alternatives to rail or waterborne inland coal transport. The major constraints to moving steam coal to ocean ports for export is the requirement that coal slurry pipelines obtain water rights and be granted the right of eminent domain to traverse other rights of way. A coal slurry pipeline bill to grant the latter was supported by the Administration in the 96th Congress, but was not passed. The Task Force believes that it should be.

The Task Force reviewed proposals for offshore coal slurry loading of large bulk carriers as a complement to port channel dredging. Although technologically feasible, they have not been commercialized. Engineering feasibility studies are needed for commer-

*The interim report contains preliminary estimates of the capabilities of the inland waterways system. These estimates are subject to revision based upon the findings of the Congressional-directed National Waterways Study and detailed review within the Executive Branch.

cialization which should be supported by the Federal government. In addition, feasibility studies should also be supported by the Federal government to evaluate the use fluids other than water, such as liquid carbon dioxide or methanol, as the hydraulic media.

Virtually all ships now carrying U.S. coal in the export trade are foreign owned, built, and manned—a situation which has raised concerns because of economic and security considerations. This situation is likely to continue, because United States vessels are more costly than their foreign counterparts. The Task Force is considering proposals to enable United States flag coal ships to participate in coming coal export trade, consistent with our basic objective of enhancing our exports and promoting the use of coal.

8. Selected Market Problems:

The Task Force evaluated a number of critical analyses of the United States coal export markets but has not reached definitive conclusions. Selected matters are treated below:

Communications: There is need for a central point in the United States government for foreign representatives to discuss coal export matters in order to continue functions now being performed by the Task Force and others. Important functions are now being exercised by, or have been consigned to, the Under Secretary of State for Economic Affairs, the Deputy Secretary of Energy, the Under Secretary of Commerce for International Trade and the White House Economic Policy Office. There is also need for better exchange of commercial information on opportunities for coal sales abroad and coal availability here. As part of its Task Force efforts, the Department of Commerce took steps to make its commercial information network knowledgeable and responsive regarding coal trade. In Appendix D is set forth a list of the facilities currently available.

A steam coal exchange: Given criticisms regarding "fragmentation" of the coal market in the United States and the contribution of this characteristic to the problems at the ports in 1980, the Task Force gave consideration to the possibility of a "coal exchange"—a transaction center where brokers would stand ready to buy and sell coal. The formation of such an exchange would be entirely a private sector function. There is at least one effort to create such an exchange to serve small producers primarily, and we also believe that the idea is being considered by large producers for the export market. Greater standardization of product than currently exists would be a prerequisite, and this appears practical with respect to steam coal.

The advantages to such an exchange are, in brief:

It allows sellers of all sizes access to the market without having to subcontract sales to larger suppliers and without being dependent upon the skill of a particular broker in locating willing buyers.

It would provide information about product availability and price in a market where communications are very poor, such that only limited samplings of spot sales are reported.

It would enhance potential for United States coal exports by providing easy access by foreign buyers to available coal.

Preferences for domestic coastal trade. A number of foreign representatives have expressed concern over legislation enacted in October 1980 giving preference to domestic coastal shipping of coal. The Task Force received one suggestion that would limit the preference to shallow loading areas, but this proved impractical. The Task Force does not believe that the preference will place a significant burden on coal export trade and believes that it should be viewed in this perspective. The amount of coastal trade currently protected by the preference is small. There are a number of separate loading facilities for domestic trade, particularly on the East Coast, and this configuration has been encouraged. As new port loading capacity comes on line, the preference will become increasingly academic, even considering increases in domestic trade. Moreover, the legislation permits the Secretary of Commerce to suspend the preference, and we recommend that special attention be given to this area to insure that our international commitments are not frustrated.

9. Effect of Increased Coal Exports on Domestic Coal Prices:

The Energy Information Agency of the Department of Energy regularly forecasts domestic coal supply, demand, and minemouth cost as part of its Administrator's Annual Report to Congress. Using these projections, the Task Force added the coal demand resulting from fuel conversions and implementation of the Administrations goal for coal-derived synthetic fuels. The Task Force then evaluated the effect of steam coal exports on the availability and price of coal for domestic consumers.

For 1955, the Task Force estimated that the United States' share of the export steam coal market could be about 15.0 million short tons per year, composed of a mix of 45 percent low sulfur (less than 1 percent sulfur) bituminous coal, 27 percent low sulfur subbituminous coal, and 28 percent bituminous coal with greater than one percent sulfur. Steam coal exports of this order of magnitude are not likely to exceed 10 percent of domestic consumption, and the potential increase in domestic prices is unlikely to exceed $1/short ton at the minemouth. Comments received by the Task Force generally estimated that exports would have little effect on domestic price.

SUPPORT THE U.N. BY RATIFYING THE GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, in 1945, the United States participated in developing the machinery for the boldest experiment in international organization yet adopted by man—the United Nations. In the wake of a terrible conflict, the U.N. held the promise of eliminating future wars and establishing world peace. For 36 years, the U.N. and its affiliated organizations have served as the international diplomatic arena to air disagreements and resolve issues.

Four years later, the General Assembly adopted its very first human rights treaty—the Genocide Convention. The U.N. resolved that genocide was a matter of international concern and a grave threat to world peace, and declared it a crime under international law. Its unanimous passage affirmed to the world that the lessons of the holocaust would never be forgotten.

The United States played an active role in the formation and goals of the U.N. Thus it must no longer overlook a resolution such as the Genocide Convention. As Thomas Jefferson so often insisted, we must have "a decent respect for the opinions of mankind." Therefore, the United States must support the credibility of the United Nations, and the 83 nations which have ratified the Convention. It is time for the United States to finally join the contracting parties of the genocide treaty.

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering Presidential nominations, and that the order of consideration when we go into executive session, if the request is granted, be, first, the Secretary of Defense Caspar Weinberger, and, second, the Secretary of State, General Haig.

THE PROGRAM

Mr. ROBERT C. BYRD. Mr. President, there will be no objection on this side. May I ask the distinguished majority leader a question?

I think this should be the point in time when we should have from him his feeling as to the program with respect to today and tomorrow as we take up nominations.

Mr. BAKER. Mr. President, I thank the distinguished minority leader, and I agree it is a good time before Members scatter to observe the inaugural parade and to prepare for festivities this evening.

As I indicated earlier, it is my hope and expectation that we will have a rollcall vote on the Secretary of Defense this afternoon. That can occur at any time, of course, depending upon the nature of the debate, but it should occur sometime around 4:30.

My expectation is that would be the final vote today, and that we would go out about 6 o'clock this evening, convening again at 11 o'clock tomorrow morning.

Mr. President, I may say before we go out, I intend to confer with the minority leader before I propound a request in respect to the Vice President of the United States having permission to address the Senate on his first day to preside.

Other than that, I anticipate no business today or tomorrow, except routine business on which we may agree by unanimous consent, other than the confirmation of the nominees as we have previously discussed.

For the balance of the week, Mr. President, I expect that it will take all day today, tomorrow, and possibly the next day to complete all these nominations. At this moment, I do not know if other legislative items or Executive Calendar items might be considered.

Mr. BUMPERS. Mr. President, reserving the right to object, and I shall not object, has there been anything said about backing up the votes?

Mr. BAKER. Mr. President, there has not been anything said about that. I might say to my friend from Arkansas that I do not wish to back up the vote on the Secretary of Defense. I would like to proceed with that vote as soon as possible after debate is concluded. After that, I am willing to explore that possibility.

Mr. BUMPERS. Mr. President, I would

have no objection to backing up the votes except in the cases of Defense, Interior, and State. I think most Members would feel pretty much the same.

Mr. BAKER. I thank the Senator from Arkansas. I assure him that I will work with Members of that side, and particularly with the minority leader, to try to accommodate the convenience of as many Senators as possible in that respect. But I would say that I wish to proceed with the vote on the Secretary of Defense this afternoon as soon as reasonably possible.

The PRESIDING OFFICER (Mr. GRASSLEY). Without objection, it is so ordered.

The clerk will report the first nomination.

DEPARTMENT OF DEFENSE

NOMINATION OF CASPAR WEINBERGER, OF CALIFORNIA, TO BE SECRETARY OF DEFENSE

The legislative clerk read the nomination of Caspar Weinberger, of California, to be Secretary of Defense.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum? Would the Senator wish to proceed first?

Mr. PROXMIRE. Mr. President, I will be happy to proceed first. I was not speaking to this particular nomination at the moment.

Mr. ROBERT C. BYRD. Very well, if the Senator wishes to proceed. I will withhold the suggestion of the absence of a quorum.

The PRESIDING OFFICER. The Senator from Wisconsin.

WHY CABINET NOMINEES REQUIRE AT LEAST A MODERATE FLOOR DEBATE

Mr. PROXMIRE. Mr. President, on this Inauguration Day 1981 with the heartwarming reminder of the 200-year history of this country, the inauguration of a new President, the rare chance for a new beginning, let us consider why we meet here and what responsibilities, we as Senators have under the Constitution. How seriously should we take this "Advise and Consent" responsibility?

THE SENATE'S DUTY

Article II, Section 2: The Founding Fathers gave us the duty to advise and consent to these nominations. They painstakingly wrote that duty into this remarkably brief charter for our country. Should we give it bare ceremonial obeisance by having the clerk mumble the name of the cabinet official and then shout it through? Oh—yes we did that in the past and we were wrong in doing so—These officials whose appointments we act on will have immense power and discretion.

Nearly 200 years ago when Alexander Hamilton wrote Federal Paper 76 contending for the Senate's "Advise and Consent" power he argued how salutory action by the U.S. Senate would be in preventing favoritism on the part of the Executive. How significant that Hamilton should be the prime advocate of this Senatorial duty—Hamilton—the consistent advocate of a strong, Central Government and a strong Executive. Were the conditions of this country and its Government in the 1780's when Hamilton defended the advise and consent requirement of the Constitution more conducive to a Senate that takes the advise and consent power seriously or less?

A BIGGER COUNTRY

When Hamilton pleaded for our advice and consent power, Americans counted about 3½ million citizens, the Federal budget was less than one-ten thousandth of its present size. All the Federal employees probably constituted fewer people than the Senate employs on our personal and committee staffs. The President then could and did have direct, day-to-day, hour-by-hour personal consultation with each member of his Cabinet. No vast White House staff insulated the President from his Cabinet. The President could easily oversee, affirm, or contradict orders of his Cabinet affecting the expenditure of $100 of public money or less. And yet, Hamilton contended in Federalist 76 that this body, this U.S. Senate, should advise and consent to these officials at that time so closely allied to the President.

If the U.S. Senate should have scrutinized and debated Cabinet officers in our little Republic with our pint-sized Federal Government in the 1780's, how much more essential that we scrutinize the nominations with care today when these nominees will command offices with multibillion dollar budgets with the power to issue mandatory regulations that can impose vast burdens of time and money on American consumers, businesses, workers.

The officials we confirm in the next few days will, in many cases, have more power over the lives of our citizens than the entire Cabinet had in Washington or Jefferson's day.

You might ask, why do we not believe that the President will exercise the necessary discipline and scrutiny? The answer to that Mr. President, is: No way. The most diligent, intelligent President this country has ever had could not possibly involve himself in the thousands of critical, far-reaching decisions that each of these Cabinet officers will have to make.

EACH CABINET OFFICE AN INDEPENDENT DUKEDOM

As John Erlichman, President Nixon's Chief of Staff, points out—

A Cabinet officer is like a medieval duke out there in this dukedom and all his vassals and all his apparatus very quickly convince him that he's the head of the whole operation. Yes, there is a President down there in the White House, but that's a remote problem. The Duke is, by God, the head man of his dukedom and all the perks and trappings—the huge offices, the gymnasiums, the private dining rooms, the limousines—reinforce all that. So it's very hard to find a cabinet officer who has recently reminded himself that he's subservient to anybody.

The head of a typical agency, such as the Department of Housing and Urban Development, is not only a duke but a veritable emperor in terms of his budget. Using HUD as a middle-sized agency budget, with outlays of $13.2 billion, we find that this budget is bigger than the central government expenditure of 113 countries, including such countries as Israel, Mexico, Norway, South Africa, Switzerland, Greece, or Austria.

Mr. President, you do not have to be an Erlichman fan to recognize the solid realism of that assessment. These men we confirm have massive, independent power. And if you think the President will have day-to-day control consider what Carter's White House counsel, Lloyd Cutler, recently said about the frequency and closeness of Presidential contacts with Cabinet officers in the real world. Cutler said:

If you're Stu Eizenstadt's 2nd or 3rd assistant, you'll see the President more than the cabinet officer whose programs you're dealing with. Cabinet members are outer moons.

WHY WE NEED CAREFUL CONSIDERATION

Here is exactly why we must rely on the character, the intelligence, the judgment, the experience of each of these officials to act in the public interest. And how do we determine those critical qualities? How? By the very advise and consent responsibilities we are going through now. When? Right now. Oh yes, sure—most probably all of these nominees will win confirmation. But now and only now do we have the chance to chisel their commitments, if any, into the record.

THE CHANGE

Mr. President, there is a new and most vital reason why this year—1980—especially, we should take special care in acting on these Cabinet nominees.

The 1980 election brought a shocking change when the country's minority party, a party with a membership less than half the Democratic Party's membership, won a decisive victory—in my judgment, a clear mandate. What did the people mandate this Government to do? Can anyone doubt? We have a mandate to fight inflation by reducing the size, the burden, the reach of Government.

President Reagan said exactly that a few moments ago, really, in his inaugural address.

Mr. ROBERT C. BYRD. Mr. President. the Senator is entitled to be heard. Those here who do not wish to listen to him should retire to the cloakroom.

The PRESIDING OFFICER (Mr. GRASSLEY). The Senate will be in order.

Mr. PROXMIRE. Mr. President, I thank the minority leader.

The Cabinet we act on in the next few days will have the big voice in determining whether we can arrest and turn around 50 years of momentum toward ever bigger government. Maybe this Government can achieve that objective, maybe we cannot. Whatever chance we have will depend greatly on the determination and commitment as well as the ability of the officials we confirm for the Cabinet now.

Mr. President, we—the Congress and the new administration—have a golden opportunity to begin to turn this situation around. to begin to make progress against inflation, to reduce the size of Government, and, in the process, to make a more effective Government. In a

thoughtful article analyzing what has happened to the power of the President, the current Newsweek suggests why Government has failed this country in the past few years. I suggest that Senators ponder the last two sentences of that article. Here they are:

> The President's real enemy is not the indolence or the intransigence of the permanent government, but its size. It is the mirror of a central paradox of the Presidency: its power to make things happen has diminished as its appetite and its reach have grown.

Mr. President, as we consider these nominees, let me repeat that last sentence. This Government's "power to make things happen has diminished as its appetite and reach have grown."

CONGRESS AND CABINET WORK TOGETHER

One final point: this Government can only have a chance to meet this challenge to reduce the burden of Government if the Congress and the Cabinet work together. The record of the hearings on these nominees suggests that this may be difficult. Here is why:

Mr. President, as a group, these nominees have been remarkably unresponsive. Some have been more forthcoming than others. In replies to questions submitted by this Senator for instance, Mr. Schweiker and Mr. Haig made an obvious effort to provide what information they could in response to most questions. Others gave no useful answers to most questions. Others stonewalled throughout. Why should there be a contest between the Senate and the Cabinet on these matters?

In the years I have been in the Senate, I have observed no significant partisanship in the willingness of Cabinet officials to respond to senatorial inquiry. Democratic officials, by-and-large, have been no more and no less responsive than Republican officials. So partisanship can hardly be considered the reason.

Certainly, relationship with the Congress provides only one part of a Cabinet officer's responsibility. Even with poor congressional relations, a Cabinet officer may administer his department efficiently. He may promote vigorously the national interest and the interest of that part of our citizenry for which he has the principal responsibility. He may work zealously to carry out the program of the President.

But in all these areas, he will succeed far better if he wins congressional confidence and support than if he engenders a spirit of mutual antagonism, suspicion, and distrust.

How can a Cabinet officer achieve congressional cooperation? What does he have to do to win it? Mr. President, the first thing is to be as open and forthcoming as possible. Can anyone argue that we foster good relations between human beings who work together toward a common end when we fail to communicate?

Certainly, Congress and the administration should and do work toward a common end. We all want this country to succeed. We want these departments to function efficiently. We want to provide appropriations to the departments that are necessary. We want to limit regulations and paperwork. We want the departments to achieve their purposes. Can they do this if the laws we pass provide too much or too little resources, if they require regulations and paperwork that drown both businessmen and regulators.

What constitutes the most serious deficiency in the success of this Nation's great executive departments? How about the failure of the Congress to understand the needs and requirements of these departments? How about the failure of the Cabinet officials who run the departments to understand the intention of the Congress in enacting the laws? Does anyone really believe that this Government can function well and especially can achieve the immensely difficult mandate that faces the Reagan administration to reverse 50 years of Government growth and reduce the size and reach of Government and do it without tragic consequences for millions of Americans, unless we somehow find a cooperative spirit between the Congress and the administration?

START OF COOPERATION

What is the first step in this cooperative spirit? It should start right here with the advice and consent responsibility that the Constitution imposes on us. Here Congress and the nominees for the Cabinet have the chance to begin considering how we can move this gigantic Government into a lower gear. Many thoughtful people say we cannot and will not do it. The momentum toward ever bigger Government, they say, has become irreversible, the interest groups just too powerful. Congress and the administration—they say—with the best will in the world cannot turn it around.

Mr. President, I do not believe that for a minute. But I do believe that unless we get a cooperative spirit in both the Congress and the administration, there is no way we can succeed. That cooperation should have begun with nominees for these offices answering the questions we ask, directly and without evasion. Unfortunately this has not been the case.

Answers to questions put by Senators have been ducked, dodged, evaded, as if the nominees were prisoners of war, doing their best to keep vital secrets from the enemy. Mr. President, this body under article II, section 2 of the Constitution has a direct duty to review, discuss, debate, and pass on these nominations. We have failed miserably in the past to do this and we have failed while the Government became ever more massive and the power of these nominees has become bigger, more costly, more arbitrary and more imposing on the lives of our citizens.

We have made a generally feeble attempt in the inquiries of nominees during the committee hearings to turn this around. Perhaps we can begin in some measure today to live up to our responsibility by at least developing a clear record on each of these very important nominees.

LAST CHANCE

Their train is pulling out of the station. Here we have our last chance to find out where the committees with jurisdiction over these nominees expect these officials to take this country. Here we have a chance to establish the expectations against which we can measure the performance of these departments. Today is Inaugural Day. This is Inaugural Week—a happy, party week, celebrating our democracy. That is great. But, Mr. President, with all the ceremonial fireworks and parades and balls—not to mention cocktail parties—only two matters of solid substance will occur.

One, of course, is the inaugural address of the President of the United States. The other is the action by the U.S. Senate in advising and consenting to the appointments of this Nation's principle policymaking officials. Let us not permit ourselves to be bulldozed or intimidated into betraying our constitutional responsibility. Let us take full advantage of this opoprtunity. Let us have no unnecessary, irrelevant delay, but a thorough, careful, responsible examination of each and every nominee for every one of these important offices, and then let us have a rollcall vote in which each of us stands up and makes his or her position public on the record as to each nominee.

Mr. ROBERT C. BYRD. Mr. President, the decisions by the Senate today and tomorrow and, if necessary, the next day on the nominees will have an impact upon the next 4 years of the administration and an impact on the country.

It is the constitutional role of the Senate to advise and consent to nominations. I therefore feel that it would be appropriate to suggest the absence of a quorum and make it a live quorum.

Mr. TOWER. Mr. President, will the Senator withhold before he makes that request?

Mr. ROBERT C. BYRD. Yes.

Mr. TOWER. Mr. President, I ask unanimous consent that the time consumed by the distinguished minority leader not be charged to either side.

Mr. STENNIS. Mr. President, may we have order? I think we have to insist that we have conditions under which the discussions can be heard. The men on whose nominations we will be passing are going to spend hundreds of billions of dollars.

We cannot hear back here unless there is order in the Chamber.

The PRESIDING OFFICER. The Senate will be in order.

Is there objection to the request of the Senator from Texas?

Mr. TOWER. Mr. President, it is my understanding that in the case of a live quorum, the time will not be charged.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

CALL OF THE ROLL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 2 Ex.]

Baker	Garn	Pell
Baucus	Gorton	Proxmire
Byrd, Robert C.	Grassley	Pryor
Cannon	Hollings	Quayle
Cohen	Jackson	Randolph
Cranston	Kassebaum	Rudman
Denton	Long	Simpson
Dixon	Mattingly	Stennis
Dodd	Metcher	Stevens
Domenici	Murkowski	Symms
East	Nickles	Tower
Ford	Packwood	Warner

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk resumed the call of the roll and the following Senators entered the Chamber and answered to their names:

Abdnor	Exon	Mathias
Andrews	Glenn	Matsunaga
Armstrong	Goldwater	McClure
Bentsen	Hart	Metzenbaum
Biden	Hatch	Mitchell
Boren	Hatfield	Moynihan
Boschwitz	Hawkins	Percy
Bradley	Hayakawa	Pressler
Bumpers	Heflin	Riegle
Burdick	Heinz	Roth
Byrd, Harry F., Jr.	Huddleston	Sarbanes
	Humphrey	Sasser
Chafee	Inouye	Schmitt
Chiles	Jepsen	Specter
Cochran	Johnston	Stafford
D'Amato	Kasten	Thurmond
Danforth	Kennedy	Tsongas
DeConcini	Laxalt	Wallop
Dole	Leahy	Weicker
Durenberger	Levin	Williams
Eagleton	Lugar	Zorinsky

The PRESIDING OFFICER. A quorum is present.

The Chair recognizes the Senator from Texas.

Mr. TOWER. Mr. President, the results of the November 4 election have signaled, among other things, that the American public is deeply concerned and disturbed about the existing capabilities of our Armed Forces. President Reagan has indicated on numerous occasions that finding solutions to the many problems involving our national defense will be one of the top priorities of his new administration. To assist him in this formidable effort, President Reagan has selected Mr. Caspar Weinberger.

On January 6, 1981, the Committee on Armed Services met in open session to conduct a hearing on the anticipated nomination of Mr. Weinberger to be Secretary of Defense. At such hearing, Mr. Weinberger was asked to respond to numerous questions on a variety of issues involving national defense. It was evident from his testimony that Mr. Weinberger already has a sense of the complexity of the many problems which he must address and the need to deal with many of these problems in a reasoned and yet expeditious fashion.

Mr. President, I am pleased to say that the committee was favorably impressed with the content of Mr. Weinberger's testimony and his impressive record of performance in both the public and private sectors. Yesterday, in executive session, the Committee on Armed Services voted unanimously in favor of Mr. Weinberger's nomination as Secretary of Defense.

I urge my colleagues to speedily confirm the nomination of Caspar Weinberger to be Secretary of Defense.

Mr. President, I yield on his own time to the distinguished ranking minority member of the Armed Services Committee, the Senator from Mississippi.

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi.

Mr. STENNIS. Mr. President, am I recognized?

The PRESIDING OFFICER. Yes.

Mr. STENNIS. I thank the Chair.

Mr. President, there was a real down-to-earth, rather rigid, hearing and examination of Mr. Weinberger. The unanimous vote indicates that we were well impressed—Mr. President, may we have conditions here where those who wish to hear may hear?

Mr. TOWER. Mr. President, may we order?

The PRESIDING OFFICER. Let us have order.

Mr. STENNIS. Their unanimous vote, with the rather rugged group of Senators following the examination that he had, proves that this man has capabilities, and he has a record that commends itself. He is a former Secretary of HEW; he is a former Director of the Bureau of the Budget, and he has had other experience in Government to the extent of my telling him that he would have no excuse if he did not do well because he knew what he was getting into.

I was exceptionally well-impressed with him. He has not been directly connected with the Department of Defense or other military activities, but it is very obvious that he is a fast learner with his capabilities and this experience, and I am expecting him to be an outstanding man.

I questioned him particularly on the question of procurement, the expenditure of this massive amount of money that some think, if it is for the military, to just throw it in.

He was concerned and he was interested, and I believe he will give attention, as he promised, special attention, to making these military dollars go as far as they possibly can, particularly in view of the high cost of our modern weaponry.

I mentioned to him the manpower problem—not the number but the capability, the talent, the personal knowhow, and the ability to get things done of great numbers of people whom we are taking into the services. He indicated that he had a concern, very much of a concern, along that line, and would give it his personal attention. So I am very much impressed with him.

Mr. HELMS. Mr. President, may we have order. The Senator deserves to be heard.

The PRESIDING OFFICER (Mr. RUDMAN). I call the Senate to order.

Mr. STENNIS. I thank the Senator.

I feel we are entrusting this power, the President is, to capable hands, good hands. He has a sense of accountability to those of us who have to help pass on the policy and help pass on the money.

So with satisfaction I support without any reservation this nomination and predict that Mr. Weinberger will be an outstanding gentleman in this field.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Mr. President, it is with regret that the Senator from North Carolina has come to the conclusion that he must vote against the confirmation of Caspar W. Weinberger as Secretary of Defense. I think the Chair can recognize that this is a painful decision for me because Mr. Weinberger is regarded as a distinguished public servant whose conduct and capabilities are above reproach. Moreover, his public stands are the very symbol of those qualities of Government, efficiency, frugality, and sound management, which I myself have long espoused.

Mr. President, many of my colleagues whose judgment I respect and whose friendship I revere have pronounced themselves delighted with the choice of Mr. Weinberger. Yet I feel obliged to vote against the confirmation, as I will also vote against the confirmation of his hand-picked deputy, Mr. Carlucci.

Those nominations have proved particularly troublesome not only to me, who will vote against them, but also to a great number of my colleagues who plan to vote for confirmation.

Mr. President, the contending issues involved are so complex and so subtle that at first blush it appears so easy to come down on one side of the question or on the other side of the question. So considered, I, perhaps, could have supported the nomination of Mr. Weinberger and of Mr. Carlucci. But I cannot in good conscience for reasons that I shall state, in no small measure out of respect for the large number of my colleagues who came to me and asked me to make my views known, including many who are publicly taking the opposite stand, and they are doing so sincerely.

Because of the great issues that here hang in the balance, they apparently feel that both the pros and cons of these nominations should become a matter of record, just as a patient who is ill often seeks a second opinion from a doctor.

Mr. President, I do hope that my stand here this afternoon will not be interpreted as opposition to Mr. Weinberger as a person. Quite to the contrary. He is a gentleman, and I hope we will have the opportunity to develop a warm relationship as between friends who have a different point of view.

But be that as it may, I intend here to draw the line, a benchmark, as it were, to measure the progress of the reconstruction of our national strength.

The PRESIDING OFFICER. I call the Senate to order.

Mr. HELMS. I thank the Chair.

So I come here, as I think, not only representing the second opinions of the colleagues, who in a very real way deputized me to speak out, but also seeking to articulate the concerns and the hopes of millions of Americans who saw in the past election the national defense issue, along with inflation, as the most compelling problems of our Nation.

The President has chosen Mr. Wein-

berger as Secretary of Defense, and he knows Mr. Weinberger far better than I, and I feel I would be derelict in my constitutional duty to advise and consent were I not to do so with such charity and candor as I possess.

Moreover, the constitutional duty of the Congress to raise and support arms makes this nomination especially important.

Now, the national crisis which America faces is a crisis of sheer survival, and we should make no mistake about that, and for survival Mr. Weinberger's dedication to efficiency, frugality and sound management, all of which I admire, simply are not enough. Those qualities are only the minimum which ought to be assumed of all officeholders in every branch of Government at every level. But we will be lucky indeed if the minimum effort of good Government will pull this Nation through the next 4 years. We must have more than that.

For the past 35 years, Mr. President, the Pentagon has been ruled by Secretaries of Defense who have been intelligent, well intentioned, and honorable. They have brought us to a situation where the Soviet Union is today verging on decisive strategic nuclear superiority—decisive in the sense that the outcome of any potential war will increasingly favor the Soviet Union. The strategic nuclear threat provided by the United States is no longer sufficient to deter Russia in Europe or elsewhere. NATO is disintegrating. A single major breakthrough in weapons technology by the Soviet Union could leave this country effectively defenseless. Even without such a breakthrough the Soviets will find an open window sometime next year when Soviet nuclear forces will enjoy undoubted nuclear superiority.

If we start now, Mr. President, we can begin to close that window by the year 1985.

It is going to take all of the courage and determination of a bold new President and all of the skills and diplomacy of an extraordinary Secretary of State to discourage the Soviets from taking advantage of that window.

But only resolute and visionary action by the Secretary of Defense can provide the means to close that window in time for survival of this Nation. Mr. Weinberger has yet to demonstrate, at least to this Senator, that he has either that resolution or that vision.

The Central Intelligence Agency now estimates that the Soviets are spending more than 50 percent more in military accounts than the United States, 80 percent more in military procurement. 2½ times as much on ground forces, and 2.6 times as much on strategic forces. Defense Intelligence Agency estimates are even higher and are probably more accurate than the CIA's estimates.

The Soviets have made enormous strides in closing the gaps in technology, frequently with American assistance. Thanks largely to American equipment and technology exports to the Soviet Union, the Soviets will very soon be ahead of the United States in missile accuracy—the advantage that was supposed to guarantee our security in SALT I.

Do you remember, Mr. President? That was our hope. They have been ahead of us in tanks and armored vehicles since 1970. Many of their ground force weapons are clearly better than ours. They have the only long-range, that is to say 100 miles or more, cruise missile operational in the world today.

Indeed, the Soviet Union already has moved ahead of the United States in perhaps 75 percent of all measures of strategic power and will close much of the remaining gap by the end of next year. The U.S. ICBM force is vulnerable to near-complete destruction. The U.S. bomber force is potentially vulnerable to both ICBM attack and SLBM attack. The bomber force is incapable of penetrating advanced Soviet air defenses or of surviving electromagnetic pulses from nuclear weapons detonated in space. There exists no survivable command and control system for U.S. missile submarines.

During the Carter Presidency, the Soviet missile threat, in terms of high accuracy, advanced by about 5 years in state of technology. The Soviet Union has continued development of five new fifth generation ICBMs and several new SLBMs, one of them recently tested. Through the dialectical manpulation of the SALT process, the Soviets convinced President Carter to sign a one-sided strategic arms limitation treaty that locked in and legalized Soviet expansion of its strategic systems.

Mr. President, what was the reaction of the United States to all of this, the mightiest expansionary burst of military power that the world has ever seen? The litany is now familiar from its repetition in the 1980 Presidential campaign. Do you remember Mr. President?

President Carter killed the B–1 bomber. He delayed the MX 3 years. He delayed cruise missile, and Trident I development by 2 years. He refused timely production of Trident II. He terminated Minuteman production. He destroyed the Minuteman assembly line. He ended Minuteman II modernization. He canceled the neutron warhead. He delayed Pershing II. He terminated Lance I missile production. He stymied Lance II. He vetoed a nuclear carrier, stalling its construction, cut naval shipbuilding in half. He cut the size of the Army, Navy, and Air Force. He withdrew troops from Korea, and he relinquished the Panama Canal.

MANAGING OUR DECLINE

How have we managed this decline? I already have said that our defense advisers over the past 35 years have been intelligent, well-intentioned, and honorable. But in every case the intent was, literally, to manage the decline of U.S. power. Some have been known popularly as soft-liners; others as hard-liners. Yet in the end both have brought us to the same place. And we have to ask the question why, Mr. President? Why? Let me take a crack at it.

The so-called soft-liners have been men who have been truly uncomfortable at the leadership of a nation wielding so much power. The use of power requires a claim to authority which these men appear to have been anxious to relinquish. Authority, and its corollary, leadership, conflict with the assertion of the sovereign equality of all nations. Thus, such individuals look forward to a world order based upon reason, rather than upon power. They see their job as one of manipulating international affairs so as to phase out the capability of any nation and all nations to disturb a shared responsibility for the world. They are seeking, on a long-term schedule, a planned decline of all independent power, a decline so well-managed that at no point in the process will any of the superpowers be able to derail the orderly scenario. They have regarded it as the duty of the United States to "set an example" by reducing our power first.

Now, we get down to the meat of the coconut, Mr. President. This view is so distant from my own, and so contradictory to the feelings of the vast majority of the American people, that it is hard to give credit to its sincerity. Yet, do so we must. We must assume that those who advocate this view sincerely believe that the steps they have been taking are prudent and proper, leading to a new definition of peace and security. In my view, those steps have been demonstrably harmful to America's security, and even if I agreed with their goal, I would submit that withdrawal of U.S. power and influence from the world would clearly result in the triumph of Soviet imperialism. No other face could be put upon it.

The other view, the view of the so-called hard-liners, is, upon analysis, not much different from the first. This view holds that the decline of the United States is inevitable, the result of the rise of powers beyond our control, the result of the growing political and economic interdependence of all nations, and the result of the disintegrating social structure of our own country. The task of our leaders, in this view, is to manage our decline so as to squeeze from it all the leverage we can get to prevent us from being overwhelmed now. They call for strength, but only for what they vaguely define as "sufficient" strength, so as to stave off the inevitable until alternative arrangements can be made. And then act as referees in bankruptcy; or, to change the image, as a physician keeping a terminal patient comfortable while his affairs are being put in order.

Rather than an affirmative action program, this is a negative action program; but both result in managing our decline. Moreover, it has been a bipartisan program, and both of our great parties must share responsibility. We began with an enormous capital of power and strength. When we first began to fritter away, the consequences were not all that obvious. Now, however, the results are painfully obvious to every American. And I think that on November 4 one of the messages sent to us by the American people was that they wanted a change.

Mr. President, may I ask how much time I have remaining of my 40 minutes?

The PRESIDING OFFICER. The Senator from North Carolina has 20 minutes remaining.

Mr. HELMS. I thank the Chair.

THE MISSION OF THE UNITED STATES

Mr. President, the primary mission of the Government of the United States is to maintain freedom for the people of the United States and, in furtherance of that purpose, to establish freedom as the dominant political principle in the affairs of men and nations. The continuing independence of the United States is, in large measure, a function of her military strength in relation to the power of potential adversaries, principally—and we must be frank about it—the Soviet Union.

Independent American military power, separate from alliances of doubtful or reduced value, is the underlying and only safe foundation of American political independence and of individual freedom. Only such strength can provide the international stability and confidence necessary for the moral and economic progress of all peoples.

Mr. President, all of us consider ourselves students of history to one degree or another. I think it is essential that we bear in mind that the processes of history are not inevitable.

The processes of history are not inevitable. The decline of American power is the product of the actions of men, and the ill-conceived ideas of three generations. Only a clear break with the past, only a determination to take practical steps immediately to restore our depleted military strength, and to devise new programs and new strategies can preserve American independence and freedom.

Against the backdrop of the U.S. doctrine of containment, what happened? The record is clear.

The Soviets aggressively pursued a successful policy of territorial expansion. Against a backdrop of the doctrine of "sufficiency," the Soviets built strategic and nuclear forces that were more than enough. Indeed, under the doctrine of the SALT process. the Soviets achieved strategic superiority. That is their definition of sufficiency. The reason for this is that "superiority" is not a measure of numbers, nor a measure of dollars, but a measure of our national will. "Superiority" represents not a static goal, but a moral commitment to victory.

Let us look further at history. Our past Secretaries of Defense have erected a vast civilian, corporate-like structure at the Department of Defense. This structure has tended to cause even the Armed Forces to lose sight of their real function—let us be candid about it—war, during peace.

We should not kid ourselves. That is what the Department of Defense is for.

The corporate mind at the Department of Defense has discouraged nonconforming judgment and has stifled initiative in the military. Management by objective has replaced leadership by example. Commodity and cost-effectiveness as principles of defense have replaced security, surprise, maneuver, fire-power, and shock action as principles of war.

Purporting to seek efficiency and economy as a first and often single goal, the corporate managers of the Department of Defense, from the Secretary on down, have failed to understand that war and the preparation for war are inherently wasteful, but that the alternative is defeat or dependence. A Secretary of Defense who is principally preoccupied with removing waste would be driven by the logic of his position to eliminating his whole department. But a defense apparatus that is never used has already fulfilled its purpose.

Following a "management" philosophy, we have spent billions of dollars seeking to manage efficiently and cheaply and have, in the process, obtained less for more. We have managed the decline of what was once the strongest armed force of history.

MR. WEINBERGER'S QUALIFICATIONS

Placed against this context, Mr. Weinberger's special expertise and his notable record of Government service become not an asset, but a handicap. He must become not a prosecutor, but an advocate. There will never be a time when efficiency and economy are not necessary in Government affairs. I want the record to be clear on that. But if this Nation is to survive, Mr. Weinberger will have to break with his own past, and become an advocate within his own bureaucracy, demonstrating through leadership, openness, and aggressive initiative the need to substitute thinking for fulfillment of objectives, and action for process. And, he must become an advocate for a strong defense within the top circle of the Reagan administration.

When Mr. Weinberger's nomination was first proposed, many knowledgeable defense experts expressed their belief that the proposed nominee knew little about the decline of U.S. military power, nor the rise of Soviet strength. Contrary to my expectations, the nominee's testimony before the Armed Services Committee did nothing to disarm these critics. Although I am a former member of that committee, I was unable to attend the hearing because, as chairman of the Agriculture Committee, I was chairing a hearing on the nomination of the Secretary of Agriculture at the same time. When I consulted the transcript, what I found deeply distressing was not only what he said, but the way he said it.

Mr. President, allow me to cite a few examples:

First. On several occasions, Mr. Weinberger constantly talked of the massive Soviet drive for nuclear superiority as an "imbalance". He acknowledged that the Soviets have—

An intention, a desire, a plan to achieve major imbalance as represented by a tremendous growth on their side, and that is one of the things that I think has to be of concern.

Later on, he again used the same language in describing the Soviet drive for military superiority:

It does seem clear that their intention is to proceed with an attempt to secure an imbalance that would make it very difficult if not impossible for us to assert our interests or the interests of our allies in any portion of the world. And I think that obviously has to be totally unacceptable.

While I am delighted that he finds the so-called imbalance unacceptable, the fact remains that we are not talking about an imbalance at all, except in the sense that an avalanche could be considered an imbalance. The notion that there ought to be a balance of forces is part and parcel of the same doctrines that have brought about our military decline. Unless we get away from talking about Soviet superiority as an imbalance, and our very survival as our interests, we will never be able to convince the Soviets, much less ourselves, that these developments are unacceptable. (Once we begin using terminology that sounds acceptable, then the unacceptable becomes acceptable.)

Second. Over and over again, Mr. Weinberger embraced the obsolete and discredited principles of mutual assured destruction (MAD) as his basic strategic doctrine. There is no evidence that the Soviets have ever adopted that doctrine, and indeed, their theoretical literature is all to the contrary. Thus, the feeling of mutuality so essential to the MAD theory becomes merely an illusion. Yet, at the hearing, Mr. Weinberger said:

As far as improving that strategic balance . . . I think that involves starting and continuing various weapons systems that will give us sufficient strength, so that anyone who plans any sort of attack will correctly perceive that we retain a full ability to respond to deliver a return blow of such strength that they will be deterred from launching that kind of attack.

Mr. President, has not history demonstrated over and over again that "sufficient strength" is not enough for victory? If we do not know that, then we had better wise up. Victory requires a moral truth over and beyond calculations of force. Yet, in speaking of SALT III, Mr. Weinberger said:

I would think that the only kind that would be useful would be something that genuinely advanced the cause of peace by a limitation that made it clear that each side had sufficient strength so that they would be equally deterred from launching any sort of attack.

And again, he said:

There has to be in my opinion the condition under which we are correctly perceived as sufficiently strong and resolute, and possessed of sufficient resources so that there will not be any inducement, in fact, there will be a major and effective deterrence for anybody launching an attack upon us. And if we reach that stage, then I think that whatever it happens to be called, it is a satisfactory state of balance.

The problem with this neat formulation is that balance is never static, particularly when one side is dedicating inordinate means to finding ways to get around the deterrent of the other side. It is not simply a question of adding quantitatively to one's forces, but of thinking up new ways to make the old forces irrelevant. Thus it happens that what is "sufficient" one day is far too little the next.

Third. Mr. Weinberger evidently

thinks of the SALT negotiations not as a calculated strategy by the Soviets to relieve us of our remaining advantages, but rather as a "process" that is inherently necessary, even if it fails. Thus he said:

My personal view is that negotiations should continue, and that we should make every effort to get a vastly better agreement than SALT II.

And again:

Well, I have to believe that both sides would certainly want to have such discussions continue. I don't think that we should enter into such negotiations from a position of weakness or a position which contemplates maintenance of the kind of gap that now exists.

Yet despite the plain weaknesses of the United States in its strategic posture—weaknesses which Mr. Weinberger calls a "gap"—he unbelievably is prepared to begin negotiations within 6 months. He told the committee:

I would think that it would take a good 6 months for some formulations of policies to be made. I don't think we should enter the negotiations lightly or unadvisedly, and I think that we should have a very clear idea of the agenda that we would want to pursue, and the goals, the way in which we would like to have it come out. And I think that will take a few months.

But aside from in a sense getting our own side in order, getting our own agenda made up, then I don't think there is any particular problem about timing, and I think it is important that the process continue.

It is inherently incredible that a new administration could effect any real change in our strategic posture within 6 months, or even reexamine our nuclear strategies within that time. If we are going to have a fundamental break with the past of the sort that is necessary if we are to survive, an allowance of 6 months is scarcely time to turn around—unless we are going to continue the policy of managed decline. Yet despite Mr. Weinberger's stated objective of negotiating from strength, he later explained that all that was necessary to start negotiations was to signal to the Soviets that we had an intention to restore our strength:

Well, Senator, I have left you with a misimpression. It is not until that gap is closed, but until we have very firmly signalled and indicated a beginning of a major effort to close that gap. I don't think that we have to sit on the sidelines and not allow the negotiating process to proceed, but I do think that there had to be a very clear indication that we are aware of the gap and we are aware of the importance of improving the balance markedly and materially, and I think during that period of time, if that signal is clearly and unequivocally given, as I assume it will be, that it then would be possible to enter into negotiations.

The steps outlined by Mr. Weinberger would result in the United States entering the negotiations with only an intention as a bargaining chip, whereas the Soviets would be entering further negotiations at the same time they are entering the "window" of superiority when the United States is particularly vulnerable.

Fourth. Mr. Weinberger is equally simplistic when he speaks of the motivations of the Soviet Union in entering SALT negotiations. For example he said:

So I think that negotiations, to be useful to both sides, have to be viewed from a different kind of basis, that is, the basis that we both want peace, we would assume that, and that we both believe, or certainly I would believe that we have the best chance of obtaining peace if there is not such a destabilizing factor as a gross imbalance in the forces of the two countries.

The objectives of the United States and of the Soviet Union in entering SALT negotiations are fundamentally different. The Soviet literature makes it clear that the word "peace" has a completely opposite meaning than we ascribe to it. There is no reason whatsoever for assuming that we both want peace in the same sense, nor that peace is best achieved—in the Soviet sense—by the Soviets giving up the gross imbalance which now exists. Mr. Weinberger continued to imagine a mutuality of intention when he said:

I think it may well be that there are elements within the Soviet Union now that would recognize that an arms limitation of a meaningful character is something that would be of interest to both sides and to the best interests of both sides, as I think it would be, but I think it has to be a meaningful limitation, and not a highly technical series of calculations of weight and excluding this and including only launchers and not missiles or vice versa, and not including certain kinds of planes and things of that kind.

Setting aside the informality of the discourse in this passage, Mr. Weinberger reveals anastonishing naivete to imagine that any SALT agreement could set aside "technicalities" and be meaningful. It is the very essence of SALT negotiations to be technical, as well as to be a dialetical process trapping the unwary. The Soviets are skilled dialecticians who are on the lookout for innocent participants who imagine that the deal is to the best interest of both sides, just as the city slicker looks for the rube. It is precisely the technicalities which make the SALT talks so dangerous; yet if we expect to have no technicalities, we are setting ourselves up for the subtlest technicalities of all. Yet this theme was no accidental slip of the tongue, for Mr. Weinberger also turned to it at another point:

I think an effort to negotiate a true strategic arms limitation that is effective and is not bogged down in technical detail about whether or not launchers are involved and whether or not an intercontinental plane such as the BACKFIRE is excluded, I think the need to negotiate an effective strategic arms limitation treaty is always going to be there.

In short Mr. Weinberger turned in what I view as a dismaying performance for a person who is expected to take a leading role not only in determining our SALT posture, but in preparing and executing our overall force structures.

Fifth. Mr. Weinberger dismissed one of the major issues in our relationship with the Soviet Union—the issue of technology transfer—with an offhand comment. The continuing ramifications of Soviet industrial and military espionage, of commercial purchase of technology, and of the role which the Department of Defense plays in such transfer were summed up as follows:

Some years ago there were one or two what we might call involuntary transfers of technology, and there have been, I think, some instances and certainly some possibilities where in an apparently unrelated field, civilian computers or things of that kind, requests have been made and perhaps granted that have advanced their capabilities in a way that it was not necessary for us to do.

Mr. Weinberger obviously was not sufficiently briefed on this issue, and apparently did not understand the role which technology transfer has played in the Soviet drive for awesome military superiority.

Indeed, it is one of the handicaps of Mr. Weinberger that he enters upon the job without ever having been obliged to give serious thought to Soviet power, Soviet intentions, or Soviet doctrine. With regard to his assessment of these issues, he candidly tetified:

As far as my own assessment at the moment is concerned, it is obviously imprecise and not formed on any sort of adequate briefings or knowledge of the situation in the last 5, 6 years.

Mr. President, the point the Senator from North Carolina is trying to make is that these are precisely the issues upon which this man or any man entering into the post of Secretary of Defense should not even have to be briefed. He should already be formed by training, experience, and philosophical reflection, and he should accept the job with the understanding that he is going to put a specific doctrine into practice. Yet when he was cross-examined skillfully by the distinguished Senator from Colorado, and the distinguished Senator from Alabama, who has had perhaps greater opportunity to think upon the doctrines of warfare than any man who has sat in the Senate, he did not seem to have a theoretical grasp of what they were talking about.

I invite Senators to examine the report which is before us and to read the questions posed by the Senator from Alabama and the Senator from Colorado and the answers.

I realize, Mr. President, that the events of the transition have happened very quickly, and it is perhaps too much to expect a nominee to have absorbed every detail of his new position so rapidly. In this examination of his testimony, I have deliberately chosen only those issues of the broadest import, and which are most fundamental to the situation this Nation faces today.

Mr. President, I hope that Senators will realize and agree that the Senator from North Carolina would never insist that Mr. Weinberger's conclusions agree precisely with mine or be expressed in the same rhetoric. Yet I do think it is fair to conclude that Mr. Weinberger is not at this moment prepared to make the clean break with the very policies of the past which have managed our military and international decline. Nothing less than a clean break will do.

Let me say again that Mr. Weinberger is an exceedingly intelligent man, and we must hope for the possibility of growth and a deepening of understanding. Yet the chances of that do not appear auspicious. It has been reported to

me that one of his first actions was to dismiss the term of defense experts that had prepared detailed transition reports outlining the absolute necessity for a clean break with the policies of the past. His second action was to consign the reports of these defense experts to oblivion.

His third action was to demand, as his principal deputy, Mr. Frank Carlucci, a man who is also regarded by many as a distinguished public servant, but whose talents reinforce Mr. Weinberger's weaknesses and obviate his strengths. Had these actions not been taken, had Mr. Weinberger sought briefings and assistance from the transition team, he might have been better prepared to respond to the task ahead.

I apologize to the Senate for having been so long in making my feelings a matter of record, but I wanted to be clear why I must take the regretful action of voting against the confirmation of the nomination of Mr. Weinberger, knowing full well that only a few, if any, of my colleagues will vote with me. The nomination of Mr. Weinberger will be confirmed—there is no question about that—but not without the issues at least having been spread on the record in this forum. My duty as a Senator and my conscience as a concerned American require no less that that.

I say this in conclusion, Mr. President: Nobody is more prayerful than I am that I will be proved wrong in the conclusions that I have reached and that I have stated to the best of my ability. In that event, I assure my fellow Senators and Mr. Weinberger that I will hasten to acknowledge my error in judgment. But inasmuch as I hold these concerns, it is a matter of conscience that I felt obligated to state them.

I yield the floor.

Mr. TOWER. Mr. President, I yield 2 minutes to the distinguished senior Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I am grateful to the able Senator from Texas (Mr. TOWER), the chairman of the Committee on Armed Services, for giving me the opportunity to make brief remarks in reference to the pending nomination.

It was my privilege to work very closely with and to have knowledge of Caspar Weinberger during the some 5 years that he held responsible positions in our national Government. My confidence in this proven public servant is reflected by the members of the committee who reported his nomination unanimously and who said he was "fully qualified in all respects"—I have read the report—to be our Secretary of Defense.

As the result of the contacts I had with him, especially in the Department of Health, Education, and Welfare, as well as in the Federal Trade Commission and the Office of Management and Budget, I determined that he was an intelligent administrator; yes, he was tough-minded; he could make decisions; he was affirmative, not negative.

Mr. President, I say to my colleagues that when a Member of the Senate rises, as does the Senator from West Virginia on this occasion, he does not expect his words to have an influence on the vote result. However, I believe the record should reflect that when we have known men who are now asked by President Reagan to be a part of his Cabinet, and when we have worked with these men who are now being given these responsible posts—"with the advice and consent of the Senate"—that we should speak.

I will support—gladly support—the nomination of this capable man.

Mr. TOWER. Mr. President, I yield 2 minutes to the distinguished Senator from California (Mr. CRANSTON).

Mr. CRANSTON. I thank the distinguished chairman.

Mr. President, I rise to speak in behalf of a fellow Californian whom I have known for many, many years, whose nomination to be Secretary of Defense is now before us.

Caspar Weinberger is a man of very high intelligence and very high integrity. I believe that he will perform two very useful functions as Secretary of Defense.

First, he is a man who understands money, who knows how to economize in government. He did that as Director of Finance in the Reagan administration in California. He did that later as a Director of the Office of Management and Budget in the national Government in Washington.

We need economy in the spending of the larger sums that we will spend in national defense, and I believe Caspar Weinberger is very well qualified to fulfill that responsibility.

Second, it has been suggested that he lacks adequate background in military matters. I point out, first, that as Director of OMB, he had become very familiar with the national defense budget, because that is one of the largest items of expenditure in the Federal budget, and thus he has developed considerable expertise from that vantage point. Third, while he may lack a strategic sense at the present time, I am confident that, due to his very high intelligence and his ability to learn subjects very swiftly, he will have, before too long, all the knowledge and more than one would wish of a Secretary of Defense about all the vital matters that relate to grand strategy and lesser strategies that fall within the responsibility of the Secretary of Defense.

For these reasons, I strongly support this nomination.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, it is my understanding that under the unanimous-consent agreement, I have 30 minutes, which I will not use. I will use only a little of that time.

The PRESIDING OFFICER. The Chair understands that under the unanimous-consent agreement, the time is controlled by the Senator from Mississippi. Is the Chair correct?

Mr. PROXMIRE. It is my understanding that the minority leader made it clear at the time that 30 minutes of that time would be allocated to me.

The PRESIDING OFFICER. If there is no objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask my friend from Texas, the chairman of the Armed Services Committee, about what specific qualifications Mr. Weinberger has to be Secretary of Defense.

I realize that he served in the Army for 4 years, as did 12 million of the rest of us, in World War II. He was discharged as a captain. He served in OMB and had a responsibility for the Defense Department as well as all other departments. That was diffused and obviously had to be rather limited and superficial.

I share the view of Senator CRANSTON and the view others have expressed that this is an extraordinarily intelligent man. But I should like my friend from Texas to indicate what specific experience and what specific demonstration of ability would persuade him that Mr. Weinberger will be an effective Secretary of Defense.

Mr. TOWER. I say in response to the distinguished Senator from Wisconsin that although Mr. Weinberger does not have a professional background in defense, he has a broad understanding of defense policy. His views on defense matters are compatible with those of the President, who appointed him to the job.

He has had some considerable experience in defense budgeting by virtue of his position as Director of the Office of Management and Budget.

It is very often the case, perhaps more often than not, that people who are appointed as Cabinet Secretaries might be considered laymen in jurisdictions over which they preside. They are appointed for their policy concepts. They are appointed because of their ability as administrators. They are appointed because of their compatibility with Presidential views.

I believe that Mr. Weinberger is highly qualified because he has the right instincts.

I believe that he understands the role of a strong military, not just in terms of national security but also in terms of supporting the foreign policy objectives of the United States. In addition, he is a very quick study. He is a man who has intimate grasp. I believe, too, that his experience in the Office of Management and Budget commends him to the highly complex matters in which the Secretary of Defense is involved.

Mr. PROXMIRE. Would the Senator feel as strongly about this in view of the fact that the Under Secretary of Defense, Mr. Carlucci, as I understand it, also lacks the kind of technical background and experience in defense matters that previously we have associated with the Department of Defense?

Mr. TOWER. Mr. Carlucci's nomination is not at issue at this time.

Mr. PROXMIRE. Except as it relates to the fact that the top man of the administration is.

Mr. TOWER. Mr. Carlucci has served as Deputy Director of the Central Intelligence Agency and as such has a very, very clear perception of the threat, and I can think of nothing that is more important for a Deputy Secretary of Defense to be armed with than that kind of understanding. He also has broad experience as an administrator and as a diplomat.

It may be that the Senator from Wisconsin thinks that the Secretary of Defense or the Deputy Secretary should be

a professional bean counter or systems analyst. I think it is high time that we had in these positions people who thought in terms of roles and missions, who thought in terms of global objectives and clear perceptions of national interest.

We have been too long in the business of bean counting and systems analysis. It is time that we get away from that.

I think that Caspar Weinberger is ideally suited for the job that I expect the Senate to commend him to today.

Mr. PROXMIRE. May I ask my friend from Texas to inform the Senate about the problem that has disturbed many Americans, I am sure, and that is the lack of readiness of our Armed Forces. There has been reports that most of our Army divisions are not ready, that half, at least, of our carrier task forces are not in a stage of readiness. Did the Secretary-designate indicate what plans he had, if any, to remedy that situation?

Mr. TOWER. The first thing the Secretary-designate recognizes is the problem and I understand that manpower and personnel problems are the area of primary impact on readiness. In fact, there is the problem of our retention rate of senior noncommissioned officers and many junior officers in the captain and major areas or lieutenant and lieutenant commander areas, that are the middle management team of the armed services. He fully recognizes that we have to resolve these manpower and personnel problems and further that we must address ourselves to other aspects of readiness such as adequate funds for operation and maintenance, spare parts, and adequate training, which includes steaming time, flying hours, field exercises. I think he has a very good grasp of the readiness problem.

Obviously, he is not prepared to submit to us at this moment a detailed plan for resolving our readiness problems. I think it should not be expected that he should.

Mr. PROXMIRE. I certainly would not expect a detailed plan. A man who has the experience and knowledge that Mr. Weinberger has, according to the Senator from Texas, it seems to me, should have some outside notion of what it would cost to provide this kind of readiness for our Army and our Navy. I am not talking about a precise number.

Mr. TOWER. He is currently engaged in working with people in the Defense Department and others who would provide expertise from the outside at what the ballpark figures might be. I know he has been in consultation with me and with other Senators on the Armed Services Committee and with members of the staff of the Armed Services Committee. I think that he has some idea about what the cost might be for perhaps inclusion in the supplemental appropriations bills for fiscal 1981 and for projection into the fiscal 1982 budget. But I think it is difficult at this point to project what the cost might be over an extended period of time because for the first thing we do not know what the inflationary factor is going to be.

Mr. PROXMIRE. May I ask the Senator if the nominee gave any indication of the rate at which we could provide an improvement in our deficiency in force numbers? For example, I understand that the Soviet Union has one-and-one-half times the number of planes, that they have three times the ships, that they have four times the tanks, and in some respects it is not necessary for us to have more if we have better and more firepower, and so forth. But I think just the gross difference concerns many Americans.

I wonder if the Senator can tell us what plans if any Mr. Weinberger has to correct that with cost?

Mr. TOWER. Now we are getting into specifics. As to his understanding of specific numbers imbalance I think it is sufficient to say that he recognizes there is a very serious imbalance in virtually every area of military endeavor, at an impending loss of strategic equivalence. I think he will proceed early to devise a defense policy that will deal with these deficiencies. Again that cannot be spelled out at this time.

Mr. PROXMIRE. The Secretary of Defense-designate says that he cannot be certain about the requirement——

Mr. TOWER. If I may say one more word, we do not deal strictly with numbers in the defense business. The Soviets, for example, have superior numbers of ships. We still have superior tonnage.

Mr. PROXMIRE. I realize that.

Mr. TOWER. I must say that we have a tenuous maritime edge that we are likely to lose if we do not enhance our shipbuilding program. There is no question about that. I do not think we can deal on a strict numbers basis. The Soviets obviously have a bigger land army. The United States would not want a land army that size. We would not know what to do with it if we had it.

Mr. PROXMIRE. It is my understanding that Secretary of Defense-designate Weinberger says that he cannot be certain about the required number of civilians in the Defense Department until he studies the situation more closely. Would the chairman agree that a million civilians in the Defense Department indicates a prominent area where savings might be made without enfeebling our defense?

Mr. TOWER. I think we have to examine very carefully the business of any reductions in civilian personnel. I believe that we probably have reduced civilian personnel as low as we should at this point. We have gotten to the point now where we have shortages of civilian help in certain areas and where we are having to use actually combat troops to perform support functions, and again that impacts on readiness. But again I would not think that the Senator would want to try to require some kind of specific answer to that question at this point.

The Armed Services Committee has been very diligent in trying to enhance the detailed ratio. Senator NUNN of Georgia has, of course, taken quite a leadership role in that, and we have done a great deal. We have annually over the past few years reduced civilian end strength. We have reduced them now to the point that any further reduction would impact adversely on our readiness.

Mr. PROXMIRE. I wonder. Senator GOLDWATER and I joined in an amendment last year, I believe it was, to cut the civilians by 17,000. It passed. It seems to me that the reports of the Armed Services Committee have consistently criticized the excessive number of civilians. We have, as I understand it, very close to the same number we had at the height of the Vietnam war when we had military personnel nearly twice as large as at the present time. That ratio between civilian and military does seem to be excessive.

Mr. TOWER. I would not characterize it at this point as excessive. The Armed Services Committee will be going into this whole matter. We have a subcommittee that is specifically charged with that responsibility.

I would be very hesitant to suggest at this point that our civilian strength is too high. As a matter of fact, in some areas we have a shortage of civilian industrial personnel that has impacted on our readiness and maintenance capability.

I think the civilian end strengths are probably as low as they should be. They have even been too low in some areas. We had to contract out a lot of work and some resulted in unsatisfactory results.

Mr. PROXMIRE. Mr. Weinberger says he will study the present requirements.

Mr. TOWER. I may say that responsibilities for the responses I am giving to the Senator from Wisconsin are my own and should not be interpreted as those of Secretary Weinberger. I am not in position to answer for him on every question.

Mr. PROXMIRE. I understand that. I simply want to get the chairman's reaction because I value that, and I think that judgment is very helpful to us.

Mr. Weinberger says that he will study the present requirements for the number of generals and admirals of the Defense Department. In fiscal 1980, if I understand it, the committee called for a cutback. Will the chairman agree that cutting back on the number of generals and admirals is a priority for the new Secretary of Defense?

Mr. TOWER. I would not call that a priority. I think we have so many priorities. There are so many other areas in which we could accomplish economies that I would not regard that as a priority. It would not really be much of an economy. But we have to understand that when we shrink dramatically the numbers of flag officers we shrink the opportunities for junior officers to rise to the top of their profession and provide a disincentive to the extent that sometimes when someone reaches the rank of major or lieutenant commander and starts looking over the prospects of getting to the top of his profession he realizes there may be too few slots at the top and he opts out.

Mr. PROXMIRE. As I understand it, Mr. Weinberger——

Mr. TOWER. I might also note that we have a number of command structures that require flag officers, and these command structures exist really to perform contingency tasks based on our

having to function in some particular kind of military endeavor. It might be considered redundant otherwise.

Mr. PROXMIRE. Mr. Weinberger said he will submit amendments to the fiscal year 1981 budget, the one we have, the one we are operating under now, and we will until September 30, based on unanticipated changes in inflation rates and operating tempo.

Does the chairman have any indication of the budget amendments for fiscal 1981? Does he agree that they should be limited to unanticipated changes in inflation rates and operating tempo or should they take into consideration these other matters we have been discussing?

Mr. TOWER. The chairman's view—and I cannot express the Secretary-designate's view, but the chairman's view—is that we probably should have a supplemental in the neighborhood of $12 to $14 billion to accommodate certain facts-of-life increases, as the Senator from Wisconsin has already pointed out, miscalculation on the inflationary factor, miscalculation on increased fuel costs, the need for additional spare parts, war reserves that impact on readiness, probably a very small increase in military pay and benefits to keep abreast of the inflationary factor; in addition, the cost of maintaining of virtually a permanent force in the Indian Ocean.

At this point the expenses of maintaining that force there are coming out of the services' hides, primarily out of the Navy's hide, which also means what the Navy should be doing is suffering. I think we need to make special provision for the costs of maintaining the permanent deployment in the Indian Ocean.

Mr. PROXMIRE. That is a very, very helpful response. It is the kind of response I wish we could get from the nominees.

Mr. TOWER. I do not believe we should go extensively into new programs in a supplemental.

Mr. PROXMIRE. But by giving us and pointing out—not a precise figure but an estimate—that in his judgment we need a supplemental in 1981 of $12 to $14 billion we have some notion of the job we have in front of us in cutting of programs, because we have to fight inflation.

Mr. TOWER. That is where we would be delighted to enlist the help of the distinguished Senator from Wisconsin.

Mr. PROXMIRE. He will get it.

Mr. TOWER. Who can nitpick a budget better than anybody else in this body. We will need his assistance and help in supporting us in making the needed reduction in nondefense spending so that we can properly fund that which is our No. 1 national priority, the defense of the United States of America and its vital interests abroad.

Mr. PROXMIRE. The Secretary agrees that the purchasing power of military personnel should be improved and maintained in order to keep a viable All-Volunteer Force, something I enthusiastically agree with.

Does the committee have any idea as to how much it would cost to compensate all military members for the ravages of inflation since 1970, that is to make the military pay retroactively constant with inflation?

Mr. TOWER. Ideally what we should seek over a period of time—it would not be accomplished over 1 fiscal year—is to ultimately get them up to roughly the purchasing power that the military enjoyed in 1972, which is the last time in which military compensation was comparable with that in the private sector.

Mr. PROXMIRE. But, as I understand it, since 1972 there has been a 14- to 17-percent decline in the purchasing power of the pay of our military forces; is that correct?

Mr. TOWER. I am not certain of the figure, but the figure cited by the Senator sounds correct.

Mr. PROXMIRE. So the increase would cost several billions of dollars; is that right?

Mr. TOWER. I think we can expect that it will. I can tell the Senator from Wisconsin that we are not going to get defense on the cheap.

Mr. PROXMIRE. Secretary-designate Weinberger said that the Reagan administration would be inclined to pursue development of a strategic bomber after a thorough but rapid engineering effort. That was his answer to a question asked at the hearing.

Does the chairman have any indication of the type of bomber currently favored by the Secretary-designate, the FBI-111H or the B-1 derivative or an advance technology bomber?

Mr. TOWER. I do not believe the Secretary-designate has a favorite at this point.

Mr. PROXMIRE. Should they not make a decision? I know the Armed Services Committee has been pushing for a decision for 2 years.

Mr. TOWER. The Armed Services Committee expects to make a decision on March 15 as to the option they should select. The military has informed us that they cannot have the cost figures for us by that time, but we expect to have those before us in May.

Mr. PROXMIRE. Did not Mr. Weinberger say the date might slip and might have to come along later?

Mr. TOWER. Well, the point is the Air Force can come up with a technical assessment and with a selected option but cannot present us with the cost figures at that time because they will not be ready then.

Mr. PROXMIRE. What would a new bomber mean in defense budget costs? Can we have any idea of that?

Mr. TOWER. I cannot give you a cost right now. If I could I would. I wish we had the cost figures in hand but we do not. Obviously the Senate is going to have the opportunity to make a judgment on this.

Mr. PROXMIRE. Do we have any idea when we can have it?

Mr. TOWER. The Senate does not have to make a judgment on it right now.

Mr. PROXMIRE. Mr. Weinberger, as I understand it, declined to answer the question of at what point it will be necessary to consider amending the ABM treaty to permit a mobile ABM defense system.

Does the committee have any indication as to the intention of the administration to amend the conditions of the ABM treaty to allow a mobile preferential ABM defense system?

Mr. TOWER. I do not believe the administration has formulated a defense position at this time. There are so many new things in this area the new administration is going to have to review. I would not be prepared to give even my own judgment at this point.

Mr. PROXMIRE. Is it not essential that we have that in order to defend the MX?

Mr. TOWER. I would not even respond to that question at this point.

Mr. PROXMIRE. Mr. Weinberger declined to answer the question as to his recommendation about the need for additional large nuclear aircraft carriers. Does the committee have any independent knowledge of the disposition of the new administration as to the large aircraft carrier issue?

Mr. TOWER. There is no monolithic viewpoint that I can articulate in behalf of the committee on the matter of the carrier.

Mr. PROXMIRE. What is the chairman's view?

Mr. TOWER. My own view is we are going to need a couple of additional task forces if we are going to protect our vital interests abroad.

If we do not want to pay the price of protecting our sea lines of communications, our sources of energy, our sources of strategic metals then, of course, we can spend much less on defense, and it would be much cheaper.

Mr. PROXMIRE. Has the new Secretary provided the committee with any indication of his priority for the neglect of the Reserves and the Guard? That is a concern in our State, and it is one that many of us feel very strongly about. It is such a vital part of our defense and it has been seriously neglected in my view.

Mr. TOWER. The Secretary has indicated his concern for it, but I might go beyond that and say that the President, our new President—I have to get over calling him the President-elect because he is now, thank Heaven the new President—has expressed a strong interest in developing a good, sound Reserve package to enhance and improve both the numbers and capabilities of our Reserves because our new President believes in the All-Volunteer Force and wants to make it work, and recognizes if we are going to have that kind of force you also have to have a good Reserve to back it up.

I might note a lot of our combat-support effort is lodged in our Reserves and, therefore, it is essential that we get our Reserves up to speed.

I might, too, reassure the Senator from Wisconsin on the views of members of the committee. Traditionally we in the committee have taken most of the worthwhile initiatives on the Reserves.

Mr. PROXMIRE. I am glad the com-

mittee has done that. As the Senator knows, I have put in some amendments which have passed to do that, and I think it is essential.

One final question: As with many other nominees, the Secretary-designate, Mr. Weinberger, says he is looking at the issues of overregulation and excessive paperwork. With all the others, the constancy of the theme is that while we campaign on it we really do not know exactly what we are going to do about it.

Here is a man who served in OMB; he served in the Department of Health, Education, and Welfare as the top man, he is well aware from his service in private industry of the colossal burden of regulations and paperwork.

It seems to me if anybody should be able to give us some notion of how we can cut these regulations and cut this paperwork it ought to be Mr. Weinberger.

What accounts for this response that he cannot tell us where? It is all vague generality, that they are going to look for it and they will knock out any unnecessary regulation or unnecessary paperwork but cannot tell us precisely how to go about it now.

Mr. TOWER. I do not know that as Director of the Office of Management and Budget he was charged with that specific responsibility in the previous administration. I certainly am not prepared to comment on what his views are on regulations.

Obviously, what the Senator is talking about is something that we think of as being a part of agencies that are not defense agencies. I do not think that overregulation is really a part of the Defense Department's problem.

Mr. PROXMIRE. Certainly in contracting it is.

Mr. TOWER. Sometimes we have confusion of command structure. I think probably some reorganization is required in several areas so that we have a clear line of control, authority, responsibility and accountability. In the military, there is no question but there is work that has to be done in that regard.

Mr. PROXMIRE. But, certainly in contracting, especially small business contracting in the Defense Department, there has been overregulation and the paperwork seems unnecessary.

Mr. TOWER. That is really a can of worms that has to be opened and gone into. We have a lot of complications. In some instances, we are required to try to establish competitive bidding where, really, sole source might even be more efficient.

In some instances, we have small business setasides that require us to do things in a less efficient way. In some instances, the Occupational Safety and Health Agency imposes additional costs on us.

We have all sorts of things that impact on defense costs and on contracting procedures.

So that is a matter that does have to be gone into in great detail. I expect that Mr. Weinberger will seize upon the opportunity to get into that early on in his administration.

(Mr. GORTON assumed the chair.)

Mr. PROXMIRE. Mr. President, let me ask if the chairman believes in multiyear funding for these defense operations? Would that be more efficient? Would it save us money, in his judgment?

Mr. TOWER. Mr. President, I think there is a great deal to be said for multiyear funding, in terms of its efficiency and economy. I think the major problem is it might be more political. I think the Senator well knows what I am talking about. He knows a lot of his colleagues would rather scrub it once a year than to authorize something over a long period of time.

Mr. PROXMIRE. Mr. President, I thank the distinguished chairman of the Armed Services Committee. I want to say that I will vote for Mr. Weinberger. I agree that he is an extraordinarily able and intelligent man with strong experience in Government. I regret the fact that he has not had the kind of technical military experience that would serve him well. I also regret very much the lack of direct responses, where I think that, with his background, he could have been far more responsive and cooperative with the Congress.

But, on balance, I will certainly vote for his confirmation.

Mr. TOWER. Mr. President, if there is no one else who wishes to be heard on the nomination of Mr. Weinberger, I am prepared to yield back my time if my distinguished colleague from Mississippi, Senator STENNIS, is present and is prepared to yield back his time.

Mr. President, I reserve the remainder of my time. I suggest the absence of a quorum and ask unanimous consent that the time be charged to both sides.

Mr. WARNER. Mr. President, will the Senator withhold on that request?

Mr. TOWER. Mr. President, I withdraw that request. I yield 3 minutes to the Senator from Virginia.

Mr. WARNER. Mr. President, I wish to commend the distinguished chairman of the Armed Services Committee for conducting a colloquy that I feel has answered all of the pertinent questions. I certainly hope the Senate can proceed before sundown to confirm the President's choice for the Secretary of Defense.

I yield the floor to my distinguished colleague from Illinois.

Mr. TOWER. Mr. President, I yield 3 minutes to the Senator from Illinois.

Mr. PERCY. Mr. President, I thank my distinguished colleague. I take the floor at this time, first, to address my comments as the chairman of the Foreign Relations Committee to the ranking minority member and all the members of the committee.

I simply say, at this particular time in our history, with the critical situations that we face around the world, whether it be in the Middle East, whether it be in oil security, whatever the challenge may be, that this is the time when the foreign relations policy of this country must be backed by a very strong national defense.

I think, for that reason, members of the Foreign Relations Committee would want to work, as we never have in history before, closely with the members of the Armed Services Committee. Whenever we have issues and hearings that bear upon a foreign policy where the credibility of foreign policy is involved, I, as chairman, would certainly like to invite members of the Armed Services Committee to participate.

Whenever we have testimony, whenever we have chiefs of state, whenever we have foreign ministers, whenever we have premiers, whoever it may be, as guests of the committee, members of the Armed Services Committee would always be welcome to meet with us. Where there are items of particular military importance to that committee, they may well want a separate meeting with these people because the intertwining of Armed Services and Foreign Relations concerns is always present.

I have already discussed with the chairman of the Armed Services Committee, Senator TOWER, the possibility of having the Armed Services Committee take a look at our foreign assistance and grant programs to other countries. Many times those programs have a direct bearing and a direct effect upon our own ability to spend money on our programs here and they are closely intertwined. Certainly with our allies we have joint programs, and these must be carefully reviewed.

I welcome this opportunity to address my colleagues in the Armed Services Committee for whom we have such great respect and tell them we would like to work very closely with them.

Mr. TOWER. Mr. President, I yield 15 seconds to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in support of the nomination by President Ronald Reagan of Caspar W. Weinberger as Secretary of Defense.

Mr. President, the nominee has already demonstrated his great management abilities in Washington during his previous service in the early 1970's as Director of the Office of Management and Budget and head of the former Department of Health, Education, and Welfare.

As I have often stated, national security is the most important issue facing our Nation. The Reagan administration has been placed in office partly because the people see the need to rebuild our Nation's defense forces.

During his confirmation hearings Mr. Weinberger made it clear that he favored increased defense spending and a rebuilding of all segments of our military forces. I am sure he will find in the Congress ample support for recommendations along these lines.

Mr. President, I believe the nominee is an exceptionally capable man and will render an outstanding service as Secretary of Defense. Therefore, I urge that the Senate give expeditious and favorable approval to his nomination.

● Mr. QUAYLE. Mr. President, I am delighted to have had the opportunity this afternoon to join with the majority of my colleagues in confirming the nomination of Caspar Weinberger for Secretary of Defense.

In Caspar Weinberger, the country's defense will be looked after by a man of rare qualities, for he is a man who understands the potential conflict between defense expenditures and economic well-being that this country must face throughout the remainder of this century. On the one hand, he understands the lack of commitment we have shown to our own defense over the last 10 to 15 years. He also understands the development of a dangerous imbalance between the United States and the Soviet Union that will require a new attitude and new direction to correct. And yet Mr. Weinberger has shown us that he also possesses sufficient perspective to understand that a strong economy is a crucial element of our national defense, and that if we are to revitalize our economy and retain the long-term support of the American people for the necessary, but expensive resurrection of America's defenses, we will have to spend our defense dollars with more prudence and deliberateness than has ever before been necessary.

I look forward to working with Mr. Weinberger and the rest of their defense team in the months and years ahead; for although the problems that face us may at times appear staggering, I am confident that with their commitment and the support of the Congress, our difficulties will ultimately find resolution.●

Mr. TOWER. Mr. President, I yield 1 minute to the distinguished Senator from Tennessee, the majority leader.

Mr. BAKER. Mr. President, I thank the distinguished manager of the bill and the chairman of the committee.

The purpose of my request that he yield is to say that there will be no further votes tonight after the vote that is about to occur. The Senate will convene in the morning at 11 a.m. We will proceed with the debate on the Haig nomination, which I anticipate will be laid down and made the pending business yet this evening.

Mr. PERCY. Mr. President, may I have 30 seconds?

Mr. TOWER. Mr. President, I yield 30 seconds to the Senator from Illinois.

Mr. PERCY. Mr. President, I will simply add that I enthusiastically support Cap Weinberger's nomination. He will find a way to make an improvement in the way we spend our money, but he will also see that we have a strong defense. I have great confidence in him.

Mr. TOWER. Mr. President, I am prepared to yield back the remainder of my time.

Mr. STENNIS. Mr. President, I yield back the remainder of my time.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Caspar Weinberger to be Secretary of Defense? On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 97, nays 2, as follows:

[Rollcall Vote No. 1 Ex.]

YEAS—97

Abdnor	Garn	Mitchell
Andrews	Glenn	Moynihan
Armstrong	Goldwater	Murkowski
Baker	Gorton	Nickles
Baucus	Grassley	Packwood
Bentsen	Hart	Pell
Biden	Hatch	Percy
Boren	Hatfield	Pressler
Boschwitz	Hawkins	Proxmire
Bradley	Hayakawa	Pryor
Bumpers	Heflin	Quayle
Burdick	Heinz	Randolph
Byrd, Harry F., Jr.	Hollings	Riegle
Byrd, Robert C.	Huddleston	Roth
Cannon	Humphrey	Rudman
Chafee	Inouye	Sarbanes
Chiles	Jackson	Sasser
Cochran	Jepsen	Schmitt
Cohen	Johnston	Simpson
Cranston	Kassebaum	Specter
D'Amato	Kasten	Stafford
Danforth	Kennedy	Stennis
DeConcini	Laxalt	Stevens
Denton	Leahy	Symms
Dixon	Levin	Thurmond
Dodd	Long	Tower
Dole	Lugar	Tsongas
Domenici	Mathias	Wallop
Durenberger	Matsunaga	Warner
Eagleton	Mattingly	Weicker
Exon	McClure	Williams
Ford	Melcher	Zorinsky
	Metzenbaum	

NAYS—2

East	Helms

NOT VOTING—1

Nunn

So the nomination was confirmed.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I ask unanimous consent that the President be notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, this afternoon the Senate, in its first vote since the inauguration of the new President, voted to confirm an excellent man for Secretary of Defense.

I rise not only to salute my colleagues for the overwhelming vote we have given the new Secretary but also to direct the attention of my colleagues in the Senate to a most excellent article that appeared in the Omaha World-Herald of Sunday, January 18, from another outstanding expert on defense.

The article in the Omaha World-Herald to which I have made reference is about and giving the views of General Richard Ellis, the Commander of SAC in Omaha, Nebr., on the MX Missile and its possible sites of deployment.

I ask unanimous consent that the text of the article in the Omaha World-Herald of the date I have mentioned be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ELLIS CALLS THE MX ABSOLUTE PRIORITY

(By Howard Silber)

The increasing vulnerability of U.S. intercontinental ballistic missiles is of such overriding concern that the mobile MX missile "must be absolutely the nation's highest military priority," said Gen. Richard H. Ellis, commander in chief of the Strategic Air Command.

"We need that missile today," Ellis said. "It won't be there (in its bases) until 1996. But the need is there today."

The increased firepower and accuracy of Soviet missiles "have put our Minuteman at risk to the point where, if we had to ride out an attack, the time is fast approaching where we could not respond effectively in a coherent manner," Ellis said.

The 1,000 Minuteman missiles deployed by SAC make up the bulk of the U.S. land-based missile force. The other ICBMs, 52 Titan IIs, are equally vulnerable to Soviet rockets, he said.

The Minuteman and Titan II missiles are in fixed underground silos.

FAVORS DESERT BASE

"The situation will get worse until the MX comes in," Ellis said.

Ellis said he strongly favors the plan to base the MX in desert areas, using horizontal shelters interconnected by extensive road networks for rapid mobility of the missiles.

That deployment concept has come under fire in Nevada and Utah, where the Air Force wants to put the MX, and is being fought by some environmentalists.

President-elect Ronald Reagan and Defense Secretary-designate Caspar Weinberger also have questioned the need to base the MX in the Great Basin desert area.

Ellis said a plan to establish two MX fields, one in the Nevada-Utah region and the other in the high plains of west Texas and eastern New Mexico, would be acceptable, but splitting the vast bases between the two regions would add to the problems of command and control.

SURVIVAL SYSTEM

"We've looked at the MX for 10 years in several different forms, missiles and basing modes," said the general.

"SAC has several different criteria for an effective replacement for the Minuteman. One of the most critical is to have a survivable system, and by survivable I mean something that can last on the order of 20 years in a period in which you cannot begin to anticipate what the threat will be.

"That makes the deployment mode one of the more critical aspects of such a missile system.

"SAC believes that mobility is the key. Ideally, if we are able to ensure that a missile is not going to be in the same place when the other side's missile arrives as it was when the missile fired, then we've got a chance of having a sufficient force survive for an indefinite period.

"We have that kind of ability in the MX—the horizontal MX."

The deployment plan calls for shelters, from which missiles could be elevated to a near-vertical position for launching, to be spaced at intervals of about 5,500 feet.

Missiles would be moved from shelter to shelter at random in enclosed transporters which would resemble huge tanker trucks.

There would be 4,600 shelters for 200 missiles and, with the plan for rapid mobility, the Soviets would have to target all 4,600 locations to be sure of neutralizing the MX and prevent the United States from effectively retaliating to a missile attack on this country.

SAC anticipates the shelters would look like livestock feedlot pens. Each 2½-acre plot would be surrounded by a wire stock fence. The shelters within the fenced area

would be concrete and steel tubes 170 feet long and about 15 feet in diameter. They would be covered by native topsoil.

Each missile and accompanying launcher would be moved and deposited secretly in a shelter. Then the transporter would move to other shelters and simulate the process of leaving the missile and launcher.

SUFFICIENT TIME

In crisis periods, the transporters and their cargoes of missiles and launchers could either be parked on roads between shelters or moved constantly among shelters.

Upon receipts of warning of the launching of Soviet missiles, there would be a 25-minute period before the hostile warheads would reach the MX field. That would be sufficient time to move the missile safely, Ellis said.

Ellis said he recognizes that the Reagan administration has been reviewing and will continue to review the MX basing modes.

"My hope is that, during the course of this review, they won't slow down work that is currently being done on the MX," he said.

Ellis said the Air Force has reviewed the possibility of using expanded Minuteman bases for the MX and moving missiles on highways or by rail to confound Soviet targeters. The possibility of putting more missiles at sea also has been examined.

UNACCEPTABLE RISK

"All of these modes, with the possible exception of submarines, would create more difficult environmental problems than the current MX basing plan," he said, "As for submarines, one of the great successes we've had for the last 30 years has been the triad of strategic forces"—land-based and sea-based missiles and manned bombers.

"The fact that each operates in a different environment causes (the Soviet Union) a different defensive problem," the general said. "If we locate a major portion in any one environment, then we're making his job easier; he can concentrate in that area. We don't think that is an acceptable strategic risk."

Discussing proposals to put the MX in existing Minuteman III silos in the Nebraska Panhandle, Colorado, Wyoming, North Dakota and Montana, Ellis said a great number of additional silos would have to be built, "and we would have environmental problems of a grander scale than we have now."

There also would be a loss of at least two years due to the need to embark on exhaustive environmental studies, he said.

"We've looked and we know how long the environmental studies take," Ellis said.

DEPARTMENT OF STATE

NOMINATION OF ALEXANDER MEIGS HAIG, OF CONNECTICUT, TO BE SECRETARY OF STATE

The PRESIDING OFFICER. Under the previous order, the clerk will state the nomination of Alexander Haig to be Secretary of State.

The legislative clerk read the nomination of Alexander M. Haig, Jr., of Connecticut, to be Secretary of State.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

Mr. PERCY. Mr. President, on behalf of the Committee on Foreign Relations, I am pleased and honored to report to the Senate the nomination of Alexander M. Haig with the recommendation that he receive the advice and consent of this body to be Secretary of State. The committee conducted 5 days of hearings on this nomination, including 28 hours in public session and 4 hours in executive session. We heard testimony from Senators WEICKER and GOLDWATER and from former Senator John Sherman Cooper. We invited Senators not on the committee to ask questions directly of the nominee and Senators GARY HART of Colorado and ROBERT KASTEN of Wisconsin participated. A number of other Senators submitted questions in writing and have received written responses. We heard also from the Archivist of the United States, Dr. Robert Warner, and his staff on the issue of the accessibility of certain materials held by the Archives.

Finally, the committee received communications from a number of organizations and individuals. We have included all the written testimony submitted by such organizations in the appendix to the hearings, and have also included a number of the individual letters received. Among them are strong endorsements from former President Ford, former Secretary of State Dean Rusk, eminent diplomats Joseph Sisco, Ellsworth Bunker, and Robert Ingersoll, and others who have worked closely with Alexander Haig at various stages in his career.

Joseph Sisco served as Under Secretary of State. Ellsworth Bunker is one of the most accomplished ambassadors and diplomats, along with David Bruce, that this Nation has ever had. Robert Ingersoll served as Ambassador and Deputy Secretary of the Department of State.

We also had letters from others who have worked closely with Alexander Haig at various stages in his career.

Mr. President, I ask unanimous consent that the letter of President Ford be printed in the RECORD at this time.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 9.

DEAR MR. CHAIRMAN: I am writing to you in support of the nomination of General Alexander Haig for the position of Secretary of State. As you and the members of the committee know, General Haig has had an outstanding military career. A graduate of West Point, his personal and professional career have reflected the precepts of duty, honor, country. He has served this Nation as a combat leader in two wars, in both of which he was wounded and decorated for valor.

But he is not simply an able and valiant soldier. His more than 30 years of distinguished military service portray a dimension of leadership I would describe as that of the soldier-statesman.

I first observed General Haig's many talents when I served as minority leader of the House of Representatives. And he held a key post on the staff of the National Security Council during my tenure as Vice President and later as President. I saw firsthand his performance of the demanding duties associated with the office of Chief of White House Staff. Dedicated and hardworking, he was a skillful administrator with an indepth knowledge of the Executive Branch of Government.

Throughout this period, in all of my personal relationships with him he reflected great strength of character and integrity.

In 1974 I nominated him Supreme Allied Commander of the North Atlantic Treaty Organization Forces in Europe. The leadership he brought to that command won him respect at home and abroad. Perhaps more than any other assignment, it indicated his unusual qualifications for the post for which you are now considering him.

Because I am convinced he is eminently qualified, I strongly support his nomination and hope your committee and the Senate will confirm him as Secretary of State.

With kindest personal regards, I am,

GERALD R. FORD.

Mr. PERCY. Through the extraordinary efforts of the Government Printing Office and the staffs of both General Haig and the Foreign Relations Committee, we were able to make available to the Senate on Monday the complete record of our public sessions—a full 5 days of hearings. All Senators have the two-part record of the hearings before them today.

Mr. President, I wish to pay great tribute to the staffs of both the majority and minority, of the Foreign Relations Committee, particularly to our Staff Director for the majority, Mr. Ed Sanders. Until a week ago, he served with the Office of Management and Budget for a decade, under three Presidents. He was brought in during the administration of President Nixon, served with President Ford, and stayed on with President Carter.

In his most recent position as an Associate Director of OMB, he had responsibility for the State Department for Intelligence, and for the Department of Defense authorizations and appropriations. It was a remarkable time for him to join the other branch, the Senate, in the beginning of the Haig hearings. He performed in a very commendable fashion, and I am deeply grateful to him for the long hours he and the rest of the staff put in to make these hearings a complete success.

Mr. President, the committee's review of this nomination has been the most extensive and thorough in its history. We had available an enormous record of the principal stages and events of Alexander Haig's career, including the work of numerous congressional committees. We retained the services of a number of special counsel and consultants, including our former distinguished colleague, Senator Jacob Javits, and special counsel for the majority, Fred Thompson, and for the minority, Henry Schuelke. Along with our existing staff, they devoted virtually all their time over the past month to the assembly and review of the available record.

In addition, we have made every reasonable effort to obtain additional materials and information regarding this nomination, including the issuance of a subpena for the archival log of all taped conversations between former President Richard M. Nixon and Alexander Haig during the initial period of Mr. Haig's tenure as White House Chief of Staff. Additional material has been made available from the executive branch pursuant to the requests of Senator PELL, the ranking minority member of the committee.

Finally, Mr. President, we had before us for 5 days the best possible witness to these events, General Haig himself. At his own request, General Haig testified under oath and responded to a wide range of questions on all aspects of his career. His written statement, the ap-

pendix, and his answers to our questions added to the already extensive testimony that he has given on these matters on previous occasions.

On the basis of all of this information, the committee voted last Thursday, by 15 to 2, to report this nomination favorably to the Senate, and all members cooperated in the effort to expedite its early consideration on the Senate floor. Committee members voting in the affirmative were myself and Senators BAKER, HELMS, HAYAKAWA, LUGAR, MATHIAS, KASSEBAUM, BOSCHWITZ, PRESSLER, PELL, BIDEN, GLENN, ZORINSKY, CRANSTON, and DODD, with Senators SARBANES and TSONGAS voting in the negative.

At this time, Mr. President, I commend the distinguished ranking minority member of the committee, Senator PELL, for his tremendous cooperation, for his thoroughness, and for his candor at every stage of these proceedings. I have had the pleasure of working with Senator PELL on many occasions in the past. I look forward with tremendous anticipation to working with him in the Foreign Relations Committee in the future. My admiration for him as a former Foreign Service officer, as a man of tremendous integrity, great thoroughness and conviction, has been strengthened in the past several weeks, even though it had no bounds before.

I also pay particular tribute to the way in which Geryld Christianson has handled his work as staff director for the minority. We do have a working relationship that I believe is enviable. On occasion, we will have differences of opinion. Many times in hearings we will have differences within the Republican Party. There will be differences between members and between staff members.

I believe that this extraordinary hearing was really a marvelous opportunity for us; it brought out—it tested—the best in us. In the end, collectively, working together, it brought out the best in us.

Despite various press accounts alluding to divisions between or among Republicans and Democrats, the committee emerged from these proceedings as a united and effective body, dispatching its duties with great care and full discussion, but always preserving mutual respect among its members. This continued cooperation and comity is a credit to Senator PELL and the other minority members of the committee, including a new member of the committee, the distinguished assistant minority leader, Senator ALAN CRANSTON. This also applies to new Members on both sides of the aisle. On behalf of Senator PELL and myself, we extend to them our appreciation for so quickly jumping into this work. This is their major committee and they gave unstintingly of their time, energy, thought, and effort, as their first experience in working with the committee.

It is also, Mr. President, a credit to the active and constructive role played by the majority leader, Senator HOWARD BAKER, and to the other members of the Republican majority of the committee, especially Senator HELMS, who acted as ranking majority member of the committee during the necessary absence of Senator BAKER.

Mr. President, I believe that the record presently before the Senate is fully adequate to inform the Members of this body as to the background and views of this nominee for Secretary of State. Members may wish to supplement the hearing record itself with the records of earlier Senate investigations into such matters as wiretapping, the Indochina war, Watergate, and U.S. actions in Chile, and I would be glad to make available members of the committee staff to discuss these issues with my colleagues or to supply additional materials. Members need only contact Mr. Ed Sanders to have whatever information and material they wish made available to them promptly through members of his staff. Mr. Christianson may be contacted for the same thing.

Nevertheless, in the interest of making clear the committee's ongoing responsibilities for this nomination, and for other nominations which may raise questions regarding committee access to relevant materials, I agreed to join with the full committee in passing a resolution declaring our continuing interest in obtaining whatever information may be relevant and reasonably available to us. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolved, That in anticipation of its vote on reporting to the Senate the nomination of Alexander M. Haig to be Secretary of State, and other nominations which may come before it for consideration, the Committee on Foreign Relations:

(1) adopts this resolution for the purpose of continuing the jurisdiction of the Committee over matters relating to such nominations and its general oversight responsibilities, and

(2) will continue all reasonable efforts, including those actions taken by the Committee to date, to obtain materials relating to such nominations and such general oversight responsibilities.

Mr. PERCY. Mr. President, this resolution was adopted on Wednesday, January 14, by a vote of 14 to 3, with myself and Senators BAKER, HAYAKAWA, MATHIAS, KASSEBAUM, PRESSLER, PELL, BIDEN, GLENN, SARBANES, ZORINSKY, TSONGAS, CRANSTON, and DODD voting in the affirmative, and Senators, HELMS, LUGAR, and BOSCHWITZ voting in the negative.

Further steps in the committee's deliberations have not yet been formally considered. We did receive word late yesterday that the Archivist, Dr. Warner, has accepted all of the objections raised by attorneys for former President Nixon to the committee's access to materials covered by the 1974 Presidential Materials and Recordings Act. The committee will now have to decide whether it would be necessary or productive to take this matter to court.

For my own part, I want to emphasize that my principal concerns from the beginning have been to conduct a thorough and impartial inquiry, but that we always have to be guided by our best judgments as to what is both reasonable and relevant to the committee's responsibilities. Differences may have existed and may continue to exist as to the relevance of certain materials to our task, and as to the reasonableness of certain efforts to obtain them. In this connection, I ask that a recent article by journalist Bob Woodward, currently an editor at the Washington Post, who has written extensively on the Watergate period, who has done so in the Washington Post and in book form, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, January 1981]

DON'T SUBPOENA THE TAPES

(By Bob Woodward)

The U.S. Senate should probably forget about obtaining any of the notorious Nixon tapes as part of the confirmation hearings of Alexander M. Haig, the secretary of state-designate. The subpoena for the logs of the 1973 Haig meetings with President Nixon should also be abandoned. It is a senseless chase. The subpoena is quite possibly illegal and, if challenged in court, is an almost sure loser for the Senate; the search is itself unfair and has no precedent in any other confirmation hearing.

Legally, the Senate and its Foreign Relations Committee have little to stand on. The Nixon tapes generated their very own Supreme Court decision, the 1974 ruling that directed Nixon to produce some tapes. Nixon lost on the particular taped conversations, but it is not well remembered that he won big on the overall principle. The unanimous court opinion stated emphatically, for the first time in a high court ruling, that the confidentiality of presidential communications is protected by the Constitution. The court said that the presidential confidentiality has "constitutional underpinnings . . . the privilege is fundamental to the operation of government."

The tone and language of the opinion make it clear that the tapes are presumed to be confidential and unobtainable unless there is a presentation of sworn testimony that the discussion might be criminal. John Dean, former Nixon counsel, had testified precisely about specific meetings that were taped.

The Haig-Nixon conversations of 1973 do not come close to meeting such a standard. The senators in fact have said exactly the opposite and have fallen all over themselves praising Haig, saying that there is no evidence to suggest improper conduct on his part. Sen. Charles Percy, the committee chairman, who signed the subpoena for the 1973 logs said: "I have never seen a shred of evidence that would lead me not to believe that he [Haig] will be fit."

The law has for years been clear on at least one point: evidence is never obtainable to prove a charge that is not made. There has to be some reason, clue or hint of relevance or criminal activity before it generally can be subpoenaed. In the tapes opinion, the court applied the standard in the federal rules of criminal procedure about "relevance and admissibility"—the need to show that the subpoenaed tapes had something to do with the case and could be used in a trial. And the opinion goes on explicitly to note that a "fishing expedition" will not be permitted.

Granted, the Supreme Court opinion deals with a criminal trial only and not with the issue of a subpoena by a Senate committee. But the spirit of the 1973 rulings is clear—there has to be some established basis for seeking the material, not just a feeling that it might be useful.

Whether the Senate likes it or not, the Supreme Court might view its pursuit of the tapes as substantially less pressing than that of a prosecutor investigating a crime, especially if there is no specific charge. Carry this thought several steps further. Suppose Haig wrote some letters to his son during the same 1973 Watergate period and talked about the scandal in the White House. Should the Senate subpoena those letters also? No one has suggested that yet, but the Senate would have a better case to get such letters, because they are not constitutionally protected as confidential, as the tapes are.

Four years ago when Cyrus Vance and Harold Brown were up for confirmation as secretary of state and secretary of defense, respectively, no one seriously suggested that the Senate subpoena documents from the Defense Department concerning their service during the Vietnam War era. But the Vietnam questions were able to be fully explored at their confirmation hearings.

It is little known that, because of the obstructionist actions of the White House in 1974, the Watergate prosecutors took a look at the actions of Haig, who was then serving as White House chief of staff, and at the actions of the White House lawyers. Though the Watergate prosecutors were not pleased with the delaying tactics and other stunts pulled by Nixon and his aides, Haig and the lawyers handling Nixon's case were unofficially cleared.

But, there is much more than a principle of law involved in this resurfacing of Watergate and the tapes. The larger point has to do with the function of the Senate in reviewing someone's fitness for a Cabinet position. What are the limits? There must be some.

To turn to the practical questions posed by the tapes: the audio quality is terrible. The transcribing would be a nightmare task; the unintelligibles, the ambiguities, the vagueness and indirection of Nixon conversations are as maddening as the man himself. If the senators ever got the tapes, they might never be able to agree what actually was on them.

Haig was the chief aide to a criminal president trying to cover up an illegal eavesdropping operation. What would it mean if Haig, in an effort to console Nixon or get out of Nixon's office (Nixon was legend for keeping aides for hours rambling on), said something encouraging that would look bad now?

It is hard to agree with former special Watergate prosecutor Leon Jaworski's characterization of Haig's White House service during Watergate as "heroic." Haig was in a tough spot and played out many contradictory strategies on Watergate, saying and doing many often contradictory things. He is probably a shameless self-promoter, and carried situation ethics to the point of making it a personal character flaw.

Haig, nonetheless, did keep a rickety and criminal ship of state afloat and helped ease Nixon out of office. To my mind, he should be neither hailed nor strangled for that role, only held accountable. That has happened and is happening. But let it happen without the tapes.

Mr. PERCY. Mr. President, this was advice, I might say, by probably the most knowledgeable, at least one of the most knowledgeable people in the world on the Watergate epic.

The Senate does not always take the advice of outside columnists, but in this case the heading of his article was "Don't Subpena the Tapes."

The committee decided in its wisdom to issue such subpenas and on the request of the minority the majority decided and authorized the chairman to issue such subpenas.

We now have a situation where we must face up realistically to the fact that we have been told that we could not have them. The litigation that the committee would go through to get them is a factor that would have to be taken into account. We also would have to consider what we would actually gain, I really do urge that every committee member read the words of Bob Woodward before we meet to discuss what we do. He has lived with this problem. He has analyzed in an extraordinarily perceptive manner what the end objective might be, what would be gained, and he has offered again some opinions on it.

Obviously we are going to be guided by our own judgment, but we must also take into account the huge agenda that the Foreign Relations Committee has. We must also take into account the critical conditions facing a Secretary of State standing side by side with the President after he has been sworn in and taken on his awesome responsibilities.

We must have a Secretary of State to cope with and deal with those problems. We should also have a committee working with the Secretary of State in a bipartisan sense, not always agreeing, and reserving the right to present our views as a committee or as individual Members. We also recognize that the kind of problems we face are perplexing problems that will require time, energy, and attention. When we take into account the hours, days, and weeks that went into the exhaustive investigation of the fitness, character, and qualifications of General Haig to be Secretary of State and the overwhelming conclusion reached by the committee, then we must ask ourselves whether it is appropriate for us to take the time, whether it is worth the taxpayers' money, and whether it is worth our effort to continue to seek access to these materials.

I make no judgment until we have talked this out in the committee. I ask only that we give careful consideration to this and assess what we would really accomplish by it.

Whatever the committee's final judgments on these matters may be, I am confident that we will discharge our responsibilities in a manner which will maintain the broad support of our members and of the other Members of the Senate as a whole.

Mr. President, to my mind, such issues are important, but subsidiary to the larger task of the committee and of the Senate to assure itself that Alexander M. Haig is qualified by his substantive experience and views on foreign relations to undertake the enormous responsibilities of the Secretary of State. On the basis of an exhaustive review of his performance over the last decade, a considerable body of his writings, and nearly 5 days of hearings before the Committee on Foreign Relations, I am deeply impressed by General Haig's command of the issues. Not only did he demonstrate a breadth and depth of understanding on the major issues of foreign policy, he also demonstrated a series of other qualities which will be especially valuable to the Secretary of State:

First, his understanding of military strategy, and of the need to combine wise and skillful diplomacy with a credible capability for military maneuver and deterrence. His skill in such matters is undoubtedly what made him a widely praised commander of our NATO forces in Europe during a difficult period for the alliance;

Second, his genuine stature as an articulator of U.S. foreign policy. General Haig is not only a leader of demonstrated competence, but a persuasive spokesman and advocate of the new administration's views, both to our own people and to the peoples of the world at large;

Third, his repeated commitment to an effective partnership with the Congress. General Haig seems to understand the importance of a sound relationship with us, including not only an observance of the letter and spirit of laws already enacted, but a genuine desire to expand the opportunities for consultation and cooperation on all major policies.

Finally, Mr. President, Alexander Haig is a man of firm convictions, who is deeply committed to the task of preserving Western, democratic values in a world of challenge and crisis. The strength of those convictions, I think, was evident to anyone who listened to his description of the dangers we face, and his defense of the positions he and the President-elect have already put forward. I have no doubt that in the years ahead, we will not only know who speaks for the Reagan administration on matters of foreign policy, but also what his strongly held views are.

Mr. President, we are all aware of the critical importance of having a strong Secretary of State at a time when the world sometimes seems adrift with aimlessness, and when even the basic precepts of civilized diplomacy are threatened by anarchism and cynicism. The prospects for a stable and productive world continue to depend, as they have for a century, upon the diplomatic skills of the United States, backed by the military, economic and moral influence of this great Nation. I urge my colleagues to consider this nomination with the care it deserves, but to do so with the sense of urgency which the times demand.

I commend Alexander M. Haig to the Senate for its advice and consent.

Mr. PELL. Mr. President, the Foreign Relations Committee has held 5 days of hearings on the nomination of Gen. Alexander M. Haig, Jr., to serve as Secretary of State. These have been the most extensive and thorough hearings on a Secretary of State since at least World War II. During the course of the committee's hearings, every major aspect of General Haig's views on foreign policy was examined. Of particular importance, in this regard, was the effort on the minority side to elicit General Haig's views on the use of military force, especially the use of nuclear weapons, in support of American foreign policy objectives. As a result, I believe that the committee has built an excellent record on the kind of foreign policy that General Haig would conduct—although all of us may not agree on every aspect of that policy.

In addition to the extensive examination of General Haig's foreign policy views, the committee's hearings were prolonged because of the controversy that has surrounded this nomination growing out of the political baggage carried by General Haig as a result of his presence at the White House during some of the most distasteful episodes in our Nation's history.

In this connection, members of both parties represented on the Foreign Relations Committee agreed that General Haig's past activties could be relevant in deciding how he might perform his duties as Secretary of State. Accordingly, the full committee tried to obtain certain records, including some of former President Nixon's tapes, in order to consider what in General Haig's past record might be relevant to our deliberations.

The committee has been unsuccessful in obtaining all of the records requested, but agreed that, while the vote on the nominations should not be held up, we should continue our efforts to gain access to those records, and we passed a resolution to this effect.

When the committee began its hearings on January 9, I had some very real concerns about General Haig, but I also had an open mind and was determined to give him a full and fair hearing in the hope that I could, in the end, confidently vote for his confirmation.

As I questioned and listened to General Haig during the 5 days of the committee's hearings, I got to know General Haig better and to have a clearer understanding of his foreign policy views. I found General Haig to be remarkably able, intelligent, and dedicated, with very definite views concerning the future shape of American foreign policy.

While General Haig is more hawklike than I am and does not place the same stress on the danger of war that I do, I do believe that he is no more hawkish than anyone else that President Reagan would have chosen for this job. Personally, I believe the Secretary of State should have a profound aversion to war, a particular abhorrence of nuclear war and a complete dedication to peace and to peaceful solutions to international disputes. Although all of my concerns about General Haig were not allayed, the bulk of them were. I also concluded that although General Haig and I did not agree on every point of foreign policy, we were in agreement on the broad outlines of that policy.

Accordingly, I have decided to support General Haig's confirmation. I hope very much that at the end of his 4 years of stewardship, as well as having led us in a strong, consistent foreign policy, he and President Reagan will be able to say, as President Carter is, that not a single American has been killed in combat. I believe that our Secretary of State must be our Secretary of Peace.

General Haig, if confirmed, will take the helm of the State Department at a very perilous time in our history. Cool nerves, clear vision, and a dedication to peace will be vital if our country is to survive. But no Secretary of State can succeed on his own. He will need support and counsel from the Congress, the American people, and the career Foreign Service.

For my own part, I wish General Haig well and pledge him all the help I can provide as he carries out his awesome responsibilities.

ORDER PLACING NOMINATIONS ON EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, I ask unanimous consent that the remaining nominations at the desk be placed on the Executive Calendar with the exception of the nomination of Raymond Donovan to be Secretary of Labor and that that nomination be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING THE PRESIDENT OF THE SENATE TO ADDRESS THE SENATE

Mr. BAKER. Mr. President, I ask unanimous consent that on tomorrow following the time allocated to the two leaders under the standing order the President of the Senate, the Vice President of the United States, be permitted to address the Senate for a period of not to exceed 5 minutes, and that upon the conclusion of his remarks, the Senate stand in recess for 10 minutes so that Members may greet and congratulate our new Presiding Officer.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE TOMORROW

ORDER FOR THE RECOGNITION OF SENATORS ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that on tomorrow following the recess just ordered Mr. DURENBERGER and Mr. JEPSEN be recognized for not to exceed 15 minutes each and in that order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I reserve the right to object, but I shall not. I just want to make sure that the time that is being utilized by the orders propounded by the distinguished majority leader not come out of time that has been allotted to any nomination and the orders aforementioned be as in legislative session. Would that be helpful?

Mr. BAKER. Mr. President, I thank the minority leader. Indeed, we should not charge that time and I now amend my request so that the special orders and the other procedures that I have requested not be charged against the time previously provided for on the nominations and, Mr. President, I ask that these unanimous-consent requests be considered as in legislative session.

Mr. ROBERT C. BYRD. Mr. President, I thank the majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR LIVE QUORUM

Mr. BAKER. Mr. President, I might also say that I understand from previous conversations with the minority leader that he wishes, as I would wish, for a quorum call on tomorrow at some point and I would also suggest that we do that early and that it not be charged against the time otherwise allocated to the nominations.

So at this point, Mr. President, I ask unanimous consent that a quorum which will be a live quorum in all likelihood may be in order and not charged against the time otherwise allocated.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I thank the majority leader. I feel that there should be a live quorum before the Senate proceeds on tomorrow to discuss nominations, this being a most important role of the Senate under the Constitution to advise and consent to nominations, and so, therefore, I thank the majority leader.

I suggest that the cloakrooms alert Senators that there could very possibly be a rollcall vote in connection with having the Sergeant at Arms instructed to request the attendance of Senators. I am not saying that there will be, but certainly there is always that possibility when a live quorum ensues.

Mr. BAKER. I thank the minority leader.

I might also say that it is my intention at the moment, unless there is strong disagreement from the minority leader, to suggest the absence of a quorum immediately after we convene and in advance of the time that the Vice President is permitted to speak pursuant to the request that has just been granted.

Mr. PERCY. Mr. President, reserving the right to object, and I shall not, this is just a question. For the advice of the members of the Foreign Relations Committee who may wish to be on the floor, is there any estimate as to about what time we may then take up the Haig nomination and about how long has been reserved for that?

Mr. BAKER. Mr. President. I thank the Senator for the inquiry. Under the orders that have just been entered we will have 5 minutes for the Vice President to speak, 10 minutes in which the Senate will be in recess to greet our new Presiding Officer. That is 15 minutes, plus 30 minutes of the special order time. That will be 45 minutes plus the time for a live quorum, plus the time for the two leaders. So it will be something over an hour before we would reach that.

Mr. PERCY. Has the duration of the discussion and debate on General Haig been established?

Mr. BAKER. There is a time order on

the Haig nomination of 4 hours if my memory serves me.

Mr. PERCY. Part of which we will have used tonight.

Mr. BAKER. Part of which we will have used tonight. Twenty-two minutes, I am advised, have been consumed on this evening.

There is 1 hour, as I recall, on this side on the Haig nomination and 3 hours on the minority side.

Mr. PERCY. I do wish to reiterate again my appreciation, which I have privately given the minority leader, for the discussions he had with the distinguished majority leader about reserving the rights of Senators to question witnesses, particularly in important nominations. That right was preserved. An opportunity was offered to all Members, when it became apparent we were able to accomplish this within the desired time frame and not in any way cut off other Senators, but that right I think is an important right and I thank both of the leadership for bringing it to the attention of the new chairman.

Mr. ROBERT C. BYRD. Mr. President, I appreciate the fact that that right was accorded to Senators as I think it should be.

Mr. BAKER. Mr. President, I thank all Senators, and I am prepared to yield the floor at this point. I understand that the distinguished ranking minority member of the Foreign Relations Committee wishes to be recognized.

Mr. PELL. Mr. President, I would very much like to thank the chairman of the Foreign Relations Committee, like me new on the job, for his courtesy, his fairness, and his preciseness, and it is a pleasure to work with him, and I look forward to working with Senator PERCY.

I thank the staff for all the work they did, particularly in the preparation of that great compendium of material which was useful to majority and minority alike. It was a grand job, and I thank them and I thank my own staff, Jerry Christianson, Hank Schuelke, and Bob Bennett, and Ed Sanders who helped us so much.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I now ask unanimous consent that there be a period for the transaction of routine morning business for not to extend beyond 10 minutes, and in which Senators may speak.

THE GARRISON DIVERSION UNIT

Mr. BURDICK. Mr. President, since the turn of the century, North Dakotans have dreamed of an irrigation project that would divert water from the Missouri River to the semiarid farmlands of North Dakota. The Dust Bowl of the 1930's and a generally unreliable supply of water over the years has stimulated overwhelming statewide support for such an irrigation plan.

As many of my colleagues are aware, the Congress authorized construction of the Garrison Diversion Unit in 1965. The authorization called for the irrigation of 250,000 acres, municipal and industrial water supply for communities, full development of the fish and wildlife and recreation potential in the project area, and minor flood control benefits. Since the plan was authorized, the Congress has consistently demonstrated its support for the authorized project and has appropriated nearly $158 million for its construction which is about 20 percent complete.

In the past several years the Canadians have expressed concern about the project and last year the Congress addressed potential problems by stating that funds should not be used to construct features affecting waters flowing into Canada. Moreover, the North Dakota State legislature is now supporting a phased construction plan which calls for proceeding initially with parts of the project not affecting Canada, while problems with other features are being negotiated and, hopefully, resolved.

The fiscal year 1982 budget request released earlier this week calls for $4 million for the Garrison diversion project. This amount is woefully inadequate to meet the full construction capability of the project for the coming year. I want to make my Senate colleagues aware that as a long-time supporter of the project and as a member of the Senate Appropriations Committee, I will be working to see that adequate funding is made available.

I would like to share with my colleagues a resolution which was passed earlier this week by the North Dakota State Legislature which endorses the phased construction plan and urges the Department of the Interior to seek consultations with Canada about the features of the project affecting Canada. As we prepare to begin work on the fiscal year 1982 budget, I urge my colleagues to keep in mind this strong endorsement of the Garrison diversion project from the North Dakota State Legislature. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

A concurrent resolution urging the Secretary of Interior to proceed with phased construction and to seek consultations on the authorized Garrison Diversion Unit

Whereas, the Garrison Diversion Unit is authorized and funded as a multi-purpose water resource development project, and

Whereas, the Garrison Diversion Conservancy District has adopted a program for phased development of the project as authorized, with the initial construction of 5,000 acres of irrigation features within the James River Basin, and

Whereas, this program of phased development includes a cooperative research and monitoring program consistent with the International Joint Commission's recommendations for conditions to proceed with project construction, and

Whereas, consultations are proposed between the United States and Canada concerning features of the project,

Now, therefore, be it resolved by the Senate of the State of North Dakota, the House of Representatives concurring therein:

That the Forty-Seventh Legislative Assembly supports phased development of the authorized and funded Garrison Diversion Unit and urges the Secretary of Interior to proceed with its construction, and

Be it further resolved that the Secretary of Interior is urged to recommend that any consultations with Canada concern features of the authorized 250,000 acre unit, and

Be it further resolved that copies of this resolution be forwarded by the Secretary of State to the North Dakota Congressional Delegation, the Secretary of Interior, and the Governor.

REPORT ON ACTIONS TAKEN WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT—PM 27

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying documents; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

Pursuant to Section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C. 1703, I hereby report to the Congress that I have today exercised the authority granted by this Act to take certain measures with respect to property of the Government of Iran and its controlled entities and instrumentalities.

1. On November 14, 1979, I took the step of blocking certain property and interests in property of the Government of Iran and its controlled entities and instrumentalities. This action was taken in response to a series of aggressive actions by Iran, including the attack on the United States Embassy in Tehran, the holding of U.S. citizens and diplomats as hostages, and threats to withdraw assets from United States banks, and otherwise seek to harm the economic and political interests of the United States. Subsequently, on April 7, 1980, and April 17, 1980, I took further action restricting various kinds of transactions with Iran by persons subject to the jurisdiction of the United States.

2. Agreement has now been reached with Iran concerning the release of the hostages and the settlement of claims of U.S. nationals against Iran. Among other things this agreement involves the payment by Iran of approximately $3.67 billion to pay off principal and interest outstanding on syndicated loan agreements in which a U.S. bank is a party. This includes making all necessary payments to the foreign members of these syndicates. An additional $1.418 billion shall remain available to pay all other loans as soon as any disputes as to the amounts involved are settled and to pay additional interest to banks upon agreement or arbitration with Iran. In addition, there will be established an international tribunal to adjudicate various disputed claims by U.S. nationals against Iran; and the deposit of $1 billion by Iran from previously blocked assets as released, which will be available for payments of awards against Iran. Iran has committed itself to replenish this fund as necessary. This tribunal, among other things, will also hear certain disputes between Iranian nationals and the United States Govern-

ment and contractual disputes between Iran and the United States.

In connection with this agreement, and to begin the process of normalization of relations between the two countries, I have issued and will issue, a series of Orders.

3. First, I have signed an Executive Order authorizing the Secretary of the Treasury to enter into or to direct the Federal Reserve Bank of New York to enter into escrow and depositary agreements with the Bank of England.

Under these agreements, assets in the escrow account will be returned to the control of Iran upon the safe departure of the United States hostages from Iran. I have also by this Order instructed the Federal Reserve Bank of New York, as fiscal agent of the United States, to receive other blocked Iranian assets, and, as further directed by the Secretary of the Treasury, to transfer these assets tc the escrow account.

4. Second, I have signed an Executive Order directing the Federal Reserve Bank of New York to transfer to its account at the Bank of England and then to the escrow account referred to in the preceding paragraph, the assets of the Government of Iran, both transfers to take place as and when directed by the Secretary of the Treasury.

In order to assure that this transaction can be executed, and having considered the claims settlement agreement described above, I have exercised my authority to nullify, and barred the exercise of, all rights, powers or privileges acquired by anyone; I have revoked all licenses and authorizations for acquiring any rights, powers, or privileges; and I have prohibited anyone from acquiring or exercising any right, power, or privileges, all with respect to these properties of Iran. These prohibitions and nullifications apply to rights, powers, or privileges whether acquired by court order, attachment, or otherwise. I have also prohibited any attachment, or otherlike proceeding or process affecting these properties.

5. Third, I have signed an Executive Order which directs branches and offices of United States banks located outside the United States to transfer all Iranian government funds, deposits and securities held by them on their books on or after November 14, 1979 at 8:10 a.m. EST to the account of the Federal Reserve Bank of New York at the Bank of England in London. These assets will be transferred to the account of the Central Bank of Algeria, as escrow agent. The transfer is to include interest from the date of the blocking order at commercially reasonable rates. In addition, any banking institution that has executed a set-off subsequent to the date of the blocking order against Iranian deposits covered by this order is directed to cancel the set-off and to transfer the funds that had been subject to the set-off in the same manner as the other overseas deposits.

This Order also provides for the revocation of licenses and the nullifications and bars described in paragraph 4 of this report.

6. Fourth, I will have signed an Executive Order directing American banks located within the United States which hold Iranian deposits to transfer those deposits, including interest from the date of entry of the blocking order at commercially reasonable rates, to the Federal Reserve Bank of New York, to be held or transferred as directed by the Secretary of the Treasury. Half of these funds will be transferred to Iran and the other half (up to a maximum of $1 billion) will be placed in a security account as provided in the Declaration and the Claims Settlement Agreement that are part of the agreement we have reached with Iran. This fund will be maintained at a $500 million level until the claims program is concluded. While these transfers should take place as soon as possible, I have been advised that court actions may delay it. This Order also provides for the revocation of licenses and the nullifications and bars described in paragraph 4 of this report.

7. Fifth, I have signed an Executive Order directing the transfer to the Federal Reserve Bank of New York by nonbanking institutions of funds and securities held by them for the Government of Iran, to be held or transferred as directed by the Secretary of the Treasury. This transfer will be accomplished at approximately the same time as that described in paragraph 6.

This Order also provides for the revocation of licenses and the nullifications and bars described in paragraph 4 of this report.

8. Sixth, I will sign, upon release of the hostages, an Executive Order directing any person subject to the jurisdiction of the United States who is in possession or control of properties owned by Iran, not including funds and securities, to transfer the property as directed by the Government of Iran acting through its authorized agent. The Order recites that it does not relieve persons subject to it from existing legal requirements other than those based on the International Emergency Economic Powers Act. This Order does not apply to contingent liabilities. This Order also provides for the revocation of licenses and the nullifications and bars described in paragraph 4 of this report.

9. Seventh, I will sign, upon release of the hostages, an Executive Order revoking prohibitions previously imposed against transactions involving Iran. The Executive Order revokes prohibitions contained in Executive Order No. 12205 of April 7, 1980; and Executive Order No. 12211 of April 17, 1980; and the amendments contained in Proclamation No. 4702 of November 12, 1979. The two Executive Orders limited trade and financial transactions involving Iran and travel to Iran. The proclamation restricted oil imports. In revoking these sanctions I have no intention of superseding other existing controls relating to exports including the Arms Export Control Act and the Export Administration Act.

10. Eighth, I will sign, upon release of the hostages, an Executive Order providing for the waiver of certain claims against Iran. The Order directs that the Secretary of the Treasury shall promulgate regulations: (a) prohibiting any person subject to U.S. jurisdiction from prosecuting in any court within the United States or elsewhere any claim against the Government of Iran arising out of events occurring before the date of this Order arising out: (1) the seizure of the hostages on November 4, 1979; (2) their subsequent detention; (3) injury to the United States property or property of United States nationals within the United States Embassy compound in Tehran after November 1979; (4) or injury to United States nationals or their property as a result of popular movements in the course of the Islamic Revolution in Iran which were not an act of the Government of Iran; (b) prohibiting any person not a U.S. national from prosecuting any such claim in any court within the United States; (c) ordering the termination of any previously instituted judicial proceedings based upon such claims; and (d) prohibiting the enforcement of any judicial order issued in the course of such proceedings.

The Order also authorizes and directs the Attorney General of the United States immediately upon the issuance of such a Treasury regulation to notify all appropriate courts of the existence of the Executive Order and implementing regulations and the resulting termination of relevant litigation. At the same time, I will create a commission to make recommendations on the issue of compensation for those who have been held as hostages.

11. Finally, I will sign, upon release of the hostages, an Executive Order invoking the blocking powers of the International Emergency Economic Powers Act to prevent the transfer of property located in the United States and controlled by the estate of Mohammed Reza Pahlavi, the former Shah of Iran, or by any close relative of the former Shah served as a defendant in litigation in United States courts brought by Iran seeking the return of property alleged to belong to Iran. This Order will remain effective as to each person until litigation concerning such person or estate is terminated. The Order also requires reports from private citizens and Federal agencies concerning this property so that information can be made available to the Government of Iran about this property.

The Order would further direct the Attorney General to assert in appropriate courts that claims of Iran for recovery of this property are not barred by principles of sovereign immunity or the act of state doctrine.

12. In addition to these actions taken pursuant to the International Economic Emergency Powers Act, other relevant statutes, and my powers under the Constitution. I will take the steps necessary to withdraw all claims now pending against Iran before the International Court of Justice. Copies of the Executive Orders are attached.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1981.*

(The foregoing message was received by the Secretary of the Senate at 11:38

a.m. on January 20, 1981, and embargoed for release until 6 p.m. on that day.)

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

Mr. TOWER. Mr. President, from the Committee on Armed Services, I report favorable the following nominations: In the U.S. Air Force, there are 60 temporary appointments to the grade of brigadier general (list beginning with Richard F. Abel); Brigadier General John B. Conaway, Air National Guard, to be major general in the Reserve of the Air Force, and, in the Reserve of the Air Force, there are 14 appointments to the grade of major general and brigadier general (5–MGEN) (9–BGEN) (list beginning with S. T. Ayers). I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. In addition, in the Regular Army of the United States; there are 96 promotions to the grade of colonel and below (list beginning with George P. Brandel); in the Reserve of the Army, there are 1,165 appointments/promotions to the grades of colonel and lieutenant colonel (list beginning with Robert E. Bilbrey); in the U.S. Navy and Reserve of the Navy, there are 765 temporary/permanent appointments to the grade of captain and below (list beginning with Diana T. Cangelosi); in the Marine Corps, there are 776 temporary/permanent appointments to the grade of captain (list beginning with Linda C. Arms) and 34 permanent appointments/reappointments to the grade of captain and below (list beginning with Robert A. Alvick); in the Reserve of the Air Force, there are 236 promotions to the grade of colonel (list begining with James G. Abbee) and 35 promotions to the grade of lieutenant colonel (list beginning with Larry K. Arnold). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of January 5, 1981, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. INOUYE:

S. 161. A bill to amend title XVIII of the Social Security Act to provide for coverage under medicare of services performed by a nurse-midwife; to the Committee on Finance.

S. 162. A bill to amend title 5 of the United States Code to provide payments under Government health plans for services of nurse-midwives not performed in connection with a physician; to the Committee on Governmental Affairs.

S. 163. A bill to direct the Secretary of the Army to determine the validity of the claims of certain Filipinos who assert that they performed military service on behalf of the United States during World War II, and for other purposes; to the Committee on Armed Services.

By Mr. MELCHER (for himself, Mr. BAUCUS, Mr. HEFLIN, Mr. JEPSEN, Mr. LUGAR, Mr. PRYOR, Mr. SYMMS, and Mr. PRESSLER):

S. 164. A bill to prohibit proposed regulatory increases in imputed interest rates for tax purposes on loans between related entities and on deferred payments in the case of certain sales of property; to the Committee on Finance.

By Mr. MELCHER:

S. 165. A bill to protect the take-home pay of the American taxpayer by adjusting personal income tax rates to reflect inflation; to the Committee on Finance.

S. 166. A bill to enhance the production of domestic crude oil by exempting qualified stripper well production and certain oil produced by independent producers from the windfall profit tax, and to provide permanent relief from the windfall profit tax for small royalty owners; to the Committee on Finance.

By Mr. BURDICK (for himself and Mr. ANDREWS):

S. 167. A bill for the relief of Juan Esteban Ramirez; to the Committee on the Judiciary.

By Mr. ANDREWS:

S. 168. A bill for the relief of Dr. Jaime D. Tuazon and his wife, Ma. Veronica Tuazon, and their daughters, Eliza Victoria and Jaime; to the Committee on the Judiciary.

By Mr. HEINZ (for himself, Mr. RANDOLPH, and Mr. GLENN):

S. 169. A bill to amend Sections 169 and 103 of the Internal Revenue Code with respect to tax treatment of pollution control facilities; to the Committee on Finance.

By Mr. MOYNIHAN (for himself and Mr. PACKWOOD):

S. 170. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Finance.

By Mr. SASSER:

S. 171. A bill to amend the Internal Revenue Code of 1954 to reduce the tax effect known as the marriage penalty by permitting the deduction, without regard to whether deductions are itemized, of 20 percent of the earned income of the spouse whose earned income is lower than that of the other spouse; to the Committee on Finance.

S. 172. A bill to amend the Internal Revenue Code of 1954 to allow a deduction as an expense for certain amounts of depreciable business assets; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. INOUYE:

S. 161. A bill to amend title XVIII of the Social Security Act to provide for coverage under medicare of services performed by a nurse-midwife; to the Committee on Finance.

S. 162. A bill to amend title 5 of the United States Code to provide payments under Government health plans for services of nurse-midwives not performed in connection with a physician; to the Committee on Governmental Affairs.

COVERAGE OF SERVICES OF NURSE-MIDWIVES

● Mr. INOUYE. Mr. President, today I am introducing two bills that would provide for increased access to the services of certified nurse-midwives by our Nation's disabled under the medicare program and also our Nation's Federal employees under the Federal Employees Health Benefit Act.

To date, there are approximately 2,200 nurse-midwives in the United States and I understand that every year this number increases by nearly 220. Most nurse-midwives practice in association with institutions such as hospitals, clinics and birthing centers. A small number, however, offer home birth services. Mr. President, since October 1978, the Department of Defense, under its civilian health and medical program of the uniformed services (CHAMPUS) has authorized the direct payment to certified nurse-midwives. Some 8.6 million military dependents and retirees are eligible for health benefits under CHAMPUS.

Further, as a provision of Public Law 96–179, on a special experimental basis extending from January 1980 to December 1984, if a health insurance contract under provisions of the Federal Employees Health Benefit program provides for payment for a particular service only when rendered by a physician, the plan must also provide reimbursement if the service is provided by any other category of health practitioner—including certified nurse-midwives—who are licensed under applicable State statute when 25 percent or more of the State's population is located in a formally designated primary medical care manpower shortage area. It is my understanding that as a result of this provision, Federal employees in 10 designated States presently have direct access to certified nurse-widwife services.

Finally, as a provision of the Omnibus Reconciliation Act of 1980, Public Law 96–499, enacted late last Congress, certified nurse-midwives have received direct recognition under our Nation's medicaid program. Specifically, the law now states that services furnished by a nurse-midwife which he or she is legally authorized to perform under State law, whether or not he or she is under the supervision of, associated with, a physician or other health care provider, shall be directly reimbursed. My proposal would amend our Nation's medicare program with language identical to that of our medicaid program and also extend the coverage of nurse-midwife services to all Government employees. In this effort, I am most pleased to have the active support of the National March of Dimes.

The first step toward becoming a professional nurse-midwife in the United States is to study nursing and then practice nursing in the field of maternal and infant health for at least 1 year. The future nurse-midwife then applies to a nurse-midwife reeducational program. Although all of these programs are associated with major universities, some are part of a master's degree program and others grant a certificate rather than a degree. Both kinds of programs offer nurse-midwifery education which prepares the student nurse-midwife for clinical practice. Students in the master's program also receive further education in public health or nursing. Stu-

dents who successfully complete their educational programs are then eligible to take the American college of nurse-midwives' certification exam. Those who pass the examination are certified as nurse-midwives-CNMs. All nurse-midwife programs are credited by the division of accreditation of the American College of Nurse-Midwives.

Mr. President, in my judgment, there is no question that our Nation's certified nurse-midwives are extraordinarily competent professionals who have demonstrated both educational proficiency and clinical excellence. In fact, the recent report released by the Graduate Medical Education National Advisory Committee indicated that nurse-midwives may very well be doing 5 percent of all normal deliveries in the United States by the year 1990. Further, we should, during this era of cost-consciousness, consider the influence that nurse-midwives have had on the cost of health care, to both the consumer and the Nation. Although I have been unable to obtain extensive data, that which I have reviewed suggests that nurse-midwifery is considerably less expensive than traditional obstetrical care.

For example, in Washington, D.C., the current cost of prenatal, delivery, and post partum care with the nurse-midwife service is $800 for clients planning to deliver in the hospital. This includes prenatal care, labor management and delivery, post partum care, a 2-week, 6-week, 6-month, and 1-year checkup, and three post partum classes. Physician's fees vary from $800 to $1,200 and include prenatal care, labor and delivery management, post partum care, and a 6-week checkup. Hospital costs for nurse-midwifery clients who spend 6 hours or less in a hospital after delivering are around $600. Clients who stay the traditional 3 days will pay close to $1,000 in hospital costs. I might note that the average salary of a nurse-midwife in clinical practice in 1976 was $16,200. By contrast, the most recent figures available regarding the median income of obstetrician/gynecologists in 1979 was $89,310. In essence, Mr. President, the bill that I am proposing today would provide our Nation's disabled and Federal employees with the option of selecting the services of a certified nurse-midwife if they so desire. In no way would my proposal prevent such a program beneficiary from utilizing the services of a physician if she so desired.

Mr. President, I request unanimous consent that the texts of these two bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 161

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(s)(2) of the Social Security Act is amended—

(1) by striking out "and" at the end of subparagraph (F);

(2) by adding "and" at the end of subparagraph (G); and

(3) by adding at the end thereof the following new subparagraph:

"(H) nurse-midwife services;".

(b) Section 1861 of such Act is amended by adding at the end thereof the following new subsection:

"NURSE-MIDWIFE SERVICES

"(dd)(1) The term 'nurse-midwife services' means services furnished by a nurse-midwife (as defined in paragraph (2)) which he is legally authorized to perform under State law (or the State regulatory mechanism provided by State law), whether or not he is under the supervision of, or associated with, a physican or other health care provider.

"(2) The term 'nurse-midwife' means a registered nurse who has successfully completed a program of study and clinical experience meeting guidelines prescribed by the Secretary, or has been certified by an organization recognized by the Secretary, and performs services in the area of management of the care of mothers and babies (throughout the maternity cycle) which he is legally authorized to perform in the State in which he performs such services.".

(c)(1) Section 1905(a)(17) of such Act is amended by striking out "as defined in subsection (m)" and inserting in lieu thereof "as defined in section 1861(dd)(2)".

(2) Section 1905 of such Act is amended by striking out subsection (m).

SEC. 2. The amendments made by this Act shall be effective with respect to services performed on or after the first day of the first month which begins more than 60 days after the date of the enactment of this Act.

S. 162

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (k) of section 8902 of title 5, United States Code, is amended by striking out "or optometrist" each place it appears and inserting in lieu thereof ", optometrist, or nurse-midwife".

(b) Section 8901 of such title is amended—

(1) by striking out "and" at the end of paragraph (8),

(2) by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and", and

(3) by adding at the end thereof the following new paragraph:

"(10) 'nurse-midwife' has the same meaning given to such term by section 1905(m) of the Social Security Act.".

SEC. 2. The amendments made by the first section of this Act shall apply to contracts entered into on or after the date of the enactment of this Act.●

By Mr. INOUYE:

S. 163. A bill to direct the Secretary of the Army to determine the validity of the claims of certain Filipinos who assert that they performed military service on behalf of the United States during World War II, and for other purposes; to the Committee on Armed Services.

MILITARY SERVICE OF CERTAIN FILIPINOS

● Mr. INOUYE. Mr. President, today I am introducing a bill to direct the Secretary of the Army to determine the validity of the claims of certain Filipinos who assert that they performed military service on behalf of the United States during World War II, and for other purposes.

During the course of World War II, many Filipinos, guerrillas, and active servicemen, fought on behalf of U.S. interests. In 1948 the U.S. Government struck from official U.S. Army records the names of thousands of Filipinos who served during this time, denying these individuals the rights, benefits, and privileges they so richly deserve.

The legislation I am proposing today would permit these "excluded veterans" to submit their claims to the proper authorities for reevaluation—resolution—on a case-by-case basis. Upon submission of sufficient documentation of service with the U.S. Army or organized guerrilla forces, these individuals should be duly recognized as veterans and entitled to benefits and assistance from the U.S. Government.

The removal of their names from official Army records was an injustice to these individuals who helped the United States during World War II. For some, this bill is too late since death has taken its toll. However, the enactment of this legislation would confirm our commitment to these Filipinos who fought so hard to maintain U.S. freedom.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 163

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) any person who claims to have performed military service with or for the United States Army in the Philippine Islands during World War II and is not recognized, for any purpose, as having performed active service in or on behalf of the Armed Forces of the United States may file an application, in such form as the Secretary of the Army (hereinafter in this Act referred to as the "Secretary") shall prescribe, to have the Secretary determine, on the basis of all information and evidence presented to him by such person and on the basis of all other information and evidence available to the Secretary, whether such person should be considered as having performed active service in or for the Armed Forces of the United States.

(b) If the Secretary determines, in the case of any person who files an application under this Act, that such person—

(1) served in the organized military forces of the Government of the Commonwealth of the Philippines while such forces were in the service of the Armed Forces of the United States, including among such military forces organized guerrilla forces under commanders appointed, designated, or subsequently recognized by the Commander in Chief, Southwest Pacific Area, or other competent authority in the Army of the United States;

(2) was awarded the Purple Heart or other medal or decoration of the Armed Forces of the United States in connection with the performance of military service on behalf of the Armed Forces of the United States; or

(3) was inducted into the United States Armed Forces in the Far East (USAFFE) before the outbreak of World War II, performed military service for or on behalf of the United States in the Philippine Islands during World War II, reported to United States military control during the liberation of the Philippine Islands, and subsequently, without his consent, had his name and records erroneously deleted or otherwise erroneously removed from the official records of the Armed Forces of the United States;

the Secretary shall issue to such person an appropriate certificate of service which shall entitle such person to the same rights and benefits under the laws of the United States as other persons who performed substantially the same type of military service in the

Philippine Islands during World War II and who, on the day before the date of enactment of this Act, were entitled to such rights and benefits by virtue of such service.

SEC. 2. No person shall be eligible for a certificate of service under this Act if the Secretary determines that such person was discharged from military service described in subsection (b) of the first section under conditions other than honorable.

SEC. 3. As used in this Act the term "World War II" means the period beginning on December 7, 1941, and ending on December 31, 1946.

SEC. 4. The Secretary may not consider any application received more than two years after the date of enactment of this Act.

SEC. 5. The Secretary shall issue such regulations as he deems necessary and appropriate to carry out effectively and equitably the provisions of this Act.

SEC. 6. No benefits shall accrue to any person for any period prior to the date of enactment of this Act as a result of the enactment of this Act.●

By Mr. MELCHER (for himself, Mr. BAUCUS, Mr. HEFLIN, Mr. JEPSEN, Mr. LUGAR, Mr. PRYOR, Mr. SYMMS, and Mr. PRESSLER):

S. 164. A bill to prohibit proposed regulatory increases in imputed interest rates for tax purposes on loans between related entities and on deferred payments in the case of certain sales of property; to the Committee on Finance.

PROHIBITION ON PROPOSED INCREASES IN CERTAIN INTEREST RATES

● Mr. MELCHER. Mr. President, the bill I am introducing today will prohibit the Internal Revenue Service from issuing new regulations increasing the imputed interest rates on loans between related entities under section 482 of the Internal Revenue Code of 1954, and on deferred payments in the case of certain sales of property under section 483 of the code. It also requires the IRS to administer sections 482 and 483 of the code in accordance with the rules and regulations in effect on January 1, 1980.

On August 29, 1980, the IRS issued proposed regulations that will set imputed interest rates on loans between financially related entities at 12 percent, if the stated interest rate is at least 11 percent; and they will set imputed interest rates at 10 percent on deferred payments in the case of certain sales of property, if the stated interest rate is below 9 percent. The proposed IRS modifications to these sections of the law will increase imputed interest rates in the sale of property 50 percent over existing levels.

These regulations affect all deeds for contract and sales of property where the seller takes back any part of the mortgage, and will have a litany of negative effects:

They will make it more difficult for young people to purchase homes;

They will lead to a further decline in family farming and businesses;

They discriminate against family transactions by requiring higher interest rates on loans for the sale of property to members of their families than rates for perfect strangers;

They are also highly inflationary; and They will further depress the housing and real estate industry.

These proposed changes do not reflect historic and regional market interest rates for the kinds of deferred payment sales they regulate, but are set on the basis of current artificially inflated national prime interest rates that are being manipulated by the Federal Reserve Board as part of their policy on inflation.

Inflation and high interest rates have already combined over the past few years to push the cost of housing beyond the means of most young couples looking to purchase their first home. Now the IRS arbitrarily proposes to push up the interest on yet another type of purchase contract—that where the seller takes back all or part of the mortgage on the property and permits the buyer to pay it off over time. These regulations will mean, in more than just a few cases, that young couples will be unable to purchase their first home.

These regulations also hit hard at small businesses, farms, and ranches. The continued existence of the small business—whether commercial or agricultural—during this period of record-high inflation is already threatened. The cost/price squeeze faced by most businessmen today, coupled with skyrocketing interest rates on operating loans, is leading to the virtual disappearance of the family-owned business. The higher interest rates proposed by IRS on the deed for contract sale of small businesses, farms, and ranches will further increase the cost of operation and result in a decline of the small family-owned business in favor of the large corporation. This policy is a near-perfect example of how the "rich get richer and the poor get poorer." I do not think that is good Government policy.

These regulations are particularly unfair to the son or daughter who wants to purchase the family business. Because these regulations do not differentiate between the transactions of a national or multinational corporation and one of its subsidiaries on the one hand, and between a parent and child on the other hand, a son or daughter is forced by the IRS to pay higher interest on the purchase of the family business than some perfect stranger who comes down the road. Congress failure to realistically adjust inheritance and gift taxes for inflation has already made it more difficult than ever for parents to pass the family business to a son or daughter, thus further insuring the disappearance of such enterprise.

These regulations will bring about a further decline in the housing and real estate industry, which is already suffering perhaps more than any other segment of our economy through restrictive monetary policies.

Finally, by artificially raising the minimum interest rate to 9 percent or 11 percent between financially related parties, the IRS will have, in effect, guaranteed that yet another segment of our economy is victim of high inflation. This proposal will insure that our economy will not return to more reasonable interest rates. Even when we are successful in controlling the other elements of inflation, anyone who purchases property under these regulations will be locked into a contract or deed at these proposed high interest rates for perhaps the next 20 or 30 years.

During consideration of the continuing resolution last December we won a delay of the implementation of the regulations until July 1, 1981, in order to give Congress a chance to take permanent action. It is important now that there be quick action to make this prohibition permanent—at least until such time as the underlying law is changed to insure that future regulations in this area do not harm family farms and businesses or further depress the housing industry.

I think these regulations are ill advised and that it is foolish policy, at a time when we are all trying to fight inflation, for the Federal Government to propose another increase in interest costs and to make it more difficult for young families to purchase their first home or business. I hope that my colleagues will agree with me and support this bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 164

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PURPOSE

SECTION 1. To prohibit proposed regulatory increases in imputed interest rates for tax purposes on loans between related entities and on deferred payments in the case of certain sales of property.

FINDINGS

SEC. 2. Congress finds that proposed internal Revenue Service regulations to modify title 26 Code of Federal Regulations, part 1, paragraph 1, sections 1.482 and 1.483 increasing imputed interest rates on loans between related entities and on deferred payments in the case of certain sales of property unnecessarily add to the current unacceptably high inflation rate, are not based on historic regional interest rates for such transactions but on artificially inflated prime interest rates, go beyond the original intent of the underlying law, and will inhibit the ability of young people to purchase homes, family farms and businesses.

LIMITATIONS

SEC. 3. No regulations shall be issued in final form under section 482 or 483 of the Code after the date of the enactment of this Act modifying the imputed interest rates under section 482 or 483 of the Internal Revenue Code of 1954 which has the effect of increasing the rate of imputed interest under such section. Sections 482 and 483 of such Code shall be administered in accordance with the rules and regulations in effect on January 1, 1980.●

By Mr. MELCHER:

S. 165. A bill to protect the take-home pay of the American taxpayer by adjusting personal income tax rates to reflect inflation; to the Committee on Finance.

ADJUSTMENT OF PERSONAL INCOME TAX RATE TO REFLECT INFLATION

● Mr. MELCHER. Mr. President, today I am introducing a Federal income tax indexing bill to give Federal income taxpayers the same kind of protection

against inflation-created tax increases as the citizens of Montana adopted in last fall's initiative to index State income taxes.

We need guards against having our Federal income tax burden go up just because of inflation. It should be clear to everyone that we must redefine our tax impact on individuals at all levels to keep taxation from becoming an all-consuming monster in our country.

We should protect the take-home pay of those paying Federal income taxes by adjusting individual tax brackets, personal exemptions and tax-withholding provisions for the inflation rate. The individual's pay check should not be reduced by higher taxes just because a worker otherwise may be fortunate enough just to keep up with inflation.

The bill I am introducing today will index personal taxes and exemptions based on changes in the gross national product price deflator, the U.S. Commerce Department measure to correct the GNP for inflation.

It is clear that we are going to have a tax bill in the Senate this session. I believe that any such bill should index personal taxes as part of our tax reduction program. The time to act is now, before inflation eats up yet more of the American working person's pay check. For example, a family with a taxable income of $20,000 in 1980, which manages to increase its income to keep up with a 10 percent inflation rate during 1981, would pay an additional $504 in 1981 income taxes without having gained any additional buying power. If this bill were enacted, that family would not have to pay any extra 1981 taxes.

If the current estimates of a 10-percent inflation rate for 1981 prove accurate, as much as we hope otherwise, this alone would boost the Federal tax take by $20 billion. Add to this the higher social security tax that went into effect on January 1, 1981, and American taxpayers will be facing the highest ever peacetime tax burden. We need to act, and act quickly to reduce this burden. Indexing personal taxes and cutting back on the social security withholding increases would be a good start. I hope that my colleagues agree.

I ask unanimous consent that my bill be printed in full following these remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 165

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. THIS ACT SHALL BE KNOWN AS THE TAKE-HOME PAY PROTECTION ACT.

SEC. 2. INDIVIDUAL TAX RATE ADJUSTMENTS TO AVOID TAX INCREASES RESULTING FROM INFLATION.

(a) GENERAL RULE.—Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) is amended by adding at the end thereof the following new subsection:

"(f) ADJUSTMENTS IN TAX TABLES SO THAT INFLATION WILL NOT RESULT IN TAX INCREASES.—

"(1) IN GENERAL.—Immediately following September 30 and prior to December 1 of each year, the Secretary of Commerce shall report to the Secretary of the Treasury the ratio which the price index for the 4 consecutive calendar quarters ending September 30 of that year bears to the price index for the base period. Each dollar amount in the tables under subsection (a), (b), (c), and (d) under the heading 'if taxable income is' shall be increased by an amount equal to such dollar amount multiplied by such ratio and, as so increased shall be the amount in effect for taxable years beginning in the calendar year following the calendar year in which such report is made.

"(2) AMOUNT OF TAX.—The Secretary shall adjust each dollar amount in the tables under subsections (a), (b), (c), and (d) under the heading 'The tax is' to reflect the changes made under paragraph (1).

"(3) DEFINITIONS.—For purposes of paragraph (1)—

"(A) the term 'price index' means the average of the relevant 4 consecutive calendar quarters of the Gross National Product Implicit Price Deflator published quarterly by the Bureau of Economic Statistics in the Department of Commerce; and

"(B) the term 'base period' means the 4 consecutive calendar quarters ending September 30 of the calendar year preceding the Secretary of Labor's report."

(b)(1) Section 63 of such Code (relating to the definition of taxable income) is amended by adding at the end thereof the following new subsection:

"(i) ADJUSTMENT FOR CHANGES IN BRACKET AMOUNTS.—Prior to the beginnings of each calendar year, the Secretary shall, after adjusting each dollar amount listed in the tables under subsections (a), (b), (c), and (d) of section 1, as provided in section 1(f), adjust each dollar amount in subsection (d) to reflect the adjustments made under section 1(f) which are to be in effect for taxable years beginning in such calendar year."

(2) Subparagraph (B) of section 3402(m)(1) of such Code (relating to withholding allowances based on itemized deductions) is amended—

(A) by striking out "$3,400" and inserting in lieu thereof "the dollar amount in effect under section 63(d)(1)"; and

(B) by striking out "$2,300" and inserting in lieu thereof "the dollar amount in effect under section 63(d)(2)".

(3) Subparagraph (C) of section 402(e)(1) of such Code (relating to imposition of a separate tax on lump-sum distributions) is amended by striking out "$2,300" and inserting in lieu thereof "the dollar amount in effect under section 63(d)(2)".

(4) Section 6012(a)(1) of such Code (relating to persons required to make returns of income) is amended by adding at the end thereof the following new subparagraph:

"(D) Each time an adjustment is made under section 63(i) with respect to any dollar amount under section 63(d), the Secretary shall adjust each dollar amount under subparagraph (A) to correspond to such adjustments and such amount, as adjusted and rounded to the nearest $1, shall be the amount in effect under such subparagraph for taxable years beginning in any calendar year with respect to which such adjustment is in effect under section 63."

SEC. 3. ADJUSTMENTS IN AMOUNT OF PERSONAL EXEMPTIONS.

(a) GENERAL RULE.—Section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions for personal exemptions) is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount".

(b) EXEMPTION AMOUNT.—Section 151 of such Code is amended by adding at the end thereof the following new subsection:

"(f) EXEMPTION AMOUNT.—For purposes of this section, the term 'exemption amount' means, with respect to taxable year 1981, $1,000 increased by an amount equal to $1,000 multiplied by the price index (as defined in section 1(f)(3)). For subsequent tax years, this 'exemption amount' shall be adjusted to reflect changes in the price index (as defined in section 1(f)(3))."

SEC. 4. ADJUSTMENTS IN WITHHOLDING.

Section 3402(a) of the Internal Revenue Code of 1954 (relating to tax withheld) is amended by adding before the last sentence thereof the following new sentence: "The tables prescribed under this section shall be adjusted in accordance with section 1(f) with respect to the wages paid in the year following the Secretary of Labor's report under such section."

SEC. 5. EFFECTIVE DATE.

The amendments made by this act shall apply with respect to taxable years beginning December 31, 1980.●

By Mr. MELCHER:

S. 166. A bill to enhance the production of domestic crude oil by exempting qualified stripper well production and certain oil produced by independent producers from the windfall profit tax, and to provide permanent relief from the windfall profit tax for small royalty owners; to the Committee on Finance.

RELIEF FROM WINDFALL PROFIT TAX

● Mr. MELCHER. Mr. President, today I am introducing a bill to modify the windfall profit bill so as to provide additionally needed incentives for the production of domestic crude oil.

If we as a nation are serious about curbing inflation, we must reduce our dependence on imported oil. Our conservation efforts are paying off. Our current oil imports are the lowest in several years. However, we continue to be at the mercy of OPEC prices which have recently hit the $40 per barrel mark and gone beyond. We need to couple increased domestic production of crude oil with our conservation efforts to ever really break OPEC's hold on our economy.

When the Senate originally passed the windfall profit bill, we were careful to include exemptions for the first 1,000 barrels of oil produced each day by independent producers as well as stripper oil. These exemptions were meant to insure that we did not discourage new exploration, more than 80 percent of which comes from our independents, and to insure that we encouraged as much production as possible from our older, smaller fields.

However, when the Senate version of the bill went to conference with the House of Representatives, these exemptions were lost, and replaced with lower tax rates for independent producer oil and stripper oil. We have had a year to look at the results, and the facts are that in Montana, at least, we have not gotten the increased production that the decontrol of crude oil prices was meant to bring.

I reluctantly supported the conference report on the windfall profit tax bill, but its now clear to me that we should modify the bill to restore the exemptions for independent producer oil and stripper wells.

I think that the need for this modification can best be shown by inserting in the record part of a letter I recently received from an independent oil producer in Montana. I include the following excerpt in the RECORD:

More than 25 years ago, I purchased the minerals under 160 acres of land located approximately 25 miles west of Conrad. When the price of oil was low I could not afford to develop this small acreage. When the ceiling was taken off the price of oil the first announcement that we had here was that the windfall profits tax would not apply to independent producers who had new oil and produced less than 1,000 barrels of oil per day. At that time the price of oil was $40.00 per barrel. On the basis of this, I proceeded to drill a well and got gas but had no way to market it.

On the basis of what appeared to be a rather substantial gas well, I drilled a second hole which was dry and expensive. By this time, I had borrowed money from the bank, but decided to proceed to drill a third well, even though I was getting way out on the financial limb. The third well was a good gas and oil well, but I could not market the oil without being able to market the gas and it was capped.

By now, I owed the bank a substantial amount of money but Jim Connelly, then president of First Bank West, gave me the go ahead to drill another well, which I did. This well was also an oil and gas producer, but I could not market the oil without marketing the gas. In an attempt to obtain oil production without too high a gas-to-oil ratio, I moved down dip and got another dry hole.

These are not deep wells, averaging about 3500' to the Madison Limestone, but because of the considerable testing of each well that I did as they were being drilled, my costs had gotten out of my personal ability to carry. Jim Conelly went to the First Bank in Minneapolis and arranged a loan of $500,000.00. I drilled another dry hole and then drilled a well which obviously would be a producer from the Madison Limestone, but I was in an area where I thought we might obtain Devonian production and I decided to go down and test the Devonian. This well became the first Devonian oil producing well on the Montana side of the Sweetgrass Arch and spurred a great deal more drilling activity which is continuing as I am dictating this letter.

Finally, I was able to market the gas and therefore produce the oil from three wells. There was a great deal of expense involved in putting together a gathering system, separators, a heater treater, tank battery, electrifying the wells, etc. The two banks loaned me $1,250,000.00. I now have three wells on production. The maximum production I get is 120 barrels of oil per day and 750,000 mcf, for which I receive only $1.25 per mcf gross.

The irony of all of this is that when I commenced marketing oil I still did not know that the windfall profits tax applied to me. Obviously, I have no profits and for a single little guy on 160 acres, I could be in big trouble. As long as my production stays at this present level I will ultimately be able to pay the banks back from the production, but that is somewhat self-defeating from our energy point of view because I have some other acreage in other areas that I would drill if I had the money. Obviously, I cannot borrow more money from the banks, at least in the foreseeable future, nor do I want to.

In Pondera County there is a 15 percent net proceeds tax. The windfall profits tax amounts to 15 percent of this new oil. There are four other taxes amounting to approximately 5 percent totally. This is all before income tax. All but the net proceeds tax apply prior to my overhead and operating costs. The price of oil is down to $34.00 per barrel and my net before income tax is down to $20.00 per barrel. From this I must make repayment to the banks on 1.25 million dollars bearing interest which is now 22½ percent. It will be a matter of years before I make one penny in profits if I do then.

I have lived in the area of the Kevin-Sunburst-Cut Bank-Pondera fields all of my life and know most of the operators personally and can say, with perhaps only a couple of exceptions, that none of the Montana residents in this area who have oil producing properties have more than 250 barrels of production a day; yet these same operators have historically made 90 percent of the new oil discoveries in this part of Montana. These are the people who do not need the added burden of all of this taxation on the one hand and who have provided such a valuable service in the energy area on the other. Furthermore, I doubt that Congress or anyone else ever intended that these small operators should pay such a disproportionate share of taxes. We all know that the income tax is the great leveler for these kind of independent people, anyway.

Mr. President, this story is not unique. I heard variations of it from independent producers all over Montana during my travels there in recent weeks. The evidence is clear. The windfall profit tax is not accomplishing one of the major goals of decontrol—to encourage more domestic crude oil production. With the modifications I am introducing today—the worst of the disincentives for increased domestic production will be removed.

Finally, my bill also exempts royalty owners from the windfall profit tax. As part of the budget reconciliation process last fall, we exempted royalty owners from the first $1,000 of windfall profit taxes. That was a stopgap measure. We should take action now to exempt royalty owners from the windfall profit tax once and for all. It was never the intent of the Senate to treat royalty owners as though they were giant oil companies—that was clear from our action in the Budget Reconciliation Act—and we should correct that oversight as soon as possible.

I ask unanimous consent that my bill and a section-by-section analysis be printed in full following this statement.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 166

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TAX EXEMPTION FOR STRIPPER WELL PRODUCTION.

Amend Sec. 4991(b) of the Crude Oil Windfall Profit Tax Act of 1980 (Public Law 96-223) by adding a new subsection as follows:

"(5) Any oil which is from a stripper well property within the meaning of the June 1979 energy regulations."

Amend Sec. 4991(d) by repealing subsection (1)(A) and renumbering as appropriate.

SEC. 2. TAX EXEMPTION FOR INDEPENDENT PRODUCER OIL.

Amend Sec. 4987(b) of the Crude Oil Windfall Profit Tax Act of 1980 by repealing subsection (2).

Amend Sec. 4991(b) by adding a new subsection as follows:

"(6) Independent producer oil."

Amend Sec. 4992 (c) (1) by adding a new subsection as follows:

"(C) Minus the number of barrels of exempt stripper oil produced each quarter (the resulting 'producer amount' cannot be less than zero)."

SEC. 3. TAX RELIEF FOR SMALL ROYALTY OWNERS.

Amend Sec. 4992 (d) of the Crude Oil Windfall Profit Tax Act of 1980 by repealing subsections (1) (D) and (2) and renumbering as appropriate.

SEC. 4. EFFECTIVE DATE.

The effective date of this act is to be January 1, 1981.

SECTION BY SECTION ANALYSIS

Section. 1. The first section of the bill *includes* "any oil which is from a stripper well property within the meaning of the June 1979 energy regulations" within the exempt oil category. It also *repeals* the section of the law that includes stripper well oil within the Tier 2 Oil tax bracket.

Section. 2. The second section of the bill *includes* "independent producer oil" within the exempt oil category. It also *defines* the amount of independent producer oil to be exempted as being equal to 1,000 barrels each day—reduced by the amount of exempt stripper oil produced each day. This limits the total exemption for combined stripper & independent producer oil to 1,000/each day. I discussed this with Bud Scoggins at the IPAA and he says it is fine to do it this way. It would make no difference to 99 percent of the independents. I think it also makes the proposal sound reasonable and answers any argument that both the stripper exemption and independent exemption goes too far.

Section 3. The third section of the bill extends the exemption to royalty owners. All that I have done is remove the section of the law that limits the independent exemption to those with a "working interest" in the property. This extends the exemption to royalty owners. Also because of the definition of an independent—does not refine more than 50,000 barrels a day or sell more than $5,000,000 annually of oil or natural gas through retail outlets—all royalty owners, not only those who receive royalties from independent producer wells, would be eligible for the exemption. IPAA agrees this is the simplest way to handle the royalty owners.

Section. 4. Sets effective date at January 1, 1981.●

By Mr. HEINZ (for himself, Mr. RANDOLPH, and Mr. GLENN):

S. 169. A bill to amend sections 169 and 103 of the Internal Revenue Code with respect to tax treatment of pollution control facilities; to the Committee on Finance.

TAX TREATMENT OF POLLUTION CONTROL FACILITIES

Mr. HEINZ. Mr. President, the legislation I am introducing today is designed to insure that expenditures for compliance with Federal and State pollution control laws do not jeopardize the ability of American industry to make job-creating investments.

Before explaining the specifics of this legislation, which amends sections 103 and 169 of the Internal Revenue Code, let me state in general terms the compelling economic and political arguments in favor of providing expanded tax incentives for pollution abatement.

I, for one, reject the argument that the recent election returns signal a desire on the part of the American electorate to retreat from the progress that has been made in recent years toward a cleaner, safer, and healthier environment.

What is the basis, then, for the mount-

ing criticism of the Clean Air Act, the Federal Water Pollution Control Act, the Resource Conservation and Recovery Act, and other environmental laws, and the activities of the Environmental Protection Agency in enforcing these laws?

A great deal of this criticism results from the transformation of these laws and the good intentions they represent into a regulatory morass that has proven to be a dream come true for the army of technocrats and lawyers whose services are needed to write, interpret, and litigate them—and, all too often, a nightmare for the State and local governments, the business managers, and the employees of firms subject to them.

I am confident that the new administration—working in conjunction with the Congress—will make great progress toward simplifying these laws and regulations; allowing greater flexibility for cost-effective attainment of regulatory goals; providing rational criteria for standard setting; and incorporating cost-benefit considerations into the regulatory process.

But even with long-overdue statutory and regulatory changes, expanded tax incentives are needed to ease the substantial financial burden of environmental compliance requirements. These expanded incentives are necessary to insure that expenditures for pollution abatement do not jeopardize the ability of American industry to make the productive capital investments necessary to modernize facilities, create jobs, expand production, maintain, and enhance international competitiveness, improve productivity, and reduce inflation.

As an example of the potential for pollution abatement expenditures to cause a capital "crunch," consider the following statistics relating to basic U.S. industries. In 1978, pollution abatement expenditures accounted for 16.6 percent of all investment in the steel industry. For chemicals the comparable figure was 7.1 percent; for petroleum, 8.3 percent; and, for utilities, 10 percent.

During the coming decade pollution abatement expenditures will remain high. In the case of the steel industry, for example, the American Iron and Steel Institute has estimated, based upon a report by Arthur D. Little, Inc., that total environmental control expenditures for the next decade may reach $7 billion. The chemical industry faces the "double whammy" of complying with the 600 plus pages of hazardous waste control regulations promulgated by EPA under RCRA and paying a billion plus dollars in additional taxes over the next 5 years into the superfund. Other industries are faced with similar cost burdens.

As desirable as such expenditures may be, these investments are generally not productive investments in the sense that they do not result in increased output or efficiency of operations. They are particularly burdensome for small businesses. In most cases such investments do not earn a monetary return to the investor. To the contrary—and in addition to the cost of capital—pollution control equipment can cost a considerable amount to operate and maintain. And it goes without saying that the billions of dollars invested in pollution abatement are not available for other job-creating investments.

To ease the burden on industry imposed by environmental laws, Congress has already provided limited tax incentives for installing pollution control equipment under sections 103 and 169 of the Internal Revenue Code. Both of these provisions—section 103, dealing with tax-exempt industrial development bonds, and section 169, dealing with 5-year amortization—reflect a recognition that investment in pollution control and solid waste disposal facilities is necessary to attain desirable social goals and to fulfill the mandates of environmental laws. These tax code provisions also reflect a recognition that such investments are not productive in the sense that they do not result in increased output or efficiency of operations.

My legislation would expand the tax advantages available for pollution abatement expenditures under sections 103 and 169 of the Code. Let me briefly explain the provisions of title I of my bill, dealing with tax-exempt IDB's, and title II, dealing with expensing of pollution control expenditures.

TITLE I—TAX TREATMENT OF INDUSTRIAL DEVELOPMENT BOND ISSUES TO FINANCE POLLUTION CONTROL OR WASTE DISPOSAL FACILITIES

As I mentioned previously, tax-exempt section 103 financing is already available for air or water pollution control facilities and solid waste disposal facilities. However, through regulation—and over the objections of the Environmental Protection Agency—the IRS has so narrowly interpreted section 103 of the Code as to thwart the will of Congress.

Specifically, the IRS has:

First, ignored the fact that Congress has amended the Solid Waste Disposal Act to regulate hazardous waste as well; instead, the IRS has held the definition of solid waste constant to that contained in the original act; and

Second, limited eligible financing to end-of-the-pipe, "back box" technologies—ignoring the fact that current environmental law recognizes and indeed encourages the role of process changes in abating pollution.

Title I of my bill would change current law as interpreted by the IRS under its proposed section 103 regulations by:

First, making clear that process changes that prevent the creation of pollution are eligible for tax-exempt financing;

Second, providing for certification of eligible pollution control facilities by the Environmental Protection Agency and State environmental control agencies;

Third, containing safeguards to insure that only that portion of any facility that actually represents a pollution control expenditure qualifies for tax-exempt financing—including a limitation on expenditures at new plants; and

Fourth, making expressly clear that in amending the Solid Waste Disposal Act with the Resource Conservation and Recovery Act, Congress intended that nonnuclear hazardous waste management facilities should also qualify for section 103 financing.

Let me briefly explain each of these provisions.

PROCESS CHANGES ELIGIBLE FOR SECTION 103 FINANCING

Proposed IRS regulations limit section 103 financing to "black box," end-of-the-pipe technologies that represent discrete units, ignoring the demonstrated potential for process changes to prevent the creation or discharge of pollutants. Current environmental law recognizes and indeed encourages the role of process changes in abating pollution. In fact, such process changes could even be required under best available technology requirements.

From a public policy standpoint, it makes no sense to provide tax-exempt financing, for example, to a utility installing a scrubber to reduce emissions, while denying such financing to fuel pretreatment such as coal washing that also reduces emissions, at less cost and with less of an adverse impact on efficiency of operations.

My legislation would make clear that such process changes can qualify for tax-exempt financing. So that this provision cannot be interpreted as a blank check to qualify all plant modernizations, I submit the following list of process changes and facilities that might be expected to qualify for section 103 financing, and ask unanimous consent that it appear in the RECORD at the conclusion of my remarks (see exhibit 1).

This list is by no means exhaustive: We must avoid locking in potentially obsolete technologies by statute. At the same time, it is intended to provide the IRS with some guidance in determining what sorts of pollution control facilities Congress intends to qualify.

I might add that this approach has already been the subject of discussion between EPA and IRS, as evidenced by an October 20, 1980, memorandum, I ask unanimous consent that this memorandum appear in the RECORD at the conclusion of my remarks (see exhibit 2).

CERTIFICATION BY ENVIRONMENTAL CONTROL AGENCIES

As is already the case under section 169 of the Internal Revenue Code, the certification that a facility was installed to meet or further Federal or State requirements for abatement of control of water or atmospheric pollution or contamination would be made by the Environmental Protection Agency or the corresponding State environmental control agency. The certifying agency would also have to certify that the portion of the expenditure eligible for tax-exempt financing would not be made but for the purpose of abating, controlling, or preventing pollution.

SAFEGUARDS LIMITING TAX-EXEMPT FINANCING

I am sensitive to the concern that in qualifying process changes for this type of financing, we run the risk of also qualifying plant modernizations that have as an incidental effect the reduction of pollution.

My legislation contains several safeguards for insuring that tax-exempt financing is limited to facilities or por-

tions of facilities the expenditures for which are clearly for pollution control. Two of these safeguards I have already referenced: The list of eligible facilities and process changes, and the requirement for certification by environmental control agencies that the expenditure would not have been made but for Federal or State environmental control requirements.

An added safeguard is a formula for reducing the amount of financing eligible for tax-exempt financing to the extent that portions of the cost of a certified pollution control facility are recoverable in the form of economic benefit. The tax exemption would not apply to the portion of the proceeds of the bond issue that exceeds the amount by which the cost of acquiring, constructing, reconstructing, or erecting the facility exceeds the net profit which may reasonably be expected to be derived through the recovery of wastes or otherwise in the operation of the facility over its actual useful life. A formula for calculating this net profit is also set forth in the statute.

Finally, my legislation contains an added safeguard for limiting the amount of tax-exempt financing attributable to pollution abatement expenditures in the case of construction of new plants or major expansion of existing facilities—defined as a 35-percent increase in capacity or output. The amount of tax-exempt financing for certified pollution control expenditures, reduced to the extent that a net economic benefit results, would be further limited to: 30 percent of the first $100 million of capital expenditures for the entire plant or site; 25 percent of the second $100 million; 20 percent of the third $100 million; and 15 percent thereafter. Capital expenditures subject to the limitation would include those made 3 years before and 3 years after the date on which the bonds were issued.

Although a final revenue loss estimate has yet to be prepared, EPA has informally calculated that the first year revenue loss due to qualifying process changes for air and water pollution abatement would be $94 million. I ask unanimous consent that a recent letter from EPA regarding the revenue impact of this change be inserted in the RECORD at the conclusion of my remarks.

(See exhibit 3.)

I have asked EPA, the Treasury Department, and the Joint Committee on Taxation to prepare revenue loss estimates for these proposed changes and to suggest options for reducing the revenue loss in advance of Finance Committee consideration.

TITLE II—EXPENSING OF CERTIFIED POLLUTION CONTROL EXPENDITURES

As I mentioned previously, section 169 of the Internal Revenue Code provides for the amortization over 5 years of certified pollution control facilities.

Title II of my legislation would reduce the 5-year period to 1 year. Expensing of pollution control expenditures would be allowed at new plants as well as existing ones. In addition, as is the case under current law, section 169 amortization would be allowed in conjunction with either the investment tax credit or one-half the ITC if tax-exempt IDB's are also used.

Finally, the current requirement that a certified pollution control facility "* * * includes only tangible property (not including a building and its structural components, other than a building which is exclusively a treatment facility) which is of a character subject to the allowance for depreciation provided in section 167, which is identifiable as a treatment facility, and which is property * * *" has the disadvantage of biasing investment in pollution abatement away from process changes which are often more efficient. It is my expectation that once the Finance Committee has settled upon a definition of certified pollution control facility eligible for section 103 financing, it will consider a similar amendment to section 169 as well.

In closing, Mr. President, it is my hope that the Finance Committee will review this proposal at the earliest possible date. As you may recall, the distinguished chairman and ranking minority members of the Finance Committee, Senators DOLE and LONG, agreed on the need for early hearings on this proposal when I raised the issue during the debate on superfund.

I look forward to working with my distinguished colleagues on the Finance Committee and in the full Senate toward passage of this measure so that pollution abatement expenditures do not continue to jeopardize the ability of American industry to make job-creating investments.

I ask unanimous consent that the text of this legislation and certain exhibits be printed in full in the RECORD.

There being no objection, the bill and exhibits were ordered to be printed in the RECORD, as follows:

S. 169

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—TAX TREATMENT OF INDUSTRIAL DEVELOPMENT BONDS ISSUED TO FINANCE POLLUTION CONTROL OR WASTE DISPOSAL FACILITIES

SECTION 101. TAX-EXEMPT FINANCING REQUIREMENTS.

(a) IN GENERAL.—Section 103 of the Internal Revenue Code of 1954 (relating to interest on certain governmental obligations) is amended by redesignating subsection (h) as subsection (j), and by inserting after subsection (g) the following new subsections:

"(h) AIR OR WATER POLLUTION CONTROL FACILITIES.—For purposes of this section—

"(1) IN GENERAL.—The term 'air or water pollution control facility' means land or property of a character subject to depreciation under section 167—

"(A) which is acquired, constructed, reconstructed, or erected to abate or control water or atmospheric pollution or contamination by removing, altering, disposing, storing, or preventing the creation or emission of pollutants, contaminants, wastes, or heat,

"(B) which is certified by the Federal certifying authority (as defined in section 169(d)(2)) or the State certifying authority (as defined in section 169(d)(3)) as meeting or furthering Federal or State requirements for abatement or control of water or atmospheric pollution or contamination, and

"(C) all or a portion of the expenditures for the acquisition, construction, reconstruction, or erection of which would not be made except for the purpose of abating, controlling, or preventing pollution.

"(2) EXEMPT FINANCING TO BE UNAVAILABLE FOR EXPENDITURES FOR PURPOSES OTHER THAN POLLUTION CONTROL.—

"(A) IN GENERAL.—Subsection (b)(4)(F) of this section shall not apply with respect to any issue of obligations (otherwise qualifying under subsection (b)(4)(F)) if the portion of the proceeds of such issue which is used to provide air or water pollution control facilities exceeds (by more than an insubstantial amount) the amount by which—

"(i) the cost of acquiring, constructing, reconstructing, or erecting the facility, exceeds

"(ii) the net profit which may reasonably be expected to be derived through the recovery of wastes or otherwise in the operation of the facility over its actual useful life.

"(B) NET PROFIT.—For purposes of this paragraph, the term 'net profit' means the present value of benefits (using a discount rate of 12½ percent) to be derived from that portion of such cost properly attributable to the purpose of increasing the output or capacity, or extending the useful life, or reducing the total operating costs of the plant or other property (or any unit thereof) in connection with which such facility is to be operated, reduced by the sum of—

"(i) the total cost incurred to acquire, construct, reconstruct, or erect the property (reduced by its estimated salvage value), and

"(ii) the present value (using a discount rate of 12½ percent of) all expenses reasonably expected to be incurred in the operation and maintenance of the property, including utility and labor costs, Federal, State, and local income taxes, the cost of insurance, and interest expense.

(C) LIMITATION ON EXPENDITURES UNDER SUBSECTION (b)(6)(F).—

"(i) IN GENERAL.—For purposes of subsection(b)(4)(F), the face amount of obligations issued for such facilities to be installed at any new manufacturing or processing plant shall not exceed the amounts described in clause (ii) of this subparagraph after application of subparagraphs (A) and (B) of this paragraph.

"(ii) INSTALLATIONS AT NEW PLANTS, ETC.—In the case of facilities described in subsection (b)(4)(F) to be installed at new plants (as defined in clause (iii) of this subparagraph), the aggregate authorized face amount of obligations to be issued therefor shall not exceed the sum of 30 percent of the first $100,000,000 of capital expenditures paid or incurred in connection with such plants, 25 percent of the second $100,000,000 of such capital expenditures, 20 percent of the third $100,000,000 of such capital expenditures and 15 percent of such capital expenditures in excess of $300,000,000 plus the costs and expenses incurred in issuing such obligations.

"(iii) NEW PLANT.—For purposes of this subparagraph the term "New Plant" means any plant or identifiable part thereof, or other location that is or would be a source of pollution, placed in service within the six-year period beginning 3 years before the date of any issue for the facility and ending 3 years after such date of issuance of the obligations described in clause (i). For purposes of clause (ii), all the capital expenditures during the six (6) year period shall be aggregated. A major expansion of the capacity of any plant or identifiable part thereof or a major conversion in the use to which any plant (or identifiable part thereof) is devoted, shall be treated as a New Plant. For purposes of this paragraph a major expan-

sion of capacity shall mean an increase in capacity of 35 percent, and a major conversion in use shall mean a change affecting 35 percent of the output of the plant. Any plant or identifiable part thereof not described in the preceding three sentences shall be deemed an existing plant.

(iv) CAPITAL EXPENDITURES TAKEN INTO ACCOUNT.—The capital expenditures taken into account with respect to any new plant or other source of pollution for purposes of this subparagraph are the expenditures which are properly chargeable to capital account and which are either made within 3 years before the date of the issuance of the issue or can reasonably be expected (at the time of the issuance of the issue) to be made within 3 years after the date of such issuance.

"(l) SOLID WASTE DISPOSAL FACILITIES.—For purposes of this section, the term 'hazardous waste or solid waste disposal facilities' includes land and property of a character subject to depreciation under section 167 which is acquired, constructed, reconstructed, or erected for no significant purpose other than to comply with hazardous or solid waste management requirements imposed by the Solid Waste Disposal Act.".

(b) CONFORMING AMENDMENT.—Subparagraph (E) of section 103 (b) (4) of such Code is amended by inserting ", hazardous waste," after "sewage".

(c) CLARIFICATION OF REFERENCE.—For purposes of section 103 (l) of the Internal Revenue Code of 1954, any reference to the Solid Waste Disposal Act means the Solid Waste Disposal Act as amended by the Resource Conservation and Recovery Act of 1976 and as it is, or may be, amended from time to time by other Acts. No inference shall be drawn from the preceding sentence with respect to the presence or absence of the words "as amended", by themselves or in combination with a reference to another Act, whenever reference is made in any other provision of law to an Act by its short title.

SEC. 102. EFFECTIVE DATE.

The amendments made by subsections (a) and (b) of section 101 shall apply with respect to obligations issued after the date of enactment of this Act and with respect to taxable years ending after that date.

TITLE II—CURRENT EXPENSING OF AMOUNTS PAID OR INCURRED IN CONNECTION WITH THE CONSTRUCTION OR ERECTION OF POLLUTION CONTROL FACILITIES

SEC. 201. DEDUCTION ALLOWED FOR TAXABLE YEAR IN WHICH EXPENSES ARE PAID OR INCURRED.

(a) IN GENERAL.—So much of section 169 of the Internal Revenue Code of 1954 (relating to amortization of pollution control facilities) as precedes subsection (d) is amended to read as follows:

"SEC. 169. POLLUTION CONTROL FACILITY EXPENSES.

"(a) ALLOWANCE OF DEDUCTION.—In the case of a taxpayer who elects the deduction allowed by this subsection, there shall be allowed as a deduction for the taxable year the sum of the amounts paid or incurred by the taxpayer in connection with the acquisition, construction, or erection of a certified pollution control facility (as defined in subsection (d)), and such amounts shall be treated as items not chargeable to capital account.

"(b) ELECTION.—The election provided by subsection (a) shall be made at such time, in such form, and in such manner as the Secretary may prescribe.

"(c) TERMINATION OF ELECTION.—A taxpayer who has elected under subsection (b) to take the deduction provided by subsection (a) may, at any time after making such election, discontinue the deduction with respect to the remainder of the amounts paid or incurred with respect to the facility. Any such discontinuance shall begin as of the beginning of any month specified by the taxpayer in a notice in writing filed with the Secretary before the beginning of such month. The depreciation deduction provided by section 167 shall be allowed, beginning with the first month as to which the election under subsection (b) does not apply, and the taxpayer shall not be entitled to any further deduction under this section with respect to such facility.".

(b) DEDUCTION TO APPLY TO NEW CONSTRUCTION AS WELL AS EXISTING PLANTS AND PROPERTIES.—Paragraph (1) of subsection (d) of such section (relating to definition of certified pollution control facility) is amended by striking out "in operation before January 1, 1976".

(c) CONFORMING AMENDMENTS TO SECTION 169.—

(1) Paragraph (3) of subsection (d) of such is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

(2) Section 169 of such Code is amended—

(A) by striking out subsections (f) and (j),

(B) by redesignating subsections (g) and (l) as subsections (f) and (g), respectively, and

(C) by striking out "which is not the amortizable basis" in subsection (f) (as so redesignated) and inserting in lieu thereof "for which a deduction is not claimed under subsection (a)".

(d) TECHNICAL AND CONFORMING AMENDMENTS TO OTHER CODE PROVISIONS.—

(1) The table of sections for part VI of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 169 and inserting in lieu thereof the following:

"Sec. 169. Pollution control facility expenses.".

(2) Paragraph (5) of section 46 (c) of such Code (relating to applicable percentage in case of certain pollution control facilities) is amended by striking out "constitutes the amortizable basis for purposes of section 169" and inserting in lieu thereof the following: "constitutes the adjusted basis".

(3) Paragraph (1) of section 48 (a) of such Code (defining section 38 property) is amended by adding at the end thereof the following new sentence: "In the case of any property with respect to which an election has been made under section 169, such property shall, for purposes of the preceding sentence, be treated as property with respect to which depreciation is allowable.".

(4) Paragraph (4) of section 57(a) of such Code (relating to items of tax preference) is repealed.

(5) Subsection (f) of section 642 of such Code (relating to amortization deductions) is amended—

(A) by striking out "Amortization" in the caption and inserting in lieu thereof "Certain Other", and

(B) by striking out "for amortization" in the text.

(6) Subparagraph (B) of section 1082(a) (2) of such Code (relating to exchanges subject to the provisions of section 1081(b)) is amended by striking out "for amortization".

(7) Subsection (a) of section 1245 of such Code (relating to general rule for determination gain from dispositions of certain depreciable property) is amended—

(A) by striking out "169," in subparagraph (D) of paragraph (2) thereof,

(B) by striking out "169," each place it appears thereafter in paragraph (2), and

(C) by striking out "169," in subparagraph (D) of paragraph (3) thereof.

(8) Paragraph (3) of section 1250(b) of such Code (relating to depreciation adjustments) is amended by striking out "169,".

SEC. 202. EFFECTIVE DATE.

The amendments made by section 201 shall apply with respect to amounts paid or incurred after December 31, 1980.

EXHIBIT 1

FACILITIES AND PROCESS CHANGES TO BE INCLUDED AS REPORT LANGUAGE TO ACCOMPANY LEGISLATION PROPOSED BY SENATOR JOHN HEINZ DEALING WITH IRS DEFINITIONS OF POLLUTION CONTROL FACILITIES ELIGIBLE FOR TAX-EXEMPT INDUSTRIAL DEVELOPMENT BOND FINANCING PURSUANT TO SECTION 103(b) OF THE INTERNAL REVENUE CODE

In addition to those specified on the accompanying fact sheet, eligible facilities and process changes shall include, but not be limited to, the following:

Coal mining and combustion

Coal washing and preparation to reduce sulphur emissions;

Fluidized bed boilers;

In mining operations, water diversion ditches that prevent natural water run-off from mingling with mining operations, becoming contaminated, and exiting as run-off pollution.

Metals

In metal "pickling" processes, equipment to convert sulphuric acid to hydrochloride acid, permitting acid regeneration and avoidance of waste treatment and sludge disposal expense.

Industrial printing

Equipment to convert water-based paints, thereby avoiding aid pollution that occurs from dried solvents dispersing through stacks.

Paper industry

Recovery boilers and their associated preciplatators, black liquor oxidation systems, and black liquor evaporation systems.

Brewing industry

Dust control equipment;

Spent grain liquor evaporators.

Solid waste management

Landfills;

Landfarms;

Transfer stations;

Incinerators without heat or energy recovery facilities;

Incinerators with heat or energy recovery facilities;

Compaction equipment (shredders, balers, and compaction equipment);

Transportation vehicles used to implement the collection and disposal functions.

Hazardous waste management

Same list as solid waste management but also:

Deep injecion wells;

Storage facilities;

Treatment facilities.

Petroleum industry

Facilities to strip sulphur from gas streams to be combusted at the refinery;

Facilities to transport waste water to regional waste control facilities;

Floating roof storage tanks.

EXHIBIT 2

U.S. ENVIRONMENTAL PROTECTION AGENCY,

Washington, D.C., October 20, 1980.

Subject Expanding the Definition of Pollution Control Facilities Eligible for Industrial Development Bond Financing.

From Jack F. Fitzgerald, Acting Director, Economic Analysis Division.

To John Samuels. Tax Legislative Counsel, Department of Treasury.

As you know, we seek to extend Section 103 financing to: (1) process changes that control or prevent pollution, and (2) discrete equipment that removes a potential pollutant before its creation in a manufacturing

process. From our recent meeting with Ed Roche and John McMaster on this subject, I understand that the Department may be willing to extend the subsidy to discrete pollution prevention equipment, but continues to find our proposals unacceptable as applied to process changes. One objection raised was that EPA's administrative scheme for making process changes eligible was insufficiently precise and hence would be subject to abuse.

Upon reflection, we have developed a different approach to financing process changes that would give bond counselors and private firms little leeway to expand IDB use beyond what was intended by IRS.

Under our new approach, IRS and EPA would jointly establish an official list of generic process changes that are judged to significantly control pollution. For each process change on the list, the percentage of capital cost attributable to pollution control would also be specified. The list would be quite detailed and probably industry specific. It could be developed in the following manner.

IRS would ask industry to nominate types of process changes for IDB financing and to justify their choice, and to suggest what proportion of the capital cost should be eligible for financing. The justification would include engineering and economic data that:

Described the various pollution control options—including the process change—available to the sponsoring industry;

Demonstrated that the process change is the best of the options;

Indicated the economic (as opposed to pollution control) costs or benefits of the process change; and

Allocated the capital cost of the process change between pollution control purposes and other purposes.

IRS and EPA jointly would evaluate the industry nominations. IRS would promulgate with EPA's concurrence, a list specifying each eligible process change and, for each process change, the percentage of capital costs eligible for financing. The list could be revised periodically, and a procedure could be established for variances in special cases.

The most difficult step in this process probably would be determining the proportion of capital expenditures that should be eligible for IDB financing. Some arbitrary decisions might be unavoidable. IRS and EPA either would have to make a judgment that one sort of process change is more or less "for the purpose of" pollution control than another sort of process change, or would have to establish a method of computing this proportion based on financial information concerning the current process and the proposed new process. In the next section of this paper we discuss how the cost allocation percentages might be derived.

This entire process is similar to the current practice in setting depreciation lives to be used by firms for tax purposes. Under the ADR system, rather detailed engineering and economic judgments have been made, usually particular to specific industries, in order to establish the various (and numerous) classes and lives of capital assets. A procedure also exists for variances in special cases from the ADR guidelines.

ALLOCATION OF COSTS OF A PROCESS CHANGE

We would suggest using an allocation procedure that is similar to the one IRS now uses for end-of-pipe controls. Under this approach, the capital cost of a process change eligible for IDB financing would be adjusted downward to account for any economic benefits realized from the investment. More specifically, the difference between the capital cost of the process change and the discounted value of the net economic benefits would be the portion of the investment made "for the purpose of" pollution control. Thus,

$$K_p = K_T - B$$

where

K_p is the portion of the capital cost allocated to pollution control,

K_T is the total capital cost of the process change, and

B is the net economic benefits from the process change.

Also,

$$B = CF_{pc} - CF_o$$

where

CF_{pc} is the anticipated discounted present value of the cash flow of the firm after adopting the process change, and

CF_o is the discounted present value of the cash flow of the firm using the existing process.

We are under no illusions that this formula can be calculated precisely. The economic benefits may be exceedingly difficult to compute, as the process change may affect many aspects of the firms's operating performance. However, we do believe that this formula provides a sufficient guide for IRS and EPA to roughly allocate the costs of the process change. If the pollution abating process change produces insignificant or even negative economic benefits, the percentage of costs allocated to pollution control should approach 100. If, on the other hand, the process change appears justified solely on economic grounds, none of the costs should be eligible for Section 103 financing.

We should mention another aspect of the formula. It can be re-expressed as:

$$K_p/K_T = 1 - B/K_T$$

We would prefer to establish a single percentage of cost to be allocated to pollution control for each process change. But, if B/K_T varies significantly among plants that might adopt the process change, then the ratio K_p/K_T will also vary considerably.

In general, we expect that B/K_T will be reasonably constant for the same process change across different firms, since it depends mostly on the productive efficiency of the new process relative to the old process, and this comparison should not shift drastically from firm to firm. However, we can think of instances when B/K_T should not be relatively constant—where an old unit is replaced by a new, less polluting unit, for example. Consider replacing a conventional boiler with a fluidized bed boiler. In this case the net economic benefits of the process change will depend substantially on the age of the equipment which is replaced. The older the replaced equipment (the closer it is to retirement), the greater the economic benefits of replacing it with the new equipment. Instead of specifying one percentage for the cost of a fluidized bed boiler that should be eligible for Section 103 financing, we might need to specify a percentage that varied with the age of the boiler to be replaced. Thus, for example, when replacing a conventional boiler with a fluidized bed boiler, the rule might be specified something like: "The following percentages of fluidized bed boiler costs shall be eligible for Section 103 financing:

0 percent if the boiler to be replaced exceeds 20 years in age

20 percent if the boiler to be replaced is of 10–20 years in age

40 percent if the boiler to be replaced is of 5–10 years in age

60 percent if the boiler to be replaced is of less than 5 years in age."

NEW PLANTS

In existing plants, pollution control requirements may necessitate investment in a retrofit process change that generates economic benefits insufficient to earn a normal return. For a firm to invest in a new plant however, projected economic benefits must exceed capital costs. Thus our formula is not applicable for new plants, since it would never allow any capital costs to be attributed to pollution control. Alternative methods of making this attribution at new plants are as follows:

(1) Regard the pollution control costs as equal to the costs of the end-of-pipe facilities which are thereby avoided. For example, assume that fluidized-bed boilers are an eligible pollution-controlling new process for electric utilities. If a generating station using conventional boilers normally incurs an end-of-pipe pollution control cost of 20 percent of the total capital cost, while a fluidized bed station needs end-of-pipe equipment costing only 12 percent of the total capital cost, 8 percent of the capital cost of the fluidized bed station might be regarded as for pollution control.

(2) A limited number of novel, low-polluting processes, when installed at new plants, could be designated by IRS/EPA as worthy of subsidy. The proportion of capital cost to be eligible in each case for IDB financing would have to be set rather arbitrarily. This procedure would be similar to the proportional tax credits now given for investment in designated sorts of alternate energy property.

(3) Allow tax-exempt financing of only that pollution control equipment at new plants which contributes insignificantly to the production process. Under this approach, IRS/EPA would ask whether the production process could continue relatively unimpaired if the equipment in question were removed. If the answer was no, the equipment would be ineligible for the subsidy. This approach would tend to minimize the subsidy. One might justify this harsher treatment of new plants than of retrofits on the basis that retrofits present a better case for subsidy—old plants have environmental requirements imposed on them subsequent to construction, whereas new plants can be planned and built with full knowledge of environmental standards. This approach would, though, leave the bias toward end-of-pipe control techniques largely undiminished at new plants.

EXAMPLES

1. Pollution prevention:

The principle here is that IDB financing should be applicable to any discrete equipment that treats a material in such a way as to remove a potential pollutant before its creation in a manufacturing process. The proportion of the capital cost eligible for IDB financing should be determined through use of the formula currently used by IRS for discrete end-of-pipe equipment—the financable cost is essentially the total cost less any projected economic benefits.

Coal washing.—A common example of prevention equipment is a coal washing facility which removes sulfur from coal prior to combustion, thereby reducing or eliminating the need for desulfurization of coal-fired power plant emissions. The coal washing facility should be eligible for IDB financing whether it is at the power plant or at the coal mine.

Finishing agents.—Finishing agents are commonly applied to knitted and felted textiles to give them desired surface characteristics. One such agent frequently used is acrylic latex, which contains a few hundred parts per million (ppm) of unreacted ethyl acrylate monomer. In the oven when the finished textile is cured, this ethyl acrylate impurity is volatilized into the off-gases, and it creates a severe odor problem in the vicinity of the plant. The cost of stripping the ethyl acrylate from hot curing oven gases, the most obvious form of end-of-pipe treatment, is very high. This is because the

concentration of ethyl acrylate would have to be reduced below .002 ppm to reduce it below the odor threshold. However, an investigation of the latex manufacturing process showed that the ethyl acrylate monomer can be vacuum stripped to a few parts per million during manufacture of the latex, and the residual monomer totally destroyed by the addition of a suitable catalyst before the latex is applied. This prevention approach totally eliminates the odor problem from the textile finishing operation at a low cost. The cost of the vacuum stripper and the catalyst feed equipment should be eligible for Section 103 financing.

2. Process changes:

Conversion from direct heat to steam heat for product drying.—In the fish meal industry, fish are cooked and ground, and the oil is separated from the residue. The residue becomes saleable fish meal when it is dried normally in plate-shaped driers which are heated directly by a flame from below. Warm air is passed over the driers to carry away moisture. However, the direct heated driers are subject to local overheating, and the result is that a very small portion of the fish meal is scorched. Malodorous decomposition products from the burnt protein are discharged with the moist gasses from the driers. Stripping the large volume of gases from the drier is prohibitively expensive. The solution is to replace the direct fired driers with driers heated by steam. This produces a much more even heat and avoids scorching the meal, thereby avoiding the odor problem. A portion of the cost of the replacement driers should be eligible for Section 103 financing. The eligible cost should be given by the cost of the new driers less the economic benefits associated with the new driers that accrue because the new driers have a longer useful life than the partially depreciated old driers had.

Recirculation of exhaust gases for NO_x control.—Formation of NO_x from combusion in air can be reduced considerably by combustion modifications which reduce flame temperatures. In some boilers a portion of the flue gas can be cooled and returned to the boiler and mixed with the combustion air prior to combustion. The inert flue gas absorbs some of the energy released during the combustion process and thus reduces peak flame temperatures. This recirculation has little effect on the boiler's efficiency. Thus, the complete cost of the added-on recircualtion equipment—the cooling equipment, pipes, and pumps—should be eligible for Section 103 financing.

Mechanical food peeling.—One step in commercial processing of potatoes and tree fruit such as apricots, peaches and pears may be peeling. Traditionally, the peeling is accomplished by soaking the product in large volumes of a caustic soda solution. The result is a large volume of wastewater, with heavy COD and suspended solid loadings. A new process has been developed which accomplishes the peeling by a wiping action of flexible rubber disks on fruit wetted with a limited amount of hot caustic soda. The new process reduces wastewater volume by 93 percent, reduces COD and suspended solid loadings by 67 percent, and reduces product loss by 13 percent. The new process equipment should in theory be eligible for Section 103 funding. However, the economic benefits attributable to the new process are substantial. The benefits probably exceed the costs of the new process in most cases except where the old process equipment is of recent vintage and is relatively undepreciated. The proportion of the new process cost that is eligible for Section 103 financing should be above zero only when the old process equipment to be replaced is relatively undepreciated.

EXHIBIT 3

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., August 22, 1980.

Hon. JAMES R. JONES,
Cannon House Office Building,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. JONES: This is in response to your letter of July 11, 1980 to the Administrator requesting EPA's opinion on the desirability of making industrial development bonds (IDBs) available for financing pollution prevention activities. While EPA cannot speak for the Administration on the change you suggest, we are interested in it from an environmental standpoint because we believe it would help eliminate the current bias in our tax policy toward "end-of-pipe" pollution control.

By prohibiting the use of IDBs to finance facilities that prevent pollution, the IRS regulations provide a significant economic incentive to control pollution through "end-of-pipe" technologies. If we subsidize these technologies, then we also should afford similar financing alternatives for prevention activities. Our concern is that the IRS regulations may prompt a firm to invest in a less efficient approach (e.g., end-of-pipe control) simply because the after-tax cost is less than that for a more efficient approach (e.g., prevention technology).

The current IRS regulations also prohibit the use of IDBs to finance investments in process changes that may reduce or eliminate pollution. Again, we are concerned that this may cause private firms to select less efficient technologies for reducing pollution.

Expanding IDBs to cover process changes, however, may present administrative difficulties to IRS. Since IDBs should not be used to finance an entire investment in new process technology, the problem is how to estimate the amount of the investment that goes toward pollution control. We have developed a rather straight forward approach for addressing this problem, but it may require that IRS agents collect more data than is now available to them. We propose that the difference in cost between the old and new facilities (on a current dollar basis) be considered as pollution control costs. Differences in rated capacities and economic benefits of the facilities complicate the calculation, but we think it is possible to make adjustments to the calculation to take such differences into consideration.

We are working very closely with IRS and Treasury to examine the feasibility and desirability of expanding coverage of IDBs to include prevention and process change technologies. We believe Treasury could handle this matter within their statutory authority.

We have made some very preliminary estimates of the likely losses to Treasury caused by extending the coverage of IDBs to both prevention and process change technologies. IDBs currently are used to finance about $3 billion of an estimated $7 billion of annual expenditures by industry on new plant and equipment for pollution abatement. Using $4 billion as an upper limit for additional IDB financing in combination with reasonable assumptions regarding interest rates and marginal tax rates, yields an estimated annual tax loss of $94 million. However, in the second year of expanded IDB financing, the tax loss would be doubled (i.e. $188 million), in the third year it would triple, etc. In present value terms, the annual tax loss would amount to about $860 million.

We are working with Treasury on this matter and will ask them to provide us with more accurate estimates of the likely revenue loss as we develop specific detailed proposals.

Sincerely,
WILLIAM DRAYTON, Jr.,
Assistant Administrator
for Planning and Development.

By Mr. MOYNIHAN (for himself and Mr. PACKWOOD):

S. 170. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Finance.

CHARITABLE DEDUCTIONS

● Mr. MOYNIHAN. Mr. President, today I am introducing for Senator PACKWOOD and myself a bill to permit all taxpayers to deduct their charitable contributions, whether or not they itemize their other deductions.

This is identical to H.R. 501, as introduced on January 6 by Congressmen GEPHARDT and CONABLE.

This is the third consecutive Congress in which we have made this proposal. Last year our bill had 42 Senate cosponsors, and was approved by the Finance Committee as part of the tax cut package that was reported out and would have been considered by the full Senate had time and circumstances permitted. We anticipated widespread support by the full Senate for that proposal in the 96th Congress, and hope for even wider support in the 97th Congress that is now beginning. We also expect this year to have the support of the administration.

The 1980 Republican platform stated that "We support permitting taxpayers to deduct charitable contributions from their Federal income tax whether they itemize or not." This was reiterated in a telegram that Governor Reagan sent to the National Conference of Catholic Charities on September 18, 1980 in which he stated that "We support permitting taxpayers to deduct charitable contributions from their Federal income tax whether they itemize or not." I am submitting the full text of the President-elect's eloquent telegram, and ask unanimous consent that it be printed in the RECORD.

The telegram follows:

Rev. Msgr. LAWRENCE J. CORCORAN,
Executive Director, National Conference of Catholic Charities, Washington, D.C.

I deeply regret that prior campaign commitments preclude me from addressing your annual meeting in Rochester. I came to know by firsthand experience as Governor of California the excellence, efficiency, and true sense of human care of Catholic charities.

Particularly do I respect and commend the National Conference of Catholic Charities as the largest voluntary and private sector provider of social services designed to help with both effective low cost and warm compassion. You are living and heartening proof that person helping person, group helping group can do this needed work without Government interference.

I am strongly committed to this provision of our 1980 Republican platform: "The American ethic of neighbor helping neighbor has been an essential factor in the building of our Nation. Republicans are committed to the preservation of this great tradition.

To help nongovernmental community programs aid in serving the needs of poor, disabled, or other disadvantaged, we support permitting taxpayers to deduct charitable contributions from their Federal income tax whether they itemize or not.

Government must never elbow aside private institutions—schools, churches, volunteer groups, labor and professional associations—in meeting the social needs in our neighborhoods and communities."

Through long association with government programs, the world "welfare" has come to be perceived almost exclusively as tax supported aid to the needy. But in its most inclusive sense—and as Americans understood it from the beginning of the Republic—such aid also encompasses those charitable works performed by private citizens, families, and social, ethnic and religious organizations such as yours. Policies of the Federal Government leading to high taxes, rising inflation, and bureaucratic empire building have made it difficult and often impossible for such individuals and groups to exercise their charitable instincts.

Private sector organizations such as yours need this kind of indirect, substantial encouragement from the Federal Government—they do not need its further regulation and usurpation.

Most fundamentally, I share with you your respect for life, in its inception and in its quality. Be assured of my gratitude for your invitation and for your magnificent work.

RONALD REAGAN.

Mr. President, the essential change is not political or governmental. It is the widening appreciation by the American people of the unique and vital role played by private, nonprofit organizations and the importance of devising public policies that succor and sustain them and the charitable impulse that undergirds them. It is also a mounting wariness toward government monopoly and toward the enrichment of the public sector as the private is diminished.

Return for a moment to a period of extraordinary intellectual ferment, just before the great crises of our century: The World Wars, the Depression, the rise of totalitarianism. Social and political thought was deadlocked in a conflict between two powerful schools. On one hand stood the classical liberals, who asserted the sovereignty of the individual, and looked with skepticism upon most forms of collective human enterprise.

On the other hand, emerging from continental traditions both of socialism and conservative absolutism, stood the statists. They feared that such individualism would lead to the disintegration of society—reducing humanity, in Durkheim's powerful phrase, to "a dust of individuals."

In response to this dichotomy, a third tendency began to develop, a tendency that owed much of its strength to the Anglo-American experience. It was called pluralism. While it is not properly regarded as a school of political thought, its exponents stood more to the democratic left than to the right. Among them were English figures such as R. H. Tawney, C. D. H. Cole, and the young Harold Laski.

The pluralists challenged both the absolute sovereignty of the individual and the sovereignty of the corporate state. They argued that between the individual and the state were to be found a great array of social and economic entities. They believed in the strength of these voluntary, private associations—church, family, club, trade union, commercial association—lay much of the strength of democratic society. Such ideas had considerable resonance here. For as deTocqueville observed a century and a half ago:

In no country in the world has the principle of association been more successfully used, or more unsparingly applied to a multitude of different objects, than in America.

One ought not be smug about this, for voluntarism as it developed on this continent traces its roots to the other side of the Atlantic. In Britain especially, private charity had assumed vast proportions by the mid-19th century. As Prof. Calvin Woodard of the University of Virginia notes, in 1871 appropriations for the entire Royal Navy totaled £9 million, while the collections and disbursements of the London charities came to £8 million.

On these shores, the pluralist temper influenced the thoughts of Theodore Roosevelt and the progressive movement. And it can be heard distinctly in this passage from a speech that Woodrow Wilson delivered a few weeks before his election in 1912:

If I did not believe that monopoly could be restrained and destroyed, I would not believe that liberty could be recovered in the United States, and I know that the processes of liberty are the processes of life.

Wilson was indulging in a bit of uncharacteristic hyperbole, for liberty did not need to be "recovered" in the United States. It had never vanished. It is important to recall, however, that the monopoly of which he spoke was private sector monopoly, business monopoly. As I said at Skidmore College in May 1978:

The public life of Wilson's time was much absorbed with fear and detestation of private monopoly, and great chunks of political and social energy were consumed in devising strategies for controlling it. While this was not an easy undertaking at the time, the means were at least conceptually at hand. For the public sector itself—along with public regulation—offered a clear alternative to the private sector and one obviously responsive to public policy. Whereas it is impossible to enact a statute to create a private institution, it is a relatively simple matter to establish public ones and to restrain the activities of private counterparts. In the process, the public sector became powerfully associated with social progress and with liberalism generally perceived.

Then came the cataclysms of our century—wars and economic crises which appeared to require a centralization of public authority and an expansion of public services far beyond anything previously envisioned. In that context, the pluralists' ideas seemed cautious, deliberate, almost effete. Those seeking to meet social needs that individualism could not provide for turned more and more to the public sector, to the state, and away from the realm of private, voluntary associations.

To be certain, the results were salutary for the society. The result is an irreplaceable set of common provisions for the needy, the aged, and the sick. But we are reaching a point at which it begins to be necessary to consider policies which will maintain a sound balance between our private and public spheres. As I further remarked at Skidmore, recalling Wilson's injunction against monopoly:

With its continuing expansion, the public sector commences to displace the private, and to display some of the qualities of an enterprise that desires monopoly control.

Today, we begin to glimpse some questionable side effects of our mounting reliance upon Government. We see it, I believe, in such diverse phenomena as the unsteady condition of the family and the erosion of private education. We also see it in the faltering pace of our economic productivity and the cool impersonality that touches so many Government agencies. And if some in political life still do not see it, or will not see it, it appears that the public sees it, and is beginning to act upon that perception.

Is this a movement of selfishness, miserliness, or public lapse into what has been described as "degraded hedonism"? I think not. More likely, we are witnessing a generalized discontent with the vastness, waste, and unaccountability that now characterize much of the Government. Here, then, is the larger argument for the incentives to private giving that our proposal would provide.

But let it not be thought that our proposal embodies a simplistic reaction against Government or the political process. On the contrary, I believe that our politics and Government would be strengthened by renewed vigor in the voluntary sector. The relative decline of that sector has been accompanied, not by a rise in the prestige and competency of Government, but by the reverse. I am prepared to believe that the two can prosper alongside one another. Indeed, neither can serve us well without the other.

DeTocqueville understood this, as he did so many things:

A government can no more be competent to keep alive and to renew the circulation of opinions and feelings amongst a great people than to manage all the speculations of productive industry. No sooner does a government attempt to go beyond its political sphere and to enter upon this new track, than it exercises, even unintentionally, an insupportable tyranny; for a government can only dictate strict rules, the opinions which it favors are rigidly enforced, and it is never easy to discriminate between its advice and its commands . . . governments therefore should not be the only active powers: associations ought in democratic nations, to stand in lieu of those private individuals whom the equality of conditions has swept away.

We seek in this legislation to reestablish the fundamental principle that underlay the charitable deduction when it was written into the Internal Revenue Code in 1917. This is the principle that money given by an individual to charitable purposes is money that should not be taxed.

The principle is clear enough. What has been less well understood is its gradual erosion as the "zero bracket amount" has been increased and as taxpayers have found it advantageous not to itemize.

The effects have been felt by individuals, whose economic incentive to give to charity has been eroding. And the effects have been felt by charitable organizations whose donated income has been eroding.

Charitable giving, as a percentage of personal income, declined from 1.99 percent in 1970 to 1.90 percent in 1979. As each one-hundredth of 1 percent of personal income is equal to approximately $200 million, this decline means that total charitable giving in 1979 was some $1.8 billion less than it would have been if the levels of giving of just 9 years earlier had been maintained.

Our legislation would restore the charitable deduction's original character, and again make that deduction available to all taxpayers.

This could result in a tax reduction for millions of low- and middle-income families, and in increased charitable giving that would significantly exceed the attendant revenue loss to the Federal Treasury. Prof. Martin Feldstein, one of this Nation's most distinguished economists, estimates that if this deduction had been available in 1975, charitable contributions would have been $3.8 billion greater than they in fact were, at a cost to the Federal Treasury of about $3.2 billion.

The widening congressional support for this proposition is largely the result of the splendid work that local charitable organizations throughout the Nation have done in conveying to their elected representatives a sense of their current condition and of the importance of this legislation to their future condition. I commend them and the exemplary job of information gathering and disseminating done by the national umbrella organization we know as independent sector.

This has not been easy, particularly in view of the opposition to our proposal.

This we expected, knowing that it is difficult for government voluntarily to accept a diminution of its own role and an enhancement of the role of the nongovernmental sector.

Yet the fundamental rationale for our legislation is familiar to every American as a basic principle of federalism: That the National Government should assume only those responsibilities that cannot satisfactorily be carried out by the States, by the localities, and by the myriad private structures and organizations, both formal and informal, that comprise this society. Structures that include the family itself, the neighborhood, the church, and the many private nonprofit agencies to be found in every community in this land.

This issue is familiar to Americans as an aspect of federalism.

Consider the interpretation offered by Jacques Maritain, this century's foremost Thomist, in "Man and the State," published in 1951. Maritain refers to a "Process of Perversion" which occurs:

> When the State mistakes itself for a whole, for the whole, of the political society, and consequently takes upon itself the exercise of the functions and the performance of the tasks which normally pertain to the body politic and its various organs. Then we have what has been labelled the paternalist State: the State not only supervising from the political point of view of the common good (which is normal), but directly organizing, controlling, or managing, to the extent which it judges the interests of public welfare to demand, all forms—economic, commercial, industrial, cultural, or dealing with scientific research as well as with relief and security—of the body politic's life.

The "Paternalist State" has obvious manifestations, as when government commences to engage in activities previously handled by nongovernmental organizations and begins to provide services formerly provided by the private sector.

Many of these activities and services are not only proper but essential to the satisfactory functioning of a just social order. One cannot, for example, readily imagine cash assistance to the poor, the unemployed, the elderly and the disabled being provided as a matter of right other than by the state.

There is a more subtle manifestation of the absorption of the private sector by the public that is all the more worrisome because it is less noted. I refer to the gradual submersion of private organizations that occurs as they become dependent on the state.

Consider the consequences. Independence is eroded. Autonomy is undermined. Sovereignty diminished. The actions of the state become more important. The decisions of the state become more determinative. The ability to pursue objectives that the state does not share—in ways cannot share, perhaps should not share—is curbed.

The purpose of the "above the line deduction" is to redress the balance a little. It may not reverse the powerful historic trends but it will slow them. It will restore a little more independence to the voluntary sector. It will add a bit to the ability of the ordinary working man or woman to determine how, and on what, some of his or her money is spent.

It will in some small measure retard the process that has been described as the slow but steady conquest of the private sector by the public. It will enhance the ability of voluntary organizations to fill some of the void created by the constraints on government activity that contemporary economic conditions dictate, and that contemporary political trends increasingly demand.

It will enhance the abilities of religious charities, of the ASPCA, of the Audubon Society, of universities, museums and thousands of private nonprofit institutions and organizations to enhance the lives of millions of individuals. I believe this is worth doing.

I am submitting two illuminating recent discussions of the issues embodied in our proposal, and ask unanimous consent that these be printed in the RECORD at the end of my remarks. The first of these is a fine analysis of the economic considerations relevant to the Moynihan-Packwood and Gephardt-Conable bills by Hayden W. Smith, senior vice president of the Council for Financial Aid to Education, that was published in the September 1980 issue of Philanthropy Monthly. The second consists of almost the entirety of a splendid new Heritage Foundation study by Dr. Stuart M. Butler entitled "Philanthropy in America: The Need for Action."

I also ask unanimous consent that the full text of our bill be printed in the RECORD at this time.

There being no objection, the bill and articles were ordered to be printed in the RECORD, as follows:

S. 170

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 62 of the Internal Revenue Code of 1954 (defining adjusted gross income) is amended by inserting after paragraph (16) the following new paragraph:

"(17) CHARITABLE CONTRIBUTIONS.—The deduction allowed by section 170.".

(b) Subparagraph (E) of section 170(b)(1) of such Code (defining contribution base) is amended by inserting "and without regard to this section" after "section 172".

(c) Paragraph (1) of section 213(a) of such Code (relating to allowance of deduction for medical, dental, etc. expenses) is amended by inserting after "adjusted gross income" the following: "(determined without regard to paragraph (17) of section 62).".

(d) Section 213(b) of such Code (relating to limitation with respect to medicine and drugs) is amended by inserting "(determined without regard to paragraph (17) of section 62)" after "adjusted gross income".

(e) Subparagraph (A) of section 3402 (m)(2) of such Code (defining estimated itemized deductions) is amended by striking out "paragraph (13)" and inserting in lieu thereof "paragraphs (13) and (17)".

SEC. 2. The amendments made by the first section of this Act shall apply to taxable years beginning after December 31, 1980.

[From the Philanthropy Monthly, Sept. 25, 1980]

ABOVE-THE-LINE TAX TREATMENT FOR CHARITABLE CONTRIBUTIONS

(By Hayden W. Smith, Senior Vice President, Council for Financial Aid to Education)

The tax treatment of charitable contributions has been a matter of social and political concern since 1917 when the contributions deduction was first made a part of the income tax structure. The provisions of the tax law that now provide incentives for philanthropic giving are rooted in one of the deep philosophical convictions that are so uniquely American: that voluntary association and voluntary action should be encouraged in order to enhance the pluralism and diversity so essential to the strength of a free, democratic society. When structural changes in the tax law inadvertently weaken the incentives for giving, the proper case for a corrective change in the tax structure is essentially a derivative of this tenet of social philosophy.

THE STANDARD DEDUCTION

Of particular concern today is the adverse effect on charitable giving of the rapid expansion of the standard deduction since 1969. In this past decade, the standard deduction has been increased six times, with the result that the proportion of taxpayers itemizing their deductions for income tax purposes declined steadily from 47 percent in 1969 to 26 percent in 1977, and is estimated to have been about 30 percent in 1979. This means that for roughly three-fourths of the taxpayer population, there are now no specific tax considerations involved in the determination of the amounts of their charitable contributions.

SHORTFALL

In the absence of the tax incentives that are available to those who itemize, total giving by those who utilize the standard de-

duction has increased more slowly than personal income, and the annual total of charitable contributions from living individuals is believed now to be more than $1 billion less than it would have been had the standard deduction remained at its 1969 level.

Legislation to offset this adverse effect has been introduced and is now pending in the Congress. The Moynihan-Packwood bill (S. 219) and the Fisher-Conable bill (H.R. 1785) propose to alter the tax structure by extending the deduction for charitable contributions to all taxpayers whether or not they itemize their other deductions. This legislation is desirable as an expression of social and political philosophy. It is also desirable because it would be effective in "democratizing" the charitable contribution deduction and in raising the level of philanthropic giving.

The following analysis of the relevant data is offered in support of this assertion:

1. Since 1969, there has been a progressive decline in charitable giving as a percentage of personal income. That is, the growth of giving has not kept pace with the growth of income.

According to the best estimates currently available,* total giving by individuals rose from $14.71 billion in 1969 to $36.54 billion in 1979, an increase of 148 percent. During this same ten-year period, personal income rose from $746 billion to $1,924 billion, a gain of 158 percent. In relation to personal income, therefore, individual giving fell from 1.97 percent in 1969 to 1.90 percent in 1979.

While it may appear that this decline in the percentage of individual giving to personal income was not very significant, it should be noted that at current levels of personal income (over $2 trillion), each 0.01 percent change in this percentage amounts to more than $200 million in charitable contributions. If, for example, the percentage of giving to income in 1979 had been at its 1969 level, total giving would have been about $37.94 billion, some $1.40 billion higher than it actually was.

Most of the decline in charitable contributions as a percentage of personal income is believed to reflect reduced giving by persons in the lower and middle income groups, those for which the utilization rates for the standard deduction are relatively high. Estimates from the Joint Committee on Taxation for 1979, for example, show that for all income groups under $20,000 the proportion of nonitemizers was greater than 50 percent, and for those under $10,000 it was greater than 90 percent; by contrast, the proportion of nonitemizers was well below 50 percent for all income groups above $20,000. Fragmentary data from leading charitable organizations indicate that, while their contributions revenues have increased since 1969, the number of contributors has decreased. More importantly, the decrease in the number of contributors is primarily among those who give less than $25, essentially those in the lowest income groups.

The inference from these facts is that the progressive expansion of the standard deduction has caused a significant decrease in charitable giving in relation to income, especially among those in the lowest income groups. Since for the nonitemizer the net cost after taxes of a charitable gift is equal to the amount of the gift, there is no tax incentive to make a larger number of gifts or to give larger amounts than are induced by non-tax incentives. Taxpayers using the standard deduction, therefore, tend not to be fully participative in the voluntary sector.

2. The standard deduction (now called the "zero bracket amount") has been increased six times since 1969, and those changes have been closely associated with the decline in charitable giving as a percentage of personal income.

The relationship between the changes in the standard deduction and the changes in charitable giving as a percentage of personal income is shown in the following table:

	Billions of dollars		Giving as a percent of P.I.	Standard deduction [3]		
	Individual giving [1]	Personal income [2]		Percent of AGI	Maximum [4] (dollars)	Utilization rate, percent
1969	14.71	745.8	1.97	10	1,000	53
1970	15.92	801.3	1.99	10	1,000	52
1971 [5]	17.02	859.1	1.98	13	1,500	58
1972 [5]	18.19	942.5	1.93	15	2,000	65
1973	20.43	1,052.4	1.94	15	2,000	65
1974	22.33	1,154.7	1.93	15	2,000	64
1975 [5]	24.24	1,255.5	1.93	16	2,600	68
1976 [5]	26.59	1,381.6	1.92	16	2,800	69
1977 [5]	29.32	1,531.6	1.91	ZBA	3,200	74
1978	32.80	1,717.4	1.91	ZBA	3,200	71
1979 [5]	[6] 36.54	[6] 1,924.2	1.90	ZBA	3,400	[6] 69

[1] "Giving USA," AAFRC, 1980, p. 11.
[2] U.S. Department of Commerce.
[3] Percentages and maxima from Congressional Research Service; utilization rates from Internal Revenue Service.
[4] Maximums relate to married couples filing joint returns.
[5] Income years affected by change in standard deduction.
[6] Preliminary.
Note: ZBA=Zero Bracket Amount (flat rate).

As indicated, the decline in charitable giving as a percentage of personal income is closely associated with a rise in the utilization rate (i.e., the percentage of taxpayers utilizing the standard deduction). The closeness of this association is shown graphically on the adjacent chart in which charitable giving as a percentage of personal income is plotted against the percentage of itemizers among taxpayers filing taxable returns (for obvious reasons, the percentage of itemizers among those filing taxable returns is greater than the percentage of itemizers in the total taxpayer population).

It is widely believed that the progressive expansion of the standard deduction since 1969 has been an important factor in the progressive decline of charitable giving as a percentage of personal income. Had charitable contributions remained at the 1969 percentage of personal income throughout this period, the cumulative amount of giving for the decade of the 1970s would have been $5.48 billion more than it actually has been (see Appendix I).

3. Those who itemize their deductions give more to charity than those who utilize the standard deduction. This is true even for individuals within any given income group.

The available evidence indicates clearly that the level of charitable giving is positively associated with income. That is, individuals give more at high levels of income than at low levels of income. This relationship accords with everyday experience and simple logic; as incomes rise, people tend to give more in part because they have more to give. Levels of giving are also affected by factors other than income, one of which is the cost of giving, and the cost of giving, after taxes, is affected by the tax treatment of charitable contributions.

Because income tax rates are highly progressive with income, the after-tax cost per dollar of giving decreases as one goes up the income scale, provided that the taxpayer itemizes contributions and other personal deductions. For those who use the standard deduction, the after-tax cost of charitable gifts is equal to the amounts given, and this is true regardless of income. It is, therefore, hardly surprising that for individuals within any given income group those who itemize give more, on the average, than those who use the standard deduction.

A recent survey by the Gallup organization provides clear evidence of the magnitudes of these differences. Further, the data indicate that the ratio of average contributions for itemizers to the average for nonitemizers increases with income, as follows:

AVERAGE CHARITABLE CONTRIBUTIONS, 1978, BY LEVELS OF HOUSEHOLD INCOME

Household income	Average contributions		Ratio
	Itemizers	Nonitemizers	
Under $5,000	$203	$112	1.8
$5,000 to $9,999	300	165	1.8
$10,000 to $14,999	324	249	1.3
$15,000 to $19,999	652	222	2.9
$20,000 to $49,999	658	281	2.3
$50,000 and over	1,253	227	5.5
Total	652	210	3.1

Source: Survey of the Public's Recollection of 1978 Charitable Donations (Princeton, The Gallup Organization, July 1979).

It is true, as a spokesman for the U.S. Treasury Department contended in testimony to the Senate Finance Committee, that factors other than the after-tax cost of giving may account for some of these differences. Indeed, it is even true that many individuals are itemizers precisely because they make relatively large charitable gifts independently of tax considerations. However, the giving behavior of individual taxpayers and their decision to itemize or not to itemize is sensitive to the after-tax cost of giving at all income levels even though other factors such as home ownership, total assets, and the character of income may influence the results.

Econometric studies by Professor Martin Feldstein of Harvard University and others, based on data from widely differing sources, show beyond any reasonable doubt that levels of giving are sensitive to the after-tax cost of giving. The statistical method used in these studies separates the tax effect (the after-tax cost, or "price", of giving) from the effect of income and other factors that influence charitable giving. There is a remarkable degree of consistency and relative precision in these studies, even though they are based on different years and different types of data. While the numerical results also differ slightly from one study to another, they all show that the tax effect is positive: that is, the level of giving tends to increase as the after-tax cost of giving decreases.

For those who do itemize, the after-tax cost of a given level of contributions is reduced by the amount of their tax saving. Consequently, they can and do, increase their levels of giving without incurring any

*Giving USA, (New York, American Association of Fund-Raising Counsel, 1980).

increase in the after-tax cost as compared to what they would be willing to bear if no deduction could be taken.* For those who do not itemize, the after-tax cost of giving is equal to the amount of their contributions. Consequently, they have no tax incentive to increase their levels of giving beyond the amounts determined by income and other factors.

4. Under the Moynihan-Packwood bill (S. 219) and the Fisher-Conable bill (H.R. 1785), the deduction for charitable contributions would be allowed as a deduction from gross income in arriving at adjusted gross income. This change would give recognition to the fact that a charitable contribution is a transfer of income rather than a personal consumption expenditure. The distinction between these two concepts is important.

Personal consumption expenditures reflect payments in exchange for goods and services received. The present tax law allows deductions for certain expenditures of this type, including medical expenses, certain state and local taxes paid, interest payments on personal debts, and the costs of making good various casualty losses. In all these cases, the expenditure involves a reverse flow of goods or services which are of direct benefit to the individual.

An income transfer, by contrast, reflects a payment not for goods and services received. Such a payment is a unilateral outlay for which there is no reverse flow of direct benefit to the individual. It involves a reduction in the level of income available for the individual's enjoyment, not an expenditure for which he or she receives something in return.

Under present tax law, charitable contributions are treated as though they constitute items of personal consumption, while they are in essence transfers of income from the individual to charitable organizations. The proposed changes in the tax law would correct this situation by treating charitable gifts as reductions in taxpayers' incomes. The effect of these changes would be to tax only the income remaining to taxpayers after they have made such transfers to charity as they may elect.

5. The proposed change in the tax treatment of charitable contributions would result in a reduction of tax revenue for the Treasury, but many believe that it would also result in an increase of charitable giving that is larger than the loss of tax revenue.

It is clear that the adoption of above-the-line treatment of charitable contributions would result in a decrease in tax revenue from individual taxpayers, primarily those now using the standard deduction. The change would result in a decrease in their adjusted gross incomes and a decrease in their taxable incomes, and, therefore, a decrease in taxes paid. Whatever the amount of decrease in tax payments, the after-tax incomes of nonitemizers would increase by an equivalent amount unless the change in the law also induced an increase in charitable giving.

It is widely believed that the extension of the charitable contributions deduction to nonitemizers will induce a positive change in charitable giving. As a theoretical matter, giving will rise both as a result of the rise in after-tax income and as a result of the fall in the after-tax cost of additional giving. As a practical matter, there is some uncertainty about the dollar magnitudes of these changes, but the available estimates do not differ significantly.

According to Treasury, the revenue loss, or cost, of this legislation would be $3.0 billion annually without considering any of the incentive effects. This estimate includes $2.5 billion in "deadweight" revenue loss from the deductions to be claimed by nonitemizers for their current levels of giving, and $0.5 billion in revenue loss due to itemizers who would reduce their tax liability by switching to the standard deduction without making any additional gifts to charity.

According to the staff of the Joint Committee on Taxation, the revenue loss would be $2.4 billion in 1981, rising to $3.5 billion in 1985.

According to Professor Feldstein, tax revenues in 1975 would have been from $3.1 to $3.3 billion lower than they actually were had the proposed change been in effect in that year. These estimates reflect alternative assumptions about the "price elasticity" (i.e. the sensitivity of giving to the price) of charitable giving, and include allowances for taxpayers who would have switched to the standard deduction.

More important than the loss of tax revenue is the impact of the change on levels of charitable giving. There is some dispute as to the amount by which charitable contributions will increase and how fast the increased giving will proceed.

According to Professor Feldstein, total contributions in 1975 would have been from $2.9 to $4.6 billion higher than actual if the proposed legislation had been in effect in that year. His best estimate is a $3.8 billion increase in giving as against a $3.2 billion revenue loss. The ranges around these numbers merely reflect alternative assumptions about the sensitivity of giving to the after-tax cost.

According to the Treasury Department, there is a great deal of uncertainty about the sensitivity of giving in relation to cost as to the low and middle income taxpayers who constitute the bulk of nonitemizers. Treasury concedes that individuals with high marginal tax rates are highly sensitive to the cost of giving, but argues that those with low and moderate incomes are so insensitive to the cost of giving that any increased giving that the proposed legislation induces them to make would be less than the amount of their tax savings.

Treasury also argues that any increase in giving as a result of above-the-line treatment of contributions would not occur immediately but would be spread out over time, possibly not reaching its full value for six or more years. This lagged effect implies that the revenue loss would be immediate and would greatly exceed the gain in charitable contributions throughout the period of adjustment.

Both the Treasury arguments and the Feldstein statistical studies fail to take full account of the efficiency of charitable fund raising. Whatever the statistical studies may show as to price sensitivity and giving lags in the past, the enactment of above-the-line treatment for contributions will undoubtedly trigger an immediate awareness of the tax savings to be associated with increased giving across a very broad spectrum of the population. Taxpayers themselves, their tax accountants, lawyers and other professional tax advisors, and, above all, the recipients of charitable gifts, will all recognize and act upon the change in the tax law with a minimum of delay. Information to the effect that potential gifts would be tax deductible is already included in charitable solicitations despite the fact that a majority of taxpayers now utilize the standard deduction. Once the deduction is available to all taxpayers, the use of the tax calculus in solicitation is certain to be increased in both depth and breadth by the donee organizations and their professional fund raisers. Just how effective will be this new emphasis on the tax savings associated with philanthropic giving is a matter for speculation, but it is certain to be substantial and immediate.

6. A detailed examination of the income characteristics of nonitemizing taxpayers provides support for the view that S. 219 would have its most important impact on taxpayers whose giving behavior is sensitive to the tax incentives, and that the additional giving induced by the change in the law would exceed the loss of revenue to the Treasury.

Treasury has contended that nonitemizers are primarily low and middle income taxpayers whose giving may well not be sensitive to tax incentives. It is argued that the empirical studies on this subject have yielded results that are at best inconclusive, and that it is possible, even probable, that S. 219 would result in a large "windfall" reduction in this group's taxes with relatively small effect in terms of induced giving.

This argument fails adequately to recognize the characteristics of those who do not itemize. New data on this subject were obtained from the staff of the Joint Committee on Taxation and are summarized in the following table:

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*A numerical example may be useful here. Assume a taxpayer filing a joint return with four exemptions and $20,000 of adjusted gross income. If he does not itemize, his tax will be $2,271 and his after-tax income will be $17,729. He is willing to give $400 to charity and thus to reduce his "disposable" income to $17,329, even though he cannot take a deduction for his gifts. That is, he is willing to bear an after-tax cost of $400 for his $400 in contributions. Now assume that he can take a deduction for his gifts in addition to the "zero bracket amount." His tax will be $2,186 and his after-tax, "disposable" income will be $17,414 ($20,000 less $2,186 in tax and $400 in gifts). Since he is willing to reduce his after-tax, disposable income to $17,329, he can increase his charitable giving by an amount that will cause his income to decrease an additional $85. The arithmetic in this case works out to an additional $116 in charitable contributions. That is, the taxpayer now makes $516 in charitable contributions, pays $2,155 in taxes and has $17,329 of "disposable" income left after taxes. The deductibility of his gifts has enabled the taxpayer to increase the amount of his gifts by 29 percent without any decrease in his income after taxes and gifts. In this example, the increase in contributions is exactly equal to the decrease in taxes. This need not be the case. Since this taxpayer is in the 21 percent tax bracket and the after-tax cost of an additional $1.00 in giving is only 79 cents, he might well increase his giving by more than $116 despite the fact that it would decrease his "disposable" income. If he does, then the increase in his giving would be greater than the decrease in his taxes. (See Appendix II).

NONITEMIZERS BY INCOME CLASS AND TAXABILITY, 1979

[Estimates, in thousands]

Expanded income [1]	Total returns		Taxable returns		Nontaxable returns	
	Amount	Percent	Amount	Percent	Amount	Percent
Below $5,000	21,444		4,501		16,943	
$5,000 to $10,000	16,937		13,119		3,818	
$10,000 to $15,000	11,092		10,974		118	
$15,000 to $20,000	6,747		6,737		10	
$20,000 to $30,000	6,210		6,196		14	
$30,000 to $50,000	1,496		1,496			
$50,000 to $100,000	178		178			
$100,000 to $200,000	20		20			
$200,000 and over	3		3			
Total	64,127	100.0	43,224	67.4	20,903	32.6
Below $15,000	49,473	100.0	28,594	57.8	20,879	42.2
$15,000 and over	14,654	100.0	14,630	99.8	24	.2

[1] AGI plus tax preferences (largely excluded capital gains) less investment interest expense to the extent of investment income.

There are several observations to be made about these data:

a. Some 49.5 million nonitemizers, or 77.1 percent of all nonitemizers, have incomes below $15,000. This is the group that Treasury had in mind as low income taxpayers whose giving behavior is not sensitive to tax incentives.

b. However, nearly 21 million of these low income taxpayers, or 42.2 percent of all low income nonitemizers, filed nontaxable returns. Presumably, they had to file tax returns either to obtain refunds of taxes withheld from wages and salaries, or to claim the earned income credit, or both. Those nonitemizers filing nontaxable returns were virtually all in the under-$10,000 income classes.

c. The Moynihan-Packwood bill would have virtually no effect on the giving behavior of those who file nontaxable returns. Above-the-line treatment of charitable contributions would not result in any tax saving, and would not reduce the after-tax cost of giving, for any of those whose incomes are otherwise nontaxable. Likewise the Moynihan-Packwood bill would have virtually no effect on the tax revenue from those who file nontaxable returns. It would not have any effect on the earned income credit which can be claimed by those with incomes less than $6,000, and this group constitutes more than 80 percent of those who file nontaxable returns. In a few instances, those with incomes between $6,000 and $10,000 may be able to claim a slightly larger earned income credit, but the amounts are small and the total cost to the Treasury is not likely to be larger than $75 million.

d. Roughly 28.6 million nonitemizers with incomes under $15,000 filed taxable returns. This group constitutes 44.6 percent of all nonitemizers and 57.8 percent of nonitemizers with incomes under $15,000. These taxpayers face marginal tax rates from 14 percent to 32 percent, depending on filing status, number of exemptions and exact AGI. According to the Gallup survey, average giving by nonitemizers at these income levels ranged from $112 to $249, which implies that average tax savings from above-the-line treatment of gifts varies from $15 to $80. In the absence of any induced giving, the "windfall tax cuts" for this group would amount to about $1.1 billion. There would be some increase in giving by these taxpayers as a result of S. 219, but it is uncertain as to whether it would be as large as or larger than these cuts in their taxes.

e. The nonitemizers with incomes of $15,000 and over constitute an important group in terms of the impact of S. 219. There are 14,654,000 such taxpayers. While this group constitutes only 22.9 percent of all nonitemizers, it makes up 38.5 percent of all taxpayers (itemizers plus nonitemizers) reporting incomes of $15,000 and over. Virtually all of these nonitemizers filed taxable returns in 1979. While they constitute 33.8 percent of all nonitemizers filing taxable returns, they make up 38.6 percent of all taxable returns for $15,000 or more of income. Clearly this group of nonitemizers is numerically significant.

f. Nonitemizers with incomes of $15,000 and over who file taxable returns are of special interest. All but 1.4 percent of them have incomes between $15,000 and $50,000. For this group, the marginal tax rates range from 18 percent to 55 percent, depending on filing status and number of exemptions. Such rates are significant in terms of the after-tax cost of charitable contributions, as is also true for the 201,000 nonitemizers with incomes of $50,000 and over.

g. According to the Gallup survey, average giving by nonitemizers with incomes between $15,000 and $50,000 ranged from $222 to $281, which implies that average tax savings from above-the-line treatment of gifts would vary from $40 to $155. In the absence of any induced giving, the "windfall tax cuts" for this group would amount to about $1.2 billion.

h. The tax incentives for increased giving are peculiarly applicable to those whose incomes are above the $15,000 average, and this implies that S. 219 would induce a significant increase in charitable giving by nonitemizers with $15,000 or more of income. The theoretical elasticity of giving with respect to "price" (one minus the tax rate) equals −1.22 at the 18 percent tax bracket and reaches −2.22 at the 55 percent tax bracket.* Charitable giving for nonitemizers with $15,000 or more of income is estimated to have been more than $4.6 billion in 1979; assuming an average elasticity of −1.5 for this group, the induced increase in charitable giving would amount to $2.3 billion or more as a result of S. 219.

i. This $2.3 billion of induced giving for those with incomes over $15,000, plus perhaps $0.6 billion for those with incomes under $15,000, yields a rough estimate of $2.9 billion of additional contributions as a result of S. 219. This compares with an estimated "tax cut" of $2.3 billion.

These figures, like those published by Treasury, Professor Feldstein, and others, are essentially "ballpark" variety. They differ from the other estimates in that they are based on a theoretical elasticity of giving with respect to price that is income-specific and limited in application to taxpayers filing taxable returns. Clearly, any evaluation of the effects of above-the-line treatment of charitable giving should exclude taxpayers filing nontaxable returns.

*See Appendix II.

APPENDIX I

REDUCTION IN CHARITABLE GIVING DUE TO DECREASES IN GIVING AS A PERCENTAGE OF INCOME, 1969–79

	Total individual giving (1)	Personal income (2)	Giving as a percentage of income (3)	Giving at 1969 percentage of income (4)	Giving at 1969 percentage of income less actual giving (5)
1969	$14.71	$745.8	1.972	14.71	0
1970	15.92	801.3	1.987	15.80	0.12
1971	17.02	859.1	1.981	16.94	−.08
1972	18.19	942.5	1.930	18.59	+.40
1973	20.43	1,052.4	1.941	20.75	+.32
1974	22.33	1,154.7	1.934	22.77	+.44
1975	24.24	1,255.5	1.931	24.76	+.52
1976	26.59	1,381.6	1.924	27.24	+.65
1977	29.32	1,531.6	1.914	30.20	+.88
1978	32.80	1,717.4	1.910	33.87	+1.07
1979	36.54	1,924.2	1.899	37.94	+1.40
Total					+5.48

Note:
(1) Giving USA, AAFRC.
(2) U.S. Department of Commerce.
(3) Col. 1 as a percentage of col. 2.
(4) Col. 2 times 1969 percentage.
(5) Col. 4 minus col. 1.

This analysis has been limited to considerations of an economic character as to the impact of the proposed change in the tax law embodied in the Moynihan-Packwood and Fisher-Conable bills. It is quite clear that this legislation, if enacted, would cause a decrease in tax revenue to the Treasury and an increase in charitable giving. While the numbers derived above, like those derived by Professor Feldstein, indicate that the gain to charity would exceed the loss to Treasury, such an outcome, even if known with certainty, is not a necessary or sufficient condition for the adoption of the proposed legislation.

What is a necessary and sufficient condition is a question of political and social philosophy. Passage of the charitable contribu-

tions legislation would reaffirm the country's commitment to voluntary association and voluntary action as opposed to reliance on government for the solution of contemporary problems. If this is a matter of sufficient importance, then the numbers are really of minor significance.

APPENDIX II

(For those interested in mathematics)

The elasticity of giving with respect to "price" is a theoretical concept. It is defined as the percentage increase in the amount given to charity per percentage point decrease in the price of giving. Since the price of giving is a function of the tax rate and the tax rate is a function of income, the theoretical elasticity of giving with respect to price is income-specific; that is, the elasticity will vary with income.

For an individual taxpayer, let r=the (marginal) tax rate, G=the amount of charitable giving, and C=the after-tax cost of charitable giving; then

$$C=G(1-r)$$

and

$$G=\frac{C}{1-r}$$

If the tax rate changes, then 1−r (the price of giving) also changes and the amount of charitable giving will change for a given C, as follows:

the change in giving,

$$\Delta G=G_2-G_1=\frac{C}{1-r_2}-\frac{C}{1-r_1}$$

and the percentage change in giving is

$$\frac{\frac{\Delta G}{G_1}}{}=\frac{\frac{C}{1-r_2}-\frac{C}{1-r_1}}{\frac{C}{1-r_1}}=\frac{1-r_1}{1-r_2}-1=\frac{r_2-r_1}{1-r_2}$$

For all nonitemizers, P.=1 because r.=0 with respect to their charitable giving. The adoption of above-the-line treatment for contributions is in effect a change in the tax rate, and the price of charitable giving is now income specific. For the lowest tax bracket,

$$r_2=.14, \text{ and } E=-1/.86=-1.16,$$

for the highest tax bracket,

$$r_2=.70, \text{ and } E=-1/.30=-3.33$$

In the case of the taxpayer in the 21 percent bracket. E=−1.27, and since G_1 was $400, $G_2=1.27\times\$400=\$506.33$. This differs from the result shown in the footnote on page 582 only because of the discrete steps in the Treasury's tax tables.

Now the elasticity of giving with respect to price is equal to the percentage change in giving divided by the percentage change in price:

$$E=\frac{\frac{\Delta G}{G_1}}{\frac{(1-r_2)-(1-r_1)}{1-r_1}}=\frac{\frac{r_2-r_1}{1-r_2}}{\frac{r_1-r_2}{1-r_1}}=\frac{1-r_1}{1-r_2}=\frac{P_1}{P_2}$$

that is, the elasticity of giving with respect to price is simply the ratio of the price before a change in tax rate to the price after a change in tax rate, and is opposite in sign.

PHILANTHROPY IN AMERICA: THE NEED FOR ACTION

(By Stuart M. Butler)

INTRODUCTION

"Americans of all ages, all stations of life, and all types of dispositions are forever forming associations. . . . Americans combine to give fetes, found seminaries, build churches, distribute books, and send missionaries to the antipodes. Hospitals, prisons and schools take shape in that way. Finally, if they want to proclaim a truth or propagate some feeling by the encouragement of a great example, they form an association. In every case, at the head of any new undertaking, where in France you find the government or in England some territorial magnate, in the United States you are sure to find an association." Alexis de Tocqueville, Democracy in America (1835)

As de Tocqueville observed during his travels through America, the private support of social activities and services is a deeply rooted element of the American way of life. In the colonial and early national period, it was quite common for leading citizens to promote the private funding of civil projects. Benjamin Franklin, for example, was instrumental in the creation of numerous philanthropic associations. He assisted in the foundation of a volunteer fire company, developed plans for lighting and paving the streets of Philadelphia, and was responsible for raising funds to found both the Pennsylvania Hospital and the academy which ultimately became the University of Pennsylvania. Although Franklin might have displayed more enthusiasm than most, he was typical of the age in his sense of duty. As one social historian has noted, during the Revolutionary era:

"Groups were formed for every imaginable purpose—to assist widows and orphans, immigrants and Negroes, debtors and prisoners, aged females and young prostitutes; to supply the poor with food, fuel, medicine, and employment; to promote morality, temperance, thrift, and industrious habits; to educate poor children in free schools; to reform gamblers, drunkards, and juvenile delinquents." [1]

The use of non-profit voluntary associations to promote public ends has remained a basic feature of American society. It was almost uniquely an American development of the eighteenth-century concepts of self-advancement and improvement; a realization that it is in the interests of a society founded on individual initiative for it to seek voluntary, private means of acquiring the social services needed by the communities within it. This understanding that social responsibility is not merely a moral duty, but that it is also the long-term interest of each individual to encourage the betterment of his community, lies at the heart of the American tradition of philanthropy, and has helped preserve the decentralized, pluralist society that is the United States.

This belief in private philanthropy is as strong today as it was in the early days of the Republic. A Gallup poll conducted in 1972 showed that over 70 percent of the population believe that private giving to health agencies, education, and welfare organizations is at least as important today as in the past, and a majority felt that it was even more important.[2] A poll commissioned by the Heritage Foundation in February-March 1980 gave similar results. Approximately 70 percent of the population oppose the trend towards the use of taxpayer's money to finance activities previously funded by the voluntary sector. The same proportion feels that private organizations have a better track record than government in providing charitable services (see appendix).

Private philanthropy is widely seen as a vital alternative to government provision of services based on compulsory "donations" (i.e., taxation). The private charity is noncoercive, and so reflects accurately the cumulative choices of individuals regarding social needs in a manner that congressional bargaining cannot hope to do. In a democracy, the tendency will always be for public support to be given only to those groups with whom the majority sympathizes, and to those institutions which further the existing attitudes of society. The voluntary sector, on the other hand, allows support to be channeled to social groups and institutions which do not necessarily enjoy the favor of the majority. This encouragement is essential for the preservation of a free and pluralist society, where alternative attitudes and approaches are tolerated and can be assessed for their value. A strong voluntary sector acts as a bridge between those with creative ideas and dedication, and those with the means and desire to assist them.

The notion of pluralism is deeply rooted in the American tradition, and it has been responsible in great measure for the remarkable evolution of American society. A pluralist society is by its very nature more efficient than uniform systems in overcoming the problems of a community and responding to its changing needs and desires. When the state maintains monopoly in the support of social experiments and services, the society will be less free and will advance more slowely. As John Stuart Mill observed in his essay *On Liberty* (1859):

"Government operations tend to be everywhere alike. With individuals and voluntary associations, on the contrary, there are varied experiments, and endless diversity of experience. What the state can usefully do is to make itself a central depository, and active circulator and diffuser of the experience resulting from many trials. Its business is to enable each experimentalist to benefit by the experiments of others; instead of tolerating no experiment but its own."

The appreciation in America of the relationship between pluralism, freedom and progress lies behind the principle of tax exemption for charitable organizations and that of tax deductibility for gifts made to such institutions. As the House Ways and Means Committee stated in its report on the 1938 Revenue Act:

"The exemption from taxation of money or property devoted to charitable and other purposes is based upon the theory that the government is compensated for the loss of revenue by its relief from financial burden which would otherwise have to be met by appropriations from public funds, and by the benefits resulting from the promotion of the general welfare." [3]

The basis of tax exemption, in other words, is that charitable organizations fulfill functions which would otherwise fall on the shoulders of government. They are an alternative to government provision, and thus it would be inefficient and damaging to tax them. Similarly, making donations to charities or charitable foundations can be seen as an alternative to having to fund government services through taxation. It is therefore reasonable to exempt such donations from taxation because they reduce the need for taxation. An additional argument comes from the point made earlier that the voluntary sector provides support for valuable organizations and groups in society which would be passed over by a purely democratic allocation of funds: the charitable deduction provides a means whereby such organizations can be fostered.

Tax exemption for philanthropic activities can also be justified from an efficiency standpoint. As several studies to be mentioned later have shown, the charitable tax deduction generates more support for charitable ventures than it costs the Treasury in taxes lost. It is more cost effective to allow a deduction on money donated to, say, a school than to tax the donation and spend it on the same school. The inhibiting effect of the tax on the donor, and the administrative cost involved, would lead to a reduction in total support.

Furthermore, a strong voluntary sector brings with it the efficiency of the market system. Charities depend for their support on showing that they provide the services which the donor wishes to support in a more effective way than competing alternative institutions (including government). If the

Footnotes at end of article.

organization does not do this, and does not innovate, it will gradually lose support to other bodies. This filtering out process is at the root of the private enterprise system, and provides the spur to efficiency and responsiveness in the voluntary sector. By encouraging the sector through a tax exemption, the government is promoting the efficient provision of research and services.

Although the value of private philanthropy is well understood in America, the voluntary sector is currently under threat as never before. As a result of the 1969 Tax Reform Act—legislation aimed ostensibly at improving the charitable process—the principle of tax exemption has been undermined, leading to fundamental changes in the level and pattern of giving. This erosion of the principle is a serious precedent and poses great dangers for philanthropy. As Chief Justice John Marshall explained in the early days of the Republic, the power to tax is the power to destroy. The 1969 legislation has shown the truth of Marshall's observation. Changes in the tax code, which will be examined later in this study, have seriously inhibited charitable giving and jeopardized the continued existence of many foundations. Indeed, it was one of the expressed intentions of the 1969 act to encourage a high turnover rate among private foundations by forcing them to increase the dispersal rate of their assets.

Philanthropy is also threatened by other legislation passed in recent years. Expanding state and federal regulation of charitable organizations is slowly strangling the sector in red tape. This has resulted in an increase in accounting and legal costs for organizations and has inhibited the creation of new bodies to replace those winding up their activities as a consequence of the 1969 act.

These changes in the tax code and the growth of regulation have produced a crisis in private philanthropy. Because of inflation, the underlying trends are not always obvious when one examines the current figures for the sector. But, as this study will demonstrate, the trend in giving in real terms underwent a dramatic change after 1969. Private foundations—the clearing houses of philanthropy—have been especially damaged: real giving to and by them has fallen significantly and constantly. There is no reason to believe that there will be any turnaround in this pattern until major reforms in the tax law are enacted. If these changes are not made, and made soon, we will see the decline of private, voluntary philanthropy and its replacement by government services financed by taxation.

This study will first examine the scale and importance of private philanthropy in America, showing how funds are distributed among various types of charity and how the pattern has changed over the years. The law regarding charitable giving will then be considered in detail. It will be shown that legislation since 1969 has seriously inhibited private philanthropy in a number of ways. Finally, the broad implications of the present law will be reviewed, together with the reforms needed to restore philanthropy to its proper place in society.

Norman B. Ture, President, Institute for Research on the Economics of Taxation.

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1—PRIVATE PHILANTHROPY IN AMERICA—AN OVERVIEW

Scale and distribution

Contributions to charity appear to have grown dramatically since World War II; and measured in current dollars, total giving more than doubled between 1970 and 1978, to a level of nearly $40 billion. Tables 1 and 2 indicate this growth and the pattern of allocation. As is the case with time series presented without an adjustment for inflation, however, the data in these tables disguise the real trend in giving. If one takes inflation into account, quite a different picture emerges, and one which gives cause for concern. Before the mid-1960s, inflation was not a significant factor in comparing financial statistics over time. But between 1960 and 1970 the price level rose by 31 percent, and between 1960 and 1978 prices more than doubled.

Tables 3 and 4 show the level and pattern of giving when adjustments are made for inflation since 1960. Between 1960 and 1970 total real giving increased by 64 percent. In the 8 years between 1970 and 1978, however, real giving increased by only 20 percent, despite the 106 percent rise when measured in current dollars.

Contributions from foundations and charitable bequests have actually fallen during the 1970s, in real terms, and this change has been reflected in the receipts of certain forms of charity. The income of religious organizations, for example (which comes predominantly from small individual donors), has kept pace with economic growth, but giving to education and health, where foundations and bequests are important, has stagnated in real terms, despite a 20 percent rise in population from 1970 to 1977.

Evidence to the Commission on Private Philanthropy and Public Needs (known as the Filer Commission)[4] published in 1977, suggests that the impact of inflation and tax law changes on philanthropy may have been even more adverse than the above statistics indicate. The cost of services tends to rise faster than the general rate of inflation, and so charitable associations providing welfare and other services tend to suffer higher rates of cost increases than the average, since they are labor intensive.[5] Thus, in a period of inflation, these organizations need a correspondingly greater increase in income than that necessary to cover average price rises, merely to maintain a constant level of services. One research paper presented to the Commission attempted to incorporate this factor into the calculations, and concluded that even the apparently buoyant religious sector has experienced a downturn in its share of GNP in the 1970s.[6]

Categories of donors

Individuals

By far the largest segment of donated funds is contributed by individual citizens. This may take various forms. It may be a gift of cash, which can be deducted from taxable income (if the contributor itemizes deductions). It may, on the other hand, be a gift in the form of stock or other property which may be deducted on the basis of saleable value. It could also be a bequest, which would result in a reduction of estate tax.

Foundations

Contributions may also be channeled through an independent private foundation, often set up by a single family or small group. There are approximately 24,000 such foundations in the United States: For the most part they are small, although some, such as the Ford and Rockefeller Foundations, have assets of hundreds of millions of dollars.

Footnotes at end of article.

TABLE 1.—ESTIMATED CONTRIBUTIONS TO PHILANTHROPY IN THE UNITED STATES, 1930–78 (SELECTED YEARS)

[In billions of dollars]

Source	1930	1940	1950	1960	1965	1970	1972	1974	1976	1978
Individuals	0.9	1.1	3.7	7.2	9.3	14.4	16.9	19.8	23.5	32.8
Foundations	.03	.06	.1	.7	1.1	1.9	2.2	2.1	2.1	2.2
Business corporations	.01	.04	.3	.5	.8	.8	.8	1.3	1.4	2.0
Charitable bequests	.2	.1	.2	.6	1.0	2.1	2.7	2.1	2.4	2.6
Total	1.14	1.3	4.3	8.9	12.2	19.2	22.7	25.3	29.4	39.6

Note: Due to rounding, individual entries do not necessarily add up to the totals.

Source: American Association of Fund-Raising Counsel, Inc., "Giving USA" (New York). Department of the Treasury, "Research Papers Sponsored by the Commission on Private Philanthropy and Public Needs" (Washington, D.C., 1977), vol. III, p. 1612.

TABLE 2.—ALLOCATION OF PHILANTHROPIC FUNDS, 1960–78 (SELECTED YEARS)

[In billions of dollars]

Recipient	1960	1965	1970	1972	1974	1976	1978
Religion	4.5	6.0	8.3	9.8	10.9	12.8	18.4
Education	1.4	2.1	3.1	3.6	3.7	4.1	5.5
Welfare[1]	1.3	.9	1.4	1.6	2.3	2.7	4.0
Health[1]	1.1	2.1	3.1	3.7	3.9	4.4	5.5
Civic/cultural		.5	1.2	1.5	2.0	3.1	3.6
Foundations, international, etc.	.5	.7	2.2	2.5	2.4	2.4	2.6
Total	8.9	12.2	19.2	22.7	25.3	29.4	39.6

[1] For 1960, contributions for health to welfare agencies are included with welfare, thereafter with health.

Note: Due to rounding, individual entries do not necessarily add up to the totals.

Source: "Giving USA."

TABLE 3.—CONTRIBUTIONS TO PHILANTHROPY, 1960–78 (SELECTED YEARS), IN CONSTANT 1960 DOLLARS

[In billions of dollars]

Source	1960	1970	1974	1978
Individuals	7.2	11.0	11.9	15.1
Foundations	.7	1.5	1.3	1.0
Business corporations	.5	.6	.8	.9
Charitable bequests	.6	1.6	1.3	1.2
Total	8.9	14.6	15.2	18.2

Note: Due to rounding, individual entries do not necessarily add up to the totals.

Source: Table 1, adjusted using price index published by U.S. Bureau of Labor Statistics, as used in the "Statistical Abstract of the United States."

TABLE 4.—ALLOCATION OF PHILANTHROPIC FUNDS, 1960–78 (SELECTED YEARS), IN CONSTANT 1960 DOLLARS

[In billions of dollars]

Recipient	1960	1970	1974	1978
Religion	4.5	6.3	6.5	8.5
Education	1.4	2.4	2.2	2.5
Welfare	1.3	1.2	1.4	1.8
Health	1.1	2.4	2.3	2.5
Civic/cultural		.9	1.2	1.7
Foundations, international, etc.	.5	1.7	1.4	1.2
Total	8.9	14.6	15.2	18.2

Note: Due to rounding, individual entries do not necessarily add up to the totals.

Source: Table 2, adjusted using price index published by U.S. Bureau of Labor Statistics.

Corporations and corporate foundations

Corporations are an important source of funds for philanthropy. American business, on average, contributes approximately 1 percent of its net income to charitable institutions.[7] As a survey commissioned by the Filer Commission showed, the most commonly expressed reason for corporate giving to such sectors as welfare and the arts is the belief that good citizenship requires business to provide funds. While this motive also influenced gifts to higher education, a more important factor in that case was the desire to improve the supply of trained manpower to industry.[8]

As one might expect, the level of corporate giving tends to reflect the prevailing economic situation, and during depressed periods, business contributions have generally fallen as a percentage of income as well as in total real amount. This tendency means, of course, that for some charitable sectors, such as welfare, direct contributions from business fall at precisely the time there is an increase in the demand for services. For this, among other, reasons, many companies maintain their own private foundation—about 1,500 of these exist. The use of such a foundation means that the company can make contributions to the foundation when it is economically most attractive. The foundation, on the other hand, can make payments to individuals and other charities on the basis of need: it is thus possible for a corporation to ensure a steady or flexible contributions policy without regard to temporary fluctuations in corporate income.[9] By establishing its own foundation a company can centralize its decision-making regarding the allocation of charitable gifts, and keep these decisions outside the day-to-day management considerations of the company. On the other hand, the close links between the company and its foundation enables grant-making decisions to be made with an intimate knowledge of the profit strategy and likely future performance of the donor, and hence a more accurate picture of future gifts is available than would be so in the case of a totally independent foundation. A study carried out in 1972 estimated that approximately half of all companies contributing to charity did so through their own foundation, and that about 60 percent of total corporate giving was made in that way.[10]

2—CHARITABLE GIVING AND THE LAW

The growth of government controls

Until the 1950s, charitable organizations were exempt from virtually all taxes and controls. Yet criticisms were being voiced against certain aspects of the sector's activities well before that time. The business holdings of foundations, in particular, attracted many complaints. The Senate Industrial Relations Committee, for example, began to investigate allegedly high stockholding by foundations as early as 1913. In the following years, increasing attention was paid to the tax-exempt status of so-called feeder corporations (i.e. bodies engaged in business activities for the sole benefit of an affiliated charitable organization). Before changes in the law in 1950, the courts took the view that if business activities were to be tax-exempt when carried out directly by a charity, it would be absurd to tax those same activities if the organization chose to segregate them in the form of a business enterprise. The key test, according to the Supreme Court, was the "destination of income." If the profits of an affiliated business went solely to a charitable organization, then the business should be exempt from tax.

In 1950, however, Congress took a much closer interest in the "unrelated business income" of charitable organizations. This development was occasioned by a number of widely publicized acquisitions of major businesses by tax-exempt organizations, after which the businesses claimed exemption for their previously taxable profits. The principal objection to this type of activity was that it gave the untaxed business an unfair edge in the market, allowing it to undercut its taxable competitors and even possibly become a monopolist. As a result of this line of argument, Congress was persuaded in 1950 to enact legislation imposing a tax on unrelated business income.

From a theoretical point of view, there was at least some truth in the allegations behind the 1950 measure. A business which enjoys tax exemption faces a lower cost structure, all other things being equal, than its competitors. Its payroll is reduced because its employees are exempt from FICA, and its profits are exempt from income tax. It could use this advantage to lower prices and increase its market share. In practice, however, it is very likely that such fears were greatly exaggerated. It is probable that a business operated by a church or school would be more cautious and conservative in its approach than most other enterprises, and so would not become a serious threat to the operation of an efficient market. Little evidence, in fact, was put forward to support the claim that charity-owned businesses would result in serious distortions of the market. As studies by two leading Yale law professors have shown:

"These predictions of unfair competition were rarely subjected to close analysis, and we know of no empirical examination of the results of such acquisitions." [11]

The 1950 legislation did not silence criticism of the charitable sector; instead the emphasis shifted to other activities. It was argued, for example, that some major donors to foundations engaged in various forms of self-dealing, using their connections with the foundations for personal gain. It was not claimed, except in very rare cases, that this was illegal, but it was suggested that many of the practices were unethical. Activities cited included the receipt of substantial compensation for services performed by the donor, the use of foundation facilities free of charge and access to foundation funds on favorable borrowing terms. This question was taken up by the Peterson Commission, a private research group set up at the suggestion of several major foundations to examine the state of the voluntary sector. The Commission reported to the Senate Finance Committee in 1969 that self-dealing activities of an objectionable kind were very rare. In a confidential survey of accountants dealing with foundations, for example, the Commission found that only 9 percent of the accountants felt that such practices were either fairly common or very common.[12]

The Peterson Commission recommended to the Senate a strict prohibition on self-dealing, on the grounds that it was wrong for a donor to be able to enjoy a personal gain by virtue of his association with a charity. The Commission also pressed for increased financial disclosure by foundations, both to enable the IRS to monitor the financial practices of foundations, and to discourage questionable practices by exposing them to public scrutiny. The criticism of self-dealing was well taken by most charitable organizations, and there was wide support for the restrictions on such activities which were incorporated into the 1969 Tax Reform Act.

As the Peterson Commission pointed out, self-dealing was in all probability only a minor flaw in the operation of the voluntary sector, despite the criticism it generated, but there was broad acceptance that something needed to be done. Other practices also attracted the close scrutiny of Congress in the 1950s and 1960s, however, but in these cases the argument was far less clear-cut and accepted. There was great concern, for example, over the ability of a donor to make a gift of stock or other appreciated property, and then to take a tax deduction based on the current market value rather than his original cost. It was said that this was unjust and that there were many possibilities for fraud. Property could be overvalued, for example, since it was not actually sold when made over to a charity. Furthermore, in the case of a gift of inventory by a manufacturer, it was possible for the company to actually make a profit from donating, even if the current valuation was accurate. If the input cost of the product was a smaller percentage of its final valuation than the company's marginal rate of taxation, the saving in the tax bill would exceed the production cost of the gift, since the tax write-off would be based on final market value. Notwithstanding this rather special case, there was some feeling that it was wrong in general for a donor to be given a tax deduction greater than a gift "cost" him.

The last criticism is easily disposed of. If a donor gives a charity stock or other property which has appreciated in value, he is denying himself the use of the full market value of the gift, not its original cost, and so a deduction based on the original cost would be unjust and would inhibit giving. The possibility of overvaluation was a legitimate concern in cases where there was no clear market price (for works of art, collections of personal papers etc.). But the problem called only for a revision in the procedures for assessing value, not for radical changes in the whole basis for deducting appreciated gifts. Similarly, small adjustments in the tax code, to ensure that the tax gain could not exceed the current production cost for gifts of inventory, would have dealt with the problem of a real gain resulting from a charitable gift. But as we shall see later in this study, the measures enacted to solve these minor issues were drastic and had the effect of severely inhibiting gifts of appreciated property.

Another claim made by critics of charitable foundations during the 1950s and 1960s was that their officials were unduly cautious in both their investment and disbursement decisions, preferring to see the foundation's assets grow, rather than ensuring the maximum flow of funds to charitable activities. Part of the reason for this, it was said, was that foundations frequently held too great a proportion of their assets in the form of a single company's stock, resulting in relationships which were not in the best interests of philanthropy. This gave rise to pressure for some form of payout requirement for foundations, i.e. for a legal stipulation that private foundations would distribute at least a specified percentage of their assets every year. This, it was claimed, would increase the flow of support for charitable activities, and encourage a more businesslike investment attitude among foundation managers. If the manager remained unduly cautious the organization's assets would simply decline and the foundation would eventually cease to exist. This would be no bad thing, it was suggested, because it would filter out dead weight in the tax-exempt sector. The issues surrounding the argument were complex, and will be discussed in detail in the context of the 1969 legislation. Like the arguments surrounding appreciated property, they gave rise to significant changes in the law regarding tax-exempt organizations, changes which have had sweeping and damaging effects on philanthropy in America.

The debate on the alleged deficiencies of the voluntary sector resulted in major sections being incorporated into the 1969 Tax Reform Act. It was this act which brought about fundamental changes in the law concerning tax-exempt organizations, and the results of the measure are the principal concern of this study.

The 1969 act was of particular importance in its effects on foundations—especially private foundations. Its provisions influenced these charities in four broad ways. Firstly,

Footnotes at end of article.

it imposed a 4 percent tax on investment income obtained by private foundations. The aim of this tax was to raise sufficient funds to cover the cost of IRS scrutiny of the foundations. Foundations were also required to make available to the public annual reports showing assets, earnings, grants, and administrative costs.

The second provision of the 1969 act having an effect on foundations required nonoperating foundations (i.e., those that exist to donate money to charitable activities and not to carry out their own programs) to pay out for charitable purposes each year either their total net income or a percentage of their asset value specified by the Treasury, whichever might be the greater. As an additional discouragement to the excessive holding of assets within a single corporation, the act put a limit of 50 percent on the voting stock of a company held by a foundation.

Thirdly, the act began the continuing process of limiting the so-called lobbying activities of organizations, both at governmental and at "grass roots" levels. And finally, the act made key changes in the law regarding the tax deductibility of gifts of appreciated property.

The 1969 act altered the entire legal and tax framework affecting philanthropy. It has been followed by a number of federal measures and a host of state regulations and restrictions.

Donations to charity

Appreciated Property—Individual Donors

Prior to the Tax Reform Act of 1969, the general rule was that an income tax deduction would be allowed for the full fair market value of property donated to a charity. Some restrictions did apply in certain cases, but these had only a minimal effect on giving.

The 1969 act, however, made substantial changes to the exemption basis for gifts of appreciated property (including stocks, etc.). The total market value write-off was retained only when the gift would result in long-term capital gain were it to be sold on the date of contribution. If, however, the property was to be used for a purpose unrelated to the donee's exempt activities, or if the donee were a private foundation.[13] only 50 percent of the gain could be deducted from taxable income under the act. This meant, of course, that the tax advantage of donating such a gift was drastically reduced.

The 1969 legislation further complicated the practice of giving by altering the proportions of income that could be given each year while claiming the deduction. On the one hand, the act raised the ceiling on total deductible charitable contributions from 30 percent to 50 percent of adjusted gross income. On the other hand, in cases when this involved property which would realize a long-term capital gain if sold, the 30 percent ceiling remained. Furthermore, if the donee were a private fundation, or if the property was for the use of the charity, a 20 percent limit was imposed.

The 1978 Revenue Act made certain adjustments to the clauses dealing with appreciated property in the 1969 act. If an individual now gives to a private foundation property on which a long-term gain could be realized, only 40 percent may be deducted from income tax (if the asset is sold for personal gain, 40 percent of the gain is subject to income tax—the remainder to capital gains tax).[14] Previously 50 percent could be deducted from income tax, the remaining 50 percent being deductible from capital gains tax.

A taxpayer can avoid the 30 percent rule, however, if he elects to use a provision whereby a contribution of appreciated property is reduced by a proportion of the appreciation. In this case the 50 percent ceiling applies. Prior to November 1978, the proportion was 50 percent. For gifts made after November 1, 1978, the reduction is only 40 percent, in line with changes in the capital gains tax.

An example will illustrate the operation of the election. Say, after October 31, 1978, a donor contributed securities which cost him $20,000, but which had a present market value of $40,000. In addition, let his income base be $50,000. If he did not use the election, he would be able to deduct only the equivalent of 30 percent of his base income, i.e. $15,000, and he would have to carry the remainder, i.e. $25,000, into the following taxable years. If, however, he chooses to make the election, he must reduce his total deduction by 40 percent of the appreciation, or $8,000. In the year of contribution, therefore, he may deduct $25,000 (50 percent of his base income), and carry over the remaining $7,000 ($40,000 less $8,000 less $25,000). This election is only sensible when a contribution is so large that it cannot be spread over five years, taking into account possible future donations, or when future income is thought likely to decline to a level such that there would be a net tax saving.

These complex changes in the law have had important effects on the donation of property to charity by individuals—especially when the recipient is to be a private foundation. In the first place, the denial of a tax write-off at the full market price of property gifts to private foundations discourages gifts to that segment of philanthropy. This is particularly so in a period of high inflation, when the so-called capital "gain" is, in fact, largely a paper gain arising out of the fall in the value of money. As the rate of inflation accelerates, so this paper gain becomes an even larger proportion of the capital gain. Since tax rates are not indexed in the United States, the effect of the 1969 act was thus to apply an extra tax on those who choose to donate property rather than income (in general, the more affluent donor). The higher the rate of inflation, the more pronounced is this effect. In contrast, the donor who gives out of current funds finds giving relatively more attractive during a long period of inflation, since money incomes tend to rise with inflation, pushing people into higher tax brackets and thereby reducing the "cost" of a charitable contribution.

A second effect, resulting from the 1978 changes, adds to the decline in attractiveness of giving property. As mentioned earlier, the act altered the proportion of a capital gain subject to income tax from 50 percent to 40 percent. Given the exclusions and *relatively* low rates of tax applying to gains (a maximum marginal rate of 28 percent), almost every tax payer will now find it slightly more advantageous to realize a gain, rather than make a donation, than he did before. The higher the individual's tax bracket, the greater is this effect. Thus, while an easing in the tax situation regarding capital gains may be welcomed, a compensatory tax change is needed to prevent the reform inhibiting gifts to charity.

Appreciated Property—Corporate Donors

The federal income tax deduction for charitable gifts by corporations is limited to 5 percent of taxable income. Contributions in excess of this level can be carried over for up to 5 years. Unlike the law covering individual donors, there is no distinction in the tax treatment of contributions to private foundations rather than public organizations.

In addition to its effect on individual gifts of property, the 1969 act had significant implications for corporate donations, and has been a major factor in the stagnation of real support for charity by business. Before 1969, business corporations making contributions of property they had created (known as inventory donations), or which would realize a short-term gain if sold, were allowed a tax deduction equal to the fair market value of the asset. As a result of the act, however, a corporation making such a gift could only take a deduction on the basis of original cost. This was clearly a major disincentive to give—especially in a period of inflation—and so there was strong pressure to alter this aspect of the 1969 act. The 1976 Tax Reform Act amended the law so that an inventory gift could be deducted at cost plus one-half of the unrealized gain up to twice the original cost. In the case of property giving rise to a long-term capital gain which is not related to a charity's tax-exempt activities, the deduction which can be taken amounts to the fair market price less 62.5 percent of the net appreciation.

Although the law does not distinguish between private and public foundations or charities when dealing with corporate gifts of property, the net effect of the legislation is to discourage contributions made through company foundations and hence to the charitable sectors traditionally favored by business.

Bequests

The influence of recent tax law and of inflation on charitable bequests is less easy to determine. Decisions in this case are not only affected by existing economic and tax considerations, but also by the donor's view of the likely situation at the time of his death. And, of course, alterations in wills are not reflected in the pattern of giving for some time.

The attractiveness of alternative forms of bequest will be influenced by the relative cost (in tax terms) of giving to descendants rather than to charity. Gifts to descendants would be subject to estate tax. Charitable bequests, on the other hand, may be deducted from the taxable estate without limit. Since the estate tax is progressive, the larger the estate the greater is the tax advantage in bequeathing to charity: and as one might expect, charitable donations as a percentage of total bequests tend to rise with the size of the estate.[15] Periods of inflation will also have the effect of encouraging charitable bequests, since a paper gain in the value of an asset may incur tax if given to a descendant.

As can be seen from tables 1 and 3, there has been a decline in the level of bequests since 1970, in real terms, and in relation to total giving. Given the many factors influencing the decision to bequeath to charity, and the effect of the lag between the decision to give and the distribution of the estate, it is difficult to discern precisely how much the law has reduced contributions to charity and to what degree donors have used other forms of donation, such as gifts from income or deferred gifts.

Foundation payout requirements

If foundations had only needed to contend with recent revisions in the tax code regarding contributions, their long-term prospects would have been bleak enough, since any measure which acts as a disincentive to potential donors poses a serious threat. But the 1969 act went on to jeopardize the existence of foundations from a quite different direction by forcing them to make distributions at a prescribed rate. Thus, not only do foundations now find their income in doubt, but in many cases they must also distribute their asset at such a rate that they are forced to slow down their growth or even reduce their total assets.

The payout requirement contained in the 1969 Tax Reform Act resulted from criticisms leveled against the investment and distribution policies of private foundations. It was argued that the foundations were far too conservative in their approach, favoring preservation of capital to strong asset growth, and that they were slow to alter their portfolios of stocks. An article in the November 1968 Institutional Investor gives an idea of the feelings of many at the time:

"Is there a place as yet untouched by the revolution in money management? Where the winds of performance are not felt, where the importuning cries of ambitious brokers

Footnotes at end of article.

are not heard, a last redoubt so quiet the clocks can be heard ticking?

"There is such a place, and it is called foundationland. There, tax-exempt, is twenty billion dollars, one of the biggest pools of capital in capitalism, and it is still run the way money used to be. The way it used to be, that is for Widows and Orphans, before currency began to depreciate. In foundationland the verities are Preservation of Capital and Yield, verities the current generation shies from. In foundationland the managers do not often buy their stocks, because they already have them—they were given them many years ago, and now they sit, quietly watching."

During the legislative progress of the 1969 Tax Reform Act, specific criticisms were made. It was claimed, in the first place, that the rates of return on foundation assets were extremely low when compared with those of mutual funds: The Peterson Commission, for example, reported to the Senate Finance Committee that the median rates of return for groups of foundation assets were "substantially lower."[16] An important reason for this state of affairs, it was suggested, was the tendency for foundations to hold their assets in a single class of stocks within a single company—in many cases, it was said, to allow continuing family control over the company. As a result of these investment policies, the argument went, the rate of disbursement of funds to charitable activities was correspondingly lower than should be expected. The best way to reform investment practices would be to require foundations to maintain a minimum rate of asset distribution each year. This would impel them to seek better investments, with higher yields, which in turn would force them to avoid concentrating their assets within a single company. The result would be a more efficient charitable sector with an increased turnover of funds.

Considered uncritically, this line of argument has a plausible ring to it, and it carried the day during the congressional debate on the 1969 act. But the assumptions behind the reasoning have been challenged, and as we shall see, the results of the payout that was eventually passed give support to the skeptics. A 1973 study by Norman Ture, for instance, cast grave doubt on the analysis of the Peterson Commission, which had been an influential factor in the discussion regarding the payout requirement.[17] Ture pointed out that the Commission had compared the *median* returns for foundations grouped by asset size with the *mean* rate of return for a group of unidentified mutual funds. By using two different statistical methods, the Commission rendered its findings highly suspect. Ture's own examination, using mean figures for a number of major foundations over several years (Peterson considered only a single year), showed a rate of return which compared far more favorably with mutuals.

Ture also noted that the Peterson Commission did not provide data to show what proportion of foundations held asset portfolios concentrated within a single corporation, nor did the Commission produce evidence to show that there was a significant correlation between asset concentration and poor rates of return. Similarly, the relationship between improved investment practices and a minimum payout rule was left obscure: the claim that increasing the payout rate by law would produce a dramatic change in foundation investments was by no means obvious. The reasoning assumed both that existing investments were not in the interests of charity, and that foundation managers were, simultaneously, so myopic and overcautious that they accepted low returns, yet that they had the will and ability to take very adventurous investment decisions. In fact the whole argument that a high payout rate would produce better yields on foundation assets was rather like suggesting that a legal requirement forcing corporations to maintain a minimum payout to shareholders would improve efficiency and reduce costs in the business world.

The 1969 act required private non-operating foundations to make minimum annual contributions to charitable operations equal to the foundation's actual investment income or, if greater, a specified percentage of the market value of its assets in the previous year. The applicable percentage, to be calculated each year by the Secreatry of the Treasury, was to bear the same relation to 6 percent as money rates and investment yields bore to their respective levels in 1969.[18] To prevent the payout provision from unduly disrupting existing foundations, a transition period was included in the legislation: No payout requirements were to be applied until 1972, and until 1975 these foundations faced a lower payout rate than new foundations created after 1969.

Table 5 shows the payout rates applying to both new and existing foundations between 1970 and the present time. For taxable years since 1969, each private foundation affected by the act has been required to distribute its entire investment income by the end of the following year in order to avoid tax on any undistributed income. If the minimum payout rate exceeds the foundation's income, then total distributions must reach that figure—even if there is no net investment income. The payout is calculated by assessing the fair market value of the foundation's assets and then multiplying this by the applicable annual distribution rate set by the Secretary of the Treasury (prior to 1977, when the rate was fixed at 5 percent for all years). For the purposes of calculating investment income, net long-term capital gains are not included, but net short-term gains are.

The payout provision has posed very serious problems for private foundations. In the first place, the method of computing income has a tendency to overstate a foundation's investment income. Actual income is based on an accounting concept of realization which ignores non-realized capital gains and losses, and so will be greater than economic income when the market value of the foundation's assets declines. In this case, the rule may force the organization to distribute more than the payout rate, which is based only on asset value, and more than its economic income.

Because the rate is calculated on the market, rather than the book, value of the foundation's assets, it has the effect of requiring these organizations to pay out unrealized capital gains. This has put pressure on foundations to hold more liquid assets, and to pay closer attention to cash flow than to capital appreciation. This, in turn, has introduced distortions into the market for capital.

TABLE 5.—MINIMUM PAYOUT RATES FOR PRIVATE FOUNDATIONS, 1970–79

[In percent]

Year	Foundations created	
	Before May 26, 1969	After May 27, 1969
1970	(1)	6.0
1971	(1)	6.0
1972	4.125	5.5
1973	4.375	5.25
1974	5.5	6.0
1975	6.0	6.0
1976	6.75	6.75
1977 to present [2]	5.0	5.0

[1] Not applicable.

[2] The Tax Reform Act of 1976 made the payout rate a permanent 5 percent.

Source: Filer Commission, Research Papers, vol. III, pp. 1664–1665.

Note: Foundations must distribute this percentage of net worth or actual income, whichever is higher.

A more common situation, however, involves cases where a foundation's income is lower than the payout rate. The reason why this is so common is that the holdings of some private foundations tend to consist of limited market stocks, and stocks with a lower, but safer, return than those used by the Treasury as the benchmark for comparison. This is hardly surprising since their purpose is, after all, to make charitable donations and to protect their assets, not to engage in high-risk financial dealings. It might be possible for very large foundations to spread their holdings to allow the inclusion of some high-risk, highyield stocks, but it would not be prudent for small foundations to do so, given the hazards involved.

The effect of the payout rule has been to pressure foundations into either adopting a more risky investment strategy, or reducing their rate of growth. In some cases, it has even forced foundations to reduce their size, and hence capacity for future charitable contributions. The law discourages investment in low dividend, high growth corporations, and encourages foundations to pay out larger amounts in the short-term, at the expense of long-term support for charity. The greater the payout requirement exceeds actual income, the more slowly the foundation grows (assuming it has sufficient contributions to cover the gap, and so avoid shrinking in asset size).[19]

The long-term danger to philanthropy implicit in the concept of a minimum payout has been aggravated by many of the other provisions of the 1969 act and later measures discussed above, which have had the effect of discouraging donations to private foundations. Hence, at the same time that the payout rule has forced foundations to distribute an unduly high proportion of the value of their assets, their ability to maintain a healthy pattern of growth by increasing their non-investment income has been severely inhibited.

It is clear from available empirical evidence that the 1969 act contributed to a dramatic increase in the "death rate" of private foundations (as have state regulations and other factors to be discussed later). The Council on Foundations, for example, examined the rate at which private foundations would up their activities, during the sample month of May, for the years preceding and following the 1969 legislation. As table 6 shows, there was a startling increase in the rate. Similar evidence was presented to the Filer Commission from several other sources. The New York State Attorney General's Office, for instance, reported that while 28 private foundations had dissolved in 1969, the figure for 1971 had risen to 91.[20] A survey of 12 states carried out by the Foundation Center showed that the New York figures were by no means atypical; in the states examined, the aggregate dissolution rate climbed from just under 100 per year in 1968 to about 750 per year in 1971.[21]

TABLE 6.—PRIVATE FOUNDATIONS TERMINATING THEIR ACTIVITIES DURING SAMPLE MONTHS, 1968–1973

May 1968	11
May 1969	23
May 1970	29
May 1971	31
May 1972	55
May 1973	74

Source: (Interna' Revenue Bulletins) Filer Commission, Research Papers, vol. III, p. 1623.

The proponents of the payout requirement, did, of course, foresee an increase in the death rate of foundations, and felt that it would be part of a healthy process which would have the effect of "weeding out" so-called inefficient foundations and replacing them with new organizations. It is difficult, however, to determine exactly what constitutes "efficiency" in the foundation sector; the criteria can hardly be the same as those which would be applied to profit-making businesses. But even if one were to accept this argument, and even if the post-1969

Footnotes at end of article.

death rate was considered reasonable, the statistics on the "birth rate" of foundations shows the theory to be unsound. The replacement rate of foundations not only plummeted after the act, but it also fell to a level well below the death rate among foundations, resulting in a disturbing decline in the number of foundations.

Evidence to the Filer Commission shows this clearly. The Council on Foundations, for example, compared the number of new private foundations created in January–February 1969 with that of formations in January–February 1973. The Council found that the rate had fallen from 433 to just 181: even then some of the foundations listed in 1973 would have been set up under wills drawn up before the act.[22] Evidence from the Foundation Center showed the trend even more clearly. In the Center's study of 12 states, 1250 foundations were formed in 1968. Yet by 1970 the rate of formation had fallen below 200.[23]

The threat to the existence of private foundations arising from the payout provisions of the 1969 act was not confined to the level of payout required. As table 5 indicates, there has been a wide fluctuation in the distribution levels prescribed by the act. This has led to two major problems for foundations. Firstly, it has resulted in suboptimal planning. Since many projects need considerable time to develop, an accurate picture of future needs and funds available is essential if foundation support is to match the requirements of the recipients. But if a foundation is forced to distribute more funds in a particular year than it had planned, it must allocate them to what it feels to be less worthwhile causes. On the other hand, in a year with a relatively low payout requirement, the foundation may feel it necessary to reduce support to the legal minimum, to compensate for high distributions in previous years. In this case, worthy projects which the foundation intended to support will be denied funds.

A second effect of a variable payout based on the previous year's asset value is that the required distribution is both mechanical and volatile. Stock and bond prices depend to a great degree on general confidence in the political and economic climate, and are more often an appropriate reaction by the private sector to inadequate government policies than a measure of the health of the business world. Thus foundations may be forced to disburse their funds at a rate which is far in excess of a sensible level, due to the combination of a mechanical rule and a valuation of their stock based primarily on public confidence in the government.

The deficiencies of the changing payout rate became obvious even to supporters of the measure very soon after the implementation of the act. By November 1974, the Subcommittee on Foundations of the Senate Finance Committee had concluded that the basic 6 percent rule was unrealistic when compared with existing market conditions.[24] Similarly, in December 1975, the Filer Commission was arguing that the basic payout requirement was too high and recommended a flat payout of 5 percent. The concept of a flat payout of 5 percent was also supported by the Treasury, on the grounds that it was simpler, a predictable element in foundation budgeting, and more in line with the long-term rate of return on foundation assets. As a result of this change of attitude, the 1976 Tax Reform Act included a provision to this effect, laying down a permanent rate of 5 percent. But although a flat rate may avoid some problems, by making the rate at least predictable, the basic flaws remain because the payout is still based on a fluctuating assessment of asset value. So the required disbursement of funds is still mechanical and largely unpredictable, and bears no relation to the needs of charity.

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The continuing saga of the payout rule must serve as a classic example of how well-meaning government intervention can bring about exactly the opposite effect of that intended. The rule was designed to improve the efficiency of private foundations and to encourage them to increase both their earnings on assets and their disbursements to charitable projects. In practice, however, it has resulted in the decline in real giving by private foundations and discouraged the creation of new organizations. It has, in short, managed in a few years to threaten the very existence of a key sector of philanthropy in America.

The tax on investment earnings

The 1969 Tax Reform Act imposed a 4 percent tax on the net investment income of private foundations. The tax was not, in the main, intended to regulate investment decisions, but rather was to be an excise tax to finance IRS monitoring of foundations. Gross investment income includes interest, dividends, rents and royalties, and net capital gains from the sale of property held from the production of such income or held to produce unrelated business income. The net investment income of a foundation would be this figure less deductions stemming from the production of collection of the income.

Many see this tax as objectionable in principle, and a dangerous precedent which could lead to the complete erosion of the principle of tax exemption for charities. In addition, of course, it reduces the amount of money available for charitable purposes by diverting funds to pay the salaries of tax officials.

In keeping with the grossly inaccurate forecasting on which the 1969 act was based, the revenue arising from the 4 percent tax greatly exceeded IRS costs. As table 7 shows, by 1973 the tax was yielding over six times the cost of monitoring the foundations and more than four times the cost of overseeing all tax-exempt organizations.

TABLE 7.—REVENUE FROM THE 4 PERCENT TAX AND IRS MONITORING COSTS (1968–74)

[Dollar amounts in millions]

Government fiscal year ending	Revenue from 4 percent tax	IRS costs	
		Foundations	All exempt organizations
1968		$1.6	$7.1
1969		2.1	7.5
1970		3.5	11.0
1971	[1] $24.6	8.6	15.4
1972	56.0	12.9	19.3
1973	76.6	12.3	18.6
1974	69.8	13.3	23.0
Total	227.0	45.3	101.9

[1] Due to the relationship between tax filing dates and the fiscal year end, this figure represents approximately 6-mo. yield of tax.

Source: Filer Commission, Research Papers, vol. III, p. 1566.

Prior to the passage of the 1969 act, most foundation spokesmen took the view that a tax was far less desirable as a means of covering IRS costs than a filing fee, based on asset size. This idea was rejected by Congress, with the result that by 1974 the foundations have been forced to pay to the Treasury $181.7 million more than the cost of scrutinizing their accounts. This money was, of course, thereby denied to the charitable operations funded by the foundations.

Despite the clear inequity of the 4 percent tax, it was not until the Revenue Act of 1978 that it was altered. The 1978 measure reduced the levy to 2 percent, applicable to tax years after September 1977. Although this is a small step in the right direction, the effects of the change are mixed. It does reduce the proportion of foundation income which flows to the Treasury by an estimated $40 million per year.[25] On the other hand the act, by avoiding the option of a filing fee, continued the disturbing exception to the general principle of tax exemption for charitable organizations.

The standard deduction

One of the ironies surrounding the campaign for tax reduction and simplification is that certain charities have been adversely affected. Moves which have sought to reduce revenue to government have also had the result of making charitable donations less attractive. This has also been the case with regard to tax simplification—in particular the wider use of the standard deduction. The 1976 Tax Reform Act alone shifted about 5 percent of the taxpaying public into the ranks of the non-itemizers. At present about 70 percent of taxpayers opt for the standard deduction, and their charitable contributions do not reduce their tax liability. This compares with about 50 percent using the standard deduction in 1970.

Since they do not itemize, these donors must pay the full cost of any contribution. The impact of this trend on charity has been considerable. Various estimates put the loss at about $5 billion between 1970 and 1977, with a current annual loss of around $1½ billion.[26] Since non-itemizers tend to be those with middle or low incomes, the effect of this loss is concentrated among charities drawing their income from these groups, such as the United Way and other welfare organizations.

The effects of tax reduction and simplification on charitable giving do, of course, pose a dilemma for those wishing both to advance private philanthropy while cutting taxation. The higher the marginal tax rate on income, the less "expensive" is a tax-deductible gift to charity relative to other uses of income. So any change which reduces marginal tax rates raises the cost of philanthropy to the donor, compared with nondeductible expenditures. Hence, while a reduction in tax rates does have an immediate income effect, in that the donor has a greater disposable income from which gifts can be made, the increase in "price" of the gifts diminishes the attractiveness of giving. As studies carried out by Martin Feldstein and others have shown, the price effect exceeds the income effect at all levels of income—even at the lowest incomes.[27] It should be noted, however, that if a tax cut results in a significant stimulus to economic growth and incomes, the long-term income effect may totally offset the price effect and result in an increase in charitable donations. Thus a reduction in tax rates may well be in the long-term interests of philanthropy.

Restrictions on lobbying

An aspect of law which is of increasing importance to charitable organizations is that covering so-called lobbying activities. These provisions tend to be vague, and so make it very difficult for organizations to be sure whether or not certain of their practices are legal.

The IRS code specifies under section 501 (c)(3) that to remain tax-exempt, an organization must ensure that it is a body:

"No substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation, and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office."

Precisely what constitutes a "substantial part" of an organization's activities is not clear, and numerous legal cases have failed to clarify the position. In order to avoid doubt, some section 501(c)(3) bodies now elect to substitute specific percentages of exempt expenditures toward lobbying activities (effective since 1977).[28] This option is only open to certain categories of institutions, however, and the very indefinite "no substantial part" rule applies to all others, including private foundations and private operating foundations.

The lack of exact definitions of "lobbying" and "influencing legislation" presents further problems. It has been established that these terms would not include nonpartisan analysis, study, research, technical advice or assistance provided for a governmental body at its request. When it comes to communication with a legislative body or representative regarding legislation the matter is far less clear.

Fundraising Limitations

The future of many public and private foundations has been jeopardized to an alarming degree by recent changes in the law dealing with fundraising. These laws have been enacted both by Congress and the states. Federal legislation passed in 1969 specifies the proportion of total funds raised by foundations which must come from individual donors. There is also a plethora of state laws, varying from state to state, regulating mail fundraising within each state's borders.

Federal Laws

Under section 170 of the IRS code, an organization may only retain its status as a public foundation if it obeys certain requirements regarding the composition of its contributions. If it fails to do so it will lose its "public" designation and its donors will be more limited in their ability to contribute property, etc. Furthermore, if an organization ceases to be a public organization, any private foundation making a grant to it is required to exercise "expenditure responsibility" under section 4945(d)(4) of the IRS code. This means that the granting foundation must use all reasonable means to ensure that the grant is used for the purposes for which is made, and must obtain from the grantee full reports on the use of the money. These reports must be filed with the IRS. If the granting foundation fails to comply adequately with this provision, the grant would be considered as a prohibited expenditure, forbidden by law. Needless to say, private foundations are reticent about making grants which would involve them in complicated monitoring of any organization's activities.

Under section 170, at least 10 percent of a public foundation's donated income must come from five or more unrelated individuals. In addition, the foundation must receive not more than one-third of its total income each year from interest, dividends, rents and royalties, and must obtain at least one-third of its support from grants, contributions, membership fees and other gifts. New organizations are given up to four years to comply with these requirements.

Section 170 has had two important effects on foundations. Firstly, it forces those seeking public status to carry out fundraising campaigns to ensure wide support. This does not, of itself, present serious difficulties for the average foundation, since the regulations and compliance period are both reasonable. But it does induce foundations to mount mail fundraising drives in several states, and this has resulted in the need to comply with an array of state regulations.

A second difficulty involves the attitude of private foundations towards new foundations seeking public status (i.e., those operating within the grace period). When it receives a grant request from such a new foundation, the private foundation knows that it is always possible that public status may ultimately be denied, and the new foundation may have to terminate its programs. Given this risk, there has been a marked tendency recently for private foundations to be more conservative in their support, favoring established public organizations at the expense of new ones.

A survey conducted by the Council on Foundations during 1974 indicates the degree to which section 170 has influenced the distribution of grants by private foundations. The survey showed that whereas 39 percent of respondents made grants to publicly supported organization before 1970, only 16 percent were doing so in 1974. As the survey concluded:

"Half of the foundations that were making such grants before 1969 have drawn back from them. In other words, the new requirements appear to have been a real deterrent to some foundations that were formerly prepared to bet on new and often inexperienced grantees. Furthermore, there can be little doubt that foundations that previously had only given to traditional and safe agencies have been confirmed in the tendency by the expenditure responsibility requirements of the 1969 act; thus, the majority of the respondents continue to avoid such grants as a matter of course.[29]

State Laws

Thirty-seven states now have laws regulating charitable solicitations. The nature of these laws differs from state to state, as do the deadlines for compliance. Any foundation seeking funds must abide by the regulations in each state where it intends to raise funds; failure to do so can result in the withdrawal of its right to solicit funds in that state.

State laws fall into two broad categories—disclosure requirements and regulations concerning the activities of fundraisers. Normally, the charity is required to register, pay a fee, and file financial reports with the state attorney general each year. If it does not do so, the charity's license can be withdrawn, which prevents it from raising money in the state. 14 states use the same form for the annual financial disclosure, based on the New York state form, and so charities operating within these states can use the same method to complete each financial statement. The other states, however, have different forms and require different information. This is, of course, in addition to the disclosure necessary to comply with IRS regulations.[30]

Not only does the charity need to register in certain states in which it raises funds, but also it is necessary for professional fundraisers to register and obtain a license in these states. Unlike the financial disclosure form, there are no standard regulations applicable to a large number of states, although there are often similarities. The New York regulations, however, give an indication of the type of laws operating in most states.

In New York, a fundraiser must register with the Secretary of State each year before he commences any activities. Contracts for professional services between the consultant fundraiser and each charity he assists must be lodged with the Board within 10 days and the receipts and expenditures involved in the contract must be properly documented. In addition, an annual fee of $100 and a bond of $5,000 is required.

The complexity and cost of compliance in each state is a major burden for many charities, particularly new or smaller organizations. If the charity uses its own staff to seek support, the registration costs alone could run into several thousand dollars, on top of which would be accounting fees for completion of the disclosure forms. All these costs must be incurred before a single piece of mail has been sent out or a single donation received.

Organizations have generally responded in one of two ways to this profusion of state laws. Often through ignorance, many simply do not comply—and this has led to charities being prosecuted. It is usual for one state to inform the others when a charity has broken its rules, and so, though a misunderstanding of the law, a charitable organization may suddenly find itself faced with dozens of expensive lawsuits and the termination of its right to raise funds throughout most of the United States. As an alternative means of dealing with the problem, many organizations have sought the use, often at high cost, of large mail fundraising companies who are already registered in each state and fully understand the complexities of each state's laws. This trend does raise some questions. If the purpose of insisting on a minimum proportion of small contributions is to prevent charities being controlled by small groups of people, but in order to meet this requirement and the state laws the charities are forced to rely on large fundraising companies, is not the effect of the law merely to replace the control of one small group by another? In addition, the cost implications of requiring foundations to seek support by mail from small donors must be considered, and balanced against the value of encouraging broader participation in philanthropy. The cost of fundraising by direct mail can be significantly higher than that of obtaining support from other sources, and thus, it is possible that a smaller proportion of each dollar contributed will be used for charitable purposes.

Disclosure requirements

Nearly every tax-exempt organization described under section 501(c) of the IRS code must file an annual return stating its income, receipts and disbursements. In addition to this, private foundations with assets over $5,000 must also file an annual report with the IRS. The report must give very detailed information regarding the foundation's financial holdings and activities, together with a list of all the organization's managers who are also substantial contributors to its funds, or who own 10 percent or more of the stock of any corporation in which the foundation has more than a 10 percent interest. A copy of this annual report must be made available to any citizen for inspection at the foundation's principal office for at least 180 days.

While the disclosure of such information to the IRS, and its availability to the public, may be a reasonable requirement for a tax-exempt organization, recent proposals by the IRS indicate an interpretation of the law that is so loose as to raise serious questions. Section 6056(d)(3) of the code specifies that the annual reports of private foundations must be furnished to "such State officials and other persons . . . as the Secretary or his delegate may by regulations prescribe." These regulations have the force of law, and have been used by every federal agency to extend and interpret Acts of Congress to imply restrictions beyond those intended by the legislature. In this case the IRS has indicated recently that it proposes to interpret "other persons" as including non-governmental organizations.

The proposed regulation would require all private foundations with assets of over $1 million, or who make grants of more than $100,000, to send copies of their reports to the Foundation Center, a non-profit, non-governmental body which provides information on foundations to fundraisers and the general public. Although many private foundations voluntarily furnish the Center with their reports, even among these organizations there is great concern over the proposal. In the first place, the proposal has the effect of requiring a private body to transmit its annual report to another non-governmental body which has no relationship with it. And secondly, it establishes a precedent whereby private foundations may in the future be required to send reports to any number of pressure groups, or self-appointed "consumerist" organizations, who seek to obtain control over private philanthropy under the guise of making it more "responsible."

The use of agency regulations to interpret and broaden legislation is by no means confined to cases involving philanthropy. But

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the use of the IRS code in this way is a disturbing example of back-door government regulation of private foundations.

3—THE IMPLICATIONS OF THE LAW FOR THE CHARITABLE SECTOR

The laws discussed above have brought about very profound changes within the charitable sector in America. Since most of the legislation dates only from 1969, and there have been many recent amendments, it is still too early to identify all the implications. But those that can be seen give rise to grave concern.

The distribution of donations

Individual Contributors

Legislation since 1969 has strongly inhibited contributions from more affluent donors, who give a much higher proportion of their gifts in the form of appreciated property and generally support longer-term capital projects—especially in the health and education sectors. This means that the law is likely to have a delayed but serious effect on the quality of educational and health facilities in America. Thus, measures which are aimed at removing tax "benefits" for the affluent by discouraging certain forms of charity will ultimately have their most damaging effect on the young and the sick.

Table 8 shows the distribution of contributions between different types of charity, according to donor income level. It will be seen that the higher the income, the stronger is the tendency to support education, health and cultural projects. Most charitable support by lower income donors, on the other hand, goes to religious organizations. The figures in the table are taken from a 1973 study presented to the Filer Commission, but similar trends are apparent in other surveys such as the thorough analysis by Martin Feldstein, using 1962 IRS returns.[31]

The many legislative changes that have affected the flow of money to and from foundations thus have serious implications for major areas of charity. In the case of higher education, for instance, foundation support has slipped during the last six years from 23.4 percent of total giving to only 20.5 percent.[38]

TABLE 8.—SHARES OF AGGREGATE DOLLARS GIVEN TO DIFFERENT DONEE TYPES, BY INCOME LEVEL OF DONOR (1973)

[In percent]

Type of donee	Annual income of donor: Less than $10,000	$10,000 to $19,999	$20,000 to $49,999	$50,000 or more	All incomes
Religion	59	67	52	13	46
Education	1	1	6	17	7
Combined appeals	2	3	6	10	6
Health	3	3	4	10	5
Cultural	0	0	1	4	2
Others [1]	35	26	31	46	34
Total	100	100	100	100	100

[1] Includes all gifts after the 4 largest.

Source: James Morgan, Richard Dye, Judith Hybels, "Results from Two National Surveys of Philanthropic Activity," Filer Commission, Research Papers, vol. III, p. 231.

When one examines the receipts of various types of charity, the impact of donations by high income contributors becomes very clear. In the Feldstein study, for instance, taxpayers earning over $100,000 (in 1962) contributed 33.1 percent of total deductible gifts to education, and 27.6 percent of those to hospitals.[32] In a survey of giving to higher education, carried out by the American Council on Education, a similar picture emerged. Of gifts made by individuals in 1973–1974, over 70 percent of total support came in gifts of over $5,000.[33]

Corporations

Legislation in 1969 and more recently has also produced important changes in the pattern of giving by corporations and their subsidiary foundations. The alterations in the tax deductibility of gifts of appreciated property and inventory have been a particular burden—as has the tax on investment income and the mounting costs of complying with IRS regulations.

Corporations are more sensitive than individuals to the cost of giving, given alternative tax advantages. A 1973 study by the Conference Board, for example, indicated that 29 percent of executives felt that the (then) 4 percent tax on foundation investment income was a major issue in considering donations, 21 percent considered the restrictions on gifts in kind to be a serious inhibition to giving, and 20 percent mentioned the tax situation regarding appreciated property as a problem. The survey found that over half of the corporations responding would increase their charitable contributions if the tax incentives were to be improved.[34] In addition, corporate donations to their own foundations fell after 1969, and this has reduced the flexibility of the businesses still giving to charity.[35]

The 1969 act, in particular, had an immediate and dramatic effect on corporate giving. After a steady and substantial rise in donations during the 1960s, from under $500 million in 1960 to more than $1 billion in 1968–1969, corporate contributions tumbled in 1969–1970 to less than $800 million.[36] Although there has been some recovery during the 1970s, the rising trend of the 1960s has been stifled.

Any change in the policies of corporations regarding charitable donations is of particular importance to certain fields of charity. As table 9 shows, corporations give most of their support to education (especially higher education) and to welfare organizations. These gifts are of great importance to the recipients—higher education, for example, receives about 15 percent of all its contributions from business. Thus, the constriction of the corporate sector results in a significant denial of funds to vital areas of philanthropy.

Foundations

Like corporations, foundations are major supporters of education: over 20 percent of all contributions to higher education come from foundations, and almost 30 percent of support for major private universities.[37] Table 10 shows the broad pattern of assistance from the foundation sector.

TABLE 9.—THE PERCENTAGE OF TOTAL CORPORATE GIFTS TO EACH MAJOR FIELD (1977)

Area	Percentage of total
Health	5.7
Welfare	32.6
Education	35.7
Culture and arts	9.0
Civic activities	11.5
Other	5.5
Total	100.0

Source: Conference Board, "Annual Survey of Corporate Contributions," Giving USA 1979, p. 16.

TABLE 10.—THE PERCENTAGE OF FOUNDATION GRANTS TO EACH MAJOR FIELD (CUMULATIVE, 1961–73)

Area	Percentage of total
Education	32
Health	15
International activities	14
Welfare	13
Science	13
Humanities (including the arts)	9
Religion	4
Total	100

Source: (The Foundation Center), Filer Commission Research Papers, vol. III. p. 1562.

Decline of the private foundation

If there is one constant threat that runs throughout virtually all the legislation passed since 1969, it is that private foundations appear to have been selected as the principal targets of the mass of controls, regulations and tax changes emanating from Congress. They have been saddled with payout rates, taxes on investment income, and distribution requirements, and their contributors are presented with changes in the tax code which make it less and less attractive to donate to them. It is hardly surprising under these circumstances that foundation birthrates have collapsed and deathrates have soared. Whether or not private foundations can continue to survive as a significant segment of private philanthropy is in grave doubt.

The implications of a substantial decline in the level of philanthropy directed through private foundations could be serious and far-reaching, particularly in areas such as education, health and the arts. Foundations act as clearing house for charitable funds. If they are prevented from carrying out this important work, pressure will grow for a larger role for government bodies using tax money. This process has already begun in the arts and non-commercial television, with bodies such as the National Endowment for the Arts, and the Corporation for Public Broadcasting allotting public money at their own discretion. The Heritage poll shows clearly that the public does not approve of government intervention in such areas. Two thirds of the population have observed this trend taking place, and 70 percent are opposed to it (see appendix).

We have the situation in America where the foundation sector is being constricted by government controls and tax changes, and where the vacuum so created is being occupied by government itself. Combined with inhibiting effects of legislation on other branches of the voluntary sector, the end result is the gradual, backdoor nationalization of philanthropy. As is so often the case when government acts in this way, some charities have welcomed the entry of government into areas previously funded by the voluntary sector. This is short-sighted, because government involvement brings with it the bureaucratic and monolithic approach, rather than the pluralistic, innovative attitude of private support. It is important that charities realize this before welcoming so much government support that they become dependent on it.

4—RESTORING THE HEALTH OF PRIVATE PHILANTHROPY

As this study has attempted to show, private philanthropy in America is now sub-

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ject to laws which may lead to a permanent decline in its importance and a reduction in the level of assistance it provides for many worthy causes. If this trend is to be reversed, it will be necessary to make major changes in the law dealing with the charitable sector. The following reforms are suggested as a basis for restructuring the law.

Appreciated property

In order to restore the incentive for taxpayers to donate appreciated property to charities—in particular to private foundations—the full tax write-offs at market value should be reinstated. This is essential during a period of rapid inflation, when the paper gain element in the appreciation is unusually large. An alternative might be to index the assessment of the gain, i.e., to adjust it for inflation. This would improve the position, although it would still leave private foundations at a disadvantage compared with other institutions. Indexing, however, is probably not politically possible at the present time, since there would be enormous Treasury opposition to any correction for inflation in one aspect of taxation for fear that it would inevitably spread to others—and so deny the government the windfall tax gain it enjoys from inflation. So a full value tax write-off of charitable contributions of appreciated property would almost certainly involve a smaller loss to the Treasury than the indexing of capital gains for tax purposes.

Payout requirements

The results of the payout requirement have been entirely negative and it should be abolished. There is now more than sufficient federal scrutiny of foundations to ensure that they are operated in the interests of charity and not their contributors. All the payout law does, therefore, is distort the pattern of giving and cause foundations to reduce their potential for growth, and hence future support for charitable operations.

It is difficult to see how anything short of the total removal of the requirement would remove its defects. Calculating the rate on the basis of a moving average (over several years) of the market value of a foundation's assets might reduce the tendency for it to be countercyclical in terms of need, but it would still force foundations to reduce their rate of growth.

Taxes on investments

The tax on investment earnings is a significant departure from the principle of tax exemption for charities. If the purpose of the tax is truly to finance IRS examination, a filing fee (possibly based on asset size) which bears a direct relation with actual IRS costs would be more appropriate. The Treasury has already managed to deny many millions of dollars to charity by miscalculating the yield of the tax. The investment earnings tax should therefore be abolished.

Contributions

The tax on investment earnings, and the tax discrimination against gifts of appreciated property to private foundations, is typical of the way in which private foundations receive second-class treatment under the law. Legislation has just been introduced to deal with another aspect of this, namely the difference in permitted contribution levels. Under existing law, individuals may contribute no more than 20 percent of their gross annual income to a private, nonoperating foundation. On the other hand, a 50 percent limitation applies for tax purposes when a gift is made to a public charity. A bill announced recently by Rep. Bill Frenzel (H.R. 6402) would remove this distinction. It would also allow private foundations to exclude capital gains income when calculating the net investment tax, and it would enable foundations to count investment expenses as part of the minimum distribution requirement.

Standard deduction

In principle, moves to allow non-itemizers to deduct contributions to charity should be welcomed. But there are certain issues connected with such a policy which should be given consideration. It could be argued, for instance, that a specific charitable deduction for taxpayers who do not itemize would be unfair to other recipients of deductible expenses and contributions who have also lost funds due to the tendency of people to take the standard deduction. But it could be said in response to this that if groups feel they have been seriously injured by the trend, it is up to them to press for similar amendments to the tax code.

A second problem could be the Treasury. In his criticism of the bill introduced to Congress last year by Reps. Fisher and Conable, which would have provided a special charitable deduction for non-itemizers, Treasury Secretary Blumenthal took pains to stress the "loss" to the government's tax revenue that would result from the deduction. A new version of the bill (H.R. 1785) has been introduced in the House, together with a Senate version (S. 219) sponsored by Daniel Moynihan and Robert Packwood, and these bills have wide support in Congress. The Heritage poll indicates that over 70 percent of the population support the bill; only 10 percent oppose it (see appendix). Once again the Treasury and the Administration oppose the measure, based primarily on their assessment of the probable revenue loss. If the Administration were to accept the proposal in return for a reduction in tax breaks for larger contributors, to compensate for the loss due to a special deduction, it could be very damaging for education and for some other forms of charity. If the present Treasury position does alter in this way, support for the deduction should be more circumspect.

Lobbying

Clear and precise guidelines must be established on this issue as soon as possible. It is reasonable that individuals should not be able to band together as a foundation and then obtain a tax exemption for funds aimed at manipulating the legislative process. On the other hand, the lack of precision in the law is inhibiting the activities of many well-respected institutions. Until the question of definition is resolved, foundations will continue to operate under an IRS sword of Damocles.

Fundraising

States are free to pass laws regulating fundraising, but the complexity of these restrictions has become a serious handicap for many institutions. At the very least, the philanthropic sector should press the states to adopt broadly similar regulations to reduce the confusion. Ideally, an attempt should be made to encourage the states to simplify their regulations to avoid the obstacle they present to small and new organizations

A Supreme Court decision in February 1980 has had the effect of reducing the restrictive power of the states, however. The court struck down a city law which required charities raising funds in the area to spend at least 75 percent of the money for charitable purposes. Many states currently have laws very similar to this. Citing the First Amendment, the court ruled that limitations must be narrowly drawn and reasonably related to some specific abuse.

The decision could have important results for many charities. Organizations which are expanding their activities and seeking wider support usually find costs become a high proportion of income until they have established a group of regular contributors. Because of these high costs involved in "prospecting," many charities have found it impossible to comply with state laws. The decision should enable these organizations to raise money more freely.

Regulation

The principal reason for the introduction of much of the recent legislation dealing with tax-exempt foundations was the desire to improve their performance and to weed out questionable institutions. Undoubtedly, federal regulation has removed much of the bad in private philanthropy, but it has done so by destroying a great deal of the good and damaging that which remains. Furthermore, the accounting and legal costs incurred as a result of government regulation can be significant, especially for smaller foundations. Heavy expenses merely reduce the money available for charitable activities.

The growth of federal regulations has also gained its own momentum. As the regulations become more complex, it becomes more difficult for foundations to comply with them. Then groups hostile to private philanthropy can point to those who have not kept to the letter of the agency-made laws and press for even tighter restrictions and more extensive disclosure of information. And so the process continues, aiding the case of those who would replace genuinely private charity with a system controlled by bodies representing group interests.

Conclusion

As this study has explained, legislation passed within the last 10 years has posed major threats to American philanthropy from two separate directions. Changes in the tax code have made donating more complicated and less attractive in many instances; and new federal and state regulations have served to constrict the charitable activities of foundations.

The new laws are often highly technical in nature, and almost incomprehensible to many foundation officers. But the pattern of the legislation is clear, and if the charitable sector does not respond strongly and quickly, private philanthropy could cease to play a significant role in American society.

APPENDIX

The following results are from a public opinion poll commissioned by The Heritage Foundation and carried out by Sindlinger & Company, Inc., of Philadelphia. The survey was conducted between February 21 and March 5, 1980, and involved a nationwide sample of 1,358 persons aged 18 years and older. Due to rounding, the percentages do not necessarily add up to 100.

Question 1

Congress is currently considering a proposal to allow a special tax deduction for charitable contributions for those people who take the standard deduction and do not itemize their income tax return.

Do you agree or disagree on this proposal for a special tax deduction for charitable contributions for those who take standard deductions?

[In percent]

	Total sample	Males	Females
Agree	72.3	71.9	72.7
Disagree	10.5	11.1	10.0
Don't know/refused	17.2	17.0	17.3

Analysis

Although a substantial percentage of the sample had no opinion or refused to answer, of those expressing a view supporters of the measure outnumbered those opposed to it by nearly seven to one. Nearly three-quarters of the entire sample favored the proposal.

Question 2

Some years ago, most public services—such as welfare and the arts—were financed by private charitable organizations through public contributions. In recent years, the trend has been for the government to take

over to finance welfare, education and the arts—rather than by charitable organizations.

Have you observed this trend?

[In percent]

	Total sample	Males	Females
Yes	67.7	66.0	69.2
No	29.8	31.0	28.8
Don't know/refused	2.5	3.0	2.0

Analysis

Two out of three people are aware of the trend towards taxpayer finance of welfare, education and the arts.

Question 3

When the government takes over as the provider of charitable welfare, education and the arts—this is with taxpayers' money. Do you agree or disagree with this trend?

[In percent]

	Total sample	Males	Females
Agree	19.7	18.4	21.0
Disagree	70.7	72.7	68.8
Don't know/refused	9.6	9.0	10.2

Analysis

The trend toward taxpayer financing of activities previously financed by private philanthropy meets with widespread public disapproval. Seven out of ten people were opposed to the trend, and only one in nine favored it.

Question 4

In your opinion, which is the better way to provide these charitable services—by private charitable organizations or by the government?

[In percent]

	Total sample	Male	Female
By private charitable organizations	71.6	71.6	71.5
By the Government	12.9	12.3	13.4
Both	8.8	9.9	7.7
Don't know/refused	6.8	6.2	7.3

Analysis

In line with the public's disapproval of taxpayer financing of charitable services, the vast majority of people believe these services can be better provided by private charitable organizations. More than seven out of ten people thought private bodies provide better services, and only one in eight felt government provision is superior. About one in eleven thought participation by both government and private sectors would be best.

Question 5

In appraising past provisions for charitable services in this country—who do you think has done the better job—private charitable organizations or the government?

[In percent]

	Total sample	Males	Females
By private organizations	68.9	70.1	67.7
By the Government	18.0	17.6	18.5
Don't know/refused	13.1	12.2	13.9

Analysis

More than two-thirds of the sample felt that private bodies have historically done a better job in providing charitable services than the government. Fewer than one in five felt that government has provided the better service.

Question 6

Looking into the future, who do you think can do the better job in providing these public services—the government or private charitable organizations?

[In percent]

	Total sample	Males	Females
The Government	25.4	24.4	26.3
Private charitable organizations	64.1	66.0	62.4
Both	6.8	6.5	7.2
Don't know/refused	3.6	3.0	4.1

Analysis

Nearly two-thirds of the sample felt that private organizations would be best suited to providing charitable services in the future, while only one in five believed the government would be more effective. Nearly one in fourteen thought participation by both would be preferable. The results indicate that the public has only a slight tendency to feel that government action would be more efficient in the future than it was in the past.

FOOTNOTES

[1] Walter Trattner, *From Poor Law to Welfare State: A History of Social Welfare in America* (New York, 1974), p. 37.

[2] The Gallup Organization Inc., *Public Awareness Toward Philanthropic Foundations* (Princeton, 1972).

[3] House Report No. 1860, 75th Congress, 3rd session (1939), at 19.

[4] *Department of the Treasury, Research Papers Sponsored by the Commission on Private Philanthropy and Public Needs* (5 volumes, Washington, D.C., 1977).

[5] See Joseph Goldberg and Wallace Oates, "The Costs of Foundation-Supported Activities," *Foundation News*, July/August 1973.

[6] Ralph Nelson, "Private Giving in the American Economy, 1960–1973," in Filer Commission, *Research Papers*, vol. I, p. 123.

[7] The federal tax deduction for corporate charitable donations is limited to 5 percent of taxable income. Contributions in excess of the annual limit may be carried forward and treated as a deduction during one of the following 5 years. Since it is rare for a company to wish to donate more than 5 percent of its income this is not a serious handicap to philanthropy.

[8] James Harris and Anne Klepper, "Corporate Philanthropic Public Service Activities," Filer Commission, *Research Papers*, vol. III, p. 1753.

[9] In the tables contained in this study grants by corporate foundations are itemized as donations by corporations, not foundations. If a corporation were to give, say, $1 million to its own foundation during one year, and that foundation disbursed $½ million to various charities during the year, these transactions would be tabulated as a contribution of $½ million by the corporation to charity. Corporate donations through their own foundations only appear in the tables, therefore, when the money is actually disbursed to an operating charity.

[10] R. P. Baker and J. E. Shillingburg, "Corporate Charitable Contributions," in Filer Commission, *Research Papers*, vol. III, p. 1859.

[11] Boris Bittker and George Rahdert, "The Exemption of Nonprofit Organizations from Federal Income Taxation," *The Yale Law Journal*, vol. 85, No. 3, January 1976, p. 319.

[12] Senate Report No. 91–522, 91st Congress, 1st. session (1969), 6157.

[13] I.e. a foundation without wide public financial support, as defined by section 509 of the Internal Revenue Code.

[14] The new 40 percent rule also applies when the 50 percent ceiling discussed in note 12 is used.

[15] For empirical support for this conclusion, see Martin Feldstein, "Charitable Bequests, Estate Taxation and Intergenerational Wealth Transfers," in Filer Commission, *Research Papers*, vol. III, p. 1488.

[16] Senate Report No. 91–522, 6179.

[17] Norman B. Ture, *The Impact of the Minimum Distribution Rule on Foundations*, Report Prepared for the Ad Hoc Committee on Section 4942, Public Hearings on General Tax Reform House Committee on Ways and Means, April 9th, and 10th, 1973, Part 14, commencing page 5888.

[18] The Treasury Department has tended to use the yield on five-year Treasury securities as a measure of money rates; but this formula has not always been used rigidly. In 1975, for instance, nominal yields rose. This would have suggested an increase in the payout requirement, but the volatility of asset values that year led the Treasury to avoid a large change in the payout rate.

[19] When the payout rate nears the foundation's total income, including contributions, the effect on growth is very severe. Thus, it is quite common for the payout requirement to produce only a modest increase in immediate gifts by the foundation, but bring about a major reduction in future giving.

[20] Filer Commission, *Research Papers*, vol. III, p. 1623.

[21] *Ibid.*, vol. III, p. 1638.

[22] *Ibid.*, vol. III, p. 1624.

[23] *Ibid.*, vol. III, p. 1638.

[24] *Ibid.*, vol. III, p. 1665.

[25] Senate Finance Committee Report on HR 13511, Report No. 95–1263, 95th Congress, 2nd Session, pp. 217–219.

[26] For estimates see House remarks by Rep. Barber Conable, Jr., 31 January 1979; also *Fund Raising Management*, July/August 1978.

[27] See, for example, Martin Feldstein and Charles Clotfelter, "Tax Incentives in the United States"; Martin Feldstein and Amy Taylor, "The Income Tax and Charitable Contributions"; Michael Boskin and Martin Feldstein, "Effects of the Charitable Deduction on Contributions by Low-Income and Middle-Income Households"; all in Filer Commission, *Research Papers*, vol. III.

[28] The permissible annual expenditure for lobbying for eligible organizations making the election is the *lesser* of $1,000,000 or the following percentages of exempt purpose expenditures: 20 percent of the first $500,000; 15 percent of the next $500,000; 10 percent of the next $500,000; 5 percent of the balance.

Further limits are applied to "grass roots" lobbying: such expenditures may not exceed 25 percent of permitted lobbying expenditures.

[29] Filer Commission, *Research Papers*, vol. III, pp. 1571–1572.

[30] It is intended to introduce a new IRS form for financial disclosure modeled on the New York form.

[31] Martin Feldstein, "The Income Tax and Charitable Contributions," *National Tax Journal*, March 1975 (part I) and June 1975 (part II).

[32] *Ibid.*, part II, p. 214.

[33] American Council on Education, *Patterns of Giving to Higher Education III (1973–1974)*.

[34] Filer Commission, *Research Papers*, vol. III, pp. 1770, 1773.

[35] *Ibid.*, vol. III, pp. 1859, 1862.

[36] Figures from the Department of Commerce, Internal Revenue Service and the Conference Board. The fall between 1969 and 1970 also represented a decline in the percentage of net income given to charity from 1.26 percent to 1.11 percent, so it cannot be explained merely by the drop in business profitability during the period.

[37] American Council on Education, *Patterns of Giving*, p. 4.

[38] American Association of Fund-Raising Counsel, *Giving USA (1979)* (New York, 1979), p. 27.

Mr. MOYNIHAN. Mr. President, in closing, let me note that we held extensive hearings last winter before the Finance Committee's Subcommittee on Taxation and Debt Management on this proposal. Fifty-nine public witnesses appeared, and dozens more submitted their views for the hearing record, a document that runs 572 pages. Thus we begin the 97th Congress with the proposition already a familiar one, already thoroughly aired, discussed and analyzed. The only thing that has changed is that this time I am confident that the Congress is going to enact the bill, and that the President of the United States is going to sign it into law.

Mr. PACKWOOD. Mr. President, today Senator MOYNIHAN and I are reintroducing a bill to permit taxpayers to take a tax deduction for charitable contributions whether or not they itemize their other deductions. If enacted, this bill would help stem the decline of popular support for nonprofit organizations. It would give nonitemizers the same incentive to support nonprofit organizations available to itemizers.

The Taxation Subcommittee of the Senate Finance Committee hearings on this bill on January 30–31, 1980. On September 16, 1980, the Finance Committee adopted it to be added as a floor amendment to the Tax Reduction Act of 1980 (H.R. 5829).

ROLE OF NONPROFIT ORGANIZATIONS

One of America's traditional strengths is the willingness of its people to give time and money to help each other. Organizations devoted to charitable religious, and educational purposes are exempt from Federal income taxation. Importantly, contributions to these organizations are tax deductible if a taxpayer chooses to itemize his or her deductions.

These organizations—and the countless number which have preceded them throughout America's history—have engineered a vast number of our most impressive accomplishments, and advances. This has included the fields of education, science, disease control, health and welfare services, adoption services, environment and conservation, the arts, amateur athletics, mental illness, human rights, civil rights, libraries, museums, civic organizations, consumer protection, symphony orchestras, tax reform, public policy research and improvement of relations among peoples of different nations.

Frequently, the goals of nonprofit organizations are identical to the goals of Government agencies. However, an important difference is the fact that nonprofit organizations are highly participatory.

Most Americans have donated time or money or both to nonprofit organizations. Just as many have participated in programs of nonprofit organizations, or utilized their facilities.

In many cases, the private sector has recognized a problem before the Government sector. For example, most education in the United States was in the hands of private organizations—with taxpayer support—prior to the middle of the 19th century.

Sometimes private action preceded Government action because the Government did not yet recognize the problem. For example, nonprofit organizations took the lead—prior to Government—in the areas of civil rights, elimination of the spoils system, prison reform, reform of mental hospitals, and environmental quality.

Unfortunately, in recent years, there has been a shift away from the nonprofit sector toward the Government sector.

The biggest decline in giving is among middle-income groups. This can have unexpected consequences. Upper income persons traditionally support a somewhat different range of nonprofit organizations than middle-income persons. For example, wealthy donors often emphasize higher education and cultural activities. In contrast, middle-income givers have more traditionally supported community-based charities such as the United Way, the Red Cross, the Salvation Army, Meals-on-Wheels, as well as the varied activities of churches.

One reason contributions are not keeping pace with the economy is that, as the Government offers more and more services, a citizen can say, "Let Uncle Sam do it."

But there is also a more concrete cause: The charitable deduction is vanishing. This is occurring because the dramatic increases in the standard deduction in recent years have led fewer and fewer persons to itemize. In 1970, 48 percent of taxpayers itemized. By 1977, only 23 percent itemized. These tend to be in upper-income groups. This is shown by the fact that, in 1978, the average income of tax returns with itemized deductions is $25,782. The average income of tax returns with the standard deduction is only $8,969.

Itemizers contribute twice as much to charitable organizations as nonitemizers. This is true for every income level. And, just as importantly, they also contribute more time to nonprofit organizations than nonitemizers—by about the same proportion.

A national survey by the Michigan Survey Research Center in 1973 compares the average contribution to those who itemize with those who take the standard deduction:

Adjusted gross income	Itemized	Did not itemize
Less than $4,000	$119	$69
$4,000 to $7,999	215	89
$8,000 to $9,999	314	117
$10,000 to $14,999	407	201
$15,000 to $19,999	600	329
$20,000 to $29,999	800	354
$30,000 to $49,999	1,564	[1] 171
$50,000 to $99,999	5,679	3,190
$100,000 to $199,999	17,106	816
$200,000 to $499,999	39,763	8,892
$500,000 or more	7,316	5,000

[1] Based on fewer than 25 observations.

Source: Sample survey for the Commission on Private Philanthropy and Public Needs by the Survey Research Center of the Institute for Social Research at the University of Michigan and the U.S. Census Bureau.

Prof. Martin Feldstein of Harvard University estimated that, if this proposal is enacted, charitable giving would increase by $4.1 billion. This would mean an increase from the estimated 1978 level of giving of $34.5 billion to a level of $38.6 billion.

This proposal targets the incentive to make charitable contributions to low- and middle-income groups. For example, 57.5 percent of the revenue effect of this bill will be reflected on the tax returns of those earning less than $20,000. More dramatically, 77.3 percent of the tax returns affected have income below $20,000. This is shown by the following table:

DISTRIBUTION OF TAX REDUCTION OF MOYNIHAN-PACKWOOD PROPOSAL

Expanded income class	Cumulative percentage of tax returns affected	Cumulative percentage of revenue loss
$0 to $5,000	7.9	3.0
$5,000 to $10,000	36.7	10.5
$10,000 to $15,000	59.5	36.0
$15,000 to $20,000	77.2	57.5
$20,000 to $30,000	93.8	82.8
$30,000 to $50,000	98.9	93.4
$50,000 to $100,000	99.7	96.0
$100,000 to $200,000	99.9	97.8
$200,000 and up	100.0	100.0

Source: Joint Committee on Taxation, May 6, 1978.

PRESERVING CHOICE

Individuals taking the standard deduction should not continue to be taxed on private dollars contributed to nonprofit organizations for public purposes; 77 percent of our taxpayers currently pay tax on their voluntary contributions. This bill corrects that inequity.

The bill offers a philosophical choice. The choice is, should we cure the obstacles to continued strength in the nonprofit sector, or should we put this part of our national character behind us under the theory that "Uncle Sam can do it."

Executive branch bureaucracies, and their apologists in the private sector, will no doubt claim that this proposal to stem the decline of self-help organizations threatens continued support of Government programs. I doubt that this is true. Instead, the proposal simply recognizes that the nonprofit sector is a vital link in the chain of concern for our fellow man. The Government addresses many of the same problems as the nonprofit sector, but it cannot accomplish the goals alone.

The choice of determining the role of the nonprofit sector is in the hands of the individual. Assume that a taxpayer decides to give $10 to a school for the blind. If this taxpayer is at a typical income level electing the standard deduction, his last dollar of income is taxed at about the 20-percent rate. This means that the school for the blind receives $10, and the aftertax cost to the individual is $8.

Our tax law has encouraged this choice—through a tax deduction for contributions—since the Second Revenue Act of 1917. To tax that $10—just as if it were used for private consumption—is self-defeating and inequitable.

This proposal is contrary to the theory that the tax code ought not be used to reward desirable conduct. This theory holds that the Government should encourage desirable behavior through Government-run direct subsidies instead of tax incentives to individuals. In my opinion, this view ignores the ability of

citizens to recognize and act effectively to solve human needs.

Mr. President, I hope that Congress can approve this vital tax reform proposal this year.●

By Mr. SASSER:

S. 171. A bill to amend the Internal Revenue Code of 1954 to reduce the tax effect known as the marriage penalty by permitting the deduction, without regard to whether deductions are itemized, of 20 percent of the earned income of the spouse whose earned income is lower than that of the other spouse; to the Committee on Finance.

ELIMINATION OF MARRIAGE TAX PENALTY

● Mr. SASSER. Mr. President, since I first came to the Congress, I have heard many arguments for Federal legislation made on behalf of many groups. I have found few of these arguments to be as compelling as the one made by married couples—who are required to pay the "marriage tax penalty."

Mr. President, I would like to review the history of the tax policy, with regard to married and unmarried persons, that led to the creation of this penalty.

As originally written the Internal Revenue Code recognized the individual as the sole taxable unit. Under some State community property laws, however, married couples were permitted to file income tax returns splitting their income. When one spouse earned most or all of the couple's income, a substantial tax savings was realized.

Residents of non-community-property States were at such a disadvantage that many States began adopting community property laws. To avoid the transitional problems likely to result from this growing State movement and for other reasons, Congress in 1948 changed the tax law to allow all married couples to take advantage of income splitting.

By the 1960's many of the growing population of single people felt that the advantage that income splitting gave to one-earner married couples was unfair to them. At some income levels the difference in tax levels between single persons and married couples was as much as 42 percent.

Consequently, Congress revised tax rates in the Tax Reform Act of 1969. Under these rates the tax liability of single persons could be no more than 20 percent in excess of that paid by a married couple on their joint return for the same amount of income. This change, of course, helped single persons but at the same time aggravated another problem.

Under present tax law a married couple making $10,000 each would pay $2,745 in taxes on their combined income of $20,000. If the same were not married, they would pay $2,354 in taxes. This difference of $391 in tax liability is the married penalty. Indeed, it is not uncommon for married couples to pay taxes in excess of the salary earned by one spouse. This is unjust and unfair.

Mr. President, today I am introducing a bill to deal with the marriage tax penalty. This measure is identical to legislation I introduced last year. This legislation alleviates the adverse effects of this penalty on the productivity of the American family. The legislation does this without increasing the tax burden of either one-earner families or single persons. It insures a tax structure that is fair to all taxpayers.

My bill would allow a 20-percent deduction on the gross income of the spouse earning the lower salary. The maximum deduction allowed would be $4,000. This would result in a substantial savings because in many instances a couple would fall into a lower tax bracket.

A couple would not have to itemize their deductions to take advantage of this provision. The deduction also would not affect eligibility for other deductions or credits.

The United States is one of the few nations of the world that does not recognize a difference, for tax purposes, between a one- and two-earner family. This legislation would change the present income tax law to acknowledge this difference.

Mr. President, I am encouraged by the widespread interest shown in this matter by many of my Democratic and Republican colleagues. President Carter and now President Reagan have indicated their desire to alleviate the marriage penalty. Marriage penalty tax revisions were part of the Senate Finance Committee tax bill reported out in the fall of 1980, and I am confident that my marriage tax penalty bill along with others presently pending in the Senate provide us with a concrete and long-awaited opportunity to remove this inequity from the tax code.

My legislation S. 171 is fair to all taxpayers and would ease the discrimination against married couples. I urge the Committee on Finance to carefully consider this proposal in the preparation of future tax legislation.

Mr. President, I ask unanimous consent that the full text of S. 171 be printed immediately following these remarks in the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 171

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALLOWANCE OF DEDUCTION.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as 222 and by inserting after section 220 the following new section:

"SEC. 221. DEDUCTION TO REDUCE THE MARRIAGE PENALTY.

"(a) DEDUCTION ALLOWED.—In the case of a married individual who files a joint return for the taxable year with his spouse, there is allowed as a deduction in computing taxable income an amount equal to 20 percent of—

"(1) the earned income of the spouse whose earned income for the taxable year is less than the earned income of the other spouse for the taxable year, or

"(2) if the earned income of each spouse for the taxable year is the same, the earned income of one spouse for the taxable year.

"(b) LIMITATION.—The amount of the deduction allowed by subsection (a) for the taxable year shall not exceed $4,000.

"(c) DETERMINATION OF MARITAL STATUS.—For purposes of this section, the determination of whether an individual is married shall be made in accordance with the provisions of section 143(a).

"(d) EARNED INCOME.—For purposes of subsection (a), the term 'earned income' means—

"(1) earned income (as defined in section 911(b)), plus

"(2) the amount of net earnings from self-employment for the taxable year (within the meaning of section 1402(a)).".

(b) DEDUCTION WITHOUT REGARD TO ITEMIZED DEDUCTIONS.—Section 63 of such Code (relating to definition of taxable income) is amended—

(1) by striking out "and" at the end of subparagraph (A) of subsection (b)(1),

(2) by inserting after subparagraph (B) of subsection (b)(1) the following new subparagraph:

"(C) the deduction to reduce the marriage penalty provided by section 221,",

(3) by striking out "and" at the end of paragraph (1) of subsection (f),

(4) by striking out the period at the end of paragraph (2) of subsection (f), and inserting in lieu thereof a comma and the word "and", and

(5) by adding at the end of subsection (f) the following new paragraph:

"(3) the deduction to reduce the marriage penalty provided by section 221.".

(c) CONFORMING AMENDMENT RELATING TO WITHHOLDING.—Subsection (m) of section 3402 of such Code (relating to withholding allowances based on itemized deductions) is amended—

(1) by striking out subparagraph (A) of paragraph (1) and inserting in lieu thereof the following:

"(A) the sum of—

"(i) his estimated itemized deductions, and

"(ii) the deduction allowed by section 221, over", and

(2) by striking out "section 151" in paragraph (2)(A) and inserting in lieu thereof "sections 151 and 221".

(d) CLERICAL AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking out the last item and inserting in lieu thereof the following new items:

"Sec. 211. Deduction to reduce the marriage penalty.

"Sec. 222. Cross references.".

SEC. 2. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to taxable years beginning after December 31, 1980. ●

By Mr. SASSER:

S. 172. A bill to amend the Internal Revenue Code of 1954 to allow a deduction as an expense for certain amounts of depreciable business assets; to the Committee on Finance.

SMALL BUSINESS DIRECT EXPENSING ACT

● Mr. SASSER. Mr. President, I rise today to introduce legislation to deal with the capital formation problems of small business. This bill is identical to the measure I introduced in the last Congress, S. 2689, the Small Business Direct Expensing Act of 1980. The need for this legislation is now greater than ever. The volatile economy we now face exacerbates the already distressing trends which make it difficult for business, especially small businesses, to raise much needed equity capital.

Due to the greater risks involved with the new or small business, the lack of adequate collateral, and the higher cost of making smaller loans, the small business is often shunned by banks and other credit suppliers. In times of tight money

small businesses frequently pay higher interest rates than their larger competitors. Stresses in the economy, such as the very high interest rates and inflation we are now experiencing, hit the small business especially hard because of its relatively limited resources.

In addition to borrowing, growing businesses also sell issues of securities to raise equity capital. This method, once a prime source of funds for small business, has all but disappeared. Between 1974 and 1977, only 61 small companies, worth $5 million or less, were able to sell stock to the public. In 1969, 698 such companies were able to sell stock.

Business Week reported that—

> For some years now . . . capital markets have been pretty much open only to the Nation's big companies . . . the top 1,000 or so corporations.

According to a survey conducted by the American Electronics Association, companies founded in the 1970's were able to raise an average of only $522,000 in current dollars. The average for companies established in the 1960's was almost twice that amount. In real dollar terms, this disparity is even greater.

These problems are especially alarming when the critical role of small business in the Nation's economy is realized. Small business accounts for almost 57 percent of all business receipts and 39 percent of the gross national product. It provides 58 percent of total U.S. business employment.

Its tremendous impact on the Nation's employment is further illustrated by a study conducted by the MIT Development Foundation. Five small, new companies were compared with six large, mature corporations. It was found that the small companies, despite having combined annual sales of less than one-fortieth of the giants, created 10,900 more jobs over a 5-year period than did the larger corporations. Over this period the small companies experienced an average growth in jobs of 41 percent, while the larger corporations created jobs at an annual rate of less than 1 percent.

Small business is also a crucial innovative force in the economy. Since World War II, firms with fewer than 1,000 employees were responsible for one-half of the most significant new industrial products and processes. Firms with less than 100 employees produced 24 percent of such innovations.

Mr. President, we must work toward creating the kind of government that will allow these businesses to survive and to flourish. Government tax, credit, and regulatory policies must not be allowed to stifle this vitality that we find in the small business sector. We need its productivity, its jobs, and its innovation too badly to allow this to happen.

My bill is a step toward that end. It will allow the small entrepreneur to deduct, or "direct expense," up to $10,000 in depreciable assets in 1 year. Existing law requires that this deduction be spread over a period of several years.

This 1 year feature gives the small entrepreneur the chance to recover $10,000 in capital expenses very quickly. He or she is then able to purchase new or replacement equipment earlier than would otherwise be possible. This allows more flexibility for small businesses to modernize and make their operations more efficient.

Another important aspect of the bill is the simplification it brings to this very complicated area of the tax law. Depreciation is responsible for a tremendous number of errors on tax returns every year. These errors are often made by taxpayers who have great need of the tax benefit provided by depreciation but who cannot afford to retain an accountant to maintain accurate depreciation records. A tax advantage does little good if it is so complicated that the taxpayer to whom its benefits are directed is unable to comply with its terms.

Mr. President, the real strength and relevance of this proposal is derived from the fact that it comes directly from the small business community. The Tennessee delegates to the White House Conference on Small Business first brought the concept to my attention. They felt strongly about it because they know better than anyone what the problems and the needs of small business are. They canvassed their small business colleagues to refine the idea and to insure its broad acceptance and workability. Then they began to push their idea.

So successful were their efforts in gaging the potential support for direct expensing that when the idea came to a vote among small business people from all over the country at the White House Conference on Small Business, the idea was approved overwhelmingly. When the delegates assembled on the last day of the conference to select as top priorities 15 of the 60 recommendations they would make to the Congress and the President, the direct expensing concept received the second highest number of votes on this priority list.

We cannot ignore this resounding vote of confidence any more than we can ignore the importance of small business to the Nation.

Therefore, Mr. President, I commend this piece of legislation to my colleagues in the Senate and urge the Committee on Finance to carefully consider this proposal when the next omnibus tax bill is brought before the committee.

Mr. President, I ask unanimous consent that the full text of the Small Business Direct Expensing Act, S. 172 be printed immediately after these remarks in the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 172

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Direct Expensing Act of 1981".

SEC. 2. ELECTION TO EXPENSE CERTAIN DEPRECIABLE BUSINESS ASSETS.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to deductions for individuals and corporations) is amended—

(1) by redesignating the first section 194 (relating to contributions to employer liability trusts) as section 195 and inserting such section after the second section 194, and

(2) by adding at the end thereof the following new section:

"SEC. 196. EXPENDITURES FOR BUSINESS ASSETS.

"(a) TREATMENT AS EXPENSES.—A taxpayer may elect to treat expenditures which are paid or incurred by him during the taxable year for section 196 property as expenses which are not chargeable to capital account. The expenditures so treated shall be allowed as a deduction.

"(b) DOLLAR LIMITATION.—

"(1) IN GENERAL.—The aggregate amount of expenditures which may be taken into account under subsection (a) for any taxable year shall not exceed $10,000 ($5,000 in the case of a married individual filing a separate return).

"(2) ALLOCATION.—If the aggregate amount of expenditures for section 196 property exceeds the limitation under paragraph (1), the taxpayer shall allocate to the section 196 property the expenditures with respect to which a deduction is allowable under subsection (a).

"(c) ELECTION.—

"(1) IN GENERAL.—The election under this section for any taxable year shall be made within the time prescribed by law (including extensions thereof) for filing the return for such taxable year. The election shall be made in such a manner as the Secretary may by regulations prescribe.

"(2) ELECTION IRREVOCABLE.—Any election made under this section may not be revoked except with the consent of the Secretary.

"(d) DEFINITIONS AND SPECIAL RULES.—

"(1) SECTION 196 PROPERTY.—For purposes of this section, the term 'section 196 property' means tangible personal property—

"(A) of a character subject to the allowance for depreciation under section 167, and

"(B) acquired by purchase after December 31, 1980, for use in a trade or business.

"(2) PURCHASE DEFINED.—For purposes of paragraph (1), the term 'purchase' means any acquisition of property, but only if—

"(A) the property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under section 267 or 707(b) (but, in applying section 267 (b) and (c) for purposes of this section, paragraph (4) of section 267(c) shall be treated as providing that the family of an individual shall include only his spouse, ancestors, and lineal descendants),

"(B) the property is not acquired by one component member of a controlled group from another component member of the same controlled group, and

"(C) the basis of the property in the hands of the person acquiring it is not determined—

"(i) in whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or

"(ii) under section 1014(a) (relating to property acquired from a decedent).

"(3) COST.—For purposes of this section, the cost of property does not include so much of the basis of such property as is determined by reference to the basis of other property held at any time by the person acquiring such property.

"(4) SECTION NOT TO APPLY TO ESTATES AND TRUSTS.—This section shall not apply to estates and trusts.

"(5) DOLLAR LIMITATON OF CONTROLLED GROUP.—For purposes of subsection (b) of this section—

"(A) all component members of a controlled group shall be treated as one taxpayer, and

"(B) the Secretary shall apportion the dollar limitation contained in subsection (b)(1) among the component members of such controlled group in such manner as he shall by regulations prescribe.

"(6) CONTROLLED GROUP DEFINED.—For purposes of paragraphs (2) and (5), the

term 'controlled group' has the meaning assigned to it by section 1563(a), except that, for such purposes, the phrase 'more than 50 percent' shall be substituted for the phrase 'at least 80 percent' each place it appears in section 1563(a)(1).

"(7) DOLLAR LIMITATION IN CASE OF PARTNERSHIPS.—In the case of a partnership, the dollar limitation contained in subsection (b)(1) shall apply with respect to the partnership and with respect to each partner.

"(8) COORDINATION WITH SECTION 38.—For purposes of section 38, the useful life of any property with respect to which an election under subsection (a) applies shall be determined without regard to this section.".

(b) TECHNICAL AMENDMENT.—Paragraph (1) of section 263(a) of such Code (relating to capital expenditures) is amended—

(1) by striking "or" at the end of subparagraph (F);

(2) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a semicolon and "or", and

(3) by adding at the end thereof the following new subparagraph:

"(H) expenditures for property used in a trade or business deductible under section 196.".

(c) CONFORMING AMENDMENT.—The table of sections of part VI of subchapter B of chapter 1 of such Code is amended by adding at the end thereof the following new item: "Sec. 196. Expenditures for business assets.".

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall apply to taxable years ending after December 31, 1980.●

ADDITIONAL COSPONSORS

S. 20

At the request of Mr. SASSER, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 20, a bill to amend title 18 of the United States Code to prohibit the robbery of a controlled substance from a pharmacy.

S. 30

At the request of Mr. SASSER, the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. 30, a bill to provide for the payment of interest by the Federal Government on any amount due for more than 30 days to any person under the terms of a contract entered into by the Federal Government and such person.

S. 43

At the request of Mr. SASSER, the Senator from Washington (Mr. GORTON), the Senator from Indiana (Mr. LUGAR), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 43, a bill to amend the Congressional Budget Act of 1974 to require the Director of the Congressional Budget Office to prepare and submit, for every bill or resolution reported in the House or the Senate which has certain specific economic consequences, an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution.

S. 45

At the request of Mr. SASSER, the Senator from Maine (Mr. COHEN) was added as a cosponsor of S. 45, a bill to reform the laws relating to the provision of Federal assistance in order to provide State and local governments with greater flexibility in managing programs and projects using such assistance.

S. 158

At the request of Mr. HELMS, the Senator from New York (Mr. D'AMATO) was added as a cosponsor of S. 158, a bill to provide that human life shall be deemed to exist from conception.

SENATE RESOLUTION 17

At the request of Mr. SASSER, the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Oklahoma (Mr. BOREN) were added as cosponsors of Senate Resolution 17, a resolution concerning revision of the monetary policies of the Board of Governors of the Federal Reserve System.

ADDITIONAL STATEMENTS

THE NAMING OF THE PRESIDENT

● Mr. HATCH. Mr. President, this past Sunday the Mormon Tabernacle Choir originated its weekly broadcast from here in Washington, D.C. They were here to help celebrate the inauguration of President Ronald Reagan, the 40th American President. They gave a concert at the steps of the Lincoln Memorial last Saturday night and also participated in the inaugural parade today. Those who had the opportunity to hear their rendition of the "Battle Hymn of the Republic" surely understand why I continue to thrill to hear their voices.

As is customary on their program, "Music and the Spoken Word," a brief thought was offered by J. Spencer Kinard. Mr. Kinard has been giving the spoken word on the program for the last few years and anyone familiar with the history of this program, a program, I might add, that continues to be the longest running radio broadcast in the country, will know that he had a monumental act to follow. The speaker at the origin of the broadcasts was Richard Evans. His deep and resonant voice became synonymous with the choir's broadcast. At his death many felt that it would be impossible to replace him. J. Spencer Kinard was given the task and has filled it admirably.

The thoughts offered by Mr. Kinard last Sunday were very appropriate at this time in history. Entitled "The Naming of the President," he spoke of the dignity of the office and its continual fulfillment of the principles outlined in the Constitution.

As I listened to Mr. Kinard speak I could not help but recall a story that emphasized a very important point. It seems that a newspaperman had the occasion to be visting with a farmer in Iowa and noticed that the man had a picture of then-President Nixon on his wall. The newspaperman asked him if this meant that he was a supporter of Richard Nixon, in spite of his troubles at the time. The reply the farmer gave is indicative of the attitude of the American people toward the Presidency. He looked the newspaperman in the eye and informed him that what he saw was a picture of the President of the United States and he supported the President.

Mr. President, the remarks offered by Mr. Kinard are along the same lines. He points out that our Government, and particularly the inauguration of a new President, is "the culmination of a rare experiment in the history of human government. An experiment which makes those who are governed equal to those who govern."

I ask that the remarks of Mr. Kinard be reprinted in the RECORD and commend them to all of my colleagues.

The remarks follow:

THE SPOKEN WORD: "THE NAMING OF THE PRESIDENT"

The clamor and confusion of the 1980 presidential campaign are now over. And this week, the 40th President of the United States will be installed in the highest elective office in this country.

In so doing, Ronald Reagan fulfills the divinely inspired requirements of the Constitution, that the executive power of these United States shall be vested in an elected President; in an individual selected from among the people, and by the people.

The inauguration of an American President is a momentous occasion, an event filled with symbolism and hidden meanings; for it is the culmination of a rare experiment in the history of human government, an experiment which makes those who are governed equal to those who govern.

Thus, it is not so much the man nor his politics that we honor during the inauguration ceremonies. Rather, it is the office itself. The office of the President of the United States. That office is evidence that the powers to rule in a republic are derived from the common consent of those who are ruled; it is tangible proof that the value of one citizen's voice is as great as the value of any, that the voice of the cattleman in Wyoming, the steelworker in Pennsylvania, or the homemaker in California is one and the same with the voice of the judge, the lawyer, the politician.

In this country, then, when politics function in its rightful arena, the office of the President is placed above the claims of royal blood, the influence of wealth, or the dominion of ecclesiastical authority.

Those who have given their consent and support to this newly elected President also give him a charge, an edict to remember the sacred trust which he has accepted. Let him recognize the common good in every decision, in every act, in every appointment. Let him establish his administration upon the principle that it is the government who should fear the people and not the people who should fear the government.

And may the President keep sacred his oath to preserve, protect and defend the Constitution of the United States, regardless of the risk, political pressures, or cost.

And finally, may this Chief of State, and all who may follow, heed the words spoken during the inaugural address of the first President and Father of our country, that: "Heaven can never smile on a nation that disregards the eternal rules of order and right."[1]

For in truth, God is not a respecter of nationalities nor politics. And the blessings of heaven, for individuals as well as for nations, can only be bestowed upon the condition of righteousness.●

GOVERNMENT TRAVEL

● Mr. SASSER. Mr. President, since becoming a Member of the Senate. I have closely monitored the travel expenditures of Government employees. Each year I

[1] George Bancroft "The Inauguration of Washington," *The Ridpath Library*, Fifth Ave. Library Soc. 1907, Vol II, Page 362.

take a close look at the travel requests of each Federal department and agency.

I am pleased to report that some progress has been made. Many Federal managers have recognized that the Congress is concerned that travel be kept to an absolute minimum. However, some Government agencies have failed to pay close enough attention to these expenditures, allowing costs to mount.

Since the budget was submitted last week, I have paid close attention to the projected travel plans of the executive branch. In many instances, travel cost increases are within a moderate range. Some agencies are even planning reductions in travel expenditures. I would like to share my findings with my colleagues.

First the good news. Projected travel costs in the Office of the Secretary of Agriculture are projected to decrease by 38 percent. Departmental management in Agriculture is projected to be reduced by 60 percent. The only other Government agency which I found to have a projected reduction in travel costs was in the general administration of the Department of Commerce where a 5-percent reduction is budgeted.

Now, I realize that the latest budget submission was prepared by the outgoing administration. But it is my hope that the new Secretaries of Agriculture and Commerce will stick by the travel plans of their predecessors and reduce travel as proposed in the budget.

Now let us turn to more distressing news. Some agencies are planning large travel increases. For instance, a relatively new agency, the National Consumer Cooperative Bank is planning to increase travel by 138 percent from $700,000 in the current year to $1,671,000. While I have not yet seen the detailed budget justification of the Bank, I find it difficult to believe that such an increase is justified. Since this new agency was first authorized I have raised questions about its travel costs. Agency officials have told the Congress that the large travel budget was due to the fact that the Bank had not yet opened regional offices. According to testimony received last year, the Bank will have its regional offices opened by the beginning of fiscal year 1982. This should moderate the travel costs of this agency. A 138-percent increase seems out of line with the travel plans of the rest of the executive branch.

Travel in the program administration account of the Department of Labor is projected to increase 70 percent to $3.3 million. Travel in the Department of Justice departmental administration will reach over $1 million for the first time in history—a 68-percent increase.

Mr. President, some Government agencies spend enormous sums on travel per employee. In fiscal year 1980, the Nuclear Regulatory Commission will spend $3,900 per employee, including clerical employees, for travel. The National Science Foundation which is projecting a 51-percent overall increase in travel to $4.7 million will spend $3,600 per employee. The Water Resources Council, while projecting an overall moderate increase will spend $3,200 per employee. The Appalachian Regional Commission, with only 88 employees will spend almost $2,500 per employee.

Mr. President, I hope the new managers of these agencies and departments will take a close look at these projected travel expenditures and make the proper adjustments aimed at reducing what may be excessive travel budgets.

Mr. President, I would also like to take this opportunity to point out that the Interagency Travel Management Improvement project is releasing its findings and recommendations aimed at reducing waste and abuse in Government travel. This project was an important initiative of President Carter's administration and the fruits of its work will be felt for many years to come.

One effort of the interagency group has been to break down Government travel into various categories. One category—travel to conferences—seems to be an area in need of more efficient management in some agencies.

The interagency group projected that in fiscal year 1979 conference travel totaled 625,000 trips Government-wide or a little more than 6 percent of all travel. Some departments and agencies, however, are sending a much larger percentage of their employees to conferences. For instance, almost 25 percent of the total travel undertaken by Department of Education personnel is to attend conferences; Bureau of Prisons, 20 percent; Veterans' Administration, 21 percent; Tennessee Valley Authority, 19 percent; Food and Drug Administration, 15 percent.

The following agencies exceeded 10 percent of total travel for conferences: the Soil and Conservation Service, National Oceanic and Atmospheric Administration, the National Park Service, Bureau of Indian Affairs, the National Institutes of Health and the Department of Labor. One agency, however, the Department of Housing and Urban Development dedicated only one-half of 1 percent of agency trips to conferences—an impressive record.

Only 1¼ percent of Government-financed trips are for the purpose of giving speeches or making presentations. But some agencies seem to spend substantial amounts sending employees around the Nation and the world for this purpose. Almost 9 percent of all trips of the Environmental Protection Agency were for speeches or presentations; almost 7 percent of travel by the Department of State and almost 3 percent for the Department of Education.

Certainly it is my feeling that we should reduce Government travel costs. In the process I would hope we would not impair program activity. Therefore, we should make a special effort to assure that nonessential travel, such as to conferences or speeches, be kept to an absolute minimum.

Mr. President, Government travel is one of the most visible of Federal expenditures. The American people feel that the Federal Government is not effectively and efficiently managing its resources. Certainly in the area of travel costs, reductions must be made. I will continue to monitor the travel costs of Government agencies. In fiscal year 1980, the Congress approved my legislation which reduced travel by $500 million. Last month the Senate approved a similar reduction in the fiscal year 1981 continuing resolution. I have reintroduced legislation designed to further reduce travel in the current year and I hope it will be approved by the Congress and signed into law by the President.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the provisions of the order previously entered, that the Senate stand in recess until the hour of 11 a.m. on tomorrow.

The motion was agreed to; and the Senate, at 6:07 p.m., in executive session, recessed until Wednesday, January 21, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate January 20, 1981:

DEPARTMENT OF STATE

Alexander Meigs Haig, Jr., of Connecticut, to be Secretary of State.

DEPARTMENT OF THE TREASURY

Donald T. Regan, of New Jersey, to be Secretary of the Treasury.

DEPARTMENT OF DEFENSE

Caspar Willard Weinberger, of California, to be Secretary of Defense.

DEPARTMENT OF JUSTICE

William French Smith, of California, to be Attorney General.

DEPARTMENT OF THE INTERIOR

James Gaius Watt, of Colorado, to be Secretary of the Interior.

DEPARTMENT OF AGRICULTURE

John R. Block, of Illinois, to be Secretary of Agriculture.

DEPARTMENT OF COMMERCE

Malcolm Baldrige, of Connecticut, to be Secretary of Commerce.

DEPARTMENT OF LABOR

Raymond J. Donovan, of New Jersey, to be Secretary of Labor.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Richard S. Schweiker, of Pennsylvania, to be Secretary of Health and Human Services.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Samuel R. Pierce, Jr., of New York, to be Secretary of Housing and Urban Development.

DEPARTMENT OF TRANSPORTATION

Andrew L. Lewis, Jr., of Pennsylvania, to be Secretary of Transportation.

DEPARTMENT OF ENERGY

James B. Edwards, of South Carolina, to be Secretary of Energy.

DEPARTMENT OF EDUCATION

T. H. Bell, of Utah, to be Secretary of Education.

UNITED NATIONS

Jeane J. Kirkpatrick, of Maryland, to be the Representative of the United States of America to the United Nations with the rank and status of Ambassador Extraordinary and Plenipotentiary, and the Representative of the United States of America in the Security Council of the United Nations.

OFFICE OF MANAGEMENT AND BUDGET

David A. Stockman, of Michigan, to be Director of the Office of Management and Budget.

CENTRAL INTELLIGENCE

William J. Casey, of New York, to be Director of Central Intelligence, vice Stansfield Turner.

DEPARTMENT OF TRANSPORTATION

Darrell M. Trent, of California, to be Deputy Secretary of Transportation, vice William J. Beckham, Jr.

OFFICE OF THE U.S. TRADE REPRESENTATIVE

William Emerson Brock III, of Tennessee, to be U.S. Trade Representative, with the rank of Ambassador Extraordinary and Plenipotentiary, vice Reubin O'D. Askew.

CONFIRMATION

Executive nomination confirmed by the Senate January 20, 1981:

DEPARTMENT OF DEFENSE

Caspar Willard Weinberger, of California, to be Secretary of Defense.

EXTENSIONS OF REMARKS

LEGISLATION TO PROHIBIT THE INSTITUTIONALIZATION OF INFLATIONARY INTEREST RATES

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1981

● Mr. DASCHLE. Mr. Speaker, today I am introducing legislation to prohibit the institutionalization of inflationary interest rates proposed last August by the Internal Revenue Service. The Nation and our economic well-being are being battered and threatened by usurious interest rates and the IRS proposed increase in imputed interest rates adds insult and misery to the already serious economic injury inflicted by high interest rates.

The measure I am introducing today will prohibit the Internal Revenue Service from adopting new regulations which increase the imputed interest rate on a loan between related parties under section 482 of the Internal Revenue Code of 1954 and on transactions involving deferred payments under section 483 of the code. Additionally, this measure requires the Internal Revenue Service to administer sections 482 and 483 of the code in accordance with the rules and regulations in effect on January 1, 1980.

In response to massive public protest, the IRS has temporarily delayed the adoption of the proposed increase in imputed interest rates. This delay, however welcome, is only a temporary respite. The legislation I introduce today and the companion measure being introduced in the Senate by the senior Senator from Montana, Mr. MELCHER, prohibits on a permanent basis the increase in imputed interest rates sought by the IRS.

In an attempt to justify the increases it proposed in imputed interest rates, the Internal Revenue Service has said:

> These proposed amendments are necessary so interest rates imputed under the two sections will more accurately reflect the market interest rates in effect when transactions affected by those two sections are entered into.

The plain English translation is the IRS has capitulated to record high interest rates and is gladly willing to accept inflationary interest rates.

Mr. Speaker, the American people have not and will not.

The regulations proposed on August 29, 1980, by the IRS under sections 482 and 483 would increase the imputed interest rate on a loan between related parties to 12 percent per annum simple interest and increase the imputed interest rate on transactions involving deferred payment to 10 percent compounded semiannually. This is a 50-percent increase in the imputed interest rate on transactions involving deferred payment and would abridge the right of a buyer and seller to agree on terms incorporating a less inflationary interest rate. The proposed imputed interest rate increases would seriously damage many sectors of our economy, including agriculture, small business, and real estate.

The particularly devastating consequences of the proposed increase in imputed interest rates on agriculture was the subject of a recent editorial in the Dakota Farmer and I insert a portion of this editorial examination in the RECORD at the conclusion of my remarks.

In conclusion, Mr. Speaker, inflationary interest rates are a serious threat to our Nation's economy and economic well-being. Both inflation and high interest rates must be reduced. I urge my colleagues to join me in this effort and to support the legislation I am introducing to prohibit the proposed increase in imputed interest rates.

The text of the measure I am introducing is as follows:

H.R. 953

A bill to prohibit proposed regulatory increases in imputed interest rates for tax purposes on loans between related parties and on deferred payments in the case of certain sales of property

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PURPOSE

SECTION 1. To prohibit regulatory increases in imputed interest rates for tax purposes on loans between related entities and on deferred payments in the case of certain sales of property.

FINDINGS

SEC. 2. Congress finds that proposed Internal Revenue Service regulations to modify title 26, Code of Federal Regulations, part 1, paragraph 1, sections 1.482 and 1.483 increasing imputed interest rates on loans between related entities and on deferred payments in the case of certain sales of property unnecessarily add to the current unacceptably high inflation rate, are not based on historic regional interest rates for such transactions but on artificially inflated prime interest rates, go beyond the original intent of the underlying law, and will inhibit the ability of young people to purchase homes, family farms, and businesses.

LIMITATIONS

SEC. 3. No regulations shall be issued in final form under Section 482 or 483 of the Code after the date of the enactment of this Act modifying the imputed interest rates under section 482 or 483 of the Internal Revenue Code of 1954 which has the effect of increasing the rate of imputed interest under such section. Sections 482 and 483 of such Code shall be administered in accordance with the rules and regulations in effect on January 1, 1980.

[From the Dakota Farmer, December 1980]

VIEWPOINT AND COMMENT

INTEREST TO INCREASE

That IRS increase in interest rates on contract sales can be stopped—maybe. But doing so will take effort and support.

IRS announced, in the Aug. 29 Federal Register, that sales by contract—such as contract-for-deed land sales—which show interest rates of less than 9% will be taxed at a 10% rate. Also, that contracts between related parties must be handled as regular "arms length" transactions. Unless they show rates between 11% and 13%, they will be taxed at a 12% rate. The 9% rate applies on contracts signed after Sept. 28. The 12% rate is retroactive to Aug. 28.

Reason for the changes is to prevent excess amount of sales income being reported as principal, which usually qualifies for a lower tax treatment than does interest. Impact, however, will add millions in extra interest charges to farm families and will require sellers of farmland to pay higher federal and state income taxes.

"Increasing interest rates by 3% would render the contract-for-deed provision of the North Dakota Beginning Farmer Assistance Act useless," predicts Myron Just, North Dakota commissioner of agriculture. "A 2% increase in interest will knock $200/a off a $2,000/a transaction price on a 20-year contract-for-deed," calculates Paul Hasbargen, Minnesota extension economist. "Each 1% change in interest will change the purchase price about 4% in the opposite direction on a 10-year loan, 5% on a 20-year loan and 6% on a 30-year loan."●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

SENATE—*Wednesday, January 21, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met in executive session at 11 a.m., on the expiration of the recess, and was called to order by the Vice President (Mr. BUSH).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Almighty God, we thank Thee for this good land, born in suffering, nourished in freedom, and built upon faith in Thee. Thanks be to Thee this day for the deliverance of our countrymen from captivity to the clear light of freedom. May our hearts and our minds be fused with theirs in joy and thanksgiving.

Must it ever be, O Lord, that only by suffering is man's perverseness and diabolical fiendishness atoned? Even so, move us to see Thy love which never fails and the truth that whoever gives his life in service to others finds life in a higher order.

Now come to us anew in this place. Let Thy Spirit descend upon us that our work may be our worship. We thank Thee for the high hopes which stir within us at every turn in history. May Thy Spirit indwell Thy servant, GEORGE BUSH, to give him clarity of vision, soundness of judgment, and vigor of soul. Bind us together, heart to heart, mind to mind, soul to soul, that we may concert our best efforts for the well-being of America and for peace and justice in the world.

We pray in Thy holy name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The VICE PRESIDENT. Under the previous order, the majority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair. It is a special privilege for me to rise in seeking recognition on this morning and I will have more to say about that in a moment. But, so that we may have a maximum opportunity for our colleagues to appear on the floor and to greet our Presiding Officer at this time, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

WELCOME TO THE VICE PRESIDENT

Mr. BAKER. Mr. President, it is a signal honor for me to have this opportunity to stand at this place and to welcome you to the U.S. Senate.

As I said on yesterday during the luncheon for the President and Vice President following the inauguration, the Vice Presidency of the United States is the only office in the Government which has a foot in both camps, both the executive and the legislative, because the Vice President is not only Vice President of the United States, but he is also the President of the Senate. And those of us in the Senate like to think of that latter job as the more important of the two. You belong to us and we are glad you are here.

Mr. President, it is a special pleasure for me to speak to you and greet you on behalf of the Republican majority of the Senate of the United States and to tell you, our new Presiding Officer, that it is our intention and purpose to cooperate with you and support this administration, and to cooperate, as well, with the distinguished minority leader and all the Members on the Democratic side of the aisle, to preserve and continue a tradition which is, I believe, a growing tradition of bipartisan cooperation in those matters of great national importance which so clearly require that sort of cooperation.

We stand ready, Mr. President, to work with you, to lighten your tasks and burdens. We stand ready to discharge our constitutional responsibilities with you and under your leadership.

Mr. President, it is my special pleasure to yield to my friend, the minority leader, who may wish to speak at this time.

Mr. ROBERT C. BYRD. Mr. President, I join with the distinguished majority leader in welcoming the Vice President as he assumes his duties under the Constitution as President of the Senate of the United States.

The Senate is a unique institution. Gladstone referred to it as "that remarkable body, the most remarkable of all the inventions of modern politics." Others have referred to it as a citadel of commonsense. Webster referred to it as a "Senate of equals, of men of individual honor and personal character, and absolute independence."

In 1805, when Vice President Aaron Burr bade a formal farewell to the Senate over which he had presided for 4 years, we are told by at least one writer that Burr's statement cast such a spell over the Senate that, following his address, Senators were so in tears that it required a half hour before order could be restored and they could elect a President pro tempore and adjourn.

In his closing remarks, Burr referred to the Senate in this way:

> This House is a sanctuary, a citadel of law, of order, and of liberty. It is here in this exalted refuge, here if anywhere, will resistance be made to the storms of political frenzy and the silent arts of corruption. And if the Constitution be destined ever to perish by the sacrilegious hands of the demagog or the usurper, which God avert, its expiring agonies will be witnessed on this floor.

Burr had spoken the day after the Senate had reached one of its most critical decisions in American history. Through 3 months, Samuel Chase, an Associate Justice of the U.S. Supreme Court, had been on trial upon impeachment charges brought by a House of Representatives controlled by President Jefferson and his followers. Even though the Senate had within it a majority of Jefferson supporters, the President of the United States was unable—with all of the pressures that he sought to bear, and with all of the pressure of the passionate appeals of the House managers and counsel, Nicholson and Randolph—to secure a two-thirds majority in the Senate to even sustain one single article of impeachment.

Tensions had been great and excitement had been high because it was felt that if Chase could be ousted, then the Jefferson administration would move quickly to launch impeachment proceedings against Chief Justice Marshall.

So the Senate exercised in that fine moment of drama the kind of independence, impartiality, fairness, and courage that from time to time over the years the Senate has brought to bear upon the history of our country.

I, in my own time, have seen this kind of courage and independence. I saw it in the enactment of the Civil Rights Act in 1964, which I voted against and which I have come later to regret. But I voted as I did by my own lights as I saw them. I saw it in the context of the Constitution, and I supported that great constitutional scholar Sam Ervin and that great patrician, Richard B. Russell, in the constitutional case they made against that legislation.

I saw this kind of courage and independence in the approval of the Panama Canal treaties, where it would have been politically popular back home in every State to vote against the treaties but the Senate by a vote of two-thirds plus one, rose to the needs of that moment and approved the treaties in the best interests of our country.

So, Mr. President, you have come to a unique institution—in my judgment the greatest institution of all under our constitutional system, and you are the link between these two equal and coordinate branches created by the Constitution, the legislative and the executive.

You bring to this task some very special talents. You were a Member of the other body for two terms. I believe

you had a distinguished military record during World War II. Your services to your country as we began to normalize our relations with the People's Republic of China were eminent and worthy of our admiration and respect.

Your father was a distinguished U.S. Senator, and we all respected him and held him in the highest regard on both sides of the aisle. So, in a way, you are a child of the Senate.

I think that through you, one who has served in the legislative branch, we can hope to see the kind of cooperation and understanding between these two branches of Government, the executive and the legislative, that will be in the best interests of our country.

Those of us on my side of the aisle welcome you, and we wish you well.

May I say in closing that if you ever have any problems from a parliamentary standpoint, just call on the minority leader. [Laughter.]

We look forward to serving with you.

The VICE PRESIDENT. I thank the minority leader. The Chair recognizes the majority leader.

Mr. BAKER. I thank the Chair. I may only say in passing that I join in the recommendation that you consult with the distinguished minority leader on parliamentary matters. He is virtually without peer in the entire Senate concerning his knowledge of the rules of the Senate.

I also urge that you check with me afterward. [Laughter.]

Mr. STEVENS. Mr. President, it gives me great pleasure to join the majority leader and others in welcoming you to the U.S. Senate. We are all pleased and proud to have one with your experience and background as President of the Senate and look forward to working closely with you over the upcoming months and years.

Many of us know from working with you for the past years in your various positions that your talents and capabilities are vast. I have personally grown to respect and admire your abilities through working with you in the House of Representatives, the Republican National Committee, and the Central Intelligence Agency.

Having just returned from Beijing, I can tell you that your duties as head of the U.S. liaison office there did not go unnoticed or unappreciated. You represented the United States ably at a most crucial juncture in our relations with Beijing. I am confident that as you take over your new responsibilities as Vice President of the United States and President of the Senate you will handle those responsibilities with the same integrity, intelligence, and diplomacy which we have come to know and respect. And we shall welcome your vote should this body ever be equally divided on any issue.

Our Nation has some difficult issues and some tough decisions ahead. Many Members of Congress are particularly pleased to have a new administration which has indicated its intention and desire to work closely with the Congress to resolve the difficulties we face. As President of the Senate you will play an integral part in this partnership. Your presence today and in the future will be of great assistance to us and to the American people. Welcome aboard.

Mr. BENTSEN. I say to the majority leader that I have been a GEORGE BUSH watcher for years. In fact, I might be called a resident expert on GEORGE BUSH. He is really a most remarkable man who, with his lovely wife Barbara and their children, form one of the most gracious and talented families in American politics.

It has been said that the true test of bravery in the Senate is to be a part of the minority while the true test of tolerance is to be a member of the majority. With GEORGE BUSH as the Presiding Officer of the Senate, I am confident that we will have not only tolerance but also fair play.

GEORGE BUSH has been in a number of political races; yet, I do not know of a single one of his opponents in any of those races who has not liked and admired him. He is a tough competitor, be it tennis or baseball or a political race. In tennis, he is a fellow who does not foot fault. In baseball, there are no rhubarbs; in politics, no acrimony.

With the affection and admiration he has achieved across the breadth of this land, I believe GEORGE BUSH has a unique opportunity to help transform the word "bipartisanship" from a political slogan into reality. I wish him well in his tenure.

Mr. TOWER. Mr. President, I wish to express my great pride in having the opportunity to see the distinguished citizen of my State presiding over the Senate this morning in his capacity both as Vice President of the United States and President of the Senate.

There are few people in public life who have so distinguished a record of public service as a Member of the House of Representatives, as the national chairman of the party, as our Ambassador to the United Nations, and as our Special Representative to Beijing in the formative days of our relationships with the People's Republic of China. He has always acquitted himself in a manner that reflects credit on himself, his State, and his country.

He has contributed a great deal already to the people of this country in terms of his service. I suggest that his period of greater service is yet ahead of him.

I take this opportunity to wish him well and to express my confidence that he will perform in this capacity in which he now serves in the same way that he has performed all past public service tasks that have fallen on his shoulders.

He is an unusual man, an outstanding man, and the Senate, I believe, is fortunate to have him as its President.

The VICE PRESIDENT. The Chair recognizes the Senator from South Carolina.

Mr. THURMOND. Mr. President, I feel we are very fortunate to have had such an able Vice President.

It is a distinct pleasure to welcome you to the Senate as our President. We in this body look forward to our association with you in both that capacity and as Vice President of the United States.

The next few years—indeed, the next few weeks—will be crucial to the future well-being and stability of our Nation. The actions of the new administration and of the 97th Congress, both of which you represent, will rise or fall on the vision and dedication of those entrusted with the power of office. Your record of public service, Mr. President—whether as Congressman, diplomat, political party chieftain, or CIA Director—has prepared you well for the momentous days ahead.

Furthermore, the arduous election campaign of 1980, which reflected the choice of Americans throughout the land and which culminated in the oaths taken yesterday by you and President Reagan, has clearly set the stage for the meaningful work that lies ahead for all of us. I look forward to serving with you as we face the pressing issues of inflation, defense, the scope of Government itself, and so many more.

Mr. President, I feel sure that I express the sentiments of all in this Chamber when I wish you welcome and Godspeed in the performance of your new duties.

Mr. BAKER. Mr. President, I inquire of the Chair, is there an order entered for the special recognition of the Vice President?

The VICE PRESIDENT. There has been an order entered. I thank the Senator for the 5 minutes of time granted to me to speak as in legislative session.

ADDRESS BY THE PRESIDENT OF THE SENATE TO THE SENATE

The VICE PRESIDENT. Mr. Majority Leader and Mr. Minority Leader, Senators, at the outset of these brief remarks, let me express my deep appreciation to the man who, over the past 4 years, has brought great distinction both to the Presidency of the Senate and the Vice Presidency of the United States, Fritz Mondale.

You will note that I first mentioned the Senate Presidency, then the Vice Presidency, having been duly advised, if not lectured, by the majority leader and the minority leader regarding the importance of the two offices that I hold. I also note with great sincerity the advice publicly given here by the minority leader, and the eloquent appeal to fair play and appeal for cooperation, and the advice that he has given to me privately The majority leader and I have talked about it a great deal.

The cooperation and many courtesies shown me and members of my staff by Vice President Mondale and his staff, I should tell you, as they relate to the Presidency of the Senate and the Vice Presidency, have made for a very, very

smooth transition in what could have been an awkward and difficult time. As President Reagan said yesterday, the strength of the American system is best demonstrated by an orderly transfer of power from one administration to the next and, by their words and deeds in recent weeks, both President Carter and Vice President Mondale reflected that strength. For this we all, regardless of party affiliation, owe them a debt of thanks.

I am here today a stranger to my new duties and responsibilities. Yet, for several reasons, I do not feel like a stranger. For one thing, I am privileged to count many Members of this distinguished body as personal friends, having served with them in the other body, the House. Second, I learned respect for the Senate and its traditions from a father who revered this institution and all that it stands for in maintaining our free society.

As we know, these past few days have been among the most hectic, yet hopeful, in recent times. Whether Republican, Democrat or Independent, we can all take inspiration from the new beginning outlined by President Reagan in his inaugural address. As Americans, we can all join in the celebration and happiness of the hostages' families on the return of their loved ones.

Now, as the tumult of transition and inaugural passes, as the ordeal of the hostages comes to an end, we face the challenge of providing new leadership to a troubled and yet hopeful Nation. From Capitol Hill to the White House, we all have our assigned roles in the effort to meet and to master this challenge.

So, for my part, with a strength drawn not only from the confidence expressed in us by the American people but from knowing this great institution some and knowing and respecting its traditions, I look forward to working with you and carrying out my constitutional responsibilities in the months and years ahead.

I thank you all.

[Applause, Senators rising.]

RECESS FOR 10 MINUTES

The VICE PRESIDENT. Under the previous order, the Senate will stand in recess for 10 minutes.

Thereupon, at 11:24 a.m., the Senate recessed for 10 minutes; whereupon, at 11:34 a.m., the Senate reassembled when called to order by the Vice President.

MODIFICATION OF ORDER OF BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the order of business entered on yesterday be modified in this respect: That the two special orders provided for before the close of business yesterday—that is to say, 15 minutes each for Senator DURENBERGER and Senator JEPSEN—follow immediately after a 15-minute period for the transaction of routine morning business.

I ask unanimous consent, further, that there now be a period for the transaction of routine morning business, not to extend beyond 15 minutes, in which Senators may speak for not more than 3 minutes each, and that this request be in legislative session.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I hope the Chair will see fit to recognize, first, the junior Senator from Texas, who I believe is seeking recognition.

The VICE PRESIDENT. The Chair recognizes the Senator from Texas.

Mr. BENTSEN. I thank the majority leader.

(Mr. BENTSEN's remarks are printed earlier in today's RECORD.)

The PRESIDING OFFICER (Mr. MATTINGLY). Is there further morning business?

A REVIEW OF THE SENATE'S TREATY RATIFICATION RECORD

Mr. PROXMIRE. Mr. President, the 97th Congress has begun. Thirty-two years have passed, and the Genocide Treaty still remains unsigned by the United States. That treaty has been sent to us by the executive branch. No further action is required by the President. It remains a matter of pending business; and the Senate, of course, has refused either to give its assent or to deny its ratification.

Mr. President, from 1785 to 1934, a span covering most of our history, only 15 of the 528 treaties presented to the Senate were rejected. Most treaties run the Senate gauntlet without undue delay. The longest amount of time for a treaty to be ratified, except for the Genocide Treaty, was 21 years. That was the Caribbean Isle of Pines Treaty.

As I say, that makes the Genocide Treaty the longest pending treaty in the history of the Senate—and with no real justification, especially since major opposition to the Genocide Treaty has now voiced its opinion in favor of it.

I might say that the Genocide Treaty is a treaty which would outlaw the planned, premeditated eradication of an entire racial group or religious group or ethnic group. A classic example, of course, was the action by Hitler against the Jews in Germany before and during World War II.

After that, of course, the world reaction was swift and strong, and 85 countries have ratified the Genocide Treaty. This country, which originated the Genocide Treaty, alone among the major countries in the world, has failed to ratify it.

The treaty was opposed by the American Bar Association. That delayed it for a few years. But for years now the American Bar Association supports it and now enthusiastically supports the treaty.

The last day of the 96th Congress I expressed my hope that the Foreign Relations Committee would report on the Genocide Convention during the new year.

Finally, Mr. President, it is time to set aside our provincial interests and unify for the betterment of mankind.

Remember, this is a treaty supported not only by all religious groups, Protestant, Catholic, Jewish; it is supported by virtually every organized and respected group in this country. It is supported by labor unions. It is supported by civil organizations. It is supported by women's organizations. And I know of few organizations—the John Birch Society opposes it; the Liberty Lobby I believe opposes it—but even those organizations have not been vigorous in their opposition.

So I urge my colleagues to vote in favor of ratifying the Genocide Treaty, thereby maintaining a positive treaty record in voicing our opinion against violence toward all ethnic and racial groups.

Mr. President, I yield the floor.

The VICE PRESIDENT. The Chair recognizes the majority leader.

Mr. BAKER. Mr. President, in no way should the Chair conclude or infer from the remark I am about to make that he is not always welcome and constantly so in this Chamber. But I know he has another commitment to keep, and I see that the distinguished President pro tempore is in the Chamber and if the Vice President wishes to withdraw for the purpose of keeping his further commitments I am sure the President pro tempore would supply someone to preside in his absence.

APPOINTMENT OF MEMBER TO SELECT COMMITTEE ON ETHICS

Mr. BAKER. Mr. President, I send to the desk a resolution in respect of appointments to the Select Committee on Ethics and ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 27) appointing a member of the Select Committee on Ethics.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The resolution (S. Res. 27) was agreed to as follows:

S. RES. 27

Resolved, That the following Senator is appointed to the Select Committee on Ethics: the Senator from North Carolina (Mr. HELMS), vice the Senator from Mississippi (Mr. COCHRAN).

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. Is there further morning business?

Mr. BAKER. Mr. President, I might say before morning business is concluded that it is my expectation there may be another matter or two to be dealt with in morning business later in the day and that we will have, after consulting with the minority leader, to make further provisions for other morning business on this day.

CONCLUSION OF MORNING BUSINESS

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

RECOGNITION OF SENATOR DURENBERGER

The VICE PRESIDENT. Under the previous order, as in legislative session, the Senator from Minnesota (Mr. DURENBERGER) is recognized for not to exceed 15 minutes.

S. 178—SEVERANCE TAX

Mr. DURENBERGER. Mr. President, today I will be joined by several colleagues as sponsors of a bill to limit the rate of severance taxes that States may impose on the production of coal from Federal or Indian lands or coal produced from mineral deposits reserved to the Federal Government. I rise to speak briefly in the hope that the debate can begin with a fair appraisal of the issues that are raised by this bill.

Joining me as cosponsors of this legislation will be Senators BUMPERS, DANFORTH, BENTSEN, PROXMIRE, METZENBAUM, JEPSEN, LEVIN, RIEGLE, and DODD. The bill is similar to S. 2695 which was introduced in the 96th Congress and which was the subject of hearings before the Committee on Energy and Natural Resources on August 6, 1980. I recommend the record of those hearings to my colleagues. The bill imposes a flat limit on State severance taxes of 12½ percent, but only on the taxes applied to coal taken from Federal lands.

At the hearings in August, Senator Gaylord Nelson of Wisconsin summarized the debate on this legislation with three questions. I would like to borrow Senator Nelson's questions for my comments today, but absolve him from any responsibility for the answers which occur to this Senator after reading the record.

He asked:

Does the Congress have the authority under the Constitution to impose a limitation on State severance taxes? If the Congress has that authority, should it be exercised in this instance? And if it is wise public policy to impose a limit, what percentage should the Congress set as the limitation by this legislation?

The hearings last year provided some insight, at least for this Senator, on those questions and it seems to me that the following answers are appropriate.

Congress most certainly does have the power to limit the rate at which severance taxes may be imposed by the States. This power is derived from the commerce clause of the Constitution and in the case of this bill from the fact that the coal is owned by the Federal Government.

In a court case bearing on these issues and brought by several Midwestern utility companies with the State of Montana as a defendant, the attorney general of Montana, Mike Greely, argued that Montana had the power to impose a severance tax of any rate whether it be the current 30 percent or 100 percent or 1,000 percent. Montana believes it has this power despite the commerce clause. Mr. Greely again asserted this power in the hearings before the Energy Committee. The legal theory stated by the Montana attorney general is that mining is a purely local activity and as such State action to tax or regulate mining is beyond the reach of the U.S. Constitution. In my opinion, Mr. Greely's view is contrary to fact and in disagreement with the law of the land.

Forty percent of the coal reserves located in the United States are found within the borders of Wyoming and Montana. Seventy-five percent of this coal is either under land owned by the Federal Government or an Indian tribe or is a mineral right reserved to the Federal Government by the Mineral Leasing Act of 1920. This coal came into the possession of the United States at the time of the Louisiana Purchase. It is not the birthright of any State, nor may its disposition be determined by any State. It is the property of the people of this country with title held by the U.S. Government to be disposed of as Congress shall determine.

Congress has decided that this coal shall be produced and used to provide energy resources for the Nation. It has instructed the Department of the Interior to lease the land. More than that Congress has instructed the Secretary of the Interior to obtain a fair value for the coal produced as a result of leases.

Let us suppose as Mr. Greely did in his argument that Montana imposed a tax of 1,000 percent. That would put the price of Montana coal somewhere near $100 per ton. The Secretary of the Interior would not be able to sell any leases. Congress would be frustrated in its attempt to make this resource, owned by all of the people of this country, available to meet our energy needs. Just as my State of Minnesota cannot pass a law forbidding the harvest of timber on Federal forest land, just as California cannot pass a law preventing fishing in U.S. territorial waters, Montana cannot by its tax policy deny the Federal Government the right to lease its land and mineral reserves for the production of coal. Whether the 30-percent tax rate which Montana now imposes denies Congress the opportunity to dispose of this coal according to national policies is a question of fact, but there is without doubt a point at which State taxation may interfere with the power of Congress to use and dispose of Federal property and mineral rights.

Even if this were not Federal coal, the commerce clause of the Constitution would authorize the Congress and the Federal courts to examine and, if necessary, limit the rate of State taxation. To deny this authority the State of Montana relies upon a mechanical definition of interstate commerce which has not been applied by the Supreme Court to these issues since 1937. Montana argues that mining is a purely local activity which has no impact on interstate commerce. This argument is made despite the facts. Ninety-eight percent of the coal mined in Montana is mined pursuant to contracts with utility companies in other States and is shipped directly from the mines to plants owned by those utilities.

For purposes of taxation Montana assesses the value of the coal after it has been lifted, crushed, and washed to the specifications of the utility and loaded for shipment in interstate commerce. Mr. President, the interstate nature of these transactions is now an issue before the U.S. Supreme Court. I am confident that the Court will find that this is a question of interstate commerce, that the burden of the Montana tax can be decided under the commerce clause and that the Congress does have the power to regulate and limit State taxation in these areas.

Finding that Congress does have the authority, would it be wise public policy to impose a limitation on State taxation in this instance? I am sincerely sensitive to the implications of this bill. It would break new ground in the area of Federal interference and regulation of matters best left to the States. But, Mr. President, this is the very issue that gave us the Constitution we cherish. It was State taxation and regulation of interstate commerce that forced the original 13 States to abandon the Articles of Confederation and send delegates to a constitutional convention. The Constitution provides us with power to protect interstate commerce from burdens that would be imposed by the States. For 200 years we have recognized that commerce, unfettered by parochial interests, benefits all Americans. We not only have the power, but the responsibility to examine these issues carefully and continually.

Our responsibility is not only to the Constitution, but to consumers and citizens in other States who now share in the ownership of this coal and would use it for their energy needs. Opponents of

this legislation will point out that it has only a small impact on the utility bill of a single consumer in a single year. And they will also argue that there are other costs of coal production and transportation that place burdens on the consumer. We concede those facts, Mr. President. But there are millions of Americans who now depend on this coal for their electricity supply. They ought to pay the entire cost of producing and transporting coal. But they ought not to be charged billions of dollars over a period of years to support general governmental programs for citizens in other States. Their right to freedom from an unconstitutional tax imposed by a State in which they have no vote is every bit as important as the right of the producing States to be compensated for the impacts of coal mining and energy production.

To determine whether the severance taxes imposed by Montana, Wyoming, or any other State are an unnecessary burden on interstate commerce we should examine the expenditures which these taxes support. The States have the right to recover from the producers and consumers of coal, oil, gas, other energy resources, and other mined or harvested commodities, the costs which the States and their local governments experience as a result of production. One would expect a close correlation between the tax and expenditures made to mitigate impacts.

But how are the severance taxes used? Are they spent to mitigate the impacts of mining and energy production? No, Mr. President, they are not. Fifty percent of the revenues from the Montana coal tax goes into a permanent trust fund suggesting that there is no current need for these revenues. The interest from this fund and 19 percent of the remaining tax revenues are devoted to the general fund of the State and used for general government programs. Only a small portion of the funds are used directly to mitigate impacts.

The evidence from Montana shows that property taxes are lowest in counties where coal development is occurring. The State has been able to reduce income taxes in the past few years. Testimony before the Energy Committee demonstrated that other revenues associated with the production of coal, including Federal royalties which are shared with the State, are more than enough to mitigate the impacts of mine development. Finally, projections indicate that Montana will accumulate billions of dollars by the turn of the century—taken from consumers in other States who have no say in the rate of taxation. These revenues will be placed in a trust fund to pay the future costs of Montana State government.

These developments could be easily imagined in the United States had we continued with the Articles of Confederation. They cannot be imagined nor should they be tolerated under our Constitution. I would say to my colleagues that if we ignore our responsibilities—the responsibilities of the Congress—to protect the unburdened flow of interstate commerce—if we fail to limit the excesses of State taxation when they occur—then we could very well be returning to a balkanized nation.

Mr. President, other States in the Union have the capacity to exact the same kind of tribute that is demanded by Montana and Wyoming for coal. Minnesota, for all of this century, has been the source of two-thirds of this Nation's iron ore. In fact, Minnesota is the No. 1 nonfuel mineral State in the Nation. In addition to taconite, which is the source of iron ore, there are also substantial deposits of copper, nickel, and cobalt within our borders.

As I say Minnesota has a long history of mineral production. We do have a severance tax. But we have never sought to use that tax to pay for the general costs of State government or to salt away a trust fund to shift the future costs of government to the current consumers of American iron and steel. Our tax is now about 4.6 percent.

Montana and Wyoming are close neighbors. Minnesota pays $16 million a year in severance taxes to Montana, more than any other State. Their example is not well hidden from Minnesotans. And now Minnesotans look to the Congress to see how we shall resolve this question. Would you have them believe that a 30 percent tax is perfectly acceptable? Would you have them shift the cost of Minnesota government through the steel mills of Ohio and the auto industry of Michigan to consumers all across the Nation?

Mr. President, I have examined the taxes of the several States, our responsibilities to effectuate the commerce clause, and do believe that this legislation is necessary to preserve the flow of commerce between the States unburdened by parochial interests.

Finally, Mr. President, is the question of appropriate limits. This bill imposes a limit of 12½ percent. There is no magic to that number and it is chosen for entirely historical reasons. It may be that the appropriate limit is somewhat higher. However, if an appropriate limit is higher than 12½ percent, the burden to prove the necessity for a higher rate falls upon the States that would impose the tax.

The evidence clearly shows that many of the impacts of mining and energy production which might fall upon a State severance tax are now funded by other mechanisms. The Federal Government receives a royalty of 12½ percent from those who produce on Federal land. Fifty percent of this amount goes directly to the States to be spent as they determine. Another 40 percent is returned to the States through various categorical programs to mitigate impacts. In addition, Federal and State law requires that mining companies set aside funds from their revenues for land reclamation and improvements, the Federal Government has an energy impact assistance program under the Powerplant and Industrial Fuel Use Act to aid local governments to meet the costs of new development. And, in addition to severance taxes, most States and many localities impose other taxes on the mining and energy companies.

States which have excessive energy taxes in most instances put much of the money in permanent trust funds or use it to pay for the ongoing costs of Government while eliminating taxes that other Americans in consuming States regularly pay to support the cost of public services. The use of the revenues from these severance taxes is perhaps the best test of their necessity and the justifiable rate.

Throughout the course of the debate on this legislation representatives of the States affected will be able to make a case for their particular tax structure. That case should be based on the costs that mining imposes on State and local government. However, the most surprising aspect of the hearings held last August was the lack of any evidence of this type. We did hear much about the impacts, about the need for schools and sewers and hospitals, about the rising rates of alcoholism, child abuse, and crime. But no witness attempted to build a solid factual case to demonstrate that $1 per ton or $2 per ton was necessary to meet the impacts. There were many invitations to come and visit the towns and view the development, but no one invited us to look at the books, to examine the actual cost of development and to match those costs against the revenues available.

The evidence that was presented was all on the other side. It suggested that the impacts cost at most a few cents per ton. That revenues from existing taxes, from the Federal royalty-sharing program, and from the mined land reclamation law were more than enough to compensate the States for the impact of production.

Mr. President, the evidence shows that the costs of energy development impacts are much less than the 12½-percent limitation of this legislation, that revenues sufficient to cover the costs are acquired many times over from other taxes and royalties associated with production, and that the severance taxes of these States are little more than an attempt to shift the current and future costs of State and local government from the citizens who vote in that State to consumers across the Nation. My reading of the evidence tells me that 12½ percent is a very generous limitation designed to avoid conflict between the States and the Federal Government over the precise costs of impacts and leaves wide latitude for the States to impose a tax which is not a burden on interstate commerce.

The questions posed by Senator Nelson in the hearings last year were thoughtful and to the point. I was at that time an uneasy sponsor of this legislation. But I have examined the record, I have thought through the ques-

tions, and now come to the conclusion that this bill is a necessary step to preserve the powers of the Constitution, the rights of millions of Americans who live under it, and the free flow of commerce between the States unburdened by parochial interests.

Mr. President, this is the opening round in what will be a contentious debate in the 97th Congress. It is an important question to both sides. It is my hope that it can be decided on the facts and on the law. I hope that we will be preventing rather than beginning a period of economic warfare among the States.

Thank you, Mr. President.

● Mr. BENTSEN. Mr. President, in the immediate post-World War II period, coal provided almost one-half of our energy needs. Today, despite the fact that coal accounts for 90 percent of our fossil fuel reserves, we use it to meet less than one-fifth of our national energy requirements.

The United States, Mr. President, is the Saudi Arabia of coal. We have enough coal to power our economy for centuries, but we have been strangely reluctant to make use of this vast and significant energy asset.

Contrary to what some would have us believe, America is not energy poor; our coal is a vast and significant energy asset, but is not currently being developed to the maximum possible extent.

In recent years we have accepted a national commitment to replace imported oil with the American coal we possess in such abundance. We have seen that reliance on imported energy is expensive, costing us some $90 billion in 1980. The war between Iraq and Iran also underscores the vulnerability of that energy lifeline.

So I think we can all agree, Mr. President, that the process of conversion to coal makes eminent good sense for America. It is a vital ingredient of any sound energy or security policy for the future.

The conversion of coal, however, is not without its problems. Coal is bulky and expensive to transport from mine to market. Its increased use raises important environmental problems, and most of the low sulfur coal is located far from its final markets.

In fact, 40 percent of our total coal reserves and almost 70 percent of our low sulfur coal so much in demand is located in the States of Montana and Wyoming, most of it on lands and mineral leases owned by the Federal Government. This coal, Mr. President, is the common heritage of all Americans.

One of the factors inhibiting our conversion to coal is the high tribute demanded by Montana and Wyoming for access to this important national resource. The severance tax in Montana is currently 30 percent while the rate in Wyoming is 17 percent and there were reports last year that it would be raised to 21 percent. These exorbitant rates of taxation are in addition to the income from the leases on Federal lands and generate revenue for the States involved that far exceeds any reasonable cost incurred in production.

The bill I am cosponsoring today would limit the State severance tax to 12.5 percent but would apply only to federally owned coal, to resources that rightfully belong to all Americans, to the people of Detroit, San Antonio, and Minneapolis, as well as to the people of Butte and Laramie.

As a general proposition I believe any State has a right to levy a severance at any rate on any resource extracted from its land. I understand the important social, environmental, and local government costs involved when you remove vast quantities of coal. I know what it means for a State to draw down a valuable, finite resource, because my State has been a leading producer of American energy for more than a century.

I want to emphasize, Mr. President, that this legislation does not impinge on the sovereign rights of the States to impose a tax on resources located on private or State-owned lands. It refers solely to Federal and Indian lands.

Why do we need legislation to limit State severance taxes to 12.5 percent on coal from Federal and Indian lands?

First, the current high rates of taxation produce surplus capacity in many western mines at a time when we should be stepping up our coal production. With high severance taxes, Montana and Wyoming have more revenue than they need. According to the Congressional Budget Office, Montana should have a budget surplus of about $84 million by 1990, while Wyoming's surplus could exceed $328 million by that date. So two States have more revenue than they can use, but America certainly does not have all the low-sulfur Western coal it can use, and one reason for the shortfall is a severance tax that bears no relation to reality.

These high rates of State taxation on a resource that is the property of all Americans also drives up the cost of energy. Let me give you an example from the State I represent, the State of Texas. It is estimated that by 1985 Texas will burn almost 24 million tons of low sulfur Wyoming and Montana coal. Enactment of this legislation will save the consumers of my State tens of millions of dollars on their utility bills.

We are dealing with a basic inequity here, Mr. President. Why should the people of San Antonio pay sky high severance taxes to Montana and Wyoming for coal extracted from Federal lands? Coal that is simply not the property of Wyoming or Montana?

The imposition of punishing severance taxes by these two States, together with sharply higher transportation costs for coal, have led to the ridiculous situation in which American cities like Austin are looking into the possibility of purchasing coal from abroad. Last year the city of Austin could have purchased coal from Poland, South Africa, and Australia more cheaply than from Montana.

This legislation will save the American consumer hundreds of millions of dollars in unnecessary and unwarranted energy costs. It will be an important incentive to increased production of low sulfur western coal. It will restore an element of fairness to the manner in which Federal energy resources are developed, priced, and marketed.

I hope my colleagues will move rapidly to approve this important legislation.●

I yield at this point to one of the cosponsors of the bill, the Senator from Arkansas (Mr. BUMPERS).

The PRESIDING OFFICER (Mr. SPECTER). The Senator from Arkansas is recognized.

Mr. BUMPERS. I thank the Senator very much.

Mr. President, I would like to make an observation before I discuss the bill Senator DURENBERGER, Senator JEPSEN, and I are introducing this morning. Something is wrong with the sound system. I noticed when the Vice President was making his statement there was some kind of reverberation, and it sounded like we were in a barrel. It is something new, so I would suggest—I want everybody to hear my mellifluous voice at its very best—that if we cannot use this sound system until we rectify it——

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BUMPERS. I would be happy to.

Mr. ROBERT C. BYRD. Perhaps when you are in the minority it is like living in a barrel. [Laughter.]

Mr. BUMPERS. Mr. President, I introduced this bill last year with my distinguished colleague in the Senate, Mr. DURENBERGER. But I want my colleagues to understand what is at stake here.

This bill will establish a limit of 12.5 percent on the sum of State and local taxes which a State may levy on coal owned by the Federal Government and Indian tribes which is shipped in interstate commerce for utility and industrial use.

I have absolutely no quarrel with any State imposing a severance tax to take care of the legitimate costs they incur as a result of the environmental and economic damage because of energy development. I believe energy consumers should pay their share of those costs. But I do object to the use of production taxes to create windfall revenues, particularly at a time of national economic distress.

We are all committed to becoming energy-independent in this country, and everybody in the U.S. Senate knows that the only way you can do that is to produce coal and burn it.

You have heard the story about the good news and the bad news. The good news is we have more coal than anybody in the world, with the exception of China. The bad news is that we are going to have to burn it. We might as well get the show on the road.

The States of Montana and Wyoming hold 40 percent of all the coal in the United States and 68 percent of the low-sulphur coal in this country. The combination of huge coal deposits and Federal energy and environmental policies has allowed these two States to tax their coal at exorbitant rates of 30 percent in Montana and 17.5 percent in Wyoming (including a county ad valorem tax).

My State of Arkansas produces practically nothing compared to those States, but we have a severance tax of 2 cents a ton. Compare that with Montana's 30 percent, roughly $3 a ton; and Wyoming's 17 percent, and based on $10 coal, $1.70.

I have more than a passing interest in this because I represent the great State of Arkansas which is going to be dependent on Wyoming coal very shortly. We are going to import 12 million tons a year from Wyoming by 1985. The commitments are already made. That is going to cost the people of Arkansas, one of the poorest States in the Nation, over $20 million a year.

These are inflationary times, Mr. President. How are we going to improve our coal production to put these kinds of impediments in the way of producing it?

The other day Jim Edwards, the former Governor of South Carolina, and President Reagan's designee to be Secretary of the Department of Energy, appeared before the Senate Energy Committee. I said, "Governor, you are committed to getting the Government off people's backs." He said, "That is right."

I said, "That is a very laudable goal. I am going to assist you every way I can in doing just that, especially in those areas where Government really is unnecessarily intruding into private affairs of citizens." I said, "If you believe that, do you also believe in getting the State governments off people's backs, too?" He said, "Yes, sir." He was hot for that.

I said, "Well, then, of course, you could not possibly support a severance tax of 30 percent that the State of Montana has levied on coal that belongs to the U.S. Government, not their own coal or privately-owned coal."

Now, there is a constitutional question as to whether Montana can levy this exorbitant tax, and there is a case on this issue pending in the U.S. Supreme Court. Frankly, I think the Supreme Court will declare that tax unconstitutional. But if they do not, we are in one big, fat pickle if we do not get hot and do something about it.

Governor Edwards said, "No, I'm for States rights." Well, now, let me tell you, I am for States rights, too.

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired. The Senator from Iowa has 17 minutes remaining.

Mr. BUMPERS. Will the Senator yield me just 2 or 3 minutes?

Mr. JEPSEN. Mr. President, I am pleased to yield 5 minutes to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I thank the Senator very much.

But I can tell you what is developing in this country, and nobody here should hide his head in the sand or be deluded about where we are headed.

We have about 6 States that are the big energy producers and we have 44 other States that produce very little but consume a lot. And I might just stop here and say, what do you hear economists say? You hear them saying that there is no way to gain control over inflation in this country until we curb our energy appetite and quit sending $100 billion a year to the OPEC cartel.

Well, let me tell you the sequel to that. You are going to destroy the economies of 44 States and particularly States like mine, if you subject us to whatever kind of a tax any State that produces coal, oil, or gas may choose to impose on the other States.

I believe in this Republic and I believe in States' rights. I also believe there are limits to everything.

Seventy-five percent of that coal out there is Federal coal. The Federal Government shares the benefits of this ownership with the producing States through generous royalty rebates—50 percent of Federal royalty collections returned directly to the States—and impact aid grants. The States of Montana and Wyoming have imposed their 30-percent and 17-percent taxes in addition to the substantial payments from the Federal Government, and in disregard of the fact that much of the coal they tax is designated for the common benefit of all Americans.

I see my good friend from Nevada, Senator LAXALT, in the Chamber. He tells me constantly about the Sagebrush Rebellion and about how the people out West feel put upon. And I think they have a legitimate complaint. I think it is probably the way some of these regulations are implemented by highhanded bureaucrats rather than the regulation itself.

When he tells me the people out there simply want to be consulted and they want some input into their affairs in the use of Federal land, I say they are entitled to it and I will support it.

But I say this: If you allow coal prices, through a severance tax or any other mechanism, to track whatever the OPEC cartel decides to set on oil, you are going to destroy this Republic. "United we stand; divided we fall." And that applies more than anything else to energy right now. And you "ain't" seen anything yet.

Let me give you a few statistics here which I think you will find interesting. There are 20 States that are almost totally dependent on coal from these Western States. Who are the customers? The utilities. And what do the utilities do? Frankly, they would like to see this bill passed. But, if it does not, they are just going to pass it on to their consumers. The fine people in my State of Arkansas, who just happen to rank 48th in per capita income, are going to have to pay that $3 a ton in their electric bills and yours are, too, and do not forget it.

In 1979, Montana and Wyoming collected $120 million in coal severance taxes. It is estimated that by the mid-eighties that figure will be $360 million. The State of Montana has been reducing its property and income taxes.

I do not want to lose Alaska's support, if I have any, on this bill, but did you know that Alaska has a $1.3 billion annual budget? They can increase that budget 12 percent a year, give everybody in the State a nice, fat rebate and abolish all taxes and, by the year 2000, still have somewhere between $20 billion and $100 billion surplus. And where did it come from? The other 49 States.

What difference does it make if you have a massive outflow of capital from this country to the OPEC cartel or to a very few States in this country? We can be bankrupt either way.

Will the Senator yield 1 more minute?

Mr. JEPSEN. Yes.

Mr. BUMPERS. Mr. President, I want to be certain that everybody understands that this is not a punitive measure. I hope it will be a sobering measure on all energy-producing States.

I do not know whether we can pass this or not. We could not pass it last year, because people claimed, "States' rights? Well, can we?"

Before the Civil War, every thoughtful person knew that if we went to war, it was going to wreck this country. Jefferson Davis, who used to sit at that desk, which is occupied by the distinguished Senator from Mississippi, was a sitting U.S. Senator before the war.

He went home to his great State of Mississippi to a convention to decide whether they were going to secede from the Union or not. One of the eight votes against secession was cast by Jefferson Davis, who was later the President of the Confederacy. He loved the South too much to refuse to serve, but he knew it was folly and voted against it.

All I ask everybody to do is to look at the bill. Look at the statistics. See where you think this country is going in energy production and the effect it is going to have. It is going to create something closely akin to an energy war if we do not understand. The President said in his Inaugural Address yesterday, that we cannot solve this problem with one group paying a much higher price than anybody else. Congress simply cannot sanction a taxing practice which threatens national energy production goals, adds to already crippling inflation, burdens interstate commerce, and defies the spirit of national cooperation which this country so desperately needs to combat the severe problems of the coming decades.

I thank the Senator very much for yielding.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. JEPSEN. Mr. President, I rise in support of this legislation which places a cap on the amount of coal severance taxes that individual States can levy on coal mined from Federal lands or lands held by Native America Indians.

Excessive State coal severance taxes are unfair, inflationary, and contrary to the urgent national policy of developing America's coal production as expeditiously and efficiently as possible. It is time for Congress to limit these taxes so they fairly reflect the actual cost of services that States provide in connection with coal mining.

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As part of a plan to reduce our dependence on foreign sources of energy and encourage our domestic energy production, Congress has passed measures to stimulate production of the massive coal reserves in this country. Because coal is one of the most promising domestic energy sources of the future, Congress has worked to remove excessive burdens on coal production used in power plants and major fuel-burning installations.

As has been suggested earlier this morning, the Western States in this country have a monopoly on the clean, low-cost, low-sulfur coal that we have in such abundance. Unfortunately, some States, well aware that they are sitting on "black gold," have been quick to exercise their powers to exploit it by imposing the severance tax.

Severance taxes—also known as licenses, gross receipts, occupation, and ad valorem taxes—are levied on raw materials that are removed, or "severed" from the ground. The tax is usually based on a percentage of the value of the coal at the time it is extracted from the ground. While liability for the tax falls on the owners of an energy-producing facility, ultimately the energy consumer—those of us who have homes or businesses to heat—picks up a bigger bill.

Certainly, there are good reasons to place severance taxes on certain goods. Coal severance taxes help defray the cost of services that States must bear to support coal production.

I might add that in researching this problem of severance taxes on coal and finding there are severance taxes on oil and many other things, the thought occurred to me, as a resident of the State of Iowa, a major food producing State in the Nation, that maybe we ought to have severance taxes on food to deal with the very serious national problem of soil erosion.

But that is not the issue here. The issue here is coal severance taxes that help defray the cost of services that the State must bear to support coal production. At least two States in the West have hiked the coal severance tax up so high that this tax is used to reduce other forms of taxes, including sales and income. In one case, for example, the tax imposed is 30 percent of the initial mining cost. Severance taxes are making such profits that the States involved have actually been able to place portions of the revenues in trust funds that will earn high interest rates.

It is significant that the majority of these taxes are levied on coals mined on Federal or tribal lands; in other words, lands not owned by the State or by private citizens. Because the coal lays on Federal or tribal lands, the States already receive millions of dollars in royalties and impact aid from the Federal Government without needing to impose a severance tax to cover necessary coal production costs.

In addition, the cost of these severance taxes to other States is overwhelming. For instance, in 1978 my own State of Iowa purchased $28.8 million of coal from Wyoming and Montana, the two States with the highest coal severance taxes. On top of that price, Iowa had to pay an additional $5 million in severance taxes to these States.

In 1978, Montana collected approximately $40 million on coal produced in 1978, and Wyoming has collected more than $66 million from its severence tax levy. However, if the tax on coal mined on Federal or tribal lands instead had been levied at 12.5 percent, as proposed in the bill we are introducing today, the revenue would have amounted to $16.6 million for Montana and $48.5 million for Wyoming. Both amounts are more than fair, and at the same time would have saved taxpayers and consumers in other States more than $41 million.

Financial experts agree that if Montana continues the coal severance tax at its present rate, by the year 2010 the State will have collected over $20 billion in severance taxes. If, however, the tax is limited to 12.5 percent, Montana's revenues would be reduced to $8.3 billion. That is certainly a fair sum, and a more reasonable one for out-of-State consumers to pay.

Such a limitation, though by no means restrictive, will help to restore equity among the citizens of all States by removing this major economic threat to our goal of developing national energy independence.

DEPARTMENT OF STATE

NOMINATION OF ALEXANDER MEIGS HAIG, OF CONNECTICUT, TO BE SECRETARY OF STATE

The PRESIDING OFFICER. Under the previous order, the Senate will resume the consideration of the nomination of Alexander Haig to be Secretary of State, which the clerk will state.

The assistant legislative clerk read the nomination of Alexander M. Haig, Jr., of Connecticut, to be Secretary of State.

CALL OF THE ROLL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. May I say, this will be a live quorum call. The Senate's role to advise and consent is very important, and the Senate's action will have an important impact on the history of this country. I believe the RECORD should show that this is a live quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll and the following Senators entered the Chamber and answered to their names:

[Quorum No. 3 Ex.]

Abdnor	Garn	Packwood
Baker	Hollings	Pell
Baucus	Jackson	Percy
Bumpers	Jepsen	Proxmire
Burdick	Johnston	Pryor
Byrd, Harry F., Jr.	Kasten	Rudman
Byrd, Robert C.	Kennedy	Schmitt
Cohen	Laxalt	Specter
Cranston	Lugar	Stennis
Dodd	Mathias	Stevens
Durenberger	Mattingly	Tower
Ford	McClure	Tsongas
	Nickles	Weicker

Mr. BAKER. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators. I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. SYMMS) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Hawaii (Mr. INOUYE), the Senator from Georgia (Mr. NUNN), and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

The PRESIDING OFFICER. Is there any other Senator in the Chamber who wishes to vote?

The result was announced—yeas 94, nays 2, as follows:

[Rollcall Vote No. 2 Ex.]

YEAS—94

Abdnor	Exon	Metzenbaum
Andrews	Ford	Mitchell
Armstrong	Garn	Moynihan
Baker	Glenn	Murkowski
Baucus	Gorton	Nickles
Bentsen	Grassley	Packwood
Biden	Hart	Pell
Boren	Hatch	Percy
Boschwitz	Hatfield	Pressler
Bradley	Hawkins	Proxmire
Bumpers	Hayakawa	Pryor
Burdick	Heflin	Quayle
Byrd, Harry F., Jr.	Heinz	Riegle
Byrd, Robert C.	Helms	Roth
Cannon	Hollings	Rudman
Chafee	Huddleston	Sarbanes
Chiles	Humphrey	Sasser
Cochran	Jackson	Schmitt
Cohen	Jepsen	Simpson
Cranston	Johnston	Specter
D'Amato	Kassebaum	Stafford
Danforth	Kasten	Stennis
DeConcini	Kennedy	Stevens
Denton	Laxalt	Thurmond
Dixon	Leahy	Tower
Dodd	Levin	Tsongas
Dole	Lugar	Wallop
Domenici	Mathias	Warner
Durenberger	Matsunaga	Weicker
Eagleton	Mattingly	Williams
East	McClure	Zorinsky
	Melcher	

NAYS—2

Goldwater	Long

NOT VOTING—4

Inouye	Randolph	Symms
Nunn		

So the motion was agreed to.

The PRESIDING OFFICER. With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

THE JOURNAL

Mr. BAKER. Mr. President, as in legislative session, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF STATE

NOMINATION OF ALEXANDER MEIGS HAIG, OF CONNECTICUT, TO BE SECRETARY OF STATE

The Senate continued with the consideration of the nomination.

The PRESIDING OFFICER. Who yields time?

Mr. PERCY. Mr. President, the Senator from Illinois certainly wishes to put on notice every Senator now, and Senator PELL wishes to do the same, that anyone who desires to speak on the nomination before us for Secretary of State should prepare to do so and give us some idea when he wishes to do it.

We had very few requests. We hope we can move forward expeditiously.

The Senator from Illinois is happy to yield to our distinguished colleague, a member of the Foreign Relations Committee, Senator HAYAKAWA from California, for his brief remarks.

Mr. HAYAKAWA. Mr. President, I am grateful to the distinguished Senator from Illinois for yielding me this time.

Mr. President, I am proud to support the nomination of Alexander M. Haig as Secretary of State. I believe he will be outstanding.

He brings considerable knowledge and experience to the job. His tenure as NATO Commander in Europe has been universally praised.

It was in Brussels, by the way, that I first met him when he was giving us a briefing on the military situation in Europe.

History has many examples of people who have been great soldier-statesmen—George Washington and George Marshall in our own history, General de Gaulle in French history and Tokugawa Iyeyasu in Japanese history. Along with his NATO experience, Mr. Haig showed attributes similar to these great soldier-statesmen during the 5 days of intensive questioning by my colleagues on the Foreign Relations Committee. He showed patience, understanding, a sense of purpose and firmness, all necessary qualities for dealing with both our adversaries and our allies.

During the many hours of hearings he answered dozens and dozens of questions about the U.S. policy for dealing with virtually all the major nations of the world. His forthright answers gave me as well as the other members of the committee, the press, and the American public, a very clear view of where he stands and what he stands for.

His opening statement illustrated his deep understanding of the actions needed to restore strength and honor to this country's foreign policy and its image abroad. We need consistency. We need reliability. We need balance.

And Mr. Haig understands the American people. He spoke about our willingness to bear the burdens of international leadership and his belief that the American people have not lost their will but that we have been confused—and I quote him, "confused with respect to the nature of dangers facing us and perhaps confused with respect to the priorities we should establish to deal with those dangers." We need no longer be confused.

Mr. President, I am thoroughly convinced that Mr. Haig, working with President Reagan, will dispel that confusion and forge a new consensus so that we may establish our priorities in an orderly, systematic and unified manner.

At this particular time in our history, we need Mr. Haig and I urge my colleagues to act expeditiously so that we may begin to master the problems we face in the global environment.

Thank you, Mr. President.

Mr. PELL. Mr. President, I would like to yield to the Senator from West Virginia (Mr. ROBERT C. BYRD).

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, within the executive branch of government, I believe the office of Secretary of State to be of an importance second only, in many respects, to that of the Presidency itself.

As a result, the decision I have reached on the nomination of Gen. Alexander Haig was not easily reached, and the factors that influenced me are subtle and difficult to convey.

In setting forth the basic rationale for our constitutional system, James Madison observed in the Federalist Paper No. 51, "If men were angels, no government would be necessary."

Quickly recognizing this as little more than wishful thinking, Madison turned his attention to the central problem that confronted him and his colleagues in the drafting of the U.S. Constitution.

"In framing a government which is to be administered by men over men," Madison wrote, "the great difficulty lies in this: You must first enable the government to control the governed and in the next place oblige it to control itself."

And while recognizing that in such a government, the people themselves would exercise "the primary control over the government," Madison went on to observe, "but experience has taught mankind the necessity of auxiliary precautions."

It was with these thoughts in mind that the Founding Fathers devised our system of checks and balances. The purpose of this system must command the unfailing allegiance and loyalty of all who serve our Nation and our people.

For those who hold public office or positions of trust in our Government, there must be a natural or spontaneous inclination and desire to respond positively to this purpose and to all that it requires.

From this perspective, I shall vote against the nomination of Alexander Haig to be Secretary of State.

In this regard, I have not attempted to persuade any of my colleagues as to the correctness of my decision. Quite the contrary. Moreover, I have attempted to expedite all of President Reagan's nominations, because it is important for the President to have his cabinet confirmed and in place as soon as possible. The confirmation of Secretary of State is no exception.

Some time ago, in responding to a question at my weekly news conference, I said that General Haig, if nominated, would come under "intense, thorough and appropriate scrutiny" during the confirmation process. I believe—given the information available at this time—that the Committee on Foreign Relations has fulfilled this responsibility as well as it could under the circumstances that it had to deal with.

I commend the members of that committee for their dedication to duty.

My vote today is a personal decision. But I do not mean it to carry the slightest animosity or convey the least ill will toward General Haig personally.

I realize that General Haig's nomination will be confirmed today by a substantial majority of this Senate. As he begins his duties in this important post, I wish him well, and I assure him of my cooperation. I firmly believe that foreign policy has to be conducted in a bipartisan manner for the good interests of our country.

I do feel, however, that, if only to be fair to the nominee, it is imperative for me to state the reasons for my opposition to this nomination.

I cast my vote today not because of a single issue, or because of a regrettable event that occurred while General Haig served on the White House staff.

I have attempted to examine the tapestry before us and to make my decision based on the totality of General Haig's record, which, in some areas, is exemplary. On certain issues, I find that General Haig's views and my own are similar—particularly in regard to his concerns about the actions, policies, and intentions of the Soviet Union and the need to strengthen the North Atlantic Treaty Organization.

However, in my mind, despite more than 30 hours of testimony, the case for General Haig's confirmation remains clouded. In part, this is due not so much to unanswered questions on Watergate per se, but rather to unanswered questions—some of which were perhaps never asked—regarding the abuse of power—and that, in the final analysis was what Watergate and wiretaps were all about.

While I believe General Haig has respect for the Constitution of the United States, I am afraid that he lacks a fundamental understanding of, and sensitivity to, the designated and distinct roles and responsibilities of the executive and legislative branches of our Government.

If he does have this comprehension, it was not, in my opinion, communicated clearly and to the fullest during his confirmation hearings.

Senators were seeking assurances in the hearings that the constitutional limits on executive power would be respected, and that there would be an appropriate sensitivity on the part of the nominee to the importance and propriety of the Congress role in foreign policy.

Members of the Foreign Relations Committee attempted to obtain certain evidence that might have confirmed or dispelled questions that have arisen concerning General Haig's White House duty. They were unable to get that evidence.

Since this information was unavailable, the past had to be explored in generalities. The committee members had to discern the nominee's attitude about potential abuses of power by means of questions geared to reveal the way in which General Haig would apply his talents and experience.

The questions were keyed to discovering how General Haig would interpret

and utilize his own power; how he perceived the sometimes thin distinctions between what is right, and what is merely expedient; how he would interpret violations of the public trust; and how strongly he believes in the tenet that—under our form of government—the ultimate wisdom and authority lie with the people.

The Senators on the committee were trying to perform their Constitutional duty. "Advise and consent" is not—and never was intended to be—a pro forma exercise. Congress is the people's branch of government. And the advise-and-consent mechanism is the people's only way of participating through their duly chosen representatives—in the examination of the qualifications of nonelected, but vitally important officers of their government.

The President, supported by the mandate of the electorate, should, of course, have the right to choose his own cabinet members and other aides. But simply put, the Senate bears the sober and heavy responsibility of judging whether Presidential nominees merit public trust. In my judgment, General Haig's testimony before the Foreign Relations Committee left me with a deep concern—a concern that leaves me no choice but to cast one vote against the nominee.

I hope that my concerns will give way to reassurance as Mr. Haig's experience in dealing with the affairs of State unfolds.

It is also my hope that General Haig will come to appreciate and use the wealth of talent and expertise that reside within the Senate, on both sides of the aisle.

Working together, with mutual respect, is the only way to approach the future. General Haig has my assurance of cooperation and support in the field of foreign policy, and I hope that the Congress will benefit from his most candid, full, and forthright advice and trust as we work together in a bipartisan way to develop and implement a foreign policy that will best serve the United States of America.

Mr. PERCY addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. Mr. President, while the minority leader is still in the Chamber, we have worked together on many, many common projects through the years that we have been in the Senate. We have always been accommodating on those projects, particularly when it related to coal in West Virginia or Illinois.

In this case, we do differ. I hold a deep respect for the judgments rendered by the distinguished minority leader. He did not come about those judgments lightly, but after a tremendous amount of thought. He is conveying a message of his concerns and he has expressed those very forthrightly on the floor today.

I would simply say that some of the same questions, obviously, came to members of the committee. In the probing and digging that we did with General Haig, we did explore, in depth, his attitude toward his understanding of the respective constitutional authority of the legislative branch—the Senate particularly in foreign affairs—and the executive branch and the interrelationship between the two branches that is essential.

He not only has indicated his desire to be responsive, to consult frequently prior to the making of major decisions, which in this past administration was not always done—most obviously in the recognition of the People's Republic of China and the new relationship with Taiwan. Senator JOHN GLENN made the strongest representaion that on an action of that kind the Senate should have been advised more than just an hour ahead of the broadcast to the Nation that the announcement was already in preparation.

We have the strongest assurances from General Haig that as Secretary of State, he would consult frequently with the Foreign Relations Committee and, through that committee, to the Senate. He phrased it one time, as I recall, in a way that I felt was a little surprising, but it certainly got the point across. He said, "I recognize I am back at the beck and call of the Senate."

Now, I have assured him that we think his primary job is to run the State Department and develop with the President the foreign policy of this country. I said also that I was shocked, in conducting hearings on the reorganization of the intelligence community, that we found that the head of the CIA, Mr. Colby, had spent 60 percent of his 3 years preparing for, giving testimony, or cleaning up after testimony before a proliferation of eight committees of the Congress.

I assured General Haig that, as Secretary of State, we would not make unreasonable demands, provided the people he picked were so competent as deputy secretaries, under secretaries, and assistant secretaries that we could then call upon those people, knowing that you cannot always have the Secretary down here. But he reached out to say that he would always be available at the time of our choosing, providing we can put our respective schedules together.

With respect to advise and consent, he has already indicated his willingness to consult on a matter that Senator Baker has talked in depth with President Reagan about during the past several months: that is, arms control. He said that ahead of time he would want to consult with us at every step of that process.

In fact, one particular area where we do not have any advise and consent authority, the casting of the U.S. vote for the next Secretary General of the United Nations—a prerogative entirely of the executive branch of the Government—he went out of his way to say that no decision would be made until he had consulted with us and talked with us.

I respectfully ask the minority leader, at this time or some time in the future, to advise the chairman and the ranking member of the Senate Foreign Relations Committee in those areas where, if I recall his words, he said he was left with deep concern with respect to General Haig's attitude toward comprehension or understanding of the constitutional separation of powers.

I would lean over backward in those areas, having such respect for the distinguished minority leader, to see that, as a committee, we did everything possible to reassure him.

The PRESIDING OFFICER. All of the time of the Senator has expired.

Mr. PELL. Mr. President, I am glad to yield such time as the Senator from Illinois may need.

Mr. PERCY. Mr. President, I thank my distinguished colleague. I will be very brief.

If, at any time, on any particular issue of deep and abiding concern that the distinguished minority leader has, such as arms control and the Panama Canal in the past, where his working relationship with the now majority leader was crucial in the Senate acting in a positive way, in cooperation with the executive branch, we would cordially invite the distinguished Senator to join the committee and question General Haig as the Secretary of State at any time he wishes.

But I do hope any particular areas where we can clarify in the record that has been made, we would be happy to do so before the vote is taken this afternoon.

Mr. PELL. Mr. President, I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, the distinguished chairman of the Foreign Relations Committee could not be more gracious. I deeply appreciate what he has said.

I have no doubt but that the Foreign Relations Committee, under the leadership of Mr. PERCY and Mr. PELL, will carefully and thoroughly go into all matters and will be very protective of the prerogatives of the third branch which, in fact, is the first branch, the people's branch, as it appears first in the Constitution.

But I have said what I have said. I have indicated that, regardless of my personal feelings on the nomination, I have no doubt but that it will be overwhelmingly confirmed this afternoon and that I will extend to the utmost my own understanding and cooperation to Mr. Haig as he proceeds in his onerous duties as Secretary of State. That cooperation I owe not only to him but to my country. He shall have it; the President of the United States shall have it.

That does not mean we will always agree, but it does mean that I will attempt to, the best I can, serve the best interests of the United States and to work with the Secretary and the President and the majority party in developing and implementing the foreign policy in such a way as to be most beneficial to the United States.

I have merely for the record stated my own personal concerns. I have been found wrong before in my judgment. As I indicated this morning, I was found wrong in my perceptions of what the Constitution requires in connection with the Civil Rights Act of 1964. I fervently hope I am wrong again. I think that is about all I can say.

Mr. PERCY. Mr. President, of the 30 minutes allocated to Senator WEICKER, he has indicated to the floor manager of the nomination that he will only take 10 minutes. I ask unanimous consent that I be yielded 2 minutes of that time now.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. While the distinguished minority leader is on the floor, on his particular concern I would like to read what General Haig said when he was questioned on this very point. I do not know how we can express it any differently or better than he has. We must remember that before he testified, at his insistence he placed himself under oath, a most unusual step for him to take. I said it was not necessary. He said:

I want to be under oath in everything I say and everything I submit to the Committee on Foreign Relations.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

Mr. PERCY. Yes, of course.

Mr. ROBERT C. BYRD. I applaud General Haig for asking to be put under oath. I think he should have been put under oath. If I were there at the hearing in his stead, if the committee had not asked me to be put under oath, I would likewise have asked to be under oath. I think it was appropriate that he did it, and I think the committee should have done it. I think General Haig is to be commended for his recognition of that fact.

Mr. PERCY. The committee did not insist upon it or did not resist it, I might say, but we have not done that as a practice. Always, as a matter of committee practice on the Permanent Subcommittee on Investigations, no witness can be heard without being sworn. In this case, we certainly appreciated his volunteering to do so. He said:

Second, an effective partnership must be restored with the Congress. By "partnership," I do not mean occasional retrospective reporting. I mean active consultation, exchange of ideas and proposals in a timely manner, in an atmosphere of mutual respect, trust, and confidence, recognizing the special role of the Senate itself.

The Congress can hardly be expected to allow the President the discretion he requires unless it is comfortable with the purposes toward which, and the limits within which, that discretion will be exercised. The Constitution demands it, and good sense urges it. In turn, Congress must do its part. In a partnership, both sides must behave responsibly.

So I do feel that on record the statement could hardly be improved upon as to his commitment he has made to the Senate of the United States.

Mr. ROBERT C. BYRD. I think it was an excellent statement.

Mr. BAKER. Does the Senator from Illinois now have 20 minutes, Mr. President, according to the previous unanimous-consent request just granted? It is my understanding that the Senator from Illinois, as a representation of the Senator from Connecticut, asked that 20 minutes of the 30 minutes allocated to the Senator from Connecticut be yielded to the Senator from Illinois. It was my impression that was done previously. Will the Chair so advise me?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I may overcomplicate this, but could the distinguished majority manager of the bill yield me 1 minute?

Mr. PELL. With pleasure.

Mr. BAKER. Mr. President, I regret that the distinguished minority leader did not deem it possible for him to support the nomination of General Haig, but I am reassured by his representations of future cooperation; indeed, his expressed hope that his judgment at this point may be proven wrong in the future. That is characteristic of the Senator from West Virginia, of his sincerity and dedication to his responsibilities in the Senate. I am sure that he will find in General Haig a man of skill, competence, ability, dedication, courage, and honor will be occupying the office of the Secretary of State. Mr. President, I support the nomination of General Haig to be Secretary of State.

Mr. President. As the festival of the inauguration ends, as we turn with the new administration to the many challenges that confront us, I am reminded that there is no period of grace to be granted simply because we have celebrated the peaceful transfer of power from one administration to the next. The challenges we face are of an immediate and continuing nature, particularly those that confront us abroad, and so I am doubly gratified that the Senate is moving expeditiously to the confirmation of Alexander Haig to be Secretary of State.

In the opening days of the hearings of the Senate Foreign Relations Committee on this nomination, I stated that it was my judgment that Alexander Haig would become a historic Secretary of State. In the many hours of Mr. Haig's testimony that followed that statement, I heard nothing that would cause me to reflect further on that judgment or qualify it in any way. In fact, as the hearings progressed, and as the character of the man emerged that I had begun to know in the several weeks prior to those hearings, my initial judgment and confidence in Alexander Haig was strengthened and reinforced.

I would add one further note Mr. President and that is an observation I have made many times before with respect to my belief that the Soviet leadership, intentionally and by design, attempts to test early the mettle of each succeeding administration. That test occurred early in the Carter administration in the form of a massive arms buildup in northern Africa, specifically Ethiopia, and without indulging too much in recrimination on things passed, it is my judgment that they tested the Carter administration, were satisfied with the results and 4 years later we find them firmly entrenched in Afghanistan and poised militarily to intervene against the people of Poland.

Mr. Haig has demonstrated that he can see the broad sweep of history and knows full well that each Soviet adventure or intervention is neither episodic nor to be viewed in isolation. If there is any hope to avoid the prospect of slipping by degrees toward conflict, it is in the manner in which we meet that first test of this new administration. I am convinced that Secretary of State Haig, and the Reagan administration as a whole, will met that test firmly and meet it in a way that does not lead to a succession of events similar to that witnessed over the past 4 years.

I support strongly this nomination. Both as the Republican leader of the Senate and as a member of the Foreign Relations Committee, I look forward to a prosperous and successful relationship between the Senate and the administration in the formulation of the foreign policies of the United States. I would urge my colleagues to confirm this nomination with a demonstration of strong bipartisan support.

Mr. PELL. Mr. President, I yield to the distinguished Senator from Massachusetts such time as he desires.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. TSONGAS. I thank the Chair.

Let me say at the outset that the hearings on General Haig were extensive. I think it is proper to acknowledge the leadership of Senator PERCY and Senator PELL in having a hearing process that was not marked by acrimony as it could have been had the principals been less gracious in their approach. I would like to publicly thank them for their consideration.

Mr. President, I spoke on this issue almost a week ago and have had time to reflect on my thoughts. As time has gone on, I feel more strongly about why I voted the way I did. I would like at this point to read from the statement I made last Thursday:

Mr. Chairman, I would like to state the reasons for my vote on the confirmation of General Alexander Haig as Secretary of State.

I have sat through five days of extensive and at times exhaustive questioning of General Haig. I have listened to his answers on the broad range of issues discussed, and I have observed Alexander Haig, the man, as he endured the hours of inquiry.

What we had before us was an extraordinary man. The talents given to him are not to be taken lightly. Capable. Intelligent. Tough. Pragmatic. A sense of history and a knack for retaining his options.

In terms of raw talent, General Haig is the most impressive man I have encountered in a confirmation hearing. He will use this talent to dominate this Administration—I have absolutely no doubt about that.

There are within this man all the ingredients necessary for an historic tenure as Secretary of State. Not average. Not sufficient. But historic. A man who has the potential to be honored by both Republicans and Democrats, by both conservatives and liberals.

We are dealing with a high risk, high gain opportunity.

What risks are involved here? The risks inherent in having all those enormous skills not properly focused by a dominant sense of moral purpose. The risk of expediency, despoiling the otherwise solid performance.

How real is this risk?

I do not know. I am not convinced either way. Only time and history will tell.

So what then is my function? My function is to let General Haig know that there is a Foreign Relations Committee dedicated to its oversight function; that there are some of us who believe strongly that America stands for a certain set of principles that are not to be disregarded; that we are a nation of laws, not men.

If this coincides with General Haig's own view, then my caution and role will have

been unnecessary. If it does not, then I will have served my function as I see it, no matter how lonely the task.

I admire talent and capacity and strength. General Haig has them all. Combine that with a sense of moral limits, and you have the stuff of legends. Absent that sense of limits, and you have the potential for tragedy.

Given my feelings of doubt, my function then is one of vigilance. And I feel that I can best express the seriousness of my commitment to that vigilance with a nay vote.

I wish General Haig well because above all I am an American whose life and whose family's lives are to a real degree in his hands. God gave him much. It is up to him to write this upcoming chapter of American history in a way that will honor us all. I truly hope for his success.

Those were my feelings last Thursday, and those are my feelings today. Having had a chance to reflect on the hearings and what has happened since then, I think that if there is one conclusion that remains in my mind it is simply this: I believe that General Haig is well served by having a Foreign Relations Committee that he respects if he takes into account that committee in the recesses of his mind. I think the danger is that if these issues were not raised, we would not be taken seriously, and I think that that would not only be harmful to the Senate and the country, but in a very real sense to General Haig as well. I wish him well, and I look forward to working with him.

I thank the Senator from Rhode Island for having yielded me time.

Mr. PELL. Mr. President, I yield to the Senator from Maryland such time as he may desire.

Mr. SARBANES. Mr. President, I thank the ranking minority member.

Mr. President, I want at the outset to thank and commend the chairman of the committee, the Senator from Illinois, and the ranking minority member, the Senator from Rhode Island, for the fairness and skill with which they cooperated in conducting the hearings on this nomination. The hearings took 5 days and were the most extended and intensive hearings with respect to a Secretary of State in recent memory. The committee fully discharged its responsibility—a responsibility not to be taken lightly. The end result of the committee's action was a full, fair, and thorough hearing which enabled committee members to inquire into General Haig's views on a broad range of subjects, in terms of specific policy, in terms of an appreciation of the institutions of our Government, and in terms of his views on the uses of and limitations upon the exercise of power under our Constitution.

Mr. President, my own concerns in the course of the hearings centered primarily upon the question of sensitivity to the use of power under our constitutional system and the judgments which General Haig would make in this regard. He was a major figure in the White House, including 15 months as Chief of Staff, during the years when such serious abuses of power occurred that, in the end, they resulted in the resignation of President Nixon in the face of certain impeachment by the Congress of the United States.

As Secretary of State, General Haig will be in the leading policymaking position in the Cabinet. This is the preeminent Cabinet post—a post in which the person occupying it does not merely execute the policy set by the President, but, in a very real and significant sense, makes policy. Given the role of the office, given the discretion lodged therein, it was pertinent to try to ascertain the kinds of value judgments General Haig would bring to his responsibilities and the limits on constitutional power which he would draw.

A number of questions were asked by various members of the committee with respect to this issue. The questioning was directed at obtaining from General Haig value judgments with respect to the various events which are embraced under the term Watergate. It was not an effort to implicate him, in terms of his own actions, in those events or to rid from him a "mea culpa." Rather it was all effort to ascertain how, with the benefit of being able to look back, he viewed the events which took place and the various abuses of power which occurred and which finally led to the resignation of the President. It proved very difficult to obtain a response to that line of questioning.

After a long break over the lunch hour, General Haig did return and ask the committee if he could make a statement. He then proceeded to read a written statement drawing some important conclusions with respect to events and activities which had occurred at that earlier time, and about which he had been questioned. While that prepared response provided some reassurance, my concerns on these fundamental questions of the limits on constitutional power which General Haig would draw and his perceptions with respect to the use of power under our unique form of constitutional government remain too strong for me to be able, in good conscience, to support the nomination.

Mr. President, I said during the course of the hearings that General Haig is a man of considerable abilities. That view, in many respects, was strengthened during the course of the 5 days of hearings. I sincerely hope that his performance in office will prove the continuing concerns which I have expressed to be unwarranted. As a member of the Senate Committee on Foreign Relations, which has constant contact with the Secretary of State, I anticipate working closely with our new Secretary to strengthen our Nation's foreign policy and to insure the vitality of our democracy.

I thank the Senator from Rhode Island for yielding me time.

Mr. PELL. Mr. President, I yield to the Senator from Wisconsin.

Mr. PROXMIRE, I understand that under the order, I have 30 minutes.

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. Mr. President, I have a series of questions for the distinguished chairman of the Committee on Foreign Relations, the Senator from Illinois. The first series of questions I wish to address to him deals with the Genocide Convention. He may be surprised at that. I am interested in the Genocide Convention; I am sure he is, too.

Mr. President, every President and every Secretary of State since the Truman administration, Republican and Democratic, has supported Senate approval of the Genocide Convention. The American Bar Association and all the major religious and ethnic organizations in the United States also have indicated their support. President Nixon renewed the appeal to the Senate in 1970 even though the issue is permanently before this body.

I am pleased to note that during the course of the hearings, Secretary-designate Haig has given his support to the Genocide Convention and has stated that his—

> Ratification would unquestionably be helpful in various international forms where the United States has been criticized for its failure to ratify the Genocide Convention.

He goes on to say that this failure "is ironic because the United States was a leader in the post-World War II effort to conclude this Convention as an expression of revulsion to the holocaust and as a deterrent to recurrence of such crimes against humanity."

I ask this of my friend from Illinois: Given this support by Secretary-designate Haig, does the committee chairman believe that the Genocide Convention can be brought before the Senate early this year and finally passed?

Mr. PELL. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. PELL. Prior to the reply by the chairman, I should like to support strongly the question of the Senator from Wisconsin.

I raised the same question with Mr. Haig at the hearings and received a somewhat vague answer. He gave a somewhat more specific answer, in writing, to Senator PROXMIRE'S question.

This is of great importance, and I hope very much, indeed, that the chairman might give very real thought to the idea of holding hearings and finally ratifying that convention.

Mr. PERCY. I assure my distinguished colleagues that in view of the strong feeling of the ranking minority member of the committee—something that the chairman values very highly, as he values the judgment of the distinguished Senator from Wisconsin, and other Senators who feel that way—we will give this convention careful consideration, but there are certain other matters which are more important or at least more pressing. For example, there is the matter of our relationships with Canada, the treaties on boundaries and fisheries, which is rupturing our relationship with our next-door neighbor. That is an important treaty deserving early consideration.

The chairman can assure the Senator from Wisconsin that he will present this to the committee and hope to arrive at an early date for consideration of a vote on this matter, which has been held over for so long.

Mr. PROXMIRE. I appreciate that.

The Foreign Relations Committee reported this matter to the Senate four times. I hope that in view of the fact that it has had bipartisan support—it is not a partisan matter—and is a matter of deep concern to millions of Americans, the chairman of the committee will see to this personally. I believe he personally supports the treaty. Is that correct?

Mr. PERCY. That is correct.

Mr. PROXMIRE. I hope he will do his best to bring it before the committee.

I do understand that this is regarded as less important than some other treaties. I understand that it may be a matter of time and not substance. I hope the Senator will do this, so that I can sit here without getting up on the floor of the Senate, as I have done for almost 12 years, and pleading for action on this convention.

In the second place, the Secretary indicates that subject to the approval of the President, the administration will submit formal recommendations at the earliest possible date.

Does the chairman see any procedural problems associated with a renewed request for ratification of the convention—that is, a renewed request from the Reagan administration?

Mr. PERCY. The chairman sees no procedural problems.

Mr. PROXMIRE. It is my understanding that, subject to the approval of the President, the administration will submit formal recommendations at the earliest possible date. I ask this of the chairman: Does he see any procedural problems associated with a renewed request for ratification of the convention? In other words, is there any procedural reason that would forestall this in the committee?

Mr. PERCY. The chairman does not foresee that at the present time, though he has not polled all the members on this particular issue.

Obviously, the Senator from Wisconsin is aware of the fact that we can talk an issue out at some considerable length. We have a very full agenda, including the nomination process for more than 100 nominations that will come before us.

We have a very high priority with respect to the Canadian Boundaries and Fisheries Treaty, against which the distinguished ranking Republican member has taken a vociferous position. He has said that he would talk at considerable length—I think forever—on the present treaty, on the present terms. But he has indicated a willingness to work out a compromise that would be acceptable to both sides and try to move forward with that.

The chairman would have to put a priority on an item such as that, particularly if we consider that we might have some delays on the Genocide Treaty, which has failed in four Senates. I cannot imagine that it is going to whiz through all of a sudden without considerable debate particularly in view of the new administration and the new Senate.

Mr. PROXMIRE. The Senator may be surprised. Frankly, last year I talked to a number of Senators, and of those Senators I thought would be opposed, I was amazed that very few were opposed.

Some would vote "no," but none would speak at any length against the treaty; and some I thought were deeply opposed were for it. I think there probably are 70 votes in the Senate for the treaty right now, and I believe there is a clear majority in the committee.

Mr. PERCY. The chairman assures the Senator from Wisconsin that if there will be no undue delay in the committee, the committee will take up this matter, because there will be some delay on the Canadian Fisheries Treaty. If there is no delay, the committee will take it up immediately, report it, and then let it take its chance on the floor of the Senate. But if there is a possibility of a procedural delay in the committee, the situation may be different. With a heavy agenda of urgent nominations of ambassadors to every country in the world, the committee cannot withhold the representation of the United States in very important posts for a treaty that has been languishing for years.

Mr. PROXMIRE. That is the trouble. There is always some alibi, some excuse. SALT II was in the way for a while and then the Panama Canal treaties.

Mr. PERCY. The answer is that if there is no delay and it can go through the committee, it will be put through. If there is the possibility of delay that would hold this up, there is no way the chairman of the Foreign Relations Committee can schedule this particular treaty and give it precedence over matters on which the Government depends to function.

Mr. PROXMIRE. Of course, I do not expect that.

General Haig has said that he does not believe additional understandings or reservations beyond those recommended by the Foreign Relations Committee will be necessary.

It is difficult for me to understand why additional hearings will be necessary. It has been before the committee for 32 years—32 years—50 percent longer than any other treaty in history. We have had hearings over and over and over again. The understandings are very clear. We have done just about everything that can be done on this treaty to make it acceptable.

So I hope the Senator will consider it. I know the Senator is being very responsible and careful, and I appreciate that. I hope he will appreciate that this is a matter of urgency to people who have been waiting for a long time.

Mr. PERCY. The Senator from Wisconsin is talking to someone who supports the treaty. He is also talking to the chairman of the committee, and the chairman must take into account the feelings of the members of the committee.

The member in this case who may have some concern about this treaty and whose enthusiasm may not be all the Senator from Wisconsin would like, happens to be Senator HELMS, who is the ranking Republican member of the committee behind Senator BAKER. I am having my staff phone Senator HELMS to ask him what the situation would be, what his feelings are, how long it might take him to express those feelings if it were put to a vote, and if he would see fit to find some way to put it to a vote.

The Senator from Wisconsin knows that the Senator from North Carolina is a man of deep conviction. I would not try to change his convictions. The Senator from North Carolina knows full well the procedures by any Senator that can, shall we say, delay a conclusion, if not kill it.

Mr. PROXMIRE. I have talked to the Senator about that.

Mr. PERCY. The Senator from Illinois can only say that he will work with his distinguished colleague to see what his wishes may be and transmit that information to the Senator from Wisconsin.

Mr. PROXMIRE. I thank the Senator.

With respect to foreign aid, in response to a question as to whether or not General Haig, as Secretary, would provide economic or military aid to certain countries, he stated that each country must be looked at on a case-by-case basis, but he would not respond on any countries.

Let me go over the list and see if the new Republican administration wants to take this position, if the administration wants to examine the need for aid to Cuba. For example, on Cuba, is it understanding of the chairman of the committee that the administration may be in favor of foreign aid to Cuba?

Mr. PERCY. The chairman cannot quote the exact words on this particular subject. My general impression of his statements to us was that, under present conditions, Cuba having sent forces to disrupt various parts of the world, all contrary, to the interests of the United States of America, he would have some considerable difficulty thinking in terms of even a normalization of relationship with Cuba.

I could not imagine he would favor foreign aid to Cuba.

Mr. PROXMIRE. Mr. President, if I may interrupt the Senator, my problem is General Haig did not say that. If he said it, it would be fine. That is aid to Cuba.

Mr. PERCY. He said it.

Mr. PROXMIRE. How about aid to Vietnam?

Mr. PERCY. If the Senator will yield for a further comment, I do not know how he could have made himself clearer on the subject of Cuba with respect to normalization of relationships. The Senator asks a hypothetical question, would he support foreign aid to Cuba. Under the present conditions, I could not conceive of it, if the Senator is familiar with what he said about the prior question.

Mr. PROXMIRE. I just do not want to jump to any conclusions. I am not saying General Haig is ready to get into bed with Fidel Castro. I am asking whether or not he would go on record on saying under present conditions he opposes aid to Cuba. He has not been willing to do that. I do not understand why he will not come clean.

Mr. PERCY. The general was never

asked that question. The question that preceded it simply——

Mr. PROXMIRE. I asked him the question.

Mr. PERCY. The Senator was perfectly free. He was invited to come before the committee and ask General Haig any question.

Mr. PROXMIRE. I asked the question. He did not answer it.

Mr. PERCY. No one on the committee in 32 hours of hearings ever thought to ask the question would he give foreign aid when the question previously asked was "Would you even consider normalization of relationships?" Unequivocally the answer was "No," under present conditions.

Mr. PROXMIRE. I asked him. He did not answer.

How about aid to Vietnam?

Mr. PERCY. I cannot answer for General Haig on this particular question. I cannot conceive he would consider it under present conditions. With respect to Vietnam, again, the question to the best of my recollection was not asked. I could not imagine a man who fought, was wounded in Vietnam, and who went through that war as he did, and was also a part of the process to bring peace, would under these conditions give foreign aid to Vietnam.

Mr. PROXMIRE. I asked him these questions in writing and he would not answer in writing. He came back and said, "We will do it on a case-by-case basis."

How about aid to Nicaragua?

Mr. PERCY. If the question were asked by the Senator and the reply came back on a case-by-case basis did the Senator then go back and say, "Here is the case. What would you do with respect to Cuba and Vietnam?" And what was General Haig's answer?

Mr. PROXMIRE. I did that. We asked each country by name. I asked him on Vietnam. I asked him on Cuba. I asked him on Nicaragua. I asked him on Syria. And in each case he said case by case. He would not answer. There is no answer at all. That is not responsive.

Mr. PERCY. I cannot answer for the next Secretary of State, but based on the judgment that I have reached as to his responses on other questions the answer to the first two countries, Cuba and Vietnam, would be an unequivocal "No."

Mr. PROXMIRE. Will the committee ask him when it gets an opportunity? I realize we are going to confirm Mr. Haig shortly. Will the chairman ask Mr. Haig to give us the specific answer here?

Mr. PERCY. Yes: if the distinguished Senator will permit the chairman to precede that by saying "under present conditions."

Mr. PROXMIRE. Exactly.

Mr. PERCY. "If the situation is unchanged, under those conditions, if today, January 21, 1981, would you, General Haig, if confirmed by the Senate of the United States today recommend tonight or tomorrow that we provide foreign aid to this list of countries?" I can assure the distinguished Senator, the Senator from Illinois will attempt to find an answer to that within the next 24 hours.

Mr. PROXMIRE. I thank the Senator.

On the arms control issue, the Senate and House of Representatives are on record seeking stronger action from the executive department in forcing the Russians to provide information about a biological warfare accident in the city of Sverdlovsk in 1979. A resolution unanimously passed the Foreign Relations Committee—it happened to be my resolution—and the Senate on this issue. Yet no action has been forthcoming.

My question is this: Is there any indication that Secretary-designate Haig will take tougher action to get the facts in this case and press the Soviet Union to determine if there has been a violation of biological warfare connection?

Mr. PERCY. Yes; there is, because the senior Senator from Illinois has been totally frustrated on this particular question. If I could just take a moment to indicate the steps that I have personally taken. I went to Geneva, discussed this directly in the presence of our ambassador with two delegations, including the chairman of the atomic energy commission of the Soviet Union, and I had a negative answer, that this would have to be answered in Moscow, not in Vienna.

I went to Moscow, put the same questions to the leadership in the Kremlin, and was given no more satisfaction than the Carter administration had received.

Therefore, the Senator from Illinois had asked that a first demarche be issued by the Carter administration to the Soviet Union on this issue in accordance with the terms of the treaty we have on biological warfare and the production of biological weapons. Such a demarche was issued, and I was assured by the Ambassador to the Soviet Union from the United States, Tom Watson, that such a demarche was delivered. The question is, then, do we take the next step, having had no adequate consultation in accordance with the terms of that treaty? Do we take the next step and take it to the Security Council?

I put that question to General Haig either in informal conversation or in hearings—I do not remember which—and the answer was that we will pursue this and move forward on the record. I also put the question to Dr. Kirkpatrick, our next United Nations Representative, who was unanimously confirmed by the Foreign Relations Committee. She said she would make it a matter of high priority within the Reagan administration.

Mr. PROXMIRE. I thank the Senator. That was an excellent answer.

Mr. President, I have other questions. I do wish to thank the Senator from Illinois for an excellent answer to the arms question. The answers I received with respect to biological warfare were helpful.

Mr. President, yesterday the President of the United States in his inaugural address started off and hit very hard at the issue of cutting spending, balancing the budget, and eliminating the deficit.

On the other hand, General Haig responded to a question as to whether or not he intended to reduce staffing at the State Department by strongly suggesting he is of the opposite mind. He would increase it. He says that no such reduction decisions have been made and care must be taken to perhaps reverse the reduction of our vital diplomatic presence around the world.

That sounds like another of President Reagan's concerns may have hit a bureaucratic dead end. Every President talks about reducing Federal employment and we get partial freezes and full freezes. But sooner or later if the agency Secretaries have their way, staffing goes up.

My question to Chairman PERCY is: Does the chairman think the State Department should be made to carry its proper share of staffing reductions in the Federal Government or should an exception be made here as hinted by Secretary-designate Haig?

Mr. PERCY. I am sorry. Both the ranking minority member and I were on another issue.

Could the Senator repeat the question, please? What was the issue on?

Mr. PROXMIRE. My question is reducing staffing in the State Department, and, as I say, yesterday Mr. Reagan indicated we should cut the size of Government. We are not going to cut the Defense Department. That is obvious, and we should not. But with respect to the State Department, Mr. Haig goes the other way and indicates that it may have to be increased.

My question is, does the chairman think the State Department should be made to carry its proper share of staffing reductions in the Federal Government, or should an exemption be made here as Secretary Haig implies?

Mr. PELL. Mr. President, if the Senator will yield prior to the response of our chairman, I wish to inject into his thinking, also, the question of these consulates that were closed with great loss to American businesses, in Tehran, for example, where it costs $200,000 a year and produces a quarter of a billion dollars a year that comes out of that area, and that was pennywise and pound foolish.

I think one of the questions Mr. Haig responded to was in that regard, and he thought, I got the impression, that those consulates are very cheap ways of keeping the American presence and helping American exports and trade abroad should be increased. I hope the chairman will bear that in mind.

Mr. PERCY. Mr. President, taking into account that increasing foreign exports is one of the highest matters that we have before us, and taking into account also that when I questioned General Haig on the strengthening of the economic activities of the State Department, he concurred completely that that aspect should be strengthened. That does not necessarily mean adding people, but it certainly means being more aggressive about protecting the right of American business to engage in trade overseas.

But taking all of that into account I see no reason why the State Department

should not participate, along with all other executive branches of Government, in cutting back personnel.

The personal impression the Senator from Illinois has is that in some respects the State Department may have an excess of personnel. I feel they must take a good hard look at how they can prune down.

Just this morning the majority members of the Committee on Foreign Relations reaffirmed and directed their staff director to attend the meeting of staff directors for all committees and to reaffirm to them that the Committee on Foreign Relations will abide by that 10 percent and urge all other committees to do so. If we can do it ourselves in the Senate, I think the State Department can do the same thing.

I would also like to point out to my distinguished colleagues, if I might have the attention of the Senator from Wisconsin on this particularly important point, and also the Senator from Virginia (Mr. HARRY F. BYRD, JR.) because he has been the watchdog of the taxpayers' pocketbook in this regard, I think it would be unconscionable for this Nation under the Reagan administration if we did not cut expenses as we cut taxes, and that we not work ourselves into an even more horrendous debt situation than we now face.

I cannot perceive that we are going to cut deeply into social programs domestically and then leave intact all of our foreign oil programs.

Fortunately, once again, in the staff director majority, we have been singularly blessed in having Ed Sanders who, for 10 years, has been in the Office of Management and Budget, most recently as associate director with the responsibility for State, Defense, and Intelligence. His first instruction from the chairman of the committee was to take a look, if we are going to cut in other programs, and find ways where we can, if necessary, even reduce the foreign aid program.

So the answer to the distinguished Senator's question is, "Yes," I think they should take pro rata proportionate cuts, and I think they can find ways to do it.

Mr. PROXMIRE. Mr. President, I very much appreciate that answer. But I want to point out that it is in direct contradiction to what the Secretary of State-designate seems to be saying. I am glad the chairman of the Committee on Foreign Relations has recognized that there are excessive personnel in the State Department and that they are going to carry their share of reducing their budget, and they should do it.

Mr. PERCY. Did I understand the Senator from Wisconsin to say, however, that if it is necessary to cut budgets, including personnel, that the Defense Department will be totally excluded from such an exercise?

Mr. PROXMIRE. No. What I said was that the budget of the Defense Department is obviously going up. There is no question about that. We recognize it has to go up. Pay has to go up and the force levels have to go up. There is no way you can do it, I do not care what kind of magician you are. But, of course, we have to apply the most rigorous test we can if we can find any way of eliminating unnecessary personnel, and yesterday I tried to press Senator TOWER as to reducing the civilians in the Pentagon, for instance. I think there are other areas where we can cut, and I will not exempt them all. But, as a matter of realism, we know the defense budget is going to go up. The Congress knows it, the President knows it, and the people know it.

Mr. PERCY. Taking account of the fact that there is waste, overlapping and duplication on projects, which do not contribute to the national defense but detract from it, I should think they should not be excluded from pruning, from becoming lean and hard and getting more bang for our buck rather than just saying that we are going to exclude them because they are defense.

It weakens the country when they spend money foolishly. I have great faith in Secretary Weinberger's ability to separate the essential from the nonessential.

Mr. PROXMIRE. Let me ask the Senator: With the nomination of General Haig we have a second instance where a nominee cannot specify where paperwork reductions and curtailed regulations can be specified. The first one, of course, was Mr. Weinberger who was considered by the Senate and confirmed yesterday. We are going to see a pattern here on the basis of the responses I have gotten from all the nominees, where it is going to be a pattern that is very consistent, a lot of talk about paperwork and regulatory reform but no specific proposals. They have been campaigning against something which is either a phantom or they have no ideas as to what to do about it.

May I ask the chairman of the committee does he have any ideas about what paperwork and unnecessary regulations of the State Department can be curtailed or eliminated which would result in more Government efficiency? Mr. Haig, in response to questions I asked him, could not find any. He did not know of any.

Mr. PERCY. I may shock the distinguished Senator, who has demonstrated throughout his Senate career unusual tenacity—and a remarkable tenacity to be admired—for finding ways to eliminate waste, including this huge mountain of paperwork we are involved in.

Much of the paperwork obviously is created by laws of Congress, by reports that we require, references that we require, and I have stated many, many times that the executive branch of Government has enough of its own work to do without constantly requiring the executive branch to touch base with us on every single thing they do. We are trying to become an executive branch. We have just now tried and fought hard to get rid of all of the reporting requirements from the Secretary of State on just matters involving the expenditure of funds for and on behalf of our allies, our NATO allies. We must get prior approval of the Congress before we can place contracts for certain types of equipment when they involve our allies. We fought and fought and finally got that reporting ended. But we must recognize that the buck has to stop someplace, and it has to stop with us. We have got to stop requiring all of these reports, all of this paperwork.

Mr. PROXMIRE. I agree with the distinguished Senator, but I think we have to get to the Cabinet officers who, if they feel the burden comes from us, they ought to tell us what law we ought to repeal. It works both ways.

Mr. PERCY. They may later. We may get good, forthright answers, from all of the outgoing officers of the Carter administration who are leaving. They might tell us what they really think of what we do to them. I would not ask General Haig to do it today, but knowing General Haig as I do, I do not have any doubt in my mind that he will tell you tomorrow and he will lay it right on the line. He is going to lay a lot of things right on the line, and we will encourage him to do it.

Mr. PROXMIRE. Finally, after 5 days and tens of thousands of words of testimony by the Secretary of State designate, the foreign relations committee developed a substantial record on the foreign policy views of the new Secretary of State. After this detailed 5-day inquiry, will the chairman (Mr. PERCY) indicate specific differences with respect to our relations with NATO, Cuba, the Middle East, Taiwan, the People's Republic of China, where the Reagan administration and particularly the new Secretary of State would follow a different policy than the Carter policy?

Frankly, I went through the hearings as carefully as I could, and I find two or three or four relatively limited areas where there is a difference of opinion, but overwhelmingly again and again and again Mr. Haig comes down on the side of the Carter foreign policy. You would not think we have had a change or you would think that Carter had won the election.

If the Senator wishes me to do so, if I had time, I would be delighted to point that out.

Over and over again Cy Vance or Ed Muskie might have given the same answer. So I would like the Senator from Illinois to tell me some specific areas where we might have some differences. How is the new foreign policy going to be different?

Mr. PERCY. Mr. President, let us take it on a case-by-case basis, as the Senator likes to say, not be general but be specific.

The Senator from Illinois has sat through the 5 days of hearings. The Senator from Wisconsin was not there. We would have welcomed his penetrating mind and his penetrating questions.

However, the Senator from Illinois, who did sit through those 5 days, came to a conclusion diametrically opposite to the conclusion of the Senator from Wisconsin.

The policy of this administration will be different from the Carter administration. First of all, it is going to be precise and not mushy. You are going to know where it stands.

As a matter of fact, it might shock the Senator from Wisconsin to know that the people in the Kremlin would welcome this. They just do not know where they stand with us. They do not know what

to expect from the United States of America anymore. I have a feeling that is how they stumbled into Afghanistan. There just was not any clearcut line, just as we stumbled into Korea because a former Secretary of State made a mistake and said that it was outside our perimeter of responsibility.

Let us just take Korea, which the Senator from Wisconsin mentioned, if I could have his attention. Is there going to be a different policy on Korea? Let us take that as an example. The question was put by me as the chairman of the committee. The Carter policy right from day 1 of his campaign speeches and the day he took office was to withdraw all ground troops out of South Korea. The Carter administration sought to implement what I consider to be a stupid, foolish, dangerous policy that would have gotten this Nation into a war. I went first, in a spirit of comity to the President of the United States, to the Secretary of Defense, Harold Brown, for whom I have tremendous respect, to Cy Vance, whom I have loved for many years as an outstanding man, and I urged Harold Brown to cancel his trip to the Pacific areas, to all of the countries out there, to explain this policy and tell them why it was important that we not take all of our ground troops out of Korea.

Harold Brown was under instructions from the President of the United States to go out there and tell Australia and New Zealand and all of these others concerned that we intend to take those ground forces out. I have talked to those men. I know they did not want to get into an argument with the President of the United States early in his career. But I know that they felt it would be a foolish policy not based on intelligence.

Mr. PROXMIRE. Mr. President, I hate to interrupt. I asked the Senator about six specific areas and I got one. I asked about NATO, Cuba, the Middle East, Taiwan, the People's Republic of China, and he gives me Korea. In all these other areas I take it there is no difference.

Mr. PERCY. No, that is not true.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PERCY. Will the Senator yield 1 minute?

Mr. PELL. I yield.

Mr. PERCY. On Korea, the position was unequivocally no, we should not draw them out. As a matter of fact, the Senator from Wisconsin voted for the resolution of the Senator from Illinois saying they could not be taken out. We had a vote of 81 to 7.

General Haig was unequivocal that it would be dangerous to take them out. He was opposed to it.

In China, I see no real difference. President Carter fought against the resolution of the Senator from Illinois, an amendment to the Taiwan Relations Act saying that it would be contrary to the national security interest of the United States if the People's Republic of China used force against Taiwan. The Carter administration fought that language and defeated it, but only by a handful of votes. The minority of the Senate, but a large number of Senators, voted with the Senator from Illinois that we should have stronger language, including the Senator from Wisconsin.

General Haig was unequivocal. He preferred and would have preferred the language that the minority and the Senator from Wisconsin tried to put through, which would have been a clear signal, not a confusing signal.

I flatly talked with the People's Republic of China and said that the dialog on the floor of the Senate should be interpreted not just as meaning "grave concern," as it appears in the law. We made our record here on the floor of the Senate on that issue, and I thank the distinguished Senator from Wisconsin for joining with the Senator from Illinois on that issue.

There will be a big difference in the foreign policy of this administration and the preceding administration. That difference is the mandate that the people of this country gave to Governor Reagan as a candidate, and as President he will have a mandate to strengthen our resolve and to give us a credible foreign policy with a strong national defense behind it. No longer will we say we draw this line in the Persian Gulf but have nothing to back it up.

It has taken us months to get the capability of asserting that, and I do not know whether we yet truly have that capability, but we will have it under the Reagan administration.

Mr. PELL. Mr. President, I yield 10 minutes to the Senator from Virginia, Mr. HARRY F. BYRD.

Mr. HARRY F. BYRD, JR. Mr. President, I rise to support the nomination of Gen. Alexander Haig as the Nation's 60th Secretary of State.

The list of those who have represented America's interests abroad has been impressive. I am proud to note that some prominent Virginians—including Thomas Jefferson, John Marshall, James Madison, and James Monroe—are foremost among those who have distinguished themselves as Secretary of State.

These great men did not shy away from difficult decisions and they consistently came down on the side of what was good for the United States.

In the 1980's, we again face hard decisions. In times of unprecedented peril, we need a Secretary of State who recognizes the paramount importance of the national interest. For too long now, we have confused our interests with the aims of others who, in some instances, bear us ill-will.

Secretary-designate Haig is the kind of person we need to occupy this vital position. I believe he will be a strong Secretary.

He has spent almost all of his adult life in the service of his country. He fought in two wars, never refused a tough assignment and rose through the military ranks to the four-star level. He served as Chief of Staff of the Army; and, more recently, as Supreme Allied Commander, Europe. This latter post was not only a military one but a diplomatic one as well. General Haig distinguished himself in this role.

Perhaps the toughest of his assignments, however, took place not on a battlefield but in the White House. It was here during the closing days of President Nixon's tenure that General Haig, as the President's Chief of Staff, provided a steadying influence. Under the most difficult conditions, he exhibited integrity, courage, determination—and good judgment. This is the kind of leadership we need in the Department of State.

General Haig handled himself admirably during his 5-day appearance before the Senate Foreign Relations Committee. I liked what he said and the forthright way he said it.

I believe that he, along with President Reagan, will formulate a consistent and firm foreign policy. Undoubtedly, he has the goodwill of our European allies who know first-hand of his effective work as the military leader of the North Atlantic Treaty Organization.

General Haig's appointment as Secretary of State is, I think, a good one. I support his confirmation with enthusiasm.

Several Senators addressed the Chair.

The VICE PRESIDENT. Who yields time?

Mr. PERCY. Mr. President, I ask unanimous consent that of the 28 minutes remaining for the Senator from Connecticut that the Senator from Illinois, who is managing the bill, be yielded 5 of those minutes.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

Mr. PERCY. Mr. President, the Senator from Illinois yields first to the Senator from North Carolina and second to the Senator from Virginia.

Mr. HELMS. Mr. President, I learned long ago that it is a risky business to proclaim any event as the longest or oldest or shortest. Still, it is a fairly safe conclusion that the hearings by the Foreign Relations Committee, in connection with the nomination of Gen. Alexander M. Haig, probably broke all records in terms of time consumed.

But it was a worthwhile process, one that educated the committee, and one that was, I hope, helpful to the nominee. I wish to compliment the distinguished chairman of the committee for the able and graceful manner in which he presided over those hearings, as well as the distinguished members of the minority for their cooperation and intensive questioning. When I was a member of the minority, I always considered it my constitutional duty to scrutinize all nominees carefully and fully. It is a process which I believe benefits the Nation. Now that I am in the majority, I still believe that our duty remains the same, and I congratulate the minority for the decorum and sincerity with which they fulfilled their duties.

It has been the privilege of the Senator from North Carolina to know Alexander Haig since I arrived in Washington in January 1973. He impressed me from the outset as an able man. In my discussions with General Haig, both in private and before the committee, I was totally satisfied that he will be his own man as Secretary of State, and that he will not permit the Department to be taken over by any second-level advisers, or anyone on the outside.

I am convinced that, as Secretary of State, Al Haig will immediately seek to strengthen U.S. alliance with non-Communist nations around the world. In recent years, the tendency has been for the United States to ignore our potential friends. In fact, we have too often disavowed our friends in an attempt to pacify Communist nations.

In my judgment, the United States should move to regain our position as a beacon of hope for the millions of people around the world who are today oppressed by communism. That does not mean that we should pick fights with anyone, but surely we should be standing up for freedom.

Our foreign policy for the past two decades has been largely a bipartisan folly. I believe that Secretary of State Haig will be attentive to people like Alexander Solzhenitsyn who have repeatedly sounded warnings about the takeover of the world by communism.

America must once again become a strong nation—morally and spiritually; we must have a superior defense capability to deter the threat of war; we must have an economy strong enough to encourage full productivity by our people.

We have been cutting corners for too long. We have compromised our principles and our priorities. It would not be easy to regain our position of world leadership, but we have no alternative to making the sacrifices to do it.

Alexander Haig has convinced me that this will be his goal. That is why I supported his nomination vigorously. The hearings failed to produce anything other than an assessment that General Haig is an honorable, dedicated American. Not everyone will agree with him as he goes about his duties as Secretary of State. But if he lives up to the principles he and I discussed—and I am convinced he will—America will be a stronger and more highly respected nation. And that is what is at stake.

Mr. President, the office of Secretary of State is the most important position in the executive branch, next to the office of the President himself. This office is made doubly important in the present case because of the historic decline in the prestige and leadership of the United States in the world today. The President is responsible for the foreign policy decisions that ultimately create our role in the world; but the Secretary of State is the President's chief adviser on foreign policy, and the person responsible for executing that policy in detail.

For the past 35 years, the United States has concentrated upon managing its own decline. Our Secretaries of State have no doubt been conscientious men; but they failed to have a vision of the Nation's role in the world as a positive exponent of power. Thev sought containment of the enemy, or they sought to direct battle on terms that traded heroism for technological management. The fundamental issues of life are not susceptible to solution by technology—whether the technology of war, the technology of diplomacy, the technology of agrarian reform, or the technology of democracy. All of these technologies are sterile, unless they are filled with love of country and a conviction of the moral certitude of ones principles.

All life is a form of struggle. It is only by persevering in that struggle that we preserve our own identity. When we stop, we die, and the body returns to the earth. So too with nations. The national identity is based upon the struggle to survive, and to assert that identity. When nations cease to struggle, they fade away in the rubbish heaps of history, if they are lucky. If they are not lucky, they are taken over by stronger nations, despoiled and enslaved.

These elemental truths, as true of the Persians and the Greeks as of the Romans and the barbarians, still retain their verity today. Our power was created by moral strength, not by craftily reasoned technology. Men, and nations, follow leaders when those leaders are full of the struggle of vitality. When the struggle ceases, no one is urged on to follow. The sophists of our day proclaim that the day of the nation-state is gone, that international relations are regulated by law, that the equality of nations, and of peoples, is guaranteed by the reasonableness of the concept of national sovereignty.

But national sovereignty is just a convention that rests upon the underlying moral premise of the dignity of nations—a premise that in turn depends upon power. Our foreign policy establishment has forgotten that power and strength is the foundation of a moral foreign policy, and indeed of national integrity. Power can be misused, but if power is not used at all it disappears. There is no battery that can be charged with national power.

Our foreign policy has become elitist and manipulative, conducted by a relatively small population of participants that is completely out of touch with the feelings of the American people. The guiding concept of that policy has been to subdue the nationalist sentiments of the American people by subjecting them to self-imposed international agreements and arrangements, both political and economic. The new world order, in which we are to become mere co-sharers of resources and political control, is one which depends upon depriving ourselves of our liberty. Even if this master plan were to be successful, it would be a degradation of humanity and freedom as we know it. But there are others with a masterplan that does not include self-effacement and surrender. It too is a plan for a world order, but an order imposed by force.

We saw what happened in Korea; and what can still happen there. We saw what happened in Vietnam, and Cambodia. We see what continues to happen in China where the continuing deprivation of basic human rights is applauded in the name of realism. In all of these, the moral authority of the West withdrew from the battle, and surrendered. Who follows a retreating army who does not wish to retreat himself?

It is no coincidence that when we withdrew our moral presence from the Panama Canal, leaving behind only a technical presence, the United States lost part of its soul, part of its national life. The American people understood that, despite all the clever arguments by those who said it would enhance our power. But no sooner was the Panama withdrawal agreed upon, when the forces of revolution were unleashed in the Caribbean, and great terror and bloodshed. The infection spread from the islands to the continent, where it threatens Central America, and the southern part of Mexico. So it comes at last to our door.

Alexander Haig therefore offers himself to the Nation at a critical moment when basic issues of national survival are at stake. He has an opportunity to cast aside the failed mechanisms of our past policy. He has an opportunity to remold the State Department so that it once more becomes the architect of our policies, and so that it represents the sentiments of the American people.

He will need to bring new life, and a new way of thinking to that Department. But he must also provide the leadership within that Department—indeed, leadership for the Nation—so that America can be restored, as a new and vibrant nation, among the nations of the West. Until our country once more asserts the correctness of its vision, the generosity of its motives, and the moral splendor of its existence, it will never regain its own internal strength or its international leadership. Alexander Haig has that opportunity.

Mr. WARNER. Mr. President, I wish to associate myself with the remarks of my distinguished senior colleague, Senator BYRD of Virginia.

It has been my privilege while in the executive branch to have served with General Haig on a number of assignments. I unqualifiedly support his nomination. I have seen him exhibit leadership with exceptional firmness and calmness, under the greatest of tensions, and in the midst of conflicting pressures from within the executive branch.

I recall vividly one day at Key Biscayne, Fla., when I was meeting with President Nixon with General Haig present—just the three of us in the room. It was not a period of greatness in the history of our country, but I saw him rise above the tragedy of the hour to give me guidance on a most difficult decision. I shall remember that day always.

On an earlier occasion, President Nixon sent me to the Soviet Union as head of the U.S. delegation to negotiate the "Incidents at Sea Agreement" between the U.S. Navy and the Soviet Navy. General Haig, at that time assigned to the National Security Council, provided me with the basic framework of a strategy which led to the successful conclusion of an executive agreement still operative today.

These are but two references to my long and valued personal and professional association with this outstanding American. I urge my colleagues to vote favorably on this nomination.

Mr. PELL addressed the Chair.

The VICE PRESIDENT. The Senator from Rhode Island.

Mr. PELL. Mr. President, I yield such

time as he may need to the Senator from California.

Mr. CRANSTON. Mr. President, at the outset of the hearings on General Haig's nomination conducted by the Senate Foreign Relations Committee, I had considerable doubts as to whether I could support his confirmation.

The thorough and educational hearings conducted by the Foreign Relations Committee succeeded in resolving most of my doubts, and I voted for him. I questioned him at great length, particularly on arms control.

I agree with General Haig on a number of policy matters—not, of course, on all. As a witness before our committee he demonstrated the ability and tenacity which have qualified him for promotion throughout his many years of Government service. It is my hope and expectation that he will use these considerable talents as Secretary of State to promote the cause of peace and to advance our national interests.

In these efforts, he will have my full support.

Mr. President, I made several statements in the course of the hearings as I moved from negative to positive regarding General Haig's nomination—specifically on January 9, 14, and 15. These statements, reflecting my changing views regarding the Haig nomination were, in sequence, as follows:

Senator CRANSTON. I welcome you before this committee, General. As I told you yesterday, it is my hope that these hearings will establish a basis for the Senate and the American people to achieve full confidence in you if, as of course is most likely, you are confirmed as our Secretary of State. This full sense of confidence would be in the national interest and in your own interest if you are to be the effective Secretary of State that we all hope you can be.

You are, as several Senators have noted preceding me today, a man of demonstrated abilities and achievements. I have a keen interest in learning how you would use these remarkable abilities and the unique background that you have acquired to address what I believe is the most important task confronting the incoming Reagan administration: the need to prevent United States-Soviet competition from escalating into a nuclear confrontation • • •

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Senator CRANSTON. General, it is obvious that before we vote on your confirmation, we will not obtain the logs much less hear the tapes or review transcripts of the time period May 4, 1973, to July 12, 1973. I think this is most unfortunate and I am hopeful that the log and relevant tapes will be produced during the limited post-hearing investigation to be conducted by the committee.

We do have a partial transcript of one tape, and only one. It covers a meeting between you, President Nixon and Ron Ziegler on June 4, 1973. That partial transcript was part of the Watergate Special Prosecutors Judiciary Committee's impeachment inquiry and is a matter of public record.

That partial transcript has led some to charge that you counseled President Nixon to commit perjury, to lie, or, at the least, to have a convenient and selective memory.

You have dealt specifically with those charges in the appendix to your statement. I am now dealing with this matter because of the obvious relevance of such accusations to this hearing and because this is a subject that I agreed to take responsibility for looking into when minority members of the committee informally discussed who wanted to, intended, or perhaps should cover certain issues.

Since this particular partial transcript was available to us, it was obviously important to analyze the validity of any of the accusations made based upon it.

First, let me state that the tape, as you know, is called "partial" because significant portions of it are simply unintelligble. My investigation has demonstrated to my complete satisfaction that the transcript that we have is as accurate and complete as is possible to obtain from the tape. It is my understanding that the House Committee on the Judiciary had the aid of the most sophisticated equipment and well-qualified personnel available in its efforts to extract all that it could from that tape.

There appears to be nothing that could have been done, or could now be done, or that could be done in the foreseeable future to obtain a more accurate or complete transcript of that particular conversation. Accordingly, it appears that it would serve no purpose now to have access to the original tape of that particular conversation, nor would listening to it enlighten this committee in any manner whatsoever.

Second, I and others have reviewed the transcript carefully and, we hope, objectively. I have considered every opinion, charge, explanation, comment, innuendo and interpretation of that transcript of which I am aware. I have considered carefully your testimony set forth in the appendix as well as all of your relevant testimony these past days in both open and closed sessions.

General, both you and Senator Sarbanes observed yesterday that no one has either a monopoly on morality nor is infallible in judgment. I concur. But I must say to you in all candor that, based upon the most objective and thorough review and judgment that I could make of the transcript of the June 4, 1973, conversation between you, Nixon, and Ziegler, I am satisfied that that transcript in no way suggests that you intended to counsel the President to commit perjury, to lie, to have a convenient or a selective memory, or in any manner to suggest or to imply anything of the sort.

Moreover, I would add that this appears to be substantiated by the President's statement on the top of page 1 of the transcript:

"Now, this is through February. Well, I've got one other half hour. I don't know what the hell is on it."

Then, a few sentences later, on page 2 of the transcript, the following exchange takes place between you and the President:

"PRESIDENT. So we'll see what else is in the goddamned——

"HAIG. Unintelligible. That's the thing for you to do for your own, really, your own peace of mind right now.

"PRESIDENT. Yeah.

"HAIG. You just can recall. It was in a meeting."

General, I know that reasonable people can differ, but I do not believe that the June 4 tape can provide any reasonable basis for this particular accusation against you.

If my exploration of this matter had led me to a different conclusion, I would, of course, had said so. That being the obvious case, I have no proper alternative, except to set forth, as I have done now, the conclusion that I indeed reached. • • •

Senator CRANSTON. I would like at this point to make sort of a summary statement of how I see where we stand now from my vantage point as a result of these hearings. Tomorrow we vote on your confirmation as Secretary of State. It is apparent that you will be confirmed by this committee and by this Senate.

But that does not change my duty to make my own independent judgment and to fulfill my constitutional duty of advice and consent. I would like to list some of the factors that seem to me to be involved in that decision for me and I think for all Members of the Senate.

Generally, a newly elected President should be entitled to choose his Cabinet and particularly to have his first choice for that most important post for which you have been designated, Secretary of State. Yet, I have a constitutional duty to render an independent judgment and not be a rubber stamp, regardless of whether I am of the same political party as the President or his nominee.

The people of California in 1980 gave me a greater vote of confidence for a third term in the Senate than they did to my fellow Californian, Ronald Reagan, in his races for Governor in the past and his victory on the Presidential election last November. And I say that not in a boastful sense, but simply to lay the foundation for my next point.

My constituents expect me to perform my constitutional duty, to exercise my independent judgment, but with the realization that Ronald Reagan will be the President for all of us.

You are obviously an able, dedicated, loyal, tough, hard-working public servant. Your military background brings important experience and understanding to the problems of managing Soviet power, the problems of our national security, and to the real and awesome consequences of the use of military force. And I think you as a military man know more about what commitment of force would mean than a man who does not have that background and who would have the responsibilities of the Secretary of State.

You have the unique understanding of, acceptance by, and trust from our allies, particularly in Europe.

In your long career, however, there does not appear to be a position you have held that has been a real test of your policymaking capability, your capacity for original and innovative solutions, and your ability to distinguish between shades of gray.

Your statement that decisions are "either right or wrong," and that you expect to make right decisions that will necessarily get bipartisan support, creates a concern that you see the world and problems too much in terms of "right or wrong", "black and white", "good or bad."

In all civilian government, as in the daily lives of all of us, we often are forced to make decisions where there is no clear right or wrong, where frequently we not only do not know what is right or wrong, but we are faced with a series of options—and you will be getting those from your aides—where we will never know which option is right or wrong. And I think that is particularly true in the area of foreign policy.

Your experience at the White House, particularly with respect to the National Security Council, should be invaluable in helping you operate as the policymaking Secretary of State you clearly intend to be. And you should be well able to handle any attempt to resurrect the dominant role that the President's National Security Adviser played in past administrations, both Republican and Democratic.

Considerable concern, however, has been raised by your testimony in both open and closed sessions as to your appreciation of our constitutional separation of powers, and in particular, in the respective roles of Congress and the Executive in the formulation of foreign policy, as compared to its execution, and in the exercise of the war power, taking into account both the responsibilities of Congress and the powers of the President as Commander in Chief.

These concerns are coupled with a concern as to your basic respect for and appreciation of Congress as an institution. There is a concern also that your experience in the Nixon

White House exposed you to abuses of power upon which you refused to pass moral judgments until pressed by this committee.

Although these concerns may have been alleviated for some by your testimony, for others in the Senate they may be a decisive factor against confirmation. I hope you will understand why a reasonable and conscientious Senator could come to such a conclusion.

Nothing in this hearing has been produced that would establish that you were disqualified in any way for the office of Secretary of State. Indeed, you have been given an endorsement by Leon Jaworski, a Watergate Special Prosecutor, and he has declared your performance honorable.

The fact of your presence in the Nixon White House raises the concern in some that, notwithstanding the known evidence and your testimony, it simply was not possible that your mantle of duty, integrity, and service did not incur the slightest blemish from all that was going on around and through you. Indeed, one Republican Senator yesterday based his opposition to you essentially on that premise.

On policy matters, General, you have declared that you are dedicated to a bispartisan foreign policy insofar as possible, and that you will consult and work with Congress. On the major issues of national security, nuclear arms, the SALT process, the special needs and circumstances of developing nations and the Third World, as well as numerous other issues, you have ably expressed your positions. And although differences may exist between you and some Members of this body, the reasons for those differences do not appear to relate to your qualifications to serve as our Nation's Secretary of State.

Ultimately, of course, even if a Senator is satisfied with your questions, under our system of representative government, each Senator is responsible to his or her electoral constituents and must reserve the right to vote for or against your confirmation on that basis. That is the final decision that each of us must make.

I have tried to be very candid in listing these factors, General. By listing any factor I do not mean to indicate that I am giving it any particular weight or have reached a conclusion on its merits. And I do not mean to indicate that you or any other Senator would agree with the list that I have run through.

General, before the hearing started I was leaning toward a "'no" vote on your confirmation. I will now tell you that I am leaning toward a "yes" vote. But I want a period of calm reflection before I make a final decision, which I have to make by tomorrow.

Senator CRANSTON. Mr. Chairman, I will vote to confirm Alexander Haig. At the outset I anticipated that I would vote no. One by one, most, but not all of my questions about General Haig began to be resolved. I was tempted at one stage to tear a leaf from the general's book. When he testified on SALT last year, he said he would refuse to vote either "yes" or "no" on the treaty if he was a Senator until all the facts were in. I considered following that same course as it became clear that—courtesy of Richard Nixon—all the facts would not be in when the roll was called on Alexander Haig.

As more of my doubts were resolved, however, I decided that General Haig's choice of a word to describe what America's objective should be in nuclear capability offered an appropriate standard for assessing his own qualifications to be Secretary of State and that word is "sufficiency." I believe there is a sufficiency of evidence on the basis of the hearing record to indicate that General Haig can be an able and effective Secretary of State. Indeed, despite some lingering uncertainties, I believe that Alexander Haig could be a truly great Secretary of State.

I found his closing statement reassuring, particularly on the issues of the abuse of power, the role of Congress in foreign affairs, and the supremacy of our Constitution and our laws.

I will vote for Alexander Haig for an additional reason. A unanimous vote for him is neither possible nor, I think, desirable in view of all the circumstances. However, since the fact that he will be our Secretary of State, and that this hearing in its entirety justifies that fact, it is important in my view that he take office with a showing of strong and bipartisan support.

This will help General Haig to be the strong and effective Secretary of State we all want him to be. And at the outset, it will help him meet a goal he expressed in his final words to us, that the clashes that occurred in the course of the hearings should not obscure the fact, either among our own peoples or the nations of the world, whether friends or adversaries, that the members of this committee and General Haig share the same objectives: a strong America working with honor and with grace to fulfill its global responsibilities.

I wish Secretary of State Alexander Haig well. He has my support.

The VICE PRESIDENT. Who yields time?

Mr. PERCY. Mr. President, the Senator from Illinois yields such time as he may require to the Senator from Kansas.

Mr. DOLE. Mr. President, I would like to support the confirmation of President Reagan's choice of Alexander Haig to be Secretary of State. Because of his service to the Nation as President Nixon's Chief of Staff in the White House, there has been some controversy over this appointment, much more than would otherwise have been the case. As a former chairman of the Republican National Committee and as a ranking minority Senator in those days, I was there, and know how difficult it was not only to be in the administration, but anywhere in the National Government as a Republican. Questions were asked and doubts raised, not only of General Haig, but of others as well. In the years since then, however, there has been a great deal of information about the events in the Nixon White House, many books have been written, and it is my belief that all the leads have been pursued. By all accounts, General Haig's integrity and devotion to his duty—which was to the service of his country—have been exemplary.

General Haig volunteered to testify under oath before the Foreign Relations Committee confirmation hearings. He was both candid and cooperative in his answers to committee members. I believe the extensive and intensive hearings, which cast hard scrutiny upon General Haig's involvement in previous administration, showed conclusively that his actions were conscientious and honorable. Few can deny that General Haig was a stalwart force that helped to hold the Nation together at a time of chaos. He was and is a man whose strength, pragmatism, and capacity to view individual events—while retaining perspective of the whole—have qualified him to lead in uncertain times.

IMPRESSIVE RECORD; COMPELLING CHOICE

The record of General Haig's past experience and accomplishments is an impressive one. During this delicate and tense period with the foreign policy crises facing the United States and our allies in Eastern Europe, the Middle East, and Afghanistan, the job of Secretary of State requires someone with the background and strong leadership exemplified in General Haig. His selection by President Reagan is based on compelling logic: There is much work that needs to be done; General Haig is someone with the devotion to his country, willingness to strive to the utmost, and pragmatic ability to solve problems—who can get the job done.

General Haig is a man who can face the hard facts and make the tough choices, something I believe America needs to put back into its foreign policy. The American people understand that, and I think that is part of the message they sent to Washington on election day. The United States can only hope to meet peacefully Soviet challenges and aggression by acting in unison with our allies, coordinating our actions and policies and enforcing them jointly. General Haig is quintessentially the man to do that.

Alexander Haig obviously possesses the qualifications to be Secretary of State. I trust he will be judged on that basis. He knows the NATO leaders personally. They give him high marks for his service under Presidents Ford and Carter as Supreme Allied Commander in Europe for NATO. His relationship with West German Chancellor Helmut Schmidt, in many ways our most important ally in Europe, is particularly close. General Haig has the confidence of the leaders of our allies and the respect of our potential adversaries. He is articulate, intelligent, and has the broad strategic sense that ought to be the primary criteria for this position. By designating General Haig as this Nation's next Secretary of State, President Reagan has sent a clear message to the Soviet Union and to the rest of the world about America's new foreign policy.

General Haig's abilities and unexcelled competence are recognized across the board, by people of both the Republican and Democratic Parties who hope for a positive change in the foreign policy of the new administration. An outstanding Democrat of my own State of Kansas, John D. Montgomery, the editor of the Junction City Daily Union, reflects this view in a recent editorial on the nomination. I ask unanimous consent that the editorial be printed in the RECORD following my statement.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOLE. Mr. President, I would only say as many others have said on this floor that I believe Alexander Haig is eminently qualified to become Secretary of State. I am not on the Foreign Relations Committee. I made every effort to watch some of the television coverage on PBS because it was an interesting hearing. I can understand the reasons for many of the questions. But having had some experience in that same period that General Haig served, between 1973 and after, as far as this Senator knows I can find nothing in my recollection of the

time, or apparently nothing yet in the record, to indicate anything but honest service by this outstanding American.

It seems to me that he will be confirmed. It is important that he be confirmed. It is, I think, the hope of President Reagan that all the nominees can be sworn in tomorrow morning, all those that have been reported by the committees. I am certain that is a hope he would like to see fulfilled.

In any event, Mr. President, I think General Haig is highly qualified and I certainly support his nomination.

I urge my colleagues to confirm Alexander Haig as the Secretary of State, without delay.

EXHIBIT 1

EDITOR'S VIEW

Opponents to the nomination of Gen. Alexander Haig as secretary of state can say whatever they want to about his prior service as a security adviser and White House chief of staff in the Nixon era.

They can use his memoirs or anything else they desire to probe for some of the dark doings they say he was responsible for while holding the presidency together under the onslaught of Watergate. Their argument that he will provoke disharmony and controversy in the Senate sounds like an attempt to rehash old memories of both Watergate and Vietnam.

The alternative is to come up with a constructive search for an answer to the main question raised by Gen. Haig's nomination. That question is whether a career military officer is the right choice to be secretary of state. But the problem facing the opposition is that the only precedent in modern times provides a persuasive argument in Gen. Haig's favor. That was President Harry Truman's selection of Gen. George C. Marshall to that position. And still another successful career military man who comes to mind is Gen. Dwight Eisenhower, a Kansan who served his nation superbly in military, diplomatic and political positions.

Gen. Haig retired a year ago as supreme allied commander in Europe after four successful years of reviving morale and mending weaknesses on the military side of the North Atlantic alliance. He is respected in Europe as a tough, articulate leader with a realistic grasp of strategy and diplomacy. Haig, incidentally, is a 1st Infantry Division combat veteran, having served as a battalion commander with the Big Red One in Vietnam.

President-elect Reagan obviously is satisfied with Gen. Haig's approach to foreign policy. He also apparently has satisfied himself that the Haig record in the Nixon White House is basically the one the public already knows—that of an honorable man trying to steer the presidency through a crisis.

We are seeing a new beginning in negotiating arms limitations with the Russians. And there is a new urgency in meeting the challenges to security in the Middle East and elsewhere.

All of this gives a sense of logic to the choice of Gen. Haig as secretary of state. It is a logic that even those who are raking over the past will find difficult to deny.

The VICE PRESIDENT. Who yields time?

Mr. PELL. Mr. President, I yield such time as he may need to the Senator from Mississippi.

The VICE PRESIDENT. The Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the Senator for yielding time to me. I shall not detain the Senate for more than a few minutes.

Mr. President, first, I commend the Foreign Relations Committee for holding hearings on this nomination. I think the process of the Senate holding hearings; with Members making a recommendation and a written report; and all with the assistance of capable staff members, as a prelude to debate, is one of the major functions unique to the Senate as an institution. As a whole, it is a very valuable service to our Government, especially in this day of growing and complicated problems.

Mr. President, when I came to the Senate, General Marshall was Secretary of State. I thought that was an odd situation, to have a soldier, no matter how great, as Secretary of State. But, I did not know the man. I rapidly learned what my colleagues thought about him and decided to make further inquiry. I commenced having a favorable impression of the outstanding job he did.

Just a few years later, after he had retired, there was a war in Korea, and President Truman asked him to return to public service as Secretary of Defense. We had to change the law to make him eligible, since the Security Act had been passed making a career military man ineligible for the position of Secretary of Defense. When it came to General Marshall, it was different. He was the man needed, so we changed the law to make him eligible. During his service as Secretary of Defense, he proved to be outstanding.

This matter has arisen again with the nomination for Secretary of State (spent so much of his mature years in the military), I personally, would not turn first to a man who has. That is no reflection on anyone. General Haig, even though he is not a friend of mine, is an extraordinary man. I knew something about what he was doing at the White House during the Watergate period. I thought then that he was rendering a very fine service. Later he was appointed Commander of NATO. Our Armed Services Committee did not hold hearings but we inquired into his record and his association with Watergate, studying the matter informally at length. I am not sure it appeared in the record, but I gave the Foreign Relations Committee a letter I had from Mr. Jaworski about General Haig.

Our committee approved of the idea of General Haig as our NATO Commander, even though the nomination was properly the business of the Foreign Relations Committee.

While serving in NATO, General Haig had what I consider to be a highly outstanding record, dealing with many of our colleagues in the Western World, and with problems from our adversaries.

I think this experience uniquely qualifies General Haig for this position. I would be greatly surprised and disappointed if he failed to give outstanding service, although I have been around long enough to know that there is no such thing as having an answer to all problems.

I feel we must make a great effort to have a bipartisan foreign policy. That movement took great steps forward here on the floor of the Senate, although I contributed very litle as a new Member, back in the days of the late Senator Vandenberg, the late Senator Robert Taft, although he was on the other side of that idea, and the late Senators Barkley, Connally, George, and others on that committee, who were giants in that day. My first vote in the Senate was along the general lines of whether we were going to be internationalists or isolationists. I was in favor of the internationalist picture but not with great enthusiasm because I had been warned of the dangers of such a policy.

Anyway, there existed then a growing sentiment for a nonpolitical, nonpartisan foreign policy. Today, I believe we believe we have little choice other than to continue as leaders of the free world and to do this we are going to have to develop a new start in restoring this nonpolitical, nonpartisan foreign policy.

At the time we started this policy, we were expecting great things out of the United Nations—maybe too much. It fell far short of expectations and possibilities as we interpreted them then. Now, we must return to this concept and really make a sustained effort, over a period of years, to redevelop a nonpolitical and nonpartisan foreign policy to cope with our pressing problems.

Mr. Reagan has said that he is going to work to restore and maintain this idea of a bipartisan foreign policy. I want to indicate my interest and my slight insight into this need.

If we are going to make a serious effort to redevelop this policy—not my policy or your policy, but our policy—I think that Mr. Haig will be a good choice for the job of Secretary of State.

For those combined reasons, Mr. President, I am going to support him and I have only spoken on this because of my experience during these years.

Mr. President, I plan to vote in favor of the nomination of Alexander Haig to be our next Secretary of State. I would urge my Senate colleagues also to support his nomination.

Initially, I commend my colleagues on the Committee on Foreign Relations for the thorough and diligent manner in which they exercised their responsibilities. The position of Secretary of State is an extremely important one and their in-depth review of General Haig's nomination—including 5 full days of hearings and extensive questioning—is warranted by the importance of this office.

My support for this nomination is grounded on two main points:

First, our country today faces problems and challenges around the world that demand a unified American foreign policy. The energy situation, upon which we are all so dependent, is closely related to our foreign policy. The turmoil in the Third World—Africa, South and Central America, and parts of Asia—requires continued U.S. attention and concerted policy action. The maintenance of our key alliances—NATO, Japan, and others—also requires a single voice from the United States. We cannot afford to enter the next decade divided on where the United States stands and should go on these issues. Thus, we must try to

develop a bipartisan foreign policy, and I understand Mr. Haig is committed to this goal. To get this effort off to a good start, we should send the new Secretary of State into office with the support of the Senate as a whole.

Second, although I do not believe we should turn to the military first for people to fill key civilian jobs, General Haig is the best qualified military man of experience of any that I know to be Secretary of State. He has had experience which is highly unusual for any man, including assignments at the very highest level of the U.S. Government, at the very highest level in the international organization called NATO, and at the very highest level in business. His international experience dealing with the top leaders of many countries on subjects of the highest importance to the United States is rare.

Mr. President, I cannot put any fault at Mr. Haig's door. When he was nominated for the top military job in NATO in 1974, as I said, questions were raised about his conduct in connection with the White House and Watergate. At that time, our Senate Armed Services Committee went into it and gathered the facts, and we found no fault with the man then. More recently, the Foreign Relations Committee has considered many of these same questions, as well as others, and I understand nothing has been found that would preclude Senate confirmation of Mr. Haig's nomination.

Based on these two main points, I hope the Senate will act favorably on the nomination of Alexander Haig to be Secretary of State.

Mr. PERCY. Mr. President, I thank my distinguished colleague for his very thoughtful comments. Let me say to Senator STENNIS that the first stated objective, when the Senator from Illinois assumed his position as chairman of the Committee on Foreign Relations, was to take as a model another midwesterner, Senator Vandenberg, who did develop a bipartisan foreign policy, and to have that as our guiding principle. I know that I am joined in that objective, because I know in this case it does take two parties, by my ranking colleague (Mr. PELL).

If it does develop that we have a bipartisan foreign policy, it is the plan of the chairman to work as closely as we can with the executive department of the Government, because more and more, we speak as one voice on foreign policy. We do have differences, but I hope we can have most of those differences behind closed doors and come out with the policy we have carved out. That is going to be difficult, because we are separate branches of Government, but in these confusing times, we need to have less confusion in the United States about what our foreign policy is. We have a pledge from Secretary Haig—when he is Secretary of State—and from the President of the United States to work closely with us on foreign policy. They will work intimately with us and we shall with them.

Mr. President, the Senator from Illinois yields 3 minutes to the distinguished Senator from Arizona, whose testimony before the committee was extraordinarily helpful and extraordinarily penetrating.

Mr. GOLDWATER. Mr. President, I thank the chairman of the committee.

I rise to express my strong support for General Haig, based probably on different reasons than others might have, primarily based on strength—strength of character, strength of will.

Mr. President, if there has been one hallmark of our failure in this world in the last 16 years, it has been the lack of a national strategy and lack of a foreign policy. We have not had men of sufficient courage and permanence to be, in my estimation, Secretary of State. We are against a world that, contrary to those positions, has established strategy and policy.

I do not claim, Mr. President, that General Haig is a strong man just because he wore the uniform of the United States, because he rose to be a 4-star general, or because he was a very successful field commander in Korea and Vietnam; but I will remind my colleagues that it takes great strength of character to command and it takes great strength of character to be able to sustain command when losses are confronting you every day.

All of these have had a bearing, of course, on my long and strong friendship with Alex Haig, a man that I admire tremendously. But I think the real payoff came when my colleagues on the Republican side of the aisle, after we were informed one day that another tape had been discovered that Mr. Nixon had been false about and said that it did not exist, asked me to go to the White House and, in a nice, polite way, inform Mr. Nixon that he would not have the support of a sufficient number of Republicans to survive impeachment.

Alexander Haig was in the White House then and, for nearly 2 weeks, I think I can safely say that he had a large hand in directing the course of this Government because Richard Nixon was not capable at that time of doing so.

I watched General Haig as he very carefully, expertly, and intelligently more or less kept President Nixon on the point of a needle. Because if that man had wavered and fallen on the side of "I am going to stand for impeachment," this Government of ours, this Senate, this body, would have spent 6 to 8 months doing nothing but arguing about whether or not the President of the United States was guilty or not guilty of the charges made. I suggest that this Government, as often as we are ridiculed in this body, could not be sustained that length of time without the guidance of the Senate in many important matters.

It was Alexander Haig who successfully convinced President Nixon that he should not stand for impeachment. I watched that man stand up to the people who wanted to go the other way. I watched him make up his mind. I lived with him through those decisions, spent hour after hour, almost nights, with him. I have nothing but the highest respect for him.

Mr. President, those who want to associate Alexander Haig with Watergate, in my mind, are talking through a rather empty hat, and I might even go lower at times.

Alexander Haig, in my opinion, will make the finest Secretary of State this country has had, probably, since John Foster Dulles, and he will be able to implement a foreign strategy that will be built around the Reagan concepts and a foreign policy that will flow naturally from a strategy that the world will respect.

Mr. President, I close by begging my colleagues to think of the respect this country has lost in the last 20 years. I never dreamed that I could live to see the day when I would quite feel a little ashamed of being an American. I have to say I have spent a few nights wondering about it. But I do not wonder about it any more, because we have strong men in our midst who are going to rise and take over, and this world is going to recognize it. The countries of this world, whether they like it or not, are going to start treating the United States as the power it should be.

I thank my friend.

[Applause in the galleries.]

The VICE PRESIDENT. The galleries will be in order.

The Senator from Illinois.

Mr. PERCY. I thank my distinguished colleague for his eloquent remarks, which come right from the heart, from a world of experience.

We are proud of our distinguished colleague, a former candidate for President of the United States, a man of great military distinction. He is a man of distinction in everything he turns his hand to—for example, operating a ham radio, flying a jet aircraft, or just walking through the beautiful State in which he lives. He does it with eloquence and grace. We value his friendship and love him as a colleague.

Mr. President, I yield such time as he may need to the distinguished Senator from Connecticut, who appeared before the Foreign Relations Committee and gave testimony.

The VICE PRESIDENT. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I rise to oppose the nomination of Alexander M. Haig, Jr., to be Secretary of State of the United States. My reasons for doing so are enumerated in the statement I made before the Committee on Foreign Relations, and I ask unanimous consent to have those remarks printed at this point in the RECORD.

There being no objection the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LOWELL WEICKER, JR. SENATE FOREIGN RELATIONS COMMITTEE, JANUARY 13, 1981

Mr. Chairman and colleagues of the Senate Foreign Relations Committee, I appear before you today in firm opposition to the nomination of Alexander M. Haig, Jr. to be Secretary of State of the United States.

Though senior Senator from Mr. Haig's home state and chairman of the Appropriations Subcommittee which handles State's budget, I do not presume to speak for either of these entities—rather I come among equals to give expression to certain long held beliefs.

I do this not as a matter of opportunistic style or being convinced of a superiority of morals but to underline that what was stated and acted upon several years ago was neither politics, entertainment nor passing fancy. Rather it was a defense of the essence of what American's greatness is all about. And to let this nomination parade by in the full view already accorded it without demurrer would mean the acceptance in 1931 of the very standards that a nation rejected in 1974.

Watergate circa 1973 and weariness of same is only a buzz word excuse for not performing the tough part of our job as U.S. Senators. If seeing to it that the Constitution is upheld de facto as well as de jure, that excellence be the standard of man and institution alike, that integrity be undiluted all result in cries of "I'm tired of Watergate" then the real problem is not a historical perspective but the unwillingness, incapacity or timidity to create a future.

The purpose of the Watergate exercise was not to prove we were the world's most honest people but to allow us to continue to think of ourselves in such light in order to strive for such a goal.

The alternative was acceptance of "everybody does it"; "break the law to enforce the law;" "place the President above the law". We didn't accept.

There is no more reason today than yesterday to have the American people believe that good government requires a choice between Constitution and satisfactory results. Governments of laws survive the differences and divisions of any moment forever. It is governments of men that disintegrate.

Even now I hear that unless the confirmation of General Haig takes place immediately or takes place without negatives it will be impossible for the United States to conduct credible foreign policy around the world. That's nonsense and not what the Constitution calls for. It's the President, other public ministers and the Senate who have the responsibility for foreign affairs. I have yet to see the words Haig, Kissinger, Brzezinski et al. in any version of the Constitution I've read. And yet we act (have acted) that way. I applaud your Committee's decision to vote tomorrow but believe me I am not going to endorse setting aside our Constitutional obligations in order to accommodate the political desires of any administration. Chairman Percy's decision on the tapes does honor to the Constitutional process and deserves the fullest support of Committee members and nominees alike if accuracy rather than expediency is the desired result.

Why specifically oppose General Haig? The reasons are the record as I know it. The man as I know him. The job sought. I am not here with any new bombshells. The record is quite enough in assessing the man's character and suitability for high office. Such an evaluation is something altogether different from assessing guilt or innocence.

At the time he became Chief Executive Assistant to the President of the United States on May 4, 1973, he took upon himself the same standards of performance imposed upon the President by the Constitution of the United States. One of those standards is articulated in Article II, Section 3: "He shall take Care that the laws be faithfully executed, ..." That admonition not Richard Nixon's definition of justice is what I would expect to be insisted upon by those serving the President. In the absence of their superior's adherence to the law honorable men either speak up or get out. General Haig's reaction was to further the definition not the admonition. I, therefore, assume him to have either lacked integrity, disdained the Constitution or unquestionably followed orders. None of the above particularly commend him to occupy the fifth highest Constitutional office in the land. Indeed I assume he will have to take an oath of office upon becoming Secretary of State. That oath will no doubt include some words about upholding the Constitution of the United States. That cannot be a sometime thing.

That aspect of Watergate which is the White House tapes, the very matter troubling you now, is what troubles me most about General Haig. Those tapes are (were) the best evidence whether for your purposes, Congressional Committee purposes or individual purposes. And yet with General Haig's knowledge the best evidence was (is) held back, selectively used for exoneration, selectively used to discredit. That is not conduct which defines the faithful execution of the laws.

General Haig's role in coaching witnesses appearing before the Select Committee in regards to the existence of the White House taping system is another area where the General is seen more in shadow than in bold relief of proper conduct. There is no doubt that many of today's unanswered questions could be resolved by the tapes and/or logs you've subpoenaed. That is why in fairness to all I hope for their early release. But in the absence of their voluntary release I know your chances of getting them are far better under your Constitutional advise and consent powers than after confirmation when the request is merely for general investigatory purposes. So hang tough or you'll be left hanging.

There are those who praise General Haig's popularity among our European allies as a result of his NATO tenure. I can only assume those are the same allies who at the time of Watergate denigrated that whole episode as being much ado about that which is considered commonplace in their own countries. In such an atmosphere of accommodation to corruption of principle and practice I have no doubt a man like General Haig is admired. But what's up to the usual standard in Europe should not become good enough for this country.

Two last observations. One for my Republican colleagues. On December 11, 1973, General Haig appeared before the Republican Policy Committee and assured those present no further shocks were expected. He did his best to rally Republicans around a President whose conduct was all Nixon but hardly Republican. This was part of Operation Candor. Those who climbed aboard were shortly to be blown out of the water with further tape revelations. So much for the basis of any gratitude my Party has toward General Haig. And so much for any assurances received by those of you on this Committee.

Lastly for those who express a special debt of gratitude to General Haig for helping to edge Richard Nixon toward the exits; if such did indeed take place I would be far more grateful had such action been motivated by principle rather than politics or the proximity of impeachment. The ability to bail out adroitly is only second best to avoiding the necessity of bailing out at all. That should apply internationally as well as domestically.

The Secretary of State of the United States presents the heart and character of all Americans to the world. As typical he should be the best, for that is our Nation. The job cannot become a reward for evasiveness, partisanship or subservience. It is an honor to be bestowed upon the courageous, the forthright, the idealistic. No such nominee is before your Committee.

Mr. WEICKER. Mr. President, in brief, when confronted with difficult choices relating to proper courses of conduct for himself and others. General Haig consistently has chosen the lowest road. That is not a choosing which is representative of most Americans.

General Haig has shown—shows—a contempt for both Congress and the individual rights and liberties of all Americans as enunciated in the Constitution of the United States. That, also, is not an attribute one seeks in a Secretary of State.

I will not delay these proceedings by extended debate. I hope the cause of justice and peace throughout the world will not be delayed by this man, who has failed so many tests of character in the past.

Finally, it is not the past that bothers me as much as a past, in Haig's case, being rewarded by present action.

The VICE PRESIDENT. Who yields time?

Mr. PERCY. Mr. President, we are on notice now that unless other Senators indicate otherwise within the next minute or so, we will yield back the remainder of our time and call this matter to a vote.

Mr. President, the Senate Foreign Relations Committee held the most extensive hearings that ever have been held for a Secretary of State in the history of the Nation. At the conclusion of those hearings, the vote was overwhelming, 15 to 2. Even those Senators who voted in the negative had extraordinary things to say. In fact, today, Senator TSONGAS, on the floor of the Senate, said that we have before us an extraordinary man. General Haig is just that.

I believe that our problem today and the mandate given to the Reagan administration by the American people in such an overwhelming vote can be put very simply.

We must develop and build a credible foreign policy that will be credible to our allies and credible to our adversaries. We cannot have such a policy unless it is backed by a strong national defense. We as a Nation, by our vote, are saying that, given the mandate to the Reagan administration to rebuild the defenses of this country, we must provide the capability of a credible foreign policy.

Mr. President, I have just been notified that Senator TOWER will ask for 5 minutes, so we will withhold a vote on the nomination until such time as Senator TOWER arrives in the Chamber.

Third, General Haig demonstrated an amazing understanding—for a military man who has been steeped in diplomacy much of his life—of the economy of this country. He has demonstrated extraordinary knowledge of how this economy operates and the power and the potential power of American industry. Yesterday, President Reagan, in his first address to the Nation, said that we must unleash the industrial power of this country.

Mr. President, Senator PELL, the ranking minority member of the committee, has just advised me that Senator HART wishes to speak on this nomination and will require about 5 minutes.

Mr. PELL addressed the Chair.

The VICE PRESIDENT. The Chair admonishes the galleries that there will be no displays and asks full cooperation.

The Senator from Rhode Island.

Mr. PELL. Mr. President, I yield 5 minutes, or such time as he may desire, to the Senator from Colorado.

Mr. HART. Mr. President, I thank the Senator from Rhode Island and the Senator from Illinois for yielding. I appreciate their indulgence.

Mr. President, after considerable deliberation I intend to vote in favor of the confirmation of Alexander Haig as Secretary of State.

I believe all of us understand that this is perhaps the most important Cabinet office of all. I believe very strongly, as do all my colleagues, that the President of the United States should be permitted the fullest latitude in choosing the members of his Cabinet. The Senate's constitutional mandate, in the judgment of the Senator from Colorado, is to advise and consent in the selection of the Cabinet, but not by each Senator reserving a right to impose on the President that individual Senator's personal judgment about the policy positions which a nominee must adopt to qualify to serve in each Cabinet post.

Instead, Senate ratification of a Cabinet nomination should serve as a guarantee that the nominee meets the threshold requirements for service in the Cabinet: personal integrity, a freedom from conflicts between public duties, and personal interests, and an ability to occupy a Cabinet office in a competent and responsible fashion. Because the presumption is strong—and properly so—that the President should be able to rely on the people of his choice, a strong burden of proof remains with those who would seek to demonstrate that the nominee does not satisfy these three threshold requirements.

By these criteria, General Haig is sufficiently qualified to merit support for his confirmation as Secretary of State.

There has been serious concern about this nomination, regarding both General Haig's policy views and his past record. Although not a member of the Senate Foreign Relations Committee, I spent a great deal of time reviewing the nomination, because I agree with those who say that the advice and consent process is one of the most important duties of any Member of this body.

General Haig's confirmation hearings demonstrated he is qualified in a substantive sense for the tasks before him. He exhibited a grasp of the major foreign policy issues facing our Nation and showed sensitivity to many of the subtleties of these times. He demonstrated an understanding of the need to continue efforts to achieve strategic arms limitation agreements with the Soviet Union and others. He repeatedly assured the Senate that he will abide by the letter and spirit of the laws regarding the commitment of the U.S. Armed Forces and the conduct of covert activities abroad. He made it clear that he intends to consult with Congress on all these critical issues.

Many questions have been raised about General Haig. Some remain to be answered. Although it is impossible to prejudge how he will conduct our foreign policy, once the nomination of General Haig is confirmed, we have a right to expect him to meet certain specific responsibilities, which he assumed voluntarily or which are laid down by constitutional fiat or historic precedent.

We must expect General Haig to live up to his commitment to consult Congress in a meaningful and timely manner on all significant foreign policy decisions. We must count on his pledges at his confirmation hearings that he would obey the law as regards covert actions and the War Powers Act. In his sworn statement, given under oath at his own behest, he said that:

> An effective partnership must be restored with the Congress. By "partnership," I do not mean occasional retrospective reporting. I mean active consultation, exchange of ideas and proposals in a timely manner, in an atmosphere of mutual respect, trust, and confidence, recognizing the special role of the Senate itself.

We must expect General Haig to exercise his national security powers in a way that demonstrates respect for our constiutional rights and liberties.

We must expect General Haig to hold himself accountable for those accountable to him.

Finally, we in the Senate and we in this country must expect General Haig to honor his pledge to continue a longstanding bipartisan and nonpartisan policy to negotiate meaningful, enforceable, and verifiable limits on nuclear arms. He stated at his confirmation hearings that he did not intend to recommend a national policy of nuclear superiority. At various times in the same hearings, he repeatedly committed himself to resuming efforts to find ways to reduce the risk of nuclear war through negotiation. In discussing such negotiations, he promised that "the whole issue (of renewing SALT negotiations) is a matter of utmost priority for us and we are going to have to address it in the earliest days of the administration." This is one of his most fundamental responsibilities that I think a Secretary of State has. With such controls we will help secure the peace for future generations; without them the risk of nuclear war in our time is dangerously enhanced.

General Haig's demonstrated competence and ability, combined with the right of any President to select his own Cabinet, persuade me that he should be confirmed. General Haig's challenge now will be to fulfill the pledges he has made to the Senate and the American people. Our challenge in the Senate will be to see that he does and to use whatever resources we have to help him.

I thank the Senator from Illinois.

Mr. PERCY. Mr. President, in view of the fact that Senator TOWER is unable to come to the Chamber, it is the intention of the majority side in just a moment or two, if the minority is prepared to do so, to yield back the remainder of our time.

Mr. President, in answer to Senator PROXMIRE that questions submitted to General Haig on foreign aid matters have not to his satisfaction adequately been answered, my staff has been in contact with the staff of General Haig. I have the assurance of General Haig's staff that very forthrightly Senator PROXMIRE and the committee will receive more exacting answers, taking into account that one cannot always be certain what one will do because some of these countries may not have requested aid. We certainly do not want to provide aid to a country that has not so requested it. But Senator PROXMIRE will have his answers.

Therefore, in conclusion on the Haig nomination, we have not only a man who in a military career has distinguished himself and proven his creativity and his brilliance, but has recognized that the purpose of power and military force is to preserve the peace and that the best way to preserve the peace is to deter war through strength. He has demonstrated an art of diplomacy, probably absolutely unique in a military commander, and his efforts and work as Supreme Allied Commander of NATO forces caused him to be admired and respected by all of our allies, and, yes, even highly respected by our adversaries as well.

He served in the President's office. In fact, it has been said that because of the turmoil of that time he acted as the President of the United States in many respects, making many of those major decisions that can only be made in the Oval Office.

General Haig also recognizes that a credible foreign policy must be backed by a strong national defense and that a strong national defense is not possible unless it is underpinned by a dynamic, strong economy. As President Reagan said yesterday we must unleash the industrial giant that we have. That is what is essential and necessary. Once again uniquely we have a man who was called upon by one of our greatest corporations to be its president at a time of their need.

Here we have a rare combination not seen by many Senators in this Chamber, in fact seldom seen by the Senate in any confirmation process: a creative, dynamic man of a sense of purpose, who fully understands and respects his relationship with this legislative body—in fact, in the past few days has learned a great deal more about our interpretation of our relationship with the Secretary of State.

Without qualification, therefore, and with tremendous enthusiasm and with a great sense of honor, I support the name of Alexander Haig as Secretary of State and yield back the remainder of our time.

Mr. PELL. Mr. President, there is no question about the very real competence, lovalty, ability, and intelligence of General Haig.

He conducted himself exceedingly well in these 5 days of hearings. I think he will make a very strong and inspiring Secretary.

Nevertheless, there still remains within me a certain queasiness about this nomination, for the reasons I have stated in the hearings and in my opening statement. I fervently hope and trust that time and performance in this job will completely dissipate, blow away the reasons for my queasiness and I intend to vote for the confirmation of General Haig just as I did in the committee.

At this time, no other Senators on the minority side wishing to speak, I yield back the remainder of my time.

Mr. DECONCINI. Mr. President, I rise in support of the nomination of General Alexander Haig for the position of Secretary of State. It appears to me that General Haig is admirably well-suited by background and temperament to hold that critical office.

The next few years will, I hope, be years of change in both America's foreign policy and her military capabilities—change that I believe is supported by and consistent with the traditions of both parties. It appears evident from the record of General Haig's career as well as his testimony before the Senate Foreign Relations Committee that he is an excellent choice to preside over the transition. In his statements before the Senate Committee, General Haig demonstrated his commitment to peace and order in the world. However, he understands that peace and order are goals that can only be achieved by maintaining strength and demonstrating the will to use that strength in the pursuit of those twin goals.

Anyone who believes that peace will be achieved through constant retreat has not read the lessons of history, nor does he understand the dynamics of human behavior. We live, unfortunately, in a world of competing ideas about the ultimate social and political organization of the globe. Those who aggressively attempt to press their worldview on the rest of us will not voluntarily limit their means of aggression. They will seize any and all opportunities because the nature of their system—and more importantly—its legitimizing philosophical underpinnings demand it.

Naturally, the Soviets and their allies would prefer to accomplish their goals in a nonviolent manner. But we must not fool ourselves into believing either that they have eschewed the use of force—certainly Afghanistan demonstrates that—or that essentially tactical decisions like détente change their ultimate goals.

I am not impressed by the arguments of some that General Haig's military background disqualifies him from the position of Secretary of State. General Marshall proved to be one of the ablest men ever to hold that office. In a curious way, the appointment of a civilian essentially unconnected with the military establishment to the Department of Defense and a man with a military background to the Department of State makes sense.

Particularly in the contemporary world of nuclear balances between the superpowers, military policy is an instrument of foreign policy. However, in recent years, those two organizations which are primarily responsible for the formulation of our foreign and military policy have increasingly been at loggerheads, not just over details, but in very fundamental ways. The result has been a bifurcation of policy that is actually dangerous to the national security. Military policy must be designed to meet foreign policy objectives.

The State Department has drifted away from the understanding of that fundamental interrelationship. It has treated military affairs as irrelevant to or inimical to the interests of diplomacy. That attitude has been the result of an imperfect understanding of the world of international politics. It has been the result more of wishful than realistic thinking. I believe General Haig will return to the Department of State a proper understanding of the nature of diplomacy and force.

He brings yet another attitude that I find refreshing. I am heartened by General Haig's statements that there are certain actions, such as a cutoff of Middle East oil, that would precipitate American military action. Largely a product of the Vietnam war, Americans have fooled themselves into believing that force might never be necessary or appropriate again. But America cannot afford to take the attitude that there is no reason to again bear arms short of an attack. Clearly, there are very real scenarios that would demand American military action. This is a fact, regardless of the philosophy at the State Department, or even the White House. However, by loudly proclaiming that nothing would make us fight, we encourage our enemies to take steps that will bring about precisely what we wish to avoid.

From what is presently known, it appears to me that General Haig acted with honor and intelligence during his various White House stints. Yet, the Foreign Relations Committee has formally requested certain tapes that could conceivably shed a different light on the matter. Should that be the case, and I feel reasonably confident that it will not, then I do believe that it would be appropriate for the President and the Secretary of State to reconsider the appointment.

However, I do not believe that it serves the best interests of the country to hold up this nomination while what promises to be a significant legal battle takes place. We have every reason to believe that General Haig served his nation well during the waning days of the Nixon administration, and it is not in the nature of our system to deny a man our support because circumstances make it impossible for him to prove that he never acted inappropriately. If we began to apply that standard generally, its absurdity would become immediately evident.

At this point, Mr. President, I ask unanimous consent to have printed in the RECORD a speech I delivered a day or two before the election. In those remarks, I outline what I believe to be some of the problems within the American foreign policymaking establishment. It is my hope that members of the new administration will review those remarks. If the points made are valid, as I believe most of them are, I would hope that every effort would be made to make the appropriate and necessary changes.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

FOREIGN POLICY IN THE 1980'S

George Kennan, one of America's most profound thinkers and successful practitioners of diplomacy, commented that foreign policy was too important to be left to the politicians. We are, he thought, a short-sighted lot who would invariably choose parochial over national interests and who would sacrifice long-range benefits for short term gains.

I disagree with Ambassador Kennan. And not just because I am a politician. Frankly, the Kennan view is widespread in Washington. It drips from the corridors and conference rooms of the State Department. In that hallowed sanctuary, the people's representatives are held in almost universal contempt.

But as I survey the condition of America in the world, I see failure. Perhaps, the time has come for Congress to assert for both the President and the bureaucracy what the broad goals of our foreign policy should be.

There is precious little evidence that the foreign policy elite who inhabit our State Department have successfully guided the ship of state through the treacherous shoals of international politics. Quite the contrary. America's influence in the world today is less than at any time since the First World War. Indeed, our very survival as a world power is dependent upon the vagaries of small, primitive oil-producing nations whose policies we cannot predict and whose survival we cannot protect.

The "experts" at the Department of State have repeatedly proved themselves out-of-step with the tempo of world events. As our major adversary is in the midst of the greatest peacetime arms build-up in history, they would have us beat our own swords into plowshares. And while our adversaries engage in coordinated military diplomatic initiatives to expand their influence and reduce ours, these same experts counsel us to passively withdraw. Counter-measures might be dangerous, they tell us. Do these experts believe that the Kremlin leaders are aggressive children who will soon mature? Should we simply be patient and understanding while these rambunctious youngsters establish their supremacy in Asia, Africa and Europe?

What our State Department experts have lost sight of is any real sense of American national interest. They tend to confuse the ideals of a world community working together harmoniously with the reality of a world divided. Hostile and aggressive. The rhetoric of our adversaries is couched in terms of international brotherhood and harmony. This beguiling message masks the unrelenting Soviet goal of world domination.

Western liberal democracies have always been uniquely incapable of dealing with determined and opportunistic aggressors. Because we are rational, we listen to words and often close our eyes to the meaning of events. We have accepted the words by which the Soviets rationalize Afghanistan and Cuba, and their actions in Africa and the Middle East. Our traditions make us also uniquely susceptible to collective guilt. When the Soviets claim today—As Hitler did a half century ago—that their burgeoning arsenal is defensive, to protect Mother Russia from the West, we are inclined to concede the point and chastise ourselves for past sins. Of course, it is difficult to decide just what those sins might be. Does Russia require military superiority because the United States did absolutely nothing to threaten Soviet interests while it had nuclear monopoly? Or, is it because John Kennedy stood firm when Russia tried to transform Cuba into a nuclear missile base? Regardless of the obvious absurdity, it is nonetheless an article of faith within much of the arms control bureaucracy that the Soviet arms build-up is justified by past American actions.

Since the presidency of John Kennedy, American foreign policy has been vacillating, insecure, incoherent and ineffective. No doubt, the Vietnam War had a wrenching effect on our society, and undermined the

bipartisan nature of our foreign policy. Vietnam shook our confidence in ourselves and in our government. Many Americans—inside and out of our government—longed for our noninvolvement in world affairs that abruptly ended on December 7, 1941. There was the feeling that we could step back in time—a time before intercontinental missiles; a time before dwindling domestic petroleum supplies; and a time before the quality of American life hinged so crucially on the rest of the world.

The defeat—more accurately, the failure to win—in Vietnam colored America's self-concept and this manifested itself in our foreign policy. Secretary of State Kissinger epitomized the change. By his own admission, he believed that American power was on the wane, and Soviet power on the rise. Kissinger acted accordingly. Rather than work to reverse the trend he practiced the diplomacy of survival characteristic of nineteenth century Europe. Kissinger was trapped by his own obsession with European diplomacy, a diplomacy with no moral imperatives except survival and position. He failed to appreciate the fundamental difference between that era and ours.

The world powers of the nineteenth century all accepted the same set of values; none viewed itself as the vanguard of radical revolution. But the Soviet Union and the United States represent unalterably different concepts of man and human freedom. Soviet Russia has set for itself the goal of destroying Western democracy. It stands in direct and absolute conflict with the fundamental values of our own Revolution, of our Declaration of Independence, of our Constitution, and of two thousand years of Western civilization.

Jimmy Carter correctly perceived that Americans were uncomfortable with the amoral foreign policy of Kissinger. He tried to rekindle American idealism by making "human rights" the centerpiece of his own foreign policy. Unfortunately, human rights has proved to be too amorphous a concept, and one incapable of unifying and directing American foreign policy. Rather than infuse America with a new sense of purpose and mission, it has caused us to punish our friends without hurting our enemies. In foreign eyes, it has contributed to the image of American policy adrift and purposeless.

Congress and the President must nontranscend the murky vision of experts who have failed so miserably in identifying the nation's real interests and needs. The idealism of the American people must be transformed into meaningful policy.

America must clearly show its willingness to once again become the standard bearer for democracy and human freedom in the world. In the short-run, it is obviously riskier to actively pursue goals rather than passively respond to the initiative of others. But history has repeatedly demonstrated that, in the long-run, passivity and isolationism are far more dangerous.

We must take as our starting point the simple proposition that Soviet communism has as its objective the destruction of Western democracy. Their form of government subordinates the individual to the state, and thus is inherently antagonistic towards the values of the Judeo-Christian tradition. Therefore, the expansion of Soviet-style communism is inimical to American interests. American policy must counter Soviet expansion directly while also providing Third World nations with viable alternatives.

A concept remarkedly absent in recent American foreign policy formulations is "reversibility." As a matter of principle, the United States should oppose tyranny, regardless of how it manifests itself. However, that must be tempered by a little common sense. We know as a matter of historical fact that no communist nation has thus far evolved into a democracy.

On the other hand, other undesirable forms of government have proven to be amenable to pressures and inducements to move towards democracy. Our foreign policy must make the necessary distinction. Though certain nations may have political systems repugnant to democratic values, our foreign policy should work with them towards the goal of liberalizing their regimes; we should not aid revolutionary forces of the left that, once in power, will transform them into an irreversibly communistic government.

It is impossible to separate foreign and military policy. In the final analysis, a nation's ability to pursue its foreign policy objectives hinges on its capacity to mobilize resources, especially military resources. It is not surprising, therefore, that our ineffectual foreign policy is matched by an increasingly ineffectual military establishment. During the last decade neither the President or Congress has been willing to exercise the leadership necessary to insure an adequate defense posture.

The activist foreign policy that will be critical to American survival in the 1980's must be underpinned by adequate military resources. At present, the United States could not support an activist foreign policy. We are no longer credible—our allies do not trust us, and our enemies do not fear us. We have become a paper tiger.

It may be a bitter pill for us to swallow, but during the 1980's we will necessarily have to devote more of our scarce resources to defense needs. At this very moment, we are faced with a crisis in the Middle East of staggering proportions. The potential implications of Soviet domination of the Persian Gulf are cataclysmic. Yet, the United States does not possess military forces adequate to protect the vital link in the Free World economy.

The Senate still has before it the SALT II agreement. As that treaty was signed by President Carter, I would necessarily be forced to oppose it. In my judgment, it commits the United States to practical strategic inferiority and opens the very real possibility of nuclear blackmail. It was negotiated by a foreign and military policy establishment in Washington that clings to out-moded strategic doctrines.

Like many Senate colleagues who also oppose SALT II, I am committed to arms control. I believe that arms control is a real possibility in the near future. However, arms control that gives a clear advantage to the aggressive, expansionist side is nothing more than a blueprint for disaster. At a minimum, real arms control must provide for true reductions and true equality, otherwise it is meaningless. It is my fervent hope that SALT II will be scrapped and renegotiated. In the meantime, the United States must do all in its power to upgrade both its strategic and conventional military forces.

I hope my words today do not sound too grim. They reflect my best judgment after four years in the Senate. The American people have it easily within their capacity to reverse the present situation. It will take dedication and some willingness to sacrifice. We must become more realistic about the dangers we face. Throughout our history we have repeatedly demonstrated resilience of will and of commitment. We have overcome adversity and gone on towards ever-greater achievements. The 1980s can become an American decade; they can represent a victory for democracy and human freedom.

Thank you.

Mr. BRADLEY. Mr. President, the nomination before us poses one of the most difficult deliberations in which the Senate will engage during the process of giving its advice and consent on the proposed Cabinet of President Reagan. This would be the case even if Gen. Alexander Haig were not such a controversial figure. The deliberation on the next Secretary of State would be difficult under any circumstances because we are at crossroads in American foreign policy. That we are being asked to take as our guide a man who, though unquestionably able, excites strong emotions for and against him makes the responsibility of the Senate weigh doubly heavy.

I believe we finally are pulling out of a post-Vietnam disorientation concerning the proper balancing of the responsibilities and the limits of American power. The ruthless Soviet invasion of Afghanistan helped wrench us out of that numbing condition. It started us thinking again in terms of how to apply U.S. power to protect our vital interests, not whether it could or should be applied in their defense. But no one will doubt we still have a long way to go in defining a prudent framework for realizing our national interests, which must always be at the base of our foreign policy. We also need some urgent work on developing a range of effective instruments that can be used, as appropriate, in varying circumstances.

The world is changing rapidly, and there are dangerous possibilities ahead. Relations between the two superpowers are at their most tense moment since the Cuban missile crisis, there are nascent signs of potential shifts in alliances, there is an ever growing diffusion of economic power and perhaps the most potentially volatile reality is the recurring threat to the economic base of the Western countries—the threat of a catastrophic interruption of our oil supplies from the Middle East.

The days ahead will be challenging to an American Secretary of State indeed. We will require many things of him, but none more important than that he bolster American power, crystallize a unifying vision of our national interest, and reinforce American credibility. Anyone who has seen or met General Haig knows that he is an imposing man with a keen sense of the use of power. Anyone who has heard him has little doubt that he puts a premium on coherence in U.S. policy and on the protection of American credibility concerning our commitments. The lines of his testimony before the Foreign Relations Committee that gives me greatest encouragement are as follows:

> I firmly believe that American foreign policy should have some permanent bedrock. The United States has been most effective in the world arena when the solid foundations of its foreign policy has been recognized and understood—by our people and by the nations with which we must deal.

He has stated three qualities that above all must guide the conduct of American foreign policy: First, consistent action; second, reliable behavior; and third, the balancing of pressures that must be weighed and reconciled in our responses regarding the complex issues of foreign affairs.

These are good pillars for U.S. foreign policy. General Haig's intention of relying on the first two offers additional evidence that he has a strength of purpose. His listing of the third suggests

that he also understands the importance of a flexible, even subtle approach in achieving that purpose.

But while I have no doubt of his strength of purpose, I do have qualms concerning his receptivity to the need for a flexible approach in particular situations. An effective foreign policy requires a Secretary of State who has both strategic vision and nuanced judgment about tactics in each case. The record on General Haig confirms that he is anything but an ad hoc thinker. It is not so comforting in confirming that he is a multidimensional thinker, or better put, that he can be motivated by more than one, albeit important, dimension of international politics—the competition between the United States and the Soviet Union.

Anxiety over the nomination of General Haig has been traced to concern that he has a military mind or is insensitive to moral considerations. While I respect the inquiries of those who express these concerns, they do not accurately describe my own concerns. Our country has been served brilliantly in diplomacy by military men such as Gen. George Marshall. Nor do I find compelling evidence that General Haig is a man of few moral compunctions. It seems to me that absent evidence to the contrary, we are bound to give the benefit of doubt to a man who has served his country ably, in times of crisis, tirelessly and with patriotism.

My questions are different. General Haig is a man with a strong sense of what is right for our country. Is he also righteous to the point that he is easily blinded to the complexity of international realities?

General Haig is a man of action. Is he so intent on deliberate action that he will fail to see that there are also times that warrant inaction?

General Haig is a crisp decisionmaker who expects a crisp response. Can he also show patience when patience is required?

General Haig is a man of strong purpose, and I praise him for it. But is he also headstrong? Can he accept the need for circuitous, sometimes discouraging, routes to achieve our country's purpose?

General Haig is a man who is dedicated to demonstrating American power before all the world's judgment. Will he also consider how American actions will affect our own judgment of ourselves as a people—how we live with our own legacy as a world power?

What factors will he weigh, and which will he weigh more heavily than others, in formulating an American initiative or an American response?

What considerations will be paramount in deciding for him whether we provide arms to a repressive regime or rush to the protection of a beleaguered ally?

Is the overriding dimension for him always United States-Soviet competition? Will he ask only how far a nation leans toward one or the other of the superpowers, or how the outcome of an event will affect the superpower balance?

There is more to the lives of nations than alinement along a continuum with the United States and Soviet Union at the polar extremes. And there is more to the task of decisionmaking in foreign affairs than the measurement of potential results of action along that same continuum.

An American Secretary of State must be sensitive to a range of continuums, a panoply of dimensions, many of which describe not just considerations of global stability, but considerations of domestic harmony as well. An American Secretary of State must have an instinct for weighing diverse and even obscure considerations. This is what lends policy effectiveness, integrity and public support to a foreign policy. An American Secretary of State must also exercise flexibility in his choice of foreign policy instruments. Not all problems of foreign relations are treatable by the threat, or exercise, of military power, or the making of military commitments. Indeed, the germ of security problems is often economic insufficiency or instability.

U.S. policies that come to terms with foreign aspirations for economic development and with the dangers of instability in the global economic order are as fundamental to peace and political stability, as our defense policies. They are also far less costly to our Nation. We can win more friends, and stabilize more societies, by opening economic borders than by preparing to open fire.

I have qualms about General Haig. Not about his abilities, only about his frame of reference. I have decided on balance to be optimistic about this distinguished general. I am swayed by his keen intelligence, his certain grasp of the need for a coherent strategic view on the global order, his commitment to enhancing America's image abroad and his deep loyalty to our country. I think General Haig is a man who will find that the judgment of history will shadow his decisions. Indeed his own words about the Office of the Presidency state most eloquently the basis for my optimism about General Haig as Secretary of State.

He has told us that he believes in the "awesome ability" of the Office of the Presidency "to inspire its occupant to consider constantly the judgment of history and to work for the broad public interest. The influence of that office on its occupant provides a critically important institutional safeguard for our democracy." The same, I submit, is true of the Office of the Secretary of State. It is with this in mind that I look forward to working with General Haig. I expect to work with him sometimes as a supporter, sometimes as a critic, but always as someone who joins him in setting a high standard for the position of public trusts we will both occupy.

Finally, Mr. President, let me reiterate that the Senate does not have all the information available about General Haig's conduct in the question of Watergate. I regret that. We will never know if further facts might have changed this outcome. One can only say based on the evidence available General Haig should be confirmed.

● Mr. BIDEN. Mr. President, as a member of the Senate Foreign Relations Committee, I had an opportunity to review Gen. Alexander Haig's record in careful detail and to question him at length during his confirmation hearings. As I told the committee, this nomination confronts me with a choice between my hopes and my fears.

No one disputes that General Haig is intelligent, experienced, forceful, and loyal. No one doubts that President Reagan considers General Haig the most able man to help fashion and implement his plans for foreign policy.

He responded to the committee with intelligence, sometimes with candor, occasionally with his special brand of cool passion. I believe I can speak for most of my colleagues on the committee when I congratulate him for unflagging stamina, consistency of effort and a prodigious memory.

We recognized—even before the hearings began—that he had experience in foreign policy. We were aware that he possessed a great sense of loyalty to his superiors and that he exhibited qualities of leadership to those in his command. Most of us sensed that he might be an excellent manager in times of crisis. And nothing he said nor the manner in which he conducted himself during those 5 long days of hearings has dispelled any of those initial impressions.

Unfortunately, even though he has demonstrated these qualities, there remains, I believe, an element of doubt. The question the Senate still must answer is whether this man merits our trust and our support as Secretary of State.

I still have unallayed and significant fears about how he would conduct himself as Secretary of State, in an office which wields enormous power and influence over our Nation's security and consequently over our Nation's survival.

Coming into the hearings, I feared that, whether by personal inclination or because of his military background, General Haig might display a predisposition to choose obedience over independent judgment. At the end of these long sessions, I noted that he still has not entirely relieved me of that anxiety.

General Haig served in important positions during the most wrenching and traumatic political crises of recent American history—the Vietnam war and Watergate. On many occasions when decisions were made with regard to these crises, he appears to have displayed a troubling insensitivity to many of the moral, legal, and constitutional issues involved. His repeated refusals to assess his own past performance with an appropriate degree of self-criticism leads me to fear that he does not sufficiently appreciate the broader requirements of public service and the ever-present dangers of abuses of political power.

General Haig's demeanor, no doubt useful and effective in his past positions, is one of unusual self-confidence and certitude. I fear these same qualities, however, may make it difficult for him

to conduct what he himself told us should be an "active consultation" with the Congress "in an atmosphere of mutual respect, trust and confidence, recognizing the special role of the Senate." The cooperative spirit we need to build a unified and bipartisan foreign policy can disappear in an instant if there is a lack of mutual respect.

These are some of my fears—nagging doubts that the shadows of General Haig's past actions and views may foretell behavior as Secretary of State which I believe could be inappropriate and objectionable. My fears are not proofs of disqualification, nor are they confident predictions of how he may perform in office. But they are concerns I feel obligated to offer to explain why this nomination presents me with the most difficult decision on a confirmation I have faced during my 8 years as a Senator.

But the same body of evidence which makes me fearful also offers grounds for hope.

General Haig sought by his answers to our questions to demonstrate his intention to comply with existing legislative provisions governing the conduct of national security policy, his acknowledgment of the importance of the moral aspects of public policy, and his commitment to work with rather than against the Congress. Also on the positive side of the ledger are the specific assurances he has provided us—sometimes at our prompting—particularly regarding his intent to adhere strictly to the war powers resolution and to manifest—as our Constitution envisions—a spirit of cooperation with the Congress in information sharing and consultation, including uninhibited consultation with all those in his department who share in formulating policy.

General Haig has committed himself to the Foreign Relations Committee, indeed to the American people, on these important issues. I am confident—after having observed him carefully throughout the course of the hearings—that he is a man of his word who, once committed, adheres strictly to the fulfillment of his commitments. It is this character trait, which was at times most troubling to me about General Haig's past, which gives me the most hope for his future.

His pledges, coupled with his wealth of experience and his eminent stature abroad, give him an extraordinary opportunity to be successful as Secretary of State. And I am sure those who may vote against him will wish him well.

I am deeply concerned about the future of our country, about whether we have the capacity to act together to solve our many problems, about whether we will find the wisdom to practice statesmanship rather than partisanship. In the 1980's, the preservation of our peace and security is no certainty. The character and performance of the Secretary of State in the next few years will make a difference.

I am reluctant to side with my fears about General Haig because I recognize that he has the potential to fulfill my hopes for his stewardship. Therefore, I shall give him my support, and my prayers.●

● Mr. KENNEDY. Mr. President, important issues have been raised about the nomination of Alexander Haig to be Secretary of State—issues of future policy and about his role in the past. Those issues have not been fully resolved. But I also believe that in general, within a wide latitude, presidents are entitled to their Cabinet choices. I will vote against some of President Reagan's nominees, because their record clearly outweighs the presumption in favor of their confirmation. But the latitude to which a President is entitled seems to be broad enough to support a vote to confirm Alexander Haig.

I hope that, as Secretary of State, General Haig will dedicate himself, in deeds as well as words, to furthering both our national security and international peace. I hope he will be committed, in fact as well as in promise, to the cause of human rights for which we have always stood as a nation. When he and the Reagan administration move toward these objectives, I will give them my strong support. When they do not, I will voice my strong opposition.

There will be many areas of agreement between the administration and Congress—policy toward our allies; the need for a strong national defense; the importance of Israel's security and peace process in the Middle East. There may be differences as well. But we all know how vital it is to establish an effective, reliable and principled foreign policy—capable of meeting not only the challenge of Soviet power and East-West relations, but also the separate needs and aspirations of developing nations in the Third World.

By way of background and training, General Haig has an appreciation for the military dimension of our power. I hope that he also comprehends the essential role of political, social, and economic power.

Our country has a vital interest in reducing the risk of nuclear war. I believe General Haig shares that objective. I hope that he will seek effective agreements to restrain the nuclear arms race and to reduce the mounting stockpiles of nuclear weapons.

The Secretary of State must be accountable to the legislative branch. I share the concerns raised in the Foreign Relations Committee about General Haig's sensitivity to this requirement. In the months and years ahead, it will be his obligation to discharge faithfully his commitment to what he called, during the confirmation hearings, an "effective partnership" and "active consultation" with the Congress, "in an atmosphere of mutual respect, trust and confidence, recognizing the special role of the Senate." and in meeting his obligation, he will find us in the Senate more than ready to meet our obligation to cooperate and to participate constructively in the making of American foreign policy.

Finally, I share the widespread concern about General Haig's role in earlier years, including the Vietnam war and Watergate. I believe the committee has made the right decision to continue its investigation.

In the meantime, General Haig is qualified to serve as Secretary of State, and I will vote to confirm him.●

● Mr. DODD. Mr. President, I rise in support of the nomination of Alexander M. Haig, Jr., to be Secretary of State. As a member of the Foreign Relations Committee, I participated in the 5 full days of hearings on General Haig's nomination. These hearings were the most extensive in modern history for a President's nominee to be Secretary of State. I believe they were informative, exhaustive, and fair.

I am conscious that my vote on this nomination will be one of my first votes as a Member of the U.S. Senate. Accordingly, I have taken special care in determining my vote today.

Yesterday Ronald Reagan took the oath of office of the President of the United States. President Reagan, I believe, should have the opportunity to choose the men and women he wants to serve with him in high office. President Reagan has chosen Alexander M. Haig to serve as his Secretary of State. Our constitutional duty is to determine whether Alexander Haig is fit to serve.

I considered three broad areas in deciding whether to support this nomination.

First, I considered General Haig's views on a broad range of foreign policy issues and objectives. I questioned General Haig closely on the issues of nuclear nonproliferation, human rights, our relations with Latin America and Africa, United States-Soviet relations, and international energy policy, among others. While General Haig and I differed on a number of points, I do not feel that those differences warrant a vote against his nomination.

Second, I reviewed General Haig's past experience. He has served in powerful positions and has held these positions during periods of controversy; events such as Watergate, the secret bombing of Cambodia, and covert operations in Chile. I have examined General Haig's involvement in these events to the extent possible. And I have taken note of General Haig's voluntary sworn testimony where he assured us that he has never taken any action which would make him unfit to assume the duties of Secretary of State. The Foreign Relations Committee sought other documentation, including the Watergate tapes, but unfortunately we have been unsuccessful to date. I regret that we did not have access to these materials at the time of our deliberation; and I remain convinced that the committee should have the opportunity to review the materials that might shed light on his past conduct in office. However, we have no choice but to vote on this nomination without the benefit of reviewing those materials. We do, however, have General Haig's assurance of his proper conduct, and I accept that assurance.

Third, I considered General Haig's understanding of the constitutional role of Congress in foreign affairs. Congress must be assured it will be given the critical information on executive decisions and other matters which it will need to fulfill its responsibilities in the conduct of our foreign relations. To be frank, I wish General Haig had been

more forthright in answering the concerns many members of the committee had on this point. General Haig, however, has assured the Senate that he will comply fully with both the spirit and the letter of our laws and that he will consult with Congress on foreign policy matters.

Some of my concerns about General Haig's past experience and his understanding of the role of Congress remain. General Haig is a man of remarkable ability, intelligence, and experience. There is no doubt in my mind that he will assume a very powerful, and perhaps predominant, position in the Reagan administration. There are therefore risks in confirming a man with such a dominant personality in light of the concerns I have noted. However, there is also hope that General Haig's forcefulness will add depth and weight to a new spirit and a new optimism in the conduct of our foreign relations. He is apt to be strong and forceful in representing the interests of the United States in world affairs. I am hopeful that General Haig's strength and forcefulness will be used in the best interests and in the best traditions of the United States.

It is with that hope that I will vote to confirm General Haig's nomination to be Secretary of State.●

Mr. THURMOND. Mr. President, I rise today in support of the nomination of Gen. Alexander M. Haig, Jr., to be Secretary of State.

Mr. President, I applaud President Reagan's choice of General Haig to fill the post of Secretary of State. General Haig is a man of extraordinary capabilities. He is a West Point graduate with 37 years of military service. His proven ability to comprehend geopolitics and work with world leaders especially qualifies him for the position of Secretary of State.

Mr. President, I believe General Haig to be a well-qualified, knowledgeable, and extremely talented nominee. He has the potential to be one of the greatest Secretaries of State in the history of our Nation. I sincerely hope that my colleagues will join me in confirming General Haig for this position, in order that he and our new President can get on with the important business of overseeing our Nation's foreign policy.

● Mr. LEVIN. Mr. President, President Reagan's decision to nominate Alexander Haig to serve as Secretary of State was a controversial one. And like most controversial decisions, it presents us with a complex set of issues.

I have looked at those issues. I have studied the hearing record compiled by the Foreign Relations Committee and I have examined ancillary documents which bear on some of the issues raised there, including General Haig's top secret testimony before the Senate's Select Intelligence Committee in 1975 about his role in our Government's plots against Chile. There is evidence to support a vote in favor of the nominee and there is evidence to support a vote against him.

What there is not is a smoking gun. What there is is a trail of spent bullets.

The evidence available does not require a vote one way or another. It allows a vote one way or another.

With the documents painting such an unclear picture, it seems appropriate to try and place the decision in a broader context. Ultimately, I think that context must be found in our individual interpretations of our role in the process of giving advice and consent.

Yesterday, Senator PROXMIRE spoke eloquently on the need for the Senate to take that role seriously. He indicated that this power was, ironically enough, given to the Senate at the urging of the leading advocate for a strong central government and a strong executive, Alexander Hamilton. Hamilton, despite the hope and faith he placed in the Office of the Presidency, wanted each President and his appointees to operate under some semblance of balance. And that is why he urged that the Senate be given the power of advice and consent. And that is why we must take it seriously.

There is, of course, a tension generated by that power. We are not, it seems to me, to use that power as a means to thwart the legitimate need that each President has to surround himself with public servants who share his views and values.

It would not, then, be proper for a Senator to oppose a nominee primarily because he did not agree with his or her philosophy. If that were, in fact, a proper role, then I suspect I would vote against most of President Reagan's nominees.

If general philosophy does not constitute a responsible basis for opposing a nominee, I believe that the only factor which can compel one to refuse to give consent is a belief that the nominee may not discharge the obligations of office or may not do so in a way which is consistent with the basic character of the American people.

It is the last point that gives me pause. As I have reviewed the evidence available to me, I have discerned a pattern of activity in Mr. Haig's statements and service which indicate that he has too often failed to exercise the kind of independent judgment which the American people have a right to expect.

I have found a man whose view of public policy seems to suggest that the exercise of national power is neither moral nor immoral; rather it is an amoral tool which should be applied in response to the pragmatic dictates of the moment.

I do not believe that is an appropriate view for the chief spokesperson for American foreign policy to have. Consequently, I cannot give my advice and consent to his service as Secretary of State.

In general, my view is based not on any single act but rather on a series of acts or "non-acts," if you will, in certain instances. None of them in isolation are sufficient to establish a case against him. All of them together are sufficient for me to conclude that I should not vote to confirm.

First, it has been clear for some time that questions related to Watergate would play a critical role in allowing Members to draw a conclusion about Mr. Haig's fitness to serve as Secretary of State. I believe it is unfortunate that that committee and the Senate have been denied access to material which could have helped us resolve this issue. But I think it is more than unfortunate—I think it is clearly a matter of real concern—that Mr. Haig was unwilling to assist the Senate in an effort to secure that information.

Mr. Haig was asked, specifically, by Senator DODD if he would be willing to either join with the committee in requesting that the former President waive his legal right to seek to block the issuance of the material in question or make such a request on his own. Mr. Haig declined to do so. And, as a result, the Senate was unable to explore one avenue which might have led us out of the problems we confront as a result of not having that material before us, as well as removing a possible impediment to Mr. Haig's future effectiveness as Secretary of State.

I do not know if an appeal by Mr. Haig to Mr. Nixon would have resulted in the tapes being made available to us. But I do know that his failure to make such an appeal made it more likely that we would be denied the information we requested and needed. Mr. Haig may have had legitimate reasons for refusing to join in such a request—but the record is not helpful in explaining them.

I am bothered by his refusal to initiate or join in such a request. On one level, it seems to cast into doubt a good many of the comforting comments Mr. Haig made about his willingness to cooperate with the Congress and his commitment to share information with them.

By itself, this act would be insufficient. But this act does not stand by itself. It is surrounded by other acts and other statements.

There have been serious questions raised about Mr. Haig's role in developing and implementing the American policy which led to the overthrow of the Allende government in Chile.

There is no clear evidence on this point. Mr. Haig denies that he was intimately involved in either the decision or the execution of that policy. Some of those who were involved, on the other hand, suggest that he was well informed of the Central Intelligence Agency's activities. That he is not reported to have opposed such activities implies that he either gave his tacit consent to their implementation or that he could have been perceived by the CIA to have given that approval. Both the perception or the reality could have permitted these activities to proceed.

I do not know where the truth lies. But I do know that General Haig's role in the 1970 events in Chile was more than an observer or message-taker. At the very least, we was intimately knowledgeable of the Nixon effort to undermine a democratically elected regime—albeit one not favorably disposed to us—and the open-ended mandate to the CIA to accomplish that end.

Neither the object of the mandate nor the broad scope of it has particularly troubled him—it was, after all, not his decision. He was merely assisting in the monitoring of it for Henry Kissinger.

But the object and the apparently unlimited scope of the mandate to the CIA to come up with some effective way to achieve it, even before the disputed meeting of October 15, are troubling and, at a minimum, worthy of analytical judgment, if only to help in reaching sound future decisions. Mr. Haig's resistance to judge events in which he was a part, on the ground that he did not set those events in motion, does not represent the kind of penetrating, sensitive analytical review we should ideally have in a Secretary of State.

I am bothered as well by other acts; by our uncertain knowledge of Mr. Haig's role in the post-Cambodian bombing wiretaps. I know that Mr. Haig is quoted as saying he was neither an advocate nor nonadvocate of such a policy. And I find that stance to be disturbing.

The House Nixon impeachment resolution was based in part upon those taps. Haig himself knew that the tapping instructions he was carrying were to tap telephones of people whom he knew and knew about and he should have been troubled by it because of the stark unlikelihood of their connection with violations of national security.

And even though Haig has not been held legally accountable for these taps because his participation was that of helping to implement wiretap orders instead of drafting those orders, he shows little signs of concern other than saying that times have changed and that standards have changed, forgetting that Nixon and Kissinger were held legally accountable for the taps under standards existing at that time. In other words, even if the allegations that he had more than a "messenger boy" role cannot be verified—and I do believe they can be—even a messenger can contemplate the significance of the message that is being carried and learn from it if he himself is someday in a position to send significant messages.

I find in his record evidence to suggest that his use of power is insufficiently tempered by a recognition of the limits of power. I find in his record evidence to suggest that power tends to exist for him in a moral vacuum, with each use of power guided by the demands of the moment rather than the dictates of a more general set of values. And I find in his record a tendency to disregard the constitutional checks and balances which, in a process sense, can help make any use of power responsible.

Finally, I am troubled by the temperament that Haig displayed, particularly in executive session which I cannot but mention because the transcript is classified.

I would like to have been able to vote "aye." But I cannot find the kind of support in the record that I need to dispel the lingering and substantial doubts I have about him as the leading spokesperson for the United States in foreign affairs.

I hope time proves my judgment wrong. I will do my utmost to work with General Haig to help him succeed.

I shall insert in the RECORD the answers General Haig provided to some 36 questions I asked him for the record as part of his confirmation hearings before the Senate Foreign Relations Committee.

Briefly, here are some of General Haig's key responses:

On the military balance between the United States and the Soviet Union, he stated—

I would not swap our Armed Forces for theirs, in part because our people are better man for man, woman for woman, and we have the inherent capability to out-perform them.

On our commitment to defend the Persian Gulf, General Haig went further than his colleague-to-be in the Cabinet, Defense Secretary Caspar W. Weinberger, was willing to go and he reaffirmed the "Carter doctrine." He also directly contradicted Secretary Weinberger by declaring that even now, the United States has the military muscle to carry out that commitment, although he, too, wants to strengthen that power.

Contrary to Secretary Weinberger, General Haig said:

The U.S. is determined to protect its vital interests in the Persian Gulf area. Further, we have the military means to respond to aggression in the region. No one should make the mistake of ignoring our present capabilities . . . our present power is not to be trifled with—

And—

It would be foolish for any aggressor to test our will or current capabilities . . .

Perhaps he was also referring to Secretary Weinberger's overly pessimistic assessment?

I hope President Reagan follows the lead of his nominee to be Secretary of State and, as one of his first acts in the White House, renews our commitment to the Carter doctrine to defend the Persian Gulf. Such a priority action by the new President would remove any doubt which might have been raised by his Secretary of Defense, who also told our Armed Services Committee "I don't know what he (President Reagan) would do in that connection," when I asked him whether he expected Mr. Reagan to renew our commitment to defend the Persian Gulf.

Mr. President, I ask that the full text of my questions to General Haig, and his responses, be printed in the RECORD.

The material is as follows:

Q1. General Haig, last January in his State of the Union address, President Carter declared that it was in the vital interests of the United States to maintain the security of the Persian Gulf. Do you agree with his statement?

A. There can be no doubt that the security of the Persian Gulf region is vital to the interests of the United States, as well as to the interests of our allies and friends.

The importance of the region obviously includes its oil resources. Beyond oil, however, the region has geopolitical significance and we have longstanding and close relations with a number of states in the area.

The world is heavily dependent on oil exports from the Persian Gulf. The U.S. has recently imported 50 percent of its oil. While that percentage has diminished, we are still substantially dependent on oil imports.

The political cohesion of our alliances, upon which our national security ultimately depends, would be severely strained by threats to halt or reduce oil supplies from the Persian Gulf. Control of oil by hostile powers would have grave consequences for the global balance.

Other potential threats which we must counter are the further spread of Soviet power and influence, which could lead to greater political influence in the region and increased pressure on the region's stability.

Our interests in Persian Gulf security extend beyond the region's oil. Soviet success in extending their control beyond Afghanistan would encourage additional aggressive moves and weaken us politically elsewhere in the world.

Moreover, we have an important stake in defending moderate regimes, in the region and elsewhere, from threats of aggression.

Q2. President Carter continued in his address that the US would take whatever means necessary, including force if required, to protect the Persian Gulf from threat by the Soviet Union or its surrogates.

Do you agree with this pronouncement as to how far the US should be willing to go to maintain the security of the Persian Gulf region?

A. Obviously, the US government would have to consider any decision to use force in light of the particular scenario involved and it would not be taken lightly. However, the US must be prepared militarily to defend its vital interests if necessary.

To rule out the use of force in the Persian Gulf—an area of vital interest to the US—would be to invite the possibility of further adventurism in the area.

Q3. Considering the importance of the security of the Persian Gulf to our vital interests and those of our allies in NATO Europe and Japan, would you expect President-elect Reagan, as one of his first priorities upon taking office, to re-new this "Carter Doctrine" commitment to defend the Persian Gulf?

A. President Reagan will speak for himself about our security priorities.

However, I regard it as self evident that any attempt by an outside power to gain control of the Persian Gulf region will be regarded as an assault on our vital interests. I believe that, in such circumstances, we must be prepared to use any means necessary, including force, to repel such assaults.

During his campaign, President Reagan made clear his position on the importance of the Persian Gulf region.

Q4. For the year following President Carter's declaration of our will to defend the Persian Gulf, by force if necessary, critics undercut this commitment by declaring that the US did not have the military capabilities to accomplish successfully this mission.

Do you think we presently have the military capabilities to defend the Persian Gulf to carry out the Carter Doctrine?

A. We face a wide spectrum of threats to our interests in the Persian Gulf, both direct and indirect. While the Soviets are the source of the most serious of these threats, there are many others which derive from regional rivalries and tensions resulting from rapid change.

We cannot hope to protect US interests with a strategy that is exclusively military, nor do we expect to have to rely solely on our forces in responding to external aggression.

At the same time, our security strategy cannot succeed without a solid military foundation, without credible capabilities to respond to the threats we face.

There is no question that our overall military capabilities for responding to Persian Gulf contingencies need strengthening, and we will do so. It is also true that our present power is not to be trifled with. Our force deployments are backed up by access to important military and naval facilities in the general region. In addition, any potential aggressor would have to reckon not only with US forces in the region, but also with the full panoply of US military power and the unmistakable risk of escalation.

Q5. If not, what good is a military commit-

ment which cannot be carried out? Why should the Soviets and their surrogates be deterred from threatening that region if they know by listening to our nation's top civilian defense officials that we do not have the muscle to make good on our word?

A. I can assure you that we are going to take the steps necessary to be sure we can defend our interests in the area.

I confidently expect that the Reagan administration will make significant improvements in our ability to respond to regional contingencies.

Q6. Why should any of the nations in the the Persian Gulf region—or our Allies in NATO Europe and Japan who rely so heavily on the unimpeded flow of oil from this region for their energy and economic lifeblood—have any confidence in our abilities to carry out our commitment if our nation's top defense officials say we lack the military might to do so?

Why shouldn't these nations, upon hearing such pronouncements by our top civilian defense officials, move closer toward accommodation with the Soviet Union in an effort to lessen the threats they might feel from the USSR and its surrogates to their oil supplies?

A. Our commitment to take whatever steps are necessary to insure unimpeded access to Persian Gulf oil is by-and-large accepted both by our Allies who depend on the flow of oil and our friends in the Persian Gulf Region.

We and our friends realize that our vital interests are involved in the region and that accommodation with the Soviets will not guarantee the protection of those interests.

We have a substantial presence in the area and a capability to bring in more forces. Although we still need to improve our ability to respond militarily to Soviet threats to the region, no one should make the mistake of ignoring our present capabilities.

Most importantly, although our ability to respond needs strengthening, our determination and ability to carry out the needed improvements rapidly is not in question.

Q7. Last November, the incoming Chairman of the Senate Foreign Relations Committee was in Moscow on a special trip. He bluntly told top Soviet leaders that the United States has, and I quote, "the military capactiy and the will" to use force if necessary if vital Persian Gulf oil supplies are threatened by outside intervention." Do you agree with this declaration?

A. The US is determined to protect its vital interests in the Persian Gulf area. Further, we have the military means to respond to aggression in the region.

However, we need to improve current capabilities so that no one can mistake our determination or ability to protect our vital interests in the region.

Q8. Do you think that the incoming Chairman of the Senate Foreign Relations Committee would have made such a statement to the Soviet Union's top leaders—especially its military high command—if he did not believe strongly we possessed the military capabilities to carry out our commitment in the Persian Gulf at the present time?

A. I will leave it to the Chairman to speak for himself. But I agree that we have the military means to respond to aggression in the Persian Gulf, and our capabilities are increasing.

I nevertheless believe we must increase our margin of strength in order to better deter attack and leave no doubt about our intentions or our capabilities.

Q9. Senator Percy, at a press conference following the meeting at which he delivered this message to the Soviet leadership, declared the following: "They (the Soviets) should never doubt we have the capacity and the will to respond."

Gen. Haig, don't you think that statements that we lack the military muscle to carry out the Carter Doctrine by civilian leaders such as Secretary of Defense Designate Caspar Weinberger raise these type of doubts? Can't these doubts undercut our commitment to defend the area and encourage Soviet adventurism and accommodation by the nations there and by our allies?

A. As I have previously emphasized, there should be no doubt about our will to act in defense of our interests in the Persian Gulf or the deterrent value which flows from that determination.

I do believe that we must move forward with an active military program for responding to threats in Southwest Asia in order to raise our confidence of prevailing in a conflict and to raise the confidence which regional states place in us.

This said, it would be foolish for any aggressor to test our will or current capabilities while we are engaged in bolstering our defenses for the region.

Q10. Don't you think it would be wise for President-elect Reagan to re-new our commitment to defend the Persian Gulf as soon as he takes office for the purposes of removing these doubts, reassuring our friends and deterring our adversaries?

A. Our commitment to the security of the Persian Gulf and the larger Southwest Asian region is longstanding. American Presidents from Truman through Carter have forthrightly stated our determination to defend our interests in the area.

This administration will develop its policy with a view to longstanding and ongoing U.S. interests in the region.

Q11. Saudi Arabia has requested additional offensive equipment for the F–15 aircraft such as conformal fuel pods, multiple ejection bomb racks, KC–135 jet tankers, AIM–9–L super-Sidewinder missiles and AWACS. President-elect Reagan pledged his Administration "will not continue to ship massive quantities of sophisticated armaments to so-called "moderate" Arab states who, in fact, might directly threaten Israel's existence." In light of the fact that Israel has said this offensive enhancement for the Saudi F–15 poses a direct threat to its security, and in light of the President-elect's statements, would you support sale of the equipment the Saudis are seeking?

A. This is a serious issue which this Administration must examine carefully in the light of our overall interests in the region: It would be permature for me to say what my recommendation to the President would be at this time. But I will assure you that my recommendation will take into consideration our concerns for Saudi Arabia's security, our commitment to Israel's security, and the regional arms balance.

Q12. Since the end of World War II, the cornerstone of our defense and foreign policy has been the judgment that Western Europe is the area of the world which is most important to our own national security—politically, economically, culturally, and militarily—has it not? Do you agree that this remains true in 1981?

A. Next to North America, Western Europe has been, and continues to be, the most important region of the world for U.S. national security. Economically, its resources are enormous, with some $2 trillion in GNP produced by over 260 million people. We share a proud political heritage, and bonds forged in two World Wars. It is the central region of post-war superpower confrontation. There is no doubt that the special ties between the U.S. and Western Europe, formalized more than three decades ago in the North Atlantic Treaty, will endure.

At the same time, other areas of the globe have grown in importance over the past decade. For example, our Allies in the Far East have become enormous economic powers in their own right, and have actively engaged U.S. economic and strategic interests. Japan in particular has become one of the world's leading economic powers, with a GNP totaling almost half our own, and a total trade with the U.S. of nearly $40 billion—second only to Canada.

The Persian Gulf-Southwest Asia region has become an area of vital interest in the past decade, stemming from the critical flow of oil from this region to all the industrialized nations of the world. Challenges to stability in this region are a challenge to the viability of Western economies.

In short, while our ties to Western Europe remain the cornerstone of U.S. foreign and defense policy, other areas of the world also demand our close attention and concern.

Q13. Do you agree that there should be "linkage" between all the activities, treaties, agreements, etc. we carry on with the Soviets and their "good behavior" in other matters throughout the world—even if maintenance of whatever particular activity, agreement, etc. is in the U.S.'s best interests regardless of what else the Soviets are doing elsewhere?

A. As I made clear in my testimony before the Committee, I believe that linkage between various issues and activities should be a major ingredient in our relationships with the Soviet Union. But precisely how linkage should be applied so as to best serve U.S. interests is a function of particular events and issues. I do not intend to make any generalization at this time.

Q14. During his recent discussions in the Soviet Union, Senator Charles Percy, incoming Chairman of the Senate Foreign Relations Committee, reportedly told Soviet leaders that, as an effort to continue the dialogue between our two nations on arms control matters, he would consider early Committee action on Senate ratification of two arms limitation treaties signed by both nations in 1976—the Threshold Test Ban Treaty and the Peaceful Nuclear Explosions Treaty.

Would you recommend that the Senate *not* consider ratification of these two treaties, as long as Soviet troops remain in Afghanistan and threaten intervention in Poland?

A. The Reagan Administration will be reviewing our national security programs and policies on a priority basis, including the question of these two treaties. My recommendation would need to await the completion of that review.

Q15. If we negotiate an arms limitation treaty which you conclude is clearly in the U.S.'s national interest and included real reductions in nuclear weapons, and if there is real strategic parity, and if the treaty truly is adequately verifiable, would you recommend its execution and its ratification even if Soviet troops remain in Afghanistan?

A. As I have noted in the course of my testimony before this Committee, I believe that equitable and verifiable arms control agreements can contribute to the nation's security. But I have also stressed that such agreements cannot be successfully negotiated until progress is made in enhancing U.S. military strength. Additionally, I believe that negotiation and ratification of arms control agreements cannot take place in disregard of Soviet conduct and activities in other areas. However, pending the review of our overall national security policies I cannot be more specific about how these general principles would be applied in specific cases.

Q16. Under what circumstances would you favor ratification of a SALT agreement if the Soviets still were in Afghanistan when it was concluded? If they were still threatening intervention in Poland? If they remained in Eastern Europe and the Baltic states?

A. Again, I cannot specify for you now how the general principle of linkage in U.S.-Soviet relations would be applied in each and every particular case.

Q17. You have stated that you believe strongly there should be "linkage". Do you intend to link Soviet improvements in human rights in their own nation and in East-

ern Europe with progress in strategic arms control negotiations and in other arms control forums?

A. Once again I would like to stress that the particular applications of our policy of linkage will have to await the outcome of reviews of specific policies.

Q18. Do you intend to link such progress in human rights with trade concessions to the Soviets?

A. The answer to Question 17 applies.

Q19. You have stated that the US and its allies did not respond strongly enough against the Soviet invasion of Afghanistan. What specifically would you have recommended—what specific action—as a stronger response to this invasion?

A. The basic inadequacy of the allied response to the Soviet invasions of Afghanistan was not necessarily the specific measures which were finally taken but more the lack of a timely and cohesive response. This was partly due to a different perception in some European capitals of impact of this action on their security.

While allied measures agreed to most recently in the defense field are encouraging I would have liked to have seen a commitment by us all to increased defense efforts and a more unified political and economic response at the time of the Soviet invasion.

Q20. What other activities, agreements, treaties, relationships that we have with the Soviet Union would you have linked with removal of Soviet troops in Afghanistan? Would you recommend that these relationships be suspended or severed until the Soviets withdraw from Afghanistan? From Eastern Europe?

A. As you will appreciate, the Administration intends to review on a priority basis the situation in Afghanistan. Pending completion of this review, I cannot specify how the principle of linkage might be applied here.

Q21. If, in the period between the Reagan's Administration's taking office and whenever it decides to renew strategic arms limitation negotiations with the USSR—a period which could be lengthy according to statements by various incoming officials—the Soviets decide to no longer abide by the limitations contained in the SALT I and SALT II agreements on their strategic force deployments and testing practices, do you think their "non-compliance" by deploying more missiles or concealing deployments, etc. would increase the threat they pose to the United States?

A. We do intend to take whatever time is necessary to develop our defense and arms control policies. At the same time we would expect the Soviets to act in a manner which would not intensify the strategic arms race. Obviously we will monitor Soviet actions closely during this period and take into account their actions in formulating our own policies and programs.

Q22. Would you recommend to President Reagan when he takes office that the United States continue to abide by the limits embodied in the SALT I and SALT II agreements as long as the Soviets comply with these limits and until they are succeeded by whatever SALT agreement is negotiated by the Reagan Administration?

A. This question, along with a number of others relating to our strategic weapons programs and arms control policies, will be a matter for priority consideration early in the new Administration.

Q23. Do you think this nation should achieve military superiority over the Soviet Union?

A. We should not be caught in semantics over terms such at military superiority. What we must do is maintain a military posture that is strong enough to back up our commitments, protect our vital interests throughout the world, and deter Soviet aggression or coercion. We will do what is necessary to achieve this posture.

Q24. Do you think that the Soviets would object to our efforts to achieve superiority and take actions to counter our efforts to obtain it?

A. Yes, I think the Soviets would object to any U.S. efforts to achieve clear military superiority and they claim they would undertake military programs of their own designed to offset our efforts. But in the light of growth trends over the past two decades, we face the danger of the Soviets striving to achieve military superiority over us. This is unacceptable, and, as I have said, we need to ensure that we have the necessary margin of safety.

Q25. During the SALT II Hearings before the Senate Armed Services Committee, you stated that the Soviet Union and their Warsaw Pact Allies "are definitely superior" in conventional forces to the US and its NATO allies—including both qualitative and quantitative measures.

At his confirmation hearing just six months ago, the Chairman of the Joint Chiefs of Staff, the nation's highest military officer, General David C. Jones, USAF, stated he would not substitute our conventional military forces for those of the Soviets. I asked General Jones the following: "Putting together the whole bag, the Soviet bag for the US bag, would you swap our present military capability for that of the Soviet Union?"

General Jones answered: "No, I don't believe so, because I would have to swap our (military) people and that is one of our big advantages. Even though people question the quality of our military people, I don't think there is any comparison, when compared with the Soviets, in the innovativeness of our people. I would not swap. . . ."

I pressed General Jones on this point by asking: "Is it fair to say, given all the elements of military capability, quality of equipment, research and development, all the factors that go into a military position, you would still stick with your statement about not wanting to swap our military capability for the Soviet military capability?"

Again, General Jones responded: "I would not swap."

Why do you think that you and General Jones have reached contradictory judgments regarding the conventional military balance, since both US and Soviet forces comprise the most powerful military components of the Warsaw Pact and NATO Alliances, respectively, and since our Allies are superior to the Soviets' allies in terms of military capabilities and reliability?

A. Taking everything together—military and non-military capabilities and potential, allies, security threats, other problems—I would not want to trade places with the Soviets. At the same time, I insist that we must do better in meeting the Soviet military challenge, particularly at the conventional level, or eventually run unacceptable security risks.

We traditionally have offset Soviet quantitative advantages with capabilities that were qualitatively superior. That strategy is becoming less satisfactory, however, both because the Soviets are closing the technological gap in many important areas and because we have been less successful than we should be in exploiting our qualitative advantages.

We can achieve qualitative superiority on a weapon-for-weapon basis. Unfortunately, however, we have not always deployed the qualitatively superior weapons that we were capable of developing. Meanwhile the Soviets have deployed modern weapons in large numbers during the last decade.

Moreover, weapons do not engage each other one-on-one. Armies engage each other, and the Soviets have more of most kinds of major conventional equipment than we do or than NATO does when the two alliances are compared.

I would not swap our armed forces for theirs, in part, because our people are better man for man, woman for woman, and we have the inherent capability to outperform them. What I would do would be to exercise that capability by actually deploying modernized capabilities and doing so, in conjunction with our Allies, in greater numbers than we have done in the past.

We have significant deficiencies yet to fill, but it is within our capacity to do so if we make the effort.

Q26. Do you think that General Jones would have answered as he did—that he would *not* trade our conventional forces for the Soviets' forces, considering both qualitative and quantitative measurements—if the Soviets were superior to the US in conventional military capabilities?

A. See response to question 25 above.

Q27. Emigration of Jews from the Soviet Union has dropped drastically in the past year and a half. Earlier in your testimony before the Senate Foreign Relations Committee, you linked the drop to the Soviet invasion of Afghanistan. Other observers have dismissed this as a cause and have pointed to figures showing that the trend was well established before the Soviet military action even began. They believe that American lack of reaction to the Soviets' sharply increasing emigration after the implementation of the Jackson-Vanik Amendment caused the Soviets to abandon their efforts to work within the framework of this Congressional action. Could you elaborate on your reasons for stating that the drop in emigration stemmed from the Soviet invasion of Afghanistan?

A. It is true that a decline in Jewish emigration had begun in the autumn of 1979, before the invasion of Afghanistan. This decline intensified, however, following the Soviet invasion, producing a 1980 Jewish emigration total of just over 20,000 persons compared to a 1979 total of over 50,000 persons. We are in no position to know the motivations behind Politburo decision-making, but we can see both the drastic cut in Jewish emigration and the invasion of Afghanistan as reflections, in their different ways, of the same hardened Soviet stance toward US interests. To link the sudden decline in Jewish emigration to a Soviet perception of lack of movement on MFN alone would be to ignore other significant factors operating in US-Soviet relations at the time.

Q28. What actions do you intend to take to maintain the traditional American support for those who desire to emigrate from the Soviet Union? Would you be willing to continue to work within the parameters of the Jackson-Vanik provisions? If so, how would you measure Soviet compliance with such general guidelines and at what point would you recommend the Most Favorable Nation (MFN) trade status be granted? If after MFN was granted, emigration noticeably declined. would you recommend revocation of MFN status?

A. I will, of course, do everything which is appropriate and within my power to promote free emigration from the Soviet Union. The Jackson-Vanik provisions represent the law of the land and I certainly will operate within its parameters. Should the Soviet record on emigration improve substantially at some future point, any recommendations I might make to the President as to whether the requirements of Jackson-Vanik have been met would be made in full consultation with the Congress.

On the matter of possible revocation of MFN once granted, the law requires the President to report annually to the Congress on the state of compliance with the law. I would thus provide the President the most up-to-date data on Soviet performance in the

area of emigration so that he might make his report and his recommendation as to the continuation or revocation of MFN status for the Soviet Union.

Q29. If you had been Secretary of State in 1978, would you have proposed that the United States sell 60 high performance, F-15 jet fighters to Saudi Arabia?

A. I support the 1978 decision to sell 60 F-15 fighters to Saudi Arabia. As you know, we have had a long and cordial relationship with Saudi Arabia, and the F-15 sale was an important component in helping to maintain it. More basically, the U.S. has had a longstanding interest in Saudi security and territorial integrity and it has long been U.S. policy to assist Saudi Arabia to develop an adequate defense capability. This sale was supportive of this longstanding U.S. interest and I do not believe that it adversely affected the balance of power in the Persian Gulf region.

Q30. If you had been Secretary of State then, would you have agreed with the commitment the Carter Administration made to the Congress at that time that these F-15s would not later be "enhanced" with offensive capabilities such as multiple ejector bomb racks, conformal fuel tanks and advanced air-to-air missiles?

A. I fully understand the sensibilities of the F-15 enhancement issues and the background to the Carter Administration's decision at that time. I am not prepared to second guess the people who made this decision.

Q31. Would you recommend to President Reagan, if you are confirmed as Secretary of State, that he also disapprove any Saudi request for sale of this offensive equipment to enhance the capabilities of their F-15s?

A. It would be premature for me to say what I would recommend to the President regarding the sale of F-15 enhancement items to Saudi Arabia. This is a serious issue which we will have to study closely.

Q32. Do you think that the United States should recognize a unified Jerusalem as the capital of Israel and under Israeli jurisdiction?

A. It has been the United States position for three decades that the final status of Jerusalem must be resolved through the process of negotiations. and that the outcome of such negotiations should not be prejudged by unilateral action by any party. I associate myself fully with this view. The United States must continue its efforts to help bring about a settlement of the issue of Jerusalem satisfactory to all those directly concerned. Any move to extend formal recognition before an agreed settlement of the status of Jerusalem has been reached would undercut both our efforts and those of the parties to bring about such a settlement and to achieve a comprehensive Middle East peace. At the same time, I firmly believe that Jerusalem should never be divided again by barbed wire and artificial boundaries.

Q33. Do you think that the United States should negotiate with the Palestine Liberation Organization before it renounces terrorism and the destruction of Israel?

A. In the context of the search for a just and lasting peace in the Middle East, I do not believe we would have anything to negotiate with the PLO, unless and until it accepts the right of Israel to exist and live at peace within secure and recognized boundaries. Such an acceptance of Israel would, of course, be inconsistent with terrorist activities.

Q34. If you had been Secretary of State during the past year, how would you have recommended the U.S. Delegation vote on the two UN votes dealing with Israeli treatment of territories it captured in the June 1967 war? The first dealt with Israeli settlement of the West Bank and the general disposition of that area; the second UN resolution condemned Israel's move affirming Jerusalem as its eternal capital.

A. If I understand correctly, the resolutions to which the question refers are UN Security Council Resolution 465 of March 1, 1980 and Resolution 478 of August 20, 1980. Although both resolutions contained elements that are in accord with American policy that has remained constant through Administrations Republican and Democratic, I consider both to have been deeply flawed and unbalanced. I believe it would be very difficult to say now just what I would have recommended, not being fully aware of all relevant circumstances, including the climate in the Middle East, the status of the peace process, and the environment at the UN at the time the resolutions were presented. It is fair to say in retrospect, however, that the many unbalanced efforts to condemn Israel for various of its actions this year turned out to be counterproductive and contributed nothing to the search for peace. These efforts were sterile in the main. It will be my objective to encourage the UN to find constructive ways to stimulate progress toward a just and comprehensive peace in the Middle East.

Q35. Do you think that the United States should insist that President Sadat of Egypt sign a formal facilities access agreement with the United States before we make improvements to the Egyptian airfield/port at Ras Banas in Egypt for contingency use by our forces in the event it is necessary to deploy them to defend the Persian Gulf?

A. President Sadat has been very forthcoming in offering the United States the contingency use of Egyptian facilities, exclusive of those in the Sinai, during periods of crisis in the Middle East and for the training of our forces in the region. His offer goes back several years, has been reiterated often in public, and we have recently conducted some mutual exercises with Egyptian forces. President Sadat and other Egyptian officials have, however, repeatedly stated that the Government of Egypt can not permit a permanent U.S. base on Egyptian soil, nor can they sign any kind of formal agreement concerning even limited access to Egyptian facilities. I am personally not familiar with all of the policy and legal reasons why an agreement might be necessary, but I can assure you that this is a subject which we will be addressing in detail soon.

Q36. In its Fiscal 1981 Defense Authorization Act, the Congress, in authorizing billions of dollars to improve our Rapid Deployment Force capabilities, reiterated that the War Powers Resolution "be strictly adhered to and that the congressional consultation process specified by such Resolution be utilized strictly according to the terms of the War Powers Resolution," in connection with the potential use of an American Rapid Deployment Force.

Do you intend to comply strictly with this provision of the FY 81 Defense Authorization Act? Under what circumstances do you foresee that you would not consult with Congress in advance of commitment of our Rapid Deployment Force to a conflict overseas, and why?

A. I fully intend, as Secretary of State, to comply with the War Powers Resolution. I think it is vital that Congress be fully consulted regarding such commitments of US forces.

I can foresee no specific scenarios involving the use of the Rapid Deployment Force that would preclude such consultation. However, as you know, the Resolution itself, in requiring advance consultations "in every possible instance," takes account of the fact that very urgent contingencies could render prior consultations infeasible. If there were such a case, the resolution provides that the introduction of US forces must be promptly reported.●

● Mr. RIEGLE. Mr. President, a nominet officer, as the principal U.S. contact point with the world on matters of than any other Cabinet office. The Secretary of State serves as the senior Cabinee for the position of Secretary of State must meet a higher standard foreign policy, and stands fourth in line of succession to the Presidency itself.

General Haig has given many years of service to our Nation. Part of that service has earned high praise; other portions have been troubling and have left serious questions that remain unanswered.

In reviewing the record, and evaluating the committee testimony, I cannot vote to ratify his nomination. I would very much prefer to support the nominee to such a crucial position; so the vote I cast to the contrary is a joyless act.

Several periods in General Haig's past cause me profound concern. Among them are known situations of illegal wiretapping; illegal bombing, illegal interference in toppling foreign governments, illegal conduct in the willing obstruction of justice by the Nixon White House finally culminating in formal impeachment proceedings and Presidential resignation, and the improper discussions of a possible Nixon pardon with President-to-be Gerald Ford. In these matters and others, we now know that the rule of law was ignored, innocent persons were harmed, and basic constitutional safeguards were violated. While General Haig had direct and important operational responsibilities bearing on each of these episodes, the committee has not been able to clearly resolve General Haig's exact role and responsibility in these matters.

Were these incidents fewer in number, or of lesser consequence, they would raise a different level of concern for me.

Since they go directly to the worst abuses of executive power in our 200-year national history, and as they illustrate a pervasive pattern of illegal conduct, they take on enormous significance.

Unfortunately the committee was prevented from securing existing direct documentary evidence that could more fully answer the question of General Haig's precise role in several of these matters. Former President Nixon has blocked access to this factual information, and General Haig, for his part, has been unwilling to ask Mr. Nixon to withdraw his objection so that this factual record could be brought fully into the open. The Senate cannot properly fulfill its duty in this case without access to these materials. Unfortunately, events are such that shortly that issue will be moot, and the factual information will have been successfully withheld. That is deeply troubling to me.

We live in a world of clear and present dangers, with every expectation that the road into the future will be dangerous and difficult. We will need great national strength—and great allied strength to deal effectively with any and all eventualities. It takes strength to maintain peace in a hostile world. I believe we must have sufficient strength to fully protect our strategic interests now and in the future. When our strategic interests require appropriate interven-

tion, we must be ready and willing to act accordingly.

A lack of vigilance and advance preparation can make our Nation vulnerable. We can also weaken ourselves by squandering our strength and national will in international quagmires like Vietnam; a case where a miscalculation of our strategic interests cost us 55,000 American lives, over 200,000 American wounded, and something approaching $200 billion.

We can not afford another Vietnam, or the strategic misjudgments that produced it. Festering situations today in Africa and South America could become future Vietnams unless wiser judgment is brought to bear. It requires no mea culpas from anyone to frankly acknowledge, in 1981, that Vietnam was a strategic and operational disaster that must not be repeated. It is said that unless we learn the lessons of history we are destined to repeat them. That wise counsel applies here.

General Haig will be confirmed today and I wish him a most successful term of office. My vote today discharges my constitutional obligation. I am prepared to work constructively with General Haig. I also want to repeat today my previously indicated intention to offer the Reagan administration the maximum degree of bipartisan support on foreign policy issues in the model of the late Senator Vandenberg, a Michigander who held the Senate seat I now occupy.●

Mr. MATSUNAGA. Mr. President, the conduct of our foreign policy has always been of paramount importance to the maintenance of our national interest and the continued security of our allies. In the coming decade, our diplomatic relations with others—both our friends and potential adversaries alike—will increasingly play an ever growing role in protecting and preserving our rightful standing in the world.

That is why this nomination for Secretary of State is so crucial. It is essential that we have someone at the helm of our foreign policy who adequately understands the nuances of diplomatic protocol and appreciates the finesse required to peacefully negotiate from a position of sufficiency.

Just yesterday, a national nightmare ended. After 444 days in captivity, 52 American citizens regained their freedom. During their long and horrifying ordeal, this distasteful situation was prevented from deteriorating further—into open warfare or senseless bloodshed—by the skillful approach of President Carter and the two competent gentlemen who served him so well as Secretary of State, Cy Vance, and Ed Muskie, and of course their deputy, Warren Christopher.

Had lesser men been in charge during this period, or had less prudent decision makers miscalculated, the safe and healthy release of our fellow countrymen might not have been achieved, and the delightfully joyous scenes that we witnessed on television—of families rejoicing at the sight of their loved ones returning to freedom—might very well have been all too different. In fact, too different and too unpleasant to even imagine in light of the euphoric evening that the former hostages experienced last night.

President Carter, and for that matter, the State Department, deserve to be commended for achieving a peaceful ending to this horror. Throughout this ordeal, he steadily guided our policy toward a successful conclusion by capably employing a number of diplomatic options, skillfully negotiating from a difficult position without allowing himself to fall prey to overreaction, untamed passion, or military haste. I am confident that history will applaud his conduct in this crisis and that Americans will come to realize, if they do not already appreciate, that Jimmy Carter showed the world how a great nation should properly behave when faced with a distressful and totally unappealing predicament.

It is essential that our new Secretary of State appreciate this fact, also. As a military man who has had a distinguished career, Mr. Haig is, I am sure, fully aware of the awful consequences of modern warfare and the gravity of any situation that lends itself to posturing and saber rattling. His statement that we must let our potential enemies know that we will use the nuclear bomb if necessary, must be made clear that such use will never be made unless our enemies use it first.

I was deeply concerned over some of the statements on these subjects that have been attributed to Mr. Haig, and somewhat apprehensive over what appeared to be an attitude and belief on his part that there are easy solutions—military ones—to what are in fact difficult and complicated matters of policy. In questioning members of the Foreign Relations Committee and reading the record of the hearings, my concern and apprehension have been dissipated.

On the night before his inauguration, President Reagan noted that the fact that he is now our Nation's Chief Executive had finally "sunk in." I trust that Mr. Haig, too, realizes that he is no longer in uniform, no longer a military commander, no longer a general.

I trust that it will "sink in" that he has been chosen to preside over the diplomatic and foreign policy apparatus of our Government and that the task before him is to maintain our Nation's position in the world through negotiation, and not confrontation. I can give him no better advice than that spoken by a Republican President, William Howard Taft, who said "War is not the continuation of foreign policy by other means. War signifies the failure of a foreign policy."

It is paramount for the future of our Nation that our foreign policy be conducted and maintained professionally, credibly, and wholeheartedly. The stakes are just too important to do otherwise.

Mr. Haig has amassed a considerable degree of experience and respect during his illustrious career. He has served our Nation admirably, and often during very trying times. His conduct abroad as commander of our NATO forces gained him many accolades from our allies, and his training certainly prepares him for specific aspects of the task ahead.

In the conviction that Mr. Haig truly appreciates the delicate duties that await him and is fully cognizant of his first and foremost responsibility as our Nation's chief diplomat, I am voting to confirm his nomination.

Mr. WEICKER. Mr. President, I ask unanimous consent that an article by Dick Polman, published in the Hartford Advocate of December 24, 1980, entitled "Watergate's Water Boy," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WATERGATE'S WATER BOY

(By Dick Polman)

When General Alexander Haig was the deputy commander of West Point, he insisted that the cadets march with their fingers locked at the second knuckle, their thumbs pointed straight at the ground, their elbows locked. And Haig would say, "If they can get that hand straight, that elbow stiff, then all the rest of it falls into place. Every directive becomes second nature."

Every directive becomes second nature . . . Haig has built his career around that principle, and it has served him well. During his meteoric rise through the Army bureaucracy, Haig developed the ability to please the boss, no matter who it was, no matter what the order required him to do. He was, in Army parlance, a "horseholder." And today the president of United Technologies is destined to become the next Secretary of State, despite the fact that many of those orders involved illegal wiretapping of innocent people suspected of questioning an illegal and barbaric military strategy imposed on the nation by Haig's superiors.

It is a sordid history, but you don't hear much about it in these days of star-gazing. Haig is lauded by reporters like The New Republic's Richard Strout, who is impressed with the general's "high cheekbones," his "square shoulders" and his "nostrils that flare slightly." A Hartford Courant reporter courageously probes Haig's motivations for seeking the State Department post, and concludes that it must be (gasp) patriotism. Senators like Republican Roger Jepsen of Iowa declare, "Haig hasn't just read the history books, he's been part of making history." Jepsen is apparently too awe-struck to recognize the irony of his remarks.

Even among most skeptics in the press, Haig's questionable past has not been examined in any detail. Most mention his role in "Watergate," that simplistic buzz word which fails to convey the living reality of crimes committed in our name, without our consent. To praise Haig, as many have done, for rescuing the country from Nixon and Watergate is worse than deplorable; it is simply inaccurate. The record clearly shows that, as a horse-holder eager to please the boss, Haig played a central role in fueling the high-level paranoia which developed three years before somebody left tape on the Watergate basement door.

A Haig supporter can always complain that it's ridiculous—ex-Nixon aide Pat Buchanan says it's "McCarthyism"—to bring up Watergate as a way to question Haig's qualifications for the State Department. But the best response comes from Steve Daggart, a foreign policy analyst with the Institute for Policy Studies in Washington. "With Haig," he told me, "you've got a bias toward the violation of fundamental civil liberties. That's one of the costs of building a national security state. Haig is a prime mover for the national security state—to see dissent just as a threat to national security, and that involves a bias against civil liberties. And it seems that one of the lessons of the Nixon era is that fighting an international crusade (like Vietnam and Cambodia) is disastrous for the domestic political situation. Haig is part of all that. The choice of Haig is just another indication that these people (Reagan's team) don't see civil liberties to be as important as what they view as the national interest."

"HE MADE NO WAVES"

Alexander Haig once said, "Politics and soldiering are very, very close. (They're both) fields where a man lays everything on the line to win or lose. They're tested by the vote or they're tested by battle. When one doesn't win, the results are fatal . . . So I have a great respect for politicians."

Nixonian thinking runs rampant in that statement—the simplistic notion, for example, that war and democratic politics can be equated, or the notion that losing a political fight is "fatal." But even in the earliest days of the Nixon administration, this attitude prevailed. Despite Nixon's public declaration that he would end the Vietnam war, respect the neutrality of neighboring Cambodia, and respect Lyndon Johnson's moratorium on bombing North Vietnam, the White House proceeded to bomb Cambodia (thus widening the war), and to bomb North Vietnam. These decisions were made and carried out secretly, without informing Congress or the public; when the news leaked out suspected leakers were wiretapped in their homes and offices. Haig was a key participant in the program.

As Nixon's national security chief, Henry Kissinger brought Haig over from the Pentagon to be his military advisor on the White House's National Security Council. Kissinger was obsessed with leaks, but not all leaks, of course; at his first council meeting, Kissinger told staffers, "If anybody leaks anything, I will do the leaking." This became standard operating procedure; dissent would not be part of public debate. Haig fit well into Kissinger's plans, because, as one former Haig colleague told a reporter, "Haig never argued with Henry, in contrast to the academic types who did, and being a military man, he never questioned authority. He respectfully did what he was told to do and he made no waves."

And so when Nixon and Kissinger had dirty work to do, Haig was their man. In March 1969, the White House decided to bomb eastern Cambodia, on the mistaken theory that North Vietnamese troops had set up a headquarters there. The plan was codenamed MENU (individual target areas were named Breakfast, Lunch, Snack, Dinner and Dessert), but Congress and the public were kept in the dark. Publicly, Nixon was telling everybody that Cambodia was off-limits to American bombs, that Prince Sihanouk's neutralist government would be protected.

The secrecy was short-lived. On May 8, 1969, *New York Times* reporter William Beecher reported that American B–52s were bombing Cambodia despite Nixon's claims to the contrary. Interestingly, though, the rest of the media ignored the story; at the time, people still believed what government officials told them. But the White House panicked. Kissinger privately called the story a serious security breach, although the bombing was certainly no secret to the Cambodia civilians who were being bombed, nor to the North Vietnamese. Who had tattled to Beecher?

Two days later, Haig went to FBI headquarters to request that wiretaps be installed on the phones of four officials, including Morton Halperin, a Kissinger aide on the National Security Council, and Col. Robert Pursley, the top military assistant to Defense Secretary Melvin Laird. FBI Director J. Edgar Hoover suspected that Halperin was the leaker, because, as Hoover put it, Halperin was one of the "so-called arrogant Harvard-type Kennedy men" who were still serving in government.

Haig's FBI contact, Hoover aide William Sullivan, wrote in a memo that Haig requested the wiretaps "on the highest authority," that the taps "involve a matter of most grave and serious consequences to our national security," and that such leaks were "going to destroy Mr. Kissinger's foreign policy." Haig also requested that "no record" of the wiretap logs should be kept in FBI files.

We could debate whether disclosure of a secret, illegal bombing campaign—a campaign already known to the opposition—constituted a grave national security threat or merely a domestic political embarrassment. The point here is that Haig served as an unquestioning factotum to advance a program which would spin rapidly out of control.

In early May 1969, Haig told Sullivan that the taps on all home phones would "only be necessary for a few days to resolve the issue." The tap program lasted 21 months. It also became a convenient way for various White House factions to spy on each other for narrow partisan purposes:

H. R. Haldeman used it to check up on Henry Kissinger. A tap was installed on newsman Marvin Kalb, a Kissinger favorite, to see whether Kissinger was leaking anything of his own.

John Mitchell used it to tap an ex-law partner, John Sears (who would later become a Reagan strategist), because he suspected that Sears was talking too much to reporters.

An FBI intelligence man named Bernard Wells was assigned to handle all wiretap paperwork, but the verbal pickings were so slim that he decided to monitor the phone conversations in typical Hoover fashion: by keeping an eye out for signs of homosexuality, heavy drinking and other forms of behavior which might come in handy for blackmail.

The tap on Dan Davidson of the National Security Council stayed on his home phone for three and a half months after he left the government to join a Washington law firm.

The FBI got nothing about leaks from the Halperin phone tap, although they did hear the family make a series of anxious calls to New York to inquire about a relative's surgery. The FBI reports also complained that Mrs. Halperin talked about her husband's work "unnecessarily" to her friends.

Haig played the national security game to the hilt. On May 20, 1969 he served up the names of two more tapping targets, both members of the National Security Council. On June 4, he added the name of New York Time reporter Hedrick Smith, who had committed the crime of disclosing that Nixon and South Vietnam president Thieu were expected to announce plans for an American troop reduction. One of the tapped council members was Richard Moose, who was preparing to go to work for Senate Foreign Relations Committee Chairman J. William Fulbright. In that capacity, Moose would travel to Cambodia several times and produce pessimistic reports which conflicted with Haig's official enthusiasm. Moose saw what was actually happening—that American bombs were destabilizing the delicate political situation and paving the way for the kind of chaos and resentment which has since resulted in the victory of the Khmer Rouge. But Haig told Moose that Fulbright was a "traitor."

(It is interesting to note that in 1973, when the Nixon people finally confirmed the secret Cambodian bombing, the White House claimed that only North Vietnamese military strongholds were being bombed, that no Cambodian civilians were involved. This too was a lie. A Joint Chiefs of Staff memo in April 1969 said that Breakfast contained 1640 civilians. Lunch had 198 civilians, Snack had 393, Dinner had 770 and Dessert had 120. The Joint Chiefs argued that a sixth area, known as Base 704, should be exempted from MENU because of the presence of "sizeable concentrations of Cambodian civilian population." But Nixon and Kissinger dubbed the area Supper, and ordered 247 bombing runs. Haig, meanwhile, was known to complain privately that Kissinger was often "too soft" on the enemy.)

INVASIONS OF PRIVACY

Haig submitted a new round of taps in May 1970, a few days after Nixon announced his invasion of Cambodia (insisting again in his April 30 speech that we had never bombed the neutral country). On May 13, for example, Haig asked for taps on Anthony Lake and Winston Lord, two more National Security Council staffers. Lake's tap was instituted one week after he announced his resignation over the Cambodian invasion; the tap stayed on his phone for seven months after he left the council. Lake joined Sen. Edmund Muskie's Democratic campaign staff as a foreign affairs advisor, and FBI logs note that Lake's tap yielded data on "the activities of certain potential Democratic candidates for national office."

Halperin, too, had gone to work as an unpaid advisor to Muskie. His tap and Lake's tap, both of which were operative until early 1971, produced political information having nothing to do with national security matters.

There are a number of unanswered questions that could be put to Haig during his nomination hearings next month. What is his concept of national security, and how does it differ from the open-ended abuses which he aided and abetted during the Nixon-Kissinger years? What is Haig's view of the proper balance between the public's right to know about foreign affairs, and the legitimate need for security? What should be the proper relationship between Cabinet officers with foreign policy jurisdiction, and the president's National Security Council?

Consider this last question again, because it is relevant to Haig's conduct during the wiretapping scandal. As Kissinger's top assistant, Haig aided Kissinger's attempts to concentrate all foreign policy responsibility in the National Security Council—making it the sole channel by which policy studies could be sent up to the President, and the sole channel by which decisions could filter down. The Secretary of State and Secretary of Defense were cut out of the action.

And this brings us, again, to the wiretaps, because the evidence strongly suggests that Haig requested wiretaps on people who Kissinger regarded as political rivals, not national security leaks. Col. Pursley, Laird's military aide, was tapped twice, and office taps were placed on the phones of a deputy assistant secretary of state and on a State Department counselor. But why office taps? A security leaker would never disclose sensitive foreign information sitting at his desk. The evidence indicates—and government investigators acknowledge this—that Kissinger wanted political intelligence about his rivals in State and Defense.

Two federal courts, noting the absence of national security imperatives, have already denounced the White House wiretapping scheme. Morton Halperin filed suit against Nixon, Haldeman and Mitchell (at one point Haig was considered as a defendant), and in 1976 a U.S. District Court judge ruled, "At no time were there any reviews or evaluation of the the material obtained through the electronic surveillance. No attempt was made to minimize the interception of (Halperin's) conversations, either as regards individuals intercepted or information gathered. . . . The wiretap thus appears to have developed into a dragnet which lacked temporal and spatial limitation. . . . The surveillance constituted an invasion of (Halperin's) privacy and freedom of expression." The Supreme Court is expected to rule shortly on the Halperin case.

Under the terms of a 1968 wiretap law, judicial warrants are required for taps which do not involve national security. And despite the reasoning advanced by Kissinger and Haig, most, if not all, of the 1969–71 wiretaps had nothing to do with national security. As Halperin himself has written, "the real reason for (the Cambodian) deception was simply to prevent Congress and the public from performing their constitutional roles in declaring war, appropriating funds, raising and supporting armies, debating policy guide-

lines, and evaluating the performance of elected officials."

So in support of illegal wiretapping, in support of the secret bombing of a neutral nation, in support of the most corrupt president in American history, Gen. Alexander Haig has built a career—with Nixon jumping him from two stars to four stars, over the heads of 240 senior officers. So the question remains: at what point does an official's past actions disqualify him for high public office? Have the lessons of Vietnam and Watergate already been forgotten?

Bill Wipfler, who runs the human rights office of the National Council of Churches in New York, says: "Haig's attitude places security high above our basic rights. But this way, a nation can begin to lose its own values. I'm not saying 'scuttle security,' but we should give human rights a chance."

John Lennon would have excused the paraphrasing.

● Mr. QUAYLE. Mr. President, I am delighted today to have the opportunity to express my support for the nomination of Alexander Haig, Jr., to be Secretary of State. General Haig promises to be a dynamic and effective Secretary who will serve in the highest and noblest tradition. He brings to the office a unique blend of experience and talent. His performance as Supreme Commander of NATO, in particular, combined both diplomatic skills and military leadership. General Haig revealed the capability to both inspire confidence among our allies and to garner respect from our adversaries. I have every confidence that, under General Haig's aegis, the United States will develop a wise, firm and prudent foreign policy that will reflect our determination to once again assert effective leadership in the free world.

After a decade of introspection and vacillation we need once more to project American power in the world in order to protect American interests. We are a great Nation. But as Winston Churchill once said, "the price of greatness is responsibility." The issues that bedevil global peace and stability can only be resolved if the United States plays an important role. Only if we accept the responsibility of power can we expect the support of those who would be our friends in the world.

What is at stake is not an overblown crusade to reshape the world, but, simply, an understanding of our essential interests and values, and the confidence to do what is necessary to protect them when they are threatened. As President Reagan noted in his inaugural address yesterday, will and moral courage are our special weapons in the continuing struggle—the struggle to exert American influence toward constructed change and political freedom in an imperfect world.

Mr. President, General Haig has dedicated his life to the service of his Nation. I can think of no more appropriate way that we can repay our debt of gratitude than by bestowing upon him the privilege and responsibility of serving as his Nation's Secretary of State. I join with my colleagues in confirming General Haig's nomination.●

Mr. BAKER. Mr. President, I ask for the yeas and nays on the nomination.

The VICE PRESIDENT. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination of Alexander M. Haig, of Connecticut, to be Secretary of State? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN) is necessarily absent.

The VICE PRESIDENT. Is there any other Senator in the Chamber wishing to vote?

The Chair would like to state that the guests in the galleries are guests of the Senate and that any show of approval or disapproval is forbidden, even to the extent of the Chair having the galleries cleared.

The result was announced—yeas 93, nays 6, as follows:

[Rollcall Vote No. 3 Ex.]

YEAS—93

Abdnor	Ford	Melcher
Andrews	Garn	Metzenbaum
Armstrong	Glenn	Mitchell
Baker	Goldwater	Moynihan
Baucus	Gorton	Murkowski
Bentsen	Grassley	Nickles
Biden	Hart	Packwood
Boren	Hatch	Pell
Boschwitz	Hatfield	Percy
Bradley	Hawkins	Pressler
Bumpers	Hayakawa	Proxmire
Burdick	Heflin	Pryor
Byrd, Harry F., Jr.	Heinz	Quayle
	Helms	Randolph
Cannon	Hollings	Roth
Chafee	Huddleston	Rudman
Chiles	Humphrey	Sasser
Cochran	Inouye	Schmitt
Cohen	Jackson	Simpson
Cranston	Jepsen	Specter
D'Amato	Johnston	Stafford
Danforth	Kassebaum	Stennis
DeConcini	Kasten	Stevens
Denton	Kennedy	Symms
Dixon	Laxalt	Thurmond
Dodd	Leahy	Tower
Dole	Long	Wallop
Domenici	Lugar	Warner
Durenberger	Mathias	Williams
Eagleton	Matsunaga	Zorinsky
East	Mattingly	
Exon	McClure	

NAYS—6

Byrd, Robert C.	Riegle	Tsongas
Levin	Sarbanes	Weicker

NOT VOTING—1

Nunn

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I had previously indicated to a number of Senators that I would, with the cosponsorship of the minority leader, call up a resolution in respect to the American hostages in Iran. I announce now, to accommodate a number of Senators, that resolution will not be called up at this moment but will be called up probably after the next vote.

I also advise Members that it is my intention now to ask unanimous consent, which I do now ask, that we proceed next to the consideration of the nomination of Richard Schweiker and that following after that nomination we consider the nomination of William Brock.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. PELL. Mr. President, yesterday a suggestion was made that some of the votes could be en bloc. Is that going to be the case?

Mr. BAKER. Mr. President, I would be very pleased to do that. On these two nominations, I would be glad to stack them. I really very much hope that we can use as little time as possible.

Based upon the suggestion by the distinguished ranking member of the Foreign Relations Committee, I ask unanimous consent that the votes on the Schweiker and Brock nominations be stacked and that the first vote be a 15-minute vote, to be followed immediately, without intervening debate, by a 10-minute vote.

I ask that it be in order at this point to ask for the yeas and nays on both nominations.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

NOMINATION OF RICHARD S. SCHWEIKER, OF PENNSYLVANIA, TO BE SECRETARY OF HEALTH AND HUMAN SERVICES

The VICE PRESIDENT. The clerk will state the nomination of Richard S. Schweiker to be Secretary of Health and Human Services.

The legislative clerk read the nomination of Richard S. Schweiker, of Pennsylvania, to be Secretary of Health and Human Services.

Mr. DOLE addressed the Chair.

The VICE PRESIDENT. The Senator from Kansas.

Mr. DOLE. Mr. President, a parliamentary inquiry, is the pending business the nomination of Richard Schweiker?

The PRESIDING OFFICER (Mr. MURKOWSKI). The Senator is correct.

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOLE. Mr. President, it is the opinion of the Senator from Kansas that we can proceed very quickly with this nomination. I will make a brief statement and others, of course, who would like to make statements certainly have that right.

Mr. President, I would request that the Senate be in order. That might help us expedite the proceedings.

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOLE. Mr. President, on January 6, the Committee on Finance held a hearing on the nomination of Richard S.

Schweiker to be Secretary of Health and Human Services. At that time, members of the committee had the opportunity to discuss with him one of the most important positions in the executive branch of Government. On January 19, the committee voted unanimously to recommend to the Senate that Senator Schweiker's nomination be confirmed without referral to the committee.

As chairman of the Committee on Finance, it gives me great pleasure to report the committee's decision to this distinguished body.

Senator Schweiker certainly needs no introduction to anyone in the Senate, not even to the new Members. I think most people are aware of Dick Schweiker's contributions over the years and his efforts in the Senate.

He has had a distinguished career in office, serving both in the Senate and in the House of Representatives.

He will bring a great depth of knowledge and experience to the executive branch of Government as well as a new and much needed spirit of cooperation with the Congress.

We face some difficult problems in our social programs. Foremost is assuring the financial stability of the social security system. I was particularly pleased to hear that Senator Schweiker will give this problem top priority and is pledged to maintaining the integrity of the system. High also among his priorities is the refocusing of our welfare programs on their original goals of helping those truly in need as well as eliminating fraud, abuse, and waste in programs administered by the Department of Health and Human Services.

I look forward to Senator Schweiker's confirmation and to working with him on the problems before us.

I would also say that having started my congressional career at the same time Dick Schweiker started his, I know Dick Schweiker very well. I served with Senator Schweiker in the House for 8 years and in the Senate for 12 years. I know, as I indicated in my statement, he is a man of decency, honesty, and integrity. In addition to that, I think we are all aware of his close, personal relationship with President Reagan. I think this is a very important factor to consider. He will have access to the President of the United States. He will be heard and will be an active member of the Reagan Cabinet.

I believe that, on the basis of his experience, on the basis of his knowledge, his association with the President of the United States and with many Members of this body and the House of Representatives, his long and distinguished career in Government, his nomination should be confirmed by unanimous vote.

Mr. HARRY F. BYRD, JR. Mr. President, I associate myself with the remarks of the distinguished Senator from Kansas. I think the former Senator from Pennsylvania, Mr. Schweiker, will make an excellent Secretary of the Department of Health and Human Services. I am happy to support his confirmation.

Mr. THURMOND. Mr. President, I rise today for the purpose of expressing my support for the nomination of my good friend, Richard Schweiker, to be Secretary of Health and Human Services.

Dick Schweiker was a Member of this body from 1969 to 1981, where he represented with great effectiveness the State of Pennsylvania. Now, Senator Schweiker has been called on once again to work on behalf of the people of this great country, and I support him fully for this new position. I feel sure that he will bring to the Department of Health and Human Services the same fine qualities he possessed as a Member of the U.S. Senate. He has always displayed courage, conscientiousness, and a firm commitment to work for sound policies that serve the best interests of the American people.

Mr. President, I would hope that the Senate will act expeditiously on Senator Schweiker's nomination, and that he will be confirmed by an overwhelming vote.

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require.

Mr. President, we all know that Dick Schweiker was an excellent Senator—responsible, careful, thoughtful, and very effective. I served with him on the Appropriations Committee, as did many other Members of this body, and also on the Subcommittee on Health, Education, and Welfare, now HHS.

During that time, I grew to have great respect for Senator Schweiker's judgment, interest, and concern on a wide range of social issues.

I submitted a whole series of questions for him to answer. I must say that although I have asked these questions of every single nominee, I think Senator Schweiker's answers were without a doubt the most detailed and the most helpful, although they still leave a great amount of detail yet to be to filled in.

Senator Schweiker's responses indicate what a colossal problem we have before us if the Congress and the administration are to make any really significant reductions in the budget.

I think all of us know that this is the biggest department of Government, bigger even than the Defense Department. Of course it includes the social security program, which is a massive program. I think we all recognize that if we are going to have any of the reductions which President Reagan called for yesterday and we are going to go anywhere at all toward balancing the enormous increase in spending that we are going to have to have in the military and thereby reduce the size and tax burden of Government, then we are going to have to do something very decisive and probably very painful with respect to this Department.

I asked Senator Schweiker, as I asked other nominees, to indicate the first place where he would make reductions if he had to cut 20 percent or 30 percent, and so on, from his budget, including entitlement programs.

He pointed out, rightly so, of course, that only between 5 and 6 percent of the 1981 budget under the jurisdiction of his agency is not entitlement. Of course I said to include entitlement programs, to make recommendations as to reductions duced by Senators LONG, DOLE, and other members of the committee, and he chairman of the committee, of course—that he cosponsored S. 1382, a bill intro-I would like the attention of my good friend from Kansas on this, because he is ularly about making reductions in medicaid, medicare, and aid for dependent children programs. He pointed out—and

I asked Senator Schweiker particwe could make in entitlement programs, because everything is within our control. He also pointed out that social security expenditures alone account for 70 percent of the budget.

hoped that this would save between $1 billion and $7 billion. A lot would depend, he said, on the initiatives we were able to implement and how quickly.

Could the distinguished Senator from Kansas, who is one of the authors of this amendment, inform the Senate as to how much saving, if any, we could expect in the first place in 1981?

I raise that question because yesterday the Senator from Texas informed the Senate that in his judgment we should increase the defense budget in 1981, the current year, ending September 30, by between $12 billion and $14 billion. I wonder if we can expect any corresponding reduction that would help us balance that big increase in expenditures.

Mr. DOLE. In response to the question of the Senator from Wisconsin, because the way the welfare reform bill was drafted I am not certain I gave any candid answer about savings in fiscal 1981. We are in the process of redrafting that bill. What we did do initially was to put on a cap so that we could stop the increase or the growth in welfare costs. We are now looking at it in a different light to see if we can find some way to bring about some immediate spending reductions. It would not be enough to offset the defense spending increases the Senator has referred to, obviously.

Mr. PROXMIRE. Is the committee thinking of reducing the burden by changing the eligibility standards, for example?

Mr. DOLE. That is one of the considerations, yes. But, again, we are hoping that we can work with soon-to-be-Secretary Schweiker and with members of our committee, both Republicans and Democrats, and try to reach some consensus on how we approach that particular problem. Eligibility requirements are certainly being looked at.

Mr. PROXMIRE. Can the Senator indicate when these savings might be realized? Would he expect savings of as much as a half billion dollars, perhaps, or more, in 1982? I realize it is hard to pin down, but I think it would be very helpful if we could have some notion of what the possibilities are.

Mr. DOLE. I say to the Senator that that could be in the ball park. I do not want to suggest that we shall do that much. It is possible we might even go beyond that amount. If I could draft it myself and it only took one vote, I could guarantee the Senator that the savings would reach that figure. But as the Senator knows, there are 20 of us on the Finance Committee. I have not found one who is not a free spirit.

I think we can reach some agreement. Most of us know the difficulties we face unless we are willing to make substantial reductions in many programs.

Mr. PROXMIRE. Will the Senator agree that if we cannot make reductions here, it is unlikely we shall be able to make the kind of progress President Reagan called for yesterday?

Mr. DOLE. No doubt about it. I say to the Senator from Wisconsin that of the very early drafts of some of the potential spending reductions that I have seen, the first two pages of the four-page document, came to the Finance Committee. So we understand our responsibility.

Now the days of rhetoric are gone and the day of reality has come as of noon yesterday for the new administration. It is going to be difficult.

The answer is, "Yes," the Senator is exactly correct.

Mr. PROXMIRE. Let me ask the Senator further: Senator Schweiker pointed out that one of the real problems is the effect of inflation and that that has enormously increased the budget. If we do not allow for inflation, of course, the effect is cruel on very poor people.

President Carter indicated that a change in the indexing and mortgage credit with respect to social security recipients would save quite a bit, at least on the up side, as interest rates increase. You can take mortgage credit out of the Consumer Price Index in calculating the cost-of-living increase for social security recipients.

Has the Senator had any opportunity to determine whether or not that might be a practical way to reduce the budget?

Mr. DOLE. I can recall that 4 to 5 months ago that idea being discussed. I remember being in a meeting and having discussed it with the former Secretary of the Treasury, William Miller. After some discussion, I think the judgment was made that it was not politically acceptable to make this change.

Again, as I recall Senator Schweiker's testimony, looking at the social security system as a matter of top priority, if this recommendation is made, I cannot suggest what the committee might do with it. President Carter made six recommendations to save money in the social security system, and we acted on only one of the six.

That may not be the only thing we can do to reduce the cost of the social security system in the outyears to protect the rights and the benefits of some 33 million—the so-called core group—who paid into the system all their working years and are now concerned about solvency.

Mr. PROXMIRE. How about slowing down the eligibility for social security? People have proposed that instead of retiring at 65, the age be gradually increased. It would not affect anybody who is receiving benefits now. Those who are working may have to work 6 months longer at the beginning, then a year, and so on.

Mr. DOLE. Again, that is under discussion. Maybe that could be phased in 1 month at a time. At this point, we are not certain. We have asked for information on what the cost savings would be if we increased the retirement age, say, from 65 to 68, phased in over a period of time. Those estimates are not yet available.

There are a number of other ways to reduce the cost of the program that are also being addressed. This Senator is not certain just what the Reagan administration will finally recommend.

Mr. PROXMIRE. It sound like the consideration by the Committee on Finance and by Senator Schweiker suggests that if we can make savings, they are going to occur gradually and we cannot look forward, at least in the next few months, or even in the next year or so, to any substantial reductions in expenditures by this department. Is that right?

Mr. DOLE. I hope we can find some areas with a rather immediate impact.

Mr. PROXMIRE. So do I. I am looking for that. I do not mean to be unfair, because I realize this is one of the toughest problems we have ever faced.

Mr. DOLE. This Senator feels that unless we do it very quickly, the American people are going to lose confidence in us and in the President and the whole ball game could be over befort it starts.

Mr. PROXMIRE. I could not agree more. It is so important. I think we should start looking here at what we can do. I think right now, the President of the United States is at the peak of his power. He has the great support of the Congress and of the country. Everybody is looking to him for answers here. I think if he calls for decisive action, he might very well deliver on them and surprise a lot of people.

Mr. DOLE. I share that view. One of the first acts this new President must pursue is increasing the debt ceiling. Here is a new President talking about reducing spending, and I think probably the first official action we shall take in our committee after the confirmation will be the raising of the debt ceiling. I think that would be a good opportunity for the President to speak out with reference to spending cuts and restraining spending. Certainly the American people understand that we are nearing that magic trillion-dollar figure of public debt.

Mr. PROXMIRE. Does the nominee have any views on funding the medicare program from the general fund? The complaints that I run into, and I am sure the Senator from Kansas has in his State, too, from many people who are working now and paying social security taxes, and many employers, is that this has just become a terrific burden. It is a regressive burden where lower income people actually pay a higher percentage of their income for the tax.

Mr. DOLE. Is the Senator talking about the social security trust fund?

Mr. PROXMIRE. I am talking about instead of relying on the social security trust fund to fund medicare and medicaid—particularly medicaid—it could be shifted to the general fund.

Mr. DOLE. I am not sure medicaid is paid for out of the trust fund, but I will say I am not sure we have any money in the general fund. I do not know which fund is in worse condition—probably the general fund. There are few things we can do in the overall system by transferring funds from one area to another. That also should be under consideration.

Mr. PROXMIRE. Mr. President, President Carter sent up a $334 million rescission in fiscal year 1981 for the Public Health Service. Does the nominee support that rescission?

Mr. DOLE. The Senator from Kansas just cannot answer that question. I do not know what his view is on that issue.

Was that one of the specific questions asked?

Mr. PROXMIRE. It was not asked. I would appreciate it if the committee could ascertain that.

Mr. DOLE. Fine.

Mr. PROXMIRE. I should like to ask the Senator two other things. I apologize for detaining the Senate, but I feel this is important.

I am concerned, also, as we all are, about government regulations. If we have heard one theme over and over again—we heard it in the campaign, and it was a good issue; I heard it from my constituents and I am sure the Senator from Kansas heard from his. That is that regulation is just choking business. Murray Weidenbaum, who will be chairman of the President's Council of Economic Advisers, estimates that it costs business $100 billion a year to comply with these regulations. It is a great burden on the Federal Government as well as the State and local governments. One of those departments will be headed by Senator Schweiker. Did Senator Schweiker indicate any specific regulations that could be cut back or reduced substantially?

He answered rather generally in response to my specific question. He indicated sympathy for the problem with respect to food and drugs and hospitals, and so forth, but did not tell me specifically where he would cut.

Mr. DOLE. I do not recall any specific regulations on which he may have focused.

Again, I would be happy to ask him to furnish a more specific list.

I believe the Senator from Wisconsin knows that Senator Schweiker's case is a bit different, because he had friends around who could help him. Most of the Cabinet nominees come in and play the role of the "lone ranger" during the confirmation process. They are without staffs, without anyone to help them in research. For that reason—and perhaps it is not a good reason—many of the answers are not as specific as we would like.

On that basis, I would be pleased to ask for more specific information in response to that question.

Mr. PROXMIRE. I asked Senator Schweiker what plans he had to cut the burden of paperwork. He said that the new administration will be working to curb duplication of information collecting and also a great many reports which are prepared but never read and are not useful to anyone. In the last Congress, legislation was introduced to cut paperwork. He agrees that unnecessary paperwork drives up costs and contributes to inflation.

Does the committee or does the chairman have any notion of how we can reduce the paperwork requirements, which, as the Senator realizes, is one of the great complaints of the American public today?

Mr. DOLE. There is a suggestion that we get bigger wastebaskets, but I do not know whether that would be an appropriate response to the Senator's question.

Again, the Senator from Kansas understands the problem and understands the frustration because of it. I am not in a position to respond for the nominee, and I agree that his response was very general. I would be happy to ask him to be more specific.

Mr. PROXMIRE. I thank my good friend from Kansas. I do not have any further questions.

Senator Schweiker certainly is well-qualified, in my view, and he will have my enthusiastic vote. I hope he is able to make progress with the enormous agency he will head. I have his answers, and they were as sincere and as able as he could make them.

Although the issue has been made in this campaign over and over that we have to cut spending, have to cut regulations, have to cut paperwork, when you come to the specifics we do not now have any idea what we are going to do about it; and I believe the time is getting late.

We have to realize, as the Senator from Kansas ably stated, that even if we do cut spending authority in this massive department now, which is the biggest department of Government, the reduction is the effects of that cut is likely to occur in 1982 and 1983, and on in the distant future, rather than this year. Therefore, it will be extraordinarily difficult for us to increase defense spending, reduce taxes by 30 percent, as the administration has called on us to do, and at the same time balance the budget and run a surplus and reduce the national debt.

I believe this colloquy has been most helpful in demonstrating that. As one Senator, I assure the Senator from Kansas that I will do all I can to cooperate with him and the new Secretary to try to achieve these reductions.

Mr. DOLE. I thank my distinguished colleague from Wisconsin. His record indicates that he has been helpful in reducing spending over the years, and I certainly share that view.

We are looking at areas involving reductions—I do not know how we can accomplish it, but we are talking about fiscal 1981, which ends at the end of September—of $12 or $13 billion. That will not be easy.

It is my hope that the American people will recognize those who support appropriate spending cuts. I do not suggest that we go after any particular segment of the economy. The spending cuts must be fair and balanced. But it is my belief that the American people, if they feel strongly about this, as I believe they do, will measure those of us in the future not based on how much spending is voted for but how much we voted against.

Mr. STAFFORD. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. STAFFORD. I thank the Senator for yielding.

Mr. President, I believe President Reagan has made a very wise choice in nominating Richard Schweiker to be Secretary of HHS.

I had the privilege, as did the Senator from Kansas, of being sworn in with Dick Schweiker in January of 1961, in the House of Representatives, and I served in the House with Dick Schweiker on the Committee on Armed Services for several years. He distinguished himself there.

Then we came to the Senate; and for the last 10 years, Senator Schweiker and I have served on the Committee on Labor and Human Resources, where, again, in the view of the Senator from Vermont, he showed unusual understanding of the details of the Subcommittees on Labor, on Health, on Education, and others.

In the last Congress, I had the privilege of serving with him on the Committee on Labor and Human Resources, of which he was the ranking minority member. He has had the experience, through those years, of being fully exposed to and gaining an understanding of the problems which the Department of HHS is going to face during the Reagan years. I believe Dick Schweiker is exceptionally well-qualified to undertake this responsibility.

To borrow a phrase from the distinguished Senator from Wisconsin, I will say that former Senator Schweiker, my personal, longstanding, and good friend, will have my very enthusiastic vote for the confirmation of his nomination when we reach that point.

I thank the distinguished Senator from Kansas for yielding.

Mr. HEINZ. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. I yield.

Mr. HEINZ. I thank my distinguished colleague, Senator DOLE, the chairman of our committee, for yielding.

Mr. President, I will be very brief, because I have had the fortunate opportunity on two other occasions to speak in favor of Dick Schweiker as President Reagan's nominee for the position of Secretary of the Department of Health and Human Services.

Indeed, I consider it a privilege and a particular honor to have, in effect, three opportunities to support the nomination of Dick Schweiker for this position of great responsibility. I was able to have the privilege of supporting him and introducing him to my own Finance Committee. I had the privilege of being able to vote in support of reporting his nomination favorably to this body. Now I have the opportunity, as befits my former colleague from Pennsylvania, to second, if you will, the nomination before my colleagues in this body.

I believe we all know Dick Schweiker very well, and we all are proud of the fact that President Reagan has chosen him for a very demanding and difficult task, to which we know Dick Schweiker is fully equal. His qualities of integrity and his ability to handle the responsibilities he has handled so well in the Committee on Health and Human Resources suggest to us that he is amply qualified for this position.

Those of us from the Commonwealth of Pennsylvania have been extremely well served in his capacity of representing our State since 1968 in this great body. I believe that the American people will be equally well served and that their highest aspirations will be met by his service in their behalf, in the position of Secretary of the Department of Health and Human Resources.

Mr. HARRY F. BYRD, JR. Mr. President, I yield to the Senator from California.

Mr. CRANSTON. I thank the Senator.

Mr. President, I support the nomination of our friend and colleague—my friend and colleague—Richard Schweiker to be Secretary of HHS.

Dick Schweiker and I entered the Senate together in 1969, after the elections of 1968.

Over the years, we worked together on many matters relating to the internal functioning of the Senate and on many, many issues. And we served together on the Labor and Human Resources Committee.

Dick is a man who understands very, very well from first-hand experience in the House of Representatives and in the Senate what issues he will be contending with as Secretary of HHS.

He is a man who will be, I think, very effective at accomplishing responsible economizing in the administration of this agency. But at the same time he will fight very hard and very knowledgeably and with real compassion and concern for those programs that should not be gutted, for those programs upon which people in our country depend for dignity and survival.

It is his understanding of what is at stake in all of this that makes his nomination such a very fine one, and I am delighted to speak in behalf of it.

The PRESIDING OFFICER. Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, I yield time to the distinguished Senator from West Virginia. (Mr. RANDOLPH).

Mr. RANDOLPH. Mr. President, I am grateful to the able Senator from Virginia (Mr. BYRD) for providing me an opportunity to speak in support of my esteemed former colleague from Pennsylvania.

It has been my privilege to be a member of the Labor and Human Resources Committee, serving with Richard Schweiker since the 91st Congress; commencing in 1969.

He and I have not always been in agreement and, as a matter of record, have sat on opposite sides of the aisle. On the committee, however, he, and other members have continually worked in earnest to achieve for the common good. That process often involved compromise but that process is inherent and critical to the orderly functioning of Government. Over these years, the Labor and Human Resources Committee has benefited from his strong concern for, and knowledge of, a variety of problems and programs. Whether the subject be health services, hospital costs, health research, elementary, secondary, higher, or vocational education—Dick Schweiker was always in the forefront. He never became insolated, as some in this body are accused, from the realities of the world beyond Washington. He understands the needs of our Nation and has ardently sought to formulate viable approaches to fulfilling them.

During all of his years in the Senate

he has been equal to the many challenging decisions with which we have been faced at both subcommittee and committee level. He has been attentive to the numerous and varied matters which are encompassed within the jurisdiction of that committee, he always attempted to learn and succeeded in knowing the facts surrounding the issues considered for action before the committee. The important problems addressed by the committee provide a strong background for the wider scope of activity which he will soon assume.

It is important for us to realize that when we have worked closely with people, as we have worked with Dick Schweiker, that we not only support him with our vote, but that we speak in the Senate in favor of his nomination.

Dick Schweiker is a sincere and compassionate citizen and a friend. Yet, I do not speak in support of him just because he has been nominated or the fact that he is a close friend. I stress the fact—that knowing him and knowing his record in this body—that he will seize and be equal to, the greater opportunity and challenge that he, following the constitutionally provided "advice and consent of the Senate," will assume.

Members are present, who naturally and perhaps often, have disagreed on voting either for or against not only authorizations but appropriations. I have believed during my service, now in the 23d year in the Senate, that it is important to vote for appropriations which follow from the authorizations of this body.

It is also important to be very, very selective in cutting funding for important programs and to closely scrutinize any increase in funding for such programs. Dick Schweiker understood and participated actively in these legislative processes as both a member of the Labor and Human Resources Committee and the Appropriations Committee and its Subcommittee on Labor-HEW on which he ably served as ranking minority member.

Mr. President, we must remember, as Dick Schweiker did that an authorization or an appropriation, in which we spend money is more than an investment of money. It is an investment on which a dividend is paid, not coming back in 100 cents on the invested dollar but paying a dividend in a better America for all of its citizens.

I believe that Dick Schweiker understands this process, which, in conjunction with his other attributes, qualifies him for this important post and the concomitant duty which accompanies it.

Mr. DOLE. Mr. President, the junior Senator from Pennsylvania is here in the Chamber. We are considering the nomination of Richard Schweiker. Does he wish to be recognized?

Mr. SPECTER. I thank the Senator very much.

Mr. DOLE. Mr. President, I yield such time as the Senator from Pennsylvania desires.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, I am delighted to have this opportunity to add my voice of support for Senator Schweiker's nomination as Secretary of Health and Human Services.

I have had intimate contact with Senator Dick Schweiker for many years and have known him for a period of some 20 years and have observed his extraordinary work in the House of Representatives and then in the Senate, as a neighbor from Montgomery County, Pa., and I know of his very keen interest in the field of health and human services and that with his tremendous ability I think makes him admirably suited to that position. So I am pleased to lend my voice in support of his nomination and will be delighted to vote to confirm him for that very important position.

I thank the Senator.

Mr. DOLE. I thank my colleague from Pennsylvania.

● Mr. KENNEDY. Mr. President, I join with my colleagues in expressing strong support and shared respect and confidence in the nomination of Richard Schweiker to be Secretary of Health and Human Services.

I have had the pleasure of serving with him on the Senate Labor and Human Resources Committee for the past 12 years. He was the ranking member of the Health Subcommittee for many years and also ranking minority member of the full committee during the previous Congress.

Throughout his career in public service, Dick Schweiker has been sensitive to the health needs of this Nation. He has been concerned to find ways to make Government work in effective partnership to expand health services.

At the same time, he has worked to insure that the handicapped and the elderly and the very young are not forgotten.

Dick Schweiker will bring compassion, vision, and determination to the role of Secretary of Health and Human Services. The Nation can have confidence that he will advance the work of the Department and carry on its fine tradition of service to all of the people of this country.

I am proud to cast my vote for his confirmation as Secretary. I pledge to work closely with him to enhance the quality of life for all our citizens.●

Mr. PELL. I am particularly pleased to support the nomination of Dick Schweiker for this job. For many years he and I have served together on the same committee and became friends.

I have always found his views thoughtful and his judgment excellent. Moreover, it always gave me a sense of comfort to find ourselves thinking along similar lines—and this happened surprisingly often.

By the same token, I look forward to working with him for our common national good in the future.

I wish him the best of luck and know what a very fine job he will do as Secretary of Health and Human Services.

Mr. WILLIAMS. Mr. President, I am confident that all of my colleagues will support the motion to confirm Dick Schweiker as Secretary of Health and Human Services.

My confidence is borne not only of the affection I have for him personally, but also of the admiration and esteem that he has so gracefully acquired during his years as a Member of the Senate.

When he was sworn in as a Senator in 1969, he was assigned to membership on the Committee on Labor and Public Welfare. I too was a member of that committee and chairman of the Subcommittee on Labor. I marked him immediately as a person of exceptional energy, ranging curiosity, eloquence, compassion, and determination to find the best solution to the problems of people.

Over these past 12 years, my initial impression has been confirmed many times. Dick Schweiker has been an important part of the foundation for all of the committee's work during the past decade. During the 96th Congress, he was the committee's ranking minority member, a helpful and constructive partner to me as chairman of the committee.

The breadth of his interest and the range of his work encompassed virtually every aspect of the 1,600 programs under the committee's jurisdiction—programs in health, education, employment, social services for the elderly and the very young; programs that are designed to provide the personal and family security for working Americans so that their chances of finding and keeping a job are greatly enhanced; programs that enrich the lives of those too young or too ill to work and those who have worked all their lives and earned a wholesome retirement.

In recent years, his rich experience in human problems and human services to ameliorate them has been brought to bear as a member of the Senate Appropriations Committee, where he served as ranking minority member of the Subcommittee on Labor, Health and Human Services, Education and Related Agencies.

By experience, by personal interest and commitment, and I know by preference, Dick Schweiker is uniquely qualified for the responsibilities that he soon will undertake as Secretary of Health and Human Services.

I look forward to his confirmation by the Senate and to continuing our friendship and working relationship in the months and years ahead.

Mr. DOLE. If there be no further request for time, I yield back the remainder of the time on this side.

Mr. HARRY F. BYRD, JR. Mr. President, I yield back the remainder of the time on this side.

The PRESIDING OFFICER. All time is yielded back.

OFFICE OF THE U.S. TRADE REPRESENTATIVE

NOMINATION OF WILLIAM EMERSON BROCK III, OF TENNESSEE, TO BE U.S. TRADE REPRESENTATIVE

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the nomination of Mr. William E. Brock, of Tennessee, to be the U.S. Trade Representative, which the clerk will state.

The legislative clerk read the nomina-

tion of William Emerson Brock III, of Tennessee, to be U.S. Trade Representative with the rank of ambassador.

Mr. DOLE. Mr. President, it is my understanding, and I have checked with the Parliamentarian, that after the debate on the nomination of William E. Brock and all time has been yielded back, we will vote on the Schweiker nomination first with a rollcall vote and then vote on the Brock nomination with a rollcall vote.

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. Mr. President, on January 19, which was Monday of this week, the Committee on Finance held a hearing on the nomination of William E. Brock, to be U.S. Trade Representative.

Again, as I have indicated with reference to Senator Schweiker, Bill Brock served in this body with distinction. He is another outstanding example of someone who has been involved in public service and a man that I know will do an outstanding job as U.S. Trade Representative.

Some people may feel that if a nominee is a former colleague, on either side of the aisle, the remainder of us do not scrutinize their qualifications or their background or their potential. But I can assure those outside this body that that is not the case.

In this case and in the case of Senator Schweiker and many others who served in the Senate from both parties, who have gone on to other Government service, they have been equally and carefully scrutinized by the appropriate committees.

As for Bill Brock—it was said as a compliment—by two or three of my colleagues on the other side of the aisle during the confirmation hearings—if he could do as well in the trade field as he has done in politics they enthusiastically support his nomination. In fact, they are also very pleased to see him moving out of politics because he has had such great success in the political arena. I am not suggesting that Bill Brock or any other one person does it by himself. But in this case he has had a very big impact on the fortunes of the Republican Party, and for that many of us are grateful.

The U.S. Trade Representative is a very important position. This was demonstrated time after time in the committee hearings. We have had a number of outstanding Trade Representatives, including outgoing Trade Representative, Gov. Reuben Askew of the State of Florida, and his predecessor Robert Strauss, an outstanding public servant who served in many capacities with distinction in the Carter administration and who, I might add, served as chairman of the Democratic Party at the same time I was chairman of the Republican Party.

We have had other distinguished men in this position who have been our Special Trade Representatives, Bill Eberle, and Bill Walker, and others.

So I suggest that Bill Brock has a difficult job. In fact this job is perhaps as difficult as any job in the Cabinet.

I would also suggest to those who may fail to fully understand the importance of this position, that this is a position of Cabinet rank. It is a position which those of us in the Senate, particularly on the Finance Committee, and in the House, feel very strongly about. We need to make certain that there is no effort made by this administration or any future administration to weaken the power of the Special Trade Representative.

The nomination of William E. Brock, underscores what I believe to be the intention of the Reagan administration to place great emphasis on trade policy.

As chairman of the Finance Committee, it is a privilege and a pleasure to report the committee's decision, by a vote of 20 yeas and no nays, to report favorably the recommendation of Senator Brock's nomination.

On January 19, the Committee on Finance held a hearing on the nomination of William E. Brock to be U.S. Trade Representative. In the course of that hearing the committee members had the opportunity to discuss with Senator Brock a number of the important trade issues to which the U.S. Trade Representative must immediately address himself. The committee members also raised a number of concerns which they had with respect to maintenance of the stature of the position of U.S. Trade Representative and its central and strategic role as the focal point for coordination and implementation of U.S. trade policy. Following that hearing the committee voted 20 to 0 to recommend to the Senate that Senator Brock's nomination be approved without referral to the committee.

As chairman of the Committee on Finance, it is a privilege and a pleasure to report the committee's decision to the Senate.

Senator Brock has had a distinguished career in both public and private life. Following his graduation from Washington and Lee University in 1953 he served 3 years in the U.S. Navy. He then worked for 6 years in private industry before being elected to the House of Representatives in 1963. During his tenure in the House, Bill served on the Commerce Committee's Subcommittee on International Development Institutions and the Subcommittee on International Trade, Investment and Monetary Policy. In November 1970, he was elected to serve in the Senate and served with distinction on both the Committee on Finance and the Committee on Government Operations, among others.

In 1977, Bill became chairman of the Republican National Committee. The success of the Republican Party in the recent election is a tribute to his abilities and dedication. He is the acknowledged architect of one of the most successful political organizations ever assembled.

This background will provide Senator Brock with the knowledge and experience which is necessary to be successful in the position for which he has been nominated. There are many critical trade issues facing the United States. Our export policy is subject to severe and frequent criticism. Our balance-of-payments deficit undermines the strength of the dollar. Many of our industries are suffering from both the current recession and the adjustment to increased import competition.

In finding solutions to these and the other trade problems it will be necessary for the Trade Representative to maintain a strong and independent role. He must report to the President as well as be responsible to the Congress to assure that its intent is being carried out. Even Senator Brock's broad experience and enormous abilities will be severely taxed, but I can think of few individuals better suited for the position.

I look forward to Senator Brock's confirmation and to working with him on these most important problems.

There were a number of questions submitted to Mr. Brock on the day of his confirmation. I am not certain that he has fully answered those questions, but I know he is in the process of answering them. If there are questions to which I can respond or at least areas where Senator PROXMIRE or others may desire more specific information, I would be very pleased to try to obtain that at the earliest possible time.

Mr. President, I urge the confirmation of this outstanding nominee.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I rise in support of the nomination of William E. Brock III to be the U.S. Trade Representative. I am pleased that the President has chosen a distinguished former Senator to fill this important position. During the time he was in the Senate, Mr. Brock served with distinction on the Committee on Finance and became familiar with some of the problems he will experience as Trade Representative.

The Trade Representative, I might emphasize, has a Cabinet-level position. He speaks for the United States as a Cabinet officer, rather than as an Ambassador serving under a Cabinet officer. We wrote this into the law in order to reflect the importance of the position and to assure that the Trade Representative, who would be dealing with ambassadors from other nations, would be equivalent in rank with them. We also wanted to be able to attract the highest caliber person to fill this job, and we wanted to assure that he will maintain independence from other executive branch agencies.

Mr. Brock understands the importance of the congressional point of view based on his own experience in the Congress. I urge that the Senate approve his nomination.

I yield time to the distinguished Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, I have a brief statement and a few questions.

The New York Times commented on

the nomination of Mr. Brock. It said that the nomination of Bill Brock to be a Special Trade Representative made about as much sense as nominating Robert Strauss as the Special Trade Representative, which they said made a lot of sense; and in fact it did make a lot of sense. Robert Strauss was a superlative Special Trade Representative not for the usual reasons but for exactly the same reason why Senator Brock is going to be a good Trade Representative.

Neither of them has a technical background; neither of them has spent his life in trade but has worked on it. However, they are extraordinarily intelligent, and what they spent their lives on was politics, and what Mr. Strauss could do is to come down here and put out these fires when some group would come in and ask for special protection. They would ask for some kind of tariff or quota or some limitation on trade so they could be protected and, of course, the public interest suffered.

But Mr. Strauss would very skillfully organize opposition to the protectionists. Those who would be adversely affected by this kind of increase are usually poorly organized, but tariff increases raise the cost of living for all of us. I am sure Bill Brock will do exactly the some thing as Bob Strauss did to fight costly tariff increases.

So I think this is an excellent appointment by President Reagan for this unusual reason that is not always noticed. But I think it is by far the most important reason why Mr. Brock is well qualified for the position.

Now, Mr. President, I would also point out that probably the most neglected way—neglected at least in terms of attention, concern, and understanding—we fight inflation is through free trade. I dread to think what the price of automobiles would be today in this country if we were not receiving those imports from Japan and from Europe. Nobody likes it, and least of all the automobile industry does not like it. Nobody likes competition. But, of course, what the auto imports have done are, first, they have slowed up the price increases in our cars, and second, they stimulated changes in the quality, the size, and the fuel efficiency, of our domestically product cars and I think any honest person would have to agree that we would not have done that without import competition.

Another industry that affects many States and many Senators are deeply sensitive to and concerned about is the steel industry. Here again is an industry which has not been competitive. One big firm will announce its price increases and within 24 hours every other firm will match it to the fourth decimal point.

Well, foreign steel has come in and competed effectively and helped to hold down the price of steel.

So I agree with Senator DOLE that the job Bill Brock will have is a vital job not only from the standpoint of encouraging free trade and helping us in exports, but by helping our economy to be more competitive, by holding down the cost of living in a way which is vital and, as I say, widely neglected.

Now, Mr. President, I would like to ask the Senator from Kansas a question with respect to Mr. Brock's response—incidentally, I understand Mr. Brock did not have an opportunity to come before the committee until, what was it, Monday?

Mr. DOLE. Monday.

Mr. PROXMIRE. And he promptly answered all my questions, answered them about as well as anybody did, and had them answered in considerable detail, and I have the answers here and we were happy to get them.

I am especially happy with his response to my question on dairy imports.

Mr. President, I ask unanimous consent to have printed in the RECORD the question I posed to Mr. Brock and his answer thereto.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUESTION FOR SPECIAL TRADE REPRESENTATIVE DESIGNATE WILLIAM BROCK

6. What is your position with regard to dairy imports including the use of countervailing duties?

Answer: It is my understanding that certain dairy products were the subject of a complex set of agreements in the course of the Multilateral Trade Negotiations, and that certain of those agreements, implemented by sections 701–702 of the Trade Agreements Act of 1979, provide for administrative action by the President and the Secretary of Agriculture under defined circumstances in lieu of a countervailing duty investigation by the Department of Commerce. While I would not wish to prejudge any specific case, I am certain that I would not want to see American dairy farmers deprived of any of the protection to which they are entitled under the law.

Mr. PROXMIRE. However, Mr. Brock's response with respect to reducing the cost and size of his staff did not make me as happy. I understand he has something like 115 which, when you consider the importance of the Trade Representative, might be considered pretty small. But we have been able to cut our committee staffs in the Senate, as the Senator knows, this is a time for austerity.

I wonder whether or not the distinguished Senator from Kansas has any notion of how even this small agency might be able to reduce its burden on the taxpayer by reducing the size of its staff?

Mr. DOLE. As I understand, in checking with my staff, his staff totals slightly over 100, I will doublecheck it.

During his confirmation hearings we discussed with Senator Brock a matter of interest to this Senator and the Senator from Wisconsin, I reminded Mr. Brock of the importance of agriculture and how agriculture is sometimes overlooked in trade negotiations and in trade generally. In some case there is no interest on the part of many who serve in positions where trade policy is made, the State Department and other departments, they do not have much interest in agriculture and sometimes fail to grasp the importance of agriculture to the American consumers.

And I say that to indicate that we were asking if it would not be possible to somehow change or restructure the staff so that one of his Deputy STR's could be for agriculture. He responded that might be possible; that it would take a change in the law, but if it would be done it would be without any additional cost; he would take what he has and elevate agriculture in that way.

I am not certain he was asked specifically about further reductions. Again, it is a matter that we will examine, because the Senator is correct, if there are going to be reductions in Government they should be, where feasible, pretty much across the board, with one caveat, and that is that, as the Senator from Wisconsin knows, some of the committees have grown fat in the Senate and others have stayed relatively lean. And so it would not be fair to say that everybody must take a 10-percent cut, because the fat will still be fat and those who have been rather conservative in their staff approach might suffer from that reduction. I am hoping that in overall Government we can achieve the 10 percent. Maybe the STR's office can make a contribution to that effort, but I am not certain just what Mr. Brock has in mind.

Mr. PROXMIRE. Mr. President, I appreciate that. I hope that the committee would follow up on it, because the response Mr. Brock gave me was as follows. It is brief and I will read it. It is two sentences.

One of my first actions as trade representative would be to examine carefully the level of staff and budget to see if any economies could be made. Obviously, reductions would be made in consultation with the appropriate committees of the Congress to which I will communicate my staffing and budgetary plans as soon as they are ready.

So I would appreciate if the Senator would make available to the Senate the response that Mr. Brock gives us so that we can have some understanding of what he intends to do about the size and cost of his operation.

Mr. DOLE. Mr. President, I pledge to the Senator from Wisconsin that we will follow through on that request.

Mr. HARRY F. BYRD, JR. Mr. President, I yield to the Senator from New Jersey.

Mr. BRADLEY. Mr. President, I thank the Senator from Virginia.

Mr. President, I am pleased to support the President's candidate for the important position of U.S. Trade Representative, Bill Brock. As a Democrat recently returned from campaigning for many of my party colleagues, I am only all too aware of the effectiveness of Bill Brock. Let me advise our trade competitors that with Bill Brock as USTR, they may end up as joint stockholders in the Brooklyn Bridge.

As Mr. Brock already knows, his kind of entrepreneurship is precisely the quality that the Finance Committee is looking for in an USTR, and he can be sure that committee members on both sides of the aisle will give him all the support he needs—and more—in his efforts to develop a strong, independent office of the U.S. Trade Representative. The Finance Committee and the Congress have made sure to place trade policymaking and coordinating in his corner

because we have learned the importance of an independent, vital center to animate trade policy and to protect trade policy from the habit of automatically subordinating it to other objectives.

Indeed, Mr. President, I would go further. I would like to see the President create a single, strong agency in his office to set the directions necessary to foster U.S. competitiveness in global markets and to secure U.S. objectives in the international economic order. What I have in mind is an Economic Security Council with responsibilities for: First, promoting U.S. competitiveness and productivity; second, assuring for the United States an adequate supply of strategic raw materials; and third, recommending courses of foreign economic policy and conducting bilateral and international negotiations to advance U.S. interests in a sound, equitable and stable world economic order. It goes without saying that the Council must have the power to direct the implementation of U.S. foreign economic policies throughout the bureaucracy.

USTR now has a kernel of these responsibilities. But it is ideally suited to grow into an economic security agency. I will encourage Mr. Brock to move it further in this direction.

It has become apparent, painfully apparent, that the United States needs a trade strategy to meet the economic challenges of the 1980's and beyond. The auto crisis is only the most recent manifestation of the new economic reality: Our competitors are strong, they are energetic, they are attuned to rhythm of economic change and they are well-organized.

We are also strong and energetic, but because of our history of economic self-reliance, we have heard only faintly the rumblings of change in a new, interdependent world economic order. And for reasons of tradition and philosophy, we have balked at the need to become more organized, to consciously prepare our economy for the future. As a result, increasingly, we find our economic policies caught in a web of ad hoc responses that too often resist, rather than adapt to, change.

We must stop locking ourselves into crisis-born solutions. Crisis management is inadequate to the task of creating enduring economic stability in our country and in the world. We must have a trade strategy that grows out of a more competitive economy and a better capacity to integrate American domestic and foreign economic policies.

I think Mr. Brock understands this, and I encourage him now, and will urge him again and again in the future, to develop in the office of the Trade Representative a capacity for creating and carrying out such a trade strategy. USTR must be aware of ongoing changes in the structure of the U.S. economy and able to identify those structural changes that the United States must make in the future in order to adjust to new realities in the world. Trade negotiations must be informed by this sort of analysis.

Trade negotiations should be part of a larger strategy for improving competitiveness, assuring a vital economy with enduring jobs for all Americans and preserving our cherished standards of living.

USTR must be sensitive to developments in different economic sectors in the United States, sensitive to the economic objectives and achievements of our trading partners and competitors, and sensitive to the economic imperatives of U.S. national security. Only then will our trade opportunities truly complement our economic ambitions and our security requirements.

A world power such as the United States can make do with no less.

Expanding trade opportunities for the United States with countries of the Third World must be a critical element of that strategy. I was extremely pleased to learn that Mr. Brock shares this view and that in his testimony before the Finance Committee he specifically called for continued efforts to improve trading relations with developing countries. The term "Third World," of course, is deceiving in that it implies a homogenous group of nations with identical goals. Quite the contrary. The Third World is diversified, comprising countries on the one hand such as Brazil, Taiwan, South Korea and Mexico, whose average annual per capita GNP growth rates have exceeded that of the United States in the last two decades, and on the other hand, countries like Bangladesh, Somalia, Chad and Niger whose average annual growth rate per capita has been negative.

The range of countries in the so-called Third World offer for the United States a range of trade opportunities and taking advantage of them requires a range of responses. Realistically, U.S. relations with countries at the bottom of the economic scale will be dominated by security and humanitarian concerns. Aid, not trade, will take priority, but success in our efforts to help them develop today will create trade potential for tomorrow.

U.S. relations with the advanced developing countries are quite another story. These are the growth areas of the world economy, and unless we consciously step up our activity in these areas, we will be left outside the circle of dynamic growth. In addition to having higher per capita GNP growth rates than the United States—despite having twice the population growth rates—most of them have a higher ratio of industrial production to total gross domestic product than does the United States. Most have industrial productivity growth rates that are twice as high as ours, and in the last decade their exports have grown at an average rate of 24 percent yearly. In contrast exports from all industrialized countries have averaged only 18 percent growth and the U.S. rate was a pale 14 percent.

Clearly these countries are becoming formidable trade competitors, as well as promising trade partners. But the more advanced developing countries are not alone in offering opportunities to the United States.

Last year, the Third World as a whole took nearly 38 percent of total U.S. exports, more than U.S. exports to the European community, the Soviet bloc and the PRC combined. And our exports to these countries have grown at the rate of 18 percent a year in the last decade, compared with only 15-percent growth in our exports to other countries of the developed world.

The message is clear. Doing something about it will require more than recognizing it. We must rethink our trade, aid and foreign policies with these developments in mind. We must make sure our business people are ready and able to serve Third World markets and that our public officials are ready and able to assist these countries in meeting their development and financing needs—a precondition to large-scale importing by them of goods and services from the developed world.

Debt, petrodollar recycling, balance-of-payment deficits, trade barriers, and unstable monetary activity are components of the broader economic problem we share as an interdependent world. Destabilizing foreign debts are not somebody else's problems, or the big banks' problem. They are our problem too because it is demonstrably in our economic and national security interest to help solve them.

The challenges to the United States are enormous. We need someone of vision, courage, and most importantly, with unfailing "can-do" as the USTR. Everything I know about Bill Brock assures me that he is the man. I look forward to working closely with him to evolve a trade and competitive strategy that befits this powerful Nation.

Mr. DOLE. Mr. President, I yield to the Senator from California.

Mr. HAYAKAWA. Mr. President, I am delighted with the nomination of Mr. William Brock as Special Trade Representative. It was my good fortune to have a 10- or 15-minute conversation with him the day after his appointment was announced.

As a member of the Foreign Relations Committee, as well as a member of the Agriculture Committee, I was especially interested in our trade, especially trade in agriculture products, along with the distinguished Senator from Kansas.

The degree to which we export our products from agriculture, the beef industry, cotton, tobacco, wheat, corn, and everything else, and especially the products we grow in California. to what degree we would deal with the problems we confront, especially as regards the trade restrictions placed against us by many countries of the European economic countries and by the countries in the Orient.

Within that conversation of a very few minutes, it was very clear that Mr. Brock had already thought about these things and had some policy answers to give and delineated the special areas which he was going to study. I found that his quick grasp of what the problems are for California agriculture, as well as the agriculture in other States, Illino¹s, Kansas, and so on, was very assuring to me.

I was especially interested in the remarks of the distinguished Senator from Wisconsin about how Robert Strauss and William Brock had been very skillful and experienced politicians. Per-

haps for this position of U.S. Trade Representative we do not want an experienced exporter or importer. We need people with political skills to arrange these agreements with other countries and to increase our trade and our good relations with them.

So I am very, very happy to urge my colleagues that they cast a favorable vote in favor of Mr. William Brock as Special Trade Representative.

Mr. HARRY F. BYRD, JR. Mr. President, I yield 5 minutes to the distinguished Senator from Tennessee (Mr. SASSER).

Mr. SASSER. Mr. President, I rise today to congratulate my fellow Tennessean, William E. Brock III, on his nomination and soon to be confirmation as Special Trade Representative.

This is an office that is increasingly important to our Nation; it is an office of enormous challenge and responsibility. During the past 4 years, the Office of the Special Trade Representative has negotiated and implemented a highly technical yet equitable trade agreement with most of our partners in world commerce. Proper execution of that agreement will be essential to equitable and progressive trading relations in the years ahead.

Equally important will be the challenges of incomplete agreements. During the coming months, the United States will be forced to deal with vital questions concerning our trade position with Japan. The well-being of many domestic industries will in a large part depend on the work of the Special Trade Representative. It is important that he help develop new markets for American exports and at the same time protect the inegrity of basic principles of fair international trade.

Mr. President, I am personally familiar with Bill Brock's intellectual ability and with his organizational skill. I believe his appointment to this important office is substantial recognition of Mr. Brock's many and varied talents.

Mr. President, I wish Bill Brock well in his new challenge.

I thank the Senator from Virginia for yielding to me.

(Mr. ABDNOR assumed the chair.)

Mr. BAKER. Mr. President, will the Senator yield?

Mr. DOLE. Mr. President, I yield to the distinguished majority leader.

Mr. BAKER. Mr. President, I appreciate this opportunity to say a few words in support of my good friend and colleague, Bill Brock, the nominee for U.S. Trade Representative. Senator Brock has enjoyed a distinguished political career, both here and in the House of Representatives and as chairman of the Republican National Committee. I hasten to add that he will no doubt prove to be one of the most effective trade ambassadors this country has ever had.

Mr. President, I have known Bill Brock a long time. I know him and respect him as a friend, as a fellow Tennessean, and dedicated public servant.

Bill Brock grew up in a family dedicated to the free enterprise system, and the family business thrived under the guidance of the commercially astute Brocks. He began his Government career in 1962, when elected to the House from Tennessee's Third District. In 1970, he was elected Tennessee's U.S. Senator. During his congressional tenure, Bill Brock served on the House Banking and Currency Committee and the Senate Finance, Government Operations, and the Joint Economic Committees; he was also chosen as a representative to the Asian Development Bank Conference.

Senator Brock became chairman of the Republican National Committee in 1977, and has rebuilt the GOP to a strength that only a person of Bill's organizational talents and political ideals could envision.

I believe this brief analysis of Chairman Brock's career highlights both his leadership abilities and his talents as an excellent businessman, legislator, and executive. Chairman Brock will tackle the job as U.S. Trade Representative with the same enthusiasm and expertise he has shown in the past. Bill Brock has a keen understanding of the importance of economic growth to America's future. The improvement of this Nation's trade balance is key to such growth. I can think of no man better qualified to restore strength to the American share of the world market nor better deserving of this Cabinet position than Bill Brock. I urge all my colleagues to vote in favor of the confirmation of this nominee.

Mr. DOLE. Mr. President, I yield to the Senator from Maryland.

Mr. MATHIAS. Mr. President, I am happy to support the nomination of Bill Brock as the trade representative. I would observe that if he can do for the American automobile industry what he has already done for the Republican Party there are going to be a lot of very happy people in this country in the very near future.

Mr. PROXMIRE. Mr. President, will the Senator permit a short quorum call on my time? Senator MCCLURE left the floor and he asked me how long I would take.

Mr. HARRY F. BYRD, JR. Mr. President, if the Senator will yield, the Senator from California would like to speak. I yield to the Senator from California (Mr. CRANSTON).

Mr. CRANSTON. Mr. President, I am delighted to support the nomination of our former colleague and friend, Bill Brock, to the post of Special Trade Representative.

Bill and I served together in the Senate. For 6 years we worked together across the aisle on a number of issues, including Senate organization. Now and then, on a major issue, we found ourselves working together and I developed great respect for his intellect, his capacity and his understanding.

I am confident that, in the role he has now been called to fill, he will serve very effectively. He will be tough, he will be strong, he will be knowledgeable, and I think he can contribute significantly to the reduction of our serious trade problems. His work on further improvement of our trade balance can aid our economy and increase American employment.

In his capacity as chairman of the Republican National Committee, Bill Brock displayed truly great talent in terms of organizational skills and administrative ability. I think he has been one of the most effective chairmen that either party has ever had. I pay tribute to him for his accomplishments, even though I was not delighted with many of the results he had a large hand in achieving. Taking those same skills to this important administrative responsibility will, I think, be for the benefit of our country.

Frankly, as I told him when I saw him on the Senate floor a few days back, I will be delighted to see him in a position other than as chairman of the Republican National Committee. I hope he will be so busy with his responsibilities as Special Trade Representative that he will not have time to be active in any way or even to offer advice on political matters. For these reasons, I am very proud to support his nomination.

Mr. THURMOND. Mr. President, I am pleased to support William E. Brock, President Reagan's nominee to be U.S. Trade Representative with the rank of Ambassador.

This is a most important post for the new administration because of the growing complexity and difficulty of trade issues. Bill Brock has the requisite experience, ability, and savvy to perform admirably in this position. He is a man of sound business judgment, having amassed considerable wealth as an entrepreneur before devoting his life to public service. He served ably in the U.S. Senate representing the State of Tennessee, and has most recently done an outstanding job as head of the Republican National Committee.

Mr. President, I have recently urged the administration to maintain the Office of Trade Representative as a Cabinet-level office in the White House, separate and distinct from the Department of Commerce. The matters of formulating trade policy and conducting trade negotiations are so crucial for our economy and cut across the jurisdiction of many Government agencies, such that a White House-level special agency is necessary to properly do that job. I have talked with President Reagan and his advisers, including Mr. Brock, about this and have been assured that the trade representative's office will not be merged into the Commerce Department.

Mr. President, I have been privileged to work closely with Bill Brock on a number of matters over the years. He is an outstanding American who has served with honor and distinction in the House of Representatives, in the Senate, and at the Republican National Committee. I am confident he will pursue the best interests of the United States diligently and with great determination as Trade Ambassador. He understands American business, he understands politics, and most importantly, he understands and works well with people.

I hope the Senate will confirm him for this post, and I look forward to working with him on matters of mutual concern in the future.

Mr. ROTH. Mr. President, I am pleased

Bill Brock has been nominated as U.S. Trade Representative for two reasons.

As we all know, Bill Brock served for 14 years in Congress. His knowledge of the Hill will certainly be invaluable both to the administration and to us in the Congress. That knowledge should lead to an excellent working relationship. I applaud President-elect Reagan for having the foresight to select one of our former colleagues for this Cabinet position.

Having worked closely with Bill Brock on many issues while we served together in the House and Senate, I have found him to be a man of depth, conviction and possessing an intrinsic ability to communicate his ideas and views. Bill has been described in the media as one of the truly effective negotiators within Congress, and I think that proven ability will be crucial in his work as U.S. Trade Representative.

Second, Bill Brock is a proven administrator. In the past years since leaving the Senate, he has shown he is up to the task of performing a very difficult job, probably much to the consternation of my colleagues on the other side.

Turning for a moment from the man to the tasks, the U.S. Trade Representative's responsibilities and functions are key in the global trade and domestic policy arenas. His tasks cover a wide range, including developing and coordinating overall trade policy; representing the United States in international negotiations and consultations involving import and export practices, commodities, and certain forms of investment; and reporting to the President and Congress on the success of our international trade agreements and other trade endeavors.

The USTR must champion our trade rights internationally, insuring that tariff and nontariff agreements concluded in the Multilateral Trade Negotiations are honored by our trading partners. He must mobilize other executive branch agencies to work with U.S. firms in discovering new market opportunities. He must be a strong supporter of U.S. trade expansion, especially at a time when our merchandise trade balance persists in the red.

Issues related to trade have become increasingly complex, spanning such diverse subjects as services, foreign investment practices, unfair trade practices, export policy and import preferences for developing countries. The trade representative must be able to juggle these issues and arrive at policies that place America back in the winner's circle in trade.

I believe Bill's proven abilities lend themselves very effectively as a strong voice for essential trade policymaking and negotiations that lay before us.

● Mr. DANFORTH. Mr. President, by naming William E. Brock III to the post of U.S. Trade Representative, President Reagan has sent a clear signal to the world of the importance he attaches to the U.S. role in international trade. Bill Brock will bring to this job experience in both Houses of Congress and the private sector in addition to the leadership he displayed in managing the rebuilding of the Republican Party.

This Nation faces many critical issues and decisions in the field of international trade including the impact of imports on our domestic auto industry, foreign constraints on our agricultural products, and oversight of the various codes resulting from the recent round of multilateral trade negotiations. The United States remains the world's largest and most open market. We must assure the same access for our companies in other countries. It must be made clear that the United States will do what is necessary to assure that all nations play by the same rules. I know that Bill Brock shares these same concerns.

As chairman of the Subcommittee on International Trade, I expect to work very closely with the new Trade Representative in dealing with the trade problems before this Nation. I cannot think of anyone with whom I would rather work with on these vital issues than Bill Brock.●

Mr. DOLE. Mr. President, I yield back the remainder of my time.

Mr. BAKER. Mr. President, have the yeas and nays been ordered on this nomination?

The PRESIDING OFFICER. Yes.

Mr. BAKER. I thank the Chair.

VOTE

The PRESIDING OFFICER. Under the previous order, the Senate will now vote on the nomination of Richard S. Schweiker. The question is, Will the Senate advise and consent to the nomination of Richard S. Schweiker, of Pennsylvania, to be Secretary of Health and Human Services? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN), is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 4 Ex.]

YEAS—99

Abdnor	Garn	Mitchell
Andrews	Glenn	Moynihan
Armstrong	Goldwater	Murkowski
Baker	Gorton	Nickles
Baucus	Grassley	Packwood
Bentsen	Hart	Pell
Biden	Hatch	Percy
Boren	Hatfield	Pressler
Boschwitz	Hawkins	Proxmire
Bradley	Hayakawa	Pryor
Bumpers	Heflin	Quayle
Burdick	Heinz	Randolph
Byrd, Harry F., Jr.	Helms	Riegle
Byrd, Robert C.	Hollings	Roth
Cannon	Huddleston	Rudman
Chafee	Humphrey	Sarbanes
Chiles	Inouye	Sasser
Cochran	Jackson	Schmitt
Cohen	Jepsen	Simpson
Cranston	Johnston	Specter
D'Amato	Kassebaum	Stafford
Danforth	Kasten	Stennis
DeConcini	Kennedy	Stevens
Denton	Laxalt	Symms
Dixon	Leahy	Thurmond
Dodd	Levin	Tower
Dole	Long	Tsongas
Domenici	Lugar	Wallop
Durenberger	Mathias	Warner
Eagleton	Matsunaga	Weicker
East	Mattingly	Williams
Exon	McClure	Zorinsky
Ford	Melcher	
	Metzenbaum	

NOT VOTING—1

Nunn

So the nomination was confirmed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. HARRY F. BYRD, JR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PELL. Mr. President, I ask that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

OFFICE OF THE U.S. TRADE REPRESENTATIVE

The PRESIDING OFFICER. Under the previous order, the Senate will now vote on the nomination of William E. Brock to be the U.S. Trade Representative.

The question is, Will the Senate advise and consent on the nomination of William Emerson Brock III, of Tennessee, to be U.S. Trade Representative? On this question the yeas and nays have been ordered, and the clerk will call the roll. This is a 10-minute rollcall.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 5 Ex.]

YEAS—99

Abdnor	Garn	Mitchell
Andrews	Glenn	Moynihan
Armstrong	Goldwater	Murkowski
Baker	Gorton	Nickles
Baucus	Grassley	Packwood
Bentsen	Hart	Pell
Biden	Hatch	Percy
Boren	Hatfield	Pressler
Boschwitz	Hawkins	Proxmire
Bradley	Hayakawa	Pryor
Bumpers	Heflin	Quayle
Burdick	Heinz	Randolph
Byrd, Harry F., Jr.	Helms	Riegle
Byrd, Robert C.	Hollings	Roth
Cannon	Huddleston	Rudman
Chafee	Humphrey	Sarbanes
Chiles	Inouye	Sasser
Cochran	Jackson	Schmitt
Cohen	Jepsen	Simpson
Cranston	Johnston	Specter
D'Amato	Kassebaum	Stafford
Danforth	Kasten	Stennis
DeConcini	Kennedy	Stevens
Denton	Laxalt	Symms
Dixon	Leahy	Thurmond
Dodd	Levin	Tower
Dole	Long	Tsongas
Domenici	Lugar	Wallop
Durenberger	Mathias	Warner
Eagleton	Matsunaga	Weicker
East	Mattingly	Williams
Exon	McClure	Zorinsky
Ford	Melcher	
	Metzenbaum	

NOT VOTING—1

Nunn

So the nomination was confirmed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

RELEASE OF THE AMERICAN HOSTAGES HELD CAPTIVE IN IRAN

Mr. BAKER. Mr. President, as in legislative session, I ask unanimous consent that we now proceed to the consideration of the resolution which is at the desk, which I ask the clerk to state.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

A resolution (S. Res. 28) submitted by Mr. BAKER (for himself and Mr. ROBERT C. BYRD, and Senators ABDNOR, ANDREWS, ARMSTRONG, BAUCUS, BENTSEN, BIDEN, BOREN, BOSCHWITZ, BRADLEY, BUMPERS, BURDICK, BYRD, HARRY F., JR.

CANNON, CHAFEE, CHILES, COCHRAN, COHEN, CRANSTON, D'AMATO, DANFORTH, DECONCINI, DENTON, DIXON, DODD.

DOLE, DOMENICI, DURENBERGER, EAGLETON, EAST, EXON, FORD, GARN, GLENN, GRASSLEY.

HART, HATCH, HATFIELD, HAWKINS, HAYAKAWA, HEFLIN, HEINZ, HOLLINGS, HUDDLESTON.

HUMPHREY, INOUYE, JACKSON, JEPSEN, JOHNSTON, KASSEBAUM, KASTEN, KENNEDY, LAXALT, LEAHY, LEVIN, LONG, LUGAR.

MATHIAS, MATSUNAGA, MATTINGLY, MCCLURE, MELCHER, METZENBAUM, MITCHELL, MOYNIHAN, MURKOWSKI.

NICKLES, NUNN, PACKWOOD, PELL, PERCY, PRESSLER, PROXMIRE, PRYOR, QUAYLE.

RANDOLPH, RIEGLE, ROTH, RUDMAN, SARBANES, SASSER, SCHMITT, SIMPSON, SPECTER, STAFFORD, STENNIS, STEVENS, SYMMS.

THURMOND, TOWER, TSONGAS, WALLOP, WARNER, WEICKER, WILLIAMS, and ZORINSKY), relating to the release of the American hostages held captive in Iran.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BAKER. Mr. President, this is a resolution commending the Algerian Government, former Under Secretary of State Warren Christopher, former Secretary of State Edmund Muskie, and former President of the United States Jimmy Carter for their diligence in gaining the release of the American hostages and to recite our regret at the loss of American lives in the previous attempt to rescue the hostages.

Mr. President, I have no further need for time to debate this.

I ask unanimous consent that the resolution may remain open for cosponsors for the remainder of the business day today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, with unreserved relief and exhilaration, we watched on yesterday afternoon 52 American hostages step proudly from an airplane to freedom in Algiers. Almost literally to the moment when President Reagan was speaking in his inaugural address of the heroes of America, these brave men and women, who serve us so well even under the best of circumstances, were leaving behind over 14 months of captivity. It was a period of history that left their captors demeaned and degraded in the eyes of the world, the captives undiminished and unbowed—heroes in every sense of the word. We owe them our gratitude, our praise, and our profound and unremitting admiration.

Mr. President, we not yet know what scars they will bear from this ordeal. We can only offer them and their families our hopes, encouragement, and assistance that their wounds will heal rapidly and well. Most of all, they will be helped by their wives, parents, children, and families who have endured the uncertainties of the past 14 months with a dignity and strength that surpasses all understanding. We owe them as well our admiration, respect and gratitude.

Mr. President, this experience leaves us with many unanswered questions that will be explored to exhaustion in the weeks, months, and even years ahead. Among those unanswered questions certainly are the events that lead to the taking of the embassy and the efforts of the Carter administration to deal with the crisis—a crisis, as The Washington Post noted this morning that endured as a crisis for over 14 months. I have no wish to pass judgment on those questions at this time, but I do want to recognize the efforts of former President Carter and former Secretaries of State Muskie and Vance to bring this crisis to an honorable and happy conclusion. I would also certainly recognize the quiet, persistent and unassuming dignity of Warren Christopher whose tireless efforts finally ended it.

The resolution includes and I would also mention the service performed on our behalf by the Government of Algeria. By all accounts, it was service performed with unflagging precision and ability. It would certainly be my hope that their assistance in securing the release of our diplomats marks a new chapter in the history of the relationship between Algeria and the United States. I would also remember that many nations have been of immense assistance throughout this long ordeal—those who supported us at the U.N., those who joined with us in the economic boycott of Iran, those who repeatedly urged the Government of Iran to end the crisis, those such as the Swiss who ably represented us in Tehran and the Canadians who acted courageously in the freeing of six of the hostages in February—all these and more stood by us and we should not forget that.

Finally, Mr. President, in our joy and relief on their safe return, let us remember that eight brave Americans died in the April attempt to rescue them. It occurs to me that those eight symbolize the truth of the response made to me last week by then Secretary-designate Haig when he said, "There are things that we Americans must be willing to fight for." The freedom of each and every American is, Mr. President, worth fighting for; the courage and sacrifice of the eight who died and all those who went on that rescue mission will continually remind us of that truth.

Mr. President there will be much said about this period of our history. For the time being, let us rejoice in the safe return of these 52 brave Americans and let us commit that we will do everything in our power to prevent this ever occurring again.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. Mr. President, in view of my remarks yesterday heralding the release of the American hostages, I welcome the resolution now before the Senate, and I am grateful for the opportunity to join in cosponsoring it.

To say that the release of the hostages is a joyous event is to say the obvious. But that is just what it is, and I am very pleased that the Senate speaks forcefully, unequivocally, and officially.

Similarly, I am also pleased that the Senate is prepared, by formal resolution, to recognize the tenacity, the determination, and the resoluteness displayed day after day by the U.S. negotiators. Being fully aware of our heightened frustration over the agony of the hostage issue, it is extremely difficult to imagine the sense of frustration that the negotiators themselves confronted on a daily basis. But they overcame their frustration, and they overcame it effectively. And their extraordinary efforts must not go unnoticed.

And finally, I am pleased that this resolution recognizes the assistance of the Government of Algeria in helping to secure the release of our hostages. Our relations with Algeria are certainly strengthened by this shared effort. As an Islamic nation, Algeria was in a favorable position to help facilitate productive negotiations. The American people are grateful that Algeria chose to do so.

I hope, Mr. President, that this resolution will receive the unanimous support of the Senate.

A DAY OF THANKSGIVING: WELCOME HOME, OUR HOSTAGES

● Mr. QUAYLE. Mr. President, another long national nightmare is finally over. After 14½ months in captivity, our fellow Americans are coming home. This Nation owes them a debt of gratitude that can never be fully repaid. These men and women are true heroes and they richly deserve a hero's welcome. They suffered for one reason and one reason alone—because they were Americans. Their ordeal released a wave of patriotic fervor and national unity. Their courage, endurance, and unbroken spirit have made us all proud to be Americans.

We also owe a debt of gratitude to the families of the hostages. They were the keepers of the national vigil, always watching the shadows for the gleam of hope. Their refusal to give in to despair made it impossible for the Nation to despair. They, too, were held hostage—hostage to the roller coaster of emotions that would have led any ordinary person long ago to cynicism and anger.

We owe a debt of gratitude, too, to former President Carter and all the men and women in his administration who worked tirelessly to insure the safe release of the hostages. Whatever history's ultimate judgment on the handling of

the Iranian crisis, none worked harder to win the release of our fellow citizens.

Finally, Mr. President, let us never forget the debt of gratitude we owe to the men who risked and those who sacrificed their lives for their fellow Americans. The rescue mission was a failure, but the fact of failure does not detract one iota from the bravery and devotion of those soldiers who lost their lives in Desert One. I am sure that they are on the minds of the hostages today, and they should be on our minds as well.

Mr. President, today is a day of celebration. All Americans are overjoyed that the hostage crisis is finally resolved. There will be time to reflect on the settlement we have negotiated with Iran. There will, and should, be investigations from many quarters, including this body, of this tragic episode in our history. I will do my best to insure that these investigations are focused on the essential question—how do we prevent this from ever being repeated? For I know that after the reunions and celebrations have taken place, after the hostages have begun the difficult task of readjustment, there will be two words on the lips of every American: "Never again." Today, however, there are two other words on everyone's lips. They are simply, "Welcome home."●

● Mr. BOREN. Mr. President, I would like to take a few minutes today to express my joy at the return of the 52 Americans held hostage for 444 days by the Government of Iran.

No one could fail to be profoundly moved by the sight of the American captives being returned to freedom. While all of us share the elation felt by the families of the hostages at seeing them alive and apparently well, none of us can know the deep emotional release that must have been theirs at the knowledge that their loved ones were once again free and on their way home.

While all of us join in the elation of the moment, there are two aspects of this drama which must also be recalled. First and foremost, we pause and give a silent prayer as well as public recognition for those Americans who lost their lives in the unsuccessful attempt to rescue the hostages. Whatever the miscalculations or mistakes that led to the tragedy at Desert One, the courage displayed by these men serves as a bright beacon in our continuing struggle to remain a free nation and an example to the rest of the world.

In addition, the time has now come for us to reflect upon the conditions which led to the seizure of our Embassy and our citizens and to recall the lesson that this incident has taught us.

I am sure that in the months to come, after the stories of the individual hostages have been publicly analyzed, there will be a number of attempts to analyze why any government felt that they could initiate such an illegal and provocative act and get away with it. I am confident that one common element in the findings of all such analyses will be the general perception that the United States has lost both the will and the capacity to defend its own vital interests.

It is this very perception that has led most governments around the world, and in particular in the Persian Gulf region, to dismiss the Carter doctrine as rhetoric, impossible of implementation.

One of our immediate objectives should be to make clear to all governments and to all potential terrorist organizations that the patience of the United States in such matters has grown very short and there is very little to be gained through an attempted repetition of the Iranian Government's action. The hallmark of such a declaration will be our ability to project at the same time the conviction that we will follow up with action, if called to do so.

I am hopeful that the Reagan administration, with the assistance of this Congress, will make this point quickly.

Finally, I want to say that while I do not agree with all aspects of the settlement as it has been explained thus far, I believe it is significant that the only transfer of funds involved were Iranian assets frozen at the inception of this crisis.

I am pleased that not all of the assets have been returned and that some legal machinery has been set in place to satisfy the claims of individuals and companies against the revolutionary government of Iran.

We must undertake now a thorough review of our future relationship with Iran and what place that relationship will have in our overall policy toward the Middle East.

I want to make it absolutely clear that I abhor the actions of the Iranian Government and will view with great suspicion any future involvement between our two countries.●

RELEASE OF AMERICAN HOSTAGES FROM IRAN

● Mr. KENNEDY. Mr. President, I join the families of the hostages and all Americans in welcoming the safe release of our fellow citizens from their imprisonment in Iran.

All of us pray that the hostages are in good health and that they will be able to come home as quickly as possible.

I congratulate President Carter and his administration on their success in obtaining the freedom of the hostages.

America will never forget the courage the hostages displayed and the extraordinary sacrifices they suffered throughout their long ordeal in Iran.

Now, in welcoming their return to freedom, let each of us renew our own commitment to the cause of liberty and justice for which they endured so much and for which America at its best has always stood.

I am pleased to cosponsor the resolution before us.●

COMMENDING DEPUTY SECRETARY CHRISTOPHER AND THE U.S. NEGOTIATING TEAM AND THE RETURNED HOSTAGES

● Mr. DOLE. Mr. President, yesterday our new President, Ronald Reagan, spoke of American heroes. He said they were found in all walks of life, among the common people of this great land. Some of our public servants, having dedicated their lives to the service of the Nation, have shown most notably that they are heroes too, and this resolution is meant to honor a very special, and very brave group of people.

Deputy Secretary of State Warren M. Christopher and a negotiating team composed of many people in the Departments of State, Justice, Treasury, Defense, and Commerce yesterday finally achieved something for which the whole country has devoutly prayed for 444 days. The release of the 52 American hostages illegally and brutally held captive by the Government of Iran since November 4, 1979. This country owes a debt of gratitude to Mr. Christopher and the U.S. negotiating team in Washington and Algiers for their dedication, their skill, and their perseverance over adversity, frustration, and highly complex problems in the legal, diplomatic, and financial spheres.

All the while they negotiated, they were under the heavy pressure of the clock and their all-too justified fears for the safety of the American hostages. More and more details of how our citizens were treated by their barbaric captors are beginning to be revealed: How they were beaten, tortured, isolated, and reviled. These conditions, known in part by the U.S. negotiating team, overshadowed their efforts to reach an agreement that would lead to the release of the hostages while preserving long-term U.S. strategic interests.

BRAVERY MOST WILL NEVER KNOW

Meanwhile, with what fortitude and bravery most of us will never know, our diplomats and citizens endured in the heinous imprisonment imposed by Iran. One day in such circumstances were too much for a lifetime. Yet, 444 days became a long lifetime of horror and terror. We humbly thank the Lord for preserving and sustaining them. Now all Americans pray for their recovery and rejoice in their return to their loved ones.

For their incredible endurance of this ordeal in the service of their Nation, I join in the commendation of their fortitude. Furthermore, it is with the highest degree of admiration for their professional and exemplary performance of duty that I urge the Senate and the Congress to commend Deputy Secretary Christopher and the negotiating team. The feat they accomplished for the American people and the hostages in particular was in the highest tradition of patriotic duty in the service of the United States and reflects great honor on themselves and their countrymen.●

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 28) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 28

Whereas 52 Americans were held hostage in Iran for 444 days in gross violation of international law;

Whereas during the period of the hostages' captivity the American people kept the plight of the hostages foremost among their concerns while the President, the Secretary of State, and numerous other United States Government officials expended considerable efforts to secure their release;

Whereas on January 20, 1981, the Government of Iran released the 52 Americans after

having negotiated an agreement with the United States; and

Whereas the American hostages have arrived safely at a United States base in Wiesbaden, West Germany: Now, therefore, be it

Resolved, That (a) the Senate hereby expresses its jubilation at the release of the 52 American hostages held captive for more than 14 months in Iran and its profound sense of relief at their safe arrival at a United States base in Wiesbaden, West Germany.

(b) The Senate further expresses its deep appreciation for—

(1) the strenuous efforts of former President Carter, former Secretary of State Edmund Muskie, and for the around-the-clock personal negotiating efforts in Algeria of former Deputy Secretary of State Warren Christopher in breaking the impasse with the Government of Iran and bringing about a release of the 52 American hostages; and

(2) the dedication and efforts of the entire team of United States Government officials who monitored the crisis, kept the hostage families informed, assisted in the conduct of the negotiations, and made the preparations which now assure the comfort and care of the 52 Americans in West Germany as they adjust to their release from captivity.

Resolved further, That the Senate recognizes the patriotism of the American military personnel who attempted to rescue the hostages; the Senate pays special homage to those who gave their lives in that effort.

Resolved further, That the Senate acknowledges the assistance in these negotiations rendered by the Government of Algeria, and offers thanks to the Government and people of that nation for helping to secure the safe release of the hostages.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SINGING PRAISE TO AN UNSUNG HERO, WARREN CHRISTOPHER

Mr. HEFLIN. Mr. President, a short while before our 40th President of the United States was being sworn in yesterday, an unsung American hero was completing his official mission in Algiers—the consummation of an official agreement to free our 52 American hostages in Iran. The unsung hero to whom I refer is none other than our immediate past Deputy Secretary of State, Warren Christopher.

Mr. President, I have known Warren Christopher, who is an outstanding attorney, for many, many years, mainly through work with the American Bar Association. During this period of time he has always demonstrated his unusual skill and ability to be a persuasive, articulate advocate for a stated cause. Since I have known him, he has always worked long and hard to finish the task at hand.

I saw him last before coming to Washington at an American assembly seminar at Stanford University in Palo Alto, Calif., the last full week of June 1975. The American Bar Association and Columbia University were jointly sponsoring a seminar called "Law and a Changing Society." One hundred distinguished leaders from many walks of life were invited to participate. Warren Christopher was one of them. The work of these outstanding participants was subsequently published in the Federal Reporter.

Some 18 months thereafter, Warren Christopher was named Deputy Secretary of State.

Mr. President, from a short time after September 12, 1980, when Deputy Secretary of State Christopher and top aides secretly met a still undisclosed Iranian figure in Bonn, West Germany—after the announcement by Ayatollah Ruhollah Khomeini's four conditions for the release of the American hostages—until January 20, 1981, the United States was involved in intensive negotiations to free our hostages in Iran. Since that week in September, 1980, former Deputy Secretary Warren Christopher made three separate trips to Algeria to join Algerian intermediaries to negotiate the release of the American hostages in Iran.

Mr. President, I think that it would be appropriate at this time to acknowledge the three Algerian diplomats who played indispensable roles in successfully negotiating the release of the 52 American hostages: The Ambassador to Washington (U.S.A.), Redha Malek, the Ambassador to Tehran, Abdel Karim Gheraieb; and the Director of the Central Bank, Mohammed Seghier Mostefai. The United States will always be grateful to these three politically astute and talented functionaries of the Algerian Government for their help in securing the release of our hostages in Iran.

Mr. President, it was former Deputy Secretary of State Warren Christopher's third trip to Algeria on January 7, 1981, that kept him there for approximately 13 consecutive days and ultimately led to the consummation of an official agreement to release the 52 American hostages in Iran. I believe that it was a midday telephone call to Washington on January 15, 1981, from then Deputy Secretary Christopher that signaled a breakthrough in the negotiations.

I believe that Mr. Christopher had just received through the Algerian Foreign Ministry a new Iranian proposal to repay in full its outstanding loans with American banks. The Iranians preferred this method to renewing its previous commercial relationships with our American banks.

It was this January 15 Iranian proposal that led our chief negotiator and the Carter administration to believe that the United States could now prepare to close the history chapter on the ordeal of the American hostages in Iran. It was this January 15 Iranian proposal that served as the linchpin to keeping 3 months of intensive negotiations intact. It must be pointed out, Mr. President, that at all times, former Deputy Secretary of State Warren Christopher was operating under a mandated U.S. policy to protect "the honor and vital interests of the United States" and to work "to insure the earliest possible safe release of the hostages."

Mr. President, history has taught us that just any 'ol American diplomat cannot negotiate successfully with Third World countries. It takes a special kind of diplomat, with a great sensitivity to the problems of a particular developing country, a diplomat with a reservoir of patience, a diplomat steeped in firmness but at the same time evenhandedness to accomplish the task at hand. These traits and other admirable ones are all embodied in former Deputy Secretary of State Warren Christopher.

It is for these and other reasons, Mr. President that I urge all my colleagues and the American public to join with me today in singing high praises to an unsung hero—our immediate past Deputy Secretary of State, Warren Christopher.

SPECIAL TRIBUTE TO FLAG

Mr. HEFLIN. Mr. President, now that all 52 American hostages have been released safely, I think that it is only fitting and proper that a very special tribute be paid to the hostage family organization that kept them together as a unit and channeled their effort toward their common goal—the safe release of their loved ones. The organization to which I refer is FLAG—family liaison action group.

Mr. President, it is my understanding that this group was organized in November 1979, shortly after our American citizens were kidnaped and held as hostages in our American Embassy in Tehran. The spokesperson for the group last year, Mrs. Katherine Keough, and the present spokesperson, Mrs. Louisa Kennedy, each have done a yeoman job in preventing the group from becoming fractious and keeling over when times got rough.

Two members of my staff and certain members of Senator DOLE's staff met with Mrs. Keough in her official capacity with FLAG on August 28, 1980, in the Dirksen Senate Office Building. At that time, Mrs. Keough made an indelible impression on them with her firm, but persuasive argument that the safety and well-being of the hostages were their paramount concern.

On September 5, 1980, Mrs. Katherine Keough and Mrs. Louisa Kennedy met with the same two members of my staff and me in my office. It did not take them long to convince me that they were genuinely sincere when they said that FLAG, above all else, preferred to have their family members returned home safely. They were convinced that the diplomatic route being pursued by the State Department was preferable to any other. They told me that they had been in constant communication with the State Department and believed that diplomatic persistence would prevail.

Mr. President, I am delighted that I had the opportunity to meet these two distinguished spokespersons of FLAG. In my judgment, they epitomized the height of cool-headedness and unwavering belief in diplomatic channels. I believe that these two official representatives of FLAG were able to convey unequivocally a 100 percent concern for the safe return of all the American hostages each time they talked to a Member of Congress

and/or members of their staff. They never compromised this principle. They never softened their stand on diplomatic means to obtain their goal.

It is for these primary reasons, Mr. President, that I wish to pay special tribute to FLAG and their two official spokespersons, Mrs. Katherine Keough and Mrs. Louisa Kennedy.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, what is the next item on the Executive Calendar?

DEPARTMENT OF THE TREASURY

NOMINATION OF DONALD T. REGAN, OF NEW JERSEY, TO BE SECRETARY OF THE TREASURY

The PRESIDING OFFICER. The clerk will state the next nomination.

The legislative clerk read the nomination of Donald T. Regan, of New Jersey, to be Secretary of the Treasury.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I wish to ask the majority leader for the information of the Senate, if I may have order in the Senate, what the program will be for the remainder of the day, how many rollcall votes he expects for the remainder of the day, and what the program is for tomorrow and for Friday if he can so state at this time.

Mr. BAKER. I thank the minority leader for his inquiry.

Mr. STENNIS. Mr. President, will the Chair have quiet in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BAKER. Mr. President, I thank the Chair.

Mr. President, to respond to the inquiry by the minority leader, it is now 10 minutes before 5 in the afternoon, and it is my hope and expectation that the Senate will recess around 6 p.m.

The Regan nomination, of course, is now pending. I hope, and I am by no means sure, but I hope that we can dispose of the Regan nomination this afternoon.

Following on after that, there will be no further nominations to be considered until tomorrow nor other votes to be taken on this evening.

It is my intention to ask permission to convene at 11 a.m. in the morning and then to continue during the day and into the evening if necessary to try to complete the remainder of the nominations for Cabinet level positions before we conclude the business of the Senate on Thursday and recess over.

I hope that it might be possible by doing that to avoid a session of the Senate on Friday since there is no legislative business of consequence to deal with and that will give committees additional time to prepare for the inevitable and very substantial workload that is still before them.

So in response to the distinguished minority leader, I hope that we can proceed as far as possible with Regan today before 6 p.m., or thereabouts, even to complete it, if possible, to go out until 11 a.m. on tomorrow, to recommence Regan, if necessary, if we have not completed that nomination, or to proceed then next to the next nomination on the Executive Calendar, to stay in session, to entertain the possibility that we will be in session late on Thursday and that if it is possible to complete the Cabinet-level nominations that are on the Executive Calendar to go out then until the following Monday.

Mr. ROBERT C. BYRD. So the minority leader is saying there will likely be one more rollcall vote today?

Mr. BAKER. Mr. President, I would hope there would be one more rollcall vote today and that would be on the Regan nomination.

Mr. ROBERT C. BYRD. I thank the majority leader.

Mr. DOLE. Mr. President, it is the understanding of the Senator from Kansas that there is a 1-hour time agreement on this nomination, 15 minutes to the majority, 45 minutes as I understand, under the control of the distinguished Senator from Louisiana (Mr. LONG); with 30 minutes of that time allocated to the Senator from Wisconsin (Mr. PROXMIRE). Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. Which means we can complete this nomination no later than 10 minutes of 6 and, hopefully, before that time.

The Senator from Kansas rises to urge confirmation of Donald T. Regan as Secretary of the Department of the Treasury.

FAVORABLE COMMITTEE ACTION

On January 6, the Committee on Finance held hearings on Mr. Regan and found him to be eminently qualified by reason of his experience and character to perform the functions of the Secretary of the Treasury.

On January 19, our committee voted 20 to 0 to recommend Senate confirmation of Mr. Regan's nomination without referral to committee.

MR. REGAN'S IMPRESSIVE CAREER

This Senator is pleased that the committee has given Mr. Regan such wholehearted support. He has had a most distinguished career to this point which should provide him with the experience necessary to perform the varied, important tasks required in the Reagan administration's efforts to improve this Nation's economy.

The Secretary of the Treasury will be the administration's chief economic spokesman and the man responsible for implementation of the administration's economic program. Mr. Regan's career has prepared him for these roles. He has distinguished himself both as a leader and as a manager.

During World War II, Mr. Regan admirably served his country, rising to the rank of major in the Marine Corps.

After the war, Mr. Regan turned his attention to the business world, joining the brokerage firm of Merrill Lynch, Pierce, Fenner & Smith. Mr. Regan began to assume greater responsibilities and eventually became president and chairman of the board of Merrill Lynch & Co.

Mr. Regan has also held several positions with industrywide responsibilities and performed these duties with distinction, gaining the admiration and respect of other leaders in the business community.

COMMITMENT TO ECONOMIC RECOVERY

Mr. President, our most urgent priority in the tax area must be to restore incentives: Incentive to work, to save, to invest, to build and expand a business, and to take risks. The uncertainties caused by persistent double-digit inflation have undermined the confidence in the future which Americans traditionally have felt. That confidence must be restored. Donald Regan's priorities are similar to my own. They include reducing marginal tax rates, revising depreciation schedules to favor new investment, and reducing spending dramatically but in a fair manner consistent with our most vital national goals.

We cannot forget that inflation remains the No. 1 domestic problem. Turning that problem around will be a major goal of the Reagan administration, and we in Congress have an obligation to cooperate on a bipartisan basis in achieving that goal. With so able a spokesman as Donald Regan to set forth its economic policies, the new administration has an excellent chance of success. It will not come easily, or in one dramatic sweep, but over a period of time during which tough choices will have to be made. We must reduce the size of government and minimize intervention in the day-to-day economic affairs of our citizens, and reduce the tax burden so that we make full use of our most valuable resource: the American people. By doing so we can convince the Nation and the world that we are committed to eradicating the inflationary bias from our economy, and that we are willing to take informed risks founded on an understanding of the underlying strengths of the American economic system.

THE RIGHT MAN FOR TREASURY

I believe that Donald Regan is the man to communicate a new economic strategy to the Nation, and I am glad that others agree, as demonstrated by the strong bipartisan support in the Finance Committee for his nomination. The Treasury Department will need a strong leader and an effective manager, and Donald Regan admirably fills those requirements. I hope that the Senate will give him a similar vote of confidence so that he may get on with the job. I am confident that he will succeed, and I look forward to working with him in getting the economy back on track.

Let me state very quickly that Mr. Regan appeared before our committee on January 6 and on January 19 our committee voted 20 to 0 to recommend Senate confirmation of Mr. Regan's nomination. Therefore, this Senator is certainly pleased to come before the Senate recommending confirmation, I hope by unanimous vote, of this nomination.

The Secretary of the Treasury will be the chief economic spokesman for the Reagan administration. If you listened to President Reagan's inaugural address—and even without listening to President Reagan's inaugural address—I

think everyone in this Chamber understands the importance of addressing economic problems at the earliest possible time, and that is why it is important that we move as quickly as we can, and we have, on this nomination.

It is not a secret that Mr. Regan comes to Government and, as I understand, his income would have been more than $900,000 this year, and starting tomorrow, if he is confirmed and sworn in, it will be slightly more than $60,000.

It is well for the record to indicate this man feels so strongly about service to his country and to his Government that he is willing to make that sacrifice. I understand that some may not agree that taking this position is a sacrifice. It is a very powerful position he will hold, and he understands that.

I think Mr. Regan was asked in the committee why he would make this sacrifice. He indicated very quickly that he felt his country had been good to him, and if he was able to serve the country and the President asked him to serve in some capacity, his answer would have to be in the affirmative. And it was in the affirmative.

As far as we have been able to determine there is no reason why Mr. Regan should not be quickly confirmed. He has had a distinguished service record in World War II as a marine; he has distinguished himself in business and in financial circles all around the country.

I ask, as I have indicated before, that we support the nomination.

I reserve the remainder of my time.

Mr. LONG. Mr. President, Mr. Regan made a very fine impression in his appearance before the Senate Committee on Finance. The Senators, having interrogated him each in turn, voted unanimously to recommend Mr. Regan for confirmation as Secretary of the Treasury.

Mr. Regan comes to that job with a lifetime of experience with the economy of the United States. He will need every bit of that experience in dealing with the problems he will face as Secretary of the Treasury and economic spokesman for the administration.

I look forward to working with Mr. Regan as the Finance Committee considers the legislation the administration will be submitting to stimulate the economy and to bring the budget under a greater measure of control.

I am pleased to support his confirmation, Mr. President.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, here we have a man who has devoted his life to building what was the biggest brokerage firm in the world when he took it over, Merrill Lynch, and he built it into a far larger size.

Of course, we are fortunate to have a man who was a success, and he was a smashing success. But how have we measured that success? He has increased the sales, the profits, the number of offices, the number of employees in his firm, and now he has to reverse that. He must cut the size, he must cut the budget, the number of employees. All the pressures on him, as on these other nominees, will be to grow bigger, to spend more, because that is what the constituent groups that the Treasury serves, as well as every other Department serves, are always asking for. They want more. Nobody ever comes down and talks to a Cabinet officer or a Senator, for that matter, and says, "Don't spend more on us," but more, they always want more.

He is going to have to reverse the habits of a lifetime. He is going to have to reverse the pressures that are on him and, of course, every other Secretary of the Treasury for the last 50 years, in the direction of more and more spending.

So I would like to ask the distinguished Senator from Kansas, if he is present, what evidence do we have that Mr. Regan will dedicate himself to reducing the size, the influence, and the domination of Government?

Mr. DOLE. I have not studied in detail Mr. Regan's management of Merrill Lynch. I know he made it a success, whether he has added or subtracted.

Mr. PROXMIRE. May I say to my good friend that he has enormously increased it, which is good. That is the way you measure success in private business. I say that is his habit, more people——

Mr. DOLE. There may be a reason for that. I do not know of any reason to increase Government. I might say in statements before the committee in response to some of the questions, and also in private sessions I have had with him, there is no doubt in my mind that he is dedicated to supporting this administration, and the President. That support clearly involves reducing the size of the Federal Government.

As far as any specific numbers I could not give them.

Mr. PROXMIRE. I will get to those specifics in just a minute.

Mr. LONG. Mr. President, will the Senator yield to me? The way a man makes his brokerage firm the biggest brokerage firm in America is by being more efficient, more effective, and by making the best use of his resources—just like in any business. You do not become big by hiring more people, but by being more efficient and more effective than the other fellow.

(Mr. KASTEN assumed the chair.)

Mr. PROXMIRE. As I pointed out, Merrill Lynch, he made it the biggest brokerage firm. What he did was to get into other fields and to extend even further.

Mr. LONG. Is not that what we want? We want free enterprise.

Mr. PROXMIRE. Sure we do.

Mr. LONG. What he did is just exactly what we want business to do.

Mr. PROXMIRE. Sure we do.

Mr. LONG. He expanded to grow into other fields, and to create new employment opportunities.

Mr. PROXMIRE. Mr. President, if the Senator will yield, I am not criticizing him on that. I am praising him for it. I am pointing out that we would like some evidence that he was able to do the other job which is to change the habit of a lifetime and shrink the organization he is going to head, make reductions, make cuts, and not get bigger.

Mr. LONG. Mr. President, every businessman I know spends his time saying that if he was just in charge of this fool place down here in Washington he would fire half the employees and get a better job done with what is left. I assume that Mr. Regan has the same ambition as the others.

Mr. PROXMIRE. Mr. President, let me ask the Senator from Kansas a question. Here is a man who, according to his testimony, would be the country's chief economic spokesman and adviser to the President. What, in Mr. Regan's education, training, and experience qualifies him to be the chief economic spokesman for the administration? Does he have any economic training?

Mr. DOLE. Mr. President, I think his training has been in the financial market. As everybody knows, Mr. Regan demonstrated his effectiveness in building a company which he has headed until the time he has taken this assignment at the request of President Reagan.

He was educated at Harvard University, I think, in the School of Business, and the University of Pennsylvania with an honorary degree in 1972.

Now, attending Harvard is not, in itself, an indication of perfection.

Mr. PROXMIRE. Mr. President, I spent 5 wasted years in a graduate school there.

Mr. DOLE. In Harvard?

Mr. PROXMIRE. Yes.

Mr. DOLE. Mr. President, my wife attended Harvard University, so I have no comment.

Mr. PROXMIRE. Let me ask a further question. He will serve as our chief tax official, responsible for revenue that will exceed $700 billion.

Mr. DOLE. Yes.

Mr. PROXMIRE. What background or experience does he have in taxation?

Mr DOLE. Well, he has been on the other side—paying taxes. He has run a business which, I think, is an excellent qualification. One thing that I have tried to stress—I am not certain what Senator LONG may have indicated to Mr. Regan in his private discussions—is that we are concerned about the size of government. We are concerned about the IRS. They watch all of us, but we are not certain anybody is watching them. They are not afraid to issue regulations from time to time that interfere with the normal conduct of business. Maybe they are justified; maybe not.

So he comes to us on the other side, having dealt with government agencies from a standpoint of a rather successful, large business enterprise.

I am not certain beyond that. In fact, I think that, in itself, was a good qualification.

Mr. PROXMIRE. Mr. President, he will also, of course, manage a debt which, as Senator LONG has pointed out to us, is close to a trillion dollars, $930 billion, and will soon exceed a trillion dollars. Has he had any experience in debt management?

Mr. DOLE. Mr. President, I did not review all of his testimony. He has been a witness before numerous committees of Congress. He is going to have a chance to do a little work on debt management because the first bill that may come out of our Finance Committee is an increase in the debt ceiling. He will have an opportunity to review that problem firsthand in the next 10 days.

But, without reviewing his different appearances Mr. Regan has been before our committee, and before House committees numerous times. But to say he has or has not had specific experience in debt management, I do not know.

Mr. PROXMIRE. Mr. President, along with the Attorney General, he will be one of the chief law enforcement officials of our Government, as the Senator knows, enforcing the customs, the Secret Service, the currency laws, and so forth. Has he had any experience in law enforcement of any kind?

Mr. DOLE. Not that this Senator is aware of. He was in the Marine Corps.

Mr. PROXMIRE. One of the statements by the nominee that troubles this Senator the most is when he was asked about balancing the budget. As the Senator knows, the President of the United States made a ringing inaugural speech in which he said that we faced deficit after deficit. We get a response from Mr. Regan, the new Secretary of Treasury, as follows, when he was asked about balancing the budget. He said:

> If everything works well and if nothing else changes, we could see a balanced budget in the fourth year of the Reagan administration. However, I have to again qualify that (by domestic and international situations) . . . that could get the whole thing out of whack.

Now, that seems to me to be a pretty defeatist attitude. After all, the President said we are piling one deficit upon another and have been for years. Apparently in the Reagan administration we would pile another deficit for 1981, another deficit for 1982, another deficit for 1983, and perhaps another deficit in 1984.

This seems like a defeatist attitude. How does the Senator explain that?

Mr. DOLE. Mr. President, I would not try to explain that. I think I heard President-elect Reagan the very next day talking about a balanced budget by fiscal year 1983.

He was questioned rather directly by the distinguished Senator from Virginia, Senator BYRD. He did indicate in the process of the hearings that our biggest problem was inflation. It is the opinion of this Senator—and I cannot speak for the nominee—that he may have hedged a bit on when we may be able to do this. I hope that he was being realistic and not a defeatist.

There is a sincere effort being made to balance the budget, I can assure the Senator from Wisconsin.

Again, we have had a number of breakfast meetings on this subject and tomorrow there is a luncheon meeting with some of the Reagan people. There will be a meeting with Republican Senators this week and maybe Democratic Senators next week with the Secretary designate to discuss tax policy and ways to reduce spending.

So I would suggest that the statement may have misled the Senator from Wisconsin, but the actions taken by the nominee since his confirmation hearing indicate to me just the opposite. Mr. Reagan is determined to whip inflation, to reduce spending, and to make his contribution as the chief economic spokesman and try to do the very things the Senator from Wisconsin has been dedicated to over the years.

Mr. PROXMIRE. Mr. President, as I understand it, the administration assumes an inflation rate of 7 or 8 percent in 1983 and real growth of better than 3 percent. Under those circumstances, I think almost any economist would say we ought to balance the budget. I can understand if we have stagnation or if we have a recession or if we have deflation instead of inflation it is more difficult.

But, under these circumstances, it is just incredible, especially from a man who comes in representing the Treasury Department as the appointee of President-elect Reagan, that he does not tell us that we are going to balance the budget and insist that we are going to balance the budget, at least by 1983.

Mr. DOLE. Mr. President, within an hour after he indicated that it might take 2 or 3 years to balance the budget, he was questioned by Senator GRASSLEY. Senator GRASSLEY was disturbed by that statement, just as the Senator from Wisconsin is.

In response to a question by Senator GRASSLEY, I quote Mr. Regan's statement on page 27 of the committee report.

> Senator, I did not mean to make an impression on this committee and leave it there that this is to be business as usual. It is far from it. We can balance the budget sooner than that if there are more serious cuts made in the budget.
>
> Now, this is going to mean that this committee, working with us, will have a laundry list of programs to cut. It is going to take a lot of courage; a lot of tough political decisions will have to be made to cut these programs.
>
> If the Congress will cut these programs, cut this budget back, we can balance that budget sooner. But it is going to be a very hard political decision.

So I think he very properly indicated that he cannot balance the budget alone. We have to help. And I certainly do not see any reason to believe that Mr. Regan is not very competent and qualified to recommend to Congress areas where he believes we can fairly make cuts without in any way impairing the economy. In fact, I believe the opposite—he can do the job.

Mr. PROXMIRE. Mr. President, my problem with Mr. Regan is that it seems to me the answer to a question like this would have been: "We can balance the budget provided the Congress will cooperate and make the kind of reductions we have to make, and these are the kind of reductions that I am going to recommend."

But instead of that, he says, "maybe," "possibly," "if things work out properly by 1984." I point out to my good friend from Kansas——

Mr. DOLE. I may just add to that thought. I do not say this in criticism of former President Carter, but he was going to balance the budget and said so very clearly. Then it did not happen because of circumstances, some beyond his control. I just feel that maybe Mr. Regan somehow recalled those statements or promises and did not want to fall into that trap by making some flat predictions. He is not the person who designs the Federal budget. Certainly, he will have some role in it. Maybe he should have been more specific, though I do not know how he can be. It is hard to answer some of the Senator's questions.

Mr. PROXMIRE. Certainly, it is always true, as with President Carter and others, that there may be intervening events. I think President Carter should have balanced the budget. I think that was a failure of his administration. He did not balance the budget. Certainly, if you have a situation where you move into a war or something, no one expects you to balance the budget. But if you have growth of better than 3 percent, and an inflation rate of 7 percent or more, we should balance the budget. We probably would run a $30 billion, $40 billion, or $50 billion surplus under that circumstance.

Mr. LONG. Will the Senator yield?

Mr. PROXMIRE. Yes.

Mr. LONG. May I point out to my good friend from Wisconsin that, as Mr. Regan pointed out to us with regard to the first question the Senator had prepared, he said, "After all, Mr. Senator, you must keep in mind that I am not Secretary of the Treasury. I am just a fellow who has been nominated to be Secretary of the Treasury."

He pointed out that he had not been here in this bureaucracy. He had not been part of the budget decisions that had already been made by the President's nominee for the Office of Management and Budget. Here is a talented man who comes down from New York in the prospect of undergoing a very heavy loss of income to serve his Government. He is willing to do that. Mr. Regan will be in charge of the spending part of the budget that is in Treasury, and Treasury, as the Senator knows, is one of the least spending departments of the whole Government. Treasury is like the Committee on Finance. We have to try to raise the money for all of the spending programs.

Mr. Regan has come down here and recommended a tax cut to us. He is hoping that in the areas of spending, the spending can be brought within the revenues available, but that spending is done in the other departments. Where is the money being spent? It is being spent in HHS, in the Department of Defense, and in other departments. The savings will have to be done in the other departments. This is a man like every other Secretary of the Treasury, who hopes that the other fellows will cut their spending. It is as I have said as chairman of the Committee on Finance to the Appropriations Committee, "We would not have deficits if you people would not spend so much money. And we would have tax cuts, too."

Mr. Regan does not have the power to cut spending in Defense.

(Mrs. HAWKINS assumed the chair.)

Mr. PROXMIRE. Of course not. But I am not talking about the fact that this man is the economic spokesman of the Reagan administration. In that capacity, I asked when they would balance the budget. He said, "Maybe, possibly, if things work out right, if everything is OK, maybe we will balance it in 1984."

I will point out to the Senator that 6 months ago a group of very distinguished former economists and officials of our Federal Government, including Arthur Burns, Henry Fowler, Michael Blumenthal, John Byrnes, Frederick Deming, Paul McCracken, Douglas Dillon, McChesney Martin, George Mahon, Wilbur Mills, George Shultz, William Simon, and John Williams, agreed wholeheartedly that if you are going to fight inflation this is No. 1. You have to do it.

Here are seven Democrats and six Republicans. They issued a statement saying, "We recommend a revision of the budget process to make it impossible to run deficits unless you get a two-thirds vote."

These are not the starry-eyed reactionaries, but people who have served in the Government, who are realists, who understand what you have to do.

Mr. LONG. At this point Mr. Regan does not speak for any man but himself. He is not the Secretary of the Treasury. He does not have all that bureaucracy at his disposal. He is just a man who has been nominated for the job. He is up there all by himself doing the best he can against some people who have had more experience in this area than he has. But I would submit that in all probability he may be the most talented of any we are looking at here today. Based on what he can earn for his service out in the free enterprise, competitive economy he is the most talented man we are considering and that we have considered or will consider yesterday, today, or tomorrow.

Mr. PROXMIRE. He may be talented but as has been brought out in the interrogation here he does not have a specific background in economics. He does not have any experience in the tax area, except as a taxpayer, as everybody else in America has. He does not have experience in managing the debt or in law enforcement.

I am going to vote for him.

Mr. LONG. I am glad to hear that.

Mr. PROXMIRE. I am not going to vote against him but I am going to vote for him. I think we ought to make a record here as to what his intention is. This man does not have technical qualifications. We vote for a lot of Cabinet officers who do not have technical qualifications. If he does not have the zeal to do everything in his capacity as spokesman to cut the budget, then I think we ought to reveal that.

Mr. LONG. This man——

Mr. DOLE. If I could complete the record, I think in fiscal year 1980, the increase in Federal spending because of what Congress did in that year and years before was 17.5 percent. The point he was making in his statement before our committee was if Congress is willing to make the cuts that he recommends, he is willing to recommend some very tough decisions and back them up as much as he can as Treasury Secretary and as economic spokesman for this administration.

Mr. PROXMIRE. The point is that all of this has to be turned around. It is the toughest job that the Congress has had to confront in the domestic area in the last 50 years. We have to change the momentum that started in 1932, reverse it, and it will be extremely difficult. We need Cabinet officials as well as a President who will demand and insist that we do everything we possibly can to change the situation, to change habits, pressures, and so forth, which are very difficult to change. I just do not see that zeal in the new Secretary of the Treasury.

Mr. DOLE. If the Senator will yield, it is all right for them to demand it. But if we do not pursue change, cooperate, and vote for what is demanded, nothing will change. I do not include the Senator from Wisconsin in that group.

I do not know all the names on the list just read, but the Senator may find some of those same names on all kinds of groups springing up trying to stop us from cutting certain programs.

Mr. Regan will do a good job. I agree with the Senator from Louisiana.

Mr. LONG. Might I point out that this man we are talking about did not start out as the head of Merrill Lynch. His name is not Mr. Merrill or Mr. Lynch. His name is Regan. He went to work in 1946 just after World War II for this fine old firm. In 6 years he became a general partner and he proceeded to move on up to be the head of this big organization. This man is one of the most respected and admired businessmen in the world.

Mr. PROXMIRE. Let me say to my good friend that I have agreed to begin with that he is very successful, that he has moved up very fast, that he has built a tremendous business, and I think that is great. That is important criteria. But I say that is a matter of building a bigger and bigger business, hiring more and more people, extending into more and more fields.

As I pointed out, the problem is to reverse it.

I asked him:

What is your goal for full-time permanent civilian employment in the Treasury Department comparing the number on board on September 30, 1980 with September 30, 1981? Will you provide each quarter beginning June 30, 1981, a report of the number of personnel on board?

He answered:

I intend to adhere to policies enunciated by the incoming administration with respect to a freeze on hiring with the Executive Branch. My goal for full-time civilian employment in the Treasury Department will be such as to permit the lawful and effective performance of the agency's functions. I will be pleased to provide each quarter beginning June 30, 1981, a report of the number of personnel on board.

So he is going to give us what data I asked for, but there is no indication in his response that he recognizes that he is going to have to make some very painful reductions. Does the Senate cut our committee staffs 10 percent? He is going to have to make cuts that are that severe.

Mr. DOLE. If the Senator will yield there, I think there are about 110,000 Treasury employees, 75,000 of which are IRS employees. We are told from time to time that these employees actually make money for the United States Government by collecting taxes which would be otherwise unpaid. Not everyone would agree with that.

Again, I make the point made by Senator LONG that when Mr. Regan came before our committee, he had the benefit of visits with the so-called transition team. But I am not certain he was able at that point to be any more specific. He did indicate that he would offer the information on a quarterly basis. He did indicate that he will follow President Reagan's order on a hiring freeze. There may be other areas where he can make a reduction. I hope there are.

The Senator has indicated he intends to support this nomination. If there is more specific information we can provide on that question, we shall be happy to provide it.

Mr. PROXMIRE. Madam President, I apologize to the Senator for delaying this vote. I realize Senators want to move as rapidly as they can. What I am trying to do here is see if we can get any notion of how we go about this very, very difficult problem of making reductions. We have had five important agencies so far—Defense. We cannot cut Defense. I agree with that. We can make economies, of course. We are going to do that. As far as cutting is concerned, we are going to have to increase appropriations in that area.

State Department—we were told it would be counterproductive to cut the State Department to much of an extent.

HEW—as I say, we got the response, the very intelligent response, that maybe we could cut it by $1 to $7 billion, which would be a modest cut in percentage. Maybe we could cut it over a period of 3 or 4 years, but this year, it is very difficult.

The Trade Representative, which is a very small agency, Mr. Brock's agency. Again no specific answer.

On Treasury, we get a response that we do not really know.

So it looks as if there just is not any plan, any notion, any idea, any really very deep conviction that we have to make some important reductions here if we are going to have any real prospect of meeting this severe economic crisis we face, with inflation getting way out of hand.

Mr. DOLE. The Senator from Kansas certainly does not quarrel with that position. If we can help, I can give our commitment that we shall back up those who send up proposals to reduce spending.

Mr. STENNIS. Will the Senator yield?

Mr. PROXMIRE. I am happy to yield.

Mr. STENNIS. First, Madam President, the Senator from Wisconsin knows how I admire him and the fight he makes here and how consistent he is on the committee and on the floor. But on this question of balancing the budget and the time required, I have been concerned

about this for years and have done what little I could toward helping keep the situation from developing. I am willing to take any stand now; that is, to cut the expenditures to an appreciable degree. But if the nominee had said he is going to try to balance the budget within 1 year, it would be so unrealistic to me that I would not favor putting him in the position because it cannot be done with any kind of reasonable approach.

Mr. PROXMIRE. Madam President, I disagree with that. The Senator may well be right. I think you can do anything if you want to do it.

Mr. STENNIS. I know, but not without disastrous results, probably, if you try to condense it into 12 months. I am talking about time, now.

Mr. PROXMIRE. Would the Senator agree that 1984 is a little remote?

Mr. STENNIS. I think that is remote, but I think a minimum of 2 years is the only thing we can safely shoot at to keep from tearing our economy up like a runaway car if we put the brakes on all at once.

I thank the Senator for yielding to me. I wanted to make that point. I believe it will take 2 years. I shall go at it hard to try to help.

Mr. PROXMIRE. Madam President, I appreciate the responses by Senators DOLE and LONG. I am going to take just a few more minutes to indicate for the RECORD the problems that I think we have with the nominee for Secretary of the Treasury.

As I say, I agree he is a brilliant man, a successful businessman. I hope and pray he will make a good Secretary of the Treasury. I intend to vote for him.

Let me point out his answers with respect to particular questions I asked him affecting the banking industry, because the Treasury has great jurisdiction in this area and I have been chairman of the committee for the last 6 years. Senator GARN is now chairman. Some of his answers were all right, but some of them were, in my judgment, very deficient.

For example, Mr. Regan was not prepared to comment on consolidation of the bank regulatory agencies. This is the only industry regulated by three separate regulators. It does not make any sense. It is duplicative, it is expensive, it is costly. Here is a man who understands the financial industry quite well. It is his principal qualification. He has no comment on this question.

He was fuzzy on the question of future government support of Chrysler, which is an area on which I think any well-informed financier of Mr. Regan's stature would have definite ideas. He had no specific standard.

No specific recommendations on reducing Treasury Department regulations. Of course, we know how difficult those have been, especially the IRS. There is no agency in Government which has caused more difficulty than the IRS.

He had no paperwork reduction plans. I understand that about 50 percent of all the paperwork required by the Federal Government is engendered, one way or another, by the IRS.

He had no specific plans to eliminate programs other than to eliminate those which no longer serve any useful purpose, which is a generality anybody can subscribe to.

He thought the matter of bank underwriting of revenue bonds should be further studied. Madam President, that is an issue which has been studied and studied, over and over again.

Mr. Regan said his former association with Merrill Lynch would not present difficulties on legislation affecting the securities industry. Yet he has agreed in writing to recuse himself of any conflict of interest problem with Merrill. Madam President, virtually no matter affecting the securities industry could help affecting Merrill Lynch. It seems to me he would have to recuse himself on all matters affecting the securities industry.

He has said he is not yet in a position to address the ways in which efficiency at Treasury might be improved. Madam President, these people are supposed to hit the ground running. In many instances, it seems they will hit the ground and fall in a heap. This is discouraging, coming from an administration which has emphasized over and over how important it is to get moving and has been so critical of the previous administration.

As I say, in spite of all these shortcomings, I think Mr. Regan, all in all, has some fine qualifications and I do hope he will be able to find a way of balancing the budget within the next year or two and not have to wait until 1984.

Mr. LONG. Madam President, I yield to the Senator from California.

Mr. CRANSTON. Madam President, I am delighted that the new President of the United States saw fit to nominate Donald Regan to be the Secretary of the Treasury. I have come to know him over recent months, our friendship developing substantially prior to the time that there was any consideration of him for Secretary of the Treasury. He is a neighbor of all of us, having a beautiful estate down the Potomac, near Washington, in addition to his New York residence. He is a very thoughtful man. He is very creative and innovative. With his leadership, he has invigorated the entire financial community of our country.

He has proven his administrative skills in carrying Merrill Lynch to the very fine and strong position it now occupies in the financial world. If he brings these same talents to bear, as I know that he will, on the financial problems and economic problems that confront each and all of us and our country, he will have available to him the tools that are needed to help us resolve the problems that have plagued us so very, very severely.

I look forward to seeing some very remarkable work by Donald Regan as Secretary of the Treasury. We are at a time when we need new directions, when we have to find some new approaches to problems that have resisted solution for all too long.

Madam President, I am confident that the leadership of Donald Regan can help our country immensely in that respect. He is a man of high probity and high intelligence, and we also need that in this vitally important office in the Government of the United States.

For these reasons, I am delighted to have an opportunity to speak in his behalf for this post.

Mr. DOLE. Madam President, I yield to the Senator from South Dakota.

Mr. ABDNOR. I thank the Senator from Kansas for yielding.

Madam President, I support the nomination of the distinguished gentleman, Mr. Regan, for the position of Secretary of the Treasury.

It is with great care that the President has selected Mr. Regan for this position, and I commend him for his sound judgment.

Mr. Regan has many difficult tasks awaiting him in the days ahead. Not since the days of the Great Depression has an administration assumed the reins of Government with the economy in such deplorable shape. Even then, President Roosevelt had to deal only with massive unemployment and not the additional burden of runaway inflation at the same time.

I am confident that the new President and his Secretary of the Treasury adhere to the principles which can, and will, stimulate economic recovery. Yet, as we all know, the needed remedies will not be achieved easily or without objection.

To successfully resurrect the economy will require a courageous effort on the part of everyone present in this Chamber today and of all the American people. I certainly pledge to do what I can to assist the President and his Treasury Secretary in the implementation of these new policies.

Finally, if I might offer one suggestion to Mr. Regan, it would be that he immediately take the measures necessary to redirect the efforts of the Internal Revenue Service.

Anyone who has served in Congress in the past 4 years has witnessed the IRS constantly usurping the powers of the legislative branch of Government. It behooves Mr. Regan to make clear to his employees that Congress, not the IRS, should determine what our national tax policies will be. I am confident that the Secretary shares my concerns regarding this matter and will alleviate such practices.

Again, it is with great pleasure that I vote to confirm Mr. Regan's nomination as the new Secretary for the Department of the Treasury.

Mr. THURMOND. Mr. President, I rise to support the nomination of Donald T. Regan for Secretary of the Treasury.

Mr. Regan, the former chairman of Merrill Lynch, Pierce, Fenner & Smith, Inc., has broad experience in the national financial arena, and will bring a strong management background to the position of Secretary of the Treasury. He has announced support for President Reagan's plans to implement a much-needed individual tax-cut plan, and has promised to move quickly to present the

administration's economic package to the Congress.

Mr. Regan is a fine American who has shown himself to be a man of character, integrity and intelligence. The Nation's economy will be in capable hands with Donald Regan at the Treasury Department.

Mr. President, I hope the Senate will overwhelmingly confirm the nomination of Donald T. Regan to be Secretary of the Treasury.

Mr. DOLE. Madam President, there are no other requests for time of which I am aware, and I yield back the remainder of my time.

Mr. LONG. I have no further requests for time, Madam President, and I yield back the remainder of my time.

Mr. DOLE. Madam President, I ask for the yeas and nays.

Mr. LONG. Have they not been ordered already?

The PRESIDING OFFICER. They have not.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Donald T. Regan, of New Jersey, to be Secretary of the Treasury? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Michigan (Mr. LEVIN) and the Senator from Georgia (Mr. NUNN) are necessarily absent.

I further announce that, if present and voting, the Senator from Michigan (Mr. LEVIN) would vote "yea."

The PRESIDING OFFICER (Mr. ABDNOR). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 6 Ex.]

YEAS—98

Abdnor	Ford	Metzenbaum
Andrews	Garn	Mitchell
Armstrong	Glenn	Moynihan
Baker	Goldwater	Murkowski
Baucus	Gorton	Nickles
Bentsen	Grassley	Packwood
Biden	Hart	Pell
Boren	Hatch	Percy
Boschwitz	Hatfield	Pressler
Bradley	Hawkins	Proxmire
Bumpers	Hayakawa	Pryor
Burdick	Heflin	Quayle
Byrd, Harry F., Jr.	Heinz	Randolph
	Helms	Riegle
Byrd, Robert C.	Hollings	Roth
Cannon	Huddleston	Rudman
Chafee	Humphrey	Sarbanes
Chiles	Inouye	Sasser
Cochran	Jackson	Schmitt
Cohen	Jepsen	Simpson
Cranston	Johnston	Specter
D'Amato	Kassebaum	Stafford
Danforth	Kasten	Stennis
DeConcini	Kennedy	Stevens
Denton	Laxalt	Symms
Dixon	Leahy	Thurmond
Dodd	Long	Tower
Dole	Lugar	Tsongas
Domenici	Mathias	Wallop
Durenberger	Matsunaga	Warner
Eagleton	Mattingly	Weicker
East	McClure	Williams
Exon	Melcher	Zorinsky

NOT VOTING—2

Levin Nunn

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent when the Senate completes its business today it stand in recess until the hour of 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. ABDNOR). The Chair on behalf of the Vice President and in accordance with Senate Resolution 4, 95th Congress, and Senate Resolution 448, 96th Congress, as amended, appoints to the Select Committee on Indian Affairs for the 97th Congress: The Senator from Montana (Mr. MELCHER), the Senator from Hawaii (Mr. INOUYE), and the Senator from Arizona (Mr. DECONCINI).

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. As in legislative session, the Chair, on behalf of the Vice President, pursuant to Public Law 94-304, appoints the following Senators to the Commission on Security and Cooperation in Europe: The Senator from Utah (Mr. HATCH), the Senator from Pennsylvania (Mr. HEINZ), and the Senator from New York (Mr. D'AMATO).

DEPARTMENT OF JUSTICE

NOMINATION OF WILLIAM FRENCH SMITH, OF CALIFORNIA, TO BE ATTORNEY GENERAL

Mr. BAKER. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. The clerk will report the next nomination.

The legislative clerk read the nomination of William French Smith, of California, to be Attorney General.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, as in legislative session, and that Senators may be permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I ask unanimous consent that following on after a statement by the distinguished minority leader in his continuing sequence on the history of the Senate, that the Chair recess the Senate over until the hour of 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that no time that may be utilized during the period for the transaction of routine morning business just provided for be charged against the time otherwise allocated for the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR A STAR PRINT FOR S. 123

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. INOUYE I ask unanimous consent that a star print be made for S. 123.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator.

IN HONOR OF DAVID LILIENTHAL

Mr. HEFLIN. Mr. President, I wish to speak today in honor of David Eli Lilienthal who, at the age of 81 years, died of a heart attack on January 16, 1981.

David Lilienthal is a legend to all of us who knew him and his work during the 19 years he devoted as a public servant in the Federal Government, first as a member of the Tennessee Valley Authority Board of Directors and later as the first Chairman of the Atomic Energy Commission.

It could be said of David Lilienthal that he was one of the "founding fathers" of the Tennessee Valley Authority, inasmuch as he was appointed by President Roosevelt to the three-member TVA Board of Directors when the agency was established in 1933. Incidentally, the coauthors of the TVA Act were Senator George W. Norris of Nebraska and then Congressman, later to be Senator, Lister Hill of Alabama. David Lilienthal was in charge of TVA's power and flood control programs; and as TVA grew and expanded, he was credited with many of TVA's achievements.

After serving 8 years as a member of the TVA Board, in 1941 President Roosevelt promoted Mr. Lilienthal to be Chairman of the TVA Board of Directors.

In his capacity as TVA Board Chairman, David Lilienthal worked tirelessly to expand the role of TVA's power program in connection with our country's need for energy and power in the development and production of munitions and war materials needed during World War II. David Lilienthal was in the forefront of the role played by TVA in the development of the atomic bomb project at Oak Ridge, Tenn., as TVA supplied the vast amounts of electricity and water for the Army's Manhattan Project.

On May 2, 1945, President Truman reappointed David Lilienthal to a 9-year term as TVA Board Chairman, but Mr. Lilienthal left that post in January of 1946 when he was named by President Truman to be chairman of the board

of consultants called on to assist the Secretary of the Department of State in developing a plan for controlling atomic energy production and the use of atomic energy for peace time use. David Lilienthal was one of the principal authors of the Acheson-Lilienthal Report, the report produced by the board of consultants which was used as the basis for international planning on atomic energy control.

On October 28, 1946, President Truman called on David Lilienthal to serve in yet another post when he named him as the first Chairman of the Atomic Energy Commission.

David E. Lilienthal's 19 years of service in the Federal Government brought him international acclaim and many, many honors, including the 1951 Public Service Medal of the National Academy of Sciences.

David Lilienthal is a man to be remembered for his dedication and service to his country. His life and his work touched the lives of many people. He left with us a legacy of ideals and ideas that will pave the way for future generations to follow in the application of our modern technologies in the development of our Nation's great energy and natural resources.

I extend my deepest sympathies to Mrs. Helen Marian Lamb Lilienthal, their daughter Nancy Alice Bromberger and their son David Eli Lilienthal, Jr., and their many close friends.

Mr. President, I ask unanimous consent that the following tribute issued by the Tennessee Valley Authority also be inserted in the RECORD:

STATEMENT BY TVA BOARD ON DEATH OF DAVID LILIENTHAL

David Lilienthal's death is a very personal loss to all of us at TVA. His dedication to the principle that technology can help to make men free without despoiling the natural environment, was a source of lasting inspiration to everyone involved in government.

Lilienthal's faith in democracy was a special source of inspiration to TVA, both during his 14 years on the TVA Board and in subsequent years. He stated his own belief so well in TVA: Democracy on the March:

"The physical job is going to be done; of that I think we can be sure. But . . . if the people are denied an active part in this great task, then they may be poor or they may be prosperous but they will not be free."

Under his leadership as a founding Director from 1933 until 1941, TVA became known as one of the most exciting experiments in government in our history. Under his leadership as Chairman from 1941 until 1946, TVA was recognized as one of the most successful.

Even after he retired from government, Lilienthal never lost his intense interest in the future of the Nation and especially of TVA. On a return visit to the Tennessee Valley in 1979, he declined to look backward, instead exhorting TVA employees not to give up their commitment to the original dream of TVA—a better life for the people of the Tennessee Valley.

It is for his steadfast devotion to the principle of the greater good of mankind and for the way he carried it to fruition at TVA, as Chairman of the Atomic Energy Commission, and later as a vocal advocate of sensible development of the world's resources that David Lilienthal will be best remembered.

David Lilienthal stood out as a giant. We extend our deepest sympathy to his family and his many close friends.

TIMES THAT TRY MEN'S SOULS

Mr. HEFLIN. Mr. President, I ask unanimous consent that a letter from Brig. Gen. Edward M. Friend, Jr., retired, addressed to me, which is a New Year's letter, in which he expressed his thoughts about our present situation be printed in the RECORD. It is a letter that I feel I should share with the Senate.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Hon. HOWELL HEFLIN,
Senate Office Building,
Washington, D.C.

DEAR HOWELL: Thomas Paine found that the 1770's were "times that try men's souls." If he were alive today, he might well have the same attitude about our own decade of the 80's. 1980 has seen continued frustration and humiliation over the treatment of our hostages in Iran; unbridled inflation at home; war in the Middle East; rising tension between Russia and America; and starvation in many places throughout the world, especially in Africa. Some among us say that 1980 is but a harbinger of what is expected to be nine dismal years.

In 1950, too, there was no lack of problems, not the least of which was the severely strained relationship with Russia, exemplified by the Cold War. Then, as now, there were dire predictions of what might happen during the 50's. The great author, William Faulkner, answered these pessimists when he accepted the Nobel Prize for literature in Stockholm, by saying "I refuse to accept this. I believe that man will not merely endure; he will prevail. He is immortal, not because he alone among creatures has an inexhaustible voice, but because he has a soul, a spirit capable of compassion and sacrifice and endurance."

When I think of the future, I know that, come what may, our bonds of friendship will offer hope and confidence. Friends do make possible a pervading spirit which is "capable of compassion."

For your friendship, I am most grateful. I wish for you and yours the best of everything for the New Year.

Sincerely,

E. M. FRIEND, Jr.

ADDITIONAL MINORITY PARTY APPOINTMENT TO SPECIAL COMMITTEE ON AGING FOR THE 97TH CONGRESS

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution which I have cleared with the majority leader and I ask that it be immediately considered.

The PRESIDING OFFICER. The clerk will read the resolution by title.

The assistant legislative clerk read as follows:

A resolution making additional minority party appointment to the Special Committee on Aging for the 97th Congress.

The Senate proceeded to consider the resolution.

The resolution (S. Res. 30) was agreed to as follows:

S. RES. 30

Resolved, That Christopher J. Dodd be, and he is hereby, appointed to fill an existing minority party vacancy on the Special Committee on Aging for the Ninety-seventh Congress.

REMOVAL OF CERTAIN INSPECTORS GENERAL AND DEPUTY INSPECTORS GENERAL

Mr. THURMOND. Mr. President, yesterday, January 20, 1981, I received notification that President Reagan had removed the Inspectors General and Deputy Inspectors General from certain Federal agencies. This notification was addressed to me as President pro tempore of this body, and I would like to share the correspondence with my colleagues.

Mr. President, I ask unanimous consent that the attached correspondence be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., January 20, 1981.

Re: Notification Pursuant to Public Law 95–452 as Amended by Public Law 96–88 ("The Inspector General Act of 1978").

Hon. STROM THURMOND,
President Pro Tempore of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: This is to advise the Senate that I have today exercised my power as President to remove from office the current appointees to the position of Inspector General in the following departments and agencies:

1. Department of Agriculture.
2. Department of Commerce.
3. Department of Education.
4. Department of Housing and Urban Development.
5. Department of the Interior.
6. Department of Transportation.
7. Community Services Administration.
8. Environmental Protection Agency.
9. General Services Administration.
10. National Aeronautics and Space Administration.
11. Small Business Administration.
12. Veterans Administration.

Some of these individuals may be involved in investigations which would be aided by some continued association with their offices. We will want to review these situations to consider asking such individuals to continue their participation on an appropriate basis.

Uncovering fraud, waste and mismanagement of federal funds as well as the promotion of economy, efficiency and effectiveness in the administration of federal programs and operations will be an important priority in my Administration. The Inspectors General will have critical roles in the achievement of this objective. As is the case with all positions where I, as President, have the power of appointment by and with the advice and consent of the Senate, it is vital that I have the fullest confidence in the ability, integrity and commitment of each appointee to the position of Inspector General.

I will be submitting to the Senate in the near future my nomination of an individual for each of these positions who has my confidence and who meets the appropriate qualifications. If any of these individuals wishes to be considered for reappointment, they may

indicate their interest and they will be judged in competition with other applicants.

Sincerely,

RONALD REAGAN.

THE WHITE HOUSE,
Washington, D.C., January 20, 1981.

Re: Notification Pursuant to Public Law 95–91.

Hon. STROM THURMOND,
President Pro Tempore of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: This is to advise the Senate that I have today exercised my power as President to remove from office the current appointees to the position of Inspector General and Deputy Inspector General for the Department of Energy. The removed appointees may be involved in investigations which would be aided by some continued association with their offices. We will want to review these situations to consider asking them to continue their participation on an appropriate basis.

Uncovering fraud, waste and mismanagement of federal funds as well as the promotion of economy, efficiency and effectiveness in the administration of federal programs and operations will be an important priority in my Administration. The Inspector General and Deputy Inspector General of the Department of Energy will have critical roles in the achievement of this objective. As is the case with regard to all positions where I, as President, have the power of appointment by and with the advice and consent of the Senate, it is vital that I have the fullest confidence in the ability, integrity and commitment of the appointees to the position of Inspector General and Deputy Inspector General of the Department of Energy.

I will be submitting to the Senate in the near future my nomination of an individual for each of these positions who has my confidence and who meets the appropriate qualifications. If these individuals wish to be considered for reappointment, they may indicate their interest and they will be judged in competition with other applicants.

Sincerely,

RONALD REAGAN.

THE WHITE HOUSE,
Washington, D.C., January 20, 1981.

Re: Notification Pursuant to Public Law 94–505.

Hon. STROM THURMOND,
President Pro Tempore of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: This is to advise the Senate that I have today exercised my power as President to remove from office the current appointee to the position of Deputy Inspector General (Acting Inspector General) for the Department of Health and Human Services. The removed appointee may be involved in investigations which would be aided by some continued association with his office. We will want to review these situations to consider asking him to continue his participation on an appropriate basis.

Uncovering fraud, waste and mismanagement of federal funds as well as the promotion of economy, efficiency and effectiveness in the administration of federal programs and operations will be an important priority in my Administration. The Deputy Inspector General for the Department of Health and Human Services will have a critical role in the achievement of this objective. As is the case with regard to all positions where I, as President, have the power of appointment by and with the advice and consent of the Senate, it is vital that I have the fullest confidence in the ability, integrity and commitment of the appointee to the position of Deputy Inspector General for the Department of Health and Human Services.

I will be submitting to the Senate in the near future my nomination of an individual for this position who has my confidence and who meets the appropriate qualifications. If this individual wishes to be considered for reappointment, he may indicate his interest and will be judged in competition with other applicants.

Sincerely,

RONALD REAGAN.

DR. ELI NOBLEMAN

Mr. THURMOND. Mr. President, at the conclusion of the 96th Congress, Dr. Eli Nobleman will be ending a distinguished career as counsel to the Senate Committee on Governmental Affairs.

I first became acquainted with Dr. Nobleman in World War II when he and I served together in the 1st U.S. Army. Since that time he has continued to serve his country in uniform as a member of the Army Reserve. He is a hard-working, patriotic man who has rendered outstanding service to our country, and he has contributed much to this body.

As a member of the Governmental Affairs Committee, I was able to observe first hand Dr. Nobleman's work. The long hours and tireless energy he put into his job gained him the respect of all who knew him, and his thorough knowledge of the issues made him a valuable staff member.

I was pleased that the Senate passed a resolution commending him for his exemplary work, and I want to take this opportunity to extend my best wishes for a bright future to Dr. Nobleman and his family.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES HELD AT DESK

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States withdrawing certain nominations, which were ordered to be held at the desk.

(The withdrawals received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–201. A communication from the Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, notice of intent to obligate certain funds in the Army stock fund for war reserve stocks; to the Committee on Appropriations.

EC–202. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Supply Support Costs of Combat Ships Can Be Reduced By Millions and Readiness Enhanced"; to the Committee on Armed Services.

EC–203. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting pursuant to law, notice of a study with respect to converting the family housing maintenance function at F. E. Warren Air Force Base, Wyo., and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC–204. A communication from the Assistant Secretary of the Army (Research, Development, and Acquisition), transmitting, pursuant to law, a report on Army research and development contracts of $50,000 or more awarded during fiscal year 1980; to the Committee on Armed Services.

EC–205. A communication from the Assistant Secretary of the Army (Installations, Logistics, and Financial Management), transmitting, pursuant to law, notice of a study with respect to converting the food services activity at Fort Knox, Ky., and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC–206. A communication from the Secretary of the Army, transmitting, pursuant to law, the annual report of the United States Soldiers' and Airmen's Home for fiscal year 1979, and the annual report on the inspection of the Home for fiscal year 1980; to the Committee on Armed Services.

EC–207. A communication from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to increase the authorization for fiscal year 1981 for operating subsidies for public housing projects, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

EC–208. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Budget Totals Are Understated Because of Current Budget Practices"; to the Committee on the Budget.

EC–209. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for research and Development, construction of facilities, and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC–210. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law a proposed waiver of section 11 (b) of the Stevenson-Wydler Technology Innovation Act of 1980; to the Committee on Commerce, Science, and Transportation.

EC–211. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on Federal radionavigation systems; to the Committee on Commerce, Science, and Transportation.

EC–212. A communication from the Secretary of Transportation, transmitting, pursuant to law, the first annual report on collision avoidance systems; to the Committee on Commerce, Science, and Transportation.

EC–213. A communication from the Secretary of Transportation, transmitting, pursuant to law, the fifth annual report of the automotive fuel economy program for fiscal year 1980; to the Committee on Commerce, Science, and Transportation.

EC–214. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the cost of making urban rail transit systems available to the handicapped; to the Committee on Commerce, Science, and Transportation.

EC–215. A communication from the Acting Assistant Secretary of the Interior, transmitting, pursuant to law, the biennial report on continuing studies of the quality of water of

the Colorado River Basin dated January 1981; to the Committee on Energy and Natural Resources.

EC–216. A communication from the Federal Cochairman of the Ozarks Regional Commission, transmitting, pursuant to law, the annual report of the Commission for fiscal year 1980; to the Committee on Environment and Public Works.

EC–217. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report on progress in the study of the effects of changes in the ozone upon animals, crops, and other plant life; to the Committee on Environment and Public Works.

EC–218. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to strengthen and improve Medicaid services to low-income children and pregnant women, and for other purposes; to the Committee on Finance.

EC–219. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Social Security Act to increase the effectiveness and improve the administration of certain programs under this act, and for other purposes; to the Committee on Finance.

EC–220. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend title II of the Social Security Act, and related provisions of the Internal Revenue Code of 1954, for miscellaneous purposes; to the Committee on Finance.

EC–221. A communication from the Secretary of State, transmitting, pursuant to law, a report on biological and chemical control of opium poppy and marihuana; to the Committee on Foreign Relations.

EC–222. A communication from the Director of the U.S. Arms Control and Disarmament Agency, transmitting, pursuant to law, the fiscal year 1982 arms control impact statements; to the Committee on Foreign Relations.

EC–223. A communication from the Deputy Director of the U.S. Office of Personnel Management, transmitting a draft of proposed legislation to amend chapter 83 of title 5, United States Code, to provide for annual cost-of-living adjustments to civil service annuities, and for other purposes; to the Committee on Governmental Affairs.

EC–224. A communication from the Director of the Federal Emergency Management Agency, transmitting a draft of proposed legislation to authorize the Administrator of General Services to donate to State and local governments certain Federal personal property loaned to them for civil defense use, and for other purposes; to the Committee on Governmental Affairs.

EC–225. A communication from the Deputy Director of the U.S. Office of Personnel Management, transmitting a draft of proposed legislation to amend titles 5 and 37, United States Code, to extend the pay comparability concept to a total compensation comparability concept encompassing both pay and benefits, and for other purposes; to the Committee on Governmental Affairs.

EC–226. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–227. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on October 14, 1980; to the Committee on Governmental Affairs.

EC–228. A communication from the Assistant Secretary of Housing and Urban Development (Administration), transmitting, pursuant to law, a report on a new system of records for the Department for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–229. A communication from the Deputy Director of the U.S. Office of Personnel Management, transmitting, pursuant to law, a report on the Senior Executive Service; to the Committee on Governmental Affairs.

EC–230. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to extend authorizations of appropriations for the developmental disabilities programs under the Developmental Disabilities Assistance and Bill of Rights Act, and for other purposes; to the Committee on Labor and Human Resources.

EC–231. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Economic Opportunity Act of 1964 to extend authorizations of appropriations for the Head Start and Native American programs, and for other purposes; to the Committee on Labor and Human Resources.

EC–232. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to extend authorizations of appropriations for programs under the Child Abuse Prevention and Treatment Act and the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978, and for other purposes; to the Committee on Labor and Human Resources.

EC–233. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to extend authorizations of appropriations for programs under the Older Americans Act of 1965; to the Committee on Labor and Human Resources.

EC–234. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on poverty-related research and demonstration projects delegated to the Department of Health and Human Services; to the Committee on Labor and Human Resources.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. THURMOND:

S. 173. A bill to amend the adjustment assistance programs for workers and firms under the Trade Act of 1974; to the Committee on Finance.

By Mr. PROXMIRE:

S. 174. A bill for the relief of Walter Prey; to the Committee on the Judiciary.

By Mr. FORD:

S. 175. A bill for the relief of Puangpaka Vertrees and Puangtip Vertrees; to the Committee on the Judiciary.

S. 176. A bill for the relief of Dr. Kok Liong Tan and his wife, Gloria Siao Tan; to the Committee on the Judiciary.

S. 177. A bill for the relief of Dr. Jaime Tiong Bon Tan Tiu, and his wife, Eva Bon Tiu; to the Committee on the Judiciary.

By Mr. DURENBERGER (for himself, Mr. BUMPERS, Mr. BENTSEN, Mr. DANFORTH, Mr. JEPSEN, Mr. LEVIN, Mr. METZENBAUM, Mr. PROXMIRE, Mr. RIEGLE, and Mr. DODD):

S. 178. A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to further the objectives of national energy policy of conserving oil and natural gas through removing excessive burdens on production of coal; to the Committee on Energy and Natural Resources.

By Mr. BAUCUS (for himself, Mr. HARRY F. BYRD, JR., and Mr. MOYNIHAN):

S. 179. A bill to amend title II of the Social Security Act to provide penalties for the misuse of social security numbers; to the Committee on the Judiciary.

By Mr. MATHIAS (for himself and Mr. BAUCUS):

S. 180. A bill to establish within the National Aeronautics and Space Administration a comprehensive program of automotive research and technology development, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. CRANSTON:

S. 181. A bill to provide for the extension of the authorization of appropriations for the Headstart program; to the Committee on Labor and Human Resources.

S. 182. A bill for the relief of Frank Fabian; to the Committee on the Judiciary.

S. 183. A bill for the relief of Elga Bouilliant-Linet; to the Committee on the Judiciary.

S. 184. A bill for the relief of Antonio Zamora-Mendoza, his wife Josefina Padilla Zamora, and their sons Alberto Antonio Zamora-Padilla, Victor Zamora, Leopoldo Zamora, Jaime Zamora, and Jose Zamora; to the Committee on the Judiciary.

By Mr. INOUYE:

S. 185. A bill for the relief of Mrs. Evelyn R. Millare; to the Committee on the Judiciary.

By Mr. DOLE:

S. 186. A bill to provide financial assistance to the States to undertake comprehensive criminal justice construction programs to improve the criminal justice system of the States, to provide that the Secretary of the Treasury is authorized to make interest subsidy payments on criminal justice facility construction bonds, and for other purposes; to the Committee on the Judiciary.

By Mr. MELCHER:

S. 187. A bill to authorize the Secretary of the Interior to convey certain lands near Miles City, Mont., and to remove certain reservations from prior conveyances; to the Committee on Energy and Natural Resources.

S. 188. A bill to authorize the Secretary of Agriculture to convey certain lands in the Gallatin National Forest, and for other purposes; to the Committee on Energy and National Resources.

By Mr. BIDEN:

S.J. Res. 14. Joint resolution to designate the first day of May of each year as "Freedom Day"; to the Committee on the Judiciary.

By Mr. CHAFEE:

S.J. Res. 15. Joint resolution to authorize and request the President to call a White House Conference on Education not later than June 30, 1981, and for other purposes; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THURMOND:

S. 173. A bill to amend the adjustment assistance programs for workers and firms under the Trade Act of 1974; to the Committee on Finance.

AMENDMENT OF ADJUSTMENT ASSISTANCE PROGRAMS

Mr. THURMOND. Mr. President, I rise today to introduce legislation to amend the adjustment assistance programs for workers and firms under the Trade Act of 1974. Passage of this bill will greatly improve the present trade adjustment assistance program by eliminating inequities and strengthening eligibility requirements.

Mr. President, the current trade adjustment assistance program differs greatly from the first assistance program for workers and firms as contained in title III of the Trade Expansion Act of 1962. Under the provisions of that act, eligibility for assistance was conditional upon the adverse impact of increased imports being the result of trade concessions made by the U.S. Government. Benefits were paid only to those workers and firms who were injured by conscious policy decisions on the part of the Federal Government regarding international trade. In order to receive benefits, imports of the commodity in question had to be increasing, the increase had to be caused in major part by a trade concession, and the increase had to be the major cause of injury.

The Trade Act of 1974 eliminated the requirement for a causal relationship between increased imports and prior trade concessions. Furthermore, it liberalized the requirements for eligibility in that increased imports no longer had to be the major cause of injury.

The results of these changes are illustrated in a January 15, 1980, General Accounting Office report on the worker trade adjustment assistance program. GAO found that—

Weekly cash payments helped few workers adjust to their changed economic conditions during their layoffs. Seventy-one percent of the workers had returned to work by the time their first check arrived in a lump sum payment. Only 23 percent were permanently separated from their employer;

Sixty-nine percent had returned to work before they applied for assistance, and 90 percent were back by the time they received their first check, suggesting that most workers achieved the adjustment envisioned under the Trade Act without the cash assistance provided by it;

The majority of workers (77 percent) did not have substantial financial problems while they were laid off;

Forty-two percent of the workers sampled received company funded supplemental unemployment benefits (SUB). Many import affected workers received nearly 95 percent of their prelayoff take-home pay from TAA, unemployment insurance benefits, and supplemental benefits under union contracts;

Many State officials believe the needs of import-affected workers can be met through the unemployment insurance program and other existing programs. These officials believe that providing Trade Act weekly cash payments in addition to other benefits creates a work disincentive, and

Seventy-three percent of import-affected workers used none of the employment services and relocation allowances because they were not aware of the services available to them, had little need for them because they had returned to work or expected to return to work for thir former employer, or were not willing to move to take advantage of a job in another community.

Mr. President, my bill would rectify the problems associated with the changes made in the program by the Trade Act of 1974. Under the provisions of my bill, workers would be required to exhaust their regular unemployment insurance benefits before receiving trade adjustment benefits. These benefits would then be limited to a weekly amount no greater than that received from unemployment insurance benefits. Furthermore, it would restore the eligibility requirement that increased imports be the primary cause of injury to workers and firms. These changes would result in only those workers or firms truly impacted by increased imports receiving trade adjustment assistance. In addition, requiring that regular unemployment benefits be exhausted first would significantly lengthen the period of income protection for those unable to secure alternative employment.

My President, my bill would also extend trade adjustment benefits to firms and their employees who provide essential goods and services to import-impacted firms. Present eligibility requirements preclude these groups from receiving adjustment assistance. At least 25 percent of total sales must be to one or more import-impacted firms before the supplier or its employees are eligible.

Finally, my bill would reduce the duplication of investigatory efforts by the Department of Commerce and the Department of Labor. Under present law, the Department of Commerce is responsible for certifying firms as eligible to receive assistance and the Department of Labor is responsible for worker certification. In many instances, both a firm and its employees petition for certification. Requiring that the Departments share data and information acquired under such circumstances will expedite the certification process and make more efficient use of their respective resources.

Mr. President, the trade adjustment assistance program is in dire need of reform. My bill addresses many of the problems currently existing in the program and should result in substantial savings to the taxpayer. I sincerely hope that my colleagues in the Senate will join me in pressing for early enactment of this legislation.

Mr. President. I ask unanimous consent that my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 173

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—IMPROVEMENTS IN ADJUSTMENT ASSISTANCE FOR WORKERS

SEC. 101. ELIGIBILITY REQUIREMENTS OF WORKERS FOR ADJUSTMENT ASSISTANCE

(a) Section 222 of the Trade Act of 1974 (19 U.S.C. 2272) is amended—

(1) by striking out "and" at the end of paragraph (2); and

(2) by striking out all that follows paragraph (2) and inserting in lieu thereof the following:

"(3) that increases of imports of articles like or directly competitive with articles—

"(A) which are produced by such workers' firm or appropriate subdivision thereof, or

"(B) for which such workers' firm or appropriate subdivision thereof provides essential parts or essential services,

were the primary cause of such total or partial separation, or threat thereof, and of such decline in sales or production, and

"(4) that such workers' firm or appropriate subdivision thereof meets the requirements specified in section 251.".

(b) The amendments made by subsection (a) shall apply with respect to petitions filed under section 221(a) of the Trade Act of 1974 on or after the date of the enactment of this Act.

SEC. 102. SHARING OF INFORMATION BY SECRETARY OF LABOR

Section 223 of the Trade Act of 1974 (19 U.S.C. 2273) is amended by adding at the end thereof the following new subsection:

"(e) In any case in which the Secretary of Commerce notifies the Secretary that a petition has been filed under section 251 by any firm or its representative, if a petition has been filed under section 221 regarding any group of workers of such firm, the Secretary, notwithstanding any other provision of law, shall promptly provide to the Secretary of Commerce any data and other information obtained by the Secretary in taking action on the petition which would be useful to the Secretary of Commerce in making a determination under section 251 with respect to the firm.".

SEC. 103. EXHAUSTION OF UNEMPLOYMENT INSURANCE; AMOUNT OF ALLOWANCE

(a) Section 231 of the Trade Act of 1974 (19 U.S.C. 2291) is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(3) Such worker has exhausted all unemployment insurance benefits for which he was eligible.".

(b) Section 232 (a) (1) of such Act (19 U.S.C. 2292 (a) (1)) is amended to read as follows:

"(1) an amount equal to the amount of unemployment insurance for which such worker was eligible for the most recent full week—

"(A) which began after his most recent total or partial separation, and

"(B) for which he was eligible (for the full week) for unemployment insurance.

(c) (1) Section 232 (c) of such Act (19 U.S.C. 2292 (c)) is repealed.

(2) Section 232 (d) of such Act (19 U.S.C. 2292 (d)) is amended—

(A) by striking out "unemployment insurance, or a training allowance";

(B) by striking out the comma after "Federal law";

(C) by striking out "subsection (c) or"; and

(D) by striking out "the employment insurance or".

(3) Section 232 (e) of such Act (19 U.S.C. 2292 (e)) is amended by striking out "as unemployment insurance,".

(d) Section 233 (b) (4) (A) of such Act (19 U.S.C. 2292 (b) (4) (A)) is amended to read as follows:

"(A) for a totally separated worker is the first week for which he is eligible to receive a trade readjustment allowance following his most recent total separation, and".

(e) (1) Section 234 (1) of such Act (19 U.S.C. 2294 (1)) is amended by inserting before the comma at the end thereof the following: ", or under which he was entitled to unemployment insurance for any week after the week of his most recent total or partial separation".

(2) Section 234 (2) of such Act (19 U.S.C. 2294 (2)) is amended by inserting "or was not" after "is not".

(f) Section 237(b)(3) of such Act (19 U.S.C. 2297(b)(3)) is amended by striking out "no later than 1 year after the date of his last total separation" and inserting in lieu thereof "no later than 1 year after the first week for which he is eligible to receive a trade readjustment allowance following his most recent total separation".

(g) Section 238(c)(1) of such Act (19 U.S.C. 2298(c)(1)) is amended—

(1) by striking out "section 232(c) and" and inserting in lieu thereof "section 232"; and

(2) by inserting before the comma at the end thereof the following: ", or would be so entitled (determined without regard to whether he filed application therefor) but for the fact that he has not exhausted his unemployment insurance benefits".

(h) The amendments made by this section shall apply only with respect to trade readjustment allowances payable on or after the date of the enactment of this Act.

TITLE II—IMPROVEMENTS IN ADJUSTMENT ASSISTANCE TO FIRMS

SEC. 201. ELIGIBILITY REQUIREMENTS OF FIRMS FOR ADJUSTMENT ASSISTANCE

(a) Section 251 of the Trade Act of 1974 (19 U.S.C. 2341) is amended—

(1) by striking out all that follows paragraph (2) in subsection (c) and inserting in lieu thereof the following:

"(3) that increases of imports of articles like or directly competitive with articles produced by such firm or an appropriate subdivision thereof were the primary cause of such total or partial separation, or threat thereof, and of such decline in sales or production."; and

(2) by striking out subsection (d) and inserting in lieu thereof the following:

"(d)(1) The Secretary shall certify a firm as eligible to apply for adjustment assistance under this chapter if the Secretary determines—

"(A) that not less than 25 percent of the total sales of such firm is accounted for by the provision to import-impacted firms of—

"(i) any article (including, but not limited to, any component part) which is essential to the production of any import-impacted article,

"(ii) any service which is essential to the production, storage, or transportation of any import-impacted article, or

"(iii) any article and any service described in clauses (i) and (ii);

"(B) that a significant number or proportion of the workers in such firm have become totally or partially separated;

"(C) that the sale or production, or both, of such firm have decreased absolutely; and

"(D) that the absolute decrease in the sales or production, or both, by import-impacted firms of import-impacted articles, with respect to which such firm provides articles or services referred to in subparagraph (A), were the primary cause of such total or partial separation, or threat thereof, referred to in subparagraph (B), and to the decline in sales and production referred to in subparagraph (C).

"(2) For purposes of this subsection—

"(A) The term 'import-impacted article' means any article produced by an import-impacted firm, if such article is one with respect to which a determination under section 222(3) or subsection (c)(3) was made incident to the certification of the group of workers of firm concerned.

"(B) The term 'import-impacted firm' means—

"(i) any firm or appropriate subdivision thereof the workers of which have been certified pursuant to section 223(a), or

"(ii) any firm which has been certified pursuant to subsection (c).

"(e) A determination shall be made by the Secretary as soon as possible after the date on which any petition is filed under this section, but in any event not later than 60 days after that date.

"(f) In any case in which the Secretary of Labor notifies the Secretary that a petition has been filed under section 221 by the Secretary of Labor, any group of workers, their certified or recognized union, or other duly authorized representative, if a petition has been filed under subsection (a) regarding any firm in which such group of workers is, or was, unemployed, the Secretary, notwithstanding any other provision of law, shall promptly provide to the Secretary of Labor any data and other information obtained by the Secretary in taking action on the petition or which would be useful to the Secretary of Labor in making a determination under section 223 with respect to the workers.".

(b) The amendments made by subsection (a) shall apply with respect to petitions filed under section 251(a) of the Trade Act of 1974 on or after the date of the enactment of this Act.

By Mr. DURENBERGER (for himself, Mr. BUMPERS, Mr. BENTSEN, Mr. DANFORTH, Mr. JEPSEN, Mr. LEVIN, Mr. METZENBAUM, Mr. PROXMIRE, Mr. RIEGLE, and Mr. DODD):

S. 178. A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to further the objectives of national energy policy of conserving oil and natural gas through removing excessive burdens on production of coal; to the Committee on Energy and Natural Resources.

REMOVAL OF EXCESSIVE BURDENS ON THE PRODUCTION OF COAL

Mr. DURENBERGER. Mr. President, earlier today I and several of my colleagues made statements about the following legislation. Those comments can be found earlier in today's proceedings. I request that this bill, which would limit the coal severance taxes imposed by States, be printed in its entirety at this time.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 178

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that, in order to alleviate the national energy emergency, reduce natural dependence on petroleum imports, encourage the highest and best use of domestic petroleum and natural gas, and enhance interstate commerce by promoting increased reliance on our national reserves of coal for the generation of electricity and power, it is necessary to remove excessive burdens on production of coal used in powerplants and major fuel-burning installations.

"SEC. 808. COAL FOR POWERPLANT AND INDUSTRIAL CONVERSION.

"(a) Notwithstanding any other provision of State or Federal law, with respect to any coal mined or produced from Indian lands or lands owned by the Federal Government which is destined for shipment in interstate commerce for use in any powerplant or major fuel-burning installation, the sum of all severance taxes, or fees, in respect of any fiscal year, imposed by a State or any political subdivision thereof on such coal or on any improvements or other rights, property, or assets produced, owned, or utilized in connection with the production of such coal shall not exceed a total of 12½ percent of the value of such coal produced during such fiscal year determined at the time it has been extracted and prepared for transportation free on board the production site but exclusive of all State and local taxes and fees.

"(b) For purposes of subsection (a), 'severance taxes or fees' include any tax or fee, by whatever name called, imposed upon coal or upon any improvements or other rights, property, or assets produced, owned, or utilized in connection with the production of coal except for income, sales, or other similar taxes or fees or general application which are not disproportionately imposed thereon."

By Mr. BAUCUS (for himself, Mr. HARRY F. BYRD, JR., and Mr. MOYNIHAN):

S. 179. A bill to amend title II of the Social Security Act to provide penalties for the misuse of social security numbers; to the Committee on the Judiciary.

PENALTIES FOR MISUSE OF SOCIAL SECURITY NUMBERS

● Mr. BAUCUS. Mr. President, today I am pleased to introduce legislation making it a felony to misuse or counterfeit the social security number. I am delighted that Senators BYRD of Virginia and MOYNIHAN are joining me in introducing this bill. This legislation is long overdue and will enhance the integrity of the social security system by reducing the misuse of social security numbers.

We all know that a social security number is as common as a driver's license. You need one to get a job, to pay taxes, to open a bank or savings account and for many other things. However, increasingly social security numbers are being used illegally to obtain jobs or benefits. No one knows exactly how much this costs us each year. But crimes based on false identification, which often include social security cards, cost American taxpayers more than $15 billion every year.

At my request, the GAO investigated the misuse of social security cards and numbers. The GAO's findings reveal that the fraudulent use of social security cards to gain benefits or jobs is growing immensely.

Several case histories reveal the magnitude of this problem. In one case reported by the GAO, an individual in Washington State obtained three social security numbers. The individual used two of the numbers to obtain various Federal benefits, while working under the third number. In another case, an individual received unemployment compensation benefits using his own while

working under another person's name and number.

The GAO found three basic abuses associated with the social security card. One abuse is using a social security number along with false identification to obtain benefits someone is not entitled to receive. I have already cited examples of this common abuse.

Another common misuse is using someone else's number to get a job. Finally, borrowing, stealing, counterfeiting, buying or selling social security cards is a widespread occurrence.

The Social Security Administration in 1974 tightened its procedures in an effort to prevent these misuses. Under the new rules, anyone applying for a social security number and card must first produce some evidence of age, identity, and citizenship.

But social security cards and numbers continue to be obtained and used fraudulently. Phoney birth certificates or drivers licenses, which are easy to obtain, often are used to get cards. Making matters worse, all too often social security office workers are not trained to spot false documents.

There is no easy way to prevent this abuse and fraud according to GAO. However, one proposal of the Social Security Administration to issue so-called tamper-proof cards, is an example of what not to do. Issuing these new cards would cost between $850 million and $2 billion and be a bureaucratic nightmare. Such a proposal simply is a waste of taxes.

Instead, a series of commonsense steps could help halt these abuses. First, the Secretary of Health and Human Services should provide training for field office staffs so that they will be able to detect false identification documents. Second, the Secretary should place tighter controls on social security number application forms.

Third, Congress should promptly enact my legislation to make counterfeiting social security cards a felony. Incredibly, that is not now the case. My bill will establish stiff penalties for the misuse of social security numbers. The legislation will make it a felony to furnish false information to obtain a social security number. Engaging in this act would be punishable by imprisonment of not more than 5 years or a fine of not more than $5,000. Second, the bill makes it a felony to counterfeit, alter, or otherwise misuse a social security card. The penalty for committing this crime would similarly be a fine of not more than $5,000 or imprisonment for not more than 5 years.

Fraudulent use of social security cards costs us hundreds of millions of dollars each year. The commonsense actions I have outlined can go a long way toward ending this waste of our taxes as well as strengthen the integrity of the social security numbering system.

Mr. President, I ask unanimous consent that the text of the bill and the summary of the GAO's report be printed in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 179

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 208(g) of the Social Security Act is amended—

(1) in the matter preceding paragraph (1), by inserting "or for the purpose of obtaining anything of value from any person," before "or any other purpose"; and

(2) by adding after paragraph (2) the following new paragraph:

"(3) knowingly, alters a social security card issued by the Secretary, buys or sells a card that is, or purport to be, a card so issued, counterfeits a social security card, or possesses a social security card or counterfeit social security card with intent to sell or alter it; or".

(b) (1) Section 208 of such Act is amended in the matter following subsection (h) by striking out "shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or imprisoned for not more than one year, or both" and inserting in lieu thereof shall be guilty of a felony and upon conviction thereof shall be fined not more than $5,000 or imprisoned for not more than five years, or both".

(2) Section 208(e) of such Act is amended by striking out ", shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or imprisoned for not more than one year, or both, or" and inserting in lieu thereof "; or".

(c) The amendments made by subsections (a) and (b) shall be effective with respect to violations committed after the date of the enactment of this Act.

REISSUING TAMPER-RESISTANT CARDS WILL NOT ELIMINATE MISUSE OF SOCIAL SECURITY NUMBERS

(Report by the Comptroller General of the United States)

[Page numbers in parentheses refer to original text]

DIGEST

Use of the social security numbering system as a means of identification has expanded far beyond its original purpose. For instance, the Federal Government—often due to congressional mandate—has used the number as an identifier or authenticator in many tax and welfare programs. Many other public and private entities use the number for similar purposes, as well, leading to increased opportunities to misuse the social security number and card, primarily to obtain unauthorized benefits and employment.

As an identifier, the number must be provided not only to get a job, but to pay taxes, to open a bank or savings account, or to invest money. Also, it must be furnished to apply for welfare or to join the armed services. It may be required when applying for a drivers license, registering to vote, applying for a library card, enrolling in college, presenting a case before the U.S. Supreme Court, or attending a meeting or social function at the White House. (See pp. 7 to 9 and app. III.)

EXTENT OF THE PROBLEM

These non-social-security uses of the number are not generally considered misuses. The three basic misuses associated with the social security number and card are: (1) obtaining numbers by submitting false information on personal identification or genuine and/or counterfeit documents of other persons in order to obtain unauthorized benefits, (2) using fabricated numbers that may or may not belong to other people, primarily for employment, and (3) altering and counterfeiting social security cards.

No reliable statistics are available on the extent of misuse or abuse of social security numbers and cards; however, crimes based on false identification, which frequently include false and legitimate social security numbers, are estimated to cost the American taxpayers more than $15 billion annually. (See pp. 10 and 11.)

In the past few years, several large-scale criminal operations involving false identification and social security number misuse have been identified. These misuses generally involve filing fraudulent income tax returns and obtaining unauthorized benefits from welfare programs and unemployment insurance programs. (See pp. 13 and 14.)

COMBATING THE PROBLEM

Over the past 8 years, the Social Security Administration (SSA) has taken a number of steps to strengthen the integrity of the social security numbering system. Currently, all applicants requesting original social security numbers must submit documentary evidence of age, identity, and citizenship or alien status along with the application. However, many social security numbers are still being obtained illicitly because applicants are submitting fraudulent documents. Furthermore, because the application forms are readily available, they have been obtained in large quantities or printed illicitly to help obtain fraudulent numbers. In addition, the blank social security cards are not tightly controlled. (See pp. 14 to 18.)

SSA has identified many fraudulently obtained numbers in its system, but has not flagged them for SSA and other agency uses. (See pp. 10 and 11.)

Most identification documents, such as birth certificates and driver's and marriage licenses, are issued and regulated by each State. A birth certificate can be obtained fraudulently with relative ease from many States, and once obtained it can be used to get other identifiaction documents. Without tighter State controls of vital statistics records, the validity of social security numbers issued on the basis of such documents is questionable.

Some of the problems contributing to social security number and card misuses are beyond SSA's control or authority. Curtailing these contributory problems will require interagency cooperation, again outside the Federal sector, and tighter issuance controls. (See pp. 10 to 13.)

THE "TAMPER-RESISTANT" CARD

To help prevent misuse of the card, the President and a Member of Congress proposed that SSA issue redesigned cards. In response to the President's proposal, the Secretary of Health and Human Services directed SSA to develop a "tamper-resistant" card.

SSA planned to begin issuing redesigned cards in 1980 to new applicants and to persons requesting replacement and name-change cards. However, issuance of the redesigned cards was postponed because legislation was introduced to reissue cards not only to new applicants, but to all current social security number cardholders.

SSA recognized that issuing redesigned cards to current cardholders would raise not only administrative and logistical concerns, but also questions related to privacy, funding, enforcement, and public acceptance and cooperation. Consequently, in October 1979, during GAO's review, the Commissioner of Social Security proposed that use of the redesigned cards be delayed until the questions affecting reissuance could be discussed further within the executive branch. Such

discussions were not held, however, and in January 1980, the Secretary of Health and Human Services decided that, in view of the SSA's "financing problems," a "tamper-resistant" social securtiy card should not be issued at this time.

WHAT IS THE SOLUTION?

Reissuing the cards will not correct the underlying conditions contributing to social security number and card misuse. For instance, it will not prevent individuals from obtaining social security numbers using false identity documents, or from using someone else's number and card. Furthermore, neither SSA nor other public or private entities would benefit appreciably from such reissuance. Therefore, GAO questions whether the cost of reissuing the cards, which would be at least $850 million and could be as much as $2 billion, is justifiable. Additionally, from a logistical standpoint reissuance may not be practicable and may cause adverse public reaction. (See ch. 3.)

Any further studies of reissuing social security cards should include evaluations to make sure that all principal problems and alternatives have been adequately considered and that the proposed actions are in the best interest of the Government and the public.

RECOMMENDATION TO THE CONGRESS

It is a misdemeanor to obtain and use social security numbers fraudulently and a felony to counterfeit the Department of Health and Human Services' seal in reproducing social security cards. However, it is not a crime to print, photograph, or make any impression in the likeness of social security cards, or to buy, to sell, transfer, or otherwise deliver such falsified, forged, or counterfeited social security cards.

GAO believes that, to improve the integrity of the social security number and abate social security number and card misuse, legislation is needed making such acts felonies. Bills that would do so have been presented to the Congress.

The Congress should enact such legislation.

RECOMMENDATIONS TO THE SECRETARY OF HEALTH AND HUMAN SERVICES

The Secretary should direct the Commissioner of Social Security to further strengthen the integrity of the social security number system by—

Providing training to SSA field office personnel to enable them to more readily detect fraudulent evidentiary documents submitted with social security number applications,

Placing the social security number application forms and cards under tighter control, and

Flagging identified fraudulently obtained social security numbers for SSA and other agency uses.

Additionally, SSA should encourage the States to tighten controls over vital statistics records since State programs can be adversely affected by social security number misuse.

The Department of Health and Human Services tentatively agreed with GAO's recommendations and said that corrective action was underway. (See p. 28.)

Mr. HARRY F. BYRD, JR. Mr. President, today, the social security number is a common means of identification. Its uses are widespread and varied.

While no detailed information is readily available on the use of social security numbers, it is almost impossible to apply for a job, open a bank account or obtain a drivers' license without providing a social security number.

Federal programs which provide billions of dollars of benefits to millions of Americans rely upon social security numbers. Veterans benefits, welfare benefits, medicare benefits, SSI benefits are all geared to the social security number as a means of identification.

In the budget for fiscal year 1982 which President Carter submitted to the Congress, 48 cents out of every dollar spent goes to direct benefit payments for individuals. In total, these payments amount to $355 billion.

If we are to protect the integrity of these programs, we must be sure that only those entitled to benefits receive these benefits.

Yet, just as the use of social security numbers for legitimate purposes is widespread, so also is the misuse of social security numbers.

The General Accounting Office, in a recent report to the Congress, provided documented cases on the ways in which social security numbers can be used to defraud the Federal Government.

For example, the GAO reported on an individual who reported 170 different social security numbers and filed 50 false income tax returns for funds before being detected.

In another case, a recipient of AFDC payments and food stamp payments used social security numbers and other false identification papers to assume the identity of eight separate persons having a combined total of 47 children, thereby receiving almost $300,000 in benefits from these programs.

While the potential for misuse of social security numbers is great, the penalty for such misuse is small.

Under current Federal laws, it is a crime to furnish false information to obtain a social security number. However, it is not a crime to counterfeit a social security card, alter a valid card, or lend or sell a card to another person. Furthermore, the penalty for furnishing false information is only a misdemeanor subject to a $1,000 fine or imprisonment for a year or less.

The bill which I join with Senator BAUCUS in sponsoring would stiffen the penalty for misuse of social security numbers.

It would make it a felony, punishable by imprisonment of 5 years or less and a fine of $5,000 or less, to furnish false information to obtain a social security number. Furthermore, it would establish that a Federal crime has been committed when a social security card is counterfeited, altered, or sold to another person. The punishment for such activity would be similar to the punishment for furnishing false information.

I recognize that the individual determined to defraud the Government and misuse social security numbers will do so regardless of the penalty. However, those who are caught should face stiffer penalties than the law now provides and these stiff penalties may deter those who are casually thinking about defrauding the Federal Government.

Furthermore, the GAO report points out that a massive program to redesign and reissue social security cards and numbers would be extremely costly and would probably not prevent misuse of social security numbers and cards.

I am hopeful that the bill which is being introduced today will provide the beginning step in deterring fraud and misuse in Federal programs.

I urge its speedy consideration in this Congress.

Mr. MOYNIHAN. Mr. President, I am delighted to join my distinguished colleague, Senator BAUCUS, in submitting legislation designed to correct a curious omission in current law. The purpose of our bill is simple and straightforward. It would make it a crime—as presently it is not—to counterfeit or forge a social security card.

This legislation is similar to a bill, S. 267, that I introduced at the beginning of the 96th Congress, and closely resembles a measure proposed by the Carter administration in April 1979. The administration proposal, which was not acted on, sought to extend the existing penalty for misuse of a social security number to include "the counterfeiting, altering, buying or selling of a social security card, or possession of a social security card with intent to sell or alter it." The General Accounting Office has also studied this issue and recommends the adoption of legislation making it a felony to misuse social security cards. This bill is aimed at that goal.

Let me emphasize what this measure would not do. It makes no change whatsoever in the nature, status or uses of, the social security card. It simply makes it a crime to counterfeit one. This does not mean that the card is to be used for purposes of identification. I would oppose any such suggestion. But we all know that social security cards and numbers are increasingly—if improperly—being used for purposes of identification.

Witness its use by the military and indeed, by the Senate itself on employee identification cards issued by the Sergeant at Arms. It is also used by many States on drivers' licenses and in applications for public assistance.

These may not be proper uses, but they are widespread uses. Even more important—and the fundamental purpose of this legislation—is the increasing use of social security cards and numbers as "proof" that a prospective employee is a citizen or legal immigrant. It is the fact that many private employers accept the social security card as evidence that the prospective employee is "legal." It is the fact that many illegal aliens are aware of this, and obtain forged or counterfeited social security cards—said to be available for about $50 "on the street"—in order to obtain employment. We all know that many of the jobs they take are jobs that might otherwise have been filled by American citizens and legal immigrants.

Let me repeat. I do not condone this use of the social security card. But in view of its widening use for this and other purposes, the Government that issues it has a responsibility to discourage its counterfeiting and forgery. That is what this bill would do: make it a Federal crime, punishable by up to 5 years imprisonment, to counterfeit or alter a social security card.

I do not contend that this proposal is anything more than a small part of the large effort that is needed to solve the

problem of illegal immigration, and of illegal aliens competing for jobs with citizens and legal residents. As my colleagues know, many of these issues will be addressed when the Select Commission on Immigration and Refugee Policy submits its findings and recommendations to Congress. Until then, however, adoption of this legislation would correct a serious omission in the law and indicate the seriousness with which the Federal Government regards one of its most frequently issued and widely used documents: that little blue and white social security card that most people carry around with them.

I urge my colleagues to support this legislation.●

By Mr. MATHIAS (for himself and Mr. BAUCUS):

S. 180. A bill to establish within the National Aeronautics and Space Administration a comprehensive program of automotive research and technology development, and for other purposes; to the Committee on Commerce, Science, and Transportation.

NATIONAL AUTOMOTIVE RESEARCH ACT OF 1981

● Mr. MATHIAS. Mr. President, I am pleased to introduce S. 180, the National Automotive Research Act of 1981.

This bill addresses one of the most important and severe problems facing our country today. As we all know, the United States currently imports almost half the oil it uses. Time and time again we have been told that the quickest and most effective way to end our reliance on unstable foreign sources of oil is by conserving the supplies that we have. Since 90 percent of our imported oil is consumed by the transportation sector of our economy, it is clear that oil conservation efforts in our country must begin with the most popular means of transportation, the automobile.

Today, 90 percent of personal travel is by automobile, and more than 80 percent of U.S. households own one or more cars. Moreover, motor vehicles account for about 35 percent of the total U.S. consumption of oil.

Despite these facts, the Federal Government has not yet taken the necessary steps to encourage the dramatic breakthrough in automotive fuel efficiency that we desperately need to spur an effective conservation program. On their own, private automakers have not been able to fill this gap. As a matter of fact, they are currently spending 90 percent of their research and development funds to meet federally-mandated 1985 mileage guidelines. Their attention is devoted to meeting various short-term standards in the areas of increased fuel efficiency, decreased emissions, and better safety and reliability.

Faced with these deadlines, American automakers not unnaturally have adopted a low-risk approach to the development and application of new technology. Potentially better ideas are put off because of the high risk involved. My bill would help solve this problem.

"Technology pull," as opposed to "regulatory push," should be the chief Government strategy in achieving technological advances in automotive fuel efficiency. Regulation should be used sparingly and only when socially desired goals are not being met by free market forces.

The National Automotive Research Act would launch this much needed conservation effort by establishing a major cooperative program through which the three distinct areas of automotive fuel expertise—in the Government, in the universities, and in the auto industry—could work together to create a much more fuel efficient car in the 1980's than will otherwise be possible.

This cooperative program has two major aspects:

It gives NASA the responsibility for basic research and technology development on automotive fuel efficiency; and

It assigns to NASA the lead-agency responsibility for coordinating all Federal automotive research and development activities.

This shift in authority for federal automotive fuel research includes the transfer of all funds and personnel currently involved in automotive research from their present agencies to NASA. The result would be a crash program under which NASA would undertake basic research and development which could be used by the auto companies on a voluntary basis.

NASA is the logical Federal agency to handle automotive research and development. It has a proven track record of successfully managing high technology research and development programs. Even the Department of Energy has recognized NASA's expertise in this area, and at present subcontracts 60 percent of its automotive fuel research to NASA.

An even more important persuasive argument for this proposal is NASA's record of working in close cooperation with American industry. The auto companies are reluctant to work with the Federal agencies currently involved in automotive research for obvious reasons. Those agencies, including the Department of Energy, the Department of Transportation, and the National Highway Traffic Safety Administration, are primarily regulatory bodies, and the industry is apprehensive about the regulations which might result from their research.

For the Federal automotive research and development program to be a success, we must assign it to an agency with both the technical competence to work as an equal with the auto companies and the ability to work cooperatively with private industry unencumbered by a history of discord. Based on the record, the one agency that fits this description is NASA.

The relationship between NASA and the auto industry is free of the conflicts which characterize most Government agency-auto industry relationships. NASA has not had any regulatory responsibilities in the past and this bill would not change that. Auto fuel research which supports rulemaking activities would remain with the regulatory agencies along with the funds and personnel committed to those functions. Thus, NASA would be free to work closely with the auto companies in a cooperative, voluntary effort to improve our present automotive fuel technology.

I can assure my colleagues that assigning the responsibility for automotive fuel research to NASA will not interfere with the successful completion of NASA's primary mission, the Space Shuttle. The money for the automotive research and development program will not come out of NASA's budget nor will the project be assigned to the same scientists who are working on the Shuttle.

My bill would make money available partly through a transfer of funds from the agencies that have been working on automotive fuel research whose efforts would be taken over by NASA and partly from the windfall profit tax fund or general tax revenues. Some of the staff assigned to this project would also come from the agencies which have been working on fuel research, but the majority would be NASA scientists who are not working on the Shuttle. Many NASA scientists, including experts who specialize in the basic research needed in the energy field, have completed their work on the Space Shuttle and have the necessary time and talents to devote to the automotive fuel research program. In addition, it is anticipated that 1,000 to 2,000 new positions will eventually be needed to properly manage this new program. The total cost of this program will run about $475 million during the first 3 years of its existence.

I realize that this seems to be a very large sum of money to commit to a new program in these difficult economic times. But considering the alternatives, this money will be a wise and crucial investment in both our economic and energy future.

Let me give you an example. In the 4 years 1977 through 1980, our refiners experienced a 21.6 percent annual rate of increase in their acquisition costs of imported oil. In 1980 alone it is estimated that the United States will lay out $85.7 billion for foreign oil. Hypothetically, if this same rate continues through 1990, we will spend $603.4 billion in 1990 for oil from other countries. That would be a 600-percent increase. Now the chances of that happening are slim. A realistic projection calls for a 170-percent increase in the refiners acquisition costs of imported oil, bringing our expenditures to $230 billion in 1990. Although that certainly is an improvement over a 600-percent increase, it seems to me that sending that much money out of this country is totally unacceptable.

So you see, spending $474 million on a program to reduce the economic hardship our dependence on oil has brought is far preferable to sending billions of dollars out of this country every year. This program would more than pay for itself, and will serve us in good stead in the future. It is indeed a sound investment.

Many of the Federal Government's energy research efforts have been characterized by confusion and conflict with the private industries involved. The passage of this legislation would be a big

step towards eliminating these problems in the area of automotive fuel research.

Two summers ago when the American people were sitting in lines at gas stations across the country, West German Chancellor, Helmut Schmidt, speaking in the Bundestag, appealed to Germany's auto industry to introduce cars with lower fuel consumption. The automakers could accomplish the job in less than 18 months, he said, and would "take a leading international position in the area."

That is the kind of talk that makes sense in an industrial society. The shift to energy-efficient cars is absolutely inevitable. What is not inevitable, and what we should avoid at all cost, is the shift to energy-efficient foreign cars, because that means American jobs. But if we do not help Detroit come up with viable alternatives, that shift will be inevitable. This Act would help revitalize the American auto industry, which accounts for almost 5 percent of the total work force of the United States.

The automaker who comes up first with a car that gets 50 to 75 miles a gallon will corner the world market. I want that automaker to be American. That is why I want to get NASA into the act.

Once the decision was made to send a man to the moon, it only took 9 years to accomplish that "giant step for mankind."

Once we make up our minds to kick energy dependence, the future will be ours to command. Passage of this bill will take us a long way toward that goal.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 180

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "National Automotive Research Act of 1981".

DECLARATION OF PURPOSE

SEC. 2. The purpose of this Act is to establish, within the National Aeronautics and Space Administration, the lead agency responsibility for a comprehensive program to advance the state of automotive technology. Such program shall involve the capabilities of other Government laboratories, private industry, and institutions of higher learning.

AMENDMENTS TO THE NATIONAL AERONAUTICS AND SPACE ACT

SEC. 3. (a) Section 102 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2451) is amended—

(1) by striking out "subsections (a), (b), (c), (d), (e), and (f)" in subsection (g) and inserting in lieu thereof "this section";

(2) by redesignating subsection (g) as subsection (h); and

(3) by inserting after subsection (f) the following new subsection:

"(g) The Congress declares that the general welfare of the United States requires that the unique competence of the National Aeronautics and Space Administration be directed to automotive research and technology development activities. Such activities shall be conducted so as to contribute to the objectives of increased fuel efficiency, safety, and reliability; decreased dependence on foreign petroleum; reductions in adverse environmental effects; conservation of scarce resources; enhanced personal mobility, at reasonable cost; and improvements in the international competitive position of American automotive products.".

(b) Section 103 of such Act (42 U.S.C. 2452) is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(3) the term 'automotive research and technology development' means efforts to expand fundamental knowledge related to motor vehicles, devise new component and system concepts, and develop experimental components, subsystems, and vehicles when necessary to verify such concepts.".

(c) Section 203(b) of such Act (42 U.S.C. 2473) is amended by adding at the end thereof the following new paragraph:

"(3) The Administration shall plan, direct, and conduct automotive research and technology development activities using, to the maximum extent possible consistent with good management practice and the responsibility to achieve program objectives, the capabilities of other Government laboratories, private industry, and institutions of higher learning."

TRANSFER OF FUNCTIONS

SEC. 4. There shall be transferred to and vested in the National Aeronautics and Space Administration, within two years after the date of the enactment of this Act, in accordance with regulations prescribed by the Director of the Office of Management and Budget, all automotive research and technology development activities currently being conducted by other Federal departments and agencies, along with so much of the positions, personnel, property, and funds of such other Federal departments and agencies as the Administrator of the National Aeronautics and Space Administration, in consultation with the heads of such other Federal departments and agencies, shall recommend to the Director of the Office of Management and Budget, except such research and development activities as are authorized to be carried out by any other Federal officer which are necessary for the support of the rulemaking responsibility of such officer.

COMPREHENSIVE PROGRAM MANAGEMENT PLAN

SEC. 5. (a) The Administrator is authorized and directed to prepare a comprehensive program management plan for the conduct under this Act of research and technology development activities. Such plan shall include a report of progress and further plans for carrying out the provisions of section 4 of this Act.

(b) The Administrator shall transmit the comprehensive program management plan to the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate within one hundred and twenty days after the date of enactment of this Act.

(c) Concurrently with the submission of the Presidents annual budget to the Congress for each year after the year in which the comprehensive plan is initially transmitted under subsection (b), the Administrator shall transmit to the Congress a detailed description of the comprehensive plan as then in effect, setting forth the modifications which may be necessary to appropriately revise such plan and any changes in circumstances which may have occurred since the plan or the last previous modification thereof was transmitted in accordance with this section. The detailed description of the comprehensive plan under this subsection shall include (but need not be limited to) a statement setting forth any changes in—

(1) the anticipated research and technology development objectives to be achieved by the program including detailed milestone goals to be achieved during the next fiscal year;

(2) the management structure, arrangements for interagency, industry, and university coordination and cooperation, and plans for participation of outside advisory groups; and

(3) the content, total estimated cost, and schedule of individual program items.

MISCELLANEOUS PROVISIONS

SEC. 6. (a) Sections 206(a), 305(c), and 306(a) of the National Aeronautics and Space Act of 1958 are each amended by inserting "or automative activities" after "space activities"; and section 203(c)(3) of such Act is amended by inserting "automotive vehicles," after "space vehicles,".

(b) Paragraph 15 of section 5316 of title 5, United States Code, is amended by striking out "(7)" and inserting in lieu thereof "(8)".

(c) There are authorized to be appropriated to the Administrator of the National Aeronautics and Space Administration, to carry out the amendments made by this Act, the sum of $28,000,000 for the fiscal year 1982, the sum of $112,000,000 for the fiscal year 1983, the sum of $336,000,000 for the fiscal year 1984, and such sums as may hereafter be provided for in annual authorization Acts for the fiscal year 1985 and subsequent fiscal years.●

By Mr. CRANSTON:

S. 181. A bill to provide for the extension of the authorization of appropriations for the Head Start program; to the Committee on Labor and Human Resources.

HEAD START EXTENSION ACT OF 1981

Mr. CRANSTON. Mr. President, I am pleased to introduce S. 181, a bill to extend until 1986, the authorization of appropriations for the Head Start program at such sums as may be necessary. As the chairman during the 95th and 96th Congresses of the Child and Human Development Subcommittee of the Labor and Human Resources Committee and as the author of the provisions of the 1978 legislation extending the authorization of appropriations for the Head Start program, I am deeply committed to seeing this program continued and strengthened.

Mr. President, I can say without the slightest hesitation that Head Start is one of the most effective and most vital social programs supported by the Federal Government. The numerous evaluations of the Head Start have demonstrated beyond any reasoned doubt that Head Start has been a resounding success; this is truly a program that works and makes a real difference in the lives of low-income children and their families. Last year we celebrated the 15th anniversary of this remarkable program which has served over 7.5 million children since its inception in 1965. I am proud to have been involved in legislation affecting this program since I began my service in the U.S. Senate. The Head Start program has consistently enjoyed the broad bipartisan support it merits, and I look forward to working with Members on both sides of the aisle in moving forward with legislation to extend the authorization of appropriations, which expires in October of this year.

HISTORY OF THE HEAD START PROGRAM

Mr. President, the Head Start program was envisioned in the early 1960's as an effort to overcome early childhood handicaps faced by children from families living in poverty. In a report which became the basis for the Head Start program, Dr. Robert Cooke, then pediatrician-in-chief of Johns Hopkins Hospital and chairman of a panel of experts brought together to develop a blueprint for an early childhood development program, stated:

There is considerable evidence that the early years of childhood are the most critical point in the poverty cycle. During these years, the creation of learning patterns, emotional development and formation of individual expectations and aspirations take place at a very rapid pace. For the child of poverty, there are clearly observable deficiencies in these processes, which lay the foundation for a pattern of failure, and thus a pattern of poverty throughout the child's entire life.

The Head Start program was thus designed as an effort to help break the cycle of poverty for young children at a critical time in their lives and provide them with the support and opportunities they need to overcome an impoverished environment. Today, the Head Start program has become synonymous with the concept of innovative preschool child development efforts. It is a program which has had a profound and long-term effect upon the lives and futures of millions of impoverished children and their families.

THE HEAD START PROGRAM AND CHILDREN

Mr. President, I would like to describe briefly what the Head Start program does and the children who are served in Head Start programs.

Head Start is a comprehensive preschool program for low-income children primarily between the ages of 3 and 5 years. I want to emphasize the term "comprehensive" because the tremendous success of Head Start lies in the fact that it is not simply a preschool program.

It is a comprehensive program that focuses upon the entire development of a child. It is not focused solely upon educational development of the children enrolled, but their health and social needs as well. Head Start recognizes that healthy physical, cognitive, and social aspects of the development of a child are interdependent and that efforts to improve any aspect of a child's development must be broadly focused upon these interrelated areas. Head Start provides access to health care, adequate nutrition, and social services as well as preschool educational experiences which would not otherwise be available to these children.

Equally important to the success of the Head Start program is the emphasis which is placed upon the participation of parents in Head Start programs. A fundamental principle which underlies the Head Start program is the recognition of the importance of the role of parents in a child's development. Hence, Head Start programs stress parent participation and involvement in both the development and operation of the programs. Finally, the success of Head Start has, to a major extent, been a result of its flexibility and responsiveness to local needs. Although supported almost entirely by Federal funds, Head Start programs are operated and controlled by local grantees and reflect the diverse populations and communities served by the individual programs.

Mr. President, since 1965, Head Start has provided education, social, medical, dental, nutritional, and mental health services to some 7.5 million low-income children and their families throughout the Nation. Currently, 387,500 children participate in 9,200 Head Start centers located in every region of the United States. At least 90 percent of these children come from families below the poverty line, and nearly 12 percent of these children are handicapped. Head Start has grown from a 6- to 8-week summer program to a predominately year-round program; 65 percent of the programs are urban and 35 percent are in rural localities. The average cost per child in fiscal year 1980 was approximately $1,900.

Mr. President, I would like to highlight for my colleagues some of the recent findings on the results of Head Start programs.

EDUCATIONAL IMPACT OF HEAD START

Mr. President, some of the early evaluations of the 6- to 8-week summer Head Start programs which operated in the midsixties suggested that Head Start's educational benefits faded out after children entered elementary school. As I indicated earlier, today virtually all of the Head Start programs operating are full-year programs, operating between 9 to 12 months a year for 6 hours a day. Moreover, in recent years, there has been dramatic evidence compiled from longitudinal studies which has demonstrated the lasting effect that participation in Head Start programs has on children's educational achievement. In a study entitled "Lasting Effects After Preschool," the Consortium for Longitudinal Studies, composed of 12 independent investigators, compared graduates of Head Start and similar programs with a scientifically matched group of low-income children who did not attend Head Start programs. At the time of the follow-up study, the Head Start graduates were between the ages of 9 and 19.

Children who attended Head Start or a similar program were found to be less likely to have been assigned to a special education class and less likely to fail a grade; they scored significantly higher on mathematics achievement tests and tended to score higher on reading tests as well.

Graduates of Head Start and similar programs showed stronger achievement orientation and rated themselves better students than did the control children, even 5 to 15 years after the preschool experience. Mr. President, the results of these longitudinal studies are reinforced by a review of Head Start research since 1969 prepared by the Social Research Group at George Washington University. This comprehensive review of the findings of hundreds of studies and research projects involving Head Start children confirmed the positive impact Head Start has on the cognitive development of low-income children who participated. This review found that the majority of studies showed improved performance on standardized tests of intelligence or general ability, fewer grade retentions and special class placements for Head Start graduates, and improved reading and academic achievement.

The General Accounting Office, in its 1979 report, "Early Childhood and Family Development Programs Improve the Quality of Life for Low-Income Families," reached similar conclusions about the positive results of these programs.

Mr. President, the cost effectiveness of the Head Start program can be demonstrated solely on the basis of the reduced need for special education classes for Head Start graduates. A report prepared as part of the 15th anniversary of the program suggests that when the benefits of Head Start are weighed against such things as the reduced cost of special education, Head Start's benefits outweigh its costs by 236 percent. The GAO report also concluded that effective early childhood education programs can reduce problems contributing to educational and health deficiencies in young children that are expensive and difficult to overcome in later years, can reduce long-term dependency on public assistance, and can promote self-sufficiency.

IMPACT OF HEAD START PROGRAMS ON HEALTH

Mr. President, as I indicated earlier, the physical development of a young child has a profound and close relationship to the child's overall development. One of Head Start's tremendous strengths is the recognition of this interrelationship; hence, Head Start programs have placed a major emphasis on the health of the children enrolled. The programs have stressed preventive health care, including vaccinations, teaching of good nutritional habits, and medical and dental screening.

Recent data confirm that participation in Head Start programs has a significant impact on the health of the children enrolled; 82 percent of the children enrolled nationwide in Head Start had been medically screened in 1979, and 90 percent of those children in Head Start identified as needing treatment had received treatment. Head Start children received immunization at a rate 20 percent higher than the national average among low-income children; 67 percent of Head Start children received dental examination in 1979, and 88 percent of those identified as needing treatment received it through Head Start.

Mr. President, the statistics I have just recited can be contrasted dramatically with the health services generally available to low-income children. Nationally, one in seven children get virtually no health care. One in three American children has never been to a dentist. Almost 40 percent of children aged 1 to 4 have not been fully immunized against polio, measles, or rubella; almost 50 percent have not been immunized against mumps; and almost two-thirds have not been immunized against diphtheria, pertussis, and tetanus. Head Start's record in the area of health care services has

been one of its most important contributions.

Mr. President, the cost-savings resulting from the preventive health measures available to Head Start children have been well documented. The medical screening, immunization, and improved nutritional practices that have been an integral part of the Head Start program pay off in the prevention of long-term and debilitating health problems. It is unfortunate that these services are available to so few low-income children.

PARENTAL PARTICIPATION

Mr. President, there are many individuals who feel that the key to success of the Head Start program has been the emphasis placed upon parental participation. Head Start programs are aimed at reinforcing the ability and responsibility of parents to foster children's development. Parents participate in Head Start activities as paid employees, volunteers, and observers, and they play a central role in decisionmaking about the program. The participation of parents in Head Start programs has been extraordinary by every index—national data indicate that for every 15 children enrolled in the program, 10 Head Start parents provide volunteer services in the program.

This extraordinary level of parental participation has had two important consequences: First, parental participation in the Head Start program appears to have long-term impact upon parental attitudes and interest in a child's educational development beyond the preschool years. Many studies have found that Head Start parents allow their children to help more with household tasks, that Head Start parents read to their preschool children more, and that they show more interest in the development of their children's reading and writing skills. Participation in Head Start increases parents' verbal communication and praise of their children, and 82 percent of Head Start graduates' parents surveyed report going to their child's elementary school to meet and talk with their child's teacher.

Second, participation in Head Start programs provides important benefits for the parents themselves. Not only do the vast majority of Head Start parents become directly involved in Head Start programs, but research has also shown that nearly half continued to serve on other community organizations years after their Head Start experience. Head Start also increases parents' confidence in their own childrearing abilities and enhances their own career development achievements; 12,000 Head Start parents have received college training for credit through the Head Start program, and well over 1,000 have received A.A. or B.A. degree. Some even have achieved advanced degrees.

In sum, participation in Head Start clearly has a most positive impact on the families of the children enrolled in the program—an impact that lasts long past the preschool years for all concerned.

IMPACT OF INFLATION UPON HEAD START PROGRAMS

Mr. President, before concluding my remarks, I want to raise one caution. Despite the overwhelming success of the Head Start program during its 15 years, it remains highly vulnerable because of both the impact of inflation and the limited resources available to it. Although appropriations for Head Start have increased steadily over the past 15 years, they have never allowed the program to serve more than 20 percent of the eligible children. In 1978, the Head Start program received its first substantial increase in appropriations in a number of years. This increase went primarily into a long overdue expansion in States—such as California—which had previously been underfunded; 62,000 children were added to the program in these 23 States. The other States received only 6-percent cost-of-living increases—well below the inflation rate. Last year, the average increase received by individual Head Start programs was 8.1 percent—while the official CPI rate was 12.1 percent.

As a result, programs in some States have been forced to cut back the hours of the programs, the staffing and other services. Nationally, the child-to-staff ratio—a critical factor in the effectiveness of the program—has been growing. For each teacher or parent aide in the Head Start program, there are now twice as many children as there were at Head Start's inception 15 years ago. Given the 12-percent Head Start enrollment of handicapped children, Head Start programs are now functioning not only with less staff for more children, but also with more children with special needs with less staff.

The average Head Start teacher's salary is $6,865, a figure that contributes to an increasing staff turnover problem. In 1972, Head Start staff turnover was 15-percent annually; today, it is estimated to be in excess of 20 percent. Excessive staff turnover disrupts a child's continuity of care and increases staff training costs at a time when every dollar is needed for program operation.

Inflation has also increased the transportation costs for Head Start programs. Some grantees have been forced to narrow the geographic areas which they serve with the result that some of the rural and isolated families who most need Head Start are likely to be denied services.

I hope, Mr. President, that in the next few years the gains made by Head Start for the lives of low-income children are not eroded because of our failure to provide adequate funding for this program. This would be a tragic loss—for our Nation and for hundreds of thousands of young children who can benefit from this program.

CALIFORNIA HEAD START PROGRAMS

Mr. President, I would like to touch briefly upon the Head Start programs in my own State. There are presently approximately 26,000 California children enrolled in some 479 Head Start centers throughout the State.

As I have noted, prior to 1978, California was one of the States that had been seriously underfunded in relation to its number of low-income children. In 1977, there were only 13,000 children enrolled in Head Start programs in California. This represented less than 11 percent of the eligible children statewide.

Today, with approximately 20 percent of the eligible children in California enrolled in Head Start programs, California's share is far more equitable than before the 1978 amendments which targeted expansion funds toward those States which had been previously underfunded in proportion to their number of eligible children. I was deeply involved in the development in 1978 of a more equitable formula for distribution of these funds, and I am pleased that we have been able to make so much progress in the past several years in achieving a more equitable allocation of Head Start funds throughout the Nation.

Despite the expansion of Head Start programs in my own State and throughout the country, I believe it is tragic that four out of five low-income children who are eligible for Head Start services both in California and nationwide do not have access to these programs. We can and should do better.

CONCLUSION

Mr. President, there has been a great deal of discussion in recent months about the need to eliminate ineffective social programs and programs that have outlived their usefulness. There is much validity to some of the concerns that have been raised in this context. However, Head Start is not one of these programs; it stands out as a "successful" social program. It has withstood the test of time, and its success has been documented and measured repeatedly.

Mr. President, Head Start works. It makes a real difference in the lives of poor children. It is a program that deserves and has earned the full and vigorous support of every Member of this body.

Mr. President, I ask unanimous consent that the text of the bill and a recent editorial from the New York Times expressing this view be printed in the RECORD.

There being no objection, the bill and the editorial were ordered to be printed in the RECORD, as follows:

S. 181

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Head Start Extension Act of 1981".

SEC. 2. Section 512 of the Economic Opportunity Act of 1964 (42 U.S.C. 2928a) is amended by striking out "1981" and inserting in lieu thereof "1986".

ABSORBING THE HEAD START LESSON

As the nation plans the necessary assault on inflation, conservatives are no longer alone in their willingness to cut some social spending. But that is no reason to pretend that some of the medicine will not be bitter. What a society should do and what it can afford to do are not always in harmony. It is reckless, however, to accept the sweeping claims that government is not competent to address social ills.

The inspiration for this caution comes from Ypsilanti, Mich., where a respected study of a preschool program resembling Head Start has shown again that this kind of social program, at least, can be a sound investment. The evaluation, financed by the Carnegie Corporation, found that children who had once taken part in preschool programs turned out to be superior students, better motivated and more law-abiding than comparable children who had not participated in such programs. And the effects lasted well into junior high school.

The Ypsilanti preschool program, begun in 1962, was one of several pioneering attempts to measure the effects of early intervention in the academic lives of poor children. Those chosen were considered to be barely educable, even mildly retarded. All came from backgrounds that might have destined them to become disruptive students, dropouts, delinquents.

The gains were dramatic and durable. At age 15, the youngsters scored a grade or more above nonparticipating peers in English and math. Only half as many needed to be placed in special classes for slow learners. They were more willing to work after school, more interested in going to college and less likely to be troublemakers, in school or out. These Carnegie findings are not an aberration; a Cornell University study last year reported similar results.

Plainly, such programs mean a great deal to the children. In that sense, they "work." But they may also be a sound investment in the larger economy. Preschool education, by reducing the need for special catch-up classes later, appears to cut schooling costs in half. The participants' greater success in life can yield other social benefits: higher productivity and tax collections, and lower state costs for support and law enforcement.

Whatever the fiscal imperatives now, these studies make clear that all social programs do not deserve their current reputations. Thoughtful budget cutters will thus always look beyond the next fiscal year. And a close look at the benefits of preschool education should remind them of the very high cost of neglect.

By Mr. DOLE:

S. 186. A bill to provide financial assistance to the States to undertake comprehensive criminal justice construction programs to improve the criminal justice system of the States, to provide that the Secretary of the Treasury is authorized to make interest subsidy payments on criminal justice facility construction bonds, and for other purposes; to the Committee on the Judiciary.

CRIMINAL JUSTICE CONSTRUCTION REFORM ACT

● Mr. DOLE. Mr. President, on November 18, 1980, I introduced legislation. S. 3209, that would establish a Federal program of assistance to State and local criminal justice agencies for planning and construction of police headquarters, courts, and other criminal justice facilities.

The Judiciary Committee held hearings on the need for congressional action pertaining to criminal justice. My proposal was the subject of extensive testimony at these hearings. During those hearings the American Correctional Association, the International Association of Chiefs of Police, and the U.S. Conference of Mayors offered their endorsement of S. 3209.

The former Director of the National Clearinghouse for Criminal Justice Planning and Architecture, Frederic Moyer, has stated:

S. 3209 is exactly the kind of initiative which is required. Lacking the provisions for funding and standards compliance which (S. 3209) proposes, the conditions of criminal justice facilities can only be expected to deteriorate further and the proper and efficient administration of justice denied throughout the United States.

FUNDAMENTAL CHANGE

Mr. President, as the inmate population of this country continues to swell, the availability of cells to hold these prisoners remains scarce. Increasingly, two or three inmates are squeezed into small cells designed for one. Last February the New Mexico Penitentiary was the scene of an unprecedented rampage of killing. It was built to house 800 inmates, it now houses 1,136. Chief Justice Warren Burger recently stated that the riots at the New Mexico State Penitentiary reaffirm the fact that—

Our criminal justice system is in need of fundamental change; specifically, we must focus more attention on the conditions of incarcerated persons.

The New Mexico Penitentiary is typical of American prisons, which generally are underfunded, understaffed, and filled far beyond capacity. In some prisons two or more inmates are housed in single-man cells, bunks are lined up side-by-side in the dormitories and some men sleep on the floor because of the crowded conditions. Stabbings and rapes occur with garish frequency. Guards are ill paid. Medical treatment is inadequate. There are not enough prison jobs or classes so most of the prisoners are idle for hours on end.

This kind of overcrowding aggravates the long-time problem of ex-convicts committing new crimes. Dehumanizing, unsafe, unsanitary conditions can only serve to deter inmates from having any respect for the justice system.

Mr. President, I send to the desk a bill that I am introducing that addresses the problems that exist in our Nation's jails and prisons. Additionally, this legislation is designed to improve rural courthouses, detention centers, halfway houses, reformatories, workfarms, and community-based facilities as well as police facilities.

The primary purpose of this bill is to provide technical and financial assistance to the State and local governments to undertake comprehensive criminal justice construction programs to improve the criminal justice system of the States.

Under S. 186 a Criminal Justice Facilities Administration would be established within the Department of Justice to make grants to the State and local governments for the construction and modernization of criminal justice facilities. In making grants to a State, the Administrator will take into account the population of the State and the volume of criminal justice activity. To insure that this Agency operates smoothly, the administration will prepare and submit an annual report to the President, for transmittal to Congress on the activities and programs of the administration.

STATE PLANS

A State will be required to submit a State plan for a 7-year period. The plan will set forth a comprehensive statewide program for the construction and modernization of criminal justice facilities within the State. The State plan will include innovations and advanced techniques in the design of such facilities.

This legislation requires States to submit plans to modernize prison industries and work release programs. Additionally, to the extent that it is permissible under State law, convict labor could be used in projects that are funded by S. 186.

HISTORIC PRESERVATION

Many criminal justice facilities have historic significance although some have been allowed to deteriorate and are in various States of disrepair. Since these buildings are important landmarks that are vital to the identity of the State and our Nation's sense of history, S. 186 will encourage State plans to include the renovation and remodeling of these kinds of facilities, particularly county courthouses.

DUAL PURPOSE

Today many school buildings are not being used because they were built for an era when Americans had larger families. With today's trend toward smaller families, there is a lack of students to fill these schools. To prevent this kind of wasted resource, S. 186 provides that to the extent practical criminal justice facilities be designed so that they could be used for other criminal justice purposes if they are no longer used for the specific purpose for which they were built. The dual purpose concept has particular relevance in the design of neighborhood justice centers and station houses for law enforcement personnel.

Mr. President, it is important to note that the Federal funds that are made available under this bill are not designed to supplant State or local funds, but are intended to be used to increase the amounts of funds that generally are available for the construction and renovation of criminal justice facilities in the State.

Whenever more than $500,000 is spent on the construction or modernization of a criminal justice facility under criminal justice statutes that are presently in existence, the construction shall be consistent with the State master plan. The Senator from Kansas believes that this provision will prevent government waste by requiring a unified Federal effort in a particular State.

DEMONSTRATION GRANTS

The Administrator of the criminal justice facilities shall have the authority to make demonstration grants to the States. The demonstration grants would be designed to test the applicability of advanced practices to the design, construction, and modernization of criminal justice facilities. These demonstration grants can also be used to test the need for the construction and modernization of criminal justice facilities.

CLEARINGHOUSE

Mr. President, a clearinghouse on the construction and modernization of criminal justice facilities will be established under this legislation. The clearinghouse will collect information pertaining to the construction and modernization of criminal justice facilities together with explanations of how the construction pro-

gram can be used to improve the administration of the criminal justice system within each State. This information would be disseminated to architects, planners, and public officials interested in construction and modernization of criminal justice facilities.

CRIMINAL JUSTICE DEVELOPMENT BONDS

In an effort to generate additional funds for the construction and modernization of prison facilities, State and local agencies will be able to make bonds available. The Senator from Kansas has studied the various tax advantages that these development bonds will present to investors and it is hoped that these bonds will result in increased funding for construction and modernization projects.

REALITY

Mr. President, the Senator from Kansas has suggested two funding sources for this legislation, revenue bonds and a direct Federal appropriation of $6.5 billion over 7 years. It is my intention to offer these funding proposals in an effort to get Congress moving in this area.

In light of the top priority given by the incoming administration to cutting taxes and balancing the Federal budget, it is not the Senator from Kansas' belief that funds will be made available in the budget for the immediate, full-scale implementation of this proposal. However, S. 186 is designed to serve as a catalyst for discussing between Members of Congress and representatives from criminal justice agencies and interested groups. It is imperative that this dialog begin as soon as possible since there is an urgent need for concerted action in this area. This need is underscored by the fact that courts have already mandated the construction of an estimated $3 billion for prison facilities to replace or upgrade facilities that fail to meet constitutional standards. This figure will increase sharply with the implementation of legislation passed by Congress that grants the Department of Justice broad new authority to institute lawsuits against State and local agencies over alleged deprivation of rights of inmates residing in State owned, operated, or controlled facilities. Presently, in too many jurisdictions, funds are not available for construction, even if mandated by the courts.

What I do suggest is that this bill could serve as a vehicle for drawing attention to the critical shortfall in funding for criminal justice construction, a shortfall that grows worse with each passing day. Reformers who call for determinate sentencing legislation must also face hard reality that the net effect is to fill the corrections system to the overflowing mark.

Hopefully Congress will face the hard choice this year and seek to reorder national priorities to deal with these pressing needs.

Mr. President, I ask unanimous consent that S. 186 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 186

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Criminal Justice Construction Reform Act".

TITLE I—FINDINGS AND DEFINITIONS

DECLARATION OF POLICY

SEC. 101. The Congress finds that—

(1) the amount of criminal justice activity within the States continues to increase;

(2) the physical plants and institutions serving State and local criminal justice are becoming increasingly overloaded and obsolete;

(3) a relatively small amount of State and local resources are available to modernize, assist, replace, upgrade, and expand criminal justice facilities;

(4) in the case of correctional facilities many inmates are being housed in conditions which fail to meet the constitutional tests for humane treatment;

(5) court facilities particularly at the county level are well over 100 years old and are in desperate need of restoration, preservation, or replacement;

(6) police training and operational facilities are often obsolete or inadequate;

(7) a relatively small amount of Federal financial assistance has been made available for the construction or improvement of criminal justice facilities in contrast to a large amount of Federal financial assistance for other public institutions such as hospitals, sewage treatment systems, highways, airports, institutions of higher education, parks, and public works of all kinds, such as dams and oil conservation projects:

(8) some of the construction for criminal justice facilities is obsolete before the construction is completed, and other construction of criminal justice facilities does not follow advanced practices for the design and suitability of such facilities;

(9) State and local resources applied to the construction and improvement of criminal justice facilities are grossly inadequate and in some instances are just not available;

(10) Federal financial assistance from a variety of sources available for the construction improvement of criminal justice facilities have been made available without comprehensive planning designed to determine the relevance of the facilities to criminal justice needs to future crime trends or population projections; and

(11) the quality, efficiency, effectiveness, and dignity of justice has been severely affected by the lack of adequate resources for the construction and improvement of criminal justice facilities.

DEFINITIONS

SEC. 102. As used in this Act—

(1) The term "Administration" means the Criminal Justice Facilities Administration.

(2) The term "Administrator" means the Administrator of the Criminal Justice Facilities Administration.

(3) The term "correctional facility" means any prison, jail, reformatory, workfarm, detention center, pretrial detention facility, community-based correctional facility, halfway house, or other institution designed for the confinement or rehabilitation of individuals charged with or convicted of any criminal offense, including juvenile offenders.

(4) The term "construction" includes the preparation of drawings and specifications for criminal justice facilities; erecting, building, acquiring, altering, remodeling, improving, or extending such facilities; and the inspection and supervision of the construction of such facilities. The term does not include interest in land or off-site improvements.

(5) The term "criminal justice" means activities pertaining to crime prevention, control, or reduction, or the enforcement of the criminal law, including, but not limited to, (A) police efforts to prevent, control, or reduce crime or to apprehend criminals, including juveniles, (B) activities of courts having criminal jurisdiction, and related agencies (including but not limited to prosecutorial and defender services, juvenile delinquency agencies and pretrial service or release agencies), (C) activities of corrections, probation, or parole authorities and related agencies assisting in the rehabilitation, supervision, and care of criminal offenders, and (D) programs relating to the prevention, control, or reduction of narcotic addiction and juvenile delinquency.

(6) The term "criminal justice facilities" includes—

(A) court facilities;

(B) law enforcement facilities including facilities used for police training;

(C) facilities used for the prosecution of criminal offenses and for public legal defender activities;

(D) facilities used for probation or parole authorities or for preadjudication and post-adjudication of offenders or for the supervision of parolees;

(E) facilities used for juveniles who have been adjudged delinquent or who are neglected juveniles awaiting trial or for juveniles receiving care or treatment;

(F) facilities used for the treatment, prevention, control or reduction of narcotic addiction;

(G) correctional facilities; and

(H) any other facility used for any criminal justice purpose in the State.

(7) The term "facilities" includes any buildings and related facilities, initial equipment, machinery, and utilities necessary or appropriate for the criminal justice purpose for which the particular facility was constructed.

(8) The term "modernization" means any program or project designed to improve the operation of criminal justice facilities in any State including but not limited to projects designed to improve the care of and the rehabilitation of individuals subject to the criminal justice system.

(9) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands.

(10) The term "unit of general local government" means any city, county, township, town, borough parish, village, or other general purpose political subdivision of a State, an Indian tribe which performs law enforcement functions as determined by the Secretary of the Interior, or, for the purpose of assistance eligibility, any agency of the District of Columbia government or the United States Government performing law enforcement functions in and for the District of Columbia.

TITLE II—GRANTS FOR THE CONSTRUCTION AND MODERNIZATION OF CRIMINAL JUSTICE FACILITES

PROGRAM AUTHORIZED

SEC. 201. The Administrator of the Criminal Justice Facilities Administration is authorized to make grants to States in accordance with the provisions of this title for the construction and modernization of criminal justice facilities beginning October 1, 1982, and ending September 30, 1988.

ALLOTMENT

SEC. 202. (a)(1) From the sums appropriated pursuant to section 314 for each fiscal year, the Administrator shall allot not more than 3 per centum thereof among the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands and the Northern Mariana Islands according to their respective needs.

(2) From 85 per centum of the remainder of such sums, the Administrator—

(A) shall allot to each State an amount which bears the same ratio to 50 per centum of such 85 per centum as the number of individuals in such State bears to the number of individuals in all States, and

(B) shall allot to each State an amount which bears the same ratio to 50 per centum of such 85 per centum as the volume of activity of the criminal justice system and the total expenditures on the criminal justice system for that State for the year preceding the year for which the determination is made, determined in accordance with criteria established by the Administrator, bears to the volume of activity of the criminal justice systems and the expenditures on the criminal justice systems for all States.

For the purpose of this paragraph, the term "State" does not include the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands.

(3) The remainder of the sums appropriated pursuant to section 314 shall be used by the Administrator to carry out the provisions of section 206, relating to demonstration grants.

(b) The portion of any State's allotment under subsection (a) for a fiscal year which the Administrator determines will not be required, for the period such allotment is available, for carrying out the purposes of this title shall be available for reallotment from time to time, on such dates during such period as the Administrator may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Administrator estimates such State needs and will be able to use for such period for carrying out such portion of its State application approved under this Act, and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts are not so reduced. Any amount reallotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

(c)(1) The population of a State and of all States shall be determined by the Administrator on the basis of the most satisfactory data available to the Administrator.

(2) The volume and activity of a criminal justice system of a State and the total expenditures of a State and for all States shall be determined by the Administrator after establishing criteria for measuring such volume, activity, and expenditures.

STATE PLANS

SEC. 203. (a) Any State desiring to receive its allotment of Federal funds under this title shall submit a plan for a 7-year period, with such annual revisions as are necessary, which is consistent with such basic criteria as the Administrator may prescribe under section 204. Each such plan shall—

(1) provide for the administration of the plan by a State agency which is generally representative of State agencies and agencies of units of general local government concerned with the criminal justice system in that State;

(2) sets forth a comprehensive statewide program for the construction and modernization of criminal justice facilities within the State;

(3) provide satisfactory assurance that the control of funds granted under this title and title to property derived therefrom shall be in a public agency for the uses and purposes provided in this title and that a public agency will administer such funds and property;

(4) provide assurances that the State agency will pay from non-Federal sources the remaining costs of the program for which application is made;

(5) provide a comprehensive statewide plan for criminal justice programs to be carried out in the facilities for which assistance is sought under this title;

(6) provide assurances that, in order to improve the operation of the criminal justice system within that State, projects assisted under this title will incorporate innovations and advanced techniques in the design of such facilities;

(7) provide assurances that the personnel standards and programs of the institutions and facilities which will be assisted under this title will reflect advanced practices;

(8) provide assurances, in the case of criminal justice facilities that are correctional institutions, that the State will encourage the modernization of prison industry and work release programs to be conducted in facilities assisted under this title;

(9) provide assurances, in the case of any criminal justice facility that is a landmark or has historic significance, that the State will encourage renovation and remodeling of such a facility;

(10) provide assurances that, to the extent practical, criminal justice facilities will be used for other criminal justice purposes if they are no longer used for the specific purpose for which they were built, with particular emphasis upon neighborhood justice centers and substation houses for law enforcement personnel;

(11) provide assurances that the State will, to the extent permitted by State law, encourage the use of convict labor in projects assisted under this title;

(12) provide assurances that the State will take into account the needs and requests of units of general local government in the State and encourage local initiatives in the development of projects for the construction and renovation of criminal justice facilities not assisted under this title;

(13) provide for appropriately balanced allocation of funds between the State and units of general local government within the State and among such units for projects for the construction and modernization of criminal justice facilities;

(14) provide for appropriate review of procedures of actions taken by the State agency disapproving an application for which funds are available or terminating or refusing to continue financial assistance to units of general local government or any combination of such units for assistance under this title;

(15) demonstrate the willingness of the State and any units of general local government to assume the costs of improvements assisted under this title after a reasonable period of Federal assistance;

(16) demonstrate the willingness of the State to contribute technical assistance or services for projects described in the plan and for projects contemplated by units of general local government or combinations of such units contemplated by the plan;

(17) set forth policies and procedures designed to assure that Federal funds made available under this title will be so used as not to supplant State or local funds, but to increase the amounts of such funds that would in the absence of such Federal funds be made available for the construction and renovation of criminal justice facilities in the State;

(18) provide for such fund accounting, auditing, monitoring, and evaluation procedures as may be necessary to assure fiscal control, proper management, and disbursement of funds received under this title; and

(19) provide for the maintenance of such data and information, and for the submission of such reports, in such form and at such time and containing or accompanied by such information as the Administrator may reasonably require.

(b) The Administrator shall approve any State plan and any modification thereof only if—

(1) the State plan, or modification, complies with the requirements set forth in subsection (a); and

(2) the Administrator determines that the program set forth in the State plan contributes to encouraging advanced practices in the administration of criminal justice within the State; and

(3) the State plan or modification contains assurances that all State and local criminal justice officials within the State will cooperate in carrying out the provisions of the plan or modification.

BASIC CRITERIA

SEC. 204. As soon as practicable after enactment of this Act, the Administrator shall, after consultation with the heads of other appropriate Federal agencies, by regulation prescribe basic criteria to be applied by the State agency under section 203. In addition to other matters, such basic criteria shall provide—

(1) the general manner in which the State agency will determine priority of projects based upon (A) the relative needs of the area within such State for criminal justice facilities, (B) the relative ability of the particular public agency in the area to support a program of construction or modernization, and (C) the extent to which the project contributes to an equitable distribution of assistance under this Act within the State; and

(2) general standards of construction and modernization for criminal justice facilities of different classes and in different types of location.

LIMITATION ON OTHER PROGRAMS INVOLVING THE CONSTRUCTION OR MODERNIZATION OF CRIMINAL JUSTICE FACILITIES

SEC. 205. (a) Whenever any project constructed with assistance under an Act set forth in subsection (b) of this section involves the construction or modernization of a criminal justice facility in excess of $500,000 then, notwithstanding any other provision of law, the construction or modernization of such facility shall be—

(1) consistent with the master plan submitted under section 203 of this Act; and

(2) comply with the advanced practices required under clause (7) of such section 203.

(b) The provisions of subsection (a) of this section apply to—

(1) the Public Works and Economic Development Act of 1965,

(2) the Consolidated Farm and Rural Development Act,

(3) title I of the Housing and Community Development Act of 1974,

(4) the National Historic Preservation Act of 1966,

(5) the Omnibus Safe Streets and Crime Control Act of 1968,

(6) the Juvenile Justice and Delinquency Prevention Act of 1974, and

(7) chapter 319 of title 18, United States Code, relating to the National Institute of Corrections.

DEMONSTRATION GRANTS

SEC. 206. (a) From sums reserved pursuant to section 202(a)(3), the Administrator is authorized to make grants and to enter into contracts with States for the conduct of demonstration projects designed to test—

(1) the applicability of advanced practices to the design, construction, and modernization of criminal justice facilities, and

(2) the need for the construction and modernization of criminal justice facilities in order to improve the administration of criminal justice in the States.

(b) No grant may be made and no contract may be entered into under this section unless an application is made to the Administrator at such time, in such manner, and

containing or accompanied by such information as the Administrator may reasonably require.

CLEARINGHOUSE ON THE CONSTRUCTION AND MODERNIZATION OF CRIMINAL JUSTICE FACILITIES

SEC. 207. The Administrator shall establish and operate a clearinghouse on the construction and modernization of criminal justice facilities, which shall collect and disseminate to the public information pertaining to the construction and modernization of criminal justice facilities, together with ways of using the construction program to improve the administration of the criminal justice system within each State. The Administrator is authorized to enter into contracts with public agencies or private organizations to operate the clearinghouse established or designated under this section.

INTEREST SUBSIDY FOR CRIMINAL JUSTICE FACILITY CONSTRUCTION BONDS

SEC. 208. (a) The Secretary of the Treasury is authorized to pay to any State or political subdivision thereof which issues obligations described in section 103(a) of the Internal Revenue Code of 1954 which are issued as part of an issue substantially all of the proceeds of which are to be used to provide criminal justice facilities such amounts as may be necessary to reduce the cost to the issuer of such bonds to a rate of interest not in excess of 5 per centum per annum. Such payments shall be made only upon application of the issuer made in such form, in such manner, and at such time as the Secretary may require.

(b) Payments under subsection (a) may be made in advance, by installment, or in any other manner determined by the Secretary to be appropriate under the circumstances, and may be made on the basis of estimates, if necessary, with corrections in later payments to the extent necessary to compensate for overpayments or underpayments arising out of errors of estimate or otherwise.

(c) There are authorized to be appropriated to the Secretary of the Treasury such sums as may be necessary to carry out the provisions of subsection (a).

(d) The payment, by the Secretary of any amount under subsection (a) to a State or a political subdivision thereof, shall not affect the status of any such obligation under section 103 of such Code, nor shall it cause the interest thereon to be excludable only in part under such section.

TITLE III—ADMINISTRATION PROVISIONS

ESTABLISHMENT OF ADMINISTRATION

SEC. 301. (a) There is established an agency within the Department of Justice to be known as the Criminal Justice Facilities Administration.

(b)(1) The Administration shall be headed by the Administrator who shall be appointed by the President, by and with the advice and consent of the Senate. Under the supervision and direction of the Attorney General the Administrator shall be responsible for the exercise of all of the functions of the Administration and shall have authority and control over all activities and personnel of the Administration.

(2) There shall be in the Administration a Deputy Administrator who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Administrator shall perform such functions as the Administrator may prescribe and shall be acting Administrator during the absence or disability of the Administrator or in the event of a vacancy in the Office of the Administrator.

FUNCTIONS OF THE ADMINISTRATION

SEC. 302. In order to carry out the purposes of this Act, the Administration shall—

(1) make grants to States for the construction and modernization of criminal justice facilities in accordance with title II;

(2) provide for the widest practical and appropriate dissemination of information obtained from the programs and projects assisted under this Act; and

(3) prepare and submit a report to the President, for transmittal to the Congress, at least once each year on the activities and programs of the Administration, together with such recommendations, including legislative recommendations, as the Administrator deems appropriate.

ADMINISTRATIVE PROVISIONS

SEC. 303. (a) The Administrator is authorized, in carrying out his functions under this Act, to—

(1) appoint and fix the compensation of personnel of the Administration;

(2) employ experts and consultants in accordance with section 3109 of title 5, United States Code;

(3) appoint one or more advisory committees composed of such private citizens and officials of Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act;

(4) promulgate such rules, regulations, and procedures as may be necessary to carry out the functions vested in the Administrator or in the Administration, including the establishment of priorities to be applied by each applicant State in implementing its State plan, and delegate authority for the performance of any function to any officer or employee under his direction and supervision;

(5) utilize, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, local, and private agencies and instrumentalities with or without reimbursement therefor;

(6) without regard to section 529 of title 31, United States Code, to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of his functions, with any public agency, or with any person, firm, association, corporation, or educational institution, and make grants to any public agency or private nonprofit organizations;

(7) accept voluntary and uncompensated services, notwithstanding the provisions of section 665(b) of title 31, United States Code;

(8) request such information, data, and reports from any Federal agency as the Director may from time to time require and as may be produced consistent with ohter law; and

(9) arrange with the heads of other Federal agencies for the performance of any of his functions under this title without reimbursement and, with the approval of the President delegate and authorize the reas may be produced consistent with other this Act.

(b) Upon request made by the Administrator each Federal agency is authorized and directed to make its services, equipment, personnel, facilities, and information (including suggestions, estimates and statistics) available to the greatest practicable extent to the Administration in the performance of its functions.

(c) Each member of a committee appointed pursuant to paragraph (3) of subsection (a) of this section shall receive $125 a day, including traveltime, for each day he is engaged in the actual performance of his duties as a member of a committee. Each such member shall also be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of his duties.

STATISTICS AND SURVEYS

SEC. 304. The Administrator is authorized to make grants to or enter into contracts with public agencies, including the Bureau of Justice Statistics of the Department of Justice and the Bureau of the Census of the Department of Commerce, to collect and analyze statistical information concerning the construction and modernization of criminal justice facilities assisted under this Act.

PAYMENTS

SEC. 305. (a) The Administrator shall pay each fiscal year to a State which has a plan approved pursuant to this Act for that fiscal year the Federal share of the cost of carrying out the plan.

(b) The Federal share for each fiscal year shall be 75 per centum of the cost of the State plan.

(c) The Administrator shall pay to each State which has an application approved pursuant to section 206, 75 per centum of the cost of such application.

(d) Payments under this section may be made in installments, in advance, or by way of reimbursement with necessary adjustments on account of overpayments or underpayments.

NONDISCRIMINATION PROVISION

SEC. 306. (a) No person in any State shall on the ground of race, color, religion, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under or denied employment in connection with any programs or activity funded in whole or in part with funds made available under this Act.

(b) The provisions of paragraphs (2) through (4) of section 815(c) of the Omnibus Crime Control and Safe Streets Act of 1968 (as amended by the Justice System Improvement Act of 1979) shall apply to the administration of subsection (a) except that all references to the Office of Justice Assistance, Research, and Statistics shall be construed to be the Administration.

WITHHOLDING

SEC. 307. Whenever the Administrator, after reasonable notice and opportunity for a hearing to any State, finds—

(1) that there has been a failure to comply substantially with any requirement set forth in the plan of that State approved under section 203;

(2) that there has been a failure to comply substantially with any requirement set forth in the application of a locality approved purusant to the State plan; or

(3) that in the operation of any program or project assisted under this Act there is a failure to comply substantially with any applicable provision of this Act;

the Administrator shall notify such State of his findings and that no further payments may be made to such State under this Act (or in his discretion that the State shall not make further payments under this Act to specified localities affected by the failure) until the Administrator is satisfied that there is no longer any such failure to comply, or the noncompliance will be promptly corrected. The Administrator may authorize the continuance of payments with respect to any program or project assisted under this Act which is being carried out pursuant to such State plan and which is not involved in the noncompliance.

RECOVERY OF PAYMENTS

SEC. 308. If within twenty years after completion of any construction for which Federal funds have been paid under this Act—

(1) the owner of the facility shall cease to be a State or local public agency; or

(2) the facility shall cease to be used for the purposes (including any designated alternative purpose specified in the State plan) for which it was constructed, unless

the Administrator determines in accordance with regulations that there is good cause for releasing the applicant or other owner from the obligation to do so;

the United States shall be entitled to recover from the applicant or other owner of the facility an amount which bears to the then value of the facility (or so much thereof as constituted an approved project or projects) the same ratio as the amount of such Federal funds bore to the cost of the facility financed with the aid of such funds. Such value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which the facility is situated.

REVIEW AND AUDIT

SEC. 309. The Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination, to any books, documents, papers, and records of a grant recipient that are pertinent to the grant received.

NONAPPLICATION OF PRISON INDUSTRY PROVISIONS

SEC. 310. (a) The provisions of section 1761 of title 18, United States Code, shall not apply to goods, wares, or merchandise manufactured, produced, or mined by convicts or prisoners participating in a program or project assisted under this Act if the convicts or prisoners—

(1) have, in connection with such work, received wages at a rate which is not less than that paid for work of a similar nature in the locality in which the work was performed, except that such wages may be subject to deductions which shall not, in the aggregate, exceed 80 per centum of gross wages, and shall be limited as follows:

(A) taxes (Federal, State, local);

(B) reasonable charges for room and board as determined by regulations which shall be issued by the Chief State correctional officer;

(C) allocations for support of family pursuant to State statute, court order, or agreement by the offender; and

(D) contributions to any fund established by law to compensate the victims of crime of not more than 20 per centum but not less than 5 per centum of gross wages;

(2) have not solely by their status as offenders, been deprived of the right to participate in benefits made available by the Federal or State government to other individuals on the basis of their employment, such as workmen's compensation, but such convicts or prisoners shall not be qualified to receive any payments for unemployment compensation while incarcerated, notwithstanding any other provision of the law to the contrary; and

(3) have participated in such employment voluntarily and have agreed in advance to the specific deductions made from gross wages pursuant to this section, and all other financial arrangements as a result of participation in such employment.

(b) The first section of the Act entitled "An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes", approved June 30, 1936 (49 Stat. 2036; 41 U.S.C. 35), commonly known as the Walsh-Healey Act, is amended by adding after "section 1761(c) of title 18, United States Code" a comma and the following: "or the provisions of section 309(a) of the Criminal Justice Construction Reform Act".

DONATION OF SURPLUS PROPERTY

SEC. 311. Section 203 of the Federal Property and Administrative Services Act of 1949 is amended by adding at the end thereof the following new subsection:

"(o)(1) The Administrator is authorized, upon the recommendation of the Administrator of the Criminal Justice Construction Administration, to donate surplus property to any State for the construction and modernization of criminal justice facilities assisted under the Criminal Justice Construction Reform Act. Such donation shall be without cost to the State except for the costs of care and handling such property.

"(2) For the purpose of this subsection, the term 'State' has the same meaning as specified in section 3 (9) of the Criminal Justice Construction Reform Act.".

COMPENSATION OF THE ADMINISTRATOR AND THE DEPUTY ADMINISTRATOR

SEC. 312. (a) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"Administrator, Criminal Law Reform Administration.".

(b) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following:

"Deputy Administrator, Criminal Law Reform Administration.".

PROHIBITION

SEC. 313. Nothing contained in this Act shall be construed to authorize the making of any payment under this Act for the construction of facilities as a place of worship or religious instruction.

AUTHORIZATION OF APPROPRIATIONS

SEC. 314. (a) There are authorized to be appropriated $500,000,000 for the fiscal year 1982, and $1,000,000,000 for the fiscal year 1983 and for each of the succeeding fiscal years ending prior to October 1, 1988.

(b) Funds appropriated pursuant to subsection (a) of this section shall remain available until expended.●

By Mr. BIDEN:

S.J. Res. 14. Joint resolution to designate the first day of May of each year as "Freedom Day;" to the Committee on the Judiciary.

FREEDOM DAY

Mr. BIDEN. Mr. President, throughout this country we recognize the first day of May each year as "Law Day."

On May 1 of last year Delaware Supreme Court Justice William T. Quillen addressed the Wilmington Rotary Club on "The Seven Perceptions of Freedom." The American Bar Association recently awarded Judge Quillen the first prize in the "Judge Edward R. Finch Law Day U.S.A. Speech Award" for the talk which was called "thought-provoking, challenging and abreast of the times."

Judge Quillen's address was not the typical Law Day speech, which too often is merely a summary of the power and responsibilities of the law and the respect due the legal profession. Nor did Judge Quillen choose to take what I believe is the easiest of all approaches to discussing the law—reading a litany of criticisms of the legal profession.

Judge Quillen took a step back from his day-to-day involvement with legal issues and viewed the law as an American citizen. He found that the law is nothing more than a tool of individual liberty and freedom.

As Legislators, Judge Quillen reminded us that—

Law is not freedom just as the Church is not God. Law is a means of serving freedom. We lawyers speak too much of the rule of law and not enough of the role of law.

Judge Quillen concluded that we should not recognize the law on "Law Day." Instead, we should examine the importance and meaning of freedom in this country and how the law serves that freedom. He identified "Seven Perceptions of Freedom" which bring perspective into our sometimes narrow view of our privileges and duties as American citizens.

First. Freedom lives. Judge Quillen reminded us that we must never forget the importance of individual liberty in this country and that for much of the world liberty does not exist. He cited President Kennedy's simple and eloquent view that "Freedom has many difficulties and democracy is not perfect. But we have never had to put a wall up to keep our people in, to prevent them from leaving us."

Second. Freedom limits the intrusions of government. Freedom also means being free from unnecessary government intrusion in individual liberty.

Third. Freedom requires citizen control of the mechanism of government. Judge Quillen believes the three branches should perform their traditional constitutional roles unhindered and citizen participation at all levels is essential to insure that those roles are carried out without the burden of unnecessary procedure and bureaucracy.

Fourth. Freedom requires that constitutional rights and powers be exercised with restraint and decency.

Fifth. Freedom, if it is to survive, ironically requires inclination toward considered concensus and personal sacrifice to achieve societal direction.

Sixth. Freedom requires a future. America must act now with an eye to the future to protect our freedoms and assist others who seek freedom.

Seventh. Freedom demands leaders who are articulate spokesmen. All of us in public service must articulate for the American people our common goals and provide a basis for pride in those goals.

Judge Quillen has provided us with important reasons why we should reflect on the meaning of freedom rather than merely the law. I would like to take his suggestion one step further. Today I am introducing legislation to change the designation of May 1 from "Law Day" to "Freedom Day." The issues raised by Judge Quillen are a good basis for discussions which will continue each year on Freedom Day when we reexamine our rights and responsibilities as free Americans. I believe my colleagues will agree with me and work with me on this legislation in the 97th Congress.

Mr. President, I ask unanimous consent that Judge Quillen's speech be printed in the CONGRESSIONAL RECORD.

JUDGE EDWARD R. FINCH LAW DAY U.S.A. SPEECH AWARD: "SEVEN PERCEPTIONS OF FREEDOM"

(Adopted from remarks of William T. Quillen at Wilmington Rotary Club on Law Day, May 1, 1980)

Scene: Lunch, Wilmington Rotary Club, Law Day 1980.

Speaker: A State Supreme Court Justice.

Impression: A distinguished group of reasonably well-to-do Delawareans gathered to pay tribute to a shibboleth of American government. Speaker is expected to say something profound. Not too long.

Result: Rotary members to return to work having made ample sacrifice at the altar of The Law, feeling better.

Sorry. Assuming my ability to ever say something profound, I am not of the disposition either to undertake to educate an audience already sufficiently learned or to artificially plastic coat the incredible troubles abounding in our era. I promise, however, to subject you to a sufficiently long sacrifice so, like Christians doing their bit for God by tolerating the minister on Easter morning, you can return from whence you came with the feeling that you have paid enough Tribute To Law for another year.

As a judge, a lawyer and member of the Executive Committee of the State Bar Association, I confess a dislike for law day. I think it is the regimental title, too authoritarian for my taste and, I think, for America's. It has been said that "law day is a time for the American people to reflect on their rich heritage of law and liberty." Anybody with any sense would know that we ought to emphasize liberty, not law. Or at least we should limit our legal reference to the Bill of Rights which legally guarantees our liberty. So let us move quickly from law to liberty. And since liberty itself is a lawyer word, let us put the proper label on it. Let us call it "Freedom Day," freedom in a Bill of Rights sense. Now, I like Freedom Day. It helps one write a speech or, perhaps more accurately, share some conversation.

That is what I want to do. I want to share with you some vague perceptions, not keen specific insights of a legal professional, but rather general viewings of an American citizen. Since gimmicks help, at the risk of pomposity, let me label these remarks "Seven Perceptions of Freedom".

First, it is appropriate this year, after years of mushy meaninglessness, to remember the origin of Freedom Day. Freedom Day began during the Eisenhower Presidency as a reaction to the Soviet Union's May Day and, along with Captive Nations Week, was designed to compare two governmental systems, the Soviet system and our system. Let us never put that origin on the back burner again. It is a fortunate by-product of great tragedy that the Soviets pointedly remind us at twelve year intervals that there is a difference. How well and indelibly they make their mark. Czechoslovakia, Poland, Afghanistan! Budapest, Prague, Kabul! 1956, 1968, 1980! One is tempted to condemn Satan with superlatives. But in this instance, the names of the countries, the names of the cities, and the dates are enough. Satan condemns himself.

I remember as a first-year law student the feeling of exhilaration I had when the Hungarian Revolution of 1956 was attempted. Freedom fighters, we called them, and, for a moment, it appeared as though a people might possibly regain control of their own destiny. That was I am sure a juvenile and simplistic view but, on a warm fall morning in Cambridge, Massachusetts, a quarter of a century ago, Wilsonian puritanism and Wilsonian innocence and Wilsonian optimism shined bright. We are all sobered by time and experience. But I hope that spirit of exhilaration will be kindled again. We should never forget that in this world of push-button warfare, one man can still make a difference. Witness: Marshal Tito. And, if Freedom Day is to have any meaning, we must never again be encouraged to forget its origin. As John Kennedy said: "Freedom has many difficulties and democracy is not perfect. But we have never had to put a wall up to keep our people in, to prevent them from leaving us."

Perception number one: Freedom lives.

Second, it is "to secure [unalienable] rights, that governments are instituted among men". Law is not freedom just as the church is not God. Law is a means of serving freedom. We lawyers speak too much of the rule of law and not enough of the role of law. Alexis de Tocqueville almost one hundred and fifty years ago foresaw the despotic threat in a democracy. Bear with me:

"For [the people's] happiness, government willingly labors, but it chooses to be the sole agent and the only arbiter of that happiness; it provides for their security, foresees and supplies their necessities, facilitates their pleasures, manages their principal concerns, directs their industry, regulates the descent of property, and subdivides their inheritances: what remains, but to spare them all the care of thinking and all the trouble of living?

"Thus it every day renders the exercise of the free agency of man less useful and less frequent; it circumscribes the will within a narrower range and gradually robs a man of all the uses of himself. The principle of equality has prepared men for these things; it has predisposed men to endure them and often to look on them as benefits."

The truth of these remarks is so biting that it is hard to believe that Tocqueville is not sharing our lunch. One does not have to illustrate the pervasive force of statutory and regulatory law with a current list. He did it. But let me add one illustration that I love. I hope you can relate it to Tocqueville. During the legislative debate on the funding of the establishment of Bellevue State Park, Senator Herman Holloway rose to participate. "I was certainly glad to learn", he said, "that Bellevue will have stables because now all the kids in my neighborhood will have a place to keep their ponies." Those of you who sometimes lament the welfare state should bear in mind that the Bellevue State Parks of this world are basically middle class welfare. Tocqueville was talking about us. We are involved in a matter of balance.

Perception number two: Freedom limits the intrusions of government.

Third, in addition to the oppression from a massive influx of substantive law, our attention must be directed to a threat to freedom due to political procedure and governmental mechanism. Frankly, we have listened to the reformers too much and perhaps joined with them too often. The Madisonian design, two governments (federal and and state) each with three departments (legislative, executive, and judicial) was created so "a double security arises to the rights of the people." It was not designed for the benefit of the officers and the employees of the government. Nor was it designed to paralyze the government from acting in its legitimate sphere of influence.

It is no compliment that we have created a scheme, and I use that word intentionally, to choose a President of the United States that guarantees government paralysis for twenty-five percent of each presidential term. We cannot afford that. Nor can we afford the luxury of governmental paralysis caused by permitting those on the governmental payroll, fast becoming at least a working majority, to set their own numbers, their own pay and their own fringe benefits without external control.

We need true citizen participation. And by that, I include participation at every legislative level, national, state, local, district. We should consider not listening any more to governmental reform proposals which constantly multiply the number of full time legislative positions. We should consider retreating from the professional legislator. I have suggested, perhaps half in jest, to my friends in the General Assembly whether we should ask if the Delaware legislature could operate as well if its numbers were halved, its sessions cut to ninety days, and perhaps its regular meetings limited to every other year. We might even ask if the General Assembly should not limit itself to public evening meetings.

We should question any intrusion of the traditional roles played by the three departments of government. We should preserve to the Executive the power of appointment, to the Legislature the power of the purse, and to the Judiciary the power to determine cases and controversies. Laws are no substitute for citizen control. If we let the reformers continue to impose mushrooming conflict of interest standards as qualifiactions for public service we will wake up and find we have no one who earns a living or receives a dividend qualified to run for office or to accept appointment, and no one in office qualified to vote as a legislator. I am reminded of the sharp tongue of my own Senator, Calvin McCullough, in debate some years ago about an insurance code. He said with all the talk about conflict of interest, perhaps he should not vote because he had a couple of insurance policies himself.

Perception number three: Freedom requires citizen control of the mechanism of government.

Fourth, whenever one speaks of freedom in relation to law, it is necessary to consider the fourth estate, the press. I know of no subject that can generate more heat and less wisdom because there is tendency for both immature public figures and an immature institution to defensively overkill and emphasize only one side of disputes in which they are involved.

I want to make some observations only. I have been struck by two events. The height of President Carter's success was the Camp David accords between Israel and Egypt. You will recall that accomplishment was achieved during a press blackout rather strictly and successfully enforced over a period of many days. The depth of President Carter's term has been the failure to resolve the hostage crisis in Iran. I submit to you that restraint on the part of the press must be self-imposed and that no one should suggest otherwise. But I also submit to you that, without the unprecedented greedy reporting and without the unexcusable reporting extension to anticipate by commentary and characterization prospective positions of the opposing sides in current crisis, the chances are good that the crisis would have been resolved. It is plain that for the Iran government the crisis does not center on fifty Americans. It does not even center on the Shah. It centers on propaganda manipulation and preservation of a shaky regime that could not survive the year without the manufactured straw man of a foreign enemy.

Reporting by nature thrives on conflict, not resolution of conflict. It is not a matter of intention. It is the nature of the beast. TV reporting by nature depends on instantaneous speed at the expense of accuracy and verification. We are obviously going to have to accept by necessity more negotiations of the Camp David style if progress is to be achieved in a volatile world. Progress in delicate matters simply cannot be made when the participants face extemporaneous live TV bombardment by a press that too often has less sophistication than high school journalists covering their high school sports.

But the international crisis in Iran is perhaps bigger than the press and perhaps there is no option for the press. It is obviously not typical. What is more frightening is the typical. It is the ever increasing press tendency to generate conflict when none exists, to substitute for thorough reporting the printing of innuendo to compel a denial, and to have as a leading goal without any public good the destruction of men in positions of prominence. Editorial writers as well as reporters are guilty.

You may have been struck as I was by a Newsweek article suggesting that a Wisconsin Judge's heart attack may have been caused by an unremitting five month attack by a local Wisconsin editor. There is a professionalism that can make judgments concern-

ing the public interest and not profit on the private hardship of individuals, a professionalism that finds it unnecessary to gossip about divorce, alcoholism, and sex for gossip sake alone. A quality life in a free society rests in part on the press that is sophisticated enough to recognize that there is room for decency in the media. In speaking of abuse, I do not mean to single out the press. I am becoming increasingly distressed by the tendency of prosecutors, with broad constitutional power, to try to win their cases, not on the merits, but by multiplying the number of charges warranted by the facts if not the law. Constitutional freedoms, above all, require self-imposed restraint.

Perception number four: Freedom requires that constitutional rights and powers be exercised with restraint and decency.

Fifth, restraint in our society is demanded from all of us. Restraint is difficult to verbalize. Each of us holds dear the right to personal opinion and we certainly claim the right to hold views contrary to those of our government. But a democratic country has to make decisions. Two things occur to me as needed, public restraint and private restraint.

The Congress of the United States is the most important institution we have. It is the source of our national law. It is the direct voice of the people. And it is frequently impotent. The Congress concerns itself with Congressional prerogatives. It should also concern itself with Congressional competence. Congress moans that it was not consulted and yet Congress exhibits no ability to shape the direction of this country. On paper, we have more qualified people in Congress than we have ever had and we have less capacity in Congress for decision than ever in our history. I think we in Delaware can take some specific pride that our United States Senators have been pragmatic innovators in tax policy and foreign affairs. But, in general, Congress is weak because it is filled by people whose egoism outranks their perspective and whose sense of national purpose is subservient to their personal political situation. With regard to Congress, we need a rebirth of the consensus politician, the man who understands that it is important to have a decision for national good and who does not insist in every instance on asserting his personal point of view, the man who understands the craft of power. The Congressional Lyndon Johnsons, Everett Dirksens, Sam Rayburns and Jerry Fords of this world are missed. They have not been replaced and the country's ability to make decisions has suffered. So too are the Adlai Stevensons, who can accept personal humiliation in silence and who understand that protest resignations for personal reasons in time of national need give rise only to short-lived heroism. National purpose should impose restraint.

But how about private restraint, you and I in our citizen capacity. The law is helpful to me here. Under normal standards of appellate review, the trial court is not reversed on a factual determination unless it was clearly wrong and the trial court is not reversed on a discretionary decision unless it abused its discretion. In other words, the trial court is given leeway to operate in the range of reasonable options. I find the standard of appellate review helpful when I view the pardon of Richard Nixon or the rescue operation in Iran. My father taught me to support the minister, that it was unfair to hire a man and then undercut him directly or indirectly. I think we should be understanding of Mrs. Barbara Timm whose natural concern for the welfare of her son is a paramount, all-consuming personal concern. After all, remember Joe Kennedy, the father of four sons, who hated the thought of war so much that he failed to appreciate the Nazi menace. We can be less sympathetic, it seems to me, to the vocal complaints of Olympic athletes. I am not saying they are necessarily wrong on the merits. It is of course tragic to lose the opportunity to be the best in the world. In the wake of Randy Gardner and Tai Babilonia, the American people understand the hurt. But it doesn't compare to the sacrifice that eight other Americans, like so many before them, recently paid. And, on a less popular tack, we can remind Bill Rodgers that Mohammad Ali gave up perhaps the best three years of his career for his religious convictions.

Perception number five: Freedom, if it is to survive, ironically requires inclination toward considered consensus and personal sacrifice to achieve societal direction.

Sixth, this is the world and the time in which we live. It is not another world and it is not another time in the history of this world. Listen for a minute to Jesse Jackson:

"The highest expression of love is not the insulation from responsibility and the real world. Here's what the real world is like: Most of the people on earth are black, brown, yellow and poor. They don't speak English and they are non-Christian. We can't be leaders in the real world if we don't know how to speak more than one language or we judge people by the color of their skin rather than their character."

I remember very well being taught in my history major that the most dangerous time for an ancient regime is when it starts to reform itself. I am mindful also of the ignorance and self-deception of the young who urge us to refrain from alliances with nondemocratic governments. Obviously, the choice is not between democratic governments in the Western tradition and nondemocratic governments. And for those of you who are embarrased by the Shah and by Ky and Thieu, I give you the religious humanity of the Ayatollah Khomeini and the benevolent imperialism of the Vietnamese in Cambodia. Thank God for Joan Baez, a truly selfless partisan for peace, who still pleads for humanity in a battlefield now deserted by the senseless destructive hawks and by the self-righteous, self-interested deserting doves.

The real world is not for the short-winded. It is the future. We must understand its trends and anticipate how we can maximize our role in the long run. We must be optimistic about our role in the future. Let me just suggest very generally a few directions. Let us cool the rhetoric. It has proved of little meaning. Let us develop our strength in the full spectrum so people will respect it for both its power and the true restraint in its use. It is not restraint not to use power you do not have. Let us also remember that we still have the power of the idea of freedom. Let us concentrate on what we can influence and let us pay special attention to our immediate environment, Cuba, Mexico and Canada.

In this last regard, let us recognize that our future as a nation depends on our historic mission as being the haven for the "tired", the "poor", the "huddled masses yearning to breathe free", and, get these words, the "wretched refuse" from foreign shores. And, if your stomach turns at old cliches, try this quote from a customs agent more wise than his government in this week's news. "I want to see the guy who arrests a Cuban for picking up his parents. People forget this is America."

The future is now. It is multi-national and multi-racial. The Hispanic population in cities and in the Southwest are here. It is our Quebec and our challenge. If the dream of America cannot survive this reality, it will not survive at all. I suggest to you that we should become a bilingual society across the board and I suggest we do it by compulsory teaching of both English and Spanish in every school in this State from the first grade forward. If we do not, we are denying our children an opportunity to reach their potential in today's world and today's America. And we are denying ourselves the fulfillment of the American mission.

Perception number six: Freedom requires a future.

Seventh, there is a need for spiritual leadership based on total truth, historic perspective, reasoned courage and eloquent expression. I am reminded of Buddy Hackett who has a habit of jokingly calling certain WASPs and Catholics Jewish. How can you tell, he is asked, when someone is Jewish. Buddy replies that whenever he sees somebody who is able, strong, good and honest, he automatically makes him Jewish. By that standard we have two great Americans, Winston Churchill and Anwar Sadat. They epitomize the qualities that I am trying to identify. This is a big country and it has to be held together. Words, spoken in a context of strength and confidence, are important. Nonsense, you say. Just listen to some modest, and unemotional, examples.

"A house divided against itself cannot stand."

"Speak softly and carry a big stick."

"Sometimes people call me an idealist. Well, that is the way I know I am an American. America is the only idealistic nation in the world."

"In the field of world policy, I would dedicate this nation to the policy of the good neighbour."

In this era of television, the demand for a national spokesman to express accurately the meaning of our beliefs is greater than ever.

Perception number seven: Freedom demands leaders who are articulate spokesmen.

Freedom lives.

Freedom limits the intrusions of government.

Freedom requires citizen control over the mechanism of government.

Freedom requires press restraint and press decency.

Freedom requires consensus.

Freedom requires a future.

Freedom requires eloquence.

A final word, this Freedom Day. Freedom is best expressed in personal terms. If it is hard to move people about the Nazi murder of six million Jews, one need only mention Anne Frank. And to those of you who question whether it matters, a simple incident. On January 22, 1980, physicist Andrei Sakharov was arrested in Moscow for publicly condemning the Soviet invasion of Afghanistan. He was exiled to Gorki for exercising his natural right to free speech. His dissident comrade, Alexander Solzhenitsyn, now living in this country, helped put it in perspective. He reminded us that using the word "Russian" and the word "Soviet" interchangeably is like "confusing a man with his illness."

So, on this Freedom Day 1980, let us thank God for this country, let us rededicate ourselves to "secure the blessings of liberty to ourselves and our posterity" and let us, like Sakharov, say to those who oppose freedom that the spirit of freedom will not be stilled. Freedom lives.

By Mr. CHAFEE:

S.J. Res. 15. Joint resolution to authorize and request the President to call a White House Conference on Education not later than June 30, 1981, and for other purposes; to the Committee on Labor and Human Resources.

WHITE HOUSE CONFERENCE ON EDUCATION

● Mr. CHAFEE. Mr. President, as we begin this new decade, the American educational system, once such a source of pride in this country, is increasingly

being viewed as in the midst of a crisis situation. There persists a growing belief in our country that our schools are in deep trouble. The Nation's educators, elected officials, and millions of parents have come to the conclusion that our system is not working as well as it once did. Continuing declines in test scores, increasing financial pressures, growing public disenchantment, teacher frustrations, and school violence and vandalism have all led to a reexamination of our previous assumptions about the classroom.

In spite of increased spending, the perception of the public is that quality of education has declined. In 1962, the average per pupil cost of elementary and secondary school was $419. That same year, the average scores for verbal and math aptitude tests of high school seniors was 478 and 502 respectively.

Today, the per pupil cost has increased 500 percent to $2,150, while the aptitude test scores have declined to 424 for verbal skills and 466 for math.

Inflation is certainly a factor. But more important is the fact that during the past two decades, schools have been asked to respond to almost everything that ails the country, from racial discrimination to tooth decay.

The pressures to limit spending which we have observed lately are bound to become even more important during the 1980's. This will create a new conflict.

On one hand, the public is demanding better, more effective programs, stronger basic skill instruction, complex technical and vocational training, work/study programs, and more.

But, on the other hand, educators' hands may be tied, school budgets slashed, teachers laid off, and workloads and classloads increased—many times to the breaking point.

In addition, changing demographics will have a crucial effect upon our elementary, secondary, and higher education institutions.

Declining enrollments at every level of education are causing more emphasis to be placed on retraining veteran teachers, instead of training new ones. This change in emphasis is affecting not only teachers, but the institutions preparing them, the children in their classrooms, and the way we think about teacher education.

With the number of bachelor's degrees from teachers' colleges shrinking from 194,210 to 129,130 in the past 7 years, it is reasonable to assume that the teachers in today's classrooms will be the same teachers we rely on to educate our young people in 10, 20, or even 30 years from now.

No one disputes the fact that America's best schools are producing better educated graduates than ever before. But there are too few of them. Far too many students receive mediocre educations.

We are all aware of the magnitude of the problem. Educators have studied it. State and Federal Government have appropriated more money to solve it, and the press has publicized and dissected it—1957 was the last year that American education was given a thorough public reappraisal across the Nation as a result of the sputnik satellite launch.

Mr. President, today I am introducing a modest piece of legislation which I believe would be helpful to American education.

I propose to the Congress that a White House Conference on Education be established this year to develop recommendations for the improvement of our Nation's school system.

Such national conferences have been sponsored before by several past administrations on such issues as small business, libraries, the aged, the family, and the handicapped. They have often led to significant changes and legislative reforms in these areas.

We need a lively discussion of our educational goals, covering a variety of important questions.

How do we identify successful school programs—and how can these programs be used by other schools?

What do we want our schools to teach?

How can we improve existing Federal programs, not by expanding them necessarily but by making them more responsive to local needs?

What are the prospects for the future? What kinds of skills and knowledge will our children need in the year 1990 or 2000?

The emerging demography of our school population raises questions about how to update teacher skills, infuse new ideas into the classroom, keep teachers from "burning out" as a result of the mounting pressures with which they must deal daily.

In addition, our institutions designed for teacher training face important questions and challenges caused by demographic changes.

In what form will teachers' colleges survive in the future, and how can they be most useful to veteran teachers?

By conducting a national conference on education, we can attempt to build a coalition among teachers, parents, school administrators, and Government officials.

Knowledge of which techniques work and which ones do not should be shared between public schools and private schools, between postsecondary institutions, and elementary and high schools.

By bringing together experts and lay persons, educators and taxpayers, we can assist in the improvement of the American school system.

If we fail to emphasize quality in the schools, our Nation will become less and less productive—not just economically and industrially, but intellectually and aesthetically as well.

We have a good foundation on which to build. In many ways, our school system is still ahead of other nations; but we have taken on an ambitious task: To give all of our young people equally for 12 years an access to an excellent education.

Given the fact that in 1930, only 30 percent of American 17-year-olds were graduated from high school, this is an outstanding social vision.

We desperately need an emphasis on excellence and purpose. It is not enough to get into the system. All children must be well served when they are there.

A White House Conference on Education will help achieve this goal.●

ADDITIONAL COSPONSORS

S. 4

At the request of Mr. CHAFEE, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 4, a bill to provide a cap on Federal unemployment tax rates in certain States.

S. 46

At the request of Mr. THURMOND, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 46, a bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 99

At the request of Mr. JEPSEN, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 99, a bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child.

S. 164

At the request of Mr. MELCHER, the Senator from South Dakota (Mr. ABDNOR), and the Senator from North Dakota (Mr. ANDREWS) were added as cosponsors of S. 164, a bill to prohibit proposed regulatory increases in imputed interest rates for tax purposes on loans between related entities and on deferred payments in the case of certain sales of property.

SENATE JOINT RESOLUTION 5

At the request of Mr. RIEGLE, the Senator from Kentucky, (Mr. FORD) was added as a cosponsor of Senate Joint Resolution 5, a joint resolution authorizing the President to enter into negotiations with foreign governments to limit the importation of automobiles and trucks into the United States.

SENATE RESOLUTION 29—RESOLUTION TO ESTABLISH A SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

Mr. DECONCINI (for himself and Mr. HATCH) submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 29

Resolved, That (a)(1) there hereby is established in the Senate of the United States a select committee to be known as the Select Committee on Narcotics Abuse and Control (hereinafter in this resolution referred to as the "select committee"). The select committee shall be composed of nine Members of the Senate.

(2) Members of the select committee shall be appointed by the President pro tempore of the Senate. One member of the select committee shall be designated by the President pro tempore to serve as chairman of the select committee.

(3) At least one member of the select committee shall be chosen from each of the following committees of the Senate: The Committee on Armed Services, the Committee on Government Operations, the Committee on Foreign Relations, the Committee on Commerce, the Committee on Human Resources, and the Committee on the Judiciary.

(4) Any vacancy occurring in the membership of the select committee shall be filled in the same manner as the original appointment.

(b) The chairman of the select committee may establish such subcommittees of the select committee as he considers appropriate. Any such subcommittee shall be composed of not less than four members of the select committee.

SEC. 2. The select committee shall not have legislative jurisdiction. The select committee shall have authority—

(1) to conduct a continuing comprehensive study and review of the problems of narcotics abuse and control, including, but not limited to, international trafficking, enforcement, prevention, narcotics-related violations of the Internal Revenue Code of 1954, international treaties, organized crime, drug abuse in the Armed Forces of the United States, treatment and rehabilitation, and the approach of the criminal justice system with respect to narcotics law violations and crimes related to drug abuse; and

(2) to review any recommendations made by the President, or by any department or agency of the executive branch of the Federal Government, relating to programs or policies affecting narcotics abuse or control.

SEC. 3. (a) For the purposes of this resolution, the select committee, or any subcommittee thereof authorized by the select committee, may sit and act at such times and places as it considers appropriate whether the Senate is sitting, has recessed, or has adjourned.

(b) For the purposes of this resolution, the select committee, or any subcommittee thereof authorized by the select committee to hold hearings, may hold such hearings, and may require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, documents, and other exhibits and materials, as it considers necessary. Subpenas may be issued under the signature of the chairman of the select committee or any member of the select committee designated by him, and may be served by any person designated by such chairman or member.

(c) A majority of the members of the select committee shall constitute a quorum for the transaction of business, except that the select committee may designate a lesser number as a quorum for the purpose of taking testimony. The chairman of the select committee, or any member of the select committee designated by him, may administer oaths or affirmations to any witness.

(d) The select committee and any subcommittee thereof and its staff may conduct field investigations or inspections. Members and staff of the select committee may engage in such travel as may be necessary to conduct investigations relating to the purpose of this resolution.

SEC. 4. The select committee may employ and fix the compensation of such clerks, experts, consultants, technicians, attorneys, investigators, and clerical and stenographic assistants as it considers necessary to carry out the purpose of this resolution. The select committee may reimburse the members of its staff for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the select committee, other than expenses in connection with meetings of the select committee or any subcommittee thereof held in the District of Columbia.

SEC. 5. (a) The select committee shall report to the Senate with respect to the results of any investigation conducted by the select committee, or any subcommittee thereof, under section 3(d).

(b) The select committee shall submit an annual report to the Senate which shall include a summary of the activities of the select committee during the calendar year to which such report applies.

(c) Any report of the select committee under this section which is submitted during a period in which the Senate is not in session shall be filed with the clerk of the Senate.

Mr. DECONCINI. Mr. President, I rise to introduce a Senate resolution that I believe to be of the highest national urgency. I am joined in the effort by my distinguished colleague, Senator HATCH.

We believe that the American Government, and in particular the Congress, has been generally ineffective in dealing with many believe to be the major social problem facing our Nation—illicit narcotics. Because jurisdiction over the narcotics problem has been splintered, and splintered badly, no single congressional committee has developed the perspective to enable it to assist in designing a proper strategy for an effective national effort to attack this growing cancer.

There can be little doubt that illicit narcotics are one of the key elements affecting the entire range of societal problems that currently plague us. I view narcotics as the nexus or connect-point between organized crime and American society. Narcotics create unbelievable wealth that enables organized crime to infiltrate all segments of our society. In the process of creating that wealth, American citizens are reduced to psychological slavery—automatons who will rob, steal, and kill to support their habit. A vast proportion of the street crime that today makes American cities intolerable to decent citizens results from the slavery of heroin and associated drugs.

Illicit narcotics is big business. It employs more people than Exxon, the largest corporation in the world. No one knows for sure, but the most conservative estimates place the street value of illicit narcotics at $50 billion annually. For the most part, that money comes from other crime—robbings, burglaries, muggings, and so on. If we were reasonably successful in eliminating illicit narcotics, we would simultaneously have eliminated a large portion of what we generally refer to as "street crime."

During 1976, the FBI reports that there were 609,000 drug-related arrests. About 60,000 of those were heroin or cocaine related; 441,000 were marihuana related; 18,200 were connected with synthetic or manufactured narcotics; and 90,000 were associated with other dangerous drugs. But the cost to society exceeds both the cost of the narcotics and the number of arrests. We spend at least $1 billion for law enforcement and rehabilitation.

But why create a separate Senate committee to deal with this problem? As most of my colleagues are aware, the House of Representatives has already recognized the need for such an approach and it currently has a Select Committee on Narcotics Abuse and Control. Going through a process similar to our own, our House colleagues concluded that this was the only practical method for effectively dealing with the whole range of issues raised by illict narcotics.

At present, jurisdiction over narcotics abuse and control is scattered among at least five standing committees. The Judiciary Committee oversees the enforement aspect through its oversight of DEA and the FBI, as well as its control over criminal laws and penalties. The problems associated with drug rehabilitation and education are dealt with in the Human Resources Committee. The international aspects of narcotics control, especially the eradication program, is handled by the Foreign Relations Committee. The interplay between the different levels of government resides with the Governmental Affairs Committee. And finally, the Armed Services Committee handles narcotics problems as they relate to the Armed Forces.

Each of these jurisdictional designations is legitimate, and it is not our purpose to undermine them. The committee we are proposing would be nonlegislative, following the model of the Aging Committee rather than the Small Business Committee. However, the Select Committee on Narcotics Abuse and Control would be ideally situated to investigate the problems of illicit narcotics as an integral whole, a multifaceted problem requiring a coordinated approach. Thus, while it would not be legislative in a technical sense, it would be in a position to develop a coherent national strategy and then present its findings in the way of legislative proposals to the relevant standing committees.

The select committee would "conduct a continuing comprehensive study and review of the problems of narcotics abuse and control" and produce a record from which the standing committees can better perform their legislative responsibilities. More specifically, the select committee's activities would include—but not be limited to—international trafficking, enforcement, prevention, narcotic related violations of the Internal Revenue Code, international treaties, organized crime, drug abuse in the Armed Forces, treatment and rehabilitation, and the criminal justice system as it related to narcotics laws violations and crimes related to drug abuse.

The time has come for the Senate to create within itself the machinery to deal effectively with narcotics related issues. Our present decentralized jurisdictional approach has not been particularly successful. Because each of the standing committees has only a small portion of the narcotics problem within its jurisdiction, none has a sufficiently strong base from which to develop a comprehnsive and cohesive approach to the problem. The creation of a Senate Select Committee on Narcotics Control and Abuse may not be the ultimate answer, but it will advance our struggle to deal with this malignancy within our society.

If I may, Mr. President, I should like unanimous consent to include in the RECORD, at this point, the testimony I gave last Congress before the Senate Rules Committee. I believe that it provides a comprehensive inventory of arguments in favor of the adoption of the resolution that we introduce today.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

OPENING STATEMENT BY SENATOR DENNIS DECONCINI

(Hearings before the Committee on Rules and Administration, Senate Select Committee on Narcotics Abuse and Control, April 23, 1980)

Good morning, Mr. Chairman. I appreciate the opportunity to appear before you this morning on behalf of S. Res. 207, a resolution that I am sponsoring together with Senators Ford, Leahy, Hatfield, Schweiker, and Boren. Our resolution proposes the establishment of a Senate Select Committee on Narcotics Abuse and Control.

I recognize, Mr. Chairman, that in making this proposal I appear to be running counter to the thrust of S. Res. 104, which reorganized the Senate's committee structure by eliminating and consolidating committees. I am equally cognizant of the fact that I incur the displeasure of a number of distinguished colleagues whose various committees and subcommittees already have formal jurisdiction over various aspects of the drug problem.

Before examining the substantive reasons why such a new committee is imperative, I should like to address the internal political and policy issues. Certainly, I would be the last member of this Senate to oppose the fundamental thrust of S. Res. 104. The work done by Senator Stevenson and the other members of the special committee that proposed the resolution was excellent. The resolution—even though modified on the Senate floor—went a long way toward streamlining the Senate committee structure and making it conform better to the needs of our Nation, enabling us to do our jobs more effectively.

To argue, however, that this resolution should be made the basis for objections to any changes or modifications in the present structure is to set in concrete a document that reflected the needs of the Senate and the country at a given time. As a supporter of Senate Resolution 104, I believe that our resolution to establish a Select Committee is consistent with that spirit.

The ultimate purpose of the recent reorganization, as I understand it, was to eliminate, as much as possible, the sort of fractured jurisdiction that limits the ability of the Senate to act effectively. One of the major accomplishments of the reorganization was to centralize most jurisdiction over energy in the newly renamed Energy and Natural Resources Committee. Previously, the jurisdiction was shared in some measure by so many committees that effective policy was virtually impossible.

An analogous situation exists today with regard to the problem of drugs and drug control. Jurisdiction over this fundamental societal problem is also fractured; it is scattered among a number of legislative and investigative committees. For example, oversight over the Drug Enforcement Administration is shared by the Appropriations and Judiciary Committees. However, the U.S. Customs Service which is primarily responsible for interdiction is covered by the Finance Committee and a different Appropriations subcommittee. The heretofore very effective eradication programs are administered by the State Department, which reports to the Foreign Relations Committee, the Governmental Affairs Committee has jurisdiction over the main issue of orgainzation and reorganization. Moreover, its Permanent Subcommittee on Investigations has a general mandate to oversee crime. Many issues relating to demand reduction, integral both to an understanding of the drug problem and to the design of effective solutions, lie within the purview of the Labor and Human Resources Committee. Active and former military personnel represent a substantial share of the Nation's addict population; solutions to their difficulties which have a bearing on the universal problem are being devised within the Armed Services and Veterans Affairs Committees. Beyond these more obvious examples, a host of other governmental agencies, including among these, the Internal Revenue Service, the Bureau of Alcohol, Tobacco and Firearms, the F.A.A., the C.I.A., the Agriculture Department and the FBI are involved to one degree or another in the drug problem and report to a variety of different Senate Committees and subcommittees.

The net result, Mr. Chairman, is that in the area of illicit narcotics we are like the ancient parable of the blind men and the elephant. No one committee or subcommittee in the Senate is able to view the problem in its totality and thus to work towards developing a comprehensive strategy. But let me clarify one point in this context. The resolution that we have offered neither contemplates supplanting these many fine committees nor negates the superb work that they have done. General oversight of different agencies quite properly should remain within the domain of both the relevant standing Committee and the relevant Appropriations subcommittee. Likewise, we are in no way suggesting that the select committee usurp the proper legislative function of these committees. The select committee would be endowed with no legislative mandate. Neither are we suggesting, Mr. Chairman, that the select committee pre-empt the general investigative mandate of the Permanent Subcommittee on Investigations.

More importantly, we are simply saying this. The drug problem in the United States has reached crisis proportions and shows every indication of increasing in severity. It is a problem of extreme complexity because of its many dimensions and because of the numerous different government agencies involved. Let me note parenthetically that it is an effort which is as much a state and local problem as it is a federal problem. Furthermore, we would argue that to date the Federal Government in particular has not been able to develop an effective national strategy for attacking and ameliorating this societal cancer. I say this notwithstanding the many gains and, indeed, individual heroics that have characterized the effort.

The most comprehensive analysis of the drug problem is a report prepared over a period of years by the General Accounting Office and released to me in the context of oversight hearings conducted under the aegis of the State, Justice, Commerce and the Judiciary Subcommittee of the Appropriations Committee. The title of that two hundred page study captures the essence of the situation—"Gains Made in Controlling Illegal Drugs, Yet the Drug Trade Flourishes." Among the report's conclusions is—and I quote—"Inconsistent and sometimes conflicting drug policies [which result] in no clear overall direction."

After having read this report and after having conducted approximately twenty hours of hearings on its conclusions, I do not think there is any doubt but that the GAO view is correct. Furthermore, all this information is consistent with my own experience as a prosecutor in an area that for many years was a primary route of heroin trafficking into the United States. Indeed, during my tenure as prosecutor we were forced out of necessity to develop innovative cooperative efforts among differing enforcement agencies to compensate for the very lack of direction and coordination that should have been emanating from the Congress and from the Executive Branch.

It is our belief that a comprehensive policy must be fashioned unless we as a nation are willing to continue to allow a $50 billion a year illicit traffic to continue. It is, gentlemen, more of a contagion than a traffic. One-half million Americans are daily users of heroin, and another million and one-half are less frequent users; thirteen million Americans are users of stimulants like amphetamines; 6.9 million Americans have used PCP; over ten million Americans have used cocaine; and at least forty-three million Americans have used marijuana! If those few statistics do not send shivers down the collective spine of this Committee and the United States Senate, then we have become insensitive to what may well be the most fundamental and challenging social problem we have faced.

And, unfortunately, this is not a problem that can be solved merely by appropriating more monies. Over the last decade, we have increased our overall expenditure on narcotics-related activity by more than 17 times—from $46.5 million to $814.2 million. Enforcement expenditures have also increased—by over 13 times. Yet, as the GAO study hammers home, *"The Drug Trade Flourishes."* If there is an answer to this problem it is surely no simple one, no magical formula that we have simply overlooked. Rather, the solution lies in a creative integration of the many disparate elements of Federal, state and local law enforcement efforts. We have the resources. But they are scattered and disorganized. It would be the primary function of the select committee to understand the nature of the problem and to arrange the pieces of the solution into a relatively coherent, manageable whole.

But there is a symbolic dimension of the creation of the select committee which almost equals in importance its formal task. To establish this committee would reflect a level of commitment to the burgeoning drug problem that this Senate has not yet seen fit to make. Not only would it put the criminal and would-be criminal on notice, but it would give heart to the thousands of men and women throughout this country who toil—many at the risk of their personal safety—at what is one of the most thankless and most necessary jobs we have, drug enforcement and control. It would put the executive agencies on notice that the Senate of the United States would no longer tolerate a status quo that steadily deteriorates, but will demand excellence and cooperation.

In his message accompanying the reorganization plan of 1968, President Johnson stated in words of simple eloquence the goal of the Federal Government: ". . . America will serve notice to the pusher and peddler that their criminal acts must stop. No matter how well organized they are, we will be better organized. No matter how well they have concealed their activity, we will root them out. The response of the Federal Government must be unified. And it must be total."

In truth, I do not believe that such sentiments have been accompanied by comparable action since the days when Robert Kennedy was Attorney General. Certainly, in recent years, no such commitment has been even slightly evident. Unfortunately, the vacuum of Executive leadership has not been filled in the Congress either. Institutionally, the Senate, at least, has not had a mechanism whereby it could effectively develop and coordinate policy. And with the many time demands on each Senator, the drug problem has occupied only a small portion of the attention and concern of only a few. By establishing the select committee that we are here proposing, it may be possible for the Senate to reverse the unfavorable trends; it may be possible for us to begin to clear away some of the darkness of a drug problem whose dimensions seem overwhelming; it may be possible to clean up some of our society and to reduce the crime consequent upon drug use. Whether or not the select committee is totally successful—and no human endeavor is ever totally successful—it cannot but help move us in a positive direction.

In fact, Mr. Chairman, I believe that if this Committee seriously considers S. Res. 207, it should authorize its existence for a limited period of time—perhaps, for one Congress—and then re-examine whether it should continue on the basis of : (a) whether the need still exists; and (b) on whether the Committee's performance justifies its continuance.

Furthermore, I would suggest if such an approach is adopted that the Rules Committee require the select committee to justify what it has done not on the basis of numbers of reports published or days of hearings held, as often happens, but upon hard results. The question the Rules Committee should ask is whether the select committee has really and significantly contributed to the war on illicit narcotics.

On the basis of my conversations with colleagues who would be anxious to serve on such a select committee, I am positive, Mr. Chairman, that the President Pro Tem of the Senate will find no dearth of individuals who are truly committed to devoting the time and the resources necessary to make the select committee a success. Each one of these individuals recognizes the gravity of the problem and would be enthusiastic about contributing to its solution.

I am perfectly aware, Mr. Chairman, that there is opposition to the creation of a select committee. As in all such discussions, there is a mixture of both policy and politics. I recognize the legitimate concern that you and others have over the danger of proliferating committees and the fear that some of the excellent work done by the reorganization at the beginning of the 95th Congress might get undone. These objections can, I believe, be overcome on the ground that a temporary select committee to investigate and propose solutions to a massive, multi-faceted problem is completely consistent with the purposes of the reorganization. Unquestionably the need is there.

But beyond policy, there is politics. No committee or subcommittee looks with favor upon a perceived encroachment of its traditional domain. I vividly recall some of the rather heated discussions that took place both in this room and on the Senate floor when S. Res. 104 was being discussed. Yet, I do not view the establishment of this select committee as interfering in any meaningful fashion with the jurisdiction or function of any other committee or subcommittee of the Senate. Nor do I accept as persuasive the argument of any other committee or subcommittee that because it has performed effective oversight over this or that agency that the task outlined for the select committee is already being accomplished. The facts speak for themselves. The fractured jurisdiction over the drug effort means, quite simply, that without the select committee, it will be business as usual, and that means business without a comprehensive national policy towards drugs.

This committee will no doubt hear testimony from a number of my distinguished colleagues that their committees are doing important and proper oversight. I would like to concur with those remarks in advance. Indeed, I would like to augment them by noting that in the various Appropriations Subcommittees on which I serve—most notably that chaired by Senator Hollings—we have done exceptional oversight. Nonetheless, it is that very experience that underscores and reinforecs the absolute need for a select committee which is invested with a mandate by the Senate to explore all the dimensions of the drug problem. Oversight over individual agencies does not yield a comprehensive portrait of the federal drug effort. And certainly, it does not provide the basis for designing a true national drug strategy.

Mr. Chairman, the resolution I have introduced proposes the establishment of a Senate Select Committee on Narcotics Abuse and Control. As the drug problem continues to grow more serious, we in the Senate must improve upon our past sporadic efforts toward controlling the problem. The Select Committee, which would dedicate all its energies toward bringing this problem under control, is, in my mind and those of many others, absolutely essential. As the recent history of our fight against drug abuse demonstrates, coordination and consistency have often been lacking, and the successes we have achieved have been, at best, transitory.

The Federal Goverment began to accelerate its response to the drug abuse problem in the mid-1960s. Prior to 1966, dangerous drug control was centered in the Treasury Department. In 1966, as the abuse of non-narcotic drugs—barbituates and stimulants—became more popular, Congress created the Bureau of Drug Abuse Control (BDAC) under the aegis of the Food and Drug Administration in the Department of Health, Education, and Welfare. Its purpose was to enforce laws against the manufacture and distribution of illicit drugs. The Bureau of Customs continued to exercise its traditional jurisdiction over cases involving smuggling across national boundaries.

In 1968 President Johnson submitted the Congress Reorganization Plan No. 1. The Plan called for the merger of the Bureau of Drug Abuse Control and the Bureau of Narcotics, a branch of the Treasury Department. The new agency, the Bureau of Narcotics and Dangerous Drugs (BNDD) assumed jurisdiction over most aspects of drug enforcement, and was located within the Department of Justice. Congress adopted President Johnson's proposal, which had as its goal coordination of the government's drug abuse control effort.

In 1970, Congress passed landmark legislation which consolidated and extensively revised federal drug laws. The Comprehensive Drug Abuse, Prevention and Control Act of 1970 provided for increased research into, and prevention of, drug abuse and drug dependence. It further provided for treatment and rehabilitation of drug abusers and drug dependent persons and strengthened existing law enforcement authority in the field of drug abuse. The emphasis of the previous justification for federal enforcement in the drug abuse field—that is, the Constitutional authority to levy taxes—was shifted in favor of the interstate commerce principle.

In 1972, President Nixon established the Office of Drug Abuse Law Enforcement (ODALE). Its function was to focus on eliminating drug abuse at the street level by establishing task forces to coordinate the Federal, State, and local drug enforcement efforts.

In 1973, President Nixon sent to Congress Reorganization Plan No. 2. The Plan recommended abolition of most agencies, including the newly organized Office of Drug Abuse Law Enforcement. The Plan, when enacted, created a new agency, the Drug Enforcement Administration (DEA). Located within the Justice Department, DEA appears to be the Federal Government's major weapon in the war on drug abuse.

DEA is not the only federal agency now involved with the drug abuse problem. In addition to the agencies I referred to earlier, the Immigration and Naturalization Service, the Law Enforcement Assistance Administration, the Coast Guard, the Federal Highway Administration, the Food and Drug Administration and the Defense Intelligence Agency all have jurisdiction over some aspects of drug abuse enforcement. Unfortunately, the result of all these overlapping Federal agencies has been indecision by Committee and inaction by mutual agreement. Agencies treat each other like princely kingdoms, and interagency task forces have the air of diplomatic negotiations. Such an atmosphere of rivalry, competition and complete independence does little to foster the basic goal of law enforcement.

This historical absence of commitment to a single organizational scheme is not the only example of the Federal Government's lack of focus in fighting drug abuse. We have never decided whether to focus our efforts on reducing supply or demand. In reducing supply, several approaches have been taken. We have focused on interdicting drugs where they are produced, where they enter the U.S., where they are distributed, and on street sales involving small-time pushers and their addicted customers. Arguments can be made in support of each of these approaches; unfortunately, our policymakers have been trying the various approaches without giving any one approach a chance to succeed. With regard to shrinking the demand for illicit drugs, a variety of educational and treatment programs, including the establishment of federally-funded methadone clinics for treatment of heroin addicts, have been tried. Some have worked better than others; none has resulted in bringing about a long-term, significant decrease in the demand for illicit drugs. Undoubtedly, the drug problem would be much worse without the intervention of the governments of the United States and other countries.

Mr. Chairman, Senate Resolution 207 creates a Senate Select Committee patterned after the Select Committee on Narcotics Abuse and Control of the House of Representatives. The Senate Select Committee would have at least one representative from six Committees of the Senate, five of which already have some jurisdiction over narcotics. These include Armed Services, Governmental Affairs, Foreign Relations, Commerce, Labor and Human Resources, and Judiciary. Each of these Committees is concerned with some aspect of drug abuse, but not one of them has the jurisdictional grant to coordinate an all-out, well-directed comprehensive examination of drug abuse and its control. The Select Committee would have both the mandate and necessary interest and support to do what must be done.

Several aspects of the problem demand our immediate attention. I would recommend that the following areas of concern—involvement of organized crime in the drug business, the foreign production of dangerous drugs, and corruption within our own drug enforcement agencies—be given special attention by the Select Committee.

No one doubts that organized crime controls much of the drug trade in the United States. Since dealing in illicit drugs requires large expenditures and tight coordination, the involvement of organized crime is almost essential to any large-scale narcotics enterprise.

Defining organized crime is not as simple as it once was. While the Mafia is still a force in the drug trade, after an apparent withdrawal from direct involvement during the 1960s, many new organizations, making most of their profit from trade in illicit drugs, have sprung up in major metropolitan areas. While on occasion these organizations have challenged the Mafia for control, in most cases, profitable alliances have developed between the more established and the newer organizations.

Organized crime, and its involvement in the narcotics business, is not a new problem. Several Executive Branch agencies have been actively working to put organized crime out of business. The problem now is more difficult and complex than it once was. Given the increased complexity of the problem, the Select Committee can provide important assistance. An independent, in-depth investigation of this aspect of the drug abuse problem could provide additional information and support for the agencies most directly involved in fighting drug abuse and

organized crime. Additionally, our investigation will undoubtedly help us in dealing with corruption in the drug enforcement agencies, a problem I will discuss in a moment.

Since the early 1970s the Federal Government has attempted to bring the drug abuse problem under control by sponsoring eradication programs in source countries. The programs are designed to destroy illicit drugs at their source, before processing and entry into the United States. The United States had used foreign aid money to encourage growth of legitimate crops. Other programs have involved direct grants to foreign countries for use in eradicating narcotics. These programs were successful in Turkey in the early 1970s; this success is demonstrated by the fact that the French Connection, which supplied heroin to the U.S. from Turkey, is not nearly as productive as it once was. The effort to control the flow of heroin from Mexico has also been successful. According to the 1978 report of the National Narcotics Intelligence Consumers Committee, the reduction in heroin supply in the U.S. since 1975 is due in large part to successful efforts in Mexico.

These programs are very important. Once a foreign government's assistance is obtained, our task becomes less difficult. Unfortunately, gaining the assistance of foreign governments is more difficult than in the past. Currently, a large percentage of the heroin is imported from the Golden Triangle—where Burma, Laos, and Thailand meet—and other areas of Southeast Asia. Another area which is quickly becoming a major source of heroin includes such nations as Iran and Afghanistan. I need not speak at length on our difficulties in this part of the world. We cannot, however, throw up our hands and wait for a change in government.

The Select Committee, with its focus on narcotics abuse, can view the problems of eradication with a particular goal in mind. A representative of the Committee on Foreign Relations, as a member of the Select Committee, will be able to offer an appreciation of the broader ramifications of any eradication program. The Select Committee will also be able to view eradication programs in light of their impact on other aspects of the drug abuse control effort.

Corruption within our own drug enforcement agencies is a third area where I believe the Select Committee's role will be important. At this time it is unclear to what extent corruption exists. Few, however, refuse to believe that there is at least some corruption.

The Permanent Subcommittee on Investigations, in its 1975–76 hearings, concluded "throughout the history of the Federal drug enforcement insufficient attention has been paid to integrity and corruption problems." With due respect for my colleagues on the Permanent Subcommittee, and for their hard working staffs, this problem should be considered by a group which can devote all its energy to solving this problem. Further, these problems can best be explored together with other aspects of the drug problem. To fight drug abuse, we need honest government employees. The Select Committee can and will find out which officials are corrupt and see to it that they are prosecuted to the fullest extent possible.

In all these areas, there is a need for review, coordination, and action. The Select Committee will have the mandate, interest and resources to perform these tasks. By including members of the several committees which have jurisdiction over some aspects of the problem, we will gather the necessary expertise and information while streamlining the effort. The issues involved here are of most serious concern to all. Mismanagement and squabbling have given drug traffickers a giant head start. Now is the time for us to close ranks behind a single committee.

Thank you.

NOTICES OF HEARINGS

SELECT COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, the Senate Select Committee on Small Business will conduct a hearing on the Small Business Administration's 8(a) pilot procurement program.

The hearing will begin at 10 a.m., on January 23, 1981, in room 424 of the Russell Senate Office Building.

ADDITIONAL STATEMENTS

THE IMPENDING MINERAL CRISIS

● Mr. BAUCUS. Mr. President, the handwriting is on the wall and it seems to be easier to read every day. The United States is facing a new threat to its national security of the magnitude of OPEC. Increasing demand for minerals coupled with decreasing domestic capacity spells a dangerous reliance on imported minerals for this Nation.

A recent study by the Joint Economic Committee entitled "Energy and Materials: A Shortage of Resources or Commitment?" outlines the seriousness of this problem. The United States must rely on imports for 80 to 100 percent of its supply of seven critical minerals, the JEC says. These minerals, including chromium, cobalt, platinum, and bauxite, are essential to American business and industry.

The imminence of this crisis was underscored for me and the people of Montana on September 29, 1980, when the Anaconda Co., a subsidiary of Atlantic Richfield, announced the immediate closure of its copper smelter in Anaconda, Mont., and its refinery in Great Falls, Mont. The resulting impact on Montana's economy and the 1,500 workers who lost their jobs was tremendous.

Beyond that, the closures reflect a disturbing pattern in our domestic copper industry. No increased domestic copper production capacity is projected before 1985 despite anticipated growth in demand, according to a 1979 report by the General Accounting Office. Indeed, in the decade preceding this report, imports of refined copper rose from 6 percent to over 19 percent of U.S. consumption.

The accuracy of forecasts for increased dependence on foreign suppliers was confirmed on December 17, 1980, when the Anaconda Co. formally announced that copper concentrates previously smelted and refined in Montana would be shipped more than 5,000 miles to Japan for processing.

This situation deserves the immediate attention of Congress if we are to avoid further weakening of our national security. With particular regard to the copper industry, I shall submit an article appearing in the December 1980 volume of the Journal of the American Mining Congress as part of my statement. The authors of the article, A. Dan Rovig and Richard K. Doran, conclude that, without action, copper may well become the 25th of 32 minerals vital to our national well-being for which the United States is import dependent.

I am hopeful that the 97th Congress will proceed diligently in formulating a minerals policy which will foreclose this possibility.

The article follows:

COPPER: A DECADE OF CHANGE AND ITS MEANING FOR THE FUTURE

(By Dan Rovig and Richard K. Doran)

The beginning of the new decade seems an appropriate starting point for discussing the state of the U.S. domestic copper industry. The last decade represents a period during which more external changes affected the U.S. copper industry than at any other time in its history. Earlier periods of change were more concerned with factors that seemed to have originated from within the industry. Some examples would be changing ore grade, development of open pit mining, new technologies, and new production methods.

In contrast to these so-called internal factors, the 1970s saw the rise of a whole new set of influences that were basically from external sources. We saw the rise of the environmental movement and the passage of national legislation that have had major impacts on the industry. The dramatic increase in energy prices and the growing importance of land use controls represented additional factors. We might also choose to include the growing role of the states and their determination to affect the direction of industrial development as an external factor. More items could be listed but these should be easily identifiable and help support the point regarding the contrast between the pre-1970 period and the 1970 decade as far as change factors are concerned.

WESTERN WORLD OUTPUT UP 27 PERCENT IN 1970'S

With this as an introduction, let's review briefly some of the major changes that have taken place in the past decade within the various sectors of the U.S. copper industry. To place the U.S. industry in perspective, we'll compare its performance with that of other western nations that are either major producers or consumers of copper. This comparison is being made at the international level even though the U.S. is basically self-sufficient in copper.

The United States in 1969 produced 29 percent of the western world's copper mine output. By 1979 this figure had slipped to 23 percent. Also, during that same time period, U.S. production rose only 3 percent while the total western world's output increased 27 percent. As an indication of the change in production pattern during this period, it is interesting to note that in 1969 there were 38 western countries listed in World Metal Statistics as copper producers. By 1979, that number had increased to 52. Table 1 shows the production summaries during the 1969–1979 period. The near static rate of U.S. mine output was made up by significant increases in output from Chile, Peru, the Philippines and others. In spite of the actual increase in the number of producing countries, the degree of concentration of production has remained essentially unchanged. In 1969, the ten leading producers provided 90 percent of the western world's output. By 1979, that same figure had fallen to only 89 percent.

TABLE 1.—WESTERN WORLD COPPER MINE PRODUCTION—10 LARGEST PRODUCING COUNTRIES: 1969 AND 1979

[Copper content, thousand metric tons]

Country	1969 Amount	1969 Percent composition	1979 Amount	1979 Percent composition
United States	1,401.2	29.1	1,441.3	23.5
Zambia	719.5	14.9	588.3	9.6
Chile	688.1	14.3	1,060.6	17.3
Canada	500.2	10.4	643.8	10.5
Zaire	364.0	7.6	399.8	6.5
Peru	199.0	4.1	397.0	6.5
Philippines	131.4	2.7	297.0	4.8
Australia	131.1	2.7	232.8	3.8
South Africa Republic	127.1	2.6	203.2	3.3
Japan	120.3	2.5	----	----
Papua New Guinea	----	----	170.8	2.8
Subtotal	4,381.9	90.9	5,434.6	88.6
Western world total	4,820.9	100.0	6,134.9	100.0

TABLE 2.—WESTERN WORLD COPPER SMELTER PRODUCTION.—10 LARGEST SMELTING COUNTRIES: 1969 AND 1979

[Copper content, thousand metric tons]

Country	1969 Amount	1969 Percent composition	1979 Amount	1979 Percent composition
United States	1,508.5	29.0	1,395.8	22.1
Zambia	703.7	13.5	595.1	9.4
Chile	646.7	12.4	946.9	15.0
Japan	501.1	9.6	921.4	14.6
Canada	388.3	7.5	389.0	6.2
Zaire	363.8	7.0	370.2	5.9
Germany, Federal Republic	184.5	3.6	260.0	4.1
Peru	170.3	3.3	341.0	5.4
South Africa Republic	127.3	2.4	182.3	2.9
Australia	124.4	2.4	174.1	2.8
Subtotal	4,718.6	90.7	5,575.8	88.4
Western world total	5,200.9	100.0	6,307.0	100.0

Beyond the mine production stage the western world's ten leading copper smelting countries generally show shares of smelter output that correspond to their respective shares of mine production. Table 2 indicates the smelter share information as well as the changes that have taken place in the ten-year period.

Countries showing major variation between mine and smelter production are Chile, Japan, Peru and West Germany. Japan, in particular, significantly increased its share of smelter production. This apparently was done at the expense of the U.S. position which fell to less than a quarter of the smelter production total. In terms of the degree of concentration between mine and smelter production for the ten leading producers, there is a very similar pattern. At each stage, the ten leading countries controlled slightly over 88 percent of the western world's respective capacity.

The refining is dominated by countries that are much further along industrially. In fact, several of these countries do not even have any mine production. As in the case of mine and smelter production, the U.S. refining position dropped during the ten-year period while Japan and Chile showed significant increases. Japan, with only 1 percent of the western world's mine production in 1979, refined nearly 14 percent of the western world's total copper (see table 3).

TABLE 3.—WESTERN WORLD COPPER REFINED PRODUCTION—10 LARGEST REFINING COUNTRIES: 1979

[Copper content, thousand metric tons]

Country	1969 Amount	1969 Percent composition	1979 Amount	1979 Percent composition
United States	2,033.9	34.5	2,060.3	28.9
Japan	629.2	10.7	983.7	13.8
Zambia	603.2	10.2	570.6	8.0
Chile	452.9	7.7	779.5	10.9
Canada	408.8	7.0	397.3	5.6
Germany, Federal Republic	402.1	6.8	382.5	5.4
Belgium	286.7	4.9	268.8	5.2
United Kingdom	198.2	3.4	----	----
Zaire	182.3	3.1	----	----
Australia	138.6	2.4	173.8	2.4
Peru	----	----	229.0	3.2
South Africa Republic	----	----	152.4	2.1
Subtotal	5,335.9	90.7	6,097.9	85.5
Western world total	5,884.1	100.0	7,131.2	100.0

U.S. POSITION AS COPPER CONSUMER HAS SLIPPED

Finally, the last performance indicator of the U.S. copper industry is refined consumption. While the average annual growth in U.S. consumption over the ten year period equalled 1.4 percent, the U.S. position slipped to under 30 percent of the western world consumption figure. It should be noted, too, that during this same period total western world consumption of refined copper was growing at an annual rate of 2.9 percent and Japan's copper consumption growth rate was 5.1 percent. At the same time Japan and Belgium increased their respective positions and both Brazil and Yugoslavia were added to the list of leading consumers (table 4).

TABLE 4.—WESTERN WORLD REFINED COPPER CONSUMPTION—10 LARGEST CONSUMING COUNTRIES: 1969 AND 1979

[Copper content, thousand metric tons]

Country	1969 Amount	1969 Percent composition	1979 Amount	1979 Percent composition
United States	1,943.4	34.1	2,229.0	29.4
Japan	806.9	14.1	1,330.1	17.6
Germany, Federal Republic	655.7	11.5	800.0	10.6
United Kingdom	546.8	9.6	498.8	6.6
France	334.8	5.9	342.8	4.5
Italy	238.0	4.2	352.0	4.7
Canada	234.5	4.1	243.2	3.2
Belgium	112.2	2.0	303.1	4.0
Australia	99.2	1.7	----	----
Spain	96.2	1.7	----	----
Brazil	----	----	228.7	3.0
Yugoslavia	----	----	155.0	2.1
Subtotal	5,067.7	88.9	6,482.7	85.7
Western World total	5,705.4	100.0	7,572.4	100.0

To anyone who has even a casual acquaintance with the U.S. copper industry, these ten-year indicators should not come as a surprise. We have all watched the gradual erosion of the domestic industry's relative position during this decade and the corresponding rise of other nations' copper industries. We have been exposed, too, to the list of causes that are frequently cited to explain these trends.

At the very base of the explanation lies the fundamental fact that the U.S. industry's costs have risen significantly, more so than in other parts of the world, and new, lower cost capacity in smelting and refining has not been added in this country. For example, it is no coincidence that during this decade of decline, an estimated 10 cents per pound was added to the domestic production costs of the U.S. primary copper industry through added pollution controls. In a summary of the impact of pollution control costs on the U.S. industry during the 1970s the Mining Journal reported that an estimated $2 billion had been spent to achieve and maintain designated air quality standards and other pollution controls. Some of these expenditures were broken down in the following manner by individual producer:

Inspiration Consolidated Copper Co. spent $120 million to construct new copper smelter facilities.

Asarco spent $239 million on pollution control.

Kennecott Copper Corp. expended $411 million on anti-pollution equipment.

Phelps Dodge spent $330 million during this period to upgrade its pollution and processing facilities.

Anaconda Copper Co. has spent over $260 million on a variety of pollution controls since 1970.

NON-PRODUCTIVE COSTS WEAKEN INDUSTRY

If the added costs of the non-productive pollution control equipment were not sufficient to further weaken the position of the domestic industry, the resulting cash shortages invited other industries to acquire interests in the U.S. copper industry. The Bendix Corp., acquired a 20 percent interest in Asarco through acquisition of stock issued partly to cover its pollution control costs. Kennecott during this period was the subject of various acquisition attempts and certainly its nearly half billion dollar anti-pollution cost total did not strengthen its position. The change-in-ownership list should also include Standard Oil of Indiana's acquisition of Cyprus Mines Corp., Atlantic Richfield Corp.'s purchase of Anaconda, and Copper Range's takeover by Louisiana Land and Exploration. These actions cannot be traced exclusively to the costs of added pollution control measures. Nevertheless, the expenditures on this anti-pollution equipment weakened these companies to the point that they were candidates for such actions.

Another argument might also be offered that through these structural changes and the resulting infusion of new capital and new management controls, a revitalized industry will emerge in the 1980s, one that will be in a stronger position to reverse some of the observed trends of the 1970 decade.

INDUSTRY PRODUCTIVITY HAS GENERALLY IMPROVED

In spite of the added costs of pollution controls in the industry, it is interesting to note that the industry's productivity over the decade has generally improved. The productivity trend is somewhat surprising when one reviews the decade and realizes the restricted investments made in new technology and new production facilities.

Generally speaking, approximately two-thirds of the employee hours required to produce a metric ton of refined copper are attributed to the mine-mill category. The remaining one-third are from the smelter-refinery category. In 1971, it took 67.5 employee hours in this country to produce a metric ton of refined copper. By 1979, that figure had dropped 12 percent to 59.5 em-

ployee hours. Table 5 summarizes the productivity totals for the decade and breaks out the two production categories. As far as changes are concerned, more productivity improvements appear to have taken place at the mine-mill level. Probably the applications of larger, more efficient equipment at the mining stage and the absence of new investment and technology in the smelting-refining stage during the decade explains this fact.

TABLE 5.—PRODUCTIVITY: EMPLOYEE HOURS PER METRIC TON OF U.S. COPPER PRODUCTION

Year	Mine/mill	Smelter/refinery	Total
1971	45.2	22.3	67.5
1972	42.8	21.1	63.9
1973	46.1	21.1	67.2
1974	46.8	23.2	70.0
1975	48.3	23.8	72.1
1976	39.9	20.4	60.3
1977	40.2	20.0	60.2
1978	37.2	21.9	59.1
1979	38.3	21.2	59.5

Source: Bureau of Labor Statistics.

DIFFERENT COPPER INDUSTRY WILL EMERGE FROM 1980'S

Let's turn now to some issues that will significantly shape the industry's future. I personally feel that the industry that emerges from the 1980's will be quite different than today's industry. These changes are likely to be reflected in the nature of the copper industry's ownership pattern, control and location of its processing facilities, the types of markets it will supply, and a variety of other factors.

Since we have been looking at the state of the U.S. industry and will be attempting a look at its future, we may ask whether domestic and world copper reserves suggest any future problems. In an analysis prepared by the U.S. Bureau of Mines in 1979, the world copper reserve base in ore was estimated at 495 million metric tons.[2] The Bureau estimated that there are an additional 1,133 million metric tons contained in other land-based resources and an estimated 689 million metric tons of copper contained in oceanic manganese nodules. Table 6 summarizes these estimates of world copper resources.

TABLE 6.—WORLD COPPER RESOURCES

[Million metric tons of cooper]

	Reserve base[1]	Other[2]	Total
North America:			
United States	92	290	382
Canada	32	109	141
Other	30	27	57
Subtotal	154	426	580
South America:			
Chile	97	172	269
Peru	32	36	68
Other	10	64	74
Subtotal	139	272	411
Europe and Near East (Subtotal)	22	36	58
Africa:			
Zarie	24	27	51
Zambia	34	64	98
Other	12	18	30
Subtotal	70	109	179
Asian (subtotal)	27	64	91
Oceania (Subtotal)	23	54	77
Central y planned economics Subtotal)	60	172	232
World total (land-based)	495	1,133	1,628
World total (seabed nodules)		689	689

[1] Reserve base that part of the identified in-place resource delineated by physical and chemical measurements related to current mining and production practices. Mineral reserve includes submarginal reserves.

[2] Includes undiscovered (hypothetical and speculative) deposits (derived in collaboration with U.S. Geological Survey).

Footnotes at end of article.

For purposes of comparing the U.S. resource position, the reserve base in the U.S. is estimated at 92 million metric tons with an additional 290 million metric tons of other copper resources, including undiscovered deposits. Most of these reserves are concentrated in five states, with Arizona, Utah, New Mexico, Montana and Michigan accounting for more than 90 percent of them.

Returning to the world resource picture, it is interesting to note the inclusion of seabed nodules in this resource estimate and other similar type estimates. Though at the present time the seabed estimates are considered highly speculative, the best available information based upon such measures as sampling, photography, and underwater television camera suggests a total world resource of 69 billion metric tons of nodules. Numerous analyses of nodules from the Pacific Ocean have been made and the results for the four major metals suggest the following mean values: 24 percent manganese, 1.0 percent nickel, 1.0 percent copper, and 0.35 percent cobalt. The Bureau of Mines has speculated that a hypothetical underwater mining operation producing 1 million dry metric tons of annual product of nodules could produce the following percentages of 1978 U.S. primary demand: manganese, 17; nickel, 5; copper, 0.5; and cobalt, 33.

RESERVES APPEAR ADEQUATE FOR BALANCE OF CENTURY

The reason for this discussion on resources is to estimate whether there may be a resource constraint on the horizon for the industry. The Bureau of Mines has estimated that by the year 2000 the cumulative total world demand for primary copper would amount to nearly 281 million metric tons. Assuming that the world reserve estimates are reasonably correct, then at least for the balance of this century production from these reserves should be adequate to meet the requirements for primary copper. Therefore, the availability of world reserves, in my opinion, does not seem to be a major factor shaping the future character of the U.S. copper industry.

Concern is periodically voiced about the displacement of copper in certain markets and the problem the metal faces from substitute materials. In considering factors shaping the industry's direction, I want to highlight some of the current trends in the marketplace and the likely future developments by end-use. I am going to utilize some recent work done by a United Nations study group in 1979 and reported in Copper: The Next Fifteen Years, A United Nations Study.[3]

The quality of the data on copper end-use is quite poor outside the U.S., so we'll use the U.S. statistics as the basis of the following discussion. Table 7 summarizes the changes and trends that have occurred since 1969 in the major consuming sectors for copper in the U.S. The one market component that is distorted is the ordnance sector which was abnormally high in 1969 because of the Viet Nam involvement. During the period 1969–1978, total consumption growth averaged only 1.0 percent per year. Two sectors, electrical and construction, exceeded this rate and increased, respectively, 2.1 and 3.2 percent per year.

TABLE 7.—U.S. COPPER CONSUMPTION PATTERN: 1969–78

[Thousand metric tons]

	1969	Percent of total	1978	Percent of total	Average annual growth rate
U.S. consumption pattern:					
Electrical	1,082	53	1,306	58	2.1
Construction	309	15	411	18	3.2
Machinery	230	11	201	9	−1.5
Transportation	180	9	194	9	.9
Ordnance	156	7	73	1	−19.2
Other	103	5	112	5	1.0
Total consumption	2,060	100	2,247	100	1.0

Copper has increasingly faced competition from aluminum, plastics, steel and other materials. The most significant inroad made in a traditional copper market has been my aluminum in the overhead transmission of electricity. It is now estimated that approximately 40 percent of insulated power cable and more than 90 percent of bare conductor applications have been taken over by aluminum. Aluminum is rapidly replacing copper in underground power cables, particularly in the lower voltage ranges. However, high-tension power cables are still dominated by copper and are expected to remain that way. Other materials threatening the cable market include sodium, lead, cadmium and niobium as superconductors at cryogenic temperatures.

Several new systems are presently in the development stages that promise major competition to copper's role in the telecommunications field. One system involves fiber optics (spun glass) in which an electronic impulse is used to transmit a much greater volume of messages per cross-sectional area of wire than with copper. Also, work is progressing on using a laser impulse for transmission purposes. The best estimate at the present is that these new applications will develop slowly at first but over the long run, probably after the mid-1980s, use of copper in this sector will trend downward.

SUBSTITUTION A SERIOUS PROBLEM IN CONSTRUCTION

The second largest market for copper and its alloys is in construction applications. In spite of the trend shown in table 7, where this market has increased its share of total in the U.S., substitution is a serious problem. Where copper was once mandatory as a material for plumbing tubes in cold water systems, PVC has been a major substitute in this application. Copper is expected to hold its own in other applications such as fastenings, locks, and architectural uses.

The recent U.N. survey concludes that substitution in the construction industry will proceed faster in the U.S. than in Western Europe. In the U.S., building code restrictions are more tolerant, thus allowing more substitution.

The automobile industry uses copper primarily in two forms: wiring and radiators. The greatest substitution opportunity both presently and in the future lies with radiator construction. However, at a time when the industry is seriously squeezed by rising costs, the investment in capital equipment necessary to work with a new material, i.e., aluminum, may inhibit this trend for a few years.

There has also been some recent discussion linking copper with the new applications in the solar energy field. It is somewhat difficult at the present time to quantify this market with any degree of accuracy, so it is appropriate to postpone any specific forecast until we know more about the general applications of solar energy and specifically the role that copper will play in its development.

This brief review of copper's major markets suggests that material substitution will continue to exert major influences in the various copper markets. In our own internal assessment of the various markets for copper, we have factored this consideration into our consumption forecast. Additionally, we have attempted to anticipate various national economic trends and in so doing have prepared consumption forecasts for major copper consuming countries. We are presently updating those forecasts. Last summer we prepared consumption forecasts and they are shown in table 8.

This leaves us with the problem of sorting these factors out and coming up with a credible outlook for the industry. In spite of some limited optimism on markets, reserves and productivities, I still see no major factors on the horizon that will alter the

1970 trends that we reviewed earlier. In fact, if the domestic copper industry continues in the pattern of the past decade, it will have trouble supplying the basic demand for copper. Additionally, it will be most difficult to meet the more aggressive and lower cost foreign competition. Too many constraints on domestic productive capacity and inadequate internal financial reserves almost guarantee such a scenario.

TABLE 8.—HISTORIC AND PROJECTED CONSUMPTION

	Percent growth rate	
	1950–77	1978–93
United States	1.7	1.6
Canada	3.3	2.2
Belgium	5.5	2.5
France	4.5	2.4
Germany	5.3	3.0
Italy	5.7	5.4
Japan	11.2	4.4
Brazil [1]	8.9	11.1
Other	3.3	2.4
Western world [2]	3.8	3.1

[1] Growth from 1960 to 1977 averaged 12.3 percent.
[2] Growth averaged 4.4 percent from 1950 to 1973.

MORE LIMITS FORESEEN ON DOMESTIC CAPACITY

A recent U.S. Department of Commerce study [4] on the potential impacts of regulations on the U.S. copper industry concluded that while capital expenditures by most U.S. copper companies have increased sharply, a significant portion (25 percent) has been allocated for nonproduction pollution abatement.

Most of that was associated with sulfur dioxide control at smelters. A major financial concern is that capital expenditures for the industry are increasing faster than internal cash generation, causing a deterioration of the companies' cash flow position. The result has been a marked departure from historical behavior: i.e. dramatic increases in external financing by the industry. In fact, during the past five years, the collective industry has doubled its overall debt while equity has increased by less than 35 percent.

As I personally review the domestic industry, I find it very difficult to show where any new productive capacity will be coming from. If anything, I see more limitation on domestic capacity in the future! Mine production will likely increase since the restrictions on it are not merely as severe as they are on the processing stages of copper. This may mean an industry in the future mining more ore, exporting more concentrate and importing more refined copper. But in a nation that has a de facto mineral policy that tolerates import dependence for 24 of the 32 minerals essential to national survival, perhaps the addition of a 25th isn't so unreasonable.

FOOTNOTES

[1] *Mining Journal*, Jan. 20, 1979.
[2] *Copper: Mineral Commodity Profiles*, prepared by the U.S. Bureau of Mines, September 1979.
[3] A United Nations study by Gluschke, Shaw and Varon. D. Reidel Publishing Co., 1979.
[4] "The Potential Economic Impact of U.S. Regulations on the U.S. Copper Industry," Industry and Trade Administration, Department of Commerce, April 1979.
[5] *The Denver Post*, Sept. 10, 1980.
[6] *World Metal Statistics*. (World Bureau of Metal Statistics. London, England).●

GRANT REFORM

● Mr. COHEN. Mr. President, I am pleased to be a cosponsor of S. 45, the Federal Assistance Reform Act of 1981. This legislation would help reduce the huge administrative burden that now characterizes our grant system and could save billions of dollars in administrative costs for Federal, State, and local governments.

There are more than 500 categorical grant programs in place at the present time, each with its own set of administrative and regulatory requirements. At least 55 Federal agencies have grant-making authority, and they, in turn, disperse funds to 50 States, 3,000 counties, 500 regional councils of governments, and nearly 90,000 cities, towns, and special districts.

Overhead and paperwork costs of categorical grants are enormous, sometimes running as high as 28 percent of available program funds. Paperwork costs alone associated with grant programs for all State and local governments exceed $9 billion per year.

Small towns in my own State of Maine, which cannot afford to hire grant-writing experts, have been discouraged from even applying for Federal grant money because of the complexity of the application process. Very recently, one of my constituents was unable to complete the necessary paperwork in time to be considered for one program even though he had filed similar applications in the past. The amount of time necessary just to compile the information prohibited him from filing an application before the deadline.

Many of the provisions of this legislation are designed with small communities in mind. To reduce administrative costs, the bill proposes to consolidate separate programs with similar goals into one grant program, combining reporting, auditing and other administrative requirements. To understand the need for this provision, one need only examine a list provided by the Advisory Commission on Intergovernmental Relations of current grant programs. In 1977, there were 7 highway safety grants, 12 for forest-related programs, 23 for pollution control and abatement, 36 for social services, and 78 for education. Indeed, there is even a separate grant program for highway beautification and for the control of junkyards. And the trend has been to compound the problem by creating more categorical grants. For example, in response to the 1973 oil embargo, 29 new energy assistance programs were created and administered by nine different Federal agencies.

Another important provision of S. 45 is designed to reduce the audit requirements for grant recipients by replacing the current practice of having each Federal agency do its own auditing.

Mr. President, I believe that this legislation is in keeping with the goals of the new administration. We need to simplify the operation of Federal programs to insure that they are run in the most efficient manner possible and to guarantee that tax dollars are not wasted in unnecessary overhead. By streamlining federal grant programs, we can remove many of the obstacles faced by small communities seeking Federal funds.

I am pleased to pledge my support to this legislation which could save up to 10 percent of the costs of grant programs. I look forward to working within the Governmental Affairs Committee to promote passage of the bill during this session.●

AIR FORCE, NAVY RECRUITING SUCCESS

● Mr. COHEN. Mr. President, two recent news articles indicate that recent congressional action to improve military compensation may be helping the services meet their manpower needs.

The headlines tell the story. "Air Force Recruiting Sets Record" is the message of a December 21 Christian Science Monitor article. "More Pay Brings Hike in Navy Reenlistments" speaks directly of the impact of improved compensation.

These two articles should not cause anyone at the Pentagon or in Congress to get overly optimistic about the services' ability to meet manpower needs. They do, however, reflect a positive trend.

More important, they show what can happen when Congress and the Defense Department work together to provide positive incentives for enlistment and reenlistment in the Armed Forces. What is critical now is that we not be complacent.

The pay and benefit packages approved in the 96th Congress will be a big help to military recruiters and reenlistment counselors. But we must not forget that those improvements were long overdue and that they still did not bring military pay into comparability with civilian sector wage scales.

GI bill educational benefits are still needed. A careful look at military compensation is still in order. And attention to "quality of life" items for military personnel and their families is still essential. So, too, is greater attention to the kinds of steps aimed at strengthening training and "esprit de corps" which Army Chief of Staff Meyer is in the process of implementing.

Still, the two news reports are very encouraging. It is pleasing to note that "Air Force recruiters were so successful that they reached their recruiting goal before the fiscal year was even 10 months old." And it is good to read that "Navy reenlistments have risen sharply because of pay raises that become effective in October."

These two articles should be of interest to all who are concerned about the Nation's military manpower situation. I commend them to my colleagues.

The articles follow:

[From the Christian Science Monitor, Dec. 21, 1980]

AIR FORCE RECRUITING SETS RECORD

(By Jim Sanders)

Air Force recruiting efforts in the Colorado Springs area are now more successful than ever before and record numbers of young men and women from this area are signing up to wear Air Force blue.

Southern Colorado sent 567 recruits to Air Force basic training during the fiscal year that ended Sept. 30, 1980. Eighty percent of those recruits were men.

The Air Force's top recruiter in the six-state area that includes Colorado was Tech. Sgt. Mike Clare, who works out of an office in Widefield.

Clare who this year enlisted 118 new recruits, said Friday that the soft job market

for recent high school graduates and the chance to get the skills training necessary to compete in future job markets are the main reasons enlistments have hit an all-time high.

"A lot of young people are having difficulty finding jobs," Clare said. "Industry just doesn't have the time to train them if they don't already have the skills needed.

"We can take them, train them and give them the skills they need. Then if they like the Air Force, they can stay in. If they don't like it, they can get out and have a better chance of getting a job."

The Air Force recruits persons between the ages of 18 and 28. Clare said the majority of those signing up from this area are at the lower end of that age spectrum. He called the older recruit "a rarity" and said most of them enlist in professional and speciality slots.

The Colorado Springs area has always been fertile ground for recruiters, according to Clare. He attributed that to an "overall sense of military awareness" in this area.

"With three military installations in the area, you can't help but have an awareness," Clare said. "Even if a young person isn't a military dependent he's been around those who are. That gets rid of some of the suspicions and myths you find in other areas."

Clare said recent jumps in military pay also play a role in attracting recruits. He said that currently recruits make $500 a month during basic training.

"That's a lot of money for a young kid who's 18 or 19 years old. Plus they don't have a lot to spend it on during their training time. They live in dormitories and eat in dining halls."

The uncertainty that followed the announcement of draft registration also helped push enlistment levels up, Clare said. Young men and women unsure about their draft status followed the age-old tradition of signing up in the Air Force instead of waiting to be drafted. He said once it became clear there was not going to be a draft, that rush leveled off.

Recruiters in the six-state Rocky Mountain area were not the only ones who were successful this last fiscal year. Nationwide, more than 84,000 new recruits signed up. Air Force recruiters were so successful that they reached their recruiting goal before the fiscal year was even 10 months old.

[From the Virginian-Pilot, Jan. 7, 1981]

MORE PAY BRINGS HIKE IN NAVY REENLISTMENTS

(By John Stevenson)

NORFOLK.—Navy reenlistments have risen sharply because of pay raises that became effective in October, Adm. Harry D. Train II, the Atlantic Fleet commander, said in an interview Tuesday.

Reenlistments of sailors in the Atlantic Fleet finishing their first terms jumped by 25 percent in November from such reenlistments in September, Train said.

"Pay is clearly the cause of it," he added. "The reaction is resounding. Everybody you talk to is content and happy with it. They think the country has done right by them."

He predicted that the favorable trend will continue and that a shortage of about 20,000 senior petty officers will be alleviated within four years. The shortage has threatened to cripple ship and aircraft readiness, and has sometimes led to disruptive juggling of personnel from one ship to another.

Train said that December figures aren't yet available. September was the last month before an 11.7 percent pay raise and other new pay benefits, including a bigger housing allowance in high-cost areas, went into effect.

According to Train's statistics, the number of those reenlisting after their first hitch was 25 percent higher; the number reenlisting after a second hitch rose 21 percent; and reenlistments among more senior people—those in the career category—was up 14 percent.

When both October and November figures are compared with those for the same two months in 1979, reenlistment figures are still up, although not as much. For first-hitchers they rose 11 percent; for second-hitchers, 6 percent; and for career people, 7 percent.

The hard numbers look like this: 622 first-termers reenlisted in November 1980 as compared to 307 in September of the same year; 303 second-termers signed up anew in November as compared to 101 in September; and 264 career people signed in November, compared to 150 in September.

When the year-to-year comparison is made, these are the numbers: In October and November 1980, 1,609 first-termers reenlisted, 623 second-termers re-enlisted, and 795 career people signed on again. That compares to 973, 472, and 526, respectively, for October and November a year earlier.

The figures supplied by Train are for the Atlantic Fleet only, roughly half the Navy. Pacific Fleet figures could not be obtained late Tuesday, although officials said increases could also be expected there.

Train credited Adm. Thomas B. Hayward, chief of naval operations, for much of the success. Hayward was a frequent and outspoken lobbyist for improved military pay.

Major provisions of the October pay boost were an across-the-board 11.7 percent hike and an increased housing allowance in high cost-of-living areas. In Tidewater, housing allowances rose 15 to 45 percent as a result of the measure.

Other pay hikes did not become effective until this month, including sea pay that will quadruple for some Navy people and greatly expanded bonuses for those with nuclear and submarine expertise. Also, officers have just begun to receive sea pay for the first time in more than 30 years.

"Everything is positive," said Train, calling the new pay structure "an astounding package."

Train predicted that with the alleviation of the Navy's 20,000-man petty officer shortage, the service "will be fairly comfortable again. Being fairly comfortable is where the nation ought to be."

The personnel deficit last spring caused the Norfolk-based oiler Canisteo to be declared temporarily unsafe for extended operations, while the Norfolk-based carrier John F. Kennedy had to borrow about 50 people from other commands before it could begin a Mediterranean trip during 1980.

Late in the year, officials began talking about selective manning experiments under which personnel might be traded off among three frigates. One of the ships under that plan would have had enough people for operations anywhere necessary, another would have had enough for operations only close to home, and the third would have been virtually pier-bound.

However, a well-placed officer said Tuesday that this plan is now on the "back burner" and may never be fully implemented, especially if Train's prediction for continued favorable re-enlistment rates is realized.●

THE BUDGET FOR FISCAL YEAR 1982

● Mr. BOREN. Mr. President, in a few weeks, we will begin the process of analyzing the budgetary needs of this country for fiscal year 1982.

I would like to make a few brief comments for the record relating to the final budget submitted by the Carter administration. While I recognize that this last Carter budget will be superseded by initiatives by the Reagan administration and by the feelings of many newly elected Members of this Congress, I believe that many of the issues dealt with in the Carter budget will be of concern in our deliberations.

The Carter budget as submitted calls for outlays of $739.3 billion in revenues of $711.8 billion, resulting in a deficit of $27½ billion. It also would, for the first time in history, push the public debt over $1 trillion.

My major disappointment with the Carter proposal is the fact of the deficit. It was just 1 year ago that the Halls of the Congress resounded with the determination that fiscal year 1981 would finally be the year in which the long-sought goal of a balanced budget would be achieved. Indeed, with the passage of the first concurrent budget resolution last year, the budget was balanced on paper. Unfortunately, all of us knew at the time that it was only a paper balance and was not going to be sustained as the year progressed.

There were many reasons given for our failure last year, the most persistent being the inflationary spiral that pushed costs far above our original estimate.

The fact is, Mr. President, that once it was established that there was going to be a deficit in fiscal year 1981, all incentive to cut spending seemed to vanish and, in my opinion, the projected deficit now set at $55.2 billion is not just the result of economic conditions, but also the result of our own inability to control ourselves.

We are now told, by not only the Carter budget, but also the Reagan administration's own estimates, that a balanced budget is not achievable until fiscal year 1984. It is little wonder that the American people have become cynical about their own Government's resolve to discipline itself and to fight inflation through the most effective method possible—balancing the budget and getting the Federal Government out of the credit market.

Last year I supported a constitutional amendment requiring a balanced budget. I also supported proposals to tie Government spending to a percentage of the gross national product. The argument against it last year was that it was more appropriate for Congress to handle the matter itself—we have proven our unwillingness to do that.

I was also told that to tie spending to a percentage of the GNP was unrealistic and would call for far deeper cuts than we could stand. The result is that Government spending as a percentage of the gross national product is going up again.

Another disturbing element of the Carter administration's request is that the percentage of totals which are relatively uncontrollable rise from 75.9 percent in fiscal year 1981 to 76.6 percent in fiscal year 1982. In one category alone, the indexing of benefits required by law for the social security, railroad and Federal worker retirement program, and veterans' pensions, will cause the budget to grow by $25 billion.

There are those who believe that the maintaining of a $27½ billion deficit, as proposed in this Carter budget, will be difficult in light of the economic assumptions used at estimating revenues and

expenditures and in light of the dependence on increased revenues in the form of new taxes—such as the Carter proposed imposition of a 10-cent-per-gallon motor fuel tax. The Carter budget also contains a recommendation for changing the cost-of-living adjustment for Government workers retirement benefits to an annual rather than semiannual basis—a proposal defeated in the last Congress. In addition, it proposes a 15-percent withholding rate on interest and dividends. I hardly need to recall for you, Mr. President, that this proposal, submitted last year, generated more mail in opposition than nearly any other proposal and was soundly defeated in the Senate.

I will say little about the economic assumptions used except to note my dismay that the Carter budget projects inflation at over 10 percent in 1981 and continuing near 10 percent in 1982. I might add parenthetically that according to a staff report from the Democratic side of the Budget Committee, those assumptions are comparable to the Congressional Budget Office estimates and the latest forecasts of 42 private forecasters. This is certainly discouraging news, though hardly unexpected, for all Americans.

One encouraging note in the Carter budget is that real growth in defense programs is estimated at 5.3 percent, and that major programs increases are concentrated in two long-neglected areas, operation and maintenance and research and development.

Personally, I believe that an even higher real increase in defense spending is needed, in particular I support increases for personnel and for the development of a new strategic bomber aircraft. I will speak more on this subject later in this Congress.

Another aspect of the Carter recommendations with which I agree is that the formula used to compute the Consumer Price Index, particularly as it relates to owner-occupied housing, should be changed. I am not sure that the change which he recommends, using the rent component to measure the price change for owner-occupied housing, is the correct one. But there is no question that when the CPI is used to determine retirement adjustment, a change in the formula to more realistically reflect what is actually happening in the marketplace is needed.

Mr. President, I have touched very broadly on areas of concern to me in the Carter proposal. I will have more to say when the Reagan administration reveals their ideas and the budgetary process in the Senate gets underway.●

RETIREMENT OF WILLIAM J. McGILL

● Mr. RIEGLE. Mr. President, William J. McGill of Davison, Mich., recently retired as postmaster after serving from 1950 until 1980. This man has spent over 30 years working for the United States Postal Service. His dedication to his job and selfless contributions to the Davison community will be greatly missed. As a lifelong citizen of Davison, Mr. McGill has been a great asset as postmaster while also actively participating in every aspect of the community including membership in the American Legion, VFW, and the Davison City Council. It is my pleasure to congratulate Mr. McGill on his retirement and thank him for his service to the Davison community. It is citizens like Mr. McGill who make Michigan and our country strong.●

HOWARD LIEBENGOOD, SENATE SERGEANT AT ARMS

● Mr. DOLE. Mr. President, it is with great Kansas pride that I take a few moments to honor Mr. Howard Liebengood, our new Sergeant at Arms and Doorkeeper.

Mr. Liebengood hails from the great State of Indiana, and received his law degree from Vanderbilt University. Prior to his selection as Sergeant at Arms, Mr. Liebengood was a counsel to the distinguished majority leader, Mr. BAKER of Tennessee.

These are impressive credentials of a truly notable career. It is, however, his undergraduate days that I would like to take special note of. Mr. Liebengood graduated from Kansas State University in 1964, yet another distinguished alumnus of that fine university located in Manhattan, Kans.

My home state is, of course, represented in this body by two Senators. My colleague, NANCY KASSEBAUM, has proved to be an unusually able legislator. Her sensible approach to the proposals and problems we face each day is a fine example for all of us, and as a Kansan I can honestly say that it is an honor to be represented by her.

But, Mr. President, as a citizen of Russell, Kans., it is also an honor to be represented by Senator ARLEN SPECTER of Pennsylvania, who grew up in my hometown. With the selection of Howard Liebengood it can be said that Kansas is the most well represented State in the Union.

This Senator would like to offer sincere congratulations and best wishes to Mr. Liebengood as he takes over his new duties. It is a big job, and the majority leader has certainly found a man who will carry out its duties in a dignified and effective manner.●

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, if no Senator seeks recognition I will proceed with my statement on the United States Senate, after which, under the order, the Chair will recess the Senate over until tomorrow.

Mr. BAKER. Mr. President, will the minority leader permit me to make one request before he begins with his presentation?

Mr. ROBERT C. BYRD. Yes.

AUTHORIZATION FOR THE SECRETARY OF THE SENATE TO TRANSMIT A COPY OF SENATE RESOLUTION 28

Mr. BAKER. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to transmit a copy of the resolution with respect to the American hostages held in Iran to former President of the United States Jimmy Carter, to former Secretary of State Ed Muskie, and to the former Deputy Secretary of State Warren Christopher, and to the Algerian representative to the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I thank the minority leader.

Mr. ROBERT C. BYRD. I thank the distinguished majority leader.

Mr. President, I take it that no other Senator seeks recognition. If a Senator does seek recognition for the purpose of wishing to make a statement during morning business while I have the floor, I will yield to him for that purpose only.

THE UNITED STATES SENATE

OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

ESTABLISHMENT

Mr. ROBERT C. BYRD. Mr. President, the offices of Legislative Counsel of the Senate and of the House of Representatives, originally referred to collectively as the Legislative Drafting Service, were created by an Act of Congress approved February 24, 1919, "to assist in drafting public bills and resolutions or amendments thereto on the request of any committee of either House of the Congress" (40 Stat. 1141).

The establishment of the service as an agency of the Congress followed a two-year demonstration, to committees of the Congress, of the value of specially trained legislative draftsmen in formulating technically effective legislative measures. The demonstration was conducted through the services of a skilled draftsman, Middleton Beaman, furnished by the Legislative Drafting Research Fund of Columbia University (29 Col. L. Rev. 379, 385–386).

The Act of February 24, 1919, provided for the appointment of two draftsmen "without reference to political affiliations and solely on the ground of fitness to perform the duties of the office" (40 Stat. 1141). One was to be appointed by the President of the Senate, and one by the Speaker of the House.

The men first appointed to those positions were Thomas I. Parkinson, in the Senate, and Mr. Beaman in the House. Both previously had been engaged with Professor Joseph P. Chamberlain of Columbia University in research to develop improved techniques in the drafting of statutes (29 Col. L. Rev. 381).

PRIORITIES IN SERVICE

Although the office is required by the statute which created it to render service only to committees, it has long been the practice of the office to furnish drafting service also to individual Members of the Senate, on their request, to the extent permitted by its personnel strength. In addition, the office provides other technical legal assistance, such as advice and counsel with respect to constitutional and legal problems involved in proposed legislation, to committees and Members of the Senate.

The Committee on Rules and Administration of the Senate is authorized to determine the preference to be given by the office to requests for service. The order of preference in effect for many years is the following: (1) measures in conference; (2) measures pending on the floor of the Senate; (3) measures pending before a standing committee; and (4) preparation of original measures for individual Members of the Senate.

Within each of those categories, each attorney in the office gives preference to requests in the order of the time of their receipt, except that a request for a measure or amendment which can be prepared quickly may be given priority over one of earlier receipt which will require an extended period of time for preparation.

LIMITATION OF FUNCTIONS

The office has no part in the formulation of legislative policy. Its only concern with policy is to ascertain the desired policy in adequate detail and with sufficient precision to enable it to formulate a measure which is technically effective to carry out legislative intent.

It serves committees and members of the Senate without regard to political considerations.

All service is rendered upon a confidential basis, and care is taken to prevent any violation of confidence.

CHARACTER OF SERVICES RENDERED

Service rendered to a standing committee with respect to a single measure may include assistance to subcommittee staff members in the preparation of amendments required to carry into effect policy decisions made from time to time by the subcommittee during its consideration of the measure, and in the preparation of the amended measure for reporting to the full committee. It may include similar assistance to members of the staff of the full committee before the measure is reported for floor action. Assistance also may be given in the preparation of any floor amendments requested on behalf of the Member in charge of the measure on the floor. In the case of a measure as to which a conference is requested to resolve differences between the Senate and the House of Representatives, assistance may be furnished in the preparation of the conference report.

During each session of the Senate, virtually all Senators request the preparation of original measures and amendments. The measures so prepared range from relatively simple private relief bills to omnibus measures of considerable technical complexity. When a major measure is called up for consideration on the floor of the Senate, the office usually receives requests from many Senators for the preparation of a wide variety of floor amendments.

Frequently, the office is called upon to review drafts of bills prepared in executive agencies and elsewhere, and to make such revisions as may be required for technical sufficiency, before their introduction in the Senate.

Apart from the preparation and review of proposed legislation, members of the office are consulted often by members of the staffs of committees and subcommittees, and by members of the staffs of individual Senators. Such consultation occurs with respect to possible approaches to the legislative solution of particular problems, technical questions of substantive and procedural law, and such matters as the mechanics of preparation and the technical and legal accuracy of committee reports.

The range of subjects with which the office deals is very extensive. It is expected to render service with respect to all matters within the purview of proposed Federal legislation in a period in which the role of the Federal Government is ever expanding. As stated by two qualified observers, "the scope of each attorney is formidably broad" (Lawyers for the Lawmakers, Krasnow and Kurzman, 51 Am B.A.J. 1191).

The volume of the business of the office has steadily increased over the years. For example, during the 81st Congress 4,444 drafting jobs were performed. Almost twice that many drafting jobs, viz., 8,804 were performed during the 95th Congress, and during the 96th Congress the office performed 9,199 drafting jobs. In addition to drafting jobs, the office also performs consulting services, with 733 consulting jobs being performed during the 95th Congress and 488 during the 96th Congress. (Prior to the 91st Congress these jobs were not tabulated.)

Perhaps of even greater significance in the work of the office is the number of new subjects of Federal legislation which has occupied the attention of the Congress during the past 30 years, and the increasing technical complexity of many of those subjects. The increase in the number of subcommittees of the Senate which occurred in that period has contributed materially to the increasing volume of business of the office.

RESPONSIBILITIES OF THE DRAFTSMAN

Legislative drafting in the Congress is an exacting occupation. Effective drafting requires careful analysis of the legal problems involved, arrangement of matter in a logical sequence, and accurate and unambiguous expression of the concepts set forth. Constitutional limitations must always be observed. Most legislative proposals deal with matters which have been the subject of one or more previous enactments. A new measure must be carefully related to earlier enactments to produce, as far as possible, a consistent body of law which will carry the congressional purpose into into effect without producing unintended consequences.

This is why no major bill today is written by a Member of the Senate. I would never undertake it to write a bill. It requires relating that bill to other laws that have already been passed. That is why the Senate needs a legislative counsel.

A simply stated policy objective may require the identification and alteration of numerous provisions of existing law. Examples may be noted particularly in such highly structured bodies of law as the Internal Revenue Code and the many titles of the Social Security Act.

So it may come as a surprise to the readers of this statement that, as I say again, Members of the Senate do not actually write the bills that we introduce, not personally. We have the advice of the legislative counsel, we have the advice of the parliamentarians, and, of course, what goes into the bill are the concepts and thoughts and wishes of the Member who directs the drafting of that bill, but the bill itself is not drafted by a Member of the Senate.

Whether or not any living Member of the Senate has ever drafted a bill, I cannot say. It may very well be that some of the Members who have been here longest could have, in past times, been forced to draft their own legislation, but I doubt it, because the legislative counsel was created, as I have already stated, many years ago and the writing of bills has become such a complex matter that it requires the art and skills of experienced legislative draftsmen. A failure to make necessary conforming changes in existing law may lead to difficulties in administration and to judicial interpretations at variance with congressional intent. Often the draftsman must work under severe time limitations.

Former Chief Justice Stone once observed that "The drawing of a legislative Act requires exceptional training, experience, and skill. No legislation can be enacted which does not have its effect, and oftentimes a serious effect, upon the existing law, written or unwritten, or both. (Harlan Fiske Stone: Pillar of the Law, Mason, Alpheus Thomas, page 119).

PERSONNEL OF THE OFFICE

Since its creation in 1919, two years after I discovered America, the Office of the Legislative Counsel of the Senate has been headed by eleven men. Mr. Parkinson, John E. Walker, Frederic P. Lee, Charles F. Boots, Henry G. Wood, Stephen E. Rice, John H. Simms, Dwight J. Pinion, John C. Herberg, Harry B. Littell, and Douglas B. Hester, who succeeded Mr. Littell upon his recent retirement on February 29, 1980.

Under the Act of 1919, each draftsman was authorized, with the approval of the President of the Senate and Speaker of the House, respectively, to appoint and fix the compensation of necessary assistants. Later, in 1941, appointment of the Legislative Counsel of the Senate, and approval of the appointment of assistants, was made the responsibility of the President pro tempore of the Senate (55 Stat. 726).

By subsequent legislation it has been provided that five members of the staff may be designated as Senior Counsels (sec. 101, Act of July 1, 1957, 71 Stat. 251; sec. 101. Act of December 30, 1963, 77 Stat. 804; sec 102, Act of September 30, 1978 (Public Law 95–391)). All appointments are made without regard to political affiliation.

In 1919, the office had a staff of three attorneys and one clerk. By 1945, the number of attorneys in the office had increased to six. Under the authority given by the Legislative Reorganization Act of 1946, the office reached its authorized strength of eleven attorneys in 1949. That increase was accomplished gradually because of the time required to select, train, and develop to special compe-

tence a new member of the office. In 1970, two new attorney positions were established; in 1973, one new attorney position was established; and in 1975, one more attorney position was authorized, bringing the authorized number of attorneys (including the Legislative Counsel) to 15. Since 1975, no further increase has been made in the authorized number of attorneys.

A fine spirit of cooperation among the members of the entire staff, professional and non-professional, has contributed to the effectiveness of the office.

The ability of the office to deal with the increase in the volume and complexity of work while maintaining a relatively small staff is largely the result of two practices. The first is the care taken in the selection of new attorneys. The second factor is the development of a corps of career attorneys whose growing experience and skill within the areas of their individual special competence has produced a progressively higher individual accomplishment.

SELECTION OF PERSONNEL

Attorneys skilled in the specialty of congressional legislative drafting cannot be recruited from outside sources. They must be developed within the office over a span of years. And so we have on-the-job training.

New attorneys are chosen from recent law school graduates of special promise who are interested in serving as legislative draftsmen on a career basis.

In selecting new attorneys for appointment, consideration is given to both academic and personal qualifications of applicants.

In evaluating the professional qualifications of applicants, the office looks particularly for evidence of capacity or potential for discriminating analysis of legal problems and capacity for clear and precise oral and written expression.

Law school academic standing is considered an important index of capacity for legal analysis. Law review or other experience in careful legal research and legal writing is regarded as a favorable indication of capacity for legislative drafting.

As to personal qualities, the office is interested in the following: maturity; objectivity; tact; capacity for responsible work without close supervision; a disposition to give careful attention to details—he must have that—and a professional attitude which enables the individual to render competent technical legal service without regard—and this is important—to his personal views with respect to political or policy questions.

Because the office renders exclusively technical legal service on a non-political confidential basis, and must be impartial in appearance as well as in fact, active public participation in political matters which would give rise to question as to such impartiality is regarded as a disqualification for appointment or retention. Attorneys in the office must also possess a "passion for anonymity."

What a quality. What a quality to be admired, and what a quality needed, even here in this Senate of the United States, a passion for anonymity. Well, I suppose that would be expecting too much of Senators, but it is not expecting too much of the personnel in the Office of Legislative Counsel. Moreover, that is a quality that is not common among competent attorneys.

No change in personnel in the office has resulted from any change in political control of the Senate. So it is not a politicized office. It could not be and still serve as it does the needs of the Members of the Senate, all of the Members of the Senate, and the Senate itself.

Several years of training and experience are required to develop a legislative draftsman who is competent to contribute substantially to the performance of the work of the office. An initial appointment of an attorney is provisional, and is made with the title of Law Assistant. After an attorney has demonstrated the ability to meet the office standards of its legal staff, his title is changed to Assistant Counsel. Upon the basis of seniority in service, five members of the office may be designated as Senior Counsel. A vacancy in the position of Legislative Counsel invariably has been filled by the appointment of the senior attorney then serving.

During the service of a new attorney as a Law Assistant all of his work is reviewed by a more experienced member of the staff. Thereafter, he is expected to assume full responsibility for his work without routine review, but to seek such consultation with other members of the staff as he may consider advisable for the solution of particular problems. As a new attorney gains experience and skill, he is given primary responsibility for service with respect to an increasing number of areas of Federal law.

PROMOTION POLICIES

New attorneys are appointed at a salary comparable to that afforded highly promising attorneys entering Government service in the executive branch. At present this is approximately $26,000 a year. Promotions are effected by means of annual increases in salary, subject to the salary limitations applicable to Senate employees. Promotion of an attorney is, of course, conditioned upon his continued performance of service which meets office standards.

New members of the clerical staff are normally appointed at a salary equal to the minimum salary payable to members of committee clerical staffs. The promotion policy of the office also calls for annual salary promotions for clerical staff members.

The policy of annual salary increases is an important aspect of the office's endeavor to secure and retain staff members, particularly attorneys, who will make a career of service in the office. The present policy is designed to promote an attorney annually so that he will reach the top salary within the Senate ceiling in approximately 12 years. As a result of this policy there has been relatively little turnover in the attorney staff over the years except for retirement.

The salaries of the Legislative Counsel and the Senior Counsels are fixed pursuant to law and may not be increased administratively.

CURRENT LEGAL STAFF

As of January 14, 1981, the legal staff of the office of the Legislative Counsel consists of the following personnel with the approximate length of service specified:

Name and title	Years	Months
1. Douglas B. Hester, legislative counsel	28	11
2. Hugh C. Evans, senior counsel	28	10
3. A. Blair Crownover, senior counsel	18	9
4. Francis L. Burk, Jr., assistant counsel	10	7
5. Daniel H. Murray, assistant counsel	10	5
6. James W. Fransen, assistant counsel	5	7
7. Bruce M. Kelly, assistant counsel	4	5
8. Arthur J. Rynearson, assistant counsel	4	5
9. Susan V. McNally, assistant counsel	3	4
10. April Lewis Burke, assistant counsel	2	5
11. Janis A. Wilson, assistant counsel	1	8
12. William F. Jensen, III, law assistant		5
13. Michael P. Geary, law assistant		5
14. Gregory F. Scott, law assistant (began work Jan. 14, 1981)		

Mr. President, all of us appreciate the very professional service that is performed for the Senate by the Office of Legislative Counsel. I particularly wish to express my commendation and appreciation for Mr. Hester, with whom I have had many conversations over a long period of years on the many occasions when he has assisted me in the drafting of legislation.

These are very able men, skillful in legislative drafting, dedicated to the service of Senators and the Senate. To them we owe a great debt of gratitude because without them there would not be many bills introduced, and then only those which would require the most simple and elementary experience.

Mr. President, this ends my 32d statement on the United States Senate, a series which began last March and which will continue for some time into the future. I thank the distinguished Senator who now presides over the Senate for his patience in listening to this discourse.

Under the order, he will complete the work of the day and I shall go quietly to my office.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS UNTIL 11 A.M. THURSDAY, JANUARY 22, 1981

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 11 a.m. tomorrow.

Whereupon, at 6:20 p.m., the Senate in executive session recessed until tomorrow, Thursday, January 22, 1981, at 11 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 21, 1981.

DEPARTMENT OF STATE

Alexander Meigs Haig, Jr., of Connecticut, to be Secretary of State.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Richard S. Schweiker, of Pennsylvania, to be Secretary of Health and Human Services.

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, January 22, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JANUARY 23

10:00 a.m.
Appropriations
Labor, Health, and Human Services, and Education Subcommittee
To meet on general subcommittee business.
1114 Dirksen Building

Select on Small Business
To hold oversight hearings on the 8A pilot program of the Small Business Administration.
424 Russell Building

Joint Economic
To continue hearings to review the economic outlook for 1981 in preparation of its forthcoming annual report.
2167 Rayburn Building

JANUARY 26

10:00 a.m.
Budget
Industrial Growth and Productivity Subcommittee
To hold hearings on U.S. science and technology policy, and its impact on the electronics industry.
6202 Dirksen Building

Labor and Human Resources
To hold an organizational business meeting, to consider the committee's budget for 1981, rules of procedure for the 97th Congress, and announce subcommittee assignments.
4232 Dirksen Building

JANUARY 27

10:00 a.m.
Appropriations
To hold hearings to review the proposed budget for fiscal year 1982 and the state of the U.S. economy.
318 Russell Building

Budget
Industrial Growth and Productivity Subcommittee
To hold hearings on the impact of Federal policies to improve the capacity of certain industries.
6202 Dirksen Building

Judiciary
To hold an organizational business meeting.
2228 Dirksen Building

Select on Small Business
To hold an organizational business meeting.
424 Russell Building

JANUARY 28

9:30 a.m.
Labor and Human Resources
To hold hearings on alleged sex discrimination in the workplace.
4232 Dirksen Building

10:00 a.m.
Appropriations
To continue hearings to review the proposed budget for fiscal year 1982 and the state of the U.S. economy.
318 Russell Building

Budget
Industrial Growth and Productivity Subcommittee
To hold hearings on the international context of U.S. industrial growth.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on Federal and State regulations affecting the automobile industry.
235 Russell Building

JANUARY 29

10:00 a.m.
Appropriations
To continue hearings to review the proposed budget for fiscal year 1982 and the state of the U.S. economy.
1114 Dirksen Building

JANUARY 30

10:00 a.m.
Appropriations
To continue hearings to review the proposed budget for fiscal year 1982 and the state of the U.S. economy.
1114 Dirksen Building

FEBRUARY 24

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1981 from the Disabled American Veterans.
318 Russell Building

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

HOUSE OF REPRESENTATIVES—*Thursday, January 22, 1981*

The House met at 11 a.m. and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
January 21, 1981.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Thursday, January 22, 1981.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

Rev. Herman M. Mitschke, pastor, Our Redeemer Lutheran Church, San Diego, Calif., offered the following prayer:

Almighty God, our heavenly Father, we humbly seek Thy blessing as today we open this congressional session surrounded by a national atmosphere of a new beginning. Grant us a sensitive vision to see in each deliberation and decision a resulting impact on personal lives.

Together we pray for our new President and his administration, that Government may be a blessing.

Beginning with us, renew within America a humble gratefulness when peace and prosperity are enjoyed; a respect for one another as each of us seek our own destinies; and a readiness to sacrifice without complaint when sacrifice is required. Bless us and each of us to Thy glory. through Jesus Christ, through whom each day is a new beginning.

Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

A MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Vice President and upon the recommendation of the majority leader, pursuant to section 276, title 22 of the United States Code, as amended, appointed Mr. STAFFORD to attend the Interparliamentary Union meetings during the 97th Congress and act as chairman of the Senate delegations to such Interparliamentary Union meetings during that time.

The message also announced that the Vice President, pursuant to Public Law 94-304, appointed Mr. HATCH, Mr. HEINZ, and Mr. D'AMATO to the Commission on Security and Cooperation in Europe.

REV. H. W. MIKE MITSCHKE

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, Rev. H. W. Mike Mitschke is the pastor of Our Redeemer Lutheran Church in San Diego, Calif. He is native of Houston, Tex. He graduated from the Academy of Concordia, Austin, Tex, St. John's College in Winfield, Kans, and Concordia Seminary in St. Louis, Mo. Upon graduation in 1950, his first assignment was to be a flying parson throughout the southern California desert area along the Colorado River. He flew his own plane starting new congregations in what was then the largest geographical parish within the Lutheran Church. In 1956, he became pastor of a new mission congregation in the Metropolitan San Diego area. Today, the congregation is the second largest in the region with 1,000 souls. This church is a leader in racial integration in the metropolitan city. The parish also provides full services for the deaf in all church activities. Sign language classes are offered by the congregation so that today 15 percent of the congregation can communicate by sign language. The church has a deaf choir and interpreters for all church activities. For the past 20 years, Reverend Mitschke has been the chaplain for the San Diego Police Department. Mike is an avid fisherman, tennis player, and handball player. He is married to Erma. They have three children, Lynn, Tawn, and Mike, Jr.

Mr. SIMON. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Speaker, I think the chaplain has one distinction the gentleman from California did not mention. I believe he is the brother-in-law of the gentleman from California; is that correct?

Mr. DANNEMEYER. It is funny the gentleman would mention that, my distinguished friend from Illinois (Mr. SIMON), but that is true.

Mr. SIMON. I happen to have known the gentleman's brother-in-law since I was in high school. It is a pleasure to have him here.

Mr. DANNEMEYER. He watched the gentleman in the newspaper business in southern Illinois, I understand.

HOSTAGE GOLD MEDAL BILL INTRODUCED

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANNUNZIO. Mr. Speaker, I am very proud today to introduce a bill to present congressional gold medals to the 52 Americans released from Iran on January 20, 1981, and to Richard Queen, who was released last July.

These brave men and women are heroes. Taken prisoner by radicals in the midst of a hostile revolution, they were threatened with death. They were abused and isolated from contact with the outside world. They were blindfolded and led in front of vast crowds who denounced them and their country. Yet not one of them ever acted with anything but dignity and bravery. None betrayed their country or their fellow hostages in order to obtain special treatment or release. None collaborated with their captors, even under the most crushing physical and mental pressure. Only now is the vast extent of the horrors of their treatment being revealed. Their courage stands as a shining example to all Americans.

The bill provides for the striking of bronze duplicates as a means to enable all Americans to obtain a tangible reminder of the great heroism and sacrifice that these Americans made while serving their country. The proceeds from the sale of the duplicates will help defray the cost of the gold medals. This cost, approximately $400,000, will come from money already appropriated for the operation of the Treasury Department.

Yesterday, over 223 of my colleagues in this House joined with me as cosponsors for this bill. This may be the first time in history that a bill has been introduced with 223 cosponsors. I invite all my colleagues to become cosponsors of this legislation. This would be a fitting tribute for all 435 House Members to attach their names to this bill. In this small way we can show our returning countrymen and women that we deeply appreciate the sacrifices they made on our behalf and

that we are very proud of them as Americans.

CLEAR POLICY SHOULD BE ESTABLISHED FOR DEALING WITH ACTS OF TERRORISM

(Mr. MOTTL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOTTL. Mr Speaker, in our joy that the 52 Americans held so long in Iran are today free and safe, let us not gloss over the ugly facts of this sordid episode in our Nation's history.

We abandoned 52 of our diplomats in a foreign land. We were embarrassed by a belated, botched, and halfhearted rescue attempt. We made a deal with international outlaws, who could say with some justification that they had rubbed the nose of a superpower in the dirt.

Today, we must vow to never again crawl before international terrorists. I have written today to President Reagan to ask that the highest priority be given to establishment of a clear policy for dealing with such acts in the future. And the heart of that policy should be swift and harsh military retaliation.

VIOLATORS OF INTERNATIONAL LAW SHOULD PAY A PRICE

(Mr. LEVITAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVITAS. Mr. Speaker, this is a time for rejoicing and prayerful thanksgiving at the safe return of the 52 American hostages who had been held captive in Iran.

It is also a time to commend President Carter, Secretary Muskie, and Under Secretary of State Warren Christopher for their patience and effective work in securing the safe release of the Americans; but the matter cannot end there.

The time has now come to make those persons who were guilty of flagrantly violating international law and common decency pay a price. That price must be paid and the people who are the criminals and the persons who perpetrated these barbaric acts must be brought to justice.

In addition, the United States should not implement the terms of a so-called agreement extracted under duress by outlaws.

I will be introducing legislation which will require President Reagan and the new administration to take all necessary steps, in accordance with the law, to require the Government of Iran to identify, apprehend and to provide for the trial of those criminals—in and outside the Iranian Government—who violated international law and to secure reparations for the American citizens who suffered so much from this outrage, to receive damages for the losses suffered by our Government and taxpayers, and to permit persons to pursue their claims in the courts against Iran.

The American people are grateful for the safe return of the hostages, but they want more. International criminals cannot get off scot-free. They must pay a price and the world needs to know that the United States is prepared to make them pay that price.

President Reagan has said he wants America to be strong and not dishonored. Here is his first chance to back up those words with action.

THE DIFFERENCE BETWEEN NATIONAL PRIDE AND NATIONAL HONOR: HUMILITY AND HUMILIATION

(Mr. GORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GORE. Mr. Speaker, so long as civilization exists, the nation of Iran will be associated with the disgrace and shame of its actions against 52 innocent Americans.

History's judgment of our actions during this time of trial may be more complex. Future historians may conclude there is a fundamental difference between national pride and national honor and that while America's pride was severely damaged, our honor was left intact because our position and cause were just. They may also recognize a crucial distinction between humility and humiliation. We can learn from humility to be strong and righteous as a nation. Humiliation, however, is a brother to fear and hatred—something great nations must avoid.

HOSTAGE AGREEMENT

(Mr. SHANNON asked and was given permission to address the house for 1 minute and to revise and extend his remarks.)

Mr. SHANNON. Mr. Speaker, we congratulate those who negotiated the release of our diplomats held hostage in Iran. But in light of what we have heard about their treatment, there cannot be a presumption that this administration comply with the agreement made for the hostages' release before reviewing the agreement fully and considering the circumstances under which it was made.

Now that the hostages are back, a debate is developing over whether the United States should comply with the terms of the agreement. Members of Congress are not privy to the terms—but the new administration should keep some principles in mind while reviewing the agreement and determining what action to take.

First, there are those who argue that, no matter how the agreement was negotiated, the United States should keep its word. The United States loses nothing in world opinion if it renounces an agreement that amounts to extortion—an agreement which was made while guns were held to the heads of innocent diplomats.

Second, parts of this agreement could, conceivably, shown to be in the best long-term interest of the United States and the Reagan administration have the leeway to decide which portions to accept, and which to reject.

Third, the United States needs to set out for the world a clear policy stating how we will deal with a situation like this, should it ever arise again. We must prevent terrorists from using our citizens for their own political purposes.

This is not a time for recrimination nor is it a time to second guess either the Carter or the Reagan administration. it is a time to work together to see this will never happen again.

IRAN IRREDENTA—CONGRESS HAS RESPONSIBILITY TO DEFINE CRIMES AGAINST LAW OF NATIONS

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, first, I wish to thank President Carter and all the persons that have handled this question of Iran, mostly because the President did what we had criticized two prior Presidents for not doing, President Johnson and President Nixon, because they did not go through the United Nations and all that.

President Carter did. He went through the United Nations. He went through the World Tribunal on International Justice. He solidified world opinion on our side, defining Iran's act as an act of international outlawry; but the Congress has not done its part. We have a clear duty under article I, section 8, clause 10; the second half of that clause which has been completely overlooked through our history because nothing like Iran has happened since before the Middle Ages.

I have introduced what is known as House Concurrent Resolution 25. I hope you will join me, because it calls on Congress to define the situation so that the Presidents then can be fully legally empowered to do something about punishing Iran. Iran has committed a crime against the United States, against the law of nations. It should pay for it. I ask your consideration of this resolution.

Now this was a crime against the law of nations. It was deliberate, it was flagrant, it was sustained. Iran must be

made to pay for this crime. We have been warned that it could happen again. In fact, we have had two cases where it has almost happened.

Congress has a responsibility here. I believe that we have no choice but to invoke our power to define situations like this as violations of the law of nations. Only the Congress has that power, under article I, section 8, clause 10 of the Constitution. If we fail to define what the American policy and attitude is, we abandon our responsibility. It is precisely that kind of abandonment that has caused our involvement in two undeclared wars, both of which were the cause of immense national bitterness.

The Constitution was clearly intended to make it the duty of Congress to establish law and policy in precisely those situations of international brigandage as we have seen in Iran. The days of piracy and impressment at sea have passed, but the duty of Congress has not. The times have changed, but not the threat to national decency and dignity, and not the threat to international order.

Now, more than ever, we have the duty to examine what the law of nations is, and how Congress can carry out its plain responsibility, its prime duty. I urge that it be given attention, because while the hostages may be free, the issue with Iran is far from settled and the threat to international order is greater than ever. We cannot allow the threat to go without addressing; we must not allow, by default, another such incident to possibly drag us into conflict, or lead to yet another undeclared war.

FULL REVIEW OF HOSTAGE ORDEAL SHOULD BE UNDERTAKEN

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, I join my colleagues and all Americans in thanking God that our hostages are now home and free. I join in thanking former President Carter, Secretary Christopher, and all the others who aided in their return. I also feel as all Americans do the shock and revulsion at the treatment of our people and our desire to punish the perpetrators.

Whatever is done should not be, however, simply an angry reflex. The criteria should be what is the national interest that must come first.

I want to advise my colleagues that the Foreign Affairs Committee has addressed the issue of protection of our diplomats and Embassy security. We will continue to address these issues in this Congress and will schedule hearings for that purpose.

This will include training our people, improvement of procedures and facilities; providing additional funds and personnel, hearing from the personnel who were held prisoners and considering the recommendations of the administration task force regarding any amendments to the Hostage Relief Act which was adopted in the last Congress.

I also will urge the State Department to make a full and complete record of this whole matter, not only for historical purposes, but also for operational study purposes to be made available to the entire Foreign Service so that all personnel may benefit from the experience and suffering of their colleagues.

We shall continue our efforts to improve all aspects and operations of the State Department which is the smallest in the Government both as to personnel and funds. The State Department's operational capability to carry out the complex and awesome duties of day-to-day diplomacy must be understood and supported by the Congress and the American people.

STOP AID TO EL SALVADOR

(Mr. LOWRY of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOWRY of Washington. Mr. Speaker, I take this time to speak against resuming aid to El Salvador until that Government again returns to a systematic plan toward land reform.

As I watched the inaugural parade Tuesday, the call for "A New Beginning" stood out significantly. I hope part of that new beginning is a commitment toward democratic principles. A policy of not entering into the internal conflicts within other nations. A policy that rejects military and economic aid to governments that are militarily suppressing the popular will of their own people.

CALL FOR FOREIGN AFFAIRS COMMITTEE TO CONDUCT INVESTIGATION OF HOSTAGE SITUATION

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, in view of the preliminary reports already coming back about the barbaric treatment of our hostages in the hands of Iranian terrorists, I commend President Reagan's decision to carefully review the terms of our agreement with the Iranian Government.

The American people deserve a full airing of what occurred during the past 14 months before we make any further concessions to that outlaw nation. Certainly, we should not consider resuming diplomatic relations, resuming arms sales, or even the shipment of arms already in the pipeline until we have all of the facts.

Mr. Speaker, for those reasons I am requesting the House Foreign Affairs Committee to convene as quickly as possible for a full and complete investigation of this tragic episode in our history which will include testimony from the hostages themselves.

INTERNATIONAL COURT OF JUSTICE SHOULD BE CONVENED

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, today I am calling on the State Department to register a formal complaint with the International Court of Justice so that the terrorists who seized our Embassy personnel in Iran are brought to trial for their barbarous actions of the past 444 days.

I am convinced that the world court must bring those terrorists to trial in order to demonstrate to other would-be terrorists that such violations of international law and common human decency will just not be tolerated.

Furthermore, Mr. Speaker, I believe that the United States should not carry out the terms of our agreement with Iran until we are assured that the Iranian Government is going to cooperate with the world court in the effort to bring those terrorists to justice.

Mr. Speaker, we are just beginning to learn of the unspeakable horrors our hostages were put through during their long captivity.

For the sake of peaceful, law-abiding citizens throughout the world, the international community must bring those responsible for this behavior to justice—and if that includes the Ayatollah Khomeini himself—so be it.

OUR AMERICAN HOSTAGES

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, words are wholly inadequate to express the sentiments which are being experienced by the American people and others around the world as our hostages are returned from captivity in Iran.

The rejoicing, the heart throbs, the tears, the prayers, and the deep gratitude which occupy the thoughts of all of us are beyond the capability of human expression.

As I stood Tuesday evening with my wife Doris and a group of friends in the living room of our home on Capitol Hill preparing to participate in a joyous inaugural ball, we were glued

to the television screen waiting, watching, and finally viewing the first appearance of our American hostages as they reached a sanctuary of freedom. Some of us shed tears, and all applauded as though those long-suffering and beloved hostages could hear and see and know how deeply and emotionally we felt.

For many months now a yellow ribbon has been tied to the briefcase which I have carried each day from my congressional office to my home and return—as a symbol of remembrance, of prayer, of hope, and of expectation that the safe release of these beloved fellow citizens would surely be realized. What a sense of renewed faith and confidence in the great spiritual power which controls our destiny has been realized, both here and throughout our land, and in other parts of the world. I plan to retain this worn and wrinkled yellow ribbon as a reminder that after 444 days we have seen this agonizing and unprecedented experience of human suffering, this ordeal of man's inhumanity to man, come to its final and happy end as our 52 hostages continue on their way to our shores and to their homes and loved ones.

As my colleagues in this Chamber have also done, my American flag has been posted outside my office door each day for many months—again to denote our anxiety and our faith that our hostages would be returned safely to their homes. How gratifying to realize that our hopes and prayers have been fulfilled.

As one Representative of one congressional district, and in behalf of my wife Doris, my family, my entire congressional staff, and in behalf of each and every one of my more than 500,000 constitutents, I breathe with gratitude these holy words, "Thy will be done."

COMMENDATION OF ANDREW TOMKO

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, this morning, we were given a very fine distinction between pride and honor. Pride can be a mortal sin and honor is the glory of a country. In a different way, these are part of the story of Andrew Tomko, citizen of Manville. He is the pride of his town and an honor to all of us. He served in World War II, was decorated many times, but he had not yet received his Oak Leaf Cluster when he spoke to me about it. Now finally he has received it—the Oak Leaf Cluster to his Purple Heart. The town of Manville, recognized this in a resolution signed by the mayor, Mayor Dudash and seven councilmen.

Why? Not just because he was good and honorable and faithful soldier serving his country and sacrificing for it repeatedly, wounded and decorated many times, but also because he is a fine citizen serving now in the small community that is Manville in the Fifth Congressional District of New Jersey.

DO NOT WAIT FOR A CLEAN SLATE

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, no matter what one's inclinations, the Carter fiscal 1982 budget should be taken seriously, since the first Reagan budget will not take effect until October 1, 1982. The Carter budget is a disturbing document, showing the ultimate folly of depending on increased taxes for fiscal balance. In it, the burden of Federal taxes rises to 22.1 percent of GNP, and tax revenues soar by $104.3 billion over those of the current fiscal year. These figures are net after some cuts which, in my view, are timid and inappropriate to signal a change of tax direction. The bulk of the increase comes from income tax bracket creep—$47.7 billion—and previously scheduled social security and other payroll tax increases—$29.9 billion—although some totally unrealistic legislated increases are advocated in the gasoline tax, withholding at source on dividends, et cetera.

And despite this monumental grab of additional tax dollars from individual Americans—the corporate tax revenues are actually down $1.4 billion in the Carter budget—the strictly defined on budget deficit remains $27.5 billion.

Mr. Speaker, careful analysis of this remarkable document awaits the experts on our Budget Committee. The tax statistics alone, however, suggest how imperative it is that the new administration and the Congress make major changes in this budget plan, even setting the stage for those changes by support of rescissions during fiscal 1981, rather than relying on the first Reagan budget for the careful planning which the normal course of events permits. As Lady Bird Johnson once said:

> You can't write on a clean slate. You have to start with what's already there, and do things to it.

□ 1130

H.R. 920—TO EXEMPT 1,000 BARRELS PER DAY FOR ROYALTY OWNERS AND INDEPENDENT PRODUCERS FROM THE WINDFALL PROFIT TAX

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, I rise today to introduce legislation that will unleash the productive capability of independent producers and lift an inequitable tax from the shoulders of America's 2.5 million crude oil royalty owners.

This bill will exempt independent oil producers and royalty owners from the windfall profit tax on the first 1,000 barrels of daily production. The exemption will be effective for 1981.

I feel one point should be made clear to the Congress and to the American people: The windfall profit tax is not a tax on the excess profits of the major oil companies but an excise tax on crude oil production.

We are living in a time when we should encourage domestic crude oil production more than even before. With the Middle East in constant turmoil, and the Soviet Union expected to become an energy importer in this decade, we cannot afford continued reliance on foreign sources of oil.

Independent producers have played a very important part in this Nation's energy picture. They drill 90 percent of the wildcat wells. They account for 75 percent of the new oil and gas fields and 54 percent of new oil and gas reserves. These statistics speak for themselves.

When we think of the windfall profit tax, there is a tendency to think only in terms of the major oil companies. The general public, which may be unfamiliar with our domestic oil production industry, does not realize that this tax also puts a large burden on our more than 2 million royalty owners.

On a barrel of stripper oil selling for $38, a royalty owner would typically receive a $4.75 royalty payment. After imposition of the windfall profit tax, the royalty owners will pay $1.71 tax on this income—a 36-percent drop in income.

The vast majority of royalty owners in my district receive average incomes or are retired persons living on fixed incomes. They were unaware of what this "windfall profit tax" was all about. They were led to believe that this was going to take some of those huge profits away from the giant oil companies—so-called Seven Sisters. They did not know it was going to take away from their family incomes and add to the cost of petroleum products.

One effect of this tax that is rarely mentioned is the huge regulatory burden put on our oil industry. The costs of complying with the complicated formula for taxing the various types of oil are enormous.

I am thankful that a $1,000 tax credit for royalty owners was included in the Reconciliation Act of last year. This credit is effective for 1980 only;

so it will be up to this Congress to legislate a more permanent policy toward royalty owners and an exemption for independent producers.

Mr. Speaker, the mood of the country seems clear to me. They have made their feelings known about overregulation, overtaxation, the growth of government, and the stifling of private incentive. The windfall profit tax is a prime example of all these things, and it would be well for this new Congress to act now and fulfill the will of the people in correcting these problems.

RESOLUTION TO ESTABLISH SELECT COMMITTEE TO STUDY AND REPORT ON EMBASSY CRISIS IN IRAN

(Mr. HYDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. HYDE. Mr. Speaker, I am today introducing a resolution establishing a select committee comprised of members of the House Foreign Affairs and Judiciary Committees to study and report on the Embassy crisis in Iran.

The reasons for a formal, thorough congressional inquiry into this shameful episode are obvious. One step toward preventing another such occurrence is to fully understand what happened, and what steps must be taken legislatively—and in terms of official policy—to insure that such an experience must never happen again.

This has been one of the most humiliating experiences in our national history. Congress is uniquely qualified to hold hearings so that this entire shameful experience is fully explored, understood, and acted upon.

I urge prompt consideration and adoption of this resolution.●

PERSONAL EXPLANATION

Mr. HARTNETT. Mr. Speaker, on rollcall No. 3, ordering the previous question on House Resolution 5, the rules for the 97th Congress, I was unavoidably absent.

Had I been present, I would have voted "no."

I ask unanimous consent that this statement appear in the permanent RECORD.

The SPEAKER pro tempore (Mr. MOAKLEY). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

SUPPORT FOR GOLD MEDALS FOR THE 52 AMERICANS

(Mr. HARTNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARTNETT. Mr. Speaker, after being in captivity for 444 days, the 52 American hostages in Iran were finally freed on January 20, 1981. This long-awaited day brought widespread joy not only to our country but to the entire world as well.

There have been few situations in our history that have caused more pain than this crisis. These 52 Americans have endured tremendous emotional and physical anguish. Their strength and dedication have been a great inspiration to all of us and have created a renewed sense of patriotism. It is only appropriate that they be honored by the American people.

I wholeheartedly support the gentleman from Illinois in his effort to honor each one of these brave men and women with a gold medal. I urge my colleagues to take immediate and favorable action on this legislation.

GOLD MEDALS FOR THE HOSTAGES

(Mr. CARMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARMAN. Mr. Speaker, as a new member of the House Banking Committee, I rise in support of legislation that would award a congressional gold medal to our foreign hostages.

I campaigned against excessive, wasteful Federal spending and these medals are not cheap. But, the 52, who will soon be coming home, deserve nothing less that a congressional gold medal for the suffering they endured so bravely.

Not only would a gold medal show each of the former captives how grateful their Government and people are, but, years from now, when children and grandchildren ask about the ordeal in Iran, the former hostages will be able to proudly display the highest civilian award which Congress can bestow as proof of their valor.

PERSONAL EXPLANATION

(Mr. MOLINARI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOLINARI. Mr. Speaker, on rollcall No. 2, which was the election of the Speaker, I was inadvertently recorded as voting for the gentleman from Illinois (Mr. MICHEL).

Mr. Speaker, I was not present at that time and in fact was in a local hospital. I would like the RECORD to reflect, however, that had I been present, I would have cast my vote for the gentleman from Illinois (Mr. MICHEL).

I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

THE RELEASE OF THE HOSTAGES: WE MUST NOT FORGET CYNTHIA DWYER

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California, Mr. Speaker, 1 year ago I sent to every Member of this distinguished body, the President, all the Cabinet officers, and all the Senators a hostage bracelet with the name of Lt. Col. David Roeder, our assistant air attaché on it. This year I sent all of the incoming freshmen class bracelets.

Colonel Roeder was the one on television last night who said it was hell. He said:

Please, we must not forget Cynthia Dwyer.

I hope every Member of this distinguished body remembers that name—Cynthia Dwyer, a lady journalist taken prisoner after the abortive raid last May. She is left there all alone and frightened.

At another secret briefing now being released we have high-ranking flag officers admitting that we left live Americans behind in Vietnam 8 years ago. Please, let us exert every effort and join our brothers and sisters in these returned hostages so that the world does not forget Cynthia Dwyer, left alone now in a dungeon while we listen to the stories of torture, indignities, and solitary confinement. She is in solitary now because there is no one else with her. Cynthia Dwyer let us not forget.

THE TORTURE OF THE HOSTAGES

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, on December 1, 1979, I stated publicly that under the current definition of torture adopted by the United Nations in its U.N. Resolution 3452, our American hostages in Iran were being tortured. I repeated this on the floor of the House on March 20, 1980.

It was my belief at that time that if the United States officially adopted the position that our prisoners were being tortured, there would be no doubt left around the world about the character and the goals of the Iranian terrorists. I believed then—and believe now—that the nations of the world should combine in actions that would damage the terrorist regime in Iran.

The Carter administration, however, never told the American people about the torture of our hostages.

Now, of course, we are finding out the horrifying details from the former captives, themselves.

I do not see how we can forget what happened. I think what is needed is an official declaration by the President that Iran, under its current regime, is an outlaw nation so far as the United States is concerned. This public condemnation could and should be accompanied by any means the President thinks is necessary to impress upon the minds of these savages that no one harms our citizens with impunity.

COMMITTEE ASSIGNMENTS—DISTURBING NEWS

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, I realize that the question of committee assignments is yet to be determined, but I just received some disturbing news.

Mr. Speaker, over the past 2 years I have served on the Committee on the Judiciary. We have been outnumbered by a very, very large number. We have had 11 members on the Republican side. I now understand that the preliminary decision is that the Democrats will have 15 members and the Republicans will have 12, giving us one additional member, reaching the ratio by taking members off the Democratic side. I understand that one of the reasons for this is because they do not want to put some of the membership on the Democratic side because of the possibility that some constitutional amendments might come out of the Committee on the Judiciary.

□ 1140

Well, today is January 22. I know—I think most of the people here know—what the argument is that is being presented to us by the March for Life. I think it is rather ironic that, on the very day we have hundreds of thousands of people around the country concerned about that point, we are making committee ratios on the Judiciary Committee with seemingly the express purpose of making sure that that issue was never brought to this floor.

Well, maybe politically it is good for some

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 22, 1981.

HON. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House received in the Clerk's Office at 11:35 a.m. on Tuesday, January 20, 1981 and said to contain a message from the President wherein he reports to the Congress on his actions under the authority of the International Emergency Economic Powers Act relative to the Government of Iran. Also attached are copies of five (5) Executive orders.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

REPORT ON ACTIONS OF PRESIDENT RELATIVE TO GOVERNMENT OF IRAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-15)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

(For message, see proceedings of the Senate of January 20, 1981, page 567.)

CALL OF THE HOUSE

Mr. FOLEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 5]

Akaka	Carney	Evans (IA)
Albosta	Cheney	Evans (IN)
Alexander	Chisholm	Fary
Anderson	Clinger	Fascell
Annunzio	Coats	Fazio
Anthony	Coleman	Fenwick
Applegate	Collins (TX)	Ferraro
Ashbrook	Conable	Fiedler
Aspin	Conte	Fields
Atkinson	Corcoran	Findley
AuCoin	Coughlin	Fish
Badham	Courter	Fithian
Bafalis	Coyne, James	Flippo
Bailey (MO)	Coyne, William	Florio
Bailey (PA)	Craig	Foley
Barnard	Crane, Philip	Forsythe
Beard	D'Amours	Fountain
Bedell	Daniel, Dan	Fowler
Benedict	Daniel, R. W.	Frank
Benjamin	Danielson	Frenzel
Bennett	Dannemeyer	Fuqua
Bereuter	Daschle	Garcia
Bethune	Daub	Gaydos
Bevill	Davis	Gejdenson
Biaggi	de la Garza	Gephardt
Blanchard	DeNardis	Gibbons
Bliley	Derrick	Gilman
Boland	Dicks	Gingrich
Bolling	Dixon	Ginn
Boner	Dorgan	Glickman
Bonior	Dornan	Gonzalez
Bouquard	Dougherty	Gore
Bowen	Downey	Gramm
Breaux	Duncan	Gray
Brinkley	Dunn	Green
Brooks	Dwyer	Gregg
Broomfield	Dymally	Grisham
Brown (CA)	Dyson	Guarini
Brown (CO)	Eckart	Gunderson
Brown (OH)	Edwards (AL)	Guyer
Broyhill	Edwards (OK)	Hagedorn
Burgener	Emerson	Hall (OH)
Burton, John	Emery	Hall, Ralph
Burton, Phillip	Erdahl	Hall, Sam
Butler	Erlenborn	Hamilton
Byron	Evans (DE)	Hammerschmidt
Carman	Evans (GA)	Hance
Hansen (ID)	McCollum	Rudd
Hansen (UT)	McCurdy	Savage
Harkin	McEwen	Sawyer
Hartnett	McGrath	Schneider
Hatcher	McHugh	Schroeder
Hawkins	Mica	Schulze
Hefner	Michel	Schumer
Hendon	Miller (OH)	Sensenbrenner
Hertel	Mineta	Shamansky
Hightower	Mitchell (MD)	Shannon
Hiler	Moakley	Sharp
Hinson	Molinari	Shaw
Hollenbeck	Mollohan	Shelby
Holt	Montgomery	Shumway
Hopkins	Moore	Simon
Howard	Morrison	Skeen
Hubbard	Mottl	Skelton
Hunter	Murphy	Smith (AL)
Hutto	Murtha	Smith (NE)
Hyde	Myers	Smith (NJ)
Ireland	Napier	Smith (OR)
Jacobs	Natcher	Snowe
Jeffries	Neal	Snyder
Jenkins	Nelligan	Solomon
Johnston	Nelson	Spence
Jones (NC)	Nowak	St Germain
Jones (OK)	O'Brien	Stangeland
Jones (TN)	Oakar	Stanton
Kastenmeier	Obey	Staton
Kazen	Ottinger	Stenholm
Kildee	Panetta	Stokes
Kindness	Parris	Stratton
Kogovsek	Pashayan	Studds
Kramer	Patman	Synar
Lagomarsino	Patterson	Tauke
Leach	Paul	Tauzin
Leath	Pease	Thomas
Lee	Perkins	Trible
Lehman	Petri	Udall
Leland	Porter	Vento
Lent	Price	Volkmer
Levitas	Pritchard	Walgren
Lewis	Pursell	Walker
Loeffler	Quillen	Wampler
Long (LA)	Rahall	Washington
Long (MD)	Ratchford	Weber (MN)
Lott	Regula	Weiss
Lowery	Reuss	Whitehurst
Lowry	Rhodes	Whitley
Lujan	Richmond	Whittaker
Luken	Rinaldo	Whitten
Lundine	Ritter	Williams (MT)
Lungren	Roberts (KS)	Williams (OH)
Madigan	Roberts (SD)	Wilson
Marks	Robinson	Winn
Marlenee	Roe	Wirth
Martin (IL)	Roemer	Wolf
Martin (NC)	Rogers	Wolpe
Martin (NY)	Rose	Wortley
Matsui	Roth	Wright
Mattox	Roukema	Wyden
Mavroules	Rousselot	Wylie
McClory	Roybal	Zablocki

□ 1150

The SPEAKER pro tempore. On this rollcall 330 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

□ 1200

RECESS UNTIL 3 P.M. TODAY

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the House now stand in recess until 3 p.m. this afternoon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. LOTT. Mr. Speaker, reserving the right to object, would the gentleman state that again? I think the Members are very much interested in what the time schedule is going to be here today.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. LOTT. Further reserving the right to object, I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, I make this unanimous-consent request in order to provide adequate notice to provide an opportunity for Members who are not present to be present on the floor this afternoon during the consideration of what we understand will be a motion to be made concerning the appointment of a committee to consider committee ratios.

This is an important vote, and not all Members, including some of the principal Members of the House, have had an opportunity to be aware that the motion may be offered this afternoon; and in the interest of comity, I think it is an important vote for all Members to be able to consider and be present to act upon.

Mr. LOTT. What is the gentleman's request?

Mr. FOLEY. If the gentleman will yield further, my request is that the House stand in recess until 3 p.m. this afternoon.

Mr. LOTT. That is 3 p.m.

Could the gentleman give us any idea of what the schedule would call for this afternoon as to when we might get through?

Mr. FOLEY. If the gentleman will continue to yield, it is the intention of the leadership on this side to offer a resolution by the gentleman from Louisiana (Mr. LONG) on behalf of the Democratic Caucus, electing the Democratic members of the various committees of the House, and it was then understood that the gentleman from New York (Mr. KEMP), would act on behalf of the Republican Conference in presenting a resolution electing Republican members to the various committees of the House.

We have been advised that there may be a motion to refer the appointment of Members to a committee with instructions to alter the ratios from what we on this side understood they would be. And because that vote or that issue would be an important matter for Members of the House on both sides of the aisle to be aware of and participate in, we are just suggesting this opportunity for all Members to be present.

Mr. LOTT. The gentleman then is saying the Members could anticipate being in session probably until at least 4:30 or 5 o'clock this afternoon.

Mr. FOLEY. If the gentleman will yield further, all Members ought to assume we will be in session until perhaps 6 o'clock this evening. I do not anticipate a later session than that, but it might take that long, depending on the extension of the debate.

As the gentleman knows, under the rules, the person offering these resolutions controls the time for an hour, and the voting that might take place might well take the House that long. I would not anticipate it would be longer than that.

Mr. LOTT. Further reserving the right to object, I would like to yield to the gentleman again on the question on the schedule for tomorrow.

Earlier in the week, I understood we were to have a pro forma session tomorrow with no anticipated votes. Is that correct?

Mr. FOLEY. That is correct.

Mr. LOTT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. WALKER. Mr. Speaker, reserving the right to object, I am a little confused as to the reason for the recess and the explanation. As I understand it, we are taking up the resolution with regard to committees. It was my understanding, as a Member, that that was the scheduled business for the day.

If I read the board correctly here 1 minute ago, we do have a quorum present to work the will of the House. Now I am a little confused as to why we have to go into recess if, in fact, the scheduled business is about to take place, and there is a quorum present to conduct the business of the House.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Washington.

Mr. FOLEY. Well, I think the gentleman will understand that this is not a typical procedure, though a legal one, to offer any other proposal for the election of committee members than that which was understood by both sides traditionally to be the subject of elections. The elections, as the gentleman knows, are usually pro forma matters as reported by the Democratic Caucus on our side and the Republican Conference on the gentleman's side.

We were advised only this morning that there might be an alternative proposed from the minority to establish a vehicle committee for the purpose of considering alternative ratios of membership with instructions. This is not unprecedented, but it is an unusual procedure, and one that Members did not have prior notice of, and for that reason, as a matter of comity so that all Members may have an opportunity to participate in that debate and decision, we are suggesting this brief recess.

Mr. WALKER. Further reserving the right to object, I would say to the gentleman, would it not be a normal procedure to simply debate that issue on the House floor, to have the quorum which is present be able to hear both sides of the debate and then have a vote.

I do not understand the need for a recess in order to accomplish the objective that the gentleman has just outlined.

Mr. FOLEY. If the gentleman will continue to yield, as I said to the gentleman, and I repeat, it is not the customary procedure to do more than a pro forma action of the two party caucuses, the Democratic Caucus and the Republican Conference. There now is an unusual situation where there will be some debate and perhaps vote on an alternative proposal.

It is, I think, sufficiently unusual and sufficiently important to justify more advance notice than was available to the Members when the schedule was announced for the day.

Mr. WALKER. Further reserving the right to object, if the gentleman from Pennsylvania would decide to object, would that mean we would simply go forward with the House business as scheduled?

Mr. FOLEY. If the gentleman from Pennsylvania wishes to object, then it may be necessary for us to offer a motion, an appropriate motion. I hope he would not object.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Texas.

Mr. WRIGHT. I thank the gentleman for yielding.

Let me make this further elucidation. It becomes a matter of personal representation on the House floor. In some previous Congresses, when the ratios of committees have been negotiated, I, as the majority leader, have been present at those negotiations, with the gentleman from Arizona (Mr. RHODES) and others.

On this occasion, I was not privy to those discussions. I was not present at the meeting, which took place, as I understand it, between the Speaker, the gentleman from Massachusetts (Mr. O'NEILL), on behalf of the Democratic side, and the new Republican leader, the gentleman from Illinois (Mr. MICHEL).

Not having been present at the time these negotiations occcurred, I do not feel that I adequately can represent the Speaker in this matter, and I think the Speaker would like to be present this afternoon on the occasion when we decide this issue. He had not anticipated this kind of development and was not in town. He is on an airplane now, I am advised, on his way back in.

It is for the further reason it will accommodate the Speaker, who, as the constitutional officer presiding over the House and acting on behalf of us all in the negotiation of these ratios, should be present on the floor.

Mr. WALKER. Further reserving the right to object, Mr. Speaker, I would say to the distinguished gentle-

man from Texas I think that provides a more adequate explanation.

Is in fact the purpose of the recess to allow the Speaker to get here so that the Speaker is included in whatever decision the House comes to later on this afternoon? Do I understand the gentleman that that is the prime purpose behind the recess?

Mr. WRIGHT. If the gentleman would yield further, I think that is one valid purpose. In addition to that, the purpose is as stated by the gentleman from Washington.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

The SPEAKER pro tempore. The Chair declares a recess until 3 p.m.

Accordingly (at 12 o'clock and 10 minutes p.m.), the House stood in recess until 3 p.m.

□ 1500

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 3 p.m.

SWEARING IN OF MEMBER-ELECT

The SPEAKER. Will the gentleman from New York (Mr. SOLARZ) kindly come to the well of the House and take the oath of office?

Mr. SOLARZ appeared at the bar of the House and took the oath of office.

CALL OF THE HOUSE

Mr. FOLEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 6]

Akaka	Bouquard	Coyne, William
Alexander	Breaux	Craig
Anderson	Brinkley	Crane, Philip
Annunzio	Broomfield	Crockett
Anthony	Brown (CA)	Daniel, Dan
Aspin	Brown (CO)	Daniel, R. W.
Atkinson	Brown (OH)	Danielson
AuCoin	Broyhill	Dannemeyer
Badham	Burgener	Daschle
Bafalis	Burton, John	Daub
Bailey (MO)	Butler	Davis
Bailey (PA)	Byron	de la Garza
Barnard	Carney	Deckard
Beard	Chappie	Dellums
Bedell	Cheney	Dickinson
Benedict	Clausen	Dicks
Benjamin	Clinger	Dingell
Bennett	Coats	Dixon
Bereuter	Coelho	Dorgan
Bethune	Coleman	Dornan
Bevill	Collins (TX)	Downey
Biaggi	Conable	Dreier
Blanchard	Conte	Duncan
Bliley	Conyers	Dunn
Boland	Corcoran	Dwyer
Bolling	Coughlin	Dymally
Boner	Courter	Dyson
Bonior	Coyne, James	Eckart
Edwards (AL)	Jones (NC)	Ratchford
Edwards (CA)	Jones (TN)	Regula
Edwards (OK)	Kastenmeier	Rhodes
Emerson	Kazen	Rinaldo
Emery	Kildee	Ritter
English	Kogovsek	Roberts (KS)
Erdahl	Kramer	Roberts (SD)
Erlenborn	Lagomarsino	Robinson
Ertel	Leach	Roe
Evans (DE)	Leath	Roemer
Evans (GA)	LeBoutillier	Rogers
Evans (IA)	Lee	Rose
Fary	Lehman	Roth
Fascell	Lent	Rousselot
Fazio	Levitas	Roybal
Fenwick	Lewis	Rudd
Ferraro	Loeffler	Sabo
Fiedler	Long (LA)	Savage
Fields	Long (MD)	Sawyer
Findley	Lott	Schneider
Fish	Lowery	Schroeder
Fithian	Lowry	Schulze
Flippo	Lujan	Schumer
Foley	Luken	Sensenbrenner
Forsythe	Lundine	Shamansky
Fountain	Lungren	Shannon
Fowler	Madigan	Sharp
Frank	Markey	Shaw
Frenzel	Marks	Shelby
Frost	Marlenee	Shumway
Fuqua	Martin (NC)	Simon
Garcia	Martin (NY)	Skeen
Gaydos	Matsui	Skelton
Gejdenson	Mattox	Smith (AL)
Gephardt	Mavroules	Smith (NE)
Gibbons	McClory	Smith (NJ)
Gilman	McCloskey	Smith (OR)
Gingrich	McCollum	Snowe
Ginn	McCurdy	Snyder
Glickman	McEwen	Solarz
Goldwater	McGrath	Solomon
Gonzalez	McHugh	Spence
Gore	Mica	St Germain
Gramm	Michel	Stangeland
Gray	Miller (OH)	Stanton
Green	Mineta	Staton
Gregg	Moakley	Stenholm
Grisham	Molinari	Stokes
Gunderson	Mollohan	Stratton
Guyer	Montgomery	Studds
Hagedorn	Moore	Synar
Hall (OH)	Morrison	Tauke
Hall, Ralph	Motti	Tauzin
Hall, Sam	Murphy	Thomas
Hamilton	Murtha	Trible
Hammerschmidt	Myers	Vander Jagt
Hance	Napier	Vento
Hansen (ID)	Natcher	Volkmer
Hansen (UT)	Nelligan	Walgren
Harkin	Nelson	Walker
Hatcher	Nowak	Wampler
Hawkins	O'Brien	Washington
Heckler	Oakar	Watkins
Hefner	Oberstar	Weaver
Heftel	Obey	Weber (MN)
Hendon	Panetta	Weiss
Hertel	Parris	Whitehurst
Hightower	Pashayan	Whittaker
Hiler	Patman	Whitten
Hinson	Patterson	Williams (MT)
Holt	Paul	Wilson
Howard	Pease	Winn
Huckaby	Perkins	Wolf
Hunter	Petri	Wolpe
Hutto	Pickle	Wortley
Hyde	Porter	Wright
Ireland	Price	Wyden
Jacobs	Pritchard	Wylie
Jeffries	Pursell	Young (AK)
Jenkins	Rahall	Young (MO)
Johnston	Rangel	Zablocki

□ 1520

SWEARING IN OF MEMBER-ELECT

The SPEAKER (during the call of the House). Will the gentleman from Pennsylvania (Mr. ERTEL) present himself in the well of the House for the purpose of taking the oath of office?

Mr. ERTEL appeared at the bar of the House and took the oath of office.

The SPEAKER. On this rollcall, 327 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

HONORING THE 52 FORMER HOSTAGES

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, may I join with all Americans in expressing the happiness I feel concerning the release of our captive citizens. It is my fervent hope that they are in good health and that the process of reuniting with their families and of reassimilation into their normal daily activities is a pleasant and painless one.

It is with great pride that I join my colleagues in cosponsoring Mr. ANNUNZIO's resolution to strike commemorative medals as a tribute to the fortitude and bravery of our Nation's most recent heroes.

Today I have sent a letter to President Reagan urging him to proclaim a national day of observance honoring the 52 former hostages for their courage and to dedicate the day to renew our pledge of this Nation's devotion to freedom and justice and emphasize that nothing like this will happen again.

VETERANS' ADMINISTRATION ASSISTANT ADMINISTRATOR FOR INFORMATION SERVICES, FRANK R. HOOD, RETIRES

(Mr. HAMMERSCHMIDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAMMERSCHMIDT. Mr. Speaker, the Veterans' Administration is losing a superb employee with the retirement of its Assistant Administrator for Information Services, Frank R. Hood. He is without peer as a practitioner of the art of public relations. But more than that Frank Hood is a thinker, a philosopher, a man of outstanding gifts who believes the proper use of his great talents is in the service of others.

An Iowa farm boy, Frank attended his State's university where his remarkable physical abilities, combined with an unconquerable will to excellence, made him an All-American athlete in football, basketball, and track. Later, as coach at Rockhurst College in Kansas City, he was named NCAA coach of the year and subsequently he distinguished himself as a reporter and editor for the Kansas City Star and Associated Press.

After serving as a Navy gunnery officer in World War II, Frank began his VA career in 1946, then took over as

Director of the agency's Information Service in 1958, a position he has held for 23 years. The same qualities that brought him success in other fields of endeavor made him a success in one of the most demanding positions in the Washington bureaucracy.

Mr. Speaker, I do not know whether Frank Hood is a Democrat or a Republican and I doubt very much if anyone else does. He has served eight administrators of both parties with equal dedication and loyalty. Each in his turn discovered quickly that he could turn to Frank as a trusted and strong right arm. Then each in turn discovered after they were out of office without regard to the waxing and waning of political fortunes, in Frank Hood they had a friend on whom they could always count.

This man's accomplishments are many, Mr. Speaker. He has been honored by the highest awards that can be given by the Government and by the news media. As he enters retirement years he leaves behind the universal respect of those who worked with him and those who worked for him. It may be that most of America's veterans never heard his name but, nevertheless, it is a fact that he devoted most of his life to their best interests.

Although he kept a great stream of information about the Veterans' Administration pouring into the national press, Frank did not like to see his own name in the paper. A few days ago, though, I spotted an item about him in the Washington Post. It called him a card-carrying gentleman. I hope he did not object to that. All his colleagues believe he fits that description to a "T."

THE FACE OF IRAN

(Mr. COUGHLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COUGHLIN. Mr. Speaker, in the dark days of the Iranian revolution, a group of Americans and Britons living and working in a small Iranian town on the coast of the Caspian Sea was made the target of every anti-Shah, anti-American demonstration and action which took place there. Eventually, a guerrilla organization delivered a death threat to the small group of men and women: "Leave Iran immediately or die!" After months of enduring the tensions and the terror of being the focus of so much hate, so much venom, one of the Americans confronted a group of Iranian demonstrators and, in a burst of unimaginable fury and pent-up frustration, said to them, "You have no honor!"

The response was staggering. The Iranians reacted as if they had been physically struck. They were literally speechless at this accusation by the hated American "spy." The American, in his rage, had inadvertently touched a nerve lying very close to the surface of the basic insecurity, paranoia, and cowardice which is the fabric of the current brand of Iranian militants.

Once again, the Iranians have displayed the fact, this time to the entire world, that they have no honor: They have no face. As accounts of deprivation, indignities, abuse, and torture filter from the hospital in Wiesbaden; as the small heroic acts of defiance, quiet courage, and uncompromising assertion of the self on the part of our countrymen who were held captive become known; a fact comes through very loud and very clear. The world now knows: The Iranians have no honor. Our people, 63 of our brothers and sisters, behaved with honor and spirit in the face of obscenity. The Iranians betrayed their own revolution in this despicable act of savage spite. We have the honor.

The Iranian people must know that it is they who have paid the price for their act of terroristic hate, their national temper tantrum. They have been exposed to all people on our planet as dishonorable. And we, in the persons of the 63 men and women who endured and prevailed, and the 8 young men who gave their lives on a mission of mercy, have emerged as a just and compassionate and honorable Nation.

SANDIA MOUNTAIN WILDERNESS WITHIN CIBOLA NATIONAL FOREST

(Mr. LUJAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUJAN. Mr. Speaker, I am introducing a bill today to provide for the addition of about 25 acres to the Sandia Mountain Wilderness within Cibola National Forest, N. Mex.

The purpose of this bill is to include Sunset Canyon, which lies literally in the backyard of many residents of Albuquerque, within the wilderness, thus preventing, on a fairly permanent basis, the building of a large dam in the canyon.

At the present time a structure called a diversion dam exists in the canyon. It was built in 1964 for flood control and has been maintained only once since then. Maintenance is mainly silt removal in order to keep the channel open. The flood control requirement was a result of the Glenwood Corp.'s desire to build a subdivision in the area, and it is the homes built by the corporation that back up to the area I am proposing for wilderness.

In 1974 a bond issue was passed for flood control, but none of the money was specifically allocated to enlarging this dam. Then in 1976 the Glenwood Hills Homeowners Association was informed by the Forest Service that the city planned to build a new dam in Sunset Canyon. It was to have been about 30 feet high at grade level and 50 feet from the basin floor. The catch basin was to be riprapped and a road built high on the hillside to go over the top of the dam structure.

This planned action was protested and the Forest Service requested the city to reconsider its plans. In March 1980 the city council passed a resolution whereby the city's policy is to upgrade the existing structure and line the North Glenwood Hills Arroyo channel with concrete.

My bill will insure that no greater action is taken by the city. It will preserve the existing character of the area and prevent destruction of the canyon. I will work for early passage of this bill and I will be requesting hearings shortly.

APPOINTMENT OF CHAIRMAN AND VICE CHAIRMAN OF DELEGATION TO ATTEND CONFERENCE OF INTERPARLIAMENTARY UNION IN MANILA

The SPEAKER. Pursuant to the provisions of title 22, United States Code, section 276a-1, as amended by Public Law 95-45, the Chair appoints the gentleman from Florida, Mr. PEPPER, as Chairman, and the gentleman from Illinois, Mr. DERWINSKI, as Vice Chairman of the delegation to attend the Conference of the Interparliamentary Union held in Manila on April 20 through 25, 1981.

COMMUNICATIONS IN THE CASE OF DUPUY AGAINST RIPLEY, ET AL.

The SPEAKER laid before the House the following communications, which were read:

WASHINGTON, D.C.,
January 2, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
Room H-204, U.S. Capitol,
Washington, D.C.
(Attention of L. Kirk O'Donnell).

DEAR MR. SPEAKER: Please find attached a copy of a Civil Subpoena for the United States District Court for the Central District of California, commanding me to appear in court on the west coast on January 13, 1981. The plaintiff in this civil action desires my testimony concerning my recollection of what transpired during a deposition of two Drug Enforcement Agency agents taken by myself and other members of the staff of the House Select Committee on Intelligence (the Pike Committee) approximately five years ago. Pursuant to H. Res. 722, this is notification and a request for permission to testify under the subpoena.

Under H.R. 722, however, it may well be impossible for me to so testify. Under the rules of the House Select Committee on Intelligence Staff depositions such as the one in question here were deemed to have been taken in executive session. In this particular

case the information disclosed in the course of the deposition was not classified, or in any way based on classified materials. However that may be, if my memory serves, the executive session designation of the transcript of the deposition was never removed by a vote of the full select committee, which under the committee's rules is required for public disclosure. That committee, of course, is no longer in existence.

Finally, even if allowed to testify (perhaps by special resolution of the House) my testimony would be of little value without an opportunity to refresh my recollection by reviewing the transcript of the deposition. I presume (without knowing) that such material is now in the custody and control of the new Permanent Select Committee on Intelligence. By copy of this letter I am notifying that committee of my desire to review the transcript of the depostion taken of Special Agent Stevenson of the DEA in the latter part of 1975.

Your attention to this matter is sincerely appreciated.

Sincerely,

JOHN MCE. ATKISSON.

[U.S. District Court for the Central District of California]

PIERRE ROLAND DUPUY, PLAINTIFF, *v.* CHARLES RIPLEY, ET AL., DEFENDANTS

(CV-76-2956 WPG, CV-77-1534 WPG, CV-76-2657 WPG, CV-76-2658 WPG)

To: John McElroy Atkisson.

You are hereby commanded to appear in the United States District Court for the Central District of California at the United States Courthouse, 312 North Spring Street, in Courtroom No. 6 before the Honorable William P. Gray in the city of Los Angeles on the 13th day of January 1981 at 9:30 o'clock a.m., to testify in the above-entitled action.

WASHINGTON, D.C.,
January 19, 1981.

JOHN MCE. ATKISSON,
White, Fine & Verville, Attorneys at Law, Washington, D.C.

DEAR MR. ATKISSON: I received your letter notifying me of a civil subpoena demanding your appearance to give testimony in the United States District Court for the Central District of California in *Pierre Roland Dupuy* v. *Charles Ripley, et al.*

The provisions of House Resolution 722 have now been incorporated into the Rules of the House as Rule L. The rule clearly states:

"[t]hat under *no circumstances* shall any minutes or transcripts of executive sessions *or any evidence of witnesses in respect thereto* be disclosed or copied."

Consequently, the Rule prohibits compliance with the subpoena. Permission to do so could only be granted by a resolution of the House.

Sincerely,

THOMAS P. O'NEILL, Jr.,
The Speaker.

□ 1530

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. It is the understanding of the Chair that there are some chairmen of the various committees who are at the present time paying courtesy calls or business calls to the President of the United States at his request. Consequently, after the special orders, there will be no further business today. Tomorrow there will be a pro forma session. Upon adjournment tomorrow, the House will adjourn until Tuesday next, and the committee elections will come up on Tuesday next. There will be a pro forma session tomorrow, and the House will then adjourn until Tuesday.

PARLIAMENTARY INQUIRY

Mr. ROUSSELOT. Mr. Speaker, I have a parliamentary inquiry.

Mr. Speaker, what time do we come back?

The SPEAKER. At 11 o'clock tomorrow the House will meet for pro forma session.

Mr. ROUSSELOT. What time on Tuesday, Mr. Speaker?

The SPEAKER. Twelve o'clock on Tuesday.

Mr. ROUSSELOT. I thank the Chair. It is nice to have the Speaker back.

□ 1210

EXPANDED VA BENEFITS FOR EX-POW'S AND MILITARY HOSTAGES

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, I am pleased to announce that today I am introducing legislation to provide expanded VA medical and compensation benefits for former prisoners of war. The bill will also extend VA education benefits to all U.S. military personnel among the Americans released by Iran earlier this week.

The legislation is the result of a 2-year study of the present status of an estimated 100,000 living ex-POW's. The study found a much higher mortality rate among former POW's than other veterans and a higher rate of physical and psychological disability.

Last June, my Subcommittee on Compensation, Pension, Insurance and Memorial Affairs conducted hearings on the comprehensive study filed by the Veterans' Administration under mandate of Public Law 95-479 on the needs of former prisoners of war.

Several new recommendations, not included in the study, were also presented for our consideration at that time. Though it was agreed that further hearings should be conducted, it was also clear to all of us that the time has come for a definitive POW bill.

To this end, I am today introducing legislation which would substantially liberalize benefits for former prisoners of war.

The bill would:

First, reduce to 60 days the present 6-month duration of prisoner of war status for presumption of dietary deficiencies;

Second, authorize both in-patient and out-patient treatment on a priority basis;

Third, service-connected psychoneurosis and psychosis for former prisoners of war regardless of when such a disability is first shown;

Fourth, establish the Administrator's Advisory Committee on Former Prisoners of War; and

Fifth, extend chapter 34 educational benefits to military personnel held hostage in Iran, who I am most pleased to hear, will be back on American soil shortly.

Again, I wish to reiterate the committee has a major concern as to whether our former prisoners of war are receiving the level of benefits and services to which they should be entitled as a result of their internment.

At the request of organizations who support an expansion of benefits and services for former prisoners of war, our committee will hold one more day of hearings. I would expect the bill to be favorably reported by the full committee early in the session as my intention is to treat this matter on a very high-priority basis. I urge my colleagues to cosponsor the measure. Those who may wish to do so, should contact me or the House Veterans' Affairs Committee.

LEGISLATION TO CURB WASTE AND FRAUD IN THE FEDERAL WORKERS' COMPENSATION PROGRAM

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, if ever there was a time when the American people want more fiscal responsibility and less unproductive bureaucratic bungling, now is the time. I urge my colleagues to focus on a program desperately in need of legislative and administrative improvements.

The Federal employees' compensation program is out of control in several respects:

The number of lost-time injury claims is skyrocketing.

Federal workers legitimately injured are experiencing long delays in receiving the payments they are due.

Program costs are soaring.

Millions of tax dollars are being squandered.

This sorry state of affairs is not new. Poor administration and the absence of program controls have long been hallmarks of this program. Worse yet, the Congress virtually invited abuse of the program with 1974 amendments to the Federal Employees' Compensation Act (FECA). I am especially concerned about the impact of the program by

which injured Federal workers are compensated.

In 1974 at a time when Americans were far less concerned about Government spending and budget deficits, the Congress was under pressure to address the hardship problems which workers faced as a result of delays in claims processing. In an effort to eliminate the delays, the Congress adopted a continuation-of-pay (COP) provision allowing a Federal worker to continue on the agency's payroll for up to 45 days following a traumatic injury. At the same time, injured Federal workers were given the option of choosing their own doctors for care and treatment. Most importantly, the former 3-day waiting period was moved to the end of the 45-day period, making it ineffective as a deterrent to frivolous claims.

Some of these changes in the law were counterproductive and they have produced disastrous results. I believe the Congress erred in enacting them.

Throughout much of the 95th Congress and the 96th Congress, I struggled to persuade the Congress to take action to correct its errors. In 1978, I conducted a wide-ranging survey of COP practices throughout the Federal bureaucracy, and I introduced legislation to: First, reestablish a 3-day waiting period prior to the start of COP payments and second, authorize agency supervisors to request an injured Federal employee to be examined by a doctor employed by the U.S. Government or a private physician approved by the supervisor. I testified in April 1978 before the Compensation Subcommittee of the House Education and Labor Committee on my legislation and presented my preliminary findings pointing toward a tremendous rise in lost-time injury claims and Federal compensation costs in the wake of the 1974 amendments. I was told that my findings were interesting, but inconclusive.

My tentative findings coincided with reports of the House Government Operations Committee and the House Appropriations Committee. Both have concluded that the quick-fix approach adopted in 1974 has backfired. The time it takes to process claims has remained almost unchanged—it still takes an average of 61 days for a claim to be approved. More troubling are charges by Federal agencies that some workers are treating the 45-day COP period as a type of excess leave.

In June 1978, I turned to the General Accounting Office—GAO—for help in conclusively determining what has happened since enactment of the FECA amendments of 1974. In the summer of 1979, I released the results of this 1-year investigation in the report entitled, "Multiple Problems With the 1974 Amendments to the Federal Employees' Compensation Act."

This GAO report confirms my worst suspicions. Ever-increasing sums of tax dollars are being spent in a program which is open to widespread abuse and which is drowning in a sea of claim forms.

The highlights of the GAO report include the following:

The number of lost-time injury claims filed by Federal workers after the 1974 amendments has escalated sharply. In fiscal year 1974 about 12,000 claims were filed for job-related traumatic injuries. Claims in fiscal year 1980 hit the alltime record high of $117,159;

Program costs have skyrocketed from $217.7 million in fiscal year 1973 to $818.6 million in fiscal year 1980;

As many as 46 percent of all COP claims on which the Federal Government has made payment might have been eliminated by a 3-day waiting period;

About 37 percent of a statistically valid sample of COP claims examined by the GAO were found to be frivolous or minor;

Review of the free-choice-of-physician provision showed that about 20 percent of the COP claims did not clearly show that the claimants were actually injured, were hurt on the job, or were off the job a reasonable length of time given their injury;

The same review disclosed that, for all the claims for which GAO believed light duty was appropriate, light duty was actually used in less than half the claims. To cite one specific example, perhaps the most flagrant of dozens cited in the GAO report:

A 28-year-old letter carrier, hurrying to complete her route after taking an unscheduled break with her fiance, tripped over a coat hanger on the steps of an apartment house. Her injuries included contusions of the knee and shoulder and a back strain, which kept her off work for 19 workdays covered by COP. Although she returned to work on light duty for approximately one month, she again claimed COP after her physician stated that her condition had worsened since the last examination and that she must be at rest for two weeks.

Five days after her physician returned her to a disability status, the local newspaper reported that she had married and was on an out-of-town honeymoon. She did return to work for a few days after the honeymoon, but then again claimed total disability for five months. The employee returned to work only after being required to report for a fitness-for-duty examination, which disclosed no disabling condition. Her own physician concurred with the findings of the fitness-for-duty examination.

In accordance with the findings and legislative recommendations of this disturbing GAO report, I am reintroducing legislation to amend the FECA to reinstate a 3-day waiting period prior to the beginning of COP payments and to provide agency supervisors with discretionary authority to request an injured employee to be examined by a doctor employed by the U.S. Government or a private physician approved by the supervisor.

I hope the 97th Congress will act expeditiously and favorably on this bill, just as I hope the Department of Labor will go much further to implement the administrative remedies recommended by the GAO. My bill is a responsible step to take toward restoring integrity and sound management controls to a program lacking in both. Internal Labor Department studies at one time or another have supported one or both of the changes that are provided for in my bill.

Let me say that I strongly agree with the purposes of the Federal employees' compensation program. Federal workers have a right to expect prompt compensation for injuries suffered in public service. That will not happen as long as the whole system is flooded with the paperwork of frivolous claims.

Furthermore, there are other important rights to consider.

The Federal agencies have a right to expect maximum work performance from their employees and a right to protect themselves from financial exploitation.

Most important, the American people have a right to be certain that their tax dollars are being spent wisely.

In closing, I would like to emphasize that last year the Comptroller General told the Congress that there is widespread fraud, abuse, and waste throughout the Federal Government from bribery to theft and that not nearly enough is being done about it. In particular he testified before the House Budget Committee to the fact that this legislation could save the U.S. taxpayers at least $20 million a year.

The Justice Department has estimated that fraud alone is costing taxpayers a minimum of $2.5 billion a year and maybe as much as $25 billion a year. I am hopeful that this new Congress will enact this badly needed legislation. In so doing, we can begin to restore public confidence in Government and really strike a blow against inflation by making some responsible changes in the FECA along the lines I have suggested.

THE BIENNIAL BUDGET ACT

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PANETTA. Mr. Speaker, today I am reintroducing the Biennial Budgeting Act, a bill I sponsored in the 96th Congress which would put the Congress on a 2-year budget cycle. I believe the change to a 2-year cycle would give us the time we need to con-

duct tough oversight on existing programs and to get the budget under control.

My experience as a member of the House Budget Committee has convinced me that no one really feels we have enough time to review the budget and oversee existing programs and policies, let alone enough time to thoroughly go over new program proposals to see whether they are really needed. The very fact that there are some 15,000 bills introduced during each Congress, coupled with committee's oversight responsibilities and with extension of ongoing programs, makes meaningful oversight and review almost impossible. The result is that outdated and ineffective programs keep slipping through, while new programs are not given the time and attention they deserve. Moreover, members of the Budget and Appropriations Committees are pushed to the very limit of their abilities in coping with the situation, while other members, given about 2 weeks to look over the first budget resolution before floor consideration, fall to drawing sharp and bitter partisan lines instead of fully debating the budget.

The congressional budget process, in my opinion, has been successful in forcing Congress to accept more responsibility for its spending decisions and it is clear that spending has been reduced as a result of the process. Just last year we reduced the Federal deficit for fiscal year 1981 by almost $10 billion through the use of reconciliation. That landmark effort showed that Congress can reduce Federal spending in the so-called uncontrollable part of the budget. Also, last year's first concurrent resolution called for a balanced fiscal year 1981 budget. Obviously, today, we are a long way from a balanced budget for the current fiscal year, but with different economic circumstances a balanced budget could have been a reality.

Despite these successes, through the course of last year none of the crucial Budget Act deadlines were met. The act calls for the passage of the first resolution by May 15; last year it was passed on June 12. Action on all appropriation bills must be completed the seventh day after Labor Day according to the act. This past year none were enacted by that date. The act calls for passage of the second concurrent resolution by September 15. This past year it took Congress until November 20 to complete action on the second resolution. These delays are symptoms of the tremendous time pressures Congress is subjected to as it attempts to create an entire budget every year. If Congress were to conduct the sort of oversight activities it must conduct to control Federal spending, it would be impossible to meet any of the deadlines set by the 1974 act.

Under my proposal, substantial time would be allotted for oversight activities and the time pressures on legislative and appropriation committees would be greatly alleviated. The Biennial Budgeting Act proposes that the first year of each 2-year congressional term be devoted to formal oversight of programs and agencies, to the reporting by the Budget Committees of the first budget resolution and the reporting by the legislative committees of all authorizing legislation. The second year would be used for the passage of any new authorizing bills and later, only after authorizing legislation is adopted, the Congress would adopt appropriations bills and the second budget resolution.

This new approach would yield three basic benefits: More time for oversight of present programs, more time for thoughtful planning of a new budget, and less pressure and distraction from the constant flow of new program proposals. It would take us away from the stop-and-go funding we now engage in, where too many decisions result from last minute panic instead of proper planning.

This bill in its current form has been before the House for the past two sessions of Congress. The House Budget Committee has held hearings on the bill and during the last session of Congress, after hearings before the House Subcommittee on the Legislative Process, certain concepts in the 2-year budget measure were incorporated into the Sunset Review Act of 1979, a bill sponsored by Representative GILLIS LONG, chairman of the Legislative Process Subcommittee. This bill, which had 198 cosponsors, called for a specific oversight and review schedule for each of the House and Senate committees responsible for authorizing Federal spending programs or tax expenditures. Under the act each committee would have had 2 years to conduct oversight hearings on the programs it selected for review and to report legislation improving or eliminating those programs. The thrust of the 2-year budget bill and the Sunset Review Act are similar—to force Congress to conduct a detailed and careful review of programs in all areas of Government as a means of reforming Federal spending patterns.

Specifically, the bill would provide for the following schedule: First year: The committees of each House would spend the first 6 months of the first session conducting oversight hearings on existing programs and policies. Following these hearings, the legislative authorizing committees have another 6 months to conduct hearings and report out new legislation. The Budget Committees would follow essentially the same schedule, reporting out the first concurrent budget resolution by November 30, allowing legislative committees time to incorporate guidelines within the resolution into their own work.

Second year: Each House would devote itself to working on new authorizing legislation, with a deadline of March 10 for such action. March 31 would be the deadline for consideration of the first concurrent budget resolution. It is only after this point that appropriations bills come into consideration. By May 15, the Appropriations Committees are to report out their bills and resolutions, with the seventh day after Labor Day the final day for action. After that, the present timetable for the second concurrent budget resolution is retained.

As I stated, this approach would yield several basic and important benefits. It would allow more time for oversight of present programs so that ineffective or outdated ones can be eliminated. It would permit more careful and thoughtful planning of the budget, with full consideration given to the effect of the budget on inflation and to innovative fiscal initiatives. It would allow all Members of Congress, not just those serving in the previous Congress, full input into the new budget. It would enable us to take time to determine whether new programs and policies are really warranted or necessary, rather than relying on special interests or party lines. It would completely eliminate the incongruous situation that we see now of appropriating money for unauthorized programs.

In past CBO reports the 2-year budgeting concept has been commented upon favorably. Specifically CBO has recommended that the Appropriations Committees begin immediately to examine the budget for programs that could be most easily switched to a 2-year cycle.

One of the most interesting possible benefits of biennial budgeting that the Congressional Budget Office has noted is the increased financial security that approach would give to State and local governments which are so dependent on Federal support. CBO has concluded, based on the results of a study conducted for the Office by Peat, Marwick, and Mitchell & Co., that biennial budgeting would relieve State and local governments of the continual pressure they face to second-guess future appropriations levels. The effect of that pressure, according to CBO, is that State and local officials tend to underspend their Federal funds, often then losing the funds at the end of the fiscal year. As a result, programs that are underfunded to begin with suffer still more from underspending. Two-year appropriations would greatly ease that situation.

I would like to quote one other observation CBO has made with regard to biennial budgeting. A study of theirs noted:

The arguments against two-year appropriations revolve mainly around possible diminution of Appropriations Committee oversight and difficulty of forecasting a program's warranted level of resources for 24 compared to only 12 months ahead. But if the Committees did not have to spend so much time each year on routine "budgetry" they would in fact have more time for their oversight work, leading to more rather than less oversight. Unexpected demands can always be accommodated by supplemental appropriations.

I think there is a widespread recognition within the House that the budget process is basically sound and can only be improved by more time for oversight. But despite this fact, the budget grows and taxpayers resent this as they fork over their hard-earned money with no perceptible improvement in Government services. We feel their pressure daily on our actions. But in objecting to high taxes and runaway spending, Americans are not asking that their Government be dismantled. They are saying that they have every right to expect that the dollars we appropriate on their behalf will be handled efficiently and effectively.

We reflect the frustrations of our constituents every day on the floor of the House. Everyone here has made a real effort to analyze current spending at the same time he or she is considering new spending measures. Some Members have used knee-jerk voting against all new spending measures as a way of calling for budget control and oversight. But neither approach can really work in the long run.

We must adopt a system that allows Congress enough time to give the budget the serious attention it deserves or we will never get it under control. There will most likely be proposals before the House to create a zero-based budgeting system and to establish sunset laws that would give all Federal programs a limited life cycle. I support these measures as one way of coping with the present situation, but I believe they will be ultimately useless unless we provide time for Congress to exercise its oversight responsibilities fully. By moving to a 2-year budget we can gain that time and make significant progress in getting the budget under control.

H.R. ——

A bill to amend the Congressional Budget Act of 1974 to provide for a two-year budgeting cycle, to provide for separate and timely consideration each of authorizing legislation, budget resolutions, and appropriations, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Biennial Budgeting Act of 1981."

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds and declares that the present annual budgeting process of the Congress—

(1) allows too little time for the fulfillment by the Congress of its legislative oversight responsibilities;

(2) allows too little time for the review and consideration by the Congress of authorizing legislation, of budget resolutions, and of appropriation bills; and

(3) allows too little time for the evaluation of costly and complicated Federal programs and consequently contributes to the unrestrained growth of the Federal budget.

(b) It is the purpose and intent of the Congress in this Act to establish a more thorough and timely process for the enactment of the Federal budget by—

(1) establishing a two-year cycle for the adoption of the budget;

(2) providing clearly allocated time for the holding of oversight hearings by the several committees of each House in order to review the various programs and agencies of the Federal Government; and

(3) requiring that consideration of authorizing legislation, of the budget, and of appropriation bills and resolutions be separate and distinct, thus allowing full evaluation of the need for and the merits and costs of the various programs and agencies of the Federal Government.

ESTABLISHMENT OF TWO-YEAR CYCLE FOR CONGRESSIONAL BUDGET PROCESS

SEC. 3. Section 300 of the Congressional Budget Act of 1974 is amended to read as follows:

"TIMETABLE

"SEC. 300. The timetable with respect to the congressional budget process for any Congress (beginning with the 98th Congress) is as follows:

"First Session

"On or before:	Action to be completed:
January 3	President submits current services budget.
15th day after Congress meets.	President submits his budget for 2-fiscal-year period beginning in succeeding calendar year (the '2-fiscal-year budget period').
	All committees begin oversight hearings with respect to 2-fiscal-year budget period.
June 30	Committees complete oversight hearings and submit their reports thereon.
July 1	All committees begin legislative work for 2-fiscal-year budget period.
October 31	Committees and joint committees submit reports to Budget Committees with respect to 2-fiscal-year budget period.
November 10	Congressional Budget Office submits report to Budget Committees with respect to 2-fiscal-year budget period.
November 30	Budget Committees in both Houses report first concurrent resolution on budget for 2-fiscal-year budget period.

"First Session—Continued

"On or before:	Action to be completed:
December 31	Committees report bills and resolutions authorizing new budget authority and providing new spending authority for 2-fiscal-year budget period.

"Second Session

"On or before:	Action to be completed:
January 3	President submits current services budget.
15th day after Congress meets.	President submits revised budget for 2-fiscal-year budget period.
March 10	Congress completes action on bills and resolutions authorizing new budget authority and providing new spending authority for 2-fiscal-year budget period.
March 31	Congress completes action on first concurrent resolution on budget for 2-fiscal-year budget period.
May 15	Appropriations Committees report bills and resolutions providing new budget authority for 2-fiscal-year budget period.
7th day after Labor Day.	Congress completes action on bills and resolutions providing new budget authority and new entitlement authority for 2-fiscal-year budget period.
September 15	Congress completes action on second required concurrent resolution on budget for 2-fiscal-year budget period.
September 25	Congress completes action on reconciliation bill or resolution, or both, implementing second required concurrent resolution.
October 1	2-fiscal-year budget period begins.".

OVERSIGHT ACTIVITIES

SEC. 4. (a) Title III of the Congressional Budget Act of 1974 (as amended by the other provisions of this Act) is further amended by adding at the end thereof the following new section:

"OVERSIGHT ACTIVITIES OF COMMITTEES

"SEC. 312. During the period beginning on the 15th day after the Congress meets in each odd-numbered year and ending June 30 of such year, each standing committee of the House of Representatives and the Senate shall review and study the application, administration, execution, and effectiveness of those laws (or parts of laws) the subject matter of which is within the jurisdiction of that committee and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, cur-

tailed, or eliminated. In addition, each such committee (during such period) shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that committee (whether or not any bill or resolution has been introduced with respect thereto). The findings and determinations made by each such committee as a result of its oversight activities under the preceding provisions of this section in any year shall be reported to the House of Representatives or the Senate no later than June 30 of such year, and shall constitute the basis for such committee's legislative work with respect to the 2-fiscal-year budget period beginning on October 1 in the succeeding year.".

(b) The table of contents in section 1(b) of such Act is amended by adding after the item relating to section 311 the following new item:

"Sec. 312. Oversight activities of committees.".

CONFORMING AMENDMENTS TO CONGRESSIONAL BUDGET ACT

SEC. 5. (a) Section 2(2) of the Congressional Budget Act of 1974 is amended by striking out "each year" and inserting in lieu thereof "biennially".

(b) Section 3(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(6) The term '2-fiscal-year budget period' means the period of 2 complete fiscal years beginning on October 1 in any even-numbered year.".

(c) Section 202(f)(1) of such Act is amended—

(1) by striking out "April 1 of each year" and inserting in lieu thereof "November 10 of each odd-numbered year"; and

(2) by striking out "October 1 of that year" and inserting in lieu thereof "October 1 of the succeeding year".

(d)(1) Section 301(a) of such Act is amended—

(A) by striking out "May 15" in the heading and inserting in lieu thereof "March 31 of Each Even-Numbered Year"; and

(B) by striking out "May 15 of each year" in the first sentence and inserting in lieu thereof "March 31 of each even-numbered year".

(2) Section 301(c) of such Act is amended—

(A) by striking out "March 15 of each year" in the matter preceding paragraph (1) and inserting in lieu thereof "October 31 of each odd-numbered year"; and

(B) by striking out "October 1 of such year" in paragraph (2) and inserting in lieu thereof "October 1 of the succeeding year".

(3) Section 301(d) of such Act is amended—

(A) by striking out "April 15 of each year" and "October 1 of such year" in the second sentence and inserting in lieu thereof "November 30 of each odd-numbered year" and "October 1 of the succeeding year", respectively; and

(B) by striking out "such fiscal year" and "such period" in paragraph (6) and inserting in lieu thereof "the first fiscal year of such 2-fiscal-year budget period" and "such 5-year period", respectively.

(e)(1) Section 307 of such Act is amended—

(A) by striking out "All Appropriation Bills To Be Completed Before First Appropriation Bill Is Reported" in the heading and inserting in lieu thereof "Appropriation Bills";

(B) by inserting "(a)" after "307.";

(C) by striking out "that year" each place it appears and inserting in lieu thereof "that period"; and

(D) by adding at the end thereof the following new subsection:

"(b)(1) Except as provided in paragraph (2), all bills and resolutions containing appropriations or otherwise providing budget authority for any 2-fiscal-year budget period shall be reported in the House of Representatives and Senate no later than May 15 of the year in which such period begins.

"(2) If the Committee on Appropriations of the House of Representatives or the Senate determines that changes in circumstances with the passage of time require a waiver of paragraph (1) with respect to any bill or resolution providing supplemental appropriations or otherwise providing budget authority for any period, such committee may report, and the House or Senate may consider and adopt, a resolution waiving the application of such paragraph in the case of such bill or resolution.".

(2) The table of contents in section 1(b) of such Act is amended by striking out "all appropriation bills to be completed before first appropriation bill is reported" in the item relating to section 307 and inserting in lieu thereof "appropriation bills".

(f) Section 308 of such Act is amended—

(1) by striking out "such fiscal year" and "such period" in paragraphs (1)(B) and (2)(B) of subsection (a) and inserting in lieu thereof in each instance "the first fiscal year of such 2-fiscal-year budget period" and "such 5-year period", respectively; and

(2) by striking out "such fiscal year" and "such period" (each place it appears) in subsection (c) and inserting in lieu thereof "the first fiscal year of such 2-fiscal-year budget period" and "such 5-year period", respectively.

(g) Section 309 of such Act is amended by striking out "each year" in the matter preceding paragraph (1) and inserting in lieu thereof "each even-numbered year".

(h) Section 310 of such Act is amended—

(1) by inserting "in each even-numbered year" after "report to its House" in the first sentence of subsection (a);

(2) by inserting "or prior 2-fiscal-year budget periods" after "prior fiscal years" in subsection (a)(1)(B);

(3) by striking out "each year" in subsections (b) and (d) and inserting in lieu thereof "each even-numbered year"; and

(4) by inserting "in any even-numbered year" after "adjournment sine die of either House".

(i) Section 401(b)(1) of such Act is amended by striking out "the fiscal year which begins during the calendar year in which" and inserting in lieu thereof "the first 2-fiscal-year budget period which begins after".

(j)(1) Section 402 of such Act is amended—

(A) by striking out "REPORTING OF" in the heading and inserting in lieu thereof "ACTION ON";

(B) by striking out the heading of subsection (a) and inserting in lieu thereof "DATES FOR REPORTING AND FINAL ACTION.—(1)";

(C) by striking out "May 15" in subsection (a) and inserting in lieu thereof "December 31";

(D) by adding at the end of subsection (a) the following new paragraph:

"(2) The Congress shall complete action on all bills and resolutions directly or indirectly authorizing the enactment of new budget authority for a 2-fiscal-year budget period no later than March 10 preceding the beginning of such period."; and

(E) by striking out "such committee" in subsection (b) and inserting in lieu thereof "the committee involved".

(2) The table of contents in section 1(b) of such Act is amended by striking out "reporting of" in the item relating to section 402 and inserting in lieu thereof "action on".

(k) Section 605(a) of such Act is amended—

(1) by striking out "each year (beginning with 1975)" and inserting in lieu thereof "each odd-numbered year (beginning with 1983)";

(2) by striking out "the ensuing fiscal year" and inserting in lieu thereof "the 2-fiscal-year budget period beginning in the following calendar year"; and

(3) by striking out "such ensuing fiscal year" and inserting in lieu therof "such period".

(l) Section 607 of such Act is amended—

(1) by striking out "for a fiscal year (beginning with the fiscal year commencing October 1, 1976)" and inserting in lieu thereof "for a fiscal year or a 2-fiscal-year budget period (beginning on or after October 1, 1983)"; and

(2) by striking out "May 15 of the year preceding the year in which such fiscal year begins" and inserting in lieu thereof "March 31 of the year in which such fiscal year or budget period begins".

(m) Section 904(a) of such Act is amended by inserting "(as enacted or as amended by the Biennial Budgeting Act of 1981)" after "and IV" in the matter preceding paragraph (1).

(n) The following sections of such Act are amended by striking out "fiscal year" each place it appears and inserting in lieu thereof "2-fiscal-year budget period":

3(a)(1), (a)(4)(A), (a)(4)(B), and (a)(4)(C).
202(f)(1).
301(a)(1), (b)(1), (c)(2), and (d) (first sentence).
303(a)(1), (a)(2), (a)(3), (a)(4), (b)(1), and (b)(2).
304.
307.
308(a) (before paragraph (1)), (a)(1)(A), (a)(2)(A), (a) (last sentence), (b) (first sentence), (b)(1), (b)(2), (b)(3), (b)(4), and (c).
309 (1) and (2).
310(a) (first sentence), (a)(1)(A), (a)(1)(C), and (f).
311 (a) and (b).
401 (a) and (b)(2).
402(a).

(o) The following sections of such Act are amended by striking out "such year" each place it appears and inserting in lieu thereof "such period":

3(a)(1).
303(a) (after paragraph (4)).
308(a)(2)(A) and (b)(3).

AMENDMENTS TO BUDGET AND ACCOUNTING ACT

SEC. 6. (a) So much of section 201(a) of the Budget and Accounting Act, 1921 (31 U.S.C. 11(a)), as precedes paragraph (1) thereof is amended to read as follows:

"(a) The President shall transmit to the Congress, during the first 15 days of the first session of each Congress beginning with the Ninety-eighth Congress, the Budget for the 2-fiscal-year budget period (as defined in section 3(a)(6) of the Congressional Budget Act) beginning on October 1 of the succeeding calendar year. The Budget so transmitted shall include a tentative budget for each of the two fiscal years in such period, shall contain the President's

Budget message together with summary data and text and supporting detail, and shall set forth in such form and detail as the President may determine (with respect to each such fiscal year)—".

(b) Section 201(a)(5) of such Act is amended by striking out "the ensuing fiscal year, and projections for the four fiscal years immediately following the ensuing fiscal year" and inserting in lieu thereof "each such fiscal year, and projections for the three fiscal years immediately following the second such year".

(c) Section 201(a)(6) of such Act is amended by striking out "the ensuing fiscal year and projections for the four fiscal years immediately following the ensuing fiscal year" and inserting in lieu thereof "each such fiscal year and projections for the three fiscal years immediately following the second such year".

(d) Section 201(a)(9) of such Act is amended by striking out "ensuing fiscal year" and inserting in lieu thereof "2-fiscal-year budget period involved".

(e) Section 201(a)(12) of such Act is amended—

(1) by striking out "ensuing fiscal year" in subparagraph (A) and inserting in lieu thereof "2-fiscal-year budget period involved"; and

(2) by striking out "each of the four fiscal years, immediately following that ensuing fiscal year" and inserting in lieu thereof "each of the three fiscal years, immediately following such period".

(f) Section 201(a)(13) of such Act is amended by striking out "ensuing fiscal year" each place it appears and inserting in lieu thereof "2-fiscal-year budget period".

(g) Section 201(a) of such Act is further amended by adding at the end thereof (after and below paragraph (13)) the following new sentences:

"During the first 15 days of the second session of each such Congress the President shall transmit to the Congress any revisions he may desire to make in the Budget transmitted in the first session of that Congress. In applying the succeeding provisions of this section with respect to any budget transmitted to the Congress for a 2-fiscal-year budget period, the term 'ensuing fiscal year' shall be deemed to read 'first year of the 2-fiscal-year budget period involved', and other references to fiscal years shall be deemed to be references to the 2-fiscal-year budget periods in which the years involved respectively fall.".

EFFECTIVE DATE

SEC. 7. Except as specifically otherwise indicated, the amendments made by this Act shall become effective on the first day of the first session of the Ninety-eighth Congress.

ON IRAN, A COOL HEAD, MR. PRESIDENT

(Mr. EDWARDS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. EDWARDS of California. Mr. Speaker, the stories of barbaric and cruel treatment of the 52 hostages are infuriating to all of us. Some Americans already are crying for vengeance.

It is a moment of grave crisis for President Reagan. What is best for the United States and for the world must be the criteria, not an emotionally satisfying initiative with grave and lasting consequences.

Mr. Speaker, I commend to my colleagues today's lead editorial of the New York Times.

[From the New York Times, Jan. 22, 1981]

FROM RAGE TO REASON ON IRAN

The blood will boil as the returned hostages tell of beatings, robbery, isolation and other barbarities. Their tales will reinforce an obvious yearning for revenge. Let there be rage and revulsion in these first hours of release—and a realization that though it was right to promise kidnappers anything, there is no moral duty to honor such extortion. But when the time comes for action, let it be from cold calculation. The right question, as it has been for 14 months, is not what we owe the Iranians but what we owe ourselves.

The right answer has to serve two main objectives:

One is deterrence. No government or terrorist group, whatever its domestic or diplomatic purpose, should be left to think it can profit from seizing and abusing American citizens. The final deal with Teheran, unless fully examined and properly explained, might well create the wrong impression.

The second objective concerns strategic interest. No retribution, however satisfying emotionally, should subvert the broader American aims in Iran and the Middle East. Glib renunciation of the deal, or new punishments, might well injure American interests more that Iran's. It is not respect for Iran but a maddening need for it that has kept us from bombing Teheran flat.

President Reagan now has the gift of time to reflect. No one charges him with mismanaging the crisis or coddling terrorists. Even without the hostage affair he would have had to design a new policy toward Iran.

He has already altered the hostage problem in some semantic but useful ways. He referred to the Iranians as barbarians, thus perhaps speeding the release. And now he says he prefers to call the former hostages "prisoners of war."

These are valuable reminders that Iran's Government, and not just some street mob, was guilty of aggression against the United States. The reference to war will advertise the already evident determination of Americans not to endure such assaults again without a more forceful response. And it also gives notice to other nations that their common stake in the safety of diplomats requires them to do more than cast a ritual United Nations vote of protest. If a nation gets no relief from the unanimous outrage of world opinion, it is free in international law to use force, and to take prisoners as well as assets, in self-defense.

But a war waged wisely has strategic and political purpose, a due concern for the costs of violence and for its relevance to a desired result. And it can end in self-interested accommodations.

There were, and there remain, sound reasons not to cripple Iran with economic or military retaliations. As Jimmy Carter seemed incapable of explaining, the American hand was stayed by much more than concern for the lives of the hostages (15 of them, after all, were expected to die if the military rescue had *succeeded*). Even larger American interests argued, and argue still, against excessive force or humbling sanctions.

Any crippling assault on Iran would, at this point, jeopardize its survival as a nation. Its large Arab, Kurdish and Baluchi populations have been itching to break away; Moscow encourages them, as do the Soviet-supplied invaders from Iraq. For the West, there is one thing worse than hostile anarchy in Iran: an Iran dismembered—with the Russians moving into Azerbaijan, Communists bearing Soviet aid in Teheran and the Baluchis creating a Soviet satellite astride the oil lanes on the Persian Gulf.

The vaunted stability of the Shah's Iran is gone forever. But there remains at least a possibility of a cohesive, non-Communist Iran selling its oil to the West. To turn Iran from chaos toward such a result was the reason for keeping the American diplomats in Teheran in the first place, dangers notwithstanding. Achieving their goal, even now, would be a ringing vindication of their ordeal.

RIGHT TO LIFE

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ZABLOCKI. Mr. Speaker, I am introducing today a resolution which I have introduced for several Congresses to protect the life of the unborn. It is with a deep sense of responsibility and conviction that I once again propose an amendment to the Constitution of the United States to insure that due process and equal protection are afforded to an individual with respect to the right to life.

Mr. Speaker, more than 1,300,000 babies are aborted every year. Those abortions contradict an integral tenet of our society—the principle that each and every individual has the most basic of all rights, the right to life. It is the responsibility of the State to protect that right.

Our responsibility has been recognized by many of my distinguished colleagues in recent Congresses. I am pleased to say that liberals and conservatives alike as well as individuals on both sides of the aisle have repeatedly shown support for the God-given right for each individual to life. Hopefully in the coming years more of our colleagues will join our ranks so that we will soon see that right guaranteed in the form of a constitutional amendment.

It is appalling that we find ourselves in a society where abortion is commonplace and where physicians and intellectuals condone the taking of certain lives. It is time that we confront this issue head on and move to protect those lives which could conceivably contribute to the betterment of our world.

Mr. Speaker, as you know, on January 22, 1973, the Supreme Court in the Wade and Bolton decisions made a mockery of the right to life. I, along with millions of other Americans, was greatly distressed when the Court ruled that abortions in certain stages of fetal development were legal.

It is already clear that the Supreme Court decision of January 22 has led to excesses and abuses never intended or envisioned by proponents and supporters of the decision. Supreme Court Justice White astutely foresaw this development in his disagreement with the Supreme Court arbitrary decision on the value of life which makes the worth of a potential human being dependent upon being wanted by his or her mother. In his dissenting opinion, Justice White argued:

At the heart of this controversy are those recurring pregnancies that pose no danger whatsoever to the life or health of the mother but are nevertheless unwanted for any one or more of a variety of reasons—convenience, family planning, economic, dislike of children, the embarrassment of illegitimacy, etc.

The fact is, human life irrespective of age, health, function or condition of dependency, guaranteed under our Constitution, must be preserved and protected. The unborn have long been held to have legal rights under the law. They have property rights. They may inherit property, family names, and in some societies, family titles. The rights to property have long been affirmed by the courts of this country. As such, they deserve to be safeguarded just as an adult is protected under existing laws governing homicide.

There is, of course, the difficult moral question which arises when the mother's life is seriously endangered by the continuation of pregnancy. In this case, it is clear that abortion may be permissible. This adheres to self-defense principles long established within our body of laws. We must remember, however, that abortion statutes are written to protect the unborn child—not to serve the whims of one or both parents, social planners, or popular faddists. Furthermore, the responsibility of saving the child should be equal to the responsibility of saving the mother in those cases where abortion is necessary.

Mr. Speaker, the right to life, especially for the unborn, must be reaffirmed and protected. In that spirit, Mr. Speaker, I offer the following resolution to restore this most basic human right and to insure that this right is recognized and safeguarded under the Constitution of the United States:

RESOLUTION

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

SECTION 1. With respect to the right of life, the word "person", as used in this article and in the fifth and fourteenth articles of amendment to the Constitution of the United States, applies to all human beings, including their unborn offspring, at every stage of their biological development, irrespective of age, health, function, or condition of dependency.

SEC. 2. No unborn person shall be deprived of life by any person: *Provided, however,* That nothing in this article shall prohibit a law permitting those medical procedures required to save the life of the mother when a reasonable medical certainty exists that continuation of pregnancy will cause the death of the mother, and requiring that person to make every reasonable effort, in keeping with good medical practice, to preserve the life of her unborn offspring.

SEC. 3. Congress and the several States shall have power to enforce this article by appropriate legislation within their respective jurisdictions.

KILPATRICK—LESS STAFF

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, President Reagan highlighted the need of the country when he said big Government provides no solutions to problems—big Government is the problem.

We need right here in Congress to set the pace for America. As we are starting in to reduce the size of all of these overgrown Washington bureaucracies, we must first reduce the size of our overloaded committee staffs. In order to perpetuate themselves in office, it is their responsibility as a committee staff member to prepare more and more new bills to be introduced, to find more and more regulations which should be imposed, and to find more and more ways to create new agencies for the Government. The most effective way to have less Government is to have less committee staff.

James J. Kilpatrick wrote a concise and stimulating analysis of this essential need to cut the committee staffs. He highlighted the Agriculture Committee which has grown from 18 to 68. He looked at Foreign Affairs which is up from 32 to 85 and Ways and Means which has grown from 23 to 98.

But his most interesting comment was on the Rules Committee. James Kilpatrick remembered when he came to Washington 30 years ago that the House Rules Committee was under Judge Smith of Virginia. Let me quote his statement just as it appeared in his column:

Let me reminisce. Thirty years ago, when I first began covering the Hill with some frequency, the House Rules Committee benefited from the benevolent tyranny of Howard Worth Smith of the Eighth District of Virginia. He was a tall, stooped man, born prematurely gray, with the melancholy aspects of an elderly basset hound. Tyrants are supposed to build empires, but the thought never appealed to Judge Smith. No empire builder, he. For years he ran House Rules with a staff of three. There weren't but two rooms. A gentle ex-congressman from Alabama, Laurie Battle, was in the outer office. Two competent clerk-secretaries had desks in the committee room itself. The whole arrangement breathed a kind of quill-pen, high-collared gentility. The bookcases all had curtains on them.

By 1972, the staff of Rules had grown to six. Can you imagine the number today? Forty. It is fantastic. Forty! The committee's investigating budget has swollen from $5,000 in 1972 to $1,134,000 last year. For investigations? Incredible!

We start working next week to draw up the budgets for our committee staffs. Rules committee does have a larger assignment than they had in 1972 when they had six members. Possibly they have twice as much work, although they are doing exactly the same work procedures. Since the Rules Committee sets the pace for Congress, what an inspiration it would be if they would reduce their budget request from 40 to where they would request 12. In that way, perhaps we would have fewer rules granted. We would have less debate on the floor and spend more time back in our district. The first thing that could happen to America would be for Congress to meet half as much as we now meet here in Washington, and to spend twice as much time back home in our districts learning about the problems, the challenges, and the needs of America.

PRESIDENT JIMMY CARTER

(Mr. RAHALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RAHALL. Mr. Speaker, Wednesday evening 1 week ago, the 39th President of the United States said farewell to the Nation he has served for the past 4 years. His speech was not one listing his accomplishments, which there are many, nor did it detract in any way from the new President who took office on January 20.

Jimmy Carter made us all proud, and I believe the Christian Science Monitor said it best in their editorial of January 16. I insert that editorial now so that my colleagues may reflect, as I have, on the Carter administration and the man who headed it.

I am pleased and proud to have served with President Carter. He is a good man and a decent man, and I hope he will continue to share his insights and views with us in the coming years.

The editorial follows:

THANK YOU, MR. PRESIDENT

Jimmy Carter delivered a farewell to the nation reminiscent of the qualities that helped put him in office four years ago. The President has always been at his best enunciating, in quiet, low-key style, his deepest ideals and vision for the world. So it was that his call Wednesday night for a continuing national effort to prevent nuclear war,

to protect the earth's environment and resources, and to enhance human rights was effective and moving. Perhaps in singling out "single-issue groups" and "special interests" as an obstacle for presidential leadership, Mr. Carter was absolving himself of some of the blame for defeat in office. But the point is well taken and deserves thoughtful attention. The global problems cited and the earnest of their solution—a willingness of Americans to unite and work for the common good—indeed sum up the challenge before the new administration.

As Mr. Carter thanked the American people for the opportunity to govern, the American people, too, might pause to appreciate the accomplishments of his presidency. True, these did not loom large enough in the public mind to reelect him. But this should not obscure some solid progress made at home and abroad. We believe the Carter years will be assessed more positively through the lens of history than they have been in the heated political climate of the moment.

Learning from lessons of the nation's recent past, the President sought to place the tools of diplomacy above the use of military force. The peace obtained between Israel and Egypt after thirty years of conflict alone stands as an extraordinary personal achievement. But there were other controversial steps forward: the Panama Canal treaties, the normalization of relations with China, the multilateral trade agreement, an effective new policy in Africa, and—for all the drawbacks in its implementation—a human rights policy that lifted America's image and gave new hope to peoples throughout the world. On the domestic front Mr. Carter often floundered. But even so his legacy includes an energy program (at long last), the beginnings of civil service reform, deregulation of key industries, and greater sensitivity in government to women and minorities.

Doubtless the record could have been better. It would have been better, perhaps, if Mr. Carter did not have to deal with a fractious Congress, if he had better understood the workings of Washington, if he had surrounded himself early on with wise advisers, if certain traits of character had not prevented him from adapting and growing. All this will some day be the subject of serious historical study and judgment. But the President need not leave the Oval Office with a heavy heart or without the satisfaction of knowing that he gave much to his country.

The American people, perceiving only slightly the burdens of presidential office and reflecting on the gains as well as failures of the past four years, can surely say a word of thanks before they turn their attention to the next chapter.

LAND THE FEDERAL GOVERNMENT PLANS TO ACQUIRE

(Mr. LUJAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. LUJAN. Mr. Speaker, today I am introducing legislation to permit the State of New Mexico to acquire Federal lands within the State's borders in exchange for the land the Federal Government plans to acquire within the boundaries of the White Sands Missile Range.

The State currently holds title to approximately 350,000 acres of land within the White Sands Missile Range, which it is leasing to the Department of the Army under a lease that will expire in 1990. The Department of the Army has also advised the State that it plans to acquire fee simple title to the land during the 84th fiscal year.

Rather than receiving cash payment for the land, the State would prefer to select Federal lands within its borders in exchange. The Federal Government has been leasing the land from the State since World War II, and while the State has been willing to enter into such a lease arrangement, it does not want to lose title to the land without obtaining other land in its place.

I agree with the State on this issue and I support the concept of permitting the State to acquire new lands.

If we are to balance the budget and effect the new partnership between the Federal Government and the States as envisioned by the new administration, this type of legislation is needed. It removes the need for payment to the State and it keeps the quantity of federally owned land in it at about the same level as currently exists. It gives the State more equality in dealing with the Government.

Under the terms of my bill, New Mexico would have 90 days after the taking of the White Sands land to notify the Secretary of the Interior, the acquiring agency, and the U.S. attorney for that judicial district of its interest in selecting land. Within 1 year after that, it must submit its list of selected lands and within 180 days after that the Secretary of the Interior will examine these lands. At this point either the exchange is consummated or if there is a dispute that cannot be settled through arbitration, it goes to the U.S. court with jurisdiction which renders a final opinion.

The text of the bill follows:

H.R. —

A bill to authorize the State of New Mexico to select certain public lands in exchange for land taken by the United States for military and other uses, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any other provision of law, the State of New Mexico, acting through its duly authorized agency, may in exchange for any land or interest in land, either mineral or nonmineral, which is owned by the State and located within the boundaries of White Sands Missile Range, an existing military reservation, elect, in lieu of receiving monetary payment therefor, to select any other surveyed, unreserved, and unappropriated public lands or interest in such lands, mineral or nonmineral, belonging to the United States and located within the boundaries of the State, which are of equal value and which have not heretofore been withdrawn from entry.

(b) In making such selection, the State shall give written notice of such election to the Secretary of the Interior, to the acquiring agency, and to the United States attorney for the judicial district wherein the land taken lies.

SEC. 2. (a) Notwithstanding any other provision of law, the State of New Mexico, acting through its duly authorized agent, may in exchange for any land or interest in land, either mineral or nonmineral, within the boundaries of White Sands Missile Range, which is owned by the State and is taken by the United States in condemnation proceedings after the date of enactment of this Act for military or other public use, elect, in lieu of receiving monetary payment therefor, to select and receive any other surveyed, unreserved, and unappropriated public lands, or interest in such lands, either mineral or nonmineral, belonging to the United States and located within the boundaries of the State, which are of equal value, and which have not heretofore been withdrawn from entry.

(b) In making such election, the State shall give written notice of such election to the Secretary of the Interior, to the acquiring agency, and to the United States attorney for the judicial district wherein the land taken lies within ninety days of the taking by the United States.

SEC. 3. (a) The value of the offered and selected lands, in any exchange under section 1 of this Act, shall be determined by the Secretary of the Interior as of the date of the filing of exchange proposal specified in section 4 of this Act.

(b) In exchanges under section 2 of this Act, the value of the offered land shall be determined by the Secretary of the Interior as of the date the United States acquires title to the offered lands, or takes possession of the offered lands, whichever occurs first. The value of the selected lands shall be determined by the Secretary of the Interior as of the date of the exchange proposal specified in section 4 of this Act.

SEC. 4. Within one year after the State gives written notice of its election to proceed under the provisions of this Act, it shall submit to the Secretary of the Interior and the United States attorney for the judicial district wherein the land taken lies, a list or lists of the public lands selected by the State and the Secretary of the Interior shall within 180 days provide for the examination of such lands. The Secretary of the Interior shall notify the State in writing, as to whether the Department of the Interior considers the taken and selected lands to be of equal value. In case of a dispute between the Department of the Interior and the State as to the relative value of the lands, the State and the Department of the Interior shall attempt to settle such dispute by agreement or arbitration. In the event such dispute cannot be settled within six months from the date of the State's exchange proposal, either the State or the Secretary of the Interior may, after written notice to the other, refer the dispute to the United States District Court for the judicial district wherein the land taken lies for settlement. In such a case the court shall hear evidence and ascertain the fair market values of the taken and selected lands in the same manner as land values are ascertained in ordinary condemnation proceedings and shall make the necessary adjustments by additions or deletions to the exchange proposal.

SEC. 5. The Secretary of Defense or the head of any other acquiring agency of the United States Government, out of any appropriations made available to them for acquisition of land, shall reimburse the State

and the Secretary of the Interior for all necessary expense incurred by them in negotiating and consummating of exchanges pursuant to the provisions of this Act.●

LEGISLATION IN KEEPING WITH THE NEW SPIRIT IN OUR LAND

(Mr. LUJAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. LUJAN. Mr. Speaker, today I am introducing legislation that I believe is in keeping with the new spirit in our land.

For years the Federal Government has had the power to obtain State land through eminent domain and simply provide payment for it. I would like to see this change, and under the new partnership this administration envisions, and the new efforts being made to balance the budget, my bill can exemplify such a difference.

It provides that if the Federal Government takes land through eminent domain from a State, then the State can acquire certain Federal lands in exchange. Under its terms the State would have 1 year in which to notify the Government that it wants to acquire land rather than receive payment, and another year in which to make its selection. Selections would be limited as follows:

First. The land must be within the State boundaries;

Second. The value should be approximately equal to the value of the land taken; and

Third. The land is surveyed, unappropriated, and unreserved.

If the time is here to reduce Federal power and the Federal empire, this is the one way to do it. The added incentive of saving Federal dollars is also important and can provide the type of reduction in spending which hurts no one and helps everyone. Serious consideration of my proposal is warranted, and I am looking forward to working on it in this Congress.

The text of the bill follows:

H.R. —

A bill to provide that if any land or interest in land is taken from a State by the Federal Government by eminent domain, such State may, instead of accepting monetary compensation therefor, acquire certain Federal lands or interests in land of approximately equal value

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) if any land or interest in land owned by a State is taken from such State by the Federal Government by eminent domain, such State may, instead of accepting monetary compensation therefor, acquire, in accordance with this Act, public lands—

(1) which are situated within such State,

(2) the value of which is, as of the date of such taking, approximately equal to the value of the land or interest in land so taken, and

(3) which are surveyed, unappropriated, and unreserved.

(b)(1) If the value of the public lands chosen for acquisition by a State under this Act is less than the value of the land or interest in land taken from such State by the Federal Government by eminent domain, the Secretary of the Treasury shall, out of amounts in the Treasury not otherwise appropriated, pay to such State an amount equal to the difference between such values.

(2)(A) If the value of the public lands chosen for acquisition by a State under this Act is greater than the value of the land or interest in land taken from such State by the Federal Government by eminent domain, the conveyance of such public lands shall be made subject to such State paying to the United States, within a reasonable period of time after the date of such conveyance, an amount equal to the difference between such values.

(B) Any amount paid by a State under subparagraph (A) shall be paid to the Secretary of the Treasury and covered into the general fund of the Treasury as miscellaneous receipts.

(c) The value of any land or interest in land taken from a State by the Federal Government by eminent domain and the value of any public lands which a State seeks to acquire under this Act shall, for purposes of this Act, be appraised by the Secretary of the Interior in accordance with such policies, methods, and procedures as the Secretary of the Interior shall by regulation prescribe. Such appraisal policies, methods, and procedures, insofar as they relate to any land or interest in land taken from a State by the Federal Government by eminent domain, shall, to the maximum extent practicable, conform to the policies, methods, and procedures for making appraisals of real property set forth in sections 301 and 302 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4651 and 4652).

SEC. 2. (a) A conveyance of public lands may be made to a State under this Act only if the State seeking such conveyance submits—

(1) to the Secretary of the Interior, the acquiring Federal agency, and the Attorney General of the United States, not later than 1 year after the date of the taking with respect to which such conveyance of public lands is sought, written notice of its decision to proceed under this Act, and

(2) to the Secretary of the Interior and the Attorney General, not later than 1 year after the date on which the State submits its written notice under paragraph (1), a description of the public lands selected by the State as compensation for the land or interest in land taken from such State by the Federal Government by eminent domain.

Such written notice and description shall be in such form and contain such information as the Secretary of the Interior shall by regulation prescribe.

(b) If the public lands selected by a State satisfy the criteria set forth in subsection (a) of the first section of this Act, the Secretary of the Interior shall convey all right, title, and interest of the United States in and to such public lands to such State.

(c) If a State which has properly given notice of its intention to seek a conveyance of public lands under this Act fails to submit the description referred to in paragraph (2) of subsection (a) within the time limit set forth in that paragraph, such State shall be deemed to have waived all rights to acquire public lands under this Act and shall be awarded monetary compensation in the pending condemnation proceeding instead.

SEC. 3. For purposes of this Act—

(1) the term "public lands" shall have the meaning given that term in section 103(e) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702(e));

(2) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam; and

(3) the term "value" means fair market value.

SEC. 4. This Act shall apply with respect to any land or interest in land taken from a State by the Federal Government by eminent domain after the date of the enactment of this Act.●

RESOLUTION ON IRAN

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FINDLEY. Mr. Speaker, when President Carter negotiated the agreement with Iran which led to freeing the 52 American hostages, he did not know how cruelly some had been treated. Now, citing beatings, death threats, and a host of other deprivations, President Carter characterizes their treatment by Iran as barbarism.

That fact alone should put in question the integrity and sanctity of the agreement between our Government and Iran.

Beyond that, international law also puts it in question. Article 52 of the Vienna Convention on the Law of Treaties states that a treaty is void "if its conclusions are procured by the threat or use of force in violation of the principles of international law embodied in the United Nations Charter." And article 53 nullifies treaties that conflict with accepted international norms or practices.

Obviously, President Reagan has ample justification for setting aside any part of the agreement which he deems to be inimical to U.S. interests.

I believe that Congress should support any such decision on his part. To that end, I am today introducing a resolution which cites Iran's violations of international law, its barbaric treatment of our citizens, and concludes:

It is the sense of Congress that the President would be justified in renouncing all or part of the agreement if he finds it is in the interests of the United States to do so.

This resolution simply urges the President to put American interests first. If he finds it necessary to set aside some of the provisions of the recently signed agreement, the resolution lets him know that there is support in Congress for such a decision.

The only aspect which troubles me is that renunciation of the treaty could embarrass Algeria, which did so much to make possible the hostage release. Americans owe the Algerian

Government and people an enormous debt of gratitude for all they did.

Yet I cannot believe that Algeria would fail, at least privately, to understand a decision by President Reagan to set aside any portion of the agreement. This agreement was entered into under duress. It was the product of deceit and naked force. The Algerians know that. Indeed, it was their task to tame the uncontrollable Iranian Government long enough so that the hostages could be brought to safety. They accomplished their mission, and Americans will be deeply indebted to them.

But the United States cannot be expected to adhere to such a biased agreement, arrived at not through evenhanded negotiations but through threats of force and violence.

As the Wall Street Journal aptly puts it:

The agreement * * * has the same moral standing as an agreement made with a kidnapper, that is to say none at all.

If President Reagan decides to ignore all or part of the agreement, the Congress and the American people will, I feel, support him fully.

Text of resolution follows:

H. CON. RES. —

Concurrent resolution expressing the sense of Congress with respect to the agreement between the United States and Iran signed in Algiers on January 20, 1981

Whereas Iran violated norms of international conduct and law, including the commission of acts of barbarism, the nature of which were not fully known at the time United States officials signed the agreement with Iran in Algiers on January 20, 1981; Now, therefore be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that the President would be justified in renouncing all or part of the agreement if he finds it is in the interests of the United States to do so.

Text of Wall Street Journal editorial follows:

RENOUNCE THE DEAL

The agreement the United States made with Iran for return of the hostages has the same moral standing as an agreement made with a kidnapper, that is to say none at all. This is not said in criticism of the Carter administration, which made the deal to save the hostages' lives. But now that the hostages are free, President Reagan should examine the agreement carefully and if its unfulfilled parts do not, on balance, benefit American interests, there should be no hesitation in renouncing it.

There will be arguments against such a course, no doubt. It will be said that no great nation, having made a commitment, should renege if it wants to be trusted in the future. It will be argued that such a move would cut the ground out from under those Iranian leaders who favored the deal and faced up to the wild men who would have held the hostages forever. It will be argued that we are only giving back to the Iranians what is lawfully theirs. It will be asked whether we would be able to do business with terrorists in the future if the need arose.

Those are all persuasive arguments, but they miss the core point: This was not an agreement, it was extortion. And it is important for the world to know that extortionists are not entitled to the same legal and moral consideration as governments operating in accordance with international law.

There would be another implicit message: We are not worrying about how much future terrorists trust our word because future terrorists will not be dealt with in this manner. Having learned our lesson from this experience we will see to it that the next ones who try it are dealt with swiftly and with force. Whether they trust our word will be immaterial.

As to the Iranians who argued for negotiations, do we really feel we owe anything to anyone in Iran's power elite? They are all, after all, the creatures of the Ayatollah Khomeini. Anyone who was not is either now dead or in exile. Our initial mistake in Iran was in the idea that we could do business with such people.

There is finally the question of our giving back to the Iranians "their own property." If we are dealing here with legalisms, any Iranian assets that are free of liens might be considered their property, but everything else falls into a different category. The U.S. negotiators took a very long leap when they agreed to submit to an international claims commission the claims of American nationals against Iranian assets held in the U.S. They were, in effect, pledging to take these cases out of U.S. courts, a pledge that has dubious constitutionality. As to the damages that can be claimed by the hostages themselves, the agreement seems to leave them with no recourse in the courts. As to delivering up any discoverable assets of the Shah's family, do we really want to finally capitulate to the Ayatollah's lust for vengeance against the Shah?

We do not want to treat the American negotiators harshly. They worked arduously for long hours under horrendous pressure and achieved their primary goal, getting the hostages released. But the other side, bargaining with human lives against money and contracts, had an unfair advantage. We should not hesitate to make it clear that an agreement negotiated under such conditions is worthless and equally clear that anyone who attempts the same thing in the future will not be treated so gently.

DEFENSE DEPARTMENT'S PORTION OF NEW BUDGET

The SPEAKER. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 30 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, the fiscal year 1982 Federal budget was presented to the Congress last week. In the days and weeks ahead, we will be hearing a great deal about it. I would like to speak for a moment on the Defense Department's portion of the new budget.

FINANCIAL OVERVIEW

The Department of Defense budget request for fiscal year 1982 totals $196.4 billion in obligational authority. If approved in full and if a proposed supplemental for fiscal year 1981 and a planned fiscal year 1982 supplemental were also approved, the new budget would exceed last year's appropriations by $25.2 billion or 14.7 percent in current dollars.

According to Defense Department estimates, the bulk of the proposed increase would be consumed by inflation, yielding real program growth in constant dollars of only 5.3 percent, the same level of growth requested last year. Thus, of the proposed increase, $15.3 billion would be absorbed by inflation and the remainder—$9.9 billion would constitute real program growth.

The new 5-year defense plan projects 5 percent real growth annually through fiscal year 1986.

Defense expenditures, by comparison, are expected to rise by $22.4 billion or by 14.2 percent from an estimated $157.6 billion in the current year to $180 billion in the coming fiscal year. Once again, if allowances are made for inflation, the Department estimates expenditures would increase by only $7.5 billion or 4.3 percent. At the projected fiscal year 1982 level, defense expenditures would represent 24.3 percent of the Federal budget and 5.6 percent of the gross national product—up slightly as compared to last year.

DEFENSE APPROPRIATION BILL

The Defense Appropriations Subcommittee will be reviewing the largest portion of the proposed fiscal year 1982 defense budget—$185.2 billion. The amount requested is $25.5 billion over the $159.7 billion appropriated for fiscal year 1981.

Within the defense bill, the requested funds, excluding supplementals, are distributed among the major accounts as follows—all current dollars:

First. Military personnel: $38.4 billion, up $5.3 billion;

Second. Retired pay: $16.1 billion, up $2.2 billion;

Third. Operation and maintenance: (O. & M.): $61.8 billion, up $10 billion;

Fourth. Procurement: $49.1 billion, up $4.2 billion; and

Fifth. Research and development (R. & D.): $19.8 billion, up $3.8 billion.

Although increases are proposed across the board in every account, the vast majority—70 percent or $18 billion, of the overall increase is concentrated in three accounts—O. & M., procurement, and R. & D.

On the surface, the new budget would appear to strike a good balance between modernization and readiness, but closer scrutiny suggests that this may not be the case.

This budget clearly places heavy emphasis on combat readiness, which is a significant departure from budgets we have seen in the past, and that is clearly a step in the right direction. But I feel that it may also favor readiness at the expense of near-term modernization, and this is not a prudent course of action. We must proceed with both readiness and modernization simultaneously in a more balanced program.

If proposed budget increases are measured in terms of constant dollars, the two largest increases are in O. & M.—$3.8 billion or 6 percent—for additional training, fuel, flying, and steaming hours, maintenance, and repair parts and in R. & D., $2.5 billion or 14 percent, principally for the MX missile. Procurement, by comparison, is projected to increase by only $600 million or 1.2 percent. The military personnel account is expected to increase by about $500 million or 1 percent to cover planned increases in active duty and reserve strength.

Within the procurement account, two important programs show major decreases in current dollars—shipbuilding—down $816.1 million and the procurement of aircraft for the Air Force will decrease by an estimated $204.2 million.

The new shipbuilding program provides funds for only 14 new ships, including only 4 combatants—2 CG-47 cruisers, 1 FFG-7 frigate, and 1 SSN-688 submarine. This program is inadequate as at least 20 new ships must be funded annually just to maintain the existing 540-ship Navy.

A comparable problem persists in the naval aircraft procurement program.

Some corrective action will be required in these areas.

Based on my own investigations, I have concluded that our conventional forces are unable to sustain high intensity combat except for very limited periods of time. Therefore, I believe that we must give near-term readiness the highest priority in the allocation of funds within the budget. This means heavy investment in O. & M. and procurement.

While O. & M. and R. & D. appear to be in relatively good shape, at least based on a superficial review of the budget, the procurement account is underfunded. By how much, I do not know, but this will certainly be a major issue during the coming debate over the fiscal year 1982 defense budget.

MAJOR ACQUISITION PROGRAMS

Requests for major acquisition programs—including R. & D.—are as follows: 8 AH-64 attack helicopters, $495.5 million; 78 UH-60A helicopters, $472.9 million; $230.7 million in R. & D. only for AV-8B V/STOL aircraft; 24 F-14's, $915.8 million; 58 F/A-18's, $2.5 billion; 8 SH-60B LAMPS helicopters, $726.4 million; 30 F-15's, $930.5 million; 96 F-16's, $1.7 billion; 130 Patriot air defense missiles, $650.2 million; 72 Trident I missiles, $981.6 million; 440 air-launched cruise missiles, $784 million; Navy shipbuilding programs, $6.6 billion; 464 infantry fighting vehicles, $814.8 million; 569 XM-1 tanks, $1.2 billion; and $2.9 billion for MX R. & D. only.

SUPPLEMENTAL BUDGET REQUEST

The proposed fiscal year 1981 supplemental budget request totals $6.3 billion, including $4.4 billion for the October 1980 military and civilian pay raise and an additional $1.9 billion to cover other cost increases, including $830 million for fuel and $210 million for the rapid deployment force and other readiness-related cost increases.

MAJOR ISSUES

The capability of the Soviet Union to challenge the United States militarily around the world continues to improve. This problem is particularly serious in the Middle East and Persian Gulf. Because of our dependence and the dependence of our allies on the supply of oil in that region, a threat to that oil supply would place in jeopardy our own economic well-being and the economic well-being of our allies.

I believe this country has a responsibility to guarantee access to the oil supplies in the Middle East. We must be prepared to use military force, if necessary, to protect our vital interest in that region. I do not know how this should be done, but it must be done. In my opinion, this may be the single most important national security issue under consideration today.

Thus, the stakes in the Middle East are high, and the potential danger of conflict there is great. We must be ready.

Herein lies a major policy issue that must be addressed by the new administration. It is a key issue, central to national security policy. Its resolution will determine the future direction and shape of our Armed Forces for many years to come.

The important questions to be answered are as follows: What are our objectives in the region? What kinds of forces do we need to protect our interests in the region? How should these forces be based? How do we meet these new responsibilities? Do we draw down forces assigned to protecting existing commitments in Europe or the Pacific, or do we create new forces and expand overall capabilities? Exactly how do we cope with the Soviet threat in the region?

There is wide agreement that a new military strategy is needed, but none has been forthcoming, and this situation has created chaos during the annual review of the defense budget in Congress.

If the coming defense buildup is to be fully supported in Congress and sustained in future years, then some new sense of direction, a new set of defense policies, new priorities, and a new strategy must be developed.

The new administration must give the Congress some broad policy guidance, which has been totally absent in recent years. Otherwise, the Congress will be unable to resolve the major procurement issues that have been so hotly debated in recent years and that are so clearly evident once again in the fiscal year 1982 budget before us. These concern the future of the manned penetrating bomber, the MX missile, the size and composition of the Navy, and the question of how to command and rapidly deploy forces overseas.

The time has come for a major debate over national military strategy. Once a new strategy is developed, I believe that many of these issues can be resolved by the Congress in a much more rational manner.

SUMMARY

Most would have to agree that the $196.4 billion requested in the new budget is a very substantial sum of money, and more may be requested in the near future. There is a distinct possibility that the new administration may be requesting additional funds for fiscal years 1981 and 1982.

We on the Defense Subcommittee have our work cut out for us this year.

We will need to see to it that all this additional money is really needed, that it is spent wisely, and most importantly, with a sense of purpose. We must be sure that it is used to purchase some real military power and not a lot of junk.

This means that the new Secretary of Defense, Caspar Weinberger, has his work cut out for him. I look forward to working with him over the years to come.

CONGRESSIONAL PAY REFORM

The SPEAKER. Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, the final days of the 86th Congress saw the congressional pay adjustment issue raise its ugly head once again. Not only did it serve to tie a House-Senate Conference Committee on Continuing Appropriations for 1981 in knots and prevent Congress from closing its doors on 1980 in an orderly fashion, it also conjured up in the eyes of the American public an impression that Congress is unable to deal with salary adjustments in other than a chaotic and complicated manner.

To help simplify and clarify the whole question of congressional wage adjustments, I reintroduced today the Congressional Pay Reform Act, legislation originally offered in the fall of 1979. The bill includes the same three major elements:

First. It mandates that congressional pay questions be considered independently of—and not as riders to—other appropriations bills and, additionally, that they not be linked to the salaries of other Federal employees.

Second. It defers congressional pay adjustments until the beginning of the next Congress.

Third. It requires a recorded vote in each House for annual congressional pay adjustments.

Under the current law, congressional pay and that of senior executive and judicial personnel may be adjusted in one of three ways: By congressional approval of a proposal made by the President every 4 years, based on recommendations made by the Commission on Legislative, Executive, and Judicial Salaries; through approval of annual recommendations made by the President under the Federal Pay Comparability Act Amendments of 1975; or by Members adjusting their own pay levels by statute.

Due to amendments passed in 1977 for quadrennial adjustments, Congress will be required this spring and in future quadrennial years to follow two of the three items mentioned above. It must consider the salaries of designated personnel in the legislative, executive, and judicial categories independently of one another and do so by means of a recorded vote.

My bill would simply add the third requirement—deferring congressional pay adjustments until the next Congress—to the quadrennial adjustment process. In addition, and equally as important, it would insure that statutory pay adjustments or those that occur as the result of the President's annual recommendations would be handled in a way that meets the three requirements in the bill.

The Congressional Pay Reform Act of 1981 would free the question of salary adjustments from the entanglement of other appropriations bills and would prevent Federal agency appropriations from being held hostage to congressional pay increases. Moreover, automatic cost of living increases would not accrue to Members, and future increases for Federal judges and top level executive branch Government officials would not be tied to congressional wage increases. The linkage of executive and judicial salaries to those of Members has created enormous problems for the Federal agencies. Top level salaries have been compressed to the point that subordinates often earn as much as their supervisors, a condition that has caused retention and recruitment problems.

Furthermore, the legislation would not only prevent Members from voting for a pay increase for themselves while they are still on the public payroll, it would also require each Member to take a public stand on salary issues. At the very least, we owe this to our constituents.

The issue of congressional pay reform has been a source of debate and controversy for many years. The time has now come for Congress to end this institutional embarrassment. The Congressional Pay Reform Act of 1981 would not only provide us with a simple, yet effective, way to accomplish that objective, it would also assist us in preventing the interruption of the normal operation of the Federal Government.●

THE 63D ANNIVERSARY OF PROCLAMATION OF INDEPENDENCE OF UKRAINIAN NATIONAL REPUBLIC

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes.

● Mr. DERWINSKI. Mr. Speaker, with the return of our American hostages from Iran, we celebrate not only the restoration of their freedom, but also their return to a land where their freedoms can be enjoyed without oppressive political policies. Today, however, it is important for us to look at the plight of the people of the largest non-Russian country in Eastern Europe being held captive by the Soviets. In the Ukraine, where the denial of human rights has been a fact of life for generations, the date of January 22, remains a symbol of a period when human dignity, national freedom, and self-determination were gained.

For it was on this day, 63 years ago, that the Ukraine was able to break away from the czarist regime of Russia and declare its freedom and the formation of an independent nation. On January 22, 1918, the proclamation of independence of the Ukrainian National Republic was issued in the city of Kiev, which became the capital city of the Ukraine.

However, after 2 years of this nation's existence, Russian control was one again restored by the forced incorporation of the Ukraine into the Soviet Socialist Republic, and it remains today under the black hand of Soviet oppression.

This domination has not dampened the spirits of the Ukrainian people as they continue their ongoing struggle to preserve their cultural and traditional beliefs that have been so vital to their existence. The country's people have a strong culture, a distinct language and literature, and deep religious convictions of their own.

Since the time of the Russian Communist takeover, the Ukrainian people have not given up hope of once more regaining the freedom which they knew so briefly. Their constant efforts are proof of the inability of the Kremlin rulers to break the noble Ukrainian nationalistic spirit. The tenacity of their dissident nationalistic movement has never died. Despite the extreme pressure tactics employed by the Soviet Union on the Ukrainian people, dissenters continue to speak out against the cruel Soviet tyranny, and the determination of its people to retain their culture and intellectual freedom still grows.

One of the most dramatic and encouraging factors in the ongoing struggle between freedom and tyranny is the continuing growth of this nationalistic spirit among the non-Russian peoples within the U.S.S.R. This is especially significant when we keep in mind that the Communist dictatorship in the Kremlin has failed in their efforts to eradicate the nationalism of the Ukrainian people.

Not only is the Ukraine the largest nation territorially in Eastern Europe and the U.S.S.R., it has the largest nationality group within the Soviet bloc. It is also the richest in resources of the captive nations, possessing tremendous agricultural lands, which once earned for it the title of the "Breadbasket of Europe," as well as possessing an abundance of industrial assets.

Today, as we commemorate this 63d anniversary of the strong and determined peoples of the Ukraine, we must not forget the struggle of the oppressed nations held captive by Soviet rule, and continue to offer hope and support in their aspirations for freedom and self-determination and make their shattered dreams reality once again.

We must champion the rights of national, individual, cultural, and religious freedoms for all peoples held captive. The people of the Ukraine are among the millions of others who are looking to America to live up to that commitment.●

THE FUTURE AGENDA FOR OUR SHIPYARDS AND OUR MERCHANT MARINE

The SPEAKER. Under a previous order of the House, the gentlewoman from Louisiana (Mrs. BOGGS) is recognized for 10 minutes.

● Mrs. BOGGS. Mr. Speaker, as a new President and a new administration take office, I think this is an appropriate time for us to pause and to examine the needs of our domestic shipbuilding capacity and our American-flag merchant marine. Last fall, during the campaign, President Reagan deplored the projected drop of shipyard employment of 75,000 workers by 1983 and he said:

> Should our shipbuilding capability continue to decline, America's mobilization potential will be seriously undermined because a large reduction in a skilled shipbuilding workforce today makes any increase tomorrow very difficult. This is a dangerous threat to our national security, jobs and a key U.S. industry.

President Reagan's recognition of the need to strengthen our shipbuilding industrial base is very commendable. It is, however, ironic to note that he made this statement to a campaign gathering at Sun Ship, Inc. at Chester, Pa., because on January 9 officials of Sun Ship announced that the company was shutting down its shipbuilding

operations. As a result of this action some 3,100 workers, fully three-quarters of Sun's labor force will be laid off in the next 18 months.

This action I believe is a severe blow to this Nation's economy. Not only are we losing a shipyard that has the capacity to contribute to the efforts to improve our naval and maritime forces, but in addition several thousand workers are going to be thrown on the unemployment rolls resulting in additional millions in costs to the Federal Government and the loss of significant revenue to the Government from these workers who have been productive, taxpaying citizens.

Mr. Speaker, I would like to share with my colleagues President Reagan's statement of August 19, 1980, in which he outlined his program to revitalize and reinvigorate our Nation's shipbuilding and maritime industry. Here is an excerpt from his speech at Chester, Pa.:

GOVERNOR REAGAN OUTLINES HIS SHIPBUILDING POSITION

First, early next year I would convene a conference of top maritime and shipbuilding leaders with the appropriate members of my administration to explore ways and means of addressing the deficiency. The goal is to build a merchant marine consistent with our economic, trade and national security needs.

Second, I would target my administration to be the mandate of the Republican platform calling for a 600-ship Navy composed of U.S. built ships as quickly as the budget would permit. I would anticipate a sympathetic Senate and House of Representatives and would work closely with the appropriate Committees of Congress to see these goals are met.

Third, in concert with Congress, I would develop a multi-year Naval Investment Program to produce a modern and versatile U.S. Navy capable of meeting the global uncertainties of the future. This plan would end the vagaries of the past on-again-off-again Carter plans and provide stability in planning, production and workforce in our shipyards.

Fourth, my comprehensive national maritime policy will be targeted toward a greater market share of exports and imports for U.S.-flag shipping. As more cargoes are carried on our own ships, the demand for U.S.-flag shipping services will increase, and more new ships will be ordered from U.S. shipbuilders.

Fifth, these programs will be monitored from the top level of government and our national security aspects from the National Security Council. Understandably, the American people are beginning to wonder if the U.S. has the necessary thrust to counter the Soviet buildup on the high seas, to support pledges of supply when U.S. national interests are threatened. To feel safe, we have to have the sealift capability to dispatch military material and manpower to areas of crisis.

Sixth, I will appoint only men and women to Federal posts which impact directly on shipbuilding who are people of experience, vision and dynamism. All too often the right people have not been placed in the right slots.

Seventh, in concert with industry and labor, I will develop a phased-in effort to restore international competitiveness of U.S. shipbuilding through tax incentives such as 10-5-3, technology advances and improved productivity.

Eighth, I will direct a review of regulatory requirements imposed on U.S. shipbuilding (as well as other industries) consistent with health and safety. It is estimated 14 percent of the cost, on a value-added basis, in U.S. shipyards can be traced to U.S. Government regulations.

Mr. Speaker, in addition to citing President Reagan's maritime proposals I would like to call attention to an editorial which appeared in the December 21, 1980, issue of the Journal of Commerce which sets forth many of the important issues facing our Nation's merchant marine:

[From the Journal of Commerce and Commercial, Dec. 12, 1980]

NEW MARITIME PRIORITIES

When the new Congress convenes next month, it will confront a wide range of long-neglected problems of urgent concern to this country's maritime industry and our ocean commerce. None of them, from the critical need for deeper channels to the plight of the American-flag merchant marine and shipbuilding, from the continued failure to draft effective regulations for intermodal traffic to the wildly irresponsible 1972 amendments to the Longshoremen's and Harbor Workers Compensation Act, will lend themselves to easy or off-the-cuff solutions. They are the accumulated legacy of years in which Congress found it convenient to put one maritime issue after another on the back burner. There have been hearings, bills have been drafted, but there has been little or no effective action.

Over the years, too, there have been occasional rumblings in Congress to the effect that maybe it would be just as well to abolish the House Merchant Marine and Fisheries Committee entirely, and assign its functions elsewhere. The committee's effort in the 96th Congress to produce a new maritime policy bill ended in dismal collapse. A new chairman for the committee, and perhaps a new minority leader as well, will have to be found as the new Congress organizes. Appointment to the committee has not been one of the most sought-after of congressional plums, despite its relationship to a crucial and unique segment of the economy.

To abolish the committee because of congressional impatience with its performance would, in our view, be a colossal blunder. What is needed, it seems to us, is a restructuring of both the House committee and its counterpart subcommittee in the Senate, to enable both to deal more effectively with the burgeoning, many-faceted problems facing the maritime industry and the shippers who depend upon it.

In the Senate, maritime affairs have until now been relegated to a Commerce Committee Subcommittee on Merchant Marine and Tourism—a throwback to the days when passenger liners were the queens of the sea and several of them flew the American flag. This has been changed to create a subcommittee for the merchant marine alone, with tourism transferred to a new Business, Trade and Tourism Subcommittee, which would seem to be a step in the right direction. The House linkage of merchant marine and fisheries may seem plausible in view of their common aquatic bond, but the fact is that they are otherwise unrelated industries. Of course, it isn't the name of the committee that matters nor do we mean to quibble over appended jurisdictions here and there.

What Congress owes the country is the creation and recognition in House and Senate alike of strong committees, with newly delineated jurisdictions that will enable them to deal effectively and intelligently with the whole chain of interlocking issues which today loom so large—and sometimes ominously—as influences in our ocean commerce. Only then, it seems to us, will Congress bring into being the broad perspective, the scope, the expertise that it must have if it is to legislate successfully in this challenging and often baffling area.

If the hope of bringing two such broadly equipped committees into existence seems utopian, then let Congress think seriously about the cost of the fragmented approach it has tolerated for so long, with different but interrelated problems of ocean commerce shunted off to any number of different and uncoordinated committees and subcommittees. Our impression is that the intangible price has been delay, conflicting purpose, and a tendency to view the movement of goods in our import and export trades—in fact, a land-and-sea intermodal movement these days—as one of Washington's lesser concerns.

There is never any lack of politicians to give rhetorical endorsement to a strong merchant marine, flourishing overseas trade, and a healthy balance of payments. But this is mere campaign oratory unless it is backed up by a clear understanding that none of it can happen without adequate ports, adequate channels and harbors, ships and shipyards—a transportation system that can do the job at competitive costs.

Unquestionably, the maritime industry must be thankful for the sudden, dramatic increase in demand for steam coal. The presence of 100 or more ships waiting for weeks on end in Hampton Roads to fill their holds with coal has, at long last, produced legislation to put channel deepening on a "fast track"—comparatively speaking—where a demonstrable need exists, whether for coal or other cargoes. One of the first ports able to take advantage of the new procedure if the bill is enacted, we might point out, would be New Orleans, because of its present importance and large potential as a coal outlet. However, there is a certain irony here, in that New Orleans for several years has had an application pending for channel deepening, and it has just been estimated that the ratio of benefits to costs would be an extraordinary 8.5-to-1. This ratio is based on present traffic alone, in which grain is the biggest single cargo. Coal got action, where grain apparently could not. A firm committee voice on maritime affairs in Congress might save us from such illogic.

It is when some facet of a maritime problem is turned over to a congressional committee that must also deal with a host of non-maritime issues as well, from all parts of the country—public works, the environment or labor standards, for example—that matters of great urgency for our ocean commerce may languish in an office file. A strengthened and restructured committee setup for ocean and intermodal shipping would surely help improve the congressional performance in this important area.

Mr. Speaker, last week President Carter submitted his fiscal year 1982 budget proposals. These recommendations included a record sum of more

than $417 million for operating subsidies for American-flag shipping companies. However, despite this strong commitment to our merchant marine, only $107 million—down from $135 million in fiscal year 1981—was recommended for help in building new American-flag vessels. Notwithstanding President Reagan's strong commitment to shipbuilding, there have been reports of discussions by individuals within his circle of advisers that the construction differential subsidy (CDS) program administered by the Maritime Administration is a prime candidate of budget cutting. I would hope that those individuals in charge of evaluating budget revisions for the new administration will do so in light of this publicly stated commitment to shipbuilding.

Mr. Speaker, as many will recall, a strong effort was made during the 96th Congress to draft a new and comprehensive maritime policy. Despite the efforts of many Members of Congress and representatives of industry and labor, there was no final resolution of this herculean effort. We will still have the same issues and the same policy decisions before us in the coming months. I, for one, stand ready to work with President Reagan and officials of the new administration to seek viable solutions to the type of maritime priorities outlined by the Journal of Commerce in its December editorial.

Finally, because of the concern I share with many of my colleagues for the future of American shipbuilding, I would like to draw attention to a statement issued on December 24 by Mr. Edwin Hood, president of the Shipbuilders Council of America, in which he presents his evaluation of the past year on the posture of our shipyards and our merchant marine:

SHIPBUILDERS COUNCIL PRESIDENT HOOD RELEASES YEAREND STATEMENT

For the U.S. shipbuilding industry, the psychology of hope went full circle in 1980. Starting with the optimism of Congressional enactment of comprehensive "omnibus" maritime legislation in conjunction with an accelerated naval shipbuilding program and ending with the optimism of a more assertive direction on the part of a newly-elected President, the period in between was marked by a mixture of intense activity, confusing commotion and much talk but little positive effect.

This gyration needs to be viewed against the background of recent events. The U.S. commercial and naval fleets have decreased. The U.S. Navy is stretched paperthin and at its lowest level since before World War II. The volume of cargoes carried by U.S.-flag ships has declined. The number of merchant shipbuilding contracts has dropped. The naval shipbuilding program has been generally down. The industrial support base for ship construction has diminished. There has been no consistent policy to assure the uninterrupted movement of critical imports without which the U.S. military and industrial structure could not endure.

Alarms have been sounded repeatedly. The dismal statistics have been recited endlessly. But, there has been no high level recognition of the Nation's endangered national security. Assurance of an adequacy of ships, shipping and shipyard resources under U.S. sovereignty to serve essential national interests has been bogged down by unresponsive leadership and economic conditions. Compared to 1972 and 1973 when new contracts for 48 and 43 merchant ships of 1,000 gross tons and over were placed with U.S. shipbuilders, orders for only nine vessels—four tankers, three tuna purseiners, one hopper dredge and one coal carrying vessel—were awarded in 1980. There were no construction-differential subsidy (CDS) contracts, though several vessel conversion projects were eligible for CDS funds. Provisional contracts for six LNG carriers were awarded, but commencement of construction must await decision by Federal regulatory agencies on import licenses and regassification site location.

The present orderbook for merchant shipbuilding totals 53 ships, with an approximate value of $2.3 billion, and involves 13 U.S. shipbuilders. Only 17 of this total will remain to be delivered after the end of 1981.

With regard to naval shipbuilding, commitments were made for the construction of six guided missile frigates (FFG), one guided missile cruiser (CG), one nuclear-powered aircraft carrier (CVN), and three ocean surveillance ships (T-AGOS) in 1980. Contracts for several submarines are still under negotiation.

The value of the current backlog of 91 Navy vessels is estimated at $9.0 billion and deliveries will extend through 1987. Eleven shipyards hold these contracts, one of which is also building seven U.S. Coast Guard cutters (WMEC).

New orders at an annual rate of nine merchant ships and eleven naval vessels will obviously not utilize the full capabilities of the shipbuilding industry of the United States. As a consequence, some 30,000 skilled shipyard workers face the uneasy prospect of unemployment with another 90,000 in supplier activities similarly affected. Conversion of existing vessels in addition to nonship work could moderate this forecast, but not substantially.

This downward trend has been compounded by expedient actions of the Defense Department in planning to acquire 11 commercial-type, foreign-built vessels to fill ship voids in the Nation's sealift forces which should have been ordered from domestic shipbuilders three or more years ago. It should be noted that these 11 vessels are greater than the number of ships (nine) ordered from U.S. builders in 1980: an incredible situation, more so because of the role of government.

A loss of 80 million man-hours of employment for the U.S. shipyard labor force takes place while the public treasury is paying millions of dollars in adjustment assistance to U.S. workers displaced by reason of low-cost foreign imports. With one hand, the government purchases foreign-built ships, while with the other hand, it doles out unemployment benefits to U.S. shipyard workers who should have built the ships in the first place.

The orderbook for offshore drilling rigs presents a much brighter picture. With 76 rigs now on order with ten U.S. builders, contracts for 57 were placed in 1980. Valued at about $2.4 billion, deliveries extend into 1983. Worldwide, competition for jackup and semisubmersible rigs has intensified during the year as offshore oil and gas fields have expanded. In like manner, the demand for new offshore petroleum service vessels has expanded: more than 200 of these supply boats have reportedly been delivered in 1980.

Also on the plus side of the shipyard ledger, the demand for inland waterway barges as well as for commercial shiprepairing services has been strong throughout the year. The dollar value of ship repair work for 1980, both naval and commercial, is estimated at nearly $2.5 billion. The number of naval ships available for overhaul in private yards dipped toward the end of the year, and recovery is not expected until the latter part of 1981.

The prospects for merchant shipbuilding remain clouded and will only improve as world shipping conditions improve. In the opinion of many analysts, a return to normalcy before 1985 appears unlikely. With respect to naval shipbuilding, the prevailing view, in and out of government, is that the U.S. Navy must be strengthened. An increased building program is generally predicted, but the real impact on the industry will not be felt for at least three years.

For the short-term, market opportunities for U.S. shipbuilders not principally involved in naval programs would seem to consist mainly of construction of specialized ships and vessels for domestic and Great Lakes trades in limited numbers; construction of barges and shallow draft vessels for the inland waterways; conversions of existing vessels; repowering of existing vessels with more fuel and cost efficient propulsion systems; retrofitting of existing tankers to comply with environmental requirements; and certain types of non-ship work.

For the long-term, a modest acceleration in naval shipbuilding to meet the objective of a 600-ship U.S. naval fleet by the mid-1990's seems probable. A gradual, not a sharp, increase in merchant ship construction, starting in three or four years, to accommodate incremental increases in world trade and a rise in the volume of cargoes carried by U.S.-flag shipping which is essential to U.S. national interests seems likely. Opportunities to build dry bulk carriers, ocean mining ships, ocean thermal energy conversion plantships, and other specialized vessels should also develop.

President-elect Ronald Reagan has indicated that his Administration will assure that the United States Navy is second to none and that the American merchant marine is reestablished as an effective instrument of national policy. These pronouncements have stirred a new spirit of optimism that an effective shipbuilding industrial strategy leading to the construction of merchant and naval vessels in American shipyards by American workers with American components will emerge in the early phases of the incoming Reagan Administration.

The much-discussed "omnibus" legislation vividly illustrated the disarray of maritime affairs in this country and the urgent need for corrective action. This ill-fated legislation also served a useful purpose in dramatizing the extent to which U.S. shipbuilding prices are influenced by regulatory requirements and standards more severe than those abroad. The assurances that the Reagan Administration will likewise address the adverse effects of Federal regulation have stirred a new sense of hope for the economics of U.S. shipbuilding.●

PITTSBURGH CITY COUNCIL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. WILLIAM J. COYNE) is recognized for 5 minutes.

● Mr. WILLIAM J. COYNE. Mr. Speaker, on January 17, 1981, the Pittsburgh City Council adopted resolution No. 34, which calls upon the Congress of the United States to designate the birthdate of the Reverend Martin Luther King, Jr., as a national holiday.

This resolution was introduced by the Honorable William Russell Robinson, a member of the city council.

Mr. Speaker, as a member of the city council I supported this resolution and I want to include the resolution at this point in the RECORD:

RESOLUTION No. 34

Whereas, the Reverend Martin Luther King, Jr. dedicated his life and endeavors to the achievement of a just and healthy society and the enhancement of respect and trust in our institutions and the insurance that all citizens are treated equally before the law; and

Whereas, his outstanding contributions included the Nobel Peace Prize and other forms of international recognition; and

Whereas, January 15 is the birthdate of this great American and is celebrated throughout the United States of America; and

Whereas, celebrations are held in schools, churches and community centers; and

Whereas, the Commonwealth of Pennsylvania has designated January 15 as a State holiday; and

Whereas, the United States Congress has been petitioned to designate January 15 as a National legal holiday;

Now, therefore, be it resolved, that the Mayor and the Members of Council of the City of Pittsburgh on behalf of the residents of the City of Pittsburgh do honor and recognize the birthdate of the Reverend Martin Luther King, Jr. and encourage the Congress of the United States to designate January 15 as a National legal holiday.●

UKRAINIAN INDEPENDENCE DAY

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. MCHUGH) is recognized for 5 minutes.

● Mr. McHUGH. Mr. Speaker, it is my privilege today to join in celebration of the 63d anniversary of the Ukraine's Declaration of Independence.

This is a day on which Ukrainians through the world commemorate the innumerable sacrifices of their countrymen on behalf of the Ukraine's right to a free and independent existence. There are over 2 million Ukrainian Americans in this country, and I am immensely glad that many of them reside in New York's 27th Congressional District, which I am privileged to represent. At the same time that they preserve their homeland's precious cultural, historical and spiritual heritage, they continue to make invaluable contributions to the flourishing of democracy in the communities of their adopted country.

I salute them for their perseverance, I rejoice with them in the vitality of their spiritual values and their dedication to freedom, and I urge all my fellow citizens to observe carefully their example—for those who take freedom for granted cannot be motivated to preserve its blessings.

In particular on this occasion, I commend the great energy and contributions of the members of the Ukrainian Congress Committee of America. This organization, with branches throughout America, is a national representative body of American citizens of Ukrainian descent. It embraces over 1,200 Ukrainian American organizations, clubs, fraternal lodges, veteran and youth societies, women's and sports groups, as well as cultural, social, church, and political organizations. It is a dedicated and eloquent advocate of freedom and independence for the Ukraine, which has been under the forcible domination of the Soviet Union since 1922. During that period of time, the Soviet record has been an infamous saga of genocide, ethnocide, cultural suppression, religious persecution, economic exploitation, and wanton violation of human and national rights.

As we join this year in commemorating the day on which the people of the Ukraine achieved a freedom that lasted all too short a time, we are reminded of the anguish that engulfed our own country over the past 14 months as several dozen of our fellow citizens were imprisoned by international criminals in Iran, who do not respect principles of international law and cooperation. During this past year, Mr. Speaker, we have also been able to observe the chilling reality of Soviet expansionist intentions in the brutal Soviet invasion of Afghanistan. Yet, given the sordid example of Soviet tyranny over the Ukraine and so many other captive nations, we should not be surprised. What is now important is that we take to heart the lessons which current history teaches us about international treachery—which we have recently experienced in our dealings with Iran and which the people of the Ukraine have for so long suffered at the hands of the Soviets. It is now our vigilance and firmness which must put those lessons into practice, both for our own security and the survival of liberty in a volatile world.●

UKRAINIAN INDEPENDENCE DAY

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, January 22 marks the 63d anniversary of the declaration of independence from Russia by the Ukrainian nation, whose people through terrible years of oppression have kept alive their belief in the ideals of liberty and self-determination.

Chicagoans of Ukrainian descent will commemorate this important day with the annual Ukrainian Independence Day Banquet, Sunday, January 25, at the Pick-Congress Hotel, 520 South Michigan Avenue, in Chicago, sponsored by the Ukrainian Congress Committee of America, Chicago Division, Myroslaw Charkewycz, president.

My good friend, Hon. HENRY J. HYDE, the Congressman from the Sixth Congressional District of Illinois, will be honored at that time as "Man of the Year" for his efforts in the field of human rights. I know of no one more deserving than he of this recognition, for he has compiled a splendid record of excellence and achievement in his dedication to the cause of liberty on behalf of those who are suffering at the hands of the Communist oppressor.

On January 22, 1918, the Ukrainian people proclaimed the Ukrainian National Republic and had high hopes for a new era of national renewal dedicated to the principles of freedom, justice, and self-determination. These high hopes were dashed, however, by the Bolsheviks who in 1920 reestablished Russian control over the new republic.

Thus began the long and desolate period of spiritual darkness which endures to this day. Ukrainian writers, literary critics, journalists, professors, students, artists, scientific workers, and representatives of all other strata of society were periodically arrested for their efforts to assert their Ukrainian consciousness and to resist the decades-old campaign to destroy Ukrainian self-identity and Ukrainian culture. Human rights in the Ukraine today exist only on paper and these leaders in Ukrainian society are courageously continuing the struggle to turn these precious ideals into a living, working everyday reality.

Mr. Speaker, a statement by the World Congress of Free Ukrainians follows on the history of Ukraine's struggle for freedom, as does an excerpt of a statement of current conditions in Ukraine by the Women's Association for the Defense of Four Freedoms for Ukraine, Inc.:

THE BACKGROUND OF UKRAINIAN DISSENT

During the Revolution of 1917-20, the Ukrainian people formed a national state, the Ukrainian National Republic (UNR), which declared its independence in January 1918. One year later, the UNR and the Western Ukrainian National Republic united to form a single state. The armed forces of the Ukrainian Republic were overwhelmed by the invading Soviet Red Army, and the larger part of its territory was forcibly absorbed by the USSR, while Western

Ukraine came under Polish rule. After Stalin's rise to power the nationally conscious Ukrainian intelligentsia was virtually wiped out, while Ukrainian peasant resistance to collectivization was crushed by a government-induced famine that claimed millions of victims.

During the Second World War the Ukrainian Insurgent Army fought against both the Nazi and Soviet occupying forces. With the defeat of Germany and the post-war Soviet domination of Eastern Europe, the Western Ukrainian territories were annexed to the Ukrainian SSR. This was a long and violent process, for the Ukrainian Insurgent Army continued its resistence in Western Ukraine until the early 1950s, when a joint Soviet-Polish military operation succeeded in destroying the insurgent forces.

With the short-lived post-1956 liberalization in the Soviet Union came a resurgence of Ukrainian cultural life spearheaded by a new generation of talented writers ("the men of the sixties").

The government's suppression of the cultural revival led to the politicization of cultural dissent in Ukraine and gave rise to a number of political opposition groups. In 1961 Lev Lukyanenko and six others were sentenced to death or long terms of imprisonment for attempting to form a Ukrainian Workers' and Peasants' Union, and for encouraging public discussion of Ukraine's constitutional right to secede from the USSR. Lukyanenko's death sentence was later commuted to fifteen years' imprisonment.

In August and September 1965, a number of Ukrainian writers, artists and intellectuals were arrested, among them Bohdan Horyn, Mykhaylo Horyn, Svyatoslav Karavansky, Mykhaylo Masyutko, Valentyn Moroz, Mykhaylo Osadchy, and Panas Zalyvakha. After lengthy investigations, trials of some twenty dissidents began the following year. Hence the remaining cases were heard in camera in a clear violation of Soviet law. The standard charge was "anti-Soviet agitation and propaganda" with sentences up to six years in labor camps.

The arrests and trials provoked considerable public protest in Ukraine. Several prominent members of the cultural establishment—Mykhaylo Stelmakh, Andriy Malyshko, Yuriy and Platon Mayboroda—sent enquiries about the arrests to the Central Committee of the Communist Party of Ukraine. Disturbed by the accusation of nationalism brought against the detainees, Ivan Dzyuba, a literary critic, argued that Lenin's nationality policy, abandoned under Stalin and Khrushchev, ought to be reinstated. His manuscript, Internationalism or Russification?, was circulated among members of the Central Committee of Ukraine's Communist Party and government.

Vyacheslav Chornovil, a young journalist who reported on some of the trials, protested to the Council of Ministers of Ukraine but received no response. To inform the public of the courts' flagrant violation of the law he compiled the biographies of twenty dissidents who were tried in 1966 and circulated them in samvydav (clandestine literature). For this he was sentenced in 1967 to three years at hard labor.

The trial of the Horyn brothers in Lviv provoked a mass demonstration. In 1967 the annual ceremony commemorating the burial of the national poet, Taras Shevchenko, ended in KGB-provoked violence. The following day, 64 Kiev residents signed a letter of protest to the authorities. In April 1968, 139 residents of Kiev signed a protest against illegal arrest and restrictions placed on Ukrainian language and culture. The same year, some 300 signatures appeared on the "Letter of the Creative Youth of Dnipropetrovsk", which criticized the policy of Russification. The fifty-first anniversary of the October Revolution was marked by a protest suicide: V. Makukh immolated himself in Kiev. In 1980 the funeral of Alla Horska, an artist who died under suspicious circumstances, turned into a massive protest rally. November of that year widespread protest was aroused by the second trial of Valentyn Moroz, one of the most outspoken Ukrainian dissidents. He was sentenced to nine years' imprisonment and five years' internal exile.

The dissident movement in Ukraine reached a new stage of development at the beginning of 1970 with the appearance of the underground journal Ukrainian Herald. It compiled samvydav documents dealing with arbitrary abuses of power, arrests, appeals and protests. Eight issues of the Herald were published before it was suppressed in 1974.

As victims of the 1965 arrests were returning from the labor camps, a second wave of arrests swept Ukraine. In January-April 1972 more than one hundred young intellectuals were imprisoned, some of them for the second time. Again, closed trials were held following prolonged investigation. The charges were mostly "anti-Soviet propaganda and agitation," as in 1966, but often the maximum sentences were imposed: seven to ten years of hard labor in prison or labor camps, with three to five years' exile outside Ukraine.

Those who dared protest against these illegal arrests soon found themselves among the victims they had defended. Many more Ukrainians were dismissed from work or expelled from universities. Well-known scholars at the Institutes of Archeology, History and Philosophy of the Academy of Sciences of the Ukrainian SSR lost their positions. With the loss of so many of its activists, the human-rights movement in Ukraine suffered a severe setback. But it was not crushed: there were demonstrations and hunger strikes in labor camps, and the families and friends of the political prisoners petitioned on their behalf. Their efforts were strongly supported by human-rights activists in Moscow, who in turn informed the Western press.

Ukrainian activists are determined to maintain the Helsinki Group's existence. In spite of strong KGB pressure for public recantations, few of the Ukrainians arrested have renounced their convictions. This testifies to the moral strength of the human-rights struggle in Ukraine.

In the words of the Group's Memorandum of autumn 1979: "The Group has become a force in the national-liberation struggle of the Ukrainian people for its national and political liberation, for the right of the individual to a free life in his own land."

[EXCERPT]

We believe that you are well informed about the insufferable living conditions in Ukraine, which deteriorated considerably after the invasion of Afghanistan and the western boycott of Moscow Olympics, so we will not expound them herein. Ukraine is considered by the Soviet government as being pro-American and generally western-oriented, which is absolutely factual. Ukrainian people, before and after the signing of the Helsinki Accords were and are subject to police state administration and constant KGB terror, intensified Russification of the Ukrainian educational system and culture, exploitation of Ukrainian economy and industry, persecution of religion, sentencing of Ukrainian dissidents to long terms of internment in prisons, concentration camps and psychiatric institutions. Since 1972, the KGB sent to concentration camps and psychiatric institutions over seven hundred Ukrainian intellectuals, encompassing the entire strata of Ukrainian population. Although the children and wives of the imprisoned Ukrainian intellectuals are the prime victims of KGB persecutions, other children and students in Ukraine also suffer, due to their being forced to, in connection with official policy of russification, be educated in the Russian language. In this year 1980, eight and one-half million of Ukrainian children and students (of the fifty million population of Ukraine) are forced to attend Russian language schools in Ukraine.

Mr. Speaker, today, although the Ukrainians are still under the yoke of foreign domination, I am still confident that one day their love of liberty will triumph, and Ukraine will once again take her rightful place in the community of free nations.

It is an honor for me to be part of this commemoration today and to join Americans of Ukrainian descent across the Nation, in my own city of Chicago, and in the 11th District I am honored to represent, as they support these valiant efforts on the part of the Ukrainians to strengthern their cultural heritage and to regain national self-determination.●

ESTABLISHMENT OF A SMALL BUSINESS LOAN PROGRAM FOR VIETNAM AND DISABLED VETERANS

The SPEAKER. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, today I am introducing legislation to amend title 38, United States Code, to establish a business loan program for Vietnam and disabled veterans.

During the 96th Congress, the Subcommittee on Special Investigations of the Committee on Veterans' Affairs conducted two oversight hearings on the Small Business Administration's implementation of a provision of Public Law 93-237, which granted special consideration to veterans in obtaining direct and guaranteed small business loans. These hearings illustrated quite clearly that SBA had done little, if anything, to fully implement this important provision of law. It was clearly established that the agency placed a very low priority on this provision of law. Although agency spokesmen provided much rhetoric on what they proposed to do, 6 years after the passage of this law, little progress has been made to implement a viable small business loan program

for veterans. It became obvious to the subcommittee that if the veteran is to receive the consideration for small business loans that he or she so richly deserves, and which Congress has directed, new authority must be given to the Administrator of Veterans' Affairs to establish and implement such a program. My bill is designed to do just that.

My bill would establish a revolving fund for these loans. The fund shall be available to the Administrator without fiscal year limitation for all loan activity except for administrative expenses. In the next fiscal year, should the bill be enacted, an appropriation of $25 million would be deposited into the revolving fund. This, of course, would be subject to the Appropriations Committee making such appropriation.

I would expect a certain amount of this could be offset by the amount appropriated to the Small Business Administration for veterans' loans.

I hope our Subcommittee on Education, Training, and Employment will hold early hearings on this measure.

H.R. —

A bill to amend title 38, United States Code, to establish a business loan program for disabled veterans and veterans of the Vietnam era, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Veterans' Business Loan Act of 1981".

DISABLED VETERANS' AND VIETNAM-ERA VETERANS' BUSINESS LOAN PROGRAM

SEC. 2. (a) Chapter 37 of title 38, United States Code, is amended by adding at the end thereof the following new subchapter:

"Subchapter IV—Business Loans

"§ 1841. Definitions

"For the purposes of this subchapter—

"(1) The term 'disabled veteran' means (A) a veteran suffering from a disability which has been rated or which is ratable at 30 per centum or more by the Veterans' Administration and which was not the result of the veteran's willful misconduct, or (B) a veteran whose discharge or release from active duty was for a disability incurred or aggravated in line of duty.

"(2) The term 'veteran of the Vietnam era' means a person (A) who served on active duty for a period of more than 180 days, any part of which occurred during the Vietnam era and who was discharged or released therefrom with other than a dishonorable discharge, or (B) who was discharged or released from active duty for a service-connected disability if any part of such active duty was performed during the Vietnam era.

"(3) The term 'small business concern' means a small business, as defined under regulations prescribed by the Administrator—

"(A) at least 51 percent of which is owned by individuals who are veterans of the Vietnam era or disabled veterans, or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by such individuals; and

"(B) whose management and daily business operations are controlled by such individuals.

"§ 1842. Business loan program

"(a) The Administrator may provide financial assistance to a small business concern for the purpose of (1) financing plant construction, conversion, or expansion (including the acquisition of land), (2) financing the acquisition of equipment, facilities, machinery, supplies, or materials, or (3) supplying such concern with working capital. Such financial assistance may be provided in the form of loan guaranties, agreements to participate in loans in cooperations with certain financial institutions, or direct loans.

"(b) The authority of the Administrator under subsection (a) of this section is subject to the following restrictions:

"(1) A direct loan may not be made under this section unless the small business concern to which the loan is to be made shows to the satisfaction of the Administrator that the concern is unable to obtain from a private lender a Veterans' Administration guaranteed business loan or a Veterans' Administration participation loan.

"(2) A Veterans' Administration participation loan may not be approved under this section unless the small business concern to which the loan is to be made shows to the satisfaction of the Administrator that the concern is unable to obtain from a private lender a Veterans' Administration guaranteed business loan.

"(3) The Administrator may not guarantee a business loan under this section if the loan bears a rate of interest in excess of such rate as the Administrator may from time to time find the loan market demands.

"(4) The Administrator may not guarantee a business loan under this section if the original principal amount of the loan exceeds $200,000.

"(5) The liability of the Administrator on any business loan guaranteed under this subchapter may not exceed 90 percent of the amount of the loan, and such liability shall decrease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the obligation, but such liability may not exceed $180,000.

"(6) The financial assistance available under this subchapter shall be limited to one loan with respect to any single small business concern.

"§ 1843. Applications for business loans

"(a) As used in this section, the term 'applicant veteran' means a disabled veteran or a veteran of the Vietnam era who has been identified to the Administrator as having a significant ownership interest in a small business concern.

"(b) Each applicant veteran shall execute a note or other document evidencing the direct, guaranteed, or participation business loan and shall be jointly and severally liable to the Administrator for any amount paid by the Administrator on account of such business loan.

"(c) Each applicant veteran with respect to a loan obtained under this subchapter shall be precluded from becoming an applicant veteran for a loan with respect to any other small business concern until any obligation with respect to the business loan for which such veteran was an applicant veteran has been paid in full and the veteran has disposed of any interest in such original small business concern.

"§ 1844. Approval of loans by the Administrator

"Loans authorized under this subchapter shall be submitted to the Administrator for approval before the closing of the loan, except that certain classes of lenders may be exempt from this section under regulations prescribed by the Administrator.

"§ 1845. Eligible financial institutions

"Financial institutions eligible to participate as lenders under this subchapter shall be limited to any Federal land bank, national bank, State bank, private bank, mutual saving bank, savings and loan association, building and loan association, insurance company or credit union that is subject to examination and supervision by an agency of the United States or of any State.

"§ 1846. Terms of loans

"(a) The maturity of a loan used in whole or in part for constructing facilities may not exceed 20 years plus such additional reasonable time as is required to complete construction. The maturity of any other business loan may not exceed 10 years.

"(b) Each loan made under this section shall be of such sound value or so secured as reasonably to assure payment.

"§ 1847. Special consideration for veterans with service-connected disabilities

"In the extension of financial assistance under this subchapter, special consideration shall be given to veterans with service-connected disabilities.

"§ 1848. Termination of program

"No commitment for any financial assistance authorized under this subchapter may be extended by the Administrator after September 30, 1991.

"§ 1849. Business loan revolving fund

"(a) There is established in the Treasury a revolving fund to be known as the Veterans' Administration Business Loan Revolving Fund. The revolving fund shall be available to the administrator without fiscal year limitation for all loan activity under this subchapter except administrative expenses.

"(b) There shall be deposited into the revolving fund (1) an appropriation of $25,000,000, and (2) all amounts received by the Administrator incident to business loan operations under this subchapter, including all collection of principal and interest and the proceeds from the use of property held or of property sold.

"(c) The Administrator shall determine annually whether there has developed in the business fund a surplus which, in the Administrator's judgment, is more than necessary to meet the needs of the business fund. Any such surplus shall immediately be transferred into the general fund of the Treasury.

"(d) Not later than September 30, 1993, the Administrator shall deposit into the Treasury of the United States, to the credit of general receipts, all amounts in the business fund. All amounts received thereafter incident to business loan operations, except so much thereof as the Administrator may determine to be necessary for liquidating outstanding obligations under this subchapter, shall also be so deposited.

"§ 1850. Additional powers of the Administrator

"In the performance of the functions, powers, and duties vested by this subchapter, the Administrator shall have such powers and responsibilities in respect to matters arising under this subchapter as the Administrator has in respect to loans made or guaranteed under other provisions of this chapter. The Administrator may specify

which provisions of other sections of this chapter the Administrator determines should be applicable to loans guaranteed or made under the provisions of this subchapter and may take any action (including the procurement of the services of attorneys by contract in any office where an attorney or attorneys are not or cannot be economically employed full time to render such services) in making, servicing, compromising, modifying, liquidating, or otherwise dealing with or realizing on loans made or guaranteed under this subchapter. With respect to participation loans, the Administrator may authorize participating lending institutions, at the Administrator's discretion and pursuant to regulations, to take such actions on the Administrator's behalf, including the determination of eligibility and creditworthiness and loan monitoring, collection, and liquidation.".

(b)(1) The title of such chapter is amended to read as follows:

"Chapter 37—HOUSING AND BUSINESS LOANS".

(2) The table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part III of such title, are each amended by striking out the item relating to chapter 37 and inserting in lieu thereof the following:

"37. Housing and Business Loans ... 1801".

(3) The table of sections at the beginning of chapter 37 is amended by adding at the end thereof the following:

"Subchapter IV—Business Loans

"Sec.
"1841. Definitions.
"1842. Business loan program.
"1843. Applications for business loans.
"1844. Approval of loans by the Administrator.
"1845. Eligible financial institutions.
"1846. Terms of loans.
"1847. Special consideration for veterans with service-connected disabilities.
"1848. Termination of program.
"1849. Business loan revolving fund.
"1850. Additional powers of the Administrator.".

CONFORMING AMENDMENTS TO TITLE 38, UNITED STATES CODE

SEC. 3. (a) Section 1801 of title 38, United States Code, is amended—

(1) by redesignating subsections (a) and (b) as subsections (b) and (c), respectively;

(2) by inserting before subsection (b) (as redesignated by clause (1)) the following new subsection:

"(a) For the purpose of this chapter—

"(1) The term 'business loan' means a loan guaranteed, participated in, or made by the Administrator under subchapter IV of this chapter.

"(2) The term 'housing loan' means a loan for any of the purposes specified by sections 1810(a) and 1819(a)(1) of this title."; and

(3) by striking out "this chapter—" in subsection (b) (as redesignated by clause (1)) and inserting in lieu thereof "housing loans under this chapter—".

(b) Section 1802 of such title is amended—

(1) by inserting "housing loan" in subsection (a) before "benefits" both places it appears;

(2) by inserting "housing" in subsection (a) after "insured";

(3) by inserting "housing loan" in subsection (b) after "insurance" both places it appears;

(4) by striking out "Loans" in the first sentence of subsection (d) and inserting in lieu thereof "Housing loans"; and

(5) by inserting "housing" in the second sentence of subsection (d) after "Any".

(c) Section 1803(d) of such title is amended—

(1) by inserting "housing" in clause (1) after "any"; and

(2) by inserting "housing" in the first sentence of clause (3) after "real estate".

(d) Section 1804(d) of such title is amended—

(1) by striking out "guaranteed or insured" both places it appears in the first sentence and inserting in lieu thereof "guaranteed, insured, or participation";

(2) by striking out "guarantee or insure" both places it appears and inserting in lieu thereof "guarantee, insure, or participate in"; and

(3) by striking out "guaranty or insurance" in the first sentence and inserting in lieu thereof "guaranty, insurance, or participation".

(e) Section 1807 of such title is amended by inserting "housing loan" after "eligible for".

(f) Section 1815(a) of such title is amended by inserting "housing" after "Any".

(g) Section 1817 of such title is amended—

(1) by inserting "housing" in subsection (a) after "direct" the first place it appears; and

(2) by inserting "housing" in the first sentence of subsection (b) after "direct".

(h) Section 1818(a) of such title is amended by inserting "housing loan" after "eligible for the".

(i) Section 1819(a)(1) of such title is amended by inserting "housing loan" after "eligible for the".

(j) Section 1819(b)(2) of such title is amended by striking out "loan guaranty" and inserting in lieu thereof "housing loan".

(k) Section 1820 of such title is amended—

(1) by striking out "made or" in subsection (a)(2) and inserting in lieu thereof "made, participated in, or";

(2) by striking out "guaranty or insurance" in subsection (a)(3) and inserting in lieu thereof "guaranty, insurance, or participation"; and

(3) by striking out "guaranty or insurance" in subsection (c) and inserting in lieu thereof "guaranty, insurance, or participation".

(l) Section 1821 of such title is amended by striking out "guaranty or insurance" each place it appears and inserting in lieu thereof "guaranty, insurance, or participation".

(m) Section 1824 of such title is amended—

(1) by inserting "housing" in subsection (b) after "for all"; and

(2) by inserting "housing" in subsection (c) after "incident to".

AMENDMENTS TO THE SMALL BUSINESS ACT

SEC. 4. Section 8(d) of the Small Business Act (15 U.S.C. 637(d)) is amended—

(1) by inserting "and veteran-owned small businesses," in paragraph (1) after "individuals,";

(2) in the contract clause set out in paragraph (3)—

(A) by inserting "and veteran-owned small businesses" in subparagraph (A) after "individuals";

(B) by inserting "or veteran-owned small business" in subparagraph (D) after "individuals"; and

(C) by striking out the quotation marks at the end of subparagraph (D) and adding at the end the following new subparagraph:

"'(E) As used in this contract, the term "veteran-owned small business" shall mean any small business concern—

"'(i) at least 51 percent of which is owned by individuals who are veterans of the Vietnam era or disabled veterans, or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by such individuals; and

"'(ii) whose management and daily business operations are controlled by one or more of such individuals.

The terms "veteran of the Vietnam era" and "disabled veteran" shall have the meanings given such terms in section 1841 of title 38, United States Code.' ";

(3) by inserting "and veteran-owned small businesses" in clauses (D) and (E) of paragraph (4) after "individuals";

(4) in paragraph (6)—

(A) by inserting "and percentage goals for the utilization as subcontractors of veteran-owned small businesses" in subparagraph (A) after "individuals"; and

(B) by inserting "and veteran-owned small business" in subparagraphs (C) and (F) after "individuals";

(5) in paragraph (11)—

(A) by striking out "Business and" and inserting in lieu thereof "Business,";

(B) by striking out "Representatives" and inserting in lieu thereof "Representatives, and to the Committees on Veterans' Affairs of the Senate and House of Representatives,"; and

(C) by inserting "and veteran-owned small businesses" after "individuals"; and

(6) by adding at the end the following new paragraphs:

"(13) In carrying out the functions under this subsection with respect to veteran-owned small businesses, the Administrator shall consult with the Administrator of Veterans' Affairs.

"(14) For purposes of this section:

"(A) The term 'veteran-owned small business' means any small business concern—

"(i) at least 51 percent of which is owned by individuals who are veterans of the Vietnam era or disabled veterans, or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by such individuals; and

"(ii) whose management and daily business operations are controlled by one or more of such individuals.

"(B) The terms 'veteran of the Vietnam era' and 'disabled veteran' have the meanings given such terms in section 1841 of title 38, United States Code.".

AUTHORIZATION OF APPROPRIATIONS FOR ESTABLISHMENT OF PROGRAM

SEC. 5. There is hereby authorized to be appropriated $750,000 for fiscal year 1981 for use by the Administrator of Veterans' Affairs in retaining appropriate consulting services, otherwise authorized by law, to advise the Administrator with respect to the establishment of the business loan program prescribed by subchapter IV of chapter 37 of title 38, United States Code (as added by section 2 of this Act), and for other expenses incidental to the establishment of such business loan program.

EFFECTIVE DATE

SEC. 6. The amendments made by this Act shall take effect at the end of the 180-day period beginning on the date of the enactment of this Act, except that the authority of the Administrator of Veterans' Affairs to promulgate regulations pursuant to the amendments made by section 2 of this Act, and the authority of the Administrator of the Small Business Administration to promulgate regulations pursuant to the amend-

ments made by section 4 of this Act, shall take effect on such date of enactment.●

POLITICIZING THE OFFICE OF INSPECTOR GENERAL

The SPEAKER. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

Mr. LEVITAS. Mr. Speaker, I was disappointed to read in the press that President Reagan has asked for the resignation of all of the Inspectors General of the various agencies and departments of Government. I am disappointed to see this, because, without any selectivity as to the competence or the ability of these individuals, the message that goes out is that we are going to see a politicizing of this important and special office.

The Offices of Inspector General in the various departments and agencies were established with overwhelming bipartisan support, and they were given special and unique powers of independence with direct reporting to the Congress in order to ferret out waste, fraud, and abuse of programs to improve the management of agencies and gain repayment to the taxpayers of this country those funds which had been wasted, defrauded, or otherwise gone down the drain.

□ 1540

The members of this group of Inspectors General were selected with great care. I am told that approximately half of them were people who claim to be members of the Republican Party. These are the people who have spent the last several years investigating corruption and fraud and abuse of programs on behalf of the American people, and it was hoped by those of us who participated in the creation of the Office of the Inspector General that it would be a nonpolitical, an independent arm of Government which would take on the tough assignments even if they were embarrassing to an administration in order to identify those persons within and without Government who were not doing their jobs properly and taking advantage of the taxpayers without regard to political considerations.

It was the expressed hope of those people who participated in creating these Inspectors General that they would not be political hacks, to come and go and be subservient to the will of any particular administration, but rather be in a position of continuity, of independence, and responsibility.

President Reagan's unfortunate action in a meat-ax approach to the elimination of the incumbent Inspectors General in all of these agencies is a very bad sign for what lies ahead in so far as the independence or these individuals and offices are concerned. I hope this does not mean that we are seeing a return to the politicized days of the Nixon years in which, instead of having independent Inspectors General who are seeking out corruption and fraud and waste, we are going to have political hacks who are simply going to blow in the political winds of the time. If that is the case, President Reagan and his new administration have done a grave disservice to the American people and those who are concerned about the waste and abuse of programs in the Federal Government.

This action by President Reagan, so early in his administration, is directly contrary to his repeated statement, that he will not make decisions based on politics. The meat-ax firing of the Inspectors General is the worst sort of political partisanship in offices where, above all should be avoided. It did not take long—just 1 day—for this sort of political decision making to start.

I would hope that the actions of the administration from this time forth will be an indication that they will not operate in this fashion; I hope we will not see a politicized inspector generalship, but that there will be people who have the independence and courage to seek out and ferret out fraud and abuse of programs without regard to political parties. The actions taken thus far by President Reagan do not portend well for that hope.

Mr. FOUNTAIN. Mr. Speaker, will the gentleman yield?

Mr. LEVITAS. I will be happy to yield to my colleague, the gentleman from North Carolina, one of the Members of this body who was the first to sponsor this legislation for the inspector generalship.

Mr. FOUNTAIN. Mr. Speaker, I thank my colleague for yielding. I want to say that I just walked in as the gentleman was speaking on the subject, and I have not yet had an occasion to make comment on this action.

I do think it is unfortunate, and I hope that it was due to bad advice received by the President, because, as the gentleman knows and all the Members know, this legislation passed the House, the last bill did, by a vote of 384 to 6. The bill was an institution established by the Congress, for the Congress. The main reason we required Presidential appointment and Senate confirmation was to give the kind of image and prestige and integrity and independence to the Inspectors General that would enable him to do a good job of weeding out fraud and waste and extravagance and thieves or whatever ilk might be in that category.

This elimination of men and women who have been sought out everywhere to get qualified people, auditors, investigators, with the proper qualifications, integrity, and a nonpartisan appointment, has been an ordeal; and to just simply eliminate them altogether with the suggestion that if they are interested in applying they would be considered—I think that latter part is rather demeaning—but I am hopeful that after we have had a chance to discuss with the administration this action, that there may be some way that they can take another look at it.

I want to thank the gentleman for his comments.

Mr. LEVITAS. I thank my colleague from North Carolina, who has been in the leadership of this entire effort. What I have seen so far is a very disturbing sign. It is disturbing to me. I hope it was, as the gentleman from North Carolina suggested, simply bad advice that will soon be rectified.

The Office of Inspector General holds the best hope for eliminating fraud and abuse in Government, and the waste of taxpayers' dollars. Politicizing this office and putting this back into the Nixon-type era, where the bureaucracy is politicized, particularly in an area as important and sensitive as Inspectors General, is a very bad first step for the new President to take. If this is a new beginning, it is a bad beginning.

CONGRESSIONAL TRAVEL ALSO REINFORCES TIES OF FRIENDSHIP BETWEEN COUNTRIES

The SPEAKER. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 5 minutes.

● Mr. HAMILTON. Mr. Speaker, periodically there are those who attack congressional travel as a waste of time and money and a disservice to the American people.

Like everyone else, I applaud the release of the hostages.

What is not generally known is that congressional travel may have played a small part in making possible that release.

It is no secret that relations between the United States and Algeria have not been close. In part because of that, there have been few Members of the House and Senate who have visited Algeria.

Just about a year ago at this time, our colleague from Illinois (Mr. SIMON) visited Algeria and had meetings with a number of the top officials of that country, including a thorough discussion with Foreign Minister Benyahia who turned out to be the person who played the key role in the mediation between the United States and Iran.

In his visit to Algeria, our colleague from Illinois stressed to the officials of that country—including the religious leaders—that nothing could do more to create a friendlier climate between our two countries than for Algeria to play a lead role in getting the hostage crisis resolved.

I do not suggest that the role of PAUL SIMON brought about the final result. I do suggest that it may have been a factor in the consideration of the Algerian officials as they provided this key leadership. The most modest appraisal has to be that it may have helped.

All of us in Congress are grateful to the Government of Algeria, and particularly to their Foreign Minister, for their helpfulness.

But let us also learn a lesson, that ties of friendship that are extended by Members of the House and Senate in travels abroad not only improve our base of knowledge, they may bring about practical immediate results that are in the best interests of our Nation.●

THE FAMILY RENTAL TAX

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, in the closing days of the 96th Congress many of my colleagues became aware of a cruel hardship about to befall American families who rent a home or apartment to a family member. I am speaking of the so-called family rental tax, a provision of the Tax Code which, in effect, disallows some of the normal deductions for rental property where the tenant is a relative. If left in the code unchanged, this provision will result in a higher tax burden—hundreds, and even thousands of dollars higher, for taxpayers who rent to family members instead of strangers. Today I am reintroducing a bill which will put an end to the family rental tax.

In the August 7, 1980, Federal Register, the Internal Revenue Service proposed new regulations pertaining to the deductibility of expenses in connection with the rental of dwelling units. The rules would result in what amounts to a sizable new tax on rentals to members of the taxpayer's family, even when that rental is at the full fair market value. A taxpayer would be considered to have made personal use of a residence if he/she rents it to parents, siblings, spouse, or children, no matter how much rent they are charged. It is further specified that as little as 14 days of such personal use shall constitute use as a residence by the taxpayer, even though he or she never actually lived there.

Because a taxpayer would be considered to have used a residence rented to a family member as a personal residence, they would no longer be allowed to deduct the expenses, maintenance costs, or depreciation normally associated with rental properties to the extent that total deductions exceed actual income from that property. The taxpayer would still be allowed the personal deductions for mortgage interest, and taxes which benefit all homeowners, regardless of the amount, but these personal deductions must be taken first. The other deductions for rental property are allowed only to the extent that rental income exceeds those personal deductions. For any property purchased in recent years, particularly in metropolitan areas, mortgage interest and property taxes alone would probably equal or exceed the fair market value of the rental.

The potential harm of this new tax burden is depicted in the following example:

A taxpayer (T) rents a small apartment she owns to her mother for one full year at the fair market value of $400 per month ($4,800/year). T is allowed to deduct all of her $4,100 in mortgage interest, and all of her $900 in property taxes, even though their total exceeds the fair market value of the rental. However, under the proposed rules, T would no longer be able to deduct any of the insurance, utility, or maintenance costs of $1,200, nor any of the depreciation loss of $3,000 for the unit, unless she moves her mother out and rents the apartment to a stranger. If T is at a marginal tax rate of 30 percent, the extra tax burden for renting to her mother would be $1,260.

Like many of my colleagues, I have received numerous letters expressing disbelief, and asking why?

The Internal Revenue Service points out that their proposed regulations are consistent with section 280A of the Internal Revenue Code of 1954, added by Congress as part of the Tax Reform Act of 1976. There is consensus that it never was the intent of Congress to punish those renting a principal residence to relatives, but rather to limit abusive deductions for family use of vacation homes. IRS claims that the code does not make that narrow intent clear, and that only Congress can correct the language.

In the last session, Congress approved Senator ARMSTRONG's amendment to the appropriations continuing resolution (Public Law 96-369) which temporarily barred IRS implementation of the proposed regulations. To avoid similar restrictions in the second continuing resolution, the IRS agreed to voluntarily withhold final regulations until July 1981, to give Congress an opportunity to change the code.

Because I believe that the family rental tax is a step backward in our efforts to recognize the family as the primary source of support for its members, and in particular its older members, I have developed a bill which would correct the language of the code to more clearly show that Congress desires to limit deductions on vacation rentals, not on principal residences. This bill would amend the code as follows:

Part (a) would change the language of section 280A(d)(2)(A) of the code to allow the deductions normally associated with rental property when the taxpayer rents to a family member, provided the dwelling unit is the principal place of residence of the renter. It would not change the disallowance of such deductions for vacation homes.

Part (b) would change the language of section 280A(d)(3)(B) of the code to remove the restriction on rentals to family members as related to the special consideration for a qualified rental period. Since these qualifying periods are normally 12 months in duration, the principal residence requirement is not necessary in this section to prevent vacation home abuse. Fair market value is already required.

Part (c) makes the above changes applicable to all years to which section 280A applies.

We are fortunate that the IRS has agreed to temporarily withhold final regulations. However, the law still stands. It is unclear whether the IRS is aggressively extracting the higher family rental tax on the basis of the law. I urge my colleagues to consider this matter without waiting for comprehensive tax reform. Without swift action on our parts, the Government is showing taxpayers a clear incentive to ask their family members to move out.●

FASCELL COMMENDS PRESIDENT FOR INVITING JAMAICA'S PRIME MINISTER TO WASHINGTON

● The SPEAKER. Under a previous order of the House, the gentleman from Florida, (Mr. FASCELL) is recognized for 5 minutes.

Mr. FASCELL. Mr. Speaker, I am heartened and encouraged that President Reagan has invited Jamaica's Prime Minister Seaga to be one of his first official foreign visitors at the White House next week.

Clearly the new President recognizes the vital importance to the United States of close cooperation with our neighbors in the Caribbean and Latin America. Jamaica's recent elections were one in a series throughout the Caribbean which demonstrate the strength of the democratic process in the region and the appeal of the idea of liberty.

For 20 years Castro has waged a campaign in behalf of the Soviets to supplant U.S. influence in the hemisphere. The visit of Prime Minister Seaga underscores the determination of the United States to stand by its friends and neighbors. President Reagan is to be commended for moving with dispatch to demonstrate in a meaningful way the importance we attach to our Caribbean and hemispheric neighbors.●

THE 15TH ANNIVERSARY OF THE SIGNING OF THE CUBAN EXILES' DECLARATION OF FREEDOM

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. FASCELL. MR. Speaker, January 23, 1981, marks the 15th anniversary of the signing of the Declaration of Freedom by the Cuban exiles in Key West, Fla. Inspired and driven by the very same principles of democracy, liberty, and human dignity to which we ourselves subscribe, these brave and patriotic people reaffirmed their dedication to a Cuba free from the tyranny of Communist totalitarianism.

Rather than submit themselves to the oppressive rule of he Soviet-backed Castro regime, these people left their homeland to begin life anew in the United States. Many have become successful and prominent members of our communities. In doing so, they have clearly demonstrated their sincere belief in the values of a free and democratic society.

The recent influx of Cuban refugees reminds us once again of the intolerance and inhumanity of the Castro government. In light of this, I ask our distinguished colleagues to use this poignant occasion to reflect upon those principles which we hold dear as the basis of our democratic society, and of the devotion to these principles expressed by these Cuban exiles in this Declaration of Freedom:

DECLARATION OF FREEDOM

In the City of Key West, Monroe County, State of Florida, United States of America, we the Cuban exiles in the United States, in the name of God Almighty, and speaking both for ourselves and the oppressed people in Cuba, the Martyr Island, do say:

That on January 1st, 1959, the slavery yoke that came from Europe and was extinguished in Cuba at the end of the 19th century was resumed.

That those responsible for this high treason to our Fatherland and to our People are just a score of traitors who, usurpating the Government of the Country have been acting as mercenary agents for the Sino/Soviet imperialism, and have surrendered to that imperialism our Freedom and our Dignity, also betraying the American Hemisphere.

That as a consequence of this high treason, those who are usurpating the Power in Cuba (as they were never elected by the People), are imposing a regime of bloodshed, terror and hate without any respect or consideration to the dignity of the human being or the most elementary human rights.

That in their hunger for power, these traitors, following the pattern of totalitarian regimes, are trying, within Cuba, to separate the Family, which is the cornerstone of actual society, and at the same time, are poisoning the minds of the Cuban children and youth, in their hopes of extending the length of time for this abominable system.

That the rule of the Law has been wiped out in Cuba, and it has been replaced by the evil will of this score of traitors, who are acting under orders from their master, the Sino-Soviet imperialists.

In view of the aforegoing, we declare.

First: That the actual Cuban regime is guilty of high treason to our Fatherland and to the ideas of the Freedom Revolution which was started on October 10th, 1868.

Second: That this score of traitors who have committed treason against our Fatherland, in case they survive the downfall of their regime, will have to respond, even with their lives before the Ordinary Courts of Justice of Cuba.

Third: That as the Noble Cuban People will not ever surrender, because that Nation was not born to be slaves, we, the Cuban People, hereby make the present declaration of freedom.

We hereby swear before God Almighty to fight constantly, until death comes to us to free Cuba from Communism.

The fundamentals of this Revolution for Freedom are.

First: God Almighty, above all things, in Whom we believe as the essence of Life.

Second: The Fatherland, with all of its laws, traditions, customs and history as a spiritual value, only surpassed by the concept of God.

Third: The Family, as the cornerstone of the Human Society.

Fourth: Human Rights, for each and every citizen, regardless of race or creed.

Fifth: The Law, as the foundation for the proper development of the Human Society.

Sixth: Democratic Government, with its three independent branches: Legislative, Executive and Judicial.

Seventh: Representative Democracy, through the exercise of Universal Suffrage, Periodically, Free and Secretive, as the expression of Popular Sovereignty.

Eighth: Freedom of Worship, Freedom of Teaching, Freedom of the Press and Free Enterprise.

Ninth: Private Property and Ownership, as the basic expression of Liberty.

Tenth: The improvement of living conditions for both rural and city working masses, with the just and necessary measures, keeping in mind the legitimate interests of both Labor and Capital.

Eleventh: The derogation and eradication of anything which is opposed to the political and religious fundamentals aforementioned and specifically, the abolition of Communism and any other form of totalitarian manifestation.

Signed and sealed in Key West Florida, on the 23d day of January, 1966.●

SAKHAROV IS STILL IN EXILE 1 YEAR LATER

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. FASCELL. Mr. Speaker, today I wish to commemorate the first anniversary of the illegal banishment of Nobel Peace Prize laureate, Andrei Sakharov, from Moscow to Gorky. Despite continuing international protests, the Soviet Government persists in its cruel and unusual punishment of Sakharov, a man whom many consider to be the leading Soviet citizen.

My colleagues may wonder why I say that the Soviet treatment of Professor Sakharov is unusual, after all, the Soviet state is not known for its respect for individual rights. I use the word "unusual" since the action taken against Andrei Sakharov is unprecedented and illegal even according to Soviet law. Indeed, Sakharov's deportation from his native city of Moscow and his exile and virtual house arrest in the closed city of Gorky are reminiscent of Stalinist tactics when no one was safe from the arbitrary hand of the state.

Andrei Sakharov is well aware of the dangerous precedent which his case has set for other citizens in the U.S.S.R. Therefore, he has repeatedly called for the Soviet authorities to put him on trial. The Soviets are afraid to put a Nobel Peace Prize laureate in the dock since they know the international storm of protest such a step would provoke. And so the Soviet Government continues to keep Andrei Sakharov virtually incommunicado in Gorky and continues to subject members of his family to unremitting pressure by threatening them with criminal prosecution for maintaining ties with him.

The arbitrary treatment of Andrei Sakharov was the subject of protest by many delegations, including that of the United States of which I was vice chairman along with Senator PELL, at the Madrid Review Meeting. Despite the many protests, the Soviet Government persists in its efforts to isolate Professor Sakharov from the rest of the world by holding him in illegal exile in Gorky.

On a day when Americans are celebrating the safe return of our 52 hostages from Iran, I wish to pay tribute to the great free spirit of Andrei Sakharov. Although the Soviet Government attempts to hold him hostage in Gorky—hostage to Soviet fear of the free word—Andrei Sakharov remains near to the hearts of Americans and free people everywhere.●

PRESIDENT REAGAN'S INAUGURAL ADDRESS

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MICHEL. Mr. Speaker, on January 20, 1981, President Ronald Wilson Reagan delivered a memorable and moving inaugural address. I insert President Reagan's inaugural address in the RECORD at this point:

PRESIDENT REAGAN'S INAUGURAL ADDRESS

Thank you. Senator Hatfield, Mr. Chief Justice, Mr. President, Vice President Bush, Vice President Mondale, Senator Baker, Speaker O'Neill, Reverend Moomaw, and my fellow citizens:

To a few of us here today this is a solemn and most momentous occasion. And, yet, in the history of our nation it is a commonplace occurrence.

The orderly transfer of authority as called for in the Constitution routinely takes place

as it has for almost two centuries and few of us stop to think how unique we really are.

In the eyes of many in the world, this every-four-year ceremony we accept as normal is nothing less than a miracle.

Mr. President, I want our fellow citizens to know how much you did to carry on this tradition.

By your gracious cooperation in the transition process you have shown a watching world that we are a united people pledged to maintaining a political system which guarantees individual liberty to a greater degree than any other. And I thank you and your people for all your help in maintaining the continuity which is the bulwark of our republic.

SEVERE ECONOMIC PROBLEM

The business of our nation goes forward.

These United States are confronted with an economic affliction of great proportions.

We suffer from the longest and one of the worst sustained inflations in our national history. It distorts our economic decisions, penalizes thrift and crushes the struggling young and the fixed-income elderly alike. It threatens to shatter the lives of millions of our people.

Idle industries have cast workers into unemployment, human misery and personal indignity.

Those who do work are denied a fair return for their labor by a tax system which penalizes successful achievement and keeps us from maintaining full productivity.

But great as our tax burden is, it has not kept pace with public spending. For decades we have piled deficit upon deficit, mortgaging our future and our children's future for the temporary convenience of the present.

To continue this long trend is to guarantee tremendous social, cultural, political and economic upheavals.

You and I, as individuals, can, by borrowing, live beyond our means, but for only a limited period of time. Why then should we think that collectively, as a nation, we are not bound by that same limitation?

ACTION "BEGINNING TODAY"

We must act today in order to preserve tomorrow. And let there be no misunderstanding—we're going to begin to act beginning today.

The economic ills we suffer have come upon us over several decades.

They will not go away in days, weeks or months, but they will go away. They will go away because we as Americans have the capacity now, as we have had in the past, to do whatever needs to be done to preserve this last and greatest bastion of freedom.

In this present crisis, government is not the solution to our problem; government is the problem.

From time to time we've been tempted to believe that society has become too complex to be managed by self-rule, that government by an elite group is superior to government for, by and of the people.

But if no one among us is capable of governing himself, then who among us has the capacity to govern someone else?

All of us together—in and out of government—must bear the burden. The solutions we seek must be equitable with no one group singled out to pay a higher price.

We hear much of special interest groups. Well our concern must be for a special interest group that has been too long neglected.

It knows no sectional boundaries, or ethnic and racial divisions and it crosses political party lines. It is made up of men and women who raise our food, patrol our streets, man our mines and factories, teach our children, keep our homes and heal us when we're sick.

Professionals, industrialists, shopkeepers, clerks, cabbies and truck drivers. They are, in short, "We the people." This breed called Americans.

Well, this Administration's objective will be a healthy, vigorous, growing economy that provides equal opportunities for all Americans with no barriers born of bigotry or discrimination.

Putting America back to work means putting all Americans back to work. Ending inflation means freeing all Americans from the terror of runaway living costs.

All must share in the productive work of this "new beginning," and all must share in the bounty of a revived economy.

With the idealism and fair play which are the core of our system and our strength, we can have a strong, prosperous America at peace with itself and the world.

So as we begin, let us take inventory.

We are a nation that has a government—not the other way around. And this makes us special among the nations of the earth.

Our Government has no power except that granted it by the people. It is time to check and reverse the growth of government which shows signs of having grown beyond the consent of the governed.

It is my intention to curb the size and influence of the Federal establishment and to demand recognition of the distinction between the powers granted to the Federal Government and those reserved to the states or to the people.

All of us—all of us need to be reminded that the Federal Government did not create the states; the states created the Federal Government.

Now, so there will be no misunderstanding, it's not my intention to do away with government.

It is rather to make it work—work with us, not over us; to stand by our side, not ride on our back. Government can and must provide opportunity, not smother it; foster productivity, not stifle it.

UNLEASHING ENERGY AND GENIUS

If we look to the answer as to why for so many years we achieved so much, prospered as no other people on earth, it was because here in this land we unleashed the energy and individual genius of man to a greater extent than has ever been done before.

Freedom and the dignity of the individual have been more available and assured here than in any other place on earth. The price for this freedom at times has been high, but we have never been unwilling to pay that price.

It is no coincidence that our present troubles parallel and are proportionate to the intervention and intrusion in our lives that result from unnecessary and excessive growth of Government.

It is time for us to realize that we are too great a nation to limit ourselves to small dreams. We're not, as some would have us believe, doomed to an inevitable decline. I do not believe in a fate that will fall on us no matter what we do. I do believe in a fate that will fall on us if we do nothing.

So, with all the creative energy at our command let us begin an era of national renewal. Let us renew our determination, our courage and our strength. And let us renew our faith and our hope. We have every right to dream heroic dreams.

HEROES AT FACTORY GATES

Those who say that we're in a time when there are no heroes—they just don't know where to look. You can see heroes every day going in and out of factory gates. Others, a handful in number, produce enough food to feed all of us and then the world beyond.

You meet heroes across a counter—and they're on both sides of that counter. There are entrepreneurs with faith in themselves and faith in an idea who create new jobs, new wealth and opportunity.

There are individuals and families whose taxes support the Government and whose voluntary gifts support church, charity, culture, art and education. Their patriotism is quiet but deep. Their values sustain our national life.

Now, I have used the words "they" and "their" in speaking of these heroes. I could say "you" and "your" because I'm addressing the heroes of whom I speak—you, the citizens of this blessed land.

Your dreams, your hopes, your goals are going to be the dreams, the hopes and the goals of this Administration, so help me God.

We shall reflect the compassion that is so much a part of your makeup.

How can we love our country and not love our countrymen? And loving them reach out a hand when they fall, heal them when they're sick and provide opportunity to make them self-sufficient so they will be equal in fact and not just in theory?

Can we solve the problems confronting us? Well, the answer is an unequivocal and emphatic yes.

To paraphrase Winston Churchill, I did not take the oath I've just taken with the intention of presiding over the dissolution of the world's strongest economy.

In the days ahead I will propose removing the roadblocks that have slowed our economy and reduced productivity.

Steps will be taken aimed at restoring the balance between the various levels of government. Progress may be slow—measured in inches and feet, not miles—but we will progress.

It is time to reawaken this industrial giant, to get government back within its means and to lighten our punitive tax burden.

And these will be our first priorities, and on these principles there will be no compromise.

THE FIGHT FOR INDEPENDENCE

On the eve of our struggle for independence a man who might've been one of the greatest among the Founding Fathers, Dr. Joseph Warren, president of the Massachusetts Congress, said to his fellow Americans, "Our country is in danger, but not to be despaired of. On you depend the fortunes of America. You are to decide the important question upon which rest the happiness and the liberty of millions yet unborn. Act worthy of yourselves."

Well I believe we the Americans of today are ready to act worthy of ourselves, ready to do what must be done to insure happiness and liberty for ourselves, our children and our children's children.

And as we renew ourselves here in our own land we will be seen as having greater strength throughout the world. We will again be the exemplar of freedom and a beacon of hope for those who do not now have freedom.

To those neighbors and allies who share our freedom, we will strengthen our historic ties and assure them of our support and firm commitment.

We will match loyalty with loyalty. We will strive for mutually beneficial relations.

We will not use our friendship to impose on their sovereignty, for our own sovereignty is not for sale.

As for the enemies of freedom, those who are potential adversaries, they will be reminded that peace is the highest aspiration of the American people. We will negotiate for it, sacrifice for it; we will not surrender for it—now or ever.

Our forbearance should never be misunderstood. Our reluctance for conflict should not be misjudged as a failure of will.

When action is required to preserve our national security, we will act. We will maintain sufficient strength to prevail if need be, knowing that if we do so we have the best chance of never having to use that strength.

Above all we must realize that no arsenal or no weapon in the arsenals of the world is so formidable as the will and moral courage of free men and women.

It is a weapon our adversaries in today's world do not have.

It is a weapon that we as Americans do have.

Let that be understood by those who practice terrorism and prey upon their neighbors.

I am told that tens of thousands of prayer meetings are being held on this day; for that I am deeply grateful. We are a nation under God, and I believe God intended for us to be free. It would be fitting and good, I think, if on each inaugural day in future years it should be declared a day of prayer.

This is the first time in our history that this ceremony has been held, as you've been told, on this West Front of the Capitol.

Standing here, one faces a magnificent vista, opening up on this city's special beauty and history.

At the end of this open mall are those shrines to the giants on whose shoulders we stand.

Directly in front of me, the monument to a monumental man. George Washington, father of our country. A man of humility who came to greatness reluctantly. He led America out of revolutionary victory into infant nationhood.

Off to one side, the stately memorial to Thomas Jefferson. The Declaration of Independence flames with his eloquence.

And then beyond the Reflecting Pool, the dignified columns of the Lincoln Memorial. Whoever would understand in his heart the meaning of America will find it in the life of Abraham Lincoln.

MONUMENTS TO HEROES

Beyond those monuments to heroism is the Potomac River, and on the far shore the sloping hills of Arlington National Cemetery with its row upon row of simple white markers bearing crosses or Stars of David. They add up to only a tiny fraction of the price that has been paid for our freedom.

Each one of those markers is a monument to the kind of hero I spoke of earlier.

Their lives ended in places called Belleau Wood, the Argonne, Omaha Beach, Salerno and halfway around the world on Guadalcanal, Tarawa, Pork Chop Hill, the Chosin Reservoir, and in a hundred rice paddies and jungles of a place called Vietnam.

Under such a marker lies a young man, Martin Treptow, who left his job in a small town barber shop in 1917 to go to France with the famed Rainbow Division.

There, on the Western front, he was killed trying to carry a message between battalions under heavy artillery fire.

We are told that on his body was found a diary.

On the flyleaf under the heading, "My Pledge," he had written these words:

"America must win this war. Therefore I will work, I will save, I will sacrifice, I will endure, I will fight cheerfully and do my utmost, as if the issue of the whole struggle depended on me alone."

The crisis we are facing today does not require of us the kind of sacrifice that Martin Treptow and so many thousands of others were called upon to make.

It does require, however, our best effort, and our willingness to believe in ourselves and to believe in our capacity to perform great deeds; to believe that together with God's help we can and will resolve the problems which now confront us.

And after all, why shouldn't we believe that? We are Americans.

God bless you and thank you. Thank you very much.●

EMANUEL CELLER OF NEW YORK: ONE OF THE ALL-TIME GREATS OF THE U.S. HOUSE OF REPRESENTATIVES

(Mr. STRATTON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. STRATTON. Mr. Speaker, last week there passed away, at the age of 92 in New York City, one of the real giants of all time of this House of Representatives, Hon. Emanuel Celler of New York City.

"Manny" Celler not only served as a Member of the House for a half-century, just short of the all-time record set by Carl Vinson of Georgia, but he also presided as chairman of the House Judiciary Committee at a time when some of the most progressive legislation in our history, especially in the field of civil rights, was enacted into law. Chairman Celler was in fact the author of much of that legislation, and successfully steered all of it through the legislative mazes of Congress.

Most of this legislation is taken for granted today, the Public Facilities Act, the voting rights legislation, the Civil Rights Act of 1964. But it was bitterly controversial at the time it was before Congress. And it was Manny Celler, with his ever-present wit, his warm, friendly personality, and his knowledge of the rules of the House and his acquaintanceship with his fellow Members that enabled him to bring these historic measures into enactment.

It has often been said that we in New York State have failed to exercise the clout to which the great Empire State—until a few years ago, the most populous State in the Nation—was justly entitled, because our Members of Congress tended not to remain too long in this House.

They ran for the other body, or they went home and ran for Governor or mayor, or they got themselves elected to State judgeships. But Manny Celler, single handedly, made up for some of the seniority which other members of the delegation had not managed to achieve. And as a result he became not only a power in this House, but also a shining political figure in New York State.

When I came to this House following the 1958 election, Manny Celler was the first colleague I met. He was the dean of our delegation, and soon to be the dean of the House. He ran the delegation with skill and humor, and what was especially remarkable, he worked closely and in a very friendly way with the newly elected Governor of our State, Nelson Rockefeller. Together, Manny and Rocky got the delegation working closely in Washington to push the legislation most needed by New York. We have tried to keep that approach going ever since.

Actually, it was his health more than anything else that brought an unexpected end to Congressman Celler's congressional career. As he moved into his 80's his legs slowed down a bit, and he began to use a wheelchair to move from the Rayburn Building to the House floor. His mind and his wit were as sharp as ever. But the limitations on mobility proved, as we all recognize these days, a definite political liability. He could not get around as much and as often as he used to, and as a result he found himself in 1972 defeated in a Democratic primary—by a young, brilliant Harvard Law School graduate, 30 years of age—our former colleague Liz Holtzman. Actually, when it came to basic political ideas and objectives there really was not much difference between Manny and Liz. It was just a matter of approach. But a major change had come to the House when that great giant was toppled.

Chairman Celler never lost his interest in the House, however, in spite of his defeat. He lived here in Washington and also back in New York City. He practiced law in both places. And although he rarely came back to the Capitol to greet his former colleagues, he followed our actions closely. I was surprised, and of course pleased, that every election year Manny was listed among my contributors.

And as a result, I have tried to carry on, as Manny and Rocky did, the fight for increased attention to the special needs of New York State. But those are very big shoes indeed to try to fill.

In any event we will indeed miss Manny Celler. But as New Yorkers we will always be proud that his career as a Member of this House is one of the real landmarks in American constitutional history.

On behalf of all the members of the New York delegation I extend our sympathy to the members of the family of Emanuel Celler.

Under leave to extend my remarks I enclose an article from the New York Times on Mr. Celler's remarkable career:

[From the New York Times]

EX-REPRESENTATIVE EMANUEL CELLER DEAD AT 92

NEW YORK.—Emanuel Celler, 92, who served a half-century in the House of Representatives, died Thursday at his home in Brooklyn. Celler, one of the most influential New Yorkers who ever served in the House, was defeated in the 1972 Democratic primary in a stunning upset by a political unknown, Elizabeth Holtzman. Only days before his defeat, Celler had described his opponent as "irritating as a hangnail, which nail I am going to cut off."

The defeat ended one of the longest political careers in the state's history. Celler continued to practice law until shortly before his death from pneumonia.

When Celler, then 34, brash and bouncy, was first elected to the House, Warren G. Harding was president. The year was 1922.

Seven presidents and 42 years later, Celler, still bouncy but his brashness mellowed by the years, became the dean of the House. The distinction, he said, had "crept up on me unawares."

Seniority brings power in Congress, and as Celler's service lengthened, his political sway grew. He became chairman of the Judiciary Committee in 1949 and, except for the years when Republicans controlled the House, held the post from then on.

His committee handled civil-rights legislation in the years of the nation's major advances in that area. In 1957, he wrote and shepherded into law the first comprehensive rights legislation enacted by Congress in 82 years.

He was the author of the more comprehensive 1960 Civil Rights Act, and in February 1964, he guided to passage for the Johnson administration a law retaining virtually all the elements of a draft that President Kennedy had submitted the year before.

"I feel like I've climbed Mount Everest," Celler said wearily after the 1964 bill passed, 290 to 130, and the House gave him a standing ovation.

Emanuel Celler was born May 6, 1888, in a frame house at Summer Avenue and Floyd Street in the Williamsburg section of Brooklyn. His father, Henry, owned a Whisky business. There was a 25,000 gallon tank in the basement. Young Manny helped paste "Echo Springs" labels on his father's products.

His introduction to politics came young, as it did for many in that era, when the clubhouse was a neighborhood social center, the party-sponsored picnic and boatride were major social events and Tammany Hall—in most years—ran the city. In 1896, Henry Celler, a Democratic district leader, hoisted his son to his shoulders to watch William Jennings Bryan speak in Arion Hall. Or so the congressman remembered, more than half a century later.

The father's business failed at about the time that Manny was graduated from Boys High in 1906. Then, soon after he entered Columbia College, his father died. Five months later, his mother died.

"I became head of the household," Celler wrote in his 1953 autobiography, "You Never Leave Brooklyn." He went on: "Following his failure, my father had given up his business and become a wine salesman. I took up his route. I went to college in the mornings and sold wine all afternoon until 7 o'clock in the evening."

The schedule did not halt his education. He was graduated from Columbia in 1910 and Columbia Law School in 1912. Two years later, he married Stella B. Baar. By then, he had settled down to law practice in Brooklyn.

In 1922, a Democratic leader asked if Celler would like to be the party's nominee for Congress from the 10th District, an honor but hardly a prize. The district had never sent a Democrat to Congress.

His 51-year marriage ended in March 1966 with the death of his wife, and he began spending more time in Washington, where he had one of the biggest and most comfortable offices in the huge Rayburn Building and where he lived in the Mayflower Hotel.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BARNES (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of illness.

Mr. ROSENTHAL (at the request of Mr. WRIGHT), through January 30, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, were granted to:

(The following Members (at the request of Mr. LOTT) to revise and extend their remarks and include extraneous material:)

Mr. EDWARDS of Alabama, for 30 minutes, today.

Mr. TAUKE, for 5 minutes, today.

Mr. FINDLEY, for 10 minutes, today.

Mr. DERWINSKI, for 5 minutes, today.

Mr. CORCORAN, for 5 minutes, today.

Mr. COLLINS of Texas, for 60 minutes, on January 26.

Mr. GILMAN, for 60 minutes, on January 27.

(The following Members (at the request of Mr. MCCURDY) to revise and extend their remarks and include extraneous material:)

Mrs. BOGGS, for 10 minutes, today.

Mr. COYNE, for 5 minutes, today.

Mr. O'NEILL, for 15 minutes, today.

Mr. MCHUGH, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

Mr. LEVITAS, for 5 minutes, today.

Mr. HAMILTON, for 5 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. FASCELL, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LOTT) and to include extraneous matter:)

Mr. MCEWEN.

Mr. DORNAN of California.

Mr. VANDER JAGT.

Mr. BLILEY.

Mr. KRAMER.

Mr. ASHBROOK in four instances.

Mr. DERWINSKI in two instances.

Mr. PARRIS.

Mr. FIELDS in three instances.

Mr. CONABLE in two instances.

Mr. WAMPLER in two instances.

Mr. HYDE.

Mr. HOLLENBECK.

Mr. BURGENER.

Mr. LAGOMARSINO in three instances.

Mr. SOLOMON.

Mr. ROTH.

Mr. WHITEHURST.

Mr. DOUGHERTY.

Mr. JAMES K. COYNE.

Mr. BROOMFIELD.

Mr. KEMP.

Mr. GREEN.

Mr. COUGHLIN in two instances.

Mr. PURSELL.

(The following Members (at the request of Mr. MCCURDY) and to include extraneous matter:)

Mr. MCHUGH.

Mr. GUARINI in six instances.

Mr. HAMILTON in five instances.

Mr. ROSENTHAL in five instances.

Mr. MCDONALD in five instances.

Mr. MONTGOMERY in three instances.

Mr. MURTHA in two instances.

Mr. DWYER.

Mr. LEHMAN.

Mr. RANGEL.

Mr. OBERSTAR.

Mr. MAZZOLI.

Mr. YATRON in three instances.

Mr. APPLEGATE.

Mr. STUDDS in five instances.

Mrs. SCHROEDER in two instances.

Mr. RAHALL.

Mr. BRODHEAD.

Mr. RICHMOND.

Mr. ZABLOCKI in two instances.

Mr. FORD of Michigan.

Mr. BOLAND.

Mr. CLAY in 15 instances.

Mr. EDWARDS of California.

Mr. FUQUA in five instances.

ADJOURNMENT

Mr. MCCURDY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 46 minutes p.m.) the House adjourned until tomorrow, Friday, January 23, 1981, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

295. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to increase the interest rates for loans made or insured under the Consolidated Farm and Rural Development Act for

water and waste disposal, and essential community facilities; to the Committee on Agriculture.

296. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 201 of the Agricultural Act of 1949, as amended, to delete the requirement that the support price of milk be adjusted semiannually; to the Committee on Agriculture.

297. A letter from the Deputy Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Food Stamp Act of 1977 to control food stamp program spending, to improve food stamp administrative procedures, and to extend appropriations authority without specific dollar limitations while continuing to limit expenditures to available funds; to amend the Agriculture and Consumer Protection Act of 1973, to extend and improve the commodity distribution programs; and for other purposes; to the Committee on Agriculture.

298. A letter from the Deputy Secretary of Agriculture, transmitting a draft of proposed legislation to recover costs associated with cotton classing and standards, tobacco inspection and standards, and warehouse examination, inspection and licensing, and for other purposes; to the Committee on Agriculture.

299. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the International Communication Agency for "Salaries and expenses" for fiscal year 1981 has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

300. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriations to the Department of State for "Salaries and expenses" and for "Payment to the American Institute in Taiwan" for fiscal year 1981 have been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

301. A letter from the Deputy Secretary of Defense, transmitting the seventh annual report on rationalization/standardization within NATO, pursuant to section 302(c) of Public Law 93-365, as amended, and section 814(b) of Public Law 94-106, as amended; to the Committee on Armed Services.

302. A letter from the Deputy Secretary of Defense, transmitting the annual report of the Reserve Forces Policy Board, pursuant to 10 U.S.C. 133(c)(3); to the Committee on Armed Services.

303. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to provide for adjustment of retired and retainer pay to reflect changes in the Consumer Price Index; to the Committee on Armed Services.

304. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelf-stocking and custodial services function at Peterson Air Force Base, Colo., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

305. A letter from the Acting Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the military family housing maintenance function at the Hurlburt Field, Fla., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

306. A letter from the Acting Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contract performance of the commissary shelf-stocking and custodial services activity at the Barksdale Air Force Base, La., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

307. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain defense equipment to Saudi Arabia (Transmittal No. 81-09), pursuant to section 813 of Public Law 96-106; to the Committee on Armed Services.

308. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment and services to Egypt (Transmittal No. 81-12), pursuant to section 813 of Public Law 96-106; to the Committee on Armed Services.

309. A letter from the Acting Administrator of General Services, transmitting a draft of proposed legislation to authorize certain transactions involving the disposal and acquisition of strategic and critical materials for the national defense stockpile; to the Committee on Armed Services.

310. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to provide for continuing U.S. participation in the International Development Association, to provide for U.S. participation in the African Development Bank, and for other purposes, and a draft of proposed legislation to provide for continuing participation by the United States in the International Bank for Reconstruction and Development, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

311. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize the Secretary of the Treasury to obtain certain services and facilities and incur certain administrative expenditures and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

312. A letter from the Secretary of Transportation, transmitting a report on the long-term viability of the Chrysler Corp.'s involvement in the automotive industry, pursuant to section 12(a) of Public Law 96-185; to the Committee on Banking, Finance and Urban Affairs.

313. A letter from the Chairman, Council of the District of Columbia, transmitting initiative measure No. 3, "To conduct an election for the purpose of presenting the proposition of the calling of a statehood constitutional convention, the election of delegates to the convention and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

314. A letter from the Chairman, Council of the District of Columbia, transmitting initiative measure No. 6, "To legalize lotteries, daily numbers games, and bingo and raffles for charitable purposes in the District of Columbia, to establish the Lottery and Charitable Games Control Board to control all authorized forms of gambling, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

315. A letter from the Deputy Secretary of Agriculture, transmitting a draft of proposed legislation to amend certain provisions of the child nutrition programs authorized by the National School Lunch Act and the Child Nutrition Act of 1966; to the Committee on Education and Labor.

316. A letter from the Secretary of Labor, transmitting the annual report on the administration of the Black Lung Benefits Act, pursuant to section 426(b) of the Federal Coal Mine Safety and Health Act of 1969, as amended; to the Committee on Education and Labor.

317. A letter from the Attorney General, transmitting notice of the Justice Department's decision not to defend the constitutionality of the legislative veto provision of section 202 of the Natural Gas Policy Act of 1978, pursuant to section 21 of Public Law 96-132; to the Committee on Energy and Commerce.

318. A letter from the Secretary of Health and Human Services, transmitting the fourth special report on the health consequences of using alcoholic beverages, pursuant to section 102(2) of the Comprehensive Alcohol and Alcoholism Prevention, Treatment, and Rehabilitation Act; to the Committee on Energy and Commerce.

319. A letter from the Secretary of Health and Human Services, transmitting the seventh annual report on the emergency medical services program, pursuant to section 1210 of the Public Health Service Act; to the Committee on Energy and Commerce.

320. A letter from the Assistant Secretary of Energy for Policy and Evaluation, transmitting the final report on the state of competition in gasoline marketing, pursuant to section 301(d)(1) of Public Law 95-297; to the Committee on Energy and Commerce.

321. A letter from the Chairman, Railroad Retirement Board, transmitting a draft of proposed legislation to amend the Railroad Retirement Act of 1974 to provide that the amount authorized to be appropriated to the railroad retirement account each fiscal year to subsidize the costs of windfall benefits shall not exceed $350 million; to the Committee on Energy and Commerce.

322. A letter from the Secretary of State, transmitting the 28th annual report on U.S. contributions to international organizations, pursuant to section 2 of Public Law 806, 81st Congress; to the Committee on Foreign Affairs.

323. A letter from the Secretary of State, transmitting a report on efforts to comply with the provisions of law regarding the use of herbicides in the Mexican marihuana eradication program, pursuant to section 481(d)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

324. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the President's third annual report on the activities of Government departments and agencies to prevent nuclear proliferation, pursuant to section 601(a) of Public Law 95-242; to the Committee on Foreign Affairs.

325. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the texts of agreements between the American Institute in Taiwan and the Coordination Council for North American Affairs, pursuant to section 12(a) of Public

Law 96-8; to the Committee on Foreign Affairs.

326. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 81-1, finding that the sale of defense articles and services to the Government of Bangladesh will strengthen the security of the United States and promote world peace, pursuant to section 3(a)(1) of the Arms Export Control Act; to the Committee on Foreign Affairs.

327. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment to Saudi Arabia (Transmittal No. 81-09), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

328. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment to Italy (Transmittal No. 81-10), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

329. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense services to Saudi Arabia (Transmittal No. 81-11), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

330. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Egypt (Transmittal No. 81-12), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

331. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to Saudi Arabia (Transmittal No. 81-13), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

332. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting his determination and certification that downward fluctuations in foreign currency exchange rates have made it necessary to provide additional funds to maintain the budgeted level operation for Radio Free Europe/Radio Liberty, Inc., during the last quarter of fiscal year 1980, pursuant to section 3 of Public Law 94-350, as amended; to the Committee on Foreign Affairs.

333. Communication from the President of the United States, transmitting notice of his removal from office of the current appointee to the position of Deputy Inspector General (Acting Inspector General) for the Department of Health and Human Services, and his reasons therefor, pursuant to section 202(c) of Public Law 94-505; to the Committee on Government Operations.

334. Communication from the President of the United States transmitting notice of his removal from office of the current appointees to the positions of Inspector General and Deputy Inspector General for the Department of Energy, and his reasons therefor, pursuant to section 208(a)(3) of Public Law 95-91; to the Committee on Government Operations.

335. Communication from the President of the United States, transmitting notice of his removal from office of the current appointees to the positions of Inspector General in the Departments of Agriculture, Commerce, Education, Housing and Urban Development, the Interior, and Transportation; the Community Services Administration, Environmental Protection Agency, General Services Administration, National Aeronautics and Space Administration, Small Business Administration, and Veterans' Administration, and his reasons therefor, pursuant to section 3(b) of Public Law 95-452, as amended; to the Committee on Government Operations.

336. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report on Federal Information Collection, volume I, to monitor and report on executive branch agency responses to the Commission on Federal Paperwork, pursuant to Public Law 93-556; to the Committee on Government Operations.

337. A letter from the Administrator, Health Care Financing Administration, Department of Health and Human Services, transmitting notice of a proposed new records system, pursuant to section 5 U.S.C. 552a(o); to the Committee on Government Operations.

338. A letter from the Administrator, Health Care Financing Administration, Department of Health and Human Services, transmitting notice of a proposed new records system, pursuant to section 5 U.S.C. 552(o); to the Committee on Government Operations.

339. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to establish a revolving fund in the Department of the Interior, and for other purposes; to the Committee on Interior and Insular Affairs.

340. A letter from the Clerk, U.S. Court of Claims, transmitting the court's judgment order in Docket No. 363, *Lower Sioux Indian Community in Minnesota, et al.* v. *The United States;* to the Committee on Interior and Insular Affairs.

341. A letter from the Attorney General, transmitting a report on the U.S. Trustee System, covering the period October 1, 1979, to September 30, 1980, pursuant to section 408 of Public Law 95-598; to the Committee on the Judiciary.

342. A letter from the Secretary, Foundation of the Federal Bar Association, transmitting the foundation's audit report for the year ended September 30, 1980, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

343. A letter from the Deputy Director, Office of Personnel Management, transmitting the second annual report on implementation of the Federal equal opportunity recruitment program, pursuant to 5 U.S.C. 7201(e); to the Committee on Post Office and Civil Service.

344. A letter from the Secretary of Labor, transmitting the Department's proposed final regulations for the implementation of the airline employee protection program, pursuant to section 43(f)(3) of Public Law 95-504; to the Committee on Public Works and Transportation.

345. A letter from the Secretary of Transportation, transmitting a revised estimate of the cost of completing the National System of Interstate and Defense Highways, pursuant to 23 U.S.C. 104(b)(5); to the Committee on Public Works and Transportation.

346. A letter from the Secretary of Transportation, transmitting the sixth biennial report on the Nation's future highway needs, pursuant to section 3 of Public Law 89-139; to the Committee on Public Works and Transportation.

347. A letter from the Secretary of Transportation, transmitting the second report on the progress of the highway cost allocation study, pursuant to section 506(c)(2) of Public Law 95-599; to the Committee on Public Works and Transportation.

348. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, to amend the Highway Safety Act of 1966 to authorize appropriations, and for other purposes; to the Committee on Public Works and Transportation.

349. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Urban Mass Transportation Act of 1964 to provide authorizations for appropriations and for other purposes; to the Committee on Public Works and Transportation.

350. A letter from the Secretary of Commerce, transmitting notice of his identification of the aerospace industry as a specific materials needs case related to the national security, economic well-being, and industrial production, to be studied by the Department of Commerce, pursuant to section 5(c)(1) of Public Law 96-479; to the Committee on Science and Technology.

351. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notice of the waiver of the requirements of section 11(b)(1) and (2) of Public Law 96-480; to the Committee on Science and Technology.

352. A letter from the Director, Office of Private Sector Liaison, Special Representative for Trade Negotiations, Executive Office of the President, transmitting a report on developing countries in the multilateral trade negotiations, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

353. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize appropriations for the U.S. Customs Service for fiscal years 1982 and 1983; to the Committee on Ways and Means.

354. A letter from the Director, Federal Emergency Management Agency, transmitting a draft of proposed legislation to authorize the Administrator of General Services to donate to State and local governments certain Federal personal property loaned to them for civil defense use, and for other purposes; jointly, to the Committees on Armed Services and Government Operations.

355. A letter from the Chairman of the Board of Directors and the Executive Director, Pension Benefit Guaranty Corporation, transmitting the fifth annual report of the Corporation, covering fiscal year 1979, pursuant to section 4008 of Public Law 93-406; jointly, to the Committees on Education and Labor and Ways and Means.

356. A letter from the Chairman, Railroad Retirement Board, transmitting a draft of proposed legislation to amend the Railroad Retirement Act of 1974 and the Railroad Retirement Tax Act to assure increased revenues, reduced costs, and simplified administration; jointly, to the Committees on Energy and Commerce and Ways and Means.

357. A letter from the Comptroller General of the United States, transmitting a report on new means of analysis required for policy decisions affecting the private forestry sector (EMD-81-18, January 21, 1981); jointly, to the Committees on Government Operations, Agriculture, and Ways and Means.

358. A letter from the Comptroller General of the United States, transmitting a report on the Army's retail inventory management (LCD-81-16, K January 19, 1981); jointly, to the Committees on Government Operations and Armed Services.

359. A letter from the Comptroller General of the United States, transmitting a report on the domestic steel industry (EMD-81-29, January 8, 1981); jointly, to the Committees on Government Operations, Banking, Finance and Urban Affairs, Education and Labor, Merchant Marine and Fisheries, and Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DORNAN:

H.R. 1000. A bill to amend the Internal Revenue Code of 1954 to provide for tax reductions and reforms; jointly, to the Committees on Ways and Means, Government Operations, and Rules.

By Mr. AKAKA:

H.R. 1001. A bill for the relief of certain natives of the Philippines who served in the U.S. Armed Forces during World War II; to the Committee on the Judiciary.

By Mr. ANDERSON of California:

H.R. 1002. A bill to regulate the trapping of mammals and birds on Federal lands, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Energy and Commerce.

By Mr. ANNUNZIO (for himself, Mr. WRIGHT, Mr. ST GERMAIN, Mr. AKAKA, Mr. ALBOSTA, Mr. ALEXANDER, Mr. AUCOIN, Mr. BAILEY of Pennsylvania, Mr. BAILEY of Missouri, Mr. BARNES, Mr. BENNETT, Mr. BIAGGI, Mr. BLANCHARD, Mr. BARNARD, Mr. BENJAMIN, Mr. BEREUTER, Mrs. BOGGS, Mr. BONIOR of Michigan, Mrs. BOUQUARD, Mr. BROWN of California, Mr. CHAPPELL, Mr. CLAY, Mrs. COLLINS of Illinois, Mr. WILLIAM J. COYNE, Mr. DE LA GARZA, Mr. DICKS, Mr. DINGELL, Mr. DONNELLY, Mr. DOWNEY, Mr. EVANS of Indiana, Mr. FARY, Mr. FAUNTROY, Mr. FITHIAN, Mr. FLIPPO, Mr. FOLEY, Mr. FOWLER, Mr. GARCIA, Mr. GEJDENSON, Mr. GEPHARDT, Mr. GIBBONS, Mr. GLICKMAN, Mr. RALPH M. HALL, Mr. SAM B. HALL, JR., Mr. HALL of Ohio, Mr. HANCE, Mr. HAWKINS, Mr. HERTEL, Mr. HORTON, Mr. HUCKABY, Mr. HUGHES, Mr. JENKINS, Mr. JONES of Tennessee, Mr. JONES of Oklahoma, Mr. JONES of North Carolina, Mr. KAZEN, Mr. KILDEE, Mr. KOGOVSEK, Mr. LAFALCE, Mr. LELAND, Mr. LEVITAS, Mr. LONG of Louisiana, Mr. MCCURDY, Mr. MARKEY, Mr. MATTOX, Mr. MAZZOLI, Mr. MINETA, Mr. MOAKLEY, Mr. MOFFETT, Mr. MONTGOMERY, Mr. NATCHER, Mr. NEAL, Mr. NELSON, Mr. FASCELL, Mr. OTTINGER, Mr. PERKINS, Mr. PEYSER, Mr. PRICE, Mr. RATCHFORD, Mr. REUSS, Mr. RUSSO, Mr. SABO, Mr. SAVAGE, Mr. SCHEUER, Mr. SCHUMER, Mr. SHAMANSKY, Mr. SHELBY, Mr. SOLARZ, Mr. STARK, Mr. STENHOLM, Mr. TAUZIN, Mr. TRAXLER, Mr. UDALL, Mr. VOLKMER, Mr. WALGREN, Mr. WEISS, Mr. WHITTEN, Mr. WILSON, Mr. WOLPE, Mr. YATRON, Mr. ZABLOCKI, Mr. HARTNETT, Mr. HANSEN of Idaho, Mr. FOGLIETTA, Mr. CORRADA, Mr. MURPHY, Mr. JOHN L. BURTON, Mr. HIGHTOWER, Mr. VENTO, Mr. LAGOMARSINO, Mr. BOWEN, Mr. BOLLING, Mr. WINN, Mr. HATCHER, Mr. BAFALIS, Mr. BRINKLEY, Mr. BROOMFIELD, Mr. BONKER, Mr. KEMP, Mr. LUJAN, Mr. PARRIS, Mr. GRAY, Mr. DIXON, Mr. ATKINSON, Mr. GAYDOS, Mr. SIMON, Mr. GRAMM, Mr. ECKART, Mr. FUQUA, Mr. STRATTON, Mr. PANETTA, Mr. MURTHA, Mr. YOUNG of Missouri, Mr. BROOKS, Mr. MCCLOSKEY, Mr. HYDE, Mr. LOWERY of California, Mr. CONYERS, Mr. RAHALL, Mr. RODINO, Mr. GRISHAM, Mr. GREEN, Mr. HAMILTON, Mr. LEE, Mr. MCCOLLUM, Mr. O'BRIEN, Mr. LOTT, Mr. ROBERT W. DANIEL, JR., Mr. DAVIS, Mr. DASCHLE, Mr. CLAUSEN, Mr. BRODHEAD, Mr. LEDERER, Mr. DENARDIS, Mr. MCHUGH, Mr. MCGRATH, Mr. PATTERSON, Mr. RICHMOND, Mr. CHAPPIE, Mr. GONZALEZ, Mr. DE LUGO, Mr. COUGHLIN, Mr. GINN, Mr. HEFNER, Mr. ADDABBO, Mr. HUTTO, Mr. DWYER, Mr. HANSEN of Utah, Mr. ANTHONY, Mr. NELLIGAN, Mr. ANDERSON, Mr. OBERSTAR, Mr. LEWIS, Mr. SOLOMON, Mr. MCKINNEY, Mr. SMITH of New Jersey, Mr. MARTIN of North Carolina, Mr. MAVROULES, Ms. MIKULSKI, Mr. STATON of West Virginia, Mr. DUNCAN, Mr. SYNAR, Mr. BONER of Tennessee, Mr. CONABLE, Mr. KRAMER, Mr. WHITE, Mr. CARMAN, Mr. WILLIAMS of Ohio, Mr. ROEMER, Mr. WORTLEY, Mr. WON PAT, Mr. FAZIO, Mr. WASHINGTON, Mr. COELHO, Mr. LUKEN, Mr. WYDEN, Mr. WAMPLER, Mr. DOUGHERTY, Mr. ZEFERETTI, Ms. FERRARO, Mr. DYSON, Mr. SUNIA, Mr. MATSUI, Mr. SMITH of Alabama, Mr. CONTE, Mr. DYMALLY, Mr. MARKS, Mr. WILLIAMS of Montana, Mr. LUNDINE, Mr. WYLIE, Mr. ERLENBORN, Mr. ERDAHL, Mr. THOMAS, Mr. CORCORAN, Mr. BOLAND, Mr. MINISH, Mr. GOLDWATER, Mr. FORSYTHE, Mr. FROST, Mr. WALKER, Mr. MOTTL, Mr. EVANS of Delaware, and Mr. MCCLORY):

H.R. 1003. A bill to authorize the President of the United States to present on behalf of Congress specially struck gold medals to the 53 Americans held captive in Iran; to the Committee on Banking, Finance and Urban Affairs.

By Mr. APPLEGATE (for himself and Mr. REGULA):

H.R. 1004. A bill relating to the operation of the Bolivar Dam and Reservoir, Ohio; to the Committee on Public Works and Transportation.

By Mr. ARCHER:

H.R. 1005. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from taxation of interest earned on deposits which are used for residential mortgage lending purposes; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 1006. A bill to amend section 8 of the United States Housing Act of 1937 for the purpose of providing more housing alternatives for lower income persons; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1007. A bill to provide for Federal support and encouragement of State, local, and community activities to prevent domestic violence and assist victims of domestic violence, to provide for coordination of Federal programs and activities relating to domestic violence, and for other purposes; to the Committee on Education and Labor.

By Mrs. BOUQUARD (for herself and Mr. WATKINS):

H.R. 1008. A bill to amend the Federal Water Pollution Control Act concerning local pretreatment programs for introduction of pollutants into publicly owned treatment works; to the Committee on Public Works and Transportation.

By Mr. BRINKLEY:

H.R. 1009. A bill to amend the Internal Revenue Code of 1954 to provide a trade or business deduction to firemen for meals which they eat while at their post of duty overnight; to the Committee on Ways and Means.

By Mr. PANETTA:

H.R. 1010. A bill to amend the Congressional Budget Act of 1974 to provide for a 2-year budgeting cycle, to provide for separate and timely consideration each of authorizing legislation, budget resolutions, and appropriations, and for other purposes; jointly, to the Committees on Rules and Government Operations.

By Mr. BRODHEAD:

H.R. 1011. A bill to amend title XVI of the Social Security Act to increase from $25 to $50 a month the amount of the personal allowance which is presently provided for eligible individuals and eligible spouses who are in medical institutions, with subsequent annual increases in the amount of such allowance to reflect changes in the cost of living; to the Committee on Ways and Means.

By Mr. BROWN of Colorado:

H.R. 1012. A bill to authorize the Secretary of the Interior to convey certain lands in Mesa County, Colo., to Ute Water Conservancy District, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. COLLINS of Texas:

H.R. 1013. A bill to amend the Communications Act of 1934 to require the Federal Communications Commission to establish rules relating to the depreciation of certain property owned by common carriers subject to such act; to the Committee on Energy and Commerce.

H.R. 1014. A bill to provide that Federal taxes may not be increased during a 4-year period; to the Committee on Ways and Means.

By Mr. CONABLE:

H.R. 1015. A bill to prohibit the implementation of Revenue Procedure 80-55; to the Committee on Ways and Means.

H.R. 1016. A bill to provide that Revenue Ruling 80-60 shall not require a change in the taxpayer's method of accounting for taxable years beginning before 1980; to the Committee on Ways and Means.

H.R. 1017. A bill to provide that Revenue Ruling 80-60 shall not require a change in the taxpayer's method of accounting for taxable years beginning before 1980; to the Committee on Ways and Means.

H.R. 1018. A bill to amend titles II and XVIII of the Social Security Act and chapters 2 and 21 of the Internal Revenue Code of 1954 to restore the long-range soundness of the old-age, survivors, and disability insurance system, to eliminate increases in the earnings base for 1981-82 (leaving such base subject to annual adjustment after 1982 as under prior law, to provide mandatory social security coverage for Federal employees, to establish a working spouse's benefit, to make appropriate adjustments in social security tax rates (generally lowering the OASDI-HI rate through this century)

and in disability insurance trust fund allocations, and to provide for partial financing of the hospital insurance program from general revenues; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. CORCORAN (for himself and Mr. GARCIA):

H.R. 1019. A bill to amend title 13, United States Code, to provide for congressional disapproval of questions proposed to be included in censuses conducted by the Secretary of Commerce; to the Committee on Post Office and Civil Service.

By Mr. DANIELSON:

H.R. 1020. A bill to provide for expeditious payment of claims against the United States, relating to advertising published in behalf of the United States, and for other purposes; to the Committee on Government Operations.

H.R. 1021. A bill to amend subsection (a) of section 2737 of title 10, United States Code, and for other purposes; to the Committee on the Judiciary.

H.R. 1022. A bill to provide for the payment by the United States for certain medical services and treatment provided to U.S. citizens and permanent residents suffering from physical injuries attributable to the atomic bomb explosions on Hiroshima and Nagasaki, Japan, in August 1945; to the Committee on the Judiciary.

H.R. 1023. A bill to amend title 28, United States Code, to increase to $50,000 the amount of an award which an agency may determine, without the approval of the Attorney General; to the Committee on the Judiciary.

H.R. 1024. A bill to amend chapter 171 of title 28, United States Code, to alter procedures with respect to certain malpractice suits against Federal medical personnel and for other purposes; to the Committee on the Judiciary.

H.R. 1025. A bill to provide for equitable waiver in the compromise and collection of Federal claims; to the Committee on the Judiciary.

H.R. 1026. A bill to transfer responsibility for furnishing certified copies of Miller Act payment bonds from the Comptroller General to the officer that awarded the contract for which the bond was given; to the Committee on the Judiciary.

H.R. 1027. A bill to amend title 28 of the United States Code to establish a Federal cause of action for and Federal court procedures with respect to aviation activity, and for other purposes; to the Committee on the Judiciary.

H.R. 1028. A bill to amend the act of August 24, 1935 (commonly referred to as the Miller Act), to provide for additional protection to persons supplying labor and material in the prosecution of work provided for in contracts for the construction, alteration, or repair of any public building or public work of the United States, and for other purposes; to the Committee on the Judiciary.

H.R. 1029. A bill to amend section 1 of the act of June 5, 1920, as amended, to authorize the Secretary of Commerce to settle claims for damages of less than $2,500 arising by reason of acts for which the National Oceanic and Atmospheric Administration shall be found to be responsible; to the Committee on the Judiciary.

H.R. 1030. A bill to repeal sections 3478 and 3479 of the Revised Statutes (31 U.S.C. 204 and 205), which impose a requirement upon persons prosecuting claims, either as attorney or on their own account, to take the oath of allegiance and to support the Constitution of the United States; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 1031. A bill to provide grants to expedite the conversion by certain existing electric powerplants from the use of oil to coal or another alternate fuel and assist the ratepayers of the electric utilities involved in reducing the costs of conversion, and to otherwise reduce oil and other fuel consumption by electric utilities and their residential customers through conservation and other means; to the Committee on Energy and Commerce.

By Mr. DINGELL:

H.R. 1032. A bill to amend the Energy Security Act to restrict the use of foreign-produced articles, materials, and supplies in the construction of synthetic fuel projects financed or constructed by the Synthetic Fuels Corporation; jointly, to the Committees on Banking, Finance and Urban Affairs, and Energy and Commerce.

By Mr. EDWARDS of Alabama:

H.R 1033. A bill to amend the Clean Air Act to require certain areas to be designated as class III for purposes of the provisions of that act relating to nondegradation of air quality, and for other purposes; to the Committee on Energy and Commerce.

By Mr. ERLENBORN:

H.R. 1034. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. GAYDOS:

H.R. 1035. A. bill to amend the Clean Air Act to prohibit the Environmental Protection Agency from requiring motor vehicle inspection and maintenance until such time as each new motor vehicle is required to be separately tested for compliance with emission standards before its sale by the manufacturer, and for other purposes; to the Committee on Energy and Commerce.

H.R. 1036. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Ways and Means.

H.R. 1037. A bill to amend the Fair Labor Standards Act of 1938, to require prenotification to affected employees and communities of dislocation of business concerns, to provide assistance (including retraining) to employees who suffer employment loss through the dislocation of business concerns, to business concerns threatened with dislocation, and to affected communities, to prevent Federal support for unjustified dislocation, and for other purposes; jointly to the Committees on Education and Labor and Banking, Finance and Urban Affairs.

By Mr. GINN:

H.R. 1038. A bill to provide for the regular review of certain Federal agencies and for the abolition of such agencies after such review unless Congress specifically provides for their continued existence; to the Committee on Government Operations.

H.R. 1039. A bill to provide compensation for certain facilities on Cumberland Island National Seashore; to the Committee on Interior and Insular Affairs.

H.R. 1040. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

H.R. 1041. A bill to establish a program to develop marine artificial reefs in waters of U.S. jurisdiction; to the Committee on Merchant Marine and Fisheries.

By Mr. RICHMOND:

H.R. 1042. A bill to provide an opportunity for taxpayers to make financial contributions, in connection with the payment of their Federal income tax, for the advancement of the arts; jointly, to the Committees on Education and Labor, and Ways and Means.

By Mr. GINN:

H.R. 1043. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and expanding judicial review, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. GINN (for himself and Mr. FAUNTROY):

H.R. 1044. A bill for the relief of the prior owners of the Harris Neck Wildlife Refuge, or their heirs; to the Committee on the Judiciary.

Mr. GOLDWATER:

H.R. 1045. A bill to amend the Fair Credit Reporting Act dealing with consumer credit and privacy; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1046. A bill to amend the Fair Credit Reporting Act dealing with depository institutions and privacy, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1047. A bill to amend the Fair Credit Reporting Act dealing with insurance institutions and privacy; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1048. A bill to amend the Family Educational Rights and Privacy Act (20 U.S.C. 1232) to provide for the protection of the privacy of personal information, and for other purposes; to the Committee on Education and Labor.

H.R. 1049. A bill to amend the Privacy Act of 1974; to the Committee on Government Operations.

H.R. 1050. A bill to establish a Federal Information Practices Board to review and report on fair information and privacy practices of governmental and nongovernmental entities; to the Committee on Government Operations.

H.R. 1051. A bill to provide that receipts and disbursements of the Airport and Airway Trust Fund shall not be included in the budget of the U.S. Government; to the Committee on Government Operations.

H.R. 1052. A bill to establish an independent Federal Aviation Agency, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. JONES of Oklahoma (for himself and Mr. CONABLE):

H.R. 1053. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Ways and Means.

By Mr. GOLDWATER:

H.R. 1054. A bill to amend title 38, United States Code, to increase from 60 percent to 90 percent the percentage of the tuition and fees for an approved program of flight training which is paid by the Veterans' Administration under the GI bill educational assistance program; to the Committee on Veterans' Affairs.

H.R. 1055. A bill to amend title 38 of the United States Code in order to waive the payment of premiums for National Service Life Insurance by certain persons who have attained age 70; to the Committee on Veterans' Affairs.

H.R. 1056. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to waive payment of premiums on term life insurance during the continuance of certain disabilities beginning after the insured's 65th birthday; to the Committee on Veterans' Affairs.

H.R. 1057. A bill to amend the Internal Revenue Code of 1954 dealing with privacy; to the Committee on Ways and Means.

H.R. 1058. A bill to restrict the use of Social Security Act account numbers as governmental or universal personal identifiers; to the Committee on Ways and Means.

H.R. 1059. A bill to amend title XI of the Social Security Act to provide for the confidentiality of personal medical information created or maintained by medical care institutions providing services under the medicare or medicaid programs, and for other purposes; jointly, to the Committees on Energy and Commerce, and Ways and Means.

H.R. 1060. A bill to amend the Social Security Act to provide for the protection of the privacy of personal medical information maintained by certain medical care institutions; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 1061. A bill to provide for the privacy of certain public assistance and social service records used or maintained by State and private agencies under programs receiving Federal financial assistance; jointly, to the Committees on Agriculture, Energy and Commerce, and Ways and Means.

By Mr. SAM B. HALL, JR.:

H.R. 1062. A bill to amend title 10, United States Code, to provide that members of the uniformed services on active duty and their dependents are entitled to free preventive dental care; to the Committee on Armed Services.

H.R. 1063. A bill to amend the Internal Revenue Code of 1954 to exclude from the gross income of individuals who have attained the age of 62 interest received during any taxable year; to the Committee on Ways and Means.

By Mr. SAM B. HALL, JR. (for himself, Mr. HIGHTOWER, Mr. LUJAN, Mr. LUNGREN, Mr. ROUSSELOT, Mr. LAGOMARSINO, Mr. FORSYTHE, Mrs. BOGGS, Mr. BEARD, Mr. DAN DANIEL, Mr. RHODES, Mr. KINDNESS, Mr. THOMAS, Mr. EVANS of Georgia, Mr. STENHOLM, Mrs. SCHROEDER, Mr. FROST, Mr. STUMP, Mr. COLLINS of Texas, Mr. STANTON, Mr. LOTT, Mr. GUYER, Mr. DORNAN of California, Mr. HARTNETT, Mr. ROBERT W. DANIEL, JR., Mr. SYNAR, and Mr. DUNCAN:

H.R. 1064. A bill to amend the Internal Revenue Code of 1954 to provide that oil from any royalty interest shall be exempt from the windfall profit tax; to the Committee on Ways and Means.

By Mr. HINSON:

H.R. 1065. A bill entitled, "The Financial Regulation Simplification Act"; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1066. A bill to sunset the Credit Control Act; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1067. A bill to amend the National Labor Relations Act to provide for a freedom of choice in labor relations for full-time and part-time secondary and college students by exempting them from compulsory union membership, and for other purposes; to the Committee on Education and Labor.

H.R. 1068. A bill to amend the Fair Labor Standards Act of 1938 to provide a special minimum wage for the employment for limited periods of time of youth under the age of 19, to broaden the authority for the employment of full-time students at a special minimum wage, to establish standards for the application of the child labor provisions to employment in retail and service establishments, to delay for 2 years the increases in the minimum wage under the act scheduled to take effect in 1980 and 1981, to provide for a maximum tip credit of 50 percent, and for other purposes; to the Committee on Education and Labor.

H.R. 1069. A bill to amend the Occupational Safety and Health Act of 1970 to prohibit the issuance of a citation by the Secretary of Labor after the initial inspection of any workplace of an employer, and for other purposes; to the Committee on Education and Labor.

H.R. 1070. A bill to repeal Davis-Bacon; to the Committee on Education and Labor.

H.R. 1071. A bill to provide production for certain categories of crude oil by exempting such crude oil from price and allocation regulations under the Emergency Petroleum Allocation Act of 1973; to the Committee on Energy and Commerce.

H.R. 1072. A bill to direct the Secretary of Health and Human Services to institute a program of voluntary certification for health insurance policies sold in supplementation of medicare; to the Committee on Energy and Commerce.

H.R. 1073. A bill to amend the Immigration and Nationality Act to prevent the illegal entry and employment of aliens in the United States, to facilitate the admission of aliens for temporary employment, and for other purposes; to the Committee on the Judiciary.

By Mr. SOLARZ:

H.R. 1074. A bill to amend title 18 of the United States Code to make it a Federal crime to vandalize a house of worship or any religious articles therein; to the Committee on the Judiciary.

By Mr. HINSON:

H.R. 1075. A bill to amend certain provisions of title 28, United States Code, relating to venue in the district courts and the courts of appeals; to the Committee on the Judiciary.

H.R. 1076. A bill to amend title 18, United States Code, to increase the term of imprisonment for certain offenses relating to carrying or using firearms, to eliminate eligibility for parole with respect to such term, and to require that such term be served before and consecutively to any related sentence of imprisonment; to the Committee on the Judiciary.

H.R. 1077. A bill to amend section 4067 of the Revised Statutes to define further the circumstances under which certain aliens within the United States may be treated as alien enemies; to the Committee on the Judiciary.

H.R. 1078. A bill to amend the Lanham Act to provide that the Federal Trade Commission shall not have any authority to apply for the cancellation of a registered trademark under such act solely on the ground that the trademark has become the common descriptive name of an article or substance; to the Committee on the Judiciary.

H.R. 1079. A bill to extinguish Federal court jurisdiction to require attendance at a particular school of any student because of race, color, creed, or sex; to the Committee on the Judiciary.

H.R. 1080. A bill to amend title 38, United States Code, to provide that veterans' benefits under such title for which entitlement is based on length of service in the Armed Forces, in the case of persons enlisting in the Armed Forces on or after the end of the 90-day period beginning on the date of the enactment of this act, shall be available only to persons who complete their initial period of obligated service on active duty; to the Committee on Veterans' Affairs.

H.R. 1081. A bill to amend the Internal Revenue Code of 1954 to provide individuals a credit against income tax for amounts paid or incurred by the taxpayer for alterations to his principal residence in order to make such residence more suitable for handicapped family members; to the Committee on Ways and Means.

H.R. 1082. A bill to amend the Internal Revenue Code of 1954 to encourage individuals to invest in domestic securities by allowing a 10-percent income tax credit for such investments; to the Committee on Ways and Means.

H.R. 1083. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from the gross estate of a decedent of a portion of the value of certain interests in a farm or ranch or trade or business if the spouse or children of the decedent materially participate in such farm or ranch or trade or business; to the Committee on Ways and Means.

H.R. 1084. A bill to amend the Internal Revenue Code of 1954 to subject foreign investors to the capital gains tax on gain from the sale or exchange of certain farmland and other rural land located in the United States; to the Committee on Ways and Means.

H.R. 1085. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the annual gift tax exclusion from $3,000 to $6,000; to the Committee on Ways and Means.

H.R. 1086. A bill to amend part A of title IV of the Social Security Act to make it clear that any State may impose work requirements as a condition of eligibility for aid to families with dependent children; to the Committee on Ways and Means.

H.R. 1087. A bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the amount of the deduction for payments into retirement savings on the basis of the compensation of their spouses, and for other purposes; to the Committee on Ways and Means.

H.R. 1088. A bill to amend the Internal Revenue Code of 1954 to allow rapid amortization for buildings and equipment, and to take into account 100 percent of the cost of property for purposes of determining qualified investment under the investment tax credit; to the Committee on Ways and Means.

H.R. 1089. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates in the amount of personal exemptions; to the Committee on Ways and Means.

H.R. 1090. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Ways and Means.

H.R. 1091. A bill to amend the Internal Revenue Code of 1954 to allow an individual to establish a tax-exempt trust fund for the support of a handicapped dependent; to the Committee on Ways and Means.

H.R. 1092. A bill to amend the Internal Revenue Code of 1954 to provide that property may be levied upon for the collection of tax (other than where such collection is in jeopardy) only pursuant to a court order; to the Committee on Ways and Means.

H.R. 1093. A bill to exempt limited amounts of oil production by independent producers from the windfall profit tax and for other purposes; to the Committee on Ways and Means.

H.R. 1094. A bill to amend title II of the Social Security Act to provide that the waiting period for disability benefits shall not be applicable in the case of a disabled individual suffering from a terminal illness; to the Committee on Ways and Means.

H.R. 1095. A bill to amend the Internal Revenue Code of 1954 to provide for payment by the Government of all reasonable litigation expenses to prevailing taxpayers in legal action; to the Committee on Ways and Means.

H.R. 1096. A bill to amend the Internal Revenue Code of 1954 to prohibit the Internal Revenue Service from terminating for reasons of racial discrimination the tax exempt status of any organization established for the purposes of educational instruction without proper adjudication by a court of the United States or of any State; to the Committee on Ways and Means.

H.R. 1097. A bill to amend the Internal Revenue Code of 1954 to increase the unified credit against estate and gift taxes so that estates under $500,000 will not be subject to estate tax and to increase the gift tax exclusion from $3,000 to $6,000; to the Committee on Ways and Means.

H.R. 1098. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $10,000 of interest in the case of an individual taxpayer; to the Committee on Ways and Means.

H.R. 1099. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion for income earned abroad attributable to certain charitable services; to the Committee on Ways and Means.

By Mr. MONTGOMERY (for himself, Mr. HAMMERSCHMIDT, Mr. BOWEN, Mr. DORNAN of California, Mr. PRICE, Mr. MOTTL, Mr. SAWYER, and Mr. FLIPPO):

H.R. 1100. A bill to amend title 38, United States Code, to expand eligibility of former prisoners of war for certain health-care benefits provided by the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HINSON:

H.R. 1101. A bill to provide for permanent tax rate reductions for individuals; to the Committee on Ways and Means.

H.R. 1102. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

H.R. 1103. A bill to amend the Internal Revenue Code of 1954 to allow individuals a refundable tax credit for a portion of the rent which they pay on their principal residences and which is attributable to real property taxes; to the Committee on Ways and Means.

H.R. 1104. A bill to amend the Internal Revenue Code of 1954 to provide certain tax incentives for individuals and businesses in depressed area; to the Committee on Ways and Means.

H.R. 1105. A bill to amend the Small Business Act and an Act to amend the Small Business Act (Public Law 94-305, 90 Stat. 669) to provide regulatory flexibility for small businesses and small organizations to minimize unnecessary burdens in complying with Federal rules and reporting requirements; jointly, to the Committees on the Judiciary and Small Business.

H.R. 1106. A bill to require that the Secretary of Energy notify any State of any investigation of any site in such State for the construction of any radioactive waste storage facility and allow such State to prevent the construction of such facility on such site by an action of the State legislature or a statewide referendum; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

H.R. 1107. A bill to improve the administration of Federal firearms laws, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 1108. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and by expanding judicial review, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 1109. A bill to amend the Internal Revenue Code of 1954 to prevent tax deductions for the salary of aliens illegally employed in the United States and to amend the Social Security Act to limit benefits under the aid to families with dependent children program and under the medicaid program to citizens and lawfully admitted aliens; jointly, to the Committees on Ways and Means, and Energy and Commerce.

By Mr. HOLLENBECK:

H.R. 1110. A bill to amend title 18 of the United States Code to provide extended coverage for the minimum mandatory penalties for certain illegal uses of firearms, and for other purposes; to the Committee on the Judiciary.

By Mr. HOLLENBECK (for himself and Mrs. ROUKEMA):

H.R. 1111. A bill to provide that the U.S. District Court for the Judicial District of New Jersey shall be held at Hackensack, N.J., in addition to those places currently provided by law; to the Committee on the Judiciary.

By Mr. HOLLENBECK (for himself and Mr. GILMAN):

H.R. 1112. A bill to amend the Internal Revenue Code of 1954 to provide that the requirement that unemployment compensation be reduced by certain retirement benefits will not apply to social security and railroad retirement benefits; to the Committee on Ways and Means.

By Mr. JENKINS (for himself, Mr. JONES of Tennessee, Mr. SAM B. HALL, JR., Mr. LUNDINE, Mr. WHITLEY, Mr. MURPHY, Mr. HORTON, Mr. LEVITAS, Mr. DUNCAN, Mr. OBERSTAR, Mr. WINN, Mr. ERDAHL, Mr. BEVILL, Mr. JONES of North Carolina, Mr. MCDADE, Mr. LOTT, Mr. FORSYTHE, Mr. EVANS of Georgia, Mr. FINDLEY, Mr. SHELBY, Mr. GINN, Mr. HEFNER, Mr. STUMP, Mr. DICKENSON, Mr. HAMMERSCHMIDT, Mr. HOLLAND, Mr. ALEXANDER, and Mr. SYNAR):

H.R. 1113. A bill to provide for a resource conservation and development in the Department of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. LAGOMARSINO:

H.R. 1114. A bill to provide for the establishment of a National Voluntary Health Insurance Act; to the Committee on Energy and Commerce.

H.R. 1115. A bill to require the U.S. Government and persons carrying on federally assisted programs, projects, and activities to pay interest to business concerns for overdue sales and lease agreement payments; to the Committee on Government Operations.

H.R. 1116. A bill to designate the Dick Smith Wilderness in the Los Padres National Forest in the State of California; to the Committee on Interior and Insular Affairs.

H.R. 1117. A bill to amend chapter 44 of title 18 of the United States Code to extend the mandatory penalty feature of the prohibition against the use of firearms in Federal felonies, and for other purposes; to the Committee on the Judiciary.

H.R. 1118. A bill to prohibit vessels transporting Alaskan oil from using routes through the territorial and international waters northward of the Santa Barbara Channel Islands; to the Committee on Merchant Marine and Fisheries.

H.R. 1119. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

H.R. 1120. A bill to amend the Small Business Act to require Federal agencies to reimburse small business for certain paperwork costs; to the Committee on Small Business.

H.R. 1121. A bill to reduce social security payroll taxes by amending the Social Security Act and the Internal Revenue Code of 1954; to the Committee on Ways and Means.

H.R. 1122. A bill to amend the Internal Revenue Code to provide for individual housing accounts; to the Committee on Ways and Means.

H.R. 1123. A bill to amend the Internal Revenue Code of 1954 to provide a limited additional tax credit for political contributions to candidates for Congress; to the Committee on Ways and Means.

H.R. 1124. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

H.R. 1125. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 1126. A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard, personal exemption, and depreciation deductions, and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

H.R. 1127. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income amounts received from certain sales of land to the United States, any State, or certain tax-exempt organizations, if the primary use of such land after the sale is for purposes of fish and wildlife conservation or preservation as a natural area; to the Committee on Ways and Means.

H.R. 1128. A bill to establish a method whereby the Congress (acting in accordance with specified procedures) may prevent the adoption by the executive branch of rules or regulations which are contrary to law or in-

consistent with congressional intent or which go beyond the mandate of the legislation which they are designed to implement; jointly, to the Committees on the Judiciary and Rules.

H.R. 1129. A bill to provide that no increase in pay for Members of Congress shall take effect without a recorded vote in each House; jointly, to the Committees on Post Office and Civil Service and Rules.

H.R. 1130. A bill to require authorization of new budget authority for Government programs at least every 5 years, to provide for review of Government programs every 5 years, and for other purposes; jointly, to the Committees on Rules and Government Operations.

H.R. 1131. A bill to amend title XVIII of the Social Security Act for the purpose of improving certain provisions of the medicare program; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. LEHMAN:

H.R. 1132. A bill to allow a credit against Federal income taxes or a payment from the U.S. Treasury for State and local real property taxes or an equivalent portion of rent paid on their residences by individuals who have attained age 65; to the Committee on Ways and Means.

By Mr. LEVITAS:

H.R. 1133. A bill directing the President to exercise the authorities he has to require the Government of Iran to punish those persons responsible for seizing the U.S. Embassy in Tehran and holding the American hostages, to make reparations to those hostages and to the United States for damages resulting from such seizure, and to fully satisfy other claims of U.S. citizens against Iran; to the Committee on Forign Affairs.

H.R. 1134. A bill to amend title 28 of the United States Code to require the Attorney General to transmit reports to the Congress summarizing any position of the Attorney General that any provision of law is unconstitutional and is not to be enforced or defended by the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. LUJAN:

H.R. 1135. A bill to provide for the addition of about 25 acres to the Sandia Mountain Wilderness; to the Committee on Interior and Insular Affairs.

By Mr. LUJAN (for himself and Mr. SKEEN):

H.R. 1136. A bill to provide that if any land or interest in land is taken from a State by the Federal Government by eminent domain, such State may, instead of accepting monetary compensation therefor, acquire certain Federal lands or interests in land of approximately equal value; to the Committee on Interior and Insular Affairs.

H.R. 1137. A bill to authorize the State of New Mexico to select certain public lands in exchange for land taken by the United States for military and other uses, and for other purposes; jointly, to the Committees on Armed Services and Interior and Insular Affairs.

By Mr. MONTGOMERY:

H.R. 1138. A bill to amend title 38, United States Code, to extend for 2 years the period of eligibility for veterans readjustment appointments in the civil service for veterans of the Vietnam era; to the Committee on Veterans' Affairs.

H.R. 1139. A bill to amend title 38, United States Code, to establish a business loan program for disabled veterans and veterans of the Vietnam era, and for other purposes; jointly, to the Committees on Veterans' Affairs and Small Business.

By Mr. MONTGOMERY (by request):

H.R. 1140. A bill to amend title 10, United States Code, to authorize former members of the armed forces who are totally disabled as the result of a service-connected disability to travel on military aircraft in the same manner and to the same extent as retired members of the armed forces are permitted to travel on such aircraft; to the Committee on Armed Services.

H.R. 1141. A bill to amend the civil service retirement provisions of title 5, United States Code, to provide individuals double credit for periods of military service during which such individuals were held as prisoners of war; to the Committee on Post Office and Civil Service.

H.R. 1142. A bill to amend title 38, United States Code, to provide hospital and medical care to certain members of the Canadian Armed Forces; to the Committee on Veterans' Affairs.

H.R. 1143. A bill to amend title 38, United States Code, to increase the travel allowance paid by the Veterans' Administration for travel by a veteran in connection with a service-connected disability; to the Committee on Veterans' Affairs.

H.R. 1144. A bill to amend section 110 of title 38, United States Code, to liberalize the standard for preservation of disability evaluations for compensation purposes; to the Committee on Veterans' Affairs.

H.R. 1145. A bill to amend 38 U.S.C. 301(3) so as to include lupus erythematosis among the chronic diseases; to the Committee on Veterans' Affairs.

H.R. 1146. A bill to amend section 312 of title 38, United States Code, by providing a 2-year presumptive period of service connection for the psychoses which develop within two years from the date of separation from active service; to the Committee on Veterans' Affairs.

H.R. 1147. A bill to amend title 38, United States Code, to expand eligibility of former prisoners of war for certain veterans' benefits; to the Committee on Veterans' Affairs.

H.R. 1148. A bill to amend title 38, United States Code, to increase the rate of compensation payable to veterans who have lost or lost the use of both upper extremities as the result of service-connected disability; to the Committee on Veterans' Affairs.

H.R. 1149. A bill to amend 38 U.S.C. 312(a) so as to provide a 7-year presumptive period for syringomyelia; to the Committee on Veterans' Affairs.

H.R. 1150. A bill to amend title 38, United States Code, to provide for additional compensation for any veteran who has suffered loss or loss of use of one lung or one kidney; to the Committee on Veterans' Affairs.

H.R. 1151. A bill to amend title 38, United States Code, to extend eligibility for the Veterans' Administration clothing allowance to certain veterans with skin disorders resulting from service-connected diseases or injuries; to the Committee on Veterans' Affairs.

H.R. 1152. A bill to amend title 38, United States Code, to provide for the determination of certain unemployable veterans with service-connected disabilities as being totally disabled and to direct the Administrator of Veterans' Affairs to consider age in rating the degree of disability of veterans with service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 1153. A bill to amend title 38, United States Code, so as to provide a special pension program for veterans of World War I; to the Committee on Veterans' Affairs.

H.R. 1154. A bill to amend title 38, United States Code, chapters 15 and 51, to improve the death and disability pension program for veterans and their dependents; to the Committee on Veterans' Affairs.

H.R. 1155. A bill to amend title 38, United States Code, to extend eligibility for medical care benefits for survivors and dependents of veterans under the Veterans' Administration CHAMPVA program to survivors and dependents who are eligible for hospital insurance benefits under part A of title XVIII of the Social Security Act; to the Committee on Veterans' Affairs.

H.R. 1156. A bill to amend title 38, United States Code, to extend community nursing home care at Veterans' Administration expense to 9 months; to the Committee on Veterans' Affairs.

H.R. 1157. A bill to amend title 38, United States Code, to extend beyond September 30, 1981, the grants-in-aid program to the Veterans' Memorial Medical Center, Philippine Islands; to the Committee on Veterans' Affairs.

H.R. 1158. A bill to amend 38 U.S.C. 641 so as to promote the care and treatment of veterans in State veterans' homes; to the Committee on Veterans' Affairs.

H.R. 1159. A bill to amend title 38, United States Code, to extend from 1 year to 2 years the period during which veterans with service-connected disabilities may apply for national service life insurance; to the Committee on Veterans' Affairs.

H.R. 1160. A bill to amend title 38, United States Code, to permit certain eligible veterans to purchase up to $20,000 of national service life insurance; to the Committee on Veterans' Affairs.

H.R. 1161. A bill to amend title 38 of the United States Code in order to provide mortgage protection life insurance to certain veterans unable to acquire commercial life insurance because of service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 1162. A bill to amend section 802 of title 38, United States Code, to increase specially adapted housing benefits for certain seriously service-connected disabled veterans; to the Committee on Veterans' Affairs.

H.R. 1163. A bill to amend sections 902 and 903 of title 38, United States Code, to increase the burial allowance for veterans to $400; to the Committee on Veterans' Affairs.

H.R. 1164. A bill to amend chapter 23, title 38, United States Code, so as to provide that where death occurs in a State home, the Administrator shall pay the actual cost (not to exceed $300) of the burial and funeral, and transport the body to the place of burial in the same or any other State; to the Committee on Veterans' Affairs.

H.R. 1165. A bill to amend title 38, United States Code, to provide that any person who marries a veteran who has a permanent and total service-connected disability, and who has not been married previously, after such disability is determined to exist shall be afforded educational assistance comparable to that which would have been afforded had the marriage preceded the determination of such disability; to the Committee on Veterans' Affairs.

H.R. 1166. A bill to amend section 1902 of title 38, United States Code, to extend eligibility for automobile adaptive equipment to certain additional veterans; to the Committee on Veterans' Affairs.

H.R. 1167. A bill to amend section 1902 of title 38, United States Code, to extend eligibility for automobile adaptive equipment to

certain additional veterans; to the Committee on Veterans' Affairs.

H.R. 1168. A bill to amend title 38, United States Code, to transfer the functions of the Secretary of Labor under chapters 41, 42, and 43 of such title (relating to job counseling, training, placement, and reemployment of veterans) to the Administrator of Veterans' Affairs, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 1169. A bill to amend title 38 of the United States Code in order to liberalize the eligibility for benefits under chapter 42 of such title (relating to employment and training of disabled and Vietnam-era veterans); to the Committee on Veterans' Affairs.

H.R. 1170. A bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the Armed Forces to receive compensation concurrently with retired pay, without deduction from either; to the Committee on Veterans' Affairs.

H.R. 1171. A bill to amend title 38, United States Code, to provide that payment made to a hospitalized incompetent veteran will not be terminated unless such veteran's estate exceeds $3,000, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 1172. A bill to amend title 38, United States Code, to establish a Court of Veterans' Appeals and to prescribe its jurisdiction and functions; to the Committee on Veterans' Affairs.

H.R. 1173. A bill to amend section 307 of Public Law 96-151, by assigning the responsibility of designating a protocol for, and conducting an epidemiological study of, veterans who were exposed to agent orange, to an independent scientific agency; to the Committee on Veterans' Affairs.

By Mr. MOORHEAD:

H.R. 1174. A bill to incorporate the U.S. Submarine Veterans of World War II; to the Committee on Veterans' Affairs.

H.R. 1175. A bill to amend title 18, United States Code, to revise the scope and applicability of the postemployment conflict of interest provisions with respect to officers and employees of the executive branch; to the Committee on the Judiciary.

By Mr. PEASE:

H.R. 1176. A bill to amend section 8118 of title 5, United States Code, to provide for physical examinations with respect to claims for compensation for work injuries, and to provide that continuation of pay under such section shall not begin until the fourth day of disability; to the Committee on Education and Labor,

By Mr. PEPPER (for himself, Mr. PASHAYAN, Mr. ROUSSELOT, Mr. LUNGREN, Mr. LAFALCE, Ms. OAKAR, Mr. MATTOX, Mr. OTTINGER, Mr. KOGOVSEK, Mr. LAGOMARSINO, Mr. DICKINSON, Mr. CHAPPELL, Mr. ROTH, Mr. D'AMOURS, Mr. MURPHY, Mr. BOWEN, Mr. BIAGGI, Mr. MCDONALD, Mr. FORSYTHE, Mr. PANETTA, Mr. ANTHONY, Mr. HUGHES, Mr. GUYER, Mr. TRAXLER, Mr. FLIPPO, Mr. BARNES, and Mr. DANIEL B. CRANE);

H.R. 1177. A bill to amend the Internal Revenue Code of 1954 to repeal the family rental tax; to the Committee on Ways and Means.

By Mr. PERKINS:

H.R. 1178. A bill to amend title 23, United States Code, to provide assistance for energy impacted highway transportation; to the Committee on Public Works and Transportation.

By Mr. ST GERMAIN:

H.R. 1179. A bill to establish a Federal nonprofit corporation as the importing agent for the crude oil and petroleum products imported into the United States; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. ASHBROOK:

H.R. 1180. A bill to extinguish Federal court jurisdiction to require attendance at a particular school of any student because of race, color, creed, or sex; to the Committee on the Judiciary.

By Mr. PICKLE:

H.R. 1181. A bill to amend the Internal Revenue Code of 1954 to exempt incremental tertiary oil from the windfall profit tax; to the Committee on Ways and Means.

H.R. 1182. A bill to enhance tertiary oil recovery by amending the Internal Revenue Code relating to prepaid expenses in a tertiary oil project; to the Committee on Ways and Means.

By Mr. SHANNON:

H.R. 1183. A bill to amend the Internal Revenue Code of 1954 to allow a tax credit for certain research and development expenditures; to the Committee on Ways and Means.

H.R. 1184. A bill to amend the Tariff Schedules of the United States regarding the rate of duty that may be proclaimed by the President with respect to sugar imports; to the Committee on Ways and Means.

H.R. 1185. A bill to amend the Internal Revenue Code of 1954 to provide that certain research or experimental expenditures will not be taken into account for purposes of the small issue exemption from the industrial development bond rules; to the Committee on Ways and Means.

H.R. 1186. A bill to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to provide a credit against income tax for social security taxes, to provide a credit against income tax for research and experimental expenditures, and for other purposes; to the Committee on Ways and Means.

By Mr. SOLARZ:

H.R. 1187. A bill to amend the U.S. Housing Act of 1937 to enable local public housing agencies to enter into security arrangements designed to prevent crimes and otherwise insure the safety and well-being of public housing tenants; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1188. A bill to amend title 39, United States Code, relating to adjustment of work schedules for religious observances; to the Committee on Post Office and Civil Service.

H.R. 1189. A bill to amend the Urban Mass Transportation Act of 1964 relating to the formulas under which entitlements of urbanized areas for construction and operating assistance under such act are determined; to the Committee on Public Works and Transportation.

H.R. 1190. A bill to amend title 39 of the United States Code to reduce postal rates for small magazines, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1191. A bill to amend title 38, United States Code, to repeal the 10-year citizenship requirement for eligibility for veterans' health care benefits for lawful permanent residents of the United States who were members of the Armed Forces of Czechoslovakia or Poland during World War I or World War II and to extend such benefits to lawful permanent residents of the United States who were members of the Armed Forces of Russia, the Union of Soviet Socialist Republics, Estonia, Latvia, or Lithuania during either such war; to the Committee on Veterans' Affairs.

H.R. 1192. A bill to amend title II of the Social Security Act to eliminate the duration-of-marriage requirements (and other special requirements) which are presently applicable in determining whether a person is the widow or widower of an insured individual for benefit purposes; to the Committee on Ways and Means.

H.R. 1193. A bill to amend the Internal Revenue Code of 1954 to allow individuals a credit against income tax for expenditures made for the purchase and installation of locks and other security devices in principal residences; to the Committee on Ways and Means.

H.R. 1194. A bill to amend title XVI of the Social Security Act to provide that parents' income and resources shall not be attributed to a child under age 21 for purposes determining such child's eligibility for SSI benefits, if such child is under a disability which is permanent and total; to the Committee on Ways and Means.

H.R. 1195. A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that States reduce the amount of unemployment compensation payable for any week by the amount of certain retirement benefits; to the Committee on Ways and Means.

H.R. 1196. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, dentures, eyeglasses, and hearing aids among the benefits provided by the insurance program established by part B of such title, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 1197. A bill to provide for the delegation of duties by Professional Standards Review Organizations under title XI of the Social Security Act; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. SOLOMON (for himself, Mr. MITCHELL of New York, and Mr. JOHNSTON):

H.R. 1198. A bill to amend the Federal Water Pollution Control Act to delete the limitation on the use of public treatment works grants for treating, storing, or conveying the flow of industrial users into treatment works; to the Committee on Public Works and Transportation.

By Mr. STENHOLM:

H.R. 1199. A bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax; to the Committee on Ways and Means.

By Mr. TAUKE (for himself and Mr. LUNGREN, Mr. BAILEY of Missouri, Mr. BEARD, Mr. KINDNESS, Mr. ROBINSON, Mr. LAGOMARSINO, Mr. BONKER, Mr. BEDELL, Mr. PARRIS, Mr. COLLINS of Texas, Mr. FROST, Mr. MOFFETT, Mr. DANNEMEYER, Mr. KOGOVSEK, Mr. GRADISON, Mr. KILDEE, Mr. SYNAR, and Mr. WHITEHURST):

H.R. 1200. A bill to defer congressional pay adjustments until the beginning of the next following Congress, to require a recorded vote in each House for annual congressional pay adjustments, to provide that appropriations of funds for congressional pay be considered separately, and for other purposes; jointly, to the Committees on Post Office and Civil Service and Rules.

By Mr. WHITEHURST:

H.R. 1201. A bill to give the Food and Drug Administration greater discretion in

the control of food additives; to the Committee on Energy and Commerce.

H.R. 1202. A bill to reorganize the executive branch of the Federal Government to eliminate excessive, duplicative, inflationary, and anticompetitive regulation; jointly, to the Committees on Government Operations and Rules.

H.R. 1203. A bill to amend section 4067 of the Revised Statutes to define further the circumstances under which certain aliens within the United States may be treated as alien enemies; to the Committee on the Judiciary.

H.R. 1204. A bill to include in the definition of law enforcement officer contained in title 5, United States Code, employees whose duties include both the investigation, apprehension, or detention of criminals and the protection of human lives and property; to the Committee on Post Office and Civil Service.

H.R. 1205. A bill to amend the Congressional Budget Act of 1974 to require the Congressional Budget Office to prepare economic impact statements in connection with legislation reported by congressional committees and in connection with rules and regulations proposed by Federal agencies; to the Committee on Rules.

H.R. 1206. A bill to amend title 38, United States Code, to provide a new program of educational assistance for persons who serve in the Armed Forces; to the Committee on Veterans' Affairs.

H.R. 1207. A bill to amend chapter 34 of title 38, United States Code, to modify the termination date for veterans eligible for educational assistance provided under such chapter; to the Committee on Veterans' Affairs.

H.R. 1208. A bill to amend the Internal Revenue Code; to the Committee on Ways and Means.

H.R. 1209. A bill to provide that individuals who retired on disability before October 1, 1976, shall be entitled to the exclusion for disability payments under section 105(d) of the Internal Revenue Code of 1954 without regard to the income limitation in such section, and for other purposes; to the Committee on Ways and Means.

By Mr. WILSON:

H.R. 1210. A bill to provide for the induction of individuals, during the period beginning July 1, 1981, and ending June 30, 1983, for training and service in the Armed Forces; to the Committee on Armed Services.

H.R. 1211. A bill to provide that aliens employed in the United States shall not be entitled to vote in certain elections conducted among members of labor organizations; to the Committee on Education and Labor.

H.R. 1212. A bill to provide price incentives for production of crude oil from tertiary recovery projects; to the Committee on Energy and Commerce.

H.R. 1213. A bill to eliminate revenue sharing payments to State governments; to the Committee on Government Operations.

H.R. 1214. A bill to designate certain national forest system lands in the State of Texas as components of the National Wilderness Preservation System; to the Committee on Interior and Insular Affairs.

H.R. 1215. A bill to provide for the deportation from the United States of certain aliens who engage in demonstrations in support of acts of anti-American terrorism; to the Committee on the Judiciary.

H.R. 1216. A bill to provide for the cancellation of nonimmigrant visas of Iranian students and for the prompt departure of such students from the United States; to the Committee on the Judiciary.

H.R. 1217. A bill to authorize the Corps of Engineers to establish and develop separate campgrounds for senior citizens at lakes and reservoirs under the jurisdiction of the corps and to require that such a campground be established and developed at the Sam Rayburn Dam and Reservoir; to the Committee on Public Works and Transportation.

H.R. 1218. A bill to protect the confidentiality of the identities of certain employees of the Central Intelligence Agency; to the Permanent Select Committee on Intelligence.

H.R. 1219. A bill to designate management of certain lands in the Sam Houston National Forest, Tex., for uses other than wilderness; jointly, to the Committees on Agriculture, and Interior and Insular Affairs.

H.R. 1220. A bill to eliminate the exemption for Congress or for the United States from the application of certain provisions of Federal law relating to employment, privacy, and social security, and for other purposes; jointly, to the Committees on Education and Labor, Government Operations, and Ways and Means.

H.R. 1221. A bill to amend titles II and XVIII of the Social Security Act to eliminate the waiting period for disabled individuals to become entitled to coverage under the medicare program; jointly, to the Committees on Ways and Means, and Energy and Commerce.

Mr. WILSON (for himself, and Mr. CHAPPELL):

H.R. 1222. A bill to provide that revenues derived from the crude oil windfall profit tax shall be used to reduce the national debt; to the Committee on Ways and Means.

By Mr. WILSON (for himself, and Mr. SAM B. HALL, JR.):

H.R. 1223. A bill to provide for the tax treatment of interest on obligations issued by the Sabine River Authority of Texas; to the Committee on Ways and Means.

By Mr. BURGENER (for himself, Mr. BADHAM, Mr. HUNTER, and Mr. LOWERY of California):

H.J. Res. 103. Joint resolution authorizing the President to proclaim March 13, 1981 as "Spirit of Goodwill Day"; to the Committee on Post Office and Civil Service.

By Mr. DORNAN (for himself, Mr. SMITH of New Jersey, Mr. ST GERMAIN, and Mr. ZEFERETTI):

H.J. Res. 104. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right to life; to the Committee on the Judiciary.

By Mr. ERDAHL:

H.J. Res. 105. Joint resolution proposing an amendment to the Constitution to provide that, except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year; to the Committee on the Judiciary.

By Mr. GAYDOS:

H.J. Res. 106. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right to life; to the Committee on the Judiciary.

By Mr. GINN:

H.J. Res. 107. Joint resolution proposing an amendment to the Constitution to provide that, except in time of war and economic emergency declared by the Congress, expenditures of the Government may not exceed revenues of the Government during any fiscal year; to the Committee on the Judiciary.

By Mr. GOLDWATER:

H.J. Res. 108. Joint resolution to provide for the convening of an International Conference on Communication and Information, and for other purposes; to the Committee on Foreign Affairs.

By Mr. HEFNER:

H.J. Res. 109. Joint resolution designating April 1981 as "Gospel Music Month"; to the Committee on Post Office and Civil Service.

By Mr. HINSON:

H.J. Res. 110. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the Congress shall not exceed the revenues of the United States, except in time of war or national emergency, and to provide for the systematic repayment of the debt of the United States; to the Committee on the Judiciary.

H.J. Res. 111. Joint resolution designating the week of October 4 through October 10, 1981, as "National Diabetes Week"; to the Committee on Post Office and Civil Service.

H.J. Res. 112. Joint resolution authorizing the President to proclaim May 13 of each year "American Indian Day"; to the Committee on Post Office and Civil Service.

By Mr. KRAMER:

H.J. Res. 113. Joint resolution proposing an amendment to the Constitution of the United States which prohibits any deficit in the budget of the United States except in any fiscal year during which the United States is at war or during which a state of emergency has been declared by the Congress; to the Committee on the Judiciary.

By Mr. LAGOMARSINO:

H.J. Res. 114. Joint resolution requiring studies of certain grants; to the Committee on Government Operations.

H.J. Res. 115. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

H.J. Res. 116. Joint resolution proposing an amendment to the Constitution of the United States to require a two-thirds vote of each House to increase taxes; to the Committee on the Judiciary.

H.J. Res. 117. Joint resolution proposing an amendment to the Constitution of the United States limiting annual increases in Federal budget outlays and new Federal budget authority; to the Committee on the Judiciary.

H.J. Res. 118. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

H.J. Res. 119. Joint resolution proposing an amendment to the Constitution of the United States to limit the number of consecutive Congresses in which Senators and Representatives may serve; to the Committee on the Judiciary.

H.J. Res. 120. Joint resolution proposing an amendment to the Constitution of the United States to prohibit any Member of Congress sentenced for conviction of a felony during a session of Congress from continuing to serve as a Member of such Congress after the date of such sentencing; to the Committee on the Judiciary.

H.J. Res. 121. Joint resolution proposing an amendment to the Constitution of the United States relating to the compensation of Senators and Representatives, providing that no increase in compensation shall take

effect earlier than the following Congress; to the Committee on the Judiciary.

Mr. MAZZOLI:

H.J. Res. 122. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

Mr. MOLLOHAN:

H.J. Res. 123. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MONTGOMERY:

H.J. Res. 124. Joint resolution designating August 13, 1981, as "National Blinded Veterans Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. OBERSTAR (for himself, and Mr. ALBOSTA, Mr. ATKINSON, Mr. BLILEY, Mr. COATS, Mr. DOUGHERTY, Mr. ERLENBORN, Mr. GUYER, Mr. HINSON, Mr. HYDE, Mr. KILDEE, Mr. LEBOUTILLIER, Mr. LAGOMARSINO, Mr. LUNGREN, Mr. MAZZOLI, Mr. MOLLOHAN, Mr. MURPHY, Mr. PETRI, Mr. PRICE, Mr. SENSENBRENNER, Mr. STANGELAND, Mr. TRAXLER, Mr. YOUNG of Alaska, Mr. YOUNG of Missouri, Mr. DAUB, Mr. D'AMOURS, Mr. MCEWEN, Mrs. SMITH of Nebraska, Mr. EMERY, Mr. HAGEDORN, Mr. SMITH of New Jersey, Mr. MITCHELL of New York, and Mr. ZABLOCKI):

H.J. Res. 125. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. WAMPLER:

H.J. Res. 126. Joint resolution proposing an amendment to the Constitution of the United States with respect to public prayer; to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H.J. Res. 127. Joint resolution proposing an amendment to the Constitution of the United States to insure that due process and equal protection are afforded to an individual with respect to the right to life; to the Committee on the Judiciary.

By Mr. COLLINS of Texas:

H. Con. Res. 33. Concurrent resolution to provide, subject to certain exceptions, that the House of Representatives may meet only on certain days during a year; to the Committee on Rules.

By Mr. FINDLEY:

H. Con. Res. 34. Concurrent resolution expressing the sense of Congress with respect to the agreement between the United States and Iran signed in Algiers on January 20, 1981; to the Committee on Foreign Affairs.

By Mr. MARKS:

H. Con. Res. 35. Concurrent resolution expressing the sense of Congress that legislation providing for withholding of Federal income tax from dividends and interest should not be enacted; to the Committee on Ways and Means.

By Mr. STRATTON:

H. Con. Res. 36. Concurrent resolution expressing the sense of Congress with respect to the Baltic States; to the Committee on Foreign Affairs.

By Mr. TRAXLER (for himself, Mr. BRODHEAD, Mr. ROSENTHAL, Mr. ROEMER, Mr. WILLIAMS of Ohio, Mr. WILLIAMS of Montana, Mr. KOGOVSEK, Mr. JONES of Tennessee, Mr. MATSUI, Mr. BARNES, Mr. BLANCHARD, Mr. JOHNSTON, Mr. OBERSTAR, Mr. ROBERT W. DANIEL, Jr., Mr. ALBOSTA, Mr. MOLLOHAN, Mr. MURPHY, Mr. MOAKLEY, Mr. CONTE, Mr. LOWERY of California, Mr. DUNCAN, Mr. WEISS, Mr. AKAKA, Mr. LAGOMARSINO, Mr. COELHO, Mr. FISH, Mr. HANSEN of Idaho, Mr. MCGRATH, and Mr. WOLPE):

H. Con. Res. 37. Concurrent resolution expressing the appreciation of the American people for the efforts of the Algerian Government in securing the release of 52 U.S. citizens held hostage by Iran since November 4, 1979; to the Committee on Foreign Affairs.

By Mr. WHITEHURST:

H. Con. Res. 38. Concurrent resolution pertaining to the methods used on animals in research; jointly, to the Committees on Energy and Commerce and Science and Technology.

By Mr. WILSON:

H. Con. Res. 39. Concurrent resolution requiring payment of reasonable fees for use of congressional parking spaces; to the Committee on House Administration.

By Mr. EDWARDS of California (for himself Mr. FOLEY, Mr. GLICKMAN, Mr. HAMILTON, Mr. ROSE, Mrs. SCHROEDER, and Mr. STOKES):

H. Res. 31. Resolution to separate functions within the Committee on Standards of Official Conduct, and for other purposes; to the Committee on Rules.

By Mr. HINSON:

H. Res. 32. Resolution to express the sense of the House of Representatives that for the purpose of apportionment of Representatives in Congress among the several States, aliens not lawfully admitted into the United States should be excluded in the decennial census from the tabulation of total population by States; and that the Representatives in Congress should be apportioned among the several States on the basis of the number of persons in each State excluding such aliens; jointly to the Committees on Post Office and Civil Service and the Judiciary.

By Mr. HYDE:

H. Res 33. Resolution establishing a select committee to study and report on the embassy crisis in Iran; to the Committee on Rules.

By Mr. LAGOMARSINO:

H. Res 34. Resolution urging the President to convene a meeting of grain exporting nations to coordinate grain exporting policies and prices; to the Committee on Foreign Affairs.

By Mr. LEVITAS:

H. Res. 35. Resolution disapproving the issuance of certain regulations by the Secretary of Labor; to the Committee on Public Works and Transportation.

By Mr. MOTTL:

H. Res. 36. Resolution expressing the sense of the House of Representatives that the Secretary of Health and Human Services should not approve certain portions of the proposed model State adoption legislation prepared under the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978; to the Committee on Education and Labor.

By Mr. REUSS:

H. Res. 37. Resolution relating to public access to House of Representatives records at the National Archives; to the Committee on Rules.

By Mr. WHITEHURST:

H. Res. 38. Resolution establishing an Ad Hoc Committee on Water Resources; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENJAMIN:

H.R. 1224. A bill for the relief of Steve Tandaric; to the Committee on the Judiciary.

By Mr. BOWEN:

H.R. 1225. A bill for the relief of Kwan Do Sun; to the Committee on the Judiciary.

By Mr. BRINKLEY:

H.R. 1226. A bill for the relief of Jahanshah Forkhtakin; to the Committee on the Judiciary.

By Mr. CHAPPIE:

H.R. 1227. A bill for the relief of Bruce Roughton, Magdalen Roughton, Alastair Isiwyn Roughton, Angharad Gret Roughton, and Alexander Iestyn Roughton; to the Committee on the Judiciary.

By Mr. COELHO:

H.R. 1228. A bill for the relief of Frank Fabian; to the Committee on the Judiciary.

H.R. 1229. A bill for the relief of Francois Noghli and Nelie Noghli; to the Committee on the Judiciary.

By Mr. DAN DANIEL:

H.R. 1230. A bill for the relief of Mrs. Frances M. Butler; to the Committee on the Judiciary.

By Mr. DANIELSON:

H.R. 1231. A bill for the relief of the Washington Post, the Washington Star, the Dispatch (Lexington, N.C.), the Brooklyn Times, Equity Advertising Agency, Inc., the Seattle Post-Intelligencer, and the News Tribune; to the Committee on the Judiciary.

By Mr. DOWNEY:

H.R. 1232. A bill for the relief of Marilyn Ina Williams; to the Committee on the Judiciary.

By Mr. FOLEY:

H.R. 1233. A bill for the relief of Allen H. Platnick; to the Committee on the Judiciary.

By Mr. LUJAN:

H.R. 1234. A bill for the relief of Ken Schultz Buick/GMC, Inc.; to the Committee on the Judiciary.

By Mr. RAHALL:

H.R. 1235. A bill for the relief of Sheng Tchou and Ming Tchou Watt; to the Committee on the Judiciary.

By Mr. SOLARZ:

H.R. 1236. A bill for the relief of Nekhama Shevelev; to the Committee on the Judiciary.

H.R. 1237. A bill for the relief of Simon Stroh; to the Committee on the Judiciary.

By Mr. WAMPLER:

H.R. 1238. A bill for the relief of Granwel Aquino Esteban, his spouse, and family; to the Committee on the Judiciary.

By Mr. WILSON:

H.R. 1239. A bill for the relief of Oscar Raul Espinoza-Madariaga, Ines Grov Espinoza, Claudia Paola Espinoza Grov, and Felipe Andres Espinoza Grov; to the Committee on the Judiciary.

H.R. 1240. A bill for the relief of Maria Millaray Ruiz; to the Committee on the Judiciary.

By Mr. WOLPE:

H.R. 1241. A bill for the relief of Alvin Glenn White; to the Committee on the Judicairy.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 18: Mr. DERRICK and Mr. RICHMOND.

H.R. 45: Mr. ROUSSELOT.

H.R. 84: Mr. LUNDINE, Mrs. FENWICK, Mr. HUGHES, Mr. COELHO, Mr. MURPHY, Mr. BEILENSON, Mr. FASCELL, Mr. D'AMOURS, Mr. ADDABBO, Mr. WEISS, Mr. MOFFETT, Mr. DANIELSON, Mr. BONIOR of Michigan, Mr. KOGOVSEK, Mr. TRAXLER, and Mr. JONES of North Carolina.

H.R. 654: Mr. ARCHER, Mr. BADHAM, Mr. BOWEN, Mr. BUTLER, Mr. CHAPPELL, Mr. COLLINS of Texas, Mr. DAN DANIEL, Mr. DORNAN of California, Mr. ERTEL, Mr. FORSYTHE, Mr. FRENZEL, Mr. FROST, Mr. GINN, Mr. GLICKMAN, Mr. HORTON, Mr. HOWARD, Mr. JACOBS, Mr. KEMP, Mr. KINDNESS, Mr. KRAMER, Mr. LOTT, Mr. PEPPER, Mr. PRICE, Mr. ROUSSELOT, Mr. SAWYER, Mr. SHUMWAY, Mr. SOLOMON, Mr. STENHOLM, Mr. WILSON, Mr. SAM B. HALL, JR., Mr. DUNCAN, Mr. HANCE, Mr. WHITEHURST, Mr. HIGHTOWER, Mr. MCDADE, and Mr. LEHMAN.

H.R. 821: Mr. VANDER JAGT and Mr. MCCLOSKEY.

H.J. Res. 9: Mr. EDWARDS of Oklahoma, Mr. BEVILL, Mr. COLLINS of Texas, Mr. DAN DANIEL, Mr. LAGOMARSINO, Mr. DUNCAN, Mr. ROBINSON, Mr. MCEWEN, Mr. GUYER, Mr. EVANS of Georgia, Mr. DANIEL B. CRANE, Mr. SIMON, Mr. ROTH, Mr. GINGRICH, Mr. BROWN of Ohio, Mr. COATS, Mr. BADHAM, Mr. CLAUSEN, and Mr. STUMP.

H.J. Res. 56: Mr. GRISHAM, Mr. COLLINS of Texas, Mr. SHELBY, Mr. ARCHER, Mr. WINN, Mr. APPLEGATE, Mr. HANSEN of Idaho, Mr. BEVILL, Mr. BEARD, Mr. GUYER, Mr. DAN DANIEL, Mr. LAGOMARSINO, Mr. DERWINSKI, Mr. LUNGREN, Mr. KRAMER, Mr. SNYDER, Mr. GINGRICH, Mr. SHUMWAY, Mr. BADHAM, Mr. DORNAN of California, Mr. DICKINSON, Mr. YOUNG of Missouri, Mr. MONTGOMERY, Mr. HARTNETT, Mr. SAM B. HALL, JR., Mr. STUMP, Mr. ROBERT W. DANIEL, JR., and Mr. WHITEHURST.

H.J. Res. 92: Mr. YOUNG of Missouri.

SENATE—*Thursday, January 22, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met in executive session at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, we thank Thee for the rare high moments of prayer when to us there come flashes of pure beauty, pure goodness, and pure love revealing Thy nature and man's possibilities. Spare us from cozy acquiescence with things as they are. Guard us from any easy confirmation of an unexamined course of action. Give us grace and wisdom to live by the moral imperatives delivered to us by the Founding Fathers—those spiritual verities which lift and help and heal. Help us to empty ourselves of everything that obstructs the rule of our spirit within us. Make us obedient to the still small voice commanding, "This is the way, walk in it." So may goodness and mercy follow us all our days that we may abide with Thee forever. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The Senator from Tennessee.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. BAKER. Mr. President, I note that the distinguished minority leader is temporarily detained; and I suggest the absence of a quorum, so that we may check on his availability.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PROPOSED ORDER OF PROCEDURE ON NOMINATIONS

Mr. BAKER. Mr. President, I wish to advise the Senate and most especially the minority leader of my preference for the consideration of the matters remaining on the Executive Calendar today.

The Smith nomination to be Attorney General of the United States, I believe, will be the pending business at the resumption of the consideration of the Executive Calendar. Is that correct?

The PRESIDENT pro tempore. The Senator is correct.

Mr. BAKER. I thank the Chair.

Mr. President, it is my hope, then, that we will proceed on the nominations for Cabinet-level positions as they occur on the Executive Calendar with one exception, and that one exception is the nomination of Mr. Bell to be Secretary of Education. I wish to postpone that until not earlier than 4:30 p.m. this afternoon and, otherwise, to proceed as we can with the nominations sequentially. Also I would like to stack votes on those nominations that we consider this morning until, say, 4 p.m. this afternoon, and provide for votes in sequence without any intervening debate, motion, appeal, or point of order at that time, with the proviso that the first vote will be 15 minutes and succeeding votes will be 10 minutes each; that when we conclude with the disposition of those votes we resume consideration of the calendar in sequence with the exception of Bell, as I have heretofore described, and resume the regular sequence of voting following on after the consideration and debate on the several nominees rather than stacking the votes.

It would be my intention, then, to continue with that sequence until about 10 p.m. this evening, with the hope that this procedure would lead us to a final disposition of the Cabinet-level appointees, with the exception of the one which has been referred to committee. If we can conclude at or about 10 p.m. this evening it would be my intention, then, to recess the Senate until 11 a.m. tomorrow when we would have a pro forma session and then go over until Tuesday. If we cannot finish tonight at 10 p.m. it would be my intention, to recess the Senate until 10 a.m. on Friday and resume consideration of such nominations for Cabinet-level positions which may remain on the Executive Calendar.

I wonder if the minority leader wishes to comment.

Mr. PROXMIRE. Mr. President, will the Senator yield briefly?

Mr. BAKER. I yield first to the distinguished minority leader.

Mr. ROBERT C. BYRD. Mr. President, the distinguished majority leader has very lucidly laid out the program with respect to the nominations.

I should be happy to contact my colleagues on this side of the aisle through the Cloak Room and see if there are any objections to the schedule as proposed by the majority leader and will be getting back to him as soon as I can.

Mr. BAKER. Mr. President, I thank the minority leader, and I will withhold making the request until after the minority leader has had the opportunity to consult and confer.

I might make one modification. I suggested that we begin voting on stacked votes at 4 p.m. I am told we would prefer to begin stacked votes at 4:30 p.m. That would be the only other change.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. PROXMIRE. Mr. President, I understood the Senator indicated that after the votes occur we would not take up the Bell nomination. I thought earlier that I understood the majority leader to say in a private conversation that we could proceed with Bell some time after 4:30 p.m. or so.

Mr. BAKER. Yes, that is true. What would happen as a practical matter, I believe, is that we would begin at 4:30 p.m. on a series of stacked votes and when that is completed proceed to the Bell nomination, assuming that we had by that time reached Bell on the Executive Calendar.

But it is my intention to dispose of Bell today if we possibly can, as I hope we can dispose of all of the Cabinet-level nominations on the Executive Calendar today.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield further?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. Mr. President, following the debate on the nomination of Mr. William French Smith to be Attorney General and between that time and the 4:30 p.m. beginning of votes in the event the schedule is agreed to as proposed by the majority leader, what other nominees, then, would we expect to be debated on and which we would then be prepared to vote on at 4:30 p.m. in sequence?

Mr. BAKER. Mr. President, I suspect that after we finish with Mr. Smith we would proceed to the consideration of Mr. Watt to be Secretary of the Interior, following on after that to Mr. Block to be Secretary of Agriculture, following on after that to Mr. Baldrige to be Secretary of Commerce, Mr. Pierce to be Secretary of the Department of Housing and Urban Development, Mr. Lewis, of Pennsylvania, to be Secretary of the Department of Transportation, Mr. Edwards to be Secretary of Energy, and then to postpone Mr. Bell if the hour of 4:30 p.m. has not yet arrived until we have finished the stacked votes.

I would hope, incidentally, that the minority leader will inquire of the possi-

bility of reducing the time that we have already provided for some of these nominations, if we are going to finish at 10 p.m. or 11 p.m., because if they still remain by 10 p.m. tonight the Senate would be hard put if we used all the time we have already provided for.

Mr. ROBERT C. BYRD. Very well, I will have my colleagues on this side of the aisle contacted, and once I can feel that I have an adequate response I will be back in touch with the majority leader.

Mr. BAKER. Mr. President, I thank the minority leader, and I am now prepared to yield my remaining time I have under the standing order to the distinguished minority leader if he wishes.

Mr. ROBERT C. BYRD. I thank the majority leader.

Madam President, how much time do I have?

The PRESIDING OFFICER (Mrs. HAWKINS). The minority leader has 10 minutes.

Mr. ROBERT C. BYRD. I thank the Chair.

MAINTAIN THE GRAIN EMBARGO

Mr. ROBERT C. BYRD. Madam President, this Senator has consistently supported the grain embargo imposed on the Soviet Union just over 1 year ago. I believe it is imperative that the United States clearly demonstrate that aggressive behavior by the Soviets will be costly to them. To continue unrestricted sales of agricultural commodities to the Soviet Union, while that nation invaded and subjugated previously independent Afghanistan, would have been construed by other countries as apathy toward aggression. Our response to the Soviet move shows our allies and our potential adversaries that aggression carries a cost.

I have been encouraged in recent weeks by the statements of President Reagan and his senior advisers with regard to the grain embargo. It is understandable that certain positions stated during the intense pressures of the Presidential campaign battle may have been subsequently reexamined. I am encouraged that the grain embargo will be analyzed and that it will not be instantly scrapped by the new administration. The embargo has had both substantive and symbolic effects on the Soviet Union. These effects, though sometimes subtle, will I am sure be apparent to the new administration.

First, it is important to recognize the conditions that prompted President Carter to impose the restrictions on farm exports to the Soviet Union. The invasion of Afghanistan was the first time since the end of World War II that the Soviet Union had directly invaded a previously independent and unoccupied nation. The Soviet action poses a threat to Pakistan, Iran, and the other countries of South Asia and the Near East. That region is fragile enough without the prospect of increased tensions caused by Soviet military adventures.

By entering and occupying Afghanistan, the Soviet Union has put its aircraft within striking range of the oil facilities and resources of the Persian Gulf. This is a serious development not only for the United States, which depends on the movement of oil from the gulf for about one-fourth of its total supplies, but for our European and Japanese allies as well. Those nations are far more dependent on oil from the gulf.

These are critical considerations for those responsible for carrying out our foreign policy and defending our national security. These factors have not changed since the Soviets moved into Afghanistan in December 1979.

The Reagan administration will face the facts of Soviet military subjugation of Afghanistan as it considers whether to lift the embargo. The repression of the people of Afghanistan has not been lifted; the embargo remains an appropriate American policy.

The effect of the embargo on the Soviet Union has been the subject of some dispute. Evidence from the Department of Agriculture, the Defense Intelligence Agency, international grain trading companies, and our allies shows an unmistakable trend. It became clear by mid-November 1980, that the Soviet grain harvest for this crop year was disastrous. A total of less than 200 million tons of grain was harvested by the Soviets in 1980, despite a planned level of 235 million tons. Anticipating the bad harvest, President Brezhnev gave an uncharacteristically pessimistic speech to the Central Committee of the Communist Party in October 1980. He reviewed the shaky state of Soviet agriculture, and suggested that the situation was getting worse. The bad harvest in 1980 nearly matched the debacle of 1979, and the two consecutive poor years put pressure on the Soviet standard of living. In his speech, the Soviet leader evidently made an exceptionally rare effort to soften the blow to his people. Such admissions are almost unheard of in the Soviet Union, and often signal major policy shakeups.

True to form, a new member, an agricultural specialist, was installed in the Politburo shortly after the poor harvest. The Soviets have had to adjust their supreme governing body in light of their food problems.

More evidence on the reduction in Soviet meat supplies and basic food stuffs has been forthcoming over the past several months. A reduction in the Soviet standard of living is a serious setback when the Soviet leaders are attempting to increase the supply of red meat and other food.

The Soviets have had to draw down their reserve stocks of grain. They have had to slaughter substantial portions of their livestock herds, which are fed grain. The typical lines for even basic food items that are found in Communist countries are longer in the Soviet Union, particularly in the regions which are seldom in contact with the West.

While the Soviet Union had pinned its hopes on a gala celebration at the 1980 Moscow Olympics to make the world forget about its cruel invasion of Afghanistan, day-to-day shortages, high prices, and reduced amounts of food have been the Soviets' reward for their aggression. The world watched a sadly diminished Olympics, but the Soviets themselves have had to live with the embargo.

I hope that the new administration will closely and carefully study the costs of our embargo to the Soviet Union. I believe it is an appropriate and necessary part of our policy toward the Soviet Union.

I hope that the grain embargo will be retained.

ORDER OF PROCEDURE

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of Executive Calendar No. 3, Mr. William French Smith to be Attorney General.

ROUTINE MORNING BUSINESS

Mr. BAKER. Madam President, I ask unanimous consent, as in legislative session, that there now be a brief period for the transaction of routine morning business not to exceed 20 minutes, and that Senators may speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOCIOLOGICAL STUDIES ON GENOCIDE

Mr. PROXMIRE. Madam President, many fields of study and many scholars have made an attempt to study the causes of the holocaust that occurred in Germany in World War II, before World War II, in which 6 million Jews were exterminated, and many other examples of genocide and, I think, too few people realize that there have been many, and they continue, having gone on throughout the centuries, and even today, in parts of Asia and Africa, genocidal actions are taking place.

One of the most thoughtful scholarly studies was made by Irving Horowitz in a book called "Genocide: State Power and Mass Murder."

Madam President, one of the conclusions that Mr. Horowitz comes to is that genocide is not something that occurs automatically, sporadically, and occasionally. It is something that is usually planned, premeditated. It is a course of mass destruction that can only be conducted with state approval, with the government consciously doing it.

It is hard to think of a more heinous human action than the whole apparatus of a state being pulled together to destroy what is usually a helpless minority within the country. But that is the conclusion of this thoughtful scholar.

He points out that, of course, one of the purposes is to bring national solidarity about, to pull the local people together, to create a greater degree of homogeneity, to liquidate national groups in order to perhaps increase the money available to the state.

It is the kind of terrible crime which, as I say, is not something that is in our distant past or even in our recent past but something of which all of us who are thoughtful, concerned, are aware can and undoubtedly will occur again, particularly if we do not take the kind of action which the Senate should take under the Genocide Treaty.

For that reason, Madam President, I do hope Senators will do their best to support the Genocide Treaty. I hope the Committee on Foreign Relations, which has in the past reported this treaty to the Senate four times, will do so again.

Yesterday we were made aware of the fact that the Secretary of State-designate favors the treaty. He said the failure of this country to ratify it has been a source of embarrassment and, of course, he supports the position taken by every President since Truman in 1949.

I think one fundamental goal to achieve human rights that I would think all Senators can support, since all religious groups support it, all ethnic groups support it, as I say the present administration appears to support it, would be to ratify the Genocide Treaty, and I call on my colleagues to do so.

AUTHORIZATION FOR THE SECRETARY OF THE SENATE TO RECEIVE MESSAGES FROM THE PRESIDENT AND THE HOUSE OF REPRESENTATIVES

Mr. BAKER. Madam President, and, by the way, these two requests have been cleared with the distinguished minority leader, I ask unanimous consent that from now until February 6, 1981, on weekdays, Monday through Friday, the Secretary of the Senate be authorized to receive messages from the President of the United States and the House of Representatives and that they be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR THE VICE PRESIDENT, THE PRESIDENT PRO TEMPORE, AND ACTING PRESIDENT PRO TEMPORE TO SIGN DULY ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. BAKER. Madam President, I ask unanimous consent that from now until February 6, 1981, on weekdays, Monday through Firday, the Vice President, the President pro tempore, and the Acting President pro tempore be authorized to sign duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

DEPARTMENT OF JUSTICE

NOMINATION OF WILLIAM FRENCH SMITH, OF CALIFORNIA, TO BE ATTORNEY GENERAL

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of Executive Calendar Order No. 3, Mr. William French Smith to be Attorney General.

The Senate resumed consideration of the nomination.

Mr. ROBERT C. BYRD. Madam President, I suggest the absence of a quorum, and I ask unanimous consent that the time for the quorum not be charged against either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk called the roll and the following Senators entered the Chamber and answered to their names:

[Quorum No. 4 Ex.]

Baker	Dixon	Proxmire
Bentsen	Hawkins	Rudman
Biden	Huddleston	Thurmond
Byrd, Robert C.	Mattingly	

The PRESIDING OFFICER. A quorum is not present.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Madam President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee. The yeas and nays were ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH), the Senator from North Carolina (Mr. HELMS), the Senator from Nevada (Mr. LAXALT), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that, if present and voting, the Senator from Utah (Mr. HATCH), would vote "yea."

Mr. CRANSTON. I announce that the Senator from Oklahoma (Mr. BOREN), the Senator from Hawaii (Mr. INOUYE), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Georgia (Mr. NUNN) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced, yeas 89, nays 3, as follows:

[Rollcall Vote No. 7 Ex.]

YEAS—89

Abdnor	East	Mitchell
Andrews	Exon	Moynihan
Armstrong	Ford	Murkowski
Baker	Garn	Nickles
Baucus	Glenn	Packwood
Bentsen	Gorton	Pell
Biden	Grassley	Percy
Boschwitz	Hart	Pressler
Bradley	Hatfield	Proxmire
Bumpers	Hawkins	Pryor
Burdick	Hayakawa	Quayle
Byrd, Harry F., Jr.	Heflin	Randolph
	Heinz	Riegle
Byrd, Robert C.	Hollings	Roth
Cannon	Huddleston	Rudman
Chafee	Humphrey	Sarbanes
Chiles	Jackson	Sasser
Cochran	Jepsen	Schmitt
Cohen	Johnston	Simpson
Cranston	Kassebaum	Specter
D'Amato	Kasten	Stafford
Danforth	Kennedy	Stennis
DeConcini	Leahy	Stevens
Denton	Levin	Symms
Dixon	Long	Thurmond
Dodd	Lugar	Tower
Dole	Mattingly	Tsongas
Domenici	McClure	Wallop
Durenberger	Melcher	Warner
Eagleton	Metzenbaum	Williams

NAYS—3

Goldwater	Weicker	Zorinsky

NOT VOTING—8

Boren	Inouye	Matsunaga
Hatch	Laxalt	Nunn
Helms	Mathias	

So the motion was agreed to.

The PRESIDING OFFICER. With the addition of Senators voting who did not answer the quorum call, a quorum is present.

MODIFIED ORDER OF PROCEDURE

Mr. BAKER. Madam President, I ask unanimous consent that, after we conclude consideration of the Smith nomination, instead of proceeding to the next item on the Executive Calendar, Mr. Watt, we proceed to the nomination following that, of Mr. Block, and that the Watt nomination be scheduled for later in the afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

DAY OF THANKSGIVING FOR RETURN OF HOSTAGES

Mr. HATFIELD. Madam President——

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Madam President, I yield to the distinguished Senator from Oregon 2 minutes.

Mr. HATFIELD. I thank the distinguished Senator.

Madam President, as in legislative session, I send to the desk a resolution.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

Mr. HATFIELD (for himself, Mr. BAKER, Mr. ROBERT C. BYRD, Mr. THURMOND, Mr. HUMPHREY, Mr. ANDREWS, Mr. BENTSEN, Mr. BIDEN, Mr. BOREN, Mr. BOSCHWITZ, Mr. BUMPERS, Mr. BURDICK, Mr. CANNON, Mr. CHAFEE, Mr. COCHRAN, Mr. COHEN, Mr. DANFORTH, Mr. DECONCINI, Mr. DENTON, Mr. DIXON, and Mr. GORTON) proposes a joint resolution (S.J Res. 16) designating January 29, 1981, as "A Day of Thanksgiving to Honor our Safely Returned Hostages."

The text of the joint resolution follows:

Whereas we the people of the United States are one people under God;

Whereas in recognition of the hope, honor, faith, and courage of those men and women who have been forcibly held prisoner in Iran;

Whereas eight brave men laid down their lives in the pursuit and defense of freedom;

Whereas in order for the people of the United States of America to express their appreciation, hope, and care for these men and women; and

Whereas in order for the nation to express its thanks to God for the safekeeping of these people and this country: Now therefore, be it

Resolved, by the Senate and House of Representatives of the United States of America in Congress assembled,

That the 29th day of January, 1981, is declared a day of thanksgiving to honor our safely returned hostages, and that Americans participate in services in places of their own choosing on that date, as already called for by churches, synagogues, and mosques across the country.

Mr. HATFIELD. Madam President, our entire Nation has experienced overwhelming emotion and a corporate prayer of Thanksgiving over the past several days in witnessing the courage and good health of our American diplomats. In my judgment, there has not been the unity we have experienced in our celebration since V–E Day in 1945. Led by the gracious solidarity of President Carter and President Reagan, our hearts are filled with gratitude to Almighty God for answering our prayers.

Over the past several months, there has been a movement growing across our land and transcending all religious lines. Mrs. Louisa Kennedy and Mrs. Katherine Keough, the distinguished spokespersons for the hostage families, have enthusiastically endorsed this groundswell desire for a day of thanksgiving in our houses of worship.

Organizations as disparate as the National Council of Churches and the National Association of Evangelicals, and the Synagogue Council of America, and the American Muslim Mission have called for a service to honor our "returnees" in our churches, synagogues and mosques.

Madam President, the joint resolution I have at the desk resolves that the day for this national service be next Thursday, January 29, 1981.

I ask unanimous consent that the attached list of sponsoring organizations be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICANS ASKED TO HONOR HOSTAGES

American religious leaders on January 8, 1981, asked that all churches, synagogues, and other places of worship, hold services in the traditions of their own faiths, in honor of the hostages in Iran on January 29, 1981 at 7:30 p.m.

"During the winter holidays, our hostages in Iran sent all of us calls for faith and hope. We would like to return a strong message, with all Americans, of hope, care, faith and unity. We therefore ask every church, synagogue, and place of worship in the nation to hold a service at the designated time to honor the courage of our Americans in Iran an to pray for finding a solution for their safe and speedy return.

"This is an opportunity for all Americans to express in a concrete way, their concern, their frustration, and their hope for a peaceful solution to the Iranian situation and to join the families in praying for these men and women.

"We ask that everyone join together and encourage each other to send this message to our hostages in Iran."

AMERICANS ASKED TO HONOR HOSTAGES

The National Council of the Churches of Christ in the U.S.A.:

The Reverend M. William Howard, President.

Dr. Claire Randall, General Secretary, 475 Riverside Drive, New York, N.Y.

National Conference of Christians and Jews:

Dr. David Hyatt, President, 43 West 42nd Street, New York, N.Y.

Synagogue Council of America:

Rabbi Bernard J. Mandelbaum, Executive Vice President, 10 East 40th Street, New York, N.Y.

Rabbi Daniel F. Polish, Associate Vice President, Washington, D.C.

U.S. Catholic Conference:

Bishop Thomas C. Kelly, O.P., General Secretary, 1312 Massachusetts Avenue, N.W., Washington, D.C.

Reverend J. Bryan Hehir, Associate Secretary, International Justice and Peace, U.S. Catholic Conference.

National Association of Evangelicals:

Bishop J. Floyd Williams, President, P.O. Box 12609, Oklahoma City, Okla.

Dr. Billy A. Melvin, Executive Director, P.O. Box 28, Wheaton, Ill.

Robert P. Dugan, Jr., Director, Office of Public Affairs.

Interfaith Conference of Metropolitan Washington:

Reverend Clark Lobenstine, 1419 V Street, N.W., Washington, D.C.

Washington Cathedral:

Right Reverend John T. Walker, Bishop of the Episcopal Diocese of Washington, D.C.

Reverend Canon Charles A. Perry, Provost of Washington Cathedral.

Canon Michael Hamilton, Washington Cathedral.

Organized by a committee of people concerned about the hostages. Also including, Susan Wagner, Arthur S. Flemming, Burnette Thompson, Canon Lloyd Casson, Reverend James Adams, Reverend John Loving, Lou Lowe, Lee Cross, St. Mark's Episcopal Church, Washington, D.C.

AMERICAN MUSLIM MISSION JOINS IN CALL FOR AMERICANS TO HONOR THE HOSTAGES

Imam Khalil Abdel Olim, Convenor of the Council of Imams for the American Muslim Mission, January 21, 1981, joined religious leaders of every faith who have asked that Americans participate in services to honor the hostages on January 29, at 7:30 P.M.

Interfaith services are to be held in mosques, churches, and synagogues, in the tradition of each faith, across the country to continue to show the nation's support for the men and women who have been in Iran, and to pray for their safety.

Organizations sponsoring the services include the National Council of Churches, the National Conference of Christians and Jews, Synagogue Council of America, U.S. Catholic Conference/Council of Bishops, National Association of Evangelicals, the American Muslim Mission, Interfaith Conference of Metropolitan Washington, and the Washington Cathedral which holds an hourly vigil for the hostages.

APPROPRIATE WAY FOR AMERICANS TO PARTICIPATE

Mrs. Louisa Kennedy, spokesperson for the hostage families in Washington, pointed out that these services are a very appropriate way for Americans to participate in the care of the hostages and in their homecoming.

Mr. HATFIELD. Just briefly, Madam President, I should like to say this is a resolution calling for a day of thanksgiving next Thursday, that all the mosques, synagogues and churches be opened for people to express their thanksgiving for the safe return of the hostages. This has been done at the request of some of the families of the hostages as well as friends and other concerned citizens. When we have proper clearance for this from committee chairmen, I expect that there will be immediate consideration of this and a vote on it. In the meantime, it will be at the desk for other Senators to affix their signatures if they wish to cosponsor.

Madam President, I ask that the resolution be held at the desk until disposed of.

Mr. ROBERT C. BYRD. Madam President, reserving the right to object, as I understand it, the distinguished Senator from Oregon is asking unanimous consent that the resolution be held at the desk pending further disposition today?

Mr. HATFIELD. That is correct.

Mr. ROBERT C. BYRD. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

DEPARTMENT OF JUSTICE

NOMINATION OF WILLIAM FRENCH SMITH, OF CALIFORNIA, TO BE ATTORNEY GENERAL

The Senate continued with consideration of the nomination.

Mr. THURMOND. Madam President, I yield myself such time as I may need.

As Chairman of the Senate Judiciary Committee, it gives me great pleasure to recommend to the full Senate the President's choice to be Attorney General of the United States, William French Smith.

Mr. Smith, a graduate of the University of California and the Harvard Law School, has proven to be a capable, competent and distinguished attorney in the Los Angeles law firm of Gibson, Dunn & Crutcher. He has been both a member and senior partner in that firm for 35 years. Mr. Smith specialized in labor-management relations and corporate

litigation and representation. In addition, he has served as a leader in a number of community activities, as well as serving on the boards of numerous institutions, corporations and associations.

Madam President, William French Smith has also served as personal attorney to President Reagan, an experience which should serve him well in his duties as Attorney General. The President is going to need wise and trusted counsel during the coming weeks and years, and I am fully confident that Mr. Smith will be capable of meeting that challenge.

During the past few weeks, Mr. Smith has been meeting with members of the Judiciary Committee and last week the committee had an opportunity to meet and discuss with Mr. Smith a number of issues that were of concern to individual members. This session was most helpful, Mr. President, because it provided a basis, I believe, for members of the committee to sound out Mr. Smith and be able to judge his abilities and fitness to be Attorney General of the United States.

Madam President, let me assure the Senate that the members of the Judiciary Committee feel unanimously that Mr. Smith is qualified to be the next Attorney General of the United States. Granted, there have been issues surrounding Mr. Smith's nomination that have appeared in the press and which were explored by committee members with the nominee himself. Mr. President, not a single member of the committee felt these matters to be of such a nature as to disqualify Mr. Smith for the position to which the President nominated him. Therefore, I do not feel it necessary to discuss them further here on the Senate floor.

President Reagan has made a wise choice for his Attorney General. Mr. Smith is a man who clearly has the confidence of the President. Mr. Smith has demonstrated his abilities as a competent and capable practicing lawyer over a distinguished 35-year career in the law. He has demonstrated his willingness to make the Department of Justice an organization that will once again have the respect of all Americans. I urge the Senate to act immediately on his nomination.

Mr. KENNEDY. Madam President, I believe new Presidents are entitled to a presumption in favor of the Cabinet members whom they select. Unlike appointees to the judicial branch, who enjoy life tenure and constitutional independence from the executive, Cabinet members serve at the pleasure of the President and are unlikely to pursue policies significantly different from the course which their administration takes. Presidents should be given wide latitude in the choice of men and women to assist them.

There are, of course, limits to this latitude. But despite real and important reservations, I will vote to confirm the nomination of William French Smith as Attorney General of the United States.

Mr. Smith surely is qualified. He has been a prominent attorney in private practice in Los Angeles for many years. He served for a number of years on the board of regents of the University of California and has taken an active interest in public affairs. Our assistant minority leader, Senator CRANSTON, who knows the nominee and whose judgment I greatly respect, assured the Judiciary Committee that Mr. Smith was a man of competence, integrity, and dedication to the law. Mr. Smith's record supports that judgment.

Therefore, I will vote to confirm him, despite the fact that the hearing on his nomination left open a number of important questions about how Mr. Smith views his role and about how he will execute his responsibilities.

As Attorney General of the United States, Mr. Smith will hold a position of the highest public trust.

He will exercise the great responsibility of enforcing the Nation's laws and investigating their violation. He will bear a special responsibility to protect the individual liberties of our people. He will also be the chief lawyer for all Government agencies and, in a very real sense, counsel to the President. Above all, he, like all Attorney Generals, must be a symbol of equal justice and the rule of law. His words and actions must inspire the trust of all Americans in our legal system and their confidence in the Government's commitment to justice.

I believe that there are important benefit to having a strong Attorney General who enjoys a close relationship with the President and has the President's full confidence. I do not believe the Attorney General can or should create a complete wall of separation from the President, who bears the ultimate responsibility under the constitution for the faithful execution of our laws.

But it is also true that, should a conflict develop between service to the President and responsibility to the American people, the Attorney General must remember that the ultimate clients of the Justice Department are the public interest and the constitution. I hope that Mr. Smith will develop safeguards to preserve the integrity and independence of the Department of Justice in politically sensitive matters.

In response to a number of questions which I and my colleagues put to Mr. Smith at the hearing on his nomination, and to supplemental written questions, he deferred all but the most general comments and declined to give his specific views on most major issues before the Department of Justice. For example, in response to my questions, Mr. Smith agreed that the problems of inequality and racial separation were still a pressing national priority, and he pledged vigorous enforcement of all civil rights laws.

But he declined specific responses to particular civil rights issues. As Mr. Smith reviews the details of present Department policies and positions in particular cases, we in Congress look forward to working closely with him to carry on the Nation's historic and bipartisan commitment to civil rights.

Millions of Americans are looking for an Attorney General who will continue the Department's record of strong, creative efforts to make meaningful our great constitutional guarantees. They are seeking more than a passive willingness to enforce the law when clearly necessary. They are seeking an Attorney General who is personally committed to eliminating the subtle and systematic, as well as the blatant, incidents of discrimination in America against minorities and women.

Many Americans are troubled by Mr. Smith's failure to resign from private clubs which explicitly exclude women as members. To argue that there may still be a place for some kinds of social organizations separated by gender misses the point. Clubs which serve as meeting places where business contacts are made and where professional or business interests are informally discussed and advanced should be open to everyone, regardless of race, creed, ethnic background or sex.

Of course an individual private citizen may not agree with that view. But the position of Attorney General is a high public honor and responsibility which makes membership in such exclusionary clubs a very different matter. The Attorney General must enforce all of the civil rights laws, including those which protect equal rights for women.

Former Attorney General Griffin Bell recognized this fact during his confirmation and resigned from several clubs with exclusionary practices. Judge Bell said:

> I think that, to restore the trust and faith of the people of the country, certainly the first place would be the Office of the Attorney General. . . . I do not think that I would be able to be trusted as much if I were a member of clubs which have discriminatory policies or practices—not policies, maybe, but practices. . . . That is why I came to the conclusion that I did.

Madam President, I sincerely hope that Mr. Smith, upon further reflection, will come to the same conclusion and resign from the exclusionary clubs to which he belongs. At his hearing, I urged him to do so. Mr. Smith believes that he personally has no biases, and that he is sensitive to the pervasive problem of illegal sex discrimination. But the women of America deserve a clear expression of his sensitivity and commitment to vigorous enforcement of the antidiscrimination laws. The most persuasive way for Mr. Smith to demonstrate that sensitivity and commitment is to relinquish his membership in clubs which discriminate against women.

There are other important areas in which Mr. Smith's plans are not clear. I hope that he will be sensitive to the widespread public perception that there are two standards of justice in America, one for the rich and powerful, and another for ordinary citizens.

I hope that he will seek to preserve competition in our economy by strictly enforcing the antitrust laws and white-collar crime laws against large companies.

I hope that, when he seeks to strengthen law enforcement, he will equally seek to protect the privacy and civil liberties of innocent citizens who have been subject to abuses of official power in the recent past.

The Committee on the Judiciary, and the many public groups concerned about these questions, look forward to Mr. Smith's appointments of the other key department officials and to our oversight role with respect to the Department's activity in the coming months. I strongly hope that the spirit of close cooperation and mutual goals which marked the committee's relationship with the Department of Justice in recent years will continue. Our last Republican Attorney General, Edward Levi, maintained a constructive working relationship with the Senate, and our mutual efforts were fruitful in a number of areas.

It is in that same spirit that I look forward to working with our new Attorney General in the coming Congress. And despite my reservations, it is in that same spirit that I vote to confirm him as Attorney General.

Mr. PROXMIRE. Madam President, I yield myself such time as I may require.

I realize that the distinguished chairman of the Judiciary Committee has a cold and may have difficulty responding to some of my questions, but I hope he can be in the Chamber to respond to some extent.

One of the great difficulties I have with this nomination is that Mr. Smith is a close personal friend and a close personal attorney of the President of the United States.

We have had that happen in the past. In fact, we had the brother of a President of the United States serve as Attorney General. We have had John Mitchell, who was a close personal friend of President Nixon, serve as Attorney General. We had Griffin Bell, who was a close personal friend of President Carter, serve as Attorney General.

I voted against Griffin Bell. I should have voted against the others. In the case of the other two, there were voice votes.

I believe that, by and large, this, at the very least, is a dangerous situation, because the Attorney General should be independent and objective in enforcing our laws. He should be the attorney for the people of this country.

There are many occasions when the President and the administration take actions which should be criticized, which may be illegal. That has happened often in the past and could happen again.

I believe it makes it very difficult, under these circumstances, for the Attorney General to take the kind of action he should take with respect to the President. Furthermore. at the very least, it provides a perception on the part of the public that the President, if not above the law, is in a position in which the chief law enforcement official of the country is primarily serving the President and not primarily serving the people.

I asked Mr. Smith about this in the questions I submitted to him, and he concluded, after a brief response:

> While the Attorney General is of course a member of the Cabinet and must function as a member of the Executive Branch, he must insist that the prosecutorial and investigative functions of the Department remain independent from inappropriate influences.

He does not say how. What safeguards would he set up? How will he see that his actions are independent?

I ask my friend from South Carolina, the chairman of the Committee on the Judiciary, if he can help us perceive how Mr. Smith would be able to insulate his department from the kind of domination by the President which would not protect the public's interest in the event the President should take some kind of action which might be illegal or might contradict the public interest.

Mr. THURMOND. Madam President, I believe Mr. Smith has answered this in his own words, in response to a question by the able Senator from Wisconsin. This was his answer:

> As I indicated in my testimony before the Committee, I believe that my relationship with the President-Elect will enable me to perform the duties of the Attorney General with appropriate independence. We have worked closely together over many years, and our closeness permits me to provide advice and counsel candidly. Indeed, as I also indicated in my testimony, our relationship is such that I would not have the slightest hesitation to tell the President-Elect that I thought a decision or course of action was wrong. In my view, examples from the past do not suggest that closeness per se is a problem. They seem to have arisen, rather, when the Attorney General has not had the kind of relationship with the President that would ensure the Department's independence in its prosecutorial and investigative functions. While the Attorney General is of course a member of the Cabinet and must function as a member of the Executive Branch, he must insist that the prosecutorial and investigative functions of the Department remain independent from inappropriate influences.

Madam President, I believe that Mr. Smith's own statement answers the question of the distinguished Senator from Wisconsin.

Mr. PROXMIRE. Madam President, I appreciate the response of the chairman, but I strongly feel that it is asking too much of the American people simply to say, "We are both people of integrity. We have a close relationship. That should not hurt anyone; that should help them. I can be more critical of the President, rather than less, because we are friends."

After all, we did have the very serious and tragic situation of Watergate that developed in part—and in no small part—out of the fact that the Attorney General, John Mitchell, and the President of the United States, Richard Nixon, were intimately connected as personal lawyer and close friend. I believe that Mr. Smith should have had a more sensitive reaction to that drastic experience.

I should like to ask another question of my friend from South Carolina. This relates to the experience and background of the nominee. This is a question I asked the nominee:

> You have spent your entire legal career of 34 years with the same Los Angeles law firm. All of your experience has been in corporate law, particularly labor law. What gives you the breadth of experience needed to deal with the wide range of issues that come before the Attorney General, such as antitrust cases, civil rights, and criminal cases?

Here is a man who, as I say, has been a good lawyer, a competent lawyer, but has no experience at all in this area. He has not been an assistant DA or a DA or a prosecuting attorney. He has never dealt with any of the principal issues that come before the Attorney General. Under these circumstances, it is very difficult for me to understand how he could handle the Attorney General's office without a considerable learning period.

I point out that a great deal of lack of experience can be made up for by zeal, by somebody who is interested in the job, who loves the job, who wants to get into it and become involved deeply and has a record of showing that kind of enthusiasm.

The New York Times had a fascinating editorial on Mr. Smith, and I shall read part of it:

> At his confirmation hearing last week William French Smith showed why Ronald Reagan values him as a friend, political confidant and personal attorney, but disclosed little about the kind of Attorney General he will make. Mr. Smith was courteous, cordial and careful. But he was so reticent about his own values and so unprepared to discuss issues that few Senators could say they knew the man they voted to confirm.
>
> Caution is admirable in a lawyer, and what a nominee doesn't say usually doesn't hurt. But Mr. Smith's blandness far exceeded lawyerly and even political prudence. He properly deferred some questions until he gets his Justice Department organized. As to most matters, however, Mr. Smith professed nearly total ignorance. Is it constitutional to give Federal money to segregated state institutions? The issue has been on the public agenda since at least 1955; Mr. Smith said he'd look into it. What about price fixing, the crime condemned even by opponents of most Federal antitrust laws? Mr. Smith is the senior partner in a huge Los Angeles firm; he said he'd have to study that.

Madam President, I have had a chance to go over the responses of Mr. Smith; and I believe that the principal deficiency here is that Mr. Smith does not seem to care about what is happening in public life. If he does, he certainly does not have a record to indicate that he does.

I asked him to comment on the problems that would confront his agency, and he was silent about issues such as antitrust, illegal aliens, drug enforcement, prison reform, Criminal Code reform. We have no idea what he thinks about the law enforcement situation.

It seems to me that if we are going to have an Attorney General who is going to be vigorous and effective and if he totally lacks any experience and record on which we can go, we at least should have some indication, on the basis of his testimony, that he has enthusiasm for the job, that he is deeply concerned about some of the problems that confront our country, and that he is ready to move into action.

So I ask my friend from South Carolina if he can help us here, if he can indicate how Mr. Smith, with his very limited background, is qualified to be the Attorney General of the United States.

Mr. THURMOND. Madam President, I think that the Attorney General in response to a question by the distinguished Senator from Wisconsin has answered

this in an ample manner. His statement reads this way:

If it were a pre-condition to taking the job that one be fully experienced in the wide diversity of subjects comprehended by the Department, it might be concluded that no one is truly qualified for the post. I do not pretend to be a master of many fields of law, but if Members of Congress from diverse backgrounds can acquire knowledge and in time pass judgment on hundreds of subjects with which they were not previously familiar, so, I suspect, can Attorneys General. During the period that you mention, I have been involved in many areas other than my private law practice. I believe that the full range of activities in which I have engaged should be considered in coming to a judgment on the matter.

Madam President, I might say in addition it shows that Mr. Smith has an open mind. He wants to be fair. He wants to be just and he is not going to just answer questions the answers to which later may not be sound just in order to be confirmed.

Mr. BIDEN. Madam President, will the Senator yield on my time for a response to the question not asked of me?

Mr. PROXMIRE. I have the time.

Mr. BIDEN. On my time.

Mr. PROXMIRE. All right. I yield.

Mr. BIDEN. Madam President, I wish to share the Senator's concern. I raised that very question with Mr. Smith, and I must say I did not get a satisfactory answer.

I was characterized by some as being too harsh or critical of the nominee when I pointed out that at the end of the day after the long hours of grilling that he had, with the exception of stating his position on capital punishment and one or two other issues which do not directly relate to his ability to perform the function of the job, he did not even give us much insight into his point of view on general matters.

I must acknowledge I voted to confirm him in spite of that in large part because of his promise and commitment to the committee that he would, in fact, provide people in the major positions under him that had a proven expertise in the areas and further that his background, academic and legal, indicated that he has the mental capacity and intellectul credentials to handle it.

But I must say to the Senator that of every nominee in the last 8 years that I have been here, and I used to serve under the former chairman of the Banking Committee, the Senator from Wisconsin, I have never, including Jim Lynn or Carla Hills, ever, ever found anyone who had fewer answers to more questions than this nominee.

He was devoid, almost totally devoid of an opinion on anything at all. And I must tell the Senator that as I vote for him today and as I voted for him in the committee, I do it with very little enthusiasm not because of his lack of character, not because of his lack of intelligence, but because I find it incredible that a man could be moving into this job with so few opinions about so many important issues. But it is because of his commitment to put experts in the positions that relate to departments under his control and because of his personal credibility and character and his intelligence that I am going to take a chance on him, but I do not think the question the Senator from Wisconsin has asked is an idle question. I think it is the question about this nominee.

Mr. PROXMIRE. Madam President, I thank the Senator from Delaware very much and very much appreciate his response.

Unfortunately, I feel I cannot—I voted for all the other five people who came before us, but I simply cannot vote for this man because he is not qualified.

If the Redskins should hire a football coach that had a total lack of record and background in football that this man has insofar as the Attorney General's office is concerned, they would be ridden out of town on a rail. No one would go there. Jack Kent Cooke would have to just let his investment collapse.

But when we hire the Attorney General, the No. 1 law enforcement official of our Government, he has no record, no experience, no background, and when we ask him public questions he has no position, and as the Senator from Delaware indicated, the ranking member of the Judiciary Committee, he has told us that in all of his career he has never found a less responsive witness under the circumstances.

Madam President, I think that one of the most vital elements that we should look for in a Cabinet officer—we have a duty to ourselves to do this—is cooperation with Congress. One cannot do a good job as a Cabinet officer unless he has a Congress which will work with him. We determine the laws they work under, and they know that.

I think most Cabinet officers are extraordinarily cooperative with us. But here is one who either has no answers at all or does not want to cooperate.

In either event, it seems to me that this is unfortunate that we have an Attorney General with this bare, empty background, with this kind of lack of real interest.

I frankly think that Mr. Smith would be a lot happier and I think the country would be a lot better if he would continue to practice law in California and do as many very fine people have done in the past, that Colonel House, I guess did with Woodrow Wilson—advised the President. I think he would serve the country well as an adviser but would not become the Attorney General, a job which he does not seem to have the kind of drive to succeed in.

Does the Senator from Montana wish me to yield?

Mr. BAUCUS. Yes.

Madam President, I ask the Senator from Wisconsin to yield and thank the Senator.

Mr. PROXMIRE. I yield.

Mr. BAUCUS. Madam President. I, also, am very troubled by the points that the Senator from Wisconsin and the Senator from Delaware have raised.

I met with Mr. Smith privately and found him to be a very gracious man, one who I thought would do quite well. But at the hearing when Senators were trying to perform their duties responsibly and asked questions of him he did give extremely vague responses. I find his performance in those hearings quite troubling.

On the other hand, certainly one does not know all the answers to all the questions when one begins any job.

So I intend to vote for Mr. Smith. I intend to give him the benefit of the doubt. I hope that Mr. Smith jumps into his job with vigor. I hope he begins to frame some sound reasonable answers to some of the questions that were posed of him during the confirmation hearings. I hope he does become a very good Attorney General, one that all of us in the Senate and the country will be proud of.

As I stated I intend to vote in favor of the nomination of William French Smith. However, I do so with a second reservation which I wish to explain to the Senate.

I believe the Senate should honor the new President's wishes and give him the kind of team he thinks will help him tackle the tough problems he faces. However, the Senate also must uphold its responsibility under the Constitution to advise and consent to the President's nominations. The "advise and consent" process is in the Constitution to insure that the President's appointments are people of integrity and competence. It is not designed to be merely a rubber stamp.

When considering a President's nomination for Attorney General there seems to me to be a special test of competence and integrity that should be applied. Certainly, we would all agree that a nominee must possess a high degree of legal competence and a general reputation for the highest integrity. Mr. Reagan's nominee, William French Smith does have a reputation for competence and integrity.

However, an Attorney General must be competent not only at the mechanics of the legal profession, but able to bring to the Justice Department and to the office of the Nation's chief law enforcement official a special degree of sensitivity and a special commitment to equal justice. To many Americans, our justice system is the forum of last resort. Therefore, it is essential that Americans have faith in their Attorney General and in the Department over which he presides.

It is therefore particularly crucial that an Attorney General always be fair and just and, furthermore, that he give the appearance of fairness and justness. It is in this context that Attorney General-designate Smith's membership in clubs that discriminate against women is particularly troubling to me.

There are now many statutes which attempt to preserve for women their rights to a job, to equal pay, equal credit, and other opportunities. These statutes are not simply equal rights rhetoric, but have meant to many women the guarantee of a salary by which they can support their families. These rights are essential to those women.

How are these women going to feel about whether the law is adequately enforced on their behalf when the Attorney General insists on retaining his member-

ship in a club that discriminates against women? His membership may in fact not affect his ability to enforce the laws rigorously, but it raises a shadow of doubt. And, it is that shadow of a doubt that, in my view, should not be cast on the office of Attorney General.

I wish Mr. Smith had resigned from the California Club. I believe his resignation would not have been an indication of hypocrisy or weakness, but one of strength and sensitivity. It would have been sending out the right signals to millions of Americans.

I still intend to vote for him, but my vote should not be read as an approval of his club membership. It is my strong view that neither the Attorney General nor Federal judges can afford the luxury of retaining membership in the clubs of their choice, if that membership raises questions about their commitment to principles that they will be called upon to uphold.

I hope that Mr. Smith thinks this issue through more clearly than he has thus far.

Nevertheless, I still intend to vote for him, but I point this out to raise consciousness to this issue.

I thank the Senators from Wisconsin and Delaware for yielding.

Mr. PROXMIRE. Madam President, I thank the Senator from Montana. I wholeheartedly agree on this last point.

I also asked the Attorney General-designate about his membership in the Bohemian Club of San Francisco and the California Club of Los Angeles, both of which are exclusively male clubs that refused to accept women as members. We have to recognize that this is not a matter just of someone joining any club he wishes. The fact is that business is transacted at these clubs and if women want to get ahead in the world they have to have access to these kinds of clubs.

Frankly, one of the great losses economically to this country is the fact that women have not been active enough in our economy. Fortune magazine had a study recently in which of the 6,000 top paid people in big business in America, 11 were women, and 10 of those 11 women were in positions of responsibility and were well paid because they were the wife or the daughter of the chairman of the board. As to the remainder of them, the fact is that we have just closed women out entirely.

I went to Harvard Graduate School of Business Administration, probably the best business school in the country. Back in 1940 there were no women at all in our class. We had 750 in the class. How many women? None.

This is ridiculous because, of course, women are every bit as intelligent as men and should have the same opportunity as men have.

We not only should enable them to have an equal chance to get ahead by giving them access to our top business schools, which we have done, and top law schools, which we have done, and they are beginning to move and make great progress in the coming generation, but we certainly should do our best to discourage exclusive membership in clubs like the California Club and the Bohemian Club, because men get together and discuss business and advance their careers. If women are excluded, it means a serious economic discrimination. These are not just social clubs. So I feel the Attorney General, of all people—of course, private citizens can do anything they want to in our country, and they should—but the Attorney General should set an example. He should set an example, I repeat, because I think it is very serious that the Attorney General does not do as Griffin Bell, the Attorney General under President Carter, did. He resigned from an all-male club, and I am very sorry that the Attorney General-designate has decided that he would not do that.

Mr. GOLDWATER. Mr. President, will the Senator yield at that point for a question?

Mr. PROXMIRE. I am happy to yield.

Mr. GOLDWATER. I wonder if the Senator believes in the right of association?

Mr. PROXMIRE. This Senator certainly does believe in the right of association.

Mr. GOLDWATER. Well, I believe very firmly, and I think, if a man wants to join a man's club or a woman a woman's club, I see nothing wrong in that.

I wonder if the Senator would suggest that we pass a law requiring the Catholic organization, the Knights of Columbus, to take in non-Catholics?

Mr. PROXMIRE. No. I say to my friend from Arizona that private citizens should be free to join any club they want to, and the Attorney General, I just say I am voting against him in part because he has joined a club which is not just a social club; it is a club of businessmen who get together and discuss business situations; and if we exclude women, it means women suffer discrimination in our economy because they cannot belong to a club where business transactions are decided. I think it is a mistake, and I think it is a bad example for the Attorney General to do that.

Mr. GOLDWATER. I know all about the Bohemian Club, I was there once. So far as women are concerned, they spend 83 percent of the money spent in this country, and I am going to start raising hell because I would like to start spending some of that myself.

I ask the Senator, would he help to sponsor a bill telling my wife to lay off?

[Laughter.]

Mr. PROXMIRE. I will agree with that if the Senator will make it mutual and tell my wife to lay off.

Mr. GOLDWATER. I am perfectly honest. I think this right of association is a very special right of Americans. I belong to the American Legion. I do not think we should take in people who have never been in the armed services. I do not think the Disabled American Veterans should take in veterans who have not been disabled.

There are women's organizations throughout this country that will not take men in, and I do not blame them. I think I have the right, and the Attorney General, whether he is the Attorney General or the President, has the right to belong to any club he wants to.

Mr. PROXMIRE. I understand the Senator's position. He and I strongly disagree on this, but we disagree not on the freedom of association but whether there are some clubs in which important business is transacted, and in which the Attorney General—I am not talking about private citizens, I am talking about the Attorney General—should not continue his membership because I think it sets a bad example.

But the Senator from Arizona, as usual, has very ably stated his position, and we disagree.

Let me move ahead because I have limited time. I asked the Attorney General-designate again how he would reduce the budget in his Department and how he would cut the personnel in his Department and how he would cut unnecessary regulations required by his Department and how he would cut the paperwork required by his Department. Again the answers I got were generalities and alibis. He said, he indicated, that the Justice Department was a department which, because they had such important responsibilities, probably could not be reduced very much.

Madam President, we have gotten one alibi after another. The Defense Department, of course, cannot be cut for many reasons; the State Department says that is counterproductive; Human Services, the biggest spending Department we have, the indications were that that cannot be cut because of entitlement programs. Every place we look there is an alibi.

Madam President, where there is a will there is a way, and it would seem to me we should expect the appointees of Ronald Reagan to be zealous in their desire to make reductions and not to find alibis for not making reductions, and not to make general responses that they just cut wasteful spending which, of course, everybody is against.

When I asked Mr. Smith how he would change or improve the Department of Justice, his answer in general was he thought the Justice Department was pretty efficient now, it ran pretty well, and he is satisfied with the way President Carter's Justice Department operated. Well, that is at least refreshingly frank, but I think most people during the campaign would have gotten a different idea about the efficiency of the Carter administration if they had listened to the campaign oratory on the other side.

Madam President, although——

Mr. THURMOND. Before the Senator passes to another subject—is he ready to pass to another subject?

Mr. PROXMIRE. I am sorry, I did not hear the Senator.

Mr. THURMOND. Is the Senator ready to pass to another point? And, if so, I would like to mention something on this point.

Mr. PROXMIRE. Yes, indeed.

Mr. THURMOND. Madam President, Senator Hubert Humphrey was the chief author of the 1964 Civil Rights Act. He made it abundantly clear in debate on the Senate floor that discrimination laws should not cover private membership clubs or the way they conduct their activities. He made a statement on that,

and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This bill [which ultimately became the 1964 Act] would not eliminate that kind of discrimination. It is a private club. I wish to make it clear that *I do not believe there should be a Federal law which provides that a private club should be managed this way, or managed that way.* A private club is a fraternal, civic body. It has a purpose for existing. It has a charter, it has bylaws, and its members agree to live up to those bylaws (emphasis added) (110 Con. Rec. (March 23, 1964) 6008).

Senator Humphrey further emphasized that the Federal private club exception was designed to protect "the genuine privacy of private clubs or other establishments whose membership is genuinely selective on some reasonable basis" (110 Cong. Rec. (June 13, 1964) 13697).

The legal authorities concerning the Federal Act further confirm that Federal law preempts any attempt by state government to intrude into the private club employer-employee relationship. See, for example, *Fesel* v. *Masonic Home of Delaware, Inc.* (D.Del. 1977) 428 F. Supp. 573, where the court stated with reference to the private club exclusion, the following:

"By including a similar exemption in Title VII, Congress made it possible, in this limited setting, for those who wish to restrict the universe of their personal associates to also determine with whom they would associate in their employer-employee relationships" (428 F. Supp. 573, 577).

Mr. PROXMIRE. Madam President, I asked all nominees if they would report quarterly to us on the progress they are making in how they would cut the budget, and I must say most of the nominees said they would do that; in fact, virtually in all cases they said they would do that. In some cases they said they could not make that report by March 1 and they would have to slip that date because it would take them a little longer.

In this case, this nominee said he would not make a report, it was wasted time.

This body needs to know and has to know what progress this administration is making in holding down spending and what it is doing for that. This is the biggest job this Congress has had, in my judgment, in 50 years, to turn back the tide of increased spending. Unless we stay on top of it, stay informed, there is no way to do it. This nominee has indicated he does not think it is important, and although I anticipate that I may be the only one who will vote "No," I intend to vote "No" for all of the reasons I have implied in my questions and in this discussion.

I want to thank the distinguished chairman of the committee for his graciousness, and I certainly would want to thank the ranking minority member, Senator BIDEN, for his participation in the debate.

I yield back the remainder of my time.

Mr. BIDEN. Madam President, last Thursday the Committee on the Judiciary conducted a very lengthy hearing, a hearing on the nomination of Mr. Smith, and we spent approximately 5 hours questioning Mr. Smith.

On Friday Mr. Smith's nomination before our committee was unanimously approved. I believe that my colleagues today should consider while they are voting on Mr. Smith and making their decision, several important considerations that came to the minds of the members of the Judiciary Committee.

One of them was the point already raised by the Senator from Wisconsin, which was whether or not Mr. Smith was either being evasive or lacked the knowledge to actually conduct the job as Attorney General.

I think, as I pointed out in the discussion with the Senator from Wisconsin, that that is a very serious question, one which I labored over for some time, as I think the Senator from Montana (Mr. BAUCUS) indicated he also labored over, but the reason why I ultimately came down, and I would urge my colleagues to come down, on the side of suggesting that Mr. Smith should be given the opportunity is that not only is he an exceptionally bright man but I think that Mr. Smith really comes out of a milieu, out of a background, that has conditioned him to be cautious.

He is the ultimate corporate lawyer. He hardly says anything, other than his rank, name, and serial number. I think that comes from 34 years of wearing those pinstripe suits and being a corporate lawyer. I say that as a lawyer myself, although I never practiced very long, coming to the Senate at age 29.

Mr. PROXMIRE. Will the Senator yield on that point?

Mr. BIDEN. Yes.

Mr. PROXMIRE. Can the Senator think of any less cooperative attitude a witness can take than to feel that he is a prisoner of war; that he is captured by the enemy, that is the Congress, and that he should give just his name, rank, and serial number?

I agree with the Senator, that is the kind of witness we had here. After all, these are not prisoners of war. We are not the enemy. We have to work together.

Mr. BIDEN. Madam President, I would go on to say that, although he responded that way, I think it was more reflex than feeling that he was in the arms of the enemy. I think, as he went on to explain his position on some of the issues, what did come clear to me was that he was not a man on an ideological bent, as others we have seen up here, who had come forward with the expressed purpose of taking over a department to, essentially, dismantle it; taking over a department to see to it that it did not enforce the law; taking over a department to see to it that the civil rights and civil liberties of Americans were not taken care of.

I was convinced by the sincerity of Mr. Smith and his caution was more one of background and training than it was of a lack of a willingness to tackle the problems.

He is obviously very new to the legislative process. He is very new to the Congress. I think that he did what most corporate type lawyers do when they are presented with a new situation, they say as little as they possibly can. I do not think it was said out of a lack of a willingness to cooperate or even out of a lack of ability to understand the issues before him.

Some of the issues were truly new to him. I could understand his reluctance to respond to some of the more difficult social issues that we face today, although I might point out parenthetically that he did say he would vigorously enforce the civil rights laws of this country.

He did say in response to a direct question from I believe it was the Senator from North Carolina, Senator EAST, that he had a mild disagreement on the point of whether or not the courts had so viciously overstepped their bounds. He went on to defend the court system. He went on to point out, in an area where he does have some background and understanding, I thought a very lucid explanation of the role of the courts and the role of the Justice Department relative to the courts. To me, he evidenced a clear understanding of the broad constitutional principles that prevail and one that any Attorney General would have to have. What he lacked was an understanding of the more detailed aspects of his job.

As I said, the reason that flaw, as I viewed it, was corrected in my mind was that he came forward and committed that he would put in the criminal division and the antitrust divisions that require expertise—women and men of expertise in that area. And on the point of whether or not he was willing to ultimately take a stand on these very issues, I concluded from his response to several thorny questions that had an ideological bent to them, the fact that he responded that he would be willing to take the position, quite frankly, I was surprised. And the one thing that convinced me that his caution was more born out of 34 years of experience in the job he had than it was out of an unwillingness to take a position was when he took on some of the more difficult issues with members of the committee.

For example, I fully expected when Senator EAST, who is a very bright man and has very firm views about the courts overstepping their bounds, he, Senator EAST, was very articulate in stating his point that he thought the courts had——

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. BIDEN. I do not have any more to say, then, Madam President.

Mr. THURMOND. Madam President, I will yield the distinguished Senator 3 minutes.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Madam President, since I have a 3-minute reprieve, let me close out very rapidly. I would fully have expected, based on the way he had conducted himself up to that point, that the Attorney General designee would have been solicitous and said, "Yes, sir; no, sir; three bags full; that is the point of view taken by the Reagan campaign; that is the point of view that is popular out there, and I know it is popular with the majority of this committee. Therefore, I agree." But he did not. He did not take that position. He defended the courts.

That, to me, said a great deal, not

merely because I tended to agree with his answers, but because it took him out of the mold that he had been into up that point—the clear picture of a man who did not have either the knowledge or the guts to take on any position.

I would like to say that I was troubled and still am troubled and will be angry if he does not meet his commitment to put people with proven expertise that are required in that department. I was satisfied that the man was one of intelligence, competence, probably of extreme caution, but maybe that is why he is a Republican. And so I am not sure that it goes to anything more than the manner in which he has been used to dealing and talking the last 34 years and not his inability to handle the job.

Mr. President, last Thursday the Committee on the Judiciary conducted a lengthy hearing on the nomination of Mr. William French Smith to be Attorney General of the United States. We questioned Mr. Smith for approximately 5 hours and submitted scores of written questions after the hearing. On Friday, Mr. Smith's nomination was approved unanimously. I believe my colleagues should carefully consider two important issues which I believe will be important considerations in the mind of every member of the Judiciary Committee in the coming months.

First, members of the committee asked many important questions concerning issues before the Justice Department—in areas of antitrust, civil rights, committee access to information in exercise of its oversight and investigative functions, Justice Department priorities, and the like. Unfortunately, I was disappointed in a number of Mr. Smith's responses.

He did not appear to be evading the answers. He had simply not formulated positions on these vital matters which will come before him as Attorney General. Congress authorizes the expenditure of millions of dollars to prepare for the so-called transition between administrations. In the case of the Justice Department, a sizable staff was assembled to prepare briefing materials for Mr. Smith. Apparently, Mr. Smith had not concluded his briefings prior to his nomination hearing. I once again urge him to formulate positions on matters of Justice Department policy.

In many of these areas he agreed to provide the committee with answers to their questions as soon as he has had the opportunity to familiarize himself with the current policy, the issues involved, and the position of the incoming administration. The members on the Judiciary Committee are eager for those responses.

While the committee may have accepted for the time being Mr. Smith's inablity to answer some important questions, I want to put all Assistant Attorney General nominees on notice that we will require more detailed policy positions on all of their respective areas as they come before us in the coming months.

Mr. Smith has stated that he will rely on the Assistant Attorneys General and, in particular, that he will "rely heavily" on the Assistant Attorney General for Antitrust to make important policy decisions and to decide whether to pursue particular cases presently underway in the Department. The members of the committee therefore, have a responsibility to require specific answers sometimes in technical areas from individuals who will have the responsibility for formulating Department policy.

Second, the question of Mr. Smith's membership in private clubs which exclude women from their general membership and, in one case may discriminate against women in their hiring practices is a difficult one for me. I and several other members of the committee asked Mr. Smith to resign but he refused. I respect his reasons but disagree with his decision. I feel this matter was adequately covered in the hearing and encourage my colleagues to review the record.

Despite these concerns I support Mr. Smith's nomination. I was encouraged by the fact that Mr. Smith did answer questions in a dispassionate manner. He seems prepared to keep an open mind on many of the vital policy questions posed by the committee. I find that encouraging because it means that through a dialog with this committee, on both sides of the aisle he might be willing to develop consensus positions on the sensitive issues he will face as Attorney General.

Mr. Smith also made a number of general commitments to the committee which I found very encouraging: To vigorously enforce the civil rights statutes; to support the Federal Government's effort to remove discrimination in housing; to continue the present administration's practice of actively seeking both minorities and women for judicial positions; to make organized crime one of his top priorities; to be a vigorous enforcer of the antitrust laws; to consult with the Judiciary Committee on all important policy areas; to provide the Judiciary Committee access to all necessary investigative information; and most important, to respect individuals' rights in the formulation of Department policy.

I would end by saying that it is the commitments that he made to us and what I perceive to be his dispassionate and evenhanded approach to policy formulation that give me hope that Mr. Smith's tenure at the Justice Department will be productive and that is the primary reason why I can vote in favor of his nomination despite my concerns.

I would like to thank my chairman and thank you Madam President for your indulgence.

Mr. THURMOND. I yield 3 minutes to the distinguished senior Senator from California.

Mr. CRANSTON. Madam President, I thank the Senator very, very much.

William French Smith is one of the best known and most highly respected attorneys in California. I have known him for a number of years and have the greatest regard for his competence, his abilities as a lawyer and his intellect. It is easy to understand why President-elect Reagan chose him. People who know Bill Smith invariably have confidence in his dedication, his commitment to the public good, and his integrity. I think he will make an excellent Attorney General. I would like to comment on two questions which Bill Smith's nomination have raised.

First, he is a member of two well-known California clubs—the Bohemian Club and the California Club of Los Angeles—both of which have a history of discrimination in membership against women and minorities.

Despite this history, both clubs include as members many Californians who support progressive policies in the area of civil rights and equal employment opportunities. Moreover, I understand that both clubs are gradually ending their discriminatory traditions—and that Bill Smith has been a leader in tearing down these vestiges of historical intolerance. I do not believe his membership in these two clubs in any way disqualifies him from being an effective Attorney General.

Nevertheless, I think Bill Smith should resign his membership in both clubs, and I have told him so several times.

I believe membership in organizations like these suggests to many an insensitivity to the consequences of discrimination on women and various minorities. As our Nation's top law enforcement officer, our Attorney General has a unique responsibility to demonstrate the fairest and most impartial attitudes and to symbolize justice and equality in all his actions.

I wish also to speak briefly to a central issue which has arisen in the confirmation of many of our recent Attorneys General. That issue is the nature of the personal relationship between the Attorney General and the President who makes the appointment.

There has been a common practice by recent Presidents—and as a Democrat I want to note that it started with President Truman—to appoint their close personal or political adviser to the position of Attorney General of the United States. Often, the Attorney General has been appointed as a reward for service in the most partisan of roles, that of campaign manager. This was the case in the Truman administration when, very unwisely I think, the chief political post in the Cabinet was switched from the Postmaster General to the Attorney General with the nomination of Howard McGrath. It was true in the Kennedy administration with Robert Kennedy, and in the Eisenhower and Nixon administrations with Herb Brownell and John Mitchell. President Carter continued the tradition of appointing a very close friend and adviser with his naming of Griffin Bell.

Even our best Attorneys General have never been free from suspicion, simply because they are political appointees of the President, to whom it is expected that they will be loyal. This potential for abuse ultimately resulted in the prosecution, conviction and incarceration of John Mitchell and one of his deputies. Fortunately, the subsequent creation of a special prosecutor reduces the likelihood

of such gross criminal action in the future, but it does not resolve the fundamental problem involved in such appointments.

I think also that Attorneys General who have accepted such an appointment have found upon occasion that the extra constraints placed upon them in order to avoid any appearance of impropriety have gravely impeded their ability to carry out their duties to the fullest of their capabilities.

Nevertheless, despite these well-worn caveats about appointing personal advisers as Attorney General, I am confident that Mr. Smith and President-elect Reagan will be successful in their decision. I think it is a good decision because of my high regard for Bill Smith's integrity.

I have in the past seriously considered proposals to make the Department of Justice politically independent. This and similar solutions, however, lack the political accountability which I believe is essential to the functioning of our free democratic form of government.

The Founding Fathers addressed this concern. Hamilton wrote in Federalist Paper No. 77 as follows:

> The supposition of universal venality in human nature is little less in error in political reasoning than the supposition of universal rectitude. The institution of delegated power implies that there is a portion of virtue and honor among mankind, which may be a reasonable foundation of confidence. And experience justifies the theory.

James Madison, writing to the point of suspicions about officeholders, said in Federalist Paper No. 55:

> The sincere friends of liberty who give themselves up to the extravagancies of this passion are not aware of the injury they do their own cause. As there is a degree of depravity in mankind which requires a certain degree of circumspection and distrust, so there are other qualities in human nature which justify a certain portion of esteem and confidence. Republican government presupposes the existence of these qualities in a higher degree than any other form. Were the pictures which have been drawn by the political jealousies of some among us faithful likenesses of the human character, the inference would be that there is not sufficient virtue among men for self-government; and that nothing less than the chains of despotism can restrain them from destroying and devouring one another.

None can accuse Hamilton and Madison of being pollyannas.

They asked Americans, after careful scrutiny of the facts and issues, to trust each other to do their best.

Let the example of Hamilton and Madison be commended to us as we enter upon a new administration.

I sincerely recommend Mr. Smith's confirmation.

Mr. THURMOND. Madam President, I wish to thank the distinguished Senator from California. I wish to also express my appreciation to the able ranking minority member for his cooperation in holding the hearing. I might say that we finished this hearing in 1 day due to his fine cooperation.

If there is anyone else who would like to speak at this time either for or against, I would be glad to yield them time.

Madam President, there appears to be no others. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Madam President, William French Smith is a very successful attorney and businessman with impeccable academic credentials. He enjoys a solid reputation as an intelligent, competent, conscientious lawyer. I am sure these characteristics will serve him well as Attorney General.

I voted in favor of Mr. Smith when the Judiciary Committee considered his nomination last week. However, I feel compelled to say that I am disturbed at the lack of specificity in Mr. Smith's answers to the questions my colleagues and I posed during his confirmation hearing.

We asked Mr. Smith a broad range of questions on regulatory reform, civil rights, his close personal relationship with President Reagan, his professional and business associations, antitrust, the enforcement of our drug laws, white collar crime, the FBI, intelligence matters and access to Department of Justice files. No one expected Mr. Smith to detail the Reagan administration's policies on such complex and diverse areas of the law. However, I did expect the Attorney General-designate to have and to specify his own personal views on such issues and to indicate the direction he thought the Department under his stewardship would take in those areas. He also should have been able to tell the committee what priorities he would set for the Department he is about to take over.

During that hearing, Mr. Smith indicated he is not an expert in constitutional, criminal, or antitrust law. Given the important responsibilities with which the Department of Justice is charged in these areas, I trust Mr. Smith will choose his key assistants with great care. They must be men and women of integrity, with experience in the substantive areas of the law for which they will bear primary enforcement responsibility.

I expect that when these other top Department of Justice appointees come before the Judiciary Committee prior to their confirmation, they will be prepared to discuss fully their priorities and to provide specific answers to our policy questions.

While I had hoped that Mr. Smith would resign his membership in clubs which openly discriminate against women, I do appreciate his stated commitment to civil rights. I also commend his support for the merit selection of Judicial nominees, and to an even-handed and vigorous enforcement of constitutional and statutory law. I wish him well as he takes office as Attorney General of the United States.

ORDER FOR THE VOTE ON THE NOMINATION OF MR. SMITH TO OCCUR AT 4:30 P.M. TODAY

Mr. BAKER. Madam President, I am advised by the distinguished chairman of the Judiciary Committee and the ranking manager on the minority side that we have now apparently reached the end of requests for time for debate on this nomination.

I ask unanimous consent—and I may say, parenthetically, that I have conferred with the minority leader on this request—that when the debate on the Smith nomination concludes, that the vote thereon be postponed until 4:30 p.m. today.

I further ask that it be in order at this time to ask for the yeas and nays.

I withhold that request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Madam President, I now ask unanimous consent that the Senate proceed next to the nomination of Mr. Block to be Secretary of Agriculture, following on after the conclusion of the Smith nomination.

The PRESIDING OFFICER. That order has already been entered.

Mr. BAKER. I thank the Chair.

Mr. THURMOND. Madam President, I yield back the remainder of my time.

Mr. ROBERT C. BYRD. Madam President, on behalf of Mr. BIDEN, I suggest the absence of a quorum. It will, of course, be charged against the time of Mr. BIDEN.

I am sorry, Madam President. I am informed that Senator BIDEN has no more time. I am trying to get him to the floor.

Mr. BAKER. Madam President, I ask unanimous consent that the time yielded back by the distinguished chairman of the committee be retrieved so he may yield to the majority leader for the purpose of suggesting the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. I so yield.

Mr. ROBERT C. BYRD. Madam President, I thank the distinguished majority leader and I thank the distinguished chairman. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Madam President, I am informed by Mr. BIDEN that he has no objection to the request that has been made and that he seeks no more time. Therefore, I again thank the distinguished majority leader and the distinguished chairman of the committee. I yield back any remaining time.

Mr. BAKER. Madam President, might I ask the distinguished chairman of the Judiciary Committee if he will once again yield back the time remaining to him under the order?

Mr. THURMOND. Madam President, I yield back any remaining time.

The PRESIDING OFFICER. All time has been yielded back.

DEPARTMENT OF AGRICULTURE

NOMINATION OF JOHN R. BLOCK, OF ILLINOIS, TO BE SECRETARY OF AGRICULTURE

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of Executive Calendar Order No. 5, which the clerk will state.

The assistant legislative clerk read the nomination of John R. Block, of Illinois, to be Secretary of Agriculture.

Mr. BAKER. Madam President, I ask unanimous consent that I may suggest the absence of a quorum without the time consumed thereon being charged to either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR VOTE ON BLOCK NOMINATION TO OCCUR AFTER VOTE ON SMITH NOMINATION

Mr. BAKER. Madam President, I ask unanimous consent that after we conclude the consideration of the nomination now before the Senate—may I inquire, is the Block nomination now pending?

The PRESIDING OFFICER. Yes, it is.

Mr. BAKER. I ask unanimous consent that, as soon as we complete the consideration of the Block nomination, the vote thereon be postponed until immediately after the vote on the Smith nomination, as previously provided for.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Madam President, the pending business is the Block nomination?

The PRESIDING OFFICER. The Senator is correct.

Mr. HELMS. I ask for the yeas and nays on the nomination.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair.

Madam President, I am delighted that my first official act on the floor of the Senate as chairman of the Committee on Agriculture, Nutrition, and Forestry is the privilege of informing the Senate that the committee has unanimously approved the selection of the Honorable John R. Block of Illinois to be Secretary of Agriculture. This occurred on January 19, 1981, and I have been authorized by the committee to report to the Senate the favorable recommendation by the Committee on Agriculture and to urge the Senate to advise and consent to his nomination.

The committee conducted a public hearing on January 6, 1981 and received testimony from Members of the Senate and House of Representatives, as well as representatives of national agricultural organizations and concerned citizens. In addition, the committee has received over 20 communications from various groups and individuals all strongly supporting the nomination of John Block. The committee is extremely proud, Madam President, to have received an enthusiastic and entirely supportive record on Mr. Block, who we consider to be totally qualified for what I consider to be one of the most important positions in the Cabinet.

Let me also share with my colleagues that our committee considered this nomination very carefully and sincerely. Mr. Block submitted to exacting interrogation by the committee members and provided very timely answers to dozens of written questions asked of him subsequent to the hearing. He answered our challenges honestly and openly, and provided us with a good look at his character, which I consider exemplary. I am completely satisfied that John Block is capable of taking firm hold of the reins of U.S. agriculture and that he will become one of this Nation's premiere Secretaries of Agriculture.

John Block believes in a strong and vibrant agriculture. He will be a dynamic advocate for production agriculture and has indicated his desire to promote an aggressive farm export policy for this country. He has also stated that he will give careful attention to the costly food stamp and feeding programs of the Department of Agriculture and will act to insure their responsiveness to the most truly needy and hungry. As the incoming Secretary of Agriculture, he will be called upon to formulate USDA proposals for the reauthorization of the Food and Agriculture Act of 1977; an arduous task, but one in which I know he will succeed.

In short, Madam President, John Block is the man for American agriculture. He will add strength and vision to the President's Cabinet, and will be a government administrator with whom the Congress can work well and effectively.

I urge my colleagues to support his nomination.

Mr. ABDNOR. Will the Senator yield?

Mr. HELMS. I am delighted to yield.

Mr. ABDNOR. Madam President, I rise in strong support of the Agriculture Secretary-designate, John Block.

Mr. Block's experience as the Secretary of Agriculture in Illinois and as a practicing farmer will make him a valuable asset to the Reagan administration in policy formulation. His performance to date indicates that he will be the strong spokesman farmers need at USDA.

Especially of interest to the farmers in my State is Mr. Block's active support for increased agricultural exports. Those of us involved in agriculture appreciate a Secretary who recognizes the need and America's potential for an even stronger position in international agricultural markets.

I ask unanimous consent to have printed in the RECORD an editorial from the South Dakota Farmers Union newspaper and an article from the Farm Bureau News. These articles provide some insight into Secretary-designate Block's accomplishments and his vision of the future.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the South Dakota Farmers Union]

JOHN BLOCK

The designation of Illinois Director of Agriculture John Block as the new U.S. Secretary of Agriculture has won the applause of almost all American farmers and farm organizations.

That is especially true since the appointment followed a long guessing game in which the names of several representatives of the Chicago Grain Trade and large agri-businesses were also said to be in the running. While Block, who is an active Illinois farmer, may not have been everyone's first choice for Ag Secretary, he was easily the most pro-farmer of the leading contenders.

Block's background as a family farmer provides him with a first-hand knowledge of the monumental problems facing family agriculture in the United States. That's a crucial knowledge that none of the other contenders for the job could claim. On the other hand, Block goes to Washington with little experience in dealing with the kind of bureaucracy he will face at USDA.

What kind of philosophy will Block bring to his new job?

Well, the new secretary has indicated his opposition to the kind of grain sales agreements negotiated by the Carter administration with the People's Republic of China and other countries. Block feels that grain deals should be left almost entirely to the private grain trade and has specifically opposed grain agreements that would establish prices. Whether that means that he would be opposed to a cartel-like arrangement between the United States, Canada and other wheat-exporting nations remains to be seen.

Block has also been quoted as supporting continuation of the 1977 Farm Act.

Block's record as Illinois Director of Agriculture has not been the focus of much discussion. However, it includes a number of achievements which should be noted.

Mr. Block was responsible for establishing a Division of Natural Resources within the Illinois Ag Department. He also began a program of statewide erosion control guidelines and obtained an executive order from Governor Jim Thompson giving the department more responsibility for preserving prime farmland. He also developed a nutritional information program for Illinois schools and instituted a variety of activities in the area of consumer information.

One of the main handicaps that confronted Secretary of Agriculture Bob Bergland was the refusal of the Carter White House to let him choose his own undersecretaries and other top aides. Block may have better luck in that area, but press accounts seems to indicate that a number of top USDA officials are being selected by Reagan's transition team.

The first important decision facing the new administration will be the fate of President Carter's grain embargo. Mr. Block may have some input, but that's a decision that will be made at the White House.

[From the Farm Bureau News]

BLOCK SPEAKS—ADVOCATES 4-YEAR PROGRAM FOR '81

Secretary of Agriculture-designate John Block told farmers and ranchers attending the American Farm Bureau Federation's 62nd annual meeting in New Orleans, Jan. 12, that he personally favors a new four-year farm program rather than an extension of the present one.

He added that he would work to cut Federal Government regulations, which are "tying us in knots."

Block said that the Nation needs expanded agricultural production research. Without such research, he predicted, the country cannot meet the many challenges of producing adequate food in the future.

The agriculture secretary-designate also said he planned to work with other Federal departments and agencies so they would understand the potential impact of their actions on food production.

Block went on to say that an earlier statement on using "food as a weapon" was a bad choice of words.

He explained that food can be an effective economic tool in promoting world peace and stability.

He cautioned that this economic tool can only be effective "if we are a reliable supplier of products; if we are consistent in our supply; if we don't give it out and pull it back like a carrot—because then no one will count on us."

Block said we need to use this "great asset" to bring nations closer together and create an interdependency even across ideological lines.

"Let's not sell this agricultural industry short," Block said. "Let's be positive and move forward. Let's take advantage of the strength that agriculture has."

Block also pledged to help return profitability to agriculture. He said that without a healthy and prosperous agriculture the economic problems confronting this Nation cannot be turned around.

Mr. ABDNOR. Madam President, in closing, let me extend my good wishes to Bob Bergland, a good friend, who worked hard for the interests of agriculture in the Carter administration. A South Dakota Farmers Union editorial stands as a fitting tribute to Bob as he vacates the office of the Secretary of Agriculture.

I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BOB BERGLAND

(By Kenneth Scheibel)

WASHINGTON.—Outgoing Secretary of Agriculture Bob Bergland will be remembered for many things.

One of them will be a sense of humor.

Telling of the Democratic disaster at the polls November 4 Bergland commented, "The truth is, we got belted. We got Sunbelted, Frostbelted, Cactusbelted . . . and Farmbelted."

Bergland, however, is proud of the Carter administration's record for farmers. And in the days remaining in office, he understandably will point with pride—while critics will probably have their day later.

Bergland claims numerous gains and advances for farmers and ranchers while he was Secretary of Agriculture.

He cites the farmer-owned grain reserve, the farm export program, credit programs, cooperative development, Federal Crop Insurance, the Soil and Water Resources Conservation Act.

"And I'm proud of the bottom line after years of our stewardship of American agriculture."

"The bottom line is this: those four years set an all-time record for gross farm income, net farm income, farm production, farm product consumption and farm product export."

Not everything is peachy down on the farm, by any means, in spite of the Bergland optimism.

Farms have become bigger, true. They're also fewer in number. The trend toward bigness continues and the little fellow is being squeezed out.

Farm debt is rising. Costs have seemingly gone wild. The middle-sized operator is getting less off-farm income, less net family income, fewer federal benefits.

It is going to take sustained effort, drive and imagination for the new Republican administration to come to grips with these and other problems left unsolved by Bergland & Co

Bergland will also be remembered for his candor.

He came into office telling anyone who listened that weather plays a big role in farm prices. He was absolutely right. Current high farm prices obviously are a factor of drought—which possibly was just as important as the government farm program in lofting prices.

Bergland understood farmers and was a highly competent spokesman on their behalf. He was and is respected by friend and foe alike. He never personally became an issue in a post which traditionally is highly controversial.

Unlike some previous Secretaries of Agriculture, Bergland cared little for the trappings of office, or power for power's sake. He worked for farmers. He was their friend. He deserves to be remembered kindly.

Mr. HELMS. I thank the Senator for his comments. I know the incoming Secretary Block will also be appreciative of them.

Mr. ANDREWS. Will the Senator yield?

Mr. HELMS. I am delighted to yield.

Mr. ANDREWS. I should likewise like to express my strong support for Secretary-designate Block. He is a producer-farmer. He knows the background of agriculture as only a farmer can best. He also knows the importance of export markets and maintaining a strong and healthy agriculture to benefit the rest of our economy. He made a great impression on members on both sides of the political aisle in our committee during confirmation. I certainly recommend him highly to this body. I hope that the powers that be in this town of Washington will let him use his own good judgment in running the Department of Agriculture. I am sure the farmers and the entire economy will benefit from it.

I thank my colleague for yielding.

Mr. HELMS. I thank the distinguished Senator from North Dakota. I say to him that his experience as a Member of the House of Representatives, as is the case with the distinguished Senator from South Dakota, will be immensely helpful in formulating farm policy.

I know that Secretary Block will be calling on them for assistance, and he is fortunate to be able to call on Senator ANDREWS and Senator ABDNOR.

Madam President, I am delighted to yield now to the distinguished Senator from Kentucky, who is the able ranking Democrat on the Agriculture Committee. Were it not for the events of November 4, he would today be chairman of the Agriculture Committee.

Senator HUDDLESTON has made an immense contribution to the farm legislation in prior years, and I know that he and I will continue the same bipartisan relationship we have had, which I have enjoyed greatly, and which I appreciate immensely.

Mr. HUDDLESTON. I thank the distinguished Senator from North Carolina, the chairman of the Agriculture Committee, for his kind remarks. He is very generous, as he always is, and very gracious.

The Agriculture Committee does have a history of bipartisanship, at least during the period of time I have served in the Senate. The Senator from North Carolina and I came to the Senate at the same time, and we both became members of the Agriculture Committee immediately and have served there ever since.

I am sure that the Senator from North Carolina believes, as I do, that agriculture is the greatest asset this country has; and it is incumbent upon us to continue to provide the kind of mechanism that allows us to maintain this great production capacity we have. It does provide for the American people the biggest variety and the highest quality and the lowest price of food of nearly any country in the world. Certainly, it is the lowest price when considered in relationship to the total cost of people's expenditure for food as it relates to other purchases they may make. It plays a great part in trying to eliminate the great deficit this country has been experiencing. It has been virtually the lone bright spot in our foreign trade and has contributed substantially to the plus side of the ledger in our foreign trade.

So it is important that we have as Secretary of Agriculture a person who understands the position agriculture plays in his country, who understands the need for maintaining this capability we have, and who is a strong and forceful spokesman.

In every administration there are many discussions, many debates, many important decisions that have to be made which weigh one segment of the economy against another. Many of us have felt that, in times past, agriculture has not always been given its fair shake, that it has been treated as something of a stepchild, both in our domestic policy and in our foreign trade policies. We saw some improvement in the foreign trade policies relating to agriculture in the most recent trade agreements that have been signed.

It is my judgment that the designee we are considering here today has demonstrated, in the brief span of time we have had to scrutinize his activity and to hear his philosophy and his plans, that he has the capacity to be the kind of spokesman and the kind of representative for the agriculture and rural segments of our economy that is needed at the present time.

The distinguished chairman of the Agriculture Committee held hearings. I believe that every member participated one way or the other. The nominee made himself available for a complete line of questioning by each member. We have reviewed his personal submissions, his papers relating to his personal assets and liabilities. We have had submitted to us his FBI report, and nothing has been turned up in any regard that would reflect either on his character or his in-

tegrity or his ability to perform the duties of this office.

In addition to the public questioning that occurs for each nominee, a number of members of the committee, including myself, submitted to the designee a list of questions for written responses. I feel that he did respond in a proper fashion, and I was reassured by the answers he provided.

So I am happy to join the majority side and the chairman of the Agriculture Committee in support of this nominee. I wish him well and pledge to work with him, as I am sure all the democratic members of the Agriculture Committee will and, indeed, the entire Senate and House will, in helping to solve some of the problems we have.

At this time, I yield to the distinguished Senator from Illinois, from which State comes the nominee, for any remarks he may care to make at this time.

(Mr. D'AMATO assumed the chair.)

Mr. DIXON. Mr. President, I express to the distinguished chairman of the Committee on Agriculture, the Senator from North Carolina, my appreciation and the appreciation of others in my State for the kind and considerate way he treated the nominee when he appeared before the Agriculture Committee.

I thank the distinguished Senator from Kentucky, the ranking minority member of the committee, for yielding a brief moment to me to express my warm support for the nominee, John R. Block, who is presently the Director of Agriculture in our State and who, in my judgment, will make an outstanding Secretary of Agriculture for this country.

I see the distinguished Senator from Kansas in the Chamber. I express to him my appreciation and that of others in my State for the warm support he extended to John R. Block when Mr. Block was under consideration by the President.

I say to my colleagues in the Senate that I have known Jack Block for more than 3 years during the time I served in the elective position of Secretary of State in the State of Illinois, a position which many people consider the second most important position in our State, next to that of Governor.

On many occasions, I visited with Jack Block pertaining to State affairs, and I can report to the Members of the Senate on both sides of the aisle that he is a very fine, decent, warm, forthright person who has served with great distinction as the director of Agriculture in my State. He is a corn, bean, and and hog farmer—a "hands-on farmer," as we call them in our State—of excellent reputation, warmly supported by the Farmer's Union, the Illinois Farm Bureau, and all the other organizations in our State.

I believe he is an excellent choice. With John R. Block as Secretary of Agriculture, this administration has made a fine start with the American farmer. I predict a bright future for agriculture in this country under the stewardship of Jack Block.

I thank the ranking minority member of the committee for yielding me this time to express my support and the support of my State for Jack Block to be Secretary of Agriculture.

Mr. COCHRAN. Mr. President, will the Senator from Kentucky yield me 1 minute?

Mr. HUDDLESTON. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. Six minutes and forty seconds.

Mr. HUDDLESTON. I yield the Senator 1 minute, and I will get it back later from Senator Helms.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. I thank the Senator.

Mr. President, I recommend enthusiastically to the other Members of this body that a vote for confirmation certainly is justified in the circumstances.

I can think of no other person who could be nominated who has the background, experience in State government, experience in working with agricultural programs as a farmer, and who has the promise of serving with more distinction, that John Block has.

At the time the President was considering who he would recommend, I was suggesting a very distinguished Mississippi citizen, Seymour Johnson, for his consideration. I have a very high regard for Mr. Johnson, who is a former president of the American Soybean Association, is a leader in our State in agriculture, and is recognized nationally. I know that he, too, has the background and experience to serve capably in this position.

During the hearings, Mr. President, I was impressed with John Block's candor, his knowledge of farm programs, his dedication, his obvious commitment to serving with distinction as the Secretary of Agriculture.

He comes to this position at a most critical time. We see farm income this year, in real terms, the lowest it has been since the Great Depression. Farmers really are in trouble in this country. Our Government must recognize that. I believe that John Block, as Secretary, will be sensitive to the needs of our farmers.

At the same time, he recognizes that the Department of Agriculture has other responsibilities. We have to be sensitive to the needs of poor people who cannot provide adequately for their own nutritional needs. He recognizes this as a very real obligation on the part of our Government.

I believe he is eager to try to do something about the serious debt-to-income ratio that we see among our farm community. Farmers are in debt up to their necks. We need to work hard to bring our minds and energy to bear, to help our farmers and the economy get back on a good, firm footing.

I enthusiastically support his confirmation, and I thank the distinguished Senator for yielding me this time.

The PRESIDING OFFICER. The distinguished Senator from North Carolina.

Mr. HELMS. Mr. President, I yield such time as my friend from Kansas may require.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I am pleased to lend my strong and unqualified support to the confirmation of John R. Block as Secretary of Agriculture. A longtime hog and soybean farmer, he is a man eminently qualified for the position.

John Block is energetic, resourceful, and brings the knowledge of a working farmer to the job. His roots are firmly in the soil of Illinois. Born and raised on his family farm, he took over the operation in 1961, and continues to farm more than 3,000 acres of land—that farm was only 300 acres when he started 20 years ago.

As "hands-on" farmer he is aware of the pressures on American agriculture. John Block has had to deal with high interest rates. He knows what it means for fertilizer, equipment, and fuel costs to escalate while farm prices drop. He has had hail storms wipe out a promising crop in a matter of minutes, and have his replanted crop destroyed by drought. In other words, he knows the problems facing farmers because he has faced them himself.

In the recent Agriculture Committee confirmation hearings, John Block made it very clear that he not only fully understands the problems crippling the agricultural community, but that he intends to seek ways to improve the agricultural economy through such means as expanding agricultural exports.

During his years as director of the Illinois Department of Agriculture John Block was involved in numerous efforts to expand farm exports from the Midwest. He also gained administrative experience that will serve him well as he begins his new job.

John Block's confirmation will send an immediate signal to the American farmer that Congress and the administration are dedicated to restoring profitability to agriculture. But most importantly, it will give farm families in Kansas and elsewhere something they have had precious little of in the past 4 years—hope.

Mr. President, I simply say that I feel very good about the nomination of John Block and obviously it will be confirmed, it seems to me, for many of the reasons that have already been stated by the chairman of this committee and the ranking Democrat on the committee. The junior member of the Agriculture Committee, Senator DIXON, probably knows him better than the rest of us. Further support is indicated by the words Senator COCHRAN just spoke.

It seems to this Senator that if there is a clear signal to the American farmer, it is that President Reagan understands his problems. In the case of John Block, he was wise enough to select a Secretary of Agriculture who has experienced firsthand those problems that a farmer encounters from year to year. It is this ability of John Block to identify with the American farmer that ultimately gave him the edge over other candidates in the nomination process.

Other outstanding men in this case were considered, and it was a close call. But I really believe that John Block will

work hard at it, and I hope that next year and the year after that we can still stand here and continue to praise him. The job ahead is a very difficult one.

When prices are high and the crops are good, Secretaries of Agriculture are very popular. But when prices decline, and the weather is not so good, all this and more is often blamed on the Secretary of Agriculture.

But I know Chairman HELMS and I think this Senator and others have indicated to Mr. Block that he should be a spokesman for the farmer—not a spokesman for OMB, not a spokesman for the State Department, not a spokesman for anyone else, but a spokesman for the farmer. If he does that, even if he has some tough times, he will be able to weather the storm, because farmers, I think, will appreciate it, coming from someone who has had to endure some of the hardships they have.

Some have indicated that he is a big farmer. He started out as a very small farmer. Through his effective use of what he had and a lot of energy and a lot of tireless effort, he has achieved a more successful and larger operation.

What I have seen of John Block and his lovely wife Sue has convinced me that the right choice was made, and I am very pleased to support his nomination.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The distinguished Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I have some mixed feelings on this. I agree with most of what has been said here. Mr. Block certainly is remarkably well qualified. As has been pointed out, he is a farmer and a very successful farmer: From 300 acres to 3,000 acres, and from 300 hogs to 3,000 hogs. That is not easy. Being a successful farmer is one of the toughest challenges anyone can face.

It is great to have a Secretary of Agriculture who has been a farmer and has succeeded at it.

He also brings to this job solid experience, as Senator DIXON has pointed out so well, as the head of the Department of Agriculture, a State department of agriculture in a great State and I guess one of the preeminent farm States in the Union. He has done very well.

All those reports I get from the farm groups are very favorable about him.

Furthermore, he has been criticized for being too much for the farmer which I think is hard for me to understand in view of the fact that there is no group in our society that has suffered greater economic injustice in my judgment than the American farmer when one considers the farmer works longer hours. The dairy farmer in my State works an average of 11 to 12 hours a day, 7 days a week, 365 days a year. Thousands of cows have to be milked twice a day and a farmer usually has to milk an awful lot of them. Furthermore, the farmer has a big investment. He takes a big risk. Yet his income is less than two-thirds of the income of people off the farm. If one puts it on an hourly basis, there are very few farmers in the country who make the minimum wage when we consider the fact they work, their wives work, their children work, and they get very little.

So I think it is a good thing that the new Secretary set as high priority improving the income of our farmers. It will improve our economy and serve economic justice.

Furthermore, I must say the new Secretary certainly endears himself to me. He is a marathon runner, not just an ordinary runner. I run to work every day 5 miles. Five miles is nothing to Mr. Block. He runs in the marathon. He ran in the Boston Marathon. His time was 3 hours and 4 minutes. For a man 45 years old that is about as good as one can get.

So he has a great deal of appeal to me.

But one of the things that I am most concerned about, Mr. President, is the testimony before the Agriculture Committee, because I have gone over those hearings. I have gone over the answers he gave to my questions, and in view of the fact the man is a farmer, in view of the fact he headed a department of agriculture, his answers were most unsatisfactory. They were very limited. They were about as close as one could get to the so-called name, rank and serial number which we were told to give if we were ever captured as prisoners of war in World War II. But it is not the kind of responses, not the kind of cooperation that Congress should expect and desire.

After all, if we have a new Secretary of Agriculture who has served, as I said, as a head of a great department in Illinois, who has no ideas, cannot give us any suggestion as to how to cut spending in this vast Department with a $21-billion budget, who has no ideas on how to cut unnecessary regulations, who has no ideas on how to cut paperwork, and says he would like to do it, who gives the most general kind of answers and says that maybe he will try to provide us with information in the future, maybe not, I am very disappointed that under these circumstances we do not get better and more substantive cooperation from this nominee.

I wish to ask my good friend from North Carolina who is as forceful a man we have in the Senate. I told him many times that if we could call last year any year it would be the JESSE HELMS year because no one was more successful especially as a minority Member of the Senate in having his will prevail than JESSE HELMS. He knows the great admiration I have for him and one of the reasons why he is so effective is because he does not stand for witnesses who come in before him, I am sure, and not give full answers.

How does the chairman of the Agriculture Committee explain the fact that, when I asked and when the committee asked this man where he would make reductions in spending, he could not give us any answers?

Mr. HELMS. First of all, let me thank my friend for his kind comments about me. He is always most gracious, and there is no more diligent Member of this body than he.

As to his question, I guess it is a matter of a mix between the preliminary conversations that I had with Mr. Block, I am sure Senator HUDDLESTON and others had similar discussions with Mr. Block.

Perhaps we already knew the answers to questions that were posed at the hearing.

Now, with that caveat, let me say to the Senator it would have been a bit presumptuous for Mr. Block to come before the committee and say, "Now, this is precisely what I am going to do about cutting this, that, and the other," because he has not been there, he does not know the inner workings of the Department. He did not even have one staff member to assist.

But if it is any comfort to my friend from Wisconsin, whom I so greatly admire, and with whom I have stood on many occasions, I can assure you that I believe Mr. Block will prove to be entirely satisfactory in trying to cut down on the things you mentioned. I will be surprised if he is not.

I admire him for admitting he does not know everything. He does not know precisely how the Department of Agriculture runs, but I think you will find he will do his best to learn, and learn in short order.

Mr. PROXMIRE. May I say to my friend, in the first place, the Senator touches on one of the greatest weaknesses of the advise and consent process when he talks about the preliminary conversations. Those bother me a great deal.

I refused to see those nominees who wanted to come to my office in advance. They come in, usually led by the hand by a friend of yours. If they come to my office, and a friend of mine—if they come to your office and, frankly, it is a softening-up process, and I am very suspicious of that.

We are on a one-on-one basis, we are in private. We get information which they tell us which may be satisfactory to the dairy farmers in Wisconsin, but maybe less so to the people elsewhere, and we do not get the kind of public record which I think is essential here, and I know all the others Senators do this, and it might be very useful, and I can understand why a private conversation might be a good thing. But I think it is one of the reasons why usually when these nominees come up all we hear are accolades about what great people they are and how much we like them and how they will succeed, and that is fine. But we rarely get any criticism. Why? Because, as I say, they come in and it is a kind of buddy-buddy situation, and often they come in with somebody whom you greatly admire.

I remember how Arthur Burns would bring in people from the Federal Reserve Board. I greatly admired Arthur Burns and thought the world of him. But I stopped that when I found myself trying to be friendly with Authur Burns and trying to support his nominees.

So I just wonder if that is not a weak-

ness rather than a strength that these people do come around and do confer under the circumstances? They make the record privately, there is no public record on it, and it is the public record we should insist on so that we make sure that it is consistent.

Mr. HELMS. The Senator makes a good point. He always does.

I guess, Senator, it depends on whether you allow yourself to be stroked. I do not think BILL PROXMIRE ever did, and JESSE HELMS does not. But the advantages I see to these preliminary visits are that you can engage, when necessary, in what amounts to a debate under somewhat relaxed circumstances. But the Senator's point is well taken.

Mr. PROXMIRE. Especially in these circumstances.

The second part of the Senator's answer was he did not say precisely what he would do because it would be presumptuous, because he has not served in the Department of Agriculture, he has not been in the Senate, he has not been in the House and does not have the same kind of perspective many of us would have or somebody working in the Department of Agriculture would have.

I understand that. But, at the same time, he has been a farmer, and I can tell you, and I know the Senator knows, there are no people who are more outspoken and more vigorous in their criticism of the Department of Agriculture than the farmers.

Mr. HELMS. That is right.

Mr. PROXMIRE. Maybe they have a limited education, but they are very tenacious in their views, and they can cite chapter and verse even though they have only had an eighth-grade education.

This is a successful farmer who has not only had occasion to deal with the Department of Agriculture as a farmer but as the head of one of the great departments of agriculture in one of the great farms States of the country, and yet he had no idea how they could cut their regulations. Most farmers can tell you. He had no idea of where they can save money in other areas.

Mr. HELMS. Well, the criticism of the Department by the farmers themselves is certainly there. Perhaps a part of it is instinctive, but a great deal of it is based on personal experience as well. Again the Senator's point is well taken.

Mr. PROXMIRE. There was one glaring contradiction that has bothered me a great deal, and I am sure it must have bothered many Americans.

Here is a man who has said that he feels we should use food as a weapon against our great adversary in the world, the Soviet Union. I agree with that wholeheartedly. I think he is dead right on that.

Yet he is a man who opposes the embargo which has been put on sending food to the Soviet Union at a time when they engaged in this outrageous action against Afghanistan, and under circumstances where the testimony before our committee—I am not sure about the testimony before the Committee on Agriculture—but the testimony before our committee by the Department of Agriculture and others is that this is hurting the Soviet Union; it has cut down on the availability of meat and it has meant they have not been able to export as much to their satellite countries—one of the reasons they have had difficulties in Poland where they have had strikes in their plants because they have not had enough meat available, both in Russia and in Poland—and yet here is a new Secretary of Agriculture who says we should use food as a weapon but when it comes to the test, the acid test, with Afghanistan he says, "Well, no we should not use it under those circumstances."

How does the Senator justify that?

Mr. HELMS. Well, I think what he said, Senator, was he objected to the American farmers being pushed out on that limb all by themselves. I do not want to rehash the story of the embargo, but I strongly objected to the way the farmers were singled out to bear the burden. They were made pawns in an international confrontation.

On the day the embargo was announced, President Carter instructed that I be called in Raleigh—the Senate was in recess—and I agreed to go along if the embargo was going to be across the board, and I was assured it would be. But in the final analysis it was principally the farmer who was left out there losing his shirt.

Mr. PROXMIRE. If the Senator will yield on that, Mr. President, you see my problem on this is that computers were knocked out, high technology was knocked out, and our trade with the Soviet Union, as the Senator knows, is very, very limited. In fact, food is by far the biggest element in grain particularly, and if we do not—it is true the Senator is absolutely dead right the farmer had to take the brunt of that, although the way things worked out the price of wheat and corn did not seem to suffer from that embargo. But, nevertheless——

Mr. HUDDLESTON. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HUDDLESTON. Mr. President, just on the point of the embargo and food as a weapon, inasmuch as I broached this subject with the nominee during the hearings and cautioned him about his previous statement that we ought to use food as a weapon, he later modified that to use it as a tool, a foreign policy tool, which is somewhat softer than a weapon while, at the same time, deploring embargoes.

I brought up the same question, how are you going to use it as a foreign policy tool, certainly as a weapon, if the threat is not implicit that it will be withdrawn if you do not accomplish the foreign policy objectives?

I think, on further reflection on that whole question Mr. Block indicated that what he really meant was we ought to use it to improve our relations with countries around the world, and the embargo should not be used, to use his words, except in very extreme circumstances.

Mr. PROXMIRE. Would the Senator not consider the Afghanistan invasion an extreme circumstance?

Mr. HUDDLESTON. That was the precise question I asked Mr. Block, and he responded he was not certain because he did not have all the details at his fingertips.

At any rate, just to respond to your concern, it is a concern of mine particularly because I happen to be one who favors the embargo. I think it is damaging to the Soviet Union. I think it would be a great mistake for us to call it off, and I do not think that the administration will once they get into the problem and see what the situation is.

Mr. PROXMIRE. I notice the new Secretary of State does not favor calling it off.

Mr. HUDDLESTON. I think when you look at the total problem that he will not.

We have not referred to the American athletes who were denied the opportunity to participate in the Olympics, and we have not referred to the fact that the Government spent over $2 billion to relieve the burden that was placed upon the American farmer by denying him the opportunity of selling that 17 million tons.

We continue to sell 8 million tons of grain that were already under contract. So I do not know that this argument is particularly pertinent to the question of the confirmation of a Secretary of Agriculture.

But I did get the feeling in our hearings with him that he understands this problem is a little bit deeper than just giving snap responses to particular questions on it, as in the case of the cost cut. I think he realized that when you start talking about cutting costs in the Department of Agriculture you are talking about the Congress of the United States, you are talking about the Senate, talking about the Agriculture Committee, and the various things, priorities that each member of that committee may have, and I think he felt, and probably properly so, it would be a little premature for him to begin talking about very specific things that he was going to cut out until he saw the total picture and saw where the interests, perhaps, of the various members of the committee lay.

Mr. PROXMIRE. I thank the Senator very much.

Just one final question of the Senator from North Carolina. The most striking fact about the agriculture budget is that practically none of it goes to the farmer. It is a $21 billion budget, as the committee knows, and before our committee it was $21 billion, and the proportion that the farmer got was about 9 percent, that was for agriculture. Everything else was for a great variety of feeding programs and other programs, consumer programs, and so forth.

Did the new Secretary of Agriculture indicate any notion of how this vast program of the billions of dollars, almost $20 billion, can be cut back and restrained? I know the Senator from North Carolina has been a leading fighter in favor of reducing that enormous burden.

Mr. HELMS. He has indicated in a general sort of way. Again he very wisely, in my judgment, avoided any precise line-by-line recommendations, but he talked in terms of the enormous waste

in the food stamp program, the need to adjust the eligibility requirements, that sort of thing.

But I have to say to the Senator again that the Secretary talked in the broad general sense and not in any precise way.

Mr. PROXMIRE. I recognize that the Senator has a legitimate point. I disagree with it, but the Senator may well be correct. My point is he should have been much more forthcoming. If the Senator feels it would have been presumptuous doing that, the Senator might agree with us at least that in the future, as time passes, when he has more time in the Department of Agriculture, within a few months, he should come forth and provide detailed responses as to the number of people, the size of the programs, the size of the budget, and so forth, and how he can make reductions.

Mr. HELMS. I can assure the Senator those questions will be put to him as soon as he has had time to learn a bit about the Agriculture Department.

Furthermore, I know that the Senator from Wisconsin is constantly busy, but I want to extend to him right now an invitation to sit with us in the Agriculture Committee and discuss this with the Secretary when the time comes.

Mr. PROXMIRE. I thank my good friend.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, I yield to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I just want to take 1 minute to add to what Senator HUDDLESTON may have commented on in reference to the embargo. I think one point that John Block has made is that we should not single out farmers. I think the Senator from Wisconsin would agree with that. If we are going to have an embargo, it should be across the board without exception. That was not the policy early on.

The fact that we now have the Soviet threat to Poland calls upon the administration to review the grain embargo and see whether there should be a change.

I was somewhat concerned when I heard the statement of food as a weapon. But that statement was clarified very quickly to food as an instrument of peace. We all say things from time to time that need to be clarified.

Mr. PROXMIRE. Mr. President, I agree that it ought to be a weapon. I see no reason in the world why it should not. I think it is more humane to fight with food than it is to fight with bullets. In some circumstances, as the new Secretary of State has indicated, you have to fight.

It would seem to me this is our greatest weapon, in many ways. We are the great exporter. We provide a great majority of the wheat that is exported and is available for other countries to sell.

Mr. DOLE. That would make it an instrument of peace.

Mr. PROXMIRE. Perhaps. But I had in mind that it should be used against the Soviet Union when they get out of line. It is a lot better than nuclear war; a lot better.

Mr. THURMOND. Mr. President, I rise in support of the nomination of John R. Block to be Secretary of Agriculture.

Mr. President, I am well pleased by President Reagan's nomination of Mr. Block to be Secretary of Agriculture. Mr. Block has voiced his belief that the Secretary of Agriculture should be a strong advocate for the farmer. As Mr. Block is himself a farmer, I believe that he will be understanding of the problems facing the American farmer today and work with determination to resolve those problems. Furthermore, I believe that Mr. Block will make every effort to restore the Department of Agriculture to a more producer-oriented viewpoint.

Mr. President, Mr. Block is a well qualified and knowledgeable nominee. I sincerely hope that my colleagues will join me in confirming him for this key post.

Mr. LEAHY. Mr. President, in the near future the Senate will give its consent to the nomination of John R. Block to be Secretary of the U.S. Department of Agriculture. I have little doubt that the former director of the Illinois Department of Agriculture will work hard for America's farmers. He is a farmer himself and is determined to make the USDA a strong and ardent advocate for American agriculture.

I hope that he will be an equally unequivocal spokesman and advocate for the other important constituencies he will serve as Secretary of Agriculture. These are the 60 million people living in rural America and the millions of undernourished citizens of this country and the hungry people of the world.

Mr. President, Mr. Block will soon realize that he alone will not set the President's farm policy, especially with regard to its reflection in the budget. Unfortunately, not many people realize that it will be the Office of Management and Budget which will determine the actual depth of America's commitment to its farmers and ranchers. As we know, the Department of Agriculture's farm policy goals ring hollow if there is no commitment of Federal funds to carry them through.

Mr. President, Senator JOHN MELCHER knows this reality. As a valuable member of the Committee on Agriculture, Nutrition and Forestry, he has tirelessly fought for Montana's and the Nation's ranchers and farmers, carrying their concerns to both USDA and OMB. He knows that Montana's agricultural economy and its rural people are better off without grandiose promises from USDA that OMB has emasculated. Montanans demand straight talk from Government and JOHN MELCHER is working to see that they get it.

The senior Senator from the Big Sky State made sure that Secretary-designate John Block was committed to the needs of farmers, ranchers and rural people in Montana and across the Nation. More importantly, he went the extra mile to investigate what farmers and ranchers can expect from the new Director of OMB, David Stockman.

From his years of work on behalf of Montana's agricultural community, Senator MELCHER knows that OMB will have a lot to say about Federal farm policy. With this in mind, Senator MELCHER did some digging and uncovered disturbing information on how David Stockman feels about the needs of America's farmers and ranchers.

The Senate will confirm David Stockman to be the Director of OMB, for after all, the President should be able to select his own Cabinet. But considering Mr. Stockman's views on Federal farm policy which Senator MELCHER uncovered, it will be done with some foreboding by Senators from agricultural States. Thanks to Senator MELCHER, we are now wise to Mr. Stockman's views on Federal farm policy. We know what we will be up against as we work on the 1981 farm bill.

Mr. President, I ask unanimous consent that a speech recently delivered by Senator MELCHER in Billings, Mont., be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

TEXT OF SPEECH DELIVERED BY SENATOR JOHN MELCHER AT CENNEX 50TH ANNIVERSARY IN BILLINGS, MONTANA ON JANUARY 13, 1981

Happy Birthday!

I know I'm a little early. Your 50th Anniversary Convention isn't until February 10th. But I wanted to be among the first to offer you my warmest best wishes and congratuations.

What a sensational success story CENEX has been. Your organization started out in the depths of the Great Depression with seed capital of only 500 dollars, and as I understand it, your sales for last year were in the neighborhood of one-and-a-quarter billion.

The best part of that is you own it.

You know, there are a lot of fancy pants lawyers in Washington who, from time to time, set out to break up the cooperative movement. But I swear that when I look out at the hard-working people who make that movement work, it makes me more determined than ever that any slick Harvard lawyer at the Justice Department is going to have to go through John Melcher if he wants to break it up.

These are hard economic times, and from all of the signs, they may not get better for a while. But I'll tell you, I feel humble when I think of the Farmers Union people who had the courage and foresight to start this great supply cooperative, as well as the Farmers Union Terminal Association.

As a matter of fact, I'd be fascinated to learn where the first 500 bucks came from, because those were the days when nothing from nothing left nothing.

As you know, this is a time of new beginnings in Washington, and that usually means a six-month Presidential honeymoon. But because of the awful shape of the economy, I'm not so sure it's going to last that long.

Last week, the Senate Agriculture Committee held confirmation hearings on John Block, the Agriculture Secretary-designate from Illinois, and the Energy Committee held hearings on James Watt, who will probably be the next Interior Secretary.

Both of them seem to be decent men, who have their hands screwed on right. Their decisions in the next four years will have an enormous effect on the farmers and ranchers of Montana.

The thing that worries me is that increasingly over the past ten years, policy decisions affecting our producers have not been

made in the Agriculture and Interior Departments.

That's why I asked Secretary-designate Block whether he was going to set agricultural policy, or whether it would be set by the State Department, or the Council of Economic Advisors or the Office of Management and Budget.

Let me give you an example.

The man that President-elect Reagan has chosen to hold the purse strings of the Government at the Office of Management and Budget is a young Congressman from Michigan named David A. Stockman. Stockman has been pleasing a lot of people these days with press releases about how he's going to cut this program and that program, and eventually balance the budget.

But cutting the Federal budget is fine as long as your own ox doesn't get gored. In 1978, Stockman wrote to Agriculture Secretary Bob Bergland, and this is what he had to say about Federal farm programs:

"It is about time that the Department stop playing nursemaid to the proliferating array of cry-baby commodity groups in this country. It is bad enough when we indemnify producers for the short-term losses associated with capricious—but nevertheless predictable—unfriendly acts of nature, such as wet planting seasons, dry summers or minor floods. But the principle implicit in your potato rescue is that producers must be indemnified for nature's acts of benificence and bounty as well."

Stockman went on to say:

"Mr. Secretary, in my view we are long overdue in burying the four decade old, Depression-bred myths about dirt poor yeomen ill-equipped to cope with the uncertainties of the domestic and international marketplace."

Now, John Block has told me, in no uncertain terms, that he wants a good, strong farm bill this year. And that's fine. John Block has told me that he believes farmers ought to be able to get ample credit at reasonable interest rates. That's good, too.

I believe that Mr. Block will be committed to making the new crop insurance program work, just as he should.

But when Mr. Block goes over to the White House to pick up the check to pay the bills, the guy with the green eye shade, who has to make out the check is going to be David Stockman, the fellow who wrote this in 1978:

"I'm beginning to wonder just what your concept of agricultural markets and policy really is. It is understandable, if not excusable, when Members of Congress from commodity-growing regions come trotting in with dog-eared claims and lame justifications for special dispensations that will force the taxpayer to absorb the predictable risks inherent in any line of business activity, including farming. But I would certainly hope that the USDA could exercise some semblance of leadership by occasionally resisting these self-serving, parochial claims, and asserting at least a minimum regard for the general public interest, and for the fact that temporary supply, demand, price, cost and profit fluctuations are a normal part of the market system, and are by no means unique to agricultural commodities."

You see, Mr. Stockman is the kind of guy who would call the Dust Bowl or last year's drought a part of the normal functioning of the market. Your crazily spiraling cost of production is just a normal market function. The fact that an awful lot of our farmers and ranchers are just hanging on by their fingernails? That's just the market at work.

He talks about the production of food and fiber as if it were a General Motors assembly line instead of two-and-a-half million farm families working like mad to provide America and the world with cheap food. And lately, if these farm families are able to pay their bills when the crop comes in, it's a big year.

I would imagine that two out of three farmers in this country voted for Ronald Reagan. The trouble with that is that those farmers didn't know they would be getting someone like Stockman in the bargain.

Don't misunderstand me. I am not going to vote against the confirmation of Mr. Stockman. I think a President ought to be able to pick the people he wants to run the government. But I think you should know that when John Block sends his strong farm bill to the Office of Management and Budget for the approval it must have in order for it to be sent to Congress, it will have to be signed off on by a man who can hardly be called the farmers' pal.

That's why I think that those members from Congress who care about our producers are going to have to come up with what Stockman calls the "self-serving and dog-eared claims and lame justifications for special dispensations."

Those special dispensations he talks about amount to a farm bill.

I questioned John Block about farm credit, and he told me that as a large producer in Illinois, he owes between three and five million dollars. In other words, he understands the need for credit at reasonable rates. And when I asked him what he thought of the current interest rates that have been manufactured by the Federal Reserve Board, he said, "I don't know of anything you can do to pay off 20 percent interest—at least nothing legal."

Nevertheless, the signs all point to the probability that the new Administration will keep the same monetary policies of the Carter Administration—keep interest rates high and money supply low.

I think that's a phoney way to try to combat inflation. It's pretty good policy if you want to create a recession—and that's what it did. But thus far it has not limited inflation—not one iota.

But from your standpoint, this monetary policy is a rifle shot in the heart of American agriculture. For those who depend on borrowed money—those who buy and sell houses and automobiles on credit or those who operate farms and businesses on borrowed money—this monetary policy decreases the productivity of America.

High interest rates discourage investments; that is their purpose. And when operations are below capacity, new investment is discouraged.

That means we don't encourage our people to buy more fuel-efficient new cars. That means that we suppress the tremendous demand that exists now for new housing. That means that we squeeze some farmers and ranchers out of business, and delay investments on the farm for increased productivity.

As a national policy, I think that's nuts.

What we need is a more productive America. What we need is a reindustrialization of America. What we need is a climate that will permit bold and imaginative businessmen and farmers to reinvest in this country's future.

The government can't make that happen. But the current policies of the Federal Reserve Board can sure keep it from happening.

The American consumer thinks he's paying sharply higher prices for food, but that's just not true. He's really paying for the higher price of foreign oil and high-priced farm credit.

Even though farm prices have increased, they have not gone up as fast as the cost of farm inputs, even for those farmers and ranchers not devastated by the drought, real farm income is down.

I got a letter from someone the other day asking when the United States was going to be a great nation once again. That really got me to thinking. What are we doing differently now than what we did when our economy was vibrant and on the move?

It seems to me that you start at the beginning. The first thing we have to do is stop acting like losers.

Our businessmen have got to start thinking about what's good for America instead of what's good for their short term profits. And as far as I'm concerned that starts with a decision not to deliberately send American jobs to Japan.

Secondly, the government has to get off the backs of businessmen and farmers and let them produce. Notwithstanding the enormous gains of countries like Japan and Germany, there is no nation on earth with the productive capacity of the United States.

And that production improvement must begin with agriculture. But we can't expect farmers to produce if they can't get a fair price, just as we can't expect our farmers to pay all of the costs of the government's foreign policy decisions.

Therefore, it seems to me that we're going to need a fresh approach to farm legislation that will return to our farmers and ranchers their cost of production plus a fair and reasonable profit.

There are going to be a lot of people and organizations competing for dollars in a sharply restricted Federal budget this year, and because of that we're going to need a new coalition of farm organizations who will work together—not against one another—so that we can get the job done.

If the various organizations representing farmers and ranchers come to Washington divided and at war with one another, I don't think it will be possible to get a farm bill at all.

Therefore, I urge you to begin work right now to develop lines of communication with me and the other members of the Congress, because it will take time to resell the needs of American agriculture to an urban Congress.

The hard work of people like you is what is needed more than anything else to make this country great again. American agriculture can lead us out of this recession we're in.

We need to sell America's food abroad to buy the oil which is creating our balance of payments problem. We can turn that trade balance in our favor if we can sell 45 or 50 billion dollars per year of our farm products overseas.

But we want a price. We want a good price. And we are going to get a good price.

We have been selling abroad too cheap. Those who do not understand American agriculture are selling you out. They are selling the United States out.

We simply can't continue to be the patsies for the world with cheap food sales that break the backs of the very producers who make it all possible. Producers either control the price of their own product, or that price will be controlled by the international meddlers.

That means producers have to fight for their own destiny. The rest of the country won't do it for you.

If you'll let me, I'm ready to get into that fight with you, and I will need the support of all of you.

Mr. LEAHY. The text of this speech clearly reveals Mr. Stockman's bias against America's farm programs. Senators from agricultural States, farmers, and ranchers owe a debt of gratitude to Senator MELCHER for his thorough work to discern what OMB has in store for them. We now know what we are dealing with and are better prepared to fight for America's farmers and ranchers, thanks to JOHN MELCHER.

Mr. MELCHER. Mr. President, I am pleased to endorse the nomination of

John Block to be Secretary of Agriculture.

He is clearly a decent and sincere man, who truly cares about fair prices for American farmers and ranchers. He has made a sincere commitment to the enactment of a good farm bill this year.

There was not time during the confirmation hearing to ask Mr. Block all of the questions that I might have liked, and, therefore, I submitted to him 19 questions for him to respond to in writing. I was impressed that his answers seemed to be personal statements of his belief. Clearly they had not been sanitized by budget analysts and economists so that they made no commitment at all.

I hope Mr. Block can continue to speak out forthrightly for American agriculture. I hope that he can set farm policy, rather than the Secretary of State, the Council of Economic Advisers, and the Director of the Office of Management and Budget. I have my doubts that this will happen, but I will keep hoping anyway.

Mr. President, I ask unanimous consent that the questions that I submitted in writing to Mr. Block be inserted in the RECORD at this point, along with his replies.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUESTIONS AND REPLIES

1. Isn't it true that the best way to cut the cost of the food stamp program is to improve the economy in general, since the cost of the program responds to changes in the economy? Why do you want to go after the messenger that brings the bad news instead of attacking the causes of the bad news?

Reply. It is true that an improvement in the economy and reduction in unemployment insurance would result in a substantial drop in the food stamp program. However, other modifications need to be made that would reduce the cost while still provide service to those who need it.

2. Insofar as general farm legislation is concerned, what do you think it will take to get a viable bill that will respond to changes in the economy—so that we don't have to bring up emergency legislation every year?

Reply. I hope that by working closely with the Congress we can provide a farm bill that will respond to changes in the economy and will not need constant revision.

3. Notwithstanding currently short world supplies of grain, it appears that there is a record wheat crop in the ground. At what level do you think the farmer held reserve ought to be to insure that the bottom doesn't fall out of wheat prices?

Reply. I think the farmer held reserve should be at a level that encourages the orderly movement of wheat into the world market. It thereby avoids severely depressed prices but permits producers to benefit from what we anticipate to be an excellent long-term world demand.

4. At what level should loan rates be for the various crops to make for a viable program across the board?

Reply. Loan rates for various crops should be made at a level that permits it to function without moving into government hands.

5. The Carter Administration failed to make deficiency payments for barley this year because the price of barley for brewing wasn't factored into the price situation. Would you agree that the price of barley sold for brewing should be factored into the equation for the purpose of deficiency payments?

Reply. This situation underlines the problem with establishing target prices. I am aware that there appears to be an inequity in this particular program. This would be a good time to examine this situation to see if a remedy can be found.

6. All we hear lately is how the Federal budget needs to be cut. But I wonder how you feel about cutting programs for agricultural research, or soil conservation—the kinds of programs that add to the productivity of the country?

Reply. We have indeed seen a real dollar decline in recent years. If we are going to keep pace and meet the challenges that are facing us in the future, we are going to have to provide for greater amounts of research to meet these challenges in our production, in our mechanization, and in all of our techniques in agriculture.

I put a very high priority on soil and water conservation in Illinois. As the Director of Agriculture in Illinois, we started a Division of Natural Resources. One responsibility was to work toward the preservation of farmland for agricultural use. Another one was to work toward soil and water conservation, and work with the agricultural industry. We provided for some cost-sharing money; not a lot of money, but we had projects all over the state so that it could be demonstrated that we can farm land intensively if we do it properly, and still save the soil. We must save this rich natural resource if we are going to be around to meet the needs of our grandchildren.

7. A number of large investment companies that manage pension funds are buying up U.S. farm land as a long-term investment, and are leasing it back to farmers. How do you feel about that sort of thing?

Reply. I have gone on the record in the past as opposing investment plans of this nature. As the tax regulations allow for special advantages to be experienced by pension funds which an individual farmer cannot take advantage of, I feel the situation would be unfair to the farmer who had to compete with an outside group for ownership of the land. If farmers lose control of the land, it will destroy the family farm system as we know it and I feel will hurt productivity in the long run.

8. While farmers and ranchers will be the most important constituents you will have, you will also be responsible for the $2 billion programs of the Forest Service. Do you have any fundamental notions about how that agency should be operated? Do you think the agency belongs in the Agriculture Department? Do you think the Chief of the Forest Service should be a political appointee? What about the Chief of the Soil Conservation Service, should he be a career person or a political appointee?

Reply. I feel that both of these services should be part of the Department of Agriculture, and I think that whether the administrators of each program is a career person or a political person, their expertise and leadership abilities in this area should be foremost. They both need to be responsive to the policy needs of the Secretary as well as the stewardship functions they are vested with by law.

9. How do you feel about farmer-owned cooperatives? You're not going to be one of those people who thinks they are a target for the Justice Department trust busters, are you?

Reply. I am a member of farmer owned cooperatives. I support their continued operation and I think the enforcement of the Capper-Volstead Act should be in the USDA.

10. Do you think there is still a place in the Department of Agriculture for low interest loans to rural electric cooperatives? How do you feel about the importance of the REA guaranteed loan program? Do you think that the REA rural telephone program ought to be kept in USDA or transferred to the Commerce Department? Do you favor the reauthorization of the Rural Telephone Bank?

Reply. I believe rural electric telephone cooperatives provide essential benefits to farmers and the rural Americans they are designed to serve. I will have to take a closer look at these matters before I can make specific recommendations.

11. Do you think the ASCS disaster program ought to be extended and held in reserve until it is determined whether the new crop insurance program is going to work?

Reply. I hope that the new crop insurance program works so we don't need disaster programs. I am optimistic that the insurance program will succeed.

12. I notice that you have been active in promoting agricultural sales overseas. Do you have any specific ideas for improving the operations of the Foreign Agricultural Service?

Reply. In general I feel the role of the Foreign Agricultural Service is a very important one and I am open to all suggestions for improving its ability to meet its vital goals.

13. I notice in the press that you intend to de-emphasize the consumer programs of the Department, and I think the media may have overdrawn what you said. You aren't going to be indifferent toward whether meat supplies are safe, or whether farmers are protected from unsafe chemicals, are you?

Reply. No, of course not.

14. Transportation and agriculture are vitally linked in Montana. What do you plan to do with the Office of Transportation in the Department?

Reply. I intend to keep the Office of Transportation as a strong and vigorous part of the Department of Agriculture.

15. The recently enacted National Rural Development Policy Act establishes you as a sort of czar for rural economic development in the government. Obviously rural development begins with good and stable farm prices. But do you think rural development is a proper function of the Department?

Reply. I concur with the Republican Platform on rural America. Attention to the quality of life in our rural areas is a vital necessity because rural Americans impart a special strength to the national character. It is our goal to assure that all rural citizens—whether they are farmers or not—have the same consideration in matters of economic development, in energy, credit and transportation availability, and in employment opportunities which is given to those who live in towns and cities. The opportunity for non-farm jobs enhances the ability of people to live and work in rural America is part and parcel of our commitment to make America great again.

16. Have you given any thought to using the housing programs of the Farmers Home Administration to put new life back into the housing industry, and get construction workers on the job again?

Reply. It would be overly ambitious to think the Farmers Home Administration could solve all of the problems in the housing industry. However, to every extent possible, we will work with the Farmers Home Administration to revitalize this industry however we can.

17. You have spoken out strongly against bilateral trade agreements, and I'm no great believer in them myself. But the one with China would provide a large and continuing agricultural market, particularly with regard to wheat, even if Mr. Reagan decided to cool relations with that country. We all know the chaos the Russians could cause in our markets, as they did in the 1970's. Do you favor ending the present bilateral agreement with China? Will you attempt to establish a new agreement with Russia when it expires September 30 this year?

Reply. In general, I do not favor bilateral agreements. However, in this case, I think we must have an agreement with the Soviets to help stabilize our trade relationship. A

long-term agreement will help producers in this country to receive advance information on how much grain the Soviets intend to buy. It also helps to prevent "in and out" buying which, as we have seen, can prove detrimental to our ability to develop sound marketing strategies.

The People's Republic of China is a similar situation to the one with the USSR. The values of an agreement would be roughly comparable. However, I do not think such agreements are panaceas and we should be aware that it is not feasible to expect to draw up such agreements with a large number of countries.

18. Have you given consideration to extending additional CCC credits to Poland beyond the $670 million approved by the Carter Administration? What will be USDA's input in coming to a decision on this?

Reply. This has not been considered at this time. USDA will be a party to the decision making matters of this kind.

19. Many commodity groups have been supporting a revolving credit fund to promote increased exports. With the tight budget we know we are facing and the statements of OMB Director designate Stockman, can we expect that such a fund would receive the approval of the new Administration, or the appropriations of funds?

Reply. I hope so.

● Mr. PRESSLER. Mr. President, today the Senate will vote on the nomination of John R. Block for Secretary of Agriculture. Not since the Great Depression have the problems of agriculture been so severe, nor the future so uncertain. Family farms are disappearing at an alarming rate, with fewer and fewer young people able to get started farming. It is this agricultural climate that Mr. Block must face as Secretary of Agriculture.

But, Mr. Block is no stranger to the risks and problems of farming—he has dealt with them as a real, live farmer. For the past 20 years he has operated his farm with success and distinction. He also brings with him administrative experience as director of the Illinois Department of Agriculture. His farming and administrative experience have served him well in the past, and I sincerely hope they will serve him as well in the future.

Still, the world of Washington is different from government and farm life in Illinois. What is supposed to be a team effort in Government too often becomes a conflict among different Federal agencies. American agriculture cannot afford to have the Secretary of Agriculture caught up in the Washington bureaucracy—he must watch out for OMB, CEA, FRB, FEMA and the rest of the alphabet soup of the bureaucracy. The conflicts between the Department of Agriculture and the other agencies will arise in Government spending, economic, credit allocation, foreign trade and other policy decisions. Too often, agriculture has borne the burden of the effects of Government policies. It is time to beat the bureaucracy and return the Department of Agriculture to the producer-oriented agency it must be. To do so, the Secretary must be a strong spokesman for farmers and work closely with Congress to be an effective voice in Washington.

Mr. Block is about to assume some of the most difficult duties in Government. He will be responsible for preserving and strengthening the element which is the very backbone of our entire national economy. I know that my colleagues in the Senate join in wishing John Block well in these tasks and willingly support his efforts to serve and assist the American farmer.●

Mr. PERCY. Mr. President, I know I speak not only for myself, but for all the 11 million plus citizens of Illinois, in saying how proud and honored we were of the nomination by President Ronald Reagan of John R. Block to be Secretary of Agriculture and a valued member of his Cabinet.

Mr. President, it was only 2 months ago, on November 17, that eight members of the Senate Agriculture Committee had an opportunity to meet John Block in my office for the very first time. That meeting was only the beginning of the process that led to this great day. Recently the distinguished chairman of the Agriculture Committee, my esteemed colleague Senator HELMS had Secretary-designate Block in North Carolina for a first-hand introduction to the agricultural community of that great State. I know that visit went well. In addition, I would like to express particular appreciation to Senator DOLE who from the outset has enthusiastically supported John Block.

For the 2.3 million farmers of this country, the first direct impression of President-elect Reagan's election as President comes with this appointment of a new Secretary of Agriculture. In my opinion the President-elect has made a sound and lasting impression on the agricultural community by the appointment of John R. Block.

On November 17, in a letter I wrote to Governor Reagan strongly recommending John Block, the Illinois Director of Agriculture, I stated that the next Secretary of Agriculture would have a great responsibility. It will be his job to help maintain our strong and bountiful agricultural production system; to expand and strengthen our important export markets; and to oversee our vast agriculture and rural development programs.

I believe John Block has combined in his background many of the very qualifications required for this important Cabinet position. He is a working farmer with a complete understanding of what is required to operate our complex food production system. He will bring to this administration experience in administering a large governmental department.

John Block was named Illinois director of Agriculture in February 1977, by Illinois Governor Jim Thompson. In that capacity, he has worked hard to maintain Illinois' leading position as our No. 1 agricultural exporting State. Director Block has played an active role in developing overseas markets and has international experience. John currently serves as vice-president of the National Association of State Department's of Agriculture. I was pleased that John always had time to consult regularly with my Illinois Farm Advisory Board, a group that advises me on national agricultural policy.

I can personally attest to the wide support and confidence Director Block enjoys among the Illinois agricultural community. He has been able to maintain good and open channels of communication with all the various groups involved in food production today.

Mr. President, this Congress has a great deal of work ahead of it. One important item of great importance to this committee will be the new farm bill to replace the Food and Agricultural Act of 1977 that expires with the end of the 1981 planting season.

Our present farm law has multiple provisions dealing with all phases of agriculture. Work will have to begin immediately on the new legislation and the new Secretary of Agriculture will have a great deal of influence on the shape and direction of this important bill.

Mr. President, the agricultural community is ready for the new beginning that President-elect Reagan called for on the night of his election victory. There can be no better way to begin, in my opinion, than with the confirmation now of John Block as the next Secretary of Agriculture. I urge my colleagues to give this nomination its unanimous approval.

Mr. HELMS. Mr. President, I am prepared to yield back the remainder of my time.

Mr. HUDDLESTON. Mr. President, I do not believe any other Member on this side is prepared to make any remarks. I yield back the remainder of my time.

The PRESIDING OFFICER. Under the previous order, the vote on this nomination will occur immediately after the conclusion of the vote on the nomination of William French Smith for Attorney General.

Mr. HUDDLESTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF COMMERCE

NOMINATION OF MALCOLM BALDRIGE, OF CONNECTICUT, TO BE SECRETARY OF COMMERCE

The PRESIDING OFFICER. Under the previous order, the clerk will state the nomination of Malcolm Baldrige to be Secretary of Commerce.

The legislative clerk read the nomination of Malcolm Baldrige, of Connecticut, to be Secretary of Commerce.

Mr. PACKWOOD. Mr. President, as chairman of the Senate Commerce, Science, and Transportation Committee, I would like to call up the nomination of Malcolm Baldrige as Secretary of Commerce.

Although President Reagan did not assume the Office of President until his oath on Tuesday, and afterward officially named his Cabinet choices, the Senate Commerce Committee has cooperated fully in the Presidential transition by acting early on Mr. Baldrige's nomination.

The FBI has completed its background investigation of the nominee and given their findings to the committee for our review. We have also studied Mr. Baldrige's financial disclosure statements and his ethics reports, which are on file with the committee. During the course of our hearing on January 6, the members of the committee had an early and full opportunity to question Mr. Baldrige on his experience, qualifications, and policy views. Needless to say, he impressed each of us with his candor, his ability, and his integrity.

The Senate Commerce Committee subsequently met on January 19 and voted unanimously to recommend confirmation of Malcolm Baldrige as Secretary of Commerce and I heartily endorse their approval.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require.

Will the distinguished chairman yield for a question?

Mr. PACKWOOD. I yield.

Mr. PROXMIRE. Mr. President, I would like to point out to my good friend from Oregon that one of the biggest scandals in recent years was the bribery of foreign government officials by American companies to gain business. I am sure the Senator can recall the situation with Japan where it caused a Japanese Government to fall, complications of our relations with Italy and the degradation of the monarchy in The Netherlands.

We had a study by the SEC which showed that 300 American corporations conceded that they had engaged in bribery. They came forth and disclosed the fact that they had done that. In the wake of that, the Congress passed the Foreign Corrupt Practices Act, of which I was the author, which outlawed foreign bribery and required strict accounting controls to stop slush-fund bookkeeping.

I specifically asked Mr. Baldrige about his support of this act and moves to gut the legislation. His response was lukewarm. He used code words about the act which lead me to believe that he will lend his support to the forces that do business by bribery and wants to gut the bill.

I do not say he will do that intentionally, but his answer was so naive that I am afraid he will be out front of such an effort.

Can the Senator assure me that Mr. Baldrige and the Reagan administration will oppose foreign bribery and slush-fund bookkeeping by American companies abroad?

Mr. PACKWOOD. Mr. President, I think if the President were here, he would say, "I am opposed to foreign bribery and slush-fund bookkeeping."

Mr. PROXMIRE. Mr. President, let me follow up for a moment.

Mr. Baldrige answered my question in part with this question. He said, "Do we want the act interpreted broadly to export America's outlook to the rest of the world?"

With all due respect to Mr. Baldrige, I think that shows a complete lack of understanding of the situation. The fact is that bribery of government officials is outlawed in every civilized country in the world. There is no question at all about exporting our outlook.

It is true that the bribery law allows meaningful enforcement of bribery codes because a company can no longer hide bribery of Japanese officials, for example, in its California files. That is especially true of African developing nations who need our help in stopping bribery within their countries.

Does the Senator agree that if a little developing country finds that its officials are being bribed, or hears rumors that they are, that it is in a very difficult position to prevent that kind of action? Would the Senator agree that it is greatly to the interest of this country to stop the bribery?

Mr. PACKWOOD. I think the answer is yes, but I am not quite sure I understand the Senator's question. Will the Senator ask it again?

Mr. PROXMIRE. I am saying that we help, we assist, these countries because there is no way that a bribe can do anything but damage to the country where the official is bribed. A bribe is paid for one purpose, so that either an inferior product which would not otherwise be bought is purchased, or one that is a higher priced item is bought. If you eliminate bribery, procurement would be done on the basis of the marketplace. Bribery is an interference with the marketplace. Therefore, my question: Do we not help these countries, especially these underdeveloped countries? Mr. President, maybe it will help the Senator if I call to his attention the fact that the attorney general of one of the smallest African countries wrote us and said that he hoped this country would adopt this kind of a statute.

Mr. President, we lead the world in trade, with a dominant free economy in trade. It would seem to me this is a way, without costing the taxpayer anything, that we can serve the interest of these countries by having this kind of statute.

Mr. STEVENS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. PROXMIRE. I am happy to yield.

Mr. STEVENS. Mr. President, I ask unanimous consent that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, I ask unanimous consent that, when the present time agreement expires or time is yielded back, that we proceed to the consideration of the nomination of Samuel R. Pierce, Jr., of New York, to be Secretary of Housing and Urban Development, and that the vote on Mr. Pierce, if one is requested, occur following the vote on the Baldrige nomination.

The vote on the Baldrige nomination will occur in sequence following the expiration of the present time agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, if the Senator will yield further, I ask unanimous consent that it be in order to ask for the yeas and nays on the nomination of Mr. Smith to be Attorney General of the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that it be in order to ask for the yeas and nays on the Baldrige nomination at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. I thank the Senator for yielding.

Mr. PACKWOOD. Mr. President, let me respond, if I might, to the Senator's question. In his testimony before the committee, Mr. Baldrige very clearly indicated he is opposed to foreign bribery and foreign corruption. He thinks the act should be clarified so that indeed you know whether or not, when you pay an agent overseas, it is or is not corruption or bribery. But he is very clearly on the record as supporting the act as clarified.

Mr. PROXMIRE. I appreciate that. But let me point further to his responses, which indicate that he really failed to understand it. He testified:

> The act as now constituted is so difficult for a small- and medium-sized manufacturer to wade his way through that literally, unless he hires a $100,000 Wall Street lawyer, he is just going to just give up.

He further stated that the act is complex and there is uncertainty as to its application, characterizing the FCPA as a legal maze.

That shows a complete lack of familiarity with the bill. The law simply outlaws the bribery of a foreign official by an American company to gain business. Both the Justice Department and the SEC have instituted a bsuiness review procedure so a company can get an advance clearance on a particular transaction. All they have to do is ask and they will give them the answer.

Moreover, if that is not enough, enforcement guidance can be issued by the Justice Department. In fact, the SEC just issued an extensive guideline statement on the accounting control provisions of FCPA. It seems to me Mr. Baldrige is badly informed on the subject.

Mr. PACKWOOD. The Senator from Wisconsin mentioned the Attorney General's office, the Federal Corrupt Practices Act, and mentioned advisory opinions. All Mr. Baldrige has said is that for a small company it is a hurdle to understand what the act is.

The Senator says to ask for an advisory

opinion. You go to your lawyer and say, "Give me an advisory opinion."

Mr. PROXMIRE. He can go to the Justice Department and they will tell him.

Mr. PACKWOOD. I have seen those advisory opinions. Then you get the lawyer to understand the advisory opinions.

Mr. Baldrige is opposed to foreign bribery and foreign corruption.

When the Senator says that every civilized country in the world has laws against bribery and corruption, I do not quarrel with the laws part, but he and I well know that many of the countries in this world countenance bribery as a common occurrence in their governments. They may or may not have laws against it—in most cases they do—but they countenance it. It is a way of doing business in those countries.

Mr. President, I am not saying that we should succumb to those tactics, but I am saying that every civilized country in the world has laws opposing bribery when indeed they do practice bribery in those countries among their own businesses.

Mr. PROXMIRE. May I say that the whole argument here is that we are losing export business because we have a special standard. The evidence shows that we are not losing it at all. Since that act was put into effect in 1977, we have substantially increased our exports. We have increased them in every area. There is a good reason for that. I think this act has something to do with that. That is that when a foreign government buys from the United States, they know that here is one country that has a law making it a crime to engage in bribery. If I were a procurement official in a foreign country I would prefer buying from this country because I would know it is clean.

Instead of supporting this legislation, it surprises me very much that this nominee should indicate that he would like to gut it.

Mr. PACKWOOD. He did not say he wanted to gut it. He supports it. He would like to have it clarified so that the small businessman can read it and understand it himself. He does not want to gut it, abrogate it, or terminate it.

Mr. PROXMIRE. As I said in my initial question, he indicated that the act was a legal maze and complicated. We have had this act on the books now for 3 years. We have had no specific complaints. I was chairman of the Banking Committee until a few days ago, and that is where the complaints would come.

They always make these code arguments about how the act is complicated, but they do not say what they would like to change or how. It concerns me that the Secretary of Commerce has this attitude toward what to me is a very important improvement in the quality of our business, which I think is quite serious.

Mr. PACKWOOD. Let me read that into the RECORD. This is the question Senator CANNON asked on behalf of the Senator from Wisconsin:

Congress recently passed the Foreign Corrupt Practices Act making it a crime to bribe foreign government officials to obtain business and requiring accounting controls by corporations to prohibit slush fund bookkeeping. The premise of FCPA is that a world free market trading system should be based upon price, quality and service and business not obtained by bribery. Do you support the FCPA and oppose moves to gut this legislation?

Answer. I support the intent of the act.

Mr. PROXMIRE. I do not want to belabor the Senator further on this. I have made my position clear. I am concerned about supporting the intent of the act, but I am interested in the so-called clarification. All of us are interested in clarification, but we should be very sensitive to any action which would weaken the fact that we not only have an effective act that outlaws bribery but also one which traces, which leaves a paper trail, which is essential if we are going to do this job.

Mr. PACKWOOD. Let us agree that it is not necessarily a weakening of the act if it can be written in language that the average person can understand without a lawyer.

Mr. PROXMIRE. I think that is fine, but we have been waiting 3 years for that clarification and we do not have it. They think the act is too complicated, and I am concerned that they might try to bulldoze something through that would knock it out.

There is something else; I asked the Secretary-designate of Commerce, through the committee, about the budget cuts in the Commerce Department. This man, as the Secretary of Commerce, would represent the business community. To his great credit, he has been a great businessman.

When I asked him where he would make reductions, he was not able to tell me of plans to cut the Commerce Department budget in any area.

Can the chairman give me any indication of when we could expect the Department of Commerce, under Mr. Baldrige, to tell us how we could make reductions in their budget?

Mr. PACKWOOD. I talked to him privately, and he was very fair about that answer. He did not know. He correctly thought that the cuts that might be made, in his judgment, would be part of an overall series of cuts that would come from the Reagan administration. Those cuts have not been decided upon.

Mr. PROXMIRE. Did he have any options, any possibilities? Here is a man who has been in business for a number of years. He must have dealt with the Commerce Department and must have some opinions of where cuts might be made.

Mr. PACKWOOD. He said he was going to wait, was going to take his lead from the President. Many involved policy decisions, not management decisions.

When I talked with him in the office, he had received the nod for the nomination only a few days earlier. I believe he was wise in saying that the President is to make major policy decisions and, "I will help carry them out."

Yesterday, Budget Director Stockman indicated that in about 3 weeks, he hoped to have the major outlines of the budget cuts here, and I am sure the same will apply to the Department of Commerce.

Mr. PROXMIRE. Is the Senator saying that, in his judgment, within 3 weeks or a month we should have information as to the cuts we might make in personnel and in the budget?

Mr. PACKWOOD. The President already has frozen hiring.

Mr. PROXMIRE. I understand that.

Mr. PACKWOOD. Director Stockman indicated yesterday that he hoped that in about 3 weeks, the major outlines of the budget cuts would be ready. I cannot guarantee that we will see anything very specific, but I believe we will see the general policy outline in that time, with a number of specifics.

Mr. PROXMIRE. With respect to regulations, Mr. Baldrige said he thought regulations would be reduced or eliminated. When I asked him to be specific, he said it is premature to specify regulations which would be eliminated or reduced at this time. He said he would review the Carter administration's inventory and timetable for review of regulations. Can we get any idea of when the review of the Carter review will be available?

Mr. PACKWOOD. We did not get it, nor did we ask. I do not know when it will be available.

Mr. PROXMIRE. Would it seem reasonable to expect them April 1 or May 1? We would like to get them as soon as possible. As the Senator knows, the administration is in its strongest position to act promptly.

Mr. PACKWOOD. When the Senator says "as soon as possible," I am not sure that is a statement I agree with, based upon my 12 years in the Senate. I have found that we have made more mistakes in haste than lost opportunities by delay.

Mr. PROXMIRE. Regulation was one of the biggest complaints of American business. As Secretary of Commerce, he is dedicated to reducing regulations, and now the Senator tells me that we do not know when we are likely to get recommendations, and whether we will get them in the future, we do not know.

Mr. PACKWOOD. I would feel more comfortable if the Reagan administration looked at all the regulations very carefully before they make recommendations. If that means that there is a week or two or three longer delay than some people might want, I would prefer the delay.

Mr. PROXMIRE. I would agree with that if it were 2, 3, or 4 weeks.

I am asking when we can expect reasonably, in the good judgment of the chairman of the committee, a response on regulation.

Mr. PACKWOOD. I have no idea.

Mr. PROXMIRE That is about as unsatisfactory to this Senator as the responses of Mr. Baldrige.

Mr. PACKWOOD. My hunch would be that if that question were put to Jim Baker or Ed Meese, "When can we specifically expect your recommendations on those regulations governed by the Department of Commerce——"

Mr. PROXMIRE. The Senator inserted his own words. I did not ask for a

date. I said a month, 2 months, 3 months, roughly.

Mr. PACKWOOD. I do not know whether it will be a month or 2 months or 3 months. I do not know whether they are going to turn their attention first to environmental regulations, many of which do not fall within the Department of Commerce, or regulations that fall within the Department of Commerce. All I am saying is that I would rather they act wisely than rashly.

Mr. PROXMIRE. Mr. Baldrige did say that the Commerce Department will do its best to achieve the 25-percent paperwork reduction goal specified in the Paperwork Reduction Act of 1980. He said that some reduction may require changes in legislation and in regulations. Can the chairman tell me when those changes in regulations will be announced and when the legislation changes will be proposed to Congress? We cannot tell when they will act on them, but can we have some idea of when we will begin to study them?

Mr. PACKWOOD. I do not know.

Mr. PROXMIRE. I am disappointed.

Mr. Baldrige said it was too early for him to know what changes will need to be made in the general operation of the department. Can the chairman suggest when it would be reasonable for us to expect the new Secretary to make the changes?

Mr. PACKWOOD. I can tell the Senator what I think would be reasonable for a new Secretary in a 4-year administration. I would be happy if he would have his first recommendations, major ones, to us within 2 or 3 months. I would be satisfied. I am not saying that would meet the deadline. They might beat it.

Mr. PROXMIRE. I asked this nominee, as well as others, whether or not he would be able to transfer some of the costs of some services from the general taxpayer to the user of the services. As the Senator knows, in many cases we do it. He pointed out the wide range of user charges for a number of services provided by the Commerce Department, and he said that he intends to make the greatest possible use of these fees.

I wonder whether the chairman was able to get any notion of when we will have the plans as to expansion of the use of user fees.

Mr. PACKWOOD. I do not recall that that question was ever asked of Secretary-designate Baldrige.

Mr. PROXMIRE. I asked him in writing.

Mr. PACKWOOD. If the Senator asked him in writing, apparently the Senator has the only answer that exists.

Mr. PROXMIRE. That was a very limited answer.

I thank the chairman very much.

I realize that this may seem unfair. The difficulty is that the Secretary of Commerce, as the other Secretaries, has an enormous Department. They have great discretion, as they should have and must have. We cannot operate this Government by the President or Congress making every decision. They have enormous budgets and large numbers of people working for them. This is the only time we have an opportunity to pass on their qualifications and their willingness to cooperate, and so forth.

Frankly, as we have gone down the list—this is the seventh or eighth we have considered—in virtually every case they do not know when they can be able to give us the answers on their budget recommendations, personnel, or paperwork. It means that we have to work in the dark, and I think that is very unsatisfactory, particularly in view of the fact that there is no way, as the Senator knows, that a Secretary can be successful in running his Department without cooperating with this body. We do not seem to be getting that cooperation.

Mr. PACKWOOD. When a new Secretary comes in, I do not believe it evidences lack of cooperation if he says, "I don't have my plans. I'm not sure where I'm going to make the cuts. I received word 10 days ago that I might get placed here. I'm coming from a different sector."

If you were to take somebody out of the banking business and move him over to be chairman of a manufacturing company, if he is wise, he would not come forth with a rash of suggestions within a week or two or three.

Mr. PROXMIRE. I believe the Senator is right, and that is one of the problems here.

We talk about hitting the ground running. We hire people for most jobs who have experience in the field and a record in the field. I am not criticizing the Reagan administration. It was true of the Carter administration and the Kennedy administration. In most cases, the people they appoint to Cabinet posts have no experience at all in that field and none in Government, and some people say that is great. It means that far from hitting the ground running, they will hit the ground in a heap, for days, weeks, or months, before they can move into action. Instead of running, they will collapse.

Mr. PACKWOOD. The Senator and I have served on the Banking Committee for 8 years, and the Senator and I have had a disagreement about this.

As between the two, I would rather have a bright novice than an expert. I have had my fill of experts who come to departments and know all the changes that should be made on the first day. They normally come from a background of experience in the department of 10, 20, or 30 years. That is the total of their experience. I find them out of touch with America more than a novice brought to the Government.

I would rather have Cabinet officers—not all their underlings but officers—with relatively limited experience in the Cabinet they are going to administer, who come to it with an open mind, than an expert.

Mr. PROXMIRE. I think that is a kind of a pretty barren choice.

After all, if one is a complete novice, bright as he is, he is likely to be the victim of the experts that he hires. He should know something about the field and have some standards, basis, background, training, and education that permits him to evaluate the experts. Otherwise, he is simply a tool of the experts.

Mr. PACKWOOD. Look at the Senator's committee, the Banking Committee. Senator GARN is chairman now. Look at the housing industry. The experts 30 years ago told us that the answer to downtown slums was high rise housing, and they were perfectly intelligent experts, nice people. They said if we put up 25- or 30-story buildings people would have a decent roof over their heads and we would solve education problems and crime problems. It did not work out that way. That was the answer of the experts. We followed their advice and we got ourselves into a passel of trouble.

Now the experts 5 years ago or 10 years ago said no, the answer is scatter housing, put 30 units here, 40 units up in the suburbs, and 50 units here.

Now, interestingly I find it coming full cycle again and we come back to saying they should be put downtown.

I do not know if they were right 30 years ago, 10 years ago, or now. But it is experts who give us that advice and frankly they do not know any more about it or where they should go than a novice who comes into it absolutely tabula rasa and says, "I will consider all the options and try to come to a honest, decent, and honorable conclusion."

Mr. PROXMIRE. The Senator knows I respect him, but I disagree with where we place the blame with the trouble on the cities and housing. I agree it has been an absolute disaster. We increased spending in the cities from $2 billion a year to $85 billion a year and they are worse off now than they were, again according to a study by the Brookings Institute.

Mr. PACKWOOD. Why?

Mr. PROXMIRE. Why? Not because of the experts but because Congress insisted on going ahead, feebly collapsing in front of the pressure groups, the unions, the builders, and the mayors who want to build up the downtown area. Forget about the neighborhoods. We have had a program that just has not worked. We bring in the experts. We like to have experts we agree with. We make the decision. We cannot shift that blame to the other guy. We, Congress, make the votes, and we have been very mistaken.

Mr. President, I thank my good friend from Oregon. As I say, I am very disappointed in these responses. The administration was going to hit the ground running and make real cuts in spending, cut regulations, and cut paperwork. Again, again, and again we come up with the same answer: maybe, possibly, sometime, somewhere, we have to see, we do not know when. And I think this is a disappointment.

I thank my good friend.

Mr. PACKWOOD. Mr. President, I am willing to save some time. I shall be handling the nomination of the Secretary of Transportation later. I am willing to save some time and put the same colloquy in the RECORD and not have to go through the same questions.

Mr. PROXMIRE. I will have a few different questions as to the Secretary of Transportation.

I thank my good friend.

Mr. President, I understand that the

ranking minority member wishes a quorum call. I ask unanimous consent that I may put in a quorum call briefly so he may come to the Chamber, and I ask unanimous consent that it not be taken out of his side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I rise to join my colleague and chairman of the committee in support of this nominee.

I was impressed by his appearance before the committee and as the committee chairman has stated there were no opposing votes against him in the committee.

I was a little concerned about some of the same answers that Senator PROXMIRE referred to, but I asked him some of those questions for Senator PROXMIRE. I do think that if there are real serious problems with that particular law or any others that can be clarified, that would make it easier for businessmen in this country to compete both here and abroad, we should take a real serious look at them.

I gained the impression from the Secretary-designate at that time that that is what he intends to do.

I support him in that concept and I urge my colleagues to support the nomination.

Mr. THURMOND. Mr. President, I rise today in support of the nomination of Malcolm Baldrige to be Secretary of Commerce.

Mr. President, Malcolm Baldrige is a man of exceptional abilities. His reputation and accomplishments in the business community are no less than outstanding. Mr. Baldrige is regarded as a rugged individualist who runs a tight ship. He has exhibited a willingness to make difficult decisions and a strong determination to solve tough problems. His experience in the business community and his understanding of the need for Government, labor, and management to all work together to solve the current economic ills of our country are traits becoming of anyone nominated to serve as Secretary of Commerce.

Mr. President, Malcolm Baldrige is also noted for his athletic abilities. He has proven himself to be one of the best calf ropers in the Nation, and I believe that he will be equally successful in "lassoing" the many problems confronting the Department of Commerce.

Mr. President, I sincerely hope that my colleagues will join me in confirming the nomination of this most capable and qualified individual to be Secretary of Commerce.

Mr. PACKWOOD. Mr. President, if Senator PROXMIRE and Senator CANNON are prepared, I am prepared to yield back my time also, and we can get on to the next nominee.

Mr. CANNON. Mr. President, I yield back the remainder of the time on behalf of the minority.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. PACKWOOD. Mr. President, I yield back the remainder of my time.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

NOMINATION OF SAMUEL R. PIERCE, OF NEW YORK, TO BE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

The PRESIDING OFFICER. The clerk will state the next nomination.

The assistant legislative clerk read the nomination of Samuel R. Pierce, Jr., of New York, to be Secretary of Housing and Urban Development.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GARN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the nomination of Samuel R. Pierce, Jr.. to be Secretary of Housing and Urban Development.

Mr. GARN. I thank the chair.

Mr. President, I am pleased the nomination of Samuel R. Pierce, Jr. to be the Secretary of Housing and Urban Development is now before the Senate. He has been admirably successful in all his endeavors including as a senior partner in a leading New York law firm, General Counsel of the Treasury Department, a New York State judge. and mediator in labor negotiations for the New York City Transit Authority. I support this nomination by President Reagan and urge my colleagues to vote for his confirmation.

The Banking, Housing, and Urban Affairs Committee has completed a thorough review of Mr. Pierce's background and suitability to be the Secretary of HUD. The members of the committee also conclude that his nomination should be confirmed. Then President-elect Reagan announced his intention to nominate Mr. Pierce on December 22, 1980. Based on that announcement, the Banking Committee questioned Mr. Pierce about his plans for HUD in a hearing on January 13, 1981. The Committee unanimously recommends his confirmation.

I want to bring one particular point made forcefully by Mr. Pierce during the committee hearing:

> Inflation is public enemy No. 1. Unless action is taken to curb it, the Nation will suffer irreparable damage. * * * A successful fiscal policy will require this administration to reduce Federal Government expenditures and to balance the budget as soon as it is humanly possible to do so. Therefore, * * * I intend to quickly but carefully review the programs at HUD with a view toward cutting unnecessary costs. That does not mean that I intend for HUD to turn its back on the poor, old and needy.

I wholeheartedly agree that such action is necessary and look forward to working with Mr. Pierce to make those cuts while maintaining help for the truly needy.

Meeting the problems of the economy, a runaway Federal budget, a deeply ailing housing industry and the continuing need to improve housing conditions and our cities will demand all of this administration's and Mr. Pierce's talents. I ask my colleagues, therefore to promptly confirm his nomination so he can begin these difficult tasks.

Mr. WILLIAMS. Mr. President, I welcome this opportunity to shortly cast an enthusiastic vote for Samuel Pierce to be the new Secretary of the Department of Housing and Urban Development. In reviewing his record, and his responses to questions during his nomination hearing before the Senate Banking Committee, I was impressed that he is a man of achievement, intelligence, integrity, and principle. He would bring to his office many years of valuable experience in the legal profession, in business, and in government.

At his nomination hearing, he displayed a welcome willingness to keep an open mind about difficult issues he would face during his tenure. I was heartened by his straightforward commitments to advance the cause of open, fair housing practices, and to encourage local decisionmaking in the development and implementation of national urban policies, and I am particularly pleased that he recognizes that our distressed, older urban areas must not be abandoned.

Judge Pierce is accustomed to making tough decisions. Of course, anyone willing to take on the task of managing such an agency as HUD deserves the admiration of us all.

While I support this nomination, and have every confidence that Judge Pierce will become an effective, skillful Secretary, I feel compelled to comment upon a couple of areas to which Judge Pierce addressed himself during the nomination hearings. His statements gave me some degree of concern, and bear examination.

In response to questions about specific administration support for the housing industry during a sharp downturn, Judge Pierce stated that the best stimulus for the housing industry was lower inflation. No one could argue with that. At the same time, no one believes that we can expect to see any dramatic improvement in the inflation rate at any time soon. Unless interest rates come down appreciably, activity in the housing industry will remain flat.

Builders and buyers alike will continue to suffer. For calendar year 1980, housing starts totaled only 1,291,000 and for 1981, the National Association of Homebuilders predict that there will be only modest improvement, dependent of course on the state of the economy. The consequences of depressed housing in-

dustry conditions are lost jobs; reduced population mobility; reduced Federal, State, and tax revenues; and less opportunity for Americans to obtain decent shelter—whether they own or rent their homes. And in the long run, the contribution of the production dropoff to wider cyclical swings in the homebuilding industry can only breed more inflation. During Judge Pierce's nomination hearings it was pointed out that the current economic conditions, especially the high interest rates, were forcing not only marginal homebuilders out of business, but those considered established businesses as well.

The Carter administration in its fiscal year 1982 proposed budget has recommended no additional funding for the section 235 homeownership assistance program, a program that during the past year has served as the sole salvation for the housing industry in a number of areas. At the end of last year's lame-duck session, Congress enacted additional appropriations to provide approximately 17,000 more units of section 235 housing.

This money cannot be expected to last more than a couple of months. In the absence of any meaningful improvement in the inflation picture, the question that the Reagan administration must answer is simple: How long a delay must there be before the Federal Government recognizes the plight of the homebuilding industry, and families seeking homes, and take concrete steps to do something about it? Vague promises of a better day for us all, sometime in the future, to result from an unspecified Reagan administration economic program are inadequate. In my view, the Nation cannot afford a laissez faire attitude toward housing, and if starts figures continue to show a depressed industry, some form of direct stimulus will be in order.

I was also disturbed by Judge Pierce's expectations of cutbacks by as much as 10 percent in such programs as community development block grants, urban development block grants, and assisted housing. I am, of course, not unmindful of his pledge not to turn his back on the needy, but my experience tells me that this group is often precisely the one to feel the burden of budget cutbacks. With the largest share of HUD's budget involving programs for the poor, any cutbacks proposed for HUD naturally fall on these programs.

The Secretary expressed the hope of all that more housing could be squeezed out of less dollars. Certainly, this has been one of my goals, but I believe that the Secretary will find that the limits within which he must work are much more narrow than he thinks they are. Only so much "inefficiency" can be wrung out of section 8 and other assisted housing programs before major consequences develop—such as less production for the future, or lower quality housing, or higher rent burdens for tenants, or fewer needy people permitted eligibility.

I should also point out that the complexities of the Federal budget, indeed, of our society, make it difficult to achieve cost savings in certain Federal programs without simply shifting the cost burdens to other Federal programs, or, worse, to States and localities already hard put to come up with the resources to provide an adequate level of services.

For example, the new jobs that are not created due to slashes in UDAG funds would only mean in many cases continued expenditures from Federal unemployment assistance programs, which though a humane and very necessary response to the trauma of unemployment, return nothing to the Treasury, and gain us nothing in terms of productivity. The community improvement projects that are denied because of reductions in the community development block grant programs must lead to reductions in other local services, higher local taxes—usually regressive property or sales taxes, or the deferral of these projects.

Our urban centers are littered with deteriorated, blighted areas the improvement of which demands resources that are still unavailable, in the meantime crime continues to breed, private investment continues to shun these areas, and in each of these communities rich and poor alike suffer the consequences. Yes, we must have budget priorities, and the Federal Government owes it to the taxpayers to see that its expenditures are prudent, but to believe that budget cuts in programs having such meaning for the social and economic structure of our communities will not have serious repercussions is to deny the obvious.

Mr. President, as I indicated, when Judge Pierce appeared before the Senate Banking Committee, HUD's mission is a special one that requires close attention to some of the most needy segments of our society. The ability of the HUD Secretary to understand the nature of their problems, and to seek a fair and meaningful commitment of resources to meet their needs will be one of the truest measurements of the Secretary's tenure.

With these observations, stated perhaps as reservations, I still feel a great promise that the background of Samuel Pierce indicates that he will be able to grasp the complexity and move with incisive decision on answers to our urban needs that will move us forward in great harmony with the message and the promise of the inaugural address.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require.

Mr. President, I am glad I had the chance to hear the statement by my good friend from New Jersey, whom I greatly admire and respect. But I disagree with him very vigorously on this issue.

I think we have had too much spending in the housing area, not too little. I hope we can cut it and cut it sharply. My only argument with Mr. Pierce is that I am afraid he would not cut it enough.

If we are really going to get the housing industry going, we are going to have to cut down the Federal spending, balance the budget, and reduce interest rates. You do not reduce interest rates by having a bigger Federal program. You get more Federal housing that way, but you get an equivalent reduction in private housing.

Mr. President, I have spoken to homebuilders over and over again. They agree that what they want to do is have the Government smaller; not bigger, smaller. That is what we have to emphasize. I am glad that Mr. Pierce takes a somewhat similar position.

I will vote in favor of his nomination, but I do have severe misgivings for a different reason.

While Mr. Pierce's testimony before the Banking Committee was reasonably favorable in general to a better managed housing policy, and Mr. Pierce showed reasonable qualifications for the position, his testimony concerning HUD showed such a lack of detailed knowledge about HUD and where he expects to take the agency in the future, as to warrant a good deal of caution.

Mr. Pierce has a fine background. He has been a judge, a high Federal Government official, an occupier of numerous posts in the business, educational, and public service worlds. Let me name just a few: Adjunct professor at New York University, counsel to the House Antitrust Subcommittee of the Judiciary Committee, Assistant to the Undersecretary of Labor, General Counsel of the Treasury Department, labor and transit strike mediator in New York City—and this is HUD, Housing and Urban Development Agency which he would head——director and transit strike mediator in New York City, director of the Securities Investors Protection Corp., consultant to the Federal Reserve, and member of the NYC Board of Education.

Mr. Pierce has had some experience in the housing field. He testified that he was a member of the New York Battery Park City Authority, planning the development of a city within a city, containing housing, commercial buildings, schools, fire house and police stations. He worked in obtaining mortgage insurance on the housing units in particular amounting to some $68.5 million.

Mr. Pierce is a director of the Prudential Insurance Co. As a member of the finance committee of Prudential, Mr. Pierce deals with housing, real estate, and construction problems. He also represents a number of construction companies. So here is a man who has had some very valuable experience in the private sector in housing.

In his testimony, Mr. Pierce exhibited a desire to take the tough actions at HUD that need to be taken in light of current and foreseeable general economic conditions. He said that inflation is our No. 1 economic problem, and with that I agree. I would also stress once again, Mr. President, that inflation is our No. 1 housing problem.

If anybody wonders why we have a prime interest rate which is about 20 percent, all he has to recognize is that we have a national debt of almost a trillion dollars which has a maturity of less than a year, so it has to turn over every year. The credit markets are hit very hard by the Federal Government going in constantly with enormous borrowing. Of course, that drives up interest rates. The way to get that down is to run surpluses,

to reduce the national debt. That is the fundamental way we have to do it. If we try to do it by spending more money, there is no way we are going to get things under control.

Mr. President, Mr. Pierce recognizes that the budget needs to be cut. I agree. He said:

> Unless action is taken to curb it, the nation will suffer irreparable damage, and the neglect and failure to resolve this problem will have disastrous impacts upon the future generations of this country.

His desire was to have HUD fulfill its mission with less money, reviewing all of HUD's programs in the first 6 months with the intention of cutting costs. Mr. Pierce thought that HUD may have to make a cut in actual dollar expenditures of 10 percent. His thought was that every Department of the Government except Defense would have to absorb a substantial cut.

Mr. President, Mr. Pierce's commitment to have HUD cooperate fully with the General Accounting Office in its audits of HUD was also favorable. Frankly, I was disappointed with Mr. Pierce several years ago when as General Counsel of the Treasury Department he refused to turn over relevant documents to the General Accounting Office auditing the Lockheed loan. Mr. Pierce promises emphatically that will not happen during his tenure at HUD.

Unfortunately, Mr. Pierce's testimony was not sufficiently detailed on how he would go about streamlining HUD, reducing its personnel and providing a more efficient HUD operation. Mr. Pierce was very tentative on specific cuts that he would make at HUD, not appearing to know where or how such cuts would be made and their impact on housing policy.

Perhaps one can say that to be specific on these matters would be to require too much of a nominee for Secretary of HUD. I disagree.

The Reagan administration has come to power after an extensive campaign to the American people promising deep budget cuts in expenditure by Government agencies, reduction in personnel, abolition of burdensome regulations, an end to superfluous paperwork, and the delivery of a better product more efficiently. Millions of dollars and hundreds of people have been involved for months in the transition, producing studies for the incoming administration's own management purposes.

Measured against what was promised and the time and expenditure involved, Mr. Pierce, on behalf of the incoming administration, has labored like an elephant and produced like a mouse.

Deregulation has been discussed and extensive deregulation legislation involving other industries was enacted in the last Congress. Mr. Pierce came forward with no programs of deregulation for HUD aside from some generalizations.

Reams have been written about excessive paperwork, yet Mr. Pierce had no specific plans for reducing HUD paperwork.

Government bloated bureaucracy has been attacked consistently, yet Mr. Pierce has no program for reducing HUD personnel.

Next is fair housing. If there is any area where we need action to provide a quality for people regardless of race, it is in housing. That certainly needs to be addressed.

Fair housing is perhaps one of the most crucial matters that needs to be addressed in the field of housing. The Senate debated the matter of fair housing last year. Yet Mr. Pierce has no specific recommendations for strengthening the fair housing laws. I am gratified by Mr. Pierce's commitment on behalf of the Reagan administration to fair housing. But measured against the magnitude of the problem, Mr. Pierce's response is meager. What fair housing needs is leadership. Leadership we did not get from Mr. Pierce.

Mr. Pierce's commitment to find ways to have the private sector meet our housing needs was also not specific. What we need is more imaginative thinking, less of the notion that the Government can solve the problems with more money. Indirect Government programs designed to foster viable private sector housing production, pay greater dividends any day than direct Government spending. One would have expected this administration to have the capacity to hit the ground running in their management of HUD particularly in respect to private sector initiatives on housing. Mr. Pierce failed.

Next is rent control.

Mr. President, if there is any policy on the part of communities that has stifled the construction of rental units, it is rent control. It is very appealing, politically, especially, because there are far more tenants than landlords, but also devastating if we expect to have a constructive rental housing market.

On the question of rent control, Mr. Pierce was vague, yet, it is crystal clear that rent control laws are counter-productive because they discourage the formation of rental units we need so badly. Mr. Pierce would not preempt local rent control laws but would reserve to HUD the right to deny funds to such a community on the grounds that rent control laws prevent a viable housing program. We were left unclear as to how far Mr. Pierce would go to discourage rent control.

Mr. President, I think that is the number one enemy. It would cost the Federal Government nothing to take a far more vigorous posture in opposition to rent control.

He pledged to review the UDAG program but could offer no specific suggestions for cuts. Mr. Pierce also committed himself to review the highway construction program and its impact on housing. Construction of highways along with other Federal projects may destroy more housing than is built with Federal aid. Mr. Pierce did not appear to have a working familiarity with the problem.

Another disappointment was Mr. Pierce's failure to take a firm stand on cutting specific programs such as community development block grants while favoring overall cuts. Mr. Pierce is going to have to get specific and quick if he is to streamline HUD and reduce costs while fulfilling HUD's mission.

I was also disappointed that Mr. Pierce only agreed to "move in the direction" of policies which housing experts believe are long overdue if the Federal Government is to assist more low-income families with fewer tax dollars.

I am talking here, Mr. President, about housing allowances, a move in the direction of housing allowances. It seems to me that we have had a detailed experiment at a considerable cost to the Federal Government. We had it in Green Bay, Wis.; Saginaw, Mich.; and other areas. It was an experiment that was quite fruitful, according to the reports I have received. It would mean that we can target our assistance to those families that are truly poor.

One of the terrible ironies of our housing program is that families with incomes of $30,000 and $40,000 a year get a subsidy in one form or another, and rental units for families with incomes of $17,000 are available, whereas the vast majority of truly poor families, families with incomes of $5,000 and $6,000 a year, get no assistance at all, none.

Housing allowances would enable us to target assistance to those who need it, limit the amount we could afford, and not provide assistance to the few who do not need it, and assistance which, incidentally, discredits housing programs generally.

For example, experience has demonstrated that greater reliance on existing housing results in more families housed for fewer dollars. While local officials should be able to apply for new construction of subsidized housing where vacancy rates are so low as to make leasing existing units impossible, others should also be free to use primarily existing housing. Even in New York City, subsidizing families in place or moving into other existing units yielded twice as many assisted households as new construction from 1975–79.

There is also no reason why HUD should not immediately implement the provision of law which allows an increase in the ratio of tenant income-to-rent from 25 percent to 30 percent. This minor increase in tenant contributions would permit us to stretch our subsidies further to cover more of the needy.

The Senate voted to do that at the urging of the Housing Committee last year, but HUD has dragged its feet and has not done it.

I have taken the time to point out to my colleagues the lack of detailed plan that Mr. Pierce has for HUD. I expected more from the Reagan administration.

I shall give a cautious yes vote for Mr. Pierce. His commitment to budget cuts are ones that I agree with. Obviously we will have to hold Mr. Pierce's feet to the fire on translating Reagan administration rhetoric into reality at HUD.

In conclusion, Mr. President, I am concerned because the nominee did not

specify in adequate detail, in my judgment, the cuts that he would make in the budget. Frankly, he did much better than most of the other nominees have done, not only in this administration but in the past, but far less than I thought a man of his ability and knowledge should have been able to do, particularly with the time the administration has devoted to its transition.

He made no specific recommendations for cutting personnel, although he said 16,000 people in HUD seems to be topheavy. I can tell him it is topheavy.

He indicated no specific areas where paperwork could be reduced. Again, a disappointment.

I said, on balance, I shall vote for Mr. Pierce, although not with as much enthusiasm as I would like to bring to this nomination.

Mr. GARN. Mr. President, I would like to respond to my distinguished colleague from Wisconsin and the former chairman of the Banking Committee that I agree with about 95 percent of what he has just said, and my colleague knows that. Many of the things he talked about were things we worked on together. No one has spoken more vocally over the last 6 years over and over again, and I am sure both Senator PROXMIRE and Senator WILLIAMS have my speech memorized. They know as well as I know what needs to be done with HUD.

We are in complete agreement there.

Although Mr. Pierce was not my first choice for Secretary, I think he is an excellent choice and will do an extremely good job. My disagreement comes with the expression by the distinguished Senator from Wisconsin as to his disappointment in the lack of specific responses from Mr. Pierce to these areas that both Senator PROXMIRE and I agree about.

Just for the record, I should like the Senate to know that Judge Pierce had been the nominee for less than 2 weeks when he came to those hearings, and I would not expect him, in that period of time, with a department with more than 16,000 employees, with all the various housing programs we deal with in 235, 236, 232, and section 312—I could go on with all these programs it has taken me 13 years to learn as a city commissioner, a mayor, a Senator, and the ranking minority member of the Housing Subcommittee.

So it needs to be said that it is unfair to expect Judge Pierce to come in 2 weeks after he was nominated by President Reagan and give specific comments on all this.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. GARN. I will yield in a moment.

If, in a few months, he does not know all these terms that the Senator from Wisconsin and I and Senator WILLIAMS know, and if he does not have any specific suggestions in a matter of weeks, then I will join in the Senator's disappointment.

I point out that I would not expect Judge Pierce to know as much as we do about it. The Senator from Wisconsin has been in it for more than 20 years. I have been in it for 13 years. Senator WILLIAMS has been involved in housing. I am not sure that we all understand what HUD is doing after all those years.

Let us give Judge Pierce an opportunity to learn something of the silliness we know.

I yield to the Senator.

Mr. PROXMIRE. The reason I made that point is that we have had a transition team working here, spending more money than any other transition team in history, a couple of million dollars, and I think that can be very constructive.

I know that Mr. Pierce is a quick study, has a Phi Beta Kappa, is a distinguished scholar and a capable man, and is familiar with housing. He has been working in it in New York. I would think that in 2 weeks he would be able to become thoroughly familiar with HUD.

I understand that they even had a mock hearing so that he would have an opportunity to respond to questions which would be put to him.

Under those circumstances, I am surprised that he was not able to come up with somewhat more specificity with respect to the HUD programs.

I understand the Senator's position. General and unspecific as Judge Pierce's responses were, they were far better than those of most of the nominees who have come before the Senate so far.

Mr. GARN. Mr. President, I believe that Sam Pierce will be an excellent Secretary of Housing and Urban Development.

If no other Senators wish to speak at this time, I ask for the yeas and nays on the nomination. I realize that the vote will be delayed until later in the day.

The PRESIDING OFFICER (Mr. DENTON). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, I rise today to voice my support for the nomination of Samuel R. Pierce of New York to be our next Secretary of Housing and Urban Development.

Mr. Pierce will bring with him to this high office excellent credentials as a lawyer and administrator. A graduate of Cornell University and its law school, Mr. Pierce has been a practicing attorney a State judge, and general counsel to the Treasury Department from 1970–73. In each of these positions, he has performed with diligence and unquestioned integrity.

Mr. Pierce has pledged that, as HUD Secretary, he will do all that he can to work with President Reagan so that the administration can successfully cut Government spending and reduce regulation. At the same time, he has pledged to maintain our country's historic concern for the needs of the poor and disadvantaged. I believe Samuel Pierce is the man ideally suited to undertake these important responsibilities.

Mr. President, I hope that the Senate today will overwhelmingly confirm the nomination of Mr. Pierce for the position of Secretary of Housing and Urban Development.

Mr. CRANSTON. Mr. President, I commend President Reagan on his selection of the Honorable Samuel R. Pierce, Jr., as his nominee for the position of Secretary of Housing and Urban Development. Judge Pierce's past accomplishments suggest that he will be a capable Secretary of HUD. His testimony before the Senate Banking Committee indicated a sensitivity to the need to protect and preserve our scarce resources, both economic and natural, as well as being a strong advocate for housing. He will lend HUD his expertise in finance and pledges to work in concert with other department heads in order to develop a stronger economic policy.

As the new Secretary of HUD, Judge Pierce will be the caretaker of this Nation's housing and community development policy at a time when the housing construction industry is in the throes of a year-long depression and when fiscal austerity forces the Federal Government to cut back on its funds to local governments for economic development. I am sure that Judge Pierce will have ample opportunity to change those housing policies that are outdated, unproductive and unpopular with local communities. I will support him in these changes if they are indeed progressive and create increased housing opportunities for low- and moderate-income people.

I am interested in the direction that the Secretary-designate plans to guide HUD. Surely HUD's primary responsibility is to provide decent, safe, and affordable housing for low and moderate income people. I suggest that since the Department is the Federal Government's housing "think tank" it also has a role to play with the private sector.

The housing construction industry is subject to boom and bust cycles and the extent to which we can smooth out those cycles means that housing production will grow steadily. The increase in the production of housing is vital to our economic growth. As the housing market becomes tight in an area, business and industry in that area find it harder to entice capable managers and technicians. We are experiencing this problem in many areas in California and I plan to work closely with Judge Pierce to keep the lack of affordable housing from stunting the economic growth of a community.

While Judge Pierce assists in the struggle to bring a greater degree of economic stability to America I hope that he keeps in mind the plight of those that are involved with the housing construction industry. He is correct when he says that curtailing inflation will be beneficial to that industry; however, most plans to curb inflation are long-term plans. The needs of this industry and other related industries are immediate as outrageously high mortgage rates are choking housing sales, and putting a halt to new construction.

More than 757,000 construction workers are unemployed, according to the National Association of Home Builders. That association's president, Merrill Butler, recently told the Senate Banking Committee that the overwhelming majority of this year's housing starts will be Government-subsidized starts. Clearly something must be done, in the short term, to assist the industry and to provide housing for those who so desperately need it. If assistance is only to be af-

forded through the decline of interest rates, due to the time it will take to bring these rates down the industry may lose a lot of expertise as the technicians turn to more profitable ventures.

Over the past few years, we have developed various alternative mortgage instruments to try to expand housing opportunity. This is one area which could be of immediate assistance to the industry. With Judge Pierce's interest in finance, I expect that he will encourage the development of other alternative mortgage instruments to be used in conjunction with HUD programs.

The Department has accomplished much in the area of energy conservation and community development. We must preserve our cities and reinvest in our blighted or depressed areas. I was pleased to note Judge Pierce's interest in emphasizing the conservation and rehabilitation of existing units; however, in areas where housing markets are tight, an adequate new construction program is imperative.

At the confirmation hearings, in his statements and responses to questions Judge Pierce came across as a man who could control the bureaucracy at HUD as well as administer a housing policy that will be congruous with economic policy. I wish him well in his new position. The Nation should be well served by him.

Mr. GARN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. I yield back the remainder of my time.

Mr. GARN. I yield back the remainder of my time.

Mr. WILLIAMS. I yield back any time I may have.

DEPARTMENT OF TRANSPORTATION

NOMINATION OF ANDREW L. LEWIS, JR., OF PENNSYLVANIA, TO BE SECRETARY OF TRANSPORTATION

The PRESIDING OFFICER. The clerk will state the next nomination.

The legislative clerk read the nomination of Andrew L. Lewis, Jr., of Pennsylvania, to be Secretary of Transportation.

Mr. GARN. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER DEFERRING VOTE ON NOMINATION

Mr. BAKER. Mr. President, I ask unanimous consent that when the debate is concluded on the pending nomination the vote thereon be deferred until after the Pierce nomination this afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, on the same basis as previously requested, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PACKWOOD. I ask unanimous consent that the order for the quorum be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I call up the nomination of Drew Lewis to be Secretary of Transportation.

The PRESIDING OFFICER. That nomination is pending.

Mr. PACKWOOD. All right.

Mr. President, although Mr. Lewis was not formally nominated by President Reagan until Tuesday, the Senate Commerce Committee has been fully cooperative in the Presidential transition by reviewing Mr. Lewis' qualifications earlier this month.

The FBI has made a complete background investigation of the nominee and given their report to the committee for our study. We have also looked at Mr. Lewis' financial disclosure statements and his ethics reports, which we maintain in the committee's files. On January 7, the full Commerce Committee held a hearing in which Mr. Lewis was invited to appear and answer questions asked by the committee members on his background, his policy views and his qualifications. He could not have been more helpful, more capable or more open, and the committee was clearly satisfied with his testimony.

On January 19, the Senate Commerce Committee voted unanimously to recommend the confirmation of Drew Lewis as Secretary of Transportation, and I urge the full Senate to act favorably on the nomination also.

Mr. President, I yield 5 minutes to the Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I am pleased to be able to lend my voice in support of the nomination of Andrew L. Lewis, Jr., for the position of Secretary of Transportation.

Senator HEINZ, my senior colleague from Pennsylvania, and I, had the pleasure to introduce him to the Commerce Committee chaired by Senator PACKWOOD, and at that time I expressed my high regard for Mr. Lewis' capabilities.

I have known him for more than 15 years. He is a neighbor from adjacent Montgomery County in Pennsylvania. He has established a unique record as a business executive, as an activist in philanthropic and public affairs, as a person who is schooled and learned in the political process both as a science and as a matter of compromise for achievement. He has served as the executive for the Reading Railroad Co., which gives him unique experience in a major reorganization qualifying him to be Secretary of Transportation.

He was a distinguished candidate for the governorship of Pennsylvania in 1974. He has been a leader for President Reagan's campaign efforts. He is a man of high intellect, of unimpeachable integrity, and I think will bring a rare combination of experience, intelligence, and practical sense to the position of Secretary of Transportation, which is a position urgently in need of all the qualifications and capabilities which can be brought to that troubled Department. I think Mr. Lewis will serve admirably in that position, and I urge the Senate to confirm his nomination today.

I thank the Senator.

Mr. PACKWOOD. I withhold the remainder of my time.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require.

I agree with what the distinguished junior Senator from Pennsylvania has just said, and the distinguished chairman of the Commerce Committee, that this man is qualified, particularly his experience as trustee of the Reading Co., of which, I understand, he has been a trustee, served as a trustee, for some 10 years. It is a diversified company, a diversified transportation company, runs a railroad and a trucking subsidiary, a commuter system and, in general, gives him an excellent experience in the private sector.

For that reason, Mr. President, I am very concerned with his lack of responsiveness on the problems of the Department of Transportation and what they are doing right, what they are doing wrong, and what we can do about it.

For example, the first question was with respect to budget cuts. I would not be surprised if he could not tell me precisely what he wants to do about the budget. But he could not tell whether he wanted to go up or wanted to go down, no notion of whether we need more or fewer resources here.

I would like to ask my good friend from Oregon if it did not strike him as rather unusual that the nominee had no idea of whether he would need more or less in a department which he must be familiar with because he has dealt with it undoubtedly in his capacity as a trustee of the Reading Co.

Mr. PACKWOOD. When I conferred with Mr. Lewis in my office I posed that question to him in two different forms: one, what about long-haul passenger rail traffic which, at the moment, we subsidize, and it does not appear likely that it is going to pay its own way, and should we continue that, continue to subsidize it, drop it or what, and I posed roughly the same question as to Conrail, although that is more principally a freight hauler, but bankrupt, and we subsidize it in the form of a Government corporation.

He said while he had some personal views on each, he thought both of those were policy decisions that President Reagan would have to make. They are bigger decisions than just shall we cut this rail-

way line or not, and until the President had given him some direction as to what policies he wanted to follow he would withhold making any recommendations.

Mr. PROXMIRE. Well, I understand that position. But it still is a matter of concern as to whether he would feel that he could not at least indicate whether or not this Department, which does employ many people and has a large budget and, as the Senator has pointed out, has a great responsibility in the area of transportation in this country, which is critical for our economy, he did not seem to have even a notion of whether he would recommend more or less.

Mr. PACKWOOD. He has a notion as opposed to the previous nominee you and I discussed. Secretary Lewis has a notion. He simply does not think it is his place to publicly state his idea—his idea—of what should be done when indeed the policies he is going to be carrying out are President Reagan's, and President Reagan has not decided yet what he is going to do.

Mr. PROXMIRE. I understand that, but it would still seem to me it would be very constructive if these nominees would be as cooperative with the Congress as possible. I realize that any statements he would make would have to be subject, of course, to Presidential determination, and he could say that. But he should at least lay out the options and be somewhat more constructive.

Let me ask another question, however. I asked, in the first place, if he could indicate what personnel cuts he could make or personnel increases he would feel necessary. He did not answer that, and I can understand that. But then I asked him in writing whether he would supply quarterly reports so that we could keep some measure of how the Department was progressing and holding down the size and burden, and he did not answer that question at all.

Why should he not at least indicate that he would make an attempt to give us regular reports?

Mr. PACKWOOD. You mean you asked if he would make personal quarterly reports to you?

Mr. PROXMIRE. Well, the reports not necessarily made to me. I think the proper place would be to make it to the two committees of the House and Senate.

At any rate I think the way I framed the question—I am not sure—was whether he would make quarterly reports to the Congress.

Mr. PACKWOOD. I think I can assure the Senator from Wisconsin, speaking for myself and Senator CANNON, as we have in the past we intend to keep rather close oversight on both Amtrak and Conrail. Whether that is in the form of quarterly reports that he gives us or oversight hearings I think we can reach the same conclusion.

But I think Congress faces the same decision that President Reagan faces. Many of the issues we are going to have to decide are policy issues, and those policies are as much determined by us or more so than the President.

You know the problems we have gone through when we tried to cut rail service, when we tried to eliminate spur lines, uneconomical, that by any rational basis ought to be eliminated. We did not do it in many cases, and I do not think the decision or the fault can be laid solely to the President and the Secretary of Transportation.

Mr. PROXMIRE. If the Senator will yield, I am not asking for any prospective estimate. I am asking for a quarterly report about how many employees he has as of a certain time so that, say, on April 1 he can say "We have aboard so many bodies," and then on July 1, and so forth, so we can have some notion of whether or not we are making any progress toward reducing the size of the Department.

Mr. PACKWOOD. I can assure the Senator I will get from the Secretary of Transportation, within reason, the reports that you ask, within reason.

Mr. PROXMIRE. Then I asked him about cutting regulations. He said, "I have not identified any specific regulations that need to be revised or revoked." That seems to me to be a pretty good reflection on the previous administration, the Carter administration, and on Secretary Goldschmidt that here is a man who is an expert in the field, we all agree he is qualified, he has had solid experience in the private sector, and yet he cannot identify any regulations that need to be revised or revoked.

If the Senator has no comment I will proceed further.

Mr. PACKWOOD. I have a comment. I was just talking to Senator STAFFORD.

Responding to the Senator's question about regulations, as I indicated before with Mr. Baldrige, this administration has not yet made the decision as to which regulations will remain in place, and which ones will be cut. Some will be frozen temporarily in a moratorium, but they have not made the decision yet, and for me to say when it will come or for Secretary Lewis to say what they will be would be misleading us, would be premature, because the decision has not been made.

Mr. PROXMIRE. I call to the attention of the Senator an article that appeared a couple of weeks ago in the Washington Post by Mr. Stockman, the new head of the Office of Management and Budget who, I think, is an excellent appointment, incidentally, and I am enthusiastic about his appointment. He listed a whole series of regulations, many of them in the transportation field, that could be reduced, and the amount they would save in the process.

I do not think that was wrong of Mr. Stockman. I think it was correct. It may be that President Reagan, after consulting with those people, may disagree with Stockman and may overrule him, but at least he gave us some picture, some notion, of what regulations could be reduced, and I am disappointed that the nominee at this hearing did not come forward and indicate what regulations that, at least, he would discuss and consider and which might be repealed.

Let me ask the Senator about another question. I asked him about the paperwork situation, and he said he understands that already that is, the Carter administration, under Secretary Goldschmidt, has already begun efforts to reduce the paperwork burden, and that he will look at it, look at the situation, but he had no further observation.

That seems to indicate that the past administration was doing a reasonably good job, at least a good start on paperwork, and he would look at it, but he had no further ideas; is that correct?

Mr. PACKWOOD. I will read the answer that he gave, which is fully in the record.

I understand that the Department of Transportation has already begun to reduce the paperwork burden it imposes by, for example, trying to more accurately coordinate the information requests of the various operating administrations. At this time I have not identified any specific requirements which should be changed, but, as with regulations, I intend to closely review this area as soon as possible.

Mr. PROXMIRE. And then he also said further that he believes that the Department of Transportation has generally done a good job. That is his quote, "generally done a good job." He has no specific agenda for changing anything. Is that correct?

Mr. PACKWOOD. Mr. President, I will take the Senator's word for that. I do not have the transcript in front of me.

Mr. PROXMIRE. Mr. President, then he said he would generally prefer fostering a regulatory climate that will enable railroads to compete instead of using Federal subsidy. That is the kind of objective that all of us would applaud.

But did the Secretary-designate have any specific ideas of how he would enable railroads to compete?

Mr. PACKWOOD. Mr. President, I broached that subject with him in my office. As the Senator is aware, we passed the Railroad Deregulation Act last year. My advice to the Secretary was that, while he may have some further ideas, I think he might be wise to see what happens with the bill that we have passed before we start changing things that we have not even got used to working with, especially if they are new.

Mr. PROXMIRE. Mr. President, I want to commend the Secretary-designate in one area. He said he would like to gradually eliminate the operating subsidy for mass transit. I applaud that. I think that was a mistake. It is enormously expensive and it is a burden that the Federal taxpayers should not be asked to assume.

I can see why we should make capital contributions, but the operating subsidies would just become too heavy. He indicated he would like to gradually eliminate that and I think he deserves great credit for it.

I just wonder if there is any indication of how gradual that elimination might be. Did the Senator get a sense that might be done in a period of 3 or 4 years, or would it take longer?

Mr. PACKWOOD. No, the Secretary-designate did not give any indication.

Mr. PROXMIRE. Mr. President, I thank my friend from Oregon. As I have indicated. I think this man is qualified and I will be glad to support him. I wish he had been somewhat more responsive in these areas I have indicated.

I think it is interesting that, in spite

of the campaign rhetoric, we do not seem to have the kind of specific ideas in mind as to where to make budget cuts, how big the cuts can be, whether there can be cuts at all, how we can reduce the regulation burden, and how we can cut the paperwork. All of these, of course, were critical issues in the campaign. While I think that Mr. Lewis is qualified, I am disappointed that there were no specific proposals for making those realities.

I thank my friend.

Mr. President, I yield back my time.

Mr. WILLIAMS. Mr. President, I rise in support of the nomination of Drew Lewis to be Secretary of Transportation.

Mr. Lewis' background and experience shows him to be well qualified for a position that demands such sensitivity and management capability as does the post of Secretary of Transportation. His background demonstrates that he has the skills necessary to assure the smooth and efficient operation of his Department. His appearance before the Commerce Committee convinced me that he will maintain an open mind about how we can best solve the transportation problems that this country faces, especially the difficult and controversial problem of improving our vital public transportation network.

I was heartened by the forthright answers Mr. Lewis gave to my questions about the need to continue the legislative efforts started in the last Congress, so that we can develop an equitable and efficient system for the distribution of Federal transit assistance which will maximize the value of our investment by targeting assistance where it is most needed and will be best utilized.

Mr. Lewis' statement that reduction of Federal operating assistance to our transit systems could result in financial disaster for many systems also showed his understanding of the reality of the skyrocketing costs faced by transit operations all over the country; a reality that is not changed by doctrinaire policies regarding Federal assistance to States and localities. The Federal program of operating assistance to transit authorities—started, I should underscore, during the last Republican administration—represents a continuing congressional commitment to a program of broad national interest. This is especially true in an era of energy scarcity and soaring fuel prices, when it is in this country's vital interest to get people out of their cars and onto public transit.

Mr. Lewis' sensitivity to the needs of our transit systems is welcome. We will be watching closely to see that the Department reflects his views. One positive first step that I hope Mr. Lewis will take is to nominate as UMTA Administrator a person of both proven managerial skills and broad knowledge of the transit field. This will be important if we in Congress are going to work closely with the administration to improve and streamline the delivery of transit assistance.

I look forward to working with Mr. Lewis in the months and years ahead, and I urge his confirmation by my colleagues.

Mr. THURMOND. Mr. President, I am pleased to support President Reagan's nomination of Drew Lewis to serve in his Cabinet as Secretary of Transportation.

Mr. Lewis brings to this position a keen political acumen and a sound business mind. He has shown a knack for tackling struggling businesses and retoring them to economic health. With his proven business management skills, his good judgment, and his knowledge of transportation gained as a trustee of the holding company used to operate the Reading Railroad, I believe he has the background and ability to serve ably as Transportation Secretary. I certainly look forward to cooperating with him, and it is my hope that he will be quickly confirmed by the Senate.

● Mr. ABDNOR. Mr. President, President Reagan should be commended for offering to us for confirmation as Secretary of Transportation a man of such managerial capabilities and experience as Drew Lewis.

In particular, Mr. Lewis' experience in the railroad industry as trustee of the Reading Railroad makes him especially appealing to the people of South Dakota, a State whose railroad transportation system is in a state of crisis.

In the last 5 years South Dakota, which is serviced totally by branch lines, has lost 50 percent of its rail service, and is now facing the possible loss of the key Miles City line of the Milwaukee.

The State is pursuing an aggressive reorganization program to save a vital State core system. The endangered Miles City line is critical to the State rail plan, however, and we will be looking to the very capable Secretary-designate for leadership and direction in this matter of vital importance to the future of South Dakota ●

Mr. RANDOLPH. Mr. President, I gladly support the nomination of Drew Lewis to be Secretary of Transportation. Mr. Lewis is a leader who will assist in shaping transportation policy for many years to come.

The background which the nominee brings to this important post is replete with transportation and management prospectives. Mr. Lewis has been involved in both railroads and trucking and thus has valuable knowledge with respect to the problems facing those two transportation modes.

I am convinced that Drew Lewis carries qualifications which suit the problems he faces and the ideas which he has are generally compatible with mine. I met with the nominee to discuss transportation views in depth.

The Committee on Environment and Public Works, on which I have served for 23 years, conducted a hearing with Mr. Lewis to inform members on his views about the highway problems facing this country. I was pleased with our meeting and with the results of the hearing. I look forward to working with Drew Lewis as Secretary of Transportation.

Mr. CANNON. Mr. President, I rise to support the nomination of Mr. Lewis to the Department of Transportation. Senator PACKWOOD has correctly stated our committee action on the matter. I think we have the opportunity to have a very fine Secretary in that Department.

I must say that I was pleased by some of the views he expressed, particularly with respect to defederalization of some of the largest airports in the country. We will look forward to working with him.

Mr. President, I yield back the remainder of my time.

Mr. PACKWOOD. Mr. President, I yield back the remainder of my time.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, is there an order now for the stacking of the vote on this nomination?

The PRESIDING OFFICER. There is.

Mr. BAKER. I thank the Chair.

Mr. President, before the clerk reports the next nomination, there is some possibility that, to accommodate the needs of Senators on both sides, that order may be changed. So at this time I ask unanimous consent that I may suggest the absence of a quorum without the time being charged to any nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask for the yeas and nays on the Lewis nomination.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, I might say that in just a moment, as soon as the managers on both sides are in position, and I may say, by the way, that this has been cleared on the other side of the aisle—I will ask unanimous consent to deviate from the schedule and proceed now to the consideration of Executive Calendar Order No. 4, the nomination of James Watt, of Colorado, to be Secretary of the Department of Interior.

Mr. President, while we are waiting for the managers to take their places, on the same basis as previously requested, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, am I not correct in saying that a number of votes have been stacked to begin at 4:30 this afternoon?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, I now ask unanimous consent that at 4:30, when we begin that sequence of votes, that on the first rollcall vote there be the regular 15 minutes, with the five bells to be sounded

at the regular and usual time; that following on after that, each succeeding stacked vote will be 7½ minutes, with the five bells to sound 5 minutes before the end of the rollcall.

Mr. PROXMIRE. Mr. President, will the Senator yield on that?

Mr. BAKER. Yes.

Mr. PROXMIRE. Mr. President, reserving the right to object, and I will not object, I think we should call attention to the fact that this is not what was done before. I do not object at all to it. We should make it clear that this is a 7½-minute vote and not a 10-minute vote.

Mr. BAKER. Mr. President, I think the Senator is right.

So that everybody in their offices might be able to hear, this is indeed not a 10-minute vote. It is a suggestion from the minority side, which I embrace and endorse, for a 7½-minute vote and for a proviso that the warning bell will not be at 7½ minutes, obviously, but will be at 5 minutes before the end of the rollcall.

Mr. President, has the request been granted?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, on the same basis, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, what is the pending business?

DEPARTMENT OF THE INTERIOR

NOMINATION OF JAMES GAIUS WATT, OF COLORADO, TO BE SECRETARY OF THE INTERIOR

The PRESIDING OFFICER. Under the previous order, the clerk will state the nomination of James Gaius Watt, to be Secretary of the Interior.

The assistant legislative clerk read the nomination of James Gaius Watt, of Colorado, to be Secretary of the Interior.

Mr. BUMPERS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. McCLURE. I yield.

Mr. BUMPERS. Mr. President, I ask unanimous consent that Tom Walsh, Tom Williams, and Ark Monroe, of my staff, be granted the privileges of the floor during the debate and vote on this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, the Senate Energy and Natural Resources Committee conducted 2 very full days of hearings on January 7 and 8. Eight Senators, a Governor, and a Congressman in addition to the members of the committee either gave a statement or questioned the proposed nominee. Thirty-three witnesses from various groups, societies, associations, and committees in the public and private sector provided testimony on the proposed nomination.

I firmly believe the Watt hearings provided a complete and satisfactory record of his capabilities, work record, financial and legal status, and personal background. Everyone who wished to testify at the hearings was accommodated.

Of the issues raised, the hearings and the subsequent actions by Mr. Watt in his recusal statement and in the severance pay matter solved any remaining major questions concerning this proposed nomination as evidenced by the committee's vote of 16 ayes and no nays to report the nomination to the full Senate.

Mr. Watt, strengthened and tempered by his past experience in both the legislative branch and the executive branch, supplemented with his legal work, will bring a balance to the Department of the Interior. I believe him to be well qualified to serve as Secretary of the Interior. I urge the unanimous support of his nomination.

Mr. President, I ask unanimous consent that at this point there be printed in the RECORD the following statements and document submitted for the record in the committee hearings on this nomination. They are as follows:

First. Mr. Watt's biographical data;

Second. Mr. Watt's statement for the Committee on Energy and Natural Resources and his financial disclosure statement;

Third. Mr. Watt's recusal statement as amended January 8, 1981;

Fourth. A letter dated January 13, 1981 to me from Mr. Watt detailing the conditions of the possible receipt of severance pay from his previous employer and a copy of my response to that letter; and

Fifth. A letter with accompanying telegram dated January 22, 1981, to me from the Office of Government Ethics on the severance payment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JAMES G. WATT

PERSONAL DATA

9950 E. Grand Avenue, Englewood, Colorado 80111, Telephone—(303) 770-5197.

Married—two children.

Excellent health, 6'2" ht., 185 lbs.

Born: January 31, 1938.

PERTINENT EXPERIENCES

July 1977 to Present—President and Chief Legal Officer. Mountain States Legal Foundation. A public interest law center dedicated to bringing a balance to the courts in the defense of individual liberty and the private enterprise system. The Foundation is a nonprofit organization with a volunteer Board of Directors made up of Chief Executive Officers.

January 1977 to July 1977—Vice Chairman, Federal Power Commission.

November 1975 to July 1977—Commissioner, Federal Power Commission. An independent agency which regulated the interstate aspects of the electric power and natural gas industries. Appointed by the President with the advise and consent of the United States Senate.

July 1972 to November 1975—Director, Bureau of Outdoor Recreation. Chief Executive of a major bureau of the Interior Department, U.S. Government (Washington and seven regional offices). The Bureau assists Federal, State and local agencies in land-use planning, and manages a $300 million a year fund for Federal agencies and State governments (on a matching basis) to acquire and develop recreation lands and facilities. Produced the first Nationwide Outdoor Recreation Plan; developed the first Management-By-Objectives/Financial Management System Program in the Department. A principal Administration spokesman on recreation and conservation matters before Congress and interest groups.

May 1969 to June 1972—Deputy Assistant Secretary. Responsible for water and power resource activities of the Interior Department, U.S. Government. Line officer over seven agencies of the Department which designed, constructed, and operated reservoirs, water distribution systems and electric power transmission systems; marketed electric power and water; and conducted desalting research and development. Shared in the decision-making aspects of program and policy formulation, budget review and personnel management. An Administration spokesman for water resource matters before Congress and interest groups. Contracting Officer for the construction of a power-desalting plant in Saudi Arabia. U.S. Delegate, Economic Commission for Europe, Committee on Power, Geneva, 1971. U.S. Delegate, Israeli Desalting Conference, Dead Sea, 1971.

January 1969 to May 1969—Special Assistant to Secretary and Under Secretary of the Department of the Interior. Assisted in the change of Administrations; coordinated the activities relating to the Secretary's Senate confirmation. Counseled on legislative matters and wrote speeches.

September 1966 to January 1969—Secretary to the Natural Resources Committee and the Environmental Pollution Advisory Panel, Chamber of Commerce of the United States. Responsible for coordinating the activities and interests of the National Chamber in the fields of mining, public lands, energy, water and environmental pollution. Principal spokesman for the National Chamber on these issues. Developed policies and programs.

November 1962 to September 1966—Legislative Assistant and Counsel to former U.S. Senator Simpson (R-Wyo.). Advised on legal, legislative and political matters. Responsible for all legislative activities in his Senate Committees and on the Senate Floor. Wrote most of his speeches. Answered all correspondence dealing with legislation, politics and the legal problems of the constituents. Conferred with and screened all those who sought to see the Senator.

July 1962 to November 1962—Personal Assistant to Milward L. Simpson. Assisted in establishing a successful political organization for the Senator's election.

September 1960 to June 1962—Instructor (part time). University of Wyoming, College of Commerce & Industry. Taught Business Law and Real Estate to upper-classmen and graduate students.

Summer 1961—Research Assistant. Wyoming Legislative Statute Revisions Committee. Recommended revisions, clarifications, and corrections of Wyoming Public school laws.

Summer 1960—Depth Interviewer. SBA and University of Wyoming. Interviewed Wyoming businessmen to determine what their real business problems were.

School Year of 1958–59—Student Body Business and Finance Manager. University of Wyoming. Budgeted and controlled the expenditures of all student government money.

EDUCATION

J.D., University of Wyoming, College of Law—1962.

B.S., with Honors, University of Wyoming, College of Commerce & Industry—1960.

HONORS

Who's Who in America—1976–77, 1978–79, 1980–81.

Who's Who in American Politics—1971–72, 1972–73, 1974–75, 1976–77.

Member of the Wyoming State Bar.

Member of the Bar of the U.S. Supreme Court.

Wyoming Law Journal Editor (2 years).

Phi Kappa Phi—National Scholastic Honorary Society.

Who's Who among students in American Universities & Colleges (2 years).

Thomas Arkle Clarke Award (Outstanding ATO in Rocky Mountain Region).

President of University Honorary Societies—Phi Epsilon Phi (Sophomore) Iron Skull (Junior), and Omicron Delta Kappa (Senior).

UNITED STATES SENATE

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Statement for completion by presidential nominees

Name: Watt, James G.

Position to which nominated: Secretary of the Interior.

Date of nomination: December 22, 1980.

Date of birth: January 31, 1938.

Place of birth: Lusk, Wyoming.

Marital status: Married.

Full name of spouse: Leilani Bomgartner Watt.

Name and ages of children: Eric, February 14, 1962 (18); Erin, August 14, 1960 (20).

Education: University of Wyoming, 1956–60, BS, 1960; University of Wyoming, 1960–62, J.D., 1962.

Employment record: See attached résumé.

Honors and awards: See attached résumé.

Memberships: Rotary Club of Denver, 1978-present; Member of Wyoming State Bar, 1962-present; Member of the Bar of the U.S. Supreme Court, 1965-present; 5th Circuit Court of Appeals, 1980-present; 9th Circuit Court of Appeals, 1977-present; 10th Circuit Court of Appeals, 1977-present.

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate. I will sever all connections.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization. I have no plans or commitment to return to my present position or any other position of employment.

3. Has anybody made you a commitment to a job after you leave government? No.

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term?

(b) If you have been appointed for an indefinite term, do you have any known limitation on your willingness or ability to serve for the foreseeable future? No.

Potential conflicts of interest:

(1) Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated. All relationships will be severed upon confirmation. I will retain my relationship with Cal-Western Life Insurance Company which is the independent third party to which Mountain State Legal Foundation has paid retirement payments on my behalf. I have had transferred tax sheltered income to my personal account with the insurance company. (See attached letter).

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated. All relationships which might involve potential conflicts of interests will be severed upon confirmation.

3. Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated. Other than employment with the Federal Government as noted above, I have had no business relationship, dealing or financial transaction with the Federal Government during the last 10 years.

4. List and describe and lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or for the purpose of affecting the administration and execution of national law or public policy. Other than my several roles as a government member, I have sought to influence no legislation other than Senator Laxalt's S. 739 and Senator DeConcini's S. 1472 concerning venue. (See attached statement). I testified in support of their legislation.

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items. I am not aware of any potential conflicts of interest.

6. Explain how you will comply with conflict of interest laws and regulations applicable to the position for which you have been nominated. Attach a statement from the appropriate agency official indicating what those laws and regulations are and how you will comply with them. The Office of Government Ethics has supplied the Committee with a list of laws and applicable regulations. I will comply with the applicable conflict of interest laws and regulations. At the present time, there appears to be no circumstances that call for action.

Reporting Individual's Name: Watt, James G.

Position for Which Filing: Secretary, Department of Interior.

Location of Present Office: Washington, D.C., January 20, 1981.

Name of Congressional Committee Considering Nomination: Senate Committee on Energy and Natural Resources.

Do You Intend to Create a Qualified Diversified Trust? No.

Title of Position(s) and Date(s) Held: None.

Signature of Reporting Individual: James G. Watt, January 2, 1981.

INCOME AND INTERESTS IN PROPERTY

	Yes	No
Do you, your spouse, or dependent child receive income from, or have a beneficial interest in a trust? (The only trust that exists is a life insurance trust that is unfunded.)		X
Are there any interests in property or liabilities of a spouse or dependent child which you have not reported but which would be reportable, if held by you?		X

	Income: Cash flow income—annual amounts												
	Type of income				Category of amount or value					Valuation of assets[2]			
Identification	Dividends	Rent	Interest	Other (specify)	None (or less than $101)	$101–$1,000	$1,001–$2,500	$2,501–$5,000	Actual amount[1]	Valuation method	$1,001–$5,000	$5,001–$15,000	$15,001–$50,000
Savings account			X			X				FMV		X	
Checking account			X			X				FMV	X		
Hedged investments, mutual fund	X							X		FMV		X	
L S investments, a ltd. partnership (5 percent interest.[3]		X					X			FMV		X	
Real Estate Partnerships of America, a ltd. partnership.		X				X				FMV	X		
Dependent child: AG—Energy Resources, Inc. (stock).				Not paying dividends.			X			C	X		
Cal-Western Life Insurance, 501(c)(3) tax sheltered annuity.			X				X			FMV			X
Dependent child: Custodial accounts for children's education (cash).			X					X		FMV			X
Cal-Western Life Insurance, Mountain States Legal Foundation, vested portion retirement plan.			X				X			FMV			X
Note receivable, deed of trust on Ocean Pines property.			X			X				FMV	X		
Dependent child: AG—Energy Resources, Inc.				Not paying dividends.			X			C	X		
Mountain States Legal Foundation				Salary/eross income.					$73,500	H			

[1] Only if "Other" specified.

[2] H=honoria; FWV=fair market value interests in property; C=cost.

[3] Property located at 415 East Marie Ave., West St. Paul, Minn. 55118.

Liabilities:

Name and address of creditor: None except for personal home mortgage and small loan from relative which are not reportable per instructions.

Positions held:

Name and address of organization, type of organization, position held, from, to:

Mountain States Legal Foundation, 1200 Lincoln Street, Denver, Colorado 80203, Public interest law firm, President and Chief Legal Officer, July 1977, Present.

AG-Energy Resources, Inc., P.O. Box 3511, Englewood, Colorado 80111, Venture Capital Company Gasohol production, Board of Directors, January 1980, Present.

Compensation in excess of $5,000 paid by one source: Mountain States Legal Foundation, 1200 Lincoln Street, Denver, Colorado 80203, President and Chief Legal Officer.

Relations with other employers: None—All relations will be severed upon Senate confirmation including termination of participation in retirement plans.

LS Investments.—In October, 1980 I purchased a $12,500 share in LS Investment which is a limited partner in a mini-storage facility in St. Paul, Minnesota. My investment gives me a 5 percent interest in LS Investments which gives me a 1 percent interest in the facility. I have no management responsibility. There is no known conflict with the Department of the Interior.

Real Estate Partnership of America.—Five to seven years ago we bought a $2,500 share in a real estate investment Trust. The properties are general apartment houses and shopping centers in New York and New Jersey. I have no input on any issues. There is no known conflict with the Department of the Interior.

Hedged Investments, Inc.—My parents gave to my wife and me as Christmas gifts in 1978 and 1980 an undivided one quarter interest in their limited partnership shares. The two gifts, plus appreciation, equal almost $13,000. The limited partnership is engaged in the active trading of New York Stock Exchange common stocks. Neither I nor my parents have any responsibility or input on the stocks to be purchased or sold. There is no known conflict of interest.

Ag-Energy Resources Inc.—I am a member of the Board of Directors of this venture capital company. The purpose of the company is to build a gasohol plant in Eastern Colorado. There have been no contracts yet issued for the construction of a plant. Feasibility studies are underway. Because of my service on the Board, restricted stock has been issued to my two children. There is today no market for the stock. If there were a market, the stock could not be sold for several years because it is restricted by the securities law of Colorado. The speculative nature of this company is great. If it is successful there is no perceived relationship with the company's activities and the Department of the Interior—thus I do not understand that any potential conflict of interest exists.

2. Are any assets pledged? (Add schedule.) None.

3. Are you currently a party to any legal action? I am an officer of the Mountain States Legal Foundation. MSLF, on behalf of its members, has filed suit in several cases involving agencies of the Federal Government including the Department of the Interior. All relationships between myself and MSLF will be severed prior to confirmation. I am not personally involved in any legal action other than that described above.

4. Have you ever declared bankruptcy? No.

5. Have you filed a Federal income tax return for each of the last 10 years? If not, please explain. Yes.

6. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit? No.

OFFICE OF GOVERNMENT ETHICS,
OFFICE OF PERSONNEL MANAGEMENT,
Washington, D.C., January 6, 1981.

Hon. JAMES A. MCCLURE,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by James G. Watt. President-elect Reagan has announced his intent to nominate Mr. Watt for the position of Secretary of the Department of the Interior.

We have received the report and have also obtained advice from the Department of the Interior concerning any possible conflict in light of the Department's functions and the nominee's proposed duties. We are aware of the possibility that Mountain States Legal Foundation may make a severance payment to Mr. Watt. Because this situation remains unresolved, we take no position with respect to it. We understand that Mr. Watt has agreed to recuse himself from having any direct involvement in, or giving any advice or counsel on, any particular case or legal matter in which both Mountain States Legal Foundation and the Department of the Interior are parties and in which he participated while President and Chief Legal Officer of Mountain States. Subject to such disqualification, we believe that Mr. Watt will be in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely yours,

J. JACKSON WALTER,
Director.

JANUARY 6, 1981.

Mr. JACK WALTER,
Director, Office of Government Ethics, Washington, D.C.

DEAR MR. WALTER: In preparation for my confirmation hearings as Secretary of the Interior before the Senate Committee on Energy and Natural Resources I have developed the attached statement on recusal.

This statement has been discussed with the Chairman of the Senate Energy and Natural Resources Committee. This statement will be presented at the confirmation hearings.

Sincerely,

JAMES G. WATT.

RECUSAL STATEMENT OF JAMES G. WATT

I have been a salaried employee of the Mountain States Legal Foundation for the last 3½ years. In that capacity I have been attorney of record in almost all, if not all, its cases. No financial remuneration has been paid to me specifically because of a particular case, nor is any money due me.

If confirmed as Secretary of the Interior, I would recuse myself from having any direct involvement in, or giving any advice or counsel on, the specifics of any particular case brought while I have been employed by the Mountain States Legal Foundation in which both Mountain States Legal Foundation and the Department of Interior are parties.

This policy will eliminate any possible appearance of any potential conflict, while enabling me to fully participate in all policy decisions as Secretary of the Interior.

JANUARY 8, 1981.

Hon. JAMES A. MCCLURE,
Chairman, Senate Committee on Energy and Natural Resources, Washington, D.C.

DEAR MR. CHAIRMAN: I am transmitting to you for introduction in the hearing record on my confirmation an amendment to the recusal statement I made on January 6, 1981.

As you will note the amendment broadens the scope of my recusal statement, which I feel is appropriate.

Sincerely,

JAMES G. WATT.

AMENDMENT TO RECUSAL STATEMENT

In addition to the matters described in my original recusal statement presented to the Senate Committee on Energy and Natural Resources on January 6, 1981, if confirmed as Secretary of Interior, I would recuse myself from participation in any aspect of litigation in Federal or State Court and any Administrative proceedings, other than the formulation or promulgation of a rule of general application, involving the adjudication or decision of a specific matter such as an application or appeal within the Department of Interior or any other Department or Agency of the Federal Government, when the Mountain States Legal Foundation is a party or represents a party.

JAMES G. WATT.

OFFICE OF THE PRESIDENT-ELECT,
Washington, D.C., January 13, 1981.

Hon. JAMES A. MCCLURE,
Chairman, Senate Energy and Natural Resources Committee, Washington, D.C.

DEAR MR. CHAIRMAN: I wish to clarify, for the record, my position on severance pay forthcoming as a result of my service with the Mt. States Legal Foundation.

Recently the Foundation adopted a severance pay policy. Under that policy, I will be awarded severance pay in view of my three and one half years of employment with the Foundation. Any such payment will be for past services. I will conduct no further activities on behalf of the Foundation after my confirmation and I know that the Board of Directors understands that as well.

It is my intention, when the Foundation determines the amount of that payment, to have the Office of Government Ethics review the matter for compliance with the appropriate conflict of interest laws, particularly section 209 of Title 18, U.S. Code. Only after their review and approval, would I accept any severance pay from the Foundation.

I hope my position on this issue resolves any possible questions which remain.

Sincerely,

JAMES G. WATT.

U.S. SENATE,
COMMITTEE ON ENERGY
AND NATURAL RESOURCES,
Washington, D.C., January 13, 1981.

JAMES G. WATT,
Office of the President-Elect, Washington, D.C.

DEAR MR. WATT: I was pleased to receive your letter of January 13, 1981 clarifying your position on the question of severance pay from the Mountain States Legal Foundation.

As you indicated the Foundation has adopted a severance pay policy which will be applicable to you "for past services". I also understood from your letter that prior to accepting any severance pay, you will have the Office of Government Ethics review and approve the matter for compliance with all conflict of interest laws.

I believe your position on this matter should resolve any further questions.

Sincerely,

JAMES A. MCCLURE,
Chairman.

OFFICE OF GOVERNMENT ETHICS,
OFFICE OF PERSONNEL MANAGEMENT,
Washington, D.C. January 22, 1981.

Hon. JAMES A. MCCLURE,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is to supplement our opinion letter of January 6, 1981, to you in regard to the nomination of James G. Watt as Secretary of the Department of the Interior. We have today been furnished a copy of a telegram from Ted Hermann, Chairman of the Mountain States Legal Foundation, to Mr. James G. Watt stating

that the Executive Committee of the Mountain States Legal Foundation has granted him a $12,000 severance payment for past services rendered.

We cannot render a final opinion as to the acceptability of the severance payment without further review of the basic documentation creating this arrangement. We have requested that we be furnished appropriate sections of the Minutes of the Board of Director's meeting wherein the Executive Committee's action described in the telegram will be ratified by the full Board of Directors. Assuming that these Minutes support the representations made by Chairman Hermann in his telegram to Mr. Watt, we would conclude that Mr. Watt's severance payment arrangements are in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

J. JACKSON WALTER,
Director.

[Telegram]

JANUARY 22, 1981.

DEAR JIM: Two weeks ago I told you that the Executive Search Committee of Mountain States Legal Foundation had recommended to the executive committee of the board of directors that you be granted a severance allowance of $12,000 for your past services upon your leaving us. I am pleased to tell you that the board's executive committee has approved this grant and I have today arranged for this payment to be sent to you in grateful appreciation of what you have done for us.

TED HERMANN,
Chairman, Board of Directors, Mountain States Legal Foundation.

Mr. McCLURE. Mr. President, let me now turn in detail to Mr. Watt's qualifications. I have known Jim Watt personally since I was a freshman Congressman. He has shown me attributes most desirable for public servants: honesty, fairness, and loyalty. His professional approach to public policy and his years of service at the Department of the Interior brings an uncommon expertise to this Cabinet post.

Born and reared in the State of Wyoming, and now a legal resident of Colorado, Mr. Watt is truly a regional candidate, a region somewhat more than benignly neglected these last 4 years.

Mr. Watt's record of public service demonstrates that he understands the tenuous resource balance in the West, founded on the two God-given natural resources which form the basis for life in the Western States: Water and land.

I would hope that Mr. Watt would be instrumental in assisting this new Congress to end the "War on the West." The yellow light of excessive regulation, unresponsive Federal bureaucracies and obstructionist special interests has irked westerners into a sagebrush rebellion.

I know Mr. Watt to be sympathetic to their concerns, as many of us are. But the way to end the uncertainty of that yellow light does not mean the decision should always be a green light.

In many cases, to preserve our land in its natural state or to maintain or enhance our air and water resources, the red light may be the proper direction.

The point here is the value of time. Needless delay through Government indecision can cost us dearly, in higher materials prices and in pressures toward crisis management of our public lands.

Mr. President, the Secretary of the Interior carries very special management responsibilities, responsibilities which make the Interior Department unique among Federal agencies. At once charged with preserving our Nation's scenic beauty and fostering the development of publicly owned mineral resources, the Department's mission requires a manager cognizant and capable of a balanced perspective.

He will now assume a national post. I agree with Senator JACKSON, ranking member of the Senate Energy and Natural Resources Committee, when he stated:

The Secretary's role has changed dramatically . . . Now, under the laws enacted by Congress, he is the steward, for all Americans, of much of our national land heritage. . . . He is manager of nationwide programs in recreation, land restoration, historic preservation, mineral and water resources.

I believe that under close scrutiny and examination that Mr. Watt's record in private and public life does not have an exclusive western tilt but, is and was national in many instances. His work in the Department of the Interior in the Bureau of Outdoor Recreation resulted in the first nationwide outdoor recreation plan.

His efforts personally to raise the authorization level of the Land and Water Conservation Fund at a crucial time shows that commitment—nationally.

Mr. President, this man has spent his adult life in preparation for this job. He is ready. I recommend him to my colleagues on the Senate. I urge Senators to support this nomination.

Mr. President, before yielding the floor, I think it would be wise to add, in candor, that prior to our hearing there was a series of press articles, editorials, and political cartoons raising questions about Mr. Watt's qualifications. I was particularly pleased that, after our hearings, the reporting shifted dramatically to a tone of moderation and even strong support for Mr. Watt.

I ask unanimous consent to have printed in the RECORD a number of the posthearing reporting articles about Mr. Watt to document his success in our hearings.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 8, 1981]

A PROMISE TO SUPPORT ENVIRONMENTAL LAWS

(By Joanne Omang)

Interior Secretary-designate James G. Watt said yesterday he would seek no major change in the basic federal environmental and land-use laws, but would work within them to increase production of energy and strategic minerals from public lands.

Seeking in part to assuage environmentalists sharply critical of his nomination, he referred to his forthcoming term as the man in charge of much of the West as a "period of consolidation" in which he would pay "massive attention to good management."

"I do not come to this committee criticizing the basic acts that have been passed in these last few years," Watt said. "I want to focus my attention [on] managing programs already on the books."

The positions Watt said he would advocate as secretary will be based on four goals that he and President-elect Ronald Reagan agreed upon during a 20-minute meeting, the only time he has talked to Reagan, Watt said. They are: to make more public lands available for multiple uses rather than limiting them to recreation or wilderness or other single uses; to develop a policy for production of strategic minerals; to maintain public access to and upgrade the management of parks and recreational lands, and to work toward national self-sufficiency in energy.

The opening day of hearings on Watt's nomination was marked by generally amiable questions, most focusing on positions taken by the Mountain States Legal Foundation in Denver where Watt is president and chief legal officer.

Watt said he would sever ties with the 3½-year-old foundation. But he said also he would reserve the option of acting on cases that the organization might bring against the Interior Department in the future. The foundation's position on an issue could conceivably be the correct one, he said.

In answer to questions on his views, Watt said the emphasis on reclamation in the laws governing strip mining must be continued, although regulations hindering state primacy in administering the laws should be changed. In contrast to views that Reagan has voiced, Watt said the Clean Air Act and Clean Water Act need no major changes, only better administration.

The Sagebrush Rebellion, the effort by a number of western states to assert more control over federally owned lands, must be "defused" by an end to "arrogant land management" at Interior, Watt said. "If we don't shape up management processes," he continued, "pressures will grow" for formal land ownership transfer to the states.

Both he and Reagan have previously endorsed the goals of the so-called rebellion.

The environmentalists' attack on Watt has centered on the 47 lawsuits Mountain States has filed, of which 13 involve the Interior Department. Four were directed at the department and nine were interventions in others' suits, three of which supported the department position.

Brock Evans, head of the Sierra Club, charged the foundation had possible conflicts of interest in that some of the cases it entered financially benefited foundation donors. "Former clients will now be asking Watt to continue to advance their interests," he said.

A coalition of 176 Indian tribes asked Reagan to reconsider Watt's nomination because of one of the suits involving Mountain States. The suit opposed an Apache tribe's effort to impose a tax on minerals taken from its land.

Watt acknowledged that the foundation's position seemed counter to Reagan's support for tribal sovereignty, but added, "It's clear who my new boss will be and I will enthusiastically endorse the positions he has taken."

Later, committee Chairman Sen. James A. McClure (R-Idaho) noted that several Indian groups had sent telegrams supporting Watt's nomination.

Several senators questioned Watt about a recent statement that he would be able to work with environmental groups "who do not damage my hearing." That did not refer, he said, to his confirmation hearing but to groups that "become so shrill that they lose credibility and you can't hear them. If someone is just continuously screaming for their position—you become immune to that."

He added he had held a private breakfast with 16 representatives of western environmental groups and emerged "friends as we left. We built a bridge that we can walk on."

Sen. Gary Hart (D-Colo.) questioned Watt about an alleged remark to the effect that he would not trust a black surgeon to operate on him because the man might have gone to medical school under an affirmative action

program. Watt responded that the remark was taken out of context but referred to his belief that discrimination of any sort, whether to provide or deny a job, was a bad idea.

Sen. Paul E. Tsongas (D-Mass). known for his environmentalist views, predicted that Watt would be confirmed and said "it is not impossible" that he would vote for confirmation.

"If you do we'll write a chapter of Profiles in Courage' on you," Watt said.

[From the Washington Evening Star, Jan. 8, 1981]

WATT SAYS HE FAVORS "BALANCED" USE OF PUBLIC LANDS

(By Lance Gay)

James G. Watt, under withering fire from environmental organizations for his advocacy of development of public lands, yesterday vowed to try to build coalitions with environmental organizations and work for a "balanced" use of the nation's 400 million acres of publicly owned land.

Testifying for eight hours at his confirmation hearing before the Senate Energy and Natural Resources Committee, President-elect Ronald Reagan's nominee to be secretary of the interior described himself as a man who is committed to preserving the beauty and environmental values of the public lands while at the same time opening them up to public use and exploration for mineral resources.

The 42-year-old Denver attorney said he saw no need for sweeping new laws, maintaining instead that the basic problem was in the bureaucracy's "inept, arrogant management" of the lands.

"We need a period of consolidation and good management by the Interior Department under the laws that are now on the books. We do not need a massive overhaul of those laws," Watt said.

Watt said he talked to Reagan for "15 to 20 minutes" about his approach to the agency and that they outlined four basic areas Reagan wanted his administration to focus on:

The need to open public lands for multiple uses benefiting a number of people, uses ranging from public access to recreation to exploration of mineral resources.

The "vital urgency of a strategic minerals policy" to develop mineral deposits "to prepare us for contingencies."

Identifying and preserving "the jewels and gems" in the nation's park system and using new technologies to allow more public use of the system.

Improving the management of the Interior Department bureaucracy through "massive attention to good management of the land."

Watt came under fire from some committee members and environmentalists for his advocacy of the so-called "sagebrush rebellion" in the West, which has sought to end what some Westerners believe is excessive government regulation of federal lands.

But Watt warned that unless some management policies are changed to allow multiple use of the Western lands, Westerners will rise up and demand state control of them—something he said he opposes.

Watt's nomination, which has been bitterly attacked by environmentalists, was praised yesterday by Western senators and conservative Republicans. Even one Democratic liberal predicted that he would win confirmation.

"You are going to be confirmed—and that will not be of my doing," said Sen. Paul Tsongas, D–Mass. "I'm speaking mathematically. You have the votes."

Environmental organizations testifying yesterday were unanimous in their opposition to Watt's nomination, citing in particular his service as president of the Denver-based Mountain States Legal Foundation for the last four years. The conservative foundation has fought the Interior Department and environmental organizations in a battery of law suits.

"Mr. Watt's background makes him eminently unsuited for this position of guardian of our nation's natural resources," said Russell W. Peterson, president of the National Audubon Society. "His actions and statements identify him as an aggressive, shortsighted exploiter, rather than a far-sighted protector of the nation's air, land and water—those biological systems on which all life—plant, animal and human life—depend."

As president of MSLF, Peterson said, Watt has "distinguished himself as one of the most dedicated anti-environmentalists of the past decade."

Former Sen. Gaylord Nelson, who is to become chairman of the Wilderness Society this month, said his organization is "gravely concerned for the future of America's wilderness and environmental integrity" if Watt is confirmed. And Brock Evans, association executive director of the Sierra Club, charged that Watt will bring a "deep and serious conflict of interest to the department. He is not an advocate of conservation but an opponent of it."

Watt turned aside most specific policy or budget questions from committee members, saying he had not been sufficiently briefed on the issues to respond.

But in response to other questions, Watt said he:

Supports the use of motorboats on the Colorado River through the Grand Canyon to allow more people to see the canyon from the river.

Would resume the use of lotteries to distribute oil, mining or natural gas leases on federal lands instead of turning to a competitive bidding system. Cecil Andrus, as interior secretary, suspended the lotteries after instances of fraud were uncovered in the system, but Watts said the government is "as good off with the lottery system as it is with competitive bidding.

Would consult with state and local governments before adopting policies affecting lands in their jurisdictions.

Watt said yesterday that if he is made interior secretary he would not have any direct involvement in any case brought by the MSLF.

[From the Wall Street Journal, Jan. 8, 1981]

WATT TELLS SENATE HE WOULD BALANCE USE, PROTECTION OF RESOURCES AS INTERIOR CHIEF

(By Andy Pasztor)

WASHINGTON.—James Watt, trying to fend off sharp criticism of his nomination as Interior Secretary, painted himself as a dedicated conservationist with "deep roots" in the West and a strong record of working with environmental groups to achieve "balanced" development of federal lands.

In forceful, measured tones, the 42-year-old Colorado attorney and former Interior Department official told the Senate Energy Committee: "I have the balanced perspective necessary to manage" America's natural resources. If confirmed by the Senate, Mr. Watt repeatedly asserted, he will work closely with state governments and environmentalists "to strike a balance between the development and protection" of land, water and energy resources.

Mr. Watt also said he doesn't plan to push for major changes "in the basic laws" the department must enforce, and he doesn't foresee a "massive transfer of federal land" to state governments.

The thrust of Mr. Watt's comments clearly was intended to counter some of the bitter attacks by environmental organizations and American Indian leaders on his background as an advocate of business interests and a proponent of increased access to federal lands.

EXPLAINING HIS PAST

He spent a large part of his testimony playing down his pro-growth positions as president of the Mountain States Legal Foundation. He also went out of his way to explain his work as head of the Interior Department's Bureau of Outdoor Recreation in the early 1970s, when he helped assemble and purchase vast public recreation areas.

"We were aggressive in reaching out and involving" in those deliberations "as many conservation, environmental and recreation groups" and state officials as possible, Mr. Watt recalled.

Despite the strong opposition of most environmental groups and some Democratic Senators, Mr. Watt's confirmation is a near certainty. Opponents say they chiefly hope to score some political points against the nominee and perhaps make him more defensive on environmental issues when he takes over the Interior Department.

The environmentalists clearly weren't buying the moderate line Mr. Watt offered yesterday. "He's putting on quite a show, but it's contrary to his record," said Russell Peterson, president of the Audubon Society. "He has one of the most antienvironmental records of anyone I've ever met. To put him in charge of the Interior Department is a crime." But Mr. Peterson, a former Republican governor of Delaware and head of the Council on Environmental Quality under Presidents Nixon and Ford, acknowledged there's "no chance" that the Watt nomination would be defeated by the Senate.

Former Wisconsin Sen. Gaylord Nelson, representing the Wilderness Society, submitted a prepared statement to the panel in which he said he couldn't support Mr. Watt because of his association with "those interests which have been consistent and persistent in their attacks on almost every aspect of the environmental movement."

DEVELOPMENT OVER TIME

In response to generally friendly questions from committee members, Mr. Watt went to great pains to try to tone down his previous positions advocating loosening of federal environmental controls and massive overhaul of the department's rules and regulations. Rather than changing the legislation currently on the books, Mr. Watt said: "What we need is massive attention to management of (public) lands. We want the right kind of development to come over time."

During his testimony, Mr. Watt said he had "a 15 or 20-minute" meeting with President-elect Ronald Reagan to discuss the major issues facing the department after he was offered the post. Mr. Watt said that's the only time recently that he has discussed environmental matters with the President-elect.

Some of the sharpest questions came from Sen. Henry Jackson (D., Wash.), the ranking minority member of the panel, who criticized Mr. Watt for refusing to pledge that he won't participate in any matter in which the foundation he worked for filed suit against the department. Sen. Jackson said that refusal could present "a serious problem" for Mr. Watt in gaining the support of some environmentalists. "It's important that I have the ability to function in all dimensions," including issues in which his former employer is involved, Mr. Watt argued.

The foundation, among other things, has filed suits against the federal government challenging its land-use planning principles, attacking some of the basic precepts of sovereignty for American Indian tribes, and opposing current federal water management policies.

Despite his previous outspoken approach on these and other issues, Mr. Watt yesterday took a more conciliatory stance by urging environmentalists and Western business-

men "to tone down the rhetoric" and "quit being extremists."

Concerning the controversial question of loosening federal controls on strip mining, Mr. Watt said he sees "some need to change the management of the program" but doesn't intend to propose substantial changes to the existing legislation.

Mr. Watt also indicated he supports state-imposed severance taxes on coal, wants to increase the amount of federal land available for coal mining and intends to work with Congress to develop a comprehensive mineral management policy.

In response to a question by Sen. Gary Hart (D., Colo.), Mr. Watt refused to disavow an earlier statement attributed to him concerning the need for affirmative action.

The statement Mr. Hart was interested in quoted Mr. Watt as saying: "I'm going to be very hesitant to allow a black doctor to operate on me because I'll always have the feeling he may have been carried by the quota system."

Mr. Watt told the committee he is opposed to discrimination but didn't wish to discuss his earlier statement in detail.

[From the New York Times, Jan. 8, 1981]

CHOICE FOR INTERIOR JOB VOWS BOTH TO PRESERVE AND TO DEVELOP LANDS

(By Seth S. King)

WASHINGTON, January 7.—James G. Watt, whose designation as the next Secretary of the Interior is bitterly opposed by most environmental groups, declared today that he was a man who loved this nation's lands and was committed to preserving their beauty and environmental values.

He told members of the Senate Energy and Natural Resources Committee, which began a two-day hearing on his confirmation, that he could fulfill this commitment while speeding up the orderly development of energy and water resources on more than 442 million acres of Federal land, most of which are managed by the Interior Department.

"To accomplish this, we need a period of consolidation and good management by the Interior Department under the laws now on the books," said Mr. Watt, a 42-year-old native of Wyoming. "We do not need a massive overhaul of those laws."

Mr. Watt, who served in earlier Republican administrations as a Deputy Assistant Secretary of the Interior and as a member of the now defunct Federal Power Commission, told the committee:

"It has been my argument that this country must commit itself to a reasoned, environmentally conscious program for developing and utilizing the tremendous energy resources our nation possesses. Unless we have such a program, economic, social and political pressures will grow to such an extent that the Federal Government will be forced, in a crisis situation, to mount a crash program to develop coal, uranium, oil shale, tar sands and oil and gas."

"We want the right kind of development to come over time, not the wrong kind of development to come in a crisis," he said. "I want the Federal and State Governments to strike a balance between the development and protection of our natural resources. We can have reasonable development of our energy resources, and preserve our natural environment, if we are given an opportunity to phase in, with proper safeguards, the expansion being demanded by the nation."

President-elect Ronald Reagan's choice of Mr. Watt to be Secretary of the Interior has been one of the most controversial of his Cabinet nominations.

It was apparent, however, from committee members' comments that a majority would vote to confirm him despite some sharp questions from committee Democrats about Mr. Watt's attitudes toward development of Federal lands and his role as president and chief counsel of the Mountain States Legal Foundation, a conservative public-interest law group that has fought many of the department's environmental regulations on the grounds that they were excessive and restricted economic growth.

"It would be as easy for an environmentalist such as I to vote against you as it would be for a developer to vote for you," said Senator Paul E. Tsongas, Democrat of Massachusetts. "You are going to be confirmed, and I'm speaking mathematically. You have the votes. If I decide to vote for you, it will be on the basis of the praise you have received today from Western Senators and from what you said to me earlier about your commitment to development with protection."

OPPOSITION FROM SIERRA CLUB

Environmental and conservation organizations, whose representatives inundated the committee's hearing room this morning, contend that Mr. Watt is a determined developer who would allow the despoiling of many sections of Federal lands in the West.

"His selection would bring a deep and serious conflict of interest to the department," declared Brock Evans, associate executive director of the Sierra Club. "He is not an advocate of conservation but an opponent of it."

In answer to questions about his activities with the Mountain States Legal Foundation, Mr. Watt read a statement he had made yesterday to the Office of Government Ethics. In it he promised not to have "any direct involvement in, or give any advice or counsel on, the specifics of any particular case brought while I have been employed by the Mountain States Legal Foundation in which the foundation and the Department of Interior are parties."

This policy, he said, would eliminate any possible conflict of interest or appearance of a conflict.

[From the Washington Post, Jan. 15, 1981]

THE ROBESPIERRE OF WESTERN RESISTANCE

(By George F. Will)

Sneak up behind an environmentalist and shout "James Watt!" and you will induce an interesting tautness of nerves, like that which afflicted Macbeth when he saw the ghost of Banquo. Although I share many of their anxieties and most of their values, I think environmentalists are exaggerating, as is their wont, when they describe the menace posed by the next Interior secretary.

Whatever you think of his fervent "developmentalist" ideology, there is no reason to impugn his honor. His duties as secretary will be different from those he had in the job he is leaving. He has been director of a hyperactive legal foundation supported by corporations and specializing in court challenges to federal environmental regulations. At Interior, his duty will be to perform more complicated balancing functions, and he deserves the ordinary assumption that he will do his duty as defined, often strictly, by law.

When his critics, practicing preemptive indignation, say he is a "fox sent to guard the chicken coop," their rhetoric suggests that Interior's sole function is to "guard," meaning preserve or conserve, the nation's natural assets. Actually, preservation is only part of Interior's mission.

The laws that substantially dictate what a secretary shall do, do leave important matters to his discretion, which will be used. Watt's views mirror those of the man who just carried 44 states. Ronald Reagan ran strongest in the region where Watt—a Wyomingite who has been living in booming Denver—has been a leader in the fight for less restrictive environmental regulations.

When Watt says he sees the West "not simply through the eyes of a summer traveler but as a native," he is the authentic voice of the "sagebrush rebellion." Indeed, he is the Robespierre of western resistance to Washington's intrusiveness. The principal cause of western seething is federal ownership of so much western land.

How much? Some percentages of federally owned land are: Nevada 87, Idaho 67, Utah 65, Alaska 60 (it was 96 before last year's legislation), Oregon 52, Wyoming 48, California 45, Arizona 44, Colorado 36, New Mexico, 34, Montana 30, Washington 29. (East of the Mississippi, the highest percentage of federal ownership is 12 in New Hampshire.) This huge federal presence is one reason why in 1980 in 14 western states an incumbent Democratic president won an even smaller percentage of the popular vote than McGovern did in 1972.

Reagan's goal is to return to the states "primary responsibility" for environmental regulation so as to "increase responsiveness to local conditions." But one can understand the West's (more precisely, many but by no means all westerners') desire for that without considering it sound policy. The doctrine of "states' rights" seems especially strained when used to dilute the component of national interest in obviously national needs such as water, timber, minerals and wilderness and recreation areas.

Environmentalists must consider Watt's warning that if development of the West's vast energy reserves is impeded until a crisis comes, development then may be especially ravaging. For Watt, development by "free enterprise" is a fighting faith. And if presidents are to ease their burdens by practicing "Cabinet government," Watt may be the model of what presidents need: Cabinet officers who share the president's beliefs, passionately, and who relish conflict.

Reagan can reasonably claim a mandate to review environmental policies, but environmentalists need not fold like accordians. The real mandate is murky. The electorate is at it again: willing ends but not willing the means to those ends. Much environmental regulation preceded, or proceeded without sufficient understanding of, the "oil shocks" and regulatory excesses and other factors that have now focused attention on America's declining productivity. Because the economy no longer generates wealth as easily as it did, and because the world is more competitive, Americans are now more sensitive about the costs of things, including environmental improvement.

But they still strongly support environmental goals. If that support conflicts with Reagan's mandate for lightening the weight of government, that only means that Americans are, as usual, conflicted, and not unreasonably.

Furthermore, nature is impervious to election returns. God sendeth rain on the just and on the unjust, but not equally on all regions. Many things—from making shale oil to washing the tennis togs of those anticipated immigrants from the declining East—require more water than much of the West has handy or can organize without rearranging those things—water rights—that have occasioned the West's fiercest conflicts.

It is, therefore, good that when Watt says he anticipates "tremendous conflicts," he seems like a man to whom conflict, the more tremendous the better, is the syrup on the flapjack of life.

[From the Christian Science Monitor, Jan. 16, 1981]

WATT: PERSONABLE, APPROACHABLE

(By Julia Malone)

WASHINGTON.—James G. Watt has been portrayed by some as a single-minded enemy of bureaucrats and environmentalists. But the secretary-designate of the U.S. Department of the Interior does not fit neatly into the mold of a narrow-minded ideologue.

Despite his strong feelings against government regulation, Mr. Watt has earned a rep-

utation from both friend and foe for being approachable.

His secretary at the Denver-based Mountain States Legal Foundation says that although she's a liberal Democrat who rarely agrees with her conservative Republican boss, she finds that Watt "respects my views" and will listen to those who disagree with his opinions.

When one of the other lawyers at the foundation puts up a good argument against a position Watt has taken, she says, "he'll fume and fuss" at first, but afterwards says how glad he is to have that person on the staff.

Even his constant adversary for the past three years, Tony Ruckel of the Sierra Club's Legal Defense Fund in Denver, gives Watt credit for being personable and open.

Still, there's little doubt that the Wyoming-born Watt has firmly planted himself in the conservative camp. After graduating from the University of Wisconsin with a degree in commerce and industry, he spent several months interviewing businessmen about their problems, for a study. Later, as a lawyer, he took a post with the U.S. Chamber of Commerce developing policy in the areas of mining, public lands, and pollution.

He was a senatorial aide for a time, then served in the Nixon-Ford administration from 1969 to 1975 as director of the Bureau of Outdoor Recreation of the Department of the Interior.

Responding to the spirit of the "Sagebrush Rebellion" in Western states, teetotaler Watt teamed up with beer company executive William K. Coors 3½ years ago to form the Mountain States Legal Foundation and wage war in the courtroom on "restrictive" federal regulation. The foundation supports oil and gas developers and ranchers who are seeking use of public lands, and in 10 lawsuits it has opposed the department that Watt is now asked to run.

In order to avoid conflict-of-interest problems, Watt says he will sever ties with the Mountain States Legal Foundation and excuse himself, as Secretary of the Interior, from dealing with lawsuits that he helped bring against the department he now wil head.

Major environmentalist groups, including the Sierra Club, charge that Watt, as interior secretary, will be the proverbial fox guarding the chicken coop when it comes to protecting wilderness areas, forests, and the U.S. continental shelf from developers.

But Watt promises a "balanced" policy of protection and development.

[From the Denver Post, Jan. 12, 1981]

DENVER BLACK RAPS HART FOR RACISM CHALLENGE OF JAMES WATT

(By Clarke R. Watson)

Interior Secretary-designate James G. Watt has passed muster with the Senate Energy and Natural Resources Committee. It is now up to the full Senate to affirm the committee's positive recommendation.

Deliberations before that august body should not be tainted by vicious, unwarranted attempts of the environmental community to portray Jim Watt as a racist.

As a black, I am sufficiently pessimistic to suspect all whites of having at least some racism; so what else is new? My experience tells me a lot of blacks share these sentiments.

Many blacks must have been astonished at the attempt during the committee hearing to cloak Watt in the proverbial sheet.

Even more astonishing was the involvement of Colorado's senior senator, Gary Hart, in the sordid affair.

He, as a so-called liberal Democrat, should have known better. But, alas, he went for the game and thereby added another nail in the coffin of liberals' credibility in the black community.

What Hart should have known was that Watt had been endorsed in December by a national black publication, Energy Scene, which is received by every member of the House and Senate, as well as the staff director of the Energy and Natural Resources Committee.

That endorsement might have stemmed from the fact that in the Denver-based Energy Scene's pre-election issue, the contrast between what the Carter administration and Reagan representatives had to say regarding black involvement with energy and natural resources was such that anything short of an endorsement would have been a disservice.

While the Carterites droned on endlessly with non-specific and noncommittal responses to a questionnaire sent by Energy Scene, Watt, speaking for Reagan, was right on target.

Recognizing that Energy Scene is published for the American Association of Blacks in Energy, Watt had this to say.

"I am familiar with AABE and have reviewed your goals and fully support them. I think it is imperative that we bring more minorities into the business community. Minority persons must be involved in the private sector as entreprenuers, managers and members of the work force.

"I am particularly pleased that AABE has come forth as as the strong group that it has. I respect tremendously the impact you have had in the energy community, as well as with the NAACP when it considered energy issues at a past convention. I am aware of the role AABE played in developing and advocating the NAACP position on the need for deregulation energy if we were to meet America's energy needs."

Positive, definitive and showing a knowledge of AABE that could only be born of genuine interest, the Watt/Reagan interview earned high marks.

Carter said: "As president, I have been the leader in successful efforts to get legislation through Congress which provides assistance for low-income families which are especially hit hard by energy price increases. My administration fought successfully for passage of the windfall profits tax, which includes assistance for low-income families and financial boosts for mass transit systems—of particular interest to minority groups."

What the president did in his remarks was reconfirm that still far too many whites cannot deal with blacks other than in the usual welfare mentality context.

Unlike Watt/Reagan, the response never mentioned having minorities involved as equals in the private sector or as partners in the determination of energy policy. Typically, the Carter emphasis was on "low-income families" and "financial boosts for mass transit"—good stuff maybe in the '60s but clearly out of step with the challenges of the '80s.

It is doubtful Gary Hart consulted anyone in the black community about their perceptions of Watt.

Perhaps it did not suit the purposes of his environmental friends. He may have felt more comfortable consulting two early '60s vintage white radicals on black issues.

One is Tim Lange, who heads a campus-oriented newspaper in Boulder which has never employed a black reporter and by all indications doesn't plan to.

The senator's other source, Ron Wolfe, was part of the management of the now-defunct Denver weekly Straight Creek Journal—which, too, never employed blacks during its seven-year tenure.

These tactics suggest Hart should more closely examine his own attitudes about race before accusing others of insensitivity.

He also should know that the neo-environmentalists, whose lily-white organizations are hardly champions of civil rights and equality, often "use" minorities to shore up shaky arguments.

For example, the environmentalists, after months of unsuccessful wrangling about the proposed location of a liquid natural gas plant at Point Conception, a lonely site on the coast of California, because it was "geologically unsafe," introduced a new argument: The intended location of the gas terminal was precisely the spot (holy ground, as it were) where Indians departed for heaven.

Finally, Senator Hart, if he were sincerely interested might have learned that many blacks (including two prominent journalists) also would have "reservations about using a black doctor" who came through the quota system. Does that mean they, too, are racist?

Since I don't believe any system is perfect, including quota systems, perhaps I might hesitate under such circumstances. Does the title "racist"—or worse, Uncle Tom—therefore apply to me?

Where—if all else is equal—the scales are tipped toward a minority applicant in medical school, there's nothing to fear.

But recognizing that is not always the case is sufficient reason to give one pause.

It seems to me that in such circumstances physical survival, rather than social niceties is the motivating factor.

I know the temptation many whites have to do our thinking. We're surrounded by it every day—at work, at home, at play.

But to have some whites deciding other whites are racists or to make a big issue over a matter which blacks seemed to feel was of no consequence, all without soliciting the opinion of black people, is an extraordinary exercise of antebellum paternalism.

[From the Washington Evening Star, Jan. 9, 1981]

INDIANS SWITCH SIDES, GIVE BACKING TO WATT

(By Lance Gay)

Some American Indian tribal leaders yesterday endorsed the nomination of James G. Watt to be secretary of the interior after they said they were satisfied that Watt will carry out President-elect Ronald Reagan's Indian policies.

Watt won the Indians' support by testifying at his confirmation hearing that whatever his statements or stands on Indian issues in the past, he will follow Reagan's policies towards tribal self-government and protect the federal relationship with Indian tribes under treaty rights.

"By doing this, Mr. Watt has removed many of our fears and doubts," said Kenneth Black, executive director of the National Tribal Chairmen's Association.

Nelson Angapak, chairman of the Alaska Federation of Natives, said he was pleased by Watt's pledge, but said his group's board has not yet taken a position on the Watt nomination.

But LaDonna Harris of Americans for Indian Opportunity said that she was still concerned with Watt's lack of support of tribal rights and still opposes him. "The record of Mr. Watt is contrary to statements Mr. Reagan made," she said.

In an effort to mute charges of potential conflict of interest, Watt yesterday signed an agreement promising not to handle personally any department activity in which the Denver-based Mountain States Legal Foundation is a party or represents a party. Watt now heads the foundation, which advocates the development of Western lands.

Environmentalists yesterday attacked the nomination of the 42-year-old Wyoming native, contending that Watt has shown a strong and consistent anti-environmental bias.

"I've never seen any leopard change his spots. Perhaps its possible," said William A. Butler, general counsel of the Environmen-

tal Defense Fund. Butler said Watt has "without exception come down on the side of developers as opposed to those who would protect the environment."

The committee yesterday concluded two days of hearings on Watt, who is one of the most controversial of Reagan's Cabinet choices.

Committee Chairman Sen. James McClure, R-Idaho, predicted that the Senate would confirm Watt, but acknowledged there will be a floor fight.

"Not a great deal has been raised in these hearings other than a difference of opinion," McClure said. "I don't think that there has been anything raised here that indicates that he is not fit for the job."

But Sen. Dale Bumpers, D-Ark., said Watt's amended conflict of interest statement still leaves room for possible problems with cases and issues brought by contributors of MSLF before the Interior Department.

Bumpers said that there are 47 cases being considered by Interior involving large contributors to the MSLF and he said, "Any action he is going to take on those cases is going to cause him a lot of grief.

But McClure said there are "practical limits" in what the committee could seek to have put into writing. "I don't know how far we can pursue that," he said.

Louise Dunlap of the Environmental Policy Center urged the committee to require formal commitments from Watt on conflict-of-interest questions.

"The public has a right to know under what circumstances Mr. Watt would recuse himself from specific actions of the department," she said.

In the hearings, Watts was opposed by almost all of the environmental organizations, including the Sierra Club, National Audubon Society and Friends of the Earth. Thomas L. Kimball, executive vice president of the National Wildlife Federation said his group took no stand on the nomination.

Watt yesterday also picked up the endorsements of groups representing hunters and sportsmen as well as mining and forestry interests.

The American Indian organizations, which had been wary of Watt because of court challenges filed by MSLF against their interests, yesterday said they were pleased by Watt's endorsement Tuesday of Reagan's stands on Indian issues made during the presidential campaign."He will be my boss now," Watt said of Reagan. The secretary of the interior is the Cabinet official directly responsible for Indian affairs.

McClure said that the committee will vote on the Watt nomination later next week. Yesterday Sen. Alan Cranston, D-Calif., said he was joining those who would oppose Watt when the nomination comes to the floor.

[From the Wall Street Journal, Jan. 9, 1981]

THE POWER OF ONE WATT

Audubon Society President Russell Peterson gave some clue to the fervor of environmentalist opposition to James Watt's appointment as Interior Secretary by describing it at Senate hearings this week as a "crime."

Now, so far as we know, Mr. Watt has never been discovered personally spraying weed killer on a furbish lousewort or murdering a snail darter. Indeed, he presided over a substantial improvement in outdoor recreational areas during his seven years as a junior officer at Interior. So it would appear that his "crime," in the eyes of the environmentalists, was to turn one of their own weapons against them, using a "public interest" law firm to defend Western farmers and ranchers against all those Easterners who think they are the only ones to be trusted to act in the public interest out West.

This rather narrow view is no doubt further inflamed by the knowledge, gradually sinking in, that the government is, in fact, changing hands. Self-professed environmentalists were part of the crowd who came storming into government in 1977 when Jimmy Carter threw open the gates to several dozen Naderites and other anti-establishment activists from the 1960s, giving some of them positions of sweeping power. Mr. Reagan is certain to herd most of them out again, replacing them with folks like Mr. Watt who don't mind letting ordinary people pursue ordinary pursuits without a watchbird shaped like Gus Speth perched on their shoulders. Worse, the new people will certainly shut off all the taxpayer money the inside activists have been funneling to like-minded activists on the outside to finance lawsuits, PSC testimony, propaganda campaigns and the like.

Mr. Carter's experiment no doubt helped make him a one-term President. The economic damage—wreckage of the auto and nuclear industries, for example—was substantial. But it was not a dead loss. A sizable political force was introduced into the mainstream and can never again complain of being excluded from the political process. And there was even their belated discovery that they could both badger the corporations and improve the economy by dismantling anti-competitive regulation in such industries as airlines and trucking.

What has never been entirely clear in all of this, however, is how much it has to do with environmentalism or environmentalism with it. We suspect that there are very few of us who would not proclaim ourselves to be environmentalists. Both Mr. Watt and Mr. Peterson, tearing at each other at the Senate hearing, make that claim and we don't doubt either one. Mr. Watt's claim may seem less valid at first, but it is true that a sincere environmentalist can legitimately challenge policies that result in uncontrolled herds of wild horses destroying Western range grasses, bark beetles chewing up vast forests and huge coal mining pits dug because someone thinks nuclear power is an environmental threat.

As a political struggle, we have always felt that the issues ran much deeper than merely a scientific argument over optimum ways to protect the environment and at the same time allow life-supporting economic activity to proceed. And we're sorry to say we have developed deep suspicions of some of the environmentalist protestations.

We are not always sure of what really motivates them. Sometimes the people who voice them don't seem quite sure either. We see certain resemblances to the romantic movement in 19th Century Europe that followed the Enlightenment, a reaction to the stress of rapid social and economic change. There are traces of the true believer ethic that runs so deep in American culture and motivates some of our number to always be seeking ways to reform their fellow citizens—insisting that they give up smoking, or take up jogging, or eat little else but unhomogenized peanut butter and wild honey.

There are others in our midst who simply detest commercial enterprises and, since private interests conduct most of those kinds of activities, their dislike focuses heavily on business corporations. And then there are out-right socialists who think that somehow, contrary to all experience, commercial and industrial activity becomes nicer to live with if it is conducted by the state.

Some of these values are deeply felt and personal, and in our type of open society they are a legitimate part of the political and social debate. However, we would admire the people who hold them much more if they were more candid about them and more respectful of the opinions of others. And we would trust them more if they demonstrated more willingness to accept the judgment made by the voters last November.

[From the New York Times, Jan. 8, 1981]

EXCERPTS FROM WATT'S STATEMENT

WASHINGTON, January 7.—Following are excerpts from the opening statement of James G. Watt today before the Senate Energy and Natural Resources Committee considering his designation as Secretary of the Interior:

The tremendous complexities and statutory requirements vested in the Secretary's office fill that job with conflict and controversy. The Secretary must have the ability, and the judicial perspective and temperament, to evaluate conflicts. Acting under the law, he must choose actions that will insure common-sense, balanced perspectives in managing lands and waters subject to the multiple-use concepts which have been hammered out by Congress.

My record will demonstrate my adherence to principle and my commitment to the fundamental values of America. My record will demonstrate that I have the balanced perspective necessary to manage America's natural resources.

I was born, raised and educated on the plains of Wyoming at the foot of the Rocky Mountains. I have seen the West not simply through the eyes of the summer traveler but as a native. I have learned the values of water and land. I know the grandeur and beauty of open space and mountains.

During my seven years with the Department of the Interior, I had the privilege of serving in two totally different capacities. For the first three and one-half years, I was Deputy Assistant Secretary for Water and Power Resources. I was involved in the management of Western water resources, in building water resource projects, in marketing the power generated at Federal hydroelectric projects and in resource planning. It was during that period that the environmental movement emerged as a strong force. I was on the management team that learned to integrate environmental concerns and considerations into every dimension of natural resources management.

In 1972, Secretary Morton appointed me Director of the Bureau of Outdoor Recreation. The Bureau managed the Land and Water Conservation Fund which was, and is, one of the most effective preservation and conservation programs in America.

OUTDOOR RECREATION PLAN

The primary charge given to me by Secretary Morton was to develop and deliver to the Congress the first Nationwide Outdoor Recreation plan.

It continues to represent my philosophy and my commitment to recreation, to preservation and to multiple use of the resources of America. The plan outlines what needed to be done to save, protect, and utilize our shorelines, beaches and estuaries, flood plains, recreation trails, wild and scenic rivers, wilderness areas, islands, reservoirs, natural lakes, rivers and streams.

After accomplishing my management objectives at the B.O.R., I was appointed by the President to the Federal Power Commission.

One of the most challenging areas of F.P.C. responsibility dealt with designating the Alaska natural gas route to consumer markets in the lower 48 states.

I voted to designate the route which resulted from the NEPA process. One of the primary reasons for voting for that route was the environmental sensitiveness that I, and later President Carter and the Congress, recognized.

WORK WITH LEGAL FOUNDATION

With the creation of the Department of Energy, the Federal Power Commission was terminated and I was given the opportunity to return to my native West. I moved back to Colorado and helped to create the Mountain States Legal Foundation.

The foundation's very purpose is to assist the courts in making good public policy. It recognizes that the courts in recent years have become extremely active in making political, social and economic policy. Yet judges are allowed to make decisions only on the record before them.

The foundation is to counterbalance those who use our judicial system to restrict economic growth and to defend individuals and the private sector from illegal and excessive bureaucratic regulation. The foundation is dedicated to the values and concepts of individual freedom, our right to private property and the private enterprise system.

Allow me to conclude by expressing my deepest concern that the environment of the West will be damaged by crisis-oriented, unreasonable programs to develop the energy potential of the West.

It has been my argument that this country must commit itself to a reasoned, environmentally conscious program for developing and utilizing the tremendous energy resources our nation possesses. Unless we have such a program, economic, social and political pressures will grow to such an extent that the Federal Government will be forced, in a crisis situation, to mount a crash program to develop coal, uranium, oil shale, tar sands and oil and gas.

All too often, the Federal Government moves in a crisis, not with the precision of a surgeon's scalpel, but with the force of a meat ax. Those of us who love and are committed to preserving the beauty and values of our environment, fear this possibility. We want the right kind of development to come over time, not the wrong kind of development to come in a crisis.

[From the Washington Star, Jan. 9, 1981]

MR. WATT AND INTERIOR

Despite fierce environmentalist complaints that James G. Watt's stewardship of the nation's public lands would position a fox in fatal proximity to the hen house, his nomination as the Reagan administration's secretary of the Interior appears likely to be approved by the Senate.

Mr. Watt asserted at confirmation hearings that he is "committed to preserving the beauty and environmental values of the public lands." But he also said he will open lands under national trusteeship to "public use and exploration for mineral purposes."

That, charge his opponents, is the purest periphrasis: What he means is that the public lands are in danger of being thrown up to blatant exploitation by private interests.

One can discount a portion of the supercharged rhetoric. There is so basic an opposition between Mr. Watt's expressed philosophy and that of some environmentalists that the most skilled conciliator couldn't keep them in the same room long enough for introductions.

It is not easy, however to dismiss the opinion of someone like Russell Peterson, president of the National Audubon Society, who said Mr. Watt's "actions and statements identify him as an aggressive, shortsighted exploiter, rather than a farsighted protector of the nation's air, land and water."

What constitutes reasonable "multiple uses" of the public lands? What are the constituents of a "balanced" environmental policy? Those definitions, of course, involve many layers of perspective and interest that invariably become tangled in the formulation and administration of policy.

If one starts with the proposition that a president deserves to be served by his choices in important posts, a nominee's philosophy should not of itself be a disqualification. Mr. Reagan's overwhelming electoral victory presupposes some public support for the general policies he articulated, and his Cabinet selections, not surprisingly, will represent those policies.

And in this context, Mr. Watt's role as director of the Mountain States Legal Foundation and its aggressive challenge of federal policies does not seem to us to be so unequivocally "anti-environmental" as his opponents suggests. The argument can be made that the institute came into being as a countervailing force to the recent dominance of policy environmentalists for whom almost any development of public lands amounts to pillage.

We do not doubt that support for greater care and protection of the environment is strong. But there remain those difficult matters of defining how to get from here to there. Mr. Watt's confirmation theme was that "We need a period of consolidation and good management . . . under the laws that are now on the books. We do not need a massive overhaul of those laws."

The future of the 400 million acres of public lands in the continental United States is obviously of profound significance—for vital inventories of strategic metals and minerals, for recreation, for the wilderness expanses that become the more essential as we become the more urbanized. But there is no single philosophy that can or should unerringly dictate how these often conflicting values are to be accommodated.

In nominating Mr. Watt, the president-elect offered an irresistible target to environmentalists committed to a particular point of view. Perhaps that is why he chose Mr. Watt, politically risky as the choice may be.

[From the New York Times, Jan. 9, 1981]

WATT VOWS TO SHUN CONFLICT CASES

(By Seth S. King)

WASHINGTON, January 8.—Another group of environmental and conservation organizations today opposed the confirmation of James G. Watts as Secretary of the Interior.

But, in the second day of hearings before the Senate Committee on Energy and Natural Resources, their spokesmen indicated they had little chance of blocking the appointment of the Wyoming lawyer.

Near the close of the day's hearing, the committee chairman, Senator James A. McClure, Republican of Idaho, and Senator Henry M. Jackson, Democrat of Washington, the ranking minority member, said they were confident that Mr. Watt would receive "full bipartisan support" for confirmation in both the Committee and the full Senate.

PROMISE OF DISQUALIFICATION

Senator McClure said that Mr. Watt had amended an earlier statement on potential conflict of interest to promise that he would disqualify himself from making any administrative adjudication that involved the Mountain States Legal Foundation, which he formerly headed.

"I believe this will assure that there is no possibility of any appearance of any conflict of interest," Senator McClure said.

The harshest attack on Mr. Watt came from Gaylord Nelson, a former Senator from Wisconsin who represents the Wilderness Society. He said he was concerned that Mr. Watt's performance as Secretary would be influenced by a demonstrated anti-environmental bias.

He was referring to Mr. Watt's association for the past three years with the Mountain States organization, a public interest law group supported by Western mining, timber and industrial companies.

As president and chief counsel of the foundation, Mr. Watts filed more than a dozen lawsuits attacking the Government's environmental and resource regulations. Most of the lawsuits were against the Department of the Interior.

WANTS RULES IN WRITING

Louise C. Dunlap, executive vice president of the Environmental Policy Center, urged the committee to clarify in writing the rules that would apply to Mr. Watt as Secretary with respect to the conflict of interest problems that could arise.

JANUARY 9, 1981.

WASHINGTON.—James Watt appears certain of confirmation as Interior Secretary now that he has disqualified himself from court fights brought against the Interior Department by the foundation he has headed.

The Wyoming attorney made the pledge yesterday at the conclusion of a 2-day Senate confirmation hearing, much of which focused on the Mountain States Legal Foundation—a bitter foe of some environmental groups.

Watt's agreement to disqualify himself from court battles between Interior and the Denver-based foundation was announced by Sen. JAMES MCCLURE, R-Idaho, chairman of the Senate Energy and Natural Resources Committee.

Sen. HENRY JACKSON. D-Wash., who negotiated the accord, had expressed concern about possible conflicts of interests because of Watt's participation in 47 suits filed by the foundation against interior and environmental groups.

"I am confident now that Mr. Watt will receive strong bipartisan support in the committee and in the full Senate for his confirmation," MCCLURE said.

Mr. McCLURE. Mr. President, I yield to the distinguished Senator from Washington.

Mr. JACKSON. Mr. President, on January 7 and 8, the Energy and Natural Resources Committee received testimony from approximately 40 witnesses regarding the nomination of James G. Watt to be Secretary of the Interior. During these 2 days of hearings, the committee compiled a lengthy and detailed record from a wide variety of individuals and interests concerning Mr. Watt's qualifications to serve in this important office. This record has been made available to all the Members of the Senate and I urge my colleagues to examine it carefully in the context of this debate.

Mr. President, I ask unanimous consent that a statement I made before the Senate Energy and Natural Resources Committee regarding the changing role of the Secretary of the Interior and the need for a balanced approach to public lands management be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR HENRY M. JACKSON AT CONFIRMATION HEARINGS OF JAMES WATT, SECRETARY OF THE INTERIOR-DESIGNATE

In the past two decades the role of the Secretary of the Interior has changed dramatically. The Secretary is no longer the guardian of narrow Western regional interests. Now, under laws enacted by Congress, he is the steward, for all Americans, of much of our national land heritage—including our national parks, wildlife refuges, and public lands. He is manager of nationwide programs for outdoor recreation, restoration of lands affected by coal mining, historic preservation, and mineral and water resources. His decisions on energy and environmental matters affect the interests of every American.

Today, with the growing need to develop the energy and mineral resources of the public lands and the Outer Continental Shelf, the Secretary of the Interior and the entire Department are challenged to provide for wise use without sacrificing vital environ-

mental interests. This effort will require a high degree of competence, careful planning, constant effort to achieve a balance between development and preservation, and complete integrity in the decisionmaking process.

Just as importantly, the Secretary and the entire Department must recognize the fact that the "good old days" of few users and little or no constraints are gone forever. This is particularly true with respect to use of the public lands.

I am not saying that current programs should go on unchanged. Changes and innovations are certainly in order where there are weaknesses. I am saying that there are certain principles established by Congress which must be followed—(1) decisions based on land use planning, with ample public participation, (2) maximum protection of the environment, (3) receipt of fair market value for private use of public resources, and (4) close cooperation with State and local governments, and local citizens.

Much of the recent complaints from traditional users about public land management stem not so much from new rules of the management game but from the fact that there are many new players.

Increasing scarcity of basic commodities, a rapid shift of the urbanized population center of the Nation to the West and South, and a growing appreciation for environmental values have increased pressures for such competing purposes as energy production, urban growth, recreation, and wilderness preservation. As a result, there are new definitions of public interest, new constituencies to be served, and new claims on the resources of the public lands.

In enacting the Federal Land Policy and Management Act of 1976, Congress recognized this evolution of demands, values, and attitudes. That Act established the national policy that the public lands would be managed under the principles of multiple use and sustained yield.

The Act tells the Secretary to recognize "the Nation's need for domestic sources of minerals, food, timber, and fiber from the public lands. . . ." It also tells him to "preserve and protect certain public lands in their natural condition. . .".

The Secretary of the Interior has broad authority to achieve the multiple, and sometimes conflicting, goals set out in the Act, including authority to sell public lands to State and local governments and private individuals. I find many of the recent complaints about "oppressive" Federal control particularly ironic in view of the express requirements for Federal land managers to work closely with State and local governments, and, in fact, comply with State and local land use plans.

I look forward to hearing from Mr. Watt how he intends to carry out his statutory responsibilities, particularly for (1) management of the National Park and Wildlife Refuge Systems, the National Wilderness Preservation Systems, and the public lands; (2) regulation of surface mining; and (3) development of water resources.

Mr. JACKSON. Mr. President, finally let me say that, having listened to all the testimony, I made the motion to report favorably the designation by the President-elect of Mr. Watt to be Secretary of the Interior. At that time, there were no votes cast against Mr. Watt.

I thank the Senator from Idaho.

Mr. PROXMIRE. I yield myself such time as I may require.

Mr. President, all of us know my former colleague in the Senate, Gaylord Nelson, who served in this body for 18 years. I believe he was a wonderful Senator. He was the Governor of the State of Wisconsin before that, and he was recognized throughout the country as one of the foremost environmental experts and enthusiasts in this country. Along with former Senator Ed Muskie, I think he had more to do with providing the kind of environmental laws we have than any other Member of the U.S. Senate.

Senator Nelson was defeated in the last election, a very close election. When he left the Senate, he became the head of the Wilderness Society, one of the foremost conservation organizations in America. In that capacity, he appeared before the Interior Committee and made what I believe was a statement which every Senator should have called to his or her attention. I am not going to read the entire statement, of course, but I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PROXMIRE. Mr. President, I should like to read from that message, because it comes from a man who is a real expert in the environmental area and a man who was very practical and who recognized that we have to be careful about how we proceed in conservation, that we have an economic obligation in this country, that we should not take conservation positions that would interfere significantly with economic progress. This is what he said with respect to the nomination, speaking for the Wilderness Society:

We are strongly opposed to this nomination, and we are very gravely concerned for the future of America's wilderness and environmental integrity if Mr. Watt is confirmed.

We do not question Mr. Watt's ability, commitment, or dedication to the causes which have been the objective of his advocacy. We are satisfied he believes in what he says and does and that he would faithfully pursue the same objectives in his public responsibility as he has in his private responsibility.

Though no one would quarrel with his right to his private views, we do vigorously object to the translation of these narrow private interest views into the decisionmaking process of the Interior Department. No doubt Mr. Watt would argue that the positions he has taken are, in fact, in the public interest. That is the crux of our difference with Mr. Watt.

Senator Nelson went on to say:

The Secretary of Interior is the chief conservation officer of the United States. It is his role to be the educator, the philosopher, the vigorous advocate of sound resource management and the caring custodian of wilderness areas, fisheries, wildlife habitat, public lands, parks, wetlands, and endangered species.

Advocates for uncontrolled private exploitation of public resources are legion. Thus it is the Secretary of Interior who must be the public advocate for a conservation ethic.

I believe that point is one we should dwell on, because, as we know, there are many people who would exploit to a great extent our natural resources. But Senator Nelson says that the Secretary of the Interior should be one who would champion the conservation ethic and one who would stand above and aside and apart from the narrow interests of those who would exploit and develop it.

He goes on to say:

The jurisdiction of the Interior Department is vast and the decisions made there are consequential to all of us, with ramifications that cannot be predicted or measured with any degree of certainty.

He said:

The selection of a vigorous, committed resource-environmental-oriented Secretary is crucial because the issue is overriding in importance and the time is short. In the long pull, no other issue facing the human species on the planet is as important as the status of his resources and the quality of his environment. This is so because they determine and limit the standard of living and the physical quality of life on the planet.

Senator Nelson said, further:

A word should be said about the semantics of the antienvironmental movement. Certain code words are used indiscriminately to describe any individual or group of individuals who advocate higher air and water quality standards or any resource management approach they happen to oppose. Mr. Watt freely uses these code words to describe anyone who does not agree with his position. They are scare words and they are meaningless but they help him confuse the issue and degrade the quality of public dialog.

Then he said this, and with this point, Senator Nelson really comes to the crux of his argument:

You see, my concern is this. If, in fact, the President of the United States and this committee with jurisdiction sent down the name of the leader of the AFL–CIO to be Secretary of Commerce everybody in the whole business community would be outraged. He might make a very good Secretary of Commerce. The outrage is because of his background and association and what he has said and done in the past.

Or if you sent down the president of a national manufacturer's association as Secretary of Labor—I have been in this environmental field for 32 years, from the time I was elected to the State Senate in my State and have actively participated in practically every single major—in one way or the other, every single major environmental law adopted in the last 18 years, here in the Congress, and that accounts for almost all of them and others in my own State.

I have watched the battle, I have watched the fights, I have participated in them. I have listened to the arguments, I have listened to the debate. And from what I see those are perfectly legal, established, responsible people by their own lives—the mining interest, the forest interest, the oil interest, the power companies, they are private companies. They don't have a responsibility to set social standards. They can't do it alone.

Senator Nelson is not condemning these interests. He says they have a legitimate, vital part to play in our economic prosperity, but they do not set social standards; they are not objective. As he points out:

One power company can't clean up the air while none of the rest of them do because the power would cost too much. They know that, you know that, I know that. So, we have had to establish something.

Then he goes on in response to a question from Senator EAST, a very thoughtful question. Senator EAST pointed out that people—not simply oil people or mining people but blue collar people and many others—come up and complain about how the conservation movement might challenge and erode

their jobs. That question is one that has come to people in my State and people all over the country. I believe Senator Nelson had a very powerful answer to that—whether or not these environmental groups had some kind of no-growth philosophy. Senator Nelson said:

I guess the first thing I would ask, sir, is: These attacks that are made, they are always general. I have appeared and spoken on this issue of resources to I think it is now 37 States. And it isn't infrequent that somebody raises that question, particularly if it is before a Chamber of Commerce rather than, say, a university group.

I have asked the question at least 100 times in the past 15 years to the people who raised that question. I said, "Well, clarify for me. Will you name a wilderness area that you know about that somehow or another significantly deprived the country of a vital resource of greater value than preserving some of God's work in perpetuity?"

I have asked them at least 100 times and they all draw a blank. And then I have asked some of them, "Will you think about it and write me a letter?"

The first time I asked that I think was when I was traveling when I organized Birth Day in 1970 in Berkeley, Calif. I asked a gentleman, he happened to be a university professor, I said, "Will you write me a letter?"

I wrote him back, he never wrote me. So, I guess first we would have to define where is this bogeyman that is used in the codeword argument, that's the point of the matter.

I believe that the argument by Senator Nelson is a logical one. It makes sense that if we are going to criticize the environmental movement as having impeded economic progress—and perhaps there have been decisions that have been made thoughtlessly—we should be specific about it and cite examples; and we should be careful about elevating a man to be Secretary of the Interior, the No. 1 conservation job in this country, who has devoted his life, and devoted it very honorably, to an organization which has challenged our conservation policies repeatedly.

Mr. President, I wish to ask my friend from Idaho, the distinguished chairman of the Interior Committee, did Mr. Watt make any attempt to disqualify himself from taking part in decisions affecting the big mountain State contributors or board members?

Mr. McCLURE. I say to the Senator that Mr. Watt in his recusal statement indicated that he would disqualify himself from any actions that are now pending and that he would disqualify himself from any action in which the Mountain States Legal Foundation is a participant in the future. That recusal statement is a matter of record.

Mr. PROXMIRE. Let me give a statement.

The Coors Co. owns over 1,000 oil gas leases on over 100,000 acres of public lands in Colorado. In addition, the company is planning to build a large plant about one-half mile from Sandow National Park. Joseph Coors is one of the major backers of the Mountain States Legal Foundation. Would the Secretary recuse himself in that decision there?

Mr. McCLURE. The answer is no.

Mr. PROXMIRE. Why not? Would there be a conflict of interest?

Mr. McCLURE. There is not a conflict of interest with respect to any present action, and he is not retained by the Coors Co. to do any work for them at the present time with relation to the matters to which the Senator has referred.

Mr. PROXMIRE. Would that not trouble the distinguished chairman of the committee in view of the fact, as I say, Mr. Coors has been a principal contributor, a major backer of the Mountain States Legal Foundation which employed the Secretary-designate? Under those circumstances would not most people feel that Mr. Watt would be prejudiced?

Mr. McCLURE. Let me say to the Senator that we have had no access to the files of the Mountain States Legal Foundation with respect to the identity of the contributors or the amount of money which they may have contributed. But it is our understanding that there are dozens, if not hundreds and perhaps thousands of people who have contributed to that foundation. I do not have that personal knowledge.

Mr. PROXMIRE. Is it not well known, however, that the Senator certainly would not deny the fact that the reports that the Coors Co. has been a major contributor is probably accurate?

Mr. McCLURE. The Senator may have information that indicates that is accurate. I have no information upon which I could either confirm the accuracy or refute the accuracy of the statement.

Mr. PROXMIRE. Let me ask the Senator a further question. I am concerned about the appearance of conflict of interest when Mr. Watt must make decisions which affect Mountain States contributors. For example, based on the best data I have been able to obtain, contributors to Mountain States hold 232 of the approximately 550 Federal coal leases, that is almost half, 71 of the 176 pending preference right lease applications, that is about a third, and 8 of the 10 outstanding leases of Indian coal all within his Department's decisions.

Has the Senator asked Mr. Watt any questions concerning those leases?

Mr. McCLURE. We have not asked Mr. Watt any questions concerning the activities of possible contributors to the Mountain States Legal Foundation because we do not have information concerning the identity of such contributors.

Mr. PROXMIRE. Would it not be sensible for the committee to secure that information for the information of the Senate?

Mr. McCLURE. Let me say to the Senator that it is a tax-exempt legal foundation, a public interest law firm, and under the rules that the Senator has helped formulate, the statutes and the regulations issued under the statutes, it would be a criminal violation for the IRS to reveal that. When the IRS was asked at one time concerning whether or not that list of contributors was available, they very quickly responded that the law forbade them from making it available to us.

Mr. PROXMIRE. So that we are in a trap that we ourselves designed here.

Mr. McCLURE. If indeed it is a trap.

The Senator may know that in various times in the past the questions have been asked of the Sierra Club, the list of their contributors, Ralph Nader's organization, the list of their contributors, with respect to people that came out of these public interest law firms and directly into Government, and that list was not made available at that time for the same reason.

Mr. PROXMIRE. That is very troublesome. It seems that they can create an organization that can qualify legally and technically as a public interest organization and then they can conceal or at least not reveal, not make available the contributors in that organization and that organization may, as in this case, be in fact an organization that has a very special concern and interest.

Mr. McCLURE. I say to the Senator it has been troublesome to me in the past as people moved out of the Sierra Club into the Department of the Interior, into the Department of Justice, into the White House Domestic Council, and people moved out of the Natural Resource Defense Council. People that were involved in litigation then became in charge of the political body, the administrative body that was responsible for defending that litigation. All of that is a matter of longstanding record, something that occurred some years ago and has not been resolved, but it is a matter of concern certainly.

Mr. PROXMIRE. Does the Senator not see a tremendous difference there? Is there not a difference in that? The difference is that the latter does not have an economic interest.

Mr. McCLURE. The interest depends on whose ox is being gored, which side one is on.

Mr. PROXMIRE. I think there is a difference between a so-called consumer public interest group where no one is in it for profit.

Mr. McCLURE. Of course they are in it for profit. Their salaries are paid by it. The entire livelihood of employees of those organizations is tied up in it and for some time in the future.

Mr. PROXMIRE. The Senator is absoluetly right about that. There is a difference. Mr. Watt's salary was paid also.

I am talking about the fact that the people who fund it, who support it, provide the financial foundation for the Mountain States organization, had a clear interest that was an economic interest, a monied interest, that could conflict with the public interest.

Mr. McCLURE. Surely the Senator does not believe that the Sierra Club or a number of other conservation organizations have in it no members who have financial interest in the management of public lands, the formulation of public policy?

Mr. PROXMIRE. I am sorry. I missed the latter part of that. Say that again.

Mr. McCLURE. Certainly these other public interest law firms also have contributors that support them or public interest groups have contributors that support them that have some economic interest in the formulation of public

policy or the management of public resources.

Mr. PROXMIRE. Of course, these organizations are perhaps often not completely pure as we would like to view them, but I still maintain that there is a distinct and clear difference that most people would be able to perceive between an organization that represents the lumber interests, mining interests, oil interests, on the one hand, and one that represents the conservation interests on the other.

Mr. McCLURE. The Senator may find himself in falling into the trap that a number of other people have in the past and in criticizing the Senator from Idaho for supporting the silver mining interests.

Mr. PROXMIRE. I certainly do not criticize him for that.

I support the dairy interest. They have an economic interest and we are proud of it.

Mr. McCLURE. Does that disqualify a person from the dairy interest of occupying any position within the Department of Agriculture?

Mr. PROXMIRE. No, indeed. It qualifies him.

Mr. McCLURE. I hope it qualifies him. I hope we can get some people into positions that do have some interests that do know something about it.

Mr. PROXMIRE. But, of course, in my view, and I am sure in the view of most people, the people from the dairy industry have been fighting hard to sustain the Department of Agriculture in its policies. They have not been attempting to prevent the policy which is fundamentally to see that our farm income is improved, that we have an agriculture on which we can rely.

Mr. McCLURE. As a matter of fact, I have known a number of farm organizations that a number of times had a bitter opposition to the positions taken by the Department of Agriculture. They came in here doing their very best to get the Department of Agriculture to change their ways or get some personnel reassigned or removed. I am sure the Senator has seen that happen.

Mr. PROXMIRE. They did not set up a legal tax exempt legal foundation in the process.

Mr. McCLURE. Occasionally they made contracts that apparently are illegal in the political process. That did not seem to inhibit them much.

Mr. PROXMIRE. No one is perfect.

In the Mountain Fuel Supply, et al., versus Udall, Mountain States filed a brief in the U.S. Supreme Court on behalf of Mountain Fuel Supply, even though Mountain Fuel Supply is a major contributor, its president and chairman of the board sit on the board of directors, and a member of the board of litigation is counsel to Mountain Fuel Supply. Is that not correct?

Mr. McCLURE. I say to the Sentor I do not know whether that is correct or not. I cannot answer. I cannot affirm the accuracy of the statement.

Mr. PROXMIRE. That is the best answer I can get. It is interesting. It is interesting it cannot be denied.

Mr. HATFIELD. Mr. President, will the Senator yield for a unanimous-consent agreement?

Mr. PROXMIRE. I am delighted to yield at that point because it is very helpful.

DAY OF THANKSGIVING FOR RETURN OF HOSTAGES

Mr. HATFIELD. Mr. President, as in legislative session, I call up my joint resolution I introduced this morning on the hostages.

The PRESIDING OFFICER. Is there objection?

Mr. HATFIELD. It has been cleared by both sides.

Mr. BUMPERS. The Senator is correct.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

Joint resolution (S.J. Res. 16) designating January 29, 1981, as "A Day of Thanksgiving to Honor Our Safely Returned Hostages."

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration, and, without objection, the joint resolution will be considered to have been read the second time at length.

Mr. HATFIELD. Mr. President, the resolution was described this morning at the time of introduction. It has the clearance of both sides. It sets next Thursday as a day of thanksgiving for the release of the hostages and for the mosques, synagogues, and the churches to be open to the American public for that purpose.

Mr. President, this morning I introduced Senate Joint Resolution 16, to designate January 29, 1981, as "a day of thanksgiving to honor our safely returned hostages." Spokespersons, Mrs. Louisa Kennedy and Mrs. Katherine Keough, wives of hostages Morehead Kennedy and William Keough, have asked that this day be the official celebration for the "returnees".

Therefore, I am pleased to ask unanimous consent that additional Senators be added as cosponsors, on the resolution held at the desk.

The PRESIDING OFFICER. Without objection it is so ordered.

LIST OF ADDITIONAL SPONSORS

Mr. Abdnor, Mr. Bradley, Mr. Harry F. Byrd, Jr., Mr. Chiles, Mr. D'Amato, Mr. Dole, Mr. Durenberger, Mr. Ford, Mr. Garn, Mr. Glenn, Mr. Grassley, Mrs. Hawkins, Mr. Heflin, Mr. Heinz, Mr. Huddleston, Mr. Johnston, Mrs. Kassebaum, Mr. Kasten, Mr. Kennedy.

Mr. Leahy, Mr. Matsunaga, Mr. Mattingly, Mr. McClure, Mr. Metzenbaum, Mr. Mitchell, Mr. Moynihan, Mr. Nickles, Mr. Nunn, Mr. Packwood, Mr. Pell, Mr. Percy, Mr. Proxmire, Mr. Pryor, Mr. Randolph, Mr. Rudman, Mr. Sarbanes, Mr. Stafford, Mr. Sasser, Mr. Stennis, Mr. Schmitt, Mr. Stevens, Mr. Symms, Mr. Tsongas, Mr. Williams, and Mr. Zorinsky.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, is as follows:

S.J. RES. 16

Whereas we the people of the United States are one people under God;

Whereas in recognition of the hope, honor, faith, and courage of those men and women who have been forcibly held prisoner in Iran;

Whereas eight brave men laid down their lives in the pursuit and defense of freedom;

Whereas in order for the people of the United States of America to express their appreciation, hope, and care for these men and women; and

Whereas in order for the Nation to express its thanks to God for the safekeeping of these people and this country:

Now therefore, be it *resolved* by the Senate and House of Representatives of the United States of America in Congress assembled, that the 29th day of January, 1981, is declared a day of thanksgiving to honor our safely returned hostages, and that Americans participate in services in places of their own choosing on that date, as already called for by churches, synagogues, and mosques across this country.

Mr. HATFIELD. Mr. President, I thank the Senator from Wisconsin for yielding for this purpose.

DEPARTMENT OF THE INTERIOR

NOMINATION OF JAMES GAIUS WATT, OF COLORADO, TO BE SECRETARY OF THE INTERIOR

The Senate continued with the consideration of the nomination.

Mr. PROXMIRE. May I ask my friend from Idaho, Mr. Watt has had considerable experience in the areas which he will administer as the Secretary of Interior, yet positions which he has taken, especially as Director of Mountain States Legal Foundation, raise questions as to whether he can be a fair and impartial Secretary. His foundation has consistently taken stands in favor of development and on behalf of interests who have business before his agency.

For example: As Secretary, Watt will have to enforce the Surface Mining and Reclamation Act. He challenged the constitutionality of the act in an amicus curiae brief filed on December 19, 1980, just 3 days before his nomination was officially announced and over a week after press reports that he would get this position.

Does the Senator view that as an indication he will make a fair and dispassionate and objective Secretary?

Mr. McCLURE. I would say to the Senator that his recusal statement indicates that on any matter which is pending and any matter in which in the future the Mountain States Legal Foundation is a party he will disqualify himself from the determination of that matter.

Mr. PROXMIRE. Watt's arguments in the case Andrus against Virginia Surface Mining and Reclamation Association go directly to the issue of whether or not Congress has usurped States' government functions and exceeded the commerce power of the Constitution.

The position he attacks seems, in view of this Senator, to be an undermining of most Federal environmental laws, cooperative federalism. Does the Senator have a reaction to that?

Mr. McCLURE. Well, the Senator is entitled to his opinion. Certainly that is

my reaction. I can also say in these and several cases to which reference was made during the hearings it was pointed out by Mr. Watt, in response to questions, that he had sought in some of these cases to determine whether or not the Federal Government in its actions had gone beyond the law or had attempted to do things which were, as a matter of fact, illegal.

In some cases the courts agreed with him. I am not certain that the fact he was proven to be right is a matter of disqualification.

Mr. PROXMIRE. Let me ask, finally, and my time is almost up, let me ask about the responsiveness of Mr. Watt with respect to the budget of the Interior Department with respect to its manning, with respect to its regulations, with respect to the paperwork that is required.

As the Senator may know, I have asked the managers of the various nominations about the position of the respective nominees.

Here is a man who served in the Department of the Interior, has been working in the private sector in opposition to the Department of the Interior, and should have some very vigorous and strong ideas on it, and yet he did not seem to be able to answer these questions.

Why was he not able to give us some notion of whether he felt this Department could reduce its size and its burden on the taxpayers or not or if it had to increase, how much? If he could cut it how much he could cut it?

Mr. McCLURE. He was asked some questions, as I recall, on specific cuts and the judgment he might have on those matters. In each instance I think he reserved judgment on specific areas, and he reserved his judgment concerning overall budget cuts.

Mr. PROXMIRE. I might tell the Senator I did not ask him about specific cuts. I realize that would be unfair. I asked him in general. I asked could he reduce the overall budget and could he reduce it by 10 percent and, if so, how. He would not have to be specific in that response. He did not give me any answer as to whether the budget would go up or down.

Mr. McCLURE. I do not know whether it was in response to your question, I do not recall. but he did at one time commit himself to take every step necessary to work toward the anti-inflation goal needed for our economy. That is reflected in the hearings.

Mr. PROXMIRE. That does not mean anything. does it?

Mr. McCLURE. It might mean something or nothing. depending on whether or not it is matched by action after he takes office.

Mr. PROXMIRE. As I say, this is not a man who. like some of the other nominees. had no experience at all in the Federal Government. He is a man, as you know. who has served in the Department of Interior. He is a man who dealt with the Department of Interior for years. and I think it was generally conceded that he was an intelligent and effective man, with a strong personality. I am shocked and astonished that in response he had not said, "Yes, Senator, we can reduce it, and here are some areas, and we will try to cut it maybe by 10 percent."

Mr. Pierce, the new Secretary for HUD, was able to say that he would expect that he could reduce the Department by 10 percent. Stockman has indicated other very specific reductions.

Mr. McCLURE. If, as a matter of fact, somebody is willing to make such a statement that will be a valuable addition to the record, if, as a matter of fact, he is able to do later what he said he would do now.

I think Mr. Watt, throughout the entire hearings, tried to indicate what I think is an appropriate position. He will review all of the activities of the activities of the Department of the Interior, and after careful review and scrutiny of those activities, and in consultation with the Office of Management and Budget, come forward with specific recommendations later.

I think the Senator from Wisconsin ought to be very pleased with what are apparently the past positions of this man. When he was Director of the Bureau of Outdoor Recreation, he fought to increase the amount of money that went into the land and water conservation fund, and if I understood the remarks of the Senator earlier, that is a direction which he would applaud.

Mr. PROXMIRE. I am sure he has done some things which I would applaud. But, by and large, I will assure the Senator from Idaho that I cannot support the nomination.

Mr. President, it is 4:30 now. We have an agreement to vote at 4:30, so I will reserve whatever time I have remaining.

EXHIBIT 1

STATEMENT OF HON. GAYLORD NELSON, REPRESENTING THE WILDERNESS SOCIETY

Senator NELSON. Thank you, Mr. Chairman. I am appearing on behalf of the Wilderness Society. I have accepted the chairmanship of the society effective in mid-January, and am accompanied today by Mr. Charles Clusen, the Wilderness Society's conservation director.

The Wilderness Society is a nonprofit conservation group founded in 1935 and dedicated to the objective of proper management of public lands and the preservation of wild areas.

Let me state our position at the outset: We are strongly opposed to this nomination and we are very gravely concerned for the future of America's wilderness and environmental integrity if Mr. Watt is confirmed.

We do not question Mr. Watt's ability, commitment, or dedication to the causes which have been the objective of his advocacy. We are satisfied he believes in what he says and does and that he would faithfully pursue the same objectives in his public responsibility as he has in his private responsibility.

Though no one would quarrel with his right to his private views, we do vigorously object to the translation of these narrow private interest views into the decisionmaking process of the Interior Department. No doubt Mr. Watt would argue that the positions he has taken are, in fact, in the public interest. That is the crux of our difference with Mr. Watt.

The Secretary of Interior is the chief conservation officer of the United States. It is his role to be the educator, the philosopher, the vigorous advocate of sound resource management and the caring custodian of wilderness areas, fisheries, wildlife habitat, public lands, parks, wetlands, and endangered species.

Advocates for uncontrolled private exploitation of public resources are legion. Thus it is the Secretary of Interior who must be the public advocate for a conservation ethic.

The jurisdiction of the Interior Department is vast and the decisions made there are consequential to all of us, with ramifications that cannot be predicted or measured with any degree of certainty.

The Department oversees roughly 300 million acres through the Bureau of Land Management; 174 million acres are in the lower 48 States and 24 million of these are designated for wilderness study; there are 77 million acres in the National Park System managed as national parks, national recreation areas and Historic Sites; it has jurisdiction over the Fish and Wildlife Service, enforces the Endangered Species Act, enforces the law on strip mining, controls offshore oil leasing, controls subsurface mining on Federal lands, including Forest Service lands, and directs the Bureau of Indian Affairs.

The committee is quite aware of these facts, of course. We recite them only for the purpose of calling attention to the enormous importance and dimension and jurisdiction of the Interior Department.

The selection of a vigorous, committed resource-environmental-oriented Secretary is crucial because the issue is overriding in importance and the time is short. In the long pull, no other issue facing the human species on the planet is as important as the status of his resources and the quality of his environment. This is so because they determine and limit the standard of living and the physical quality of life on the planet.

Thus, how well we manage and protect our air, water, soil, forests, minerals, wilderness, and scenic beauty is of vital concern to everyone.

From our review of Mr. Watt's involvement in environmental issues we think it is clear he does not share the same sense of urgency, concern or understanding of these issues as expressed by the people of this country through succeeding Congresses and Presidents over the past two decades.

Mr. Watts is president and chief legal officer of a nonprofit organization called the Mountain States Legal Foundation, established in 1977. According to one of its publications called The Litigator—summer 1980—its organization was founded by a group of concerned businessmen to combat the presence and success of special interest groups such as environmentalists, nogrowth advocates and those who seek more Government control.

The fact that it refers derogatorily to environmentalists as a special interest group identifies its bias quite clearly enough for anyone to understand.

What, one may ask, was the special interest of those millions of Americans who peacefully demonstrated on the streets from coast to coast on Earth Day?

Who is the special interest group? Those who want to preserve a quality environment for everyone or those who want to exploit our resources for profit without any controls or standards whatsoever?

The board of directors of the Mountain States Legal Foundation is dominated by all of those interests which have been consistent and persistent in their attacks on almost every aspect of the environmental movement including opposition to clean air and water standards, strip mining controls, protection of wilderness, grazing controls on public lands, limitations on mining exploration, or controls over the management of public forest lands.

Mr. Watt has made it clear by his action and words as well as by his official association with the Mountain States Legal Foundation as president and chief legal of-

ficer that he shares the viewpoint of his board of directors and endorses the objectives of the foundation.

Of the 25 members of the board of directors of Mr. Watt's foundation, one third are from mining and oil interests and most of the rest represent banking, ranching, timber, power or development companies, including one brewery represented by Joseph Coors, of the Adolph Coors Co.

These are all reputable business concerns, some with national reputations such as the Boise Cascade Corp., the Idaho Power Co. and Kennecott Copper Co.

No one is concerned about Mr. Watt's pursuit of his private objectives in the private sector, but we are concerned, indeed alarmed, by the prospect of a Secretary who brings to his office what we believe to be a strong antienvironmental bias and who is strongly supported and closely identified with those interests which have been in the forefront of the fight against environmental standards for the past two decades.

On December 23, 1980, the Washington Post commented on this point, making it clear it shared with us precisely the same reservations about Mr. Watt. The editorial stated in part:

"The President-elect has said that he is looking for someone to balance 'environmental extremists,' but in naming James G. Watt he appears to have gone to an opposite extreme and chosen someone who has demonstrated little understanding of the Interior Secretary's role as trustee, on behalf of the public, of the bulk of the Nation's natural resources.

"In remarks at yesterday's press conference Mr. Watt professed to be keenly concerned with balancing the claims on the Department in a judicious way. But his background proclaims him to be an undiscriminating advocate of private development interests and a man with an overriding bias in favor of immediate exploitation of resources rather than long-range management.

"Sound policy grows in part from the tension between competing views. In any administration, regardless of its philosophical bent, Interior should be speaking on behalf of concerns different from, for example, those of the Departments of Energy, Commerce, and Agriculture. Judging from the available record, it does not seem likely that it will do so under Mr. Watt's guidance."

A word should be said about the semantics of the antienvironmental movement. Certain code words are used indiscriminately to describe any individual or group of individuals who advocate higher air and water quality standards of any resource management approach they happen to oppose. Mr. Watt freely uses these code words to describe anyone who does not agree with his position. They are scarce words and they are meaningless but they help him confuse the issue and degrade the quality of public dialog.

Those who are targets of this attack are called no growth advocates who would collapse the country by depriving it of adequate energy and leaving millions unemployed. This charge is calculated to stir up the editorial writers and induce the public industry and labor to oppose wise resource management proposals which will, in fact, serve our country best.

The word extremist is regularly used to describe any position different from his own or any environmental standard he opposes.

Frequently the phrase environmental extremist is used or the word environmentalist is used as a synonym for extremist. Mr. Watt, publications of the Mountain States Legal Foundation, and their supporters use these phrases as part of their normal dialog on environmental issues.

Those of us who have been involved in these issues for many years are familiar with the code words, we understand them, we known their political and propaganda objectives and we have become accustomed to their indiscriminate use.

However, we do not expect, indeed we are dismayed, that anyone nominated to be the chief environmental officer for the United States would attack the environmental movement with the same techniques and same code words used by our most uncompromising critics.

The problem we face is not environmental extremism if, indeed, anyone can explain what that is. The real question we must ask is whether we have the foresight, the determination, the understanding, the political courage to make those major decisions that might, just might, significantly slow down the wasteful dissipation of our resources and arrest the deterioration of our air and water before the productivity of the oceans and rivers is destroyed. It is a monumental task. In most respects we are losing ground both here and all over the planet.

We cannot afford to gamble on the remote hope that Mr. Watt might significantly modify his views. They are firmly set and ideologically grounded. Nor is there any reason to believe he might in the future show greater insight and perspective about the vastness of these issues. America and the American earth deserve better, it seems to me.

Thank you.

The CHAIRMAN. Thank you.

Senator Bumpers.

Senator BUMPERS. I have no questions.

The CHAIRMAN. Senator Domenici.

Senator DOMENICI. No questions.

The CHAIRMAN. Senator Melcher.

Senator MELCHER. Well, I only wanted to comment that I appreciate Senator Gaylord Nelson, a very strong and forceful statement. I think that the presentation of The Wilderness Society's position by Senator Nelson is excellent. I think that the terms that are used and identified, the people and their positions on conservation issues is very aptly put.

When you used the word environmentalist as something bad, I think we ought to return to what Gaylord used to know 25 years ago when he pioneered the conservation movement and we ought to be concerned with the word conservation.

It says it all anyway, doesn't it, Gaylord?

Senator NELSON. Just about.

Senator MELCHER. Thank you very much.

The CHAIRMAN. Senator Wallop?

Senator WALLOP. I have no questions.

The CHAIRMAN. Senator Tsongas.

Senator TSONGAS. Senator Nelson, Mr. Watt yesterday made a point about being open to environmental groups and he spoke proudly of his meeting I guess a couple of weeks ago with environmental groups in Denver, I believe, and said that a bridge had been constructed and that he would make use of that bridge in contacting and in working with environmentalists or conservationists, however they may be defined. Have you had contact with Mr. Watt? Do you expect that you will have a task to cross the bridge?

Senator NELSON. I would certainly hope so. I have had no contact with Mr. Watt and I would assume there is now no reason to have contact. I would hope he would construct a bridge.

You see, my concern is this. If, in fact, the President of the United States and this committee with jurisdiction sent down the name of the leader of the AFL–CIO to be Secretary of Commerce everybody in the whole business community would be outraged. He might make a very good Secretary of Commerce. The outrage is because of his background and association and what he has said and done in the past.

Or if you sent down the president of a national manufacturer's association as Secretary of Labor—I have been in this environmental field for 32 years, from the time I was elected to the State Senate in my State and have actively participated in practically every single major—in one way or the other, every single major environmental law adopted in the last 18 years, here in the Congress, and that accounts for almost all of them and others in my own State.

I have watched the battle, I have watched the fights, I have participated in them. I have listened to the arguments, I have listened to the debate. And from what I see those are perfectly legal, established, responsible people by their own lives—the mining interest, the forest interest, the oil interest, the power companies, they are private companies. They don't have a responsibility to set social standards. They can't do it alone.

One power company can't clean up the air while none of the rest of them do because the power would cost too much. They know that, you know that, I know that. So, we have had to establish something.

I have watched the files. I can't think of a single, major environmental issue before the Senate in the 18 years here that involved any single one of these interests in the Mountain States Legal Foundation.

Power companies oppose area standards. They will fight, they will fight to the death against setting standards that will keep the sulfur oxide out of the air, because they say it will cost too much.

The cost to this country will be immeasurable if we don't do it because there won't be a fresh water lake left in America that isn't sterile. Three hundred have gone in the Adirondacks. They are starting to destroy the lakes in Wisconsin and in Minnesota and in Canada. The cost of not saving these lakes will be thousands of times greater than the cost of doing it. They will fight those standards just as they fought air quality standards on every issue. They fought them all. I introduced the first legislation in the Congress on strip mining. They attacked it then. They were environmental extremists, no-growth advocates, every single job and every single fight opposing it.

Wouldn't that cause anybody to be concerned about a person who comes from that group, who has been their spokesman, been their president and their chief counsel, and now to become the chief environmentalist and the chief conservation officer of the United States?

Obviously, every single leading environmentalist in this country that I know of and every organization in this country that I know of is opposed to it. Are they opposed to it because there is some thing perverse about them?

Who led the fight for every single law that now everybody defends? Even then, oh, yes, they will say we need clean air, we need a balance. What's the balance? The balance always goes their way. That is one of the code words.

What is a no-growth person? Well, a person who might worry about where you put the nuclear waste and how it might proliferate into the atmosphere and into the water systems. So, I think one must worry about that. And the people who led these fights for all these years in behalf of accepted statutes on the books, defended and praised all over, are the ones that have been called extremists, the ones that Mr. Wallop—has used the word in an article to the Denver Post, quote, "Today the extremist—the environmentalists—are opposed to and fighting," end quote.

I have been around long enough to understand that code word and to them it is interchangeable, extremist with environmentalist. That is a concern.

Senator TSONGAS. How do you call to those commitments Mr. Watt made yesterday?

Senator NELSON. I don't know what those commitments were; of course private or-

ganizations, private interests utilized the hand and persuasion by education and otherwise to get presidents or secretaries or anybody else to share more closely the viewpoint that whatever organization has—once shared with them.

Senator TSONGAS. I, for one, would be curious if you could simply report back to the committee as an individual what the record is and will be as to the use of that bridge that was spoken about yesterday.

Senator NELSON. Well, with all due respect to Mr. Watt, I didn't hear the testimony and I did read the paper this morning and noticed that comment. But I didn't hear the testimony.

Senator TSONGAS. I would finally say I assume that is not your style, Senator Gaylord Nelson.

The CHAIRMAN. Senator East.

Senator EAST. Senator Nelson, I would just like to propose to you a perspective that I agree would differ a bit from your own. But maybe you can help me and try to rationalize this thing.

Being a newly elected Senator myself, I found in campaigning in North Carolina last year I was noting that this is not only confined to the West. I found that people not only in business but among blue collar working people in North Carolina, the feeling that there were certain groups and interests that were actually antigrowth.

Now, you may say they misconceived what you are doing. But you know in the real world of democratic politics what people perceive becomes very important. And they perceive, certain groups, and I will admit I heard frequently this description, and I am not saying it is fair, and you might, I'm sure, disagree with me.

But the Wilderness Society is one of these groups. Indeed, the word they think is ill chosen. Wilderness suggests nothing, no growth, no development, no activity.

Now, in an economy, and we get to this matter of balance and emphasis, but we get into the problem of democratic politics and what people are feeling and what the mass of people are feeling. They are feeling that there is a certain group or entity, various groups in this country, the Wilderness Society, perhaps one, even the Sierra Club. I am simply revealing to you what I heard. Groups who seem to be—they seem to quite, they don't seem to understand that in order for people to live and to make a living, and to buy clothing and food and homes, and to send their children to colleges and universities they have to make a living and that means economic development.

It means, as I heard so many times, it's not a new remark, I know you have heard it, man is part of the environment, too. Now, in North Carolina we try to have the best of both worlds.

We've got a beautiful State, as I noted yesterday. The western part of our State, the mountains, we've got to develop timber there. We do it. We do it in an orderly way. It is a renewable resource. We've got to have the timber so people can work.

Tourism is big in eastern North Carolina. Now, in some wilderness proposals, you simply could not develop an effective tourism industry over there. You couldn't go in and have multiple use management. You couldn't go in and do the things that are necessary to maintain a creative and productive growing and expanding economy in North Carolina.

I find, as a person running for public office, you are in a very awkward position when you have to go in and try to explain to people that these things can't be done. The refrain I kept getting from them was that a lot of these groups, like the wilderness Society, are simply play things for the wealthy, the rich who can go in and buy their wilderness home, who can go in and backpack or do whatever they are wanting to do. The average person doesn't benefit from it.

Now, I didn't mean to give you a speech and I know you have heard too much of this sort of thing. But the burden I think is upon you and the groups you represent and it is to try and persuade me and others like me, and others out there who see it otherwise, that we don't have a problem, that we misunderstand what you are doing.

That is why I think Mr. Watt is here for these confirmation hearings. He represents a changed feeling in this country that we need to try to get that balance, we need to get back to economic growth and development. If this Congress cannot do it, I submit the American people will find a Congress eventually that will do it.

They want jobs, and they want a creative and productive economy, and at the same time, of course, it goes without saying, they want to preserve within reason the natural heritage of this country.

So, let me rest there, and I would appreciate your response to that. How would I answer them?

Senator NELSON. I guess the first thing I would ask, sir, is: These attacks that are made, they are always general. I have appeared and spoken on this issue of resources to I think it is now 37 States. And it isn't infrequent that somebody raises that question, particularly if it is before a Chamber of Commerce rather than, say, a university group.

I have asked the question at least 100 times in the past 15 years to the people who raised that question. I said, "Well, clarify for me. Will you name a wilderness area that you know about that somehow or another significantly deprived the country of a vital resource of greater value than preserving some of God's work in perpetuity?"

I have asked them at least 100 times and they all draw a blank. And then I have asked some of them, "Will you think about it and write me a letter?"

The first time I asked that I think was when I was traveling, when I organized Birth Day in 1970 in Berkeley, Calif. I asked a gentleman, he happened to be a university professor, I said, "Will you write me a letter?"

I wrote him back, he never wrote me. So, I guess first we would have to define where is this bogeyman that is used in the codeword argument, that's the point of the matter. I don't know what it is. You know some wilderness that will deprive this country, that has been set aside, deprived this country of resources that are vital to the jobs of this country? The next question you have to look at, supposing there is a wilderness and it is unique, there is nothing like it any place else on the face of the globe, it serves as wildlife habitat, it serves as a watershed, air shed, a jean pole, it serves as a recreation area and it serves as a very, very important area of scientific study, because it is only a wilderness area on the planet where the scientists can't go in and study what nature is doing without any interference from mankind at all, and even learn a whole lot more from nature than nature is liable to learn from us.

So, where is that area? Nobody ever has an answer to that. When we talk—and I discuss these all the time, and, Senator, you raised this. I discussed these issues all the time and have for a few years.

When people raise these issues, well, you've got to have balance. I said, "Whose balance?" Balance is a subjective term. If I want to exploit a resource and it is profitable to my shareholders, my stockholders, and it destroys a wilderness area and might provide enough coal to fuel a powerplant for a few days and, as an exchange for that, you have destroyed a unique area on nature's planet, should it be done?

These are the things that we have to weigh on this question of balance, on the question of extremism. As I said in my remarks, that kind of dialog is destructive, counterproductive in terms of useful, constructive discussion issues. But if you have to use it, if you have to use the terms, they apply overwhelmingly to the interests who have fought the environmental mood.

Why do I say this? Who are the people where balance is done their way, and balance has been against the environmental side. All you have to do is ask yourself this question.

Despite all we have done, we see a disastrous deterioration of the air worldwide. We see the disastrous acid rain which is just one of a dozen of pollution problems that arrive.

The acid rain question, it destroys lakes if it goes on and destroys the estuaries where the rivers come in and where it empties into the oceans for all practical purposes.

What are you destroying? If you destroy the productivity of those estuaries, you destroy one of the great protein sources on the planet.

If you don't do something about preserving the soil of this country which is eroding at disastrous rates now—who is the extremist? Those who fight for zones, standards, and controls to stop the exploitation of that soil which really is the heritage of all human species on the planet, not the landowner who bought it, and if you allow an inch, a half inch, of that topsoil to go away we've dissipated hundreds of years of the work of nature. Who is winning this battle? We are going to have lists. There won't be enough wood on the planet even to heat people's houses who have to survive. We aren't keeping up on that issue in this country. So, the battle for a good management and protecting the quality of the air and water is still being lost.

We were making some dent in it but we weren't making gains. But those who fought the standards are not those who said: Good heavens, if you are going to survive on the planet in a physical condition in an environment that is decent and pleasant, and if you are going to have the resources to maintain a standard of living then it is management of resources, protection of the environment that comes as a first order of business of mankind, of mankind on the Earth. That is what the environmental movement is all about.

Yes, I suppose I could find some people I even thought were extremist, although when you look at the dimension of the problem you've got a plausible depth in the invidual in terms of saying to yourself, well I am so wise that the position that I take on this is absolutely correct and anybody to my left and to my right is an extremist. That is a dangerous assumption to make because none of us know enough to know whether or not that is correct. But I think the extremist is on the side of excessive exploitation and dissipation. Resources—you've got to recycle. Who in the whole community of consumptive money interests has supported any proposals around here really for recycling? Not many, not much.

So that is where the extremists are. Yet, after you think about it, if you can give me an example of a wilderness area that is more manageable after we have exploited it than it is to preserve it in its pristine nature, I wish you would point it out and let me point out the amount of wilderness area set aside in this country is so—it is small. It couldn't make much consequence to anybody any time, any place, except the scientists and the people who will follow us on this planet who are entitled to see what some properties are like, the varieties around this country and around the world that have not been touched by the hand of man.

The CHAIRMAN. Senator Nickles?

Senator NICKLES. Pass.

The CHAIRMAN. Might I remind the committee and the witness that we have 28 witnesses to be heard today and you are the second. Remaining are 26.

Senator NELSON. I have been in your position many times, Mr. Chairman. I will take my leave.

The CHAIRMAN. Senator Nickles, do you have a question?

Senator NICKLES. No.

Senator MELCHER. Mr. Chairman, before Senator Nelson takes his leave, I want to respond a little bit to that clarion call that he made on behalf of environmental protection throughout the United States, and now as an incoming chairman of the Wilderness Society I might add that I think it is obvious that wilderness preservation systems is an act of Congress. Each new addition to that system is an act of Congress.

So from just the position of wilderness, what is going to be wilderness or not going to be wilderness, the incoming Secretary of Interior does not play the biggest role by far.

It plays sometimes a rather medium-size role, as he will only make some recommendation to the President that comes up from his area directors of BLM land and from Park Service, Park Service managers or from the Fish and Wildlife Service on some fish and wildlife refuges.

But on the broader aspect of what we are doing to protect the environment, particularly in the West, Gaylord, I welcome your leadership in the Wilderness Society because I think there are much broad interests, environmental protection or conservation, conservation protections and conservation decisions that should be made that the Wilderness Society could become a great deal more active upon—and I am speaking about the problems we have directly in the West regarding strip mine legislation, the surface owners consent, by the way, which I don't know how you viewed that. It seems to me you were on the wrong side on that at the time, Gaylord.

I hope you are going to be on the right side of that as chairman of the Wilderness Society. On the question of the alluvial valley floor protection regarding strip mining, it is a very potent question of whether or not a State has a right to have its own siting on energy facilities before a Federal Government decides it is going to ram one down the State's throat when the State doesn't have that prerogative and also whether the State doesn't have the prerogative to set its severance tax along with all other severance taxes.

All of the studies where I come from about what the environmental improvement and conservation movement is about—because without these kinds of protections we don't think we've got a real type of support we need from environmental organizations to maintain our right to run our States in the most wise and approved ways.

I accept your remark as being one that is in pretty much full agreement with all these points. Am I misled on that in any way?

Senator NELSON. Having visited on numerous occasions with the distinguished Senator from Montana, I can agree on these matters about 97 percent of the time. The other 3 percent he is wrong. But that is a whale of a batting average.

Senator MELCHER. Thank you, Gaylord.

The CHAIRMAN. Thank you.

Senator NELSON. Thank you, Mr. Chairman, and gentlemen of the committee.

The CHAIRMAN. We next have a panel of four witnesses.

Let me indicate at the outset, it is not the Chair's desire to limit anybody in their presentation nor the members of the committee in the questioning, but I hope that each member of the panel will recognize the full effects of their remarks is in the record. I hope you will summarize rather than try to read all of your statements.

I hope we can get through all the witnesses today. I know Mr. Thomas Kimball who is No. 26 or 28 on the list doesn't wish to be here at 9 tonight.

I do hope the members of the committee will be brief in their statements and the member of the panel will be direct in their answers.

Mr. Shepard, I believe you do not have a prepared statement.

Mr. SHEPARD. That is correct, Mr. Chairman. I may save you a bit of time that you badly need.

The CHAIRMAN. Well, every once in a while I find out that people who have prepared statements depart from that longer than they would if they read the whole statement. Some who don't have prepared statements take longer than if they had one.

And with that, you are certainly welcome to state your views.

● Mr. DODD. Mr. President, I oppose the confirmation of James G. Watt to be Secretary of the Department of the Interior.

Mr. President, I have considered each of the Cabinet nominees, including Mr. Watt, from the perspective that he or she should be confirmed. I feel very strongly that the President of the United States should be free to appoint the people he wants to carry out the policies he will advocate. Therefore, I am not voting against Mr. Watt's confirmation for political or partisan reasons but instead because I believe it would be impossible for him to discharge his responsibilities as Secretary in a manner consistent with the goals and duties of the Department.

What are the responsibilities of the Secretary of the Interior? Under existing law, the Secretary has a great deal of responsibility for implementing policies to protect Federal lands from certain types of development and depletion of natural resources. In addition, the Secretary has a great deal of discretionary authority to establish regulations governing the access of developers and extractive industries to Federal lands. Therefore, the Secretary's chief responsibility is to oversee the management and protection of Federal lands and their natural resources.

There are 400 million acres of public lands under the authority of the Secretary of the Interior. Much of this land is rich in natural resources: lumber, coal, oil, gas, uranium, oil shale, tar sands and grasslands. These lands, however, are also rich in scenic and recreational value as well as natural wonders and oftentimes unique ecosystems.

While I agree with the view that public lands may be used for more than one purpose—that controlled resource development, under certain circumstances, can take place without causing severe environmental damage or destroying the lands' scenic or recreational value—I doubt Mr. Watt's objectivity in balancing economic and energy demands and delicate environmental questions.

In his recent confirmation hearings before the Committee on Energy and Natural Resources, Mr. Watt spoke of his strong commitment to both resource development and preservation of the unique environmental quality of these lands. But, if you look at his actions, as both president of the Mountain States Legal Fund and member of the Federal Power Commission, there is little if any evidence that he ever took a position or even expressed an opinion other than a prodevelopment, proindustry stance.

His role as president of the Mountain States Legal Fund has been fully discussed. As an advocate for major development interests, he has consistently opposed Interior Department regulations and policies designed to limit resource development and access to public lands. Virtually every single major Interior policy involving controlled access or limited development during the last 3 years has been opposed by Mountain States and Mr. Watt.

As a member of the Federal Power Commission, Mr. Watt has consistently supported the positions advocated by utilities and natural gas companies. In 71 of 74 cases in which Mr. Watt expressed an opinion as a member of the Commission he took the position of the utility or natural gas company.

Mr. President, I myself, am not what Mr. Watt so frequently refers to as "an environmental extremist" nor do I demand that such a person head the Department of the Interior. My personal feeling is that an extremist of any type is not well-suited for a position such as Secretary of the Interior where it is essential that competing interests be weighed objectively and sound judgments be made on public interest grounds.

It is precisely for this reason that I consider Mr. Watt to be an unacceptable nominee for Secretary of the Interior. Despite his recent statements to the contrary, every bit of evidence indicates that as Secretary, Mr. Watt would not give the same weight to environmental considerations as he would to economic and energy interests. The unavoidable fact is that all his professional life Mr. Watt has been an advocate for development interests and in that role he has consistently and actively opposed environmental and preservation efforts.

He has given us no reason whatsoever to believe that he is now going to put aside his advocacy of development interests and take up the advocacy of preservation. During his confirmation hearing, he did, however, give us clear interest of his lack of sensitivity for conflict of interest problems that will inevitably arise if he is confirmed. Only after lengthy and extensive questioning from the committee did he agree not to participate in decisions that will come before the Department involving the Mountain States Legal Fund. If he does not readily recognize the conflict of interest problem created by his deciding cases as Secretary that he has initiated as president of the Mountain States Fund, then how can we expect him to give proper weight and to consider objectively those environmental and nondevelopment interests that he has made his career fighting?

I believe the answer is obvious—we cannot, and for this reason, I will vote against Mr. Watt's confirmation.

Before I conclude, however, Mr. President, I would like to make one additional comment. At the hearings, Mr. Watt emphasized that he is a man of the West, familiar with its environmental

and development problems, implying that somehow the Department's focus was going to be directed to points west of the Mississippi. While I fully expect policy changes to occur as a result of the recent election, I would like to state for the record that the West is not the only region of the country with development problems. In my region of New England and the Northeast, we face the prospects of significant oil and gas drilling in coming years on federally owned tracts off our coast.

As a member of the House Ad Hoc Select Committee on the Outer Continental Shelf, I worked 4 years on legislation that gives to the Department of the Interior a great deal of responsibility for planning the orderly and environmentally safe extraction of these much-needed oil and gas resources. I have seen the horrible environmental damage that has occurred in other areas when development was not properly regulated. I do not intend for this tragedy to be repeated in my region or anywhere else in this Nation. So, I would like to take this opportunity to ask that whoever is the next Secretary of the Interior not ignore the development problems of areas outside the West.

Mr. President, I urge my colleagues to vote against confirmation of the nominee.●

Mr. BAKER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Senator LAXALT relating to the nomination of James Watt.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR LAXALT

It is my pleasure to support the confirmation of James Watt as the next Secretary of Interior. Rarely have I had the opportunity to speak in support of an individual I felt was as outstanding a nominee for a position as I feel Jim Watt is for this position.

In the West we have a saying—"Give me men to match my mountains". In Jim Watt we truly have such a man; a man with all the strength, character, and vision of the beautiful Wyoming mountains from which he comes.

Jim Watt brings many attributes to this tough job. However, the two I feel are the most important are his experience and his outlook.

Let us make the record clear, Jim Watt is no stranger to the ways of the Department which he will head. For seven years Jim worked at Interior, first as Deputy Assistant Secretary for Water and Power and later as the Director of the Bureau of Outdoor Recreation where he managed the Land the Conservation Fund which was, and is, one of the most effective preservation and conservation programs in America. In 1975 President Ford appointed Jim to the Federal Power Commission eventually becoming Vice Chairman of that body. This past experience will serve him well when he takes the reins of the Department of Interior.

Even more important than the experience which Jim Watt will bring to his new post is the fresh outlook which he will also bring. A man of the West, Jim indeed loves the land that nurtured him as my respected colleague Alan Simpson so eloquently pointed out at Jim's confirmation hearing. At a very young age my father, a man of the land himself, instilled in me a belief that the best conservationists are the people who actually live on the land and depend on it for their livelihoods. Jim Watt understands that better than most men.

The tremendous complexities and statutory requirements vested in the Secretary of Interior's office fill the job with conflict and controversy. Jim believes that acting under the law, the Secretary must choose a course that will ensure commonsense, balanced perspectives in managing lands and waters subject to the multiple use concepts which we in Congress have established. I say "amen."

As the Wall Street Journal said recently, the policy orientation that Jim Watt will try to change assumes that huge tracts of land should be off limits to the people who live in the West to give aesthetic satisfaction to others. Jim will be a strong friend of the multiple-use concept of public land management which recognizes many uses, including recreation and wilderness.

God has blessed Jim Watt with rare skills for a tough job. I believe that God has also blessed America by giving us Jim Watt at this point in our history. I urge his confirmation. Thank you.

PAUL LAXALT.

Mr. THURMOND. Mr. President, I rise today to support the nomination of James Watt for the position of Secretary of the Interior.

Mr. Watt will bring with him to this office a desire and an ability to better implement existing laws governing the development of coal, oil, gas and minerals located on Federal lands. I fully support him in this regard. Mr. Watt, as Secretary of the Interior, will make decisions based on what he feels to be the best interests of the country, and will be an able and conscientious member of the President's Cabinet.

Mr. Watt is known to be a man willing to fight vigorously to progress the ideals he believes in, and has shown the courage to speak out on controversial issues. I believe these are characteristics which will enable him to serve with distinction in this office, and to effectively implement the policies of the administration.

Mr. President, I want to express my hope that the full Senate will today overwhelmingly confirm Mr. Watt's nomination.

● Mr. PELL. Mr. President, I have voted to confirm President Reagan's nomination of James G. Watt to be Secretary of the Department of the Interior. It was not an easy decision and I voted for confirmation despite some troubling reservations that I still have about Mr. Watt's commitment to environmental values.

It is clear that Mr. Watt is a competent and able individual, however, I have not seen him demonstrate the sensitivity and interest in environmental values that I would like to see clearly demonstrated by any nominee for this Cabinet-level post.

I was deeply troubled by his lack of knowledge of the Alaska lands bill, which set aside more than 100 million acres of Alaska and placed extensive management and enforcement responsibilities on the Secretary of the Interior. This measure passed last November only after extensive debate during the past two Congresses.

As one who voted for the final Alaska lands bill—which has been called the conservation bill of the century—and as one who cosponsored and supported even stricter conservation measures, I was concerned by Mr. Watt's statement that he had not formed opinions about the bill and was not familiar with its contents.

Likewise, I was concerned by his failure to offer strong support for the Endangered Species Act—one of the most important pieces of conservation legislation that the Secretary of the Interior is directed to enforce.

Experts have testified that the Fish and Wildlife Service will have to acquire almost 2 million additional acres, for example, to maintain waterfowl populations near the present levels. Mr. Watt, however, said he has "reservations" about an aggressive acquisition program.

In response to questioning by my colleague, Senator CHAFEE, Mr. Watt indicated he would favor making inventories of all public lands under his jurisdiction for potential multiple uses, such as mineral and energy development. He did exempt public land where such an inventory was prohibited by law.

This tendency toward multiple use troubles me, because I do not think this type of blanket inventory augers well for the delicate balance between preservation and development. I do not want to see that balance tipped from protection for sound, long-term benefits to the dangerous practice of development for immediate gain.

Although I have these reservations about Mr. Watt, I also found some measure of encouragement in his testimony that he is "deeply committed" to Federal support for the creation and development of relatively small urban and State parks.

Mr. Watt apparently places more emphasis on private use of public land—property acquired at the expense of the taxpayers—than I do and he seems less sympathetic to environmental values.

However, with responsibility comes a sobering of views and usually a greater effort to be in the mainstream of thought. That is what I hope and expect to see reflected by Mr. Watt as he assumes the burden of his Cabinet-level office.

Accordingly, after careful consideration, I have voted for his confirmation with the hope that he will hold fast to the environmental values that this Nation has grown to treasure.●

Mr. BAUCUS. Mr. President, I will vote to confirm the appointment of James G. Watt as Secretary of the Interior. I take this action despite my personal misgivings about the policies which the Department of the Interior might pursue under Mr. Watt's direction. Both Mr. Watt and President Reagan have made public statements which seem to me to display some degree of insensitivity toward the values of environmental conservation. During his hearing, Mr. Watt was sometimes overly vague concerning his plans for changes in policy direction. Finally, Mr. Watt's nearly exclusive association with business interests questions whether he will perform effectively as a mediator and an impartial judge of resource disputes. Nevertheless, I believe that the President should have his nominee confirmed, unless a compelling

case can be made against either Mr. Watt's integrity or his ability to present a range of differing viewpoints to the President when critical decisions must be made.

In a memorandum to several members of the Energy and Natural Resources Committee prior to Mr. Watt's confirmation hearing, I expressed concern about possible conflicts of interest arising from Mr. Watt's association with the Montana States Legal Foundation and I also questioned the nominee's basic philosophy with respect to the role of the States and the Federal Government in establishing natural resource policy. Mr. Watt's financial statements demonstrate that he will gain no direct economic benefit from assuming his new position. Mr. Watt has responded to concerns about his role with Mountain States by further distancing himself from that organization. He has agreed not to personally decide or be involved in any disputes with the Government in which the Mountain States Legal Foundation is the main party or represents someone else.

In addition to an examination of the nominee's personal and professional credentials for his appointment, I have closely examined the philosophy which he brings to the job. Although I disagree with some of the specific positions which Mr. Watt and the Mountain States Legal Foundation have taken, I find myself surprisingly comfortable with Mr. Watt's general philosophy with respect to the role of the States in Federal land and resource use decisions. Throughout his hearing, Mr. Watt emphasized the need for the Federal Government to be a "good neighbor" toward State and local officials and toward the people in local communities who are most directly affected by the Department of the Interior's actions.

Major decisions on development and conservation must be made in the near future. These decisions ought to consider the views of the people who must live with their results. Mr. Watt's suggestions to defuse the Sagebrush Rebellion, his support for the concept of State primacy in surface mining reclamation and his support of State resource severance taxes shows that he understands the need to consider the views of local citizens and, whenever possible, to allow critical conservation decisions to be made at the State level.

Mr. Watt's strong identification with a point of view in environmental disputes should not alone disqualify him as an adviser to the President. He has firmly stated his intention to effectively enforce the laws of the United States. I see nothing in his personal record which indicates a lack of integrity or honesty. He has moved to disassociate himself from both the fact and the appearance of conflict of interest. Finally, he has expressed the intent to work closely with the governments and people affected by Department of the Interior decisions.

I hope that when Mr. Watt assumes the duties of the Secretary of the Interior, he will realize that he also assumes a very important and sacred trust from the American people. They expect him to manage their natural resources with caution and judgment. I wish him well during his stewardship of our Nation's natural resources.

Mr. BIDEN. Mr. President, I have serious reservations about the nomination of Mr. James Watt to be the Secretary of the Interior. In the next few years, more so than at any other time in America's history, the Department of the Interior, and specifically the Secretary of the Interior, will be under immense pressures to grant developmental interests widespread access to the public trust of lands, waters, and coastlines—for energy production, for minerals exploration and for development. The person who holds the position as Secretary of the Interior will have to moderate between the extremes of allowing exploitative development and keeping strict preservation.

Mr. President, the Secretary of the Interior acts as the chief environmental officer of the United States. He is the conservator, trustee and steward of our vast public lands and natural resources, while at the same time he is expected to promote reasonable and efficient use of the same lands. His decisions, once implemented, could irreparably alter or destroy the environment of America's open spaces and wilderness areas.

Given this awesome responsibility over our natural heritage, I have grave doubts about the decision to be made on this nomination. At face value, Mr. Watt possesses several attributes suited for Cabinet service; he knows his field, he speaks out on his views, and he performs his work with avid zeal and dedication.

What I worry about, Mr. President, is whether this record of zeal and unyielding dedication to promoting greater exploitation of public lands will be adequately tempered with a dedication to moderation in the use of those lands; whether Mr. Watt will find an adequate middle ground between the developmental interests which he has so forcefully advocated and the equally valid goals of environmentalists whom he has labeled "extremists."

I believe the function of the Secretary of the interior by historical precedent and legislative mandate is to balance these legitimate interests. Mr. Watt's one-sided advocacy gives me sufficient doubt as to his willingness to construct the required balance among all groups who seek his attention and to realize all that a Secretary of the Interior is obliged by law to uphold and defend. I do not believe Mr. Watt will uphold the intent of the law. I believe that Mr. Watt's record of performance, especially while president of the Mountain States Legal Foundation, shows him to be seriously mismatched with the very duties, tasks and abilities required of the Secretary of the Interior. His one-sided and single-minded advocacy for developmental interests go to the very heart of the job he will assume. He has not only vigorously attacked the environmentalists and conservationists whose interests he must preserve, but he has also made a career of challenging many of the same laws he will be sworn to uphold.

There is no doubt, Mr. President, that Mr. Watt is an able man—but his history and his testimony raise substantial doubts that he possesses the judicious temperament and the balanced point of view required of a Secretary of the Interior. Those doubts are so strong, Mr. President, and so little contradicted by the hearing record, that I must vote "no" on the confirmation of James G. Watt.

Mr. HATCH. Mr. President, no one could be happier than I upon the selection of James G. Watt as Secretary of the Interior. He is a person of great integrity, personal courage and strong convictions. He is a knowledgeable concerning this position as anyone in this country. He has a broad and wide-ranging experience in Federal land policy matters. He is forthright and blunt in his opinions.

In short, I expect him to stand up, when others knees are quavering, and do what is right and best for America.

We simply must reverse the downward trends of our economy and resolve our energy problems. I fully expect Mr. Watt to have a positive dramatic impact on both of these monumental problems.

In the West, we have many people who feel that the Federal Government has been oppressive concerning the large blocks of Federal lands under its control. Many of us feel the Federal Government has been unresponsive to our Western needs and some of us even feel, in some instances, that the Federal Government has harmed the land. I feel confident that Mr. Watt will fight to resolve these difficulties.

Mr. Watt will indeed be a great Secretary of the Interior and I can hardly wait for him to begin.

Mr. RIEGLE. Mr. President, after considerable study of his past record and the committee proceedings during his confirmation hearings, I have concluded that this is a seriously flawed nominee that ought to be rejected.

The record shows Mr. Watt expressing a single extreme view concerning varied and complex public land management and environmental questions. This vital position requires a balanced perspective, and ought never to be given to an ideological zealot.

I do not have the necessary degree of confidence that Mr. Watt will be an evenhanded, fairminded steward of this enormously important public trust.

I believe his nomination was unfortunate and poses significant risks for the future.

I ask that an excellent editorial from the Detroit Free Press be printed in the RECORD.

The editorial follows:

WATT: HE HAS NEITHER THE BREADTH NOR THE BALANCE FOR THE JOB AT INTERIOR

Of all the cabinet nominees, James G. Watt, Ronald Reagan's choice for secretary of the interior, is the least suited for the post to which he has been named. Questions have been raised about the character and Watergate involvement of Alexander Haig. Heads are shaking over the amiable ignorance of James Edwards, the nominee for Energy. But for sheer unsuitability in terms of experience, philosophy and potential conflict of interest, Mr. Watt stands out.

As head of Interior, Mr. Watt would be

the chief administrator for millions of acres of public lands. He would preside over a department that has been given two conflicting mandates from Congress: to develop resources on the public lands and to protect them. The Interior secretary has to be a person of extraordinary skill and sensitivity if he is satisfy the reasonable economic demands of the present—overseeing the leasing of public lands for mining, grazing, logging and for oil, coal and synfuels development—and still pass something of America's great land and water heritage on to the future.

For the past three years, however, Mr. Watt has been head of the Mountain States Legal Foundation, an anti-environmental, right-wing group dedicated to demolishing some of the very principles the Interior secretary is normally expected to uphold. Mountain States' backers include oil, mining, timber, railroad, utility and construction companies with substantial financial interest in exploiting the federal lands.

Under Mr. Watt, the foundation challenged Interior's power to restrict overgrazing on the public lands. Its lawyers argued that the department has virtually no right to restrict access to federal lands, to administer them as wilderness, for instance, without specific authorization from Congress. Should we have as Interior secretary a man who believes he is powerless to do anything more than approve the claims of miners, drillers and loggers to the mountains and forests of America?

Mountain States has brought suit to stop utilities from offering special rates to the handicapped, the elderly and the poor; to challenge Indian sovereignty on reservations (a question critical to the tribes' ability to control their energy resources); to hamstring the Occupational Safety and Health Administration by requiring a warrant for every inspection, and to block affirmative action programs for minority contractors in Colorado.

The foundation also sued to halt a program for school dropouts in Phoenix on the grounds that education money should only be spent inside schools, a position that has devastating implications for Hispanics and other minorities who are disproportionately represented in the ranks of dropouts. Those issues have no direct bearing on the work of Interior, but Mr. Watt's advocacy of them adds small luster to his career.

Even Mr Watt's previous experience as a middle-level administrator in Interior in the 1970s does not come as a wholehearted recommendation. He spent four years in charge of water resource development, in that wing of Interior that promotes multimillion-dollar projects to provide cheap, subsidized water to big ranchers and farmers at the expense of smaller operators and the environment. He also headed the old Bureau of Outdoor Recreation, which Mr. Watt describes somewhat inaccurately as being in the "preservation" arm of the department; critics often saw the BOR as an agency dedicated to plunking down parking lots and picnic areas in front of every scenic view entrusted to its care.

It would be a signal victory for the financial backers of Mountain States to see Mr. Watt installed at Interior, but we fear it would be a great loss to almost everyone else. The Senate is traditionally reluctant to turn down a cabinet nominee, but this time the questions about Mr. Watt's lack of breadth and balance are more than serious enough to overcome that reluctance. James G. Watt is not the man for Interior.

ORDER OF PROCEDURE

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to vote on the following nominations: William French Smith to be Attorney General; John R. Block to be Secretary of Agriculture; Malcolm Baldrige to be Secretary of Commerce; Samuel R. Pierce, Jr. to be Secretary of Housing and Urban Development; Andrew L. Lewis, Jr. to be Secretary of Transportation.

The first rollcall will last for 15 minutes, and each of the remaining votes will last 7½ minutes.

VOTE

NOMINATION OF WILLIAM FRENCH SMITH, OF CALIFORNIA, TO BE ATTORNEY GENERAL

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of William French Smith, of California, to be Attorney General. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. RIEGLE (when his name was called). Present.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) is necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT), would vote "yea."

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 96, nays 1, as follows:

[Rollcall Vote No. 8 Ex.]

YEAS—96

Abdnor	Ford	Metzenbaum
Andrews	Garn	Mitchell
Armstrong	Glenn	Moynihan
Baker	Goldwater	Murkowski
Baucus	Gorton	Nickles
Bentsen	Grassley	Packwood
Biden	Hart	Pell
Boren	Hatch	Percy
Boschwitz	Hatfield	Pressler
Bradley	Hawkins	Pryor
Bumpers	Hayakawa	Quayle
Burdick	Heflin	Randolph
Byrd, Harry F., Jr.	Heinz	Roth
	Helms	Rudman
Byrd, Robert C.	Hollings	Sarbanes
Cannon	Huddleston	Sasser
Chafee	Humphrey	Schmitt
Chiles	Inouye	Simpson
Cochran	Jackson	Specter
Cohen	Jepsen	Stafford
Cranston	Johnston	Stennis
D'Amato	Kassebaum	Stevens
Danforth	Kasten	Symms
DeConcini	Kennedy	Thurmond
Denton	Leahy	Tower
Dixon	Levin	Tsongas
Dodd	Long	Wallop
Dole	Lugar	Warner
Domenici	Mathias	Weicker
Durenberger	Matsunaga	Williams
Eagleton	Mattingly	Zorinsky
East	McClure	
Exon	Melcher	

NAYS—1

Proxmire

ANSWERED "PRESENT"—1

Riegle

NOT VOTING—2

Laxalt Nunn

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. Mr. President, I have a unanimous-consent request. I ask unanimous consent that in connection with the Edwards nomination, Jim Bruce and Ben Cooper of the minority staff on energy be granted the privileges of the floor.

Mr. KENNEDY. And Mr. Cubie, of my staff, as well.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE

NOMINATION OF JOHN R. BLOCK, OF ILLINOIS, TO BE SECRETARY OF AGRICULTURE

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of John R. Block, of Illinois, to be Secretary of Agriculture? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) is necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT), would vote "yea."

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN) is necessarily absent.

The PRESIDING OFFICER (Mr. KASTEN). Does any Senator in the Chamber desire to vote?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 9 Ex.]

YEAS—98

Abdnor	Ford	Metzenbaum
Andrews	Garn	Mitchell
Armstrong	Glenn	Moynihan
Baker	Goldwater	Murkowski
Baucus	Gorton	Nickles
Bentsen	Grassley	Packwood
Biden	Hart	Pell
Boren	Hatch	Percy
Boschwitz	Hatfield	Pressler
Bradley	Hawkins	Proxmire
Bumpers	Hayakawa	Pryor
Burdick	Heflin	Quayle
Byrd, Harry F., Jr.	Heinz	Randolph
	Helms	Riegle
Byrd, Robert C.	Hollings	Roth
Cannon	Huddleston	Rudman
Chafee	Humphrey	Sarbanes
Chiles	Inouye	Sasser
Cochran	Jackson	Schmitt
Cohen	Jepsen	Simpson
Cranston	Johnston	Specter
D'Amato	Kassebaum	Stafford
Danforth	Kasten	Stennis
DeConcini	Kennedy	Stevens
Denton	Leahy	Symms
Dixon	Levin	Thurmond
Dodd	Long	Tower
Dole	Lugar	Tsongas
Domenici	Mathias	Wallop
Durenberger	Matsunaga	Warner
Eagleton	Mattingly	Weicker
East	McClure	Williams
Exon	Melcher	Zorinsky

NOT VOTING—2

Laxalt Nunn

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, may we have order in the Senate? I could not hear the majority leader.

The PRESIDING OFFICER. The Senate will be in order.

Mr. FORD. May we have the well cleared and get the Senate back to order?

The PRESIDING OFFICER. The Senate will be in order.

VOTE

NOMINATION OF MALCOLM BALDRIGE, OF CONNECTICUT, TO BE SECRETARY OF COMMERCE

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Malcolm Baldrige, of Connecticut, to be Secretary of Commerce? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) is necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT) would vote "yea."

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN) is necessarily absent.

The VICE PRESIDENT. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 97, nays 1, as follows:

[Rollcall Vote No. 10 Ex.]

YEAS—97

Abdnor	Ford	Metzenbaum
Andrews	Garn	Mitchell
Armstrong	Glenn	Moynihan
Baker	Goldwater	Murkowski
Baucus	Gorton	Nickles
Bentsen	Grassley	Packwood
Biden	Hart	Pell
Boren	Hatch	Percy
Boschwitz	Hatfield	Pressler
Bradley	Hawkins	Pryor
Bumpers	Hayakawa	Quayle
Burdick	Heflin	Randolph
Byrd, Harry F., Jr.	Heinz	Riegle
Byrd, Robert C.	Helms	Roth
Cannon	Hollings	Rudman
Chafee	Huddleston	Sarbanes
Chiles	Humphrey	Sasser
Cochran	Inouye	Schmitt
Cohen	Jackson	Simpson
Cranston	Jepsen	Specter
D'Amato	Johnston	Stafford
Danforth	Kassebaum	Stennis
DeConcini	Kasten	Stevens
Denton	Kennedy	Symms
Dixon	Leahy	Thurmond
Dodd	Levin	Tower
Dole	Long	Tsongas
Domenici	Lugar	Wallop
Durenberger	Mathias	Warner
Eagleton	Matsunaga	Weicker
East	Mattingly	Williams
Exon	McClure	Zorinsky
	Melcher	

NAYS—1

Proxmire

NOT VOTING—2

Laxalt Nunn

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The VICE PRESIDENT. Without objection, it is so ordered.

VOTE

NOMINATION OF SAMUEL R. PIERCE, JR., OF NEW YORK, TO BE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

The VICE PRESIDENT. The question is, Will the Senate advise and consent the nomination of Samuel R. Pierce, Jr., of New York, to be Secretary of Housing and Urban Development? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) is necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT) would vote "yea."

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN) is necessarily absent.

The VICE PRESIDENT. Have all Senators voted?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 11 Ex.]

YEAS—98

Abdnor	Ford	Metzenbaum
Andrews	Garn	Mitchell
Armstrong	Glenn	Moynihan
Baker	Goldwater	Murkowski
Baucus	Gorton	Nickles
Bentsen	Grassley	Packwood
Biden	Hart	Pell
Boren	Hatch	Percy
Boschwitz	Hatfield	Pressler
Bradley	Hawkins	Proxmire
Bumpers	Hayakawa	Pryor
Burdick	Heflin	Quayle
Byrd, Harry F., Jr.	Heinz	Randolph
Byrd, Robert C.	Helms	Riegle
Cannon	Hollings	Roth
Chafee	Huddleston	Rudman
Chiles	Humphrey	Sarbanes
Cochran	Inouye	Sasser
Cohen	Jackson	Schmitt
Cranston	Jepsen	Simpson
D'Amato	Johnston	Specter
Danforth	Kassebaum	Stafford
DeConcini	Kasten	Stennis
Denton	Kennedy	Stevens
Dixon	Leahy	Symms
Dodd	Levin	Thurmond
Dole	Long	Tower
Domenici	Lugar	Tsongas
Durenberger	Mathias	Wallop
Eagleton	Matsunaga	Warner
East	Mattingly	Weicker
Exon	McClure	Williams
	Melcher	Zorinsky

NOT VOTING—2

Laxalt Nunn

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I now ask unanimous consent that the President be immediately notified of the confirmation of this nominee.

The VICE PRESIDENT. Without objection, it is so ordered.

VOTE

NOMINATION OF ANDREW L. LEWIS, JR., TO BE SECRETARY OF TRANSPORTATION

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination of Andrew L. Lewis, Jr., of Pennsylvania, to be Secretary of Transportation? The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) is necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT) would vote "yea."

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN) is necessarily absent.

The PRESIDING OFFICER (Mr. KASTEN). Are there any other Senators wishing to vote?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 12 Ex.]

YEAS—98

Abdnor	Ford	Metzenbaum
Andrews	Garn	Mitchell
Armstrong	Glenn	Moynihan
Baker	Goldwater	Murkowski
Baucus	Gorton	Nickles
Bentsen	Grassley	Packwood
Biden	Hart	Pell
Boren	Hatch	Percy
Boschwitz	Hatfield	Pressler
Bradley	Hawkins	Proxmire
Bumpers	Hayakawa	Pryor
Burdick	Heflin	Quayle
Byrd, Harry F., Jr.	Heinz	Randolph
Byrd, Robert C.	Helms	Riegle
Cannon	Hollings	Roth
Chafee	Huddleston	Rudman
Chiles	Humphrey	Sarbanes
Cochran	Inouye	Sasser
Cohen	Jackson	Schmitt
Cranston	Jepsen	Simpson
D'Amato	Johnston	Specter
Danforth	Kassebaum	Stafford
DeConcini	Kasten	Stennis
Denton	Kennedy	Stevens
Dixon	Leahy	Symms
Dodd	Levin	Thurmond
Dole	Long	Tower
Domenici	Lugar	Tsongas
Durenberger	Mathias	Wallop
Eagleton	Matsunaga	Warner
East	Mattingly	Weicker
Exon	McClure	Williams
	Melcher	Zorinsky

NOT VOTING—2

Laxalt Nunn

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

DEPARTMENT OF THE INTERIOR

NOMINATION OF JAMES GAIUS WATT, OF COLORADO, TO BE SECRETARY OF THE INTERIOR

Mr. McCLURE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative clerk read the nomination of James Gaius Watt, of Colorado, to be Secretary of the Interior.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

The Senate will be in order. Will Senators please take their seats?

Mr. McCLURE. Mr. President, I yield 1 minute to the Senator from Maine.

Mr. COHEN. Mr. President, it has been said that "Earth does not belong to man, Man belongs to the Earth."

Today as the Senate begins consideration of the nomination of James G. Watt to be Secretary of the Interior, we confront an enormous responsibility. That responsibility involves nothing less than placing the stewardship of our public lands and national resource wealth in the hands of a single individual.

The individual charged with this awesome responsibility will set the direction for our national policies for our natural resources. He will have within his power the ability to decide whether to nurture and conserve, or to develop and destroy our Nation's great resources.

He will also have the power to make decisions that will reflect whether or not we really believe we are an integral part of our environment, or merely its unruly taskmaster.

As the Secretary of the Interior, Mr. Watt will be charged with unique and historic responsibilities, which will be as important as they are far-reaching. In varying ways, all Americans will be affected by his decisions. As the Nation's principal conservation agency, the Department of the Interior has responsibility for most of our nationally owned public lands and natural resources. This includes fostering the wisest use of our land and water resources, protecting our fish and wildlife, preserving the environment and cultural values of our national parks and historic places, and providing for the enjoyment of life through outdoor recreation. The Department assesses our mineral resources and works to assure that their development is in the best interests of all our people. The Department also has a major responsibility for American Indian reservation communities and for people who live in Island Territories under U.S. administration.

Over the 131 years of its existence, other functions have been added and removed, so that the role of the Department of the Interior has changed from that of general housekeeper for the Federal Government to that of custodian of the Nation's natural resources.

During the nomination hearings for Mr. Watt, I was disturbed to learn of the fears that he would not live up to this responsibility for stewardship for all of our natural resources. I was concerned that Mr. Watt's background with the Mountain States Legal Foundation would cloud his judgment and objectivity on a number of important issues, and place him at odds with members of the conservation community.

For that reason, I submitted a number of questions to the committee to ascertain his reaction to this criticism, and also to inquire about the policies he would advocate for managing issues of particular concern to my State of Maine: Development of our offshore coastal resources, policies for inland coal production which results in acid rain, as well as development of hydropower and management of our wildlife refuges. I shall submit for the RECORD Mr. Watt's response to my questions at the conclusion of my remarks. While I am concerned with his professed ignorance of many of the laws which I regard as critical for the promotion of a balanced conservation policy, I am somewhat heartened by Mr. Watt's responses to questions by members of the Energy and Natural Resources Committee with regard to the role of the legislative branch in the preservation of our environmental laws.

I would like to quote from Mr. Watt's testimony: "I feel that the laws that this Committee and the Congress have passed in recent years are good. I do not see the need for massive change in the laws at all."

I am encouraged by this statement for two reasons: First, it is an acknowledgment that he will work hard to enforce the letter of the law; second, it is an admission that there is indeed an interest on the part of all Americans in preserving our environmental heritage.

I take Mr. Watt at his word—that he will devote his time and energy to the proper enforcement of the Interior Department policies, rather than attempting to circumvent or repeal laws which preserve our dwindling resources, attempt to reverse the pollution that makes our air unfit to breathe, and protect our land and water resources. For this reason, I will vote for him today.

I do not believe that the American people are ready to ignore the lessons so recently learned, or turn a deaf ear and blind eye to the voices of the environmentalists who remind us, indeed show us, how fragile and vulnerable our resources are to the iron hand of modern man. That is not the message of November 4.

Now as we rocket our way through time toward the 21st century, as we confront a dazzling array of choices that rush at us like a storm of meteors, as we seek to reconcile the need for energy with the need to protect the delicate envelope of resources that sustains human life—the voice of environmentalists will become more important and not less.

I am confident that these voices will be heard by Mr. Watt. I am also placing my trust in him that he will indeed formulate policies that take into account the future and foreseeable consequences of our actions.

Mr. President, I ask unanimous consent that the questions I submitted to the committee and Mr. Watt's responses be printed in the RECORD.

There being no objection, the questions and answers were ordered to be printed in the RECORD, as follows:

ADDITIONAL QUESTIONS SUBMITTED FOR THE RECORD CONCERNING THE NOMINATION OF JAMES G. WATT

Q.29. We have recently begun to witness the environmental effects of increased coal production in the mid-west: nitrous oxide emissions that combine with sulphur oxides which travel across the east and are transformed into "acid rain." What role do you envision for the Department of the Interior in helping to curtail this pattern?

A.29. Although I am familiar neither with the specifics of this sensitive issue nor the statutory role to be played by the Department of the Interior, it is my understanding that a number of studies are underway which I will carefully review.

Q.30. What sort of policies do you think are appropriate for the Department of the Interior with regard to drilling in marine sanctuaries? I am particularly interested in the lease sales off the Georges Bank, and the enforcement of the Interior Department of safeguards for lease sales.

A.30. I believe that the Department of the Interior must fully comply with the language and intent of the Outer Continental Shelf Lands Act of 1978.

Q.31. Your association with the "sagebrush rebellion" movement is well-known. As Secretary of the Interior, you will be responsible for the management of all public lands, including substantial Federal lands in the east. In your view, should these eastern Federal lands be managed any differently than public lands in the west? Do you believe the Secretary of the Interior has a special responsibility to preserve natural areas in the east?

A.31. a. My belief of the importance of a new "good neighbor" policy applies to all Federal lands managed by the Department of the Interior regardless of their relationship to the 100th meridian.

b. I believe that the Secretary of the Interior must fully comply with the intent of Congress regarding the preservation of natural areas regardless of their location. As I responded to Senator Heinz, however, natural areas in the east "probably deserve greater attention because of the pressures they are exposed to."

Q.198. The Fish and Wildlife Service provides comments and recommendations concerning the impacts to wildlife resources of federally sponsored development projects as set forth under laws such as the Fish and Wildlife Coordination Act, and the Endangered Species Act. Will you support adequate resources for this function so the Service can review these projects and discharge these responsibilities expeditiously?

A.198. This Administration has not been able to analyze the current Carter budget. I will study this area carefully and give consideration to the funding problems within the overall priorities of my budget presentation.

Q.199. To what extent is it your impression that oil and gas leasing in the OCS and on public lands is now curtailed? What steps if any, would you take to increase oil and gas leasing in the OCS and onshore public lands?

A.199. a. To the extent that a very large proportion of federal lands have been either withdrawn or so significantly restricted as to prevent mineral development and to the extent that OCS leasing has fallen behind schedule accompanied by a failure to offer the most attractive tracts, oil and gas leasing has been curtailed.

b. The public lands must be opened up

for multiple use, a concept which includes oil and gas development.

Q.200. With 95 per cent of Alaska's onshore oil and gas lands available for exploration, what approach would you take to the leasing of Alaska's OCS areas?

A.200. I have not examined nor am I familiar with the Alaska lands bill and its specific provisions regarding oil and gas leasing. In addition, I have not yet been briefed regarding the necessary mix of different resources to ensure execution of a balanced and effective national energy policy.

Q.201. In responding to a question by Senator Chafee during the nomination hearings, you commented that you believed it unwise to dedicate public land to a primary use before it is inventoried to assess all of the values in the parcel and identify its greatest use. What then, should be done with these lands until they are inventoried? Should development be allowed before and during inventories?

A.201. Such inventories are in most cases statutorily mandated prior to the undertaking of certain actions. The development of America's natural resources under the multiple use concepts should be permitted before and during such inventories. Statutory protection for other values already exist.

Q.202. Do you consider wilderness designation an appropriate tool for sound management of sensitive habitat areas?

A.202. As I responded to an earlier question, wilderness presents many good values.

Q.203. In the Legacy for America Plan, you emphasized the need to complete Congressionally authorized river studies on time and to identify and recommend additional rivers that should be added to the study category. A GAO study on the subject in 1978 observes that the studies are moving too slowly and as a result cost more than necessary. Will you as Secretary continue to push for timely completion of studies and identification of new study segments to help expand the wild and scenic river system as you recommended in the past?

A.203. Same as Answer 198.

Q.204. You also recognize in your Nationwide Plan that a more aggressive effort is needed to assist states in the development of their scenic river programs. Can we expect that you will step up efforts to work with states in helping them develop their river programs. Have you any ideas on how we can get more aggressive action at the state level?

A.204. a. As part of a Departmental-wide "good neighbor" policy, such a program will play an important role.

b. Not at this time.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, the business before us now is the nomination of James Watt to be Secretary of the Interior. Ever since noon on Tuesday this U.S. Senate has been embarked on one of the most serious endeavors it is charged with under the Constitution, and that is to advise and consent to the nomination of President Reagan's team.

There is really no historical guide or precedent as to what that role ought to be, and everybody in the Senate is free to choose his own definition, his own criteria to determine whether to consent to these nominations.

I have heard many, many different interpretations. One is whether he is competent as an administrator and whether or not his integrity is in question. Another is that it is only fair to give the President his team to do it, because he will be accountable. If they don't perform, then the same people that elected the President will take him out.

I am speaking only for myself on this nomination. Everybody likes to think he is very persuasive and everybody else will follow him. I know Mr. Watt is going to be confirmed, and so it is with some reservation that I speak opposing his nomination.

Nonetheless, in my opinion, Mr. President, if Members of the U.S. Senate are aware of a problem, whether it be with a nominee or whether it be something else, and we have an opportunity to redress, but do not, then we are not exercising our duties in a responsible way.

Mr. Watt appeared before our committee and he, from all appearances, is a very engaging personality. He was, in my opinion, evasive on a number of answers, but certainly he did not give me the appearance of trying to be wily or crafty. My opposition to him is not aimed at him as a person. It goes much deeper than that.

This nomination should be considered in light of what the President said in his inaugural address. He said,

> For decades, we have piled deficit upon deficit, mortgaging our future and our children's future for the temporary convenience of the present. To continue this long trend is to guarantee tremendous social, cultural, political, and economic upheavals.

The President was referring to deficit spending. I have said the same thing many times, both about deficit spending and also about the very precious, fragile lands of this Nation, especially those fragile lands in the West, a majority of which are owned by the people of the United States and entrusted to the Secretary of the Interior to make certain they are preserved and conserved for all future generations.

Every man and every woman in this body and every person in America owes a deep debt of gratitude to our predecessors who had the good sense and the vision to set that land aside.

The people of the West do indeed have rights and those rights ought to be addressed by allowing them to be consulted on matters concerning that land.

This is what the Sagebrush Rebellion is supposedly all about. Yet there is a still higher concern, and that is to preserve the resources, both the surface and the subsurface, for my children and yours.

Concerning our role to advise and consent, I personally feel differently about the Secretary of State, the Secretary of the Interior, and the Secretary of Defense than I do about any of the other nominees, because those are three positions where the holder of the position can do irreparable harm and subject this country to more trouble than it can recover from. You have heard the old English adage, there is nothing more impossible than undoing something that has already been done. I think after hearing Mr. Watt before our committee that he is capable, as a matter of policy, as a matter of his own philosophy, of doing irreparable damage to these very fragile lands.

He has one of the most sacred of all trusts. He has to administer 548 million acres of surface land which belongs to the United States. The State of Arkansas has 33 million acres. My State is very precious to me, but think about that, 33 million acres. The Secretary of the Interior has the responsibility for administering lands between 12 and 16 times as big as my State.

In addition to that, he has about 370 million acres of subsurface rights to administer, and 1.1 billion acres offshore. That is a total of almost 2 billion acres of land under the direct control of the Secretary of the Interior.

Clearly, he has a great responsibility.

The law requires that these lands be administered in keeping with the "multiple use, sustained yield concept," which means that a very high degree of sensitivity is necessary. It means that the interests of people who are concerned about recreation have to be considered, the interests of wildlife people who enjoy have to be considered. The timber interests who want to cut timber off these lands have a right to have their interests considered also.

But the sustained yield concept means that you will not remove more than you replace. It is just that simple.

The National Forest Service is under the same mandate. It limits logging to cutting the timber that can be replaced over a 10-year period. We put that into the law in 1975 to make certain that our national forests would be preserved forever.

Despite that law, which only applies to the national forests, the best estimates are that between now and the year 2000, if we continue cutting trees on private and public lands at the present rate, we will have 10 to 20 percent fewer trees in the United States in the year 2000 than we have right now.

So unless the Secretary of the Interior is sensitive enough to understand how precious this is to our future and our children's future, he should not be confirmed.

We are all agreed.

Mr. Watt said before our committee, "I believe in complying with the law." He said, "I believe in a balance" in the management of these lands.

Do you know what the law is so far as the management of the public lands is concerned? Most of the time it is whatever the Secretary of the Interior says it is. He has very wide latitude under the law as to who gets the land or how the land will be handled. He has the right to say, "We will lease this land for oil and gas" or "We will lease this land for coal exploration" or "We will not lease it." He has the right to say, "We will lease this tract of land for oil and gas exploration on a competitive bid" or "We will lease it on the lottery system."

He has that right, and I will shortly explain how big that right is.

He has the right to determine priority to lease a tract of land. That is another system of leasing: first come, first served. You do not even have to put your name in the squirrel cage, which is how the lottery works. You just say, "I found

this tract first and it has not been leased. I want it." The Secretary has the right to say, "Okay, you can have it for $1 an acre for 10 years."

Given the Secretary's enormous discretion, we must ask, "What is Mr. Watt's definition of balance? What does balance mean to him?" What does it mean to you? If you were going to be the Secretary of the Interior and you came before the committee and said, "I believe in managing these lands in a balanced way," what would that mean to you?

Does it mean that he would treat all parties fairly who came before him? Does it mean that the developers will not have the opportunity to develop fragile lands where irreparable damage will be done?

The answer lies in Mr. Watt's record. He has been the president of the Mountain States Legal Foundation since it was founded. In the colloquy between the distinguished Senator from Idaho, the chairman of the Energy Committee, and the Senator from Wisconsin (Mr. PROXMIRE), Mr. PROXMIRE inquired about Joseph Coors, head of the Coors Brewery: Is he a contributor? The Senator from Idaho said he did not know.

Well, I know. He is the man who set the foundation up. Mountain States Legal Foundation was his idea. He certainly is a contributor.

Will he be treated differently than somebody else? Some of the water that he uses to make beer with presumably comes from Federal lands. If a question ever arises about whether that water should flow to Mr. Coors or not, will there be any question? If it comes before the Secretary of the Interior, would Mr. Watt handle that fairly? Well, of course, you and I both hope so.

Furthermore, even though his list of contributors has not been made public and the IRS cannot, by law, release it, I can tell you about 60 to 80 percent of the people who contributed to the Mountain States Legal Foundation are either in the oil business, the mining business, or the timber business.

Do you know the three greatest responsibilities the Secretary of the Interior has? It is to decide how much mining there will be, how much oil and gas exploration there will be, and how much timber will be cut. Those are his responsibilities.

Mr. Watt was not just a member of the Mountain States Legal Foundation; he was the dominant figure. He was the president, not a passive member. He was the chief legal officer, not a mere hired advocate. He was a fundraiser, not a mere contributor. We asked him repeatedly about two casinos on Lake Tahoe where the Mountain States Legal Foundation had brought an action against the EPA because it had said there would be no more hookups. All I wanted to know was, whether that litigation helped those two casinos to hook up to that sewer system, and were those two casinos contributors to the Mountain States Legal Foundation.

That question was pursued rather vigorously in the hearings. I still do not know the answer to it and I assume I never will.

As chief legal officer, Mr. Watt helped to pick the foundation's cases. Consider the nature of those cases. I asked him whether the Mountain States Legal Foundation ever brought a lawsuit in the interest of conservation or preservation. He said that he thought I would never ask that question, that there was such a case, just one.

Is that a balance? Is that somebody who is really concerned about preserving the people's common treasure? His total identification with the oil, timber, and coal interests literally invites a potential for conflicts of interests, or, at least, a very grave appearance of conflicts of interest.

He finally reluctantly agreed that he would excuse himself in those cases that the Mountain States Legal Foundation had brought against the Department of the Interior. When Senator JACKSON first asked him, however, to recuse himself in those cases which he initiated against the U.S. Government, he refused.

I think most of you will agree with me that that original answer demonstrated a certain insensitivity. Obviously, someone counseled him against upsetting Senator JACKSON, so the next day we got a letter from Mr. Watt saying he would recuse himself in those cases where Mountain States Legal Foundation is a party.

Mr. McCLURE. Will the Senator yield for a point of clarification?

Mr. BUMPERS. Yes; I am sorry, my staff says it was not the same afternoon. It that correct?

Mr. McCLURE. My understanding is that the first request, on which there was a delay, was not about those cases which the legal foundation had brought, or, as the Senator said, which he brought himself, in which he agreed immediately he would recuse himself, but it was on all future litigation in which the Rocky Mountain Legal Foundation might be a party even though not yet commenced.

Mr. BUMPERS. The Senator is correct. I did not make that clear. I thought I said all cases. I want to clarify that. He said he would recuse himself in all cases now pending or those hereafter brought by the Mountain States Legal Foundation.

The important point is that he still steadfastly refuses to recuse himself further, for example, in 58 cases in which the Department of the Interior is the defendant and the case was brought by contributors to Mountain States Legal Foundation.

Considering the casinos, I asked whether these casinos—Harrah's and Harvey's Wagon Wheel—were contributors.

Mr. Watt said that he hoped they were.

I explained that was not my question. My question was whether they contributed.

He said he hoped everybody contributes.

I agreed that might be nice, but I wanted to know, did these two people contribute?

There was absolutely no way to get that answer, and it seemed like a fairly simple thing, because it would have absolutely ended the matter. All he had to do was say, "Yes."

Despite this, he refused to recuse himself of any actions with regard to the 58 cases now pending this minute against the Department of the Interior and brought by contributors to the Mountain States Legal Foundation. These are people that he solicited for contributions. These are the cases over which he will exercise considerable control. That pales compared to the literally thousands of administrative decisions he will have to make in which contributors and board members of the Mountain States Legal Foundation are appellants.

Mr. WALLOP. Mr. President, will the Senator yield for a clarification?

Mr. BUMPERS. I yield.

Mr WALLOP. I always hesitate to take on the legal minds of this body; but is it not the case here that the Secretary of the Interior does not do the legal actions, nor does the Solicitor of the Department of the Interior, but that those are carried on by the Justice Department and there is no recusal necessary?

Mr. BUMPERS. Let me discuss that point, since the Senator has raised it.

Whether lawyers for the Interior Department are handling this case or the Justice Department is handling it, the Secretary of the Interior is going to be consulted, just as any client is consulted by any lawyer about appeals: Should we appeal this? Should we settle this? Is this offer satisfactory? There are a whole host of other questions that I am sure the distinguished Senator from Wyoming, who I think is a lawyer, would know.

I see by the look on his face that he is not a lawyer.

[Laughter.]

Mr. WALLOP. I say to the Senator that I frequently have been accused of it, but I have escaped it.

Mr. BUMPERS. I have never apologized for being a lawyer. I insist that all three of my children become lawyers, even if they do not practice law 1 day. I think it is a fine profession, and I do not apologize for it.

The Department of the Interior has 550 coal leases right now, and 232 of those are held by contributors to the Mountain States Legal Foundation.

There will be other applications for coal leases. There will be applications by contributors and board members of the Mountain States Legal Foundation. Let us assume they get them on a competitive basis. which I hope they do. Can the Secretary of the Interior fairly make decisions regarding those leases?

Does the Senator know that the Mountain States Legal Foundation brought an action to test the constitutionality of the strip mining bill? There were people who were opposed to a strip mining bill because they thought it was too stringent, but most people felt that we should do something dramatic because we were tearing up the crust of the Earth, and it would never grow another thing. We had to do it.

I am scared on that issue, because, as a child, I can recall seeing those giant shovels scrape tons of earth. I would like the Senator to see my home county

now, and the damage that was done in the 1930's. It is still there. Some of that land would be under fine cultivation now if a reclamation bill had been in effect when I was a child. The environmental considerations of strip mining are devastating.

Can any man so intimately related and identified with daily petitioners to the Secretary of Interior avoid the actual or apparent conflict of interest?

Let me tell the Senator about some cases brought by the Mountain States Legal Foundation.

For example, the foundation has filed an amicus curiae brief in Merrion against Jicarilla Apache Tribe, challenging a severance tax currently imposed upon some of the foundation's contributors.

I asked Mr. Watt if he believes that Montana and Wyoming should have a right to levy what I consider to be exorbitant severance taxes. He said, "Yes. That is a matter of States' rights."

I said, "How high would the severance tax have to go before you would object?"

He did not answer that question. I suppose it could go to $100 or $200 a ton.

I asked him this: If it is right for the States to levy any kind of severance tax they wished on coal, why is it wrong for the Jicarilla Indian Tribe to levy a severance tax on natural gas that comes from under their lands?

I invite the Senator to look at the record and see if he can reconcile that answer, because I cannot.

In United States against Douglas Sewer Improvement District No. 1, the foundation was attacking an EPA ruling which directly threatened at least one firm's plans to build a casino near Lake Tahoe.

Then there was the case of Mountain States Telegraph and Telephone Co. against Public Service Commission, to protect the particular trade secrets of another contributor.

Then the foundation entered the cases of Burlington Northern, Inc. against United States and Montana Wilderness Association against United States, to challenge restrictions on access to public lands which it said were threatening a contributor's access to its own lands.

I cite those cases simply because a foundation is not supposed to bring actions simply to benefit its own contributors. Yet, there are a whole host of cases.

There, again, I was unable to get Mr. Watt to concede that in all actions they brought, and particularly those in which they were successful, there was a beneficial effect on their contributors.

If you want to believe that Mr. Watt was simply a hired gun working for $73,000 a year and that perhaps this was not a philosophical thing with him. If you also believe that he did what most lawyers do, take money to represent people they are not with which they are not particularly proud to be associated, let me tell you this:

Mr. Watt was a member of the Federal Power Commission for 1½ years. During that 1½ years he either wrote a concurring, a dissenting, or a majority opinion in 76 cases. In only 3 out of 76 cases did he take exception to the applicant, which was invariably natural gas company or a public utility. He was a free agent. He could vote any way he wished, and surely the gas companies and the public utility companies were wrong in more than 3 out of 76 cases. The majority of the Federal Power Commission said on numerous occasions that the applicants were wrong, but Mr. Watt rarely did.

I asked him, "How do you feel about the lottery leasing system?"

He said, "I favor it. It is the only way the independents could be protected."

Well, is it? Of the 112 million acres of public lands now under lease for oil and gas, 97 percent has been leased by lottery, on a noncompetitive basis, for $1 an acre. Three percent has been leased on a competitive basis.

Senators will be happy to know that 80 percent of that 3 percent were independents. So the independents are doing very well under the competitive leasing system as it exists.

Will Mr. Watt look after the public trust if he still believes that the lottery system is a fine thing? That means he not only can lease 97 percent of public lands for a dollar an acre on a noncompetitive basis, by picking a name out of the squirrel cage, but he also can lease 100 percent of it. What does that mean? Let me tell you what it means.

Two summers ago, I got a call in my home in Charleston, Ark., saying that the Bureau of Land Management had leased 33,000 acres of land within Fort Chaffee, Ark., for a dollar an acre. I said, "That can't possibly be."

When I was practicing law, before I became Governor, I tried to obtain leases in Fort Chaffee for some coal companies. Everybody wanted that land. Texas Oil and Gas had sneaked down there—I will not say "sneaked"; they went in; they did not have to sneak. They went in and leased it for $33,000.

I asked Cecil Andrus, the Secretary of the Interior, about the leases. He got to checking on it and administratively cancelled the lease because of violations of the Department's regulations. His decision was later upheld by a Federal district court.

I said at the time, "Mr. Secretary, I believe that that lease would bring a hundred dollars an acre."

The Senator from Kentucky (Mr. FORD), who was chairman of the appropriate subcommittee, held hearings at my request to find out what happened.

The witnesses from the Department of the Interior testified:

> Well, that's the way we lease all our land that has never been leased before. We could not lease land for oil and gas exploration on military reservations until the Coal Leasing Amendments of 1976 were passed by Congress.

The President of Arkansas and Louisiana Gas Co. came in and said, "We would have given $500 and more for it." He made a real piker out of me. They leased it on a first-come, first-served basis for a dollar an acre—land that would have brought $500 an acre.

But we have not heard anything yet. There is another 26,000-acre tract at Fort Chaffee that is not nearly as desirable for oil and gas exploration as was this 33,000-acre tract. It was recently put up for bids and the bids are in the process of being opened. Early estimates indicate that the bids are going to bring a minimum of $1,500 an acre.

That translates into $40 million for leases on a tract adjoining the land that the Federal Government leased for $33,000.

Is the public trust being served well by the lottery system of leasing public lands?

The Arkansas Gazette, the leading newspaper in Arkansas, has an ad in it every morning that says:

> Would you like to compete with Shell and Exxon? You can do it. Send us $30 and we will bid on Wyoming lands for you.

Go to Fort Lauderdale where all the retirees live fighting inflation and are willing to gamble a little. Ads are run in the newspaper down there by these so-called filing services which have grown like Topsy all over the world. These ads not only say, "Send us $30." They list people who have gotten wealthy on the lottery system. "We got John Doe of Milwaukee, Wis., a 1,000-acre tract for $1,000 and he sold it to Shell for $200,000."

If Senators think I am pipe dreaming, just check into this.

A bill passed through the Senate Energy Committee last year, 9 to 8, that would force the competitive leasing of all public lands for oil and gas explorations. Of course it died. It never came up for consideration on the floor because there are a lot of people who like that system.

I always thought when I was Governor of my State if I had done something like that I would wind up in the slammer. We did everything competitively because it was the only safe way. It was the only fair way. It was the only honest way. And it was the only way to give the people what they are entitled to, and that is the best price.

I believe that if the American people knew how their public lands were being leased they would be up in arms and outraged as I was.

Think about that.

Mr. Watt says, "I favor the lottery system."

Five years ago the average number of names in the squirrel cage was 200. Now it is up to 1,000 because corporations have sprung up all over the United States saying, "Send us $30; we will bid for you."

They send in your name and $10 and pocket $20.

Mr. Watt is a defender of that system.

After the Fort Chaffee incident, the Secretary of the Interior began an investigation of the noncompetitive leasing system. Cecil Andrus started investigating how these leases were being executed out there and sure enough, you guessed it. He found so much fraud that they could not find seats for all the plea bargainers out there. Three companies have pleaded guilty to fraud. The Secretary stopped all noncompetitive leasing.

Now they have started leasing again, but some people who are contributors to Mountain States Legal Foundation are under preliminary investigation by the Department of Interior for fraud in

those cases. I asked Mr. Watt, "If you find that some of your contributors are under investigation by the Interior Department, will you aggressively pursue those investigations?" He said he would.

It is a terrible dilemma. It is a terrible question to ask. If I were Mr. Watt, I would want to say I would not touch those leases with a 10-foot pole because like Caesar's wife I do not want anyone to even think that I have done a favor for someone in a job with as high a trust as this has.

I know that we have to develop energy out West. I have heard about the overthrust belt now for 5 years. We are now producing 30,000 barrels of oil a day from the overthrust belt. The overthrust belt is roughly 10 million acres that extends from Canada down through Colorado.

Sixty percent of the overthrust belt is already under lease for oil and gas and about 85 percent of that 60 percent was leased for $1 an acre. This is by far the hottest property in the United States, and the Federal Government has leased it for $1 an acre.

Mr. Watt says, "I want to get this country energy independent." Find someone in the Senate that disagrees with that and I will get him a saliva test. We all want this country to be energy independent.

But I do not agree that we are going to produce our way out of energy dependence in the next 10 years. We may do it in 20 years if we get a lot of alternative energy fuels and really get serious about conservation.

Why are we so red hot to lease more land for oil and gas exploration when only 1.3 percent of the lands that are leased for oil and gas now are being drilled?

Why are we so red hot to produce more coal out there when the biggest problem in West Virginia and Kentucky are closed coal mines and idle mines with almost 100 million tons of surplus coal on the market?

Some Senators say that it is EPA's fault. They will not let them burn it. I know that is partly true.

I hate to always be placed in the position of being a defender of all that is perceived as evil like EPA.

But the other morning I woke up in the Camelot Inn in Little Rock, Ark., and I looked and could see forever. I remember when my father was in the legislature in Little Rock. We walked out on the balcony of that hotel and the coal smoke would have choked your nostrils.

I looked down at the Arkansas River. One can swin in much of it now. In 1970, hundreds of millions of gallons of raw sewage were dumped in the Arkansas River every day.

Sometimes I just resent equating environmentalism and extremism which Mr. Watt has done.

I said, "Mr. Watt, you know the environmentalists look at you as an extremist." He said, "I know that."

"And you look at them as an extremist. So beauty is in the eye of the beholder; is it not?"

He said he guessed it was.

I am proud of the progress we have made in clean air and clean water in this country. It has come at a price. But I can tell the Senator the price is peanuts compared to what it would be if we had done nothing.

I really do not think Mr. Watt is very sensitive to that. I think he is a developer at any price.

The people out West in the sagebrush rebellion have some legitimate complaints. They are entitled to be consulted. I will vote for any kind of legislation that requires them to be consulted because they have to live on these lands and most are dependent on these Federal lands for their livelihood.

But we have some long-range problems in this country. Our fragile top soils, hundreds of billions of tons, are running off annually and semiannually. We are converting 1 million to 3 million acres of our most precious farmlands to urban sprawl, condominiums, highways, and airports every year. No one disputes those statistics on the approaching problems.

Yet we ignore the legislative proposals to do something real serious about how we are going to produce food for ourselves in the future. Did the Senate know that, at the rate we are currently converting our arable lands to all of these purposes, by the year 2000 the United States, which exports three times more food than the remainder of the world put together, will not export 1 ton of anything?

The Senator from Florida (Mr. CHILES) informs me there are other lands down there that can be devoted to citrus crops, but, without such new lands, Florida, which produces 50 percent of all the grapefruits in the world and 25 percent of all the oranges in the world, will not produce one orange or one grapefruit by the year 2000.

So I am telling the Senate that our future looks more ominous all the time because we have not been heeding President Reagan's advice about sacrificing the future for our temporary convenience.

I do not believe Mr. Watt is sensitive to that. I do not think Mr. Watt can avoid terrible conflicts or appearances of conflicts of interest. He will be confirmed, and I will do my very best to work with him. I will wish him well. I hope that we will have regular oversight hearings on all of these issues which I have raised to make certain that the public trust and the futures of my children, your children, and our grandchildren are not being hopelessly exploited and wasted.

I yield to the Senator from Kentucky for whatever time he may wish to take.

Mr. FORD. Mr. President, I thank the distinguished Senator from Arkansas for allowing me this time, and I will only take 1 minute to expedite the others so they can schedule and so we might get on with this debate.

Mr. President, I am going to vote for the nomination of James Watt as Secretary of the Interior. But I am doing it with some grave reservations.

I did not agree with many of the actions of Cecil Andrus over the last 4 years. However, I do not feel that we need 180 degrees reversal of all policies of the Department of Interior. Mr. Watt has to prove to me that this is not his intention.

I tried to probe my concerns with questions at his hearing. I am less than satisfied with the vagueness and evasion in some of his responses. In particular I feel that his written responses to questions lack indication of a firm commitment for full communication with the Senate.

I hope that Mr. Watt comes to realize that his jurisdiction extends east of the Mississippi. He emphasizes his desire to reach out and to build bridges. We already have many bridges across the Mississippi. He has yet to prove he intends to build his own.

I realize that Mr. Watt is familiar with the workings of the Department of Interior. However, as Secretary he is going to have to grow beyond knowledge of mere workings and realize that he is custodian of a great bulk of the lands of the United States, lands which belong to all of the people of the United States.

I came away from the hearing with the feeling that perhaps Mr. Watt has a lot of growing to do. I intend to follow and evaluate this growth as the Senate proceeds with the legislative processes affecting the Department of Interior.

Mr. President, I ask unanimous consent to have printed in the RECORD the written questions submitted by Senators to Mr. Watt and his responses.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUESTIONS SUBMITTED TO THE RECORD CONCERNING THE NOMINATION OF JAMES G. WATT IN THE HEARINGS BEFORE THE COMMITTEE ON ENERGY AND NATURAL RESOURCES JANUARY 7 AND 8, 1981

Q.1. What is the Reagan position on "government-to-government" relations between the Federal government and Indian tribal governments—in other words, treating tribal governments on an equal basis with state and local governments.

A.1. Because I believe deeply in the rule of law, I support respect for and adherence to treaties, court decisions, and laws passed by Congress which clearly recognize Indian tribes' rights to self-government.

Tribes have not given up their powers of self-government in their local communities. I want to see tribal powers of local self-government continue to improve and develop. I want to see tribes effectively address the issues of poverty, education, poor health conditions, and community development, particularly more effective judicial systems.

I can think of no better example of the problem flowing from paternalistic big government than the events that have happened to American Indian communities. I would support Indian government through the fulfillment of treaty obligations and financial assistance, and not supplant Indian government by Federal government bureaucrats.

Q.2. What is the Reagan position on "government-to-government" relations between the Federal government and Indian tribal governments—in other words, treating tribal governments on an equal basis with state and local governments?

A.2. The traditional relationship between the United States and Indian government *is* a "government-to-government relationship." History tells us that the only effective way for Indian reservations, and Indian communities, to develop is with local Indian leadership. Bearing in mind the legal and historical background, tribal governments must play the primary role in Indian affairs.

State and non-Indian local governments can at best play only a secondary role.

Q.3. Will the Reagan Administration establish a White House coordinator on Indian tribal affairs to prevent the current situation of uncoordinated programs which overlap in numerous federal agencies?

A.3. As Secretary, I cannot promise that an office of Special Coordinator on Indian Tribal Affairs will be established in the Reagan White House, although the matter will be looked into. However, I can assure the Indian tribes that their leadership will have strong advocacy and an open channel of communication in the White House. The failure or refusal of the various Federal agencies to cooperate with each other and to coordinate their efforts on behalf of the Indian tribes results in gross inefficiency, loss of costly time, and greatly reduced cost-benefit to the Indian people. This will not be tolerated in the Reagan Administration.

Q.4. What will the Reagan policy be on dealing with urban Indians and non-federally recognized Indian groups, including state-recognized Indian tribes, as opposed to Federally-recognized tribes?

A.4. At the outset, let me say that I fully respect the unique trust relationship between the United States government and the federally-recognized Indian tribes. I am aware of the unique nature of the urban Indian situation and of the fact that their problems have been largely ignored in the past. The situation of the urban Indians, the off-reservation rural Indian communities, and the tribes not recognized by the Federal government must be looked into with the goal of establishing ways and means of securing better opportunities for them. However, this must be done in a way that will not threaten or compromise the treasured trust relationship of the federally-recognized tribes, nor diminish the financial commitment of the Federal government to them.

Q.5. Will the Reagan Administration retain the position of Assistant Secretary of the Interior for Indian Affairs and the Commissioner of Indian Affairs?

A.5. As Secretary of Interior, I will consider various alternative arrangements for assuring the development of Indian policy and the effective execution of that policy. The present Assistant Secretary and Commissioner structure is one alternative. There may be others worthy of consideration, suggested by organizational experts or by tribal leadership. Whatever the final choice, it will be taken only after full consultation with Indian leadership.

Q.6. Will Indian tribes continue to be eligible to receive General Revenue Sharing Funds?

A.6. I see no circumstances under which I would request any legislative changes that would alter current conditions and prohibit tribal eligibility to receive General Revenue Sharing Funds. In the long run, however, I would hope to decentralize program responsibilities from the Federal government to the State and local governments, including tribal governments, along with the tax resources to pay for them.

Q.7. What is the Reagan policy on tribal governments determining their own membership and government policies without interference by the Bureau of Indian Affairs or Secretary of Interior, notwithstanding certain trust responsibility legal restrictions?

A.7. Indian people should determine tribal membership for themselves, since they are ultimately going to participate in the responsibilities and benefits of the tribal relationship.

I believe state and local governments should have maximum freedom to develop their governmental policies without interference by Federal agencies. Since tribal governments have the same responsibilities to tribal members that state and local governments have to their citizens, my philosophical view is that Federal bureaucrats should not interfere with Indian government policy development. Where the trust responsibility brings the administration into conflict with tribal policies, I will be willing in consultation with Indian governments to consider recommending that the President request the Congress to repeal the laws that are causing difficulties.

Q.8. What will the Reagan policy be on encouraging tribes to take over BIA Indian Health Service programs as they are capable, thus reducing the role of government agencies but not terminating Federal funding?

A.8 The President endorses "Indian self-determination" as national policy. The Indian Self-Determination Act (PL93-638) was proposed by a Republican Administration and enacted by Congress to provide the legal and administrative vehicle for the tribal governments to secure control and management of Federal programs designed to serve their constituencies. I believe that the tribal governments, as they decide they are able to administer it, should have that control.

Although I am informed that there have been problems in implementing PL93-638, I believe that the concept of Indian self-determination remains valid. A priority in the Reagan Administration's Indian affairs agenda will be a thorough review of PL93-638 with the Congress and the Indian leadership for the purpose of improving the legislation and the Federal administration of it, and of removing those aspects which cause anxiety and reluctance on the part of the tribes to participate.

Q.9. Will the Reagan Administration guarantee tribal governments that it will not terminate tribes or the Federal responsibility to tribes or abrogate treaties between tribes and the U.S. Government?

A.9. The Reagan Administration will be opposed to the abrogation of Indian treaties and the termination of the unique relationship between the Federal government and the Indian tribes.

The policy of "termination" has been greatly discredited as morally and legally unacceptable and, in practical, social and economic terms, devastating.

I stated earlier that because I believe in the rule of law, I support respect for the adherence to existing Indian treaties. The provisions of many Indian treaties are still valid law and impose duties and responsibilities on both Indian governments and the United States Government today. The support and fulfillment of Indian treaties is bound up with the honor and integrity of the United States.

The policy of termination of the Federal trust responsibility to Indian tribes proved to be an economic and social disaster in the 1950's and 1960's. I will not recommend that termination be revitalized or resurrected.

Q.10. Will the Reagan Administration guarantee against states or local governments taking over or having jurisdiction over any tribal reservation or historical Indian lands?

A.10. The Reagan Administration will not advance Executive action or support legislation that would provide for the seizure of tribal jurisdiction by state authority.

The President and I will be committed to upholding the law. If the tribal justice systems are deficient in their abilities to protect rights and property and to administer justice, government should assist them in carrying out their responsibilities fairly and responsibly.

I am informed that, at the initiative of Indian leaders themselves, a Commission on State/Tribal Relations has been sanctioned by the National Tribal Chairmen's Association, the National Congress of American Indians, and the National Conference of State Legislatures. I am encouraged by this action and look upon this type of negotiation as a promising step in resolving the age-old struggle between the tribes and the states.

Q.11. What will the Reagan policy be on guaranteeing water rights for tribal governments in the Western part of the U.S.?

A.11. I believe that the inherent water rights of the Indian tribes is a vital key to true and lasting economic development for Indian reservations. I agree that quantification of water rights must be achieved in the future, but quantification must not be to the detriment of the Indian tribes.

The best protection of Indian water rights is the perfection of those rights through beneficial usage of the water by the Indian people. This can be done through assistance to the tribes and their people so they can develop their energy, agricultural, and other tribal natural resources.

Q.12. What is the Reagan policy on upholding fishing rights on tribal lands?

A.12. The President and I support the fulfillment of Indian treaty rights. Where the tribes by the terms of a treaty have reserved their fishing rights, I feel those rights should be protected. This is consistent with current Federal Indian law as the U.S. Supreme Court has interpreted it.

Q.13. What is the Reagan policy on tribal court systems? Jurisdiction over non-Indians on Indian lands? Taxation of persons living on Indian lands?

A.13. The President and I will encourage and support the development of the tribal court system. Because of the geographical isolation of Indian reservations, tribal courts are sometimes the only judicial forums available for hundreds of miles. It is my understanding that at the present tribal court systems have no difficulties about their jurisdiction over civil cases involving both Indians and non-Indians. It is also my understanding that the U.S. Supreme Court concluded in 1978 that tribal courts did not have jurisdiction over non-Indians in a case on the Suquamish reservation. I know that the issue of criminal justice jurisdiction over non-Indians by tribal courts is a source of high emotion on both sides and deep frustration for tribal court and government officials because of the irresponsible action of some non-Indians in Indian communities. Indian communities must be protected against lawless action, and I will welcome advice on the matter from Indian governments.

Q.14. Will the Reagan Administration support Indian education through the Bureau of Indian Affairs rather than through the Department of Education?

A.14. I have been informed that Indian tribal leaders and education professionals have opposed the transfer of Indian education from the BIA to the new Department of Education, for fear that the resulting reduction of the BIA budget would diminish that agency's trust protection as well; and that the tribes feared absorption and loss of Indian education programs in the burgeoning bureaucracy of the new Department.

The President has strongly opposed the Department of Education, and will propose its abolition. If that measure is adopted, the Indian education program would presumably be transferred back to BIA, or reorganized in such a way as to increase tribal responsibilities for the education of Indian children.

Q.15. Will Federal agencies be directed to deal with tribes directly rather than through states or counties on welfare, nutrition programs, law enforcement assistance, etc.?

A.15. The Reagan Administration will honor the government-to-government relationship that exists according to law. Certainly, the Administration will be open to discussion on the best possible delivery system for Federal services to Indian people.

However, I am aware of the magnitude of the problem of changing legislation that directs Federal funding through state channels, and can make no promises until I have had the opportunity to review the situation thoroughly.

Q.16. Since tribal governments own a large share of natural resources (including energy), what is the Reagan policy on permitting tribes autonomy in decisions on development, lease management, etc.?

A.16. Tribal governments should have the right to determine the extent and the methods of developing the tribe's natural resources. Although the Federal government has a trust responsibility for Indian natural resources, that responsibility should be directed to the protection of the resources from alienation and exploitation from the outside. It should not be used to hinder tribes from taking advantage of economic development opportunities.

Tribes are making great strides in planning and controlling development—particularly those members of the Council of Energy Resource Tribes. The American private sector possesses unlimited technology and management expertise which the tribes can call upon. The Reagan administration will encourage fair and just partnerships among the tribal governments, the private sector, and the Federal government in meeting the tribes' identified development needs.

Q.17. What is the plan to assist tribes in developing their own economic self-sufficiency?

A.17. Economic self-sufficiency will be a goal of the Reagan Administration, both in Indian affairs and in the nation at large. It would work to make available financial, technological and management assistance which will enable tribal enterprises to develop their own projects for self-sufficiency. This will result in the reduction of income dependency and an increase in productive employment—which are the desires of Indian people.

Q.18. What is the plan to encourage economic development of individual Indian small business enterprise?

A.18. Although the systematic development of tribal enterprise is extremely important, the development of individual or small business enterprise is crucial to sound economic development on the reservations.

Ample opportunities now exist in the areas of agriculture, services, and light industry development throughout the rural Indian communities. As is the case throughout America, however, many Indian businesses fail for lack of adequate management and available financing capital.

The Reagan Administration will work to assist Indian or tribal small businesses in obtaining capital, managerial assistance, government procurement contracts, and export opportunities.

Q.19. In selecting a Secretary of the Interior, will Reagan consider an individual who is knowledgeable in the area of Indian affairs, since the Bureau of Indian Affairs is under the Department of the Interior and the Department could be most effective with this knowledge in handling Indian issues?

A.19. The question is moot.

Q.20. Will Reagan ensure that his administration consults with tribes on issues and appointments to positions affecting Indians and tribal governments?

A.20. Yes. I have indicated in my previous responses that the traditional "government-to-government" relationship between the Federal government and Indian governments should be continued. In my view that will include consulting with tribes and their leaders in the development of Federal Indian policy, and about appointments to Federal government positions affecting Indians and tribal governments. I feel that the problem of an insensitive, unresponsive, paternalistic Federal government has been most acute in the area of Indian policy. I believe that the people whose interests are intended to be served and whose lives are most affected should play a larger role in influencing Federal policy and personnel, so that the Federal government can become more sensitive and responsive.

Q.21. One of the final actions of the last Congress was the adoption of the D–2 legislation—the Alaska lands bill. This measure contains many amendments and provisions designed to make the Alaska Native Land Claims Act work as Congress intended, and to deal with the many unique problems and situations faced by Alaska's native people and their corporations.

Do you view implementation of these amendments which are so important to the native people of Alaska as one of the Department's Priority tasks?

Will you commit your Department to keep this Committee and the native community fully informed on the Act's implementation?

A.21. a. Yes, I assure you that these amendments will receive high priority by the Department.

b. I will certainly keep the Committee informed as well as the native communities during implementation.

Q.22. Section 1007 of the D–2 Lands Act directs the Secretaries of the Interior, Defense and Energy Departments to conduct a one year study of the future use of the Naval Arctic Research Laboratory (NARL) at Point Barrow, Alaska. This facility is the nation's only, I repeat only, Arctic research mission and facility. Russia, Canada and other Arctic rim nations, by way of contrast, have extensive facilities and programs for applied and basic Arctic research. These nations recognize the increasingly important role of the Arctic region in supply energy, in national defense and in wildlife management. Under the Carter Administration, NARL—our only Arctic research mission—is in the process of being phased out and shut down. Meanwhile, the level of oil and gas exploration and production activity in the Arctic—onshore and offshore—is accelerating at a rapid pace. I believe this oil and gas activity is in the national interest; it can be done safely. But, we need to learn more about the problems and opportunities of Arctic and gas development.

In your view, do you see a role for the Department in improving our ability to deal in practical ways with the impacts of Arctic energy and resource development on the environment, the wildlife and the culture?

Will you consult with the Congress on the study to develop a national Arctic policy?

Section 1007(f) requires the President to fund the NARL facilities at the level of fiscal year 1979 pending submission of the study to Congress. Will you do all in your power to carry out this directive?

A.22. a. The recently enacted Alaska lands measure, among other Federal statutes, gives the Department specific responsibilities for managing the public lands and resources of Arctic Alaska. Balanced management will require improved knowledge and understanding of the local environment and culture. I hope that during implementation of the complex lands bill the Department will improve its ability to assess the effects of various management approaches on the area.

b. Where appropriate, I will consult with Congress regarding the Arctic study as well as clearly and closely conform to the statutory requirements.

c. Although I am unfamiliar with the specific requirements of Section 1007(f), I will conform with its statutory requirements.

Q.23. The Interior and Related Agencies Appropriation bill adopted last month provides for an expedited program of private oil and gas leasing in the 23 million acre National Petroleum Reserve in Alaska.

Do you support competitive oil and gas leasing in the NPRA? Do you view this as a Departmental priority?

Will you consult with local government in determining areas to lease and condition of leases?

Will you provide this Committee with periodic reports on the development of the leasing program?

A.23. a. I have not yet familiarized myself with the specific requirements of the NPRA provision attached to the Interior Appropriations bill. It is my preliminary understanding, however, that the measure does require competitive leasing and also requires a lease sale within a fixed period of time. This apparently requires that the matter be given somewhat immediate attention.

b. The method of determining which areas are to be leased has not been established. When I review this matter, I expect to assure that appropriate consultation with local governments occurs as part of my overall "good neighbor" policy.

c. It is my intent to comply fully with all reporting requirements specified in the measure. In addition, I will always be available to discuss policy developments with members of Congress executing their oversight responsibilities.

Q.24. There is now and there will be for the next thirty years more exploration, leasing and production of oil and gas within the North Slope Borough of Alaska than any other unit of local government in the United States. Congress has on numerous occasions recognized the extraordinary burden that this activity places upon the Borough and its 4500 residents. In particular, this activity strains the ability of the Borough to provide adequate municipal services, including the construction and maintenance of public roads and the provision of public health, utility and other public services.

Will you as Secretary of the Interior and the major landholder within the Borough maintain within the Department the cooperative, open-door policy to the Borough's representatives that has marked most previous Administrations?

This question is especially important because I believe that the pressures of accelerated oil and gas development will require substantial cooperation and great sensitivity by all parties if we are to establish and maintain a sound policy of exploration and development in the Arctic that will benefit all of us.

A.24. As I noted during my appearance before the Committee, I believe in a "good neighbor" policy under which the Department seeks to cooperate with local governments and citizens affected by Department actions. Accordingly, I expect to engage in appropriate cooperation with the North Slope Borough.

Q.25. There are many persons in Alaska who believe that Alaska's vast onshore oil and gas reserves should be developed before the Federal government undertakes active exploration and development of offshore reserves. In addition to the difficult technological problems presented by offshore activity in the Arctic, there are serious environmental issues including protection of the bowhead whale. While I support eventual offshore development, I think it should proceed only with prudent concern for and imposition of measures to protect the environment.

Will this Administration make decisions on offshore development with full consideration and proper recognition of implementation of necessary protections to preserve this unique environment?

Will this Administration emphasize development before there is any major expansion of offshore activity?

A.25. a. I believe that the Department must fully comply with the language and

intent of the Outer Continental Shelf Lands Act of 1978.

b. I have not yet been briefed regarding the necessary mix of different resources to ensure execution of a balanced and effective national energy policy.

Q.26. There is now and there will be for the next thirty years more exploration, leasing and production of oil and gas within the North Slope Borough of Alaska than any other unit of local government in the United States. Congress has on numerous occasions recognized the extraordinary burdens that this activity places upon the Borough and its 4500 residents. In particular, this activity strains the ability of the Borough to provide adequate municipal services, including the construction and maintenance of public roads and the provision of public health, utility and other public services.

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A.26. As I noted during my appearance before the Committee, I believe in a "good neighbor" policy under which the Department seeks to cooperate with local governments and citizens affected by Department actions. Accordingly, I expect to engage in appropriate cooperation with the North Slope Borough.

Q.27. During my campaign, Alaska voters made clear their displeasure of the Secretary of the Interior's policies and actions in a number of areas. One area of concern involved local employment and local business opportunity, especially local minority business opportunity. Despite "world scale" Alaska petroleum developments, this State still has incredibly high rates of unemployment and few local firms have had the opportunity to participate to the full extent of their available resources.

What policies or actions will you propose to assure local hire and to encourage local business opportunity, especially for Native Alaskans (the Indians, Aleuts and Eskimos) to whom you have a trust responsibility?

Also, a number of offices of the Department of Interior that oversee activities in Alaska are located outside Alaska. Will you look closely at the propriety of relocating those offices to Alaska when it would appear in the best interest of both your Department and the State?

A.27. Although I have not examined the Alaska Lands bill, the bill does contain a local hire provision. I will be examining this issue when the Department implements the lands bill. Moreover, I will follow the statutory directives of the Act regarding local hire.

Q.28. The Department of the Interior has been one of the few Federal agencies to maintain any semblance of balance and common sense with respect to the Alaska Eskimo's taking of a limited number of Bowhead whales annually for subsistence purposes. The balance of the current Administration, including the Justice Department, is running a kangaroo court in Federal grand jury proceedings to harass and intimidate the villagers who depend on the whale for food and for maintaining an ageless cultural tradition.

Will you take a careful look at the history of this matter and pledge to correct the excesses and injustices I am confident you will discover?

A.28. I have not fully acquainted myself with this matter, but I will closely examine this apparently contentious issue at the appropriate time. Be assured that I will prudently carry out my responsibilities towards Alaska's Natives under applicable treaties and laws.

Q.29. We have recently begun to witness the environmental effects of increased coal production in the mid-west: nitrous oxide emissions that combine with sulphur oxides which travel across the east and are transformed into "acid rain." What role do you envision for the Department of the Interior in helping to curtail this pattern?

A.29. Although I am familiar neither with the specifics of this sensitive issue nor the statutory role to be played by the Department of the Interior, it is my understanding that a number of studies are underway which I will carefully review.

Q.30. What sort of policies do you think are appropriate for the Department of the Interior with regard to drilling in marine sanctuaries? I am particularly interested in the lease sales off the Georges Bank, and the enforcement of the Interior Department of safeguards for lease sales.

A.30. I believe that the Department of the Interior must fully comply with the language and intent of the Outer Continental Shelf Lands Act of 1978.

Q.31. Your association with the "sagebrush rebellion" movement is well-known. As Secretary of the Interior, you will be responsible for the management of all public lands, including substantial Federal lands in the east. In your view, should these eastern Federal lands be managed any differently than public lands in the west? Do you believe the Secretary of the Interior has a special responsibility to preserve natural areas in the east?

A.31. a. My belief of the importance of a new "good neighbor" policy applies to all Federal lands managed by the Department of the Interior regardless of their relationship to the 100th meridian.

b. I believe that the Secretary of the Interior must fully comply with the intent of Congress regarding the preservation of natural areas regardless of their location. As I responded to Senator Heinz, however, natural areas in the east "probably deserve greater attention because of the pressures they are exposed to."

Q.32. What do you see as the role of the Interior Department with regard to the economic review of water projects?

A.32. The Department of the Interior has a responsibility to provide technical advice and recommendations to the Congress regarding proposed water projects. Deauthorization of existing projects is a Congressional prerogative.

Q.33. Some members of the environmental community have labelled your activities as "absolutely, ideologically and fundamentally against" everything they have worked for in the last 25 years. Can you indicate in any way that these fears are unfounded?

A.33. My record as Director of the Bureau of Outdoor Recreation, as placed at length before the Committee, demonstrates an awareness of and sensitivity to environmental concerns. The National Recreation Plan and Reclamation for Recreation are two examples of my work in the conservation, environmental field.

Q.34. What should be the scale and pace of oil shale development? Should any changes be made in current oil shale leasing policies?

Specifically:

Are you familiar with Exxon's projection that eight million barrels of oil per day could be produced from shale? Do you think this projection is realistic? Should the Federal government either encourage or hinder this level of production?

Should the Department of the Interior lease additional Federal lands for oil shale development? If so, how many additional leases should there be, and what criteria should be used in determining what lands should be leased? What type of planning would be necessary to lay the foundation for any additional leasing? Should any new leases be geographically dispersed, or should they be concentrated in areas of especially rich resources?

Should Congress authorize the Department to lease additional lands adjacent to oil shale leaseholds for the disposal of spent shale and other non-mining functions associated with oil shale production? If so, how much land should be leased for this purpose, and what conditions should be placed on the leases? Should additional lands be made available for only existing leases under the prototype oil shale leasing program, or should off-tract lands also be made available for new leases?

Should Congress remove existing restrictions which limit each company to one oil shale lease?

If the Clean Air Act or other environmental policies limit the scale of the oil shale industry, should Congress change the law to allow greater oil shale production?

A.34. a. I have not reviewed nor been officially briefed on oil shale development and am thus unable specifically to respond regarding my policy on the scale, pace or specifics of such development.

b. Same as "a".

c. I have seen only press reports on the Exxon projection and I am thus unfamiliar with the specifics of that proposal.

A.34. d. I have no way of judging whether the report is realistic or not.

e. The Federal Government has announced as national policy the increase of domestic sources of energy. Oil shale, as our important energy resource, will play a role in this national policy. What level of production takes place on Federal oil shale land is a matter yet to be determined.

f. Same as "a".

g. Same as "a".

h. The Federal Land Policy and Management Act specifies the planning requirements for such activity. I will comply with the law.

i. Same as "a".

j. Same as "a".

k. Same as "a".

l. Same as "a".

m. Same as "a".

n. It is important to achieve a balance between energy development and environmental protection. However, some of the limitations in energy development contained within and resulting from statutory language may be unnecessary to the achievement of environmental objectives. In such cases the law might well be modified to reflect such realities without retreating from the objectives.

Q.35. Should any new programs or policies be adopted to protect communities from social and economic disruption caused by rapid energy development?

A.35. As I indicated in my testimony, I believe the "people problem" regarding energy development to be one of the major concerns facing the Federal Government. I am not sufficiently familiar with present programs and policies to be able to respond as to whether or not new programs and policies are necessary.

Q.36. How should we make sure that new water consumption by energy projects does not squeeze out agricultural, municipal, and other water users?

A.36. I believe the States of the West are in the best position to determine the use of their water. Therefore, I believe Federal support of the traditional power of the states over their waters is the proper manner of assuring the protection of other water users.

Q.37. How should water be supplied for energy development—through private projects built by the energy companies, or through broader-based public projects which also meet other regional water needs?

A.37. I have adopted no position on this issue.

Q.38. Should the Federal government build water projects? Should any changes be made in traditional Federal water policies?

A.38. a. Yes.

b. We will need to review the entire water program.

Q.39. Should a new Energy Mobilization Board be created, with powers to overturn Federal, state, and local laws, or should other policies be adopted to cut through red tape delaying important energy projects?

A.39. This is a broad base policy question which must be addressed by the new Administration.

Q.40. Should the Federal standards for the reclamation of land strip mined for coal be carried out as approved by Congress in 1977, or should they be changed?

A.40. I have not been fully briefed regarding, nor am I familiar with, the specifics of the Surface Mining Control and Reclamation Act of 1977 and the regulations under that Act and am thus unable to respond in detail. These are important issues which I will address early on however.

Q.41. Should new Federal standards be established to restore land strip mined for oil shale? Should any other new standards or controls be adopted to protect public health and the natural environment from the adverse effects of oil shale development?

A.41. a. Same as Answer 34a.

b. Same as Answer 34a.

Q.42. Should Federal lands be turned over to state governments or private owners?

A.42. In several responses during the hearing, I believe that the pressures of the "Sagebrush Rebellion" for massive land transfers from the Federal government to the States can be eased by a "good neighbor" policy which I intend to carry out.

Q.43. Should any changes be made in current policies and practices of managing Federal lands?

A.43. Yes. I fully intend to embark upon a "good neighbor policy" regarding the management of Federal lands.

Q.44. What changes, if any, should be made in Federal policies toward Indians?

A.44. I have no specific recommendations at this time, however, my policy regarding American Indians is reflected in my responses to questions one through twenty.

Q.45. We have been informed of several problems—cost overruns, poor management, substandard construction—with the $250 million capital infrastructure program in the Trust Territory of the Pacific Islands. Do you have any immediate plans for examining and resolving these potential problems?

A.45. In the course of the new Administration's budgetary process, I will conduct a review of the status of the programs in this area.

Q.46. Each of the insular areas as well as the Trust Territories are faced with severe funding constraints attributable to rising fuel costs. Do you have plans to assist these areas in fulfilling their energy needs?

A.46. As Deputy Assistant Secretary for Water and Power, I had the opportunity to visit some of the terrorities and I am aware of energy problems of insular areas. I will review the energy needs in each area and work in close coordination with the Department of Energy in their solution.

Q.47. As you may know, there are two youth employment programs associated with the Department of the Interior—the Youth Conservation Corps and the Young Adult Conservation Corps—which contribute substantially to the improvement and management of Interior and other public lands and which held to eliminate a serious backlog of necessary conservation and basic maintenance work on Federal and state lands that otherwise could not be accomplished.

Congress and the bureaus of the Interior Department and the states have long recognized the value and cost effectiveness of YCC and YACC and depend on them to help maintain and preserve our public lands and natural heritage.

With these facts in mind, I would like to know if you will enhance and further these two youth employment programs which have proven to serve American youth so effectively, and whether you will continue to utilize YCC and YACC to improve and maintain our public lands and ensure a return on the taxpayers' investment?

A.47. Having not dealt with the YCC and YACC programs in a number of years, I am not familiar with their present status but will carefully review them as soon as possible to evaluate their future role in the Department.

Q.48. On January 7, you characterized the Department's Bureau of Land Management as an "unprofessional" organization, insensitive to the values and needs of the West. The Bureau is one of the most fully decentralized organizations in the Department with local offices throughout the West, manned by Westerners like yourself, people who almost without exception have degrees from the best land grant colleges in the West, and who are recognized for their professional expertise in a wide range of renewable and nonrenewable resource management fields and for decades of experience and professionalism. What did you mean by "unprofessional"?

You also expressed the hope that you could raise BLM up to the level of the Forest Service. You know that BLM manages twice as much land as does the Forest Service and for a much wider array of purposes in addition to the outer continental shelf and reserved minerals with only a fraction of the money and manpower of the Forest Service. What action do you have in mind to raise the level of management for BLM to that of the Forest Service?

A.48. a. My reference to the Bureau of Land Management (BLM) was not a reflection upon the professional credentials or skills of its employees, but was a reference to some of the organization's insensitive policies toward the values and needs of the West.

b. The intention of this statement was merely that managerially I have been impressed with the U.S. Forest Service and I would hope that such a management program must be developed and studied to see if such management practices would be applicable for BLM.

Q.49. The Department of the Interior is fortunate to have among its employees a cadre of skilled professionals in a wide variety of scientific and other disciplines. As you undoubtedly recall from your service, the Committee for many years has requested testimony and/or assistance from a number of these people.

Will you pledge to continue to make these career professionals available to the Committee as witnesses and/or advisors upon request?

In the past, the Committee has often called upon these people to express their professional opinions on a number of resource issues.

Will you pledge to allow these people to express their professional opinion on resources if so requested?

I believe that the development of policy requires free expression of ideas by responsible professionals. Even though I may disagree with one or more of my colleagues, I certainly am interested in hearing their point of view and respect their right to express it. An analogous situation exists in the Department of the Interior. I believe that the Department's professionals must be encouraged to express their own opinions—without fear of reprisal—in policy development.

Will you pledge to encourage the free expression of ideas—even though they may be different than your own—in the development of Administration natural resource policy?

Will you pledge not to take personnel actions against those who express ideas contrary to your own?

A.49. Let me assure not only the Senate but the other esteemed body that I and the members of the Department will be always willing to do everything in our power to cooperate and assist the legislative branch.

Q.50. You have repeatedly asserted that the Bureau of Land Management does not consult with Western State and local governments. In fact, in the last two years, BLM has completed what can only be described as an historic series of formal agreements on consultation throughout the West. To mention just a few:

helping fund the National Governor's Association's Rangeland Subcommittee

a cooperative consultation project with the National Association of Counties

a formal working agreement on land transfers with Western States Land Commissioners

creation of joint Federal/State regional coal leasing and oil shale leasing teams

an expanded Outer Continental Shelf advisory board with new regional planning committees

a series of special consultation agreements between the agency's State Directors and their respective Governors

a cooperative project with the Western Interstate Energy Board on energy facility siting

Indeed, I understand that many State and local officials and organizations are in the process of communicating with the President-elect to retain these programs of consultation.

In light of the recent actions, what is the basis for your assertion?

A.50. The lawsuit in which the Foundation was involved is the basis for my assertion. The Governor of New Mexico, as well as all subdivisions of State government were ignored in the land planning process being carried out by BLM for federal, state and private lands.

Q.51. On January 7, in connection with the Rio Puerco grazing case, you said that "not once had the State or the permittees of the grazing association been consulted" before BLM rendered its decisions. You indicated that this was a violation of the Public Rangelands Improvement Act (Transcript p. 67). BLM records indicate that it kept various State agencies advised continually from 1975 through the Summer of 1978, and worked with the permittees in an effort to reach agreement on decisions. Moreover, there was no Public Rangelands Improvement Act at that time, the Act having been passed in the Fall of 1978. On the basis of what information did you make your statement?

A.51. I made those representations because those were the facts which were brought to my attention and which were presented to the Court. It is apparent that the Congress accepted those facts given the relevant amendment adopted in the appropriation bill, as indicated by Senator Domenici.

Q.52. This confirmation hearing has focused on public lands issues of the West. As Secretary of the Interior you will also have responsibility for policymaking on land and water resources in the Eastern and Southern U.S., particularly for many park and wildlife areas. What are your policy goals for management of the public lands in these portions of the U.S.?

A.52. As we all know, Federal ownership

of lands in the East and South is but a small fraction of the total land in those areas. Also, as compared with the West, population density in the East and South is generally much greater than in the West. I can assure you that I will not be blind to my responsibilities East of the Mississippi.

Q.53. Can we expect recommendations for expansion of the National Trails System during the time you are Secretary of Interior?

A.53. We will be looking at all recreation potentials.

Q.54. What changes can we expect in the operation of the Water Resources Council during the Reagan Administration?

A.54. I expect to review the role of the Council early in my tenure as Secretary, to determine what changes may be indicated.

Q.55. Extraction of the vast reserve of coal, uranium, oil shale, tar sands and other minerals will cause potentially serious problems of people relocations and public facility shortages. What recommendations will you make for Federal assistance in solving these problems?

A.55. I have adopted no position on this issue.

Q.56. Water conservation has not been emphasized in Federal water programs to date. In many cases the Federal government has created disincentives for water conservation by charging relatively low rates for water supplies. What do you intend to do as Secretary of Interior to promote water conservation?

A.56. Water, of course, is key to development of many areas of the country, particularly in the Western states where water "consciousness" is a way of life. I will review Federal policies which affect water usage and will try to ensure that they do not promote waste.

Q.57. How well do you think the Federal Land Policy Management Act has performed since passage in 1976? Do you believe changes are required? If so, what recommendations do you have for this Committee?

A.57. That law itself represents a balance of competing interests regarding Federal lands, hammered out over several years. Unfortunately, implementation of the law through the regulatory process has in many instances been out of step with the intent of Congress. After a complete review of problems encountered as a result of this situation, I may present a number of proposals for change, some regulatory, others statutory.

Q.58. If it is possible, would you please summarize your attitudes and opinions in regard to Western reclamation projects and the Central Arizona Project in particular. If possible, could you outline the steps you might take in assuring the present construction schedule and planned water delivery dates for the CAP.

A.58. Without reclamation projects, many Western states could not approach their present agricultural or industrial productivity. On specific projects such as the Central Arizona Project, I want to reserve judgment on steps I might take. A number of significant events regarding CAP have occurred in the recent past with which I do not have a detailed familiarity I plan to review the entire record on this project at an early date before making specific commitments.

Q.59. There has been some controversy and speculation surrounding possible policies and programs you might implement affecting American Indians. Could you provide some indication of how you see your role as Secretary in regard to the Federal Government's trust responsibilities and what the Department's policies and funding priorities might be.

A.59. On trust responsibility, see Answers 1, 2, 4, 7, & 16. On funding and priorities, see Answers 15, 17, 18.

Q.60. What role do you see for the States in water resoures planning and the planning of water resources development programs?

A.60. The states should have the key role in water resource planning. However, since many states, especially in the West, rely on the same resource for much of their supply (for example, the Colorado River), regional and Federal cooperation is essential to effective planning by individual states.

Q.61. Would you be prepared to support funding for the WPRS Safety of Dams Programs?

A.61. Yes.

Q.62. In the same vein, do you support funding for the Land and Water Conservation fund and full funding for payments-in-lieu of taxes as administered by the Department?

A.62. As you know, during my tenure at DOI, I supported funding for the Land and Water Conservation Fund and will continue to do so. With regard to payments-in-lieu of taxes, this is mandated by statute, which I will adhere to completely.

Q.63. What is your current position on a possible transfer of ownership of Federal lands to State ownership?

A.63. Same as Answer 42.

Q.64. Do you believe that the performance standards contained in the Surface Mining Act are sufficiently detailed, so as to provide adequate guidance to state regulatory bodies which seek to assume primacy over the surface mining programs within each state?

A.64. Same as Answer 40.

Q.65. As Secretary, would you act to expedite the approval of a reclamation plan which has been agreed to by a state government's regulatory authority and the Office of Surface Mining?

A.65. Yes.

Q.66. As Secretary, would you support changes in Office of Surface Mining requirements with regard to permitting procedures in general, for any state which has not yet achieved primacy? What specific changes would you favor?

A.66. Same as Answer 40.

Q.67. Do you advocate specific changes in the Surface Mining Control and Reclamation Act itself? Please describe these changes.

A.67. Same as Answer 40.

Q.68. As public officials we have a greater duty to make sure that we not only avoid actual conflicts of interest, but that we also avoid apparent conflicts of interest.

You come to this job both having represented and having solicited support from corporate individuals who have substantial financial interests directly affected by ongoing decisions of the Department of the Interior.

Do you believe there are any actual or seemingly actual conflicts of interests which might arise? Specifically, what might those situations be?

If you are confirmed as Secretary, what steps will you take to avoid both actual and appearance of actual conflicts of interests? Are there any matters on which you will avoid any personal involvement?

A.68. Any such conflicts are fully and completely resolved by my recusal statement which has been submitted to the Committee and which has been deemed by the Office of Legal Counsel of the President-elect, the Inspector-General of the DOI and the Office of Government Ethics of the Department of Justice to comply fully with the law.

Q.69. You have said that you do not oppose environmentalists; you oppose environmental extremists. You have also indicated that the Department of Interior is a haven for special interests. We all tend to speak in shorthand when we're talking with people who share our views. So the Committee will be better able to understand your comments, could you please amplify for us, giving some examples, who or what are environmental extremists and who or what are the special interests in the Department of the Interior whom you would eliminate?

A.69. As I responded to Senator Ford, "An extremist is one who is intolerant and unwilling to consider another point of view, or recognize the need to balance the viewpoints in making a decision."

Q.70. You have indicated that a major goal of yours will be to increase exploration for energy resources on public lands. Would you please comment on the Department's present efforts to establish environmental safeguards for currently developed off-shore and onshore drilling and mining? Do you think those standards are too restrictive? If so, in what way?

A.70. Same as Answer 30. I have not been briefed, nor am I familiar with the specific regulations adopted by the Department and am thus unable to respond.

Q.71. One of the major complaints this Committee received regarding the present leasing program was that companies fail to develop existing leases. What do you propose to prevent the "banking" of leases? Would you support a requirement that leases be developed in a shorter period of time? Do you support a switch to competitive leasing?

A.71. a. It is my understanding that diligence requirements are included in such leases to regulate the timing of development.

b. I believe such leases should be developed as soon as economically possible in accordance with the term of the lease.

c. No.

Q.72. The adequacy of water supplies is of concern in both the older cities of the East and the agricultural lands of the West. What role should the Department play in rehabilitating the inadequate water supply systems in our older cities, such as many in New Jersey, New York and Pennsylvania? Could you please comment specifically on the role of the Department of the Interior in A) upgrading the reservoir and conduct capacity and B) prevention of loss due to defective system. Could you discuss the role of the Department in addressing the current problems of the Delaware River Basin which supplies both drinking and industrial water to a large area of New Jersey and Pennsylvania?

A.72. I have not been briefed on nor am I familiar with the role to be played by the Department regarding these important matters. Nevertheless, as former Deputy Assistant Secretary for Water and Power Resources, I understand the seriousness of this subject and will carefully review it.

Q.73. What is your position on the advisability of pursuing the proposed MX missile system and the synfuels projects both of which will require significant amounts of water?

A.73. I have not been briefed on, nor am I familiar with, the specific water requirements of these two proposals although I understand they are significant. It is my belief that the matter of the acquisition of water permits must continue to be completed in accordance with state law.

Q.74. President-elect Reagan has stated that tribal self-determination should be wholeheartedly supported by the Interior Department. In what manner and to what extent would your views regarding tribal government and self-determination conflict with Mr. Reagan's position?

A.74. I am in complete agreement with the President.

Q.75. Do you believe that tribal governments have the authority to levy taxes within their jurisdictional boundaries?

A.75. I am unfamiliar with the body of opinion of this subject and am thus unable to respond.

Q.76. Do you believe that tribal governments have the authority to arrest and to try violators of tribal legal codes regardless of the residence of the violator?

A.76. Same as Answer 13.

Q.77. President Reagan has endorsed the concept of P.L. 93-638, the Indian Self-Determination Act. Federal agencies including the Bureau of Indian Affairs have been

unresponsive or even resistant to the implementation. What do you plan to do to correct the situation in order to comply with the law?

A.77. Same as Answer 8.

Q.78. President Reagan has stated that he opposes attempts of state or local governments to take over or have jurisdiction over tribal reservations. Do you support such a policy?

A.78. Same as Answer 10.

Q.79. Do you regard the Winters rights of Indian tribes as a private property right, vested by Federal law, not subject to state jurisdiction, and compensable if taken under the Fifth Amendment?

A.79. Same as Answer 11.

Q.80. On December 23, 1980, you were quoted by the Rocky Mountain News, Denver, Colorado, as saying "the state water law will control the use and allocation of water rights." Can you clarify now your position with respect to the apparent conflict between that statement and the Secretary of Interior's trust responsibility to protect the states and private parties?

A.80. I am committed to the policies of the President-elect in all matters related to the Department of the Interior.

Q.81. Do you as the Secretary of the Interior nominee fully support the right of Tribal governments to determine the extent and methods of developing a tribe's natural resources?

A.81. Same as Answer 16.

Q.82. In your amicus curiae brief on the Pyramid Lake case before the Ninth Circuit, you reply somewhat on language from that Court's 1956 Ahtanum Irrigation District decision where that court says, in effect, that the Secretary's "abuse of power," may turn out to be bad for a tribe but such abuse would not necessarily negate his decision in a particular matter. As Secretary of the Interior, would a tribe waken one morning only to find that you had made a discretionary decision on its behalf that would literally wipe it out economically? Such as—reallocating its water to another entity? In other words, to what extent would you consult with a tribe (that has a vital interest in a matter) before you made a decision and would you make it a part of the record even if the tribe disagreed?

A.82. Same as Answer 20.

Q.83. In view of the high rate of unemployment and under employment on reservations—do you support manpower training programs to provide employment opportunities and encourage individual Indian small business development?

A.83. Same as Answer 18.

Q.84. President Reagan has said that an "insensitive, unresponsive" government serving Indians can be improved by increasing consultation with the tribes. How will you implement the policy, if you agree with it?

A.84. Same as Answer 20.

Q.85. First as a lobbyist for the Chamber of Commerce and most recently as President of the Mountain States Legal Foundation you've fought the Department of the Interior over a number of regulations. As Secretary of Interior, you will be charged with enforcing some of the same regulations you've fought against. How will you be able to make that switch?

A.85. During my testimony before the Senate Committee on Energy and Natural Resources, I expressed my personal commitment to impartially and equitably enforce the law. My dedication and commitment to my oath and to President Reagan assures these goals.

Q.86. A specific example of what I'm talking about is the fact that when you were the head of the Mountain States Legal Foundation you challenged the Bureau of Land Management's plan to deal with overgrazing. How will you be able to be impartial regarding this program as Secretary of the Interior?

A.86. The 10th Circuit Court of Appeals ruled in favor of the Mountain States Legal Foundation.

Q.87. The Mountain States Legal Foundation, under your direction, has also sued to speed up oil and gas leasing in the Western overthrust belt. Can you be impartial regarding this program as Secretary of the Interior?

A.87. The Federal District Court for the State of Wyoming ruled in favor of the Mountain States Legal Foundation.

Q.88. The Mountain States Legal Foundation brought several cases directly against the Department of the Interior on the subject of Federal water rights. In these cases the position of the Mountain States Legal Foundation was to provide more Federal water to private interests and less to the Federal government and Indian tribes. How can you be a good steward for all citizens with regard to water rights in light of your past position?

A.88. The Federal District Court for the District of Columbia ruled in favor of the Mountain States Legal Foundation.

Q.89. In 1969, because of your work with the Chamber of Commerce, I urged then-Secretary of the Interior Walter Hickel not to choose you as his assistant. My argument at that time was that "the appointment of a man who is so identified with the private interests can only create a credibility gap." Because of your work with Mountain States Legal Foundation you have even more of a credibility problem today.

A. 89. Not a question.

Q.90. A number of large companies contributed to Mountain States Legal Foundation and paid your salary. It's likely these companies will have a great deal of future business before the Department of Interior. One prime example is the Coors Brewing Co., which plans to build a brewery near Shenandoah National Park and will be subject to monitoring by the Department. Can you be impartial in cases such as these?

A.90. Yes.

Q.91. In 1975, during hearings before the Senate Commerce Committee on your nominaion to the Federal Power Commission, you admitted that you had acted improperly while Director of the Bureau of Outdoor Recreation by giving a sole-source contract to a close friend. What assurance do we have that you won't be guilty of similar improprieties as Secretary of the Interior?

A.91. I urge a careful review of the Commerce Committee record of my 1975 confirmation hearings which reveal that I did not act improperly regarding the awarding of a sole-source contract. Furthermore, a thorough investigation by the Department reveals that I violated no regulation or law of the Department or the United States.

Q.92. What would you cut if ordered to reduce the Department's budget by 10 percent? What would be your priorities if ordered to cut the budget by 20 percent, by 30 percent and by 50 percent?

A.92. I have not been briefed on the programs or policies of DOI. I am not familiar with its budget and I am not able to state my priorities, but be assured that I will carefully review all programs of the Department before taking any actions in this area.

Q.93. How would you expect to reduce the Department's budget (in 1981 dollars) by February 1, 1982 and by February 1, 1985? How much do you plan to have reduced the personnel in the Department by each of those dates? Will you provide the committee with reports for each quarter beginning with the end of the fiscal 3rd quarter (June 30, 1981) which will record the number of personnel and the agency's expenditures (i.e., outlays and commitments) for that quarter? What other plans, commitments, reports if any will you make to assure that the agency will progress towards the anti-inflation goal so essential to our economy?

A.93. Same as Answer 92. At this time I am unable to comment on my intentions for personnel. I assure the Committee that I will provide reports to the Committee as provided in the laws enacted by Congress. I will take every step necessary to work toward the anti-inflation goals needed for our economy.

Q.94. The Reagan Administration has taken dead aim at the inflationary and stultifying effect of government regulations. What specific regulations would you end? What regulations would you curtail? How would you curtail them? How would you determine whether the cost of the regulations exceeded the public interest benefit?

A.94. I will review the Department's regulations to determine what changes or additions are to be made. I will make public those recommended changes.

Q.95. The Reagan Administration has said that it wants to reduce the colossal burden of paperwork imposed by laws and department regulations on business, consumers, local and state governments and the Federal government itself. What do you expect to do in this agency to reduce the colossal burden of paperwork? Do you have any specific paperwork requirements in mind that the department could eliminate? Reduce? In any event, will you report to the Senate by March 1 the plan and the deadline you will use to reduce paperwork in your department?

A.95. I am unable to indicate my intention of plans in this area.

Q.96. Could you indicate any plans you have for shifting the costs incurred by your agency to the users of the services the agency provides? If not, why not? Why should the general taxpayer continue to subsidize the interests that derive service from this department?

A.96. Congress may want to address this issue.

Q.97. What changes will you make in the Department of the Interior? How will it operate differently than it did under the Carter Administration? By what date will you try to achieve these changes?

A.97. The answer to this question is encompanied in the responses to all other questions.

Q.98. How do you view the historic preservation program, and how do you see it fitting into your responsibilities as Secretary?

A.98. I view historic preservation programs as important to America and will plan to administer them conscientiously as mandated by Congress.

Q.99. What are your organizational plans for the preservation program, which is currently located within the Heritage Conservation and Recreation Service?

A.99. I want to study the current situation in detail before making my judgments or recommendations.

Q.100. What will you do to ensure that the Administration's urban and community development programs take into account the preservation policies for which you are responsible?

A.100. I will make every effort to coordinate interagency efforts in urban and community development programs.

Q.101 What do you consider to be an adequate level of appropriations for the preservation program?

A.101 This Administration has not been able to analyze the current Carter budget. I will study this area carefully and give consideration to the funding problems within the overall priorities of my budget presentation.

Q.102. What kind of support are you prepared to give within the Administration to adequate funding of the preservation program?

A.102. Same as Answer 101.

Q.103. How do you plan to proceed toward the establishment of the separate program of matching grant-in-aid for the National Trust for Historic Preservation contemplated by the National Historic Preservation Act as recently amended?

A.103. In view of my questions regarding the budget, I will study the issues in greater detail and develop a definitive plan regarding the recent amendments, and make my recommendation after that study.

Q.104. How will you implement the essential regulations and guidelines called for by the new Amendments?

A.104. I am, of course, concerned with the proper and balanced role of state and local government and private citizens' involvement, as well as private sector investment and will study the amendment to ensure that workable regulations and guidelines are implemented.

Q.105. What is your intention with respect to prompt institution of the loan insurance program?

A.105. I would like to study my options before making any judgment on the loan insurance program.

Q.106. What is your reaction to the view that supports the National Register of Historic Places as an important program, integral to the planning process as older cities work to stimulate investment in new and old buildings?

A.106. I feel that this may be a worthwhile proposal and will give it proper consideration.

Q.107. The Georges Bank fishery off the coast of New England is among the most productive in the world. In 1978 approximately 126,000 tons of fish were landed with a market value of $168 million. These landings supported a $1 billion per year fishing industry. The mineral resources from lease sale No. 42 are estimated at 123 million barrels or six days of U.S. consumption over the 20-year life of the field.

A.107. Same as Answer 30.

Q.108. The extraordinary productivity of the area is due to its circular currents and natural upwellings of nutrients. This also makes the Bank particularly susceptible to pollutants. The development of the oil resource threatens the fishery resource through the risk of oil spills and blowouts and the chronic release of drilling effluents which may be toxic to fish especially in larval forms. The Coast Guard and private witnesses said that equipment to clean-up an oil spill in Georges Bank, either does not exist or is not available. NOAA and EPA say that the baseline data is inadequate to predict the effects of an oil spill or chronic long term effects of oil and gas activity on Georges Bank. There is also disagreement about the effects of drilling effluents on marine biota.

When there is a lack of information, there is uncertainty, controversy, and delay. The toxicity of drilling effluents is still a matter of dispute. How would you make a decision about drilling if the environmental risk is uncertain? We could exploit the oil with no safeguards and find out in 10 years that the drill muds have made the fish unfit to eat. What do we do then?

A.108. With regard to toxic substances, there are laws which regulate these substances. These laws will be complied with.

Q.109. In order to accelerate resource development would you support efforts to accelerate and expand efforts to study environmental concerns in order to resolve them before full scale oil production begins? In doing these scientific studies, would you be inclined to work closely and rely on the scientific expertise in NOAA?

A.109. I believe that the National Environmental Policy Act has well-known procedures and dictates the review of those issues.

Q.110. If scientific studies found that drilling effluent discharges into the marine environment caused foreseeable significant adverse impacts on the fishery, would you support efforts to limit such discharges?

A.110. The response to those questions will be addressed on a case by case basis in full compliance with Federal law.

Q.111. The prudent compromise seems to be to go ahead with exploration and development but take every reasonable precaution to reduce risks. Obviously such precautions cost money. Given the value of the fishery to New England's economy, how would you decide what precautions to take?

A.111. The Outer Continental Shelf Lands Act of 1978 mandates the statutory requirements regarding such leasing procedures. In addition, the NEPA process provides the means to make such decisions.

Q.112. It is true that environmentalist lawsuits have delayed offshore leasing but the courts have supported many of these actions and ordered Interior to correct deficiencies in their leasing programs, schedule of leases and management of existing ones. Accommodation of groups at an early stage seems like the most effective means of avoiding delaying court suits. Do you have any plans for developing such a consultation and accommodation mechanism to achieve cooperation among competing interests?

A.112. My record has demonstrated my willingness to reach out, to consult interest groups in order to make balanced decisions. It is always better to engage in thorough consultation in order to accommodate parties of interest. Litigation is expensive and time consuming and should be avoided, whenever possible.

Q.113. Section 717 of Title VII of the Civil Rights Law as amended requires that each agency submit a plan for affirmative action and an end of fiscal year accomplishment report. Last year DOI's plan was not initially accepted by the Equal Employment Opportunity Commission (EEOC) and several parts of DOI have not submitted end of year reports.

In light of your opposition to quotas, will you cooperate with the efforts of the EEOC to review, update and enforce the comprehensive affirmative action plans which are required by law for all Federal agencies?

A.113. Yes.

Q.114.a. Public Law 95–507 requires that all Federal agencies awarding procurement contracts in excess of $500,000 and construction contracts over $1,000,000 include a subcontracting plan for the use of small and disadvantaged businesses. Compliance has not been consistently enforced throughout the agencies. The Law also requires that each agency maintain an Office of Small and Disadvantaged Business Utilization.

To what extent will you work to ensure that the Department of the Interior meets the requirements of the law?

A.114.a. I will see that the Department meets the requirements of the law.

Q.114.b. How will you utilize the Office of Small and Disadvantaged Business Utilization?

A.114.b. I will utilize the Office of Small and Disadvantaged Business Utilization in accordance with law.

Q.114.c. Who will the Director of the Office of Small and Disadvantaged Business Utilization report to? How much authority and support will you give its Director to ensure that the requirements of the law are met and how will you convey your sentiments to mid-level personnel who are responsible for compliance?

A.114.c. I have not as yet made any organizational decisions, but I will attempt to assure that the Office has the proper authority and reporting level.

Q.115. In October, 1980, the GAO issued a report, "Facilities in Many National Parks and Forests Do Not Meet Health and Safety Standards," which concluded that many NPS facilities have been so poorly maintained that they are unsafe for use or present health hazards to visitors.

As Secretary, what would you propose to do about this situation?

If the parks are to be available for use by visitors, shouldn't the facilities be made safe?

A similar GAO report issued several months earlier, "Better Management of National Park Concessions Can Improve Services Provided to the Public," dealt with the health and safety condition of concession facilities, many of which were also found to be unsafe. Since the concessioners are under contract to the NPS, and since these contracts require adequate maintenance, don't you feel the concessioners ought to fulfill the terms of their contracts?

If a concessioner refuses to fulfill the terms of a contract, would you recommend termination of that contract?

A.115. After a thorough evaluation and review of this situation, all steps should be taken to ensure that NPS facilities are maintained safely and properly.

Q.116. A report issued by NPS last year, the "State of the Parks" report, documents, by surveying all of the professional park superintendents, a large number of "threats" to park resources, both internal and external.

NPS has hopes of updating this report annually, in order to document recurring problems and their mitigation efforts. Would you support this?

One of the principal findings of the report was the lack of both natural and cultural resource managers assigned to work full-time on resource management in the parks. There are currently less than 150 systemwide. Would you support even a modest increase in the NPS personnel ceiling in order to rectify this problem?

Recently, a follow-up Prevention/Mitigation report on these resource problems has been prepared by NPS. In this report, NPS proposes to develop an overall servicewide priority list of important resource problems. Will you support this ongoing effort?

A. 116. I am currently unfamiliar with this report and will review it before determining if it should be continued or its recommendations implemented.

Q.117.a. In recent years, the authorized level of the Land and Water Conservation Fund has been increased to $900 million. Actual appropriations have generally been considerably below this level. At the same time, numerous new areas have been added to the various federal land systems and the boundaries of many areas have been expanded. The backlog on the Federal side of the LWCF is approximately $3 billion and each year the states indicate a need for sizeable funding for their projects.

How would you propose to reduce the backlog on the Federal side of the LWCF?

What do you believe would be an appropriate level of funding for the LWCF?

A.117.a. I am not familiar with the specifics of this program and its backlog problem. I cannot determine what position should be utilized. I will review this problem.

Q.117.b. What are your views on the state matching grant program and how can it best be administered? Do you believe there should be any change in the matching formula?

A.117.b. This program will be reviewed to determine appropriate action dealing with these problems.

Q.117.c. It has been suggested by some, including the General Accounting Office, that easements and zoning can be used to protect lands managed by Federal agencies. What are your views on the use of these approaches?

A.117.c. The suggestions and recommendations of GAO will be reviewed for possible implementation.

Q.117.d. Do you believe that the Park Service should work with local governments to achieve compatible zoning around the boundaries of the units administered by these agencies thus lessening the need for boundary expansions and more fee acquisition? Are there other approaches which could be used to reduce the existing and potential conflicts on lands adjacent to Federal park lands?

A.117.d. The Department of Interior should

cooperate with local governments in such problems.

Q.117.e. Virtually every year, there are lands within authorized boundaries of units of the National Park system which are lost to development because of a lack of available funding for the LWCF. These are lands which Congress directed the Park Service to pay just compensation for and to make available for the public. What steps can be taken to stop the loss of additional lands?

A.117.e. This is a complex issue that must be carefully reviewed and investigated, and be assured I will address this problem as soon as possible.

Q.118.a. During the 1970's, several units were added to the National Park System in or near major urban areas. These areas include Gateway, Cuyahoga Valley, Golden Gate, and Santa Monica Mountains National Recreation Areas.

Do you believe these areas are nationally significant? Should they be part of the National Park System?

A.118.a. The question is moot. They are part of the National Park System.

Q.118.b. Should any of these units or other units of the National Park System be turned over to state or local governments?

A.118.b. This proposal should be considered as a possible alternative.

Q.118.c. Since overall personnel ceilings have not increased, ranges and other staff at older units have been decreased to provide personnel for these units. What effect has this had on the System? Will this continue if visitors levels continue to increase at the urban areas as they have been?

A.118.c. Since I have not been briefed by DOI, I cannot address this specific issue.

Q.119. Although the historic and cultural units of the NPS are theoretically co-equal with natural and recreational areas, they have not always had the necessary attention within the Service which this status should warrant.

As Secretary, would you support an effort by NPS to upgrade the quality of cultural resource management and protection?

Do you have any thoughts as to how this might be done?

What are your views on making "adaptive use" of historic structures versus preserving all such structures as "museums" of history?

A.119. Same as Answer 118.

Q.120. The Secretary of the Interior is frequently described as being the chief conservation officer of the federal government. Given your outspoken criticism of environmental organizations and the Interior Department and its conservation mission, how will you be able to effectively carry out the Secretary's dual responsibility to permit resource development on the public lands while preserving natural values?

A.120. As Secretary of the Interior, I will fully and faithfully execute the public land policy adopted by Congress requiring such a balanced approach.

Q.121. The 1979–80 annual report of the Mountain States Legal Foundation states that "it is not infrequent that we face a dual threat as the 'special interest' groups and Federal bureaucrats join in 'sweetheart' lawsuits aimed at achievement of common goals." Is this your view of the legal role of conservationists and the Solicitor's officer in the Department of the Interior? What do you propose to do to deal with this situation?

A.121. The Solicitor of the Department of the Interior must approach all litigations in full compliance with the law and the Canons of Professional Responsibility. It is my belief that such a policy will prevent such "sweetheart" lawsuits.

Q.122. Mountain States now has both administrative appeals and litigation pending involving the Interior Department in an adversarial role. How would it be possible for you to become Interior Secretary and not have a conflict of interest regarding these pending legal matters?

A.122. Same as Answer 68.

Q.123. Joseph Coors was one of the founders of Mountain States, he is past Chairman of the Board of Directors, and is the largest single contributor to Mountain States. Coors Brewery is in the process of receiving the permits necessary to construct its first eastern brewery within one-half mile of Shenandoah National Park. The Park Service has expressed serious concern about the potenial air quality impacts of this massive facility on the Park. As Secretary of the Interior, would you recuse yourself in this case?

A.123. I have never discussed with Mr. Coors any matter relating to his business.

Q.124. The 1976 Federal Lands Policy Management Act (FLPMA) sets forth a detailed land use planning process for multiple uses, including wilderness, on BLM lands. Do you agree with the multiple use mandate in FLPMA? As Secretary of the Interior, would you permit BLM to carry out its full responsibilities under this Act?

A.124. a. Yes.

b. Yes.

Q.125. BLM is in the midst of an extensive new review of potential wilderness on the lands it manages. About 23 million out of the 187 million acres under its jurisdiction, or about 12 percent of its lands, have been selected for intensive wilderness study. Do you agree that this wilderness review process should continue? Would you expect to send BLM wilderness recommendations to Congress? Would you attempt to curtail funding for the BLM wilderness review program?

A.125. a. Yes. The law so requires.

b. Yes. The law so requires.

c. I am unable to state a position regarding budgetary matters.

Q.126. Do you believe there are parts of the American landscape or specific ecosystem type which are now not represented in the national park system and should be included?

A.126. I do not know.

Q.127. As Secretary of the Interior, what would your attitude towards Park concessioners be? Do you believe the concessions should play a major role in determining park management policy?

A.127. a. As I understand it, there is an entire body of laws, with which I am unfamiliar, which regulates concessions policy, and I would be bound by those laws.

b. All affected interest groups should have a voice in policy implementation in accordance with applicable law.

Q.128. The national park system has grown enormously during the past decade. The Alaska lands bill alone more than doubled the amount of acreage in the national parks. Yet in real dollars (adjusted for inflation) the amount of money in the Federal budget for management of the park system has declined in recent years. As Secretary of the Interior, would you be an advocate for sufficient funds for the Park Service to operate the national parks at today's standards?

A.128. I am unable to state a position regarding budgetary matters but I would carefully evaluate and review the present funding and budgetary levels for this program

Q.129. What consideration or criteria do you feel should be incorporated in an analysis of whether or not it is in the national interest to open a particular wildlife refuge to oil and gas activity?

A.129. The criteria enumerated in statute are the relevant subjects to be considered in making such a decision.

Q.130. Do you believe that Fish and Wildlife Service policy and regulations which withdraw wildlife refuges from mineral entry through executive orders establishing units should be modified in any way? If so, what consideration should be taken into account in making such changes?

A.130. a. I am not sufficiently familiar with this subject.

b. Same as a.

Q. 131. How do you delineate the distinction between multiple use, dominant use, or single use public lands? Do you believe that within wildlife refuges there are priorities which countermand the traditional multiple use concept thereby making the Fish and Wildlife Service a dominant use agency?

A.131. a. Such a delineation is made by Congress in the adoption of legislation, a determination with which I will fully comply.

b. It is my understanding that statute so provides.

Q.132. Do you concur with the view of many wildlife biologists that wilderness designation is an important management tool for many wildlife resources? Do you consider wilderness designation an appropriate tool for sound management of sensitive habitat areas?

A.132. a. Wilderness presents many good values.

b. Yes.

Q.133. The Secretary of the Interior has responsibility for managing all of America's public lands, including substantial Federal lands in the East. For example, many of the national wildlife refuges and some of this country's greatest national parks are East of the Mississippi River.

A.133. Not a question.

Q.134. In your opinion, should these Eastern federal lands be managed any differently than public lands in the West?

A. 134. Same as Answer 31.

Q.135. Generally speaking, there are far less wild lands in the East than there are in the West. Do you believe the Secretary of the Interior has a special responsibility to preserve natural areas in the East?

A.135. Same as Answer 31b.

Q.136. Do you support multiple use of these Eastern national parks and refuges?

A.136. The law outlines the use of parks and refuges.

Q.137. Do you believe there are significant oil and gas, timber or mineral resources in the Eastern parks and forests which should be utilized?

A.137. I do not know.

Q.138. What environmental problems do you foresee may be encountered in developing synthetic fuels?

A.138. There are many studies now underway to determine what ramifications will flow from synthetic fuel development.

Q.139. Do you believe any of BLM's lands should be retained in Federal ownership, or would you favor transferring much of them to the states?

A.139. Same as Answer 42.

Q.140. National Wildlife Refuges are set aside to protect nationally significant habitat for wildlife. What is your attitude toward these refuges?

A.140. Not a question.

Q.141. Do you support any changes in the mining act of 1872 on public lands?

A.141. I am not now proposing any.

Q.142. Do you agree with the Heritage Foundation recommendation that not another acre should be closd to mineral development until one is released, or another acre acquired for parks until an offsetting amount of acreage is sold to private parties?

A.142. I have not read the Heritage Report, but I look forward to doing so.

Q.143. Do you believe that access to courts and regulatory bodies by public interest groups ought to be restricted?

A.143. Public interest rgoups, like all parties, should be subject to strict "standing" and the laws should be amended to prohibit forum shopping.

Q.144. With pressure to reduce the Federal budget, do you anticipate reduced outlays for the Interior Department? If so, where would you look in the Department to make required reductions? Would you favor continuing payments in lieu of taxes to states? How about new programs to aid communities im-

pacted by accelerated Federal energy development?

A.144. a. Yes.

b. As I responded to Senator Murkowski, I have not yet begun to focus on budgetary matters.

c. It is my understanding that such payments are required by law.

d. Same as Answer 35.

Q.145. You have alleged that "sweetheart" lawsuits have been brought by environmentalists against sympathetic officials in the Interior Department to establish easy precedents. How would you handle this problem if the Mountain States Legal Foundation or similar groups bring such cases while you are in office?

A.145. I am opposed to "sweetheart" law suits.

Q.146. What is your attitude toward filling directorships of classic conservation agencies (e.g., National Park Service, Fish and Wildlife Service) with career professionals?

A.146. As I stated in response to questioning during my testimony, I favor the placing of professionals in key positions with the Department.

Q.147. You wrote Secretary of Interior Cecil Andrus on April 12, 1978 that in considering the nation's need for both wilderness and expanded oil and gas development that "The nation does not have one at the expense of the other." Would you elaborate on this?

A.147. I am a firm believer in the multiple use concepts adopted by Congress.

Q.148. You have been quoted recently in the Denver Post saying you want "to work out programs to improve facilities within national parks." Does that mean you will seek additional funding for that purpose? What kinds of facilities do you have in mind?

A.148. I want to work out programs to improve facilities within the national parks.

Q.149. Do you contemplate changes in BLM regulations pursuant to the Federal Land Policy and Management Act? If so, what nature of changes do you contemplate?

A.149. a. Yes

b. It is my intent to comply fully with the Federal Land Policy and Management Act of 1977 in accordance with a new "good neighbor" policy.

Q.150. What is your policy or view of Interior Department regulations as they relate to energy exploration or development on public lands?

A.150. It is my belief that in general such regulations have been overly restrictive.

Q.151. What is your view of the pricing of Federal water to agricultural areas?

A.151. Same as Answer 38. With regard to existing projects, however, I believe that certain representations have been made and policies followed which require the continued delivery of water at less than fair market value.

Q.152. Will you refrain from personal involvement in any proceeding before the Department of Interior involving MSLF's contributors, their affiliates, or members of its Board of Directors?

Will you provide a list of MSLF's contributors?

A.152. a. Same as Answer 68.

b. The Board of Directors of the Mountain States Legal Foundation has laid down a policy that employees are not to list the contributions to the Foundation. The Board has adopted that policy in light of the fact that other public interest law firms are not required to, nor do they disclose, their contributors.

Q.153. In the litigation in which MSLF was and is, involved, what companies or individuals had a direct economic interest in the position advanced by MSLF? In that litigation, what companies or individuals realized, or would have realized a direct economic benefit if MSLF's position prevailed or substantially prevailed?

Were these companies, their affiliates or these individuals contributors to MSLF?

A.153. MSLF lawsuits deal with public policy, as represented in the strict enforcement of the law, not with the economic interests of companies or individuals.

Q.154. In what states has the MSLF challenged "life-line" rates? Are some of MSLF's contributors utilities operating in those states in which MSLF has challenged lifeline rates?

A.154. This question may spring from the successful challenge to the Colorado Public Utility Commission's efforts to establish discriminatory rates. A similar suit was filed in Utah.

Q.155. Would any of MSLF's contributors, their affiliates, or members of its Board of Directors have benefitted directly from MSLF's success in *United States* v. *Douglas Sewer Improvement District No. 1?*

Did any of MSLF's contributors, affiliates or members of the Board of Directors plan to undertake construction projects in the Lake Tahoe area at the time that MSLF became involved in *United States* v. *Douglas Sewer Improvement District No. 1?*

Which ones?

A.155. As a result of the magnitude of the numbers belonging to the Mountain States Legal Foundation, it may well be that some individuals would have benefited as a result of improved public policy due to a Court order. The Foundation, as required by law, has maintained a strict separation between the receipt of contributions and the choice of litigation. The utilization of the Foundation's Board of Litigation for the selection of cases preserves that separation.

Q.156. Would any of MSLF's contributors, their affiliates or members of its Board of Directors have been subject to the proceedings which were the subject of the lawsuit in *Common Cause of Utah* v. *Public Service Commission?*

Which ones?

A.156. Same as answer 155.

Q.157. Were any of MSLF's contributors, their affiliates or members of its Board of Directors required to pay the severance tax which was the subject of *Merrion* v. *Jicarilla Apache Tribe?*

Which ones?

A.157. Same as Answer 155.

Q.158. Would any of MSLF's contributors, their affiliates or members of its Board of Directors have been subject to the disclosure requirements which MSLF challenged in *Mountain States Telegraph & Telephone Co.* v. *Public Service Commission?*

Which ones?

A.158. Same as Answer 155.

Q.159. Would any of MSLF's contributors, their affiliates or any member of its Board of Directors have received a direct economic benefit if MSLF's position prevailed in *Mountain Fuel Supply Co.* v. *Utah Committee of Consumer Services?*

Which ones?

A.159. Same as Answer 155.

Q.160. Who requested MSLF to intervene in the administrative proceeding before the Colorado Public Utilities Commission which led to *MSLF* v. *Public Utilities Commission of the State of Colorado?*

A.160. Homeowners.

Q.161. Would you refrain from personal involvement concerning existing litigation (including settlement proposals) in which MSLF, its contributors, their affiliates or members of its Board of Directors is a party?

A.161. Same as Answer 68.

Q.162. In 1977, the Oversight Subcommittee of the House Commerce Committee held hearings concerning certain personnel actions at the Federal Power Commission during your tenure there, and it characterized them as "illogical" and "unjustified." Do you agree with that characterization? If not, why not? Were you involved in those actions? In what matter?

Did you recommend the removal, transfer or any other action concerning Mr. Russell Mamone or Mr. George Lewnes? If so, why?

Were you familiar with the work of these men?

Did you have any conversations or communications from pipeline companies or natural gas producers concerning the cases in which Mr. Mamone or Mr. Lewnes were involved? What were they?

Do you agree with the Subcommittee's conclusion that the personnel actions hindered the Commission in administering the Natural Gas Act during an emergency?

A.162. This matter was fully investigated, debated, and resolved by a Congressional Committee. Please consult that record.

Q.163. Did you act as a fundraiser for MSLF? What sort of activity did that involve?

A.163. Yes. I traveled throughout the country speaking about the activities of the Foundation.

Q.164. Were any contributions expressly or implicitly conditioned upon the MSLF taking future action? Were they in direct or indirect response to actions taken prior to the contribution?

A.164. No. The receipt of any contribution contingent upon the taking of action by the Foundation would have been a violation of law. The MSLF received no contributions contingent upon the undertaking of our legal action.

Q.165. Eason Oil Co.;

Chorney Oil Co.;

Koch Industries, Inc. (of Wichita, Kansas);

Richard Bich (president of Koch);

Robert Walter (vice president of Koch);

Jim Whisnund (vice president of Koch);

Gilbert Sevier;

George Dolezal.

Did you solicit contributions from any of the above parties?

Did any of these parties or their affiliates contribute to MSLF?

A.165. a. MSLF and its friends solicit funds from numerous individuals and corporations by means of mass mailings. I do not know whether solicitations were made of these companies and individuals.

b. Same as Answer 155.b.

Q.166. Concerning *MSLF* v. *Andrus* (the Wild Horse Case), did any of MSLF's contributors, their affiliates or members of its board have grazing rights on public lands, or did they own lands, upon which the wild horses were foraging?

Which ones?

A.166. Same as Answer 155.

Q.167. Concerning *Ward* v. *Coleman* and *United States* v. *Ward*, were any of MSLF's contributors, their affiliates or members of its Board producers of oil who would be compelled by the challenged law to report their own oil spills if any occurred?

A.167. Same as Answer 155.

Q.168. Would any of MSLF's contributors, their affiliates, or members of its Board incur greater operating expenses if MSLF's challenge to EPA regulations in *Montana Power Co.* v. *EPA* is unsuccessful?

A.168. Same as Answer 155. It should be noted that MSLF represented two International Brotherhood of Electrical Workers local unions. The Foundation lost.

Q.169. Would any of MSLF's contributors, their affiliates or members of its Board have had to curtail their operations as a result of the EPA regulation involved in *MSLF* v. *Costle* (Integral Vistas Case)? Which ones?

Would any of them realize a direct economic or financial benefit as a result of MSLF prevailing in that case? Which ones?

A.169. Same as Answer 155.

Q.170. Did the MSLF become involved in *Hillsdale College* v. *Department of Education*

and *Grove City College* v. *Harris* because of a contributor's request? Would the activities or practice of any contributor, its affiliates, or constituent members of a contributor or members of MSLF's Board be directly altered if the Hillsdale and Grove City position, supported by MSLF, is not to prevail or substantially prevail?

A.170. No. Same as Answer 155.

Q.171. As President and chief legal officer of the Mountain States Legal Fund, did you directly solicit funds for the organization? Did you have overall responsibility for the fund raising activities? Are you aware of the persons or organizations that contributed funds?

A.171. a. Same as Answer 163.

b. Yes.

c. Some of them.

Q.172. Are there instances in which MSLF participated in legal proceedings of any kind which also involved contributors to MSLF? If so, please list the legal action and the contributor.

A.172. a. Same as Answer 155.

b. Same as Answer 155.

Q.173. In those cases where a private litigant retained private legal counsel and MSLF interviewed or appeared as an amicus, does MSLF's appearance violate the IRS rule requiring tax exempt public interest law firms to refrain from entering cases in which legal counsel would ordinarily be retained? If not, why not?

A.173. a. No.

b. MSLF was representing public interest issues.

Q.174. In 1978, Congress passed the Outer Continental Shelf Leasing Act Amendments which mandate the use of new, alternative methods of leasing. As Secretary, will you continue to expand the use of these new systems or will you rely on the low, fixed royalty cash bonus system?

A.174. I will comply fully and faithfully with the Outer Continental Shelf Lands Act of 1978.

Q.175. Other nations, notably Great Britain, Norway, and Indonesia, receive from 65 percent to 85 percent of the revenues generated from offshore leases, but the U.S. collects only half that amount. What steps will you take to increase the revenues to the Federal government from federal leases of off-shore properties?

A.175. The Congress has already adopted policy regarding reserves generated from offshore leases, and as Secretary I will continue to enforce that policy.

Q.176. What steps will be taken to insure that small producers will be able to compete with large producers in acquiring leases of both on-shore and off-shore Federal lands?

A.176. The procedures to be followed regarding onshore and offshore lands have already been adopted into law by Congress. I will fully comply with Federal law.

Q.177. Your predecessor has observed that oil companies have drilled tracts they have leased from the government as rapidly as possible. What steps will you take to prevent oil companies from sitting on leased tracts once they have been leased?

A.177. Same as Answer 71.

Q.178. Since the commitment of the Interior Department to proceed with the analysis of DWB projects was part of the quid pro quo for settlement of the lawsuit, will you make sure that this commitment is fully implemented?

A.178. If such a commitment is contained within the stipulations for the settlement agreement, the Department has no alternative but to comply with such agreement.

Q.179. In order to instill confidence that the Project's past opponents will be treated fairly, will you invite their participation both in the scoping phase of the analysis and also in reviewing preliminary findings?

A.179. It is my intention to reach out and seek the assistance of concerned individuals.

Q.180. Section 6 of the BLM's right-of-way grant is likely to be triggered in the near future by Foothills phase II. I understand that many residents in the DWB service area are of the opinion that DWB has not yet implemented any water conservation program which is "effective" within the meaning of Section 6. Will you assure that such a showing be requested and made? Will you invite participation of the public, including past opponents, to assure that the question of whether or not the DWB's conservation program is "effective" is fully and fairly explored?

A.180. If section 6 is indeed triggered, I will ensure compliance with the terms of such grant.

Q.181. The Carter Administration has been criticized for failure to consult meaningfully with Indian tribes regarding appointments and development of policies affecting Indian people. What specific steps would you take to improve consultation with tribes?

A.181. Same as Answer 20.

Q.182. The Secretary of Interior has an enormous amount of discretionary power over tribes, including the authority to review, approve or disapprove varied tribal actions such as ordinances, criteria for tribal membership, grazing leases, and hunting and fishing licenses. President-elect Reagan has stated that "tribal governments must play the primary role in Indian affairs" and that "federal bureaucrats should not interfere with Indian government policy development." How would you use your powers as Secretary of Interior to implement President-elect Reagan's policies?

A.182. Same as Answer 3.

Q.183. President-elect Reagan has stated that "I can assure the Indian tribes that their leadership will have strong advocacy and an open channel of communication in the White House." Would you favor-reestablishing the liaison for Indian Affairs in the White House?

A.183. Same as Answer 3.

Q.184. Do you support the continuation of the positions of Assistant Secretary for Indian Affairs and the Commissioner of Indian Affairs?

(If yes, skip next question)

If not, what alternative structure for highlighting the importance of the trust relationship within the Department of Interior would you propose, taking into account President-elect Reagan's statement that any such reorganization "will be taken only after full consultation with Indian leadership?"

A.184. Same as answer 5.

Q.185. Your brief in Pyramid Lake states that however badly the Secretary of Interior protects the tribes' rights and interests in court, the tribes are bound by subsequent decisions. It is the Secretary's responsibility under the trust relationship to fully protect the tribes' rights and interests in court. How will you as Secretary carry out this responsibility and ensure that the tribes' rights are fully represented and protected in court?

A.185. As I indicated during my appearance before the Committee, to the degree that there is any conflict between briefs filed at the Foundation and my statutory responsibilities, my loyalties are to my commitment to President-elect Reagan.

Q.186. Your brief in Jicarilla Apache stated that "precise delineation of tribal sovereignty is of utmost importance to the nation." As Secretary, it will be your responsibility to enter into cases to protect the tribes' rights and reaffirm sovereignty. President-elect Reagan has stated his support of tribal sovereignty. As Secretary, would you try to impose or recommend limits on the extent that tribes can exert sovereignty?

A.186. I fully support President-elect Reagan's statement and his policies.

Q.187. In your Jicarilla amicus brief, you stated that the Supreme Court must decide whether tribal energy development taxation is compatible with the Congressionally mandated national energy policy. President-elect Reagan has stated that "tribal governments should have the right to determine the extent and the methods of developing the tribe's natural resources." Taxation is used by states and tribes to govern the pace and manner of energy development as well as to generate revenue. If the Supreme Court upholds tribal taxation authority, will you support such taxation?

A.187. I will of course abide by the decisions of the Supreme Court.

Q.188. On June 12, 1980, the Interior Department put into effect a new "Policy Regarding Relationship with Tribal Governments." This policy has been universally condemned by Indian tribes because of its development without tribal consultation, including failure to announce it in the Federal Register, as required by law, and the drastic sanctions against tribes which it sets forth to be invoked whenever the Department unilaterally decides that a tribe has violated the government-to-government relationship with the United States. In light of President-elect Reagan's stated support for tribal sovereignty and self-determination and respect for the trust relationship, would you favor withdrawal of this policy?

A.188. I fully support the position of the President-Elect.

Q.189. What is your understanding of the nature and extent of Indian water rights?

A.189. Same as Answer 11.

Q.190. Do you support the Supreme Court's definition of Indian water rights in the Winters case?

A.190. Same as Answer 11.

Q.191. President-elect Reagan has stated his belief that the "inherent water rights of the Indian tribes is a vital key to true and lasting economic development." What specific steps will you take to protect such water rights?

A.191. Same as Answer 11.

Q.192. Do you favor continuation of the present Federal government policy to support Indian tribes' attempts to insure that their water rights are adjudicated in federal rather than in state courts?

If so, would you support modification of the McCarran Amendment to provide specifically for exclusive adjudication of Indian water rights in Federal court?

If not, what steps would you propose to insure that Indian water rights are fully protected?

A.192. a. I am not familiar with the details of this particular issue.

b. Same as Answer a.

c. Same as Answer 11.

Q.193. You have indicated support for the "Sagebrush Rebellion's" policies of turning Federal land over to states. Would you also be in favor of transferring Federal land to tribal ownership?

A.193. Same as Answers 42 and 44.

Mr. FORD. Mr. President. I think if all Senators will have an opportunity to read the answers to these questions they will understand the debate of the distinguished Senator from Arkansas.

Mr. BUMPERS. I thank the Senator from Kentucky.

I yield such time as the Senator from California may choose to use.

Mr. CRANSTON. I thank the Senator very much. I will be very brief.

Mr. President, the Secretary of the Interior is the chief conservation officer of the Federal Government. During the past several decades Interior Secretaries of

both parties have consistently supported land preservation and conservation. The nomination of James Watt to be the Secretary of the Interior demonstrates a significant departure from this pattern.

In his 3 years as president of the Mountain States Legal Foundation, Mr. Watt has been an outspoken opponent of environmental protection efforts by the Federal Government. He has denounced environmentalists and called them the "greatest threat to the ecology of the West."

As Secretary of the Interior, Mr. Watt would have very broad discretion over the management of our public lands. He will have to make choices involving the preservation of our Nation's scenic treasures and the development of publicly owned mineral resources.

I could find nothing in the Senate Energy and Natural Resources Committee hearing record to reassure Americans who support land preservation and conservation that Mr. Watt would protect the public lands not only for them but for future generations. He gave no indication how he would find the balance between resource conservation and resource development. There is, of course, nothing wrong per se with supporting development interests. It is often very appropriate to support them wholeheartedly. But I question whether a man with this kind of background and commitment to business interests is the best choice for the particular post of Secretary of the Interior.

For these reasons, I have decided to vote against the nomination of James Watt for Secretary of the Interior.

Our only reasonable guide to a nominee's future comportment is his past activities. But history is replete with instances of Cabinet officers who have shaken off their past parochial or partisan biases and conducted their offices according to the highest standards of the public good.

In casting my vote in opposition to James Watt, I hope only to encourage such a transformation. I bear him no ill-will. Quite the contrary, I wish him the very best in his new responsibilities and I stand ready to work with him whenever possible to preserve and protect the components of our environment which are the lifeblood of our planet.

Mr. BUMPERS. Mr. President, I yield to the Senator from Nebraska 5 minutes.

Mr. EXON. Mr. President, I thank my friend from Arkansas for yielding.

Mr. President, I rise to address the nomination of Mr. James Watt as Secretary of the Interior. I seek neither to praise nor to bury this nomination, but only to express my concerns and to outline the long-term goals which this Senator from the State of Nebraska believes should be the appropriate quest of the Department of the Interior.

I may support the nomination of Mr. Watt, but if I do it will not be without reservations. I am inclined to support his confirmation because the President wants Mr. Watt for this important Cabinet position. Since the role of a Cabinet officer is to implement the policy of his President, the President is entitled to a great deal of deference with regard to his preferred choice. As a former Governor, I can appreciate the need for executive officers who can reflect the policy wishes of the Chief Executive. The responsibility for the actions of the Cabinet then rests squarely upon the shoulders of the Chief Executive, where such a burden properly belongs.

Nevertheless, Mr. Watt has aroused the concerns of some who fear that he may not be committed to those environmental values which the Congress has traditionally sought to protect.

The Secretary of the Interior has the primary responsibility for America's natural resources and the environment. As the pressures for accelerated energy and economic development proceed through this Nation, those resources which all citizens of this country share in common—the air, the water, and our public lands—must be conserved and enhanced by and for every generation of Americans today and tomorrow. An intelligent chief steward of "Spaceship Earth" must strive to achieve a balance between our immediate needs and our conservation goals. This will require that the Secretary of Interior be a forward-thinking person who will serve the interests of all Americans today and, where the environment is considered more important, the future.

Mr. President, it is true that many Federal policies and regulations exist which unnecessarily burden our economic progress and the development of our energy resources. I believe the executive branch and the Congress must aggressively identify and eliminate these unnecessarily burdensome controls. On the other hand, I hope that the new Secretary and the Congress will review in detail the policies and programs of the Department in order to assure a proper compensation to the Treasury, and therefore, the taxpayer, for the removal and depletion of the people-owned resources. The protection and evenhanded management of this Nation's resources is not guaranteed without vigilance, especially on the part of the Secretary of the Interior.

The American people have come to realize that a blind neglect of the environment, in the name of progress, carries with it economic, social, and health costs which are unacceptable. The air we breathe is indeed the breath of life itself. The water we drink and employ is a depleting resource. Our rivers, parks, recreational areas, and reserves are a sacred trust for mankind and the other God-created living things. The land which nourishes us with food is the substance of life for which there is no substitute. The world we live in can be destroyed by its inhabitants.

In this light, Mr. President, I am proud to say that my own State of Nebraska is the home of the National Arbor Day Foundation which seeks to preserve our appreciation of the environment. Nebraskans are dependent upon the State's natural resources, being an agricultural State. We have recognized the need for a balanced environmental policy and, I believe have demonstrated that environmental protection and economic progress need not be mutually exclusive, but can be equal objectives within the same overall goal.

This Senator anticipates that Secretary Watt may demonstrate by actions, and not just his words of record, that he will seek and implement a truly balanced policy, giving proper weight to both our fragile environment and our need for economic and energy development. The Senate and the Nation cannot expect, accept, or afford anything less.

I yield back the remainder of my time to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I yield such time as the Senator from Ohio may choose to use.

The PRESIDING OFFICER (Mr. QUAYLE). The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I think that every Member of the minority came to Washington this term committed to the concept that we wanted to vote for the new President's Cabinet appointees. I know that that was the point of view that I took, that I have, and I have attempted to follow that position and, as of this moment, I have voted for every Cabinet nominee.

But I believe that sometimes you just have to recognize the reality of the situation. In a situation of this kind I think it just goes beyond the point of expecting to go along, be a person to go along, with the nomination of James Watt.

Mr. Watt's nomination deeply disturbs me. It is interesting to me that two of the previous speakers indicated that they had reservations and they had concerns, but they will go along and vote for him.

I do not expect there to be many votes against Mr. Watt because it is difficult to vote against a Presidential nominee. There are some reservations about doing it, but Mr. Watt, the designee for Secretary of the Interior, has in his previous Government positions and, most recently, as president and chief legal officer of the Mountain States Legal Foundation, challenged too many of the laws and programs which he will now be asked to enforce as Secretary of the Interior.

It is one thing to say that we should be concerned about some of the issues about which we would expect nothing less from the new President's appointees. But this is an appointee who has alined himself with the special interests, oil companies, gas companies, coal companies, utilities, every group which seeks to develop Federal lands for their private gain.

He has repeatedly stated his antagonism to environmental and conservation organizations which are actively involved in policies administered by the Department of Interior.

For all of these reasons I have decided to oppose the nomination of Mr. Watt as Secretary of the Interior. I believe that his nomination sends exactly the wrong signal to the country. It is not merely a modification of existing policies; Mr. Watt's nomination represents a massive shift away from conserving our natural resources and toward turning public lands over to private interests. I believe that signal is bad for the Interior Department but, far more importantly, it is bad for the country as a whole.

As Secretary of the Interior, Mr. Watt will be the trustee of our public lands.

His decisions affecting our national forests, our scenic rivers, our precious resources will have a major impact on our children and grandchildren.

There are many Cabinet appointees whose appointments cannot and will not have a long-range impact. But the decisions that Mr. Watt makes may affect all of our descendants for years into the future.

The Washington Post had an editorial on December 23 which very aptly states the issue. Said the Washington Post:

In short, there are few if any appointments Mr. Reagan will make where the official's ability to make sound and balanced judgments will be felt for so long after he is gone.

Mr. Reagan's appointee will also have a long and honorable tradition to answer to: Republicans from all ideological corners of the party have been shapers of farsighted Interior policy for more than 100 years. Yellowstone National Park, the country's first, was created by Republican President Ulysses S. Grant. Theodore Roosevelt's proudest achievement was the vast acreage he added to the system. Gifford Pinchot, the father of modern forestry, was the first to recognize that development and preservation could and should coexist on public lands. More recently, Republicans like Russell Train, Walter Hickel, William Ruckelshaus, and Rogers C. B. Morton have added to the record of prudent management.

The President-elect has said that he is looking for someone to balance "environmental extremists," but in naming James G. Watt he appears to have gone to an opposite extreme and chosen someone who has demonstrated little understanding of the Interior Secretary's role as trustee, on behalf of the public, of the bulk of the Nation's natural resources.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Dec. 23, 1980]

THE JOB AT INTERIOR

The job of the secretary of interior boils down to a balancing of fiercely conflicting claims on publicly owned resources. The secretary has to reconcile his duty to preserve the country's remaining wilderness with the needs for recreation and land of a growing population. As protector of wildlife and endangered species, he also oversees an invaluable genetic reserve, but one whose preservation often conflicts with immediate human needs. He is in charge of biological resources—from the grazing lands of the West to the valuable fisheries of the coasts—where immediate production and long-range productivity dictate different handling. Above all, he must manage the vast federally owned lands, trading off the country's pressing interest in energy and mineral resource development with all of these, and more.

Never have the resources in Interior's jurisdiction been under greater pressure than they are now. Western coal mining is beginning a period of explosive growth. Oil shale and other synthetic fuel projects are leaving the drawing boards. Everywhere in the West the water supply is dwindling, threatening agriculture, ranching, energy development and even everyday living. More and more Americans are flocking to overburdened national parks and wilderness areas. More and more plant and animal species are threatened with extinction. In short, there are few if any appointments Mr. Reagan will make where the official's ability to make sound and balanced judgments will be felt for so long after he is gone.

Mr. Reagan's appointee will also have a long and honorable tradition to answer to: Republicans from all ideological corners of the party have been shapers of farsighted interior policy for more than 100 years. Yellowstone National Park, the country's first, was created by Republican President Ulysses S. Grant. Theodore Roosevelt's proudest achievement was the vast acreage he added to the system. Gifford Pinchot, the father of modern forestry, was the first to recognize that development and preservation could and should coexist on public lands. More recently, Republicans like Russell Train, Walter Hickel, William Ruckelshaus and Rogers C. B. Morton have added to the record of prudent management.

The president-elect has said that he is looking for someone to balance "environmental extremists," but in naming James G Watt he appears to have gone to an opposite extreme and chosen someone who has demonstrated little understanding of the Interior Secretary's role as trustee, on behalf of the public, of the bulk of the nation's natural resources. In remarks at yesterday's press conference, Mr. Watt professed to be keenly concerned with balancing the claims on the department in a judicious way. But his background proclaims him to be an undiscriminating advocate of private development interests and a man with an overriding bias in favor of immediate exploitation of resources rather than long-range management.

Sound policy grows in part from the tension between competing views. In any administration, regardless of its philosophical bent, Interior should be speaking on behalf of concerns different from, for example, those of the departments of energy, commerce and agriculture. Judging from the available record, it does not seem likely that it will do so under Mr. Watt's guidance.

Mr. Watt will oversee policies involving the preservation in development of land owned by the Federal Government. He will be involved in such highly controversial matters as offshore oil and gas leasing, an area where we are supposed to have competitive bidding by reason of an enactment of the Congress.

I am concerned that if Mr. Watt follows the policies that he has followed to date in taking competitive bidding procedures in the Department of the Interior, I doubt that he will follow the law in that respect.

He will be involved in coal development, national parks, and recreation, scenic rivers, national historic preservation, and numerous other issues.

In dealing with these issues, Mr. Watt has stated that he will attempt to strike a balance between competing values and interests. Unfortunately, Mr. Watt's past record does not demonstrate a concern for balance. Instead, he has placed himself forthrightly in the position of advocating the development of public lands by private firms, often large oil, gas, and coal firms, and large utilities.

Mr. Watt has shown little interest in the value of preservation for our future generations. He has shown little evidence of a need to manage public lands in a way to insure that leases will be granted through a competitive framework open to small and large firms alike. Mr. Watt has given us his verbal assurance he will seek a balance, but that assurance has not been supported by his past actions. As an editorial in the New York Times stated on January 6:

Mr. Reagan clearly intends to push the pendulum back toward development. But in Mr. Watt he may have chosen an extremist interested in pushing it right off the clock. Mr. Watt speaks of the need for balance, yet in his recent work at the Mountain States Legal Foundation in Denver, he and his lawyers have almost all supported developers against regulators and protectors of the environment.

The New York Times editorial continues:

If that is an indication of Mr. Watts enduring beliefs, the Senate should be wary of confirming him. The job at the Interior requires judicial balancing of competing interests, not single-minded extremism on behalf of economic development.

And that question of extremism brings me to the point of this entire nomination, because I think nobody could have expected the President-elect or the President to have appointed someone to this position who would have been an all-out environmentalist. That would not have been what could have been anticipated in view of the election results.

But when the New York Times talks about Mr. Watt as being an extremist, I think that they are picking the pick of the crop. I think that he is the total, total representation of exactly what you do not need in Government, and that is somebody to the farthest right, the farthest left, the farthest extreme on any issue. And when you get that, you very seldom get the best of Government.

This is the same man who, since 1977, has served as president and chief legal officer of the Mountain States Legal Foundation. In that role, he has thrown off any pretense of attempting to "balance" competing interests. He has become an open advocate for those interests who seek to develop public lands.

While acting in that capacity until just the past few weeks, Mr. Watt was involved in a great number of legal cases filed against Federal agencies, including 13 that directly involved Interior Department policy.

In addition, Mr. Watt's organization is funded by contributions from private corporations, including many major energy corporations that will benefit from policies that Mr. Watt will administer at Interior.

Both of these areas—legal activities and private contributions—raise very serious questions about the conflicts of interest that Mr. Watt will be facing every day while he is in that office.

As Interior Secretary, will he be able to disassociate himself from his role as the leader of an active advice group? Can he change overnight from the role of an advocate to that of a balancer? As a matter of fact, has the purpose or objective been served when he recuses himself from a case or any particular group of cases? Because the fact is that the decisions that he will be making every day of the week are the decisions that will be having a direct impact upon those very persons and groups that he was representing as legal counsel, that he was speaking for in connection with the Mountain States Legal Foundation.

I have serious doubts that this man, who has taken such a strong advocacy position, can be expected to switch hats

so easily and suddenly be the representative of the people of this country.

Let us look briefly at those concerns. With regard to legal activities pursued by the Mountain States Legal Foundation, it is evident Mr. Watt was not merely an attorney hired to argue a client's case—I am an attorney and I understand that concept—but Mr. Watt is the man who decided which cases to file and how those cases should be argued. He was the client as well as the attorney. He was the decisionmaker. He was the president and the chief legal officer.

Mr. Watt told the Energy Committee during nomination hearings that specific cases were pursued in "the public interest," but clearly many of those cases pursued by MSLF—and Mr. Watt argued many of those cases himself—directly benefited special interests, not public interest.

Within its short existence, the legal fund has found itself to be the darling of a number of special interests who wish to and who do develop Federal lands for their own profit.

As an article in Western Oil Reporter stated:

> Petroleum industry interest and participation in the Foundation is evident.

During the nomination hearings, Mr. Watt consistently refused to reveal the private interests who contributed to the MSLF and who benefit from MSLF actions. What is so secret about it that he is unwilling to advise the committee or the Members of this Senate or the American people who those contributors were?

But a recent article in the Scramento Bee confirmed that the foundation does indeed receive financial support from oil companies, mining firms, utilities, and other companies with a stake in the development of Federal public land.

The Bee reporter confirmed this list by talking directly to the contributors themselves. These are some of the contributors that Mr. Watt was not willing to identify to the members of the Energy Committee. To list just a few of those who contributed to MSLF according to the Sacramento Bee: They included the Coors Foundation, which gave $25,000 in 1980, owned by the Coors family. The Coors family is developing a major brewery in the Shenandoah National Park in Virginia and is also involved in energy development on Federal lands.

Will Mr. Watt not have difficulty in looking at issues concerning the Coors family and their interest as the Secretary of Interior?

Western power companies such as Chaco Energy Co., which is seeking Interior Department permits to mine 320 million tons of coal was another contributor.

Other power companies that have contributed to MSLF include the Texas Utilities Co. of Dallas and the Nevada Power Co., which needs Interior Department approval to develop coal mines in Utah.

Another contributor, according to the Sacramento Bee, Chevron USA, the domestic subsidiary of Standard Oil Co. of California; Boise Cascade Corp., a major timber, paper, and building materials firm, another contributor; Day Mines of Wallace, Idaho, one of the Nation's largest precious metals mining company; the Rocky Mountain Oil and Gas Association, a Denver-based trade group; Hawthorn Oil Co., of Casper, Wyo.

Mr. President, I do not think there is anything venal, evil about any of those groups contributing to the MSLF. But I think it is significant that this man at his confirmation hearing was unwilling to share the names of those contributors with the members of the committee, with the Members of the U.S. Senate, who had asked him to do so, and with the American people. We have learned about these contributions, but not from Mr. Watt himself.

We are asked here today to confirm Mr. Watt. We in fact do not know what possible conflicts of interest may arise from such contributions. I am concerned that Mr. Watt's refusal to reveal that list means that we do not have the full and complete information we should have in making this decision. If there were no other reason to vote against Mr. Watt's confirmation, that alone, would be sufficient cause to do so. And again I want to point out it is not just the question of Mr. Watt having been the attorney for this group, he was the president and chief executive officer as well.

I am also concerned with the potential conflicts of interests that may develop when Mr. Watt, as Interior Secretary, becomes involved in cases and policies in which he has been involved as the head of MSLF.

I understand he is going to recuse himself from those cases and from future MSLF cases. But the fact is, as I previously mentioned, he will be taking part in the policy issues which surround those cases, and some decisions that he will be making on Monday will have a total impact upon his former clients. He is not stupid. He can understand full well that Monday's decisions, Tuesday's decisions, Wednesday's decisions may have a much greater impact than merely the particular issue before him on that day.

In one case, Mr. Watt and the MSLF attempted to hold officials of the Bureau of Land Management and the Department and the Department of Interior personally liable for damage to private as well as public lands from the numbers of wild horses which are loose. This legal challenge was obviously designed to have a "chilling effect" on Interior Department employees.

A question that I believe can appropriately be asked is, Does Mr. Watt still believe that Interior Department employees should be held personally responsible for Government decisions? Does that also apply to the Secretary himself? Does it mean that he thinks they ought to make different kinds of decisions because they may be held personally responsible? What kind of effect will this have upon Mr. Watt as Secretary of the Interior when he has filed suit claiming that employees of the Bureau of Land Management and the Department of the Interior are to be held personally liable for their actions?

I suspect Mr. Watt may change his ideas on that case, but I do not know that and you do not know that.

In another legal case, Mr. Watt and the MSLF attempted to open up the Palisades Roadless Area on the Wyoming-Idaho border and the Deep Creek Roadless Area next to the Bob Marshall Wilderness in Montana for oil and gas leasing. This action was taken even though the Forest Service has rated both areas as "highly environmentally sensitive" because of the presence of endangered species, steep slopes, unstable soils, and the difficulty of reclamation. But that did not bother Mr. Watt.

In another case, Mr. Watt and the MSLF attacked the legality of a plan to phase out motor boats in the Grand Canyon National Park. The case attempted to negate the plan which resulted from an earlier case brought by the Sierra Club. The MSLF action would benefit who? Park concessionaires; not the public, not the people who want to use the park.

There are other such cases, too many to mention, in which Mr. Watt has been involved in his role as chief legal officer of the Mountain States Legal Fund. Each of these cases benefits specific private interests, whether they be concessionaires, landowners, or oil and gas interests. Mr. Watt will take part in these same general policy issues in his new duties as Interior Secretary, even if he is not involved with MSLF cases. I am concerned that this will lead to conflicts of interest as these issues are decided at Interior.

The decision just last month by Mr. Watt and the Mountain States Legal Foundation to intervene in a case challenging the Federal strip mining law demonstrates the types of conflict of interest that are likely to develop if Mr. Watt is confirmed as Secretary of Interior. The MSLF Amicus brief, which lists Mr. Watt as attorney, was filed with the Supreme Court on December 19, 1980—after his name had already been mentioned as a possible nominee for the Interior Department position. I ask that you take note of the date.

What is the basis for that Amicus brief? The following is a quote from the summary of the argument:

> In various provisions of the Surface Mining Act, Congress has usurped State government functions and exceeded the commerce power. This overreaching by the national government is only one instance of a continuing trend towards centralized decision making that threatens to destroy the Federal structure of government in America.

Mr. President, this is the man who will have the responsibility for enforcing the provisions of that same Strip Mining Act. Can we look to that man who filed a brief on December 19, 1980, questioning the propriety of the Federal Government's involvement, to enforce a Federal enactment that this Congress passed not too long ago?

Mr. President, I believe this is a good example, the strip mining case, of the kinds of conflicts that are likely to develop if Mr. Watts is confirmed. The case purports to be filed in the public interest—that is a good joke—but in fact it would benefit major coal companies who

have contributed to MSLF. Based on the July 15, 1978 MSLF contributors list, 25 major contributors—defined as those who have contributed $500 or more—owned 232 of the approximately 550 Federal coal leases, 71 of the 176 pending preference right lease applications and 8 of the 10 outstanding leases of Indian coal.

But that is not all. The MSLF contribution list also includes major coal mine operators, the suppliers of component parts for mining and associated ventures, as well as utilities that consume coal.

The MSLF is not a public interest group; it is a special interest organization and Mr. Watt was their spokesman, their president, their chief legal counsel.

I believe this case just mentioned raises a number of major questions concerning Mr. Watt's ability to conduct his duties as Interior Secretary fairly and impartially.

How will Mr. Watt deal with policies affecting those companies and individuals who have contributed to his foundation in the past few years? The answer is that we do not even know who those contributors are, except as we have been able to piecemeal and put together some of the names.

How will Mr. Watt deal with the gamut of issues surrounding enforcement of the Federal Strip Mining Act? Is it possible for the public to believe that he will enforce the law aggressively now that he has filed a court suit to challenge the basis of that law?

Or will he be back here in the Congress within weeks, telling us how to change the law?

In administering the Surface Mining Act, Mr. Watt will be involved in renegotiating royalty rates. He will decide whether preference right lease applications should be granted. He will grant rights-of-way across Federal land so tracts can be developed. He will set the ground rules for leasing of Indian lands.

So I believe it is fair to ask how Mr. Watt will deal with these issues. We already know that he is opposed to the Strip Mining Act. Under his agreement, he will recuse himself from involvement in the specific MSLF legal case. But will he also remove himself from policy deliberations on these same issues that arise within the Interior Department?

Of course he will not.

As a matter of fact, if he decided to do that in every instance in which it might have some impact upon the former contributors and the people with whom he was associated at the MSLF, he would not have to go to work on any Monday of any week because he would not have anything to do. Almost every decision he makes will have some impact upon the MSLF crowd.

I am concerned about the specific cases I have cited and about the potential that exists for numerous conflicts of interest. But I am equally concerned about the public perception that will persist when Mr. Watt is confirmed. Mr. Watt is a man who had strongly advocated an extreme conservative ideology. He has opposed many of the laws he will be asked to administer. He has taken legal actions that benefit specific private developers and special interests.

As far as I know, everything he has done has been entirely legal and proper, and I have no questions about that. But the real issue is, even putting aside the question of whether he should or should not have been appointed, what will the public perception be of this man who has fought environmental protection throughout his entire private career?

What will the public perception be? Inevitably, the public will see the Interior Department now as the haven for special interests and private developers.

Mr. President, I am opposed to this nomination. I think it should not have been made in the first instance. I believe it is an extreme shift of our policies toward conserving and managing our natural resources.

I wish that I could stand here and say that I believe that the Senate might not confirm him. I present my remarks knowing full well that the Senate is going to confirm him, but I have the very strong feeling that it is imperative that those of us who have these concerns send a message to Mr. Watt that we will be watching, that we in our oversight responsibilities will try to bring to the public's attention any instance in which there is an obvious conflict of interest.

I hope that Mr. Watt serves and serves well. I believe the American people will want him to do that.

I hope he finds the balance he talked about when he appeared before the Energy Committee. But there is very little in his past history that is reassuring in that respect.

For that reason, I will be one of the very few who expect to vote against the confirmation of this nomination.

Mr. KENNEDY. Mr. President, who has control of the time for the opposition?

Mr. CRANSTON. Mr. BUMPERS has, and on his behalf, I yield time to the Senator from Massachusetts.

The PRESIDING OFFICER. Does the Senator from Arkansas yield time?

Mr. BUMPERS. I yield the Senator from Massachusetts such time as he may need.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I join several of my colleagues in opposition to this nomination.

I believe that the President should have wide discretion about choosing members of his Cabinet, because the President must rely upon those individuals for policies of the administration. I believe, as a general matter, that presidential nominations should be approved by the Senate.

Yet, there are occasions when the nominee, as an individual, is so completely identified with policies contrary to the public interest that policy questions overcome the presumption in favor of Cabinet nominations.

That is the case with Secretary of the Interior-designate James Watt. Mr. Watt has a long history of advocacy for special interests against the public interest. I have very serious doubts that he can carry out the duties of Secretary of the Interior in a fair and equitable manner that is sensitive to environmental concerns.

During his tenure at the Mountain States Legal Foundation, Mr. Watt was far more than a mere lawyer representing clients. Rather, he was the representative of a small group of interests seeking dominance over the Nation's public lands and public resources. While Mr. Watt and his backers in the energy and banking industries call the MSLF a "public interest" organization, the facts refute that claim. The Mountain States Legal Foundation could more accurately be called a private interest organization.

There is little indication on the record that Mr. Watt followed the normal criteria of public interest law firms in accepting clients.

Mr. Watt's clients were not poor.

They were not without representation or the resources to afford it.

Rather, the tax exempt foundation headed by Mr. Watt represented the interests of clients such as Exxon, Arizona Public Service, and American Metal Climax. The obvious test Mr. Watt used in accepting such clients was whether they agreed with his philosophy of shifting control and ownership of public lands into private hands as quickly as possible, and at the lowest possible cost to the private interests.

As a private advocate, Mr. Watt has continuously criticized Government. But the record shows that his real concern was to shape a Government that was very active indeed—for the powerful and against the powerless.

He fought against Federal aid for high school dropouts, but he supports Federal aid for giant industries.

He fought against lower utility rates for the elderly and the handicapped, but he sought a higher valuation for utility property and higher utility rates. Those matters have been gone over by many Senators who come from that part of the country, where his decisions will be of enormous significance and importance.

During the next 4 years, the Secretary of the Interior will be confronted with decisions that may reshape the face of half the United States for countless years to come.

Will our abundant coal be mined responsibly, or will it be ripped from the ground in a heedless manner that litters the land with a new generation of ghost towns?

Will we develop the technology to tap offshore oil reserves safely, so that the oil ends up as gasoline in our cars, rather than as oil spills poisoning our coastal waters and destroying our most important fishing grounds?

Mr. President, this is an area of enormous concern to those of us in the New England area—the role and power of the Secretary of the Interior in the development of resources and the protection of our resources, not only our mineral resources but also our fishing resources. Twenty-five percent of the world's fishing resources exist off the coast of the United States. The greatest percentage of that is off Georges Bank. Over the period of the past years, there has been a

long and continuing dialog about how the oil resources can be developed, but developed in such a way as will be sensitive to an industry which is valued at approximately $1 billion a year.

The best estimate of the amount of oil or natural gas that would come from the development of Georges Bank is 9 days of use by the United States. Yet, we are talking about a fishing industry that is valued at approximately $1 billion a year. So we have an enormous interest in the decisions that will be made by the Secretary of the Interior, as well as decisions in other parts of the country where they have a strong interest in public lands.

Will Alaska's North Slope survive as an irreplaceable national treasure, or will it be sacrificed to reckless energy speculation?

Will Amercia's great national park remain oasis of beauty and natural wonder, or will they become congested, overdeveloped remnants of a once proud national heritage?

This is of great importance, not only to those who represent Western States but also to those who represent industrial areas, where the limited open spaces are of greater value, such as in our Eastern areas.

Will all of us continue to be involved in national land policy, or will a few private interests be permitted to overexploit the public lands?

These are among the questions the new Interior Secretary will have to face. Any Secretary should understand that there are no easy answers.

The Secretary of the Interior is more than a landlord and a business manager for the United States. The Secretary of the Interior must be a guardian of our national heritage and a caretaker of our national spirit.

On the record before us, I believe that Mr. Watt has not demonstrated that type of commitment, that type of concern, that type of deep understanding of those needs.

I know that he made representations before the committee that considered his nomination. I take not only his public record and his statements, which I will take in good faith, which he made before the committee, but also I take his service on the Federal Power Commission, where he served for a year and a half and where, with only three exceptions, he sided with the major special interests, the oil companies and other special interests.

I believe it is appropriate for us to consider the Mountain States Legal Foundation and its record in considerable detail for an indication of the attitude of Mr. Watt, and it is appropriate for us to consider his record on the Federal Power Commission.

Mr. President, I believe that this nominee fails to meet the basic presumptions which should be available to a President when he appoints a member of his Cabinet. So, when the time comes to vote, I shall exercise my constitutional responsibility to "advise" as well as "consent" by voting not to confirm the nomination of Mr. Watt to be Secretary of the Interior.

The PRESIDING OFFICER. Who yields time?

Mr. McCLURE. I yield 5 minutes to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. I thank the distinguished floor manager.

Mr. President, I wish to state the considerations involved in my decision to support the confirmation of Mr. James G. Watt as Secretary of the Interior.

The position of Interior Secretary is uniquely important to Colorado. The person who occupies that position will have a major influence on the future of my State. In the next few years, the Secretary of the Interior will play a crucial role in many decisions critical to Colorado, including:

Whether to issue additional leases for the development of oil shale on Federal land, and, if so, under what terms and conditions those leases should be issued; these decisions will have a great influence on the pace and scale of oil shale development, and therefore on the future quality of life in Colorado;

How to manage the vast tracts of Colorado land under the administration of the Bureau of Land Management, the National Park Service, and the Fish and Wildlife Service; these management decisions will determine, among other things, whether we increase the rate of development of our Federal reserves of oil, natural gas, coal, uranium, and geothermal energy resources;

Whether to recommend to Congress new wilderness designations for lands administered by the Bureau of Land Management;

What new water projects should be constructed to enable Colorado to use its full interstate compact water allocations;

How to resolve possible conflicts between water development for new energy requirements and protection of historic agricultural demands and uses; and

How to protect air quality, particularly as it is related to national parks and wilderness areas.

Because these and similar decisions are so important to Colorado, I have carefully reviewed Mr. Watt's qualifications for this job. I have gathered and studied the information in the public record about Mr. Watt. I have met personally with him, discussing the issues facing the Department of the Interior. Through the courtesy of Senator McCLURE, the chairman of the Committee on Energy and Natural Resources, I participated in the committee's hearing on Mr. Watt's nomination, even though I myself do not serve on the committee. I also submitted to Mr. Watt a series of specify policy questions.

Although the position of Secretary of the Interior is in many ways more critical to Colorado than other Cabinet positions, the same criteria for confirmation apply as to other nominees. A President must have considerable leeway in the selection of the people who will serve him. The Senate's constitutional mandate to advise and consent in the selection of the Cabinet does not give each Senator a right to try to impose on the President the Senator's personal judgment about specific policy positions which Cabinet nominees must adopt to be confirmed. Instead, Senate confirmation of a Cabinet nomination should serve as a guarantee that the nominee meets the threshold requirements for service in the Cabinet: Personal integrity, a freedom from major conflicts between public duties and personal interests, and an ability to perform the job of Secretary in a competent and responsible fashion. Because the presumption is strong—and properly so—that the President should be able to rely on the people of his choice, a Senator must meet a strong burden of proof that a nominee does not satisfy these three threshold requirements to justify a vote of no confidence.

By these standards, Mr. Watt is sufficiently qualified to merit support for his confirmation as Secretary of the Interior.

First, by reputation the nominee is of high moral character and personal integrity. No question has been raised concerning his character or personal standards as a public servant.

The second major requirement for a Cabinet Secretary is a freedom from potential conflicts between public duties and private interests. This is an especially important requirement in the case of Mr. Watt, who as Secretary of the Interior could be called upon to make decisions on issues which might involve the Mountain States Legal Foundation, which he founded and now heads. I am pleased that Mr. Watt, with the assistance of Senators McCLURE and JACKSON, the chairman and ranking minority member of the Committee on Energy and Natural Resources, broadened the original guidelines under which he will excuse himself from Interior decisions involving the Mountain States Legal Foundation. This agreement now covers the most obvious cases in which Mr. Watt would have conflicts between the exercise of his authority as Secretary and his previously relationship with the foundation. We have a right to expect that Mr. Watt will be careful to avoid even the appearance of any conflict of interest in all of his activities as Secretary, including any matters not clearly covered by the general terms of the agreement he worked out with Senators McCLURE and JACKSON.

Third, the record supports the conclusion that Mr. Watt will be able to perform the job of Secretary of the Interior in a competent and responsible manner. This determination involves two different matters: First, whether Mr. Watt's professional experience gives him the knowledge and skills necessary to be Secretary of the Interior; and, second, whether Mr. Watt's has demonstrated that he will competently, fairly, and responsibly carry out his duties.

Mr. Watt has the professional background to be Secretary of the Interior. He has served previously in major positions of responsibility within the Department of the Interior, the Federal Power Commission, and the staff of the U.S. Senate. In his private capacities with the chamber of commerce and the Mountain States Legal Foundation, he has been involved in resource issues.

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However, Mr. Watt's record of previous statements and positions on resource issues—especially during his tenure as president and chief legal officer of the Mountain States Legal Foundation—has raised serious questions about his ability to balance fairly and responsibly the Department of the Interior's various mandates, especially the often conflicting mandates of protecting the environment and developing our natural resources. At the Mountain States Legal Foundation, Mr. Watt has served as an advocate of resource development and an opponent of environmental protection in a way that would be completely inappropriate for a Secretary of the Interior.

Mr. Watt and I discussed this matter at some length during our private meeting. Mr. Watt strongly stated he will not operate in the same fashion as Interior Secretary. He indicated his clear recognition that he served as an advocate, as head of the Mountain States Legal Foundation, and that as Secretary of the Interior he will serve in the completely different role of a steward of the public trust who must balance all aspects of the public interest.

Mr. Watt's statements on several policy matters raised during his confirmation process demonstrate his change of roles.

In our personal meeting and in my questioning of him for the public record, I asked Mr. Watt about his views of the Clean Air Act, especially in light of a Mountain States Legal Foundation suit which attempted to hold unconstitutional the Environmental Protection Agency's imposition of the sanctions required by the Clean Air Act when the Colorado State government failed to adopt a required automobile inspection and maintenance program.

Mr. Watt explained his opposition to the EPA action was limited to the constitutional principle of federalism involved in the case, and that as Secretary of the Interior, he will not second guess the constitutionality of congressional actions. He also made it clear that he is not opposed to the substantive mandate of the Clean Air Act. While leaving room for some fine tuning of that act, Mr. Watt indicated that he supports the fundamental structure of our Nation's air pollution control program, and as Secretary of the Interior he will discharge fully his responsibilities under the Clean Air Act to protect the quality of air over national parks and other lands within his jurisdiction.

The record of Mr. Watt's confirmation includes similar assurances on many issues within the jurisdiction of the Department of the Interior. Mr. Watt repeatedly and explicitly committed himself to following the spirit and the letter of the various laws which Congress has enacted to guarantee a proper balance between environmental protection and resource development, and to follow that same principle of balance in making decisions when he exercises the broad discretion often vested in the Secretary.

He made repeated assurances that he will be bound to uphold the laws as passed by Congress, that he supports those laws, and that his efforts both in the past and in the future will be to make sure that those laws operate properly.

Mr. President, he also claimed that he would pursue a policy of balance.

Balance is a very difficult and complicated concept and it is a vague one.

Mr. President, I shall ask unanimous consent to have printed in the RECORD at this point excerpts from the record in response to questions of various Senators on the confirmation committee about his attitudes as to the way that balance would work with regard to the number of specific resource issues.

Because many of the policy statements made by Mr. Watt during his confirmation hearing are important to a determination that he will be able to follow a balanced approach to his duties as Secretary, I ask unanimous consent to have printed in the RECORD at this point excerpts from the hearing transcript which include the most important of those policy statements.

There being no objection, the excerpts from the transcript were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM HEARING TRANSCRIPT

Senator FORD. But do you have views now concerning the impact of the Clean Air Act on the air quality of public lands?

Mr. WATT. We have statutorily labeled certain areas as class I areas and that must be maintained. I will pursue that as I am sure this committee would want it pursued.

Senator FORD. What do you intend to do about this current status of implementation of Public Law 95–87, the Surface Mining Act, by the Office of Surface Mining in the Office of the Department of Interior?

Mr. WATT. At this time, I see no need to change this act in any substantial way from the way it is.

Senator MELCHER. Are you or are you not in favor of surface owner's consent over federally owned coal in the Western States such as Wyoming, North Dakota, and Montana?

Mr. WATT. I am aware of the struggle this committee has had on that issue. It seems to me that issue has been resolved. It is the law, and as Secretary of Interior—that is the way it will be.

I think it is time that we move on to the other issues facing us, and I would not be proposing that this administration come back to this issue again.

Senator MELCHER. Are you in favor of maintaining the law as it is, that is my question.

Mr. WATT. I think I would be, yes.

Senator MELCHER. I take it, Mr. Watt, you are also in favor of a State, under the Strip Mining Act, to have the right of selective denial for mining the Federal coal within that State on the basis that it would be difficult or impossible to achieve reclamation and the other requirements of the act?

Mr. WATT. If that is the way the law is now, that is the way it should be continued.

A week ago Tuesday I had a breakfast group, a breakfast meeting with a group of environmentalists from the Western States in Denver.

I asked to have that breakfast meeting, and I called my friend and opponent, Tony Ruckel, of the Sierra Club, and asked him if he would call his friends together. I think we had about 16 people there together at that breakfast meeting, and we shut the doors. . . .

I felt that we built a bridge that we can walk on, that as I am confronted with problems I feel that I can pick up the phone and call people for advice and counsel.

I feel that they know that they can yell and scream and that they can criticize me for doing what I might do, but the next time there will be enough rapport that I can again pick up that phone and communicate with them.

We need to reach out, and I think that our ability—to reach out to the developer, to the conservation community—is a possibility.

That is my management style, and that is what I desire.

Senator FORD. Let me ask you, are you in favor of additional acres of coal leasing on Federal lands?

Mr. WATT. Yes.

Senator FORD. Would you remove all restrictions on leasing Federal lands for coal mining?

Mr. WATT. No.

Senator FORD. Why not? What would you object to if you are increasing Federal lands for coal leasing, what would be your breaking point, or your break, where you would not go any further?

Mr. WATT. Environmental concerns.

Senator FORD. What environmental concerns?

Mr. WATT. There are many. We need to be concerned about the impact on the local communities, the State's ability to handle it, the infrastructure, the water supplies, the air quality.

Senator MELCHER. What assurances can you provide to American Indian tribes that you will aggressively represent their interests in matters that arise during your tenure?

I repeat again, this is a trust responsibility of the Secretary of Interior.

Mr. WATT. Senator, we have gone through this a couple of times earlier today and I assure the committee again, to the degree there is any conflict, my new boss will be the President of the United States. I wholeheartedly and enthusiastically commit myself to the goals and objectives he has outlined in his statement, and I am satisfied that a working relationship can be established with the elected representatives of the American Indian tribes. The trust and treaty responsibilities will be lived up to fully, in our efforts to enhance their self-determination, as we deal with them on a government-to-government basis.

Senator MELCHER. I think the first signals in that regard, Mr. Watt, will come on what your position as Secretary of Interior will be on reflection on the trust responsibility and the pursuit in the courts of the cases already mentioned in the foundation that you headed, and for which you filed briefs.

Now, just withdrawing yourself from any interest in what the foundation is doing in those particular cases would not have any bearing at all, or would not nearly satisfy the responsibility you will have as Secretary of Interior in the statutory trust responsibility for which you will be entrusted. How will you handle that? Would you reverse your position? That is the question.

Mr. WATT. Senator, the foundation is involved in one case.

Senator MELCHER. Whice one is that?

Mr. WATT. The Jicarilla case.

Senator MELCHER. What happened to the other one?

Mr. WATT. The Supreme Court did not allow the foundation to get involved.

Senator MELCHER. Will it be important, as Secretary of Interior, that as a trust responsibility, to indicate that you disagree with that?

Mr. WATT. I have intended to repeatedly make my commitment to this committee, on the record, that to the degree to which there is any conflict, my loyalties are totally shifted, because of the statutory responsibilities, as you are pointing out, and my commitment to the position President-elect Reagan has outlined.

Senator MELCHER. In other words, you will reverse your position?

Mr. WATT. I don't know what you mean by that, but I guess the answer is yes. There is nothing more to be done.

Senator MELCHER. There may be nothing more to be done, but if there is something more to be done, or if the question is posed to you, what is your position on it now?

Mr. WATT. My position would be, at the confirmation, that I have a responsibility to the American Indian tribes to fulfill the obligations of the trust and treaty responsibilities.

Senator MELCHER. Which would be a reversal of your position.

Mr. WATT. Which may be a reversal of my position, to whatever degree it is a reversal.

Senator CHAFEE. Now, the wildlife refugees are managed primarily for wildlife and wildlife habitat protection. Sometimes there are multiple uses allowed on them for historic reasons, if those multiple uses are compatible with wildlife.

Do you feel that the dominant use of a wildlife refuge for the management and protection of wildlife should continue or in that thrust for more minerals, which is of deep concern to you and the rest of the nation, that the so-called dominant use should be replaced by a multiple use which is common on BLM lands?

Mr. WATT. I do understand your question. In the wildlife areas Congress has spoken and created a dedication and commitment of that tract of land for fish and wildlife purposes. That is the dominant use as defined by Congress and should be continued with that dominant use as Congress has defined. . . .

I am deeply committed to the dedication of the lands for primary purposes, for fish and wildlife purposes. I have no problems at all with dedicating those for a dominant role for fish and wildlife purposes. . . .

Never should we surrender the dominant use.

Senator HART. If called upon to testify as Secretary of the Interior on the legislation which would provide for the systematic transfer of ownership of federally owned lands to States or private entities, what would be your present inclination?

Mr. WATT. My present inclination would be that that would be a premature piece of legislation that would be a divisive force in Congress, unlikely of being passed at this stage and not advancing the good neighbor policies that we need to advance at this time.

Senator HART. Thank you, Mr. Watt. I think you mentioned the principal problem presented by large-scale development of oil shale and mineral resources were sociological problems. Are you familiar with what has been called energy impact assistance legislation to provide help for those communities that would be hardest hit by this development?

Mr. WATT. I am really not familiar at all with the legislative package, but repeatedly today I have talked about the responsibilities of ownership particularly given the dominant Federal-State ownership of surface and mineral estates. I feel the Federal Government has a role in helping those communities at the front end.

Senator BUMPERS. Do you favor the Wilderness Act?

Mr. WATT. Absolutely.

Question submitted by Senator Mathias: The Secretary of the Interior is frequently described as being the chief conservation officer of the federal government. Given your outspoken criticism of environmental organizations and the Interior Department and its conservation mission, how will you be able to effectively carry out the Secretary's dual responsibility to permit resource development on the public lands while preserving natural values?

Mr. WATT. As Secretary of the Interior I will fully and faithfully execute the public land laws adopted by Congress requiring such a balanced approach.

Mr. HART. Mr. President, of course, the principle of balance which Mr. Watt has endorsed is a nebulous one, and Mr. Watt did not make many specific commitments indicating how he will translate the general principle into specific policies.

In particular, Mr. Watt avoided any commitments—even general ones—on oil shale development, the issue within his jurisdiction which is probably most important to Colorado.

Mr. Watt refused, on the grounds he has not been briefed carefully enough, to take a particular stand on any of the several oil shale issues he will face in the next few years. I asked Mr. Watt about these and other Interior issues in questions which I submitted to him during his confirmation hearing.

Mr. President, finally, as I have indicated where the State of Colorado is concerned perhaps the most important specific area is the area of oil shale development where a vast preponderance of that resource is located on public lands.

It is with regret that I note that Mr. Watt was less than specific about his positions with regard to oil shale development. One of the justifications for support and a justification which I think is a sound one is the nominee's experience and background in resource management and his exposure to resource questions both in the public position as well as in the private position.

Yet, as a resident of the State of Colorado he did not indicate in response to specific questions propounded to him a thorough knowledge or even a rudimentary knowledge of the problems involved in the development or conservation of that resource.

Mr. President, I ask unanimous consent to have printed in the RECORD questions which were submitted to the nominee in writing and his responses.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUESTIONS AND RESPONSES

Question. What should be the scale and pace of oil shale development? Should any changes be made in current oil shale leasing policies?

Specifically:

Are you familiar with Exxon's projection that eight million barrels of oil per day could be produced from shale? Do you think this projection is realistic? Should the Federal government either encourage or hinder this level of production?

Should the Department of the Interior lease additional Federal lands for oil shale development? If so, how many additional leases should there be, and what criteria should be used in determining what lands should be leased? What type of planning would be necessary to lay the foundation for any additional leasing? Should any new leases be geographically dispersed, or should they be concentrated in areas of especially rich resources?

Should Congress authorize the Department to lease additional lands adjacent to oil shale leaseholds for the disposal of spent shale and other non-mining functions associated with oil shale production? If so, how much land should be leased for this purpose, and what conditions should be placed on the leases? Should additional lands be made available for only existing leases under the prototype oil shale leasing program, or should off-tract lands also be made available for new leases?

Should Congress remove existing restrictions which limit each company to one oil shale lease?

If the Clean Air Act or other environmental policies limit the scale of the oil shale industry, should Congress change the law to allow greater oil shale production?

Answer. a. I have not reviewed nor been officially briefed on oil shale development and am thus unable specifically to respond regarding my policy on the scale, pace or specifics of such development.

b. Same as "a".

c. I have seen only press reports on the Exxon projection and I am thus unfamiliar with the specifics of that proposal.

d. I have no way of judging whether the report is realistic or not.

e. The Federal Government has announced as national policy the increase of domestic sources of energy. Oil shale, as our important energy resource, will play a role in this national policy. What level of production takes place on Federal oil shale land is a matter yet to be determined.

f. Same as "a".

g. Same as "a".

h. The Federal Land Policy and Management Act specifies the planning requirements for such activity. I will comply with the law.

i. Same as "a".

j. Same as "a".

k. Same as "a".

l. Same as "a".

m. Same as "a".

n. It is important to achieve a balance between energy development and environmental protection. However, some of the limitations in energy development contained within and resulting from statutory language may be unnecessary to the achievement of environmental objectives. In such cases the law might well be modified to reflect such realities without retreating from the objectives.

Question. Should any new programs or policies be adopted to protect communities from social and economic disruption caused by rapid energy development?

Answer. As I indicated in my testimony, I believe the "people problem" regarding energy development to be one of the major concerns facing the Federal Government. I am not sufficiently familiar with present programs and policies to be able to respond as to whether or not new programs and policies are necessary.

Question. How should we make sure that new water consumption by energy projects does not squeeze out agricultural, municipal, and other water users?

Answer. I believe the States of the West are in the best position to determine the use of their water. Therefore, I believe Federal support of the traditional power of the states over their waters is the proper manner of assuring the protection of other water users.

Question. How should water be supplied for energy development—through private projects built by the energy companies, or through broader-based public projects which also meet other regional water needs?

Answer. I have adopted no position on this issue.

Question. Should the Federal government build water projects? Should any changes be made in traditional Federal water policies?

Answer a. Yes.

b. We will need to review the entire water program.

Question. Should a new Energy Mobilization Board be created, with powers to overturn Federal, state, and local laws, or should

other policies be adopted to cut through red tape delaying important energy projects?

Answer. This is a broad base policy question which must be addressed by the new Administration.

Question. Should the Federal standards for the reclamation of land strip mined for coal be carried out as approved by Congress in 1977, or should they be changed?

Answer. I have not been fully briefed regarding, nor am I familiar with, the specifics of the Surface Mining Control and Reclamation Act of 1977 and the regulations under that Act and am thus unable to respond in detail. These are important issues which I will address early on however.

Question. Should new Federal standards be established to restore land strip mined for oil shale? Should any other new standards or controls be adopted to protect public health and the natural environment from the adverse effects of oil shale development?

Answer. a. Same as Answer 34a.

b. Same as Answer 34a.

Question. Should Federal lands be turned over to state governments or private owners?

Answer. In several responses during the hearing, I believe that the pressures of the "Sagebush Rebellion" for massive land transfers from the Federal government to the States can be eased by a "good neighbor" policy which I intend to carry out.

Question. Should any changes be made in current policies and practices of managing Federal lands?

Answer. Yes. I fully intend to embark upon a "good neighbor policy" regarding the management of Federal lands.

Question. What changes, if any, should be made in Federal policies toward Indians?

Answer. I have no specific recommendations at this time, however, my policy regarding American Indians is reflected in my responses to questions one through twenty.

Mr. HART. Mr. President, although Mr. Watt's repeated refusal to take positions on particular oil shale issues is of concern, some relief is provided by some general statements Mr. Watt has made which indicate a recognition of the potential adverse effects of oil shale development and the Federal responsibility to avoid these effects. I intend to work with the Department during Mr. Watt's tenure as Secretary to help Mr. Watt translate these general views into special policies.

Mr. Watt's failure to take specific stands on oil shale and other important issues leaves unanswered some of the most important questions about how he will balance the many mandates he inherits as Secretary of the Interior. There are not—nor, unfortunately, can there ever be—absolute guarantees for Colorado and the West concerning the conduct of our principal landlord in Washington. Still, Mr. Watt understands the importance of the general pledges of balance which he made to the Senate and the American people, and I expect he will act in the spirit of those pledges. I look forward to working with him—as will other Members of the Senate and the public—to help him carry out the principle of balance to which he is committed.

Mr. President, I think it is of great concern to this Senator and to, I think, many people in my State that the nominee did not evidence in those responses a clear understanding and appreciation of the problems which the development of that resource represents for our State and for our region.

It is because of that, Mr. President, that I think there are those of us who will feel an extra responsibility to work with this Cabinet officer and to try to clarify in his own mind the problems related to the scope, pace, and direction of the development of that and other energy resources in our State.

I am convinced that Mr. Watt understands the importance of the general pledge that he has made for balance, a pledge which he has made to the Senate and to the American people, and I expect that he will act in the spirit of those pledges.

I look forward to working with him as will other Members of the Senate and the public to help him carry out the principle of balance to which he has publicly committed himself.

The PRESIDING OFFICER. The 5 minutes yielded to the Senator have expired.

Mr. McCLURE. Mr. President, I yield 3 minutes to the Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I appreciate the Senator from Idaho yielding to me. I am not one who thinks that the weight of an argument depends upon its length, and I can sum this up quite briefly.

The distinguished minority whip, the Senator from California, has described the Secretary of Interior as the Nation's chief environmental officer. In this he is correct.

But what is missing from the discussion of the Senator from California and much of the remainder of the discussion of this nomination here today is the fact that the Secretary of Interior is much more than chief protector of the Nation's environment. He is also the Nation's chief energy, mineral, forest products, grazing, recreational, wildlife, and environmental officer, and it is, therefore, the duty of the Secretary of the Interior to perform a very broad range of duties and responsibilities which sometimes conflict.

His primary duty, therefore, is to strike a reasonable balance as between these goals.

I am confident that Jim Watt will be well able to strike such a balance.

I am honored to support a long-time personal friend, James G. Watt, as President Reagan's nominee for Secretary of the Interior.

I admire Jim Watt. He is an extremely bright, thoughtful and imaginative person whose broad experience has given him familiarity with a wide variety of issues.

Jim Watt is a University of Wyoming law school graduate, who served as an aid to former Wyoming Senator Milward Simpson. He was a natural resources lobbyist with the U.S. Chamber of Commerce; Deputy Assistant Secretary of Interior for Water and Power Resources; Director of the Bureau of Outdoor Recreation; and vice chairman of the Federal Power Commission (now the Federal Energy Regulatory Commission). He is currently the director of the Mountain States Legal Foundation, a public interest organization dedicated to bringing "a balance to the courts in defense of individual liberties and the private enterprise system."

He is a lifelong westerner who is deeply concerned about protecting the environment of the Western States, even as we develop the energy and other resources we so desperately need. He recognizes the most basic principle of ecology—that everything is related to everything else—and knows that this principle applies with equal force to the relationship between energy, mineral, economic, employment, import, and environmental issues. Jim Watt understands that America has vast energy and mineral resources, primarily in Alaska and in the Western United States, as well as offshore, and that it has been our continuing failure to develop these resources that has created much of the social and economic crisis that we face today.

He knows intuitively and from experience that the simplistic answers of the past—the idea that lands must be either preserved as wilderness or opened to rampant, uncontrolled development—will not work in the 1980's. In numerous speeches, legal arguments, and papers, he has articulated his major concept: That failure to develop our western energy and mineral resources in an orderly manner now will result in the ravaging of our western environment and the destruction of the free enterprise system, when the need for these resources reaches a critical level.

Jim Watt is also a strong advocate of sound multiple use management of our public lands. The extreme environmentalists have tended in recent years to define multiple use as large-scale, uncontrolled development. Its proper definition, and that followed by Jim Watt, is orderly, timely development with full and adequate environmental protection. It means a balance between development and protection of natural resources.

Jim Watt is an environmentalist. But he is also a realist who recognizes that America needs the energy and minerals that underlie our public lands; that the international situation and America's national security demand that these domestic fuel and nonfuel minerals be found and developed; that development can take place only where these minerals actually occur; and that exploration and development can be accomplished without significant adverse impacts on the environment—but only if the activities proceed in a timely, orderly fashion, before a major socioeconomic crisis overtakes us.

As president of the Mountain States Legal Foundation, Jim Watt has been an effective advocate. As Secretary of the Interior, he will be a thoughtful arbiter who will assess all the facts and interrelationships and listen to the arguments of all parties, before rendering a decision that best represents the overall public interest.

I trust that the Senate will quickly confirm his nomination.

Mr. President, I ask unanimous consent to have printed in the RECORD editorials from the Wall Street Journal, from the Denver Post and the Rocky Mountain News.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Dec. 26, 1980]

WATT'S UP?

The selection of Colorado attorney James Watt as the next Secretary of the Interior has opened an environmentalist hornets' nest. He has been called "a joke"; "a caricature of an anticonservationist"; a man who wants "to undo the careful system of wilderness protection so long in the making." The New York Times editorialized, "Mr. Watt is determined to gut regulation and boost exploitation of the public lands."

Why are environmentalists so piqued by the notion that the caretaker of federal lands may actaully want to open them to exploration and development of much-needed minerals and fuels? What's wrong with selecting a "public interest" lawyer who has battled *against* government regulations? Even if all the criticism were true, for that matter, why can't Mr. Reagan have his own version of a Joan Claybrook?

As head of the Mountain States Legal Foundation in Denver, Mr. Watt has launched court challenges to the Carter administration's land-management and environmental policies. For instance, the foundation has fought to open Wyoming's Overthrust Belt to oil exploration and challenged the Environmental Protection Agency's handling of auto-pollution-control standards in Colorado. The law firm was founded by Colorado brewer Joseph Coors and other Western businessmen, who wanted a "public interest" gadfly of their own to take on Washington bureaucrats and environmentalist zealots. In that role, Mr. Watt has been a tough fighter and a partisan advocate of less restriction on the use of Western lands.

Now, no one knows how Mr. Watt will fare in office, but his promise of an Interior Department that tries to balance conflicting interests in the West and the nation strikes us as reasonable. If the federal government insists on owning vast tracts of land in the West and Alaska it seems only logical that all the people of the country should have a stake in how those lands are used.

Should they be used to raise cattle? A lot of Americans eat hamburgers. Should oil and gas drilling be permitted? Fuel is a rather basic need. Should sheep grazing be permitted and should ranchers have more freedom to protect their livestock from predators? Wool and mutton are useful. Should trees be harvested? Wood is useful too, and beetles and forest fires will eventually harvest the trees anyway.

Can all these things be done without destroying the land and its beauty, its wildlife, its water resources, its ecology? Certainly. That's what the Department of Interior is there for, to manage federal lands and federally owned resources so that they are used intelligently in the interest of all the people. The policy orientation that Mr. Watt will try to change assumes that the so-called environmental lobby has all the best arguments and that huge new tracts of land should be off limits to the people who live in the West to give aesthetic satisfaction to Sierra Club members in Manhattan and Boston.

Environmentalism is a worthwhile cause, but the voters have grown tired of environmentalist excesses. That's why Mr. Watt is where he is. We wish him well.

[From the Denver Post, Dec. 21, 1980]

JIM WATT FOR INTERIOR

Contrary to Washington rumors, James G. Watt, Denver attorney being considered for the Interior post in the Reagan Cabinet, has excellent qualifications. His record is that of an extremely bright young man who, through twin careers in law and public administration, focused on exactly the kind of issues he will deal with if named interior secretary.

A native of Wyoming, Watt went to Washington in 1962 as an aide to Sen. Milward Simpson, R-Wyo. He became a deputy assistant interior secretary, then head of the Bureau of Outdoor Recreation and, in 1975, still in his 30s, vice chairman of the Federal Power Commission. He did well in each of these responsibilities.

A check of Interior Department offices in Denver shows that people who worked with him rate him highly and picture him as a careful custodian of land and environmental resources.

Leaving Washington with the outgoing Ford administration, Watt became president and chief legal officer of the Mountain States Legal Foundation in Denver—a job that has earned him much attention. As a public-interest lawyer countering the "lock-up-everything" theories of Carterites, Watt inevitably made enemies.

But he won cases in federal court, which is scarcely the hallmark of inadequacy his critics would like to tag him with. In a way, Watt simply faces the unthinking criticism applied to successful courtroom lawyers. He's identified with his advocacy.

Actually, that's not all bad. The West needs more resource development than the Carter administrators were willing to deliver. The job needs to be done with care and balance. As Ronald Reagan said in Grand Junction in September, Westerners—not administrators "thousands of miles away"—can do it best. He might have had Jim Watt, 42, in mind when he said that. We hope he did.

[From the Rocky Mountain News, Dec. 20, 1980]

NAMING JAMES WATT

Environmentalists, who are practised at stopping projects they don't like, appear to be having some luck blocking a project of President-elect Ronald Reagan's, namely, his intention to nominate James Watt as interior secretary.

Watt, 42, is from Denver. He is president and chief legal officer of the Mountain States Legal Foundation, a conservative, non-profit group that has given all manner of liberals fits in the courtroom.

But just because Watt is the kind of person who would probably rather be diseased than join the Sierra Club, it doesn't follow that he should be denied a job in the Cabinet.

When the American people elected him, they knew Reagan was a conservative, and there's something a touch absurd about some people insisting that he keep conservatives out of his administration. Can the opponents of Watt believe that if he doesn't get the job, Reagan will name a Ralph Nader type instead?

Given his performance as head of the foundation, Watt is a bright, imaginative guy, the organization has achieved results where it seemed none were possible, and has provided a counterbalance to other nonprofit groups of leftist persuasion.

But is he an ideologue? We doubt it. His role as president of the foundation has been as an advocate. His role as secretary of interior would be more nearly that of a judge, and we suspect he would recognize the difference.

We've disagreed with a number of stands taken by the Mountain States Legal Foundation, but we also think Americans want to give conservative principles a chance to solve the country's problems during the next four years. That doesn't mean tearing up the environment. But it might well mean taking a second, hard look at some environmental regulations, and Watt seems well-qualified for the task.

Mr. ARMSTRONG. Mr. President, I shall turn briefly to some of the arguments that have been raised in opposition to this nomination because they are truly remarkable.

First, the suggestion that somehow Mr. Watt is qualified because he has been a practicing lawyer, a chief legal officer of the Mountain States Legal Foundation.

The plain fact of the matter is that prior to the emergence of the Mountain States Legal Foundation and some similar public interest law firms in case after case in many jurisdictions only one side of these questions of law were being effectively argued in the courts of this Nation.

I think he has performed a singular and an important service in bringing forth the other side of these legal issues because, after all, in our system of justice it is the adversary relationship, the implication that both sides will be represented and forcefully advocated in which we strike a reasonable balance.

I do not think anyone, surely no Senator, would come before us and suggest because a lawyer had been, say, a legal officer of the American Civil Liberties Union and he might have defended a Communist or a Nazi, that he was tarred or tainted by that association, or that a man who had practiced criminal law was in some way tainted because he might have defended someone who was accused or even convicted of committing a crime.

I really think that is a most unfair accusation. I think it is a most unfair characterization of this nomination.

Indeed, the fact that in many cases J'm Watt, lawyer, has won cases against the Department of the Interior and other Government agencies indicates to me that the Government agencies were not performing their duties, that they were not following the laws and that in a number of cases the courts have so held.

Second, it is suggested that it is a conflict of interest inherently because these lawsuits that he has brought have had to do with the Department of the Interior.

What a remarkable new thought to suggest that someone who has been working in the area of jurisdiction is disqualified. I have never heard it suggested that an educator was somehow disqualified to serve in the Department of Education or someone active in the labor union movement was disqualified to serve as Secretary of Labor, or a businessman could not be a Secretary of Commerce, or someone who was an environmentalist was disqualified from the position of high public trust such as Secretary of the Interior, or a banker might not serve as Secretary of the Treasury, or someone who was a farmer might not be the Secretary of Agriculture.

The PRESIDING OFFICER. The 3 minutes yielded to the Senator have expired.

Mr. ARMSTRONG. Mr. President, I ask the Senator to yield me 1 additional minute.

Mr. McCLURE. Mr. President, I yield to the Senator 1 additional minute.

The PRESIDING OFFICER. The Senator from Colorado is yielded 1 additional minute.

Mr. ARMSTRONG. Mr. President, all in all I do not think the arguments made against this nomination amount to very much, and I think the case in support of Mr. Watt is very, very strong. He is a fine man, a man of fine personal qualities of distinction and in private life. He is a brilliant lawyer, as anyone who sat through the hearings or read the record of the committee will know. He is eminently qualified for this.

There is one matter, however, raised by the distinguished Senator from Arkansas which I wish to comment on just briefly, and that is the question does the Secretary of the Interior have too much discretion. In that I agree with the Senator from Arkansas. I think most Cabinet officers, most officials of Government have too much discretion precisely because Congress has been unwilling to discipline itself to the task of writing law with precision. To that extent I will join the Senator from Arkansas and others in writing these laws more carefully and preserving to the legislative branch more of the policymaking in the future.

But that has nothing to do with the qualifications of this nominee who I hope the Senate will quickly confirm.

Mr. McCLURE. Mr. President, I yield 2 minutes to the senior Senator from Wyoming (Mr. WALLOP).

The PRESIDING OFFICER. The senior Senator from Wyoming (Mr. WALLOP) is recognized for 2 minutes.

Mr. WALLOP. Mr. President, I thank the Senator from Idaho.

I rise to express my amazement at the crowd of "readiwattkillers" that are out here.

There is an underlying assumption in the statements made today which I find offensive. It is that those of us who live in the West do not cherish our environment as much as those who do not live in the West and who view it possessively from afar.

Frankly, one of the things on which I have constantly been at odds with the Senator from Arkansas and others is the issue of our severance taxes and our ability to try to maintain the quality of life.

I think our record continues to speak for itself as we seek to protect our water, lands, and the environment. Under absolutely no set of circumstances would I ever endorse anyone that I thought was going to rape, pillage, and plunder the West or any of the rest of the country. I do not care whether he came from Wyoming or even my hometown of Big Horn. It is a preposterous assumption.

Mr. President, there has been a lot said about Mr. Watt's record with the Legal Foundation, and all these people say the record is what you should lean on. His work with the Foundation represents 3 years in his life, 3½ years of his life he was head of the Bureau of Outdoor Recreation. There he established one of the great conservation records in America, but they ignore that entirely, just simply ignore it.

If we are going to look at a record, for golly sakes, look at it through eyes with glasses on and not from the single perspective from which you are looking.

A number of the cases litigated by the Foundation have been characterized in the most scurrilous and unlegal manner. I am going to add to the characterizations of those cases because believe it or not, Americans of all stripes have rights under the Constitution and Americans of all stripes have a right to expect the equal application of the law. If Mountain States Legal Foundation won cases because the law supported such a determination, then it is the right of Americans to have it lawfully implemented.

Mr. President, I ask unanimous consent to have printed in the RECORD a summary of the cases engaged in by the Mountain States Legal Foundation and prepared by Mr. Watt to provide some balance.

There being no objection, the cases were ordered to be printed in the RECORD, as follows:

SUMMARY OF MOUNTAIN STATES LEGAL FOUNDATION LEGAL ACTIVITY

Prepared by: James G. Watt.
For: Presentation to Senate Energy & Natural Resources Committee.
Date: January 7, 1981.

Total number of cases and administrative appeals:*, 47.

Cases and Administrative Appeals Categorized by Public Interest Issues, see complete breakdown attached.

Constitutional Rights Cases: 16.
A. Concerning Individuals: 7.
B. Concerning Business: 6.
C. Concerning Educational Institutions: 3.

Constitutional Checks and Balances in Government Cases: 12.
A. Federal v. State Powers: 3.
B. Legislative v. Executive v. Judicial Powers: 9.

Public Access to Federal Lands Cases: 12.
State Water Rights Cases: 5.
Availability of the Courts for Public Interest Litigation Cases: 2.

CASES AND ADMINISTRATIVE APPEALS IN WHICH THE MOUNTAIN STATES LEGAL FOUNDATION HAS PARTICIPATED IN ORDER TO ADVANCE THE PUBLIC INTEREST

(NOTE.—This list does not include any matters, such as those which have been or are being investigated, if the Foundation has not participated formally in a judicial or quasi-judicial proceeding.)

(Classified by Types of Public Interest Issues Addressed)

I. CONSTITUTIONAL RIGHTS AND INDIVIDUAL LIBERTIES

A. Constitutional Rights—Individual

Cases and Public Interest Issues

MSLF v. Denver School District No. 1: MSLF seeks to protect the taxpayers' freedom of speech and right to petition the government for redress of grievances against the unfair use of tax dollars by local school districts to lobby the electorate on ballot issues.

Campbell v. Littleton School District No. 6: MSLF seeks to protect the taxpayers' freedom of speech and right to petition the government for redress of grievances against the unfair use of tax dollars by local school districts to lobby the electorate on ballot issues.

MSLF v. Andrus (Wild Horse Case): MSLF seeks to protect the public lands against federal mismanagement and to protect private land owners against the uncompensated taking of their grazing forage which results when the BLM unlawfully permits wild horses to graze on private lands. MSLF further seeks to hold personally liable those government officials who knowingly permit such unconstitutional takings.

Ward v. Coleman; United States v. Ward (Consolidated Cases): MSLF sought to protect the Fifth Amendment right of an individual not to be forced to incriminate himself by being required, under penalty of fine or imprisonment, to file a report with the federal government which is the sole basis for assessing an automatic fine against him for violating statutory prohibitions.

DiLeo v. Board of Regents of the University of Colorado: MSLF sought to protect the right of non-minority students to be admitted to state universities on the basis of merit and without regard to race, creed or color.

State of Texas v. United States (Alien School Children Case): MSLF seeks to preserve the right of Texas to determine for itself, as a matter of policy, whether to educate persons who are not legally present within the United States.

Merrion v. Jicarilla Apache Tribe: MSLF seeks to protect the traditional rights and liberties of nonmembers of Indian tribes, who have neither input into tribal government nor effective review of tribal government action, by requesting the court to define tribal sovereignty in such a way that those traditional rights and liberties receive protection equal to that afforded by state and federal constitutions.

Mountain States Telegraph & Telephone Co. v. Public Service Commission: MSLF seeks to protect the right of businesses to protect their trade secrets from compelled public disclosure unless adequate compensation is given for the property taken.

Marshall v. Barlow: MSLF sought to protect the right of businesses to be free from unreasonable (warrantless) OSHA searches.

Stoddard Lumber Co. v. Marshall: MSLF sought to protect the right of businesses to be free from OSHA searches of their business premises in the absence of a properly obtained administrative warrant.

MSLF v. City & County of Denver (S & D Case): MSLF sought to protect the interests of the taxpayers of the City and County of Denver in not paying higher costs for city projects because of an arbitrary bidding system which discriminated against non-Denver-based businesses.

Associated General Contractors of Wyoming v. Secretary of Commerce: MSLF sought to protect the right of contractors to compete freely for contract wards on federally-financed projects without regard to the race of the owners of the business.

Mountain Fuel Supply Co. v. Utah Committee of Consumer Services: MSLF sought to protect the cornerstone of the private enterprise system, which is the right of the risk-taker to enjoy the profits which may accrue from taking the risk, against infringement by the public service commission.

Hillsdale College v. Department of Education: MSLF seeks to protect the right of private educational institutions to structure their programs and curricula without federal interference, where the private educational institutions receive no direct federal aid.

Grove City College v. Harris: MSLF seeks to protect the right of private educational institutions to structure their programs and curricula without federal interference, where the private educational institutions receive no direct federal aid.

Cleland v. National College of Business:

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*This does not include any matters, such as those which have been or are being investigated, if the Foundation has not participated formally in a judicial or quasi-judicial proceeding.

MSLF sought to preserve the prerogative of veterans to use money received for educational benefits to attend the classes of their choice.

II. CONSTITUTIONAL CHECKS AND BALANCES IN GOVERNMENT

A. Federal v. State Powers

Cases and public interest issues

MSLF v. Costle (EPA Case): MSLF challenged the authority of the EPA to withdraw $300 million in federal aid to Colorado in order to coerce the Colorado General Assembly into passing EPA-approved auto emission control legislation. MSLF seeks to protect the right of the citizens of the State of Colorado to a state legislature which represents them and not EPA.

State of Idaho v. Freeman (Article V Case): MSLF seeks clarification of the process by which the Constitution is amended; MSLF seeks to establish the right of a state legislature to rescind its approval of a proposed constitutional amendment before ratification by three-fourths of the states occurs and to establish the constitutional necessity for a three-fourths majority concurrence of Congress in extending any time limit previously set for state consideration of a proposed amendment.

Andrus v. Virginia Surface Mining & Reclamation Assoc.; Andrus v. Indiana; Virginia Surface Mining & Reclamation Assoc. v. Andrus (Consolidated Cases): MSLF seeks to protect the traditional state function of land use planning against federal encroachment.

B. Legislative v. Executive v. Judicial Powers

Kramer v. Department of Education: MSLF seeks to protect the right of legislators to review agency regulations and to disapprove those regulations which are inconsistent with the statutory mandate given the agency.

MSLF v. Colorado Public Utilities Commission; Colorado Assoc. of Commerce and Industry v. Colorado Public Utilities Commission (Discount Rates Case-Consolidated): MSLF sought to protect residential natural gas customers who are not low-income, elderly and disabled from being required, by an appointed commission, to pay more than the cost of the service they received in order to subsidize the provision of below-cost services to low-income, elderly and disabled customers. MSLF's position was that the commission was attempting to exercise legislative authority by providing social benefits to some ratepayers and taxing other ratepayers in order to finance those benefits without any statutory authority to do so.

MSLF v. Utah Public Service Commission: MSLF seeks to protect non-elderly residential and commercial electric customers from being required, by an appointed commission, to pay more than the cost of the service they received in order to subsidize the provision of below-cost services to elderly customers. MSLF's position is that the commission is attempting to exercise legislative authority by providing social benefits to some ratepayers and taxing other ratepayers in order to finance those benefits without any statutory authority to do so.

Beker Industries v. Idaho Public Utilities Commission (Discount Rates Case): MSLF sought to protect non-elderly residential electric customers from being required, by an appointed commission, to pay more than the cost of the service they received in order to subsidize the provision of below-cost services to elderly customers. See further discussion of issue under *MSLF v. Utah Public Service Commission.*

MSLF v. Harris (Arizona School Case): MSLF sought to compel a local school board to adhere to state statutes setting up budget restraints.

Common Cause of Utah v. Public Service Commission: MSLF sought to protect the public's interest in having quasi-judicial decisions made by a collegial body without premature and prejudicial public disclosure of preliminary deliberations.

In Re Utah Public Service Commission Generic Ratemaking Proceedings: MSLF presented the position that the utility rate structure is an inequitable and inefficient mechanism for achieving social welfare goals such as the redistribution of income and that it is the legislature and not the commission which has the duty and authority to make social policy decisions.

Montana Power Co. v. EPA: MSLF challenged EPA as having improperly exercised rulemaking authority without complying with the Administrative Procedure Act.

In Re SO_2 Regulations (Rulemaking Proceeding): MSLF requested the Environmental Improvement Board to review previously unavailable evidence, which MSLF believed needed to be considered, before the Board required the installation of expensive SO_2 scrubbers which would have to be financed by consumers of electricity.

III. PUBLIC ACCESS TO FEDERAL LANDS

Cases and public interest issues

MSLF v. Andrus (RARE II Case): MSLF seeks to protect the public interest in keeping public lands, which are by statute open to oil and gas exploration and development, from being closed to such activity by administrative agencies acting without statutorily-required congressional apporval.

Valdez v. Applegate (Rio Puerco Case): MSLF sought to protect small, Spanish-American ranchers against the Bureau of Land Management's hasty cutbacks in their grazing allotments prior to an appeal of those cutbacks.

MSLF v. Dickenson (Grand Canyon Case): MSLF seeks to protect the right of the public to reasonable, environmentally sound access to the Grand Canyon for recreation by challenging the Park Service's decision to ban all motorized raft trips on the Colorado River through the Grand Canyon.

MSLF v. Costle (Integral Vistas Case): MSLF seeks to protect the primary responsibility of local government for regulating land use from interference by overly expansive EPA regulations for visibility protection.

CGG—Forest Service Appeal: MSLF seeks to protect the public interest in having the mineral resources of wilderness areas explored, as Congress intended, prior to the full withdrawal of those lands on December 31, 1983.

Palisades—Forest Service Appeal: MSLF seeks to insure that public lands under wilderness study are not improperly withdrawn from oil and gas leasing.

City & County of Denver v. Bergland (Williams Fork Case): MSLF seeks to protect the interest of Denver's suburban water users in an adequate water supply by challenging the Department of Agriculture's attempt to unlawfully extinguish an existing right-of-way necessary for a water supply project.

Burlington Northern, Inc. v. United States; Montana Wilderness Association v. United States (Consolidated Cases): MSLF sought to protect the right of private land owners whose lands are encircled by federal lands to reasonable access to their lands.

State of Utah v. Andrus; Cotter v. Andrus (Consolidated cases): MSLF sought to protect the rights of unpatented mining claim holders to reasonable access across federal lands to explore and develop their claims.

Park County v. United States: MSLF sought to protect public rights-of-way from unlawful closure by the federal government.

Humboldt County v. United States: MSLF sought to protect public rights-of-way from unlawful closure by the federal government.

Bennett Hills Grazing Association v. United States: MSLF sought to protect grazing permittees from BLM's hasty implementation of grazing allotment reductions prior to effective input from the permittees.

IV. STATE WATER RIGHTS

Cases and public interest issues

Sierra Club v. Andrus (Escalante Case): MSLF seeks to restrict the general expansion of the federal reserved water rights doctrine to include all public lands managed by BLM under FLPMA.

Environmental Defense Fund v. Costle (Colorado River Salinity Case): MSLF sought to protect the interstate compact which governs the allocation of the waters of the Colorado River amongst the states against being rendered meaningless by federal regulation.

Riverside Irrigation District v. Stipo: MSLF seeks to protect the integrity of state water rights systems and interstate compacts.

United States v. Douglas Sewer Improvement District No. 1: MSLF sought to protect the residents of Lake Tahoe from the disruption of their employment, property rights and economic stability by the restriction of sewage treatment facilities.

Colorado River Water Conservation District v. Vidler Tunnel Water Co.: MSLF sought to protect the role of private enterprise in developing water in Colorado by requesting the court to reconsider its decision that conditional water rights could not be obtained unless firm contracts with specific water users were obtained by the party diverting the water.

V. AVAILABILITY OF THE COURT FOR PUBLIC INTEREST LITIGATION

Cases and public interest issues

United Farm Workers National Union v. Babbitt: MSLF sought to protect intervenors in civil rights litigation from being assessed court costs and attorney fees since such assessment could discourage public interest entities from intervening in such cases.

National Wildlife Federation v. Secretary of Interior (Foothills Case): MSLF sought to preserve the jurisdiction of the federal district court in Colorado over issues concerning a local water treatment facility since meaningful local input was more feasible in that forum, by challenging the filing of the second lawsuit on the same issues in Washington, D.C. MSLF was prepared to represent water users on environmental issues if the matter were litigated in the federal district court for the District of Columbia.

Mr. WALLOP. Mr. President, the last thing I wish to say is that I again want to assure my colleagues that under absolutely no set of circumstances would I ever look with favor upon a nomination of my brother, my sister, or any other person close to me, for any political reason, if I thought that damage and harm would come to the quality of life and the environment in which I live and which I grew up in. I do not believe Watt will do that. I challenge anyone to show in the record where he would do that. I do not think it is possible.

I frankly think, that under any other set of circumstances, this nominee would have been viewed in history as being absolutely qualified. Here is a man experienced in the politics of the organization that he is going to deal with, namely, the Senate. He came here as the administrative assistant of the father of my colleague from Wyoming.

The PRESIDING OFFICER. The 2 minutes yielded to the Senator have expired.

Mr. WALLOP. Mr. President, may I have yielded to me 1 additional minute so that I may finish?

Mr. McCLURE. Mr. President, I yield 1 additional minute to the Senator.

The PRESIDING OFFICER. The Senator is yielded 1 additional minute.

Mr. WALLOP. Mr. President, he came to Capitol Hill as the administrative assistant of Senator SIMPSON. He served with distinction in the Department in which he now seeks to head, both on the production side and on the conservation side of it. He is fully aware of the dichotomy of views that are necessary, both to produce and to conserve. He also has something which is rare in this circumstance, a moment of time in the private sector.

I think that outside these irrational surroundings without the emotions that go with this, this nomination would be viewed with distinction, and I suspect that James Watt will fill it with distinction.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. I yield to the junior Senator from Wyoming 6 minutes.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 6 minutes.

Mr. SIMPSON. Mr. President, I have been listening to the debate—rather to the commentary—and considering some of the harshness that has come in. I understand fully the depth of raw fear that is apparently being expressed. But it has no basis in fact, only in emotion. It is a perplexing situation, and I must address it in my brief time. I find this to be literally immersed in irony, or at least dripping a bit with it.

The phrase "extreme environmentalist" seems to defy description. I will not step in where angels fear to tread. But there is such a curious aspect to all of this. Those who have opposed the confirmation of James Watt speak of him as though he were a total stranger or unknown quantity to this body. In fact he is not. Jim's early professional work as Senate aide and professional committee staff member, as well as Director of the Bureau of Outdoor Recreation and member of the Federal Power Commission are testimony to his career as a "public man."

Only his most recent work has seen him as the president and chief legal officer of the Rocky Mountain Legal Foundation.

Review the cases of the Mountain States Legal Foundation, which my colleague, the senior Senator from Wyoming, has placed in the RECORD. Examine them closely. The early course of environmental law was largely written by the environmentalists who failed to get their way in the legislatures and skillfully then began to use the courts.

Many detrimental results occurred. There was a complete crippling of the development of Western coal on public lands in the Fort Union coal deposit in the West, as well as extreme uncertainty interjected in grazing leases and water development.

Then came the public interest law firms on the other side, Mountain States, and Pacific legal foundations, and they won cases. That was a source of great irritation to the litigious environmentalist elite. They are a rather extraordinary group. A rugged and willful cadre of about 10,000 or 11,000 tax-exempt corporations with very small memberships and tremendous material support, often with singular family relationships deftly threaded through the organizations which, in itself, would make a fascinating feature story.

They do not like what the James Watts of the world do, but they are unable to argue with the way they do it because they contrived and invented it. I hope we will keep that in mind. Hoist on their own petard. That is what it says.

Back to those cases for a minute, just one about the public utility. That case was not about the poor or the old or the disenfranchised. It simply said this:

> If you are going to do social justice, do it through a legislature or through a city council, not through a public utility where the ratepayers rather than the taxpayers make up the deficit or fund the particular Government operation.

That is all it says. Look at the rest of them. All the rest of them have a rather pragmatic background to them.

Look at the "talk of conflict." Boy, that dazzles this old cowboy from Wyoming—that he cannot now serve because he will be administering in the areas where once he litigated. What an extraordinary statement. And this from those who watched the Natural Resources Defense Council become a very important part of the decision process in the court's consent decree as to Federal coal leasing.

I often ask why the coal companies could not have been in on the administration of the consent decree, but that received a very jaded response. They think that an unheard of intrusion, and they are the counsel that put it all together, the members who were once the activists on the other side. The fox guarding the chickenhouse theory apparently applies to Watt but not to the chickens and the interchangeable foxes who played musical chairs and who abused and manipulated the legal system in the past.

Conflict? Try this cast of characters: The Chairman of the President's Council on Environmental Quality, Gus Speth, was a former member of the NRDC; the Assistant Secretary of USDA for Conservation, who controls the U.S. Forest Service, was the head of the Wilderness Society, a man named Rupert Cutler. He was known in the West as the mother of RARE II. The father was unknown.

The Assistant Secretary of Parks and Wildlife at Interior was Robert Herbst, of the Izaak Walton League; the Assistant Secretary for Lands and Natural Resources in the Department of Justice, James Moorman, was a key litigator for the Sierra Club—conflict—a man who went to work for the party being sued by his former clients.

How about Joe Browder, the founder of Environmental Policy Center, who went to the Department of the Interior to be Deputy Assistant Secretary; John Leshy, litigator for Natural Resources Defense Council in the Hughes case, who became Deputy Solicitor of the Interior Department; and Kitty Schirmer, Associate Director for Natural Resources of the Domestic Policy Council, who was formerly with the Environmental Defense Fund?

Those are the persons who were the creators and the stage managers of what we know in the trade as the "sweetheart" lawsuit. Talk about conflict? Those days are gone forever.

So we have new beginnings in Interior. You bet that is true.

You will not find Jim Watt gimmicking the system with underlings skilled in the use of the autopen. He will be direct and he will be up front. His predecessor tried to do that, but his underlings often undid it.

So he believes in multiple use; he believes in the balance that people have talked about.

The clamor for the Sagebrush Rebellion will die down under the administration of Jim Watt because he will insist upon a more responsive agency. He will administer where you can get a decision, where you can build a road to an oil rig in the winter without waiting for a year; where you can get an easement across a pile of sagebrush, where you can see a tank battery or a road ahead of you and say that is not wilderness, we are using that land for something.

Jim was questioned repeatedly on his philosophy and approach to legislation such as the Federal Planning Management Act, the Federal Mining Reclamation Control Act, and the Clean Air Act. He consistently responded that he would not propose wholesale changes but would endeavor to properly apply the intent of Congress. This administrative approach is most refreshing to this Senator who was informed by a high official in the past administration that those earlier laws were being interpreted by the Department of the Interior to "strike a balance between the environmentalist position and the intent of Congress." No wonder that an atmosphere of extreme bitterness developed in Western States in the face of such attitudes.

So Jim Watt will be confirmed. He believes in stewardship of national lands as much as he practices Christian stewardship in his own life. I commend him for the sheer class that he displayed in the hearings and in the face of some rather tasteless, baseless, and rather unproved "sensationalese" charges.

The PRESIDING OFFICER (Mr. ARMSTRONG). The Chair regrets to inform the Senator that the time yielded to him has expired.

Mr. SIMPSON. Mr. President, if I may have 1 additional minute?

Mr. McCLURE. I yield 1 additional minute.

Mr. SIMPSON. I thank the Senator from Idaho.

I say again the people of America have nothing to fear from Jim Watt, a remarkable Christian and a civilized gentleman, extraordinarily bright and with an appealing family.

Get to know him. He is an authentic person, and the Lord knows they will need someone with his inner sources of strength in that place over there.

They have been through the fires in their own lives, and it has been nothing more than something which has strengthened them and tempered them, and he will make you all very proud, and you may even—if you allow yourself to do so—like him.

I thank the Senator very much.

Mr. McCLURE. Mr. President, I yield 5 minutes to the Senator from Massachusetts.

Mr. TSONGAS. Mr. President, the nomination of James Watt is for me a very difficult and very vexing decision.

I began the confirmation process strongly inclined to give President Reagan his chosen people. I had strong philosophical disagreements with most of them, but it is a fact that Ronald Reagan won the election and we Democrats did not. The election was a mandate, and it is not appropriate, generally, for that mandate to be frustrated by those who, like myself, may be in disagreement. Therefore, I have voted for nominees with whom I share very little substantively because of that premise.

In the case of General Haig, I voted "nay" because to do so served, in my opinion, a purpose relative to the balance of power between the executive and legislative branches and in other areas.

Now what about James Watt.

I am an environmentalist and I make no apology for that term. James Watt is not.

I met Mr. Watt in my office before the hearings and observed him during the hearings. I came away from that process concerned about his views but willing to have faith in James Watt the person despite those views. I asked for a second meeting with him, which I had last Thursday. The meeting was a chance for him to mollify me as to his positions.

He never took me up on the opportunity. I ended up with a sense of foreboding. James Watt is a frank, sincere, and committed individual.

But committed to what end?

"I am a Reagan Republican," he said. Well that's fine but what does it mean? Does it mean despoiling God's Earth? Does it mean the serving of private interests over the public good? I do not know.

I wanted in my last meeting with James Watt to be placated, to believe in his inherent sense of balance, and to be able to cast an "aye" vote with confidence. It was not to be. While I felt drawn to him as a person, I was not comforted.

So where does that leave me?

I realize now that I and James Watt will probably do battle over many issues in these 4 years.

I know that I will like him as a person but that will not diminish the intensity of my opposition to the exploitation of our natural resources.

I feel in my gut that in his realm will be any of the great tests of this administration.

I have weighed this vote very, very carefully. There is no reason to vote for James Watt in my position. No one in Massachusetts, on my staff or in my family is for him.

I have decided to vote for him anyway.

Why?

First, I want to signal to James Watt that our future battles will be on the issues, and will not reflect upon his basic genuineness.

Second, I want to be able to hold James Watt accountable for his commitments to achieve balance and to build a bridge to the environmental community.

Third, I want to hold his Senate sponsors, specifically my friend ALAN SIMPSON and MALCOLM WALLOP to their deeply held views about James Watt, the human being.

Fourth, I want to isolate my vote on General Haig so that the purpose of that vote will be all the more understood and taken all the more seriously.

Let me finish this chapter with these thoughts James Watt is very religious—and genuinely so. It is clearly a part of him. Does a true man of God allow the rape of God's earth and God's creatures? Can a man of God look upon desecrated land and see God's will?

Can the destruction of animals and naturalness even be arguably part of God's plan for us? I think not.

For James Watt to be remembered as a conduit to ruinous development is, of course, very easy.

For James Watt to be remembered as the gallant soul whose role was to smite the environmentalists is very easy.

For James Watt to be remembered as the congenial fellow who allowed pieces of eight to clink in the coffers of the insensitive to God's earth is also very easy.

What is hard is to be remembered as the steward of our rich natural heritage. What is hard is to grow into one's responsibility; to be worthy of a national role that transcends the narrowness of special interests.

James Watt is dedicated to not being cowed into retreat. Big deal. Sticking to your ideological guns is easy.

The hard part is to reach out beyond the expected.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. TSONGAS. If I could have 15 seconds, I will be finished.

Mr. McCLURE. Mr. President, I yield 15 seconds to the Senator.

Mr. TSONGAS. The hard part is to reach out beyond the expected. I am going to do it here. I may well regret it someday. But if I do, it will be James Watt who was unwilling to grow and unwilling to do the unexpected—not me.

I am taking a long-shot risk here. I do not expect to win, frankly. But I do want to have tried.

The rest is up to James Watt.

I thank the Senator from Idaho.

Mr. McCLURE. Mr. President, I yield 5 minutes to the Senator from New Mexico (Mr. DOMENICI).

Mr. DOMENICI. Mr. President, I thank my good friend from Idaho.

It is not often at this hour and at this stage of a confirmation proceeding that the Senator from New Mexico would feel compelled to spend 5 minutes of the Senate's time. But I do on this one, because I truly believe that there are some impressions that have been left with this body that are not only erroneous but truly tend to mislead.

I would take the Senate back 15 years and until about 3½ years ago, the point in time when the foundation that Mr. Watt heads came into existence and I will ask them to look into the courts of America to find out where the litigation against agencies of the Federal Government challenging their policy decisions came from.

I do not like to use words to describe groups, but for that period of time, in a very legal and legitimate way, environmentalist groups, such as the Sierra Club and others, were the ones going to court challenging the policies of EPA, challenging the policies of the Department of Agricultre, which, incidentally, manages the forests not the Department of the Interior, as suggested by one Senator today. They were the ones who sued the Department of the Interior. They were the ones that established in a lawsuit that every acre of grazing land in America before you could change the grazing plan was subject to an environmental impact statement. One hundred and fifty-four such statements will have to be prepared taking 9½ years.

I did not hear anyone saying, "What business is it of an environmentalist group to sue the Department of the Interior or the Bureau of Land Management to establish public policy?" But this man observed that. He said there ought to be another group and it ought to have the same rights that they have and, unequivocally, we should go to court to balance the enormous preponderance of litigation that has been affecting public policy in one direction only. He did that. And for that he is criticized here on the floor of the Senate and in the committee that reported him out.

I urge the Senate to consider that that is precisely what happened in the history of using the courts of America to effect public policy. If a group decides to balance that and Jim Watt decides to head that group and he goes to court and wins some lawsuits, that ought to be more than prima facie evidence that there was a need for what he wanted to do, or else why would he have won?

There are those who make it sound like in every case—and there were only four against the Department of the Interior—he was there representing Exxon or Shell Oil. Well, let me tell you, I am here to thank him, because he represented through that foundation 35 grazing permittees in the State of New Mexico, Hispanic Americans who could not afford a lawyer. They were about to get denied their rights to graze because a bureaucratic America decided not only are we going to change the rules, but you 35 little people, you cannot even challenge our rules. We are going to change them for you right now and good luck.

I thank his foundation and him because he got a distinguished circuit court to say, "That is not American, friends. You have got to give them a right to appeal a decision that denies them 50 percent of their livelihood."

There was not a single one of them that owned anything but a few acres of grazing rights, and all but eight owned them before the United States of America existed, through their Hispanic heritage.

We are led to believe that that foundation and this man taking that kind of lawsuit is going to destroy, in some way, and has preconceived ideas to just do away with fair play and a balanced approach to the policies of the public domain.

That case stands out with me. He was right in his original decision that such a foundation should be created, advocating balance through the courts, and I thank him for it.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McCLURE. I yield 1 minute to the Senator from South Dakota (Mr. ABDNOR).

Mr. ABDNOR. Mr. President, today as the Senate prepares for final consideration of the nomination of Mr. James G. Watt as Secretary of the Interior. I would like to express my support for the gentleman from Colorado.

I am convinced that Mr. Watt will bring a balanced and deliberate perspective to his duties which include the oversight of over 500 million acres of Federal land and trust responsibilities for nearly 50 million additional acres.

Jim Watt is especially qualified for this position of trust because of his vast experience in dealing with the complex, and often emotional issues surrounding the stewardship of this Nation's natural resources. He has spent the better part of his adult life working on these issues and no one is better prepared to assume this post than Jim Watt.

During his confirmation hearings, Mr. Watt has proven himself to be an informed, open, candid and knowledgeable nominee as he presented his views on a wide range of vital issues he will deal with as Secretary.

James Watt will be an excellent Secretary of Interior and I am convinced that he will work to see that a responsible balance of environmental, energy and economic factors is maintained.

While standing in support of Secretary-designate James Watt, I would like to comment on two water policy issues relating to the authorities of the Department of the Interior.

First, rules promulgated by the Carter administration reflect their attitude and intent to discourage water resource development. Specifically, in December 1979 the Water Resources Council published rules on principles and standards that do not allow an increase in production of livestock and specialty crops to be counted as a benefit in determining the economic feasibility of an irrigation project. Probably the best commentary on this rule came from an economist within the Carter administration who called it philosophical and arbitrary.

We in South Dakota who have a deep-seated interest in irrigation hope the Secretary and his assistants at Interior will be equally interested in water development and will address the problem these rules have created.

A second water policy issue of concern to people in South Dakota is the prospect that Federal action to grant a right-of-way for the so-called ETSI coal slurry pipeline will adversely affect the water rights of our State. The Bureau of Land Management has not adequately considered the effects on southwestern South Dakota. I have urged that the draft environmental impact statement published in November be corrected to address these effects, and I shall continue to work to see that the water rights of my State are upheld.

The PRESIDING OFFICER. Who yields time?

Mr. McCLURE. Mr. President, I yield 1 minute to the Senator from Tennessee (Mr. SASSER).

Mr. SASSER. I thank the distinguished Senator from Idaho.

Mr. President, today the Senate is considering the nomination of James G. Watt to be Secretary of the Interior. It is with some reservations that I will cast my vote in favor of confirmation.

My reservations, Mr. President, stem from the testimony taken by the Senate Energy and Natural Resources Committee, Mr. Watt's previous record on conservation issues, and the opinions of my constituents. James Watt has been opposed, in some instances, to the policies of environmental protection that have characterized the Department of the Interior for many decades. In other instances, he has demonstrated the balance necessary to be Secretary of the Interior.

It is the duty of the Secretary of the Interior to protect the public interest with regard to the Nation's natural resources. He is the public trustee of America's land and waters. As such, the Secretary of the Interior should be free from potential conflicts-of-interest that might affect the decisions he will be required to make.

The Senate Committee on Energy and Natural Resources heard much testimony on Mr. Watt's involvement with the Mountain States Legal Foundation, whose stated interest is to "protect and defend individual liberties and the private enterprise system in the courtrooms of America," quoting the foundation's 1979-80 annual report.

Mountain States Legal Foundation is funded by some of the best known extractive industries in the Nation: various oil, gas, and coal companies have contributed to the organization, including Shell Oil, Exxon, Western Coal, and Kemmerer Coal. A recent list prepared by the public lands institute in Colorado, however, showed that 37 separate interests which had contributed over $500 annually to the foundation also had substantial oil, gas, and/or coal lease interests. Such leases are, of course, supervised by agencies of the Department of the Interior and the Department of Agriculture.

Mr. Watt's signed recusal statements, however, have satisfied me that he will make every effort to separate himself from potential conflict-of-interest situations. I am certain that no hint of impropriety will emerge from the Secretary of the Interior's office in the coming years.

My reservations about the nominee are also centered around some of Mr. Watt's public statements about the so-called environmental movement and his record on conservation issues. Just this past December 23, Mr. Watt indicated that the Department of the Interior should begin to recognize that there is an energy crisis, and take steps to develop our natural energy resources.

Apparently, Mr. Watt has not had the opportunity to review the Department of the Interior's efforts on energy. The facts indicate the Department is, and hopefully will continue to be, in the forefront of the Government's energy-development efforts.

Figures prepared by the Bureau of Land Management, an agency of the Department of the Interior, and the U.S. Geological Survey, indicate that excluding Alaska, only 20 million acres of Federal land is closed to energy development—20 million acres which are designated as wilderness.

Mr. Watt contends that a balanced approach is necessary in response to the call for blind economic growth and development. I fully agree. We cannot permit the important environmental protection gains made in the last two decades to be lost in the stampede to open development of public lands.

The balance between development and natural resources that Mr. Watt spoke of during his committee testimony is achieveable. And I might note parenthetically that I will be doing all I can to insure that the balance is indeed sought, and not forsaken to imbalances on either side. I hope the nominee will take note of my feelings.

As a person, James Watt is a man of high character and principle. I expect that, given the high degree of oversight he will receive from myself, my colleagues, and other conservation interests, James Watt will seek only meaningful, well-thought policies as Secretary of the Interior.

Finally, Mr. President, it is my feeling that the President of the United States has the right to seek the counsel of those whose wisdom will help him make the tough decisions required of him. The proper function of the Senate in the nominating process is to question and oppose nominees who might prejudice the public interest by their actions. I do not believe James Watt will, as Secretary of the Interior, seek to harm the common good of the American public or our Nation's formidable natural resources.

The PRESIDING OFFICER. Who yields time?

Mr. BRADLEY. Will the Senator yield?

Mr. McCLURE. I yield 1 minute to Senator BRADLEY.

Mr. BRADLEY. Mr. President, I have weighed very carefully the decision on the confirmation of James Watt as the Secretary of Interior. The basic criteria I use to evaluate nominees are competence and integrity. There is nothing in the record to make me doubt either Mr. Watt's ability or honesty.

Yet, the job of any high public offi-

cial—and certainly that of a Cabinet officer—requires another element: Leadership. Part of that leadership is the ability to bring people of divergent views together. This is a special task at the Department of the Interior where the Secretary is both the guardian of our national heritage and the distributor of valuable public resources. He must do both jobs with sensitivity and total devotion to what is in the public's interest.

I have concerns that Mr. Watt's most recent experience at the Mountain States Legal Fund has given Mr. Watt opportunities to view these problems from only the most narrow perspective. I am also concerned that in his most recent capacity he has tended to take a confrontational approach to many sensitive issues.

Mr. Watt has enunciated, both in private discussions with me, and on the record before the Energy Committee a broader perspective. He has initiated discussions with environmental group representatives, as well as development-oriented groups. That dialog is important to continue and he has indicated his intention to do so.

His testimony before the committee that he will not seek major changes in existing environmental laws is also an important reassurance that he recognizes his responsibilities to preserve public resources. I am also pleased that Mr. Watt has shown an awareness of the potential conflict of interest problems which confront all of us who hold the public trust. Mr. Watt has agreed to recuse himself from any situation involving litigation by his former organization—Mountain States Legal Fund in recognition of that problem.

Of particular importance to my State of New Jersey, Mr. Watt has assured me of his willingness to consult with New Jersey Members of Congress on such paramount issues as the Pinelands preservation plan, the critical water supply emergency in the New Jersey-New York-Pennsylvania area, and efforts to reclaim land such as the Hackensack meadowlands for park facilities close to urban areas.

After weighing my concerns I have decided to support Mr. Watt's nomination—not because I share his views on the issues. His policies remain to be seen. He will ultimately have to lead the Department of the Interior, mediating among competing views of the public interest. I am willing, however, to take Mr. Watt at his word as expressed to me personally and in testimony before the committee. The Energy Committee, all Members of Congress and the public will continue to monitor his progress.

Mr. McCLURE. Mr. President, I yield 1 minute to Senator CHAFEE.

Mr. CHAFEE. Mr. President, when James G. Watt was nominated to be Secretary of the Interior, many members of the Nation's environmental community and Members of the Senate sensitive to environmental concerns expressed reservations about his qualifications to be the chief steward of our natural resources.

As chairman of the Environmental Pollution Subcommittee which has jurisdiction over fish and wildlife programs in the Interior Department, I was one of those concerned about Mr. Watt's nomination. However, I am prepared to vote for him.

During Mr. Watt's confirmation hearings before the Energy and Natural Resources Committee, I listened to Mr. Watt explain his approach to natural resource conservation and asked him several questions about his management philosophy. Although I respected Mr. Watt's frank answers to my questions, I was somewhat concerned by his remarks about the future use of our national wildlife refuges. In response to my questions, Mr. Watt stated that he believes wildlife refuges should be managed with wildlife conservation being the dominant use of the refuge. But he also stated that he would—

* * * not support a program that would dedicate a parcel of land to any single purpose until we had evaluated and understood the values of that parcel of land and how it might most beneficially serve mankind.

Mr. Watt continued—

I will be an active manager to make those evaluations. But as we are adding, two things: Adding uses to our resource base, we are also developing technologies that would allow us to do things today that would not bring the damage that it might have done yesteryear. While Congress has defined the dominant use (of refuges), that must continue. But I am also willing to look to see what other prospects there are as we open up other areas for wildlife. As we open up other areas for wildlife, we ought to be willing to look at the wildlife refuges to see if there is another compatible use.

It seems to me, Mr. President, that what Mr. Watt is saying here is that under his management we are going to see a push for more natural resource development on wildlife refuge lands. Indeed, some resource development is permitted and proper on refuges as long as it is "compatible" with the dominant fish and wildlife uses.

But what really comes into play here is how these compatible uses can be "balanced" against the dominant use.

Everyone agrees that we need jobs, homes, factories, highways, mines, and lumber. But what must be sacrificed to meet these demands? The new Interior Secretary-designate's views on balance most probably will differ from those of the Audubon Society, and I am sure in some instances his views will differ from mine. The question is a subjective one.

I have talked with Mr. Watt about his concept of balance both at his confirmation hearing and in a private meeting.

Although we do not see eye to eye on all issues, especially the acquisition of additional lands for the wildlife refuge system, Mr. Watt expressed deep concern for maintaining wetland habitat. He also indicated a strong desire to consult closely with members of the Subcommittee on Environmental Pollution. I welcome the opportunity to work with Mr. Watt in the coming months to protect the environmental gains we have already made and to continue the effort to conserve and manage wisely this Nation's precious and fragile natural resources.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I yield myself 60 seconds.

I want to say again that Mr. Watt may be as purely motivated as anybody in this Chamber for or against him. My question about him has never been his motivation or his belief in what he has stood for in the past. It has been simply a question of judgment.

I think that he is going to have a very difficult time being the kind of Secretary of Interior that I would like to see and avoid the kind of conflicts of interest and avoid the appearance of conflict of interest which seem to loom so large in this case.

I would hope that he would choose to lease more of the Federal lands on a competitive basis, which is the only fair way the public trust can be defended and protected.

I understand that he is a very devout Christian man, as Senator TSONGAS has pointed out. I hope that he shares my belief that God probably expects the highest degree of stewardship over the very fragile trust he gave us in our lands. I think that is one of the highest obligations of any Christian and I hope that James Watt shares that belief with me.

I am prepared to yield back the remainder of my time.

Mr. BAKER. Will the Senator yield 1 minute to me?

Mr. McCLURE. I yield 1 minute to the majority leader.

Mr. BAKER. Mr. President, I thank the Senator.

Mr. President, I would like to state that it would be my hope and intention tonight to try to dispose of the remaining two Cabinet positions; to wit, Mr. Edwards to be Secretary of the Department of Energy and Mr. Bell to be Secretary of the Department of Education, and not to deal tonight with the three remaining nominations of Cabinet rank but who are not members of the Cabinet per se; that is to say, Mr. Stockman, Mr. Casey, and Dr. Kirkpatrick.

I might say once again I have conferred with the distinguished minority leader about this. I ask unanimous consent that following the conclusion of the debate on the next occurring nomination, which I believe will be the Edwards nomination, that the vote on that nomination be deferred until 9:15. I further ask unanimous consent that following the disposition of the debate on the Edwards nomination that the Senate proceed to the consideration of the Bell nomination, and at the completion of that, assuming it is completed by 9:15, that the vote occur in sequence following the Edwards vote and that the second vote also be a 15-minute vote.

Mr. CHAFEE. The first vote will be a 15-minute vote?

Mr. BAKER. Yes.

Mr. BUMPERS. Reserving the right to object, and I will not object, the vote on the Watt nomination will occur now and it will be a 15-minute vote?

Mr. BAKER. That is correct.

Mr. BUMPERS. Does the leader choose to cut that to 10 minutes?

Mr. BAKER. I think not. Senators are scattered now and we prefer not to do that on the first vote.

Mr. BUMPERS. I yield back the remainder of my time.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? Without objection, it is so ordered.

The Chair will advise that the yeas and nays have not been ordered as of this moment.

Mr. McCLURE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. Mr. President, I will be very brief. I did not want to close the debate without expressing my thanks to those who have expressed themselves this evening in support of the nomination of James Watt. I do that without attempting at all to subtract one bit from the sincerity of those who have spoken in opposition to this nomination. But I could not help but be troubled as I heard some of the debate that characterized the man as being unbalanced because of his representation of clients in conjunction with the Mountain States Legal Foundation. Clients whose cases the litigation selection board had determined should be brought, and Mr. Watt in his role as chief counsel for that organization performed the function for which he was hired.

I certainly agree with the Senator who said earlier tonight that he was more than just a hired legal counsel. He was, and I do not mean to indicate otherwise by that comment.

But I was more profoundly disturbed both during the hearings and during the debate tonight by the implication that the Secretary of the Interior has only one duty, and that is to be the champion of conservation and protection of the environment, the public lands, or resources.

Certainly, that is a part of his charge. But he has a number of other statutory mandates that this body and the body across the Capitol have passed into law at various times that require him also to be the manager of production from those lands, the manager of the granting of leases for the purpose of production. Multiple purpose management is set forth in a number of statutes.

He has a number of different responsibilities, each one of which has been mandated by a law. To suggest that he is to come into office with a singular responsibility implies that he is to violate the law in every other respect.

All I am suggesting is that those who think he should have only one perspective or only one point of view are themselves limiting their perspective of his responsibilities. The public lands are of great importance to every one of us. I will not attempt to go into the delineation of why.

I do not intend to take much longer, Mr. President, but I am concerned when we suggest that somebody who has tried to see that the laws are enforced and followed somehow violated the responsibilities of a citizen of this country to the extent that they are disqualified from holding high public office in the future. We have done far too much of that already in trying to eliminate conflicts of interest, and we eliminate the services of fine men and women who might have been able to serve had we been able to prevail upon them to come to Government to apply the skills and the knowledge which they have acquired through working with the industries with which they would now be called upon to work as a member of the Government.

Mr. President, I think James Watt is an example of this kind of citizen, and this kind of involvement. It stems from the kind of concern from the days of his involvement in the Bureau of Outdoor Recreation and the development of the recreation plan for the entire Nation. The first one that had ever been developed. A landmark far ahead of when people in Congress and in many organizations now calling for such action were on the scene. I think he is to be commended for his balanced concern over many years. I am sure that he will continue to provide that balanced concern and balanced perspective in the administration of the Nation's laws.

● Mr. LEAHY. Mr. President, today I must vote to oppose the confirmation of James Watt as President Reagan's nominee for Secretary of the Department of Interior. I do so with some reluctance, because I believe that the President enjoys the privilege of selecting the people he wishes to work with in his new administration. However, I am afraid that the views that Mr. Watt and I hold on a number of important environmental issues are not only contrary—but irreconcilable.

I am not convinced that he will bring a balanced and objective approach to the management of our Nation's resources. I am also concerned over the past association of Mr. Watt with the Mountain Defense Legal Foundation. Under his leadership, the foundation fought many of the very laws and regulations that Mr. Watt, as Secretary, will have to defend and enforce. In addition, many of the large corporations that were substantial contributors to the foundation will also be involved in litigation and negotiations with the Department while Mr. Watt is Secretary. I respect Mr. Watt's intention to remain objective, but I am concerned that in reality it will be much more difficult than he admits to fully separate himself from these past associations.

I also believe it would be unfortunate if Mr. Watt were to bring what appears to be a solely western orientation to the Department. It is true that most of our public lands are located in the western half of the United States. But I would like to remind my colleagues that the Department of Interior has many important responsibilities in addition to administering these lands. For example, the Geological Survey, which is under the Department's jurisdiction, oversees the Outer Continental Shelf. and will be called upon to make some very important management decisions in the coming years. The Department also administers hundreds of offshore drilling leases off the east coast and will be confronted with some very difficult decisions on the management of these resources. It goes without saying that the Bureau of Mines, also under Interior's jurisdiction, will play a significant role in our efforts to increase energy production from eastern coal mines. I am concerned that Mr. Watt will not afford these issues that are so vital to the eastern half of the United States the attention they merit.

Mr. President, I have supported a number of President Reagan's nominations despite my reservations on some of the views they hold. However, the views Mr. Watt and I hold on the management and conservation of our Nation's resources are too conflicting to allow me to support his confirmation.●

Mr. MATSUNAGA. Mr. President, I rise in support of the confirmation of Mr. James G. Watt as our Nation's Secretary of Interior. I must confess, however, that as one who has been closely associated with environmentalists, I was initially greatly disturbed when the announcement of his nomination was made. Since then I have had the opportunity to meet privately with Mr. Watt and participated in his confirmation hearing, and came away impressed with his mental acuity and his dedication to the designated role of chief conservation officer of our country.

As a pacific islander, I was pleasantly surprised to learn that he was knowledgeable about the critical energy problem being faced by the peoples of the Pacific, and more so that he had plans to do something about it. In some of these Pacific Territories half of their operating budget is being swallowed up by payments for imported oil. Although it is essential for the imported supply to continue to avoid total chaos, it is tragic that the cost of energy is escalating to the point of draining the vitality of the local economy. From a humanitarian standpoint, one would hope that solutions can be found to the problems of the Pacific Territories, until then we will be forced to continue subsidizing their well-being and energy needs.

To reduce their energy dependency would restore their personal esteem and eliminate a drain on our economy. And in fact there is a solution—literally blowing in the wind and basking in the sun—in the form of renewable and indigenous energy alternatives.

Secretary-designate Watt and I agree that an immediate and comprehensive study should be conducted to determine the lifecycle cost effectiveness of the various energy options. It would not surprise me if some of the locally available sources turn out to be cheaper today. Instead of importing diesel fuel from halfway around the world, and installing hardware to burn this imported fuel. these Pacific islands could this year implement plans to convert to their available renewable alternatives.

Ponape, for example, could restore its hydropower capability, Guam could move ahead on direct solar applications, and ideal sites on and around some of the

more than 5,000 islands would support windpower and ocean thermal energy conversion facilities.

The reason why I am so optimistic about the economics of the renewables in the remote Pacific is that an engineering and marketing team from the largest solar photovoltaic manufacturing company in the world visited some of these islands last year and came back with actual sales. They were astonished to find that in certain applications, solar photovoltaics would be cost effective today. If a space-age technology such as photovoltaics can economically compete with oil today, then surely, some of the less esoteric options, such as wind machines, can also be implemented.

Immediate development of this billion dollar renewable energy market across the vast Pacific will serve to improve economy of scale and facilitate the introduction of similar technologies to the continental United States. American business can get the jump on the world and begin exporting expertise and equipment, thus hopefully, over time, reversing our negative balance of trade.

Mr. Watt knows that Hawaii is the crossroads of the Pacific and I am hopeful that as Secretary of the Interior he will be an able and willing partner with the State of Hawaii to bring about the necessary change in the Pacific Territories. I would, of course, be happy to assist him in this endeavor to strengthen our Nation's economy and national security.

Mr. President, I will join the majority of my colleagues in confirming the nomination of James G. Watt as Secretary of the Interior.

● Mr. ROTH. Mr. President, as the recently nominated, and soon to be appointed Cabinet members have come before the Senate, all have received careful review and close scrutiny of their merits, background, and abilities. One of the most closely examined was Mr. James Watt nominated for Secretary of Interior.

Having cosponsored the Alaska Lands and Barrier Islands bills, as well as continually battling ocean dumping, oil spills, and illegal hazardous wastes dump sites, I have particular interest in the Secretary of Interior position. It is my hope that Mr. Watt will, through the position of Secretary, maintain a true balance between the wise use of natural resources, and the preservation of our natural heritage.

With the crucial energy situation our country is facing this position becomes even more significant, due to the responsibilities of the Secretary to manage our natural energy sources. There is no doubt that we need to explore and develop every possible energy source to release ourselves from the dependency of foreign imports. This development must occur orderly, and carefully, so that fragile natural areas are not forever destroyed, and so that the heritage of our parks, refuges, and wildlife preserves are kept intact.

I am voting for James Watt today because I feel it is the President's privilege to nominate those that most closely represent his views. I will be watching Mr. Watt as he carries out his duties and strongly urge him to consider in every decision, the interests of all Americans including future generations to come.●

Mr. McCLURE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is, Will the Senate advise and consent to the nomination of James G. Watt, of Colorado, to be Secretary of the Interior? The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT), the Senator from Maryland (Mr. MATHIAS), and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT) and the Senator from Vermont. (Mr. STAFFORD) would each vote "yea."

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN) and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from New Jersey (Mr. WILLIAMS) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 83, nays 12, as follows:

[Rollcall Vote No. 13 Ex.]

YEAS—83

Abdnor	Exon	McClure
Andrews	Ford	Melcher
Armstrong	Garn	Mitchell
Baker	Glenn	Murkowski
Baucus	Goldwater	Nickles
Bentsen	Gorton	Packwood
Boren	Grassley	Pell
Boschwitz	Hart	Percy
Bradley	Hatch	Pressler
Burdick	Hatfield	Pryor
Byrd, Harry F., Jr.	Hawkins	Quayle
Byrd, Robert C.	Hayakawa	Randolph
Cannon	Heflin	Roth
Chafee	Heinz	Rudman
Chiles	Helms	Sasser
Cochran	Hollings	Schmitt
Cohen	Huddleston	Simpson
D'Amato	Humphrey	Specter
Danforth	Inouye	Stennis
DeConcini	Jackson	Stevens
Denton	Jepsen	Symms
Dixon	Johnston	Thurmond
Dole	Kassebaum	Tower
Domenici	Kasten	Tsongas
Durenberger	Long	Wallop
Eagleton	Lugar	Warner
East	Matsunaga	Weicker
	Mattingly	Zorinsky

NAYS—12

Biden	Kennedy	Moynihan
Bumpers	Leahy	Proxmire
Cranston	Levin	Riegle
Dodd	Metzenbaum	Sarbanes

NOT VOTING—5

Laxalt	Nunn	Williams
Mathias	Stafford	

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF ENERGY

NOMINATION OF JAMES B. EDWARDS, OF SOUTH CAROLINA, TO BE SECRETARY OF ENERGY

The PRESIDING OFFICER. The clerk will state the next nomination.

The assistant legislative clerk read the nomination of James B. Edwards, of South Carolina, to be Secretary of Energy.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, on behalf of the majority, I yield myself 2 minutes. But first a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. What is the time arrangement on this nomination?

The PRESIDING OFFICER. Under the previous order, the Senator from Idaho (Mr. McCLURE) has been granted 30 minutes; the Senator from Wisconsin (Mr. PROXMIRE), 30 minutes, and the Senator from Washington (Mr. JACKSON) has been granted 10 minutes.

Mr. McCLURE. Mr. President, on January 14 the Committee on Energy and Natural Resources favorably reported, by a vote of 19 to 0, the nomination of the Honorable James B. Edwards for Secretary of Energy. The committee's action followed 1 day of hearings on the nomination on January 12, during which Governor Edwards responded to questions during a period of over 4 hours.

Mr. President, this is a particularly critical time in our country's history when our economic and energy well-being are in jeopardy. As a country we must move expeditiously to improve the health of our economy and deal with serious problems in the area of energy supply. It is essential that we develop new energy policies that foster energy conservation and production to assure our economic recovery and our national security.

In particular, policies are needed which promote increased energy exploration and production of oil and natural gas. Energy conservation is not enough; it must be coupled with production. We must change the philosophy that government by the force of regulation can compel energy production. Instead, we need to remove government management of fuels in what would otherwise be a free-market. We also need to remove the body of counterproductive regulations currently imposed on energy production and use. As Governor Edwards noted:

> I want to know why it is, in fact, in the national interest to take twice as long (or longer) to build new energy facilities than it did a decade ago. What do these long time periods do to the energy cost that consumers pay to amortize these multi-billion dollar facilities? What do we gain by such protracted planning, discussion and permitting procedures? We need to be mindful of both environmental, safety, and economic impacts while we move ahead to make the production decisions which must be made expeditiously.

Yes, we are shackled—with dozens of laws, hundreds of permits, thousands of regulations, and tens of thousands of pieces of paper. Let us find out what part of this is necessary, valuable, appropriate, and cost-effective; lt us turn the remainder of this human energy on to solving the energy problem.

Mr. President, only through a strong domestic energy industry and a free market will our country move away from its critical dependence on imported energy supplies.

To that end, the formulation and implementation of national energy policy must reside in a Cabinet Officer who serves as the single spokesman for the executive branch before the Congress, the American people, and in the international community. The Reagan administration recognizes that this responsibility must rest with the Secretary of Energy, as provided for in the Department of Energy Organization Act.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks the colloquy I had with Governor Edwards on this point on January 12 during hearings on his nomination.

There being no objection, the colloquy was ordered to be printed in the RECORD, as follows:

The CHAIRMAN. Thank you, Governor. . . . I want to explore for a moment what your understanding is with President-Elect Reagan and what your understanding of your role is from the conversations you've had up to this point.

I want to quote from Section 102, paragraph 10, of Public Law 95-91, the Department of Energy Organization Act, that outlines some of the requirements imposed upon the Secretary of Energy. And I quote from that Law. As a part of the duties of the Secretary of Energy "to establish and implement through the Department in coordination with the Secretaries of State, Treasury, and Defense, policies regarding international energy issues that have a direct impact on research, development, utilization, supply, and conservation of energy in the United States and to undertake activities involving the integration of domestic and foreign policy relating to energy, including provision of independent technical advice to the President on international negotiations involving energy resources, energy technologies, or nuclear weapons issues, except that the Secretary of State shall continue to exercise primary authority for the conduct of foreign policy relating to energy and nuclear nonproliferation, pursuant to policy guidelines established by the President."

Are you aware of that provision of the statute?

Governor EDWARDS. Yes, I am aware of that, Mr. Chairman.

The CHAIRMAN. Are you prepared at this time to make any statement regarding your understanding with the Reagan White House concerning your duties and responsibilities as Secretary of Energy, as the energy spokesman for his administration?

Governor EDWARDS. Yes, Mr. Chairman. I am prepared to make such a statement. I will be the spokesman for the President's energy policy and carry out the implementation of these policies on behalf of the President.

The CHAIRMAN. Governor Edwards, will the Secretary of Energy be the primary spokesman for the Administration on domestic and international policy before the Congress and to the American people and to the international energy community?

Governor EDWARDS. Mr. Chairman, I will be the primary spokesman for the President on domestic and international energy policy before the Congress, the American people and the international energy community. I would like to point out that I will, as a matter of courtesy and effectiveness, consult and coordinate closely with the Secretary of State on all international matters consistent with his primary responsibilities for the overall foreign policy.

The CHAIRMAN. Will the Secretary of Energy, as a cabinet member, have the primary responsibility for the formulation and implementation of domestic and international energy policy?

Governor EDWARDS. That's correct, Mr. Chairman, consistent with a Congressional mandate and Public Law 95-91 and the desires of the President-Elect. As I pointed out previously, as a matter of courtesy and effectiveness, I will consult and coordinate with the Secretary of State on all international matters as he is charged, as you know, with the primary responsibility for overall foreign policy.

The CHAIRMAN. Specifically, are you charged with the lead responsibility within the Executive Branch for the International Energy Agency, for the energy aspects of the Economic Summit, for the United States' energy policy as it relates to OPEC and the Persian Gulf?

Governor EDWARDS. Yes, sir. That is correct.

Mr. McCLURE. Thus, Mr. President, in the Reagan administration there will be a single spokesman on domestic and international energy issues.

Within the Department of Energy are certain programs that are essential to our country's energy future. Examples include energy research and development, nuclear weapons development, Federal power marketing agencies, and energy emergency or contingency planning, as well as international energy activities, to name a few programs.

These programs should be centralized in a single Federal agency under the Secretary of Energy. He is empowered to remove certain Federal regulations that have been imposed on industry. An example would be the excessive regulatory requirements under the Fuel Use Act which exceed the intent of Congress and, in some cases, the law itself. The Secretary of Energy also is empowered to reduce excessive Government management of fuels.

The need for such reforms is recognized by the Reagan administration, as noted by Governor Edwards who pledged that—

I will set in motion, early in the year, the study Congress required in Title X of the Department of Energy Organization Act of August 1977. A comprehensive review of each program in the department will be conducted, including an evaluation of its effectiveness and the extent, if any, to which the program should be continued, as required by law.

I believe that this process will provide ample time for a responsible determination of the best form and structure within the Federal Government for our meeting our energy needs. I am committed to bringing sound management to the Department and welcome the opportunity to serve President Reagan and work with the Congress to marshal the strength of our free enterprise system to meet our nation's energy needs.

Mr. President, Governor Edwards is well qualified for the position of Secretary of Energy. He has a proven record as a competent administrator.

Governor Edwards has made a career in public service, most recently as the chief executive officer of the State of South Carolina from 1975 to 1979, and previously as a member of the South Carolina State Senate. As a member of the State senate his participation on the Nuclear Energy Committee led to an energy leadership role in both the national and Southern Governors Conference. He served on the Committee for Natural Resources and Environmental Management of the National Governors Association for 4 years and chaired its newly created nuclear energy subcommittee for 2 years. He also served as chairman of the Southern Governors Conference and directed its energy activities through the Southern States Energy Board.

As Governor he instituted management reforms to strengthen and improve the productivity of his State's government. Under his leadership South Carolina successfully demonstrated the successful achievement of both economic growth and environmental protection. As Secretary of Energy, he will be similarly required to direct national energy policies which reflect national environmental quality goals.

As Governor he established the Office of Energy Resources to direct the formulation of the State's energy policy in pursuit of South Carolina's energy options. The Governor's office also was responsible for providing a comprehensive background of energy information coordination and national liaison. As Secretary of Energy he will have similar responsibilities for the administration of national energy policies, which will require a close cooperation and coordination with State and local government.

And as a former Governor he has a deep understanding of the problems faced by State and local government, particularly because South Carolina does not have any indigenous energy resources.

As Governor he demonstrated that cooperation is most successful when accompanied by State consultations and concurrence. As Secretary of Energy he will be called upon to work closely with the States to obtain their cooperation in the achievement of national energy goals. This would be particularly true should the United States be faced with an interdiction of international oil supplies.

As Secretary of Energy, Governor Edwards will be the administration's spokesman on domestic and international energy issues and programs, with the Congress and the American people, as well as in the international community. For example, the Secretary of Energy is the U.S. Representative to the International Energy Agency. His duties will extend to responsibility for international energy contingencies such as the current Iraq-Iran war. At the present time, the Department of Energy is ill-prepared to deal with a serious interruption of international energy supplies. Priority must be given to correcting this situation.

As noted earlier, a principal function of the Department of Energy and, in turn, the Secretary of Energy is "to carry out the planning, coordination, support, and management of a balanced and comprehensive energy research and development program, including—assessing the requirements for energy research and development; developing priorities necessary to meet those requirements; and undertaking programs for the optimal development of the various forms of energy production and conservation."

As Governor he created, by executive order, the South Carolina Energy Research Institute to serve as the focal point for all energy activities within the State of South Carolina and to fully advance the State's future energy options. The institute is an independent, nonprofit organization chartered under State laws; unlike most State entities, it is privately funded by contributions from industry, foundations, and individuals, as well as by private and government research contracts. Thus, the institute possesses a greater independence, objectivity, and flexibility than State or federally controlled energy agencies.

During the past 4 years, the Carter administration has placed this Nation's nuclear industry in a virtual holding pattern. We must now resume our development of nuclear energy as a major component of our domestic energy supply. On public record Governor Edwards has stated that fission technology is, and must remain, a critical and essential component of the Nation's near-term and midterm energy supply.

However, this can be accomplished only if the new administration takes initiatives in a number of areas. In the area of nuclear waste policy, we must immediately implement a program for spent fuel storage in locations other than powerplant sites, and legislation may well be required. There must also be an early demonstration of geologic disposal of nuclear wastes. In testimony before the Senate Government Affairs Subcommittee on Energy in July 1978, Governor Edwards stated:

> I personally believe that the siting of nuclear waste repositories can be resolved in the best interests of all if we accept the inherent responsibilities of our federal system of government and our role as protectors of the general public's health and safety.
>
> Implementation strategies should be as encompassing as feasible. We should allow for the evaluation of progress toward a final solution in sufficient detail to determine further courses of action on the development of nuclear power.
>
> Though I believe a technology is available, it would be irresponsible for me to definitely say a solution is at hand merely because a timetable or definitive plan exists and is finally agreed upon. Further accelerated nuclear development must be responsibly weighed against the positive progress towards the solution of the waste management problem.
>
> We must, however, recognize the nuclear waste will continually be generated by the military and we will continue to have, no matter what our nuclear future, the material from our present system of commercial nuclear facilities.
>
> We cannot throw up our hands and say there is no solution. The resolution of the waste problem is wrought with complex technological and institutional issues and legislation should not foreclose any option. To meet this challenge, we must look beyond present government processes. We must dare to be creative and innovative. We must succeed. Our survival hangs in the balance. The time for doing nothing is past—the waste is with us today! Whether we like it or not, there is a growing inventory of both defense and commercial waste material which must be dealt with positively and expeditiously.

The Department of Energy also must make a new commitment to nuclear research, particularly a breeder reactor demonstration project. I am pleased to note that Governor Edwards recognizes the critical importance of nuclear research as part of our national energy program. As Governor, he chaired the Subcommittee on Nuclear Energy of the National Governor's Conference. And, as a State Senator he served on the Nuclear Energy Committee.

Important steps also need to be taken without delay to remove the current impediments to international nuclear commerce, and to improve the procedures for the siting of nuclear powerplants and nuclear waste facilities.

Some of the initiatives outlined above are not the exclusive responsibility of the Secretary of Energy and others may require legislation. Nevertheless, I fully expect that the new Secretary of Energy will be at the center of these initiatives.

In the performance of its energy research and development duties, the Department of Energy is second only to the Department of Defense as a Government contractor. Administration of such an extensive program requires strong management capabilities. Governor Edwards has demonstrated his management strengths in this regard. Such management capabilities are clearly needed at the Department of Energy.

Mr. President, on behalf of the Committee on Energy and Natural Resources, I am pleased to recommend Senate approval of the Presidential nomination of the Honorable James B. Edwards, of South Carolina, for the position of Secretary of Energy.

Mr. President, I yield to Senator THURMOND.

Mr. THURMOND. Mr. President, I rise today for the purpose of announcing my full support for and admiration of President Reagan's choice for Secretary of Energy, the former Governor of my State of South Carolina, James B. Edwards.

When the Energy and Natural Resources Committee held their hearings on Governor Edwards' nomination, I appeared before them both to introduce Governor Edwards and to express my hope that they would recommend his confirmation. I am pleased to note that they did recommend confirmation, and by a unanimous committee vote.

During my appearance before that distinguished committee, I made several comments with regard to Governor Edwards' impeccable character and his qualifications for this important position. I would like to repeat some of those comments now, for the benefit and information of the full Senate.

I have had the honor of knowing Governor Edwards for a number of years and have enjoyed working with him on numerous occasions. His keen intellect and his thoroughgoing knowledge of the issues made him an effective legislator and Governor, and his work as chief executive of South Carolina gained him the respect of people across the country.

Governor Edwards was raised in Mount Pleasant, S.C., and graduated from the College of Charleston where he received a B.S. degree. In 1955, he was awarded a M.D.M. degree from the University of Louisville School of Dentistry, and he graduated from the University of Pennsylvania Medical School where he served his internship in 1957–58.

During World War II, Governor Edwards served in the U.S. maritime service. He was on active duty in the U.S. Navy from 1955 until 1957 and remained in the Naval Reserve until 1967, holding the rank of lieutenant commander upon discharge.

He served as a member of the South Carolina State Senate from 1972 to 1974 and as Governor from 1975 to 1979. As Governor he served as chairman of the National Governors' Association Subcommittee on Nuclear Energy in 1978, and as chairman of the Southern Governor's Conference in the same year.

He is a member of the American Dental Association and has served as a Diplomate on the American Board of Oral Surgery since 1963. He is a member of Omicron Delta Kappa, a national honorary leadership fraternity and of Phil Delta, the honorary dental fraternity. Dr. Edwards is a member of the board of trustees of Baker Hospital in Charleston and of the Charleston Council of the Navy League of the United States. He is also on the board of trustees of the College of Charleston Foundation.

While Governor, he was active in exploring new avenues of energy research. For example, the South Carolina Energy Research Institute (ERI) was founded by an executive order of Governor Edwards in 1977. The Governor saw the need for a body charged with seeking out solutions to the energy problems facing the State, and the creation of ERI provided the State with an organization which would promote, coordinate, and manage a wide range of energy related research and publish its findings.

Additionally, through Governor Edwards' initiative, the newly created Office of Energy Resources assumed new responsibilities as it strove to provide the State government with a sound basis for prudent planning and responsible decisionmaking in energy related areas.

Mr. President, Governor Edwards is a man with a firm commitment to steering America on the road to greater energy independence, and he is the man who can best help our Nation meet its energy needs.

Governor Edwards is one of the most capable, dedicated, and courageous men in America today. He is intensely interested in our energy needs and is knowl-

edgeable and well informed about them. Mr. President, I hope the Senate today will overwhelmingly confirm the nomination of James B. Edwards to be Secretary of Energy.

Mr. JACKSON. Mr. President, I intend to support the President's nomination of Governor James B. Edwards to be Secretary of Energy. On January 12, Governor Edwards appeared before the Committee on Energy and Natural Resources to answer questions about his qualifications for this job. I think he learned something from those hearings.

The Secretary of Energy is an extremely important person in the U.S. Government. Our management of energy policy is an essential component of our economic policy. It is a fundamental component of our foreign policy.

The functions of the Department of Energy are essential functions. These Federal responsibilities cannot be adequately managed in a piecemeal fashion without firm and informed central direction and coordination. This kind of coherent effort is vital if we are to assert control over our national welfare.

Governor Edwards is taking on a backbreaking job. It is a job which requires technical expertise. It is a job that requires diplomacy and consultation. It is a job which requires forceful and skillful management. It is a job in which your mistakes are immediately visible and painful, whereas your successes only manifest themselves over the longer run.

I wish Governor Edwards good luck, and urge him to take seriously the importance of listening to the advice which will be available from the Congress and others. Energy policy is a very serious, difficult business. He will need the consultation and cooperation we in Congress are offering.

Mr. President, I ask unanimous consent that the text of my remarks at the hearing on Governor Edwards' nomination be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR HENRY M. JACKSON

Certain statements made during the 1980 Presidential campaign suggest that the Secretary of Energy may not be regarded by the new administration as an important member of the President's cabinet. I will tell you my view of the matter.

Energy is the lifeblood of our economy.

Without adequate supplies of energy, we cannot provide the goods and services our people deserve. We cannot provide jobs.

Without adequate supplies of reasonably-priced energy, we cannot control the cost spiral which drives our inflation. We cannot create the confidence in the health of the economy which is essential if we are to invest in the future.

So the Secretary of Energy is very important. And the implications of the policies of the Department of Energy are not confined to domestic energy markets.

The cornerstone of any U.S. energy policy is petroleum policy. Because of this, U.S. energy policy is dominated by the characteristics of the world oil market. The availability and price of oil on the world market is determined by a myriad of social, economic, political and other factors which are far more complicated than the relatively simple dynamics of market price, supply and demand. Access to oil on the world market in the 1980's is a matter of international politics and national security. The probability that this access will be restricted by design or by accident is alarmingly high. Any prolonged restriction in access to oil would have the most serious consequences for the United States and its allies.

The Department of Energy organizes the international representation for the United States at the International Energy Agency and provides the leadership role in energy emergency contingency planning.

The Department of Energy directs the national effort in research and development and production of nuclear weapons and serves as the prime contractor for the national laboratories.

The Department operates the strategic petroleum reserve and serves as the focus for energy information and analysis and energy policy development. It is the entity which not only directs efforts at energy research, development and demonstration but relates these efforts to the evolving energy situation.

So I believe that the Department of Energy has a very heavy set of important responsibilities. And I am troubled by the suggestion that the Federal government can somehow divorce itself from these responsibilities or scatter operational management of them over several other uncoordinated Federal entities. I become very concerned when some say that we can abolish the Department of Energy: the only institution available to provide a focus for the Federal government's efforts to play a constructive role in so many essential facets of energy policy.

I am looking forward to hearing Dr. Edwards' views on these and other matters relating to activities carried out by the DOE during the course of these hearings.

Mr. DOMENICI. Mr. President, the distinguished Senator from Mississippi has requested 7 minutes.

Mr. STENNIS. The Senator may go first.

Mr. DOMENICI. I have finished my remarks. I am glad to yield 7 minutes at this time to the distinguished Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the Senator. I shall not detain the Senate but for a few minutes.

I am happy that I can support and approve the nomination of Mr. Edwards. I know him personally in a measure and am familiar with the fact that he is a former Governor of South Carolina and a good administrator.

I firmly believe that if this country is to continue to grow in economic strength, if it is to create jobs and greater prosperity for its citizens, we must as a government apply our technology and our resources to the solution of this Nation's energy problem. Energy is critical to our national security, to our modern industrial economy, and indeed is part and parcel of nearly every aspect of our lives.

In 1973 the continued availability of secure and affordable oil and natural gas and our national security were clearly threatened. The Arab oil embargo highlighted this Nation's vulnerability and the vulnerability of all other industrial nations to a supply of energy from a highly unstable area. The shock waves of the sharp price increases which followed the embargo rippled through our economy and left in its wake a higher rate of inflation, a deep recession, high unemployment, and a lower rate of productivity growth.

In addition, a great transfer of capital began to rush from our industrial economy to the oil-exporting countries and has continued unabated to this day, increasing the pressure on interest rates. Again in 1979 our economy endured another round of sharp price increases, and again the political instability of the Mideast, punctuated by the Iranian Revolution, cut the world's oil supply and set in motion market prices which have triggered another round of inflation and another sharp recession in our country.

Throughout this energy crisis, I have seen Presidents Nixon, Ford, and Carter, and many of my colleagues in the Senate, wrestle with the serious and complex problems associated with bringing this energy crisis under control. The public debate and policy definition which has come forth since 1973 was a monumental effort. Many interests were pulling and tugging but out of this debate I believe that we have developed a policy which is on the right track.

The needed effort to develop our abundant coal and shale resources is under way and should be continued. President Carter's action to decontrol the price of domestic crude oil was well taken. Our citizens have withstood the price increases and I believe that we should continue the phased decontrol of the price. Finally, the highly dispersed Government effort in energy development and policy is now under the responsibility of one Government department.

It is my strong belief that the establishment of the Department of Energy was a positive step in the right direction. Certainly there are reports which indicates that there are refinements and improvements which should be made in the Department. But I would urge that the Department should be retained with a Cabinet Secretary. I believe that keeping energy supply in focus is essential to our Nation's future. I believe the Secretary should work toward building on the progress to date and making our energy policy and programs more effective.

The new Secretary of Energy has a very important and critical job. I believe from the reports that I have that the Secretary-designate James Edwards has the ability to do the job. As former Governor of the State of South Carolina, as a leader and founder of an energy institute in his State, and as a participant in the public policy formulations on nuclear waste he has the experience to qualify him as an executive and leader in the continued development and production of an adequate supply of energy.

I urge the Secretary of Energy-designate, James Edwards, to build on the progress made to date. I strongly urge the Secretary-designate to pursue policies which will increase our domestic production of oil, natural gas, coal and shale. Further. I would urge him to revitalize the nuclear power program and launch a major effort to insure the safe utilization and disposal of nuclear materials. Further, I would urge him to insure an infinite supply of nuclear energy by developing the technology to breed nuclear fuels and to generate electricity

from the enormous power of fusion energy.

Our future is closely tied to managing and solving this energy problem. This effort should be a top priority of the Reagan administration.

Mr. President, what I am concerned about is the talk that we have had here about the possibility of dismantling the Department of Energy, grievously and seriously changing the law and impairing its powers.

A few years ago, right after the 1973 embargo, I held hearings before a Subcommittee of Appropriations for 3 or 4 years there that went into infinite detail of proof about the need for new sources and additional sources of energy and improving the sources we had.

This proof was from highly competent witnesses and lots of other places I heard the same thing discussed.

It covered the technology of the situation that we are up against. It covered the finance, the tremendous cost of providing these additional energy sources, so enormous as to really change our entire economy, and during the attempt then to pass a comprehensive bill that would furnish the legal machinery to really tackle the problem, it was the most difficult and most in depth undertaking I have ever seen here undertaken, except when war was actually on. It reached farther and deeper into the economy, the technology, the competition between present sources of energy. It was a challenge really to our parliamentary system.

For instance, we had, I believe, from this body alone about 40 conferees, and the House of Representatives had a larger number still, and the bill lingered. It did not linger there. It was worked on there for over a year, and at times they almost had to give up in despair.

So I also had on my mind at the time the absolute dependence we are in now even for our military security, dependent on foreign sources of the necessary energy, and I thought the continuing need for independent, energy sources. We cannot continue as a leading Nation if we do not improve the situation where we will be more independent at least and for the benefit not only for ourselves but for our allies.

So I wish to utter the strongest kind of caution to the membership that before we do anything—I am not against change—that would weaken substantially the power of this Department and the programs that have finally been started that we be certain that we have a grasp of the facts.

I am bold enough to predict that the legislative branch would refuse to dismember now and reduce the effectiveness of a bill that has been put together including the Department, and I said from way back that this plan cannot be completed in one bill, that it will have to evolve. It will have to evolve in the light of experience that we have as we go along. But just as certain as night follows day, in my firm opinion, we will finish up the golden era of our great country and descend to a lower level of economy and capability of protecting ourselves unless we have a good, strong, vigorous, forward looking, even demanding in the areas where it is necessary laws on the books that will give us the machinery of government to carry out these plans and purposes and the steps that have to be taken, whatever may be the final decision.

I say I am giving my opinion now, not based on something I read in a book or in the paper, but something gained here as a way of an opinion, a conclusion, as we struggle along here 4, 5, 6 years, even 7 years of effort and struggle.

So I trust this gentleman will be confirmed, that he will put his talent, his capability to work.

I went so far as to mention the importance of this, as I saw it, to our present President of the United States with reference to the problems we were faced with, and the concern I knew he had and would continue to have.

I yield back the remainder of my time and I thank the Senator again for yielding.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, it is a very critical time, as indeed it has been for the last several years with respect to energy.

The new Energy Secretary will face some monumental decisions. Among them will be decontrol of oil, possible decontrol of natural gas, nuclear waste policy, breeder reactor policy, the Energy Mobilization Board, a continuation—vel non—of the Synfuels Corporation, dismantling in whole or in part of the Energy Department, research and development, and a whole range of fields from solar nuclear energy to fusion to oil and gas and synthetic fuels, gas rationing, fashioning a plan that will work, which the present plan in my view does not, refinery policy, and many other very difficult and important and critical areas of decision.

Now, the new designee for the Department of Energy brings certain strengths and certain weaknesses to this position at this critical time. His weaknesses are well-known and self-admitted. They are that he does not have a background in energy, that he has training as a dentist and was a successful Governor, but not dealing directly with energy.

On the other hand, Mr. President, we interrogated Governor Edwards at some length in the Committee on Energy and Natural Resources. I think it is safe to say that every member of that committee was impressed with the quickness and the agility of his mind, with his attitude of not only cooperation with our committee and with the Congress but with his full realization of the difficulty and of the monumental nature of these decisions, of his desire to work hard to seek the proper answers both within his own department and the private sector and from the Congress. In general, Mr. President, we found him to be an able individual, very intelligent, with an attitude that is, I think, one that augurs well for his future success, if attitude can do it.

I, for one, voted for his confirmation. No member of the Energy Committee on Energy and Natural Resources opposed him.

We can, therefore, recommend to the Senate that he be confirmed, and that we hope his confirmation will be unanimous. Upon confirmation I think it is very clear that he is going to have full cooperation, indeed support, from the minority side—I am sure from the majority side but certainly from the minority side—in carrying out sensible energy policies, policies involving greater production of energy resources as well as conservation of those that we own.

So from the minority side, Mr. Presirent, we urge his confirmation.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Does the Senator want 2 minutes in favor of the nomination? I yield 2 minutes.

Mr. EXON. Mr. President, I rise to support the nomination of Governor Edwards for the important position of Secretary of Energy.

I had the distinct pleasure and opportunity to serve 4 years with him in the National Governors Association.

I consider him not only an outstanding former Governor but a man of unusual talents. I believe that my friend from Louisiana has stated not only some of the strong points of Governor Edwards but the fact that I have visited with him since he has been nominated by the President, and he, too, recognizes that he might not have had all of the experience and background and qualifications that some people would have liked to have seen in the new Secretary of Energy. However, I know him to be an excellent administrator, and I think above everything else that is what we need in that Department as we try to move ahead on self-sufficiency and energy of the United States of America.

Therefore, I am enthusiastic about the chances and the record I am sure Governor Edwards will write successfully as the Secretary of Energy under the new administration.

I urge my colleagues to give him wholehearted support in the vote we will have at 9:15.

Mr. DOMENICI. Does the Senator from Oklahoma desire time to speak in favor of the nomination? I yield him 2 minutes.

Mr. BOREN. Mr. President, I thank my colleague.

I, too, had the opportunity to serve as a Governor and a member of the Governors Association with James Edwards of South Carolina, and I want to add my support for his nomination.

Governor Edwards is a person of absolute integrity. He is a man of great ability, and he is also a person who is not afraid of hard work.

Not only did I have the opportunity to serve with him as a member of the National Governors Association, but I also served with him in the Southern Governors Conference as a fellow member of the Energy Committee, and on that committee I heard him express positions

about energy issues, his overall grasp of what needs to be done to move this country toward great energy independence.

He is sound, he is knowledgeable in the field, and yet certainly the kind of man who realizes that he still has much to learn but has the ability to learn what he needs to know to lead us in this area.

So, Mr. President, I am certainly proud to join with others who have spoken earlier this evening to express my very strong support for the confirmation of Governor Edwards to be Secretary of Energy, and to also express my commendation to our new President for nominating a man of such ability and integrity for this position.

I thank the Chair.

Mr. MATSUNAGA. Mr. President, will the Senator yield?

Mr. DOMENICI. I would be pleased to yield 2 minutes to the Senator from Hawaii.

Mr. MATSUNAGA. I thank the Senator.

Mr. DOMENICI. Mr. President, will the Senator yield while I make a parliamentary inquiry?

The PRESIDING OFFICER (Mr. COHEN). The Senator will state it.

Mr. DOMENICI. If we finish the debate on the Secretary of Energy do we vote immediately?

The PRESIDING OFFICER. We do not. We will go to the nomination of the Secretary of Education.

Mr. DOMENICI. When would we vote on the nomination of the Secretary of Energy?

The PRESIDING OFFICER. At 9:15.

Mr. PROXMIRE. When on the Secretary of Education?

The PRESIDING OFFICER. If the debate has been completed by that time it will be back-to-back votes.

Mr. PROXMIRE. If completed.

Mr. DOMENICI. If it has not then we return to the Secretary of Education after the vote on the Secretary of Energy nomination?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. I apologize to the Senator from Hawaii.

Mr. MATSUNAGA. I thank the Senator for yielding.

Mr. President, I rise in support of the confirmation of the nomination of James B. Edwards for the post of Secretary of Energy.

In both private and public meetings with Secretary-designate Edwards, I discerned his keen sense of the politic and the reasonable, in the complex purgatory of what is soon to be his Department of Energy. He is indeed a fast learner. Although he was once quoted as saying that he wanted to abolish the Department of Energy, he more recently has stated, and I quote:

> It is my view that the Department of Energy serves a number of essential functions that must continue. It is my objective to reduce duplication and ineffectiveness by better organization and management. It is clear that there needs to be a single focal point for formulation of the nation's energy policy and for its implementation.

Also, while the media have portrayed Mr. Edwards as one sidedly pronuclear and production oriented, I was generally pleased with his recognition of the need for a balanced energy program. Energy conservation will be a cornerstone of his energy policy, and rightly so.

The renewable energy options will also play a prominent role in his program, he has said. I am supportive of his expressed view that the research and development of the various energy technologies should be a Government responsibility and should occupy a high priority status.

He has committed himself primarily to back out oil as rapidly as possible in order to attain a good measure of energy independence in an early timeframe. He will encourage the commercialization of our indigenous energy sources and promote the role of the private sector in accomplishing this goal. Again, I tend to agree with him, but would like to point out that while outright monetary subsidies and similar handouts should not be the continued Federal means of assistance, it is important for Government to play a stimulative front-end role beyond R. & D. through available congressionally mandated financial incentives to spur industry into action. For example, through demonstrations and implementation plans, public moneys can serve as the impetus where private financing can be leveraged.

Secretary-designate Edwards expressed particular interest in a project that is being implemented in my home State of Hawaii where the Island of Molokai, which is today importing 100 percent of its energy needs, will, with Federal assistance, attain 100 percent electrical sufficiency by 1984. A combination of biomass, windpower, direct solar and hydropower will convert this once sleepy community of 5,000 into a model of energy independence for the Nation.

Although the private sector will be largely responsible for all phases of the effort, it is nevertheless necessary for Government to be an active partner.

For example, because the financial institutions generally tend to be quite conservative when innovations need financing, a Government guaranteed loan, while most probably not costing the taxpayer a cent, if properly managed, can make the difference between "go" and "no go" on such a project. In addition, Government can help to anticipate and resolve institutional and legal barriers that otherwise would hamper the accelerated development of these first-of-its-kind projects.

All signs point to a serious energy crunch in this decade. Although Government should not overregulate and stand in the way of private enterprise, Government cannot abdicate its role in this most vexing of national and world problems. We need Government as an active partner and stimulator.

The Department of Energy has been given the mandate to lead our country out of our energy mess. It has taken far too many years to bring the various parts into a concerted whole, but the difficult task of creating and implementing a workable infrastructure charged with a meaningful energy policy has been accomplished. Energy is at the root of our economic and national security troubles, and the effectiveness of our energy efforts will directly determine the future course of our country.

Dr. Edwards is today being confirmed as the chief energy officer of our Nation. I pledge my support and wish him every success, for the alternative would be unthinkable. Mr. President, I urge my distinguished colleagues to join me in confirming the nomination of James B. Edwards as Secretary of Energy.

Mr. DOMENICI. Mr. President, how much time does the Senator from New Mexico have remaining?

The PRESIDING OFFICER. The Senator from New Mexico has 14 minutes remaining.

Mr. DOMENICI. I yield 2 minutes to the Senator from New Mexico (Mr. SCHMITT).

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a parliamentary inquiry? I ask that the time not be charged against anybody.

Is the Senator from Wisconsin (Mr. PROXMIRE) protected in the control of 30 minutes, as was agreed to in the beginning?

The PRESIDING OFFICER. Only if he achieves recognition before 8:45.

Mr. ROBERT C. BYRD. I hope the Senator will be protected in that because that was part of the original agreement. Of course, when we entered into the agreement that the vote would occur at 9:15 it was felt there would be a full hour and that Mr. PROXMIRE would be protected in having his 30 minutes.

Mr. DOMENICI. Mr. President, I will do everything I can.

Mr. ROBERT C. BYRD. Mr. President, was the Senator going to yield me 5 minutes?

Mr. DOMENICI. Yes.

Mr. ROBERT C. BYRD. Mr. President, I will ask unanimous consent that I may insert my statement in the record. I would ask that the Senator yield the 5 minutes to Mr. PROXMIRE.

Mr. DOMENICI. Mr. President, I am pleased to do that. I believe the Senator could also speak because I am not going to speak and there are only 2 minutes and then we can yield the Senator some time and then we will still protect Senator PROXMIRE.

Mr. JOHNSTON. Mr. President, I wonder if there are any other Senators on this side of the aisle who wish to be recognized and who desire time?

I am advised that Senator KENNEDY has asked for 7 minutes.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 2 minutes.

Mr. SCHMITT. Mr. President, I want to compliment the President for his selection of James Edwards and the Energy Committee for proceeding as they have on his nomination.

I only have one reservation, and that is that Mr. Edwards seems to be backing down from his original feeling that the Department of Energy should be dismantled.

In a phone conversation I had with him a few days ago, I emphasized that there was at least one Senator that felt

the record was clear and that that dismantling could proceed. Dismantling does mean you stop the functions. Clearly, the combination of regulation and enforcement with research and development has not worked in the Department of Energy any more than it worked in the old Atomic Energy Commission, any more than it has worked in the Department of Transportation, or anywhere else in this Government that has tried it.

We clearly need an energy research and development agency. We need an energy research agency, but we do not need them in the same department. It has not worked ever and it will not work.

I will continue to encourage the new Secretary, as well as the new President, to stick to their original plan to abolish this particular agency but maintain the essential functions.

I support his nomination and I will continue that dialog with him in the near future.

I thank the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require. I will do my very best to limit my remarks to substantially less than 30 minutes, if I possibly can.

Mr. President, one of the big reasons why President Reagan was elected and, particularly, why he was elected by such a big margin is that he committed himself to holding down the size of Government. He gave examples. He was going to eliminate the Department of Education. He was going to eliminate the Department of Energy. And frankly, I recognize that in my State this was an extremely popular position. It was a position that I feel he took on principle and it was a position that makes sense.

The Government is too big. There is no question about it. Whether people are liberal or conservative, they recognize that this Government is so big, so awkward, so complicated, so bureaucratic that it simply cannot do the job it should.

I agree with Senator SCHMITT in his remarks that this is an agency that we can dispose of. While the functions are important and they should be preserved, the agency has gotten too big and too awkward and cutting its size and eliminating it from the Cabinet is certainly a step in the right direction.

Now, it has been said that the Governor is a quick learner. He sure is. He made a statement after he was appointed only a very short time ago. The quotation is as follows from an Associated Press story from South Carolina:

> James B. Edwards says that, as Secretary of Energy, he will enjoy presiding over the demise of a 2-year-old Department of Energy.

Some people felt the Governor was not qualified. Other people said he is an oral surgeon. He is an expert at extraction. That is his job. He will go in there and extract the Department of Energy and he is the man to do the job.

He indicated he wanted to do it and could not wait to get his hands on it. However, to show the power of the U.S. Senate and the power of various Senators, he changed his mind. He certainly learned in a hurry.

At the hearing, he was asked by Senator JACKSON:

> We believe it the right of anyone to correct things—the right of redemption. I've made a few of them myself. So we want you to feel at home. And don't feel that if you change your mind that that is a sin. It may be to your advantage.

Well, that had quite an effect on Governor Edwards, because this is what he said:

> Senator, I've made statements on several occasions. I would like to declare the demise of an awful lot of big Government, but in getting down to the particular aspects of this job, I think we have to look at it in an objective sort of way.
>
> I don't plan to do anything except study the situation at this stage.

And then he said:

> Well, I will report back to you in a year, January, 1982.

Meanwhile, the Department would go on without the man who indicated when he was appointed as Secretary of Energy that his principal job was to come to Washington to dismantle the Department.

If anyone wonders why it is hard to cut down the size of this Government, the answer is right here. It seems to me it is the clearest kind of object lesson.

I would like to ask my friend from New Mexico if he could tell us if there are any qualifications whatsoever that the distinguished former Governor has except Governor. I think certainly this is in his favor and did give him some experience in administration, however, is there any qualification with respect to energy that Mr. Edwards brings to this job? This is a complicated Department as it is, and it seems to me it should require some understanding of a great variety of energy matters which are very complicated. In addition, he will have to deal with tremendously able people in the private sector with whom he would have to negotiate.

What qualifications does Governor Edwards have to handle this job if the Department is not dismantled and if the Department is kept as so many Senators wish?

Mr. DOMENICI. Mr. President, I thank my good friend for the question.

I think the Senator knows that, aside from being Governor, he has a rather distinguished educational background, not only in the general sense but also he has received some rather significant degrees and recognition within his profession.

I do not offer that as specific experience, but, obviously, he is a man of some intellectual capacity.

In addition to being the chief executive officer of South Carolina from 1975 to 1979, he was previously a member of their State Senate. As a member of that Senate, he participated in the Nuclear Energy Committee and that led to an energy leadership role in both the National and Southern Governors Conference. He served on the Committee for Natural Resources and Environmental Management of the National Governors Association for 4 years. He chaired its newly created Nuclear Energy Subcommittee for 2 years and he also served as chairman of the Southern Governors Conference and directed its energy activities through the Southern States Energy Board.

I submit to my good friend that those activities, coupled with the kind of acumen that he obviously acquired in political life, certainly qualifies him for this job.

Mr. PROXMIRE. Mr. President, would the Senator disagree with the distinguished Senator from Louisiana who indicated earlier that, while he was going to vote for Governor Edwards, he felt he had virtually no real background in energy?

Mr. DOMENICI. Mr. President, let me say to my friend that we discussed that in the committee from the standpoint of just what kind of energy expertise would be acceptable around this institution.

I can imagine what would have happened if the President would have sent us a superbly experienced man or woman from the oil industry. The hue and cry would have been that he has experience, but in the wrong field, and he is already prejudiced and he represents the wrong kind of interests.

On the other hand, if we had gone out to our State, I say to Senator SCHMITT, and taken one of the superb administrators of one of our labs—and there are a number of those and a few of them are back in the private sector with Bell Telephone or others—then there would have, I am not saying the Senator from Wisconsin would have, but I just make this observation, there would have been the hue and cry, "Well, what about the oil and gas? What about coal? This fellow is too restricted."

So it seems to me that we need a person with an ability to make broad public decisions that are firm, that can carry out the program of the President, and that has the ability to choose strong people to help administer this Department. I think he has that ability.

Mr. PROXMIRE. Well, there is no question he has general experience in administration. He has been the Governor of a great State and he has apparently done an excellent job in that respect. But, as far as energy itself is concerned, he certainly does not have that kind of background.

It seems to me that, with all the thousands of people in this country who do not have a specific conflict of interest and have had great experience in the private sector at one time or another, who have taught at the great universities of this country, who have worked in research in various ways, that we should have been able to find somebody who has a background in energy. It should not be that hard.

There are only a very few people in this country who have a background in coaching football; very few. As far as professional football is concerned you

could probably count those who are available on the fingers of both hands. But if you go outside that and appoint somebody who has never coached football to coach a football team, people would consider it an absolute outrage.

You take some fellow who has been an oral surgeon and had 4 years as a Governor of an important State and you say he is qualified, even though, frankly, his background in energy is certainly invisible.

Mr. SCHMITT. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. Yes.

Mr. SCHMITT. Mr. President, it might be that we can assume that the President is going to stick with his indications during the campaign and insist that the Department be dismantled; that sections of it be extracted as if they were rotten teeth and put it into new agency status or old agency status which we used to have.

I think we had the system well organized until someone came along with a brilliant idea for a Department of Energy. Frankly, the remarks of the senior Senator from New Mexico indicate how it may be impossible to find somebody who can manage the department with that diversity we have stuck in there, particularly the distinction, as I indicated earlier, between research and development and regulation and enforcement.

I would disagree with the Senator from Wisconsin in his previous statement to the extent that there may not be anybody in this country who could ever manage the Department of Energy. We have had some extraordinarily competent people trying to do that and they have failed. There are people in this body who, in the synfuels debate and the Energy Mobilization Board debate, have said that, who were supporters of the Department. They have said that it has failed.

Mr. PROXMIRE. May I say to my friend I have great admiration for President Reagan. He won the election, and won it decisively. I think he was a great Governor of California.

I think in some ways the President has absolute, unlimited power, but he has to deal with this body, and that is not easy. He needs the aid of a convinced and able Cabinet officer to cooperate with him to accomplish something as difficult as abolishing a major department of Government. For that reason, I think it is unfortunate that Governor Edwards, who might have been of great help to the President in that regard, is so easily and so quickly going over to the other side.

Mr. SCHMITT. Let us hope that that was only under the duress and pain of having to testify before the Energy and Natural Resources Committee.

Mr. PROXMIRE. I am sure he is an honest man and spoke his convictions.

Mr. President, I think I will take only a few more minutes.

I would like to ask a question of my good friend from New Mexico, the senior Senator. If this man is not going to dismantle the Department it would seem to me that at the very least he should cooperate in reducing the size of the Department. After all, we recognize that the Government has to be cut sharply, particularly since we are going to have to balance the budget and do so with a big increase in defense and with a tax cut. He should be able to point to some area where he can cut the budget.

I asked him in a written question where he would reduce the budget. The Senator from New Mexico is the outstanding expert in the Senate on the budget. He is chairman of the Budget Committee.

I asked him whether he was not struck by that fact of necessary reductions, and Governor Edwards simply said, "Well, that is premature." He could not give one single area where he would reduce spending by this big Department.

Mr. DOMENICI. I do not think that is the total answer of the Governor. At one point he may have said that, but I want to give a couple of my recollections of what he said.

First of all, I think the Senator will agree that when he mentioned that he was studying the matter and contemplated sending a reorganization up to the Congress in January of 1982, that he used that date with reference to the mandate that exists in the law. Title X, the sunset provisions, of the Department of Energy Organization Act, requires that not later than January 15 the President shall prepare and submit a comprehensive review of each program of the Department. Each such review shall be made available to the committees of the Senate and the House of Representatives with respect to the annual authorization of funds pursuant to certain sections.

I think the Senator will agree that that is what Governor Edwards had reference to on sending up a reorganization plan.

In addition, he clearly indicated the position of this administration with reference to certain fuel products that are presently under price control, indicating that they hoped to decontrol a number of them quickly, including the decontrol of crude oil; and that he was hopeful that as that occurred they would be able to terminate or cut back a number of regulatory positions in that Department.

He indicated some areas which we now call research where they were going to make a very diligent effort to try to separate out commercial technologies from those that are research. He was hopeful that in the very near future we would not have the Department spending money on commercial technologies that are already there, but rather on pure research and development.

I think the Senator knows that it is not only personnel which causes the Department of Energy to have the budget that it has. There also are some huge programs that are tantamount to grants, and there are some very large subsidies, programs, loans, and the like. It is all of those that have to be looked at.

Mr. PROXMIRE. The Senator from New Mexico has given an excellent answer. If Governor Edwards had given that kind of answer, it would have been a different story, but he did not. He ducked it.

Let me follow up by asking the distinguished Senator from New Mexico another question: I asked Mr. Edwards, how do you plan to reduce the Department's budget by February 1, 1982 and February 1985 in 1981 dollars? How much do you plan to have reduced the personnel in the Department by those dates?

Then I asked him, realizing it is a difficult judgment, not to make an estimate but to provide the committee with reports for each quarter beginning with June 30, 1981, showing the number of personnel and the agency's expenditures, outlays, and commitments, for that quarter, and what other plans and commitments, reports, if any, he would make to assure that the agency would progress toward the anti-inflation goal so essential to our economy.

He answered that the agency would comply with the law which requires a report on February 15, 1982, but no other report.

But I submit that if we are going to make progress we have to get those reports in a hurry, we have to know what plans, if any, the Cabinet officers have made. The Senator from New Mexico more than anybody in this body knows the urgency of this as chairman of the Budget Committee.

Mr. DOMENICI. There is no doubt in the mind of this Senator that the size of this Federal Government and its annual outlays have to be changed dramatically. They cannot be changed in the direction that they have been changing in the past decade. They have to come down. I submit the Department of Energy is not immune from that criticism and that there is a similar urgent need on behalf of the general welfare of America.

I have grown to now conclude that this year we have to effectively cut the outlays back substantially and provide for rather drastic diminution in the expected outlays over the next 4 years.

Mr. PROXMIRE. You see, the difficulty is that the Governor would not respond to me. He would not give me an answer. He would not say he would make reports to the committee, not to me but the Energy Committee, at the end of every quarter as to what the situation was. I am not asking for a prediction. He should know how many people are working under him, what his outlays are, and he should tell us.

Mr. DOMENICI. I must say to the Senator that in the short time between his being called on the telephone by the President-elect and the time he came before our committee, that he could not get the answers to those kinds of questions unless he was working in that Department—and I do not think you necessarily would want that kind of person.

Mr. PROXMIRE. I have not made myself clear. I have not asked for answers. I asked him simply to tell us whether he would make a report by June 30, 1981, as to how many people he had on board on that date and how

much the Department had been spending as of that time. That is all I asked for. He would not give me an answer.

Mr. DOMENICI. I understand you, and I understand his answer, too. While I have the greatest esteem and respect for the Senator from Wisconsin, I think if I were advising Governor Edwards, I would have said, "I think you better tell the Senator you will comply with the law." I do not know what other Senator might want a report by July 1. Maybe Senator SCHMITT, who is anxious to see the Department disappear, might want that kind of report by September 15. He would be telling all of us, "Whatever it is you want by way of reports, I will g.ve to you."

I do not think the Senator has to be concerned about this administration openly, publicly, and on a regular basis telling the American people how they are going to cut. I believe this man will be a spokesman for the President and for the Department of Energy.

Mr. PROXMIRE. May I say to my friend, I am not asking for him to make a special report to me. I asked him to make a report to the committee. If he felt this might involve other Senators and dates, he could easily have said he would make periodic reports, not necessarily on June 30. But to simply ignore it and say he would comply with the law seems to me to be unfortunate.

I would like to ask the Senator if he would be able to tell us what the effect would be on inflation if Governor Edwards keeps his pledge to lift all remaining controls on gasoline and crude oil as soon as possible? What effect would it have on the cost to the rest of the country that is not oil producing if we have the controls lifted that much before the deadline, which, of course, is early next fiscal year?

Mr. DOMENICI. I will speak first about oil and then try to address the other issues which have been raised.

I do not think anyone can give an answer either, on the effect of the immediate decontrol of crude oil versus the effect of decontrol which is going to occur under the law in October of this year. I will tell the Senator this: The world oil situation probably will not be as conducive to decontrol in October as it is right now. The reason I think that is important is because while we have a present world glut, the immediate impact of decontrol is apt to be very significantly diminished over what it will be if we have a tight world market.

Eventually, in October, it is going to be decontrolled by operation of law.

I do not think those few months will make that much difference in the price of crude oil on the world market. Domestically it is going to rise. It is somewhat out of control in that regard.

I submit that if we would not have controlled it and other substances, such as natural gas, during the years, we would not be in the dilemma we are in.

Yes, with the price of oil going up, it will have an effect on inflation, but the price will go up in any event; and I do not believe that anyone can put into exact dollars the effect of that.

Mr. PROXMIRE. I should like to pursue that further, but time is limited.

One of the great concerns in Wisconsin is nuclear waste, because our State is one which is threatened with being a nuclear burial ground. We have granite deposits in our State which would be quite inviting for that purpose and the people in our State are very much concerned.

Our Governor, who is a Republican, has indicated great concern, and there is a strong feeling that the States should have a veto over the siting of nuclear waste facilities.

We unanimously passed an amendment to legislation in this body which gave the States a limited veto over the disposal of nuclear waste.

Here is a Cabinet officer who seems to say he would oppose giving States any veto including a veto for military wastes which are about 90 percent of all high level wastes.

Can the Senator give us any reassurance or explanation as to why we should vote for a man for an important policy-making position, the principal adviser to the President on energy, who would favor a policy of simply permitting the Federal Government to override the States' rights and bury nuclear radioactive wastes within the States if the Federal Government wished to do so?

Mr. DOMENICI. The Senator must know that he asks about an area of intergovernmental relations that this Senator is very much familiar with and involved in. But I do not believe that the U.S. Senate ever voted to give States veto rights. We did vote last year on S. 2189, if that is the reference the Senator makes, to give to the States and provide them with a process that is called consultation and concurrence.

Mr. PROXMIRE. That is even better than a veto.

Mr. DOMENICI. I advocated that for a long time. But, basically, if one reads the measure that was passed here, the time does arrive when, if a State does not concur and the Secretary of Energy decides to proceed, the only remedy a State has is to ask Congress to help it.

I do not believe he is stating anything inconsistent with that, and I do not know that that should deny a Secretary of Energy confirmation when Governor Edwards says, "I advocate as much as we possibly can give to the States, but we might find ourselves in a position where the Governors do not want to take the heat and where no State wants to say yes," in which event he says it is a national decision which has to be made by someone such as the Secretary of Energy.

Mr. PROXMIRE. As a matter of fact, the Governors are only given consultation. Is that not right? They have no other recourse. If you are the Governor of New Mexico or Wisconsin, under the policy Governor Edwards would favor, if the Federal Government wishes to bury waste in your State, they consult with you. If you say you do not want it, that is too bad. You get it anyway, if the Federal Government insists. Is that not right?

Mr. DOMENICI. I do not recall that this nominee ever said, "I endorse the language found in Senate bill 2189." If he did, I do not recall it. He said he did not think the States should have absolute veto rights.

If he had said that S. 2189 was good in his opinion, in terms of the relationship, that is not a reason to turn him down, either. The Senate voted overwhelmingly in favor of that. So it seems to me that if he favors that, he favors what most of this body favors. So I do not believe we should turn him down on that ground, either.

Mr. PROXMIRE. I am not necessarily talking about turning down the Governor on that ground. It is a matter of great interest to my State and, I am sure, to many other States which feel that they should have some say about what the Federal Government does in disposing of waste which they had no part in creating.

I ask the Senator about the reprocessing of spent nuclear fuel.

Mr. DOMENICI. Before the Senator does that, will he yield?

Mr. PROXMIRE. I yield.

Mr. DOMENICI. I wholly concur that we must develop a process by which the States have significant involvement and an ongoing input.

Mr. PROXMIRE. That is very encouraging. However, I do believe we should go as far as we can and, if possible—I realize it is a very difficult decision—work to give the States at least the kind of authority and power they felt they had in the legislation we enacted.

How about the reprocessing of spent nuclear fuel and breeder reactors? I understand that he strongly favors the Clinch River plant. That plant needs big Federal subsidies. I do not mean that he specified Clinch River, but he favors breeder reactors.

My question is this: Am I interpreting his position correctly with respect to breeder reactors? That has been very controversial in this body, as the Senator knows. I have opposed breeder reactors. As the Senator knows, they do produce a product which can be used for military purposes, and it is very hard to control.

Mr. DOMENICI. The Senator's interpretation of what he said is correct. He supports breeder reactor technology and the development of breeder reactors. I do not believe he made a positive commitment as to Clinch River, the ongoing project.

Mr. PROXMIRE. The Senator is correct. I was mistaken on that.

Mr. DOMENICI. While the Senator from Wisconsin might oppose the development of breeder reactors, this body historically, by rather compelling numbers, has supported the development of breeder technology. The only controversy has been over Clinch River, as I recall, but this body has supported its development.

There, again, I believe that if he supports what a majority of the Senate supports, at least for purposes of confirmation, that would seem to be a pretty good justification for confirmation.

Mr. PROXMIRE. Will the Senator inform the Senate as to what his reaction and the committee's reaction was to the statement by Governor Edwards that the Three Mile Island episode did not dis-

turb him and—I quote him—"It showed that the system worked, and everything in life has risk."

Mr. DOMENICI. I am not aware of any response to that position—and the staff informs me that there was none. The committee, by a majority, has taken the position that we have to proceed with the use of nuclear energy in this country, including the present technology that is in the field, but that, obviously, we have to do everything within our power to provide the maximum safety.

Mr. PROXMIRE. I agree with that. But it seems to me that any reaction that the Three Mile Island incident was not disturbing, any reaction which shows that the system works, indicates an insensitivity to the colossal risks involved. The Three Mile Island incident is a grim reminder that no matter what safeguards we put in, and no matter what the scientists assure us about odds of a million to one or a hundred million to one against an accident, human beings are involved.

The PRESIDING OFFICER. The 30 minutes of the Senator from Wisconsin have expired.

Who yields time?

Mr. DOMENICI. Mr. President, I understand the order is that we vote at 9:15. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. Who has the remaining time?

The PRESIDING OFFICER. The Senator from New Mexico and the Senator from Louisiana both have time remaining.

Mr. JOHNSTON. Mr. President, I yield to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I rise in opposition to this nomination.

Mr. President, I have supported most of President Reagan's Cabinet nominations.

Over the years, I have supported a number of nominations despite very real reservations. And I have opposed some nominees because their records are so contrary to the public interest as I see it that I could not follow the general presumption in favor of Presidential Cabinet nominations.

I cannot support the choice of James Edwards as Secretary of Energy, because as a blind and unquestioning advocate of nuclear power, he cannot bring to the Energy Department any real sense of balance about nuclear development and its dangers.

As Governor of South Carolina, Mr. Edwards spoke unequivocally for the development and even the Federal subsidization of plutonium technologies—which Secretary of Defense Harold Brown regarded as inconsistent with our national security. As chairman of the National Governors' Association Task Force on Nuclear Energy, Mr. Edwards favored any and all forms of nuclear energy.

An insensitivity to the issues of nuclear safety recurs in Mr. Edwards' record and continued all through his confirmation hearings. I am especially disturbed by his views on the accident at Three Mile Island.

Just after the accident, Mr. Edwards commented that nuclear power is an "emotional issue * * * it's like a boogey man."

Since then, two independent commissions—the Kemeny Commission and the Rogovin Commission—have examined Three Mile Island and concluded that the present system of regulation cannot assure that nuclear powerplants are safe.

But Mr. Edwards' views have not been moderated at all, even by these two independent reviews. During his confirmation hearing, he said that what Three Mile Island meant to him was "a company that is in trouble who needs some help." Then he added, "generally" that was all it meant. He explained that the accident showed that "the system worked and no one was harmed."

Despite his professed faith in the free market and his supposed opposition to big government, Mr. Edwards displays a similar excess of enthusiasm for big government subsidies to insulate the nuclear industry from genuine free markets.

Over the past three decades, nuclear energy has reaped $21 billion in subsidies from the Federal Government. Whatever the merits of these enormous subsidies in the past, there is no justification for their continuation at such exorbitant levels in the future. Yet, under Secretary Edwards, the ominous prospect is for an expansion of these subsidies to even higher levels. It is strange indeed that a new administration so committed to ending Government interference in the energy industry should recommend a Secretary of Energy so committed to public subsidies for private companies in the nuclear industry.

A few examples illustrate the problem:

In 1975, the owners of the Barnwell plutonium reprocessing facility in South Carolina informed the Federal Government that their proposal to build a plutonium reprocessing facility could not be privately financed. They seek, and Mr. Edwards favors, a public subsidy. It will cost the taxpayers $2 billion to complete the plant if it is taken over by the Federal Government. I have strongly opposed such public assistance in the past, and I shall continue to oppose it in the future.

It has been proposed that the Federal Government spend $1 billion to build the Clinch River plutonium breeder reactor. The United States has over 400 years of coal with which to generate electricity. As in the case of the Barnwell project, it makes no sense for the Federal Government to spend a billion dollars on nuclear fuel for electricity generation. But Mr. Edwards favors that wasteful expenditure.

Government operation of uranium enrichment plants, which also supply fuel for nuclear reactors, furnishes an additional $700 million annual subsidy to the nuclear industry. It is imposible to justify this subsidy on the basis of a rational energy or economic policy. But Mr. Edwards favors it.

Virtually every other industry is required to bear full financial responsibility for accidents. Yet the nuclear industry has long been relieved by Federal law of the full liability for nuclear accidents. I believe that this cushion of Federal protection is unwarranted and should be removed. But Mr. Edwards supports that program—which could, in the moment of a meltdown, cost the public tens of billions of dollars.

Finally, I am concerned about Mr. Edwards' position on the issue of nuclear waste. He favors States' rights in most areas—but in the critical area of nuclear waste disposal, he favors an all-powerful central Government that can ride roughshod over the interests of the States.

The American people have a realistic concern about nuclear energy. Unless we approach the challenge with balance, caution, and sensitivity, I believe that nuclear power could become a technological Vietnam for the United States in the 1980's. I cannot support a Secretary of Energy who regards it as an unalloyed blessing.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I have 3½ minutes remaining. I yield those 3½ minutes to the distinguished Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from New Mexico.

Mr. President, I intend to cast my vote in favor of the nomination of Gov. James B. Edwards to be the next Secretary of Energy. Governor Edwards has had a distinguished career in public service and I am satisfied that he will serve in this important Cabinet post with integrity and commitment. However, this nomination brings into sharp relief the many divergent views on energy policy which have surfaced within the Congress and points to the urgent necessity to maintain a steady course.

Now that the campaign is over, I am hoping that the incoming adm'nistration will take a realistic approach to this Nation's energy security. During the last Congress, fundamental new policies were established that will profoundly change the way America produces and uses energy. Phased decontrol of domestic crude oil has already led to more domestic exploration and to substantial energy conservation.

A record number of oil wells were drilled this past year, while petroleum imports averaged about 23 percent less than in 1979. There has been strong bipartisan support for research and development of diverse energy technologies. Congress also gave its overwhelming endorsement to a partnership between Government and industry to develop a viable synthetic fuels industry.

The incoming Reagan administration has promised to place a greater emphasis on the increased production of domestic oil and natural gas. Governor Edwards' remarks at his confirmation hearings reflected this commitment. There is no question that we must maximize the production and use of our domestic energy resources. But the facts belie the

promise that this adds up to a simple solution to America's energy problems.

Government and industry experts alike agree that the United States is facing a steady inevitable decline in petroleum reserves. The immediate decontrol of domestic oil and gasoline prices, while perhaps a symbolic gesture to encourage production and conservation, will not provide any easy answer. Rather, the solution lies in a broad range of approaches. These must include consistent support for the development of new energy technologies, particularly the production of synthetic fuels from coal and oil shale, effective conservation measures and wise preparation for a predictable energy emergency.

Governor Edwards will find the Department of Energy to be a complex and diverse organization. Undoubtedly, some of the bureaucratic machinery needs to be overhauled or even dismantled. However, much of the work of the Department must be continued if the national interest is to be served. A sound energy policy, based on more than hypothetical discoveries of oil, is essential to our national security and the health of our economy.

The pursuit of energy security and independence includes the increased use of coal, both conventionally and in the manufacture of synthetic fuels. Governor Edwards indicated at his confirmation hearing that he supported this goal. It includes the support of promising new technologies, such as solar or geothermal. It requires the accelerated construction of priority energy projects through curtailment of regulatory delays and obstruction. It demands effective management in the event of a severe supply shortfall. It requires cooperation with our oil consuming allies to avoid perilous fluctuations in the international oil markets.

Given these and countless other critical responsibilities, Governor Edwards should rethink his initial promise to work himself out of a job. On the contrary, he will be expected to find the most able and talented professionals to staff the Department's management positions. It is with this mandate that I congratulate Governor Edwards on his nomination and wish him well in this difficult post.

Mr. BRADLEY. Mr. President, I will vote to confirm James Edwards as Secretary of Energy. But I also want to voice my concerns about his appointment.

Over the past 2 years, we have come to appreciate the extent to which our energy problem is an international problem that gravely threatens our national security. Our foreign and defense policies are at least as integral to its management—and ultimate solution—as our domestic energy programs. The reason is that our economic and political vulnerability, and the vulnerability of our allies and trading partners, to foreign manipulation or disruption of petroleum supplies is a source of strategic vulnerability as well.

This vulnerability will persist as long as the American and international economies are fueled by oil and gas from insecure or hostile suppliers. Unfortunately, neither the United Staes nor our friends in Europe, Japan, and the Third World, will quickly or easily substitute domestic energy for imported petroleum. And for the next decade, at least, the likelihood that oil and gas will be used as political instruments will increase, not decline.

To forestall politically divisive competition for access to petroleum supplies and to limit the economic damage from deliberate or inadvertent disruptions, we must cooperate with other oil importing nations in developing effective measures for enhancing our collective energy security. An essential prerequisite for international cooperation in this area is strong and creative U.S. leadership at home and abroad.

Mr. Edwards, both in conversation and through his answers to written questions, has modestly disclaimed his expertise in the foreign policy and national security dimensions of U.S. energy policy. At the same time, he has testified that he will have primary responsibility for developing America's international energy policy and for representing the United States on energy matters in all international forums.

This is a tall order. In view of the stake America has in his success, his principal advisers on these matters—the Deputy and Under Secretaries and the Assistant Secretaries for International Affairs and Emergency Preparedness—must therefore carry a double burden of demonstrating their qualifications for the job. I would hope that the administration's candidates for these positions can satisfy us that they have the ability and the will to define and promote the national interest in these critical areas.

I am also concerned that Mr. Edward's obvious enthusiasm for nuclear power could cause him to discount conservation's enormous potential for reducing America's energy consumption. This could result in exaggerated energy demand projections which might in turn legitimize a new wave of costly subsidies to highly capital intensive nuclear and synfuels projects at the expense of more cost-effective investments in energy efficiency, municipal urban waste and solar.

In the months ahead, I will carefully monitor DOE's progress in the international, energy security, and conservation areas. And I look forward to working with Mr. Edwards and his deputies on these important and challenging matters.

● Mr. JACKSON. Mr. President, I intend to support the President's nomination of Gov. James B. Edwards to be Secretary of Energy. On January 12, Governor Edwards appeared before the Committee on Energy and Natural Resources to answer questions about his qualifications for this job. I think he learned something from those hearings.

The Secretary of Energy is an extremely important person in the U.S. Government. Our management of energy policy is an essential component of our economic policy. It is a fundamental component of our foreign policy.

The functions of the Department of Energy are essential functions. These Federal responsibilities cannot be adequately managed in a piecemeal fashion without firm and informed central direction and coordination. This kind of coherent effort is vital if we are to assert control over our national welfare.

Governor Edwards is taking on a backbreaking job. It is a job which requires technical expertise. It is a job that requires diplomacy and consultation. It is a job which requires forceful and skillful management. It is a job in which your mistakes are immediately visible and painful, whereas your successes only manifest themselves over the longer run.

I wish Governor Edwards good luck, and urge him to take seriously the importance of listening to the advice which will be available from the Congress and others. Energy policy is a very serious, difficult business. He will need the consultation and cooperation we in Congress are offering.

Mr. President. I ask unanimous consent that the text of my remarks at the hearing on Governor Edwards' nomination be inserted in the RECORD at this point.

The statement follows:

STATEMENT OF SENATOR HENRY M. JACKSON: NOMINATION OF DR. JAMES B. EDWARDS TO BE SECRETARY OF ENERGY, JANUARY 12, 1981

Certain statements made during the 1980 Presidential campaign suggest that the Secretary of Energy may not be regarded by the new administration as an important member of the President's cabinet. I will tell you my view of the matter.

Energy is the lifeblood of our economy.

Without adequate supplies of energy we cannot provide the goods and services our people deserve. We cannot provide jobs.

Without adequate supplies of reasonably priced energy, we cannot control the cost spiral which drives our inflation. We cannot create the confidence in the health of the economy which is essential if we are to invest in the future.

So the Secretary of Energy is very important. And the implications of the policies of the Department of Energy are not confined to domestic energy markets.

The cornerstone of any U.S. energy policy is petroleum policy. Because of this, U.S. energy policy is dominated by the characteristics of the world oil market. The availability and price of oil on the world market is determined by a myriad of social, economic, political and other factors which are far more complicated than the relatively simple dynamics of market price, supply and demand. Access to oil on the world market in the 1980's is a matter of international politics and national security. The probability that this access will be restricted by design or by accident is alarmingly high. Any prolonged restriction in access to oil would have the most serious consequences for the United States and its allies.

The Department of Energy organizes the international representation for the United States at the International Energy Agency and provides the leadership role in energy emergency contingency planning.

The Department of Energy directs the national effort in research and development and production of nuclear weapons and serves as the prime contractor for the national laboratories.

The Department operates the strategic petroleum reserve and serves as the focus for energy information and analysis and energy policy development. It is the entity which not only directs efforts at energy research,

development and demonstration but relates these efforts to the evolving energy situation.

So I believe that the Department of Energy has a very heavy set of important responsibilities. And I am troubled by the suggestion that the Federal government can somehow divorce itself from these responsibilities or scatter operational management of them over several other uncoordinated Federal entities. I become very concerned when some say that we can abolish the Department of Energy: the only institution available to provide a focus for the Federal government's efforts to play a constructive role in so many essential facets of energy policy.

I am looking forward to hearing Dr. Edwards' views on these and other matters relating to activities carried out by the DOE during the course of these hearings.●

● Mr. DODD. Mr. President, I rise in opposition to the nomination of Gov. James R. Edwards for Secretary of Energy. I do so, not because I believe that Governor Edwards is unqualified for this position, but because many of his views on energy issues run directly counter to the energy needs of my State and the entire Northeast region.

Governor Edwards has stated that he would like immediate decontrol of oil prices. Estimates show that such a decision could add as much as 14 cents to the price of a gallon of home heating oil. Right now, consumers in my State are paying upward of $1.17 per gallon for heating oil. Another 14 cents would add $140 to an average $1,200 annual fuel bill.

For families struggling on fixed incomes, for the unemployed, and for low- and moderate-income families, these kinds of energy price hikes are unbearable. Although I would agree with Governor Edwards that the private sector should be encouraged to produce more energy for the people of America, I do not believe that immediate decontrol is worth the price Americans will have to pay.

Governor Edwards has already admitted that he "neglected" consumers in setting up a private energy research institute foundation in South Carolina, and I am concerned that this failure to recognize consumer interests will continue during his tenure at the Department of Energy.

On the subject of gas rationing, Governor Edwards said that he would like to see the private sector distribute resources during energy shortfall periods. I question the Governor's confidence in market forces to equitably distribute fuel supplies during an energy emergency. I would not like to see an energy shortage occur where these States in New England who are at the end of the energy pipeline for oil, gasoline, natural gas, and coal had no emergency distribution and allocation system to rely upon.

Governor Edwards also suggested during his confirmation hearings that, instead of a regional petroleum reserve, New England might want to look into a fast transportation system from the SPR in Louisiana to our region. However, in the event of a severe shortfall in oil supplies crude oil would have to be pumped out of the SPR and then transported to Caribbean refineries. Petroleum products would then have to be shipped from the Caribbean to New England terminal operators and then to wholesalers. All of this could take weeks, and the suggestion of a special transportation system seems more than a little shortsighted.

In the area of windfall profit taxes on decontrolled oil, Governor Edwards could not give a firm response, but he did say that he was philosophically opposed to an oil profits tax. The windfall profits tax is, in my opinion, the only adequate compensation to consumers for the outsize profits oil companies are reaping from decontrol.

Finally, Governor Edwards gave no real evidence of support for solar and other renewable energy sources as well as conservation efforts funded by the Government, programs that need Federal encouragement and are invaluable to our energy poor region.

For these reasons, both philosophical and practical, I cannot support Governor Edwards' nomination for the position of Secretary of Energy.●

Mr. DOMENICI. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of James B. Edwards, of South Carolina, to be Secretary of Energy? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT), the Senator from Maryland (Mr. MATHIAS), and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT) and the Senator from Vermont (Mr. STAFFORD) would each vote "yea."

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN) is necessarily absent.

Mr. GOLDWATER. Mr. President, regular order.

The PRESIDING OFFICER. Is there any Senator in the Chamber who has not yet voted? Regular order has been called for. The clerk will tally the vote.

The result was announced—yeas 93, nays 3, as follows:

[Rollcall Vote No. 14 Ex.]

YEAS—93

Abdnor	DeConcini	Hollings
Andrews	Denton	Huddleston
Armstrong	Dixon	Humphrey
Baker	Dole	Inouye
Baucus	Domenici	Jackson
Bentsen	Durenberger	Jepsen
Biden	Eagleton	Johnston
Boren	East	Kassebaum
Boschwitz	Exon	Kasten
Bradley	Ford	Leahy
Bumpers	Garn	Levin
Burdick	Glenn	Long
Byrd, Harry F., Jr.	Goldwater	Lugar
Byrd, Robert C.	Gorton	Matsunaga
Cannon	Grassley	Mattingly
Chafee	Hart	McClure
Chiles	Hatch	Melcher
Cochran	Hatfield	Metzenbaum
Cohen	Hawkins	Mitchell
Cranston	Hayakawa	Moynihan
D'Amato	Heflin	Murkowski
Danforth	Heinz	Nickles
	Helms	Packwood
Pell	Sarbanes	Tower
Percy	Sasser	Tsongas
Pressler	Schmitt	Wallop
Pryor	Simpson	Warner
Quayle	Specter	Weicker
Randolph	Stennis	Williams
Riegle	Stevens	Zorinsky
Roth	Symms	
Rudman	Thurmond	

NAYS—3

Dodd	Kennedy	Proxmire

NOT VOTING—4

Laxalt	Nunn	Stafford
Mathias		

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominee was confirmed.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has confirmed the nominee.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF EDUCATION

NOMINATION OF T. H. BELL, OF UTAH, TO BE SECRETARY OF EDUCATION

The PRESIDING OFFICER. The clerk will report the next nomination.

The legislative clerk read the nomination of T. H. Bell, of Utah, to be Secretary of Education.

The Senate proceeded to consider the nomination.

The PRESIDING OFFICER. Who yields time?

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield me 1 minute?

Mr. HATCH. Yes.

Mr. ROBERT C. BYRD. Mr. President, I take the floor while we have a good attendance at the moment to ask the majority leader what the program is for the remainder of the evening and tomorrow and Monday and Tuesday.

Mr. BAKER. Mr. President, I thank the minority leader for inquiring, and I am happy to respond, if I may have the attention of the Senators for a moment.

We now have before us the last nomination that I would propose that we deal with today. That leaves three other nominations of Cabinet rank that will be dealt with next week.

After we conclude the consideration and vote on the Bell nomination it would be my intention to recess the Senate over until 11 a.m. tomorrow, at which time we would have a pro forma session and with the proviso that Senators would be permitted until 3 o'clock on Friday afternon to introduce bills, resolutions, and statements.

At the conclusion of the pro forma session on Friday the Senate then would be in recess until 11 o'clock a.m. on Tuesday, at which time we would resume consideration of the remaining nominations of Cabinet rank, beginning with Calendar Order, Executive Calendar Order No. 13, that of David A. Stockman of Michigan to be Director of the Office

of Management and Budget, and proceeding then to Executive Calendar Order No. 12, the nomination of Jeane J. Kirkpatrick, of Maryland, to be the representative of the United States to the United Nations; and the following on then with such other executive business as would be appropriate for us to consider on Tuesday.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader.

DEPARTMENT OF EDUCATION

NOMINATION OF T. H. BELL, OF UTAH, TO BE SECRETARY OF EDUCATION

The Senate resumed consideration of the nomination.

Mr. HATCH. Mr. President, in the age of scientific development, technological change—and a continual demand—as it should be—upon education to produce the qualified citizens to productively fill jobs in today, and future job markets, it is mandatory we find the best qualified individuals to provide effective leadership toward more and better education.

Education of the masses is a big business in this great Nation. Involved in today's education processes are 3,280,000 teachers, 58,440,000 students spend $166.2 billion with Federal expenditure of $17.2 billion overall. The leadership demands are continually thrust upon us in our choice—we are asked by our constituents and professional peers to appoint men and women in positions of leadership who have adequate educational backgrounds themselves; outstanding professional experience, and an educational philosophy that will demand innovations—and a new look in education.

On January 15, 1981 the Committee on Human Resources met and approved the appointment of such a person. His name is Terrel Howard Bell—more affectionately known by all of us in Utah as "Ted".

Ted comes from the State of Utah, a State that has for many years exhibited leadership, innovative leadership in its educational achievement. His education goes back many years, starting in Idaho where he was raised and educated in a small school district in Lava Hot Springs. He graduated from a small college of education in Albion, Idaho; received his masters degree from the University of Idaho; did graduate studies at Stanford University in California; and was awarded a doctoral degree of education from the University of Utah where he was a Ford Foundation fellow.

He has exhibited self motivation by continually keeping himself abreast of new movement, new educational endeavors even though terminating the journal approach.

His colleagues have continually honored him for that endeavor. He has been awarded an honorary doctorate from: The University of Redlands, Westminster College, and Southern State University. Elliot Richardson, Casper Weinberger, and David Matthews have awarded him special citations for his excellence of performance. He has received distinguished service awards from: The Council of Chief State School Affairs, the National Association of State Boards of Education, and the Utah School Boards Association. He has the distinguished alumnus awards from Utah State University and the University of Idaho.

He earned these awards for service rendered as a marine sergeant in the Pacific area during World War II—as the athletic coach and science teacher at Eden Rual High School in Eden, Idaho; as superintendent of the Rockland Valley Schools, Idaho; as a result of a Ford Foundation fellowship in school administration at the University of Utah and Stanford University, as superintendent, Star Valley Schools, Afton, Wyo.; as the superintendent of the Weber County School District in Ogden, Utah; as professor and chairman of the department of education, as the administrator of Utah State University; as the Utah State Superintendent of Public Instruction, Salt Lake City, Utah; as the deputy commissioner of school systems at the U.S. Office of Education at which time he also served for 6 months as acting U.S. Commissioner of Education, Washington, D.C.; as the superintendent of the Granite School District in Salt Lake City, Utah (which incidentally is Utah's largest at 63,000); as the U.S. Commissioner of Education, U.S. Office of Education at the Department of Health, Education, and Welfare, Washington, D.C.; and from 1976 to present as the commissioner and chief executive officer, of the Utah System of Higher Education, Salt Lake City, Utah. He received a Presidential appointment in 1972 through 1974 at the National Council of Educational Research, National Institutes of Education.

We have a man with all the education and experience necessary to properly function as our Education Chief. President-elect Reagan recommends him to us, the Senate Committee on Labor and Human Resources recommends him unanimously. He has numerous endorsements from those peers who have worked with him. The bottom line in this appointment is Ted's devotion and commitment to the philosophies of this administration.

In committee hearings he pledged to fulfill our President's commitment to explore, find and implement alternative approaches to replace the newly created Department of Education. His greater commitment is to cutting Government controls, and overregulation, and reducing dominance by the Federal Government in the field of education while returning the control to State and local governments. He is an ardent supporter of the so-called Hatch amendment, which allows parents and students to protect themselves against Government encroachments in improper psychological and psychiatric testing and Government planned course which absorb the teaching and learning of basics.

He is committed to the use of Federal moneys for quality improvement and to magnify local initiative. He will give us leadership and a long hard look at equal educational opportunity—access for all. He has pledged high priority for corrections for oversea schools. He maintains there is a great need to improve teacher education across the Nation and will provide us the needed leadership for its accomplishments.

Inasmuch as he has been in so many positions of leadership in the field of education, he is very aware of the tremendous burdens, both in time and moneys, that are placed upon accountability systems for reporting by the Federal Government and is sympathetic toward not just small improvements but an entire new look.

The challenge of education today is to meet the social, economic, political, and military challenges of "putting America to work again"—and in doing so, its greatness will be assured. My friend and your friend "Ted" Bell will, with his expertise and background, assist us in that cause.

I commend him to the Senate and ask that his nomination be overwhelmingly approved so that the job of effective national leadership in education policy may have a new beginning.

I hope that my colleagues will follow the lead of our committee in supporting Dr. Bell because of the job of effective national leadership and educational policy which he has rendered over the past many years of his life.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require. I will try to be as brief as I can. I realize the hour is late and I will get through as quickly as possible.

Mr. President, this nomination is really hard to believe and hard to understand. This nomination, I think, can best be understood if we put it in the perspective of three comments by three different sources: First, the Wall Street Journal; second, Evans and Novak; and, third, William Buckley. I think none of these three sources could be said to be supercritical of President Reagan, yet all three of them feel that this is an appalling nomination.

Let me just quote briefly from these sources. The Wall Street Journal said:

> Mr. Reagan said he would dismantle the Department of Education; Mr. Bell ardently supported setting it up and he has brought in Allen Cohen, former chairman of the Ad Hoc Committee for a Cabinet Department of Education, to advise him on transition team recommendations.
>
> Mr. Reagan promised to cut Federal taxes and transfer accountability back to State and local governments; Mr. Bell has said the Federal Government should provide a major share of national education expenditures.

The editorial goes on to say:

> Abolition of departmental status for Federal education projects is not the main issue. Far more crucial are specific and substantive questions about the Washington role in education. Will it continue, for example, to obstruct efforts by state and local authorities to apply minimum standards for earning a high school diploma, as it has recently done in Florida? Will it mandate costly programs someone else will have to find the money for?

Will it continue to meddle in school policies in ways that destroy the authority of principals and teachers, without taking responsibility for the resulting breakdown of discipline?

Mr. President, all of us recognize that there has been a deterioration in education in this country. The objective evidence is very clear in the tests. We are puzzled by it because we are pouring far more resources into it.

One reason, in the judgment of this Senator and I thought in the judgment of the administration, was because the Federal Government has gotten too deeply involved. That is also one reason why our budget is so out of whack.

Let me briefly quote from Evans and Novak—

Upon leaving Washington in 1976, Bell endorsed the need for a Cabinet level education department. That fit his revised views as he then described them: "I came here feeling that education was almost exclusively a state responsibility. My view has shifted . . . Congress and the federal statutes can no longer defer to the states and say, 'you take the lead.' The federal government must guarantee certain rights, and in doing so, it should specify the ends of education and provide financial support to meet those ends."

Now, Mr. President, I have one more source I would like to quote from and this is from William Buckley who, I think, is about as close as we can get to a celebrated intellectual who warmly supports Mr. Reagan; has been his champion. Here is what Mr. Buckley had to say about this—

When General Eisenhower announced, shortly after his election, that he would appoint Martin Durkin, a conspicuous labor union opponent of the Taft-Hartley reform, as labor secretary, Senator Taft, the usually self-contained leader of the Republican wing of the Senate, blurted out to the press that it was nothing less than "an incredible appointment" Ronald Reagan has matched the gaffe of Dwight Eisenhower in naming Terrel Bell as secretary of education.

By way of background, the Cabinet office is about a year old. It was from the beginning a transparent exercise in bureaucratic fission: the more bureaucracies, the more bureaucrats. The National Education Association is the principal lobbyist for more and more bureaucratic education, for a larger and larger dominion over it by the federal government—

And here is the principal point made—

and for a general deterioration of standards of progressive excellence which for so many years were the principal allure of public education.

Mr. Buckley goes on to say:

Ronald Reagan entered the campaign pledging to eliminate this latest accretion on the licentious family of the Washington bureaucracy. Instead, he nominated Mr. Terrel Bell.

Mr. President, as I pointed out, the tragedy here is that we have spent more and more on education and there is almost a perfect correlation between the amount of Federal spending on education and the tests score on the SAT tests. There is also almost a perfect correlation between the amount of spending on education and the decline in reading ability.

Of course, I do not think that this is deliberate, by any means. But I think we should recognize when we have a program that is not working we ought to abolish it.

That is what I thought President Reagan pledged in the campaign. Obviously, by appointing Terrel Bell he is not accomplishing that.

Mr. President, I have some questions for my friend, the chairman of the committee and the manager of the nomination.

I asked the nominee, Mr. Bell, recognizing, of course, that with his kind of background he could hardly be expected to enthusiastically support abolishing the department, I asked him——

Mr. GARN. Mr. President, will the Senator from Wisconsin yield for a comment before he gets into the question?

Mr. PROXMIRE. Yes.

Mr. GARN. Mr. President, I think the Senator from Wisconsin recognizes how much I respect him. We have served for 6 years on the Banking Committee together. He has been my chairman.

But I first of all must say how much I enthusiastically support Ted Bell for this position. I am hardly known in this body as a liberal. I do not think anybody could accuse me of being a liberal or a big spender or an advocate of more Government. So I am disturbed by my friend's comments, because, with all due respect to the Senator, he is wrong. He is simply wrong. Evans and Novak are wrong, the Wall Streete Journal is wrong, and Bill Buckley is wrong. They just do not know what they are talking about with this man.

The Senator has not met him, they have not met him, but I have known him for more than 15 years. When he was Commissioner of Education, I lived a couple of blocks from him. I am not supporting him simply because he is from Utah. I do not do my business that way. But I happen to think I know his attitudes a little bit better than people who do not know him.

I voted for the Department of Education for the same reason Ted Bell supported it, not because we thought it was necessarily a good idea to have a separate department, but to anybody who has had anything to do with HEW, the worst place for it to be was in that monstrosity. There is no bureaucracy worse than HEW.

I would suggest that it would be my expectation that the Senator will see changes in the Department of Education which will be satisfactory to us conservatives. We will see it downgraded in importance. If there is anybody who believes in States' rights, it is Ted Bell.

I would suggest, rather than these comments from these sources, these eastern sources, the Senator might check with the educators of Utah and the business people, our rightwing Democrats and Republicans and see what they think of Ted Bell, see what they think his attitudes are about education. The Senator will find that he is as much a States' rights man as JAKE GARN, ORRIN HATCH, JESSE HELMS, or anybody else.

The Senator will live to see the day when he will want to retract the comments he has made today on the basis of these sources when Ted Bell does an excellent job in that particular Department.

So this Senator, not only as a Senator from Utah, but knowing the man for 15 years, believes we could not find a better man who believes in States' rights who will put that Department in its proper place and where it ought to be. I thank my friend from Wisconsin for yielding.

Mr. PROXMIRE. May I say I greatly respect my good friend from Utah, but I have come back to the statement about whether he would challenge this statement made by Mr. Bell, when he said—

I came here to Washington feeling that education was almost exclusively a State responsibility. My view has shifted. . . . Congress and the Federal statutes can no longer defer to the States and say, "You take the lead." The Federal Government must guarantee certain rights and in doing so, it should specify the ends they must provide, the education and provide the financial support to meet those ends.

Mr. GARN. I do not doubt that he made those statements, but out of context. You can pull out of context a lot of statements that I have made over the last several years which would give a quite different attitude from what my overall attitudes might be. I would suggest that I do know his overall attitudes and he is as much a States' rights man as the senior Senator from Utah is.

I am sorry that the Senator did not bother to investigate further. As good friends as we have been, he might have checked out with some of us what his attitudes are. I would hardly think that the Senator from Wisconsin, knowing me as well as he does, would think that I would be supporting someone who did not believe in State and local control of education, as Ted Bell certainly does.

Mr. HATCH. Will the Senator yield for a response?

Mr. PROXMIRE. I yield.

Mr. HATCH. Dr. Bell did, in his comments before our committee, express himself quite eloquently on this matter, I believe, and he does believe at the present time, regardless of any prior statements, that the educational processes should be primarily in the hands of the States. I think in response to one of the Senator's questions, at least, he also indicates that. So at the present time, which I think is the crucial time frame, Dr. Bell certainly would have his interests and feelings coalescing with those of the distinguished Senator from Wisconsin.

Mr. PROXMIRE. May I say to the distinguished Senator along that line, I asked him in a written question, question 10, and I have given the Senator the questions and answers:

Do you favor the elimination of the Department of Education? What programs would you retain and where would they be located within the executive branch?

He answered:

President-elect Reagan has indicated that he proposed to abolish the cabinet level Department of Education. I will be working with the White House on alternatives to the

present organization. It is not clear at this point that such recommendations would result in a breakup of the present program groupings and a scattering to other agencies.

It seems to me to be a clear statement that you may abolish it as a Cabinet Department but you pretty much keep it intact. Certainly, his previous record would indicate that is his intention.

Mr. HATCH. It is true that he said he is going to abide by whatever the administration decides to do with regard to the breakup of the Department of Education. He also indicated that there are legitimate functions in education for the Federal Government to pursue and that he will pursue those, but under the direction of this administration.

He indicated at least to me personally, and I should pass it on to the distinguished Senator from Wisconsin, that if the President of the United States wants the Department of Education abolished, that he will preside over the abolishment of it.

He also has indicated that there may be some better form of reducing the Department of Education to a functional form where it can work with those areas where the Federal Government really must be involved in education, that this functional form is still basically undefined by the administration, and he will be guided heavily by what the President of the United States and the administration wants.

I feel that he gave an adequate assurance to the committee. I think the distinguished Senator from Wisconsin would agree with me that he gave an adequate assurance to the committee that he is in favor of streamlining the Department of Education so that it functions effectively and utilizes the taxpayers' dollars in a reasonable and economic way.

Mr. PROXMIRE. They all indicate they would streamline the Departments. Everyone coming into the Departments wants to streamline them, to knock out waste and fraud, and that kind of thing. But when it comes to specifics, here is a man who served in the Department of Education. He does have experience. I recognize that. He served with President Ford and was a champion of the Department.

Mr. HATCH. That is true.

Mr. PROXMIRE. That is, as it existed before.

Mr. HATCH. If the Senator will yield again, I can remember chatting with him about the proposed Department of Education, and he was for it because he wanted to spring the educational function outside of HEW, as the distinguished senior Senator from Utah has indicated, so that everybody could see the processes of education in this country firsthand without the processes being buried in the Department of HEW. So he was for that, but I think for the right reasons, and for the reasons that many of us initially voted for the Department of Education.

Mr. PROXMIRE. I asked the nominee if he would specify where he would cut the budget, and I suggested he tell us where he would cut the budget if he were to cut it by 10 percent, 20 percent, and so forth. He gave no response.

I recognize that it is hard to be specific but it should be forthcoming to the Senate. After all, he is a man with experience. He is a man who has served, as the Senator pointed out, in the equivalent agency under President Ford. But he simply said that he did not know, that he would have to tell us later, that he could not make any recommendations or any suggestions.

The same response was true with respect to personnel. He could not say whether he would cut any personnel at all.

Mr. HATCH. If the Senator will yield, with regard to the first question regarding the budget authority and cuts, I think he is just being very cautious since he realizes that we now have a very strong director of the Office of Management and Budget who has been making recommendations as to where these cuts should be. I believe that he is just being very cautious under the circumstances. But he did indicate before our committee that he feels that the Department of Education must be cut way back, and he did indicate in his response to the Senator's questions, if I have read them correctly, that he feels that I think there are somewhere around 12 or 13 Assistant Secretaries in the Department of Education and they have to be drastically reduced. I think he will do that.

The second part of the Senator's remarks involve personnel. He did indicate that he was going to cut down the Assistant Secretaries because he feels that there is a bureaucracy under each one of those Assistant Secretaries which has to be managed in a better fashion and that there will be distinct cuts in the leadership, the Federal leadership, in education.

Mr. SCHMITT. Will the Senator from Wisconsin yield for a followup matter?

Mr. PROXMIRE. I have limited time, but I will yield.

Mr. HATCH. I will yield.

Mr. SCHMITT. I will only ask, was it clear in Mr. Bell's mind that the majority of the employees in the so-called bureaucracy in the Department of Education are part of the overseas school system of the Department?

Mr. HATCH. I cannot recall that we got into that in much detail.

Mr. SCHMITT. I find it amazing that there are people here who do not know that. That is where most of the employees and most of the budget came from.

Mr. HATCH. Well, I think he is very well aware of the functions in the Department.

Mr. PROXMIRE. The Senator is correct.

For example, I note in fiscal year 1977, Federal spending in elementary, secondary, and vocational education has grown from $4.6 billion to $6.9 billion in Federal assistance in fiscal 1981, and higher education from $3.2 billion to $6.5 billion. That is more than a 100-percent increase in 4 short years.

In addition, the budget loan programs now guarantee more than $8.2 billion in new loans. Will Dr. Bell recommend that the Reagan administration adopt as a goal to cut down the loan programs as proposed in the Carter administration, or cut down the size of these runaway programs?

Mr. HATCH. I believe he indicated in general that he would go along with the programs of the administration which certainly would have been articulated along those lines, and that he would under any circumstances try and redirect as much of the authority and budget to the States to handle on their own.

I think the Senator is doing all of us a great favor in pointing out these budgetary statistics and in particular the off-budget items statistics because we have seen off-budget items grow since 1956 to $9 billion in fiscal year 1981. Something has to be done about it. A number of us are trying to get these off-budget items brought onto the regular budget so they have to be reported as well. The growth in off-budget spending has been really a disastrous growth.

But, certainly, his recommendations and answers to our committee indicated that he is sympathetic toward cutting back on the Federal role in education. He has responded to the Senator's questions to the degree that he believes that the Federal system of education does have to be cut back.

Mr. PROXMIRE. I just have a couple more questions I would like to ask.

Mr. HATCH. He has stated that he is a very strong believer in State control of educational processes, regardless of some of the quotes which may have been made out of context or may have been made at a time when he had another viewpoint or opinion.

Mr. PROXMIRE. That was after he had served here, after he left the Government. He said he came in with the idea that education was primarily a State responsibility, which I think the Constitution makes pretty clear it is; but he left with the idea that the Federal Government has a major responsibility.

Mr. HATCH. I am not criticiz'ng the comments of the distinguished Senator from Wisconsin. I think they are well put into this record, but I think we have to judge this man from the learning experience he has had. I think the Senator from Wisconsin voted for the Department of Education, as I did——

Mr. PROXMIRE. No, I voted against it.

Mr. HATCH. I voted for it in the first instance. In the period of time between the markup and the vote on the floor. I had decided I could not support it and I voted against it. I think the second vote was a correct one rather than the first. It was always a tossup, based on bringing education out of the Department of HEW, where people could not see what was going on and, really, what the Federal Government was doing to our educational process and to our children.

Mr. PROXMIRE. As the Senator knows, the Department of Education has been responsible for an enormous amount of paperwork in our schools. Dr. Bell

said he would launch an immediate attack on excessive regulations and the paperwork burden, but he could not give me any timetable. He said that when he could make progress he would report to the committee any progress that he has made. Can the chairman give us any indication that we can get some kind of timetable, especially when some schools and universities feel so burdened by these regulations and reports?

Mr. HATCH. His answer to the Senator's question No. 6 was:

I will be launching an immediate attack on excessive regulations and the paperwork burden and will be happy to provide you with a time-table to both areas as soon as it has been developed. It may be difficult to have a complete time-table laid out by March 1, but I will submit it to you as soon as it is completed.

I take from that, although the answer is somewhat ambiguous, that he is shooting for a goal of March 1 to give at least a preliminary timetable, but he acknowledges that this is a very complex agency, that it may take him longer than March 1. In any event, he is going to launch an immediate attack upon excessive regulations and paperwork.

I think that alone ought to console all of us who are concerned with overregulation and excessive paperwork in the educational processes of our country.

Dr. Bell indicated before our committee that he was very sympathetic to reducing the Federal burden on States with regard to unnecessary paperwork and regulation.

Mr. PROXMIRE. I realize his intention, but it seems to me we ought to get it of record and hold him to that.

There is one more question I have to ask. That is the most disturbing part of it. The Senator knows that under the leadership or initiative of the Senator from North Carolina (Mr. HELMS), the Senate has indicated its opposition to mandatory busing. Mandatory busing is something that is of great concern to all of us. A minority of Senators support it but a solid majority is opposed to it. I asked him, "Under what circumstances do you favor the mandatory busing of children?"

His reply was:

I support the mandatory busing of children only where the educational benefits outweigh the societal and budgetary costs. (The benefits have been disappointing thus far.) As you may know, over half of our children are now bused under school consolidation arrangements. In the area of racial balance, I believe there are better options than busing and will seek to use those in every case possible. The research on student achievement does not lend support to the idea that busing and racial balancing result in improved learning.

I appreciate that response, but the difficulty with it is that he says he does favor mandatory busing where the so-called societal and budgetary costs outweigh——

Mr. HATCH. No, where the educational benefits are outweighed.

Mr. PROXMIRE. Where the educational benefits outweigh the societal and budgetary costs.

If ever there were weasel words, it seems to me that is it. Who does not? Everybody takes that position. Everybody says they support busing only when educational benefits outweigh costs.

They say they do not want busing to save money, or budgetary costs, we want to do it for societal reasons, although in 1964, when we adopted, I recall very clearly, the Civil Rights Act, it was made very clear at that time that busing was not to be used as a way of overcoming racial imbalance. Here is a man who said, under these circumstances, admittedly limited to some extent, he would support mandatory busing.

Mr. HATCH. If the Senator will yield, I think I would give him an A-plus for an eclectic answer.

Mr. PROXMIRE. I would give him an A-plus for the rhetoric; nevertheless, he says "I support mandatory busing under these circumstances."

Mr. HATCH. He has told me he really does not believe that busing has served this country well. I think what he is saying here is if you can show him where busing has really benefited society, he will support it. Otherwise, he does not support it.

Mr. PROXMIRE. That is not what he says. He says:

I support the mandatory busing of children only where the educational benefits outweigh the societal and budgetary costs.

Mr. HATCH. To me, his replies to the committee have been that he does not think those benefits accrue under busing and he frankly is not very enamored of the busing concept to solve society's problems.

Mr. PROXMIRE. What would have been wrong, if he feels that way, with his saying, "I oppose mandatory busing"?

Mr. HATCH. Because here is a way to express how he feels that says if you can show me where it benefits, I can consider it. I think I would, too. I am opposed to busing children beyond the nearest school.

All I can say is he has expressed himself quite directly on this subject, that he is not very impressed with the busing programs in this country, he does not believe they have really benefited the schoolchildren.

Mr. PROXMIRE. Mr. President, I thank the Senator very much. I apologize for detaining the Senate. I realize it is late, but this record had to be made and, unfortunately, I am going to have to vote against him.

Mr. HATCH. I yield to the distinguished Senator from New York.

Mr. MOYNIHAN. Mr. President, I thank my friend from Utah, my distinguished friend, who now is chairman. I rise to make a simple inquiry and thereupon, perhaps, a yet more brief response.

Did I not hear the Senator from Utah say of the subject of education and the Department thereof that this is a very complex subject? I think I did.

Mr. HATCH. Yes; the Senator did.

Mr. MOYNIHAN. The Senator says what is so, of course, as he always would do—a very complex subject.

Mr. HATCH. I might add, made unnecessarily so, but nevertheless complex.

Mr. MOYNIHAN. No doubt. These are the first remarks I have made in this debate on the President's Cabinet and with one exception, I shall wholly endorse it. I shall certainly support the nomination of Dr. Bell.

It is pleasing to hear from a maturing majority that something in government is complex. They have heard it from us.

Mr. HATCH. It has been difficult because we have not created these complexities.

Mr. MOYNIHAN. With a heroic simplicity, they have responded, no, it is not. Now the burden of responsibility descends upon them and with it, fragile fractioning elements of ambiguity, indecision, complexity, and the rest. It does not really add up quite to one line in the platform: "We will abolish the Department of Education." Does it?

Mr. HATCH. I think that is a very correct statement. I agree with the distinguished Senator from New York.

Mr. MOYNIHAN. That is a characteristically gracious response from the Senator from Utah.

Mr. HATCH. I thank the Senator. A great number of us who have just become mature understand these complexities that we did not help create.

Let me just say that I am very grateful to the distinguished Senator from New York for his desire to vote for Dr. Bell who, I think, is an incredibly fine man who will distinguish himself in this position and will support the administration in, to some of us, hopefully, abolishing the Department of Education; but, finding it to be quite complex, at least reducing the complexity to the point where the States will not be suffocated by overly burdensome educational processes which do not work.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MOYNIHAN. Mr. President, I do not find that a typically generous response of the Senator from Wisconsin. I was going to make one statement to the Senator from Utah. Will the Senator from Wisconsin withdraw his request?

Mr. HATCH. I can yield to the Senator at this time.

Mr. MOYNIHAN. I was simply going to say to the Senator from Utah that I hope he will consider that the complexity is not to be found in the designs of the Democratic Party so much as the reality of the life we both share.

Mr. HATCH. I have to admit that these programs are very complex, and we all have to admit that some of those complexities are necessary.

The PRESIDING OFFICER. Do all Senators yield back their time?

Mr. BAKER. Mr. President, before the Senator yields back his time, will he yield 30 seconds to me?

Mr. HATCH. I yield.

Mr. BAKER. Mr. President, this will be the last rollcall vote tonight.

Mr. HATCH. Mr. President, I yield back the remainder of my time.

Mr. PROXMIRE. I yield back my time.

The PRESIDING OFFICER. The question is, will the Senate advise and consent to the nomination of T. H. Bell, of Utah, to be Secretary of Education? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. KENNEDY. Mr. President, I want to join my colleagues in expressing my respect for Dr. Terrel H. Bell, whose nomination as Secretary of Education we are approving this afternoon.

Dr. Bell has distinguished himself in the field of education during a long and brilliant career. He has taught in the classrooms, served as principal and school superintendent and directed the State of Utah's educational program, as U.S. Commissioner of Education, he demonstrated continuing recognition of the national priority in expanding educational opportunities for those who had been excluded in the past.

His testimony before the Senate Labor and Human Resources Committee contained a strong reaffirmation of that commitment to the principle of civil rights and to the goal of quality education.

Dr. Bell understands that the past 15 years of Federal concern for the future of American education represent a beginning, not an end.

We know that the task of removing the vestiges of discrimination from our schools is not yet complete.

We know that the challenge of opening the window to learning for disadvantaged children in the inner cities and barrios of America is not yet met.

We know that too many children sitting in classrooms across this land still do not find quality education.

And we know that 3½ million children who begin school with limited English-speaking ability still do not have the special help they need to compete on fair terms with their English-speaking peers.

In this decade, the partnership with Government must be maintained if we are to enable America's schools to overcome these challenges.

We must find ways to transfer new skills to the unemployed and the unskilled. We must insure that economic conditions do not force the closing of more schools and the denial of hope to the next generation. We must end the violence that endangers any chance for education to succeed. Teachers and students cannot create an environment of learning when they fear to walk the halls of their own school.

In recent years, we have begun a national effort to offer special responses to those with special needs to permit them to fulfill their potential. That effort must continue.

We have taken steps to see that the diversity of education is retained and strengthened. That effort must continue. At the same time, we must strengthen the historic system of public education, which is the fundamental pillar of our democracy.

We live in a nation where public policy requires difficult choices among competing needs. The past Congress recognized the high priority of education within that range of governmental concerns. That priority has too often been shunted aside in the past. By creating a Department of Education, we sought to guarantee that the chief education officer of this Nation will participate as an equal in decisions of the Cabinet, with the same access to the President as other Cabinet Secretaries.

In the hearings, Dr. Bell reaffirmed the inadequacy of the past structure of Government, which relegated education to the depths of the HEW bureaucracy. He reiterated the importance of being able to carry his views directly to the President. I would urge the administration to examine the consequences carefully before it reaches a final decision on the status of the Department of Education and of the Secretary whose nomination we approve today.

I want to express my full willingness as the ranking minority member of the Senate Labor and Human Resources Committee to work closely with Dr. Bell in attempting to craft legislation and to define national education policies which can best promote quality education for all those who seek it—the young and the old—and wherever they seek it—in the center of our cities in the countless towns and rural communities of this land. I extend to Dr. Bell my congratulations, my encouragement and my promise of cooperation. And I am proud to vote for his confirmation as Secretary of Education.

Mr. THURMOND. Mr. President, it is a pleasure for me to express my support for Dr. Terrel H. Bell, President Reagan's nominee to head the Department of Education.

Dr. Bell is a knowledgeable, experienced professional educator. Like myself, he started his career as a high school teacher and athletic coach and later served as a school superintendent. From 1963 to 1970, he performed ably as Utah's superintendent of public instruction. Following a short stint in the U.S. Office of Education in Washington as Deputy Commissioner and 3 years as head of a school system near Salt Lake City, he was tabbed by then President Nixon to be Commissioner of Education.

While Commissioner Bell and I did not agree on every action which he took during the time that he held the Nation's highest education office, on the whole, I felt he served with wisdom and distinction. I applauded his dedication to the goal of reducing bureaucratic redtape in education. As Secretary of Education, I hope Dr. Bell will continue to pursue this goal with vigor and determination. I also admired Commissioner Bell's personal concern and support for a strong parental role in local school affairs, including such important decisions as textbook selection, and I hope this concern on his part will continue.

Mr. President, whether or not the Reagan administration decides to keep the Department of Education as a Cabinet-level agency, I believe the Department will be ably guided by Dr. Bell as its head. He brings to the job a wealth of knowledge, experience, and respect from his peers. I hold him in the highest esteem and look forward to working with him on various education matters in the future.

Mr. RANDOLPH. Mr. President, it is a privilege for me to support the Senate's confirmation of Dr. Terrel H. Bell to be Secretary of the Department of Education.

I recall in 1974 when Dr. Bell was confirmed by this body to become the 21st Commissioner of Education in 107 years. I appreciate now, as I did then, the broad professional experience he brings to the field of education.

Dr. Bell's constructive contributions to education are well known. Since he first served as Acting Commissioner of the former Office of Education in 1970 and 1971, he has earned respect in Washington and throughout the Nation for his administrative and management skills in education at every level.

I am especially gratified for his past efforts and concern on behalf of educating handicapped children, and his support for the concept of educating young men and women for useable skills at the secondary level. He has proven himself to be truly exceptional in his professional career.

Dr. Bell today is being considered for confirmation to the position of Secretary of the cabinet-level Department of Education—still in its infancy—at a time when many people—educators and taxpayers—are voicing doubt about the true worth—if not the appropriateness—of a Federal role in education at any level—and the fear that the Federal Government will expand its control over local and State decisionmaking with regard to educational needs.

Dr. Bell has a depth of experience at all levels of education, perhaps unique in the history of Federal involvement in education. I am confident that whatever the administration's decision is with regard to the future status of the Department, Dr. Bell will bring his expertise to bear in the interim to establish a working dialog with the State educators. He will work closely with, and consult with them often as he continues to administer the more than 150 legislatively mandated programs under the Department.

I am confident, Mr. President, that whatever decision is made by the administration with regard to the future size, scope and status of the Department of Education, that decision will be made in consultation with Dr. Bell. The decision will not be based purely on political views, but will maintain education's historic position of remaining above partisan politics. In this manner, the Federal Government will be able to set the Federal role in education on a new, more constructive course for the future. A manner conducive to win the support of the people who really count—parents, and educators.

It is hoped that under Dr. Bell's leadership, the administration will not rush to judge a Department that has been in operation for less than a year. In a few years, the Department could be evaluated with the expectation of finding more significant and meaningful bases on which to premise the final decision on whether the Federal Government can administer education programs, or has administered these programs, without

expanding its role beyond the bounds of propriety. Also, whether it has done so while reserving the rights of State and local education officials in setting policy and in the development of curriculum and overall decisionmaking.

Mr. President, Dr. Bell is eminently qualified to do the job that needs to be done. He is committed to the students of this country, and he will leave the responsibility for educating those students where it belongs and in the hands of those who know best—parents, and State and local education officials.

After Dr. Bell was confirmed by the Senate as Commissioner of Education in 1974 one of the first steps he took was to initiate a continuing "Week in Washington" series for State educators.

As Secretary, this type of personal interchange will go far in dispelling the lingering fears of parents, educators, as well as the Members of Congress, that the Federal Government intends to control and dictate to State and local school officials.

Mr. President, I support the confirmation of Dr. Bell to be Secretary of Education—a man who believes that our country's education needs can best be served by strong support of liberal education, of diversity of institutional character—private and public—of equality of access, and providing knowledge that best suits individual students.

Mr. PRESSLER. Mr. President, I am pleased to support the confirmation of Terrel Bell as Secretary of Education. I believe the responsibilities of this Cabinet position will be well met with his integrity, his skill, and his dedication to our Nation's education system.

As a member of the House Education and Labor Committee, I had the privilege of working with Terrel Bell as the U.S. Commissioner of Education. Dr. Bell accompanied me to South Dakota in 1976 where he listened intently to the needs of my constituents. His responsiveness to students, teachers, and the general public as we discussed various education programs, including student financial aid, was most appreciated. As college costs continue to rise, student financial aid programs are essential. Therefore, I supported the passage of the higher education amendments of 1980 to extend student aid to students, especially middle income students, who wish to further their education. This legislation also represented a commitment to a host of programs for libraries, teacher training, research, and international education.

Terrel Bell's support of vocational education was most welcomed in South Dakota which is proud of its nearly 90 percent in-State placement rate for voc-ed graduates. Since coming to Congress in 1975, I have supported vocational education programs. I believe Federal aid to vocational education is a wise investment in the talents and resources of our country's youth.

John Dewey, a pioneer of American philosophy and education, had the following objectives for vocational education:

To promote equality of opportunity, to teach the real meaning of work, to inculcate a sense of culture related to today's world, to develop a spirit of social cooperation and to help students grow in industrial intelligence.

In these times of youth unemployment, I believe voc-ed has a vital role in meeting these goals. I look forward to working with Dr. Bell during this Congress as we have the opportunity to reauthorize the Vocational Education Act.

On his trip to South Dakota, Dr. Bell's interest in the education needs of rural South Dakota symbolized to me his intention to provide equal educational opportunities for all students and to design programs that are workable in our rural areas. And a national education policy must:

First, recognize the varied needs of students and school systems in rural and metropolitan areas;

Second, reemphasize the State and local responsibility for education;

Third, incorporate all types of education: Public/private, handicapped/gifted, college/vocational education.

And this education policy must then be integrated into other national policies. The result—quality education for individuals and the progress of the Nation.

I fully support the confirmation of Dr. Bell and I look forward to working with him toward these objectives.

● Mr. PELL. Mr. President, when I learned that President Reagan planned to nominate Dr. Terrel Bell to be Secretary of Education, I was caught in a dilemma. I knew Dr. Bell personally, and I believed he would be an excellent Secretary. Yet I did not want to praise him too highly, for praise from the minority party oftentimes can doom a candidate's chances. Yet President Reagan continued his confidence in Dr. Bell, despite what was said by whom in his behalf, and today we vote on his nomination.

I think we are fortunate that Dr. Bell has agreed to serve as Secretary of Education. I have worked with him very closely in the past, when I was chairman of the Senate Subcommittee on Education, Arts, and Humanities, and he was Commissioner of Education for the United States. He was an excellent Commissioner, and I see no reason why he will not be just as good as Secretary.

As the new ranking minority member of the Education Subcommittee, I look forward to working with Dr. Bell, and to helping him undertake our Nation's noblest endeavor, the task of educating our citizens. That task will be a tough one, for across this Nation there are voices being raised questioning the Federal role in education.

Yet I think there is a vital role for the Federal Government to play. It is not one of dominance, for that role is still played, and should be played, by State and local governments. But it is a role of stimulating and helping State and local governments do the things that they cannot do alone. Federal education programs should be devoted to this purpose, and I think they have been in the past. We should all remember that there are areas of education that would go unaided if it were not for the Federal Government. It is our job, and one that I eagerly undertake in cooperation with Dr. Bell, to structure Federal programs so that they truly achieve the goals we set out for them. I look forward to working with Dr. Bell in that effort, and I support his nomination with a great deal of enthusiasm.●

Mr. STAFFORD. Mr. President, as the new chairman of the Subcommittee on Education, Arts and Humanities, I am pleased to lend my support to President Reagan's nomination of Dr. Terrel H. Bell to be the second Secretary of Education in our Nation's history. In Dr. Bell, our new President has indeed made a wise choice to provide leadership and guidance in fostering an appropriate Federal role in education. Dr. Bell's broad experience in education and administration—as a teacher in secondary school, as a university professor, as a school superintendent, as a chief State school officer and State commissioner of higher education, as a U.S. Commissioner of Education—gives him both knowledge and understanding of the relationships among local, State, and Federal education entities, and of the proper role of the Federal Establishment in assisting States, school districts and university systems to perform the education function which is granted them by the Constitution and by education statutes.

Having voiced my high regard for Dr. Bell, I have high hopes that his wisdom will lead him to reconsider his intention to dismantle our new Department of Education. I supported the establishment of a separate Cabinet-level of education because I felt Federal education programs were not receiving the attention they deserved in the mammoth Department of Health, Education and Welfare. Education programs are far too important to submerge once again within a giant bureaucracy. Educational issues are far too important to be denied the increased attention they receive from having a Cabinet-level Federal official discuss them with the President.

I look forward to a long and fruitful relationship with Secretary Bell, and the Department, as I take on my new role as chairman of the Education, Arts and Humanities Subcommittee, and I know that Ted Bell will perform effectively and admirably to bring out the best in our American education system, upon which rests the future of our Nation.

Mr. WILLIAMS. Mr. President, Terrel H. Bell, the President's nominee to be Secretary of Education, has an impressive resume of experience, credentials, and professional distinction. I have worked with him in the past when he served as U.S. Commissioner of Education under President Ford.

Although our views may differ at times on questions of policy, I fully support his confirmation to this important post.

He has impressed me with his willingness to examine carefully the difficult problems confronting our Nation's educational system and his willingness to work with the appropriate committees of the Congress in resolving them.

I am satisfied that he will maintain a balanced perspective with regard to the role of the Federal Government in education policy. His experience as a State administrator as well as U.S. Commissioner will provide the kind of program-

matic and budgetary insight that will be critical in the coming months.

I am particularly pleased at his record of interest for the problems of handicapped students seeking a quality education. In 1975, I authored the Education for All Handicapped Children Act, Public Law 94–142. We have seen remarkable changes in the education of handicapped students since the enactment of that law. But, there are many goals yet to be reached.

I am confident that Mr. Bell will advance the goals under current provisions of law and will be an able advocate in these times of difficult budget problems.

Mr. Bell enjoys the support of many of the Nation's educational organizations and associations. It is a broad support that is certainly an asset for the implementation of effective policy.

I look forward to working with Mr. Bell on such issues as the status of the Department itself, vocational education, bilingual education, student loan programs, education of the handicapped, and the civil rights of minorities.

● Mr. QUAYLE. Mr. President, as we move to confirm the nomination of Dr. Terrel Bell to serve as Secretary of Education, it is my hope that this may mark the first step of a new beginning to guarantee that control of education in our Nation will remain with the States and local school boards.

Dr. Bell, who has a distinguished career of 34 years in education, has a record of strong support for local and community control of schools. He is, of course, no stranger to Washington and to the Federal bureaucracy. He has served as Commissioner of Education in previous administrations, and was an advocate of block grants to ease the bureaucratic burden of categorical programs.

Mr. President, on the first day of the Reagan administration, I have high hopes that Dr. Bell will fulfill the pledge made to the American people during the campaign to reduce bureaucracy and dismantle the Department of Education. I remain committed to quality education for our children, at all levels. However, I fail to see what the Federal Government can do better than local school boards.

As first steps toward achieving this objective, I would urge the new Secretary of Education to limit the number of assistant secretaries who are signed on. While the outgoing administration was authorized 7 assistant secretaries, it quickly grew to 11.

In addition, the planned transfer of Department of Defense military dependent schools on October 1, 1981, into the Department of Education should be canceled.

By retaining these schools intended for our military personnel families overseas, we can keep the size of the Department of Education to its present level of 6,000 employees. By taking the Department of Defense education function away from DOD, we place in the hands of the Department of Education an additional budget of $361 million, 267 schools, 135,000 students, and approximately 11,000 more employees.

I support the nomination of Dr. Bell. I look forward to working with him in fulfilling a commitment toward enriched educational opportunities for America's children without Federal controls and without further bloating the Federal bureaucracy.●

Mr. BAKER. I announce that the Senator from Nevada (Mr. LAXALT), the Senator from Maryland (Mr. MATHIAS), the Senator from Illinois (Mr. PERCY), the Senator from Vermont (Mr. STAFFORD), the Senator from Alaska (Mr. STEVENS), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT), the Senator from Illinois (Mr. PERCY), and the Senator from Vermont (Mr. STAFFORD) would each vote "yea."

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN), and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 90, nays 2, as follows:

[Rollcall Vote No. 15 Ex.]

YEAS—90

Abdnor	Exon	McClure
Andrews	Ford	Melcher
Armstrong	Garn	Metzenbaum
Baker	Glenn	Mitchell
Baucus	Goldwater	Moynihan
Bentsen	Gorton	Murkowski
Biden	Grassley	Nickles
Boren	Hart	Packwood
Boschwitz	Hatch	Pressler
Bradley	Hatfield	Pryor
Bumpers	Hawkins	Quayle
Burdick	Hayakawa	Randolph
Byrd, Harry F., Jr.	Heflin	Riegle
	Heinz	Roth
Byrd, Robert C.	Helms	Rudman
Cannon	Hollings	Sarbanes
Chafee	Huddleston	Sasser
Chiles	Humphrey	Schmitt
Cochran	Inouye	Simpson
Cohen	Jackson	Specter
Cranston	Jepsen	Stennis
D'Amato	Johnston	Symms
Danforth	Kassebaum	Thurmond
Denton	Kasten	Tower
Dixon	Kennedy	Tsongas
Dodd	Leahy	Warner
Dole	Levin	Weicker
Domenici	Long	Williams
Durenberger	Lugar	Zorinsky
Eagleton	Matsunaga	
East	Mattingly	

NAYS—2

DeConcini	Proxmire

NOT VOTING—8

Laxalt	Pell	Stevens
Mathias	Percy	Wallop
Nunn	Stafford	

So the nomination was confirmed.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediatelv notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, is the Senate still in executive session?

The PRESIDING OFFICER. It is.

U.S. AIR FORCE

Mr. BAKER. Mr. President, I believe I am correct in saying the nominations I am about to refer to have been cleared by the minority.

While we are still in executive session, I ask unanimous consent that we proceed to the consideration of Executive Calendar Order beginning on page 2 under "U.S. Air Force," the three nominations which appear there all numbered as Calendar Order No. 17, and continuing then on page 3 for all of the calendar orders, all of the names appearing under "U.S. Air Force," and continuing then on page 4 to include all of the nominations under "U.S. Air Force" on that page, on page 5 as well, on page 6 as well, and on page 7 down to but not including nominations placed on the Secretary's desk.

I ask unanimous consent that the nominations be considered en bloc but that the RECORD show an individual consideration of the nominations in the RECORD.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object.

Mr. BAKER. Mr. President, before the Chair acts on my request, I wish to amend it by including now all of the nominations placed on the Secretary's desk as they appear at the bottom of page 7.

Mr. ROBERT C. BYRD. Mr. President, there is no objection on this side.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator's request is agreed to.

The nominations en bloc considered and confirmed are as follows:

IN THE AIR FORCE

The following officers for temporary appointment in the U.S. Air Force to the grade indicated, under the provisions of chapter 839, title 10 of the United States Code:

Col. Richard F. Abel, [redacted] FR, Regular Air Force, to be brigadier general.

Col. Michael H. Alexander, [redacted] FR, Regular Air Force, to be brigadier general.

Col. Melvin G. Alkire, [redacted] R (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Carl N. Beer, [redacted] FR, Regular Air Force, to be brigadier general.

Col. William P. Bowden [redacted] FR, Regular Air Force, to be brigadier general.

Col. Elmer T. Brooks, [redacted] FR, Regular Air Force, to be brigadier general.

Col. James T. Callaghan [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Duncan W. Campbell [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Michael P. C. Carns [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Aloysius G. Casey [redacted] FR, ular Air Force, to be brigadier general.

Col. Wilson C. Cooney, [redacted] FR, Regular Air Force, to be brigadier general.

Col. Thomas L. Craig, [redacted] R (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Milford E. Davis, [redacted] FR, Regular Air Force, to be brigadier general.

Col. Chris O. Divich, [redacted] FR, Regular Air Force, to be brigadier general.

Col. Fredric F. Doppelt [redacted] FR, Regular Air Force, to be brigadier general.

Col. John J. Doran, Jr. xxx-xx-xxxx FR, Regular Air Force to be brigadier general.

Col. Christian F. Dreye xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. Michael J. Dugan xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Pintard M. Dyer III xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. David W. Forgan, xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. Daniel B. Geran xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. Gordon A. Ginsburg xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. John E. Griffith, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Alfred G. Hansen, xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. Edward J. Heinz, xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. Thomas J. Hickey xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Jesse S. Hocker, xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. Hansford T. Johnson xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be bridadier general.

Col. James G. Jones xxx-xx-xxxx FR Regular Air Force, to be brigadier general.

Col. Gordon P. Masterson xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. Robert I. McCann xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Thomas G. McInerney, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Merrill A. McPeak, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Michael A. Nelson xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Robert B. Patterson xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. Randall D. Peat, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Leonard H. Perroots, xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. Robert O. Petty xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. Jimmy C. Pettyjohn xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. Robert B. Plowden, Jr xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. Philip S. Prince xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. Donald J. Rans, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), to be brigadier general.

Col. Craven C. Rogers, Jr. xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Gerald C. Schwanki xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. Henry J. Sechler xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. William M. Shaw, Jr. xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. Jack W. Sheppard xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. Ellie G. Shuler, Jr. xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Charles P. Skipton xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. Monroe T. Smith xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Richard E. Steere xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. John T. Stihl xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. Donald J. Stuke xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force to be brigadier general.

Col. Thomas G. Tobin xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. Russell L. Violett xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S Air Force, to be brigadier general.

Col. Donald B. Wagner xxx-xx-xxxx FR Regular Air Force, Medical, to be brigadier general.

Col. William B. Webb xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Bernard L. Weiss xxx-xx-xxxx FR Regular Air Force, to be brigadier general.

Col. Browning C. Wharton, xxx-xx-xxxx FR, Regular Air Force, to be brigadier general.

Col. Gordon E. Williams xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapter 837, title 10, United States Code:

Brig. Gen. S. T. Ayers xxx-xx-xxxx FV, Air Force Reserve, to be major general.

Brig. Gen. James J. Feeney xxx-xx-xxxx FV Air Force Reserve, to be major general.

Brig. Gen. James E. McAdoo xxx-xx-xxxx FV, Air Force Reserve, to be major general.

Brig. Gen. Donald A. McGann, xxx-xx-xxxx FV, Air Force Reserve, to be major general.

Brig. Gen. Richard A. Wegner, xxx-xx-xxxx FV, Air Force Reserve, to be major general.

Col. Thomas H. Dinwiddie xxx-xx-xxxx FV, Air Force Reserve, to be brigadier general.

Col. George P. A. Forschler xxx-xx-xxxx FV, Air Force Reserve, to be brigadier general.

Col. George D. Leadbetter xxx-xx-xxxx FV, Air Force Reserve, to be brigadier general.

Col. Edward L. McFarland xxx-xx-xxxx FV, Air Force Reserve, to be brigadier general.

Col. James R. Milligan xxx-xx-xxxx FV, Air Force Reserve, to be brigadier general.

Col. John D. Moore xxx-xx-xxxx FV, Air Force Reserve, to be brigadier general.

Col. Billy B. Morgan xxx-xx-xxxx FV, Air Force Reserve, to be brigadier general.

Col. Ronald G. Severs, xxx-xx-xxxx FV, Air Force Reserve, to be brigadier general.

Col. Raymond Thompson xxx-xx-xxxx FV, Air Force Reserve, to be brigadier general.

The following officer for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 35, 831, and 837, title 10, United States Code:

Brig. Gen. John B. Conaway, xxx-xx-xxxx FG, Air National Guard, to be major general.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, NAVY, AND MARINE CORPS

Air Force nominations beginning James G. Abbee, to be colonel, and ending Gerald R. Snyder, to be colonel, which nominations were received by the Senate and appeared in the Congressional Record on January 5, 1981.

Air Force nominations beginning Larry K. Arnold, to be lieutenant colonel, and ending Philip E. Zongker, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on January 5, 1981.

Army nominations beginning George P. Brandel, to be colonel, and ending Stewart R. Ward, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on January 5, 1981.

Army nominations beginning Robert E. Bilbrey, to be colonel, and ending Bernice M. Widrow, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on January 5, 1981.

Navy nominations beginning Diana T. Cangelosi, to be ensign, and ending John W. Weiss, to be commander, which nominations were received by the Senate and appeared in the Congressional Record on January 5, 1981.

Marine Corps nominations beginning Linda C. Arms, to be captain, and ending Timothy W. Foley, to be captain, which nominations were received by the Senate and appeared in the Congressional Record on January 5, 1981.

Marine Corps nominations beginning Robert A. Alvick, to be second lieutenant, and ending Walter A. Reeves, to be captain, which nominations were received by the Senate and appeared in the Congressional Record on January 5, 1981.

Mr. BAKER. En bloc, I ask unanimous consent that it be in order that the vote by which the nominations were confirmed be reconsidered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I so move.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has confirmed these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, for the purpose of transacting certain matters of a legislative nature, I ask unanimous consent that there now be a period for the transaction of routine morning business as in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered .

RICHARD J. DAVIS

Mr. DECONCINI. Mr. President, we are all aware of the Government's efforts to resolve the Iranian hostage situation; however, I would like to bring to this body's attention the tireless efforts of Richard J. Davis, an outstanding civil servant.

Mr. Davis, who has been the Assistant Secretary of the Treasury for Enforcement and Operations, is responsible for the supervision of the Office of Foreign Assets Control. Mr. Davis was instrumental in blocking the assets of the Iranian Government after they took the American hostages. For many months Mr. Davis has been involved on a daily basis with both the administration and possible release of these assets.

During the last several weeks he has worked around the clock preparing for a release of the assets in conjunction with a release of the hostages. Rich is a brilliant man, who is very wise for his age, and is an extremely tireless and industrious public servant. Prior to his assignment with the Treasury Department he was a senior member of the Watergate Special Prosecutor's Office. I think the American people owe a great debt of gratitude to Richard J. Davis, a great American patriot.

COMMEMORATION OF THE 63D ANNIVERSARY OF UKRAINIAN INDEPENDENCE

Mr. DECONCINI. Mr. President, I rise today to commemorate the 63d anniversary of the declaration of Ukrainian independence. This day continues to symbolize the struggle of proud and courageous people to maintain their inde-

pendence against the forces of political repression and religious persecution.

Independence for the Ukraine was short but sweet. On January 22, 1918, the free and democratic parliament of the Ukraine, the Rada, declared the nation independent. By 1920, however, the Soviets had broken their pledge to honor Ukrainian independence and in 1924 as a part of the Russian Communist move to crush and consume weaker neighboring states—an effort which continues today with Afghanistan as its most recent victim—the Ukraine was forcibly incorporated into the Union of Soviet Socialist Republics and its independent spirit was brutally suppressed.

Despite the ruthless Soviet cultural and political restrictions, inhumane treatment, and Russification, the Ukrainian quest for liberty is unabated. Let us remember this quest, not just on this anniversary of their declaration of independence, but throughout the year. Furthermore, the history of Ukrainian independence should come to mind whenever we evaluate Soviet actions and statements. The Soviet Union has given us all too many of these examples, and had we learned our lesson in 1924, the world would be a safer, freer, and more joyful place.

THE INNOVATIVE LEADERSHIP OF DANIEL J. BOORSTIN

Mr. WILLIAMS. Mr. President, as a member of the Rules Committee, I have a direct oversight responsibility for the Library of Congress. In addition, I am constantly availing myself of the expansive resources of the Library to serve constituents. In both of these roles, I have become aware of the great surge of innovation and accomplishment which has been brought to the Library under the dedicated and dynamic leadership of its current Librarian, Daniel J. Boorstin.

Mr. President, the January 5 issue of the New Yorker magazine contains a brief portrait of Mr. Boorstin, and of the great effort he has initiated to better open up this great repository of our cultural heritage to all Americans during his first 5 years as Librarian. The article also describes his ambitious plans for improving the Library's function as a learning center. And, I am happy to report that it indicates that Mr. Boorstin still finds his assignment to be a satisfying challenge.

Mr. President, in the words of the late Justice Frankfurter, Daniel J. Boorstin is "a man who knows books, loves books, and makes books." I ask unanimous consent that the sketch of this outstanding, dedicated public servant be inserted in the RECORD for the information and benefit of my colleagues.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE LIBRARIAN OF CONGRESS

Daniel J. Boorstin, the Librarian of Congress, is a compact man with close-cropped hair and a rich, inquisitive voice that quavers with eagerness to express his ideas. If his words came out in Teletype, there would be no spaces between them. The card catalog of the Library of Congress has forty-three entries for its present Librarian, in which he figures as author, editor, or subject, in English, Spanish, or Japanese. He has won the Bancroft Prize, the Parkman Prize, and the Pulitzer Prize for History—each for a different book—and has held the Preston and Sterling Morton Distinguished Service Professorship of American History at the University of Chicago, which he left in 1969, after a quarter century, to direct the Smithsonian Institution's National Museum of History and Technology. A half decade after his induction as the twelfth Librarian of Congress, we visited Boorstin, to find out why he took the job, what it has taken from him, and how both have fared.

"Before I accepted President Ford's nomination, my wife and I needed a month to reflect on the offer," Mr. Boorstin said. "I considered myself a writer. Still do. I want to be a *writer* when I grow up—I consider that my ambition. I had launched on a world history, partly as a project of self-education, and I wondered if I should not devote full time to it. My wife and I wandered anonymously in the Library. In the manuscript room—this seems as if it were scripted, but it's true—we came on an exhibit about the selection of Librarians by Presidents. In it was an exchange of correspondence on the selection of Archibald MacLeish. F.D.R. wrote to Felix Frankfurter asking for help in the matter: 'I have had a bad time picking a Librarian to succeed Putnam. What would you think of Archie MacLeish?' MacLeish, you know, was not a professional librarian. Frankfurter wrote back, 'What is wanted in the directing head of a great library [is] imaginative energy and vision. He should be a man who knows books, loves books, and makes books.' I knew Felix Frankfurter and admired him—found him a stirring man—and I decided to accept the President's nomination.

"I was aware that the Library had great treasures. One of the themes of my books is that culture in a democratic society has a special role to play—especially in the New World—as a catalyst for learning. I wanted to make certain that the Library was more than a warehouse—that it was also a wellspring for the discovery of culture. My first object was not to make things worse. The Library was a sound institution, with good staff. But I wanted to open it up. When I opened the front doors, which had been closed for some time, so the public could come into the Great Hall of this beautiful building instead of coming into the basement, some people objected. 'You'll create a draft,' they said. That's *just* what I wanted to do. I wanted to draw people in!"

Since last spring, the Library's new James Madison Building has drawn people in, as have the Thomas Jefferson Building, a Beaux-Arts palace, where Boorstin works, and which was the only Library of Congress from 1897 until 1938, and the John Adams Building, which has been an annex to the Library since 1938. More than a decade in construction, the Madison, which is just south of the Jefferson, dwarfs most other buildings in Washington. Boorstin admits that the Library must give the Madison Building a more human scale, but he accents the opportunity it provides to draw the three buildings together. In Boorstin's scheme, the Madison Building will eventually contain most of the administrative offices and will hold photographs, prints, manuscripts, maps, movies, music, and recordings, in special conditions of humidity, light, and temperature. The Jefferson and Adams Buildings will gather books, incunabula, and other legible stock near reading rooms ordered by regions of geography and knowledge. In halls that were once cluttered with makeshift quarters for a sprouting staff, the Library now puts on exhibits—the first of which celebrated the return of the Jefferson Building to its Italian Renaissance glory.

The Jefferson Building's Main Reading Room is a grand rotunda, shown from its dome—a hundred and sixty feet up—in the movie "All the President's Men." The room will serve as the index for the Library in its role as a Circle of Knowledge. (In conversation, lectures, and books, Boorstin capitalizes the ideas he wants to stress, and he has done the same in naming the symbols of change at the Library.) The metaphor of the Circle, we learned, holds the origin of the word "encyclopedia" and denotes a system of ordering information into knowledge. Boorstin's other ideas for the Library—the Center for the Book, the Council of Scholars, the Multi-Media Encyclopedia—expand the scope of the Circle.

Boorstin offered us a Montecruz cigar, lit one himself, and when it went out, gestured with the cigar in one hand and a lighter in the other, without lighting up again, throughout our talk. "When I arrived, certain things were obvious, like the role of automation and the machine," he said. "The information industry was flourishing, and the Library of Congress had a lead in diffusion of information. But what would happen to the Book in all this? The Book, after all, is a form of technology, although most people don't recognize the fact. One form of technology is not an enemy of another. A new technology should help us discover new roles for the old. I wanted to find new ways for the Book and the Computer to be compatible, and so we started the Center for the Book.

"How to relate the Library's materials to the world of learning? This, after all, is a learning institution. The Council of Scholars is the answer. In the past, scholars doing research at the Library have often been unaware of what others were doing, within their fields or outside. The Council will have twenty-five members, representing all fields of knowledge, who will deliberate twice a year. They will pursue their own research, and they will counsel the Library. The thing that inspires me—the grand feature of the Council—is that the members will be in a position to inventory the state of mankind's knowledge and ignorance. They will tell us what we do and don't know—about anything.

"The Multi-Media Encyclopedia was a natural concept. There are two problems for a great library: excess and access. It would be hard enough if we had to contend with a flood of material in only one form. But we have material that is multilingual and multiform—all records of civilization. Students of monographs were not enticed to use other materials—even posters. I wanted to organize the Library to entice people from one form to another, to get the benefit—the payoff—of these special collections."

For the Library of Congress, we discovered, the problems of excess and access are huge. The number of items received by the Library in a single day is more than the number of volumes (about sixty-five hundred) that Congress purchased from Thomas Jefferson in 1815 as the core of the collection after the British had used the Library's original books as kindling to burn the Capitol the year before. The Library now has more than seventy-six million items. One of the world's largest gatherings of books, in four hundred and sixty-eight languages at last count, makes up just a quarter of the holdings, and only one-third of the books are in English. Since 1870, the Library has protected the work of American artists, musicians, writers, and, in due course, filmmakers, among others, through registration of copyright deposits, about half of which go into the vast store. To keep foreign collections current, the Library now buys through seven offices and a large number of other representatives around the world.

A staff of fifty-seven hundred, supported by an annual budget of two hundred and ten million dollars, orders the flow of arrivals and reserves so that information won't frustrate

the quest for knowledge. Among the staff's other tasks is answering the calls of various constituencies: first, Congress; second, the nation; finally, the rest of civilization. The Library fields more than a thousand requests for help from Congress each day. Library staff people attend sessions of congressional committees to keep up with the country's business. Experts in a variety of subjects, they also strike out on their own to chart intellectual territory they expect Congress to cover. American or not, anyone may use the Library, although there are limits on who may borrow from the collections. For those who can't come in person, the Library offers loans and a service that copies and mails research materials.

Recalling Boorstin's ambition, we said we wondered if his responsibilities—to provide all knowledge in all forms and the freedom and resources to pursue it—leave the Librarian any time to write.

"You know," he answered, "in my confirmation hearings, before the Rules Committee, Senator Claiborne Pell, who has been chairing the Joint Committee on the Library, said he hoped that I would not write another book while I was Librarian. I told him I saw nothing wrong with the Librarian of Congress being involved with scholarly pursuits, and I got confirmed. Before I accepted President Ford's nomination, I called Archie MacLeish and asked, 'Should I take the job?' He asked me, 'How much sleep do you need? I need eight hours a night, which is too much if I am to write and do anything else.' It's a piece of luck that I don't need much sleep. I take little naps, and I've always been an early riser. I was at my desk at six o'clock this morning—which is early, but not as early as Jefferson. Anyway, I was determined to write after I came here. I do all my writing before I come in to the Library, and I've managed to finish fifteen of the eighteen parts of the world history—still untitled—that I've been working on for fifteen years. I've tentatively subtitled the history 'The Rise of the Exploring Spirit,' and I hope to have it out in two or three years."

We asked how long Boorstin plans to stay on as Librarian.

"Well, I certainly hope this isn't my last assignment," he said. "And I don't see a ratio between the length of a Librarian's tenure and his contribution. Archie MacLeish was here only five years, and he was one of the great administrators of the Library. I don't know of any institution that has suffered because an able leader stayed too short a time. I will leave when the shine is off."

COMMERCE COMMITTEE RULES

Mr. PACKWOOD. Mr. President, Senate rule 26(2) requires each Senate committee to publish its rules in the CONGRESSIONAL RECORD no later than March 1 of each year. Pursuant to that requirement, I ask unanimous consent to have printed in the RECORD the rules of the Committee on Commerce, Science, and Transportation.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

RULES OF THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

(Adopted by the Committee on Commerce, Science, and Transportation on January 6, 1981)

I. MEETINGS OF THE COMMITTEE

1. The regular meeting dates of the Committee shall be the first and third Tuesdays of each month. Additional meetings may be called by the Chairman as he may deem necessary or pursuant to the provisions of paragraph 3 of rule XXVI of the Standing rules of the Senate.

2. Meetings of the Committee, or any subcommittee, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by the Committee, or any subcommittee, on the same subject for a period of no more than 14 calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in subparagraphs (A) through (F) would require the meeting to be closed followed immediately by a record vote in open session by a majority of the members of the Committee, or any subcommittee, when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

(A) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(B) will relate solely to matters of Committee staff personnel or internal staff management or procedure;

(C) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(D) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(E) will disclose information relating to the trade secrets of financial or commercial information pertaining specifically to a given person if—

(1) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(2) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(F) may divulge matters required to be kept confidential under other provisions of law or Government regulations.

3. Each witness who is to appear before the Committee or any subcommittee shall file with the Committee, at least 24 hours in advance of the hearing, a written statement of his testimony in as many copies as the Chairman of the Committee or Subcommittee prescribes.

4. Field hearings of the full Committee, and any subcommittee thereof, shall be scheduled only when authorized by the Chairman and ranking minority member of the full Committee.

II. QUORUMS

1. Nine members shall constitute a quorum for official action of the Committee when reporting a bill or nomination; provided that proxies shall not be counted in making a quorum.

2. Six members shall constitute a quorum for the transaction of all business as may be considered by the Committee, except for the reporting of a bill or nomination; provided that proxies shall not be counted in making a quorum.

3. For the purpose of taking sworn testimony a quorum of the Committee and each subcommittee thereof, now or hereafter appointed, shall consist of one Senator.

III. PROXIES

When a record vote is taken in the Committee on any bill, resolution, amendment, or any other question, a majority of the members being present, a member who is unable to attend the meeting may submit his vote by proxy, in writing or by telephone, or through personal instructions.

IV. BROADCASTING OF HEARINGS

Public hearings of the full Committee, or any subcommittee thereof, shall be televised or broadcast only when authorized by the Chairman and the ranking minority member of the full Committee.

V. SUBCOMMITTEES

1. Any member of the Committee may sit with any subcommittee during its hearings or any other meeting but shall not have the authority to vote on any matter before the subcommittee unless he is a Member of such subcommittee.

2. Subcommittees shall be considered de novo whenever there is a change in the chairmanship, and seniority on the particular subcommittee shall not necessarily apply.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting a nomination, which was referred to the Committee on Armed Services.

(The nomination received today is printed at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PROXMIRE:

S. 189. A bill for the relief of Marlon Dolon Opelt; to the Committee on the Judiciary.

S. 190. A bill for the relief of David Kermanian; to the Committee on the Judiciary.

S. 191. A bill for the relief of Tessie and Enrique Marfori; to the Committee on the Judiciary.

S. 192. A bill for the relief of Shyn-Fann Tyan-Norem, Bin-Ti Yao Tyan-Norem and Jean Marie Tyan-Norem; to the Committee on the Judiciary.

By Mrs. KASSEBAUM:

S. 193. A bill to amend the Congressional Budget Act of 1974 to establish a ceiling on revenue loss from tax expenditures, to require authorization of new tax expenditures, and for other purposes; pursuant to the order of August 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

By Mr. HOLLINGS (for himself and Mr. DOMENICI):

S. 194. A bill to amend the Congressional Budget Act of 1974 to require a two-thirds vote to adopt a concurrent resolution on the budget which is not in balance; pursuant to the order of August 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

By Mr. GOLDWATER (for himself, Mr. ANDREWS, Mr. ARMSTRONG, Mr. BAKER, Mr. BENTSEN, Mr. BOREN, Mr. BRADLEY, Mr. COCHRAN, Mr. DECONCINI, Mr. DODD, Mr. EXON, Mr. FORD, Mr. GARN, Mr. GLENN, Mr. GORTON, Mr. HART, Mr. HATCH, Mr. HAYAKAWA, Mr. HEFLIN, Mr. HUDDLESTON, Mr. INOUYE, Mr. JOHNSTON, Mr. LEAHY, Mr. LUGAR, Mr. MATHIAS, Mr. PRYOR, Mr. RANDOLPH, Mr. SARBANES, Mr. SASSER, Mr. STAFFORD, and Mr. WILLIAMS):

S. 195. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. EXON:

S. 196. A bill for the relief of Teodoro A. Andro, doctor of medicine; to the Committee on the Judiciary.

S. 197. A bill for the relief of Taishine Wang, M.D., Kuei-Ching Wang and Maria Wang; to the Committee on the Judiciary.

S. 198. A bill for the relief of James G. Reese; to the Committee on the Judiciary.

S. 199. A bill for the relief of Joseph Eddy Nicholas, M.D. and Catherine Mary Nicholas; to the Committee on the Judiciary.

By Mr. QUAYLE:

S. 200. A bill to amend the Internal Revenue Code of 1954 to provide a refundable credit against income tax for up to $750 of the cost of purchasing a new highway vehicle; to the Committee on Finance.

By Mr. WILLIAMS:

S. 201. A bill to provide a 2-year delay in the application of Section 189 to low-income housing; to the Committee on Finance.

By Mr. HOLLINGS:

S. 202. A bill to declare and recognize the vital importance of ports and harbors to this country's economy and national defense, and the world's economy and energy self-sufficiency, and to authorize expeditious construction of essential river and harbor improvements in order to promote domestic commerce and United States export capabilities for coal and other commodities; to the Committee on Environment and Public Works.

By Mr. PRYOR:

S. 203. A bill to redesignate the Department of Agriculture as the Department for Agriculture; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CANNON (for himself and Mr. LAXALT):

S. 204. A bill to authorize the conveyance of certain lands to the County of Mineral, Nevada; to the Committee on Armed Services.

By Mr. TSONGAS:

S. 205. A bill for the relief of Winston Edmund DuBois; to the Committee on Governmental Affairs.

By Mr. CANNON (for himself and Mr. LAXALT):

S. 206. A bill directing the Secretary of the Interior to convey certain lands to the City of Henderson, Nevada; to the Committee on Energy and Natural Resources.

By Mr. MITCHELL (for himself, Mr. GARN, Mr. WILLIAMS, and Mr. PROXMIRE):

S. 207. A bill to amend the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. TSONGAS:

S. 208. A bill for the relief of Mary N. Panagiotakis; to the Committee on the Judiciary.

S. 209. A bill for the relief of Paul Spyropoulos, Barbara Spyropoulos, husband and wife, and Sotirios Spyropoulos their son; to the Committee on the Judiciary.

S. 210. A bill for the relief of Elizabeth Cheng; to the Committee on the Judiciary.

S. 211. A bill for the relief of Moschos Chahlidis; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 212. A bill for the relief of Angela Salvador Coloma; to the Committee on the Judiciary.

S. 213. A bill for the relief of Siegfried Hans Ehrmann; to the Committee on the Judiciary.

S. 214. A bill for the relief of Feliciana Usita Barroga; to the Committee on the Judiciary.

S. 215. A bill for the relief of Inocencio Eder and Lourie Ann Eder; to the Committee on the Judiciary.

S. 216. A bill for the relief of Zosima Batoon; to the Committee on the Judiciary.

S. 217. A bill for the relief of Benjamin Miguel Acob; to the Committee on the Judiciary.

S. 218. A bill for the relief of Jutta Renate Kruparz; to the Committee on the Judiciary.

S. 219. A bill for the relief of Kwolk Hung Poon and his wife, Sandra Shau Man Lai Poon; to the Committee on the Judiciary.

S. 220. A bill for the relief of Duk Chan Byun, his wife Yung Ja Byun, and his children Hye Ja Byun, Hye Sun Byun, Hye Ryung Byun, and Yung Eun Byun; to the Committee on the Judiciary.

S. 221. A bill for the relief of Yue Chung Chiu; to the Committee on the Judiciary.

S. 222. A bill for the relief of Lydia Delos Santos Colcol; to the Committee on the Judiciary.

S. 223. A bill for the relief of Amadeo Sembrano Timbol, his wife Hannah Apia Sangkula Timbol, his son Abel Sangkula Timbol, and his daughter Schiraliz Sangkula Timbol; to the Committee on the Judiciary.

S. 224. A bill for the relief of Isoo Kojima; to the Committee on the Judiciary.

S. 225. A bill for the relief of Somusa Ratanarak; to the Committee on the Judiciary.

S. 226. A bill for the relief of Goldhorn Cheng, Cheng-Hwa Lee Cheng, Shih-Chuang Cheng, Shih-Huang Cheng, and Shih-Kang Cheng; to the Committee on the Judiciary.

By Mr. HELMS:

S. 227. A bill for the relief of Bertram Tang; to the Committee on the Judiciary.

By Mr. GORTON:

S. 228. A bill for the relief of Neam Vone Sae-Kuan (also known as Paul Kuan); to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 229. A bill to amend the Social Security Act to provide for inclusion of the services of licensed practical nurses under medicare and medicaid; to the Committee on Finance.

S. 230. A bill to authorize certain withholding of State income tax from seamen's wages on a voluntary basis; to the Committee on Finance.

S. 231. A bill to amend the Tariff Act of 1930 to increase from $250 to $600 amount for formal entry of goods; to the Committee on Finance.

By Mr. HAYAKAWA (for himself and Mr. CRANSTON):

S. 232. A bill to amend sections 46(f) and 167(1) of the Internal Revenue Code of 1954 with respect to the treatment of public utility property; to the Committee on Finance.

By Mr. HAYAKAWA:

S. 233. A bill to direct the Army Board for Correction of Military Records to review the application of Herman Miller for the Congressional Medal of Honor; to the Committee on Armed Services.

By Mr. HATCH:

S. 234. A bill to amend the Public Health Service Act to encourage the establishment of home health programs and to amend the Social Security Act to provide expanded coverage of home health services under the medicare and medicaid programs; to the Committee on Labor and Human Resources.

By Mr. LEVIN:

S. 235. A bill for the relief of Hyong Cha Kim Kay; to the Committee on the Judiciary.

S. 236. A bill for the relief of Peter Chi Hung Kwok, doctor of medicine, and Ping Chi Chau Kwok, husband and wife; to the Committee on the Judiciary.

S. 237. A bill for the relief of Joseph Ozor; to the Committee on the Judiciary.

S. 238. A bill for the relief of Hira and Manu Manibhai, husband and wife, and their children Kalpesh and Ketah Manibhai; to the Committee on the Judiciary.

By Mr. DURENBERGER (for himself, Mr. PERCY, Mr. BENTSEN, Mr. HAYAKAWA, Mr. PELL, Mr. TSONGAS, Mr. HATFIELD, Mr. HEFLIN, Mr. ANDREWS, Mr. MATHIAS, Mr. SPECTER, and Mr. SASSER):

S. 239. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for the purchases of a commuter highway vehicle, to exclude from gross income certain amounts received in connection with the provisions of alternative commuter transportation, to provide employers a credit against tax for costs incurred in ride-sharing programs and for other purposes; to the Committee on Finance.

By Mr. MATSUNAGA:

S. 240. A bill to extend the treatment conferred upon certain private deferred compensation plans to nonqualified deferred compensation arrangements maintained by tax-exempt organizations; to the Committee on Finance.

S. 241. A bill to amend the Employee Retirement Income Security Act of 1974 for the purpose of facilitating the investment by employee pension benefit plans in qualifying employer real property; to the Committee on Labor and Human Resources.

By Mr. HATFIELD (for himself, Mr. BAKER, Mr. ROBERT C. BYRD, Mr. THURMOND, Mr. HUMPHREY, Mr. ANDREWS, Mr. BENTSEN, Mr. BIDEN, Mr. BOREN, Mr. BOSCHWITZ, Mr. BUMPERS, Mr. BURDICK, Mr. CANNON, Mr. CHAFEE, Mr. COCHRAN, Mr. COHEN, Mr. DANFORTH, Mr. DECONCINI, Mr. DENTON, Mr. DIXON, Mr. GORTON, Mr. ABDNOR, Mr. BRADLEY, Mr. HARRY F. BYRD, JR., Mr. CHILES, Mr. D'AMATO, Mr. DOLE, Mr. DURENBERGER, Mr. FORD, Mr. GARN, Mr. GLENN, Mr. GRASSLEY, Mrs. HAWKINS, Mr. HEFLIN, Mr. HEINZ, Mr. HUDDLESTON, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. KASTEN, Mr. KENNEDY, Mr. LEAHY, Mr. MATSUNAGA, Mr. MATTINGLY, Mr. MCCLURE, Mr. METZENBAUM, Mr. MITCHELL, Mr. MOYNIHAN, Mr. NICKLES, Mr. NUNN, Mr. PACKWOOD, Mr. PELL, Mr. PERCY, Mr. PROXMIRE, Mr. PRYOR, Mr. RANDOLPH, Mr. RUDMAN, Mr. SARBANES, Mr. STAFFORD, Mr. SASSER, Mr. STENNIS, Mr. SCHMITT, Mr. STEVENS, Mr. SYMMS, Mr. TSONGAS, Mr. ZORINSKY, and Mr. WILLIAMS):

S.J. Res. 16. Joint resolution designating January 29, 1981, as "A day of thanksgiving to honor our safely returned hostages."; considered and agreed to.

By Mr. GARN (for himself, Mr. ABDNOR, Mr. D'AMATO, Mr. DANFORTH, Mr. DECONCINI, Mr. DENTON, Mr. EAGLETON, Mr. EAST, Mr. FORD, Mr. GOLDWATER, Mr. GRASSLEY, Mr. HATCH, Mr. HATFIELD, Mrs. HAWKINS, Mr. HELMS, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. JEPSEN, Mr. LUGAR, Mr. MCCLURE, Mr. NICKLES, Mr. PRESSLER, Mr. PROXMIRE, Mr. RANDOLPH, Mr. SYMMS, Mr. ZORINSKY, Mr. ANDREWS, and Mr. KASTEN):

S.J. Res. 17. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. GRASSLEY:

S.J. Res. 18. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. HELMS:

S.J. Res. 19. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. KASSEBAUM:

S. 193. A bill to amend the Congressional Budget Act of 1974 to establish a ceiling on revenue loss from tax expenditures, to require authorization of new tax expenditures, and for other purposes; pursuant to the order of August 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

TAX EXPENDITURE LIMITATION AND CONTROL ACT OF 1981

● Mrs. KASSEBAUM. Mr. President, the Congressional Budget Act of 1974 was, and is, one of the truly monumental and significant congressional reforms in recent history. Monumental, because an overwhelming majority in both Houses voted to adopt a consensus measure incorporating procedures to restrict the most protected of all congressional prerogatives: Spending public money. Significant, because those procedures have worked, and for the most part, worked well.

Much to their credit, the authors of the act envisioned both the need for, and the desirability of, incorporating language to encourage improvements in their work on a continuing basis. As one who is privileged to serve on the Budget Committee, where business is conducted in accordance with the provisions of the act, I can attest to their wisdom. There is, indeed, latitude for improvement.

Having said that, I would suggest that the most discouraging aspect of our otherwise commendable effort to fulfill the Senate's budgetary responsibility has been our inability to exercise effective control over the revenue-raising side of the budgetary process. While we have made great progress in our ability to monitor and regulate direct spending, our progress in coming to grips with issues relating to taxation has been practically nonexistent.

From a budgetary perspective, our unbalanced growth under the act is embarrassing. From a congressional oversight and fiscal responsibility perspective, it is downright irresponsible.

Our need to develop and implement a coordinated approach to raising revenue and spending Federal funds, whether through direct subsidies or through tax expenditures, has never been greater. For that reason, I am today introducing the Tax Expenditure Limitation and Control Act of 1981. Enactment of this legislation would greatly enhance the ability of Congress to exercise effective judgment and pursue a rational approach to oversight of Federal programs, budgetary planning, and control and fiscal policy.

Those of us charged with responsibility for Federal program oversight have made the point on many occasions that tax spending and direct spending are two sides of the same Federal-subsidy coin. Both mechanisms transfer revenues for purposes that are perceived to be in the national interest. However, there are critical differences in the amount and degree of congressional oversight that accompanies these funding mechanisms.

Direct program funding must be authorized on a continuing basis, money for such funding must be appropriated annually, and program sponsors must justify their use of this money before Congress. Additionally, all of this authorizing, appropriating, and justifying must be accomplished within congressional budgetary parameters. Such activity tends to serve the public interest in that it assures intense review over the distribution of limited funds.

The case with respect to Federal subsidies through tax expenditures is much different. The committees with responsibility for programs supported through tax expenditures neither authorize such funding nor review its effectiveness. Once such subsidies have been enacted, they have a remarkable tendency to remain on the books for years and eventually become institutionalized within the tax code.

The total figure for revenue collected in fiscal year 1981 will be approximately $607.5 billion. The best estimate for the total amount of revenue that will be exempted from collection through tax expenditures is a staggering $208 billion. Over 25 percent of all revenue designated by the general provisions of the tax code as collectable will be exempted or excluded from collection by specific provisions of the code. We forgo $1 in taxes for every $3 we raise, solely because of the revenue-reducing effect of tax expenditures. That, I suggest, is bad policy and worse Government. Enactment of the bill I am introducing would provide a beginning to the effort Congress must undertake to reverse this undesirable practice.

The bill I am introducing today would: First, limit future loss of revenue from tax expenditures; second, discourage the proliferation of such revenue-reducing measures in the future; and third, improve budgetary accounting for tax expenditure-related revenue loss, throough provisions that:

Place a statutory limitation on the total amount of revenue loss from tax expenditures at a figure not to exceed 30 percent of net revenues collected;

Provide for authorization of new tax expenditures by the committees of the House or Senate with legislative jurisdiction over the activity such tax expenditures would affect;

Require legislation authorizing new tax expenditures be sequentially referred to the Budget Committee of the House or Senate, as appropriate;

Require all legislation authorizing new tax expenditures be reported to the House or Senate on, or before, May 15; and

Provide appropriate provisions for waiver of the May 15 reporting date in the Senate.

Enactment of these provisions would constitute a significant improvement in the existing congressional approach to budgeting.

Budgetary planning and control is, as we have all learned since 1974, no easy task. Even with the advantage of precise figures, we would face problems in our attempt to allocate a limited amount of funds. However, our current procedures for estimating revenues are so imprecise that the problem is becoming quite serious. The accounting impact of tax expenditures greatly resembles the accounting impact of entitlements. Just as we are unable to predict the level of annual funding that will be required to support entitlement programs, we are unable to predict with a high degree of accuracy the annual revenue loss resulting from tax expenditures. The more tax expenditures we enact the greater the revenue mystery becomes.

Presently, there are 92 such tax provisions on the books accounting for a revenue loss of—depending on which of many equally valid Government guesses you use—approximately $200 billion. That figure has grown at an annual rate of 14 percent since 1975 when it was approximately $90 billion.

Effectively estimating revenue dollars is critical to the success of the budgetary process. Tax expenditures greatly aggravate revenue estimation. To the extent that their purpose can be achieved through direct expenditures, with improved oversight, they should be curtailed. That is a primary objective of this bill.

One final advantage of this legislative proposal relates to the effect its passage would have on our ability to exercise fiscal policy options in a fashion consistent with promoting a sound economy. The secret to choosing the right fiscal options for national economic purposes lies in being able to gage their impact. The improvements this would provide in our ability to judge the economic effects of tax measures in terms of their impact on the availability of private sector funds for investment and consumption are definitely needed.

In our efforts as Members of the Senate to address national priorities in an effective fashion, our results are many times a reflection of the quality of the legislative tools with which we work. The better the available tools, the better the results. The bill I am introducing provides us with an opportunity to upgrade the legislative process.

To the authors of the Congressional Budget Act, this bill may not seem monumental. But to those of us who must operate under the results of the work, the improvements it mandates would certainly be viewed as significant.●

By Mr. HOLLINGS (for himself and Mr. DOMENICI):

S. 194. A bill to amend the Congressional Budget Act of 1974 to require a two-thirds vote to adopt a concurrent resolution on the budget which is not in balance; pursuant to the order of August 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

TWO-THIRDS VOTE ON ADOPTING A BUDGET WHICH IS NOT IN BALANCE

● Mr. HOLLINGS. Mr. President, today I am introducing legislation which will amend the Senate rules to require a two-thirds vote to adopt any budget resolution which is not in balance. I believe this approach to balanced budgeting is

the most effective because it will make a balanced budget policy part of the permanent Senate Rules and Procedures.

Under this bill, beginning with fiscal year 1983, if the Budget Committee reports a budget resolution which contains a deficit, or if by the amendment process on the floor, the resolution becomes unbalanced, a two-thirds vote will be necessary for final passage.

If the resolution fails to gain the necessary two-thirds vote, this bill would require the Budget Committee to report another budget resolution to the Senate within 3 days. This resolution would have to be balanced.

By requiring the Budget Committee to report another balanced budget resolution, the Senate can be assured that the committee which is responsible for producing a consistent, meaningful budget plan each year to the Senate will use its resources to write a logical balanced budget.

It is vital in these strained economic times, with the new President and congressional leaders calling for quick action to deal with inflation and Federal spending which seems to have gotten out of control, that the Senate institute new internal procedures—permanent procedures—to stabilize our approach to the budget process. I am confident that this legislation will do that.●

By Mr. GOLDWATER (for himself, Mr. ANDREWS, Mr. ARMSTRONG, Mr. BAKER, Mr. BENTSEN, Mr. BOREN, Mr. BRADLEY, Mr. COCHRAN, Mr. DECONCINI, Mr. DODD, Mr. EXON, Mr. FORD, Mr. GARN, Mr. GLENN, Mr. GORTON, Mr. HART, Mr. HATCH, Mr. HAYAKAWA, Mr. HEFLIN, Mr. HUDDLESTON, Mr. INOUYE, Mr. JOHNSTON, Mr. LEAHY, Mr. LUGAR, Mr. MATHIAS, Mr. PRYOR, Mr. RANDOLPH, Mr. SARBANES, Mr. SASSER, Mr. STAFFORD, and Mr. WILLIAMS):

S. 195. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

SUBMARINE VETERANS OF WORLD WAR II

● Mr. GOLDWATER. Mr. President, it is my pleasure to reintroduce today, at the request of a fine group of Americans, a bill to grant a Federal charter to the United States Submarine Veterans of World War II. I am privileged to be joined in this effort today by 30 of my colleagues.

Mr. President, this bill passed the Senate as S. 2623 on August 18 of last year and I anticipate its early passage and enactment into law in the 97th Congress.

The Submarine Veterans have established chapters in every one of the 50 States and the District of Columbia. The group has more than 5,300 active and associate members and it is growing.

It has been an honor for me to work with the organization in seeking to obtain national recognition for the activities of submariners. They have never failed us in our days of great wartime peril and I ask the Congress to act favorably on this measure at the earliest possible moment.

Mr. President, I ask unanimous consent that the text of the bill may appear in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 195

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Wilbur L. Meyer, Indianapolis, Indiana; Henry T. Vande Kerkhoff, Elmhurst, Illinois; Edmond Kay, Garden Grove, California; James A. Woodall, Galveston, Texas; Reverend John F. Marshall, O.F.M., Allegany, New York; John Kreis, San Diego, California; Ernst T. Rosing, La Grange Park, Illinois; Fred A. Judd, Baltimore, Maryland; Arthur F. Rawson, Bethesda, Maryland; E. J. Newbould, Alexandria, Virginia; Richard C. Cooper, Phoenix, Arizona; Charles A. Hennessey, Sacramento, California; Donald L. Smith, Middletown, Ohio; J. Daniel Lopp, New Albany, Indiana; Edward H. Bland, Cincinnati, Ohio; Rex W. Chenoweth, Brighton, Michigan; Cornelius R. Bartholemew, Miles City, Montana; James L. Kornegay, Centerville, Alabama; J. Allen Mactier, Omaha, Nebraska.

Reverend Jerome Kircher, O.F.M., Carville, Louisiana; Grover S. McLeod, Birmingham, Alabama; Harold A. Ballenger, Los Angeles, California; Frank W. Giehart, Cincinnati, Ohio; William O. Herring, Medford, Oregon; James A. Brillowski, San Diego, California; Donald E. Chauvin, Birmingham, Alabama; Joseph M. Ferrell, Sun City, Arizona; George H. McMinn, Marion, Arkansas.

Raymond A. Tiraschi, San Francisco, California; Edwin Klaver, Denver, Colorado; Clarence A. May, Midway, Texas; William F. Hughes, Camp Nelson, California; LaVerne A. Nordenberg, Rockford, Illinois; Charles F. Crothers, Greenfield, Indiana; David B. Wright, Hardy, Arkansas; Harry E. Howell, Louisville, Kentucky; Ovila J. LaPlante, Waterville, Maine; John K. Mayer, Eufaula, Alabama.

Warren Stien, Ionia, Michigan; Ernest E. Van Deventer, Saint Paul, Minnesota; Harvey G. Joeckle, Overland, Missouri; Joseph E. Federle, Omaha, Nebraska; William D. Beal, Junior, Jackson, New Hampshire; Herbert J. Georgius, Junior, Paramus, New Jersey; Gordon E. Lucht, Hobbs, New Mexico; William P. Bosch, Massapequa, New York.

Vern R. Atha, Portland, Oregon; Wayne I. Miller, Houston, Texas; Lewis H. Barkdoll, Mount Vernon, Washington; Stephen N. Petreshock, Manitowoc, Wisconsin; Charlie R. Ray, Birmingham, Alabama; John O. Bolin, Omaha, Nebraska, and any other person who, on the date of enactment of this Act, is a member in good standing of the United States Submarine Veterans of World War II, a corporation organized and existing under the laws of the State of New Jersey, and their successors, are created, in the District of Columbia, a body corporate by the name of United States Submarine Veterans of World War II (hereinafter in this Act referred to as the "corporation") and by such name shall be known and have perpetual succession of the powers, limitations, and restrictions contained in this Act.

COMPLETION OF ORGANIZATION

SEC. 2. A majority of the persons named in the first section of this Act may complete the organization of the corporation by the selection of officers and employees, the adoption, amendment, and revision of a constitution and bylaws not inconsistent with the provisions of this charter, and the doing of such other acts as may be necessary for such purpose.

PURPOSES OF THE CORPORATION

SEC. 3. The objects and purposes of the corporation shall be—

(a) to perpetuate and establish memorials to the memory of those shipmates who served aboard United States submarines and gave their lives in submarine warfare during World War II,

(b) to further promote and keep alive the spirit and unity that existed among the United States Navy submarine crewmen during World War II,

(c) to promote sociability, general welfare, and good fellowship among its members,

(d) to pledge loyalty and patriotism to the United States Government,

(e) to sponsor and award annual college scholarships,

(f) to make the general public aware of life aboard submarines during World War II, by obtaining, restoring, and displaying the submarines that were in service at that time,

(g) to perform such acts of charity as provided for by the constitution and bylaws, and

(h) to promote and support the membership in "Wives of United States Submarine Veterans of World War II" and "The Sons and Daughters of United States Submarine Veterans of World War II".

POWERS OF THE CORPORATION

SEC. 4. Subject to all applicable laws of the United States, and of any State in which the corporation operates, the corporation shall have the power—

(a) to sue, be sued, complain, or defend in any court of competent jurisdiction;

(b) to adopt, alter, and use a corporate seal for the sole and exclusive use of the corporation;

(c) to choose such officers, managers, and agents as may be necessary to carry out the purposes of the corporation;

(d) to charge and collect membership dues;

(e) to adopt, amend, apply, and alter a constitution and bylaws not inconsistent with the laws of the United States of America or of any State in which the corporation is to operate, for the management of its property and the regulation of its affairs;

(f) to contract and be contracted with as may be necessary to carry out the purposes of the corporation;

(g) to take and hold by lease, gift, purchase, grant, devise, bequest, or otherwise any property, real, personal, or mixed, necessary or convenient for attaining the objects of the corporation, subject, however, to applicable provisions of law of any State (1) governing the amount or kind of real and personal property which may be held by, or (2) otherwise limiting or controlling the ownership of real and personal property which may be held by, or (3) otherwise limiting or controlling the ownership of real and personal property by, a corporation operating in such State;

(h) to transfer, lease, or convey real or personal property;

(i) to borrow money for the purposes of the corporation and to issue bonds or other evidences of indebtedness therefor and to secure the same by mortgage or pledge subject to applicable Federal or State laws; and

(j) to do any and all acts necessary and proper to carry out the purposes of the corporation.

PRINCIPAL OFFICE; TERRITORIAL SCOPE OF ACTIVITIES; RESIDENT AGENT

SEC. 5. (a) The principal office of the corporation shall be located in the District of Columbia, or in such other place as may be determined by the board of directors in accordance with the bylaws of the corporation, but the activities of the corporation shall not be confined to that place and may be conducted throughout the United States and in all other locations as may be necessary to carry out the purposes of the corporation.

(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept service of process

for the corporation, and notice to or service upon such agent or mailed to the business address of such agent shall be deemed as service or notice upon the corporation.

MEMBERSHIP RIGHTS

SEC. 6. (a) Membership shall be restricted to those members of the United States submarine crews and United States submarine relief crews who were on active duty between December 1, 1941, and December 31, 1946.

(b) In addition to the general membership, there shall be special classes of honorary membership, qualification or eligibility for which, and rights and obligations of which, shall be as provided from time to time by the bylaws of the corporation.

(c) All persons who are members of any class of the United States Submarine Veterans of World War II, an association, on the date of enactment of this Act shall retain their memberhip in such class as members of the corporation.

BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES

SEC. 7. (a) Upon the enactment of this Act, the membership of the initial board of directors of the corporation shall consist of the present officers of the United States Submarine Veterans of World War II, including the immediate past president of said organization, or such of them as may then be living and are qualified officers of that association, to wit: James L. O'Conner, Baltimore, Maryland; Joseph McGrievy, La Mesa, California; Elroy F. Wilke, Denver, Colorado; Henry T. Vande Kerkhoff, Elmhurst, Illinois; Andrew M. Gasper, North Huntingdon, Pennsylvania.

(b) Thereafter the board of directors of the corporation shall consist of such number (not less than five) as shall be selected in such manner (including the filling of vacancies), and shall serve for such terms as may be prescribed in the constitution and bylaws of the corporation.

(c) The board of directors shall be the governing board of the corporation and shall during the intervals between corporation meetings be responsible for the general policies and program of the corporation. The board of directors shall be responsible for all finances of the corporation.

OFFICERS

SEC. 8. (a) The corporation shall have such officers as may be provided for in the bylaws

(b) The officers shall have such powers consistent with this charter as may be determined by the bylaws.

(c) The officers of the corporation shall be elected in such manner and have such terms and duties as may be prescribed in the bylaws of the corporation.

DISTRIBUTION OF INCOME OR ASSETS TO MEMBERS; LOANS

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any member, officer, or director as such, or be distributed to any of them during the life of the corporation, or upon its dissolution or final liquidation, nor shall any member or private individual be liable for the obligations of the corporaiton. Nothing in this section, however, shall be construed to prevent—

(1) the payment of bona fide expenses of officers of the corporation in amounts approved by the board of directors; or

(2) the support of scholarships to descendants of submarine veterans or other scholarships and works of charity as may be deemed appropriate by the directors and controlled by the constitution and bylaws of the corporation.

(b) The corporation shall not make loans to its officers, directors, or employees. Any officer or director who votes for or assents to the making of a loan to any officer, director, or employee of the corporation and any officer who participates in the making of such loan shall be jointly and severally liable to the corporation for the amount of such loan until the payment thereof.

NONPOLITICAL NATURE OF CORPORATION

SEC. 10. The corporation, and its officers and director as such, shall not contribute to or otherwise support or assist any political party or candidate for elective public office.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 11. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

SEC. 12. The corporation shall have no power to issue any shares of stock or declare or pay dividends.

BOOKS AND RECORDS; INSPECTION

SEC. 13. The corporation shall keep correct and complete books and records of account. It shall also keep minutes of the proceedings of its membership and of the board of directors. It shall also keep at its principal office a record giving the names and addresses of its members, directors, and officers. All books and records of the corporation may be inspected by any member or his agent or attorney for any proper purpose at any reasonable time.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 14. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (78 Stat. 635; 36 U.S.C. 1101 et seq.) is amended by adding at the end thereof:

"(50) United States Submarine Veterans of World War II.".

USE OF ASSETS UPON DISSOLUTION OR LIQUIDATION

SEC. 15. Upon final dissolution or liquidation of the corporation, and after discharge or satisfaction of any outstanding obligation or liability the remaining assets of the corporation may be distributed in accordance with the determination of the board of directors of the corporation and in compliance with this Act, the constitution, the bylaws of the corporation, and all other applicable Federal and State laws.

TRANSFER OF ASSETS

SEC. 16. The corporation may acquire the assets of the United States Submarine Veterans of World War II, a corporation, organized under the laws of the State of New Jersey, upon discharging or satisfactorily providing for the payment and discharge of all the liabilities of such corporation and upon complying with any applicable Federal or State law.

EXCLUSIVE RIGHT TO NAME, CORPORATE SALES, EMBLEMS, AND BADGES

SEC. 17. The corporation and its duly authorized State groups and other local subdivisions shall have the sole and exclusive right to have and use in carrying out its purposes the name "United States Submarine Veterans of World War II", and to have and use such seals, emblems, and badges as the corporation may lawfully adopt.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 18. The right of the Congress to alter, amend, or repeal this Act is expressly reserved.●

By Mr. QUAYLE:

S. 200. A bill to amend the Internal Revenue Code of 1954 to provide a refundable credit against income tax for up to $750 of the cost of purchasing a new highway vehicle; to the Committee on Finance.

TAX CREDIT FOR PURCHASE OF AMERICAN CARS

● Mr. QUAYLE. Mr. President, today I am introducing legislation to offer a $750 refundable tax credit to purchasers of American made cars and trucks to boost sales, put Americans back to work and overcome the market share lost to foreign imports.

This is one answer to the problem of unemployment in the auto industry, which employs approximately one in five of my fellow Hoosiers.

In 1980, the impact of Japanese imports was hard felt among U.S. automakers and autoworkers as the Japanese captured 78 percent of our import market and outproduced the United States by 3.2 million vehicles. This is particularly threatening since just one-half of the 11 million vehicles made in Japan in 1980 were sold in their home market. A majority of the remaining autos were sold in the United States. Projections are for a 20-percent increase in Japanese auto production in 1981–83.

The UAW and Chrysler Corp. have urged Congress to pass tax incentives to consumers for purchase of American models. They indicated that this teamed with a gentleman's agreement with Japan to reduce exports to the United States could put the U.S. auto industry back on its feet. The latest reports show assistance would come none too soon as third quarter losses for the big three automakers exceeded $1.6 billion.

As part of the financial package devised to gain approval for Federal loan guarantees, Chrysler agreed to freeze all 1981 auto prices and give rebates to purchasers based on the rise in interest rates. The success of the Chrysler plan, which the company anticipates will garner 25,000 unit sales a month and produce $150 million a month in sales, has encouraged other manufacturers to try similar schemes.

Price cuts and rebates have come as an all-out effort to overcome the 20-percent interest rates and the disappointing 19.8-percent drop in domestic car sales in the first 10 days of January. While the news does seem dismal, car sales in January were up by 1 million units over December and indications are that auto sales may have bottomed out last month.

For these reasons, the good faith of the automakers, the new selection of American-made cars, and the need to put 250,000 autoworkers back to work, I urge you to support this bill.

This legislation is expected to cost the Treasury $2.5 billion, but it is expected to increase Government income tax revenues and social security payments by the same amount. It is also expected to reduce transfer payments by approximately $2 billion and restore the vitality of the U.S. auto industry.●

By Mr. WILLIAMS:

S. 201. A bill to provide a 2-year delay in the application of section 189 to low-income housing; to the Committee on Finance.

LOW-INCOME HOUSING EMERGENCY TAX ACT OF 1981

Mr. WILLIAMS. Mr. President, we are all aware that the Nation's current economic sluggishness, combined with con-

tinuing high interest rates, have had a devastating impact on housing construction. Unfortunately, the same factors that have put single-family home construction on a sickbed have sent multifamily construction to the intensive care ward. Virtually the only new rental housing being built in the United States, aside from a small number of luxury buildings, are those which Government is assisting through a combination of subsidies and tax breaks.

With vacancy rates already at a two-decade low point, it is imperative that the Congress not take any step, or permit any provision of current law to expire, which would harm rental housing construction. Our failure to act wisely in this regard would result in even more unemployment among construction workers, greater hardship for families seeking decent and affordable shelter, and higher housing costs due to scarcity-induced inflation. Unfortunately, the fast-approaching loss of a most significant tax break for low-income housing, mandated by current law, will have such effects absent congressional action.

It is because I am deeply concerned about this situation that I now propose this bill, which would defer for 2 years the loss of low-income rental housing's exemption from the operation of section 189 of the Internal Revenue Code. Passage of this bill will assure that construction money continues to flow to assisted housing during the period that Congress gives deeper consideration to the issue of how best to finance this type of housing. Failure to enact it will erect perhaps insurmountable barriers to the raising of construction capital, until such time as this issue is resolved.

I must point out to my colleagues that this modest, 2-year extension is complementary to and consistent with several of the provisions of H.R. 6975, the Tax Treatment Extension Act of 1980, which the Senate passed in October, and which was signed by the President on December 17. Among other effects, that bill extended, through December 31, 1983, the provisions providing for the rapid depreciation of rehabilitation expenditures related to low-income housing (section 167(k)); the 60-month amortization for historic preservation expenditures (section 191); accelerated depreciation for substantially rehabilitated historic property (section 167(o)); and restrictions of demolition of historic structures (section 280(b); section 167(n)). Without such action, these provisions would likewise have expired at the end of 1981.

The one additional provision of the Internal Revenue Code relating solely to low-income housing which also expires at the end of 1981, but which was not addressed in H.R. 6975, is the exemption, effective until January 1, 1982, of low-income housing from the requirement imposed by section 189 that construction period interest and taxes be amortized over a number of years.

When Congress amended the Internal Revenue Code in 1976 to add section 189, which requires the amortization, eventually over a 10-year period, of real property construction period interest and taxes, the effect of this provision was deferred until 1982 with respect to "low-income housing"—defined as Government-assisted rental housing constructed or rehabilitated for families and individuals of low and moderate income, utilizing Federal aid such as section 8 rental assistance, as well as various State aid programs.

Congress delayed its effect because it recognized that it would be necessary to retain the "front end," Tax Code deductions for construction period interest and taxes, with respect to low-income housing, in order to maintain the incentive for private investors to participate in the equity syndication of such housing. It was the hope of Congress that this 5-year grace period would witness the development of alternative, nontax incentives for the production of such multifamily rental housing.

This has not occurred, and therefore the effect of section 189 on low-income housing should be further deferred. We are already witnessing a shortfall of the equity capital necessary to finance the construction of low-income housing. This is due to the long "pipeline" involved in the construction of real property; projects being planned for construction in 1982 are already in the preconstruction financial planning stages. In fact, if we fail to extend the grace period, we will adversely affect those projects which are already under construction but will not be completed until 1982 or later.

In view of the urgency and seriousness of this matter, I am proposing this simple amendment which would merely extend for 2 more years, until December 31, 1983, the provisions of section 189 which exempt low-income housing from the obligation to amortize construction period interest and taxes. Next week, I intend to reintroduce legislation to provide for a comprehensive revision of the Tax Code's treatment of all real estate development. Included in that bill will be a proposal to repeal section 189 in its entirety, so as to place construction on an equal footing with other economic activities in regard to the deductibility of interest and taxes.

However, in view of the controversial nature of that proposed repeal, and the likelihood that final action on any tax cut bill is months away, I believe that the 2-year extension I today propose should be passed expeditiously, to preserve the status quo, while Congress debates these larger questions.

I had hoped to offer this bill as an amendment to appropriate tax legislation near the close of the 96th Congress, and then—Chairman LONG had indicated that he had no opposition to such action. Unfortunately, the opportunity for such an amendment did not arise. It is my hope that Chairman DOLE will be as sympathetic to the goal of retaining this incentive for the investment of equity capital in low-income rental housing, as I again hope to add this proposal to appropriate legislation at the earliest opportunity.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 201

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Low-Income Housing Emergency Tax Act of 1981".

SECTION 1. Application of Section 189 to low-income housing.

(a) The table contained in Section 189(b) of the Internal Revenue Code of 1954 (relating to amortization of amount charged to capital account) is amended by striking out all the matter under the heading "Low-income housing" and inserting in lieu thereof the following:

"1984,
1985
1986
1987
1988
1989
After 1989".

(b) Notwithstanding the provisions of Section 201(c) of Public Law 94–455, the amendments made to the Internal Revenue Code of 1954 by the addition of Section 189 thereto shall apply, in the case of Low-income housing, only to taxable years beginning after December 31, 1983.

By Mr. HOLLINGS:

S. 202. A bill to declare and recognize the vital importance of ports and harbors to this country's economy and national defense, and the world's economy and energy self-sufficiency, and to authorize expeditious construction of essential river and harbor improvements in order to promote domestic commerce and U.S. export capabilities for coal and other commodities; to the Committee on Environment and Public Works.

PORTS AND NAVIGATION IMPROVEMENT ACT OF 1981

● Mr. HOLLINGS. Mr. President, through legislation that I am introducing today, I call for the authorization of navigational improvements to the harbor and shipping channel at Charleston, S.C. My bill is similar to the one that I introduced in the last days of the recent Congress. Other efforts are underway, Mr. President, and this topic as it relates to other harbors has been discussed on this floor and in the media so I will not go into a long and detailed restatement of the pertinent facts and need for this legislation. The bill I introduce today is identical to S. 3258 in the most recent Congress and authorizes the deepening of Charleston Harbor to 55 feet.

As in the similar legislation pertaining to other harbors, Mr. President, this bill has several major thrusts. For example it provides for an expedited process for dredging projects; expedited environmental review of such projects; expedited congressional review of such projects; expedited judicial review of claims filed against such projects; and lastly, funds for advanced engineering and design. While this bill specifies attention for Charleston Harbor and Channel, South Carolina, it would not preclude other harbors—as the case has already been made—from coming forward and stating their case for navigational improvement.

In recent months it has become more and more apparent that the United States vast supply of coal can do much to assist not only in our Nation's drive to-

ward energy independence, but also to relieve the energy problems confronting the rest of the free world. The tremendous surge in demand for our coal presents a great opportunity but has caused bottlenecks to apepar in the chain leading from our mines to final use. The most glaring deficiency, and the one that deserves the focus of our attention and therefore the passage of this bill, is the bottleneck that exists at our ports. The experts have made a convincing and compelling case. It has been laid out in the scholarly journals and countless articles.

The lengthening line of coalships stretching out from the mouth of our great harbors is testimony for all to see and witness. The single most important step we can take to alleviate this problem is to improve our harbors to meet the navigational requirements of this rapidly expanding coal trade. Our harbors must be deepened and facilities developed and expanded to meet the requirements of the large ships that will soon be commonplace in the coal trade.

In my own backyard of Charleston, S.C., we are blessed with one of the greatest natural harbors in our Nation. The significant U.S. naval facilities located there is testimony to this fact. This blessing of geography also places Charleston in close proximity to the rich coal fields of Appalachia. It is a natural marriage, Mr. President, to join these two and create facilities in Charleston for the transportation of coal. The deepening of the harbor to 55 feet would also have a significant importance to our naval facilities and national security.

At this time efforts are underway to construct a coal shipment facility in Charleston. But central to this effort, Mr. President, will be expeditious action on this legislation to prepare the harbor and channel when the shipment facility comes on line so it can respond to the economy of scale demanded by the larger and larger coal transport ships that will birth for loading.

For nearly two decades, the U.S. Army Corps of Engineers has worked to overcome the serious silting problems associated with Charleston Harbor. A diversion canal was needed to arrest the cause of the silting. The task at hand is to restore the deep water features of the harbor. The appropriate studies, mandated by law, have been made and efforts are now underway to deepen the harbor and channel to a depth of 38 feet. But the real need, Mr. President, to give recognition to the case at hand, is to continue this effort, build upon it if you will, and take the harbor and channel down to a depth of 55 feet so that it can accommodate the large ships. We have a unique opportunity to build upon work already in progress, and the studies already completed or underway, to expedite the deepening to the required level. Passage of this bill will permit this worthy goal to be achieved.

I am pleased, Mr. President, to add my voice and my efforts to the growing attention and interest this cause is receiving so that we can build the congressional consensus we need for prompt attention to this bill. Charleston Harbor and Channel, South Carolina, is uniquely situated to assume a worthwhile position in this Nation's efforts to revitalize our trade, thereby improving our balance-of-payments and significantly adding to our economic prosperity. The legislation that I introduce today, Mr. President, will play a vital role in accomplishing this national goal.●

By Mr. PRYOR:

S. 203. A bill to redesignate the Department of Agriculture as the Department for Agriculture; to the Committee on Agriculture, Nutrition, and Forestry.

DEPARTMENT FOR AGRICULTURE

● Mr. PRYOR. Mr. President, I am today introducing legislation which would change the name of the Department of Agriculture to the Department for Agriculture and designate the Secretary of Agriculture as the Secretary for Agriculture.

For the past 4 years, the U.S. Department of Agriculture has, by its own admission, increasingly become less producer oriented. Secretary Block, in his confirmation hearings, has reiterated his concern for American farmers and has pledged to make the USDA an active and vocal advocate for our farmers. It is my belief that the Department of Agriculture has strayed from its historical and intended position as the farmer's spokesman and strong advocate in Washington.

The American farmer is the backbone of this great Nation. As a result of unprecedented increases in productivity over the last 25 years, America is today the world's largest exporter of agricultural products. Agricultural exports are the primary reason why we experienced a favorable balance of trade for the last quarter. However, it is important that we are aware of the problems which farmers face if we hope to continue this prosperity in the 1980's. We need—no we must demand—a strong, vocal agricultural department which understands the needs and concerns of our farmers and which is committed to the continued prosperity of the American farm sector.

Mr. President, some of my colleagues might think this legislation to be less than earth shattering, but I believe that this is the time to send our Nation's farmers an illustration of our commitment to them. Our farmers are beginning to feel like an endangered species as they are forced to confront increased productivity costs, unpredictable weather patterns, and inflated land prices. We must let our farmers know that they are not forgotten in Washington and that they have a department that works for them.

Over the last several months I have had the privilege to speak with many Arkansas farm organizations regarding farm issues and more specifically the omnibus farm bill which this Congress will be writing. After listening to the concerns of Arkansas farmers I have concluded that we must take this symbolic step. They have let me know that they believe that the USDA has lost touch with their concerns. I believe that it is important that we reassure the American farmer that he can rely upon a Department for Agriculture.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. The Department of Agriculture is hereby redesignated as the Department for Agriculture, and the Secretary of Agriculture or any other official of the Department of Agriculture is hereby redesignated the Secretary or official, as appropriate, for Agriculture.

SEC. 2. All laws, orders, regulations, and other matter relating to the Department of Agriculture shall be deemed to relate to the Department for Agriculture and all laws, orders, regulations, and other matters relating to the Secretary of Agriculture or any other official of the Department of Agriculture shall be deemed to relate to the Secretary or official, as appropriate, for Agriculture.

SEC. 3. This Act is effective upon the close of the ninetieth day following its date of enactment.●

By Mr. CANNON (for himself and Mr. LAXALT):

S. 204. A bill to authorize the conveyance of certain lands to the County of Mineral, Nev.; to the Committee on Armed Services.

TRANSFER OF CERTAIN LANDS

● Mr. CANNON. Mr. President, on behalf of my distinguished colleague, Senator LAXALT, and myself, I introduce a bill to provide for the transfer of certain lands to the government of Mineral County, Nev., presently being used by the Department of the Army.

The Hawthorne Ammunition Depot presently occupies a large tract of land in Mineral County, and the community of Babbitt, Nev., provides support facilities for this operation. Parts of the residential area of Babbitt will be involved in this transfer. As the depot is scaled down over the next few years, the Army's need for the land will diminish and it will become surplus.

Mineral county is 90 percent federally owned. The major community in the county, Hawthorne, is virtually landlocked and surrounded by Federal land. In order for the town to expand to meet the growth demands, it has been necessary over the years to pass special legislation granting congressional approval of transfers of Federal land. That is what this bill will provide.

The land involved is best suited for urban use, as that has been its purpose with the Department of the Army. I believe the disposition of this land as contemplated by the bill is the best possible, and I urge its early and favorable consideration.●

By Mr. CANNON (for himself and Mr. LAXALT):

S. 206. A bill directing the Secretary of the Interior to convey certain lands to the city of Henderson, Nev.; to the Committee on Energy and Natural Resources.

TRANSFER OF CERTAIN LANDS

● Mr. CANNON. Mr. President, I introduce for myself and my distinguished colleague, Senator LAXALT, a bill to provide for the conveyance of some 5,885 acres of public lands within the city limits of Henderson, Nev., to the city. The land would be sold to the city at the appraised fair market value after appraisal by the Secretary of the Interior. This sale would benefit both the city and the Federal Government.

The land is necessary to accommodate the city's natural expansion. The land involved is all located within the incorporated city boundaries and is in an area checkerboarded with private and public land parcels. The Federal portion is difficult for the Bureau of Land Management to administer because of this intermingling.

The estimated present population of this fast-growing city is about 25,000 but is projected to nearly double by 1985. This undeveloped area represents almost 15 percent of the total city area and must be counted on heavily to help meet the demands of the expected growth of the next few years. The city has already expended great effort in analyzing environmental impacts, cataloging the natural resources and making preliminary plans for expansion.

The logical growth patterns will depend to a great extent on this land being available on a timely basis and I am hopeful the Senate will act expeditiously to provide this benefit to the city.●

By Mr. MITCHELL (for himself, Mr. GARN, Mr. WILLIAMS, and Mr. PROXMIRE):

S. 207. A bill to amend the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries; to the Committee on Banking, Housing, and Urban Affairs.

AMENDMENT OF BANK HOLDING COMPANY ACT

● Mr. MITCHELL. Mr. President, I am introducing today with Senators GARN, WILLIAMS, and PROXMIRE as cosponsors, legislation dealing with the insurance activities of bank holding companies. This legislation was reported by the Senate Banking Committee during the 96th Congress, but unfortunately was not considered by the Senate before the adjournment.

The bill amends the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries. One of the fundamental purposes of the National Banking Act of 1864 is to prevent an undue concentration of economic power. The nonbanking activities of national banks are, therefore, extremely limited. In addition, most of the States generally prohibit insurance activities by State chartered banks.

As our national economy has grown, many commercial banks have moved to a bank holding company organization in which the banks become subsidiaries of parent holding companies. One result of the restructuring was to allow bank holding companies to engage in nonbanking activities through separate subsidiaries. As a result, Congress limited the permissible activities of bank holding companies in 1956 and again in 1970.

The current Bank Holding Company Act permits bank holding companies to conduct nonbanking activities if certain conditions delineated by the Federal Reserve Board are met. The Independent Insurance Agents of America challenged the Federal Reserve's authorization of certain insurance activities in a Federal court action in 1977. As a result of this litigation and subsequent Federal Reserve actions, bank holding companies have been allowed to move into an insurance market that has traditionally been served by independent insurance agents—credit related property and casualty insurance.

This bill generally prohibits a bank holding company from providing insurance as a principal, agent, or broker. There are six exceptions to this general prohibition, resulting in the prohibition being principally applicable to the underwriting or sale of property and casualty insurance. Among the exemptions are the establishing of a grandfather date for the continuation of previously authorized insurance activities, and permitting bank holding companies to engage in, among other things, credit life, disability, and involuntary unemployment insurance activities.

This legislation will provide a much needed reform in the Bank Holding Company Act and will protect consumers and small businesses by insuring that bank holding companies do not gain an unfair economic advantage in the marketplace.

I welcome my colleagues' support for this legislation.●

By Mr. MATSUNAGA:

S. 229. A bill to amend the Social Security Act to provide for inclusion of the services of licensed practical nurses under medicare and medicaid; to the Committee on Finance.

SERVICES OF LICENSED PRACTICAL NURSES

● Mr. MATSUNAGA, Mr. President, I am introducing today legislation which would provide for the inclusion of licensed practical nursing services under the medicare and medicaid programs. This measure would recognize on the Federal level the important contributions that licensed practical nurses have made to our Nation's health care delivery system.

Today, there are over 500,000 licensed practical nurses providing their needed and vital services in hospitals, clinics, and nursing homes, in addition to schools, doctors' offices, public health agencies, and private homes. In a sense, the LPN's form the backbone of the nursing profession, administering care to the hospitalized patient in a number of capacities and with a wide array of essential services.

They serve as bedside nurses in the hospital room, the operating room, in intensive care units, coronary care wards, in fact, in virtually every branch of medicine and health. LPN's deserve and have earned the same respect as registered nurses. An LPN can provide direct patient care at a bedside under relatively stable nursing conditions, or perform nursing functions in more complex and semicomplex instances, such as are found in hospital recovery, labor, and emergency rooms.

In the area of health care delivery, LPN's assist other members of the health care delivery team in the promotion of personal and community health by promoting and carrying out preventive measures in community health facilities such as outpatient and baby clinics.

Licensed practical nurses have made and will continue to make valuable contributions to our health and medical care delivery system. By virtue of their training, LPN's are able to provide much needed basic nursing services in a wide variety of patient settings.

Furthermore, it is apparent that licensed practical nurses will have a very important role to play in the delivery of basic health and medical care under the various multitiered, cost controlled, health and medical care delivery systems that have been proposed.

Accordingly, I am introducing this legislation today to assist in the recognition of that fact by providing a mechanism in the medicare and medicaid programs which will demonstrate the importance of licensed practical nursing services along with physician services, registered nursing services, and all the other health and medical care professional services which together comprise the health care system of the United States.

Mr. President, I urge my colleagues to give thoughtful consideration and support to this proposal in connection with medicare reform and our pressing need to enhance our country's health care system. I ask unanimous consent that my bill be printed in the RECORD for the benefit of any interested reader.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 229

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1861(s) of the Social Security Act is amended by inserting immediately before the matter following paragraph (13) the following: "The term 'medical and other health services' also means medical care, or any other type of remedial care recognized under State law, furnished by licensed practical nurses within the scope of their practice as defined by State law.".

SEC. 2. (a) Section 1905(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (16);

(2) by inserting "and" at the end of paragraph (17);

(3) by adding immediately below paragraph (17) the following new paragraph:

"(18) medical care, or any other type of remedial care recognized under State law furnished by licensed practical nurses within the scope of their practice as defined by State law;".

(b)(1) Section 1902(a)(13)(B) of such Act is amended by inserting after "through (5)" the following: "and (18)".

(2) Section 1902(a)(13)(C)(i) of such Act is amended by inserting immediately after "through (5)" the following: "and (18)".

(3) Section 1902(a)(13)(C)(ii)(I) of such Act is amended by inserting immediately after "through (16)" the following: "and (18)".

(4) Section 1902(a)(14)(A)(i) of such Act is amended by striking out "and (17)" and inserting in lieu thereof ", (7), and (18)".

SEC. 3. The amendments made by this Act shall be effective with respect to payments under titles XVIII and XIX of the Social Security Act for calendar quarters commencing with the first calendar quarter beginning after the date of enactment of this Act.●

By Mr. MATSUNAGA:

S. 230. A bill to authorize certain withholding of State income tax from seaman's wages on a voluntary basis; to the Committee on Finance.

WITHHOLDING OF STATE TAXES FROM SEAMAN'S PAY

● Mr. MATSUNAGA. Mr. President, I have today introduced a bill to permit the voluntary withholding of State income tax from seamen's wages.

Section 601 of title 46 of the United States Code, forbids an employer from withholding State income tax from seamen's wages. This provision seeks to prevent seamen from being victimized when several States attempt to tax and have the tax withheld from seamen's wages. The Internal Revenue Code permits the employer to withhold Federal taxes, but the employer cannot withhold State income tax.

This provision makes no sense where the seamen work on ships that ply between ports in the same State and voluntarily request the employer to withhold State tax. In Hawaii, barges transport pineapples from plantations on the outer islands to the canneries in Honolulu. These barge seamen sail only between Hawaiian ports. They are in no danger of being subjected to the taxes of two or more States, since they only enter Hawaiian ports. They have asked their employer to withhold Hawaii State tax, but the barge companies are barred by the statute from doing so.

My bill seeks to permit a seaman employed in trade between ports in the same State to voluntarily and revocably have the employer withhold State income tax.

Several barge companies in Hawaii support this legislation and I am informed that the labor unions involved support the measure also. I believe the legislation will prove of benefit to all concerned and deserves favorable consideration by the Congress.●

By Mr. MATSUNAGA:

S. 231. A bill to amend the Tariff Act of 1930 to increase from $250 to $600 amount for formal entry of goods; to the Committee on Finance.

FORMAL ENTRY OF GOODS

● Mr. MATSUNAGA. Mr. President, I am today introducing a bill to increase the current $250 informal entry limitation for imported items to $600.

Under the Tariff Act of 1930, as amended, the Secretary of the Treasury may prescribe rules and regulations for the declaration and entry of merchandise when the aggregate value of the shipment does not exceed $250 in value. All other merchandise must be formally entered. This provision allows small importers to avoid the time consuming formal declarations that are required and the provision also saves the Treasury Department from the time consuming administrative process in clearing small shipments.

Since the enactment of the $250 informal entry limitation, inflation and the devaluation of the dollar, have greatly reduced the actual value of this provision. Many small importers now find themselves ensnared by the more man-hours to process these small shipments that had previously entered under the informal entry limitation. In addition, the Treasury needs to expend more manhours to process these small entries.

I introduced a similar bill to increase the informal entry limitation to $600 in the 95th Congress. That bill, H.R. 8149, received the support of the Treasury Department.

I urge the Senate to act on my bill to lessen the paperwork burden on small importers and also to save unnecessary administrative cost.●

By Mr. HAYAKAWA (for himself and Mr. CRANSTON):

S. 232. A bill to amend sections 46(f) and 167(l) of the Internal Revenue Code of 1954 with respect to the treatment of public utility property; to the Committee on Finance.

TAX TREATMENT OF PUBLIC UTILITY PROPERTY

Mr. HAYAKAWA. Mr. President, I am today introducing a bill, for myself and my colleague from California, Mr. CRANSTON, to provide more consistent and equitable treatment of public utility property, and forgive a potential back-tax liability resulting from an ambiguity in the law.

In order to encourage capital formation by State regulated utilities, Congress provided that the investment tax credit and accelerated depreciation be made available to utilities, only in the case where the benefits derived from the tax incentives are not immediately flowed-through to ratepayers. Instead, these benefits were to be normalized by establishing a reserve, and flowing them through to ratepayers no faster than ratably over the life of the property invested. Should the utilities attempt to flow-through these benefits in the form of reduced rates, they would not be entitled to the tax credit or the accelerated depreciation.

Rather than merely passing these benefits directly on to consumers, creating a short-term adjustment in rates, Congress intended that the benefits derived from these tax incentives be used for plant and equipment modernization. In this way, innovative and lasting improvements may be made in production and service which will increase America's ability to cope with its energy demands.

In direct contrast to the intent of Congress, after several regulated utilities had begun to take advantage of the tax benefits on a ratable flow-through basis compatible with the intent of Congress and the interpretation of the Internal Revenue Service, the California Public Utilities Commission ordered the utilities to pass on the tax benefits to ratepayers in the form of rate reductions. Because of this order, and by a specific ruling from the IRS, the utilities are not only denied access to the investment tax credit and accelerated depreciation, they are forced to pass on nonexistent benefits to ratepayers.

The utilities involved pursued this matter in the courts, but were frustrated when the California State Supreme Court ruled against them, and the U.S. Supreme Court refused to hear the case. Although the State court found no incompatibility between the California Public Utilities Commission order and the Federal legislation, that ruling is not binding on a Federal agency; it is, however, binding on the utilities. Therefore, the court has ruled on a matter over which it has no binding authority, and the utilities are caught in the middle.

It is, I believe, incumbent on the Congress to make clear its intent on this matter. This legislation does exactly that. It clarifies the Internal Revenue Code with respect to accepted methods of normalization for the investment tax credit and accelerated depreciation by prohibiting reassessment of tax position for the purposes of rate adjustment based on these anticipated Federal tax benefits, as a condition of qualification thereto. The bill further excuses prior noncompliance with this provision, thus relieving the utilities involved of a potential back-tax liability.

Last Congress, legislation identical to this was passed by the House of Representatives, received hearings in the Subcommittee on Taxation and Debt Management, was reported out of the Finance Committee without a dissenting vote, and, but for the objection of one Senator—who did not object to the substance of the bill, but wished to add amendments after the House had adjourned sine die—would be law. This legislation clearly corrects an unjust situation, and I urge my colleagues to respond by quickly approving this measure.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 232

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NORMALIZATION METHOD FOR PURPOSES OF DEPRECIATION.

Paragraph (3) of section 167 (l) of the Internal Revenue Code of 1954 (relating to definitions for purposes of depreciation in the case of utilities) is amended by redesignating subparagraphs (H) and (I) as subparagraphs (I) and (J), respectively, and by inserting after subparagraph (G) the following new subparagraph:

"(H) USE OF INCONSISTENT ESTIMATES AND PROJECTIONS, ETC.—

"(i) IN GENERAL.—One way in which the requirements of subparagraph (G) are not met is if the taxpayer, for ratemaking purposes, uses a procedure or adjustment which is inconsistent with the requirements of subparagraph (G).

"(ii) USE OF INCONSISTENT ESTIMATES AND PROJECTIONS.—The procedures and adjustments which are to be treated as inconsistent for purposes of clause (i) shall include any procedure or adjustment for ratemaking purposes which uses an estimate or projection of the taxpayer's tax expense, depreciation expense, or reserve for deferred taxes under subparagraph (G), (ii) unless such estimate or projection is also used, for ratemaking purposes, with respect to the other 2 such items and with respect to the rate base.

"(iii) REGULATORY AUTHORITY.—The Secretary may by regulations prescribe procedures and adjustments (in addition to those specified in clause (ii) which are to be treated as inconsistent for purposes of clause (i)."

SEC. 2. COMPUTATIONS FOR PURPOSES OF INVESTMENT CREDIT.

Subsection (f) of section 46 of such Code (relating to limitation in case of certain regulated companies) is amended by adding at the end thereof the following new paragraph:

"(10) USE OF INCONSISTENT ESTIMATES AND PROJECTIONS, ETC., FOR PURPOSES OF PARAGRAPHS (1) AND (2).—

"(A) IN GENERAL.—One way in which the requirements of paragraph (1) or (2) are not met is if the taxpayer, for ratemaking purposes, uses a procedure or adjustment which is inconsistent with the requirements of paragraph (1) or paragraph (2), as the case may be.

"(B) USE OF INCONSISTENT ESTIMATES AND PROJECTIONS.—The procedures and adjustments which are to be treated as inconsistent for purposes of subparagraph (A) shall include any procedure or adjustment for ratemaking purposes which uses an estimate or projection of the taxpayer's qualified investment for purposes of the credit allowable by section 38 unless such estimate or projection is consistent with the estimates and projections of property which are used, for ratemaking purposes with respect to the taxpayer's depreciation expense and rate base.

"(C) REGULATORY AUTHORITY.—The Secretary may by regulations prescribe procedures and adjustments (in addition to those specified in subparagraph (B)) which are to be treated as inconsistent for purposes of subparagraph (A)."

SEC. 3. EFFECTIVE DATES.

(a) GENERAL RULE.—The amendments made by sections 1 and 2 shall apply to taxable years beginning after December 31, 1979.

(b) SPECIAL RULE FOR PERIODS BEFORE MARCH 1, 1980.—

(1) IN GENERAL.—Notwithstanding the provisions of sections 167(l) and 46(f) of the Internal Revenue Code of 1954 and of any regulations prescribed by the Secretary of the Treasury (or his delegate) under such sections the use for ratemaking purposes or for reflecting operating results in the taxpayer's regulated books of account, for any period before March 1, 1980, of—

(A) any estimates or projections relating to the amounts of the taxpayer's tax expense, depreciation expense, deferred tax reserve, credit allowable under section 38 of such Code, or rate base, or

(B) any adjustments to the taxpayer's rate of return,

shall not be treated as inconsistent with the requirements of subparagraph (G) of such section 167(l)(3) nor inconsistent with the requirements of paragraph (1) or (2) of such section 46(f), where such estimates or projections, or such rate of return adjustments, were included in a qualified order.

(2) QUALIFIED ORDER DEFINED.—For purposes of paragraph (1), the term "qualified order" means an order—

(A) by a public utility commission which was entered before March 13, 1980,

(B) which used the estimates, projections, or rate of return adjustments referred to in paragraph (1) to determine the amount of the rates to be collected by the taxpayer or the amount of a refund with respect to rates previously collected, and

(C) which ordered such rates to be collected or refunds to be made (whether or not such order actually was implemented or enforced).

(c) NO INFERENCE.—The application of subparagraph (G) of section 167 (l)(3) of the Internal Revenue Code of 1954, and the application of paragraphs (1) and (2) of section 46 (f) of such Code, to taxable years beginning before January 1, 1980, shall be determined without any inference drawn from the amendments made by sections 1 and 2 of this Act or from the rules contained in subsection (b) of this section. Nothing in the preceding sentence shall be construed to limit the relief provided by subsection (b).

(d) DELAY IN MAKING REFUNDS OR CREDITS.—No refund or credit of any overpayment of tax attributable to the amendments made by this Act shall be made or allowed before October 1, 1981.

By Mr. HAYAKAWA (for himself and Mr. CRANSTON):

S. 233. A bill to direct the Army Board for Correction of Military Records to review the application of Herman Miller for the Congressional Medal of Honor; to the Committee on Armed Services.

REVIEW OF THE RECORDS OF HERMAN MILLER

● Mr. HAYAKAWA. Mr. President, today I am reintroducing a bill on behalf of myself and Mr. CRANSTON, that directs the Army Board for Correction of Military Records to review the application of Mr. Herman Miller of Oceanside, Calif., for consideration of the Congressional Medal of Honor. In determining eligibility, the Board will apply the standards for such an award as were in effect on April 16, 1900. This bill is identical to legislation that we introduced a few months ago. Because of our interest in Mr. Miller's predicament, Mr. CRANSTON and I feel compelled to submit it again.

Mr. Miller is one of the few surviving veterans of the Spanish-American War. At the age of 101 he continues his struggle to receive the Congressional Medal of Honor for which he was recommended in 1900 by his commanding officer after distinguishing himself at the Battle of Batac in the Philippines. Over the past 80 years he has tried unsuccessfully to receive the medal for his heroic action on April 16, 1900, when he and 28 other men found themselves surrounded by some 800 Filipino insurgents. At one point in the battle, Mr. Miller chased the enemy waving an empty rifle.

It is our contention that had Mr. Miller been judged by the criteria that was in effect at the time that he was recommended for the medal, he would have qualified. Therefore, this legislation directs that he be considered under the criteria in effect in 1900.

Mr. President, Herman Miller has had many setbacks in his quest for the Congressional Medal of Honor. And yet, to this day, he maintains a fiery spirit and love of country that should be an inspiration to us all. When Mr. Miller came to Washington last year, I had the honor of meeting him and I was deeply moved by his faith in this country and a pride in having fought for it. Therefore, I ask that my colleagues give serious and timely consideration to this legislation on his behalf. It is an opportunity for you to honor a loyal and brave old soldier.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 233

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President shall direct the Army Board for Correction of Military Records to review the application of M. Herman Miller of Oceanside, California for consideration of being awarded the Congressional Medal of Honor. In conducting such review and determining the eligibility of Mr. Miller for such award the Army Board for Correction of Military Records shall apply the standards for such an award as were in effect on April 16, 1900.●

By Mr. HATCH:

S. 234. A bill to amend the Public Health Service Act to encourage the establishment of home health programs and to amend the Social Security Act to provide expanded coverage of home health services under the medicare and medicaid programs; to the Committee on Labor and Human Resources.

COMMUNITY HOME HEALTH SERVICES ACT

● Mr. HATCH. Mr. President, on November 18 of last year, I introduced the Community Home Health Services Act of 1980. This was legislation to encourage and expand community home health care, proposing methods of assisting elderly, home-bound people through the development and implementation of home health care programs for the aged. What I said on this Chamber's floor then is also true now. The number of Americans 65 years and older is progressively increasing. Back in 1910, it was 1 in every 25. Today, the proportion of us over the age of 65 is less than 1 in 10. By the year 2000 we are projected to have an increase in the number of older people in the United States to 1 in 8 individuals. This will mean more than 31 million additional citizens over the age of 65, a 40-percent increase 20 years from now over the latest census tally of American senior citizens.

As the proportion of our Nation's elderly population continues to dramatically increase, so will the need and demands for nursing home expansion and improvement. The medicaid/medicare amendments to the Social Security Act already guarantee nursing home coverage for practically every American in want and need of it.

It is becoming evermore clear, however, that greater attention must be paid to alternative forms of home health care and community home health care services. Too many of the homebound aged who are sent to nursing homes do not have to go there. They would prefer to remain independent, in their own homes yet in reach of health care assistance when it is needed.

The legislation I introduced on November 18, 1980, incorporated suggested changes I and several others in the Congress have sought in quest of this noble cause. I was especially gratified that more than a majority of the items covered in my legislation were included in the budget reconciliation package which passed and was enacted into law during the final hours of the 96th Congress. However, several important sections of my legislative proposal were not consid-

ered. In addition to these, I have in retrospect developed some additional legislative ideas, the sum of which I am today introducing in the form of a new bill, entitled, the Community Home Health Services Act of 1981.

One of the principle elements in this new legislation is the reauthorization of the home health provisions within the Public Health Service Act. The primary focus is to direct the Secretary of Health and Human Services to make grants to public and nonprofit private entities as well as loans to proprietary home health care associations to meet the initial costs of establishing and operating these needed services. Priority will be given to the establishment of home health care services in areas of the country where they do not presently exist. This is especially important in rural and in urban areas with inadequate means of transportation.

I will be speaking on this subject and further outlining the nature and scope of my proposal in the days ahead. In the interim, I would only add that the nature of the home health care idea is immediately in tune with the mandate a majority of Americans expressed at the polls last November 4. It is one which recognizes the important social commitment every citizen has as a member of our American community, a commitment to assure that the elderly and infirm who want and need assistance and are able to get it. It recognizes that the quality of our society is in large part measured by the care and attention we give to those of us who have passed the age threshold all of us must eventually cross. It also recognizes that we must do these things at a reduced cost, and that we can do them relying more on the local community than on the Federal Government. This is why home health care is a principle and a program around which all of us can rally.

Finally, Mr. President, it is clear upon examination of the legislation I am today introducing that its provisions bear heavily on the kind of work carried out in two standing committees of the Senate, one of which I am privileged to chair. Therefore, I respectfully request of our Parliamentarian that he consider jointly referring this bill to both the Committee on Labor and Human Resources and the Finance Committee. I also request that the text of my legislation be printed immediately following the record of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 234

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Community Home Health Services Act of 1981".

PURPOSE

SEC. 2. It is the purpose of this Act to encourage the establishment of home health programs, to expand the coverage of home health services under medicare and medicaid in general, and to expand such coverage of community home health services provided by hospitals.

GRANTS AND LOANS FOR HOME HEALTH PROGRAMS

SEC. 3. (a)(1) Section 339(a)(1) of the Public Health Service Act is amended—

(A) by striking out "purpose of demonstrating" and inserting in lieu thereof "purpose of encouraging";

(B) by striking out "home health agencies (as defined in section 1861(o) of the Social Security Act) and inserting in lieu thereof "home health programs";

(C) by inserting "and loans to proprietary entities" after "private entities"; and

(D) by striking out "operating such agencies and expanding the services available" and all that follows and inserting in lieu thereof the following: "operating such programs. Such grants may include funds to provide training to such programs' professional and paraprofessional personnel to provide home health services (as defined in section 1861(m) of the Social Security Act). Priority in the award of grants and loans shall be given to areas which do not have home health services, and special consideration in the award of grants and loans shall be given to areas with inadequate means of transportation.".

(2) Section 339(a)(2) of such Act is amended by inserting "and loans" after "grants".

(3) Section 339(a)(3) of such Act is amended by inserting "and loans" after "grants".

(4) Section 339(a)(4) of such Act is amended by inserting "and loans" after "grants".

(5) Section 339(a)(5) of such Act is amended by striking out "and" after "1980," and by inserting before the period at the end thereof the following: ", and $5,000,000 for each of the three succeeding fiscal years".

(6) Section 339(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(6) There are authorized to be appropriated for loans under this subsection $3,000,000 for the fiscal year ending September 30, 1982 and each of the two succeeding fiscal years.".

(b) Section 339(b)(4) of such Act is amended by striking out "and" after "1980," and by inserting before the period at the end thereof the following: ", and $2,000,000 for the fiscal year ending September 30, 1982".

(c) Section 339 of such Act is amended by adding at the end thereof the following new subsection:

"(c) The Secretary shall report to the Senate Committee on Labor and Human Resources and the House Committee on Interstate and Foreign Commerce on or before December 31, 1981 with respect to—

"(1) the impact of training grants made under this section prior to September 30, 1981;

"(2) the need to continue training grants under this section;

"(3) the extent to which uniform standards have been applied to the training of home health personnel; and

"(4) the extent to which training costs are, or could be made, reimburseable under titles XVIII and XIX of the Social Security Act.".

MEDICARE AND MEDICAID PROVISIONS

SEC. 4. (a) Section 1861(m) of the Social Security Act is amended—

(1) by striking out "by a home health agency or by others under arrangements made with them by such agency" and inserting in lieu thereof "by a nonprofit hospital or a home health agency, or by others under arrangements made with them by such hospital or agency";

(2) in paragraph (1), by striking out "nursing care" and inserting in lieu thereof "nursing services for chronic or acute care";

(3) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8) and inserting after paragraph (5) the following new paragraph:

"(6) the services of a homemaker when medically required;";

(4) in paragraph (7) as so redesignated, by inserting "a nonprofit hospital or" after "in the case of";

(5) in paragraph (8) as so redesignated—

(A) by inserting "the nonprofit hospital or" after "arrangements made by"; and

(B) in subparagraph (B), by striking out "but not including transportation of the individual in connection with any such item or service" and inserting in lieu thereof "including transportation, whether by ambulance or other means, in connection with any such item or service"; and

(6) by adding at the end thereof the following:

"Notwithstanding any other provisions of this title, the term 'home health services' includes (without regard to any of the preceding provisions of this subsection) any professional health services provided in an individual's home by a nonprofit hospital, or by members of its staff acting as such (including its physicians, nurses, social workers, therapists, technicians, home health aides, homemakers, housekeepers, dieticians, and other personnel) as an alternative to institutional care, if such services do not qualify for payment (as outpatient hospital services or otherwise) under the other provisions of this title; excluding, however, any item or service (other than the service of home health aides, homemakers, or housekeepers) if it would not be included under subsection (b) if furnished to an inpatient of a hospital.".

(b) Section 1902(a)(13)(A) of such Act is amended by striking out "and" at the end of clause (i) and by adding after clause (ii) the following:

"(iii) for the inclusion as a 'home health service' under the plan of any item or service which is included as a 'home health service' under title XVIII of this Act, and".

(c) The amendments made by this section shall become effective 90 days after the date of the enactment of this Act and shall be effective only with respect to items and services furnished on or after such effective date.●

By Mr. DURENBERGER (for himself, Mr. PERCY, Mr. BENTON, Mr. HAYAKAWA, Mr. PELL, Mr. TSONGAS, Mr. HATSFIELD, Mr. HEFLIN, Mr. ANDREWS, Mr. MATHIAS, Mr. SPECTER, and Mr. SASSER):

S. 239. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for the purchases of a commuter highway vehicle, to exclude from gross income certain amounts received in connection with the provision of alternative commuter transportation, to provide employers a credit against tax for costs incurred in ride-sharing programs and for other purposes; to the Committee on Finance.

COMMUTER TRANSPORTATION ENERGY EFFICIENCY ACT OF 1981

Mr. DURENBERGER. Mr. President, I am pleased to introduce the Commuter Transportation Energy Efficiency Act of 1981. And I am particularly pleased to be joined by my colleagues, Senator PERCY of Illinois, Senator BENTSEN of Texas, Senator HAYAKAWA of California, Senator PELL of Rhode Island, Senator TSONGAS of Massachusetts, Senator HATFIELD of Oregon, Senator HEFLIN of Alabama, Senator ANDREWS of North Dakota, Senator MATHIAS of Maryland,

Senator SPECTER of Pennsylvania, and Senator SASSER of Tennessee.

Mr. President, in the past decade the United States has experienced two crude oil supply interruptions as a result of events in the Middle East. The first interruption occurred in 1973–74 and led to the most severe recession since World War II. The economic impact of the oil shortfall and the resulting price increases cost the American economy billions of dollars. Each year the higher OPEC prices have caused a massive transfer of wealth from American consumers to Middle East nations.

The second disruption in crude oil supply occurred in 1979 at the time of the Iranian revolution. Once again, oil prices increased dramatically and another recession followed. The expected downturn in the economy will rob Americans of additional billions of dollars in goods and services.

In comparison to the potential, the disruptions that have been experienced are minor events. OPEC supplies the world with 30 million barrels of oil per day and most of it is shipped through a narrow strait in the Persian Gulf. A war or terrorist act which blocked the gulf would cost the United States one-third of its daily oil supply. Although the disruptions that we have experienced created chaos in international oil markets, they did not actually reduce the amount of oil available for imports.

Faced with continued dependence on OPEC oil and the threat of supply disruptions and massive price increases, the American public has demanded a national energy policy with energy independence as the primary objective. Three administrations and four Congresses have responded with a variety of proposals.

One-half of our oil supply is used for transportation. One-half of that amount is used in the automobile. It is not surprising, therefore, that many of the policies promised by Presidents or passed by Congress have focused on the automobile and gasoline demand as a primary target to solve the energy crisis.

Mr. President, I have some tables that I would like to include in the RECORD with my comments this morning which demonstrate the relationship between automobile use and our petroleum dependence.

Mr. President, the first table presents petroleum demand by sector in 1976. It shows that the automobile consumed more than three times as much oil as electric utilities and 50 percent more than either space heating in the residential/commercial sector or process uses in industry.

The second table describes passenger car use. It shows that about one-third of all automobile trips are commuter trips to and from work.

The third table I am introducing presents the average miles traveled for each type of automobile trip. The average commuting distance between home, work and home again, is 19.4 miles. Eighty million Americans make this trip every day and 52 million make the commuting trip in a single-occupant automobile. These facts demonstrate the scope of the petroleum problem and the role that daily commuting plays in our dependence on uncertain foreign oil.

Mr. President, the transportation conservation policies that have been suggested can be classified in three groups. Some attempt to reduce traffic demand by increasing the price of fuel or restricting supply. In this group we have crude oil price decontrol which President Carter announced last April and which will cost the American public $1 trillion over the next decade.

A second form of price increase is the gasoline tax or oil import fee. The 50-cent-per-gallon tax most often discussed would transfer $55 billion per year for automobile drivers to the Federal Government.

Finally, there is gasoline rationing which would impose a Government-controlled limit on the amount of oil consumed. The price impact would be seen in the value of the coupons necessary to obtain gas at the pump. The Department of Energy estimates that rationing would lead to payments from businesses to individuals—mostly families with several cars—to purchase coupons. Business would of course recover this cost by charging higher prices to everyone, including those who own no cars and, thus, get no coupons. Additional billions would be added to the cost of rationing for administration.

A second type of transportation conservation policy can be called technological efficiency. These policies include modifications in automobile design and the development of alternative fuels. After the first energy crisis, Congress mandated fuel economy improvements for the American automobile. Congress is currently reexamining this mandate and representatives of the Environmental Protection Agency have suggested a mandatory standard of 85 miles per gallon by 1995. Such a standard would cost the automobile industry billions of dollars in retooling and development costs. It would also greatly alter what we know as the American car. In the area of alternative fuels, the Congress has passed the Energy Security Act with a potential price tag near $100 billion simply to demonstrate a variety of alternative fuels technologies.

Reducing commuter demand for gasoline through higher prices and the technological fix are the policies most often debated and most likely to be imposed by the Federal Government. As can be easily seen, these alternatives are very expensive and require much Government and regulation.

There is another type of policy—modal efficiency—which has the promise of saving as much or more energy and at a far lesser cost. For commuter transportation modal efficiency includes the carpool, the vanpool, the bus and other forms of mass transit. Today, there are more than 80 million commuters in America and the vast majority drive to and from work in single-occupant cars. Less than 10 percent take mass transit. Only 20 percent carpool or share a ride. This pattern of commuter traffic persists despite the fact that vanpools consume one-sixth the energy per passenger-mile consumed by the single-occupant car and despite the fact that ridesharing can dramatically reduce the cost of commuting to work.

Mr. President, I would like to offer two additional tables which show the energy and dollar savings that can be achieved by concentrating our transportation energy policy on ridesharing.

The first of these tables is taken from a study by the Congressional Budget Office. It lists the Btu's consumed for each passenger mile of commuting for each of the principal commuter modes. These figures reflect operating energy only. The table indicates that the vanpool is 700 percent more efficient than the automobile with a single occupant. Each of the ridesharing or mass transportation modes show significant energy savings.

Ridesharing can also save dollars. The evidence I have indicates that the average commuter trip in a single-occupant automobile can cost 50 cents a mile. This includes both operating costs—fuel and maintenance—and ownership costs—insurance, depreciation, and so forth. By comparison commuters traveling to work in vanpools pay an average of only 5 cents per mile. With the average commuter traveling 20 miles a day, 250 days a year, the dollar savings can be truly significant.

Because ridesharing has such promise for energy conservation and for reducing the cost of the work trip, I believe that it will be an important part of the future solution to the energy crisis. It will happen whether Government takes action to encourage it or not. In fact, thousands of vanpools are operating across the Nation today. Many of these vanpools are sponsored by companies who provide administrative and/or financial support so that their employees can save money and energy getting to work. Since about 1973 the number of vanpools has doubled each year. Today, the U.S. total is 7,050.

Mr. President, I have a table listing the number of vanpools operating in each State that will be included in the RECORD with my comments.

At a time when Government is considering a vast array of expensive and complicated new programs like synthetic fuels, rationing, gasoline taxes, and high mpg cars, I think it is important that we look closely at ridesharing and understand the role that it can play. The Commuter Transportation Energy Efficiency Act provides the Nation an opportunity to choose the most energy efficient and least costly solution to our petroleum problem.

Mr. President, title I of the Commuter Transportation Energy Efficiency Act of 1981 provides a tax incentive to the individual who buys a van—commuter highway vehicle—and uses it for ridesharing. Current law only offers ridesharing incentives to the business which purchases a van for employee programs. The measure we are introducing would amend the 1978 Energy Tax Act to provide the same incentive to the individual for ridesharing that is currently available for the purchase of home insulation or storm windows. Under the provisions of

CTEEA, any individual who purchased a van and used it for ridesharing over a 3-year period would be eligible for a 15-percent tax credit based on the cost of the van.

Title II of this legislation is designed to remove some of the ambiguity in current law regarding employer programs to support and encourage ridesharing and mass transit utilization by employees. This bill would exclude from taxable income of the employee, any payment by an employer made as a subsidy for the cost of mass transportation, vanpooling or carpooling. If the employer provides bus fare or transportation to and from work in a vanpool, the cost of that transportation would not be included as income for tax purposes. Any administrative cost borne by the employer for ridesharing programs would also be excluded.

Section 202 of title II provides that a driver in a ridesharing vehicle who collects fees from his or her riders is not required to report the fees as taxable income.

Title III amends the current law to increase the tax incentive for businesses purchasing or leasing vans for use in employee ridesharing programs. It adds vanpool vehicles to the list of energy properties qualifying for the business energy tax credit and sets the energy percentage at 10 percent. This brings the total investment credits for the purchase of vanpool vehicles to 20 percent.

Title III makes two additional changes in the existing business incentives for ridesharing. Current law restricts the investment tax credit to vehicles used by the taxpayer's employees. Under these provisions it is not possible for a third-party ridesharing management firm to receive the credit for vans leased to the employees of a client company. Third-party ridesharing firms offer great promise for small companies with few employees. Ridesharing management allows the employees from several small firms in one location to be pooled for more efficient commuter transportation. Title III provides an incentive for this arrangement by removing the word "taxpayer" from current law.

Current law also restricts the investment credit to vehicles on which 80 percent of the mileage is used for ridesharing purposes. This prevents a business from purchasing a van primarily for business purposes—for example deliveries—using it occasionally for pooling and claiming the credit. This limitation is known as the 80/20 rule.

In many cases, corporations purchase the vans and essentially loan them to the driver. The driver is responsible for maintenance and fuel, for recruiting the riders and collecting the fees. As an incentive to encourage employees to serve as drivers, the company will allow the driver to use the van in nonworking hours for personal and family purposes. The 80/20 rule restricts the attractiveness of "driver incentive mileage" as an inducement to volunteer as a driver. Therefore, the bill we introduce today excludes driver incentive mileage from the 80/20 rule.

Title IV of the Commuter Transportation Energy Efficiency Act provides a business tax credit for a series of costs that businesses might incur as administrative overhead for an organized employee ridesharing program. These costs include assigning personnel to manage the program, adjusting working hours to facilitate ridesharing, computer matching of potential riders and drivers, surveying the commuter transportation habits and needs of the employees, distributing information on ridesharing opportunities, improving parking facilities for ridesharing vehicles, contracting for assistance in managing a ridesharing program, providing liability insurance for ridesharing vehicles, and maintaining emergency vehicles for use of employees who commute in ridesharing vehicles to work.

This credit is limited to the amount actually incurred by the company in providing the service or to an amount based on a sliding scale whichever is less.

Mr. President, the following illustrates the sliding scale.

Upper limit on value of business credit

If the percentage of employees participating in the program is:	The value of the credit is:
0 to 14	$00.00
15 to 19	5.00
20 to 24	7.50
25 to 29	10.00
30 to 34	12.50
35 to 39	15.00
40 to 44	20.00
45 to 49	25.00
50 or more	30.00

Mr. President, if less than 15 percent of a company's employees participate in a qualified ridesharing program, this credit has no value. However, if more than 15 percent participate, the company is eligible for the credit and the value of the credit per employee increases as the percentage participating increases. There is no doubt in my mind that company-managed employee ridesharing programs can make a great contribution to resolving our national energy crisis. Many corporations, including 30 Minnesota-based employers led by 3M, provide administrative assistance to the vanpooling and ridesharing programs operated by their employees. Title IV of the Commuter Transportation Energy Efficiency Act offers powerful incentives for other companies to get involved in these programs.

Finally, title V of this bill restores the gasoline tax deduction against Federal taxable income for taxes paid on gasoline and motor fuels used in ridesharing vehicles. Ridesharing vehicles are defined in this title to include carpools operating at least 176 days per year and carrying an average of three persons. Gasoline taxes eligible for the deduction are State and Federal excise taxes, State sales taxes and any import fees or other administrative or legislative fees designed and imposed to increase the price of gasoline.

Mr. President, the Commuter Transportation Energy Efficiency Act was introduced in the 96th Congress as S. 3030 on August 6, 1980. That bill was widely distributed to individuals knowledgeable in transportation planning, ridesharing and energy conservation for their comments. I am pleased to say that I have received comment from more than 200 individuals across the Nation on the provisions of this legislation. These comments have led to some technical revisions in the bill or laid the foundation for future legislation.

I included many of the letters I have received in the RECORD with a statement on December 9, 1980 which has been circulated among my colleagues in the Senate. I also sent each Senator a copy of all letters received from individuals in his or her State. I want to thank those who have offered their support for this bill and have taken the time to share their thoughts on specific provisions. I look forward to early hearings in the Finance Committee and the contribution that this legislation will make to our national energy policy.

Mr. President, I would ask unanimous consent that the text of the bill and the tables referred to earlier be printed in the RECORD.

There being no objection, the bill and the tables were ordered to be printed in the RECORD, as follows:

U.S. petroleum demand 1976

Sector:	*MMBD*
Electric utilities	1.6
Residential and commercial	3.5
Industrial	3.2
Rail, air, water transport	2.1
Truck	1.9
Automobile	5.2
U.S. Total	17.5

Source: Automobile Transportation System, Office of Technology Assessment.

Passenger car use, 1969

Passenger:	*Percent of trips*
Work-trip	36
Family business	31
Education, civic, religious	9
Social and recreational	23

Source: Federal Highway Administration.

Average travel distances (in miles)

Purpose:	
Work-trip	19.4
Shopping	4.4
Education, religious	4.7
Family business	6.5
Medical	8.4
Visiting, social	12.0
Pleasure	20.0

From: U.S. Department of Transportation, Federal Highway Administration Household Travel in the U.S., Nationwide Personal Transportation Study, Report No. 7, Washington, D.C., 1972, p. 4.

PRINCIPAL MEANS OF TRANSPORTATION USED FOR WORK-TRIPS IN THE UNITED STATES, 1975

Means of transportation	Number (thousands)	Percent
All workers	77,540	100
Automobile or truck	67,869	87.5
Single occupant	52,294	67.4
Carpool	15,575	20.1
Public transportation	4,825	6.2
Bus or streetcar	3,100	4.0
Subway	1,179	1.5
Heavy rail	405	.5
Taxicabs	141	.2
Bicycle	471	.6
Motorcycle	297	.4
Walk only	3,778	4.9
Other	299	.4

Source: "Journey to Work in the United States," Bureau of the Census, July 1979.

Price of commuting per person in 1979

Mode:	Cost in cents/mile
Single occupant automobile	48.8
Rail transit	36.1
Two occupant automobile	24.4
Bus	23.1
Four occupant automobile	12.2
Ten occupant vanpool	5.7

Source: Pocket Fact Book, 1980, Highway Users Federation.

Energy required by urban transportation modes

Mode:	BUT's/passenger mile
Single occupant auto	11,000
Average automobile (1.4 persons)	7,860
Carpool	3,670
Vanpool	1,560
Heavy rail	2,540
Commuter rail	2,625
Light rail	3,750
Bus	2,610

Source: Urban Transportation Energy, Congressional Budget Office.

Vanpool State totals

	Number of vans
Alabama	56
Arizona	39
Arkansas	47
California	1,218
Colorado	127
Connecticut	278
District of Columbia	36
Florida	70
Georgia	23
Hawaii	16
Idaho	8
Illinois	224
Indiana	15
Iowa	53
Kansas	8
Kentucky	65
Louisiana	81
Maryland	184
Massachusetts	110
Michigan	404
Minnesota	422
Mississippi	7
Missouri	66
Montana	2
Nebraska	10
New Hampshire	4
New Jersey	864
New Mexico	10
New York	43
North Carolina	51
North Dakota	13
Ohio	42
Oklahoma	47
Oregon	22
Pennsylvania	172
Rhode Island	5
South Carolina	5
South Dakota	1
Tennessee	429
Texas	1,238
Utah	10
Vermont	6
Virginia	348
Washington	112
West Virginia	1
Wisconsin	55
Wyoming	3
United States	7,050

S. 239

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE: TABLE OF CONTENTS

(a) SHORT TITLE.—This Act may be cited as the "Commuter Transportation Energy Efficiency Act of 1981."

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment on repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; amendment of 1954 Code; table of contents.

TITLE I. INDIVIDUAL INCOME TAX

Sec. 101. Providing a 15% individual income tax credit.

Sec. 102. Effective date.

TITLE II. EXCLUSION OF QUALIFIED TRANSPORTATION INCOME FROM GROSS INCOME

Sec. 201. Qualified transportation excluded from gross income.

Sec. 202. Income from operation of transportation pools.

Sec. 203. Effective date.

TITLE III. BUSINESS ENERGY INVESTMENT CREDIT

Sec. 301. Providing a 20% business investment credit.

Sec. 302. Investment credit not restricted to employers.

Sec. 303. Driver incentive mileage.

Sec. 304. Effective date.

TITLE IV. EMPLOYERS TAX CREDIT FOR QUALIFIED RIDE-SHARING PROGRAMS

Sec. 401. Providing a tax credit for qualified ride-sharing programs.

Sec. 402. Effective date.

TITLE V. GASOLINE TAX DEDUCTION

Sec. 501. Providing for a deduction for qualified motor fuel taxes.

Sec. 502. Definition of qualified motor fuel taxes.

Sec. 503. Effective date.

TITLE I. INDIVIDUAL INCOME TAX CREDIT

SEC. 101. PROVIDING A 15% INDIVIDUAL INCOME TAX CREDIT.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by (a) inserting before section 45 the following new section:

"SEC. 44F. COMMUTER HIGHWAY VEHICLE

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 15 percent of the cost to the taxpayer to acquire a qualified commuter highway vehicle.

"(b) LIMITATIONS.—

"(1) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) shall not exceed the tax imposed by this chapter for the taxable year, reduced by the credits allowable under a section of this part having a lower number or letter designation than this section, other than credits allowable by sections 31, 39 and 43.

"(2) JOINT ACQUISITION.—If any qualified commuter highway vehicle is jointly acquired by 2 or more individuals, the amount allowable as a credit for the taxable year shall be apportioned among such individuals on the basis of their respective shares of the cost.

"(c) 3-YEAR USE REQUIREMENT

"(1) IN GENERAL.—If, during the 3-year period beginning on the date of acquisition of any qualified commuter highway vehicle, the taxpayer—

"(A) disposes of such vehicle, or

"(B) otherwise ceases to use such vehicle as a qualified commuter highway vehicle, then the tax under this chapter for the taxable year in which such cessation or disposition occurs shall be increased by an amount equal to the amount of the credit allowed under subsection (a) with respect to such vehicle.

"(2) SUBSECTION NOT TO APPLY.—Paragraph (1) shall not apply to a disposition by reason of death.

"(3) DETERMINATION OF OTHER CREDITS.—Any increase in tax under subsection (a) for any taxable year shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit allowable under this subpart for such year.

"(d) QUALIFIED COMMUTER HIGHWAY VEHICLE DEFINED.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified commuter highway vehicle' means a highway vehicle—

"(A) the seating capacity of which is at least 8 adults (not including the driver).

"(B) at least 50 percent of the mileage use of which can reasonably be expected to be—

"(i) for purposes of transporting individuals between their residences or gathering points and places of employment, and

"(ii) on trips during which the number of individuals transported for such purposes is at least one-half of the adult seating capacity of such vehicle (not including the driver), and

"(C) which is not used in trade or business.

"(2) TRADE OR BUSINESS.—For purposes of paragraph (1)(C), use of a commuter highway vehicle for the purposes described in paragraph (1)(B) shall not be considered a trade or business if—

"(A) the taxpayer would otherwise travel from his principal residence to his place of employment over such route or a similar route even if other individuals were not transported by him, and

"(B) such vehicle is generally not available to the public."

(b)(1) The table of sections for such subpart A is amended by inserting after the item relating to section 44E the following item:

"SEC. 44F. Commuter highway vehicles."

(2) Section 6096(b) (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44E" and "44F."

SEC. 102. EFFECTIVE DATE.—The amendments made by the first title of this Act shall apply to taxable years beginning after December 31, 1980.

TITLE II. EXCLUSION OF QUALIFIED TRANSPORTATION INCOME FROM GROSS INCOME

SEC. 201. QUALIFIED TRANSPORTATION EXCLUDED FROM GROSS INCOME.—

(a) Subsection (b) of section 124 is amended to read as follows:

"(b) QUALIFIED TRANSPORTATION.—For purposes of this section, the term 'qualified transportation' means transportation—

"(1) by a commuter highway vehicle (as defined in section 46(c)(6)(B) but without regard to clause (iii) or (iv) thereof), or

"(2) which is scheduled land or water transportation which is—

"(A) in a vehicle or vessel with seating capacity of 8 or more adults (not including the operator),

"(B) along regular routes, and

"(C) available to the general public."

(b) Paragraph (1) of section 124(d) (defining provided by the employer) is amended to read as follows:

"(1) PROVIDED BY THE EMPLOYER.—Transportation shall be considered to be provided by the employer if—

"(A) the transportation is furnished in a commuter highway vehicle (described in subsection (b)(1)) operated by or for the employer; or

"(B) the employer pays for qualified transportation (described in subsection (b)) or reimburses the employee for the cost to the employee of such qualified transportation."

(c) Section 124 (relating to qualified transportation provided by an employer) is amended by redesignating subsection (e) as

(f) and inserting after subsection (d) the following new subsection:

"(e) SPECIAL RULE FOR RIDE-SHARING PROGRAMS.—

"(1) IN GENERAL.—For purposes of subsection (a), any services provided by an employer in connection with a ride-sharing program shall be treated as qualified transportation provided by the employer.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) RIDE-SHARING PROGRAM.—The term 'ride-sharing program' means any program to assist employees in locating other employees to share transportation between the employees' residence or gathering point and places of employment.

"(B) SERVICES PROVIDED BY EMPLOYER.—The term 'services provided by the employer' includes but is not limited to—

"(i) any amounts contributed by the employer,

"(ii) any compensation paid to any employee operating or assisting in a ride-sharing program,

"(iii) any computer services provided by the employer,

"(iv) any one or all of the services listed in section 44(G)(d)(2) of subpart A of part IV of subchapter A of chapter 1.

SEC. 202. INCOME FROM OPERATION OF TRANSPORTATION POOLS.—

(a) Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 128 as section 129 and by inserting after section 127 the following new section:

SEC. 128. INCOME FROM OPERATION OF TRANSPORTATION POOLS.—

"In the case of an individual who—

"(1) owns a motor vehicle the seating capacity of which is not more than 15 adults;

"(2) transports individuals between their places of residence and places of employment or other places of gathering;

"(3) would otherwise travel to one such place of employment or gathering even if he did not transport any other individuals; and

'(4) does not make such vehicle generally available to the public,

gross income does not include amounts received as compensation for the providing of transportation to such individuals."

(b) The table of sections for such subpart is amended by striking out the item relating to section 128 and by inserting in lieu thereof the following:

"128. Income from operation of transportation pools.

"129. Cross references to other Acts."

SEC. 203. EFFECTIVE DATE.—The amendments made by this title shall apply to taxable years beginning after December 31, 1980.

TITLE III. BUSINESS ENERGY INVESTMENT CREDIT

SEC. 301. PROVIDING A 20 PERCENT BUSINESS INVESTMENT CREDIT.—

(a) subparagraph (A) of section 48(1)(2) (defining energy property) is amended—

(1) by striking out "or" at the end of clause (viii),

(2) by inserting "or" at the end of clause (ix), and

(3) by adding at the end thereof the following new clause:

"(x) commuter highway vehicles (as defined in section 46(c)(6)(B)),".

(b) The table contained in clause (i) of section 46(a)(2)(C) of such Code (relating to energy percentage) is amended by adding at the end thereof the following new subclause:

"VII. Commuter Highway Vehicles. Property described in section 48(1)(2)(A)(x)	10 percent.	Jan. 1, 1981.	Dec. 31, 1985."

SEC. 302. INVESTMENT CREDIT NOT RESTRICTED TO EMPLOYEES.—Paragraph (6) of section 36(c) (relating to special rule for commuter highway vehicle) is amended by striking out "the taxpayer's" in subparagraph (B)(ii)(I) thereof.

SEC. 303. DRIVER INCENTIVE MILEAGE.—Paragraph (6) of section 46(c) (relating to special rule for commuter highway vehicle) is amended by adding at the end thereof the following new subparagraph:

"(C) DRIVER INCENTIVE MILEAGE.—If an individual other than the taxpayer is the regularly scheduled driver of a highway vehicle, the taxpayer shall not take into account, for purposes of determining if such a vehicle meets the requirements of subparagraph (B)(ii), the number of miles which the driver uses such vehicle for personal purposes."

SEC. 304. EFFECTIVE DATE.—The amendments made by this Title shall apply to property acquired after December 31, 1980.

TITLE IV EMPLOYER'S TAX CREDIT FOR QUALIFIED RIDE-SHARING PROGRAMS.

SEC. 401. PROVIDING A TAX CREDIT FOR QUALIFIED RIDE-SHARING PROGRAMS.—

(a) Subpart A of part IV of subchapter A of chapter 1 is amended by inserting before section 45 the following new section:

"SEC. 44G. RIDE-SHARING PROGRAMS OF EMPLOYERS.

"(a) GENERAL RULE.—In the case of an employer operating a qualified ride-sharing program, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the lesser of—

"(1) the amount paid or incurred in connection with such program during such taxable year, or

"(2) the amount determined under subsection (b).

"(b) SUBSECTION (b) AMOUNT.—

"(1) IN GENERAL.—The amount determined under this subsection is equal to the product of—

"(A) the average number of employees of the employer during the taxable year, multiplied by—

"(B) the amount determined under the table under paragraph (2).

"(2) TABLE.—

If the percentage of employees participating in the program is:	The amount is:
0 to 14	$00.00
15 to 19	5.00
20 to 24	7.50
25 to 29	10.00
30 to 34	12.50
35 to 39	15.00
40 to 44	20.00
45 to 49	25.00
50 or more	30.00

"(3) DEFINITION AND SPECIAL RULES.—For the purposes of this subsection—

"(A) PERCENTAGE OF EMPLOYEES PARTICIPATING.—The term 'percentage of employees participating in the program' means a percentage equal to a fraction—

"(i) the numerator of which is the number of employees whose transportation between their principal residence and place of employment at least 176 days during the calendar year in which the taxable year begins is qualified transportation, and

"(ii) the denominator of which is the number of employees determined under paragraph (1)(A);

"(B) EMPLOYEES TAKEN INTO ACCOUNT.—For purposes of paragraphs (1)(A) and (3)(A)(i) only employees at places of employment of the employer where a qualified ride-sharing program is in operation during the taxable year shall be taken into account.

"(C) WHOLE PERCENTAGE.—Any fraction of a percentage determined under subparagraph (A) shall be rounded to the next highest whole percentage .

"(C) LIMITATIONS.—

"(1) LIMITATION BASED ON AMOUNT OF TAX.—The amount of the credit allowed by this section for the taxable year shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowed under a section of this subpart having a lower number designation than this section, other than credits allowable by sections 31, 39, and 43. For purposes of the preceding sentence, the term 'tax imposed by this chapter' shall not include any tax treated as not imposed by this chapter under the last sentence of section 53(a).

"(2) CERTAIN COSTS NOT INCLUDED.—No amount paid or incurred for—

"(A) the acquisition and maintenance of any vehicle (other than a vehicle described in subsection (d)(2)(I)),

"(B) fuel to operate any such vehicle, or

"(C) mass transportation fares or subsidies,

shall be taken into account for purposes of subsection (a)(1).

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED RIDE-SHARING PROGRAM.—The term 'qualified ride-sharing programs' means any program to aid employees in obtaining qualified transportation between their principal residence and place of employment which—

"(A) provides at least one of the services described in paragraph (2);

"(B) is set forth in a separate written plan; and

"(C) does not discriminate in favor of employees who are officers, shareholders, or highly compensated employees.

"(2) SERVICES INCLUDED.—Services described in this paragraph include—

"(A) the surveying of employees to determine current commuting patterns and interest in qualified transportation,

"(B) the distribution of informational material on the advantages and availability of qualified transportation,

"(C) contracting for assistance in establishing, sponsoring, or operating a qualified ride-sharing program,

"(D) providing assistance (including computer costs) for employee matching to establish carpools or vanpools,

"(E) assessing the impact of qualified ride-sharing programs,

"(F) signing or improving parking spaces reserved for qualified transportation vehicles,

"(G) adjusting working hours for employees participating in a qualified ride-sharing program,

"(H) providing liability insurance for qualified transportation vehicles,

"(I) providing emergency or business vehicles for the use of employees (during normal working hours) who commute to work in qualified transportation vehicles, and

"(J) such other services as the Secretary, after consultation with the Secretary of Transportation, determines contributes to the effectiveness of the qualified ride-sharing program.

"(3) QUALIFIED TRANSPORTATION.—The term 'qualified transportation' means transportation—

"(A) by a commuter highway vehicle, as defined in subparagraph (B) of section 46(c)(6) except that such subparagraph shall be applied without regard to clause (iii) or (iv);

"(B) by any highway vehicle—

"(i) the seating capacity of which is less than 8 adults (not including the driver), and

"(ii) which is used for transporting an average of 3 employees between their residences and their place of employment for at least the lesser of—

"(I) 176 days during the calendar year in which the taxable year begins, or

"(II) one-half of the days on which the taxpayer held such highway vehicle during such calendar year; or

"(C) which is scheduled land or water transportation which is—

"(i) in a vehicle or vessel with seating capacity of 8 or more adults (not including the operator),

"(ii) along regular routes, and

"(iii) available to the general public.

"(4) PASS THROUGH IN THE CASE OF SUBCHAPTER S CORPORATIONS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsections (d) and (e) of section 52 shall apply."

(b) (1) The table of sections for such subpart A is amended by inserting after the item relating to section 44F the following new item:

"Sec. 44G. Ride-sharing program of employers."

SEC. 402. EFFECTIVE DATE.—The amendments made by this Title shall apply to taxable years beginning after December 31, 1980.

TITLE V. GASOLINE TAX DEDUCTION

SEC. 501. PROVIDING FOR A DEDUCTION FOR QUALIFIED MOTOR FUEL TAXES.—Subsection (a) of section 164 (relating to deduction for taxes) is amended by inserting immediately after paragraph (5) the following new paragraph:

"(6) Qualified motor fuel taxes."

SEC. 502. DEFINITION OF QUALIFIED MOTOR FUEL TAXES.—Section 164 (relating to deduction for taxes) is amended by redesignating subsection (f) as subsection (8) and by inserting after subsection (e) the following new section:

"(f) QUALIFIED MOTOR FUEL TAXES.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified motor fuel taxes' means Federal, State or local taxes on the sale of gasoline, diesel fuel, and other motor fuels used as a fuel in a ride-sharing vehicle.

"(2) IMPORT ADJUSTMENTS TREATED AS TAX.—For purposes of paragraph (1), any increase in the sales price of any fuel as a result of any action taken by the President to adjust imports of petroleum and petroleum products under section 232(b) of the Trade Expansion Act of 1962 (19 U.S.C. 1832) (or any other corresponding provision of law) shall be treated as a Federal tax imposed on such fuel.

"(3) RIDE-SHARING VEHICLE.—The term 'ride-sharing vehicle' means—

"(A) a commuter highway vehicle, as defined in subparagraph (B) of section 46(c)(6) except that such paragraph shall be applied without regard to clause (iii) or (iv), and

"(B) any highway vehicle—

"(i) the seating capacity of which is less than 8 adults (not including the driver) and

"(ii) which is used for transporting an average 3 employees between their residences and their place of employment for at least the lesser of—

"(I) 176 days during the calendar year in which the taxable year begins, or

"(II) one-half of the days on which the taxpayer held such highway vehicle during such calendar year.

"(4) PUBLICATION OF TABLE.—The Secretary may publish tables to assist taxpayers in computing the amount of the deduction allowable under subsection (a)(6). Such tables shall take into account—

"(A) the rate of taxes (including the price impact attributable to any import adjustment).

"(B) the number of days a ride-sharing vehicle was used for ride-sharing purposes, and

"(C) the number of miles such vehicle is used for such purposes."

SEC. 503. EFFECTIVE DATE.—The amendments made by this Title shall apply to taxable years beginning after December 31, 1980.

● Mr. HEFLIN. Mr. President, I am delighted to say that I have been added as a cosponsor of the Commuter Transportation Energy Efficiency Act of 1981. I cosponsored a similar bill that was introduced in the 96th Congress on August 6, 1980. It is an excellent, timely piece of legislation, and I support it wholeheartedly.

The facts concerning our addiction to foreign oil are depressing. They also serve as strong reminders that America is becoming more and more vulnerable to imported oil dependency and internal, economic disorder. Unfortunately, Mr. President, these alarming facts are the result of our gluttonous oil appetites.

If war occurred today in the Middle East, the United States could be drawn into armed conflict in order to insure a continuous flow of oil throughout this country. As we well know, the President has firmly committed the United States to protect its vital strategic interests in the Middle East.

It is most regrettable that our American economy bordered on the brink of ruin throughout the seventies partly because of our great dependence on foreign oil. The energy crises during the past decade caused two recessions in this country and double digit inflation. It is no wonder then that strong, but inexpensive solutions to our energy problems are desperately needed. It is undisputed that energy conservation is our cheapest way to reduce our dependence on foreign oil.

The Commuter Transportation Energy Efficiency Act of 1981 contains an excellent proposal for energy conservation. The act would create no costly programs, no counterproductive bureaucracy, and no waste or inefficient squandering of the taxpayers' money. Instead, the legislation proposes a simple, time-proven solution of rewarding the energy thrift.

There are several provisions in the Commuter Transportation Energy Efficiency Act of 1981 that are also so logical and simple that they form a very wise and much needed bill. This legislation encourages the use of car pooling, van pooling, buses, and other forms of mass transportation as energy conservation measures. Our highways are choked with numerous motor vehicles. Millions of Americans waste gas and pollute the environment by using an astronomical number of single passenger cars. In so many of these cases, multipassenger vehicles could easily substitute for them, but old habits are very tenacious creatures. Without some incentives, massive car and van pooling will never become a reality.

Mr. President, this act creates several different types of incentives. It provides a 15-percent tax credit to individuals purchasing vans for van pooling, increases the investment tax credit for employers who purchase vans for van pooling to 20 percent, excludes employer subsidies for ride-sharing programs from the taxable income of the employee, provides a tax credit to the employer for the administrative costs of ride-sharing programs, and restores the gasoline tax reduction for motor fuels used in ride-sharing vehicles.

Mr. President, imagine the results if all employees were to take advantage of the ride-sharing programs outlined in this magnificent piece of legislation. Imagine the money and gasoline that would be saved, the pollution that would be curtailed, and the highway congestion that would be sizably reduced by participating in these various ride-sharing programs. The results would, indeed, be profound.

Mr. President, such results would do ernormous good for this Nation and would put it back on the road to continuing progress for the benefit of all. In my mind, this bill is one of the most important pieces of energy legislation that will come up during the 97th Congress. Its potential is enormous and its contributions are vast.

Mr. President, I urge all of my colleagues to support this bill. We must show our Nation and the world that the U.S. Government is determined to reverse its present decline due to energy inefficiency and neglect. We must demonstrate to the world in general and to our country in particular that energy waste and inefficiency will no longer be tolerated. We must prove that this Nation will do everything possible to free itself from being a hostage to foreign oil. For these reasons, Mr. President, I urge speedy passage of the Commuter Transportation Energy Efficiency Act of 1981.●

● Mr. SASSER. Mr. President, I am pleased to join as a cosponsor of S. 3030, the Commuter Transportation Energy Act.

The State of Tennessee is already involved in ride-sharing programs. The city of Knoxville's program, associated with the University of Tennessee, currently works with over 600 employers and has successfully matched thousands of ride-sharing commuters. The cities of Memphis and Nashville also conduct ride-sharing programs and, although still in the beginning stages, have met with considerable success.

The tax incentive for ride-sharing that would be created by the passage of S. 3030 would provide a valuable boost to ride-sharing programs such as the one in Tennessee. The incentives would make it easier for State and local ride-sharing agencies to market carpooling and vanpooling to employers and employees. With provisions for a business energy investment tax credit for purchase of qualified commuter highway vehicles, and an employer tax credit to defray the cost of an employer sponsored ride-sharing programs, S. 3030 may prove to be a deciding factor in encouraging businesses to test the economic feasibility of ride-sharing arrangements.

Ride-sharing programs are producing significant energy savings while simultaneously reducing air pollution, traffic congestion and parking demand. I urge early consideration of S. 3030, a bill which would provide an added boost for ride-sharing programs in many areas of the country.●

By Mr. MATSUNAGA:

S. 240. A bill to extend the treatment conferred upon certain private deferred

compensation plans to nonqualified deferred compensation arrangements maintained by tax-exempt organizations; to the Committee on Finance.

DEFERRED COMPENSATION PLANS FOR TAX-EXEMPT ORGANIZATIONS

● Mr. MATSUNAGA. Mr. President, in 1960 the Treasury Department sanctioned deferred compensation plans under its administrative interpretation of the constructive receipt and cash equivalency doctrines.

However, the Treasury Department subsequently viewed the growing use of deferred compensation arrangements as undermining effective tax administration. In a letter to then Chairman Russell Long of the Finance Committee, dated May 4, 1977, Treasury Secretary Michael Blumenthal noted the use of such plans where employees apparently were in constructive receipt of compensation.

Secreatry Blumenthal also noted that State and local governments and tax-exempt organizations could establish such plans for their workers, without meeting the nondiscrimination rules and the contribution limitation imposed by the Employee Retirement Income Security Act (ERISA) for qualified pension plans.

The Treasury Department sought to change its administrative practices by issuing proposed regulations on February 3, 1978. The regulations would have subjected deferred amounts to current taxation.

The proposed regulations alarmed many employers who utilized these deferred compensation arrangements. The new position reversed the Internal Revenue Service practice of sanctioning such plans. Moreover, the proposed regulations, it was believed, contravened the well established principle of constructive receipt.

In reaching a suitable legislative compromise, the Congress enacted section 457 of the Internal Revenue Code as part of the Revenue Act of 1978; this provision permits continued deferral of compensation for State and local government workers subject to a percentage limitation and set dollar limitation.

The Revenue Act of 1978 also retained the unfunded deferred compensation plan for private, taxable entities. These taxable entities forgo the tax deduction for compensation deferred by the individual worker. Consequently, the taxable corporation extends deferred compensation arrangements only to a relatively few highly compensated workers. These individuals do not need ERISA protection afforded under qualified plans; also, in many situations, there is an element of negotiated risk, since the worker's claim for deferred compensation is that of an unsecured creditor.

The Senate version of the Revenue Act of 1978 covered tax-exempt organizations under that provision for private, taxable entities. This approach found little support in conference with the House Ways and Means Committee. Consequently, the provision for tax-exempt organizations was deleted from the final version of the Revenue Act.

Thus, the Revenue Act provided for State and local government deferred compensation plans as well as for private, taxable corporations' deferred compensation arrangements. However, no provision was made for unfunded deferred compensation arrangements utilized by tax-exempt organizations.

This development in effect foreclosed tax-exempt organizations from establishing deferred compensation arrangements for the highly compensated and these organizations are at a disadvantage in recruiting teaching physicians, research scientists, and other high-paid professionals.

On March 1, 1979, I introduced S. 511 in response to this problem. That bill would have covered tax exempt organizations under the arrangement for State and local governments. The Treasury Department approved this proposal; and this arrangement had been offered to tax exempt organization during the Ways and Means Committee consideration of the Revenue Act of 1978.

Again, however, tax exempt groups argued the proposal was inadequate for their arrangement. The provision for State and local government workers limits tax deferral to no more than $7,500 or one-third of the worker's includible compensation for the year, whichever is less.

In response to my urging, the Treasury Department agreed to a higher maximum deferral amount equal to the maximum contribution limit under section 415(c) of the Code. That section sets the maximum contribution for defined contribution plans at the lesser of 25 percent of compensation or $25,000, as adjusted annually for cost-of-living increases since 1974; in 1980 the adjusted figure was $36,875. However, the Treasury insisted that a tax exempt organization to obtain the higher ceiling should provide pension benefits to rank-and-file workers. The Treasury proposed that tax exempt organizations seeking to use the higher ceiling, meet the nondiscrimination requirement under section 401(k) of the Code; in judging nondiscriminatory participation in the pension programs, all pension and annuity benefits would be weighed.

This subsequent proposal was reviewed by various tax exempt groups and it was rejected as setting too low a ceiling. The deadlock has produced the current situation where tax exempt organizations cannot maintain deferred compensation arrangements under the Code.

In the hope that the new administration might wish to evaluate this issue I have introduced a new bill. This new bill imposes no percentage or dollar limitation on compensation that may be deferred, nor does the new bill impose any nondiscrimination requirement on tax exempt organizations that wish to use this arrangement.●

By Mr. MATSUNAGA:

S. 241. A bill to amend the Employee Retirement Income Security Act of 1974 for the purpose of facilitating the investment by employee pension benefit plans in qualifying employer real property; to the Committee on Labor and Human Resources.

INVESTMENT BY EMPLOYEE PENSION BENEFIT PLANS

● Mr. MATSUNAGA. Mr. President, I am introducing today a bill to amend the prohibited transaction rules of the Employee Retirement Income Security Act of 1974 (ERISA).

ERISA permits a qualified pension plan to invest in employer real property only if the investment is in multiple parcels which are geographically dispersed. This geographical dispersion rule was intended to safeguard plan investments; however, it is unduly restrictive.

In effect, the present rule allows investment in employer real property only for large plans with large employers. A small plan with an employer owning a single plant or office, cannot invest in employer real property.

Our recent experience in recession and inflation has demonstrated the wisdom of investing in real estate. Moreover, workers' ownership of the workplace enhances their sense of participation in the business. Plan ownership of the plant or office tangibly shows the workers' stake in the concern. This identity of interests stimulates productivity and the workers materially share in the growth of the business.

The acquisition and holding limitations for defined benefit plans, as well as the prudent man rule and exclusive benefit standard will still protect the plan's financial integrity. My bill would codify the safeguards now administratively applied.

I urge quick action on my proposal.●

By Mr. GARN (for himself, Mr. ABDNOR, Mr. D'AMATO, Mr. DANFORTH, Mr. DECONCINI, Mr. DENTON, Mr. EAGLETON, Mr. EAST, Mr. FORD, Mr. GOLDWATER, Mr. GRASSLEY, Mr. HATCH, Mr. HATFIELD, Mrs. HAWKINS, Mr. HELMS, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. JEPSEN, Mr. LUGAR, Mr. MCCLURE, Mr. NICKLES, Mr. PRESSLER, Mr. PROXMIRE, Mr. RANDOLPH, Mr. SYMMS, Mr. ZORINSKY, Mr. ANDREWS, and Mr. KASTEN):

S.J. Res. 17. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

RIGHT TO LIFE OF THE UNBORN

Mr. GARN. Mr. President, for the third consecutive Congress I rise to introduce a joint resolution proposing an amendment to the U.S. Constitution to protect the lives of unborn children and other human beings "irrespective of age, health, function, or condition of dependency." I am pleased to say that I am joined by many of our colleagues. When I introduced an identical joint resolution in the 96th Congress I was joined by 16 Senators; today, 28 Senators have added their names as original sponsors.

I believe the increase in cosponsorships signals the country's increasing under-

standing of the tragedy of abortion and the grand error of the Supreme Court. Today is the anniversary of the Supreme Court's abortion decisions of 1973. Today is the day that thousands will march in the Nation's Capital and millions will mourn. The marchers and the mourners remember the day seven Justices of the U.S. Supreme Court threw out abortion statutes from every State in the Union and substituted their own conception of due process of law. The Court's conception of due process of law did not, as we all now know, have anything at all to do with process.

It had everything to do with substance, and the due process clause became, in the hands of those to whom its interpretation had been entrusted, an empty vessel into which the Court poured its own conceptions of law, life, and morality. What the Court did has been properly characterized as an exercise in raw judicial power. One of the more excellent criticisms of the Court's opinions (John Hart Ely's "The Wages of Crying Wolf * * *") has carefully critized the interpretative methods of the Court and concluded:

What is frightening about *Roe* [v. *Wade*] is that this super-protected right [of abortion] is not inferable from the language of the Constitution, the framers' thinking respecting the specific problem in issue, any general value derivable from the provisions they included, or the nation's governmental structure. Nor is it explainable in terms of the unusual political impotence of the group judicially protected viv-a-vis the interest that legislatively prevailed over it. And that, I believe, . . . is a charge that can responsibly be leveled at no other decision of the past twenty years. . . .

So, we have a Court which takes the phrase "* * * nor shall any State deprive any person of life, liberty, or property, without due process of law" and turns it into an abortion tract. But the Court is not content to create an abortion right that approximates any other right. The abortion right is exalted above all other rights, even those expressly guaranteed by the Constitution. Professor Ely shows that the Court affords the abortion right "a protection more stringent, I think it is fair to say, than that the present Court accords the freedom of the press explicitly guaranteed by the first amendment." First amendment rights after all must be set against other claims, the right to a fair trial for example. But the abortion right, created in whole by the 1973 Court without any reliance on the framers or the constitutional language the people agreed to ratify, is offset against no other claims. The unborn child whose very life is in the balance is disregarded.

The child's father has no rights which may be weighed against the woman's. The child's grandparents—when the pregnant woman is a minor—can have no say in whether their child will be aborted and their grandchild destroyed. The abortion freedom is, as near as I can tell, the supreme right guaranteed by the Constitution of the United States as presently interpreted.

Last term, by the narrowest of margins, the Supreme Court refused to order Congress to pay for abortions. The Court's opinion failed to mention article I, section 9 which prohibits money being "drawn from the Treasury, but in consequence of appropriations made by law." The Court's failure to rely on Congress power to tax and spend was a disappointment to me, but the point is that four members of the Court thought the abortion freedom was such a miraculous freedom that it could compel people opposed to abortion to pay for it—thus demonstrating that only abortionists and their advocates have freedom, opponents have only the freedom to pay up on demand—even when Congress, acting under express and exclusive grants of power in article I, had refused to provide appropriated funds.

When the Court "limited" the abortion freedom to this minimal extent, there was an outcry from the abortion lobby. Somehow the friends of abortion had concluded that the "due process clause" both guaranteed an unlimited abortion freedom and unlimited public funds to pay for the despicable practice. It is ironic that friends of the first amendment, and I count myself among them, would not presume to think that the express guarantees of the first amendment provide public funds for every protected practice.

The abortion freedom the Court read into the Constitution is frequently misunderstood and usually wrongly reported in the Nation's press. The Court rendered two abortion decisions on January 22, 1973, Roe against Wade and Doe against Bolton. In Wade, the Court held that "for the stage prior to approximately the end of the first trimester, the abortion decision and its effectuation must be left to the medical judgment of the pregnant women's attending physician." After the end of the first trimester, the State may regulate the abortion procedure in ways which are "reasonably related to maternal health." After viability, the State "may, if it chooses, regulate, and even proscribe, abortion except where it is necessary, in appropriate medical judgment, for the preservation of the life of the mother." In Bolton, the Court said that the physician's medical judgment "may be exercised in the light of all factors—physical, emotional, psychological, familial, and the woman's age—relevant to the well-being of the patient."

The Court sanctioned abortion on demand throughout the entire pregnancy. Prof. John T. Noonan, Jr., has summed up the abortion freedom this way:

For the nine months of life within the womb the child was at the [pregnant woman's] disposal—with two restrictions: She must find a licensed clinic after month three [if the state chooses to license such facilities which it may do, but need not do]; and after her child was viable, she must find an abortionist who believed she needed an abortion. When the full dimensions of the liberty were realized, the liberty was little short of unlimited.

I hope our colleagues join today's cosponsors in overturning one of the great constitutional, moral, and factual errors of our time. The thrust of this human life amendment has been finely summarized by Richard Doerflinger:

The simplest version of the human life amendment would say two things: (1) that all human beings are legal persons, regardless of age, health, or condition; (2) that human beings' offspring are also human beings, both before and after birth. The first statement is a simple reaffirmation of the human rights tradition celebrated by the Declaration of Independence; the second is a simple biological fact.

I've been asking my fellow liberals this for a long time, with no straight answers, but I'll try one more time; which of these two features makes the human life amendment a kooky rightwing peculiarity? Is it the idea of inalienable human rights? or is it the idea of legislating according to the facts?

Mr. President, the Court made a tragic error, and it is past time to reverse it. I am pleased to join my cosponsors and millions of others throughout the country in calling for renewed reverence for human life.

● Mr. HATFIELD. Mr. President, few issues with which I have been involved have centered around questions as difficult as that of abortion. While some consider abortion to be a private and personal matter, I cannot accept such a simple treatment of the issue. A fetus is not simply a mass of protoplasm, it is an early phase of human life. That life, in all its fullness, is apparent from conception. Since the preservation of human life is one of the basic responsibilities of any society, I believe we must protect the sanctity of an unborn child's right to live.

I am pleased that today my colleague, Mr. GARN, is once again introducing Senate Joint Resolution 22, proposing an amendment to the Constitution for the protection of unborn persons. Each human being is vested with life, dignity and value at conception. The denial of that life is no less abhorrent than killing by terrorist violence, the suffering of our elderly and poor, capital punishment, or our mutual threat by nuclear destruction. We, as a society must seek justice for the newly-conceived, as well as freedom from want, fear, indignity, and societal judgment for their mothers. A just society will revere human life and protect the opportunity for every person to enjoy a meaningful and satisfying life.

However, to accomplish this noble goal, we must provide choices and support for those facing unwanted pregnancies. This is a fine time for caring dialog and understanding. We must explore creative solutions for a sharing of responsibility; individually, for our personal actions, and as a society, to work toward viable alternatives to abortion. We must provide encouragement in the form of tax incentives for families adopting unwanted children, child care programs for working parents, caring services for pregnant adolescents and teenage parents, and support for older women, who upon reentering the work force, find themselves pregnant.

Life is sacred, a great joy. A pro-human life stance, such as that embodied by Senate Joint Resolution 22 must begin with a belief in the ultimate worth of every life. Each of us has a responsibility not only for our own life, but for that of others. A way to begin is by protecting, caring for and nurturing the not yet born.●

● Mr. NICKLES. Mr. President and members of the Senate—I rise after giving serious thought and deliberation over the subject of my first statement on the floor of the U.S. Senate.

I am somewhat surprised that my first statement is not on free enterprise, inflation, or national defense—subjects which I am probably most comfortable with—however, I feel compelled to speak out in strong support of the so-called prolife amendment. I believe with the utmost conviction that we need a constitutional amendment to protect the lives of the unborn.

Our forefathers in the Declaration of Independence stated:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness—that to secure these rights, governments are instituted among men.

The very purpose of government creation was to protect our rights—our life, our liberty, our freedom—gifts that were not given by government—but by the grace of God as acknowledged by our forefathers so well only 204 years ago—but today we find our Government not protecting our God-given rights of life or liberty or even the pursuit of happiness—instead of protecting our rights to life our Government has become so misguided—so off-track as to not only legalize the killing of an unborn human being but we now even subsidize and finance the destruction of innocent human beings.

This practice which is commonly called abortion, or now a more acceptable phrase as termination of a problem pregnancy, must be stopped today before more innocent human lives are destroyed. The magnitude of the destruction of lives is almost beyond comprehension—an estimated 1.4 million per year—as estimated 8 million since the fateful 1973 Supreme Court decision.

The number of unborn children purposely destroyed last year alone was greater than the combined number of U.S. casualties incurred in World Wars I and II. The number of abortions last year was 28 times the number of automobile fatalities.

Our Government has passed laws protecting animals—should not we also protect the inalienable right to life for human beings? For only man was created in the image of God.

To become as our forefathers and President Reagan said—"one Nation under God"—I believe it is imperative that this Congress pass this amendment.●

● Mr. EAGLETON. Mr. President, I am pleased to join as an original cosponsor to Senate Joint Resolution 22, an amendment to the United States Constitution to protect human life.

The underlying political and moral philosophy of our country, embodied in the Declaration of Independence and the Bill of Rights of the Constitution, has long embraced the rights of individual human beings, the removal of discrimination, and above all, the protection of those who have no one else to protect them. Similarly, our legal tradition has long recognized the obligation of the civil law and of the courts to protect human life, and the inalienable rights associated with that life.

Against this backdrop of political, moral, and legal history, it is difficult to believe that our Nation's highest Court could have found it unnecessary to consider the humanity of the unborn.

I possess a reverence for the Constitution—one of the most remarkable and enduring products of the genius of man. It is not to be tampered with in whim, caprice, anger, or emotion. But as to life, the Constitution must speak with clarity. The Supreme Court has left us with no alternative but to seek, by established means, a constitutional amendment to protect and enrich the sanctity of life.●

● Mrs. HAWKINS. Mr. President, as a newcomer to this body, I approach the obligations of my office with a sense of solemnity and seriousness. It is appropriate that among my first official actions as a U.S. Senator is the cosponsorship of an amendment to the Constitution of the United States. Surely the proposing of such amendments is among the gravest responsibilities we have as Senators. It is further appropriate that the subject of this amendment touches on an issue basic to the existence of civil society; the nature of the beings making up that society.

I am sure that others today will discuss the court decisions which have imposed the need for this amendment; some will discuss the issues of biology and ethics which are involved here. I would like to address a slightly different subject, that of the popular conception of the state of abortion law in this country. It appears to me that many, many of our constituents have not been correctly informed about the present situation, and that when the situation is clarified much of the dispute about what to do about this issue disappears.

Mr. President, it is very easy to permit the debate over the issue of abortion to degenerate into name-calling. This is not a productive course, it seems to me. My efforts with respect to this issue will be devoted to attempting to find some common grounds on which we can agree and communicate. Certainly both sides feel strongly about the issue, and however it is decided there will be individuals placed in difficult situations, sometimes in crushing situations financially and emotionally. That reality has to be faced.

Nevertheless, the issue of abortion is not one where compromise is easy. I happen to feel that my own position, my own side of this issue is the correct one, and I will not yield on that.

Despite my assurances that my side is in the right, if I can term it so, I will not accuse, I will not impugn motives, I will not judge. My goal in the Senate and my goal here today is to instruct. It is my belief that the vast majority of the American people are simply unaware of the present state of abortion law in this country, and of the effect the issue of abortion is having on our basic institutions, governmental and family. When they are made aware, I believe they will demand a change. If the change demanded requires a constitutional amendment so be it. All of these avenues must be pursued, because of the gravity of the situation, and because it is intolerable. With that said, Mr. President, let me outline the present state of abortion law in the United States.

In 1973, the Supreme Court divided pregnancy into three trimesters. There was no particular reason to make divisions of that kind; they are meaningless medically, but it seemed convenient to the court to make the division, and so there it is. During the first of these trimesters the State can, under the decisions, impose no restrictions whatever on the right of a woman to terminate her pregnancy. Her husband need not be consulted; she cannot be required to go to a hospital; if she is a minor, she need not have the permission of her parents. In fact, her parents need not even be informed.

After the first 3 months the State can require that the abortion be performed in a licensed facility, put no other conditions can be attached. The right of election remains exclusively with the woman herself. No one else need be consulted and no other legal interest satisfied.

After the fetus achieves what the Court is pleased to call "viability," the abortion can be regulated. It cannot be prohibited. The interests of parents of minor children and husbands are still without legal protection, and no requirement can be imposed to assure that the woman—or child—understands the implications of the action she is taking. Some small steps can be taken to eliminate the most frivolous abortions by permitting a requirement that a doctor certify that the abortion is for reasons of "health." However, since "health" is defined in its broadest terms it is always possible for a woman to find a doctor or two to certify that delivery of the child would be harmful to the mother.

The Court's definition of the viability is interesting itself. It occurs, said the Justices, at the end of the second trimester, or perhaps at the end of the seventh month. The Court was not certain. Interestingly, viability itself is not a test of viability. Thus, infants have been born alive after 7 or 8 months and have lived, sometimes for days, without the slightest medical attention or concern. These are not births, says the logic of the Court, but "products of conception," and not to be accorded any rights whatever. Certainly they are not to have the right to protection of their lives. They are at the mercy of doctors whose interest is in promoting abortion. At best they may be left to starve; at worst, they may be disposed of more summarily. "Terminated," it is called.

And there you have it, Mr. President. At any time, from conception until after a live birth the developing child is afforded no weight at all in the scales against which the convenience of the mother is weighed. I am aware, Mr. President, that not all abortions are simply for the "convenience" of the mother. There are so-called "hard cases" of rape, incest, grave threat to the mother's

health. But those who defend abortion simply must recognize that many abortions are simply for the convenience of the mother. Attendants in abortion clinics make that plain as they see young women come in for their third and fourth abortions; the newspapers make it equally plain as they talk of abortions because the child is of the wrong sex. If the rights of the unborn are not always to prevail, let us at least make plain that the unborn have rights, and that they must count for something in the scales.

And that is what the human life amendment proposes. It asserts in an unmistakable way the patent truth: That the developing fetus is a human being, and that human beings have rights, rights that cannot be crassly ignored or denied by the State.●

By Mr. GRASSLEY:

S.J. Res. 18. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

RIGHT TO LIFE

● Mr. GRASSLEY. Mr. President, today we mark the eighth anniversary of the Supreme Court's decision that has permitted the abortion of millions of unborn children over the years. It is a time to reflect on the significance of a legal system that permits the deaths of thousands each week. It is also a time to reflect on the hard work and success of those that have fought the battle against abortion thus far.

Today I am joining as a cosponsor to Senator GARN's proposed amendment to the Constitution that would protect the life of the unborn. I introduced virtually identical legislation 2 years ago on this date.

The joint resolution that I am introducing today is a simple reaffirmation of the human rights tradition celebrated by the Declaration of Independence. It affirms that all human beings are legal persons, regardless of age, health, or condition—including offspring, both before and after birth. The second article would allow abortions only to prevent the death of the mother. If passed by two-thirds of each House, the amendment would then be required to be ratified by the legislatures of three-fourths of the States within 7 years of enactment by Congress.

As you know, my commitment to right to life has not been a fleeting or expedient position. I have consistently supported right to life legislation since I first served in the House of Representatives, and have consistently opposed any Federal funding of abortions. In the first 6 years of my service in Congress I have voted repeatedly against Federal funding of abortions, and twice offered right to life amendments to the Constitution.

I have searched my soul and decided that this issue will determine, as several others, what we are as a people. I do not consider it a religious issue. I consider it a human issue, perhaps one of the greatest civil rights issues of all time. The right to life deals with the most defenseless, voiceless, and vulnerable of all humans beings—the unborn. The dimensions and significance of this issue are great. We have tolerated over 1 million abortions every year in this country. This is staggering waste of human life.

Our fight still continues in Congress. Significant support for right to life has emerged in the House. But the key battleground in the struggle has been the Senate. We have witnessed a crucial election this past November in the right-to-life movement. I have high hopes for the battles ahead with new support in the Senate and the administration.

And our fight is still continuing in the courts. Although the Supreme Court handed us a major victory in Harris against McRae upholding the constitutionality of the Hyde amendment, a technicality in the Court's ruling is permitting the funding of 1,000 abortions per week. Despite the Supreme Court overruling the low court, the Supreme Court decision is not effective until the district court reverses its decision and comes to a new decision consistent with the Harris opinion.

On this eighth anniversary, we should reflect on our success and prepare ourselves for the struggles ahead. We must resist a legal system whose procedures allow the destruction of innocent lives while the Harris case is being remanded. We must be vigilant to guard against further inroads contrary to each individual's right to life.

I recognize that some of my colleagues are among those Americans who view this issue from a different perspective. There is disagreement, but it is a difference of opinion between men and women of good will. There is no room in this controversy for those who give way to excesses of emotion and rhetoric, or who question the motives of those with whom they disagree. I look forward to a rational discussion and hope for a chance to turn this issue over to the people.●

By Mr. HELMS:

S.J. Res. 19. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life; to the Committee on the Judiciary.

RIGHT TO LIFE

● Mr. HELMS. Mr. President, the highest level of moral culture is that at which the people of a nation recognize and protect the sanctity of innocent human life. All nations in which freedom and justice have governed the affairs of the people have upheld this principle, giving it the highest priority in their laws and customs. Indeed, this principle is the bedrock of Western civilization—the one principle, above all others, which has distinguished free and democratic systems from the barbaric regimes of the past and the totalitarian systems today.

It is for this reason that abortion—the taking of innocent human life—has, until very recent times, been viewed as violative of this basic principle of the Western tradition. And it is no mere coincidence that the modern practice of abortion first appeared as a policy of government in Nazi and Communist dictatorships, where contempt for the dignity of human life is widely demonstrated.

Two hundred years ago, a great nation was founded on principles of human rights—the right of life, liberty, and the pursuit of happiness. These are the lofty principles which appear in one of the most important documents in history, the Declaration of Independence of the United States of America. Eight years ago, a dark shadow was cast over this document when the highest tribunal in the land, the Supreme Court, ruled that an unborn child in the womb is not a person entitled to the right to life. The decision has thrown America into a moral crisis.

Between 1967 and 1970, a number of States adopted liberalized abortion laws. During 1971, 30 State legislatures considered repealing their respective statutes, and every State rejected such proposals. In 1972, Connecticut adopted a more restrictive law, and the New York Legislature repealed its liberal statute—an act which was subsequently vetoed by Governor Rockefeller. Also in 1972, Michigan and North Dakota rejected liberalized abortion by wide margins in popular referendums. Clearly, the American public had refused to continue to accept liberalized abortion and perhaps had even decided that the earlier acceptance of such laws had been premature. However, in 1973, the Supreme Court removed consideration of the issues involved in this national abortion debate from the States and the public by its rulings in Roe against Wade and Doe against Bolton. Because of the absolute position taken by the Court in the abortion cases and its rigid adherence to, and indeed expansion of, that position in its subsequent opinions, it has become obvious that only a constitutional amendment will restore legal protection to unborn children in the United States. Furthermore, only the amendment process will return the issue of abortion to the people for resolution through the ratification procedure.

THE SUPREME COURT ABORTION CASES

In Roe against Wade, the Supreme Court invalidated a Texas statute which prohibited abortions except those necessary to save the life of the mother. In its companion decision, Doe against Bolton, the Court similarly invalidated as too restrictive a liberal Georgia statute based upon the Model Penal Code of the American Law Institute. The Georgia statute permitted abortion in circumstances where:

(1) A continuation of the pregnancy would endanger the life of the pregnant woman or would seriously and permanently injure her health; or

(2) The fetus would very likely be born with a grave, permanent, and irremediable mental or physical defect; or

(3) The pregnancy resulted from forcible or statutory rape.

The Court ruled that the ability of the State to regulate abortion depends upon the stage of pregnancy at which such action is taken. During the first 3 months of pregnancy, a State may not interfere

with the abortion decision of the woman and her physician. During the next 3 months the State may adopt regulations regarding the abortion procedure, but only in ways related to maternal health. Only during the final 3 months of pregnancy may the State regulate abortion except when such action would interfere with the health of the mother.

The Court then made such distinctions meaningless, as a practical matter, by defining the health of the mother to include her "psychological as well as physical well-being." And by further instructing that the medical judgment of the woman and her physician be made in light of the physical, emotional, psychological, familial, and age factors relevant to the well-being of the mother. In short, the Court's definition of health resulted in abortion on demand being elevated to a constitutional right.

The Court based its decision on the recently articulated constitutional right of privacy. In the majority opinion, Justice Blackmun wrote:

> This right of privacy, whether it be founded in the Fourteenth Amendment's concept of personal liberty and restrictions upon state action, as we feel it is, or . . . in the Ninth Amendment's reservation of rights to the people, is broad enough to encompass a woman's decision whether or not to terminate her pregnancy.

However, aside from the issue of the woman's right to privacy, the other constitutional issue raised in the abortion cases related to the life of the unborn child and its constitutional protection. In determining the constitutional standing of the unborn child, the Court laid great emphasis upon the fact that "no case could be cited that holds that a fetus is a person within the meaning of the 14th amendment." It was further impressed by the use of the word "person" in the Constitution, finding that "it has application only postnatally" and by its view of prevailing abortion practices during the 19th century. One analysis of the Court's reasoning outlined its holding and commented as follows:

> Since the text of the Constitution itself does not define unborn as persons: and since American anti-abortion laws were once less restrictive than they became in the latter half of the nineteenth century; and since the courts have not before clearly upheld Fourteenth Amendment rights for the unborn—they do not have such rights.
>
> Curious reasoning for the modern Supreme Court. Has it hesitated, in the areas of civil rights, busing, apportionment and any number of others, to find "rights" not explicity mentioned in the Constitution; "rights" consistently abridged by any other court? The modern, activist Supreme Court has not hesitated to do all these things.

In part the Court reached its decision denying constitutional protection to the unborn upon its refusal to deal with the issue of the biological humanity of the unborn child. The Court maintained that—

> We need not resolve the difficult question of when life begins. When those trained in the respective disciplines of medicine, philosophy, and theology are unable to arrive at any consensus . . .

Doctors, philosophers and theologians, however, are generally agreed that "to be willing to kill what for all we know could be a person is to be willing to kill it if it is a person." This is the essential conclusion of the Supreme Court's abortion cases and as such it foreshadows danger for other groups of human beings whose humanity may at a future time be questioned by some advocates.

THE NEW LIBERTY UNDER THE 14TH AMENDMENT

The 14th amendment states that—

> No State shall deprive any person of life, liberty, or property without due process of law.

For the past 50 years, the Supreme Court has been broadly interpreting the word liberty contained in that amendment to include the liberties guaranteed by the Bill of Rights. Through the so-called doctrine of incorporation, the Court has taken it upon itself to incorporate nearly all of the Bill of Rights into the word liberty of the due process clause of the 14th amendment. In this manner, the Court has succeeded in nationalizing the Bill of Rights so as to make its provisions applicable to the States.

What is disturbing about the doctrine of incorporation is that it not only undermines federalism and the grand design of the Bill of Rights, but it also permits the Court, on its own authority, to interpret the word "liberty" in any manner that it chooses. The Court has advanced beyond the stage of interpreting the word "liberty" in light of the liberties guaranteed by the Bill of Rights to the point where it is now fabricating new liberties not contained in the Constitution.

In the abortion cases, seven Justices on the Court argued that the word "liberty" in the due process clause establishes a right of privacy and that this includes the right to have an abortion. The basis for this interpretation of the word "liberty" cannot be inferred from the language of the Constitution. It cannot be inferred from the legislative history of the 14th amendment. It cannot be attributed to the social customs of the American people. The abortion decisions, as a member of the Court itself declares, are simply an exercise in "raw judicial power."

JUDICIAL CITATION NOT INTERPRETATION

The Justices themselves openly admitted that this new right of privacy was a judicial creation. Justice Blackmun wrote:

> The Constitution does not explicitly mention any right of privacy.

Justice Douglas stated that—

> There is no mention of privacy in our Bill of Rights.

Justice Stewart maintained:

> There is no constitutional right of privacy, as such.

In his dissenting opinion, Justice White states:

> The Court simply fashions and announces a new constitutional right for pregnant mothers.

Justice Rehnquist also dissented saying:

> I have difficulty in concluding, as the Court does, that the right of "privacy" is involved in this case . . . Nor is the "privacy" which the Court finds here even a distant relative of the freedom from searches and seizures protected by the Fourth Amendment to the Constitution which the Court has referred to as embodying a right to privacy.

Many who support this type of judicial activism do so by maintaining that the Constitution is a living document and that the Court must be permitted to interpret it with the widest possible flexibility. To this proposition I respond by agreeing with Senator Sam Ervin that—

> When they say the Constitution is a living document, they really mean that the Constitution is dead, and that activist justices as its executors may dispose of its remains as they please. I submit that if the Constitution is, indeed, a living document, its words are binding on those who pledge themselves by oath or affirmation to support it.

One essential problem confronting an activist judiciary is when to stop, once it is admitted that any activity can be viewed as a liberty under the 14th amendment. Did the framers and ratifiers of the 14th amendment intend to deny personhood to the unborn? Such an interpretation flies in the face of the facts. There is not an ounce of evidence to support such an interpretation. Indeed the widespread adoption of State laws regulating and prohibiting abortion and the later judicial interpretations of these statutes as intending to protect the lives of unborn children suggest that the framers of the 14th amendment felt that the provisions of that amendment were consistent with such legislation.

FOURTEENTH AMENDMENT PROTECTS HUMAN BEINGS

The Roe against Wade and Doe against Bolton decisions are not the first time in American legal history that a Supreme Court ruling opposed the social and moral customs of a majority in American society. It was little more than a century ago that the Supreme Court handed down the decision of Dred Scott against Sanford. Arrogating to itself the awesome power of deciding who is a person in our society, the Court ruled that the free descendants of slaves could never be citizens and that slaves were not even persons under the law.

Not every member of the Court accepted this legal fiction; and Justice Benjamin Curtis deeply resented the attempt by the Court to impose an interpretation of the Constitution that was derived from nonlegal considerations. He stated that:

> Political reasons have not the requisite certainty to afford rules of judicial interpretation. They are different in the same men at different times . . . we are under the government of individual men, who for the time being have power to deduce what the Constitution is, according to their own views of what it ought to mean.

After much bloodshed and death, the Dred Scott case was finally reversed by the 14th amendment. No one would have dreamed in 1868 that the life and liberty guaranteed to all persons by the due process clause of the 14th amendment meant the right to have an abortion. Similarly, no one would have imagined that an

amendment designed to protect an oppressed minority in 1868 would be used in 1973 to remove another minority from the protection of the law.

Professor Joseph Witherspoon has observed that the intended reach of the 13th and 14th amendments would include the unborn child:

> The legislative history of these two amendments fully demonstrates that the central purpose of their framers was, indeed, to protect every class of human beings, including unborn children, with respect to their rights to life, liberty, and the pursuit of happiness. They intended to establish a definition or concept of human beings based upon biological reality and common sense or scientific truth. In their view, whoever is a human being in fact is a human being or person in law protected by these two amendments.
>
> The concept of person used in the Due Process and Equal Protection Clauses and the concept of human being embodied implicitly in the Thirteenth Amendment were precisely chosen or focused upon by these framers for the purpose of establishing this definition of the concept of person or human being, the two terms being thereafter wholly interchangeable with each other. It was their purpose by this definition to take away the power that had been exercised by legislatures, courts, chief executives, and administrative agencies in the past of treating or defining as a nonhuman being one who is a human being in fact or reality and by this sophisticated technique of legal devaluation divesting that human being of legislative and constitutional protections designed for human beings.

Clearly the intent of these amendments is to protect those who are human beings in reality against the attempts to define away their personhood through legal abstraction or other techniques. The legislators who adopted these amendments had uncontradicted evidence before them that the fetus was indeed a human being. In 1868, the very year in which the 14th amendment was submitted to the States for ratification, Dr. Horatio Storer wrote in his book, "Criminal Abortion," that—

> Physicians have now arrived at the unanimous opinion, that the foetus in utero is alive from the very moment of conception . . . (T)he willful killing of a human being, at any stage of its existence, is murder . . . (A)bortion is, in reality, a crime against the infant, its mother, the family circle, and society.

Moreover, the abortion cases are not only a subversion of the Constitution, they are also a subversion of our democratic system of government. They represent the Court's disregard for the customs of the American people and its willingness to impose its own view of wise social policy upon the people of this country, the States, and even the Congress. Abortion is not a social custom of the American people, nor has it ever been. The right to an abortion has never been held to be contained within the concept of ordered liberty implicit in the American tradition of justice.

THE RADICALISM OF THE ABORTION DECISIONS AND THEIR AFTERMATH

Justice Byron White, in his dissent against the abortion decisions, described the Court's action as "raw judicial power." An analysis of the firmly established precedents overturned and the method used by the Court in accomplishing this end makes clear the full force of Justice White's statement. The sweeping language of the abortion decisions means that human life has less protection in the United States today than in any country in the Western World.

Western man has opposed abortion as far back as 1728 B.C., when the Code of Hammurabi was promulgated. The Oath of Hippocrates, which we trace to ancient Greece, requires the doctor who is entering the practice of medicine to swear that, "I will not give to a woman a pessary to produce abortion." The Mosaic Law of the Old Testament exacts a severe punishment for someone who injures a pregnant woman and causes her to lose her child. The contemporary writings of the early Christian communities, such as the Teaching of 12 Apostles, states that—

> You shall not slay the child by abortions. You shall not kill what is generated.

Early Christian writers such as Clement of Alexandria, Tertullian, Cyprian, John Chrysostom, Jerome, and Augustine all condemned abortion.

Although historically there has not always been universal agreement regarding the necessity to protect unborn human life from abortion, there has definitely been an emerging moral imperative to do so beginning with the codes of Hammurabi, Moses, and Hippocrates. True, the Greco-Roman world was not unfamiliar with abortion. But neither was it unfamiliar with slavery, infanticide, torture, tyranny, and other similar perversions of human nature. With the emergence of the Judeo-Christian view of the nature, value and equality of each person, society strongly embraced the notion that the unborn person in the womb must be protected. Prof. John Noonan, in his comprehensive analysis of the history of abortion describes this attempt to protect unborn human life as "an almost absolute value in history." It is not an exaggeration to view the historical development of society's treatment of abortion as one toward greater protection of the child as society's understanding of medicine and biology as well as its regard for the value and equality of each individual increased.

Significant contemporary moral theologians continue this tradition of opposition to abortion.

For example, Karl Barth in his "Church Dogmatics" for the Evangelical Church writes:

> The unborn child is from the very first a child. It is still developing and has no independent life. But it is a man and not a thing, not a mere part of the mother's body . . . He who detroys germinating life kills a man.

And Rev. Dietrich Bonhoeffer defended the sanctity of human life amidst the turmoil of Nazi Germany in his book, "Ethics":

> Destruction of the embryo in the mother's womb is a violation of the right to live which God has bestowed upon this nascent life. To raise the question whether we are here concerned already with a human being or not is merely to confuse the issue. The simple fact is that God certainly intended to create a human being and that this nascent human being has been deliberately deprived of his life. And that is nothing but murder.

In his opinion, Justice Blackmun analyzed English common law and statutory law as well as American case law and statutory law. Detailed and comprehensive critiques of Mr. Justice Blackmun's reading of history have been made by many constitutional scholars and I do not intend to repeat them at length here. The underlining thrust of the Court's argument is that abortion was a right in England beginning with the 14th century and in America during the 19th century and as such is so fundamentally established by social and legal custom as to be somehow contained in the Constitution. After a lengthy examination of the Court's reasoning, Robert Destro, writing in the California Law Review, states that abortion "was never a right recognized by the common law, it cannot be considered to be a ninth amendment right retained by the people. The newly created right to procure an abortion is the creature of the substantive due process arguments and erroneous interpretations of history relied upon by the Court in Roe; it is not a right which may be characterized as 'so rooted in the traditions and conscience of our people to be ranked as fundamental.' " Elsewhere, Mr. Destro writes:

> The cases do not support the Court's interpretation. The Court's uncritical acceptance of an advocate's interpretation of the common law only served to confuse the issues and to rest an important constitutional holding on an erroneous historical foundation.

EARLY AMERICAN STATUTES

The first modern statute in Anglo-American law prohibiting abortion was the English Act of 1803. The first American statutes against abortion appeared in the early 19th century: Alabama, 1841; Arkansas, 1838; Connecticut, 1821; Illinois, 1827; Indiana, 1835; Iowa, 1839; the Kingdom of Hawaii, 1850; Maine, 1840; Massachusetts, 1845; New Hampshire, 1848; New York, 1828; Vermont, 1846; Virginia, 1848. By the end of the 19th century, almost every State had adopted statutes regulating abortion. Although it was alleged by Justice Blackmun in his opinion in Wade that the primary reason for such regulation was the protection of the mother, a close examination leads one to agree with Prof. Robert Byrn "that a major purpose—of these statutes—was the protection of unborn children without regard to age." Among these early statutes, the one adopted by Colorado was not untypical. In 1872, the Supreme Court of Colorado held that its abortion statute was "intended specially to protect the mother and her unborn child from operations calculated and directed to the destruction of the one and the inevitable injury of the other."

Many of these early statutes were adopted as a result of the reform activity of medical societies eager to see the law reflect medical knowledge concerning the unborn child. In 1859, the American Medical Association spoke out against abortion as the "unwarrantable destruction of human life." In 1867, the New York Medical Society condemned abor-

tion as "murder" regardless of the stage of gestation when the operation was performed.

On January 22, 1973, the people of all 50 States had statutes in force that regulated abortion. All of them, either in whole or in part, have suddenly become violations of the Constitution. A decision of the Court declaring an end to freedom of the press or the free election of the people's representatives would have as much basis in our legal heritage as the abortion decisions.

Some of the most notable constitutional scholars of the country have expressed shock and dismay regarding the reasoning employed by the Court in the abortion decisions. Prof. John Noonan of the University of California, Berkeley, has stated that—

> Nothing in long-established precedent, nothing in the traditions of our people, nothing in history justified the majority's interpretation of liberty.

John Hart Ely, professor of constitutional law at the Harvard Law School, has declared that Roe against Wade is a "very bad decision. It is bad because it is bad constitutional law, or rather because it is not constitutional law and gives almost no sense of an obligation to try to be." Prof. Harry Wellington, Phelps professor of law at the Yale Law School, rightly insists that the Supreme Court had "no such mandate" from the Constitution to establish this peculiar "concept of liberty in the 14th amendment." Prof. Charles Rice of the Notre Dame Law School has stated that Roe against Wade is "the most outrageous decision ever handed down by the Court in its entire history."

Prof. Robert Byrn of the Fordham University Law School is of the view that the Court's decision was premised on "multiple and profound misapprehensions of law and history." And Prof. Archibald Cox of the Harvard Law School finds that the Court failed "to lift the ruling above the level of a political judgment." Prof. Joseph Witherspoon of the University of Texas Law School has stated that the abortion cases "are unquestionably the most erroneous decisions in the history of constitutional adjudication by the Supreme Court."

DANFORTH CASE A DANGER TO FAMILIES

The abortion cases have also had a profound and radical influence upon decisions of the Federal and State courts in such areas as the marital relationship, parental rights, State and local public welfare programs, and the congressional appropriation power.

In Planned Parenthood of Missouri against Danforth, the Supreme Court recently struck down as unconstitutional a Missouri law which required that the consent of the husband be obtained before his wife could undergo an abortion unless the operation was necessary to save her life and that the consent of an unmarried minor's parents be obtained before she could receive an abortion. The Court made clear that it considered Danforth "a logical and anticipated corollary to Roe against Wade and Doe against Bolton."

In deciding that the State may not constitutionally require the consent of the spouse or a parent as a legal condition for obtaining an abortion, the Court in effect ruled that the right of the mother to abort her child is superior to that of the child's right to life, the right of the father to protect his child and that of the State to protect human life. Indeed, the decision in Danforth would suggest that the right of the woman to take the life of her unborn child through abortion is a constitutionally superior right to any other interest or combination of interests. Prof. Francis Canavan summarized the Court's holding as follows:

> The only admissible object of public policy, in the Court's jurisprudence, is protection of the mother's untrammeled right to decide on the life or death of her child. The law may show no bias in favor of life, even if the male parent wants to preserve it, but must zealously safeguard the female parent's right to kill it. But this legal indifference is a specious neutrality: a legal system that refuses to have, or is not allowed to have, a bias in favor of life winds up with a bias against it.

The Court's decision, however, reached beyond the issue of abortion and signaled a radical departure from traditional notions regarding the nature of the family. It marked the beginning of what could become a grave assault upon existing legal protection of marriage and the family.

The family as an independent institution within society, which in the past the State has sought to protect, simply was ignored by the Court in dealing with an issue which could only have a dramatic effect upon that relationship. In the Court's review, "(n)othing was involved but a conflict between individuals: wife against husband, unmarried minor against parent." Citing Eisenstadt against Baird, the Court stated that:

> The marital couple is not an independent entity with a mind and heart of its own, but an association of two individuals each with a separate intellectual and emotional makeup. If the right of privacy means anything, it is the right of the individual, married or single, to be free from unwarranted governmental intrusion into matters so fundamentally affecting a person as the decision whether to bear or beget a child.

This new constitutional standard leaves great doubt as to the constitutionality of much of the existing State regulation designed for the protection of the family. Indeed it is not unreasonable after Danforth to wonder whether the family does have continued legal existence, at least in those situations where an individual's action is sought to be limited to preserve the family unit. The treatment of marriage by the Court reflects a philosophy on the part of the Justices which views society as fundamentally atomistic. The radical autonomy and individualism of each citizen has displaced every other social institution except the power of the State.

The Court's opinion in Danforth, however, leaves unclear whether the right of the mother to bear her child is of equal superiority to her right of abortion. By substantially weakening the right of those who have traditionally protected the right to life in society, the Court's decision in Danforth when viewed in light of its prior holding on the abortion issue amounts to a questionable victory for individual liberty. In Roe against Wade, Justice Blackmun wrote:

> Appellants and some *amici* argue that the woman's right is absolute and that she is entitled to terminate her pregnancy at whatever time, in whatever way, and for whatever reason she alone chooses. With this we do not agree . . . In fact, it is not clear to us that the claim asserted by some *amici* that one has an unlimited right to do with one's body as one pleases bears a close relationship to the right of privacy previously articulated in the Court's decision. The Court has refused to recognize an unlimited right of this kind in the past . . . *Buck* v. *Bell*, 272 U.S. 200 (1937).

The case relied upon by the Court in maintaining that the individual's freedom to control her own body is not an absolute right involved a young girl named Carrie Buck whom the State required to be sterilized under a law requiring the mandatory sterilization of mentally defective persons. The Supreme Court ruled that the State could require the girl's sterilization while Justice Oliver Wendell Holmes observed that in her family's situation "(t)hree generations of imbeciles are enough." The Court's reliance upon Buck surprised many constitutional scholars who thought that the opinion's viability as constitutional principle had long ago ended. This revival of the constitutionality of a State's use of coercive methods of birth control to implement a eugenics policy and reduce its public welfare expenditures perhaps foreshadows increased attempts by the State to mandate population controls.

The Court's opinion on Danforth results in the contradictory situation where the husband's objection to his wife's intended abortion is of no legal significance due to the current constitutional holding that the husband does not possess an interest in his unborn child and the child does not possess a right to life. Yet, in the situation where the husband does not agree with his wife's refusal to permit a blood transfusion to save the unborn child's life, he may petition the Court to order such a transfusion on the basis of his interest in the child and supposedly also on the child's right to life.

A NEW ABORTION MENTALITY

Recently, the impact of these court decisions was brought sharply into focus by a report by the District of Columbia that abortions among residents during 1975 in that city for the first time exceeded births. And that approximately 85 percent of those abortions were performed at Government expense through either the city's free public hospital or the medicaid program.

Dr. Louis Hellman of the Department of Health, Education, and Welfare has estimated that the Department is currently financing between 250,000 and 300,000 abortions annually at a cost of $45 to $50 million. Elsewhere, it has been estimated that about 275,000 unmarried teenagers obtained abortions during 1974, many of which were financed through the medicaid program. The Center for Disease Control in Atlanta re-

ports that the national abortion ratio increased from 6.3 per 1,000 live births in 1969 to 241.6 in 1974, the latest year for which national figures are available.

One major consequence of the abortion cases is that the practice of abortion has shifted from one used essentially as a last resort, in the so-called hard cases, to a primary means of family planning. In fact, certain studies indicate that abortion on demand will replace other methods of family planning. For example, a study of the abortion trends at Harlem Hospital Center in New York City by members of its own obstetrics and gynecology department found that in the years of 1962 through 1969, the number of abortions declined from 1,581 in 1962 to only 507 in 1969, the year before the implementation of the liberalized New York abortion statute. During the same time period, the number of family planning visits made by residents of the area increased from none in 1962 to 15,982 in 1969. The study itself concluded that "as family planning services expanded in our hospital and area, the number and severity of abortion cases declined significantly."

Another study of abortion in Hawaii, the first State to adopt abortion on demand, found that most of the women obtaining abortions under the new statute "were using it as a primary means of birth control, rather than as a backup to failed birth control." This dramatic upsurge in the number of abortions indicates the emergence of a new abortion mentality. Elsewhere, it has been suggested that this "abortion mentality is a dangerous communicable disease—one that spreads throughout a country once the abortion laws have been liberalized." The symptoms of this social disorder consist of a swift increase in the abortion rate, the acceptance of abortion as a commonplace medical procedure of no more gravity than other means of family planning, and finally the subsequent decline in respect for human life. This new abortion epidemic is nothing less than "a revolution against the judgment of generations."

Prof. John Noonan has outlined the principal consequences of the abortion cases as follows:

> First, the subversion of the structure of the family in that a father now has no protectable legal interest in its unborn offspring; second, the mandated public funding of abortion: so it is unlikely that a national health bill can be enacted, which constitutionally excludes abortion from the surgical services to be federally financed; and third, and worst of all, the unmaking of human beings, the acceptance of the principle that the law can say who is not a human being. All of our constitutional liberties are nothing if we can be defined out of the human species.

A CONSTITUTIONAL AMENDMENT IS NECESSARY

A constitutional amendment must be worded, like the Constitution itself, in terms of general principles. It is not a criminal code and should not be drafted in the detailed language of such a code in anticipation of every possible evasion or situation.

With this consideration in mind. I have proposed a constitutional amendment which provides as follows:

> The paramount right to life is vested in each human being from the moment of fertilization without regard to age, health or condition of dependency.

A number of other proposed constitutional amendments attempting to restore the right to life have been offered to remedy the Supreme Court abortion decisions. I, myself, offered amendments during each Congress since 1973. The Senate Subcommittee on Constitutional Amendments and the House Subcommittee on Civil and Constitutional Rights have held extensive hearings on many aspects of this complicated problem. I testified before the Senate subcommittee and spoke out on several occasions indicating that I was putting forth my amendments to stimulate discussion and criticism, and that they were not necessarily final drafts. After much reflection upon the differing criticisms that were brought out against the wording of my original proposal and against that of other amendments submitted, I am now persuaded that this amendment is a great improvement over every other proposal that has been considered. I firmly believe that it is an amendment which all Americans can unite behind in the common effort to end the destruction of innocent human life in the United States.

Today the central and primary issue threatening the absolute sanctity of human life is abortion. However, one should not expect that by the time the long process of ratification is completed, abortion will remain the central threat to the sanctity of human life. It is very possible that besides abortion, euthanasia, eugenics, human experimentation, and other problems resulting from future scientific developments will equal or surpass abortion as a threat to human life. Therefore, it is necessary that whatever amendment is adopted be one that protects human life in the most complete sense and not one limited exclusively to the problem of abortion.

STATES' RIGHTS AMENDMENT DEFICIENT

It has been suggested that a constitutional amendment which removes Federal court jurisdiction from the issue of abortion and allows the States to be the final arbiter on the subject is the most desirable resolution of the abortion controversy. Such a proposal is deficient in several aspects. Essentially, such an amendment will not answer the central issue of the abortion debate—are we as a nation going to legally protect unborn human life?

The so-called States' rights amendment establishes as a constitutional principle that the intentional destruction of innocent human life is legally proper since it would permit the adoption of State statutes consistent with the Supreme Court decisions. This is not a compromise of the prolife and proabortion positions. It is in fact the adoption of the proabortion position. Second, such an amendment is not broad enough to include other problems concerning the value of human life in American society which may indeed surpass abortion by the time such an amendment is ratified.

On the surface, it would appear to be an attractive and easy solution to turn this problem back to the States. Yet, it is simply wrong in principle to subject the right to life of innocent human beings to the variant determinations of different legislatures. The right of innocent life is inviolable. And it is indivisible. Moreover, the situation today is not the same situation as before the Supreme Court acted. Despite the due process and equal protection clauses of the 14th amendment—which would seem on their face to protect the lives of all persons—the Court attacked the rights of the unborn by narrowly defining "person." The States' rights amendment does not disturb the Supreme Court's decree that the unborn child is a nonperson.

Since the States' rights amendment does not overrule the Supreme Court rationale that the child in the womb is a nonperson, there is nothing in such an amendment to prohibit a State court from adopting the reasoning of the Supreme Court to reach the same conclusion. It is likely that a State court could consider itself at least implicitly bound by that Supreme Court interpretation of what due process means.

The State court, therefore, could conclude that the child in the womb is a nonperson under the due process clause of the State constitution, just as he is now a nonperson under the 14th amendment. Since the unborn child is a nonperson, the State court might very well conclude that a State law restricting abortion would infringe the mother's right of privacy and would therefore be invalid as a violation of the due process clause of the State constitution.

Those who favor abortion would have every reason to support the States' rights amendment. Those who believe that the killing of the unborn is incompatible with our constitutional freedoms would be bitterly disappointed if the amendment became law. By failing to overturn the truncated definition of person set up in Wade, such an amendment would leave the Supreme Court's doctrine permanently engrafted in our constitutional law, with its implications against the lives of the unborn, the aged, and the incapacitated.

No decision of the Supreme Court has so profoundly affected American society as have the abortion cases since the Dred Scott case. And just as American society refused to exist as half slave and half free, it will not accept the position that it exist where the sanctity of human life is protected in some States and threatened in others. The American people will not accept a second Missouri Compromise in regard to the right to life.

PERSONHOOD

The essential purpose of any human life amendment is to insure that all human beings enjoy the protection of the right to life. This can be accomplished by establishing the principle that all human beings are considered "persons" with respect to the right of life under the protective due process clause of the 5th and 14th amendments.

The Supreme Court itself directs us to this point in Roe against Wade where the Court states:

The appellee and certain amici argue that the fetus is a "person" within the language and meaning of the Fourteenth Amendment. In support of this they outline at length and in detail the well-known facts of fetal development. If this suggestion of personhood is established, the appellant's case, of course, collapses, for the fetus' right to life is then guaranteed specifically by the amendment.

If personhood is established by a constitutional amendment, then the Supreme Court itself admits that the right to life of the unborn child will be protected.

It is important that the beginning of life, and therefore the beginning of the constitutional protection of that life, be defined with precision and clarity by any proposed amendments. Our scientific knowledge today is sufficient to provide such a definition. To be consistent with that knowledge, the amendment language must not be so loose or general that the way is opened for arguments that the period of protected life should be shortened for the sake of convenience. On the other hand, it is not necessary to encumber the unborn child with all of the constitutional rights of an adult. The human life amendment's essential intended effect is limited to the right to life.

The substance of my amendment is that it makes the unborn child a person only with respect to the right to life guaranteed in this Constitution. Thus, only the right to life becomes a consitutional right. Other rights could be assigned to the unborn by legislation or judicial interpretation, as seen by the large body of law on inheritance and tort claims. But such laws are not mandated by my amendment. The amendment would allow for the further development of laws consistent with pre-Wade judicial thinking. For example, Dean William Prosser summarized the tort law regarding the unborn child's right to recover for an injury sustained before birth as follows:

So far as duty is concerned, if existence at the time is necessary, medical authority has recognized long since that the child is in existence from the moment of conception and for many purposes its existence is recognized by the law . . . So far as causation is concerned, there will certainly be cases in which there are difficulties of proof, but they are no more frequent, and the difficulties are no greater, than as to many other medical problems. All writers who have discussed the problem have joined in condemning the old rule, in maintaining that the unborn child in the path of an automobile is as much a person in the street as the mother, and in urging that recovery should be allowed upon proper proof.

At the same time, it is clear that an unborn child under my amendment would not be subject to census, registration, passports, taxation, and other such requirements imposed upon residents of the United States. Our laws take notice of the age of citizens and make reasonable distinctions based upon such considerations. For example, broad distinction is made between adults and minors; and even minors are subdivided according to mental responsibility. Yet, all enjoy the fundamental right to life which is just as reasonably accorded to the born and the not yet born.

WHEN HUMAN LIFE BEGINS

My amendment clearly states that life begins at the moment of fertilization.

In seeking to protect human life, the amendment language must relate to our present scientific knowledge. Although the amendment's protection is in part dependent upon the accepted findings of science, the determination of when human life should be constitutionally protected cannot be left to depend totally upon a scientific judgment.

In arriving at the determination of when human life should be legally safeguarded, the word "fertilization" is the most scientific and unambiguous one that can be employed while still maintaining the greatest legal protection. The biological evidence clearly establishes that the fertilization of the egg is the beginning of human development. Gideon Dodds writes in his textbook, "The Essentials of Human Embryology" that the "fertilized egg is the beginning of a new individual." Jan Langman states in his book, "Medical Embryology," that "the development of a human being begins with fertilization."

The fertilized ovum is genetically complete and independent of the mother. Prof. Jerome LeJeune observes in "Ethical Issues in Human Genetics" that "if a fertilized egg is not by itself a full human being, it could never become a man, because something would have to be added to it, and we know that does not happen." The human life that begins at fertilization is a continuum, unbroken at any point by radical change. William James Hamilton states in his textbook, "Human Embryology," that "there are no essential differences between prenatal and postnatal development; the former is more rapid and results in more striking changes in shape and proportions; but in both, the basic mechanisms are very similar if not identical."

The word "moment" in the amendment makes it clear that a given point in time is legally estab'ished. If the language of the amendment should allow for a "process of development" standard, then an interpretation of that language could set any point in that process, such as implantation, "viability," or even birth, as the point at wh'ch the protection of life begins. Indeed a court implementing that language would be forced to judicially determine at what stage in the process of development legal protection would be granted. It is simply not enough to protect each person at every state of his biological development unless we know with certainty at what stage human development begins.

ABORTION TO SAVE THE LIFE OF THE MOTHER

Once the principle of the primacy of life of every human being has been established, the problem will arise of the so-called hard cases in which pregnancy places the life of the mother in danger. Today, such cases exist as medical rarities. Although convincing evidence indicates that abortion is no longer medically required in these cases, it would be unfortunate to amend the Constitution in such a way that a doctor attempting to care for his patients is placed in legal jeopardy. It would also be unfortunate to amend the Constitution in such a way that an exception clause to provide for these hard cases would allow widespread abuse under the cover of law. The resolution of this problem has been a principal aim of my amendment.

My amendment contains no specific exception clause because such a clause is not necessary. As the amendment is presently drafted, the difficult cases can be handled under traditional concepts of due process and equal protection of the laws.

State criminal laws have long recognized the legal principles of self-defense and necessity or choice of evils without their specific incorporation into the Constitution. Certainly, they form a part of the American legal tradition which predates the Constitution itself. At times these doctrines have been held to be contained within the due process clause of the Constitution; but the silence of the Constitution on these principles has not detracted from their vitality. There is no reason to suppose that a similar resolution of the problem of procedures to save the life of the mother would not be developed by the States.

Although this amendment definitely prohibits abortions in every case where the mother's life is not at stake, it is not intended to invalidate future laws in the States which permit procedures to save the life of the mother.

This amendment leaves the difficult cases to be determined by an even-handed application by the courts and State legislatures of constitutional principles applying to all human beings. It establishes the basic life principle, that the destruction of the child in the womb is a violation of every human being's constitutional right to life. The amendment would, however, insure equal protection. Nor is it intended to prevent State legislatures and courts reviewing State laws from continuing to regard abortions to save the life of the mother as a matter of self-defense and therefore legally justifiable according to the general principles of self-defense that apply to all human beings. The amendment takes cognizance of substantive due process as it has been developed in Anglo-Saxon jurisprudence. Although the amendment does not encourage exceptions, it admits to exceptions in the light of legal precedents, such as "the doctrine of necessity," established in rare and unusual circumstances.

Not every abortion, of course, results in the death of the child; controversies are in the papers daily about the efforts or lack of efforts to insure the survivability of such children outside the womb. For example, a recent survey of major medical centers by the Washington Post discloses that premature babies weighing under 2 pounds at birth now have over a 60-percent chance of survival.

The University of Colorado Medical Center reports that 66 percent of the babies born there at 27 to 28 weeks of age are surviving as compared with 2 years ago when the survival rate was only 10 percent.

Dr. Watson Bowes, chief of obstetrics

and gynecology at the Colorado Center attributes this development to a change in attitude on the part of doctors caring for these infants. In the past, he said:

We felt there was so little chance of a baby (so small) surviving that we didn't put any effort into it. These were cases that we felt we were going to (in effect) abort. (Today,) we are being more aggressive. We're doing things for these tiny, little babies that we've always done for the bigger babies.

Reports from other hospitals confirm that this apparent breakthrough in survival rates for premature infants is not the result of new developments in medical technology, but "because obstetricians are beginning to realize that they can survive, and are expending the same effort to save these tiny babies that they expend to save an infant born at full term." Although this study is certainly not conclusive, it does strongly suggest that the medical evidence relied upon by the Supreme Court in its abortion cases is not out of date.

Indeed, this new ability to save such premature babies leads to the further question of whether the abortion procedure must terminate a pregnancy by causing the death of the child. Dr. Andre Hellegers, director of the Kennedy Institute for the Study of Human Reproduction and Bio-Ethics, raises the central question regarding later term abortions:

In the process of abortion do you subsume that the mother has a right to the death of the fetus; or is abortion only to be seen as a process of separating the mother and the fetus in the resolution of a conflict of interest.

My amendment would be consistent with State laws permitting the premature termination of a pregnancy where the life of the unborn child is not threatened by such a procedure.

ABORTION AND MATERNAL DEATH

Opposition to the human life amendment often rests upon the assumption that anything less than abortion on demand will result in an epidemic of abortion-related maternal deaths.

For example, estimates that 5,000 to 10,000 women died each year from illegal abortion before the abortion cases are frequent. However, studies of the problem have reached different conclusions.

Dr. Alex Barno reported in a study of Minnesota cases that if the 10,000 figure were correct, Minnesota's share would be 200 per year. Instead, the average number of deaths in Minnesota due to criminal abortions during the study period was 1.3 per year. If this number were projected to the country as a whole, the average number of illegal abortion deaths would be 65 per year.

This projection is relatively consistent with the finding of the Center for Disease Control in Atlanta which reported that 48 women died of complications of abortion in 1974—the most recent year for which figures are available. Legal abortions accounted for 24 of those 48 maternal deaths, spontaneous abortions, for 18 deaths, and illegal abortions for only 6 deaths. The specter of an epidemic of maternal deaths due to illegal or "backroom" abortions is simply unfounded.

Neither does abortion on demand reduce maternal deaths. The number of maternal deaths from abortion has steadily declined from 1942 when there were 1,231 abortion-related deaths. By 1962, when the American Law Institute's model penal code was proposed with its abortion on request provisions, but before it had been adopted by any State, maternal deaths were reduced to 305 for the year.

In 1967, the year preceding the first major liberalization of State abortion laws, maternal deaths had been reduced to 160. And during the period of 1968 through 1971, that is during the period when liberalized abortion laws adopted by 16 States became effective, the number was reduced from 133 deaths in 1968 to 120 in 1971.

STATES WILL DETERMINE EXCEPTIONS

The question of to what extent the human life amendment would allow medically necessary procedures to save the life of the mother is one of constitutional and criminal law. However, the rise to the exception is one of fact to be determined by State legislatures, courts, and medical communities.

In the past, some in the medical community maintained there were far more medical situations necessitating abortion to protect the mother's health than exist today.

With the recent developments in medical procedures concerning such threatening conditions and the tendency to treat the unborn child as a patient, the necessity for abortion has been greatly reduced. While not being an expert in the field, I would not venture to say that the evidence is conclusive, but the evidence does show that medical science has all but eliminated the necessity for abortion.

For some time, pregnancy was thought to be a great risk to patients suffering with heart disease; yet recent advances in treatment make "therapeutic abortions due to heart disease now rare compared to 20 or 30 years ago." Today, some experts maintain that "any patient with heart disease seen early enough to be aborted was seen early enough to be carried successfully through the pregnancy if she would abide by certain rules."

Renal—that is, kidney—disease is sometimes listed as a justifiable reason for abortion. Hereto, developments in treatment, namely with antibiotics, have substantially reduced abortion in these circumstances. For patients suffering from severe or progressive kidney deterioration, the effects of pregnancy on the disease may aggrevate that deterioration; and hence, abortion has been recommended by some physicians.

Pulmonary tuberculosis was once considered an indication for abortion: however, "pregnancy does not affect the course of the disease, nor is the course of the disease improved by abortion." Today, tuberculosis is no longer a reason for abortion. The effect of pregnancy upon various forms of cancer or diabetes is still unclear, and further study is needed to determine whether abortion is really medically indicated in these situations. However, some types of cancer mandate the removal of the uterus and hence the fetus. Neurologic diseases, such as multiple sclerosis, epilepsey, and muscular dystrophy are "sometimes made worse by pregnancy." As a general proposition, their effect is still considered unpredictable. There is insufficient evidence to conclude that these diseases increase the woman's risk during pregnancy.

Presently, there is general agreement in the medical community that removal of the fetus is indicated in cases where the fetus is dead or has been reabsorbed, where cancer or a tumor necessitates the removal of the uterus, and where implantation has occurred outside the uterus, as in an ectopic pregnancy. Although some of these cases require procedures to terminate a pregnancy, they are not usually considered as abortions. For example, an ectopic pregnancy is usually treated as an emergency requiring major abdominal surgery.

Psychiatric or emotional disorders have in the past been cited as reasons for abortion. Presently, the weight of scientific authority indicates that such disorders do not require abortion as a solution. For example, Dr. Samuel Nigro, professor of psychiatry at Case Western Reserve University School of Medicine writes that:

(t)here are no clear-cut psychiatric indications for therapeutic abortion.

Dr. Irving Bernstein, professor of psychiatry at the University of Minnesota Hospital, states that:

(f)rom the psychiatric point of view of the psychiatrist, there are no indications for recommending therapeutic abortions.

He summarized his testimony before the Senate Subcommittee on Constitutional Amendments as follows:

In summary, there are no psychiatric indications for therapeutic abortion because (a) therapeutic abortion is not effective treatment for the patient or for the situation; (b) abortion will not solve the "battered child" syndrome problem; (c) suicide is less of a risk in pregnant women than in non-pregnant women; (d) it is impossible to predict who will develop a post-partum psychosis; (e) therapeutic abortion has its own psychiatric morbidity; (f) adequate treatment methods are available to handle psychiatric difficulties occurring during pregnancy.

Many physicians find that there are no medical conditions which require abortion as a treatment. Since none of these conditions can be improved or cured through abortion, they maintain that this procedure results only in the death of the unborn child with no medical benefit to the mother. Dr. Roy Heffernan of Tufts University has stated that "anyone who performs a therapeutic abortion is either ignorant of modern medical methods or unwilling to take the time and effort to apply them." Dr. David Wilson maintains that "proper management will permit a successful termination of pregnancy regardless of the physical and mental diseases of the patient." Even such a steadfast proponent of abortion on demand as Alan Guttmacher states that—

It is possible for almost any patient to be brought through pregnancy alive unless she suffers from a fatal illness such as cancer

or leukemia; and if so, abortion would be unlikely to prolong, much less save life.

ABORTION IS DANGEROUS TO THE MOTHER

Alongside the social and legal consequences of abortion, the individual medical and psychiatric consequences of the procedures are also hazardous. Whatever personal advantages some may claim for abortion, the serious consequences of the procedure very often offset any claimed benefits. One leading gynecologist states that:

(t)here is now ample evidence to show that abortion is neither safe nor simple. The long-term complications alone condemn its use as a contraceptive method.

Another study of the long-term effects finds that:

Especially striking is an increased incidence of ectopic pregnancy. Furthermore, as noticed recently, a high, incidence of cervical incompetence results from interruption of pregnancy that raises the number of spontaneous abortions subsequently to 30–40 per cent.

A British study of the effect of abortion on subsequent pregnancies recommended that:

Any patient who has a previous history of an abortion should be regarded as a high risk patient.

The psychological complications resulting from abortion are also significant. The scientific study group of the World Health Organization reports that there is "no doubt that the termination of pregnancy may precipitate a serious psychoneurotic or a psychotic reaction in a susceptible individual." Other studies find that abortion "even if therapeutic, may in itself produce a psychosis" and that abortion "frequently carries with it a degree of emotional trauma far exceeding that which would have been sustained by continuation of pregnancy."

Prof. Alfred Kotasek, chief of the department of gynecology and obstetrics at Charles University, Prague, Czechoslovakia, reported to the Fourth International Congress on Perinatal Medicine in 1975 that the medical complications following first trimester abortions were: First, immediate complications: death, excessive blood loss, injuries to the cervix, perforation of the uterus; second, early complications: fever, bleeding, retained products of conception, infection, "the postabortal pain syndrome"; third, late complications: chronic inflammation, menstrual disorders, psychological complications, sterility; fourth, complications during subsequent pregnancy: extra-uterine pregnancy—that is, ectopic pregnancy—cervical incompetence—spontaneous abortions—perinatal mortality—still birth—premature births, hemorrhage during pregnancy, longer average duration of labor. Professor Kotasek also reports that mid-trimester abortion is "three to four times more risky than early abortion."

PROHIBITS FETAL EUTHANASIA

Although the human life amendment would allow a resolution of the problem of a pregnancy threatening the life of the mother consistent with traditional legal and ethical thinking, it would not allow abortions for purposes of eugenics or euthanasia. "Fetal euthanasia" is sometimes advocated as a solution to Tay-Sachs disease or when the mother has had rubella in early pregnancy.

Dr. Watson Bowes of the University of Colorado Medical Center has observed that such a proposal amounts to "treating a disease by killing the patient with the disease." Some have described abortion in these circumstances as nothing less than euthanasia. But the practice of abortion is in these cases substantially different than the practice of euthanasia. Here the life of the patient is terminated not because he is in great pain or has contracted a fearful, terminal disease, but only because it is probable or even just possible that he may contract the disease.

Often, perfectly normal and healthy children are aborted for no more reason than that they might inherit a disease or condition. For example, one study of "therapeutic" abortions done because the mother had contracted rubella during pregnancy "found no evidence of the disease in 32 percent" of the unborn children, while others who had the disease would have recovered and been born normal.

According to Jerome Lejeune, professor of genetics at the Medical College of Paris, France; Tay-Sachs disease could be prevented entirely by simply discovering which people carry that specific genetic trait and encouraging them not to marry a person with the same trait. That certainly would be a more humanitarian solution to the problem than killing unborn children suspected of having the disease.

An exception clause contained in the human life amendment to provide for the legalization of abortion in the case of rape is both unnecessary and unenforceable. After the proper and normal medical treatment for rape has been obtained, the possibility of pregnancy is nonexistent. And even when the woman has not received treatment a number of medical studies of pregnancy resulting from untreated rape found that such pregnancies are exceedingly rare. Studies of the actual number of pregnancies resulting from rape in several American cities indicate that, as a practical matter, the problem does not exist. A 1969 study of pregnancies resulting from rape in Buffalo, N.Y., found that there were no pregnancies from confirmed rape in over 30 years. A study of 3,500 cases of rape in Minnesota also reported no resulting pregnancies. Dr. Carolyn Gerster observes that there are two irrefutable arguments against making an exception in the case of rape:

(1) Pregnancy from reported, medically treated rape is zero—rendering the exception clause unnecessary. (2) Unreported rape—after all evidence of penetration has disappeared and without corroborating witnesses—cannot be proved rendering the law unenforceable.

Hopefully as a consequence of this prohibition of abortion in cases of rape, victims will be encouraged to seek medical attention and report offenses, thus reducing the great number of estimated cases which go unreported. Hopefully too, this increased attention will lead to improvements in society's treatment of the rape victim. A society which promotes justice as well as compassion, will support more severe penalties for the rapist and more humane treatment for his victim rather than encourage the killing of the innocent child conceived during the criminal act of another.

STATE AND FEDERAL JURISDICTION

Upon adoption of a human life amendment, the Federal Government would not preempt the power of States to prohibit abortion, prescribe penalties, or regulate abortion procedures and facilities. States would continue to act in the fields of State interest. Section 2 of my amendment preserves the concurrent jurisdiction of Congress and the States over abortion and recognizes the fact that the regulation of abortion is primarily a State responsibility.

The Federal Government could act to outlaw interstate commerce in drugs, instruments, and equipment used for abortions, as well as the use of interstate commerce to procure an unlawful abortion. However, any Federal action promoting abortions, including funding of actual abortions, use of Federal facilities or personnel, and research on abortions, particularly research that involves clinical testing, would be clearly a violation of the constitutional rights of the unborn.

The States in turn would have similar powers in regulating abortions under their criminal codes. They would again have the power to delineate spheres of culpability with regard to those who participate in abortions. They would have the authority to prescribe penalties and enforce criminal statutes against abortion.

Although the human life amendment requires that abortion done for reasons other than to save the life of the mother be treated as a serious crime, it does not require that such abortions be considered as first degree murder.

Since abortion is the taking of a human life, it would constitute a homicide. However, just as State criminal codes treat different types of homicides differently, the States would be able to grade the crime of abortion on the basis of the circumstances accompanying the act, such as the intent of the mother, her emotional situation, and other relevent factors. Whether the killing of an unborn child is to be treated as an offense equal to that of killing a child after birth is a legislative judgment. And nothing contained in the human life amendment would prohibit treating these acts as different degrees of homocide. As Prof. Robert Byran has stated:

The purpose of a Human Life Amendment is not to legislate degrees of homicide, nor will that be its effect.

CONCLUSION

An amendment to the Constitution is not something to be undertaken lightly, or to be interposed every time one is dissatisfied with a decision of the U.S. Supreme Court. But we are dealing here with an issue so basic and so essential to our rights that it cannot be sidestepped without drastic impairment to the whole range of our freedom and responsibilities as embodied in the Constitution. As Prof. Archibald Cox observed in his re-

cent work on the Supreme Court, its abortion decision "fails even to consider what I would suppose to be the most important compelling interest of the State in prohibiting abortion: the interest in maintaining that respect for the paramount sanctity of human life which has always been at the center of Western civilization." The right to life is the very precondition of all our other rights. If the right to life is diminished or restricted, every other right is open to attack. If we wish to preserve our fundamental American freedoms, then the right to life must be inviolable.

Mr. President, I ask unanimous consent that the text of my joint resolution be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S.J. RES. 18

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution only if ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress—

"ARTICLE XXVII

"The paramount right to life is vested in each human being from the moment of fertilization without regard to age, health, or condition of dependency.".●

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. MATHIAS, the Senator from Indiana (Mr. LUGAR), the Senator from Maine (Mr. COHEN), the Senator from Arkansas (Mr. PRYOR), the Senator from North Dakota (Mr. ANDREWS), the Senator from Illinois (Mr. DIXON), the Senator from Georgia (Mr. MATTINGLY), and the Senator from Idaho (Mr. MCCLURE) were added as cosponsors of S. 2, a bill to amend the Internal Revenue Code of 1954.

S. 35

At the request of Mr. BURDICK, the Senator from North Dakota (Mr. ANDREWS) was added as a cosponsor of S. 35, a bill to modify the authorization for the Burlington Dam, Souris River, N. Dak., contained in the Flood Control Act of 1970, and for other purposes.

S. 36

At the request of Mr. BURDICK, the Senator from North Dakota (Mr. ANDREWS) was added as a cosponsor of S. 36, a bill amending the conveyance of property to Mountrail County Park Commission, North Dakota, and for other purposes.

S. 54

At the request of Mr. HAYAKAWA, the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 54, a bill to repeal the provisions of title 23, United States Code, requiring a national maximum speed limit of 55 miles per hour.

S. 75

At the request of Mr. WALLOP, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) was added as a cosponsor of S. 75, a bill to amend the Internal Revenue Code of 1954 to encourage capital investment by individuals and corporations.

SENATE CONCURRENT RESOLUTION 3—CONCURRENT RESOLUTION RELATING TO INTERNATIONAL YEAR OF DISABLED PERSONS

Mr. DOLE (for himself, Mr. HATFIELD, Mr. RANDOLPH, Mr. STAFFORD, and Mr. MOYNIHAN) submitted the following concurrent resolution; which was referred to the Committee on Labor and Human Resources:

S. CON. RES. 3

Whereas a new era in recognition of human rights and universal respect for these rights has begun;

Whereas the United Nations General Assembly has declared 1981 as the International Year of Disabled Persons;

Whereas the United States has made great strides during the last decade in improving the lives of 35 million American citizens with physical and mental disabilities;

Whereas there is still much to be done to open doors for disabled persons; and

Whereas the United States recognizes the need for further progress in strengthening public understanding and awareness of the needs and aspirations of disabled persons: Now, therefore be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President should take all steps within his authority to implement, within the United States, the objectives of the International Year for Disabled Persons (1981), as proclaimed by the United Nations General Assembly Resolution 31/123 of December 16, 1976.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

Mr. DOLE. Mr. President, during the early days of the 97th Congress, I think it would be appropriate to focus attention on the significance of the year 1981, which the United Nations has proclaimed "The International Year of Disabled Persons." For this purpose, I am submitting a concurrent resolution, along with Senators HATFIELD, RANDOLPH, STAFFORD, and MOYNIHAN, that will hopefully serve to reinforce an awareness of the needs of handicapped citizens here in the United States, while urging both Houses of Congress to concentrate their efforts on possible legislative initiatives that will further assist disabled Americans in their movement to join the mainstream of our society. I can think of no more worthy beginning for a new administration than to enter office during a year that has been designated to highlight the potential contributions of 35 million Americans who remain one of our most underutilized natural resources.

As we set the goals we hope to accomplish during the 97th Congress, we should keep in mind any opportunities that present themselves which will lead to further progress in opening doors within our society for the participation of handicapped individuals. The time has come to fully recognize the potential contribution that 35 million Americans can make, once their path to opportunity has been facilitated.

NEED FOR FURTHER PROGRESS IN REMOVAL OF BARRIERS

For all too long, we have concentrated our awareness on the limitations of disabled people, without fully giving them a chance to demonstrate what they are capable of doing. One of the major efforts of the past decade has been to eliminate the obstacles which have prevented the handicapped from circulating freely in the society in which they live and seek to participate. Ambitious accessibility projects allow the disabled increased access to buildings and transportation services which has previously been denied to them.

While physical barriers are steadily being eliminated, there continues to exist a significant attitudinal obstacle which the handicapped must face. A misunderstanding of the diversity of specific handicaps, as well as individual needs has all too often led to prejudice and discrimination. In the work place, this translates into an unwillingness to recognize the abilities of the handicapped, along with an exaggerated idea of the type of accommodation which they require in order to function effectively.

U.S. PARTICIPATION IN IYDP

Mr. President, I realize that it is difficult to legislate against certain attitudes and misconceptions, but herein lies the issue which we must face if we are to protect and promote the rights of our disabled citizens. The intent of this concurrent resolution is to focus attention on the problems which continue to confront the handicapped. The United Nations has proclaimed 1981, as "The International Year of Disabled Persons." In response, the United States has created the "U.S. Council for the International Year of Disabled Persons," which will concentrate our efforts on this area at home. The Senator from Kansas is privileged to serve as an honorary member of this commission. In addition, there is a little-known branch of the Federal Government called the "Federal Interagency Committee on the International Year of Disabled Persons" which has been doing some great work with very limited resources.

Hopefully, by heightening public awareness of the problems which face our Nation's handicapped, we will also begin to foster a truer understanding of their potential contributions to our society. The attitudinal obstacles which impede the progress of America's disabled persons will be overcome when we all recognize what handicapped people can do—not what they can not do.

TIME OF NEW BEGINNING

As Members of Congress, we can accelerate the integration of our Nation's handicapped into the mainstream of community life by promoting legislative initiatives that will enhance active participation for them. We should keep our eyes open to possibilities for creating new opportunities, while building on the foundation of progress that already exists.

Mr. President, we are at an exciting point in time, and before us lie many challenges. It is a new year; it is a new Congress; and we have a new administration. Let us also make it a new oppor-

tunity to reaffirm our resolve to address the needs of all our citizens, especially those 35 million disabled Americans who have so much to offer in terms of previously unleashed talents and energies. For all our people, it is a new beginning. Let us continue to open doors so that all Americans can participate in this new beginning.

SENATE RESOLUTION 31—RESOLUTION RELATING TO AGREEMENTS ENTERED INTO TO SECURE THE RELEASE OF THE AMERICAN HOSTAGES

Mr. DECONCINI submitted the following resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. RES. 31

Whereas 52 Americans were held hostage in Iran in violation of international law for more than 14 months;

Whereas the 52 American hostages during their period of captivity were mistreated, mentally and physically abused, and imprisoned under inhumane conditions;

Whereas the imprisonment and terrorizing of the American hostages was sanctioned by the Government of Iran;

Whereas the Government of the United States and the Government of Iran entered into agreements through the Government of Algeria on January 19, 1981, providing for the release of the American hostages in exchange for the return of assets to Iran and the commitment of the United States Government to arbitrate claims, cancel lawsuits, and lift trade sanctions, and the pledge of the United States not to intervene in the internal affairs of Iran; and

Whereas the obligations the United States assumed with Iran have the same moral authority as agreements with kidnappers, criminals, and terrorists—that is, no moral authority: Now, therefore, be it

Resolved, That the Senate hereby expresses its support for the President in any determination he may make in refusing to carry out any obligation assumed by the United States in the Declaration of the Government of Algeria, signed on January 19, 1981, or in the Claims Settlement Agreement with the Government of Iran, or any agreement relating thereto, inasmuch as such agreements were made in order to secure the release of the 52 Americans held in Iran in violation of international law.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

Mr. DECONCINI. Mr. President, I rise to introduce a sense of the Senate resolution. The resolution which I am offering is, I believe, important from the standpoint of defining our national consensus as to the nature of the hostage agreement with Iran.

I do not fault President Carter for entering into this agreement: indeed, he deserves our respect and praise for the efforts of his administration in negotiating the settlement that finally produced the release of our citizens. However, it is an established principle of our criminal and civil law that contracts entered into under duress have no validity—morally or legally.

It is precisely that point which my resolution underscores. I believe that the U.S. Senate should go on record clearly and unambigously; we should tell the world and our new President that the agreements are not legally and morally binding. Should Mr. Reagan choose to implement any or all of the provisions, he should do so only because he believes that in the cold light of day they advance our national interest, not because we have given our word to a band of terrorists and kidnapers. By their acts, these persons—who apparently constitute the present Government of Iran—have placed themselves outside the reach of civilized intercourse.

If President Reagan chooses to ignore the remaining provisions of the agreements, I believe that the U.S. Senate should be on record supporting that action in advance. Indeed, I commend this resolution to each and every one of my colleagues on both sides of the aisle. This is not a partisan issue; it is not a question of supporting or rejecting the last minute efforts of the Carter administration. It is a policy of defining national policy toward international terrorism. If we act as if our agreement with the Iranian kidnapers is on a legal and moral par with other international agreements, we have made a mockery of international law and civilized behavior.

I ask unanimous consent, Mr. President, to have this resolution considered immediately on the Senate floor. Because Mr. Reagan must make his decisions within the next 24 to 48 hours, it is imperative that we act quickly to let him, the American people and the world know that the U.S. Senate does not and never will recognize agreements forced upon by the threats of terrorists and bandits.

I also ask unanimous consent, Mr. President, to insert in the RECORD at this point a letter I wrote to President Reagan this afternoon as well as a copy of the excellent editorial on the subject which appeared in yesterday's Wall Street Journal.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., January 22, 1981.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: All Americans share in the joy of the return of our fifty-two citizens held hostage for so many months.

However, it is important for you to clearly state that the United States is not legally bound by the agreement negotiated by the previous Administration. It is an established matter of criminal law that agreements made under the duress of blackmail have no legal validity. You should feel entirely free to evaluate that agreement and to implement those portions that you believe serve our national interest, discarding those sections that do not or which are of dubious constitutionality.

I intend, Mr. President, to introduce a Senate Resolution to that effect this afternoon. I am sure that the American people and the Congress will be fully supportive of whatever decision you make.

I personally believe that the trade embargo as it presently stands should be retained; rewarding terrorists and blackmailers is a dangerous precedent.

Sincerely,

DENNIS DECONCINI,
U.S. Senator.

[From the Wall Street Journal, Jan. 21, 1981]

RENOUNCE THE DEAL

The agreement the United States made with Iran for return of the hostages has the same moral standing as an agreement made with a kidnapper, that is to say none at all. This is not said in criticism of the Carter administration, which made the deal to save the hostages' lives. But now that the hostages are free, President Reagan should examine the agreement carefully and if its unfulfilled parts do not, on balance, benefit American interests, there should be no hesitation in renouncing it.

There will be arguments against such a course, no doubt. It will be said that no great nation, having made a commitment, should renege if it wants to be trusted in the future. It will be argued that such a move would cut the ground out from under those Iranian leaders who favored the deal and faced up to the wild men who would have held the hostages forever. It will be argued that we are only giving back to the Iranians what is lawfully theirs. It will be asked whether we would be able to do business with terrorists in the future if the need arose.

These are all persuasive arguments, but they miss the core point: This was not an agreement, it was extortion. And it is important for the world to know that extortionists are not entitled to the same legal and moral consideration as governments operating in accordance with international law.

There would be another implicit message: We are not worrying about how much future terrorists trust our word because future terrorists will not be dealt with in this manner. Having learned our lesson from this experience we will see to it that the next ones who try it are dealt with swiftly and with force. Whether they trust our word will be immaterial.

As to the Iranians who argued for negotiations, do we really feel we owe anything to anyone in Iran's power elite? They are all, after all, the creatures of the Ayatollah Khomeini. Anyone who was not is either now dead or in exile. Our initial mistake in Iran was in the idea that we could do business with such people.

There is finally the question of our giving back to Iranians "their own property." If we are dealing here with legalism, any Iranian assets that are free of liens might be considered their property, but everything else falls into a different category. The U.S. negotiators took a very long leap when they agreed to submit to an international claims commission the claims of American nationals against Iranian assets held in the U.S. They were, in effect, pledging to take these cases out of U.S. courts, a pledge that has dubious constitutionality. As to the damages that can be claimed by the hostages themselves, the agreement seems to leave them with no recourse in the courts. As to delivering up any discoverable assets of the Shah's family, do we really want to finally capitulate to the Ayatollah's lust for vengeance against the Shah?

We do not want to treat the American negotiators harshly. They worked arduously for long hours under horrendous pressure and achieved their primary goal, getting the hostages released. But the other side, bargaining with human lives against money and contracts, had an unfair advantage. We should not hesitate to make it clear that an agreement negotiated under such conditions is worthless and equally clear that anyone who attempts the same thing in the future will not be treated so gently.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Energy and

Natural Resources Committee be authorized to meet today at 2 p.m., for a classified briefing on the world petroleum outlook for 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TAX ASSISTANCE FOR THE ELDERLY

● Mr. INOUYE. Mr. President, persons in the State of Hawaii and other areas of the United States are now preparing their annual Federal income tax returns—an essential duty of all citizens.

To assist them in this important but often time-consuming task, the Senate Special Committee on Aging provides a checklist of itemized deductions.

While this checklist was originally compiled to aid elderly citizens, it is also useful for others, because most Internal Revenue Code provisions apply equally to all age groups.

The checklist is not intended to be an all-inclusive guide covering every possible circumstance, but it does help to insure that taxpayers claim every ligitimate deduction, exemption and credit to which they are entitled.

Free tax return preparation assistance is available to elderly, handicapped and low-income taxpayers as a service of the Internal Revenue Service and various community groups, through the volunteer income tax assistance (VITA) program. For the nearest VITA site, Oahu residents can call the Honolulu IRS office and neighbor island residents can call the toll-free IRS telephone number in their island directories.

Mr. President, I ask unanimous consent to have an excerpt from the Senate Special Committee on Aging's publication printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

IRS ASSISTANCE IS AVAILABLE TO HELP YOU

How to find help: If you have questions or need assistance on any Federal tax matter, help is available at the IRS. The toll-free telephone number for your area is listed in your telephone directory under "United States Government, Internal Revenue Service," and in your tax forms instruction booklet. Should you need to visit an IRS office, call this toll-free number to find the location of the office nearest you.

Publications to assist you: The IRS also prepares many free publications which will help answer your tax questions. In addition to the general publication 17, "Your Federal Income Tax," there are publications available on specific topics, such as "Tax Benefits for Older Americans" (publication 554), "Credit for the Elderly" (publication 524), and "Estimated Tax and Withholding" (publication 505). Single copies of publications can be ordered by mail using the order form in your tax package or by calling the forms/tax information number listed in your telephone directory under "United States Government, Internal Revenue Service."

Other special programs offering assistance: In addition, through the volunteer income tax assistance (VITA) program, older Americans can obtain free tax return preparation assistance from IRS trained volunteers at conveniently located sites throughout the country. Your local IRS office will be able to tell you where and when you can find this assistance in your area. A special program to provide assistance to individuals age 60 and over will be available in some areas. The IRS can tell you if trained volunteers working in the tax counseling for the elderly program are located near you.

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE (FORM 1040)

Medical and dental expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, Form 1040).

Insurance premiums

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

Drugs and medicines

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

Other medical expenses

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practitioner, authorized.
Convalescent home (the entire cost, if the main reason for being there is to get medical care).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Medicare A, voluntarily paid, if you are 65 or older and not entitled to social security benefits.
Medicare B, supplementary medical insurance.
Neurologist.
Nursing services (for medical care, including nurse's board paid by you).
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Phychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Transportation expenses for medical purposes (actual or 9¢ per mile plus parking and tolls; but not general repair and maintenance expenses, insurance, or depreciation in either case; or actual fares for taxi, buses, etc.).
Vaccines.
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).
Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your credit card, the expenses are deducted in the year the charge is made regardless of when the bill is paid.

Taxes

Real estate.
General sales.
State, local, or foreign income.
Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: Automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, untaxed part of unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonoperating foundations, veterans organizations, fraternal societies, or nonprofit cemetery companies, are limited to 20% of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 9¢ per mile plus parking and tolls) for charitable purposes (may not deduct general repair and maintenance expenses, insurance, or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, sta-

tionary, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Personal loan.

Home mortgage.

Auto loan.

Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge."

Casualty or theft losses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store taxable income-producing property records.

Fees paid to investment counselors (if the fees relate to investments that produce taxable income.)

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer to keep your job or in order to get the job.

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for business purposes.

Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political campaign contributions

You may claim a credit (line 38, Form 1040, or line 12a, Form 1040A) for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, (4) local committee of a national political party, or (5) certain newsletter funds set up and maintained by a person who holds, has been elected to, or is a candidate for nomination or election to a public office. The amount of the tax credit is one-half of the political contribution, with a $50 ceiling ($100 for couples filing a joint return).

Presidential Election Campaign Fund

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

Other tax relief measures

Filing status:	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$3,300
Single (age 65 or older)	4,300
Qualifying widow(er) under 65 with dependent child	4,400
Qualifying widow(er) 65 or older with dependent child	5,400
Married couple (both spouses under 65) filing jointly	5,400
Married couple (1 spouse 65 or older) filing jointly	6,400
Married couple (both spouses 65 or older) filing jointly	7,400
Married filing separately	1,000

Additional Exemption for Age.—Besides the regular $1,000 exemption, you are allowed an additional exemption of $1,000 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $1,000 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1981, you will be entitled to the additional $1,000 exemption because of age for your 1980 Federal income tax return.

"Zero Bracket Amount."—The "zero bracket amount" is a flat amount that depends on your filing status. If you are married filing jointly or a qualifying widow or widower, your zero bracket amount is $3,400. If you are single or a head of household, your zero bracket amount is $2,300. If you are married filing separately, it is $1,700. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $1,000 for each exemption because this amount is also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $1,000 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale or exchange of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale or exchange. The exclusion is elective, and you may elect to exclude gain only once for sales or exchanges after July 26, 1978. If you were age 55 or older before the date of sale or exchange, you may elect to exclude up to $100,000 of gain on the sale or exchange if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years if you were 65 or older on the date of the sale or exchange. This applies only to a sale or exchange before July 26, 1981). Form 2119 (Sale or Exchange of Principal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, payment of tax on the gain on the sale or exchange of your personal residence in excess of the excluded amount will be deferred if, within 18 months before or 18 months after the sale or exchange, you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20 percent credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions in Form 2441.

Earned Income Credit.—If you have a dependent child who shares your principal place of abode in the United States, you

may be entitled to a special payment or credit of up to $500. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $10,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, strike benefits, other employee compensation, disability pensions, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

Residential energy credit

The law provides certain tax incentives to encourage energy conservation and conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservaiton property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

For years beginning after 1979, the maximum credit for renewable energy source property is $4,000. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, awnings, shades, wood paneling, fire screens, new or replacement walls (except for insulation inside the walls), exterior siding, heat pump, wood- or peat-fueled burning stoves, fluorescent lights, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

END OF HOSTAGE CRISIS IN IRAN

● Mr. INOUYE. Mr. President, after 444 long days, the hostage crisis is finally over. I am sure that every American is deeply grateful to the different people who were involved in securing the release of our compatriots from Iran. However, I think we owe a special debt of gratitude to the Government of Algeria for the role it played in bringing the crisis to an end. For months, Algerian officials have acted as intermediaries between the United States and Iran. The Algerian negotiating team, especially Foreign Minister Mohammed Seddik Benyahia, Mr. Mohammed Mostefai, and Ambassadors Redha Malek and Abdelkarim Ghaireb, have worked tirelessly to hammer out a final agreement. Moreover, President Chadli Benjedid provided the doctors, support staff, planes, and banking facilities that made the actual execution of the agreement possible. The hospitality and hard work of Algerian officials culminated Tuesday night in the release of our hostages, and it is fitting that these Americans first stepped to freedom in Algiers. Without Algerian assistance, the United States and Iran might never have resolved the issues that kept 52 innocent Americans captive in Tehran. I rise to express my deepest appreciation to the Government and the people of Algeria for their invaluable help in bringing our hostages home.●

SHOPLIFTING

● Mr. MATHIAS. Mr. President, when a bank robbery is committed it is big news. The media cover the crime extensively, and all of us are aware of the crime and appalled by it. But how many of us are aware that the monetary losses every year due to shoplifting are over 300 times greater than bank robbery losses?

In 1979 the merchants of this Nation lost over $16 billion and that staggering sum is unfortunately rising year after year. It is this Nation's most expensive crime.

Because shoplifing is a "quiet" crime, committed in secrecy by people who may otherwise be considered ordinary and law-abiding citizens, it does not receive the publicity and the public outrage that it deserves. Certainly the merchants, whose wares and whose livelihood are silently disappearing are well aware when they balance their books and discover how much has been stolen that month.

In my hometown, Frederick, Md., the young people of the Frederick County Vocational-Technical Center are aware—and they are doing something about it. For the past 2 years they have been conducting a campaign against shoplifting. They have worked with the community's merchants, with the police and with the adult and student citizens of the area. Their special "I-C-U" theme this year and the original I-C-U poem written by one of the students, Miss Kathy Shuron, are being used to help stress their message—that shoplifting is a very serious crime—both for the merchants whose property is stolen, and for the shoplifters whose police records will follow them the rest of their lives.

I am proud of these energetic Maryland students and the valuable service that they are performing, and call the attention of my colleagues to the following rather startling statistics so that we may all be more aware of the serious proportions of the shoplifting problem.

Mr. President, I ask unanimous consent that various statistics on shoplifting and a poem by Kathy Shuron be permitted in the RECORD.

There being no objection, the statistics and poem were ordered to be printed in the RECORD, as follows:

*Shoplifting and losses by State, 1979**

(In millions)

Alabama	$247
Alaska	43
Arizona	201
Arkansas	149
California	1,913
Colorado	211
Connecticut	210
Delaware	49
Dist. of Columbia	33
Florida	822
Georgia	378
Hawaii	87
Idaho	64
Illinois	851
Indiana	392
Iowa	208
Kansas	169
Kentucky	251
Louisiana	314
Maine	77
Maryland	349
Massachusetts	421
Michigan	762
Minnesota	297
Missouri	378
Mississippi	164
Montana	58
Nebraska	106
Nevada	70
New Mexico	84
New Hampshire	68
New Jersey	568
New York	1,243
North Carolina	377
North Dakota	41
Ohio	864
Oregon	212
Oklahoma	207
Pennsylvania	839
Rhode Island	57
South Carolina	197
South Dakota	44
Tennessee	311
Texas	1,126
Utah	91
Vermont	30
Virginia	397
Washington	302
West Virginia	135
Wisconsin	339
Wyoming	32

National total exceeds $16 billion.

*Five percent of total retail sales in "Food," "General Merchandise" and "Drug" store categories. Source: "1980 Survey of Buying Power", Sales & Marketing Management magazine.

SHOPLIFTING FACTS

1. Shoplifting is the nation's most expensive crime, accounting for monetary losses in excess of $16 billion per year. By contrast, U.S. bank robbery losses in 1979 were $47.5 million.

2. Consumers pay for shoplifting through higher prices—five to seven per cent higher on the average—more or less, depending on the type of store and where it is located.

3. Additional costs of shoplifting:

a. To merchants—for extraordinary security personnel and equipment.

b. To taxpayers—for law enforcement, trials and probation activities attributable to shoplifting offenses—plus millions in lost tax revenues.

1. The Christmas shopping season is also the season of the greatest shoplifting activity—more than 45 percent. The next "busiest" period is the back-to-school time in late summer.

5. Among student-age shoplifters, girls outnumber boys by 4–1. (Girls go shopping more often and the items in which they are most interested—jewelry, cosmetics, clothing, etc.—are more accessible).

6. From the survey of 3550 retailers in 20 states taken in 1979–80:

a. Over half (56.3 percent) agreed that there has been a definite increase in shoplifting in the past two years.

b. Over a third (36 percent) indicate they do not feel apprehended shoplifters receive "fair and appropriate" treatment by the courts.

c. Almost half (41.9 percent) strongly or somewhat agree that their law enforcement agencies are insensitive to shoplifting and consider it trivial.

d. Almost half (44.8 percent) agree that the cost of shoplifting is directly passed on to consumers. Almost 40 percent feel that prices would decrease if shoplifting losses were cut.

e. More than 30 percent indicated problems with employee theft while more than 70 percent indicated problems with shoplifting. As to which is the more serious problem, 82.4 percent named shoplifting.

f. Whom do retailers think is doing the shoplifting?

More than 55 percent strongly agree that females are more likely to shoplift than males.

Almost two-thirds (63.6 percent) strongly or somewhat agree that teenagers are more prone to shoplift than adults.

Almost half (46.3 percent) strongly or somewhat agree that "racial minorities are more prone to shoplift than others."

7. From the survey of 49,376 students in 20 states taken in 1979–80:

a. Almost three out of four students responding strongly agreed that "Shoplifting is a crime".

b. Two out of three student respondents strongly or somewhat agree that "Most shoplifters are never caught".

c. Over 40 percent of students surveyed either strongly or somewhat agreed that "Stores force people to shoplift by charging prices that are too high."

d. Almost half the respondents (47.59 percent) strongly agree that "retail clerks watch teen-age shoppers more closely than adults".

e. Over half the students responding strongly or somewhat agree that "teenagers are more likely to shoplift than adults".

f. Over 56 percent of student respondents strongly or somewhat agree that stores pass the cost of shoplifting on to consumers".

g. Almost half (49.36 percent) of student respondents admit to having shoplifted.

h. Six out of seven students who shoplifted indicated they were not caught.

i. While 27 percent of students who shoplifted planned to do so in advance, almost 70 percent made this decision in the store.

j. Over 35 percent of student respondents stated "store personnel, police and judges are 'too soft' on shoplifters".

k. Over 3 out of 4 (76.1 percent) of students who had shoplifted indicated they would not continue to do so in the future.

l. Motives for shoplifting:

35.15 percent didn't have the money to pay for the item.

26.61 percent did it for a thrill.

27.33 percent did it on a dare.

24.58 percent just acted on impulse.

9.01 percented wanted to "get even" due to stores high prices.

8. Shoplifting Laws: In most states, shoplifters are prosecuted under the "theft by taking" or similar statutes. Attitudes and practices with respect to prosecution and sentencing vary widely. A new Georgia law "theft by shoplifting", provides for mandatory sentencing on the second and subsequent offenses. Such a law is advocated by the Coalition as a "model" for other states to consider as one part of shoplifting prevention programs.

9. In the past decade, as shoplifting losses have mounted and retailers have become more determined to stop it, new security practices and sophisticated technology have been put into use. For example:

a. Closed circuit television cameras aimed at counters displaying goods which are most attractive to shoplifters. Also, some larger department stores use mirror-like domes which contain a camera rotating as much as 360° to cover an entire area. Some stores even mount "dummy" cameras in order to discourage potential shoplifters.

b. Electronic tags which cause an alarm to ring if someone has not had the cashier or clerk to remove it properly after the item was purchased. There is one drawback to electronic tags, if a clerk has forgotten to remove the tag from a purchased item it might lead to a possible lawsuit against the store from the disgruntled customer.

c. Guards and more guards.

d. Radio-communication systems between security personnel in plain clothes and others watching monitors in a back room.

e. False columns with detectives inside looking through an opening during large sales.

f. Glass panels that look like mirrors.

g. Store warnings such as signs and posters which remind possible shoplifters that, if caught, the store owners will prosecute.

h. A device called "Clark-Alert" which is basically a cable looped through objects on display at retail counters. An electronic current flows through the cable and if someone were to remove, or attempt to remove an item, there would be an audible or inaudible alarm to alert store employees.

10. Miscellaneous:

a. In more than 50 percent of shoplifting apprehensions, violators are 13 to 19 years old.

b. Other shoplifters:

The kleptomaniac, or a person who has an uncontrollable (usually psychotic) impulse to steal, is rare.

Adult amateurs include housewives trying to stretch their budgets or to obtain articles that are especially wanted. Senior Citizens are part of the shoplifting problem as are individuals from all age, social and economic classes.

Professional shoplifters plan their thefts for the purpose of "earning" money. They concentrate on high-value items that can be easily sold. Professionals are skillful in such techniques as disguise, avoiding security traps, diverting attention, and talking their way out of trouble when apprehended—by claiming mistakes, threatening to sue, etc.

Drug addicts and other "desperate" individuals are unpredictable in their shoplifting habits. Their methods are impulsive and opportunistic. Also, such individuals are more apt to be violent if apprehended.

c. The most common items stolen are jewelry, clothes, perfume, tools, appliances, records, 8-track and cassette tapes and beauty aids. The average item stolen was valued at $28 due to a considerable per cent of expensive items.

d. For the most part, items that were stolen could have been purchased by the shoplifter. A Los Angeles psychologist reported that many young people do not regard shoplifting as a crime but as a game in which to "beat the system".

11. The National Coalition to Prevent Shoplifting, headquartered in Atlanta, is the largest citizen-based crime prevention program in the U.S. The principal organizations making up the Coalition are the General Federation of Women's Clubs, the high school and junior collegiate chapters of the Distributive Education Clubs of America, and the American Retail Federation. More than 25 other national organizations, including military commands in charge of post exchange and commisary operations world-wide, comprise an Advisory Council of the Coalition.

The National Coalition was established in 1979 and is patterned after a Georgia program begun in 1976. The Coalition has been awarded a grant (No. 79JSAX0016) by the Law Enforcement Assistance Administration of the U.S. Department of Justice, for the purposes of helping the individual states organize shoplifting prevention programs, for the production of educational materials, and for research and training.

SHOPLIFTING PREVENTION CAMPAIGN

(Sponsored by the Frederick County Vo-Tech Center, Marketing & Distributive Education Students)

Students in the Marketing and Distributive Education Program at the Frederick County Vo-Tech Center are sponsoring a State-Wide Shoplifting Prevention Campaign in conjunction with the Maryland Federation of Women's Clubs, the Maryland Retail Federation and the National Coalition to Prevent Shoplifting. Students in the program are members of the Distributive Education Clubs of America, (DECA) a Vocational Youth Organization designed for students planning careers in the area of Marketing and Distribution. The Shoplifting Prevention Campaign being planned by the students is aimed at developing an awareness in youth and adults as to the seriousness of the crime shoplifting.

In cooperation with the students State-Wide Campaign, the Mayor of Frederick has issued a proclamation declaring December 10–17 "Shoplifting Prevention Week". A variety of activities have been planned to coincide with this week.

This is the second year the students at the Frederick County Vo-Tech Center have undertaken this project. Community involvement has been the major focus of this campaign as the DECA members involved community organizations and individuals not only in Frederick County but throughout the State of Maryland.

Following the completion of Student and Retailer surveys, the DECA students launched activities about the prevention of shoplifting. In an attempt to reach all segments of the population, activities in the past year were conducted in the following ways: an exhibit at The Great Frederick Fair which reached over 50,000 young people and adults; a Shoplifting Prevention Seminar conducted with Marketing Students from the Vo-Tech Center and the local Chamber of Commerce; a Proclamation-Signing Ceremony for Shoplifting Prevention Week was held at City Hall with local, city and county dignitaries attending; DECA assisted the Maryland State Bar Association and the State Department of Education with a Shoplifting Prevention Seminar in Baltimore, Maryland; DECA joined forces with the Metropolitan Washington Board of Trade in their Anti-Shoplifting Campaign; "Hands-Up" materials were supplied by DECA students to the Federation of Women's Clubs; "spot announcements" were purchased from the National Coalition to Prevent Shoplifting and distributed to local radio stations; Shoplifting Prevention Seminars were attended at the North Atlantic Regional Leadership Conference; fact sheets and press releases were compiled and distributed to school and local newspapers continuously; produced and distributed posters to all local schools and businesses; produced videotaped presentations and made them available to all local schools and businesses as well as civic and professional organizations; completed an exhibit on shoplifting prevention for the Vocational Industrial Clubs of America State Career Development Conference which reached over 3,000 young people; gave presentations to various youth organizations including the Future Farmers of America; and assisted Law Enforcement Agencies with Shoplifting Prevention Presentations during their annual "Crime Prevention Month".

As a result of the surveys, DECA developed and presented programs to increase an awareness in elementary, middle and high school students about the seriousness of shoplifting. Further enthusiasm was generated as various contests were sponsored throughout the county and awards were presented. Presentations were given to many civic organizations, PTA groups, and professional organizations as parents were made aware that they must give their children the "right impression" about the seriousness of the crime—Shoplifting!

The Marketing students were invited to the White House to meet with the President's Advisors on Inflation and representatives for the Council on Wage and Price Stability to discuss their program. The students were also invited to the Department of Justice where they met with the Director of the National Institute of Justice to report on the educational program they had developed for youth and adults. A final evaluation and recommendation for the continued expansion of this program was also given to the Law Enforcement Assistance Agency, in Washington, D.C., by the students.

During the State Career Development Conference recently held, the students from the Marketing and Distributive Education Program at the Frederick County Vo-Tech Center received recognition for having the Outstanding Shoplifting Prevention Campaign for the State of Maryland. The students represented the State of Maryland at the National Competitive Events sponsored by the National Association of the Distributive Education Clubs of America held in Miami, Florida, and they received National Recognition for their efforts.

Students from the Frederick County Vo-Tech Center have had the opportunity to meet and consult with representatives from across the United States to share ideas and further expand this project during the 1980–81 campaign. The expanded project will incorporate many new and innovative techniques in an attempt to further involve community organizations and individuals not only in Frederick County but throughout the State of Maryland.

I-C-U

(Original Poem by Kathy Shuron)

I don't know about yourself,
But I believe there's a little elf
That watches every thing you do.
Does your conscience ever bother you?

Do you sometimes get a guilty feeling
That cameras are watching you from the ceiling,
Or that behind each mirror an employee peeks,
And around each corner the manager sneaks?

It's a frightful feeling to turn around
And see the detective and his bloodhound.

Without even thinking what you have just done
You gather your things and begin to run.

But you don't get far before you are caught.
The police feel there's a lesson to be taught.
So they go ahead and take you to jail;
And by then your facial color is pale.

While you're sitting in the room by yourself
You wonder why did you steal from that shelf?

So, please remember in all that you do
That a little elf will be watching you.●

SAKHAROV: 1 YEAR IN EXILE BUT NOT FORGOTTEN

● Mr. DOLE. Mr. President, at a time when all Americans are rejoicing at the safe return from Iran of our 52 American hostages, I wish to remind my colleagues of another brave man who is being held hostage by his own government: Nobel Peace Prize Laureate Andrei Sakharov. A year ago today, on January 22, 1980 Andrei Sakharov was banished by edict from his native city of Moscow and deported to the closed city of Gorky.

The Soviet authorities have tried their best to veneer their arbitrary act against Sakharov with legalisms, yet, even according to Soviet legal precepts their action against him is illegal and unprecedented. Although Professor Sakharov repeately has requested a trial, the Soviets have never dared to hold one. Evidently, the Soviet state cannot muster the usual shreds of evidence which have been marshaled against so many other human rights activists in the Soviet Union.

The offensive and illegal banishment of Andrei Sakharov has been the subject of continuing international protests, most recently at the Madrid Review Conference on Security and Cooperation in Europe. And yet the Soviets persist in their cruel and callous attempt to silence the best known champion of human rights in the Soviet Union. On the rare occasions when the Soviets deign to make specific responses to such protests, Soviet spokesmen reply that Andrei Sakharov is quite comfortable in his new surroundings.

To counter such official Soviet claims, I would like to remind my colleagues of the conditions under which Professor Sakharov is forced by his government to live. Here is Sakharov's description of his virtual house arrest:

I live in an apartment guarded day and night by a policeman at the entrance. He allows no one to enter but family members, with a few exceptions. There is an old friend who lives in Gorky; the price he pays for associating with us is a summons to the KGB for a talk after each visit. There is a Gorky physicist who has been denied an emigration visa; he also has to go the KGB after his visits to us. The only other visitors are people judged suitable by the KGB. There is no telephone in the apartment. I am unable to telephone Moscow or Leningrad even from the public telephone bureau at the post office. The call is immediately disconnected at the orders of the KGB agents who always follow me. I receive very little mail, and that consists mainly of letters 're-educating' me or merely cursing me. Oddly enough, I get the same kind of letters from the West with kind words and I am deeply grateful to the senders.

When I accompanied my mother-in-law to the station on her departure for Moscow, KGB agents, pistols in hand, made a show of preventing me from approaching the coach, making it clear that the order forbidding me from going beyond the city limits was not just empty words. A radio-jamming facility has been set up in the apartment building, just for me. In order to listen to the radio, it is necessary for my wife and me to go for walks at night with a transistor receiver. While we are out walking, the KGB agents are in our apartment damaging the typewriter and tape recorder or searching through our papers.

I trust that this description of the "comfortable conditions" in which Professor Sakharov now lives is sufficient to silence any doubts on that score.

Already we are hearing that the Soviet Government would like to reestablish our bilateral relations on the old "comfortable" footing. In view of the "comfort" which the Soviets are providing for Andrei Sakharov, one of the leading citizens of the world, I have serious misgivings if we should reestablish relations with the Soviets along "comfortable" old lines.●

THE 33D BIRTHDAY OF ANATOLY SHCHARANSKY

● Mr. LEVIN. Mr. President, this week we are marking the 33d birthday of Anatoly Shcharansky the Soviet dissident who is serving a 13-year prison term following a closed trial at which no lawyer of his choice and no witnesses for the defense were allowed. The last year must have been a particularly trying year for him. His father passed away on February 6, he marked his third year in prison on March 15, and was soon sent to a labor camp. Later in the year, we learned that he was seriously ill and that he had fallen and injured himself badly late in September. Visits from his mother and brother were allowed less frequently in the past year, and information about his condition and health was less available. The situation is bleaker than it has ever been.

On the other hand, we can look to a number of events in the West which remind us that Mr. Shcharansky, and other dissidents are not forgoten. I am particularly pleased to note that the Women's Division of the American Jewish Congress has embarked on a campaign to remind Anatoly Shcharansky—and the Soviet leadership in the Kremlin—that his plight has not been forgotten. The members of the Women's Division are sending birthday greetings to Anatoly in the forced labor prison camp near Moscow where he is now confined. They are also sending telegrams to Soviet President Leonid Brezhnev and Anatoly Dobrynin, the Soviet Ambassador to the United States, urging that Anatoly Shcharansky be freed.

Earlier today, Father Robert Drinan, former Member of Congress from Massachusetts, participated in the daily vigil in front of the Soviet Embassy in downtown Washington, and celebrated the birthday of his friend, Anatoly Shcharansky.

Almost a year ago, on March 15, 1980, Congressman Drinan and I went to the Soviet Embassy together to mark the third anniversary of Anatoly's imprisonment. At that time, we tried to present a short letter on behalf of Anatoly Shcharansky to the Soviet Embassy. The First Secretary of the Embassy refused to even read our letter, and he returned it to us.

This is indicative of the attitude of the Soviet Government in this matter. They will not even listen. They will not defend their actions. They will not attend to the urgent health problems which plague Anatoly Shcharansky.

But we will not forget Anatoly Shcharansky. And we will not forget the thousands of other Soviet citizens who remain in the oppressive control of the Soviet Government against their will. We will not forget the Vashchenko and Chmykhalvo families who are now in

their 31st month of refuge in the basement of the American Embassy in Moscow. We will not forget Victor Brailovsky, the Jewish scientist who was arrested in November and imprisoned because of his activities in the refusenik community in Moscow. We will not forget Abe Stolar, the American citizen living in Moscow who has repeatedly been denied permission to leave the Soviet Union despite the fact that he and his son hold valid American passports.

While there are few ways for us to directly influence Soviet policymaking, it is most important that we continue to do whatever we can to focus attention on these flagrant abuses of human rights. The American delegation to the Madrid Review Conference of the Helsinki Accords has strongly presented the American position and we in the United States must follow the lead of Max Kampleman, the American delegation Cochairman, and continue to call attention to these oppressive policies. In today's ceremonies in front of the Soviet Embassy Father Drinan continued in his strong tradition of speaking out on behalf of those who have had their rights taken away from them. I hope that others will join Father Drinan in the coming days and weeks by speaking out in support of those who desire their freedom around the world.

I ask that the remarks of Father Drinan be printed in the RECORD.

The remarks follow:

INTERNATIONAL COMMITTEE FOR THE RELEASE OF ANATOLY SCHARANSKY,
Chevy Chase, Md., January 22, 1981.

We have assembled across from the Soviet Embassy today to observe the birthday of one of the world's great leaders, not because he holds high political office, but because he wields great influence as a symbol for the cause of justice and human rights. I speak of Anatoly Scharansky, the Soviet prisoner of conscience and leader of the movement of Jews who wish to emigrate.

Since his arrest in 1977, Anatoly Scharansky has been unable to monitor Soviet emigration policies in accordance with the provisions of the Helsinki Final Act. He has been unable to emigrate to Israel as he so strongly desires, and he has been unable to rejoin his wife who was forced to emigrate alone 7 years ago.

Today, we know that his health is not stable. This fall, Anatoly fell to the floor of his labor camp home in pain. His weight has fluctauted substantially since his incarceration and the conditions in the camp remain poor.

The review conference in Madrid is about to reconvene to continue to examine the record of the 35-nation Helsinki Final Act. There could be no greater gesture to the world at a time of tensions between East and West than for the Soviet Union to release Anatoly Scharansky.

The world will not forget the plight of Anatoly Scharansky!

ROBERT F. DRINAN, S.J. ●

UKRAINIAN INDEPENDENCE DAY

● Mr. LEVIN. Mr. President, 63 years ago. on January 22. 1918. the Ukrainian people proclaimed their full and unqualified independence in one of the greatest moments of their history. I would like to take this opportunity to join with my colleagues in commemorating this significant event which is a symbol of the ongoing quest for the freedom of all humanity.

Independence came for the Ukrainians following the collapse of the Russian czarist monarchy in 1917. They organized themselves into committees to obtain self-government and proclaimed their freedom. Those who were under Russian rule received their independence on January 22, 1918, and the later weakening of the Austrian Empire provided an opportunity for the people of the Western Ukraine to achieve their freedom on November 1, 1918. On January 19, 1919, the two Ukrainian republics united and formed the Ukrainian National Republic.

However, the independence of the Ukraine was short-lived. In 1920 the Ukrainian National Republic was partitioned and Western Ukraine was taken by Poland, Czechoslovakia, and Romania, while the Eastern Ukraine was incorporated into the Soviet Union in 1923 as the Ukrainian Soviet Socialist Republic.

The Ukrainian people's unique cultural, historical, and intellectual traditions represent a source of enduring national pride that must never be forgotten. The people of the United States are proud of our Nation's unity, but we are also aware of the individual cultural identities of the people who make up our Nation. It is in this context that I join the Americans of Ukrainian birth and heritage in celebrating January 22 as Ukrainian Independence Day.

Because it is difficult to express our support of the ideals of the Ukrainian people in a concrete manner, I have written the U.S. Representative to the United Nations Human Rights Commission asking him to place the plight of the Ukrainian children and students on the agenda of the Commission.

I shall submit for the RECORD a copy of the letter at the conclusion of my remarks.

The continuing policy of russification of the Ukrainian school system must be stopped, and I would hope that my colleagues and the American people would continue to support me in my attempt to place this important topic on the United Nation's agenda.

As a nation dedicated to the preservation of freedom, America has a responsibility to support the aspirations of the Ukrainian people. It is with pride that I join the Southeastern Michigan branch of the Ukrainian Congress Committee of America, and all Ukrainian Americans, in reaffirming their hopes and aspirations, and thus advancing the cause of freedom everywhere in the world.

The letter follows:

U.S. SENATE,
Washington, D.C., January 19, 1981.

Mr. JERRY SHESTACK,
U.S. Representative to U.N. Human Rights Commission, New York, N.Y.

DEAR MR. SHESTACK: I am concerned about the growing trend towards russification of the individual cultures of the peoples of the Soviet Union. The Soviet policy threatens to further isolate the various component populations of the Soviet Union. Many people in the Soviet Union, in the United States, and around the world, are concerned about this situation and I join them in asking that the United Nations Commission on Human Rights place the Soviet policy of russification on its agenda for the forthcoming session.

In the Ukrainian Soviet Socialist Republic, this practice is of particular concern. It appears that the Soviet Union is attempting to annihilate the native language and traditions of the Ukrainian people in order to remove them as an indication of national identity. The people of the Ukraine have become unwilling victims of an alarming situation. Their plight has aroused great concern around the world.

The strongest example of the Soviet policy is the educational system. According to Article 36 of the Soviet Constitution, the educational system in the Soviet Union is based upon the "cultivation of citizens in the spirit of Soviet patriotism and social internationalism through Russian language and languages of other republics of the U.S.S.R." Thus, Russian language is obligatory in all schools in the Ukraine, while Ukrainian languages is not. This also means that all schools, universities, and youth organizations of "Pioneers" and "Komsomols" are constitutionally mandated to train a Soviet, rather than an Ukrainian Patriot. In addition, the students' studies are focused upon Moscow instead of Kiev, the capital of the Ukrainian Republic.

The policy of russification of the educational system in the Ukraine covers only one facet of the entire process.

However, daycare centers, kindergartens, and schools are the predominant instruments of russification. Ukrainian language schools are on the decline, while Russian language schools are on the rise. In 1980, alone, eight and one half million Ukrainian children, out of a population of fifty million, were forced to attend these Russian language schools.

American citizens of Ukrainian descent joined by millions of other Americans wish to have this policy of russification abolished, and desire to return the Ukrainian mother-language to the children of Ukraine. We cannot abstain from our moral duties by ignoring the potential cultural genocide which is being sponsored by the Soviet government. The United Nations Commission on Human Rights is a proper forum for this subject to be discussed by the international community. I hope that you will work to place the plight of cultural minorities in the U.S.S.R., and specifically the Ukrainian people, on the agenda of the forthcoming session of the Commission on Human Rights in Geneva.

Thank you for your assistance in this matter.

Sincerely,

CARL LEVIN. ●

UKRAINIAN INDEPENDENCE DAY

● Mr. DODD. Mr. President, 60 years have passed since the Soviet Union forcibly annexed the Ukraine in 1920. The Ukrainian people had only 2 years of independence as the Ukrainian National Republic before the Soviet takeover. Today marks the 63d anniversary of Ukrainian independence and still over 50 million Ukrainians are denied their rights as a people to maintain their nation's religious, cultural, and ethnic traditions.

Despite more than half a century of subjugation, Ukrainians throughout the world have cried out for the freedom of their homeland. They have watched as russification efforts in the Ukraine have virtually destroyed their heritage, and in defiance they have kept alive Ukrainian

traditions in the free nations where they now live.

Millions of Ukrainians in the United States have dedicated themselves to preserving the cultural history of the Ukraine. Their ceaseless efforts remind us of not only the persecution of the Ukrainian people but of our own liberty which can only be protected by insuring that other nations and their citizens are accorded their basic human rights.

We have a new administration, and I would ask our new President to join with those of us today in the Senate and the House of Representatives in standing firmly by the Ukraine and all other captive nations struggling to be free.●

MONTANA VFW AWARD WINNING SPEECH

● Mr. BAUCUS. Mr. President, I am today inserting in the RECORD a speech recently given by one of my constituents, Mike Stoeckig of Glendive, Mont. This speech delivered by young Mr. Stoeckig was selected among 736 entries as the award winner in our State's "Voice of Democracy" contest sponsored by the Veterans' of Foreign Wars. After winning this January 10 contest, Mr. Stoeckig is planning to come to Washington later this year to participate in the national VFW contest.

In the last few days, a lot of things have been said about patriotism. Clearly, there were few of us in America who were not exceedingly proud to be Americans when we saw our 52 fellow citizens disembark from that Algerian jetliner earlier this week in Algiers.

We have much to be proud of to be Americans, and I think that young Mr. Stoeckig's essay does an excellent job of capturing the essence of what it means to be an American.

I ask that Mr. Stoeckig's speech appear in the RECORD.

The letter follows:

VOICE OF DEMOCRACY

America. A word that stands for more than merely a large chunk of earth that some quarter of a billion people occupy. America stands for so much more than only a portion of a continent, a slab of ground, a country if you will. The word does not, cannot stand for only one thing. America stands for something entirely different to each and every citizen of the great bastion of freedom that was labeled America some 204 years ago.

There are some 220 million people that call this country home. 220 million minds that each have a different idea that they call America. To the artist, America means a place where he or she can work without censorship; without fear that the government will intervene and change the meaning of a work of sculpture, a line of poetry, or a stroke of a brush. To the critic it means the ability to point out, perhaps make fun of a flaw in the make-up of our social system. To the immigrant, America may mean not having to look over one's shoulder, not to worry about unfair imprisonment for one's deeds. America means all things to some people, some things to all people, but no matter who is asked, America has some meaning to all. All people who are referred to as Americans have some meaning associated with the word America.

And that leads to the theme of my dissertation the statement, "My commitment to my country." Before a person can be committed to anything, he must first ask himself what meaning it has to him and where it comes on his list of priorities. That is what I have done in finding exactly what my commitment to my country really is. I have asked myself what my country means to me. I have asked what matters most to me, my country, my family, my friends or something entirely different.

And I have come up with some answers. At first, it was hard to find where my country placed on my list of priorities. I worked and reworked the list a dozen times, got a dozen different answers, and got a dozen more questions. But suddenly, I realized that I would have none of the things that matter most dearly to me if I did not live in a place called America. Indeed I may not have even been born, for my ancestors were among those who came to this country under the label "immigrant." Had they not come here at the times they did I would not be speaking here today.

So I saw that America is indeed a lot more than a slab of ground or a portion of a continent. America, is my home.

My home, my country, means a great deal to me; so much so that I cannot put into words the extent of the feelings that it evokes. Something that has so much meaning to me, deserves an extremely large commitment from me. I must be dedicated to upholding the principles and ideals that this great nation has represented throughout history. I must help to make the way clear for forthcoming generations to appreciate the things that I have been privileged enough to come in contact with. And I must do so with pride. A pride that our people have so often shown. A pride in their nation that the whole world recognizes as uniquely American. A pride that our founding fathers would be proud of, for America was their home, too.

I know not what form this dedication will take. Whether it is through public service, political office, military life, or just through the responsibilities that the average citizen possesses, matters not to me. What matters is that I may make this country and this world a better place in some way, no matter how small, no matter how tiny, for some people who are yet to come. That is my commitment to my country, one which I will uphold.●

UKRAINIAN INDEPENDENCE DAY

● Mr. BURDICK. Mr. President, at this time all of us have our thoughts on hostages, relief over their safe return to home and family, and the importance of solidarity among the people of a nation in support of those from among their midst who suffer in other parts of the world. How fitting therefore that today we should also turn for a moment to reflect on the condition of the Ukrainian people who celebrate on this occasion their hope of independence. Let us also admire the extraordinary way people in this country of Ukrainian descent sustain a lively cultural identity.

We who are here in Washington have the privilege every year of enjoying the Folklife Festival sponsored by the Smithsonian Institution. That festival gives us an opportunity to appreciate the immense value cultural diversity brings to all of us. I am always glad to call to mind the Ukrainian contribution to that diversity since the many Ukrainians in North Dakota continue to offer such fine examples of that heritage while at the same time being such fine American citizens. During this consideration of their Independence Day, we may all be heartened by their perseverance, be grateful for their contribution to America, and finally let us extend to them our most sincere best wishes.●

DESIGNATION OF MEMBERS TO JOINT COMMITTEE ON TAXATION

● Mr. DOLE. Mr. President, pursuant to section 8002 of the Internal Revenue Code of 1954, the following members of the Committee on Finance for the 97th Congress have been designated as members of the Joint Committee on Taxation:

Senator ROBERT DOLE, Senator BOB PACKWOOD, Senator WILLIAM V. ROTH, JR., Senator RUSSELL B. LONG, and Senator HARRY F. BYRD, JR.●

HIRING FREEZE

● Mr. PRYOR. Mr. President, I commend President Reagan for making a Federal Government hiring freeze his first official action as President. I share his concern about the size and cost of the Federal Government and believe we must take action to control the Federal bureaucracy.

I would also, however, urge the new President and his administration to be careful not to allow agencies to circumvent the purposes of this freeze by entering into contracts for consultant services and other services which increase the overall cost and size of the Government through indirect employment. During congressional hearings, I have received testimony that consultants are always pleased with personnel ceilings and hiring freezes because those are times when their Government contracts grow. Unless such contracts are controlled, Government size and cost cannot be controlled.

We will continue to monitor Government agencies in the days and weeks ahead to make sure that outside contracting does not grow at the same time Federal employment is frozen. I urge the President to do likewise and to make sure that contracting does not increase the Federal Government size and increase the burden on the American taxpayers.●

THE LEAGUE OF ARIZONA CITIES AND TOWNS

● Mr. GOLDWATER. Mr. President, in 1937, the municipalities of my State of Arizona formed together in an association that is now known as the League of Arizona Cities and Towns. At the meeting of this group in October of 1980, they formed a municipal policy statement that I think in itself will sum up the major reason why Arizona is the second fastest growing State in the Nation, population wise, and the fastest growing State industrially. Boiled down, it amounts to the cities and towns wanting to be left alone by the Federal Government to do their own thing, to pay their own taxes, make their own decisions without Uncle Sam butting in. Because I know that this statement will be of interest to my colleagues, I ask that it appear at this point in my remarks.

The material follows:

1981 MUNICIPAL POLICY STATEMENT

I. LOCAL GOVERNMENT AND HOME RULE

Federalism, a cornerstone of our United States Constitution, is the principle of government dividing the legitimate powers of the State and national governments. Cities and towns are voluntarily created by the people of a community to provide local self government and services. As political subdivisions of the State, general law cities and towns derive their power and authority from State law. Charter cities obtain their basic power and authority from the Arizona State Constitution and their locally adopted charters. Each municipality acting through its elected governing body is entitled to freedom for purposes of self government and local determination. The right to exercise self-determination is the cornerstone of municipal policy and serves to strengthen and perpetuate our Federal System of government. Therefore, the League of Arizona Cities and Towns:

A. Supports the concept that incorporated city and town governments are the best vehicle for providing the people with responsible local government and services.

B. Favors a course of action which will permit residents of the city or town to select the form of government best suited to their individual needs and desires.

C. Urges the Legislature to recognize the diversity of problems and needs in Arizona communities and to include the necessary flexibility in legislation so that local officials can meet those unique needs and problems in the context of each city or town.

D. Urges Congress and the State Legislature to oppose the mandation of programs and services upon cities and towns.

E. Endorses the concept, implicit in the State Constitution, that municipal utilities are solely a matter of local concern.

F. Declares its intent to work with and through the Legislature to obtain legislation necessary for the proper administration of municipalities. When, however it becomes apparent that specific legislative goals cannot be achieved through normal channels, it becomes the responsibility of the League to propose those items vital to the welfare of the cities and towns of Arizona in an Urban Bill of Rights for presentation to the people of the State via the initiative route.

G. Urges the Legislature to exercise caution in authorizing the creation of special purpose districts which tend to fragment orderly development, result in costly and duplicative administrative overhead and can lead to a loss in the accountability of elected officials.

H. Supports the granting by the Legislature of organizational home rule powers to counties provided that any reorganization under a home rule option not be effective until it has been approved by a vote of the people within the county.

I. Supports the concept that financial disclosure is a matter between locally-elected officials and their constituencies and is not a proper subject for State legislative action.

J. Urges the Legislature to allow for the continuation of a five member council for communities which exceed 1500 in population. The current State law mandating an increase from five to seven members should be permissive.

K. Urges the Legislature to support legislation allowing the mayor of each city and town participating in the Public Safety Personnel Retirement System the flexibility of designating a representative to serve as chairman of the local retirement board in place of the mayor.

II. MUNICIPAL FINANCING

The development, maintenance and retention of revenue sources sufficient to resolve local problems, provide necessary urban services and facilities, improve the urban environment and fulfill expanding obligations imposed by Federal and State government is of critical concern to Arizona cities and towns as is the flexibility necessary to utilize revenues effectively and efficiently. Therefore, the League of Arizona Cities and Towns:

A. Seeks the cooperation of the Legislature in controlling the local tax burden through the referral of a constitutional amendment to the people requiring that State mandated programs be financially supported by the State government.

B. Supports the present program of State collected locally-shared revenues and opposes reduction either directly through the elimination of such revenues, or indirectly through the exemption of certain classes of property or activities from the application of taxes unless other equal revenue sources are made available to local government.

C. Supports legislation that would require that Statewide tax relief or tax exemption programs be funded at the State level in recognition that these programs must be implemented within the context of the Statewide community.

D. Urges that the Legislature, in the event of any reduction or elimination of tax revenues, provide immediate replacement revenues to hold cities and towns harmless now and in the future from any revenue loss.

E. Supports the reenactment of the State and Local Fiscal Assistance Act. We urge the Arizona Congressional Delegation to recognize the importance of Federal revenue sharing as a flexible funding source for Arizona cities and towns and to support its reenactment.

F. Encourages the Legislature to study the current inequity of the county property tax as applied to municipal residents. Taxpayers in the incorporated areas of this State bear an equal share of the burden of such taxation and yet do not receive equal services in return for such taxes. Any proposed solution to this inequity, however, should not endanger the advantageous cooperation existing between county governments and incorporated cities and towns.

G. Urges the Legislature to authorize and fund State agency participation in those Federal programs in which such participation results in an increase in the Federal grant rate, and thus in the amount of Federal funds available to the State and its political subdivisions.

H. Urges the Legislature to recognize the right of all Arizona cities and towns to earn the highest rate of return on their public funds commensurate with necessary safeguards to protect the public funds.

I. Supports legislation requiring all urban unincorporated areas desiring a level of service, above and beyond the amount provided county-wide, to form a special assessment area. Such increased existing services should be provided by county governments and paid for by the residents of the benefited areas.

J. Urges the Legislature to allow cities and towns to exceed the present force account ceiling by local ordinance.

K. Supports legislation which would provide local government officials with assessed valuation figures prior to the beginning of the fiscal year.

L. Supports legislation which will clearly establish the authority of city or town councils to make multi-year commitments with regard to the funding of capital improvement projects or purchases.

M. Urges that the tax exempt status of municipal bonds be maintained.

N. Opposes the Federal mandation of programs and costs upon local government either directly or indirectly. The imposition of such programs as the Fair Labor Standards Act and unemployment compensation by Congress disrupts the employee-employer relationship which is properly a matter of state and local concern.

O. Supports the study by the Legislature of the State Retirement Plan and urges that the plan be adequately and appropriately actuarially funded. The Legislature is also encouraged to study new and innovative alternatives to the present benefit structure of the Public Safety Personnel Retirement System.

P. Opposes any mandatory reduction in the assessed valuation of property unless such reduction does not affect the bonding capacity and property tax revenues of local government.

Q. Urges the United States government to designate that fifty percent of any new motor fuel taxes which may be enacted on the Federal level be allocated for the use of state, county and local governments, in order to assist all levels of state and local governments in meeting the upward spiraling cost of materials and labor needed for maintenance, construction and reconstruction of streets, roads and highway systems and for mass transit.

R. Urges the Legislature to study various options for homeowner property tax credits including a tax deferral type program. Such a program could be made available to homeowners over sixty-five years of age to ease the property tax burden on this one segment of our population. Provided, any such program must be funded at the State level so that local government revenues are not adversely affected.

S. Encourages the Legislature to consider, in its examination of Arizona's taxing structure, the concept of tax base sharing.

T. Urges the Legislature in its study of methods of taxation of centrally assessed property to insure that all areas of the State are treated in an equitable and uniform manner.

U. Opposes any additional constitutional or statutory enactments affecting local revenues or expenditures which will further erode or complicate local decision making on budgetary issues.

V. Urges the Legislature to allocate a portion of State liquor taxes to be earmarked for the support of municipal alcoholism programs and projects.

III. PUBLIC HEALTH, SAFETY AND WELFARE

It is the duty and obligation of cities and towns to promote and protect the health, safety and welfare of their citizens. In addition to the development and implementation of sound administration and municipal operations, city and town officials have a duty to apply laws and regulations in a full, fair and uniform manner, to promote improvements in justice, to undertake positive code enforcement programs and to support the realistic delivery of social programs and economically feasible actions to protect the environment and quality of life. Therefore, in the interest of the public health, safety and welfare, the League of Arizona Cities and Towns:

A. Supports legislative measures providing the necessary authority to local law enforcement agencies for the enforcement of laws in cities and towns. The League encourages citizen cooperation with law enforcement agencies to help reduce crime and develop a respect for law and order.

B. Urges the State Legislature to oppose any preemption of the authority of cities and towns to regulate local businesses.

C. Supports legislation which would require all public buildings to conform to the same building and inspection standards applied to private buildings.

D. Encourages the Legislature to appropriate sufficient State funds to finance the legislatively mandated local alcohol reception center (LARC) law, as well as to appropriate funding for long term treatment facilities for alcoholics.

E. Supports efforts to eliminate the trial

de novo procedure and to study and implement changes that would modernize the magistrate courts and assist the judicial system. However, in addressing this problem, care must be exercised that a portion of the revenue from adjudication at a higher court level must be remitted to the municipal level in recognition of the total criminal justice system expenditures involved.

F. Supports legislation ensuring full and fair discovery of all relevant facts in eminent domain actions for all involved parties.

G. Supports the establishment by the State Department of Health Services of a task force composed of elected and appointed officials of State and local government to develop minimum health standards for detention facilities.

H. Encourages the Legislature to provide that all acts of arson be classified as a felony.

I. Recommends State legislation to grant tax incentives for the installation of sprinkler systems for fire suppression.

J. Recommends that health legislation care be expanded to allow hospitals to use vacant beds for long term care where there are no such long term care facilities available.

K. Recommends that hospital district legislation be expanded to allow taxation for operation as well as capital development, especially in rural areas of sparse population.

L. Urges the Legislature to allow for the formation of special districts for natural gas and L.P.G. supply and distribution. Such districts, if formed within incorporated areas, must, prior to formation, receive the permission of the affected city or town.

M. Supports the reassessment of the role of the Arizona State Justice Planning Agency with particular emphasis on the relationship of such agency to local governments and their criminal justice functions. Such agency should not, however, have any authority to establish minimum salaries for police officers or otherwise interfere in local policy decisions or personnel matters.

IV. PLANNING AND URBAN GROWTH

The increasing complexity of urban issues and the imposition of greater roles by the State and Federal government in the solution of such issues have increased the need to plan the use of limited resources, establish systems to coordinate planning among governmental levels and relate specific planning activity to the overall needs of our communities. Therefore, the League of Arizona Cities and Towns:

A. Supports legislation which would implement a comprehensive land use planning program which would extend to cities and towns additional authority to adequately manage the urban environment. Such legislation should include authorization for architectural design review and control, amortization of nonconforming uses, the dedication of land for public uses and taxation of development to provide additional services resulting from development.

B. Supports efforts of the State legislative and executive branches to define and implement a framework for the development of a land use policy. However, we urge the Legislature to recognize the need to base such a land use policy on the premise of public health, safety and welfare, and to provide that land use decisions should be made by local government.

C. Urges the Legislature to grant all necessary authority for cities and towns to annex or exercise necessary control over unincorporated areas within the recognized sphere of influence of the existing community including areas that are county enclaves or islands.

D. Opposes any effort by the Legislature to preempt local zoning rights and urges the members of the Legislature to take due consideration of the needs and desires of the citizens of local communities in any such action.

E. Opposes any effort by the Legislature to remove or diminish the authority of local government to base planning and zoning decisions on the police power.

F. Encourages the Federal government in its leasing of mineral rights to avoid mineral exploration in urbanized areas and to submit proposed leases in such areas to the local governing body for review and comment.

G. Supports legislation which would amend A.R.S. 9–672 to provide for formation of improvement districts for the maintenance and operation of any public improvements which may be taken pursuant to that statute.

H. Supports legislation to provide the necessary tools for community conservation and rehabilitation efforts. Such tools include financial incentives and special tax advantages for rehabilitation of residential, commercial and industrial structures in blighted or designated redevelopment areas; tax increment financing and the creation of a State housing finance agency with funding to stimulate private investment in low and moderate income housing, and mortgage revenue bonds for redevelopment of blighted areas and for low and moderate income housing.

I. Recommends that State legislation be adopted to provide that all applications for the zoning or rezoning of unincorporated areas within a five mile limit of each community must first receive the approval of the governing body of such community prior to receiving approval by the appropriate county board of supervisors.

J. Supports legislation granting counties the authority to plan and zone all land within the unincorporated areas of the county subject to the provisions of subsection I of this section.

K. Encourages the State to assist in Statewide and regional development of flood control projects.

L. Supports legislation to require that the use of State and Federal lands within incorporated cities and towns conforms to local land use plans and local zoning ordinances.

M. Encourages the Governor's Office and the State Land Commissioner to explore ways to exchange State trust land for Federal land. Such exchanges should be used to benefit local governments desiring to obtain such lands within, or on the boundaries of, a community.

N. Supports legislation which would give meaning to A.R.S. 37–609 which provides for exchange of State lands to provide for military airport compatibility and encourages the Governor's Office, State Land Commissioner, Bureau of Land Management and other Federal agencies to make this a priority to protect a national and State resource.

O. Urges the State Land Commissioner to recognize the need for development of State lands. The sale of State lands in some areas is critical for the orderly growth of the State, and the addition of such lands to the tax roll will aid in producing needed revenues. The sale or development of any State lands should be in conformity with existing master plans adopted by the local governments in the area.

P. Endorses changes in the State Constitution and the statutes which would allow public bodies the right to acquire State lands for parks, school sites, public building sites, roads, streets and highways at no cost.

Q. Encourages the State Land Commissioner to consider local government interests in the selection of remaining Federal lands for the State trust.

R. Supports Federal legislation granting preferential treatment to State and local governments to acquire, on a "no cost" or nominal cost basis, U.S. Forest Service lands for public purposes.

V. WATER POLICY

Citizens throughout the State are now wrestling with the problems of determining the extent and nature of present supplies of water, new sources of water and the economic feasibility thereof as well as the extremely complex problem of distribution and allocation of both present and future water supply. The League establishes a policy of cooperation and mutual effort to achieve a lasting and beneficial solution to this major State problem and:

A. Pledges itself to cooperate with the Arizona Department of Water Resources in the development of a long range program of water resource development and management and in the development of administrative procedures to meet the needs of all communities throughout the State and meaningfully involve local officials in the decision making process.

B. Supports proposals for creating new sources of supplemental water for the entire State of Arizona including importation from the Columbia River, the creation of desalinization plants, weather modification and the implementation and construction of the Central Arizona Project.

C. Welcomes the water resource policy study by the Federal government and calls upon the President and Congress to assure a full and open discussion of Federal water policy changes recognizing the important role of municipalities in water resource management.

D. Encourages a united effort throughout the State to reduce wasteful use of water and to promote the conservation of this limited resource. The League urges all local governments to take the initiative by implementing water conservation programs appropriate to their communities.

VI. INTERGOVERNMENTAL RELATIONS

Cooperation, including the sharing of resources, among Federal, State and local governments is necessary for the solution of urban problems and the attainment of mutual objectives. The League dedicates itself to achieving increased cooperation among all levels of government and supports efforts to strengthen existing planning, coordinative and operational systems and partnerships involving Federal, State and local government. Therefore, the League of Arizona Cities and Towns:

A. Supports the integrity both from a geographical and functional standpoint of the State planning districts to provide local input of a regional nature. We request that all Federal, State and other agencies and jurisdictions involved with any program affecting the various planning districts respect and utilize said districts for purposes of coordinating activities and resources. The direction and control of the COGs must remain in the hands of locally-elected officials. COGs are not to act as a substitute nor replace the present structure of local government in Arizona.

B. Strongly endorses the existence of the local councils of governments (COGs) to further coordinate the cooperative efforts among units of local government in solving local and regional problems.

C. Urges Congress to consider re-evaluating the present complex system of Federal assistance programs. It is recommended that, where feasible, programs be combined or consolidated to create a structure involving fewer programs which are broader in scope, more uniform in their application and which provide for maximum local participation in the selection of goals to be accomplished and the means by which such goals shall be pursued.

D. Supports the concept of block grants and subventions to the states for allocation to municipalities for use in broad program areas. The League further supports the continuation of direct grants to cities and towns.

The League urges the creation, at the State level, of a system designed to ensure the effective and equitable allocation of block grants and subventions. The system should include the following elements:

A method for final decision-making by locally-elected officials rather than appointed administrators.

The development of criteria providing for the allocation of funds based on the priority of need.

The creation of mechanisms formalizing the right of locally-elected officials to participate in all aspects of the decision-making process.

E. Urges Congress to appropriate adequate funds for the Title V Regional Commission so that the Commission can address the common interests of Arizona, California, New Mexico and Texas in increasing economic development along our common border with our neighboring country of Mexico.

F. Endorses the concept of consolidated grant programs such as the Housing and Community Development Act of 1974. However, we urge the Federal agencies to exercise caution in the development of implementing guidelines to ensure that the intent of Congress to provide local officials with greater authority and responsibility in determining the use of these funds is maintained.

G. Supports the concept of the Town Affiliation-Sister City Program and pledges our full cooperation toward its efforts. In particular, this program has enormous potential with respect to the cities and towns located in our sister State of Sonora, Mexico. We encourage Arizona cities and towns desiring a sister city to investigate the possibility of affiliating with a city or town in the State of Sonora, Mexico.

H. Opposes congressional action placing provisions in legislation that discriminate against various regions of the country when the legislation is intended to address urban problems on a nationwide basis.

I. Endorses the concept and use of joint exercise of powers agreements in the fostering of intergovernmental cooperation among all levels of government.

J. Urges the Department of Housing and Urban Development to establish an area office within the State of Arizona to facilitate better cooperation and utilization of HUD programs by local governments in this State.

K. Recognizes the importance of a full and accurate decennial census and urges cooperation between all levels of government in the census effort.

L. Commends the Office of the Governor for its continued support of the Joint Funding Proposal concept and encourages efforts to strengthen the concept by using the JFP as the primary tool for management of the joint State and local government planning structure in the State of Arizona.

M. Encourages the State and Federal governments in their attempts to solve environmental problems and preserve archaeological and historical sites to balance such concerns with the needs of today's citizens for public and private facilities at the lowest possible cost.

N. Encourages the Federal government to streamline the grant review and approval process and thereby avoid costly overruns in Federally funded projects.

O. Urges the Legislature to allow joint exercise of powers agreements with Mexico.

VII. PUBLIC EMPLOYEES

The fair and equitable treatment of public employees is vital to the continuation of strong and effective local government. Providing services within financial constraints requires increasing productivity of public employees, continued building and improving of public management practices and sound personnel procedures and administrative mechanisms. Any systems, procedures or processes instituting formal labor relations in a city or town should be determined by the local governing body. Therefore, the League of Arizona Cities and Towns:

A. Supports enabling legislation which would permit general law cities and towns to establish labor relations procedures and processes appropriate to their community. However, the League opposes any State legislation mandating any labor relations systems, procedures or compulsory binding arbitration on local government.

B. Encourages the development, use and extension of merit system principles in personnel administration in cities and towns.

C. Supports the concepts of equal employment opportunity and affirmative action without any quota system and without discrimination in the recruitment, selection, promotion and retention of public employees.

VIII. INDIAN POLICY

In the past, relationships between Arizona's Indian communities and the State and political subdivisions often have been crisis oriented rather than active and positive. Faced with the complex issues of air and water pollution, transportation, and economic and urban development impacting upon both Indian and non-Indian lands and people, it is necessary that cities and towns and the State take steps to develop cooperative relationships with Indian governments. Such cooperation should focus on the orderly and stable development of urban communities on reservation lands especially where such urban growth is adjacent to Arizona cities and towns. Therefore, the League of Arizona Cities and Towns:

A. Supports the efforts of the Governor and the Advisory Council on Intergovernmental Relations toward the development of a comprehensive enabling policy calling for the establishment of ongoing cooperative mechanisms allowing for the betterment of Indian/non-Indian relationships within the State of Arizona.

B. Supports legislation which would provide for equitable taxation of leasehold interests without hampering the orderly development of Indian lands. Such legislation should recognize the special needs and problems which surround the economic development of Indian lands and should take cognizance of the need for an equitable approach to taxation of such lands.

C. Urges Congress and the State Legislature to resolve the dilemma of the present state of the law which allows certain citizens of Arizona to participate in local government, to pass laws and to impose taxes, while these same citizens are not subject to the jurisdiction of such laws and taxes.

D. Opposes any efforts to establish separate taxing authorities on Indian reservations which would be authorized to levy taxes upon non-Indians.

E. Encourages cooperation among Indian communities, cities and towns and urges the Federal and State governments to actively support local government-Indian cooperation.

IX. ENERGY POLICY

One of the most crucial problems facing our nation, State and communities is the decreasing availability of fuel-energy and its increasing cost. The consequences of not resolving this difficult problem are of such magnitude that all segments of our society must be encouraged to conserve existing supplies of fuel. In addition, a high priority must be placed upon the development of additional safe, renewable sources of energy. Therefore, the League of Arizona Cities and Towns:

A. Supports energy conservation efforts and encourages all governments to implement programs and incentives to conserve energy in their respective jurisdictions. The Arizona Office of Energy Programs is encouraged to create an Energy Conscious Community awards program.

B. Calls upon the citizens of Arizona to accept personal responsibility to use energy wisely and efficiently.

C. Urges Congress to approve energy related legislation which will stimulate additional energy research, exploration and development.

D. Urges the State of Arizona to continue its efforts to play a leadership role in the development of solar energy.

E. Supports the development of other sources of energy such as geothermal, hydroelectric, hydrogen, nuclear and wind to the extent that they meet reasonable safety and environmental standards.

F. Urges the Federal government to recognize and acknowledge the differences among regions of the country that affect the level of fuel allocations necessary for the conduct of business and personal affairs.

G. Urges Congress to recognize the unique climatic differences of the country when considering energy incentive programs. The southwest has a need for cooling just as the northeast has a need for heating, and such different needs should be treated equally in any such incentive program.

H. Endorses the Code for Energy Conservation in New Building Construction promulgated jointly by The International Conference of Building Officials (I.C.B.O.), The Southern Building Code Congress International (S.B.C.C.), The Building Officials and Code Administrators International (B.O.C.A.), and The National Conference of States on Building Codes and Standards (N.C.S.B.C.S.), as a voluntary standard for any jurisdiction seeking to establish energy conservation requirements.

X. TRANSPORTATION

Arizona faces a transportation funding crisis. The provision of an adequate transportation system to meet the needs of our rapidly growing populations is of primary importance to all levels of government in Arizona. With the vast majority of Arizona residents living and working in incorporated areas, transportation services rank as a high priority for all cities and towns. Unfortunately, the revenues necessary to sustain an adequate transportation system have not kept pace with the rapidly escalating cost of such services. Therefore, the League of Arizona Cities and Towns:

A. Urges the Governor to call a special session on transportation finance.

B. Urges the Legislature to significantly increase the funding level of the highway user revenue fund. Additional funding is urgently needed to protect the present investment in our street systems and to assist all levels of government in meeting the spiraling cost of materials and labor for maintenance, construction and reconstruction of Arizona streets and highways. The increase should not, however, adversely impact other local government revenues.

C. Supports the distribution formula contained in the 1980 biennial Statewide transportation needs report. The distribution formula should be changed concurrently with the increase in highway user revenues.

D. Supports legislation providing for use of State general funds rather than highway user revenues to fund the Arizona highway patrol fund.

E. Recommends for consideration by the Legislature use of State general funds to supplement street and highway funding.

F. Urges the Legislature to index for inflation highway user revenues to address the detrimental effect of inflation on meeting transportation needs.

G. Recommends that when transfers of streets or highways from one level of government to another are implemented, such transfers include the provision of adequate funds to maintain such streets or highways.

H. Urges Congress to appropriate Federal funding for the much needed development of Arizona's aviation, transit and highway services.

I. Urges the Legislature to initiate State aid for public transit services with recognition of the various types of services and their funding mechanisms. Such aid, however, should not reduce or affect funding for streets and highways.●

STATUS REPORT ON ARMY NATIONAL GUARD AND UNITED STATES RESERVE

● Mr. GOLDWATER. Mr. President, the Association of the U.S. Army has in its continuing efforts to build for the United States an adequate defense prepared a status report on the Army National Guard and the U.S. Reserve. I ask that this factsheet be printed in the RECORD.

The material follows:

A STATUS REPORT ON THE ARMY NATIONAL GUARD AND THE UNITED STATES ARMY RESERVE

OVERVIEW

The Army exists to serve two overriding purposes—to protect American interests worldwide and to defend the nation if the need arises. It seeks, first, to deter war by the very fact of its existence as a capable, ready military force, and second, to fight effectively if deterrence fails.

Deterrence cannot work unless it is credible. It will not be credible unless there is real, useable military power behind it, equal to any task put to it and backed by a nation whose resolve is firm and whose objectives are clear.

Our Army's first leader and our first President told the Congress in his original inaugural address, "to be prepared for war is one of the most effective means of preserving peace." Early in 1980, General Edward C. Meyer, Army Chief of Staff, put the admonition in a modern context when he declared:

"To the extent we do not structure and posture forces in accordance with our declaratory deterrent policy, we invite the very war we seek to deter."

Today, it no longer is enough to maintain a highly-ready Active Army. At least one-half of the Army's warmaking capability, and thus of its deterrent character is maintained in its Reserve components, the Army National Guard and Army Reserve. This has been the central thrust of the Total Force doctrine since it was launched in 1970—to hold down defense spending by eliminating as many Active units as national security permits and by elevating the combat readiness and capability of the Guard and Reserve, enabling them to take up the slack.

The Total Force unquestionably is one of the most important developments of the past several decades in the U.S. military establishment, giving each of the three components—Active Guard and Reserve—vital significance both in the assessments of immediately available combat power and the dynamics of deterrence.

Expounding on his "vision" of challenges that will confront the Army in the 80's in his recent White Paper, the Chief of Staff said that while this nation's commitment to NATO Europe's defense will remain at the core of our military strategy, we can also expect an "extraordinarily diverse" array of new threats to arise outside of Europe. They will come not only from the USSR, he believes, but from "heavily armed Soviet surrogates and independent, militarily sophisticated Third World nations" as well. These threats, he foresees, will "span an increased spectrum of conflict ranging from terrorism to insurgency to highly intense conventional warfare. . . . in a variety of militarily demanding environments, from deserts to mountainous regions to tropical rain forests." He certainly must have had in mind the critical mid-east even though he may not have foreseen events in Iran and Iraq as they now are.

It is not a scenario to be contemplated with pleasure. It will compel the entire U.S. military establishment "'to accept risks it would prefer to avoid," and to develop "unprecedented flexibility" in a wide array of modes, in the words of General Meyer.

"The erosion of the strategic force balance, significant growth of Soviet power projection capabilities, and the emergence of regional threats place new demands at a time when all Services face severe and prolonged resource restraints," summarizes the Army Chief of Staff's view of what's ahead. "'In such an environment, our requirements for additional resources must be matched by the demonstrated ability to use more wisely those provided to us."

Every threat, every challenge, every constraint perceived by General Meyer has equal application in all parts of the Total Army. All components—Active, Guard and Reserve—need additional resources: more equipment, more training, more trained men and women, more funds. Likewise, all must place even greater emphasis on using their resources more productively.

Similarly, the Guard and Reserve are confronted by the same need as the Active component for flexibility—in mobilization and deployment procedures, in training practices, and in thinking. The Reserve component cannot, and need not, be fitted precisely into the same mold as the Active forces in every aspect of their military existence. They are not "carbon copies of the Regulars," as many have previously pointed out.

The recently concluded decade of the 1970's has been unique . . . Never before have the National Guard and Reserve:

1. Been required to support such a large authorized strength;

2. Been required to have on hand and to maintain such large amounts of wartime equipment;

3. Figured so vitally in the mobilization plans of the Department of Defense;

4. Been faced with such rigorous training deployment schedules;

5. Represented such a significant percentage of the combat units of the U.S. armed forces.

Unlike all past mobilization periods in our nation's history, when there was a significantly greater time to train, and move when and where needed to a war zone, the National Guard and Reserve of today train forces for virtually immediate deployment in support of the nation's defense." 1980 Policy Statement, Adjutants General Asssociation of the United States.

Guardsmen and Reservists can devote only a fraction of the time to the military side of their lives that Active soldiers devote to their fulltime profession. Consequently, the need for flexibility assumes real significance in such commonplace areas as administrative requirements and training that's not mission-related in the Guard/Reserve environment.

The Guard and Reserve have not been given the same level of support throughout the past decade that has gone to the Active component. It was a course, consciously chosen, to improve the readiness of the first-to-be-deployed Active forces initially, then shift greater emphasis to the next elements in the wartime deployment timetable. It's a point that needs serious consideration as guidance documents are reviewed and resource allocations are updated. Unfortunately, we have not been able to make the shift into the second phase of improvement, focused on the needs of the Guard and Reserve.

FORCE STRUCTURE

"We have reached the point where Reserves must have the same level of emphasis and consideration as the Active component because, under most scenarios, an increasing proportion of the Reserves will mobilize, deploy and be employed along with, not following, the Active Army. . . . The majority of our Total Force lies in the Reserve structure. With this preponderance (goes such missions as) rapid reinforcement of Europe, both in combat and logistical support forces; supporting deployment of the Total Force, sustaining the (deployed) force, expansion of the CONUS base, and providing the capability to expand beyond 24 divisions, should that be necessary." William D. Clark, Deputy Assistant Secretary of the Army for Reserve Affairs, Testifying before a Congressional Committee, March 13, 1980.

Army force planners have been struggling with a problem familiar to them from many past encounters: how to structure the Total Army—Active, Guard and Reserve—to produce optimum capability within tightly constrained resources and countless other limitations.

When the Vietnam War ended, the Active Army was pared back by more than half. Concurrently, the Total Force policy was adopted, expanding the responsibilities of the Guard and Reserve; and the All-Volunteer Force was launched. In that same time frame, the Army was required to produce more combat power in the so-called tooth-to-tail force balance. In response, the Army activated three additional divisions raising the count from 13 to 16 Active divisions, without any increase in overall personnel strength. To free up manning spaces for the new divisions, many Active combat support and service units were inactivated and their high priority missions assigned to comparable units in the Reserve structure. These actions place the Active Army seriously out of balance and can only be justified by the understanding that the National Guard and Reserve forces must be mobilized in almost all foreseeable circumstances of potential conflict.

Consequently, the Guard and Reserve today are expected to provide nearly one-half of the Total Army combat power and two-thirds of its combat support and service structure. Combat elements, with a strong salting of support-type units, predominating in the Guard, while combat support and combat service support units, with a sprinkling of combat forces, make up the bulk of the Army Reserve structure.

A selective breakdown shows the following percentages of Total Army structure being maintained in the Reserve components:

Army National Guard: 33 percent of the combat divisions (8 of 24); 73 percent of the separate brigades (18); 57 percent of armored cavalry requirements (5 regiments); 57 percent of the infantry battalions; 41 percent of the mechanized infantry battalions; 43 percent of the tank battalions; and 50 percent of the field artillery battalions.

Approximately 1,000 separate headquarters, companies, detachments and battalions in support missions.

Army Reserve: 11 percent of the separate brigades (3); 33 percent of the special forces groups; 9 percent of the field artillery battalions; 44 percent of the medical units; 33 percent of the combat support aviation companies; and 30 percent of the combat engineer battalions.

Hundreds of maintenance and other service units.

If the Army went to war, the Guard and Reserve together would provide 77 percent of the non-divisional combat forces in addition to the Guard's eight divisions; 72 percent of the hospital units, the majority of them Army Reserve; 71 percent of the ammunition supply units; 74 percent of the engineer construction capability; 95 percent of the gaso-

line/diesel/oil handling capability; and 71 percent of the non-divisional maintenance. Overall, Guard and Reserve elements encompass some 54 percent of the Army's maneuver battalions, one measure of combat power; and 80 percent of its maintenance capability, a strong factor in how long the Army can sustain itself in combat.

The National Guard portion of the Total Army is even more heavily oriented toward the combat function than the Active Army. Thus, even though it counts hundreds of support units in its own structure, it would need help also from Army Reserve support units to round out some of its operational forces.

In numbers of units and trained people as well as in the importance of their missions, Guard and Reserve elements now comprise a large and indispensable part of the deployable part of the Army as well as of the U.S.-based mobilization and support structure.

The structure of the Army's deployable, war-fighting forces is determined by a process called Total Army Analysis (TAA). TAA matches force requirements against deployment timetables for all elements and weighs the effect of a range of other factors. From this process is decided which units must be maintained in the rapidly deployable Active Army and which can be allotted to less quickly deployable Guard and Reserve. The objective is to produce a force with the right number and type of maneuver, fire support, combat support and combat service support units to win in battle.

Three features have marked force structure developments in the decade since Vietnam. First was the major reduction in the size of the Active Army which, with other developments, tipped the scales in conventional warfare capabilities toward the Soviet Union and Warsaw Pact forces. Second is the effort, mentioned earlier, to shift the so-called tooth-to-tail ratio in the Active Force more strongly to the side of combat teeth and less support tail. There has also been an effort to give the overall force a "heavier" configuration, with tank and mechanized infantry replacing some of the light infantry elements.

The latter initiative increased support needs precisely at the time when support forces were being cut back. This year, therefore, the Army has been authorized to give the Active force a better balance by restoring 2,600 support spaces.

The defense of NATO Europe continues to rank as the Army's most serious challenge and the source of its most serious force structure problems. It remains the centerpiece of U.S. military strategy. However, threats in regions outside Europe, particularly the Middle East, have commenced to assume a more serious aspect than they formerly did, in the view of Army leaders. Therefore, greater emphasis is being placed on maintaining forces that can operate effectively either in Europe or in any one of many combat environments that would prevail in other parts of the world.

This nation's capabilities to project combat power worldwide "must be improved," declares General Meyer in his WHITE PAPER 1980. To satisfy that need, he sees a requirement for force realignment and structure changes "directed toward providing separate force packages for NATO and non-NATO contingencies."

To a great extent, NATO Europe is an area that requires "heavy" forces—heavy on tank, mechanized infantry, self-propelled artillery and the like. The heavy design of Soviet forces makes it essential that U.S. and other NATO armies be able to hold their own in such an environment. The heavy equipment exacts its toll, however. It cannot be moved rapidly by airlift. It is unlikely this nation could even maintain enough global airlift to deploy even a modest force to Europe from U.S. bases, within acceptable time limits, if equipment as well as personnel had to be air-transported.

The Department of Defense's answer has been to pre-position heavy equipment, ready to be picked up by units airlifted from the U.S. upon arrival. But, equipment stashed away in European sites cannot readily be retrieved and rapidly transported to other parts of the world if threats develop elsewhere. Thus, reinforcement is enhanced in one area at the expense of overall capability to respond in another.

Army force planners are considering the extent to which the light infantry forces appropriate for many non-NATO contingencies can also be employed usefully in NATO. As the Chief of Staff's WHITE PAPER explained, the combination of tight limits on resources and an increasingly diverse array of threats "mandates a careful balance between flexibility to conduct operations world-wide with minimum preparation and specific NATO orientation."

Efforts are also under way to develop a new standard division structure meshed with the needs of a 1980's integrated battlefield. Although it focuses primarily on division structure, Division 86 also is reviewing the changing relationship between divisions, corps and higher command levels, and the evolving nature of their interface with logistics and support systems.

One fundamental point quickly emerges from examination of the force structure issues currently under study. It is that the broadest possible utilization of Guard and Reserve capabilities must be achieved if the Army is to meet the challenges that confront it. The Army will be hard-pressed to develop the required mission-performance capability even with maximum Guard/Reserve utilization. Without an optimum Guard/Reserve contribution, the Army's ability to perform its function would be gravely impaired.

The question therefore becomes one of determining how the Guard and Reserve can best be utilized, to contribute most productively.

Unquestionably, first priority must go to elevating the readiness of Guard and Reserve units to perform their NATO reinforcement mission. Not just the so-called "early-deploying" units—all are early-deploying by the standards of only a very few years ago—but all units. NATO is where U.S. strategy places its primary interest, and NATO's reinforcement also is the mission to which the Guard and Reserve structure, training and other preparations long have been pointed. In brief, NATO is where the most serious threat lies but not necessarily the most likely battleground. And yet the emphasis has been placed in preparing the Guard and Reserve to perform a NATO wartime mission.

The Reserve components already contribute importantly to the non-NATO role through a process called "backfill." Under backfill, Active elements earmarked for NATO may be diverted to non-NATO contingencies. If that occurs, mobilized Guard and Reserve units must assume their NATO assignments.

Backfill alone will not be enough under many non-NATO conflict scenarios, however. For some scenarios there simply aren't enough deployable Active forces to accomplish the mission. Guard and Reserve elements will have to be used to flesh out task forces. This is particularly the case in respect to many support-type units.

There is nothing new or revolutionary in such a concept. Guard divisions and brigades often in the past have been tasked both for specialized missions, mostly in hemispheric defense, and NATO roles.

Maintaining readiness for multiple missions is not a matter of choice for many support units. They are available in the required types and numbers only in the Guard and Reserve, mostly the latter. Hospitals, field depots, heavy equipment maintenance organizations, transportation battalions, communications units, specialized ordnance companies, aviation companies, public affairs detachments and a host of other units have long rendered magnificent service in a broad range of on-the-job training environments.

Force Structure Realignment and Change: Force structure changes already are taking place and more are imminent as the Army continues its effort to keep its structure aligned with new tactics, new threats, ever-changing technology and the debilitating effect of resource constraints. The changes unavoidably will impinge on the Guard and Reserve as well as on Active elements. The problem thus becomes one of minimizing the changes imposed on Reserve component forces, thus minimizing the personnel turbulence and loss of readiness that have always accompanied extensive reorganizations.

Steps are under way to increase the capabilities of field artillery battalions, provide electronic surveillance capabilities to divisions, add nuclear/biological/chemical defense companies to divisions, bolster anti-tank capabilities, and restructure such divisional support elements as the Finance, Adjutant General and Military Police elements. These alterations are being made in Guard as well as in Active Divisions.

The Division 86 study almost certainly will also conclude that a larger, heavier more flexible standard division is required.

Such changes as these cannot be made in only one portion of an Army. They must be made Army-wide to insure battlefield cohesion and adequate support for all elements.

A special kind of consideration must be given when such changes are imposed on Reserve component forces. That kind of consideration has not always been given during past force realignments, with the result that readiness losses were severe and recovery periods dangerously extended.

When an Active Army company, battalion or larger element undergoes a major reorganization, retraining is quickly conducted, required personnel transfers made, and in a matter of weeks the unit has regained its former combat readiness level. Conversely, in a Reserve component unit because of its local nature, personnel transfers cannot solve the problem and it has only four drills—16 duty hours per month, plus 14 days annual fulltime training. Its members hold fulltime civilian jobs and have difficulty persuading employers to grant them additional military leave. It can be a year or longer before the unit regains its previous readiness level. And in the meantime many of its members have drifted away disenchanted by all the uncertainty and turmoil.

Affiliation: One of the brightest spots in the Army force alignment picture is the affiliation program and one of its subelements, the round-out system. Guard and Reserve units are affiliated with comparable Active units for training support and assistance. Under round-out, certain elements have been omitted from Active division's structure and are provided by the Guard or Reserve. Thus, the Reserve forces provide companies, battalions, even brigades, that become an assigned, working part of their parent Active Army division upon mobilization. This is called Project CAPSTONE and is described later in this paper.

The system has limitations. Conceivably, the parent division may have to deploy to some overseas contingency without its affiliated Guard/Reserve element. But a flexible organizational structure alleviates the problem thus posed, and the pluses of round-out far exceed its minuses. Its biggest advantage is that it permits the Army to maintain a force structure of the kind required in today's world, which would not be feasible if

compelled to rely solely on Active personnel at the present constraint size of 774,000.

Now, the affiliation program is being expanded again. In fiscal year 1979, a total of 163 companies and battalions were in the program. The Army intends to add another 150 units in fiscal year 1980 and fiscal year 1981.

Moreover, an even greater expansion of round-out is being considered as part of the Division 86 study. Only through wider use of Guard and Reserve round-out elements can the Army maintain its present 16 Active divisions at the increased strengths envisioned by the Division 86 study. Thus, many or most CONUS-based Active divisions (except those assigned to the Rapid Deployment Force) may soon be composed of a mixture of Active and Reserve component elements, with deployment sequence as the deciding factor.

Resource Constraints: A major source of difficulty in Army attempts to maintain a force structure commensurate with the threat are resources constraints. Primarily, that means funding deficiencies. It means buying fewer weapons and vehicles than the task demands, maintaining a smaller force than can legitimately be considered the prudent, low-risk minimum; and repeatedly deferring maintenance on equipment and facilities even though readiness is reduced. It produces what General Meyer called "a hollow Army"—an Army with personnel, structural, equipment, maintenance and training gaps.

Guard and Reserve forces feel the shortfall more than the Active forces because priority for scarce resources necessarily must go to the elements which will deploy first, which in most cases are Active units.

One consequence of the severe shortage of many essential resources is a Department of Defense priority system called Force Packaging Methodology. This technique allocates the lion's share of available resources to units that would have to deploy earliest in a future contingency. Later deploying units are given a bare survival minimum. The system creates a Guard/Reserve structure divided into haves and have nots. Worse, it flies directly in the face of validated requirements for a NATO conflict, to an uncomfortable degree ignoring the follow-on requirement for sustaining forces months into a conflict.

Priority systems are essential, whatever the level of funding and resourcing provided. It currently is being applied so rigorously, however, that some later deploying units had been deprived of recruiting and retention incentives, adequate funding for training, deployable equipment, even of badly-needed armories and training centers. This almost insures that those units will become replacement pools on M-Day, a roll that is not envisioned in Army war plans and suggests that use of later-deploying elements as a replacement pool is no longer regarded as a mere stopgap measure but is becoming the accepted practice. More and more, comments are heard that "we did it in World War II, and it worked—those divisions were rebuilt and performed well." This is true, except that the rebuilding process took a year or more and that luxury will not be available in future confrontations in NATO Europe.

Readiness: One further point needs elucidation; the matter of establishing readiness levels for Guard and Reserve units. It is pointless, even counter-productive, to establish a level of readiness that all concerned know cannot be attained.

Guard and Reserve units are not full-time, Active Forces. Only in emergency circumstances and under intensive pressure can they be expected to attain the same capability for overnight deployment that properly supported Active units can attain. However, most Guard/Reserve units can reach, and maintain, a far greater capability for early deployment and combat than many in the full-time establishment have been willing to accept.

What is needed is establishment of realistically attainable readiness objectives for every unit of the Guard and Reserve with firm plans developed to reach the stated objectives and resources provided that make attainment of the objectives possible.

MANNING THE FORCE

"The most urgent challenge facing the Army today is that of adequately manning the Total Force—our ability to attract and retain qualified men and women in the Active and Reserve components, and in the civilian workforce." General Edward C. Meyer, Army Chief of Staff, February 26, 1980.

"Since the advent of the All-Volunteer Force, the manpower problem simply has not been addressed in a realistic manner . . . Until, and unless, we get serious about the manpower problem, all the other dialogue with respect to readiness is meaningless." Major General James S. Brooks, Chairman, Army Reserve Forces Policy Committee, July 2, 1980.

Manpower deficiencies are widely regarded as the most serious weakness in today's Army. They afflict all three components—Active, National Guard and Reserve. Until they are overcome, optimum combat readiness is not attainable.

Manning shortfalls exist in all three components, with the largest shortages in the Guard and Reserve. At the end of Fiscal Year 1973, the year the draft ceased to operate, the All-Volunteer Force idea was launched. At that point, the Total Force doctrine was well into its second year, and Total Army strength stood at 2,181,000, distributed as follows:

Active	801,000
Guard (ARNG)	386,000
Reserve (USAR)	235,000
Individual Ready Reserve (IRR)	759,000

By the end of Fiscal Year 1979, only six years later and with both the hostage seizure and the Afghanistan invasion only a few weeks away, Total Army strength had fallen to 1,496,203, a drop of 685,000 broken out as follows:

Active	758,400
ARNG	346,000
USAR	190,000
IRR	201,803

The overall Selected Reserve, covering all services not the Army alone, has followed a familiar downward pattern. It peaked in 1970 with 987,000 trained members. By 1978 it had sagged to nearly 788,000. The Selected Reserve is the element that would be called first to augment the fulltime forces in a defense crisis. At this writing, it has crept upward to about 826,000; far short of the M-Day need for a NATO emergency.

It is hard to avoid the conclusion that the All-Volunteer Force has been, if not a serious failure, then at least a severe and dangerous setback for national defense. All-volunteer manning, like Total Force, was adopted contingent on the Congress and the Administration providing the additional resources required to make it work. That did not happen. Successive administrations would not request, and Congresses did not take the initiative to fund such essential programs as enlistment and reenlistment incentives for the Reserve components. Even as Guard and Reserve strength was dwindling, requests for assistance from Reserve component leaders were being rejected by the Department of Defense, the White House Office of Management and Budget and the Congress.

A senior advisor to one of the Congressional Armed Services Committees early in the 1970's opined that Congress would not become concerned over Guard/Reserve strength problems, nor provide additional resources, until ARNG and USAR strength had dipped to 350,000 and 200,000 respectively. That is exactly what occurred. Consequently, even though programs for restoring lost strength now have been initiated and funded, complete recovery will require several years of extensive effort and continued funding support.

For years, the extent of the shortfall was obscured by the manner in which strength authorizations were requested from Congress by the Department of Defense. At least Congress has seized on that as justification for the indifference it displayed. ARNG and USAR authorizations were based on what DoD thought the two components could attain rather than on the actual requirement for mission performance. It failed to show the wide gap between authorization request and actual need.

Thus, the total numbers requested for the ARNG/USAR between 1974 and 1979 gradually dwindled, from 625,000 down to 558,000, even though the peacetime requirements stayed at about 625,000 based on war plans. For the USAR only the authorization request dropped from a 1974 figure of 225,000 to the 195,750 requested in 1979, while in the same period the war requirement was 276,000. For the ARNG alone, the authorization request dropped from 400,000 to 362,000 while the wartime structure strength stayed firm at about 435,000.

Small gains have been noted since 1978 although claims made by some, that a complete turnaround has been achieved, may be unrealistic at best.

Force manning

(As of Aug. 29, 1980)

Army Mobilization Requirements:	
Active Army	825,800
U.S. Army Reserve	428,300
National Guard	259,500
Unmanned Structure	76,800
Current Budgeted Strength:	
Active Army	774,000
U.S. Army Reserve [1]	206,079
National Guard [1]	358,644
Current On-Board Strength:	
Active Army	774,116
U.S. Army Reserve [2]	203,916
National Guard [2]	361,654
Recruiting scoreboards (year to date):	
Objective:	
Active Army	153,006
U.S. Army Reserve	48,437
National Guard	78,317
Accessions:	
Active Army	156,107
U.S. Army Reserve	47,852
National Guard	77,738
Percent objective:	
Active Army	102.2
U.S. Army Reserve	98.8
National Guard	99.3
Reenlistment scoreboard (year to date):	
Objective: [3]	
Active Army	75,322
U.S. Army Reserve	38,591
National Guard	99,470
Achieved:	
Active Army	77,038
U.S. Army Reserve	27,617
National Guard	67,828
Percent objective:	
Active Army	102.3
U.S. Army Reserve	71.6
National Guard	68.2

[1] Includes full time active duty reserves (10,532 on Sept. 30, 1980).

[2] Includes 10,204 full time active duty reserves.

[3] Number of eligibles.

Strength: In FY 1979 both the ARNG and USAR escaped strength losses for the first time since 1974. The ARNG showed a net gain of 4,532 and the USAR climbed by 4,237. The IRR also posted a gain of about 35,000, raising it from 166,607 to 201,803.

Some of this gain came from eliminating previous exemption of women from IRR service. At least half of the IRR "gain," however, came from book-keeping transactions rather than an actual gain to the nation of trained individuals. Individuals are being held in the IRR for their sixth and final year of obligated service rather than being shifted into the Standby Reserve. The move simply distributed the shortages differently!

Guard and Reserve leaders predict additional gains for Fiscal Years 1980 and 1981. ARNG strength gains from October 1979 through May 1980 totalled about 9,000 and a year-end total of about 360,000 was being predicted. USAR leaders believe last year's end strength of 189,990 will have climbed to 201,800 by year's end. A strength of 376,200 is the ARNG target for FY 1981 while for the USAR the goal is 210,400.

In other favorable developments:

First-term attrition was down appreciably in FY 1979 as were overall losses, indicating that retention programs are working better.

Congress has authorized membership incentives for all units of the Army's two Reserve components at a cost of $59.4 million. (Action on funds is still pending).

A variety of other Congressional initiatives to increase the attractiveness of military service will benefit the Guard and Reserve as well as the Active forces.

On the negative side, repeated administration proposals to abolish fully-paid military leave for Federal employees who are members of the Guard and Reserve are again under Congressional consideration. Under the current proposals, they would receive a "differential" covering the difference between their military and Civil Service salaries. If the disenchantment is great enough among the 125,000 or more Guardsmen and Reservists who are Federal employees, there could be a surge of losses.

Falling into the unpredictable category are two other factors. They are registration for Selective Service and the job picture.

The new registration requirement could have a beneficial effect on Reserve component recruiting, but no appreciable impact has been felt. If actual drafting begins, the picture would undoubtedly change abruptly.

The standard pattern has been that high unemployment brings more men into the Reserve forces for the part-time income. When the job pictures improves, military enlistments traditionally sag. At this point, it is not possible to predict either the job trend for the coming year or its effect on enlistment and retention rates.

Starting from where we are today, then, what courses are indicated to fill the ranks of the Guard and Reserve with capable, well-motivated people?

The starting point, in the view of AUSA, must be strong, consistent support from the Administration, the various Federal agencies whose actions impinge on the military, the Department of Defense, the Congress and the American people. Without such support, based on a realistic assessment of the nation's defense needs, no real and lasting improvement can be made.

If the nation is to continue placing its reliance on the Total Force, and we strongly support this course, it must start with the awareness that the Reserve Forces are not merely a part of our military structure—they are an indispensable part.

It is essential that the Reserves be better recognized and appreciated at the national leadership level so that appreciation will more readily percolate down to State and community level. Political, business and civic leaders at local levels must understand the critical need for capable, quickly-available Reserve forces. Only then will service in the Guard and Reserve be highly respected again, and that is a most important prerequisite to manning the force.

Why They Join—And Stay: Four factors appear to have the most influence on decisions to enlist and reenlist in the Guard and Reserve. Those are employers, spouses, the nature and caliber of the training and peer influence.

Employers must truly believe that an employee works better and is more valuable because of the experience he is undergoing in the Guard and Reserve. Wives and husbands of Reservists must be drawn into their spouses' military life to a degree that will make it a shared effort.

Commander after commander has reported that the idea of "service" counts more than pay in most enlistment/reenlistment decisions—service to the nation and service to the community. The Chief of Staff touched on the point in his White Paper 1980 when he said, "The recruiting message must include the profession—as well as the occupation and the positive image of service to the nation, and pride in that service."

Commanders also say that while pay is an important element in attracting men and women to the Guard and Reserve, it is not enough to hold them past the first enlistment. It is at that point that the less tangible factors, such as the quality of the training and the ideal of service come into play.

Fulltime Manning: For many years, Reserve components of the Air Force have been widely recognized as the readiest of the Reserve forces. To a great extent this is a product of their level of fulltime manning. As much as 20 percent of the manpower in operational units is employed in a fulltime status to deal with maintenance, administration, training preparation and other essential tasks. By contrast, Army Guard fulltime staffing has never exceeded nine percent, while the Army Reserve has been even more severely restricted, at six percent or less.

Efforts have been underway for the past two years to increase the number and proportion of Army Guardsmen and Reservists employed on a fulltime basis. The existing force of individuals working as Civil Service technicians is being steadily augmented by individuals in fulltime military status and by Active Army assignees. The employment status is less important than the fact that the fulltime force is being expanded, permitting more attention to be paid to such areas as training and manpower retention. The trend must be encouraged and supported until all valid requirements are met.

Individual Ready Reserve: The weakest link in the Army's mobilization manpower posture unquestionably is the IRR. It has had its ups and downs through the years but was never in danger of extinction until the elimination of the draft and conversion to an All-volunteer force. The size of the IRR, consisting of persons with recent active service, has always been a corrollary of the size of the Army and the number of persons passing through the system.

The Army IRR hit its high-water mark in 1960, with a total strength of 1,417,000. Then, after a slow decline to as low as 437,000 (in 1963), it climbed back to slightly more than one million in 1972, the result of Vietnam era draft calls. By law, men who were drafted served two years on Active duty and the next three in either a Selected Reserve unit or the IRR. The sixth and final year could be spent in Standby Reserve status.

The size of the IRR is a matter of more than academic interest. It's the "pool" of trained individuals who would become one of the Army's scarcest and most critical assets on some future M–Day. Those individuals would be among the first (elements) to be mobilized, to flesh out existing units to war strength—Active, Guard and Reserve—to replace combat casualties incurred in the first weeks of combat, and to commence building an expanded support and training base in CONUS.

While there are wide differences of opinion on how many pretrained individuals will be required in a future M–Day, there is no dispute at all about the need. They can literally be the difference between holding our own or sustaining serious setbacks early in a conflict, in NATO Europe or elsewhere.

For the ARNG and the USAR, the statistics show a shortfall of approximately 160,000 below authorized peacetime levels and a deficiency of approximately 250,000 below recommended wartime manning tables. The shortage in the IRR is anywhere from 200,000 to 600,000 depending on whose estimates you accept and what assumptions are made about how a future conflict might develop. The Secretary of the Army told a Congressional committee the IRR shortfall was "less than 200,000;" and the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) told the same committee it was 270,000. An evaluation conducted by the Army staff in November 1979 suggested a shortfall of 310,000 trained individuals in Europe by M+90 of a NATO conflict. Little more than a year ago, in the immediate aftermath of a Nifty Nugget/Mobex 78, shortage estimates were running as high as 600,000.

It is fair to say that estimates in the higher range are based on "worst case" assumptions of what the first weeks of a NATO conflict would produce. Those in the lower range are based on only the most optimistic assessments of such factors as casualty rates and how many can be found to report when the IRR and Standby Reserve are called. Guard and Reserve leaders fear, probably with ample justification, that the lower range of shortage estimates also is based on wasteful procedure of utilizing many organized and trained units as replacement pools, thus reducing the requirement for pre-trained individuals.

DoD has not yet accepted a proposal long supported by AUSA and other organizations, that consideration be given to drafting men for the IRR. Drafting up to 200,000 men into the IRR also was a provision of bills considered by Congress. It is without question the only means available to restore quickly IRR strength to a prudent level.

How much time do we have? How urgent is the need to restore Army strength to the desired levels, in Active, Guard, Reserve and IRR? Those are fundamental issues underlying the ongoing debate over manning the force.

National leaders continue to warn of threats barely over the horizon. Military leaders understand fully the rapidity with which a placid situation can turn into chaos. Commanders in Europe watch the steadily growing Soviet-Warsaw Pact military power facing them with apprehension. Elsewhere, events in the Middle East threaten world peace.

The Deputy Assistant Secretary of Defense for Reserve Affairs has predicted on several occasions that it will be 1985 before the Army Guard/Army Reserve can be restored to the required peacetime levels. We believe that to be overly optimistic without drastic action.

The Army's Deputy Chief of Staff for Personnel stressed the need for readiness now when he testified before a Congressional committee early in 1980. His statement, paraphrased, was that "we talk much of the possibility of war at some future date, but we must make ourselves ready to fight today."

"Current manpower policies of the Department of Defense invite an early return of conscription. The All-Volunteer Force has serious problems that are not being addressed. The cumulative impact of those problems is a force with deficient military credibility. . . . With immense human effort, and no little human cost, the Services

are barely keeping their heads above water in the recruiting market. . . . Retention of highly-trained and experienced personnel remains the single most critical problem in the military. . . . Serious shortages exist in the Reserve components. . . . The optimistic outlook for the Selected Reserve has been achieved in spite of, not in conjunction with Defense Department efforts. . . . Defense efforts to candidly address the major shortages in the IRR have been dilatory and lacking in focus." Excerpts from Authorization Report, House Armed Services Committee, April 30, 1980.

At its 1980 Annual Meeting, AUSA's delegates addressed the problem as follows:

"Present mobilization plans include heavy dependence on the use of Reserve Forces and Individual Ready Reserves. Without the pressure of a draft, our Reserve Component Forces experience great difficulty in recruiting, which has resulted in understrength units non-responsive to the mobilization needs of the Active Army. An adequate IRR simply cannot exist because there is only a limited source for trained personnel.

A draft would provide our nation with many positive benefits. It would provide a necessary source of trained personnel should they be needed, and would serve as a deterrent to war because it would signify our national determination to react to aggression with all our means.

Presidential induction authority for the military forces and a revitalized hiring and training program for civilian personnel are of utmost importance if we are to meet the Nation's requirement for a strong Total Army Force.

We therefore resolve to

Increase our efforts to make the public, the Congress, and the Administration aware of the critical requirement for manpower in the Total Army Force.

Encourage the Congress and the Administration to take any and all actions necessary to otbain the manpower necessary to fill shortages in the Total Army Force, including an immediate increase in the civilian work force.

Urge that the President be authorized to order induction.

Urge that drafting of personnel be authorized to fill the IRR and to fill shortfalls in the Active Forces.

Support funding for a fully operational Selective Service System.

MODERNIZING THE FORCE

"Next to manning the force, the management of modernizing is the most complex challenge facing the Army in the 1980's." General Edward C. Meyer, Army Chief of Staff, White Paper 1980.

The Army is preparing to launch the largest modernization program in its peacetime history. It hopes to spend some $33 billion over the next five years, subject to Congressional approval of its spending plans.

The program is intended "to achieve at least technological equivalence (with the Soviet Union) in fielded systems by 1985 and superiority by 1990," explains the Chief of Staff. Even with that much to spend, he points out, the Army will not be able to acquire all the necessary systems.

Modern military hardware costs a great deal and the price tag is going up ever year. The ever-increasing cost results partly from inflation, partly from advanced technology and partly from the need to catch up with needs long-deferred. It would have cost the nation less, in absolute as well as comparative terms, had we maintained a steady modernization pace through the years rather than repeatedly deferring necessary procurement.

In its report on the Fiscal Year 1981 Defense Authorization Act, the House Armed Services Committee provided an explanation that was notable for both clarity and frankness. Said the Committee report:

"The problem has not been the lack of planning so much as the obvious inability to follow the plan. The military services plan that one day aircraft and ships and other hardware will wear out, that the enemy will develop effective defenses, that equipment will fall prey to attrition even in peacetime. Assuming only static force levels, there must be plans for attrition, obsolescence, and replacement. The committee, however, finds no evidence that these plans find their way into the annual budget reviews of the Department of Defense and the Office of Management and Budget in any systemic way."

The committee went on to point out:

"Over the years, the political requirements of budgetmaking have overruled the real needs of the military. We now find ourselves with a backlog of requirements that are essential to national defense and security. Each requirement is urgent in a world becoming more dangerous each day. This backlog of requirements is, itself, a product of the claim of 'unaffordability' in past years. . . . The question before the committee and before the 96th Congress is not whether we can afford what we need for defense. The question is whether we can afford not to buy what we need for defense at reasonable rates and thereby avoid the future payment of high sums for inflation alone."

For a number of years, military planners have properly assumed that the Army will have to fight the critical early months of any future NATO conflict with whatever weapons and equipment it has on hand at the time war erupts. There will be no time to place orders, tool up factories and manufacture new equipment for the combat forces. Thus, the "come as you are" war became a standing consideration in contingency planning.

The Army Modernization Program envisions the transfer of a large amount of equipment from the Active force into the Guard and Reserve during the 1980's. These resources will certainly enhance the war fighting capability of the Reserve forces. However, there must be a major increase in early acquisition of current generation equipment right off the production lines for the Guard and Reserve if our early deploying units are to be compatible with the Active force already deployed or concurrently deployable on the battlefield. Equally important is that Reserve forces maintenance personnel train routinely on the equipment they will service on the battlefield as well as the (older) equipment in the hands of the Guard and Reserve.

The prospect of "come as you are" combat has become more appalling with each passing year; however, as the Army has fallen farther and farther behind its potential foes in both the quantity and capability of its equipment. It is a particularly unattractive propostion for large segments of the Guard and Reserve; as later deploying units, they get the least and the worst of what is available.

The low estate to which we have fallen in essential war resources should be cause for serious concern among those charged with providing the Army with its wherewithall, for such deficiencies inevitably will lead to more casualties.

It is generally conceded that the Guard and Reserve today have more equipment on hand than they have had for several decades. Much of it is on a par with that in the hands of the Active Army. Those facts become somewhat irrelevant, however, when measured against the amounts of equipment available to our potential Warsaw Pact opponents and technological modernity of that equipment.

Army Guard: The ARNG's wartime equipment requirements are pegged at about $11 billion in dollar value. There was about $7.6 billion in Guard inventories at the end of FY 1980. That left a shortage of about $3.4 billion. The equipment fill has stood still at 69 percent of wartime requirement and 75 percent of peacetime authorization for more than a year. Further, the fill is uneven and in some categories, i.e. communications, is critically low.

Three percent of the Guard's equipment is obsolete and unuseable in a sophisticated combat environment like NATO. Another portion, much greater percentage-wise, is in the "Standard B" category—deployable and useable in European combat, but older and less modern than top-of-the-line equipment. Much of the ARNG equipment while deployable is not fully compatible with equipment assigned to Active Army units presently deployed and would exacerbate support and coordination problems.

Army Reserve: The equipment requirements for the Army Reserve at wartime levels is approximately $3.2 billion in dollar value. On hand is equipment with a book value of approximately $1.35 billion, or 58 percent of wartime requirement. The "on hand" figure is somewhat misleading, however, because a substantial share of it is unuseable in a NATO environment and thus nondeployable. In modern equipment, useable on a sophisticated battlefield, the USAR possesses only 37 percent of its wartime need.

POMCUS (Pre-positioned Organizational Materiel Configured in Unit Sets): This is the placement of substantial quantities of war equipment in European storage sites, packaged in unit sets, ready for airlifted troops from CONUS bases to fall in on following their deployment. For end FY 82 DoD has directed the Army to plan for POMCUS equipment sufficient to outfit six deploying divisions and OSD is looking toward the possibility of even more sets. This would save weeks in an emergency deployment of additional troops to NATO Europe, since troops alone can be rapidly airlifted while heavy equipment must, in most cases, go by slower sealift. But there is a high price to pay to store these vast quantities of equipment in Europe.

There is far from enough up-to-date equipment in the Army inventory to completely outfit existing units and most assuredly not enough to outfit all units and store enough for six full combat divisions in POMCUS sites. Further, the Congress has not authorized procurement for this purpose. Therefore, the POMCUS equipment is being obtained by equipping all but the earliest deploying units with much less than their wartime requirement. In other words, the Army is taking it out of its hide.

To avert a severe impact on training, Army leaders have prescribed percentage levels that must be left in units—50 percent of TOE (Table of Organization) for the late deploying Guard and Reserve, 70 percent for Active force POMCUS units.

One further factor complicates the POM CUS program. That is how to redistribute the equipment left behind by units which will deploy and fall in on POMCUS stocks. Army officials have been reluctant to earmark it for automatic re-allocation to Guard and Reserve units on grounds that no one knows where the most urgent need will lie under emergency circumstances. In any event, regardless of planned allocations, a shortage of equipment will remain.

The Army is making a concerted effort, in the words of the Chief of Staff, "to attain a required rate of modernization within the limit of constrained dollars."

Equipment shortages affecting readiness

Most Critical:	NG	USAR
Communications	X	X
Artillery	X	X
Engineer/bridging	X	X
Maintenance sets	X	X
NBC equipment	X	X
Data processing	—	X
Medical equipment	X	X
Trucks/trailers	X	X
Personnel carriers	—	X

Incompatible:	NG	USAR
Medical sets	—	X
Communications	X	X
Tactical vehicles (gasoline versus diesel)	X	X
Obsolete:		
Artillery	X	—
Air defense	X	—
Data processing	X	—
Trucks/trailers	X	X

There is still not enough to buy all that is needed. Therefore, modernization inevitably will be accomplished by an endless series of judgments and trade-offs to obtain the systems needed most. There also will be continued application of priorities in allotting new equipment to using units.

Deployment timetables cannot be the sole determinant for distributing new equipment, however. Every unit requires enough equipment to support effective training. Every unit also needs to be maintained at the highest attainable readiness level, regardless of its place in the deployment schedule. For the Guard and Reserve, modern equipment has other implications. For example, how can Guard/Reserve commanders keep members interested, and on the rolls, who train with modern, effective equipment during Initial Active Duty Training then return to units where they must continue their training on items that are obsolescent?

Today, the Guard and Reserve train alongside the Active Army and will be expected to fight alongside Active forces if war comes. Therefore, if the Total Force is to have the significance attributed to it, the modernization of all three components must be given equal emphasis and consideration.

Many Guard and Reserve leaders regard equipment shortages as the most critical readiness inhibitor confronting them, even more serious than manpower shortages. The reason is leadtime to meet national commitments after an emergency is declared.

In an emergency, the Army could overcome its shortage of trained manpower in a matter of months following resumption of the draft. Making up equipment shortages, however, may require years to crank up production lines and get modern radar, trucks, bridging, armored carriers, attack helicopters, and countless other scarce items flowing again. Thus, equipment resources become the driving factor in readiness considerations.

That basic fact should be kept uppermost in mind as Congress and the country debate how many resource requirements and how soon to provide a prudent level of security for the country.

"In sum total, one-half of the nation's combat power and two-thirds of the support capability are maintained in the Reserve Forces. Despite this heavy responsibility, the Guard and Reserve lack much of the modern equipment they need to mobilize and deploy as required. Changing these conditions is not only desirable, it is essential. We must keep these forces strong if our nation's ability to deter aggression is to be maintained." Senator Strom Thurmond, Senate Armed Services Committee, June 1980.

TRAINING THE FORCE

"Everything revolves around good training—strength, retention, attendance, morale, readiness—everything. If you have well-planned, imaginative, realistic, hard training, it challenges people. It makes Reserve service interesting and worth doing."—Major General Henry W. Meetze, Commander, 97th U.S. Army, Reserve Command, July 1980.

Guard and Reserve commanders tend to consider training the most important aspect of their jobs. It is not that they down-grade the significance of good maintenance, administration, personnel management and other facets of military management. It is more that training—

Is directly related to mission performance, in a visible, immediate way.

Is something they themselves can influence directly, for good or bad.

Impinges on so much else, such as morale, retention, attendance, and overall readiness, in either a positive or negative manner.

An Army Reserve leader summarizes the importance of good training in these words:

"Strength is all-important, but is a result rather than a cause . . . The key to strength is retention, and retention comes from satisfied troops. That satisfaction comes not from dollars nor from fringe benefits, but from tough, challenging training that demands hugh amounts of physical and mental exertion, and is related to identifiable missions."

His is a view widely shared by Guard and Reserve commanders at every level.

The Chief of Staff has outlined a number of training imperatives, and describes them as equally applicable for both Active and Reserve forces. They give high priority to such areas as effective NCO development programs, maximum use of concurrent and integrated training, maximum utilization of available training resources, and efforts to reduce diversions from training.

In a direct reference to the Guard and Reserve, he said: "To meet their unique situation, they need clear linkage to their wartime mission, planning and command relationships for those missions; and hands-on skill training with that equipment which they will be assigned on mobilization." Each area cited deserves emphasis.

Concurrent Training: Due at least in part to that old bugaboo "resource constraints," basic training has been gradually shortened. Thus individual skills not learned in basic training must be achieved after the soldier joints his unit. In the Reserve Components, where training time is short, the new training devices which enable the soldier to learn at his own pace become essential. The current concept of multi-echelon training enables commanders to train individual soldiers, NCOs, officers and battalion staffs concurrently while other elements are engaging in platoon or company exercises. Because Guard and Reserve units are expected to perform as units on M–Day, the concurrent training mode supported by the new training devices is essential to unit readiness.

Maximum Use of Resources: Some Guard and Reserve supply rooms contain equipment which, if used more frequently in unit training, would help upgrade unit readiness. At a higher level, there are training resources available that could be more extensively utilized, such as National Guard Officer Candidate Schools and NCO Academies, USAR Schools and Training Divisions.

On the other hand, a great many aids, simulators, techniques and electronic devices have been developed that greatly enhance the training of Reserve component units. It is essential that unit commanders be fully informed about the availability of these aids through the Readiness Regions and Groups and that they make maximum use of all devices to enhance training.

The Army's new National Training Center at Ft. Irwin, California, can make a substantial contribution to Guard and Reserve readiness, when it goes into operation, if Reserve component battalions can be scheduled to use the facility in more than token numbers. The Center is designed to provide two weeks of realistic combat training for "heavy" battalions in a sophisticated electronic warfare environment. One feature of particular value to Guard and Reserve commanders will be the opportunity for realistic combined arms training. Such training, featuring integration of air and artillery support with ground maneuver, is rarely available in any meaningful degree at most annual training encampments.

Diversion From Training: For as long as armies have existed, commanders have coped with the problem of keeping the maximum number of people in training and reducing non-training activities to a minimum. They also have had to cope with unanticipated changes in plans handed down from "higher headquarters."

The Chief of Staff makes a cogent point when he charges commanders at battalion and higher levels to act as "heatshields" to protect company-sized elements from schedule changes and other diversions from training. In a comment that has application to Guard and Reserve as well as Active Commanders, General Meyer says:

"The cohesion that matters on the battlefield is that which is developed at the company, platoon and squad level. We cannot afford to place the burden of adjusting to 'brush fires' on those fragile organizations. They must be protected by higher echelons fulfilling their coordinating roles so that changes to training schedules become the exception, not the rule."

Training management has vastly improved in recent years, due in major degree to new techniques, aids and literature developed by the Training and Doctrine Command (TRADOC) and its various specialized elements. Not the least of the improvement is the Battalion Training Management System (BTMS). BTMS systematically draws leaders at every level, from the battalion commander down to the squad leader, into the training pattern.

BTMS currently is being introduced into Guard and Reserve Forces. It is expected to be in full use by the close of the current training year. Properly utilized, it can make major new training advances possible in Reserve component units.

New Equipment Training: The introduction of new kinds of equipment into Guard and Reserve inventories has produced a need for specialized Active Army training teams to give training to using units well in advance of the equipment's arrival. Initiative by Reserve Component commanders in collaboration with their supporting Readiness Group can pay big dividends. For example, a brigade of the Florida National Guard, knowing that it would soon receive the TOW weapon, selected a group of TOW gunners in advance and arranged for a mobile training team to assist the unit in training these gunners. When the TOWs were issued, the gunners were already trained, thus materially reducing the period of reduced readiness.

Exercise Training: Realistic exercises offer the ultimate training opportunity. They add the final polish, the close approximation of actual operations that can be attained in no other way. Consequently, opportunities to take part in exercises need to be expanded for Guard and Reserve forces. These can range all the way from the elaborate Army and JCS exercises that feature combined arms operations and all components down to small scale exercises designed by local commanders. By careful scheduling, concentration of resources, and use of mission-oriented scenarios, Active and Reserve component commanders can create local and regional opportunities for such training. Programming and budgeting for Joint Chiefs of Staff exercises should include transportation costs for Guard and Reserve units.

Suggestions and Criticisms from Guard/Reserve Leaders: From Guard and Reserve commanders themselves come the following comments on improving the training environment:

Retain present level of Active augmentation.

Says a two-star commander: "We now have Active component augmenters who are, in every case I know, superb soldiers and administrators. They have helped enormously

in shaping up units and serve as effective liaison with the Active component. Their presence ought to be encouraged, for not only do they do the good things I mentioned, but they return to the Active components matters."

Ease the administrative burden on company commanders.

Training suffers when company commanders must spend a large share of their military time dealing with administration, personnel management tasks, and other chores unrelated to getting the unit ready to perform its mission, say commanders. CONUS Army commanders and others have been cooperative and helpful in holding down administrative and "paperwork" requirements, commanders say, but such matters still consume too much of a commander's time at company level. This seems to be particularly true in separate company-sized units where commanders say they must meet many of the same administrative requirements as battalion and group elements but without the staffs of those higher echelons.

Put more resources and funds into training.

As one senior commander said: "We spend millions on people programs, but need to invest more in good training which will enhance recruiting and retention and reduce people problems."

Another said: "It's difficult to make training interesting for combat support and combat service support units. A heavy equipment unit, for example, needs hands-on training on such things as the suspension system of an M–60 tank, or some new ribbon bridging. They go to Aberdeen Proving Grounds for their Annual Training and get great training for two weeks. But back at home station, they have facilities for nothing but classroom training, so for the rest of the training year, they're bored. They drop out. Why can't we equip some Reserve centers, on a regional basis, to provide hands-on training for many of those specialized support units?"

Provide adequate funding for training travel.

In the final round of budget cuts before Congressional approval, travel funds are a frequent loser. Last year, Congressional appropriations Committees made a massive cut in all government travel, of which the Department of Defense share was $92 million. DoD allotted proportionate shares of the cut to all services, agencies and components. Some elements were merely inconvenienced, albeit rather drastically. But for the Reserve forces it very nearly amounted to a training disaster. Units had funds to pay for special schooling, but no money to get students to the training. Units had to cancel, at the last minute, plans to train at distant installations where specialized facilities were available, and go instead to nearby locations without such facilities. Not only was training adversely affected but personnel retention as well for the change in plans compelled soldiers to make new leave arrangements with employers, alter family vacation plans, etc.

Here's how Major General William R. Berkman, Chief of Army Reserve, explained the problem in testimony to the House Committee on Appropriations last June (1980):

"Travel is essential to Army Reserve Strength, training and readiness. As Army Reserve strength increases, the requirement for travel also increases. The cost of each accession into the Army Reserve includes recruiter travel and may include travel by an applicant to an Armed Forces Examining and Entrance Station. Participation in basic and advanced individual training requires travel, as does additional proficiency and skill progress training for members of the Army Reserve units widely dispersed throughout the country. Travel is required for annual training activities. Travel is required for the CONUS Armies, and Army Readiness and Mobilization Regions, supporting both the National Guard and Reserve. Extensive travel is required for any new or expanded training activities designed to improve Army Reserve mobilization readiness . . . We simply do not have the flexibility to accept travel reductions, (even) be they perceived as administrative travel, without causing training plan revisions that adversely affect readiness."

National Guard Bureau leaders agree that General Berkman's explanation is equally applicable to the Guard.

Expand overseas deployment training.

Most commanders regard actual training deployments to operational areas overseas as the "most rewarding form of training" on all counts. It sets the training in a real-world atmosphere, provides actual deployment experience and acquaints Guard and Reserve units with the area where they are most apt to function in a real emergency. As by-products, it raises morale, improves retention and makes Active Army units aware of the caliber of the units that will reinforce them in some future emergency. It too is influenced by travel funding. The number of units, or unit "cells", participating in overseas training each year has been slowly increasing but still involves only a handful. The Army Guard participation, for example, will climb to 73 units or "cells" in the 1980 training year out of the Guard's total force of more than 3,300 company—or detachment-sized units. Now and indefinitely into the future, overseas training is restricted to units with early-deployment missions, and no less than C–2 readiness status.

Obtain more training sites near home stations.

The longer a combat unit must travel to and from an area where realistic training may be given in a field environment, the longer time it will take to develop tactical proficiency and close tactical teamwork. Past efforts to obtain access to suitable, close-to-home training sites for many types of units have produced results, but not enough.

More training NCOs.

In 1978–79, tests were conducted of the use of training non-commissioned officers at company level. The tests showed that training could be improved appreciably by such a procedure. The training NCOs helped plan training, did much of the laborious preparatory work, and encouraged greater use of correspondence courses. Individual training NCOs who took part in the test have since been folded into the Additive Fulltime Manning (AFTM) program. Meanwhile, Reserve component leaders are conducting an effort that eventually may put a training NCO into every company, battery and troop-size unit. They believe it will pay off in better retention as well as better training.

The Mirror Image Problem: Reserve component leaders praise the Active Army for the emphasis it is putting on elevating Guard/Reserve readiness. There has been a vast change in attitude and a substantial increase in the amount of assistance given since the Total Force idea was begun, they agree. In one aspect, however, they see the full-time defense establishment as rigid and doctrinaire. A synthesis of this problem would run like this:

Guard and Reserve units are not Active units. They have their own dynamics, rooted in their civilian community and based on such factors as the limited time they can spend on military matters. Shortages in training sites, equipment, training aids, personnel and, above all, time, inhibit their operations and make it necessary to use shortcuts and expedients where possible.

Current emphasis on multi-level training supported by an increasing array of sophisticated training aids and Active Army training teams adapts Army training to the unique aspects of Guard/Reserve training.

Solutions to the unique training problems of the Guard and Reserve require the closest collaboration between unit commanders and the Active Army, such as:

Establish realistic training goals at levels which the unit is capable of achieving, recognize the achievement when it is attained, and move to the next achievable goal.

Take stronger action to eliminate administrative requirements which take time away from training. This needs emphasis at all command levels.

Take maximum advantage of the new sophisticated technical training aids and the Active Army mobile training teams.

Invest more to develop and distribute more of these much-needed and highly successful training devices within the Reserve components.

Invest more command and staff training time in the new systems such as CAMMS, a computerized system of providing map maneuver training, and CATTS, a Combined Arms Tactical Training Simulator. These systems more than pay for themselves by offering effective, time-saving tactical training without the costly need to move troops and equipment.

MOBILIZING THE FORCE

"On the screens of the computer terminals that were used to simulate the demands of such mobilization, an Army of some 400,000 of the best-trained soldiers in the United States was sent to the plains of Central Europe. It probably died there. It had been equipped with some of the most lethal, most advanced high-technology weaponry on the planet, but it did not have enough shells, missiles, fuel, food, spare parts or replacements to survive for more than a few weeks at the level of fighting envisioned." Outcome of Nifty Nugget 78, Mobilization Exercise, John Fialka, Army Magazine, April 1980.

Nifty Nugget was one of the most comprehensive tests of mobilization capabilities ever undertaken in peacetime. Conducted in the Fall of 1978, it brought into view what many military people had long known, or feared—that the nation's ability to mobilize rapidly, deploy and sustain a large military force for a short-notice high-intensity, conventional war in NATO was seriously, perhaps fatally, inadequate.

Planning for mobilization was outdated and fragmentary. Many in the defense structure were only vaguely aware of the extensive ramifications of a large-scale mobilization. There were critical shortages of some of the most essential combat requirements—trained manpower, combat equipment, airlift and sealift, computerized information/management systems, spare parts, even that most basic of war requirement, ammunition!

The Chief of Staff has made only indirect reference to the exercises as such, but most of the problem areas he has singled out for emphasis are outgrowths of Nifty Nugget findings. Most of them also highlight the increasingly important role of the Guard and Reserve.

He has stated the Army mobilization objective as assuring that the Army is postured in peacetime so that it can quickly mobilize all its forces for a war emergency "in accordance with established and exercised plans, to include expansion of the training and support base." The essential part that the Guard and Reserve must play is recognized in his declaration that "the Active force is dependent on a responsive Reserve component, which is dependent on a ready mobilization base."

Near-term programs for improving the Army's mobilization capability follow:

Increasing the equipment fill and readiness of early-deploying Active, Guard and Reserve Units.

Conducting mobilization training.

Preparing for mobilization manpower replacements and training.

Limited preparation of the capabilities of mobilization stations.

Manpower: Manpower shortages in the National Guard and Reserve unit structure reduce the Army's ability to mobilize quickly and with full effect. Small gains this year and last suggest that recent efforts to reverse the overflow may be taking effect, but full recovery is at least five years away. Equally serious, because it is so difficult to overcome, is the serious shortage of individuals, already trained and available for warly mobilization, in such categories as the Individual Ready Reserve (IRR), Standby Reserve, and among recently retired Army personnel. The seriousness of the shortfall is intensified by the alternative it thrusts upon the Army, that of mobilizing later deploying units of the Guard and Reserve, then stripping them of their trained manpower to satisfy what the Army calls "wholesale manpower requirements." It is a wasteful, stopgap process, as the Army itself concedes. It destroys the readiness achieved by those units through long and arduous effort, and makes it necessary for them to rebuild from scratch. More serious, it delays by many months the availability of those units for their planned employment in a combat role.

Denuding organized and trained units of men to meet filler and replacement needs is a legitimate last-resort technique for meeting emergency manpower requirements when necessity requires. It should never be accepted as the easy solution to difficult manning problems, however, but there are increasing indications that such is the case in the Department of Defense.

Computers Information Storage and Retrieval and Communications: No where does the Army's dependence on sophisticated computerized information storage and transmittal systems become more evident than in mobilizing exercises. Today, the computerized personnel and logistics management systems of the Active Army, Guard and Reserve cannot be meshed because the various systems are not compatible. Improvement programs are under way but progress is slow because the systems carry such high price tags. Meanwhile, it must be recognized that a mobilization will be hampered until the inadequacies of the systems are overcome.

Capstone: This is the Army's program for establishing, between Guard and Reserve units and the Active commands with which they would be affiliated, the linkage intended to produce a working relationship in peacetime that could be readily expanded in wartime. Capstone is an important step to reduce uncertainties and make possible a quicker, more effective assimilation of wartime augmentation forces by Active commands. There is room for improvement in the eyes of the Guard/Reserve commanders, however. They point out that some amount of coordination is required to make the system effective and that no funding had been provided for such coordination.

Better coordination also is essential if mobilization stations are to be placed in a position of greater readiness to accept mobilized Guard and Reserve units. Many of the problems disclosed in Nifty Nugget stemmed from the unpreparedness of mobilization stations to accept, house, feed, outfit and otherwise prepare mobilized units for overseas shipment. The lesson to be learned from Nifty Nugget is that Guard and Reserve commanders must be brought into the mobilization planning at every level, right from the beginning, from the Pentagon right down to battalion and companies. This is a case where the more who have a working knowledge of what is going to take place, the faster and more readily it will be accomplished.

Immediate Issues Identified by the Chief of Staff: The Chief of Staff has identified a number of tasks, the accomplishment of which would "upgrade the immediate capacity of the Army to go to war despite current mobilization shortfalls." In his words:

"These include: resolution of the distribution plans for equipment by units falling in on prepositioned sets; refinement of expansion requirements for civilian and military personnel at mobilization stations; determination of drawdown policies for emergency fill of early deploying units; provisions for continuity of garrison command at mobilization stations; resolution of personnel allocation and cross leveling authority; and advance provisioning for individual clothing and equipment, unit replacement parts, and required packing and movement materials."

He raises still another issue when he declares that:

"Doctrine indicates reliance upon prepositioned war stocks until normal resupply is established. Prepositioning levels must be raised if we are to support our forward deployed units. Stocks in U.S. Army Materiel Development and Readiness Command (DARCOM) depots must be adequate to meet the demand."

Most of the issues thus noted have direct impact on the Guard and Reserve.

On the need to expand civilian and military manning at mobilization stations on M-Day, Reserve leaders note that some uncertain number of individuals currently in the IRR and Standby Reserve have the skills necessary for such assignments and are not easily convertible to combat roles. Today and in the future, individuals who meet those qualifications should be earmarked for specific stations, by name, to lessen the M-Day confusion.

Provide for continuity of garrison command at mobilization stations poses a similar problem with a similar potential for solution in the Reserve. The USAR troop structure already contains a number of garrison units. If it is contemplated that more will be required, activation of such units in the USAR would be logical and should not be further delayed.

Expanded Short Term Call-Up Authority: The credibility of the Guard and Reserve received a major boost in 1976, when Congress gave the President authority to mobilize up to 50,000 Reservists for as long as 90 days without the need to proclaim a national emergency. The move put real muscle into the Total Force policy, clearly establishing that the Guard and Reserve will be the source of immediate augmentation for Active elements. Consequently, reluctance to assign more urgent missions to Guard and Reserve elements, and to give them modern equipment to support the missions, diminished.

However, as Department of Defense General Counsel Togo D. West, Jr., wrote to the leaders of Congress in the spring of 1980, that number turned out to be "an inadequate number to satisfy the purposes for which the authority was originally provided by Congress."

Wrote West: "Planning work based on the 50,000 limit has disclosed that the number is too small to permit allocation of sufficient Selected Reserve forces to keep immediate land, sea and air support requirements in most situations where use of the authority would be appropriate. For example, almost half the authorized force is required merely to augment airlift capabilities, leaving a balance too small for effective land or sea operations."

His comments, representing official DoD views, were made in connection with a request to Congress to increase the number to 100,000. A key factor in the request was the need to provide Guard and Reserve support for the new Rapid Deployment Force (RDF).

Selective mobilization of Guard and Reserve elements, West told Congress can "help contain a crisis while concurrently laying the ground work for higher levels of mobilization should mobilization fail."

No extension of the 90 day provision is required, only an expansion of the numbers from 50,000 to 100,000.

The increase should be of major advantage to the Army by providing far greater flexibility to plan for, and react to, a contingency on the scale of what the RDF might be expected to deal with. It also will increase the credibility of the Guard and Reserve. Congress has approved the 100,000 figure.

What does all of this suggest? Are we actually getting a firm grip on our mobilization problems and are real, workable solutions within reach? Those are the critical questions and the answer to both, unfortunately, cannot be better than "maybe." Few will give them a firm "yes," and there are many who would reply with a strong "no" to both questions.

Two Reserve component general officers with a detailed knowledge of the Pentagon's responses to Nifty Nugget findings provide the following discouraging progress reports:

Officer No. 1: "While some initiatives are under way as a result of Mobex 78, no significant progress has been identified. By and large, Reserve components can mobilize (they do once a year), but the Active component is simply not capable of accepting the Reserve components and supporting their needs at mobilization stations. The dedicated mobilization planning efforts being established within the Army will address the problem but, again, there is little sense of urgency and Mobex 80 will probably reveal the same weaknesses revealed in Mobex 78 and, in some cases, Mobex 76. There has been no identified improvement in the ability of the Army to receive and support training of Reserve component units at mobilization stations, particularly those involving combat elements." . . July 1980.

Officer No. 2: On mobilizing the force: "Our Achilles heel. We know what's wrong but total dedication to improvement is lacking. Mobex 78 has come and gone and mobilization initiatives continue to languish. . . . Perhaps we need to revisit our last great mobilization—1940–45—and learn how."

Two features of our effort to create a capability for rapid mobilization insistently call attention to themselves when the total issue is examined.

First, very little real sense of urgency is being conveyed by Congress or the Executive Branch over the need to overcome quickly our shortcomings. There is more news-making rhetoric and posturing than real improvement. Because that is the tone being set at higher levels, a similar lack of any real urgency is the rule at lower command levels. Progress has been made, but nothing like the depth the problem requires.

Second, many or most of the corrective steps taken of date on Nifty Nugget deficiencies have been peripheral or cosmetic. The number of outstanding deficiencies has been reduced from about 458 to some much lesser number but many were simply eliminated by combining them with other, related deficiencies. Certainly it is essential that we develop systems for distributing all available equipment in the most effective way, but the real problem lies in the shortage of equipment and the repeated failure of responsible agencies and authorities to budget and fund for the amounts needed. Some amount of blame also must be attached to our proclivity for giving equipment, or selling it on highly favorable terms, to "friendly" nations even at the cost of depriving our own forces.

Another seldom-recognized combination of factors may figure heavily in the failure of four successive Administrations and concurrent Congresses to recognize and accept the full cost of maintaining effective Guard and Reserve forces. Those factors are the scarcity and cost of high-technology equipment and the relatively new requirement to keep Reserve forces at an unprecedentedly high level of readiness.

Only in the current budget year, in fact, has Congress and its key committees appeared to grasp the impossibility of maintaining Reserve forces in an early-deployment status unless they receive equipment and resources commensurate with that status. For several decades, extending from the cessation of World War II, there were ample stocks of equipment of reasonable modernity to suffice for Guard and Reserve needs. All it required was a bookkeeping transaction. It already had been paid for.

Since Vietnam, however, that fortuitous circumstance no longer obtains. Equipment not left behind and lost, or handed to other nations at bargain rates, quickly becomes obsolete due to explosive advances in technology. Thus, we now find ourselves in the difficult position of having to buy expensive new equipment at an accelerated rate so that Reserve as well as Active forces can be modernized.

If there is a moral in this, it is to simply point a finger at reality—footing the bill for effective military forces—Active, Guard and Reserve—is far cheaper than fighting wars!

SUMMARY

Total Force has brought the reserve components into the Army mainstream like nothing before it. Guard and Reserve problems receive greater emphasis, and their readiness is the focus of more attention, than at any time in the modern era. At the same time, Guard/Reserve missions have been upgraded, giving them a larger and more significant share of the Total Army's missions.

Consequently, a new sense of partnership has developed, enhanced by a feeling of shared goals and shared missions. The "One Army" first envisioned at the turn of the century by Elihu Root, and revived in more recent times by Wilbur Brucker, Creighton Abrams and others, comes ever nearer to realization.

Nothing can be permitted to alter this trend. The decade of the 80's will be years of peril for the United States, with threats that become ever more diverse and challenging. Where the Total Army approach once was merely desirable, it now has become absolutely essential.

In this paper, we have focused on strengths and weaknesses of the Guard and Reserve, their needs and problems, and related these matters to the Total Army outlook.

Three areas deserve additional comment:

First, shortage of resources continues to be at the root of many of the problems confronting us. It was never conceived that new concepts like Total Force and the All-Volunteer Force could work unless large amounts of additional funding, equipment and other resources were provided. More has been provided but still far less than today's missions require. A knowledgeable Reserve component member gave an apt response when asked by a Congressional committee what defense spending could be given up in order to provide more funding for the Guard and Reserve. His reply—in paraphrase, was that the trade-off already had been made, commencing with the first reduction in the size and funding of the high-cost Active military forces in 1971. Elevating the readiness of the Guard and Reserve forces, he made clear had already permitted very substantial reductions in defense spending by cutbacks in the Active forces. The Administration, Congress and Defense leaders bought the Total Force package, accepted the trade-off, and since then have refused to pay the bill.

Second, all components would benefit from fresh looks at some of their most recalcitrant problems. Total conformity with the norms established for the parent service is not always essential. If ways can be developed of doing things that better satisfy Guard/Reserve needs without seriously impinging on Army tradition and Army practice, it should be given consideration.

Third, the "missing element" that leaders of Active, Guard and Reserve forces alike repeatedly return to while discussing the status of the Army is strong, active public support. Support for a strong, modern Army exists, as polls show, but tends to assume a passive nature. It must be energized and made articulate and its effect felt on Capitol Hill, in the White House and across the country.

Guardsmen and Reservists can be the Army's most effective spokesmen—combining the skills and capabilities of military men with the understanding of civilians who live their lives among people of their communities. A key task, second only to greater combat readiness of the Total Army, is to make its missions, its critical importance and its needs better understood by all Americans. Failure to do so will relegate the nation to a second rate power.●

THE NEED FOR BALANCE IN MILITARY DEFENSE

● Mr. GOLDWATER. Mr. President, retired Gen. Bruce Clark of the U.S. Army, has put together a very thoughtful paper on the need for balance in military defense. Defense and the military being of such interest at this time, I ask that it be printed in the RECORD.

The paper follows:

JANUARY 2, 1981.

MILITARY PARITY REQUIRES A BALANCED MILITARY DEFENSE TEAM

CONCEPT

When the Defense Department Concept was initiated by the then Army Chief of Staff—General Eisenhower—it was based upon a Balanced National Defense organization, with the services working together as a team. The Joint Chiefs of Staff were to be the military coordination and advisory group. He visualized such an organization would be able to efficiently and effectively provide for the National Defense at home and to be able to project our military influence whenever our Government decided it was needed to protect our vital interest.

The key word was Balance.

He approved a National Defense College, an Industrial College of the Armed Forces, and an Armed Forces Staff College to provide the top-level commanders and staff officers with a breadth of understanding and ability. He visualized that the Senior Commanders would, under a Secretary of Defense, be able to create and handle Balanced teams to carry out our country's military policies in accordance with Acts of Congress and the directives of the Commander-in-Chief.

QUOTES FROM GENERAL HAIG, WHO UNTIL RECENTLY WAS SHAPE COMMANDER

1. "Balance is increasingly essential to match the growing Warsaw Pact threat over the entire spectrum of nuclear and conventional capability. Yet . . . . emphasis on weapons and equipment at the expense of the more esoteric requirements of logistics, reserves, and strategic mobility, is all too prevalent."

2. "Timely reinforcement of NATO remains a high priority here at SHAPE. As I have told members of our Congress, there is no other area in our Alliance where by applying such a little additional effort we could so dramatically enhance our deterrent capability."

QUOTE FROM A REPORT BY ME IN 1978

"There are four elements that 'need to be adequate and in balance' in our defense budgeting if we are to be prepared for a Warsaw Pact conventional ground attack:

"1. Adequate weapons and equipment for the combat troops;

"2. Adequate logistical back-up to support combat elements with strategic transportation, supply, resupply, spare parts, maintenance, replacements and medical evacuation;

"3. Adequate and qualified complement of initial personnel in units at the time of the attack, and an adequate personnel replacement base in the United States to promptly support the U.S. combat elements as they take casualties; and

"4. Adequate transportation system to promptly move reinforcement units and replacements, with their heavy equipment, from the U.S. to the combat zone in time and in such quantity as needed for success."

APPLICATION TO A FORCE SENT TO THE MIDDLE EAST

What has been said about the needs of our troops in NATO if attacked, is even more applicable to any sizable force which we might have to send to the Middle East. It is applicable to our troops in Korea also.

THE EMPLOYMENT OF CONVENTIONAL FORCES OVERSEAS

1. We have conventional ground forces stationed overseas in Europe and in Korea and elsewhere. These must be supported by transportation of equipment, supplies, personnel, ammunition and medical evacuation personnel across an ocean. Supporting them promptly in war is vital.

2. The continental United States ground forces, of Army and Marines, must cross an ocean to be employed. This multiplies our logistics problems.

3. The Army and Marines are hitch-hikers. They must depend upon transportation furnished by the Navy and the Air Force to take and support them when employed in areas not accessible by marching. These means of transport are very questionable in both services at this time. In fact, the lack of adequate strategic transport will be keenly felt by our Rapid Deployment Force in the next few years, if it is to be employed in operational strength, with tanks and other heavy equipment, and is to be reinforced with replacements and supplies as needed.

This is borne out by the unsubstantiated media report that it took 1/6th of the MAC airlift capacity to airlift a force of 1,400 men from CONUS to Egypt on 11 November 1980.

QUOTE FROM GENERAL BERNARD W. ROGERS, PRESENT SUPREME ALLIED COMMANDER, EUROPE, IN READER'S DIGEST, DECEMBER 1980:

"Q. How combat-ready are U.S. forces in Germany?

"A. The Army, Air and Naval Forces are ready for action this minute. But I am not so sure that we can reinforce them if the troops have to go into combat. We do not now have the sealift and the airlift to do it. What worries me most is that we don't have enough trained men at home to replace Army casualties."

SPECIFIC LOGISTICAL PROBLEMS

1. Unfortunately, too little thought is given to logistical factors by Americans. This is natural, because logistics are seldom understood or discussed in the press or by our leaders. But these are real concerns of the military. As the technique of wars develops, logistics has probably overcome tactics in importance. Certainly, this is true where we are separated

by an ocean, and thousands of miles from possible areas of our military employment.

2. Let's list the most important logistical factors:

Strategic transportation.
Forward bases.
Weapons.
Ammunition and supplies.
Spare parts.
Fuel and lubricants.
Reserves, replacement personnel and unit back-up in men and materiel.
Medical support and evacuation.
Maintenance personnel and facilities.
Mobilization base.
Production capability at home.

These must be in Balance at time and place of employment.

ANSWERS TO SPECIFIC LOGISTICS QUESTIONS AS APPLIED TO OUR FORCES IN EUROPE

(From a Pentagon Source)

1. Is the US Army adequately organized and prepared to support a major conflict in Europe?

"Depending upon the severity of the initial onslaught, and the amount of warning available to the allies, 7th Army has somewhere between 5 and 30 days' worth of fight in it. Should the Soviets adopt a strategy optimal from their point of view, and should the war begin in the near future, 5 to 14 days may be more realistic in view of the present force logistical and support imbalance."

2. What needs to be done?

"Many of the shortcomings which constrain our ability rest with the stockage insufficiencies of our allies, and with the vulnerabilities which stem from competing U.S. and allied demands on the depots and ports in northern Germany, the Lowlands, and England, vice a more natural (and desirable) US LOC (Line of Communication) across France. NATO's Long Term Defense Plan (LTDP) could redress some of the difficulties of ports and the shortages of equipment and supplies. Any administration that takes seriously the prospect of war in Europe should address these concerns to the French. It is important to recognize that NATO logistics are still organized basically along national lines, despite extensive efforts at standardization, rationalization, and interoperability. Therefore, 7th Army will have to face its European logistical issues looking primarily for help from home."

3. How long can the forces in Europe hold out?

"One U.S. corps commander recently estimated that, should his corps receive the main attack of the Soviet Army stationed opposite him, and should reinforcements or additional logistic support not arrive from CONUS, his divisions would be exhausted at the end of a week. For example, his peacetime troop list provides for no rear-area security forces, little long haul trucking to open and support forward ASPs, and minimal medevac wherewithal to service division clearing companies. Replacement of combat losses of men or key end items would be problematic. Much then, hinges on the warning time, and on the prompt arrival of early deployment combat, combat support and combat service support units."

THE "TOOTH TO TAIL" RATIO

While this term is relatively new in military terminology, its concept is of long-standing importance.

In an Army force overseas, the "Division Slice" should be about 45,000 men if we are to have an effective and viable force. What does this mean? It means that the division strength of about 15,000 needs some 30,000 in combat, combat support, and service support to support it in corps, army, and theatre troops.

In 1961–62, during the Berlin Wall crisis, as USAREUR commander, I had 272,000 troops, or about 5½ divisions. The USAREUR strength is now reported to be about 210,000. The reduction has been primarily in support (logistic) units, rather than combat units. Logistic forces must be added quickly, if USAREUR is attacked, to bring the force into balance.

WHERE ARE THESE AUXILIARY LOGISTIC UNITS TO COME FROM?

It is intended that they come from the Reserves—but, these units are currently understrength, I am told, and are not capable of performing their intended mission at this time. Every effort should be made to revitalize the Reserve Components and bring them to an accepted state of readiness.

HOW A WAR COULD START

While only Congress can declare war, we have ground combat troops patrolling the Iron Curtain in Germany, and located along the DMZ in Korea; as well as in West Berlin. If an enemy should attack West Germany, South Korea, or West Berlin, our forces would be in combat promptly and would have to be supported. For all practical purposes, we would then be at war.

These ground forces are a great part of our deterrence of a major war. This situation has helped to preserve the peace for over 25 years.

CONCLUSION

While I have had great assistance from many experienced and knowledgeable officers in preparing this paper, it is not intended to be a completed staff study as would be expected at a War College or in the Pentagon. It is more of a "think piece" for our new Commander-in-Chief and his staff, and for the new Secretariat who will take over under him in the Pentagon.

I am sure they can and will be adequately briefed on details by current military experts on active duty.

Let's deter war through strength in being. If we have to fight, let's win next time!

BRUCE C. CLARK,
General, U.S. Army, Ret.●

NOMINATION OF WILLIAM FRENCH SMITH TO BE ATTORNEY GENERAL

● Mr. RIEGLE. Mr. President, 4 years ago, I voted against the nomination of Griffin Bell to Attorney General because of his close personal relationship with President Carter and other concerns relating to his background and personal experience.

I said then that if I were confronted with the nomination of Robert Kennedy to be Attorney General by his brother President Kennedy, I would also have to vote no because of the closeness of the personal relationship.

The Attorney General is the Nation's lawyer, not the President's lawyer. The Attorney General serves the Nation, and not the President per se. I do not think it is good for the country to have an Attorney General who is a close pal of the President or who has served as the President's personal lawyer.

Mr. Smith's nomination troubles me because of his extreme personal closeness to the President and his long service as Mr. Reagan's personal lawyer. An intensely close personal relationship ought to be avoided, in my view, in the selection by a President of an Attorney General. President Ford, to his credit, selected Mr. Levy as his Attorney General, a man with no personal ties to Mr. Ford.

In my view we need both the appearance and fact of absolute impartiality by the U.S. Attorney regarding any and all actions concerning the executive branch of Government.

As no significant negative factors of any other sort have materialized concerning Mr. Smith, I am reluctant to cast an outright no concerning his confirmation. So I have elected to vote present as my means of withholding a ratifying vote in favor of his nomination, and have done so for the reasons outlined above.●

WILLIAM J. McGILL

● Mr. RIEGLE. Mr. President, William J. McGill of Davison, Mich., recently retired as Postmaster after serving from 1950 until 1980. This man has spent over 30 years working for the U.S. Postal Service. His dedication to his job and selfless contributions to the Davison community will be greatly missed. As a lifelong citizen of Davison, Mr. McGill has been a great asset as Postmaster while also actively participating in every aspect of the community including membership in the American Legion, VFW, and the Davison City Council. It is my pleasure to congratulate Mr. McGill on his retirement and thank him for his service to the Davison community. It is citizens like Mr. McGill who make Michigan and our country strong.●

IN SUPPORT OF UKRAINIAN INDEPENDENCE

● Mr. RIEGLE. Mr. President, this week marks the 63d anniversary of the proclamation of independence of Ukraine. After a long struggle the Ukrainian people seized the opportunity to form an independent sovereign state when the Russian Czardom fell. The long-sought independence was shortlived when, in 1923, Ukraine was overrun by Russian troops. The Soviet Union turned the independent Ukrainian state into a satelite nation.

The Ukraine no longer exists as a sovereign nation, but the memory and the spirit of freedom will last forever. The large Ukrainian community in Michigan has helped to foster this spirit. Recently, I received a letter from Mr. Bohdan Fedorak, president of the Ukrainian Congress Committee. In the letter Mr. Fedorak describes the meaning of Ukrainian independence day, which I would like to share with my colleagues.

The letter follows:

The Ukrainian people in the free world have since 1923 commemorated January 22nd as a Ukrainian Independence Day and used this opportunity to keep the flame of hope burning in the hearts of the enslaved Ukrainians who long for their denied but God given rights of national, individual, cultural and religious freedoms.

Mr. President, these words express the hopes that we all share for an independent Ukrainia.●

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW AND UNTIL 10 A.M. ON TUESDAY, JANUARY 27, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate recesses today it stand in recess until the

hour of 11 a.m. on Friday, January 23: and when it convenes it immediately stand in recess until the hour of 10 a.m. on Tuesday, January 27.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR SENATORS TO INTRODUCE BILLS, RESOLUTIONS, AND STATEMENTS; AND COMMITTEES TO FILE REPORTS BETWEEN 9 A.M. AND 3 P.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that on Friday, January 23, between the hours of 9 a.m. and 3 p.m. Senators be permitted to introduce bills, resolutions, and statements, and that committees be authorized to file reports, as in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATORS WALLOP, SIMPSON, BAUCUS, AND SCHMITT ON TUESDAY, JANUARY 27

Mr. BAKER. Mr. President, I ask unanimous consent that on Tuesday next there be special orders of 15 minutes each for the following Senators and in this order: the distinguished Senators from Wyoming (Mr. WALLOP and Mr. SIMPSON), the distinguished Senator from Montana (Mr. BAUCUS), and the distinguished Senator from New Mexico (Mr. SCHMITT).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask as in legislative session that the special orders just referred to be honored immediately after the time allocated to the two leaders under the standing order.

The PRESIDING OFFICER. Without objection, it is so ordered.

FILLING VACANCY ON THE SPECIAL COMMITTEE ON AGING

Mr. BAKER. Mr. President, as in legislative session I have a resolution which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

Resolution to fill a vacancy on the Committee on Aging.

The resolution (S. Res. 32) was agreed to as follows:

Resolved, That David Durenberger be, and he is hereby appointed to fill an existing majority party vacancy on the Special Committee on Aging for the Ninety-seventh Congress.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CORRECTION IN MINORITY PARTY APPOINTMENTS TO THE LABOR AND HUMAN RESOURCES COMMITTEE FOR THE 97TH CONGRESS

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution and I ask unanimous consent that the Senate proceed to its immediate consideration, as in legislative session.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

Resolution (S. Res. 33) making correction in minority party appointments to the Labor and Human Resources Committee for the 97th Congress.

The resolution (S. Res. 33) was agreed to as follows:

Resolved, That S. Res. 15, 97th Congress (agreed to January 5, 1981), is amended by striking out on the 2nd page, lines 11 and 12, the following: Mr. Kennedy, Mr. Williams, Mr. Randolph, and inserting in lieu thereof: Mr. Kennedy, Mr. Randolph, Mr. Williams.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I had previously indicated that on Tuesday next when we reconvened, that the Senate will be in executive session; am I correct in that respect?

The PRESIDING OFFICER. The Senator from Tennessee is correct.

ORDER OF PROCEDURE ON TUESDAY NEXT

Mr. BAKER. Mr. President, I had previously indicated that at that time I would seek or that I would seek unanimous consent to consider the nominations on the Executive Calendar in a certain order.

I now ask unanimous consent that on Tuesday next, when we return to the consideration of the Executive Calendar, that we first consider the nomination of Mr. STOCKMAN, to be the Director of the Office of Management and Budget, Executive Calendar No. 13; that following on after the disposition of that nomination, we turn to the consideration of Dr. Jeane J. Kirkpatrick, to be the representative of the United States to the United Nations, being Executive Calendar No. 12; and following on after the disposition of that nomination we proceed to the consideration of Mr. Casey, to be the Director of Central Intelligence, being Executive Calendar Order No. 14.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, following on after the disposition of these three nominations it is likely that we will proceed to the consideration of other items that appear now or may appear on the Executive Calendar at that time. I am not in a position to state what further executive or legislative business we may be able to deal with at that time, but I will confer with the distinguished minority leader and try to develop a further program and make it known as soon as possible.

Are we still in morning business, Mr. President?

The PRESIDING OFFICER. The Senator is correct.

APPOINTMENTS BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER (Mr. COHEN). The Chair, on behalf of the President pro tempore, as in legislative session, pursuant to Senate Resolution 400, 94th Congress, and Senate Resolution 4, 95th Congress, appoints the following Senators to the Select Committee on Intelligence: The Senator from Kentucky (Mr. HUDDLESTON) for a term expiring at the end of the 98th Congress, 1st session; the Senator from Delaware (Mr. BIDEN) for a term expiring at the end of the 98th Congress, 1st session; and the Senator from Texas (Mr. BENTSEN) for a term expiring at the end of the 97th Congress.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, if there is no further business to come before the Senate, I move, in accordance with the provisions of the order previously entered, that the Senate stand in recess until the hour of 11 a.m. on tomorrow.

The motion was agreed to; and the Senate, in executive session, at 10:37 p.m. recessed until Friday, January 23, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate January 22, 1981:

DEPARTMENT OF DEFENSE

Frank C. Carlucci, of Virginia, to be Deputy Secretary of Defense.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 22, 1981:

DEPARTMENT OF JUSTICE

William French Smith, of California, to be Attorney General.

DEPARTMENT OF AGRICULTURE

John R. Block, of Illinois, to be Secretary of Agriculture.

DEPARTMENT OF COMMERCE

Malcolm Baldrige, of Connecticut, to be Secretary of Commerce.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Samuel R. Pierce, Jr., of New York, to be Secretary of Housing and Urban Development.

DEPARTMENT OF TRANSPORTATION

Andrew L. Lewis, Jr., of Pennsylvania, to be Secretary of Transportation.

DEPARTMENT OF THE INTERIOR

James Gaius Watt, of Colorado, to be Secretary of the Interior.

DEPARTMENT OF ENERGY

James B. Edwards, of South Carolina, to be Secretary of Energy.

DEPARTMENT OF EDUCATION

T. H. Bell, of Utah, to be Secretary of Education.

IN THE AIR FORCE

The following officers for temporary appointment in the U.S. Air Force to the grade indicated, under the provisions of chapter 839, title 10 of the United States Code:

To be brigadier general

Col. Richard F. Abel, xxx-xx-xxxx FR, Regular Air Force.

Col. Michael H. Alexander, xxx-xx-xxxx FR, Regular Air Force.

Col. Melvin G. Alkire, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Carl N. Beer, xxx-xx-xxxx FR, Regular Air Force.

Col. William P. Bowden, xxx-xx-xxxx FR, Regular Air Force.

Col. Elmer T. Brooks, xxx-xx-xxxx FR, Regular Air Force.

Col. James T. Callahan, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Duncan W. Campbell, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Michael P. C. Carns, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Aloysius G. Casey, xxx-xx-xxxx FR, Regular Air Force.

Col. Wilson C. Cooney, xxx-xx-xxxx FR, Regular Air Force.

Col. Thomas L. Craig, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Milford E. Davis, xxx-xx-xxxx FR, Regular Air Force.

Col. Chris O. Divich, xxx-xx-xxxx FR, Regular Air Force.

Col. Fredric F. Dopplelt, xxx-xx-xxxx, Regular Air Force, Medical.

Col. John J. Doran, Jr., xxx-xx-xxxx FR, Regular Air Force.

Col. Christian F. Dreyer, xxx-xx-xxxx FR, Regular Air Force.

Col. Michael J. Dugan, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Pintard M. Dyer III, xxx-xx-xxxx FR, Regular Air Force.

Col. David W. Forgan, xxx-xx-xxxx FR, Regular Air Force.

Col. Daniel B. Geran, xxx-xx-xxxx FR, Regular Air Force.

Col. Gordon A. Ginsburg, xxx-xx-xxxx FR, Regular Air Force.

Col. John E. Griffith, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Alfred G. Hansen, xxx-xx-xxxx FR, Regular Air Force.

Col. Edward J. Heinz, xxx-xx-xxxx FR, Regular Air Force.

Col. Thomas J. Hickey, xxx-xx-xxxx FR, (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Jesse S. Hocker, xxx-xx-xxxx FR, Regular Air Force.

Col. Hansford T. Johnson, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. James G. Jones, xxx-xx-xxxx FR, Regular Air Force.

Col. Gordon P. Masterson, xxx-xx-xxxx FR, Regular Air Force.

Col. Robert I. McCann, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Thomas G. McInerney, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Merrill A. McPeak, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Michael A. Nelson, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Robert B. Patterson, xxx-xx-xxxx FR, Regular Air Force.

Col. Randall D. Peat, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Leonard H. Perroots, xxx-xx-xxxx FR, Regular Air Force.

Col. Robert O. Petty, xxx-xx-xxxx FR, Regular Air Force.

Col. Jimmy C. Pettyjohn, xxx-xx-xxxx FR, Regular Air Force.

Col. Robert B. Plowden, Jr., xxx-xx-xxxx FR, Regular Air Force.

Col. Philip S. Prince, xxx-xx-xxxx FR, Regular Air Force.

Col. Donald J. Rans, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Craven C. Rogers, Jr., xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Gerald C. Schwankl, xxx-xx-xxxx FR, Regular Air Force.

Col. Henry J. Sechler, xxx-xx-xxxx FR, Regular Air Force.

Col. William M. Shaw, Jr., xxx-xx-xxxx FR, Regular Air Force.

Col. Jack W. Sheppard, xxx-xx-xxxx FR, Regular Air Force.

Col. Ellie G. Shuler, Jr., xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Charles P. Skipton, xxx-xx-xxxx FR, Regular Air Force.

Col. Monroe T. Smith, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Richard E. Steere, xxx-xx-xxxx FR, Regular Air Force.

Col. John T. Stihl, xxx-xx-xxxx FR, Regular Air Force.

Col. Donald J. Stuke, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Thomas G. Tobin, xxx-xx-xxxx FR, Regular Air Force.

Col. Russell L. Violett, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Donald B. Wagner, xxx-xx-xxxx FR, Regular Air Force Medical.

Col. William B. Webb, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Bernard L. Weiss, xxx-xx-xxxx FR, Regular Air Force.

Col. Browning C. Wharton, xxx-xx-xxxx FR, Regular Air Force.

Col. Gordon E. Williams, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapter 837, title 10, United States Code:

To be major general

Brig. Gen. S. T. Ayers, xxx-xx-xxxx FV, Air Force Reserve.

Brig. Gen. James J. Feeney, xxx-xx-xxxx FV, Air Force Reserve.

Brig. Gen. James E. McAdoo, xxx-xx-xxxx FV, Air Force Reserve.

Brig. Gen. Donald A. McGann, xxx-xx-xxxx FV, Air Force Reserve.

Brig. Gen. Richard A. Wegner, xxx-xx-xxxx FV, Air Force Reserve.

To be brigadier general

Col. Thomas H. Dinwiddie, xxx-xx-xxxx FV, Air Force Reserve.

Col. P. A. Forschler, xxx-xx-xxxx FV, Air Force Reserve.

Col. George D. Leadbetter, xxx-xx-xxxx FV, Air Force Reserve.

Col. Edward L. McFarland, xxx-xx-xxxx FV, Air Force Reserve.

Col. James R. Milligan, xxx-xx-xxxx FV, Air Force Reserve.

Col. John D. Moore, xxx-xx-xxxx FV, Air Force Reserve.

Col. Billy B. Morgan, xxx-xx-xxxx FV, Air Force Reserve.

Col. Ronald G. Severs, xxx-xx-xxxx FV, Air Force Reserve.

Col. Raymond Thompson, xxx-xx-xxxx FV, Air Force Reserve.

The following officer for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 35, 831, and 837, title 10, United States Code:

To be major general

Brig. Gen. John B. Conaway, xxx-xx-xxxx FG, Air National Guard.

IN THE AIR FORCE

Air Force nominations beginning James G. Abbee, to be colonel, and ending Gerald R. Snyder, to be colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 5, 1981.

Air Force nominations beginning Larry K. Arnold, to be lieutenant colonel, and ending Philip E. Zongker, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 5, 1981.

IN THE ARMY

Army nominations beginning George P. Brandel, to be colonel, and ending Stewart R. Ward, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 5, 1981.

Army nominations beginning Robert E. Bilbrey, to be colonel, and ending Bernice M. Widrow, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 5, 1981.

IN THE NAVY

Navy nominations beginning Diana T. Cangelosi, to be ensign, and ending John W. Weiss, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 5, 1981.

IN THE MARINE CORPS

Marine Corps nominations beginning Linda C. Arms, to be captain, and ending Timothy W. Foley, to be captain, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 5, 1981.

Marine Corps nominations beginning Robert A. Alvick, to be second lieutenant, and ending Walter A. Reeves, to be captain, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 5, 1981.

EXTENSIONS OF REMARKS

TALKING PROUD IN BUFFALO, N.Y.

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. NOWAK. Mr. Speaker, for several months, the Buffalo Area Chamber of Commerce has been spearheading a "Talking Proud" advertising campaign in my hometown of Buffalo, N.Y., aimed at stimulating community pride and boosting the city's economic prospects.

The campaign has been highly successful and well received.

On January 15, 1981, however, my fellow citizens in the Buffalo area, thanks to a series of events, had the opportunity to show that actions do speak louder than words. For on January 15, I am proud to report, the citizens of Buffalo were not only talking proud but acting proud.

In a broad demonstration of community unity, pride, and tolerance, Buffalo on January 15 was the scene of a memorial service commemorating the memory of Dr. Martin Luther King, Jr., and a neo-Nazi rally that never materialized as counterdemonstrators far outnumbered any identifiable neo-Nazis. This was all accomplished peacefully, without violence, physical confrontations, or arrests.

A great deal of credit goes to the cross section of community leadership that in a unified fashion short circuited strong concerns about the potential for violence by the juxtaposition of rallies supporting the goals and memories of Dr. King and the views of the neo-Nazis.

Those concerns were inflamed by the simmering fears caused by the still unsolved murders of seven local black men.

But enlightened community leadership, a restrained and highly professional police force, and a responsible citizenry demonstrated in Buffalo, N.Y., why America is a great nation and why Buffalo is so aptly dubbed "The City of Good Neighbors."

By defusing a potentially explosive situation, we in Buffalo have demonstrated by action—not only by word—that we understand the meaning of words like free speech, the right to peaceful assembly, tolerance and brotherhood.

As the following articles from the Buffalo Evening News and the Buffalo Courier-Express demonstrate, January 15, 1981, was a "Proud Day for Buffalo—Buffalo at Its Best."

The articles follow:

[From Buffalo Evening News, Jan. 16, 1981]

A PROUD DAY FOR BUFFALO

Buffalo can be proud today.

With the eyes of the nation focused on it, this city lived up to its reputation Thursday as a community of good neighbors who in honoring the memory of Dr. Martin Luther King Jr. affirmed their positive commitment to his principles of human equality and non-violence.

On the same day, the city established that it can preserve the constitutional rights of free speech and peaceful assembly without the explosive clashes that had been feared.

That there were no arrests or physical confrontations in Niagara Square involving a lone neo-Nazi spokesman and counterdemonstrators is a credit to the advance preparations made by city and county officials and to the careful precautions taken by Buffalo police and other law-enforcement agencies in averting any untoward incidents.

What can swell Buffalo's pride in particular is the eloquent testimony to civic unity and responsibility by a citizenry that, while shunning any invitation to disorder and turning its back on preachments of hate and divisiveness, sponsored the Lafayette Square birthday tribute to Dr. King's advocacy of racial harmony.

Together they came, blacks and whites and citizens of different faiths and ethnic origins in a gathering of 5,000, to send forth a message to the nation, as speakers noted, that Buffalo is indeed a city of good neighbors.

The community demonstrated its total opposition to the odious Nazi ideology, but that it did so in a positive way and without giving vent to corrosive tensions or encouragement to political activist groups that descended on Buffalo is a tribute to the Black Leadership Forum, the National Conference of Christians and Jews and other groups and individuals who accented peaceful affirmation of brotherhood.

Buffalo honored Dr. King's legacy in the right way, and in so doing it laid a worthy foundation for going forward in constructive ways to advance inter-racial understanding and to allay public anxieties in a climate marred by the unsolved slayings of Buffalo area black men. In building on that foundation, citizens can give witness to the principles of human rights and non-violence advocated by Dr. King by supporting proposals for the erection of a statue in Buffalo honoring him and by endorsing the designation of a national holiday in his memory.

UNITY SHOWN AT KING RALLY DID CITY PROUD

(By Ed Kelly and Carl Allen)

More than 5,000 Buffalonians walked proud into Lafayette Square Thursday to honor the memory of Dr. Martin Luther King, Jr.

From church and synagogue, legislative chamber, labor hall, court and civic center, from office building and construction site, they gathered to observe the birthday of the slain civil rights leader.

Blacks and whites, members of every minority, ethnic background and neighborhood, they came together for a single purpose:

To commemorate the life and accomplishments of Dr. King who, as an exemplar of strength through non-violence, changed the attitude of American society during a career of courage that won him the 1964 Nobel Prize for Peace.

Pride and good will permeated the 45-minute event near the foot of Soldiers and Sailors Monument, the 96-year-old column honoring Buffalo servicemen who died helping to abolish slavery and maintain the Union in the Civil War.

The city-sanctioned rally was a solemn and prayerful event, as churchmen and others gave thanks for the spirit of brotherhood that was Dr. King's legacy.

They gave thanks, too, that violence had not marred the day of tribute.

It was also a patriotic moment, as participants sang with fervor the country's National Anthem and the Black National Anthem.

And it was an exuberant, happy event, filled with spontaneous cheers, with foot stomping, applause and often laughter, and with chanted pleas that Dr. King's birthday be declared a national holiday.

The noon rally ended on a stirring note, as speakers, honored guests and the throng filling the square joined hands, raised them above their heads and, swaying in unison, sang the moving civil rights song, "We Shall Overcome."

The theme was set by the Rev. Will J. Brown, chairman of the sponsoring Black Leadership Forum, when he told the crowd it was taking part in "an important celebration of one of America's most renowned men."

"Dr. King stood for truth, righteousness and justice," declared the pastor of New Covenant United Church of Christ.

"During his life, he made some mad, some glad, but he touched all. It is up to us to keep his dream alive."

The Black Leadership Forum chairman made a reference to the recent unsolved killings of area blacks and to the possibility of violence that existed earlier Thursday in counter-demonstrations in nearby Niagara Square between neo-Nazi white supremacists and a coalition of anti-Nazi groups.

"It is regrettable," commented Mr. Brown, "that we had to have eight black men killed, and the threat of violence, to bring this group together today.

"We must now remain together," he said, "and we must have Martin Luther King's birthday a national holiday. We will not stop or rest until that is so."

Mr. Brown's declaration touched off an enthusiastic demonstration among many spectators who raised clenched hands and began chanting:

"We want a holiday. We want a holiday."

The Black Leadership Forum chairman also asked, on behalf of all the area's ethnic groups, that "the city fathers open the door to let us get to the table where the decision-making takes place."

He urged the city to help construct a statue of Dr. King in Martin Luther King Jr. Park at Fillmore and Humboldt Avenues.

Mr. Brown galvanized the crowd with his closing declaration:

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

"Dr. Martin Luther King Jr. is dead, but his spirit lives on. Long live the King."

The Rev. Walter L. Bryan, rector of St. Philip's Episcopal Church, noted the "greatness" of Dr. King, and the Rev. Bennett W. Smith, pastor of St. John the Baptist Church, observed in his invocation that the Buffalo community has more than Dr. King to be thankful for.

"May the message go out to all that Buffalo is truly a city of good neighbors," he said.

"Give Buffalo," he prayed, "peace, love, harmony and, most of all, understanding.

"Our city is not only talking proud today, but walking proud and acting proud."

State Supreme Court Justice Joseph S. Mattina introduced Black Leadership Forum officials, other rally supporters and distinguished guests to the crowd which included several hundred members of Local 210 of the Laborers Union (AFL-CIO), many carrying "Local 210 Honors Dr. King" signs.

Justice Mattina, cochairman of the local chapter of the National Conference of Christians and Jews, called the celebration "a great day for Buffalo."

It also was a "sensitive" day, he noted, because of the neo-Nazi demonstration earlier in Niagara Square.

"We all share this sensitivity, not only with the blacks but also with the Jewish people who suffered under Nazi domination," declared the jurist.

In a symbolic show of racial unity, two schoolchildren—one black, the other white—read messages praising the spirit of racial harmony preached by Dr. King.

Derick Houston, 14, a black student at School 80, recalled a host of U.S. and world personages who "symbolized the spirit of Dr. King" and "who reached their full potential" exemplifying the same traits as the civil rights leader slain a dozen years ago.

Lynn Furst, a 17-year-old white student from the City Honors School, lauded Dr. King's contribution to the principles of justice, and declared that "without him, America would not have received the rude awakening it needed."

Buffalo Mayor Griffin and Erie County Executive Rutkowski each read one half of their joint proclamation which ended with a call upon Congress and the State Legislature to make Dr. King's birthday a legal holiday.

The two government heads said they were proclaiming 1981 "as the Year of Understanding in the City of Buffalo and County of Erie."

Before reading the proclamation, Mayor Griffin lauded "what has been done today for the city and the county.

"Buffalo has been proved the City of Good Neighbors not only in name, but also in action," the mayor declared.

"It takes men and women of courage not to act in a violent manner," observed County Executive Rutkowski. "Dr. Martin Luther King Jr. would have been proud of us today."

The benediction closing the celebration was offered by Emam Aleem Hasson of the American Muslim Mission.

He noted that the memorial rally's purpose was not to "harp on racism" but "to dignify the human spirit."

The speakers addressed the rally from a mobile viewing stand erected by the county's Parks and Recreation Department at the north side of the square.

Seated on the stand were scores of federal, state, county and city legislative and executive officials.

They included U.S. Sen. Daniel Patrick Moynihan, D-N.Y.; Reps. Henry J. Nowak, D-Buffalo; Jack F. Kemp, R-Hamburg, and John J. LaFalce, D-Town of Tonawanda, and State Atty. Gen. Robert Abrams.

The rally was initiated as a peaceful tribute to Dr. King by Buffalo's black leadership, and sanctioned by business, labor, civic and other groups, as well as by the city.

Several banners were raised by spectators—the green and black coalition signs denouncing the Nazis and the Ku Klux Klan, and other streamers promoting Marxism—but the spirit was one of solid unity.

As Lafayette Square began filling up shortly before noon, a public address system carried excerpts from addresses and sermons delivered by Dr. King during his civil rights crusade.

[From Courier Express, Jan. 16, 1981]

BUFFALO AT ITS BEST

There may be discussion for some time over the way Martin Luther King Jr. Day was observed in Buffalo Thursday. What has been in past years a relatively quiet, peaceful and modest observance mushroomed into a giant media event after self-styled Nazi leader Karl E. Hand Jr. announced he intended to use the occasion for a "white civil rights" rally at Niagara Square. The concern about the Nazis resulted in a simultaneous counter-demonstration attended by hundreds of primarily out-of-town anti-Nazi protesters, as well as a massive police and media presence.

And after all the sound and fury about the Nazis' intended demonstration, it should be noted that police said they were able to identify only five known Nazi party sympathizers.

We believe that Martin Luther King Jr. Day, 1981, showed Buffalo at its best: Everyone was able to exercise his or her right of free speech. Karl Hand had his say; the counter-demonstrators had their say. And local law-enforcement officials performed admirably while guarding against any sort of disturbance. At Lafayette Square, Dr. King's memory was honored by several thousand citizens in a dignified and appropriate manner. The Black Leadership Forum and the Martin Luther King Jr. Day Celebration Steering Committee, and all those groups and individuals who supported the Lafayette Square celebration, are to be congratulated for their fine work in achieving a most fitting tribute to the slain civil rights leader.

On Thursday, the Rev. Will Brown, chairman of the Black Leadership Forum, made a key point, and we second it: This should not be the end but rather just the beginning of the community's uniting to work for racial harmony and brotherhood.

KING RALLIES PEACEFUL, SPUR BROTHERHOOD

(By Richard Schroeder)

Buffalo survived. Many had predicted disaster and division; instead, many said they found unity and hope.

Despite weeks of local political hassles, despite hundreds of out-of-town demonstrators and journalists, despite the presence of a Nazi hate group, despite portents of disaster, peace prevailed Thursday during three public downtown rallies.

Competing anti-Nazi and Nazi rallies in Niagara Square, and a much larger Lafayette Square memorial for Dr. Martin Luther King Jr., occurred without violence, arrests or reported injuries.

ALL VIEWS HEARD

Everyone, including Nazi leader Karl E. Hand Jr., got the chance to express his opinions publicly and peacefully, largely due to a highly restrained but firm and visible police effort.

There was much speechmaking and rhetoric, some of it inspiring, much of it upbeat, and there were surprisingly few violent words.

It all happened on the 52nd anniversary of the birthday of Dr. King, a man who preached non-violence in the face of violent opposition, who many times had to overcome racism in America's cities.

HOPE FOR FUTURE

But Dr. King would have had no problem here Thursday, something that gave many who were downtown hope for the city's future.

"I'm very encouraged by this start," said the Rev. Will Brown Jr. chairman of the Black Leadership Forum, sponsor of the Lafayette Square memorial. "We can't look at it as the end, but as the beginning. The road in front of us is by no means an easy road to travel, but as long as we are willing to deal with our differences constructively and creatively, we can really make Buffalo a city that we all can be proud of."

Mayor James D. Griffin, often the center of controversy in the days preceding the rallies and traditionally a favorite target of blacks, said, "We've got a great ethnic city. We have people who care for each other, very close-knit. The dividend for today is that now I am closer with the black community than before. I hope they feel that way too."

GOOD NEIGHBORS

The new public proclamations of unity between black and white leaders, which threatened to fall apart Wednesday, were apparently renewed Thursday. No one was willing to predict how long that unity will last.

The only disagreement surfacing centered between Griffin and Ellicott Councilman James Pitts. Griffin criticized Pitts and his fellow black councilman George Arthur for attending the noon rallies at Niagara Square. "I was surprised to see some of the people there," Griffin said, ". . . I thought we had an agreement just to be at the noon rally." Pitts responded: "I hadn't made an agreement with the mayor . . . But it really isn't the mayor's business that I was there. He is not my boss."

But, generally the mood was upbeat, a change in attitude for the area, tense and nervous in recent weeks over both the Nazi and anti-Nazi rallies, as well as the spate of unsolved murders that has left seven local black men dead. Those crimes were a quiet part of Thursday's events with some law enforcement officials moving through the crowd, on the look-out for the man or men responsible for the murders.

"Buffalo is a city of good neighbors and of good will," said Charley Davis, a lawyer for the Black Leadership Forum. "Any differences we had before with city officials about the rally are really moot points now."

"It was an outpouring of love," said State Supreme Court Justice Joseph J. Mattina, who co-hosted the Lafayette Square rally with the Rev. Walter L. Bryan. "The rally was a tremendous success. This is a positive move of keeping the city moving as well as improving race relations."

RESTRAINED CONTROL

Despite the threats of arrest and predictions of violence that preceded Thursday, there was near unanimous praise for the restrained control provided by the Buffalo Police, assisted by Erie County Sheriff's Department and State Police.

"I think this is the greatest thing that has happened for us," said a smiling Police Commissioner James B. Cunningham. "The eyes of the nation were upon us and we performed well."

Many demonstrators, legal observers and public officials were as impressed with the police performance as they were by the nonviolent crowds that surrounded the McKinley Monument in Niagara Square for the anti-Nazi rally and filled Lafayette Square for the King memorial.

NO PUBLIC SUPPORT

Buffalo attorney Robert Godlove, who organized a group of attorneys as legal observers in Niagara Square, said he observed no instances of civil rights violations by police and said their presence was well-controlled.

Others, while disgusted by Hand's Nazi salutes and shouts of "white power," were pleased that he stood alone and without public support near City Hall. Police, however, said they identified five known Nazi sympathizers in the Niagara Square crowd.

One of those sympathizers, John Ross Taylor, leader of Canada's right wing Western Guard Party, was present, despite a federal Immigration and Naturalization Service order prohibiting his entry into this country. Federal officials said he was being sought for possible arrest Thursday night, but said he may have already left the country.

ONE-MAN SHOW

Hand's one-man show produced yells from counter-demonstrators and a crush of journalists that forced him to forgo a planned speech. He was limited to a 30-minute appearance standing at the Millard Fillmore monument at City Hall, where he flashed a sign that said "whites have rights" and another that contained a large swastika.

After flashing three Nazi salutes and answering questions, he was hustled away by several plainclothes police officers, who dropped Hand and two supporters off on Broadway near his East Side home.

The anti-Nazi rally, run by the Martin Luther King Memorial Rally Coalition, drew about 500 supporters, with over 200 coming on buses from Northeast cities. About 200 journalists swelled the Niagara Square ranks.

The rally was an opportunity for a number of groups of all political persuasions to air their views.

CAST IS VARIED

Wandering through the crowd like minstrels were members of the Revolutionary Communist Party handing out copies of their newspaper, lesbian feminists pleading their cause, Jews proclaiming that oppression must end, and a host of other political, social and ethnic groups.

Earlier, they had marched down Delaware Avenue to Niagara Square, carrying lime-colored placards and shouting, "We say no, we say no to racism."

Although a host of left-wing political groups were represented, many were not affiliated with any particular political group.

"We're here pretty much to represent the six million Jews who died," said Sue Chodrow, 21, of Buffalo, who came with her brother, David.

RIOT COPS TUCKED AWAY

They came to a Niagara Square ringed by 150 Buffalo police and 118 sheriff's deputies, including 14 mounted deputies, who separated Hand from the rally participants.

Another 150 Buffalo police, equipped in full riot gear, were held out of sight and in reserve in Police Headquarters and in the Main Library.

There was much talk of oppression and racism, but relatively little talk of Martin Luther King.

The King memorial in Lafayette Square, sponsored by the Black Leadership Forum, drew a crowd variously estimated at ranging from 2,000 to 5,000. The official police estimate of 5,000 was given by Police Traffic Division Capt. Robert J. Mischel, although many observers, including some police, estimated far fewer were in the square at noon.

BROTHERHOOD PROCLAIMED

A host of political, religious and community leaders, including U.S. Sen. Daniel Patrick Moynihan, U.S. Reps. Jack F. Kemp, John J. LaFalce and Henry J. Nowak, State Attorney General Robert Abrams and Erie County Executive Edward J. Rutkowski stood on a mobile stand to proclaim brotherhood during an hour ceremony.

Rally speakers called for a national holiday honoring Dr. King. Several times, they were interrupted by shouts, led by several black leaders, of "We want a holiday."

"Anyone can act out of bigotry and hate," Rutkowski said. "With this type of showing, Martin Luther King would have been proud of us today. We call on the Congress and (state) Legislature to make Jan. 15 a legal holiday."

Kemp, interviewed after the event, said he feels "there should be a day set aside to honor a black leader. The person to be honored should be chosen by the black leadership. I plan to meet with black leaders to determine the time and person to be honored."

Kemp also spoke to area black leaders and pledged to serve as their direct line of communication with incoming President Ronald Reagan.

Rabbi Sholom Stern, president of the Buffalo Board of Rabbis, summed up the day. "It was a demonstration of solidarity in our community. The union and demonstration in honor of Martin Luther King offer a counter-gesture to those forces who seek to divide whites and blacks."

H.R. 171—CONGRESSIONAL REVIEW OF CHANGES IN POSTAL SERVICES

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced H.R. 171, a bill to provide for congressional review of proposed changes in postal services.

In recent years, the Postal Service has proposed elimination of 6-day mail delivery which it quietly dropped as an ill-advised idea following an outcry from the public, the Congress, mail users, and postal employees. A few years ago it established a policy that almost no new residential developments would receive door-to-door delivery of mail. More recently, the Postal Service has announced plans to implement a new nine-digit ZIP code system despite broad public opposition to the program.

These and other policies and programs of the Postal Service are proof of the sad reality that the objectives of the Postal Reform Act of 1970—to insulate the Postal Service from politics—has had a negative effect and has not served the public as well as it was intended.

Postal policy is too important to be insulated from the responsibilities of the Congress. The American people expect their elected Representatives to consider and to resolve postal problems as effectively as other national problems. By increasing congressional oversight in postal matters, that legislative responsibility, can be fulfilled.

H.R. 171 addresses these problems by providing that whenever the Postal Service wishes to make changes in postal services that would have a substantial nationwide impact, it must submit the proposed change to the Congress. The proposed changes would then be considered by the appropriate authorizing committees of the Congress in the same manner as executive reorganization plans proposed by the President under title 5 of the United States Code. If, within 60 days, either Chamber approves a resolution of disapproval, that change could not become effective.●

TOWARD THE YEAR 2000

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. McHUGH. Mr. Speaker, I would like to share with my colleagues a recent editorial that appeared in the Binghamton Evening Press. This thoughtful commentary, which ran on New Year's Day, has captured in a few short paragraphs both the promises and the perils that we are likely to face in the next two decades, and thus raises some of those basic and fundamental questions that the new administration and Congress should begin coming to grips with in the next 2 years.

Like the "Global 2000 Report to the President" that was issued last year, this editorial makes it clear that the human race faces immense problems as we approach the 21st century, problems relating to the preservation of our environment, the curtailment of population growth, and the provision of sufficient food to sustain life itself. While noting that the United States cannot ignore these challenges without placing itself at great risk, the editorial makes it clear that these chal-

lenges can be met if we have the courage and the strength to do so.

Mr. Speaker, I hope that my colleagues will take a few moments at the very beginning of this Congress to reflect upon the issues raised by this thoughtful analysis, a copy of which I am inserting into the RECORD at this point.

[From the Binghamton Evening Press, Jan. 1, 1981]

SHARE WORLD'S WEALTH

Today we take our first step into the last twenty years of the 20th Century. It is a step that holds both promise and peril; indeed, it is the beginning of a journey that may well decide our destiny.

Four weeks ago, reports for U.S. News & World Report interviewed several of the world's top futurists in an attempt to put together an intelligent, thoughtful forecast of what is in store during the next 2 years.

As the magazine noted, the futurists' painted a "split-image picture" that is, at once, optimistic and ominous.

The prospect for enormous technological and scientific gains, including the prolongation of human life, is matched by the prospect of enormous social problems, including growing strife between the developed and underdeveloped nations of the world.

As society and its science move forward, the result could be an even wider division between the rich and the poor, creating a world that will be wealthier than ever, yet even more at odds with itself.

In terms of population, forecasters see astronomical growth, from the 4.5 billion people inhabiting earth today to 7 billion people by the year 2000. Providing enough food to feed a world that is already plagued by severe food shortages will be a problem of staggering dimensions.

The population growth will present other problems as well. The grab for the world's mineral and timber resources, spurred on by demands for more and more energy and more and more housing, will present a very real threat to an already-threatened environment.

According to the futurists, growth will be centered around the world's urban areas (Mexico City's population is expected to hit 31 million by 2000) meaning that our very lifestyles will become compressed, causing increased anxieties and a possible return to religious fanaticism.

All of this, of course, is a sampling of the peril the future holds. The futurists also see a promise for fulfillment in the next 20 years.

Predicted gains in agricultural science coupled with advances in the production of synthetic foods and food supplements, could make moot the prospect of food shortages, no matter how large the population.

The development of synthetic fuels and corrosion-proof metals, many of which are now in the testing stage, could give us a limitless supply of energy and building materials, without destroying the world's environment.

Despite crowded conditions, society may well be more mobile than even with aviation experts predicting the development of supersonic aircraft capable of transporting 1,700 passengers and 600,000 pounds of freight. Engineers already are planning bridges and tunnels connecting Europe with Africa, across the Strait of Gibraltar, and England and the Continent, beneath the English Channel.

In the view of Herman Kahn, a futurist with the prestigious Hudson Institute, the planet Earth is capable of supporting a vast increase in population, if its people can devise an economic scheme in which growth is shared between the developed and underdeveloped nations of the world.

The qualifier in Kahn's forecast—the development of an economic scheme that is hinged on an equitable sharing of the world's wealth—is, in our view, the key to a prosperous and successful future.

The United States, as a world power with vast agricultural, industrial and economic resources, must play a leading role in aiding the underdeveloped nations of the world. That cannot happen if we become a belligerent and bellicose giant, concerned more with the parochial issues of home than of those that face a growing and complex world.

As Rashi Mayur, director of the Urban Development Institute in Bombay, said in response to Kahn's optimistic forecast: "That hopeful outlook assumes trade-offs that few developed countries are willing to make yet. When you consider that 12 to 15 percent of the food grown in North America ends up in the garbage, it does not give one hope that attitudes are changing fast."

But change they must. In the next 20 years, even the world's underdeveloped nations are likely to unravel the nuclear mysteries that have thus far eluded them, giving them the military clout to destroy what they cannot have.

It is far better, it seems to use, to share the wealth we have than to risk losing all.

This, then, is the future; a future that, as we said earlier, holds both peril and promise. We are a nation that has historically opted for fulfilled promise. That fulfillment can no longer be a simple national goal. Rather, it must be the goal of a nation that lives in a rapidly shrinking and interdependent world.

And in that spirit, we wish the world luck.●

HOUSING TAX CREDIT FOR THE ELDERLY

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. LEHMAN. Mr. Speaker, today I am reintroducing legislation which would allow a person over 65 a refundable credit against Federal income taxes for the amount of State and local real property taxes they pay. This credit could be taken for taxes paid directly or indirectly through rent.

Elderly homeowners often have their homes paid for, and in most cases they do not have the opportunity to deduct real estate taxes from their incomes. Because of their reduced incomes, a credit will be more beneficial to older taxpayers than a deduction. For many elderly homeowners, real estate taxes are a major expense and often can force them to sell their homes as inflation pushes property values, and therefore property taxes, higher and higher.

Our present tax policies have a definite bias toward homeownership. In an attempt to assist elderly renters, however, my legislation will permit eligible persons to take a credit for the portion of their rents which are used to pay property taxes. As defined in the bill, rent constituting property taxes shall equal 25 percent of the rent paid during a taxable year.

Tax credits are especially helpful to low-income persons who usually do not itemize their deductions. In order to insure that the tax credits allowed by this legislation go to those most in need, there is a limit to the credit based on the adjusted gross incomes of the eligible persons. The credit will be reduced by the amount by which the taxpayers' adjusted gross income exceeds $10,000. In addition, there is an absolute limit of $300 on the credit itself.

Mr. Speaker, I believe this legislation merits the serious attention of the Congress. It will provide some real assistance to our elderly homeowners and renters alike.●

DEPOLITICIZING HEALTH CARE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. McDONALD. Mr. Speaker, today I am reintroducing a bill to repeal titles XV and XVI of the Public Health Service Act, which were created by Public Law 93-641, the National Health Planning and Resources Development Act of 1974.

Public Law 93-641 should be repealed immediately for the following reasons.

First, the law provides both the mechanism and the means for total, centralized control of health care by the Federal Government. Title XV establishes the mechanism by: (1) Directing the Secretary of the Department of Health, Education, and Welfare to issue guidelines concerning national health planning policy, (2) setting national health priorities, and (3) creating a nationwide network of health systems agencies, health service areas, and State health planning and development agencies.

Title XVI provides the means by authorizing Federal aid for developing health resources—essentially building new medical facilities or modernizing old ones—and Federal funding for the Health Systems Agencies established in title XV. Acceptance of these funds brings a medical facility under Federal control, if indeed it is not already taking orders from HEW through prior acceptance of funds from Federal programs such as medicare, medicaid, Hill-Burton, and so forth.

Obviously, this is a major step toward complete nationalization of the health care professions, as was made clear by its proponents:

> The important concept embodied in this legislation, that health financing should be closely related to health planning, has subsequently been reflected in almost all major proposals for national health insurance through a series of devices intended to assure that national health insurance does not pay for costly services which the planning process determines are unneeded. (House Report 93-1382, to accompany H.R. 16804, p. 8).

Aside from the intentions of its sponsors, however, Federal health planning by its very nature will lead to total Federal control of health care. One of the law's alleged purposes is to control the cost of health care, which has been rising at a rate higher than that of inflation for the past several years. But it attempts to do this by treating the effect, the rising prices, not the cause, which is the Government programs that socialize health care. When payments of medical services are collectivized, as under medicare and medicaid, the individual pays the same amount regardless of the cost and frequency of his own treatments. If health care is free on demand, demand soars and prices rise.

The health planners propose to stop this by ordering prices to hold still. They propose maximum allowable cost for drugs, and professional standards review for the elderly and indigent under medicare and medicaid, to make sure the Government pays for no unnecessary services. The professional standards review organizations, already established by another law, have the authority to control doctors' fees, to review confidential medical records in order to standardize allowable medical services, and to review hospital admissions.

This free medicine for the elderly and indigent is leading directly to Government rationing of health care services to these citizens. And now the health planners are talking about a series of devices to insure that the Government does not pay for costly services which the planning process determines are unneeded, thereby extending Government rationing of health care to everyone.

Such controls, however, will not work unless they are total. Prices will continue to rise so long as the Government continues its involvement in health care, leading the planners to lobby for complete nationalization. There are only two ways to deal with the consequences of the insatiable demand induced by Government health care programs. One is to eliminate the Government programs and allow the market to bring supply and demand back into balance. The other is to give the Government total control over supply.

The health planners leave no doubt which option they choose, and are already claiming Public Law 93-641 to be inadequate. For example, Dr. Charles C. Edwards, former Commissioner of the Food and Drug Administration and former Assistant Secretary for Health at HEW, renewed his call for a National Health Authority to regulate medicine as a public utility in a keynote address before a meeting of the American Association for Comprehensive Health Planning last month—American Medical News, July 26, 1979. "I am suggesting," Dr. Edwards said, "that health planning be merged with health cost regulation. Because without such a merger—without effective cost-containment—health planning, even under the best of circumstances, will remain an exercise in frustration and a bitter disappointment." Dr. Edwards continued by endorsing "regional rate-setting agencies operating under Federal guidelines."

In other words, health planning will not work unless the Government has total control over the supply of health services, without which those who wish to determine how much, if any, health care each individual American citizen will be allowed, will be frustrated and disappointed.

Second, Federal health planning is politicizing the entire field of health care. Instead of market demand determining and directing the supply of medical facilities and services, these decisions increasingly are being made be Government and quasi-Government officials. The decision to build a new hospital is not being determined by the demand for medical services by the people in a given area, but by officials of a health systems agency who, in conjunction with officials of the State health planning and development agency and officials of HEW's appropriate regional planning center, attempt to determine if their health plans are in accord with the national health priorities set by Congress and the national guidelines for health planning issued by the Secretary of HEW. Thus decisions affecting the health of millions of people must go through layer after layer of health planners before anything can be done. And since the decision is political, not economic, those with political pull will get the new hospital, if anyone does, not necessarily those who need it most.

Such a system is designed not to provide health services, but to prevent them from being provided.

Third, this law undoubtedly will distort and disrupt the delivery of health services to rural and nonrural areas. Not only do such areas lack the political pull to compete with the more densely populated urban areas, but the national health priorities established by Congress discriminate against less populated regions. These priorities, as mandated by section 1502 of title XV, include:

> (1) The provision of primary care services for medically underserved populations, especially those which are located in rural or economically depressed areas.
>
> (2) The development of multi-institutional systems for coordination or consolidation of institutional health services (including obstetric, pediatric, emergency medical, intensive and coronary care, and radiation therapy services).
>
> (7) The development by health service institutions of the capacity to provide various levels of care (including intensive care, acute general care, and extended care) on a geographically integrated basis.

Apparently, primary care services are to be provided in rural areas, but other levels of care only on a geographically integrated basis. What about a rural hospital which provides intensive care? Must its patients be transferred to urban hospitals? Or what about a rural hospital which wants to add facilities for intensive care? Must it wait until the population in its vicinity reaches some figure arbitrarily determined by a bureaucrat in a regional health planning agency?

Fourth, Public Law 93-641 is unconstitutional, probably on many grounds. At the very least it is a violation of the 10th amendment. In fact, several States have filed suit charging that the law is an illegal intrusion on a State's rights.

If we continue down the road being paved by Federal health planners, the American people will be denied the right to control their own health. Government planners not only will be setting doctor and hospital fees, but rationing medical care as well. Whether or not someone should have an operation no longer will be a medical decision arrived at by the individual and his doctor, but a political decision arrived at by Government health planners. In Great Britain, where health planners have been in control for many years under the National Health Service, patients are waiting in line for up to 1 year for a hospital bed to have a needed operation.

This is what Government health planning will lead to in our country if we do not change our course and begin systematically eliminating Government control of health care.

Repealing Public Law 93-641 would be an excellent first step toward depoliticizing the field of medicine. ●

H.R. 173—REMOVAL OF POSTAL RATE COMMISSION BUDGET FROM POSTAL SERVICE

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced H.R. 173, a bill to remove the budget of the Postal Rate Commission from the control of the U.S. Postal Service.

Under existing law, the Commission is required to annually present its budget to the Postal Service, whose Board of Governors may, by unanimous vote modify that budget. The Commission's budget is also funded from the Postal Service fund.

The Postal Rate Commission was intended to be an independent regulatory body whose function is to regulate certain aspects of the Postal Service. The contradiction in permitting the regulated body to control the funds of the regulator are self-evident. While I have not received any evidence or complaints of wrongdoing by the Postal Service in this area, the potential for such abuse would be removed by enactment of H.R. 173.

Finally, the regulatory functions of the Postal Rate Commission are a function of the General Government, benefiting all citizens. There is no apparent reason why mail users should pay for such regulation through postal rates.●

BUREAUCRACIES: THEY ARE EVERYWHERE

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. PARRIS. Mr. Speaker, an issue which is raised in almost every congressional election across the United States is the growth and pervasiveness of the bureaucracy.

This huge faceless monster is railed at endlessly with promises of streamlining the delivery of services, sunset provisions, and regulatory reform.

The target of this attack is widely assumed to be the employees of our governmental departments and regulatory agencies. Yet the bureaucracy which strangles the creativeness of our economy and limits our individual freedoms is as often found at our local utility or our neighborhood bank.

While it is perhaps easier and more fashionable for my colleagues to attack the bureaucracy on the Potomac, the real test of our ability to stop the unnecessary intrusions into our lives and to restore the creativity of our economy will be measured not in the number of civil service employees or the volume of regulations they issue. Rather our challenge is to provide the impetus for bold and decisive action at all levels instead of making scapegoats of the many dedicated Government employees who are trying to deliver the services and programs they are mandated to provide.

I insert at this time, an article by Meg Greenfield which appeared in the Washington Post of December 10, 1980, for my colleagues' information and use.

The article follows:

REAGAN VS. THE BUREAUCRACIES

Personalities and political theology dominate the Washington news as the Reagan Cabinet heaves into view—lots of talk about moderates versus conservatives and supply-siders versus traditionalists and the rest. It all matters, but not decisively. What will matter decisively to Ronald Reagan's prospects for success is something else: whether he will be able to take on and, to some extent, defeat that great decadent inertial force that characterizes so much of our governmental (and intellectual) life today.

Do I mean the Washington bureaucracy? Well, yes, in a way—but that is only part of it. I mean as well a collection of impulses—to trivialize, confound, procrastinate, fog over and subvert both thought and action—that are at work in many more bureaucracies than just the one on the Potomac that everyone complains about.

There is a profound and pervasive commitment in this country today to not letting anything happen. It (whatever is the problem at hand) is routinely declared to be much more complex than that ("that" being whatever the proposed solution may be). So, instead, it is duly noted that the situation must be studied and made the subject of conferences and reports and hearings and pilot projects and citizens' lobbies and benefit galas and maybe, with a little luck, it will end up getting a presidential commission or even a Cabinet department of its own. Then everyone can settle back and make the situation, whatever it was, a little worse, and get paid for it.

Now, all this has traditionally been associated with the Democrats in general and the federal government in particular, and there is surely ample justification in both cases. Too many liberal Democrats have come, over the years, to worship (of all things) the state and to see it as the natural agent of the Lord's will, even though you can't reach it by telephone much after 4:30 in the afternoon. And many Democrats too, it seems to me, have lately tended to nest in the little, trivial places of great issues, like starlings in the crevices of a huge building. I think, in fact, that this tendency, so different from their grasp of things a generation ago, accounts for a large part of their current political woe.

Read the foundation and study-group reports, very prettily printed, that they have worked on; read the testimony on the Hill; read the departmental policy statements and press releases and other outgushings. Often as not you will find that the premise is vaguely crazy or just plain wrong or outrageous. But you will also find that this is not noticed in the bogged-down, wrong-end-of-the-telescope prose. And the prose itself seems designed—bureaucratese, foundation-talk—to keep everything slightly out of focus, to keep it ultimately inconclusive, complicated without being useful.

Yes, the poor old Democrats and the awful old Feds have certainly staked a claim to this unattractive intellectual turf. And yes, it is also true that both the Republicans in their customary assaults on "the bureaucracy" and the populace in its increasing assaults on Washington, have given notice that they demand something better, or at least something different. But be careful. For surely in the corporations and the businesses and the trade unions of America the same impulses are at work for all to see. Is it really easier, when you get right down to it, to deal with your downtown bank or your local public utility than it is to deal with the Social Security office?

There is something else. Add to the banks and the businesses the whole U.S. military establishment if you are looking for spectacular examples of the little-mud-hut-building bureaucratic instinct in action. The report on the Iranian rescue mission—its terrible details, not just its relatively neutral conclusions and recommendations—would repay the president-elect's attention in this regard; it is all there.

So I think that in some sense, important as they are, the Cabinet appointees of the new president and the policy inclinations and personal strengths they represent are still secondary to the big question. They will not be nearly so crucial as the new administration's understanding and good faith in confronting the inertial, obfuscating bureaucratic force, both within government and among those private interests and institutions with which government must deal constructively: industries, social-service providers, local governments and so on.

I say "good faith" because there remains a stubborn steak of suspicion around that much of the conservative Republican rhetoric denouncing the handiwork of the Washington bureaucracy is inspired by nothing more than self-serving desires to get the regulators out of places where they really need to be or to make an extra buck at the expense of someone who really needs to be protected.

Actually this kind of privateering, while it would doubtless get its practitioners thrown out of office in good time, would be easier to bring off than a true and general assault on the main enemy. Everyone over the age of 4 in Washington knows that policymaking at the top, all those awesomely burdened choices people talk about, is, relatively speaking, the glamorous, fun part. The ordeal, the setting for failure, is the effort to make any of it happen.

Presidents get lost in the complications, in the webs, in that whole huge, gluey obstacle to sense and clarity and forthright action that the public and private bureaucracies put in their way. It was frequently joked during the campaign that Reagan was given to simplicities. We will see whether he is given to wrongheaded ones. There are others—I insist on it—that are right and are what has been missing in the sophistry that often passes for political thought in this town. It seems as though our government increasingly understands everything in its most tiresome detail about the world we live in except what is obvious, simple and urgent.

If this "simplicity" people talked about is the positive, missing and much-needed kind, and if Reagan not only possesses it but also engages it in the encounter with the vast complex of wheel-spinners and complicators

that is waiting for him, then you will have a fight worth watching.●

TRIBUTE TO HELEN KALINA

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. YATRON. Mr. Speaker, on January 24, 1981, a testimonial dinner is being held for an outstanding citizen of my congressional district, Miss Helen Kalina. The dinner is being given by Ms. Rosemary Jackson.

It is a privilege and an honor to bring to the attention of my colleagues in the Congress, Miss Kalina's lifetime of service to her community. Her legacy is one of devotion to helping others and an unyielding dedication to the betterment of her neighbors and community.

For 37½ years, Miss Kalina has worked for the Continental Group, Inc. For over 16 years she has served as a Democratic committeewoman. When she was a young girl, she and her mother, Anna Kalina, were well-known for visiting and helping the ill and the poor. Even at the age of 4, Miss Kalina was praying at the bedside of the sick. Since that time she has devoted the rest of her life to giving and caring.

In adult life she has worked unceasingly against slumlords for the sake of children. Miss Kalina was a member of the former Model Cities Executive Board where she always fought hard to relocate families who resided in unsafe tenement houses. She still lives in the same house where she was born. It is to the children of Reading, Pa., that she has dedicated her efforts.

I know that my colleagues will join me in paying tribute to Miss Helen Kalina for her unselfish devotion to her fellowman. She is truly a great American.●

PAY RAISES AND A POLITICAL BUDGET—CHANGES ARE NECESSARY

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. BLILEY. Mr. Speaker, it is fitting that my first remarks on the House floor are on a subject which was the most important issue in my campaign and which will remain the most vital issue for this Congress for some time to come—the economy and, more specifically, the Federal budget.

It is ironic that our Presidential transition process allows an outgoing President to submit a budget barely a week before the inauguration. Under such circumstances, the budget can hardly avoid being a political document. The fiscal year 1982 budget recently submitted by former President Carter is as political as the fiscal year 1981 budget which he campaigned on. You will remember that the fiscal year 1981 budget was balanced during the primaries in the spring, but is now estimated to be over $78 billion in deficit.

Among the most objectionable political provisions of Mr. Carter's new budget is the 16-percent pay raise for Members of Congress and Federal employees. It is said that the amount involved is not very large in terms of the overall Federal budget. This may be true, but I am reminded in this case of an aphorism which is often stated, but even more often forgotten: "A billion dollars here, a billion dollars there, and pretty soon you're talking about real money."

Still, the cost in dollars is not really what is important. In their economic messages both former President Carter and President Reagan have told the American people that they are going to have to sacrifice, to reduce their standard of living. These sacrifices are supposed to be for the overall good of the country. But then, Mr. Carter turns around and says, Members of Congress deserve a 16-percent pay raise. It is simply outrageous to propose that we, as elected officials, should continue to ask our constituents to sacrifice and to make do with less while we vote ourselves a pay raise. I have heard some of our colleagues say that a pay raise would be a bad signal. They are right. But to vote ourselves a pay raise would be more than just the wrong signal. It would be a demonstration of arrogance—a demonstration which would infuriate the voters and could lead to a loss of the economic self-discipline necessary to bring this country out of chronic stagflation.

The new programs Mr. Carter proposed are another blatantly political aspect of his 1982 budget. Former President Carter proposes refundable investment tax credits which are essentially welfare for money-losing corporations, at a cost of $4 billion. New foreign aid programs costing $2 billion, a youth employment initiative for another $2 billion and a child health program for $50 million are also included in the new budget. The press releases that came with this budget said it was lean, and that new initiatives were to be postponed. Well, former President Carter has just "leaned" his way into an additional $10 billion in deficit spending.

The smallest item I mentioned in that list, the child health assurance program—CHAP—is a textbook example of how and why the Federal budget continues to grow, despite pledges of economy and restraint. In fiscal year 1982 the program is scheduled to cost $50 million. In fiscal year 1983 it will cost $374 million, over seven times, 700 percent more, in just the second year. And it does not stop there. In fiscal year 1984 the program would cost $719 million, in fiscal year 1985, $953 million, and by fiscal year 1986 it would break the billion dollar mark at $1.58 billion. In only 5 years the CHAP program would have grown 23 times—not 23 percent, but 2,300 percent. The health of our Nation's children is certainly important, but this kind of explosive expansion of Federal programs is, I believe everyone will agree, unreasonable. Our children may be healthy but they will certainly be broke if we continue on a course such as this one.

I realize that the budget is inherently political. I have no objection to President Carter's budget being political other than the fact that his political priorities are not mine and not, I may add, those of the vast majority of the American people. What really disturbs me is that Mr. Carter's budget is not simply political, it is misleading. I have already mentioned the fact that the fiscal year 1981 budget, which then-President Carter promised to balance, is now projected to be in deficit by $78 billion, an alltime high. The deficit figure quoted in newspapers for the 1982 budget is $18.3 billion—quite an improvement. However, that figure does not include off-budget Federal spending of nearly $30 billion inflating the total deficit to $45.8 billion.

A $45 plus billion deficit is large enough. But in all of the Carter years the budget deficit has grown significantly during the year. At this early point in the process, the budget is written in sand. Unfortunately, the Carter budget contains several misleading assumptions which, when exposed, will expand the projected deficit even further.

Last year President Carter proposed a withholding tax on dividends and interest of 15 percent. Such a new tax would be a great discouragement to millions of small savers in America. In addition, it would be a huge administrative burden on small banks and savings and loans. Quite properly, Congress never acted on this proposal. In fact, the Senate went so far as to pass a resolution in opposition to it. Reason would demand that Mr. Carter abandon what had been a bad idea in the first place. In the 1982 budget, however, he resubmits the same proposal and assumes that it is going to bring $4 billion to the Federal Government. Once again, the small savers, retirees, and the savings and loans are going to have to go through months of anguish and uncertainty. The chance that the proposal will pass are worse than zero, but it still counts for $4 billion in Carter's budget.

Another failed proposal which Mr. Carter has resubmitted is a 10 cent a gallon gas tax. In the last Congress that proposal went nowhere. With the gas price increase caused by the Iran-Iraq war, it will go nowhere in this Congress either. Yet, Mr. Carter counts the tax for $18 billion in fiscal years 1981 and 1982.

What is even more curious about this tax is the distribution formula. All of the current 4 cent a gallon Federal gas tax goes to the highway trust fund to pay for construction of interstate highways, mass transit facilities, and other transportation needs. Of this new 10 cent a gallon tax, only 2 cents would go in the highway trust fund. We are told that the highway trust fund is running out of money and we may not have enough funds to complete the interstate highway system. Meanwhile, the former President is, in essence, raiding the trust fund to pay for other Federal programs.

When we add together the $22 billion in assumed revenues which will certainly not come from these two taxes, with the $45.8 billion deficit already projected, we find that we are already looking at a $68 billion deficit for fiscal year 1982.

In each of the last 2 fiscal years, the budget deficit has grown $27 billion between the time of the passage of the first resolution in the spring and the second resolution in the fall. Unless Congress can change its ways we will add that amount to the $68 billion Carter deficit. Thus, we may well be staring at a deficit of almost $100 billion.

My point is not that we are likely to have a $100 billion deficit in 1982. That $100 billion figure is no more real than President Carter's $18 billion. Fortunately, President Reagan is going to have the chance to submit his own budget revisions in the near future. I am assured by the Reagan administration that I will be pleasantly surprised by its budget revisions. I can say now that if the revisions are pleasant, I certainly will be surprised.

I hope that President Reagan's budget revisions will be significant. I hope that they will be honest. But the problem President Reagan and his budget advisers face is an enormous one—75 percent of the current Federal budget is listed as uncontrollable. Most of that amount is indexed to the Consumer Price Index which rose last year 13.2 percent. Any successful budget strategy must be two pronged: first, to reduce the inflation which drives up costs so rapidly, and second, to reduce the uncontrollable sector of the Federal budget.

In order to make a significant dent in Federal spending the uncontrollable programs must be addressed. We can never hope to balance the budget or have room for a tax cut if 75 percent of the budget grows by 13 percent every year. It will take political courage to attack these uncontrollable programs. Special interests which support them will certainly consider any changes to be attacks. Already my office is deluged with letters asking me to consider the special interests of this group or that group.

The fact is that we are going to have to reduce spending and we are going to have to reduce it in the so-called uncontrollable programs if we are to afford the tax cut that is so necessary to our economic recovery. The political heat from addressing these uncontrollable or entitlement programs will be severe. But the political heat from failing to address them will be more severe still. The entire Republican economic and budget strategy depends on making significant reductions in Federal spending. But significant reductions are impossible if we say hands off to the 75 percent of the Federal budget that is growing fastest.

I urge President Reagan and his budget advisers to address this issue and to address it quickly. I pledge my support in that effort for the greater good of all Americans.●

H.R. 172—PROHIBITING REDUCTION IN 6-DAY MAIL DELIVERY

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced a bill, H.R. 172, to prohibit the Postal Service from limiting regular daily mail delivery to fewer than 6 days each week.

From time to time, postal officials and others have considered reducing delivery of mail less than 6 days a week. The severe hardship that this ill-advised proposal would impose upon residences and small weekly publications was evident during the 96th Congress when such a proposal was quietly dropped in the face of broad public disapproval.

H.R. 172 simply insures that the same postal services which are offered by the Postal Service as of January 1981 remain available to the American people.●

TENANTS LEFT IN THE COLD

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. ROSENTHAL. Mr. Speaker, the Commerce, Consumer, and Monetary Affairs Subcommittee, which I chair, has been conducting an investigation into the public policy implications of the dramatic increase across the country in the number of conversions of rental units to condominum and cooperative ownership. We are concerned with how governmental programs and activities impact on the conversion trend.

The trend toward rental conversions—which the Department of Housing and Urban Development's recent study predicts will accelerate—raises vital public policy issues affecting the rights of tenants, the cost of housing, the availability of rental housing units, the distribution of scarce mortgage funds and the role of Government. Investigation discloses that conversions contribute significantly to increased housing costs and housing inflation, often fueled by speculator purchases of units. Conversions also result in severe displacement problems, particularly impacting on the elderly, the poor, and the handicapped.

Condo and co-op conversion is a particularly insidious problem where there are few available rental alternatives for the people forced from their homes. This has been true in Chicago, Boston, New York, Philadelphia, San Francisco, Dallas, Houston, and other places throughout the country. The situation in Philadelphia has become especially acute in the past few months.

One of the byproducts of the conversion phenomenon is the deterioration of existing rental housing while rental owners wait to be bought out by condo developers. In Philadelphia recently this failure to made needed repairs in rental buildings which are in the process of conversion resulted in great hardship to tenants, many elderly, when the heating system in one building failed in 7 degrees temperature. The building in question had recently been sold to a developer which made cosmetic changes but avoided fixing a long malfunctioning heating system. The Philadelphia Inquirer had an editorial on January 6, 1981, attributing this situation to "the evils of unrestricted condominium development." I commend to my colleagues this editorial and another article by Jill Porter from the Philadelphia Daily News of January 5, 1981, as examples of the human trauma caused by condo and coop conversions and speculation. The articles follow:

[From the Philadelphia Inquirer]

TENANTS LEFT IN THE COLD

The frigid plight of tenants, most of them over 65, at the 500-unit apartment house at 2601 Benjamin Franklin Parkway dramatizes the evils of unrestricted condominium conversion. The suffering was—and continues to be—imposed upon innocent victims caught in the web of real estate speculators who are moving like a tidal wave into the Philadelphia area because of inadequate safeguards against profiteers.

Tenants were virtually stripped of protection last year when the state legislature ap-

proved and Gov. Thornburgh signed a bill that invalidated local ordinances on condominium control, including Philadelphia's two-year moratorium on conversions, and prohibited municipalities from enacting controls in the future. The condominium converters were given a blank-check to abuse and brutalize.

The apartment house at 2601 Parkway hasn't been slated officially for conversion to condominiums yet, but events there are following a classic pattern. The building was recently sold to a Chicago realty company which promptly made cosmetic improvements such as redecorating the lobby while avoiding basic needs such as replacement of a heating system that has malfunctioned repeatedly in recent months, leaving tenants with little or no heat for long periods.

Last weekend, when the temperature plunged to 7 degrees outdoors, the 2601 building was without heat or hot water. Many fortunate enough to be able to move in with relatives or friends evacuated. Some had no place to go. Although monthly rentals range from $300 to $1,000, many apartments are at the low end of the scale and occupied by elderly persons of relatively modest fixed income.

The legislators who gave condominium converters what they wanted should be forced to spend at least one night in unheated apartments at 2601. They should be required to take a first-hand look at how conversion profiteers operate. The trick is to concentrate on superficial, relatively inexpensive redecoration in preparation for extracting the highest possible price from buyers of condominium units, while deferring basic maintenance and major capital improvements so that buyers can be promised low monthly, operating charges. Later, when large sums must be paid for a new heating system or other necessities, that will be for the new unit owners to worry about—after the converters have taken their profits and run.

The legislature should repeal or substantially revise last year's condominium conversion act. Effective protection should be provided for tenants, and municipalities should have the option to enact stronger protection than provided by state law.

[From the Philadelphia Daily News]

CONDO CHILLS AUTUMN YEARS

(By Jill Porter)

These were to be their tranquil autumn years.

Their children are grown and gone. Their fortunes have been made or lost, their personal dragons slain or victorious. Their struggles are mostly behind them and now was to be their time of peace.

But tonight, they are here, 200 of them in this crowded meeting room in the basement of the River Park apartment house. Their eyes are worried, upset, haunted. They sigh. They shake their heads. They exclaim as they tell each other horrible rumors, woeful facts.

They are the men and women in their 60s and 70s who make up three-quarters of the residents in the high-rise apartment building in Wynnefield Heights. These are the men and women who have been told to put up the money to buy the apartment units they have been renting—or move.

"They're kicking us out of our homes!" exclaims Arnold Goldman, head of the tenants' association, as he stands in front of the crowd at a meeting last week.

Clipped to Goldman's lapel with a large paper clip is a card that says, "We won't buy." It is the slogan of the battle the tenants are mounting to stop the massive eviction the conversion is to them.

I sit in the front of the room, in between a man and a woman.

The woman sits with her pocketbook clutched to her lap, her attention riveted on the speakers in the front. Now and then, she gives out a deep, hopeless sigh.

The man on the left of me sits with arms crossed over his chest, anger and frustration in his posture. His gray hair curls behind his neck.

He is my father. She is my mother. They are in their middle 60s and they don't know where they will be living after next year.

He is a retired salesman. Their income is fixed. Social Security, a disability pension. They are identical to many of their neighbors in this room; they have lived here for many years. They are comfortable here. They cannot afford to buy their apartment, or any other apartment or home. They are afraid if they move to another apartment building, it too will go condominium.

Their future is so suddenly bleak and uncertain that it occupies most of our conversations, much of their thoughts.

Their lives are frozen in crisis because a man from Chicago named Wayne Kubicki bought the building and wants to sell each of the 360 apartment units so he can get rich.

I sit here in this room of fretting and stress, and I marvel at the cold indifference that permits this to happen. I look around me at the worry on the faces of these grandmoms and many lives can be so unconscionably uprooted in the name of profit.

Make no mistake.

The people in this room are not the senior citizens who eat dog food. Their clothes are clean, reasonably new, even fashionable and some expensive. The women wear jewelry on their wrists and necks, makeup on their faces. Some of the tenants are retired professionals—lawyers, doctors, businessmen—who have children who are also professionals.

But mostly, they live on fixed incomes. Their ages are such that the idea of a 30-year mortgage is a morbid joke. And their eyes widen as the talk turns to the cost of these apartments even beyond the tens of thousands of dollars they will need in down payments.

"If you buy, you can expect to pay what you are now paying for rent in maintenance fees and property taxes, on top of your mortgage payment" Allen Beckman explains to them.

Beckman, an attorney who pioneered the battle to stop conversions, estimates that someone who is now paying $500 in rent would pay $1,270 a month after purchase—"and that is a very conservative estimate," he says.

There are shocked gasps, horrified murmurs. A roar of sudden conversation surges through the room followed by the loud hissing of "Shhhh!" and shouts for quiet. Goldman the * * *.

Beckman is succeeded at the microphone by Hal Nachman, head of the Council of Tenants Associations, who delivers the night's only good news by telling how he and other tenants prevented Salem Harbour in Andalusia from going condominium by a unified, relentless, organized resistance.

"Hold hands!" Nachman urges, and the audience obeys.

"Does that feel good, to be united?" Nachman hollars enthusiastically. "That is the only way you're going to win!"

Society Hill Towers, The Dorchester, The Philadelphian, Hopkinson House, River Park.

Unrestrained profit-seekers come in and turn the middle class out.

Where, I wonder, are they supposed to go?

And if we can't blame the profit-seekers for their callousness, what about the government that is supposed to be balancing our rights, protecting us from each other? Why was the state statute which became law last summer so weak in its protection of tenants?

On Wednesday, the tenants at River Park will get their formal notices of the conversion. Then, they have vowed to resist—to plaster signs on their doors and bumper stickers on their cars, to picket, to refuse to let their apartments be shown to potential purchasers, to create an information squad to defuse rumors and discourage purchasers, to put up the money necessary for a possible legal battle.

It's a hell of a way to have to spend your autumn years.

And if they are unsuccessful, it will get much, much worse.●

NECESSITY FOR A BALANCED BUDGET

HON. KEN KRAMER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. KRAMER. Mr. Speaker, the first piece of legislation I introduced on coming to the 96th Congress was a proposed constitutional amendment to require a balanced Federal budget. This was in keeping with the priorities reflected by the voters in my district during my congressional campaign, and my bill was one of several introduced during the 96th Congress which reflected this sense of national priorities and which, unfortunately, suffered the same fate of congressional inaction.

Now, as we enter the 97th Congress, I sense an even stronger national mandate to limit Federal spending and require fiscal responsibility of our national legislators. Therefore, I am today introducing a proposed constitutional amendment to require a balanced Federal budget and to assure that the budget will be balanced by limiting Federal spending—not by increasing taxes.

The resolution I am proposing would require the elimination of deficit spending within 3 years of ratification and would prohibit Federal expenditures from exceeding revenues in subsequent years. To assure that the budget would not be balanced at the expense of further increasing the tax rate already overburdening Americans to continue financing a spending binge, the resolution limits expenditures to no more than 20 percent of the gross national product.

It also provides, however, that future Congresses could shift to another index than this particular one

by a two-thirds vote of both Houses. This assures that the principle of spending limitation remains intact, but allows some flexibility to adjust to changing economic conditions. The resolution also provides for suspension of the requirements in times of war or national emergency as declared by two-thirds vote of the Congress. Finally, the resolution provides that any surplus be used to repay the national debt or for tax reduction. This again allows future Congresses some flexibility in the handling of budget surpluses, but guards against the buildup of excessive surpluses which could then be used for excessive spending programs.

As critical as the need to reduce excessive Government spending and eliminate Government deficits was 2 years ago, it is even more urgent today, as double-digit inflation continues to erode personal finances and national economic gains, and record high interest rates smother our industrial and entrepreneurial capacity.

Those who have argued that the Congress can exert the necessary fiscal discipline without the binding force of a constitutional amendment need only look at the dismal record of the 96th Congress to see the fallacies of that argument. The majority professed support for a balanced budget, but failed to exercise the necessary discipline to implement it, and then compounded the debacle by refusing to allow consideration of the statutorily required budget resolution so as to avoid admission of its failure to deliver on a promise made to the American public. The electorate saw through that charade and delivered a resounding message to this Capitol that it expects genuine control over Government spending. Thirty States have already passed measures calling for a constitutional convention to draft a constitutional amendment to balance the Federal budget. The electorate has demanded action, and this Congress can act in accordance with the public will by approving a constitutional amendment to require fiscal responsibility of elected officials, which can then be submitted to the States for ratification. There is certainly no lack of expertise, analysis, or alternative proposals for the Congress to consider in putting together such an amendment, and I urge my colleagues to direct their attention first and foremost to this task in the opening days of the 97th Congress.●

STATEMENT ON DRUG ABUSE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. RANGEL. Mr. Speaker, the war against drug abuse must be taken seriously at all levels of our country, from government officials, to educational leaders, and to our churches and families. Cardinal Cooke, archbishop of New York, is a devoted man who understands the devastating effects of drug addiction on our young people. He has moved to mobilize the Catholic Church to join in this fight that we have joined against the drug abuse menace. I would like to share with my colleagues the eloquent words of the esteemed cardinal, describing his thoughts and plans concerning drug addiction:

CARDINAL'S RESIDENCE,
New York, N.Y., November 30, 1980.

DEAR FRIENDS IN CHRIST: Advent is for all followers of the Lord a time of joyful expectation and preparation for the celebration of the Birth of Our Savior. We listen attentively to the words of John the Baptist and pray for the grace to turn to Christ with all our hearts and souls. Each one of us realizes that we live in a world beset by many evils and that we need the salvation of the loving God Who dwells among us.

At this season, I write to you with a sense of great urgency about a problem in our permissive society which in one way or another touches the lives of every one of us—the scourge of drug, alcohol and substance abuse. It is epidemic in our country, state and cities and has far-reaching destructive effects on individuals, families and neighborhoods.

Despite the efforts which have already been made to curtail it, the addictive use of harmful drugs is growing and becomes more serious every day. Its ravages reach to people in all social and economic groups—the rich, middle class and poor, the educated and uneducated, those from urban areas as well as from rural and suburban sections. It has spread to every part of the world—a fact brought home to me at the recent Synod in Rome.

Our primary concern, though, must be the individual person who is trapped by addiction. It is that person whose whole life is affected and whose human freedom is either taken away or vastly diminished. It is that person to whom we must reach out with effective programs of education, prevention and treatment. Only by helping the individual addict, will we begin to solve the numerous family and social problems which result from addiction.

One year ago I asked a group of key leaders in the New York area to serve on a Commission on Youth, Drugs and Alcohol. As a result of their study and research, they have recommended an intensive program in the Archdiocese. It will be a parish and family based effort, and will require that we face the reality of the problems of drug addiction and its vast extent, even among the very young. In a unified way, we will speak to the consciences of people who have romanticized and glamorized the use of drugs and promoted attitudes which try to make them socially acceptable so that their destructive effects have not even been recognized, much less understood.

This call for determined and persevering action is based on a positive attitude that the evil of addiction can be overcome. As people who believe in God's love and in the goodness of the human spirit, we cannot allow these deadly forces to dominate our lives and our society.

As this program is implemented, laity, religious and clergy will be asked to participate in training sessions. Young people will be called on to take part and to exercise the powerful influence of their leadership among peers.

On this first Sunday of Advent, I ask all of you, the people of the Archdiocese of New York, to give of your talent, energies and resources to overcome the problem of drug addiction and to rebuild the individual lives, the families, the communities of people who have suffered from this scourge.

We must emphasize over and over again the essential role of the family, especially when it is founded on the love of Christ and the teaching of the Church. The family unit is the key element in establishing stable, loving relationships and in offering to every person the support needed for a drug free and fulfilling life.

The season of Advent is also an opportunity to practice penance and discipline for our own sake and as a sacrifice for those who are victims of drug and alcohol abuse. It is a time for prayer, and with you, I pray that the Lord will direct and bless our efforts to overcome the evil of addiction and to assist all people to know the power of His love which truly makes us free.

With prayerful good wishes, I am,

Devotedly yours,

TERENCE CARDINAL COOKE,
Archbishop of New York.

P.S.—Please read this letter at all the Masses on Sunday, November 30th, including the anticipated Mass on Saturday, November 29th.●

H.R. 169—CONGRESSIONAL REVIEW OF POSTAL CAPITAL INVESTMENTS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced a bill, H.R. 169, which would amend title 39 of the United States Code to provide for congressional review of capital investments proposed by the Postal Service and for other purposes.

The national bulk mail system of the Postal Service, generally agreed to be a national disaster, was approved by the Postal Board of Governors after only two meetings—at a cost of $1 billion. Recently, the Board gave the go-ahead to the Postal Service to procure and install nine-digit ZIP code equipment at an estimated cost of $887 million. Postal oversight by the Postal Governors has been minimal and insufficient.

In an era of fiscal restraint and dwindling resources, the American people have a justifiable concern that the scarce resources of the Postal Service are expended in a prudent, responsible manner. With the insulation of postal management and minimal oversight by the Postal Governors, the American people hold their elected representatives accountable for postal policy. This bill simply gives the Con-

gress the necessary authority to deal with this issue.

Postal policy is far too important to be left isolated from the Congress. The postal system will undergo still more radical changes in the future and the American people rightfully expect their representatives to deal with these issues.

H.R. 169 takes one modest step toward meeting this responsibility by providing that each capital investment in excess of $5 million undertaken by the Postal Service, shall be submitted to the House and Senate authorizing committees for review. Each committee shall transmit its recommendation with respect to each project within 4 months after receiving the planned undertaking.●

CONSUMER FOOD LABELING ACT

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. ROSENTHAL. Mr. Speaker, more than 80 million Americans must be careful of what they eat because of allergies, dietary problems, religious considerations, and other reasons. Everyone has an undeniable right and need to know what is in the food he eats, who made it, how much it really costs, and more.

That is why I am introducing the Consumer Food Labeling Act (H.R. 914). This bill would require the labels on foods and food products to disclose all ingredients; nutritional content; accurate weight data; storage information; true identity of the manufacturer, packer, and distributor; uniform products grades; unit prices; ingredient changes, and it would bar the use of misleading brand names.

It is aimed at closing the still widening gap between the ability of Government to protect consumers and the ability of some segments of the business community to abuse them.

The following is a title-by-title description of the provision of this legislation:

CONSUMER FOOD LABELING ACT

TITLE I. TRUTH IN FOOD LABELING

Requires food makers to show on their labels all ingredients by percentage, including all additives and preservatives, and by their common or usual names. As many as 80 million Americans must be aware of the food they are eating because of allergies, dietary problems, religious considerations and other reasons. It is presently impossible, thanks to a maze of regulatory exemptions, to tell from a label what is in a food product. The American consumer has an undeniable right and need to know what is in the food he eats.

TITLE II. NUTRITIONAL LABELING

Requires that any packaged consumer food product be labeled by the producer with the following information; (1) nutritional statements including fat content, vitamin and protein value, fats and fatty acids, calories and other nutritional data; (2) the net weight and drained weight of canned or frozen products packed in a liquid medium; (3) the major ingredients by percentage weight of any combination food item. We have been called "a nation of nutritional illiterates." Food labels currently provide little or no information on the nutritional value of the product although this is vital to the consumer's health. Many of the foods Americans eat do not have the nutritional value expected of them. Moreover, existing food labels fail to show the exact proportion of one ingredient to another. Some brands of combination food items contain more of the major ingredients than others (e.g. some brands of beef stew contain more meat, vegetables, etc. than others).

TITLE III. OPEN DATING PERISHABLE FOOD

Requires that all packaged perishable and semiperishable foods be prominently labeled to show clearly the date beyond which it should not be sold and the optimum storage conditions at home. It also provides that overage products can be sold but only if they are safe, separated from other items and clearly identified as being beyond the expiration date. There is growing evidence that a significant number of perishable food products offered for sale to the American consumer are overage and may be unwholesome. Open dating information gives consumers personal policing powers over the sale of packaged foods and helps in storing these products at home.

TITLE IV. CONSUMER FOOD GRADING

Requires a uniform system of retail quality grade designations for consumer food products based upon quality, condition and nutritional value. There is currently no consistent and uniform system for determining and labeling the grades of food products. For example, one product may be graded A, B, C, and D, while another is AAA, AAA and A, hence the two "A" grades are opposites, not equals, but there is no way for the consumer to know.

TITLE V. MARKETING PRACTICES DISCLOSURE

Requires labels on foods, drugs, and cosmetics to contain the name and place of business of the true manufacturer, packer and distributor. Its value is twofold: Most importantly it would aid government, industry and consumers in event of a recall by permitting quick and easy identification. This is now difficult because hundreds of private labels and private brand products on the market do not bear this information. (Bon Vivant vichyssoise was packed under more than 80 different private labels without Bon Vivant's name ever appearing on one of them—a fact which hindered that extensive recall.) Secondly, it would aid consumers in selecting products because they would know who really made the product under the private label. Private label products often tend to be priced lower than their nationally advertised counterparts, although there is frequently no difference between them.

TITLE VI. UNIT PRICING

Requires disclosure by retailers of the unit price of packaged consumer commodities. Individual retail business with sales below $250,000 a year are exempted. The myriad of package sizes makes it extremely difficult for consumers to compare the price of two or more package sizes of the identical product to determine the real cost and the best buy. Recent studies indicate that unit pricing provides valuable, objective price data which can save consumers around 6% on their food bills. Some stores now have unit price information but uniformity and comprehensiveness are still lacking.

Also requires retailers to mark the actual selling price on the product itself, regardless of the possible presence of computer pricing codes and automated check out facilities.

TITLE VII. NEW INGREDIENT NOTIFICATION

Requires manufacturers to print notices on all food labels that will alert consumers to ingredient changes.

TITLE VIII. MISLEADING BRAND NAMES

Prohibits the use of misleading product brand names. Advertising such names would violate the Federal Trade Commission Act unless the manufacturer can demonstrate that the product lives up to its name.●

JAYCEES CELEBRATE 61 YEARS

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. ROTH. Mr. Speaker, it gives me great pleasure to call my colleagues' attention to the fact that this week, January 18 to 24 is Jaycee Week all across our country.

For 61 years, this organization has contributed to a better quality of life for all of us, through a fierce dedication to community service that has benefited all segments of society.

My Eighth District of Wisconsin is privileged to have Jaycee chapters in Algoma, Eagle River, Appleton, Green Bay, Marinette, Rhinelander, Coleman, Shawano, Peshtigo, Sturgeon Bay, Gillette, and Oconto Falls, among others.

As important as their good works throughout the community, is the Jaycees' function as a training ground for future leaders of business, politics, and community service. As a former Jaycee, I can attest to the valuable leadership experiences I gained through community projects and self-improvement programs.

The Jaycee creed best explains the lofty values which give this organization its purpose:

We believe:
That faith in God gives meaning and purpose to human life;
That the brotherhood of man transcends the sovereignty of nations;
That economic justice can best be won by free men through free enterprise;
That government should be of laws rather than of men;
That the Earth's great treasure lies in human personality;
And that service to humanity is the best work of life.

Mr. Speaker, I know that my colleagues will join me in expressing thanks to the Jaycees for 61 years of selfless dedication in pursuit of the best in the human spirit, and wish

them godspeed as they begin their 62d year of humanitarian work.●

NATIONAL BLINDED VETERANS RECOGNITION DAY, AUGUST 13, 1981

HON. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. MONTGOMERY. Mr. Speaker, it is a privilege for me to introduce to the House today a resolution designating August 13, 1981, as National Blinded Veterans Recognition Day.

Those of us who serve on the House Committee on Veterans' Affairs are proud of the long record of achievement by the U.S. Congress in caring for those who have served in defense of our Nation. Over the years we have not only been able to enact legislation to care for their physical and medical needs, but we have also helped create a better understanding and appreciation for their service and their sacrifice.

Among the Nation's 30 million veterans, and especially within the ranks of the 2.3 million service-connected disabled veterans, are thousands of blind or visually impaired ex-servicemen. The Congress has authorized and improved extensive programs in compensation, readjustment, and rehabilitation service to assist the blind in overcoming this severe handicap. As the incoming chairman of the House Committee on Veterans' Affairs, I would like to assure my colleagues that our committee will continue to monitor, expand, or adjust these benefits and services to meet the ever-changing needs of the disabled veteran. However, much still needs to be done to assist the disabled and the blinded veterans in particular in helping them to overcome the stigma or the stereotype of this disability. In advancing toward this goal our objective should be to assist the blind to live a more complete and productive life within the mainstream of American society, with both our support and our appreciation.

On August 11, 1981, the Blinded Veterans Association, a highly respected veterans service organization representing thousands of blinded veterans throughout the United States, will be holding its national convention in Washington, D.C. Hundreds of blinded veterans will be gathering in this city from across America to discuss the current status of the blinded veterans and projected proposals for the future. During that week, on August 13, a commemorative envelope will be issued, in braille, honoring the blinded veterans of America. Organization representatives will also place a memorial plaque in the memorial display room at Arlington National Cemetery on that same day honoring our war dead.

At the request of the blinded veterans of America, I am honored to introduce this resolution designating that day, August 13, 1981, as "National Blinded Veterans Recognition Day." While initial approval of this resolution does not fall within the jurisdiction of the House Committee on Veterans' Affairs, I give the measure my full support and urge all my colleagues to do the same.

Here follows the full text of the resolution:

H.J. RES.—

A bill designating August 13, 1981, as "National Blinded Veterans Recognition Day"

Whereas there are thousands of Americans in the United States today who, as a result of service in the military forces of their country, incurred perhaps the most severe disability, blindness;

Whereas there is an even larger number of veterans who have been blinded from non-service-connected causes and whose numbers are growing rapidly every year;

Whereas many blinded veterans incurred a number of other disabilities, such as loss of limbs or hearing impairment, when they were blinded;

Whereas most of these veterans have received rehabilitation and have overcome their substantial handicaps through courage and determination, and have returned to and continue to lead useful and productive lives; and

Whereas the sacrifices that these veterans have made are deserving of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That August 13, 1981 is designated as "National Blinded Veterans Recognition Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States and interested groups and organizations to set aside this day to honor the sacrifices of blinded veterans in an appropriate manner.●

REMOVING EARNINGS LIMITATION FOR SOCIAL SECURITY RECIPIENTS

● Mr. McDONALD. Mr. Speaker, today I am introducing legislation to remove the outside earnings limitation on social security benefits.

Presently, eligible recipients between the ages of 65 and 72 have their social security benefits reduced if they are earning an income greater than $5,500 per year. The rate of reduction is $1 for every $2 earned.

Thus if an individual becomes eligible for social security benefits at age 65 and continues to work, he or she must pay what amounts to a tax of 50 percent on their income.

Mr. Speaker, this is grossly unjust on a number of grounds to those so penalized.

First, to deny the recipient his full benefits is to imply that social security is a welfare program—that if someone is earning outside income, he or she does not need the income from social security.

But this is not what those who have been paying social security have been told by their Government. The program was and is presented to them as a retirement program. And, although they are forced to pay into it for their own good, the payments are earned income held in trust by their Government to be repaid at age 65.

In other words, social security beneficiaries are not welfare recipients or wards of the state, but self-respecting Americans who have paid for the benefits they thought they would receive at age 65. They are entitled to receive these benefits as a matter of right.

Second, the earnings limitation is discriminatory, hitting hardest those who have limited means and who wish to continue working to supplement their income. Not only are their social security benefits reduced or eliminated, but they are taxed on their outside income to finance the social security benefits which they are not receiving. A person of greater means, on the other hand, may receive his full social security benefits while drawing a large income from his investments.

Third, by punishing those who work, the earnings limitation punishes and discourages productivity. Every individual has an unalienable right to pursue his own goals in life and his own happiness, and thus to continue to be productive after age 65 if he so chooses, for whatever reasons, be they financial or psychological.

Therefore, Mr. Speaker, I sincerely hope that the Committee on Ways and Means will give this bill early and favorable consideration.●

TRIBUTE TO ED FRANCO, THREE-TIME FOOTBALL ALL-AMERICAN

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. GUARINI. Mr. Speaker, I call to the attention of all my colleagues a tribute to the remarkable feat by a Hudson County resident of being a three-time All-American football team member.

In recognition of this notable achievement, on December 9, 1980, he was inducted into the elite National Football Hall of Fame in a ceremony at the Waldorf Astoria. On February 1, 1981, more than 600 friends of Ed Franco will gather at a testimonial dinner in his honor, expressing deep respect and admiration for this man. He is known as one of Fordham University's legendary "seven blocks of

granite," so dubbed by Tim Cohane, sportswriter for the World Telegram.

The testimonial dinner in his honor will indeed bring back memories of Franco's greatness 45 years ago when he was a member of Fordham University's football teams, which were recognized as the best in the Nation. These were the years when Fordham University versus University of Pittsburgh games filled Yankee Stadium and the Polo Grounds to capacity.

In the great years at Fordham, between 1934 and 1938, under the tutelage of Coach "Sleepy" Jim Crowley, one of the famous four horsemen of Notre Dame, Franco became the captain of the freshman team and played guard and tackle earning his All-American honors. It was in the years 1936 and 1937, during Franco's heyday, that Fordham lost only one game and tied two, enabling them to share the national title. He was cocaptain of the east squad in the Shrine game played on New Year's Day in 1938.

Franco, in addition to being named three times national All-American, was New Jersey All-State in football for 3 years, and All-Hudson County for 4 years. He also excelled on the diamond where he was named to the All-State baseball squad for 2 years and All-Hudson County for 4 years.

Franco shared the gridiron glory with the most notable member of the seven blocks of granite; namely, the late Vince Lombardi, who earned immortality as coach of the Green Bay Packers. It was in these days when Fordham was at the pinnacle of college football that Franco, in his positions at guard and tackle, stood head and shoulders above his teammates even though he measured only 5 feet 9 inches and weighed about 200 pounds. After his college football career Franco was a line coach for the Fordham football team for 6 years and played professional football in 1945–46 as a member of Kate Smith's famous Boston team. He also served as a scout for the green Bay Packers.

Ed Franco was born in Jersey City and has resided in Hudson County his entire life. Franco was honored recently when the city of Jersey City named Oakley Oval, which stands in the shadow of Dickinson High School, the scene of his great exploits on the football field.

He has always remembered the importance of sports in the development of clean minds and healthy bodies and has served as the first football coach of St. Michael's High School team in Union City.

I am pleased that outstanding community leaders, such as Ed Davin, vice president of the Trust Company of New Jersey, Milt Kerzner, managing editor of the Jersey Journal, Lud Shabazian, sports editor of the Hudson Dispatch, Hudson County AAU Commissioner Al Bundies, sportswriter Jack Thompson, and sports enthusiasts such as Howie Fink and Al Marino, have assembled our community for this tribute to Ed Franco, indicating, "The honors have been a long time in coming. They couldn't happen to a more deserving guy."

Camille, his wife, their children Edmond, Rosemary, and Peggy, and indeed the entire State of New Jersey, have justifiable reason to be proud because of Ed Franco's contribution to his community and his family. I am sure that all my colleagues in the House want to join in this salute to Ed Franco, a giant man of steel who earned football's immortality as one of the seven blocks of granite. Because the area of sports and competition is so important in our Nation, Ed Franco basks in Franklin D. Roosevelt's quotation, "Democracy is a living thing—a human thing—compounded of brains and muscles and heart and soul."●

AMERICAN HOSTAGES

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. YATRON. Mr. Speaker, after 14½ months of captivity in Iran, the American hostages are now free. Words cannot express the joy and elation I feel at this moment. As I watched the news coverage of the 52 Americans leaving the plane in Algiers, I was gripped with emotion.

Very few of us can ever really know the sacrifice and hardship that these courageous Americans endured during their captivity in Iran. Our debt to the hostages and their families can never be repaid. Similarly, we must always remember the brave soldiers who were involved in the rescue attempt, particularly those who gave their lives for the freedom of their fellow citizens. Former President Carter must be commended for his perseverance and tireless efforts to bring our citizens home safely.

With the release of our citizens, every American all across our country has reason to celebrate. While we rejoice, however, we must not forget the lessons of this most tragic incident. Never again can we allow our citizens to be taken hostage. Never again can we be vulnerable to the threat of international blackmail. And, never again must we let our country be used by a ruthless regime for their own political aggrandizement.

The strength of our Nation to protect our citizens is unequivocal.●

NO SAGEBRUSH SYMPATHY

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mrs. SCHROEDER. Mr. Speaker, earlier this month the Rocky Mountain Journal, a weekly business newspaper in Denver, Colo., published an editorial, "No Sagebrush Sympathy," which I would like to share with my colleagues.

The editorial follows:

NO SAGEBRUSH SYMPATHY

Over the years this newspaper has had a certain sympathy for the rebellious. In the case of the Sagebrush Rebellion, however, we draw the line.

Rebels merit support when their purpose is to do away with injustices and inequities which the status quo either refuses to acknowledge or insists on perpetuating. The sagebrush rebellion bears about as much resemblance to that sort of movement as does a military coup in a banana republic.

Stripped of its hype, the sagebrush rebellion is a movement to give state governments control of hundreds of thousands of square miles of federal lands in the western states in the expectation and belief that they will in turn hand them over to special interest groups in the private sector for exploitation.

Giving the name "sagebrush rebellion" to what would be the largest giveaway in U.S. history is adroit propaganda, in that it implies the movement is a cause of the underdog, when in reality it is an attempted seizure of the common heritage of the American people by a privileged few. But propaganda is all it is.

Neither the western states nor their people have suffered at the hands of the federal government with regard either to taxation or land management. For most of the 20th century the federal government has spent far more in the western states than they pay in federal taxes.

The west has been the recipient of tens of billions of dollars in reclamation projects, in highways, and in federal installations. In the next decade it is due to receive billions more for the development of a synthetic fuels industry.

The claim that the west has been exploited by absentee federal landlords rings about as hollow as the claim that Saudi Arabia is being exploited by America and Europe.

The sagebrush rebellion could be dismissed out of hand were it not for the fact that President-elect Reagan and James Watt, his designated candidate for Secretary of the Interior, have chose to align themselves with the Raiders of the Purple Sage. This is particularly disturbing in the case of Watt, who will have the responsibility for administering federal lands on behalf of all Americans during the next four years.

State governments in the west have been notoriously remiss with regard to questions of land use, land management, and mineral taxation. The Colorado legislature, to mention the example nearest home, has failed to pass a meaningful state land use law, has consistently underfunded those state agencies charged with administering present state lands, and has failed to enact more than a token mineral severance tax, thereby denying the vast majority of Colorado tax-

payers a key benefit of the coming synfuel boom. Yet it is these lawmakers who will be the recipients of public lands should the sagebrush rebellion succeed.

To be sure, federal management of federal lands in the west has not been beyond reproach. The government's record on mineral leasing in the midst of an energy crisis—it has dithered for nearly a decade—does not reflect well on Washington. However, that is a far different issue than whether or not an area several times larger than Colorado should be turned over to state governments whose previous records with regard to land use have verged on the criminally negligent.

In the months ahead we will probably hear a good deal more about the sagebrush rebellion. Under the circumstances, a vigorous counter-insurgency is overdue.●

CUT TAXES NOW

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. McEWEN. Mr. Speaker, I would like to share with my colleagues an article which appeared on Saturday, January 10, 1981, in the Columbus Citizen-Journal, the fine daily newspaper that serves the capital area of Ohio.

The editorial underlines the courageous and dramatic action the 97th Congress needs to take to get this country back on its feet economically. I am inserting the Citizen-Journal editorial in the CONGRESSIONAL RECORD at this point for the attention of my colleagues:

CUT TAXES NOW

President-elect Ronald Reagan's top economic advisers are urging him to delay until summer his planned 20 percent cut in personal income tax rates instead of making it retroactive to Jan. 1.

That is poor and timid advice; Reagan should reject it, lest his administration get off to a bad start.

As a candidate Reagan promised tax relief for the first of this year. If he does not keep his promise he could lose credibility as voters conclude they elected another Carter-like waffler, with conservative rhetoric.

In addition, there are sound economic reasons for reducing taxes as soon as possible. On Jan. 1, the Social Security tax went up, putting a $15-billion drag on the economy. That must be offset if today's weak business conditions are not to turn into another recesssion.

If tax rates are lowered promptly, retroactive to Jan. 1, many millions of individuals will make positive work, investment and saving plans. The cumulative result will be higher business activity which, in time, will swell the Treasury's tax receipts.

Also, when Congress commits itself to a tax cut, it will add incentive to slow the growth of federal spending, so the deficit will not soar out of sight.

President Carter is leaving the country a budget $60 billion in the red. Reagan's advisers fear a quick tax cut would cause an even bigger deficit. However, if their caution induces a recession, the budgetary imbalance will be far greater than what they now worry about.

Reagan ought to take his chances on economic growth. That calls for four rolls of the dice right away: the tax cut, sharp reduction in government spending, a loosening of regulations to foster business expansion and an inflation-fighting tight money policy by the Federal Reserve Board.

If the president-elect and his economists think those steps are too chancy, they should consider the alternative: stagflation, made up of little-to-no growth, inflation and low public expectations. In brief, Carter's famous malaise.●

HARRY J. NOZNESKY

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. YATRON. Mr. Speaker, it is with a great deal of sadness that I bring to the attention of this body the passing of Mr. Harry J. Noznesky, on January 1, 1981. Mr. Noznesky throughout his life and career won the admiration and respect from all those who were privileged to know him.

Chief executive officer and president of the General Battery Corp. since its inception in 1960, to 1977, when he was succeeded by his son, Peter, Harry Noznesky established himself as a man to remember; a man of warmth, kindness, and dedication. He became honorary chairman of the General Battery Corp. in May 1978.

Mr. Noznesky attended Georgetown University from which he graduated in 1933. He first worked for the First Pennsylvania Corp. until 1935, when he joined the former Fisk Tire & Rubber Co. as a salesman. When the Fisk Tire & Rubber Co. was purchased by the U.S. Rubber Co., he stayed with that firm until 1950, when he became vice president of sales at the former Bowers Battery & Spark Plug Co., which later became General Battery Corp.

He was president of Bowers from 1956 until 1960 when he became the chief executive officer of the new firm.

Harry Noznesky was a baseball pitching star at Kennett Square High School, where he helped his team to the 1925 State championship. He went to the Yankee farm club, but injured his arm in his second year at Georgetown University during the opening game of the season.

This outstanding Berks County executive was vice president of the Reading Phillies, a trustee of Albright College, a former chairman of the Reading Airport Authority, and a vice president of the Chit-Chat Foundation. He was also a trustee of St. John's Military School, in Salina, Kans., and a director of the Hawk Mountain Council, Boy Scouts of America. He was a former president of Battery Council International, a worldwide association for battery manufacturers.

Mr. Speaker, with the passing of Mr. Harry J. Noznesky, not only the community of Berks County, Pa., but our entire Nation, has lost a truly great citizen.

His positive contributions will not be forgotten, and his many achievements will continue to serve as an inspiration to all of us.

I consider it an honor to have known him. I know my colleagues will join me in offering our condolences to his wife, Serena (Graul) Noznesky, his daughter, Serena Morrissey, his sons, Peter H. and Phillip A. Noznesky, and his brother James Noznesky.●

EXTENDING THE VETERANS READJUSTMENT APPOINTING—VRA—AUTHORITY

HON. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. MONTGOMERY. Mr. Speaker, in keeping with national policy to extend every effort to help Vietnam-era and disabled veterans find satisfactory training and employment, the Congress approved in 1974 Public Law 93-508, a veterans readjustment appointing—VRA—authority for Vietnam-era veterans. Under the VRA, noncompetitive, excepted VRA appointments may be made in the Federal Government for veterans of the Vietnam era, with no more than 14 years of education, up to a grade level of GS-7 or its equivalent, until September 30, 1981. In the case of disabled Vietnam-era veterans, there are no educational limitations.

Following the liberalization and extension of the program by Public Law 95-520, the Office of Personnel Management has reported that there has been a 19-percent increase in veterans readjustment appointments during the first one-half of fiscal year 1980. During the previous 6 months, the committee was informed by the Office of Personnel Management that VRA employment had doubled following a Presidential memorandum to all agencies, including special concern that the agencies use the VRA hiring authority.

Unemployment of Vietnam-era and disabled veterans has sharply increased during recent months, because the VRA program has been a successful program in helping veterans obtain Federal employment. I am introducing today a bill which will extend this program for 2 more years to terminate on September 30, 1983.

It is expected that early hearings will be held by the Subcommittee on Education, Training, and Employment on the bill I am introducing, and related bills.

H.R. 1138

A bill to amend title 38, United States Code, to extend for two years the period of eligibility for veterans readjustment appointments in the civil service for veterans of the Vietnam era

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2014(b)(3) of title 38, United States Code, is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1983".●

CHALLENGE IN JAMAICA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. LAGOMARSINO. Mr. Speaker, in the midst of despair about the condition of the international community and the threat of communism, the election of the Edward Seaga government in Jamaica offers the United States a positive force to back, instead of a negative one to overcome. We must not miss the boat on this one, as was allowed to happen so often in the past few years. We should strongly support such an ardent spokesman for democracy as Mr. Seaga. The following article by Cord Meyer describes the reasons why. I submit it for my colleagues' close attention.

MR. SEAGA'S CHALLENGE IN JAMAICA

(By Cord Meyer)

MONTEGO BAY, JAMAICA.—By giving Edward Seaga and his Jamaican Labor Party (JLP) a landslide victory in the election of Oct. 30, the more than 2 million citizens of this green island have won for themselves the chance to build a peaceful democratic future, and they celebrated the new year with a palpable sense of relief and optimism.

Faced with the economic wreckage left behind by Michael Manley's People's National Party (PNP), Seaga is more aware of the formidable obstacles ahead than most of his jubilant supporters. But conversations with the new prime minister and some of his principal aides have convinced this reporter that Jamaica now has the kind of competent and realistic leadership it desperately needs to recover from Manley's nearly fatal courtship of Fidel Castro and his brand of socialism.

After years of steady economic decline, not even Manley's charismatic charm could finally explain away an unemployment rate of 30 percent, bankrupt nationalized industry and empty stomachs, Like one of V.S. Naipaul's flawed heroes, Manley lived in a fantasy world of glittering slogans.

In personality, Seaga is almost the polar opposite of the man he defeated. Cool and reserved, he compels allegiance not by florid eloquence but by the lucid logic of his argument. Inheriting from Manley a total lack of foreign exchange and a huge external debt, Seaga sees his first priority as one of negotiating an emergency loan package large enough to give the country time to start earning its way back to self-sufficiency.

He knows that essential to success is his ability to attract back to the country the Jamaican capital, professional class and skilled labor that Manley's policies forced into exile. Already the increasing influx of returnees is a hopeful sign, real estate values have risen sharply and the tourist trade is recovering. By encouraging productivity, hard work and private initiative, he plans to have the island back on its feet in two or three years.

PROMISES OF SUPPORT

Whether Seaga can achieve his objective of transforming Jamaica into a working model of what democracy and private enterprise can accomplish in contrast to Cuba's dismal performance depends on the amount and timing of external assistance. So far, he is encouraged by promises of support from the Reagan team and U.S. banks and corporations.

The negotiations for a large loan from the International Monetary Fund are far advanced and, together with assistance from Venezuela, other donor countries and the World Bank, Seaga is well on his way to collecting the commitments he needs to finance recovery.

The U.S. has a larger stake in Seaga's success than most Americans realize. His electoral victory over one of Castro's close allies signals a turn in the political tide in the Caribbean and places Seaga in a key role in relation to a large number of smaller islands whose moderate governments look to him for leadership.

Jamaicans are too proud and Seaga too much of a nationalist for the island to become an American satellite but it can become something much more valuable, an independent democratic ally. Seaga leaves no doubt that he intends to speak out forcefully in the OAS and in the U.N. against Castro's efforts to export his revolution. A substantial number of crucial votes are likely to follow Seaga's lead.

The new Jamaican leaders had too close a brush with the threat of a communist police state to underestimate Castro's subversive intentions. They are convinced that, if Manley had been able to win the election or to subvert it with a declaration of national emergency, the country would be swarming with Cuban advisers and political freedoms on their way to extinction.

A CONTINUING PROBLEM

As it is, Winston Spaulding, Seaga's defense minister, has his hands full in cleaning out the communist infrastructure that Manley deliberately encouraged. The more than 2,000 Brigadistas, young Jamaicans trained for a year in Cuba ostensibly in construction work but heavily indoctrinated, present a continuing security problem. Small-arms caches keep being discovered and even a secret airstrip was found. The Jamaican Broadcasting Corporation, with its TV monopoly, was infiltrated from top to bottom.

Looking back, Seaga and his aides believe they were saved by the strength of three essential institutions. The JLP as a popular party with a mass base presented a united democratic alternative to Manley's PNP. The Jamaican Defense Force and Police proved to be an apolitical and professionally-competent bulwark against violent subversion. Finally, a majority of organized labor was aligned with Seaga and determined to close down the country with a general strike if Manley tried to abort the election.

It is the absence of these institutional bulwarks of democracy that makes the murderous morass in Central America so vulnerable to Castro's intervention. Where such institutions do exist, as in Jamaica, the opportunity to support them should be a vital and immediate concern of the incoming Reagan administration.●

H.R. 174—POSTAL SERVICE REORGANIZATION ACT OF 1981

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced H.R. 174, a bill to abolish the Postal Service Board of Governors, to provide for the appointment of the Postmaster General by the President, and to revise the authority of the Postal Rate Commission.

A principal objective of the Postal Reorganization Act of 1970 was to remove partisan political considerations from the Postal Service. This was accomplished by removing top postal management from responsibility to the President, and appointing a part-time Board of Governors of the Postal Service to control the expenditures and to review the policies and practices of the Postal Service.

Quite frankly, this objective of the act has been a dismal failure. Postmasters General selected by the Postal Service Governors have been so isolated from public accountability that Presidential administrations, in turn, have virtually abdicated responsibility for the Postal Service being a part of the U.S. Government.

The Postal Service Governors have done little to meet their responsibilities other than to appoint the Postmaster General and, since public meetings began, the Governors chiefly attend to routine business and listen to selected postal managers narrate filmed presentations on postal operations. With few exceptions, no person has been appointed to the Postal Service Board of Governors with prior knowledge of postal affairs.

The 1976 Commission on Postal Service, pointing up this problem, said:

In the past, the Governors have failed to exercise initiative on vital matters affecting the Postal Service . . . Their oversight has been minimal and inefficient and they have not been inclined to advise postal management on major policy issues.

Enactment of H.R. 174 will take one step toward correcting the insulation and unresponsiveness of the U.S. Postal Service. If the Postmaster General is appointed by the President, he will be responsible to the President and it will insure fulfillment of a postal policy being a responsibility of the President. Without the Postmaster General appointment responsibility, and in view of its ineffective oversight, there is no need for continuance of the Postal Board of Governors.

With the termination of the Postal Board of Governors, decisions of the Postal Rate Commission may be made final rather than subject to approval of the Postal Service Governors.●

SOME GOOD ECONOMIC NEWS FOR 1981

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, January 14, 1981, into the CONGRESSIONAL RECORD:

SOME GOOD ECONOMIC NEWS FOR 1981

I have recently spoken with hundreds of Hoosiers who share my concern about the economy. Worries about inflation, unemployment, and the uncertainty of the future are more than justified, but at times our pessimism may go too far. These are some basic facts about the economy:

Standard of living: The American standard of living has not slipped behind that of our major competitors. Our closest challengers are France and Germany, which have two-thirds our standard. Japan has only three-fifths. During the 1970's our real income rose 23 per cent per capita.

Jobs: Unemployment has been high in the 1970's, a fact due mainly to the coming of age of the "baby boom" and the influx of women into the work force. Once it has weathered these two "shocks," the labor market of the 1980's should improve.

Productivity: The American worker is still the most productive in the world. Other countries are gaining on us, but the battle to boost productivity in the United States aims to maintain rather than recapture the lead. We are not losing any competitive edge because of rising labor costs. The cost of American labor is increasing at the slowest rate in the industrial world.

Foreign trade: We are not losing any competitive edge in foreign trade, either. The volume of American exports has increased one-third in the past three years, rising at a much faster rate than the overall volume of world trade. Our competitive position in the world has been strengthened in recent years, not lessened.

The dollar: The dollar is not weak. It has risen 10 per cent against the German mark in 1980, and it is very strong against the British pound and the Japanese yen.

Energy: We still waste too much energy, but we have broken the link between consumption of energy and growth of the economy. Energy use now grows only half as fast as the Gross National Product (GNP). We are still too dependent on imported oil, but 80 per cent of our total energy needs are met by domestic sources. A national energy policy is now in place.

Tax burden: The average federal tax burden, measured against the GNP, has risen only 3 per cent in the last quarter-century. During that time the corporate tax burden has diminished. The burden of state and local tax has tripled.

Government spending: Government spending does not claim more of our total output than it does in other countries. Only Australia and Japan spend a percentage of their total wealth smaller than the 34 per cent spent by our federal, state, and local governments. By comparison, Germany spends 42 per cent and Britain 44 per cent. Adjusted for inflation, government spending rose to a peak of $1,605 per capita in 1978 and then dropped to $1,540 in 1980.

Government deficit: The United States is not the only nation that runs a deficit. Our total government deficit has been holding steady at about 1 per cent of the GNP. Comparable figures are 3 per cent for Germany and 6 per cent for Japan. Of the seven leading industrial nations, the United States has the lowest ratio of overall deficit to GNP.

Federal debt: Federal debt today is roughly three times the size it was in 1950, but consumer debt is 14 times greater, mortgage debt 16 times greater, corporate debt 13 times greater, and state and local debt 14 times greater. Even though we have had large increases in federal debt during the 1970's, consumers, homeowners, corporations, and state and local governments have borrowed far more.

Federal employment: The federal civilian work force has not been mushrooming. In fact, it shrank in absolute terms during the 1970's. It is also shrinking in relation to total government employment, the population of the United States, and employment in the private sector.

The economy is in better shape than we may think. We can make it stronger if we take to heart some of the lessons we have learned in the 1970's:

Innovation: American industries must keep new products and processes coming out of their laboratories. More research and development are needed.

Capital formation: To bring more goods and services to the market place, we must have a higher rate of capital formation. Increased investment will almost certainly give productivity a boost.

International markets: American business has got to keep its eye on international markets. Lost opportunities overseas have always been unfortunate, but now they could impose extreme hardship on the economy.

Regulation: We must continue to change our thinking about regulation. We should persistently weigh costs against benefits and constantly seek less intrusive ways to reach worthwhile regulatory goals.

Budgetary restraint: The federal government must redouble its efforts to bring the budget under control. No agency or program should be considered immune to cutbacks.

The new year can begin on a positive note. There is great strength underlying our economy. We have simply to recognize it and build on it. I believe that our problems are most nations' answers.

(Note: Data for this report come from an essay by Walter Heller, former chairman of the Council of Economic Advisers.)●

TRIBUTE TO THE LATE CONGRESSMAN, EMANUEL CELLER

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. MAZZOLI. Mr. Speaker, I wish to join with my colleagues in the House of Representatives in paying tribute to the late Emanuel Celler, the well-respected dean of the House, who died January 15, 1981.

For 50 years, Manny Celler served the people of New York and the Nation with integrity. Mr. Celler will best be remembered for his long and active years as chairman of the House Judiciary Committee.

I began my service on the House Judiciary Committee after Mr. Celler had left, but I entered the House while Manny was still active, alert, and influential.

I will never forget one time when two of the great lions of the House tangled in the well: Manny Celler and Bill Colmer of Mississippi. As we say: "They don't make people like this anymore."

Emanuel Celler's passing is a loss to his family, his State, and the entire Nation.●

REINTRODUCING LEGISLATION

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CONABLE. Mr. Speaker, today I am reintroducing legislation to improve the way our social security system works and to put it on a sound financial basis.

This is an updated version of a bill I first offered 3 years ago as an alternative to the 1977 financing amendments. My plan, then and now, has the dual and desirable effect of cutting payroll taxes and restoring the long-range solvency of the system.

It would attain both goals in large part by shifting half of the taxes now scheduled for the hospital insurance trust fund over to the old age survivors and disability insurance trust funds. This would permit, simultaneously, a substantial reduction in the total payroll tax and adequate financing of the OASDI programs.

The hospital insurance—or medicare part A—fund would be replenished from general revenues. This is consistent with current medicare financing policy, in that part B of medicare already derives about 70 percent of its funding from general revenues.

My bill also would eliminate increases scheduled this year and next in the wage base on which the tax rate is levied.

The cutback in the base, coupled with a drop in the tax rate, would mean a saving of $278 this year for those who pay the maximum. The rate and base under current law are 6.65 percent and $29,700. The rate and base under my plan would be 6.55 percent and $25,900. Savings next year would be greater. The maximum tax under existing law would be $2,150, while the maximum under my bill would remain at $1,696—a difference of $454.

Another important element of the bill is the establishment of a working

spouse's benefit. Many married workers, mostly women, reach retirement age and begin receiving a benefit amount based on their spouses' earnings because it is higher than the benefit amount based on their own earnings. These people can argue, with justification, that they are no better off financially, as a result of working under social security, because they would have received a spouse's benefit even if they had never left the home to take a job. The working spouse's benefit would compromise the higher of the two benefit amounts available under current law plus 25 percent of the smaller benefit amount.

The final major provision of the bill would bring Federal civilian employment under social security coverage. This is a highly controversial, and much misunderstood, element. Federal military personnel already are covered, and in the long run, Federal civilian workers would be better off under social security, which provides protection against disability, plus benefits to dependents and survivors—offerings not generally available through other pension packages.

Federal employees could, and should, be able to continue with their retirement plans, perhaps in modified forms, as supplements to the basic social security protection.

About 115 million American workers are required by law to participate in the Nation's social insurance system. There is no overriding reason why the 2.5 million Federal civilian workers, including Members of Congress and employees of the Social Security Administration, should not also participate.

In summary, Mr. Speaker, this bill would make our Nation's social insurance system more equitable, less burdensome to long-suffering taxpayers, and financially stable on a long-range basis, I do not offer it as the only answer to social security problems, but a reasonable, practical alternative for evaluation.

We have dodged too often in the past the really tough social security problems, and have responded to recurring financial crises with purely temporary adjustments. This has been unfair to beneficiaries and taxpayers alike. They want, and they deserve, a stabilized system. The bill I am reintroducing today embodies one approach to stabilization, and I ask that it be given serious and prompt consideration.●

H.R. 170—POSTAL EMPLOYEES' RIGHT TO SAFETY BILL

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced a bill, H.R. 170, the postal employees' right to safety bill, which establishes the right of a postal employee to choose not to perform his or her assigned task because of a reasonable fear that death or serious injury will result from the performance of a specific task.

In effect, the bill makes applicable to the Postal Service, that provision of the National Labor Relations Act (29 U.S.C. 143) which provides that the quitting of work under such circumstances shall not be considered a strike. In addition, the bill codifies the recent Supreme Court decision, *Whirlpool Corporation* v. *Marshall*, 445 U.S. 1, which held that the Secretary of Labor was authorized to promulgate such a regulation and that the regulation conformed to the fundamental objective of preventing occupational death and serious injuries.

Related legislation, authorizing the Occupational Safety and Health Administration to conduct unannounced inspections of postal facilities and to impose civil penalties for repeated and flagrant violations of Federal safety and health laws, was approved by the House of Representatives during the 96th Congress. That bill was reported favorably by the Senate Committee on Governmental Affairs but was not acted upon by the Senate. I have introduced similar legislation, H.R. 168, during this Congress.

The House Subcommittee on Postal Personnel and Modernization has continued its extensive oversight hearings and investigations into the safety and health program of the Postal Service. The program was found to be deficient in several respects. Indeed, shortly after House approval of H.R. 826 in 1979, an accidental fatality at the New York Bulk and Foreign Mail Center revealed several serious safety defects at that facility. In Miami, Fla., the USPS was sluggish in taking action to examine employees who were exposed to excessive levels of cancerous fibers in the atmosphere. Finally, in December 1980, two postal employees were victims of fatal accidents in Los Angeles, Calif., and Portland, Oreg.

The Postmaster General's response to the earlier fatality was to give safety somewhat higher priority than in the past. However, enactment of this legislation is essential if postal employees are to be afforded the same protections that are already available to employees in the private sector.

Enactment of H.R. 170 would not authorize postal employees to strike with pay over unsafe working conditions; nor would it permit malingering. The bill simply subjects the Postal Service to the same standards as private sector employers by providing that an employee who in good faith believes that performance of a specific task may result in death or serious injury may refuse to perform that specific task and shall not be subject to discharge or discrimination by his employer.●

AMERICA'S FOREIGN POLICY PROBLEMS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. LAGOMARSINO. Mr. Speaker, I wish to submit to my colleagues a very incisive analysis of America's foreign policy problems. It was written by Irving Kristol and appeared on the January 13, 1981, Wall Street Journal editorial page.

Anyone interested in or concerned about our foreign relations will benefit from the author's effort to refocus our national principles of international behavior. The article follows:

[From the Wall Street Journal, Jan. 13, 1981]

FALSE PRINCIPLES AND INCOHERENT POLICIES

(By Irving Kristol)

It can hardly be doubted that American foreign policy today is such as to make the world perceive us as incompetent, while we increasingly sense ourselves to be impotent. Unfortunately, both the incompetence and the impotence are not accidental, transient features of the policy. They derive from false principles, which lead to problems being badly defined. And seeking solutions to problems that are badly defined is a certain path to frustration.

At the moment, there are three striking instances of such a condition. They involve the following questions:

(1) What should we have been doing about our hostages in Iran?

(2) What should our attitude be toward the threat of a Soviet invasion of Poland?

(3) How should we be weighing the prospects of intervention or nonintervention in such troubled countries as Nicaragua, El Salvador, the Philippines or Saudi Arabia?

Our basic error in Iran has been to define our problem in terms of a primary concern with the safety and ultimate release of the hostages. Having made such a definition, we had no choice but to negotiate the ransom payment demanded.

U.S. PRINCIPLES

Another—and in my opinion more correct—definition of the problem would have taken as its point of departure the following principles: (a) As a general rule, the United States government does not negotiate with, or pay ransom to, terrorists. (b) As an absolute rule, the United States does not ever negotiate with, or pay ransom to, a foreign government that behaves like a gang of terrorists.

With these principles in mind, the problem facing the United States was (and for the Reagan administration, could still be): what kind of military actions might lead to the safe release of the hostages but, failing that, would certainly lead to an exemplary punishment, swift and sure, of the terrorists. This radical shift of emphasis would have given us a freedom to act. Instead, presumably because so many people in the Carter administration experienced acute "liberal guilt" over our previous association with the Shah, we unilaterally disarmed ourselves before our enemies.

I am no military expert and I have no idea what the precise military procedures should have been. Almost certainly they should have been preceded by an immediate, formal declaration of war so as to remove all doubt as to the seriousness of our purpose, and also to provide a clear legal and oral context for our actions. Whether we then engaged in a massive rescue effort, blockade, bombing, invasion or any combination of them, we should have done so resolutely, openly and without qualms.

By failing to enunciate (or even, apparently, perceive) the true nature of the problem, the Carter administration has written one of the most humiliating pages in the history of American foreign policy. And by wasting a full year with lamentations and empty moralistic protestations, it has made it less likely that anyone in Iran—or elsewhere—now takes us seriously. This has been a disservice not only to the hostages but to all American personnel stationed abroad, and is a disaster for our position as a world power.

Our policy with regard to a potential Soviet invasion of Poland has been (a) to warn the Soviets that it would meet with our grave displeasure, and (b) to urge the Polish dissidents not to be too "provocative" in either word or deed. The premise here is that the status quo in Eastern Europe is something we wish to preserve, that any kind of "destabilization" is a threat to us. Instead, we prefer to hope that future Soviet rulers will themselves move toward ever greater "liberalization."

What grounds are there for any such hope? None that I can see. Indeed, liberalization within the Soviet Union can only lead to exactly the same kind of dissenting turmoil that now exists in Poland. If the Soviet rulers feel they cannot afford to permit the Polish people—or even the people of Afghanistan!—to evolve in a "non-socialist" direction, why should we think it likely that they will ever permit the Russian people to do likewise? Our State Department has somehow come under the presumptuous illusion that it understands the real interests of the Soviet rulers better than they do, and that it is our mission to persuade them of the validity of our understanding. I think the Soviet rulers know their own interests a lot better than our State Department does. In any case, it is their definition of their interests that they act on, not ours.

Eastern Europe is a critical problem for the Soviets, and there is no reason why we should make it easier for them to cope with it. While it would be irresponsible of us to encourage the Poles or the Czechs to take up arms against their oppressors, it is positively nauseating for us to be fearful that they might do so, and to communicate this fear to them. This is something that the peoples of Eastern Europe will have to decide for themselves, since they will be paying the price. Our mission should be to support them, with words at least, with deeds where possible. Is it not remarkable that not a single official American spokesman—not even in the toothless forum of the UN—has expressed support for the demands of the Polish unionists?

Yes, under present circumstances the Soviets have both the will and the military power to enforce their rule over Eastern Europe. But who knows what the longer-term consequences of such Soviet intervention would be? Perhaps the instincts of the Polish dissenters—and of Russian dissenters too, are wiser than our sophisticated analyses.

The status quo in Eastern Europe is not an American interest, it is a Soviet interest. Our posture toward Eastern Europe should be analogous to the Soviet posture toward the current turmoil in Central America, where it is our status quo that is being threatened. The Soviets are very prudent about what they say and do—but they certainly aren't saying or doing anything to make it easier for us. "Destabilization" in Eastern Europe, to the degree that it is rooted in indigenous aspirations, is not a problem for us. On the contrary, it is a prospect we ought to welcome, if not overtly encourage.

The question whether it is proper for any nation to intervene in the internal affairs of another is unanswerable so long as the Wilsonian idea of "self-determination" is given an absoluteness it never should—and, in the real world, never can—possess. Our State Department by now is so imbued with Wilsonian legalism that it cannot make the necessary, indeed crucial, distinctions that are inherent in any sensible foreign policy. All boundaries are sacred to it, and all transgressions—no matter by whom, against whom or under what circumstances—are abhorrent to it. The assumption is that our State Department has the lofty mission of representing "the rule of law in an emerging world community," not the more mundane task of representing American interests in a world that is only marginally interested in international law, and whose nations, for the most part, sadly lack any sense of world community. The State Department will quickly move to denounce a Soviet invasion of Poland—but it will be more concerned with the fact of invasion than with the fact that it is a Soviet invasion.

The issue of intervention vs. non-intervention—and especially as between a great power and a smaller one—has been analyzed by generations of political philosophers and jurists, and the principles adduced, about which there is little disagreement, represent a kind of refined common sense. They are (simplifying somewhat) as follows:

a) In general, it is both wrong and self-defeating for a great power to intervene in the purely domestic affairs of a smaller nation. However, there are some exceptions to this rule which quickly come to mind.

b) A great power has the right to intervene in the affairs of a small nation in order to counter the intervention of another power.

c) A great power has the right to intervene in the affairs of a small nation in those cases—fortunately rare—in which the government of that nation behaves in so barbarous a way that it becomes as a pariah to civilized opinion. The systematic practice of genocide would be an instance of such barbarism.

d) A great power has the right to intervene when a smaller nation insists on pursuing policies that are inimical to the vital interests, economic or strategic, of that great power or its allies.

e) The right to intervene, for whatever good reason, should always be subordinated to prudential considerations. In international affairs, it is circumstances and probable consequences that inhibit or limit the right of intervention. Having a right is one thing; exercising it is another.

THE BREZHNEV DOCTRINE

The Soviet Union operates under a different set of principles. Its Marxist-Leninist heritage gives it the right, sanctioned by history, to interfere in the affairs of any "non-socialist" country. And, under what has come to be called "The Brezhnev doctrine," it further claims the right to intervene in the affairs of any "socialist" nation that seems to be in danger of seceding from the "socialist camp." It is clear that the Soviet rulers also take prudential considerations into account. But when they do so (as in the case of Yugoslavia) they make no bones about it. They may compromise their "right" to intervention, but they never surrender it.

As things are now going in various parts of the world, it seems all too predictable that the United States will in fact find it necessary to practice the politics of intervention, however reluctantly. We cannot, for instance, permit the Philippines to fall under hostile rule without wrecking our relations with Japan and China. And the importance of preserving a friendly Saudi Arabia is too evident to need elaboration. But we shall never be able to mobilize American opinion behind such actions, and shall never be able to convince our allies and our enemies that we are pursuing a coherent foreign policy, unless we are free to act with a clear conscience. And that will not happen until we liberate ourselves from the intellectual tyranny of false principles and the self-defeating policies they give birth to.●

MORRIS VANCE—LOMITA CITY ADMINISTRATOR

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. ANDERSON. Mr. Speaker, at the end of this month, a dinner will be held honoring Morris Vance for the fine work he has done as the administrator of the city of Lomita, and the many contributions he has made to that city and its residents.

He is highly deserving of this tribute, having demonstrated time and again during the more than 5 years that he has served in this position his devotion to his job and to the city he serves.

Although born in Utah, Morris was raised in California, and his understanding of the needs and desires of the people in California, and more specifically, those in my 32d District, became synonymous with his own.

His keen sense of service to the public led Morris to pursue a degree in political service at the same time that he served as a missionary in Western Canada for the Mormon Church. After his term of missionary service

had ended, his political service degree attained, earning a master's degree in public administration became his new goal. Again, Morris combined his studies with work, at first with the Los Angeles County Bureau of Public Assistance and later as the administrative assistant of the public works department in the city of Vernon. He received his master's degree in 1969, specializing in local government administration.

Our close association with Morris Vance began in 1969, with his acceptance of the position as executive assistant to the city administrator of Carson. Not only did Morris ably serve the people of Carson for over 6 years in this capacity, but he also found time to contribute to the many social and spiritual needs of the community. His charter membership in the Carson Kiwanis is evidence of this, as well as his election to the post of bishop at the Gardena ward of his church.

And when, in 1975, Morris began his position with the city of Lomita as its city administrator, I for one was especially pleased that his many talents would remain within my congressional district. Lomita was now the object of Morris' devotion to public service, although Carson continued to receive the benefit of his advice, and under his tutelage, both cities have thrived. In Lomita, Morris served on the board of directors of the Torrance-Lomita branch of the American Red Cross, as well as having been vice chairman of that organization. And the young have benefited too, as Morris is extremely active in the Boy Scouts in the South Bay area. His involvement with them as a merit badge counselor is admirable, since it is apparent that as he set and attained high goals for himself, so too has he aided our young in setting and attaining their own goals.

It is for these and many other reasons that Morris Vance will be honored on January 31. It is a way of saying thank you for all the generous hours of combined public and social service that Morris Vance has given to us over the years. As the Vances leave our area for a new and challenging position, my wife, Lee, and I join in wishing Morris, his wife Janice, and their two sons, David and Thomas, all the best in the future, knowing that whatever they do, the goal will be to serve the people, and serve them well.●

SOME OBSERVATIONS ON THE 97TH CONGRESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, January 21, 1981, into the CONGRESSIONAL RECORD:

SOME OBSERVATIONS ON THE 97TH CONGRESS

For the first time in 26 years the Republicans and the Democrats share power in Congress. Impressive victories in several states have given the Republicans a six-vote edge in the Senate. The Democrats control the House by a margin of 51 votes.

The question being asked by most political observers is the obvious one: just what kind of record will the politically divided 97th Congress compile? My hunch is that it will be a lively and fascinating but ultimately cautious Congress. I would not expect this Congress, which will focus on economic and military issues, to be innovative or productive of new social programs. Also, I believe that a coalition of Republicans and "Sunbelt" Democrats will strongly influence, if not dominate, the legislative agenda. When the coalition emerges in the House, it will give President Reagan a de facto majority on Capitol Hill. The coalition will probably succeed in increasing military spending as it cuts back on domestic expenditures, but regional rivalries and ideological conflicts are certain to erupt at times.

The characteristics of the 97th Congress are noteworthy. In this Congress the West and the South will gain influence at the expense of the urban areas of the Northeast. Congress will have a record number of women (19 Representatives and two Senators), 17 blacks, and five Hispanics. It will have the lowest average age, 48.9 years, of any Congress since World War II. Lawyers still form the largest single professional group among members of Congress, but Congressmen and Senators with legal training no longer constitute a majority of members.

Quite by accident, the congressional calendar will contain a long list of programs that are up for renewal. It is by no means certain how the 97th Congress will deal with the programs. What, for example, will Congress do about agricultural price supports? How will it take the recommendation of the Reagan task force to slow completion of the interstate highway system? Will it relax clean air laws? Will it reject programs for energy development, job safety, nuclear plant licensing, passenger rail service, refugee aid, and home energy assistance? Answers to these questions are not at all clear.

Although the campaign positions of Mr. Reagan and many members of Congress are fairly well known, it is a long way from the rhetoric of the campaign to the enactment of legislation. Legislation is hammered out in congressional committees, not in presidential speeches and campaign debate. Any experienced legislator knows the value of compromise. He knows as well that the task of developing consensus moderates the extreme views often staked out on the hustings.

The economy will surely occupy much of the attention of the 97th Congress, but there are many other formidable challenges to be faced: the future stability of social security, the ills of the domestic automobile industry, the cost-effectiveness of a wide range of federal regulatory programs, the combat-readiness of the armed forces, and competition in health care services are just a few. In the area of social initiative, Congress will be looking for ways to trim existing programs. A general re-examination of the nation's foreign policy is likely.

It is my impression that Mr. Reagan, buoyed up by his strong showing at the polls, will get much of what he wants from the 97th Congress. A broad reduction in taxes, sharply increased outlays for defense, and a government-wide attack on waste should be among his early targets. Congress, however, will not be his "rubber stamp." In recent years the legislative branch has demonstrated just how independent from the Chief Executive it can be. I anticipate that this Congress will also be a maverick.

Like any Congress in recent memory, the 97th Congress has before it an agenda filled with items, from stagflation to Soviet adventurism, that urgently demand review and deliberation. It also has major chores to perform "in house." In my judgment, no challenge is greater than that of getting a firmer grip on the legislative process so that Congress can fulfill its constitutional responsibilities effectively by helping to govern the nation and acting to solve the problems that concern people most. The people display a large measure of cynicism about the obstructionism, lethargy, and scandal of Congress. The only real antidote to such a feeling is solid performance.

I suspect that most eyes will be on the Republicans. They have newly come to power, and the question is how well they will wield it. Will they hold together, identifying closely with and following the Republican President? Will they splinter apart, unwilling to accept the compromises that Mr. Reagan is bound to suggest? The Democrats have their work cut out for them, too. What kind of opposition will they be? Will they hobble or help the new President?

The biggest task before the country is to get the economy back on its feet. I hope that the 97th Congress will shoulder its obligations and not let itself bog down in peripheral matters. I also hope that the Democrats will not swipe away indiscriminately at the Republican Administration. Neither Democrats nor Republicans can afford to be diverted from the central issue: economic restoration.●

HONORING DR. TIM LEE CARTER

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. WAMPLER. Mr. Speaker, it has been a distinct honor to serve in the House of Representatives with Dr. Tim Lee Carter, and the esteem in which he is held by this House is only equaled by the people of Kentucky's Fifth District who have been so honorably and ably served.

"Doctor Tim", as he is affectionately referred to by his constituents, will be remembered in the Congress not only as an able legislator, but as a fine humanitarian as well. His efforts in the field of health legislation and other issues which promise a higher quality of life are well known, and his tireless championing of these causes has earned him a high degree of respect from his colleagues.

The Fifth District of Kentucky abuts the Ninth District of Virginia, and due to this location it has been my privilege to work with Dr. Carter on a number of measures of particular interest to both congressional districts.

Although we may not have always been in total agreement, it has been with great respect and attention that I pondered his views and his willingness to consider both sides of an issue.

I know the people of Kentucky's Fifth District will be gladdened to have Dr. Carter back among them, but the Congress will certainly miss a fine gentleman and Representative when the 97th Congress convenes without him.●

TRIBUTE TO FRANK HOOD

HON. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. MONTGOMERY. Mr. Speaker, in a period when the Government is losing the services of many of its most experienced and valuable employees to retirement, the departure of Frank R. Hood from the Veterans' Administration stands out as a shining example of dedicated and talented service.

In his own quiet way, Frank R. Hood, Assistant Administrator for Information Services at the Veterans' Administration, has established a truly unique record as a Federal employee and has struck a blow for career civil servants throughout Government.

Frank was in his 23d year as head of public relations at the VA when he officially retired August 29, 1980. But he has stayed on the same job as a reemployed annuitant at the urgent request of Administrator Max Cleland. And, not surprisingly—considering his unprecedented track record—President Reagan's transition team at VA has asked him to continue his duties.

In a sensitive profession generally subject to frequent and often abrupt change, Frank has served far longer as head of public relations for a major agency than anyone in the history of Government. He has served longer in the same top job than any executive in VA history.

Before taking over the top VA public relations job in 1958, Frank served more than 7 years as the Deputy. In those nearly 30 years on the Washington scene, he has been retained and honored by a succession of eight VA Administrators, Republicans and Democrats alike, and yet has never resorted to the game of playing politics for personal gain.

A former reporter and editor for the Kansas City Star and the Associated Press, Frank was a Navy gunnery officer in World War II, and then joined the VA as a GS-11 information specialist in St. Louis in early 1946. Since then he has received seven merit promotions in the career service.

He is a longtime holder of the two highest awards the VA can bestow, and seven times has been the agency nominee for a variety of prestigious Government-wide honors.

The many proteges he has helped to train in the VA include three former public relations directors for the Civil Service Commission, a deputy press secretary at the White House, and the Executive Director of the President's Committee on Employment of the Handicapped.

In contrast to the too prevalent perception of civil servants as lazy drones sponging on the taxpayers, Frank has voluntarily worked many thousands of hours of overtime without compensation, has sacrificed hundreds of hours of annual leave, and has been literally on call 24 hours a day to respond to media inquiries. Yet, for most of the 23 years he has carried his high-level responsibilities, he like other top civil servants have worked under pay ceilings that restricted them to the same salaries paid to employees carrying far less responsibility.

In a congressional tribute to Frank in 1978, when he had completed 20 years on the top VA job, the Honorable Ray Roberts, the former chairman of the House Veterans' Affairs Committee, told his colleagues:

> Frank Hood has earned a high place of honor within government and among members of the press with whom he deals. In addition to his outstanding professional skills, he is known as an individual of integrity and unquestioned honesty. When the name "Frank Hood" comes up, the comment inevitably follows, "He is one of the world's true gentlemen." I know of no higher praise, and I heartily concur in it.

I can heartily endorse the sentiments of Chairman Roberts.●

H.R. 39—POLITICAL FREEDOM FOR POSTAL EMPLOYEES

HON. WILLIAM L. (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced a bill, H.R. 39, the Postal Employees' Political Activities Act of 1981, which reforms the Hatch Act by permitting postal employees to participate voluntarily in political activities so long as those activities do not even appear to compromise the integrity of the Postal Service. At the same time this bill protects the public against improper political activities and solicitations, coercion, and protects postal employees against involuntary political activities.

The Hatch Act was enacted precipitously in 1939. It was an overreaction to coercion of and kickbacks by Federal employees and public assistance recipients. As presently written, the law is vague, overly broad, and consists of a patchwork of over 3,000 administrative rulings, most of which are not understood by either the public or postal employees.

H.R. 39 differentiates between voluntary and involuntary political activities. It protects the public interest while providing postal employees with greater freedom to participate in the political process.

In summary, the bill provides the following:

States that postal employees are encouraged to exercise their right of voluntary political participation.

Prohibits the use of official authority, influence, or coercion with respect to the right to vote, not to vote, or to otherwise engage in political activity.

Prohibits solicitation of political contributions by superior officials and making or soliciting political contributions in Government rooms or buildings.

Prohibits, with certain limited exceptions, political activity while on official duty, in Federal buildings, or in uniform.

Requires that employees who seek elective office do so on their own time, and that employees shall, upon request, be granted accrued annual leave or leave without pay to seek elective office.

Designates the special counsel of the Merit Systems Protection Board—MSPB—as the enforcing authority and the MSPB as the adjudicatory authority.

Subjects violators of law to removal, suspension, or lesser penalties at the discretion of the MSPB; requires a minimum of 30 days' suspension without pay for any employee found guilty of violating the prohibition against use of official authority or influence for political purposes.

Requires the U.S. Postal Service to report annually to the Congress on its implementation of this Act.

The Postal Service system is a quasiautonomous public corporation. Some may have problems with that fact but, be that as it may, postal employees are in a different category from Federal employees. The postal worker's role, as an employee of a semi-independent agency, and the role of a Federal civilian employee, as an employee of the Government, make these two groups separate and distinct. Unfortunately, the issue of full political participation for postal and Federal employees has been confused, notwithstanding their different status, so that they are treated as one and the same.●

TO AUTHORIZE NATIONAL SHUT-IN DAY

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. RAHALL. Mr. Speaker, I am introducing legislation today to designate the first Sunday in June of each year as National Shut-in Day. This measure would recognize and call public attention to a great number of our citizens who constitute an often neglected segment of our society.

These persons have contributed in the past to the happiness and well-being of others by being parents, children, hard workers, and concerned citizens. Although in most instances they are older or physically impaired, they are valuable for the qualities they possess as individuals with a rich past which can be shared with those who have not enjoyed their experiences.

The shut-in people of our country have a great deal of warmth and friendship to offer, and those who observe National Shut-in Day will gain richly by the experience.

Shut-in Day would be observed to remind the general public of these, their fellow citizens, who cannot take any active part in the religious, business, and social affairs of the community.

With the growing concerns for shut-ins, a national organization was formed to bring attention and care to those who are forced to exist indoors, never experiencing the beauties of nature and the association and communication with other people. The object of the association is to encourage remembrance of the sick and disabled civilian and war veteran by the public on Shut-In Day and throughout this year. It is a nonsectarian, nonpolitical, nonracial, and nonprofit organization.

Your sincere consideration and cooperation in the passage of this resolution will be sincerely appreciated and will be gratifying to thousands of those who are less fortunate than we who are able to enjoy the associations with each other.●

CONGRESSMAN KEMP ON THE NEW ADMINISTRATION

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. SOLOMON. Mr. Speaker, I rise today to applaud the comments of Congressman JACK KEMP in the January 20 Washington Post in which he was asked to speculate on the future of President Reagan's administration. Congressman KEMP's remarks distinguish him as a future State and National leader. I would like at this time to submit the Washington Post interview:

TODAY (LET US SUPPOSE) IS JANUARY 20, 1985—HOW WILL THE WINNER HAVE GOT THERE?

A: Well, first of all, I think that President Reagan and Vice President Bush will have been reelected. And I think that because I think the policies they have prescribed for restoring the U.S. economy and stabilizing the budget and bringing down interest rates and inflation and restoring levels of economic growth and job opportunities will have been successful. And this is what the American people want most at this moment: the chance for a widely shared prosperity.

Conversely, if we do not bring about that road to full employment without inflation, I think the very voters who swept us in 1980 will sweep us back out—in 1982 and 1984.

Q: How will we know whether you are getting there? What are the signs of success along the way?

A: The 1982 election will give us a good indicator of how the Republican Party is doing. If we are on the right road given Reagan's agenda for this widely shared prosperity, if the economic indicators in terms of interest rates and inflation are coming down and employment opportunities are rising and it reaches up swiftly to the Northeast and to urban areas and to blacks, it seems to me the same realignment that happened in 1934 could very well lead to Republican dominance for the next decade.

Q: You must be assuming widespread support from those who at least since the 1930's have been Democratic constituents. How does Ronald Reagan, for example, get black support?

A: Well, I think clearly by identifying the Republican Party once again as a party of civil rights. There's no doubt in my mind that our party has to make sure that those doors that have been opened by the law are not closed by the economy in the '80s. So in effect, the civil rights strategy for the Republican Party in the '80s is to protect those legal gains that have been made by minorities, but then shift the emphasis in the civil rights strategy toward an expanding pie. That means reaching out to the cities in terms of establishing high levels of economic growth and opportunity and social justice in the inner cities.

Reagan's line in his acceptance speech to the Republican Party at Detroit, in which he said we must all move ahead, that we can't afford to leave anybody behind, was exactly right. Real leadership is predicated upon a concern for not just the whole, but the least unto that whole—the stray, the indigent, the handicapped, poor and oppressed. I would like to see my party not be a party of just the middle class, but a party of consensus.

I don't want to sound like an economic determinist, but I'm convinced that the needs of all of the American people, if not the needs of the rest of the world, are inextricably linked to economic opportunity and social mobility and what we used to call the American Dream. It is not unique to America; it's something that people want everywhere.

Q: What could get in the way of this success? How committed do you think a Reagan government will be to the particular economic ideas that you speak for and think are crucial in this effort?

A: As soon as you asked me what I thought could get in the way, the word that came to my mind was "timidity." Trepidation. Defeatism. The status quo. President-elect Reagan said many times that status quo was Latin for the mess we're in. And I've always liked that.

Once you take power, the forces that say, "Don't change, don't do anything, don't follow out your agenda," seem to take over. But the one thing I think those of us who want to move quickly and dramatically and boldly have going for us is Ronald Reagan himself. I believe he is committed—intellectually, emotionally, politically and in every other way—to that type of decisiveness that MacArthur talked about when he said that in order to establish authority, precipitate action immediately. I think there's going to be immediate action along the lines that the Republican platform and Ronald Reagan talked about all the way through the campaign.

Q: There's a certain amount of resistance and hesitation now within the Reagan group concerning these ideas, a sense that maybe they'd better wait a while, reconsider, back off.

A: Yes. Exactly what happened to Margaret Thatcher. All the promises were made, the election was won, the stock market in the U.K. had gone up dramatically—almost 25 percent in real terms. And all of a sudden they got in power and they said: "Oh, the problems are so overwhelming maybe we'd better put off a second, third and fourth year of our tax reform and maybe we might not reduce the budget deficit quite as much, and maybe we shouldn't denationalize this industry as quickly as we thought." And all of a sudden their consensus had literally been lost.

In the morning paper, the article by the Carter economic advisers gave the impression that inflation is intractable and endemic to democracy; that these problems are overwhelming. Reagan won his election on the basis that he would say: "No, those problems have been caused by government policies; they can be changed."

Q: What about prospective obstacles from abroad to Reagan's success?

A: Again, I don't want to overstate my economic thesis. And I'm not suggesting that the Iran/Iraq problem would be cured by the United States conducting sound monetary policy. But I think our strengthening our own economy would once again allow the United States to conduct a sounder foreign policy. We would have more credibility. People would have more faith in our word: the more progress we could show for the United States as well as some of our allies and friends and democracies in the West and throughout the Third World, the more illiberal the Soviet model would look.

Incidentally, though, I think the United States has as much control over the price of oil as does Sheik Yamani. Our land-use policies, our domestic price controls, our steady devaluation of the U.S. dollar have done as much to cause and aggravate our energy problem as anything the Saudis have done.

Q: What about the element in the Republican Party or in the Reagan majority that is zealous, very conservative, evangelical? How will they view that broad social appeal you have laid out?

A: Well, I think they too share a desire to see this happen. But I really think the social fabric of the nation is based upon good will, and when the pie is shrinking, when you perceive that your gain must come at my expense or that my gain is

coming at your expense, then this whole special-interest environment builds up. Blacks have to be more separate in order to organize themselves to protect themselves against what they perceive to be a threat to their survival. And labor unions must be more interested in their union membership in order to protect themselves against what they fear to be a shrinking of their piece of the pie. Business speaks only for business. The cities of the Northeast are pitted against the Sun Belt and New York thinks it must advance by mugging another part of the country.

I think much of the good will in our society is based upon the belief that we can all advance together. Ultimately, the debates over busing and abortion and birth control, as important as they are to the country, will take place in an environment in which people don't have this perception that it's white versus black, rich versus poor, labor versus capital, and the Northeast versus the Sun Belt.

Q: Do you think the Democrats will have to move further to the right to challenge you next time? What would they have to do to catch you?

A: If we can't achieve a more widely shared prosperity, if we can't bring living standards among blacks and Hispanics and the poor and women and the Northeast up to acceptable standards in terms of bringing about these hopes, then I think the next move in this country will be toward more government intervention. If there's no growth possible in the private sector, then I think they will vote for growth of the state.

The Democratic Party, God bless them, understand redistribution of wealth. They don't understand expanding the wealth or, you know, they don't understand growth per se. So our party should be a party of growth; let them be the party of redistribution.

But if we don't bring about that growth, if we don't bring about the expansion of the economy in jobs and output and production and productivity and savings rates and investment rates and prosperity, then the people out there will vote in the party that promises to redistribute wealth.

Q: Assuming for purposes of argument that the new president doesn't choose to run again, what kind of succession politics do you see?

A: I really foresee him running in '84.

Q: You do?

A: I really do. I think clearly he will be the candidate in '84. What is the question? Who would it be if not Reagan?

Q: Yes. Would Jack Kemp be available?

A: Jack Kemp smiles. I'm not going to get into that. I'll say one thing: it won't be worth very much in '84 if we haven't done what we said we'd do. That's the first thing. And I think Ronald Reagan will have done those things. So I think he and George Bush are in for eight years.

Q: What about 1988?

A: I'll tell you then.●

UKRAINIAN FREEDOM

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. BRODHEAD. Mr. Speaker, today marks the 63d anniversary of the founding of the Ukrainian National Republic. I join with many of my colleagues in commemorating this day, which is of such great importance to my constituents of Ukrainian descent and to Ukrainians around the world.

The long ordeal of the American hostages in Iran has served to remind Americans how much we cherish liberty and how painful it is for any of our fellow citizens to be deprived of their freedom. In this light, perhaps we can begin to understand the great sorrow and anger felt by Ukrainians when they think of the long oppression suffered by their country after so brief a period of independence.

In the 59 years that Ukraine has labored under domination by the Soviet Union, this valiant nation and those who love it have never given up their hope that the Ukraine will once again be restored to freedom. Those who battled to keep Ukraine free have been set back, but they have not lost their struggle. The outpouring of support for their cause among my own constituents in the Detroit area is heartening evidence that the struggle continues to this day.

The United States remains one of the few nations on Earth which has been strong enough to gain and hold onto its freedom. As the leader of the free world, our Nation has the responsibility to lend support and solace to people who are struggling to achieve the liberty we sometimes take for granted. At a time when we have witnessed the orderly, democratic transfer of power and the liberation of our citizens held captive abroad, it is particularly appropriate that we renew our commitment to the cause of a free Ukraine.●

MILITARY EDUCATION BENEFITS

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. WHITEHURST. Mr. Speaker, as our country concludes one of the saddest chapters in foreign diplomacy with the winding down of events in Iran, Americans everywhere are cognizant, perhaps as never before, of how vulnerable even a superpower is in this tenuously balanced world. And as Members of Congress, I hope that the seizure and 14-month detainment of our 52 fellow Americans served as a constant reminder to us all that our first and foremost duty is to provide for the Nation's defense.

In recent years, many of my colleagues and I have grown increasingly concerned with the ability of the All-Volunteer Force to accomplish this end. Recruiting and retaining competent individuals to serve in our Armed Forces represents one of—if not the most important—challenges confronting this Congress. The waning days of the 96th Congress renewed the hopes of those of us who have expressed these concerns with the passage of a number of military manpower initiatives to help turn things around. And there are indications that some of the actions taken in the past Congress have begun reversing some of these unhealthy trends.

The measures I speak of taken by the 96th Congress include raising military pay; improving medical benefits; increasing enlistment and reenlistment bonuses; increasing Navy sea pay and submarine sea pay; increasing flight pay; and approving a number of other pay and nonpay initiatives.

As I have just noted, there are indications that these initiatives have had an immediate and positive effect. With respect to the 11.7-percent-pay raise for military personnel approved in the past Congress, Navy officials are already observing a sharp upswing in reenlistments since the pay increase became effective last October.

Adm. Harry D. Train II, the Atlantic Fleet commander, recently noted that reenlistments of sailors in the Atlantic Fleet finishing their first terms jumped by 25 percent in November from such reenlistments in September.

According to Admiral Train's statistics, the number of those reenlisting after their first hitch was 25 percent higher; the number reenlisting after a second hitch rose 21 percent; and reenlistments among more senior people—those in the career category—was up 14 percent. Admiral Train predicts that these trends will continue and that a shortage of about 20,000 senior petty officers will be alleviated within 4 years.

While raw statistics are not always the best means of putting an issue in perpective, I believe that there are a few numbers that are certainly hard to ignore. With regard to the retention of skilled career officers and noncommissioned officers in all services, reenlistment rates of Navy career enlisted personnel, for example, dropped from 92 percent of those eligible in 1973—the first year of the All-Volunteer Force—to 67 percent in 1980. Marine Corps career enlisted retention dropped from 82 to 50 percent during the same period.

In a recent study on military manpower and the All-Volunteer Force, Robert L. Goldrich, of the Foreign Affairs and National Division of the Library of Congress Congressional Research Division, makes the observation that:

> Navy retention problems appear to be based in large part on dissatisfaction with long family separations resulting from an increased frequency of overseas deployments. This increased operating tempo, according to the Navy, has resulted from a decreased number of ships in the fleet being

required to shoulder the same level—or an increased level—of Navy deployments worldwide. It is becoming extraordinarily difficult to find crews for some ships so they can put to sea as scheduled.

This point was dramatically driven home last spring when the U.S.S. *Canisteo* was declared temporarily unsafe for extended operations because of personnel shortages. In the same vein, the carrier *John F. Kennedy* had to borrow about 50 people from other commands before it could begin a Mediterranean trip during 1980.

Even though I am encouraged with the strides taken in the past Congress to address some of the retention problems facing our Armed Forces, I caution my distinguished colleagues that we must not ignore the other part of the problem—recruiting.

As the effects of declining birth rates that began in the 1960's are felt, the number of men reaching prime military age—18—each year will decline from approximately 2.1 million in 1979 to 1.7 million in 1978—a 20-percent drop. According to the Department of Defense, the active Armed Forces will then have to recruit annually 1 out of every 4.6 18-year-old males instead of the current requirement for 1 out of 5.6.

Mr. Goldrich points out in his report that:

> There is a general consensus that given present military manpower procurement and utilization policies, the services will not be able to maintain current military manpower strengths in the 1980's. Available manpower will have to be used more efficiently; more personnel will have to be retained in service after being enlisted; manpower requirements will have to be increased; or the proportion of the manpower pool actually recruited will have to be raised.

I bring this to your attention as a way of suggesting that if we are to continue with the All-Volunteer Force there must be a conscientious effort made to make service life more attractive. I submit that one desperately needed measure is the reinstitution of the GI bill, which would contribute greatly to recruiting and retaining quality military personnel. It was a grievous mistake in my opinion when the single-most visible benefit for junior enlisted personnel, education assistance under the GI bill, was dropped in 1977.

Mr. Speaker, President Reagan has indicated his strong support for a return to the GI bill, and it is my hope that 1981 will be the year it is reinstituted.

For these reasons I am today reintroducing two bills, which will go a long way in correcting the retention and recruiting problems plaguing our Armed Forces.

The first of these bills, the Armed Forces Educational Incentive Act, is designed to provide four basic educational assistance options.

The first option is specifically designed as an incentive for recruitment. To qualify for educational assistance, an enlistee must make a commitment of time and service. After 3 years of active duty and with a 3-year commitment to the Active Reserves, the individual qualifies for 18 months of educational assistance. This should also be an important benefit for those not necessarily interested in formal university level education, but who can take advantage of this option for junior college or technical school training. There is a critical national shortage of technicians, professional machine and tool designers, skilled medical assistants, and such training should help to alleviate that situation.

The second option is analogous to the original GI bill in concept and is designed as an incentive for both recruitment and retention. Thirty-six months of educational assistance would be provided to those who make the time and service commitment of 4 years of active duty, along with a 4-year service in the Active Reserves.

The third option provides 36 months of educational assistance to those individuals who remain on active duty 6 years before taking advantage of the GI bill. The Active Reserve commitment is waived. The 6 years of active duty should help relieve the critical skill shortage at intermediate enlisted personnel levels.

As an additional incentive for retention, a fourth option is provided which allows the individual to pass his or her 36-month educational assistance program on to a spouse or child after 16 years have been devoted to active duty.

The cost of this bill has been estimated to be about $1 billion per year. However, much of this cost would be offset by lowering recruiting and training costs, and by savings accruing from lower attrition rates which would result from a higher proportion of recruits who are high school graduates or are from the higher mental categories.

The second bill I am reintroducing today is the GI Educational Extension Act, which would extend the time available for educational assistance to a veteran beyond December 31, 1989, to a date 5 years after the veteran's last discharge or release from active duty.

As it is now, many of our military personnel elect to leave the service early in order to assure that they have the current GI bill benefits available to them. This premature loss of personnel is costly not only in terms of the lost knowledge and technical competence that have been built up over the period of service, but also in terms of replacing the equivalent man-years lost by their early separation.

In summary, these bills will pay for themselves over the long term, due to the increased tax revenues resulting from the improved earning potential of those who gain a higher education as a result of the GI bill. They represent a sound investment both in terms of improving our military forces and in improving the educational level and earning potential of millions of Americans.

Finally, I would remind my colleagues that the concerns I have expressed here have also been echoed in the Senate by Senator JOHN W. WARNER, of Virginia, who has introduced companion legislation in that body.

Thank you.●

H.R. 175—POSTAL RATE COMMISSION ACT OF 1981

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced H.R. 175, the Postal Rate Commission Act of 1981, which is intended to improve the operating efficiency of the Postal Rate Commission.

Under existing law, section 3601 of title 39, United States Code, members of the Postal Rate Commission are appointed on the basis of their professional qualifications. The intent of that language is to have a Commission consisting of experts in those fields relating to postal and rate matters. Unfortunately, members in the past have been appointed to the Commission with no background in postal and rate affairs. H.R. 175 would correct this situation by providing that member Commissioners shall be chosen on the basis of their qualifications or demonstrated knowledge in postal affairs, communications, law, economics, engineering, accounting, finance, or regulatory affairs—including rate setting.

The bill would also increase the authority of the Chairman of the Postal Rate Commission to assign the work of the Chairman to other Commissioners and employees. Presently, some routine administrative actions must be decided by the Commission as a whole, leading to inefficiency and administrative delays. The provision would in no way affect the power of the Commissioners to vote or make decisions on pending or future cases requiring a majority vote of the Commission such as in rate and classification cases.

Finally, H.R. 175 subjects the Commission to the provisions of the Budget and Accounting Act of 1921—title 31 of the United States Code, sections 1 and following.●

DISTRICT OF COLUMBIA MESS GOING FROM BAD TO WORSE

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. FIELDS. Mr. Speaker, I would like to include in today's RECORD an excellent article that recently appeared in the Oklahoman, which is one of the outstanding newspapers in the Midwest. This article was written by Anthony Harrigan who is the executive vice president of the United States Industrial Council.

In this penetrating story, he highlighted the report from my Texas colleague, JIM COLLINS, who spoke on the House floor regarding the wastes of the District of Columbia in its fiscal administration.

I am sure that you will be interested in reading this excellent summary by Anthony Harrigan.

The summary follows:

D.C. MESS GOING FROM BAD TO WORSE

NASHVILLE.—One of the most scandalous examples of waste in government is the District of Columbia. Unfortunately, few taxpayers around the country realize the extent to which the District is subsidized.

U.S. Rep. Jim Collins of Texas recently brought out the relevant facts. He pointed out that the District of Columbia administration "leans on a liberal Congress for the federal government to furnish 43 percent of their budget."

From 1975 to 1980, the Washington, D.C. population dropped from 723,000 to 568,000. During that same period federal appropriations increased by almost $100 million.

"All this aid," Rep. Collins observed, "has encouraged welfare to the point that 23 percent of the District population receives welfare payments of some kind."

This outflow of welfare exists despite a per capita income of $10,911. In Texas, the congressman notes, the per capita income is $8,649. Yet only 9.8 percent—5.4 percent in Dallas County—of the people in the state receive welfare.

That's not the only abuse in the District. Rep. Collins reported that the District of Columbia has "the highest number of full-time equivalent state and local government employees per 10,000 at 748." In Texas, the figure is 498.

The District of Columbia also is a burden in the area of education. Congress gave the District of Columbia $392 million for education in 1981. The expenditure is $100 million above five years ago, despite a drop in enrollment from 127,000 to 98,000. During that period, expenditure per pupil rose from $1,470 to $2,823. In Texas, the average expenditure per pupil is $1,673.

This dependent entity actually has the nerve to demand representation in the United States Senate and House of Representatives. Fortunately, the constitutional amendment to achieve that end is getting nowhere. The people have the good sense to realize that the District doesn't qualify as an independent political entity.

A good argument can be made that Congress erred when it gave the District self-rule. Self-rule is only justified when there is fiscal self-reliance, and the District hasn't reached that point.

In recent years, the District government has gone from bad to worse. As it worsens, more and more of the financial responsibility for sloppy municipal government falls on the shoulders of the taxpayers around the nation. It is an unfair burden.●

HON. EMANUEL CELLER

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. FORD of Michigan. Mr. Speaker, a great man has passed away and he will be missed. Emanuel Celler, my friend and colleague in the House of Representatives, has died but my memories of him are fond.

I was just beginning my service in the House when Manny, as chairman of the Judiciary Committee, skillfully guided the Voting Rights Act of 1965 through the Congress. I will long remember his work as House Member for one-half a century, and chairman of the House Judiciary Committee for a good portion of that time. He is responsible for the passage of landmark legislation in the areas of civil rights and the Constitution while he was at the helm of the Judiciary Committee.

Emanuel Celler has been missed by many of us since the day he left the House of Representatives. He was a fine legislator and a great individual. He had wonderful humor and wit and he was a good friend and teacher. I am happy we were able to serve in the House together for a number of years. In my book, he was one of the best ever.●

AMENDMENT TO 1937 HOUSING ACT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. BIAGGI. Mr. Speaker, today I am reintroducing legislation, which I initially submitted last May during the 96th Congress, to amend section 8 of the U.S. Housing Act of 1937 for the purpose of providing more housing alternatives for lower income single individuals and married couples.

My legislation would broaden the scope of the present section 8 program by establishing a separate set of minimum property standards—MPS—for single room occupancy buildings—SRO's. Section 8 is the major Federal program which provides rental housing assistance for low income families and low income single persons who are elderly or handicapped. The program also makes units available for eligible persons through new construction or substantial rehabilitation.

Individuals who live in large urban centers are most familiar with SRO's, although they exist in many towns scattered throughout the United States. Generally, SRO's are hotels or roominghouses which offer furnished rooms, shared bathrooms and kitchens, and some management services. Current law renders SRO's ineligible to receive section 8 rent and building rehabilitation subsidies. Under existing MPS requirements, eligible housing must consist of self-contained units described as apartments which offer both a private kitchen and bath.

The legislation to amend the section 8 program which I offer today addresses a national problem. Across the United States, there are thousands of individuals who claim an SRO hotel as their home.

The reasons vary from a preference for single room living to the fact that their poverty renders the SRO the only housing alternative within their means. Most tenants are in fact very poor individuals who subsist on some form of public assistance. Many are physically or mentally handicapped. Despite their vulnerable status though, SRO residents tend to be a self-sufficient and independent group. They are also a very large group—the number of SRO's and their tenants is a widespread phenomenon in this country. According to a 1978 information paper published by the Senate Special Committee on Aging:

SRO hotels have been found in communities as varied as: Charleston and Huntington, W.Va., Big Stone Gap, Va.; Louisville and Lebanon, Ky.; Utica, Syracuse, and New York City, N.Y.; Des Moines, Cedar Falls, and Sioux City, Iowa; Portland, Oreg.; St. Louis, Mo.; San Diego, Santa Barbara, San Francisco, and Los Angeles, Calif.; Denver, Colo; Seattle, Wash.; Detroit, Mich.; Minneapolis, Minn.; Chicago, Ill.; and Richmond Va.

Nationwide estimates of SRO population are unavailable, but they have been made for several cities:

In Benton, Ill. (population 6,800), there is one SRO hotel with 30 units, 12 of which are occupied by elderly persons. In addition, there are three SRO roominghouses with a total of 18 units, four of which are occupied by elderly persons.

In Syracuse, N.Y. (population 197,000), there are seven SRO hotels (519 units)—four with absolutely no services and three with a combination of maid and linen services, television, and/or air conditioning. Nearly one-fourth of the rooms are occupied by elderly persons.

In Denver, Colo. (population 500,000), a service agency has identified 42 residential hotels in the downtown area, ranging from 18 units to 194 units. Forty-eight percent of the occupants are over 60.

In San Diego, Calif. (population 697,000), the core downtown area houses 32 residential hotels with upwards of 2,300 rooms. Approximately 59 percent of the rooms are rented on a permanent basis—over six months. The model age of this census tract according to the 1970 census was 65-74 years for men and 75 years and over for females.

In Portland, Oreg. (population 383,000), a sampling of four SRO's reveals that 50 per-

cent of the permanent occupants are over the age of 60.

In New York City, N.Y. (population 7.8 million), 280 SRO's (approximately 50,000 rooms) have been identified by housing and service agencies. Unofficial estimates, however, indicate that as many as 8,000 SRO's may be located in New York City. A sampling of the buildings indicates that 18.3 percent of the population is over age 60.

The need to upgrade SRO's to offer affordable and decent residences for the low income is especially urgent because of the scarcity of available housing. Nationwide, this country is experiencing a housing shortage which is especially acute in urban centers where the existing supply of moderate- and low-income units has not been maintained.

As a Representative from New York City, this issue is of particular concern to me. The housing stock for SRO tenants has been steadily dwindling, most precipitously during the past 5 years. Mounting maintenance and operating costs, management indifference, and the city's J-51 tax exemption and abatement program which provides incentives for landlords to convert SRO's into apartment units have resulted in the loss of homes for many SRO dwellers. Between 1975 and 1979, the number of SRO rooms dropped from 50,454 to 28,232. Just last year, 10 SRO hotels closed down and twice that number raised their rates above the designated lower price hotel level. Moreover, New York State's vigorous pursuit of their policy to deinstitutionalize the mentally ill has resulted in an influx of thousands of ex-patients into the city. Most migrate to SRO's where they must learn to fend for themselves. Others—at least 5,200—are left completely homeless. With a vacancy rate of about 3 percent in New York City, continued SRO conversion and building deterioration can only serve to exacerbate the serious housing shortage.

The rental housing situation on a national level closely parallels the dismal picture in New York. Since 1974 the national rental vacancy rate has declined steadily. In 1978 the rate declined to 4.8 percent, the lowest recorded rate in 22 years. This low vacancy rate has particularly affected lower income families. According to a 1979 report by the General Accounting Office:

Lower income households are finding it increasingly difficult to locate affordable rental units.

Furthermore, the report states:

While the median rents have increased by an average of 9.6 percent annually (1973-1977), renter income has only increased 5.6 percent annually.

As a member of the House Select Committee on Aging, I would be remiss if I did not raise the point that one of the largest segments of the older population is the single dweller. In New York City for instance, there are 270,000 elderly who live by themselves and pay between 25 to 40 percent of their limited incomes on rent. The number of elderly households paying low rent, furthermore, has steadily declined over the years. Whereas in 1970 in New York City, 56 percent were paying less than $100 for rent and utilities, only 25 percent paid below $100 in 1975.

In a land as affluent as the United States, the lack of so basic a necessity such as shelter is a disgrace. Failure to act promptly will permit further deterioration of SRO's. Already widely regarded as filthy, crime-ridden buildings where drug addicts and other undesirables congregate, SRO's will continue to worsen until, through conversion, they will cease to exist, or fall completely beyond repair. This will render homeless greater numbers of the most vulnerable segment of our society—the poor, the elderly, and the disabled.

However, this negative assessment need not be the final prognosis. Remedial steps, such as my legislation, can be taken now to improve the situation. My bill would make the section 8 program a viable one for the SRO community by providing incentives for landlords to maintain their buildings so as to qualify for leasing and assistance costs and improvements. This would allow SRO hotels to maintain solvency and undergo repairs without major tenant displacement.

In this day and age where shortage of housing is a major concern in urban areas, and the number of needy individuals is great, we should not overlook this potential solution.●

TRES CONDADOS GIRL SCOUT COUNCIL

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. LAGOMARSINO. Mr. Speaker, I wish to bring to the attention of my colleagues a meritorious honor which has recently been bestowed upon the Tres Condados Girl Scout Council, a council comprising over 9,000 girls and 2,500 adult volunteers in my district.

Tres Condados is the recipient of the Juliette Low World Friendship Medal—an honor bestowed upon this council for the efforts made by its members to further multicultural and international understanding through girl scouting. It is my privilege to announce that of the 346 Girl Scout councils throughout the United States, the Tres Condados Council was 1 of only 10 councils nationwide to receive this prestigious award.

Girl Scouts of America has long been recognized as a leader among youth service agencies. The reasons are obvious: Scouting offers our young women the opportunity not only to expand their knowledge and appreciation of other cultures, but through service to their community and comradery with youngsters of different social, ethnic, and religious backgrounds, girl scouting lays a foundation for these young women to discover their own potential and to become the leaders of tomorrow.

I wish to commend the president of the Tres Condados Council, Dixie Wilson; the program director, Jill Beckwith; and the members of the program committee for their dedication and hard work in earning the Juliette Low World Friendship Medal.●

LEGISLATION ON IRS ANNUITY RULING

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CONABLE. Mr. Speaker, earlier this month I introduced H.R. 743, which is designed to remedy an injustice in the administration of our tax laws. H.R. 743 reinstates the tax treatment of annuity contracts with reserves based on a segregated asset account as they existed prior to the issuance of revenue ruling 77-85. This bill is identical to H.R 12173 and H.R. 6287 that I introduced in the 95th and 96th Congresses respectively.

From 1963 to 1965, when the IRS issued basic rulings on this matter, all relevant departments of the national office of the Internal Revenue Service insisted that an innovative form of annuity upon which the IRS had been asked to rule was purely and simply a variable annuity pursuant to the separate account laws that had been recently enacted in 1962—for sales identification purposes, this variable annuity became known as the investment annuity.

During the ensuing 12 years after 1965, the IRS reaffirmed its basic position over 70 times, including the issuance of revenue ruling 68-488 pertaining to deferred annuities. On March 9, 1977, the IRS issued revenue ruling 77-85 that completely reversed its longstanding rulings upon which an important segment of the life insurance industry relied. That result was, and continues to be, devastating to this segment of the industry.

Many Representatives and Senators protested this action to the Treasury and the IRS. On April 29, 1977, the Senate passed by a vote of 57 to 26 amendment No. 243 to H.R. 3477, the Tax Reduction and Simplification Act of 1977, that would have deferred the effective date of revenue ruling 77-85 for 1 year in order to permit Congress the opportunity to study the matter

and to legislate, if appropriate. Amendment No. 243 was dropped in subsequent negotiations on H.R. 3477 by the conference committee.

Immediately after the conference committee completed its deliberations, one insurance company, the originator of the investment annuity and whose entire business was destroyed by the IRS reversal, sued the Internal Revenue Service in the U.S. District Court, District of Columbia, for arbitrary, illegal, and capricious acts.

On November 9, 1977, the court declared:

Revenue Ruling 77-85 is an erroneous and unreasonable interpretation of the Internal Revenue Code, and, in view of this fact that substantial deference to the Agency's expertise is not warranted by facts of the case, the Court will declare the Rule to be unlawful and beyond the Service's statutory authority.

Revenue Ruling 77-85 is unlawful and beyond the Service's statutory authority in that its determination that the policyowner, rather than the issuing life insurance company, is the owner of the Investment Annuity custodial account assets is erroneous and unreasonable.

The Service's decision in Revenue Ruling 77-85 was not contemporaneous with the enactment of Section 801(g)(1)(B), does not reflect a longstanding Agency position, and is inconsistent with earlier pronouncements and even one subsequent announcement, of the Agency. Accordingly, substantial deference to the Service's expertise is unwarranted in the instant case.

Substantial deference to the Service's expertise is also unwarranted because the Service was improperly motivated by considerations of tax reform when it issued Revenue Ruling 77-85.

The judge expressed the confident assumption that the IRS would proceed to rectify its error without the need for the issuance of an injunction.

The IRS refused and stated that it would appeal any injunction issued and would retroactively tax any annuities sold during the interim of the appellate process should the IRS win on appeal.

The President's 1978 tax program proposed the taxation of all nonqualified deferred annuities in the same way as that imposed upon the investment annuity by revenue ruling 77-85; it was this same way that had been declared unlawful in district court (see citation above). These proposals for all annuities encompassed investment annuities subject to revenue ruling 77-85.

The President's 1978 tax proposals relating to all annuities was rejected by the Ways and Means Committee while H.R. 12173, to override revenue ruling 77-85, received a favorable committee vote of 22 to 14. However, due to procedural constraints at that time, H.R. 12173 was not included in the tax bill reported by the committee.

In October 1979, the appellate court rendered its decision upon the IRS appeal of its conviction in district court. The appellate court never addressed the merits of the investment annuity matter because that court found that the Anti-Injunction Act barred court empowered relief. The court stated in its conclusions that:

This is not a situation where there are no remedies, however. Congress keeps a watchful eye on developments in the tax field and will listen to citizens with a grievance or plea.

On September 24, 1980, the IRS struck again at the savers annuity segment of the annuity industry. Without giving the interested parties the opportunity to be heard, the IRS issued revenue ruling 80-274 that completely reversed prior IRS rulings upon which this other important segment of the industry had to rely. Ruling 80-274 destroyed the savers annuity segment of the industry also, at great economic loss.

It is appropriate to note that these prior savings annuity rulings—that are now reversed—had been issued contemporaneously with, and subsequent to, revenue ruling 77-85; therefore, the IRS had to have concluded that the annuities subject to the prior rulings were distinguishable from annuities subject to revenue ruling 77-85. And yet, in issuing revenue ruling 80-274, not only did the IRS reject its own prior determinations, the IRS provided no rational legal basis for its reversal and incredibly bottomed revenue ruling 80-274 upon revenue ruling 77-85, the ruling that the court had declared on its merits as being illegal, unreasonable, and ignorant of the law (see citation above).

The advocates of the annuities impacted by revenue rulings 77-85 and 80-274 have a serious grievance which requires a congressional remedy. I believe that the action by the IRS in issuing revenue ruling 77-85 and 80-274 has resulted in severe inequities, and I hope that the Ways and Means Committee will consider this matter promptly in order to restore these annuities to their proper place under the law and to rectify the injustice that continues.●

H.R. 10—POSTAL MINORITY CONTRACTING

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced a bill, H.R. 10, which requires that at least 10 percent of all contracts granted by the U.S. Postal Service shall be awarded to minority business enterprises. H.R. 10 is intended to insure equal economic opportunity within the Postal Service by the limited use of criteria which will accomplish remedial objectives in an area where voluntary compliance has been inadequate.

H.R. 10 is an outgrowth of several years' investigation by my Subcommittee on Postal Operations and Services. For example, in 1978, I found that minority business firms in 12 selected cities received only 3 percent of over $50 million of Postal Service procurement dollars. In six cities—Baltimore, Md.; Cleveland, Ohio; Detroit, Mich.; New York, N.Y.; St. Louis, Mo.; and Washington, D.C.—less than 1 percent of Postal Service contractual dollars were directed to minority businesses.

I was appalled by the dismal record of the Postal Service in support of minority business and learned that minority firms were almost entirely excluded from providing supplies, services, and equipment because ongoing programs within the Postal Service are ineffective in making equal economic opportunity a reality within the Postal Service.

My bill, H.R. 10, addresses these problems by providing that:

First, at least 10 percent of the expenditures made by the Postal Service shall be for minority business firms.

Second, a case-by-case exemption is provided, subject to at least thirty days advance notice to the authorizing committees in the House and the Senate, including the reasons for the exemption.

Third, the requirements of the bill shall not apply to collective bargaining agreements.

Fourth, minority business enterprise is defined to mean a firm which is owned by at least 50 percent designated minority ownership.●

THE LA SALLE COLLEGE WOMEN'S FIELD HOCKEY TEAM, NATIONAL AIAW DIVISION II CHAMPIONS

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. DOUGHERTY. Mr. Speaker, the women's field hockey team from Philadelphia's La Salle College are national champions. The Explorers have captured the AIAW Division II national championship for the 1980 women's field hockey season.

Led by Coach Joan Broderick and Women's Athletic Coordinator Kathy Wear, the women from La Salle finished their 1980 season with a 12-game winning streak, capped by national championship tournament victories over Northeastern, Eastern Illinois, Denver, and Southwest Missouri State to take the championship in November. This national title was achieved in the 6th year of the women's hockey program at La Salle College, and the 10th year of coeducation at this outstanding institution, which has made

an invaluable contribution to the educational life of Philadelphia and the Nation.

The scoring of senior Laura Frieze from Twin Oaks, Pa., and the goaltending of junior Vicki Smith from Philadelphia and sophomore Kelly Walker of Pennsauken, N.J., sparked the team to victory in the championship game. Special recognition also goes to junior Kathy McGahey of Blackwood, N.J., the all-time leading goal scorer at La Salle and a member of the U.S. field hockey team, and sophomore Barbara McGugan of Moorestown, N.J., the team's second leading scorer, who was injured in the championship game against Southwest Missouri. Plagued by the injuries of McGugan and senior Mary Trautwein of Melrose Park, Pa., the team relied on other experienced players to take the title. Each member of this winning women's field hockey team deserves our applause for outstanding teamwork and a remarkable desire to win.

Mr. Speaker, to the La Salle College women's field hockey team, we offer our heartiest congratulations for bringing another championship to Philadelphia—a city of champions—and we extend to the Explorers our gratitude for the example they have given us of what can be accomplished through dedication and hard work. We also offer to this outstanding team our very best wishes for their continuing success.

1980 LA SALLE COLLEGE FINAL FIELD HOCKEY STATS (19–6)

Name	25 games		
	Goals	Assists	Points
Kathy McGahey	19	9	28
Laura Frieze	15	9	24
Barbara McGugan	16	6	22
Joanne Weber	7	6	13
Mary Trautwein	5	4	9
Nancy Richards	7	1	8
Mary Kaiser	3	1	4
Carol Weber	2	1	3
Cindy Ambruoso	0	1	1
Helen Neary	0	1	1
Liz Crawford	0	1	1
Total	74	40	114

Goalies	Games	Shots-on	Saves	Goals	Efficiency
Vicki Smith	16	223	125	26	1.62
Kelly Walker	9	98	49	10	1.11
Total	25	321	174	36	1.44

Opponent	Score	Record
Trenton State	0–3	0–1
Glassboro State	4–2	1–1
Penn State	0–4	1–2
Catholic University	5–0	2–2
American University	0–1	2–3
Maryland	2–1	3–3
Villanova	0–1	3–4
Bucknell	5–0	4–4
Kutztown State	5–1	5–4
Widener	5–0	6–4
Delaware	2–5	6–5

1980 LA SALLE COLLEGE FINAL FIELD HOCKEY STATS (19–6)—Continued

Opponent	Score	Record
St. Joseph's	4–1	7–5
Temple	2–3	7–6
Lafayette	3–1	8–6
Lehigh	2–1	9–6
Swarthmore	6–0	10–6
Drexel	4–2	11–6
Montclair	5–3	12–6
Pittsburgh [1]	2–1	13–6
Lafayette [1]	3–0	14–6
Drexel [1]	4–2	15–6
Northeastern [2]	3–1	16–6
Eastern Illinois [2]	2–1	17–6
Denver [2]	3–0	18–8
Southwest Missouri [2]	3–2	19–6

[1] EAIAW Championships
[2] National Championships.●

THE FREEING OF OUR HOSTAGES

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. DWYER. Mr. Speaker, it is a great honor and joy for me to begin my first term representing New Jersey's 15th District knowing that the hostage crisis has finally come to a close.

The people of the 15th District have always held a special concern for those 52 Americans imprisoned for so long in Iran. We prayed for their release and now rejoice, as finally, our prayers have been answered.

The American dream and the fundamental freedoms which accompany that dream brought tens of thousands of Europeans to our district, confident that here, those freedoms would be nurtured and protected. To think that our fellow Americans were without those freedoms for 444 days is a tragedy.

However tragic, the hostages' survival and the strength that they all showed during their ordeal is a triumph of the American spirit. On behalf of myself and those I serve, I salute them and pray that such a violation of human rights will never be repeated.

Still, there is a lesson to be learned from this moment in history. The hostages are on their way home, but the slate is by no means clean. Throughout this crisis, we have exhibited our tenacity and restraint. Now it is incumbent upon us to prove our wisdom. The unrest in that corner of the world did not end with the freeing of the hostages. Our role there and elsewhere in the coming decade demands careful study; a rethinking is in order, guided by the courage of those Americans, who, thank God, are nearly home.●

A BILL TO END SCHOOL BUSING

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. McDONALD. Mr. Speaker, on January 6, 1981, I reintroduced a bill, H.R. 761 to eliminate Federal court jurisdiction over forced school attendance. Its purpose is to prohibit Federal court orders forcing children to attend a particular school, such as orders to bus children to specified schools because of their race. Its means is to employ the authority granted to Congress by article III of the Constitution to restrict the jurisdiction of the Federal courts to issue such orders.

Frankly, it is suprising there are still proponents of school busing for the purpose of achieving racial balance. It is costly, it is driving down the quality of education, and it is apparently resulting in greater segregation, the very opposite of its alleged purpose.

Even sociology professor James Coleman, the author of the influential 1966 study used as a basis of many busing orders, now says court-ordered school integration is a failure. A further study by Coleman shows that court-ordered integration results in a "general resegregation in all regions of the country." In an interview published in the National Observer, Coleman called the courts "the worst of all possible instruments for carrying out a very sensible activity like integrating schools."

BUSING FOSTERS RACISM

But by far its most pernicious aspect is the effect on the children who are caught up in it. Racism is a crude form of collectivism. It consists of treating people as members of racial groups instead of as individuals based on their own qualities of character. Consider what a young person is taught when he is uprooted from his school and friends and forced to attend some distant school, and told that the reason is his race. Thus are the seeds of racism planted in young and impressionable minds.

And thus it is no wonder that busing increases racial awareness and racial tensions. If we wish to attack racism, we must eliminate race as a standard for determining anything. Which means we must eliminate Government-imposed quotas and "affirmative actions." The first to go should be one of the most insidious: assignment of children to various schools on the basis of their race.

FROM BROWN TO GREEN: THE SWITCH FROM NONRACIAL TO RACIAL SCHOOL ASSIGNMENT

To eliminate this we must curb its chief source: the Federal courts. Some of these courts are now holding that busing is necessary to remedy violations of the constitutional right to the

equal protection of the law under the 14th amendment.

Consider, however, the history of desegregation decisions dating back to *Brown* v. *Board of Education*, 347 U.S. 483 (1954). In that case the Court held that State policies requiring the separation of students in the public schools on the basis of race violated the equal protection clause of the 14th amendment, thus overturning the "separate but equal" doctrine established in *Plessy* v. *Ferguson*, 163 U.S. 537 (1895). The Court, in the words of Chief Justice Earl Warren, stated "the fundamental principle that racial discrimination in public education is unconstitutional," and held that "All provisions of Federal, State, or local law requiring or permitting such discrimination must yield to this principle."

In discussing appropriate remedies, Chief Justice Warren further stated:

> At stake is the personal interest of the plaintiffs in admission to public schools as soon as practicable on a *nondiscriminatory* basis,

And,

> the courts may consider * * * revision of school districts and attendance areas into compact units to achieve a system of determining *admission to the public schools on a nonracial basis* * * * (emphasis added).

I am not sure how the Supreme Court could have been more explicit—racial discrimination in public education is ruled unconstitutional and admission to the public schools must be on a nonracial basis. And yet a series of Federal court decisions over a period of years have resulted in exactly the opposite—the ordering of children to attend certain schools because of their race.

At first the Court declined to interfere with the administration of its Brown mandate, allowing the enactment and administration of "pupil placement laws" assigning each student to a school on the basis of formally nondiscriminatory criteria. Eventually, however, the lower courts began voiding these laws on the grounds of discriminatory application and in the early 1960's various State practices such as school closings, minority transfer plans, and zoning were ruled inadmissible. What followed is well summarized in the "Constitution of the United States of America, Analysis and Interpretation," prepared by the Congressional Research Service, Senate Document 92-82, page 1498:

> About this time, "freedom of choice" plans were promulgated under which each child in the school district could choose each year which school he wished to attend and subject to space limitations he could attend that school. These were first approved by the lower courts as acceptable means to implement desegregation, subject to the reservations that they be fairly administered.

However—

> Enactment of Title VI of the Civil Rights Act of 1964 and HEW enforcement in a manner as to require effective implementation of affirmative actions to desegregate led to a change of attitude in the lower courts and to a three-case decision in the Supreme Court posited on the principle that the only desegregation plan permissible is one which actually results in the abolition of the dual school and charging school officials with an affirmative obligation to achieve it.

The crucial case was *Green* v. *County Board of Education*, 391 U.S. 430 (1968), in which the Court declared that State and local authorities have an "affirmative duty" to abolish the effects of former discriminatory practices.

Notice the switch, the change from eliminating discrimination on the basis of race to requiring it. Traditionally the test of violation of the equal protection clause has been whether segregation is de jure, the result of intentional action of school officials, or de facto, resulting from factors other than the application of the law by State and local officials—neighborhood residential patterns, for example. But as the courts began to rule on the various plans of school districts to eliminate racial discrimination, they increasingly expanded the scope of de jure segregation until it included virtually any schools not containing proper ratio of black and white students. Thus it became virtually impossible for school officials to come up with any plan of student assignment that would not be ruled a case of de jure segregation.

Now the obvious solution is the freedom of choice plan that many school systems attempted to implement. If a student is given the freedom to choose which school to attend, clearly he is not being discriminated against because of his race; however, when the courts began disallowing such plans and requiring affirmative action instead, they made it impossible to implement the Brown mandate to eliminate racial discrimination from our public schools—there is simply no way to pursue an affirmative duty without making race the standard of school assignment.

This was made clear by the subsequent Court ruling in *Swann* v. *Board of Education*, 402 U.S. 1 (1971), in which the Court pointed out that the neighborhood school or any other student assignment plan "is not acceptable simply because it appears to be neutral." Instead, the Court stated:

> Because the present situation may be attributable to past discriminatory actions in site selection and location of school buildings, it is permissible, and may be required, to resort to altering of attendance boundaries and grouping or pairing schools in noncontinuous fashion in order to promote desegregation and undo past official action; in the remedial process, conscious assignment of students and drawing of boundaries on the basis of race is permissible for the moment.

The Swann decision explicitly approved busing of students in this remedial process.

BUSING IS DISCRIMINATORY AND ILLEGAL

Two things must be said about this policy of ordering race-conscious school assignments to remedy past discrimination. First, discriminating against today's schoolchildren in no way corrects past discrimination. No one would advocate that a man's son pay for a crime committed by his father; yet in regard to racial discrimination, many people somehow believe that guilt is collective, is passed on from one generation to the next, and that punishing today's children is an appropriate means of atoning for yesteryear's sin.

Second, such a policy is illegal. Equal protection of the law is surely not afforded to those children forced to attend a particular school because of their race. In fact this is precisely what the Supreme Court held in the Brown case when it outlawed racial discrimination and ordered admission to the public schools on a nonracial basis. Congress agreed when it passed the Civil Rights Act of 1964 defining "Desegregation" as—

> the assignment of students to public schools and within such schools without regard to their race, color, religion, or national origin, but "desegregation" shall not mean the assignment of students to public schools in order to overcome racial imbalance. (42 U.S.C. 2000c.)

So what should be done? School busing is illegal and irrational, but the Federal courts continue to order it. One possibility is a constitutional amendment. However, I do not think this is necessary since under any logical interpretation of the law, school busing is already illegal. Besides, such an approach could take many years and thus prolong the injustice.

No. It is clearly the courts that are at fault; it is their illogical and inconsistent interpretation of the law that is the problem, not the actual law.

This is why I chose to introduce legislation to restrict court jurisdiction rather than amend the law. In fact, I believe the possibility of such obvious overstepping of bounds by the courts is precisely why the Founding Fathers gave Congress the power to control the courts. Just as the doctrine of judicial review gives the courts a means of checking the power of Congress, the authority to restrict jurisdiction gives Congress a means to check the power of the courts.

THE CONSTITUTIONALITY OF REGULATING COURT JURISDICTION

The question is raised, however, as to just how far this authority to restrict court jurisdiction extends. Two things are clear: The authority is very broad indeed, but it is not unlimited.

The Constitution, article III, sections 1 and 2, explicitly grants Con-

gress the power to control the courts: With respect to the Supreme Court, by regulating its appellate jurisdiction; with respect to the inferior Federal courts, by establishing them in the first place and thus regulating both their original and appellate jurisdiction.

The Supreme Court has upheld the right of Congress to control its appellate jurisdiction in a number of cases. "By the Constitution of the United States," the Court held in *Barry* v. *Mercein*, 5 How. (46 U.S.) 103, 119 (1847), "the Supreme Court possesses no appellate power in any case, unless conferred upon it by act of Congress." And in *Daniels* v. *Railroad Co.*, 3 Wall. (70 U.S.) 250, 254 (1865), the Court said that in order for a case to come within its appellate jurisdiction—

two things must occur: the Constitution must give the capacity to take it, and an act of Congress must supply the requisite authority.

In the same case, the Court also stated:

It is for Congress to determine how far, within the limits of the capacity of this court to take, appellate jurisdiction shall be given, and when conferred, it can be exercised only to the extent and in the manner prescribed by law. In these respects it is wholly the creature of legislation.

Perhaps the most explicit statement in support of Congress authority to restrict appellate jurisdiction came in ex parte McCardle. In this case—

The Court accepted review on *certiorari* of a denial of a petition for a writ of *habeas corpus* by the circuit court; the petition was by a civilian convicted by a military commission of acts obstructing Reconstruction. Anticipating that the Court might void, or at least undermine, congressional reconstruction of the Confederate States, Congress enacted over the President's veto a provision repealing the act which authorized the appeal *McCardle* had taken. Although the Court had already heard argument on the merits, it then dismissed for want of jurisdiction. "We are not at liberty to inquire into the motives of the legislature. We can only examine into its power under the Constitution; and the power to make exceptions to the appellate jurisdiction of this court is given by express words." (Op. cit., page 752.)

Likewise there are a number of decisions in which the Court has upheld the power of Congress to regulate the jurisdiction of the inferior courts, on the basis that they owe their very existence to Congress in the Judiciary Act of 1789. For example, in Turner against Bank of North America, the issue involved the jurisdiction of the Federal courts when a suit was brought to a Federal court under its diversity jurisdiction, an action prohibited by the Judiciary Act of 1789. The defense counsel argued that the grant of judicial power by the Constitution was a direct grant of jurisdiction, but the court disagreed:

The notion has frequently been entertained, that the federal courts derive their judicial power immediately from the constitution; but the political truth is, that the disposal of the judicial power (except in a few specified instances) belongs to congress. If congress has given the power to this Court, we possess it, not otherwise: and if congress has not given the power to us, or to any other Court, it still remains at the legislative disposal. Besides, congress is not bound, and it would, perhaps, be inexpedient, to enlarge the jurisdiction of the federal courts, to every subject, in every form, which the constitution might warrant. 4 Dall. (4 U.S.) 8 (1799).

Even the father of judicial review, Chief Justice Marshall, held the same view, observing in ex parte *Bollman*, 4 Cr. (8, 10 (1799)), that "courts which are created by written law, and whose jurisdiction is defined by written law, cannot transcend that jurisdiction."

More recent Court decisions have also supported this principle. For example, in 1932 Congress enacted the Norris-La Guardia Act, prohibiting the issuance of injunctions in labor disputes except by compliance with a lengthy hearing and factfinding process, which was challenged in court on jurisdictional grounds. The law was upheld in *Lauf* v. *Skinner & Co.*, 303 U.S. 323, 330 (1938), however, wherein the Court declared:

"There can be no question of the power of Congress to thus define and limit the jurisdiction of the inferior courts of the United States."

The Emergency Price Control Act of 1942, in which Congress provided for a special court to handle challenges to the validity of price regulations, was another clear-cut example of congressional restriction of Federal inferior court jurisdiction. The basic constitutionality of this act was upheld in *Lockerty* v. *Phillips*, 319 U.S. 182 (1943), while in *Yakus* v. *United States*, 321 U.S. 414 (1944), the Court held that the act's removal of the district court's jurisdiction to examine the constitutional validity of regulations was not a denial of due process.

THE LIMITS OF CONGRESSIONAL AUTHORITY TO CONTROL THE COURTS

Clearly the power of Congress to control the Federal courts through regulating their jurisdiction is very broad indeed. Nevertheless it is not without limits. For if it were, if Congress could withdraw Federal court jurisdiction over literally any matter it chooses, then obviously basic constitutional foundations such as express prohibitions, separation of powers, and the nature of the judicial function could be overturned by congressional whim.

What these limits are precisely is not so obvious; however, an examination of ex parte McCardle provides some guidance. This case is most significant because the court held that Congress has the authority to legislatively restrict court jurisdiction over writs of habeas corpus, even though habeas corpus is a right expressly granted by article I, section 9 of the Constitution, and thus it marks perhaps the furthest advance by Congress over court jurisdiction. However, even in that case there were limits, as the court observed in concluding its opinion:

Counsel seem to have supposed, if effect be given to the repealing act in question, that the whole appellate power of the court, in cases of habeas corpus, is denied. But this is an error. The act of 1868 does not except from that jurisdiction any cases but appeals from Circuit Courts under the act of 1867. It does not affect the jurisdiction which was previously exercised. (Op. cit., pages 757-758.)

It is possible, therefore, that the court would not have ruled as it did if the question had been to deny absolutely an appeal from a denial of a writ of habeas corpus.

So what may we deduce regarding the limits of congressional power to control the Federal courts by regulating their jurisdiction? I believe it can be summarized as follows:

First. The power of Congress to control the inferior Federal courts is unlimited. This power is expressly granted by the Constitution when it authorizes Congress to establish inferior courts, which Congress did by the Judiciary Act of 1789, and has been upheld consistently by numerous Court decisions.

Second. The power of Congress to control the appellate jurisdiction of the Supreme Court with respect to statutory questions is likewise unlimited. This power is expressly granted by the Constitution and has been upheld by numerous Court decisions.

Third. The power of Congress to control the appellate jurisdiction of the Supreme Court with respect to constitutional questions is not unlimited. Although the Constitution explicitly grants such power to Congress, it could not validly be used to undermine the very purpose and foundations of the Constitution itself. Thus the Congress does not have the power to regulate the appellate jurisdiction of the Supreme Court if its effect would be to infringe on the separation of power or to prohibit the Court from exercising its judicial function in protecting rights enumerated in the Constitution.

THE CONSTITUTIONALITY OF H.R. 761

So what about H.R. 761? Well, if this bill restricted Federal court jurisdiction with respect to freedom of speech or with respect to the equal protection clause of the 14th amendment, it would be unconstitutional— at least in regard to the appellate jurisdiction of the Supreme Court. But it does not. It restricts Federal court jurisdiction with respect to school attendance; specifically, it prohibits the courts from requiring any individual to attend any particular school.

Now since education is not mentioned in the Constitution and public education has been created by statute,

restricting court jurisdiction with respect to school attendance does not ostensively raise a constitutional question. However, the question of constitutionality might be raised in desegregation cases under the equal protection clause of the 14th amendment. But it is important to keep in mind precisely what jurisdiction H.R. 761 restricts. It does not prohibit the Federal courts from hearing cases dealing with school desegregation. What it does, in effect, is deny to the courts the ability to order what some courts have alleged to be remedies in such cases.

It still allows the Federal courts to hear such cases and to order any remedial action they consider appropriate, except for those remedies which involve forced school attendance—particularly forced school attendance on the basis of an individual's race. The courts would have jurisdiction, for instance, to require school attendance plans based on freedom of choice, which would be consistent with the Brown decision, the equal protection clause, and the Civil Rights Act; they would not have jurisdiction, however, to order school attendance plans requiring school assignment on the basis of one's race—plans which are not consistent with Brown, the equal protection clause or the Civil Rights Act.

It may be argued that offering freedom of choice plans as remedies for segregated schools is inappropriate on legal grounds because of the doctrine of stare decisis—which holds that courts should follow the rules or principles laid down in previous judicial decisions unless they contravene the ordinary principles of justice—since such plans have already been struck down in some court decisions. But it is the principle established by such decisions—that affirmative action must be taken to desegregate schools and thus that children must be assigned to schools on the basis of their race—which is not consistent with the Brown decision. Thus while overturning earlier decisions disallowing freedom of choice plans may appear to be a violation of stare decisis, in fact such action would merely bring remedies in line with the principle of nonracial school assignment established by Brown.

It should also be noted that stare decisis, while serving a valid judicial function, is by no means an ironclad rule, particularly in cases dealing with constitutional issues. Its limitations have been progressively weakened since Pollock against Farmers' Loan and Trust Co. in 1895, since which some 143 decisions have overturned one or more earlier decisions of constitutional questions (op. cit., page 683). Brown, of course, is itself one of the most famous instances of an established doctrine being overturned.

Mr. Speaker, I hope the Judiciary Committee can schedule hearings on this legislation in the near future. In terms of fostering race consciousness, in disrupting the lives of our young people and interfering with their education, forced busing is exacting an enormous price. I believe restricting the jurisdiction of the Federal courts is the fastest way of eliminating this.

The text of the legislation follows:

H.R. 761

To insure the equal protection of the laws and to protect the liberty of citizens as guaranteed by the fourteenth amendment, by eliminating Federal court jurisdiction over forced school attendance

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, pursuant to article III, sections 1 and 2, of the United States Constitution, no court of the United States shall have the jurisdiction to make any decision, or issue any order, which would have the effect of requiring any individual to attend any particular school.●

THE ANNIVERSARY OF UKRAINIAN INDEPENDENCE

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. HOLLENBECK. Mr. Speaker, 63 years ago the proud and fiercely independent Ukrainian people attempted to win freedom when a group of patriots proclaimed the independence of their native land from Russia. I would like to take this opportunity to join my colleagues in commemorating this important event, which should remind us that the Ukrainians now, as in the past, are determined to guide their own future in a sovereign state.

The Ukrainians' unique cultural, historical, and intellectual traditions provide a source of continuing national pride that can never be subdued by the forced ideology of a foreign state. We must never be allowed to forget the unceasing efforts of the Ukrainian people in their campaign for renewed independence.

As we express our concern for the citizens of Ukraine, we must also pay tribute to the many Ukrainian Americans who have made significant political, economic, and cultural contributions to the well-being of this country. They have distinguished themselves by constructive citizenship, by their dedication to America, and by their unyielding devotion to the cause of liberty.

In remembering this anniversary of Ukrainian independence, we in the United States are expressing our support for the aspirations of the Ukrainian people and our fervent hope that the Ukraine will again recover its freedom. I only wish for that day in the near future when, instead of marking the anniversary of an independence since lost, we will celebrate a renewed independence of modern times.●

STATEMENT UPON INTRODUCTION OF LEGISLATION TO PROVIDE FEDERAL SUPPORT FOR ACTIVITIES TO PREVENT AND TREAT THE PROBLEM OF DOMESTIC VIOLENCE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. BIAGGI. Mr. Speaker, today I am introducing legislation which addresses a growing problem in this Nation which begs a solution—the problem of physical abuse and neglect of family members of all ages, better known as domestic violence.

This bill is very similar to legislation approved by this House by a vote of 292 to 106 on December 12, 1979, and the Senate on August 26, 1980. As New York's senior member of the House Education and Labor Committee which considered this legislation, I was also a member of the conference committee which fashioned the final version. Unfortunately, the last days of the 96th Congress did not allow us to complete our business on this vital piece of legislation. At that time, I pledged to reintroduce this bill again so that we may begin to address the issue of domestic violence prevention and treatment.

My involvement with the issue of family violence has been lifelong, beginning with my 23-year career in the New York City Police Department. I was a firsthand witness of the victims as well as the abusers. This involvement stimulated my interest and concern in this area and prompted me to introduce the first child abuse prevention and treatment legislation in this House. The 1974 Child Abuse Prevention and Treatment Act created the Federal response to this problem. Our work in this area has been invaluable for many helpless children. Today, we must seek to expand our efforts in this area in order to assist other family members—spouses, parents, and grandparents—who have also become the tragic victims of domestic violence.

In order to help the nearly 2 million victims of family violence, this bill authorizes a total of $65 million over the next 3 years, in the form of grant assistance to States, localities, and organizations, in order to assist in the prevention and treatment of domestic violence. The emphasis is upon fiscal restraint—it is a realistic authorization in order to provide seed money to encourage effort within the States. The emphasis is also upon State and local control—it has been our experience

that the local groups and shelters within the communities are best equipped to administer these funds, according to their individual needs. It seeks to encourage grant recipients to seek financial self-sufficiency by looking to State, local and private sources of funds. And finally, the bill includes a sunset provision of 3 years after enactment as further encouragement to shelters to establish self-sufficiency.

The need for Federal legislation to address this burgeoning national problem of domestic violence is telling. The issue of intrafamilial violence has been the focus of public concern for many years. Often viewed as a hidden societal problem, its now epidemic proportions make the need for Federal involvement in this area vital in order to supplement what little State and local efforts already exist.

The most recent form of domestic violence to surface has been the discovery of large numbers of crimes being committed against elderly family members. As an original member of the House Select Committee on Aging and chairman of its Subcommittee on Human Services, I held hearings last April on this topic which revealed that as many as 500,000 such acts against seniors 65 and over occurred last year. We have witnesses who told us of being robbed and beaten by their own families and were unable to protect themselves.

In addition to physical abuse, it was revealed that there are other forms of domestic violence against the elderly, such as psychological and material abuse, as well as violations of rights through forceable placement in nursing homes. Included in this legislation in title II is a study of abuse of elderly individuals so that we may more accurately determine the extent of the problem so funds may be distributed accordingly.

A broad coalition of individuals, groups, and organizations have endorsed this kind of legislation in the past. It is my hope that this wide-ranging number of groups, under the umbrella of the National Coalition Against Domestic Violence, will continue in their efforts to help us address this problem. Included in this coalition are religious organizations, such as the National Council of Churches and the National Council of Jewish Women, law enforcement organizations, such as the International Association of Police Chiefs, the American Bar Association, labor organizations, such as the AFL-CIO and AFSCME and women's organizations, such as the American Association of University Women and the Women's Equity Action League.

We can no longer afford to stand idly by and allow spouses, parents, and grandparents to continue to be subjected to this hideous tragedy of domestic violence. I pledge my continued efforts to work for the passage of legislation as a senior member of both the Education and Labor Committee and the House Select Committee on Aging. I urge my colleagues to join me in this most worthy effort.●

RETIREMENT OF VETERAN HILL STAFFER ALISON CERRI

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. WAMPLER. Mr. Speaker, I wish at this time to acknowledge the long and faithful service of one of the individuals who recently retired from her position on the House Committee on Agriculture and who has worked on the Hill with many of our distinguished colleagues on both sides of the aisle.

Mrs. Cerri in her career on Capitol Hill worked for Mr. David Satterfield, Sr., (D-Va.), Mr. Edward J. Gardner (D-Ohio), Mr. Frank Carlyle (D-N.C.), Mr. William K. Van Pelt (R-Wisc.), Mr. DELBERT LATTA (R-Ohio), Mrs. Frances P. Bolton (R-Ohio), and Mr. David Dennis (R-Ind.).

Mrs. Cerri came to the Committee on Agriculture in 1975 and worked with distinction on this committee until her retirement on November 30, 1980. Mrs. Cerri was active in the Capitol Hill Republican Women's Club, the Congressional Staff Club, and the CSC Garden Club. Many of her friends joined to bid her farewell and best wishes for a long and fruitful retirement period.

I am sure that Mrs. Cerri will be able to pursue her interest in art, travel, and other pursuits which in some sense have been denied her during her many years on Capitol Hill while she was raising her family and working long hours on the job. I know that I speak for myself and the other minority members of the Committee on Agriculture, as well as her many friends on both sides of the aisle and on the staff of the committees and the Members' offices, when I wish her the very best for the future.●

H.R. 200—POLITICAL FREEDOM FOR FEDERAL EMPLOYEES

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced a bill, H.R. 200, the Federal Employees' Political Activities Act of 1981, modifying the Hatch Act by permitting Federal employees the right to participate voluntarily in political activities so long as those activities do not even appear to compromise the integrity of the merit system or the impartial administration of the functions of our Government.

Previous studies by the Congress had revealed not even the suggestion of any wrongdoing in Federal employees participating in political activity voluntarily and on their own time. The Hatch Act, well intended as it was, was enacted in a period during which the Congress was deeply concerned about the growth in the power and influence wielded by then-President Franklin Roosevelt. Times and conditions have changed since enactment of the Hatch Act in 1939 and my legislation takes notice of these realities.

This bill is similar to H.R. 39, the Postal Employees' Political Activities Act of 1981, which I also introduced recently. I introduced two separate bills because, notwithstanding the different status of Postal and Federal employees, they are ill advisedly treated as one and the same. The introduction of two separate bills recognizes that these two groups are separate and distinct and that the issue of full political participation for each group should not be confused.

H.R. 200 retains the principles of integrity, impartiality, and merit in our Federal personnel system. The principal provisions of the bill are as follows:

Federal employees are encouraged to exercise their right of voluntary political participation.

The prohibitions of existing law employees in foreign intelligence positions, law enforcement, auditing, and contracting positions are retained.

Prohibits the use of official authority, influence, or coercion with respect to the right to vote, not to vote, or to otherwise engage in political activity.

Prohibits solicitation of political contributions by superior officials and making or soliciting of political contributions in Government rooms or buildings.

Prohibits political activity while on official duty, in Federal buildings, or in uniform.

Requires that employees who seek elective office do so on their own time.

Permits State and local employees to seek elective office if they hold federally funded positions.

Designates the special counsel of the Merit Systems Protection Board—MSPB—as the enforcing authority and the MSPB as the adjudicatory authority.

Subjects violators to removal, suspension, or lesser penalties at the discretion of the Merit Systems Protection Board.

Requires the Office of Personnel Management—OPM—to report annually to the Congress.

H.R. 200 adds to and strengthens those meritorious features of the Hatch Act by providing employees and

the public with greater protection against any resurgence of the spoils system. It updates those parts of the Hatch Act which are no longer applicable by permitting those voluntary, off-duty political activities which do not conclusively interfere with the impartial administration of effective public service.●

EMANUEL CELLER OF NEW YORK

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. ZABLOCKI. Mr. Speaker, it is a privilege to join my colleagues in paying tribute to the long, distinguished and indeed honorable service to this body by our late former colleague, the Honorable Emanuel Celler of New York.

I doubt that anyone who knew and served with Manny Celler will ever forget him or the lasting imprint he made on legislation reported by the Committee on the Judiciary during the post-World World II period.

As chairman of that committee for two decades, he embodied those qualities which his position required. He held strong convictions, particularly in the field of civil and human rights, but he was also fair and respectful of the views of others. He fought hard and valiantly for his most cherished causes, while at the same time he adhered strictly to the rules of the House and their spirit. It is, in fact, difficult to find words which will do justice to the man—and his works.

Manny Celler's record of a half century of service to his district and the Nation remains his most impressive legacy. To his family and his many devoted friends throughout the country, I extend my deepest sympathy.●

CURBING THE CENSUS

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CORCORAN. Mr. Speaker, I am introducing a bill today with the chairman of the Subcommittee on the Census, Hon. ROBERT GARCIA, that will enable Congress to better exercise its oversight responsibilities vis-a-vis the many censuses performed by the Bureau of the Census. Congress requires the Census Bureau to conduct censuses ranging from the familiar decennial census to various economic, agricultural, and Government censuses. There is even an irrigration and drainage census. These studies reach out to every American, and Congress imposes penalties ranging from $100 to $10,000 to 1 year in jail for failure to cooperate with the Census Bureau.

However, having inflicted this intrusion on people, Congress washes its hands of the matter and leaves the Census Bureau with sole jurisdiction over the nature and content of questions asked. Questions may be offensive, overly personal, even downright rude, but the American people have absolutely no recourse but to answer or pay the price for maintaining their dignity. Congress has created a powerful means of prying into the private lives of our citizens, and we have afforded our citizens no protection from this prying.

Our bill would restore some balance between the Federal Government's need to know and the right of the people of the United States to be protected against undue invasions of their privacy. This bill would require the Census Bureau to submit to Congress the questions it intends to ask on its censuses. The House and Senate would have the authority to exercise a two-house veto of individual questions that are deemed unacceptable by Congress.

It is important that we begin to get a handle on the burdens we have imposed on the private sector. According to the OMB, in 1978 the Federal reporting burden robbed 785 million hours of time from the lives of the American people—785 million—and this increased to 1.276 billion hours in 1980. Former President Gerald Ford's White House estimated the price of regulations at $2,000 per family per year, and I am absolutely certain that this cost has risen. It is time to regain control of the burgeoning paperwork burden and the bureaucracy. As an important first step in this direction, I urge my colleagues to support this bill at the appropriate time. I am including for the RECORD a list of the censuses, their frequency, and the estimated number of respondents, as well as the language of my bill.

CENSUS, FREQUENCY, AND RESPONDENTS

Decennial—population and housing: Every 10 years; 80 million households.

Economic—covering all industries, including mining, construction, manufacturing, wholesale, retail, and service; every 5 years; 6.8 million businesses.

Government—Every 5 years; 80,000 government units.

Agricultural—Every 5 years; 2.5 million farms.

Irrigation and drainage—Every 10 years; 7,500 irrigation units.●

EMANUEL CELLER

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. PEPPER. Mr. Speaker, I am deeply saddened at the passing of one of the great former Members of this House. A great American and a great former chairman of the Judiciary Committee of the House, Manny Celler, has just recently passed away.

Manny Celler was an institution himself in this House, in Washington and in his district and State. He was a great lawyer, a truly learned man in the law, an able advocate, a cultivated gentleman. He possessed the charm of an earlier day. He was a distinguished lawyer. The statute books of this Nation are replete with the legislation he sponsored and often brilliantly fought through to enactment. He was a man of broad intellectual and social interests. He had a deep compassion for humanity, for people who needed help. So, Manny Celler is one of the men who for the course of one-half a century was an eminent Member of this House, an outstanding citizen of this land he so much loved and so nobly served.

America, this House, and countless people owe a great debt to Manny Celler. He left the world immeasurably better than he found it, and his passing through the portals of life ennobled all the edifices and highways and avenues which he traversed. I proudly join in honoring the memory of Manny Celler, and I commend his life to all of those who aspire to walk and to help others walk on higher ground.●

BAYTOWN HAS A BIRTHDAY

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. FIELDS. Mr. Speaker, this Saturday, Baytown, Tex., celebrates its birthday. I am honored to represent the fine people of Baytown and I would like to take this opportunity to congratulate them on the 33d anniversary of the charter election which created present-day Baytown.

Additionally, I want to acknowledge the efforts of two Baytonians who played major roles in preparing Baytown's city charter. The first is the late W. M. Knowles, chairman of the charter commission, whose widow, Armida Knowles, still resides at 2409 Missouri Street in Baytown.

Also, I would like to acknowledge the efforts of J. Bryan Stratton of 303 N. Burnet Drive in Baytown, the only surviving charter commission member still living in the city he helped create. Mr. Stratton continues even today to contribute to his city's civic and economic well being.

In 1947, three towns—Baytown, Pelly, and Goose Creek—existed in what is now Baytown. The citizens of those three towns expressed their desire, in a straw vote, to merge with

one another and call their new city Baytown.

Because Texas State law required that towns merging must use the name of the largest of the merging towns, today's Baytown was called Pelly briefly in 1947.

Several months after the original vote for merger, a 12-member charter commission was elected and charged with writing a new charter for a new town. The members of that commission, led by Mr. Knowles and including Mr. Stratton, did their work well, for the Baytown City charter remained intact through 1977, when one amendment was added.

The commission's work finished, voters in the three towns agreed on January 24, 1948, to approve the new charter and, thus, merge into one larger city of Baytown. The charter provided for a city manager-council form of government which has served Baytown well since then.

Baytown has grown from 20,000 persons in 1948 to 56,000 today. They enjoy a high standard of living, quality schools, and an unusual sense of community that contributes to a better life for all Baytonians.

Mr. Speaker, Baytonians are rightly proud of their city's history, as am I. I thank you for permitting me today to do a little bragging about the fine Texas city of Baytown.●

THE WRECK OF THE AUTO INDUSTRY

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mrs. SCHROEDER. Mr. Speaker, the November 1980 Harper's contains an excellent article, "The Wreck of the Auto Industry," by William Trucker.

Mr. Trucker details how Government control of oil prices skewed, among other things, U.S. auto markets, and helped bring about the horrible state of affairs that exists today in our auto industry.

"The Wreck of the Auto Industry" is not very pleasant reading, especially for advocates of incessant Government intervention in market pricing, but I commend it to my colleagues' attention nonetheless.●

A TRIBUTE TO EMANUEL CELLER

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. GILMAN. Mr. Speaker, I would like to thank the gentleman from New York (Mr. ADDABBO) for arranging this opportunity to pay tribute to a former colleague, the distinguished gentleman from New York, Emanuel Celler, who served in this body for 50 years as the Representative for the 16th Congressional District of New York State.

All of us who had the privilege of knowing Congressman Celler were saddened by the news of his death on January 15. His 50 years of service to his constituents and to his Nation in this body have left their mark on our country, the Congress, and all of us who serve in it today.

Manny's leadership, so ably demonstrated during his long tenure as chairman of the House Judiciary Committee, is still felt today and will be through many generations. His diligent efforts were invaluable to the enactment of the Civil Rights Act of 1964, a landmark piece of legislation which addressed discrimination in education, employment, and public accommodations and which many consider to be one of the most significant actions in the history of the Congress. Manny also played a significant role in the adoption of constitutional amendments to lower the voting age to 18, to bar poll taxes in Federal elections, to give citizens of the District of Columbia the right to vote, and to govern the succession to the Presidency.

The compassion and vision which Manny brought to his work is reflected in his early and vigorous support of the legislative programs which helped to revitalize a depressed American economy in the 1930's and to restore hope and faith in the American people.

Although I did not have the opportunity to serve with Manny in this body, I did have the privilege of meeting him and working closely with him on occasion. I am certain that the people of New York and of our Nation will long remember Congressman Emanuel Celler with gratitude and deep respect. I join my colleagues in extending to his family condolences for their recent loss, and express to them our thanks for lending this man to their country for a half century of dedicated and inspired leadership.●

THE RAGAN FAMILY'S COURAGEOUS VIGIL

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. MURTHA. Mr. Speaker, the holding of American hostages in Iran was a direct attack on the integrity of the United States. Yet, in the face of this provocation, the Ragan family of Johnstown, Pa., not only upheld this integrity, but their courageous dignity served as an example in which we can all take great pride.

During the terrible 14 months that M. Sgt. Regis J. Ragan was held in Tehran, I spoke regularly with his mother and sister, Pat. I commend them for their courage and fortitude throughout this crisis. It has been a most difficult time for them. In fact, I believe the hostage families are the unsung heroes of this incident. Throughout the many State Department briefings, the rumors, and the ups-and-downs of this time, the Ragan family kept their faith, continued to believe in America and its Government and knew the strength of Regis. All their prayers, and all of ours, have now been answered in his safe return.

This was one of the most difficult international situations short of war that our Nation has ever faced. I again commend the Ragan family on their courage and strength throughout the crisis. I know it has been a difficult time for them, and I know we all send them our best wishes.●

THE MARCH FOR LIFE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. ASHBROOK. Mr. Speaker, January 22 is the eighth anniversary of the Supreme Court's ruling that legalized abortion in this country. This law was not made by Congress with the consent of the people, but by the Court and only by the Court.

Many tens of thousands of prolife citizens came to Washington this year to tell us, their Representatives, that as Americans they find this law intolerable and they want it changed.

The number of marchers has steadily risen since the first observance of this date in January 1974, when a much smaller number of prolifers came here to demonstrate their disapproval of the Court's decision. The 1974 march was a spontaneous reaction on the part of a few thousand Americans, members of a nascent prolife movement that had not yet become aware of its own potential. Today, the March for Life is organized with banners, placards, badges, and marshals. Its symbol, the blood-red rose, appears in congressional offices every year on this date. Today, the prolife movement is beginning to recognize its real strength. It is time that all Members of Congress started to recognize its significance and its message: The people are saying "let life live."

The Court has legalized abortion, and Congress has allowed this killing to be paid for with tax dollars. Millions of innocent unborn American lives have been destroyed as a result. It is little wonder that our people keep coming here every year to see us and

to petition their Government to do something to stop the killing and to do something about this national suicide in an America which every year has fewer children.

Abortion is morally indefensible; it is destroying America's future; and it is really the opposite of everything the Congress exists to protect.

Those prolifers we see here each year are only the tip of the iceberg. Prolife sentiment runs deep into the very grassroots of this country. There are millions more prolife Americans who could not leave their duties or who could not afford the trip. On this same day, in most of the major cities all over the country, there are prolife demonstrations in memory of the millions of nameless unborn who have died as a result of the Court's decision.

These tens of thousands of prolife marchers represent incomparably more Americans than do the orchestrated gatherings other groups are always putting on for whatever cause happens to be their fad at the moment. The prolife movement is made up of the very people who justify its name. They are the very Americans who are the life of America. For them, the march for life costs time and money which they need for work and for raising their families. It is not a fun gathering for listening to rock or smoking marihuana. It represents hundreds of thousands of personal sacrifices.

When the Fondas and the Haydens throw one more moving party in the name of the latest leftist cause, it means little. But when hard-working, family-raising Americans appear in vast numbers, it demonstrates that something big and critically important is being said, something to which anyone who claims to represent our people is dutybound to listen.

Unlike some other groups that have demonstrated in this city, prolifers are not wild-eyed fanatics or radicals who hate police and work and who think only of themselves. On the contrary, it is because they are thinking of others that they are here. They have nothing to gain from all this but saving the lives of their fellow human beings, the millions of unborn children who will live when this movement has accomplished its goal.

They are law-abiding people with a deep sense of responsibility and commitment, who work and earn a living and who have families whom they love and who love them. They are, in fact, we—the people.

I want to say for the record that I respect them for what they are doing and saying. I admire their courage and devotion to this cause and, more importantly, I wholeheartedly agree with them and will continue to press the prolife cause.●

UKRANIAN INDEPENDENCE DAY

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. GREEN. Mr. Speaker, January 22 marks the 63d anniversary of the declaration of independence of the Ukraine. Unfortunately, for over 60 years the Ukraine has been dominated and controlled by the Soviet Union.

Only 3 years after Ukrainian independence in 1918, the Soviet Union took control. This intervention was, and continues to be, characterized by intolerable human oppression. In an attempt to reduce the nationalistic feelings in the Ukraine, Stalin purged the intellectual and political elite. In addition, his drive for collectivization of agriculture resulted in 3 to 5 million deaths.

This reign of terror has been successful in that the Soviets continue to dominate the Ukraine, but the nationalistic sentiments in the Ukraine have not been eliminated. The Ukrainian culture, as unique and beautiful as any in the world, continues to live on. Despite all attempts to rid the Ukrainians of those elements which make them unique, their human love of independence and freedom has kept the Ukrainian culture alive.

Ukraine reflects the inability of Soviet interventionism to eliminate the aspirations of a determined people. It has not worked in the Ukraine, where the spirit of nationalism continues. It has not worked in Afghanistan, where nationalistic rebels continue to fight Soviet troops. It has not worked in Poland, where courageous workers refuse to submit to threats from Soviet officials.

I salute the citizens of the Ukraine. It is my hope that on the 64th anniversary of Ukraine's independence we will be celebrating the anniversary of a truly independent nation.●

NATION NEEDS TITLE V COMMISSIONS

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. OBERSTAR. Mr. Speaker, the American people expect Congress to reduce inflation and control the growth of Federal spending. They want responsible, effective, and humane initiatives in budget cutting. They want us to examine all sectors of the Federal budget with the goal of eliminating unnecessary and wasteful spending. To fulfill our responsibility to the Nation, we must do more than cut enough to reach a certain target. We must make budget reductions based on the merits of individual programs and their relationships to national priorities.

Not all proposed spending cuts will be in the national interest. We will not serve our constituents if we ignore that fact.

One of the proposed budget cuts is the elimination of funding for the title V multistate regional economic development commissions. To eliminate these programs would be a terrible mistake for every region of the country. The title V commissions have for 15 years been a foundation of Federal support for economic development activities on a regional basis.

The commissions have proven their usefulness. Congress has recognized that effectiveness by reauthorizing and appropriating funds for them.

The fight for title V commissions has always been bipartisan, even during the years in which the Nixon administration sought to gut these programs. I hope that bipartisanship will continue in this Congress.

We do not yet know the position of the new administration on the funding of the title V commissions. I would ask administration officials and my colleagues to consider the statement of former Upper Great Lakes Regional Commission Cochairman Al France in support of the regional commission concept.

It presents the persuasive case for continuation of the title V commissions.

The article follows:

[Duluth News-Tribune, Jan. 4, 1981]

COMMISSION HASN'T OUTLIVED ITS USEFULNESS

To the EDITOR:

As one who formerly cochaired the Upper Great Lakes Regional Commission, I would like to comment on your Dec. 28 editorial which concluded that the commission's usefulness had come to an end inasmuch as President Carter had recommended no further funding in his budget for fiscal 1981-82.

It may well be that the incoming Reagan administration will also choose to discontinue the Title V commissions, but such a decision should be based on an appraisal of more factors than that cited in your editorial.

The Title V commissions have a much broader purpose than that of approving grants. The commissions were charged with the responsibility for developing long-range economic development plans and programs for regions experiencing chronic unemployment, outmigration and other such symptoms of economic distress. Such a plan was formulated in 1970 for the Upper Great Lakes Region and was subsequently approved by the secretary of commerce. That plan, though largely unfulfilled, still has application to this region.

Another important function of the commission, and especially that of the federal co-chair, is to attempt to coordinate the various economic development activities of federal agencies within the region.

Such coordination may be illustrated by the efforts of the commission in 1969 and

1970 to bring together various agencies such as the Coast Guard, Corps of Engineers, Environmental Protection Agency and several others to launch the demonstration project designed to bring about an extension of the shipping season on the Great Lakes.

Also, the commission worked with the Coastal Plains and New England Regional Commissions to achieve designation of the Great Lakes as an official sea coast.

As to the grant program authority of the commissions, the amount of grant money appropriated to the commissions is no measure of their effectiveness in advancing programs in the region. In the case of the Upper Great Lakes commission, grants authorized for projects from 1968 to 1979 amounted to $52,106,000—not very much by federal standards. However, the action of the commission in approving these grants helped to move other federal agencies to act as well. As a result, $317,970,000 in grants were approved by other agencies for use in our region.

While federal spending in itself is no certain measure of the effectiveness of governmental action, the importance of the commission's role for the Upper Great Lakes can be seen by examining federal outlays in this region.

When I became federal co-chair, we found that federal outlays per capita in the Upper Great Lakes region were $567, the largest of which was for Social Security. This compared with $861 per capita for the nation as a whole. I do not know if that distortion has been corrected, but that it existed supports the rationale of the Title V commission program which, simply put, is to discriminate in favor of economically distressed regions by working to equalize federal economic development activities as between the regions and the rest of the nation.

Finally, the structure of the Title V commissions offers one of the few opportunities which state and local units of government have to influence and design federal agency activities within the states. Commission projects and programs are initiated at the local level and approved jointly by the governor members of the commission and the federal co-chairman. This attempt at developing a federal-state partnership has been unique, and notwithstanding some difficulties, is worth encouraging if local and state initiative and control is to be preserved.

There may be good and compelling reasons to end the Title V commission program as a part of an overall effort to control government spending. However, to focus only on the lack of funds for the commission's limited grant program is not sufficient reason. Further, as a mechanism for efficient and cooperative federal-state partnership and coordination, the commissions do offer an opportunity for more balanced economic development in our nation.

ALFRED E. FRANCE.

DULUTH.●

WARREN R. LIKENS

HON. JAMES K. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. JAMES K. COYNE. Mr. Speaker, it is my privilege this morning to rise in commemoration of Mr. Warren R. Likens, a distinguished and admired resident of Bucks County, Pa., who died last year.

It is indeed fitting, Mr. Speaker, that on the same day Mr. Likens is remembered on the floor of the House of Representatives, the Lower Bucks County Chamber of Commerce building in Fairless Hills, Pa., will be dedicated in his honor. For 18 tireless years, Mr. Likens devoted himself to the expansion and enhancement of the Lower Bucks County Chamber of Commerce.

Mr. Likens was a nonpareil executive vice president of the Lower Bucks Chamber. When he assumed office in 1962, the chamber was a fledgling organization of just 300 members. Eighteen years later, Mr Likens had succeeded in quadrupling the membership and turning the chamber into a dynamic and indispensable part of the Lower Bucks County community.

The father of two sons, Mr. Likens was a community leader for many years in the Levittown area. He served as chairman of the Bucks County Technical School Lay Advisory Committee, as well as representative to the Pennsbury PTA scholarship fund.

The Lower Bucks Chamber building will house a plaque commemorating Mr. Likens' many accomplishments and a portrait in his honor will be placed in the building's foyer. I cannot think of a more appropriate tribute to this exemplary citizen, father, and leader.●

WILL A 1-YEAR SENTENCE SCARE A MURDERER?

HON. JOHN. M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. ASHBROOK. Mr. Speaker, a curious idea has once again become popular among liberals. They are saying that murders will not be committed with guns if there is a stiff penalty, such as a 1-year sentence, for having a gun. A large number of the people who take this stand are opposed to the death penalty. They are arguing, in short, that potential murderers are not deterred by a death sentence, but they would be afraid to get a gun for the purpose if threatened with a year in jail for having one.

Having a gun could not have helped John Lennon, but it might well have saved Dr. Halberstam, who showed magnificent courage in helping capture his assailant even after he was mortally wounded. But it is people like Dr. Halberstam, not professional criminals like his murderer, who are prevented from having guns by gun laws. Nor would a gun law have prevented the lunatic who shot Mr. Lennon from getting a weapon. Both these atrocities occurred in jurisdictions having the most stringent handgun laws in this country.

Unlike liberals, I have no idea how the tragedy of John Lennon could have been prevented. Charles Manson believed that the Beatles' song, "Helter-Skelter," gave him the instructions which led directly to the hideous murders that were committed. Sharon Tate and her companions were killed by those maniacs with knives, not guns. The same kind of nut seems to have gotten the same sort of fixation on the Beatles, and John Lennon became his target.

Mr. Lennon, though a famous and wealthy man, came right up to this stranger when he spoke to him, and could have been killed by any weapon the man had. The only real defense that would have saved him would have been a suspicion or a snobbery that was completely foreign to his nature. By using his death to preach gun laws, the media are ignoring the personal decency that made him so vulnerable. A man who trusts his fellow man can be killed by any weapon.

John Lennon knew the risk he was taking. He rose from the Liverpool slums to the highest level of success in a highly competitive field, and such a man is not naive. A longtime resident of New York, he knew that the only safety lay in isolating himself from the world in his personal life. Only by isolating himself could he avoid the real dangers of kidnaping and murder which exist. But he preferred the risk to such isolation from his fellows, even in New York. That showed the quality of the man, and I hope it is not forgotten in the fury of demands for gun control laws.●

REV. RAYMOND C. BAUMHART, S.J., LOYOLA UNIVERSITY'S OUTSTANDING LEADER

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. HYDE. Mr. Speaker, Loyola University in Chicago is honoring Rev. Raymond C. Baumhart in recognition of his 10 years of extraordinary leadership as its president.

During the past decade, Father Baumhart's unique talents as a leader have strengthened Loyola's identity as a truly remarkable center of education and medical research, not only in Illinois but across America. Father Baumhart has more than fulfilled his considerable commitments as an administrator while maintaining his personal dedication to the spiritual and educational development of others.

In 1970, when he began his tenure, he continued to emphasize the many fine programs initiated by Rev. James Maguire and was a motivating force behind significant growth and im-

provement of the university. Moreover, he has aggressively pursued the highest standards of excellence while consistently operating within a balanced budget—this during one of the most financially difficult periods in the history of educational institutions in the United States.

Just a few of Father Baumhart's attainments suggest his wide range of interests and accomplishments:

He was the first priest to receive a doctoral degree in business administration from the Harvard University Graduate School of Business. During World War II he served his country with honor as a lieutenant in the U.S. Navy Supply Corps. He has received the Order of Cavalier award from the Republic of Italy, the Rale Medallion from Boston College, and countless other awards. In addition, he pursues an active career as an innovative teacher, professor, lecturer, editor, author, and adviser.

But even more important than Father Baumhart's administrative successes is the fact that his primary motivation is a deep personal concern about the needs of others as well as a profound commitment to the Jesuit philosophy. Father Baumhart's own words capture his personal and pastoral dedication:

The Jesuit education tradition has always sought to develop the whole person. This includes each student's social, moral and spiritual growth. Loyola's constant aim is to present society with competent men and women who are intellectually aware, whose lives express the values which they embrace, and who spend themselves in service to their fellow man.

Father Baumhart teaches this philosophy, and lives by it. Appropriately, Father Baumhart's 10th anniversary as president of Loyola was commemorated on the feast day of St. Ignatius Loyola, founder of the Jesuit order.

Mr. Speaker, an institution was once defined as the lengthened shadow of one man. For Loyola, this surely is the shadow of Father Baumhart,

A man whose gifts have deeply enriched the experience of countless men and women whose lives he has touched;

A man who continues to contribute his intellectual and spiritual leadership to the transcendent task of bringing the bright light of his faith to the Loyola community.

As an alumnus of Loyola, I am particularly honored to commend to my colleagues in Congress, Father Baumhart's achievements and wish him many more years of success. Thank you.●

ALDINE SENIOR HIGH SCHOOL SONG

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. FIELDS. Mr. Speaker, throughout our history, this Nation has served as a sanctuary for those who hunger for freedom from religious persecution. Moreover, the first amendment to our Constitution explicitly states that, "congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof * * *."

Yet, in the last few years, we have seen an increasing and an alarming number of attempts to prohibit free religious expression.

In my own district, for instance, the American Civil Liberties Union has recently filed suit in U.S. district court to prohibit the use of the Aldine Senior High School song.

This song, which was written over 30 years ago, by one of Aldine's own students, has provided hope, inspiration, and sustenance to the many thousands of students, including my own mother, Jessie Faye, who have attended this fine institution.

Mr. Speaker, it is my firm belief that it would be a tragedy and a miscarriage of justice if our Federal court system prohibits the use of this song. For this reason, I pledge my continued support for the Aldine Senior High School in this noble and ongoing battle.

In the words of Abraham Lincoln, which best serve to summarize my own views:

God rules this world * * * I am a full believer that God knows what He wants a man to do—that which pleases Him. It is never well with a man who heeds it not * * * without the assistance of that Divine Being, I cannot succeed, with that assistance, I cannot fail.

At this time, I include in the RECORD the words to this simple, yet beautiful song which has served as a beacon of hope for the students, faculty, and alumni of Aldine Senior High School.

The words to this song are:

Dear God, please bless our school and all it stands for. Help keep us free from sin, honest and true, courage and faith to make our school the victor. In Jesus name we pray. Amen.●

H.R. 176—FEDERAL EMPLOYEE OCCUPATIONAL SAFETY AND HEALTH ACT OF 1981

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced a bill, H.R. 176, the Federal Employee Occupational Safety and Health Act of 1981. The bill would amend title 5 of the United States Code to provide for the application of safety and health standards in the Federal workplace.

This bill will make available to Federal employees many of the safety and health protections which are already available to employees in the private sector.

When Congress enacted the Occupational Safety and Health Act of 1970, Federal employees were excluded from coverage. In addition, there has been uneven compliance with Executive Order 11807, which details the health and safety obligations of Federal agencies. At Hill Air Force Base in Utah, Federal civilian employees were exposed to dangerous levels of toxic chemicals. In Mechanicsburg, Pa., it was reported that a dozen workers at the defense supply depot were exposed to a significant level of PCB, a chemical which produces liver damage, birth defects, and various skin diseases.

Mr. Speaker, these and other examples are some of the reasons why injuries and accidents have risen from 1 among every 23 Federal employees in 1974, to 1 among every 16 Federal employees in 1977. Were it possible to bring the Occupational Safety and Health Act of 1970 to the floor without crippling amendments, I would recommend strengthening its provisions covering Federal employees. Instead, my bill affords Federal employees a safe and healthful work environment by amending title 5 of the United States Code. The bill makes the Office of Personnel Management the enforcing authority with responsibility to issue citations for violations of Federal safety and health laws; the Occupational Safety and Health Review Commission is the adjudicatory authority with the right to impose civil sanctions; and judicial review is available to aggrieved parties.

The principal provisions of the Federal Employee Occupational Safety and Health Act of 1981 are as follows:

Covers executive agencies.

Requires that each agency maintain a safe and healthful work environment and that each agency and employee comply with Federal safety and health standards.

Authorizes the Office of Personnel Management (OPM) to conduct unannounced inspections and investigations and requires

that agencies maintain and make available adequate safety and health records.

Requires that OPM issue citations for violations of Federal safety and health standards and establishes enforcement procedures.

Authorizes the Occupational and Health Review Commission (OSHRC) to impose civil penalties upon agencies for failure to comply with OPM citations.

Provides for court review of OSHRC orders by agencies and OPM and prohibits discharge or discrimination against employees for complaining, testifying, or otherwise asserting rights afforded by this bill.

Authorizes the OPM to take steps to restrain agency conditions which could cause death or serious harm to employees.

Authorizes the OPM to provide training, education, and consultation with agencies and authorizes agencies to conduct preventive health programs for employees.●

TRIBUTE TO FRANK HOOD

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. EDWARDS of California. Mr. Speaker, I want to take a moment to pay tribute to a most unusual—almost unique—public servant—the Veterans Administration's long-time public information officer, Frank R. Hood.

Public relations people in the Federal Government are not known for their longevity. Most of them come and go like leaves on the trees, but not Frank Hood.

Last year was his 23d as head of public relations at the VA—an unsurpassed record and one that may never be challenged.

As far as I know, Frank Hood has held this position far longer than anyone has held a comparative job anywhere else in Government.

With bipartisan loyalty he has served eight VA Administrations and he numbers among his proteges three former public relations directors of the old Civil Service Commission, a deputy press secretary at the White House and the Executive Director of the President's Committee on Employment of the Handicapped.

Frank Hood resigned last August, but VA Administrator Max Cleland asked him to stay on as a reemployed annuitant. The Reagan transition team asked him to continue in his post.

I know that every Member of the House who has dealt with Frank Hood over the years holds him in deep respect. We owe him an enormous debt of gratitude for his selfless service over so many years.

As the ranking member of the Committee on Veterans' Affairs, having served on the committee for a number of years, I have had the pleasure of working with the information office under the direction of Frank Hood and I can assure you his retirement will be a great loss to the agency.●

NORRISTOWN, PA., COUNCILMAN MARKS 50TH YEAR IN OFFICE

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. COUGHLIN. Mr. Speaker, I am pleased to call to my colleagues' attention the remarkable record of Paul Santangelo, a constituent, who is marking his 50th year as the elected councilman from the fifth ward of Norristown, Pa., a historic borough which is the government seat of Montgomery County.

Born in the fifth ward, Mr. Santangelo has resided in the same house for most of his adult life—a life that has been devoted to serving and helping his community and its citizens. Norristown's East End was the home for many of the immigrants from Sicily and Sciacca. It was Paul who served as the interpreter and unofficial representative for these family-oriented immigrants making their way in a new country.

Mr. Santangelo was elected on the Republican ticket in 1930 as fifth ward councilman. From then on, he has enjoyed the support of his constituency, winning reelection 12 times.

During his tenure, Mr. Santangelo served on the civil service commission. As chairman, he witnessed the installation of five men as chief of borough police force.

Mr. Santangelo, in his half century in office, has been president of council for two terms. He has served on all committees of council. Statewide, he has served as president of the Councilmen of Pennsylvania, members of the Pennsylvania Boroughs Association. Mr. Santangelo is a founder of the Montgomery County Boroughs Association.

A recipient of numerous civic and community awards, Mr. Santangelo received—among them—the President's Award from the Pennsylvania Boroughs Association for 40 years of service in council. He was honored by the Republican Committee of Norristown in 1975 for 44 years of dedicated and faithful service to the borough.

Mr. Santangelo, a devoted family man, is the father of four children. He has 14 grandchildren and 4 great-grandchildren. An avid fisherman, he pilots his own boat on weekends during the season at the New Jersey shore.

I am honored that Mr. Santangelo is a constituent and believe that his record of 13 consecutive 4-year terms as Norristown's fifth ward councilman merits our accolades, and also may be a record in public service.●

JERRY L. VOLZER NAMED "TROOPER OF THE YEAR"

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. APPLEGATE. Mr. Speaker, it is an honor and privilege for me to bring to the attention of my colleagues in the U.S. House of Representatives the recent accomplishment of a constituent and very good friend of mine, Mr. Jerry L. Volzer, a resident of Dover, Ohio.

Mr. Volzer has been named "Trooper of the Year" of the New Philadelphia Post of the Ohio Highway Patrol for 1980. This will now enable him to compete for district and statewide honors as well.

Trooper of the Year is, indeed, much sought after and an honor to receive as it is one that is given by one's peers. The fellow officers of Jerry Volzer selected him as their honoree based on leadership abilities, professional ethics, courteous treatment, work attitude, and cooperation with supervisors, peers, and the general public. The Ohio State Patrol enjoys a fine reputation as a superb law enforcement agency and it is the attributes, dedication, and concern for the safety of the public such as Jerry Volzer demonstrates on a daily basis that makes it so.

On behalf of Ohio's 18th Congressional District, I commend Jerry on his accomplishment and wish him well as he progresses to district and State competition.●

NEVER AGAIN

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. BROOMFIELD. Mr. Speaker, reports by our returning hostages of the physical and mental abuse they endured at the hands of their Iranian terrorist captors give a special urgency to the need to combat terrorism in all its forms.

In this connection, I would like to call to the attention of the Members a column by Evans and Novak on the issue of terrorism that appeared in yesterday's edition of the Washington Post.

NEVER AGAIN

(By Rowland Evans and Robert Novak)

Appalled that President Carter and his men were basking in the perceived success of their hostage-freeing operation, President Ronald Reagan and his men have been

plotting a long-overdue U.S campaign against terrorism in all its forms.

One of the new president's senior advisers put it to us this way: "The preoccupation of the Carter administration with human rights is going to be radically switched to the Reagan administration's preoccupation with international terrorism." The switch connotes a promise of "never again" in responding to the 444 days of Iranian captivity.

Behind this lies a fundamental distinction between the world views of Carter and Reagan. Privately affronted by Carter's handling of the hostage crisis from the start, the Reaganites saw no glory in the 11th-hour hostage release after endless haggling; instead, they saw national infamy in once-feared, once-strong America held at bay for nearly 15 months by a South Asian third-rate military power.

It is partly as a measure of national atonement for that infamy, but principally to prevent its repetition, that Reagan's top national security officials are moving against a global curse. They have quietly sworn to start an immediate international effort to reduce the use of terror as an international political weapon.

The atonement will make itself known soon enough. Reagan and his high command may phrase their words carefully, but what they say about the hostage affair will add up to this: never again will the United States allow itself to be held hostage by seizure of American citizens.

The president's men in effect want the world informed that Carter's payoff to Tehran will not be repeated. International terrorists, whether or not cloaked in the guise of a government, must understand that Reagan is changing the rules of the game as played by Carter—whatever the cost. "We are moving into a very, very tough four-year period. Make no mistake about that," one presidential adviser told us.

Iranian perception of these changed rules may have contributed more than quiet diplomacy to the hostage release. Reagan's men are convinced Tehran finally accepted the deal because of fear of Reagan. "They were petrified, and rightly so," said one Reagan operative who had helped construct Reagan's deliberate escalation of anti-Iranian epithets from criminals to kidnappers to barbarians.

Brought into the firing sights of the new administration's anti-terrorist planning is the Soviet Union. As we reported on Jan. 2, Reagan never doubted that the Kremlin tried to the end to sidetrack Carter's hostage negotiations with Iran. Every piece of evidence presented to Reagan since his election persuaded him that Moscow's real intent was to prevent the release of the hostages and use the issue to enhance its own influence in Iran.

It is far too early to predict the precise shape of Reagan's campaign against terrorism. The president's national security officials are studying a just-published treatise called "Terrorism: Threat, Reality, Response" by two sometime Reagan advisers, Robert H. Kupperman and Darrell Trent. Another soon-to-be published work anticipated in high administration quarters is by one of Europe's best-known experts on terrorism, journalist Claire Sterling.

However the campaign progresses, one emerging theme has been fortified by anti-American Soviet propaganda in Iran: Moscow must cease its support for terrorism, which so helps the Kremlin in the U.S.-Soviet competition, or pay dire consequences.

These consequences, according to preliminary planning, will include the use of American and (if Western Europe agrees) of European sanctions against Moscow. One senior Reagan adviser claims the United States and the West "have the assets to put into play"—food and strategic trade—if the Soviet superpower is caught red-handed aiding international terror, as it was in the agonizing hostage crisis.

But the first-line weapon against terrorism is a beefed-up worldwide intelligence system to anticipate terrorist activities. If that fails, Reagan would treat terrorists, whether posing as governments or not, as criminals, not bargaining partners. Failure of the Carter administration to give the Iranians such treatment or to exact any clear punishment at all has agonized Reagan's men. It also has magnified the challenge of the new administration's anti-terrorist campaign.●

THE REDONDO BEACH 10 KILOMETER RUN

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. DORNAN of California. Mr. Speaker, on Sunday morning, January 25, the Redondo Beach Chamber of Commerce will again sponsor their annual Redondo Beach Super Bowl Sunday 10 kilometer run through some of the most scenic portions of that beautiful coastal city. Although I will be unable to be present this year, I will certainly be thinking back to the excitement this annual event generated last year when I was on hand for the opening ceremonies.

This year marks the third running of what is now becoming one of the premier long-distance runs in the Nation. Last year, over 10,000 people participated on the measured course, which was specially designed to enhance the enjoyment of the runners. The organizers have developed a controlled and uncongested finish area, allowing all runners to cross the finish line at full stride. This will also make it easier for all participants to get their precise times. Finally, a distinctive and unique T-shirt is awarded to all runners.

One might wonder why anyone would decide to hold a mass presentation event on Super Bowl Sunday and expect that anyone would attend. When the organizers for the first run in 1979 sought a suitable date, Super Bowl Sunday was the only one available. And through a little entrepreneurship and a lot of healthy promotion, they have made it into one of the largest annual running events in the Nation in just 3 short years.

Actually, a 10 kilometer run on the morning of the Super Bowl isn't a bad idea. Since it begins long before the game, it gives runners a chance to go out and get some good, healthy exercise. So, on a day when many of us might be content to languish in front of the tube, we are provided with an opportunity to take part in an outstanding athletic event. At the conclusion of the Redondo Beach run, there will still be enough time to get home before the football action begins in New Orleans.

I would just like to take this opportunity to commend the great work of Race Director Hans Albrecht and committee members James D. Graham and Dennis R. McCarbery for their fine efforts in organizing this great event. I am sure this year's Redondo Beach run will prove as successful as last year's run. Perhaps the magic 30-minute mark will be broken. And to the runners—good luck. They are all winners for taking part.●

CERTAIN RIGHTS ARE UNALIENABLE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. ASHBROOK. Mr. Speaker, the right to choose basically is in keeping with the best traditions of American democracy, and as a conservative I strongly support it. But I do not believe it is absolute. That is, one's right to choose is limited by what it is he or she chooses to do. This is especially true when one chooses to take a life.

The effect of the Supreme Court's 1973 abortion decision was that a woman's right to choose was allowed to take precedence over another human being's right to life. This has shocked millions of people, because what it amounts to is the alienation of a right that the Declaration of Independence called unalienable. This is why there is a rising tide not only against the policy of funding abortions, but also against the legality of abortion itself.

A striking parallel exists between the antislavery movement in the decades preceding the Civil War and the present-day prolife movement. During the former period, the general attitude of the American public was to accept the institution of slavery as a necessary part of the social, political, and economic structure of American life.

At that time, relatively few people questioned the right of plantation owners to choose to have slaves. The right to private property took precedence over certain individuals' right to liberty—another unalienable right. Those who did object were the Abolitionists, who were chided for disturbing the peace of the community with their clamor for emancipation. Slaves were thought of not as people, but as property. In its Dred Scott decision,

the Supreme Court declared this view of slaves to be the law of the land.

Americans today acknowledge without question that slavery was the denial of a human being's right to liberty and thus was totally inconsistent with the principles of American democracy. Abortion is the denial of a human being's right to life and is also inconsistent with those same principles.

In retrospect today, we can readily see that the abolition of slavery was inevitable, if America was going to be faithful to the principles laid down by the Founding Fathers. The same applies now to the restoration of the right to life for all innocent human beings at all stages of development from conception until natural death.

I strongly urge my colleagues to consider carefully the full implication of the Court's 1973 abortion decision and the responsibilities incumbent upon us as representatives of the people to support legislation that would effectively reverse that decision. I urge them to support the human life amendment.●

SAFETY IN THE U.S. POSTAL SERVICE

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced two bills that would go a long way toward improving safety conditions in the U.S. Postal Service. H.R. 168 which would bring the U.S. Postal Service under the authority of the Occupational Safety and Health Administration, and H.R. 170 which would entitle postal employees to refuse to perform a task which they sincerely believe will result in death or serious injury.

On January 7, 1981, the Wall Street Journal, a newpaper which is well-known and respected for its management concerns, published the following article on safety and health in the U.S. Postal Service. I think this article provides ample justification for prompt enactment of H.R. 168 and H.R. 170:

POSTAL WORKER DEATHS AND INJURIES PROMPT DEMANDS FOR GREATER SAFETY

(By Joann S. Lublin)

WASHINGTON.—The U.S. Postal Service prides itself on moving the mail, no matter what.

But this credo leads to unsafe work conditions, outside investigators say, and may have contributed to the deaths of three postal workers using mechanized equipment. Postal executives say the service has a "strong safety program," but they concede it hasn't always been adequately carried out by lower-level supervisors.

The fatalities have led to congressional hearings and heightened the concern of postal unions about the hazards of Postal Service employment. The independent agency's 673,000 employes suffered 57,672 injuries in 1979, giving the Postal Service an occupational injury rate that is one of the federal government's worst and more than twice as bad as private industry's.

A NEW THREAT

About 15 postal workers die annually in job related accidents. Vehicle mishaps have typically been the cause. When a conveyor belt crushed Jersey City, N.J., mail handler Michael McDermott on Dec. 15, 1979, the death was the first due to the recently introduced mechanized mail processing. Last November, two other employes were crushed to death in accidents involving mechanized equipment.

The Postal Service's safety problem is taking its toll in more than lost lives and limbs. Worker compensation payments have more than doubled since 1975, and worker compensation liability totals $800 million. "It's costing them an absolute fortune to be unsafe," says an expert. "And the public is paying for it, either in taxes or in the price of the mail."

Employe morale and labor relations also are suffering. Postal unions intend to make safety a top priority when contract negotiations begin in late April.

BARGAINING GOALS

"We shall not sit idly by while our members are struck down by machinery," says William Burrus, executive vice president of the 250,000-member American Postal Workers Union , the biggest of three main postal unions. The APWU president, Moe Biller, says safety demands will include: better equipment maintenance and a "clearer statement" of employes' right to refuse to work under unsafe conditions.

The three fatalities also may prompt Congress to pass a union-backed bill that would toughen federal supervision of postal working conditions. The bill, which passed the House but died in the Senate last year, would let the Labor Department's Occupational Safety and Health Administration bring criminal charges against postal managers and conduct more surprise inspections than it can currently.

Senior postal officials insist such powers aren't necessary. The Postal Service's injury record has improved in the last three years, "so we're headed in the right direction," says Carl Ulsaker, a senior assistant postmaster general. Since the McDermott death, he goes on, top management has stepped up its commitment to safety with expanded management-labor safety committees and training at all levels, more nurses, doctors and safety engineers and quicker attention to equipment repair.

SECOND TO NONE

Postmaster General William Bolger has said he sets "no budgetary limits" to create a safety program "that is second to none." In the fiscal year ended Oct. 31, 1979, the Postal Service spent $48.4 million on safety and health, nearly half of which went for weekly employe talks on safety. But Mr. Bolger concedes he can't drastically reduce the number of work injuries quickly. "We're dealing with a bunch of human beings in this world, and human beings make mistakes, deliberate and otherwise," he says.

Safety experts disagree, blaming the Postal Service's poor accident record on management's failure to give safety the same priority as moving the mail. According to Occupational Safety and Health Administration investigators, a lax safety attitude seems to have had a role in Mr. McDermott's death at a Bulk Mail Center, one of 21 big parcel-processing facilities nationwide.

An OSHA investigation determined that several safety devices had been deliberately removed or disconnected from the conveyor belt in which he was caught. The devices, a bumper guard and a jam relay, would have switched off the belt, but they weren't being used, to maintain productivity in the mail-glutted center. Employes told a congressional hearing that bulk mail management was aware of the problem, which existed on other belts, but hadn't corrected it. "Is this what a life is worth at the Postal Service? A sack of mail?" asks Christine McDermott, the employe's widow.

HAZARDS GALORE

Besides the Jersey City facility, OSHA inspected bulk mail centers in four other cities last winter. It uncovered thousands of serious and "less than serious" hazards—inadequate machine guards, exposed wiring and a lack of guardrails and protective gear for employes. The safety violations reflected an attitude that "the mail must get through," the Labor Department agency concluded.

Du Pont Co. carried out a broader assessment of the Postal Service's safety program last summer—and reached similar findings. Either because they lack training or accountability, line supervisors don't accept responsibility for safety, Du Pont said in a $174,417 report commissioned by the Postal Service.

Du Pont safety consultants found local safety efforts "are either weak, ineffective or not followed." They suggested numerous remedial steps, including adoption of a philosophy that postal managers "make safety equal to productivity" and that all injuries can be prevented.

SLOW PROGRESS

Despite these investigations and Mr. Bolger's subsequent actions, union leaders say workers who complain about unsafe conditions continue to be ignored or harassed. The slow correction of defects may have been a factor in the Nov. 6 death of Los Angeles mechanic's helper Reymundo Lara. He became entangled in a moving conveyor belt after first failing to turn it off at a switch 85 feet away. But three months earlier, the post office's safety officer had proposed installing automatic cutoff switches on the doors of wire cages entered by employes such as Mr. Lara in order to clean conveyor belts. (Newer cages have such devices; older ones lacked them.)

"It's just clear that the (Bolger) program isn't really being put into effect out in the field," says Michael Hudson, staff director for Democratic Rep., Mickey Leland of Texas, who has held hearings on postal safety. The Postal Service's Mr. Ulsaker differs, saying the switches weren't added before the Lara death because local management didn't view the deficiency "as a hazard of imminent danger; we had had that equipment for 30 years without injuring people."

The Postal Service isn't "callous about safety," the senior assistant postmaster general asserts. However, he says, "We do have a system in which every day 300 million pieces come in and have to be moved. . . . We can't say, 'Hey fellows: just because we've slipped in the safety business, you have to make it higher priority to moving the mail.' "●

LIVERMORE CHAMBER OF COMMERCE 55TH INSTALLATION OF OFFICERS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. STARK. Mr. Speaker, on Saturday, January 24, 1981, I will join with the members of the Livermore Chamber of Commerce, their family, and friends for the 55th annual installation dinner at the Sunol Country Club in Sunol, Calif.

I am especially honored to be a part of this celebration because the chamber will be installing, for the second year in a row, Mr. Jim Coleman as the president of their organization. Mr. Coleman was first elected to the board of directors in 1979 and subsequently elected president in 1980 and again in this year.

Jim Coleman is a retired Army major who spent time in Germany where he met his lovely wife, Erika. He is a tax preparer, and owns Jim's Personalized Tax Service in Livermore, Calif.

In his years with the chamber of commerce, Jim Coleman has been known for his active and conscientious participation in all aspects of the chamber's work. He has been called by some: The champion of the small businessman.

I would like to join with the Livermore Chamber of Commerce, his family, and everyone concerned in honoring Mr. Jim Coleman and all those who will serve with him this year.●

UKRAINIAN INDEPENDENCE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. KEMP. Mr. Speaker, 63 years ago today, the country of the Ukraine declared itself to be an independent nation. The Ukraine proclaimed this act of union, 61 years ago today, uniting all Ukrainian lands under one independent and sovereign state. Yet today the Ukrainian peoples enjoy neither independence nor freedom. Since 1924, the Ukraine has been subjugated to the totalitarian dictatorship of the Soviet Union.

As the second largest socialist republic of the Soviet Union, the 5 million citizens of the Ukraine comprise the strongest, most determined, and most outspoken voice of nationalism in the Soviet Union. Throughout the many decades of Communist domination, Ukrainians have struggled to preserve their proud cultural tradition. The Soviets, however, have persisted with their determined policy of Russification, imposing not only communism but also Russian national supremacy on their captive peoples. Today, Ukrainians are denied the right to emigrate, yet also are denied full citizenship. Even more devastating to their proud and independent heritage, however, is a Soviet policy which makes it illegal to teach either the Ukrainian language or culture in Ukrainian schools. In their attempt to smother any trace of nationalism or nonconformity, the Soviets have allowed only Russian and Russian culture to be legally taught to Ukrainian children.

Those courageous enough to strike out against the Soviet system are ruthlessly crushed by the Soviet authorities. The monitoring groups of the Helsinki accord, in particular, have been singled out for Soviet torment. In fact, all 33 members of the Helsinki watch group have been arrested. These have included the journalist Viacheslav Chornovil, who was unjustly accused of an attempted rape and handed a prison sentence of 5 years; Mykola Horbal, a music professor, also charged with attempted rape, and sentenced to 2 years in prison; and Yaroslav Lesiw, convicted for possession of narcotics. By seeking these false criminal convictions the Soviet authorities have attempted to stave off criticism of their political oppression. At the same time, such criminal accusations serve to discredit the integrity of the human rights movement. A final note: Oksana Meshko, a 75-year-old grandmother and the chairman of the Helsinki group, was interned at one of the infamous Soviet psychiatric hospitals, where drugs are known to be forcibily administered to the "patients" in order to curb indefinitely any dissident views.

According to Andrei Sakharov, the Ukrainian people comprise only 20 percent of the total Soviet population, yet they make up 50 percent of all Soviet political prisoners. Furthermore, prison sentences handed down to Ukrainian political prisoners are on the average twice as long and twice as harsh as those dispensed to Russian political prisoners, or even to the long persecuted Soviet Jews. These figures themselves attest to the valiant and unfaltering character of the Ukrainian people. They have continued to fight for what they truly believe to be right and just, despite physical and mental persecution almost beyond our comprehension.

On this proud anniversary of Ukrainian independence, let us all as Members of the Congress of the United States of America, recommit ourselves to a continued policy of support for those oppressed for their political views in the Ukraine, and throughout the world. Let us also continue to condemn Communist aggression, and oppression, wherever it may be found. And let us continue to hope that one day the Ukrainian people will attain that independence and human freedom to which they have tirelessly aspired.●

EUBIE!

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mrs. CHISHOLM. Mr. Speaker, on February 7 we will celebrate the 98th birthday of one of our Nation's finest musicians and composers. Eubie Blake, born of former slaves in 1883, has entertained and inspired at least four generations of Americans during his long musical career.

Many of his over 1,000 compositions have been nationwide hits, and some of these wonderful songs are featured in the new stage production, "Eubie!"—currently on stage here in Washington.

Eubie Blake first tested his fingers on the keyboard at the age of 5. Nearly 93 years later, he is still performing, touring and composing. Throughout these creative years, he has been involved in producing successful Broadway shows, in entertaining our troops during World War II, in encouraging and advancing the careers of many other black performers, and in winning the Presidency for Harry Truman in 1948 with the famous song, "I'm Just Wild About Harry."

I am honored to include Eubie Blake among those Brooklyn residents I represent here in the Congress, and I join the millions of Eubie Blake fans in sending our best birthday wishes to this superlative artist and great American.●

H.R. 168—POSTAL SAFETY BILL

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced a bill, H.R. 168, to bring the U.S. Postal Service under the same safety and health obligations as private employers by permitting the Occupational Safety and Health Administration (OSHA) to conduct unannounced safety surveys and inspections, to enforce Federal safety and health laws, and to impose penalties for violations of the law. This legislation is intended to correct and improve the shockingly poor safety record of the Postal Service and its unacceptably high accident and injury rate.

Under existing law, Public Law 94–82, OSHA representatives may inspect

postal facilities only at the invitation of the USPS. There is no enforcement mechanism. Without this necessary enforcement authority, the USPS has given movement of the mail priority over safety and the postal safety program has been a dismal failure.

The USPS has established a well-earned reputation of disregarding, neglecting, and minimizing unsafe working conditions. Only after an employee was unnecessarily crushed to death in the New York bulk and foreign mail facility did the USPS begin to give safety some attention. Only last month, however, two postal employees were killed in accidents in postal facilities in Los Angeles, Calif., and Portland, Oreg.

The Postal Service has the highest accident and injury rate of all Federal agencies. The total number of injuries and illnesses reported by the Postal Service for 1977 was 62,966—34.4 percent out of 182,790 injuries and illnesses reported for the entire Federal work force. During fiscal year 1977, for example, the rate of lost workday injuries and illnesses within the Postal Service exceeded that rate within the Federal Government by almost 150 percent. In addition, 55 percent of all lost workdays due to accidents and injuries in the Federal Government were attributable to the Postal Service.

Legislation similar to H.R. 168 was approved by the House during the 96th Congress but was not acted upon by the Senate, despite approval by the Senate Committee on Governmental Affairs. I understand that companion legislation will be introduced in the other body shortly and look forward to prompt enactment of this long overdue bill by the Congress.●

COLLEGE OF CHAMPIONS: EASTERN MICHIGAN UNIVERSITY

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. PURSELL. Mr. Speaker, I would like to take this opportunity to recognize the achievements of a little known, yet highly successful group of public and interpretive speakers from the forensic team at Eastern Michigan University. Few competitive organizations can tout six national titles in 10 years—including the last 5 consecutive years. They set individual and team records which will undoubtedly remain untouched. I proudly present the following article to the CONGRESSIONAL RECORD as a tribute to the team, the coaches and the university they represent.

The article follows:

COLLEGE OF CHAMPIONS: EASTERN MICHIGAN UNIVERSITY

(By Andrew J. Chapelle)

Consistent winning creates a mystique. Individuals become bigger than life. When John Wooden won 10 national basketball championships at UCLA, opposing players and coaches nicknamed him the "Wizard of Westwood." Lew Alcindor, Bill Walton and Sidney Wicks became legends, disembodied spirits who stutter-stepped,' floated and double-pumped their way to the hoop, never missing.

A winning mystique is quietly growing in Ypsilanti, though there is neither basketball's national attention nor its fabulous finances attached to the competition, which takes place not on the shining hardwood court, but at the speaker's lectern. Like the basketball Bruins of UCLA, however, the team in Ypsilanti owes much of its success to a cajoling, motivating, empathetic coach.

The coach's name is Dennis Beagen. His players form Eastern Michigan University's national champion forensics team.

Beagen and his public speakers are to collegiate forensics what John Wooden and the UCLA Bruins were to basketball. In the 10 years that Eastern's team has entered collegiate public speaking competition, it has won the national title six times—including the last five consecutive years.

Eastern owns virtually every national forensics record. Thirty-five individual national titles have been awarded to EMU students in the last 10 years. Of the 54 possible finalists at the 1980 national tournament, 17 were EMU speakers. EMU speakers took first place in all of the five events at this year's Michigan State Forensics Championship.

This year, junior Jon Kapecci, an Ohioan, won two individual national titles and placed first in a combined competition, making him the top collegiate speaker in the land. Theresa McElwee of Battle Creek teamed with Kapecci in the dramatic duo event, winning it for the second year in a row. Other recent EMU champions include Mike Garcia, a Flint junior who has won nine individual national titles; George Denger from Marshall, who won three of the five national events he entered last year; and Dan Bernard from Detroit, a program graduate currently in law school at the University of Virginia, who won the impromptu title in 1979. EMU grad Jerry Bluhm, the first person ever to win two events at a national tournament, currently is director of forensics at Birmingham Brother Rice High School.

More famous graduates of other collegiate forensics programs include Watergate prosecutor Leon Jaworski, former Vice President Hubert Humphrey, Sen. George McGovern, D-S.D., and Vice-President Mondale. NBC's Tom Snyder and Jane Pauley are former forensics competitors. So is Ann Landers.

Humphrey, Mondale and McGovern were each invited in their day to participate in the Interstate Oratory Contest, the oldest speech tournament in the nation, but Eastern is the only school to boast two winners in the 107-year-old competition: Judy Sturgis Hill and Tony Vehar, who now serves as assistant coach of the team.

Forensics stresses speechmaking, not debate. There is no back-and-forth arguing in forensics, where individuals can compete in one or several of nine different speaking categories.

Public address events include informative speaking, persuasion (sometimes called "sales"), after-dinner speaking, rhetorical criticism, impromptu speaking and extemporaneous speaking. Interpretive events, which usually appeal to the dramatically inclined, include poetry, prose and a dramatic duo event that pairs two team members in a presentation of a cutting from a play, novel or short story.

All speeches for public address events are researched and written by the competitors. Time limits vary from five to seven minutes. Interpretive events involve slightly longer speeches and are almost always not original material.

Of the six public address events, the two most challenging are impromptu and extemporaneous speaking.

The extemporaneous event calls for a five-to-seven minute speech given after 30 minutes' preparation. The speech is based on current events; judges offer three topics and contestants can select one on which to base a speech. Judges pay special attention to the competitor's analysis and understanding of the event and the number of facts presented in support of statements.

In preparing for the extemporaneous event, Eastern's speakers use information from a team file organized under current-event headings, such as "Afghanistan" or "oil." EMU senior Jeff Brown, an extemporaneous specialist, has given speeches this year on such topics as; "Is the U.S. steel industry doomed?" "Can Detroit automakers survive the Japanese invasion?" "Is a Marxist takover in El Salvador inevitable?" and "Can trade with China compensate for America's balance of payments trade deficit?"

In the impromptu competition, judges give speakers a popular quote, a single word or sometimes a cartoon on which a speech must be based. Speakers then have seven minutes to divide between preparation and speaking (EMU students generally take two minutes to prepare and then deliver a five-minute speech).

Though props are kept to a minimum, they may be used. Students competing with informative speeches sometimes utilize props to embellish points, and students making persuasive (sales) speeches often use visual aids supplied by corporations.

Judging, in general, is based on a number of criteria, including organization, conversationality and presentation of arguments to support thesis statements.

It's quite clear why someone would want to strive for a national basketball victory. Besides the adulation of millions, there are also million-dollar contracts available in the pro ranks. But why bother with forensics?

Coach Beagen says, simply, that students who compete in forensics get more and better job offers than students who don't. "The skill to respond in a concise, clear, intelligible manner in a business situation is invaluable." say Beagen. "I really believe that if there is a single most important thing for someone to learn while they're at a university, it is how to communicate . . . reading, writing, and public speaking. I'll bet that if you went to executives across the nation and asked them what were the most important skills they were looking for in a new employee, they would say the ability to communicate and the ability to work with people."

Many of Beagen's "forensicators" have parlayed success in forensics into careers in law, medicine, business, drama and education.

Former EMU forensics standouts include: Darryl Dean, one of Eastern's first national forensics champions, who just produced his

first play on Broadway; Rep.-elect Dennis Hertel, D-Mich., of Detroit; Michelle Mueller, a Bendix Corp. director of technical publications; Tim Ehlen, a Royal Oak native, who just finished an around-the-world trip on a Spanish sailing ship and will soon publish a book on his adventures, and Dennis Cockrum, a professional actor at Chicago's Court Theater, who was nominated for the Jeff Award, the Chicago equivalent of the Tony. Mike Garcia, one of the best all-around speakers on the current EMU squad, has been invited to audition by the National Shakespeare Company.

Eastern's consistent success in outshining the 200 or so other colleges and universities that compete at the National Forensics Association tournament each year is no fluke. Beagen works 8 a.m.-11 p.m. every day helping students research and polish speeches and teaching classes in EMU's department of speech and dramatic arts.

Eastern gives five forensics scholarships per year to students from throughout the United States, though seventy-five percent of the EMU squad comes from Michigan. Approximately 50 students participate in the program which began Sept. 14 and will end 20 tournaments and 10,000 traveling miles later May 1. Students who join the team can expect to spend at least one weekend per month on the road and four to five hours a week preparing each speech they give. Beagen estimates that individuals who compete for four years will have written and presented just about 25 speeches.

Because of EMU's success, Beagen has a difficult time psyching his charges to do their best at each tournament. He admits that judges and opposing teams often become frustrated with the Ypsilanti squad, too, because of Eastern's winning record. So he regularly splits up his team, sending members to different tournaments, to keep individuals competitive.

"It serves us for a lot of reasons not to win every weekend," Beagen said. "If our speakers feel they have to win every weekend, they take less risks. Risk-taking is important in forensics because we are constantly experimenting with deliveries and styles when we give our speeches."

Beagen, who played high school basketball and was on the EMU team as a student, says there is little difference between motivating a forensics team or an athletic squad. He quietly says he'd even like to trade places with a basketball coach for a season and compare won-loss records afterwards.

If Beagen's record in forensics is any indication, that might be the time for John Wooden to move over.●

MARCHING FOR LIFE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. MURTHA. Mr. Speaker, almost 1,000 people from the 12th Congressional District "Marching for Life" met in the Capital and two touching poems both composed by students from the 12th District were read to the assembled group:

COLLEGE WINNER

TINY INNOCENCE

(By Kristal Backman, Central City, Pa.)

Tiny innocence,
Tender child of God,
I weep for you.
You, growing miracle, alive at that moment of love,
Yet untimely ripped from the womb,
I fight for you.
Tiny limbs and trusting heart,
Your life is taken in worldly selfishness,
I love you.
Orphan of the world, but victor of heaven,
Into Christ's arms your spirit ascends,
I will pray for you.

JUNIOR HIGH SCHOOL RUNNER-UP

MOST CHERISHED POSSESSION

(By Dan Bearer, Kittanning, Pa.)

One thing we value above all things
It's the cherished life that the Good Lord brings
We all have the right to live our life,
Free from fear and hate and strife
No matter what the conditions be,
Life is a privilege for you and me
That life with you should always stay,
Until God takes that life away.
Live your life as well as you can,
In harmony with your fellow man.
From the moment one is fertilized,
Until that person finally dies.
Life is a gracious gift God gives,
To be kept as long as a person lives.
No matter the color, shape or size,
Life is one's most cherished prize.
No one can judge the length of a life,
Of brother, sister, husband or wife.
We may govern our life alone,
Until God finally brings us home.●

AMERICANS SUPPORTING THE ARTS

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. RICHMOND. Mr. Speaker, today I have the pleasure of introducing a bill into the 97th Congress which when signed into law will give necessary financial assistance to every cultural institution in our Nation.

Theaters, museums, symphonies, botanic gardens, zoos, and arboretums are enjoying unprecedented popularity. Not only are more of these institutions available than ever before, but more and more Americans are attending and participating in all forms of cultural activities.

The latest Louis Harris poll on the arts entitled, "Americans and the Arts"—July 1980—proves, beyond a shadow of a doubt that the arts have come of age in America. Harris completed a similar study in 1975 and comparing the results of these two studies proves the hypothesis that more and more Americans are participating in the arts. Following is that comparison:

	Percent of people involved	
	1980	1975
Participating in art form:		
Photography	44	19
Music	30	18
Creative writing	22	13
Ballet/modern dance	20	9
Sing in choir	21	11
Painting	28	22
Pottery/ceramics	18	8
Theatre	5	3
Attendance:		
Theatre	59	41
Live popular music	48	36
Live classical music	26	18
Museums	60	44
Dance performances	25	16

Significant majorities of Americans desire more cultural opportunities in their communities, according to the latest Harris survey.

In response to this increased interest and participation in the arts, Harris asked the 1,501 people polled if they would be willing to see their taxes increased, if the increase supported the arts. The results from this question are astounding. Since the same question was posed to taxpayers in the 1975 study, I would again like to show the increase in acceptance of increased taxes for the arts.

	Percent of people saying yes	
	1980	1975
Increased taxes for the arts:		
$25	51	41
$15	59	46
$10	65	51
$5	70	58

There are over 84 million individual taxpayers in America. If these figures were applied to all these people we would raise over $1.8 billion annually for the arts. But it is the responsibility of the Congress to determine how best to distribute tax dollars and until the Congress decides to appropriate $1.8 billion for the arts, we must find alternatives to meet this goal.

One alternative is the basis for my bill H.R. 1042. The concept of this bill is quite simple. We can place a box on the IRS 1040 form allowing individual taxpayers to make contributions to the arts over and above their taxes.

Last year, 63 million taxpayers received IRS refunds averaging $500. This is because most employers overwithhold income taxes. If the taxpayer could instruct the IRS to send him/her a check for $475, instead of $500, that $25 could be then spent on the arts in the taxpayer's own community.

Here is how the system would work. If a taxpayer was to receive a refund he/she could donate any part of that refund to the arts; and that donation would be tax deductible in the following year. If the taxpayer owed money to the IRS, he/she could include more than what was due in taxes, as a contribution to the arts.

Once collected by the IRS the money would be sent to the National Endowment for the Arts, a Federal agency. The NEA would then send each State arts agency all the money that came from that State. The State arts agency would then give the money to the local arts agencies representing the county of the taxpayer. Since no money could be used for administrative expenses at the Federal, State, or local levels, every dollar contributed by the taxpayer would end up right back in his/her community.

When this bill was introduced in a similar form in the 94th, 95th, and 96th Congresses, it received broad public support from thousands of arts institutions and artists throughout the country. Now in the 97th Congress, the bill becomes specific in its funding mechanism and explains exactly how

these funds will come back to the local community.

At this time I would like to have H.R. 1042 printed in the RECORD:

H.R. —

A bill to provide an opportunity for taxpayers to make financial contributions, in connection with the payment of their Federal income tax, for the advancement of the arts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. STATEMENT OF CONGRESSIONAL INTENT.

It is the intent of the Congress that the funds provided under this Act should be used in accordance with the following principles:

(1) The funds should be distributed in a manner which benefits the people from whom derived.

(2) In distributing such funds, the following factors should be taken into account—

(A) the significant contributions of the Nation's arts resources (including professional training programs, individuals, and institutions), and

(B) the cultural pluralism represented by the Nation's ethnic diversity.

(3) Recipients of grants made from the funds should demonstrate the maintenance or achievement of quality.

(4) Funding consideration should be extended to all art forms specified in section 3 of the National Foundation on the Arts and Humanities Act of 1965 (20 U.S.C. 952).

SEC. 2. DESIGNATION ON TAX RETURNS.

(a) GENERAL RULE.—With respect to each taxpayer's return for the taxable year of the tax imposed by chapter 1 of the Internal Revenue Code of 1954, such taxpayer may elect to have—

(1) any portion of any overpayment of such tax for such taxable year, or

(2) any contribution in money which the taxpayer forwards with the return for such taxable year,

be available, as the taxpayer may designate on such return, for purposes of supporting the arts.

(b) NOTIFICATION ON RETURN FORMS.—The Secretary of the Treasury or his delegate (hereinafter in this Act referred to as the "Secretary") shall provide that the tax return forms for the tax imposed by chapter 1 of the Internal Revenue Code of 1954 will fully inform each taxpayer of the opportunity the taxpayer has of making a contribution as described in subsection (a) and the purposes for which such contributions will be used. Space shall be made available on the first page of such returns for the designations referred to in subsection (a).

(c) EFFECTIVE DATE.—The provisions of this section shall apply with respect to taxable years beginning after December 31, 1981.

SEC. 3. TRANSFER TO NATIONAL ENDOWMENT FOR THE ARTS AND TO STATE AND LOCAL ARTS AGENCIES

(a) TRANSFER TO NATIONAL ENDOWMENT FOR THE ARTS.—

(1) IN GENERAL.—One hundred percent of the overpayments and contributions designated under section 2(a) for purposes of supporting the arts shall be transferred by the Secretary at least quarterly to the National Endowment for the Arts (hereinafter in this Act referred to as the "Arts Endowment").

(2) USE OF FUNDS.—The amounts transferred to the Arts Endowment under paragraph (1) shall be transferred to the State arts agencies, and the amounts so transferred shall be treated as donations received from private persons and not as Federal assistance. The amount to be transferred to any State arts agency shall be that portion of the total amount required to be transferred under paragraph (1) which is attributable to designations made on returns of taxpayers who are residents of the State of such State arts agency. A State arts agency may not use any amount transferred to pay administrative expenses of the State arts agency.

(3) LIMITATION.—Amounts transferred under paragraph (1) may not be used by the Arts Endowment to meet expenses arising from the administration of this Act or the National Foundation on the Arts and the Humanities Act of 1965.

(b) TRANSFER TO LOCAL ARTS AGENCIES.—

(1) IN GENERAL.—Each State arts agency shall transfer the amounts it receives under subsection (a)(2) to each local arts agency in the State of the State arts agency. The amount transferred to a local arts agency shall be that portion of the amount received by the State arts agency which is attributable to designations made on the returns of taxpayers who are residents of the county in which the local arts agency is located.

(2) LIMITATION ON USE OF FUNDS.—None of the amounts transferred to any local arts agency may be used by it to pay its administrative expenses.

SEC. 4. GENERAL PROVISIONS.

(a) NO MATCHING REQUIREMENTS.—Any local arts agency to which amounts are transferred under this Act may not require (as a condition to the making of any grant with funds provided under this Act) any applicant to raise additional funds or to meet any other matching requirement.

(b) NO GRANTS TO ENDOWMENT FUNDS.—Funds provided under this Act may not be used for purposes of making grants to an endowment fund of any institution or otherwise for purposes of being held for investment.

(c) ADMINISTRATIVE PROVISIONS.—If the Chairman of the Arts Endowment after reasonable notice and opportunity for hearing, determines that any State arts agency is not using funds provided under this Act substantially in accordance with the provisions of this Act, then such Chairman may take such action as may be necessary (including suspension or termination of transfers under this section or requiring repayment) to insure that the requirements of this Act are met.

(d) NO EFFECT ON APPROPRIATIONS.—Any amount transferred under section 3 of this Act shall not affect the amount which would have otherwise been appropriated to the Arts Endowment under any other provision of law.

(e) DESIGNATING UNDERPAYMENTS TREATED AS REFUNDED.—For purposes of the Internal Revenue Code of 1954, any overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the date prescribed for filing of the return of such tax (disregarding any extension) or, if later, the date the return is filed.

(f) DEFINITIONS.—For purposes of this Act—

(1) Fiscal year.—The term "fiscal year" means—

(A) when used in connection with either Endowment, the fiscal year of the Federal Government, or

(B) when used in connection with any other entity, such entity's annual accounting period.

(2) STATE ARTS AGENCY.—The term "State arts agency" means the agency designated under paragraph (2) of section 5(g) of the National Foundation on the Arts and the Humanities Act of 1965.

(3) LOCAL ARTS AGENCY.—The term "local arts agency" means a public, publicly designated, or private nonprofit council, commission, society, or organization which by its charter and operating policies is publicly accountable to provide financial or service support, or both, for the arts needs of the whole community which it serves.

(4) STATE.—The term "State" has the meaning given such term by section 3(g) of the National Foundation on the Arts and the Humanities Act of 1965.

(5) RESIDENCE.—A person shall be treated as a resident of a State with respect to any return if the address shown on the return is within such State.●

FUENTES WRITES ON REAGAN AND CENTRAL AMERICA

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. STUDDS. Mr. Speaker, Carlos Fuentes is one of Mexico's greatest novelists and political thinkers. Recently he wrote an article for the Los Angeles Times which I believe provides a brilliant summation of the challenges and opportunities confronting President Reagan with respect to our foreign policy in Central America. I recommend the article highly both to my colleagues in the Congress and to interested officials in the executive branch.

We had hardly settled down to coffee in front of the TV set that wet November night when the President of the United States came into the comfortable living room of William and Mary Bundy, courtesy of ABC. Carter was conceding the election and our warm and brilliant hosts, as well as their guests from the Princetonian realms of literati and academe, were keenly analyzing the whys and wherefores of Ronald Reagan's victory.

The fact of Reagan's success sank in very, very slowly. Many different things raced through our heads at that moment. I told myself that this was, on the face of it, not the best news for Latin America. Even more than that, I silently repeated what I have been murmuring for the past 10 months during my stay at the University of Pennsylvania as a guest lecturer—before my mirror, into my early morning teacup and sauntering next to the imaginary Pancho Villa who, Harvey-like, accompanies me in my forays into the editorial rooms, political parlors and university halls in your country.

The president of Mexico and the president-elect of the United States met Jan. 5 at the border city of Juarez. Now let me recall what old Pancho said to me last Nov. 4: Repeat to yourself what you have been saying all these months. Mexico has no cause for alarm, whatever the outcome of the U.S. election. Mexico can deal with a Carter or a Reagan administration because Mexico has a history and a conscience of its past, a clear set of present-day priorities and a formidable sense of what relations with the United States might mean for the future.

Because it has all this, Mexico has the most far-sighted, morally courageous and pragmatically justifiable foreign policy in Latin America and, perhaps, in the Third World.

I thought, shifting my gaze from the mournings and the celebrations on the television to the flickering fire in the Bundy chimney, of my country's constant struggle for independence since the early 19th Century: against colonial Spain, against President James K. Polk's invasion of 1846, the French invasion of 1860, Maxmilian of

Hapsburg's puppet empire, the successive American interventions in 1914 and 1917.

I recalled the less well-known reserves of national strength that helped Mexicans withstand economic and political pressure from abroad.

Throughout this dramatic past, Mexico has had to fight off foreign interference and affirm its right to govern itself. This is the basis for a foreign policy that has proven itself eminently capable of understanding others in Latin America when they fight for the same things.

Take the red-hot Central American case: Mexico recognizes many legitimate U.S. interests in the area. But the United States must recognize that Mexico also has legitimate interests there. First there is historic precedent. From Guatemala to Panama, Central America was part of the vice-royalty of New Spain governed from Mexico City during three centuries and, for a few years after independence in 1821, the provinces of the isthmus continued to be a part of Mexico.

But above all, Mexicans demand that everyone recognize that the truly interested parties there are the Central American peoples and that it is up to them to decide their political future, without foreign interference.

A certain psychosis has been created recently in your country. According to a resurrected domino theory, Mexico would be endangered by the successive "fall" of right-wing regimes that began in Nicaragua and could follow in Honduras, El Salvador and Guatemala. Danger to Mexico would be perceived as an immediate threat to the United States and the Marines would land (preferably in the proximity of the Gulf oil fields) to protect Mexico from Central American rebels who would be said to be acting in the name of Cuba and the Soviet Union.

This is a view absolutely alien to the actual experience of my country with the region. Mexico always has had problems with the rightist military regimes of Central America, as with the long-lived Jorge Ubico dictatorship sustained by the United States in Guatemala. On the other hand, our relations with the progressive governments of Central America, when they have come to power, have been excellent, as was the case with the Juan Jose Arevalo and Jacobo Arbenz regimes that succeeded Ubico.

These experiences taught Mexico that the best defense we have in Central America is the friendship of popular regimes evolving from revolutionary beginnings toward nationalistic and democratic goals. Such events are analogous to our own. After all, they defend in Central America what we so steadfastly defended at home. As a result, over the years we too have been branded stooges of Russia or the Axis, or denounced, as during the 1920s as creeping Reds at the U.S. doorstep, for the "crimes" (as then-Secretary of State Frank B. Kellogg called them), of creating schools, building roads, redistributing land and recovering natural resources before they were wildly misspent by foreign companies.

Mexico is today a stable, independent and growing nation because it did, in its own moment, against terrible odds, pressured and harassed and invaded, what Nicaragua is doing today, what El Salvador and Guatemala want to do tomorrow.

Will the United States ever learn the Mexican lesson as it historically reproduces itself throughout Latin America?

I raised my eyes from the fire and met the intelligent gaze of William Bundy. The editor of Foreign Affairs echoed my thoughts. The best thing that could happen to Ronald Reagan on his way to the White House would be to meet his two very outspoken, frank and intellectually vigorous neighbors, Jose Lopez Portillo to the the south and Pierre Elliott Trudeau to the north.

So the news of last week's meeting between Reagan and Lopez Portillo at Juarez was good news in this sense. It should have been a real eye-opener for Reagan. Lopez Portillo is ideally suited to explain that the road to wisdom in Central America and the Caribbean goes beyond nonintervention to competition for hearts, and minds and stomachs, too.

Whatever else happened in Juarez on Jan. 5, President-elect Reagan was sure of receiving the most candidly different version of what the world out there is really like and of what the nearly four billion persons who did not vote on Nov. 4 are really saying and thinking.

Insurrection against the petrified and tyrannical systems cannot be smothered: In 1954, then-Secretary of State John Foster Dulles did not heed Mexican Foreign Minister Luis Padilla Nervo, who warned against intervention in Guatemala. He went ahead with the CIA-sponsored invasion led by Col. Carlos Castillo Armas that toppled the left-of-center government and with it the budding democratic experience of that nation. The results are painfully visible today.

If these policies are repeated, both Mexico and the United States will be in trouble, for the war will spread, the people will not give up, the hatred will be blinding and the outrage contagious. Although the mad dictator of El Salvador, Maximiliano Martinez, encircled and massacred almost the total population of Izalco in the 1930s, he did not kill the people of El Salvador. They are still fighting for the same reasons Emiliano Zapata fought in Mexico and George Washington fought in the United States.

Since the early 1960s, Mexico has resisted hysteria and opportunism. The doors to Cuba remained politically and diplomatically open. Its policy in Cuba has stood for 20 years. Its wisdom will one day become evident. The United States must understand that it does not help Cuba or itself by speaking about Cuba only with the Soviets, for that policy only strengthens the Soviets but weakens Cuba and the United States.

In Nicaragua, Mexico's support is of even longer standing. The revolutionary Mexican governments of the '20s gave asylum to Augusto Cesar Sandino, before he went back to Nicaragua to be betrayed by Gen. Anastasio Somoza, the founder of the dynasty, with U.S. assistance. There followed nearly 50 years of brutal dictatorship until the recent inevitable revolution finally toppled the Somozas.

Reagan should hear out Lopez Portillo on this subject because Mexico is the country best equipped to absorb the shock waves of change in Central America, and to persuade the United States that real courage lies not in military posturing, but in nonintervention and respect for Central American autonomy as those nations sort out their own problems.

Certainly, the Soviets and the East Germans are in Nicaragua. Just as the Americans are in the Communist world from Yugoslavia and Hungary to China. But the Mexicans are in Nicaragua, too, with oil and credit and know-how; so are the Cubans, who are telling the Sandinistas not to repeat avoidable mistakes; and so are the West Germans, brilliantly cooperating in Nicaragua as in Zimbabwe, offering the Sandinistas and Robert Mugabe the aid and persuasion the United States seems incapable of proposing as a coherent policy. Cooperation is the road Lopez Portillo will assuredly invite Reagan to follow.

It would be a tragic mistake to think that, in 1981, gunboat diplomacy and spheres of influence are what they were 50, even 20 years ago. The best proof is offered by recent Soviet experience. The Soviet empire is in a deep, perhaps incurable crisis because it plunged into the African quagmire and is now pinned down by rebel guerrillas; it is distrusted and shunned by the Third World it so assiduously courted; weakened and divided by its two wide open fronts on east and west. So much for "gunboat diplomacy," 1980 style.

Will the United States under Reagan mirror in Central America the Soviet Union's errors? Does jingoistic machismo have to be proven in San Salvador as in Kabul? Is Managua seen as a threat comparable to Warsaw—a source of infection, the first domino to fall?

American force in Cuba or Central America will set Washington on a collision course with Mexico City; Mexicans will rightly see in such an action the gravest menace to their own national security. They will say that the dominos are indeed falling, that the United States is pushing them and that it is capitalist America, not socialist Nicaragua, that hungers for dominion over Mexico's oil resources.

I'm afraid the United States has not yet realized that Mexico is one of its best friends precisely because it is an outspoken, fiercely independent, aggressively forthright friend who dares tell the truth: "Wait. You don't understand this problem because you don't understand the people or their cultures. You're frightened of Marxist grumblings. We are not because we know them to be the mask of national and cultural urgings."

True, there are grave day-to-day problems between Mexico and the United States, sometimes festering, sometimes changing, always challenging. Difficult and concrete as they are, the problems of trade, energy and migration cannot be solved unless, first, an over-all political and, even, philosophical understanding is reached.●

SENATE—*Friday, January 23, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met at 11 a.m., in executive session, and was called to order by the President pro tempore.

RECESS UNTIL 10 A.M., TUESDAY, JANUARY 27, 1981

The PRESIDENT pro tempore. Under the previous order, the Senate stands in recess until 10 a.m., Tuesday next.

Thereupon, at 11 a.m. and 42 seconds, the Senate recessed, in executive session, under the order of Thursday, January 22, 1981, until Tuesday, January 27, 1981, at 10 a.m.

CENTENARY OF GEORGE CATLETT MARSHALL

● Mr. HARRY F. BYRD, JR. Mr. President, as many of my distinguished colleagues know, we recently commemorated the 100th anniversary of one of the truly great Americans of our century: General of the Army George Catlett Marshall, who was born on December 31, 1880, in Uniontown, Pa.

A graduate of the Virginia Military Institute in 1901, he served his country for half a century—the only American to be Army Chief of Staff, Secretary of State, and Secretary of Defense.

The early years of his life were characterized by the slow promotions of the then minuscule Army. But his qualities of mind and leadership were displayed during World War I, to such extent that Gen. John J. Pershing, commander of the American troops in Europe, selected the young Marshall as his aide.

The interwar years were marked by the tragic death of his first wife, a crucial period at Fort Benning where he molded leaders of the next war, and the redeeming pleasure of meeting and marrying his second wife, the former Mrs. Katherine Tupper Brown, who shared with him his later heavy burdens of public office.

Named Chief of Staff on September 1, 1939, the day Hitler invaded Poland, he led the Army and Air Force of the United States throughout World War II. Singled out by the President as the man chiefly responsible for bringing this country victory, General Marshall hoped for the well-earned rest of the soldier.

As usual, however, he sacrificed his personal desires for the welfare of his country. After taking on the hopeless task of reconciling warring forces in China, he became Secretary of State in 1947, and shortly thereafter launched the European Recovery Program, which has gone down in history as the Marshall Plan. A short period as head of the American Red Cross followed his retirement from the State Department, and then, when the Korean War caught our forces in disarray, he was called again to serve as Secretary of Defense in 1950–51.

Well-deserved rest was finally his prerogative, as he retired to his much-loved Leesburg, Va., where he and Mrs. Marshall made their home until the year of his death in 1959. Well-deserved honors, however, continued to be accorded him, despite his inherent modesty. Chief among them was the Nobel Peace Prize in 1953, the only time a military officer has been given this unique honor.

Some writers have called General Marshall the least known great man of our century. It is therefore especially fitting that a number of commemorations have been held in his honor as we note the centennial of his birth. The Army noted this occasion on December 5, and his howetown, Leesburg, dedicated a a statue of General Marshall in the courthouse square on December 6. Earlier in the autumn, the George C. Marshall Research Foundation held a commemorative dinner in Washington on November 18, 1980. Not only did one of Marshall's closest colleagues, General of the Army Omar N. Bradley, take part, but many others of us who admired General Marshall in war and peace joined together to pay him homage.

Mr. President, I ask that excerpts from an address by Forrest C. Pogue, General Marshall's biographer, at the Pentagon ceremony, and excerpts from the remarks of panelists at the November 1980, dinner in Washington, be included in the CONGRESSIONAL RECORD.

The material follows:

THE CENTENARY OF GENERAL GEORGE C. MARSHALL

(By Forrest C. Pogue)

On November 26, 1945, some 35 years ago, General of the Army George C. Marshall, having retired from the office of Chief of Staff of the Army, which he held from September 1, 1939, until November 20, 1945, stood in the court of the Pentagon, while President Harry S. Truman read the citation of an Oak Leaf Cluster to the General's Distinguished Service Medal. Part of that citation tells much of the story of why we stand here today, paying tribute to his memory:

"In a war unparalleled in magnitude and horror, millions of Americans gave their country outstanding service. General of the Army George C. Marshall gave it victory.

"Statesman and soldier, he had courage, fortitude, and vision, and best of all a rare self-effacement. He has been a tower of strength as counsellor of two commanders in chief. His standards of character, conduct and efficiency inspired the entire Army, the Nation and the world. To him, as much as any other individual, the United States owes its future. . . ."

He had completed, he thought, a career marked by 45 years as a professional soldier, years of dedicated service crowned by leadership in our greatest world war. In his reply Marshall thanked representatives of the services that had won the battles. He spoke:

"You faced death and swallowed fear, endured the agonies of battle and of hearts torn by loneliness and homesickness and starvation for the normal life you loved. Yet you took it—all there was to take anywhere on the battlefronts of the world. And you had the strength and will to give it back, give back much more than your enemies could take. . . .

"Along with the great problems of maintaining the peace, we must solve the problems of the pittance of food, of clothing and coal and homes.

"It is to you of this great civilian army who carried the country to victory that we must look in the critical years ahead. You are young and vigorous and your services as informed citizens will be necessary to the peace and prosperity of the world."

At 65, he had not included himself in that group. Mrs. Marshall was jubilant as they drove home to Leesburg where she hoped to sit down and plan some future trips together and years of rest and companionship so long denied. As they reached their home, they heard the telephone ringing. The General answered it, spoke briefly and put down the telephone. Mrs. Marshall went up to take a nap. When she awakened and came downstairs, she heard someone on the radio say: "The President has just appointed General Marshall as special ambassador to China. He will leave immediately." He said "that call was from the President. I could not bear to tell you until you had your nap."

Nominated for the position of Chief of Staff of the Army in the spring of 1939, he became acting chief in July of that year, and then was sworn in as fulltime chief on September 1st.

In the more than six years that followed, he saw the Army and the Army Air Force grow from 200,000 to more than 8½ millions. It was a task of procuring men and supplies, of housing and arming troops, of training and picking leaders, and of finding supplies which could go to our beleagured allies. Unlike their counterparts in Europe, who could leave parliamentary activities to politicians, Marshall and his fellow chiefs spent many hours trying to convince congressional committees of their needs. In February before the fall of France, Congress struck out funds for airfields in Alaska and 57 bombers. "In June," said Marshall, "they offered me more money than I could use. "Yesterday we had time and no money; today we have money and no time."

Marshall performed great service in the strategic decisions of the war. The only member of the Combined Chiefs of Staff to hold the same position from the outbreak of war in Europe until the end in 1945, he attended all the great conferences, where he proved to be, as John Ehrman says, first among equals.

It is ironic that the great organizer of victory in the broad perspective of history—par-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ticularly outside the United States, seems destined to be better remembered for the European Recovery Program, better known as the Marshall Plan, than for his years as a soldier.

It was the speech at Harvard on June 5, 1947, uttered quietly and without strong rhetoric, that caught the imagination of a world stunned by the chaos of defeat and the exhaustion of victory—prey to want and fear and disorder that provided conditions which could lead to dictatorships from Left or Right.

He made clear that Europe should determine first what it could contribute to its own recovery and then call on the United States for help. He made clear that U.S. policy "is directed not against any country or doctrine but against hunger, poverty, desperation and chaos."

Marshall worked closely with the Republican leadership, was a powerful witness before congressional committees and stumped the country as if he were running for office. United effort throughout the nation pushed through this great impetus to world recovery.

On June 25th, 1950, the North Koreans crossed the 38th Parallel into the area of South Korea. It was soon clear that the United States was not prepared to deal with these threats and to strengthen NATO forces in Europe.

In this crisis, Truman again called on Marshall. Nearly 70, weakened by his operation, Marshall came back to Washington in September after the Congress had changed the provision in the National Security Act of 1947 that provided that a person who had served as a commissioned officer in a Regular component of the armed services in the past ten years would not be eligible for the post of Secretary of Defense. An amendment provided that this would not apply in the case of General Marshall.

A year later, the task of building the armed reserve and supply well underway, Marshall asked that he at last be allowed to step down from public service.

The last months of his tour were stained by attacks in the Congress by Senator Jenner of Indiana and Senator Joseph McCarthy of Wisconsin. Using the argument that he was soft on communism or, indeed, friendly to communism, they slashed at Marshall's record. At once, moderate members of their party rose to answer the venomous charges. One may wonder if McCarthy's ultimate downfall did not stem from that moment. It must have been clear that if Marshall, a defender of our liberties, a moderate in the great conservative tradition of men like Elihu Root and Henry Stimson, could be called a front man for traitors then no reasonable man was safe from slander. In time the tide would turn. Marshall took it in stride. In fact, he expressed sympathy for McCarthy: "Poor fellow, he let himself be used."

In his retirement years, Marshall was appointed by President Eisenhower to lead the American delegation to the coronation of Elizabeth II. Later in the same year, the Nobel Peace Prize Committee in Oslo notified Marshall that he would receive the Prize for Peace, the first time it would be awarded to a professional soldier.

In his formal address, Marshall noted that there had been surprise that a military man could receive a medal for peace. "I am afraid this does not seem quite so remarkable to me as it quite evidently does to others. . . . The cost of war in human life is constantly spread before me, written neatly in many ledgers whose columns are gravestones. I am deeply moved to find some method of avoiding another calamity of war."

As Secretary of Defense, Marshall had proposed Universal Military Training in preference to a large standing army. An echo of that view came through his statement on military forces.

The rapid disintegration of U.S. armed forces between 1945 and 1950 had destroyed its power to maintain the peace and he believed that the invasion of South Korea had followed as one of the results. "For the moment," he continued, "the maintenance of peace in the present hazardous situation does depend in a very large measure on military power, together with Allied cohesion. But the maintenance of large armies for an indefinite period is not a practical or a promising basis for policy."

It was his last major appearance on the world stage. Various organizations and countries sought to pay him honor. Britain, Norway and other countries set up scholarships in his name. Germany built a fountain to him in the heart of Frankfurt and, at length, set up a large German Marshall Fund to carry on the ideas he had favored. The Charlemagne Prize, the Woodrow Wilson award, and many others came in to him in his last years.

In 1953 his Alma Mater, V.M.I., sought to preserve his memory with a Marshall Research Center and a Marshall Library. In the launching of the campaign which resulted in the establishment of this Library and Museum at Lexington, dedicated in 1964 by President Johnson, General Eisenhower, General Bradley and former Secretary of Defense Robert Lovett, officials were aided by a tribute of Winston Churchill's which I feel sums up Marshall's greatness and serves as an epitaph for the hundred years of this great soldier statesman. Churchill wrote:

"During my long and close association with successive American administrations, there are few men whose qualities of mind and character have impressed me so deeply as those of General Marshall. He was a great American, but he is far more than that. In war, he was as wise and understanding in counsel as he was resolute in action, in peace he was the architect who planned the restoration of our battered European economy and, at the same time, labored tirelessly to establish a system of Western Defense. He has always fought victoriously against defeatism, discouragement, and disillusion. Succeeding generations must not be allowed to forget his achievements and his example."

CEREMONIES COMMEMORATING THE CENTENARY OF GENERAL OF THE ARMY GEORGE CATLETT MARSHALL

The Honorable ROSWELL GILPATRIC (Chairman): It is a pleasure and an honor for me to serve as Chairman of this Centennial Dinner in honor of General of the Army George C. Marshall. On behalf of the Board of Trustees of the Marshall Foundation I bid each and everyone of you a warm welcome to this unique occasion.

There are so many friends and admirers of General Marshall here tonight and so many supporters of the Marshall Foundation that you would not want me to take the time to name them all. But I have to make one exception, because we have here tonight, fortunately for us, one of the great military leaders of our time, General of the Army Omar N. Bradley.

General, at your request, I am going to read a message which you asked me to convey to this gathering here tonight. These are General Bradley's sentiments that he wanted you to hear.

"My warm personal memories of George C. Marshall date back 50 years when we served together as infantry officers at Fort Benning.

"My deep respect for General Marshall grew immeasurably during World War II, when he carried the monumental burdens of the Army's Chief of Staff and I had the honor of serving as Army Group Commander.

"In the critical days of Korea, we were again in service together—he as Secretary of Defense and I as Chairman of the Joint Chiefs of Staff.

"No single man did more to win the war than this military officer; no man did more to serve his nation in peace than this great soldier-statesman; no man ranks higher in my personal admiration as a leader of men in this century.

"As the Chairman Emeritus of the Marshall Foundation, I salute you at this dinner as you in turn pay tribute to the person and personality of General of the Army George C. Marshall."

Without naming them, I do want to mention some of the others who are here tonight. There are, first of all, representatives of the Department of the Army and the Chief of Staff of the Army. We are grateful for their support of this Foundation, both here and in Lexington.

Also present are four grandchildren of Mrs. Marshall. We are happy to have you here.

And then I particularly want to mention the representatives of the Marshall Plan countries, most of whom are here with us tonight. In particular may I express on behalf of the Foundation our gratitude for the contributions to the Marshall Centennial Fund of the governments of Belgium, Federal Republic of Germany and of Norway.

On this occasion which is so close to the hundredth anniversary of General Marshall's birth, you are going to hear from a few of his very close colleagues—some of their reminiscences of their association with him. Those colleagues of his, who will be introduced to you by Dr. Forrest Pogue, General Marshall's biographer, include Anna Rosenberg Hoffman, Assistant Secretary of Defense under General Marshall; Governor Averell Harriman; General Frank McCarthy; and General Marshall Carter. General J. Lawton Collins had hoped to be here tonight but, for reasons beyond his control, he cannot make it. General Carter is going to take his place.

But there is one other very close colleague, who, alas, is no longer with us, Dean Acheson. Mrs. Acheson is here tonight and I want to mention a couple of references that Dean Acheson had in his personal letters which were published last year, to General Marshall, whom he considered, as I am sure all of us do, as our hero.

In one of his letters, Dean wrote that he included General Marshall along with Holmes and Brandeis as the greatest men he had ever known, and he said, "They are superior in transfiguration through duty." I thought that was a wonderful phrase, transfiguration through duty.

One of my experiences with General Marshall also illustrates how seriously he took service to his country. In April 1951 General Marshall, then Secretary of Defense, swore me in as Undersecretary of the Air Force. This being a new experience for me, I had the impression that these swearing-in ceremonies were festive, jovial affairs. So I had a big smile on my face when I stood up before General Marshall to take the oath. He looked at me very gravely and said, "Mr. Secretary, if I were you I would adopt a more sober expression in view of the heavy responsibilities you are about to undertake." Off went the smile.

Now, Dr. Pogue, would you introduce your panelists—Governor Harriman, Anna Rosenberg Hoffman, General McCarthy, and General Marshall Carter?

Dr. POGUE. It was decided tonight that instead of having three or four formal speeches on this hundredth anniversary of

the General's birth, which comes, as you know, on the last day of this year, to have people who could speak about him as Chief of Staff, Secretary of State, as Secretary of Defense, and as a great human being.

I would like to start, first of all, with General Marshall Carter, who was associated with General Marshall in the War Department during the war and then acted as his assistant in many capacities during the China Mission, while General Marshall was Secretary of State, and while he was Secretary of Defense.

General CARTER. I am substituting for "Lightning Joe" Collins, who was one of General Marshall's favorite field commanders and who has talked to me several times about General Marshall's activities when he was in command of training at Fort Benning. At that time General Marshall had under his supervision General Collins, General Bradley, General Huebner, General Decker, General Ridgway, and several other generals who eventually became our combat commanders in World War II.

I have a notation from General Collins that, of all of those generals who served under Marshall at that time, General Bradley, our General Bradley, was by far the most outstanding. This does not in any way denigrate, you understand, the capabilities of the other officers who were there. But General Marshall's regard, respect, and the really high faith that he had in General Bradley shone through at that time and continued on through World War II and thereafter.

Dr. POGUE. It is, of course, useless for me to undertake to introduce Governor Harriman to this audience or to tell you about his long service to this country in many posts. Both in war and in peace he knew and worked closely with General Marshall and he has a wide field from which to choose some incidents to reminisce about.

The Honorable AVERELL HARRIMAN. My friends, it is a great privilege for me to be able to talk about a man whom I admired enormously. I think that if you were to define a statesman, you would pick General Marshall as the definition of a statesman. He always knew the responsibility that he had and knew that fundamentally it was the decisions of the Commander-in-Chief, the President of the United States, that affected the actions that had to be taken.

When he made his famous Marshall Plan speech, he put into that speech an offer not only to Western Europe, but also to Eastern Europe and the Soviet Union. I thought this was the most reckless thing anybody could do, because, of course, Bevin and Bidault had Molotov in Paris, which they had to do, but they managed to get rid of him. General Marshall's judgment was very wise because it has always stood us in great stead that the Marshall Plan was offered, not as against any ideology, but against human want and human misery. This again showed what an extraordinary understanding he had of human nature. He knew it was a chance, a risk that was worth taking, and he took it deliberately and he was vindicated.

Dr. POGUE. There are many things that I could say about Mrs. Hoffman, but I want particularly to note that she was General Marshall's selection as Assistant Secretary of Defense. He stood behind her very steadfastly when opposition rose to that nomination and, of course, they remained great friends until his death.

The Honorable ANNA ROSENBERG HOFFMAN. Thank you. When you spoke about the opposition to my nomination, one incident comes to my mind which may give you a different idea of General Marshall, those of you who are soldiers and knew him.

When Senator Joe McCarthy objected to my appointment, General Marshall was very upset. General Marshall said to me the morning of the confirmation, I want you to come right in and tell me when you hear from the Senate. Never mind who's in there, come in and tell me. So I waited by the telephone and the word came. I rushed in to General Marshall, and there he was standing in his private elevator with the Chiefs of Staff: they were all ready to go to the White House, all very dignified. I rushed up to General Marshall and I said, General, they have confirmed me. He picked me up and hugged me. He said, That's great. But now go and get a facial, you look like hell. I think the Chiefs of Staff were as surprised as I was that General Marshall knew what a facial was.

I can only think of General Marshall as one of the greatest human beings, kind, courteous, wonderful. There wasn't a thing that any of us did that he wasn't aware of, and he always wanted to help.

I was there two days in the Defense Department when General Marshall came into my office. I had inherited a chair from a gentleman who was much larger than I was, and so my feet were not on the ground. General Marshall took one look and said, "Get her another chair. How do you expect her to make good judgments when her feet aren't on the ground?"

I will never forget when he asked me to go see President Truman about a subject and I was to present to him both sides. One was that it was politically dangerous to do it this way, and the other one was that it would be better for the services. But he said, "Don't emphasize the 'better for the services,' just make it straight." So I told the President. He looked at me. He said, "Don't ever tell me what's politically dangerous, don't ever tell me what anybody else said. Tell me what General Marshall wants and that's what's going to happen."

That, I think, is how everybody felt about General Marshall.

General Marshall was a great romantic. He was very much in love with his wife, and once when an industrialist came to see him and he pleaded with him to come to the Defense Department and the industrialist said, I can't do it, General, I promised my wife that when I retire we'll go traveling, the General looked at him and said. "And I promised my wife when we retired that I would retire and we would plant our roses and for once see them grow. We never stayed long enough to see them grow."

What can I tell you about General Marshall? I do not think there was ever any man in this world or in this country who was a greater soldier, a better statesman and a greater human being.

Dr. POGUE. As a young soldier, Frank McCarthy had one of the great opportunities of any soldier in the last 50 or 75 years. From 1941 until almost the end of the war, he served closely under General Marshall, going with him to many of the great conferences and acting in the last years as Secretary of the General Staff.

Brigadier General FRANK MCCARTHY. I have examined many tributes, both past and contemporary, to General Marshall. The dominant themes are: integrity, steadfastness, honesty, patience, selflessness, dignity, devotion to duty, objectivity, loyalty, self-restraint and moral responsibility. These magnificent qualities cover almost everything but not quite.

During the second war, General Marshall had no designated aide. He often referred to such officers as golden coat-holding aides, the most nearly profane language I ever heard him use on any subject. As the Secretary of his General Staff, I was always given legitimate and substantive military functions, but on the side someone had to plan his trips to theaters of operation, to send the messages ahead, to remain in communication with the War Department, to make sure that the baggage did not get lost or to find it, if it did. I was usually assigned these subsidiary duties, and they constituted perhaps the most interesting aspect of my long association with General Marshall, because they gave me an opportunity to observe qualities which were not always visible to others: his sensitivity, his compassion and his consideration of others.

General Marshall often performed little personal acts and services for all ranks, never for any particular effect, never within range of the media, but only with the thoughtfulness and generosity which was so characteristic of him.

Dr. POGUE. There briefly you have a picture of a great American, a great human being.

Now for about 10 minutes I would like the various members of this panel to try to place General Marshall as they see him in the broad perspective of history.

General Carter, would you speak first?

General CARTER. The most impressive thing about General Marshall to those of us who worked so closely with him was his total loyalty both up and down the ranks. His first thought was always for the troops in the field or for his foreign service people overseas when he was Secretary of State. His second thought was always how do I, as Chief of Staff or as Secretary of State or as Secretary of Defense, render total support to the President with all the resources that I command? This was his single uppermost thought. How do I best serve my country? And this thought permeated all of us who were close to him.

His second most critical factor I think that we all should bear in mind is that he was loyal and responsive to the President as the President. He never hesitated to express his opinion. When the decision was made, that was also his decision and he carried it through. I mention this because his loyalty to theater commanders during the war was such that all they had to do was to fight the war. He fought all of their political battles back in Washington. He took a tremendous load off of them.

When it became necessary for him to have MacArthur leave the Philippines and go to Australia, he arranged that the directive would come from President Roosevelt. He arranged that MacArthur would receive a Congressional Medal of Honor, and he arranged that the Australian Prime Minister would ask that MacArthur be returned to Australia. This is the kind of loyalty that General Marshall demonstrated to all of his commanders.

Most important, I think, were his views on civilian control of the military. He accepted as part of this country's dedication, as part of its entire constitution, that there would be civilian control of the military, and he knew this and accepted this at the highest level. At the same time, he never once, as Secretary of Defense or as Secretary of State, imposed his own military judgments on those people who held the responsibility for military decisions. General Bradley, as Chairman of the Joint Chiefs, had total access to the Secretary of Defense any time of day or night and those were standing instructions. At no time, to my knowledge, did he ever impose his judgment on military matters on those people who were responsible.

Governor HARRIMAN. Briefly, I would like to expand on General Marshall's sense of responsibility for everything. He had a sense of responsibility for what President Roosevelt should do, what he did not do, what he might not do. There was no arrogance in it. It was just his way—here was a job to be done and he did it.

But this was the sense of his responsibility for what everybody did, including the President of the United States. There was no arrogance in it. It was only a job to be done. He did it with such utter detachment and complete selflessness that he almost achieved miracles—which was of great service to our country.

Mrs. HOFFMAN. You asked how we think General Marshall will go down in history. I don't see how he can go down as anything but the greatest American, a great soldier, a great human being, who had compassion, who had love for his fellow man. All the things the others spoke about were all parts of the great character of George Marshall.

I'd like to add something to that. He was far ahead of his time. Those who are arguing today whether women should have equal rights should have heard General Marshall. He said, "I want women in the services and I want a committee that's going to go around and see how they are treated in the services and who can talk about it and who will bring more women into the services."

How General Marshall can be regarded in history. My fear is that the young generations do not know enough about George Marshall. He should be the example to every American of a perfect human being and what a great American should be. I hope that our young generations will learn more about George Marshall and get some of their principles and ideas from that great man.

Chairman GILPATRIC. I hope and believe that in history General Marshall will be remembered for his warm human and humanitarian qualities, and I think he will be, largely thanks to the fine four-volume biography by Dr. Pogue.

Dr. POGUE. They have left me a few minutes and in order that I will stay by my own rules I will just read this short statement. Commissioned as a Lieutenant of Infantry in 1902 with rank from 1901, Marshall's public career embraced virtually the first half of this century, one in which the United States went from a parochial power to leadership in the entire world, a leadership he helped bring about and maintain.

A soldier who served more than 6 years as head of the Army and the Army Air Forces, he was called back 3 times to serve at his country's call. Without rest he spent a frustrating year as head of the mission to China. Without rest he became Secretary of State for 2 years more. Leaving that post because of a serious operation, he was soon back in harness as head of the American Red Cross and then, shortly after the Korean War began, he was back again as Secretary of Defense, never questioning the country's call to duty.

When, at the end of 1943, Time Magazine called him "Man of the Year," Douglas Freeman, known for his biographies of great men, said no other choice was possible, no other choice would have been acceptable.

When Marshall's friends ask what were his noblest qualities, they turn almost instinctively to Jefferson's characterization of George Washington. Of Washington, Jefferson wrote, "As far as I see, no judgment was ever sounder. His integrity was most pure, his justice the most inflexible I've ever known, no motives of interest or kinship, of friendship or hatred being able to bias his decisions."

That is George Marshall—this and much more. And I know that you all agree with me that "this and much more" is his legacy, on the hundredth year of his birth, to his beloved country.●

THE VETO OF THE NATIONAL TOURISM POLICY ACT

● Mr. CANNON. Mr. President, one of the regrettable actions of the Carter administration was a pocket veto of S. 1097, the National Tourism Policy Act, which passed the Senate unanimously and the House 218 to 84 in the last Congress. I intend to actively pursue this measure with the new administration and am pleased that my distinguished colleague from South Dakota, Senator PRESSLER, the new chairman of the Senate Subcommittee on Business, Trade and Tourism, has announced plans to reintroduce S. 1097 in the near future.

I will be a cosponsor of this new legislation and an ardent supporter of it before this body and the Reagan administration. S. 1097, which I introduced in May 1979, along with Senator INOUYE, former chairman of the Merchant Marine and Tourism Subcommittee, was the result of the extensive National Tourism Policy Study which was begun in 1974 by the Senate Commerce Committee pursuant to S. Res. 347, 93d Congress. In addition to the Commerce Committee, the House Interstate and Foreign Commerce Committee and all segments of the industry participated in that study and the extensive hearings which ensued.

I believe the 96th Congress correctly felt S. 1097 was necessary in the national interest and the following reasons, in my judgment, illustrate why.

First. According to many experts, tourism will be the world's largest industry by the end of this century.

Second. In recognition of this fact, over 125 nations have government tourist offices located abroad for the specific purpose of attracting visitors to their respective countries.

Third. Currently, tourism contributes over $140 billion annually to the U.S. economy and supports over 6 million jobs. Many of these jobs are held by the least employed in our economy; that is, minorities, females, unskilled, and semiskilled workers. According to testimony the commitee received, women constitute more than half, 53.3 percent of the travel industry work force; blacks constitute about 14 percent, as against a 10-percent participation, in the remainder of the work force; and one-third of all youths aged 16–21 in the work force are employed in the travel industry.

Fourth. Tourism is one of the top three industries in most of our 50 States.

Fifth. Over 50 Federal agencies administer more than 100 programs which significantly impact tourism; and the Federal effort is highly inefficient, wasteful, and sometimes contradictory. Moreover, the Office of Management and Budget has perennially sought to shut down U.S. national tourist offices abroad on the grounds that "a promotional program is not an appropriate part of the Federal role in tourism."

Sixth. Despite the Government's inefficient effort, according to our own Government's statistics, every Federal dollar spent on international tourism promotion returns $18.6.

Seventh. S. 1097 was intended to make sense out of the Government's extensive involvement in tourism, and thus make our efforts cost-efficient and more productive.

What is most perplexing to those of us concerned with the Federal Government's attitude toward tourism is the consistent position of the Office of Management and Budget that the Government should have no role in the promotion of international tourism. OMB's stand is not only directly contrary to that of every industrialized country in the world, it completely ignores the unanimous testimony of a multitude of expert witnesses who have testified before the Senate and House over the past 10 years.

Several reasons which were assigned for pocket vetoing S. 1097 stemmed from a misunderstanding of what the legislation actually did. I believe the following description of the legislation clarifies those misconceptions and misunderstandings.

First. S. 1097 did not create a new Federal agency. On the contrary, it replaced the United States Travel Service (USTS) with an independent agency in the Federal Government which would make the Government's effort to promote tourism more effective and cost-efficient.

Second. USTS would have gone out of business in 6 months, and the agency which would have replaced it would not have cost the Federal Government any money beyond what has been appropriated for the United States Travel Service for fiscal year 1981. And, just as importantly, not one penny was authorized for the new entity beyond fiscal year 1981. Congress would have had to authorize additional funding next year or the new entity would cease to exist.

Third. Nothing contained in S. 1097 permitted the new agency to commit the Federal Government to provide any sums for the payment of any obligation of the agency which exceeds amounts provided in advance in appropriation acts.

Fourth. The legislation absolutely did not circumvent the existing budgetary process. The budget for the new agency would still be submitted by the President, just as he submits the budget of the National Transportation Safety Board. In fact, in this respect the relevant provision in S. 1097 tracked the provision in law which created the National Transportation Safety Board.

Fifth. The 17-member Travel and Tourism Advisory Board, which was created by S. 1097, was to study on a continuing basis the programs and activities of the new agency. Control of the new agency, however, remained exclusively with the legislative and executive branches of the Government.

As I have already stated, resubmission of this measure is imminent. My purpose in raising these points in advance of introduction was to clear the air about several disputed facts so Mem-

bers can judge the new legislation with the correct information at hand.●

MESSAGE FROM THE HOUSE

Under the authority of the order of the Senate of January 22, 1981, the Secretary of the Senate, on January 23, 1981, received the following message from the House of Representatives which announced that the House has passed the joint resolution (S.J. Res. 16) designating January 29, 1981, as "A Day of Thanksgiving To Honor Our Safely Returned Hostages," without amendment.

The message also announced that pursuant to the provisions of 22 United States Code 276a–1, as amended by Public Law 95–45, the Speaker appointed Representative PEPPER as chairman and Representative DERWINSKI as vice chairman of the delegation to attend the Conference of the Interparliamentary Union held in Manila on April 20 through 25, 1981.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker has signed the following enrolled joint resolution:

S.J. Res. 16. Joint resolution designating January 29, 1981, as "A Day of Thanksgiving To Honor Our Safely Returned Hostages".

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JACKSON:

S. 242. A bill for the relief of Christine Deans and her son Jonathan Deans; to the Committee on the Judiciary.

By Mr. CHAFEE:

S. 243. A bill to amend the Internal Revenue Code of 1954 to increase the allowable contributions to individual retirement plans and to allow employees a deduction for savings contributions to employer retirement plans or to individual retirement accounts; to the Committee on Finance.

By Mr. FORD:

S. 244. A bill for the relief of Dr. Joselito Sison Almario, and his wife, Leticia Almario; to the Committee on the Judiciary.

S. 245. A bill for the relief of Dr. Samuel Biancaflor Gregorio, and his wife, Raquel Luga Gregorio; to the Committee on the Judiciary.

S. 246. A bill for the relief of Dr. Ricardo B. Maddela, and his wife Dr. Zenaida Andaya Maddela; to the Committee on the Judiciary.

S. 247. A bill for the relief of Natvarial Govindji Patel; to the Committee on the Judiciary.

By Mr. WARNER:

S. 248. A bill to amend chapter 34 of title 38, United States Code, to extend, in the case of certain veterans, the period within which such veterans may use their eligibility under such chapter; to the Committee on Veterans Affairs.

By Mr. HEFLIN:

S. 249. A bill to provide that certain industrial parks shall be classified as class III areas for purposes of part C of title I of the Clean Air Act; to the Committee on Environment and Public Works.

By Mr. LAXALT (for himself and Mr. CANNON):

S. 250. A bill to direct the Secretary of Agriculture to convey certain National Forest lands in the State of Nevada, and for other purposes; to the Committee on Environment and Public Works.

By Mr. ABDNOR:

S. 251. A bill to amend title 38, United States Code, to expand eligibility of former prisoners of war for certain health care benefits, and for other purposes; to the Committee on Veterans Affairs.

By Mr. ARMSTRONG:

S. 252. A bill to increase the pay, allowances, and special and incentive pays of members of the uniformed services; to the Committee on Armed Services.

By Mr. SASSER.

S.J. Res. 20. Joint resolution to designate the month of April, 1981 as "Gospel Music Month"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHAFEE:

S. 243. A bill to amend the Internal Revenue Code of 1954 to increase the allowable contributions to individual retirement plans and to allow employees a deduction for savings contributions to employer retirement plans or to individual retirement accounts; to the Committee on Finance.

SAVINGS AND RETIREMENT INCOME INCENTIVE ACT OF 1981

● Mr. CHAFEE. Mr. President, today, I am introducing the Savings and Retirement Income Incentive Act of 1981. This bill expands the Individual Retirement Account in several new and innovative ways that will increase total individual savings in our economy and provide greater retirement income in future years.

I am honored to be joined by Representative HENSON MOORE of Louisiana who is sponsoring this act on the House side.

PROVISIONS OF THE ACT

Our proposal has several features which combine to reduce taxes on individual savings and investment, and to make the IRA a more effective long-term savings vehicle. It contains the following provisions:

Makes permanent the $200/$400 interest and dividend exclusion (under current law this expires after 1982).

Allows a $500/$1,000 interest and dividend tax exclusion for senior citizens (65 years of age and over).

Makes all persons with earned income eligible to establish an IRA (including government and military employees, and workers who are also participants in qualified pension plans).

Increases the maximum tax deductible IRA contribution to $2,000 a year.

Permits a tax deduction up to $2,000 a year to individuals who make voluntary contributions (in excess of any mandatory contributions) to a pension plan in lieu of an IRA.

Allows additional nondeductible contributions up to $2,000 a year, however, interest earned on this amount would be tax-deferred.

Allows account holder the privilege of making 5 withdrawals without penalty up to a total amount of $10,000 if the funds are used for the purchase of a first home or for higher education expenses.

In working out the details of our bill, Representative MOORE and I have given top priority to incentives for increasing total individual savings, rather than simply giving tax benefits to people who are saving anyway. We have done this by making 44 million more people eligible for tax deferral savings plans and by increasing the amounts that can be contributed to such plans every year. In addition, by allowing limited access to the IRA for housing and education purposes—the most important financial demands on younger families—we will encourage younger people to begin long-term savings plans.

THE NEED TO INCREASE SAVING

There are two fundamental reasons for introducing this legislation. One is that our citizens are under more and more pressure from inflation to bolster their retirement incomes. Today, three-fifths of our Nation's elderly derive more than half their income from social security. For many, this cannot be much more than a subsistence level existence. In fact, because of severe budget constraints on the Federal Government, some people are predicting that future social security benefit increases will not be nearly as generous as they have in the past.

The Savings and Retirement Income Incentive Act will help millions of Americans achieve greater financial security in their retirement years. Despite the fact that over half of all taxpayers work in jobs that are covered by pension plans, many of these individuals never vest or qualify for pension benefits. Most private pension plans require a person to participate for 10 years before becoming fully eligible for benefits. Yet, Mr. President, the average American man changes jobs every 4.6 years and the average working woman every 2.8 years. As a result, among those reaching age 65, only 32 percent of the couples and 18 percent of the singles are receiving pensions.

By extending IRA eligibility to those who are currently covered by pension plans but do not expect to vest, we will be serving the needs of millions of people in our constantly mobile work force. And, Mr. President, by permitting others a tax deduction for voluntary contributions to the pension plan, we will encourage additional long-term savings by those who expect to receive pension benefits.

Another fundamental reason Representative MOORE and I are introducing this act is to promote greater capital formation in our economy. Individual saving provides a vast amount of funds for the mortgage market and for investments in new job-producing plant and equipment.

The American people, however, are saving far less than they did just a few years ago, and far less than individuals in other countries. Last year, we saved only about 3.5 percent of our incomes compared to 7.7 percent in 1975. By contrast, the West Germans saved 13.5 percent last year; the Japanese, 22 percent.

This shortage of capital in the United States has helped cause record high interest rates and a sustained level of inflation in the double digits. Although 2 million new housing starts are needed each year to keep pace with demand, mortgage rates as high as 17 percent last year brought starts down to a dismal 1.3 million nationally. Although many sections of U.S. industry are struggling to retool and revitalize to meet increased foreign competition, prime interest rates hovering around 20 percent are making these efforts prohibitively expensive.

The Savings and Retirement Income Incentive Act is certainly not the only answer to these serious problems, but Representative MOORE and I feel it makes a strong contribution to solving them. Our tax code is long on incentives for people to borrow money, to borrow for virtually any purpose; but it is discouragingly short on incentives for the average worker in this country to save and plan for the future.

We have already been in touch with the new Reagan administration to express our strong feelings that savings incentives be part of their forthcoming tax package. As chairman of the Finance Subcommittee on Savings, Pensions and Investment Policy, I intend to hold hearings on ways to create new incentives for individual savings.

Mr. President, I ask that a brief legislative summary, a list of the many organizations which have endorsed or given support in drafting the bill, and the text of the bill itself be printed in the RECORD at this point.

I welcome support and cosponsorship of my Senate colleagues for this legislation.

There being no objection, the bill, summary, and endorsements were ordered to be printed in the RECORD, as follows:

S. 243

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Savings and Retirement Income Incentive Act of 1981".

SEC. 2. AMENDMENTS TO MAKE PERMANENT CURRENT INTEREST AND DIVIDEND EXCLUSION AND TO INCREASE SUCH EXCLUSIONS FOR PERSONS OVER AGE 65.

(a) Section 404(c) of the Crude Oil Windfall Profit Tax Act of 1980 is amended to read as follows:

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1980."

(b) Paragraph (1) of Section 116(b) of the Internal Revenue Code, as amended by Section 404(a) of the Crude Oil Windfall Profit Tax of 1980, is amended to read as follows:

"(1) MAXIMUM DOLLAR AMOUNT.—

"(A) GENERAL EXCLUSION.—Except as provided in subparagraph (B), the aggregate amount excluded under subsection (A) for any taxable year shall not exceed $200 ($400 in the case of a joint return under section 6013).

"(B) In the case of an individual who has attained age 65 before the close of the taxable year or who is married as of the close of the taxable year to an individual who has attained age 65 before the close of the taxable year, the aggregate amount excluded under subsection (a) for any taxable year shall not exceed $500 ($1,000 in the case of a joint return under section 6013.)"

SEC. 3. INCREASE IN PERMISSIBLE CONTRIBUTIONS TO INDIVIDUAL RETIREMENT ACCOUNTS.

(a) Section 219(b) of the Internal Revenue Code of 1954 (relating to retirement savings) is amended—

(1) by deleting the words "an amount equal to" from paragraph (1), by striking out "15 percent" wherever it appears and inserting in lieu thereof "the amounts", and by striking out "$1,500" wherever it appears and inserting in lieu thereof "$2,000".

(2) by deleting paragraph (2) and redesignating paragraphs (3) through (7) as paragraphs (2) through (6).

(b) Section 4973(b) of such Code is amended to read as follows:

"(b) EXCESS CONTRIBUTIONS.—For purposes of this section, in the case of individual retirement accounts, individual retirement annuities, or bonds, the term 'excess contributions' means the sum of—

"(1) the excess (if any) of—

"(A) the amount contributed for the taxable year to the accounts or for the annuities or bonds (other than a rollover contribution described in section 402(a)(5), 403(a)(4), 403(b)(8), 408(d)(3), or 409(b)(3)(c)), over

"(B) $2,000 plus the amount allowable as a deduction under section 219 for such contributions, and

"(2) the amount determined under this subsection for the preceding taxable year, reduced (but not below zero) by the sum of—

"(A) the distributions out of the account for the taxable year which were included in the gross income of the payee under section 408(d)(1),

"(B) the distributions out of the account for the taxable year to which section 408(d)(5) applies, and

"(C) the excess (if any) of—

"(i) $2,000 plus the maximum amount allowable as a deduction under section 219 for the taxable year over

"(ii) the amount contributed (determined without regard to section 219(c)(5)) to the accounts or for the annuities or bonds for the taxable year."

The amount determined under the preceding sentence shall be reduced (but not below zero) by the excess (if any) of $8,000 over the aggregate of the amounts contributed for each prior taxable year in excess of the sum of $2,000 and the amount allowable as a deduction under section 219 for such prior taxable year.

(c) Section 408 of such Code is amended—

(1) by striking out "$1,500" wherever it appears and inserting in lieu thereof "$1,000".

(2) by adding to paragraph (1) of subsection (a) the following sentence: "For purposes of the preceding sentence if contributions for any taxable year exceed $4,000 on behalf of any individual, they shall not be taken into account except to the extent that such excess contributions, when aggregated with any similar excess contributions for prior taxable years, exceed $8,000."

(3) by amending paragraphs (1) and (2) of subsection (d) to read as follows:

"(1) IN GENERAL.—Except as otherwise provided in this subsection, any amount or annuity contract paid or distributed out of an individual retirement account or under an individual retirement annuity to any distributee shall be taxable to him in the year in which so distributed under section 72 (relating to annuities).

"(2) COMPUTATION OF EMPLOYEES' CONTRIBUTIONS.—For purposes of this paragraph and section 72, any amounts for which a deduction is allowed under section 219 shall be treated as an employer contribution."

(4) by deleting the words "or 220" from paragraphs (4) and (5) of subsection (d) wherever they appear.

(5) by amending subsection (f)—

(A) by inserting before the period at the end of paragraph (1) thereof "unless such distribution is a qualified withdrawal as defined in paragraph (4)", and

(B) by adding at the end thereof new paragraphs (4) and (5) to read as follows:

"(4) QUALIFIED WITHDRAWAL.—Paragraphs (1) and (2) shall not apply to any withdrawal during a taxable year in which the individual has made no prior qualified withdrawals—

"(A) which is used—

"(i) to pay the qualified educational expenses of a child of the individual for whose benefit the trust is maintained, or

"(ii) in connection with the purchase of the first dwelling purchased by the individual for whose benefit the account is maintained which constitutes his principal residence,

"(B) which is not less than $2,000, but which when aggregated with all qualified withdrawals in prior taxable years does not exceed $10,000, and

"(C) which will not cause the fair market value of the account immediately after the withdrawal to be less than $2,000.

"(5) DEFINITIONS.—

(A) QUALIFIED EDUCATIONAL EXPENSE.—The term 'qualified educational expenses' means—

"(i) tuition and fees required for the enrollment or attendance of a student at an eligible educational institution,

"(ii) fees, books, supplies, and equipment required for courses of instruction at an eligible educational institution, and

"(iii) a reasonable allowance for meals and lodging.

"(B) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means—

"(i) an institution of higher education, or

"(ii) a vocational school.

"(C) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means the institutions described in section 1201(a) or 491(b) of the Higher Education Act of 1965.

"(D) VOCATIONAL SCHOOL.—The term 'vocational school' means an area vocational education school as defined in section 195(2) of the Vocational Education Act of 1963 which is in any State (as defined in section 195(8) of such Act.)"

(d) Section 72 of the Internal Revenue Code of 1954 (relating to annuities; certain proceeds of endowments and life insurance contracts) is amended by redesignating subsection (o) as subsection (p) and by insert-

ing after subsection (n) the following new subsection:

"(o) TREATMENT OF DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS.—For purposes of subsections (c)(1)(A) and (e)(1)(B), any contribution made by an individual to an individual retirement account which is allowed as a deduction under section 219 shall be treated as an amount contributed by an employer which is not includible in the gross income of such employee."

(e) Section 2039 of the Internal Revenue Code of 1954 (relating to the Estate Tax) is amended by repealing subsection (e) thereof and redesignating subsection (f) as subsection (e).

(f) Section 2517(b) of the Internal Revenue Code of 1954 (relating to the gift tax) is amended by striking the parenthetical phrase "(other than paragraphs (4) and (5))" and substituting "(other than paragraph (4))."

SEC. 4. ALLOWANCE OF RETIREMENT SAVINGS DEDUCTION.

Part VII of subchapter B of chapter 1 of such Code (relating to additional itemized deductions for individual is amended by repealing section 220 and by substituting therefor the following new section:

"SEC. 220. DEDUCTION FOR CERTAIN EMPLOYEE RETIREMENT SAVINGS CONTRIBUTIONS.

"(a) GENERAL RULE.—In the case of an eligible employee, described in subsection (c)(2), there shall be allowed as a deduction the qualified retirement savings contributions of such individual for the taxable year.

"(b) LIMITATIONS AND RESTRICTIONS.—

"(1) MAXIMUM DEDUCTION.—The amount allowable as a deduction under subsection (a) to an eligible employee for any taxable year may not exceed the lesser of—

"(A) the amount of the compensation includible in the eligible employee's gross income for such taxable year, or

"(B) $2,000.

"(2) ALTERNATIVE DEDUCTION.—No deduction shall be allowed under subsection (a) for the taxable year if a deduction is allowed under section 219 for the taxable year.

"(c) DEFINITIONS AND SPECIAL RULES.—

"(1) QUALIFIED RETIREMENT SAVINGS CONTRIBUTION.—For purposes of this section, the term 'qualified retirement savings contribution' means any contribution in cash, other than a mandatory contribution, made by an individual as an employee to or under—

"(A) a plan described in section 401(2) which includes a trust exempt from tax under section 501(a).

"(B) an annuity plan described in section 403(a).

"(C) a qualified bond purchase plan described in section 405(a), or

"(D) a plan described in section 805(d)(3)".

"(2) ELIGIBLE EMPLOYEE.—For purposes of this section, the term 'eligible employee' means any individual who is an active participant for any part of the taxable year in a plan described in paragraph (1).

"(3) RECONTRIBUTED AMOUNTS.—No deduction allowed under this section with respect to a rollover contribution described in section 402(a)(5), 403(a)(4), 403(b)(8), 408(d)(3), or 409(b)(3)(C).

"(4) AMOUNTS CONTRIBUTED TO AN INSURANCE CONTRACT.—No deduction shall be allowed under this section for that portion of the amounts paid which are properly allocable, under regulations prescribed by the Secretary, to the cost of life insurance.

"(5) MARRIED INDIVIDUALS.—In the case of an individual who is married (as determined under section 143(a)), the maximum deduction under subsection (b) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

"(6) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof).

"(7) COMPENSATION.—For purposes of this section, the term 'compensation' includes earned income as defined in section 401(c)(2).

"(8) MANDATORY CONTRIBUTIONS.—For purposes of this section, the term 'mandatory contributions' means amounts contributed to the plan by the employee which are required as a condition of employment, as a condition of participation in such plan, or as a condition of obtaining benefits under the plan attributable to employer contributions.

"(d) SIMPLIFIED REPORTS.—The Secretary shall issue regulations which prescribe the time and manner in which simplified reports shall be filed by the employer or plan administrator of a plan receiving contributions deductible under this section."

SEC. 5. TREATMENT OF DISTRIBUTIONS FROM PLAN TO WHICH EMPLOYEE MADE DEDUCTIBLE CONTRIBUTIONS.

(a) Subpart A of part I of subchapter D of chapter 1 of such Code (relating to retirement plans) is amended by inserting after subsection (l) of section 414, the following new subsection:

"(m) DEDUCTIBLE EMPLOYEE CONTRIBUTIONS.—For purposes of this title, other than for purposes of sections 401(a)(4) and (5), 404, 410(b), 411, and 412, any amount which is allowed as a deduction under section 220 as a qualified retirement savings contribution shall be treated as an employer contribution."

(b) Section 414(h) of such Code (relating to tax treatment of certain contributions) is amended by inserting after "any amount contributed" the following: "(other than an amount described in subsection (m))".

SEC. 6. TECHNICAL AND CONFORMING AMENDMENTS.

(a) ESTATE AND GIFT TAX EXCLUSION.—

(1) ESTATE TAX.—Subsection (c) of section 2039 of such Code (relating to exemption of annuities under certain trusts and plans) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, any contribution allowed as a deduction under section 219 or 220 shall be considered as made by a person other than the decedent."

(2) GIFT TAX.—Subsection (b) of section 2517 of such Code (relating to transfers attributable to employee contributions) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, any contribution allowed as a deduction under sections 219 or 220 shall be considered as made by a person other than the employee."

(b) OTHER AMENDMENTS.—

(1) Paragraph (10) of section 62 of such Code (defining adjusted gross income) is amended by striking out "(relating to retirement savings for certain married individuals)" and inserting in lieu thereof "(relating to deduction for certain employee retirement savings contributions)".

(2) So much of section 72(f) of such Code as precedes paragraph (1) thereof is amended to read as follows: "In computing, for purposes of subsection (c)(1)(A), the aggregate amount of premiums or other consideration paid for the contract, for purposes of subsection (d)(1), the consideration for the contract contributed by the employee, an for purposes of subsection (e)(1)(B), the aggregate premiums or other considerations paid, amounts which an employer is required to report, pursuant to regulations promulgated under section 220(d) with respect to an amount paid by an eligible employee (as defined in section 220(c)(2)) as a qualified retirement savings contribution shall be excluded, and amounts contributed by the employer shall be included, but only to the extent that—".

(3) Section 415(a) of such Code is amended by repealing paragraph (3) thereof.

(4) The table of sections for part VII of subchapter B of chapter 1 is amended by striking out the item relating to section 220 and inserting in lieu thereof the following:

"Sec. 220. Deduction for Certain Employee Retirement Savings Contributions."

SEC. 7. EFFECTIVE DATES.

(a) GENERAL RULE.—Except as provided in subsection (b), the amendments made by this Act shall apply to taxable years beginning after December 31, 1980.

(b) ESTATE AND GIFT TAX PROVISIONS.—

(1) ESTATE TAX.—The amendments made by section 4(a)(1) shall apply to the estates of decedents dying after December 31, 1980.

(2) GIFT TAX.—The amendment made by section 4(a)(2) shall apply to transfers after December 31, 1980.

BRIEF SUMMARY OF THE PROVISIONS OF THE SAVINGS AND RETIREMENT INCOME INCENTIVE ACT OF 1981

The "Savings and Retirement Income Incentive Act of 1981" is designed to increase the incentives for individual savings and investment in the following ways:

(1) The bill makes permanent the exclusion from tax of the first $200 ($400 on a joint return) of dividend and interest income and increases that amount to $500 ($1,000 on a joint return) when an individual or spouse attains the age of 65.

(2) The bill permits the use of individual retirement accounts (IRA's) by employees, including government employees and military personnel, who are covered by employer-sponsored retirement plans and increases the maximum allowable deductible contributions to these accounts from $1,500 per year under existing law to $2,000 per year or the total amount of the employee's earned income, whichever is less.

(4) The bill permits additional voluntary non-deductible contributions of $2,000 per year plus an additional $8,000 over the employee's lifetime to either an IRA or an employer-sponsored plan thereby increasing the size of the account so that the expense of managing and promoting such savings plans will be more easily absorbed. Tax is deferred on earnings from all moneys contributed to the account so that the employee's total savings are also enhanced by such contributions. This provision is similar to existing law regarding corporate pension plans and Keogh plans for the self-employed. Thus, for example, in one year an individual could make a deductible contribution to an IRA of $2,000 and a non-deductible contribution of $10,000; thereafter, he could make annually a deductible contribution of $2,000 and a non-deductible contribution of $2,000.

(5) Finally, the bill permits an employee to withdraw without penalty up to $10,000 from the account in order to purchase a first home or to pay for the higher education of his children. (The amounts so withdrawn are subject to income tax in the year of withdrawal.) This provision will make IRA's attractive to younger employees who are hesitant to invest funds for retirement savings which may still be needed for major family commitments.

ENDORSEMENTS OR STATEMENTS OF SUPPORT

American Association of Retired Persons.
National Retired Teachers Association.

National Association of Retired Federal Employees.
Merrill Lynch, Pierce, Fenner & Smith, Inc.
National Association of Federal Credit Unions.
Credit Union National Association, Inc.
Investment Company Institute.
U.S. League of Savings Associations.
National Savings and Loan League.
National Consumer Finance Association.
National Association of Mutual Savings Banks.
Independent Bankers Association.
Chief Warrant and Warrant Officers Association, U.S. Coast Guard.
U.S. Army Warrant Officers Association.
American Security Council.
Reserve Enlisted Association.
National Association for Uniformed Services.
Veterans of Foreign Wars of the United States.
Marine Corps League.
Non Commissioned Officers Association.
Disabled Officers Association.
Association of the United States Army.
Navy League of the United States.
Army Mutual Aid Association.
Retired Officers Association.
Military of the World Wars.
Fleet Reserve Association.●

By Mr. WARNER:

S. 248. A bill to amend chapter 34 of title 38, United States Code, to extend, in the case of certain veterans, the period within which such veterans may use their eligibility under such chapter; to the Committee on Veterans' Affairs.

EDUCATIONAL ASSISTANCE EXTENSION FOR VETERANS

● Mr. WARNER. Mr. President, we have discussed at length in this Chamber the fact that the Armed Forces today face critical problems in retaining high quality individuals.

The availability of highly trained personnel in critical job skill areas may well be the most important issue affecting the readiness of our forces. We must assure that our personnel view the military as an attractive career.

Today we are in danger of losing a valuable cadre who are needed to maintain the capability of our planes to fly, our ships to sail, and our ground forces to deploy. A substantial number of our career personnel may soon be forced to leave the military in order to assure that they can use the current GI bill benefits that they have earned.

Thus, we have the dichotomy of the current veteran's educational benefits being counterproductive to our current active forces needs. This is a situation that needs to be changed and I am introducing legislation to do so today.

This legislation will amend chapter 34 of title 38, United States Code, to extend the deadline for educational assistance beyond December 31, 1989.

An identical measure was approved by the Senate on September 4, 1980, and subsequently was deleted by the House during conference. It is my hope that the new House leadership will agree to this bill this year.

I believe this simple step taken at this time would be a clear signal to many of our military personnel that we need them now in their active duty jobs.

Some will argue that the educational assistance benefit would be provided solely as a compensation for time in active duty during a period of combat. However, I can tell you that since World War II our military advantage has gradually eroded to the point today that in many areas we are in an inferior position.

We simply cannot afford to lose many of the key personnel that we have on board today who feel they are forced to leave or else they will lose their educational assistance benefits.

I urge that the Senate give this proposal to extend the educational assistance deadline full and prompt attention. We need to retain our personnel if we are to maintain a desired state of readiness.●

By Mr. HEFLIN:

S. 249. A bill to provide that certain industrial parks shall be classified as class III areas for purposes of part C of title I of the Clean Air Act; to the Committee on Environment and Public Works.

CLASSIFICATION OF INDUSTRIAL PARKS UNDER THE CLEAN AIR ACT

● Mr. HEFLIN. Mr. President, with runaway inflation, spiraling unprecedented interest rates, high unemployment rates besieging us all at once, now is the time to boost our economy by motivating the private sector of our great American society.

It seems to me that one sure way that we can boost our economy today is to make it easier for exclusively designated industrial parks to develop fully. Such industrial growth in this country could enhance productivity in many, diversified areas and provide millions of jobs for the currently unemployed.

Of the approximate 4,800 industrial and office parks in the United States, only about 32 of them contain 3,000 acres; moreover, of these 32–3,000-acre tracts or more, only 13 have 5,000 acres or more of land. In my view the 5,000 acre threshold is a convenient demarcation for the establishment of class III industrial parks under the Clean Air Act.

Unfortunately, the potential of industrial park development today is in serious trouble because weighted restrictions result from class II air pollution increment designations and Class III areas have never been defined under the subject act.

The bill that I am introducing today would amend the Clean Air Act to automatically designate as class III, areas more than 5,000 acres in size which are set aside exclusively for industrial use. Mr. President, I know that the Clean Air Act will come up for reauthorization at the end of fiscal year 1981, but I want to do all that I can to stimulate the private sector of our economy right now.

Automatic designation of industrial parks to class III areas can be brought about by amending title I, part C, section 162 of the Clean Air Act in the manner proposed in the bill that I am introducing today. Mr. President, as I indicated earlier, the legislation that I am introducing today would only affect approximately 13 presently existing industrial parks in the United States.

The Clean Air Act, as amended in August 1977, established an area classification scheme recognizing the existence of three different types of air increment related areas: Maximum allowable increases in pollution levels (increments) were defined for three area classifications; I, II, and III. Class I designations provided the smallest increments, class III provided for the largest. Natural park areas were designated class I; all other areas were designated class II. As I pointed out earlier, class III areas were undefined. While the class I areas were clearly defined, all other areas were incomprehensively put under a class II classification. No class III areas in the United States were designated. However, it was part of the original legislation and there certainly are some well contained industrial areas which can be clearly defined and distinguished from normal class II areas.

In many areas of the country, continued industrial growth in solely industrial areas is impossible due to the class II designation and consumption of the class II increment, even though human health based air quality standards are easily met. This is especially frustrating when it occurs in areas which have been set aside exclusively for industrial use.

The procedural requirements for obtaining class III designation are so rigorous and time-consuming that it is unlikely that any area will be able to obtain class III designation. Such requirements as the Governor's approval, local legislative body approval, air pollution control agency and planning agency cooperation, and preparation of extensive environmental studies and public participation make redesignations to class III a near impossible task.

The availability of class III increments within major industrial parks would allow industrial park planners to provide for industrial growth by carefully allocating land use taking into account air quality goals. Class III increments and national air quality standards would still have to be met within the park. Areas of residential and commercial land use would still be protected by the more stringent class II increments.

If class III increments were available, industrial growth could continue, and national air quality standards could still be met.

Mr. President, I urge the Senate Environment Committee to act on this legislation immediately. In my judgment, its benefits far outweigh any perceived reasons for delay.●

By Mr. ABDNOR:

S. 251. A bill to amend title 38, United States Code, to expand eligibility of former prisoners of war for certain health care benefits, and for other purposes; to the Committee on Veterans' Affairs.

PRISONER OF WAR BENEFITS AMENDMENTS ACT

● Mr. ABDNOR. Mr. President, I am today introducing the Prisoner of War Benefits Amendments Act of 1981.

In the 8 years in which I was elected to represent the people of the Second District of South Dakota in the House of Representatives, I had the great privilege

of serving on the Committee on Veterans' Affairs. During that period of time, we saw many vital pieces of legislation enacted into law directly affecting and benefiting our veterans, their survivors and dependents. I am proud to have played some part in the enactment of that legislation, and even though I am not assigned to the Veterans' Affairs Committee in the Senate, I shall continue my strong interest and concern for the welfare of all of our veterans.

Included among those veterans are thousands of former prisoners of war whom we now recognize by sound medical authority as having service-connected disabilities that must be specifically dealt with both by legislation and administrative action. We have waited far too long, Mr. President, in addressing the unique and often severe problems which former prisoners of war and their families face because of their internment and their service to our country.

The bill which I am introducing today is, in most respects, identical to the bill which, after exhaustive study by the Veterans' Administration, was introduced in the House in the 96th Congress by my distinguished colleagues in that body, G. V. (SONNY) MONTGOMERY, now chairman of the House Veterans' Affairs Committee, and JOHN PAUL HAMMERSCHMIDT, ranking minority member of that committee.

First of all, the bill would establish an advisory committee within the Veterans' Administration to assess the medical and other information pertinent to former prisoners of war. Included in the committee, which reports to the administrator, are former prisoners of war and authorities who are conversant with their special problems.

Under current law a former prisoner of war must demonstrate to the satisfaction of his VA Rating Board that his psychosis which resulted from his internment occurred while he was in service or within 2 years from his separation from the service. This bill would remove such a delimiting period which on medical study and authority we know to be completely arbitrary and unrealistic.

The bill would also provide former prisoners of war with hospital care and medical services (other than dental care) for any disease or neuropsychiatric disability, with the same priority as is granted a service-connected veteran who applies for non-service-connected disability. In the words of the study undertaken by the Veterans' Administration, "This would assure that former POW's receive health-care benefits for all disabilities which may be attributable to their internment."

Finally, the bill provides that the President shall designate an appropriate date for the annual observance of a National POW/MIA Recognition Day to honor and recognize the sacrifice made for their country by these two special groups of combat veterans.

I will state, Mr. President, that I do not know of any legislation affecting veterans more worthy of our immediate attention than this measure. Because of the interest and concern we all must have for our former prisoners of war, I urge my colleagues to join me in supporting this bill.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 251

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Prisoner of War Benefits Amendments Act of 1981".

SEC. 2. (a) Subchapter II of chapter 3 of title 38, United States Code, is amended by inserting after section 220 the following new section:

"§ 221. Authority to establish advisory committee on former prisoners of war

"The Administrator may establish a committee to assess new medical and other information on former prisoners of war and to advise the Administrator on policies and procedures concerning former prisoners of war. In appointing members of such advisory committee, the Administrator shall include former prisoners of war held captive during World War II, the Korean conflict, and the Vietnam era, and individuals who are recognized authorities in such fields as psychiatry, psychology, internal medicine, nutrition, and epidemiology, and may include officials of other executive departments and agencies. The Committee shall meet on a regular basis, as prescribed by the Administrator, and, at least biennially, shall submit a report to the Administrator on its activities. The Administrator shall determine the number, terms of service, pay, and other allowances of members.".

(b) The table of sections at the beginning of such chapter is amended by adding the following new item:

"221. Authority to establish advisory committee on former prisoners of war.".

SEC. 3. Clause (2) of section 312(c) of title 38, United States Code, is amended to read as follows:

"(2) Psychosis which became manifest to a degree of 10 per centum or more after such service;".

SEC. 4. Section 610(a)(4) of title 38, United States Code, is amended by inserting "or is a veteran of World War I, World War II, the Korean conflict, or the Vietnam era for any disease or neuropsychiatric disability if such veteran was held as a prisoner of war" after "older".

SEC. 5. (a) Section 612(f) of title 38, United States Code, is amended by—

(1) deleting "and" at the end of clause (1);

(2) deleting the period at the end of clause (2) and inserting in lieu thereof "; and"; and

(3) inserting after clause (2) the following new clause (3):

"(3) to any veteran of World War I, World War II, the Korean conflict, or Vietnam era for any disease or neuropsychiatric disability if such veteran was held as a prisoner of war.".

(b) Section 612(1) of such title is amended by striking out the period at the end of clause (3) and inserting in lieu thereof the following: "and to any veteran of World War I, World War II, the Korean conflict, or the Vietnam era for any disease or neuropsychiatric disability if such veteran was held as a prisoner of war".

SEC. 6. The President of the United States shall designate an appropriate date for the annual observance of "National P.O.W./M.I.A. Recognition Day", and is authorized and requested to issue proclamation calling upon the people of the United States to observe the day with commemorative ceremonies and activities befitting the occasion.●

By Mr. ARMSTRONG:

S. 252. A bill to increase the pay, allowances, and special and incentive pays of members of the uniformed services; to the Committee on Armed Services.

NATIONAL DEFENSE COMPENSATION ACT

● Mr. ARMSTRONG. Mr. President, our Nation's defense effort is being crippled by the lack of qualified personnel. The security of our country urgently requires increased production of conventional and strategic weapons, more ships, a new manned bomber, greater emphasis on R. & D. and so forth. But no foreign policy nor weapons procurement programs can succeed unless personnel problems are promptly solved.

The Chief of Staff of the Army, Gen. Edwin C. Meyer, has said that manpower shortages have rendered his army a "hollow army."

Adm. Thomas Hayward, the Chief of Naval Operations, despite his critical need for more ships, and even more critical need for more aircraft, says his most pressing need is for more people.

The facts bear them out. The Army reported last fall that 6 of its 10 divisions in the continental United States (CONUS) are unfit for combat, and only one division—the 82d Airborne—is fully ready to fight. General Meyer has had to strip thousands of sergeants from frontline units in Europe in order to flesh out woefully understrength divisions at home. The Navy says only 6 of its 13 aircraft carriers, and 94 of its 155 aircraft squadrons are combat ready. Admiral Hayward recently had to beach a front line ship because there were not enough experienced petty officers to put it to sea.

As the case of the absent petty officers and sergeants makes clear, the military manpower problem is primarily a problem of retention, not recruitment. Shortages are most severe in the middle officers and noncommissioned officers grades, especially in highly skilled military occupations such as pilots and nuclear submariners.

The recruiting shortfall in all of the Armed Forces combined in fiscal year 1979 was about 30,000. But the shortage of noncommissioned officers in the Army alone was 46,000. The Navy is short a total of 10,000 officers and men. But the shortage of petty officers alone is more than 20,000.

The Air Force believes it needs to retain 60 percent of its fighter pilots if it is to remain combat effective. Currently, it is retaining 25 percent.

Last year, the Navy had 138 nuclear-qualified petty officers with 10–13 years of experience who were eligible for reenlistment. Only 36 are still in uniform today.

The cause of this plunge in retention rates is no secret. The grim truth is that Congress has permitted military pay and benefits—never high to begin with—to sink so low that patriotic, motivated, dedicated men and women literally can no longer afford to serve their country.

Regular military compensation—base pay plus allowances for housing and food—has fallen more than 20 percent relative to the cost of living since the All Volunteer Force came into being 9 years ago. Many specialty and hazardous

duty pays have not been adjusted upward since 1955.

A plane handler on an aircraft works 100 hours a week, and is separated from his family for 6 to 9 months a year. Yet he earns less than a cashier at a fast food restaurant on a 40-hour week.

A cook or boiler technician on a Navy ship earns half as much as his civilian counterpart, who gets paid overtime and goes home to his wife and kids each night.

The average salary for enlisted men—including base pay, all allowances, miscellaneous payments and moving expenses—was, until the pay raise this last October, $9,900. The Bureau of Labor Statistics estimates that an income of $11,546 is required for a family of four to maintain a "lower level" standard of living.

Adding insult to the injury being suffered by our career servicemen and women is the problem of pay compression. After having summarized well the benefits that would accrue to the Armed Forces as a result of having a greater proportion of military personnel on a career track, the Gates Commission proposed a pay structure—front loading in the lower enlisted grades—which discourages retention. Promotions from E3 to NCO, and from E5 to staff NCO, have virtually lost financial meaning. An E4 (corporal) earns less than $6 a week more than a PFC. A decade ago, a sergeant-major earned about seven times as much as a recruit. Today, the differential has been compressed by half.

Pay compression harms retention in two ways. A first term serviceman sees little financial gain from promotion. Senior NCOs, despite vastly greater responsibilities and many more years of service, find themselves earning very little more than "boots," and wonder if remaining in the service is worthwhile.

On January 5, I introduced S. 25, the GI bill of 1981. I believe restoration of the GI bill of rights is the most effective, and cost-effective means of improving somewhat the number, and substantially the quality, of recruits entering our Armed Forces.

But there can be no solution to our military manpower problems that does not address the problem of retention, and there can be no solution to the retention problem that does not involve a substantial increase in pay and benefits for career personnel. There is no other alternative. We cannot draft sergeants.

In order to solve this most serious of all of our national security problems, I have introduced S. 252, the National Defense Compensation Act.

The National Defense Compensation Act:

Removes the President's authority under present law to put a "cap" on cost of living pay increases for our servicemen and women;

Provides a 9-percent pay increase, over and above full comparability, for first-term personnel. The pay increase would be phased in at a rate of 3 percent a year for 3 years;

Provides an 18-percent pay increase, over and above full comparability, for career personnel, defined as enlisted pay grades E4 and up, warrant officers, and commissioned officers O3 and up. The pay increases would be phased in at a rate of 6 percent a year for 3 years.

Representative PAUL TRIBLE and I introduced the National Defense Compensation Act initially in the 2d session of the 96th Congress. A Navy analysis of our bill indicated it would wipe out the Navy's retention problem by the end of the fourth fiscal year after enactment.

In commenting on the National Defense Compensation Act, Admiral Hayward said—

> The legislation you propose would be a significant new step toward adequate compensation. Further, your proposal is bolstered by other studies recently conducted within the Department of Defense as well as within the Navy itself. . . . There is no question in my mind that your proposal is a bold but logical get-well plan that would probably rectify over the next several years the extent and debilitating mass exodus of our experienced supervisory personnel.

The Chief of Staff of the Air Force, Gen. Lew Allen, said:

> If military pay were increased to the proposed levels, it would ameliorate many of our retention problems and enhance the readiness posture of our forces.

The cost of the National Defense Compensation Act is in part dependent on how large "comparability" pay increases will be over the next 3 years. But it would be approximately $1.45 billion in the first fiscal year after enactment, rising to $2.9 billion in the second fiscal year, and $4.6 billion in the third fiscal year.

If you would like more information about the National Defense Compensation Act, or would like to cosponsor, please contact Mike Kelly of my staff at 224–6207.●

By Mr. SASSER:

S.J. Res. 20. Joint resolution to designate the month of April 1981 as 'Gospel Music Month"; to the Committee on the Judiciary.

GOSPEL MUSIC MONTH

● Mr. SASSER. Mr. President, today I have the pleasure of reintroducing my proposal to designate April 1981 as "Gospel Music Month." Similar legislation has been introduced in the House by my friend and colleague, BILL HEFNER.

I find it necessary to begin my discussion of gospel music with a rhetorical question. Why is it that during a musical program featuring all types of music, the crowd never really gets involved until the gospel selections are played?

Well, Mr. President, there is an easy answer to my question. Gospel music provokes the highest human emotions, transcends all analysis and interpretation, and elicits a response equal to the intensity of its message. Gospel is a musical form that sets our feet dancing, our minds singing, and our hearts soaring. Even the most hardened cynics, victims of the times in which we live, cannot help responding to the deep-rooted rythmic joy of gospel.

Moreover, gospel music is an important way in which we worship our Creator. It is the musical interpretation of the good news, the Lord's message to his people. Let me quote from Colossians 3:16:

> Let the word of Christ dwell in you richly in all wisdom; teaching and admonishing one another in psalms and hymns and spiritual songs, singing with grace in your hearts to the Lord.

The Good Book is replete with references to the function of song in worship. The Psalms, in and of themselves songs, provide us with a living example. Psalm 100 is especially instructive:

> Make a joyful noise unto the Lord, all ye lands. Serve the Lord with gladness: come before his presence with singing.

My own great State of Tennessee is home to the Gospel Music Association, Mr. President, the gospel music industry's representative organization. Tennessee is also home to the Gospel Music Hall of Fame, of which I am especially proud. The Hall of Fame is a testimonial to the importance of this quintessentially American expression written in bricks and mortar. It is a lovely home for lovely music.

Fully 10 percent of the radio stations in Tennessee program a gospel format. That is a significant number of radio stations with an equally significant impact on the listening public. Gospel groups from this country have travelled the world over, bringing this unique brand of glad tidings to audiences of all faiths, all nations. Simply put, gospel music has a universal character; a singular purpose. It is truly fitting that we honor gospel music in this fashion.

We find in Psalms 89:

> I will sing the mercies of the Lord for ever: with my mouth will I make known thy faithfulness to all generations.

It is my hope that my colleagues will realize the broad-based appeal of gospel music and lend their support to this effort. I know Congressman HEFNER and I both look forward to the realization of Gospel Music Month during 1981.

I ask unanimous consent that the text of my proposal be printed in full following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S.J. RES. 20

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

That April, 1981 is designated as Gospel Music Month and the President is requested to issue a proclamation calling upon the people of the United States to observe such month with appropriate ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 20

At the request of Mr. SASSER, the Senator from Illinois (Mr. DIXON), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of S. 20, a bill to amend title 18 of the United States Code to prohibit the robbery of a controlled substance from a pharmacy.

S. 43

At the request of Mr. SASSER, the Senator from Connecticut (Mr. DODD), and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of S. 43, a bill to amend the Congressional Budget Act of 1974 to require the Director of the Congressional Budget Office to prepare and submit, for every bill or resolution reported in the House or the Senate which has certain specific economic consequences, an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution.

S. 45

At the request of Mr. SASSER, the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 45, a bill to reform the laws relating to the provision of Federal assistance in order to provide State and local governments with greater flexibility in managing programs and projects using such assistance.

ADDITIONAL STATEMENTS

SENATOR COHEN SUPPORTED AND VOTED IN FAVOR OF NOMINATION OF JAMES G. WATT

● Mr. COHEN. Mr. President, this morning's Washington Post erroneously reported that I voted against the nomination of Mr. James G. Watt to be Secretray of the Interior in President Reagan's administration.

A review of the January 22 CONGRESSIONAL RECORD will show that I was not only recorded as voting in favor of Mr. Watt's nomination, but that I spoke in favor of the nominee. My statement on the Watt nomination appears on page 780 of the RECORD.●

UKRAINIAN INDEPENDENCE DAY

● Mr. D'AMATO. Mr. President, I rise proudly to commemorate the 63d anniversary of Ukrainian independence. This day has served as a living symbol of a proud and courageous people's pursuit of freedom, justice, and religious freedom, and their quest to overcome Soviet totalitarianism.

A free Ukrainian Republic was declared on January 22, 1918, and its sovereignty was recognized by Soviet Russia. But, as has been the case throughout the history of Soviet foreign relations, that recognition was short-lived.

With military force, the Soviets had reestablished control of the Ukraine in 1920, nad the Ukrainian National Government was forced into exile. By 1924, the Ukraine was forcibly incorporated in the Union of Soviet Socialist Republics, which was formed a year earlier.

Since then Ukrainian citizens, as citizens of other Soviet Republics, have been systematically denied their human and political rights, and denied their religious freedom. Regardless of these years of oppression, the quest for liberty and justice continues.

Mr. President, I hope that the sad story of Ukrainian repression will always be a reminder of the policies of the Soviet Union, which has consistently been expansionist and interventionist, and has sought to deny free peoples their right to chart their own destiny.

But, the celebration for Ukrainian independence continues, to instill within us the hope that one day this kind of oppression and subjugation will end, and each nation, no matter how small or how great, will be able to decide its own fate and its own future.●

SIXTY-THIRD ANNIVERSARY OF UKRAINIAN INDEPENDENCE

● Mr. DOLE. Mr. President, on January 22, 1918, the people of the Ukraine proclaimed their independence and sovereignty, marking the end of centuries of oppression and persecution by the Czars of Russia. On this January 22, 1981, Ukrainians throughout the free world, including many Ukrainian-Americans in the United States, celebrated the 63d anniversary of that most important historical event. This year, the anniversary of Ukrainian independence is particularly significant as it comes only 2 days after the release of our American hostages from Iran. For the past 444 days America has been held hostage. In the aftermath of this national crisis, Americans have learned to appreciate freedom to an even greater degree and have become more sympathetic to the plight of other peoples who have suffered oppression and persecution.

Those living in the Ukraine remain oppressed and cannot celebrate this occasion so openly and freely. Despite the fact that Soviet Russia, along with many other large nations, officially recognized their independence and sovereignty from the beginning, the leaders of Russia continued their attempts to prevent the people of the Ukraine from exercising their national right to self-determination. The Soviets did not honor their promise to respect the independence of the Ukraine and have since then tried through brutal military strength to break the spirit of the Ukrainian people.

Persecution and suppression of the Ukraine's national consciousness has taken place for hundreds of years and has peaked under Soviet domination. Under Stalin, millions of Ukrainians lost their lives including an entire generation of Ukrainian intellectuals and creative talents. Now with less brutality, but more insidiously, the Russians have tried to erase the Ukraine culture and ethos, with the result that Russification has become institutionalized. Ukrainian culture, tradition, and history are subverted. The language of the Ukrainian people has been suppressed as the Russians mutilate their orthography and require all lecture materials in institutes of higher learning to be in the Russian language.

STRUGGLE FOR HUMAN RIGHTS

Despite the suffering they have had to endure, and the attempts to smother the Ukrainian culture and national identity, the Ukrainian people have preserved and continued the struggle for human rights and national independence. National and self-determination has been the cause and inspiration for many who have joined the ranks of the Ukrainian dissent. Perhaps one reason why they have been so active and steadfast in their efforts for freedom is that this issue holds special significance for them. The goal for them is the preservation of their 1,000-year-old heritage and culture.

They have come to be some of the most outstanding advocates of human rights and have been among the most active and largest groups formed under the Helsinki accords to monitor the principles of human rights violations. They have, unfortunately, because of their degree of activity and outspokenness, also contributed the largest amount of martyrs into the "clutches of Soviet justice." For their unyielding commitment and dedication they deserve the praise and high respect of everyone.

It is important that the United States recognize and support the efforts of these people. During the on-going human rights conference on the Helsinki accords in Madrid, many of the inequities suffered by the Ukrainian people were exposed. As a nation built upon the bulwark of freedom, the United States joined with the Ukrainian and other oppressed peoples in proclaiming their right to self-determination and freedom from Soviet oppression at this great meeting of Helsinki.

U.S. SUPPORT

People in all parts of the world look to us for moral support. We must not let down either the people of the Ukraine or the people of any other nation who strive for self-determination and risk witnessing the destruction of a great nation's heritage and culture. Today, let us be especially aware of the Soviet Union's ideological quest toward world communism. A statement made by the Ukrainian Congress best summarizes the threat we are faced with as evidenced by the Ukrainian example:

> At this time, when the free world has been stunned by the Soviet seizure of Afghanistan and Moscow's readiness to move into Poland, the anniversary of Ukraine's independence is a reminder of the fact that Moscow's aggression and conquest of independent nations is not a novel development.

By allowing nations such as the Ukraine to lose hope and abandon their thousand year struggle to preserve their national identity we will be denying an essential part of our own heritage and moral strength.

I would like to bring to your attention the letter I received from Dr. Anthony Zukowsky, honorary president of the Ukrainian Congress Committee of America, further revealing the atrocities and horrors the people of the Ukraine must face.

Mr. President, I ask unanimous consent that the text of this letter be printed in the RECORD following my statement.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UKRAINIAN CONGRESS COMMITTEE OF AMERICA, INC.,
Belfield, N. Dak., January 16, 1981.

Re January 22nd, Ukrainian Independence Day.

Hon. ROBERT DOLE,
U.S. Senator from Kansas,
U.S. Senate Office Bldg.
Washington, D.C.

DEAR SENATOR DOLE: As the 97th U.S. Congress begins its sessions, we would like to call to your attention the fact that in January,

Ukrainians all over the free world, including the United States, will celebrate the Proclamation of the Independence of Ukraine.

January 22nd, 1981, will mark the 63rd Anniversary of the Proclamation of Independence of Ukraine and the 62nd anniversary of the Act of Union, whereby all Ukrainian lands were united into one independent and sovereign nation. Both the Independence of Ukraine and the Act of Union were proclaimed by a duly elected parliament (Central Rada) in Kiev, capital of Ukraine, on January 22nd, 1918 and in January 1919.

This sovereign Ukrainian state-nation was immediately recognized by a large number of nations, including France and England. Diplomatic relations were established with them. Recognition was also granted by Soviet Russia. But despite the fact that the Soviet government had officially recognized Ukraine as an independent and sovereign state, communist forces attacked Ukraine both by military aggression and by subversion from within.

For three and one-half years the Ukrainian people waged a gallant struggle in defense of their country, alone and without aid from the western nations, and unfortunately were overpowered by the numerically stronger and better equipped Russian Bolsheviks. They destroyed the Ukrainian National Republic and created a Communist puppet government known as the Ukrainian Soviet Socialist Republic, U.S.S.R.

The entire history of the Soviet dominated Ukraine is a ghastly record of inhumanity, outright persecution and genocide and in the last years—Russification and violation of human and national rights on a scale not known in the history of mankind.

In summing up, the colonial rule of Soviet Communism in Ukraine can be characterized by the following:

A. During the sixty years of Moscow rule in Ukraine, literally millions of Ukrainians have been annihilated by man-made famines, deportations, and executions.

B. Both the Ukrainian Orthodox and the Ukrainian Catholic Church have been ruthlessly destroyed and their clergy, along with hundreds of thousands of their members were arrested, persecuted and mostly killed.

C. All aspects of Ukrainian life are rigidly controlled and directed from Moscow.

D. Permanent violation of human and national rights was instituted in Ukraine. Thousands of Ukrainians have been charged with "anti-Soviet propaganda and agitation", arrested, tried and sentenced for many years. Many have been tortured, incarcerated and confined to psychiatric asylums where drugs and chemicals are forcefully administered. All members of the Ukrainian Public Group to Promote the Implementation of the Helsinki Accords were arrested, tried, and sentenced from 7 to 10 years, among them such prominent members as Mykola Rudenko, Oleksa Tykhy, Mykola Matusewych, Myroslaw Marynowych, and Lew Lukianenko.

The Russian Communist enslavement of Ukraine has brought much suffering to the people of Ukraine. In spite of this oppressive yoke, Ukrainians have never accepted foreign domination and are continuing to struggle for human rights, freedom, and national independence. The new breed of young and adamant fighters for human and national rights gives us hope that Ukraine will be free again.

The Ukrainian people in the free world are celebrating the memorable January 22nd as their greatest holiday. Also, for many years the 22nd of January has been proclaimed in our American cities and states from coast to coast as Ukrainian Independence Day.

Therefore, it is in the common spirit of liberty, faith, and justice that the American people, and especially the U.S. Congress, join Ukrainians all over the world in giving moral support to the Ukrainian people in their struggle for Human Rights, Freedom, and National Independence for Ukraine.

Sincerely,

Dr. ANTHONY ZUKOWSKY,
Honorary President.●

FISCAL DISPARITIES

● Mr. DURENBERGER. Mr. President, on several occasions during the past year, I have attempted to outline a national problem that I call fiscal disparities. This problem takes many forms. The actors may differ, but the elements are often the same.

We are witnessing a fundamental relocation of America's economic resources—investment, jobs, communities—which will be accompanied by significant social and political problems. I am convinced that we are not yet fully aware of the magnitude of this shift.

This week, I, along with several of my colleagues, introduced a bill which would limit the amount of severance tax any State could impose on coal that has been extracted from Federal or Indian lands. This legislation represents the most extreme form of action that the Congress might take to address the fiscal disparities problem. But one which I believe is warranted in light of the unreasonable coal severance taxes that have been imposed by Montana and Wyoming.

Mr. President, on Sunday, January 18, the Washington Post published an article by Mr. Neal R. Peirce which discusses many aspects of the fiscal disparities problem. I recommend Mr. Peirce's article to my colleagues as it is an excellent contribution to this ongoing discussion.

Mr. President, I ask unanimous consent that this article, with the accompanying table be printed in the RECORD.

There being no objection, the article and table were ordered to be printed in the RECORD, as follows:

OFFING THE FROST BELT: A STUPID IDEA WHOSE TIME HAS COME

(By Neal R. Peirce)

As Ronald Reagan, the quintessential Sun Belt president, enters the White House this week, the storm flags of present loss and future peril are flying all across the nation's Northeast-Midwest quadrant, and especially over its older industrial cities.

The problem isn't Reagan himself—not yet, anyway. Rather, it's the mass of regional indicators already flashing red. The 1980 census figures show massive population drops in the older Eastern and Northeastern cities while such citadels as San Diego, Houston and Dallas ride a fast "up" escalator. The once-Empire State of New York loses 3.7 percent of its people in a decade while Texas gains 26 percent, Florida 41 percent, California 18 percent. The impending congressional reapportionment will shift political power along with the people movement—a gain of 17 House seats by booming Sun Belt and western states, all at the expense of the Northeast and Midwest.

A drumbeat of newspaper headlines drives home the message: "South Leads, Northeast Lags in New Living Standard Measure"; "The Cities Call Out for Help But Their Voice Is Fainter"; "Energy to Foster Boom in West"; "Ohio Governor Urges New Taxes to Prevent 'Economic Disaster' "; "Personal Income to Rise Most Rapidly in West, South."

Behind the headlines, equally grim trends are reported. Since 1970, nearly a million manufacturing jobs have been lost in the region stretching from the chemical plants of Wilmington and the factories of Baltimore to the steel mills of Pittsburgh and Youngstown, the rubber plants of Akron and the auto plants of Dayton, Pontiac and Flint.

Now Detroit, quavering at the prospect of a Chrysler bankruptcy, faces a massive deficit last estimated at $150 million, and growing. New York City's welcome short-term budget surplus is said to be but a prelude to further crisis in a year or two. Accelerating decontrol of oil and gas prices floods the treasuries of such states as Texas, Oklahoma, Louisiana and Alaska with billions of dollars in severance taxes and royalty payments—even while service cutbacks and budget emergencies are the order of the day in Wisconsin, Michigan and Massachusetts.

Finally, in an act of monumental ineptitude, the outgoing Carter administration allows its President's Commission for a National Agenda for the Eighties to produce a report belittling hopes for the older industrial states and cities and suggesting instead that Washington assist able-bodied workers to find jobs in the Sun Belt. The report stands as a total repudiation of the Carter urban policy, perhaps the best conceived and sensitively applied new domestic initiative of the last four years.

Thus the president, in receiving the commission report, finds himself obliged to disown its principal urban policy recommendations and to point to the success of his administration's efforts to target economic development aid to distressed areas. The disavowal is a highly unusual occurrence in the history of presidential commissions, but not as strong as some of his advisers urged. The leaking of the report has already left the authors and implementers of the cities policy in HUD and other departments tearing their hair in anger and frustration. They fear that the report, privately characterized by a top White House aide as "an abomination," will be seized on by some policymakers of the new administration as justification for an attitude of benign neglect toward Frost Belt states, cities and their people, whose taxes made possible the federal growth subsidies that triggered the Sun Belt boom.

Thus fears mount that the 1980s could be an era of two Americas—one thriving, one hemorrhaging at every pore; one reaching new levels of growth and prosperity, one on a slippery slide of permanent decline. This was the grim specter raised a few months ago by Felix Rohatyn, chairman of New York's Municipal Assistance Corporation, when he wrote of "half the country nearly bankrupt, many of its major cities pools of unemployment and unrest, and the other half swimming in oil, industry and wealth."

It would be a tragedy of unspeakable proportions—akin to the North's blindness toward Southern needs in the Reconstruction era following the Civil War—if the new administration and Congress were to accept such a scenario as inevitable. And in fact a key Reagan adviser, Rep. Jack Kemp (R-N.Y.), has characterized the presidential commission's urban proposals as "outrageous" and said Reagan "will not write off the Northeast and depressed cities."

Cool analysis confirms that the Frost Belt now suffers under major disadvantages. Aged industry, concentrations of urban poverty, a crazy and overlapping patchwork of local government jurisdictions—all are devilishly difficult to deal with. But there are hopeful signs, too, including islands of strong center city and neighborhood renaissance, of states and cities trying to take control of their own economic fate, of inventive new partnerships between businesses and local governments, of public payroll and tax cutbacks to make the region more competitive.

I think of cities like Flint, Mich., traditionally General Motors-dependent and suffering a horrendous 20 percent unemployment rate, which is nevertheless reclaiming its long-neglected riverfront and building a whole range of tourist and convention facilities to create jobs and give its inner city fresh vitality. Of poverty-wrecked Wilmington, Del., which instituted stiff productivity measures to overcome local overspending and in the last two years has generated $160 million in investment, a sum overwhelmingly in private dollars. Or of Lowell, Mass., a birthplace of the Industrial Revolution in America whose long-abandoned textile mills were for years a symbol of urban decay, a city that has attracted state and national parks to celebrate its tradition, renewed its downtown and attracted such internationally active high technology firms as Wang Laboratories to establish their headquarters there.

Indeed, through "hi tech" New England as a whole has staged an astounding comeback in the last several years, defying every economist's analysis that would have declared the region a hopeless relic. It may be difficult for Pennsylvania, Ohio, Illinois or Michigan to repeat that trick. But who knows? New economic strategies based on small enterprise development are starting to gain recognition as far more promising job producers than traditional big industries. No iron law of economics says the industrial heartland can't adapt. Already some of its major cities—Pittsburgh, Boston, Baltimore and Minneapolis-St. Paul out to the west—have staged inner city revivals no one would have imagined possible a decade ago.

Federal aid has been central to many of those revival strategies. The Urban Development Action Grants program has already stimulated a claimed $8.6 billion in new private investments in officially "depressed" cities, based on federal investment of only one-sixth that amount. Compared to such ongoing federal boondoggles as the Tennessee-Tombigbee Waterway in Alabama and Tennessee, who is to say that is a bad investment?

In city after city, large and small and in between, I have met elected officials and local business leaders stretching every mental muscle, pulling every wire they know to make their cities viable, productive, competitive places once again. Of course, along the way, there are some wasted federal aid dollars, some less-than-desirable political deals. But the cumulative dedication of many of those city leaders is far beyond what most of us ever give to our communities.

*Total personal income growth**

(Percent increase State by State in the 10 years from 1970 to 1979)

National average	143 percent
Over 192 percent:	
Wyoming	264
Nevada	227
Alaska	223
Arizona	218
New Mexico	201
Florida	199
Texas	198
Colorado	196
Idaho	195
Oregon	193
144–192 percent:	
Utah	191
Oklahoma	187
North Dakota	184
Arkansas	181
Louisiana	176
Washington	173
South Carolina	170
New Hampshire	168
Mississippi	165
Tennessee	165
Kentucky	162
Alabama	163
Kansas	162
West Virginia	161
Virginia	160
Georgia	157
California	157
Montana	155
North Carolina	154
Nebraska	151
South Dakota	148
Iowa	147
Minnesota	147
Wisconsin	144
91–143 percent:	
Ohio	122
Illinois	122
Delaware	121
Pennsylvania	119
Rhode Island	114
Connecticut	113
New Jersey	112
Massachusetts	110
District of Columbia	98
New York	91

*Rate of growth, not absolute wealth.

Yet the new President's Commission report tells us that current national urban policy, with its focus on restoring the economy of distressed areas, "may undermine a more general effort to revitalize the national economy." It would have us recognize "the near immutability of the technological, economic, social and demographic trends" afflicting older cities and regions. The government, we're told, should eventually get out of economic or community development, housing, transportation or development planning. Washington, it's said, can and should be neutral in the competition between regions.

But Washington never has been neutral and, given political reality, never will be. From the first federally subsidized canals and turnpikes fostering development westward over the Appalachians, the federal government has been a central player in nation-building. It was Congress that gave away the land that permitted the railways to move across the continent, that built the great dams that made western cities and agriculture possible.

In the 1930s it was a president from New York, Franklin Roosevelt, who declared the South "the Nation's Number One economic problem" and initiated a vast array of programs, starting with the Tennessee Valley Authority, that eventually helped rescue the Southland from a century of depression. After World War II, it was federal housing and highway and tax policy that sped the abandonment of old houses and plants in favor of new, of mass transit in favor of private cars, of railroads in favor of trucking, and thus accelerated the movement from city to suburb, from Frost Belt to Sun Belt. It was southern congressional committee chairmen who prompted the military to move so many bases to the South and West that today not a single major combat division is located in the Frost Belt where it might learn wintertime fighting skills or test the weapons to be used in a snowy European, Afghanistan or Korean theater of war.

It is almost entirely because of defense outlays, in fact, that the Frost Belt states between 1975 and 1979 sent Washington $165 billion more in taxes than they received back in overall federal spending, while 32 Sun Belt and western states had a $112 billion surplus in their "balance of payments" with the federal government. Yet now we are told, in a section of the President's Commission report chaired by a Houston college president and written by a political scientist from Dallas, that the federal government should let the blind hand of market forces determine interregional movement. How nice. Now we have ours, and you can freeze.

The existing energy disparities between the states, now being intensified by decontrol, only exaggerate the Frost Belt's competitive problems. Alaska is now so awash in oil revenue that it has repealed its income tax retroactive to January 1979. By 1985, Texas will be receiving $3 billion annually in oil and gas severance taxes, according to a New Jersey government study. Louisiana will be taking in $1.3 billion in severance taxes by mid-decade—170 percent more than 1978, 400 percent over 1973. Already, Louisiana has been able to reduce its income taxes, with collections down from $247 million to $75 million a year.

With ever-escalating energy prices, there are few practical limits to the severance taxes that energy-producing states can place on each barrel of oil, each ton of coal, each thousand cubic feet of natural gas produced within their borders. Who pays? Eventually, the consumers. The energy states can "export" a major part of their tax burden to out-of-state individuals and businesses. Already the personal tax burden of a typical Louisiana, Texas or Oklahoma family is less than half what a family in New York, Michigan or Illinois must pay. Even if they now institute every budget stringency and service cutback known to man, it's almost inconceivable that the energy-poor states could erase that differential.

There's no way the Reagan administration—politically or practically—can or even should try to stem the entire flow of jobs and investment from the Frost Belt to the Sun Belt, or, on a local basis, from cities to suburbs. But there is nothing preordained about the speed and magnitude of such change, and federal policy can make a real difference. Just a few examples:

Watch for inadvertent side effects of federal tax policy. Budget Director-designate Dave Stockman and Rep. Kemp, for instance, have suggested stimulating the economy through a 40 percent acceleration in business depreciation writeoffs for investment in new plant and equipment. But past experience shows that across-the-board tax incentives for capital investment encourage industrialists to abandon older plants and equipment, most often located in cities, and build anew in suburbs or low labor-cost states. Such policies end up generating higher urban dependency levels—jobs lost, higher unemployment and welfare benefits and city fiscal distress. Conversely, the Sun Belt states often find themselves inundated with industrial and population growth they can hardly accommodate on a short-term basis and turn to the federal government for new roads, water and sewer projects.

But the same gains in productivity the new administration wants might be achieved by what Tom Cochran of the Northeast-Midwest Institute describes as "a more prudent and surgical set of tax cuts," including a "bonus" depreciation allowance for firms that invest in distressed areas, or differential investment tax credits for firms that invest on-site in their communities.

Target a portion of the increased defense spending the new administration plans to Frost Belt states by a regional equalization strategy for bases and by procurement set-asides for small businesses and labor surplus areas.

Save the best of the Carter urban policy: working closely with mayors, neighborhood groups and businesses to encourage city economic growth; targeting federal jobs and offices into cities and depressed regions; and coordinating, under White House direction, the programs of federal agencies to make sure they focus on city needs and don't promote heavily competitive highways, sewer or economic development on the urban periphery.

Look for alternatives to federal programs, such as synfuels development or the MX

missile, that would transfer huge amounts of capital out of the East and Midwest and into thinly populated western states. One example, a major program of energy weatherization and neighborhood heating systems that bring jobs to cities and effect much earlier and greater net energy savings than a crash synfuels program ever could.

Think twice about massive budget cuts that hit cities disproportionately. Stockman and Kemp, for instance, would cut at least a third from such programs as CETA manpower training, urban development grants, the Community Development Block Grant Program, Economic Development Administration, urban parks and impact aid for distressed communities. Admittedly, major cities are probably far more dependent on federal aid than they ought to be. But rapid-fire cuts could throw several more cities onto the ropes of severe fiscal distress and undermine the potentially beneficial effects of the urban enterprise job zones, proposed by Kemp and supported by Reagan, before they're even instituted.

The new administration needs to remember that the Frost Belt states and cities, however great their problems, still have 45 percent of the nation's people and represent a vast portion of its manufacturing and financial strength. At most recent count, the "declining" cities of Chicago and Philadelphia still had more private jobs than the combined total of Houston, Dallas, Phoenix and San Jose. The national security could be undermined by excessive decline in such basic industries as steel, autos and tires, concentrated in the Northeast and Midwest.

Abandonment of many existing plants, schools, roads and sewer systems is highly inefficient—especially when those facilities, in a period of severe capital shortages, must then be duplicated at high cost by a Sun Belt region already reeling under the impact of suburban sprawl, poor and energy-wasteful transportation, growing crime, high immigrant flows from the Hispanic world, and ever-more-worrisome water scarcity.

Unneeded abandonment of established Frost Belt neighborhoods is socially malevolent and should be highly distasteful to a new administration pledged to undergirding family and neighborhood values. And the surprising, strong surge of office space and demand and construction, even in otherwise troubled cities like Cleveland and Milwaukee, is a national asset that should be built on, not vitiated.

Finally, a president represents all regions—and indeed Ronald Reagan was elected with the support of all. A "two Americas" policy, even if inadvertent, would be to the long-term detriment of the entire United States. Abraham Lincoln warned 123 years ago that "A house divided against itself cannot stand." The same is equally true today.●

HOUSE OF REPRESENTATIVES—*Friday, January 23, 1981*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We thank You, O God, that through the difficulties and anxieties of life, You are with us and Your Spirit accompanies us. We pray that Your presence would be near to those who are troubled in body, mind, or spirit, or whatever their need might be. Grant Your health and abundant strength to those who turn to You, that Your goodness and mercy shall follow them all the days of their lives. Unto Your gracious care and abiding love we commit ourselves this day and every day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 16. Joint resolution designating January 29, 1981, as "A Day of Thanksgiving To Honor Our Safely Returned Hostages."

THE HONORABLE OLIN E. "TIGER" TEAGUE

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, I regret to inform the House that our former colleague, the Honorable Olin "Tiger" Teague passed away early Friday morning at the Naval Hospital in Bethesda.

Burial will be Tuesday afternoon, January 27 at 2 p.m. at the Arlington National Cemetery.

The body will be at Gawler's Funeral Home, 5130 Wisconsin Avenue NW., and viewing will be held on Monday, between the hours of 2 and 4 p.m. and 7 and 9 p.m.

The Texas delegation will ask that special orders be requested early next week.

America has lost one of its greatest fighting sons—and this Congress has lost one of its most beloved Members. Tiger Teague, representing the Sixth Congressional District of Texas, served with distinction as chairman of the Veterans' Affairs Committee and chairman of the Science and Technology Committee.

Above all, Mr. Speaker, we have lost one of the great Americans of our time.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, it is with utmost sadness that I come to the well this morning with the news that Tiger Teague, our good friend and colleague for so many years has passed from us.

A true Texan, a true American, Tiger fought his whole life, in war and peace, for the country he loved and the principles which have kept this Nation strong and free.

Tiger was a giant in this House; a leader; a persuader; a man quick to act and slow to compromise when he knew he was in the right. Judging his character, his determination, and his record, Tiger Teague was right most of the time.

He was a hero in battle, one of the most highly decorated combat veterans of World War II. But he was also a hero in the hearts and minds of those who served and fought with him. He wore his wounds, and his decorations, with ease, to remind us all of the debt we owe any American who bears arms in defense of this country.

As chairman of the House Veterans' Committee, without exaggeration, Tiger Teague singlehandedly built the veterans affairs system with its incalculable individual human benefit as we know it today. As chairman of the House Science and Technology Committee he helped launch the effort that sent America and Americans to the Moon and beyond.

These two achievements, by themselves, quite simply describe the depth of Tiger's humanity and the breadth of his aspiration. We can all learn from his life and be grateful for it.

Mr. PICKLE. Mr. Speaker, I appreciate the gentleman's comments, and I know that the Members of this body and the members of the Teague family will also appreciate his comments.

THE HONORABLE OLIN E. "TIGER" TEAGUE

(Mr. GRAMM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRAMM. Mr. Speaker, Olin E. "Tiger" Teague was an American hero who served his country in war and in peace. As the most decorated soldier to serve in Congress, he was the natural choice to speak for the interests of American veterans. The veteran never had a better friend in Congress than Olin Teague, but he never forgot the interest of the taxpayer either.

Mr. Teague established America's post-World War II veterans program on two premises: First, those who had given the most and were in the greatest need should be helped first; and second, it was the duty of Congress to oversee every program to assure that it not only benefited the veteran, but that it did so in an efficient and economical manner. Under these guidelines, the Veterans' Committee, under the leadership of Olin Teague, hammered out a GI bill of rights that educated a whole generation of Americans, wrote the War Orphans Act, which sent me and millions of other children of those who died in the service of their country to college, built the largest medical system under one management in the world, and provided benefits to those who sacrificed to preserve the life of the Nation which have never been equaled in the history of mankind.

Olin Teague was the father of the space program in the U.S. Congress. As chairman of the Science and Technology Committee, his early and abiding faith in the space program was instrumental in the appropriation of tens of billions of dollars to fund our successful conquest of space.

With the passing of this soldier-statesman, an era in our history has passed. Our country is richer because Olin Teague dedicated his life to its service.

ADJOURNMENT TO TUESDAY, JANUARY 27, 1981

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Tuesday, January 27, 1981.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

AUTHORIZING SPEAKER TO APPOINT COMMISSIONS, BOARDS, AND COMMITTEES, NOTWITHSTANDING ADJOURNMENT

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that, notwithstanding the adjournment of the House until Tuesday, January 27, 1981, the Speaker be authorized to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. LOTT asked and was given permission to address the House for 1 minute.)

Mr. LOTT. Mr. Speaker, I have taken this time for the purpose of inquiring as to the program for next week. I will yield to the gentleman from Massachusetts (Mr. MOAKLEY) to answer my inquiry as to what the schedule will be when we come in on Tuesday of next week and for the balance of the week, Wednesday, Thursday, and Friday.

Mr. MOAKLEY. Mr. Speaker, I thank the gentleman for yielding.

On Tuesday, we will meet at noon, and we are going to take up the committee resolutions by both the majority and the minority. We may not finish those, and they may go over until Wednesday.

For the balance of the week, our schedule is still very flexible. There is nothing further scheduled on the program.

I would be glad to yield to the distinguished Speaker for any further information.

The SPEAKER. As the gentleman knows, it was anticipated that the resolutions of the committees would come up on Tuesday, and that they would be completed by Wednesday. The majority hopes to have completed the Ethics Committee resolution by Wednesday, and there are two or three other committees.

Further actions must still be taken by the Democratic Steering and Policy Committee and the caucus, and the Chair understands the Members on the other side have to go to their corresponding committees. It is hoped that this process can be finished by Wednesday at the latest, and then the committees would be in place.

However, two things have developed this morning. It is possible that the hostages will be returning to Andrews Air Force Base about 1:30 on Tuesday. It is possible that Members may be involved in welcoming them back to the United States.

Later in the day the White House may have a reception. Whether that is to be open to all of the Members of the House, the Chair does not know. That is the prerogative of the President, and invitations may be forthcoming.

But there is a second event. Our late and beloved former colleague, "Tiger" Teague, a great American who battled tirelessly for veterans and others on the floor of the House, is going to be buried at 2 on Tuesday, as the Members heard the announcement earlier.

So the schedule may be delayed next week. But there is no legislative business unless a resolution of some type would come up by unanimous consent, a resolution that would not have to be reported out of a committee.

The committee resolutions must be done by next week. Actually, other than those resolutions, the Chair can conceive of no other legislative program, other than resolutions by unanimous consent.

Mr. LOTT. So, Mr. Speaker, we will come in at 12 o'clock noon on Tuesday?

The SPEAKER. The House will come in at 12 o'clock noon on Tuesday. If those resolutions can be completed in a hurry and the committees formed, that will be fine.

Mr. LOTT. Mr. Speaker, I will inquire, do we have any plans scheduled for Thursday or Friday, or will we have pro forma sessions on those days?

The SPEAKER. It looks to me as though we will have pro forma sessions unless something of an unusual nature comes along in the way of legislation which is not anticipated at this time. The majority party will be busy on Thursday, with a caucus in the morning, straightening out the remnants of caucus proposals, and things of that nature.

Mr. LOTT. Then, Mr. Speaker, the membership should plan to be here on Tuesday and Thursday for sure?

The SPEAKER. The membership must be here Tuesday and Wednesday, and there will be at least a pro forma session on Thursday and probably a pro forma session on Friday.

Mr. LOTT. I thank the Speaker.

IN REMEMBRANCE OF 63D ANNIVERSARY OF PROCLAMATION OF UKRAINIAN INDEPENDENCE

(Mr. DENARDIS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DENARDIS. Mr. Speaker, yesterday, January 22, was the 63d anniversary of the proclamation of the independence of the Ukraine and the 62d anniversary of the Act of Union whereby all Ukrainian lands were unified into one independent and sovereign state of a Ukrainian nation.

□ 1110

This independence was recognized by several countries throughout the world including Russia but despite the fact that the Soviet Government had officially recognized the Ukraine as independent and sovereign, the Ukraine in short order was attacked by military aggression and subversion from within. For nearly 4 years the Ukrainian people struggled but were overwhelmed, overpowered by numerically stronger and better equipped armed forces of the Red Russian Bolsheviks. The Ukrainian National Republic was destroyed and in its place a Communist puppet government known as the Ukraine Soviet Socialist Republic was created.

In dinners and memorial services all across the land this weekend we will remember that momentous event. I will be participating in one in New Haven, Conn. We will remember that the entire history of the Soviet-dominated Ukraine is a ghastly record of inhumanity and outright persecution, russification and violations of human rights on a scale not known in the history of mankind. We will try to keep the light burning so that ultimately one day the Ukraine may be free. It is in common spirit of liberty, faith, and justice for human rights that the American people join the Ukrainians all over the world in paying tribute to the Ukrainian people in their undaunted struggle for human rights, freedom, and the national independence of Ukraine.

Thank you.

TRIBUTE TO EIGHT AMERICANS KILLED IN RESCUE ATTEMPT

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, at the same time I add my voice to those thanking God for release of those brave men and women held hostage in Iran, I would like to pay tribute to some other brave men who helped make their release possible. In fact, those men, eight in all, made the ultimate sacrifice on behalf of the hostages. In the unsuccessful raid on Iran, they lost their lives. Their courage, as well as the efforts of the others who participated in the raid, should not be forgotten. In every sense of the word, they are real heroes and to help give them the recognition they deserve, I would like to mention their names again this morning: Harold Lewis, George Holmes, Richard Bakke, Charles McMillan II, Lynn McIntosh, Dewey Johnson, John Davis Harvey, and Joel Mayo.

May they rest in peace and with the satisfaction of having contributed to the ultimate achievement of their objective.

SAVINGS AND RETIREMENT INCOME INCENTIVE ACT OF 1981

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MOORE. Mr. Speaker, as individual taxes climb, disposable income dwindles and personal savings become a necessary income supplement to meet costs imposed by inflation instead of an investment reserve to which regular deposits were once made. As a result, personal savings rates in this Nation are pitifully low especially when compared to those of other major industrial nations.

On the average, Japanese workers save four times as much as we do, West German savings are triple our rate, and Canadians save twice our level. In the last decade our savings rates have fallen while each of theirs has risen.

It is no mystery why Americans save so little today or why Japan, West Germany, Canada, and other countries have a comparative abundance of savings capital upon which to draw for economic expansion and competition with us.

In Japan interest earned on the first $23,000 of individual savings is tax free. In West Germany, families with children and with low- to moderate-incomes are given sufficient tax cuts for long-term saving to cause 94 percent of blue collar workers to establish and regularly add to their savings accounts. In Canada, employee contributions to employer-sponsored pension plans are tax deferred in amounts up to $3,300 per year and individuals having their own retirement plans can defer taxes on up to $5,500 in annual additions. This is by no means an inclusive list of their savings incentive or nations offering them.

By comparison, we are pikers in the savings game and, for this reason, we are losing it. Until language I initiated in the House won approval as part of the Windfall Profit Tax Act approved in the last Congress, this Nation fully taxed every dollar of interest income received by individuals. The $400 maximum annual exclusion granted last year for interest and dividend income in 1981 and 1982 tax years appears paltry when compared to savings incentives in Japan, West Germany, or Canada, but it is a step in the right direction and one that should have been taken long ago.

Much more needs to be done to give a favorable real after-tax rate of return on savings to track or hopefully stay ahead of inflation. Foreign experience shows savings can best be built by reducing the tax imposed on it. Our tax on savings is particularly onerous as interest income is taxed at the highest rate an individual must pay and commonly it puts a taxpayer into a higher tax bracket when added atop earned income as our tax policy instructs.

To counter this built-in tax bias against savings, Senator JOHN CHAFEE and I are jointly introducing a bill to build upon the present interest and dividend exclusion and expand individual retirement account eligibility and benefits. Our Savings and Retirement Income Incentive Act of 1981 is a natural extension of guidance given by the Senate Finance Committee late last year in its omnibus tax cut bill. It embraces desired objectives of simple yet functional design, tax adjustment to account for interest and dividend income damage caused by inflation, self-reliance in retirement income management, first-time home ownership, new savings formation, and vocational or college education for the account holder's children. It has won approval by more than 25 national organizations representing investment and financial communities, the Nation's largest retirement organizations, and national military organizations. Initial estimates put its static revenue cost at some $4 billion in the first year with savings formation encouraged by its terms giving an early cost recovery. Econometric tests are underway. In view of recent surges in personal debt growth, and record low rates of personal savings, it is extremely timely. It also only rewards retirement savings beyond activity already provided under mandatory employer-sponsored plans.

Many notions on savings formation are being offered these days. Senator CHAFEE, who serves as chairman of the Subcommittee on Savings, Pensions, and Investment Policy, and I are convinced this bill gets highest marks when all objective tests are applied, especialy in terms of the wide range of worthy purposes served on an equal basis and at a reasonable cost.

For this reason, we have recommended its inclusion in the forthcoming tax cut recommendations of the administration and Senator CHAFEE intends to begin hearings on it at an early date.

A summary of the bill, a list of organizations supporting or in most cases endorsing it, as well as the measures full text follow:

BILL SUMMARY

The "Savings and Retirement Income Incentive Act of 1981" is designed to increase the incentives for individual savings and investment in the following ways:

(1) The bill makes permanent the exclusion from tax of the first $200 ($400 on a joint return) of dividend and interest income and increases that amount to $500 ($1,000 on a joint return) when an individual or spouse attains the age of 65.

(2) The bill permits the use of individual retirement accounts (IRA's) by employees, including government employees and military personnel, who are covered by employer-sponsored retirement plans and increases the maximum allowable deductible contributions to these accounts from $1,500 per year under existing law to $2,000 per year or the total amount of the employee's earned income, whichever is less.

(3) In lieu of a contribution to a separate IRA, the bill permits an employee to make a $2,000 per year tax-deductible, voluntary contribution to his employer-sponsored retirement plan, if the plan so permits.

(4) The bill permits additional voluntary non-deductible contributions of $2,000 per year plus an additional $8,000 over the employee's lifetime to either an IRA or an employer-sponsored plan thereby increasing the size of the account so that the expense of managing and promoting such savings plans will be more easily absorbed. Tax is deferred on earnings from all moneys contributed to the account so that the employee's total savings are also enhanced by such contributions. This provision is similar to existing law regarding corporate pension plans and Keogh plans for the self-employed. Thus, for example, in one year an individual could make a deductible contribution to an IRA of $2,000 and a non-deductible contribution of $10,000; thereafter, he could make annually a deductible contribution of $2,000 and a non-deductible contribution of $2,000.

(5) Finally, the bill permits an employee to withdraw without penalty up to $10,000 from the account in order to purchase a first home or to pay for the higher education of his children. (The amounts so withdrawn are subject to income tax in the year of withdrawal.) This provision will make IRA's attractive to younger employees who are hesitant to invest funds for retirement savings which may still be needed for major family commitments.

ENDORSEMENTS OR STATEMENTS OF SUPPORT

American Association of Retired Persons.
National Retired Teachers Association.
National Association of Retired Federal Employees.
Merrill Lynch, Pierce, Fenner & Smith, Inc.
National Association of Federal Credit Unions.
Credit Union National Association, Inc.
Investment Company Institute.
U.S. League of Savings Associations.
National Savings and Loan League.
National Consumer Finance Association.
National Association of Mutual Savings Banks.
Independent Bankers Association.
Chief Warrant and Warrant Officers Association, U.S. Coast Guard.
U.S. Army Warrant Officers Association.
American Security Council.
Reserve Enlisted Association.
National Association for Uniformed Services.
Veterans of Foreign Wars of the United States.
Marine Corps League.
Non Commissioned Officers Association.
Disabled Officers Association.
Association of the United States Army.
Navy League of the United States.
Army Mutual Aid Association.
Retired Officers Association.
Military of the World Wars.
Fleet Reserve Association.

H.R. 1250

A bill to amend the Internal Revenue Code of 1954 to increase the allowable contributions to individual retirement plans and to

allow employees a deduction for savings contributions to employer retirement plans or to individual retirement accounts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Savings and Retirement Income Incentive Act of 1981".

SEC. 2. AMENDMENTS TO MAKE PERMANENT CURRENT INTEREST AND DIVIDEND EXCLUSION AND TO INCREASE SUCH EXCLUSIONS FOR PERSONS OVER AGE 65.

(a) Section 404(c) of the Crude Oil Windfall Profit Tax Act of 1980 is amended to read as follows:

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1980."

(b) Paragraph (1) of Section 116(b) of the Internal Revenue Code, as amended by Section 404(a) of the Crude Oil Windfall Profit Tax of 1980, is amended to read as follows:

"(1) MAXIMUM DOLLAR AMOUNT.—

"(A) GENERAL EXCLUSION.—Except as provided in subparagraph (B), the aggregate amount excluded under subsection (A) for any taxable year shall not exceed $200 ($400 in the case of a joint return under section 6013).

"(B) In the case of an individual who has attained age 65 before the close of the taxable year or who is married as of the close of the taxable year to an individual who has attained age 65 before the close of the taxable year, the aggregate amount excluded under subsection (a) for any taxable year shall not exceed $500 ($1,000 in the case of a joint return under section 6013)."

SEC. 3. INCREASE IN PERMISSIBLE CONTRIBUTIONS TO INDIVIDUAL RETIREMENT ACCOUNTS.

(a) Section 219(b) of the Internal Revenue Code of 1954 (relating to retirement savings) is amended—

(1) by deleting the words "an amount equal to" from paragraph (1), by striking out "15 percent" wherever it appears and inserting in lieu thereof "the amounts", and by striking out "$1,500" wherever it appears and inserting in lieu thereof "$2,000".

(2) by deleting paragraph (2) and redesignating paragraphs (3) through (7) as paragraphs (2) through (6).

(b) Section 4973(b) of such Code is amended to read as follows:

"(b) EXCESS CONTRIBUTIONS.—For purposes of this section, in the case of individual retirement accounts, individual retirement annuities, or bonds, the term 'excess contributions' means the sum of—

"(1) the excess (if any) of—

"(A) the amount contributed for the taxable year to the accounts or for the annuities or bonds (other than a rollover contribution described in section 402(a)(5), 403(a)(4), 403(b)(8), 408(d)(3), or 409(b)(3)(c)), over

"(B) $2,000 plus the amount allowable as a deduction under section 219 for such contributions, and

"(2) the amount determined under this subsection for the preceding taxable year, reduced (but not below zero) by the sum of—

"(A) the distributions out of the account for the taxable year which were included in the gross income of the payee under section 408(d)(1),

"(B) the distributions out of the account for the taxable year to which section 408(d)(5) applies, and

"(C) the excess (if any) of—

"(i) $2,000 plus the maximum amount allowable as a deduction under section 219 for the taxable year over

"(ii) the amount contributed (determined without regard to section 219(c)(5)) to the accounts or for the annuities or bonds for the taxable year.

The amount determined under the preceding sentence shall be reduced (but not below zero) by the excess (if any) of $8,000 over the aggregate of the amounts contributed for each prior taxable year in excess of the sum of $2,000 and the amount allowable as a deduction under section 219 of such prior taxable year.

(c) Section 408 of such Code is amended—

(1) by striking out "$1,500" wherever it appears and inserting in lieu thereof "$4,000".

(2) by adding to paragraph (1) of subsection (a) the following sentence: "For purposes of the preceding sentence if contributions for any taxable year exceed $4,000 on behalf of any individual, they shall not be taken into account except to the extent that such excess contributions, when aggregated with any similar excess contributions for prior taxable years, exceed $8,000."

(3) by amending paragraphs (1) and (2) of subsection (d) to read as follows:

"(1) IN GENERAL.—Except as otherwise provided in this subsection, any amount or annuity contract paid or distributed out of an individual retirement account or under an individual retirement annuity to any distributee shall be taxable to him in the year in which so distributed under section 72 (relating to annuities).

"(2) COMPUTATION OF EMPLOYEES' CONTRIBUTIONS.—For purposes of this paragraph and section 72, any amounts for which a deduction is allowed under section 219 shall be treated as an employer contribution."

(4) by deleting the words "or 220" from paragraphs (4) and (5) of subsection (d) wherever they appear.

(5) by amending subsection (f)—

(A) by inserting before the period at the end of paragraph (1) thereof "unless such distribution is a qualified withdrawal as defined in paragraph (4)", and

(B) by adding at the end thereof new paragraphs (4) and (5) to read as follows:

"(4) QUALIFIED WITHDRAWAL.—Paragraphs (1) and (2) shall not apply to any withdrawal during a taxable year in which the individual has made no prior qualified withdrawals—

"(A) which is used—

"(i) to pay the qualified educational expenses of a child of the individual for whose benefit the trust is maintained, or

"(ii) in connection with the purchase of the first dwelling purchased by the individual for whose benefit the account is maintained which constitutes his principal residence,

"(B) which is not less than $2,000, but which when aggregated with all qualified withdrawals in prior taxable years does not exceed $10,000, and

"(C) which will not cause the fair market value of the account immediately after the withdrawal to be less than $2,000.

"(5) DEFINITIONS.—

"(A) QUALIFIED EDUCATIONAL EXPENSE.—The term 'qualified educational expenses' means—

"(i) tuition and fees required for the enrollment or attendance of a student at an eligible educational institution,

"(ii) fees, books, supplies, and equipment required for courses of instruction at an eligible educational institution, and

"(iii) a reasonable allowance for meals and lodging.

"(B) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means—

"(i) an institution of higher education, or

"(ii) a vocational school.

"(C) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means the institutions described in section 1201(a) or 491(b) of the Higher Education Act of 1965.

"(D) VOCATIONAL SCHOOL.—The term 'vocational school' means an area vocational education school as defined in section 195(2) of the Vocational Education Act of 1963 which is in any State (as defined in section 195(8) of such Act.)"

(d) Section 72 of the Internal Revenue Code of 1954 (relating to annuities; certain proceeds of endowments and life insurance contracts) is amended by redesignating subsection (o) as subsection (p) and by inserting after subsection (n) the following new subsection:

"(o) TREATMENT OF DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS.—For purposes of subsections (c)(1)(A) and (e)(1)(B), any contribution made by an individual to an individual retirement account which is allowed as a deduction under section 219 shall be treated as an amount contributed by an employer which is not includible in the gross income of such employee."

(e) Section 2039 of the Internal Revenue Code of 1954 (relating to the Estate Tax) is amended by repealing subsection (e) thereof and redesignating subsection (f) as subsection (e).

(f) Section 2517(b) of the Internal Revenue Code of 1954 (relating to the gift tax) is amended by striking the parenthetical phrase "(other than paragraphs (4) and (5))" and substituting "(other than paragraph (4))."

SEC. 4. ALLOWANCE OF RETIREMENT SAVINGS DEDUCTION.

Part VII of subchapter B of chapter 1 of such Code (relating to additional itemized deductions of individuals) is amended by repealing section 220 and by substituting therefor the following new section:

"SEC. 220. DEDUCTION FOR CERTAIN EMPLOYEE RETIREMENT SAVINGS CONTRIBUTIONS.

"(a) GENERAL RULE.—In the case of an eligible employee, described in subsection (c)(2), there shall be allowed as a deduction the qualified retirement savings contributions of such individual for the taxable year.

"(b) LIMITATIONS AND RESTRICTIONS.—

"(1) MAXIMUM DEDUCTION.—The amount allowable as a deduction under subsection (a) to an eligible employee for any taxable year may not exceed the lesser of—

"(A) the amount of the compensation includible in the eligible employee's gross income for such taxable year, or

"(B) $2,000.

"(2) ALTERNATIVE DEDUCTION.—No deduction shall be allowed under subsection (a) for the taxable year if a deduction is allowed under section 219 for the taxable year.

"(c) DEFINITIONS AND SPECIAL RULES.—

"(1) QUALIFIED RETIREMENT SAVINGS CONTRIBUTION.—For purposes of this section, the term 'qualified retirement savings contribution' means any contribution in cash, other than a mandatory contribution, made by an individual as an employee to or under—

"(A) a plan described in section 401(2) which includes a trust exempt from tax under section 501(a),

"(B) an annuity plan described in section 403(a),

"(C) a qualified bond purchase plan described in section 405(a), or

"(D) a plan described in section 805(d)(3)".

"(2) ELIGIBLE EMPLOYEE.—For purposes of this section, the term 'eligible employee' means any individual who is an active participant for any part of the taxable year in a plan described in paragraph (1).

"(3) RECONTRIBUTED AMOUNTS.—No deduction allowed under this section with respect to a rollover contribution described in section 402(a)(5), 403(a)(4), 403(b)(8), 408(d)(3), or 409(b)(3)(C).

"(4) AMOUNTS CONTRIBUTED TO AN INSURANCE CONTRACT.—No deduction shall be allowed under this section for that portion of the amounts paid which are properly allocable, under regulations prescribed by the Secretary, to the cost of life insurance.

"(5) MARRIED INDIVIDUALS.—In the case of an individual who is married (as determined under section 143(a)), the maximum deduction under subsection (b) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

"(6) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof).

"(7) COMPENSATION.—For purposes of this section, the term 'compensation' includes earned income as defined in section 401(c)(2).

"(8) MANDATORY CONTRIBUTIONS.—For purposes of this section, the term 'mandatory contributions' means amounts contributed to the plan by the employee which are required as a condition of employment, as a condition of participation in such plan, or as a condition of obtaining benefits under the plan attributable to employer contributions.

"(d) SIMPLIFIED REPORTS.—The Secretary shall issue regulations which prescribe the time and manner in which simplified reports shall be filed by the employer or plan administrator of a plan receiving contributions deductible under this section."

SEC. 5. TREATMENT OF DISTRIBUTIONS FROM PLAN TO WHICH EMPLOYEE MADE DEDUCTIBLE CONTRIBUTIONS.

(a) Subpart A of part I of subchapter D of chapter 1 of such code (relating to retirement plans) is amended by inserting after subsection (l) of section 414, the following new subsection:

"(m) DEDUCTIBLE EMPLOYEE CONTRIBUTIONS.—For purposes of this title, other than for purposes of section 401(a)(4) and (5), 404, 410(b), 411, and 412, any amount which is allowed as a deduction under section 220 as a qualified retirement savings contribution shall be treated as an employer contribution."

(b) Section 414(h) of such Code (relating to tax treatment of certain contributions) is amended by inserting after "any amount contributed" the following: "(other than an amount described in subsection (m))".

SEC. 6. TECHNICAL AND CONFORMING AMENDMENTS.

(a) ESTATE AND GIFT TAX EXCLUSION.—

(1) ESTATE TAX.—Subsection (c) of section 2039 of such code (relating to exemption of annuities under certain trusts and plans) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, any contribution allowed as a deduction under sections 219 or 220 shall be considered as made by a person other than the decedent."

(2) GIFT TAX.—Subsection (b) of section 2517 of such code (relating to transfers attributable to employee contributions) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, any contribution allowed as a deduction under sections 219 or 220 shall be considered as made by a person other than the employee."

(b) OTHER AMENDMENTS.—

(1) Paragraph (10) of section 62 of such Code (defining adjusted gross income) is amended by striking out "(relating to retirement savings for certain married individuals)" and inserting in lieu thereof "(relating to deduction for certain employee retirement savings contributions)".

(2) So much of section 72(f) of such code as precedes paragraph (1) thereof is amended to read as follows: "In computing, for purposes of subsection (c)(1)(A), the aggregate amount of premiums or other consideration paid for the contract, for purposes of subsection (d)(1), the consideration for the contract contributed by the employee, and for purposes of subsection (e)(1)(B), the aggregate premiums or other considerations paid, amounts which an employer is required to report, pursuant to regulations promulgated under section 220(d) with respect to an amount paid by an eligible employee (as defined in section 220(c)(2)) as a qualified retirement savings contribution shall be excluded, and amounts contributed by the employer shall be included, but only to the extent that—".

(3) Section 415(a) of such Code is amended by repealing paragraph (3) thereof.

(4) The table of sections for part VII of subchapter B of chapter 1 is amended by striking out the item relating to section 220 and inserting in lieu thereof the following:

"Sec. 220. Deduction for certain employee retirement savings contributions."

SEC. 7. EFFECTIVE DATES.

(a) GENERAL RULE.—Except as provided in subsection (b), the amendments made by this Act shall apply to taxable years beginning after December 31, 1980.

(b) ESTATE AND GIFT TAX PROVISIONS.—

(1) ESTATE TAX.—The amendments made by section 4(a)(1) shall apply to the estates of decedents dying after December 31, 1980.

(2) GIFT TAX.—The amendment made by section 4(a)(2) shall apply to transfers after December 31, 1980.

RAILROAD RETIREMENT EQUITY LEGISLATION

(Mr. OBERSTAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBERSTAR. Mr. Speaker, today I am reintroducing legislation to extend equity for railroad retirees and their dependents. The six bills I am introducing—and which I also proposed in the 96th Congress—will modify and improve the Railroad Retirement Act and, in essence, bring that act in line with other federally legislated annuity programs.

I earnestly hope, Mr. Speaker, that you and my other colleagues in this body will support the objectives of the following measures:

H.R. 1260 amends the Railroad Retirement Act to continue a survivor's annuity to any railroad widow or widower who remarries after age 60. It provides that any widow or widower who remarries before age 60 will have full entitlement under the Railroad Retirement Act reinstated if the new marriage ends.

The same bill authorizes the Social Security Administration to pay to any divorced spouse or surviving divorced spouse of a railroad employee the same benefit he or she would have received had all work of both husband and wife been in employment covered by the Social Security Act.

H.R. 1261 amends the Railroad Retirement Act to insure that surviving dependent parents of railroad workers receive the same benefit payable to surviving dependent parents of deceased workers who were insured under the Social Security Act.

H.R. 1262 amends the Railroad Retirement Act to provide that an individual with 25 years of railroad work will not lose his current connection if he leaves railroad employment and works in other employment prior to qualifying for railroad benefits.

H.R. 1263 amends the Railroad Retirement Act to provide benefits to disabled spouses of annuitants and to spouses of disabled annuitants who are in need of aid and attendance.

H.R. 1264 amends the Railroad Retirement Act to eliminate the offset of benefits based on military service.

H.R. 1265 amends the Railroad Retirement Act to insure that workers leaving railroad employment to enter military service receive credit for those years of service when they return to railroad employment.

A DAY OF THANKSGIVING TO HONOR OUR SAFELY RETURNED HOSTAGES

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 16) designating January 29, 1981, as "A Day of Thanksgiving To Honor Our Safely Returned Hostages," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the Senate joint resolution as follows:

S.J. RES. 16

Whereas we the people of the United States are one people under God;

Whereas in recognition of the hope, honor, faith, and courage of those men and women who have been forcibly held prisoner in Iran;

Whereas eight brave men laid down their lives in the pursuit and defense of freedom;

Whereas in order for the people of the United States of America to express their appreciation, hope, and care for these men and women; and

Whereas in order for the Nation to express its thanks to God for the safekeeping of these people and this Country: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the 29th day of January 1981, is declared "A Day of Thanksgiving To Honor Our Safely Returned Hostages", and that Americans participate in services in places of their own choosing on that date, as already called for by churches, synagogues, and mosques across this Country.

● Mr MICHEL. Mr. Speaker, it was an honor for me to join with the Democratic leadership in the House in expediting passage of a joint resolution of the Congress declaring Thursday, January 29, 1981, as "A Day of Thanksgiving To Honor Our Safely Returned Hostages."

I think it is altogether fitting that our Nation publicly and officially recognize the heroism and the sacrifices of those who were held hostage. It is in the great American tradition to give thanks to God for blessings bestowed on our beloved country. It is my hope that next Thursday will be a day which all Americans will show some sign of thanksgiving and rededicate themselves to the high ideals of our Nation.●

● Mr. LOTT. Mr. Speaker, the membership on this side of the aisle is pleased to support this resolution. The courage and hope of our diplomats while recently held hostage in Tehran is truly indicative of the American spirit. The honor and faith exhibited by these men and women while forcibly held prisoner under what has now been revealed to have been extremely harsh and torturous conditions makes them modern-day American heroes.

The families of our diplomats also deserve the praise of this body. Throughout this long ordeal they too exhibited nothing but courage and dignity. Their fortitude and endurance under terrible circumstances should be an example for all of us.

Finally, the American people deserve to be commended for the way in which they handled the forced captivity of their countrymen. The loyalty and love expressed by this Nation for the hostages has been overwhelming. During the 444 days of captivity the American people never forgot their countrymen or their plight. Unfortunately it is rare that we see such unity and commonness of purpose as we have seen during this crisis.

I can think of no better way to express the appreciation of this Nation to the returning hostages or to honor the memory of those who died trying to save them than to declare a national day of thanksgiving.

Mr. Speaker, in closing I would just like to say, "Welcome home."●

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on Senate Joint Resolution 16.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EIGHT AMERICANS KILLED IN UNSUCCESSFUL RESCUE ATTEMPT

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. LUNGREN) is recognized for 10 minutes and to revise and extend his remarks.

Mr. LUNGREN. Mr. Speaker, as we approach the joyous occasion of the return of the American hostages or, as they have been more appropriately referred to by our President, the prisoners of war, I think we should not forget those very brave Americans who were part of that unsuccessful rescue attempt several months ago.

Within my own district the parents of one of those participants, Richard Bakke, then an Air Force captain, resided. Mr. Bakke—who grew up in the same hometown as I grew up in, was about the same age, and attended a high school very close to my own home—died in that attempt. It was an attempt in which he did not need to participate. It was an attempt for which he volunteered. I think it would behoove us to well remember those men as we rejoice in the homecoming of our hostages.

I think we should not let the families of those rescuers believe that somehow we have forgotten, that somehow we did not appreciate the ultimate sacrifice that they made, or, even worse, that somehow their deaths were in vain. I do believe that the resolve shown by the United States in many ways, but particularly in that we were willing to try such a rescue attempt, was just one element in many that helped convince the Iranian Government that they should let our people go.

□ 1120

Truly these people did not die in vain. Truly they showed us that there is something worth fighting for and dying for, and we should give them every bit of respect that has been accorded our heroes throughout the ages.

We must also, I think, take note of what they felt very, very deeply about the armed services of which they were a part.

I recently received a copy of a newspaper article that appeared in my hometown paper, the Long Beach Press Telegram. In that, the parents of Major Bakke—he was given the increase in rank after his death—referred to some of the thoughts that he had. One of the things that he pointed out to them was that in our present military we somehow have not given enough attention to maintenance, simple maintenance of our military aircraft.

His mother said:

Many times Richard would have a flight delayed because of poor maintenance. He would have to wait until they came in and made repairs before he could take off.

It seems to me that if these people are not to have died in vain, we should take a message from what they have done and the dedication that they have given us. Never again should we allow young men of America to participate in military actions unless we are certain that we have given them every bit of support that they can possibly have.

We are going to argue over the months ahead about whether there should be a draft. We are going to argue about the extent of preparedness of the military of the United States.

It seems to me that in those future debates we should not forget the very simple question that if we are to ask brave men and women to serve us in the military, should it not be our obligation to give them the best possible support available?

This is not a question of leadership on the battlefield. It is a question of leadership in the House of Representatives, leadership in the Senate, leadership in the White House, leadership that must come from all of our Members in simple recognition that when we have a job to do, we must give our people the wherewithal to do that job.

Again, let me just conclude with this plea: As we welcome our heroes home from their long, long nightmare in Tehran, let us not forget those heroes who went before them and who died in a valiant effort to free them.

OCS NATIONAL RESERVE ACT

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, today I am reintroducing legislation which would authorize the Secretary of the Interior to place certain lands of the Outer Continental Shelf (OCS) in national reserve status, prohibiting the Secretary from leasing these lands for oil and gas production or development in the absence of a finding that there are insufficient oil reserves to meet national security needs. In the last Congress, my legislation pertained only to the OCS lands known as lease sale 53, stretching from Point Concepcion to the California-Oregon border and extending seaward from 3 to 70 miles offshore. The legislation which I am introducing today covers not only that area but also addresses itself to certain portions of the OCS lands known as lease sale 73, extending from Point Concepcion in the south to the California-Oregon border in the north and extending seaward from 3 to 200 miles.

As my colleagues are aware, Secretary Andrus, responding to the considerable concerns raised by Members of this body, State and local governments, and concerned residents, decided not to offer the northern four basins in lease sale 53. The Secretary noted that after years of analysis, his decision reflected the balance between the need for domestic sources of energy and protection of coastal resources, specifically mandated by the balancing requirements of the 1977 OCS Lands Act Amendments.

I and other Members of this body have long argued that the unique and valuable resources of the California coastal region represent important assets for our entire Nation, assets which are threatened by the initiation of intensive offshore oil and gas development. Some $11 billion is generated in California annually by tourism in the State. The fishing industry in California alone accounts for another $1 billion, and comprises an important component of our foreign export trade. Finally, perhaps the most fragile element of the California coast, and consequently the most threatened by the offshore drilling proposal, is the number of fishing grounds and unique habitats which exist along the coast.

The residents of the coastal region, dependent as they are upon these natural resources for their livelihoods, are understandably disturbed over the prospect of offshore oil rigs and increased tanker traffic in coastal waters. Yet there is more at stake in this argument against energy development in this area at the present time than mere reluctance on the part of these residents. There is the additional question of what advantages would accrue to our Nation if we do risk damage to the coastal environment.

The fact is that the estimates of energy supplies predicted to lie within this portion of the OCS represent only a minimal gain. The U.S. Geological Survey has estimated that the amount of recoverable oil resources contained within the OCS between Point Concepcion and the California-Oregon border would supply our Nation's need for this fuel for a period of approximately 70 days. This 70 days equivalent of oil would be bought at the expense of some of the most productive fishing areas in the world; the pristine and unsurpassed quality of 1,000 miles of coastline; and the economic vitality of hundreds of coastal communities.

The need for this legislation is very great. Secretary Andrus, through deletion of four of the five environmentally and economically sensitive basins, administratively implemented my previous legislation with the exception of the Santa Maria basin. It is regrettable that no provision was made to protect the important fishery resources and marine habitats in the northern Santa Maria basin and I will continue to urge that this area not be made available for leasing. The situation in the Santa Maria basin underscores the need for this legislation. Moreover, while four of the basins were deleted from OCS No. 53 and excluded from the call for nomination for OCS No. 73, these are administrative actions only, and as such they are subject to change.

I strongly believe that this is too important a matter to leave to administrative action. Congress, in its 1977 OCS Lands Act Amendments, clearly indicated its intention that the potential for oil and gas development in an OCS region be carefully weighed against the potential damage to coastal resources. The case for deletion of the areas covered by my legislation has been thoughtfully and thoroughly made on these very grounds. My legislation would simply insure that any further administrative actions in this area would be consistent with congressional intent.

This legislation reflects my belief and that of many others that these OCS lands should be exploited only as a last alternative in the event that other oil and gas resources are inadequate to meet national security needs. Only the most pressing need can justify the degradation of this magnificent stretch of coast. If the serious environmental and economic risks are to be taken for the minimal resources available, it should only be under the circumstances in which the President determines that it is essential to the national security.

America has always been a country of vision and creativity. Often in the past, we have been called upon to marshal these forces to meet challenges of sometimes overwhelming dimensions. The energy crisis and our dependence on foreign oil are certainly such challenges. The manner in which we go forward to meet these challenges will have the most profound effect on American life. I believe that we can avail ourselves of the energy resources of the Outer Continental Shelf in a manner consistent with the goal of protecting valuable coastal economic and environmental assets. To ignore those goals for 70 days worth of oil will be a price that this country and the citizens of California can scarcely afford to pay.

The bill follows:

H.R. 1267

A bill authorizing the Secretary of the Interior to retain as a national reserve, certain lands of the Outer Continental Shelf included in the proposed lease sales numbered 53 and 73, and prohibiting the Secretary from leasing such lands for oil or gas production or development, except as recommended by the President of the United States and not disapproved by the Congress, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) the Secretary of the Interior (hereinafter in this Act the "Secretary") will retain as a national reserve for oil or gas production or development the area within the Outer Continental Shelf extending from Point Concepcion in the south to the California-Oregon border in the north, and extending seaward from three to two hundred miles offshore. The Secretary shall not lease this area for oil or gas production or development, unless—

(1) the Secretary requests the President of the United States to prepare a finding that other oil or gas reserves are not sufficient to meet national security needs and, further, that the estimated value of oil and gas resources within such area exceeds the estimated revenue loss and environmental damage which would result from such production or development;

(2) the President makes such finding;

(3) the President transmits to the Congress a recommendation that the Secretary lease such area; and

(4) during the first period of sixty calendar days of continuous session of Congress after the date of transmittal to Congress, both Houses of the Congress do not pass a concurrent resolution disapproving such recommendation.

(b) For purposes of this section—

(1) continuity of session of Congress is broken only by an adjournment sine die; and

(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day period.●

ALGERIA HAS CREATED A RICHER MEANING TO DIPLOMACY

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 5 minutes.

● Mr. ZABLOCKI. Mr. Speaker, as all Americans share a feeling of elation and celebration over the release of the

American hostages, it is important to acknowledge and thank those who played an indispensable role in bringing about the hostages' safe return.

As we learn more of the facts surrounding this long ordeal I am more convinced than ever that former President Carter's able leadership was the key to the successful release of the hostages. The dedicated efforts of former Secretaries of State Cyrus Vance and Edmund Muskie were also instrumental in getting our American diplomats back. And in those crucial last days the tenacious and calm negotiating ability of former Deputy Secretary of State Warren Christopher made the final difference. We are grateful to all of them.

Certainly one of the most essential roles played in freeing our fellow Americans was that of the Government of Algeria. The difficult and often frustrating negotiations with Iran required an adroit and skillful mediator. Algeria played such a role and in the process created a richer meaning to diplomacy and a deeper respect for international responsibility.

In a real sense, Algeria's help in this difficult situation illustrates an important but simple lesson of neighbors helping each other in time of need. In 1980 the United States provided assistance to Algeria in the wake of a terrible earthquake there. That effort was reciprocated by Algeria's dedicated mediation role in our time of need.

The peoples of the United States and Algeria have been brought closer together by humanitarian needs felt by both. As bilateral relations proceed, I believe friendship will only increase.●

RAILROAD RETIREMENT EQUITY LEGISLATION

The SPEAKER. Under a previous order of the House, the gentleman from Minnesota (Mr. OBERSTAR) is recognized for 10 minutes.

Mr. OBERSTAR. Mr. Speaker, the Railroad Retirement Act remains the only federally legislated annuity program to deprive a widow of present or future economic security if she wishes to remarry. Unless she is insured under social security or railroad retirement in her own right, a widow who remarries and whose second marriage ends in divorce before 10 years or in death within the first 9 months will also lose present or future entitlement to medicare.

The Railroad Retirement Act provides for an interchange of funds with the Social Security Administration. Railroad workers, who in earlier years contributed a much larger share to their retirement fund than social security workers, have since October 1973 contributed an amount equal to social security FICA taxes. These contributions are deposited in the social security trust funds and are credited back to the Railroad Retirement Board to be paid to railroad retirees and their dependents. If a railroad worker does not remain in railroad employment long enough to qualify for a railroad benefit, his taxes remain in social security trust funds.

Workers who were fully credited under both social security and railroad retirement and who retired prior to December 31, 1974, receive separate benefits from each agency. Workers fully credited under both programs who retire after that date receive a combined benefit from the Railroad Retirement Board. Dependents and survivors entitlement is contingent upon which agency is paying a benefit. This leads to inequities and anomalies. For example:

If a worker insured under both programs retired prior to January 1, 1975, his current spouse receives both a railroad spouse benefit and a social security spouse benefit. Upon his death, his widow will receive a single benefit from the Railroad Retirement Board equal to 130 percent of what she would receive had her husband worked under social security. Any previous spouse or spouses, to whom he was married 10 or more years would receive a social security spouse benefit based only on social security covered employment. Upon the worker's death, the surviving divorced spouse would be cut off from any benefit and from medicare because jurisdiction over beneficiaries would pass to the Railroad Retirement Board which has no authority to pay divorced spouses or surviving divorced spouses whether the marriage lasted 10, 30, or 50 years.

If a railroad worker insured under both social security and railroad retirement, retired since December of 1974, all his social security credits are transferred to the Railroad Retirement Board. Both the wage earner and his present spouse receive a single benefit based on all years of work. A widow is eligible for a railroad retirement survivor annuity, but, as I pointed out earlier, she loses all entitlement if she remarries. A divorced spouse or surviving divorced spouse receives nothing regardless of years of marriage and regardless of how many years of the worker's career was in employment covered by social security.

Conversely, if a railroad worker has severed his current connection by working in other employment after he has left service with the railroads, he himself loses supplemental benefits when he retires, but his widow loses the extra benefit payable to a railroad widow. Upon the worker's death, all wage credits are credited back to the Social Security Administration and the widow qualifies for a social security benefit. The divorced widow, however, fares much better if her former husband has no current connection with the railroad. She, too, qualifies for a social security annuity equal to that being paid to the woman to whom her former husband was married at the time of his death.

A similar situation exists with respect to parents who, at the time of a child's death, are dependent upon that child for at least half of their support. If the worker has a current connection with the railroad, the dependent parent is eligible or potentially eligible for a benefit only if there exists no other eligible or potentially eligible beneficiary. If, for example, there is a young widow who would be eligible for a railroad retirement annuity when she reached retirement age, no parents' benefit would be payable. However, if the Social Security Administration had jurisdiction, the dependent parent would receive the same benefit payable to the dependent parent of a worker covered by social security.

A railroad worker or former railroad worker retains a current connection if, following his railroad employment, he does not regularly work for a nonrailroad employer. This rule, designed to insure that railroad retirement trust funds are paid to persons with a strong attachment to railroad employment, also leads to serious inequities.

Cuts in rail service have forced numerous individuals into other employment after 25, 30, and more years of railroad service. My bill, reintroduced today, protects the current connection of any worker who has completed 25 years of railroad service. This is substantially more than half of a normal work life and I believe it is fair to all present and former railroad employees.

My bill for disabled spouses and disabled surviving spouses will conform the letter of the law with the purposes of the law. The principle of both social security and railroad retirement is wage replacement upon the death, disability, or retirement of a wage earner. An annuitant's spouse is entitled to a benefit if there are young children to be cared for or if the spouse is retirement age. If the spouse is not yet old enough to retire or is not caring for a young child he or she is expected to be capable of gainful employment. The legislation I am introducing today recognizes that a disabled spouse is not able to compete in the labor market and it authorizes the same spouse annuity which would be payable at age 65. A second provision of the same bill authorizes a spouse benefit to be paid if a disabled annuitant is in need of aid and attendance and that care is being provided by the spouse.

The final two bills will afford to railroad employees who serve in the military the same protections offered by veterans reemployment law to all others who enter the military service

and return to their previous employment.

The first measure provides for discontinuance of the present practice of either not counting years of military service toward railroad retirement or offsetting from the retiree's annuity any compensation a veteran is receiving as a result of his military service. Because railroad retirement benefits are computed using the social security formula, not only does a railroad retiree have his annuity reduced $1 for every $1 he receives from the Veterans' Administration, his spouse's annuity can be reduced an additional 50 cents. Only the Railroad Retirement Act permits this type of offset. In fact, in its Alabama Power Co. against Davis decision of June 1977 and again in its Coffy against Republic Steel Corp. decision of June 1980, the U.S. Supreme Court unanimously held that a veteran's future compensation must be identical to that he would have received had his employment not been broken by military service.

The second veterans' measure relates to the years of military service which must be credited toward railroad retirement. Again, the Railroad Retirement Act stands alone. Veterans reemployment law covering all other employers in this Nation requires both voluntary military service—up to 4 years unless involuntarily extended—and all compulsory military service to be counted. The Railroad Retirement Act, however, defines years of service so as to exclude any voluntary service unless the individual entered during time of war or for whom draft was imminent. The unfortunate result of this provision of the law is to deny railroad retirement credit to all veterans of the Korean or Vietnamese wars who volunteered to serve their country prior to the time the conflicts were recognized as wartime service.

I invite my colleagues to join me in sponsoring these bills and I urge them to work with me toward enactment of these important railroad retirement equity measures.

LEGISLATION TO ENABLE AGENCIES TO COLLECT DELINQUENT DEBTS

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, at a time when every effort is being made to cut nonessential Federal spending, it is hard to believe that the Federal Government is allowing billions of dollars in delinquent debts to go uncollected. Yet that is the case. The Office of Management and Budget reports that of $26 billion in delinquent debts outstanding in 1980, an estimated $6.3 billion will probably never be collected. It will just be taken off the books as a dead loss.

This is money that has been borrowed by students, small businessmen, veterans, and other participants in the various Federal loan programs. Some of it also represents overpayments of benefits and annuities to individuals. The main reason the money is not being collected is that the agencies involved lack the resources, the procedures—and in some cases, the will—to go out and get it.

I am today introducing a bill that will make it possible for the agencies that have delinquent debts to use a tool that private businesses have found effective in dealing with deadbeats: Reporting their delinquency to a private credit rating bureau. This is not to be confused with turning the debt over to a private collection agency. That is not authorized by my bill. What it does provide is that the information that an individual has not repaid a Government loan can be given to a credit rating bureau so it will be a matter of record when that individual applies for credit to buy a car, a house, or make some other transaction that relies on his creditworthiness.

Private firms have found that the threatened loss of one's credit is a powerful incentive for clearing up back debts. It has proved to be equally effective in collecting overdue Government debts in test programs conducted by the General Accounting Office, which strongly supports the legislation.

The bill, which is similar to one introduced in the Senate by Senator CHARLES H. PERCY, requires that before a notice of delinquency can be given to a credit bureau, two written notices of such intent must be sent to the debtor. It also allows an opportunity for the debtor to review the debt before any action is taken.

Another objective of the bill is to improve the internal procedures for debt management and reporting within the agencies. Debt collecting has a low priority in most agencies. Their methods for identifying and following up on bad debts are totally inadequate. The bill would require them to make periodic reports on the status of their loan programs to OMB, which, in turn, would make an annual report to Congress showing the amount of outstanding loans owed to each agency.

Mr. Speaker, Federal loans contribute greatly to the improvement of our citizens' education, housing, and business opportunities. The vast majority of those who borrow repay the loans as they come due. But there are, unfortunately, thousands of individuals who do not. They are going about their business, buying homes and cars, making and repaying bank loans, while ignoring their obligation to pay back what they have borrowed from the taxpayers. This is a flagrant abuse of worthwhile Government programs, and of the public trust. We must arm the Government with the authority to deal with these delinquents. I hope this legislation will be speedily enacted.

TRIBUTE TO OLIN E. TEAGUE

(Mr. HAMMERSCHMIDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HAMMERSCHMIDT. Mr. Speaker, all of us, as well as the entire veteran population of this Nation are today saddened to learn of the death of our former colleague, the Honorable Olin E. Teague of Texas.

I first met Tiger Teague when I was elected to the 90th Congress and assigned to the Committee on Veterans' Affairs when it convened in January 1967. Tiger was then chairman of the committee. I quickly learned that this respected leader was responsible for instituting the bipartisanship in veterans legislation that remains to this day the hallmark of this committee's activities.

A former resident of Mena, Ark., where many of his kinfolk still reside, Tiger, in a jocular manner, sometimes referred to me as his Congressman. We rapidly developed a close friendship that has existed to this sad day. My heart is especially heavy as I mourn the passing of this distinguished American.

Mr. Speaker, as you indeed are aware, Tiger Teague's career of military and public service was marked with honor and distinction. One of the most highly decorated veterans in the Congress, Tiger often said that he was most proud of his Combat Infantryman's Badge.

Elected to represent the Sixth District of Texas in September 1946, while still hospitalized recovering from war wounds, Tiger Teague was a highly respected Member of the House of Representatives until his voluntary retirement at the end of the 95th Congress in 1978. A member of the Committee on Veterans' Affairs during all of his 32 years of congressional service, he served as its chairman for 18 of those years.

During his long and distinguished career, Tiger Teague sponsored more veterans legislation that became law than any Member of Congress.

Beloved by all veterans, Tiger has been honored with the highest awards of all the major veterans organizations. The passing of this giant among men—a soldier's soldier, a respected legislator and a true champion of the Nation's veterans and their cause—will be mourned forever.

My wife, Ginny, and I extend our deepest sympathy and condolences to his bereaved widow, Freddie, and his children, Jim, Jack, and Jill.

A TRIBUTE TO MANNY CELLER

(Mr. BROOKS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BROOKS. Mr. Speaker, it was my great privilege to serve on the House Judiciary Committee during the time Manny Celler was the chairman. Those were momentous days in the history of our Nation, particularly in the area of civil rights. The landmark legislation that was enacted to protect and extend those rights for all our citizens was the work of many people, but much of the credit must go to the patience, persistence, and the political and parliamentary skills of Chairman Celler.

He was a man of warmth and compassion, full of wit and humor, but also of steely resolve in defending the right of all Americans to the equal protection of the laws. He left his mark on many important areas of our national life, including antitrust and immigration laws, as well as those extending the guarantees of the Constitution to all Americans. Four amendments to the Constitution were guided through the House by Manny Celler, including those lowering the voting age to 18, abolishing the poll tax, and permitting residents of the District of Columbia to vote for President.

His was a long and illustrious career of service and devotion to the ideals that have made America great. I count my years of association and friendship with him among my most cherished memories.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. DENARDIS) to revise and extend his remarks and include extraneous material:)

Mr. LUNGREN, for 10 minutes, today.

(The following Members (at the request of Mr. MOAKLEY) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. ZABLOCKI, for 5 minutes, today.

Mr. OBERSTAR, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BROOKS, under general leave request by Mr. ADDABBO, on January 19, 1981.

(The following Members (at the request of Mr. MOAKLEY) and to include extraneous matter:)

Mr. MAZZOLI.

Mr. ROE.

Mr. GEJDENSON.

Mr. ROSENTHAL.

Mr. HOWARD.

(The following Members (at the request of Mr. DENARDIS) and to include extraneous matter:)

Mr. BEREUTER.

Mr. KEMP.

ADJOURNMENT

Mr. MOAKLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 25 minutes a.m.) under its previous order, the House adjourned until Tuesday, January 27, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

360. A letter from the Administrator, Food and Nutrition Service, Department of Agriculture, transmitting the second annual report on the effect of the elimination of the purchase requirement in the food stamp program, pursuant to section 8(a) of the Food Stamp Act of 1964, as amended (91 Stat. 968); to the Committee on Agriculture.

361. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of a construction project proposed to be undertaken by the Air Force Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

362. A letter from the Deputy Assistant Secretary of the Army (Installations and Housing), transmitting the annual report for fiscal year 1980 on Army contracts for military construction awarded without formal advertisement, pursuant to section 604 of Public Law 96-418; to the Committee on Armed Services.

363. A letter from the Deputy Director, Legislative Liaison, Department of the Air force, transmitting a report on the 10 firms awarded the highest amounts of architect-engineer contracts by the Air Force in fiscal year 1980, pursuant to section 604 of Public Law 96-418; to the Committee on Armed Services.

364. A letter from the Director, Office of Legislative Affairs, Department of the Navy, transmitting notice of the Navy's intention to donate a surplus Pullman car, serial number DAFX 89493, to the Charleston, S.C., chapter of the National Railway Historical Society, pursuant to 10 U.S.C. 7545; to the Committee on Armed Services.

365. A letter from the Secretary of Health and Human Services, transmitting a report on the study of the issues in locating, assessing, and treating individuals exposed to hazardous substances, pursuant to section 306(1)(3) of the Public Health Service Act, as amended (92 Stat. 3453); to the Committee on Energy and Commerce.

366. A letter from the Acting General Counsel, Department of Energy, transmitting notice of various meetings relating to the international energy program to be held in London, England, on January 27; to the Committee on Energy and Commerce.

367. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission will be unable to render a final decision in ex parte No. 375 (Sub-No. 1), *Increased Freight Rates and Charges—1980 Determination, Phase II,* within the specified 7-month time limit, pursuant to 49 U.S.C. 10707 (b)(1) and (c)(1); to the Committee on Energy and Commerce.

368. A letter from the Secretary of Commerce, transmitting the annual report for fiscal year 1980 on export administration, pursuant to section 14 of Public Law 96-72; to the Committee on Foreign Affairs.

369. A letter from the Assistant Director, Legislative and Public Affairs, International Development Cooperation Agency, transmitting the 1981 report on the Chairman of the Development Coordination Committee, pursuant to section 634(a)(1) of the Foreign Assistance Act of 1961, as amended, together with the IDCA fiscal year 1982 congressional presentation; to the Committee on Foreign Affairs.

370. A letter from the Secretary of Health and Human Services, transmitting a report on the Department's disposal of surplus real property to public health and educational institutions during fiscal year 1980, pursuant to section 203(o) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

371. A letter from the Assistant Secretary of the Interior for Policy, Budget and Administration, transmitting a negative report for fiscal year 1980 on disposal of foreign excess property by the Department, pursuant to section 40(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

372. A letter from the Secretary of the Interior, transmitting the New Jersey Pinelands comprehensive management plan, pursuant to section 502(g)(1) of Public Law 95-625; to the Committee on Interior and Insular Affairs.

373. A letter from the Director, Office of Inspector and Auditor, U.S. Nuclear Regulatory Commission; transmitting an evaluation of the Commission's progress in instituting effective management controls and improving the accuracy of the data provided to the Federal Procurement Data System regarding consultant service contracts, pursuant to section 307(b) of Public Law 96-304; to the Committee on Interior and Insular Affairs.

374. A letter from the Clerk, U.S. Court of Claims, transmitting a copy of the court's judgment order in Docket No. 22-G, *Mescalero Apache Tribe, et al.* v. *The United States;* to the Committee on Interior and Insular Affairs.

375. A letter from the Secretary of Transportation, transmitting a report on the costs of making urban rail transit systems accessible to handicapped persons, pursuant to section 321(a) of Public Law 95-599; to the Committee on Public Works and Transportation.

376. A letter from the Secretary of Transportation, transmitting a report on the demonstration of the acceleration of highway

projects, pursuant to section 141 of the Federal-Aid Highway Act of 1976, as amended (92 Stat. 2709); to the Committee on Public Works and Transportation.

377. A letter from the Chairman, Civil Aeronautics Board, transmitting the Board's report on the automatic market entry program, pursuant to section 401(d)(7)(E) of the Federal Aviation Act of 1958, as amended (92 Stat. 1718); to the Committee on Public Works and Transportation.

378. A letter from the Acting U.S. Trade Representative, Executive Office of the President, transmitting a report covering the 6 months ended December 31, 1980, on reviews and hearings arising from complaints of unfair trade practices by foreign governments, pursuant to section 306 of the Trade Act of 1974, as amended; to the Committee on Ways and Means.

379. A letter from the Chairman, U.S. International Trade Commission, transmitting a draft of proposed legislation to provide for authorization of appropriations for the U.S. International Trade Commission for fiscal year 1982; to the Committee on Ways and Means.

380. A letter from the Secretary of Agriculture, transmitting the annual report on agricultural export activities for the period October 1, 1978 to September 30, 1979, pursuant to Public Law 83-480, as amended; jointly, to the Committees on Agriculture and Foreign Affairs.

381. A letter from the Director, Federal Emergency Management Agency, transmitting a report on the small business share of Federal procurement related to the development of synthetic fuel, pursuant to section 701(d) of the Defense Production Act of 1950, as amended (94 Stat. 633); jointly, to the Committees on Banking, Finance and Urban Affairs and Small Business.

382. A letter from the Comptroller General of the United States, transmitting a report on inadequate enforcement of consumer credit laws (GGD-81-13, Jan. 2, 1981); jointly to the Committees on Government Operations and Banking, Finance and Urban Affairs.

383. A letter from the Comptroller General of the United States, transmitting a report on NATO collaboration and the U.S. arms export control issue (ID-81-1R, Jan. 19, 1981); jointly, to the Committees on Government Operations and Foreign Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROOKS:

H.R. 1242. A bill to provide for contribution of damages attributable to an agreement by two or more persons to fix, maintain, or stabilize prices under section 4, 4A, or 4C of the Clayton Act, and for other purposes; to the Committee on the Judiciary.

H.R. 1243. A bill to amend title 5 of the United States Code to increase the efficiency of governmentwide efforts to collect debts owed the United States, to require the Office of Management and Budget to establish regulations for reporting on debts owed the United States, and to provide additional procedures for the collection of debts of the United States; jointly, to the Committees on Government Operations and the Judiciary.

By Mr. COLLINS of Texas:

H.R. 1244. A bill to provide for the safeguarding of taxpayer rights, and for other purposes; to the Committee on Ways and Means.

H.R. 1245. A bill to amend title II of the Social Security Act to repeal (with respect to individuals who have not yet attained age 65) the provisions which presently provide higher old-age insurance benefits for individuals who delay their retirement; to the Committee on Ways and Means.

By Mr. DELLUMS:

H.R. 1246. A bill to provide for the exclusion of industrially funded personnel in computing the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year; to the Committee on Armed Services.

H.R. 1247. A bill to amend title 10, United States Code, to provide for identification of positions in the Department of Defense which can be filled by civilian employees and to prohibit assignment of active-duty military personnel to such positions unless such personnel meet the civilian qualifications for such positions, and for other purposes; to the Committee on Armed Services.

H.R. 1248. A bill to amend the Civil Rights Act of 1964 to eliminate employment discrimination on the basis of military discharge status; to the Committee on Education and Labor.

H.R. 1249. A bill to exonerate and to provide for a general and unconditional amnesty for certain persons who have violated or are alleged to have violated laws in the course of protest against the involvement of the United States in Indochina, and for other purposes; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 1250. A bill to amend the Internal Revenue Code of 1954 to increase the allowable contributions to individual retirement plans and to allow employees a deduction for savings contributions to employer retirement plans or to individual retirement accounts; to the Committee on Ways and Means.

By Mr. DELLUMS:

H.R. 1251. A bill to amend title 38, United States Code, to provide for the entitlement to veterans' benefits of Americans who fought in the Abraham Lincoln Brigade during the Spanish Civil War, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. FAUNTROY:

H.R. 1252. A bill to amend the District of Columbia Self-Government and Government Reorganization Act to repeal the limitation on the Council of the District of Columbia regarding the imposition of any tax upon individuals who are not residents of the District of Columbia; to the Committee on the District of Columbia.

H.R. 1253. A bill to establish an office of the attorney general for the District of Columbia to transfer prosecutorial authority for local offenses and custodial responsibility for prisoners convicted of local offenses to the District of Columbia government, to provide for the local appointment of the judges of the District of Columbia courts, and for other purposes; to the Committee on the District of Columbia.

H.R. 1254. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to provide autonomy for the District of Columbia government over expenditure of funds derived from revenues of the District of Columbia government; to the Committee on the District of Columbia.

H.R. 1255. A bill to amend the District of Columbia Self-Government and Government Reorganization Act to establish a predictable and equitable method for determining the amount of the annual Federal payment to the District of Columbia; to the Committee on the District of Columbia.

H.R. 1256. A bill to amend the District of Columbia Self-Government and Government Reorganization Act to reduce from 30 to 7 legislative days the period for congressional review of acts of the Council of the District of Columbia which do not involve a Federal interest, to allow such acts to take effect during a congressional recess or adjournment, and for other purposes; to the Committee on the District of Columbia.

By Mr. FUQUA (by request):

H.R. 1257. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Technology.

By Mr. LEHMAN:

H.R. 1258. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on series E and EE, U.S. savings bonds received by individuals who have attained age 65; to the Committee on Ways and Means.

By Mr. MOORHEAD:

H.R. 1259. A bill to incorporate the American Blood Commission; to the Committee on the Judiciary.

By Mr. OBERSTAR:

H.R. 1260. A bill to amend the Railroad Retirement Act of 1974 with respect to the benefits of remarried widows and widowers of railroad employees and to amend title II of the Social Security Act to provide benefits thereunder for divorced spouses and surviving divorced spouses of individuals who are entitled to railroad retirement annuities; jointly, to the Committees on Energy and Commerce and Ways and Means.

H.R. 1261. A bill to amend the Railroad Retirement Act of 1974 to assure that surviving parents receive benefits that are equal to those analogous surviving parents receive under the Social Security Act; to the Committee on Energy and Commerce.

H.R. 1262. A bill to amend the Railroad Retirement Act of 1974 to provide that an individual who has completed 25 years of railroad service shall be deemed to have a current connection with the railroad industry for the purposes of such act; to the Committee on Energy and Commerce.

H.R. 1263. A bill to amend the Railroad Retirement Act of 1974 to provide benefits for certain disabled spouses of railroad employees and for certain spouses of disabled railroad employees; to the Committee on Energy and Commerce.

H.R. 1264. A bill to amend the Railroad Retirement Act of 1974 to eliminate deductions from certain annuities on account of military pensions, disability compensation, and other gratuitous benefits given under other acts of Congress; to the Committee on Energy and Commerce.

H.R. 1265. A bill to amend the Railroad Retirement Act of 1974 to eliminate the limitation of "years of service" credit for military service to wartime service; to the Committee on Energy and Commerce.

H.R. 1266. A bill to amend title II of the Social Security Act to provide full benefits for disabled wives, husbands, widows, and widowers without regard to age (subject to limited adjustments to reflect any previous

reductions in their benefits), to provide benefits for essential spouses of disability beneficiaries without regard to age or children in care, to provide that all divorced spouses and former spouses (including husbands and fathers) may qualify for benefits, and to liberalize eligibility for disability benefits; to the Committee on Ways and Means.

By Mr. PANETTA:

H.R. 1267. A bill authorizing the Secretary of the Interior to retain as a national reserve, certain lands of the Outer Continental Shelf included in proposed lease sales numbered 53 and 73, and prohibiting the Secretary from leasing such lands for oil or gas production or development, except as recommended by the President of the United States and not disapproved by the Congress, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RAHALL:

H.R. 1268. A bill to authorize National Shut-In Day; to the Committee on Post Office and Civil Service.

H.R. 1269. A bill to amend title 38, United States Code, to provide for a 12-year delimiting period for a veteran to complete a program of education; to the Committee on Veterans' Affairs.

H.R. 1270. A bill to provide for judicial review of administrative determinations made by the Administrator of the Veterans' Administration to apply the provisions of chapter 5 of title 5, United States Code, to the rules, regulations, and orders of the Veterans' Administration; to provide for the use of a reasonable fee for attorneys in rendering legal assistance to veterans with claims before the Veterans' Administration; and for other purposes; jointly, to the Committees on Veterans' Affairs and the Judiciary.

H.R. 1271. A bill to amend title 23, United States Code, to provide assistance for energy impacted rail and highway transportation; jointly, to the Committees on Public Works and Transportation and Energy and Commerce.

By Mr. ROSENTHAL:

H.R. 1272. A bill to establish the Airport Noise Curfew Commission and to define its functions and duties; to the Committee on Public Works and Transportation.

By Mr. WHITTEN:

H.R. 1273. A bill to protect the national security; protect the economic well-being of the American people including the Nation's present supplies and undeveloped sources of energy, fuel, food, and fiber from damage due to arbitrary and unsound regulation, order, or decision issued by an executive department, agency, or commission, and for other purposes; to the Committee on the Judiciary.

H.R. 1274. A bill to abolish the U.S. Postal Service, to repeal the Postal Reorganization Act, to reenact the former provisions of title 39, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1275. A bill to amend title 39 of the United States Code to prohibit the Postal Service from limiting regular daily mail delivery to fewer than 6 days each week, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1276. A bill to authorize the Secretary of the Army, acting through the Chief of Engineers, to pay claims for damage to a water well, spring, or artesian well used or susceptible for use as a water supply, if construction or operation of any segment of the Tennessee-Tombigbee Waterway project is the cause of said damage; to the Committee on Public Works and Transportation.

H.R. 1277. A bill to provide for determination through judicial proceedings of claims for compensation on account of disability of death resulting from disease or injury incurred or aggravated in line of duty while serving in the active military or naval service, including those who served during peacetime, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 1278. A bill to protect funds invested in series E, U.S. savings bonds from inflation and to encourage persons to provide for their own security; to the Committee on Ways and Means.

H.R. 1279. A bill to amend the Internal Revenue Code to remove the limitations on the amount of medical and dental expenses which may be deducted, to permit taxpayers to deduct such expenses, to arrive at their adjusted gross income, and for other purposes; to the Committee on Ways and Means.

H.R. 1280. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. YOUNG of Alaska:

H.R. 1281. A bill to provide for the conveyance of certain lands in Alaska comprising trade and trade manufacturing site A-056802 without regard to the 80-rod limitation provided by existing law; to the Committee on Interior and Insular Affairs.

By Mrs. HOLT:

H.J. Res. 128. Joint resolution authorizing and requesting the President to issue a proclamation designating the 7 calendar days commencing on April 30 of each year as National Beta Sigma Phi Week; to the Committee on Post Office and Civil Service.

H.J. Res. 129. Joint resolution to authorize and request the President to issue a proclamation designating January 25, 1982, the birthday of Robert Burns, as Scottish Heritage Day; to the Committee on Post Office and Civil Service.

By Mr. HOWARD:

H.J. Res. 130. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. WHITTEN:

H.J. Res. 131. Joint resolution providing for the designation of the first week in May of each year as Be Kind to Animals Week; to the Committee on Post Office and Civil Service.

H.J. Res. 132. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MATTOX:

H. Res. 39. A resolution to express the sense of the House of Representatives that the President should declare a national holiday to honor the Americans who were held hostage in Iran and observe their return to the United States; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII,

5. The SPEAKER presented a memorial of the Legislature of the Territory of Guam, relative to disposing low-level radioactive waste in the Northwest Pacific Ocean; jointly, to the Committees on Foreign Affairs and Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DELLUMS:

H.R. 1282. A bill for the relief of Maria Elena Cortez and Maria Claudia Cortez; to the Committee on the Judiciary.

H.R. 1283. A bill for the relief of Leticia Tongohan Pellerin; to the Committee on the Judiciary.

H.R. 1284. A bill for the relief of the West Oakland Health Council, Inc.; to the Committee on the Judiciary.

By Mr. FOWLER:

H.R. 1285. A bill for the relief of Ohaness Stefan Kabbenjian; to the Committee on the Judiciary.

By Mr. MATTOX:

H.R. 1286. A bill for the relief of Robert Jayson, William Jayson, and Jennie Jayson; to the Committee on the Judiciary.

By. Mr. RAHALL:

H.R. 1287. A bill for the relief of Raul H. Tamayo, doctor of medicine, Teresita Isip Tamayo, Maria Theresa Tamayo, and Raoul Isip Tamayo; to the Committee on the Judiciary.

By Mr. REUSS:

H.R. 1288. A bill for the relief of Margaret Dollinger Baloun; to the Committee on the Judiciary.

By Mr. ROSENTHAL:

H.R. 1289. A bill for the relief of Eileen Palmer; to the Committee on the Judiciary.

By Mr. MATTOX:

H. Res. 40. Resolution for the relief of Robert Jayson, William Jayson, and Jennie Jayson; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 22: Mr. ROUSSELOT.
H.R. 330: Mr. PARRIS.
H.R. 368: Mr. OTTINGER.
H.R. 372: Mr. GINGRICH.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

14. By the SPEAKER: Petition of the city council, Philadelphia, Pa., relative to air pollution; to the Committee on Energy and Commerce.

15. Also, petition of the Kenai Peninsula Borough Assembly, Soldotna, Alaska, relative to the Council on Foreign Relations and the Trilateral Commission; to the Committee on Foreign Affairs.

16. Also, petition of Peck, Shaffer & Williams, attorneys at law, Cincinnati, Ohio, relative to the Comptroller General report entitled "Evaluation of Alternatives for Financing Low and Moderate Income Rental Housing"; jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

17. Also, petition of the city council, Parma, Ohio, relative to Federal preemption of State and local laws on transportation of radioactive materials; jointly, to the Committees on Public Works and Transportation, Interior and Insular Affairs, and Energy and Commerce.

EXTENSIONS OF REMARKS

CONGRESSIONAL SALUTE TO THE BOYS CLUB OF PASSAIC, N.J., IN COMMEMORATION OF THEIR 75TH ANNIVERSARY CELEBRATION AND TO THE HONORABLE MICHAEL N. CORRADINO, THEIR 1980 MAN OF THE YEAR

HON. ROBERT A. ROE
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. ROE. Mr. Speaker, on Saturday, January 31, the residents of the city of Passaic, my congressional district and State of New Jersey will assemble to commemorate the 75th anniversary of the founding of the Passaic Boys Club and honor an outstanding community and business leader, distinguished citizen, and good friend, the Honorable Michael N. Corradino, whose standards of excellence throughout his lifetime have earned him the most highly coveted citizen's award of the Boys Club of Passaic—the Man of the Year.

Mr. Speaker, I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations to the officers and members of the Boys Club of Passaic and warmest greetings and felicitations to Michael Corradino, his good wife Anna Belle Lomauro, their son Bart, and daughter Mary Ann—Mrs. Neal Green—on this most significant historic and glorious occasion.

The Boys Club of Passaic is one of our Nation's most prestigious affiliates of the Boys Club of America and has served over 250,000 young people between the ages of 7 and 17 in the Passaic area since its inauguration in 1905.

Mr. Speaker, we are all familiar with the noble traditions of the Boys Clubs of America and their outstanding public service to the people of our Nation in helping our youth to achieve leadership qualities of self-reliance, character building, sportsmanship, fair play, and eagerness to serve others. Their deeply committed endeavors in exercising measures to keep America beautiful, and attain greater communion and understanding in friendship and goodwill among all mankind are a significant investment in the enrichment and excellence of the quality of our way of life here in America.

Michael Corradino has by his example and lifetime of dedication to these same true American ideals personified exemplary leadership in his outstanding responsible service to our people which has truly enriched our community, State, and Nation.

Born in Passaic, N.J., our man of the year Mike moved to Clifton, N.J., as a young boy, was educated in Clifton public schools, graduated from Clifton High School, and attended Fairleigh Dickinson University.

He is a charter member, past president and currently secretary-treasurer of the Passaic chapter of Unico National; served on numerous national committees and as historian and editor of the national Unico magazine; deputy district governor, district IV, New Jersey, Unico National; charter member and past president, Passaic Kiwanis Club; past president, Passaic Executive Investment Club; currently treasurer of the Geraci Citizens League; past president, Passaic Inter-Service Club Council; former director and member, board of management, Passaic-Clifton YMCA; member, Clifton-Passaic Chamber of Commerce, Printing Industry of New Jersey, National Association of Photolithographers, American Legion Clifton Memorial Post 347, Regina Mundi Knights of Columbus, Clifton.

Mike was elected to the board of directors of the Passaic Boys Club in 1962 and served on the Boy of the Year Committee, Camp Committee, and then chairman of the Camp Committee. In 1972 he was elected president of the Boys Club board of directors and currently holds that position.

A director of the Unico National Mental Health Research Foundation since its founding in 1973, the Passaic Boys Club Man of the Year served as secretary-treasurer of this most important research organization which has provided thousands of dollars for professional researchers and scientists in the field of mental health with several projects currently underway in New Jersey and Nebraska institutions. In recognition of his outstanding service and dedication to the needs of people, Mike was elected president of the board of directors at the 55th Annual Convention of Unico National held in Puerto Rico in 1977.

Mr. Speaker, it is interesting to note that in the business community Mike Corradino has advanced from the position of bookkeeper and sales representative to become principal owner and president of Dixon Press and president of Corbam Associates. Mike has been in the vanguard of activities in seeking help for the victims of the recent disastrous earthquake in Italy and has donated his time and hundreds of dollars in professional expertise to fundraising activities of Unico chapters to assist in this 1980 disaster.

In 1942 he enlisted as a private in the Army of the United States and was discharged in 1945 as a warrant officer junior grade after serving as administrative assistant to the Chief of Staff, Headquarters VI Corps in the European theater of operations. Among his military decorations, he was awarded the Bronze Star Medal for his distinguished service on behalf of our country and our people.

Mr. Speaker, with your permission I would like to insert at this point in our historic Journal of Congress a brief history of the Passaic Boys Club which has been in existence as long as the Boys Club of America. The officers and members of this club throughout the past three-quarters of a century are to be commended for their sincerity of purpose and dedication to the young people of our community and it is with great pleasure that I present a synopsis of their activities which was forwarded to me by the esteemed chairman of the 75th anniversary celebration and master of ceremonies for the evening, the Honorable Ronald W. Giaconia, as follows:

SYNOPSIS OF PASSAIC BOYS' CLUB HISTORY

The Passaic Boys' Club was founded in 1905 and held its first official meeting in January, 1906. The Club's first President, John J. Stater, was a Civil War veteran, a Passaic County Clerk, and a leading citizen. The other incorporators (The Boys' Club was incorporated in 1910) were also among the City's leading figures, and the tradition of accepting membership on the Boys' Club Board of Directors as an honor began back then.

The first Executive Director, Richard N. Nelson, set up shop in a vacant store on Second Street, now Market Street, in the teeming heart of the City's Eastside, the section where the Club is still located and which it continues to serve these 75 years. The Club moved later to a second-floor loft over a livery stable on First Street. In 1920-21 the first Boys' Club building was erected at 70 Third Street. It was the last word in Club building with facilities to operate many recreation programs.

The Club served the underprivileged, lower socio-economic families, as it continues to do so today.

The Boys' Club began its Camping Program in 1917 at the Old Richardson Scale property in Clifton. Later, about 1922, moved to Cold Spring Lake in Bloomingdale, where it rented the facilities. In 1932 Camp Ocawasin opened its gates on property donated by Martha and Mary Hird and today 500 children enjoy a summer resident camping facility and do their swimming right there in Lake Hird.

In the late 1960s plans were formulated with the assistance of the Passaic Housing Authority to request a grant from the Federal Government through H.U.D. for construction of a multi-use neighborhood facility. Over $400,000 was raised through the

generosity of the Community. Plus an additional $200,000 was received as a grant from the Charles Hayden Foundation. With initial support of Congressman Charles S. Joelson and then the continuing efforts by Congressman Robert A. Roe, Senator Harrison Williams and the Passaic Housing Authority, the necessary financing was obtained and the construction of the new facility began.

In December, 1970 the Passaic Boys' Club opened its doors to a modern $1,200,000 facility serving 350 children daily which includes girls. Added to that are countless community organizations being served.

Today, under the leadership and Presidency of Michael N. Corradino, the Club and its 50 person Board of Directors establishes policy and conducts fundraising activities necessary for operation of the organization. Many of the programs are geared to the needs of the children served many of whom come from one-parent families. With funds derived from the United Way of Passaic Valley, Division of Youth and Family Service, and Child Care Food Program, the Club conducts many vitally important youth programs such as After-School Day Care, Nutrition, Day Camp, Counseling and Tutoring.

The Passaic Boys' Club, since its beginning, has served well over 250,000 young people, teaching elements of growth not otherwise available in a distressed environment.

Mr. Speaker, I appreciate the opportunity to present some of the highlights of the past 75 years of the Boys Club of Passaic and call your attention to this year's recipient of their award of excellence.

With heartiest congratulations and deepest appreciation for all of their good works, we do indeed salute the officers and members of the Boys Club as they celebrate their Diamond Jubilee with special plaudits to a highly compassionate individual, good friend, and great American, the Boys Club of Passaic's Man of the Year—the Honorable Michael N. Corradino.●

A TRIBUTE TO OUR LADY OF VICTORY HOMES OF CHARITY AND FATHER BAKER'S HOMES OF CHARITY, LACKAWANNA, N.Y.

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. KEMP. Mr. Speaker, it is with great pleasure that today I pay tribute to Father Baker, Monsignor Maguire, and all the dedicated workers who have helped the needy in western New York over the past 125 years at Our Lady of Victory Homes of Charity. Let me offer my congratulations to those men and women that continue to support, wholeheartedly, the monumental efforts started years ago by Father Baker.

Throughout its 125-year history, Father Baker's Victory Homes of Charity have experienced unparalleled growth, each year becoming stronger and establishing new areas of service. Father Baker's Homes of Charity began as a small boy's home in 1889. Today his organization maintains a maternity home built in 1919 and the Our Lady of Victory National Shrine built in 1926.

When Father Baker died in 1936 his work was carried on by Monsignor Maguire. He succeeded in further broadening the scope of services provided by the Our Lady of Victory Homes of Charity. Today, programs at the infant home include the unmarried mother service, the adoption department, and "The Choose Life" service, all designed to help persons in great need. In 1977 the new Our Lady of Victory Hospital was completed. In that year there were more than 8,000 admissions and 27,000 emergency visits.

I must make special notice of their work with those children judged as delinquent. The Our Lady of Victory Homes of Charity, since its inception in 1889, has brightened the otherwise dismal outlook for these adolescents by offering them invaluable experiences and opportunities. In turn, these young men have matured and become professionals, lawyers, doctors, Governors, and Congressmen. The remarkable success of Baker Hall delinquent services, including the adolescent delinquent diversion program and the foster home care service, is a direct result of the time, patience, and dedication of those at the Homes of Charity.

Again, let me offer on behalf of all western New Yorkers, thanks and congratulations for the Our Lady of Victory Homes of Charity's faithful service to our community.●

LIZ CARPENTER: THE LAST HURRAH?

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. FOWLER. Mr. Speaker, one of the most important attributes for those of us in public life to have is a sense of humor. In a business dominated by crises and weighty matters of state, it is healthy indeed that we not take ourselves too seriously.

For most of the last 38 years, which must stretch back to before she was born, Liz Carpenter has graced the city of Washington with her unique blend of wit, wisdom, compassion, charm, and public service. Now comes word that she intends to leave us for her Texas home.

I would like to place in the record Ms. Carpenter's au revoir to Washington which appeared in the Washington Post of January 21.

One word of warning: Liz bid Washington a final adieu back in 1976 only to turn up again a couple of years later.

So, goodby Liz Carpenter, for now. Washington will miss you. But 1984 is only 4 years away and in the meantime I would not be too surprised if you heard from President Reagan.

[From the Washington Post, Jan. 21, 1981]

THE LAST HURRAH—OUT AGAIN

(By Liz Carpenter)

Goodbye, Washington. I love you, but you've gone and done it again—sent me packing. Yesterday, I was a sub-Cabinet member with a nice title and a sense of purpose. Sixty-five people were at my beck and call. Today, I'll be hard put to find a taxicab to take me to the airport and back to Texas.

I seem to have a penchant for getting in with the wrong crowd, the folks for social reform and human rights, like the Johnsons and the Carters. When the revolving door of politics sweeps them out, it is back to my hot tub in Texas.

I'm going to miss you, Washington. I always do. But I have to go. The newcomers don't even know how to pronounce rodeo. And I don't think Adolfo makes half-sizes.

You can see why I'm not sticking around, even though you and I are old friends. Can it really be 38 years since I arrived in 1942, my journalism degree in hand and my virtue intact? I still have my journalism degree. I was brunette then, and so naive I thought the "body politic" was a congressman's wife.

I first got to know you as a reporter covering the Capitol and the White House. I worked for editors and covered politicians who could drive you to drink, and some did. My editor at Variety once told me: "Liz, write everything as if you'd had two martinis. Better still, have two martinis!" Those were some of the happiest years of my life—to the best of my recollection.

But the greatest time in town, of course, is being swept up in the administration of someone in whom you believe. This happened to me twice.

I can't help smiling at what the new people have in store for them this month. Working in the White House automatically signals your friends, relatives, schoolmates, bare acquaintances and complete strangers to track you down with the fervor of Sherlock Holmes. When it was announced that I was press secretary and staff director to Lady Bird Johnson in 1963, there was a constant traffic jam outside my home—a tucked-away street where the only big event has been the day my dog bit the Good Humor man.

Florist trucks began arriving with bouquets and notes of congratulations and a "By the way, if you need an assistant . . ." My children came home from school with job applications from their schoolmates' parents. New and old friends wanted to be ambassadors. I heard from one high school buddy who only wanted out of the Bell County jail. This I did deliver, by paying his fine.

I worked out a system, and I gladly give it to the Gipper's Guys (is that what they're all going to be?). Try using three files to divide the job seekers: Talent, No Talent and a third marked STUN—. which covers the nuts, spelled backwards.

Of course, this quadrennial run-for-jobs is no new thing. When George Washington

took office, he found 3,000 applicants for federal employment even before a single position was created. The spoils system reached its zenith when Honest Abe took office. He had to deal with the Civil War and to put up with job-hungry Republicans enjoying their first victory after the birth of their political party. They flocked to the Capitol demanding work as pay for party service. "I am like a man so busy letting rooms at one end of the house that I have not time to put out the fire that is blazing and destroying the other end," Lincoln said.

Actually, it is the reverse that plagues presidents today. Too many people don't want to work for the government. Before the newcomers erase all those Schedule C "bureaucrats," they might look them over. A lot of talent is here in this federal family—hundreds of them who are ready, willing and able to stay and serve.

Strange that I should have been back here this year. Strange because I had gone home to Texas in 1976, making a bicentennial entrance, to lead a quieter, saner life. Just when I settled in to enjoy the blue skies and watch the deer nibble at my geraniums, just when my Jacuzzi had reached sensual perfection, the new secretary of the new Department of Education telephoned. With persuasion I hadn't heard since LBJ lifted me up by the ears, she insisted: "I need you; America needs you." I was about to tell her I wasn't all that valuable, when I said to myself, "Who am I to contradict a Cabinet officer?"

It wasn't just the bright lights, bright people and bright talk that lured me back to you, Washington, but a feeling that in a time when so few things work, education, above all things, should work. I came because we had a president who believed "education" belonged at the highest level of government right along with labor and justice. That's the part that hurts. The whole year may have been in vain.

Now, it's goodbye again. I tried to be big about it for old time's sake. I helped them sell their inaugural umbrellas, knowing that in every administration there are always rainy days. Now, on to Texas: to write, to speak, to dream a little and to laugh a lot. That's the hard part now, but laughter has always been my salvation. My mother blessed me with the admonition to keep a high heart and a sense of humor: "Just remember, child, what Martha Washington always said. 'There's nothing in the world worth worrying about.'" I often wondered where Martha said this, Valley Forge?●

MAZZOLI WELCOMES HOSTAGES HOME

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. MAZZOLI. Mr. Speaker, I would like to join with my colleagues in the House of Representatives and the whole Nation in welcoming home our 52 fellow Americans who were held hostage in Iran for 444 days.

These 52 exemplary Americans and their families are entitled to our undying admiration for their bravery and true grit under extreme pressure.

Any comment today must include, also, a mention of those valiant men who gave their lives in an effort to free their fellow Americans. They, too, deserve our undying admiration for their bravery and patriotism. My heart goes out to their families and I hope this final, happy resolution of the hostage crisis offers some comfort in dealing with their tremendous sense of loss.

I applaud President Carter and his administration for its patience and diligent work in obtaining the safe release of our fellow citizens after 14 agonizing months, with special thanks, of course, going to the Algerian intermediators who made the final outcome possible.

The Congress and the American people have many questions about this trauma: Why and how it occurred; how such events can be avoided or minimized in the future; and, the long-range obligations, if any, of the American people arising from the agreements between the United States and Iran which led to the hostages' freedom.

But, that is for the future. For today, all Americans are united in happiness and joy that our prayers have been answered and that our fellow countrymen and women are free and safe and about to be reunited with their families and loved ones.●

THE HOSTAGE CRISIS: IT MUST NEVER HAPPEN AGAIN

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. BEREUTER. Mr. Speaker, in the midst of our joy at the release of the American hostages in Iran, we must now begin a very thorough review of the circumstances that led to their captivity and how our Nation should act toward the Iranian Government in light of this long ordeal.

With that view in mind, I would like to share with my colleagues a recent editorial that appeared in the Omaha World Herald. Its message is well worth reading, especially since we now know more about the abuse the captive Americans received.

The editorial follows:

IT MUST NEVER HAPPEN AGAIN

After the period of public rejoicing over the agreement to release the hostages has passed, the Reagan administration must take steps to insure this never happens again.

To use a phrase from tennis, the ball is in our court now, and we have a number of options on what to do with it.

The United States will soon have the opportunity to undertake some tough new moves.

But first the new President Reagan, and the country, will need to know precisely what was in the deal that President Carter made during the final moments of his presidency.

Were any promises made to the government of the Ayatalloh Khomeini that might limit any immediate measures involving Iran?

Certainly it should be a long time before anything like normal diplomatic resolutions should be resumed. The U.S. should be in no hurry to return to trading with Iran, either.

Events of the past year have shown we can get along without Iranian oil, the country's chief export. And the destruction of oil facilities in the war with Iraq would severely limit any large-scale immediate resumption of oil exports anyway.

As for sending American goods to Iran, we don't need its business.

There will be an understandable desire for revenge. But we should not put our desire to get even ahead of our national interests.

We must, of course, make it clear to Iran that the breaking of the rules of decency did not pay off. And it should be made clear to the rest of the world that anything similar in the future will not pay off either.

We can expect our relations with Iran in the near term to be, at best, cool and distant.

But in the long term, we should remember that it is important to us that Iran remain at least neutral, rather than falling into the Russian orbit.

Eventually, when the present regime has changed to something more acceptable, then good relations with the new Iranian government might be possible and to our national advantage.

There are still scores of unanswered questions about this humiliating incident which need answers.

President Reagan should form some sort of investigating body to take a long, hard look into the whole business—how it happened and what, both in terms of dollars and promises, was the total price that we agreed to pay for the release of the hostages?

Beyond the material cost, this nation needs to reflect on the intangible prices.

What value do you put on the suffering of the families of the hostages, the despair, the fear they would never see their loved ones again?

What was the price the victims have paid? How much have their bodies and minds and spirits been damaged?

How much did the U.S. have to pay in terms of lost prestige and respect for submitting to the humiliation?

The nightmare of the hostages may finally be over, but the events it set in motion will continue for a long, long time.●

ESTONIANS IMPRISONED

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. HOWARD. Mr. Speaker, I am appalled at the odious treatment accorded by the Soviet Government to the dedicated Estonian dissidents Mart Niklus and Juri Kukk. In the struggle for Estonian independence, the efforts of these noble characters have been an inspiration in the political as well as in the purely human context.

In a series of acts constituting both harassment and overt repression, the Government of the U.S.S.R. has violated the human rights of these two men, and the provisions of the 1975 Helsinki Final Act. The Moscow regime has thus rendered itself deserving of the most severe opprobrium by those of us who cherish human dignity and freedom.

Both Mr. Niklus and Mr. Kukk have long been involved with and concerned for the fate of the Estonian people. The former served an 8-year prison sentence for sending pictures of Estonian slums to parties abroad in 1957, while Mr. Kukk has recently been subjected to the denigration of containment in so-called "psychiatric institutions" in Estonia and the U.S.S.R. Soon they are to be tried again for less than legitimate offenses against the state.

In this Nation as in many others, the admirable efforts of dedicated believers in freedom have often been the subject of tribute. Let this be one more voice added to the call for human freedom, and let those who stand in the way take notice.●

A PRESCRIPTION FOR CONSUMERS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. ROSENTHAL. Mr. Speaker, each year American consumers may be paying as much as $2 billion in unnecessary prescription costs as a result of anticompetitive practices that include prohibitions on retail drug price advertising, overprotective patent laws, exorbitant promotional expenditures, antisubstitution laws, and unreasonable markups.

Pharmacy for too long has acted as though consumers have no business knowing the cost of a prescription until they are presented with the bill. This is absurd. In addition, pricing is grossly inconsistent, even among stores of the same chain for the same prescription. It is almost impossible to compare prices. This causes hardships, especially for the elderly and others on low and fixed incomes. The pharmaceutical industry has shown distressingly little regard for the financial plight of its customers.

Prescription drugs are the major consumer product on the market today for which there is no retail price competition. The lack of adequate price information often forces consumers to spend more than necessary for prescription drugs. This should not be allowed to continue. One of the most effective means of providing that information and promoting competition in our free enterprise system is retail price advertising, something seriously lacking in pharmacy. Peer pressure and professional restrictions for years have combined to bar advertising and as a result competition has been minimal. Although the Supreme Court has ruled that such prohibitions are unconstitutional, their effect remains. To help clear up the confusion and make the laws clear, I have introduced legislation specifically outlawing any prohibitions on retail prescription drug advertising. And to help provide an information base for such advertising and for consumers to use in comparing prescription costs with or without advertising, the bill also requires drug price posting.

Over the years consumers have been conditioned to believe that money is no object where health is concerned; but in reality prescription drug prices bear little or no relationship to quality. American consumers most certainly have the right to find the best buy available and to receive as much information as they can on the lower cost generic drugs. This is a liberty that should be given to all consumers.

Drug industry profits are nearly double the rate of other U.S. manufacturing corporations. High prices are just one reason for high profits. Another is advertising—something de rigueur at the wholesale level but an anathema at retail. The manufacturers spend hundreds of millions of dollars each year on advertising and promotion but only a small fraction on basic research and development.

The drug industry also spends enormous amounts of time and money to prevent consumers from comparing the retail prices of prescription drugs. Excessive prices and monopolistic practices go hand in hand with the desire of many pharmacists to avoid retail price competition. The result is an increased burden on the consumer who is forced to pay these inflated prices.

The drug industry in the United States occupies a uniquely secure position in the economy. Demand continues to grow as new scientific discoveries are made and as the cures for more diseases are unearthed. Herein lies the decided disadvantage that the consumer must deal with. He has no choice but to buy these prescriptions no matter what the cost, because of strong and effective anticompetitive industry practices and overprotective patent laws.

The patent structure has helped to keep the prices of certain drugs at a high level. This protection stifles competition by giving the manufacturer a virtual monopoly on production and distribution for the 17-year patent period.

The drug industry contends that without the incentive of patent protection, many of the new drugs developed in recent years would not have been discovered. There is a need for a degree of patent protection but the 17-year monopoly seems excessive. The answer, in my judgment, lies in compulsory licensing of prescription drug patents.

I feel it is time for the consumer to be given a viable alternative to the high prices for prescription drugs. I have introduced four pieces of legislation in order to deal with these abuses:

The Prescription Drug Price Information Act (H.R. 909), which removes all legal restrictions on retail prescription drug price advertising and requires the posting of prices for the 100 most commonly prescribed drugs as determined by the Food and Drug Administration. The list should be arranged alphabetically by generic name and should contain the lowest price charged for each generic and brand-name drug in its most commonly dispensed dosage form and quantity. This measure would encourage consumers to be more price conscious as well as increase sorely needed competition among pharmacies.

The Prescription Drug Labeling Act (H.R. 912), which requires the labeling and advertising of prescription drugs by their generic name and an end to the laws prohibiting generic substitution by pharmacies. The use of generic drugs can be achieved without any sacrifice in the quality or safety of drugs. It would give the consumer and pharmacists the option of filling the prescription with the generic equivalent. Where such a substitution occurs, it must not be done to sell a higher priced product but to save money for the consumer. The doctor would retain the option, if desired, of prohibiting substitution on a specific prescription.

The Prescription Drug Freshness Act (H.R. 910), which requires that all perishable drugs show clearly on their label the date beyond which the potency is diminished or the chemical composition altered by age. This is already done at the wholesale level and should be done for retail consumer as well.

The Prescription Drug Patent Licensing Act (H.R. 915), which would make the licensing of new prescription drugs compulsory during the 17-year patent period. This would enhance competition in the industry as well as lower the prices that consumers would have to pay.●

A TRIBUTE TO UKRAINIAN INDEPENDENCE

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. GEJDENSON. Mr. Speaker, it is a great pleasure for me to join with

my colleagues today in celebrating the 63d anniversary of Ukrainian Independence Day. After centuries of struggle against domination by Imperial Russia, the Ukrainians on January 22, 1918, gained their national independence. Only 2 years later, their achievements and aspirations as a sovereign republic were crushed by the Bolshevik army.

Ever since, ethnic Ukrainians have fought and suffered in their struggle against Soviet suppression of their freedom and their individual rights. They have remained outspoken in the face of Communist prosecution.

We have observed during the last months how the people of Poland, a nation very close to the Ukraine, have made progress in their efforts to gain human rights under the Soviet yoke. That progress is still being overshadowed by the fear of a Soviet invasion. Had it not been for the encouragement and the moral support rendered to the Polish workers by the peoples of democratic nations, Red army battalions might already have moved into Poland. So far they have not; but let us not forget that Poland might still suffer the same fate as Afghanistan, Byelorussia, the Baltic States, and the Ukraine, and let us extend our help and our sympathies to these nations.

America has a responsibility to support efforts of national self-determination everywhere. We should, therefore, protest the full membership now accorded to captive peoples by the United Nations. Their present governments are only puppets of Moscow.

The 48 million Ukrainians now under Soviet control form the largest of these captive nations. Their plight for the right to determine their own destiny deserves the recognition of the United States and all other free democracies in the world. We shall honor their struggle by commemorating, today, the celebration of Ukrainian independence. ●

CONTINUE THE SOVIET GRAIN EMBARGO

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. PEYSER. Mr. Speaker, last Tuesday I introduced a resolution urging President Reagan to continue the boycott of American grain to the Soviet Union as a result of its continued occupation of Afghanistan. To date, I have obtained strong bipartisan cosponsorship on this bill and I am again urging my colleagues to join me in cosponsoring this resolution. Since the President has indicated that he is currently considering whether or not to continue the embargo, there is no better time than now for the House to signal its continued support of the grain cutoff. As I am sure we all remember, the House voted in June last year to defeat an amendment which would have rescinded the embargo by a vote of 135-279.

The embargo has primarily served and should continue to serve as a signal to the Soviets of our outrage over their invasion of Afghanistan. We must continue to insist that there will be no business as usual as long as they remain in that country. We have demanded that our young men register for the draft as a sign of our resolve to strengthen our defense against further Soviet expansionism. How can we now say that we will require our young men to register and possibly fight to defend our interests against the Soviets; but, for the sake of economics, we will not even maintain our resolve to continue the grain cutoff?

As an economic tool, critics have argued that the embargo is hurting the United States more than the Soviet Union. I maintain that there is strong evidence to the contrary. To cite a few facts, the Defense Intelligence Agency estimates that it cost the Soviet Union at least $1 billion more to purchase its grain on the world market and that the costs will continue to rise this year. Two consecutive poor harvests of approximately 180 million metric tons in 1979 and 1980—the Soviets originally expected to reap 235 million metric tons in 1980—make them extremely vulnerable to supply cutoffs and disruptions. The Russian Research Center at Harvard University reports that poor harvests and the embargo have caused meat and food shortages and that these in turn have caused worker unrest and even strikes and work stoppages in the Soviet Union. The Russian Research Center also reports that meat production for the October-November 1980 period, was 15 percent below the previous year. The Commerce Department reports an overall reduction of 3 percent for the first 11 months of 1980; but this included a huge Soviet distress slaughtering of hogs, poultry, and some beef in February and also in the fall of 1980. The distress slaughtering temporarily raised meat production but diminished stocks, which will hurt future production goals.

The Soviet shortfalls and inability to buy U.S. grain has also hindered them in their relations with the Eastern European countries. They have in the past been able to supply Eastern Europe, including Poland, with some of their grain needs. This of course provides the Soviets with a strong political tool for control over these countries. Because of their poor domestic situation, the Soviets have not been able to readily fulfill this need. In fact, there have been greatly increased exports of U.S. grain to Eastern Europe this past year, making this area more dependent on Western sources. Thus, the Soviets' ability to use grain as a political tool for control has diminished.

NOTE.—The USDA has reported that there is no evidence of grain sold to Eastern Europe being shipped to the Soviets.

Critics of the embargo have also argued that it has hurt American farmers and reduced farm income. Again, there is strong evidence to the contrary. The Government's farm subsidy programs and guaranteed purchase agreements have protected the farmer from adverse effects of the embargo. The export of agricultural products for 1980 was $40 billion, up from $32 billion in 1979. USDA estimates that exports will reach $48.5 billion this year even with the embargo in place. In addition, as a result of the embargo, the United States has diversified its agricultural export market by signing grain agreements with China—4 years at 6 to 9 million metric tons per year or more if needed, Mexico—7.2 million metric tons in 1980 and 6.15 million metric tons in 1981, Italy, and others.

Mr. Speaker, the United States must stand firm in its expression of outrage over the Soviet invasion and occupation of Afghanistan. The U.S.S.R. has been hurt by our action, and its vulnerability grows. I urge all my colleagues to cosponsor this resolution as a signal to our new President to continue the grain embargo.●

OUR ELDERLY AND SERIES E AND EE SAVINGS BONDS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. LEHMAN. Mr. Speaker, I am again introducing legislation to help our elderly, who have E and EE savings bonds, and who are burdened by our high inflation rate. This bill would allow those who have reached age 65 to exclude from gross income the interest on series E and EE U.S. savings bonds.

During the fall of 1979, the Gray Panthers, a senior citizens lobby, threatened to bring suit against the Government for falsely promoting low-interest bonds at a time when other investments were paying so much more. As a result the Treasury Department has agreed to tone down its ads for the bonds. Our elderly who have in the past and who continue to buy savings bonds should be given incentives and not penalized.

A large percentage of the income of our elderly citizens comes from interest income on savings and investments which have been carefully accumulat-

ed during their working years. However, our high rate of inflation is now placing a severe hardship on our senior citizens as they struggle with rapidly rising living costs.

Because the rate of return on our savings bonds is nowhere near the present rate of inflation, we should enact this legislation to help our senior citizens who rely most heavily on income from savings. Excluding from gross income the interest on series E and EE U.S. savings bonds for those who have reached age 65 would show our concern for and commitment to our Nation's elderly.

Mr. Speaker, I am hopeful that every consideration will be given to this needed legislation during the 97th Congress.●

ECONOMIC PROBLEMS AND SOLUTIONS ARE COMPLEX

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. MILLER of California. Mr. Speaker, since the recent Presidential election there has been a great deal of public discussion regarding the state of the U.S. economy and the need to take swift and decisive action to revitalize our national productivity.

A wide range of possible policies have been discussed, most pointedly, the numerous recommendations of the incoming administration which will propose policies to reactivate our industrial productivity.

In an incisive article in the current issue of the New York Review of Books, economist Emma Rothschild points out that, however inspiring this agenda, it fails to acknowledge some significant changes in the natue of the American economy in recent years. I want to share a portion of this article with you today.

The article follows:

REAGAN AND THE REAL AMERICA

(By Emma Rothschild)

Mr. Reagan has an imposing vision of the country that he is to lead. He sees an inherent America—an America which is white, and male, and industrial—and a project, of economic growth, by which this reality can be born again. He sees a "spirit" which is "still there, ready to blaze into life" if we "stimulate our economy, increase productivity, and put America back to work." But his America no longer exists. The pursuit of his vision may lead to an economic crisis and a level of unemployment in comparison with which the events of 1975 and 1980 will appear as the merest disturbances of the compassionate state.

During the election, Mr. Reagan spoke frequently about the American economy, and his words served him well. They had resonance—such is the political charm of the president-to-be—on two quite different levels. First, in policies, projections, and legislative proposals. Second, and far more importantly, in the imagination and in a tableau of American resurgence, packed and repacked in the cardboard of the traveling theater, which journeyed with Mr. Reagan through his seemingly interminable electoral wanderings.

The first level of economic discourse can be dismissed fairly expeditiously. Mr. Reagan said that he would cut income tax by 30 percent by 1983, that he would reduce business taxes in order to stimulate investment, that he would increase military spending, that while he would eliminate waste in government he would not assault the "integrity" of Social Security, that he would in the meantime balance the federal budget, and that his policies would reduce inflation.

The unlikeliness of this enterprise is not hidden by the appointment of a Cabinet balanced between wild tax cutters and men who appear as pillars of fiscal responsibility. We need not doubt the new government's resolution to kick the poor by eliminating social programs. The Republican policy equation depends, nonetheless, on the assumption of rapid economic growth. Only then would tax revenues be equal to Mr. Reagan's extravagant schemes.

But such accelerated growth seems unlikely. The United States exports more than 10 percent of its gross national product, and the countries with which it trades are sickly. Industrial production turned down in the second quarter of 1980 in each of the five largest capitalist economies. The number of people looking for jobs in the European Community has increased by 20 percent in one year. The world economy may be moving, as Mr. Reagan takes office, toward the synchronous recession of 1981–1982.

The expectation of economic growth thus depends in turn on a further assumption: that some unknown Republican inspiration, some elixir of indigenous capitalist expansion, will intervene to make possible the American regeneration. It is here that Mr. Reagan's imaginative tableau is of importance.

The scene is of an innate economy, an economy of industrial workers, male, white, neither young nor old, which is to "get working again." It is the country of the man in the Republican television commercial, standing lonely but determined in a deserted factory that he hopes to bring to life. And it is the country of basic manufacturing values. In his main economic speech, Mr. Reagan mentioned only two industries. "Outdated depreciation schedules," he said, "now prevent many industries, especially steel and auto, from modernizing their plants." The image is related, in turn, to the idea of remilitarization. The resurgent America will be equipped with missiles and tanks and military transport planes. Mr. Reagan repeatedly joined his objectives, of reconstructing "a disintegrating economy, a weakened defense."

It is on this vision that the Republican mission of restoring economic confidence relies. The new policies, Mr. Reagan's adviser George Shultz says, will have "an electric effect on expectations." Like other observers of capitalist behavior, including Keynes, the Reaganites believe in an investment "spirit." The "strategy," Reagan himself says, "is based on solid economic principles and basic experience in both the government and the marketplace. It has worked before and will work again." And indeed his imagery corresponds to the reality of the postwar period. The two great surges in recent American economic growth, from 1950 to 1953, and from 1962 to 1966, were each accompanied by an even more rapid increase in manufacturing output; each was also a period of rapid expansion in the military economy.

The vision is not implausible. But it is false. For the structural changes that have taken place in the US economy in the 1970s are such that the old truths no longer hold. These changes—in the structure of employment and also in the structure of military expenditure—make Mr. Reagan's regeneration, his Pittsburgh Redivivus, unlikely. They also hold out the possibility of a far more cruel economic crisis to come.

The 1970s were a time of startlingly rapid expansion in employment in the American economy. In the period of the economic crisis alone, from 1973 to 1979, almost 13 million new nonagricultural jobs were created of which almost 11 million were in the private economy. This is as though the entire labor force of Canada had moved south and found employment in the United States. The US had by far the most rapid growth in total employment of any major industrial country: from 1973 to 1979, it was more than three times as fast as in Japan, while employment actually fell in West Germany, and was virtually unchanged in France and the United Kingdom.

The new American jobs were concentrated, however, in two sectors of the private economy—services and retail trade—and, at least in the early 1970s, in one public sector, state and local government. By 1979, 43 percent of all Americans employed in the private nonagricultural economy worked in services and retail trade. The two sectors together provided more than 70 percent of all new private jobs created from 1973 to the summer of 1980.

Even within these two vast sectors, the growth in employment was further concentrated. Three industries each provided more than a million new jobs during the 1973–1979 period: "eating and drinking places," including fast food restaurants; "health services," including private hospitals, nursing homes, and doctors' and dentists' offices; and "business services," including personnel supply services, data processing services, reproduction and mailing, and the quaintly named "services to buildings." These three industries together accounted for more than 40 percent of the new private jobs created between 1973 and the summer of 1980. In that period their employment increased almost three times as fast as total private employment, and sixteen times as fast as employment in the goods-producing or industrial sector of the economy.

The three "new" industries loom very large in total employment. Mr. Reagan's fundamental manufacturing industries are insignificant by comparison. Thus the increase in employment in eating and drinking places since 1973 is greater than total employment in the automobile and steel industries combined. Total employment in the three industries is greater than total employment in an entire range of basic productive industries: construction, all machinery, all electric and electronic equipment, motor vehicles, aircraft, ship building, all chemicals and products, and all scientific and other instruments.

This transformation has profound consequences for the organization of society, and for the American economy. The new jobs are different in several respects from jobs in productive industry. In the first place, they provide employment for women. Women ac-

counted for 41 percent of all employment in 1979, and 31 percent of all manufacturing employment; they accounted for 56 percent of all people employed in eating and drinking places, 43 percent of employment in business services (a sharp increase since the early 1970s), and 81 percent of employment in health services. Waiting on tables, defrosting frozen hamburgers, rendering "services to buildings," looking after the old and the ill: "women's work."

Second, jobs in the big three industries of the 1970s offer short hours. People working in eating and drinking places work the shortest weekly hours of any industry: 26.4 hours in 1979, compared to an average of 35.7 for the entire private economy, and 40.2 in manufacturing. ("Services to buildings" and health services are also parsimonious in hours worked.) Third, hourly pay is very low. Eating and drinking places offer the lowest average hourly earnings (excluding tips) of any industry. Business services and health services are also among the low-paid industries. Employees in "nursing and personal care facilities," for example—of whom 89 percent are women—earned an average of $3.87 per hour in 1979, compared to an average of $6.16 in the entire private economy, and $6.69 in manufacturing. And these pitiful earnings increase very slowly. Hourly earning in services, measured in 1972 dollars, fell from $3.16 in 1973 to $3.08 in 1979; earnings in retail trade fell from $2.70 to $2.61. Over the same period real hourly earnings in manufacturing increased from $3.83 to $3.85, while earnings in the motor vehicle industry increased from $5.13 to $5.22.

Fourth, the new positions are "deadend jobs." One measure of the prospects for change and promotion in an industry is the proportion of all jobs which are for production or nonsupervisory workers. The average for the private economy in 1979 was 82 percent; for manufacturing it was 72 percent, with such adventurous industries as chemicals requiring only 57 percent nonsupervisory workers, aircraft 54 percent, and guided missiles 32 percent. Business services, by comparison, employ 87 percent nonsupervisory workers, health services 89 percent, and eating and drinking places 92 percent. Fifth, the "new" industries, with their short hours, temporary and part-time employment, and their women workers, are less protected by union agreements and benefits than are older manufacturing industries: the motor vehicle industry, for example, with its unemployment compensation, health benefits, and increasing earnings.

The booming labor-intensive industries are, finally, distinct economically from older productive industries. Their "structure" in input/output terms, for example, is different from that of manufacturing industries. They buy inputs from a very few other industries, and most of these suppliers are similarly crowded into the service and trade sectors. Thus the business services industry does not buy as much as a penny's worth of inputs, per dollar of its output, from any manufacturing industry; its major purchases consist of services from real estate and from itself. (Purchases of capital equipment are not covered in these statistics.) Medical services spend about three cents per dollar on food and drugs, and just over one cent on such suitably office-bound inputs as paper and printing; the important purchases are of business and other services. Eating and drinking places spend thirty-two cents per dollar of output on "food and kindred products," one cent on paper and paper containers, and the rest of their substantial purchases in the transport, trade, and service sectors.

This more or less hermetic behavior is in evident contrast with the more familiar input/output profile of, for example, the motor vehicles industry: for each dollar of output, it buys two cents worth of textiles, three cents worth of rubber, one cent of glass, eight cents of screws, seven cents of iron, one cent of engines, one cent of miscellaneous machinery, twenty-two cents from motor vehicles and equipment, and so forth. . . . The new service industries are isolated from the coming and going of intermediate inputs, from the propensity, in Adam Smith's phrase, to "truck, barter and exchange one thing for another."

The United States, in sum, is moving toward a structure of employment ever more dominated by jobs that are badly paid, unchanging, and unproductive. This most industrial of societies, this bourgeois El Dorado has in fact gone further toward a service and retail economy than any other of the largest industrial countries. Two "activities" in international industrial classifications, "wholesale and retail trade including restaurants and hotels" and "community, social and personal services," together correspond approximately to American trade and services activities (although they also include public employees and wholesale trade). The United States has by far the highest proportion of its employed population in these activities of any of the five major industrial countries: 51 percent in 1978, compared to 44 percent in Japan and 37 percent in Germany. In the race toward services the United States—how shameful, how distant from Republican hopes—had surpassed even Sweden, which still had only 48 percent of its employment in trade and community services.

It is in this morose environment that Mr. Reagan's industrial *Geist* must blaze into life. Is such resurrection likely? There are, it seems to me, two successive great dangers ahead. The first is that the policy will not work, that the spirit will fizzle. The second is that the doomed pursuit of the Republican resurrection may lead to a disintegration of the employment-intensive industries, and thus to tremendously increased levels of unemployment, particularly among the poorest and least protected workers. Eventually, as we will see, this may bring about a new "industrial" boom. But it would be one that in virtually no way resembles Mr. Reagan's essential heavy industry. And the long term in question would be extended, and vicious beyond any part of the postwar economic experience.

In order to explore the first danger, we need to look more closely at the economic consequences of the changing employment structure. Here we see that the movement is from high to low productivity sectors of the economy. For retail trade and services have the lowest productivity, as measured by conventional economic indicators, in the entire nonagricultural economy. In both output per hours worked, and output per person employed, the two sectors are well below the national average.

(It is important to be clear that this low productivity is not a consequence of the proportion of women workers in retail and services. The industrial sector with the highest productivity—finance, insurance, and real estate—is also among the most feminized in its labor force. The sector where productivity is growing fastest, communication, also has a higher proportion of women workers than the national average. Within manufacturing, electric and electronic equipment—the source of much innovation for the entire economy—has a higher than average proportion of women workers. Nor is there a strong correlation between output per hour worked and hourly earnings. Workers in finance are among the lowest paid in the economy.)

We might think of the private American economy as being composed of two sectors, sector I and sector II, where sector II consists of the fast-growing retail and service industries, and sector I of all other industries. Employment in II, as we have seen, accounts for 43 percent of total employment in 1979, up from 38 percent in 1969, and its advantage has been accelerating. But it accounts for less than 26 percent of total output, and this proportion has scarcely changed since 1969.

Output per employed person in sector II was $9,853 in 1979 (measured in 1972 dollars); in sector I it was $21,433. The consequences of the shift are yet more dire because productivity in II is not only low but also grows slowly, or not at all. Output per employee in II was lower in 1979 than in 1973; in section I it increased 1 percent per year over the same period.

The shift to sector II is likely, thus, to have affected overall rates of growth of output per employee. Consider, for example, a different kind of economic growth: H-growth, or high-industrial growth. Suppose that, under conditions of H-growth, all of the 10.8 million new private jobs created in 1973–1979 had gone to workers in I. And suppose also that output per worker had still changed at its actual rate in the two sectors. By 1979H, the total product of the economy would have been $1,302 billion, instead of $1,223 billion. Output per worker would have been $17,622 instead of $16,552. Instead of essentially no growth in output per employed person (0.03 percent per year), there would have been an increase of 1 percent per year.

We might consider a more likely alternative—N or normal growth, for an outcome in which the increase in employment from 1973–1979 was divided between sectors I and II in the same "normal" proportion as was the increase in employment from 1949 to 1969. Even under N-growth, output per worker in 1979N would be significantly higher, at $16,781, than the actual outcome. Real growth in the output per employed person, over the period between 1973 and 1979N, would have been a modest but respectable 0.261 percent per year. These simple calculations are not, of course, comparable with studies of the effects of "structural shift" on productivity defined as output per hour worked. But they do suggest some economic consequences of the movement into sector II employment.

The shift in employment is thus likely to be implicated in one of the most lamented problems of the recent American economy, namely the slow rate of growth of productivity. Output per hours worked in the private non-farm economy—to revert to the most widely used measure—which increased 2.2 percent per year from 1950 to 1973, increased only 0.5 percent per year from 1973 to 1979; the level of productivity was actually lower in 1979 than in 1978, and is lower in 1980 than in 1979.

The tribulation of a slowing rate of productivity growth is not new. Mr Reagan's Republican predecessors were similarly preoccupied; compare Mr. Nixon's "comprehen-

sive national crusade" to increase productivity of 1972 with Mr. Reagan's marginally less felicitous "great national crusade to make America great again." But the United States is peculiarly afflicted in comparison with its international competitors. From 1973 to 1977, it had the lowest rate of growth of productivity of any of the five large industrial powers—lower than even Britain's. Productivity growth rates have been decelerating in all the largest industrial countries; only in the United States has the level of productivity actually been falling.

The structural changes in employment and output also make it less likely that the strictly industrial part of the economy can bring about a new boom. For even within the sector we have called I, "industry"—defined as manufacturing, construction, and mining—is far from dominant. We might describe industry, in this sense, as sector IA, and a sector IB as being composed of all other I-sector activities: transportation, communication, utilities, wholesale trade and finance, insurance and real estate—what could be described as "industrial services."

Sector IA, on this definition, accounts for only 48 percent of I-sector output (35 percent of total output in I and II) and 63 percent of I-sector employment. Sector IB has by far the highest output per employee of the three sectors: $30,400 in 1979. In sector IA output per employee is relatively low, at $16,300. Over the entire postwar period, productivity in this sector increased at about the same rate as productivity in IB. (Within IA, however, output per employee in manufacturing has increased 1.3 percent per year from 1973 to 1979, while output per employee in mining and construction fell substantially.)

Here again, international comparisons are interesting. Of the five major industrial countries the United States has the lowest proportion of its civilian employment (public and private) in the equivalent of sector IA; 30 percent in 1978, compared to 44 percent in West Germany, for example, or 38 percent in Britain. Once more, the United States is less industrial, in this sense, than Sweden. The positions are the same if we look at manufacturing alone: the United States has less than 23 percent of its total civilian employment in manufacturing, compared to 35 percent for Germany, 27 percent for France, and 25 percent for Sweden.●

HOUSE OF REPRESENTATIVES—*January 27, 1981*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. FOLEY).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
January 23, 1981.

I hereby designate the Honorable THOMAS S. FOLEY to act as Speaker pro tempore on Tuesday, January 27, 1981.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

The eternal God is your dwelling place, and underneath are the everlasting arms.—Deuteronomy 33: 27.

On this day of joy when the freed Americans are welcomed to this city, we offer our thanks to You, O God, that we are sustained by Your love and comforted that You are with us always. In our lives, limited by time, You promise eternity, and in our lives of uncertainty, You provide the inner peace and security that underneath all our circumstances, whatever they might be, You support us and care for us, even until the end of the age. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 253. An act to increase the number of members of the Commission on Wartime Relocation and Internment of Civilians.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to the clause 4 of rule I the Speaker signed the following enrolled joint resolution on Friday January 23, 1981:

S.J. Res. 16. Joint resolution designating January 29, 1981, as "A day of thanksgiving to honor our safely returned hostages."

APPOINTMENT AS MEMBERS TO BOARD OF REGENTS OF SMITHSONIAN INSTITUTION

The SPEAKER pro tempore. The Chair desires to announce that pursuant to the authority granted the Speaker on Friday, January 23, 1981, the Speaker did on that day appoint the following Members on the part of the House to the Board of Regents of the Smithsonian Institution pursuant to 20 U.S.C. 42 and 43:

Mr. MINETA of California;
Mr. BOLAND of Massachusetts; and
Mr. CONTE of Massachusetts.

THEY ARE HOME

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, there are moments in our lives when we are moved to tears or laughter—by pride, by love, by an inner something that often defies description. Today is such a time. Our own emotions know no bounds as we welcome to our Nation's Capital our brothers and sisters, our fellow Americans, who had been held captive by Iran for 444 days. During that period we felt as though something was truly missing from ourselves, a real part of us. Now that part of us has come back. Thank God we are once again whole. Being whole, united, and free we can move ahead in strength and knowledge that we shall overcome whatever obstacles may lie before us.

FOREIGN INVESTORS' MARGIN REQUIREMENTS ON STOCK

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. BROOKS. Mr. Speaker, today I have introduced a bill that would require foreign investors in U.S. companies to meet the same stock buying requirements imposed on U.S. investors. My bill would require foreign investors to meet the same limitations on the use of credit to buy stocks—known as margin—that the Federal Reserve Board sets for U.S. stock purchasers. The current margin requirement is 50 percent of the purchase price of the stock, but it does not apply to foreign investors using foreign credit.

This imbalance in the treatment of U.S. and foreign investors is creating an incentive for foreign investors to take over U.S. companies. They can buy up the stock of our companies without putting up any money of their own. The bill would be limited in its application to investors who acquire at least 5 percent of a company's stock.

This would not affect small investors. It would merely make foreign companies that want to take over U.S. companies meet the same stock purchasing requirements that a U.S. company or bank has to meet.

Mr. Speaker, I was alerted to the inequity in the present stock purchasing requirements by the experience of the Zale Corp., a Dallas, Tex., based retail jewelry firm with outlets in 49 States and 1980 sales of $1 billion. I was informed that Zale is threatened with a possible takeover by a Canadian jewelry chain, Peoples Jewelers, Ltd., that is only one-tenth the size of Zale. Zale lawyers have told me that Peoples, without using any money of its own, has acquired 12 percent of Zale common stock, financing the purchase through a $131 million line of credit from the Canadian Imperial Bank of Commerce.

If a U.S. company or bank were involved in this transaction, it would have to meet the Fed's 50-percent margin requirement. There is no justification for such an unfair and discriminatory policy.

The reason for setting margin limits is to prevent the flow of unregulated credit from destabilizing the U.S. securities market. Uncontrolled foreign credit can be just as destabilizing as U.S. credit.●

ANNOUNCEMENT OF SERVICES FOR FORMER CONGRESSMAN OLIN TEAGUE

Mr. BROOKS. Mr. Speaker, I want to say to the Members, as they may well know, our beloved colleague, Olin "Tiger" Teague has passed away. The services will be this afternoon and the bus will leave the Capitol here at 1:30.

Services will be at Fort Myer. Burial will be in Arlington. After that, there will be a short reception for Freddie Teague and the family. I would welcome all the Members.

Mr. Speaker, few Members of this body have known the honor and respect that was afforded to our late colleague, Olin "Tiger" Teague. His heroic

service to his country in battle and his equally devoted and selfless service to the Nation as a Member of Congress represented the highest standard of public service. He was the ideal of the citizen-soldier who is the strength and bulwark of a free and democratic society.

I had the distinct pleasure and honor of serving with Tiger in the House, and as a Member of the Texas delegation, for 24 years. He was an engaging companion, a skilled and hard-working legislator, and a tiger, indeed, on the paddleboard court in his moments of relaxation. It was much to be regretted that the gradually spreading effect of his wartime wounds forced him into retirement and then robbed him of the full enjoyment of those final years.

As dean of the Texas delegation, and on its behalf, I salute our gallant colleague and beloved friend and extend my deepest sympathy to his family.

● Mr. NATCHER. Mr. Speaker it is difficult to reconcile ourselves to the fact that our former colleague and friend, Olin E. Teague, has passed away.

As an outstanding veteran of World War II and one of the great men to serve in the Congress of the United States, he commanded the 1st Battalion, 314th Infantry, 79th Division, and was in combat 6 months. He was wounded several times and was awarded the Silver Star with two clusters, Bronze Star, Purple Heart with two clusters, Combat Infantryman's Badge, Army Commendation Ribbon, and the Croix de Guerre with Palm, and was discharged as a colonel. No Member has served in the Congress since World War II with a more illustrious record.

Mr. Speaker, our friend, Tiger Teague, served with distinction and honor in the House of Representatives. His concept of public trust was without parallel, and never did he hesitate to speak out against any proposal which he felt was not sound and not to the best interest of our people. Words are inadequate to fully appraise Olin Teague's tremendous capacity for loyalty and love of his country. In every position he held either private or public, he achieved distinction. His service in all of his assignments was marked by a high sense of conscience and duty. In times of peril, the good Lord has blessed this country with great men to lead us and to show the way.

His name will be known in all time to come at home and in the far corners of the Earth for his monumental works in behalf of representative government. Having served for many years on the Veterans' Affairs Committee and later as the chairman of this committee, he established an outstanding record. Following his chairmanship on the Veterans' Affairs Committee, he served as chairman of the Science and Technology Committee. In all of his assignments, he established a record of which not only the members of his family, the people of Texas but, those in this country can be proud.

During the time that Olin Teague served on the Science and Technology Committee, we succeeded in placing on the Moon 12 men. The flight of Voyager I, which is well over 1 billion miles away from the Earth in outer space, is one of the programs that Tiger Teague was always interested in and while serving as chairman of the committee spent long hours sponsoring such programs which have placed our country in the lead in space exploration.

I had the honor and distinct privilege of serving on the Board of Visitors at West Point for 10 years starting in 1961 and continuing through the year 1971. During the time that I served on the Board of Visitors at West Point, my friend, Tiger Teague, along with several others served with me. The development of West Point during the time we served on the Board was of great concern to our former colleague.

Mr. Speaker, Olin Teague was beloved by all of the Members of the House of Representatives and his guidance and his counsel will long be remembered. Never was there anyone more dedicated to the service he performed or the people he served. He served all of the people of this Nation.

I have lost a true friend and this country has lost a great statesman. To his lovely wife and family, I extend my deepest sympathy in their bereavement.●

● Mr. BOLAND. Mr. Speaker, it is with great sorrow that I rise to comment upon the loss of one of the truly distinguished Members of the House of Representatives.

Olin "Tiger" Teague was a man who had an exceptionally distinguished career, both as a member of the Armed Forces of the United States and as a Congressman.

Courageous in battle, he was a decorated hero having been awarded both the Bronze Star and Silver Star. Tiger was commander of the 1st Battalion, 314th Infantry Regiment, 79th Division, was wounded in combat and had to spend 2 years in an Army hospital as a result of these wounds.

His courage in battle was equaled by his career in this House. First elected to Congress in August of 1946, he became chairman of the Veterans' Affairs Committee and later the Committee on Science and Technology. He was also chairman of the Democratic Caucus.

From firsthand experience Tiger knew what service in the Armed Forces was all about and he realized the obligation which this country has to its servicemen. As a member of the House and chairman of the Veterans' Committee he worked hard and effectively to insure that the Federal Government met its responsibilities to those who have served this Nation under arms. Every veteran who has benefited from a program of the VA, whether educational or medical, owes a debt of gratitude to Olin Teague.

Tiger Teague's unwaivering leadership and support for America's civilian space program provided a foundation upon which NASA was able to achieve its many triumphs in space. From Project Mercury to the Space Shuttle, from Ranger to Viking, Tiger was an articulate and unflagging spokesman for the exploration of space. He pushed NASA, he pushed Presidents and he pushed us here in the House of Representatives toward a larger, more effective presence in space. The preeminence of this country's space program owes much to the efforts of Tiger Teague.

Yet despite his accomplishments, here in the House and on the European battlefield, I will remember Tiger Teague most for the kind of man that he was. He was a man of great integrity and of strength. He was a man who earned and deserved the nickname of Tiger. He was fair and had true empathy for those in need.

All of us in the House of Representatives who knew Olin Teague are saddened by loss. We shall miss Tiger.●

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and that all Members may revise and extend their remarks on the life, character, and public service of our former colleague, the late Honorable Olin Teague.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

OLIN E. TEAGUE, A GREAT PATRIOT

(Mr. FUQUA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FUQUA. Mr. Speaker, one of America's great patriots, Congressman Olin E. Teague of Texas, died on Friday, January 23.

For many years I had the unique advantage of working with "Tiger" Teague, who preceded me both as chairman of the House Committee on Science and Technology and as chairman of the Subcommittee on Space Science and Applications. He became more than my legislative mentor. He was a true and cherished friend.

Most newcomers to the House of Representatives find a more experienced Member to whom they can look for guidance and counsel and such was my early relationship with Tiger Teague, who already had 16 years' experience in this House before I arrived in 1963.

Tiger resigned the chairmanship of the Veterans' Affairs Committee, where he had compiled a magnificent record as champion of U.S. servicemen, to become chairman of the Science and Astronautics Committee in 1973 where he could, as chairman of the full committee, continue the outstanding work he had done as chairman of the Manned Spaceflight Subcommittee since it was first created in 1962. No man had a greater role in shaping the U.S. space program than did Tiger Teague.

As chairman of the Veterans' Affairs Committee, Tiger Teague demonstrated a tireless dedicated devotion to the men and women who had served their country in uniform, sponsoring more veterans legislation—including the Korean GI bill under which I went to college—than any other Member of Congress.

Tiger Teague brought that same dedication to the Manned Spaceflight Subcommittee and then to the Committee on Science and Technology. He was a solid supporter of the U.S. space program until the moment of his death, seeing space as the greatest challenge of our age.

Tiger Teague's chairmanships of the Veterans' Affairs and the Science and Technology Committees are symbolic of the man himself—a man with a bold vision of the future based on a past of which he could be justly proud.

Tiger's military service started as an enlisted man in the National Guard, where he served 3 years, and as a member of the Reserve Officer Corps after graduating from Texas A. & M. University, where he worked his way through college. In 1940 he volunteered for active service and served as commander of the 1st Battalion, 314th Infantry, 79th Division, during World War II. He was wounded several times during combat and received 11 decorations, including the Silver Star with two clusters, Bronze Star with two clusters, Purple Heart with two clusters, and the French Croix de Guerre with Palm.

His combat wounds caused him to spend 2 years in an Army hospital and were painful through the remainder of his life.

Tiger Teague was discharged as a colonel of infantry in 1946 to assume his seat in the 79th Congress.

As a measure of the respect in which Tiger Teague was held by his colleagues in this House, he was elected in the 92d and 93d Congresses to serve as chairman of the Democratic Caucus.

His service on behalf of veterans was recognized by several veterans organizations including honorary life membership in the American Legion, Veterans of Foreign Wars, AMVETS, and the Disabled American Veterans.

Among the numerous awards he received for outstanding service were the AMVETS Congressional Silver Helmet, the American Legion Award for Distinguished Public Service, the VFW Award for Distinguished Public Service and Outstanding Representation of Servicemen, the West Point Award for Distinguished Service on Behalf of the Corps of Cadets, the Goddard Memorial Trophy from the National Space Club, the VFW National Space Award, the Outstanding Civilian Service Medal from the U.S. Army, the Veterans' Administration Exceptional Service Award, the National Science Foundation Public Service Award, and the NASA Distinguished Public Service Medal.

My heartfelt condolences go to Tiger's lovely wife, Freddie, and his three children, James Teague, Maj. John Teague, and Mrs. Jill Cochran.

Let it always be said of Tiger Teague that he served his country well in all duties he was called upon to undertake and that the results of his service will continue to be a blessing to the Nation he loved.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. FUQUA. I would be happy to yield to the gentleman from Arizona.

Mr. RUDD. Mr. Speaker, I would just like to applaud the gentleman from Florida for his praiseworthy statement regarding the deceased hero, and former Member of Congress, Olin Teague of Texas.

I would like to join the gentleman in the well in the accolade and the applause for Tiger Teague, a man of real decision and steel in serving our country. He carried the name Tiger well, a true patriot indeed.

I appreciate the gentleman in the well for his timely remarks.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. FUQUA. I yield to the distinguished gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I, too, would like to join as a voice from this side of the aisle. He was one who was always so kind to all of us as new Members. We will miss him greatly. He was a character and there will not be many more in the same mold.

TRIBUTE TO THE LATE HON. OLIN TEAGUE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, I join with my colleagues in remembering "Tiger" Teague, a very great Congressman, also a very great patriot. In these troubled times when our standards of patriotism, our concepts of what is good for America or what may not be good, are in doubt, I commend to everyone to read Tiger Teague's biography.

Tiger Teague was a truly great man, a great Congressman, a great American, and a great patriot. It was my privilege to serve with him for 8 years on the Veterans' Affairs Committee, and no one could have done more to remember and honor the debt which we owe to those who have stood for America in the hour of greatest need.

THE 100TH BIRTHDAY OF PROF. C. S. CROWTHER

(Mr. NICHOLS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NICHOLS. Mr. Speaker, last week, in my hometown of Sylacauga, Ala., Prof. C. S. Crowther celebrated his 100th birthday. It was my privilege to attend elementary school under this beloved Christian educator and I have fond recollections of each day's chapel program attended by all elementary students, where the Scriptures were read and where we all joined in prayer.

It is indeed regrettable that the Supreme Court of the United States has decided that such participation is contrary to the Constitution in that, in their judgment it violates the separation of church and state.

I disagree. This Nation was conceived in the minds and hearts of men and women who desired to form a new country where they could indeed worship as they pleased. In our 200-year history as a nation, we have been a Christian nation and prayer has played an important part in the basic beliefs of generations, shaping the minds, character, and lives of young people in these United States.

It is because of these strong beliefs which I hold that I am today introducing legislation which, if passed by a simple majority of both Houses of Congress, would permit voluntary prayer in our public schools.

I am also introducing a proposal to amend the Constitution of these United States which, if ratified by three-fourths of the States, would allow the same thing.

Alabama Governor, Fob James has stated:

> That to deny 40 million American school children the privilege of voluntary prayer and Judeo-Christian influence under the guise of separation of church and state is tampering with the heartstrings of America.

I concur with my Governor's views, and commend this legislation to the

attention of each Member of this legislative body.

□ 1210

ADDRESS BY DR. CHARLES H. MALIK AT "HERE'S LIFE" WORLD CONFERENCE

(Mr. BARNARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BARNARD. Mr. Speaker, while in Miami at "Here's Life Weekend," a conference sponsored by the Campus Crusade for Christ, I had the privilege of hearing the distinguished Dr. Charles H. Malik speak. It has been a long time since I have heard anyone be so enlightening about the challenges facing our Nation. Dr. Malik also provided profound insight into the Middle East situation. Because of the valuable lessons contained in this message, I am, with your permission, entering it at the conclusion of my remarks.

As many of you know, Dr. Malik is a distinguished professor of philosophy, emeritus, at the American University of Beirut. He has been a leader in the Middle East political arena for more than 50 years, as former Lebanese Ambassador to both in the United States and the United Nations and as a former foreign minister of his native Lebanon. He was one of the principal authors of the United Nations Universal Declaration of Human Rights of 1948. Dr. Malik has served as President of both the General Assembly and the Security Council of the United Nations. He earned his M.A. and Ph. D. degrees at Harvard University and holds 50 honorary doctoral degrees from American, Canadian, and European universities and colleges.

It is with certainty that Dr. Malik's remarks will provide a unique perspective on many subjects that I proudly enter these remarks for your reading:

AN ADDRESS BY DR. CHARLES H. MALIK, "HERE'S LIFE" WORLD CONFERENCE, MIAMI, FLA., JANUARY 24, 1981

(Dr. Charles H. Malik is Distinguished Professor of Philosophy, Emeritus, at The American University of Beirut and member of the International Executive Committee of Here's Life, World.

(A leader in the Middle East political arena for more than 50 years, he is former Lebanese ambassador to both the United States and the United Nations, and is a former foreign minister of his native Lebanon.

(He was one of the principal authors of the United Nations Universal Declaration of Human Rights of 1948. Dr. Malik has served as president of both the General Assembly and the Security Council of the United Nations.

(He earned his M.A. and Ph. D. degrees at Harvard University. Among other academic honors, he holds 50 honorary doctoral degrees from American, Canadian, and European universities and colleges.)

HERE'S LIFE, WORLD

"Here's Life" refers to new life in Jesus Christ. Here's Life, World is a movement sponsored by Campus Crusade for Christ International, which works together in this effort with thousands of churches and other Christian organizations that are also committed to helping share the love, grace, and forgiveness of God with every person in the world.

Dr. Bright and Mrs. Bright, Distinguished Guests, Ladies and Gentlemen. I should like first to express my gratitude to Campus Crusade for Christ and to its respected Founder and President, my friend, Dr. Bill Bright, and his colleagues for graciously asking me to appear before and address this distinguished audience this morning. Dr. Bright and Campus Crusade for Christ have been serving the Name of Jesus Christ all over the world for about 30 years now. No greater dedication can be imagined by any man or any group of men than dedication to that Holy Name. They have evolved bold plans and techniques to help reach the whole world for Christ. They are men and women of integrity, honor and total commitment. Already their world-wide endeavors have yielded a plentiful harvest in terms of souls saved, estrangements reconciled, and whole new horizons opened up. I support their intentions and their efforts and urge all men of good will to do the same.

There are, my friends, a few themes I want to touch upon this morning which it would probably be profitable for us to consider at this exceedingly pregnant moment of history. The nature of these themes is such that one cannot properly say everything one wants to say on them in public. This very fact measures the importance of the topics we are about to consider. What can be wholly dished out in public must, for that very reason, be relatively trivial, and neither you nor I can afford to waste our time on trivialities.

The themes I want to take up with you are up for historic decision, and such themes must necessarily leave plenty of room for silence and reserve. Historic decision is the very definition of importance. To the question, What is important?, the answer is, That which is up for historic decision. Hence, my dear friends, bear with me my pauses of silence and reserve.

First, I want to take up the theme of the Near and Middle East.

The Middle East, Ladies and Gentlemen, is characterized by essential and lasting instability. The only stable feature of the Middle East is its essential instability. There are half a dozen reasons for that which I need not enter into here, the principal reason being the fact that the societies of those countries are not continuous and cohesive either historically or socially. Thus, there is no regime in the Middle East that is not in danger of being overturned. What happened to Egypt under Nasser can happen again under Sadat. What happened to the Shah of Iran can happen again to Khomeini. What happened a year ago at the holiest Islamic shrine in Saudi Arabia is very significant. It never happened before in history. The deadly enmity that has developed between Iraq and Syria within the ranks of the same ruling Arab Baathist Party is only symptomatic of a much deeper incoherence. You can, therefore, count only on perpetual upsets and upheavals.

The rule of wisdom, therefore, is to take full advantage of whatever stability there is so long as it obtains, knowing all the time that it is but ephemeral, and therefore, appropriately distancing yourself from full identification with it even while it lasts. You must keep in mind this very important thing: that not a single state in the Middle East existed 60 years ago as it is today, and that even during this period every state without exception, every political community, has undergone numerous upheavals. And you can never be sure that any existing Middle Eastern state will not have disappeared from the map altogether, or will not have sustained radical transformations, by the end of the 80s, not to speak of the end of the century.

The Iraqi-Iranian war is not going to end tomorrow. Iraq cannot withdraw without the regime destroying itself, and Iran cannot negotiate or accept Iraq's demands without the Khomeini regime destroying itself. This war is bound to produce important changes in the Gulf area, in relations among the Arab states, in relations between the superpowers, in the structure of OPEC, the Organization of Petroleum Exporting Countries, and in the fortunes of the Palestinian movement. From the point of view of the United States and the Western world in general, the basic requirement today is to find out to what extent these changes can be directed or controlled. In international politics, when great opportunities arise, as they do today in that area, regardless of how they came about, squeamishness is the deadliest sin. I believe great opportunities are at America's doorsteps today, precisely by reason of the Iraqi-Iranian war. It is obvious that great opportunities present themselves also to the Soviet Union. It is, therefore, a race: Who is going to win this race, or, more soberly, who is going to reap the greater benefit? That is the question.

Both Iraq and Iran will be shaken to their foundation as a result of this war, both as states and as societies. We are heading, therefore, towards very treacherous waters in that part of the world, but, at the same time, as I said, towards vistas at once alluring and promising.

The problem of securing the supply of fuel from the Middle East to Europe, America and Japan has never been given the radical attention it merits. This is in the first instance a political problem and not an economic problem, and it requires whole new categories of thought outside the now hackneyed and tame pre-suppositions which have so far prevailed. The entire setup displays pitiful artificiality and fear. It is a matter of time before the West realizes that it simply cannot allow the industrialized world, with the values of civilization it enshrines and protects, to remain perilously at the mercy of such artificialities. The thing is simply ridiculous. People these days talk of linkages: I am sure in the overall geopolitical drama now unfolding Washington and Moscow will come to a dependable agreement whereby the securing of the needs of the industrialized West and Japan for the oil of the Middle East will be linked to a global settlement that, under the compulsion of the balance of terror, is bound to eventuate between them.

You will notice how I am very reserved in much of what I am saying because behind every word I am expressing lies a whole world of thought which is hidden.

I doubt that Moscow will allow this golden opportunity to slip by without extending its influence in one form or another over Iran. I do not see how the West can prevent Soviet power from reaching and entrenching itself in the Persian Gulf. In the division of the spoils the share of the West will be

the oil-rich areas of southwest Iran and the Strait of Hormuz. That is the utmost you can expect to get.

On the question of the American hostages, the illusion has been studiedly fostered that America is dealing with an independent Iranian government. There have been all along two other parties just as involved as, if not more involved than, whatever trace of government may in fact have existed in Iran: international terrorism and the Soviets.

Now that the hostages have been released, the abuse, physical and mental, which we have been reading about, to which they have been subjected, is not all going to be revealed to the public. I fear terrible things have happened to them. Who is going to succeed Khomeini? Certainly not the mullahs or the ayatollahs; certainly not the Bani Sadrs or the Rajais; certainly not the Iranian emigrees; but these so-called militants themselves who held the Americans hostage. And what you can be sure of is that the ranks of these militants are thoroughly infiltrated by terrorists, Marxists and Soviet agents. Whether and how the unprecedented humilation inflicted upon Uncle Sam for 444 days can or will be made right, remains to be seen. This is not an easy matter.

The Eastern Mediterranean belongs to the natural domain of the West. It has always belonged to this domain when the West was not in a state of decadence. The Mediterranean itself is simply an inland extension of the Atlantic, and its northern shores are for the most part European. There is no escaping the necessity today of securing the Eastern Mediterranean for the West. This is already largely accomplished. Greece and Turkey are members of NATO, and Israel and Egypt are already linked by a treaty between themselves and with the United States. The Lebanese have suffered unjustly, partly by design, partly by stupidity and inadvertence. The time has come when an end must be put to their suffering. This can easily be done if Europe and America really care.

But what is not so easy to accomplish is to turn the ideological tide in the Eastern Mediterranean. Radicalism with distinct anti-Western motifs and with open encouragement and even guidance by international communism, has taken firm hold of the mind of youth in those countries. Western attitudes about man, feedom, truth, mind, spirit, government, democracy, history, destiny, and the sanctity of the individual human person are almost universally derived. We witness in the Middle East a retreat of the whole spirit of Western civilization in the face of either Marxism-Leninism or of native deities, refurbished or integrally resuscitated. And more often than not, the two opponents to the West coalesce. The battle of the mind, which is the most important battle anywhere in the world today, is being lost both in the mind of the East and in the mind of the West itself. This is a most serious matter. I wish a group of American and European universities would set up a task force, or an individual responsible thinker would arise somewhere, to inquire whether this intellectual and spiritual retreat of the West, not only abroad, but within the West itself—in your universities, in your media, in your literature—is an inevitable phenomenon, or whether it is due to accidental causes which are quite remediable.

A word, finally, on the Palestinians. The so-called Jordanian option has been lately coming to the fore. I believe in the validity of this option; I believe it should be thoroughly and farsightedly explored. King Hussein may still play a decisive role. At this juncture I only say "may." But however we view the Jordanian option, the real abiding key is Syria. At least let people get it out of their mind that there is instead a Lebanese option, namely, that the Palestinians may be settled permanently in Lebanon. Such a scheme will destroy Lebanon altogether, the only free and open and genuinely pluralist society in the entire Middle East.

Now, my dear friends, I need not apologize for taking so much time on the Middle East. He is not living in this world, he is living somewhere in his own imagination, who does not know that that region is the most sensitive and critical region in the world today. Billy Graham told me history began in the Middle East and history is going to end in the Middle East. To dwell on the Middle East somewhat, therefore, is neither a luxury nor a waste of time.

I turn now to my second theme, which is the American elections.

On Tuesday morning, November 4 last, the world was in one mood; at about 10:00 p.m., Washington and Miami time, that same day, the world found itself in a totally different frame of mind. I do not recall any transformation of mind of such magnitude and on such a world scale, occurring in a few hours on the same day, in my lifetime. This measures the unique importance of America in the world today.

I am not talking American partisan politics; I am talking something much deeper, much more far-reaching.

The image of America cast abroad since Viet Nam has been that of a defeated Great power, discouraged in its defeat, crawling back into the safety of its own shell, indecisive in its mind, incapable of understanding, let alone of fulfilling, the responsibilities of power. Nor has the world, until this hour, comprehended how the Viet Nam defeat came about or could have come about. That is why Cuba, Angola, Mozambique, Ethiopia, South Yemen, and Afghanistan fell under the sway of the Soviets; that is why the American presence was expunged from Iran; that is why the vital Gulf area is now in mortal danger; and that is why the Atlantic Alliance began to show signs of disintegration.

The view held of the American people has been that they are overwhelmed by tools and gadgets, bent on pleasure and comfort, too divided in their counsel to be able to make up their own mind; and as to the democratic process, it was looked upon more or less as a joke, being really manipulated by the power of money and the wiles of politicians.

The result of this image of America has been a growing cynicism about the ability of America, both as government and as people, to lead the free world.

In less than 12 hours on November 4, 1980 this image and this cynicism were radically transformed.

No! America knows what it wants.

No! America can make up its mind.

No! America is not divided in its counsel.

No! America has not crawled back into its own shell, and if it had, it has come out of it again.

No! America has recovered from Viet Nam.

No! America can decide, and has indeed decided again to be first, or at least not to be second.

No! The American political system does work.

No! America understands the responsibilities and presuppositions of power and is prepared to assume them.

No! The Free World can count on the leadership of America.

At least, my dear friends, this was the dominant perception in Europe and the Middle East on the morning of November 5. I know of no parallel in history to such a dramatic 180-degree change in the world image of a superpower occurring in a matter of hours, occurring almost in the twinkling of an eye.

This arresting phenomenon means six things, and you must ponder them responsibly and deeply.

It means that the place of America in the world is irreplaceable.

It means that America's historic responsibilities are perhaps more than America itself realizes.

It means that we may be stepping into a whole new epoch—this time really new, really hopeful, really wonderful.

It means that great expectations are now aroused both in America and in the world.

It means that God help us all if these expectations should be destined to be dashed.

And it means that you can be perfectly certain that the live forces of darkness, despair, cynicism, nihilism, evil and hatred of all that America fundamentally means and stands for, in their 20 or 30 different forms, are already, beginning exactly on November 4, feverishly mustering and mobilizing themselves precisely to frustrate these expectations.

"For we wrestle not against flesh and blood, but against principalities, against powers, against the rulers of the darkness of this world, against spiritual wickedness in high places." (Ephesians 6:12.)

I do not belong to the cynical school of thought. I am a man of faith. I live on the Bible, which to me is the word of God, and on the living tradition of my Church. I do not believe that America has come to this exalted position accidentally or in vain. I believe it has a word to utter. It has been chastened and schooled all these years precisely in order one day to be in a position to utter its word. It may be poised to utter it soon. If that day is not upon us now, it will doubtless be upon us later.

I believe President Reagan when he speaks of a Great New Beginning. We are at the beginning of this Great New Beginning. This is the wonderfull thrill of the moment, and we should pray and pray and pray, not mechanically, not sentimentally, not wishfully, not selfishly, not as though we were ordering God and forcing His hand, not because in the pride of our heart we believe that we deserve any good at His hands, but we should pray and pray and pray that we prove worthy of the infinite goods He has already showered upon us from His own grace and bounty, the greatest of which by far being His sending His only-begotten Son, even Jesus Christ our Lord, to die for us and our sins on the Cross.

The definitive word of America is not pleasure and comfort, nor is it instruments and machines. The authentic word of America has to do with justice and peace, but certainly not only with justice and peace, nor for the sake of justice and peace alone. There is a justice, my friends, that is profoundly unjust, and there is such a thing as the peace of the slave, and the dead rest in peace in the grave.

When the fullness of the time comes to thunder its word, the word of America has to do with man, the fullness of the stature

of man. It has to do with freedom, responsible freedom of the spirit which is above man and above the world, the joyful freedom that creates. It has to do with that which is above and beyond man, with that which is even above and beyond freedom: it has to do with the God who revealed Himself through suffering and death, and who then merited not only the resurrection, but that He be highly exalted, and given a name which is above every name.

Finally, I want to say a word about what I call the great global conflict.

Our world has shrunk into a neighborhood. What happens anywhere these days may be known instantaneously everywhere. Also men can travel widely throughout the world, and goods and the printed word can circulate almost everywhere. And on the wings of the ether propaganda and opinion can be pumped ad nauseam into every ear to hear and every eye to see.

In this village of a world, in this neighborhood of a world, four fateful competitions are going on simultaneously all the time: military, political, economic and spiritual.

On the economic front of the great world conflict, I will only say: that it seems to me to be simply incredible that with all its matchless scientific and technological resources the West, so far as productivity, inflation, unemployment and the quality of its products are concerned, cannot put its own economic house in order; incredible!; that it seems to me again incredible that with all its political and diplomatic resourcefulness the West, so far as the supply and price of petroleum are concerned, must continue to live at the mercy of OPEC; that absolute top priority must be given to correcting effectively the world economic disorder; and that what seems to be lacking in this whole realm is not something scientific or technological, but something spiritual, a fundamental disorder in the scale of values and in the passions of man, a fateful paralysis of determination and will.

On the military competition I will only say: that the West has been lagging behind relatively to the Soviet Union, as we learned so impressively last night; that this is one of the casualties of the Viet Nam war; that there appears to be a determination now—and I cannot put it at more than the level of determination—at least in the United States, to aim at superiority again, although this aim has been ridiculed as sheer nostalgia by sardonic defeatists; that it is absolutely vital at least to catch up with the Soviet Union and, if possible, to surpass it; and that the one sector that calls for top priority is research and development, whose appropriations I would at least double if the competent scientific minds were available to put the increase to creative use. A single theoretical qualitative breakthrough, like that of Einstein or Max Planck, could alter the balance of forces dramatically, and in time render any crude quantitative advantage enjoyed by the other side obsolete.

On the political front of the great world conflict I will only say: that I am glad the CIA, which has been another casualty of Viet Nam, is being revitalized; that the losses in the Caribbean and Africa should be recovered; that the Eastern Mediterranean should be secured and protected; that the West should promote friendly relations with peoples with whom it has cultural affinity; that faithful old friends need not be sacrificed for dubious new ones; that ways and means should be devised to penetrate the closed Soviet Empire with Western ideas; and that wherever practicable, as in Poland today, the values of freedom and man should be actively and aggressively promoted.

A few months ago the American magazine, United States News and World Report, conducted a survey in which it asked a select group of American leaders several questions. One of these questions was the following: What are the biggest problems facing the United States in the eighties? 1569 U.S. leaders, as the magazine called the respondents, answered the question. The ten most important problems facing America in the eighties, according to these 1569 respondents, turned out to be, in the order of their importance: inflation, energy development, energy conservation, national defense, government growth and spending, avoiding war, industrial productivity and innovation, unemployment, containing Russia, and restructuring the tax system.

You will observe that all these problems belong exclusively to the fields of economics and politics. And therefore I ask you in all honesty: do you really consider these ten issues to be the most important questions facing you and your children in this decade? I certainly grant that they are very important issues; I do not minimize their importance in the slightest.

But what about the general breakdown of the American family? What about the divorce rate? Not a mention of that! Isn't that a great issue facing America in the eighties?

What about the prevailing sexual anarchy? Isn't that a problem to these 1569 U.S. leaders?

What about the general decay of values and standards?

What about the state of morals, and of the mind and spirit, in the schools and universities?

What about the life of ease and material comfort?

What about the love of money, and of more and more money?

What about the perpetual retreat of responsible freedom and the corresponding advance of tyranny?

What about the weakening of the national will?

What about the role of the "liberal establishment" in all this?

What about the role of what is taught in the schools and universities in all this?

What about the role of the media, especially TV, in all this?

Finally, what about the apparent absence of a world historic idea to which the nation as a whole dedicates itself and for the sake of which it organizes its energies?

Not a word mentioned about these things! Only economics and politics matter?

Therefore, do you want to know what is the greatest single issue facing America and the Western world in the coming years? It is precisely this: that the thinking, effective, responsible mind of the West, as represented by these 1569 U.S. leaders, considers only economics and politics as important, and does not think at all that questions of the spirit, the mind, fundamental attitudes, morality, faith, values, personal character, belong to the ten most important problems facing Western society in the eighties. It relegates them to second and third place. It considers them secondary and derivative.

It is this blatant inversion of the truth, this calling the primary secondary, and the secondary primary, that is the greatest single issue facing Western civilization during the rest of this century. How effectively to invert this inversion itself is the greatest task demanded by destiny itself, by God Himself, of the governments, universities, the churches, the thinkers, the leaders of opinion, and the media, of the Western world.

And finally one last word on the spiritual level, a word that sums up everything.

I speak as a believing Christian. I hold that the real ultimate hope for you and me personally, for society at large, and indeed for the world, resides not in politics, nor in science, nor in technology, nor in economic prosperity, nor in the unaided powers of man—with due respect for all these things in which I actively participate and which I throughly enjoy—but in the resurrected, existing, living Jesus Christ, and in His church.

At least, then, for those of us who know Him and believe in Him and trust Him, we must deepen our knowledge of Him and perpetually reaffirm in actual living our love for Him.

And I must renew my love for Jesus and my gratitude to Him and my trust in Him every day.

This is the form this renewal takes today.

"I love Thee, O Jesus, more than any thing else in the world, despite the devil and despite my sins. Thou knowest!

"'Whom have I in heaven but thee? and there is none upon earth that I desire beside thee.' (Psalm 73:25.)

"Strengthen my faith in Thee.

"I shall witness to Thee and Thy grace and power and joy and peace and certainty, with dignity but with firmness, on every occasion.

"I shall never be ashamed of Thee or of my belonging to Thee.

"I shall be more active in my Church and more responsive to its needs and trials.

"I shall work with and honor and respect whoever knows Thee and honors Thee and calls on Thy name.

"Enable me, I pray Thee, to make costly personal sacrifices for Thy sake in secret.

"Enable me to control every stupid stray imagination of mine and to bring into captivity every thought of mine to Thine own obedience. (II Corinthians 10:5.)

"Enable me to live more intensely, more responsively, more adoringly, in the Bible and on the Bible every day.

"Let no fear of sin and the devil, no fear of death and suffering, ever separate me from Thee.

"Strenthen, O Jesus, our knowledge and certainty that with Thine Holy Spirt dwelling in us we can stand a thousand years of trial and suffering without any resentment or despair.

"Strengthen our knowledge and certainty that Thou wilt always bring us back to Thyself no matter how much the devil may cause us to forget Thee.

"Strengthen our knowledge and certainty that Thou wilt always sustain us and show us the way out of every challenge or fear or horror that we may encounter.

"Give us the grace of piercing the veil and seeing Thee in heaven at the right hand of the Father, and therefore running the remainder of our course here on earth in total security because Thou art there.

"Thou knowest, O Jesus, that what I say is not mere talk: Thou knowest it is knowledge and truth."

And finally, my dear friends, may God in His mercy—and we have nothing in the end to fall back upon except the mercy of God—may God in His mercy guide the Christians of America and the West, who hold in their hands the greatest power, political, material, moral and spiritual, in the world today,

and, therefore, who shoulder the greatest responsibility before God and history—may God in His mercy guide the Christians of America and the West to seek, in truth and humility, in dignity and self-respect, in honor and freedom, the best ways of pooling their efforts and resources, to the end that a convincing moral, intellectual, spiritual and personal message be formulated and offered to this drifting, thirsty world, just about to go to pieces, just about to disintegrate, just about to go up in smoke, a world so desperately lost in materialism, relativism, cynicism, nihilism, rationalism, humanism, Freudianism, hedonism, sensualism, escapism, atheism, self-worship and the quest of earthly possessions and power, possessions and power "where moth and rust doth corrupt, and where thieves break through and steal." (Matthew 6:19.)

VIVA LA ROJA, BLANCA Y AZUL

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, a secret story of personal heroism and love of country has now emerged with the safe return of our 52 Americans from captivity in Iran.

It was the bravery and cool composure of Marine Sgt. Jimmy Lopez of Globe, Ariz., that allowed 14 Americans to escape the mob takeover of our Embassy more than a year ago.

This 21-year-old marine guard singlehandedly staved off the mob of terrorists to permit the escape, and also destroyed valuable diplomatic materials before the mob forcibly took over the building.

Five of those he helped to escape managed to find refuge in the Canadian Embassy, and eventually to reach the United States 3 months later. One of the returned diplomats confided the story to Sergeant Lopez' parents, Jesse and Mary Lopez, who had kept it secret for fear of retaliation against their still-captive son.

Sergeant Lopez was nonetheless mistreated in a most barbaric way—beatings, solitary confinement in a cell crawling with centipedes and so cold that water froze in his water bucket, and malnourishment that caused him to lose 50 pounds.

In defiance of the barbaric treatment and long periods of solitary confinement, Sergeant Lopez scrawled on his cell wall "Viva la roja, blanca y azul"—Spanish referring to our national banner for "Long live the red, white and blue"—certain that the terrorists would not understand the meaning of this uplifting message.

At a time when our country so badly needs to honor its genuine heroes, all Americans can be proud that Sergeant Lopez was "ever faithful" to our country in historic Marine tradition during his arduous 15-month ordeal in Iran.

All Arizonans—and I am sure all Americans—are proud of his heroism. But like genuine heroes, he has modestly downplayed the importance and bravery of his actions under highly dangerous and arduous circumstances. According to one newspaper report, he said to his family by telephone from West Germany—

Like Mark Twain said about being tarred and feathered, if it wasn't for the honor I'd rather have done without.

Mr. Speaker, today we welcome to Washington and salute all our 52 released Americans. America will forever revere the memory of the eight Americans who gave their lives in the effort to rescue the American hostages in Iran. We are also most grateful as a nation to Algeria, a country which risked incurring the wrath of all Islam in order to help negotiate an agreement for the release of our American citizens.

The heroic actions of Sgt. Jimmy Lopez are also testimony to the bravery displayed by all our released Americans throughout their 444 days of captivity. A lot will be said about the experiences and bravery of these, our fellow citizens, who are home at last. I would like to include in the RECORD at this point a news story from the New York Times and an editorial from the Arizona Republic which highlight and praise the brave actions of Sergeant Lopez.

Again, to all 52 Americans, I join in saying, "Welcome home." May our people and our country never face such an experience again.

[From the New York Times, Jan. 22, 1981]

ACTIONS OF MARINE GUARD IN TAKEOVER ENABLED FIVE TO ESCAPE, DIPLOMATS SAY

(By John M. Crewdson)

GLOBE, ARIZ., Jan 21.—For most of the past year Jesse and Mary Lopez kept the secret bottled up inside them. Their pride was nearly boundless but they feared that disclosure would place their 22-year-old son, Sgt. James M. Lopez of the Marine Corps, in greater danger from the Iranian militants holding him hostage in Tehran.

But early this morning, when Sergeant Lopez, 50 pounds lighter and with his shoulder length hair tied back with a yellow ribbon, walked off a bus in Wiesbaden, West Germany, and called home, the secret came tumbling out.

"I know about what you did over there the first day," said Mrs. Lopez, her voice breaking with joy and relief.

According to accounts from several Americans, when trouble broke out on the morning of Nov. 4, 1979, at the American Embassy in Teheran, Sergeant Lopez quickly invoked his authority as the lone Marine guard on duty at the consulate, one of several buildings in the embassy compound.

DROVE BACK INVADERS

In his best drill-instructor manner, Sergeant Lopez barked orders to the 70 or so people huddled inside. Among them were Iranian citizens who had been seeking visas and 14 other Americans, including several American Foreign Service officers many years his senior.

For nearly three hours, Sergeant Lopez, who had been an embassy guard only a month, managed to stave off the angry Iranian demonstrators outside, according to these accounts, securing the doors with coat hangers, herding his charges to the more secure second floor, driving back the invaders with tear gas grenades and destroying the visa stamps.

Finally, as the situation grew more desperate, Sergeant Lopez gave the order to leave, dividing those inside into small groups of Americans and Iranians in hopes that they would attract less attention and dispatching them at intervals out of a side door, American diplomats recalled.

Most of the Americans were recaptured soon afterward as they tried to make their way to safety through the back streets of Tehran. But five of the American diplomats were able to evade the mob and, with a sixth man they encountered on the street, ultimately took refuge in the Canadian Embassy. Using false Canadian passports, the six left Iran last Jan. 29 and when they reached the United States, Kathleen Stafford, a consular assistant, telephoned Mr. and Mrs. Lopez to tell them of their son's bravery.

"HE DIDN'T LOSE HIS COMPOSURE"

"By keeping the consulate secure he made it possible for us to go," said Mark Lijek, one of those who escaped and who is now a consular officer in Hong Kong. "He was the one all of us looked to to tell us what to do. He may have been the most junior guy there, but he was certainly up to the occasion. He didn't get excited, he didn't lose his composure."

"He was standing there and overseeing the entire effort and putting his own safety last," Mrs. Stafford's husband, Joseph, who is also a Foreign Service officer, recalled. "I'm grateful and I'm sure everyone in the consulate that day is grateful. He performed superbly."

Under normal circumstances there would have been two marine guards on duty at the consulate, the second assigned to the visa section. But the section had been closed in anticipation of trouble and Sergeant Lopez was alone when the mob began to form outside.

The rules of engagement for Marine embassy guards prohibit firing outside a compound without specific State Department approval or firing inside except in defense of American lives.

"HE BEAT THEM BACK"

"It was a tribute to Jim that he was able to control a group that size," said Mr. Lijek. "He was the one that actually destroyed the visa plates. He never seemed at a loss throughout the whole thing. There was nobody there to help him. At one point, the students tried to break into the consulate through one of the windows. He beat them back. I think he threw a smoke grenade, or tear gas."

"It was tear gas," said Robert Anders, another of the escaped diplomats, who works at the State Department and who confirmed Mr. Lijek's account and added his own praise for Sergeant Lopez.

Mr. Anders, who was in the last group of Americans to leave, recalled that Sergeant Lopez had quickly put on a civilian shirt and tore the red stripes from his uniform trousers before joining Mr. Anders, Richard H. Morefield, the Consul General, and a few others in departing the consulate.

But Mr. Anders, Mr. Lijek, his wife, Cora, and the Staffords went off in one direction, a direction that eventually led to freedom. Sergeant Lopez, Mr. Morefield, Richard I. Queen, who was released by the militants

last July after he became ill, and the others went in a different direction and were intercepted by the militants a few blocks away.

For much of the next 14 months, Sergeant Lopez told his family on the telephone, he was "kept in some really bad-hole places, like closets." But, he said, "at least I got some of the others out, right?"

MARINES MAY BE DECORATED

Mrs. Lopez was also cheered to learn that, even in captivity, her son had continued to try to resist the militants, at one point scrawling, "Viva La Roja, Azul y Blanca" on a wall at the embassy compound. But the militants, Mrs. Lopez said, "never figured out" that the words were Spanish for "Long Live the Red, Blue and White."

Asked today whether Sergeant Lopez was likely to be decorated upon his return home, Lieut. Col. Walter DeForest, a Marine spokesman in Washington, would say only that there was "a possibility that some or perhaps all of the marines will be put in for some recognition."

In a way, the account of their son's activities during the embassy seizure has made the last nine months all the more painful for Mr. and Mrs. Lopez, who had not seen or heard from Sergeant Lopez since last Easter and who had begun to fear that he might be dead.

She was tempted once or twice to tell the story, Mrs. Lopez said, most recently when she saw a letter to the editor of a Phoenix newspaper suggesting that all her son was missing by being in captivity was "his tamales."

Desperate for some news, the family asked an Iranian metallurgical engineer who lives in Globe and who had a friend among the militants in Tehran to see what he could learn about their son's well-being.

ONE OF LAST TO DISEMBARK

As it turned out, the engineer's friend had been assigned to guard a different group of captives and so was unable until Monday, when the 52 hostages were assembled for medical examinations, to report to the Lopez family that the sergeant was alive and seemed to be well.

Last night, as the freed hostages stepped off an airplane that had stopped in Algiers on the trip from Iran to West Germany, the tension in the family's crowded living room became nearly unbearable. Sergeant Lopez, in a red T-shirt, was one of the last to disembark, and when he appeared on the screen the tension gave way to pandemonium.

"Momma, he has long hair," shouted Marcie, Sergeant Lopez's 10-year-old sister. But, speaking with her a few hours later by telephone from Wiesbaden, he told her that he would have to cut it off. "Honey, I have to," he said. "I am in the Marine Corps."

"I really am glad that, this time, he gets to come home," Marcie said, "to joke around, make us laugh." And despite his ordeal, Sergeant Lopez sounded relaxed and cheerful as he bantered with his family over the telephone.

At one point, however, Sergeant Lopez could not prevent a tone of seriousness from seeping into his voice. Having been held hostage, he told his family, was "like Mark Twain said about being tarred and feathered—if it was not for the honor, I would rather do without."

[From the Arizona Republic, Jan. 25, 1981]

WELCOME HOME

The 52 released hostages are coming home today to a hero's welcome, and no one could deserve it more.

They are Americans every American can be proud of.

They were subjected to beatings, psychological torture, and days, weeks, even months in solitary confinement.

They lived constantly in the shadow of death.

Not a single one cracked.

All maintained their dignity and their integrity.

All acted in the finest traditions of the nation.

Arizonans can be particularly proud of Marine Sgt. Jimmy Lopez, of Globe.

Throughout his 14½ months in captivity, Lopez upheld the honor of the Corps.

When the Iranians invaded the embassy compound, he alone was on guard duty.

Singlehanded, he managed to hold off the mob for three hours, enabling 14 other Americans within the embassy to escape.

Five of them managed to find refuge in the Canadian Embassy, and eventually to reach the United States three months later.

Lopez withstood beatings and solitary confinement in a cell crawling with centipedes and so cold the water in his water bucket froze.

He lost 50 pounds.

Yet, he remained defiant, scrawling on a wall of his cell, "Viva la roja, blanca y azul." Long live the red, white and blue.

He had to pass through a howling mob to reach the plane that brought him to Algiers.

He gave the hoodlums a final obscene gesture.

We salute Jimmy Lopez, and Robert Ode, the 65-year-old Foreign Service officer who is coming home to retire in Sun City West, and the other 50 released hostages.

Americans all.

TIME TO REMEMBER THE MISSING IN ACTION IN VIETNAM

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, today is the eighth anniversary of the close of the Vietnam war. At that time, 8 years ago, we were joyously preparing to welcome our returning prisoners of war, after their long captivity.

This seems a particularly appropriate moment, Mr. Speaker, to talk of those who did not come home. We are, this very day, getting ready to welcome our prisoners home from their captivity in Tehran. I know and appreciate the joy of their families.

Let us speak, though, of those 2,500 families who have no joy in their hearts. Their loved ones are not coming home. They have had no word of them, no accounting, since they were either listed missing in action or among known POW's. The Governments of Vietnam and Laos have provided no information on these men. Yet we have had more than 300 separate reports concerning these men, saying that they were alive.

Mr. Speaker, it is time we got the Governments of Vietnam and Laos to prcvide a full and frank accounting of these men. This country wants such an accounting. We cannot be satisfied with less than a full accounting.

Mr. Speaker, it would be a great tragedy if, at this very moment, when we are welcoming back our 52 hostages returned from captivity in Iran, we forget those who may very well still be in captivity in Southeast Asia. We want to know about these men. We insist on knowing about them. And we are going to keep on insisting until our demands are met.

TRIBUTE TO MARINE SGT. RODNEY "ROCKY" SICKMANN

(Mr. BAILEY of Missouri asked and given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAILEY of Missouri. Mr Speaker—

Where liberty dwells, there is my country.—BENJAMIN FRANKLIN.

Welcome home, Rocky. For 444 long and anguished days, we have missed you. And now we, as a nation, join with your family and friends in heartfelt joy and jubilation that you are free and back home again.

The past 14½ months have been a time of personal trial for you and a time of national reappraisal for us. On that grim November day when you were taken hostage by Iranian terrorists, our Nation was fragmented, groping without purpose, and searching for meaning after two decades of domestic and foreign turmoil which had shattered our confidence, our self-esteem, and our sense of national purpose. The seizure of the American Embassy in Tehran dealt another hard blow to American pride.

But strangely, that same tragic event—an event which you and 51 other Americans endured with courage and dignity for 64 long and trying weeks—accomplished something which no individual, no change of our Government, and not even our Bicentennial of 4 years ago were able to do. It brought our country together again. We became united as a people and a nation.

Today freedom must have a new and special meaning for you. And because of your sacrifice and that of the other American hostages, freedom also has a new meaning for this Nation. Americans greet you waving Old Glory. We lift our voices and sing "God Bless America" with a feeling and meaning long absent from our Nation. We are proud of you and proud of the ideals and principles of freedom and liberty which so clearly set our Nation apart from the lawless country that held you captive for so long.

Patriotism—red, white, and blue patriotism—is back in style again, no longer relegated to occasional expressions on a few national holidays and mumbled refrains at the beginning of

sporting events. Rather, pride in being American has again awakened in our national soul. We again believe in ourselves, and in each other, and in our Nation. It took the trauma of your captivity, Rocky, to jar us from two decades of paralyzing doubt and internal dissension.

So, Rocky, we welcome you home with cheers, with pride, and with heartfelt thanks that your ordeal is over. But we, as a nation, also owe you a debt far beyond the 444 days you spent apart from us. We may overwhelm you in the weeks ahead with our outpouring of emotion. I hope you will forgive our intrusions and understand perhaps what we are trying to say to you and what you have meant to us—we want to thank you for making us whole again.

Marine Sgt. Rodney "Rocky" Sickmann was one of the Americans taken hostage at the American Embassy in Teheran on November 4, 1979. On July 26, while captive in Iran, Rocky turned 23 years old. Throughout Rocky's ordeal, his parents, Virgil and Toni Sickmann of Krakow, Mo., and his two sisters and two brothers, typified the grace, dignity, and faith with which the hostage families confronted their personal ordeal. When news of Rocky's imminent release came to the Sickmanns, they were joined by their priest in a private mass of thanksgiving which Mrs. Sickmann described as "the most wonderful thing in our lives." Rocky's strength of character and cheerful smile became known to millions of Americans over the past year and 4 months. On arrival in Germany, Rocky summed it up for a lot of us. When asked by a reporter what his first priority was after regaining his freedom, Rocky responded: "I can't wait to see the good ole U.S."

HOSTAGE TAKING MUST BE FULLY INVESTIGATED

(Mrs. SNOWE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SNOWE. Mr. Speaker, I am elated that our 52 fellow citizens are safe and free: In fact, they will be passing by the Capitol soon. Obviously, they will never forget their ordeal; I only hope they and their families can adjust and pick up where they left off. I wish them the best.

Unfortunately this is not the first instance of hostage taking in our country's history. We have endured similar situations in the past. We must be better prepared to deal with such terrorist activity in the future. Consequently, I feel a full congressional investigation into this matter is certainly in order and should be a priority for this House in the 97th Congress. I have written Speaker O'NEILL, Republican leader MICHEL, and Chairman ZABLOCKI and ranking member BROOMFIELD of the Foreign Affairs Committee, calling for such an investigation.

Recent press reports have raised questions about American policies during this period. Self-indulgent second guessing would be damaging at this point. However, it is very important that we review exactly what steps were taken to deal with the Iranian situation, both before and after the hostage taking. A careful examination of American policies would set the record straight, and aid in preventing future disasters. We cannot rewrite history, but we can learn from it.

The actions of the Iranian Government are contemptible and worthy only of disgust and condemnation. The Americans who endured the abuse of human rights and the degradation deserve our utmost respect and understanding. We must take steps to examine this incident as soon as possible so that we may fashion a foreign policy which will attempt to avoid such events in the future.

RETURNING AMERICAN HOSTAGES

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, today is a very joyous one for all Americans. Chaplain Ford, that was a beautiful and very appropriate prayer to open our session today. The prayers of millions of Americans have been answered as well as those of millions of other freedom-loving people throughout the world, and we are all very, very grateful.

We in Delaware are especially grateful because our fellow citizen, Marine Sgt. Gregory Persinger of Seaford, is one of those Americans who had been held hostage for close to 15 months and who is returning home to his family and friends. I join with his mother and father and with his family in thanking God for his safe return.

Many of us here in this body have been displaying the American flag outside our offices. I look at my friend and distinguished colleague from South Carolina, CARROLL CAMPBELL, who has been wearing that yellow ribbon for over a year. I know he is going to be delighted to take it off as a display of his gratitude for the return of the hostages.

But I think, my colleagues, it is also a time when we should remember those Americans who volunteered for one of the most dangerous missions in the history of our country, and that we should especially give our special gratitude for those Americans who made the ultimate sacrifice and to their families as well as to those Americans who were injured on that most dangerous mission. We should resolve here today to honor them in the best possible way by making absolutely certain that we send a clear and unmistakable message to all totalitarian regimes, to all irrational people such as the Ayatollah Khomeini and others in Iran that we will never again tolerate, as the United States of America, this type of irrational, despicable terrorist activity.

□ 1220

THE BRAVE MEN WHO LOST THEIR LIVES

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I join with others here. That was, indeed, a wonderful prayer with which to start this day on which our 52 fellow citizens are coming to the Capital. But I have eight other names that I would like to bring to the Members' attention, eight people referred to by my colleague who has just spoken. Theirs was a hard and bitter end in a far country, in sand storm and fire. They lost their lives. I would like to list their names so that they shall not be forgotten: Capt. Richard Bakke of the Air Force from Long Beach, Calif.; Sgt. John Davis Harvey of the Marines from Roanoke, Va.; Cpl. George Holmes, Jr., of the Marines from Pine Bluff, Ark.; Sgt. Dewey Johnson of the Marines from Jacksonville, N.C.; Capt. Harold Lewis of the Air Force from Mansfield, Conn.; Sgt. Joel Mayo of the Air Force from Bonifay, Fla.; Capt. Lyn McIntosh of the Air Force from Valdosta, Ga.; and, finally, Capt. Charles T. McMillan of the Air Force from Corryton, Tenn.

This is a list of brave men who lost their lives trying to save their fellow citizens. We should remember them and, indeed, as has been said, do everything in our power to see that it does not happen again.

The Foreign Affairs Committees in both the other body and in this House already have announced that they will hold hearings to find out what happened, to see how this can be avoided in the future, and surely this is the least we can do, not just for those who have returned so triumphantly to us, but for those who lost their lives in the desert in Iran.

HONORING THE HOSTAGES AND THE OTHER BRAVE MEN

(Mr. DAVIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS. Mr. Speaker, today, I join the rest of the Nation in honoring those brave 52 people who were re-

cently released by their captors and are returning home.

It is truly a time for national pride and celebration, however, as is often the case, our period of rejoicing is tempered with the remembrance of sorrow. In the early hours of April 25, 1980, the announcement came that a helicopter and cargo plane had collided in the Iranian desert during an attempted rescue of the hostages. In that accident, eight U.S. servicemen, all of whom volunteered for the mission, were killed. They were:

Capt. Richard L. Bakke, USAF; Capt. Harold L. Lewis, Jr., USAF; T. Sgt. Joel Mayo, USAF; Capt. Lyn D. McIntosh, USAF; Capt. Charles T. McMillan II, USAF; Cpl. George N. Holmes, Jr., USMC; Sgt. John D. Harvey, USMC; and S. Sgt. Dewey L. Johnson, USMC.

In this time of joy, these men who gave their lives in the line of duty cannot be forgotten. The wife of Joel C. Mayo has come from my congressional district to take part today in the ceremony honoring the returned hostages at the White House. I believe that this honor is appropriate and is the best way we can express our gratitude and appreciation for a debt that could never be repaid.

WELCOMING THE CAPTIVES

(Mr. CAMPBELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAMPBELL. Mr. Speaker, I rise to join my colleagues in welcoming the captives from the takeover of the American Embassy back to the Capital of this Nation. All Americans are proud of the way that they have borne their burden of captivity. We sympathized with their families and we prayed for them.

I particularly want to welcome Mr. William Belk, of Columbia, S.C., and with his wife, Angela, share the joy of having him home. But I also want to join my colleagues in recognizing and sharing in the pride of those who gave their lives in their efforts to bring freedom to those held captive. They are all heroes.

Over 1 year ago we started wearing yellow ribbons as a symbol of our concern. We will now take the ribbons off, but we will not forget them, and we will not forget what they have stood for.

INTRODUCING LEGISLATION EXPRESSING SENSE OF CONGRESS CONCERNING OUR EMBASSIES AND DIPLOMATS

(Mr. PARRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PARRIS. Mr. Speaker, today, the day on which 52 very special Americans are honored for their bravery during their captivity by the Iranian militants, I feel it is incumbent upon this Congress to take what steps it can to prevent such an occurrence from ever happening again. There is little in this whole bizarre, unprecedented episode that might stand as a deterrent, or even discouragement to similar acts in the future. That is a fact that tempers our celebration today.

The agreement, negotiated under duress by the previous administration and the Iranian Government, contains nothing in the nature of sanctions against Iran for its illegal conduct.

Unless clear-cut policy decisions are established at this time, before another such terrorist takeover occurs, we are creating an atmosphere that may invite another terrorist group to attempt a similar intrusion into one of our Embassies.

I am today introducing a resolution expressing the sense of the House as to what steps should be taken in the event of a future detainment of our recognized diplomatic personnel by any government, its agents, or sanctioned by any government.

All countries of the world should be put on notice that America will never again stand for another attempt at extortion by invading one of our Embassies and taking our diplomats hostage.

I invite my colleagues' support of this measure.

THE LAST CONGRESSIONAL SESSION ENACTED LEGISLATION PROVIDING BENEFITS FOR HOSTAGES

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. I wish to associate myself, Mr. Speaker, with the remarks of previous Members on both sides of the aisle on the subject of the release of our 52 hostages and the 8 servicemen who lost their lives in the rescue mission. I should also like to point out, since no one has mentioned it this afternoon, that in the last session we did pass special legislation providing benefits to the hostages. They will now be eligible for benefits as have their families. The intent of that legislation, which had the total support of the Congress, was that when they were released safely—as they have been—that as soon as practical they reenter the mainstream of society, and in as practical a fashion as possible readjust to freedom as well as to the obligations that they are able to meet as skilled members of our society. I think Congress acted with foresight. We will see to it that the law is effectively implemented.

A TRANSITION PERIOD FOR GASOLINE DECONTROL

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELLIGAN. Mr. Speaker, it is my understanding that President Reagan may deregulate the gasoline marketing industry in the very near future. Pricing controls were first implemented in 1971; allocation controls followed the 1973 embargo. After 10 years of these regulations, the industry needs a smooth, orderly transition from controls back to the free marketplace.

I would recommend that the White House seriously consider a transition period between the time of early gasoline decontrol and the time the Emergency Petroleum Allocation Act expires on September 30, 1981. Such a transition period should include a minimum supply commitment by refining companies to the independent small business distributors and retail dealers they have been supplying. I would further recommend that adequate notice of refiner marketing area withdrawals, contract terminations by refiners, and changes in traditional credit practices accompany such a transition period.

A total of 82 percent of our Nation's gasoline reaches the consumer via the independent network. These businesses employ several hundred of my constituents in Pennsylvania's 11th District and hundreds of thousands more all across the country. The failure of refining companies to insure adequate supplies to independent small business distributors during this transition period could put hundreds out of work in my district and thousands throughout the Nation at a time when the unemployment rate is unbearable. In this regard, I believe my colleagues will be interested in the following excerpts from a policy paper of the National Oil Jobbers Council entitled "The Deregulations of Energy Resources":

WHAT IS A PETROLEUM JOBBER?

Webster's defines "jobber" as a "wholesaler who operates on a small scale or who sells only to retailers and institutions." In the petroleum marketing industry, however, the functions of a jobber extend far beyond this narrow definition. An independent petroleum jobber often performs both a wholesale and a retail function in the petroleum product distribution process. Therefore the term "marketer" can often be used interchangeably with the term "jobber." While the vast majority of marketer dollar volumes are concentrated in gasoline and home heating fuel sales, jobbers also provide diesel fuel, LP gas, kerosene, aviation fuels, motor oils and residual fuel oil for industrial boilers or electric power generation.

The wholesale jobber function begins with the acquisition of product, usually at a refinery terminal. From the terminal, jobbers transport the product, store it at their own bulk plants, extend credit to their custom-

ers and then distribute the product to various wholesale accounts.

The retail function of jobbers may include the ownership of service stations or retail outlets, the management of salary-operated outlets, and sales of motor gasoline and heating fuel to farms, ranches, local governments, other small businesses and the consuming public.

Some of these marketers provide only motor fuel or heating fuel, but a significant number provide both motor fuel and heating fuel in addition to other petroleum products. The majority of heating fuel marketers sell all their product directly to ultimate users including residential consumers. One jobbership generally serves several thousand American consumers.

There are an estimated 24,300 gasoline jobbers and heating fuel dealers in the United States. The National Oil Jobbers Council (NOJC) speaks for more than 22,000 of these marketers as their representative in Washington, D.C. NOJC is a federation of 46 state and regional associations which represent the independent petroleum marketer at the state level.

These member marketers provide 48 percent of the motor gasoline and 85 percent of the home heating fuel sold in the United States. They have proven to be the most innovative marketers in the petroleum industry. Independent small business petroleum marketers have led the way in convenience stores, car washes, and self-service gas stations. As the home heating business is a seasonal one, heating fuel dealers often diversify into other businesses such as heating, air conditioning or solar installations to make most efficient use of their assets. More than 90 percent of these independent marketers are classified as small businesses by the Small Business Administration. Their closeness to the communities they serve allows jobbers to establish the most efficient and effective service to consumers. Their economic viability must be preserved to continue this high standard of service to the consumer.

THE DECONTROL OF MOTOR GASOLINE

The gasoline marketing industry has been under federal government regulation for a decade. Price controls were initiated in 1971; the allocation of gasoline was imposed at the time of the 1973 oil embargo. The Emergency Petroleum Allocation Act (EPAA) which authorizes these controls is scheduled to expire on October 1, 1981. However, the President of the United States has the statutory authority to issue an executive order at any time deregulating petroleum and gasoline products.

Although a vast majority of gasoline jobbers support the concept of decontrol, they know the need for a smooth, orderly transition from a decade of controls back to the free marketplace. During the past ten years the federal controls have acted as a huge dam holding back a large reservoir of refiner marketing decisions which would normally have occurred during the controls period. The fear of independent small business marketers is that an immediate gasoline decontrol order would lift the floodgates, releasing 10 years of pent-up refiner decisions all at once. Such a "tidal wave" of marketing changes (i.e. refiner marketing area withdrawals, contract terminations and credit policy changes) could wipe out a significant number of efficient gasoline distributors, their dealer networks and have an adverse impact on the American consumer.

Therefore, the National Oil Jobbers Council (NOJC) whose membership markets 48 percent of the nation's gasoline, has suggested that a reasonable transition period be instituted to assure consumers that motor gasoline will be available on an equitable basis following decontrol. Such a transition period would provide for minimum supply commitments by refiners and adequate notice of any changes in marketing practices:

GASOLINE DECONTROL TRANSITION PERIOD

A transitional supply commitment to those customers supplied during the prescribed base period;

Adequate notice of refiner marketing area withdrawals;

Adequate notice of refiner decisions to terminate supply contracts; and

Adequate notice of refiner decisions to change credit policies (i.e. prompt payment discounts, hauling allowances, credit cards, etc.).

Such a transition period would permit refiners the flexibility to make smooth, orderly marketing changes and would also allow those small businesses involved in gasoline distribution the time to react to changes in their supply situation and credit policies.

Refiners would no longer be mandated to offer additional gallons manufactured to their current customers, as they would under federal controls. Increased gasoline production over and above base period commitments could be assigned to those areas experiencing growth demand or spot shortages.

The goal of such a gasoline decontrol transition period is to assure the American public and consumers that gasoline supplies will be available in all parts of the country following decontrol.

□ 1230

RUBY M. ROUSS, A REMARKABLE NEW PRESIDENT

(Mr. DE LUGO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DE LUGO. Mr. Speaker, recently, the Legislature of the Virgin Islands chose a very capable leader as president. It is not remarkable that Ruby M. Rouss was chosen for the foremost position in the legislature. She has demonstrated her leadership capabilities in years of public service. Her impeccable character and her strong sense of stewardship, as well as her insights into the problems of the Virgin Islands make her the logical choice for the job as president of our legislature.

What is remarkable about the election of Ruby M. Rouss to this post, is that she is the first black woman ever elected to preside over the legislative body of any State or territory of the United States. Ruby Rouss is a close friend of mine and I share with my fellow citizens a great sense of pride that Ruby has earned that very special place in American history. But, most of all, I am proud to represent a constituency that recognizes the quality of leadership and places the best leaders in office, without regard for race or sex.

Mr. Speaker, I have a copy of an editorial published in the Daily News of the Virgin Islands which pays tribute to Ruby Rouss with far better words than mine. I include it in the RECORD:

A SPECIAL OCCASION

Last Monday's swearing in of Ruby M. Rouss as president of the 14th Legislature was a very special occasion. Special because the opening session of every Legislature is a big event in the Virgin Islands.

But this occasion had that something extra. Rouss is the first black woman ever elected to preside over a legislative body in any state or territory under the United States flag. Of that, we are all proud.

It became a joyously emotional occasion when Rouss shed a few tears during her acceptance speech. It was a moment of warmth and togetherness as everyone in the crowded room shared in her accomplishment.

Finally, we were particularly impressed with her acceptance speech. Certainly, words do not make deeds. But intentions backed by an iron will can accomplish wonders.

Listen to these words from the new president of the Legislature:

"I further pledge my best efforts . . . to uphold the simple virtues of honesty and integrity. We cannot allow our people, particularly our youths, to continue being cynical about the government and its leaders.

". . . there are those (in government) who abuse their trust and shirk their legal responsibility by evading the clear-cut requirements of law. Others invite disrespect for government by brazenly diverting public funds or property for their own personal benefit.

". . . we will ferret out the wrongdoers . . . by going to court if necessary, to uphold the law. We will focus attention on waste, mismanagement and misuse of government funds as has never been done before."

It is obvious that Ruby M. Rouss has a good grasp of the problems facing the islands, problems brought about because of irresponsible government.

We are encouraged by her remarks. The people of the Virgin Islands will be keeping a close watch to determine if actions do indeed follow words.

TRIBUTE TO OLIN "TIGER" TEAGUE—A HOUSE LEGEND

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, I was deeply saddened to learn of the death of our beloved former colleague Tiger Teague this past Friday, January 23.

For 32 years, Tiger Teague served this House with unique distinction and unquestioned stature. For 17 of these 32 years, he served as chairman of the House Veterans' Affairs Committee—which was a natural assignment for him because of his outstanding military record in World War II. During 6 months of combat, Teague won three Silver Star Medals, three Bronze Star Medals, three Purple Heart Medals, and the Combat Infantryman's Badge.

He was wounded in the war and was discharged as a full colonel.

Tiger Teague was a friend of American fighting men. This was reflected in the progressive legislation which emanated from the Veterans' Affairs Committee during his tenure as chairman. Teague fought for increased educational benefits under the GI bill—he provided for meaningful increases in disability pensions for veterans and their survivors. He worked to insure that Veterans' Administration hospitals had adequate services to tend to the needs of all veterans. Yet, Tiger Teague was a fiscal realist—he made all these improvements while fighting to eliminate waste in the vast VA bureaucracy.

Tiger was also the chairman of the Committee on Science and Technology from 1972 until his retirement from the House in 1979. While in this capacity, he worked hard to insure that our Nation had adequate funds to maintain its superior status in the so-called space race. He also worked for adequate funding levels for the various defense programs which fell under the purview of his committee.

For Tiger Teague, patriotism was not a temporary state—it was a permanent condition—he wore his pride for his country like one wears a good suit. He was an enormously popular man in the House—I had the pleasure of serving with him for some 10 years. He was a man whose word was good, whose counsel was always sound, and he was someone who loved this institution. He was a great constituent Congressman even with the unusual demands created by the vast congressional district he represented—the famous Sixth District in Texas which stretches from just north of Houston to just south of Dallas.

Tiger Teague will be missed by his friends. He will be remembered by all those who love their country as a patriot—a man who fought to protect our freedoms and then worked for the rights of other fighting men. There is a sad irony about today. We bury Tiger Teague in Arlington Cemetery—where thousands of other American military heroes are—on the same day when this Nation welcomes back 52 other American heroes—our hostages from Iran. Tiger would have loved to be part of today's activities. We can only hope that his record of service to this Nation will serve as a model for all future generations of both soldiers and Members of Congress.

REGULATORY NEGOTIATION BILL

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PEASE. Mr. Speaker, hardly a day goes by that I do not hear from a constituent complaining about Federal regulations or the procedures to be followed in adhering to them, and I venture the same is true for many of you.

This has underscored to me the need for the Congress to view from a broader perspective the daily struggle to keep up with the activities of the various Federal agencies. More importantly, it is especially important that we reexamine Federal regulatory decisionmaking in relation to its effects on American business, industry, and labor. If American strength is to be reasserted in international commerce and productivity is to be improved at home, regulatory reform will be essential.

Today I am reintroducing a bill, the Regulatory Negotiation Act of 1981, which is a different and promising approach to regulatory policymaking. It authorizes $1.4 million for payment of administrative costs for up to five nongovernmental regulatory negotiations to be established on a pilot project basis in each of the next 2 years.

You might be wondering—what is regulatory negotiation? Briefly, it is a process in which nongovernmental representatives of competing positions in a major issue area—business and labor for example—negotiate a detailed, consensus agreement on what the regulatory policy in that area should be. This approach could be used at one of two points in the regulatory policymaking process: First, after passage on new laws, but before promulgation of resulting regulations; or second, when laws or regulations need reevaluation or reauthorization. Currently the bill provides that the regulatory negotiation commissions focus on health, safety, and environmental issues. Commission recommendations would be made available on an advisory basis to the Congress and to the appropriate Federal agencies. They would serve as a guide for what the Federal Government should or should not do in promulgating rules and regulations in relation to such issues.

Under my bill a neutral Government body—the Administrative Conference of the United States—would propose issues for consideration by nongovernmental regulatory negotiation commissions and would accept applications for funding. In this way, the conference would be certain to review proposals for commissions in accordance with such key criteria as balance among participants and outlook for reaching meaningful, significant agreements.

The regulatory negotiation process has been used very successfully at the local level. Disputed issues concerning facility siting, local environmental regulations, and waste management have been resolved through such negotiations rather than through prolonged, costly litigation. Nationally, this approach has been successfully used by the national coal policy project and by the Conservation Foundation in relation to toxic substance policy. Specifically, the national coal policy project brought together over 90 industrialists and environmentalists for negotiations. After 2 years, the project produced a major document entitled "Where We Agree" with many constructive administrative and legislative recommendations which have been adopted as policy or are being actively considered.

Despite the potential of this approach to regulatory policymaking, its use has been limited. I am convinced that the real explanation for this lies in the fact that the approach is new and largely unknown. The following article from the October 25, 1979, issue of the National Journal calls attention to this fact.

A small experimental program encouraged by the Federal Government should give this approach a boost as well as provide a laboratory for its refinement. Moreover, in the next few years, several major regulatory policies must be shaped in such public policy areas as automobile emissions, the impact of water and air quality regulations on the steel industry, and the more effective management and containment of chemical wastes. The 10 pilot commissions authorized by this bill could have a substantial impact. The lawsuits they will eliminate the need for will alone more than justify their cost. Is it not about time we try an approach that could prevent regulatory logjams rather than attempt to make sense of them afterward?

In closing, I want to mention that spokesmen for the Carter administration, representatives of environmental and industry groups, and participants in actual regulatory negotiation commissions have all enthusiastically endorsed the approach provided in this bill. They testified in support of such legislation last summer before the Senate Small Business and Governmental Affairs Committees. It is also consistent with much of what President Reagan has said about regulatory reform.

Senator CARL LEVIN will be introducing a companion bill in the Senate. He and I are hopeful that these bills will receive prompt and favorable consideration. The article follows:

[From the National Journal, Oct. 25, 1980]

DOING IT WITHOUT THE GOVERNMENT

(By Christopher Madison)

At a time when most attention—and despair—are focused on established political institutions and processes, it is more encouraging to notice and celebrate efforts at problem solving that have sprung up out-

side traditional channels. The National Coal Policy Project is such an effort and, because it will soon go out of business after four years, a look back at what has been accomplished is worthwhile.

When the energy crisis collided with the environmental movement in the 1970s, coal was the natural battleground. You couldn't dig it, transport it or burn it without generating controversy. The dilemma was particularly poignant when you realized that coal was, after all, the nation's most abundant energy resource. What could be more appropriate for a harmless giant of a nation than to be so stymied by conflict that it couldn't use its own resources and had to turn to imports, ruining its economy in the process?

The National Coal Policy Project was an effort to transcend the interest-group thinking and posturing that had become second nature to the industry and the environmentalists. It was conceived by Gerald L. Decker, corporate energy manager at Dow Chemical Co., who with his industrial colleagues realized that the nation had to use its coal but could do so only if there were peace between the industry and the environmental community.

Decker's environmental counterpart was Laurence I. Moss, a past president of the Sierra Club. Eventually, about 70 persons participated in the project, which was organized by Georgetown University's Center for Strategic and International Studies and financed by foundations and a few government grants.

The notion behind the project was simple. Activists on both sides of the coal issue were weary of the adversary process in the courts and administrative agencies, where most of the energy-environment conflicts ended up. The adversary forum, they realized, forced them to take positions they weren't always comfortable with. As Francis X. Murray, the project's executive director, told the Senate Select Small Business Committee last summer: "Our energy and environmental problems would seem to cry out for more cooperative approaches and a need for a sense of national consensus. Our adversary system seems poorly suited to engender more constructive attitudes." So the industry and environmental representatives agreed to meet in an informal setting and attempt to find consensus and solutions to the thorniest coal issues and problems.

They were guided by a set of negotiating principles known as the "rule of reason," a program developed by Milton R. Wessel for lawyers frustrated by traditional litigation. These principles state that the participants shouldn't use delaying tactics, withhold information or attempt to mislead each other, Dogmatism is also to be avoided.

The participants formed task forces on the major coal issues, which met regularly through 1977. The result, published in 1978, was "Where We Agree," a 900-page report containing the project's policy positions and recommendations on the major issues.

There are, among the recommendations, some surprising concessions by both sides. The environmentalists, for example, agreed that the free market should replace government regulation of energy pricing wherever possible. They also agreed, after years of strategic delay over the siting of power plants, that such decisions should be expedited, as long as efforts are made to build the plants where the energy is consumed rather than in remote areas where the coal is mined. These last two points represent industry concessions. Others include agreement that sensitive areas shouldn't be mined unless reclamation techniques are developed and that major production increases should come from the deep mines of the East as well as the strip mines of the West.

You would think that negotiating 900 pages of agreements would be the most difficult part and that it would be relatively easy, given the fact that a constituency has been developed, to put some of the recommendations into practice. Happily, this turned out to be true in at least a few cases. On surface mining regulations, the Interior Department has adopted some of the project's recommendations, albeit without giving the project credit. The Federal Energy Regulatory Commission was more direct, inviting members of the project to participate in its effort to remove regulatory barriers to co-generation—the use of byproduct heat or steam for further manufacturing processes—and drafting the regulations along the lines suggested by the project.

Members of the project couldn't work miracles, however. Its mining task force, which found itself dissatisfied with the Carter Administration's new coal leasing program, devised a new system and circulated it for comments. The reaction was negative from all sides, and the recommendations will be put on the shelf. The air pollution task force was unable to resolve a number of issues, even though there was general agreement that the Clean Air Act regulatory scheme doesn't get at the real problems, such as acid rain. So for the moment they have decided to live with the scheme because it is known, rather than risk the unknown.

Some of the project's most important accomplishments may come only after it has been disbanded. Just before Congress recessed for the election, several bills were introduced, with impressive bipartisan support, that are major recommendations of the task force. One would set up experimental "regulatory negotiation" panels, patterned after the coal project, that would try to resolve other major regulatory disputes in an informal setting. Others would encourage development of experimental pollution control systems through the use of exemptions from the existing regulations and mandate the expedited siting of coal-fired plants.

It will be up to the next Congress and President to determine what happens to these proposals. But already, something interesting has happened: people have attempted to solve their problems without resorting to the government.

FIFTY-TWO HOSTAGES

(Mr. WON PAT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WON PAT. Mr. Speaker, I want to add my voice to that of my colleagues and the millions of our fellow citizens who feel such joy at the return of our 52 hostages from Iran. I know I speak for all of the 106,000 residents of Guam when I say that "it is just great to have you back." Perhaps the fact that we the people of Guam were once held hostage ourselves for 3 long years while our island was occupied by the enemy during World War II gives us a special appreciation for how you—our former hostages—must feel as you once again savor the essence of freedom.

I also want to extend my heartfelt gratitude to President Carter, Secretary Muskie, Under Secretary Christopher, and the Algerian and German leadership for their steadfastness and perseverance through the final stages of this long and tortuous crisis. We may not all be equally satisfied with all of the contents of the final negotiated agreement but it is my feeling that we should learn to live with it. The United States of America gave its word. We have learned a hard lesson from this tragic event and let us hope it will never happen again.

TRIBUTE TO THE LATE HONORABLE OLIN E. "TIGER" TEAGUE

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, today, later this afternoon, we will gather to bury our good friend, Tiger Teague.

Many of us who served in the House with Tiger Teague all have so many great memories of Tiger. He was the most decorated war veteran who served with us. In fact, we all remember that Tiger was still carrying his shrapnel with him when he was serving in the House, as his reminder of three Purple Hearts. But Tiger was more than a war hero. He was a great statesman. When I think of Tiger I remember his love for his college and the traditions of Texas A. & M. He was the greatest Aggie with the patriotic Aggie spirit. We remember him for his service in Congress as chairman of the Committee on Veterans' Affairs. We remember him as chairman of the Science and Technology Committee. He was dedicated, he was sincere. If ever a man believed in God and country, it was Tiger Teague. Those of us from Texas, we have lost Tiger, but the Members from Texas all know that in our history he will always go down as one of the greatest that ever served his Army, his Congress, and his country.

COMPENSATION IN LIEU OF SALARY TO THE HONORABLE GLADYS NOON SPELLMAN

Mr. LONG of Louisiana. Mr. Speaker, I send to the desk a resolution (H. Res. 41) relating to compensation in lieu of salary to GLADYS NOON SPELLMAN, and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 41

Resolved, That, from the contingent fund of the House of Representatives, the Clerk of the House of Representatives shall, at the end of each month pay as compensation in lieu of salary to Gladys Noon Spellman an amount equal to the compensation which would be payable in accordance with section 39 of the Revised Statutes (2 U.S.C. 35) but for her inability to subscribe to the oath of office. The Clerk shall deduct from any such payment the amounts necessary to provide for continued (1) health and life insurance and retirement benefit coverage and (2) Federal and State income tax withholding.

SEC. 2. (a) Until otherwise provided by law or by action of the House of Representatives, administrative support may be provided and clerical assistants for the office of Gladys Noon Spellman may be designated and adjusted by the Clerk of the House of Representatives (in accordance with any regulations prescribed under subsection (b)) and borne upon the clerk hire payrolls of the House of Representatives. The Clerk shall take such action as may be necessary to apply the principles of section 2 of the joint resolution entitled "Joint resolution relating to the continuance on the payrolls of certain employees in cases of death or resignation of Members of the House of Representatives, Delegates, and Resident Commissioners.", approved August 21, 1935 (2 U.S.C. 92c), to clerical assistants employed pursuant to the preceding sentence.

(b) The Committee on House Administration shall have authority to prescribe regulations for the carrying out of this section.

(c) Payments under this section shall be made on vouchers approved by the Committee on House Administration and signed by the chairman of such committee.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

Mr. DERWINSKI. Mr. Speaker, reserving the right to object, I do so only so that the gentleman from Louisiana (Mr. LONG) could give us whatever explanation he has of this matter.

Mr. LONG of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Louisiana.

Mr. LONG of Louisiana. I thank the gentleman for yielding.

Mr. Speaker, the resolution has been agreed to by both the Speaker and the minority leader, as I understand it. It is merely a housekeeping resolution that is required because of the fact that the existing law under which a situation as this would be handled does not cover the situation whereby the Member becomes incapacitated prior to their taking the oath of the office for which they are elected. Consequently, this is required for that instance.

As I understand it, also, this would in no way preclude and certainly is not intended to in any way preclude consideration of the ultimate status of Mrs. SPELLMAN's seat.

□ 1240

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. Mr. Speaker, I yield to the gentleman from Mississippi.

Mr. LOTT. Mr. Speaker, I just have a couple of questions. Certainly, we understand that this is a housekeeping procedure, but I would like to ask just a couple of questions, if I could, of the gentleman from Louisiana.

I understand that this is compensation pay, not a salary, so that if there is a termination in any way declared by the Speaker, that would terminate the compensation. Is that correct?

Mr. LONG of Louisiana. That is my understanding. It is phrased as compensation and not as salary.

Mr. LOTT. All right. Would this in any way affect the proxy voting in subcommittees or committees, this resolution?

Mr. LONG of Louisiana. I am informed that because of the fact that the Member has not been sworn in, there would be no voting rights in this instance.

Mr. LOTT. I thank the gentleman.

Mr. DERWINSKI. Mr. Speaker, I might add that as ranking minority member of one of the committees on which the gentlewoman from Maryland served, I think this is a very practical and necessary action by the House. I think it is one of the ways we have to handle this very difficult and unusual situation.

I commend the gentleman from Louisiana for his leadership in this effort.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MISSING IN ACTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GILMAN) is recognized for 60 minutes.

● Mr. GILMAN. Mr. Speaker, just a few days ago, the families of 52 Americans witnessed an event they had waited 14 months for—the return of their loved ones who had been held captive in Iran for more than a year. The joy and relief experienced by all of the families whose husbands, sons, and sisters had returned told on their faces as they saw their relatives safe, sound, and free.

But for the families of 2,500 American servicemen who are still unaccounted for in Vietnam, Laos, and Cambodia, a dream of reunion has passed, and has been replaced by bitterness and uncertainty. Some of the families of our missing in action and known captured in Vietnam and Laos have endured years of uncertainty not knowing if their loved ones were alive, dead, or would ever return.

Most Americans are shocked to learn of the extensive number of missing servicemen still unaccounted for in the Vietnam war, and still more distressed to learn that many servicemen who were known POW's were never returned to us even after the Paris peace accords were signed in 1973. The Vietnamese photographed, taped, televised, and propagandized our POW's; tragically, some of the same POW's whose photographs were used to humiliate the United States were never to return home.

While the Congress and the families of our missing in action have requested that the Vietnamese provide us with a full accounting of our missing in action, we have received minimal cooperation from the Governments of the Socialist Republic of Vietnam, Laos, and Cambodia. The SRV has expended considerable time and money trying vainly to convince the world and the American people that they have provided us with all the information available on our missing and captured servicemen; and yet, when asked a few months ago to accept petitions from hundreds of thousands of Americans genuinely interested in the issue of a full accounting, the Vietnamese told our veterans groups that they would not accept their petitions. This followed on the heels of a publication circulated by the Vietnamese Government claiming that—

Vietnam's humanitarian policy and goodwill are clear. The Vietnamese people and the government have carried out a policy of clemency and generosity towards the American prisoners of war and those who remained in Vietnam after April 1975, as well as those who died in the Vietnam war. This has been acknowledged on many occasions by the U.S.—From the pamphlet "On the Question of Americans Missing in the Vietnam War," Department of Press and Information, Ministry of Foreign Affairs, Socialist Republic of Vietnam, 1980.

In a letter to our Representative at the United Nations, Nguyen Ngoc Dung, Deputy Permanent Representative of the SRV to the United Nations, reiterated that the policy of Vietnam as regards our MIA's and POW's is humanitarian. The UN's representative enclosed in his letter to Ambassador vanden Heuvel a copy of the aforesaid pamphlet, to again refresh our memories about the humanitarian gestures provided by the Vietnamese. These gestures include the repatriation of only 71 sets of remains in the 8 years since the end of the Vietnam war. Charging that the U.S. Government sought to take advantage of Vietnam's humanitarian policy, the Vietnamese, in their letter of refusal of the petitions, contended that:

To our regret, the American side has so far taken a negative attitude and action with regard to this Vietnamese humanitarian policy.

We are of the view that the collect(ion) of signatures on the MIA question is only

aimed at taking advantage of this humanitarian question to serve propaganda, political and ill-intentioned purposes.

American families who have waited, some as long as 15 years for a final accounting of their loved ones, do not consider the Vietnamese policy as humanitarian, nor do they consider the circulation of petitions as propaganda.

Mr. Speaker, the families, of our missing and our Nation, have waited far too long for a resolution of this issue. Several administrations have passed off the question of our missing in action as unimportant. We can no longer afford to allow this type of mindset to prevail. We urge our new President to do everything in his power to work toward a resolution of the issue.

Most relevant right now is the substantial number of live sighting reports which have come to the attention of our intelligence community and our Defense Department. Some of the refugees fleeing Vietnam have indicated that they have seen Americans in a prison camp type of situation. There are close to 300 firsthand live sighting reports which are being analyzed by our Defense Department. The report we received last year from a Vietnamese mortician withstood extensive and critical examination, leading to a conclusion that the Vietnamese were warehousing the remains of 400 Americans in Hanoi. When the Vietnamese denied us access to the site of that warehouse on our visit to Hanoi during January 1980, it gave even more credence to that report. Months later, the Vietnamese opened the site to reporters, to prove to them that no remains were being stored there.

I am enclosing for the record two recent refugee reports which have surfaced, and which indicate the sincerity and interest of the Vietnamese refugees in the resolution of the MIA issue. Mr. Speaker, I request that these reports be printed in full at this point in the RECORD:

REPORT A BY A VIETNAMESE REFUGEE

I would like to give you information regarding a missing American whom I know. I know that that American had parents still living in the U.S.A.; he once gave his parents' address to my parents. I'm sorry I have forgotten it.

His name is ——— ——— according to the letters he sent to my family. He was missing in Binh Dinh, VN, at the beginning or the end of 1973, after he has escaped from Nha Trang prison, he has come to visit with my family in Phu Tai, Binh Dinh. That American was an adopted son in my family from 1966 to 1969 and onward until 1973, I still meet him.

He has lived with us for three years, I consider him like my blood brother; my parents loved him like their own child. So I know him well, his character and other specifics, his qualities, and other details about him. I do not know the reasons for his disappearance. My older brother in Vietnam may know more about than I do. When he left us for good, I do not understand and was quite surprised.

Following are the specifics about the man. I shall give you more pertinent information after you reply to my letter.

1. The American is a civilian; he can speak and write Vietnamese almost as well as a Vietnamese. I believe he has attended Vietnamese language courses in the US.

2. Age around 36-37 year old. Height 1m72. White skin, blond hair, he is a protestant.

Please reply, or permit me to call you over the phone. I can give you much more info about that missing man.

REPORT B BY A VIETNAMESE REFUGEE

I read in Trang Den Magazine and understand that the League wish to receive information regarding American prisoners of war still being detained in Vietnam. The info is: A number of American POWs previously detained in Hanoi have been moved to Han Tan in South Viet Nam during the month of August 1980. They were transferred on the same train as other Vietnamese POWs from the grade of major and higher (who were also detained in North NCT).

When their ship arrived in Da Nang, our relative who was an Air Force Major, was on board that ship; he sent words to us that he was Duong, and that he was being transferred to the South. Upon hearing that our brothers and I followed up the matter. On that ship, there were American prisoners; my relative saw them very clearly. I affirm to you that this is true. I escaped from Vietnam on July 1980; my relative came to the U.S. in August 1980 and gave me that information. I also have checked out the info. When the train arrived at the Thanh Khe railroad station, Second District of Da Nang, there were a large number of security personnel escorting the trains.

I do not want any reward. I just came from Vietnam and I happen to know this info which I believe to be accurate I therefore to report it to you in order that the League can look for them, because they are the benefactors of Vietnam.

I want to reaffirm that this info is 100% accurate.

The Americans are being held in Han Tan—a little south of Qui Nhon. Everyone knows Han Tan, you know. Please communicate this info to the League so that the families can start seaching for them.

I wish you and the League good luck and success in this endeavor.

Mr. Speaker, for the past few years some of us have waited for change in this issue, and have waited patiently for a resolution of the MIA/POW question. At the present time, the 2,500 missing Americans have been political nobodies—simply statistics—and while America watched our 52 hostages for 444 days, it has been 2,820 days since the signing of the Paris peace accords at which time President Nixon assured the families that the POW's would be returned in 90 days.

Those 3 months have now matured into 8 years. And those 8 years have produced hundreds of refugee reports which have filtered into our country. And those 8 years have been an agonizing wait for the families of our missing.

I thank my colleagues for joining me today in expressing our hopes and our concerns, and want to thank the Defense Department for assuring us that the MIA/POW issue is not dead—particularly Gen. Eugene Tighe of the Defense Intelligence Agency and Adm. Jerry Tuttle of DOD. Together we can continue to work and progress, and someday soon, our Nation may have a full and exhaustive accounting of our missing in action.●

● Mr. HOLLENBECK. Mr. Speaker, it is a pleasure for me to take this opportunity to join with my distinguished colleagues and rise in support of our POW's and MIA's from the Vietnam war. As we stand here today, on the eighth anniversary of the signing of the Paris peace accords, we should realize that the Vietnam war has yet to end for approximately 2,300 American families. I refer to the families of our missing in action and known POW's who never returned from Vietnam, Cambodia, or Laos.

I am deeply saddened at the tragic loss of thousands of lives in Vietnam and my heart goes out to all those who have lost loved ones in that conflict. But perhaps just as tragic is the fact that hundreds of families still remain in doubt as to whether their loved ones are dead or alive.

During the past few years, I have had the occasion to review reports from refugees entering our country who indicate that Americans remain as prisoners in Southeast Asia. Given the substance and frequency of these reports, I believe that every effort should be made to ascertain their reliability. If just 1 in 100 bears some truth, then I feel we have made substantial progress toward helping a fellow American who has given so much in the service of his country. We must impress upon the Governments of Laos and Vietnam the importance with which all Americans view this issue.

Today, I have introduced a resolution which would designate July 18 as National POW-MIA Recognition Day—a day honoring all of the 142,000 POW's from the last 4 major conflicts. I believe a National POW-MIA Recognition Day would provide an appropriate forum to demonstrate our concern for their past sacrifices and their future realities. It would say to these brave men who fought in Southeast Asia and elsewhere that we remember the frustration of not being able to reach out and help, we remember the nagging suspicions caused by not knowing, and we remember the joy and pride we experienced upon their return.

I sincerely hope that a majority of my colleagues in this distinguished Chamber will join me in the effort to designate July 18 as National POW-MIA Recognition Day—not only on behalf of those captured in Southeast Asia but also for the thousands who

gave so much of themselves in our previous three conflicts.●

● Mr. YATRON. Mr. Speaker, the Vietnam era was one of the most turbulent and unsettling periods in recent American history. On January 27, 1981, we celebrate the eighth anniversary of the signing of the Paris peace accords which signaled the formal ending of the Vietnam war.

It is indeed unfortunate, however, that for some 2,500 American families the war still lingers. These are the families of our missing in action and known prisoners of war who never returned from Southeast Asia.

At this time, there is substantial evidence that the Governments of Vietnam and Laos have not provided us with all the information with respect to our MIA's and POW's in their respective countries. While those Governments have repeatedly stated that they are holding no Americans, reports coming from many knowledgeable and reliable Southeast Asian refugees have flatly contradicted this.

I find it a cruel and odious act to continue to deliberately withhold information regarding American MIA's and POW's. I join with the rest of my colleagues to implore the Governments of Vietnam and Laos to free any of our citizens they now hold because of the Indochina conflict and to provide any information regarding the whereabouts of those still missing.

It is time we put the whole question of Vietnam to rest. The families of the MIA's and POW's have suffered beyond what most of us can comprehend. The obvious humane gesture would be for Vietnam and Laos to be forthcoming on this issue.●

● Mr. HUGHES. Mr. Speaker, today has been a day of national rejoicing at the return of our hostages from Iran. The release of our 52 citizens has been greeted by all of our people with prayers of thanksgiving for their safe return and with a national party of unprecedented proportions.

We should remember that this was the occasion for similar prayers and happiness 8 years ago when our country signed the Paris peace accords signaling the formal end to the war in Vietnam, a war which divided our countrymen and which took the lives of many thousands of our young people.

We would be remiss, even on this day of national celebration, if we did not remember that as a result of that terrible conflict there are still Americans in captivity, Americans who have been seen by the refugees who have come into our country and into Thailand, escaping the Communist regimes in Laos and Vietnam which have terrorized them. They tell us that some of our people are still held in horrendous conditions, kept from their families and loved ones, denied even the basic rights of prisoners of war to have contact with the outside world and to have their conditions of imprisonment monitored.

This captivity is a source of grief and despair for 2,500 American families who wonder every day about the treatment of their sons, husbands, and fathers and about whether they will ever see them again.

I am deeply saddened to have to join with my colleague, Representative GILMAN, in his special order today to call attention to this heinous crime against our soldiers and their families. A civilized community of nations must hold in contempt any member nation which would refuse to notify the families of those they are holding as prisoners of war. International law and convention and the laws of the religions of all people dictate the basic human courtesies of contact with family and of information about conditions of imprisonment, especially in a war now officially over for 8 years.

I call upon the Governments of Vietnam and of Laos to provide for our country and for the families of these men a full accounting of our missing and of our known POW's who were never returned. I further call upon our allies and upon all nations of the world to join us in this request and in our condemnation of the conduct of the Governments of Vietnam and Laos. If this kind of treatment of prisoners of war is permitted to continue in this instance it can happen again and it can happen to the prisoners of any nation. This kind of barbarism by governments must come to an end. It is the responsibility of all nations to see that it does.●

● Mr. YOUNG of Florida. Mr. Speaker, we rejoice this week for the 52 hostages and their families as they are reunited after 444 days of separation. However, these celebrations cannot cause us to forget about the hostages of 8 years, those soldiers who never returned from Vietnam, who were never seen or heard from again.

For these 2,500 soldiers, and their families, it has been 2,922 days of waiting and hoping—8 years ago today, we initiated the Paris peace accords, which brought a formal end to the conflict in Vietnam. The peace accords meant an end to the military conflict, but not to the personal conflicts suffered during a time the families have wondered whether their loved ones are still alive.

Live sighting reports, which numbered over 300 last year, keep the hopes of these families alive, and disprove the claims of Vietnam and Laos, who maintain they hold no prisoners of war. Just as the country united behind the hostages in Iran, we cannot forget the plight of the missing soldiers in Southeast Asia.

Our prayers have been answered and the Iranian crisis is over. Let us continue to keep the POW's and MIA's in our prayers, never forgetting what they and their families have sacrificed for our country.●

● Mr. DICKINSON. Mr. Speaker, as we in this country rejoice at the freedom of the 52 American hostages who endured 14 months of savage captivity, I want to take a moment to reflect on the 2,546 civilian and military personnel whose fate is still unknown—our missing in action and POW's who have never returned from Southeast Asia.

As a member of the task force of POW/MIA's in the 96th Congress, and as ranking minority member of the House Armed Services Committee, I have reviewed information that indicated to me that there are Americans in Vietnam, Laos, and Cambodia being held against their will. These are men who selflessly fought for their country and the principles we hold so dear, and I hope that everyone in this Chamber will work to determine beyond a shadow of a doubt, if possible, the fate of those captured or missing in action who are still unaccounted for.

As we listen to our 52 heroes tell of the horrors they endured, let us not forget those who may still be living a life of terror. They, too, are heroes, and I pray that we will have the opportunity to welcome them home soon.●

● Mrs. HOLT. Mr. Speaker, all of us were overjoyed that Americans held in cruel captivity by the Iranian Government were released on January 20, and some of us were reminded of the disturbing and depressing reports that American prisoners of war may still be captives in Indochina.

Refugees from Vietnam, Laos, and Cambodia have reported seeing American prisoners. There have been a considerable number of these reports, and the governments of those Communist nations have never provided the United States with a full accounting of MIA's and persons known to have been POW's before the Vietnam war ended.

Those Communist governments say they are not holding any Americans, but there are reasons to doubt their claim. They say they have provided us with all the information available, but I doubt it.

Let us not forget that Americans may still be captive in Indochina, and let us not cease our efforts to verify any reports that would enable us to find them and secure their release.●

● Mr. CLAUSEN. Mr. Speaker, distinguished colleagues, I am honored to join you in this special order marking the eighth anniversary of the signing of the Paris peace accords.

One week ago today, one of the most dramatic moments in U.S. history took place when Ronald Reagan took the oath of office as the 40th President of the United States, followed moments

later by the release of 52 Americans held captive in Iran for 444 days. Although the many stories of solitary confinement, harsh beatings, and deprivation of proper food and clothing raise disturbing questions for the future, I am reminded of a fundamental truth about the American people—a national determination to uphold, protect, and preserve the rights and liberties of individuals. We are a nation that genuinely cares about our inalienable rights to life, liberty, and the pursuit of happiness.

The events of the past week have brought to mind the shocking and tragic fact that today nearly 2,500 U.S. servicemen remain unaccounted for in Southeast Asia.

Since August 1978, neither the Vietnamese nor the Laotians have responded with any further accounting of our missing. Also, since that time, countless hours of testimony have been taken from refugees claiming to have seen American captives alive since 1975. The Defense Intelligence Agency has been checking out hundreds of "live sighting" reports, some as recent as 1980. U.S. intelligence analysts are convinced that the remains of more than 400 U.S. servicemen were being held in a former prison camp in Hanoi known to our POW's as the plantation. However, when six of my colleagues visited Hanoi last year and asked to see the site, they were refused.

Mr. Speaker, it is a little known historical fact, but significant, that a handful of French prisoners captured at Dienbienphu were not released by Hanoi until 16 years later.

I believe that we must be committed to renewed and unprecedented efforts by both the new administration and the Congress to pursue the fullest possible accounting of our missing servicemen and return of all recoverable remains. I do not need to remind my colleagues of the months of negotiating, bilateral contacts with third party countries, and compromise by both sides which led to the release of the 52 American hostages.

I would propose and support the sending of a delegation representing the new administration to Hanoi for the expressed purpose of reopening negotiations in an effort to resolve this critical issue. Further, I would propose an unprecedented bipartisan effort by the Executive and the Congress to formulate a mutually acceptable policy which is strategically planned, coherent, and consistent—a policy which is clearly understood by friend and foe alike.

We as a nation owe to those who remain unaccounted for our maximum resolve in this effort. I believe such an initiative is owed to the families of these missing Americans, to our veterans, and to those Americans serving in our Armed Forces—now and in the future.●

● Mr. GUARINI. Mr. Speaker, on this eighth anniversary of the signing of the Paris peace accords, signaling the formal ending of the hostilities in Vietnam, I enthusiastically join Congressman BENJAMIN GILMAN in a special order calling attention to the over 2,500 yet-unaccounted-for Americans in Southeast Asia.

Resolution of this issue, which under the leadership and efforts of former Congressman Lester Wolff was so diligently pursued in the past few years, is long overdue. And although two previous resolutions have been passed by this body calling on the United Nations to assist efforts on obtaining an account of prisoners and missing, we must now call on the 97th Congress and the new administration to take the necessary action that will convince the Governments of Vietnam and Laos of our demand for full accountability and of the depth of American concern.

With nearly 300 reports indicating the presence of live Americans in Southeast Asia, the most recent in the trial of Private Garwood, there is certainly a mandate for a complete and thorough investigation into this matter.

Realizing our responsibility to those men whose fate we are trying to resolve, and to their families, I join my colleague in this special order.●

● Mr. HAGEDORN. Mr. Speaker, since the Vietnamese, Laotians, and Cambodians were forced to flee their homelands, numerous sighting reports of Americans still alive in Southeast Asia have been received. In fact, the Minnesota chapter for the National League of Families of American Prisoners of War and Missing in Southeast Asia, which is led by Mrs. Patty Skelly of my district, has investigated and summarized over 400 such reports. These live-sighting reports clearly indicate that the Governments of Vietnam and Laos are still holding prisoners of war in Southeast Asia.

Vietnamese authorities claim that there are no Americans left in Vietnam and have labeled stories to the contrary as lies designed to keep the United States hostile to Vietnam. I believe, as do many of my colleagues, that all of our servicemen were not returned to the United States after January 27, 1973, the date of the signing of the Paris peace accords, which signaled the formal ending of the war in Vietnam. Based on evidence we have received from Vietnamese refugees and investigations conducted by credible organizations dealing with Americans missing in action in Southeast Asia, I do not feel that the U.S. Government has all of the facts.

In 1979, a spokesman for the U.S. Department of Defense stated that there is "no credible evidence of any Americans still in captivity over there." He went on to say, however, that the number of Americans still missing in action has been reduced to 70 from the 2,500 reported at the end of 1973. And in January of last year, the Washington Star reported that "of the 2,500 Americans who are unaccounted for in Southeast Asia, all but 38 have been declared presumptively dead by the U.S. Government." The Washington Star went on to say that many of the families of POW's missing in action object to these findings and are still waiting and hoping.

The Defense Intelligence Agency, which evaluates refugee reports, says that the United States should not rule out the possibility that American prisoners are being held in Vietnam, but stresses that it has been impossible to verify these stories and difficult to address the integrity of the refugees who give the accounts. I feel that, even if there is only circumstantial evidence which would lead one to believe that American servicemen are alive in Southeast Asia—regardless of how small the number may be—we have an obligation to these men and their families to investigate. And I think we should continue to investigate until we have no doubts as to their whereabouts.

So, even though many of their cases have been closed, the search for missing Americans presumed to be dead will go on. Many dedicated people have spent, and will continue to spend, hundreds of hours of their free time helping to locate the prisoners of war missing in action in Southeast Asia. I would like to take this time to express my gratitude and thanks to these people, as well as to encourage them not to lose faith in this worthwhile cause. Our brave servicemen who may still be alive in Southeast Asia must not be forgotten.●

● Mr. MILLER of Ohio. Mr. Speaker, I am pleased to join with my colleague from New York today in a special order to remind the Congress, the Reagan administration, and the American people that for those U.S. servicemen still listed as missing in Southeast Asia, the agony and uncertainty surrounding their fate continues.

Today marks the eighth anniversary of the signing of the peace treaty which officially began the scaling down of U.S. involvement in Vietnam. The accords signed in Paris 8 long years ago included a directive to all parties that earnest efforts would be undertaken to account for those listed as missing during the conflict. More than 2,400 U.S. servicemen never came back, and cooperation between the Governments directly involved in providing an accounting for them has not measured up to expectations.

Occasionally, we see a reminder of this human tragedy in the news. Stories about live Americans filter through the bamboo curtain and hopes correspondingly rise again in anticipation of new news about long lost loved ones. It is totally understandable that those closest to this situation continue to hope, continue to wait, continue to press the Government for action befitting the problem.

At a time when we rejoice in the homecoming of those Americans held captive in Iran, let us also give appropriate attention to the ongoing commitment to resolving the issue of missing Americans in Southeast Asia as well. The families of these servicemen deserve nothing less.●

● Mr. McDADE. Mr. Speaker, today marks the eighth anniversary of the signing of the Paris peace accords, ending America's involvement in Southeast Asia. Today also marks the formal homecoming ceremonies for the 52 former hostages released from Iran. Their return serves as a poignant reminder that all of America's sons are still not accounted for.

The Paris peace accords guaranteed that the Vietnamese would return all POW's and MIA's, living or dead, to the United States. Since then, the remains of fewer than 100 of the 2,500 MIA's have been returned. For the remaining families there is not much they can do but hope.

Because there has been so little new information in recent years, most of the missing have now been classified as KIA—killed in action. While this may provide financial assistance to the families in the form of GI insurance and death benefits, it does nothing for their mental well-being. It is a widespread belief among civilian and military personnel alike that the North Vietnamese are withholding information about some of the missing. As Lt. Gen. Vernon Walters, former Deputy Director of the CIA, stated:

> Based on * * * the known Communist proclivity for detailed reporting, it is believed that Vietnam holds significant amounts of accurate information of former and current American MIA/KIA in southeast Asia. Hearing statements such as this, it is easy to understand why so many of the families are greatly upset by the Government classifying their husbands, sons, and fathers as "dead."

I join with my colleague BENJAMIN GILMAN in remembering the Americans missing in action in Southeast Asia, especially Jack Pearce and Wesley Ratzel, two men from my congressional district. I hope that this will serve as a reminder to our country that these men have not been forgotten.●

● Mr. GREEN. Mr. Speaker, 8 years ago today the Paris peace accords were signed. This action brought about an end to the Vietnam war.

While it is the anniversary of the ending of this tragic war, it is difficult to find cause for celebration. This is particularly true for the 2,500 American families who still have relatives classified as either POW's or missing in action in Vietnam, Laos, or Cambodia. For these 2,500 Americans the tragedy of this war continues.

The recent influx of refugees from this region has brought many reports of Americans continuing to be held as prisoners in Vietnam and Laos. These reports have brought hope to the families of these Americans. Yet, without knowing the status of their loved ones, these families live with uncertainty and fear on a constant basis.

It is time for the Governments of Laos and Vietnam to end this cruelty. A full accounting of these 2,500 Americans is the very least that we deserve. In addition, if any of these individuals is still alive—and we have every reason to believe this is possible—they should be immediately released. The tragedy of Vietnam should not be allowed to continue.

As we celebrate the release of the 52 former hostages held in Iran, it is important to remember the plight of the POW's and MIA's in Vietnam, and their families. This day is the anniversary of the end of the Vietnam war, but it is not an end to the tragedy of that conflict. That end will only occur when these 2,500 Americans are accounted for, released, and reunited with their families.●

● Mr. DORNAN of California. Mr. Speaker, I am honored to join this afternoon with my good friend and colleague from New York, Mr. GILMAN, a man whose compassion for the families, friends, and loved ones of those Americans missing in action in Southeast Asia is unsurpassed in this House.

Today, every American welcomes the return of our fellow Americans recently released from illegal captivity in Iran. And while I agree that we should all share the joy and the happiness beautifully expressed by the President and many of our colleagues in Congress at the homecoming of our 52 fellow Americans, I think that our celebration should be the occasion to call to mind the sacrifices of approximately 1,300 other fellow Americans. These are the brave men who fought in an unpopular war that many of us are desperately trying to forget, men for whom there has still been no adequate accounting. These are fellow Americans whose families have had to live with the anxiety of not ever knowing, for sure, that their loved ones were either alive or dead. And while I do not wish my remarks to be misconstrued on this joyous and historic day, when we are celebrating here in our Nation's Capital the return of our diplomats, I only wish that the yellow ribbon sales could have increased years ago through a more widespread concern over this MIA issue on the part of all Americans, in public as well as private life.

As the originator of the POW bracelet worn by over 5 million caring Americans during the Vietnam war, and a member, along with Congressman GILMAN, on the POW-MIA Congressional Task Force, I am often asked the question: "Congressman, do you think that there are any Americans left alive, as prisoners, in Southeast Asia?" To that question, I can only give one answer: I really don't know. But this I do know: We do not have the full truth about the fate of the MIA's. And until this issue is finally put to rest, the tragedy lingers on, gnawing at the conscience of the Nation. What happened to our fellow Americans missing in Southeast Asia?

To the 52 Americans returned from their long and harrowing ordeal in Iran, welcome home. In the joy of that welcome, let us together in this House redouble our efforts to resolve, once and for all, to determine the fate of those other fellow Americans missing in Southeast Asia on the basis of the facts. I want to express my sincere gratitude to my colleague, Congressman BENJAMIN GILMAN for taking out this special order on a vitally important topic.●

● Mr. LAGOMARSINO. Mr. Speaker, I want to commend the gentleman from New York, Mr. GILMAN, for taking this special order and for his unrelenting efforts on behalf of our POW's and MIA's in Southeast Asia. I also want to publicly express my appreciation and commendation to Representative TENNYSON GUYER, of Ohio, former Congressman Lester Wolff, and Congressman BOB DORNAN of California.

I have had the privilege of serving on the special MIA Committee with all of these gentlemen. Together we visited Hanoi and impressed on that Government that, in spite of the impression they might have received from our State Department, this Congress and the American people are still vitally interested and will not give up until an adequate accounting is made.

"Tell the world about us" is the plea of Americans missing in action heard by Norwegians traveling in North Vietnam, according to recent published reports.

These reports coupled with other firsthand live sightings of Americans in Vietnam and Laos are urgent reminders that we still do not have the full accounting for all our American military men in Southeast Asia.

One of my own constituents, Mary Lou Hall, has reason to believe that her husband, Navy Capt. Harley Hall, is still alive in Vietnam. She says, in an interview in the Santa Barbara News-Press, the Vietnamese "release people from time to time. The radar officer who went down in the plane

with Harley was returned. Both had been sighted landing alive and running for the trees at the time. The Vietnamese keep the pilots. And in that part of the world, my husband was a very famous pilot, she says. He led the Blue Angels on a very well-publicized tour to Southeast Asia with pictures in their papers and all, before his third tour of duty." Captain Hall was shot down 8 years ago, only 2 days before the cease-fire took effect ending the Vietnam war.

In addition to the reports of live sightings that Mrs. Hall has heard, she says other evidence makes her wonder about the status of her husband. At first the former Secretary of the Navy refused to sign papers declaring her husband dead "based on the evidence." It was only after a new Secretary of the Navy was appointed by President Carter in 1979 that Captain Hall was declared dead, she says. Also, under the Freedom of Information Act, Mrs. Hall secured the file on her husband from the CIA, but almost all the information was blacked out, so she says she does not know what to believe.

The reports by the Norwegians have renewed Mrs. Hall's effort to learn more about the missing in action in Southeast Asia. According to these reports, the Norwegians, who are working on a construction job in a papermill in Southeast Asia, said that while they were motorcycling in a rural area about 200 kilometers from Hanoi toward the Chinese border, they saw a road gang of American slave laborers. They said they were told to leave immediately by Vietnamese people, who threatened them with weapons, but that, before they left, they heard the prisoners shout in American accents, "Tell the world about us."

While we rejoice with the return of the freed American hostages from Iran, there are still Americans missing and unaccounted for in Southeast Asia. We can be sure the Hanoi regime is no less barbarous than that in Tehran, and the outrage has gone on for years, not just months.

We must dedicate ourselves to a renewed effort to secure the release of any Americans still held in Southeast Asia and a full accounting of every American missing in action.

I urge my colleagues to support immediate action on the MIA's and to join in seeking cooperation from our allies in promoting our cause with the Vietnamese, and to continue pressing for action until we are successful.

I call on the Reagan administration to give the highest priority and utmost urgency to achieving a successful resolution of this "other hostage crisis."●

● Mr. OTTINGER. Mr. Speaker, 8 years ago, the United States signed the Paris peace accords which formally ended the tragic war in Vietnam. Today, as we celebrate the return of the 52 Americans who were held hostage in Iran, it is important that we not forget that this nightmare of Vietnam lives on for about 2,500 American families of our missing in action and prisoners of war who never returned from Vietnam, Laos, and Cambodia. Indeed, the anniversary of the peace accords is a bitter reminder of the intransigence of Indochinese governments which refuse to provide a full accounting of MIA's and POW's.

Since the termination of our involvement in Indochina, progress in accounting for nearly 2,500 Americans has been painfully slow because the Governments of Laos and Vietnam have been entirely negligent in their legal and humanitarian responsibility to provide us with information related to MIA/POW's.

I believe we must register our abhorrence with Hanoi's intransigence and show these governments that the American people are unwilling to accept anything less than full disclosure of information regarding our servicemen in Vietnam. I am pleased to report that many of my constituents in Westchester, N.Y., have undertaken efforts aimed at pressuring the governments of Vietnam and Laos to release the information about our POW/MIA's. Operation POW/MIA in Harrison, N.Y., generated 3,468 signatures on petitions to Hanoi in 1976 and has gathered more signatures in recent months. This effort has been organized by three constituents whom I am proud to represent in Congress; Dr. William O'Shea, Bernard Guagnini, and Fred Baker, all of Harrison.

Another project which I have been pleased to assist was the circulation of petitions distributed by the House Subcommittee on Asian and Pacific Affairs Task Force on American Prisoners and Missing in Southeast Asia, under the leadership of our distinguished colleague, TENNYSON GUYER. These petitions urged the Socialist Republic of Vietnam to release all information on Americans missing in Indochina and to return any American remains which are in their possession or may be subsequently found. On October 27, 1980, former Congressman Lester Wolff delivered over 200,000 signatures on these petitions to our Ambassador to the United Nations for presentation to the Vietnamese and Laotian missions to the U.N. Unfortunately, both delegations refused to accept the petitions.

Despite the intransigence of Vietnam and Laos, we must continue our efforts to press Hanoi, in the strongest possible terms, to provide a full accounting of MIA's and POW's. I was a member of the Select Committee on Missing Persons in Southeast Asia, and under the able leadership of the gentleman from Mississippi, SONNY MONTGOMERY, traveled to Hanoi to seek a full accounting. I pledge to continue the fight for information from Hanoi, and I urge my colleagues to join in this critical effort.●

GENERAL LEAVE

Mr. BENEDICT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include therein extraneous material on the subject of the special order of today by the gentleman from New York (Mr. GILMAN).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

LEGISLATION TO REDUCE ESTATE TAXES INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, today, I reintroduced two pieces of legislation that I originally introduced in the 96th Congress. Both are designed to reduce the extremely negative impact that current estate tax laws have on the American public.

The first bill would reduce taxes on individual estates. And the second would decrease estates taxes on family owned businesses and farms to encourage the continuity of family ownership.

Already established as a priority recommendation of the White House Conference on Small Business, estate tax reform should also be a high priority for the 97th Congress. Current estate tax laws are devastating to the average American, particularly to those who are heirs of family farms and small businesses.

People work hard to build their farms and small businesses for their children, and yet, their heirs are often forced to sell all or part of the business or farm to pay the estate taxes. The problem is that these sales are often made to larger business interests, thereby contributing to economic concentration.

My first bill would ease the tax burden on all individual estates by increasing from $175,000 to $500,000 the minimum gross estate required for the payment of estate taxes. The increase would be phased in over a 5-year period. In addition, the bill would maintain long-term tax relief goals by indexing the exemption to reflect the inflated dollar value of individual estates. According to the Department of the Treasury, estimated revenue losses in 1981 would be $1.1 billion.

The second bill would help prevent the decline or demise of either the family farm or small family business. In essence, it would raise the value by

which a family farm or small family business could be reduced for estate tax purposes from the current $500,000 to $1 million, provided the business or farm is passed along to members of the immediate family. Again, the increase would be phased in over a 5-year period, and the maximum amount of reduction would be indexed for inflation. The Treasury Department estimates that this change would have a relatively insignificant effect on the U.S. Treasury, costing taxpayers less than $50 million in 1981 and in the years following.

The bills would benefit hard-working families and make it possible for family farms and businesses to continue operating from one generation to the next.●

POW/MIA'S IN SOUTHEAST ASIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. GUYER) is recognized for 10 minutes.

● Mr. GUYER. Mr. Speaker, I rise to join in this special order sponsored by our good friend, Congressman, BEN GILMAN, and am very happy to do so. Today could not be a more appropriate date for such an effort for three reasons. One is that this is the beginning of business for most purposes for the 97th Congress, and there is no better time to call to the attention of our new Members, and to remind our previous ones, the nature, extent, and importance of the issue of our American prisoners and missing in Southeast Asia.

The second reason this is an appropriate time is because today, just a little while ago, 52 Americans, former hostages in Iran, rode by this Capitol in a motorcade on their way to the White House for a visit with President Reagan. They are home after 444 days of captivity at the hands of the Iranians. All America joins in this long-awaited reception.

There is a third reason for mentioning this issue today, Mr. Speaker, there is an irony that the hostages should come home to Washington, D.C., on this date, because it marks the eighth anniversary of the Paris accords, the agreement which in 1973 ended the U.S. troops' participation in the Indochinese hostilities, and paved the way for 566 American prisoners to come home from Vietnam. We all recall "Operation Homecoming," when in four groups from February 12 to March 31, 1973, those long-held Americans walked out onto friendly soil. It was a day of deep emotion and pride in the way those men returned, full of personal spirit and patriotism despite ill-treatment and years under the control of the Vietnamese.

Mr. Speaker, I would like us to ask ourselves: How would we feel, and what would our reactions be if of the 52 Americans held in Iran, only 15 or 20 were returned? Or even as many as 45, or all but 1 or 2 came back, while the remainder stayed behind? And then the Iranian Government would plead ignorance as to their fate or whereabouts? Well, that is roughly a parallel to the situation of our Americans who were held in Indochina. According to Defense Department statistics, on April 2, 1973, there remained 2,528 who were unaccounted for in Indochina. Those were men who had been killed in action, were prisoners of war, or were simply missing in action.

Since April 2, 1973, only 73 sets of remains have been returned to us, and 1 prisoner, Robert Garwood. As of this time, we still consider 2,497 unaccounted for. At least 1,100 to 1,200 of those were initially either known or reasonably believed to be alive in enemy custody. Now, 8 years after the Paris accords, and the joy of "Operation Homecoming," there are still almost 2,500 Americans whose fate has been unresolved.

Mr. Speaker, my joy over the return of the 52 is great, but it is tempered by the memory of those other missing. Are they hostages? At the time of the Paris accords there was talk of $3.2 billion in reconstruction assistance for Vietnam. There are signs that the Government of Vietnam has never forgotten this figure, nor really accepted our unwillingness to provide such massive assistance. It appears to some that American remains at least are being retained by the Vietnamese to assure Vietnam of American payment—in short, as bargaining chips. Of course, this sum was not paid because they blatantly violated the cease-fire agreement nearly a thousand times.

Thus we have a sizable task before us, Mr. Speaker. The task is more difficult than it might have been, due to the policies of the previous administration. From 1977 to 1979 President Carter and his advisers all but allowed the issue to be buried. After the Woodcock Mission, which obtained several sets of remains and led to the creation of a channel of cooperation between the Vietnamese and this country, it was announced that the issue had been laid to rest, despite the President's campaign promises that he would not move toward normalization until an accounting was achieved. We came close to recognizing the Vietnamese Government in the summer of 1978, Mr. Speaker, but a series of events intervened: The Vietnamese callously and heartlessly exported refugees, concluded a treaty with the Soviet Union, and then our Government suddenly decided to recognize the People's Republic of China. I think it was not coincidental following normalization with the PRC and the Vietnamese invasion of Cambodia that the Subcommittee on Asian and Pacific Affairs, under Chairman Lester L. Wolff, began to obtain more cooperation from the executive branch.

In the spring of 1979, Mr. Speaker, the issue of POW/MIA's began to be handled at a higher level in the Defense and State Departments. International Security Affairs at the Defense Department assumed responsibility, while Gen. Eugene B. Tighe, Director of the Defense Intelligence Agency, began to devote greatly increased efforts to the pursuit of numerous reports covering hundreds of refugees as to the fate of our missing Americans. At about the same time, Chairman Wolff appointed me chairman of a bipartisan task force on POW/MIA's, which permitted broadened attention to the issue in the Congress.

As a result, Mr. Speaker, we have managed to restore some of the faith of the families that was eroded during the first 2 years of the last administration. Most of the families of our missing Americans recognize that we are working hard to get the answers to the question: What happened to our men? Yet we must not flag in our efforts. There are still 2,500 men unaccounted for.

It was not an automatic or easy task to get the sort of attention this issue deserves from the executive branch. The Subcommittee on Asian Affairs and the task force on POW/MIA's have done a good deal—dozens of hearings, numerous briefings, two trips to Hanoi, and so on.

We have as a result of our efforts though established by collection of information what the mathematics and the political logic had already told us—that there are remains of Americans, at least 400 to 500 sets, in Vietnamese hands. In short, intelligence has confirmed our convictions. We reach this virtual certainty despite repeated Vietnamese claims that they are unable to find remains.

There have been increasing numbers of reports that live Americans have been sighted in Indochina. We cannot simply ignore these reports, and we are not. Our intelligence community is very hard at work on these, because we are mindful that until Pfc. Robert Garwood came out, we tended to believe Vietnamese assurances that there were no Americans left alive in Vietnam. My good colleague, BEN GILMAN, has addressed some recent developments in this area, and I urge attention to his remarks.

There is one other constructive development I should report. For several months now there has been an interagency group meeting on this problem. Members of the State Department, Defense Intelligence Agency, International Security Affairs of DOD, Joint Chiefs of Staff, and the Foreign Affairs Committee staff regularly meet to exchange updates on progress

and to discuss potential policy directions.

And it is in this last area that I wish to make my final plea. We have received cooperation between the Government and the families. We have even made the Governments of Indochina aware that we represent substantial public concern in this connection. Congressmen SOLARZ and PRITCHARD again made clear to Hanoi that our priority and concern for our missing Americans has not diminished. But we need to develop a coherent and mutually acceptable policy toward the Governments of Indochina regarding the POW/MIA issue. In this respect, I urge our new President to avoid the mistakes of the recent past and to take the lead in pursuing and concluding this sad issue, working with the Congress toward a final accounting for all our Americans missing in Southeast Asia. It is the only fitting way to mark the beginning of the ninth year of the Paris accords. Otherwise we will not have a peace with honor, but with unanswered questions that haunt our families and our country forever.●

THE NEED FOR POSTAL SERVICE OVERSIGHT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, today I am introducing a bill, along with 22 of my colleagues, to provide for congressional review of major service changes proposed by the U.S. Postal Service.

In the years since the Postal Reorganization Act of 1970 created the quasi-independent Postal Service, the Postal Service has been unbelievably insensitive to the service needs of the American people. This is amply reflected in Postal Service initiatives that would have ended 6-day delivery and closed most small post offices. These efforts were, fortunately, unsuccessful. Other efforts, however, ended less well. The Postal Service no longer provides door-to-door delivery to new communities, and postal rates are on a seemingly endless rise, making the mails ever more inaccessible to people.

Not even Congress has much impact on the Postal Service's policies. A current issue highlights this lack of effect. On October 2, 1980, 122 of my colleagues wrote a letter to the Postmaster General requesting a delay in the implementation of the nine-digit ZIP code. The reply by the Postmaster General was completely unresponsive. Many of my constituents have the same complaint—the powers that be in the Postal Service simply do not care. Whatever your position may be on issues such as the nine-digit ZIP code or 6-day delivery, it is clear that Congress needs a formal review procedure to provide oversight with respect to major changes in postal policy.

Our bill would require the Postal Service to submit to Congress proposed changes in postal service that would have a substantially nationwide affect. Congress would then have the option of vetoing these proposed changes if it is decided that they are not in the best interests of our Nation. Such changes include massive closings of small post offices, reductions in the number of days of delivery, increases in the number of digits in the ZIP code, and other unspecified nationwide service changes.

Congress and the American people have increasingly little say about the nature of the U.S. Postal Service. This is a result of Congress abrogation of its oversight responsibilities. Our bill would restore to Congress the right to determine the scope and nature of postal services, and I would encourage my colleagues to support this bill at the appropriate time.●

GEORGE W. BALL: CRIME SHOULD NOT PAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, I would like to bring to your attention and to the attenton of our colleagues an article by George Ball, which appeared on the opinion-editorial page of yesterday's Washington Post. In this article, Mr. Ball, who formerly served as Under Secretary of State, correctly analyzes the commitment of the United States in complying with the agreement made with Iran to secure the release of our fellow Americans held hostage for 444 days by Iranian militant terrorists and the Government of Iran itself. As Mr. Ball notes, under established principles of international law, an agreement entered into under coercion or stress is void and need not be implemented.

Agreements entered into with outlaws who have flagrantly violated international law need not be carried out. This is not to diminish the outstanding and untiring efforts of President Carter, Secretary of State Muskie, Under Secretary of State Warren Christopher, and the Algerian diplomats in securing the safe release of the hostages. But we should not let criminals go scot-free based on extorted agreements.

Crime should not pay. Indeed, if at all possible the criminals should be made to pay a high price for their uncivilized, barbaric acts. A bill I have introduced, H.R. 1133, is one way to achieve that worthy end. It would require the President to take action to endeavor to punish the guilty and would permit redress in the courts and through other means against Iran, contrary to the terms of the extorted, void agreement.

I would like to insert into the RECORD Mr. Ball's excellent commentary on the invalidity of the U.S. agreement with Iran:

HOSTAGE DEAL: "CRIME SHOULD NOT PAY"

(By George W. Ball)

Though a few voices have been heard contending that we should denounce the Iranian hostage agreements as made under duress, former president Carter, and apparently the Reagan administration as well, seem to feel that such a renunciation would violate our "national honor."

I find it absurd to wrap these extorted documents in the flag of national honor, since, under international law as expressed in Article 52 of the Vienna Convention on the Law of Treaties of 1969, they are "void" because they were "procured by the threat or use of force." The precise language is important; the agreements are not "voidable" but "void," which does not leave the issue of validity to the decision of the president.

Unless he is prepared to set an unwise precedent and undercut a solemn multilateral convention that has become customary international law, President Reagan has no option but to acknowledge the invalidity of these agreements.

Such an acknowledgment would not, of course, preclude him, after careful study of all aspects of the problem, from waiving that illegality while emphasizing that that waiver was no precedent for the future.

Still, given the righteous anger of Americans, the new president may not wish to assume the political burden of a unilateral waiver and, in that case, might consider other possible solutions. One alternative might be for the president to announce that, though renouncing the agreements as invalid, he was referring final decision on the issue of validity to the International Court of Justice, which might or might not be prepared to take jurisdiction. In that way he could blunt the edge of accusations of arbitrary, arrogant and imperialistic action that would almost certainly be forthcoming, particularly from some sectors of the Third World.

Though the question needs careful examination of its international law implications and equally careful scrutiny of its political consequences, the suggested procedure might help relieve the sense of outrage of Americans as they hear new revelations of the brutalities and indignities inflicted on the hostages. After all, the International Court has already considered the hostage issue and, on May 24, 1980, handed down a six-point decision ordering that Iran immediately release all the hostages, warning it not to put them on trial and holding Iran liable to pay reparations for its actions. Although Iran boycotted those court proceedings, our government insisted that Iran was bound by the decision.

If such a course is followed, the problem must be sensitively handled so as not to call into question America's good faith. In particular, President Reagan should make it crystal clear that, invoking Article 52 of the Vienna Convention of the Law of Treaties of 1969 and declaring the agreement internationally invalid and not binding on the United States, he was not in any way undercutting the principle that international agreements are between states and not governments and that a new administration is fully bound by the formal undertakings of

its predecessors. Thus, to the extent possible, expressions of approval of the course outlined should be obtained from Carter administration officials who participated in the negotiations.

If the International Court should accept jurisdiction and decree the agreements to be invalid, that would not mean that our government must reject unfulfilled aspects of the agreements that might be beneficial to our own interests. Moreover, we would have to consider carefully the effect of renunciation on the escrow arrangements and the repercussions in the financial community. But we should certainly repudiate those provisions that preclude the hostages and their families from asserting compensation claims against Iran for the outrageous treatment they received.

More difficult to appraise than the legal and financial aspects of the proposal would be the effect on our international interests. Would such a qualified renunciation penalize the more rational elements of a current Iranian government and play into the hands of the fanatical mullahs? What would be the reaction in Algeria, which has performed an invaluable role as go-between, yet is traditionally no friend of the United States? Would the Algerians feel betrayed? Finally, what would be the impact of our renunciation on America's international reputation?

Though we could not wholly restrain adverse reactions by even the most careful presentation of the American case, we should never be a complaisant prisoner of other nations' opinions. The world must not be allowed to forget that the taking of hostages was a violation of the right of legation honored by the Vienna Convention on diplomatic relations of 1961. It was—as the International Court has already determined—a flagrant breach of international law. Since allowing the Iranians to benefit from such a brutal, lawless act would encourage its imitation by others elsewhere, all nations engaged in international diplomatic intercourse have a vital stake in the president's reactions. To let Iran off not merely scot-free but actually profiting from its obscene conduct would establish an odious and dangerous precedent.

Crime should not pay, and we should not collaborate in making it pay.●

OLIN TEAGUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I rise to pay tribute to the Honorable Olin E. Teague, who represented the people of the Sixth District of Texas in the House of Representatives for over three decades. Congressman Teague's death on January 23 is a tremendous loss to the people of this Nation, whom he served with distinction.

Olin Teague left Congress in 1979 because of wounds incurred during World War II when he served heroically as commander of the 1st Battalion of the 314th Infantry Regiment, 79th Division. Congressman Teague was awarded the Silver Star with two Clusters, the Bronze Star with two Clusters, the Purple Heart with two Clusters, the Combat Infantryman's Badge, and many other medals and awards too numerous to mention as a result of his admirable war record.

Olin was first elected to the 79th Congress, and was reelected to every succeeding Congress through the 95th Congress. During 18 years as chairman of the House Veterans' Affairs Committee, he worked with tireless devotion to improve the quality of life for our Nation's veterans, and authorized the Korean war veterans bill, Public Law 550, which corrected the shortcomings of the World War II GI bill.

When he was honored in 1969 by the Veterans of Foreign Wars, receiving the VFW's Congressional Award, Chairman Teague stated in his acceptance speech that:

There are a lot of problems in America but there are a lot more things that are right with America, than there are that are wrong. . . . We must always strive to improve the quality of life for all our people, but sometimes it seems to me that we become so engrossed in these problems, so centered on what is wrong, that we seldom acknowledge what is right.

Olin Teague also served as the chairman of the House Science and Technology Committee since the 93d Congress, and his diligent efforts were most beneficial to the citizens of this Nation and made America a more prosperous and productive country. He was a dedicated and devoted American, and a Congressman of outstanding ability, deep compassion, and courage. These qualities not only earned the respect of his colleagues but endeared him to his constituents of the Sixth District of Texas as well.

Mr. Speaker, Mrs. Annunzio and I extend our deepest sympathy to his wife, Freddie; his two sons, John and James; and his daughter, Jill, and their families.●

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 253. An act to increase the number of members of the Commission on Wartime Relocation and Internment of Civilians; to the Committee on the Judiciary.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 16. Joint resolution designating January 29, 1981, as "a day of thanksgiving to honor our safely returned hostages."

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BAILEY of Missouri) to revise and extend their remarks and include extraneous material:)

Mr. COLLINS of Texas, for 60 minutes, January 28.

Mr. FISH, for 60 minutes, February 3.

Mr. TAUKE, for 5 minutes, today.

Mr. GUYER, for 10 minutes, today.

Mr. CORCORAN, for 5 minutes, today.

(The following Members (at the request of Mr. FOGLIETTA) to revise and extend their remarks and include extraneous material:)

Mr. LEVITAS, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. YOUNG of Missouri, for 5 minutes, today.

Mr. WRIGHT, for 60 minutes on January 28, 1981.

Mr. RODINO, for 60 minutes on February 3, 1981.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BARNARD, and to include extraneous material notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,277.25.

(The following Members (at the request of Mr. BAILEY of Missouri) and to include extraneous matter:)

Mr. CARMAN.

Mr. BROOMFIELD.

Mr. HOLLENBECK.

Mr. BEARD.

Mr. PARRIS.

Mr. WORTLEY in 10 instances.

Mr. ROUSSELOT.

Mr. GUYER.

Mr. LEWIS in three instances.

Mr. KRAMER.

Mr. COLLINS of Texas in three instances.

(The following Members (at the request of Mr. FOGLIETTA) and to include extraneous matter:)

Mr. OTTINGER.

Mr. KILDEE.

Mr. BOLAND.

Mr. GAYDOS in two instances.

Mr. BRODHEAD.

Mr. MAZZOLI.

Mr. BOWEN.

Mr. JOHN L. BURTON.

Mr. NATCHER.

Mr. DYSON.

Mr. CORRADA.

Mr. SKELTON in two instances.

Mr. DE LA GARZA in 10 instances.

Mr. BARNES.

Mr. STUDDS.

Mr. PEPPER in three instances.

Mr. GUARINI.

Mr. BENJAMIN.

Mr. RODINO in two instances.

Mr. STARK in two instances.

Mr. AKAKA.

Mr. MILLER of California in two instances.
Mr. EDGAR.
Mr. IRELAND.
Mr. SMITH of Iowa.
Mr. BINGHAM.
Mr. BONKER.
Mr. DOWNEY.
Mr. HEFTEL.

ADJOURNMENT

Mr. FOGLIETTA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 45 minutes p.m.) the House adjourned until tomorrow, Wednesday, January 28, 1981, at 3 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

384. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a proposed increase in the aggregate ceiling on foreign military sales loan guarantees of $20 million for fiscal year 1982 for Greece; to the Committee on Appropriations.

385. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Department of Transportation, U.S. Coast Guard, for "Operating Expenses" for the fiscal year 1981, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

386. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriations to the Veterans Administration for "Medical Care, "Medical Administration and Miscellaneous Operating Expenses," "Compensation and Pensions," "Readjustment Benefits," and "Veterans Insurance and Indemnities" for the fiscal year 1981 have been apportioned on a basis which indicates the necessity for supplemental estimates of appropriations, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

387. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize certain construction at military installations for fiscal year 1982, and for other purposes, pursuant to section 802 of Public Law 95-356; to the Committee on Armed Services.

388. A letter from the Assistant Secretary of the Air Force (Installations, Logistics and Financial Management, transmitting notice of the proposed conversion to contractor performance of the family housing maintenance function at Peterson Air Force Base, Colo., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

389. A letter from the Assistant Secretary of the Air Force (Installations, Logistics and Financial Management) transmitting notice of the proposed conversion to contractor performance of the vehicle operations and maintenance function at Wright-Patterson Air Force Base, Ohio, pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

390. A letter from the Secretary of Housing and Urban Development transmitting a report on policy and program recommendations to encourage land ownership in mobile home communities, pursuant to section 321 of Public Law 96-153; to the Committee on Banking, Finance and Urban Affairs.

391. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during October, November, and December 1980 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

392. A letter from the Secretary of Labor, transmitting the annual report for calendar year 1980 on the administration of the Fair Labor Standards Act of 1980, as amended, pursuant to section 4(d)(1) of the act; to the Committee on Education and Labor.

393. A letter from the Secretary of Education, transmitting an appendix to the Department's first annual report, covering the Department's record of managing regulations, pursuant to section 400A(f) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

394. A letter from the Secretary of Education, transmitting the long-range plan for rehabilitation research, pursuant to section 202(g) of Public Law 93-112; to the Committee on Education and Labor.

395. A letter from the Secretary of Education, transmitting a draft proposed legislation to make certain amendments to the Higher Education Act of 1965; to the Committee on Education and Labor.

396. A letter from the Acting General Counsel, Department of Energy, transmitting notice of meeting relating to the International Energy Program to be held in London, England, on January 28, and in Paris, France, on January 28, and 29; to the Committee on Energy and Commerce.

397. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting an analysis of economic incentives to control emissions of nitrogen oxides from stationary sources, pursuant to section 405(f) of the Clean Air Act, as amended; to the Committee on Energy and Commerce.

398. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a report by the National Academy of Sciences on its study of the availability of technology for controlling airborne particulate matter, pursuant to section 403(a)(2) of Public Law 95-95; to the Committee on Energy and Commerce.

399. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of November 1980, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Energy and Commerce.

400. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

401. A letter from the Administrator, Panama Canal Commission, transmitting a report on the Commission's disposal of foreign excess property during fiscal year 1980, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

402. A letter from the Secretary of the Interior, transmitting the third Nationwide Outdoor Recreation Plan's executive report, pursuant to section 2(c) of Public Law 88-29; to the Committee on Interior and Insular Affairs.

403. A letter from the Acting Secretary of the Interior, transmitting notice of proposed changes in the boundary of the Ice Age National Scientific Reserve, Wisconsin, pursuant to section 2(c) of Public Law 88-655; to the Committee on Interior and Insular Affairs.

404. A letter from the Clerk, U.S. Court of Claims, transmitting a copy of the Court's judgment order in docket No. 22-H, *The San Carlos Apache Tribe of Arizona, et al.* v. *The United States;* to the Committee on Interior and Insular Affairs.

405. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 5519 of title 5, United States Code, relating to crediting amounts received for reserve or National Guard Service; to the Committee on Post Office and Civil Service.

406. A letter from the Secretary of Agriculture and the Secretary of Energy, transmitting a joint plan for biomass energy production and use, pursuant to section 211(a) of Public Law 96-294; jointly, to the Committees on Agriculture, Energy and Commerce, and Science and Technology.

407. A letter from the President, Legal Services Corporation, transmitting the Corporation's budget request for fiscal year 1982, pursuant to section 1005(a)(2) of the Economic Opportunity Act of 1964, as amended; jointly, to the Committees on Appropriations and the Judiciary.

408. A letter from the Secretary of Energy, transmitting the third annual report of the Department of Energy, covering fiscal year 1980, pursuant to section 657 of Public Law 95-91; jointly, to the Committees on Armed Services, Energy and Commerce, Foreign Affairs, Interior and Insular Affairs, and Science and Technology.

409. A letter from the Assistant Secretary of State for Congressional Relations and the Assistant Secretary of the Treasury for Legislative Affairs, transmitting the third annual report on progress in enhancing human rights through U.S. participation in international financial institutions, pursuant to section 701(c) of Public Law 95-118; jointly, to the Committees on Banking, Finance and Urban Affairs, and Foreign Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BAFALIS (for himself, Mr. WHITTAKER, Mr. ROBERTS of South Dakota, Mrs. COLLINS of Illinois, Mr. KOGOVSEK, Mr. BAILEY of Missouri, Mr. LAGOMARSINO, Mr. GUYER, Mr. ROBERT W. DANIEL, JR., Mr. COLLINS of Texas, Mr. WHITEHURST, Mr. BLILEY, Mr. FORSYTHE, Mr. LUNGREN, Mr. GOLDWATER, and Mr. FRENZEL):

H.R. 1290. A bill to repeal the family rental home business tax; to amend the In-

ternal Revenue Code of 1954 with respect to the deduction of certain expenses in connection with the business use of homes and the rental of residences to family members, and for other purposes; to the Committee on Ways and Means.

By Mr. BEARD:

H.R. 1291. A bill to amend title 4 of the United State Code to limit the authority of any State or political subdivision to tax income of Federal employees who are not residents of such States, and for other purposes; to the Committee on the Judiciary.

By Mr. BIAGGI:

H.R. 1292. A bill to provide scholarships for the dependent children of public safety officers who are the victims of homicide while performing their official duties, and for other purposes; to the Committee on Education and Labor.

By Mr. BRODHEAD (for himself, Mr. ROSENTHAL, Mr. DOWNEY, Mr. FORD of Tennessee, Mr. PEASE, Mr. RANGEL, Mr. SHANNON, and Mr. STARK):

H.R. 1293. A bill to amend the Internal Revenue Code of 1954 with respect to straddles, and for other purposes; to the Committee on Ways and Means.

By Mr. BROOKS:

H.R. 1294. A bill to amend the Securities Exchange Act of 1934 to provide uniform margin requirements in transactions involving the acquisition of securities of certain U.S. corporations by non-U.S. persons where such acquisition is financed by non-U.S. lenders; to the Committee on Energy and Commerce.

By Mr. BROOMFIELD:

H.R. 1295. A bill to amend the Federal Election Campaign Act of 1971 to exclude from the definition of the term "contributions" donations to a county committee of a political party for construction or purchase of certain office facilities; to the Committee on House Administration.

By Mr. JOHN L. BURTON:

H.R. 1296. A bill to amend chapter 55 of title 10 of the United States Code to qualify certain former spouses of members of the uniformed services for medical and dental benefits, and for other purposes; to the Committee on Armed Services.

By Mr. COLLINS of Texas:

H.R. 1297. A bill to amend the Communications Act of 1934 to restrict the authority of the Federal Communications Commission to regulate radio broadcasting licensees; to the Committee on Energy and Commerce.

H.R. 1298. A bill to amend the Communications Act of 1934 to provide that television station licenses shall be granted for terms of not more than 5 years and radio station licenses shall be granted for terms of 10 years, and for other purposes; to the Committee on Energy and Commerce.

By Mr. CONTE:

H.R. 1299. A bill to amend the Internal Revenue Code of 1954 to increase the charitable contribution deduction allowable for property constructed by the taxpayer and contributed for use for educational purposes or for research or experimentation; to the Committee on Ways and Means.

By Mr. CORCORAN (for himself, Mr. WEISS, Mr. WON PAT, Mr. LAGOMARSINO, Mr. DELLUMS, Mr. MURPHY, Mr. LOTT, Mr. GUYER, Mr. SIMON, Mr. WALKER, Mr. KILDEE, Mr. DUNCAN, Mr. WHITEHURST, Mr. KINDNESS, Mr. MADIGAN, Mrs. HOLT, Mr. BEVILL, Mr. HORTON, Mr. WILLIAMS of Ohio, Mr. TAUKE, Mr. EVANS of Georgia, Mr. WINN, and Mr. YATRON):

H.R. 1300. A bill to amend title 39 of the United States Code to provide for congressional review of proposed changes in postal services; to the Committee on Post Office and Civil Service.

By Mr. COUGHLIN:

H.R. 1301. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses of elementary and secondary education; to the Committee on Ways and Means.

H.R. 1302. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE:

H.R. 1303. A bill to amend the Internal Revenue Code of 1954 to exempt individuals over age 70 from Federal income tax; to the Committee on Ways and Means.

H.R. 1304. A bill to amend the Internal Revenue Code of 1954 to repeal the estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Ways and Means.

H.R. 1305. A bill to repeal title I of the Crude Oil Windfall Profit Tax Act of 1980; to the Committee on Ways and Means.

H.R. 1306. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $5,000 of interest on savings for an individual taxpayer; to the Committee on Ways and Means.

H.R. 1307. A bill to amend the Internal Revenue Code of 1954 to exclude from the gross income of noncorporate taxpayers gain from the sale or exchange of assets which have been held by the taxpayer for more than 1 year; to the Committee on Ways and Means.

H.R. 1308. A bill to amend the Internal Revenue Code of 1954 to exempt from income tax a certain portion of the pay received by members of the Armed Forces who have served at least 4 years; to the Committee on Ways and Means.

By Mr. DE LA GARZA:

H.R. 1309. A bill to provide grants to the 1890 land grant colleges, including Tuskegee Institute, for the purpose of assisting these institutions in the purchase of equipment and land, and the planning, construction, alteration, or renovation of buildings to strengthen their capacity for research in the food and agricultural sciences; to the Committee on Agriculture.

By Mr. EMERY:

H.R. 1310. A bill to amend title II of the Social Security Act to increase the applicable exempt amount under the earnings test, in the case of any individual, by the amount of any State, and local real property taxes which such individual must pay; to the Committee on Ways and Means.

By Mr. FLORIO (for himself, Mr. SANTINI, Ms. MIKULSKI, and Mr. LEE):

H.R. 1311. A bill to establish a national tourism policy and an independent Government agency to carry out the national tourism policy; to the Committee on Energy and Commerce.

By Mr. GIBBONS:

H.R. 1312. A bill to require all educational admissions testing conducted through interstate commerce, and all occupational admissions testing (which affects commerce) to be conducted with sufficient notice of test subject matter and test results, and for other purposes; to the Committee on Education and Labor.

H.R. 1313. A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to further the objectives of national energy policy of conserving oil and natural resources through removing excessive burdens on production of coal; to the Committee on Energy and Commerce.

H.R. 1314. A bill to amend the Internal Revenue Code of 1954 to increase the penalty for failure to file certain information returns, and for other purposes; to the Committee on Ways and Means.

H.R. 1315. A bill to amend the Internal Revenue Code of 1954 to extend the benefits of special farm valuation for estate tax purposes; to the Committee on Ways and Means.

H.R. 1316. A bill to amend the Internal Revenue Code of 1954 to allow individuals a 50-percent credit for retirement savings and to otherwise encourage, expand, and simplify independent savings for retirement; to the Committee on Ways and Means.

H.R. 1317. A bill to amend the Internal Revenue Code of 1954 to exclude the first $75,000 a year of earned income for an American working abroad, and for other purposes; to the Committee on Ways and Means.

H.R. 1318. A bill to amend the Internal Revenue Code of 1954 to liberalize the earned income credit; to the Committee on Ways and Means.

H.R. 1319. A bill to amend title II of the Social Security Act to provide that social security credits based on self-employment income shall be available only to the extent that the self-employment tax has been paid with respect to such income; to the Committee on Ways and Means.

H.R. 1320. A bill to amend the Internal Revenue Code of 1954 to provide that married couples may file a combined return to which the unmarried rates apply; to the Committee on Ways and Means.

H.R. 1321. A bill to direct the Secretary of Commerce to encourage the formation and operation of export trading companies, and for other purposes; jointly, to the Committees on Foreign Affairs and the Judiciary.

By Mr. GRADISON:

H.R. 1322. A bill to amend title IV of the Social Security Act to establish a block grant program designed to provide an effective test of the ability of the various States and counties to create their own welfare programs as an alternative to AFDC; to the Committee on Ways and Means.

By Mr. GRADISON (for himself and Mr. ROUSSELOT):

H.R. 1323. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Ways and Means.

By Mr. GUARINI:

H.R. 1324. A bill authorizing the President of the United States to present gold medals to the families of the Americans who died in the attempt to rescue the American hostages in Iran; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HAGEDORN:

H.R. 1325. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mrs. HOLT (for herself, Mr. PARRIS, and Mr. WOLF):

H.R. 1326. A bill to provide for reconstruction of the Woodrow Wilson Memorial Bridge, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. JONES of Oklahoma:

H.R. 1327. A bill to repeal the windfall profit tax; to the Committee on Ways and Means.

H.R. 1328. A bill to amend the Internal Revenue Code of 1954 to eliminate the phase-down of the rate of percentage depletion for independent producers and royalty holders; to the Committee on Ways and Means.

H.R. 1329. A bill to amend the Internal Revenue Code of 1954 to treat certain retailers of natural gas as independent producers for purposes of the crude oil windfall profit tax; to the Committee on Ways and Means.

By Mr. KRAMER (for himself, Mrs. HOLT, Mr. LAGOMARSINO, Mr. DANIEL B. CRANE, Mr. FORSYTHE, and Mr. MINETA):

H.R. 1330. A bill to establish a uniform procedure for congressional review of agency regulations, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. LAFALCE:

H.R. 1331. A bill to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. LEHMAN:

H.R. 1332. A bill to amend title XVIII of the Social Security Act to include, as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. LEWIS:

H.R. 1333. A bill to authorize the generation of electrical power at Palo Verde Irrigation District diversion dam, California; to the Committee on Interior and Insular Affairs.

By Mr. MONTGOMERY (by request):

H.R. 1334. A bill to authorize the President to call a White House Conference on Veterans; to the Committee on Veterans' Affairs.

By Mr. NICHOLS:

H.R. 1335. A bill to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school or public building; to the Commitee on the Judiciary.

By Mr. PEASE:

H.R. 1336. A bill to provide for the formation of regulatory negotiation commissions; jointly, to the Committees on the Judiciary and Governmemt Operations.

By Mr. PETRI:

H.R. 1337. A bill to amend the Internal Revenue Code of 1954 to treat adoption expenses in the same manner as medical expenses; to the Committee on Ways and Means.

By Mr. ROSENTHAL (for himself, Mr. BRODHEAD, Mr. EDWARDS of California, Mr. ST GERMAIN, Mr. RODINO, Mr. HARKIN, Mr. PEYSER, Mr. CONYERS, Mr. WON PAT, Mr. PEPPER, Mr. FORSYTHE, Mr. HUGHES, and Ms. MIKULSKI):

H.R. 1338. A bill to amend the Internal Revenue Code of 1954 with respect to straddles, and for other purposes; to the Committee on Ways and Means.

By Mr. TAUKE (for himself, Mr. NATCHER, Mr. JOHNSTON, Mr. KOGOVSEK, Mr. COLLINS of Texas, Mr. MURPHY, Mr. HARTNETT, Mr. BAILEY of Missouri, Mr. DUNCAN, and Mr. HINSON):

H.R. 1339. A bill to amend the Internal Revenue Code of 1954 to increase the unified credit against estate and gift taxes to provide that $500,000 of property shall be exempt from such taxes, and to provide an inflation adjustment of such amount; to the Committee on Ways and Means.

By Mr. TAUKE (for himself, Mr. NATCHER, Mr. JOHNSTON, Mr. KOGOVSEK, Mr. COLLINS of Texas, Mr. MURPHY, Mr. HARTNETT, Mr. DERWINSKI, Mr. BAILEY of Missouri, Mr. SMITH of New Jersey, Mr. DUNCAN, Mrs. FENWICK, and Mr. HINSON):

H.R. 1340. A bill to amend the Internal Revenue Code of 1954 to provide that the maximum reduction in valuation under the special estate tax valuation for certain farm, small business, and so forth, real property shall be increased to $1 million and to provide an inflation adjustment for such amount; to the Committee on Ways and Means.

By Mr. YOUNG of Alaska:

H.R. 1341. A bill authorizing the President of the United States to present a gold medal to each of the individuals held hostage in the U.S. Embassy in Iran; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1342. A bill to provide that, for purposes of the Internal Revenue Code of 1954, gross income does not include payments by the State of Alaska to (or by reason of) certain individuals who have attained age 65 and who have been domiciled in Alaska for at least 25 years; to the Committee on Ways and Means.

H.R. 1343. A bill to amend the Internal Revenue Code of 1954 to provide that property may be levied upon the collection of tax (other than where such collection is in jeopardy) only pursuant to a court order; to the Committee on Ways and Means.

By Mr. FISH:

H.J. Res. 133. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. HOLLENBECK (for himself, and Mr. SANTINI):

H.J. Res. 134. Joint resolution designating July 18, 1981 as "National POW-MIA Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. NICHOLS:

H.J. Res. 135. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. PEPPER:

H.J. Res. 136. Joint resolution expressing the determination of the United States with respect to the situation in Cuba; to the Committee on Foreign Affairs.

H.J. Res. 137. Joint resolution commending the Cuban "Declaration of Freedom"; to the Committee on Foreign Affairs.

H.J. Res. 138. Joint resolution to authorize and request the President to proclaim January 28, 1982, as "Day of Marti, Apostle of Liberty"; to the Committee on Post Office and Civil Service.

By Mr. LEWIS:

H. Con. Res. 40. Concurrent resolution to express the sense of the Congress that a "Freedom Park", in Washington, D.C., be dedicated to the Americans who were held in Iran and the servicemen who died in the rescue attempt in Iran, to extend thanks to all the Canadians, Algerians, and Americans who played a role in the return of the Americans who were held in Iran, and to recommit the Congress to diplomatic tradition and peace among all nations; to the Committee on Foreign Affairs.

By Mrs. HOLT:

H. Con. Res. 41. Concurrent resolution disapproving the approval by the majority of the registered qualified voters of the District of Columbia voting, of the legalized lotteries, daily numbers games, and bingo and raffles for charitable purposes initiative of 1980; to the Committee on the District of Columbia.

By Mr. PARRIS:

H. Res. 42. Resolution expressing the sense of the House of Representatives with respect to the kidnaping of U.S. diplomatic personnel; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

6. The SPEAKER presented a memorial of the Legislature of the State of Maine, relative to the inauguration of the President and Vice President; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXI, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASPIN:

H.R. 1344. A bill for the relief of Mr. and Mrs. Joseph S. Fok; to the Committee on the Judiciary.

By Mr. BONKER:

H.R. 1345. A bill for the relief of Christine Deans and Jonathan Christopher Deans; to the Committee on the Judiciary.

By Mr. GOODLING:

H.R. 1346. A bill for the relief of Leonidas C. Stylianopoulos; to the Committee on the Judiciary.

H.R. 1347. A bill for the relief of Remigo Aquino and his wife Ines Aquino; to the Committee on the Judiciary.

H.R. 1348. A bill for the relief of Ulrich L. Peters; to the Committee on the Judiciary.

H.R. 1349. A bill for the relief of Anthony P. Petrucci; to the Committee on the Judiciary.

By Mr. MILLER of California:

H.R. 1350. A bill for the relief of Antonios Kakoliris-Kekos; to the Committee on the Judiciary.

By Mr. PEPPER:

H.R. 1351. A bill for the relief of Farrey's Wholesale Hardware Company, Incorporated; to the Committee on the Judiciary.

By Mr. SOLARZ:

H.R. 1352. A bill for the relief of Laszlo Revesz; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 246: Mr. BAILEY of Pennsylvania, Mr. BINGHAM, Mr. CLAY, Mr. EVANS of Georgia, Mr. FORSYTHE, Mr. HAWKINS, Mr. SIMON,

Mr. WON PAT, Mr. GIBBONS, and Mr. DORNAN of California.

H.R. 247: Mr. COATS, Mr. BEDELL, Mr. HILLIS, Mr. PRITCHARD, Mr. VANDER JAGT, Mr. MCCLOSKEY, Mr. WEBER of Minnesota, Mr. PARRIS, Mr. DUNN, and Mr. BROWN of Colorado.

H.R. 468: Mr. HOWARD.

H.R. 557: Mr. HOWARD.

H.R. 560: Mr. GILMAN.

H.R. 568: Mr. GINGRICH, Mr. YATRON, Mr. GRAMM, Mr. PEPPER, Mr. DERWINSKI, Mr. DAN DANIEL, Mr. WEBER of Minnesota, Mr. LAGOMARSINO, Mr. FORSYTHE, Mr. EVANS of Georgia, Mr. DE LA GARZA, Mr. BEDELL, Mr. MADIGAN, Mr. COLLINS of Texas, Mr. LUJAN, Mr. BOWEN, Mr. CORCORAN, Mr. DORNAN of California, Mr. JONES of Tennessee, Mr. BAILEY of Missouri, Mr. CARNEY, Mr. MURPHY, Mr. MCDADE, Mr. WHITEHURST, Mrs. HOLT, Mr. ATKINSON, Mr. GRISHAM, Ms. MARTIN of Illinois, Mr. LEATH of Texas, Mr. RUDD, Mr. GREGG, Mr. BARNARD, and Mr. JOHNSTON.

H.R. 1100: Mr. KAZEN and Mr. HENDON.

H.J. Res. 125: Mr. LENT, Mr. RUSSO, Mr. BENJAMIN, Mr. MOAKLEY, and Mr. WEBER of Minnesota.

H. Con. Res. 19: Mr. LEBOUTILLIER.

H. Con. Res. 21: Mr. LEBOUTILLIER.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

18. By the SPEAKER: Petition of the board of supervisors, San Luis Obispo County, Calif., relative to the language minority provisions of the Voting Rights Act of 1965, as amended; to the Committee on the Judiciary.

19. Also, petition of Gail C. Holmes, West Lebanon, N.H., and others, relative to congressional pay; to the Committee on Post Office and Civil Service.

20. Also, petition of Felipe G. Pastrana, Manila, Philippines, relative to recognition of his unit's guerrilla service during World War II; to the Committee on Veterans' Affairs.

SENATE—*Tuesday, January 27, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met in executive session at 10 a.m., on the expiration of the recess, and was called to order by Hon. NANCY LANDON KASSEBAUM, a Senator from the State of Kansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Eternal Father, our need is our prayer this day. We do not pray for easy lives, but that we may be stronger persons. We do not pray for tasks equal to our powers, but for powers equal to our tasks. We do not pray for simple solutions to complex problems, but rather that Thou wilt show us the next step. So wilt Thou help us to do Thy work with courage and wisdom and at the end hear it said, "Well done, good and faithful servant."

In the name of Christ the Lord, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 27, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable NANCY LANDON KASSEBAUM, a Senator from the State of Kansas, to perform the duties of the chair.

STROM THURMOND,
President pro tempore.

Mrs. KASSEBAUM thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Alaska is recognized.

THE JOURNAL

Mr. STEVENS. Madam President, I ask unanimous consent that the Journal be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LETTER OF RESIGNATION AND CERTIFICATE OF APPOINTMENT

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate the letter of resignation of Senator Donald Stewart, of Alabama, and the certificate of appointment of Senator JEREMIAH DENTON, of Alabama, to fill that vacancy.

Without objection, the reading will be waived and the documents will be printed in the RECORD.

The documents were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., December 19, 1980.

The VICE PRESIDENT,
U.S. Senate,
Washington, D.C.

DEAR FRITZ: Enclosed please find my letter of resignation addressed to Governor Fob James of Alabama, effective midnight, January 1, 1981.

Respectfully,

DONALD W. STEWART.

U.S. SENATE,
Washington, D.C.

Hon. FOB JAMES,
Governor of the State of Alabama,
Montgomery, Ala.

DEAR FOB: This letter is sent to inform you of my resignation from the United States Senate in favor of my successor effective midnight January 1, 1981.

I have been greatly honored by the people of Alabama who elected me to this high office and have sought to serve them in every possible way during my term in office. I can now best serve the State by allowing its newest Senator to take office early.

I hereby urge you to immediately appoint the Senator-elect to my vacated seat.

With best wishes for your health and happiness during this holiday season.

Warm regards,

DONALD W. STEWART,
U.S. Senator.

STATE OF ALABAMA,
GOVERNOR'S OFFICE,
Montgomery.

CERTIFICATE OF APPOINTMENT

To the President of the Senate of the United States:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Alabama, I, Fob James, the governor of said State, do hereby appoint Jeremiah Denton a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the resignation of Donald Stewart, is filled by election as provided by law.

Witness: His excellency our governor Fob James, and our seal hereto affixed at Montgomery this 2nd day of January, in the year of our Lord 1981.

By the governor:

FOB JAMES,
Governor.

STATE OF ALABAMA,
GOVERNOR'S OFFICE,
Montgomery.

CERTIFICATE OF ELECTION FOR SIX-YEAR TERM

To the President of the Senate of the United States:

This is to certify that on the 4th day of November, 1980, Jeremiah Denton was duly chosen by the qualified electors of the State of Alabama a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January 1981.

Witness: His excellency our governor, Fob James, and our seal hereto affixed at Montgomery, Alabama, this 6th day of January, in the year of our Lord 1981.

By the Governor:

FOB JAMES,
Governor.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. STEVENS. Madam President, I ask unanimous consent that following the four special orders on this morning there be a period for the transaction of routine morning business not to exceed 20 minutes and that Senators be permitted to speak therein for not to exceed 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS FROM 1:45 P.M. UNTIL 5 P.M. TODAY

Mr. STEVENS. Madam President, I ask unanimous consent at 1:45 p.m. today the Senate stand in recess until the hour of 5 p.m. today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER CONCERNING ROLLCALL VOTES TODAY

Mr. STEVENS. Madam President, I ask unanimous consent that the rollcall votes ordered today, if there are any, not occur until 5 p.m. today and that at such time votes so ordered occur back to back.

I further ask unanimous consent, Madam President, that when the Senate begins the sequence of votes at 5 p.m., the second and succeeding votes be limited to 7½ minutes in length, with the five bells to sound 5 minutes before the end of the rollcall.

Mr. ROBERT C. BYRD. Madam President, reserving the right to object.

Mr. STEVENS. Madam President, I delete the request at this time for the shortening of votes that occur at 5 p.m. and hope that we can announce that later. We expect two to three votes at that time. My request now just covers the request that rollcall votes that are ordered not occur until 5 p.m. and that the votes that are ordered prior to 5 p.m. occur back to back.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMISSION ON WARTIME RELOCATION AND INTERNMENT OF CIVILIANS

Mr. STEVENS. Madam President, I ask unanimous consent, as in legislative

session, that the Senate proceed to the immediate consideration of the bill I am sending to the desk.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

A bill to increase the number of members of the Commission on Wartime Relocation and Internment of Civilians.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. ROBERT C. BYRD. Madam President, reserving the right to object, and I shall not object, I wish to state that this matter has been cleared with Mr. EAGLETON, the ranking member of the committee on this side.

Mr. STEVENS. Madam President, I am indebted to the distinguished Senator from West Virginia. The bill has been cleared by the leadership in both Houses. The bill simply expands the membership of the Commission on Wartime Relocation and Internment of Civilians from its present seven members to nine. The Commission was established pursuant to legislation enacted last year to investigate the relocation and internment of Japanese and Aleut Americans during World War II. This bill will incur no additional cost to the Government.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to the immediate consideration of the bill; and, without objection, the bill will be considered as having been read the second time at length.

The question is on the engrossment and third reading of the bill.

The bill (S. 253) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 253

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) subsection (b) of section 3 of the Commission on Wartime Relocation and Internment of Civilians Act is amended by striking out "seven" and inserting in lieu thereof "nine".

(2) Clause (2) of such subsection is amended by striking out "Two" and inserting in lieu thereof "Three".

(3) Clause (3) of such subsection is amended by striking out "Two" and inserting in lieu thereof "Three".

(b) Subsection (e) of section 3 of such Act is amended by striking out "Four" and inserting in lieu thereof "Five".

Mr. STEVENS. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Madam President, I move to lay that motion on the table.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. I thank the Senator from West Virginia.

ORDER OF PROCEDURE

Mr. STEVENS. Madam President, it is my understanding that there are four special orders. I ask unanimous consent that the 15-minute special order of the Senator from Montana (Mr. BAUCUS), be transferred to the Senator from Arkansas (Mr. BUMPERS), and, further, I ask unanimous consent that the 15-minute special order granted to the Senator from New Mexico (Mr. SCHMITT), be vacated.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. WALLOP. Madam President, reserving the right to object, did I understand that the Senator from Montana (Mr. BAUCUS), asked that his time be given to Mr. BUMPERS?

Mr. STEVENS. That is correct.

Mr. WALLOP. Madam President, I would ask that the time of the Senator from New Mexico not be yielded back but be given to me, because I suspect I will need it.

Mr. STEVENS. Madam President, the Senator from Wyoming has one special order, as I understand it. I ask unanimous consent that the time granted to the Senator from New Mexico (Mr. SCHMITT), be transferred to my control.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Madam President, I state to the Senator from Wyoming that I will yield that time to the Senator.

Mr. WALLOP. I thank the Senator.

Mr. STEVENS. Madam President, I yield back the remainder of the leadership time on this side.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

WELCOME HOME

Mr. ROBERT C. BYRD. Madam President, for 14 months we have waited for our Americans in Iran to be returned. Our hopes and prayers and thoughts have been with our captive citizens. We have waited too long for this day. Our joy is simple relief: They are free; they are home at last.

The reception awaiting the returned Americans is a bit overwhelming. The American people clearly consider the former hostages worthy of honor. And with good reason. We are not a nation of nobles and commoners, but a country of Americans. When 52 of us were imprisoned, part of us, part of America was held by terrorists. When evil is done it is not the victim but the doer of the wrong who debases himself. The cruel Iranian terrorists are the losers. And those who suffered and persevered are those with human dignity.

The simple things in life are the most important and the most profound. And today the simple fact that these Americans have come home touches us deeply. They have endured pain, they have kept their faith in loneliness, and they have paid a price for being citizens of the United States. Freedom is not a gift, it must be earned every day. These Americans have reminded us of that basic truth. Despite the difficulties they have endured, we welcome them with enormous joy. They make all of us proud to be Americans.

A THOUGHTFUL ARTICLE ON NATIONAL DEFENSE

Mr. ROBERT C. BYRD. Madam President, one of Congress most important single responsibilities is the duty of maintaining a strong national defense program. In order to do this, we must continually examine our current defense philosophy and practices, and look for ways of improving our strategy and instruments of defense.

In view of the Soviet invasion of Afghanistan, Soviet, and Cuban adventurism in Africa, and the apparent Soviet shift from a limited defensive posture to a global military and naval offensive strategy, it is particularly important that we keep our security forces at the top level of efficiency and strength. We can only preserve our freedom and guard our national interests if we maintain the defensive forces necessary to carry out our national will.

Last Friday, the Wall Street Journal published a thoughtful article concerning our national defense philosophy. The article, entitled "The Case for Military Reform," was written by our distinguished colleague from Colorado, Senator GARY HART. Senator HART, throughout his career in the Senate, has demonstrated a growing acumen in defense matters. This reflective article should be a helpful contribution to our discussions on vital defense matters.

Madam President, I ask unanimous consent that this article from the Wall Street Journal be printed in the RECORD.

There being no objection, the article was ordered printed in the RECORD, as follows:

THE CASE FOR MILITARY REFORM

(By GARY HART)

Both major candidates in the presidential campaign put heavy stress on the need for a stronger defense. President Reagan is committed to increasing the defense budget, possibly by as much as $25 billion to $35 billion annually. But will increased spending really strengthen America's defenses?

The answer is: not necessarily. If the Reagan administration is serious about efforts to strengthen the military, it will have to look beyond the size of the budget. It will have to embrace a cause that has quietly been growing among defense academics and writers, officers in the field and a few elected officials: the cause of military reform.

Military reform means three basic changes:

It means spending more, selectively, for defense.

It means allocating funds to innovative weapons and programs.

And it means addressing a number of nonbudgetary problems which, although not related to defense spending, relate directly to winning or losing wars. This includes reexamination of basic defense doctrine and concepts.

UNDERFUNDED DEFENSE

First, we do need to increase the defense budget. Major elements in our defense establishment have been underfunded for some time. These include shipbuilding, military pay, operations and maintenance and strategic forces.

Second, we must direct our spending toward innovative weapons and programs. Just spending more will not solve our problems. We risk being like the French in the 1930s, debating how much to spend each year on the Maginot Line.

If what we are buying will not work on the

battlefield, then it does not matter how much of it we have.

Perhaps the Navy provides the best example of the need to spend our money for innovation. In an era when new weapons have made every surface ship significantly more vulnerable that it was 20 or even 10 years ago, the Navy has become dependent on just 13 ships—the 13 large aircraft carriers. Most other types of surface ships—cruisers and destroyers—are not only wedded to the aircraft carrier, they are themselves more vulnerable and increasingly less able to carry out their escort mission.

New concepts and technologies could free the Navy from many of its current problems. Vertical/short take-off and landing (V/STOL) aircraft could permit us to build smaller, less expensive carriers in much larger numbers. Modern diesel-electric submarines could complement our extremely expensive nuclear attack subs, enabling us to afford a much larger submarine force. Hydrofoils and surface effect ships could provide the high speeds—up to 80 knots—needed for truly effective antisubmarine ships. But this means spending our naval dollars in innovative ways, which we haven't been doing.

The third basic component of military reform, the need to attack some non-budgetary defense problems, is seldom addressed in our national defense debate. But these problems may be the most serious of all.

Our concept of land warfare is a good example. The doctrine of the Army still reflects the post-World War I French concept of a war of attrition dominated by massive firepower. Its object is to destroy the enemy physically, tank by tank and man by man.

The Germans demonstrated in World War II that a concept based on maneuver is more effective, especially for the side with fewer men and less equipment. The Russians learned maneuver warfare the hard way, from the Germans in World War II. We still haven't learned it. One can place the U.S. Army's field manuals side-by-side with those of the French in 1940 and find remarkable parallels. Unless we re-examine our entire concept of land warfare, it won't do much good merely to spend more money to buy more hardware.

The military education and promotion system is another example of a serious non-budgetary weakness. The military education system—the service academies, the command and staff schools, the war colleges—gives little attention to *ideas* about warfare. It emphasizes the study of management and lower-level leadership, not military history.

Promotion reinforces the effects of poor education. The services value the manager, tolerate the troop leader, but have virtually no place for the theorist.

We must give our officers a chance to think about warfare, both in our service schools and while on regular duty assignments. This means changes in the schools' curricula, including much greater emphasis on military history and theory, and possibly lengthening the school terms. It means upgrading and revitalizing our military journals. It means reducing the administrative load on the officer in the field, to give him time to think. And we should consider providing a formal career path for those officers who excel in military theory, to parallel those already existing for the troop leader and the manager.

Why have there not been stronger efforts from within the armed forces to create a place for the military theorist? This brings up what is perhaps our most fundamental military weakness: The armed services have in large part become bureaucracies.

Traditionally, the forces were organized on a "corporative" model. Each officer was inculcated with, and worked in every way to advance, the overall goals and purposes of his service. Today, only the Marine Corps adheres to this model.

NARROW OUTLOOK

The Army, Navy and Air Force have instead adopted the bureaucratic model, in which the officer specializes in one or several narrow functions, and the overall goals of the institutions are supposedly attained by linking the "boxes" which define each individual's job. Unfortunately the narrow outlook this produces often causes those overall goals to be forgotten, while decisions are based on what the institutions find comfortable—which is to say, what they have done in the past.

If we are to avoid the military dangers this trend toward bureaucratization could cause, we must reform the very basis of our armed services—the way they make decisions—while we also reform specific military concepts and force structures, military education and the promotion system. Otherwise, the other reforms will only be temporary, for the ongoing process of change and adaptation which must characterize an effective military will not develop. This may be the single most challenging defense task we face.

Military reform presents a difficult challenge to the new administration. But it also offers an enormous opportunity. It offers a new basis for something we lost in Vietnam—a genuine national consensus of defense. There is nothing ideological about the issue. It is a task in which liberals and conservatives can join. It will indeed require a joining of those who have differed in the past. But if we are willing to think new thoughts, and see today's problems in the light of present realities, not as reflections of debates long past, it can be done.

Mr. ROBERT C. BYRD. Madam President, I yield to the distinguished Senator from Wisconsin.

Mr. PROXMIRE. Madam President, I thank my good friend for yielding. I am happy that he put that article by GARY HART into the RECORD. It is an excellent article and should be called to the attention of all our colleagues.

AMENDING THE FOOD STAMP ACT OF 1977

Mr. PROXMIRE. Madam President, on January 15, I introduced S. 86, a bill to amend the Food Stamp Act of 1977 to revise eligibility to participate in the food stamp program.

Since floor statements could not be delivered that day, I am taking this opportunity to make brief remarks concerning S. 86.

BASIC PURPOSE DEFINED

Madam President, my bill aims to help bring the raging food stamp program under control through cutting back on the number of people who are eligible to participate.

The Congressional Budget Office estimates that the fiscal year 1982 savings to be realized through enactment of S. 86 would be $495 million.

This would be achieved through eliminating 2 million participants from the food stamp program. This is a 9-percent reduction.

My bill would also reduce by 5 million the number of persons potentially eligible to participate in the food stamp program. This represents a cut of 16 percent.

ELIMINATING DEDUCTIONS

Under the Food Stamp Act of 1977, as amended, the Federal poverty levels are only the nominal measure of income eligibility for food stamp aid.

Substantial amounts of any household's cash income are disregarded before that household's income is compared to the applicable poverty level. As a result, the effective income eligibility limits—on gross income—are much higher and vary from household to household.

Income eligibility for food stamp aid is based on a household's projected monthly cash income. This determination takes several steps. I will outline briefly what those steps are and how my bill cuts what I consider to be unnecessary or unjustifiable deductions.

After the gross projected monthly income is calculated, the first step is to deduct the amount of the annually indexed "standard deduction." At present, this amounts to a flat $85 per household per month. In other words, by disregarding $85 per household, the effective income elgibility limit for all households is automatically raised $85 above the poverty levels.

My bill would eliminate this standard deduction.

The second step is to deduct 20 percent of any earned income, as an allowance for taxes and work expenses and as a work incentive. This automatically raises the effective gross income limit above the basic poverty level (plus the $85 standard deduction), for households with earnings, by the equivalent of 20 percent of any earnings.

My bill would reduce this deduction from 20 percent to 15 percent.

THIRD STEP

The third step is to deduct: First, any household expenditure for dependent care related to employment, education, or training for work; and second, any shelter expenses exceeding 50 percent of household income remaining after all other appropriate deductions have been allowed—but only up to an annually indexed ceiling (now set at $115 per household per month) that applies to the total amount that may be claimed for both types of expenses.

As a result, for households with dependent care or high shelter expenses, the effective income eligibility limit can be as much as another $115 per month—over and above the effective income limit created by disregarding the standard deduction ($85) and 20 percent of any earnings.

My bill would eliminate the deduction for dependent care and shelter expenses. I should point out that this cutback does not have an adverse effect on those in cold climates who, of course, have higher fuel costs than those who live in other parts of the country. The Federal Government's fuel assistance program does an effective job of helping this particular group.

ELDERLY OR DISABLED

Madam President. the effective income eligibility limits that I have been discussing so far do not apply to households with elderly or disabled members.

There are no definable effective income limits for households with elderly or disabled members because these households are allowed to have a variable but much higher proportion of their incomes disregarded.

Specifically, elderly or disabled households are allowed to first, deduct any medical expenses of the elderly or disabled member (or spouse of such member) above $35 per month; and second, to deduct dependent-care and shelter expenses without regard to the $115 per month ceiling applied to other households—in addition to the $85 standard deduction and the 20-percent earned income deduction.

My bill would leave intact all provisions of the current food stamp law that apply to elderly or disabled households.

OUT OF CONTROL

Madam President, the food stamp program had a modest beginning in 1965, its first full year of operation. That year, there were 424,000 participants at a cost to the Federal Government of $35 million.

Compare those numbers with the current situation. There are now 22 million people participating in the food stamp program at what will be a cost to the Federal Government of over $11 billion, if the latest Carter budget is adopted. Moreover, another 10 million Americans are eligible to participate but do not.

Clearly, Madam President, the food stamp program is out of control. Steps must be taken—and taken now—to put some restraint and rationality into this well-intentioned but runaway program. My bill is aimed at doing just that.

Madam President I ask unanimous consent that the text of S. 86 be reprinted at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 86

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Food Stamp Act of 1977.

(b) The heading of section 5 is amended to read as follows:

"ELIGIBLE HOUSEHOLDS; COMPUTATION OF INCOME".

(c) Subsection (e) of section 5 is amended—

(1) by inserting "(1)" after "(e)";

(2) by striking out "(A)", "(B)", and "(C)", and inserting in lieu thereof "(i)", "(ii)", and "(iii)", respectively;

(3) by striking out "(1)", "(2)", and "(3)" each place they appear, and inserting in lieu thereof "(A)", "(B)", and "(C)", respectively;

(4) by inserting "for purposes of determining the value of the allotment issued to a household under section 8" after "In computing household income" in the first sentence thereof;

(5) by striking out "clause (2)" in subclause (ii) (as redesignated by paragraph (2)) and inserting in lieu thereof "clause (B)"; and

(6) by adding at the end thereof the following new paragraph:

"(2) In computing household income for purposes of determining eligibility to participate in the food stamp program, the Secretary shall allow, with respect to all households with earned income, a deduction of 15 per centum of all earned income (other than that excluded by subsection (d) of this section), to compensate for taxes, other mandatory deductions from salary, and work expenses. Households containing a member who is sixty years of age or over or who receives supplemental security income benefits under title XVI of the Social Security Act or disability payments under title II of the Social Security Act shall also be entitled to—

"(A) an excess medical expense deduction for that portion of the actual cost of allowable medical expenses, incurred by household members who are sixty years of age or over or who receive supplemental security income benefits under title XVI of the Social Security Act, or disability payments under title II of the Social Security Act, exclusive of special diets, that exceed $35 a month;

"(B) a dependent care deduction, the maximum allowable level of which shall be the same as that for the excess shelter expense deduction contained in clause (B) of paragraph (1) of this subsection, for the actual cost of payments necessary for the care of a dependent, regardless of the dependent's age, when such care enables a household member to accept or continue employment, or training or education that is preparatory for employment; and

"(C) an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 per centum of monthly household income after all other applicable deductions have been allowed.".

(d) Subsection (a) of section 8 is amended by inserting "(other than paragraph (2) of subsection (e) thereof)" after "section 5".

TENTH ANNIVERSARY OF IDI AMIN'S RULE

Mr. PROXMIRE. Madam President, sadly, Sunday, January 25, 1981, would have been the 10th anniversary of the rule of the infamous Idi Amin Dada in Uganda. This is, of course, hardly a date in history to be celebrated but it certainly should be remembered on this occasion so that we can redouble our efforts to insure that such atrocities are not committed again.

While Idi Amin's actions may not rise to the level of genocide, his regime was characterized by murderous horrors of unbelievable proportions, including systematic exterminations executed by Amin's dreaded "death squads."

Amin's regime included tribal mass murders on a wide national scale on at least two occasions in recent Ugandan history. In early 1977, members of the Acholi and Langi ethnic groups in the northern regions of Gulu and Lira were systematically exterminated by Ugandan forces, as were their tribesmen in other parts of the country, including the capital of Kampala. The Baganda and Basoga ethnic groups were similarly exterminated by security forces, specifically the state research bureau in June 1977.

The cumulative effect of these reigns of terror was staggering. The Nobel Prize-winning human rights group, Amnesty International, estimates that during 1976–77 alone, several thousand Ugandans were murdered at the hands of their cruel leader, Idi Amin Dada.

Madam President, we must not allow this to happen again and we must affirm that genocide is an international concern, affecting the world community. Unless we ratify the Genocide Convention, we will lose a "bully pulpit," as President Theodore Roosevelt used to say, from which to condemn such inhuman attacks on humanity. Let us ratify the Genocide Convention now.

Thankfully, Idi Amin was overthrown on April 10–11, 1979, but we must not forget his legacy of mass murder and wholesale slaughter.

Mr. ROBERT C. BYRD. Madam President, I reserve the remainder of my time.

RECOGNITION OF SENATOR WALLOP

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wyoming (Mr. WALLOP) is recognized.

Mr. STEVENS. Madam President, will the Senator yield?

Mr. WALLOP. I am happy to yield.

Mr. STEVENS. Madam President, I ask unanimous consent that the time allocated to me be yielded to the Senator from Wyoming and to be under his control.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WALLOP. Madam President, I thank the acting majority leader.

LIMITING THE COAL SEVERANCE TAX

Mr. WALLOP. Madam President, it had occurred to me earlier to seek to rise to a point of personal privilege because of the numerous attacks on the motivations of my statement which I am about to present. I decided not to do that, but to keep this in the realm of an intellectual argument. I would hope that we can succeed in that matter and that further implications about the people of Wyoming be left out and the arguments made on the issue of severance taxes.

We take that issue as it deserves to be taken, on its merits.

Madam President, I would like to say a few words at this time about this proposed legislation—S. 178—to set a mandatory ceiling of 12.5 percent on the severance taxes levied by coal producing States and local communities. The sponsors of this legislation have singled out Wyoming and Montana for their "allegedly" high coal severance tax rates, claiming that they place an inordinate burden on the utility consumers and inhibit the Nation's ability to utilize its vast coal reserves. They have painted a totally distorted and unfair picture of the situation. The actual effect of the coal severance taxes on the consumer is minimal and the impact on Federal coal leasing and mining is negligible.

First, it is patently unreasonable and misleading to consider Wyoming's 6.5-percent county ad valorem tax subject to legislative limitation. Traditionally across this Nation local property taxes on minerals have been based on a percentage or per ton rate of their severed

value rather than their in situ value. Clearly, if valued in situ, the tax revenue potential to the counties would be much greater.

Moreover, they would not, under any stretch of the imagination, be subject to the reach of Congress in regulation or status. Therefore, it is against the best interests of all users of coal to create a climate for a method of taxation that is less identifiable by and more harmful to that same consumer said to be the object of this political passion.

Second, to clear up a critical misconception underlying this legislation, the coal being taxed is not Federal. It has been severed according to a Federal lease agreement, with Federal royalties deducted, and the coal is the sole property of the coal lessee to sell for profit. In the case of Wyoming, at least, the severance tax is levied on the value of that coal after severance minus the production and transportation costs, inclusive of railroad shipping charges to the place of sale to the utility.

The transportation costs from Wyoming to the consumer make up the major portion of the price of delivered coal. For example, transportation accounts for approximately 75 percent of the price of the coal shipped from the Powder River Basin to Texas.

Therefore, to determine the effect of the coal severance tax on the consumer, it must be translated into its contribution to the end use cost to the consumer. A recent Congressional Research Service (CRS) issue brief entitled "Energy: State Severance Taxes" reveals that, using current 1980 data, Montana's 30 percent severance tax contributes only 3.6 percent to the end use cost of the electricity consumed. Using the same methodology, Wyoming's "17 percent" severance tax contributes only 1.3 to 2.5 percent to the consumer's end use costs.

Comparing these end use impact percentages to severance tax rates imposed on oil (12.5 percent) and gas (10 percent), the CRS study reveals that the coal severance tax impacts on the consumer are half as much or less. For the RECORD, I submit a table from that study, reflecting that severance taxes from 1980 on oil contributed 6.3 percent to end use and on gas 3.4 to 4.1 percent. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

End product	Price at point of taxation	Amount of severance tax	End-use cost	Percentage of end-use cost as tax
Oil-fired powerplant (electric)	$17/bbl	$2.125/bbl	$0.07/kW	6.3
Home heating oil	$17/bbl	$2.125/bbl	$0.86/gal	6.3
Gasoline	$17/bbl	$2.125/bbl	$1.20/gal	4.1
Residential gas	$1.30/mcf	$0.13/mcf	$3.50/mcf	3.8
Coal-fired powerplant (electricity)	$12/ton (MT-9,300 Btu/lb)	$2.64/ton	$0.045/kW	3.6
Gas-fired (electricity)	$1.30/mcf	$0.13	$0.045/kW	3.4

Mr. WALLOP. The CRS study explains—

The reason for this is two-fold. First, coal in general, and western coal in particular, is cheaper per Btu than oil or gas. In December 1979, the national average cost of coal per million Btu was $1.29. This compares with $3.95 for residual fuel oil and $1.83 for natural gas for the same million Btu's. Second, while some products of crude oil and natural gas are used in a fairly direct manner (gasoline, home-heating oil, residential gas), coal is almost exclusively used in powerplants to generate electricity. Because of this, coal becomes a small input cost into the price of the final product as opposed to some oil and natural gas products, and therefore the impact of the severance tax is less.

These figures can also be contrasted with tax impediments on energy levied by the so-called consumer States. Many States and local communities levy gross sales taxes on electrical consumption which far exceed any burden placed on the consumer by Western severance taxes. Nearly 20 States have general sales or gross receipt taxes in excess of the 3.6 percent burden from Montana's severance tax.

Translating the end use figures to dollars is even more illuminating. The average residential consumer has a yearly electrical bill of $356. Assuming the highest CRS estimate of 2.5 percent for the end use impact of Wyoming taxes, that represents a grand total of $8.92 a year. That is 74 cents a month or $2.4 a day. If this legislation were enacted and mineral taxes lowered from the deceptive 17 percent to 12.5 percent, the savings would be less than a penny a day to that consumer. On a dollar basis, Montana and Wyoming are nowhere near the top in total dollar collections.

Figures for 1977 total severance taxes on all commodities show seven States with higher severance tax collections. Two have collections more than 10 times higher. In truth of fact, this legislation, which artfully isolates two small States with only seven congressional representatives to give supposedly "significant" relief to electricity consumers in a few States, is really underwritten by the major utilities. For example, the National Coal Consumers Alliance, a major backer of this proposed legislation, is funded by eight southern and midwestern utilities. This legislation is for them, not the consumers.

The Wyoming severance tax, moreover, has not been a significant barrier to coal development. In 1973, Wyoming produced 14 million tons of coal. Yet by 1979, after the enactment of the present severance tax, production increased five times to 72 million tons—a whopping fivefold increase. Production is estimated to double again by 1983.

As we all know, for the last 10 years, the Department of the Interior has been unable as well as unwilling to get a full blown leasing program operating and Federal leasing has been virtually nonexistent. However, a major Federal coal leasing program is now underway. This January the first major lease sales were held in southern Wyoming and northern Colorado (referred collectively as the Green River-Hams Fork Coal Region) and further extensive lease sales of all Federal coal is expected in the near future.

One must remember that the Federal Government already exerts a heavy hand in Wyoming and the West. The Federal Government holds title to 48 percent of the surface in Wyoming and 72 percent of the mineral estate. The Government has a virtual monopoly over Western coal reserves. The most direct control is in the Federal ownership of 60 percent of all the coal reserves west of the Mississippi. In addition, the Federal Government has de facto control over the development of an additional 15 to 25 percent of the non-Federal coal reserves by virtue of checker-board ownership patterns. Furthermore, complex laws and regulations give the Federal Government much control over which reserves are and are not produced, even on private lands. All this gives the Federal Government a monopoly position to control the amount, location, and price of coal that can be produced.

A second problem is transportation of coal. Nearly all Western coal is shipped by rail. The Federal Government's transportation policies have great effect on the use and price of coal.

These leasing and transportation policies are the primary culprits in limiting competition in the coal market. The Federal Government controls the rate of coal development, and the substantial flow of public dollars into synfuels development, which have resulted in staggering growth to the West, my State in particular. Now, this bill seeks to strengthen the Federal monopoly position in the West by controlling yet another facet, the ability of the States to levy severance taxes to provide for facilities to support energy growth.

It is grievously ironic to me that my State has received severe national criticism for the unsightly, yet very real impacts of the mineral "boom" phenomenon—in Rock Springs and Gillette, for example—and that this body would seriously consider limiting our ability to repair some of the damage done and to prepare for future growth.

This growth, and growth in other mineral areas such as oil and gas development, has already had serious effects on Wyoming. Statewide growth has been 41 percent in the 1970's, most of it taking place in the half decade between 1975 and 1980. Individual towns have exploded in size and population. Rock Springs grew from 12,000 to 19,000 in that period, Green River from 4,000 to 12,000. A rural, agrarian State is being literally pushed into the role of a national energy producer, and a State where people traditionally have taken care of themselves without the need for extensive public services is suddenly faced with mushrooming problems.

Most of the boom towns are small; adequate housing is nonexistent. Rents have skyrocketed to levels far beyond the capacity of many old-time residents. Towns are often hemmed in by Federal lands, so expansion, growth, and planning are difficult and haphazard. Sewers are not available. Roads are de-

teriorating under heavy truck traffic. Crime, alcoholism, and domestic violence are growing. Towns are hard pressed to compete for labor against the high-paying construction and energy jobs.

Development of facilities and services would be difficult enough if growth was a steady and long-term development. Unfortunately, construction forces are transient and usually several times larger than the eventual permanent work force. Ultimately, the mineral base will be depleted, bringing the bust cycle of the mineral economy. Estimation of the proper level of public facilities is difficult at best. Requirements for public development precede the development of revenue sources, compounding our problems.

To cope with this unprecedented growth, the Wyoming Legislature enacted its coal severance tax to pay for the social and public cost of mineral development. Severance taxes are supporting local governments, community colleges, fire protection districts, water and sewer districts, hospital districts, school districts, and road and street projects. Highways, disintegrating under the weight of mineral-laden transportation equipment, must be rebuilt and water development projects must be funded to provide scarce water for new populations, burdened municipalities, agriculture, and the mineral industry. Special funds have been set up to build and finance permanent housing for workers presently living in trailers.

A small portion of the severance tax revenue is being set aside to help the State diversify its economy and prepare for the day when our nonrenewable resources are gone. From the granite quarries of Vermont to the copper pits of Montana, ghost towns stand as stark reminders of the boom/bust nature of natural resource production.

Wyoming will see the same and perhaps more growth in the 1980's as the 1970's. The Nation needs increased oil and gas production from the Overthrust Belt, coal from the Green River-Hams Fork Region and the Powder River Basin, and synfuels from the numerous synfuels plants projected for the region.

Wyoming will sacrifice to meet the energy needs of the Nation. What Wyoming asks is to be allowed to continue to exercise traditional State authority to help build a foundation to continue energy growth with balance in the rest of our economy. We will produce, but we will sit in hell before we become the Nation's energy colony.

This is a traditional area for State decisions, and even the Government Accounting Office has reported that support for energy growth should be a State concern. Do not open up this area for more Federal control of legitimate State issues. I remind the Chair of the charge made by Alexander Hamilton in Federalist Paper 32 on the "Exclusive and Concurrent Powers of Taxation:"

> Although I am of opinion that there would be no real danger of the consequences which seem to be apprehended to the State governments from a power in the Union to control them in the levies of money, because I am persuaded that the sense of the people, the extreme hazard of provoking the resentments of the State governments, and a conviction of the utility and necessity of local administrations for local purposes, would be a complete barrier against the oppressive use of such a power; yet I am willing here to allow, in its full extent, the justness of the reasoning which requires that the individual States should possess an independent and uncontrollable authority to raise their own revenues for the supply of their own wants. And making this concession, I affirm that (with the sole exception of duties on imports and exports) they would, under the plan of the convention, retain that authority in the most absolute and unqualified sense; and that an attempt on the part of the national government to abridge them in the exercise of it, would be a violent assumption of power, unwarranted by an article or clause of its Constitution.

The Supreme Court has held that severance of natural resources is an intrastate action, rather than a part of interstate commerce. See, for example, *Heisler* v. *Thomas Colliery Co.*, 26 U.S. 245 (1922).

In conclusion, I restate President Reagan's caution in his inaugural address:

> All of us need to be reminded that the Federal Government did not create the States; the States created the Federal Government. So there will be no misunderstanding, it is not my intention to do away with government. It is, rather, to make it work—work with us, not over us; to stand by our side, not ride on our back.

Mr. President, I am unalterably opposed to this legislation in the 97th Congress, as I was in the 96th. It was, sensibly, not enacted during the last Congress, and I intend to do everything I can to see that it is not enacted in this one or in the future. Wyoming will not become an energy colony, sacrificing our precious environment and our quality of life on the altar of a hungry nation's desire for energy.

Madam President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The time of the senior Senator from Wyoming has expired.

ORDER OF PROCEDURE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wyoming (Mr. SIMPSON) will be recognized for not to exceed 15 minutes.

Mr. WALLOP. Madam President, I suggest the absence of a quorum to await the attendance of my colleague.

The ACTING PRESIDENT pro tempore. Without objection, the time will be charged to the junior Senator from Wyoming.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WALLOP. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WALLOP. Madam President, I ask unanimous consent that the order for the recognition of Senators be changed so that the Senator from Montana (Mr. BAUCUS) may proceed at this time and that the Senator from Wyoming (Mr. SIMPSON) may follow with his remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WALLOP. It is part of my request that the time that has been charged against the Senator from Wyoming remain charged against him and that the Senator from Montana be entitled to his full time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MONTANA COAL SEVERENCE TAX

Mr. BAUCUS. Madam President, I rise to speak in support of a State's right to impose severance taxes, and, I urge the Senate not to open a Pandora's box by meddling in a State's taxing actions.

My State, Montana, is a natural resource State. Our economy prospers or suffers in direct correlation to the demand for our agricultural, timber and mining products.

That economic fact of life has resulted in a roller coaster of economic promise and collapse throughout much of Montana's past. During the 19th and 20th centuries, many of the critical decisions about our State's future were made in corporate boardrooms far from Montana's borders.

Their decisions were made based on what they think is appropriate—not on any particular sense of corporate responsibility. The bottom line—not the future of Montana's towns and communities—all too often has been the order of the day.

When a smelter closes down—as recently happened in Anaconda, Mont.—there is no economic activity to replace it. When the mill stops producing, families' savings are wiped out, their homes lose their value, and whole communities simply shut down.

Anaconda, Mont., has not shut down yet, but its road to economic health is rocky and steep.

But the human suffering far outweighs the willingness of Anaconda's parent company and the Federal Government to offer help.

This scenario has happened time and time again in Montana's past. It is not a pretty sight, and it is not an acceptable condition for the future. Montanans want the right to determine their future—just like all Americans.

Montanans remember this history quite well. That is why the Montana Legislature acted quickly, and responsibly, in the face of the rumored coal boom in the early 1970's.

We knew that coal had promise—that it was being sought as America's "energy ace in the hole." But we also remembered that, too often, others took the entire deck of cards and left Montana with only the hole.

We knew we would be called upon to contribute, so that a beleaguered nation could reduce its dependence on unreliable sources of oil from the Middle East.

We did not shrink from that obligation; nor did we seek an escape. But, we did see the potential costs, and we acted legitimately to protect ourselves from them.

The State did not simply enact a severance tax and drop the matter. We en-

acted strong reclamation laws to promote the restoration of our fragile land. The rains are not plentiful in Montana and the ground water flows are easily interrupted. Massive disruption of the vegetation, soils and waters of eastern Montana's ranching economy is a risky experiment. No one is sure if the fertility of the land can be restored.

Nor can we be certain that the area's social fabric, its relaxed rural character, will not be irreparably torn.

The legislature was keenly aware that the costs of coal development are both immediate and long term. In fact, the greatest costs, the biggest problems, will occur at the conclusion of this one-time harvest.

Our severance tax was designed to protect both our present and our future—to insure that some day we would not become wards of the Government, living on depleted land in a busted economy.

In this session of the Congress—as in the last—Montana's Coal Severance Tax is being unfairly attacked. We hear golden oratory about the need to "protect consumers" and increase coal production. I am no stranger to these concerns, but I recognize misplaced intentions when I see them.

The advocates of slashing Montana's coal tax may be long on hope, but they are short on evidence. Simply put, there is no convincing evidence of any kind that a 12½-percent cap on coal taxes would reduce a consumer's utility bill by more than a few cents a month.

Nor is there any convincing evidence of any kind that the Montana tax is hindering needed coal production. In the decade of the 1970's, Montana coal production increased 1,000 percent. Let me repeat: In 10 years, production increased 1,000 percent, and it is projected to increase again and again in the years ahead.

Those who wish to help electricity consumers in the Midwest should look not at the Montana coal tax, but at the costs of coal transportation. The Montana tax is only about 10 percent of the delivered price of coal.

The railroad that hauls the coal collects a whopping 60 percent of the delivered price. Over half the cost of coal is collected by a railroad that monopolizes coal transportation.

Over the last several years, Montanans have fought hard to restore competition to the railroads of the Northern Tier. We have been trying to save the Milwaukee Railroad so it could compete with the Burlington Northern and provide some incentive for lower rates.

I am not pleased to have to say it, but it is in fact the case, that we had very little help from those who are now taking potshots at Montana's coal tax. They passed up a golden opportunity to strike a blow for their State's electricity consumers.

Madam President, I do not deny that the Federal Government has an interest in reducing our dependence on foreign oil. But that does not mean the Federal bull should be loosed in the china shop of State resource taxation. The Montana tax simply does not slow the production of Western coal.

I do not deny that the Federal Government has a legitimate concern about the skyrocketing electricity bills of American consumers. But that does not mean the Federal Government should victimize States that are trying to stabilize their economic present and establish an economic future.

The question is not whether this Congress has constitutional authority to slash Montana's tax. We all know that issue would ultimately have to be decided by the courts. The real question is whether Congress wishes to continue badgering Western States by pressing this unfortunate proposal.

In the months ahead, I will be writing my colleagues to warn in greater detail about the grave dangers of the Federal intrusion in the traditional domain of State taxation. Virtually no State will be immune.

Many States have taxes whose impacts far exceed those of the Montana coal severance tax. For example, the sales and utility taxes paid by Illinois and Michigan electricity consumers are many times the Montana coal severance tax. In 1979, a typical Michigan electricity consumer paid 12 cents per month for Montana production taxes and over $2 in Michigan sales taxes.

In addition, many States are very successful in exporting their tax burden—far more aggressive in doing so than Montana. Illinois and Michigan are among them.

The principles behind this tax cap—that we in Congress are free to tell States how much they can tax—is a principle alien to our system of federalism.

Ultimately, no region of the country will benefit from the anger that will persist if this tax cap is adopted.

It will not aid consumers. It will not encourage energy conservation. It will not increase coal production. It will not improve coal transportation. It will not speed the day when this Nation stands tall with a clear, consistent national energy policy.

But, it will divide the country. It will intrude in areas traditionally handled by States. And it will further aggravate the tensions that already exist in the West as a result of Washington's lengthening reach.

It is, in short, not an answer. It diverts attentions from the real problem. And it is simply one more proposed solution that will only make our difficulties worse.

Madam President, I thank the Senator from Wyoming for yielding time. I thank the Senator also for establishing this hour so that we from producing States can present the facts, so that more Americans, particularly those Americans who are consumers, will fully understand the ramifications of our Western States' coal severance taxes. I hope we can work together on a more unified basis in our country to adopt a policy that makes more sense for all of us rather than one that is divisive.

I thank the Senator from Wyoming.

Mr. WALLOP. Madam President, may I say to my friend and neighbor from Montana that I appreciate his statement.

I hope our colleagues will take time, at least, to read the words spoken this morning by the Senator from Montana and the junior Senator from Wyoming because the issue is simpler than violent political rhetoric. It is one that lends itself to an intellectual approach to the argument as to whether or not indeed these consumers are being served.

I think the order now is back to the junior Senator from Wyoming, my colleague, Senator SIMPSON, is that not correct?

The ACTING PRESIDENT pro tempore. Yes.

RECOGNITION OF SENATOR SIMPSON

The ACTING PRESIDENT pro tempore. The junior Senator from Wyoming is recognized.

Mr. SIMPSON. Thank you, Madam President.

It is good to see you there in the chair, a member of our particular faith holding down the position of chairman of the session.

OPPOSITION TO S. 178 LIMITING STATE COAL SEVERANCE TAXES

Mr. SIMPSON. Madam President, with the introduction of S. 178, the spirited debate on Federal action to limit the taxing ability of the sovereign States and Indian tribes is now well on its way to becoming one of the perennial political jousting matches before Congress. Just as the efforts and arguments of this proponent in the last Congress were wholly unsuccessful, as my senior colleague from Wyoming says, so again will logic and horsesense again prevail in this session.

The chief purpose of my remarks this morning are to respond to the extraordinary assumptions and plain old erroneous information that has been presented regarding the purpose and the rate of mineral excise taxation on coal resources levied by the State of Wyoming. I first point out to the Members of the Senate that the people of Wyoming and the Wyoming Legislature have made and are making no conscious, premeditated. deliberate, evil, sinister, or devious attempt to levy mineral excise tax on coal resources in order simply to inflict an unfair burden on electrical rate payers in other States. The present rate of the coal mineral excise tax in Wyoming was set in 1977 at 10.5 percent and it continues at that rate—not the 17 percent figure as is often stated by the sponsors of this legislation.

The most important objection which I raise to this legislation is the possible adoption of a dangerous national precedent. If Congress acts to restrict the amount of taxation which mining States are able to levy on coal resources, then it should assuredly follow that Congress also act under its broad plenary commerce powers to restrict the level of taxation in the farm belt States, the manufacturing States, the timbering regions of this country and any other State which sustains within its borders a regional or national center of production.

Madam President, as a previous member of the Judiciary Subcommittee on the Constitution, I have had numerous occasions to review legislation that pro-

poses changes in that most basic charter of individual liberties and the pattern for our Federal system of Government—the Constitution of the United States.

Under the exercise of its enumerated powers, specifically the commerce clause of the Constitution, article I, section A, clause 3, Congress does have the necessary grant of authority and the plenary powers to act in a manner that is required to assure that no undue burden is imposed on interstate commerce—including marketing of coal resources. Plenary authority, to quote the words of Mr. Chief Justice Marshall in Gibbons against Ogden, "is the power to prescribe the rule by which commerce is governed." The only limitation which the U.S. Supreme Court has placed in the path of the Congress' regulation of interstate commerce has been the requirement that "the chosen means by (Congress) must be reasonably adapted to the end permitted by the Constitution."

I cannot in any way perceive how any such proposed legislation would be fully within the grant of legislative authority contained in the commerce clause, and thus if adopted, I feel this legislation would indeed be constitutionally defective. This legislation suffers from the constitutional debility of an attempt to regulate the activity of the States—in their authentic and legitimate activities as States—by means of this curious misuse of the commerce power. The U.S. Supreme Court has struck down such Federal intrusion as recently as 1976 in the case of National League of Cities against Usery.

Sponsors purport to beseech Congress to wield its commerce power in a fashion that would drastically impair the ability of the Western States to function effectively within a Federal system. This exercise of congressional authority certainly does not aline with the Federal system of Government as embodied in the Constitution.

Of the 10.5 percent of State mineral excise tax which Wyoming has adopted, fully 6.5 percent goes directly to "earmarked" accounts that are specifically targeted for the purpose of relieving the various problems that are directly or indirectly associated with the rapid industrialization that comes with Wyoming energy development. These coal tax revenues finance such traditional government functions as the construction of public utilities, providing for public health and recreation. developing water resources, and the building of highways and bridges. Certainly any attempt by the Federal Government to limit the ability of the State to respond to these dramatic social, economic, and environmental impacts would fly directly in the face of the Federal system of Government—as envisioned by our Constitution.

On this point alone the proposal is fatally defective since it is not a proper exercise of the enumerated powers which Congress has prescribed to override State sovereignty on those certain limited occasions when exercising its plenary powers to tax or regulate commerce. I should also point out that the severance tax structures of both the State of Wyoming and the State of Montana do not impose a tax burden that discriminates against "out of State" coal users in favor of its own residents or their local economies.

In previous testimony before this Congress Hubert H. Nexon, senior vice president of Commonwealth Edison Co., who is also president of the National Coal Consumers Alliance, decried the process of allowing State severance taxes to be passed on to electrical users in coal-consuming States. But I would point out to my colleagues that it is a fundamental principal of equity that those individuals who benefit to the greatest degree, and in the most direct fashion, do indeed have the responsibility of assuming the burden of paying for those benefits.

An application of that equitable principal to the coal tax situation would assure that those electric ratepayers who benefit from power generated from the combustion of coal resources mined in another State would assume a portion of the cost of providing for those fuel resources. The social and environmental costs which Western States are expected to bear in the development of coal within the scope of a national energy policy are physically visible to anyone who has seen the surface mines, powerplants, coal unit trains, trailer camps and the modular schools in my own State and neighboring areas in Colorado, Montana, North Dakota, and New Mexico.

The graphic and principal costs of this growth are being borne by producing States and the mineral severance tax only assists in distributing a small portion of those costs to the consuming States. The commercial relationship between the coal company, the utility, and the State regulatory commission, in conjunction with the fuel supply agreements and automatic fuel escalation tariffs is what provides for the direct "pass through" of those costs and expenses. Tax reformers should direct their efforts at such institutions within their own States before proposing to trample on the sovereignty of their neighbors.

Over the years several studies have been performed on the "political economy" of tax shifting or tax exportation which various States may be able to produce within the overall structure of their State tax systems. In fact, it would appear that many bureaucrats and politicians are quite content to ascribe to the philosophy that it is their "responsibility" to shift as much tax burden as is possible from the residents to nonresidents. Before this Congress continues its efforts that will only lead America into the twilight zone of Federal preemption by prescribing the limits which any sovereign State may go to in its own tax efforts, I should wish to insert for the RECORD a table from the statistical abstract of the United States as prepared by the Department of Commerce on "tax exportation."

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

LONG RUN TAX EXFORTATION

State	1977 population (thousands)	1977 tax exportation (millions)
California	21,896	$4,781.6
Florida	8,452	1,088.6
Illinois	11,245	2,082.2
Michigan	9,129	1,716.8
Montana	761	124.2
Nebraska	1,552	290.0
Nevada	683	187.1
North Dakota	653	85.4
South Dakota	689	70.8
Wisconsin	4,651	741.1
Wyoming	406	91.5

Source: Population estimates from Statistical Abstract of the United States, 1978, U.S. Department of Commerce, Bureau of Census, 1978.

Mr. SIMPSON. I find it fascinating to note that those States which have been the most successful—yes—that is the term to be applied—in exporting their tax burden to nonresidents are composed of those States which rely chiefly on the use of coal from the States of Wyoming and Montana. This is a telling review and a factor that certainly must be borne in mind by those who propose to launch their step into the bold new world of central economic planning by the Federal Government.

Take a look at that list and you will see the names of Illinois, Michigan, California, Florida, Nebraska, and Wisconsin which export the largest proportion of their taxes. It is a most well-known phenomenon, certainly a most well-known phenomenon, in public finance, and I find it extremely interesting that the president of the National Coal Consumers Alliance, for all his obvious business acumen, is making claims to the contrary in his 1980 testimony before the Senate Energy Committee.

I further comment that those members of the National Coal Consumers Alliance who support this legislation are not those who are most concerned about the ability of western coal to play a significant role in meeting our critical needs under the present national energy policy being propounded by Congress. Rather, their concern is obviously and obsessively with the existing coal contracts and the "pass-through" clauses and escalation features of those contracts.

And guess what? They negotiated those, they did those. It is very frustrating to see what they negotiated themselves out of.

The additional cost that utilities must bear for various items such as black lung benefits, reclamation requirements. and other complex regulations under existing Federal legislation, has caused them to gin up this transparent assault on the tax structures of the sovereign States where these resources are produced. I do not think it will sell.

I would also wish to direct the Senate to a report that Data Resources, Inc., has issued which estimates that the cumulative private sector costs of complying with regulations pertaining to coal development will be $58.74 billion from 1979 through 2000. This analysis suggests that there is a need for a truly comprehensive governmental policy toward the

development of coal rather than the piece-by-piece regulatory approach that has been practiced. The extreme uncertainty in the development of Federal coal resources can be traced to actions at the Federal level, particularly the failure of the initial environmental impact statement on coal leasing to be able to withstand the judicial challenge in the case of NRDC against Hughes. Only recently has the Department of Interior been able to devise a preferred alternative for coal leasing that is "acceptable" to environmental concerns and now this untested program will not be fully operational until later this year—while this Nation cries out for full coal production. I think it is most important that you be aware that in the extensive final environmental impact statement on Federal coal development released in April 1979—in the section of that report which addressed the critical issue of State policies and legislative actions that could possibly become constraints on the development of coal resources in western regions—not once was the effect of State mineral severance taxes identified as a relevant factor. I would note that the report also stated—

Given the high probability of increasing coal development activities throughout the coal regions in the United States in the near future, it is unlikely that State governments will attempt to block this activity unless the quality of environment or health and safety of their populations are in clear danger, although some States had adopted somewhat more stringent environmental standards, a spirit of cooperation is apparent throughout the State and Federal legislation.

Madam President, the one area where the States are most adamant on this issue is concerning their continued ability to provide and develop revenue to meet the needs of a burgeoning population. To continue to quote from the report it was stated that—

Unless communities and local governments can be guaranteed that they will not suffer the ultimate cost of coal development, they are likely to take a more conservative position toward the development than the States or Federal government.

To conclude my remarks, I feel deeply that to adopt this legislation would only draw the battle lines for just such a response in the coal-producing regions. To posture before the electric rate payers of this country that S. 178 will make coal more available or make any real dent in their utility bill is the most extremely cynical and hollow promise I have yet heard in this Chamber. Passage of this bill will not produce those results or the relief the consumer is told he will enjoy. Wait until they find that one out.

For the electrical rate payer—and I believe that is the only one whose interests are at issue in this very unwise legislation—coal from Wyoming and Montana is still the best bargain available. On a dollar per million Btu basis, the cost of production, including taxes, for Western coal is less than half the cost from Midwestern and Eastern mines.

There is a table to illustrate that point, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

AVERAGE PRODUCTION COSTS

[Expressed as dollars per million Btu for steam coal]

State	1976	1978
Kentucky	0.79	0.95
Indiana	.54	.79
Ohio	.67	.80
Illinois	.71	.91
Montana	.25	.37
Wyoming	.33	.43

Source: DOE, Energy Information Agency, 1976 DOE/EIA 0118/1(76), 1978 form EIA7.

Mr. SIMPSON. To conclude my remarks, I would say that the preemption of the ability of the States to function within their most traditional areas of public finance can only produce an extremely negative and most uncooperative climate for coal development that certainly will be most counterproductive for our overall energy policy mission. I thank the Senator very much.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming (Mr. WALLOP).

Mr. WALLOP. Madam President, I thank my friend and colleague, Senator SIMPSON. Again, I urge Senators to look at the words he has spoken and the tables he inserted as well as those that I inserted, the Senator from Montana inserted.

It is fine for all of us to stand on high platforms and seek recognition and adoration of the constituents whom we serve. But there is a higher purpose in all of this, and that is to exercise our intellect on subjects that come in front of us.

I think if we do people will see that what is sought by these limitations will not serve the best interests either of the consumer or the energy needs of America, as States, who are after all more friendly to the country than are the Arabs and where the resources and capital is flowing, derive benefit for all Americans by the production of resources within America.

WE DO NOT NEED MORE FEDERAL CONTROL

● Mr. SCHMITT. Madam President, the idea that the Federal Government should impose restrictions on the ability of a State government to generate revenues by utilizing its taxing powers raises some very serious questions over the unprecedented interference with the taxing prerogatives of State government.

I support the principle that the individual State has the right to decide within its lawful authority what taxes should or should not be imposed upon industry operating within that State. Certainly such a tax should not be so onerous as to damage the economic stability of the affected industry, but who is in a better position to make a determination than the State government.

The State of New Mexico levies a severage tax on nonrenewable resources extracted from the soil. Following the 1976 adoption of a constitutional amendment creating a severance tax permanent fund, the 1977 legislature enacted a new Severance Tax Act. These funds are deposited in a permanent fund which is invested for the purpose of providing a continuing source of revenue to the State treasury at some future date when these natural resources are depleted.

The problem of putting a value on the direct, present and future costs of natural resource development is difficult but still solvable. The problem of putting a value on the future economic needs of a State and proportioning that value on each barrel or ton of resource extracted is presently beyond calculation. Thus, each State must set its tax at the point it thinks best to cover direct costs and to balance future needs against the economic facts of life facing a given extraction industry.

We know that the supply of our natural resources is limited and New Mexico has wisely chosen to prepare for the future. We seek to avoid what has happened to many areas in Western States in the past where they found themselves in boomtown status at one time and left with holes in the ground and numerous environmental problems when the gold, silver, uranium, or the like was gone. All too often, after the mineral is depleted, the environmental and social damage remain, unemployed families remain and the State or local government picks up the tab.

Severance taxes are a means of having the consumers of our natural resources share the cost to the State for the adverse social and environmental effect that accompany the development of such resources.

In that New Mexico is one of the top 10 producers in every major category of energy-related minerals, our State has a special interest in the issue being discussed here today. As the demand continues to grow, New Mexico and the other Western States are expected to develop their vast resources to an even greater extent than in the past. Because of our State's small population and limited tax base, we are confronted with serious difficulties in dealing with the rapid growth that has been experienced in many areas as a result of increased exploration and production.

As these natural resources are developed, new towns are being built and existing communities are finding themselves doubling—even tripling in size. This, in turn, has imposed significant strain upon the local economic resources. The need for housing and such basic public facilities and services as sewers, roads, utility lines, police and fire departments, parks, playgrounds, health care, and schools must be met.

As noted in a GAO study on the development of the Rocky Mountain States, based on traditional separation of powers and responsibilities, it is mainly the State's responsibility to provide such services; and thus far, I have not seen governments from other States coming forth to offer to pay for such develop-

ment. Obviously, the taxing power of the State and local government has played a major role in the ability of the local government to deal with such development.

The U.S. Geological Survey has classified about 84 percent of New Mexico as prospective oil and gas lands, as well as large areas of land which have the potential for other mineral development. New Mexico is in concert with most of the Western States in our willingness and need to share these natural resources with other areas of the Nation, but any effort to impose Federal restrictions on our ability to impose legal taxation on such exploration will be an unwelcome and, we believe, unlawful infringement of our rights as an individual State.●

Mr. WALLOP. Madam President, the Senator from Arkansas has asked that I yield him 5 minutes for a statement on noncompetitive leasing, and I now yield the Senator 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas.

Mr. BUMPERS. I thank my colleague very much for giving me this opportunity to speak on his time, even though he disagrees with my position on this issue.

NONCOMPETITIVE BIDDING

Mr. BUMPERS. Madam President, on January 23, the Bureau of Land Management announced a recordbreaking oil and gas lease sale totaling $43,021,599 on 24,876 acres within the Fort Chaffee Military Reservation in Arkansas. Roger L. Hildebeidel, BLM's Eastern States Director, announced:

> This is the biggest oil and gas lease sale ever conducted in BLM's Eastern States area, both in terms of the number of bids received and the total amount of dollars bid in the lease sale.

Madam President, I bring this lease sale to the attention of my colleagues because in 1979, the Eastern States BLM office leased an adjoining tract of 33,000 acres within Fort Chaffee for $1 an acre or $33,000 without competitive bidding.

The contract between the results of these two sales dramatically points out the insanity of continuing noncompetitive leasing for oil and gas on public lands.

In a competitive sale on a 26,000-acre tract in Fort Chaffee, the American people received over $40 million for their oil and gas rights. On a noncompetitive sale on an adjoining 33,000-acre tract in Fort Chaffee, not even 2 years before, the American people received $33,000. Allowing noncompetitive lease sales to continue does not make sense.

Madam President, let me give you more details about the competitive sale:

The highest amount bid for a single parcel of 640 acres was submitted by Arkoma Exploration Co., Little Rock, Ark., for $2,336,000. Another parcel received a high bid of $2,240,260 from Getty Reserve Oil, Inc., Oklahoma City. The highest bid per acre was $4,008 from Santa Fe Energy Co., Amarillo, Tex.; while the average of high bids for all 60 parcels amounted to $1,730 per acre.

Exxon Corp., Houston, Tex., was the high bidder on 26 parcels, including 23 in the Gragg-Booneville field. Other high bidders included Stephens Production Co., Fort Smith, Ark.; I.M.C. Exploration Co., Houston, Tex.; Samson Resources and Essex Exploration, Inc., both of Tulsa, Okla.

When I estimated the loss to the American taxpayer from the original sale at Fort Chaffee, I predicted we would lose $10 million. As you can see, I was not even close.

I have spoken many times on the Senate floor about the noncompetitive Fort Chaffee lease sale in the summer of 1979. I received a call from a friend who said that he heard Texas Oil and Gas Co. had leased 33,000 acres for oil and gas exploration in Fort Chaffee for $1 an acre. I told him that could not be true, but found out later that day he was absolutely right.

Under the Mineral Leasing Act of 1920, the U.S. Geological Survey (USGS) determined that the 33,000 acres were not within a "known geological structure" (KGS), and the Secretary could lease the lands under the law to the first applicant. The USGS issued such a narrow interpretation of KGS in this situation that they were oblivious to the fact that the 33,000 acre tract was surrounded by a producing gas field.

Fortunately, Secretary Cecil Andrus recognized that other regulations of the Department of the Interior had not been followed with the issuance of the leases and he canceled the leases. His decision was upheld by the Federal district court after a challenge was brought by the successful applicant.

Unfortunately, Madam President, the story does not end here. The Fort Chaffee incident is only one small example of the abuses that have occurred under the noncompetitive leasing system.

Under the existing system, only about 3 percent of Federal leases are sold competitively. Regardless of the fair market value of the tracts, the remainder are sold noncompetitively for an annual rental of $1 an acre for 10 years without any obligation to drill. In 1979, the Department of the Interior issued only 319 leases covering 62,608 acres competitively. In the same year, 10,530 leases covering 12,960,128 acres were leased noncompetitively.

Noncompetitive leases are issued in two ways. Lands which have never been leased for oil and gas are leased to the first person filing an application. Lands which have been previously leased for oil and gas are available through a filing system which treats all applications filed within a certain period as having been filed simultaneously. The winner of the lease is chosen by lottery. Both systems are subject to the Secretary of the Interior's discretion not to lease at all.

Last year, the Secretary of the Interior suspended oil and gas leasing on Federal lands because a Justice Department investigation disclosed fraudulent activity in the lottery and the over-the-counter systems on a scale never imagined by some of the most persistent critics of the existing system. Although noncompetitive leasing was resumed in the late summer under new regulations, fraudulent activities will continue until these valuable resources are sold on a competitive basis.

Three companies have pleaded guilty to fraud, and the investigation has continued under the direction of the Department of the Interior. More indictments are expected soon.

The overthrust belt, consisting of about 20,000,000 acres, is considered the most promising area of the country for developments of oil and gas. Yet under the existing system, 12,000,000 acres have already been leased for $1 an acre.

The advertising literature of filing service companies, which were created solely to take advantage of the present lottery system, is filled with examples of people who won noncompetitive leases and paid $1 an acre only to assign them for immediate cash bonus payments and future royalties. Information supplied by the Department of the Interior at hearings before the Senate Energy Committee showed that a lessee received $200,000 plus future royalties for a lease obtained from the Federal Government for $2,157, plus a $10 filing fee.

The argument has been made by opponents that a more competitive system will add unacceptable front-end costs which will impair exploration. These costs are not new or additional. They exist on every lease and are met by every operator who eventually gains a lease. Instead of competing for an assignment from a lease under a competitive system, operators will be competing for the initial lease itself under a more competitive system.

Arguments are made that independents, who indeed do most of the exploring in this country, will be cut out. Yet, of the leases competitively bid, both by the United States and the States, independents have consistently gotten over 80 percent of them.

Existing law does not require diligent development of oil and gas leases. The Department of the Interior estimates that most oil and gas leases are never drilled and those which are drilled are not developed until the last 2 years of the 10-year primary term. Based on the number of outstanding leases in 1979 and the number of wells actually drilled, it is estimated that only 1.3 percent of outstanding leases were drilled.

Madam President, I introduced a bill, S. 60, on the 2d day of the 97th Congress that would require competitive oil and gas leasing on all public lands. The bill is designed to assure a fair return to the public for development of its resources, reduce speculation, assure diligent development of oil and gas leases, and simplify leasing procedures to promote rapid development of oil and gas on Federal lands.

S. 60 contains a more stringent diligence requirement for exploring and developing leased tracts, provides for more flexibility in setting royalty rates on all tracts to be leased, permits the leasing of tracts of a larger size more capable of being explored and developed, and gives the Department greater authority to control speculative lease assignments.

The competitive leasing system required by S. 60 contains all the reforms necessary to insure an efficient, effective, and equitable leasing program which will be most responsive to our need for prompt exploration for, and development of, our Nation's remaining oil and gas resources.

At a time when every effort is being made to balance the budget and increase energy production, the noncompetitive leasing system is an anachronism. It is rife with invitations to fraud and inequities. Most major oil and gas producing States in the Nation have a competitive leasing system. Why should the United States let its lands by lottery? The law must be changed immediately, and S. 60 should be given the highest priority on the Senate agenda.

Madam President, I ask unanimous consent to have the entire January 23 BLM press release reprinted in the RECORD.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

FORT CHAFFEE OIL AND GAS LEASE SALE DRAWS $13 MILLION IN HIGH BIDS

High bids amounting to a record breaking total of $43,021,599 were received in a competitive oil and gas lease sale held January 22 by the Eastern States Office of the Bureau of Land Management (BLM), U.S. Department of the Interior, at Alexandria, Virginia. The sale offering consisted of oil and gas lease rights to sixty parcels of federal land, totaling 24,876 acres, within the Fort Chaffee Military Reservation in Arkansas.

The parcels, ranging in size from 30 acres to the maximum of 640 acres, are all located on known geologic structures (KGS) in a five-township area of Ft. Chaffee near the Arkansas-Oklahoma border. The tracts are in areas known as the Bonanza, Gragg-Booneville, Greenwood, Kibler-Williams and Massard-Prairie oil and gas producing fields.

"In our view, this was a very successful oil and gas lease sale," said Roger L. Hildebeidel, BLM's Eastern States Director. "In all, 893 separate, sealed bids were received for the 60 parcels offered. Some parcels received as many as 36 bids; one parcel for oil rights only attracted just one bid. Two parcels received high bids of over $2 million each, and nineteen parcels drew high bids of over $1 million each."

The bid opening began at 8:00 a.m., January 22 and continued throughout the day with approximately forty representatives of oil and gas companies and the industry on hand to observe the bid openings.

The highest amount bid for a single parcel of 640 acres was submitted by Arkoma Exploration Company, Little Rock, Arkansas for $2,336,000. Another parcel received a high bid of $2,240,260 from Getty Reserve Oil, Inc., Oklahoma City. The highest bid per acre was $4,008 from Santa Fe Energy Company, Amarillo, Texas; while the average of high bids for all 60 parcels amounted to $1,730 per acre.

Exxon Corporation, Houston, Texas, was the high bidder on 26 parcels, including 23 in the Gragg-Booneville Field. Other high bidders included Stephens Production Company, Fort Smith, Arkansas; I.M.C. Exploration Company, Houston, Texas; Samson Resources and Essex Exploration, Inc., both of Tulsa, Oklahoma.

"This is the biggest oil and gas lease sale ever conducted in BLM's Eastern States area," Hildebeidel said, "both in terms of the number of bids received and the total amount of dollars bid in the lease sale. In recent months, we have received numerous inquiries from interested companies and the general public with regard to leasing Fort Chaffee lands," he added. "Since the parcels are all in producing oil and gas fields, the potential for additional production because of this sale is very good."

Under the terms of the Mineral Leasing Acts of 1920 and 1947, the Bureau of Land Management has the authority to lease oil and gas under Federal public domain and acquired lands through competitive bidding procedures on known geologic structures.

All the bids are now subject to evaluation by the U.S. Geological Survey (USGS) before leases can be issued by BLM. Based on existing geological data, USGS determines whether the bids meet minimum acceptable values.

Each of the parcels will be leased subject to standard stipulations for environmental and resource protection as well as with special surface disturbance stipulations meeting the requirements of the Fort Chaffee U.S. Army Garrison, Department of Energy and Geological Survey. Besides the bonus bids paid to obtain lease rights, lessees must pay an annual rental to the Federal Government as well as a royalty on any oil and gas production attained from the leases.

BLM's Eastern States Office, which has mineral leasing responsibilities for Federal lands in the 31 states bordering on and east of the Mississippi River, holds competitive oil and gas offerings periodically upon request from the public, or upon recommendation from the U.S. Geological Survey.

U.S. DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT, EASTERN STATES OFFICE: HIGH BIDS—FORT CHAFFEE, ARK., COMPETITIVE OIL AND GAS LEASE SALE, JAN. 22, 1981

Parcel	Bonus bid	Bid per acre	Bidder
1	$800,640.00	$1,251.00	Towner Petroleum Co.
2	236,000.00	590.00	Essex Exploration.
3	48,132.00	700.00	Andover Oil Co.
4	444,500.00	1,270.00	Stephens Production Co.
5	445,770.00	1,270.00	Do.
6	563,360.00	1,121.16	Do.
7	1,077,777.78	2,058.20	Samson Resources Co.
8	29,020.92	177.00	Atlantic Richfield.
9	312,000.00	487.50	Old Dominion Oil Corp.
10	1,030,400.00	1,610.00	Stephens Production Co.
11	1,632,000.00	2,550.00	Arkoma Exploration.
12	1,920,160.00	3,000.25	Getty Reserve Oil, Inc.
13	579,534.50	937.00	Nova Energy Corp.
14	157,771.76	1,111.22	Samson Resources Co.
15	1,190,560.00	2,126.00	Gulf Oil Corp.
16	1,623,040.00	2,536.00	Sun Oil Co.
17	1,344,160.00	2,100.25	Getty Reserve Oil, Co.
18	1,176,140.00	2,100.25	Do.
19	282,957.90	1,163.00	Hadson Petroleum Co-p.
20	96,120.00	801.00	Towner Petroleum Co.p.
21	88,858.00	1,400.00	Arkoma Exploration.
22	100,969.59	2,121.21	I.M.C. Exploration.
23	214,551.82	1,560.15	Do.
24	1,024,000.00	1,600.00	Exxon Corp.
25	256,000.00	1,600.00	Do.
26	320,000.00	1,600.00	Do.
27	185,519.30	305.00	Helme·ick & Payne.
28	171,360.00	476.00	Essex Exploration.
29	2,336,000.00	3,650.00	Arkoma Exploration.
30	2,240,160.00	3,500.25	Getty Reserve Oil, Inc.
31	1,408,821.00	3,777.00	Essex Exploration, Inc.
32	1,499,793.60	4,008.00	Santa Fe Energy Co.
33	490,938.00	1,400.00	Arkoma Exploration.
34	490,000.00	1,400.00	Arkoma Exploration Co.
35	868,000.00	1,400.00	Do.
36	460,609.40	1,212.13	I.M.C. Corp.
37	611,250.00	1,600.00	Exxon Corp.
38	612,035.00	1,600.00	Do.
39	611,555.00	1,600.00	Do.
40	611,200.00	1,600.00	Do.
41	608,000.00	1,600.00	Do.
42	603,315.00	1,600.00	Do.
43	552,000.00	1,600.00	Do.
44	554,785.00	1,600.00	Do.
45	1,024,000.00	1,600.00	Do.
46	1,024,000.00	1,600.00	Do.
47	1,024,000.00	1,600.00	Do.
48	1,024,000.00	1,600.00	Do.
49	812,420.00	1,600.00	Do.
50	448,530.00	1,600.00	Do.
51	1,024,000.00	1,600.00	Do.
52	1,024,000.00	1,600.00	Do.
53	896,000.00	1,600.00	Do.
54	1,024,000.00	1,600.00	Do.
55	553,600.00	1,600.00	Do.
56	553,715.00	1,595.72	Do.
57	64,000.00	1,600.00	Do.
58	48,000.00	1,600.00	Do.
59	256,000.00	1,600.00	Do.
60	305,617.87	2,612.11	I.M.C. Exploration.
Total	43,021,599.00		

Mr. BUMPERS. Madam President, the gist of this news release is that 24,876 acres of land in the Fort Chaffee Military Reservation in Arkansas, which happens to be about 2 miles from my home, brought a recordbreaking total of $43,021,599. One tract of land actually brought $4,008 an acre for an oil and gas lease. Private landowners around there, who got as much as $50 to $100 an acre for leasing their lands, thought they just died and had gone to heaven. This land is surrounded by producing gas wells, and everybody knows this is probably a producing area. But the average price per acre on this 24,000 acres was $1,700.

Let me repeat the history of why this lease sale is relevant.

In August of 1979, the Bureau of Land Management leased 33,000 acres at Fort Chaffee for a dollar an acre under the 1920 Mineral Leasing Act. It was a tract that had never been leased before, and under the noncompetitive leasing procedures of the Bureau of Land Management, the first to file gets the lease for a dollar an acre. Texas Oil and Gas happened to get there first, and they leased 33,000 acres for a dollar an acre.

I have made this speech on the floor several times before and you are going to hear it no telling how many more times until we do something about our outrageous system of giving away the resources that belong to all the people of the United States.

The 24,000-acre tract that was competitively leased is not the same tract as the 33,000-acre tract that was leased

noncompetitively. As a matter of fact, the 33,000-acre tract will bring more than the 24,000-acre tract. And yet, nobody in this body really seems to be as agitated about this as I am.

Under this noncompetitive leasing system everybody in the country can bid by putting their name in a hopper and having their name drawn out like a raffle every 2 months.

One name happened to be pulled out for $2,000 for a 2,000-acre tract of land and he turned around in 30 days sold it to an oil company for $200,000. If the tract had been competitively leased there is no telling what it would have brought.

Why in the name of all that is good and holy would we give away the resources of this country in any such silly way?

Back in 1920 maybe it made sense. But in this day and time when this country is striving to become energy sufficient and oil is $40 a barrel—it makes no sense.

The Senators out West say the overthrust belt has the greatest potential for oil development of any place in this country. The overthrust belt is estimated to contain 20 million acres and 12 million of it has already been sold for a dollar an acre.

In 1979, 319 leases covering 62,000 acres were let on a competitive basis. In that same year, 10,530 leases, covering almost 13 million acres, were let for a dollar an acre.

Now, the President says he wants to get Government off the people's back and balance the budget. Here is a case where the Treasury got $43 million when it would have received $24,000 if the leases had been issued noncompetitively.

The ACTING PRESIDENT pro tempore. The time of the Senator from Arkansas has expired.

Mr. BUMPERS. Will the Senator yield me 1 more minute, please?

Mr. WALLOP. I am happy to yield 1 more minute, but on the condition that the Senator understands that I disagree with what he is saying.

Mr. BUMPERS. Madam President, that makes the Senator's generosity that much more magnanimous, because I know that he disagrees with it.

Finally, Madam President, the original Fort Chaffee lease scandal not only brought into high focus what an outrageous leasing system we have in this country, but it also pointed out that the system is rife with fraud.

When the Secretary of the Interior started an investigation of the lottery system, he found that some companies were, in violation of the law, putting their name in the hopper dozens of times and greatly increasing their chances of winning. Three companies have already pled guilty. Many others are still under investigation.

There is no way to eliminate fraud in a noncompetitive system. Not only is the system outrageously inequitable to the people of this country, it is rife with fraud and it always will be.

I intend to make this speech just as often as the urge hits me over the next 6 years. If it takes that long to make the American people realize that they ought to be outraged, it will be worth it. They ought to be writing to every Member of this body, and pointing out what is happening to the roughly 528 million acres of Federal lands under the jurisdiction of the Interior Department, especially the millions of acres that have been leased for a dollar an acre. It is a shame.

And I thank the Senator again for yielding.

Mr. WALLOP. I thank my colleague from Arkansas. I am sure that there are more words that we will hear on the subject before the year ends and the session of the Congress is out.

Madam President, I am prepared to yield back the remainder of the time of Senator SCHMITT that I have.

I thank my colleagues.

The ACTING PRESIDENT pro tempore. The Senator from Montana has 5 minutes remaining.

Mr. BAUCUS. I yield back the remainder of my time.

Mr. BAKER addressed the Chair.

The ACTING PRESIDENT pro tempore. The majority leader.

ORDER OF PROCEDURE

Mr. BAKER. Madam President, the request I am about to make has been cleared with the minority. Previously, an order was entered, am I not correct, to provide for the consideration of the nominees on the Executive Calendar beginning with Dr. Jeanne Kirkpatrick? Madam President, will the Chair please state the order?

The ACTING PRESIDENT pro tempore. Mr. DAVID STOCKMAN was to be first, followed by Dr. Kirkpatrick and Mr. Casey.

Mr. BAKER. Madam President, I ask unanimous consent that the order be changed to provide for the consideration of the nomination of Mr. William Casey to be Director of Central Intelligence to be the first order of business, and that when the Senate goes into executive session we proceed with its consideration.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business. Is there morning business?

HAZARDOUS WASTE

Mr. MITCHELL. Madam President, last year the Congress enacted legislation to deal with the growing problem of hazardous wastes. That bill is a very important first step. But there are additional problems that remain unresolved, the most important of which is compensation to people who are harmed by these environmental poisons.

I emphasize that the new law is a meaningful first step to respond to the severe threats posed by spills, leaks and releases of hazardous substances, as well as toxic dumpsites.

Authority is provided for immediate cleanup of releases of toxic chemicals into the environment and for the restoration of natural resources damaged by such releases.

A fund of $1.6 billion is established to finance these remedial actions. The fund is financed primarily through fees paid by the chemical industry.

A party may also be held strictly liable for the cleanup of chemical contamination and natural resource damage for which he is responsible.

I do not minimize the significance of this legislation.

But the law is deficient because while it provides for the cleanup of places, and compensation for damage to things, it provides nothing for what is the most important part of the problem: injury to people.

The guiding principle of those of us who wrote the superfund bill was that those found responsible for harm caused by chemical contamination should pay for the costs of that harm. But the existing law abandons that principle when the damage involved is to a person.

A victim of chemical poisoning cannot seek from the fund out-of-pocket medical expenses for an illness resulting from the action or inaction of another party.

In this law we are telling the people of this country that under our value system a property interest is worth compensating but human life is not.

Neither logic nor compassion, good government nor commonsense compel this result. It is simply a failure of will on the part of Congress to deal with what is the most serious part of the problem—injuries to persons.

Of course, the response is that the injured person still has a legal cause of action against the party causing the injury. To that I ask: If such a course is satisfactory for injured persons, why are we permitting direct recovery from the fund for injury to natural resources? The answer, obviously, is that private causes of action are agonizingly slow and inordinately expensive. It takes years, many years, and dollars, many thousands of dollars, to pursue one of these cases to a final determination through the courts. Those who discharge wastes know this, and the consequence is legal guerrilla warfare in which the objective is to force the other party to settle early. So we do not want damage to natural resources to await the workings of that process: We want prompt, full compensation in such cases so we can replant trees in the park and so we permit claims against the fund for damage to natural resources.

But if this cause of action is unacceptable to the Congress for governments whose natural resources are damaged, why is it acceptable for people who have been injured or killed?

By what standard of justice or decency is damage to property more important than damage to persons?

Our failure to provide compensation from the fund for persons who are injured is even less defensible when we recall that the original bill provided liability only for out-of-pocket medical expenses. There would have been no compensation for the pain and suffering of an individual, or for the psychological

damage he or she might sustain, or for the ultimate loss, death.

Having made the judgment that property is more important than persons, none of us here should delude ourselves or the people of this country about what we have done. Most particularly, we must not delude the thousands of people who are the victims, who are waiting for our help.

Madam President, people have been tragically harmed like this in virtually every State of the Union.

We had the opportunity to help them, not make them whole, but at least provide them with compensation for their out-of-pocket medical expenses, and we have not done that. Instead we apparently decided that, as the chemical industry says, toxic chemicals are a societal problem, and society at large should be paid for them.

This law represents a beginning. But we have far to go to fulfill our duty to the people we represent. I will soon introduce amendments to provide a remedy for persons who are injured by toxic substances. My bill will provide two methods of recourse. First, a person would be able to recover from the fund for his medical expenses. Second, an injured person would be given the right to sue directly a party responsible for his injury.

I intend to exert every effort to remedy this irrational elevation of things over people. I hope my colleagues will join me in that effort.

Mr. GLENN. Madam President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMPSON. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE JOINT RESOLUTION 9—FISCAL RESPONSIBILITY

Mr. SIMPSON. Madam President, last year the Judiciary Committee's Constitution Subcommittee took an historic step. For the first time in history, the subcommittee reported to the full committee a proposed amendment to the U.S. Constitution which would reform the procedures by which the Federal Government establishes its tax and spending policy.

This action certainly has had a long incubation period—given the clearly expressed demand of the American people for some kind of constitutional restraints on the fiscal behavior of the Federal Government.

Last year's amendment, Senate Joint Resolution 126, would have insured for the first time that the American people could determine which politicians really act in accordance with the popular expression of thought and opinion in these areas of public policy and fiscal responsibility, and which politicians do not. I am pleased to be a cosponsor in this session of Senate Joint Resolution 9 which will promote that same fiscal responsibility.

I. INTRODUCTION

We have reintroduced this resolution in order to correct a serious flaw in our political process, which today is dangerously biased toward ever-increasing levels of spending and taxation, and thus toward the problems which such increases bring, including the problems of inflation and of the increasing influence of the Federal Government in our lives, and a correspondingly decreasing power of individuals over their own destinies.

I will not attempt today to amplify my remarks on the existence and significance of these problems. I trust that most of my colleagues already appreciate this reality. Furthermore, there will be ample later opportunity for the presentation of statistics and other evidence which will even more dramatically disclose the size of the hole into which we have fallen.

II. INFLATION AND EXCESSIVE GOVERNMENT POWER ARE CAUSED IN LARGE PART BY EXCESSIVE GOVERNMENT SPENDING

Madam President, it is our view that both of these problems—both inflation and excessive Government power—exist in large part because of excessive spending by the Federal Government.

The relationship between Government spending and Government power is obvious. The relationship between spending and inflation is perhaps less so. For this reason, Madam President, I would wish to say a very few words about inflation—inflation in terms of both its immediate and fundamental causes. The immediate cause of a true inflation, a general rise in prices, is the Federal Reserve Board's action in increasing the money supply faster than the American people increase their production of goods and services—in other words "too many dollars chasing too few goods." This occurs when "the FED" instead of seeking the monetary goal of maintaining stable prices—that is, avoiding both inflation and deflation—pursues economic goals—lower interest rates, higher investment and productivity, lower unemployment and the like—through increasing the money supply, not only faster than the production of goods and services, but faster even than what is expected by those making the economic decisions. This greater rate is necessary to the achievement of these goals since what is being attempted is in effect to dazzle people into thinking that the resources which Government uses are still available for private investment.

Therefore, although the immediate cause of inflation is the action taken by the Federal Reserve Board, the fundamental cause is related to the economic problems which the Federal Reserve's actions are intended to solve. That fundamental cause is really excessive Government spending—the allocation to Government of so much of the Nation's resources than an insufficient amount is left for private capital investment. Whether such spending is financed by debt or by taxes, the economic problems associated with high interest rates and reduced capital investment will tend to result, thus causing pressure on the Federal Reserve Board to inflate the money supply.

III. EXCESSIVE GOVERNMENT SPENDING IS CAUSED BY BIASES IN THE POLITICAL PROCESS

Why have massive increases in Federal spending occurred? To some extent, of course, such increases result from a genuine shift in the will of the people—in the kind of services and control the American people want from their Government. There is another reason, however, which is not quite so noble and democratic in character. In fact it is quite undemocratic. Putting it simply, our political process is defective. It is tilted toward ever increasing levels of spending because of the political advantage which can be gained from the creation of additional spending programs, and the lack of political advantage—indeed the significant disadvantage—gained by opposing or repealing such programs. This situation results from the fact that the awareness of interests of special interest groups which benefit from a particular spending program are very great and so is their lobbying pressure and the credibility of their implicit threats to withhold political support.

On the other hand the potential opponents of such programs—those that generally bear the cost—are the taxpayers at large, who are unlikely to be more upset by one unnecessary Federal program than another and who do not have the time and energy to be aware and vocal about all of them. Consequently lobbying pressure against such bills is usually much less focused and intense and the risk of loss of significant political support as a result of a vote for the program is likely to be small.

In the absence of additional balancing factors, greater political advantage is usually perceived to lie in supporting a spending program than in opposing it.

Because of the availability of deficit spending and the automatic increases in tax revenue that occur as a result of individuals being pushed into higher tax brackets through inflation or real growth in income, politicians seldom need to take the politically disadvantageous step of actually voting for a tax increase. Thus the political advantage of voting for spending programs is generally not offset by the political disadvantage of voting for a tax increase to pay for them.

IV. ELIMINATION OF THE BIAS TOWARD SPENDING REQUIRES THE CREATION OF CONSTITUTIONALLY MANDATED POLITICAL OBSTACLES TO BOTH DEFICIT SPENDING AND AUTOMATIC TAX INCREASES

Eliminating only one of those sources of bias—easy availability of deficit spending or automatic tax increases—would not be enough to restore a more desirable balance to our political process. We must take care of them both. Even if deficit spending were totally prohibited, spending could still increase because of automatic tax increases. No politically disadvantageous vote for a tax increase would be necessary. If automatic tax increases were eliminated, but deficit spending could be easily obtained through simple majority vote, then spending could increase without significantly greater obstacles than those that exist today.

Furthermore, we must correct these biases by constitutional amendment. We have seen how unsuccessful the statutory

approach is. For example, Senator HARRY F. BYRD, JR.'s statutory balanced budget requirement has had no apparent effect and that is most unfortunate.

V. THE NEW AMENDMENT WOULD REDUCE THE SPENDING BIASES WHICH ARE INHERENT IN OUR PRESENT POLITICAL PROCESS

The new amendment would make it more difficult for politicians to support spending increases without the genuine support of the people as a whole. Under its terms, if a simple majority of Members of Congress wished to increase spending for one program, they would have to reduce or oppose other programs—placing interest groups in competition with each other for a fixed spending amount rather than with the taxpayer—or they would have to place themselves on record as voting for a tax increase.

Section 1 of the amendment requires that Congress adopt a budget every year, which would set forth the total receipts and expenditures of the Federal Government—including expenditures now treated as "off-budget." Such budget could not be in deficit unless three-fifth's of each House of Congress have so approved. The amendment thus establishes a norm, which can be avoided only if a consensus greater than simple majority exists. As already indicated, if the requirement were merely for a simple majority, no more control would exist than at present. We believe that a three-fifth's majority would be a sufficient obstacle to deficit budgets without removing totally the flexibility which many persons desire to retain in case of economic difficulty such as serious recession. It should be noted here that the environment for such a vote would be quite different than that surrounding the vote on the debt limit. A vote on a deficit budget would occur at the planning stage when defeat of the proposal would still permit adjustments to be made so that the Government would still be able to function in the spending year, although not at as high a level than if the deficit budget had been accepted. In contrast a vote on increasing the debt limit is frequently taken in a crisis atmosphere when rejection would shut down the Government.

Section 1 also provides that the Congress shall not pass, and the President shall not sign, any appropriation bill which would cause total expenditures for any year to exceed the expenditures in the budget for such year. In practice this would require the use of estimates. If the expenditures authorized in a specific appropriation bill, when added to sum of estimated expenditures under permanent appropriations and the expenditures in the appropriations bills already passed for the year, would cause the level of expenditures in the budget to be exceeded, then such bill could not be approved by Congress or the President. No waiver would be available. The bill could only be approved if an increase were adopted in the total budget, which would require a three-fifth's vote if a deficit would result, and a tax increase otherwise.

Since all spending from the Treasury must be authorized by appropriation, such a restriction on appropriation bills would restrict Federal spending to the level set forth in the budget.

Section 2 of the amendment prohibits increases in the share of national income going to the Government unless a majority of Congress plus the President—or two-thirds of Congress in the face of a Presidential veto—are willing to vote "on the record" for a specific increase in that share. If a majority of the people as a whole truly support an increase, a simple majority of their elected representatives, along with their President, should be able to accomplish such an increase. Unlike the norm of keeping expenditures no higher than receipts, which should require a simple majority to violate, there is no norm with respect to the taxes and other receipts which should go to Government. Furthermore, increases in taxes and other types of Federal receipts are usually politically unpopular. The majority vote requirement by itself would offset the political advantages to increased spending.

Section 3 of the amendment would allow waiver of the balanced budget requirement during wartime since it would be curious to require a supermajority to finance a war when only a majority is necessary to declare it.

The meaning of all terms can be made clear in legislative history. It is our intention to do that. For example, it will be made clear that the budget which is required must include all expenditures, including what are now known as off-budget items, and that the meaning of the term "receipts" does not include the proceeds of Federal borrowing.

VI. THE PROCEDURAL REFORM CONTAINED IN THIS JOINT RESOLUTION IS PREFERABLE TO AN EXPLICIT SPENDING LIMITATION

Madam President, I am certain that some of my colleagues will wonder why we did not simply limit Federal spending directly. Let me briefly explain. We do not believe it desirable to limit spending to any particular arbitrary fraction of the GNP or other similar measure, nor do we believe that requiring supermajorities for spending increases is justified.

First, it could be deemed "antidemocratic" to lock any particular economic theory or policy into the Constitution. If a majority of the people truly want increased spending, we are not aware of any principle which would justify our saying to them that they may not have it. We are simply attempting to correct a political process which allows increases to occur even when the people do not want them.

Second, such theories and policies may well be mistaken. Consequently, complex and detailed formulations are especially inappropriate.

Third, much of the concern which the public feels about Government spending exists because it is perceived as leading to increased taxes. The amendment which insures that politicians will be more accountable to the public for tax increases is a direct response to that major concern.

Finally—and this is related to our concern that democratic principles not be violated—such an explicit spending limit may not be as constitutionally appropriate. Provisions of the Constitution, including all amendments except the 18th amendment, either, first, establish the structure of Government and basic details of the political process used to establish the will of the national majority, or, second, restrict majority rule in order to protect individual rights or the rights of the States.

To prohibit a majority from spending more than some arbitrary amount does not seem to fail within either category.

We have attempted to draft an amendment that primarily accomplishes a procedural reform, that perfects our political process so that we may rely on it to accurately reflect the actual will of the majority.

Thus, the amendment is intended to make politicians accountable for their support of higher spending through its requirement—in the absence of three-fifths support for deficit spending—that politically advantageous spending programs be balanced by politically disadvantageous tax increases, not automatic tax increase but tax increases resulting from recorded votes.

We have not sought to insure any particular level of spending, even though as individuals we have, of course, our own preferences. We have attempted to eliminate the biases toward spending that exist in our political process without replacing them with new biases.

Given public opinion today, we believe that sections 1 and 2 of our amendment would together act as the effective spending limitation which many Senators seek. At the same time a different result is possible in the future if the will of the people reflects different concerns and different priorities. The present proposal as embodied in Senate Joint Resolution 9 is a most logical one and I commend it to you.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

Mr. GOLDWATER addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

Mr. GOLDWATER. Madam President, I believe the order of business is the confirmation of William Casey to be Director of Central Intelligence.

CENTRAL INTELLIGENCE

NOMINATION OF WILLIAM J. CASEY, OF NEW YORK, TO BE DIRECTOR OF CENTRAL INTELLIGENCE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of Executive Calendar No. 14, the nomination of Mr. Casey to be Director of Central Intelligence, which the clerk will state.

The legislative clerk read the nomination of William J. Casey, of New York, to be Director of Central Intelligence.

Mr. GOLDWATER. Madam President, on January 13, 1981, a hearing was held before the Select Committee on Intelligence at which Mr. Casey appeared and testified, and he was passed favorably by the committee with one vote abstaining.

I am not sure whether that abstaining vote will be cast as yea or nay today.

In order to make this proceeding as short as possible, at certain places I will insert material into the RECORD. I will be assisted by the very fine Senator from New York.

Madam President, I ask unanimous consent that a brief resume of William Casey's life be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows.

WILLIAM JOSEPH CASEY

March 13, 1913, born in New York City.

1934, B.S. Fordham University.

1937, LL.B. St. John's Law School.

1938–1949, Chairman of Board of Editors, Research Institute of America.

1942–1945, U.S. Naval Reserve, LT Chief, Secretariat, and Chief of Intelligence Operations, OSS, European Theater.

1947–1948, Special Counsel, Senate Small Business Committee.

1948–1962, Instructor in tax law at NYU.

1953–1970, Chairman of Board of Editors, Institute for Business Planning.

1950–1971, Law partner, Hall, Casey, Dickler and Howley, NYC, and predecessor firm.

1966, Republican Congressional Candidate from Third District of New York; lost in primary to Steven Derounian.

1969–1970, Member, President's Task Force on International Development.

July 1969–April 1971, Member, General Advisory Committee, Arms Control & Disarmament Agency (ACDA).

1970–1971, President, International Rescue Committee.

April 1971–February 1973, Chairman, SEC.

February 1973–March 1974, Under Secretary of State for Economic Affairs.

March 1974–January 1976, President and Chairman, Export-Import Bank.

March 1974–January 1976, member, Commission on the Organization of the Government for the Conduct of Foreign Policy (Murphy Commission).

March 1976–May 1977, member, President's Foreign Intelligence Advisory Board (PFIAB).

1976–1980, member of board of directors: Gamble-Skogmo, Litco Corporation, the Trib, etc.; member, advisory board to American Stock Exchange; counsel to law firm of Rogers & Wells; member, International Rescue Committee.

March 1980–November 1980, Campaign Mgr., Reagan Presidential campaign.

Affiliations: Veterans of the OSS, Association of Former Intelligence Officers.

Publications: Tax Sheltered Investments; Lawyers Desk Book: Forms of Business Agreements; Accounting Desk Book; Tax Planning on Excess Profits: How to Raise Money to Make Money: How Federal Tax Angles Multiply Real Estate Profits, and others.

Mr. GOLDWATER. Madam President, I ask unanimous consent that the opening statement of Mr. Casey before the committee be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OPENING STATEMENT OF WILLIAM J. CASEY

Mr. Chairman, I am William J. Casey. I have been nominated by the President-elect to serve as Director of Central Intelligence. It is an honor for me to be here today to meet with you and the other members of the Committee for the purpose of discussing my qualifications for this post. I believe it to be vital that this nation have a strong and effective intelligence organization with a wide range of capabilities and the flexibility to adapt and focus them on whatever exterior threats or problems confront the President, the National Security Council, the Congress, and the Executive Branch. It may be helpful to outline the experiences which have formed my views on intelligence.

In World War II, as a naval officer, I had intelligence assignments first in Washington as an aide to William J. Donovan, then the director of the Office of Strategic Services, and subsequently in London as an aide to Colonel David K.E. Bruce, the commanding officer of the Office of Strategic Services in the European Theatre of War commanded by General Eisenhower. Our activities there consisted primarily of working with British and French intelligence and supporting French resistance forces to develop support for the allied armies which invaded and liberated France. When it became clear in the Fall of 1944 that there would be hard fighting in Germany, I became engaged in shifting what had been a French-oriented organization, to one that could function effectively in Germany. When we were surprised by the Hitler counter-offensive in what became known as the Battle of the Bulge, I was appointed Chief of Secret Intelligence for OSS in the European Theatre. In this capacity, I was charged with sending observers to rail and other transportation centers in Germany to report on the movement of German forces, targets suitable for air attack and similar military information.

For a few years immediately after World War II, I worked with General Donovan, General Quinn, who is here today, and with colleagues in wartime intelligence in urging that our nation needed a permanent central intelligence and in studying how such an organization should be organized and function. Since that time, I have spent my working life as a practicing lawyer and as an author, editor and entrepreneur, all of these activities involving somewhat the same kind of gathering, evaluation and interpretation of information which good intelligence work requires. I maintained an interest in foreign policy and national defense. As a founding director of the National Strategy Information Center, I supported the establishment of chairs and professorships in national security on 200 campuses throughout the United States.

During 1969, President Nixon appointed me to the General Committee on Arms Control, on which I served during the preparation and negotiations for SALT I. This experience impressed upon me the vital significance of good intelligence in establishing adequate defense, in negotiating arms control arrangements and in verifying that those arrangements are being observed. I was also a consumer of intelligence as Under Secretary of State in 1973 and 1974. As a member of the Commission of the Organization of the Government for the Conduct of Foreign Policy, known as the Murphy Commission after its chairman Robert Murphy, I took a special interest in the organization of the intelligence community, in improving the relevance and quality of analysis and developing a more effective relationship between producers and consumers of intelligence.

In 1976, President Ford appointed me a member of the President's Foreign Intelligence Advisory Board. There my special interests were economic intelligence and the experiment in the competitive analysis of Soviet strategic intentions, the potential capabilities of Soviet air defense and the accuracy of Soviet missiles.

There is no need for me to describe to this Committee the varied and complex challenges that confront our nation, the complexity of the political, military and economic forces with which we must deal or the importance of good intelligence to the formulation and execution of effective policies. If I am confirmed for the position for which I have been nominated, it will be my purpose to provide for our policymakers, in the Congress as well as the Executive Branch, timely and accurate information, analysis and estimates on which they can rely, in establishing the defensive strength that we need, in seeking arms control, in developing and maintaining satisfactory relations with other nations, and in competing in an increasingly interdependent global economy. Our foreign policies and defense strategies can never be better for long than our intelligence capabilities. In an era of increasing military vulnerability, effective intelligence is of far greater importance than it may have been some years ago when we had clear military superiority. Anticipating potential problems, understanding the reasons behind events and foreseeing all the potential opportunities—both diplomatic and military—will be critical to successful international relations over the next decade. We are in a period where investments in intelligence capabilities will yield major returns.

Generally, there is poor public perception and understanding of the value of the American intelligence community to the security of the free world. The CIA, in particular, suffers institutional self-doubt. Many of its most competent officers have retired or are about to retire. The morale of much of the agency is low. Too often the agency has been publicly discussed as an institution which must be tightly restrained, stringently monitored or totally reorganized. Little has been done in recent years to stress publicly the critical role which the intelligence community must play in the formulation and execution of our nation's foreign policies and defense strategies. Too many have worked to reduce the feeling of self-worth of intelligence officers. Too few have worked to motivate the best minds in this country to see the intelligence profession as one which is desperately needed for our national security.

While members of the community realize that they cannot receive public recognition for particular tasks well done, they rightfully expect the support of the government which they serve. All too often their "failures" are widely publicized, but their "successes" by their very nature are generally hidden.

We need to make it clear that, while we work to improve it, the intelligence community has our full trust and confidence, that the intelligence profession is one of the most honorable professions to which Americans can aspire, and that we have an appreciation for the dedication and professionalism of its members. We should call on young Americans to serve their country in the field of intelligence. We should ask American scholars to serve their country by sharing their scholarship and insights with those in the community who are responsible for preparing the intelligence analyses used to develop foreign policy and defense strategy.

In the months ahead, this nation will continue to confront major international crises. This is not the time for another bureaucratic shake-up of the CIA. Instead, it is a time to make American intelligence work better and become more effective and more competent and make the members of its establishment respected and honored.

In almost every instance in recent years, so-called "intelligence failures" have been the result of shortcomings in intelligence analysis. The necessary relevant information was generally available, but sometimes either good analyses or sound conclusions did not follow. To be truly beneficial to consumers, data collected must be subjected to critical and insightful analysis conducted by

trained, competent professionals who have a rich background in the subjects involved. The issues which we have to deal with require the best analytical capabilities applied to unclassified as well as classified sources.

The attractiveness of intelligence analysis as a profession, part-time as well as full-time, should be increased. We must tap the insights of the nation's scholars in the effort to upgrade the quality of intelligence analysis. We must search for new and better ways to get continuing input from the outside world in order to gather information available inside and outside the government and get the best analyses of the full range of views and data available. A revival of the President's Foreign Intelligence Advisory Board can contribute substantially to this, and there are many other possibilities. When I was Chairman of the Securities and Exchange Commission, I created a large number of task forces made up of members of the SEC staff and people experienced in various phases of the investment industry. Assigned to report on regulatory needs for new forms of investment and trading, on minimizing paperwork and regulatory burdens, making investment analyses more widely available, and similar subjects, we observed insight and perspective which was just not available in Washington.

It is not enough to have good information and accurate assessments. The findings and views of the intelligence community must be forcefully and objectively presented to the President and the National Security Council. I assure you that I will present these views without subjective bias and in a manner which reflects strongly held differences within the intelligence community. It will be my purpose to develop estimates which reflect a range of likely developments for which policymakers must prepare in a manner which emphasizes hard reality undistorted by preconceptions or wishful thinking. As we look back at the recent past, we need to remember how early intelligence reports on Soviet missiles in Cuba in 1962, on Soviet divisions preparing to enter Czechoslovakia in 1968, on Arab preparations to attack Israel in 1973, were obscured by judgments that it would not be sensible for these weapons and divisions to have other than defensive or training purposes. Alternative possibilities and their implications must be fully set forth in our assessments so that they can be reflected in our preparation and in our policies.

To carry out its assignment the intelligence community needs both public support and the full participation and cooperation of the Congress. I am pleased that after a period of turmoil the Executive and Legislative Branches have now institutionalized their arrangements in the Intelligence Authorization Act of 1981. I pledge care and diligence in protecting the legal rights of American citizens. I pledge also to work closely with Congress on this as well as in monitoring and improving the performance of the intelligence community. Particularly through the Intelligence Committee's study of U.S. intelligence products, procedures and budgets, Congress will provide a valued independent source of review to ensure we are achieving all that is humanly possible and the Congress will be in a position to provide any necessary legislation.

I will cooperate fully in facilitating the oversight through which Congress can ensure that the intelligence community operates within the limits of the law. This will provide the American people with additional assurance that U.S. intelligence will fully respect their civil liberties, and further strengthen public confidence in our intelligence community.

We have a common purpose in having a comprehensive intelligence system of unqualified preeminence, operating efficiently and within the requirements of our laws.

I expect to conclude that there are some steps which should be taken to improve our intelligence performance. If confirmed, I will promptly, in consultation with the leaders of the intelligence community and the Congress, review without preconception the system as it now exists and how it is working.

Many Senators and Congressmen have put forward a number of suggestions to protect the identities of U.S. intelligence officers and provide relief from some aspects of the Freedom of Information Act. I, too, share the concerns that led to these actions, and I hope that Congress will complete the important work initiated in the last session.

I will examine how we are utilizing the resources we have to produce intelligence. Are we attracting enough of the best people, and providing them with the best possible training? And, are we providing adequate incentives so that we can keep the most competent of those we have now? I know you and your counterpart committee in the House, and academic experts outside of the Congress, have been studying these matters. I would plan to review my finding with you as soon as possible to determine how we can build on our strengths and reduce areas of weakness.

I welcome any questions you may have.

I am happy to yield to my friend from New York for any comments at this time.

Mr. MOYNIHAN. I thank the Chair; I thank my distinguished chairman, the Senator from Arizona.

Madam President, with the indulgence of the Chair and the Senate, I have a brief statement which I feel it important to read in the Senate on this occasion.

Madam President, I rise in support of the confirmation of William J. Casey, of New York, as Director of Central Intelligence. I think it is particularly important to inform the Senate of those parts of Mr. Casey's testimony before the Select Committee on Intelligence which concerns his understanding of the relationship between the intelligence community and the Congress.

I should point out that our statutory intelligence oversight provisions, which are contained in the Intelligence Authorization Act enacted by the 96th Congress in 1980, are unique. There is no other democratic nation in the world in which there is such a close, confidential relationship between the intelligence community and the legislature. There is no other democratic nation in the world in which the legislature has such a wide-ranging statutory right to intelligence information.

These oversight provisions require that the congressional intelligence committees be kept fully and currently informed of all intelligence activities, including significant anticipated intelligence activities; that they be furnished any information or material concerning intelligence activities which they request in order to carry out their authorized responsibilities; and that they be informed of any illegal intelligence activities or significant intelligence failures. When the President determines that "extraordinary circumstances affecting vital interests of the United States" require it, he may limit the prior notification of a significant anticipated intelligence activity to eight Members of Congress, the majority and minority leaders of the two Houses and of the two intelligence committees.

These requirements, while creating the presumption of the fullest cooperation, are not, however, absolute. In drafting the legislation, it was recognized that there are conceivable circumstances in which the President, as Commander in Chief, might act alone. In consequence, two preambular clauses of the statute provide that the exchange of information will take place to the extent consistent with all applicable authorities and duties, including those conferred by the Constitution upon the executive and legislative branches of the Government, and to the extent consistent with due regard for the protection from unauthorized disclosure of classified information and information relating to intelligence sources and methods.

Madam President, because Mr. Casey will be, if confirmed, the first Director of Central Intelligence to take office under the new oversight regime, and because of the reservations contained in the oversight law itself, I judge it necessary to return to this subject during the committee's questioning of him. It seemed important to me to insure that when difficult questions arose under the law the Director of Central Intelligence would be inclined to put the narrowest possible interpretation on those clauses which could be used to restrict congressional access to information. After outlining the oversight legislation, I put the matter in the most severe terms, asking Mr. Casey:

(H)ow do you feel about telling this Committee things we need to know (that) you would just as soon not more than two people in the world knew?

Mr. Casey's reply, I believe, demonstrated his intention to continue the satisfactory relationship our committee had with the intelligence community during the past administration:

Senator, I intend to comply fully with the spirit and the letter of the intelligence oversight act. I intend to provide this Committee with the information it believes it needs for oversight purposes. I believe the detailed implementation is something we will work out as we go along. I would intend to follow the practices that have been worked out with the President (and with) the incumbent of . . . the office for which I've been nominated. And there are some reservations of constitutional authority that relate to the President's constitutional authority.

I cannot conceive now of any circumstances under which they would result in my not being able to provide this Committee with the information it requires. I would obviously have to be subject to and discuss with the President any particular situations which I cannot now foresee, and I would do that in a way that this Committee would know about.

It should be noted, however, that with respect to activities conducted abroad other than those intended solely for the collection of necessary intelligence, the President has an unconditional obligation to report to the intelligence committees "in a timely fashion." This insures that, regardless of the sensitivity of the operation or of any other circumstance, the Congress will eventually be informed of any covert action undertaken in a foreign country.

Mr. Casey took note of this development in his opening statement:

I am pleased that, after a period of turmoil, the Executive and Legislative Branches have now institutionalized their arrangements in the Intelligence Authorization Act for fiscal year 1981. And I pledge to conduct the relations of the Intelligence Community with the Congress in a consultative mode.

Madam President, I believe that to have been a forthcoming and satisfactory answer.

Mr. Casey's answer convinces me that he would be a vigorous advocate, in the councils of the executive branch, for a consultative, rather than confrontational, approach toward congressional rights and prerogatives in the field of intelligence.

Madam President, if the Senate confirms the nomination of Mr. Casey, and I am confident it will do that, I believe it can look forward to a continuation of the current favorable relationship between the Congress and the executive branch concerning intelligence matters.

(Mr. DANFORTH assumed the chair.)

Mr. MOYNIHAN. I thank the Chair and I thank my distinguished chairman.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point the text of the oversight provisions of the Intelligence Authorization Act for fiscal year 1981 (Public Law 96–450), which is our basic oversight statute.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PUBLIC LAW 96–450

CONGRESSIONAL OVERSIGHT OF INTELLIGENCE ACTIVITIES

SEC. 407. (a) Section 662 of the Foreign Assistance Act of 1961 (22 U.S.C. 2422) is amended—

(1) by striking out "(a)" before "No funds";

(2) by striking out "and reports, in a timely fashion" and all that follows in subsection (a) and inserting in lieu thereof a period and the following: "Each such operation shall be considered a significant anticipated intelligence activity for the purpose of section 501 of the National Security Act of 1947."; and

(3) by striking out subsection (b).

(b)(1) The National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by adding at the end thereof the following new title:

"TITLE V—ACCOUNTABILITY FOR INTELLIGENCE ACTIVITIES

"CONGRESSIONAL OVERSIGHT

"SEC. 501. (a) To the extent consistent with all applicable authorities and duties, including those conferred by the Constitution upon the executive and legislative branches of the Government, and to the extent consistent with due regard for the protection from unauthorized disclosure of classified information and information relating to intelligence sources and methods, the Director of Central Intelligence and the heads of all departments, agencies, and other entities of the United States involved in intelligence activities shall—

"(1) keep the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives (hereinafter in this section referred to as the 'intelligence committees') fully and currently informed of all intelligence activities which are the responsibility of, are engaged in by, or are carried out for or on behalf of, any department, agency, or entity of the United States, including any significant anticipated intelligence activity, except that (A) the foregoing provision shall not require approval of the intelligence committees as a condition precedent to the initiation of any such anticipated intelligence activity, and (B) if the President determines it is essential to limit prior notice to meet extraordinary circumstances affecting vital interests of the United States, such notice shall be limited to the chairman and ranking minority members of the intelligence committees, the Speaker and minority leader of the House of Representatives, and the majority and minority leaders of the Senate;

"(2) furnish any information or material concerning intelligence activities which is in the possession, custody, or control of any department, agency, or entity of the United States and which is requested by either of the intelligence committees in order to carry out its authorized responsibilities; and

"(3) report in a timely fashion to the intelligence committees any illegal intelligence activity or significant intelligence failure and any corrective action that has been taken or is planned to be taken in connection with such illegal activity or failure.

"(b) The President shall fully inform the intelligence committees in a timely fashion of intelligence operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, for which prior notice was not given under subsection (a) and shall provide a statement of the reasons for not giving prior notice.

"(c) The President and the intelligence committees shall each establish such procedures as may be necessary to carry out the provisions of subsections (a) and (b).

"(d) the House of Representatives and the Senate, in consultation with the Director of Central Intelligence, shall each establish, by rule or resolution of such House, procedures to protect from unauthorized disclosure all classified information and all information relating to intelligence sources and methods furnished to the intelligence committees or to Members of the Congress under this section. In accordance with such procedures, each of the intelligence committees shall promptly call to the attention of its respective House, or to any appropriate committee or committees of its respective House, any matter relating to intelligence activities requiring the attention of such House or such committee or committees.

"(e) Nothing in this Act shall be construed as authority to withhold information from the intelligence committees on the grounds that providing the information to the intelligence committees would constitute the unauthorized disclosure of classified information or information relating to intelligence sources and methods.".

(2) The table of contents at the beginning of such Act is amended by adding at the end thereof the following:

"TITLE V—ACCOUNTABILITY FOR INTELLIGENCE ACTIVITIES

"Sec. 501. Congressional oversight.".

Mr. GOLDWATER. Mr. President, I thank my friend from New York for that fine statement about Mr. Casey. I might just add that Mr. Casey is not a newcomer to intelligence; he was a member of that wonderful organization, the OSS, which was the start of the CIA. The OSS, Mr. President, was the first real effort this country had ever made at establishing intelligence.

I remember a remark made by Secretary of War Stimson just before World War II, when asked about intelligence and the need for espionage and so forth. He said, "Gentlemen do not read other people's mail." That is how we are starting to struggle through World War II, without any intelligence on the enemy, without any intelligence on ourselves.

Mr. Casey served in the OSS and then retired and has been a very, very successful lawyer, author and publisher, and has been successful in all the ventures in which he has taken part.

Mr. President, so that the record might be complete, I ask unanimous consent to have printed in the RECORD a statement required to be completed by Presidential nominees relative to their financial holdings, and so forth.

There being no objection, the statement ordered to be printed in the RECORD, as follows:

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name (including any former names used): William J. Casey.

Address (list current residence and mailing address): Glenwood Road, Roslyn Harbor, N.Y.

Position to which nominated: Director, CIA.

Date of birth: March 13, 1913; place of birth: New York.

Marital status: Married. Full name of spouse (including any former names used by spouse): Sophia Kurz.

Names and ages of children: Bernadette Casey, 35 yrs.

Education, institution, dates attended, degrees received, and dates of degrees:

St. Agnes High School, 1926–1928, none.

Baldwin High School, 1929–1930, 1930.

Fordham University, 1930–1934, BBS, 1934.

Catholic University of America, 1935–1936, none.

St. Johns Law School, 1936–1937, LLB, 1937.

Honors and awards: Bronze Star, WWII; William Donovan Award 1974; Honorary Doctorates; Fordham University, St. John's University, Adelphi University, Molloy College.

Memberships: Organization, office held (if any), dates:

New York Bar Association, Member, 1950 to date.

International Rescue Committee, President, 1970–71.

Citizens Commission on Indochinese Refugees, Co-Chairman, to date.

American Bar Association, Member, 1970–to date.

Nassau County Bar Association, Member, 1956–to date.

Council on Foreign Relations, Member, 1973–to date.

Atlantic Council, Director, 1976–to date.

Employment record:

1937–1950, Chairman, Board of Editors, Research Institute of America; 292 Madison Avenue, New York.

1950–1971, Partner, Hall, Casey, Dickler & Howley, & Predecessor; 270 Park Avenue, New York, Practice of law.

1954–1971, President & Editor, Institute for Business Planning & Predeces, Englewood, N.J.

1971–1973, Chairman, SEC Washington, D.C.

1973–1974, Undersecretary of State for Economic Affairs, Washington, D.C.

1974–1976, Chairman, Export Import Bank, Washington, D.C.

1976-to date, Counsel to Rogers & Wells, 200 Park Avenue, New York.

Government experience:

Member, General Advisory Commission on Arms Control.

Member, Presidential Task Force on International Development.

Member, President's Foreign Intelligence Advisory Board.

Chairman, Task Force on Equity and Ventury Capital, SBA.

Member, Commission on Organization for Conduct of Foreign Policy.

Published writings:

Lawyers Desk Book, 1965; Tax Sheltered Investments, 1952;

Estate Planning Desk Book, 1956; Forms of Business Agreements, 1966;

Accounting Desk Book, 1967;

Where and How the War Was Fought, An Armchair Guide to the American Revolution. Published by Morrow 1976;

Life Insurance, Real Estate, Mutual Funds Desk Books; Executive Pay Plans; How to Finance a Business; Renegotiation Forms of Business Agreement; Forms of Wills & Trusts; Charitable Giving and Foundations; numerous articles and speeches in law reviews and other journals.

Political affiliations and activities:

1980—Campaign Director, Reagan-Bush and Reagan for President. Contributions of $1,000 to Reagan, Bush, Connally, Baker primary campaigns $10,000 Republican National Committee, $2,000 Senatorial campaigns in New York.

1978—$10,000 Duryea for Governor in New York.

1976—Ford campaign $1,000.

1974—$1,000—Wilson for Governor in New York.

1972—$300 Nixon campaign.

Qualifications: I have been successful in directing Federal government organizations at the Securities and Exchange Commission and the Export Import Bank, and in working with a large range of government agencies and committees during my tenure as Undersecretary of State.

I have had intelligence experience in building the American intelligence service in Europe in World War II, and in directing clandestine intelligence operations into Germany during the last six months of World War II. Since then, I have been an active consumer and user of American intelligence as a member of the General Advisory Committee on Arms Control and as Undersecretary of State. I have also had an opportunity to study the organization and operation of our intelligence services as a member of the Murphy Commission on the Conduct of Foreign Policy and as a member of the President's Foreign Intelligence Advisory Board.

During my entire working life my activities as a lawyer, author and editor have involved the gathering, analysis and evaluation of information and applying it to practical purposes.

As far as it can be foreseen, state your plans after completing government service. Please state specifically any agreements or understandings, written or unwritten, concerning employment after leaving government service, in particular concerning agreements, understandings or options to return to your current position:

I have no plans at present, but in the past after completing government service I have always returned to the practice of law. I have no agreements, understandings or options to return to my present position.

Have you been an attorney for, or a representative or registered agent of, a foreign government, or any entity under the control of a foreign government? In your present position are you formally associated with individuals who are attorneys for, or representatives or registered agents of, foreign governments or entities? If the answer to either or both questions is yes, please describe each relationship on a separate sheet:

Neither I nor my firm currently represent any foreign government or any foreign government entity. The firm is performing commercial related legal work for a variety of privately-owned foreign companies.

Describe the financial arrangements you have made or plan to make, if you are confirmed, in connection with severance from your current position. Please include severance pay, pension rights, stock options, deferred income arrangements, and any and all compensation that will or might be received in the future as a result of your current position or your past business or professional relationships:

None, except that upon termination with firm I will receive a severance amount to be agreed upon.

Please list below all corporations, partnerships, foundations, trusts, or other entities toward which you have fiducial obligations or in which you hold directorships or other positions of trust:

Capital Cities Communications, Director.
Long Island Lighting Company, Director.
Long Island Trust Company, Director.
St. Francis Hospital, Roslyn, N.Y., Trustee.
Intend to resign these upon confirmation.

PROPERTY HOLDINGS OF WILLIAM CASEY

Listed securities:
Capital Cities Communications;
Investment Annuity, Inc.;
Philip Morris;
Datapoint Corp.;
Dennison Manufacturing;
International Business Machines;
Rolm Corp.;
Johnson & Johnson;
Raychem Corp.;
Englehard Minerals & Chemicals;
Ranchers Expl. & Dev.;
AMAREX, Inc.;
Apache Corp.;
Atlantic Richfield;
Dome Petroleum;
Kerr-McGee;
Mesa Rty.Tr. Unit Ben. Int.;
Southland Royalty;
Standard Oil Indiana;
Superior Oil;
Halliburton;
Schlumberger Ltd.;
Long Island Lighting Co.;
Permian Basin Trust; and
San Juan Basin Trust.

Limited partnership interests:
Min-Sub—small submarine venture;
REALCO—waste recycling venture;
Penverter—computer input venture;
ITA—importing venture;
COAP Planning—computerized financial analysis; and
North Courts—racquet ball courts.

Real estate:
Home in Roslyn, N.Y.
Home in Palm Beach, Fla.
Capitol Towers Unit II—Interest in garden apartments, Sacramento, Calif.

List all loans, mortgages, or other indebtedness in excess of $1,000: None.

Please describe all gifts of pecuniary value in excess of $500 received in the past five years. None.

Please list any legal actions in which you are presently either a plaintiff or defendant, and any legal actions in the last five years in which you have been a plaintiff, defendant, or witness.

Defendant: Kurz v. Casey—action against me and wife as owners of lawn mower brought by widow of brother-in-law who had heart attack while mowing lawn at house occupied by him but owned by us—action dismissed from bench—1979 in Supreme Court, Nassau County, N.Y. in 1979—notice of appeal filed.

Maiden v. Biehl—derivative action brought on behalf of bondholders against directors, accountants (Harkness & Sells) and investment bankers selling bonds of Multiponics, an agricultural company of which I was a director—has been pending in Federal Court, Southern District of New York for over five years.

Scheuer vs. Trustee holding Sacramento garden apartments for my benefit involves claim for inflation adjustment and payment of compensation for managing property.

Witness: National Cash Register v. Ginsberg, N.Y. Supreme Court—witness to conversation action on contract against client. Character witness U.S. vs. Clifford—Eastern District, N.Y.

Character witness U.S. vs. Gleason—Southern District, N.Y.

Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated. None.

List any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy. List specifically any appearance before any committee of the Congress, and any other effort in any capacity to influence an action of a committee of Congress.

1978–1979 Testified as Co-chairman of Citizen's Commission for Indo-Chinese Refugees before Senate and House Subcommittee on Immigration and before Subcommittee of House Foreign Relations Committee on visit to Islands in S.E. Asia to which boat people were going to escape Vietnam—urged stronger relief measures for these refugees.

Participated with partners of my law firm in making representations on behalf of client who builds condominiums in Florida on impact of condominium legislation pending in Senate and House—1980.

Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items:

By disposing of assets or establishing a blind trust if necessary.

List sources and amounts of all income received during the last five years, including all salaries, fees, dividends, interest, gifts, rents, royalties, patents, honoraria, and other items exceeding $500. (If you prefer to do so, copies of U.S. income tax returns for these years may be substituted here, but their submission is not required.)

	1980	1979	1978	1977	1976
Salary and directors fees	160,000	96,050	208,595	116,000	114,528
Fees, royalties	17,000	49,000	57,150	26,517	6,885
Dividends	67,000	53,374	41,164	30,684	43,259
Interest	15,000	46,027	43,122	43,259	14,498
Gifts					
Rents	51,000	1,200			
Other, exceeding $500	7,000	7,124	3,964	5,010	4,269
Total	317,000	252,775	353,995	221,470	183,439

CLIENT LIST

Diamond Distributors, Inc.
Bear, Stearns & Co.
Capital Cities Communications.
Est. of Jos. E. Ridder, Dec'd.
Charles Atwood.
Cox & Company.
John Foglia Sr.
Kephart Communications Inc.
Environmental Research & Technology.
Fidelity Management & Research.
Anthony G. A. Fisher.
Sidney Colen.
Jeremiah Burns, Inc.
Resource Asia.
Parr Meadows Racing Association Inc.
Robert Ross.
Litco Corp. of New York.
Long Island Trust Co.
Promenade Magazines, Inc.
Dr. Irving I. Dardik.
Mitchell P. Kobelinski.
Fitch Investors Service, Inc.
Armor Products Inc.

Jack Farber.
Lauraine G. Smith.
Nassau County.
King Kullen Grocery Stores.
Energy Transition Corp.
Andrew Duell.
Milton Zipper.
Saudi American Lines Company.
The Institute for Economic Affairs.
Gladding Corp.
The Wackenhut Corporation.
Philip J. Sagona.
Housatonic Valley Paper Co.
Servo Corporation of America.
Semiconductor Specialists Inc.
S. G. Warburg & Co. Ltd.
Korvettes Inc.
Edward Swanson.
Florida Condominium Corp.
The Alternative Education.

Other information:

Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense? No.

Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination. None.

Please provide the Committee with the names and current addresses of five individuals whom you believe are in a position to comment upon your qualifications for the office to which you have been nominated:

John J. McCloy, 1 Chase Manhattan Plaza, N.Y. 10005.

Richard Helms, 4649 Garfield Street, N.W., Washington, D.C. 20007.

William Rogers, Rogers & Wells, 200 Park Avenue, New York, N.Y. 10017.

Stanley Sporkin, 8816 Brierly Road, Chevy Chase, Md. 20015.

Leo Cherne, Research Institute of America, 589 Fifth Avenue, N.Y. 10017.

Are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so? Yes.

Are you willing to provide such information as is requested by such committee? Yes.

Mr. GOLDWATER. Also, because Mr. Casey was a member of the Murphy Commission on the Organization of Government for the Conduct of Foreign Policy, which made a rather complete recommendation in the areas of intelligence, executive-congressional relations, and so forth, I ask unanimous consent that a statement on this subject be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MURPHY COMMISSION

Mr. Casey was a member of the Commission on the Organization of the Government for the Conduct of Foreign Policy (Murphy Commission) from March 1974 through January 1976. The Commission was established in July 1972 to propose improvements in the means by which foreign policy is made and implemented, in both the executive and legislative branches.

The Commission submitted specific recommendations in the areas of intelligence, executive-congressional relations, and congressional organization and procedure, among others. The executive summaries of these findings are excerpted below.

INTELLIGENCE

National security and the effective conduct of U.S. foreign policy require maintenance of intelligence capabilities of the highest competence. Intelligence in a democracy must meet three tests: to provide accurate information and competent analysis concerning the issues of greatest concern to policymakers; to avoid unnecessary costs and duplication; and to function in a manner which commands public confidence.

Firmer oversight of the intelligence community is required. This is difficult to achieve for a variety of reasons.

The community consists of many agencies, with differing objectives and lines of command. The great bulk of its budget and manpower falls within the Department of Defense, yet the Secretary of Defense clearly should not also serve as the nation's chief intelligence officer. Prior efforts to deal with this situation have taken several forms, but have hinged on the Director of Central Intelligence (DCI). In addition to his responsibilities for CIA, the DCI has been charged with the oversight and leadership of the entire intelligence community.

This arrangement has worked only partially. Having line authority over their own agency but only limited influence over other intelligence units, DCIs have tended to devote themselves largely to CIA affairs.

Several changes are necessary. To supervise effectively the intelligence community, the DCI must be a close assistant to the one official who does ultimately command each element of the community: the President. In order to meet his community-wide responsibilities, as well as to be the President's principal intelligence adviser, the DCI should have an office in close proximity to the White House and be accorded regular and direct contact with the President. He should delegate much of his authority for the day-to-day direction of CIA to his deputy. In addition, some extensions of the DCI's current responsibilities for community-wide planning and budgeting are recommended.

To make clear exclusively foreign responsibilities of the Central Intelligence Agency and of its Director, the CIA should be retitled the Foreign Intelligence Agency (FIA), and its Director, the Director of Foreign Intelligence (DFI).

The Director of Foreign Intelligence should have a broad understanding of foreign and national security affairs, managerial skill, sensitivity to the constraints within which an American intelligence service must operate, independence and high integrity. The DFI should normally be a person of stature from outside the intelligence career service, although promotion from within should not be barred.

In view of the special importance and sensitivity of intelligence, the President should have sources of advice independent of the DFI. The President's Foreign Intelligence Advisory Board (PFIAB) should become the principal such source. Each incoming President should review and make such changes in PFIAB's membership as may be required to give him high personal confidence in that body's values and judgment. PFIAB's staff should be enlarged and drawn in part from sources outside the intelligence community.

The quality and relevance of intelligence need continuing upgrading, with a more active NSC Intelligence Committee (NSCIC) as the principal forum for resolution of differing perspectives of consumers and producers. Analytic improvements are also needed, notably in the areas of Foreign Service reporting, economic intelligence, and the process by which National Intelligence Estimates (NIEs) are produced. A better balance between technical and human means of intelligence collection is required.

To supplement steps taken in recent years to improve resource management, a multi-year plan for allocation of intelligence responsibilities across the community should be prepared, and on the basis of this plan, an annual consolidated foreign intelligence budget should be developed.

Covert action. Many dangers are associated with covert action. But we must live in the world we find, not the world we might wish. Our adversaries deny themselves no forms of action which might advance their interests or undercut ours. In many parts of the world a prohibition on our use of covert action would put the U.S. and those who rely on it at a dangerous disadvantage. Covert action should not be abandoned, but should be employed only where such action is clearly essential to vital U.S. purposes and then only after careful high level review.

Present practices for review and approval of covert action are inadequate and should be strengthened. Covert actions should be authorized only after collective considerations of their benefits and risks by all available 40 Committee members. In addition, covert action should be reported on the proposed Joint Committee of the Congress on National Security or to some other appropriate congressional committee.

EXECUTIVE-CONGRESSIONAL RELATIONS

A new era of cooperation between the executive and congressional branches in foreign relations is vital to the security of our Nation and to the peace of the world.

Major foreign policy problems of the future will increasingly arise from the tightening economic and physical interdependence of nations, and problems of interdependence will sharply affect the domestic economy and therefore merge with domestic political issues. Foreign policy will therefore touch the American public more directly, and will involve the Congress to a greater degree. Moreover, the Constitution gives the Congress the sole power to regulate commerce with foreign nations: as that commerce becomes more central to our foreign relations, the Congressional role must inevitably grow. The Congress, then, must be prepared to play, effectively and responsibly, a broader role than before in those issues with both foreign and domestic dimensions.

Balance and effectiveness in the future conduct of our international relations is necessary, not a radical shift in power between the branches. The executive must conduct relations with other countries. The President must have the flexibility to negotiate effectively and provide responsible leadership in meeting international demands of increasing complexity. But measures are needed to provide for a fuller sharing of responsibilities in that broad region where both branches must act together.

A Classification System Based on Statute. Too much information in the field of foreign policy is classified too highly, and too long. A number of corrective actions have recently been taken, but the classification system still operates without any statutory basis. Procedures so important and potentially so dangerous as those which restrict the ability of a free people to review the operations of its own executive departments should be defined and circumscribed by law.

The Congress should consider legislation establishing a comprehensive classification system based on the following guidelines:

Mandatory classification of specified types of information relating principally to national defense and the sources and methods of intelligence.

Mandatory exemption from classification of certain other information.

Classification or exemption from classification of all other information on the basis of specified criteria balancing the need for secrecy against the potential value of disclosure.

CONGRESSIONAL ORGANIZATION AND PROCEDURES

To improve the coherence and consistency of Congressional actions affecting other nations, the House Committee on International Relations should be accorded "special oversight functions" over reciprocal tariff agreements, in addition to its other responsibilities for trade policy issues. It should also exercise concurrent legislative oversight over international financial organizations, together

with the House Committee on Banking and Currency. A review by the Senate of its own committee system also now seems appropriate. Subcommittees in both Houses should be more fully utilized to strengthen the basis of committee action, and to provide greater interchange with working-level executive officials as should joint subcommittees hearings.

A New Joint Committee. Since political, military and economic aspects of foreign policy have become interlocked, Congress should contain some forum in which those interrelations can be directly weighed. At the same time Congress is requiring greatly increased consultation with senior foreign policy officials of the executive branch. The result is a potentially unsustainable demand on senior executive officials for multiple appearances before Congress. To help resolve both problems, and to provide more effective oversight over the intelligence community, a Joint Committee on National Security should be established. It should perform for the Congress the kinds of policy review and coordination now performed in the executive branch by the National Security Council, and provide a central point of linkage to the President and to the officials of that Council.

In addition, it should take responsibility for Congressional oversight of the Intelligence Community. The Joint Committee should include the leaders of the key foreign, military, and international economic committees from each House, and several Members-at-Large appointed by the party leaders. It should be vested with authority to:

Receive, analyze and refer reports from the President under the War Powers Act.

Receive and review analytic products of the intelligence community.

Oversee the system of information classification discussed above.

Establish a code of conduct to govern the handling by Committee members of classified or sensitive information.

In two specific areas the Joint Committee might usefully have authority to report legislation to the floor of each House. These are to consider the creation of a statutory system of information classification; and (if intelligence oversight is assigned to it), annual authorization of funds for the intelligence community.

In the event that this Committee is not established a Joint Committee on Intelligence should be created to assume the important task of Congressional oversight of the intelligence community.

Mr. GOLDWATER. Mr. President, if there are any questions, I shall try to answer them.

Mr. PROXMIRE. I have some questions.

First, I agree wholeheartedly with Chairman GOLDWATER and Senator MOYNIHAN, that this man is well qualified. He has had more experience than probably any other head of the Central Intelligence Agency. He did serve in the OSS and on the Murphy Commission. He obviously is a man of valuable experience in this area, and that is greatly to his credit and to the credit of President Reagan for having made the appointment.

My difficulty with this nominee is what seems to be—and maybe I am being unfair to him, because this is an unusual area—a paucity of responses to questions at the hearings, and questions I submitted in writing. As I say, I understand fully that much of what the CIA does has to be classified and should be classified.

In response to a question as to his plans for increasing the budget of the intelligence community or its personnel authorization, Mr. Casey replied that he has not yet studied the figures.

Recognizing that no potential agency head will be informed about all the details of his budget, I ask Chairman GOLDWATER why it is not possible for this nominee to have at least general ideas about the direction in which this budget will be required to move, up or down. We do not need specifics, because they are classified, but we should know his general plans.

Mr. GOLDWATER. The preparation of the budget for intelligence purposes, as my friend realizes, is a very difficult thing. We are in the process now of preparing that budget, and Mr. Casey, to my knowledge, has not seen it, although he probably has had a look at it since he has moved over to the CIA headquarters.

It is arrived at in a rather peculiar way. The Armed Services Committee has a hand in it. The Intelligence Committee has a hand in it. There is a big part of that budget that is highly classified, that we cannot even talk about in the committee.

So it is difficult to give the Senator an answer, and it would be just as difficult for Mr. Casey.

Mr. PROXMIRE. I appreciate fully what the Senator is saying about the Carter 1981–82 budget. I am not talking about that. I am talking about the disposition of the new Director of the Central Intelligence Agency—whether he would feel that, on the basis of his great experience, this agency should have more personnel, more resources to do the job, or whether they can make the reductions we would all like to see in all agencies, where possible.

Mr. GOLDWATER. I can only say from my experience—and I depend on my colleague to say what he thinks—that in the CIA, itself, there probably will be a slight increase in personnel. I cannot say that for certain. However, after the Church committee got through with the intelligence family of our country, there were wholesale leavings. The unfortunate thing is that a number of people who left were the older people. When I say "older," I do not mean by age but by experience—those men who had become expert assessors of intelligence.

This may be difficult to believe, but we are having more applications to join the CIA today than we can handle. But we are very short in this highly qualified, specialized branch, of being able to take bits of intelligence from the whole family—and we must keep in mind that there are 19 members of the family in this town and around the country—and make a proper assessment to give to the Joint Chiefs of Staff, to give to our committee, to give to the President.

So I can only say that I think there will be more people working for the CIA How many, I would not want to guess.

Mr. MOYNIHAN. Mr. President, I say to my distinguished friend from Wisconsin that, as he of course knows, the budget documents, estimates, and trends of the intelligence community, while kept in the Select Committee on Intelligence, are available to him at any time, and we would welcome his formidable capacity in these matters.

Mr. PROXMIRE. I believe that Senator GOLDWATER has answered very well. All I am asking is to find out what the disposition of this particular nominee would be. I realize that the budget document is going to come down, but I want to know what his feeling is. I may disagree with the budget documents because I have confidence in Mr. Casey. I would like to know what he feels, not what the administration is proposing, necessarily—although that is important, too—but how he feels about the Agency he is going to take over.

Mr. GOLDWATER. I do not think we can say what he feels. He has been in office only a week. I will say that he has obtained as his assistant Adm. Bobby Inman—and his name is Bobby, not Robert or Bob.

Mr. PROXMIRE. He is an outstanding man. He has testified before our committee.

Mr. GOLDWATER. I think he is the outstanding intelligence expert in the world, and his job also is related to the Senator's question; because Mr. Casey wants to use Admiral Inman to sort of put the whole show together more than it is, more than having these different agencies sort of shooting off on their own, to have a concentration of intelligence more closely gathered.

Mr. PROXMIRE. I appreciate that.

I understand that when the Central Intelligence Agency was created, it was created precisely for the purpose that the title "Central Intelligence Agency" implies—to pull together the diverse kinds of intelligence we got from military, naval, FBI, and so forth.

I asked Mr. Casey a number of questions about the structure of the intelligence community, none of which he answered with any clarity.

I asked him if he should have control over the budget of NSA and DIA, and he said he could see advantages and disadvantages.

I asked him if the CIA should be split into covert and analytical sections. He said he is studying the matter and has not reached any definite conclusions. It would be helpful if he could have given us more of his thinking.

Mr. GOLDWATER. I say to the Senator that these matters concern us very much. We are now in the process, as a committee, of forming a new subcommittee. When we decide what the function of this subcommittee is going to be in foreign intelligence and American rights, we will be better able to answer the Senator's question. But right now, I do not think we would be able to do so

Mr. MOYNIHAN. I join in welcoming the thought that Admiral Inman is going to take on a general, community-wide role. Previously, the position of deputy director was primarily confined to the day-to-day running of the Agency itself. He is a superb man, and it is an act of genuine patriotism for him to stay at a time when he was thinking o. leaving.

I say to the Senator from Wisconsin

that, in all truth, if Mr. Casey were to have come forward with confident answers to the very probing questions of the Senator from Wisconsin, I would have been a little alarmed about Mr. Casey. He is not the kind of man who tells you things he does not know. He is not the kind of man who decides he knows things until he has learned them.

However, I will agree with the chairman that there is no question that the analytic capacities of this community have deteriorated—at least, in my opinion—and that they need to be restored. This need not involve greater expenditure, but it means changes of a managerial kind.

Mr. PROXMIRE. May I ask Chairman GOLDWATER does he feel that the Director of Central Intelligence, Mr. Casey, should have functional control over the budgets of the various intelligence agencies?

Mr. GOLDWATER. I think he should have and will have, through our new President, a hand. I would not say it is a final hand because each agency really is a separate identity in the intelligence community. They prepare their own budgets. However, I cannot answer that question until I hear what the President is going to suggest relative to a more closely united intelligence group.

Mr. PROXMIRE. Certainly it would be more unified, would it not? We would have more discipline and be able to enforce greater discipline in the whole operation.

Mr. GOLDWATER. That is part of it. But we have such a diversity. We have parts of the intelligence community that are engaged totally in extremely secret work in the electronics field that have really no close relationship to what we are talking about. So I would rather wait and see.

I do not know just what the President is going to recommend in this particular line, and I would not want to try to outguess him.

Mr. PROXMIRE. Does the chairman believe the CIA should be split into two different organizations with covert and analytical capabilities?

Mr. Casey said he did not know or was not familiar with the charge that there was duplication.

Mr. GOLDWATER. No, I do not think with our intelligence system that that would be advantageous. We have the ability to perform covert work, clandestine work. It would be my hope, and I know I speak for my friend, also, that we would give the foreign intelligence officers a little more leeway in these fields. Today, if they want to perform a clandestine or covert action they literally have to come back to Washington to get permission and as a result of that and other problems, like the disclosure of name, rank, and serial number of these foreign agents, our information gathering ability has deteriorated greatly.

I would rather see this operate under one roof than split it up into others.

Mr. PROXMIRE. When the Senator says, "come back to Washington," is he saying come back to Congress or come back to the President? Does the Senator not feel in covert operations the President should have clear and complete responsibility and control?

Mr. GOLDWATER. Come back to the President, if it is a minor question, come back to the CIA itself, and if it involves a rather involved covert action, they, I think, would come to the committee. Under the responsibilities that were given the committee by the Senate, they have to report covert actions to us.

I, as an individual, am not certain that I like that. I think probably, also, many people in this Congress learn of the activities of intelligence but I will say thank God we have not had any leaks from the committee members and we are proud of that.

Mr. MOYNIHAN. Mr. President, will the Senator mind if I just add that the present reporting provisions are statutory, and that I do not think the committee anticipates any proposals to change them. This committee is more than amply informed, and I think the chairman is properly sensitive that so much information is on hand here. But that is the choice we have made and the arrangement is working.

Mr. PROXMIRE. Mr. Casey indicates that he would be opposed to making a public breakdown of the budget of the CIA, and so would I. I think that would be obviously wrong.

Mr. GOLDWATER. We do not do it now.

Mr. PROXMIRE. I note he does not rule out making public the overall total. The previous Director, Admiral Turner, said he would have no objection to making public the overall total, and I understand the administration took that position. The House of Representatives was opposed to it.

I wonder if the distinguished chairman could tell me his position on that?

Mr. GOLDWATER. Yes; I would be opposed to it because any Senator in this body who wishes to see it can come to our office over in the new Senate Office Building and observe not only the budget but any piece of classified material that we have. We have to protect that figure. It would be extremely dangerous to disclose money.

Mr. MOYNIHAN. May I just, so that the record will be clear, indicate my complete agreement with the chairman on this matter. Congress has this information. It need not, it seems to me, go any further.

Mr. PROXMIRE. I am not so sure. The Senator may well be correct, and that certainly is a position, as I say, a number of responsible and thoughtful people share. On the other hand, I am not talking about a breakdown; I am just talking about a notion of how big this is. Is it $1 billion, $500 million, $3 billion?

I call attention to the Constitution which one sentence of it says:

> No money shall be drawn from the Treasury but in consequence of appropriations made by law, and a regular statement and account of the receipts and expenditures of all public money shall be published from time to time.

Mr. GOLDWATER. That is true, but the Senate wrote a little resolution called Senate Resolution 400, and while they did not overlook the responsibilities of the Constitution, they did not spell out for the public to know that the Senator or any Member of this body has access to the breakdown and the total. I cannot tell the Senator the total. It is a big amount. Let me put it that way.

Mr. PROXMIRE. I realize we have access, but again I think debate and public disclosure wherever possible is cleansing and constructive. I am talking about the overall amount, not a breakdown.

Mr. GOLDWATER. I might point out when we begin to use dollars and our enemy knows about the amount of those dollars, they have a pretty good idea of what we are doing in the intelligence field just as we have a pretty good idea of what they are doing when we know the amount of rubles that they are paying out.

Mr. PROXMIRE. I notice that both Mr. Colby and Mr. Turner said there would be no national security problem in making the overall figure available. But I respect the distinguished Senator from Arizona very much on that, and I think he may be correct.

I notice with great interest that Mr. Casey leaves open the door to using U.S. reporters and members of the press for intelligence operations. He says he will adhere to current regulations and procedures, but if improvements in intelligence performance are needed, he will consult with the Select Committee on Intelligence.

Let me ask: If Mr. Casey does decide to make greater use of U.S. reporters and members of the press than current regulations allow, will the committee make this fact known to the Senate so it can be debated by all Members and not just the committee?

Mr. GOLDWATER. I will not be opposed to telling the Senate any thing that we reach a decision on in that field, but I might say, and I feel very strongly about this, that I see no reason why a newspaper man or woman or reporter cannot be just as patriotic toward this country as any of us who are perfectly willing to go overseas and do anything we can to help our country, and I think I speak for nearly every newsman in this country who rather resent the implications that for some unknown reason we should not look on them as people who would be willing to help their country with knowledge that they gained.

Mr. PROXMIRE. There is no question at all about the patriotism of our newsmen. The problem, however, of course, is we value very highly in this country freedom of the press. One of the greatest values we have is the freedom, objectivity, and honesty of the press, and if the press is going to be paid by a Government agency secretly to engage in activity it does perhaps color the view that people have as to what they are reading. If they read a report in the New York Times or the Washington Post, and it is written by a CIA agent who is getting paid by the Government, one would put a different slant on it than if it were written by someone who was

completely independent and outside the Federal payroll.

Mr. MOYNIHAN. Mr. President, if the Senator will not mind if I speak to that, this might be one of those issues which are bound to arise even with as close a relationship as we have on the committee where I would have to respectfully disagree with my chairman. I am adamant on the view that it is in the interests of the press that relations with the intelligence community be prohibited. It is for their protection. We do in fact sacrifice the rights, as it were, of individuals who might wish to do this, but the larger institutional and constitutional regime is to me controlling here.

I say to the Senator from Wisconsin that if there is any such change contemplated, this full body will know about it, and he may be sure of the openness of the chairman on this matter.

Mr. PROXMIRE. That is exactly what I asked for, and I appreciate it.

Mr. MOYNIHAN. Mr. President, will the Senator be gracious enough to allow me to put in the RECORD the CIA regulations concerning relationships with journalists. I ask unanimous consent to so do, Mr. President.

There being no objection, the regulations were ordered to be printed in the RECORD, as follows:

CIA REGULATIONS CONCERNING RELATIONSHIPS WITH JOURNALISTS

AS OF 19 APRIL 1976

Correspondents and representatives of public media. CIA will not enter into any paid or contractual relationship with any full-time or part-time news correspondent accredited by any U.S. news service, newspaper, periodical, radio or television network or station. CIA recognizes that members of this group may wish to provide information to the CIA on matters of foreign intelligence of interest to the U.S. Government. The CIA will continue to welcome information volunteered by such individuals.

AS OF 3 MAY 1977

Correspondents and representatives of public media. CIA will not enter into any paid or contractual relationship with any full-time or part-time news correspondent accredited by any U.S. news service, newspaper, periodical, radio or television network or station. CIA recognizes that members of this group may wish to provide information to the CIA on matters of foreign intelligence of interest to the U.S. Government. The CIA will continue to welcome information volunteered by such individuals. The policy against paid or contractual relationships with members of the U.S. media is not meant to preclude the use of such personnel as guest speakers (paid or otherwise) in CIA training courses.

AS OF 30 NOVEMBER 1977

Journalists and staff of U.S. news media organizations:

(1) Policy. The special status afforded the press under the Constitution necessitates a careful policy of self-restraint in regard to relations with U.S. news media organizations and personnel. Accordingly, neither the Agency nor the Office of the Director will:

(a) Enter into any relationship with full-time or part-time journalists (including so-called "stringers") accredited by a U.S. news service, newspaper, periodical, radio, or television network or station, for the purpose of conducting any intelligence activities. The term "accredited" means any full- or part-time employee of U.S. or foreign nationality who is formally authorized by contract or by the issuance of press credentials to represent himself or herself either in the U.S. or abroad as a correspondent for a U.S. news media organization or who is officially recognized by a foreign government to represent a U.S. news media organization.

(b) Without the specific, express approval of senior management of the organization concerned, enter into any relationships with nonjournalist staff employees of any U.S. news media organization for the purpose of conducting any intelligence activities.

(c) Use the name or facilities of any U.S. news media organization to provide cover for any Agency or employees or activities.

(2) Limitations.

(a) The policies set forth above are not designed to inhibit open relationships with journalists (as for example contracts to perform translating services or to lecture at training courses) which are entered into for reasons unrelated to such persons' affiliation with a particular news media organization. Willingness on both sides to acknowledge the fact and nature of the relationship is the essential characteristic of the open relationships which will be entered into with journalists under this provision.

(b) In addition, no person, including full-time or part-time accredited journalists and stringers, will be denied the opportunity to furnish information which may be useful to the U.S. Government. Therefore, unpaid relationships with journalists or other members of U.S. news media organizations who voluntarily maintain contact for the purpose of providing information on matters of foreign intelligence or foreign counterintelligence interest to the U.S. Government will continue to be permitted.

(c) Likewise, regular liaison with representatives of the news media will continue to be maintained, through the Office of the Assistant for Public Affairs to the Director, to provide public information, answers to inquiries, and assistance in obtaining unclassified briefings on substantive matters.

(3) Exceptions. No exceptions to the policies stated above may be made except with the specific approval of the Director.

Mr. MOYNIHAN. I would note that the first version of these regulations was promulgated by Vice President BUSH in 1976, at which time he was the Director of Central Intelligence.

So you have here a situation where the Vice President was very much of the view which, I think, I would share with the Senator from Wisconsin.

Mr. GOLDWATER. Mr. President, let me make my point clear. I am not in favor of putting press people on the payroll because that type of work we get done without the use of our newspaper people. But I do not want any newspaper person to feel he is prohibited from coming home and saying, "I have heard this."

Mr. MOYNIHAN. Indeed they are not.

Mr. GOLDWATER. That is right.

Mr. PROXMIRE. Let me ask the same question about using missionaries for intelligence purposes. Mr. Casey states he will adhere to the regulations and procedures that now apply to members of the clergy, but that he might recommend changes. If changes are recommended with respect to using the clergy for intelligence purposes, will the committee report this to the Senate?

Mr. GOLDWATER. Oh, yes. I know of no effort which has been made, I know of no effort being planned, to use the clergy.

Again if a missionary wants to voluntarily say, "I have heard this" or "I have seen that" I think that is up to the individual.

Mr. PROXMIRE. Let me ask the distinguished chairman, I asked Mr. Casey in writing what the benefits and risks are of the CIA training foreign intelligence personnel. He said he was not familiar with the issue.

Does the chairman have an opinion as to the risks and benefits of training foreign intelligence personnel? Why could not Mr. Casey with his years of intelligence experience, provide an answer to that question?

Mr. GOLDWATER. Well, I rather hesitate to answer that question. Let me see if I can put it in a way that will not violate my sense of secrecy.

We have to have what we call eyeball information. It is one thing to get information that maybe comes from a satellite or some other source that our enemy has a certain weapon. It is much more valuable to have a man who has gone in, put his hands on it, read the mark number, has seen it, and, if possible, gets photographs. That man would be more likely a foreign person than an American.

I would say they are as valuable a part of our intelligence service as any part I can think of.

Unfortunately, the activities aimed at the intelligence community have caused us to lose many of our friends around the world who were willing to tell us things we would not have known otherwise.

Mr. PROXMIRE. I did not state my question clearly. What I meant to stress was whether or not we should use our CIA to train foreign CIA's in various foreign countries; in other words, foreign intelligence personnel trained by our own people so that the American CIA would train some other countries' intelligence personnel and what the opinion of the chairman might be in that event.

Mr. GOLDWATER. Well, let me just say that if that need comes, I would not oppose it.

A need like that is a very serious need. The judgment is not made overnight. The committee can be informed of such use. We have had none of it lately.

Mr. PROXMIRE. You see what this Senator had in mind were the risks involved in this kind of thing with, perhaps, another regime taking over and blaming the United States for repressive measures and for all the evils and ills, if any, that the previous regime had imposed. It is that kind of matter in which I am interested.

Mr. GOLDWATER. We get blamed for everything anyway.

Mr. PROXMIRE. I realize that. It may be a price worth paying, but it is something we ought to have our eyes open about.

Mr. GOLDWATER. Maybe the Senator is thinking of incidents such as reportedly occurred in Chile which, frankly, never occurred but the American people were led to believe they had occurred.

I will not say the CIA has never gone into another country and done a little spade work on our behalf. I think that is their business.

Mr. PROXMIRE. One final question:

The CIA was set up, according to the CONGRESSIONAL RECORD that was made at the time—and I read the CONGRESSIONAL RECORD very carefully—for the purpose of combining our intelligence operations and bringing them together. I think they have done a valuable job in that respect, and I think it is absolutely essential. No foreign policy can be successful if it does not have good intelligence; no military policy can be successful. We have to have it.

At the same time, however, the CIA has recently engaged in covert operations which were no part of the original charter.

I have talked to Congressman Judd, for example, who is still in Washington, a neighbor of mine, and who was, of course, a very fine Congressman, as the Senator knows, and who had a great deal to do with setting this up.

Whatever President Truman said as the President in office at the time this was set up, he did not seem to contemplate either the covert action.

We have a whole record of errors and mistakes and embarrassments that have been caused by covert actions in Cuba, Guatemala, Laos, Tibet, Indonesia. and elsewhere, and I do not know of any record of real success.

For years they could point to Iran as a great success. People have mixed feelings on that now. It certainly was a success for many years and very important to us to have the Shah instead of Mossadegh in power. But, of course, that has crumbled to ashes.

I just wonder if the Intelligence Committee has thought of studying this as objectively as possible to determine whether or not covert action as distinct from intelligence. and aggressive. vigorous intelligence. I mean not only reading other people's mail but doing everything you have to do to find out what is going on. whether covert action has been justified as a matter of history? We have had 30 years now of CIA operations and the question is whether covert action has been justified or not as a matter of history.

Mr. GOLDWATER. I would not presume to answer that question with the thought that I am speaking for Mr. Casey, and that is what we are here for. I think what the Senator is really touching on are the actions of our Intelligence Committee.

Now, because the Senator brought it up, I think we might as well get the record clear. All of the so-called violations by our intelligence community that have taken place over the many years were directed by the President. The assassination attempts in Cuba were under the orders of the Commander in Chief, and when the Commander in Chief says to do something you do it even though it is against the rules.

The rules have been reunderstood to the point that the intelligence agencies can now argue with the President on anything they are ordered to do that they think would be wrong for the country.

But all the mischief they have gotten into has been the result of a long series of orders by Republican and Democratic Presidents alike.

So again I am only talking now for myself and not for Mr. Casey. I might say though in connection with this that even though the CIA was created to create a cohesive body, so were the Joint Chiefs of Staff.

Yet I learned the other night, to my great surprise, that unless every decision by the Joint Chiefs is unanimous, it has to go to the Secretary of Defense for decision. I am going to see what we can do about changing that because if five good four-star generals cannot agree, I do not know how somebody who has been the president of this corporation or that corporation can make a better judgment. This is the way it goes. You know this through the history of our country, the late history, where we have tried to make things better, and many times we have made them worse.

Mr. PROXMIRE. I realize there may well have been some brilliant successes in covert operations, but I think the general feeling on the part of many people and on the basis of the only facts we have is that covert operations have been dismal failures again and again and again. They have been counterproductive; they have caused embarrassment; they have not achieved what we would like to have achieved and, under those circumstances, I think we ought to take a harder look at it. It may be that we ought to concentrate exclusively on aggressive intelligence and recognize that covert operations have failed. Maybe not.

Mr. GOLDWATER. We have had many successful covert operations.

Mr. PROXMIRE. That is what we do not know about. We would like to have a report on that.

Mr. MOYNIHAN. Mr. President, I will observe that any such activities are known to this committee. All covert activities are known to this committee. If the Senator wishes, they could be made known to him, although it is a presumption that the committee is assigned to do this.

Mr. GOLDWATER. Mr. President, I might add, too, that the committee can say no to the covert action.

Mr. PROXMIRE. Mr. President, may I say that is reassuring. I want to thank the distinguished chairman and Senator MOYNIHAN for their very helpful response.

Mr. President, I intend to vote for the nominee. I think he is well qualified. I am hopeful that he will have a successful 4 years as Director of the CIA.

Mr. GOLDWATER. I thank my friend from Wisconsin.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Mr. President, I understand that the voting today will not take place until 5 o'clock.

The PRESIDING OFFICER. Rollcall votes will be postponed until 5 o'clock.

Mr. GOLDWATER. Mr. President, I have nothing else to say. I wish to thank my distinguished friend from New York for the valuable help that he gave, as he always does.

Mr. MOYNIHAN. Mr. President, the chairman is, as he is characteristically, gracious.

There is a question whether one Senator on this side wishes to speak. I wonder if the chairman would be indulgent and allow me to suggest the absence of a quorum.

Mr. GOLDWATER. Yes.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

Thes PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BIDEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. Mr. President, although we have now come near the end of the long list of nominees for posts requiring the advice and consent of the Senate, the position of Director of Central Intelligence is by most standards one of the most important on that list. The Director holds responsibility for managing a large and diverse group of agencies that must provide timely and accurate intelligence so that other departments and agencies of the U.S. Government can implement foreign policy and guarantee national security. The jobs of the Secretaries of State and Defense, for example, can be made either significantly easier or significantly more difficult depending upon the quality of the intelligence with which they are supplied.

Moreover—since by far most of the Government activities which provide that intelligence are secret and hidden from direct inspection by the American people—the advice-and-consent process in the Senate offers one of the few occasions when the officer who directs those activities receives public scrutiny. Because his actions and their consequences will be largely hidden from public view, the Senate's advice and consent on the nomination of a Director of Central Intelligence should perhaps be weighed more carefully than it is in the case of any other nominee on whom the Senate must pass judgment.

For just the same reasons, however, the personal qualities and qualifications of the nominee remain supremely important. The American people will know very little about what management decisions the Director of Central Intelligence makes or what counsel he provides to the President or other high officials

in the U.S. Government, and they will know even less about the means by which those decisions and counsels are arrived at. That is as it must and should be, but the necessary result is that the Director must have the public's trust and confidence. In our desire for an effective intelligence service that can provide our Government with the information necessary to national security and even our survival, we must not forget that in a democratic society it is just that public trust and confidence that will ultimately determine how effective our intelligence services will be. Along with the President, the Director of Central Intelligence must be the repository and the focus of that public support. It is an enormous and unavoidable responsibility of that office.

However, the demands on a Director of Central Intelligence do not end there. Precisely because his decisiosn and actions must be weighted and executed without the benefit of public comment, debate, and persuasion, the Director himself must have a special talent for initiative and for the disinterested evaluation of all sides of many difficult arguments, as well as a special sensitivity for the responsibilities of intelligence agencies in a free and open society. He must be a self-starter, a judicious mediator, and a self-restrainer.

Finally, the Director of Central Intelligence must have a keen appreciation, not only of the special responsibilities that fall upon the intelligence community to supply our Government with timely, accurate, and reliable information, but also of the ever-present temptation to misuse intelligence resources. The abuses that were revealed by the Church committee and that led to the formation of the present congressional intelligence committees were not fictitious. They were real, they seriously infringed upon the civil liberties at the foundation of our national life, and they violated that all-important public trust. If we allow our recollection of those abuses to fade, we may be condemned to repeat them—and the final victims of such a repetition would be the intelligence community itself and our national security.

These considerations, in my judgment, make the Senate's advice and consent on the nomination of a Director of Central Intelligence not only an occasion for the most careful deliberation on the part of the Intelligence Committee and the full Senate, but also make the occasion an opportunity to generate among the people the trust and confidence a Director must have. We should not make our decision in haste, but when we have arrived at it, it should offer the nominee the best possible footing from which to shoulder his new responsibilities.

That is why I have had a difficult time in deciding how to vote on the nomination of Mr. William Casey as Director of Central Intelligence. My reservations have been institutional rather than personal. Mr. Casey has a wealth of experience and a solid record of accomplishment both inside and outside government. His career in both public and private sectors has demonstrated that he is an unusually competent and independent man. And he is certainly no stranger to the intelligence community. From his work in the OSS during World War II to his service on the President's Foreign Intelligence Advisory Board in the early 1970's, Mr. Casey has a long history as both a producer and a consumer of intelligence. He is quite possibly the best qualified candidate to become Director of Central Intelligence who has ever appeared before us.

What made deciding on Mr. Casey's confirmation difficult for me was that at the conclusion of the Intelligence Committee's formal consideration of his nomination, so many questions remained both unasked and unanswered. The intelligence issues that, to my mind, required vigorous discussion but prompted only cursory questioning of Mr. Casey were not unimportant. They included such significant matters as the protection of the civil liberties of American citizens in respect to covert intelligence activities, proposed legislation for intelligence agencies, and measures likely to improve the value and timeliness of U.S. intelligence. On the morning following the Intelligence Committee's confirmation hearing, I notified the chairman and vice chairman of the committee that I could not support Mr. Casey's confirmation until I had received more information from him on his views on several of these specific issues. I did not think that the committee could fulfill its responsibility to the Senate and to the American people solely on the basis of its brief confirmation hearing.

The Intelligence Committee does not often show its face in public. On the occasions when it does, it is particularly important that it provide grounds to reinforce the belief of the American people that the committee is filling its oversight role well. The committee should provide evidence that it is demanding both aggressive, effective intelligence activities and scrupulous respect for civil liberties.

It is difficult for the members of the Intelligence Committee to tell the American people that they should take our word that secret intelligence activities are consistent with both the Constitution and the Nation's need for intelligence if the committee's public investigations leave important questions unasked.

Under these conditions, I sent Mr. Casey several pages of written questions seeking his opinions on a number of important intelligence issues.

Since then I have spoken with Mr. Casey several times. He has consistently supported the current oversight relationship that has developed between the Intelligence Committee and the agencies. He has pledged to consult with the committee in the event that he sees any need for altering the Executive orders and guidelines that currently govern intelligence activities. In my most recent conversation with Mr. Casey last Thursday, he reiterated his determination to keep the committee fully and currently informed and he repeated that he could foresee no objection to providing the Intelligence Committees prior notice of covert activities.

Additionally, Mr. Casey sent me a general statement of his principles regarding the oversight responsibilities of Congress. Most important of all, as I understand it, Mr. Casey believes that there is no necessary conflict between the need for good intelligence and the need for effective congressional oversight of the intelligence community—that, in fact, making and keeping the intelligence community accountable to that oversight provides the kind of constructive criticism that results in a better intelligence product.

As a result of these encouraging exchanges, I will vote in support of Mr. Casey's confirmation as Director of Central Intelligence.

I remain somewhat concerned, however, that Mr. Casey has not been more specific in presenting his views on the use of intrusive intelligence-collection techniques against American citizens. I am also somewhat concerned that Mr. Casey has not unconditionally acknowledged the oversight authorities that the Intelligence Committees now possess by law via the Intelligence Oversight Act of 1980. There are no conditions, ambiguities or deferrals in that statute.

That act and its legislative history make explicit the authority of the Intelligence Committees to request and be supplied with any information or material concerning intelligence activities in the possession of any Department or Agency of the United States. It is understandable, however, that a nominee for an executive post might not at first be intimately acquainted with all the legislation affecting that post. We have all grown familiar with this situation in the many nominations we have considered.

On the basis of Mr. Casey's experience, testimony and subsequent elaborations, I am inclined to give him the benefit of the doubt. The Intelligence Committees themselves are now equipped with statutory authorities for their oversight responsibilities. I hope and I now believe that Mr. Casey will turn these authorities to the intelligence community's advantage in seeking congressional advice and in upholding the current dialog between the Congress and the intelligence agencies in the conduct of their vitally important activities.

I wish him success in his new role. And as a Senator and a member of the Intelligence Committee, I promise him my support for the responsible execution of his duties as Director of Central Intelligence.

Mr. President, I had a good deal of difficulty deciding how to vote on the Casey nomination. I have resolved that doubt by deciding to vote for Mr. Casey. But, for the record, I would like to reemphasize why I had the difficulty that I did. It is twofold. One relates difficulty to the mood and the sense of the times as to the role of the Congress relative to the intelligence community; and the second is Mr. Casey himself.

Let me start with the second first. Mr. Casey is a man of great breadth of experience, a man who was in the intelligence service and in a very responsible position back at the time when

I think no one even fathomed that there would be such a large, wide-ranging organization as exists today. He had been a consumer of intelligence in various governmental capacities over the last 30 years.

He has had a very distinguished career and, in my opinion, is the brightest among the bright men, that have been recommended by the President of the United States for a Cabinet-level position.

But my problem with Mr. Casey is that he is understandably very circumspect. It is very difficult to get direct answers from him for two reasons, in my opinion: First, he is reluctant to give direct answers, which I guess is the nature of the beast and the nature of the office; and, second, he has been out of touch with many aspects of congressional-executive relationships.

For example, he was not fully conversant with the details of Executive orders that are in existence governing the oversight relationships that Presidents Ford and Carter operated under. He was not fully conversant with some of the laws changed by the Congress, everything from the Freedom of Information Act to proposals that are on the docket.

That I can understand, but it did cause some great concern on my part.

In addition to the opening hearings that we had, which, with all due respect to the ranking members and the chairman, I thought were too brief, I pursued my concern by asking written questions, to which I received a very candid reply by telephone. The reply was, "Well, Senator, I can set six or seven agency guys answering these questions for you but they will not be mine. I am awfully busy right now with a lot that is going on and I would rather defer answering them in detail."

On a scale of 1 to 10, I give Mr. Casey a 10 for his candor and on the question of whether or not he was forthcoming with answers I give him a two.

I pursued further questions on the telephone. My main concern with him was whether he fully appreciated the change that has occurred with regard to the role of congressional oversight. I discussed the issue with him at length, exasperating him on occasion.

I reminded him of that television program I recently saw which honored Mr. William Buckley when Morley Safer or someone was asking Mr. Casey questions. He started out saying, "Well, we all know the good William Buckley. How about the bad William Buckley?" Mr. Casey blew up and said, "What do you mean the bad William Buckley?" He reacted the same with me. Finally he said, "I am tired of answering these kinds of questions. I will not be put into a box."

After he realized that I was not trying to put him in a box but to get a sense of where he stood, he was very forthcoming. We talked about everything from the War Powers Act, which is not his responsibility, to issues of under what circumstances he would exercise what I believed to be a loophole that exists within the intelligence oversight statute we passed last year that says the President can exercise his constitutional authority and decide not to provide prior notice of covert actions. He was very frank. We talked about that in relation to a mission like the hostage rescue mission if the CIA had been——

The PRESIDING OFFICER. All time of the Senator from Delaware has expired.

Mr. GOLDWATER. Mr. President, are we operating under controlled time?

The PRESIDING OFFICER. We are. There were 15 minutes allocated to the chairman and 15 minutes to the ranking member.

Mr. GOLDWATER. I ask unanimous consent that my friend can continue for 5 minutes. I feel obligated to ask that because it was my insistence that caused the meeting to be short. I would like to extend it here.

The PRESIDING OFFICER. The Senator from Arizona has 6 minutes which he can yield if he wants to.

Mr. GOLDWATER. Oh, well, go ahead.

Mr. BIDEN. I thank the Senator.

I will try to sum up. He went into some detail, for example, that had that been a CIA operation, he would have felt constrained to inform the committee in advance. He thought that is what would have had to have been done under the law as it now exists. There are other examples he gave me. The point is he satisfied me as to his willingness and his understanding of the necessity, both in terms of the law and in terms of improving the agency, to be forthcoming with the Intelligence Committee, and with the Congress as a whole.

There are other things that he did, much of which I referred to in my earlier statement.

Let me move to the first point I made. One of the things which caused me concern is the attitude toward the intelligence committees and oversight that is now expressed, I think, in the Congress. It is read as being a new mood which prevails as a consequence of the last election. It is that somehow the Church committee did a great disservice to the intelligence community and, further, that the Congress has gone too far in deciding what its oversight should be. I am not quoting or paraphrasing either the ranking member or the chairman, but I am talking about the mood as I perceive it, though I may be wrong. That is, that the conclusion we must reach is that we must unleash the CIA. That was a phrase that became popular about 10 months ago, unleashing the CIA.

I respectfully suggest that when the CIA was unleashed and not overseen by the Congress, its track record was not all that good. I am not talking about the dirty tricks. I am not talking about exploding cigars and stupid schemes to assassinate heads of state. I am talking about the quality of the information they produced when they were unleashed. It was not all that good.

I was a consumer, as a member of the Foreign Relations Committee, during the concluding days of the Vietnam war. I was a consumer in the Intelligence Committee at its outset. And the CIA was not all that good when it was unleashed. This does not mean they were bad. It does not mean they were not competent. It does not mean our single overriding aim should not be to have the best intelligence agency in the world. But I think we should dispense with the figment that somehow if we just got out of their hair, all of a sudden the product produced would be excellent and all of a sudden, if they did not have to report to us and give us notice, that they would become, by those facts alone the agency we want them to be.

I respectfully suggest that things have not changed since the first commission was set up after Pearl Harbor to determine why we did not know in advance about the attack on Pearl Harbor.

One of the conclusions reached by that commission and subsequent commissions, including one under President Nixon, was that the agencies become sharper when they have an outside group looking at them. It makes them work better. That is the purpose of this committee, not merely just to protect the rights of America, which is an overwhelming concern. It is to make them work better.

Mr. Casey agrees with that. Mr. Casey indicated he thought that was the view that the Agency should have toward the Congress. Because of the fact that he expressed that view and his views on other specific matters, I have concluded that he warrants my support. I would encourage my colleagues to vote for him. I look forward to working with him. I thank the chairman for yielding to me and the ranking member for listening to me.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated January 19, 1981, addressed to me by Mr. William J. Casey, to which I have previously referred.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JANUARY 19, 1981.

The Honorable JOSEPH R. BIDEN,
Select Committee on Intelligence,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BIDEN: Following our telephone conversation, I would like to elaborate on some of the areas from which you have drawn questions. As I stated in my response of 16 January, until I have had an opportunity to reflect more deeply on some of the complex matters raised in your letter, and have consulted with senior officials of the Agency, I would rather not respond in detail.

On the subject of Congressional Oversight, as I stated in my testimony, I intend to continue and build upon the solid relationship established between the Select Committee on Intelligence and the Intelligence Community over the past several years. In that regard, I view the Oversight language contained in the Fiscal Year 1981 Intelligence Authorization Act to be a solid foundation. If confirmed as DSI, I intend, in accordance with the provisions of that Act, to keep the Select Committee fully and currently informed as provided in the new law and to consult with the Committee should there be a need to change the terms of Executive Order 12036. As I stated in my testimony, I do not intend to recommend any changes in the Executive Order or in the procedures governing Agency activities until I have had a chance to study how they are working and made my views known to your Committee.

I have not yet formed an opinion as to whether or not statutory charters are necessary for the Intelligence Community. Frankly, I would hope that your Committee and the Intelligence Community would concentrate during the first session of the 97th Congress on the resource, operational and analytical needs of the Community. I believe that the Congress ought to move speedily to pass an Intelligence Identities Protection Act and a modification of the Freedom of Information Act as it affects requests for intelligence material. I likewise think that cover should be improved for U.S. Intelligence personnel serving abroad.

I believe that the DCI has an obligation to present the views of the Intelligence Community forcefully and objectively to the President and to the National Security Council, free from any political or partisan influence or consideration as well as any substantive bias and in a manner which reflects strongly held differences, if any, within the Intelligence Community. I believe that concern for the quality of analysis and the estimative process will consume large amounts of my attention as DCI and I can assure you that I intend to pursue these and the other responsibilities of the Director of Central Intelligence with vigor and in a close working relationship with the Intelligence Committees of the Congress.

I hope that these brief responses will alleviate any concerns you may have.

Sincerely,

WILLIAM J. CASEY.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the time available for the debate on this nomination be extended for 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MOYNIHAN. I thank the Chair.

I would like to respond to my friend from Delaware in a very direct fashion, I hope. That is to say that if the mood which he describes is widespread in the Senate, it does not extend to the Senator from New York.

In my opening statement today, I put into the record the question that I had put to Mr. Casey at the time concerning the existing statutory regime of oversight, and that unavoidable gray area where we allow the President exemptions to the general rule to the extent consistent with his constitutional responsibilities.

I asked him:

How do you feel about telling this committee things we need to know that you would just as soon not more than two people in the world knew?

He said:

Senator, I intend to comply fully with the spirit and the letter of the Intelligence Oversight Act.

He said:

I cannot now conceive of any circumstances under which [reservations resulting from the President's Constitutional authority] would result in my not being able to provide this committee with the information it requires.

I said I judged that to be a forthcoming and satisfactory answer.

Mr. BIDEN. If the Senator will yield on that point, I concur with the Senator's judgment. I shall give a specific example:

When I asked him about his view about the Iran rescue mission, he said, "Didn't you all know about that?"

I said, "No, as a matter of fact, we didn't."

He said, "Oh."

So he even expressed surprise that we did not know what had happened in that case and if it had been an agency operation, he would have felt compelled to tell us under the new oversight law.

Mr. MOYNIHAN. The law was not then in effect, as I understand it.

Mr. BIDEN. No, it was not. I understand that.

Mr. MOYNIHAN. The second thing I would like to say is about the quality of intelligence. Let us remember that the most innovative step that has been taken, I believe, in this field in a very long time was the A team—B team experiments as we know them. That was proposed by the President's Foreign Intelligence Advisory Board in 1976, at a time when Mr. Casey was a member of the board. Mr. Leo Cherne, who was also on the board, and Mr. Casey were very much of that view. Mr. BUSH, now our distinguished Vice President, had the executive courage to say, yes, let us try that. Let us find out if what we are doing is not very good at all. As we know, the B team results were very critical of the then established judgments in the agency, and in the community.

I would like to make a point without the least touch of animus and with the greatest friendship and respect for my friend from Delaware. He does remember that when the community estimates of the Soviets' warmaking capacity and propensity were put to a competitive test, as it were, the results were hardly supportive of the views of those who thought we had been overreacting to the presence of the Communist regimes in the world. Indeed, the resistance to the B Team's conclusion was to be found very much on the part of persons who had been presuming that the CIA, by vartue of its origins and function, had a predisposition toward exaggerating events.

I would think that if there is one rule of intelligence, Mr. President, which we should hold on to, that was set forth by Hannah Arendt in her book on totalitarianism. She says that the great tactical advantage of the totalitarian elite in the 1920's and 1930's in Europe was a capacity to turn every statement of fact into a question of motive. That is a mark of the totalitarian mind. It is a tendency we all have and it is the firm, fixed responsibility of our intelligence community to resist it and, it is our responsibility, when they come to us with facts, to welcome their delivery, however unwelcome the implications.

Mr. BIDEN. But also to question them.

Mr. MOYNIHAN, And to question them. We have some residual intelligence, too, despite the distractions of office and we try to exercise it. None does, with greater energy—firm, fixed, terrier-like energy—exercise it than the Senator from Delaware, whom I thank for his remarks.

Mr. BIDEN. If the Senator will also entertain maybe a slightly inappropriate analogy, I view our function as not unlike that of the B team.

Mr. MOYNIHAN. Well said.

Mr. GOLDWATER. I might close, Mr. President, by commenting that it is the type of observation made by the Senator from Delaware that can do more to help this committee than anything I know of. I do not think anyone would expect for 1 second that you can put 15 men together and have them agree on such a very complicated subject as intelligence.

My original intelligence experience was gained under the British, in China. I repeat what my friend from New York said: We are the only legislative body in the world that has any touch with intelligence. I happen to think the English have about the best intelligence system because of their total secrecy. That will not work in this country. So, if you find the chairman occasionally being a little bullheaded——

Mr. BIDEN. I have never found that, Mr. President.

Mr. GOLDWATER. Oh, you will. You can blame it on our "Limey" friends.

I thank the Senator for his comments and for his questioning of Mr. Casey. I think he has added a great deal to our understanding.

Mr. THURMOND. Mr. President, I rise in support of the pending nomination, that of William J. Casey for the position as Director of the Central Intelligence Agency.

Mr. President, this nominee has two very important advantages in connection with the duties of this office. First, he has had experience in this field, and second, he is a personal associate of President Reagan and would therefore have ready access to the new President.

In my opinion these two points weigh heavily in favor of the nominee and will result in positioning him to render a distinct service in this highly sensitive responsibility.

Mr. Casey, an attorney by profession, served during World War II with great distinction in the old Office of Strategic Services. This experience should serve him well in future years as he directs our intelligence service during the Reagan administration.

In addition to this service, Mr. Casey has also had other Government experience as Under Secretary of State for Economic Affairs in 1973–74, Chairman of the Securities and Exchange Commission from 1971 to 1973, and head of the Export-Import Bank from 1974 to 1976.

On the personal side, Mr. Casey has worked closely with President Reagan in past years, and especially in 1980 when he assumed the duties of campaign manager.

Mr. President, I believe Mr. Casey would render an outstanding service as CIA Director and I urge that the Senate give expeditious and favorable approval to his nomination.

● Mr. D'AMATO. Mr. President, I support the nomination of my long time friend and fellow New Yorker, William J. Casey to be Director of the Central Intelligence Agency.

Mr. President, this Nation needs an intelligence gathering agency second to none in the world, and it needs a man of ability and integrity to direct its affa'rs. William J. Casey has made his mark as an intelligence officer, as a successful businessman and attorney, and in public service. He has a reputation for honesty, wisdom, and toughness of character—all of which are needed to carry out successfully the high office of CIA Director.

Mr. Casey was born in Elmhurst, N.Y., on March 13, 1913. It is said that he was such an energetic young man, his friends called him "Cyclone."

He went on to earn his bachelors degree from Fordham University in 1934, and his law degree from St. Johns University 3 years later.

During World War II, he was commissioned a lieutenant in the U.S. Navy. During the war, he served as a member of the office of strategic services in Europe. He left the OSS with a reputation as a forceful manager, who could make tough decisions with speed, and the ability to make sure those decisions were carried out.

Since World War II, Bill Casey has been in and out of public service serving as special counsel to the Senate Small Business Committee, associate counsel for the Marshall Plan, as a member of the Securities and Exchange Commission, and President of the Import-Export Bank. When he was not in public service, he pursued a successful career as a businessman and attorney, and is the author of more than 30 manuals for executives and attorneys.

Throughout his career, Bill Casey has been remarkable for his ability to understand quickly the most complex and difficult problems, and has pursued his many interests in life with tenacity and skill. His long and brilliant career in private and public life, makes him the best possible choice for this one of the Nation's highest and most crucial posts.

Consistent with his views about life, Bill Casey recently said this about his role at the CIA:

> We need to have a strong intelligence service. Even though we may not have the biggest intelligence service, we want to have the best.

Mr. President, America deserves the best. Bill Casey is one of America's finest and most able servants. I support him, not just because he is a friend and fellow New Yorker, but because he is a man of unique ability, and one who loves his country.

Mr. President. I urge all mv Senate colleagues to join me in supporting this truly gifted American.●

Mr. GOLDWATER. Mr. President, I yield back mv time.

Mr. MOYNIHAN. I yield back my time, Mr. President, whatever it may be.

OFFICE OF MANAGEMENT AND BUDGET

NOMINATION OF DAVID A. STOCKMAN, OF MICHIGAN, TO BE DIRECTOR

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of Executive Calendar Order No. 13, the nomination of Mr. STOCKMAN to be the Director of the Office of Management and Budget. The clerk will state the nomination.

The assistant legislative clerk read the nomination of DAVID A. STOCKMAN, of Michigan, to be Director of the Office of Management and Budget.

Mr. ROTH. Mr. President, I am pleased to bring before the Senate today the nomination of DAVID A. STOCKMAN to be Director of the Office of Management and Budget.

As the Members are aware, the job to which Congressman STOCKMAN has been nominated is, without question, one of the most important in the Federal establishment next to the President. Therefore, the ability, philosophy, and dedication of the nominee to this position are very important to the successful development of national policy and the effective management of Federal programs.

We tend to overlook the importance of this latter aspect of the Director's responsibilities. Most people are aware of his key role in budgetary matters, but equally important is the fact that the Director is responsible for the effective and efficient management of Federal programs.

It is very important that the Director of OMB be very close to the President, both as an adviser and as the chief manager of Federal operations. There are many issues facing our Nation which are of great importance and in which the Director will play a significant role. No. 1. in my view, is the economy and particularly inflation. It is critical that we bring the Federal budget under control because excessive Federal deficits contribute to runaway inflation. As the President's chief adviser on the Federal budget, the views and actions of the head of OMB will be very important in formulating a coherent and workable economic policy.

The Federal regulatory structure is another important issue which must be confronted in the very near future. The costs of over-regulation on the consumer and the economy must be reduced. Regulations can be, and should be, both effective and less expensive and time-consuming. The Director of the Office of Management and Budget has an important role to play in achieving the goal of more effective and less burdensome regulation.

Finally, the structure and functions of Government are being questioned now as at no time in the recent past. I strongly believe that the American people place as a top priority the streamlining of Government in order to provide better services to those who qualify or who are in need. From his central vantage point in the operations of the Federal bureaucracy, the Director is in a postion to help put into effect structural and procedural reforms within the agencies which can reduce costs and improve performance.

All of these matters, and others I do not have time to mention, are major aspects of the job of OMB Director. The Governmental Affairs Committee questioned Mr. STOCKMAN on these, and other, matters at length. In fact, the nominee appeared before our committee for over 5 hours and answered questions from members in a thoughtful and enlightening manner. While there may be disagreements concerning Mr. STOCKMAN S views on certain policy issues, I do not believe that any of the members of our committee would disagree that the nominee has the qualifications to successfully fulfill the duties of Director of the Office of Management and Budget.

The committee met on January 19th to consider the prospective nomination of Mr. STOCKMAN to be the new OMB Director. Since Mr. STOCKMAN'S nomination had not yet been formally submitted to the committee, a "sense of the committee" vote on the prospective nomination was taken. The committee voted unanimously to report to the Senate its recommendation that the nomination of Mr. STOCKMAN be acted upon favorably when received from the new President.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a brief report prepared by the committee on the Stockman nomination.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SUMMARY REPORT FROM THE COMMITTEE ON GOVERNMENTAL AFFAIRS

NOMINATION OF DAVID A. STOCKMAN TO BE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET

The Committee on Governmental Affairs, under whose jurisdiction would fall the nomination of David A. Stockman to be Director of the Office of Management and Budget, having considered the nominee, reports favorably thereon with the recommendation that Mr. Stockman be confirmed.

Training, education and experience

Mr. Stockman has been a Member of Congress since 1977 and has represented the Fourth District in the State of Michigan. He was Executive Director of the House Republican Conference from January 1972 until June of 1975 and also worked briefly as an aide to Congressman John Anderson of Illinois. He holds a Bachelor of Arts degree from the University of Michigan and did graduate studies at Harvard University in Philosophy.

Mr. Stockman has been an active participant in various economic policy issues and specifically has concerned himself with the federal budget and national energy policy.

Committee action

Under procedures established by the Committee for considering nominations, a detailed biographical and financial information questionnaire was submitted to Mr. Stockman. In addition, the Committee transmitted to the nominee a prehearing questionnaire requesting written responses to substantive policy issues relating to the mission of the Office of Management and Budget and the responsibilities he would assume as Director. The biographical information questionnaire, together with Mr. Stockman's responses are included at the end of this report. It is the policy of the committee that a nominee's financial disclosure statement is not reproduced or published. However, this information is retained in the committee offices for inspection by the public.

On December 23, 1980, the Committee received Mr. Stockman's responses to the biographical and financial information questionnaire. At that time, arrangements were made with the accounting firm of Arthur Andersen and Company to review the nomi-

nee's financial statement and supporting documentation. The firm has informed the Committee that it finds no irregularities in the nominee's financial records.

In addition to providing for a review of the nominee's financial statement, committee procedures require an independent review of a nominee's background. This requires a review of any investigative reports prepared concerning the nominee, including the Federal Bureau of Investigation's summary report on the background of a nominee, and interviews with such persons as may be necessary. In considering the nomination of Mr. Stockman, all of these requirements were met and a confidential staff report, which concluded that no further investigation is required, was filed with the committee and made available to other members of the committee.

On January 8, 1981, Mr. Stockman appeared before the Committee to testify on his appointment to be Director of the Office of Management and Budget. The committee questioned the nominee on a wide range of issues for over five hours.

Conflict of interest

During his confirmation hearing, the chairman questioned Mr. Stockman concerning stock he holds in a family owned grape harvesting company called Birchlawn Corporation. It is recognized by the Committee, that these holdings are very small. However, a Federal Statute (18 USC 208) prohibits an official from participating in particular matters affecting personal financial interests, without regard to the size or value of the holding.

Mr. Stockman by letter has indicated to the Committee that he is aware of 18 USC and that he will abide by its terms.

Committee recommendation

On January 19, 1981, the Committee on Government Affairs met to consider the prospective nomination of Mr. Stockman. Having considered the nominee's experience, qualifications, suitability and integrity, for the position of Director of the Office of Management and Budget, the Committee finds the nominee has the necessary integrity and is affirmatively qualified by reason of training, education and experience to be Director of the Office of Management and Budget. The Committee therefore recommends that he be confirmed by the Senate.

Rollcall vote in committee

Since the new President had not yet been sworn in when the Committee considered the proposed nomination of Mr. Stockman, a formal vote of approval could not be given. However, by a vote of 16 yeas to 0 nays the Committee approved a "Sense of the Committee" motion concerning the nomination of David A. Stockman to be Director of the Office of Management and Budget. The rollcall vote was as follows:

Yeas—16: Senator Percy, Senator Mathias, Senator Danforth, Senator Cohen, Senator Durenberger (proxy), Senator Mattingly, Senator Rudman, Senator Eagleton, Senator Jackson, Senator Chiles, Senator Nunn (proxy), Senator Glenn, Senator Sasser, Senator Pryor, and Senator Levin.

Mr. ROTH. Mr. President, I now yield 2 minutes to the junior Senator from Georgia.

Mr. MATTINGLY. I thank the Senator. Mr. President, I am pleased to cast my vote to confirm DAVID STOCKMAN as Director of the Office of Management and Budget.

DAVID STOCKMAN represents exactly what the American people were talking about on this past November 4. The voters of this country went to the polls and elected a new administration and a new Senate to face problems head on and with a commonsense approach.

No one better represents that new mandate than DAVID STOCKMAN. It has been my pleasure to work closely with this man in the past few years. We served together on our party's Economic Affairs Council and Tax Policy Committee. I have been consistently impressed with his intelligence, honesty, and commitment to the economic policies of hope and opportunity. Mr. STOCKMAN understands the magnitude of the problems this Nation faces. But more important, he understands the economic policies needed to solve those problems.

What is needed in the areas of budget and fiscal policy is fundamental reform. Over the past decade, working Americans suffered a loss in their standard of living as they began to pay for more than 40 years of bad economic policy.

By basing fiscal policy decisions on short-term political pressures, former Congresses have relied on increased Government spending to stimulate the economy. As a result, the economy is plagued with chronic budget deficits, soaring Government spending, and an oppressive tax burden which have choked off economic growth and resulted in double-digit inflation.

That is exactly why, at this time in our country's history, we need a man like DAVID STOCKMAN in charge of the Office of Management and Budget.

DAVID STOCKMAN, in his writing and by his actions, has shown that he understands the economic realities before us, that he has the courage to deal with those realities, and that he will make the tough decisions that will get our economy moving in the right direction to give all the people of this country a bright economic future.

In putting DAVID STOCKMAN at the helm of the Office of Management and Budget, President Reagan has recognized that he needs men who will do more than merely manage the Government. He needs men who will make policy and follow through on it quickly.

Time, however, is running out. We must help the taxpayers of America by reducing inflation, thereby creating economic growth, restoring the integrity of the paycheck, and creating jobs.

More than anything else, we have to demonstrate quickly and conclusively that the budget can be controlled—and we have to establish once and for all that the budget disorder can be cleaned up.

DAVID STOCKMAN has the guts and stamina to do the job.

The American people who spoke so loudly last November want DAVID STOCKMAN to do this job. And, I urge my colleagues to support DAVID STOCKMAN for Director of the Office of Management and Budget.

The PRESIDING OFFICER (Mr. HUMPHREY). The Senator from Ohio.

Mr. GLENN. Mr. President, I was one of those in committee who did vote for Mr. STOCKMAN. As I said at the time, I did it with very serious reservations, and I reserved the right to change my vote on the floor, which I may or may not do at this time—probably not; but I have some very serious reservations I will go into.

Mr. President, we are considering today the No. 2 most powerful position in the U.S. Government. I do not say that lightly. I believe that because this office does not have the title of "Secretary of," it has not received the proper attention it deserves and a proper critical analysis.

From looking around the Chamber today and seeing how many Senators or even staff members representing Senators are on the floor, and even from a cursory glance at the press galleries, it is obvious that there is little interest in this office. It is presumed that the nomination will go through, and it will. It will be an overwhelming vote. However, I should like to put us on notice as to some of the things in Mr. STOCKMAN's past that we should watch out for.

We are considering today the nomination for the second most powerful position in the U.S. Government, the Director of the Office of Management and Budget. Because of the importance of this position, it behooves us to examine very carefully the nominee for this post.

I have a number of remarks to make concerning Mr. STOCKMAN, but before I deliver them, I should like to say a word about my philosophy in discharging my duty of giving advice and consent for Presidential appointments to Cabinet-level positions.

Very simply, it is my belief that we should examine a candidate's integrity, No. 1, and then his qualifications to hold the post—not necessarily his specific views, unless those views become so extreme as to make his appointment inappropriate; and this becomes, in Mr. STOCKMAN's case, a hard call. However, barring any disqualification on those grounds, an incoming President has a right to have the nomination of his choice confirmed.

Viewed in a certain light, I have much agreement with the views of Mr. STOCKMAN. He wants to cut the budget; so do I. He wants to make the country more productive; so do I. He wants to make our whole system of government more efficient; so do I. Those are admirable aims, and in fighting our economic problems, no one would disagree with those aims. In other words, Mr. STOCKMAN's objectives and mine are really the same. But in the process of achieving those objectives, we cannot just set out to deliberately and systematically wreck a system which has been painstakingly put together over a long period of time.

I know that we need changes, but we cannot use the proverbial meat-ax approach to some of those things without doing a gross injustice to a lot of people. It is in this respect that I am very much concerned about Mr. STOCKMAN's views; because I think he has been so set on proving that all the past Government in recent years has been wrong that he would advocate such drastic changes that will cause untold misery possibly to millions of people.

Prior to his coming before the Governmental Affairs Committee for his confirmation hearings, I read very carefully a number of articles which Mr.

STOCKMAN had written over the past few years concerning such subjects as energy policy and welfare.

I also read a number of printed interviews that Mr. STOCKMAN gave to various publications, including the Village Voice. One would have to conclude from his written views, prior to coming to our hearing, that Mr. STOCKMAN is an absolute believer in the free marketeer "Adam Smith" variety, laissez faire economics; a man who believes in laissez faire ideology carried to the furthest extreme, and not only for domestic policy but worldwide.

Let me read just a series of statements here that caught my attention when I was studying Mr. STOCKMAN'S background before he came before the committee. These are admittedly taken out of context, and I will go back after I read them on the different subjects to which they apply and then put them in their context in the hearings and give his reply to questions in the hearings about these specific items.

The first quote is one on energy. This is from an earlier writing in The Public Interest in the fall of 1978:

The decision to eschew an economic policy of trading on the world market for the 90 percent of the non-U.S. oil and gas resource base that remains to be developed in favor of a cramped, inward-looking policy of autarky may prove to be the most costly national error of the last half of the twentieth century—if it is not soon reversed.

In other words, we should be going out around the world and making ourselves more dependent on non-U.S. sources that could be developed around the world; and that not doing that may be our most costly national error.

On the subject of farm policy:

For too long, the Congress has relied on unwieldy acreage management and subsidy programs as a means of stabilizing farm prices and improving farm income. . . . Faced with ever-rising costs, increased regulatory pressures, and shifting patterns of domestic demand, our farmers can no longer rely on programs which seek artificially-induced price movements through domestic supply manipulations.

In other words, we must rely on a boom or bust farm policy.

Another quote dealt with monopolies and antitrust policy. He was asked a question in an interview, "Who defines the market and its rules?" His reply:

I suppose the government has got to set some terms, enforcement of contracts and that kind of thing. But you don't have to structure competition. That's where I disagree with the whole antitrust tradition which has been very strong in the Hart Subcommittee, the FTC bureau of competition. That's wrong.

A further quote:

My view is that a monopoly never develops unless it's sanctioned by governmental authority. There's no such thing as a privately developed and composed monopoly.

And he was further asked the question: "Well, what about the early Standard Oil trust?" His reply, and I quote again:

You can go into a long debate about history. In modern times, in a global economy with multinational corporations and the swift ability to deploy capital and production all around the globe, you don't have monopoly. So you don't have to define the rules of the game in terms of competition.

I think that quote speaks for itself, and I will come back to it and give his hearing response a little later.

On reduction of the entitlements, Mr. STOCKMAN in his writing has said:

The real leverage and locus for budget control is severe recession of entitlements and new obligational authority in the Federal spending pipeline.

He further stated and I quote:

Current expenditures for food stamps, cash assistance, medicaid, disability, heating assistance, housing assistance, WIC, school lunches and employment compensation amount to $100 billion.

And he called for:

A careful tailored package to reduce eligibility, overlap and abuse for these areas—with potential savings of $10–$20 billion.

This quote was out of his Economic Dunkirk memorandum.

Rephrased, I guess we would have to say that Mr. STOCKMAN is calling for a 10 to 20 percent cut in all of the entitlement programs. Maybe that can be done; maybe it cannot. But I think just to accept this without challenge may be more than we should be doing.

Mr. STOCKMAN also stated that:

The Federal budget has now become an automatic "coast-to-coast soupline" that dispenses remedial aid with almost reckless abandon . . .

Now the Trade Adjustment Assistance Act comes under this umbrella. This act, incidentally, triggers assistance payments when we feel that our workers are being unfairly set upon by imports. Mr. STOCKMAN'S quote on trade adjustment assistance is:

This thing is the most arbitrary, inequitable, costly policy that we have on the books today that has ballooned spending by $1 billion in 6 months. We ought to do something about it.

Another one of Mr. STOCKMAN'S quotes deals with the investment tax credit:

A tremendous national waste of men, machinery, and tax dollars that produces overall economic efficiency which leads to lower jobs, lower output, and lower real incomes.

Another one of his quotes is on welfare. Listen to this one:

Welfare, as we know it, should be abolished for all but the nonworking—the aged, blind and disabled—whose eligibility can be ascertained by reference to physical characteristics.

In other words unless you have an eye missing, an arm missing, a leg missing, or you are quadraplegic, that is, unless you have a visible handicap, you should not receive welfare. That is admittedly taken out of context, and when I quoted it back to him, he said he is still for AFDC, that is aid for dependent children. In some of his writings he indicated that such aid should go to every child. However, it would be taxable so that those with high taxable incomes would have their money taxed back by the Government, while those in lower tax brackets would have the money available to use for their children.

A popular word today is "reindustrialization." What are his comments on that?

In an article in the Village Voice, Mr. STOCKMAN stated:

Reindustrialization policy is just a game hyping the political control over the forces of the economy and for preserving the weakest assets in the economy.

I am sure you would all agree that at least some of these quotes are rather extreme statements.

Let me go back now and go through some of these quotes again and give his reaction at the hearings.

No. 1, on energy policy, the statement I read is:

The decision to eschew an economic policy of trading on the world market for the 90 percent of the non-U.S. oil and gas resource base that remains to be developed in favor of a cramped, inward-looking policy of autarky may prove to be the most costly national error of the last half of the twentieth century—if it is not soon reversed.

When I read that quote to him at the hearings Mr. STOCKMAN'S reply was:

I did not recommend that (increasing dependence on international sources). What I really said in that article was that the notion that we should seek pell-mell energy independence at any cost by throwing money at new technologies and building new plants and improve technology on the grounds that we can claim this will save so many barrels per day of imports, that we ought to rapidly expand bureaucratic structures to promote conservation and solar and many of the things they are doing down at DOE without any notion of the cost-benefit, that is what I was opposed to in that article.

But his answer did not deal at all with that quoted statement that I read. What he had implied in that statement was that we should be out developing other oil resources around the world rather than our own here. In other words, we should be making ourselves more dependent on foreign sources of oil instead of less dependent.

Incidentally, I will read the page number from the hearings in case anyone is monitoring them so they can refer to the whole hearing record to make certain I am not misrepresenting these things. That first quote was from page 158. The next one on energy is from page 159 of the hearing record—

What I was suggesting . . . is that a barrel produced, an additional barrel produced anywhere in the world, whether it is in Mexico or South America or other new frontier sources that have been coming in, helps lower the price, and that we can't solve the problem just in one country, and to the extent that we can encourage those vast areas of the world that haven't yet been explored but contain major identified sedimentary basins to be explored, that that is a good thing. The World Bank is doing that today, and I suppose indirectly we are supporting that through our subscription.

No one would quarrel with that statement. I would not quarrel with that, but once again that answer did not explain his earlier statement.

A further quote from page 159:

But I don't think we need to engineer it either way. What we ought to do is recognize if we can encourage that kind of production to develop, there will be less upward pressure on price.

Another response from page 162:

I think if we spent less dollars on huge commercialization and more dollars on basic

research at the conceptual and at the scientific level, we could get far more cost-effective use of our dollars and support the kind of things you are talking about. But I think you are going to have to make a choice.

We had been talking about the necessity for research and whether we need to go to Government-sponsored demonstration of the practicality of the outcome of some of that research.

Another quote from page 162 of the hearings:

It seems to me the best way to use the dollars is at the level you are talking about, at the basic research level. Once something is proven out, I think we can count on the investment process to build the full-scale plants and so forth that are needed.

He commented on the breeder reactor on page 180 of the hearings:

I think sooner or later we will have to build a demonstration breeder reactor.

I think he is probably right. I do not disagree with that.

He further stated that:

It ought to be built when it is needed. My view (in opposition in Clinch River) was given the fact we have had enormous slowdown in the building and licensing of light-water reactors, and at that point of time we had anticipated in the early 1970's when you would need a breeder because you exhausted the low-cost uranium, slipped substantially and therefore the development schedule for the breeder program ought to be delayed for a period as well. It had nothing to do with opposition to the government's role or to breeder technolgy. I am all for it. I just thought that in 1970 the (full) scale breeder was not needed given the likely schedule we are going to face given the slowdown.

Once again I would not necessarily quarrel with him on that last statement.

But I would repeat that his writings indicated that he very much favors development of sources other than our own around the world, and that this policy could make us more dependent on foreign sources than ever before. Further, he stated that the decision not to do so and rather to try to develop our own sources here "may prove to be the most costly national error of the last half of the 20th century—if it is not soon reversed."

A second subject is farm policy. I read his statement on that before. I will repeat it:

For too long, the Congress has relied on unwieldy acreage management and subsidy programs as a means of stabilizing farm prices and improving farm income . . . Faced with ever-rising costs, increased regulatory pressures, and shifting patterns of domestic demand, our farmers can no longer rely on programs which seek artificially-induced price movements through domestic supply manipulations.

In his writings he states that he has sought to—

Move us toward a stable and growing farm economy.

And would rely primarily on efforts to stimulate world agriculture markets and U.S. exports and on measures—

to liberate the farmer from the crushing burden of economic and social regulation which the Congress has decreed in recent years.

I would not disagree with that position at all. But in answering the question if he would favor abolishing all farm subsidy programs, his answer on pages 156 and 157 was:

I would say to the extent we can do that without any severe disruption in the short run, it ought to be seriously considered. I won't make a flat, unequivocal statement. But I have indicated what my view of farm policy is generally. But we would have to make a case-by-case judgment.

Sometimes when you have for 40 or 50 years a price support system build up, such as you have for tobacco or others, you capitalize the value of that price support system into the land. Many, many people buy land because of the capital value of that allotment that has been granted by the government at some earlier time. If you attempt to just wipe it out immediately, you do great equity damages that I think aren't fair or certainly no more fair than the program was to the taxpayers in the first place. So you have to have a certain amount of pragmatism as you attempt to unwind some of the structures built up.

Once again I go back to his own statement where he says:

Our farmers can no longer rely on programs which seek artificially-induced price movements through domestic supply manipulations.

This sounds like he is advocating a policy of boom-or-bust farming. I do not think such a policy is going to be in the best interests of the farmers or for our food supplies in this country.

On the windfall profit tax, Mr. STOCKMAN has said:

We might be running out of oil in this country, but we certainly have struck what is a veritable tax gusher—$74 billion worth—this year alone, a trillion dollars worth of tax revenues from energy production over the next decade. . . . It will not hurt anything until somebody asks, "Who pays, after all, in the final analysis?" Is it the stockholder, or is it the consumer? Is it the guy with the bulging pockets or the empty pockets? We are not asking that; we are just levying more taxes and spending more money and pretending it will not make any difference.

At the hearings he amplified some on that writing when questioned about it, and I would quote as follows from page 154 of the hearings:

I don't think it (the Windfall Profits Tax) is a good energy policy. What we have in that policy as a basic matter is simply the siphoning away or taxing away of income and cash flow that would be otherwise invested by the energy companies and the energy industry in further energy production. It is a matter of policy.

Further quoting from page 154:

But I recognize this is not an ideal world and that certain things get done, they get built into the process. We can't change overnight. That is one of them we will have to live with while we try to do some other more important things first.

So he modified slightly his answers in the hearings on what he had said on the subject of the windfall profit tax in his earlier writings.

Here is another quote that should be of particular interest in the Senate. This deals with monopolies and with antitrust policy. In his recent Village Voice interview he was asked:

Question: "Who defines the market, and its rules?" Answer, "I suppose the government has got to set some terms, enforcement of contracts and that kind of thing. But you don't have to structure competition. That's where I disagree with the whole antitrust tradition which has been very strong in the Hart Subcommittee, the FTC bureau of competition. That's wrong. My view is that a monopoly never develops unless it's sanctioned by governmental authority. There's no such thing as a privately developed and composed monopoly."

The questioner followed up with a question: "What about the early Standard Oil trust?"

His answer was, and listen to this:

You can go into a long debate about history. In modern times, in a global economy with multinational corporations and the swift ability to deploy capital and production all around the globe, you don't have monopoly. So, you don't have to define the rules of the game in terms of competition.

In other words, according to Mr. STOCKMAN, we should indeed strike down all of our antitrust laws in this country.

He was questioned further:

Question, "Well, this antitrust stuff does seem to be a total crock of —— four letter word," His answer, "Yes, it's kind of obscurantist make-work."

Question, "Made-work for lawyers?" Answers, "Yes. They work one side of the street for about five years, then they go to the other side of the street and they know how to defend against the new doctrines, the twists and angles that they put in at the FTC or the Justice Department just five years ago. It is a self-feeding process. It's totally useless and a sink of economic resources and wealth we can do without."

I would probably tend to agree with him on the last part of that statement. But to think we could strike down all antitrust laws and that free-market economics would automatically guarantee that no one has a monopoly is a little hard for me to accept.

In the hearings, however, in response to those quotes I read, he stated, on page 176:

I am very skeptical of the receipt of the antitrust document we have today, particularly in terms it has been implemented on in terms of the FTC. We have heard from Senator Levin and others on the committee—in fact, from yourself—

He was speaking to me—

the drastic shape of the automobile industry, and yet the FTC found it necessary to open an antitrust proceeding against the auto industry on the ground the profit levels were too high and there wasn't enough competition. It is obvious there is competition, and it is fierce, and it comes from a worldwide basis. It is obvious the profits are deficient. In fact, the industry is going to have a $9 billion loss this year.

Well, I agree with part of that statement, but I certainly do not agree with all of it. The fact that the FTC found it necessary to open an antitrust proceeding on the auto industry does not justify doing away with all antitrust legislation. To try and justify that on these grounds is, I think, sheer nonsense.

Another quote from pages 176 and 177 of the hearing in response to the questions about the antitrust matter is the following:

How did we get an antitrust investigation and massive costs piled on each company out of the FTC from an existing antitrust docu-

ment? Because somebody noticed there are only three companies in the industry.

I think he is probably right on that.

When I asked him whether the overall statement in the Village Voice reflected his views, his quote to the committee was,

I think that (the statement in the Village Voice) is largely correct.

In other words, he favors doing away with the antitrust legislation on the books.

He went on and said; on page 178:

I think primarily monopolies that develop and persist over time do so because the government maintains their control over access to the market. The trucking industry was one good example before we deregulated it. The oil industry in the 1950s and 1930s is another good example because production was controlled by the Texas Railroad Commission. If you look at those cases, and we could go on indefinitely wtih the list, we will find that the worst cases occurred in which it was impossible for new competitors to enter industries . . .

I think he makes some valid points with some of the examples he uses. However, he then makes what I believe to be an extreme position across the board on the subject of monopolies. I will repeat his statement once again.

In modern times in a global economy with multinational corporations and the swift ability to deploy capital and production all around the globe, you don't have monopolies, so you don't have to define the rules of a game in terms of competition.

Another subject of concern to many is the reduction of entitlements. In Mr. STOCKMAN's Economic Dunkirk memorandum, he said—

The real leverage and locus for budget control is severe recession of entitlements and new obligational authority in the Federal standing pipeline.

He states that—

expenditures for food stamps, cash assistance, medicaid, disability, heating assistance, housing assistance, WIC, school lunches and employment compensation amount to $100 billion.

He further calls for a carefully tailored package to reduce eligibility, overlap and abuse in these areas with potential savings of $10–$20 billion.

Now, I am going to be the last one in the U.S. Senate to say that we cannot improve drastically on many of these programs that have gone too far, far beyond anything Congress ever intended. I certainly support making them efficient. But I think to just call for actions that are going to somehow automatically have potential savings of $10 to $20 billion translates into a 10 to 20 percent cut in all those programs listed. There is nothing else you can imply from his statement.

So I think all those people in this country who are just ignoring the nomination of Mr. STOCKMAN to OMB—the number two most powerful position in this Government, one that will do more toward determining the priorities that this Nation has toward our own citizens than any office except the President himself—should be aware of these things before we approve Mr. STOCKMAN for this job which he has been nominated. Many programs are going to get cut, obviously, and entitlements cut in the 10 to 20 percent range if Mr. STOCKMAN has his way.

Mr. STOCKMAN at the hearing, on page 62, stated that his general philosophy is:

In some general or theoretical sense, entitlements are very good things for those constituents in our society who have a very clear claim, case for public support for public benefits due to reasons that are beyond their ability to control. . . .

Mr. STOCKMAN went on to state that "even entitlements have to be defined carefully."

I am afraid that in the case of food stamps, social security, and many others over the years we have added elaborations, new categories and new elements of eligibility in a way that has not been very thoughtful, in a way that has not been entirely justifiable. That is the kind of review we need, not of the program, but of the universe of people it covers and whether or not all of those in that universe fit the original conception and the original justification for the program.

Well, that is a pretty good exposition on entitlements, I must admit. But I still think that the people that have an interest in the programs that I mentioned should be aware that we are about to have proposed to us, I presume, by Mr. STOCKMAN, cuts of 10 to 20 percent in all of those programs.

On the Federal budget, we have Mr. STOCKMAN's comments about the "coast-to-coast soupline."

The federal budget has now become an automatic "coast-to-coast soupline" that dispenses remedial aid with almost reckless abandon. . . .

And he described the Trade Adjustment Assistance Act as follows:

This thing is the most arbitrary, inequitable, costly policy that we have on the books today that has ballooned spending by $1 billion in 6 months and we ought to do something about it.

At the hearings, in response to my question of what the country should do for laid-off workers, if anything, Mr. STOCKMAN replied to the "coast-to-coast soupline" quote by saying that "sometime my metaphors might not be quite as exact as they should be." But Mr. STOCKMAN then stressed that what he was trying to emphasize was that the benefits that are provided to those in need when the economy sags "are automatically triggered in the budget by events that occur in the economy without any vote or maybe even any expectation in the Congress."

I agree with that. Our big problem with entitlements is that increases are built into some of them when the economy does sag, and we do lose control of a significant portion of the budget.

He gave as examples of uncontrollables unemployment benefits, higher debt service payments on the national debt, and drawdowns on many loan programs:

What I meant by the soupline was simply that when the economy deteriorates unexpectedly there are all kinds of expenditures for businesses, individuals, unemployed workers, and many others, that are generated without our ability to anticipate or factor those into our overall budget plan.

Now, I do not disagree with that statement. What I do disagree with, Mr. President, very strongly is having someone who will be one of our very highest Government officials be so calloused in his statements about any assistance we are giving to many millions of people, and passed by this Congress and describing them as arbitrary, inequitable, and costly policies. I think his past statements have shown a rather calloused disregard for a situation that has adversely affected millions.

On the subject of the investment tax credit, which I happen to think is a good piece of legislation—we need recapitalization, reindustrialization, new capital formation in this country—Mr. STOCKMAN has called it:

A tremendous national waste of men, machinery, and tax dollars (that) produces overall economic efficiency which leads to lower jobs, lower output, and lower real incomes.

At the hearings I also read back to Mr. STOCKMAN his statement about reindustrialization:

Reindustrialization policy is just a game for hyping the political control over the forces of the economy and for preserving the weakest assets in the economy.

Mr. STOCKMAN replied as follows:

Reindustrialization is vital. My only difference is how do you achieve it.

Mr. STOCKMAN says that instead of having the Government pick the winners or the losers and allocate capital either through tax mechanisms or through something like the RFC, he thought the way to solve the problem was to—

Do things to lower the rate of taxation on corporations, change the depreciation provisions . . . so that they (corporations) have higher after tax income, higher after tax cash flow, that will provide part of the cash.

He also recommended liberalizing the capital gains laws.

I happen to agree with his statement that we probably need some of the tax provisions that he is referring to. But to say that we do not need the investment tax credit and that it is "a tremendous national waste of men, machinery, and tax dollars (that) produces overall economic efficiency which leads to lower jobs, lower output, and lower real incomes" seems to me to be almost a ridiculous statement.

If we implement all of these things he is talking about, that is, if we have the change in corporate tax, depreciation provisions, and so on, these certainly will help put business on a solid basis over a number of years. But for industries such as the auto industry, that needs $80 billion over the next 5 years to modernize, or steel, where estimates are $30 billion over the next 5 years to modernize, which are in a loss or a near loss condition, I do not know how they are going to survive the waiting period. I am sure that after all the discussion of what was anticipated in our new economic policy, those people trying to run steel companies in my State, in Pennsylvania, Indiana, Illinois, and Alabama, are going to find it a little difficult to find out that they are going to have to wait probably for several more years to determine

when and if they ever get back into a profit situation. These things that Mr. STOCKMAN talks about will not begin to take effect for years. But what we are faced with is a loss situation now. There were no real answers to the severe short-run problems we are facing.

As indicated, Mr. STOCKMAN moderated some of his views to include the political realities we face, including our national security. But I must admit to still being troubled by Mr. STOCKMAN's positions on energy policy, welfare, and reindustrialization.

Those Senators who have worried over the past few years about the U.S. dependence on oil imports cannot feel comfortable about Mr. STOCKMAN's views regarding energy independence for the United States. This is not to say that we should pay no attention to what is happening outside our borders. Certainly I am in favor of what some people will call "oil proliferation," meaning the development of new fossil fuel resources in parts of the world where exploration has not proceeded very far.

The United States can relieve some of the problems presented by its dependence on Middle East suppliers by helping to broaden the supply base around the world. But is it really true that our dollar is better spent in trading for oil and gas on the world market as opposed to developing additional supplies at home? Mr. STOCKMAN would argue that the deregulation of oil and gas will provide sufficient incentive for such additional production. But I am talking about the investment that will be needed to bring alternative energy supplies online through new technology. In Mr. STOCKMAN'S view, industry will not provide investment in supplies which will come in above the world market price and the United States should not go beyond basic—repeat, basic—R. & D. in trying to bring such supplies to the commercial marketplace. But we are dealing with a national security problem here, and national security does cost something. If, by paying a bit more, the United States can reduce its dependence upon supplies from politically unstable regions of the world, should we not do that? Of course there is always a point at which the cost becomes so prohibitive that dependence cannot be avoided, but I saw no evidence in Mr. STOCKMAN'S views that he sees this question in anything but the most doctrinaire light. If the market will support it, industry will do it. If the market will not support it, no one should do it. That was his view.

I submit that the U.S. need for a secure supply of liquid fuels over the next 25 years will not be met by policies produced from such a rigid philosophy.

Mr. STOCKMAN'S views on welfare were also disturbing to me until he explained them in somewhat more detail.

In Mr. STOCKMAN'S view, any means-tested welfare system is counterproductive because it offers a strong disincentive to recipient employment and outside earnings, leads to the dissolution of families, creates large opportunities and incentives for the concealing of assets and other fraud, and wastes resources by requiring a massive administrative bureaucracy.

Well, how about all those other folks who can only marginally make it in our very complex society? Are we just to ignore them and say they do not count?

I know very few people who would defend our present welfare system in the United States. It does indeed suffer from some of the things which Mr. STOCKMAN accuses it of. But are we a Nation of compassionate people? Do we believe in the preservation of human dignity? Have we been willing to back up that philosophical commitment with our Nation's resources? The answer, of course, is that we have.

Mr. STOCKMAN recognizes at least some of this commitment and would accompany his narrow application of welfare with universal child payments and tax credits provided to low wage workers through a negative withholding tax. Certainly, these ideas deserve serious consideration, and certainly we should implement any improvement in the present system that we can. But if Mr. STOCKMAN believes that universal child payments and tax credits provided to low wage workers are not subject to fraud and abuses, he has not paid any attention to the experiences of the Internal Revenue Service since its inception.

Once again, it is not the idea that I am attacking; it is the certitude with which it is presented, a certitude that does not take into account the possibility of massive economic and social disruption if the remedy turns out not to work.

(Mr. SIMPSON assumed the chair).

Mr. GLENN. Mr. President, my final concern with regard to the Stockman nomination has to do with his attitude toward reindustrialization. In a CONGRESSIONAL RECORD statement made in July 1977 Mr. STOCKMAN blasted the investment tax credit for new machinery purchases as "a tremendous national waste of men, machinery, and tax dollars" which "reduces overall economic efficiency—leads to lower jobs, lower output and lower real incomes." He has also blasted more generally, the various tax incentives and tax breaks woven into the corporate tax structure.

Once again, I am not going to stand here and defend every aspect of the corporate tax structure that exists today. It is certainly true that many of the special tax incentives available to corporations came into being under vastly different circumstances than prevail today and whose existence may not be justified in this year of 1981. But considering the present plight of the steel industry and the auto industry in the United States and considering the dependence of the U.S. economic structure and its national security on these two industries, are we in fact in a position to write these industries off because of the difficulty they have had in recent years competing with products from abroad?

I am certainly in favor of corporate tax reform. I do believe that the engine of economic progress must be the private sector and that we must provide the means to allow the private sector to perform its task much better than it has in recent years. The investment tax credit was in fact invented for precisely that purpose.

We should not be discussing the question of the investment tax credit versus general corporate tax reform as if these are mutually exclusive choices to be made. Once again, theoretical certitude appears to have replaced pragmatic reasoning. Once again, however, in his confirmation hearing, Mr. STOCKMAN backtracked a bit on this issue, and did suggest that in the absence of what he would call true corporate tax reform there is a role to be played by the investment tax credit.

But as I understood in his views, he did not staunchly defend the notion that the U.S. Government should protect U.S. industry from the effects of unfair competition. Rather, he takes the view, in his writings, that if other countries subsidize their exports, then the United States should take advantage of that by purchasing the cheaper commodity because the damage will eventually occur to the other fellows' economy because of the unnatural skewing of his investment.

Now that might be OK in a world in which one can turn to other foreign suppliers if a source of materials or products is cut off, or in a world where one can turn one's own manufacturing efforts on or off like a spigot; but the world is not constructed that way. If, as a result of unfair competition, our steel or auto industry closes down, we will not be able to revive it so easily, and in the meantime, we put ourselves in a position where we are subject to risk to our national security as well as the risk of being gouged in the world marketplace.

In saying all these things, I do not question Mr. STOCKMAN'S qualifications to be the Director of OMB. He is honest, he is forthright, he understands Government, and he articulates his philosophy beautifully. Although he will head the second most powerful office in the Nation, there will be moderating influences coming from the Cabinet, the Congress, and elsewhere that the President will have to take into account in determining what the ultimate policy of his administration should be in any given area.

As I said in my opening remarks, it is my belief that in examining a nominee for high office we should look at his integrity and his qualifications to hold the post. In examining the latter, the question of whether the nominee's views are so extreme as to make his appointment inappropriate should also be taken into account. Barring any disqualification on those grounds, an incoming President has a right to have his choice confirmed.

Mr. President, I reserve the remainder of my time.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. Mr. President, I yield such time as may be required to the Senator from Tennessee.

Mr. SASSER. I thank the distinguished Senator from Ohio for yielding.

Mr. President, I rise to speak about some of my concerns about the nomi-

nation of DAVID STOCKMAN to be Director of the Office of Management and Budget.

Mr. STOCKMAN went before the Senate Committee on Governmental Affairs on January 8, and the committee discharged its obligations to carefully examine his qualifications to be OMB Director.

That hearing lasted for over 5 hours and Mr. STOCKMAN was very forthcoming in his answers to committee questions. Frankly, I found Mr. STOCKMAN to be a refreshing candidate for his office. He did not seek to hedge or dodge the many questions that were directed his way. For that he won considerable admiration from the committee.

That does not mean, however, that all the members of the Governmental Affairs Committee support Mr. STOCKMAN's nomination without reservation. A number of my colleagues on the committee have serious and fundamental disagreements about some of the public policy positions that Mr. STOCKMAN will be recommending to the President.

Take for example the issues of energy decontrol. Mr. STOCKMAN is an advocate of total and immediate deregulation of crude oil and gasoline prices. He contends that, with deregulation, we will conserve even more energy and provide further incentives for domestic energy production. I do not doubt that we might see slightly more conservation and perhaps slightly more production as a result of decontrol, but we should be mindful all the while of the role that rising energy prices have played in the inflationary spiral we find ourselves in.

We should ask ourselves the question: Is the price of a little more conservation in the field of energy, is the price of perhaps a marginal increase in production worth the cost of giving our economy another inflationary boot in the seat of the pants as oil prices go up? Consider these statistics for a moment, Mr. President, if you will.

In 1979, all consumer prices rose at a level of about 12.7 percent while energy prices rose at a level of 36.5 percent. And in 1980, we found that energy prices were increasing at a clip 50 percent above the rate of inflation generally.

Now some say that we are past energy price shocks. They say, the price of energy is stabilizing, so why not just go that one step further and decontrol all oil prices immediately?

We stand in daily peril of OPEC price increases, and there is little inclination on the part of these nations to try to help us out of our energy crisis. Indeed, they have been the chief culprit in putting us in that bad shape. They quite frequently raise the price of oil just as we decontrol prices at home.

What is the result of price increases and decontrol? The result is hyperinflation in energy prices. Thus, the Council of Economic Advisers has estimated that when we began the process of decontrol in June of 1979, combining this with OPEC price increases in oil through the better part of 1980, we saw a burst of price increases of almost 100 percent during the first 3 months of 1980 for the prices of all oil products.

We are advised—and Mr. STOCKMAN concurs—that we should speed the pace immediately and decontrol the price of oil forthwith, something that I think will add considerably to the price of oil and gasoline, which may trigger further OPEC price increases. Some economists are telling us that immediate decontrol of the remaining regulations dealing with oil and gasoline will result in a 15- to 20-cent immediate rise in gasoline prices.

Mr. STOCKMAN has shown little concern for the many millions of Americans who, as producers and consumers, need much needed relief from the energy price spiral, and that disturbs me. It causes me concern as I consider his nomination to this high and crucial post.

Other matters also come to mind as I consider Mr. STOCKMAN's nomination. I had a lengthy exchange with Mr. STOCKMAN about his views on a matter of particular regional significance to me—the energy pricing policy of the Tennessee Valley Authority.

Mr. STOCKMAN, at his hearings and in subsequent statements, indicated that he was concerned about the operations of the Federal Financing Bank and TVA's use of that bank to market its securities. Mr. STOCKMAN, in a Wall Street Journal article, labeled the Federal Financing Bank "a scam" and vowed that it should be shut down to prevent backdoor financing of Government obligations.

Mr. STOCKMAN, it appears to me, is somewhat wide of the mark in his understanding of this institution and how it is used by responsible agencies such as the Tennessee Valley Authority.

The Federal Financing Bank was created to reduce the borrowing costs and the administrative costs that are created when we have all manner of agencies market their obligations in an uncoordinated and confounded manner. That is why the Federal Financing Bank was created, and that is what its central purpose is.

Mr. STOCKMAN is rightly concerned about the growth of Federal credit. I share that concern. That is why the Senate, in the 1981 budget resolution, adopted a credit budget to control the growth of Federal credit.

But Mr. STOCKMAN went on to assert that the bank was out of control and that too many agencies were piling up debt outside of the budget, at great cost to the taxpayer, and that the Tennessee Valley Authority would just have to grin and bear it, stop adding to the credit explosion and the creation of off budget debt.

Again, Mr. STOCKMAN was wide of the mark. He did not understand that TVA obligations are part of the official budget deficit and are not hidden debt. He failed to understand that the TVA debt is not a liability of the American taxpayer but is a liability of the electric ratepayers of the Tennessee Valley area, and he failed to understand that by using the Federal Financing Bank, Tennessee Valley Authority, for all the consumers of the Tennessee Valley, can reduce power costs by some $2.5 billion through 1995. By conservative estimate, it will cost ratepayers in the Tennessee Valley area an additional $2.5 billion in interest costs if they are denied access to the Federal Financing Bank to market their bonds and their securities.

This may be a boon for those Wall Street bond salesmen who will be marketing these bonds, but this is going to work a terrific hardship on the ratepayers of the Tennessee Valley area, the elderly people who are seeking to heat their homes, perhaps on a social security check. I believe that Mr. STOCKMAN showed little appreciation for these human dimensions of this issue.

The Tennessee Valley Authority is struggling now to hold down power costs in order to help people better cope with rising utility costs and to help promote much needed economic development in that region, which in some areas has the lowest per capita income in the United States of America.

It is this aspect of Mr. STOCKMAN's approach to public policy problems that concerns me and has caused me to consider seriously possible opposition to his nomination. However, having said all this, and despite our fundamental disagreements on many issues, I have resolved today to vote for Mr. STOCKMAN's nomination.

Over the past several days, Mr. STOCKMAN has proved himself to be responsive to some of these problems in a way that suggests he may counsel wisely and well about the problems that affect the average American.

For example, in the matter of the Tennessee Valley Authority, Mr. STOCKMAN and I have exchanged views on the access of TVA to the Federal Financing Bank.

At this point, I ask unanimous consent to have printed in the RECORD a copy of my correspondence with Mr. STOCKMAN on this subject.

There being no objection the correspondence was ordered to be printed in the RECORD as follows:

U.S. SENATE,
Washington, D.C., January 19, 1981.

Hon. DAVID STOCKMAN,
Director-Designate, Office of Management and Budget, Longworth Office Building, Washington, D.C.

DEAR CONGRESSMAN STOCKMAN: I am writing this letter pursuant to our conversation about the Federal Financing Bank (FFB) and its relationship with the Tennessee Valley Authority that we held in your confirmation hearings on January 8th.

As I indicated at your confirmation hearing, I am concerned about some of your views regarding TVA's use of the Federal Financing Bank. Let me take this opportunity to once again set out for the record the reasons why the TVA must have continued access to the Federal Financing Bank, and why I need some clarification as to your position with regard to TVA's use of the Bank. Since the inception of the Federal Financing Bank in 1973, the TVA has disbanded its administrative apparatus for directly marketing its obligations and through its prudent use of the Federal Financing Bank has saved the rate-payers of the Tennessee Valley $100 million in reduced power rates. Indeed, the TVA projects savings of nearly $2.5 billion in reduced interest and administrative costs by use of the Federal Financing Bank through 1995. These are significant savings which allow TVA to perform its central obligation of marketing power in the seven-State Tennessee Valley Area at the lowest possible cost.

In your response to my question about this matter, you indicated that while you

had come to no specific conclusion with regard to TVA use of the Federal Financing Bank, you were concerned that perhaps taxpayers of other States were subsidizing operations of the TVA, and that possibly TVA use of the Bank should be curtailed.

Respectfully, Mr. Stockman, I must disagree with your initial views on this matter. Let me assure you that the operations of TVA are not subsidized by taxpayers in the rest of the Nation. While it is true that my region's ratepayers receive a benefit by TVA's being able to borrow from the FFB the funds it needs for construction of generating facilities, TVA is authorized to borrow either from the FFB or on the open market, where its bonds received a triple-A rating. Quite naturally, TVA chooses to borrow where it can get the lowest interest rates, which in recent years has been from the FFB. As I explained at the hearing, these lower interest rates have saved my region's taxpayers more than $100 million thus far and are expected to save them as much as $2.5 billion over the next 15 years.

This benefit is not, however, a subsidy as implied in your testimony. TVA and its ratepayers more than pay their own way. The FFB charges TVA an interest rate at least an eighth of a point higher than the rate the Treasury has to pay on the borrowings it makes to cover the loan to TVA. The eighth of a point exceeds FFB's and Treasury's costs.

It is true, as you testified, that the Treasury's borrowings are increased on account of Federal agencies', including TVA, borrowing from the FFB; but it is not true that taxpayers must pay all of the $3 to $4 billion in annual interest you mentioned. TVA ratepayers pay their full share of this interest. Moreover, although the TVA power system belongs to the Government, it has been bought largely with its ratepayers funds and obligations. Less than 7 percent of TVA's almost $14 billion in assets were acquired with funds from Congress, and this investment is being paid back with interest at current rates through annual payments to the Treasury. Indeed, such repayments now total $1.6 billion to date.

However, let there be no misunderstanding. I support your objective of bringing greater control of Federal spending especially the backdoor spending that is obligating future taxpayers without adequate Congressional review. As a member of the Senate Committee on Appropriations and Senate Budget Committee, I am only too aware of this strain on the budgetary system.

But, again, this is precisely where the TVA situation is different from other agencies that borrow from the FFB. The TVA power system budget is included in the President's budget and is annually reviewed by the Appropriations and Budget Committees of both Houses. The Public Works Committees of both Houses also periodically review the TVA power program at special oversight hearings and whenever there needs to be an increase in its bond ceiling.

In addition, TVA power funds are not Government funds. This was emphasized last year by the Committee on Governmental Affairs in connection with the Sunset legislation (S. 2), which I cosponsored. It has also been emphasized by other committees. The source of TVA power funds is from the Tennessee Valley area ratepayers, not the Nation's taxpayers. Consequently, when TVA borrows from the FFB, it is simply not moving Government funds from one pocket to the other, as other agency borrowers do. TVA's payments of interest and principal come straight out of the pockets of its ratepayers. TVA bonds are secured as to interest and principal by those ratepayers, and are not guaranteed by the United States. In fact through Bankers Trust Company of New York, the trustee for all bondholders, the FFB can enforce the bonds' covenants against TVA and its ratepayers if need be.

I would also like to clear up any misconception that TVA and its ratepayers are getting some kind of special treatment not available to others, even if it is not a subsidy. Private and public electric systems already get significant Federal benefits, some at substantial cost to the Treasury. The New York Power Authority, as a state agency, is able to issue tax-exempt bonds. The Indiana & Michigan Electric Company also can receive its share of tax benefits through various credits, accelerated depreciation, and tax-exempt pollution control bond financing. As a result of such tax benefits, the Federal income taxes of privately owned electric systems, as a percent of income before Federal taxes, has fallen drastically since 1959.

Therefore, I must ask you the following questions which I would ask you to respond to, either in writing or by phone, before the vote on your confirmation in the Senate later this week.

1. Do you intend to specifically limit TVA's use of the Federal Financing Bank and thereby require TVA to market its bonds directly to the private market?

2. Do you intend to recommend legislative limitations to the use of the Federal Financing Bank primarily for other Federal agencies, most especially those agencies which use the Bank to finance off-budget debt, and thereby reduce the use of the Bank by agencies other than the TVA whose public debt is an on-budget item?

3. Do you intend to scrutinize the question of TVA indebtedness directly by recommending to the Congress any legislative changes in basic TVA legislation that would include restraint in the issuing of TVA obligations?

In conclusion, since I have a direct and continuing obligation to the citizens of the State of Tennessee to insure the fiscally prudent operations of the TVA and thereby have the TVA provide public power at the lowest possible cost to the ratepayers in the Tennessee Valley, I must have your answers to these questions before I can, in good conscience, cast a final vote on your confirmation in the full Senate.

I will appreciate your prompt consideration of this letter. Best regards.

Sincerely yours,

JIM SASSER,
U.S. Senator.

Mr. SASSER. Mr. President, I am pleased to report that the distinguished senior Senator from Mississippi (Mr. STENNIS) and the distinguished senior Senator from Alabama (Mr. HEFLIN) share my concern with regard to helping the ratepayers of the Tennessee Valley area, and I have indicated that fact to Mr. STOCKMAN.

I am delighted to report that, due to our collective concerns in this matter, Mr. STOCKMAN has indicated that he would meet with the Senators from the Tennessee Valley area. At his suggestion, the meeting would include the new Secretary of the Treasury, Mr. Regan, and this meeting would take place after Mr. STOCKMAN has had a chance to review this situation.

And he further indicated in a telephone conversation with me that he would do nothing precipitate that would disrupt the prudent financial planning that TVA must exercise to hold down utility costs.

So I am encouraged by this response by Mr. STOCKMAN and I hope that it bodes well on other issues that he is called on to deal with for this Congress.

Mr. President, let me conclude by wishing DAVID STOCKMAN well in his new role. This country certainly needs a forthright Budget Director. While I suspect we are going to have some disagreements in the future, some of a very fundamental nature, I wish Mr. STOCKMAN to know that Congress will discharge its responsibility in working with him to bring about fiscal restraint in the budget in a prudent yet compassionate and equitable manner.

Mr. President, I yield.

Mr. GLENN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GLENN. Do we go out at 1:45?

The PRESIDING OFFICER. There will be a recess at 1:45.

Mr. GLENN. We come back in then at what time?

The PRESIDING OFFICER. Five p.m. Who yields time?

Mr. GLENN. Mr. President, I yield such time as may be required by the Senator from Michigan.

Mr. LEVIN. Mr. President, I thank my friend from Ohio.

Before I begin, I do wish to commend the Senator from Wyoming on the skill and the great fairness with which he has chaired today, presiding over the Senate.

The PRESIDING OFFICER. The Chair thanks our distinguished colleague from Michigan for those remarks.

Mr. LEVIN. Mr. President, as a member of the Governmental Affairs Committee, I was present when Mr. STOCKMAN was questioned by our members on a wide variety of economic policy and management issues. I was impressed with his knowledge of a broad range of subjects, his ability to articulate his views, his enthusiasm for his work, and his willingness to take a stand on some of the most complex issues of our time. Our committee found his candor refreshing.

Because of his quick mind, his experience in Congress, his involvement in and research of major economic issues and his willingness to devote long, hard hours to his job I will vote for his nomination. I do, however, want to comment on his economic philosophy and his proposed remedies for this Nation's ailing economy.

I find that philosophy and those remedies doctrinaire and simplistic.

In his zealousness to cut Federal spending, a worthy goal which I support, Mr. STOCKMAN recommends a declaration of economic emergency. Such a statement could prove very dangerous, a judgment happily shared apparently by members of the Reagan economic team and by financial analysts. Credit and capital markets are in precarious enough condition. Statements of doom and disaster are often self-fulfilling prophecies.

I also challenge the doctrinaire and simplistic statement, which Mr. STOCKMAN defends.

Inflation has one cause and one cause only: Government spending more than Government takes in. There is only one answer: a balanced budget.

I also challenge as doctrinaire and simplistic Mr. STOCKMAN's position that

monopolies can exist only with the support and encouragement of the Government. He has stated that—

Monopoly never developed unless it is sanctioned by governmental authority. There is no such thing as a privately developed and composed monopoly.

I also challenge Mr. STOCKMAN's overly aggrandized role of OMB when he stated in response to the committee's written questions that:

Only OMB—

And I emphasize only OMB—

is in a position to assess the relative importance of individual agency requests and strike a balance among the competing demands for Federal resources that is consistent with the President's fiscal policy.

What about the domestic policy group and the domestic policy staff at the White House and what about the President himself?

Mr. STOCKMAN is wedded to the Kemp-Roth tax cut. I am concerned about the inflationary impact of Kemp-Roth and also its inequitable distribution of tax cuts. As long as the Reagan administration and Mr. STOCKMAN remain convinced of the merits of Kemp-Roth, I am afraid we will see larger and larger deficits, and a growing public debt. And I must object to his definition of waste in Government, using the successful UDAG program, as he does, as his example.

Few will dispute the proposition that a consistent tough monetary program will help bring inflation under control. But to look to that strategy alone is dangerously misleading and, in the end, could very well worsen conditions rather than improve them.

And there is no question that a restrictive monetary policy offers higher and higher interest rates in the short run. These rates will subside only when inflation appears under control and the economy assumes a stable posture. But the persistence of these high interest rates has crippled credit sensitive industries such as autos and housing. The short run has been extended into a long and arduous timetable holding despair for businesses and their employees.

Restrictive monetary policy cannot solve all our problems. External price shocks such as OPEC price increases send inflation up. Crop failures and droughts escalate food prices.

We have built into our economy inflation safeguards, protective devices intended to shield us from the hurt inflation inflicts on all of us. Escalator clauses in our wage contracts, automatic adjustments in Federal payments, and the ability to pass on costs to people expecting price increases postpone the really tough questions on inflation. These defensive mechanisms, including indexing of the tax code which Mr. STOCKMAN supports, perpetuate inflation while making inflation more bearable to the beneficiaries of the safeguards.

The wage-price spiral must be addressed by some mechanism, perhaps a voluntary agreement among the leaders of business, labor, and government, or, perhaps a tax-based incomes policy. The wage-price spiral represents the hard-core inflation rate which now measures roughly 9 percent. If we do not address this spiral we cannot hope to bring inflation to acceptable levels. Mr. STOCKMAN objects to the tax-based incomes policy as Government interference but it is an innovative idea, worthy of our consideration.

The complexities of the economy simply do not afford us the luxury of pursuing an anti-inflation program with but a single weapon: restrictive monetary policy.

Let no one mistake or read into this a defense of so-called liberal economics which can be as doctrinaire and as simplistic as Mr. STOCKMAN's economics. Nor let anyone mistake what I am saying or not saying. I am not saying we should not move to a balanced budget and I am not saying Government is not part of our problem. I am saying, unlike the President and Mr. STOCKMAN, that balancing the budget is not the only answer, that there are other components to inflation than Government deficit spending.

Because I do not agree with his philosophy, however, I will not deny Mr. STOCKMAN my vote. President Reagan has an electoral mandate for his philosophy, one strongly endorsed by Mr STOCKMAN, and we in the Senate should allow him to seek to exercise that mandate. This is the only way a President can be truly accountable to the people—by being given a chance at least to offer to put into effect his campaign promises and pledges. Our duty in the Senate is to make sure that the President's nominees are people of personal integrity, experience, and dedication. Mr. STOCKMAN certainly meets these criteria and his views are consistent with the office to which he has been appointed.

Mr. President, in conclusion, while I find Mr. STOCKMAN to be certainly an acceptable nominee, I summarize my concern by referring to his application of doctrinaire economics to the very complex ills of this country.

I am concerned that the price paid for a policy of STOCKMAN's pure monetarism, as Mrs. Thatcher has discovered, will be paid by those least able to pay, the poor, the elderly, the jobless, and the total reliance on it will not cure our real ills.

In other words, while I hope these concerns will be proven wrong, that Mr. STOCKMAN and the President will be successful in their efforts to bring the economy back to health, I cannot but express my fears that a doctrinaire dose of their medicine will prove worse than disease with which our economy is afflicted.

I thank the Chair and again I thank my friend from Ohio.

ORDER OF PROCEDURE

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio.

Mr. GLENN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GLENN. What will be the parliamentary situation when we come back at 5 p.m.? What will be the first order of business?

The PRESIDING OFFICER. The first order of business at 5 p.m. will be the vote on confirmation of William Casey.

Mr. GLENN. Followed by?

The PRESIDING OFFICER. Followed by the continuing debate and discussion on this nomination of Mr. STOCKMAN.

Mr. GLENN. That is what I understood the parliamentary situation to be.

I think all those listening in the offices or other Senators who might wish to make statements either with regard to pro or con on Mr. STOCKMAN should be advised that we will be going back in on the debate on the Stockman nomination at 5:20 or 5:25, something like that this afternoon.

The PRESIDING OFFICER. It is the opinion of the Chair that will be the time that those who may wish to do so will enter the discussion.

The time limit remaining is 20 minutes for the Senator from Ohio, 53 minutes for the Senator from Delaware, and 30 minutes for the Senator from Wisconsin, Senator PROXMIRE.

Mr. GLENN. I thank the Chair.

APPRECIATION OF THE CHAIR

The PRESIDING OFFICER (Mr. SIMPSON). Let me just say one should not become so jaded that one does not appreciate the opportunity to preside here, and this is my first occasion. I watched my friends in the former majority do that. I saw that it did become a bit ponderous at times. I hope mine does not become that.

But certainly after floor managing bills and the various items of combat out there, I feel I have completed now the full duty cycle of Senate responsibilities. It was a great honor and a great privilege. I will not let that go by.

RECESS UNTIL 5 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 5 p.m.

The Senate, at 1:46 p.m., recessed until 5 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. WARNER).

VOTE

NOMINATION OF WILLIAM J. CASEY, OF NEW YORK, TO BE DIRECTOR OF CENTRAL INTELLIGENCE

The PRESIDING OFFICER. The hour of 5 o'clock having arrived, the question before the Senate is, Will the Senate advise and consent to the nomination of William J. Casey, of New York, to be Director of Central Intelligence? On this question, the yeas and navs have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN), the Senator from Iowa (Mr. JEPSEN), and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT), would vote "yea."

Mr. CRANSTON. I announce that the Senator from Texas (Mr. BENTSEN), and the Senator from New Jersey (Mr. BRADLEY) are necessarily absent.

The PRESIDING OFFICER. Is there

any Senator in the Chamber who desires to vote who has not done so?

The result was announced—yeas 95, nays 0, as follows:

[Rollcall Vote No. 16 Ex.]

YEAS—95

Abdnor	Glenn	Moynihan
Andrews	Goldwater	Murkowski
Armstrong	Gorton	Nickles
Baker	Grassley	Nunn
Baucus	Hart	Packwood
Biden	Hatch	Pell
Boren	Hatfield	Percy
Boschwitz	Hawkins	Pressler
Bumpers	Hayakawa	Proxmire
Burdick	Heflin	Pryor
Byrd, Harry F., Jr.	Heinz	Quayle
	Helms	Randolph
Byrd, Robert C.	Hollings	Riegle
Cannon	Huddleston	Roth
Chafee	Humphrey	Rudman
Chiles	Inouye	Sarbanes
Cohen	Jackson	Sasser
Cranston	Johnston	Schmitt
D'Amato	Kassebaum	Simpson
Danforth	Kasten	Specter
DeConcini	Kennedy	Stafford
Denton	Leahy	Stennis
Dixon	Levin	Stevens
Dodd	Long	Symms
Dole	Lugar	Thurmond
Domenici	Mathias	Tower
Durenberger	Matsunaga	Tsongas
Eagleton	Mattingly	Wallop
East	McClure	Warner
Exon	Melcher	Weicker
Ford	Metzenbaum	Williams
Garn	Mitchell	Zorinsky

NOT VOTING—5

Bentsen	Cochran	Laxalt
Bradley	Jepsen	

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominee was confirmed.

Mr. MOYNIHAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BAKER. Mr. President, I ask that the President be immediately notified that the Senate has given its consent to this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

OFFICE OF MANAGEMENT AND BUDGET

NOMINATION OF DAVID A. STOCKMAN, OF MICHIGAN, TO BE DIRECTOR OF OMB

The Senate continued with the consideration of the nomination.

Mr. BAKER. Mr. President, what is the business pending before the Senate?

The PRESIDING OFFICER. The Senate will now resume the consideration of the nomination of DAVID A. STOCKMAN of Michigan to be Director of the Office of Management and Budget.

Who yields time?

Mr. BAKER. Will the distinguished manager of the bill yield me 1 minute?

Mr. ROTH. I am happy to yield.

Mr. BAKER. While I have the opportunity and while there are a number of Senators on the floor, Mr. President, may I inquire how much time we expect to use on the Stockman nomination? Before we try to ascertain that, let me say I would like to see the Senate deal with this nomination and the Kirkpatrick nomination yet this evening if it is possible. It is my hope and intention to conclude our business and recess about 6:30 or 6:45 p.m. and, if we cannot complete both of them by then, to go over and resume the consideration of the remaining nomination on Thursday. I hope we can do that tonight.

May I inquire if there is some possibility that we could reduce time on this nomination?

Mr. GLENN. Mr. President, if the majority leader will yield, may I ask how much time is left on both sides on this confirmation?

The PRESIDING OFFICER. The Senator from Delaware has 52 minutes remaining. The Senator from Ohio has 20 minutes remaining. The Senator from Wisconsin has 30 minutes remaining.

Mr. GLENN. The time, as I understand it, was also—I know that Senator HOLLINGS wishes to speak on this and also Senator PROXMIRE. I want just another 2 or 3 minutes. Does anyone else on this side of the aisle wish to speak on Mr. STOCKMAN?

Mr. HOLLINGS. I thought I would be given 25 minutes.

Mr. GLENN. I indicated I would give some of my 20 minutes and Senator PROXMIRE indicated if he has extra time, he will give the Senator some, also. That will be 25 or 30 minutes, I presume.

Mr. BAKER. Mr. President, I gather from the colloquy on the floor just had with the distinguished Senator from Ohio that it looks as if there may be a requirement for 45 minutes or so on the minority side.

Mr. GLENN. That is correct.

Mr. BAKER. May I inquire of the Senator from Delaware how much time he anticipates using on this side?

Mr. ROTH. We yielded 10 minutes to the Senator from Montana. I doubt we shall take more than an additional 10 minutes.

Mr. BAKER. It appears, then, that we have a good hour before us and possibly more than that, together with the rollcall vote. So I think it is unlikely that we shall finish all three nominees today. It is my intention, then, to try to conclude the Stockman nomination today and put the Kirkpatrick nomination over until Thursday.

May I inquire, before I yield the floor, would it be at all possible to agree on a time certain to vote under these circumstances, say not later than 6:30?

Let me inquire, then, based on the colloquies we have had, whether or not it might be possible to have an agreement to have the vote on STOCKMAN not later than 6:45. That will give us an hour and 20 minutes. It appears to meet with some favor on the floor. At this time, I ask unanimous consent that the vote on the Stockman nomination occur not later than 6:45.

Mr. GLENN. Reserving the right to object, and I do not plan to object, I understand that there will not be needed more than 10 minutes on that side. I do not want to cut short the time we have available on our side. It is 30 minutes for the Senator from Wisconsin and I have 21 minutes over here.

Mr. PROXMIRE. I do not expect to take my full 30 minutes. I shall yield some of my time to the Senator from South Carolina and the Senator from Montana. I would like to be able to follow Senator HOLLINGS.

Mr. GLENN. So long as we have our 51 minutes total.

Mr. BAKER. Mr. President, I think that is a fair arrangement. I ask unanimous consent that the vote on the Stockman nomination occur not later than 6:45 p.m., with the understanding that the minority will have not less than 51 minutes of the time remaining.

Mr. GLENN. That is satisfactory.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. GLENN. Mr. President, I yield 20 minutes of my time to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, it is my intent to vote for the nomination of DAVID STOCKMAN as Director of the Office of Management and Budget. I think this is a timely occasion to note the progress that we have made under the budget process and some of the restrictions and impediments that we have met in trying to bring fiscal responsibility and a balanced budget to the Nation's finances. One of the big hurdles that we have had is a partisan stance over the House side, in contrast to here, on the Senate side, where we have had the distinguished Senator from Oklahoma (Mr. BELLMON) and now my distinguished chairman (Mr. DOMENICI) working in a very cooperative, bipartisan way. We have had compromise and give and take, and we have presented bipartisan budgets, working through the various conferences. We have done that on the premise that, even with constitutional amendment, proposals for a balanced budget, even with rule changes that said we could not have a deficit budget unless we have a two-thirds vote written into the Constitution, any and all the approaches still bring us back to the bottom line of accommodation and compromise and working a general will in a gentlemanly fashion here on the floor of the Senate itself and on the floor of the House of Representatives.

One of the leaders of a block of some 100 Congressmen who prided themselves that they never have voted for a debt limit bill and that they never have voted for a budget resolution is our distinguished friend, the present nominee for the position of Director of the Office of Management and Budget.

Over on the House side, he would habitually call the budget process a "Trojan horse," an "exercise in symbolism," "political desperation," "policy gimmickry," and other characterizations of that kind. That is a luxury I wish we all could afford. It would be nice just to get up and call names and politicize the entire process.

My dismay, then, and the reason for these comments and in taking the floor this afternoon, is to request that the distinguished Director of the Office of Management and Budget temper his remarks and eliminate the inflammatory and provocative approach.

I have not seen that change, unfor-

tunately, since he was first mentioned for the post back in November. On the contrary, he became a little more encouraged with the idea that he might be Director, and he laid down his manifesto. Along with the manifesto, was his article in the Outlook section of the Washington Post, in which he said the Nation was facing an economic Dunkirk; that the first thing we are going to have to do in January is to declare an economic emergency. He terrorized, he intimidated, and he frightened the market and the economists and the business leadership to such an extent that Dr. Arthur Burns, former chairman of the Federal Reserve Board, and many others, cautioned us saying "we don't need this talk about an economic Dunkirk. We're not facing that."

In fact, some of the economists went on to say that the economy was doing better and cited the growth rates, talked of the diminution in unemployment (whereas a 9-percent rate had been projected, we are at a far lower 7.4 percent) and talked of the increase in productivity on the part of the American industrial machine.

However, that did not deter DAVID STOCKMAN. He said that what we needed would be a jolt to the economy; he said that there would be blood on the floor; he said that the budget was an automatic coast-to-coast soup line.

When President Carter worked around the clock with his economists and his advisers and his Director of the Office of Management and Budget, DAVE STOCKMAN callously threw President Carter's budget aside, saying it is strictly a political budget.

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HOLLINGS. Mr. President, all budgets are political. That is the intent. They are a political document, not only balancing in financial terms and hopefully paying the Nation's bills, but also, more than anything else, balancing the priorities.

Let us look at two or three items in the Carter budget. For example, President Carter recommended a 10-cent tax on gasoline. And what did President Reagan do today? He came along with decontrol of the price of gasoline, or a 10-cent tax on gasoline. That is what it will amount to, and probably much more.

The fact is that under the Carter approach, the 10-cent tax on gasoline would go to the National Treasury, but this new decontrol tax is going to be split three ways. A third of it is going to the Arabs; a third of it is going to Exxon, and; yes, the Reagan administration will pick up a third under the windfall profits tax. The administration likes that windfall profits tax. It is not going to do away with that.

So the very first thing, with all the polemics and the Dunkirks and the coast-to-coast soup lines, and Kemp-Roth, and cutting taxes across the board, we have an increase in taxes. He calls it decontrol, but I call it an increased tax on the consuming public of the United States.

Incidentally, I oppose both. I do not believe that now is the time to start increasing inflation. I do not believe in the gasoline tax increase. And I do not believe in the removal of controls or the decontrol tax, to be picked up partially by windfall and the remainder going to OPEC and the big oil companies.

President Carter withdrew State revenue sharing in his budget. Is that political? I guess so. We all have stood for State revenue sharing; but in setting the priorities, the States have more than $10 billion in surpluses, and we are facing $60 billion in deficits. So he had the courage to include the temporary elimination of State revenue sharing, leaving only that share going to cities and counties.

What about the politics of the twice-a-year cost-of-living adjustment? The Carter budget did away with that. Is the Reagan budget going to recommend continuation of this "hemorrhage?" We are going to have to use those descriptions. Let us get on with them, then. There is a hemorrhage in the pension and retirement system of Senators, Congressmen, Directors of the Office of Management and Budget, and Civil Service retirees. I will go into that later, because we are going to have a good time debating that.

I notice that when former Speaker McCormack passed away, although he had been paid some $42,500 as a Congressman, at the time of his death he was receiving $91,000 a year, under the cost-of-living computations. Is the Reagan budget going to remove that one? Some of my good friends on the other side of the aisle are always chastising us about this, but we are never going to have a balanced budget unless we get control of this hemorrhage.

President Carter recommended changing the computation of the Consumer Price Index to remove the housing mortgage element, which exaggerates the true cost of living. This could save us billions of dollars in the cost-of-living and the other adjustments to benefit payments in the Federal budget.

President Carter recommended a change in the computation in the national trigger price for unemployment compensation, saving $2.2 billion.

President Carter recommended another $26 billion for defense.

Now are my colleagues on the other side of the aisle going to eliminate all those things in order to get a balanced budget?

As to these coast-to-coast soup lines and everything we have had to listen to in November, December, and January, we have had 90 days of that, and we have stayed beautifully quiet. We were defeated on November 4, but we are not dead, Mr. President.

Let us look at exactly what we did, under a bipartisan approach to our national budget process, in Congress.

With bipartisanship, we have in the present 1981 budget a document which has been described by the economists—and I can give the testimony—as a restrictive budget. We refused new programs. We cut $5.4 billion from current policy. We cut 10 percent from the controllable programs. That was a pretty tough job to do.

We did not hemorrhage. We debated conscientiously and tried to get the cuts that could be made.

But budget-making being the art of compromise, there was give and take. We had a difficult time over on the House side. If instead of the polemics, the histrionics, and the drama of trojan horses, if they could have cooperated over these with Congressman RALPH REGULA and Congresswoman MARJORIE HOLT and some of the Republican leadership that did try to help us, we could have had lower figures, I say to the senior Senator from New Mexico. But with a 100 plus bloc of Republicans, led by the Director-designate of the Office of Management and Budget, in opposition, the budget was turned over to more liberal colleagues who believed in more liberal spending.

Within the last 5 to 6 years we instituted 5-year budgeting in the budget resolution so we could project some vision and direction. We established a credit budget to control the Federal loans and loan guarantees.

We established a reconciliation process that saved $8.4 billion. We had 9 committees of the Senate and 10 committees of the House of Representatives, 100 Congressmen and Senators, meeting to work with each other over several weeks. And they saved in the present budget $8.2 billion.

Mr. President, the budget system is working.

My time is limited and we all want to try to get on to a vote, but I could give example after example. The most recent one, of course, was when our distinguished chairman, Senator Pell, brought the higher education bill to the Chamber, and it removed the $25,000 income level cap. So these moneys were not helping the disadvantaged but rather extending those benefits, and it would have cost billions and billions of dollars more. We had a rather heated debate.

They told us we were against higher education. They dutifully went to each one of my State's black colleges and they had a black college president call me and say:

Chicken Little the sky is falling.

They asked me:

What is happening to you? You have always been on our side. You are ruining higher education.

But after the tempers cooled, we came back. They did go back into conference and brought out a very good bill, and we saved $4 billion. That is just one example.

Mr. PELL. Mr. President, will the Senator yield on that point?

Mr. HOLLINGS. I yield.

Mr. PELL. I agree we brought out a bill that was more preferable by him. I still like the first bill. I still think that money spent on that higher education was money well spent. But this is a point, as pointed out, we debated vigorously that evening. I just could not let the remark go by.

Mr. HOLLINGS. No. That is us all. We are the man. The man who has his mind

changed against his will is of the same opinion still.

That is the point.

If each of the 100 Senators has his way and if each of our colleagues on the House side has his way, there will never be a budget resolution or reconciliation.

So there has been progress and it should not be discounted. The budget is not balanced, but equally it is not hemorrhaging.

Adlai Stevenson, when asked once whether he was a conservative or liberal, said:

That is not the important question. The important question is am I headed in the right direction.

Mr. President, this Congress, Senator Pell, and all the others are working together here, and they and the distinguished Senator from New York, and the others who worked with the Finance Committee in building a majority for the reconciliation measure, all gave and compromised and brought out a good work product that has put us on track and headed us in the right direction.

Mr. President, now we see that our friend from Michigan who is to be the budget director continues with his inflammatory language. I hope he will just cool it a while and start working with us so we can develop a bipartisan approach, because I am very, very fearful that the jolt that will be received will be to him, and the blood on the floor could well be his. I say that advisedly.

We have had too much politicizing and to get right to the point, Mr. President, I wish to refer to the debt limit. Limiting deficit spending was a part of every campaign. I was in one and was accused the very same way as others when we acted responsibly and voted to extend the debt limit to keep the Government continuing and to pay our bills. The opposition, namely those represented by DAVID STOCKMAN, did not vote to extend that debt limit in 1979, they did not vote to extend that debt limit in 1980, and they labeled the legislation "busting the budget." In fact they put it in very colorful political ads, Mr. President. You should see this because I think maybe we Democrats could use some of this in the next election if we are going to get back a majority.

Mr. President, I ask unanimous consent to have printed in the RECORD the document entitled "Key Issues—Conservative Versus Liberal Positions" to which I have made reference.

There being no objection the document was ordered to be printed in the RECORD, as follows:

KEY ISSUES—CONSERVATIVE VERSUS LIBERAL POSITIONS

	Kennedy	McGovern	Morgan	Helms	East
Slash defense budget by $1 billion, Aug. 2, 1976 (H.R. 14262).	Yes	Yes	Yes	No	No.
Build vitally needed B-1 bomber, July 18, 1977 (H.R. 7933).	No	No	No	Yes	Yes.
Increase defense budget by $1.6 billion, Apr. 26, 1978 (S. 80).	No	No	No	Yes	Yes.
Allow unions to use forced dues for political purposes, Aug. 3, 1977 (S. 926).	Yes	Yes	Yes	No	No.
Free food stamps, May 24, 1977 (S. 275)	Yes	Yes	Yes	No	No.
Panama Canal giveaway, Apr. 18, 1978	Yes	Yes	Yes	No	No.
Limit deficit spending, Mar. 26, 1979 (H.R. 2534)	No	No	No	Yes	Yes.

Mr. HOLLINGS. I am referring now to a document entitled "Key Issues—Conservative Versus Liberal Positions," that was employed against my distinguished colleague from North Carolina, the former Senator Robert Morgan. You will see here a picture of Senators KENNEDY, McGovern, and Morgan, and listed on the other side are Senator HELMS and Mr. EAST. And they go down the list, and when they get down to limiting deficit spending, busing the budget, they give a date, March 26, 1979, and a bill H.R. 2534, the debt limit bill.

KENNEDY voted no, not to limit Federal spending; McGovern voted no, not to limit Federal spending; Morgan voted no, not to limit Federal spending; HELMS voted yes, to limit Federal spending; and EAST, the present distinguished Senator from North Carolina, voted yes, to limit Federal spending. I do not know where he voted down there in East Carolina. I guess that was a pretty good vote.

But you see the public never was told the truth about that kind of legislation. I say to Senator DOMENICI that all I am trying to do is bring DAVE STOCKMAN into the majority. He has a responsibility. And if he is going to continue politicizing and running around like Chicken Little licken, the sky is falling, and with his coast-to-coast souplines and his hemorrhaging, and if he is going to act like he is the only one that has ever thought of a balanced budget and bringing discipline and order out of chaos, let him be put on notice that we will discipline him. A good place to start would be when the message to raise the debt limit from $935 billion to $990 billion is sent over in a few days. I think perhaps we should hang back and let our majority colleagues vote, as they describe it, to bust the Nation's budget, to vote against limiting Federal spending.

Mr. HOLLINGS. Mr. President, I thank the distinguished Chair and particularly my distinguished colleague from Ohio.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. Mr. President, I yield 5 minutes to the distinguished Senator from New York.

Mr. MOYNIHAN. Mr. President, I thank my friend, the distinguished chairman.

Mr. President, while DAVID ALAN STOCKMAN was never formally a student of mine, for 2 years he lived with me and my family while he was a student in the Graduate School of Divinity at Harvard University, and we developed the closest and most continuous relationship. Indeed, he has been generous enough on occasion in the past to describe himself as having indeed been a student. Therefore, I think I have attained to the unique condition of someone in this body who can stand and thoughtfully state that he holds a Director of the Office of Management and Budget in affection. Because, surely in my time as a teacher, I have known no one for whom I developed a closer regard or a higher respect.

As the distinguished Senator from South Carolina has observed, he is a man of strongly held views. They are frequently controversial. I commence to think they may be always controversial. But they are never uninformed.

His is a disciplined mind that has attended to problems that are new to the Nation. He brings to them new perspectives and an extraordinary capacity for work and for analysis.

From our side of the aisle it is clear that for the period immediately ahead we cannot outvote him. Accordingly, we shall have to try to outthink him. That will be an experience, I suspect, that will do us both good.

I would have to record that I have myself been increasingly at variance with his judgments, but I continue to respect him and I know this body will. I hope he will learn to respect us in return, and I think he will.

But I would like to echo the Senator from South Carolina, the former distinguished chairman, to say that on this side of the aisle we will wait with some interest, if not indeed avidity, to learn just why the limit on the national debt ought to be increased, having just recently been instructed in the errors of any such effort, and the political calamities that can ensue on those who have not sufficiently freed themselves of such error.

Even so, Mr. President, I expect Mr. STOCKMAN will be a distinguished budget director. He will advocate his position with great capacity, clarity, and force. I look forward to his service for the 4 years ahead.

I thank the Senator from Delaware for yielding me this time and a personal opportunity to state my regard for the present nominee.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. I would like to yield 3 minutes to the distinguished Senator from Indiana.

Mr. PROXMIRE. Can I follow the Senator from Indiana?

Mr. QUAYLE. Mr. President, I thank the Senator from Delaware. I will take just 3 minutes.

It is a real privilege to stand in this body and talk about my good friend and former colleague in the House of Representatives, DAVID STOCKMAN. DAVID STOCKMAN was an outstanding legislator in the House of Representatives, and he will be an outstanding Director of the Office of Management and Budget. As a matter of fact, I am impressed with DAVE STOCKMAN, and was so from the very first day that I was in Congress. He had been there before working on the conference chairmanship because DAVID STOCKMAN had insight, he was a leader, and he was never afraid to stand up and tell us where he thought this Nation

should be going, particularly in the relationship of our budget process.

DAVE STOCKMAN will be missed in the political arena of the House of Representatives. As a matter of fact, I am always a bit sad to see someone go from the legislative body into the executive branch because he never comes back, and DAVID STOCKMAN'S contribution should not end when the Reagan administration at some juncture 4 or 8 years will be over.

He will be missed, and he is, as many people have referred to on this floor, one of the few intellectuals whom we have in this institution of ours.

DAVID STOCKMAN and I were cochairmen of the task force on economic policy, and he proved to be a leader in outlining solutions to economic difficulties and the bureaucratic waste of this country.

He has proved to be a master of the budget process and has outlined in line-by-line items where savings can be made in tax dollars.

He is one of the most articulate of the supply side economists in the Congress.

DAVE STOCKMAN has won respect for his perceptive comments and well-constructed proposals to trim wasteful and unworkable programs from overall Federal spending.

DAVID STOCKMAN is the right man at the right time.

I thank the distinguished Senator from Delaware for yielding me this time.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require, and I do not expect to use anything like the half hour.

I have voted against five of the Reagan nominations. I have voted for nine of them, and most of them I voted for with little enthusiasm.

Here is a man for whom I vote with great enthusiasm. He is the right man for the right job, and I appreciate what Senator QUAYLE just said. I certainly wholeheartedly agree with him.

He has just been attacked for being too partisan, and occasionally being inconsistent. As all of us who have been here know and, as Emerson noted, if you are not inconsistent you probably have a little mind.

I would criticize him for not being very responsive to the questions I put to him after his nomination. He has not been responsive to the Congress, although he has been very responsive in the newspapers, indicating what he wanted to do.

In his confirmation hearings he was not as responsive as, in my judgment, he should have been.

He has now been attacked for voting against every budget resolution. That is one of the reasons why I am for him. I voted against every budget resolution, too, because every budget resolution we have had since STOCKMAN was in the House would have given us a deep deficit, and they should have given us a substantial budget surplus. He voted the right way. He voted against increasing the national debt once again as a protest against extending spending. What was he supposed to do? What was I supposed to do? What was anybody expected to do when the debt has gotten so big that it is well over $930 billion, and it is expected to go over $1 trillion?

The debt limit is expected to go to $995 billion and, Mr. President, I expect to vote against that, and I have great respect for Mr. STOCKMAN for having taken that position.

Mr. President, here is a man who knows the budget. I think he has impressed everyone in his appearances; whether they liked him or not, or disliked him, whether they think he is going to be harmful to our national policy or hurtful to some of the interests in our States, everybody must admit he knows this budget, knows it well, knows it thoroughly, knows it backward and forward.

We also have to admit he is smart. But he has another quality that is more important than any of these others, and it is a quality which, in my judgment, makes him very distinctive in this Cabinet, and that is a zeal, a real zeal, a desire to do his job. I can tell that here is a man who cannot wait to get at his job. He wants to do his job because he feels very deeply that the problem of this country is that the Government has gotten too big.

We are going to have to make some painful and difficult cuts, and they are going to have to take an enormous amount of work on the part of the Budget Director, who is the principal "no man" in this administration. He is going to have to say "no" again and again and again.

Mr. President, here is a man who demonstrated his courage by being the only member of the Michigan delegation to vote against the Chrysler bailout. Now that, in my judgment, took a great deal of courage in the State of Michigan which, obviously, is our No. 1 automobile State, and the State where Michigan's, much of Michigan's, productive capabilities are concentrated. He voted "no." He not only voted "no" but he made a very thoughtful, reasoned, devastating statement in the Washington Post as to why we should not bail out Chrysler.

He is a man who has developed opposition in this body because he opposes reindustrialization. I think that is the right position, Mr. President. We cannot make the Government smaller by making it bigger, and if the Government is going to bail out Chrysler, if we are going to provide for Federal loans, loan guarantees, the creation of another Reconstruction Finance Corporation, refundable tax credits, allocation of funds by the Federal Reserve, the Government is going to be a bigger and bigger force in the marketplace.

Mr. President, these positions that Mr. STOCKMAN has taken are not popular positions with many, and he has shown he has the kind of force, the kind of courage, the kind of grit, the kind of stamina that we need in a Budget Director.

I sometimes get the feeling that the only two people in this administration who have that kind of conviction and zeal are President Reagan and DAVID STOCKMAN. If there ever was an indispensable person under these circumstances it is Mr. STOCKMAN.

This country is determined, all the indications are, to find a way of cutting the size of Government, to stop the momentum that has been going on for 50 years in Republican as well as Democratic administrations, a momentum that is going to be extraordinarily difficult to arrest.

Obviously, Mr. STOCKMAN fully appreciates that and understands it. Obviously, Mr. STOCKMAN is going to give President Reagan his full support and, obviously, to me President Reagan was elected very largely because he took the position that Government was too big and we had to reduce its size.

Just one more point, Mr. President. We have had hearings all day today in the Appropriations Committee on the budget and on the economy. It is very clear that if we are going to do what we have to do in the next few years, which is to increase the military budget, we are going to do that, we have to do it, and it is going to happen—if we are going to reduce taxes, and we obviously have to do that. I think everybody recognizes the burdens on the taxpayers are too big, and it is one of the reasons why our productivity has been declining, one of the reasons investment is too low and our savings are too low, yet at the same time we increase the military budget and reduce taxes we are going to not only balance the budget but earn substantial surpluses which we should do in order to reduce the national debt.

The only way we can do it is by making extraordinarily deep cuts in services—not eliminating waste and fraud but cutting actual services—cutting programs that we like in health, in education, in housing, in aid for the cities, in helping firms that are in difficulty. We would like to do it. However, we are going to have to say "no, no, no."

Unfortunately, going over the record of the people in the Cabinet, and having asked, submitted, questions to every one of them, I find very little enthusiasm, even in this Cabinet, the Reagan Cabinet, for that kind of a tough, unpopular program.

One man has made his record clear over and over and over again in what he has said in public, by his record in the House, and that is Mr. STOCKMAN.

So, Mr. President, with considerable enthusiasm, I am delighted to announce my support for Mr. STOCKMAN. I think he is going to be exactly what we need. If he does fail it is going to be a tragedy for this country.

It is going to mean that we are going to have an inflation that is going to be not only difficult for those who have credit and who have money and who find the value of their money declining, but it is an inflation that is going to slow down our economy and is going to be a serious plague.

I think his nomination is most desirable and I congratulate President Reagan on having made it.

Mr. President, here is the first question I asked him and his answer:

(Q) What are your budgetary goals for fiscal year 1982 and the remainder of fiscal year 1981? In constant fiscal year 1981 dollars, what is your goal for the Federal government in fiscal year 1982 in terms of new budget authority and outlays?

(A). (No answer). I cannot respond to this question at the present time because these goals are still under discussion with the Reagan Administration.

Yet, in an article he wrote for the Washington Post on December 14, 1980—the Stockman manifesto—he is very specific.

He says that for fiscal year 1981 he believes the administration should aim at holding outlays to the $635 billion range and that a hiring freeze should be instigated and that "severe cutbacks in agency travel, equipment procurement, and outside contracting" should be made.

Great. He is right. He spells out his goals. That is an answer to a part of my question.

But why is it that he wrote that for the public but did not tell us precisely that?

Obviously, the President may or may not accept his proposals. But there is no reason for him to not answer when asked by a Senator during his confirmation proceedings.

I also asked him a series of questions about civilian employment, what plans he had to progress toward the anti-inflation goal, and what were his budget priorities.

Here are those questions and his answers:

(Q). What is your goal for full-time permanent civilian employment in the Federal government comparing the number on board on September 30, 1981 with September 30, 1980?

(A). I hope that we would be able to reduce full-time permanent civil employment over this period. I am not able to provide a precise numerical goal at the moment, however.

(Q). What plans, commitments, or reports if any will you make to assure that the government will progress towards the anti-inflation goal so essential to the economy?

(A). Controlling inflation is clearly going to be the highest priority of the new Administration. I discussed at some length in my oral testimony how I believe our comprehensive economic plan can address this.

(Q). What are your Budget priorities for the government? If you were required to cut back budget authority by 10%, where would you recommend that the budget be cut? What are your lowest 20%, 30%, and 50% priorities? These lowest spending priorities should include entitlements as well as areas subject to cuts without additional legislation.

(A). It would be premature to answer this question at the present time.

But in his manifesto, Mr. STOCKMAN was very good and very precise about what he would do in these areas.

For fiscal year 1982 and later he proposes—

(1). Public sector capital investment deferrals, highways, mass transit, sewer treatment, public works, national parks and airport facilities.

"In light of the current financial crisis, a modest deferral and stretch-out of activity rates (a 10-20 percent reduction) in these areas should be considered."

(2). Non-Social Security Entitlements: food stamps, cash assistance, Medicaid, disability, heating assistance, housing assistance, WC (Women, infants, children supplemental food program), school lunches, and unemployment compensation amount to $100 billion.

"A carefully tailored package to reduce eligibility, overlap, and abuse should be developed for these areas—with a potential savings of $10 to $20 billion."

(3). Low Priority Program Cutback.

He lists: NASA, CETA, UDAG, Community Development, EDA, urban parks, impact aid, ACTION, Dept. of Energy commercialization and information programs, arts and humanities, and the Consumer Cooperative bank, amounting to $25 billion.

He concludes:

Most of these programs are ineffective or low priority and could be cut by at least one-third or $8 billion.

(4). Federal credit, lending and guarantee reform.

He says these are now running rampant, and that it is no good cutting if the program or programs are merely shifted to concessional loan authorities with the resulting outlays laundered through the FFB (Federal Financing Bank).

Again, those are great answers. We have a man who really knows his job. But why did he not answer the questions and tell us his plans when he has been quite willing to rush into print with them in the Outlook section of the Washington Post?

And listen to this warning he made in that article as well.

This is from the Stockman manifesto, Washington Post, December 14, 1980—

The preeminent danger is that an initial economic policy package that includes tax cuts but does not contain decisive, credible elements on matters of outlay control, future budget authority reduction, and a believable plan for curtailing the federal government's massive direct and indirect credit absorption will generate pervasive expectations of a continuing "Reagan inflation."

In addition, he was very precise in his memo about where to cut excessive Government regulation. This is the kind of answer he might have given us about his additional plans to fight inflation in my third question.

Here is what he tells us:

Regulatory Ventilation—This component also has two segments. The most urgent is a well planned series of unilateral administrative actions to defer, revise or rescind existing and pending regulations where clear legal authority exists. The potential here is staggering, as this hastily compiled list of specific actions indicates:

Action and Impact

Grant model year '82 carbon monoxide waiver: $300 million auto industry savings.

Rescind passive restraint standard: $300–600 million auto investment savings over 3 years.

Relax 1984 heavy duty truck emission standard: Minimum savings of $100 million.

Simplify auto emissions certification and testing: $80 million per year.

Modify ambient air standard for ozone to permit multiple exceedences or higher standard value in conformance with scientific evidence: $15 to $40 billion in reduced compliance costs over next 8 years.

Eliminate unnecessary new source performance standards for small industrial boilers: $4–2 billion over next 5 years.

Cancel EPA fuel additive testing program: Savings of $90 to $120 million.

Relax proposed light duty truck emission standards for post-1983: Savings would be a substantial fraction of currently estimated $1.3 billion compliance cost.

Modify or defer EPA pretreatment standards for industrial waste-water: Savings of a substantial fraction of the $6 billion compliance cost for just 3 sectors: utilities, steel and paper.

Cancel DOE appliance efficiency standards: Avoids multibillion havoc in an industry that is already improving product efficiency in response to market pressure.

Eliminate building energy performance standards: Market forces are working here too, but rigid BTU budgets for each new structure could cost billions per year for non-cost-effective energy savings.

Modify Resource Conservation & Recovery Act to incorporate "degree of hazard" and control system simplification: Savings would be some fraction of $2 billion a year.

Defer new OSHA workplace noise standards: Save $250 million a year.

Modify or defer pending OSHA standards on scaffolding, asbestos exposure, cadmium and chromium exposure and grain elevator dust control: More than $1 billion in annual combined savings.

On a second front, both temporary and permanent statutory revisions will be needed. There are literally dozens of rule-making and compliance deadlines on the statute books for the next 20 months that cannot be prudently met. An omnibus "suspense bill" might be necessary during the 100-day session to defer these deadlines and to implement the one-year moratorium on new rulemakings proposed by Murray Weidenbaum [who heads the Reagan regulatory task force].

Finally, a fundamental legislative policy reform package to be considered after the 100-day period will have to be developed. This would primarily involve the insertion of mandatory cost-benefit, cost-effectiveness and comparative risk analyses into the basic enabling acts—Clean Air and Water, Safe Drinking Water, OSHA, etc. Without these statutory changes, administrative rule-making revisions in many cases will be subject to successful court challenge.

I support him. I support his budget and personnel goals. I only wish he had replied to my questions as specifically as he provided the public with his answers to these very difficult problems.

Mr. President, I reserve the remainder of my time.

Mr. DOMENICI. Mr. President, will the Senator yield me 2 minutes?

Mr. PROXMIRE. Mr. President, I am happy to yield 2 minutes to my friend from New Mexico.

Mr. DOMENICI. Mr. President, I want to commend my good friend for what he has just said. Yes, it is true that we are not going to get where we have to go in terms of our fiscal responsibility without bipartisan support. I wish Senator HOLLINGS were here, because I want to assure him that in my role, as I work with our new OMB Director, I am regularly saying we need and have many friends and it is both sides of the aisle that is going to make this work.

I think Senator HOLLINGS, as the ranking minority member on the Budget Committee, is going to find him to be that. I think the Senator from Wisconsin, as ranking member on the Appropriations Committee, is going to find consultation, getting together, talking

about how we are going to resolve this incredible legacy. And that is what it is.

It is not 1 year, it is not 2 years, it is not 3 years, but the inheritance and the legacy that falls on this Congress and this President and the American people as portrayed in this budget and what it is going to look like in the next 4 or 5 years without major surgery is incredible.

This debt limit that we are talking about is an inheritance. There is no one around here who should kid themselves. There is no magic man in the White House, and DAVID STOCKMAN is no magician. That increase in the debt limit is for this year. We are not talking about a Reagan game plan or a Stockman plan worked out with us to cut. We know that the debt limit will not cover what we, this Congress, have already set in motion. I think my good friend from Wisconsin understands that. That is not saying that he should vote for it or not. I say to my good friend, but it is literally what has been dumped and inherited as far as a fiscal game plan.

I am hopeful we will look at that national debt that way in this body. I am hopeful we will begin to look as it realistically in terms of are we really making some headway moving toward that day when we do not have to ask for any additional limit add-ons for a whole year and maybe, as the Senator has suggested, for 2 or 3 years in a row and actually diminish the debt. I hope that happens.

But the point I am making is that we have one tremendous responsibility to build back vitality into the American economy and it will not happen without fiscal restraint and tax cuts.

He is the right man to help this President and through his OMB effort to help us come up with some budget resolution—no criticism of what has happened in the past, just acknowledging that the legacy cannot continue much longer without bankrupting the potential for growth and for the development of wealth that we can distribute to those many programs for those who need.

We have to concentrate once again on building that back, that wealth, that growth which I think the Senator has stated precisely the cure for today. I compliment the Senator on it.

I do not see how an OMB Director is going to help us without being tough. I do not think he is going to be of any help to this President or to the American people unless he is truly willing to use some zeal, as the Senator has described it, for budget cutting. It is easy to do the other thing. Cutting, if you have zeal on that, you are a special kind of person, I think, and I think that is what he is.

I thank the Senator for yielding.

Mr. PROXMIRE. Mr. President, I thank my friend from New Mexico. I am delighted to hear his remarks. I assure him of my cooperation with him, as chairman of the Budget Committee, in every way I know how to help hold down the budget.

I would like to say, however, that I am skeptical about that debt limit. I agree that much of it is because of the momentum of the past, as I have indicated, but I am skeptical about whether or not we should go from $935 to $995 billion debt limit. That seems to me to be a very big increase. I think that a vote against the increase in the debt limit is not irresponsible. I think it is very responsible.

I think it is the most responsible vote I can cast if it is that much of an increase. I think we can make cuts and we ought to make them right away. We ought to make it clear to the public we are starting as of now to move in the other direction.

The President will never have more support than he has now. The election is fresh in our minds. I think that if the President goes for a lower debt limit than it has been rumored he is going to ask for, he would be right. If he goes for that higher limit, I will vote against it.

The PRESIDING OFFICER (Mr. SYMMS). Who yields time?

Mr. ROTH. Mr. President, I yield 10 minutes to the Senator from Montana.

Mr. MELCHER. Mr. President, I thank my friend from Delaware for yielding me the time.

Mr. President, at the outset, I want to make it clear that I will vote for DAVID STOCKMAN'S confirmation, because I think our new President ought to have Government officers who he trusts and can work with.

I believe Mr. STOCKMAN has a careful perspective about some economic matters, but not all economic matters, of course. Then he has shown some blind spots—and they are serious blind spots—on agricultural policy.

Mr. President, I want to serve notice to the Congress, and to the American farmers and ranchers, that this man—who will control the purse strings of the Government—has no understanding at all of the needs of American agriculture.

While President Reagan's new Agriculture Secretary, John Block, has made a strong commitment toward cooperating with Congress to write a good farm bill this year, Mr. STOCKMAN has made it abundantly clear that he has no use for Government programs to protect farmers from disaster.

I would like to be able to say that Mr. STOCKMAN is indifferent to the problems of farmers and ranchers. I would like to say that he just does not know about farming. But I submit that he is contemptuous of those problems and needs.

In 1978, when Idaho potato farmers were awash in their own abundant crop, Secretary Bob Bergland took action to help them out with price supports. On December 28 of that year, Mr. STOCKMAN wrote to the Secretary complaining about this sensible act. I ask unanimous consent that a copy of STOCKMAN'S letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., December 28, 1978.

Hon. BOB BERGLAND,
Secretary, U.S. Department of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: This is to express my unabated outrage at the Department of Agriculture's recently announced intention to prop up the price of Idaho potatoes. After you spread the taxpayers' and consumers' gravy on the Russets, where will you strike next? Broccoli? Turnips? Peppermint?

Having reviewed the Department's sorry record of economic doubletalk on the need for "market stabilization" in feed grains, wheat, peanuts, dairy, and sugar, I'm beginning to wonder just what your concept of agricultural markets and policy really is. It is understandable, if not excusable, when Members of Congress from commodity-growing regions come trotting in with dog-eared claims and lame justifications for special dispensations that will force the taxpayer to absorb the predictable risks inherent in any line of business activity, including farming. But I would certanly hope that the USDA could exercise some semblance of leadership by occasionally resisting these self-serving, parochial claims and asserting at least a minimum regard for the general public interest and for the fact that temporary supply, demand, price, cost, and profit fluctuations are a normal part of the market system and are by no means unique to agricultural commodities. Just ask some of the scrap dealers, aluminum smelters, or auto dealers in any congressional district in the country.

It is about time that the Department stop playing nursemaid to the proliferating array of cry-baby commodity groups in this country. It is bad enough when we indemnify producers for the short-term losses associated with capricious—but nevertheless predictable—unfriendly acts of nature such as wet planting seasons, dry summers, or minor floods. But the principle implicit in your potato rescue is that producers must be indemnified for nature's acts of beneficience and bounty as well. Under just what idealized conditions of proper temperatures, planting conditions, growing seasons, and yields would you expect supply and demand to perfectly balance at the "just" price so that producers could be allowed to stand on their own two feet? And just how often can taxpayers expect that the presence of such ideal market conditions would permit surcease from their current subsidy burdens? Once per century?

Mr. Secretary, in my view we are long overdue in burying the four decade old, Depression-bred myth about dirt-poor yeomen ill-equipped to cope with the uncertainties of the domestic and international marketplace. Agriculture is now a highly-capitalized, fully-commercial line of business. If farm operators think they can do better for themselves with big spreads, huge machinery investments and scientific farming practices than with a ten acre plot, a mule and last year's Farmer's Almanac, then let them start assuming the obligations of commercial businessmen—cash flow management, asset structure optimization, market-oriented cropping patterns, and futures market hedging.

I fully realize that apologists for the current farm policy will argue that the transition to a commercial agriculture policy must be gradual in order to avoid undue dislocations, inequities, and so on. But your recent unjustified bail-out amounts to a full-scale charge to the rear. Indeed, your Department's supine capitulation in this potato caper makes the best argument yet for congressional enactment of a "cold turkey" policy for American agriculture.

With all best wishes, I am

Yours very truly,

DAVE STOCKMAN,
Member of Congress.

Mr. MELCHER. Mr. President, DAVID STOCKMAN is the kind of fellow who would call the Dust Bowl, or last year's drought, a part of the normal functioning of the market. The crazy spiral up-

ward in the cost of production is just a normal market function for Mr. STOCKMAN. The fact that a lot of our farmers and ranchers are just hanging on by their fingernails, that is just the market at work.

DAVID STOCKMAN talks about the production of food and fiber as if it were a General Motors assembly line instead of 2½ million farm families working as hard as they can to provide America and the world with cheap food. And lately, if these farm families are able to pay their bills when the crops come in, that is a big year.

As I understand it, two out of three farmers voted for President Reagan last year, and the only trouble with that is that these farmers and ranchers could have had no idea that they were getting someone like STOCKMAN in the bargain.

I am sincerely concerned that when John Block sends a strong farm bill to the Office of Management and Budget for approval—as he must—it will have to be approved by a man who can hardly be called the farmer's pal.

That is why it is essential that John Block—not Mr. STOCKMAN, nor Secretary of State Haig, nor the Council of Economic Advisers—be the principal arbiter of farm policy for the new administration.

In his 1978 letter to Bergland, STOCKMAN said:

> It is about time that the Department stop playing nursemaid to the proliferating array of cry-baby commodity groups in this country.

What are these "proliferating cry-baby commodity groups" Mr. STOCKMAN was writing about? Was it cattle, hogs, poultry, sheep, dairy, grains, or fruit—all of which are part of the producing elements of our vast and dynamic agricultural industry? Or were the "cry-baby commodity groups" that Mr. STOCKMAN said are proliferating in this country the producers of cotton, tobacco, forest products, peanuts, or sugar? These producers are by and large some of the heroes that President Reagan described in his inaugural address as hardworking American citizens and taxpayers.

And for those people who are producers of those commodities, as well as the producers of other products, goods and services in this country, it has been the concern of representative government that their endeavors be successful.

I would assume DAVID STOCKMAN agrees—but does he? You be the judge; here is his comment on that point:

> It is understandable, if not excusable, when Members of Congress from commodity-growing regions come trotting in with dog-eared claims and lame justifications for special dispensations that will force the taxpayer to absorb the predictable risk inherent in any line of business activity, including farming.

That seems to say that those of us in Congress should have restraint on requesting "special dispensations" so as not to cause taxpayers too much of a burden. I believe most of us agree with Mr. STOCKMAN on that, but Mr. STOCKMAN gets into deeper water in his next sentence in the letter to Bergland:

> But I would certainly hope that the USDA could exercise some semblance of leadership by occasionally resisting these self-serving, parochial claims and asserting at least a minimum regard for the general public interest and for the fact that temporary supply, demand, price, cost, and profit fluctuations are a normal part of the market system and are by no means unique to agricultural commodities.

I do not believe it is a "parochial claim" or "self-serving" to say that agriculture has been not only the biggest and most basic industry of this country, but it is also playing an increasingly important role in our balance of payments as agricultural exports increase.

To the extent that we have the available supply to satisfy world demand for grains, oilseeds, and other agricultural products, American agriculture can offset the huge dollar drain caused by imports of oil and other imported products.

But the fact is that adequate supplies of commodities hold down the price that producers receive and, in many instances, such as is the case with wheat, the price per bushel received by producers is less than the cost of production.

There is no reason to believe that this country will be uniquely blessed with solving agricultural producers' problems by benign neglect, such as Mr. STOCKMAN might hope would occur during his reign as Director of the Office of Management and Budget. Indeed, most other countries around the world take charge of all foreign marketing of agricultural products.

I am not advocating that. I do advocate enactment of a strong farm bill this year that will emphasize the marketplace, providing adequate prices to cover agricultural producers' costs. In the case of grains I would suggest that the loan rates be raised above production costs and become the floor, to assure producers that they will recover their costs, that they have a chance for profits, and encourage them to continue adequate production.

Adequate incentives will assure stability of supply. I believe this would be good for the American economy and I hope we will see some favorable support out of the Reagan administration. And, hopefully, the Office of Management and Budget under Mr. STOCKMAN will not interfere in setting sound agricultural policy.

A few days ago, at the National Press Club, Mr. STOCKMAN told a questioner that it was time to phase out the programs that have protected American farmers and ranchers from economic and physical disasters for the past 40 or 50 years.

Mr. STOCKMAN claimed that the political climate is right for such an action because we have shifted from a period when there was too much grain to a period of world shortages, forcing prices up.

I would submit that it is too simplistic merely to talk of higher priced grain as an excuse to scuttle the farm programs.

The 1970's were marked with increased economic instability for farmers and ranchers, forcing increased reliance by producers on expensive credit and rapidly inflating purchased inputs, like fuel and fertilizer.

This reduced financial flexibility has had important implications for the cash flow on the farms and ranches that produce most of the food and fiber of this land. Sharp increases in production expenses, or reductions in cash receipts, are much more severe, the greater a farm's dependence is on purchased inputs and the greater its debt obligations.

What this means is that more and more farms are vulnerable to inflation at a time when an increased dependence on foreign markets means greater variability in market prices, and greater variability of cash receipts.

This inflationary spiral does not even speak to the problem of drought and other natural disasters, which make the producer's existence even more tenuous.

Mr. STOCKMAN, I am sure, would not want to do anything to upset the export of farm goods that allowed us in 1980 to have a trade surplus for the first time in many years. But it sounds to me as if he is willing to let farmers and ranchers pay the price if anything goes wrong with the market.

Just as with the Russian grain embargo, this insensitive Government is willing to let the farmer produce from fence row to fence row to carry out its foreign policy objectives, but when things go wrong with those policies, only the farmer has to pay.

The purpose of my statement today, Mr. President, is to warn our farmers and ranchers that Mr. DAVID STOCKMAN may be dangerous to your economic health.

Mr. President, I thank my friend from Delaware for yielding.

Mr. PROXMIRE. Mr. President, I yield 5 minutes to the Senator from Ohio.

Mr. GLENN. I thank the distinguished Senator very much for his consideration.

Mr. President, I would like to wrap up and summarize some of the comments I made this morning.

I would say that absent any personal lack of integrity or completely lacking qualification in a particular field, I think the President does deserve to get his man in whatever job he is nominating him for. I am sure that should be true of Mr. STOCKMAN also. But I think we should be pointing out to the American people and our colleagues in the Senate exactly what we are getting when we get this man that the President has nominated because he comes as close to being a complete worldwide, laissez faire, Adam Smith-type economist as I have read anything about in recent years.

Let me repeat a few of the areas of concern that I covered this morning.

For instance, on energy policy, he felt that our policy to develop our own domestic energy sources may prove, in his words, "to be the most costly national error of the last half of the twentieth century * * *."

In other words, he would see us become more dependent on foreign oil sources and help develop foreign oil fields rather than our own domestic alternatives.

I find that a hazardous way to proceed from a national security point of view.

As far as farm policy goes, to quote him:

Our farmers can no longer rely on programs which seek artificially induced price movements through domestic supply manipulations.

In other words, any effort to level out the booms and busts of farming is something that he would be fighting against.

On the subject of antitrust and monopoly, he makes some of his strongest statements, and I would quote him:

That's where I disagree with the whole antitrust tradition which has been very strong in the Hart subcommittee and in the FTC bureau of competition. That's wrong. My view is that a monopoly never develops unless it's sanctioned by governmental authority.

Furthermore, he said:

There is no such thing as a privately developed and composed monopoly.

And finally:

In modern times with a global economy with multinational corporations and the swift ability to deploy capital and production all around the globe you don't have monopoly. You don't have to define the rules of the game in terms of competition.

I find these statements very disturbing. I do not think we want to repudiate our antitrust policies and I do not think most Senators would either.

With regard to entitlements, he said that "expenditures for food stamps, cash assistance, medicaid, disability, heating assistance, housing assistance, WIC, school lunch and unemployment compensation amount to $100 billion." He also said that he thinks we can cut $10 to $20 billion off of that. So all of the recipients of help under those programs can look forward, if Mr. STOCKMAN had his way, to a 10- to 20-percent cut in their programs.

In his references to the "soup line" that the Senator from South Carolina referred to a while ago, Mr. STOCKMAN stated that the "Federal budget has now become an automatic 'coast-to-coast soup line' that dispenses remedial aid with almost reckless abandon * * *," and he referred to the Trade Adjustment Assistance Act as follows:

This thing is the most arbitrary, inequitable, costly policy that we have on the books today, that has ballooned spending by $1 billion in 6 months. We ought to do something about it.

Well, let us get on to another subject. The investment tax credit, he calls "a tremendous national waste of men, machinery and tax dollars" that "produces overall economic efficiency, which leads to lower jobs, lower output, and lower real incomes."

On welfare, he says—

Welfare as we know it should be abolished for all the nonworking—the aged, blind, and disabled—whose eligibility can be ascertained by reference to physical characteristics.

I find it difficult to think that we have to give charity in this country, in this compassionate America that we know, only to those who are visibly handicapped. The only exception he made in the hearings was AFDC, help to children, which he would be for. Outside of that, no one can expect to get much help from Mr. STOCKMAN with that kind of view toward welfare.

The PRESIDING OFFICER. The 5 minutes yielded to the Senator from Ohio have expired.

Mr. GLENN. I shall use my own time in the last 2 minutes, Mr. President.

This indicates such a callous approach to what he is proposing, a laissez-faire, Adam Smith-type economics on a worldwide basis, as I see it, that I thought it was my duty to point this out to my colleagues.

Mr. President, rather than helping U.S. industry, Mr. STOCKMAN takes the view in his writings that if other countries subsidize their exports, then the United States should take advantage of that by purchasing the cheaper commodity because the damage will eventually occur to the other fellow's economy because of the unnatural skewing of his investment. In the meantime, our whole industries of automobiles or steel may well go down the drain and not even be there before we have enough capital put back into them for them to operate on.

On the subject of getting capital back into these industries, in one of his writings, he referred to reindustrialization as follows:

Reindustrialization policy is just a game for hyping the political control over the forces of the economy and for preserving the weakest assets in the economy.

I know my time is almost up, Mr. President. I only say that I shall vote for Mr. STOCKMAN. It has been a very difficult decision for me to arrive at, even if I were to be the only Senator here who would vote against him. But I think the President does deserve the man he wants. There is no doubt that Mr. STOCKMAN is a very articulate, persuasive, and qualified person to speak in the field of economics and in this field of budgeting, whether I agree with his views or not—which I obviously do not, in many of these areas. I think there will be moderating influences from the Secretary of the Treasury and others in the Cabinet and the President himself, as well as from the Congress here.

I think it is good, though, for us to know his views, because I stress this: This is the No. 2 man in Government, the man in Government who has more power over domestic policy than anybody except the President of the United States himself. That is the reason why I am sorry that the attendance on the floor today to hear some of these things has not been better.

I am sorry the news media have chosen to virtually ignore the hearings we had on Mr. STOCKMAN and the debate here today, because I think it is good to point out the views of the No. 2 most powerful man in Government. If he has his way, there will indeed be drastic changes in store for us in the years ahead.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GLENN. I thank the Chair and I thank the Senator from Wisconsin for yielding me additional time.

Mr. THURMOND. Mr. President, I am pleased to lend my strong support to our new President's choice for the key position of Director of the Office of Management and Budget (OMB), Representative DAVID ALAN STOCKMAN.

President Reagan has established as the first priority for his administration the task of rebuilding the sagging American economy, which has been ravaged by high inflation and unemployment during the previous 4 years. To accomplish this difficult task, it is absolutely necessary to rein in Federal spending and balance the budget as soon as practicable. As the Director of OMB, DAVID STOCKMAN will be the individual who must oversee the entire Federal budget process, make the hard choices on spending cuts, and see that these decisions are implemented.

Mr. President, I believe Mr. STOCKMAN has the keen intellect, the knowledge and experience, and the requisite toughness to perform admirably in this post. Although only 34 years of age, he has already demonstrated a superb knowledge of Federal Government programs and economic policy. As a two-term member of the U.S. House of Representatives from Michigan's Fourth District, Representative STOCKMAN has built a reputation as a fiscal conservative who has opposed expensive new entitlement programs and favored measures to enhance productivity in the private sector. He has recently served as chairman of the Republican Economic Policy Task Force in the 96th Congress, a post which provided an excellent opportunity to shape and coordinate the kind of responsible economic policies which the new administration now will seek to implement.

Mr. President, I hope the Senate will quickly confirm Representative STOCKMAN to be the Director of OMB. He is an excellent choice, a man who can help President Reagan greatly in cooperating with Congress to solve our Nation's serious economic problems.

The PRESIDING OFFICER. Does the Senator from Delaware need more time?

Mr. ROTH. No, the Senator from Delaware is ready to yield back the remainder of his time.

The PRESIDING OFFICER. Is there any more time to be yielded? Who yields more time?

Mr. ROTH. Does the Senator from Wisconsin have any time?

The PRESIDING OFFICER. The Senator from Wisconsin has 12 minutes remaining.

Mr. ROTH. I am ready and willing to yield back the remainder of my time when the Senator from Wisconsin yields back his time.

Mr. President, I yield myself 30 seconds.

Is the Senator from Ohio yielding back the time of the Senator from Wisconsin?

Mr. GLENN. Mr. President, I yield back the time of the Senator from Wisconsin.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, I ask for the yeas and nays on the vote.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ROTH. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is, Will the Senate advise and consent to the nomination of DAVID STOCKMAN, of Michigan, to be Director of the Office of Management and Budget? On this question, the yeas and nays have been ordered.

Mr. BAKER. Mr. President, before the rollcall begins, may I say, it is now 6:25 p.m. In keeping with the announcement I made earlier, there will be no more rollcall votes after this rollcall.

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), the Senator from Wyoming (Mr. SIMPSON), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT) and the Senator from Wyoming (Mr. SIMPSON) would each vote "yea."

Mr. CRANSTON. I announce that the Senator from Texas (Mr. BENTSEN) and the Senator from New Jersey (Mr. BRADLEY) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 93, nays 0, as follows:

[Rollcall Vote No. 17 Ex.]

YEAS—93

Abdnor	Glenn	Moynihan
Andrews	Goldwater	Murkowski
Armstrong	Gorton	Nickles
Baker	Grassley	Nunn
Baucus	Hart	Packwood
Biden	Hatch	Pell
Boren	Hatfield	Percy
Boschwitz	Hawkins	Pressler
Bumpers	Hayakawa	Proxmire
Burdick	Heflin	Pryor
Byrd, Harry F., Jr.	Heinz	Quayle
Byrd, Robert C.	Helms	Randolph
Cannon	Hollings	Riegle
Chafee	Huddleston	Roth
Chiles	Humphrey	Rudman
Cohen	Inouye	Sarbanes
Cranston	Jackson	Sasser
D'Amato	Johnston	Schmitt
Danforth	Kassebaum	Specter
DeConcini	Kasten	Stafford
Denton	Kennedy	Stennis
Dixon	Leahy	Stevens
Dodd	Levin	Symms
Dole	Long	Thurmond
Domenici	Lugar	Tsongas
Durenberger	Mathias	Wallop
Eagleton	Matsunaga	Warner
East	Mattingly	Weicker
Exon	McClure	Williams
Ford	Melcher	Zorinsky
Garn	Metzenbaum	
	Mitchell	

NOT VOTING—7

Bentsen	Jepsen	Tower
Bradley	Laxalt	
Cochran	Simpson	

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominee was confirmed.

Mr. PRESSLER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has confirmed the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNITED NATIONS

NOMINATION OF JEANE J. KIRKPATRICK, OF MARYLAND, TO BE THE REPRESENTATIVE OF THE UNITED STATES TO THE UNITED NATIONS

Mr. BAKER. Now, Mr. President, what is the business before the session?

The PRESIDING OFFICER. The clerk will report the next executive nomination.

The assistant legislative clerk read the nomination of Jeane J. Kirkpatrick, of Maryland, to be the Representative of the United States of America to the United Nations with the rank and status of Ambassador Extraordinary and Plenipotentiary, and the Representative of the United States of America in the Security Council of the United Nations.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, there will be no more rollcall votes tonight. As in legislative session, I now ask unanimous consent that there be a period for the transaction of routine morning business in which Senators may speak and that that period be for the transaction of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

DIRECTING SENATE LEGAL COUNSEL TO INTERVENE IN CHADHA AGAINST IMMIGRATION AND NATURALIZATION SERVICE

Mr. BAKER. Mr. President, I have a resolution at the desk and I ask the clerk to report.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 40) to direct Senate Legal Counsel to intervene in Chadha against Immigration and Naturalization Service.

The Senate proceeded to consider the resolution.

Mr. BAKER. Mr. President, this resolution is cosponsored by the distinguished minority leader and is pursuant to a meeting of the leadership committee in respect of matters properly the subject of representation by the Senate legal counsel.

The purpose of the resolution is to authorize and direct Senate legal counsel to intervene as a party on behalf of the Senate in this legislation.

The U.S. Court of Appeals for the Ninth Circuit has recently handed down a major ruling on the constitutionality of legislative vetoes, holding that a legislative review of the Immigration Act violates the principle of separation of powers. The resolution which follows will direct the Senate legal counsel to intervene in the name of the Senate to represent the Senate's interest in this controversy.

Jagdish Rai Chadha is of Indian ancestry, born and previously a resident of Kenya, and the holder of a British passport. He came to the United States as a student in 1966 and overstayed his student visa. At his deportation hearing he sought relief under section 244(c) of the Immigration Act which authorizes the Attorney General to suspend the deportation of an alien on the ground of extreme hardship. Pursuant to this statute, if the Attorney General suspends deportation he must then report to the Congress and either House may disapprove of his action. If neither House disapproves within the requisite time the deportation is canceled and the alien is admitted as a permanent resident.

The special inquiry officer who heard Chadha's case granted suspension and the matter was reported to Congress. The Senate took no action, but the House of Representatives passed a resolution disapproving the suspension. The Immigration Service then ordered him to be deported. Chadha petitioned the U.S. Court of Appeals to review the deportation order and challenged the constitutionality of the legislative review provision of the Immigration and Naturalization Act. After the Immigration Service informed the court that it agreed that the statute was unconstitutional, the court invited the Senate and the House to file briefs as amicus curiae. The Senate's position in support of the statute was briefed, and argued in 1978, by private counsel retained by the Senate. The case was assigned to the Office of Senate Legal Counsel in 1979, after that office was established, while the case was under consideration in the ninth circuit.

On December 22, 1980, the court of appeals held that the legislative review provision in section 244(c) of the Immigration Act violates the principle of separation of powers and is unconstitutional. Although the Department of Justice prevailed in the ninth circuit, the Department has filed a notice of appeal to the Supreme Court. It appears that the Department is seeking a broad ruling on the constitutionality of legislative vetoes, an issue which has concerned the executive and legislative branches for 50 years.

There have been developments in the law; namely, the passage of the Refugee Act of 1980, and in petitioner's personal situation, he has married a U.S. citizen and is entitled to be a permanent resident for that reason, which may render it unnecessary to decide the constitutional issue in this case. Senate legal counsel is studying these possibilities, in conjunction with House counsel, and has obtained with House counsel an extension until February 4, 1981 to petition for rehearing or suggest that the case be reheard en banc by the ninth circuit.

To enable the Senate legal counsel to represent the Senate's views on rehear-

ing in the ninth circuit, and to frame the congressional position in the Supreme Court if the case cannot be resolved on rehearing in the appellate court, it is important to provide to Senate Counsel the procedural opportunities available to parties. Section 706(a) of the Ethics in Government Act of 1978 authorizes the Senate to direct the Senate legal counsel to intervene in actions in the name of the Senate when the powers and responsibilities of the Congress under the Constitution are placed in issue. The Joint Leadership Group has agreed that this is such a case and supports the following resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 40) was agreed to as follows:

S. RES. 40

Whereas, by S. Res. 338, 95th Cong., 1st session (1977), the Senate authorized and directed the Secretary of the Senate to appear on behalf of the Senate as amicus curiae in the United States Court of Appeals for the Ninth Circuit in Chadha v. Immigration and Naturalization Service, and counsel retained by the Senate appeared, briefed and argued the case on behalf of the Senate.

Whereas, by S. Res. 226, 96th Cong., 1st sess. (1979), the Senate directed the Senate Legal Counsel to assume and continue the representation of the Secretary of the Senate as amicus curiae.

Whereas, on December 22, 1980, the Court of Appeals ruled that the legislative review provision in section 244(c)(2) of the Immigration and Naturalization Act violates the principle of separation of powers and is unconstitutional.

Whereas, the Department of Justice, although it prevailed before the Court of Appeals, has filed a notice of appeal to the Supreme Court.

Whereas, the Senate as amicus curiae may not have the procedural opportunities available to a party to present its views to the Court of Appeals, by way of petition for rehearing or suggestion for a rehearing en banc, or to the Supreme Court, and that intervention as a party would enable the Senate to do so.

Whereas, pursuant to sections 703(c), 706(a), and 713(a) of the Ethics in Government Act of 1978 (2 U.S.C. §§ 288b(c), 288e(a), and 2881(a) (Supp. III 1979), the Senate may direct its Counsel to intervene in the name of the Senate in any legal action in which the powers and responsibilities of Congress under the Constitution are placed in issue; Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to intervene in the name of the Senate in *Chadha v. Immigration and Naturalization Service*.

The preamble was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I yield to the distinguished Senator from South Dakota.

ESTABLISHMENT OF A NATIONAL TOURISM POLICY

Mr. PRESSLER. Mr. President, I am today introducing the National Tourism Policy Act. I ask unanimous consent that the bill be considered as having been read twice and that the Senate proceed to its immediate consideration.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, has the Senator introduced a bill?

Mr. PRESSLER. Yes, I am introducing it and sending it to the desk.

Mr. ROBERT C. BYRD. May we have the clerk state the title?

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 304) to establish a national tourism policy and an independent government agency to carry out the national tourism policy.

The PRESIDING OFFICER. The bill is considered as having been read once by title and once at length and the Senate, without objection, will proceed to its immediate consideration.

The Senate proceeded to consider the bill.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the following cosponsors be printed in the RECORD:

Senator Warner, Senator Baker, Senator Packwood, Senator Inouye, Senator Cannon, Senator Exon, Senator Long, Senator Goldwater, Senator Hollings, Senator Ford, Senator Kasten, Senator Heflin, Senator Schmitt, Senator Randolph, Senator Durenberger, Senator Pryor, Senator Stafford, Senator Williams, Senator Hayakawa, Senator Huddleston, Senator Sasser, and Senator Abdnor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, my reasons for reintroducing the bill stem primarily from the sad state of our international trade balance. The United States has now been running an international trade deficit for 4½ straight years; a situation which is intolerable. Foreign tourists can do a great deal to help change this because although few people realize it, international tourism is currently one of our Nation's largest single sources of foreign currency. If we compare the income from foreign tourism with the income from the export of manufactured goods we see that tourism was our fourth largest source of foreign currency during 1979. The figures break down as follows:

	Billions
Chemicals	$17.3
Motor vehicles and parts	15.1
Grain and cereal preparations	14.5
Tourism	10.0
Electrical machinery	8.6

In addition to its importance on the trade front, the travel and tourism industry comprises a huge segment of our domestic economy. In 1979 it contributed over $140 billion and employed some 6.6 million Americans.

It is also significant to note that 97 percent of the firms which comprise the travel and tourism industry are classified as small businesses. This is the very sector which has been hardest hit by the high interest rates and tight money which plague our economy. It follows, then, that it is this group which will benefit most from the increase in foreign tourism which will result from the National Tourism Policy Act.

With all this in mind it is not surprising that S. 1097 passed by such a large margin last year. And since there was such a broad consensus about the merits of the bill I have decided to reintroduce it with only minor changes. Two of those changes I would like to briefly discuss.

First, section 206, paragraph (7) restricts the U.S. Travel and Tourism Administration to issuing only those rules which are necessary for its internal operation. Let me make it very clear that the new administration will have no authority to issue regulations which would in any way impact on the travel and tourism industry. It is crucial that this act not result in any additional regulatory burden being placed on the industry, and I want to emphasize this point now so that there will be no confusion later.

The second change is in section 206, paragraph (e). It says that the new administration shall not enter into any contracts, agreements, or transactions which would expire after the end of the fiscal year for which appropriations have been made. The intent of this restrictive clause is to make sure that the administration does not obligate the Federal Government for any sums which would have to be paid out of future appropriations. This will assure that the administration always stays within its current fiscal year operating budget.

Another area of confusion which I would like to clear up involves the objections raised by President Carter in his veto message on S. 1097. To accomplish this I will present a brief summary of the President's objections and my response to them. This will be followed by a more lengthy rebuttal.

First. President's objection: The bill will add to the Federal bureaucracy by creating a new agency.

My response: The bill simply replaces the U.S. Travel Service with a different agency, the U.S. Travel and Tourism Administration. No additional bureaucracy is created.

Second. President's objection: Tourism promotion would be better carried out by the Commerce Department's International Trade Administration.

My response: The entire record of the Carter administration shows disdain for the Federal role in tourism promotion. The idea that this role would be carried out more effectively as part of the International Trade Administration is fallacious. The importance of the travel and tourism industry demands that the Federal Government continue to give individual attention to this vital economic sector.

Third. President's objection: The Executive's ability to control the Federal budget would be impeded by the budgetary process outlined in the bill.

My response: The idea of having an independent agency submit its budget request to the Congress and the Executive simultaneously is not without precedent. Both the National Transportation Safety Board and the Consumer Product Safety Commission do so now. Additionally, it cannot be argued that the purpose of this system is to circumvent the budget process when the bill

only proposes a modest 7.5 percent funding increase.

Fourth. President's objection: The Travel and Tourism Advisory Board created by the bill would only serve the special interests of the travel and tourism industry.

My response: The Board would have no regulatory authority of any kind. Control of the USTTA would remain solely within the legislative and executive branches.

Fifth. President's objection: Since the USTTA would be operating foreign offices it should be under the control of a Federal department that coordinates with the State Department. It would be bad policy to have an independent agency involved in foreign policy.

My response: The USTTA would not be a foreign policy body. The Agency's activities would go no further than those of the U.S. Travel Service. In addition, if the State Department did choose to comment on some activity of the USTTA, those comments would be given great weight.

I would like to go back and expand on my disagreements with the President's veto message.

The following statement appeared early on in the President's message—

My Administration has proposed that the federal government's role concentrate on development and coordination of policies conducive to tourism, collection of information and selected promotional activities.

After reading this you might think the Carter administration was the best friend the travel and tourism industry ever had. However, anyone who is familiar with the situation knows that the entire record of the Carter administration showed disdain for the Federal role in tourism promotion and hostility toward the industry itself. In large part I believe it was this attitude which was actually the root cause of the veto.

The President's next contention was that the creation of the U.S. Travel and Tourism Administration would add to the already bloated Federal bureaucracy. This is untrue because the USTTA would simply be replacing the U.S. Travel Service, and would be performing the same function. The bottom line is that there is no additional bureaucracy created.

The President's message then goes on to explain the plan for incorporating the activities of the USTS into the Commerce Department's International Trade Administration (ITA). It is a specious argument to suggest that by burying tourism promotion functions within the ITA the Federal Government could improve their effectiveness. The American travel and tourism industry employs 6.6 million people and contributes over $140 billion annually to the U.S. economy. An industry of this size and importance certainly merits individual attention within the Federal Government, and that is just what the National Tourism Policy Act proposes.

Another of President Carter's objections was that the bill would have negative budget consequences. Since we are all interested in holding the line on Federal spending I am glad to report that S. 1097 would have done just that. The current appropriation for the U.S. Travel Service is $8 million. S. 1097 would have provided the USTS with only an additional 7.5 percent, well under the existing inflation rate. And this is in the wake of very large cuts since 1979 when the budget for USTS was $13.5 million.

Also included in the veto message is a paragraph expressing concern about the role the 17-member Travel and Tourism Advisory Board would play. In describing the Board the President says that it would be granted "extraordinary powers of oversight." This statement seems to imply that the Board would have some type of regulatory power over the operation of the U.S. Travel and Tourism Administration. This is incorrect; the Board's only function is as an advisory group, just as its name suggests. The USTTA would remain under the control of the executive and legislative branches and could not be ordered to take any action by anyone else, including the Advisory Board.

The President's final reservation expressed in the veto message concerns the conduct of foreign policy. Once again let me stress that the USTTA will remain under the control of the executive and legislative branches. The Agency will not be acting as a foreign policy spokesman for the United States, any more than the U.S. Travel Service did. The duties of the USTTA will be clearly laid out, and will not range beyond those issues affecting travel and tourism. In addition, should a question arise about any sensitive foreign relations issue which might somehow involve the USTTA, then the advice of the State Department would most certainly be sought.

It is unfortunate that the importance of the travel and tourism industry was never recognized by the Carter administration during its tenure. It is also unfortunate that the lack of understanding displayed by the President's advisers resulted in the veto of S. 1097. Hopefully the new administration will quickly realize what Members of Congress have known for quite awhile; that if the Federal Government is willing to work in a partnership with the travel and tourism industry, then the economic health of our country stands to benefit greatly.

Lastly, I would be remiss if in introducing this bill I failed to mention the tremendous time and effort my colleagues have spent in getting the National Tourism Policy Act this far. Senator DAN INOUYE has been a leader for many years in the fight for recognition of the importance of the travel and tourism industry. Similarly, Senators JOHN WARNER and HOWARD CANNON have made great contributions toward this end, and toward the enactment of this legislation. In fact, were it not for the dogged persistence of these gentlemen S. 1097 would never have passed last year and we would not be in the favorable position we now find ourselves.

Also, I would like to commend the long, hard work put in by the Commerce Committee staff; in particular, John Hardy and Ward White whose efforts have been indispensable.

Mr. BAKER. I believe I am correct, Mr. President, might I inquire of the distinguished minority leader, that this bill has been cleared on his side and that there is an amendment at the desk?

Mr. PRESSLER. The amendment has been sent to the desk.

Mr. ROBERT C. BYRD. Mr. President, may I say to the distinguished majority leader the bill has been cleared on this side. I have several Senators who are supporting the bill and, at the appropriate time, I would like to ask unanimous consent that statements by Mr. INOUYE and Mr. SASSER be printed in the RECORD.

Mr. BAKER. I thank the minority leader, and I ask the Senator from South Dakota if he would object if I ask now that the clerk report the amendment which is at the desk.

UP AMENDMENT NO. 2

(Purpose: To make certain technical amendments)

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. PRESSLER), proposed an unprinted amendment numbered 2:

On page 14, line 3 strike "1982" and substitute "1981".

On page 14, strike lines 15 through 17.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (UP No. 2) was agreed to.

Mr. CANNON. Mr. President, I am a cosponsor of the legislation introduced by the distinguished Senator from South Dakota, and I urge its immediate passage.

I believe this legislation which unanimously passed the Senate in the 96th Congress, is in the national interest for the following reasons, among others.

First. According to many experts, tourism will be the world's largest industry by the end of this century.

Second. In recognition of this fact, over 125 nations have government tourist offices located abroad for the specific purpose of attracting visitors to their respective countries.

Third. Currently tourism contributes over $140 billion annually to the U.S. economy, and supports over 6 million jobs.

Fourth. Over 50 Federal agencies administer more than 100 programs which significantly impact tourism; and the Federal effort is highly inefficient and often contradictory.

Fifth. Despite the Government's inefficient effort, according to our own Government's statistics, every Federal dollar spent on international tourism promotion returns $18.6.

Sixth. An extensive 6-year study unanimously authorized by the Senate concluded that the central government tourism effort—the U.S. Travel Service—

should be replaced by an independent entity.

Mr. President, the National Tourism Policy Act takes these factors into account.

First. It does not create a new Federal agency. On the contrary, it replaces USTS with an independent agency which will make the Government effort to promote tourism more effective and cost efficient.

Second. USTS will go out of business in 6 months, and the agency which would replace it will be funded with the moneys appropriated for the U.S. Travel Service for fiscal year 1981. And, just as importantly, not 1 penny is authorized for the new entity beyond fiscal year 1981. Congress will have to authorize additional funding next year or the new entity will cease to exist.

● Mr. INOUYE. Mr. President, I join the distinguished Senator from South Dakota in urging passage of the National Tourism Policy Act. This legislation is virtually identical to S. 1097, the National Tourism Policy Act, which President Carter pocket vetoed.

On January 6, along with Senators CANNON, LONG, HOLLINGS, and FORD, I wrote to the distinguished Senator from South Dakota offering to cosponsor this legislation. I am pleased to see he has done so. I ask that a copy of our January 6, letter be inserted in the RECORD at this point.

The letter follows:

JANUARY 6, 1981.

Hon. LARRY PRESSLER,
Chairman, Subcommittee on Small Business, Trade and Tourism, Dirksen Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Despite unanimous approval by the Senate, and overwhelming passage by the House (218–84), President Carter pocket vetoed S. 1097, the National Tourism Policy Act. The legislation also had the support of the National Governor's Association, and all segments of the travel industry.

S. 1097 was the result of the extensive National Tourism Policy Study which was begun in 1974, by the Senate Commerce Committee pursuant to S. Res. 347, 93rd Congress. In addition to the Committee, the House Interstate and Foreign Commerce Committee and all segments of the industry participated in that study and the extensive hearings which ensued.

We believe the 96th Congress correctly felt S. 1097, was necessary in the national interest, and the following reasons, in our judgment, illustrate why.

1. According to many experts, tourism will be the world's largest industry by the end of this century.

2. In recognition of this fact, over 125 nations have government tourist offices located abroad for the specific purpose of attracting visitors to their respective countries.

3. Currently, tourism contributes over $140 billion annually to the U.S. economy and supports over 6 million jobs. Many of these jobs are held by the least employed in our economy; i.e., minorities, females, unskilled and semi-skilled workers. According to testimony the Committee received, women constitute more than half (53.3 percent) of the travel industry workforce; blacks constitute about 14 percent, as against a 10 percent participation in the remainder of the workforce; and one-third of all youths aged 16–21 in the workforce are employed in the travel industry.

4. Tourism is one of our top three industries in most of our 50 states.

5. Over 50 federal agencies administer more than 100 programs which significantly impact tourism; and the federal effort is highly inefficient, wasteful, and sometimes contradictory.

Moreover, the Office of Management and Budget has perennially sought to shut down U.S. national tourist offices abroad on the grounds that "a promotional program is not an appropriate part of the Federal role in tourism."

6. Despite the government's inefficient effort, according to our own government's statistics, every federal dollar spent on international tourism promotion returns 18.6 dollars.

7. S. 1097 was intended to make sense out of the government's extensive involvement in tourism, and thus make our efforts cost-efficient and more productive.

What is most perplexing to those of us concerned with the federal government's attitude toward tourism is the consistent position of the Office of Management and Budget that the government should have no role in the promotion of international tourism. OMB's stand is not only directly contrary to that of every industrialized country in the world, it completely ignores the unanimous testimony of a multitude of expert witnesses who have testified before the Senate and House over the past ten years.

Several reasons which were assigned for pocket vetoing S. 1097 stemmed from a misunderstanding of what the legislation actually did. We believe the following description of the legislation should clarify those misconceptions and misunderstandings.

1. S. 1097 did not create a new federal agency. On the contrary, it replaced the United States Travel Service (USTS) with an independent agency in the federal government which would make the government's effort to promote tourism more effective and cost-efficient.

2. USTS would have gone out of business in six months, and the new agency which would have replaced it would not have cost the federal government any money beyond what has been appropriated for the United States Travel Service for FY '81. And, just as importantly, not one penny was authorized for the new entity beyond fiscal year 1981. Congress would have had to authorize additional funding next year or the new entity would cease to exist.

3. Nothing contained in S. 1097 permitted the new agency to commit the federal government to provide any sums for the payment of any obligation of the agency which exceeds amounts provided in advance in appropriation Acts.

4. The legislation absolutely did not circumvent the existing budgetary process. The budget for the new agency would still be submitted by the President, just as he submits the budget of the National Transportation Safety Board. In fact, in this respect the relevant provision in S. 1097 tracked the provision in law which created the National Transportation Safety Board.

5. The 17-member Travel and Tourism Advisory Board, which was created by S–1097, was to study on a continuing basis the programs and activities of the new agency. Control of the new agency, however, remained exclusively with the legislative and executive branches of the government.

Because S. 1097 is so necessary in the national interest, and inasmuch as it has overwhelming bi-partisan support within Congress and the industry, we believe an identical measure should be acted upon expeditiously in this Congress. As Chairman of the Subcommittee on Small Business, Trade and Tourism, it would be especially appropriate in our judgment for you to introduce such a measure which we, of course, would be pleased to co-sponsor and strongly support.

With best wishes, I am,

Sincerely yours,

HOWARD W. CANNON,
Ranking Minority.
ERNEST F. HOLLINGS,
U.S. Senator.
WENDELL H. FORD,
U.S. Senator.
RUSSELL B. LONG,
U.S. Senator.
DANIEL K. INOUYE,
U.S. Senator.●

● Mr. SASSER. Mr. President, today I want to announce my support for S. 304, the National Tourism Policy Act and to urge my colleagues to move quickly to approve this legislation.

As first chairman of the Senate Tourism Caucus, I can assure you that there are few measures warranting such broad-based support from those concerned about the future of our travel and tourism industry as a far-reaching, comprehensive national tourism policy. This proposal embodies the vehicle for doing precisely this—a U.S. Travel and Tourism Administration.

As many of you recall, we in the Senate believed we had enacted a National Tourism Policy Act late last year. A nearly identical proposal received the unanimous support of the Senate. Companion legislation in the House of Representatives was passed by a 2-to-1 margin.

Unfortunately, the legislation was vetoed after the Congress adjourned and our Nation was left with the same situation it confronted at the beginning of the 96th Congress—no clear way in which the United States could or would compete effectively on the international marketplace for increased travel and tourism in our country, and better understanding and appreciation abroad.

I should note that it was a concern over the absence of a national tourism policy and the lack of any agency to coordinate, articulate, or represent such a policy beyond our borders that was largely responsible for the creation of the Senate Tourism Caucus.

In November of 1979, I chaired a hearing of the Senate Subcommittee on Intergovernmental Relations in Knoxville, Tenn. The purpose of the hearing was to gage the impact of high energy costs on travel and tourism and their resultant effect on State and local governments in the Southeastern United States.

I was impressed with the ingenuity, vitality, and entrepreneurial spirit of the leaders of the travel and tourism industry as they detailed successful steps undertaken in both the private and public sectors to overcome the damaging consequences of high energy costs and spot shortages in energy supplies during the spring and summer of 1979.

Tourism, travel, and convention boards and bureaus at both the State and local level swung into action and in many cases became the focal point for travel and lodging information, fuel supplies,

and "rumor control." They did so because they recognized the importance of this industry to their respective State and local economics.

Simply stated, healthy travel and tourist activity in a particular city, region, or State means a healthy economy, more jobs, and increased tax revenues—in addition to a greater appreciation of a particular place or area by travelers and guests.

It became clear during those same November 1979 hearings that witness after witness—in explaining how they had, in effect, developed and maintained a subnational tourism policy involving both private and public sectors—felt that the Federal Government was failing to pursue the same kind of endeavor at a national level.

Over and over again, witnesses urged the development of a national tourism policy. And many thought that the Senate should involve itself directly in this effort by organizing a Senate Tourism Caucus and making a national tourism policy a top priority.

By last fall, there was a Senate Tourism Caucus. Nearly half the Senate belongs to this group, and there is a profound understanding of the importance of travel and tourism—not just to a particular State or region—but to the Nation.

In 1979, for instance, the U.S. Travel Data Center estimated that the travel and tourism industry generated revenues of $140 billion. The industry is the "No. 1" employer in 23 of the 50 States, and it employes 6.6 million people nationally with a payroll in excess of $29 billion. Moreover, 99 percent of the 1.4 million travel-related establishments in this country are small businesses.

It makes no sense, then, for Americans to be barraged night after night on television and in newspaper and magazine ads by Government-backed and coordinated announcements extolling the virtue of foreign theatres, mountain retreats, quaint festivals, parades and spas in Europe, Central and South America and elsewhere, while we do so little for so many who are so important to us.

The National Tourism Policy Act recognizes the importance of travel and tourism to our economy and to our reputation abroad. An independent U.S. Travel and Tourism Administration, charged with establishing foreign tourism promotion offices, assisting foreign visitors, consulting with foreign governments on tourism matters, representing the United States at international meetings and expositions, collecting and disseminating tourism-related data, and with promoting travel on American carriers, will show competitors throughout the world and the people here at home that we care about our Nation and that we want others to care about it, too.

I therefore urge prompt consideration and passage of the National Tourism Policy Act.

The PRESIDING OFFICER. If there be no further amendments, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time and passed as follows:

S. 304

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Tourism Policy Act".

TITLE I—NATIONAL TOURISM POLICY

SEC. 101. FINDINGS AND PURPOSE.

(a) The Congress finds that—

(1) the tourism and recreation industries are important to the United States, not only because of the numbers of people they serve and the vast human, financial, and physical resources they employ, but because of the great benefits tourism, recreation, and related activities confer on individuals and on society as a whole;

(2) the Federal Government for many years has encouraged tourism and recreation implicitly in its statutory commitments to the shorter workyear and to the national passenger transportation system, and explicitly in a number of legislative enactments to promote tourism, and support development of outdoor recreation, cultural attractions, and historic and natural heritage resources;

(3) as incomes and leisure time continue to increase, and as our economic and political systems develop more complex global relationships, tourism and recreation will become ever more important aspects of our daily lives and our growing leisure time; and

(4) the existing extensive Federal Government involvement in tourism, recreation, and other related activities needs to be better coordinated to effectively respond to the national interests in tourism and recreation and, where appropriate, to meet the needs of State and local governments and the private sector.

(b) It is the purpose of this Act to establish a cooperative effort between the Federal Government and State and local governments and other concerned public and private organizations, to use all practicable means and measures, including financial and technical assistance, to implement a national tourism policy that will—

(1) optimize the contribution of the tourism and recreation industries to economic prosperity, full employment, and the international balance of payments of the Nation;

(2) make the opportunity for and benefits of tourism and recreation in the United States universally accessible to residents of the United States and foreign countries and to insure that present and future generations be afforded adequate tourism and recreation resources;

(3) contribute to personal growth, health, education, and intercultural appreciation of the geography, history, and ethnicity of the United States;

(4) encourage the free and welcome entry of individuals traveling to the United States, in order to enhance international understanding and goodwill, consistent with immigration laws, the laws protecting the public health, and laws governing the importation of goods into the United States;

(5) eliminate unnecessary trade barriers to the United States tourism industry operating throughout the world;

(6) encourage competition in the tourism industry and maximum consumer choice through the continued viability of the retail travel agent industry and the independent tour operator industry;

(7) promote the continued development and availability of alternative personal payment mechanisms which facilitate national and international travel;

(8) promote quality, integrity, and reliability in all tourism and tourism-related services offered to visitors to the United States;

(9) preserve the historical and cultural foundations of the Nation as a living part of the community life and development, and insure future generations an opportunity to appreciate and enjoy the rich heritage of the Nation;

(10) insure the compatibility of tourism and recreation with other national interests in energy development and conservation, environmental protection, and the judicious use of natural resources;

(11) assist in the collection, analysis, and dissemination of data which accurately measure the economic and social impact of tourism to and in the United States, in order to facilitate planning in the public and private sector; and

(12) harmonize, to the maximum extent possible, all Federal activities in support of tourism and recreation with the needs of the general public and the States, territories, local governments, and private and public sectors of the tourism and recreation industry, and give leadership to all concerned with tourism, recreation, and national heritage preservation in the United States.

TITLE II—THE UNITED STATES TRAVEL AND TOURISM ADMINISTRATION

SEC. 201. PURPOSE.

It is the purpose of this title to establish an independent agency of the United States to be known as the "United States Travel and Tourism Administration".

SEC. 202. CONGRESSIONAL DECLARATION OF POLICY.

The Congress finds and declares—

(1) that it is in the national interest to encourage the orderly growth and development of tourism to and within the United States;

(2) that orderly growth and development of tourism depends on the efforts of the public and private sectors of that industry to assure that the objectives of the national tourism policy are implemented to the maximum extent consistent with other public policy objectives;

(3) that orderly growth and development of tourism, while matters for regional, State, local, and private development, are also of appropriate and important concern to the Federal Government;

(4) that it furthers the national interests to assure that the extensive Federal policy and programmatic involvement in tourism is responsive to the needs and interests of the public and private sectors of that industry;

(5) that in view of the importance of travel and tourism to the economy of the United States, and the pervasive Federal policy and programmatic involvement in tourism, it is necessary and appropriate for the Federal Government to complement, assist and support mechanisms that will most effectively assure implementation of the national tourism policy; and

(6) that an agency should be created to promote and facilitate the orderly growth and development of tourism and to assist in the implementation of the national tourism policy.

SEC. 203. ADMINISTRATION ESTABLISHED.

There is established an independent agency of the United States, to be known as the "United States Travel and Tourism Administration" (hereinafter in this title referred to as the "Administration").

SEC. 204. OFFICERS AND EMPLOYEES.

(a) The Administration shall be headed by an Administrator (hereinafter referred to as the "Administrator") who shall be nominated by the President not later than 60

days after the date of enactment of this title and appointed by and with the advice and consent of the Senate. The Administrator shall serve at the pleasure of the President and shall be compensated at the rate now or hereafter prescribed for offices or positions at level II of the Executive Schedule.

(b) The President shall appoint a Deputy Administrator by and with the advice and consent of the Senate who shall be compensated at the rate now or hereafter prescribed for offices or positions at level III of the Executive Schedule. The Deputy Administrator shall perform such duties as the Administrator may prescribe. The Deputy Administrator shall act for and perform the functions of the Administrator during any absence or disability of the Administrator or during a vacancy in the office of the Administrator.

(c) The Administrator shall have power to appoint and fix the compensation of such personnel as he or she determines advisable, however, not more than five such appointments may be placed in grades GS–16, GS–17, and GS–18 of the General Schedule, to carry out the functions of the Administration. The authority with reference to appointments in grades GS–16, GS–17, and GS–18 of the General Schedule will be subject to the procedures prescribed under section 5108 of title 5 of the United States Code. Included among any personnel appointed by the Administrator, no more than three persons may be appointed, compensated, or removed without regard to the Civil Service laws and regulations. Such positions shall be in addition to those otherwise authorized by law, including those authorized by section 5108 of title 5 of the United States Code. Under such regulations as the President may prescribe, officers and employees of the United States Government who are appointed without regard to the Civil Service laws and regulations may be entitled, upon removal from such position, except for cause, to reinstatement to the position occupied at the time of appointment or to a position of comparable grade and salary.

(d) The Administrator, to such extent as he determines necessary, may procure supplies, services, and personal property; make contracts; expend funds appropriated, donated, or received in pursuance of contracts hereunder in furtherance of the purposes of this Act; and exercise those powers that are necessary to enable him to carry out efficiently and in the public interest the purposes of this Act.

SEC. 205. PURPOSES AND ACTIVITIES OF THE ADMINISTRATION.

(a) In order to achieve the objectives and to carry out the purposes of this Act the Administration is authorized to assist the Congress of the United States and all Federal agencies having policy and programmatic responsibilities affecting tourism.

(b) Not later than April 15, 1982, the Administrator shall develop and submit to the House Committee on Interstate and Foreign Commerce and the Senate Committee on Commerce, Science and Transportation a comprehensive and detailed tourism development plan (including the estimated funding and personnel levels required to implement such plan and alternative means of funding) to obtain the objectives and carry out the purposes of this Act.

(c) The plan developed under subsection (b) shall include, among other things, provisions for—

(1) the establishment of branch offices in foreign countries and facilitating services at United States ports-of-entry;

(2) consultation with foreign countries on travel and tourism matters and, in accordance with applicable law, and representing United States travel and tourism interests in international meetings, conferences, and expositions;

(3) participation as a party in interest in proceedings before Federal agencies when such initiation or intervention is necessary to implement or further the national tourism policy;

(4) monitoring the existing and proposed policies and programs significantly affecting tourism of all Federal agencies to ascertain whether, insofar as consistent with other public policy objectives, they are in furtherance of the objectives of the national tourism policy, and reporting the results of such monitoring activities to the Congress yearly or more frequently if necessary;

(5) monitoring the policies and programs significantly affecting tourism of all Federal agencies for the purpose of ascertaining instances of intraagency and interagency duplication or contradiction and reporting the results of its monitoring activities to the concerned agencies, and the Congress yearly or more frequently if necessary;

(6) developing and administering a comprehensive program relating to industry, information, data service, training and education, and technical assistance;

(7) developing and administering a comprehensive program relating to consumer information, protection, and education;

(8) developing a program to seek and to receive information on a continuing basis from the tourism industry, including consumer and travel trade associations, regarding needs and interest which should be met by an agency or program, and directing that information to the appropriate agency; and

(9) encouraging to the maximum extent feasible travel to and from the United States on United States carriers.

SEC. 206. ADMINISTRATIVE POWERS AND PROVISIONS.

(a) In carrying out this title, the Administrator is authorized to—

(1) enter into such contracts, agreements, or other transactions as the Administrator determines appropriate, except that in entering into any contract, agreement, or transaction the Administrator shall rely on competitive bidding to the maximum extent practicable;

(2) accept in the name of the Administration and employ or dispose of in furtherance of the objectives of this Act any money, or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

(3) obtain the services of experts and consultants without regard to section 3109 of title 5 of the United States Code except that no such expert or consultant may be compensated at rates which exceed the daily equivalents of rates now or hereafter prescribed for GS–18 of the General Schedule by section 5332 of title 5 of the United States Code;

(4) accept voluntary and uncompensated services of attorneys, consultants, and experts notwithstanding any other provision of law;

(5) appoint without compensation, such advisory committees as the Administrator deems appropriate;

(6) accept and use with their consent, with or without reimbursement, such personnel, services, equipment, and facilities of agencies of the Federal Government, State governments, or local political subdivisions thereof, as are necessary to conduct the activities of the Administration efficiently; and

(7) promulgate, issue, rescind, and amend such internal administrative procedures as may be necessary to carry out the purposes of this title.

(b) Upon request made by the Administrator, each Federal agency shall—

(1) make its services, personnel, and facilities available to the greatest practicable extent to assist the Administration in the performance of its functions; and

(2) furnish to the Administration, subject to the provisions of applicable law, such information, suggestions, estimates, and statistics as the Administration may request.

(c) The Administration may not provide or arrange for transportation or accommodations for persons traveling between other countries and the United States, or between points within the United States, in competition with businesses engaged in providing or arranging for such transportation or accommodations.

(d) The General Services Administration shall furnish the Administration with such offices, equipment, supplies, and services as it is authorized to furnish to any other agency or instrumentality of the United States.

(e) The Administrator shall not enter into contracts, agreements or other transactions the time period for which extends beyond the end of the fiscal year for which appropriations have been made available for such purposes.

SEC. 207. REPORTS.

(a) Whenever the Administration submits or transmits any budget estimate, budget request, supplemental budget estimate, or other budget information, legislative recommendation, prepared testimony for congressional hearings, comment on legislation, or report required by this part to the President or to the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress. No officer or agency of the United States shall have any authority to require the Administration to submit its budget requests or estimates, legislative recommendations, prepared testimony for congressional hearings, comments on legislation, or reports required by this title, or comments on any action by a Federal agency affecting tourism to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, comments, or reports to the Congress or to such Federal agency.

(b) The Administration shall submit an annual report for the preceding fiscal year to the President for transmittal to the Congress on or before the 31st day of December of each year. The report shall include a comprehensive and detailed report of the Administration's operations, activities, financial condition, and accomplishments and may include such recommendations as the Administration deems appropriate.

SEC. 208. FUNDING.

(a) Not later than 30 days after the date of enactment of this title, the United States Travel Service shall make available to the Administration $1,000,000 to carry out its functions in the fiscal year ending September 30, 1981.

(b) Funds made available under subsection (a) shall remain available for obligation until expended.

SEC. 209. ADVISORY BOARD.

(a) There is established the Travel and Tourism Advisory Board (hereinafter in this section referred to as the "Board") to be composed of 17 members appointed by the Administrator. The members of the Board shall be appointed as follows:

(1) Not more than 9 members of the Board shall be appointed from the same political party.

(2) The members of the Board shall be appointed from among citizens of the United States who are not regular full-time employees of the United States and shall be selected for appointment so as to provide as nearly as practicable a broad representation of different geographical regions within the United States and of the diverse and varied segments of the tourism industry.

(3) Fourteen of the members shall be appointed from senior executive officers of organizations engaged in the travel and tourism industry. Of such members—

(A) at least one shall be a senior representative from a labor organization repre-

senting employees of the tourism industry; and

(B) at least one shall be a representative of the States who is knowledgeable of tourism promotion.

(4) Of the remaining three members of the Board—

(A) one member shall be a consumer advocate or ombudsman from the organized public interest community;

(B) one member shall be an economist, statistician, or accountant; and

(C) one member shall be an individual from the academic community who is knowledgeable in tourism, recreation, or national heritage conservation.

The Administrator shall serve as an ex officio member of the Board. The duration of the Board shall not be subject to section 14(a)(2) of the Federal Advisory Committee Act. A list of the members appointed to the Board shall be forwarded by the Administrator to the Senate Committee on Commerce, Science, and Transportation and the House Committee on Interstate and Foreign Commerce.

(b) The members of the Board shall serve for three-year terms. Vacancies on the Board shall be filled in the same manner in which the original appointments were made. No members of the Board shall be eligible to serve in excess of two consecutive terms of three years each.

(c) The Chairman and Vice Chairman and other appropriate officers of the Board shall be elected by and from members of the Board other than the Administrator.

(d) The members of the Board shall receive no compensation for their services as such, but shall be allowed such necessary travel expenses and per diem as are authorized by section 5703 of title 5, United States Code. The Administrator shall pay the reasonable and necessary expenses incurred by the Board in connection with the coordination of Board activities, announcement and reporting of meetings, and preparation of such reports as are required by subsection (f).

(e) The Board shall meet at least quarterly and shall hold such other meetings at the call of the Chairman, the Administrator, or a majority of its members.

(f) It shall be the duty of the Board to make a continuing study of the programs and activities of the Administration. Specifically, the Board shall review preliminary plans and final budget requests of the Administrator and submit its comments thereon to the President and the Congress. The Board shall prepare an annual report concerning the results of its studies of Administration activities and include therein such recommendations as it deems appropriate with respect to the performance of the Administration and the operation and effectiveness of its programs. Each annual report shall cover a fiscal year, shall be submitted on or before the 31st day of December following the close of the fiscal year, and shall be submitted to the committees referred to in subsection (a). The Board shall have the power to do those things that are necessary and proper to carry out the foregoing activities.

SEC. 210. TRANSFER OF FUNCTIONS.

(a) Not later than 180 days after the date of enactment of this Act the Administration and the United States Travel Service (hereinafter referred to as the "Travel Service") shall complete such steps as are necessary to transfer to the Administration—

(1) the assets, funds, supplies, materials, equipment, and records of the Travel Service;

(2) the rights, privileges, powers, duties, and liabilities of the Travel Service in respect to any contract, agreement, loan, account, or other obligation; and

(3) any unexpended balances of funds appropriated or otherwise accruing to the Travel Service.

The transfer of rights, privileges, powers, duties, and liabilities of the Travel Service under paragraph (2) shall not limit or extend any period of limitation otherwise applicable to the contract, agreement, loan, account, or obligation involved.

(b) Upon completion of the transfer prescribed by subsection (a), the International Travel Act of 1961 (22 U.S.C. 2121 through 2127) and the Act of July 19, 1940 (relating to the encouragement of travel) (16 U.S.C. 18 through 18d) are repealed and the United States Travel Service is abolished.

TITLE III—AMENDMENTS TO THE INTERNATIONAL TRAVEL ACT

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

(a) The first sentence of section 6 of the International Travel Act of 1961 (22 U.S.C. 2126) is amended—

(1) by striking out "and" immediately before "(8)"; and

(2) by inserting immediately before the period at the end thereof the following: "; and (9) $8,600,000 for the fiscal year ending September 30, 1981, of which not more than—

"(A) $100,000 shall be available to carry out projects meeting the requirements of subsection (c)(1) of section 5A; and

"(B) $500,000 shall be available to carry out projects meeting the requirements of paragraph (2) of subsection (c) of section 5A.".

(b) Nothing contained in this Act shall be construed to commit the Federal Government to provide any sums for the payment of any obligation of the Administration which exceeds amounts provided in advance in appropriation Acts.

SEC. 302. FEDERAL ASSISTANCE FOR REGIONAL PROMOTION OF TOURISM.

(a) The International Travel Act of 1961 (22 U.S.C. 2121) is amended by inserting after section 5 the following new section:

"SEC. 5A. (a) The Secretary is authorized to provide financial assistance to a region of not less than two States or portions of two States to assist in the implementation of a regional tourism promotional and marketing program. Such assistance shall include—

"(1) technical assistance for advancing the promotion of travel to such region by foreign visitors;

"(2) expert consultants; and

"(3) marketing and promotional assistance.

"(b) Any program carried out under this section shall serve as a demonstration project for future program development for regional tourism promotion.

"(c)(1) An applicant for financial assistance under this paragraph for a particular region must demonstrate to the Secretary that—

"(A) such region has in the past been an area that has attracted foreign visitors, but such visits have significantly decreased;

"(B) facilities are being developed or improved to reattract such foreign visitors;

"(C) a joint venture in such region will increase the travel to such region by foreign visitors;

"(D) such regional program will contribute to the economic well-being of the region;

"(E) such region is developing or has developed a regional transportation system that will enhance travel to the facilities and attractions within such region; and

"(F) a correlation exists between increased tourism to such region and the lowering of the unemployment rate in such region.

"(2) An applicant for assistance under this paragraph shall demonstrate to the Secretary that (A) the particular region has been declared a major disaster area by the President or (B) the travel and tourism industry of the particular region has suffered severe economic damage as a result of force majeur.".

(b) The program established under section 5A(c)(2) of the International Travel Act of 1961, as added by subsection (a) of this section, shall commence not later than 30 days after the date of enactment of this title.

SEC. 303. TIME PERIOD FOR PERSONNEL REDUCTION.

Section 9 of the International Travel Act of 1961 (22 U.S.C. 2128) is amended by striking out "as of September 1, 1979, and thereafter," and substituting "during the period beginning October 1, 1980, and ending September 30, 1981,".

SEC. 304. RESTRICTIONS ON REDUCTIONS OF PERSONNEL OF FUNDS.

The International Travel Act of 1961, (22 U.S.C. 2121), is further amended by adding at the end thereof the following new section:

"SEC. 10. (a) Notwithstanding any other provision of law, the Secretary may not reduce the number of employees of the United States Travel Service in the offices of such Service in foreign countries to a number that is less than the number of authorized employees assigned to such offices in fiscal year 1979.

"(b) Notwithstanding any other provision of law, the Secretary may not reduce the amount of funds appropriated pursuant to this Act that are available for obligation to pay for the activities of the offices of the United States Travel Service in foreign countries to an amount that is less than the amout of funds that were available for obligation to pay for the activities of such offices in fiscal year 1980.".

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PRESSLER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE DEATH OF ALESTER G. FURMAN, JR.

Mr. THURMOND. Mr. President, recently, Alester G. Furman, Jr., one of South Carolina's outstanding businessmen, passed away ending a long and distinguished career.

Alester was a man of ambition and determination. He was a civic and community leader who, like his forefathers, contributed greatly to developing South Carolina.

Furman University, one of the finest universities in the Nation, was founded by his great-great-grandfather, Richard Furman; and Alester was chairman of its board for 11 years.

I had known Alester for many years. He was a successful businessman and a good friend. He was dedicated and sincere in his aspirations for Greenville County and for South Carolina.

Alester was born in Greenville and attended Greenville city schools and Furman Fitting School. He earned a bachelor's degree from Furman University and later received honorary doctorate degrees from Furman and Clemson Universities.

After graduation Alester joined the Army and became a commissioned second lieutenant in 1918.

Upon returning, Alester joined his father's real estate, investment, and in-

surance company, the Alester G. Furman Co., and spent his entire career in the business until his retirement as chairman in 1961.

Alester was director of the Carolina Pipeline Co., the Liberty Corp., Liberty Life Insurance Co., Piedmont Northern Railway Co., Southeastern Broadcasting Co., J. P. Stevens, Spindale Mills, Southern Bleachery Print Works Inc., Ross Builders Supplies Inc., Woodside Mills, Ottaray Textiles Inc., Greenville Hotel Co., and Greenville Community Hotel Corp.

He was also a member of the First Baptist Church in Greenville, the Poinsett Club, the University Club, and numerous other social clubs.

Mr. President, I am extremely proud to have known Alester G. Furman, Jr., and my deepest sympathy is extended to his lovely wife, Janie, and his two sons, Alester G. Furman III and Dr. J. Earle Furman, both of Greenville. I know he will be sorely missed.

In order that I might share, with my colleagues, an editorial and two articles from the Greenville News and the Charleston News & Courier about this fine man, I ask unanimous consent that these appear at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Greenville (S.C.) News, Dec. 4, 1980]

ALESTER FURMAN'S CONTRIBUTIONS

It is one thing to inherit a great name and tradition of service. It is something else to make them even greater—and to do so in such a graceful, disarming fashion that the process is barely noted at the time.

The true measure of Alester G. Furman Jr. is that he devoted his 85 years of life to improving his state, his city and the fine institutions to which the Furman name has been linked for generations. And his work, although important and effective, was unobtrusive—so much so that upon his death yesterday it was difficult to find detailed information about him in newspaper files.

It was necessary to consult with some of his associates in order to get an adequate reading of his leadership role in the affairs of Furman University, his Baptist faith, the development of the textile industry in this region and in numerous civic and cultural activities of here and elsewhere.

Details of his active work for the school that was named for his great-great-great grandfather, and his labors for the progress of this region may be found elsewhere in today's paper. They add up to a significant contribution to Greenville and to South Carolina, the fruits of a vigorous and memorable life.

And Alester Furman will be remembered as a positive force, a man of strong conviction, a lover of wholesome activities, and a warm human being whose bursts of laughter were contagious.

Many delighted in hearing his accounts of Furman football and of Augusta National golf. Many enjoyed and were helped by his informal visits and thoughtful telephone calls.

He brightened many lives, and will be missed by all of them.

[From the Charleston (S.C.) News and Courier, Dec. 4, 1980]

BUSINESSMAN A. G. FURMAN DIES AT 85

GREENVILLE.—Alester G. Furman, who served on the boards of several companies and was a board member of Furman University for 20 years, died Wednesday. He was 85.

Furman was born on April 26, 1895, in Greenville, the son of Alester Garden and Nellie Hoyt Furman.

He attended Greenville city schools and Furman Fitting School, and received a bachelor's degree from Furman University in 1914. He also held an honorary doctorate from Clemson University.

Furman was commissioned a second lieutenant in the U.S. Army in 1918.

He spent his career with the Alester G. Furman Co., a Greenville real estate, insurance and securities firm started by his father in 1888.

His great-great-grandfather, Richard Furman, founded Furman University, and Alester G. Furman Jr. was the school's board chairman for 11 years.

Furman President John E. Johns said that Furman helped the university during "years of crucial decisions and unprecedented achievement."

Furman was a member of the First Baptist Church, Greenville Country Club, Poinsett Club, Biltmore Forest Country Club in Biltmore, N.C., Augusta National Golf Club, the University Club and the Merchants Club, both in New York.

He served as a director of the Liberty Corp., Carolina Pipeline Co., Piedmont & Northern Railway Co., J. P. Stevens & Co., Southeastern Broadcasting Co., Ross Builders Supplies, Spindale Mills, and others.

Surviving are: his widow, Janie Earle Furman; two sons, Alester G. Furman III and Dr. J. Earle Furman, both of Greenville; four sisters, Mrs. Robert W. Hudgens of Mount Dora, Fla., Mrs. Broadus Bailey and Mrs. Walter H. Arnold, of Greenville, Mrs. J. J. Westbrook of Atlanta; eight grandchildren and eight great-grandchildren.

Services are scheduled for 4 p.m. Thursday at the First Baptist Church. Burial will be in Springwood Cemetery.

[From the Greenville (S.C.) News, Dec. 4, 1980]

GREENVILLE'S GROWTH THE LEGACY OF FURMAN

Alester G. Furman Jr., whose work in the 1940s and 1950s spurred economic development in the Greenville area and turned Furman University into a modern institution, died Wednesday. He was 85.

"He was probably the most forward-looking, youngest person I ever knew," recalled Max Heller, former Greenville mayor and now chairman of the State Development Board.

Services for Furman will be at 4 p.m. Thursday at First Baptist Church. Burial will be in Springwood Cemetery.

Furman was born to an venerable Greenville family. His father was a successful businessman and civic leader.

Furman's great-great grandfather, Richard Furman, was a Revolutionary War hero and a leader in organizing the American Baptist Convention. Furman University was named after Richard Furman, and James C. Furman, Alester Furman's great-grandfather, was the first president of the school.

Yet, Furman did not satisfy himself with the past. Instead, he helped change the economic and educational environment of the region.

"It's hard to believe now, but there weren't really any new plants built around here from the 1920s through World War II," recalled Robert S. Small, chairman of Dan River Inc. "Unemployment, as we figure it now, was probably 20 to 25 percent."

But Furman helped remove that blight, said Small.

"I don't know anyone who has contributed more in developing the upper part of South Carolina," Small said. "He and Charlie Daniel (founder of Daniel International Corp.) were our ambassadors of good will for South Carolina before there was a State Development Board. They were sort of the unofficial State Development Board."

Daniel and Furman crisscrossed the nation, touting the state's benefits to industrialists and bankers.

Through his real estate, investment and insurance company, Furman helped develop the textile industry in the area. He sold stocks, founded and procured sites and served as a director for textile companies.

Burlington Industries, J. P. Stevens & Co. Inc. and some concerns that became part of Dan River are among the many companies that Furman assisted. The Furman plant of the Woodside division of Dan River was named in his honor.

"He served with distinction on our board of directors for many years and played a leading role in the growth of the company in Greenville, which is now the center of its manufacturing operations," said Whitney Stevens, chairman and chief executive officer of J. P. Stevens. "He was always available, interested and enthusiastic. His many contributions and wise counsel will long be remembered in the company."

However, his business interests did not stop in textiles. He served as a director of life insurance, energy and transportation companies. He helped form Southeastern Broadcasting Co., which eventually became the broadcast arm of Multimedia Inc.

In addition to his business ventures, Furman contributed his time and money to Furman University. He served as a university trustee for 20 years and as trustee chairman for 11, from 1947–53 and 1955–59.

FURMAN UNIVERSITY

He led the university during its decision to abandon its downtown campus and to move to its present location between Greenville and Travelers Rest.

Recently, his family donated $650,000 to build an infirmary at the university.

John E. Johns, Furman president, said Wednesday that "the steady hand of Alester Furman Jr. helped Furman University during years of crucial decisions and unprecedented achievement. He was a guiding force in raising funds to construct the new campus."

The university named an administration building after Furman in 1969 and appointed him to the university's hall of fame in 1970.

Johns added, "Alester Furman Jr. remained devoted to Christian higher education and used his business talents, his material resources and his life to make Furman University a stronghold in this endeavor.

"Furman University will always remember Alester G. Furman Jr. for his tireless concern for people, his college, his church and his community. He was not only an outstanding leader, generous benefactor and wise counselor, but also was a man of delightful wit and personal warmth."

Furman spent his entire business career with the Alester G. Furman Co., a Greenville real estate company started by his father in 1888. He retired as chairman of the company Jan. 1, 1961, but he remained active in the local community.

"I really looked to him and received some very good common-sense advice when I was mayor," Heller recalled. Heller said Furman offered encouragement on many civic projects, including downtown redevelopment.

"I'm a youngster, and he always was interested in what Liberty and I were doing," said Macon G. Patton, president of the Liberty Corp. and a neighbor of Furman's. "He was an elegant gentleman whose financial mind and sense of history will be sorely missed."

Through his business and civic dealings, Furman also touched a long list of people who remembered him Wednesday as a friend.

"He was very warm, loyal person," Small said. "A person who enjoyed the better things of life."

"He was a fine friend," said Patton. "I was

never with him when he didn't have a yarn to tell."

Wilson C. Wearn, president of Multimedia, called Furman "a very, very fine man. He was a very public-spirited citizen."

Gov. Dick Riley said Furman's "active support and involvement in cultural, civic and business affairs in Greenville County and throughout the state of South Carolina will be missed."

DISTINGUISHED GENTLEMAN

Sen. Strom Thurmond, R-S.C., called Furman a "fine, distinguished gentleman."

Thurmond noted that Furman "was a great supporter of humanities, civic and cultural activities in his community, and his contributions benefited countless individuals." An aide to Thurmond said the senator plans to enter a statement about Furman into the Congressional Record.

Furman himself summed up his life's philosophy in a newspaper interview shortly after his retirement. "The only value a man can take with him is what he has given away in time, talents and money."

Furman was born in Greenville on April 26, 1895, to the late Alester Garden and Nellie Hoyt Furman. He lived at 6 Woodland Way Circle.

A graduate of city schools and the Furman Fitting School, he received a bachelor's degree from Furman University in 1914. He received an honorary LL.D. bachelor's degree from Furman University in 1914. He holds an honorary LL.D. degree from Clemson University.

A commissioned second lieutenant in the Army, he served in World War I.

Furman was a member of the First Baptist Church, numerous social clubs, was past president of the Greenville Community Chest, chairman of the state's Citizens Committee for Navy Relief in 1942 and campaign chairman for the South Carolina United Fund in 1955.

He served as a director of Carolina Pipeline Co., the Liberty Corp., Liberty Life Insurance Co., Piedmont and Northern Railway Co., Southeastern Broadcasting Co., J. P. Stevens, Spindale Mills, Southern Bleachery & Print Works Inc., Ross Builders Supplies Inc., Woodside Mills, Ottaray Textiles Inc., Greenville Hotel Co., and Greenville Community Hotel Corp.

Surviving Furman are his widow, Janie Earle Furman; two sons, Alester G. Furman III and Dr. J. Earle Furman of Greenville; four sisters, Mrs. Robert W. Hudgens of Mount Dora, Fla., Mrs. Broadus Bailey and Mrs. Walter H. Arnold of Greenville and Mrs. J. J. Westbrook of Atlanta, Ga.; eight grandchildren and eight great-grandchildren.

THE TREATMENT OF THE FORMER HOSTAGES IN IRAN

Mr. THURMOND. Mr. President, if the reports that have reached us concerning the treatment of the 52 Americans held hostage by Iran are true, the conduct of the Iranians is inexcusable. It is a violation of international law and contrary to all standards of civilized conduct. Iran must be held accountable for such acts of savagery.

In due course, the Senate will conduct its own investigation of this matter. In so doing, we in this body have a responsibility to the former hostages, to their families, to the American people, and to freedom-loving peoples throughout the world to reveal all the facts surrounding the holding of these Americans. We also have a responsibility to derive from our study of this incident appropriate measures to avoid such situations in the future.

IN MEMORIAM: OLIN E. TEAGUE

Mr. CRANSTON. Mr. President, I rise sad of heart to note the passing last Friday of a great American, Olin E. "Tiger" Teague. Tiger was buried today and appropriately memorialized at Arlington National Cemetery.

I have known Tiger Teague from my earlier days in the Congress. We met in 1970 when I, as a freshman Senator chairing a subcommittee on Veterans' Affairs, and he, as the longstanding champion of veterans' needs, at that point having already served as chairman of the House full committee for 16 years, met to try to resolve GI bill legislation on which our committees were deadlocked. We were able then to settle our differences amicably and productively, and we were able to do so on numerous veterans bills and issues during the next 9 years until his retirement at the end of the 95th Congress.

We became good friends and constant allies in our shared commitment to do the best we could to maintain strong veterans' programs.

The young Tiger Teague spent 2 years recovering from combat wounds at the hospital which became the Temple, Tex., VA hospital and is now part of the VA center there. In 1978, Congress most appropriately named this center after him.

Immediately upon coming to the Congress in 1946, Tiger Teague began to fight for benefits to aid veterans and their families to return to civilian life. He chaired a special inquiry into GI bill abuses which led to corrective legislation for veterans returning from the Korean conflict. This concern for veterans' educational benefits has always been a matter of special emphasis for him. Although we were not always in agreement on the issues, whenever the Senate approached him on GI bill matters, he was always willing to examine and discuss changes to improve the program.

Olin Teague also had a tremendous influence on the medical program of the Veterans' Administration and on other veterans benefits programs. He led the way in preserving an independent VA Department of Medicine and Surgery in the 1973–74 period of great travail and controversy arising out of the disagreements between the Administrator of Veterans' Affairs and the Chief Medical Director; he then went on to pledge and provide consistent support to each of their successors in the agency.

He began a campaign—still moving forward today—which has, since fiscal year 1972, already resulted in adding more than 52,000 new VA health-care workers to bring VA hospital staffing ratios into line with those in community hospitals.

I know of no Member of Congress whose influence has been so enduring or so dominant in a particular field than Olin Teague's was in veterans' affairs for 32 years. It is for this reason that he was the first person outside of the VA to receive the Veterans' Administration's highest honor, the Exceptional Service Award, and why the Administrator of Veterans' Affairs went on to establish in late 1978 the Olin E. Teague Award to be made annually to the VA employee or team of employees whose accomplishments in the area of rehabilitation involve an outstanding improvement in the quality of life for war-injured veterans or contribute in an outstanding manner to rehabilitation. As a highly decorated, service-disabled World War II veteran with so strong a record of successful efforts on behalf of war disabled veterans, Tiger was surely the most appropriate honoree for the establishment of this award.

But his imprint on American life and public policy extended well beyond the field of veterans' affairs; indeed, as chairman of the House Committee on Science and Technology for 6 years, he left an equally indelible imprint on the space program. Although we did not agree in our approaches on some of the numerous issues confronting us in Congress, this was not the case with respect to our Nation's space program. There, as in the field of veterans' affairs, we shared a common vision and commitment.

Olin Teague's enormous contributions to our space effort were chronicled in the remarks of NASA Administrator Robert Frosh upon presenting Chairman Teague with that agency's distinguished public service medal in October 1978. The Administrator characterized Mr. Teague as "unique in the depth of his knowledge of the space program * * *"; as having made "unequaled contributions to the * * * program * * *"; and as having literally "saved the program" "through his dynamic leadership" after the fatal 1967 Apollo fire. An area where we have been strong allies has been in the persistent advocacy of the Space Shuttle, and I wish that Tiger could be with us to witness personally the culmination of this enormous undertaking expected later this year.

The common thread tying together Chairman Teague's great deeds regarding veterans affairs and the space program is love of country—the abiding and passionate theme that runs through his public career spanning four decades. His service to country continued long after his highly decorated service in World War II ended. His achievements will long endure.

Few men or women pass through our world and really make a difference. Tiger Teague truly did, and millions of veterans, his many friends, and his dear family join with me today in grief, in fond memory, and in lasting tribute to this extraordinary pioneer, patriot, and public servant.

MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

Under the authority of the order of the Senate on January 22, 1981, the Secretary of the Senate on January 23 and January 26, 1981, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on January 23 and 26, 1981, are printed at the end of the Senate proceedings.)

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary reported that on January 23, 1981, he had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 16. Joint resolution designating January 29, 1981 as "A Day of Thanksgiving To Honor Our Safely Returned Hostages".

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WEICKER, from the Select Committee on Small Business, without amendment:

S. Res. 34. An original resolution authorizing expenditures by the Select Committee on Small Business; referred to the Committee on Rules and Administration.

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. 272. An original bill to increase the membership of the Joint Committee on Printing (Rept. No. 97-2).

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. Res. 35. An original resolution authorizing expenditures by the Committee on Rules and Administration (Rept. No. 97-3).

S. Res. 36. An original resolution providing for members on the part of the Senate of the Joint Committee on Printing and the Joint Committee of Congress on the Library.

S. Res. 37. An original resolution to pay a gratuity to Nola E. Clark.

S. Res. 38. An original resolution to pay a gratuity to Joseph A. Cross.

By Mr. PERCY, from the Committee on Foreign Relations, without amendment:

S. Res. 39. An original resolution authorizing additional expenditures by the Committee on Foreign Relations for inquiries and investigations (Rept. No. 97-4).

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR THE PERIOD FROM OCT. 13 TO 17, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Lowell Weicker, Jr.: Cuba	Peso	225.55	320.00					225.55	320.00
Robert I. Wicklund: Cuba	Peso	225.55	320.00					225.55	320.00
Steven H. Moore: Cuba	Peso	225.55	320.00					225.55	320.00
Total									960.00

Note: Transportation paid for out of committee funds.

Dec. 31, 1980.

WARREN G. MAGNUSON,
Chairman, Committee on Appropriations.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES FOR THE PERIOD FROM OCT. 1 TO DEC. 31, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Edward B. Kenny:									
England	Pound	251.26	617.03		(1)			251.26	617.03
Germany	Deutsche mark	395	209.00		(1)			395	209.00
James R. Locher:									
Saudi Arabia	Riyal				(2)				
Oman	Riyal	21.865	63.93		(2)			21.865	63.93
Jordan	Dinar	27.280	88.00		(2)			27.280	88.00
Israel	Shekel		270.00		(2)				270.00
Lebanon	Pound	52.500	75.00		(2)			52.500	75.00
Senator Carl Levin:									
Saudi Arabia	Riyal				(2)				
Oman	Riyal	21.263	62.09		(2)			21.263	62.09
Jordan	Dinar	19	61.18		(2)			19	61.18
Israel	Dollar		269.81		(2)				269.81
Egypt	Pound	37.96	54.28		(2)			37.95	54.28
Peter Lennon:									
Saudi Arabia	Riyal	13	3.93		(2)			13	3.93
Oman	Riyal	22.208	64.84		(2)			22.208	64.84
Jordan	Dinar	27.280	88.00		(2)			27.280	88.00
Israel	Dollar		270.00		(2)				270.00
Egypt	Pound	52.500	75.00		(2)			52.500	75.00
Transportation round trip from Washington, D.C., to Saudi Arabia and from Egypt to Washington, D.C.: [2]									
James Locher					1,647.00				1,647.00
Carl Levin					1,636.00				1,636.00
Peter Lennon					1,636.00				1,636.00
Total			2,272.09		4,919.00				7,191.09

[1] Transportation provided by Department of Air Force.

[2] Transportation between countries provided by Department of Air Force.

Jan. 7, 1981.

JOHN TOWER,
Chairman, Committee on Armed Services.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR THE PERIOD FROM OCT. 1 TO DEC. 31, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Joseph R. Biden: Germany	Mark	214.13	123.78					214.13	123.78
M. Graeme Bannerman:									
England	Pound	160.58	390.40					160.58	390.40
Saudi Arabia	Rial	2,566.20	780.00					2,566.20	780.00
Pakistan	Rupee	6,543.90	661.00					6,543.90	661.00
India	Rupee	3,482	450.00					3,482.00	450.00
Nepal	Rupee	635	75.00					635.00	75.00
United States	Dollar				2,728.20				2,728.20
William J. Barnds:									
England	Pound	160.58	390.40					160.58	390.40
Saudi Arabia	Rial	2,566.20	780.00					2,565.20	780.00
Pakistan	Rupee	6,266.70	633.00					6,266.70	633.00
India	Rupee	4,065.50	525.00					4,063.50	525.00
United States	Dollar				2,471.80				2,471.80
Gerald B. Christianson:									
United States	Dollar				191.85				191.85
Canada	Dollar	126.66	109.33	27.00	23.31			153.66	132.64
John B. Ritch:									
Egypt	Egyptian pound	210	300.00					210	300.00
Saudia Arabia	Rial	1,961	596.00					1,961	596.00
Oman	Rial	76.94	255.00					76.94	255.00
Pakistan	Rupee	1,770	177.00					1,770	177.00
Israel	Dollar		75.00						75.00
Belgium	Belgian franc	3,391	177.00					3,391	117.00
United Kingdom	Pound	212.56	516.00					212.55	516.00
West Germany	Marks	349.60	190.00					349.60	190.00
France	Franc	1,994.00	468.00					1,994	468.00
United States	Dollar				2,679.00				2,679.00
Total			7,611.91		8,094.16				15,076.07

Dec. 12, 1980.

FRANK CHURCH,
Chairman, Committee on Foreign Relations.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), U.S. SENATE DELEGATION TO THE NORTH ATLANTIC ASSEMBLY, FOR THE PERIOD FROM JUNE 5 TO 8, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Charles H. Percy: Luxembourg	U.S. dollar		279.00						279.00
John B. Ritch: Luxembourg	U.S. dollar		372.00		38.00				410.00
Delegation expenses							43.95		43.95
Alexander Crary: Portugal	U.S. dollar		450.00		689.00				1,139.00
Total			1,101.00		727.00		43.95		1,871.95

Dec. 12, 1980.

FRANK CHURCH,
Chairman, Committee on Foreign Relations.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), ENERGY AND NATURAL RESOURCES COMMITTEE FOR THE PERIOD FROM OCT. 1 TO DEC. 31, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Patricia M. Hoff: Netherlands	Guilder	3,941	1,995.00		750.00				2,745.00
Michael D. Hathaway: France	Franc	1,544	351.00		2,610.00				2,961.00
George G. Dowd: France	Franc	2,059	468.00		2,610.00				3,078.00
Daniel A. Dreyfus:									
Australia and Papua New Guinea	Dollar	1,260.83	1,496.00	1,610.46	1,897.70				3,393.70
New Zealand	Dollar	226.86	223.12			97.72	96.10		319.22
Willis D. Smith:									
Australia	Dollar	1,258.30	1,491.00	1,186.66	1,393.88				2,884.88
New Zealand	Dollar	226.86	223.12			97.72	96.10		319.22
James P. Beirne:									
Australia and Papua New Guinea	Kina and dollar	[1] 1,304.13	1,548.00			[2] 713.34	1,094.00		2,642.00
Fiji	Dollar	116.97	150.00						150.00
Total			7,945.24		9,261.58		1,286.20		18,493.02

[1] Australian dollar.

[2] Kina.

Dec. 31, 1980.

HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), OFFICE OF THE MINORITY LEADER FOR THE PERIOD FROM NOV. 28 TO DEC. 12, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Frederick M. Bernthal:									
United Kingdom	Pound	296	700.00		1,471.40			296	700.00
France	Franc	3,426	660.00					3,426	660.00
G. Cranwell Montgomery: Republic of Korea	Won	234,248	356.00	13,160	20.00			234,248	356.00
Total			1,716.00		1,491.40				1,716.00

HOWARD H. BAKER, JR.,
Minority Leader.

Dec. 19, 1980.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–235. A communication from the Deputy Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Food Stamp Act of 1977 to control food stamp program spending, to improve food stamp administrative procedures, and to extend appropriations authority without specific dollar limitations while continuing to limit expenditures to available funds; to amend the Agriculture and Consumer Protection Act of 1973, to extend and improve the commodity distribution programs; and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

EC–236. A communication from the Deputy Secretary of Agriculture, transmitting a draft of proposed legislation to amend certain provisions of the child nutrition programs authorized by the National School Lunch Act and the Child Nutrition Act of 1966; to the Committee on Agriculture, Nutrition, and Forestry.

EC–237. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Army's proposed letter of offer to Egypt for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–238. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Navy's proposed letter of offer to Saudi Arabia for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–239. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Opportunities Still Exist for the Army to Save Millions Annually Through Improved Retail Inventory Management"; to the Committee on Armed Services.

EC–240. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, the annual report of the Reserve Forces Policy Board for fiscal year 1980; to the Committee on Armed Services.

EC–241. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report with respect to a study with respect to converting the military family housing maintenance function at Blytheville Air Force, Arkansas, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC–242. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report on a study with respect to converting the military family housing maintenance function at Tyndall Air Force Base, Florida, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC–243. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, a report on a construction project to be undertaken by the Air Force Reserve; to the Committee on Armed Services.

EC–244. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 5519 of title 5, United States Code, relating to crediting amounts received for certain reserve or National Guard service; to the Committee on Armed Services.

EC–245. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to provide for annual adjustments of retired and retainer pay to reflect changes in the Consumer Price Index; to the Committee on Armed Services.

EC–246. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Urban Mass Transportation Act of 1964 to provide authorizations for appropriations and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC–247. A communication from the Secretary of Commerce, transmitting, pursuant to law, the 1978–1979 Biennial Report of the National Sea Grant College Program; to the Committee on Commerce, Science, and Transportation.

EC–248. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on his identification of a specific materials needs case "related to national security, economic well-being, and industrial production" to be completed by the Department of Commerce by October 1981; to the Committee on Commerce, Science, and Transportation.

EC–249. A communication from the Administrator of the United States Environmental Protection Agency, transmitting, pursuant to law, the annual report on the review of the Department of Energy's conservation and solar energy programs for calendar year 1980; to the Committee on Energy and Natural Resources.

EC–250. A communication from the Secretary of Transportation, transmitting, pursuant to law, a revised estimate of the cost of completing the National System of Interstate and Defense Highways for fiscal years 1983 and 1984; to the Committee on Environment and Public Works.

EC–251. A communication from the Secretary of Transportation transmitting, pursuant to law, the second progress report on the Highway Cost Allocation Study; to the Committee on Environment and Public Works.

EC–252. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report entitled "The Status of the Nation's Highways: Conditions and Performance"; to the Committee on Environment and Public Works.

EC–253. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, to amend the Highway Safety Act of 1966 to authorize appropriations, and for other purposes; to the Committee on Environment and Public Works.

EC–254. A communication from the Administrator of the United States Environmental Protection Agency, transmitting, pursuant to law, a report prepared by the National Academy of Sciences on the availability of technology for controlling airborne particulate matter; to the Committee on Environment and Public Works.

EC–255. A communication from the Chairman of the United States International Trade Commission, transmitting, pursuant to law, the twenty-fourth quarterly report on trade between the United States and nonmarket economy countries; to the Committee on Finance.

EC–256. A communication from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize the Secretary of the Treasury to obtain certain services and facilities and incur certain administrative expenditures, and for other purposes; to the Committee on Finance.

EC–257. A communication from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize appropriations for the United States Customs Service for fiscal years 1982 and 1983; to the Committee on Finance.

EC–258. A communication from the Acting United States Trade Representative, transmitting, pursuant to law, the semiannual report on the enforcement of United States rights under trade agreements and for response by the United States to unfair trade practices of foreign governments which burden or restrict United States commerce for the period July 1 through December 31, 1980; to the Committee on Finance.

EC–259. A communication from the Assistant Secretary of the Treasury, transmitting, pursuant to law, a report on the activities of multilateral development banks in the development of renewable energy resources in developing countries; to the Committee on Foreign Relations.

EC–260. A communication from the Secretary of State, transmitting, pursuant to law, the twenty-eighth report on the extent and disposition of United States contributions to international organizations covering fiscal year 1979; to the Committee on Foreign Relations.

EC–261. A communication from the Secretary of the Treasury, transmitting drafts of proposed legislation to provide for continuous participation by the United States in the International Bank for Reconstruction and Development, and for other purposes; and to provide for continuing participation by the United States in the International Development Association, to provide for United States participation in the African Development Bank, and for other purposes; to the Committee on Foreign Relations.

EC–262. A communication from the Assistant Secretary of State for Congressional Relations, transmitting, pursuant to law, a report reflecting the President's review of all activities during calendar year 1980 of Government departments and agencies relating to preventing proliferation of nuclear explosives; to the Committee on Foreign Relations.

EC–263. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 21, 1980; to the Committee on Governmental Affairs.

EC–264. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 21, 1980; to the Committee on Governmental Affairs.

EC–265. A communication from the Director of the Office of Inspector and Auditor, Nuclear Regulatory Commission, transmitting, pursuant to law, notice of a revised manual chapter on the utilization of consultants subsequent to the issuance of the report of the audit report of the Commission on September 20, 1977; to the Committee on Governmental Affairs.

EC–266. A communication from the Chairman of the Copyright Royalty Tribunal, transmitting, pursuant to law, the annual report of the Tribunal for fiscal year 1980; to the Committee on the Judiciary.

EC–267. A communication from the Secretary of the Foundation of the Federal Bar Association, transmitting, pursuant to law, the audit report of the Foundation for fiscal year 1980; to the Committee on the Judiciary.

EC–268. A communication from the Chairman of the Board of Directors and the Executive Director of the Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the fifth annual report of the Corporation covering fiscal year 1979; to the Committee on Labor and Human Resources.

EC–269. A communication from the Secre-

tary of Labor, transmitting, pursuant to law, the annual report on the administration of the Employee Retirement Income Security Act of 1974 (ERISA) for calendar year 1979; to the Committee on Labor and Human Resources.

EC–270. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the seventh annual report of the Emergency Medical Services Program covering fiscal year 1980; to the Committee on Labor and Human Resources.

EC–271. A communication from the President of the Legal Services Corporation, transmitting, pursuant to law, the detailed budget request of the Corporation for fiscal year 1982; to the Committee on Labor and Human Resources.

EC–272. A communication from the Secretary of Labor, transmitting, pursuant to law, a report on minimum wage and maximum hours under the Fair Labor Standards Act; to the Committee on Labor and Human Resources.

EC–273. A communication from the Secretary of Labor, transmitting, pursuant to law, a report on the administration of the Black Lung Benefits Program; to the Committee on Labor and Human Resources.

EC–274. A communication from the Administrator of the Veterans Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to eliminate provision of outpatient dental treatment for service-connected noncompensable dental conditions which are unrelated to service trauma or prisoner-of-war status; to the Committee on Veterans' Affairs.

EC–275. A communication from the Administrator of the Veterans Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to terminate the authority for the pursuit of flight training programs by veterans and for the pursuit of correspondence training by veterans, spouses, and surviving spouses, and for other purposes; to the Committee on Veterans' Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–6. A petition from a citizen of Mount Vernon, New York, favoring the immediate and rapid building of a U.S. Navy to protect our national security; to the Committee on Armed Services.

POM–7. A petition from a citizen of Aberdeen, South Dakota, favoring the building of the Cruise missile, a new nuclear aircraft carrier, the neutron bomb and the B–1 bomber; to the Committee on Armed Services.

POM–8. A resolution of the City Council of Parma, Ohio, opposing Federal preemption of local ordinances and state laws on transportation of radioactive materials; to the Committee on Environment and Public Works.

POM–9. A grievance petition filed by Orlan A. Saucke, vs. Ronald Reagan regarding wrongful use of taxpayer funds in the 1980 Presidential race; to the Committee on the Judiciary.

POM–10. A petition from a citizen of North Miami, Florida, regarding the appointment of certain individuals in the Reagan Administration; to the Committee on Labor and Human Resources.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. STEVENS:

S. 253. A bill to increase the numbers of members of the Commission on Wartime Relocation and Internment of Civilians.

By Mr. SCHMITT:

S. 254. A bill to authorize public land States to select certain public lands in exchange for land taken by the United States for military and other uses, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MATHIAS (for himself, Mr. ROBERT C. BYRD, Mr. THURMOND, Mr. PERCY, and Mr. DECONCINI):

S. 255. A bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product; to the Committee on the Judiciary.

By Mr. BOREN:

S. 256. A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that a member of the armed forces maintain a household in the United States to be eligible for an earned income credit; to the Committee on Finance.

By Mr. BOREN:

S. 257. A bill to amend the Internal Revenue Code to allow armed forces more time to reinvest the proceeds of sale of a principal residence without recognition of gain when they have served on extended active duty outside the United States; to the Committee on Finance.

By Mr. BOREN (for himself, Mr. BAUCUS, Mr. D'AMATO, Mr. DOLE, Mr. EXON, Mr. GARN, Mr. HEFLIN, Mr. LEVIN, Mr. RANDOLPH, Mr. ROTH, and Mr. SCHMITT):

S. 258. A bill to authorize the President to present on behalf of the Congress specially struck gold medals to certain former hostages and the survivors of certain deceased U.S. servicemen; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GOLDWATER (for himself, Mr. DECONCINI, Mr. HAYAKAWA, Mr. INOUYE, Mr. JEPSEN, Mr. LAXALT, Mr. LUGAR, Mr. MCCLURE, Mr. PRESSLER, Mr. THURMOND, and Mr. PRYOR):

S. 259. A bill to repeal the earnings ceiling of the Social Security Act for all beneficiaries age 65 and older; to the Committee on Finance.

By Mr. SIMPSON:

S. 260. A bill to amend title 28 of the United States Code to allow for the holding of Federal district court in Jackson, Wyoming; to the Committee on the Judiciary.

By Mr. HEINZ:

S. 261. A bill for the relief of Remigio Aquino and his wife Ines Aquino; to the Committee on the Judiciary.

By Mr. MELCHER:

S. 262. A bill for the relief of Dolly Akers, Fort Peck Indian Reservation, Montana; to the Select Committee on Indian Affairs.

By Mr. MELCHER:

S. 263. A bill for the relief of Basile Christopoulos and Maria Christopoulos, husband and wife, and George Christopoulos, their son; to the Committee on the Judiciary.

By Mr. HUDDLESTON (for himself, Mr. RANDOLPH, Mr. FORD, Mr. ZORINSKY, and Mr. HEINZ):

S. 264. A bill to amend Title 23, United States Code, to authorize Federal-aid highway programs; to the Committee on Environment and Public Works.

By Mr. PERCY (for himself, Mr. HELMS, and Mr. HATFIELD):

S. 265. A bill to amend the Congressional Budget Act of 1974 to establish procedures for setting targets and ceilings, in the congressional budget process, for loans and loan guarantees under Federal credit programs; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, by unanimous consent pursuant to the order of August 4, 1977.

By Mr. PERCY (for himself, Mr. COHEN, Mr. DURENBERGER, and Mr. PROXMIRE):

S. 266. A bill to establish a Federal Interagency Medical Resources Committee to ensure the most efficient and effective use of Federal direct Health care resources; to the Committee on Governmental Affairs.

By Mr. DECONCINI (for himself and Mr. THURMOND):

S. 267. A bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes; to the Committee on the Judiciary.

By Mr. JOHNSTON:

S. 268. A bill to amend the Internal Revenue Code of 1954 to encourage individuals to invest in the stock of domestic corporations by allowing a 10-percent income tax credit for such investments; to the Committee on Finance.

By Mr. DOLE (for himself and Mr. DECONCINI):

S. 269. A bill to amend title 28, United States Code, relating to federal court jurisdiction, and for certain other purposes; to the Committee on the Judiciary.

By Mr. SCHMITT (for himself, Mr. PACKWOOD, Mr. GOLDWATER, Mr. PRESSLER, Mr. STEVENS, Mr. CANNON, and Mr. HOLLINGS):

S. 270. A bill to amend the Communications Act of 1934 in order to encourage and develop marketplace competition in the provision of certain radio services and to provide certain deregulation of such radio services, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. GOLDWATER (for himself, Mr. PACKWOOD, Mr. SCHMITT, Mr. PRESSLER, Mr. STEVENS, Mr. CANNON, Mr. HOLLINGS, and Mr. INOUYE):

S. 271. A bill to repeal section 222 of the Communications Act of 1934; to the Committee on Commerce, Science, and Transportation.

By Mr. MATHIAS:

S. 272. An original bill to increase the membership of the Joint Committee on Printing; from the Committee on Rules and Administration.

By Mr. RIEGLE:

S. 273. A bill for the relief of William Vojislav Rankovic, Stanislava Rankovic, husband and wife; and William Rankovic, Junior, and Natalie Rankovic, their children; to the Committee on the Judiciary.

By Mr. RIEGLE:

S. 274. A bill for the relief of Samson Kossivi Kpadenou, doctor of medicine; to the Committee on the Judiciary.

By Mr. RIEGLE:

S. 275. A bill for the relief of Dante Soriano Loo and Rhodora Guerrero Loo, his wife; to the Committee on the Judiciary.

By Mr. RIEGLE:

S. 276. A bill for the relief of Roger Eric Lord; to the Committee on the Judiciary.

By Mr. RIEGLE:

S. 277. A bill for the relief of Luzbella Y. Imasa, doctor of medicine; to the Committee on the Judiciary.

By Mr. RIEGLE:

S. 278. A bill for the relief of Hun Sik Sanderson; to the Committee on the Judiciary.

By Mr. RIEGLE:

S. 279. A bill for the relief of Eduardo Velesco Barlan, doctor of medicine; to the Committee on the Judiciary.

By Mr. RIEGLE:

S. 280. A bill for the relief of Yaeko Howell; to the Committee on the Judiciary.

By Mr. RIEGLE:

S. 281. A bill for the relief of Anita Tavares Dy; to the Committee on the Judiciary.

By Mr. McCLURE:

S. 282. A bill for the relief of Ammara Reitz; to the Committee on the Judiciary.

By Mr. McCLURE:

S. 283. A bill for the relief of Ashok Amarshi; to the Committee on the Judiciary.

By Mr. BAUCUS:

S. 284. A bill to amend title 28, United States Code, with respect to the litigation authority of the Attorney General, to require the Attorney General to report on Federal case management, to require the Attorney General to provide status reports on certain cases referred to the Department of Justice, and to require the Attorney General to report to Congress regarding possible unconstitutional provisions of law; to the Committee on the Judiciary.

By Mr. BAUCUS:

S. 285. A bill to amend title 28 of the United States Code to require the Attorney General to transmit reports to the Congress summarizing any position of the Attorney General that any provision of law is unconstitutional and is not to be enforced or defended by the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. THURMOND (by request):

S. 286. A bill to authorize certain construction at military installations for fiscal year 1982, and for other purposes; to the Committee on Armed Services.

By Mr. HEINZ:

S. 287. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Finance.

By Mr. CRANSTON:

S. 288. A bill to provide for the extension of the authorization of appropriations for title X of the Public Health Service Act; to the Committee on Labor and Human Resources.

By Mr. TOWER (for himself and Mr. BENTSEN):

S. 289. A bill to amend the Securities Exchange Act of 1934 to provide margin requirements in transactions involving the acquisition of securities of certain United States corporations by non-United States persons where such acquisition is financed by non-United States lenders; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MELCHER:

S. 290. A bill entitled the "Reye's Syndrome Act of 1981"; to the Committee on Labor and Human Resources.

By Mr. WILLIAMS (for himself and Mr. GLENN):

S. 291. A bill to amend title XII of the National Housing Act to establish national standards in order to reduce incendiarism and maintain community vitality, and to encourage States to adopt minimum standards for arson investigation and insurance underwriting; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BAUCUS:

S. 292. A bill to amend title XVIII of the Social Security Act with respect to judicial review of a decision by the Provider Reimbursement Review Board; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 293. A bill to amend the Food Stamp Act of 1977 to prohibit any household from participating in the food stamp program if such household has one or more members on strike as a result of a labor dispute; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GLENN (for himself, Mr. BOREN, Mr. BRADLEY, Mr. CHAFEE, Mr. DODD, Mr. FORD, Mr. HEFLIN, Mr. JACKSON, Mr. KENNEDY, Mr. MATSUNAGA, Mr. MELCHER, Mr. MOYNIHAN, Mr. PRYOR, Mr. RIEGLE, Mr. SARBANES, and Mr. WILLIAMS)

S. 294. A bill to establish an interagency Committee on Arson Control to coordinate Federal anti-arson programs, to amend certain provisions of the law relating to programs for arson investigation, prevention, and detection, and for other purposes; to the Committee on Governmental Affairs.

By Mr. FORD:

S. 295. A bill for the relief of Dr. Bonifacio B. Aranas, Mrs. Belen Aranas, and their children, Ethyl Aranas, Eileen Aranas, Bonifacio Amores, M.D.; to the Committee on the Committee on the Judiciary.

By Mr. RANDOLPH:

S. 296. A bill for the relief of Alfonso Amores, M.D.; to the Committee on the Judiciary.

S. 297. A bill for the relief of Jose Y. Auditor, M.D.; to the Committee on the Judiciary.

S. 298. A bill for the relief of Pablo Esquerra, Jr., M.D.; to the Committee on the Judiciary.

S. 299. A bill for the relief of Alberto A. Fernandez, M.D.; to the Committee on the Judiciary.

S. 300. A bill for the relief of Manuel P. Franco, M.D.; to the Committee on the Judiciary.

S. 301. A bill for the relief of Marietta Dizon Pamintuan; to the Committee on the Judiciary.

S. 302. A bill for the relief of Mr. Francis S. Suarez and his wife, Maria E. Suarez, M.D.; to the Committee on the Judiciary.

S. 303. A bill for the relief of Maria Luna Tan, M.D.; to the Committee on the Judiciary.

By Mr. PRESSLER (for himself, Mr. WARNER, Mr. BAKER, Mr. PACKWOOD, Mr. INOUYE, Mr. CANNON, Mr. EXON, Mr. LONG, Mr. GOLDWATER, Mr. HOLLINGS, Mr. FORD, Mr. KASTEN, Mr. HEFLIN, Mr. SCHMITT, Mr. RANDOLPH, Mr. DURENBERGER, Mr. PRYOR, Mr. STAFFORD, Mr. WILLIAMS, Mr. HAYAKAWA, Mr. HUDDLESTON, Mr. SASSER, and Mr. ABDNOR):

S. 304. A bill to establish a national tourism policy and an independent Government agency to carry out the national tourism policy.

By Mr. PRESSLER:

S. 305. A bill to ensure the protection of state water interests; to the Committee on Environment and Public Works.

By Mr. BOREN:

S.J. Res. 21. Joint resolution proposing an amendment to the Constitution of the United States to establish a ten year term of office for Federal Judges; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SCHMITT:

S. 254. A bill to authorize public land States to select certain public lands in exchange for land taken by the United States for military and other uses, and for other purposes; to the Committee on Energy and Natural Resources.

PRESERVING STATE LAND HOLDINGS

● Mr. SCHMITT. Mr. President, I am introducing today legislation designed to insure that New Mexico and other public land States are fairly compensated for the loss of State lands when the Federal Government acquires lands for military and other uses within the boundaries of that State.

This particular problem has a long history in my own State of New Mexico arising out of military acquisition of State lands during World War II, and with new problems being created today as the Federal Government seeks to acquire lands for other purposes such as a nuclear waste disposal facility.

There are approximately 78 million acres of land within the borders of New Mexico of which approximately 26 million acres are federally owned, 13 million State owned, and the remainder are privately owned. Of the Government holdings there are about 3 million acres in military reservations which were taken from the public domain, State lands and private land owners.

In addition, the Federal Government presently leases thousands of acres of lands, many leases held under long-term commitments. The majority of the lease lands in New Mexico were acquired during World War II.

At that time it was assumed by both parties that the lands would be returned to the State after the war, therefore, the takings were for 5 years with options to renew annually. In cooperation with the war effort the State of New Mexico agreed to a minimum rental which in many instances was 3 cents per acre per annum. Instead of the Government relinquishing control after the war it relinquished only the smaller airports and bombing ranges and concentrated on expanding the larger ranges, such as White Sands Missile Range, in conjunction with its missile development programs.

Commencing in 1954, the military arm of the Government was strongly advocating a taking of all lands which it had held under lease. The first move was made in the Army's acquisition of the McGregor Range in Otero County. Early in the 1970's the House and Senate Armed Services Committee directed that military begin acquiring title to all lands within the boundaries of White Sands Missile Range. Last year the Government completed acquisition of all private lands within the range and is now prepared to begin acquiring all 350,000 acres of State lands by purchasing the title of these lands.

It has always been the State of New Mexico's position that when the Federal Government condemns State land in fee simple for various uses, it should allow the State to select lands in lieu thereof from the public domain. The main reason the State wishes to secure lands rather than settle for damages in condemnation is that the Enabling Act, under which New Mexico became a State, and our State constitution prevents the State from reinvesting the monetary damages in other lands.

The legislation which I am introducing today would protect the interest of all States by giving the individual State the option to select unreserved and unappropriated public lands in exchange for the State lands taken for military or other Federal uses. I feel that the New Mexico situation is representative of problems

experienced by other States. My legislation would provide a means to fairly compensate these States for the loss of their valuable lands and would establish a procedure whereby differences of opinion could be fairly resolved.

Basically, the general provisions of my legislation is summarized as follows: Where lands are taken by the Federal Government for Government use, the State is given an option to take payment in other unappropriated public lands. This option contains a time limit. The State makes its selections of public lands on a value-for-value basis and if a dispute arises as to the value which cannot be settled by negotiation, either party may refer the matter to the U.S. district court for a final determination.

At a time when the Congress and the President are trying to balance the Federal budget, this proposal would eliminate the need for the Federal Government to expend large sums of tax dollars to compensate States for condemned lands. Further, there is the argument presented by the Sagebrush Rebellion that the Federal Government should not be expanding its holdings of lands within the boundaries of the individual States, that it should hold land needed only for strictly governmental functions authorized by the Constitution.●

By Mr. MATHIAS (for himself, Mr. ROBERT C. BYRD, Mr. THURMOND, Mr. PERCY, and Mr. DECONCINI):

S. 255. A bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product; to the Committee on the Judiciary.

PATENT TERM RESTORATION ACT OF 1981

● Mr. MATHIAS. Mr. President, today I am introducing the Patent Term Restoration Act of 1981. I am especially pleased to note that the distinguished minority leader of the Senate (Mr. ROBERT C. BYRD), the chairman of the Judiciary Committee (Mr. THURMOND), the chairman of the Foreign Relations Committee (Mr. PERCY), and the ranking minority member of the Subcommittee on the Constitution (Mr. DECONCINI) have joined me as cosponsors.

Our bill is designed to encourage American innovation by restoring the effectiveness of the patent system as it affects certain products subject to premarket testing by the Federal Government. I want to make it clear at the outset that our bill will in no way alter our commitment to the public to make sure that new products are safe for public use. But it does correct an inequity. Under current law, the Government grants a 17-year patent and then prohibits the product from being marketed until all tests are completed. During this time, the life of the patent is ticking away, often for many years.

This inequity hits small innovative businesses especially hard. They need the protection that a patent offers in order to protect their new ideas and innovations. These companies cannot afford to lose valuable years of patent coverage while awaiting premarket clearances from Federal regulatory agencies. It has been well documented that small businesses are the most innovative segment of our economy and the most dependable source of new jobs for our workers. Our bill will help these innovative companies provide the new products and jobs that are so desperately needed by the public.

In the past 15 to 20 years, a number of important laws have been enacted requiring that certain products be tested to insure that they are safe for marketing in the areas of public health and the environment. Gradually, as tests have become more and more sophisticated, the time needed to clear this review has grown. In 1962, for example, it took approximately 2 years and $6 million (or $15 million in 1979) to bring a new medicine from the laboratory to the marketplace.

It now takes, on average, 7 to 10 years and about $70 million to complete this testing period. Thus, it is not uncommon for a drug product to have lost up to one-half of its patent life without having been marketed. Similarly, the Environmental Protection Agency has estimated that the patent life for chemical products has been reduced to about 12 years. This phenomenon, coupled with the inability of many new products to achieve commercial success, discourages innovation—the historic basis of our prosperity.

This adverse impact upon innovation has resulted in fewer new and better products being introduced to the American consumer. For example, from 1955 through 1962, an average of 46 new drugs were introduced annually in the United States; today that average is only 17 new drugs a year, a decline of 63 percent. Similar trends are seen in other areas where the United States was once preeminent. Unless we turn around this trend, we will increase our dependence on foreign technology.

Right now the importation of foreign manufactured goods is the second biggest drain on our economy behind oil imports. While the West Germans and Japanese have redoubled their research and development efforts, many of our own companies have been forced to reduce the level of resources they can devote to research. Strengthening the patent system is one way to encourage them to invest more in R. & D. Our bill will do just that.

As Thomas Jefferson observed when he drafted the United States first patent law in 1793, "ingenuity should receive a liberal encouragement." The 17-year term of our patents was designed under this philosophy; but when our regulatory process effectively cuts this term in half, it should be no surprise that innovation suffers.

If this trend is not reversed, we will continue to fall behind our foreign competitors, who are careful to reward innovation. The real victims of this breakdown are the American people, who are deprived of new products.

The purpose of the present bill is to restore to products subject to premarket review requirements a period equal to the time required for this clearance—up to a maximum of 7 years. If the product does not clear the review, no extension of the patent will be granted. Further, such restoration of the patent will apply only to the specific purpose or use involved in the regulatory approval and not to the entire range of products that might result from the original patent grant.

I expect to conduct hearings on this bill early in the 97th Congress. The new administration wants to increase productivity by encouraging innovation. I urge our colleagues to consider this bill and join us as cosponsors of the Patent Term Restoration Act of 1981.

I ask unanimous consent that the text of the bill and the section-by-section analysis be printed in the RECORD immediately following this statement.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 255

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Patent Term Restoration Act of 1981.

SECTION 1. Title 35 of the United States Code, entitled "Patents" is amended by adding the following new section immediately after section 154:

"§ 155. RESTORATION OF PATENT TERM.

"(a)(1) Except as provided in paragraph (2), the term of a patent which encompasses within its scope a product, or a method for using a product, subject to a regulatory review period shall be extended by the amount of time equal to the regulatory review period for such product or method if—

"(A) the owner of record of the patent gives notice to the Commissioner in compliance with the provisions of subsection (b)(1);

"(B) the product or method has been subjected to a regulatory review period pursuant to statute or regulation prior to its commercial marketing or use; and

"(C) the patent to be extended has not expired pror to notice to the Commissioner under subsection (b)(1). The rights derived from any claim or claims of any patent so extended shall be limited in scope during the period of any extension to the product or method subject to the regulatory review period and to the statutory use for which regulatory review was required.

"(2) In no event shall the term of any patent be extended for more than seven years.

"(b)(1) Within ninety days after termination of a regulatory review period, the owner of record of the patent shall notify the Commissioner under oath that the regulatory review period has ended. Such notification shall be in writing and shall:

"(A) identify the Federal statute or regulation under which regulatory review occurred;

"(B) state the dates on which the regulatory review period commenced and ended;

"(C) identify the product and the statutory use for which regulatory review was required;

"(D) state that the regulatory review referred to in subsection (a)(1)(B) has been satisfied; and

"(E) identify the claim or claims of the patent to which the extension is applicable and the length of time of the regulatory review period for which the term of such patent is to be extended.

"(2) Upon receipt of the notice required by paragraph (1), the Commissioner shall promptly (A) publish the information noticed in the Official Gazette of the Patent

and Trademark Office, and (B) issue to the owner of record of the patent a certificate of extension, under seal, stating the fact and length of the extension and identifying the product and the statutory use and the claim or claims to which such extension is applicable. Such certificate shall be recorded in the official file of each patent extended, and such certificate shall be considered as part of the original patent.

"(c) As used in this section:

"(1) The term 'product or a method for using a product' means any machine, manufacture, composition of matter or any specific method of use thereof for which United States Letters Patent can be granted and includes the following or any specific method of use thereof:

"(A) any new drug, antibiotic drug, new animal drug, device, food additive, or color additive subject to regulation under the Federal Food, Drug, and Cosmetic Act;

"(B) any human or veterinary biological product subject to regulation under section 351 of the Public Health Service Act or under the virus, serum, toxin and analogous products provisions of the Act of Congress of March 4, 1913;

"(C) any pesticide subject to regulation under the Federal Insecticide, Fungicide, and Rodenticide Act; and

"(D) any chemical substance or mixture subject to regulation under the Toxic Substances Control Act.

"(2) The term 'major health or environmental effects test' means an experiment to determine or evaluate health or environmental effects which requires at least six months to conduct, not including any period for analysis or conclusions.

"(3) The term 'statutory use' means all uses regulated under the statutes identified in sections (c)(4)(A)-(D) for which regulatory review occurred for the product involved.

"(4) The term 'regulatory review period' means—

"(A) with respect to a food additive, color additive, new animal drug, veterinary biological product, device, new drug, antibiotic drug, or human biological product, a period commencing on the earliest of the date the patentee, his assignee, or his licensee (i) initiates a major health or environmental effects test on such product or a method for using such product, (ii) claims an exemption for investigation or requests authority to prepare an experimental product with respect to such product or a method for using such product under the Federal Food, Drug, and Cosmetic Act, the Public Health Service Act, or the Act of Congress of March 4, 1913, or (iii) submits an application or petition with respect to such product or a method for using such product under such statutes, and ending on the date such application or petition with respect to such product or a method for using such product is approved or licensed under such statutes or, if objections are filed to such approval or license, ending on the date such objections are resolved and commercial marketing is permitted or, if commercial marketing is initially permitted and later revoked pending further proceedings as a result of such objections, ending on the date such proceedings are finally resolved and commercial marketing is permitted;

"(B) with respect to a pesticide, a period commencing on the earliest of the date the patentee, his assignee, or his licensee (i) initiates a major health or environmental effects test on such pesticide, the data from which is submitted in a request for registration of such pesticide under section 3 of the Federal Insecticide, Fungicide, and Rodenticide Act, (ii) requests the grant of an experimental use permit under section 5 of such Act, or (iii) submits an application for registration of such pesticide pursuant to section 3 of such Act, and ending on the date such pesticide is first registered, either conditionally or fully;

"(C) with respect to a chemical substance or mixture for which notification is required under section 5(a) of the Toxic Substances Control Act

"(i) which is subject to a rule requiring testing under section 4(a) of such Act, a period commencing on the date the patentee, his assignee, or his licensee has initiated the testing required in such rule and ending on the expiration of the premanufacture notification period for such chemical substance or mixture, or if an order or injunction is issued under section 5(e) or 5(f) of such Act, the date on which such order or injunction is dissolved or set aside;

"(ii) which is not subject to a testing rule under section 4 of such Act, a period commencing on the earlier of the date the patentee, his assignee or his licensee—

(I) submits a premanufacture notice, or

(II) initiates a major health or environmental effects test on such substance, the data from which is included in the premanufacture notice for such substance,

and ending on the expiration of the premanufacture notification period for such substance or if an order or injunction is issued under section 5(e) or 5(f) of such Act, the date on which such order or such injunction is dissolved or set aside;

"(D) with respect to any other product or method of using a product that has been subjected to Federal premarketing regulatory review, a period commencing on the date when the patentee, his assignee or his licensee initiates actions pursuant to a Federal statute or regulation to obtain such review prior to the initial commercial marketing in interstate commerce of such product and ending on the date when such review is completed,

except that the regulatory review period shall not be deemed to have commenced until a patent has been granted for the product or the method of use of such product subject to the regulatory review period. In the event the regulatory review period has commenced prior to the effective date of this section, then the period of patent extension for such product or a method of using such product shall be measured from the effective date of this section."

PATENT TERM RESTORATION ACT OF 1981
(S. 255)

EXPLANATION AND SECTION-BY-SECTION ANALYSIS

The Patent Term Restoration Act of 1981 would add a new section 155 to the patent law to provide for the extension of the patent term for products and methods of using products that are subject to regulatory review pursuant to Federal statutes and regulations before they are introduced into the market for commercial use.

Section 155(a) provides that the term of a patent will be extended for a period equal to the regulatory review period for the product or method of use to which the patent applies, except that no patent term will be extended for more than seven years. The patent owner must submit a notice to the Commissioner of Patents and Trademarks, and the patent to be extended must not have expired when that notice is given.

Section 155(b) specifies the information that must be contained in the notice to the Commissioner and states that the notice must be submitted within 90 days after the regulatory review period is completed. The Commissioner is required to publish information concerning the notice and to issue the patent owner a certificate of extension.

Section 155(c) defines the terms of the Act. The definition of a "product or method for using a product" includes new drugs, antibiotic drugs, new animal drugs, devices, food additives, and color additives subject to the Federal Food, Drug, and Cosmetic Act; human and veterinary biological products; pesticides; and chemical substances and mixtures subject to the Toxic Substances Control Act.

A "major health or environmental effects test" is defined as a test that requires six months to conduct, not including time for analysis or conclusions.

"Statutory uses" are defined to mean all uses of the enumerated products and methods for using products that are regulated under applicable statutes and for which a regulatory review occurs.

A "major health or environmental effects terms of the regulatory review procedures that apply to different kinds of products. For products subject to the Federal Food, Drug, and Cosmetic Act and for human and veterinary biologicals, the regulatory review period begins on the earliest of the date when a major health or environmental effects test is initiated, an investigational exemption is claimed (or an experimental permit is applied for), or an application or petition is filed. For pesticides, the review period commences when a major health or environmental effects test is begun, an experimental use permit is applied for, or a registration application is submitted. For chemical substances and mixtures subject to the Toxic Substances Control Act, the review period begins when a major health or environmental effects test is initiated pursuant to a test rule, or if no test rule applies, when a premanufacture notice is submitted or when a major health or environmental effects test is initiated for use in connection with that notice. For all products, the regulatory review period ends when a license or approval is granted or such period otherwise expires by statute. A general provision is included in section 155(c)(4)(D) to provide comparable coverage under the Act for any other product or method of using a product that is subjected to a regulatory review period pursuant to Federal statute or regulation.

The regulatory review period for a product or method of use does not commence for purposes of the Act until an applicable patent is granted. If a regulatory review period has commenced on the effective date of the Act, the period of patent extension will be measured from the effective date of the Act.●

Mr. THURMOND. Mr. President, I am pleased to join today with the distinguished Senator from Maryland (Mr. MATHIAS) in cosponsoring this legislation to amend the patent laws to restore the term of the patent that is taken up by nonpatent regulatory requirements.

In the last few years it has become painfully obvious that America's innovative capacity has been reduced substantially. In addition to backlogs in the patent application and reexamination system itself, is the added burden of regulatory requirements unrelated to the patent-seeking process. An increasing number of laws have been passed by the Congress to insure that new products are safe for the public to use. Unfortunately, the time required for this testing runs against the 17-year life of a patent. These tests are unrelated to the patent, but severely limit the time available to market the product.

This bill, Mr. President, simply restores to the life of a patent that amount of time required by Government testing of a new product. It does not restrict the Government's ability to test the safety of the product, it only gives to the patent holder the 17-year life of the patent in which to market the product once declared safe by the Government.

Mr. President, this legislation is extremely important to America's capacity to keep pace with the development of technology worldwide. The patent system is in need of reform. I ask unanimous consent that an article from U.S. News & World Report describing the condition of our present patent system be printed at the end of my remarks.

Mr. President, as chairman of the Judiciary Committee, I intend to press for early action on this measure and others that will improve this country's productivity and innovation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PATENT SYSTEM A DRAG ON INNOVATION

(By Paul Recer)

For years, inventors have complained that federal red tape strangles ideas. Now a new administration is considering fresh approaches.

A Midwesterner spent thousands of dollars to develop a patent application and then waited five years for it to be approved. By then, the idea had been pirated by a large company. The inventor lost his investment—and the incentive to try again.

A former patent commissioner, strolling through a workroom in the U.S. Patent and Trademark Office in Arlington, Va., found a stack of patents piled on the floor in a corner, apparently misplaced or forgotten.

An inventor, after waiting for more than two years, finally received a patent report, only to discover it was in illegible handwriting.

"A cruel hoax." These incidents illustrate a development that is alarming experts: The U.S. patent process is widely regarded as so sluggish, outdated and undependable that it is contributing to the decline of innovation in America.

Millions of dollars' worth of new developments and thousands of potential jobs are tied up in registering the ownership of inventions, a system criticized as crippled by too much red tape, too little financial support, and bitter intragovernment rivalry. Says former Patent Commissioner Donald W. Banner: "A U.S. patent has become a cruel hoax, providing neither protection nor incentive for development of inventions."

The problem is of such concern to America's economic health that a blue-ribbon panel advising President Reagan devised proposals to get the system back on track. Among changes suggested: Administrative reforms, more patent examiners, computerization of files that are now only on paper and streamlining of a system basically unchanged since 1836.

A national resource of unmatched value, the Patent Office's files in Arlington include the largest depository of applied technology in the world—and the most open. Anyone may examine in minute detail those patents issued from any free country in the world.

Files include the work of such American geniuses as Thomas Edison, Samuel Morse, Cyrus McCormick and George Eastman, all of whom became famous and wealthy because U.S. patents protected their inventions.

Now, industrialists say, changes are needed to restore the patent system to its position as a help—not a hindrance—to emerging technology.

Critics says the office, with 2,700 employes and an annual budget of 112 million dollars, is understaffed, underfunded and forced to use outated office techniques. Among the problems:

Patent documents, called "prior art," are all on paper and stored in millions of boxes on shelves lining hundreds of corridors. Patent searches take weeks, with no assurance that all of the prior art is examined. Little effort has been made to develop a computerized search system for the 24 million patents on file.

Secretarial help is in such short supply that patent examiners often must file their findings in longhand.

Of the patent documents on file, at least 7 percent are actually missing—either lost, stolen or strayed. As a result, patent searches can be undependable and incomplete.

On the average, it takes 23 months for an application to be processed, and this delay is getting longer.

The value of patents, particularly for the small-time inventor, is at a low ebb. Patent rights are considered unreliable, and more than half of those tested in court have been declared invalid.

Before acting on a patent application, examiners must search all of the prior art in the appropriate classification to assure that the idea is unique. If it is, a patent is granted, and the holder theoretically is guaranteed 17 years of ownership of the idea.

The patent-search process was not a severe task when the files were small. But now, with 24 million patents filed in 100,000 subclassifications, the task can be monumental. Patent papers are stored in files and stacked in tall shelves lining block-long corridors.

Thick index books narrow the search, but each patent examiner must develop an extensive memory to keep up with his or her share of the 2,100 weekly applications.

"The whole thing is handled just like it was when Thomas Jefferson was President," says one official.

Now, the centuries-old system is breaking down, and many individuals and firms feel that getting a patent is often simply not worth the effort. Small companies find that a patent will not always protect an invention adequately. That is because some companies occasionally will risk pirating an invention when they believe a small firm can't afford a lawsuit.

Says the president of one technology company: "Stealing inventions has become an accepted business practice for big companies since they know they can probably beat the system. The little guy hardly has a chance."

In one case, a New York man who invented a digital-display system applied for a patent, but when it was granted several years later, a large company already had adopted the device. The inventor now faces years of litigation to determine who owns the idea.

NEED FOR EXAMINERS

Experts say the major difficulties at the Patent Office are that there is a shortage of examiners, and that an insufficient effort is made to keep the files updated and reclassified. New technology often is filed under old subclassifications, where it can be overlooked during patent searches.

"Even if it is there, how do you find it?" asks Michael Blommer, executive director of the American Patent Law Association. "They are so understaffed that they can't even get the antiquated system to work. And each year they're falling further and further behind."

Confidence in patent searches is further eroded by missing files. One study of the solar-energy subclassification showed that 28 percent of the prior art was gone. As a result, authors of the report said, patents granted from this subclass could be infringing on earlier, but unexamined, solar-energy patents.

"People in the marketplace are left in an uncertain status," complains Donald Dunner, a patent lawyer. "It causes dislocations in business planning. There have been some real screams of anguish."

Another problem is that patent-infringement suits have increased, overloading the courts. About 1 percent of all patents are challenged.

Patent litigation is heard first in federal district court, with appeals going to one of the 11 circuit courts of appeal. The Supreme Court seldom reviews a circuit court's findings.

"FORUM SHOPPING"

Attorneys say that some courts are known as "pro-patent" and others as "anti-patent." Thus lawyers play a vigorous game of "forum shopping," using every device to move their case to a court favorable to their cause.

Judges hearing patent cases are forced to evaluate highly technical details. Observes one attorney: "The tendency is to invalidate the newer patent." Legal costs of $500,000 are not unusual in patent cases.

Reformers are also frustrated by unsuccessful efforts to make the trademark-registration system more efficient, despite expenditure of hundreds of thousands of dollars to study how to computerize the operation.

Blommer says private firms have computerized trademark files, but "the U.S. government files are all on paper. Fifty thousand applications a year, and all on paper."

Many people involved in patent work blame the Department of Commerce for the condition of the Patent Office. Commerce controls the funds and has little interest in modernizing the operation, according to Banner.

In five of the last six years, funding has declined—when measured against inflation—while the workload has increased. Commerce officials say the PTO funding was based on an effort to use limited funds wisely.

Patent officials, however, say Commerce budget analysts, with little understanding of the patent function, annually propose only "caretaker" funds for the office.

The Department of Commerce three years ago, for example, erred on an appropriation request, and there was not enough money to pay all of the patent examiners. To avoid laying off people in a short-handed department, officials took funds from the printing budget. As a consequence, several thousand approved patents were not printed for months, holding them off the market.

Critics also are concerned that the corps of patent examiners, a group of highly skilled people regarded by many as an important national resource, has declined. There were more than 1,200 earlier in the decade, but the number dropped to about 990 last year. At the same time, patent applications have increased, reaching a record 112,315 for 1980.

Recent attempts to change the process made little headway. At congressional hearings last year, dozens of past and present PTO officials asked for removal of the office from the Department of Commerce and establishment of an independent agency. The proposal was supported by scores of inventors, patent lawyers and company executives, but was opposed by the administration. It failed in a House committee.

But many lawyers and inventors believe the election of President Reagan and a new Congress may result in the revamping of the Patent Office after all. Reagan has indicated he intends to make it easier for innovators to get their products on the market.

SPEEDING THE PROCESS

The patent system may be helped in other ways, too. There are bills pending in Congress that would restructure the court system for faster handling of patent litigation. Laws already have been passed to streamline the issuing of licenses to permit the use of government-developed patents and to ease the re-examination of questioned patents.

Still more changes will be studied during the new term of Congress. Senator Strom Thurmond (R-S.C.), chairman of the Judiciary Committee, says changing patent laws will be one of his panel's priorities. He calls it necessary for business productivity.

Government officials point out that

changes, no matter how helpful, will not cure all the troubles of industry in introducing new technology. Still, many experts say that reforms in the patent process could fire the kind of American genius that produced so many innovations in the past.●

By Mr. BOREN:

S. 256. A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that a member of the Armed Forces maintain a household in the United States to be eligible for an earned income credit; to the Committee on Finance.

S. 257. A bill to amend the Internal Revenue Code to allow members of the Armed Forces more time to reinvest the proceeds of sale of a principal residence without recognition of gain when they have served on extended active duty outside the United States; to the Committee on Finance.

RETENTION OF ACTIVE DUTY PERSONNEL IN THE ARMED FORCES

● Mr. BOREN. Mr. President, I have several times in the past expressed my concern over the difficulties faced by men and women on active duty with the U.S. Armed Forces, particularly in regard to salaries. I believe that our retention problems can be largely reduced if we cease to treat our Armed Forces personnel as second class citizens and recognize that in many instances they are faced with unique situations which require special solutions.

Accordingly, I am introducing today two measures that go to this problem. One deals with the capital gains taxes for certain members of the Armed Forces and the second with earned income credit.

Under present law, the entire amount of gain or loss on the sale or exchange of property generally is recognized by the IRS. However, if a taxpayers' principal residence is sold and a new principal residence acquired within a period beginning 18 months before and ending 18 months after the date of the sale of the old residence, the capital gains are not recognized.

The replacement period is suspended during any time that the taxpayer or the taxpayer's spouse serves on extended active duty with the Armed Forces of the United States after the date of the sale of the old residence. This suspension may not extend more than 4 years beyond the date of the sale of the old residence. Thus a member of the Armed Forces generally is not required to recognize gain on the sale of a principal residence if he or she purchases a new principal residence within 4 years after the date of the sale of the old residence.

This has created a problem with regard to current Department of Defense policy which extends the period between members' permanent changes of station. This policy has been adopted as an economy measure. In some instances, this extended period between assignments will create financial hardships for members of the Armed Forces who have sold their residence before going overseas or who have been ordered into Government-owned quarters and are not reassigned to the United States.

In other words, some members of the Armed Forces serve an extended tour of duty outside the country or are ordered into Government-owned quarters which carries them beyond the 4-year limitation contained in the present law. Thus, these members will have to pay capital gains taxes on the sale of their old residence despite not having the opportunity to reinvest in a new principal residence.

This has the effect of discouraging overseas tour extensions which would save the Government money.

The bill I am introducing today says that a member of the Armed Forces who is stationed outside the United States or is required to reside in Government-owned quarters after the date of the sale of the principal residence will not be required to pay capital gains taxes if the taxpayer purchases a new principal residence within 4 years after the date of sale of the old residence or 1 year after the date on which the taxpayer is no longer stationed outside the United States or is no longer required to reside in Government-owned quarters, whichever is later.

The second bill which I am introducing today would make available to military taxpayers stationed overseas the same earned income tax credit available to their counterparts who maintain a household in the United States. Under the tax code an eligible taxpayer is permitted a refundable tax credit of 10 percent of the first $5,000 of earned income, up to a maximum of $500. This credit is reduced proportionately for earned income in excess of $5,000.

Among the requirements to qualify for this earned income credit is one which says that the taxpayer must maintain a household for the entire year in the United States which is the principal residence of the taxpayer and a child who is under 19 years of age or a student. The effect of this provision has been to render servicemen overseas, accompanied by their families, ineligible for this tax credit.

The amount of money involved may not seem particularly significant in today's economy, but it is considered a very large sum for many low-ranking military personnel.

My bill would simply eliminate the requirement that a member of the Armed Forces on active duty maintain a household in the United States in order to be eligible for the tax credit. The enactment of this bill would eliminate an inequity in the law which adversely affects military personnel earning less than $10,000 per year who are ordered to overseas bases outside the United States.

Mr. President, I believe these two bills, which have only a slight effect on the Treasury, would be of immense value in terms of increased morale and helping the members of the armed services maintain their economic stability in today's very unstable economy.

Mr. President, I ask unanimous consent that the text of the bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 256

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 43(c)(1)(B) of the Internal Revenue Code of 1954 (26 U.S.C. 43(c)(1)(B)) is amended by inserting at the end thereof the following new sentence: "An individual who is otherwise eligible shall not be ineligible solely on the ground that the household or abode was outside the United States during any part or all of the taxable year if the individual was serving on active duty in the armed forces during that part of such taxable year."

SEC. 2. This Act applies to taxable years beginning after December 31, 1976.

S. 257

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the text of section 1034(h) of the Internal Revenue Code of 1954, as amended (26 U.S.C. 1034(h)), is amended to read as follows:

"The running of any period of time specified in subsection (a) or (c) (other than the 18 months referred to in subsection (c)(4)) shall be suspended during any time that the taxpayer (or his spouse if the old residence and the new residence are each used by the taxpayer and his spouse as their principal residence) serves on extended active duty with the Armed Forces of the United States after the date of the sale of the old residence except that any such period of time as so suspended shall not extend beyond the later of the following dates:

"(1) the date 4 years after the date of the sale of the old residence; or

"(2) the date 1 year after the first day of the first period—

"(A) of return to the United States incident to a permanent change of duty station; or

"(B) during all of which the taxpayer was permanently stationed within the United States.

For purposes of this subsection, the term 'extended active duty' means any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period." ●

By Mr. BOREN (for himself, Mr. BAUCUS, Mr. D'AMATO, Mr. DOLE, Mr. EXON, Mr. GARN, Mr. HEFLIN, Mr. LEVIN, Mr. RANDOLPH, Mr. ROTH, and Mr. SCHMITT):

S. 258. A bill to authorize the President to present on behalf of the Congress specially struck gold medals to certain former hostages and the survivors of certain deceased U.S. servicemen; to the Committee on Banking, Housing, and Urban Affairs.

PRESENTATION OF GOLD MEDALS TO RECENTLY RETURNED AMERICAN HOSTAGES

Mr. BOREN. Mr. President, I am today introducing a bill concerning the recently returned American hostages. The bill authorizes the President to present on behalf of the Congress and the American people gold medals, to each of the 66 American citizens held hostage in Iran and to the families of the 8 deceased U.S. servicemen who sacrificed their lives in an attempt to rescue the hostages.

These medals are to be an expression of appreciation from the Congress and the Nation for the sacrifices made by the hostages, the servicemen, and their families.

In addition to the gold medals this bill authorizes bronze medals to be struck and sold to the public. The proceeds from the bronze medals will be used to defray, or hopefully completely replace, the costs involved.

This legislation is similar to a resolution introduced in the House of Representatives by Congressman FRANK ANNUNZIO. My bill is a bit broader in scope,

but the aim of both measures is the same—to honor our fellow citizens who are continuing to go through the most traumatic and difficult period of their lives.

Mr. President, I am very aware of the difficulty that some of the returned hostages are experiencing in their return to freedom. It is certainly not my intention, nor is it the intent of any of my colleagues who have chosen to cosponsor this legislation, to in any way prolong or make more difficult the ordeal which some of the hostages are experiencing. The manner in which these medals are presented by the President to the recipients should be undertaken with these factors in mind.

Finally, Mr. President, I, along with many Americans, watched with interest the news conference held this morning by some of the returnees at Eisenhower Hall, at the Military Academy at West Point.

One could not watch that occurrence without a feeling of pride in the dedication that these men and women displayed toward the foreign service and in the United States. There may have been many times during these 14 difficult months that Americans wondered whether or not such symbolic gestures as the ringing of bells, the display of yellow ribbons, the hundreds of prayer vigils, and the sending of Christmas cards had any real value. There were cynics who privately and sometimes publicly derided such efforts as being ineffective and manifestations of America's weakness and inability to do anything else.

The statements at today's news conference by the former hostages of the encouragement such expressions of support gave them should dispel any notion that it was not worth the effort.

Bruce Laingen, the senior Foreign Service official in Iran closed today's news conference by reading a message sent to the hostages by the students of an elementary school in Ohio and reversed the message saying that the students' wishes for the hostages were in fact the hostages' wishes for the students and all of America.

Mr. President, I hope that the Senate can act swiftly on this legislation and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 258

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the President is authorized to present, on behalf of the Congress, to each of the sixty-six United States nationals held hostage in Iran during all or part of the period from November 4, 1979, until January 20, 1981 and to one appropriate survivor of each of the eight deceased United States servicemen who sacrificed his life in the attempt to rescue such hostages a gold medal of appropriate design in recognition of the courage shown and the sacrifices made by such hostages and servicemen on behalf of the United States. For such purpose, the Secretary of the Treasury is authorized and directed to cause to be struck a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary of the Treasury. There are authorized to be appropriated not to exceed $400,000 to carry out the provisions of this subsection.

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the appropriation used for carrying out the provisions of this subsection shall be reimbursed out of the proceeds of such sale.

(c) The medals provided for in this Act are national medals for the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368).

By Mr. GOLDWATER (for himself, Mr. DECONCINI, Mr. HAYAKAWA, Mr. INOUYE, Mr. JEPSEN, Mr. LAXALT, Mr. LUGAR, Mr. MCCLURE, Mr. PRESSLER, Mr. THURMOND, and Mr. PRYOR):

S. 259. A bill to repeal the earnings ceiling of the Social Security Act for all beneficiaries age 65 and older; to the Committee on Finance.

ELIMINATION OF EARNINGS LIMIT OF SOCIAL SECURITY

● Mr. GOLDWATER. Mr. President, I am reintroducing today with several other Senators a proposal whose time has arrived, repeal of the earnings test of social security for all workers 65 and older. One of the major problems in the social security program from which other of its ills arise is the work disincentive of the earnings ceiling. Instead of encouraging older persons to remain productive workers benefiting themselves and the entire economy, social security penalizes work incentive by imposing a tax of 50 percent on any wages earned over a ceiling that is currently $5,500.

There are more than 11 million citizens, aged 65 to 72, who are covered by the earnings limit. Even in 1982, when the exempt age will drop to 70, the total number of persons in this age group exceed 10 million.

Mr. President, the major argument for repealing the ceiling is equity for older persons. The money older persons pay into social security is theirs. It does not belong to the Government and the Government should have no say in how it is paid back.

Not only does the worker pay tax premiums during his working lifetime, but economists have clearly demonstrated that the tax on the employer is also a tax on labor. In effect, the employer passes on his share of social security payroll tax to the workers in the form of lower wages.

By the time a worker reaches age 65, I believe he has earned his social security annuity. To require an older person to give up gainful employment is attaching a cruel penalty upon a pension which he has bought and earned.

Now there are other reasons for repealing the wage ceiling. For example, the American Medical Association finds that older persons suffer serious physical and mental harm by being induced to retire sooner than they would otherwise wish.

Another reason for repeal is the heavy drain upon the national economy caused by loss of the skills and production of older persons who withdraw from the labor force in order to collect their full social security checks.

Recent studies by several economists prove beyond a doubt that the earnings test dramatically increases the rate of early retirement among workers. For example, Prof. Anthony Pellechio of the University of Rochester has prepared convincing evidence from actual labor supply records that shows there is a direct relationship between labor activity and the earnings ceiling.

The point is that these persons would return to work with no additional cost to the system if the test is eliminated, since they are receiving maximum benefits already. This is why I believe repeal of the test will virtually finance itself.

To sum up, elimination of the earnings test will give back to older persons the money they have earned and help the economy by regaining use of the talents of experienced workers.

Mr. President, I ask that the text of the bill appear at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 259

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 203(f)(8)(A) of the Social Security Act is amended by striking out "the new exempt amounts (separately stated for individuals described in subparagraph (D) and for other individuals) which are" and inserting in lieu thereof "the new exempt amount which is".

(b)(1) Section 203(f)(8)(B) of such Act is amended by striking out "Except as otherwise provided in subparagraph (D), the exempt amount which is applicable to individuals described in such subparagraph and the exempt amount which is applicable to other individuals, for each month of a particular taxable year, shall each be" and inserting in lieu thereof "The exempt amount for each month of a particular taxable year shall be".

(2) Section 203(f)(8)(B)(i) of such Act is amended by striking out "the corresponding exempt amount" and inserting in lieu thereof "the exempt amount".

(3) The last sentence of section 203(f)(8)(B) of such Act is amended by striking out "an exempt amount" and inserting in lieu thereof "the exempt amount".

(c) Section 203(f)(8) of such Act is further amended by striking out subparagraph (D) thereof.

(d) Subsections (f)(1), (f)(3), (f)(4)(B), and (h)(1)(A) of section 203 of such Act are each amended by striking out "the applicable exempt amount" and inserting in lieu thereof "the exempt amount".

(e)(1) Subsections (c)(1), (d)(1), (f)(1)(B) and (j) of section 203 of such Act are each amended by striking out "seventy" and inserting in lieu thereof "sixty-five".

(2) The last sentence of section 203(c) of such Act is amended by striking out "nor shall any deduction" and all that follows and inserting in lieu thereof "nor shall any deduction be made under this subsection from any widow's or widower's insurance benefit if the widow, widower, surviving divorced wife, or surviving divorced husband involved became entitled to such benefit prior to attaining age 60.".

(3) Clause (D) of section 203(f)(1) of such Act is amended to read as follows: "(D) for which such individual is entitled to widow's or widower's insurance benefit if she or he became so entitled prior to attaining age 60, or".

(4) Subsection (f)(3) of section 203 of such Act is amended by striking out "age 70" and inserting in lieu thereof "age 65".

(5) Subsection (h)(1)(A) of section 203 of such Act is amended by striking out "age 70" and inserting in lieu thereof "age 65".

(6) The heading of subsection (j) of section 203 of such Act is amended by striking out "Seventy" and inserting in lieu thereof "Sixty-five".

SEC. 2. The amendments made by this Act shall apply with respect to taxable years ending after December 31, 1982.●

By Mr. SIMPSON:

S. 260. A bill to amend title 28 of the United States Code to allow for the holding of Federal district court in Jackson, Wyo.; to the Committee on the Judiciary.

HOLDING OF FEDERAL DISTRICT COURT IN JACKSON, WYO.

Mr. SIMPSON. Mr. President, during the last decade Wyoming has become the national focus of both energy development and environmental concerns. In the western part of the State, in an area designated as the "overthrust belt," oil and gas reservoirs or fields of "world class" proportions have been discovered. Much of the land in this "overthrust belt" has been previously recommended for inclusion within various Forest Service wilderness areas. The conflict here is quite evident. The environmental groups and prodevelopment groups are in a state of constant conflict and tension—and often in litigation. There is an increase in population in that area which is absolutely overwhelming. All of these activities naturally lead to an increase in litigation in the Federal court system.

In addition, Grand Teton and Yellowstone National Parks, the National Elk Refuge, the Bridger Teton National Forest, the Shoshone National Forest, Teton National Forest, and Fish and Wildlife offices are located in the northwestern corner of the State and these Government agencies have engendered a number of Federal lawsuits. Petty criminal offenses which occur on Federal lands are now also being tried before the U.S. magistrate for Yellowstone National Park. Yet at present there is no easily accessible Federal courtroom available for use in any of these types of cases.

The U.S. District Court for Wyoming has its primary location in the southeastern corner of the State in our capital city of Cheyenne, Wyo. There is a second permanent courtroom available to the Federal court in Casper, Wyo. Cheyenne is 433 miles from Jackson, and the central Wyoming city of Casper is 248 miles from Jackson. During the winter months the weather may often be so severe that travel from the northwestern areas to either of these Federal courtrooms is most hazardous and often difficult.

This bill would authorize the location of a Federal courtroom in Jackson, Wyo. This would allow the Federal court to travel to Jackson for the holding of court sessions, rather than requiring the attorneys and witnesses to travel from the northwestern parts of the State to the Federal courtrooms in Cheyenne or Casper. The cases which arise in that portion of the State often involve multiple parties and numerous witnesses. Examples of this are condemnation suits in which the Federal Government may seek to acquire parcels of land from diverse parties, boundary disputes, river meander line cases and criminal cases arising within the parks or upon Indian reservations in which often the defendant, the victim, and all witnesses may be residents of the northwestern corner of the State. The inconvenience and expense of conducting litigation across these vast distances of Wyoming is often prohibitive.

Therefore, Mr. President, I wish to introduce a bill to amend section 131 of title 28, United States Code, in order to allow the addition of the community of Jackson, Wyo., as being a proper site for the holding of Federal court within the State of Wyoming.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 260

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 131 of title 28, United States Code, is amended in the second paragraph thereof by inserting "Jackson," after "Lander,".

By Mr. HUDDLESTON (for himself, Mr. RANDOLPH, Mr. FORD, Mr. ZORINSKY, and Mr. HEINZ):

S. 264. A bill to amend title 23, United States Code, to authorize Federal-aid highway programs; to the Committee on Environment and Public Works.

ENERGY TRANSPORTATION IMPROVEMENT ACT OF 1981

● Mr. HUDDLESTON. Mr. President, today I am pleased to introduce, along with Senators RANDOLPH, FORD, ZORINSKY, and HEINZ, the Energy Transportation Improvement Act of 1981. It is my sincere hope that during this session of Congress we will at long last address the critical question of the adequacy of our Nation's energy transportation system.

Before detailing what the bill actually does I should point out to the newer Members of this body that the bill cleared the House of Representatives twice last year without a dissenting vote. In addition, another form of the bill was passed by the House in 1978.

Here in the Senate we passed practically the same measure by a voice vote last June. We were prepared to go along with the House once again concerning this matter at the end of the last session. However, the mass transit legislation to which the bill's provisions were tied became the subject of much controversy and unfortunately became the cause of its demise.

The repairing and restoring of our highway system in energy producing areas and the alleviating of the problems caused by unit trains hauling vast loads of coal through community after community must be started now. This bill, providing $300 million for this fiscal year for these purposes, with subsequent increases of $50 million per year over the next 4 years, will address only the minimum needs detailed by States. But, again, we must begin. The funding for these efforts will come, quite correctly in my judgment, from the proceeds of the windfall profit tax which I noted recently are expected to increase quite substantially in the coming year. The program's funding will be on an 80-percent Federal and 20-percent State matching basis.

This legislation is the culmination of a long-time effort on my part to assure that when we as a country finally begin to fully utilize our domestic energy resources we will be able to transport them in a safe, nondisruptive manner from point of production to point of use. Unless we move quickly in this direction, we shall very soon see, just at the time we may be turning the corner toward less reliance on foreign energy supplies, bottlenecks in coal deliveries to the Nation's energy consumers. Unless we move quickly and implement this bill, we will see inland the very same kinds of bottlenecks that are already hampering our coal exporting ability at severely overcrowded port facilities. We cannot allow this to occur. Just as we must correct the problems at the ports, we must not let our highway and rail system become throttled.

Just as importantly, it should be pointed out that the program called for in this legislation will prove to be of significant community value to the citizens inhabiting coal producing regions and other areas where there is heavy energy supply traffic.

It is the men, women, and children of these communities who must employ energy impacted highways as their lifeline to the rest of the world. It is the energy impacted system that carries other industrial goods to and from these regions. It is this rapidly deteriorating system that must carry the youth of these regions to and from their schools. It is the citizenry that faces potential disaster every time a lengthy unit train slices through a community cutting off fire, medical, and other vital services and transportation for undetermined lengths of time.

It is my hope the Environment and Public Works Committee, in its upcoming deliberations on the highway bill, will be able to address once again the issues raised here. I certainly will be working toward that end and I urge my colleagues to join me in seeking the enactment of this most important legislation.●

● Mr. ZORINSKY. Mr. Presient, a little over a year ago 16-year-old Cheryl Hinrichs was returning from a babysitting job in Hastings, Nebr. In order to return to her parent's home she had to cross two sets of railroad tracks. It was midnight, and she was perhaps a little tired. There were no crossing arms to guard the intersection. Cheryl Hinrichs never returned home.

Mr. President, that young girl's death could have been avoided. Every day scores of trains cut across our Nation, hauling coal, grain, and other commodities. Thousands of communities across the country are cut in half 50 to 60 times a day by passing trains.

Most of those communities are inadequately protected from the sort of haz-

ard which took Cheryl's young life. She died, as others have, because Hastings, Nebr., like hundreds of other communities, does not have the money to construct safety features at rail and highway crossings.

Mr. President, in my State alone there were 183 collisions involving a train in 1978, and 18 persons were killed. In 1979, 27 persons were killed in a total of 175 collisions, and between January and November 1980, 21 persons died in 154 collisions at rail-highway intersections.

But the loss of life due to accidents at crossings is not the only danger faced by these communities. Lives are also threatened by the delays encountered by emergency vehicles at rail-highway intersections. Ambulances lose precious minutes in getting critically ill patients to medical facilities, firefighters watch a house explode into flames on one side of the railroad tracks, while they wait helplessly for a train to pass. In Nebraska, Minnesota, North Dakota, and other Western States, communities are bisected by trains several times an hour for periods of 5 to 10 minutes.

A more subtle effect of the railroad barrier is the isolation of neighborhoods. As traffic along rail tracks bisecting a city increases, it becomes more and more difficult for residents on one side of the tracks to travel to the other side. The inconvenience of frequent delays in reaching schools, libraries, and shopping centers well may lead to the slow death of neighborhoods on the "wrong side of the tracks."

In short, Mr. President, any town which is cut in two by railroad tracks suffers a substantial social, economic, and safety impact. But for western towns, which have seen an enormous increase in rail traffic during the past decade, the effect has been particularly severe.

Our country is in the midst of an energy crisis. We have seized our abundant coal supply as a means of ending our dependence upon expensive foreign oil. The State of Nebraska is poised between the major coal-producing States of the West and the energy-starved East. In the past few years, rail traffic through the State has multiplied dramatically to accommodate increased production and transportation of coal. Where towns once hailed the passage of trains perhaps a dozen times a day as the purveyors of prosperity, today five times as many trains travel their town, bringing not prosperity, but economic and social hardship.

The energy crisis, and the consequent increase in coal production, is a national concern. The impact of increased coal traffic must also be a national concern. Neither the States nor the local communities affected have adequate financial resources to alleviate the social, environmental, and economic impact of vastly increased coal traffic through western and midwestern towns. The Federal Government should not shirk its responsibility to these communities. They are suffering as a direct consequence of our national energy policy. We must make it a national policy to help them overcome this energy-related problem.

Last year I joined Senators HUDDLESTON and RANDOLPH in amending the Mass Transit Act to authorize grants to States for the repair of roads on which coal is carried and for rail/highway grade crossing projects. The amendment duplicated language already in the House-proposed bill, and would have authorized $250 million for fiscal year 1981, with the authorization increasing by $50 million for each fiscal year through 1985.

Unfortunately, the mass transit bill died in the last days of the 96th Congress. Today, I am again joining my colleague from Kentucky in introducing a similar bill. It would provide for a 5-year authorization of grants on a 80/20 Federal/State share basis, with authorization for fiscal year 1982 set at $300 million. Authorizations would increase by $50 million each year, until a total of $500 million is reached in fiscal year 1986.

Mr. President, I urge my colleagues to support this legislation, and to act promptly to assist communities adversely affected by increased energy-related rail traffic.●

● Mr. HEINZ. Mr. President, I am pleased to cosponsor this bill to provide aid to energy-impacted roads and railroads. As you know, it is virtually identical to our amendment which passed the Senate and House of Representatives in the last session as part of the Surface Transportation Act of 1980. We have simply increased the funding levels slightly to adjust for inflation.

The bill before us today addresses a national problem with a responsible solution. It will aid not only the coal-bearing roads and bridges of West Virginia, Kentucky, and Pennsylvania, but also the energy-impacted transportation systems of our Western and Southern States, which are now increasingly facing the consequences of the Nation's growing need for domestic sources of fuel. It is clear that the United States must rely more and more on our own energy sources if we are to throw off the chains of dependence on foreign oil and gas. Yet development of domestic coal and oil resources has already put a heavy burden on our highways, bridges, waterways, ports, and railroads, and the deterioration of these transportation links has already reached critical levels in many parts of the country. Unless we act swiftly, we will not be able to sustain the rapid level of development of energy resources which we need to insure energy independence.

Between 1980 and 1985, coal production is expected to increase by approximately two-thirds. A 1978 DOT study, "Transporting the Nation's Coal—A Preliminary Assessment," predicts that coal-haul roads in particular could become a bottleneck to the flow of coal into energy-hungry regions of the country. Recent studies show that 34,000 miles of road in 21 States are used for coal hauling and that three-fourths of this coal system mileage will need improvements between 1980 and 1985. In my own State alone, the Pennsylvania Department of Transportation estimates that 2,500 miles of coal-haul highways, 700 bridges, and 342 miles of rail branch lines involved in coal movement will need significant repair between 1980 and 1985.

I have seen the deplorable conditions of roads which are extensively used to transport coal. Even several years ago, when I inspected the coal haul roads in Cambria County, Pa., these roads were a danger to the local community, with pavements you could crumble with your bare hands. Roads in this State of disrepair exist today throughout Pennsylvania and the rest of the Nation. Residents of Cambria County, other Pennsylvania coal-producing counties and other areas should not be forced to sacrifice their safety, their roads and their own wages as increased taxes for road problems created as a consequence of our supplying the energy needs of all Americans. This is an inequitable burden for them to bear.

Mr. President, this bill will provide the necessary Federal assistance to begin this important repair work, both to our energy impacted roads and to similarly affected rail lines. I join my colleagues from West Virginia, Kentucky, and Nebraska in urging its passage.●

Mr. FORD. Mr. President, once again I join my distinguished colleague, Mr. HUDDLESTON, in cosponsoring this legislation that addresses a critical and intolerable situation which exists in my State and others. The problem exists as a result of unprecedented demands on Kentucky's energy transportation network, demands that will only become greater in the next decade.

The deteriorating condition of the energy transportation systems, particularly the coal-haul roads is a matter of utmost concern to State and local officials, who must daily examine the dimension and severity of this problem and who feel that the Federal Government has a responsibility to help fund a resolution. All the highway systems in Kentucky—Federal, State, and local—have suffered extensive damage because we have a product, coal, that has seen more than doubled production rates in the last 15 years.

Kentucky has the coal, and the Nation needs it. But, quite frankly, the roads have not been adequate to sustain the burden of this upsurge in production, and inordinate problems have been created for the residents and communities of Kentucky's 60 coal-producing counties, or one-half of the counties in our State stretching from the western to the eastern borders.

This situation confronted me while Governor in 1974, and I brought my case to Washington. I found the Federal Highway Administration sympathetic to our plight and receptive to the idea of a study by the Kentucky Department of Transportation detailing the scope of the problem. That study is now complete, and it resulted in a 10-year highway construction and maintenance program to accommodate the transportation needs of both the coal industry and the people of the Commonwealth in the coal-producing regions. It provided for upgrading coal-haul roads and for a maintenance program, but even a minimum cost estimate was substantial.

The demands on coal production are going to increase, not decrease. The Nation will continue to turn more and more to coal as a major source of energy. As

this happens, the road systems of coal-producing States will continue to realize new and additional burdens. And the Federal Government must join with the States in assuming the responsibility of an entire nation.

For those who may think this is a problem that does not concern them, I would point out that this very day Kentucky coal is providing electrical power in 22 of the 50 States. Right here in Washington, D.C. Pepco consumes coal extracted from Kentucky's mines and transported over Kentucky's highways. So, Mr. President, this is a national problem. But paradoxically, the needs are local ones, needs created by production and transportation requirements.

Significantly more coal is being moved over Kentucky's highways than a decade ago. Alternative methods of transport such as railroad lines have been found to be too inflexible—and sometimes too expensive—to match the increase in production in Kentucky's mines. This coal is traveling, then, over roads that more than likely were never intended for the weight of a coal truck—not to mention an abundance of coal trucks.

Today there are approximately 6,000 coal trucks operating in Kentucky alone, traversing some 5,000 miles of our roadways. Most of this is along steep grades or near streams or along unstable slopes. Some of these roads were marginally deficient to begin with. You can imagine their state now. And every year the number of miles deteriorating grows and grows, while construction and maintenance costs do the same.

And, in spite of their best efforts, Kentucky's government officials cannot find sufficient funds to cover the cost of this burden. The Governor of Kentucky testified before the Senate Subcommittee on Transportation of the Committee on Public Works that "an 'adequate' system of coal-haul roads in Kentucky will require a minimum expenditure of $1 billion spread over the next 10 years." And that is a minimum, not the more ideal $2.7 billion that engineers say is needed for best results.

This bill directly addresses this vital need. By approving it, the Senate will offer assurance that Kentucky's coal-haul roads will be ready as we meet the energy needs of this Nation in the decade we are now entering. We must act soon if we are to avoid doubling the cost of coal-haul road repairs as well as coal production.

Mr. President, this assistance is needed not only to facilitate increased domestic use of American coal, but also to enable this country to take advantage of increased export opportunities. As the President's Interagency Task Force on Coal Exports concluded—

> Absent a major expenditure to rehabilitate the coal haul roads in Appalachia, it will be difficult for small producers who depend upon truck transport to benefit from the export market.

The legislation we are introducing today strikes at the very heart of the problem. It was passed by both the Senate and the House during the last Congress and I urge all of my colleagues to once again add their support to this measure which is more important now than ever before.

By Mr. PERCY (for himself, Mr. HELMS, and Mr. HATFIELD):

S. 265. A bill to amend the Congressional Budget Act of 1974 to establish procedures for setting targets and ceilings, in the congressional budget process, for loans and loan guarantees under Federal credit programs; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, by unanimous consent pursuant to the order of August 4, 1977.

LIMITING FEDERAL SPENDING

Mr. PERCY. Mr. President, I am today introducing the Federal Lending Control Act of 1981. This legislation, identical to a proposal I introduced in 1979, is a step toward reducing the off-budget Federal deficit. Moreover, it is also a major step in our effort to roll back government-generated inflation.

Last year, the Consumer Price Index, our basic measure of inflation, rose by nearly 13 percent. It was the second year in a row that the economy was overheated to this extent. We know that Federal finances have played a major role in generating this inflation and I have been working with my colleagues the past several years to slake these fires of inflation.

The anti-inflation fight is many sided. Tax cuts, regulatory reform, and spending reductions are all a part of the effort. Each of these proposals will reduce the role of the Federal Government in the marketplace. Like the successful deregulation of the truck and airline industries, a reduction in the Federal role can generate new businesses, more competition, and more jobs.

An indispensible part of this effort is spending restraint. President Reagan's advisers are working now on their recommendations for cutting the budget. Trimming the budget deficit—$60 billion in fiscal year 1981—is a critical challenge for us. But a look at outright spending itself is not enough. In fiscal year 1981, for example, the Office of Management and Budget estimates that we will run up an additional $23 billion through the activities of off-budget Federal entities. Putting this all together, we see a Federal deficit of $83 billion this year.

These off-budget Federal entities referred to by OMB include the Rural Telephone Bank, the Synthetic Fuels Corporation, and the Postal Service Fund. The grand-daddy of all the off-budget agencies, however, is the Federal Financing Bank (FFB). Of the $23 billion in off-budget lending for fiscal year 1981, nearly all of it comes through the FFB.

Not only is Federal lending activity a significant share of the budget deficit, but it is also growing at a fast clip. In 1970, new net Federal loans and guarantees totaled only $11 billion. By 1980, these net new extensions reached $56.7 billion, a 400-percent increase. Outright Federal spending, on the other hand, increased by 300 percent in the same time period. So Uncle Sam's lending is outstripping even his rate of spending.

All of this Federal activity does not go unnoticed in the economy. If has its impact by making private credit more expensive. Last spring, the Federal Reserve Bank of San Francisco estimated that Federal and federally assisted borrowing could account for as much as 23 percent of all funds raised in the credit markets in 1980. The San Francisco Fed has recently revised this upward, to a high of 29 percent. What is more, economists are predicting a comparable rate of 25 percent this year. Historically, these are high levels of borrowing. During the 1977–79 expansion, for example, the average rate was 20 percent. Naturally the more deficit lending that occurs, the more the Federal Government will have to go into the private markets to raise funds to cover those deficit loans.

Mr. President, last fall an excellent article on Federal credit programs appeared in the Washington Report, a weekly newspaper of the Chamber of Commerce. Written by Murray Weidenbaum, recently appointed chairman of the President's Council of Economic Advisers, it is a succinct analysis of the economic costs of Federal credit programs. I commend it to my colleagues and ask unanimous consent that it be included at the close of my remarks.

It is time, Mr. President, for us to take a hard look at these lending programs and see just what impact they have on the interest rates we all must pay in one form or another. Certainly the more competition there is in the financial markets, the higher the price of capital will rise. When the Federal Government arbitrarily decrees that certain credit seekers will receive priority, then someone else may very well be priced out of the market.

Any home buyer or small business knows what the high costs of money mean. They mean a deferred home purchase or a failed business. We want to make sure that the Federal Government does not add undue pressure to interest rates and yet we do not really know because we do not follow lending programs with the same care that we do spending and taxes.

My legislation will begin to change this. It amends the Budget Reform Act of 1974 to establish ceilings and targets for loans and loan guarantees, much as we do now for outlays and budget authority. In each year's budget resolution, it would set forth the appropriate level of direct loans and loan guarantees. The budget would also show itemized estimates of loans and guarantees by budget functions.

The legislation requires the submission of credit plans to the Budget Committees by each authorizing committee. Presently, committees must submit their spending plans to the Budget Committees by March 15; the bill would extend this to loans and guarantees.

Banking Committees of both Houses would submit to the Budget Committees by March 15 each year their estimates and recommendations for the appropriate level of overall guarantees and loans

for the next fiscal year. The Banking Committees would, in effect, evaluate the credit needs of private and public borrowers.

Bills or resolutions authorizing new loans or guarantees must be reported from their respective committees by May 15. Bills reported after that deadline would face a point of order on the floor, as do all spending bills under the budget process.

The Congressional Budget Office would report annually to the Budget Committees on all Federal credit programs.

Points of order could be raised, after passage of the second budget resolution, against lending programs that exceed the totals in the budget. Moreover, loans and guarantees must be included within appropriations bills. Points of order could be raised against loans or guarantees that do not subject themselves to the Appropriations Committees.

Mr. President, this legislation has been endorsed by two prominent economists, Henry Kaufman of Salomon Brothers, investment bankers and Alan Greenspan, former chairman of the Council of Economic Advisers. Mr. Greenspan is now an unofficial adviser to President Reagan and in testimony on January 22, 1981 before the Joint Economic Committee said:

The financial community is going to insist on seeing basic changes from which they can extrapolate a significantly lower rate of growth in Federal outlays over the longer run and a marked decline in the aggregate amount of credit requirements directly and indirectly engendered by Federal government policy.

As part of his anti-inflation strategy, he stated that we must have an equal commitment to the reduction of budget deficits and off-budget financings.

I have been encouraged by OMB Director DAVID STOCKMAN'S commitment to reducing Federal lending activities. At his confirmation hearings before the Governmental Affairs Committee, I asked him about this. His reply was that—

One of my first actions as Director of OMB will be to initiate a major, high priority study of Federal credit policies and programs. I am convinced that the largely unplanned and unobserved growth of such programs has had seriously deleterious effects on the private credit markets; however, I believe that the amount of loans now outstanding is an issue of lesser consequence when compared to the creation of new loans and loan guarantees.

Mr. President, I look forward to action on this legislation this year. Last summer the Senate Budget Committee held a series of hearings on Federal credit programs, including this legislation. The House Budget Committee has shown a strong interest in this subject and Representative MINETA, who is sponsor of the House legislation, has led the way in bringing this matter to the attention of the House. For those of my colleagues who have an interest in the historical development of Federal lending programs, I ask unanimous consent that the text of the bill, a table on the programs, and an article be included in the RECORD at the end of my remarks.

There being no objection, the bill, table, and article were ordered to be printed in the RECORD, as follows:

S. 265

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Lending Control Act of 1981.".

SEC. 2. (a) The Congress finds and declares that—

(1) Federal loans and loan guarantees are becoming an increasingly important means of providing Government services with the total volume of direct loans and guaranteed obligations outstanding in 1980 being 58 per centum and 53 per centum higher, respectively, than in 1976;

(2) the total volume of credit in the economy is finite and limited by the supply of savings, level of interest rates, and Federal monetary policy;

(3) Federal credit programs are not costless to the economy, as they allocate credit to groups and individuals who would otherwise find credit difficult to obtain;

(4) while plans for direct and guaranteed loans under individual Federal credit programs are reviewed each year, there is no systematic mechanism in either the Congress or the executive branch for reviewing the volume of total Federal credit activity, and therefore no systematic way of considering the resource allocation effects of Federal loans and loan guarantees or the reasonableness of the total volume; and

(5) if the Federal Government is to allocate its credit resources efficiently and coordinate that allocation with its fiscal policy and direct expenditures, it must exercise control over Federal credit activities as it does over direct spending activities.

(b) It is therefore declared to be the policy of the Congress and the purpose of this Act to provide a statutory basis for a Federal credit program control system by establishing procedures within the congressional budget process to set targets and ceilings for the gross amount of direct loans which the Federal Government may make, and the gross amount of loan guarantees which the Federal Government may enter into, during each fiscal year.

SEC. 3. (a) Section 202(a) of the Congressional Budget Act of 1974 is amended by striking out "and (3)" and inserting in lieu thereof "(3) information with respect to direct loans and guarantees of loan principal, and (4)".

(b) Section 202(f) of such Act is amended by striking out "and (B)" and inserting in lieu thereof "(B) the levels of direct loans and guarantees of loan principal, and (C)".

SEC. 4. (a) Section 301(a) of the Congressional Budget Act of 1974 is amended—

(1) by redesignating paragraphs (6) and (7) as paragraphs (8) and (9), respectively; and

(2) by inserting after paragraph (5) the following new paragraphs:

"(6) the appropriate level of total gross obligations for the principal amount of direct loans and the appropriate level of total commitments to guarantee loan principal;

"(7) an estimate of gross obligations for the principal amount of direct loans and an estimate of commitments to guarantee loan principal for each major functional category, based on allocations of the appropriate level of total gross obligations for the principal amount of direct loans and the appropriate level of total commitments to guarantee loan principal;".

(b)(1) Section 301(c)(2) of such Act is amended by striking out ", and budget outlays resulting therefrom," and inserting in lieu thereof "and budget outlays resulting therefrom, and of the total amounts of gross obligations for the principal amount of direct loans and commitments to guarantee loan principal,".

(2) Section 301(c) of such Act is further amended by inserting after "1946." the following new sentence: "The Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate shall each also submit to the Committee on the Budget of its House its recommendations as to the appropriate level of total gross obligations for the principal amount of direct loans and the appropriate level of total commitments to guarantee loan principal.".

SEC. 5. (a) Section 302(a) of the Congressional Budget Act of 1974 is amended—

(1) by inserting "and the appropriate levels of total gross obligations for the principal amount of direct loans and total commitments to guarantee loan principal" after "total new budget authority"; and

(2) by inserting "or authorizing such obligations and commitments" after "such new budget authority".

(b) Section 302(b) of such Act is amended—

(1) by striking out "and" after the semicolon at the end of paragraph (1);

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph:

"(2) the Committee on Appropriations of each House shall also, after consulting with the Committee on Appropriations of the other House, subdivide among its subcommittees the allocation of gross obligations for the principal amount of direct loans and of commitments to guarantee loan principal allocated to it in the joint explanatory statement accompanying the conference report on such concurrent resolution; and".

SEC. 6. Section 307 of the Congressional Budget Act of 1974 is amended by inserting ", and the appropriate levels of total gross obligations for the principal amount of direct loans and of total commitments to guarantee loan principal," after "new budget authority".

SEC. 7. (a) Section 308(a)(1) of the Congressional Budget Act of 1974 is amended—

(1) by striking out "and" after the semicolon at the end of subparagraph (B); and

(2) by adding after subparagraph (C) the following new subparagraph:

"(D) how the limitations on gross obligations for the principal amount of direct loans and on commitments to guarantee loan principal provided in that bill or resolution compare with the gross obligations for the principal amount of direct loans and commitments to guarantee loan principal set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year and the reports submitted under section 302; and".

(b) Section 308(b) of such Act is amended—

(1) by striking out "and" after the semicolon at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (4) the following new paragraph:

"(5) an up-to-date tabulation comparing the gross obligations for the principal amount of direct loans and the commitments to guarantee loan principal for such fiscal year in bills or resolutions on which the Congress has completed action to the gross obligations for the principal amount of direct loans and the commitments to guarantee loans set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year and the reports submitted under section 302.".

SEC. 8. (a) Section 309 of the Congressional Budget Act of 1974 is amended by inserting "or providing limitations on gross

obligations for the principal amount of direct loans or on commitments to guarantee loan principal for such fiscal year," after "such year," where it first appears in paragraph (1).

(b) (1) The heading of section 309 of such Act is amended by striking out "AND CERTAIN NEW SPENDING AUTHORITY" and inserting in lieu thereof ", LIMITING DIRECT LOANS OR LOAN GUARANTEE COMMITMENTS, OR PROVIDING CERTAIN NEW SPENDING AUTHORITY".

(2) The table of contents for such Act is amended (in the item relating to section 309) by striking out "and certain new spending authority" and inserting in lieu thereof ", limiting direct loans or loan guarantee commitments, or providing certain new spending authority".

SEC. 9. Section 310(a) of the Congressional Budget Act of 1974 is amended—

(1) by striking out "or" after the semicolon at the end of paragraph (3);

(2) by redesignating paragraph (4) as paragraph (5) and (in such paragraph) striking out "and (3)" and inserting in lieu thereof "(3), and (4)"; and

(3) by inserting after paragraph (3) the following new paragraph:

"(4) specify the total amount by which gross obligations for the principal amount of direct loans or commitments to guarantee loan principal are to be changed and direct the committees having jurisdiction to recommend such change; or".

SEC. 10. (a) Section 311(a) of the Congressional Budget Act of 1974 is amended—

(1) by inserting "increasing the limitations on total gross obligations for the principal amount of direct loans or on total commitments to guarantee loan principal for such fiscal year," after "effective during such fiscal year," in the matter preceding paragraph (1); and

(2) by inserting "would cause the appropriate level of gross obligations for the principal amount of direct loans or of commitments to guarantee loan principal set forth in such concurrent resolution to be exceeded," after "exceeded," in the matter following paragraph (3).

(b) (1) The heading of section 311 of such Act is amended by inserting ", LOAN AND LOAN GUARANTEE COMMITMENTS," after "SPENDING AUTHORITY".

(2) The table of contents for such Act is amended (in the item relating to section 311) by inserting ", loans and loan guarantee commitments," after "spending authority".

SEC. 11. (a) Title IV of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new section:

"LEGISLATION PROVIDING AUTHORITY TO GUARANTEE THE REPAYMENT OF INDEBTEDNESS

"SEC. 405. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which provides, extends, or enlarges authority to insure or guarantee the repayment of indebtedness incurred by another person or government (or any amendment which provides, extends, or enlarges such authority) unless that bill, resolution, or amendments also provides that such authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.".

(b) The table of contents for such Act is amended by adding at the end of the matter relating to title IV the following new item:

"Sec. 405. Legislation providing authority to guarantee the repayment of indebtedness.".

SEC. 12. Section 402(a) of the Congressional Budget Act of 1974 is amended by inserting "or which authorizes the insurance or guarantee of the repayment of indebtedness incurred by another person or government for a fiscal year," after "for a fiscal year,".

SEC. 13. Section 2 of the Congressional Budget and Impoundment Control Act of 1974 is amended—

(1) by striking out "and" after the semicolon at the end of paragraph (4);

(2) by redesignating paragraph (5) as paragraph (6); and

(3) by inserting after paragraph (4) the following new paragraph:

"(5) to provide for the congressional determination each year of the appropriate level of gross obligations for the principal amount of direct loans and of commitments to guarantee loan principal; and".

SEC. 14. Section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end thereof the following new paragraph:

"(6) The term 'direct loan' means a disbursement of funds by the United States or any officer or agency thereof (not in exchange for goods or services) under a contract which requires the repayment of such funds with or without interest, and in addition includes—

"(A) direct participation in a loan made and held by another person or government;

"(B) the purchase (through secondary market operations) of a loan made by another person or government; and

"(C) the acquisition of a federally guaranteed loan made by another person or government, as collateral or in satisfaction of default or other guarantee claims.".

SEC. 15. Section 201(d) of the Budget and Accounting Act, 1921 (31 U.S.C. 11(d)), is amended by striking out "items enumerated in section 301(a)(1)–(5)" and inserting in lieu thereof "items enumerated in section 301(a)(1)–(7)".

SEC. 16. Section 201(a) of the Budget and Accounting Act, 1921 (31 U.S.C. 11(a)), is amended—

(1) by striking out "and" after the semicolon at the end of paragraph (12);

(2) by striking out the period at the end of paragraph (13) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (13) the following new paragraph:

"(14) all essential facts regarding direct lending by the Government, and guarantees by the Government of the repayment of indebtedness incurred by another person or government.".

SEC. 17. The amendments made by this Act shall be effective with respect to fiscal years beginning on and after October 1, 1980.

FEDERAL PARTICIPATION IN DOMESTIC CREDIT MARKETS

[In billions of dollars]

	Actual											Estimates	
	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981	1982
Total funds advanced in U.S. credit markets[1] (includes equities)	125.7	163.5	207.7	193.4	181.3	251.8	66.1	314.4	385.3	414.3	348.0	(2)	(2)
Advanced under Federal auspices	16.5	22.9	27.2	25.7	27.1	27.0	6.7	37.3	58.9	73.8	80.8	98.8	109.8
Direct loans:													
On-budget	2.0	3.0	.9	3.3	5.8	4.2	1.1	2.6	8.6	6.0	9.5	3.9	6.1
Off-budget			.1	.8	7.0	6.7	2.6	9.0	11.2	13.6	14.7	23.2	18.5
Guaranteed loans	16.1	19.8	17.7	10.5	8.7	11.2	−.1	14.0	13.9	26.1	32.4	51.3	56.9
Government-sponsored enterprise loans	−1.7	.1	8.5	11.2	5.6	4.9	3.1	11.7	25.2	28.1	24.1	20.3	28.3
Federal participation rate including Government-sponsored enterprises (percent)	13.1	14.0	13.1	13.3	14.9	10 7	10.1	11.9	15. 3	17.8	23.2		
Total funds raised in U.S. credit markets[1]	125.7	163.5	207.7	193.4	181.3	251.8	66.1	314.4	385.3	414.3	348.0	(2)	(2)
Raised under Federal auspices	33.5	40.0	47.5	24.4	64.9	98.2	19.3	79.6	94.4	81.7	124.4	141.5	126.8
Federal borrowing from public	19.4	19.4	19.3	3.0	50.9	82.9	18.0	53.5	59.1	33.6	70.5	72.0	45.0
Borrowing for guaranteed loans	16.1	19.8	17.7	10.5	8.7	11.2	−.1	14.0	13.9	26.1	32.4	51.3	56.9
Government-sponsored enterprise borrowing	−2.1	.7	10.6	10.9	5.3	4.1	1.4	12.0	21.4	21.9	21.4	18.2	24.9
Federal participation rate (percent)	26.6	24.5	22.9	12.6	35.8	39.0	29.2	25.3	24.5	19.7	35.7		

[1] Nonfinancial sectors. Source: Federal Reserve Board Flow of Funds Accounts.
[2] Not estimated.

Source: Fiscal year 1982 Federal Budget, Special Analyses.

GOVERNMENT CREDIT PROGRAMS CARRY HEAVY COSTS

(By Murray L. Weidenbaum)

The federal government has bailed out Chrysler, Lockheed, and New York City. Yet, providing credit to various parts of the economy is a little-understood and little-known component of government economic power.

That power is underpublicized for good reason: most of the government's annual $200 billion in credit does not show up in the U.S. budget and much of it does not involve any immediate expenditure of funds.

On the surface, federal credit programs seem a painless way of achieving national goals. Congress is blithely urged to use this approach for such different and massive activities as supporting large companies and bailing out major cities, since it seems that government is "merely" guaranteeing private borrowing or sponsoring supposedly private credit institutions.

The proposal to bring back that relic of the 1930s, the Reconstruction Finance Corp., is the latest manifestation of this illusion.

Is the use of the government's credit power a variation of the old "free lunch?" The answer is a resounding no. Contrary to popular belief, federal credit programs are not costless—either to the Treasury or to the citizens who fill its coffers.

These programs have three distinct costs:

Economic costs. Because government credit programs do nothing to increase the economy's total supply of investment funds,

they in fact deny credit to unsubsidized borrowers. Such programs are a glorified "shell game," with a variety of losers.

Initial fiscal costs. Government credit programs increase the total size of government-related borrowings—ranging from the Treasury's own securities to private issues guaranteed by federal credit agencies. An expansion in the volume of government-related credit results in higher interest rates being paid by an entire category. The fiscal cost to government arises—and here is the key point—because that portion of higher interest rates servicing the public debt is a direct charge to the federal budget, although we do not see it "on paper."

Ultimate fiscal costs. When borrowers holding government-guaranteed credit default, the Treasury bears the ultimate cost. Government credit programs thus become a form of "back-door" spending, whereby federal expenditures are incurred in the absence of direct budget appropriations.

These are very real costs to taxpayers. To tackle the problem, all proposals to create new credit programs (or broaden existing ones) must be accompanied by a detailed factual analysis—so the public can see what is involved.

This appraisal should specifically add up the subsidies by showing the difference between the interest rate charged to borrowers in the federal credit program and the rate that would be charged by private lenders.

Another way is to impose a ceiling on the total volume of federally assisted credit. Many programs now have virtually a blank check on the nation's credit resources. Under this method, credit would no longer be treated as a "free good."

In the long run, however, the most fundamental proposal relates to the underlying conditions creating these credit programs. If we promote an economic climate more conducive to private savings and investment, then we will reduce the need for private borrowers to seek federal credit assistance.

We must also recognize that the recent expansion in government credit programs—notably the aid to Chrysler—is qualitatively different from traditional credit activities. Loan guarantees by the Federal Housing Administration, for instance, are secured by readily marketable assets, such as real estate.

But many newer programs have different risk characteristics. A typical synthetic fuels project, for example, has substantial technical uncertainty as to costs and profitability.

The same is true of credit expansions to municipalities. If New York should default, how would the government foreclose on its "mortgage?" It is hard to envision the city fathers auctioning off Central Park or the Bronx Zoo. The city has pledged no tangible assets for repayment, as is done in traditional credit programs. What incentive, in short, does the city have to get its finances in order?

A new business bailout agency, such as the Reconstruction Finance Corp., would be a fiscal nightmare. A report by the Center for the Study of American Business at Washington University noted four problem areas in operating a government credit agency like RFC: criteria for granting federal loans are likely to be vague and open to arbitrary interpretation; government subsidy of private activity will encourage misallocation of resources; the credit agency will exist long after immediate problems are solved; and credit programs will leave the government holding assets of questionable quality or limited use.

My point here is not to oppose each extension of government credit. Rather, the issue is the full extent of contingent liabilities government might assume, which could result in ultimate federal assumption of large, unpaid debts. Supporters of more government credit programs and agencies should consider the consequences—and consult history before repeating its errors.

By Mr. PERCY (for himself, Mr. COHEN, Mr. DURENBERGER, and Mr. PROXMIRE):

S. 266. A bill to establish a Federal Interagency Medical Resources Committee to insure the most efficient and effective use of Federal direct health care resources; to the Committee on Governmental Affairs.

FEDERAL INTERAGENCY MEDICAL RESOURCES SHARING AND COORDINATION ACT OF 1981

Mr. PERCY. Mr. President, if this Congress is going to successfully cut Government spending without jeopardizing vital services, we are going to have to scrutinize every Federal program to make sure it is being run with the utmost efficiency. Today I am reintroducing legislation which will promote such efficiency in the delivery of billions of dollars worth of direct medical care to Federal beneficiaries—thereby saving millions of dollars while actually improving the quality of health care. I am happy to have Senator PROXMIRE, Senator COHEN, and Senator DURENBERGER as cosponsors.

This bill, the Federal Interagency Medical Resources Sharing and Coordination Act, passed the Governmental Affairs Committee and the Senate unanimously last September. Unfortunately, Congress adjourned before the House could act on it. I urge that the 97th Congress act swiftly on this cost-saving proposal.

HEARING REVEALED MILLIONS OF WASTED TAX DOLLARS

In recent years, increasing concern has been expressed in the Congress over the spiralling costs of medical care in the Nation. As in the private sector, Federal agencies' costs to provide health care directly to eligible beneficiaries have continued to rise, and substantial efforts have been made to find ways of holding down these costs without adversely affecting the quality of care.

The Governmental Affairs Committee, the GAO, and an interagency task force completed a lengthy investigation into the Federal Government's lack of interagency coordination of its $10-billion-a-year hospital system with hearings last July.

Examples of waste and inefficiency in the VA's, Defense Department's and Public Health Service's 308 hospitals are plentiful. For instance:

In North Chicago, the VA and Navy operate hospitals less than a mile from each other. While the Navy's modern facility sits more than three-quarters empty because of a lack of doctors, forcing them to spend $3 million on private sector care, the VA nearby plans to spend $67 million in coming years on its crumbling 1905 era buildings. The VA enjoys a relative abundance of doctors. Current laws, regulations and other problems have held up attempts to coordinate resources among the two Federal facilities.

For lack of a VA-Army agreement to share Boston VA orthopedic services, the Army flies dozens of patients from Boston to Walter Reed Hospital in Washington on its very expensive air evacuation system when more convenient and less costly treatment could be provided by the VA.

The Federal Government's Public Health Service Hospital in Seattle has a spinal cord injury center just 2 miles from a VA hospital that lacks such facilities. In 1 year, the VA transported 19 spinal cord injury patients to Long Beach, Calif., because regulations required patients to be treated within the same agency. The Seattle VA is now planning to construct its own $7 million spinal cord center just 2 miles from the other Federal facility.

These are not isolated cases.

NEED FOR LEGISLATION

These opportunities and many others are not being taken advantage of because the following obstacles inhibit the efforts of agencies to implement cost-effective sharing:

Restrictive laws limiting the types of resources that can be shared among Federal agencies: They restrict beneficiaries from being treated in another agency's facility.

Conflicting agency regulations, policies, and procedures. Most prominent are inconsistent and unequal reimbursement methods.

Disincentives at the hospital director level. For example, when a VA hospital director agrees to provide a service to a Defense Department hospital, the reimbursement for that service goes to Washington rather than to the VA hospital providing the service.

THE FEDERAL INTERAGENCY MEDICAL RESOURCES SHARING AND COORDINATION ACT

The purpose of this legislation is simple: To clear away the legal and administrative barriers to sharing, create incentives at the local level, and encourage the agencies to begin assessing money-saving opportunities for sharing and implement them expeditiously. The legislation also provides specific safeguards to prohibit sharing where it would adversely affect the quality of health care to Federal beneficiaries.

Reaction to the bill last year was nearly unanimous: This legislation is needed.

We have a unique opportunity with this bill to save hundreds of millions of tax dollars while actually enhancing Federal direct health care. In view of the difficult decisions the 97th Congress faces in trying to cut Federal spending, I urge that we move swiftly to pass this bill and others that can save tax dollars without creating hardships for Federal beneficiaries.

I ask unanimous consent that the text of the bill be included in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 266

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Interagency Medical Resources Sharing and Coordination Act of 1981".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) coordination among Federal agencies in the use of Federal medical resources would minimize duplication and underutilization of Federal direct health care facilities, reduce costs, and enhance health care;

(2) optimum coordination between the Veterans' Administration and Department of Defense, the largest Federal providers of direct health care, would reduce health care costs and, in many cases, improve the quality of, and access to, care available to Federal beneficiaries;

(3) greater interagency sharing of medical resources between the Veterans' Administration and the Department of Defense may be achieved without a detrimental effect on each agency's primary beneficiaries;

(4) currently there are not adequate incentives in the various Federal direct health care delivery systems to encourage maximum interagency use of Federal medical resources;

(5) the Veterans' Administration and the Department of Defense should, to the extent feasible within each agency's responsibilities, share medical resources and increase the coordination of medical care; and

(6) the establishment of an interagency committee will facilitate interagency sharing of medical resources between the Veterans' Administration and the Department of Defense.

(b) It is the purpose of this Act to (1) clarify and expand the authority of the Veterans' Administration and the Department of Defense as direct health care providers in order to facilitate Federal interagency sharing of medical care and medical care support resources and (2) establish an interagency committee to serve as a mechanism to encourage maximum interagency sharing of such resources.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "direct health care" means any health care provided to an eligible beneficiary in a facility operated by the United States Government, including inpatient care and any type of outpatient treatment, testing, or examination;

(2) "beneficiary" means any individual who is entitled by law to direct health care furnished by the Veterans' Administration or the Department of Defense;

(3) "providing agency" means the Veterans' Administration or the Department of Defense;

(4) "primary beneficiary" means an individual who is specifically entitled by law to direct health care in the facilities of a particular providing agency;

(5) "negotiated cost" means the cost determined by local hospital officials on a medical service-by-service, hospital-by-hospital basis to be an equitable and consistent charge for the services provided; and

(6) "medical resource" means medical care and medical care support resources.

INTERAGENCY FEDERAL MEDICAL CARE COORDINATION

SEC. 4. (a) There is established a Federal Interagency Medical Resources Committee (hereafter in this Act referred to as the "Committee"). The Committee shall be composed of the Secretary of Defense and the Administrator of Veterans' Affairs or their designees. In order to establish policies applicable to the Veterans' Administration and the Department of Defense as Federal direct health care providers with regard to interagency sharing of medical resources, the Committee shall, notwithstanding any other provision of Federal law relating to interagency sharing of medical resources, undertake the following:

(1) Assess the opportunities for interagency sharing of existing medical resources between the Veterans' Administration and the Department of Defense.

(2) Remain continuously apprised of the planning of any additional Veterans' Administration or Department of Defense medical facilities, including the location of new facilities and the acquisition of major new medical equipment, with regard to the impact of such plans on opportunities for interagency sharing.

(3) Review existing Veterans' Administration and Department of Defense direct health care capabilities, including support and administrative services, to identify sharing opportunities that will not adversely affect the quality of, or the established priority of, care provided.

(4) Prescribe policies and procedures designed to maximize the interagency sharing of the Veterans' Administration and the Department of Defense medical resources.

(5) Coordinate the establishment of uniform interagency health care policies and procedures for providing agencies and monitor the implementation of such policies and procedures, including policies and procedures for coordinated planning for future development of each agency's direct health care delivery system.

(6) Consult, when appropriate with regard to carrying out the matters described in paragraphs (1) through (5), with other Federal providers to encourage optimum coordination in the delivery of direct health care.

(7) Prescribe uniform guidelines, within 180 days after the date of the enactment of this Act, to directors and commanding officers of health care facilities within the Veterans' Administration and the Department of Defense for the sharing of medical resources by such health care facilities. Such guidelines shall provide, consistent with the policies and procedures developed under this Act, for the following:

(A) The director or commanding officer of each health care facility within the jurisdiction of the Veterans' Administration and the Department of Defense shall, whenever possible, enter into interagency cooperative sharing arrangements with other health care facilities of such providing agencies. Under such arrangements, a beneficiary eligible for direct health care in one agency's facility may receive medical care at a providing facility of the other agency.

(B) Services to be shared may include any medical resource.

(C) Medical resources to be shared shall be negotiated by the directors or commanding officers of the health care facilities entering into an arrangement.

(D) The availability of direct health care to beneficiaries of an agency other than the providing agency shall be on a referral basis, and shall not, as determined by the directors or commanding officers participating in such arrangements, adversely affect the quality of care and priority access for medical services of the providing agency's beneficiaries.

(E) Whenever a beneficiary receives medical services from a providing agency other than the particular providing agency for which such beneficiary is a primary beneficiary, such providing agency shall be reimbursed based on negotiated costs as agreed by the directors or commanding officers of the participating health care facilities.

(F) Reimbursement shall be credited when received by the providing agency to the specific facility that provided the medical service.

(G) Sharing arrangements shall be operative upon agreement of the directors or commanding officers entering into such arrangements unless disapproved upon submission to each agency.

(b) Nothing in this Act shall be construed to preclude sharing of medical resources among all Federal direct health care providers pursuant to any other law.

(c) The responsibilities of the Committee under this Act with regard to uniform direct health care shall not be construed to alter any providing agency's responsibilities with regard to the provision of medical services provided by law.

(d) (1) The Committee shall, within one year after the date of the enactment of this Act, prepare and transmit to the Congress a report, including such legislative recommendations as the Committee considers appropriate, with regard to—

(A) the guidelines prescribed pursuant to subsection (a) (6);

(B) the opportunities for interagency sharing as required in section 4(a)(1);

(C) the interagency sharing arrangements entered into by health care facilities of such providing agency;

(D) each providing agency's activities pursuant to cooperative interagency sharing arrangements;

(E) other interagency activities directed toward maximizing the efficient use of Federal health resources during the preceding fiscal year;

(F) the progress of Federal interagency medical resource sharing;

(G) the interagency coordination of Federal health resources planning; and

(H) other major Federal activities to increase interagency sharing of Federal medical resources.

(2) Each year at the time the President transmits the Budget under section 201 (a) of the Budget and Accounting Act, 1921, beginning with the year after the year in which the Committee submits its report under paragraph (1), the Committee shall prepare and transmit to the Committees on Appropriations of the Senate and the House of Representatives a report for the preceding year containing the information described in paragraph (1).

By Mr. DECONCINI (for himself and Mr. THURMOND):

S. 267. A bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes; to the Committee on the Judiciary.

NATIONAL GUARD TORT CLAIMS ACT

Mr. DECONCINI. Mr. President, Gen. Douglas MacArthur once said that—

In no other profession are the penalties for employing untrained personnel so appalling or so irrevocable as in the military.

At a time when our great Nation is in the process of sending a message to the world that our military is prepared to defend the vital interests of the United States, the training, the skills, and numbers of our Army and Air National Guard Reserve components are critical elements in our effort to maintain a strong national defense.

The legislation which I have introduced today, the National Guard Tort Claims Act, will make a major contribution to this effort by finally allowing the National Guard component to conduct training which will prepare the men and women of the Guard to play their rightful role as part of the "total force" of our military establishment. It will do so by covering the Guard under the Federal Tort Claims Act while in training, thus creating liability in the Federal Government for torts committed by National Guardsmen and women in the

scope of their employment. This bill will have the additional effect of encouraging volunteers, today so badly needed in the Reserves.

The States have long expressed serious concern over the liability cast upon them by members of the National Guard engaged in training for Federal missions. There now exists a myriad of possible responses from a complete remedy to none at all. Some States deny all liability or limit their liability on the grounds of sovereign immunity. Some carry automobile insurance but no general or comprehensive coverage. Into this maze is cast the guardsman or woman who is ordered to perform a given task by the military and then forced to respond in damages for injuries caused by him or her while acting within the scope of employment.

The bill I am introducing today, the National Guard Tort Claims Act, would extend to the National Guard in training, the same protection under the Federal Tort Claims Act that is already provided for all other members of the Armed Forces as well as all Federal employees. In addition, it would make the Federal Tort Claims Act the exclusive remedy for claims based on the medical malpractice of National Guard medical personnel.

As stated in a recent defense department document:

> Our nation continues to depend for its defense upon our reserve forces, under the "total force" concept, reserve forces would perform critical missions in any future conflict, my administration is committed to ensuring that these vital forces are fully manned, well trained, well equipped and capable of rapid mobilization and integration into the active force in time of national emergency.

We will not have a well trained force, performing critical missions, if a major component of that force cannot use real ammunition in its training nor participate with other military components in realistic training exercises. And I am aware of units in the National Guard which are forbidden to use real ammunition in their training exercises because, and only because, the Federal Tort Claims Act does not apply to the Guard in training.

All members of the Armed Forces, except National Guard members, are recognized as Federal employees under the presently drafted Federal Tort Claims Act. The theory behind the exclusion of the National Guard is feeble at best, given the realities of the present day military situation. The rationale which has been used, and which was articulated most recently by the Supreme Court in Maryland against United States is that because the National Guard was originally established as a State militia unit by the Constitution, the present day guardsman or woman is, under the theory of respondeat superior, really an employee of, and under control of the State, and not the Federal Government.

This particular interpretation of constitutional text completely ignores not only reality but also another part of the Constitution. The Constitution, however, does something more. It gives Congress the power to "provide for organizing, arming and disciplining the militia, and for governing such part of them as may be employed in the service of the United States, reserving to the States respectively, the appointment of the officers. and the authority of training the militia according to the discipline prescribed by Congress."

Thus, the National Guard is not just a State entity, but plays a dual role. But its overwhelming role is Federal. By law, it is a major component of the Federal Armed Forces. In fact, it is given precedence in law over all other reserve components of the U.S. military system. In 10 U.S.C. 263 and at least two other parts of the United States Code, one finds language like this:

> Whenever Congress determines that more units and organizations are needed for the national security than are in the regular components of the ground and Air Forces, the Army National Guard of the United States and the Air National Guard of the United States, or such parts of them as are needed, together with units or other reserve components necessary for a balanced force, shall be ordered to active duty, and retained as long as so needed.

Guard units are organized and structured along lines prescribed by the Federal Government. Federal law, in fact, gives the President the right to specify the types of organization to be maintained in each State and requires that the organization and composition of units be the same as those prescribed for the Army and Air Force.

Guard units receive training that is identical to that given active units, and they are expected to perform wartime missions identical to those of comparable active units.

Members of the active—Federal—Military Establishment observe and assist with Guard training, and regularly inspect the training and other operations of Guard units. Failure to meet Federal standards can result in withdrawal of Federal recognition of a unit, thus depriving it of Federal funds and Federal equipment. In fact, it actually ceases to be a National Guard unit when Federal recognition is withdrawn.

Guard units stand ready for mobilization by the President whenever an emergency requires. Some 50,000 may be ordered to duty without even the necessity of a Presidential proclamation of emergency, in fact, and any number up to 1 million—Guard or Reserve, or both—for up to 2 years on a Presidential proclamation.

When a man or woman decides to join the National Guard, they take a dual oath, to defend their Nation and their State. They sign an enlistment contract that makes them members of the National Guard of their State and of the Reserve of the Army or Air Force, concurrently.

The new enlistee is handed an Army or Air Force uniform with a "U.S." on the collar and other insignia clearly identifying their affiliation with one of the U.S. military forces. The enlistee is issued a weapon and assortment of other gear, all of it identical to that issued to members of the Active Forces, all of it provided by the Federal Armed Forces.

The guardsperson stores gear in a Federal locker, in an armory for which the Federal Government provided up to 75 percent of the construction funding—as much as 100 percent for many training facilities. When the guardsperson takes part in "inactive duty training," as prescribed in 32 U.S.C., he or she draws a Federal paycheck and food and other necessities are provided by the Federal Government.

If the National Guard unit travels to an outdoor training area, they ride in. or drive, Federal vehicles powered by Federal fuel. When training involves weapons firing, Federal ammunition is fired. If there is an injury during training, or illness or disease results, he or she is entitled to Federal medical care just like other members of the Armed Forces.

If specialized training is required, the guardsperson goes to an Army or Air Force service school, and draws full pay while there. All training, whether inactive duty training under title 32, or any of the several types of active duty under title 10, is creditable toward Federal military retired pay. On the days active duty is performed, whether under title 32 or title 10, the guardsperson is entitled to use commissaries, post exchanges and other facilities restricted to active duty personnel.

Finally, the training given, and the functions performed in such areas as maintenance, logistics, administration, and management, all are focused almost entirely on the Federal mission. Readiness to perform a State function is almost wholly a by-product of preparing for the Federal role. State missions do not envision the utilization of 155mm guns, missiles, or high speed jet aircraft.

The Adjutant General of each State is supervised through the Chief of the National Guard, Bureau of the Department of Defense. Any rules and regulations promulgated under title 32 are promulgated by the Department of Defense.

The Federal role of the Guard was established right at our beginning as a Nation, through the previously quoted section of the U.S. Constitution, it became necessary as time passed to spell out the Guard's dominant Federal nature more clearly in law. However, a whole series of legislative enactments resulted, commencing with the Dick Act of 1903, through the National Defense Act of 1916 and its numerous later amendments, to the Armed Forces Reserve Act of 1952 and its numerous amendments or successor acts.

One of those enactments, in 1933, produced the legal rationale for a dual enlistment and concurrent Federal-State status. That enactment created a "National Guard of the United States," the organizations and membership of which would be identical with those of the National Guard of the several States. It is from that provision that the dual status/dual enlistment/dual responsibility doctrine flows.

Thus, the two aspects of the National Guard are two sides of the same coin, separated only by a thin legalistic membrane. That thin membrane is punctured in countless places, in the many ways enumerated earlier. It is almost ripped in two by another provision of law—10

U.S.C. 3686 and 8686 for the Air Guard—which says:

For the purposes of laws providing benefits for members of the Army National Guard of the United States and their dependents and beneficiaries—and

(3) Inactive duty training performed by a member of the Army National Guard of the United States in his status as a member of the Army National Guard, in accordance with regulations prescribed under section 502 of title 32 or other express provisions of law, shall be considered inactive duty training in Federal Service as a Reserve of the Army.

In fiscal years 1979 and 1980, about $1.6 billion Federal dollars were spent to maintain the Guard and its activities. The importance of the Guard to our national security is also evident by the fact that it is our national policy to rely fully for one-half of our Nation's combat power and two-thirds of its support capability on the Reserve Forces.

For example, when mobilized as the total force, the Army National Guard provides 27 percent of the total Army strength in the following percentages: 33 percent of the combat division; 72 percent of the separate brigades; 57 percent of the armored cavalry requirement; 63 percent of the infantry battalions; 33 percent of the special forces groups; and 21 percent of the medical units.

Furthermore, our timely and demonstrated ability to mobilize these forces—itself a function of training—can contribute greatly to deterring the Warsaw Pact from launching an attack in Europe in the belief that the U.S. units could not respond in time to augment forces already stationed in that theater.

The fiscal year 1981 budget from the Department of Defense has very clearly described an enhanced role for the Reserve Forces. States the narrative:

The U.S. defense posture of the 1980's will emphasize increased reliance on the Reserve Forces, reserve units must be manned, equipped and trained properly and be capable of mobilizing and deploying rapidly in time of need.

The context of this policy is the fact that the Armed Forces and the Reserve must be able to participate in a major conventional war in Europe that begins with little or no warning, and is of such high intensity that the Reserve Forces must be fully trained and capable of deployment directly into battle within the first 30 days. And we must have people to send. There is a serious manpower problem in the Reserves today. How can we expect people to volunteer for service if they are not treated in a consistent fashion in terms of training and status as those in other military branches, while expected to perform exactly the same combat mission?

Another partial solution was enacted by the 95th Congress, but it applied only to medical malpractice. Instead of extending Federal tort claims coverage to Guard medical personnel, such as medical personnel of other military components enjoy, it authorized Federal payment of judgments, court and legal fees and other costs stemming from a medical malpractice suit brought against the individual member.

But in spite of the good intentions of the drafters of these relief provisions, there are still serious problems in these areas for the Guard.

With respect to the medical malpractice area, in most cases, a physician or dentist whose malpractice insurance policy does not cover him when he is engaged in military training or duty could have it extended to cover such periods, upon application and payment of an additional premium.

However, the cost is most often prohibitive, for example, a physician in Michigan 127th Hospital has reported that he would have to pay an additional annual premium of $5,000 in order to have his medical malpractice insurance extended to cover his Air National Guard activities.

Since medical personnel of the National Guard may often be required to perform their duty wherever their units may be sent, and without regard to the nature of their civilian medical specialties, it is obvious that the broader liability exposure would in nearly every case increase the cost of their insurance.

But, whatever, the expense, nominal or astronomical, our medical personnel in the National Guard do not feel that they should have to protect and pay for insurance to protect themselves from liability for official military activities. The income the National Guard doctor or dentist derives from his miltary avocation is most often substantially less than he could earn in the same time in his private practice. If the threat of ruinous civil liability is not removed by providing protection for "line-of-duty" medical activities, an exodus of professional medical personnel may well be expected. At a time when rapid mobilization of completely trained troops is a top priority for the protection of national security, we cannot let critical military medical training become only a formal exercise with no actual training occurring. In time of war as no other, we will need as many highly trained medical personnel as possible. We are dealing with human lives, and cannot afford to let a technical argument about definitions of State versus Federal get in the way of saving them.

I want to give you another example of the inadequacy of the present remedy—an example which will show that under it, innocent civilians are caused great suffering, and that bureaucratic absurdity attains its ultimate form. Several years ago, an Iowa Air National Guardsman crashed into a farmhouse. At the time of the crash, the State of Iowa had waived its sovereign immunity by passing a State tort claims act.

Some time shortly after the crash, the Iowa State Legislature passed a bill to amend the State act to exclude coverage for activities of the members of the Iowa National Guard performing training under title 32.

From the time of the accident, when a claim for administrative relief was filed, there was a controversy over whether the Air Force or the State had to pay, and how much. A house full of antiques had been completely demolished and the family lived in a henhouse on the property which had been thankfully spared.

Finally, after many months of anguish and no payment forthcoming from anyone, the Air Force and the plaintiff could not agree to a settlement. The Air Force claiming that the antiques were only "old furniture," the Governor of Iowa grounded all Federal vehicles issued to the Iowa Army and Air National Guard.

Needless to say, there was a speedy resolution. We cannot allow such a comedy of errors to occur at a time when our defense needs are so urgent. The cost to the Air Force for this prolonged sequence of events—and I am speculating—was probably as much or more than the cost of settlement procedure under the Federal Tort Claims Act. Once the Guard is under the act, such costs will go down, for Government attorneys would be used, rather than the private attorneys allowed under the claims procedure.

The issue, therefore, is a simple one:

If a National Guard member on inactive duty training (title 32) is driving a U.S. Army tank as part of an Army-prescribed training event aimed at readying that guardsman to perform a Federal defense mission, and he inadvertently rams into a privately owned structure causing major structural damage or perhaps serious personal injuries, how does the Federal character and responsibility for the action differ from an identical action, potentially tortious, committed by an Active Army or Army Reserve soldier, under identical circumstances and likewise in preparation for performing a Federal defense mission?

Placing the Guard under the Federal Tort Claims Act not only protects the Guard, but also protects the citizens unfortunately involved in the accident, for reasons of fairness and equity toward aggrieved citizens and because the fiction of the National Guard as primarily a State-operated and operating entity is unrealistic and antithetical to our newly restructured defense needs—with an emphasis on the role of the Reserves—I urge the Congress to put the final brick in the strong building of American defense by supporting this measure. A guardsperson should not be burdened with a personal responsibility for an accident while others performing the same federally directed function and wearing the same uniform are rightfully shielded from liability.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD as follows:

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 267

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2671 of title 28, United States Code is amended—

(1) in the second paragraph, by inserting a comma and "members of the National Guard while engaged in training or duty under Section 316, 502, 503, 504, or 505 of title 32, or any other provision of law for which such a member is entitled to, or has

waived, pay under title 37," after "United States"; and

(2) in the third paragraph, by inserting "or a member of the Army National Guard or Air National Guard" after "United States".

SEC. 2. Section 1089(a) of title 10, United States Code, is amended by inserting "the National Guard while engaged in training or duty under section 316, 502, 503, 504, or 505 of title 32 of the United States Code, or any other provision of law for which such a member is entitled to, or has waived, pay under title 37 of the United States Code," after "armed forces".

SEC. 3. Section 334 of title 32, United States Code, is repealed.

By Mr. JOHNSTON:

S. 268. A bill to amend the Internal Revenue Code of 1954 to encourage individuals to invest in the stock of domestic corporations by allowing a 10-percent income tax credit for such investments; to the Committee on Finance.

INDIVIDUAL EQUITY INVESTORS' INCENTIVE ACT OF 1981

● Mr. JOHNSTON. Mr. President, today I am introducing the Individual Equity Investors' Incentive Act of 1981 which simply provides a 10-percent tax credit on the purchase of equity securities. The credit would be limited to $1,000 per individual and would be applied only to the net increase in an individual's equity investment each year. I introduced this bill late in the 96th Congress even though I knew that action on this legislation could not be completed before congressional adjournment. I believed then, as I do now, that clear and strong signals should be sent to American entrepreneurs and venture capitalists, to individual American savers and investors that Congress can be innovative and could establish more creative incentives for savings, investment and productive risk taking. Indeed, Mr. President, the performance of the 97th Congress should be measured by how effectively we achieve these objectives. I am convinced that the Individual Equity Investors' Incentive Act of 1981 effectively stimulates savings, investment and productive risk taking.

First, by rewarding individual Americans who sacrifice immediate consumption in order to invest in U.S. corporate stock, this legislation increases savings. Second, by promoting purchases of U.S. corporate stock and by slightly shifting tax incentives from debt to equity, this legislation expands the productive capital base which is the foundation of our free enterprise system and upon which new and more productive investments can be made. Third, by stimulating more investments in equity securities, this legislation encourages productive risk taking which has historically been the underpinning of American innovation and initiative and which has enabled American industry to develop and commercialize new technology.

Mr. President, some will argue that the Individual Equity Investors' Incentive Act subsidizes a few failing businesses because the tax credit is given before a particular investment has proven to be profitable. Some will argue that investment incentives should increase the rate of return only on new investments and that no incentive is required to free up "locked-in capital. Finally, some will argue that the tax code should be neutral and should not promote the competitiveness of American industry.

Each of these arguments is shortsighted, Mr. President, because the greater merit of an incentive to stimulate investment in stock is clear. In fact, it is ironic to note that the absence of an adequate risk protection base during the recent period of record high interest rates has caused bankruptcies and the concommitant loss of revenues from diminished economic activity.

Mr. President, few should dispute the proposition that the expansion of American free enterprise is the impetus behind the economic reindustrialization and revitalization debate. However, an expansion cannot occur without savings and productive risk taking. Because the definition of risk includes the possibility of loss, it is axiomatic that our free enterprise system cannot guarantee everyone success. This is true regardless of the nature or type of investment incentive. Even where the investment incentive is provided through accelerated depreciation, the possibility of failure exists.

Mr. President, the reduction of capital gains taxation has proven to be an effective stimulant to capital formation. Capital gains tax reductions, however, are after-the-fact rewards for productive risk taking. The conditions in the American economy require massive infusions of front-end risk taking capital. The Individual Equity Investors' Incentive Act provides that front-end infusion. This legislation taps the enormous supply of capital held by the American people.

Finally, Mr. President, if a tax credit for investing in stock cannot be accepted for any other reason, it should be accepted as a means of restoring corporate balance sheets to some reasonable level of normality. As summarized in a report by the Salomon Brothers entitled "Restoring Corporate Balance Sheets: An Urgent Challenge," the problem was summarized as follows:

> What was 20 years ago a routine task of restoring balance sheets in order to participate in the subsequent economic expansion has become confounded immeasurably. In the last decade, liabilities have grown more than twice as fast as equity. Equity is now only half the capitalization of all manufacturers, compared with two-thirds at the start of the sixties. Liquidity ratios, current ratios, debt maturity ratios, and interest coverage in the corporate sphere have plummeted to record lows.

A slight shift of tax incentives from debt to equity certainly will contribute immensely to what has been described as "an unprecedented long-range challenge."

Mr. President, I doubt seriously that there are many among us who would argue that inaction is the solution to the problems of the American economy. I doubt very seriously that many among us would argue that Eurodollars or petrodollars from abroad will be forthcoming to solve America's problems. It is time we accept the fact that the reindustrialization and revitalization of the American economy will succeed only with American dollars and with American investment. Let us encourage Americans to save and to take stock in themselves. Let us encourage Americans to invest in their own futures. Under the Individual Equity Investors' Incentive Act, let us reward Americans who demonstrate faith and confidence in the economic foundation of America when they invest in productive risk taking American stock.●

By Mr. DOLE (for himself and Mr. DECONCINI):

S. 269. A bill to amend title 28, United States Code, relating to Federal court jurisdiction, and for certain other purposes; to the Committee on the Judiciary.

FFEDERAL COURT JURISDICTION OVER CASES ARISING FROM ACTS OF INTERNATIONAL TERRORISM

● Mr. DOLE. Mr. President, the Senator from Kansas shares the national euphoria over the release of the 52 Americans held prisoner by Iran for over 1 year. I extend my warmest and most personal best wishes to each of those Americans and their families and friends.

However, Mr. President, this Senator must confess that his feelings of joy at this happy event have been dampened by the recent news reports of exactly how those Americans were treated while they were held in captivity. Indeed, in last Thursday's Washington Post, the front page is dominated by the headline reporting that former President Carter has charged the Iranians with "acts of barbarism." Apparently, our fellow citizens who had been held captive in Iran were treated in a far worse fashion than even the most pessimistic of us had dared to guess. As the story in the Post recounts—and here I quote—

> Beatings, loneliness, death threats, life without sunlight, physical abuses, a spartan diet and a host of other deprivations, major and minor, defined the daily life of the American hostages in their Iranian prisons.

Consequently, we have seen many responsible citizens, including those familiar with the norms of the diplomatic establishment, recommending that the United States not completely fulfill the agreement extracted from us by the Iranian Government. The Wall Street Journal recently characterized the agreement between the United States and Iran as having "the same moral standing as an agreement made with a kidnaper, that is to say none at all." The Journal went on to urge that we "renounce the deal." In yesterday's Washington Post, George Ball, former Under Secretary of State and experienced diplomat, in a provocative editorial expounded on why the hostage arrangement is void under international law. He concluded by stating:

> Crime should not pay, and we should not collaborate in making it pay.

I ask unanimous consent that the full text of the Wall Street Journal and George Ball's editorials be reprinted in the RECORD at this point in my remarks.

Mr. President, the Senator from Kansas makes no claim to being an expert in the intricacies of either international law or diplomatic negotiation. At this

point, the Senator from Kansas takes no position regarding whether we should completely fulfill every aspect of this agreement. Yet one of the reported elements of this agreement does give this Senator major concern. As reported in the press, the executive has agreed to take action to nullify the roughly 388 law suits in the U.S. courts filed by claimants who have suffered various forms of damages at the hands of the Iranian Government. These law suits do not yet even include actions which might be filed by the hostages or their families for the suffering that they endured.

It seems to this Senator that embracing such a policy simply encourages foreign governments to endorse or actively participate in acts of international terrorism. Furthermore, denying American citizens recourse to the Federal courts when they have suffered legal injury is not only unjust and unworthy of a nation of laws, but may for that reason be unconstitutional. During the last Congress, this Senator developed a proposal to expand the Foreign Sovereign Immunities Act to give the Federal courts jurisdiction over the acts committed by foreign governments when those acts violated certain aspects of international law. I refrained from actually introducing the proposal after consultation with representatives of the hostage families for fear of jeopardizing the efforts to release the hostages. At this time, there is no longer such a restraint. Indeed, this proposal seems more appropriate now than ever before.

Therefore, Mr. President, the Senator from Kansas and the Senator from Arizona, Senator DECONCINI, today introduce a bill amending the Foreign Sovereign Immunities Act. This proposal does not directly affect what remains of the blocked Iranian assets or indeed take punitive action against Iran. Rather, it attempts to give American citizens some access to the Federal courts to seek compensation for injuries inflicted by foreign governments. For example, the hostages and their families probably have no right under existing law to sue Iran in our courts for its actions against them because the Foreign Sovereign Immunities Act only allows such law suits where torts are committed in the United States. This bill expands Federal jurisdiction to torts committed in whole or in part in U.S. diplomatic missions and consulates, and to torts committed in whole or in part in U.S. diplomatic missions and consulates, and to torts committed elsewhere when international law is violated and the aggrieved party is a U.S. national.

Furthermore, though the International Court of Justice has held that the United States is entitled to recover money from Iran for the injuries done to the hostages, such a judgment can be enforced only by the U.N. Security Council where the U.S.S.R. has a veto. To cure this difficulty, the amendment would have allowed the Federal courts to enforce decisions of the International Court of Justice and international arbitration awards.

Finally, U.S. investment abroad is frequently, and increasingly, subject to expropriation without effective compensation or redress. Such expropriation has recently occurred in Iran on a massive scale. Therefore, the bill we propose today gives the Federal courts jurisdiction over law suits based on uncompensated expropriations in violation of international law.

Mr. President, as can be seen by the language of this bill, this proposal is consistent with the long-standing policy of the U.S. Government to behave in a lawful manner in the international arena. We propose no unilateral punitive action against those whom Americans might have some claim. Rather, standards of international law are thoroughly woven into the provisions of this legislation. Thus, no action which could be taken under this legislation could be viewed by the international community as arbitrary or unfair. By expanding jurisdiction to permit the Federal courts to remedy violations of international law in certain circumstances, these sorts of controversies would in the first instance be considered in a primarily legal, rather than political, forum. Damages awarded by the courts could not be seen as punitive political or diplomatic maneuvers consciously taken as a matter of national policy.

Quite obviously, Iran's failure to protect the U.S. Embassy and personnel in Tehran, its positive support for the hostage takers, its attempt to coerce the United States through the use of hostages, and its threat to try them as criminals involve numerous serious violations of international law and practice. Rather than detail the involved violations of international law here, I ask unanimous consent that the memorandum, "International Law Violations in the Iranian Take-Over of the United States Embassy," be printed in the RECORD at the end of my remarks.

As demonstrated by this memorandum, Iran is clearly in violation of not only treaties with the United States, but the UN charter and customary international law as well. As the Federal district court in the District of Columbia held last July in an American International Group, Inc. against Islamic Republic of Iran:

> It is absolutely clear that the Republic of Iran has shown a complete and utter disregard for international law by its seizure and holding of diplomatic hostages for a period exceeding eight months and its disdain of all diplomatic and international efforts to obtain their release.

Yet, in spite of Iran's continued vengeful lawlessness, the United States has generally adopted peaceful means to redress its grievances. This legislation that we are proposing today is consistent with those peaceful efforts yet establishes as a matter of law that this Government and the courts of this land will take lawful steps to protect and compensate injured citizens. Thus, even when we are injured, law and calm deliberation, rather than uncertain vacillation or impetuous aggressiveness, would be the order of the day. Individual citizens could vindicate their rights even when their Government cannot, or will not, do so.

In sum, Mr. President, the grave foreign policy questions surrounding the captivity of the American hostages will not fade with the release of our hostages, foreign terrorists, nations unconcerned by the dictates of law, and other adversaries will not let us ignore such problems. We must, sooner or later, take responsible action to protect our interests. This legislation is a first step and we urge all our colleagues to vigorously support it.

I would also like to thank Brice M. Clagett, Esq., an attorney with vast experience in international legal matters, for his assistance in preparing this bill.

I ask unanimous consent that the text of this bill be printed in the RECORD immediately following these remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 269

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Chapter 97 of title 28, United States Code, is amended—

(1) by adding at the end of section 1603 the following:

"(f) A 'national of the United States' means—

"(A) a natural person who is a citizen of the United States, or

"(B) a corporation or other legal entity which is organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, if natural persons who are citizens of the United States own, directly or indirectly, 50 per centum or more of the outstanding capital stock or other beneficial interest of such corporation or entity.";

(2) by inserting in section 1605(a)(1) after "implication" a comma and the following: "including as provided in subsection (c)";

(3) by striking out in section 1605(a)(5) "occurring in the United States" and inserting in lieu thereof the following: "occurring in whole or in part in the United States, within the premises of a diplomatic or consular mission of the United States, or elsewhere if in violation of international law and if the aggrieved party is a national of the United States,";

(4) by adding at the end of section 1605(a) the following:

"(6) not otherwise provided for in paragraph (3), in which the action is based upon a taking of property of a national of the United States without the payment of prompt, adequate, and effective compensation required by international law or otherwise in violation of international law.

"(7) in which the United States seeks recognition and enforcement of a judgment for money rendered by the International Court of Justice.";

(5) by adding at the end of section 1605 the following:

"(c) For purposes of subsection (a)(1), an agreement by a foreign state to submit to arbitration shall be deemed a waiver of immunity with respect to any proceeding to confirm an arbitral award resulting from such agreement.";

(6) by striking out in section 1606 "except for an agency or instrumentality thereof shall not be liable for punitive damages" and inserting in lieu thereof "other than an agency or instrumentality thereof shall not be liable for punitive damages except to the extent provided under international law";

(7) by amending section 1610—

(A) by inserting in subsection (a)(1) after "implication" a comma and the following: "including as provided in subsection (e)";

(B) by striking out the period at the end of subsection (a) and inserting in lieu thereof a comma and "or";

(C) by adding at the end of subsection (a) the following:

"(6) the execution relates to a judgment obtained pursuant to paragraph (5), (6), or (7) of section 1605 (a).";

(D) by striking out in subsection (b)(2) "or (5)" and inserting in lieu thereof "(5), or (6)"; and

(E) by adding at the end thereof the following:

"(e) For purposes of subsection (a)(1), an agreement by a foreign state to submit to arbitration shall be deemed a waiver of immunity with respect to attachment in aid of execution or with respect to execution, relating to a judgment entered on an arbitral award.";

(8) by adding at the end thereof the following:

"§ 1612. Judgments for money rendered by the International Court of Justice

"On complaint by the United States, the district courts of the United States shall recognize and enforce any judgment for money rendered by the International Court of Justice."; and

(9) by inserting at the end of the table of sections for chapter 97 the following item:

"1612. Judgments for money rendered by the International Court of Justice.".

[From the Washington Post, Jan. 26, 1981]

HOSTAGE DEAL "CRIME SHOULD NOT PAY"

(By George W. Ball)

Though a few voices have been heard contending that we should denounce the Iranian hostage agreements as made under duress, former president Carter, and apparently the Reagan administration as well, seem to feel that such a renunciation would violate our "national honor."

I find it absurd to wrap these extorted documents in the flag of national honor, since, under international law as expressed in Article 52 of the Vienna Convention on the Law of Treaties of 1969, they are "void" because they were "procured by the threat or use of force." The precise language is important; the agreements are not "voidable" but "void," which does not leave the issue of validity to the decision of the president.

Unless he is prepared to set an unwise precedent and undercut a solemn multilateral convention that has become customary international law, President Reagan has no option but to acknowledge the invalidity of these agreements.

Such an acknowledgment would not, of course, preclude him, after careful study of all aspects of the problem, from waiving that illegality while emphasizing that that waiver was no precedent for the future.

Still, given the righteous anger of Americans, the new president may not wish to assume the political burden of a unilateral waiver and, in that case, might consider other possible solutions. One alternative might be for the president to announce that, though renouncing the agreements as invalid, he was referring final decision on the issue of validity to the International Court of Justice, which might or might not be prepared to take jurisdiction. In that way he could blunt the edge of accusations of arbitrary, arrogant and imperialistic action that would almost certainly be forthcoming, particularly from some sectors of the Third World.

Though the question needs careful examination of its international law implications and equally careful scrutiny of its political consequences, the suggested procedure might help relieve the sense of outrage of Americans as they hear new revelations of the brutalities and indignities inflicted on the hostages. After all, the International Court has already considered the hostage issue and, on May 24, 1980, handed down a six-point decision ordering that Iran immediately release all the hostages, warning it not to put them on trial and holding Iran liable to pay reparations for its actions. Although Iran boycotted those court proceedings, our government insisted that Iran was bound by the decision.

If such a course is followed, the problem must be sensitively handled so as not to call into question America's good faith. In particular, President Reagan should make it crystal clear that, invoking Article 52 of the Vienna Convention of the Law of Treaties of 1969 and declaring the agreement internationally invalid and not binding on the United States, he was not in any way undercutting the principle that international agreements are between states and not governments and that a new administration is fully bound by the formal undertakings of its predecessors. Thus, to the extent possible, expressions of approval of the course outlined should be obtained from Carter administration officials who participated in the negotiations.

If the International Court should accept jurisdiction and decree the agreements to be invalid, that would not mean that our government must reject unfulfilled aspects of the agreements that might be beneficial to our own interests. Moreover, we would have to consider carefully the effect of renunciation on the escrow arrangements and the repercussions in the financial community. But we should certainly repudiate those provisions that preclude the hostages and their families from asserting compensation claims against Iran for the outrageous treatment they received.

More difficult to appraise than the legal and financial aspects of the proposal would be the effect on our international interests. Would such a qualified renunciation penalize the more rational elements of a current Iranian government and play into the hands of the fanatical mullahs? What would be the reaction in Algeria, which has performed an invaluable role as go-between, yet is traditionally no friend of the United States? Would the Algerians feel betrayed? Finally, what would be the impact of our renunciation on America's international reputation?

Though we could not wholly restrain adverse reactions by even the most careful presentation of the American case, we should never be a complaisant prisoner of other nations' opinions. The world must not be allowed to forget that the taking of hostages was a violation of the right of legation honored by the Vienna Convention on diplomatic relations of 1961. It was—as the International Court has already determined—a flagrant breach of international law. Since allowing the Iranians to benefit from such brutal, lawless act would encourage its imitation by others elsewhere, all nations engaged in international diplomatic intercourse have a vital stake in the president's reactions. To let Iran off not merely scot-free but actually profiting from its obscene conduct would establish an odious and dangerous precedent.

Crime should not pay, and we should not collaborate in making it pay.

[From the Wall Street Journal, Jan. 21, 1981]

RENOUNCE THE DEAL

The agreement the United States made with Iran for return of the hostages has the same moral standing as an agreement made with a kidnapper, that is to say none at all. This is not said in criticism of the Carter administration, which made the deal to save the hostages' lives. But now that the hostages are free, President Reagan should examine the agreement carefully and if its unfulfilled parts do not, on balance, benefit American interests, there should be no hesitation in renouncing it.

There will be arguments against such a course, no doubt. It will be said that no great nation, having made a commitment, should renege if it wants to be trusted in the future. It will be argued that such a move would cut the ground out from under those Iranian leaders who favored the deal and faced up to the wild men who would have held the hostages forever. It will be argued that we are only giving back to the Iranians what is lawfully theirs. It will be asked whether we would be able to do business with terrorists in the future if the need arose.

Those are all persuasive arguments, but they miss the core point: This was not an agreement, it was extortion. And it is important for the world to know that extortionists are not entitled to the same legal and moral consideration as governments operating in accordance with international law.

There would be another implicit message: We are not worrying about how much future terrorists trust our word because future terrorists will not be dealt with in this manner. Having learned our lesson from this experience we will see to it that the next ones who try it are dealt with swiftly and with force. Whether they trust our word will be immaterial.

As to the Iranians who argued for negotiations, do we really feel we owe anything to anyone in Iran's power elite? They are all, after all, the creatures of the Ayatollah Khomeini. Anyone who was not is either now dead or in exile. Our initial mistake in Iran was in the idea that we could do business with such people.

There is finally the question of our giving back to the Iranians "their own property." If we are dealing here with legalisms, any Iranian assets that are free of liens might be considered their property, but everything else falls into a different category. The U.S. negotiators took a very long leap when they agreed to submit to an international claims commission the claims of American nationals against Iranian assets held in the U.S. They were, in effect, pledging to take these cases out of U.S. courts, a pledge that has dubious constitutionality. As to the damages that can be claimed by the hostages themselves, the agreement seems to leave them with no recourse in the courts. As to delivering up any discoverable assets of the Shah's family do we really want to finally capitulate to the Ayatollah's lust for vengeance against the Shah?

We do not want to treat the American negotiators harshly. They worked arduously for long hours under horrendous pressure and achieved their primary goal, getting the hostages released. But the other side, bargaining with human lives against money and contracts, had an unfair advantage. We should not hesitate to make it clear that an agreement negotiated under such conditions is worthless and equally clear that anyone who attempts the same thing in the future will not be treated so gently.

INTERNATIONAL LAW VIOLATIONS IN THE IRANIAN TAKEOVER OF THE UNITED STATES EMBASSY, NOVEMBER 20, 1979

SUMMARY

Iran's failure to protect the United States Embassy and personnel in Tehran, its positive support for the hostage takers, its attempt to coerce the United States through the use of hostages, and its threat to try them as criminals involve numerous serious violations of international law and practice.

The taking of hostages under any circumstances is a serious violation of international law, and the Government of Iran must bear responsibility for that event. Moreover, the illegality here is particularly grave for sev-

eral reasons. The hostages were seized in an effort to coerce the United States to meet Iranian demands, in violation of the Charter of the United Nations which requires that disputes among states be resolved exclusively by peaceful means. Second, the hostage-taking, involving diplomatic personnel, violates the law of diplomatic protection, reflected in basic international treaties to which Iran is a party. Finally, Iran's threat to try the hostages as criminals would violate the absolute immunity from criminal jurisdiction to which our Embassy personnel are entitled under longstanding rules of international law.

1. A state's complicity in the taking of hostages is impermissible under international law

Customary international law recognizes a duty on the part of all states to exercise due diligence to protect foreign nationals present in their territory. This includes the obligation to take measures to prevent injury to foreign nationals and to punish private persons who commit crimes against foreign nationals. *See generally* H. Lauterpacht, 1 *Oppenheim's International Law* 364–68 (8th ed. 1955); Lillich & Paxman, State Responsibility for Injuries to Aliens Occasioned by Terrorist Activities, 26 *Am. U. L. Rev.* 217, 225–51 (1977). In addition to this customary international law obligation, Iran has a binding treaty obligation to afford United States citizens in Iran "the most constant protection and security." Article II(4), Treaty of Amity, Economic Relations, and Consular Rights Between the United States and Iran, 8 U.S.T. 899, T.I.A.S. 3853, 284 U.N.T.S. 93 (1955).

Iran has clearly failed to exercise due diligence to protect the Embassy personnel from being seized as hostages. It is failing in its obligation to take steps to terminate the crime and punish the offenders. Through its direct support for the hostage takers and its linkage of the release of the hostages to demands on the United States Government, Iran has gone beyond vicarious responsibility through failure to act to direct responsibility through complicity in the offense:

"[W]herever there has been evidence sufficient to show a clear connection between the acts of government officials and the acts of the individuals, at least to the extent that the state has facilitated or participated in the injury, responsibility has been imposed upon the state. In a situation like Poggioli [Poggioli Case (*Italy* v. *Venezuela*) 10 R. Int'l Arb. Awards 669 (1903)], it is not so much the ratification or passive tolerance of of the illegal acts of individuals as the actual participation by government officials in the injurious conduct that gives rise to state responsibility." Lillich & Paxman, *supra*, at 239.

State responsibility is particularly acute on the taking of hostages, which has been condemned as illegal in a variety of international agreements. A flat prohibition on the taking of hostages was included in Article 34 of the Fourth Geneva Convention of 1949, the Convention Relative to the Protection of Civilian Persons in Time of War, 6 U.S.T. 3516, T.I.A.S. 3365, 75 U.N.T.S. 287 (1949). This article was adopted to "bring positive law into line with the principles of justice and humanity." Pictet, Commentary on the Geneva Convention (IV) 231 (1958). Under this Convention, to which Iran, the United States and over 140 other states are party, the taking of hostages is prohibited even where, in case of armed conflict, the security and survival of a state are at stake. There is clearly no justification for such acts in times of peace. Further, the taking of hostages would clearly violate the internationally protected human rights of the hostages, for example, the right to liberty, freedom from cruel and degrading treatment and freedom from arbitrary arrest. *See* Arts. 3, 5 & 9, Universal Declaration of Human Rights (General Assembly Res. 217A (III), Dec. 10, 1948).

2. Iran's use of hostages as coercion in an international dispute violates the U.N. Charter

In the present case, Iran has done more than participate in the taking of hostages. Through linking the safe release of the hostages to the United States' satisfying certain Iranian governmental demands, Iran is seeking to deal with a dispute with the United States through terrorism and coercion. Article 2(3) of the Charter of the United Nations requires:

"All Members shall settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered."

Article 33(1) of the Charter provides:

"The parties to any dispute, the continuance of which is likely to endanger the maintenance of international peace and security, shall, first of all, seek a solution by negotiation, enquiry, mediation, conciliation, arbitration, judicial settlement, resort to regional agencies or arrangements, or other peaceful means of their own choice."

States are obligated "to agree upon such peaceful means as may be appropriate to the circumstances and nature of the dispute." Declaration on Principles of International Law Concerning Friendly Relations and Cooperation Among States in Accordance with the Charter of the United Nations, General Assembly Resolution 2625 (XXV), Oct. 24, 1970. Iran has not pressed its dispute with the United States through negotiation or any of the other peaceful means called for under the Charter. Holding of hostages, in fact, precludes free negotiations. In any event, Iran has refused to admit our special emissaries. It has not indicated any recognition that issues of extradition, ownership of assets and other questions involved in its dispute with us would be appropriate for resolution through judicial or other peaceful means.

3. The violation is compounded by Iran's failure to protect the U.S. Embassy and its personnel

The hostage taking in this case in particularly grave, involving as it does a diplomatic embassy and diplomatic personnel. Iran is thus in violation of the basic international law affording immunity to diplomatic missions and requiring their protection. These rules, which are a cornerstone of peaceful international relations, are codified in the 1961 Vienna Convention on Diplomatic Relations, 23 U.S.T. 3227, T.I.A.S. 7502, 500 U.N.T.S. 95, to which the United States, Iran and over 130 other states are party.

The Vienna Convention violations are numerous. Article 22 provides that "[t]he premises of the mission shall be inviolable," and it imposes on the receiving state:

"a special duty to take all appropriate steps to protect the premises of the mission against any intrusion or damage and to prevent any disturbance of the peace of the mission or impairment of its dignity."

Iran has also violated Article 29, which states:

"The person of a diplomatic agent shall be inviolable. He shall not be liable to any form of arrest or detention. The receiving State shall treat him with due respect and shall take all appropriate steps to prevent any attack on his person, freedom or dignity."

In addition to these basic Articles, the Iran situation would appear to involve violations of a number of other provisions of the Vienna Convention: Article 24, inviolability of the archives and documents of the mission; Article 25, accordance of full facilities for performance of the functions of the mission; Article 27, free communication on the part of the mission for all official purposes; Article 44, permitting and assisting mission personnel to depart, even in case of armed conflict; and Article 47, no discrimination between States in the application of the Convention.

The vital importance of the duty to protect diplomatic mission personnel was recognized by the United Nations in the adoption in 1973, by consensus, of the Convention on the Prevention and Punishment of Crimes Against International Protected Persons, Including Diplomatic Agents, T.I.A.S. 8532 (The New York Convention), to which Iran, the United States and 40 other countries are presently party. Parties are required by Article 2 to make it a crime under internal law to kidnap or commit any other "attack upon the person or liberty of an internationally protected person," to threaten such an attack, or to commit "an act constituting participation as an accomplice in any such attack." They are further obligated by Article 4 to cooperate in the prevention of these crimes and by Article 7 to bring the alleged offenders to justice, without exception and without undue delay. By condoning and supporting the hostage taking, the authorities in Iran are and continue to be in clear violation of this convention.

4. Subjecting U.S. Embassy personnel to trials would represent a further violation

The authorities in Iran are now threatening a further violation of basic laws of international discourse by subjecting U.S. embassy personnel to political trials. A receiving state has no right, under any circumstances, to prosecute diplomatic envoys without the consent of the sending state. The United States manifestly has not consented to this mistreatment of its officials.

The Vienna Convention on Diplomatic Relations of 1961 codifies customary international law in this respect. As mentioned, Iran and the United States of a diplomatic agent shall be inviolable. He shall not be liable to any form of arrest or detention." Article 31 provides, without exception, for the immunity of diplomats from the criminal jurisdiction of the receiving State.* Article 37 confirms that these same immunities apply to the administrative and technical staff of our embassy.

This principle of inviolability has been described as "the oldest established and the most fundamental rule of diplomatic law." E. Denza, *Diplomatic Law* 135 (1976). It applies regardless of the nature of the alleged crime. Under centuries of customary international law, if a diplomatic agent "became involved in conspiracies against the sovereign of the receiving State, State practice confined itself to his expulsion. He could on no account be tried or punished." *Id.* Thus:

"History records many cases of diplomatic envoys who conspired against the receiving States, but nevertheless were not prosecuted. Thus, in 1584 the Spanish Ambassador in England, Mendoza, plotted to depose Queen Elizabeth; he was ordered to leave the country. In 1587 the French Ambassador in England, L'Aubespine, conspired against the life of Queen Elizabeth; he was simply warned not to commit a similar act again. In 1654 the French Ambassador in England De Bass, conspired against the life of Cromwell; he was ordered to leave the country within twenty-four hours."—H. Lauterpacht, 1 *Oppenheim's International Law* 791 (8th ed. 1955).

Iranians possessed some evidence of espionage activities by U.S. embassy personnel, there would be no basis for any punishment other than expulsion. Political trials of diplomatic envoys would be contrary to centuries of international law and practice.●

*A diplomat's immunity from trial extends to ecclesiastical courts, as well as civil and criminal courts. E. Satow, *A Guide to Diplomatic Practice* § 309, at 176 (4th ed. 1957).

By Mr. SCHMITT (for himself, Mr. PACKWOOD, Mr. GOLDWATER, Mr. PRESSLER, Mr. STEVENS, Mr. CANNON, and Mr. HOLLINGS):

S. 270. A bill to amend the Communications Act of 1934 in order to encourage and develop marketplace competition in the provision of certain radio services and to provide certain deregulation of such radio services, and for other purposes; to the Committee on Commerce, Science, and Transportation.

RADIO DEREGULATION ACT OF 1981

● Mr. SCHMITT. Mr. President, during the 96th Congress, the Commerce Committee held extensive hearings on comprehensive telecommunications legislation. The committee considered three bills, in addition to two staff discussion drafts.

During the hearings it became clear to me that a general consensus had developed among industry and Government representatives that radio broadcasting should be deregulated. I was pleased to see that on January 14 the FCC took significant steps to deregulate radio. However, as I have said repeatedly, administrative deregulation is not enough; statutory deregulation is the most effective way to insure timely deregulation. Significantly, the FCC's decision has already been appealed by public interest groups.

The bill being introduced today, like S. 622 which the committee considered in the last Congress, will accomplish the statutory deregulation of radio. Specifically, the bill will eliminate the following forms of regulation:

First. FCC involvement in program formats;

Second. Ascertainment requirements;

Third. Program log requirements;

Fourth. FCC involvement in programing decisions; and

Fifth. FCC standards on commercialization.

In addition, it provides for indefinite license terms, while providing citizens a meaningful opportunity to petition the Commission to revoke a radio station license for serious violations of the Communications Act.

This bill is consistent with President Reagan's announced intention to reduce the size of the bureaucracy, and trim Government spending. I have asked the FCC to report to me on the budgetary impact that the bill will have. When I hear from the Commission, I will report back to the Senate.

Mr. President, I anticipate that this bill will be one of a series of telecommunications bills that will include television broadcasting (including comparative renewal and cross-ownership), political broadcasting (including the fairness doctrine and equal time), domestic and international common carrier, cable television, and nonbroadcast radio services.

Mr. President, I would welcome my colleagues to join me in cosponsoring this bill.

Mr. President, I ask that this bill and a factsheet describing it be printed in its entirety at this point in the RECORD.

There being no objection, the bill and the factsheet were ordered to be printed in the RECORD, as follows:

S. 270

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Radio Deregulation Act of 1981".

RADIO LICENSE TERMS

SEC. 2. (a) Section 307(d) of the Communications Act of 1934 is amended by striking the first two sentences and substituting the following: "The term of any license granted on or after the effective date of the Radio Deregulation Act of 1981 for the operation of a radio broadcasting station shall be for an indefinite period of time. No license for the operation of a television broadcasting station shall be for a longer term than 3 years. No license granted for the operation of any other class of station shall be for a longer term than 5 years. Any license granted may be revoked as hereinafter provided. Upon the expiration of any license, a renewal of such license may be granted, upon application thereof, from time to time for a term of not to exceed 3 years in the case of a television broadcast station, and not to exceed 5 years for any other class of station, if the Commission finds that the public interest, convenience, and necessity would be served thereby.".

(b) Section 307 of such Act is further amended by adding at the end thereof the following new subsection:

"(f)(1) Any party in interest may file with the Commission a petition to revoke a radio broadcasting license issued under subsection (a). A petition to revoke shall—

"(A) be filed within 60 days after the petitioner has knowledge of the allegations for which the petition is filed;

"(B) be served upon the Commission and the licensee; and

"(C) contain specific allegations of fact sufficient to show that the petitioner is a party in interest and to establish a prima facie case that the licensee has violated or is in violation of subsection (a) of section 312.

"(2) Allegations of fact shall be supported by affidavit of a person or persons with personal knowledge thereof. The licensee shall have the opportunity to file a written reply with the Commission and the petitioner not later than 30 days after receipt of the petition.

"(3) (A) If the Commission finds after a review of the petition filed under this subsection and the licensee's response thereto, if any, that there are no substantial and material questions of fact, it shall either revoke the license or deny the petition to revoke.

"(B) If the Commission finds that there is a substantial and material question of fact presented in the petition to revoke, it shall expeditiously hold a hearing on the record and shall within 30 days after such hearing either revoke such license or deny such petition.".

COMPARATIVE LICENSING PROCEDURE

SEC. 3. Section 309 of the Communications Act of 1934 is amended by adding at the end thereof the following new subsection:

"(i) In any case where there is more than one applicant qualified in accordance with subsection (b) of section 308 for any frequency that becomes available in the radio broadcast service, the Commission may, in its discretion, grant an application based on a system of random selection. The Commission shall establish procedures for random selection not later than 180 days after the date of enactment of the Radio Deregulation Act of 1981, which procedure shall not apply to any application filed before such date.".

RADIO DEREGULATION

SEC. 4. Title III of the Communications Act of 1934 is amended by inserting at the end thereof the following new section:

"RADIO DEREGULATION

"SEC. 331. (a) Subject to any other applicable Federal law, the Commission is prohibited from requiring, by rule, regulation, or otherwise, radio broadcast station licensees to—

"(1) provide news, public affairs, locally produced, or any other programs;

"(2) adhere to a particular programming format;

"(3) maintain program logs;

"(4) ascertain the problems, needs, and interests of its service area; and

"(5) restrict the length or frequency of commercial announcements.

"(b) The Commission shall report annually to the Congress on its progress in reviewing all other rules, regulations, and policies directly or indirectly applicable to radio broadcast licensees and its elimination of those that are not necessary.

"(c) Not later than 3 years after the date of enactment of the Radio Deregulation Act of 1981, the Commission shall report to the Congress—

"(1) on the extent to which the Commission has promoted, where technologically feasible, the development of competitive, new and diverse sources of radio programming;

"(2) the effect of the Radio Deregulation Act of 1981 on the availability to the public of diverse radio programming; and

"(3) any recommendations for further statutory changes.".

JANUARY 27, 1981.

FACT SHEET FOR RADIO DEREGULATION ACT OF 1981

Radio presents an ideal place to begin substantial deregulation. With the more than 8,500 radio stations, it is clear that the current rules are unnecessary in the highly competitive environment of commercial radio. The Federal Communications Commission (FCC) recently voted 6 to 1 to deregulate radio in certain respects, but administrative deregulation is not enough; statutory relief is the most effective way to ensure timely deregulation.

Below is a summary of the provisions of the Act:

1. License Terms—The license period would be for an indefinite period of time.

2. Comparative Licensing Procedure—The FCC is permitted to use a system of random selection to choose among otherwise qualified applicants for newly available frequencies.

3. Programming—The FCC is prohibited from requiring licensees to provide news, public affairs, locally produced, or any other programs.

4. Program Format—The FCC cannot require licensees to adhere to a particular programming format.

5. Program Logs—Licensees are no longer required to maintain program logs.

6. Ascertainment—Licensees are not required to ascertain the problems, needs and interests of their service areas.

7. Commercialization—The FCC cannot restrict the length or frequency of commercial announcements that a licensee may broadcast.

8. Revocation of License—In conjunction with the provisions of Section 312 of the 1934 Act, any party in interest may file with the FCC a petition to revoke a license, and upon a prima facie showing of grounds for revocation, a hearing shall be held.

9. Annual Review—The FCC shall report annually to the Congress on its review of all other rules, regulations, and policies, and

its elimination of those that are not necessary.

10. Promotion of Diversity of Programming—Within three years of enactment of the Act, the FCC shall report to the Congress on the extent to which the FCC has promoted competitive, new, and diverse sources of radio programming.●

● Mr. CANNON. Mr. President, the legislation introduced today represents the continued effort by the Senate to amend the Communications Act of 1934. The present law has served us well for the past 47 years; however, we must now enact legislation which reflects today's world.

I am pleased to join Senator GOLDWATER in offering this bill to eliminate some of the burdensome regulations currently applied to the radio broadcasting industry. In the previous Congress, Senators HOLLINGS, PACKWOOD, GOLDWATER, SCHMITT, and I introduced similar legislation intended to substantially deregulate radio while maintaining the public interest standard. I believe the bill introduced today is yet another step forward in the process begun by Senator HOLLINGS and myself to reshape telecommunications policy.

This bill codifies some of the provisions adopted by the Federal Communications Commission in their recent decisions on radio deregulation. Another provision of this legislation is to increase the license terms for radio stations from 3 years to an indefinite period of time. The Commission would employ a system of random selection to choose among qualified applicants for newly available frequencies. Also included in conjunction with the provisions of section 312 of the 1934 act is the ability of any party of interest to file a petition with the Commission to revoke a license, and upon a reasonable showing, hearings shall be held to determine if the license should be revoked.

Today there are more than 8,500 radio stations. The number of stations has created a highly competitive environment for commercial radio. We must reform the present communications law to meet the challenges that lie ahead in the telecommunications industry. I believe radio deregulation presents an opportunity to continue the deregulatory scheme envisioned by the Commerce Committee during the previous Congress.●

By Mr. GOLDWATER (for himself, Mr. PACKWOOD, Mr. SCHMITT, Mr. PRESSLER, Mr. Mr. STEVENS, Mr. CANNON, Mr. HOLLINGS, and Mr. INOUYE):

S. 271. A bill to repeal section 222 of the Communications Act of 1934; to the Committee on Commerce, Science, and Transportation.

INTERNATIONAL RECORD CARRIER COMPETITION ACT OF 1981

● Mr. GOLDWATER. Mr. President, the bill I introduce today is entitled the International Record Carrier Competition Act of 1981. It repeals section 222 of the Communications Act of 1934, which restricts Western Union to providing domestic record (telegraph) service. Western Union's provision of international service is prohibited by section 222. While important in 1943 when it was adopted, section 222 of the Communications Act unreasonably binds Western Union to conditions that make little sense in today's modern, competitive telecommunications environment. Western Union no longer possesses the significant domestic market power it did in 1943. Pursuant to this bill Western Union would no longer be barred by statute from entering international markets. Western Union would be required to provide interconnection with international record carriers on reasonable and nondiscriminatory terms.

Both the Federal Communications Commission (FCC) and the courts have urged repeal of Section 222. In 1977, former FCC Chairman Richard Wiley testified before the Communications Subcommittee that:

Section 222 of the Communications Act which governs international record carriers has impeded rather than enhanced the availability of international communications services.

And on May 9, 1979, FCC Chairman Ferris testified that he strongly favored deletion of section 222.

In 1979 Judge Friendly in *ITT World Communications, Inc.* v. *FCC*, 595 F.2d 897 (1979) observed that:

Although obscurity in federal statutes is not a new phenomenon to this court, we have rarely seen opacity as dense as here. (Section 222) . . . The best solution . . . would be for Congress to clean away the debris it created 35 years ago and clearly advise what it wants.

See also, *ITT World Communications, Inc.* v. *FCC*, No. 79-4220, et al., 2d Cir., decided August 25, 1980, slip opinion at 15.

The rationale underlying section 222—that Western Union had a monopoly of record telegraph and record services—has been further eroded since 1977. In 1979, the FCC ended Western Union's historic monopoly in record services. Additional telecommunications companies are ready, willing and able to compete vigorously with Western Union. Furthermore, recent Commission actions have allowed new entry into the international market, expanded the domestic operations of current international record carriers (IRC's), and allowed the formula governing the distribution of unrouted traffic to be negotiated between Western Union and the IRC's.

I am convinced, Mr. President, that repeal of section 222 would leave the FCC with ample authority elsewhere in the act (e.g., sections 202 and 214) to deal with Western Union's distribution of outbound traffic among international carriers. The FCC could use its powers under these sections of the act if it found a need to continue oversight of the distribution of outbound traffic. Section 214 permits the agency to place conditions on facilities certificates, as the public interest may require. For example, the Commission may condition any future certification of Western Union facilities on Western Union's compliance with a fair method of distribution. The FCC also might exercise its authority under section 202 to require Western Union not to discriminate among the international carriers with respect to traffic distribution. The amendment expressly requires the agency to require Western Union to interconnect fairly with the international carriers. The Commission must insure fair interconnection by Western Union with the IRC's.

Standing alone, repeal of section 222 does not mandate Western Union's entry into international markets. Under section 214 of the Communications Act the timing and conditions of entry would require a determination by the Commission.

The Senate Commerce Committee of the last Congress considered the repeal of section 222, and unanimously adopted it as an amendment to H.R. 6228, the Communications Cross Ownership Act of 1980.

Mr. President, I ask that this bill and a fact sheet describing it be printed in the RECORD at this point in its entirety.

There being no objection, the bill and the factsheet were ordered to be printed in the RECORD, as follows:

S. 271

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Record Carrier Competition Act of 1981".

SEC. 2. Section 222 of the Communications Act of 1934 is repealed.

SEC. 3. Nothing in this Act shall be construed to relieve the Federal Communications Commission from requiring any domestic telegraph carrier to provide interconnections with international record carriers. In making such requirement the Federal Communications Commission shall assure that such interconnections shall be made upon reasonable request and on a nondiscriminatory basis.

FACT SHEET—INTERNATIONAL COMMON CARRIER COMPETITION ACT OF 1981

1. Repeals Section 222 of the Communications Act of 1934.

2. Section 222 of the 1934 Act prohibits Western Union from providing international record or telegraph service. This bill would allow Western Union to compete internationally.

3. The 1934 provision was originally adopted because of Western Union's monopoly in the domestic market.

4. That monopoly no longer exists. Recently, FCC expanded domestic operations of current international record carriers (IRCs), and other companies are ready and able to enter into the record market.

5. This bill does not mandate Western Union entry; under Section 214 of the Communications Act the timing and conditions of entry would require Commission determination.

6. This provision was considered by the Senate Commerce Committee in the 96th Congress and unanimously adopted as an amendment to H.R. 6228, the Communications Cross Ownership Act of 1980.

7. Sponsored by Senator Goldwater, and Senators Packwood, Schmitt, Pressler, Stevens, Cannon, Hollings, and Inouye.●

● Mr. HOLLINGS. Mr. President, I am pleased to join in cosponsoring this bill to repeal section 222 of the Communications Act of 1934. Section 222, which deals with permissive mergers of telegraph carriers, is an archaic remnant of an earlier time when there were only a relative few common carriers offering record services. Today section 222 hin-

ders wider competition in the provision of international record services by restricting Western Union to domestic markets. While necessary when adopted in 1943, as Western Union merged with the failing Postal Telegraph Company, legislative apportionment of markets makes little sense in the modern competitive telecommunications environment.

Last year the Federal Communications Commission attempted to reinterpret the rather unclear language of section 222 so as to permit Western Union's direct participation in international communications, only to be rebuffed by the U.S. Court of Appeals for the Second Circuit in *ITT World Communications, Inc.* v. *Federal Communications Commission*, Nos. 79–4220, 80–4003, 80–4016, 2d Circuit August 25, 1980 (Slip Opinion). In a decision of the same circuit 1 year earlier, Judge Friendly called for Congressional action on section 222:

> We observe preliminarily that although obscurity in federal statutes is not a new phenomenon to this court, we have rarely seen opacity as dense as here . . . the best solution . . . would be for Congress to clear away the debris it created thirty-five years ago and clearly advise what it wants. *ITT World Communications, Inc.* v. *Federal Communications Commission*, 595 F.2d 897, 905 (2d Cir. 1979).

Mr. President, the bill which I today cosponsor could not more clearly demonstrate the congressional intent. Repeal of the provision of the 1934 Communications Act would indicate that the Congress believes that greater competition in international communications is both possible and desirable. With elimination of section 222, the public potential carrier entrants, and the Commission will be in a position to base necessary business and regulatory decisions on actual market conditions, not artificial legal distinctions.

Let me briefly touch upon some of the legal consequences of this bill. Repeal of section 222 would not result in unwanted disruptions in the current arrangements among Western Union and the existing international record carriers. It would not vitiate outstanding arrangements for distribution of unrouted traffic, and most significantly would not detract from the Commission's authority to require Western Union to interconnect with international carriers. Repeal of section 222 would not lead to any automatic changes in existing services, domestic or international. The Commission would retain current authority to determine the time and conditioning of entry. In short, the Commission retains plenary authority under other sections of the Communications Act to assure full and fair competition.

Repeal would not affect full fledged communications service to Hawaii contemplated by the amendment to section 222 which became law just last December (Public Law 96–590). That law removed the anomaly of Hawaii's status as an "international point" for purposes of defining areas from which domestic record carriers (that is Western Union) are excluded. While repeal of section 222 would permit Western Union to service Hawaii upon appropriate authorization under section 214 and to compete with other carriers currently providing service to that market, it would not affect the outstanding authorizations of those other carriers. Hence, repeal of section 222 is fully consistent with Public Law 96–590.

Repeal of section 222 would reflect the judgment of Congress that customers of international record services would stand to benefit from additional competition created by introduction of a viable competitor such as Western Union. Enhanced competition in international markets will likely result in lower prices and increased innovation in services. I urge speedy consideration of this measure.●

● Mr. CANNON. Mr. President, I am pleased to join Senator GOLDWATER in offering this bill to repeal section 222 of the Communications Act of 1934. While serving a clear purpose when adopted in 1943, section 222 is now outmoded. It precludes the Western Union Telegraph Co. from entering international record communications markets. In 1943, Western Union possessed significant domestic market power. Today, while substantial, that monopoly has been eroded.

In 1979, the Federal Communications Commission ended Western Union's historic monopoly in domestic record services; other carriers are presently competing vigorously with Western Union. Other recent Commission actions have permitted expanded entry into international markets by domestic carriers other than Western Union. Moreover, international carriers, Western Union's potential competitors, have been accorded expanded domestic U.S. operations. The recent decision by the Federal Communications Commission, revisions in the structure of domestic and international communications, and technological changes have faced Western Union with more competition domestically, justifying Western Union's re-entry into international record carrier operations.

I have long believed that customers for international record services would profit from Western Union's added competition with other international carriers. Introduction of Western Union as a new competitor may well lead to lower prices and encourage greater service innovation. In the last Congress, I co-authored bills (S. 611 and S. 2827) containing provisions to repeal section 222. Unfortunately, owing to circumstances wholly unrelated to the merits of this repeal, we were unable to report these bills out of the Commerce Committee. However, in the final days of the 96th Congress we were able to enact and have signed into law a bill (S. 3261, P.L. 96–590) to correct inequities which that archaic section produced for the State of Hawaii. Just last December during the postelection session, I supported an amendment in committee to another bill (H.R. 6228) which would repeal section 222. That bill also failed to pass, again for unrelated reasons.

Clearly prompt congressional action on this bill is required. I hope we can give expedited consideration of this important measure to customers of international telecommunications services and the companies which serve them.●

By Mr. THURMOND (by request):

S. 286. A bill to authorize certain construction at military installations for fiscal year 1982, and for other purposes; to the Committee on Armed Services.

MILITARY CONSTRUCTION AUTHORIZATION BILL

Mr. THURMOND. Mr. President, I am introducing, by request, the fiscal year 1982 military construction authorization bill. This is the bill drafted by the Carter administration and it totals $6.660 billion in new construction authority. Details concerning the bill are included in the letter of transmittal from the Defense Department which follows this statement.

Mr. President, this bill does represent a substantial increase in military construction over previous years, an increase that I feel is long overdue. I fully expect that the Defense Department will review military construction as part of the overall defense review that President Reagan has promised. Further increases in the form of a fiscal year 1981 supplemental and a fiscal year 1982 budget amendment, are anticipated.

Mr. President, I ask unanimous consent that the transmittal letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GENERAL COUNSEL OF THE
DEPARTMENT OF DEFENSE,
Washington, D.C., January 23, 1981.

HON. GEORGE BUSH,
President of the Senate
Washington, D.C.

DEAR MR. PRESIDENT: In accordance with section 802 of Pub. L. No. 95–356 there is forwarded herewith a draft of legislation "To authorize certain construction at military installations for Fiscal Year 1982, and for other purposes." This legislation is consistent with the Budget of the United States for Fiscal Year 1982 as sent to the Congress on January 15, 1981. Appropriations in support of Titles I through IX of this legislation are discussed in that Budget.

The Budget as submitted on January 15, 1981 is presently under review and modifications to this legislation may be required based on the results of that review to conform this legislation to the program of the President.

Titles I, II, III, IV, and V of this proposal would authorize $4,170,848,000 in new construction for requirements of the Active Forces, of which $813,265,000 are for the Department of the Army; $1,074,183,000 for the Department of the Navy; $1,610,000,000 for the Department of the Air Force; $248,400,000 for the Defense Agencies; and $425,000,000 for the United States' share of the NATO Infrastructure Program.

Title VI contains legislative recommendations considered necessary to implement the Department of Defense family housing and homeowners assistance programs and authorizes $2,284,888,000 for the cost of this program for FY 1982.

Title VII contains Authorization of Appropriations and Administrative Provisions generally applicable to the Military Construction Program. Title IX contains nonrecurring general provisions applicable to the Military Construction Program.

Title VIII totaling $204,800,000 would authorize construction for the Guard and Reserve Forces, including $41,500,000 for the Army National Guard; $31,200,000 for the Army Reserve; $24,100,000 for the Naval and Marine Corps Reserves; $79,500,000 for the Air National Guard; and $28,500,000 for the Air Force Reserve. These authorizations are

in lump sum amounts and will be utilized in accordance with the requirements of chapter 133, title 10, United States Code.

Title X provides authorization as may be necessary beginning for FY 1983 and meets the basic requirements of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344).

Additionally, included in Title I, pursuant to section 138 of title 10, United States Code, as amended, is authorization for construction of production base support at Army Ammunition Facilities, for which appropriations are being requested.

The projects that would be authorized by this proposal have been reviewed to determine if environmental impact statements are required in accordance with Public Law 91-190. Required environmental statements will be submitted to the Congress by the Military Department.

Sincerely,

L. NIEDERLEHNER,
Acting General Counsel.

By Mr. CRANSTON:

S. 288. A bill to provide for the extension of the authorization of appropriations for title X of the Public Health Service Act; to the Committee on Labor and Human Resources.

FAMILY PLANNING SERVICES AND POPULATION RESEARCH AMENDMENTS OF 1981

Mr. CRANSTON. Mr. President, I am today introducing S. 288, the proposed "Family Planning Services and Population Research Amendments of 1981." This bill authorizes the continuation of the family planning services and population research program authorized under title X of the Public Health Service Act, with modest changes, for an additional 3 years.

Mr. President, the Family Planning Services and Population Research Act of 1970, Public Law 91-572, which established the programs under title X of the Public Health Service Act, had three major objectives: First, to make family planning services available to all those who want them but cannot afford or gain ready access to them; second, to improve our knowledge in the fields of human reproduction and population dynamics so that each individual family can determine its size by choice rather than by force of circumstances; and, third, to insure that the necessary leadership is available to focus Federal resources on these objectives, by establishing an Office of Population Affairs and a Deputy Assistant Secretary for Population Affairs within the Department of Health and Human Services to carry out these responsibilities.

Mr. President, since title X was enacted in 1970, much progress has been made. Millions of low-income individuals for whom cost or inaccessibility to services presented real obstacles to the use of family planning methods have received these services under title X programs. These programs have done much to contribute to the lives of millions of families.

In my capacity as chairman over the past 12 years of the subcommittee of the Labor and Human Resources Committee with jurisdiction over these programs, I have had the opportunity to observe very closely the implementation and administration of the programs authorized under title X. Although I am not serving on the Labor and Human Resources Committee in this Congress. I believe that it is essential that we continue these programs so that the many individuals who are dependent upon title X can be assured of continued availability of these family planning services. I would like to describe briefly the types of programs that are carried out under title X.

VOLUNTARY FAMILY PLANNING SERVICES

Section 1001 of the Public Health Service Act authorizes appropriations for project grants and contracts for the purpose of providing family planning services to individuals who desire such services. It is estimated that there are approximately 10 million low-income individuals, for whom cost or inaccessibility to services presents real obstacles to the use of family planning methods. Approximately 6.5 million of these 10 million women and teenagers are receiving these services on a regular basis from clinics or private physicians through title X and other federally supported programs. More than half of these women—3.5 million—receive services through title X clinics.

Mr. President, despite the significant number of women receiving services from title X programs, a great deal remains to be done. There are still 3.5 million low-income women who currently cannot readily obtain family planning services. These include an estimated 2.3 million sexually active teenagers and 1.2 million adult women who do not have ready access to preventive family planning services.

TEENAGE PREGNANCY

Mr. President, I would like to focus for a moment on the problem of teenage pregnancy. About 1 million teenage women become pregnant each year. Two-thirds of these pregnancies are unintended. An estimated 1,157,000 abortions were performed in 1978; one-third of them on teenagers. In 1977 an estimated 22 percent of abortions were for women who had had one or more previous abortions. Undoubtedly, many of these abortions could have been avoided with greater availability of effective family planning methods. Testimony received during subcommittee hearings over the past several years has made it clear that organized family planning clinics have had the greatest success in reaching adolescents.

It is clear that family planning clinics are, and should continue to be, an integral part of efforts to reduce teenage pregnancies. It is important that we build upon the service capacities that have already been established to help these young women. At the same time, however, we must continue the effort started almost 10 years ago to provide family planning services to low-income adult women who are in their childbearing years and desire these services.

This will not be an easy task, Mr. President. The approximately 1.2 million adult low-income women not yet provided services are, in large part, in underserved areas, where the costs of establishing programs are often quite high. And, the cost of providing family planning services to teenagers in need of these services is even higher—partly due to the lack of third-party reimbursement and the special counseling and other support services they need. But continuation of services to the women and teenagers currently receiving assistance, along with outreach to those who are not receiving but desire such services, is essential.

COST-EFFECTIVENESS OF FAMILY PLANNING SERVICES

Mr. President, there is no question that the title X family planning services program has been a cost-effective one. A 1977 study by Phillips Cutright of the University of Indiana and Frederick Jaffe of the Alan Gutmacher Institute showed that in the first 6 years of the title X program, an estimated 1,097,596 unintended births were averted.

The savings resulting from averting those unintended births were projected by estimating the medical cost of maternity and first-year pediatric care, and factoring in a modest amount for food stamps, social services, and public housing for the estimated 20 percent of family-planning-clinic patients receiving public assistance during those years.

That study showed that each dollar invested by the Federal Government in family planning in 1 year saved Federal, State, and local governments a minimum of $1.80 a year in subsequent costs—in other words, the program produced almost a 2 to 1 savings. Using a similar cost analysis, the California Department of Health Services and the California Office of Planning and Program Analysis in 1980, estimated a cost savings of $4.14 to the State for every dollar the State invested in family planning services.

Another study—conducted by the Urban Institute—demonstrated the consequences of early childbearing on the later economic status of the mother and her family. That study indicated that regardless of family background or social or economic characteristics, the age at which a woman gave birth for the first time has an important impact on educational attainment of the mother, and that the disadvantages experienced by a young mother are not compensated for over time. The study also showed that overall, among women age 14 to 30 in AFDC households, 61 percent had borne their first child when they were teenagers.

As chairman of the former Subcommittee on Child and Human Development, I heard considerable testimony on the consequences an early pregnancy can have on a young woman's future. The bearing and raising of an infant by a teenager imposes serious consequences. According to Dr. Adele Hofmann of the Society for Adolescent Medicine, the younger the mother is at the birth of her first child, the less likely she is to complete a high school education. Only 11 percent of 13- to 14-year-old mothers, and only 18 percent of those 16 to 17 years old will graduate. Among 15- to 19-year-old inner city mothers, according to Dr. Hofmann, nearly two-thirds will never work or have stable marriages. Teenage mothers also are more likely to bear a greater total number of children than if initial childbearing is

deferred until after age 20. These factors all contribute to the fact that the age of first childbearing is a major predictor of a woman's ultimate economic status—31 percent of those who become mothers between 13 and 15 years, 23 percent of 16- to 17-year-olds, and 16 percent of 18- to 19-year-olds will live in poverty as compared to 11 percent of all women whose first birth is deferred until age 22.

Mr. President, age of the mother is also an important determinant of risk for an infant. Using low birth weight as a rough indicator of infant morbidity, in 1978, 7.1 percent of all live births were considered to be low birthweight—less than 2,500 grams. By far, the greatest percentage of those births were to mothers under the age of 20—24.2 percent; and of these, 14.3 percent were born to mothers under age 15.

Mr. President, these statistics make it imperative that special efforts be made to help these young women avoid unwanted pregnancies. Only 30 percent of teenage women use contraception consistently and often the method used is relatively ineffective. Many teenagers cite the difficulty in securing a contraceptive as the reason for failure to protect themselves from an unintended pregnancy.

An important consideration, Mr. President, is that maternal or general health centers have been unable to attract the millions of persons who need and want family planning services. They have been particularly unable to attract teenagers before they become pregnant. While every effort should be made to encourage these general health programs to increase the provision of family planning services to those who need and wish them, it would be foolhardy to do so at the expense of the specialized clinic system that provides services to the overwhelming majority of family planning patients and is particularly critical in reaching teenagers.

TRAINING, INFORMATION, AND EDUCATION PROJECTS

Mr. President, in addition to providing funding to support the program of family planning services to individuals who need and desire these services, title X supports various training, educational, and informational activities related to family planning.

Section 1003 of title X specifically authorizes appropriations for grants and contracts for the training of personnel to carry out family planning services. These trainees represent all elements of family planning clinic staff. One major accomplishment has been the training and utilization of family planning nurse practitioners in family planning clinics. The use of nurse practitioners in family planning clinics is not only cost effective but is good medical practice. Reports from family planning clinics indicate a higher acceptance of women clinicians, including nurse practitioners, especially on the part of teenagers.

Section 1005 of title X specifically authorizes appropriations for grants and contracts to assist in developing and making available family planning and population growth information to all persons desiring such information. The development and dissemination of educational and informational materials under title X has been helpful in reducing information barriers about the availability of family planning services. In addition, the materials have helped family planning professionals to interpret the latest medical, social, and cultural developments in the family planning field, thereby assisting in improving the quality of services provided.

POPULATION RESEARCH PROGRAMS

Mr. President, in addition to supporting the provision of family planning services, title X provides for support for basic research into human reproduction. Section 1004 of title X authorizes appropriations to support research in the biomedical, contraceptive development, behavioral, and program implementation fields related to family planning and population.

Although our knowledge of the reproductive system has increased through research over the past two decades and has led to the development of the contraceptive pill and the IUD, these methods are not recommended for everyone. They have limitations with respect to efficacy, safety, acceptability, and continuity of use. A number of women are sufficiently concerned about the safety of these methods to discontinue their use and resort to less effective methods of fertility control.

The need for substantial expansion of reproductive research is critical. Most Americans expect, as they move through successive stages of adult life, to be able to have the number of children they want, when they want them. They want to know that the method of fertility control they use, whether it is a drug or a device that is used over a long period of time, will not have a latent harmful effect.

The American public is clearly demanding the availability of safer and more acceptable contraceptives. Responding to this demand will also benefit world population needs, particularly in those developing nations where fertility rates are highest.

Research is needed not only in finding improved and safe contraceptives for women, but also in solving problems of infertility for families that want children but cannot have them because of infertility problems. Finally, there does not yet exist a satisfactory and effective contraceptive method for men. Advances in male reproductive physiology have lagged behind those in female reproductive physiology because of a shortage of trained scientists, and because of a lack of funds for clinical and basic research in this area.

The need for more research in these areas is evident. Both public and private resources are needed. Unfortunately, it does not appear likely that contraceptive development will attract major new funding from private industry. Industry's investment has been diminishing due to the high costs of research and the many years required to test new methods fully for safety and efficacy.

The legislation I am introducing today attempts to address the need for more research by a modest increase in the authorization of appropriations for the programs carried out under section 1004 and by requiring, where appropriate, the Secretary of HHS to enter into exclusive development and marketing rights agreements with recipients of grants and contracts for contraceptive development. With this incentive of appropriate marketing and development rights, it is likely that more private sector funds and resources would be devoted to contraceptive development and research. This provision is consistent with the recently enacted act to amend the patent and trademark laws, Public Law 96-517, to promote the utilization of inventions arising from federally supported research or development.

REPORTING

Mr. President, I want to comment briefly on the reporting requirements under title X. I firmly believe that we must not place burdensome reporting requirements on individual projects. This can be time consuming and expensive. However, during my chairmanship of the subcommittee, the adequacy of the reporting mechanisms that were used by title X programs was something that I became concerned about.

In 1977, the National Reporting System for Family Planning Services was converted from a 100-percent reporting system to a sample reporting system. The entire reporting system was discontinued on December 31, 1980. The Department of HHS has contended that the Bureau of Community Health Services' common reporting system will provide adequate information for administration of the program. This is an issue on which there have been long-standing differences of opinion, and I hope that the new subcommittee chairman and ranking minority member will look closely at this issue during consideration of this legislation. The General Accounting Office will also be addressing this issue in a report that will soon be released related to the title X program.

VOLUNTARY PARTICIPATION AND PROHIBITION RE ABORTION

Mr. President, there are two existing provisions of title X that I think should be highlighted. First, section 1007 makes it clear that acceptance by any individual of family planning services or information shall be completely voluntary and shall not be a prerequisite to eligibility for or receipt of any other service or participation in any other program. Second, section 1008 explicitly provides that none of the funds appropriated under title X shall be used in programs where abortion is a method of family planning. These are important and integral parts of title X.

OUTLINE OF LEGISLATION

Mr. President, I would like to outline briefly for my colleagues the provisions of the legislation I am introducing today. Virtually all of the changes proposed in this measure were approved by the Senate in 1978 in S. 2522. Because of the time constraints facing us at the close of the 95th Congress, we were unable to complete conference action with the House on these and other changes which

had been approved by the Senate and proceeded to enact extensions of the authorization of appropriations with minor changes proposed by the House for the various programs carried out under title X. The few changes I am proposing today would not significantly alter the existing title X programs, but would rather clarify certain aspects of the program along the lines approved by the Senate in 1978.

NATURAL FAMILY PLANNING

Mr. President, section 2 of the legislation I am introducing today would add a provision to section 1003(a) to include training in the provision of natural family planning methods within the training programs carried out under this section. Title X provides that a full range of family planning methods must be offered in the programs supported by title X, and title X regional training centers currently do provide training in the provision of natural family planning methods. The amendment I am proposing would simply reemphasize the need for this training as an incident of the requirement in existing law that a full range of family planning methods be made available. Section 3 would add a similar provision to section 1004 relating to research.

RESEARCH

Mr. President, section 3 of this legislation would also amend section 1004 to include specifically research on natural family planning methods and to direct the Secretary to provide recipients of grants or contracts for contraceptive development with appropriate exclusive development and marketing rights pursuant to regulations which the Secretary of Health and Human Services shall prescribe when the Secretary determines such arrangements would serve the purposes of title X. As I indicated earlier, contraceptive development is a costly research area which few commercial firms find financially worthwhile to enter. In the past decade, private sector and foundation-supported population research has declined markedly. With the incentive of appropriate marketing rights, more private sector funds and resources might be attracted to contraceptive development.

The enactment last year of Public Law 96–517, relating to rights in inventions made with Federal assistance reversed the preexisting patent policies which had served to discourage universities and private industry from investing the necessary funds for the development and marketing of inventions emanating from federally funded research. The legislation I am offering today, similar to that approved by the Senate in 1978, would direct the Secretary of HHS to apply these new policies in the area of contraceptive research. The specific inclusion of natural family planning in the research provisions should stimulate increased research focus on this area. Since there is good reason to believe large numbers of couples are dissatisfied with contraceptive drugs or devices now available, this is an area to which greater research and attention should be directed.

PROVISION OF SERVICES

Mr. President, section 4 of this legislation would make two changes to section 1006(c). These provisions would require, first, that family planning services be available to both sexes, and, second, that plans be where a substantial number of individuals of limited English proficiency are being served.

Mr. President, during hearings held by the Subcommittee on Child and Human Development, testimony was received indicating that males frequently seek counseling as well as family planning services. It was also indicated that although many projects provide this assistance to males, there is a need for more projects to make services available to males as well as females.

Mr. President, this legislation also includes provisions identical to provisions included in the Public Health Service Act with respect to neighborhood health centers and migrant health centers, and in other health law—such as the Community Mental Health Centers Act, with respect to community mental health centers, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act with respect to programs for the treatment of alcohol abuse, and title 38 of the United States Code with respect to VA health care programs—which require projects or programs serving populations that include a substantial proportion of individuals of limited-English proficiency to provide services, to the extent practicable, in the appropriate language and cultural context, and to identify an individual on the staff who is bilingual and who can help staff and patients with respect to cultural sensitivities and the bridging of linguistic and cultural differences.

VOLUNTARY PARTICIPATION

Mr. President, section 1007 provides that all services provided under title X shall be voluntary and shall not be a prerequisite to eligibility for any other service or any other program. Section 5 of this legislation would add a new subsection (b) to section 1007 to reassert the principles embodied in the "conscience clause" amendments adopted in the past to govern all programs authorized by the Public Health Service Act by providing that the Secretary may not require an individual employed by a family planning project to advise regarding, refer patients for, or provide, abortion or sterilization procedures when such activity would be contrary to the religious beliefs or moral convictions of the individual, nor could the Secretary terminate assistance to a project for such an individual's refusal under those circumstances to provide such services.

AUTHORIZATION OF APPROPRIATIONS

Mr. President, section 6 of this legislation would extend the authorization of appropriations for 3 additional years with modest increases in the level of authorization for each of the four programs authorized under title X.

Section 6(a) would authorize appropriations for the basic family planning services program carried out under section 1001 at a level of $276,000,000 for fiscal year 1982, $288,000,000 for fiscal year 1983, and $300,000,000 for fiscal year 1984. These increases—$12 million each fiscal year—would allow for services to an estimated additional 100,000 adult women and 100,000 adolescents each year. Presently, fiscal year 1981 appropriations for the family planning services program are authorized under section 1001(c) at a level of $264,500,000 and are funded at a level of $155,000,000 under the continuing resolution, Public Law 96–536.

Section 6(b) would authorize the appropriation of $4,600,000 for fiscal year 1983, $5,100,000 for fiscal year 1983, and $5,600,000 for fiscal year 1984 for training grants and contracts authorized under section 1003. The levels provide for a $500,000 increase each fiscal year. Presently, fiscal year 1981 appropriations for the training program are authorized under section 1003 at a level of $4,100,000 and are funded at a level of $3,500,000.

Section 6(c) would authorize the appropriation of $154,000,000 for fiscal year 1982, $169,000,000 for fiscal year 1983, and $184,000,000 for fiscal year 1984 for the population research activities carried out under section 1004. This would provide for an increase of $15 million for each fiscal year. Presently, fiscal year 1981 appropriations for the research program are authorized under section 1004 at a level of $138,900,000 and are funded at a level of $85,000,000.

Section 6(d) would authorize the appropriation of $1,126,000 for fiscal year 1982, $1,326,000 for fiscal year 1983, and $1,526,000 for fiscal year 1984 for the education and information programs carr ed out under section 1005. This would provide for increases of $200,000 each fiscal year. Presently fiscal year 1981 appropriations for the education and information programs are authorized under section 1005 at a level of $926,000 and are funded at a level of $800,000.

Mr. President, the authorization levels in this legislation represent modest increases for each of the 3 fiscal years affected. Actual appropriations for these programs have consistently been at levels below the full authorization levels, but I believe that the authorization levels are reasonable and responsible levels in light of the large unmet needs of potential recipients of these services.

CONCLUSION

Mr. President, as I stated at the outset, the programs carried out under title X of the Public Health Service Act are important programs that provide important services to millions of women who need and desire these services. They are cost-effective, in both the long term and the short term. I believe they deserve the support of the Congress and the new administration.

By Mr. TOWER (for himself and Mr. BENTSEN):

S. 289. A bill to amend the Securities Exchange Act of 1934 to provide margin requirements in transactions involving the acquisition of securities of certain U.S. corporations by non-U.S. persons where such acquisition is financed by

non-U.S. lenders; to the Committee on Banking, Housing, and Urban Affairs.

MARGIN REQUIREMENTS IN CERTAIN TRANSACTIONS

● Mr. TOWER. Mr. President, I introduce today a bill to amend the Securities Exchange Act of 1934 to provide for margin requirements in certain transactions involving the acquisition of securities of certain U.S. corporations by non-U.S. persons where such acquisition is financed by non-U.S. lenders. This legislation is needed to close a loophole in our securities laws which allow foreign borrowers or lenders to purchase substantial amounts of securities in violation of our margin requirements.

In 1970 the Congress amended the margin requirements section of the Securities Exchange Act to make it clear that the use of foreign capital by American purchasers of securities is subject to the margin requirements. Before the passage of the 1970 law, a U.S. borrower could circumvent margin requirements by borrowing from a foreign lender. In applying the provisions of the act to foreign lenders making loans to American borrowers, Congress recognized the danger to our securities markets if this practice were not subject to restrictions comparable to those applicable to domestic loans.

The same rationale which motivated the Congress to take action in 1970 serves as a foundation for the legislative effort which I launch today. With over $50 billion in U.S. securities in the hands of foreign investors, the consequences of not closing this loophole in our securities laws are extremely troubling. Although U.S. markets have been relatively stable in recent years, this stability is no doubt attributable in part to the application of the margin requirements.

With each passing day more U.S. securities are acquired by foreign investors under arrangements that would violate U.S. margin requirements if these acquisitions were financed in the United States and with these investments, the potential for a destabilizing situation grows.

One example of the need for legislation has specifically come to my attention. The Zale Corp. of Dallas, Tex., the largest jewelry retailer in the United States, now faces the possibility of a takeover by a Canadian competitor, Peoples Jewelers, Ltd., which is financing its acquisitions through loans from Canadian banks; these loans, if obtained in the United States, would violate the Federal Reserve Board's margin rules.

Mr. President, the acquisition of one company by another is a basic part of our free market system. However, circumstances surrounding a possible takeover such as that involving Zale raise a fundamental policy problem which must be addressed by anyone interested in the equitable financing of international capital markets, investment transactions across international borders and the basic health of U.S. securities markets.

In its acquisition of Zale stock, Peoples has used a loophole in U.S. securities law by financing its acquisition of Zale's securities through arrangements which would clearly violate U.S. margin requirements, if either Peoples or the bank financing the acquisition were considered U.S. entities. In fact, this loophole creates an incentive for foreign takeovers of U.S. companies and a competitive advantage over domestic companies seeking to make acquisitions. And it is this loophole which the legislation I have introduced will close.

The Federal Reserve Board has promulgated regulations which implement section 7 of the Securities Exchange Act of 1934 by restricting the extent to which credit may be extended for the purchase of securities. In general, these regulations set a credit limit for stock purchases of 50 percent of the current market value of the stock. These regulations govern, first, the extension of credit by U.S. banks, U.S. brokers or dealers, persons other than banks, brokers or dealers and, second, the receipt of credit by U.S. persons from non-U.S. persons. The stated intent of these regulations is "to prevent the infusion of unregulated credit obtained both outside and within the United States into the U.S. securities markets in circumvention of the Board's margin regulations * * *." 12 CFR, section 2241. However, section 7 of the Securities Exchange Act does not explicitly cover the exact situation presented where acquisition is attempted by a foreign firm using foreign credit.

Therefore, foreign companies are able to enjoy the fruits of the U.S. economy, while seeking to acquire a U.S. competitor through means that would violate U.S. securities regulations if the law equitably put U.S. and foreign purchasers on the same footing. The margin requirements were enacted in order to regulate the availability of credit for the purchase of securities and to prevent the destabilizing fluctuations due to intense speculation in the U.S. stock market which occurred during the 1920's. The use of uncontrolled foreign credit presents a similar potential as well as providing an unfair advantage to foreign purchasers of U.S. securities.

The bill I introduce today has the following elements:

First. It will apply margin requirements to those transactions for which a schedule 13D or 14D must be filed under the Securities Exchange Act; that is, when more than 5 percent of the class of securities is acquired by purchase or tender offer.

Second. It will apply to any transaction in which the borrowed funds are disbursed by the lender after the date of the bill's introduction. This provision is needed in order to assure that consideration of the bill does not provoke anticipatory action which, if not consummated before the bill's enactment, would be unlawful.

Third. It will create a private right of action to sue in Federal court when a violation is alleged by an injured party. This provision is intended to create a mechanism for private enforcement of the act in appropriate cases. While I have reservations about the growth of the private right of action in general, I am inclined to believe that its use here is appropriate to assure that the act is not circumvented. Nevertheless, I would expect that this issue would be specifically addressed and debated during consideration of the bill.

It is important to note that the legislation I introduce would in no way result in the extraterritorial application of U.S. law. Purely foreign transactions would also remain unrestricted and small foreign investors buying less than 5 percent of the stock of any one U.S. company would not be affected. However, borrowers and lenders who are already subject to U.S. securities laws through the application of section 13d or 14d of the Securities Exchange Act have a sufficient nexus with the United States to support the application of U.S. margin requirements.

Mr. President, there is a strong need to end the unfair advantage which foreign purchasers of U.S. securities and those who finance such purchases now enjoy when they seek to acquire control of U.S. corporations. These foreign corporations and lenders should be required when purchasing U.S. stock to adhere to the same margin requirements which U.S. investors must follow.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 289

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 7(f) of the Securities Exchange Act of 1934 (15 U.S.C. 70g) is amended to read as follows:

"(f)(1) It is unlawful for any United States person, or any foreign person controlled by a United States person or acting on behalf of or in conjunction with such person, to obtain, receive, or enjoy the beneficial use of a loan or other extension of credit from any lender (without regard to whether the lender's office or place of business is in a State or the transaction occurred in whole or in part within a State) for the purpose of (A) purchasing or carrying United States securities, or (B) purchasing or carrying within the United States of any other securities, if, under this section or rules and regulations prescribed thereunder, the loan or other credit transaction is prohibited or would be prohibited if it had been made or the transaction had otherwise occurred in a lender's office or other place of business in a State.

"(2)(A) It is unlawful for any person to make a loan or other extension of credit, or to obtain, receive, or use the proceeds of a loan or other extension of credit from any lender (without regard to whether the lender's office or place of business is in a State or the transaction occurred in whole or in part within a State) for the purpose of (i) purchasing or carrying United States securities, or (ii) purchasing or carrying within the United States of any other securities, if (I) under this section or rules and regulations prescribed thereunder, the loan or other credit transaction is prohibited or would be prohibited if it had been made or the transaction had otherwise occurred in a lender's office or other place of business in a State, and (II) a statement is required to be filed under section 13(d) of this Act or section 14(d) of this Act by such person in connection with the acquisition or carrying of such securities.

"(B) Any United States Person injured or threatened with injury by reason of a violation of this paragraph and any issuer of securities being purchased or carried may

bring an action in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States to recover damages for such injury or to enjoin such a violation.

"(3) For the purpose of this subsection—

"(A) The term 'United States person' includes a person which is organized or exists under the laws of any State or, in the case of a natural person, a citizen or resident of the United States; a domestic estate; or a trust in which one or more of the foregoing persons has a cumulative direct or indirect beneficial interest in excess of 50 per centum of the value of the trust.

"(B) The term 'United States security' means a security (other than an exempted security) issued by a person incorporated under the laws of any State, or whose principal place of business is within a State.

"(C) The term 'foreign person controlled by a United States person' includes any noncorporate entity in which United States persons directly or indirectly have more than a 50 per centum beneficial interest, and any corporation in which one or more United States persons, directly or indirectly, own stock possessing more than 50 per centum of the total combined voting power of all classes of stock entitled to vote, or more than 50 per centum of the total value of share of all classes of stock.

"(4) The Board of Governors of the Federal Reserve System may, in its discretion and with due regard for the purposes of this section, by rule or regulation exempt any class of persons from the application of this subsection.".

(b) The amendment made by this section takes effect on January 27, 1981, and the provisions of paragraph (2) of section 7 (f) of the Securities Exchange Act of 1934, as so amended, shall apply to any purchase of securities occurring on or after such date and to the carrying of such securities on or after such date, if the loan or extension of credit therefor originated on or after such date or if the loan proceeds used to purchase or carry such securities were disbursed on or after such date.●

By Mr. MELCHER:

S. 290. A bill entitled the "Reye's Syndrome Act of 1981"; to the Committee on Labor and Human Resources.

REYE'S SYNDROME ACT OF 1981

● Mr. MELCHER. Mr. President, the bill I am introducing today, the Reye's Syndrome Act of 1981, is a revised version of Reye's bill, S. 1794, I introduced on September 21, 1979.

Unlike S. 1794, which established two Reye's research centers and provided $6 million for a 3-year program of grants and studies, the Reye's Syndrome Act of 1981 takes a leaner and, I believe, a more immediately effective approach. The new bill provides a total of nearly $5 million over a 3-year period, including $4.5 million for research grants and $450,000 for new Reye's research mobile teams.

Last year, Reye's syndrome was exposed nationally for exactly what it is, a serious threat to the lives of children recovering from viral illnesses like the flu or chicken pox. Reye's can strike with terrifying speed a week or so after the child appears to be recovering from a virus. Its symptoms can include persistent vomiting, listlessness, disorientation, convulsions, hallucinations, or hyperactivity. Coma can follow because of lack of brain oxygen which can result in permanent damage to the brain of those who survive. The mortality rate has ranged from 20 to 40 percent. Once the patient slips into a coma, the chances for recovery decline. The median age of victims has been 11 years.

Early in January the Center for Disease Control provided me with current figures on Reye's. Bearing in mind that Reye's cases are reported voluntarily to CDC rather than by requirement, CDC listed 506 cases between December 1, 1979 and November 30, 1980. The majority of cases occurred among children under 14 years of age; 27 percent of the cases were found among children younger than 4 years. Between the ages of 5 and 14, CDC listed 67 percent of the cases. Among all cases, 22 percent resulted in death; 70 percent of the victims had respiratory illnesses. Another 18 percent had chicken pox.

To more clearly understand the roots of the current bill, I want to provide this brief chronology of events which preceded its introduction.

In July of 1979, the Senate Appropriations Subcommittee on Labor-HEW included, at my request, language directing the National Institutes of Health to prepare a full report on their activities relating to Reye's syndrome.

On September 21, 1979, I introduced S. 1794, the Reye's Syndrome Act of 1979.

On February 1, 1980, the National Institutes of Health issued the report I had requested. That report began by stating that the National Center for Health Statistics estimated that in 1977 there were 2,650 deaths in the Nation from Reye's syndrome. The National Center for Health Statistics later disavowed that figure, saying they had—

No data on the number of deaths attributable to Reye's syndrome since this condition is not a separately identifiable category in the International Classification of Diseases.

Despite that inauspicious beginning, the NIH report went on to note several gaps in their information. They admitted that seasonal patterns of Reye's occurrence are not well understood. They said further they do not understand the real connection between Reye's and influenza. They also conceded they could not identify the high-risk population.

On May 15, 1980, NIH sent out national grants solicitations for research proposals specifically related to Reye's.

On June 19, 1980, I offered an amendment to the Health Science Promotion Act, S. 988. As modified, the amendment authorized the National Institute of Allergy and Infectious Diseases to conduct research and studies on Reye's syndrome. The amendment was approved as an amendment to S. 988.

On August 28, 1980, the House of Representatives passed their version of S. 988. During action on that bill the entire text of my Reye's bill was approved as an amendment.

Also, in August of 1980, the House Appropriations Committee included language in their report to accompany the 1981 Labor-HEW bill. It said in part:

There appears to be a need for creation of a single entity in one of the Institutes or in the Office of the Director, NIH, to focus and coordinate NIH research activities relating to Reyo's syndrome.

That, of course, was precisely the thrust of S. 1794 and the balance of my efforts on Reye's since the beginning of 1979.

In December of 1980, the Congress enacted a much reduced version of the Health Science Promotion Act (S. 988) which, regrettably, omitted any of the actions taken by either the House or Senate on Reye's syndrome.

As 1981 begins, we look forward to the consensus development meeting on Reye's syndrome which NIH will convene in early March. That meeting will bring together health professionals, scientists and the concerned public to hammer out the best current information on the diagnosis and treatment of Reye's syndrome.

That is where the situation stands now as an epidemic of "A-Bangkok" influenza sweeps across the country. There is little doubt it will leave a trail of Reye's cases in its wake. The Center for Disease Control last year published a graph of Reye's cases which makes clear that the most dangerous period during the year for Reye's is the time between the beginning of January and the middle of March.

The Reye's Syndrome Act of 1981, which I introduce today, is a leaner, more results-oriented approach. Like S. 1794, it establishes a central focus for Reye's activities at NIH by creating the Reye's Syndrome Coordinating Committee. The purpose of that committee will be to oversee the award of $1.5 million in annual grant awards to researchers studying Reye's syndrome.

There is clear need for further grant funding of research specifically focused on Reye's as the primary subject of investigation. On April 23, 1980, I receievd a letter from the National Institutes of Health regarding the funding of Reye's research. They told me that between January 1979 and January 1980 they received 13 applications for Reye's research. Of those, four were disapproved, two were funded and, at the time of the letter, one application was awaiting funding.

Another six applications were approved but not funded.

What that means is there were six proposals with sufficient merit and scientific promise that fell by the wayside for lack of funds. That is nearly half of the aggregate applications received.

To further illustrate the need, the February 1980 NIH report on Reye's activities listed a total of 28 research projects directly related to Reye's syndrome for a total of $894,000. The problem is that it took a special NIH study to track down the number of projects spread out among six different institutes at NIH. Of course, there were six unfunded projects. With Reye's a continuing and growing threat, we simply must do more. It is not a matter of throwing money at a problem; it is more a question of funding the additional research requests already received, while making room for a more accelerated—and coordinated—effort.

It should be made clear beyond doubt

that the research money authorized by this bill is for projects with Reye's as the primary focus of study. The bill in no way diminishes the need for, and current study of, other illnesses which, as a byproduct, yield additional information on Reye's syndrome.

Unlike the earlier bill, the Reye's Syndrome Act of 1981 includes no provisions for Reye's research centers. Instead, it permits the Reye's Syndrome Coordinating Committee to establish, as needed, Reye's research mobile teams. As I visualize the teams, they could be dispatched on short notice to areas with a high incidence of Reye's cases. Their mission would be to assemble as much information as possible on individual Reye's cases and forward it for analysis to the coordinating committee.

But that would not be the sole mission of these action teams. I do not see them as only a group of skilled professionals responding to a crisis. Instead, they would have the capacity to be dispatched on research and information assignments, even in the absence of an existing Reye's outbreak. The reason for this flexibility should be clear.

Right now, we are properly concerned about treatment and early diagnosis of Reye's. Even while we are in the midst of this effort, however, we need to be looking ahead toward preventive measures. The continued operation of the teams could lead to the discovery of presently undetected factors within a community that make Reye's cases more common in one town than in another. We must look hard and deep at Reye's as a life-threatening illness and, at the same time, become more conscious of the circumstances which trigger the illness.

In the absence of required Reve's reporting, this seems to me to be the most effective means of gathering as much information as possible on Reye's and, at the same time, contribute to public awareness. We are not talking about great amounts of money. We are talking about moving quickly in the short run and building toward future breakthroughs on Reye's with a research program complemented by mobile Reye's action teams, all under the supervision of a central coordinating committee at NIH.

After the tragic deaths of so many of our children, it would be a terrible shame to come as far as we have and then fail to push to the finish line. Reye's syndrome is a vicious mystery, the kind that will never bow to indifference but may one day yield its secrets to hard medical research.

My first Reye's bill won 15 Senate cosponsors, House passage and national attention. I believe this new bill will strike at the very heart of the Reye's problem, and I encourage my colleagues to join me as bill cosponsors.

I ask unanimous consent that the text of S. 290 be printed in the RECORD.

There being no objection, the text of S. 290 was ordered to be printed in the RECORD, as follows:

S. 290

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Reye's Syndrome Act of 1981.

SEC. 2. Title XI of the Public Health Service Act is amended by adding the following new part after part C:

"PART D—REYE'S SYNDROME PROGRAMS

"REYE'S SYNDROME

"SEC. 1141. (a) The Secretary shall establish, through the National Institute of Neurological and Communicative Disorders and Stroke, the Reye's Syndrome Coordinating Committee (hereinafter referred to in this section as the 'Committee').

"(b)(1) The Committee shall be composed of—

"(A) the Director of the National Institute of Neurological and Communicative Disorders and Stroke;

"(B) the Director or designee of the National Institute of Allergy and Infectious Diseases;

"(C) The Director or designee of the National Institute of Arthritis, Diabetes, and Digestive and Kidney Diseases;

"(D) the Director or designee of the National Institutes of Child Health and Human Development;

"(E) the Director or designee of the National Institute of General Medical Sciences;

"(F) the Director or designee of the National Heart, Lung and Blood Institute; and

"(G) the Director or designee of the Center for Disease Control.

"(2) The Director or designee of the National Institute of Neurological and Communicative Disorders and Stroke shall serve as Chairman of the Coordinating Committee.

"(3)(A) The Committee shall make grants and enter into contracts for a period not to exceed three years with public and nonprofit entities and individuals for the purposes of:

"(1) conducting basic and clinical research relating to the causes, diagnosis, early detection, and treatment of Reye's Syndrome; and

"(ii) developing new and improved treatments for the detection, diagnosis, and treatment of Reye's Syndrome.

"(B) No grant or contract may be made under this paragraph unless an application therefore has been submitted to and approved by the Secretary, through the Committee. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(C) The Secretary shall prescribe regulations for the operation of the Committee.

"(4) The Committee shall establish and dispatch as needed, Reye's Mobile Research Teams to assemble such information as available on the onset, diagnosis, treatment and outcome of individual Reye's cases, and to the extent possible, identify anomalous community factors that may contribute to the occurrence of Reye's Syndrome, all such information to be forwarded to the Committee for analysis.

"(5) The Secretary, within six months following the end of the Committee's three year authorization, shall submit a report to Congress. The report shall account for the activities, accomplishments and findings of the research awards and the Reye's Research Mobile Teams and shall recommend such further action relating to Reye's Syndrome as the Committee determines. Such recommendations shall include but not be limited to the means of diagnosing and treating Reye's Syndrome and the training of physicians on the diagnosis and treatment of Reye's Syndrome.

"(6) Contracts may be entered into under this section without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(7)(A) There are authorized to be appropriated for grants under paragraph (3), $1,500,000 for the fiscal year ending September 30, 1982, $1,500,000 for the fiscal year ending September 30, 1983, and $1,500,000 for the fiscal year ending September 30, 1984.

"(B) There are authorized to be appropriated for the Reye's Research Mobile Teams under paragraph (4) $150,000 for the fiscal year ending September 30, 1982, $150,000 for the fiscal year ending September 1983, and $150,000 for the fiscal year ending September 30, 1984.●

By Mr. WILLIAMS (for himself and Mr. GLENN):

S. 291. A bill to amend title XII of the National Housing Act to establish national standards in order to reduce incendiarism and maintain community vitality, and to encourage States to adopt minimum for arson investigation and insurance underwriting; to the Committee on Banking, Housing, and Urban Affairs.

ARSON PREVENTION AND RECONSTRUCTION INCENTIVE ACT OF 1981

● Mr. WILLIAMS. Mr. President, I am today introducing legislation designed to eliminate the inflated financial rewards which underlie much of the arson devastating our communities, and which would develop and require the utilization of stiffened investigatory and prosecutorial practices for cases of arson. I am delighted that my colleague Senator GLENN is cosponsoring this bill, as his dedicated efforts to address this national crisis have emcompassed a landmark series of hearings and the introduction of complimentary legislation, the Anti-Arson Act, which I am pleased to support.

Mr. President, the heinous crime of arson is a tide of deliberate destruction that, in its gathering momentum, threatens to sweep away a vast number of America's homes, workplaces, and neighborhoods. Incredibly, incidents of arson have quadrupled in the past decade, and now account for roughly one of every four fires.

The annual national bill for arson totals nearly $20 billion in property damage and related losses, a staggering sum that is drained from the pockets of each and every taxpayer and insurance policyholder. Beyond these dollar losses are the tragic human costs—at least 1,000 deaths per year, and more than 10,000 injuries.

Statistics like these should result in an outcry, and a determination to clamp down on the causes and perpetrators of arson. But the sad fact is that the arsonist stands less than 1 chance in 100 of ever being convicted of his crime.

My own State of New Jersey has the sad distinction of perhaps leading the Nation in the percentage of fires within its borders which can either be definitely classified as arson, or are suspicious in origin. According to a recent report by the New Jersey Arson Task Force, at least 23,000 fires per year, and perhaps as many as 53,000 are deliberately set.

The State does not yet have the data to determine how many of its annual average of 150 lost lives and 3,000 injuries, or how much of its quarter-bil-

lion dollars in annual property losses, are attributable to arson.

However, the task force did note that deliberate blazes result in a much higher percentage of such losses than fires stemming from other causes.

I believe that this status quo is, quite simply, intolerable. And I am greatly distressed that far too many cases of arson-for-profit have involved properties insured through the FAIR plans established by the Urban Property Protection and Reinsurance Act of 1968. That law was a noble attempt to stem the decline of troubled urban areas through the provision of affordable insurance to residents and businesses. Unfortunately, too often the community preservation air of FAIR plans has been criminally perverted.

This bill will redirect FAIR plan insurance to the goals of neighborhood stability and revitalization by providing higher, replacement cost compensation only where the property owner certifies his intention to rebuild. Where the owner does not make that commitment, recovery will be limited to market value, in order to combat the practice of overinsurance which underlies the profit available to the arsonist. Combating overinsurance and tightening FAIR plan standards were key recommendations of the arson reports developed during the last Congress by the Federal Emergency Management Agency, and the Senate Permanent Subcommittee on Investigations.

Strengthening FAIR plan operations and rebuilding incentives, however, are only one small part of what must be a comprehensive strategy for curbing the arson epidemic.

In New Jersey, for example, only an estimated 5 percent of all properties destroyed by arson are insured under FAIR plans—the remaining 95 percent get their coverage through the regular, private market. And every detailed examination of the arson phenomenon has found inexcusable laxity on the part of insurers in inspecting properties for safety or value when they are insured, or in investigating suspicious fires after they occur. That is why my legislation requires that the Federal Emergency Management Agency and the Federal Insurance Administrator develop minimum standards for arson investigation and prosecution, as well as for adequate disclosure of vital information by insurance applicants.

These steps will assure that those individuals with records of suspicious property destruction are barred from further access to insurance funds, and that today's lax investigatory practices will be replaced by tough inquiries capable of deterring would-be arsonists.

Following the publication of these minimum standards, the States will have 2 years to adopt substantially equivalent provisions. If they did not, they would be required to either end their participation in FAIR plans, or accept the Federal standard.

Mr. President, an upgraded Federal antiarson effort is vitally needed, yet it can only be one component of the total solution to this problem. The individual States must continue to pursue their own related efforts, as New Jersey has through the establishment of its arson task force and the tightening of insurance regulations.

The legislation which I am introducing recognizes this need, as well as the continuation of primary responsibility for underwriting oversight and regulation in the individual States, by bringing the National Association of Insurance Commissioners into the standards drafting process. That coordination will best assure that FAIR plan coverage no longer contributes to urban decline, and that States and underwriters will have sound models for upgrading antiarson efforts.

I intend to seek expeditious consideration of this measure. America can no longer afford to subsidize the deliberate devastation of lives, property, and communities which results from this detestable crime of arson. I hope to have the support of my colleagues in this vital effort.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 291

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Arson Prevention and Reconstruction Incentive Act of 1981".

DECLARATION OF FINDINGS

SEC. 2. The Congress finds that—

(a) the steadily increasing incidence of arson creates an unacceptable threat to the communities of the Nation and the safety of their residents;

(b) the Federal Government has an obligation to attempt to reverse this trend, particularly for properties insured under FAIR Plans;

(c) the establishment of new national standards for applicant information disclosure, and post-fire investigation, can provide effective means for the reduction of arson-for-profit; and

(d) the limitation of policy proceeds for property losses due to fire, except where the insured will utilize such proceeds for reconstruction or replacement, will create an incentive against further blight of our communities.

RECONSTRUCTION INCENTIVES

SEC. 3. Section 1211(b) of the National Housing Act is amended—

(a) by striking out "and" at the end of paragraph (10); and

(b) by striking out the period at the end of paragraph (11) and inserting in lieu thereof "; and"; and by adding at the end thereof the following:

"(12) limit the amount of policy proceeds payable in connection with a loss caused by fire to the market value of any structure destroyed, except where reconstruction or replacement of the structure is certified in a rebuilding endorsement to be carried out with the proceeds.".

DEVELOPMENT OF PROVISIONS AND STANDARDS

SEC. 4. Section 1211 of such Act is amended by adding at the end thereof the following:

"(d) The Federal Insurance Administration, in consultation with the National Association of Insurance Commissioners, shall develop a model clause to be included in insurance contracts under this title as provided in subsection (b)(12) for all owner-occupied residential and small business property. Such clause shall be published not later than one hundred twenty days after the date of enactment of this subsection and shall be included in contracts for insurance under this title which are issued on or after sixty days after such date of enactment.

"(e) In addition, the Director of the Federal Emergency Management Agency, and the Federal Insurance Administrator, shall develop Federal minimum standards for arson investigation and prosecution by reinsured insurers following any loss caused by fire, and for information disclosure by applicants for insurance. Such minimum standards shall be prescribed not later than one hundred twenty days after the date of enactment of this subsection, and shall be applied by the Director and Administrator upon the expiration of two years after such publication in any State which does not prior to the expiration of such period adopt such standards, or standards which are determined by the Director and Administrator to be substantially equivalent.".●

By Mr. BAUCUS:

S. 292. A bill to amend title XVIII of the Social Security Act with respect to judicial review of a decision by the Provider Reimbursement Review Board; to the Committee on the Judiciary.

REVIEW OF A DECISION BY THE PROVIDER REIMBURSEMENT BOARD

● Mr. BAUCUS. Mr. President, today I am pleased to introduce legislation amending title 18 of the Social Security Act. All too often, the Federal Government enacts laws and regulations that impose inappropriate and excessive requirements on the people of this Nation. These regulations seem to fall especially hard on rural States like Montana, which are located far from Washington, D.C.

The bill I am introducing today represents one small step toward eliminating such ludicrous Federal requirements. My bill amends the title 18 medicare statute to permit Federal judicial review of adverse decisions of the Provider Reimbursement Review Board involving groups of providers to be taken not only in the U.S. District Court for the District of Columbia, as is presently the case, but also in the district where the principal party for the group is located. The Provider Reimbursement Review Board is a mechanism established in 1972 to hear appeals and disputes between providers of care participating in the medicare program and medicare intermediaries. The PRRB is intended to hear and settle fairly, disputes involving reimbursement policy.

This legislation corrects a curious inequity in existing law whereby two different standards are established: One for group providers under medicare and one for individual providers of medicare part A services.

Under existing law, individual providers of medicare part A services may obtain Federal judicial review of adverse decisions of the Provider Reimbursement Review Board in one of two districts. A U.S. district court for the district in which the provider is located, or alternatively, in the U.S. District Court for the District of Columbia.

But a wholly separate standard exists for appeals brought by a group of pro-

viders. Judicial review of decisions brought jointly by several providers may be taken only in the U.S. District Court for the District of Columbia. This restriction is a considerable inconvenience to provider groups such as hospital corporations or religious organizations that operate institutions in several States or whose operations are located far from Washington, D.C.

This requirement restricting the choice of venue to the District of Columbia for groups of providers creates many problems. Since the District of Columbia is one of the busiest Federal circuits, provider cases are pending for years before decisions can be obtained.

For example, 1,978 PRRB decisions are still being litigated in the District Court for the District of Columbia. Since group appeals are frequently the most complicated and expensive, they impose enormous burdens on this one district court and I expect these burdens to grow in the future. Second, for many providers, such litigation is extremely expensive since they must retain additional counsel and incur substantial travel costs.

My bill, therefore, equalizes the choices of venue for single providers and groups of providers by permitting group actions to be taken in the district where the principal party for the group is located, or in the District of Columbia. The principal party to a suit would ordinarily be the provider's headquarters office, if the parties are commonly owned or, in the case of independent providers, the party with the most money at stake. The Senate Finance Committee unanimously adopted this provision last year as part of the Medicare-Medicaid Administrative and Reimbursement Reform Act. Unfortunately, the full Senate did not have an opportunity to act on this important medicare-medicaid package.

Enactment of my bill will place group appeals on the same basis as any other provider appeal taken to court from the PRRB. The results will be to unburden the District Court for the District of Columbia, reduce litigation costs for these appeals and accelerate the litigation process itself. I urge my colleagues to join me in seeking this necessary change.●

By Mr. THURMOND:

S. 293. A bill to amend the Food Stamp Act of 1977 to prohibit any household from participating in the food stamp program if such household has one or more members on strike as a result of a labor dispute; to the Committee on Agriculture, Nutrition, and Forestry.

PROHIBITING THE ISSUANCE OF FOOD STAMPS TO STRIKERS

Mr. THURMOND. Mr. President, in previous Congresses I have introduced bills to prohibit the issuance of food stamps to strikers. Unfortunately, none of these bills have been enacted into law. I am introducing similar legislation again today with the sincere hope that it will receive favorable action in the near future.

Mr. President, I am constantly receiving complaints from taxpayers all across our Nation regarding the waste and abuse existing in Federal programs. A common target of almost every complaint is the food stamp program. When taxpayers realize that striking workers—workers who are voluntarily unemployed—are eligible to receive food stamps, they become outraged. They cannot understand, and neither do I, why their tax dollars are being used to intervene in a labor dispute. By providing food stamps to people who voluntarily walk off their jobs, the Federal Government is injecting itself into the dispute. In effect, the Government is taking sides. I do not believe it is proper, nor advisable, for the Federal Government to do so. It is unfair to those on the other side of the bargaining table, and, most of all, it is unfair to the American taxpayer who bears the cost of the food stamp program.

Mr. President, the need for the legislation I am introducing today was most evident during the coal miners strike in the winter of 1978. Nationwide, $13 million worth of food stamps monthly went to striking coal miners during January, February, and March of 1978. The strike finally became so serious that the President invoked the Taft-Hartley Act. Yet food stamps still went to strikers.

Mr. President, the time has come to reevaluate our priorities in regard to the food stamp program. Striking workers receiving food stamps only results in more and longer strikes, causing greater damage to the economy. In my opinion, the responsibility for feeding those who voluntarily go on strike rests upon their union; not upon the Federal Government.

Mr. President, enactment of this legislation will remove the Federal Government from the business of subsidizing striking workers, and result in substantial savings to the taxpayers who are in desperate need of relief from ever increasing tax burdens. Under the provisions of my bill, no household would be eligible to receive food stamps if any member of that household is on strike, unless the household was eligible to receive food stamps prior to the strike. I believe this would be fair and equitable to strikers, employers, and taxpayers in general.

Mr. President, I request that this bill be appropriately referred and ask unanimous consent that it be included in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 293

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 6(d)(4) of the Food Stamp Act of 1977 is amended to read as follows:

"(4)(A) Notwithstanding any other provision of this Act, no household shall be eligible to participate in the food stamp program if any member of the household is on strike against his employer as the result of a labor dispute unless such household was eligible to participate in such program prior to the time the member of the household went on strike against his employer. The provisions of this subsection shall not apply in any case in which a member of a household is not working because of an employer lockout.

"(B) For purposes of this subsection—

"(i) the term 'strike' has the same meaning as in section 501(2) of the Labor Management Relations Act of 1947; and

"(ii) the term 'labor dispute' has the same meaning as in section 2(9) of the National Labor Relations Act.".

(b) Section 6(i) of such Act is repealed.

By Mr. GLENN (for himself, Mr. BOREN, Mr. BRADLEY, Mr. CHAFEE, Mr. DODD, Mr. FORD, Mr. HEFLIN, Mr. JACKSON, Mr. KENNEDY, Mr. MATSUNAGA, Mr. MELCHER, Mr. MOYNIHAN, Mr. PRYOR, Mr. RIEGLE, Mr. SARBANES, and Mr. WILLIAMS):

S. 294. A bill to establish an Interagency Committee on Arson Control to coordinate Federal antiarson programs, to amend certain provisions of the law relating to programs for arson investigation, prevention, and detection, and for other purposes; to the Committee on Governmental Affairs.

ANTI-ARSON ACT OF 1981

● Mr. GLENN. Mr. President, today I am introducing the Anti-Arson Act of 1981 to combat what has become America's costliest and fastest growing crime. The primary goal of this legislation is to establish a unified, national strategy against the burgeoning arson problem.

This bill represents a continuation of the antiarson efforts I began during the 95th Congress with the introduction of the Arson Control Assistance Act. The portion of that bill which later became law temporarily upgraded arson to major crime status. Two years later, I introduced S. 252, the Anti-Arson Act of 1979. The Committee on Governmental Affairs ordered S. 252 favorably reported. Subsequently, on September 10, 1980, the Judiciary Committee's Subcommittee on Criminal Justice held hearings on S. 252, although no further action was taken prior to the adjournment of the 96th Congress.

Arson has increased 400 percent over the past decade and presently accounts for roughly 25 percent of all fires. In Ohio alone, four fires are deliberately set every hour of every day. This year, arson will kill 1,000 people and injure 10,000 others. In addition, some insurance experts estimate that arson is annually responsible for up to $6 billion in direct property damage and up to $12 billion in indirect losses. These losses are passed along to homeowners, taxpayers and businesses. Approximately, one-quarter of every home insurance policy premium dollar goes to pay for arson. In 1978, the last year for which we have complete figures, insurance companies reported that each incident of arson resulted in an average loss of $6,433. This compares with an average loss of $1,741 per theft, $499 per burglary, $388 per robbery and $184 for each instance of larceny/theft.

Despite these chilling statistics, there is no national strategy in place to combat arson. In the past, coordination among Federal, State, and local antiarson efforts have been either nonexist-

ent or woefully inadequate. The result has been entirely predictable; the conviction rate for arson arrests stands at a dismal 0.7 percent nationwide.

The Anti-Arson Act has four major provisions:

First, the bill would create an Interagency Anti-Arson Committee to coordinate antiarson efforts at the Federal level without preempting local and State authority. At present, there are eight separate Federal agencies conducting antiarson activities. Inevitably, this has led to duplication, inconsistency and jurisdictional conflict. Moreover, none of these agencies is specifically charged with insuring that available Federal funds and research results are channeled to State and local governments. An interagency committee would go far toward ameliorating these problems and would help achieve efficient, effective application of Federal resources and expertise. Unless extended, the committee would automatically terminate in 2 years.

Second, the bill would require the FBI to permanently classify arson as a part I (or major) crime in its unifrom crime report. At present, this is only a temporary requirement and has been extended each year only by being included as part of the Department of Justice authorization bill. Permanently classifying arson as a major crime would encourage standardized and uniform arson reporting among local jurisdictions. Permanently gathered and aggregated by the FBI under a reliable uniform reporting system, arson statistics would be an invaluable tool in identifying weaknesses within our overall antiarson effort, as well as in assisting Federal, State, and local governments shape and direct new and individual programs.

Third, the bill would require the U.S. Fire Administration to make antiarson research and training a permanent and integral part of its mission. The bill would mandate a dramatic expansion in that agency's research and development of techniques and equipment in the areas of arson prediction, prevention and control. For this purpose, $5 million would be authorized for the U.S. Fire Administration.

Finally, the bill would require private insurers, before issuing fair plan insurance policies, to obtain, evaluate and—when appropriate—share with law enforcement agencies specific information supplied by applicants. Fair plans, created in 1968 to provide needed insurance coverage to low-income residents of our Nation's inner cities, have frequently been exploited and subverted by lawless absentee landlords and unscrupulous real estate hustlers. Testimony indicates that far too frequently these people have managed to obtain inflated property insurance and then burned their buildings in order to collect the insurance proceeds. By encouraging insurance companies and law enforcement officials to work more closely together, the bill will help to end that kind of abuse.

Progress is being made in our national fight against arson. Foremost, perhaps, is increased public awareness that arson is a deadly, billion-dollar crime which is rapidly proliferating in our cities and rural areas. State legislators, law enforcement officials, firefighters, and prosecutors are beginning to understand the severity of the arson problem, as well as its impact on their jurisdictions. However, because local officials are ill equipped to deal with the problem alone, they are reaching out to the Federal Government for assistance. I strongly believe that this bill will help them gain control of the arson epidemic that plagues our Nation.

I urge the Committee on Governmental Affairs, to which this bill will be referred, to take prompt and favorable action so that we may obtain early enactment of this important piece of legislation. The Anti-Arson Act of 1981 is the product of extensive legislative hearings in both the 95th and 96th Congresses. Moreover, it has broad support in both the public and private sectors, as well as bipartisan support in the Senate.

Mr. President, I ask unanimous consent that the text of the Anti-Arson Act of 1981 be printed in the RECORD as if read in full.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 294

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. That this Act may be cited as the "Anti-Arson Act of 1981".

INTERAGENCY COMMITTEE ON ARSON CONTROL

SEC. 2. (a) There is established within the Federal Government an Interagency Committee on Arson Prevention and Control (hereinafter in this section referred to as the "Committee"). The Committee shall consist of the following persons (or their designees whose positions are compensated at a rate of pay not less than level V of the Executive Schedule under section 5315 of title 5, United States Code):

(1) The Attorney General.

(2) The Director of the Federal Bureau of Investigation.

(3) The Postmaster General.

(4) The Secretary of the Treasury.

(5) The Administrator of the United States Fire Administration, Federal Emergency Management Agency.

(6) The Administrator of the Federal Insurance Administration.

(7) The Director of the Bureau of Alcohol, Tobacco and Firearms.

(8) The Commissioner of the Internal Revenue Service.

(9) The Director of the Law Enforcement Assistance Administration.

(b) The Committee shall—

(1) develop and implement a comprehensive and coordinated Federal Strategy and methodology for improving assistance to State and local governments for the prevention, detection, and control of arson;

(2) coordinate anti-arson training and educational programs established within the Federal Government;

(3) coordinate Federal grants to State and local governments for arson prevention, training, detection, and control;

(4) coordinate Federal research and development relating to arson prevention, training, detection, and control;

(5) gather and compile statistical data relating to arson prevention, training, detection, and control;

(6) review each agency report filed under subsection (g); and

(7) provide such other assistance to Federal agencies, States, and local governments that aid in the cooperation and coordination of Federal anti-arson assistance efforts.

(c) The members of the Committee shall elect a Chairman. The Chairman shall call meetings of the Committee at least four times a year at such times and places as the Chairman determines. The Committee may assemble and disseminate information, issue reports and other publications, and conduct such other activities as it considers appropriate to provide for effective coordination of Federal anti-arson assistance.

(d) The Committee may establish such subcommittees or working groups as may be necessary for the fulfillment of its task. The membership may include persons not members of the Committee. Guidelines or regulations promulgated under the provisions of section 7 (d) of the Federal Advisory Committee Act do not apply to any such subcommittee or working group.

(e) The Committee may request any agency of the executive branch to furnish it with such information, advice, and services as may be useful for the fulfillment of the Committee's functions under this section. The agencies of the executive branch are authorized, to the extent permitted by law, to provide the Committee with administrative services, information, facilities, and funds necessary for its activities.

(f) The Committee may procure, subject to the availability of funds, the temporary professional services of individuals to assist in its work, in accordance with the provisions of section 3109 of title 5, United States Code.

(g) Each agency of the executive branch with arson related activities shall report annually to the Committee with respect to its efforts in providing training, educational programs, grants, and other Federal assistance to State and local governments for arson prevention, detection, and control.

(h) Not later than eighteen months after the date of enactment of this Act, the Committee shall transmit a report to the Congress concerning its activities under this Act. The report shall include an assessment of the success of the Committee in coordinating Federal efforts for the prevention, detection, and control of arson.

(i) The Committee shall terminate two years from the date of enactment of this Act.

(j) The expenses of the Committee shall be paid from the appropriations of each of the agencies represented on the Committee pursuant to subsection (a).

UNIFORM CRIME REPORTS

SEC. 3. (a) Section 704 of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by adding at the end thereof the following:

"(c) The Director of the Federal Bureau of Investigation is authorized and directed to classify the offense of arson as a part I crime in its Uniform Crime Reports. In addition, the Director of the Federal Bureau of Investigation is authorized and directed to develop and prepare a special statistical report in cooperation with the National Fire Data Center for the crime of arson, and shall make public the results of that report. The Director of the Federal Bureau of Investigation shall give priority as part of the special report to the investigation of arson in housing supported by programs of or

owned by the Department of Housing and Urban Development.".

(b) Subsection (b) of section 704 of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by striking out "this section" and inserting in lieu thereof "subsection (a)".

UNITED STATES FIRE ADMINISTRATION

SEC. 4. (a) The Administrator of the United States Fire Administration, Federal Emergency Management Agency, is authorized and directed to—

(1) conduct a research program for the development, testing, and evaluation of techniques and equipment for use by law enforcement officials and the fire service community in State and local governments for arson prediction, prevention, and control;

(2) develop and establish educational and training materials and programs for the fire service community and law enforcement officials for dissemination to State, municipal, and other local governments for the prevention, detection, and control of arson to enable such governments to establish, maintain, and fund their own programs;

(3) develop educational materials designed for local community awareness programs on arson; and

(4) gather, analyze, publish, and disseminate any other information relating to the prevention, prediction, occurrence, and control of arson.

(b) There are authorized to be appropriated for the United States Fire Administration the sum of $5,000,000 to carry out the provisions of this section.

BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS

SEC. 5. The Director of the Bureau of Alcohol, Tobacco, and Firearms is authorized and directed to assist the Committee established under section 2 of this Act by providing to the Committee, as the Committee determines necessary and to the extent permitted by law, access to personnel and resources of the Bureau, including the use of laboratory facilities for research on the detection and prevention of arson.

FEDERAL INSURANCE ADMINISTRATION

SEC. 6. (a) Section 1211(b) of the National Housing Act (12 U.S.C. 1749bbb–3) is amended—

(1) by striking out "and" at the end of paragraph (10);

(2) by striking out the period at the end of paragraph (11) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following:

"(12) require that each policy written pursuant to the plan be written only after the insurer obtains a signed application from applicant and evaluates information with respect to the prospective policyholder that incorporates a listing of real property in which the policyholder has an insurable interest at the time the policy is applied for or at any time within the previous 10-year period including (A) number of fires; (B) cause of fires; (C) amount of each loss; and (D) amount of insurance recovery and whether destruction to any of such properties has occurred, the cause of which is or may be arson-related.".

(b) Section 1211 of such Act is amended by adding at the end thereof the following new subsection:

"(d)(1) Each insurer under this title who, after obtaining the information required under paragraph (12) of subsection (b), has reasonable cause to believe that a prospective policyholder has an insurable interest, at the time the policy is applied for or at any time within the previous 10-year period, in any real property which has been the subject of destruction the cause of which is or may be arson-related, may request from the State insurance authority any relevant information within the custody of the authority that would assist the insurer in further investigating or evaluating the risk of writing the coverage for that prospective policyholder.

"(2) The State insurance authority is authorized to waive the provisions of any applicable State law which would prevent the release of such information without the prospective policyholder's consent, if it determines that—

"(A) the insurer's request for the waiver is based upon reasonable cause; and

"(B) the release of such information is essential to the insurer in determining whether to accept the risk.".

(c) Section 1211(b)(9) of such Act is amended by inserting "(A)" immediately before "notice" and by striking out "written under the plan, and" and inserting in lieu thereof the following: "written under the plan, except that subject to the approval of the State insurance authority, the insurer may establish procedures for the cancellation or nonrenewal of any risk eligible under the plan upon 5 days notice to any policyholder based on a finding by the insurer that the continuation of the coverage under the policy presents a demonstrable risk of arson, and (B)".●

● Mr. HEFLIN. Mr. President, I rise in support of the Anti-Arson Act of 1981, offered by my distinguished colleague, Senator GLENN. I believe this legislation to be an important step toward halting the widespread epidemic of arson that is sweeping this country. It is time that the Federal Government establish a coordinated and comprehensive antiarson program and to develop national strategies in the areas of arson investigation, prevention, and detection.

Over the past decade there has been a steady rise in deaths and property destruction from arson. Statistics gathered and made public by the National Fire Protection Association indicate that in 1979 there were 210,000 arson and suspected arsons reported nationwide. Many fire experts also believe that a significant percentage of fires listed as having other causes are actually fires started by arson. In 1979 there were 675 people killed in fires started by arsonists and $1.5 billion in property was destroyed. It was further estimated that more than $15 billion in total financial loss occurred due to arson, including lost jobs, income, reduced housing opportunities, and medical services. This year, those statistics will increase dramatically as arson is expected to kill over 1,000 people and destroy over $6 billion in direct property damage.

I have for many years been deeply concerned about the need for public awareness of the number and devastating effects of crimes related to arson. In 1979, I introduced legislation to require the Federal Bureau of Investigation to permanently classify arson as a part I offense for purposes of the Uniform Crime Reporting Index and thus more clearly reflect its criminal activity. I believe then, as I do now, that we must have the capability to collect precise and extensive data concerning fires in order to plan the kind of action which is needed to reduce and eliminate these crimes. This bill not only contains a provision requiring the permanent classification of arson as a part I offense, but goes even further toward establishing a comprehensive Federal antiarson program. The Anti-Arson Act of 1981 calls for the development of a Federal strategy in assisting State and local governments in the prevention, detection, and control of arson, as well as coordinated Federal antiarson training and education programs, and Federal research development related to arson prevention.

Mr. President, I strongly believe that this legislation is a necessary first step to correct this neglected offense by giving it a high priority at the Federal level. I urge support of this legislation so that we may achieve that result.●

● Mr. CHAFEE. Mr. President, I am pleased to join as a cosponsor of this legislation.

What would this bill do? First, it would require that the FBI permanently reclassify arson as a part I crime—or major crime—in its uniform crime report. Such a change would standardize the reports of arson by local jurisdictions, and make more complete and up to date information available for Federal, State, and local efforts to fight arson.

Second, the bill would provide up to $5 million for the U.S. Fire Administration to strengthen its antiarson research, equipment, and training techniques.

Third, the bill would create an Interagency Anti-Arson Committee to coordinate Federal agencies conducting antiarson investigations. This interagency committee would make Federal programs more consistent, reduce duplication of effort, and would not preempt State or local authority in this area.

Finally, the bill would encourage law enforcement officials and insurance companies issuing Fair Plan insurance policies to work more closely together to combat arson.

Why is such a program necessary? Because arson has been one of the biggest "growth industries" in the past decade. Between 1974 and 1978 alone, the number of fires classified incendiary or suspicious—fires that officials knew or had reason to suspect were set—increased from 114,000 to 508,512. Losses from these fires increased from $563 million in 1974 to $1.03 billion in 1978.

Rhode Island's experience with arson is unfortunately much the same. In 1974, there were 144 incendiary or suspicious fires. By 1978, this figure had climbed to 722 fires. Losses from these blazes increased from $2.7 million in 1974, to $8.2 million by 1978.

This growth has not gone unnoticed. Television and newspapers have presented special series on this problem, helping to increase public awareness regarding the scope and complexity of arson. In addition, efforts by all levels of government to fight arson have increased.

In Rhode Island the Governor's office has formed a State Task Force on Arson, and the State fire marshal and attorney general have been cooperating closely with police and fire departments. In addition, many city and town fire departments have started arson awareness programs on their own.

The investment in these programs has started to pay dividends. In Providence, between 1974 and 1978 investigators could only verify 30 percent of all fires as deliberately set. In 1979, through better knowledge and more thorough inspection techniques, fire officials were able to identify almost 60 percent of the fires as deliberately set.

South Kingstown, R.I., with a population of approximately 20,000 can also point to success with training programs. Due to a better system for reporting fires, and more resources for investigation, four times more arrests for arson were made in 1979 than in 1978.

We should not be lulled into a false sense of security by the successes. Rather, we should renew our efforts. Enacting this legislation would add the weight and prestige of the FBI in helping to identify arson. The additional resources authorized in this bill would help State and local governments offset the loss of other valuable programs, such as those run under the Law Enforcement Assistance Administration. I urge my colleagues to support this legislation.●

Mr. JACKSON. Mr. President, I am pleased to join today with Senator GLENN and other colleagues in the Senate in introducing legislation to combat one of America's costliest and fastest growing crime: arson. The legislation which we are introducing is the Anti-Arson Act of 1981.

I believe that there is a strong need for a national effort and focus on this heinous crime that takes hundreds of innocent lives and billions of dollars every year. The National Fire Prevention Agency estimates that in 1978, there were 173,934 fires of incendiary or suspicious origin and 1,046 civilian deaths. Clearly, arson will not go away by itself. Comprehensive Federal action must be taken quickly to put a halt to this growing crime.

In Washington State alone, it is estimated that in 1981, one out of every four fires will be caused by arson, and the State will lose approximately $27 million to this crime. What is astonishing about these figures is that Washington State, and Seattle in particular, is acknowledged as having one of the lowest arson rates and one of the best antiarson programs in the country.

In 1975, the city of Seattle began a major program to address the arson problem which was threatening the entire State with greater and greater frequency. Seattle established an interagency arson task force with representatives from the King County prosecutor's office, mayor's office, fire department, police department, chamber of commerce, sheriff's office, and Washington State Insurance Council. This group was responsible for evaluating the problem and proposing a workable solution to combat arson.

Responsibility for detection, investigation, and prosecution in arson cases was delegated to the Seattle Fire Department. The department launched a three-part training program for its arson investigators, focusing on starting with a basic training course, a "detective school" course, and an advanced arson session. Seattle now has a professional arson investigation unit.

As part of its public awareness program, a toll-free number for people to call in and report information concerning a fire was established. Signs, posters, bumper stickers, and messages on TV and radio appeared across the State. In addition, the Washington State Insurance Council contributed to a reward program for information leading to an apprehension or conviction in an arson case. Seattle's efforts should provide the lead for other States and communities to formulate comprehensive policies to combat this crime.

The Anti-Arson Act of 1981 is a four-part program. First an Interagency Anti-Arson Committee would be established to coordinate antiarson efforts at the Federal level without preempting local and State authority. Currently, there are eight separate Federal agencies conducting antiarson activities. An Interagency Committee would allow efficient and effective antiarson planning. The Committee would automatically terminate in 2 years.

This proposal would also reclassify arson as a part I or major crime in the FBI's Uniform Crime Report. Presently, the classification of arson as a major crime is only a temporary requirement and has been extended yearly through inclusion in the Department of Justice authorization bill.

The third part of this proposal would require the U.S. Fire Administration to make antiarson research and training a permanent and integral part of its mission. Authorization for $5 million would be provided to assist in the Administration's research and development of techniques and equipment in the areas of arson prediction, prevention, and control.

Finally, this bill would require private insurers, before issuing Fair Plan insurance policies, to obtain, evaluate, and, when appropriate, share with law enforcement agencies specific information supplied by applicants. Unfortunately, the Fair Plans which were originally created to provide needed insurance coverage to low-income residents of inner cities, have been abused by individuals who obtain inflated property insurance and then burn their buildings in order to collect the insurance proceeds. Cooperation by law enforcement officials and insurance companies will help to end that kind of exploitation.

I am cosponsoring the Anti-Arson Act of 1981 because it is imperative that we begin a massive national effort to stamp out this plague. The Anti-Arson Act of 1981 is an important step toward controlling this crime.

By Mr. PRESSLER:

S. 305. A bill to insure the protection of State water interests; to the Committee on Environment and Public Works.

STATES WATER RIGHTS

Mr. PRESSLER. Mr. President, I am today introducing a bill to insure that State water rights are protected as this Nation moves ahead with its energy projects.

All of us in the Congress recognize the need to increase the energy output in this country. Those of us from the Western part of the Nation are, however, particularly concerned with the careful conservation of water as we mobilize to meet our energy goals.

The bill which I am introducing today sets forth some of the States rights in this area. While this measure may not address all of the problems regarding the use of State water, I hope that it will serve as a vehicle for consideration of legislative action on this point. I believe that the various committees of this body should thoroughly examine this issue and come quickly to terms with legislation which will adequately balance the important competing interests at stake.

Mr. President, there are currently plans to construct a coal slurry pipeline beginning in Wyoming across the country to points south. Much of the water for this pipeline will come from the underground Madison aquifer which lies under Wyoming and South Dakota. The residents of South Dakota are understandably extremely concerned that the operation of such a slurry will seriously diminish their water supply. Our State's agricultural economy is vitally dependent upon this source.

At present there is very little scientific data available to foretell the consequences of the construction of this pipeline. In addition to the sorely needed legislation, action is required immediately on the part of Federal agencies to slow this construction until further studies are made. At present, the Department of the Interior is reviewing a decision to permit the pipeline to cross Federal land in Wyoming. To date, I am disappointed with the actions of that Department to hold further public comment hearings on this subject.

Mr. President, I ask unanimous consent to have letters on this subject printed in the RECORD at the conclusion of my remarks.

Mr. President, I urge the committees of the Senate to quickly explore this question and invite my interested colleagues to join in efforts to protect State water rights.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JANUARY 2, 1981.

HON. CECIL D. ANDRUS,
Secretary,
Department of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: It is my understanding that the Bureau of Land Management is closing the public comment period pertaining to the decision to permit Energy Transporation System, Inc. (ETS') to construct a coal slurry pipeline across federal land in Wyoming.

As you may know, the construction of this proposal could have a severe impact on the water supply of western South Dakota. Because public hearings on this subject were only held in South Dakota in December 1980, it would seem only reasonable and prudent to extend the comment period past January 6, 1981 to facilitate proper evaluation. Further, I must respectfully

point out that the new Administration may have an interest in this matter.

Therefore, I would request that no final action on this project be made until incoming personnel have had the opportunity to review it.

Thank you for your consideration of this matter.

Sincerely,

LARRY PRESSLER,
U.S. Senator.

JANUARY 21, 1981.

Hon. JAMES G. WATT,
Secretary,
Department of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: I was pleased during your confirmation hearing that you expressed the belief that the states of the West are in the best position to determine the use of their water and that the federal government should support the states in the exercise of this power.

There are currently a number of disturbing interstate plans being formulated involving water use which could have an adverse effect on local areas. Specifically, I am greatly concerned that a pending decision by the Bureau of Land Management to permit the construction of a coal slurry pipeline across federal land in Wyoming could have a severe impact on the water supply of western South Dakota. It is my hope that you will give this matter your consideration at the earliest possible moment and delay any approval of the proposed construction until you and your staff have had an opportunity to fully study this project. It would be my recommendation that, at a minimum, the comment period on the draft environment impact statement, which closed January 6th, should be reopened.

I am presently in the process of drafting legislation to protect my state's interests in protecting its water rights. Your early comments on this matter would, therefore, be especially appreciated.

My best wishes to you as you begin your enormous duties as Secretary of the Interior. Thank you for your attention to this matter.

Sincerely,

LARRY PRESSLER,
U.S. Senator.

By Mr. BOREN:

S.J. Res. 21. Joint resolution proposing an amendment to the Constitution of the United States to establish a 10-year term of office for Federal judges. A joint resolution proposing an amendment to the Constitution of the United States to establish a 10-year term of office for Federal judges; to the Committee on the Judiciary.

TEN YEAR TERM OF OFFICE FOR FEDERAL JUDGES

● Mr. BOREN. Mr. President, today I am reintroducing a proposed amendment to the Constitution of the United States to establish a 10-year term of office for Federal judges.

This is the same joint resolution I introduced last year. I am hopeful that with the current makeup of the Congress, this year's efforts will be successful.

The joint resolution states that judges of both the Supreme and Inferior Courts shall be appointed to their offices for a term of 10 years, and that during the 10th year of office of any such judge may have his nomination for an additional term submitted for Senate confirmation, unless the judge requests that his nomination not be so placed.

Any judge whose nomination for an additional term comes before the Senate may remain in office until the Senate acts on reconfirmation. The provisions of this joint resolution would only apply to any person appointed a judge after the date of ratification of the constitutional amendment.

I have been alarmed for some time about the awesome powers of the Federal judiciary. It is the one area in which our system of checks and balances does not apply once an appointment to the Federal bench has been made and confirmed by the Senate.

I fully appreciate the need to maintain judicial independence and am in complete support of that concept. However, I believe the best interests of both the judiciary and the country rests in a balance between independence from political pressure and the need to hold judges accountable for the proper performance of their duties. There is no practical way, in present law, to remove a judge who usurps his authority or becomes less than capable while on the bench.

My proposal sets a term of 10 years, long enough to protect the judge against daily political pressures and reasonable enough to protect the people from the damage that can be done by a "bad" judge. At the end of the 10-year term, a judge could be reappointed by the President with the advice and consent of the Senate.

I think that while the majority of Federal judges serve with distinction and a proper respect for the law, there must be a practical check on those who do not.

Mr. President, I commend this measure to my colleagues for their consideration, and ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 21

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. Notwithstanding the provisions of the second sentence of section 1 of article III of the Constitution of the United States, the Judges, both of the supreme and inferior Courts, shall be appointed to their offices for a term of ten years and shall hold their offices for such term during good behavior. The term of office of each judge shall begin at noon on the day after the day on which the President commissions such judge. During the tenth year of each term of office of any such judge, his nomination for an additional term of office for that judgeship shall be placed before the Senate for its advice and consent to such additional term, unless that judge requests that his nomination not be so placed. Any judge whose nomination for an additional term of office is so placed may remain in office until the Senate gives its advice and consent to, or rejects, such nomination. If the Senate gives its advice and consent to an additional term of office, that term shall commence from the date of such advice and consent, or the day immediately following the last day of his previous term of office, whichever is later.

"SEC. 2. Section 1 of this article shall take effect on the date of ratification of this article, but shall apply only with respect to any person appointed a judge of the Supreme Court or as a judge of an inferior Court after such date of ratification.". ●

ADDITIONAL COSPONSORS

S. 1

At the request of Mr. DOLE, the Senator from Indiana (Mr. QUAYLE) was added as a cosponsor of S. 1, a bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions.

S. 2

At the request of Mr. MATHIAS, the Senator from Kentucky (Mr. FORD), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 2, a bill to amend the Internal Revenue Code of 1954.

S. 8

At the request of Mr. DOLE, the Sentor from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 8, a bill to amend the Internal Revenue Code of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes.

S. 19

At the request of Mr. DOLE, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 19, a bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax.

S. 20

At the request of Mr. SASSER, the Senator from Arizona (Mr. DECONCINI), and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 20, a bill to amend title 18 of the United States Code to prohibit the robbery of a controlled substance from a pharmacy.

S. 30

At the request of Mr. SASSER, the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 30, a bill to provide for the payment of interest by the Federal Government on any amount due for more than 30 days to any person under the terms of a contract entered into by the Federal Government and such person.

S. 43

At the request of Mr. SASSER, the Senator from Mississippi (Mr. COCHRAN), the Senator from New York (Mr. MOYNIHAN), and the Senator from North Dakota (Mr. ANDREWS) were added as cosponsors of S. 43, a bill to amend the Congressional Budget Act of 1974 to require the Director of the Congressional Budget Office to prepare and submit, for every bill or resolution reported in the House or the Senate which has certain specific economic consequences, an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution.

S. 54

At the request of Mr. HAYAKAWA, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 54, a bill to repeal the provisions of title 23, United States Code, requiring a national maximum speed limit of 55 miles per hour.

S. 75

At the request of Mr. WALLOP, the Senator from Texas (Mr. BENTSEN), the Senator from Oklahoma (Mr. BOREN), the Senator from North Dakota (Mr. ANDREWS), and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 75, a bill to amend the Internal Revenue Code of 1954 to encourage capital investment by individuals and corporations.

S. 93

At the request of Mr. MATHIAS, the Senator from California (Mr. CRANSTON), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Texas (Mr. BENTSEN), the Senator from Colorado (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Connecticut (Mr. WEICKER) were added as cosponsors of S. 93, a bill to designate the birthday of Martin Luther King, Jr., a legal public holiday.

S. 141

At the request of Mr. BENTSEN, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 141, a bill relating to tax treatment of qualified dividend reinvestment plans.

S. 144

At the request of Mr. HEINZ, the Senator from North Dakota (Mr. ANDREWS), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Nevada (Mr. CANNON), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Michigan (Mr. RIEGLE), the Senator from Illinois (Mr. PERCY), the Senator from North Carolina (Mr. HELMS), the Senator from Mississippi (Mr. COCHRAN), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Maine (Mr. MITCHELL) were added as cosponsors of S. 144, a bill to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally.

S. 154

At the request of Mr. PRYOR, the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 154, a bill to amend title 37, United States Code, to authorize special pay to a member of a uniformed service who performs duties that are unusually hazardous or performed under unusually severe working conditions.

S. 178

At the request of Mr. BUMPERS, the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 178, a bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to further the objectives of national energy policy of conserving oil and natural gas through removing excessive burdens on the production of coal.

At the request of Mr. DURENBERGER, the Senator from Wisconsin (Mr. KASTEN) was added as a cosponsor of S. 178, supra.

S. 186

At the request of Mr. DOLE, the Senator from South Carolina (Mr. THURMOND), and the Senator from Arkansas (Mr. BUMPERS) were added as cosponsors of S. 186, a bill to provide financial assistance to the States to undertake comprehensive criminal justice construction programs to improve the criminal justice system of the States, to provide that the Secretary of the Treasury is authorized to make interest subsidy payments on criminal justice facility construction bonds, and for other purposes.

S. 195

At the request of Mr. GOLDWATER, the Senator from Idaho (Mr. SYMMS), the Senator from Wisconsin (Mr. KASTEN), and the Senator from Georgia (Mr. MATTINGLY) were added as cosponsors of S. 195, a bill to incorporate the United States Submarine Veterans of World War II.

S. 239

At the request of Mr. DURENBERGER, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 239, a bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for the purchase of a commuter highway vehicle, to exclude from gross income certain amounts received in connection with the provision of alternative commuter transportation, to provide employers a credit against tax for costs incurred in ride sharing programs, and for other purposes.

SENATE JOINT RESOLUTION 17

At the request of Mr. GARN, the Senator from Georgia (Mr. MATTINGLY) was added as a cosponsor of Senate Joint Resolution 17, a jo'nt resolution proposing an amendment to the Constitution of the United States, for the protection of unborn children and for other purposes.

SENATE RESOLUTION 34—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE SELECT COMMITTEE ON SMALL BUSINESS

Mr. WEICKER, from the Select Committee on Small Business, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 34

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by paragraph 1 of rule XXVI of the Standing Rules of the Senate, and S. Res. 58, Eighty-first Congress, agreed to February 20, 1950, as amended and supplemented, in accordance with its jurisdiction under such Senate resolution, the Select Committee on Small Business is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $905,000.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 35—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following resolution; which was placed on the calendar:

S. RES. 35

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Rules and Administration is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,273,800, of which amount not to exceed $20,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(1) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 36—ORIGINAL RESOLUTION REPORTED PROVIDING FOR MEMBERS OF THE JOINT COMMITTEE ON PRINTING AND THE JOINT COMMITTEE OF CONGRESS ON THE LIBRARY

Mr. MATHIAS, from the Committee on Rules and Administration. reported the following original resolution; which was placed on the calendar:

S. RES. 36

Resolved, That the following-named members be, and they are hereby, elected members of the following joint committees of Congress:

Joint Committee on Printing: Mr. Mathias of Maryland, Mr. Warner of Virginia, and Mr. Cannon of Nevada.

Joint Committee of Congress on the Library: Mr. Mathias of Maryland, Mr. Hatfield of Oregon, Mr. Baker of Tennessee, Mr. Pell of Rhode Island, and Mr. Williams of New Jersey.

SENATE RESOLUTION 37—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY TO NOLA E. CLARK

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 37

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Nola E. Clark, widow of Francis E. Clark, an employee of the Architect of the Capitol assigned to duty on the Senate side of the Capitol grounds at the time of his death, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 38—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY TO JOSEPH A. CROSS

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 38

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Joseph A. Cross, widower of Florence K. Cross, an employee of the Senate at the time of her death, a sum equal to three months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 39—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. PERCY, from the Committee on Foreign Relations, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 39

Resolved, That, in holding hearings, reporting such hearings, making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, the Committee on Foreign Relations is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the Committee under this resolution shall not exceed $2,333,100, of which amount not to exceed $18,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(1) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The Committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the Committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the Chairman of the Committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 41—RESOLUTION TO AMEND THE STANDING RULES OF THE SENATE

Mr. MELCHER submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 41

Resolved, That Rule VII of the Standing Rules of the Senate is amended by adding the following new paragraph 7:

"Applications received from the states requesting a convention to amend the United States Constitution shall be printed in full in the CONGRESSIONAL RECORD as received and shall be listed under a separate category entitled 'Applications' following the printing of memorials and petitions. The original application shall be retained in the files of the Secretary of the Senate and copies shall be forwarded to the Senate Committee on the Judiciary. The Committee, on a biannual basis, shall cause to be printed in the CONGRESSIONAL RECORD a list of such Applications received, the subject matter of the application, the date received by the Secretary of the Senate and the total number of applications received on a given subject to date during the meeting of the current Congress."

● Mr. MELCHER. Mr. President, at the outset of the 96th Congress, the States submitted a flurry of applications asking Congress to call a convention to amend the Constitution to require a balanced budget. Whatever the merit of the individual applications, they exposed a need for the Senate to fill in a blank in the Standing Rules of this body. Although article V of the Constitution points out that a convention would be called "on the Application" of two-thirds of the several States, the Senate rules do not make specific reference to that constitutional term.

Rule VII of the Standing Rules of the Senate refers to the terms "memorials" and "petitions." In fact, paragraph 5 of that rule provides that communications from State legislatures are to be printed in full in the Senate portion of the CONGRESSIONAL RECORD. The practice over the years has been to group petitions from private citizens and other groups together with memorials from State legislatures under the single heading "petitions."

Until January of 1977, there was no truly useful way of distinguishing between the two in the CONGRESSIONAL RECORD. On that date, the Secretary of the Senate established a new numbering system for these documents. Under that system, petitions and memorials are assigned numbers preceded by the letters "POM" and then numbered and entered consecutively in the CONGRESSIONAL RECORD. It is an improvement over the former unnumbered listing of the documents but it can be better.

The resolution I am offering today simply does what should have been done from the very beginning of the existence of the Senate. It gives requests from the State legislatures for a constitutional convention, a separate identity in the Senate rules. Doing this neither indicates support for a convention on any particular issue nor drastically departs from traditional practice. However, in view of the obvious interest State legislatures have shown in requesting a constitutional convention and because 46 State legislatures will assemble between now and February 3, I believe we have a special obligation in the Senate to do the best we can in keeping track of these applications. We really have not been doing as well as we might.

Let me explain further.

I have searched the relevant literature for some definitions to distinguish between the terms "memorial" and "petition." There is not much to go on. In July 1978, the Secretary of the Senate's office published a booklet called "Legislative Procedural Flow" which documents the many processing steps in the enactment of a law. That booklet, in an attempt to define the word "petition" simply said it was a document "asking the government for a redress of grievances." That is pretty much what the Constitution provides in the first amendment. The term "Memorial," however, as defined by "Legislative Procedural Flow" is listed only as a document "memorializing the government to do or not do a thing." Memorials are not specifically mentioned in the Constitution.

What obligations does the Congress have to respond to petitions and memorials? In terms of petitions, the U.S. District Court for the Southern District of California felt the Congress had virtually no obligation whatever. After a California resident sent a petition to the Senate dealing with a social security problem, no action was taken. The party filed suit and the court responded this way:

> The plaintiff has confused the right to petition with a supposed right to have his petition granted or acted upon in a certain way. But no such right is found in the Constitution. The Constitution gives the people the right to submit petitions to their Senators in unlimited quantities, if the people so desire, but it does not require that the Senators do anything in particular with those petitions once they have been received. Neither party has cited and the court has not found, any authority whatever that requires a Senator to do anything with a petition or that restrains a Senator from doing anything he p'eases with a petition.

What of the obligation of Congress to respond to memorials? One commentator has observed that—

> memorials from the State Legislatures are, at best, political statements which have small impact and no binding effect on the Congress.

That same commentator, however, went on to say that—

> Article V Applications for a convention are constitutionally authorized instruments which, in the aggregate, impose a specific duty on the Congress. There at least ought to be a separate means of counting and tracking the memorials from the States which request a convention.

I agree we need to be more careful in tracking these applications and improvements are long overdue. In fact, a staff report of the House Judiciary Committee issued 29 years ago called the application process "the stepchild of constitutional law." It is small wonder that the House would express concern of that order. The processing of State applications for a convention by the House has not been what it should be. But the Senate has not been letter-perfect, either. To illustrate the problem, let me quote from a September 29, 1978 Library of Congress study of the problem:

The Senate has records showing that sixteen States have memorialized Congress for a constitutional convention relating to deficit spending. The House records fifteen such applications. The National Taxpayers Union lists 22 States . . . Of the six additional States which have passed similar resolutions, five claim that copies were sent to Congress, and one State apparently did not forward its resolutions.

Thus, although at least twenty-two . . . States have passed resolutions applying to Congress for a Constitutional Convention to consider amendment in this area, only a maximum of sixteen applications have been officially noted by the Congress.

To illustrate further, back in 1974 the State of California asked Congress to call a convention to amend the Constitution to deal with the private ownership of gold. Its receipt was noted September 11, 1974 in the House portion of the CONGRESSIONAL RECORD. It went unrecorded in the Senate. Oklahoma, Louisiana, and Tennessee requested a convention on a variety of subjects. Although noted in the House, they were not printed in the CONGRESSIONAL RECORD by the Senate.

The reasons for the omissions are unclear. It may be the fault of the State legislatures. It may be the fault of the Senate. Fault, however, is not really the issue. What is important is that the Senate do the very best possible job in seeing to it that these applications are properly received and recorded.

On November 29, 1979, the Senate Judiciary Committee conducted hearings on Constitutional Convention Procedure. I believe the aggregate record of those hearings supports the need for the change I have proposed in rule VII. I hope my colleagues will support this resolution.●

SENATE RESOLUTION 42—RESOLUTION RELATING TO THE FUNDING AND CONSTRUCTION OF THE GARRISON DIVERSION UNIT

Mr. PRESSLER submitted the following resolution, which was referred to the Committee on Environment and Public Works:

S. RES. 42

Whereas, the State of North Dakota and the State of South Dakota are currently negotiating to reach an agreement on the Garrison Diversion Unit, North Dakota return flows which will travel down the James River, South Dakota; and

Whereas the Governor of South Dakota has developed a reasonable concept in an attempt to utilize return flows from the Garrison Diversion Unit for the benefit of South Dakota; and

Whereas funds have been appropriated for construction on the Garrison Diversion Unit, North Dakota in Fiscal Year 1981 and have been requested in the Federal Budget for Fiscal Year 1982: Now, therefore be it

Resolved, That it is the sense of the Senate that the State of South Dakota's interest in the safe use of Garrison Diversion Unit, North Dakota return flows should be given every consideration and that any funding decision made by the Senate for the Garrison Diversion Unit, North Dakota should recognize the State of South Dakota's interest in reaching an agreement with the State of North Dakota on mutual and beneficial utilization of Garrison Diversion Unit return flows.

Mr. PRESSLER. Mr. President, I am today submitting a resolution regarding the Garrison Diversion Unit, North Dakota and the ongoing negotiations between the State of South Dakota and the State of North Dakota to utilize the return flows of the project for our mutual benefit.

During the last Congress, I offered an amendment to the fiscal year 1980 supplemental appropriations bill that would have added the words "or South Dakota" to the following language that was contained in the bill:

None of the funds appropriated from the Garrison Diversion Unit may be used for the acquisition of mitigation lands by condemnation nor shall funds be used on features affecting waters flowing into Canada (or South Dakota).

At the time, I stated that I did not oppose the Garrison project, but that I believed it was extremely important for the States of North and South Dakota to work out a memorandum of understanding regarding the project's return flows which would go down the James River, S. Dak.

The Canadian Government has consistently opposed any construction on the Garrison unit if it would affect waters flowing from the Missouri River Basin northward into Canada. Should the Canadian Government continue to protest, there is the possibility that all return flows would go southward into the James River which extends the length of South Dakota.

Since the time I offered my amendment last summer, I am pleased that the Governor of South Dakota and the Governor of North Dakota have begun to negotiate on how South Dakota might utilize the return flows for our State's benefit.

The Governor of South Dakota has also developed a reasonable concept which allows South Dakota to effectively and safely utilize Garrison return flows for riverside irrigation and municipal water supply in along the James River. The cities of Aberdeen, Redfield, Huron, and Mitchell are in great need of additional water supplies for municipal and industrial use. The Governor has set forth his proposal as a concept which is subject to change, and as a good-faith effort to seek agreement with North Dakota for the benefit of both States.

The resolution I am submitting today is offered in the same spirit of good faith and desire to negotiate with our sister State, North Dakota. The Senate should recognize the efforts of the two States to reach agreement to suit their mutual needs.

NOTICES OF HEARINGS

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Industrial Growth and Productivity Subcommittee of the Senate Budget Committee will hold an additional session of its scheduled hearings on January 27, 1981, in room 6202 of the Dirksen Senate Office Building at 2 p.m.

Witnesses will be Dr. Richard Rahn, vice-president of the U.S. Chamber of Commerce in Washington, D.C., and Mr. Alexander Trowbridge, president of the National Association of Manufacturers, also in Washington, D.C.

For further information, contact Mr. Rick Brandon of the Budget Committee staff at 224–0836.

ADDITIONAL STATEMENTS

NEW HOPE FOR AMERICA

● Mr. HELMS. Mr. President, from all over the country I am receiving clear evidence that the morale of the American people is the highest it has been for many years. This is a good sign, and aside from any partisan considerations it indicates to me that there has been a restoration of will among our people.

The other day, for example, I received a note from a Navy veteran of World War II, John F. Nieder of Covington, Ky., who served aboard the U.S.S. *Oakland*. He sent the following message to President Reagan:

Here's wishing President Reagan, our 40th United States President, the best of health, the best years, the best of everything for these United States.

Regardless of party affiliation, Mr. President, I sense that Mr. Nieder's message speaks for the vast majority of the American people. It also speaks well for the future of our country.●

SECOND ANNUAL POLICY STATEMENT OF THE COMMITTEE TO FIGHT INFLATION

● Mr. ARMSTRONG. Mr. President, when such distinguished American leaders as Dr. Arthur F. Burns, Henry Fowler, Michael Blumenthal, John Byrnes, Douglas Dillon, Paul McCracken, Frederick Deming, George Mahon, William McC. Martin, Jr., Wilbur Mills, George Schultz, Wiliam Simon, and John Williams band together to discuss methods to combat inflation, people ought to listen.

I am delighted to share with my colleagues the second annual policy statement of the Committee to Fight Inflation, comprised of the economic scholars listed above. The committee urges Congress and the President to adopt a nine-point program of spending and tax cuts, and regulatory reform. I endorse the committee's policies and will do all I can to implement them.

I hope my colleagues will take a few minutes to read the policy statement of the Committee to Fight Inflation.

The statement follows:

SECOND POLICY STATEMENT

As the new administration prepares to enter office, the nation's economy is undergoing a crisis: the price level continues to move strongly upward; interest rates are already equaling or surpassing the all-time highs established only nine months ago; and business activity, barely recovered from the recent recession, may be on the brink of another downturn. The new recession, if it occurs, will in large part be a product of the extraordinary levels attained by interest rates; and those rate, in turn, are the joint product of a resurgence of inflationary expectations and the recent efforts of the Federal Reserve to cope single-handedly with the raging inflation.

It is a sad fact that despite the recession earlier this year the basic rate of inflation is no lower than it was before the recession started. From the standpoint of the nation's inflation problem, the recession accomplished nothing. And even if a new recession is avoided in 1981, a robust recovery is unlikely in view of the strains from which the economy is now suffering.

Our longer-range economic prospects can, however, improve dramatically if we go to work seriously on the inflation problem. The damage that inflation has done is evident all around us, and the urgency of dealing with it can hardly be exaggerated. Inflation has eroded the real value of everyone's money earnings and monetary assets. It has deprived people of effective means of planning for their future and of providing against the contingencies that arise in life. It has been reducing the efficiency of financial markets and of the workshops of our economy. It has been weakening business innovation and capital investment by multiplying risks, driving up interest charges, and causing taxes to be paid on a phantom portion of profits. It has been weakening the economic security that Congress sought to build through massive social legislation. It has been reducing the value of the dollar abroad as well as at home, thus diminishing our country's power and prestige in the international arena. In short, persistent inflation, besides making the economy more vulnerable to recessions, has been undermining our nation's economic, moral, and political strength.

The basic economic requirement at present is to create confidence that anti-inflation policies will henceforth be pursued resolutely, consistently, and as far as feasible in ways that encourage business innovation and investment. The Federal Reserve has an essential role to play, but it should not be expected to carry the whole burden of fighting inflation. Fiscal, regulatory, and structural policies must also be enlisted in the battle. We must bring the federal budget under strict control and relieve the burdens on the economy imposed by regulatory and other governmental policies.

In view of the great danger that inflation poses for our Nation's future, a number of citizens who have had extensive governmental experience in handling economic and financial issues recently established a Committee to Fight Inflation. The committee is thoroughly bipartisan in its makeup. Its members include five former secretaries of the Treasury, two former chairmen of the Federal Reserve Board, one former chairman of the Council of Economic Advisers, one former Under Secretary of the Treasury, and four former members of Congress who had major responsibilities in the economic and financial area.

Since June 1980, when the committee issued its first policy statement, significant changes have occurred in the economic and political environment. The committee has amplified some of its original recommendations, and it respectfully urges the President and the Congress to adopt the following nine-point program:

1. Prompt passage by the Congress of legislation authorizing and enabling the President to cut projected federal expenditures, including off-budget outlays, for fiscal year 1981 by no less than 2 per cent of the total.

2. Encouragement of productivity-enhancing capital investments by lowering business taxes, effective in calendar year 1981, and accompanying these and any other tax reductions with substantial selective cuts in projected federal spending for fiscal year 1982.

3. Revision of the federal budget process, starting with fiscal year 1983, so as to require a balanced budget unless a deficit is authorized by more than a simple majority—say, two-thirds—of each house of Congress.

4. Early appointment of a high-level commission to explore ways of reducing the effects of entitlement programs, especially those tied to the cost of living, on the growth of federal spending.

5. Support by the President and Congress of monetary policies designed to reduce over the next three or four years the growth of the money supply and of bank credit to rates that are consistent with a stable consumer price level.

6. Reduction of restrictions on competition that are now imposed by our government; for example, by introducing a youth differential in minimum wages to increase job opportunities for teen-agers and by rescinding or amending the Davis-Bacon Act, which serves to escalate construction costs.

7. Reform of regulations concerned with the environment, public health, and safety so as to ensure that basic national objectives are achieved at minimum feasible cost.

8. Active encouragement of labor-management councils in individual shops, offices, and stores throughout the country, so that workers and managers will jointly seek ways of improving productivity.

9. Early decontrol of the price of oil and of natural gas, despite adverse short-run effects on the consumer price level, in the interest of promoting price stability over the longer run as well as regaining national energy independence.

The critical problem of inflation did not emerge suddenly. It has been gathering force for many years. Its roots lie deep in the political and philosophical attitudes that emerged from the Great Depression of the 1930s.

While our inflation is largely a consequence of government actions, those actions in turn reflect excessive public demands for the good things of life—rising living standards, better provisions for income security, more assistance to the disadvantaged among us, a cleaner environment, fuller protection of the public's health and safety, and special benefits for a growing number of interest groups. Each of these demands is thoroughly understandable. Together, however, they release troublesome and persistent inflationary forces, first, by requiring of our government greater outlays than tax revenues can finance and, second, by demanding of the private economy greater output than its languishing productivity can support. These forces must be brought under control.

At best, the task of ending inflation will be difficult. But there is no hope of eventual success unless the American people come to understand the nature of the problem and are prepared to support the stern measures required to solve it. We see some signs that the needed understanding and support are growing. And we look forward to the time when our nation will again experience the economic progress that is possible in an environment of generally stable prices.○

SPEECH BY SENATOR HUDDLESTON BEFORE SOUTHERN CONFERENCE OF DENTAL DEANS AND EXAMINERS

● Mr. HUDDLESTON. Mr. President, I submit for the RECORD excerpts of a recent speech I made to the Southern Conference of Dental Deans and Examiners.

The excerpts follow:

FEDERAL BUDGET

Having covered an area of very direct concern to you, I would now like to turn to some broader topics that will dominate the new 97th Congress, and which I am sure concern you and all other Americans.

First, there is the matter of the federal budget. There is not a soul in the Congress, or in this room, or in the state of Kentucky who does not believe the federal budget should be reduced. Everyone is in agreement, from economists to senators to dentists to blue-collar workers to bankers, that inflation is the number one problem facing the nation. And everyone is also in agreement that at least part of the problem is the federal deficit and the continued increase in federal spending.

But when you start trying to figure out where to cut the budget, all of the agreement falls apart. Everyone wants to cut, but not his or her program. Every interest group and every group of beneficiaries believes its grant or program is too important to be cut, but they are all for cutting someone else's proprogram.

I am a member of the Senate Appropriations Committee, through which all the money bills must pass. Despite the growing recognition of the need to hold spending in line, and despite the increasing calls for cuts in the budget, I have received more requests for more spending during the past year from Kentuckians than at any time since I became a member of the Senate. Many times those who write lamenting the federal deficit are the same who write asking for money for this or that project or program. Those requesting more spending are not usually those who benefit from some welfare program, it is mayors, county judges, businessmen, local chambers of commerce, development officials, spokesmen for the arts, union leaders, etc., who request funds.

This is not to say that these requests are without merit. In fact, most of these programs are quite worthy and provide needed services to the public and individuals. But just as obvious is the fact that we cannot have it both ways: we cannot have all the programs and benefits and still cut federal spending and work toward a balanced budget.

President-elect Reagan is discovering this fact every day. He campaigned on the promise of tax cuts, increased defense spending, and a balanced budget in 1983 without cutting any of the basic, worthwhile programs. He would achieve that goal, he said, by cutting waste and fraud. He knows now that there is simply not enough waste and fraud in the budget, unless you want to consider Medicare or Social Security benefits waste, to deliver on that promise. This is not intended as a partisan criticism of President-elect Reagan, because Jimmy Carter and others have gone through the same exercise.

The fact is that more than 70 percent of the budget is composed of what we call uncontrollable entitlement programs, in which persons who qualify for the benefits automatically receive them. This portion includes such things as Medicare, Social Security, black lung, and so forth. These programs are called uncontrollable because they do not come up for annual appropriations. Once recipients qualify they are automatically entitled to the benefits, and it would require changes in the basic law to reduce or slow the increase in the level of expenditure. Indeed, these very basic programs have been considered sacrosanct politically, and few if any politicians have been willing to talk about reducing these programs.

Of the remaining 30 percent of the budget, about half of it is the defense budget, and that is going up, not down. So if you are

going to try to make major cuts, without touching the entitlement programs, as Governor Reagan promised in the campaign, you end up trying to put a square peg in a round hole. It just will not fit. The Reagan people realize this, and they are beginning to backtrack on a number of politically appealing positions they took in the campaign now that they have come up against the hard realities.

The fact is that some very basic and hard decisions will have to be made. If the new Administration really wants the kind of cuts it promised, then the entitlement programs will have to be included, and that could be political dynamite.

The middle position, and the one that is likely to emerge, would include an across-the-board cut in all of the controllable programs with the exception of defense, and some adjustment to slow down the growth of the entitlement programs. It is probably unfair and politically impossible to actually cut the existing level of benefits that people now receive, but it would be irresponsible not to at least look at some of the built-in increases in future years to see if they are justified and if we can afford them.

It will not be an easy task. During the last year I have voted for cuts in some programs that I supported in the past. I did so in the belief that it is necessary to reduce federal spending to get a handle on inflation. I am now getting letters every week from members of the affected interest groups saying they will never support me again. They give me low scores on their voting indexes, which they send to their members, who then express their anger to me. I am not complaining because, as the old saying goes "that goes with the territory", but I cite my own situation by way of illustrating the difficult nature of the undertaking.

To be perfectly fair about it, these people are not a group of selfish, unpatriotic Americans who would let the country suffer because of their own greed. Most of them are far less fortunate than you and I, and many are struggling just to make ends meet from month to month, and any reduction in the prospective increase in benefits hurts them both materially and psychologically.

So the task before the new Reagan Administration and the new 97th Congress will be a difficult one. It is a matter of trying to achieve fairness, equity and balance, and it must be done with compassion. The sacrifice must be spread as evenly as possible, and with consideration for those affected. But the cuts must be made, and I predict they will be.

THE ECONOMY

Do not be deceived into believing that cutting the budget alone will solve our economic problems. The causes are many, and the cures must be many also. Balancing the budget will do little to offset our problem with imported oil, which costs almost $100 billion annually. Balancing the budget will help, but will not cure the problem we have with productivity and outmoded industrial plants and equipment. Balancing the budget actually runs counter to meeting our national security needs. And balancing the budget, in and of itself, will not solve our declining balance of trade and export problem. Many solutions are required, only one of which is addressing the fiscal problem.

One of the first big questions in the economic area will be a tax cut. As you know, Governor Reagan promised a three-year, 30 percent across-the-board tax cut. That kind of cut would cost at least $200 billion, and for that reason, I remain very skeptical of its wisdom. We will have a hard enough time reducing the deficit and achieving a balanced budget without trying to offset the revenue loss from a $200 billion tax cut.

The tax cut, of course, is based on the premise that it will stimulate production and increase tax revenue to offset the loss from the cut. However, very few economists have been willing to endorse that concept, and most have counseled caution with respect to any tax cut. I share that sense of caution. I believe a tax cut of modest size is probably necessary, but I do not believe we should make a three-year tax cut commitment—and I do not believe an across-the-board cut is the proper approach.

If you cut across-the-board, you fail to discriminate as to what the real needs are. Our biggest economic need, other than controlling inflation, is to stimulate production, enhance productivity, modernize our outmoded industries, and promote exports. You can best do that by targeting the tax cut, rather than making it across-the-board. An across-the-board cut tends to stimulate additional consumption; a properly targeted tax cut would stimulate production and jobs.

REGULATIONS

Another thing you can look for in this Congress is a major attack on excessive government regulations. The Reagan Administration may well make its biggest mark in this area, and with just cause.

I know that your profession is concerned about the rumblings of a couple of years ago that the FTC might seek to impose federal, rather than state, licensure requirements on health professionals. If you have been following the FTC, you know that Congress clipped their wings pretty good during the last session, and I expect that agency to be far more sensible in the future about seeking additional federal regulatory requirements on all sectors of the economy.

NATIONAL DEFENSE

I would like to close with a few words about national defense, which along with the economy will dominate the new Congress. There is little disagreement with the fact that the Russians have engaged over the past 15 years in a massive arms buildup which, if unchecked, could place this country in a very difficult security situation. Congress has already begun the process of rectifying that situation, with steadily increasing defense expenditures over the past three years. The latest budget includes a five percent increase over and above inflation.

The Reagan Administration is committed to continuing that trend, and I have confidence that the American government and the people are willing and prepared to meet the Soviet challenge. Despite what some have said, we are not now a second-rate power. I know of no general, admiral or other serious military analyst who would swap our defense capability for that of the Soviets. But we must do more, and improve our current capability. I and most of my colleagues are prepared to do just that, and I have no question but that the American people support this course.

This is still the greatest country on Earth, and despite our problems, we will meet them and continue our preeminent position in the world.●

UKRAINIAN INDEPENDENCE DAY

● Mr. ANDREWS. Mr. President, the Ukrainian people in the free world, including a large number of my constituents in North Dakota, are once again observing January 22 as the anniversary of the proclamation of independence in their homeland.

The following letter from my constituent, Dr. Anthony Zukowsky, honorary president of the Ukrainian Congress Committee of America, from Steele, N. Dak. This letter vividly describes the plight of the Ukrainians in the years they have been dominated by the Soviet Union. I ask that the letter may be printed in the RECORD.

The letter follows:

UKRAINAIN CONGRESS COMMITTEE
OF AMERICA, INC.,
January 16, 1981.

Re January 22, Ukrainian Independence Day.

Hon. MARK ANDREWS,
U.S. Senate Office Building,
Washington, D.C.

DEAR SENATOR ANDREWS: As the 97th U.S. Congress begins its sessions, we would like to call your attention to the fact that in January, Ukrainians all over the free world, including the United States, will celebrate the Proclamation of the Independence of Ukraine.

January 22nd, 1981, will mark the 63rd Anniversary of the Proclamation of Independence of Ukraine and the 62nd anniversary of the Act of Union, whereby all Ukrainian lands were united into one independent and sovereign nation. Both the Independence of Ukraine and the Act of Union were proclaimed by a duly elected parliament (Central Rada) in Niev, capitol of Ukraine, on January 22nd, 1918 and in January 1919.

This sovereign Ukrainian state—nation—was immediately recognized by a large number of nations, including France and England. Diplomatic relations were established with them. Recognition was also granted by Soviet Russia. But, despite the fact that the Soviet government had officially recognized Ukraine as an independent and sovereign state, communist forces attacked Ukraine both by military aggression and by subversion from within.

For three and one-half years the Ukrainian people waged a gallant struggle in defense of their country, alone and without aid from the western nations, and unfortunately were overpowered by the numerically stronger and better equipped Russian Bolsheviks. They destroyed the Ukrainian National Republic and created a Communist puppet government known as the Ukrainian Soviet Socialist Republic, U.S.S.R.

The entire history of the Soviet dominated Ukraine is a ghastly record of inhumanity, outright persecution and genocide and in the last years—Russification and violation of human and national rights on a scale not known in the history of mankind.

In summing up, the colonial rule of Soviet Communism in Ukraine can be characterized by the following:

A. During the sixty years of Moscow rule in Ukraine, literally millions of Ukrainians have been annihilated by man-made famines, deportations, and executions.

B. Both the Ukrainian Orthodox Church and the Ukrainian Catholic Church have been ruthlessly destroyed and their clergy, along with hundreds of thousands of their members were arrested, persecuted, and mostly killed.

C. All aspects of Ukrainian life are rigidly controlled and directed from Moscow.

D. Permanent violation of human and national rights was instituted in Ukraine.

Thousands of Ukrainians have been charged with "anti-Soviet propaganda and agitation", arrested, tried and sentenced for many years. Many have been tortured, incarcerated and confined to psychiatric asylums where drugs and chemicals are forcefully administered. All members of the Ukrainian Public Group to Promote the Implementation of the Helsinki Accords were arrested, tried, and sentenced from 7 to 10 years, among them such prominent members as Mykola Rudenko, Oleksa Tykhy, Mykola Matusewych, Myroslaw Marynowych, and Lew Lukianenko.

The Russian Communist enslavement of Ukraine has brought much suffering to the people of Ukraine. In spite of this oppressive yoke, Ukrainians have never accepted foreign domination and are continuing to struggle for human rights, freedom, and national independence. The new breed of young and adamant fighters for human and national

rights gives us hope that Ukraine will be free again.

The Ukrainian people in the free world are celebrating the memorable January 22nd as their greatest holiday. Also, for many years the 22nd of January has been proclaimed in our American cities and states from coast to coast as Ukrainian Independence Day.

Therefore, it is in the common spirit of liberty, faith, and justice that the American people, and especially the U.S. Congress, join Ukrainians all over the world in giving moral support to the Ukrainian people in their struggle for Human Rights, Freedom, and National Independence for Ukraine.

Sincerely,

DR. ANTHONY ZUKOWSKY,
Honorary President.●

FEDERAL SPENDING REDUCTIONS

● Mr. SASSER. Mr. President, I was pleased to read in the press that President Reagan has taken the necessary steps to reduce the cost of Federal employees travel and the cost of outside consultants utilized by departments and agencies. I want to commend the new administration for this effort.

For the past several years, I have urged that the cost of Federal travel, in particular, be reduced. In fiscal year 1980, Congress approved my proposal to reduce Government travel expenditures in that year by $500 million. President Carter signed that legislation into law and directed the development of the interagency travel management improvement project which is in the process of finalizing its report which should lead to further reductions in travel.

Last year, my colleague, Senator PRYOR, and a number of other Senators joined with me in cosponsoring legislation designed to further limit travel and consultant costs. The Senate and House approved this legislation as part of the most recent continuing resolution, but unfortunately the Sasser-Pryor provisions were dropped from the final version of the bill, as were most other provisions when Congress became deadlocked on the pay raise issue.

On January 6, I introduced S. 61 which is identical to the Sasser-Pryor provisions adopted by Congreses on the continuing resolution.

Mr. President, I point out that reductions in travel and consultants represent only a portion of the savings which could be achieved by our legislation. S. 61 also contains legislative authority which would provide the Federal Government with a mandate to do a better job of collecting its debts. Testimony by the General Accouunting Office before hearings of the Appropriations and Budget Committees have indicated that the Federal Government is owed $175 billion. Of that amount $47 billion is currently due and $25 billion is delinquent. The sum of $6 billion has been set aside for bad debts and $1 billion was written off in fiscal year 1979 alone.

Testimony also indicates that up to $16 billion could be cut from the Federal deficit if the Federal Government would conduct a more vigorous and effective effort to collect its debts.

Mr. President, I urge the new administration to review the debt collection efforts of the Federal Government. It is my hope that President Reagan will join those of us in the Congress who believe that the deficit should be further reduced by improving debt collection activities.

Mr. President, I ask unanimous consent that the text of S. 61 be printed in the RECORD. I urge my colleagues to join as cosponsors of this legislation.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 61

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) except as provided in paragraph (2), the total amount proposed in the Budget of the United States Government for the fiscal year 1981 (as amended and supplemented), transmitted by the President under section 201 of the Budget and Accounting Act, 1921, which may be obligated to travel and transportation of persons, and the transportation of things, for offices and employees of all departments, agencies, and instrumentalities of the executive branch of the Federal Government shall be reduced to the extent practicable, by an amount which is necessary to meet the requirements of subsection (d)(1) of this section. Such reductions shall be directed toward the objective of eliminating nonessential travel.

(2) The provisions of this subsection shall not apply to the Coast Guard nor to the Department of Justice for expenses necessary for the investigation and prosecution of cases, the apprehension and retention of prisoners, and deportation activities, unless legislation containing a restriction or limitation on such expenses is enacted after the date of enactment of this Act which specifically refers to this section.

(b) The total amount proposed in the Budget of the United States Government for the fiscal year 1981 (as amended and supplemented), transmitted by the President under section 201 of the Budget and Accounting Act, 1921, which may be obligated to the use of experts or consultants by appointment or contract in all departments, agencies, and instrumentalities of the executive branch of the Federal Government shall be reduced by an amount which is necessary to meet the requirements of subsection (d)(1) of this section.

(c)(1) Each department, agency, and instrumentality of the Federal Government shall establish procedures to identify the causes of overpayments and delinquencies and the corrective actions needed to reduce overpayments and delinquencies, establish better control of receivables, actively use the services of credit bureaus and commercial collection agencies, and take more aggressive collection action.

(2) The Secretary of the Treasury shall revise the fiscal requirements manual of the Department of the Treasury to require interest charges on delinquent accounts and to provide more complete reporting of data on delinquent accounts.

(3) The Commissioner of Internal Revenue shall carry out a debt collection pilot project under which a delinquent debt owed by any person to the United States will be collected by retaining, out of any tax refunds otherwise payable to such person, such sums as are necessary to cover such debt. The debt collection pilot project required by this subsection shall be carried out in accordance with procedures designed to assure that no person will be denied due process of law under the project and that confidentiality of data held by the Internal Revenue Service pertaining to such person will be protected.

(d)(1) The Director of the Office of Management and Budget shall, to the extent practicable—

(A) allocate reductions in the amounts obligated for travel and transportation expenses under subsection (a) among all departments, agencies, and instrumentalities to which subsection (a) applies;

(B) allocate reductions in the amounts obligated for expenses for experts and consultants under subsection (b) among all departments, agencies, and instrumentalities; and

(C) review the savings made by the collection procedures and related activities required under subsection (c) to assure to the extent practicable, such reductions and savings will amount to $2,000,000,000 for the fiscal year ending September 30, 1981.

In allocating any reductions under this subsection with respect to expenses described in paragraph (1)(A) among the departments, agencies, and instrumentalities of the executive branch, no reduction shall be made in funds for debt collection or supervision of loans, nor shall any department, agency, or instrumentality be reduced by more than fifteen per centum of the amount of such expenses proposed for each department, agency, or instrumentality in the Budget of the United States Government for the fiscal year 1981 (as amended and supplemented), transmitted by the President under section 201 of the Budget and Accounting Act, 1921.

(2) The Director of the Office of Management and Budget shall prepare and submit to the Committees on Appropriations of the Senate and the House of Representatives a report on—

(A) the actions taken to carry out the provisions of this section;

(B) improvements in the budget process which emphasize accounting system approval and debt collection procedures; and

(C) proposals of actions to be taken by the Congress including the reduction in requested new budget authority to reflect the result of the collection of delinquent debts and as an incentive to promote increased collection of such debts.●

AMERICAN UNITED T-SHIRTS

● Mr. LUGAR. Mr. President, today I had the honor of meeting with Dr. and Mrs. Robert Angerman of Dyer, Ind., and accepted on behalf of the Senate, 100 "American United" T-shirts. My colleagues will recall that these shirts were the "unofficial" uniform of our former hostages while they were in Iran and were worn by many of the returning Americans when they landed in Algiers. The shirts, featuring an eagle's head above the word "America" lettered in a mountain shape, have become a national symbol of unity as we recover from the 14-month nightmare of Iran.

Many returning ex-hostages expressed doubts that the American public was still thinking about them after the long span of 14 months. Those doubts should be completely erased, particularly in view of the enormous public response to Dr. Angerman's T-shirts. Personally designed by Dr. Angerman, and sent as Christmas presents in 1979 by the Angerman family, the American public have been ordering the shirts by the thousands since they were first publicized by the media.

Mr. President, our country owes a debt of gratitude to Dr. and Mrs. Angerman for their tireless and unselfish efforts in promoting American unity. I submit for the RECORD an article which appeared in the January 23 Chicago Tribune as well

as my January 26 press release on the Angermans.

The material follows:

HOSTAGES' "EAGLE" T-SHIRTS NEW CRAZE

(By Michael Hirsley)

A Dyer, Ind. dentist has suddenly become America's hottest clothing designer.

Dr. Robert Angerman designed the T-shirt with an eagle's head above the word "America" lettered in a mountain shape, which has become the unofficial "uniform" of the ex-hostages and their relatives.

Because of the media exposure the T-shirts and their wearers have received, the Angermans have been inundated with requests for them.

"We've got two large mailbags and eight boxes full of letters from around the country—people ordering shirts and enclosing checks for them," Angerman's wife, Sarah said.

Some 2,000 shirts have been sent and another 5,000 have been ordered, she said, adding, "Our two kids, my mother-in-law, two friends of mine, and one of their mothers have an assembly line going in the dining room trying to fill the orders."

Angerman, 42, originally designed the shirts three years ago as sale items in area schools' fund-raisers for the Moscow Olympics.

When the Olympic boycott was announced, Sarah got the idea to send shirts to all the hostages as presents for Christmas, 1979.

Several hostages and their relatives wrote the Angermans thanking them for the shirts and indicating they were virtually the only gifts distributed to the American captives that Christmas.

Last Christmas, it became clear how well-received the gifts had been. In televised greetings permitted by Iran, several hostages wore them. Duane Gillette, 24, of Columbia, Pa., said he hadn't been given a shirt and apologized for being "out of uniform."

"I went right to the post office and mailed three more shirts to the embassy in Tehran, in his name," Sarah Angerman said.

The Angermans sent 65 shirts to Wiesbaden, West Germany, where the ex-hostages are undergoing debriefing, and are trying to fill orders from everyone who sends $8 for the shirt and postage costs to American United. P.O. Box 295, Dyer, Ind. 46311. They are handling hostage relatives' requests first. After expenses, proceeds are sent to FLAG, the hostage families' organization in Washington, D.C., the Angermans said.

INDIANA COUPLE PRESENT HOSTAGE T-SHIRTS TO U.S. SENATORS

WASHINGTON.—Senator Lugar (R-Ind) and Senator Howard Baker (R-Tenn.) will accept on behalf of the United States Senate 100 "American United" T-shirts designed by Dyer, Indiana dentist, Robert Angerman. The T-shirts, featuring an eagle's head above the word America lettered in a mountain shape, have become the unofficial "uniform" of the ex-hostages after they were seen nationwide during television broadcasts from Iran. The shirts will be presented to each U.S. Senator.

In 1976, Dr. Angerman designed the T-shirts from a poster he had made for friends and intended them to be used for sale items in area schools' fund-raising events for the Moscow Olympics. When the Olympic boycott was announced, Mrs. Angerman, Sarah, decided to send shirts to all the American hostages in Iran as presents for Christmas, 1979. In January and February, the Angerman's received two letters from hostages thanking them for the shirts. Soon after, hostage families began requesting more shirts. Because of the publicity surrounding the T-shirts and their wearers, the Angermans have been inundated with requests for them from the general public.

"This show of unity by the people in the United States illustrates well the fact that the American hostages were never out of our minds," Lugar said. The Angerman's helped the ex-hostages rally behind something that represented the United States. In Christmas greetings shown on American television, the hostages proudly displayed their 'uniforms,' and one hostage even expressed regret at not wearing a shirt (he was promptly supplied one by Mrs. Angerman). I am proud to accept these shirts on behalf of the Senate, and thank the Angerman's for their tireless efforts in promoting American unity."

Dr. Angerman is a native of Merrillville, Indiana and graduated from Indiana University School of Dentistry in 1968. He served for four years in the United States Navy, and has had a lifelong interest in art. He and his wife are the parents of two children, Bryon, 10, and Devin, 8.

The Angerman's, who have donated all proceeds to FLAG, the hostage families' organization in Washington, D.C., were invited to Washington by Lugar's office to make the presentation at 11:00 a.m., January 27, in Senator Baker's office in the Capitol, Room S-230. The shirts are currently available to the general public at $8 for the shirt and postage costs by writing to American United, PO Box 295, Dyer, Indiana 46311.●

A DAY OF THANKSGIVING

● Mr. HATFIELD. Mr. President, it is a great joy for me to call the attention of my colleagues to the signing by the President yesterday of Senate Joint Resolution 16, designating January 29, 1981, as a day of thanksgiving to honor our safely returned hostages. Today we, with all Americans thrilled as our heroic returnees arrived here in Washington and were received at the White House. But by Thursday these brave men and women, diplomats, members of the armed services, and a businessman, will have returned to their homes around the country. It is altogether fitting I believe that the day of special thanksgiving, as designated by the joint resolution, will be Thursday when these special people are once again in the safety and warmth of their own communities, families and houses of worship. My heart wells up when I think of the jovous reunions that will occur in these churches which have nurtured them.

The special service Thursday here on the east front steps of the Capitol will begin at 12 noon. All Members of Congress and their staffs are invited to this interfaith service of thanksgiving and reconciliation. It is being sponsored by the Interfaith Conference of Metropolitan Washington, and it will be led by Protestant, Catholic, Jewish, and Muslim religious leaders. It will last no more than 30 minutes and it will be a time of sharing joy and thanksgiving as well as an occasion to begin to struggle with fruitful ways of dealing with our anger and hatred.

I am also pleased to announce that Senators EXON, HAYAKAWA, LONG, QUAYLE, and SPECTER have asked to be added as cosponsors to Senate Joint Resolution 16.●

A BALLOT BOX ALBATROSS

● Mr. HAYAKAWA. Mr. President, on January 6, 1981, I introduced legislation to repeal the portions of the Voting Rights Act of 1965 which require the use of bilingual election materials. The San Francisco Chronicle published an editorial late last year which discusses that particular question, and I commend it to my colleagues.

The city of San Francisco has had a great deal of experience with the language requirements imposed in 1975 because the city has a multilingual population. It is required to have ballots printed in not two languages, but three. I believe this article will provide important insight to those colleagues of mine who do not live in States or counties where bilingual election materials are used, and I ask that the San Francisco Chronicle editorial be reproduced in full.

The material follows:

A BALLOT BOX ALBATROSS

The multilingual balloting requirements passed in 1975 constituted a classic piece of federal overreaching. This notably short-sighted legislation required the state, San Francisco and other cities to provide multilingual ballots for voters of Spanish, Asian or American Indian heritage wherever 5 percent of the voters were members of these groups.

Well, we have had five years now of what the author, former Democratic Senator John Tunney, called "a great victory." Some victory! It has been a cumbersome, complicated and unneeded one. This segregation by language is to our mind basically unrealistic and undemocratic.

So it was with pleasure that we saw that a committee of the Board of Supervisors has voted to urge Congress to remove these costly requirements. Such action is believed to be high on the agenda of the incoming administration, and it would be significant if this city of many languages threw its weight behind repeal.

Supervisor Quentin Kopp, the measure's author, said state voting officials estimated that bilingual programs cost $2 million in 1978, and San Francisco spent $100,000 in 1976 and 1978. As Kopp says, the current rules constitute a "mandate from big brother," and "lead to segregation of people." Another supporter, Supervisor John Bardis, was equally on the mark when he said he favored spending "four or five times the amount we spend on bilingual programs" to teach English to citizens whose primary tongue is another language.

That's the proper approach and we trust the full board will see fit to approve Kopp's proposal. Getting rid of this electoral albatross should mean a return of some reality to the ballot box.●

THE EFFORT TO CONTROL SPENDING

● Mr. SCHMITT. Mr. President, today the Senate Appropriations Committee has begun economic overview hearings in order to focus on the problems the committee faces in the ensuing months. This same subject is addressed by Senator PETE DOMENICI, the senior Senator from my State of New Mexico, in the fall 1980 issue of Policy Review. In his article, "Can Congress Control Spending," Senator DOMENICI details the correlationship between runaway Federal spending and inflation, as well as why such extravagant spending has become so politically difficult to stop. During this legislative session, I am sure that all Members of the Senate will be attempting to control Federal expenditures—especially those of us who serve on the Appropriations Committee.

As chairman of the Labor, Health and Human Services and Education Subcommittee, it is my unfortunate predicament to find a substantial portion of the subcommittee's budget dictated to it by law. These programs mandated by law and customarily called "entitlements" must be reformed. In his article, Senator DOMENICI states that a spending limitation would be the best mechanism. That is one option that I have supported in the past also.

Another alternative is to have a statute which gives the Appropriations Committee the authority to override "entitlements" and appropriate a lesser amount of money. Certainly recipients would not get all that they are entitled to currently; but, on the other hand, they would not get double-digit inflation either which makes their payment worthless.

Mr. President, I urge my colleagues to read this informative and well-written article by Senator DOMENICI for I believe it deals with the principle issue of this Congress.

I ask that the article be printed in the RECORD.

The article follows:

CAN CONGRESS CONTROL SPENDING?

(By PETE DOMENICI)

Late on Friday, not many weeks ago, I received a phone call from a constituent in New Mexico. He pleaded with me to help him retrieve a company car that had been impounded in Wyoming for delinquent tax payments. I asked him if he had consulted a lawyer. "No," he said, "I'd have to pay a lawyear. You can do it for me for free."

That conversation reminded me of a story told by ex-Congressman Otis Pike of New York. While stuck at home during a snowstorm, the Congressman received an angry call from a constituent, demanding to know what Mr. Pike was going to do about the lack of snow shovels at the local hardware store.

What in the world is going on here?

From the public, as well as from observers in the media and in academic, Congress is being assaulted by a howling wind of criticism. Nearly every elected official finds meetings with the public marked by an angry and growing discontent with that official's inability to solve quickly a spectrum of problems that range from snow shovels to inflation. Between the 1960s and the late 1970s the Harris poll showed that public confidence in Congress dropped from 66 percent to 15 percent. Public disaffection has also appeared at the election booth, with the reelection rate of incumbent Senators dropping sharply during the past decade.

Add the frustration over the magnitude of the problems facing American society, and one soon discovers a belief among many elected representatives in Washington that something is fundamentally wrong. Sometimes the critique is simple: "It just isn't any fun anymore." Sometimes the complaint shows battle fatigue. Otis Pike wrote of himself, upon reirement: "He wants a different career . . . . people bug him. He has no privacy. He doesn't like campaigns. He doesn't like fund raising . . . He's tired of wasting his time out of drivel. He'll get a good pension."

Whatever the stated reason, many members of Congress are dropping out. Over 10 percent of the House and one of every four Senators up for re-election in 1978 decided to retire. That total of 59 retirees broke the old record of 57, which was set in the previous Congress. These retirees are not just individuals who have reached the end of a long career. Many are persons who, if they were in the private sector, would be approaching their most productive periods. This Congress is no different. Senators such as Adlai Stevenson, Jr., and Henry Bellmon, the Republican Party's leader in the budget process, are retiring at relatively young ages, as are numerous Members of the House.

In each case they talk of a pervasive, if unspecified, malaise, a feeling of futility or ferenetic purposelessness. They are not alone. This feeling pervades the Congress; the retirees are only those who find the level of discontent intolerable.

I am an elected official who takes pride in his calling. I believe, honestly, that the fate of Western civilization and that fragile thing we call "freedom" is linked to the health of democratic institutions. For me, this unease and discontent is more than troubling. It must be overcome. And to do so, we need to examine and understand it.

In seeking answers, I reject at the outset the theory that this problem remains unchanging through history. With quotations from Cicero ("Be lavish in your promises; men prefer a false promise to a flat refusal") to Mark Twain ("There is no distinctly American criminal class except Congress"), historians seek to paint the problems of today's Congress as timeless.

This theory ignores much of the evidence. First, there is the testimony of the retirees that during the span of their careers they have witnessed in Congress a loss of direction, a loss of control. In addition, there is physical evidence that while the number of Senators and Congressmen has remained constant, the staff and load of the Congress have mushroomed. From a 1950 level of 2,000, the Senate's staff has more than tripled to about 7,000. Today, between the House and Senate, there are over 18,000 persons working for Congress. In the 1950s Congress met from January to July. Today, it runs for 12 months, except when it adjourns shortly before elections. In the 1950s Congress sent out 50 million pieces of mail yearly. Within two decades this annual total had exceeded 200 million. I receive 1,500 letters a week. A senator from a large state, such as California, averages close to 10,000 letters a week. Congress now considers 22,000 bills and resolutions over a two-year period, with some 1,600 passing the House or Senate. In 1973 the House had 100 votes. The total is now several hundred yearly.

More and more work does not necessarily mean a better product. In fact, the more work Congress puts into the legislative process, the less seems to come out. The Library of Congress has noted that while congressional activity has ballooned, it has been accompanied by a halving of the number of bills sent to the President, but a doubling of their average length. It is becoming increasingly difficult to get anything accomplished amidst all the frenzy, and those laws that do pass are longer and more complex.

I mention this growing—now monumental—workload not because I prefer to take it easy. I regularly work 12 hours a day, and I like it. Rather, I mention it because I need time to think and to reflect, and so does the Congress as a whole. A recent study of the modern Congressional day estimates we have 11 minutes daily in which to think. The rest of the day is frenetic activity.

As with Sisyphus, the harder Congress works and the larger its staff becomes, the more trouble it has accomplishing even its minimum duties. The most basic function of the Congress is to exercise its constitutional power of the purse: to appropriate money every year. In fiscal year 1980, the budget process (which I support strongly and plan to discuss at greater length) was a month late in providing the Congress with a final budgetary target. The annual appropriations process has become so erratic that every year many agencies operate for long periods of time under continuing resolutions, without new appropriations. One agency, the Department of Energy, has not had an authorization—the legal prerequisite for an appropriation—for over three years. That is a department that has become a $10-billion-a-year monster.

Another reason often cited for malaise in the Congress is the rise in influence of special interest groups. According to this theory, party structures began to disintegrate in the 1950s and 1960s, leaving the members to become independent entrepreneurs. Shorn of the protective shield that their party provided, these individuals became easy prey to the special interests. Recognizing this, these groups have proliferated, targeting individual politicians rather than the party platform. This is a basic thesis of the Washington Post's columnist, David Broder. Mr. Broder believes that salvation lies in a return to the party fold.

Another theory is that of Norm Ornstein of Catholic University. He view's today's politicians as smarter and more sober than our predecessors. These very virtues have made it more difficult to lead, thus making Congress less manageable. We thus have a muscle-bound Congress, a system of non-stop, disjointed contributions from all sides. This leads inevitably to a melange of conflicting policies.

In a less charitable view, one senior Congressman has termed today's younger breed of Congressmen as "bedwetters" with "blow-dry hairdos" only concerned with re-election.

Certainly, there is truth in each of these explanations. The parties have fallen on hard times. The membership of the House and Senate has proven increasingly difficult for the formal leadership to manage. Incumbents generally have to survive by their own wits. Special interest groups have increased their levels of activity. But these explanations, no matter how accurate, are cosmetic, at best.

Take the explanation that interest groups are the source of all our woes. We must remember that interest groups abounded during the Great Society of the 1960s. But since these groups were mostly allied with the Democratic majority in Congress, few complaints were heard. It was only when a new breed of groups came to Washington, touting a different political agenda, that complaints began to surface. These new groups, while using the tactics of the liberal groups, either had differing priorities (such as abortion control), or, like the business community opposed the existing policies of a liberal Democratic Congress. In short, it has not been interest groups per se that have led to the recent outcry, but the shift in their focus.

A more complete explanation of our malaise demands an appreciation of Senator Robert LaFollette's insight that: "Politics is economics in action." To pursue this insight, we must examine the basic role of Congress, the power of the purse. It is here where Congress spends the greater part of its time and energy; it is here where the frustration is the greatest. To spend $600 billion a year, Congress must dispense $400 million every hour that it is in session. The Congressional work year focuses on the effort to spend these vast sums, first by authorizing those expenditures, then by appropriating them. Here is where Congress is most confused and impotent. Here is where the search for answers—even if they prove incomplete—holds the greatest promise.

SPEND, REGULATE, ELECT

An analogy of federal spending in the 20th century can be made to the use of morphine to treat a hospital patient. First, the patient benefits. Later he becomes addicted, and then he must eventually face withdrawal.

The economic treatment began with the New Deal. With the nation suffering from

deep economic depression, Franklin Roosevelt intervened aggressively in the economy. Once government established a new role in solving economic ills, the potential for new intervention became infinite. Instead of intervention only in periods of economic crisis, liberal theory demanded full-time management. In the 1960s the nation moved to eliminate poverty, making more progress in solving this problem than at any other period in history.

But this successful attack on poverty altered the federal budget in two major respects. First, it grew rapidly. From $68.5 billion in 1955, the budget reached $118.4 billion in 1965. Now it tops $600 billion. At the present rate of growth, it will exceed $1 trillion by the mid-1980s.

Second—and this is more significant politically—the character of the budget has altered. In 1960, half of the budget went for defense, while one quarter went for payments to individuals. By the late 1970s, these figures had almost reversed, with 24 percent going for defense and 45 percent going as payments to individuals.

Politicians soon discovered the side benefits of these federal transfer payments to individuals: Re-election came easier. In 1948, incumbent Congressmen were being re-elected 75 percent of the time. By 1972, this rate had reached 90 percent. Nor was this discovery limited to the Congress. Although President Eisenhower refused to play this game, every President since Eisenhower pumped up the economy just prior to election time, a tradition that President Carter's initial budget proposal for fiscal year 1981 maintained.

What began as a well-intentioned effort to help the poor became addiction for both the patient (electorate) and the doctor (Congress). The extent of this addiction can be seen in the fact that transfer payment beneficiaries now represent 30 percent of the population, compared with 18 percent less than two decades ago. When one adds employees at the Federal, state, and local levels of government (including the military), half of the American population now receives at least part of its income from government checks.

Good politics meant new spending programs, particularly for constituents who would be likely to contribute to, and vote for, one's re-election. As other politicians and interest groups watched this process, they could see that self-restraint was no longer a virtue, but martyrdom. The doors of Congress opened wide to a parade of new groups with new proposals to spend Federal dollars. Priorities became meaningless. The voices of individual politicians became lost amid the drumbeat to spend, spend, spend. An individual could become a skinflint, and probably lose the next time at the polls. Or he could join the parade, seeking to assure that his constituents also received a fair share of the ever-larger pie.

From a level of 18 percent in 1965, the Federal budget grew to consume 22.6 percent of the nation's output of goods and services by 1976. And guess who got re-elected? The economic rationale of the game was that any increase in such spending, when spread among 230 million Americans, was so small that the general taxpayer would hardly notice. In contrast, the beneficiaries received far more than they chipped in, and they showed their gratitude at the next election.

In tandem with this welfare state machine, powered by a re-election engine, there is another essential driving force at work today in Congress. This is the growth in regulatory legislation that has occurred over the past fifteen years. On the heels of successes by the Civil Rights movement, others turned to Washington to activate the power of the Federal government to attain their social objectives. The interlocking interests of labor, the poor, blacks, the liberal intelligentsia, and the Democratic majorities in the Congress brought an explosion in the regulatory burden imposed on the private sector. Ralph Nader's consumerism, the environmental movement, and union demands for workplace safety each won great success in Congress.

The regulatory movement offered the same benefit as the spending spree: Passage of legislation won the support of the groups supporting it. This juggernaut of more regulation and spending brought with it an ancillary benefit. Both regulatory and spending programs enmesh the populace in a bureaucratic net. As the average citizen found himself either waiting in line for "my deserved benefits," or subject to new regulations intended to protect the public health and safety, he inevitably suffered some discomfort at the hands of the bureaucracy. I do not argue that this discomfort grew from malice. Rather, it was simply the inevitable consequence of allowing any group of specialists to affect the lives of others. Conflict is inevtiable since general regulations rarely fit individual cases.

But what happened? Congressmen began to earn new political dividends from constituents when they intervened successfully to cut bureaucratic red tape. And because this monopoly ombudsman service is provided free, the demand for it became infinite, prompting the phone calls that I recounted at the outset. No matter how much staff and time we have, we will never catch up. And the more staff we have, the more frenetic the work, and the less likely it will be that we can act wisely in the area of basic national issues and policies.

Congress has put itself on a treadmill. The explosion in Congressional staff and activity is barely able to keep pace with the demands of a constituency which is growing increasingly accustomed to having its whims satisfified by the political process. Ironically, the ceaseless effort of the Congress (with its larger staff) to please, has only lowered the esteem in which Congress is held. A Western colleague of mine tells a story of receiving a phone call from a constituent asking when a road in front of his house was to be repaved. When the Senator asked the caller if he had talked to the County Road Supervisor, the caller replied, "'No, I don't want to go that high up unless I have to."

BREAKING THE MOMENTUM

Many academic observers have thrown up their hands in anguish at the prospects for change. "Congress: Keystone of the Washington Establishment," by Morris Fiorina, is one of the best examinations of the interrelationships between the Congress, the bureaucracy, the organized interest groups. The author despairs that the nation is electing only "errand boys" to administer a system that serves elected officials, the bureaucracy, and the organized subgroups—but not the population at large. But when assessing the possibility of change he concludes: "I do not see any potential sources of comparably strong incentives for change.'"

Mr. Fiorina's pessimism is echoed by Edward Tufte, whose "Political Control of the Economy" is a study of the manipulation of the national economy as part of presidential re-election politics. Mr. Tufte sees the present process as leading to "a great temptation to embrace programs that in the short run might be popular even if they are inimical to the longer-run vitality of the country." Mr. Tufte concludes that the political manipulation of the economy may be the inherent price of the electoral process.

But this process has recently been accompanied by a growing awareness that something is fundamentally wrong with the American economy. One needs only to look at the American economy in 1955 to gain a sense of the deterioration that has occurred. The GNP rose 6.7 percent that year. Industrial production was up 12 percent. Unemployment was just 4.4 percent, with the rate for male black teenagers at 13.4 percent (less than one third of today's rate). The budget was $4.4 billion in surplus. The balance of trade had a $3 billion surplus. Productivity rose 4 percent. Personal income increased 7.1 percent. The prime lending rate was 3.5 percent. And what happened to consumer prices in that year of 1955? They declined—yes, declined—by 0.4 percent.

In retrospect, that was a Golden Age, from which the path headed downward. Inflation, which had averaged 1.7 percent through most of the 1950s and early 1960s, reached 6 percent in the later 1960s, when President Johnson failed to enact a tax increase to finance the Vietnam war. From 6 percent in the Johnson era, the inflation rate tripled by 1980.

As witnesses to this decline, American newspapers—the end of the intellectual pipeline—began to carry arcane discussion of declining productivity and saving rates in the American economy, foreshadowing greater future economic woes. The golden goose that had produced an ever-expanding array of Federal spending programs appeared ill. Economists argued that the goose needed vitamins (tax cuts and lower deficits) and rest (less regulation).

The need for restraint has become apparent. I am now convinced that the taproot of the weed of Congressional malaise is the inability, politically, for the members of Congress to vote "No." It's so much easier, and so much safer, to vote to please the special interests of constituents, rather than to address true priorities. The fungicide needed to shrink that weed of malaise is a system that forces upon Congress a selection of real priorities, one that will restrain spending, and thus inflation.

WINDS OF CHANGE

The first glimmer of a change came with Proposition 13 in California, where local property taxes verged on being confiscatory. The American public, at the same time, was giving greater attention to the size of income taxes. To equal a gross income of $16,000 a year in 1963, a family in 1979 would have needed inflated dollars 37,000. But while the 1963 salary was taxed at a marginal rate of 30 percent, that 1979 salary was subjected to a 43 percent marginal rate. The combination of inflation and a higher marginal tax rate produced a sensation among the productive middle class that they were paddling as hard as they could, yet were still being swept out to sea.

The incentive persists for limited groups of beneficiaries to seek increases in special benefits. But the general taxpayer has begun to realize that all these little nicks are producing a financial hemorrhage. Representative Henry Reuss tells of the constituent who told him: "Don't do anything for me, because I can't afford it."

This is why Congress lies in disarray. The old incentives to spend and spend have begun to break down, but new incentives, and political rewards to restrain that impulse, have not become clear.

An example of the old incentives butting against the new impulse of restraint occurred with the Social Security Amendments of 1977. After years of enthusiastically heaping benefit increase upon benefit increase, Congress was forced in 1977 to increase dramatically the level of Social Security taxes in order to avoid the eventual bankruptcy of the Social Security Trust Fund. Under these amendments, the maximum Social Security tax on wage earners rises next year by exactly $1,000 a year from the 1977 tax levels of $965. In 1985, the tax will rise again, this time to $2,686. Congress is now searching desperately for ways to rescind or moderate

that increase, without bankrupting the Trust Fund.

The tension between the old incentives to spend more and the new recognition that we are entering an era of limited government and limited resources has exacerbated the Congressional malaise.

A broader and more significant example of Congressional recognition of this new era is the budget process, where Congress is supposed to establish an overall spending limit before money can be appropriated each year. The Congressional budget process arose in 1974 as an assertion of Congressional power over the executive branch, a response to President Nixon's impoundments of highway and sewage treatment funds. In fact, the Congressional Budget Act was the highwater mark of Congressional power; commentators turned from talk of the Imperial Presidency to discussions of the Imperial Congress.

Assertion of this authority meant that Congress would, for the first time, have to look at both sides of the doctrine of John Maynard Keynes. Keynes had been a godsend for big spenders, with his advocacy of deficit spending during periods of economic hardtimes. Forgotten in the heady formulation was that Keynes also said a nation must run a budgetary surplus in good times. This second requirement has been ignored. With Fiscal Year 1981, the Government will have run deficits in 20 of its last 21 budgets. In 1976, with the economy recovering from the 1973–75 downturn and with inflation rampant, the budget process challenged the Congress to place a rein on federal spending. That challenge was ignored. The 1976 deficit of $66 billion equaled the entire annual federal budget during the Korean War. The federal deficits since 1976 have exceeded the total deficit in the 1946–76 period, and greatly fueled inflation. The failure of the budget process to protect the economy by restraining spending during a period of high inflation has magnified the malaise on the Hill.

This Congressional frustration peaked during consideration of the President's Fiscal Year 1981 budget. In January, President Carter sent to the Congress the traditional expansionary election year budget. During February, inflation reached an annual rate of 20 percent and the nation's bond markets collapsed. The President, sensing that public discontent was politically stronger than the narrow focus of the special interest groups, sent up a second budget in March: one that achieved balance at $612 billion. Subsequently both House and Senate Budget Committees enacted resolutions also achieving balance, at approximately the same figure. Within months, this balance has dissolved—because of incorrect assumptions—and we have returned to normal: a $30 billion deficit.

Regardless of the fate of the FY 1981 budget resolution during the rest of this year, it is clear that the outcome of the battle between the established system of special interest group politics and the new recognition of the plight of the general taxpayer remains uncertain.

While Congress searches for a new set of guidelines, the established interest groups continue to fight an intense, rear-guard action. Liberal lobbying groups in Washington have begun a "War on Austerity". The Chairman of the House Budget Committee said, after a bitter markup, that groups opposing a balanced budget have been "coming in on airplanes faster than they can land." Congressional opponents of a balanced budget have called the proposals "obscene", "draconian", and "a very, very, evil job."

Obviously, I disagree with the above assessment of the need for a balanced budget. But I do not find the battle a source of despair; I find it a source of hope. One of the symptoms of a stagnant society is to clutch to the old ways of doing things, and put off the solving of new problems. Healthy societies, in contrast, forge new responses to emerging problems. The attempt to bring federal spending and regulations in line with the ability of the economy to sustain such funding and regulation strikes me as the response of a healthy, rather than a stagnant society.

Of course, any judgment that the FY 1981 budget represents the dawn of a new fiscal era is premature. Even if we had been able to balance it $312 billion, the budget would have relied on at least $90 billion in new taxes (revenues are estimated at $521 billion for FY 1980). Certainly a series of budgets that is balanced only by huge tax increases fall short of what the public and the health of the economy demand.

BUDGET BALANCE OR SPENDING LIMIT?

Unfortunately, there is a strong incentive for Congress to meet the public clamor for the appearance of fiscal restraint by balancing the budget on the flood-tide of revenues generated by high rates of inflation. Balancing at high revenue levels minimizes the cuts Congress must inflict on special interest groups. It allows Congress to avoid confronting one of its institutional weaknesses that has led to the present predicament; its inability to establish priorities, to make hard choices between worthy alternatives.

Budgetary restraint has some of the elements of what economists call a public good, similar to national defense or environmental quality. These public goods can only be achieved by the mutual restraint and regulation of all involved. Without mutual restraint, the unilateral action of any individual is futile. On budget matters, such mutual restraint within the Congress must entail some form of statutory or constitutional limit on federal spending.

And without some sort of firm lid on spending, the quest for priorities becomes meaningless. This is true because Congress will simply increase spending rather than select carefully among a variety of "good" ideas and programs. A firm spending limitation is the only rational technique that will impose a true search for priorities, by both Congress and the Executive.

Make no mistake: we are in a period when society must begin to recognize priorities, to select the best investments from a range of programs involving defense, public works, housing, food stamps, and social security. This will not be easy.

It is my fear that if Congress does not enact a spending limitation, an historic chance will be lost. And the malaise in Congress will continue unabated. The incentives to slip back into permissive spending patterns are strong. Fiscal discipline cannot be a one-shot exercise. Inflation and a stagnating economy were not born overnight. A spending limit offers hope that Congress will adhere to the strict fiscal regimen for the time required.

But even if a spending limit is desirable, is it politically possible? Yes, if presented correctly. A spending limit whose proponents gloat over the pain suffered by certain groups will be doomed. Moreover, it shou'd be. There is no virtue in cruelty. Rather, a spending limit is necessary so that the productive sector of the economy will have enough resources at its disposal so that it can meet the needs of rich and poor, young and old, healthy and sick alike. Without such a limit, the productive private sector, the source of all tax dollars, runs a risk of malnutrition.

To add to its political sex appeal, a spending limit offers the prospect of massive tax cuts. The following table highlights the political allure of a spending limit that moves expenditures from the present level of 22.3 percent of Gross National Product in FY 1980 to 19 percent in 1985 (19 percent was the percentage that prevailed from 1958 to 1966, a period of remarkable economic health compared to the 1970s).

ESTIMATES OF GNP AND FEDERAL REVENUES

[Projections of the Senate Budget Committee, 1980; dollar amounts in billions]

Fiscal year	Gross national product	Budget receipts	Budget limit (percent)	Budget outlays at that percent of GNP	Surplus under budget limit
1980	$2,541	$529	22.3	$567	[1] ($38)
1981	2,810	617	21.8	613	14
1982	3,151	707	21.0	662	45
1983	3,544	814	20.5	727	87
1984	3,984	940	20.0	797	143
1985	4,460	1,088	19.0	847	243

[1] Projections for fiscal year 1980 and 1981 are now being revised to indicate large deficits.

Under the above spending limit, over $520 billion would be cumulatively available for tax cuts between 1981 and 1985, compared with receipts as projected under present laws. Just as special interest groups have drawn strength from the increased federal spending, so should the general taxpayer be mobilized in pursuit of such a holy grail. Tax cuts of such a magnitude, if given equally to all Americans, would provide a rebate of $10,000 for a family of four over the next five years. Divided between individuals and American industry, such a package of tax cuts would revitalize the American economy.

A CAUTIONARY NOTE

Having just offered Congress a way to regain the respect of the American people with a package of spending limits and tax cuts, I would like to sound a note of caution. This sour note has nothing to do with the need for a spending limitation. Still, I fear that the constant search of politicians for ways to buy political favor may take new and more pernicious forms. A spending lid would curtail the option of using the federal treasury as a political war chest for re-election. Politicians would then seek other techniques for providing favors to large constituent groups that they are unable to reach through case work and their ombudsman role.

One such technique that could be used would be to "broker" the national economy so that one economic group is favored at the expense of others, without the use of tax dollars. Obviously, such brokering is found in all societies. But Western democracies, and particularly the American marketplace, have evinced far less of the state-sponsored economic favors that characterize most of the rest of the world's economies. While it is difficult to say with authority that such economic brokering is on the upswing, there are several ominous trends: (1) interest groups are increasingly alert to the opportunities for economic brokering; and (2) the greater complexity and length of Congressional bills offer fertile ground for quietly planting brokered deals, out of sight of the general public and even informed observers of Congress.

Two examples of brokering from the 1970s will suffice. The first is the oil entitlements program. Under this program, one group of domestic refiners was forced by law to pay a second group of domestic refiners, to help the latter group buy high priced imported oil—thereby exacerbating an already crippling dependence on Middle East oil. The fact that this absurd idea survives to this day is testimony to the political attractiveness of economic brokering, which avoids the federal treasury as a middleman.

A second case is just evolving. This is an attempt to rig the nation's coal markets to the benefit of Eastern coal interests. Western coal is low in sulfur content, and is gen-

erally produced by non-union labor, but is remote from most major markets. Eastern coal, while closer to population centers, has a high sulfur content and is produced by one of the nation's more volatile unions. Sorting out the advantages and disadvantages of these competing coals is a perfect job for the free market. Utilities can make judgments by comparing transportation costs of Western coal to the pollution control costs inherent in eastern coal. In fact, the market initiated such a process during the mid-1970s, with Eastern coals losing out, particularly in the lucrative Midwest markets.

With their product losing in the free market, Eastern coal interests launched a political counterattack with the following components:

(1) An amendment to the 1977 Clean Air Act Amendments, using a formula for emissions control from new power plants that cancelled out the advantages of Western low-sulfur coal;

(2) A second amendment to the 1977 Clean Air Act Amendments that allows a Governor to require existing utility plants in the state to use "locally available (Eastern) coals"; and

(3) An enforcement order from the federal government ordering the nation's largest utility, the Tennessee Valley Authority, to use Eastern coal.

The above rigging of the coal markets earned Eastern electoral representatives the kind of political benefits that only major new spending programs, like Black Lung benefits, used to bring. It would be tragic for the American public finally to gain fiscal restraint, with a modicum of tax relief through a spending limit, only to have to pay an even higher price in inflated prices for goods and services in a politically brokered and increasingly inefficient economy.

DESIGNING NEW INCENTIVES

I offer these personal reflections on the political process not as a prelude to a laundry list of nostrums or "needed" reforms. The intellectual process of identifying the reasons for the problems and their roots seems valuable in itself. But it is difficult to engage in such an effort without reaching a few conclusions.

The first is a negative one: what will not work. Much of political analysis emphasizes the moral aspects of the process. Such moralizing usually results in solutions such as more financial disclosure, more regulation of interest groups, more red tape in running a political campaign. Such moralizing, while essential, misses the point, to wit, exactly what incentives now encourage politicians and the special interest groups to act as they do when cranking up the Federal printing press? And if one disagrees with their actions, what incentives can be added to generate a new, more beneficial behavior? Most politicians have the same mix of courage, fear, hope, despair, self-interest, and altruism that are found in other segments of American life. As in these other segments, politicians respond in rational fashion to what they see as the incentives and disincentives of the political process. Moralizing does not change this process; incentives will.

Therefore, I offer three proposals (two admittedly modest) that I believe would implant a system of incentives to better serve the commonwealth.

First, the media should seek to explain to a far greater extent the relationship between the Congress and the Washington Establishment of officials, bureaucrats, and special interests. While the media neither can nor should give up their addiction to the personal peccadillos of political figures, a fuller understanding and exposure of the political process could transform that process. Clearly there are elements of the Washington Establishment that cannot stand public scrutiny. The media's quest for answers to stagflation, declining productivity, and other recent phenomena has already had an important role in providing some momentum to the counter-attack on excessive federal spending.

Second, I suggest that those organizations that have worked so hard for good government, such as Common Cause and the League of Women Voters, should focus on this need to find incentives for responsible fiscal action. One idea might be an "inflation index" on the voting behavior of members of Congress, much like those used by various liberal and conervative organizations to rate the Congress. Such an index, if carefully done, would highlight for the general taxpayers the performance of Congressmen and Senators in representing their interests on spending matters.

Last, and most important, as I have suggested, we must impose some sort of absolute and inflexible limitation on federal spending, as it relates to the gross national product. We must enact a statutory spending limit that would ultimately hold federal expenditures to 19 percent of the GNP. Despite some drawbacks, such a limitation would benefit the political process. It would force the Congress to confront its priorities. Until that happens, we will continue to watch as only the foolish restrain themselves, while their peers spend and spend for the folks back home. Those who argue that Congress should not tie its hands are, even with the best of motives, arguing for unrestrained federal spending, for discouraging those necessary "no" votes.

While I believe that the glimmering of change can be seen, we have yet to see real restraint on federal spending. Congress would clearly like to respond to the general dissatisfaction of the American taxpayer, but it has yet to impose a mechanism that recognizes the ineffectiveness of individual members of Congress acting unilaterally. A spending lid would enable the Congress to say "no" in a manner that its members can support. But there is another benefit to be gained from this confrontation. If Congress were to set its own fiscal house in order, such action would produce a healthy psychological impact on Congress. Congress would have met the challenge, and could face the American people with a record of success, not failure. Such a success might give Congress the confidence it needs to meet other major challenges, such as those involving energy and "uncontrollable expenditures" in the budget, challenges that have defied solution by the American political process.

In addressing these new challenges, we will never surmount them successfully until we evaluate realistically the forces at play, so that new incentives can be designed and implanted.

Success begets success. Continued malaise begets malaise and failure. It is not too extreme to say that the future of the public respect for government, and thus for the nation itself, rides on the outcome.●

MILITARY PERSONNEL MISSING IN ACTION

● Mr. DURENBERGER. Mr. President, on this eighth anniversary of the signing of the accords that ended the war in Vietnam, I join with all Americans in urging once again that the governments of Indochina give us a full accounting of our military personnel who are missing in action and whose whereabouts are still unknown. The commitment of Congress, the executive branch, and the American public to the satisfactory resolution of this situation is firm and our support of those who seek a final accounting is unfailing.

During the past 8 years, the American Government has actively and unceasingly pursued with the governments of Indochina a final accounting of all personnel missing in action. The Departments of State and Defense, the House of Representatives, the Senate, the National Security Council, and the National League of Families of American Prisoners and Missing in Southeast Asia have all been active in reviewing and formulating policy concerning our POW's and MIA's. The Congress has held numerous hearings to investigate the efforts of our Government to resolve this serious problem, the latest before the House Subcommittee on Asian and Pacific Affairs on December 2, 1980. The American public has contributed greatly to conveying to the governments of Indochina the concern of all Americans that our missing personnel must be accounted for and, if still alive, returned immediately to the United States.

The efforts of the U.S. Government have been conducted not only through bilateral diplomatic channels but also through the United Nations. However, because of the intransigence of government of Vietnam and due to the current politico-military situation in Kampuchea (Cambodia), it has been extremely difficult to obtain any new or definitive information. Nonetheless, the U.S. Government continues to seek the assistance of these governments in obtaining the fullest possible accounting.

The U.S. Government has received over 1,000 reports from Vietnamese refugees who claim to have seen Americans being held against their will in Vietnam. Our Government has investigated extensively every one of these reports; regrettably, none of the sightings have been substantiated. We will continue to investigate any reports we receive, however unlikely they may seem, in the hopes that one MIA may be located.

The American people have not forgotten those who served in Vietnam and who gave their lives so valiantly. Our joy at the return of the American hostages from Iran reinforces our commitment to the MIA's, and increases our determination that no Americans shall be held against their will by any country at any time. The continued support of all Americans will strengthen our resolve to accept nothing less than a full accounting.●

CYPRUS—PAST AND FUTURE, AN ADDRESS BY THE RIGHT HONORABLE LORD CARADON

● Mr. PELL. Mr. President, in 1976 there was established at Ball State University in Muncie, Ind., the Stephen J. Brademas, Sr., Scholarship Fund and Annual Lecture in honor of the late father of our distinguished former colleague and majority whip of the House of Representatives, the Honorable John Brademas of Indiana.

The scholarship and lectures were created by Dr. John Koumoulides, professor of history at Ball State, who was sponsored by Mr. and Mrs. Stephen Brademas, Sr., when Dr. Koumoulides

came to the United States as a young scholar from Greece in 1956 to study.

Last year, on April 18, 1980, the sixth Stephen J. Brademas, Sr., lecture was delivered by the distinguished British diplomat, the Right Honorable Lord Caradon, Minister of State for Foreign and Commonwealth Affairs and United Kingdom Representative at the United Nations from 1964 to 1970. Lord Caradon also served as Governor of Cyprus and helped achieve a settlement leading to the independence of that country in 1960.

Mr. President, I submit for the RECORD Congressman John Brademas' introduction of Lord Caradon on this occasion and the text of Lord Caradon's remarks.

The material follows:

INTRODUCTION BY CONGRESSMAN JOHN BRADEMAS

I covet the opportunity that a lecture series named in memory of my father affords me to present to you one of the most imaginative and constructive diplomats of this century. Our guest has held a remarkable variety of positions in the service of his country. From 1964 to 1970, he was Minister of State for Foreign and Commonwealth Affairs and since that time he has handled a number of important missions for the United Nations. Earlier on in his distinguished diplomatic career, our visitor served in Palestine during the 1930's, in Trans-Jordan and North America. Twenty-seven years ago he went as Colonial Secretary to Cyprus and acted as Governor there in 1944. Following subsequent service in Jamaica and Nigeria in various positions of responsibility, including Governor of both, he became Governor of Cyprus in the late 50's and played a major part in shaping the settlement that led to Cypriot independence just twenty years ago.

It is only since the tragic developments of six summers past that I have personally come to be acquainted with our guest. I have been delighted by his wit, awed by his indefatigability, and impressed by his wisdom. But above all, I have been inspired by the sense of cautious hope he seems to bring to whatever challenge he sees. A member of the House of Lords but even without that distinction, a noble man. . . .

Ladies and gentlemen, I am pleased to present to deliver the Sixth Stephen J. Brademas, Sr., Lecture, the Right Honourable Lord Caradon.

CYPRUS—PAST AND FUTURE—A PERSONAL PERSPECTIVE

(By the Right Honourable, Lord Caradon, P.C., G.C.M.G., K.C.V.O., O.B.E.)

First of all I am eager to try to express, if I can, my happiness and gratitude for your invitation and for your welcome.

It is indeed an honour to speak under the distinguished name of Brademas—a name equally respected, I have no doubt, in its ancient origin and in its modern reputation. The voice of Brademas is, as you well know, heard throughout America, and I can vouch for the fact that it is also heard with admiration far beyond. I come from England and recently from Cyprus to pay tribute to a famous name in the world.

I come to speak on a subject which I can honestly say is close to my heart. And I shall speak from my personal involvement, my personal experience, and my personal love for an Island of such beauty and a people of such ability and such generosity.

I speak about all the people of Cyprus. I do not need to tell you that Greeks and Turks are very different in character and temperament, but I do not doubt that the Greeks and the Turks of Cyprus share a devotion to the Island.

Nor do I doubt that if the Island is to return to unity and peace, that can be achieved only if both the Greeks and Turks of Cyprus are secure and content and confident and determined to work together in understanding and cooperation.

One other word of personal explanation. I have spent most of my working life concerned in areas of dispute and conflict—particularly in the Middle East and Africa, and at the United Nations. It is a training which has made me resolved always to seek not merely to support one side or the other, however strongly my personal feelings may be involved, but always to look for a road to escape from animosity and confrontation, to find a basis for renewed trust and mutual respect, to work for an agreed settlement. What is more, I believe that however strong and deep divisions may be there must be a way to restore reasonable human relations in peace. I believe in the obligation of optimism.

More than twenty years ago we in Cyprus were at a desperate stage near to despair. We could scarcely see any way to escape from the violence and bloodshed and enmities of an Island both in revolt and in conflict.

My father sent me a telegram as he sometimes did when he wanted to console me or encourage me, usually by referring to a text from the Bible.

His telegram told me to look up the text which read:

"We are troubled on every side but not distressed, perplexed but not in despair, persecuted but not forsaken, cast down but not destroyed".

That was the best he could say to me at a time of desperate frustration.

I didn't know the Bible as well as he did, but I sent him back a telegram referring to another text:

"And not only so, but we glory in tribulations also, knowing that tribulation worketh patience and patience experience and experience hope".

That is my favourite text in international affairs, and I should like to make it my text today as we look at the past and the future of Cyprus.

As I say, I preach the gospel of the obligation of optimism. That does not mean that we should tolerate any easy optimism. The present situation in Cyprus is surely intolerable. And the difficulties in the way of agreement are certainly formidable. And I surely do not need to convince you that to allow the present state of affairs to continue would be a shame and a crime as well as a disaster.

I shall come back to look more closely at the barriers to advance to a settlement, not least being years of cynical and deliberate neglect by the so-called great powers.

Now let me look back at my own experience of the recent history of Cyprus—at three Acts in the Drama of the past half century.

THREE ACTS, THREE LESSONS

It was nearly forty years ago in the second World War that I first arrived in Cyprus, and soon acted as Governor. The enemy was then in Greece and in the Greek Islands, in Rhodes and Crete. We in Cyprus could not be sure that the enemy advance had stopped. There was still an outside chance that one day we should see enemy paratroops descending on the plain around Nicosia. But while the world was at war, Cyprus was in peace. We turned our attention from the world beyond to problems of local housing, of agriculture, of education, of trade in the difficult war conditions. Greeks and Turks worked well together. In a hundred villages and in every town they co-operated in full understanding. In the Executive Council there was a distinguished Cypriot Greek and a distinguished Cypriot Turk. In the English School there were Greeks and Turks—all Cypriots of course. In all the departments of Government they both took part. In the Cyprus military forces Cypriot Greeks and Turks served side by side.

When I came back to Cyprus as Governor nearly two decades later, at a time of revolt and conflict, it gave me comfort and consolation and confidence to recall that I had known a Cyprus not divided by animosity but united in peace.

The first lesson we can draw from Act I in the Drama I describe is the most important of all. It is that Greek Cypriots and Turkish Cypriots are capable of working together in friendly cooperation.

That was the first Act in the Drama. The second Act in my own experience came after I returned to the Island as Governor in 1957. I shall refer presently to the end of the Emergency in 1960 and I need not now dwell on the years of conflict before the 1960 settlement was worked out at Zurich and confirmed at the 1960 London Conference.

It was to Foreign Minister Evangelos Averoff—Tossitza of Greece and Foreign Minister Fatin Rustu Zorlu of Turkey that the main credit for the 1960 settlement must go. At Zurich they drew up the outline of an agreement and at the London Conference they were joined by the Prime Ministers of Greece (Constantine Karamanlis) and Turkey (Adnan Menderes) and by the leaders of the two communities in Cyprus.

I do not forget the dramatic moments of this negotiation—the relief when we heard that Prime Minister Menderes was safe when his plane had crashed at London Airport, and then the delight when Archbishop Makarios spoke to me the morning after the London Conference to say that he would accept the plan which the Conference had endorsed.

The lesson which we can surely derive from the recollections from the second Act in the Drama is that Greece and Turkey can make an invaluable contribution to a peaceful settlement in Cyprus.

I come now to the third Act in my experience, with the Drama having become a Tragedy. I was in Cyprus last month and I saw at first hand the tragedy of partition with the beautiful Island cut in two, with a third of the population refugees, with barriers not only of barbed wire and check points and armed confrontation but, still more sadly, barriers of suspicion and alienation with a younger generation growing up on both sides of the line which has no knowledge or contact with their fellow citizens of Cyprus only a few miles away on the other side of the barricades.

So the third lesson, I suggest to you, is that the present situation is, as I have said, utterly intolerable, and we can draw some comfort from the evidence that so many people, on both sides, so I believe, are convinced that the present dreadful drift must somehow be stopped and that a new initiative for a lasting settlement must be taken without further delay.

Having stated those three encouraging propositions—firstly that Greek and Turkish Cypriots can live and work together amicably, secondly that Greece and Turkey can and must play an essential part in a settlement, and thirdly that there is a growing desire to escape from the present deadlock—it is necessary to face the formidable factors which stand in the way of a peaceful conclusion.

BARRIERS TO PEACE

I listened to Mr. Speros Kyprianou and then to Mr. Rauf Denktash in the week before I set out for Cyprus last month. They were speaking separately to groups of Members of Parliament in London, and as I listened I was filled with deep alarm at the extent of the gulf of distrust which separates the two sides—and also with a realisation that merely to bring both sides together even under the chairmanship of the United Nations Secre-

tary General cannot in itself provide an agreed solution. And what I subsequently heard on both sides of the line in Cyprus reinforced my conviction that there must be a new method, some new initiative, if deadlock by inaction, disaster by drift, is to be prevented.

There are three principal barriers in the road to a settlement:

First, the problem of territory and property. There is general agreement that a federal system of government is required but the northern region boundary and, even more formidable, the settlement in regard to refugee claims to land and housing, particularly in Varosha, are subjects of intense feeling and the utmost difficulty. This is certainly the greatest barrier of all.

Secondly, there is the problem of the form of federal constitution.

I do not underrate the difficulties of working out a federal constitution—all federal constitutions present complicated and contentious problems. But on this issue I am encouraged by recalling the work done by Greeks and Turks and Greek Cypriots and Turkish Cypriots in working out in agreement the federal constitution of 1960. That constitution no doubt had faults and when the faults emerged there was failure to remedy them in time, but it is well to remember that Professor Constantine Tsatsos led the Greek delegation; Professor Nihat Erim, the Turkish delegation; Mr. Glavkos Clerides, the Cyprus Greek delegation; and Mr. Rauf Denktash, the Cyprus Turkish delegation. Much of what they did so carefully in 1960 can be a valuable basis and guide in 1980.

It is obvious from the constitutional proposals which have later been put forward by both sides, however, what a wide gulf now exists between Greek and Turkish conceptions on what form the new constitution should take. The main purpose, however, must be clear—for a united Cyprus with a central government free and capable of serving the international, political and economic interests of the whole Island with a Turkish region in which wide autonomy must give to the Turkish community a sense of safety and security and effecitve control of their communal interests, and finally for all freedom of movement and equality of human rights.

I come now to the third main problem. What method, what means, can most effectively enable the great barriers to be overcome?

Both sides have previously accepted the intervention of the Secretary-General of the United Nations, and there was recently a prospect that a further round of discussions under his chairmanship would soon be attempted.

It is certainly well that the Secretary-General and the authority of the United Nations should be involved and the Secretary-General deserves every support and assistance, but now it seems that suspicion and disagreement are so great that even if there is a further meeting the same obstructions which have frustrated the earlier negotiations will remain to prevent any new advance.

Having regularly read the statements of both sides I cannot imagine that in spite of the important ten points of agreement usefully recorded in May last year under the Secretary-General's wise chairmanship, the gulf of disagreement can be bridged by direct negotiation. In a series of previous discussions, the Secretary-General has had to report that very substantial dispute still exists on essential factors, and unless there is a new initiative we cannot expect that he will be able to report otherwise.

So what new attempt is now necessary?

BRITISH INITIATIVES

I am a believer in the effectiveness of independent international initiative. So often when there has been a deep, bitter or long-standing dispute it has proved impossible to make any progress merely by bringing the two sides together. In Rhodesia the Commonwealth initiative at the Lusaka Conference was necessary. In the Middle East it is impossible to expect that peace will be achieved merely by direct negotiation between Israelis and Palestinians. So often an independent international initiative is necessary with full consultation with both sides certainly but followed by an independent initiative for a plan which neither side could propose but which both can eventually accept.

It was with such an initiative in mind that I some time ago advocated the appointment of a Conciliation Mission by the Security Council composed of one country from the West, one from the East, and one from the Third World—and all from countries in no way involved or connected with Cyprus affairs—to talk with both sides in Cyprus, hear what the Governments of Greece and Turkey have to say, and then to put forward an impartial plan for peace.

But on the Turkish side there has been opposition to what is called the "internationalisation" of the Cyprus problem. I understand, though I do not agree with, this view but to do nothing will be to perpetuate the deadlock, and a time has now come when further drift may inevitably lead to disaster. I am optimistic that the Cyprus Turks and the Turkish Government, realising that the present deadlock is in no one's long term interest, will welcome a genuinely impartial and helpful intervention. I believe that they will see the great advantages of reduction in the heavy costs of Turkish troops in Cyprus and would welcome the surge of prosperity which will come to the North when the present isolation ends.

My hope is that my country will now take a lead. Great Britain has had a century of association with Cyprus, we have bases in the Island, we have taken a main share in the United Nations peace force in the Island. In my view we have an inescapable obligation to assist a settlement. And I do not forget that I signed the Treaty of Guarantee in 1960 on behalf of my Government in which, with Greece and Turkey, we recognised and guaranteed the independence, territorial integrity, and security of the Republic of Cyprus. We also bound ourselves to prohibit any activity aimed at promoting, directly or indirectly, either union of Cyprus with any other State or partition of the Island.

We failed to intervene as we should have done in earlier years. Particularly with the Americans we, disgracefully in my view, refused to intervene immediately after the crazy coup of 1974. Now it is my strong conviction that we can no longer fail to carry out our clear obligations, and I am hopeful that both sides will accept and support a British lead.

The division of the Island cries out for rectification. The confrontation of Greeks and Turks calls for reconciliation. The interests of both Greeks and Turks demand courage to win a peaceful settlement. I pray that we shall not fail.

Having spoken earlier to the twin themes of the obligation of optimism and the independent international initiative let me tell an old story which may, I hope, have some bearing on the future.

More than twenty years ago in the United Nations two resolutions were placed before the General Assembly. One was backed by the Greek Government and one was backed by the British Government at that time. Our representative was Sir Pierson Dixon, the British Ambassador to the United Nations. He left his office at 99 Park Avenue to go to the General Assembly to certain victory. He had worked for weeks and he knew that an overwhelming victory in the General Assembly awaited him. I was in Nicosia at the time and late that night he sent me a telegram telling me what had happened on that momentous day.

As he went down to the United Nations he said to himself "What we really want today is not a victory, but a success." The phrase "not a victory, but a success" stuck in his mind. When he arrived at the United Nations he did not go straight into the great Assembly. He went to an upper room and asked the Foreign Ministers of Greece and Turkey to come and see him. Zorlu of Turkey came to see him first and Pierson Dixon said, "Even at this last moment, why should we not try to take a step towards a settlement instead of scoring victories over each other in the vote?" Mr. Zorlu replied, "It is no good talking to me now; we have to go down to the Assembly; they are waiting to vote now. Anyhow, it is no good talking to the Greeks, they know that they are going to lose and they are in a frame of mind of Greek tragedy. You will get no sense from them."

Where was Mr. Averoff, the Foreign Minister of Greece, and why had he not come? He had gone to meet Queen Frederika of Greece that day who had just arrived in New York. They managed to get him on the telephone and begged him to come. He said he would come as quickly as he could. The three men in the upper room, with the Assembly waiting below, searched not for a victory but for a success. At the end of half an hour, Mr. Zorlu shook hands with Mr. Averoff and each pledged his personal honour to work as rapidly as possible for a final settlement in Cyprus. It was too late to get anything typed; they scribbled out a new resolution. It did not mean very much, except that neither side was scoring a victory over the other.

Who could propose the resolution, because the rule of the Assembly is that the sponsor of one resolution cannot sponsor another. They went through the long list of sponsors of the previous Resolutions. Was there anyone missing? Mexico was missing. They put out a call on the loudspeakers. The Mexican Ambassador hurried from his place in the General Assembly. Would he move a resolution on Cyprus? He said he would like to know what it was. They quickly explained, and he quickly understood and agreed. Then to the surprise of the Assembly, they saw the Foreign Ministers of Greece and Turkey and the Ambassadors of Mexico and the United Kingdom entering the Assembly together. Then, having obtained the permission of the President, the Ambassador of Mexico rises to propose a resolution they have never heard of, when every delegate in that great hall has promised his vote to his own country and to many others. Then, to their amazement the Mexican resolution is at once supported by the Foreign Ministers of both Greece and Turkey and the Ambassador of the United Kingdom. In an atmosphere of astonishment it passed unanimously that day.

THE ELEVENTH HOUR

But my troubles were not over when I heard what had happened in New York. I hoped that with Greek and Turkish co-operation we could make progress, but I could not be sure.

Meanwhile the violence and bloodshed continued on the Island, and I faced my worst crisis.

Since I had returned to the Island as Governor there had been much violence and bloodshed but so far no hangings. As I turned from reading the telegrams from New York I was told that the Court of Appeal had just confirmed the death sentences on two Greek young men. As Governor it was my duty to exercise the royal prerogative of deciding whether the law should take its course. No one, not even the Ministers in London, could decide for me or give me instructions. And unless there was very good reason no reprieve could be granted.

I might add a personal word here. Once when I was a very young magistrate in Palestine I had been required to witness a hanging in Acre Prison. I never forgot it, and ever since I have hated capital punishment.

But now I had to make a decision in which my personal feelings must be set aside. I studied all the records and documents in the case before me. It had been a cold-blooded murder for political reasons. There were no extenuating circumstances whatsoever that I could see.

With a heavy heart I signed the death warrants and fixed the date for the executions and put a brigade of troops round the central prison. On the night before I went to lay down, not to undress, for I knew that when the executions took place the next day there would be a new outbreak of violence in retaliation. I realised then that any hope I had of succeeding in my endeavours for a peaceful settlement in Cyprus would be gone.

Midnight came and my wife was in one of the offices below. The telephone rang. It was from London—the Secretary of State wished to speak to the Governor. She ran to fetch me. The Minister said that he knew my decision about the executions and fully agreed, but he was now going to tell me something I had not known before. That day at a European conference on other matters, Zorlu of Turkey and Averoff of Greece had approached the British Foreign Secretary Selwyn Lloyd. They said that following their meeting in New York they were making useful progress in drawing up practical proposals for a Cyprus settlement. But they had heard of the impending executions, and they feared that all attempts at agreement would be swept away in the mounting violence which must follow: "It is for you to decide," the Minister said. "We will realise the extreme difficulty of your decision. We will back you either way."

I had no difficulty in making my decision. I sent for an armoured car. I called the Commissioner of Prisons, noticing that it was now after midnight. I told him I was coming down to see him. He answered in a strained voice. "Could you give me half an hour?" he said, "I am having a lot of trouble in the prison. This is the date fixed for the executions. I have decided to go ahead and carry them out at once." "No," I said, "I am coming down to stop it."

So I went down to the central prison that night. I tore up the death warrants. I came back to my Government House rejoicing, and in a few months we had an agreed settlement.

I tell the story because it is a good augury. It was a British initiative in New York when Pierson Dixon decided to work not for a victory but for a success. It was the co-operation of Turkey and Greece, of Zorlu and Averoff, which saved the day and opened the door to a peaceful settlement nearly two decades ago.

By a similar initiative and a similar co-operation I trust that we shall see the beautiful Island of Cyprus once more reconciled and united and at peace.●

RULES OF PROCEDURE OF THE SENATE COMMITTEE ON RULES AND ADMINISTRATION

● Mr. MATHIAS. Mr. President, in compliance with paragraph 2 of rule XXVI of the Standing Rules of the Senate, I submit for printing in the CONGRESSIONAL RECORD the Rules of Procedure of the Committee on Rules and Administration, adopted on January 21, 1981.

(Readopted with an amendment January 21, 1981)

TITLE I—MEETINGS OF THE COMMITTEE

1. The regular meeting dates of the committee shall be the second and fourth Wednesdays of each month, at 10 a.m., in room 301, Russell Senate Office Building. Additional meetings may be called by the chairman as he may deem necessary or pursuant to the provisions of paragraph 3 of rule XXVI of the Standing Rules of the Senate.

2. Meetings of the committee, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by the committee on the same subject for a period of no more than 14 calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in subparagraphs (A) through (F) would require the meeting to be closed followed immediately by a record vote in open session by a majority of the members of the committee when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

(A) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(B) will relate solely to matters of committee staff personnel or internal staff management or procedure;

(C) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(D) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(E) will disclose information relating to the trade secrets of financial or commercial information pertaining specifically to a given person if—

(1) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(2) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(F) may divulge matters required to be kept confidential under other provisions of law or Government regulations. (Paragraph 5(b) of rule XXVI of the Standing Rules.)

3. Written notices of committee meetings will normally be sent by the committee's staff director to all members of the committee at least 3 days in advance. In addition, the committee staff will telephone reminders of committee meetings to all members of the committee or to the appropriate staff assistants in their offices.

4. A copy of the committee's intended agenda enumerating separate items of legislative business and committee business will normally be sent to all members of the committee by the staff director at least 1 day in advance of all meetings. This does not preclude any member of the committee from raising appropriate non-agenda topics.

TITLE II—QUORUMS

1. Pursuant to paragraph 7(a)(1) of rule XXVI of the Standing Rules, 7 members of the committee shall constitute a quorum for the reporting of legislative measures.

2. Pursuant to paragraph 7(a)(1) of rule XXVI of the Standing Rules, 4 members shall constitute a quorum for the transaction of business, including action on amendments to measures prior to voting to report the measure to the Senate.

3. Pursuant to paragraph 7(a)(2) of rule XXVI of the Senate Rules, 4 members of the committee shall constitute a quorum for the purpose of taking testimony under oath; provided, however, that once a quorum is established, any one member can continue to take such testimony.

4. Under no circumstances may proxies be considered for the establishment of a quorum.

TITLE III—VOTING

1. Voting in the committee on any issue will normally be by voice vote.

2. If a third of the members present so demand, a record vote will be taken on any question by rollcall.

3. The results of rollcall votes taken in any meeting upon any measure, or any amendment thereto, shall be stated in the committee report on that measure unless previously announced by the committee, and such report or announcement shall include a tabulation of the votes cast in favor of and the votes cast in opposition to each such measure and amendment by each member of the committee. (Paragraph 7 (b) and (c) of rule XXVI of the Standing Rules.)

4. Proxy voting shall be allowed on all measures and matters before the committee. However, the vote of the committee to report a measure or matter shall require the concurrence of a majority of the members of the committee who are physically present at the time of the vote. Proxies will be allowed in such cases solely for the purpose of recording a member's position on the question and then only in those instances when the absentee committee member has been informed of the question and has affirmatively requested that he be recorded. (Paragraph 7(a)(3) of rule XXVI of the Standing Rules.)

TITLE IV—DELEGATION OF AUTHORITY TO COMMITTEE CHAIRMAN

1. The chairman is authorized to sign himself or by delegation all necessary vouchers and routine papers for which the committee's approval is required and to decide in the committee's behalf all routine business.

2. The chairman is authorized to engage commercial reporters for the preparation of transcripts of committee meetings and hearings.

3. The chairman is authorized to issue, in behalf of the committee, regulations normally promulgated by the committee at the beginning of each session, including the senatorial long-distance telephone regulations and the senatorial telegram regulations.

MISTREATMENT OF DIPLOMATS—AND THEIR GOVERNMENT'S REACTION—SERMON BY THE REV. LESTER KINSOLVING

● Mr. WARNER. Mr. President, one of the most patriotic sermons I have ever encountered was delivered by the Reverend Lester Kinsolving on this past Sunday, January 25, 1981, at both St. Andrew of Scotland Anglican Catholic Church in Alexandria, Va., and St. Charles the Martyr Anglican Catholic Church in Annapolis, Md.

The topic of the sermon was "Mistreatment of Diplomats—and Their Government's Reaction," with references both to King David of Israel, circa 1000 B.C., and to President Carter of the United States in 1979, 1980, and 1981. The text taken by the Reverend Kinsolving was from the First Epistle to the Corinthians—"Ye are bought—with a price." While some might term this sermon "political," it was received by the parishioners of both churches as "patriotic"—and I commend it to my colleagues as very fine reading in this time which many have termed "our national humiliation."

The Reverend Lester Kinsolving, whose father and grandfather were bishops in the Episcopal Church and who himself was ordained as an Episcopal priest 25 years ago, is now an Anglican worker-priest who makes his living as a member of the Fourth Estate. He, in addition to serving three Anglican Catholic parishes in the Washington, D.C., area, is political editor of radio station WEAM, a national commentator on the Virginia network, and a syndicated newspaper columnist.

Both St. Andrew of Scotland in Alexandria and St. Charles the Martyr in Annapolis, where this sermon was delivered last Sunday, are growing parishes in the Anglican Catholic Church, Diocese of the Mid-Atlantic States. The Anglican Catholic Church was founded in 1977 as the "continuing Episcopal Church" in the United States. Its members withdrew from the Protestant Episcopal Church of the United States of America (PECUSA) because of that church's recent changes in attitudes regarding the ordination of women to the priesthood and the question of homosexuality and because of PECUSA's abandonment, for the most part, of the use of the 1928 "Book of Common Prayer" in favor of a new set of optional rituals.

Mr. President, I commend the sentiments of this sermon to all my colleagues because, while I may not agree completely with every point raised therein, its message is one of which all of us must be mindful—"that our land will remain 'of the free' only as long as it continues to be the 'home of the brave.'" I ask that this sermon be included in the RECORD.

The material follows:

MISTREATMENT OF DIPLOMATS—AND THEIR GOVERNMENT'S REACTION

(By the Reverend Lester Kinsolving)

Text: "Ye are bought—with a price." First Epistle to the Corinthians.

On the first Sunday of October in 1938, the Church of England parish of St. Bartholomew's, in the affluent section of London called the Mayfair, acquired a new rector.

This young clergyman actually arrived in midweek, and was promptly deluged with requests from parishioners who wanted him to ring church bells in celebration, to offer special prayers of thanksgiving, and to feature such anthems as "Land of Hope and Glory."

For during that past week, on September 30, the Prime Minister had signed an agreement which he assured a widely ecstatic British population would bring what he termed "Peace in our time."

Not everybody was so relieved. There were, for example, people like that Parliamentary curmudgeon named Churchill, or this young clergyman, who declined to ring any bells in thanksgiving.

Instead, he preached a sermon with a text from the First Epistle to the Corinthians: "Ye are bought—with a price."

The reaction from the congregation was memorable.

Of that congregation of 2,000, approximately 1,000 got up and walked out during that sermon. After the recessional hymn, the Senior Warden's wife came up to him and spit in his face.

He spent the better part of the next week in pastoral calls on those who had walked, offering those who would still talk to him any assistance they wished in transferring to another parish. But, several of them came back, along with a number of new faces, because England had more than a few who, like Churchill, had dedication to truth, and for whom reality was greater than the historic ecclesiastical yen for ease in Zion or the alluring national lust for peace at any price.

This young clergyman eventually became one of the greatest Angelican evangelists of the Twentieth Century: the Rev. Canon Bryan Green.

My text from the New Testament today has already been mentioned: "Ye are bought—with a price."

From the Old Testament, there is another text—which constitutes a revelation as to how diplomats were abused and humiliated in 1,000 B.C.—as compared to how diplomats have been brutalized in A.D. 1979, 1980, and 1981—and how the United States paid off the brutes; how this nation, as it were, has been "bought—with a price."

Here beginneth the Tenth Chapter of the Second Book of Samuel:

"And it came to pass after this that the king of the children of Ammon died, and Hanun his son reigned in his stead.

"Then said David, 'I will show kindness unto Hanun the son of Nahash, as his father showed kindness until me.' And David sent to comfort him by the hands of his servants, for his father. And David's servants came into the land of the children of Ammon.

"And the princes of the children of Ammon said unto Hanun their lord; 'Thinkest thou that David dost honor thy father that he hath sent comforters unto thee? Hath not David rather sent his servants unto thee to search the city and to spy it out and to overthrow it?'

"Wherefore Hanun took David's servants and shaved off the one half of their beards, and cut off their garments in the middle, even to their buttocks, and sent them away.

"When they told it unto David, he sent to meet them, because the men were greatly ashamed.

"And the King said, 'Tarry at Jericho until your beards be grown, and then return.'

"And when the children of Ammon saw that they stank before David, the children of Ammon sent and hired . . . Syrians . . . twenty thousand footmen and, of King Maacha, a thousand men, and of Ishtob, twelve thousand men.

"And when David heard of it, he sent Joab and all the hosts of the mighty men.

"And the children of Ammon came out and put the battle in array at the entering in of the gate. . . .

"And Joab said (unto Abishai his brother): 'If the Syrians be too strong for me, then shalt thou help me; but if the children of Ammon be too strong for you, then I will come and help thee. Be of good courage and let us play the men, for our people and for the cities of our God: and the Lord do that which seemeth him good.'

"And Joab drew nigh, and the people that were with him, unto the battle unto the Syrians; and they fled before him. . . .

"And David slew the men of seven hundred chariots of the Syrians, and forty thousand horsemen, and smote Shobach the captain of their host, who died there.

"And when the kings saw that they were smitten before Israel, they made peace with Israel, and served them. So the Syrians feared to help the children of Ammon any more."

The Ammonites were not the Iranians—but they were close. Their capital city was Rabbath-Ammon, which is known today as Amman, capital of Jordan.

The Ammonites were almost always the enemies of Israel. King Saul fought and defeated them. Ezra noted that their worship of the child-sacrificing cult of Molech was an "abomination." Nehemiah was subjected to their taunts as he rebuilt the walls of Jerusalem.

Still, David tried to achieve peace with these creatures. He sent ambassadors, fully expecting that the traditional safe passage of diplomats would be respected.

These ambassadors were not beaten, or put into solitary confinement, or subjected to phony executions; nor did anyone spit in their food; nor were they kidnapped for four hundred and forty-four days.

They were simply humiliated. But that was more than enough. King David sent forth his army under Joab, and, despite the Ammonities' hiring 33,000 Syrian mercenaries, David's army annihilated both the Ammonities and the Syrians.

Twenty-eight hundred years later, the mere holding prisoner of two other diplomats very nearly caused a war between the United States and the British Empire. When James Mason, of Alexandria, Va., and John Slidell were appointed diplomats to England and France by the Confederate States of America, the British ship, *Trent*, was intercepted by a U.S. Navy Man 'o War, which took these two diplomats to Boston—as prisoners. But Mr. Lincoln was intelligent and civilized enough to realize that he had a fool for a ship's captain, and these diplomats were promptly released and sent on their way.

Another fool with whom Mr. Lincoln had to deal was Gen. George Armstrong Custer, who is far better known today for the criminal decimation of his Seventh Cavalry Command than for his having hanged and shot nine Confederate prisoners of war from the command of Col. John S. Mosby. Such atrocities, in September of 1864, stopped only after Mosby sent a letter to General Phil Sheridan that, from among Mosby's 913 Union Army prisoners, nine of Custer's own Michigan Cavalry Command had been selected by drawn straws—and then hanged by order of Col. Mosby.

As for diplomats, however, even Hedeki Tojo and Adolf Hitler respected and protected diplomatic status—because that was a different era, a long time ago. Today, we have a foreign policy which tolerates the kidnapping and the torture and the murder of America's diplomats and America's prisoners of war—all over the world.

When the PLO held American Ambassador Cleo-Noel hostage in Khartoum—and then cut him to pieces with their machine guns—these butchers were captured. But Sudan turned them over to Egypt—and to this day the State Department cannot, or will not, tell us whether these killers are in prison or whether they are at large—this, while the PLO operates an office on 18th Street in Washington, D.C.

No wonder terrorists have killed or kidnapped so many Americans! And, no wonder The Washington Post now urges us to pay billions more to those barbarians in Iran—for the sake of "the victims of acts of terrorism to come" in "the next crisis" because "future hostages could well be hurt."

What has our country come to? Does our new President subscribe to this Washington Post morality of pay off the barbarians—for the sake of new barbarism which we can't avoid because we're afraid to fight?

The church bells rang, and the White House Christmas tree was finally lighted, and the nation rejoiced—until the hostages arrived and brought us out of euphoria and a Jimmy Carter claim of victory when we learned how our fellow Americans had been tortured by their Iranian kidnappers.

Beatings, solitary confinement for months, forcing our young women to play Russian roulette, phony firing squads, withholding mail—even spitting in the food of our fellow Americans.

But we have to give these Iranian barbarians credit where it is due. Their chief negotiator, Behzad Nabavi, said that they "rubbed our noses in the dirt."

And they did, indeed.

They utterly humiliated the United States—which has paid, or is considering the payment of billions of dollars. That means that they shamed every one of us.

This is not the only time this has happened in recent years. Another collection of barbarians in Hanoi tortured a number of our fellow Americans for years—while they were being given aid and comfort by such creatures as Jane Fonda and Sam Brown. One of their victims was the newly elected Senator from Alabama, Admiral Jeremiah Denton.

I am sick to death of seeing my fellow Americans kinapped or murdered at will, all over the world, with no fear of retaliation.

I am alarmed that two days after the Inauguration the Reagan Administration still had no answer at all to the very serious question as to what it is prepared to do to inhibit more barbarians seeking more billions by seizing more U.S. embassies.

Mr. Reagan's White House and State Department spokesmen say that this question is presently being given intense consideration. But, there were 77 days between Reagan's election and his inauguration. Why wasn't this considered then, so that the new President could have devoted his Inaugural address not only to the wonderfully commendable resolve never to surrender, but also to telling a watching world just what will happen to any terrorist who ever again lays hands on a diplomat or embassy of the United States.

Two marble memorial tablets in the State Department's diplomatic entrance have the names of more of our foreign service officers who have been killed in the last 15 years than during the previous 190 years of this country's existence.

This is the result of a foreign policy of appeasement. It is an appeasement which is the modern equivalent of the ransom paid to the Barbary Pirates, until Thomas Jefferson issued combat orders to the U.S. Navy. The United States Government at that time believed in the principle of "millions for defense—but not one cent for tribute."

The Carter Administration reversed this, in a manner reflecting the inflation which it so substantially fueled. Now it has become: "Billions for tribute—and dismantle defense."

President Reagan could stop the shameful humiliation of America in the continued kidnapping and murder of our diplomats.

(1) He could announce that, beginning immediately, all U.S. Marine embassy guards are to use the weapons they are issued and trained to use in defense of our territory. And any Ambassador who orders otherwise will be fired in the next cable.

(2) He could announce that any country which objects to our providing enough Marines and weapons to defend our embassy will be cordially invited to close up their embassy here and get out—and we will do the same.

(3) He could announce that, in the event of any attempted seizure of a United States embassy or injury to our people, we will retaliate instantly regarding their diplomats or nationals in the United States. And we will transmit evidence of this retaliation by Telestar.

(4) He could announce that, like Israel, we will never bargain with terrorists; that henceforth all our foreign service people overseas will be volunteers willing to die rather than have this nation blackmailed—and they will be trained to fight along side the Marines until our Armed Services can arrive and carry out their objectives.

In his Inaugural, President Reagan said that, while "peace is the highest aspiration of the American people . . . we will not surrender for it—now or ever."

It is now the time for the President to tell the world in no uncertain terms, how.

The hostages and their families were provided one day together away from both the press and the politicians.

If the hostages are in any way oppressed by the press, I will regret this deeply, because that is my profession. But, it is hard to imagine anything that could rival what has been done to the hostages by the Department of State.

After 444 days in the hands of these Iranian animals, the State Department arranged for the hostages to be flown to Weisbaden, there to be met——not by their families, mind you—but by a planeload of State Department brass.

We were told by such State Department people that the hostages need decompression. So, instead of their families, we sent them Cyrus Vance and Jimmy Carter.

The hostages reacted by racing immediately to the nearest available telephone—to talk to their families, not to Vance or Carter.

Hostage Donald Cook has denounced Mr. Carter for reopening the embassy in Tehran, despite three warnings that it might be seized.

Hostage Carmelo Scalzi noted the statement of one of his fellow hostages: "I don't think there are two people on this plane who would care if Carter is there to greet us."

We now learn—from the press, not from the State Department—that one of the hostages' mothers was excluded from seeing her returned son because, after all, you have to draw the expense line somewhere. But not when it comes to the expense of flying Jimmy Carter from Washington to Plains, then back to Washington, and then to Germany for a few hours, and then back to Plains.

It is one thing for President Reagan to be gracious to a presidential predecessor. It is quite another when this courtesy consists of adding to the misery of 444 days in hell by having the hostages met by politicians instead of their loved ones.

There are, however, two pieces of very good news. Our new Secretary of Defense has announced that his mission is, in his words, "to rearm America;" and our new Secretary of State explained in no uncertain terms that he is the President's "vicar" in the formulation of foreign policy.

Sixteen years ago, one of our fellow citizens—who had never held public office—exercised his right to speak to the issue of immorality in foreign policy.

He had never been to any Ivy League college. He had never been to a school of foreign service, or to any of those institutions which seem to produce so many graduates who are taught to equate diplomacy with dignified and disguished appeasement.

But the people of the United States heard him, especially when he campaigned for a presidential candidate on national television and said:

"Alexander Hamilton said a nation which can prefer disgrace to danger is prepared for a master, and deserves one. Now let's set the record straight. There's no argument over the choice between peace and war. But there's only one guaranteed way you can have peace, and you can have it in the next second. Surrender.

"Admittedly, there's a risk in any course we follow other than this. But every lesson of history tells us that the greater risk lies in appeasement, and this is the specter that our well-meaning liberal friends refuse to face: That their policy of accommodation is appeasement, and it gives no choice between peace and war, only between fight or surrender. If we continue to accommodate, continue to back and retreat, eventually we have to face the final demand, the ultimatum. And what then?

"Well, Nikita Khrushchev has told his people he knows what our answer will be. He has told them we're retreating under the pressure of the Cold War, and some day, when the time comes to deliver the final ultimatum, our surrender will be voluntary, because by that time we will have been weakened from within spiritually, morally, and economically. He believes this because from our side he's heard voices pleading for 'peace at any price,' or, 'better Red than dead.' Or, as one commentator put it, he said he'd rather live on his knees than die on his feet.

"And therein lies the road to war. Because those voices don't speak for the rest of us. You and I do not believe that life is so dear and peace so sweet as to be purchased at the price of chains and slavery. If nothing in life is worth dying for, when did this begin? Just in the face of this enemy? Or should Moses have told the children of Israel to live in slavery under the pharaohs? Should Christ have refused the Cross? Should the patriots at Concord Bridge have thrown down their guns and refused to fire the shot heard 'round the world?

"The martyrs of history were not fools. And our honored dead who gave their lives to stop the advance of the Nazis didn't die in vain.

"Where then is the road to peace? Well, it's a simple answer after all. You and I have the courage to say to our enemies, there is a price we will not pay. There is a point beyond which they must not advance."

Last November 4th, the majority of the people of the United States voted to put the future of this nation into the hands of this speaker's leadership.

In my conviction, they did so because they believe he has not given up these values—even though the cynics dismiss them as "old fashioned"—like Christianity or like the Constitution. They are the same set of values which motivated one of the hostages in Iran to risk death by telling his psychological tortures who ordered him to lie down as they clicked their weapons: "If you're going to shoot me, I'm going to die on my feet."

It is the same spirit that enabled Admiral Denton to survive years of hell in Hanoi and walk out, emaciated but still unconquered in spirit, to come home saying: "Reporting back for duty, sir. God bless America."

This spirit began to be rekindled in the United States on Inauguration Day—and, just before that day—when our new Secretary of State dared to remind a partially hostile Senate Foreign Relations Committee that there are some things that you have to be willing to die for.

The cynics will dismiss this as warmongering, when, in reality, it is the essence of the same old spiritual which affirms: "Before I'd be a slave, I'd be buried in my grave and go home to my Lord and be free"—or one of the greatest oratorical convictions of the Rev. Martin Luther King: "If you haven't found anything worth dying for, you're not fit to live."

It is only because of this willingness, at all costs, to defend our freedom that we have survived—survived even such national humiliations as having our merchant seaman kidnapped by the navy of the world's greatest power—who landed an army not far from here that routed our militia and burned our capital to the ground.

But there were, at the same time, other Americans like those who would not give up the ship off Boston or on Lake Erie—and those who held the line in New Orleans—and those who kept a flag flying all night through the hell of a British artillery bombardment near Baltimore, so that at dawn a young American lawyer on a British prison ship saw that flag still flying and began writing:

"O thus be it ever, when free men shall stand
Between their loved homes and the war's desolation!
Blest with vict'ry and peace, may the heav'n-rescued land
Praise the Power that hath made and preserved us a nation!
Then conquer we must, then our cause it is just,
And this be our motto, 'In God is our trust.'

And the star-spangled banner in triumph shall wave
O'er the land of the free and the home of the brave!"

Throughout our Holy Scriptures there comes again and again those thundering affirmation of "Thus saith the Lord" assurances, that our land will remain "of the free" only as long as it continues to be the "home of the brave." ●

HUBERT H. HUMPHREY, THE HAPPY WARRIOR

● Mr. DURENBERGER. Mr. President, a little more than 3 years ago, America lost one of its greatest leaders, Hubert H. Humphrey. Senator Humphrey's passing left a void that no one will ever fill.

My election in 1978 carried with it a special responsibility—to continue the record of service to people that marked the career of Hubert Humphrey. When I accepted the Humphrey chair, I accepted a tradition of dedicated service, openness, honesty, unabiding trust and faith in people, and a commitment to individuals.

Senator Humphrey's record is one I am proud to continue. I believe in the goodness of people. I believe in their strength, their creativity and their ability and desire to work for a common goal.

Philosophically, I may not always have agreed with Senator Humphrey, but. like most Americans, I found his spirit, his enthusiasm, and his love for people to be inspiring.

Mr. President, I submit the syndicated column by Nick Thimmesch on Hubert H. Humphrey, the Happy Warrior, to be printed in today's RECORD.

The column is as follows:

HUBERT H. HUMPHREY, THE "HAPPY WARRIOR": A RECOLLECTION

(By Nick Thimmesch)

WASHINGTON.—Among the sorely missed human qualities in this town are the effervescence, optimism and spirit of Hubert Horatio Humphrey. It was nearly three years ago that H.H.H., the "Happy Warrior," died after struggling to shake an insistent cancer. We haven't seen anybody like Humphrey since, and probably won't for many years.

Humphrey loved the political game with passion. He was a strong Democrat, and almost always fought for what he regarded as principle. He panted for humanity, and too often implemented such impulses by whipping up another federal program. Humphrey displayed a sharp edge in debate, but he was also a conciliator. He often vehemently disagreed—as veteran Republicans will smilingly testify—but Hubert was never disagreeable. There was no more popular man in the U.S. Senate.

Despite setting some sort of record—perhaps it belongs in the Guinness Book—for the volume of his rhetoric, Humphrey was respected as a senator of stature, a highly intelligent man always bristling with ideas.

Two of Hubert's best qualities were his inability to be angry at anyone for very long, and his empathy for fellow political warriors of either party. There's no question in my mind that if Hubert were alive, he would be on the phone every other day with President Jimmy Carter, trying to buck him up as he prepares for the sad trip home to Plains, reminding Carter of his accomplishments and the fact that there is much of life before him.

When he was ridden with cancer, pale and feeble, scarcely able to rise in his bed, and only four days from death, Humphrey phoned Richard M. Nixon, Jan. 9, 1978, to wish him Happy Birthday. According to Muriel Humphrey, Nixon was very touched, but not quite as much as on Christmas Day—two weeks before—when Humphrey phoned Nixon to wish him Merry Christmas. "Nixon cried on the phone," Muriel once recalled, "probably because he realized where Hubert was at. You have a lot in common, being in politics."

If any opponent had scathed Nixon in campaigns, it was Humphrey. In 1968, when the two fought a close battle for the presidency, Humphrey once introduced Emmett Kelly, the famous clown done up with outlandish pants, sad eyes and rubber-ball nose, as "Nixon's campaign manager and chief economic adviser."

Robert Kennedy's campaign tactics savaged Humphrey in the 1960 West Virginia primary, and later, when R.F.K. demanded that Humphrey release his Minnesota delegates, Hubert snapped: "Bobby, go to hell." But Humphrey reconciled with Bobby and all others by whom he was roughed up in politics.

He forgot and forgave the hurts inflicted by Lyndon B. Johnson; Joseph Rauh the Americans for Democratic Action (ADA) chieftain who turned on Humphrey and the scores of demonstrators who spat on, and reviled him, during the acrimonious Vietnam period. Even in late 1971, when he held antiwar views, Humphrey was pelted with tomatoes thrown at him during a convention of scientists where protestors waved signs reading: "Humphrey Wanted for Murder, Rape, Genocide."

Humphrey shook it all off. "He quickly got it out of his system," recalls David Gartner, Humphrey's longtime aide, now a U.S. commissioner. "He lived at peace with himself. He was always phoning people on their birthdays or when they were ill. He couldn't stop himself from doing that."

Humphrey was such a blend of civility, warmth, humor and professional politician. He was no saint. As a poor boy in the trade, he had to look the other way in the old days so he wouldn't see where the campaign bucks were coming from. He also liked a good time, and perhaps that's why he understood human frailty.

The game of politics, as played in the U.S. Senate, should be one where the Hubert Humphreys prevail, no matter what their views. When Humphrey arrived there in 1949, he was brash, and full of himself for having led the civil rights fight at the Democratic convention the summer before. He was given the cold shoulder by many senators and was embarrassed to hear Sen. Richard Russell, the titan from Georgia pointedly remark: "Can you imagine the people of Minnesota sending that damn fool down here to represent them?"

However, as one sage observed, "In Washington, some grow, and some swell." Humphrey grew. He won the respect of all the titans, including Russell, was elected Majority Whip, and became the man many senators turned to for advice or even consolation. He and Barry Goldwater were buddies, and his old dust-ups with the Kennedys never prevented him from becoming a warm friend of Sen. Edward Kennedy.

The new Senate is distinctive, not just because it is Republican and conservative, but also because a majority of its members are relative newcomers to political life. Let's hope that this Senate develops warmth, civility, and an ability to disagree without being disagreeable—qualities with which Humphrey was richly blessed. His inevitable display of them caused the Senate of four years ago to love him so much. We all miss old H.H.H., the "Happy Warrior."●

DR. OWEN WANGENSTEEN

● Mr. DURENBERGER. Mr. President, it is with great sadness that I note the passing of Dr. Owen Wangensteen, one of America's greatest surgeons.

Dr. Wangensteen, who died January 13 at the age of 82, was a brilliant surgeon, teacher, and researcher. His remarkable contributions to medicine will be felt for many years to come.

His pioneering techniques in open-heart surgery and other areas of medicine have been credited with saving hundreds of thousands of lives. In addition, the thousands of young medical students who came under his wing continue to serve mankind in testimony to their teacher's skill and dedication.

Dr. Wangensteen served his unique calling with love and devotion. His skills were always applied to improving the extending of the lives of others regardless of their ability to repay him. He was a great man who will be sorely missed but always remembered.

Mr. President, I ask unanimous consent that the article on Dr. Wangensteen from the January 14 Minneapolis Tribune be printed in today's RECORD.

The article is as follows:

SURGEON, TEACHER, RESEARCHER OWEN WANGENSTEEN DIES AT 82

Dr. Owen H. Wangensteen—the world-famous surgeon, researcher and teacher who for almost four decades was chief of surgery at the University of Minnesota Hospital—died of an apparent heart attack Tuesday at 82.

He had been working on a book Monday, but became ill during the night at his Minneapolis home and was taken to Abbott-Northwestern Hospital where he died.

Even after Wangensteen retired as chief of surgery in June 1967, his accomplishments continued to have a substantial impact on modern medicine.

It was under his leadership that University of Minnesota surgeons played leading roles in pioneering open-heart surgery in the 1950's.

In the next decade, two of his former students ushered in the era of heart transplants. The first successful heart transplant was performed in 1967 by Dr. Christian Barnard of South Africa. The heart transplant leader in the United States has been Dr. Norman Shumway of Stanford University in California.

By 1949 Wangensteen had been credited with saving 100,000 lives through his development in the 1950s of "Wangensteen section" approach, a standard procedure to prevent intestinal blocking after abdominal surgery.

Wangensteen often is called the modern American surgeon who did the most to wed surgery to science—understanding nature, then applying the understanding to patients. He pioneered extensive laboratory studies as an important part of surgeons training.

His influence on surgical teaching will continue to be felt in other ways. More than a hundred of his formed students are academic surgeons at medical schools across the country and in other nations.

He was born Sept. 22, 1898, in Lake Park, Minn., near Detroit Lakes, and he grew up on a farm there.

"I didn't even want to be a doctor," he often said. "I loved animals. Of three boys, I was the one interested in farming."

But his father said he should study medicine. At first the young Wangensteen said no. Then I had to haul manure every day for three weeks in hot weather. Anything, I thought, would be better."

He finished tops in his class at the University of Minnesota Medical School, earning his M.D. in 1933. He continued his studdies there and, for one year, at the Mayo

Clinic in Rochester, Minn. He found that he loved research and earned a Ph.D in 1938.

He joined the University of Minnesota faculty as an instructor in 1939 and four years later, at 38, became chief of surgery. He quickly built the department around a growing number of full-time teachers, instead of part-time teachers who had been playing the leading roles in the medical school.

The 5-foot-7, peppery Wangensteen was called The Chief, with affection and respect, by students and colleagues.

He often began his day at 3:30 a.m., reading at his desk for several hours before starting a day of surgery and teaching. He was noted for his many ideas for his students to investigate, and for his support of his students and staff as they probed new frontiers of surgery.

While no single medical center can claim all the credit for developing open-heart surgery, the University of Minnesota's Surgery Department under Wangensteen was a clear leader.

It was there that the heart-lung machine was perfected, allowing the patient's heart to be stopped during surgery so that surgeons could operate on this fist-size organ. Even before this was accomplished, University of Minnesota surgeons were using other techniques such as cooling the body to reduce the * * * to perform many of the first open-heart operations.

If Wangensteen had done nothing else, his development of the principal of suction for surgical patients would have established him among the medical greats.

When he began his career intestinal obstruction after surgery was one of the cruelest problems of the day, killing many patients.

The culprit was the build-up of gases and fluid secretions. Wangensteen's answer: Thread a small tube, called a catheter, down the patient's nose and into the stomach areas to draw off the fluids and gases.

It is impossible to visit a large hospital today without finding tubes down many patients' noses. World War II surgical wards were called "Wangensteen alleys" because of the large number of patients who were benefitting from Wangensteen's ideas.

Not that every Wangensteen idea worked out. One that didn't was freezing stomachs to stop ulcers.

Wangensteen was noted for his cancer surgery, but appreciated the limits of the scalpel. He started an early-detection research progam at the university to find better ways of finding cancer early when surgery was the best chance of success.

He also worked hard to make his surgery department grow. Wangensteen ingenuity helped there, too. He stopped sending bills to well-off patients, tactfully suggesting that they could give something for research if they liked. Many gave generously.

Retirement was a sedative term for Wangensteen. He and his wife Sarah wrote a 785-page historical book, "The Rise of Surgery," published in 1978 by the University of Minnesota Press.

He was a former president of the American College of Surgeons, the American Surgical Association and the American chapter of the International Surgical Society.

His many honors and awards included honorary membership in the Royal College of Surgeons of England, citations from the Sorbonne and the Norwegian Academy of Science and the distinguished service award of the American Medical Association.

He is survived by wife Sarah, two sons, Dr. Stephen L. Wangensteen, Tucson, Ariz., and Owen G. Wangensteen of Spain, and a daughter, Mrs. Mary Brink, Waynoke.

A private family service is planned, to be followed by a memorial service for which a date hasn't been set. Memorials can be given to the University of Minnesota Foundation for the Wangensteen Bio-Medical Rare Book Fund or for the Wangensteen-Davidson Professorship in Surgery.●

OLIN E. TEAGUE OF TEXAS

● Mr. SCHMITT. Mr. President, later today there will be funeral services in Arlington National Cemetery for former Representative Olin E. Teague of Texas, who was affectionately called "Tiger," dating from his high school football days. I ask that an extended biography be included in the RECORD at this point.

The biography follows:

BIOGRAPHICAL SKETCH OF OLIN E. TEAGUE

Olin E. Teague, Democrat of College Station, Texas, attended Texas Agricultural and Mechanical College, 1928–32, by working his way through college while employed with the Post Office, Animal Husbandry Department of the College, and the railroad. He married the former Freddie Dunman of Fort Worth, Texas. They have three children, James M., Major John O., and Mrs. Jill Cochran.

Mr. Teague volunteered for Army service in 1940, and had previously served three years as an enlisted man in the National Guard; commissioned Second Lieutenant in Officers Reserve Corps upon finishing at Texas A&M. He commanded the First Battalion. Three Hundred and Fourteenth Infantry, Seventy-ninth Division during World War II. He was in combat for six months, wounded a number of times and decorated eleven times. He was awarded the Silver Star with two clusters, Bronze Star with two clusters, Purple Heart with two clusters. Combat Infantryman's Badge, Army Commendation Ribbon, French Croix de Guerre with palm. Mr. Teague spent two years in an Army Hospital due to combat-incurred wounds; was discharged as a Colonel, Infantry, September 1946 to take his seat in Congress.

Elected to the 79th Congress in 1946, Mr. Teague has been re-elected to each succeeding Congress. He was Chairman of the House Veterans' Affairs Committee from the 84th Congress until the 93rd Congress, when he resigned to accept the Chairmanship of the Science and Astronautics Committee. He remains second in seniority on the Veterans' Affairs Committee. Mr. Teague was a member of the District of Columbia Committee until the 86th Congress when he resigned to accept an assignment to the newly formed Science and Astronautics Committee. He was Chairman of the Subcommittee on Manned Space Flight and of the Subcommittee on Legislative Oversight. He resigned the Subcommittee Chairmanships at the beginning of the 93rd Congress, when he assumed Chairmanship of the full committee. However, he serves as ex officio member on all subcommittees. In the first session of the 90th Congress, the Committee on Standards of Official Conduct was formed and Mr. Teague became a member of that Committee and is now the ranking majority member. In the 82nd Congress he was Chairman of the Select Committee which investigated the shortcomings of the World War II, G. I. Bill, and authored the Korean War Veterans Bill. Mr. Teague authored more Veterans legislation than any other Member of Congress.

In November 1965, Congressman Teague was the subject of an NBC–TV Special, "Congress Needs Help", which followed him through typical busy days in Washington; a trip to Cape Kennedy to witness a space shot, and an inspection tour of the facility; and his work filled days on a trip through the Sixth District in Texas.

In 1966 Mr. Teague was appointed to the Board of Visitors to the United States Military Academy and was a continuing Member until he resigned at the end of the 92nd Congress. He was a member of the board longer than any other Member of Congress. Congressman Teague was awarded the Outstanding Civilian Service Medal by the United States Army. This award is not given periodically, but on infrequent occasions as merited.

Congressman Teague was named to serve on the President's Blue Ribbon Committee on the review of Veterans Hospital Installations.

In 1966 he was appointed by the President as ranking House Member of the Joint Republic of the Philippines—U.S. Commission to study Philippine Veterans problems. The neogtiations were highly successful.

Mr. Teague was invited to serve with the American-Philippine Assembly, a group of distinguished American educators, financiers, attorneys, and other high-ranking government officials, who met in Davao, Philippines in February 1965 with Philippine counterparts. The Joint Assembly is a non-profit organization headquartered at Columbia University in New York and is not connected with the federal government.

In 1966 a new Science and Research Building was erected on the campus of his alma mater, Texas A&M, and was named The Olin E. Teague Research Center in his honor.

In June 1968 Mr. Teague was the official representative of the President at the Dedication and Turnover to the Philippine Government of the Pacific War Memorial on Corregidor Island.

Mr. Teague served two consecutive terms as President of the Texas State Society, one of the largest State Societies in Washington.

He has been awarded Honorary Life Memberships in the American Legion, Veterans of Foreign Wars, AMVETS, and the DAV.

He has been called upon twice by President Johnson to make special missions to Vietnam in connection with the war.

Congressman Teague was elected Chairman of the Democratic Caucus of the House of Representatives in the 92nd Congress, giving him a prominant position in the Democratic leadership of the House. He was unanimously re-elected for the 93rd Congress.

Mr. Teague was elected by the Caucus unanimously to represent them on the National Democratic Committee.

He was elected to serve on the Committee on Committees of the 93rd Congress, which resulted in his participation in the assignment of all democratic members to Committee assignments.

The Congressman was appointed to the Tecnhology Assessment Board for the 92nd and 93rd Congress.

Among the many distinguished service awards he has received are:

The AMVETS Congressional Silver Helmet Award.

The American Legion Award for Distinguished Public Service—the highest award given by this organization.

The VFW Award for Distinguished Public Service and Outstanding Representation of the Serviceman.

The West Point Award for Distinguished Service on Behalf of the Corps of Cadets.

The Texas Agricultural Extension Service Distinguished Service Award.

The A&M Distinguished Alumni Award from Texas A&M University.

The National Award of Appreciation for Outstanding Service for CARE.

The Philippine Presidential Medal of Honor—presented by Phillipine President Magsaysay.

The Military Order of the Public Heart award for outstanding service.

The Goddard Memorial Trophy for contribution to the nation's space effort from the National Space Club.

The Eagle Award from the Invest-in-America Association.

The Veterans of Foreign Wars National Space Award.

Watch Dog of the Treasury award from the Businessmen's Association.

Outstanding Civilian Service Medal from the United States Army—the highest honor given by the U.S. Army.

Veterans Administration Exceptional Service Award.

National Science Foundation Public Service Award.

NASA Distinguished Public Service Medal.

In the dying days of the 96th Congress, Mr. Teague was honored by his Colleagues when they adopted legislation re-naming the U.S. Veterans Hospital in Temple, Texas as the Olin E. Teague Veterans Hospital. This legislation was subsequently signed into law by President Carter and the Hospital is now so designated.

His final tribute was on Arbor Day of 1979, when a living memorial, a tree, was planted on the Capitol Grounds in his honor, having been donated by the Staff of the Science and Astronautics Committee, which he chaired during his latter days in the Congress.

● Mr. SCHMITT. Mr. President, "Tiger" Teague was first elected to Congress in 1946 while still suffering from wounds he received in World War II. Representative Teague enlisted in 1940, was commissioned a second lieutenant and rose to command a battalion in the 79th Infantry Division with the rank of colonel. During 6 months of combat he won three Silver Stars, three Bronze Stars and was wounded three times; thus, earning three Purple Hearts. He was still in an Army hospital when first elected to Congress.

Representative Teague was best known for the great impact he had on veterans legislation, exercised mainly through the House Veterans' Affairs Committee which he chaired for 18 years. "Tiger" Teague was responsible for much more than that. He also served from 1972 until his retirement in 1979 as chairman of the committee on Science and Technology which oversaw, among other things, the space program. He was a leader in this area and was instrumental in keeping the Apollo program going. As one who was involved in that program, I know that "Tiger" Teague deserves much credit for the successes that were achieved during the time he chaired the House Science and Technology Committee. If we who have responsibility for the present do half so well as he did the future of the space program is assured.

With the passing of Olin E. Teague an era also passes, an era enriched by his service to country and dedication to our American heritage. My sincere condolences are extended to Freddie and his family.

My first personal contact with Tiger was as an astronaut reporting on the results of the Apollo missions. From that day, I never ceased to be impressed with his interest and knowledge about the Nation's space activities, his dedication and patriotism toward his country, his humanity and courage in the face of physical adversity and pain. Tiger, we'll miss you more than you know.

Mr. President, Tiger's good friend Senator THURMOND of South Carolina wishes to join me in honoring the memory of this great American.●

MARYLAND COMPOSER HONORED

● Mr. MATHIAS. Mr. President, Maryland has a long tradition of recognizing contributions to the performing arts. Nowhere has this recognition been more impressive than in opera.

The Baltimore Civic Opera delights many each year with their performances and holds a respected place in Maryland's cultural life. The greatest American diva, Rosa Ponselle, is an honored resident of Baltimore. And a town in Frederick County bears the name of the soprano Lilly Pons.

Now being honored is an original chamber opera by David Miller of Prince Georges County. The European premier of this new opera is taking place this month at the National Opera House in Brussels, Belgium. The American premier will also take place this month at the Publick Playhouse in Cheverly, Md.

Mr. Miller has been a resident of Prince Georges County since 1962 and is a graduate of the University of Maryland. Over the past 5 years, he has been the voice coach and rehearsal accompanist for the National Opera of Belgium.

Mr. President, I ask that a proclamation issued by the Prince Georges County Council honoring David Miller be printed in the RECORD.

The proclamation follows:

PROCLAMATION

Whereas, the world premiere of "Ben", a chamber opera, will be premiered in January at the Petit Salle of the National Opera House in Brussels, Belgium and at the Publick Playhouse in Cheverly by the Prince George's Civic Opera; and

Whereas, the composer of "Ben" is David Miller, a resident of Prince George's County since 1962, when he first became interested in music as a fifth grader at Somerset Elementary School in Bowie; and

Whereas, through his experiences in a ragtime band in junior high school, as the first pianist for the Starliner Jazz Band, as the organist for several churches, and finally, as a recipient of a Bachelor of Arts Degree in Music at the University of Maryland, David Miller formed the background that has enabled him to begin composing his own music; and

Whereas, for the past five years, David Miller has been the rehearsal accompanist and voice coach for the National Opera of Belgium; and

Whereas, the creation of an opera is one of the highest achievements in the world of musical art. Now, therefore,

Be it proclaimed that the Prince George's County Council does hereby honor David Miller for his accomplishments as a composer and musician on the occasion of the premiere of his first opera, and wishes him every success in his future musical endeavors.●

ORDER FOR THE RECOGNITION OF SENATORS LEVIN, PROXMIRE, AND BENTSEN ON THURSDAY NEXT

Mr. BAKER. Mr. President, I am advised that there are requests for special orders on next Thursday for 15 minutes for Mr. LEVIN, from Michigan; 15 minutes for Mr. PROXMIRE; and 15 minutes for Mr. BENTSEN.

I ask unanimous consent that on Thursday, following the time allocated to the two leaders under the standing order, the special orders so requested be granted in that sequence.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE ON THURSDAY

Mr. BAKER. Mr. President, on Thursday, when the Senate reconvenes, am I correct in saying that the Kirkpatrick nomination will be the pending business?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, when we recess today we will proceed to the consideration of the Kirkpatrick nomination. I have consulted with the distinguished minority leader and I have not yet had an opportunity nor do I believe he has had an opportunity to consult with others, but may I say for the RECORD that I consulted with the minority leader on the possibility of dealing with this nomination, that is, the U.S. Representative to the United Nations, without a requirement for a record vote.

I am aware that some Members of the Senate have urged that we have record votes on each Cabinet and Cabinet-level nomination and, indeed, this nomination is a Cabinet-rank appointment.

But on Thursday I hope it might be possible to fully debate and discuss this nomination, and I would urge that we consider at least the possibility of confirming the nomination or disposing of it without the necessity for a rollcall vote.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. I am unable at this hour to ascertain whether any member on my side of the aisle wishes to have a rollcall vote on the nomination. I believe the last time I talked with Mr. PROXMIRE he indicated that he wanted to have a rollcall vote on any Cabinet-level nominee as well as the Cabinet nominees.

I will talk with him over the night, and by tomorrow I should be able to let the majority leader know whether or not I have any problem on this side of the aisle. This would give him time to inform his colleagues on his side of the aisle as to what the prospects are.

Mr. BAKER. Mr. President. I thank the minority leader and I especially appreciate his advice in that respect and his efforts as he has described them.

ORDER FOR RECESS UNTIL 10:15 A.M. ON THURSDAY NEXT

Mr. BAKER. Mr. President. I ask unanimous consent that when the Senate convenes on Thursday that it convene at the hour of 10:15 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, when we reconvene at 10:15 a.m. on Thursday

next, following the time allocated to the two leaders under the standing order, there will be three special orders, as previously described, and following the disposition of those special orders the Senate will resume consideration of the Executive Calendar beginning with the nomination of Dr. Jeane Kirkpatrick to be the U.S. Representative to the United Nations.

It is my hope the Senate, following on after that, will turn its attention to the consideration of other nominations that may be available on the Executive Calendar at that time, with the hope and expectation that we will deal with any of them we can on Thursday and dispose of as many as we can.

Following the conclusion of our business on Thursday, it is my hope and expectation that we will recess until Friday at 11 a.m. for a pro forma session, at which time we will immediately recess over until Tuesday next. That is the program as I see it at this time.

I might say, Mr. President, especially for the benefit of our newer Members, that it appears now that we will begin to receive important legislative business beginning next week, and that it is very likely that we will have to alter the schedule we have been keeping for the past 2 weeks. But at this point I wish to express my appreciation to the minority leader and to all of those on his side of the aisle for their cooperation in making it possible for us to have a thorough and prompt consideration of those nominations which are on the Executive Calendar, the Cabinet positions and Cabinet-level positions.

RECESS UNTIL 10:15 A.M. THURSDAY, JANUARY 29, 1981

Mr. BAKER. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 10:15 a.m. on Thursday next.

The motion was agreed to; and the Senate, in executive session, at 7:01 p.m., recessed until Thursday, January 29, 1981, at 10:15 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate January 23, 1981, under authority of the order of the Senate of January 22, 1981:

DEPARTMENT OF DEFENSE

John O. Marsh, Jr., of Virginia, to be Secretary of the Army, vice Clifford L. Alexander, Jr., resigned.

John F. Lehman, Jr., of Virginia, to be Secretary of the Navy, vice Edward Hidalgo.

Verne Orr, of California, to be Secretary of the Air Force, vice Hans Michael Mark.

Executive nominations received by the Secretary of the Senate January 26, 1981, under authority of the order of the Senate of January 22, 1981:

DEPARTMENT OF STATE

William P. Clark, of California, to be Deputy Secretary of State, vice Warren M. Christopher, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate, January 27, 1981:

CENTRAL INTELLIGENCE

William J. Casey, of New York, to be Director of Central Intelligence.

OFFICE OF MANAGEMENT AND BUDGET

David A. Stockman, of Michigan, to be Director of the Office of Management and Budget.

EXTENSIONS OF REMARKS

APARTHEID IN THE REPUBLIC OF SOUTH AFRICA

HON. THOMAS J. DOWNEY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. DOWNEY. Mr. Speaker, I recently returned from a conference in Freetown, Sierra Leone, hosted by the African American Institute, where I had the opportunity to meet government leaders and foreign ministers from 26 African nations. Exchanging views with these black African leaders was an extremely worthwhile experience for me, and I would like to share with my colleagues one thing in particular that I learned from those conversations. Africans from all parts of the continent are genuinely concerned about the continuance of apartheid in the Republic of South Africa. It is the first subject they raise with a visiting American politician. Before they ask about development aid for their own countries, many of these government ministers asked me what the United States intended to do to encourage an end to apartheid in South Africa. This type of unified concern is extraordinary, and it is something to which we in this body and the President and his new administration must give serious consideration.

I would, therefore, like to have reprinted in the RECORD the text of a speech I prepared for the Freetown conference commenting on the future of change in South Africa.

ADDRESS TO THE AFRICAN AMERICAN INSTITUTE CONFERENCE IN FREETOWN, SIERRA LEONE, JANUARY 11, 1981

I must admit to feeling a little out of place standing here in the beautiful capital of Sierra Leone speaking to such a distinguished group of African leaders, scholars and Africanists about the future of change in South Africa. You are all more closely involved in that process of change than I. All I can offer are my own perceptions as an outsider with a longstanding personal interest in advocating change in South Africa, and perhaps some insight as a Member of the United States Congress with regard to the future of American policy toward Africa.

There has certainly been change in the past decade both in the situation in South Africa and in the relations between the United States and the government of South Africa. I don't believe that any American administration, not even Mr. Reagan's, will ever go back to the Eisenhower/Nixon view of the Republic of South Africa as a truly close ally and bulwark of the Western World so long as the government of that country continues to found its domestic policies on a most blatant and oppressive form of racism. I believe we are past that phase in American policy. I don't believe the American people want a close relationship with a racially premised regime, and I'm convinced that, even with the results of the recent election, there are fewer politicians in the United States today who would advocate such a relationship than at any time in the past. Nevertheless, there will certainly be obstacles if this trend is to continue to make strong progress. There are still many in the halls of Congress—and there will surely be more among the 76 new Members elected to the House in November—who do not view change in South Africa as either necessary or inevitable. Those of us like the chairman of this congressional Codel, my good friend Bill Gray, who will continue to argue the anti-apartheid cause have lost a number of strong voices in the recent elections. Father Drinan of Massachusetts will not be back with us on the floor of the House as he was in arguing against the lifting of sanctions against Rhodesia and against human rights violations worldwide. My good friend Andy Maguire of New Jersey, who has spoken out against apartheid for more than twenty years will not be part of the new Congress. Neither will my friend John Anderson, whose consistent views on foreign policy and human rights would have given a great boost to our aims if he had been more successful in his campaign for the presidency. Those of us who remain in the 97th Congress will continue to press the new Administration for policies that will facilitate your efforts to accelerate change in South Africa. But what sort of change should we envision, and what sort of policies should we pursue?

Up to the present time much of what the United States has done to put pressure on the government of South Africa for change has been largely symbolic. There is the U.N. imposed arms embargo, the refusal to use the Simonstown naval facilities, the refusal to recognize artificially created states, encouragement for the end to petty apartheid regulations, the establishment of codes of conduct for American corporations in South Africa—all of which are mainly symbolic in nature or treat only the symptoms rather than the roots of the apartheid system. Nevertheless, even this much is reflective of a considerable change and considerable progress in a short time for a nation like ours, where as recently as 1955 a black woman in Alabama was arrested for refusing to rise to give her seat to a white man on a public bus.

Meanwhile the situation in South Africa has changed as well, to some extent for the better but to a much greater extent for the worse. Even under an Administration that claims to be restraining the Verkramptes, massive arrests continue, filling the prisons of South Africa with journalists, teachers, writers, and many hundreds of black, white and colored South Africans concerned about the future of their country. The example of revolutionary change in Zimbabwe has been taken by some as a signal for leaving the evolutionary path toward change, but there is also the lesson of the conference table and the ballot box in the example of Zimbabwe. Some cosmetic changes have appeared, but the Pass Laws still remain. The arbitary provisions of the Terrorism Act still remain, and men like Nelson Mandela remain in prison. Prime Minister Botha's answer to all this is a homelands policy, a "constellation" of states which it is alleged will correct and justify all past inequities.

I recall a meeting that was arranged last year in Washington in which about a dozen other liberal Members of Congress and I met with twenty-three South African parliamentarians who were visiting the United States. As you can imagine it was a very tense meeting. I felt a little like an early Christian being given a tour of the lions' den. But the ice was broken by a member of the Nat Party who almost immediately began to lecture us (as soon as one of his colleagues had finished raking us over the coals for our past mistreatment of the Indians) on the homelands policy. It was, he said, just the same as the early formation of the United States from the 13 original colonies. He may have believed that it was, but to all of us it was all too clear that the process he was describing—breaking up an already unified State into a number of artificial "homelands" only to reunite them in a loose confederation in which all the wealth of the whole would repose in the hands of one "white homeland"—was certainly not what Washington and Jefferson had had in mind.

Well, what positive steps can America take to put pressure on men like these for change? Our leverage is limited. The unity of will on the part of our people and government is limited. Our options are, therefore, also limited. Nevertheless, there are specific targets that can be selected, specific goals that can be set with some hope of success. As a member of the Ways and Means Committee, which deals with taxes, and the Subcommittee on Trade, which deals with international import and export, I am becoming more and more convinced that economic pressure is the most effective kind of pressure. On the international level that means the exertion of pressure where possible on the economy of South Africa, which as we all know is currently flourishing and becoming immune to outside pressure in many areas. As I have said, our options are limited. Many of us talk about sanctions or further embargos against the government of South Africa, but I will tell you now quite frankly that I am not confident that any sanction measure of that type would pass the new Congress that will begin the business of legislating the laws of our nation when we return from this conference. Any measure of that type would first have to pass the Ways and Means Committee of the House, a committee I serve on and know well, and it would have to be accepted by the Finance Committee in the Senate under its new Republican leadership. It would be unfair to raise false hopes that such a proposal would have any practical chance of success in the new Congress.

But that is not to say that there are not other positive steps that can be accomplished in the next two years. I believe that significant gains can be made through government encouragement of the private sector in the United States to take a role in African development. To a great extent the pressure which might be put on South Africa by her neighboring states is nullified

by the fact that their own economies are largely tied to that of South Africa. That is one reason among many why it should be a goal of the United States to assist African nations in creating an interdependence among themselves, apart from the inevitable ties to the South African economy and allowing for the gradual weakening of those ties. At the present the front line black nations of Africa need South Africa as a supplier of goods and services and as a market, but it should be remembered that South Africa also needs them. As time passes, it may be hoped that the trend will be toward the latter aspect of that need-supply equation. I believe that this is something in which America can help through investment, through loans, and through development aid, particularly in the areas of transportation, roads, communications, ports and trade. The stronger the economic base and the interrelationship of black African nations opposed to apartheid, the stronger the pressure they can exert upon South Africa will be.

Within South Africa this same postulate is true. The stronger the black economic base, the more unified the black spokesmen and women in their demands, the more weight those demands will carry. This is another area in which I believe the United States can help. If South African blacks are to move forward and take leadership positions in trade unions, urban councils, business, community, church and political organizations, as they must do, improved educational opportunities are essential. Improving education for blacks at home is, of course, the first priority, but the United States can also help in the field of higher education or specialized education by increasing the opportunities for black South African students to study abroad and then return to leadership roles in their own communities. My friend Congressman Andy Maguire proposed a program with this goal in mind during the last Congress, and I intend to pursue it further.

There is also considerable potential in the area of encouraging American business to act privately in aiding black business, agricultural and commercial development in South Africa. Projects like the recently announced plan under study by the Bank of America to finance a $500 million redevelopment of the black township of Alexandria near Johannesburg should be encouraged. It is encouraging simply to see representatives of the Bank of America sitting down to discuss such a project with the Institute of Race Relations and Soweto's Committee of Ten. Though projects like this are, and should be private sector agreements, I would like to see them aided by U.S. government initiatives, perhaps involving preferential treatment in consideration for Exim Bank guarantees. As I see it, if the United States can help the black leaders of South Africa build an economic and political base which marks them out as obvious negotiating partners, then the Americans, the Europeans and the nations of black Africa can work together with more hope of success in pressuring the South African government to negotiate meaningful change for the first time. As long as they do not feel that they have to negotiate, as long as they feel they can argue that there is no unified, identifiable black leadership with whom to negotiate, they will not negotiate. For those of us in the United States who are committed to seeing an end to apartheid, it should be our task to help create that need and to help you to build that leadership.

On the human rights front, of course, those of us in this congressional delegation and many others will continue to speak out. When we see freedom of the press violated and journalists dragged before magistrates we will continue to demand answers from the South African Ambassador in Washington and the Minister of Justice in Pretoria. The Congressional Monitoring Group on Southern Africa, a group of 50 concerned Members of Congress—now somewhat reduced in numbers, I'm afraid, by the November elections—will continue to monitor the fate of political prisoners and banned persons in South Africa. This group, of which I am a coordinator, was formed in 1977 After the death of Steven Biko, and we began our prisoner adoption program last year. As unfortunate as it is, there is no doubt that such a project will still be needed this year and the next, as political prisoners in South Africa remain an ever increasing breed.

In conclusion, if asked for a prognosis of what blacks in South Africa seeking alternatives for change should expect from American policy in the future, perhaps I would first try to avoid answering, because I am not entirely optimistic about the answer. But if pressed, I would give the answer that I am not entirely pessimistic either. Hard times are ahead for those in the Congress who seek to bring human rights considerations to the fore. I believe that we will be on the defensive in many instances in the next four years in arguing this case, as we will in arguing for foreign aid or for many of the domestic social programs that American liberals have championed in the past. It will be difficult for us to begin new initiatives with regard to Africa, or Latin America or other parts of the developing world. It may be difficult for us just to hold the line.

It is not for me to guess what American policy toward Africa will be under President Reagan and General Haig, presuming his nomination as Secretary of State is confirmed. The Republican party has never really had an Africa policy in the past, in my opinion. Dr. Kissinger paid very little attention to the African continent until the civil war in Angola—as far as I know, he is the only American Secretary of State to discover Africa by way of Cuba! Under the Reagan Administration I would expect a certain element of Realpolitik, a feeling that the United States should support any government in which we have an economic or strategic interest. It will, therefore, be the job of liberals in the Congress to argue that the case with regard to the government of South Africa is just the opposite. The mineral resources and economic strength of that strategically located country will in the long run be controlled by the legitimate black majority of that nation. That is the basis on which any policy of true Realpolitik should be based. And American policymakers must be made to realize that it is in our hands now to determine by our actions and attitudes what our future relationship with those black South African leaders will be.●

KIWANIS CLUB OF FARMINGDALE, N.Y.

HON. GREGORY W. CARMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. CARMAN. Mr. Speaker, while our brave hostages were suffering for over 14 months in Iran, there were some quiet heroes, here at home, who deserve our thanks for a job well done. I am referring to members of the Kiwanis Club of Farmingdale, N.Y., my hometown. Every Saturday, rain, snow, or shine, the members of this fine civic group flew U.S. flags along Main Street in Farmingdale to remind everyone that our diplomats and military people were still being illegally held in Iran.

Even before the hostage crisis, the Kiwanis Club was showing the colors. Flag holders had been mounted on parking meters along Main Street so that "Old Glory" could be displayed on various holidays. After the hostages were taken at the U.S. Embassy in Iran, Kiwanis Club members decided to hold a hostage vigil by flying the flags on Saturdays until our people were set free.

Mr. Speaker, it gives me pleasure to see that things are now as they were over 444 days ago. Our ex-hostages are prisoners no more and the Kiwanis Club can reserve its flags for regular holidays. I wish to commend the club for inspiring our community to "rally 'round the flag" during the dark days when our people were being held like prisoners of war.●

A. A. McCANDLESS

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. LEWIS. Mr. Speaker, today I rise to honor A. A. "Al" McCandless, supervisor of the fourth district of Riverside County, who has served for the past 4 years as chairman of the South Coast Air Quality Management District Board. At the end of his two-term chairmanship, Mr. McCandless is to be commended for his dedication, hard work, and the wide-ranging accomplishments of the South Coast Air Quality Management District under his direction.

These regional air quality districts were implemented just 4 years ago, based on legislation which I introduced in the State assembly. Under the supervision of this able and dedicated man, the South Coast Air Quality Management District merged four independent county air pollution control agencies—for Los Angeles,

Orange, Riverside, and San Bernardino Counties—into one regional agency with uniform procedures and consistent rules. The south coast district is one of the largest and most innovative agencies of its type in the Nation. Today, this district is an outstanding example of the major role which local governments, working together, can play in solving significant public problems.

The south coast district prepared, coordinated and adopted a comprehensive air quality management plan to serve as a blueprint for clean air for the south coast air basin. This plan is so well designed that the Environmental Protection Agency has referred to it as an example for other nonattainment areas to follow.

Implementation of this plan has led to significantly improved air quality in the region and greater public understanding of air pollution. These goals were accomplished using various methods. Dramatically reduced emissions from industrial sources are the result of air pollution control rules which required the installation of the most advanced control equipment and procedures. A revolutionary emission fee program has eliminated the agency's dependency on property taxes by placing the primary burden of financing their work on major industrial emitters instead of the public. A thorough system for monitoring air quality, reporting air pollution conditions, and for conducting research has been established and developed.

The district board has been sensitive to the public's needs as well. The south coast district opened several field offices to serve the public and monitor air quality; they established a small business assistance office to assist small businesses in complying with increasingly stringent air quality control rules. The board formed a 30-member advisory council representing industrial and environmental concerns to advise the district on air quality planning and technical matters. And, they have developed a school communications network to advise schools to reduce student physical activities during smog episodes. The list of accomplishments could continue on and on.

Chairman Al McCandless' leadership has served the South Coast Air Quality Management District and the public it serves in a commendable manner. We accept the end of his terms as chairman with mixed emotions—sad that it must end, but happy to know that we will still benefit from his hard work and loyal service as a full and participating member of the district board.●

INVESTMENT TAX CREDIT FOR REHABILITATED BUILDINGS LEASED TO TAX-EXEMPT OR GOVERNMENTAL ORGANIZATIONS

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. ROSTENKOWSKI. Mr. Speaker, in the closing days of the 96th Congress, a number of miscellaneous tax bills were passed which contained approximately 62 different provisions. One of these bills, H.R. 7956, originally passed the House with a section allowing the investment tax credit for rehabilitated buildings leased to tax-exempt or governmental organizations. However, the Senate amended H.R. 7956 to delete this provision. Subsequently, the House disagreed with the Senate amendment, and insisted on retaining the rehabilitation credit. The Senate concurred in the House amendment, but due to a clerical error involving its enrollment, the bill as sent to the President and signed into law as Public Law 96-605 did not contain this provision.

It is clear that both the House and the Senate believed they were agreeing to H.R. 7956 with the rehabilitation provision included. Therefore, it is my intention and hope to proceed expeditiously to rectify this oversight in the 97th Congress. It will be necessary to reintroduce the rehabilitation provision this Congress, either as a separate bill or as part of a measure making technical corrections to tax legislation enacted in the 96th Congress.

Regardless of which approach is used, I am hopeful that this provision will receive the prompt attention of the new Congress, so that those taxpayers who have acted in reliance upon it or anticipated its enactment will not be penalized by an unintentional clerical error. In this regard, I anticipate that careful consideration will be given to retaining the effective date of the original legislation so as to afford taxpayers appropriate relief.●

HON. EMANUEL CELLER

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. STOKES. Mr. Speaker, I would like to thank the gentleman from New York (Mr. ADDABBO) for reserving this time so that Members of the House of Representatives can pay tribute to a former Congressman who was this body's greatest champion of justice, human decency, and civil rights—the Honorable Emanuel Celler. As we all know, Mr. Speaker, Emanuel Celler died Thursday, January 15 at the age of 92.

It is only fitting that we pause at this juncture to pay homage to a man who during his 50 years in Congress gave hope and a fair chance to those who were hopeless and shackled for so many years by this society's prejudices and inequities. Undoubtedly and appropriately, history will credit Emanuel Celler as the chief architect and primary advocate of the major civil rights legislation in this Nation.

Mr. Speaker, Emanuel Celler was the undisputable guiding force who took the struggle for equality and civil rights from the demonstrations, sit ins, and marches in our Nation's streets to the Halls of Congress. He then became the tower of strength and conscience needed to push major civil rights legislation through both the House and the Senate at a time when his efforts were given only a token chance of success.

Courage, foresight, compassion, and leader amongst leaders—all of these words characterize the man who in 1957 wrote and shepherded into law the first comprehensive civil rights legislation in the Congress since Reconstruction. Emanuel Celler went on to become the author of the more comprehensive 1960 Civil Rights Act.

Refusing to rest on what many people called remarkable achievements in the area of civil rights, Emanuel Celler through his position as chairman of the House Judiciary Committee went on to serve as the major strategist for the passage of the 1964, 1965, and 1968 Civil Rights Acts. During this time, Mr. Celler was engaged in many floor battles on behalf of the legislation. Mr. Speaker, many of my colleagues may recall at the age of 75, Emanuel Celler waged an impressive battle on behalf of the 1964 Civil Rights Act. Armed with his legendary oratory and wit, he led a 2-week debate that held together the farthest reaching civil rights bill ever written. The measure covered desegregation in education, employment, public accommodations, and other basic aspects of life.

After the House passed each civil rights bill, Mr. Celler went on to tackle the Senate Judiciary Committee which at that time was dominated by southerners who traditionally kept legislation of this kind bottled up in committee. In every instance, he pressured the Senate to pass the bills despite the opposition of some of the Senate Judiciary Committee members and the threat of filibusters and other tactics.

In addition to his achievements in the area of civil rights legislation, Mr. Celler is noted for his work with four constitutional amendments. The first amendment allowed the citizens of the

District of Columbia to vote in Presidential elections. The second amendment effectively banned the levy of poll taxes in Federal elections. The third was an amendment on Presidential disability and succession. The fourth lowered the voting age to 18.

Additionally, Mr. Celler was associated with over 400 laws which passed the House including a measure abolishing the use of national origins in setting immigration quotas and the Celler-Kefauver Antitrust Act of 1950 which tightened existing laws.

Mr. Speaker, Emanuel Celler was a bulwark of human decency in this Congress and in this Nation. His achievements in the area of civil rights legislation stand as a lasting monument to his greatness as a legislator and human being.●

THE HOSTAGES SHOULD BE COMPENSATED

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BINGHAM. Mr. Speaker, I would like to add my voice to those expressing deep relief at the freeing of our former hostages in Iran and heartfelt appreciation to those United States and Algerian officials who were instrumental in securing their release. However, I also firmly believe that the U.S. obligation to these brave men and women does not end here. They have suffered danger and extraordinary hardship for over a year. Some were condemned to solitary confinement, others were beaten and tortured. All endured extreme deprivation in their daily living situations.

More than 1 year ago, I introduced House Concurrent Resolution 221, cosponsored by Representatives ZABLOCKI, BROOMFIELD, FASCELL, and Buchanan, expressing the sense of Congress that, once the hostages had regained their freedom, they should receive appropriate compensation for their extraordinary ordeal. This resolution was approved unanimously by the House Foreign Affairs Committee and passed the House on December 18, 1979, by the overwhelming majority of 369 to 4. Furthermore, when the Hostage Relief Act of 1980 (H.R. 7085) was adopted last September, the report language made it clear that the benefits contained therein by no means precluded consideration of further compensation at a later date. Thus the Congress is clearly on record that the hostages should receive generous financial recognition.

The takeover of our Embassy in Tehran was a unique and unparalleled situation, and America's response must be appropriate to discharge our obligation of honor to the hostages and their families. We must avoid repetition of the unfortunate situation which occurred in Vietnam, when military and civilian prisoners alike received only an extra $5 per day for their time spent in captivity. I am aware that in his final hours as President, Jimmy Carter signed Executive Order 12285 setting up a Presidentially appointed Commission on Hostage Compensation to make recommendations within 90 days as to whether legislation to deal with the foregoing compensation issue is appropriate and, if so, as to what such legislation should provide. In light of Congress response to my resolution, the propriety of legislation granting compensation should be clear. The administration's task at this time should be to recommend to Congress the proper amount of compensation as well as procedures to be adopted to protect the future careers of the former hostages. The State Department should begin to consider these questions now, rather than wait for a Commission report which may never see the light of day. Representatives BROOMFIELD, FASCELL and I wrote to Secretary of State Haig on January 23, apprising him of Congress willingness to meet its responsibilities to the hostages as demonstrated in the response to House Concurrent Resolution 221 and the report accompanying H.R. 7085. We have requested an early report of the administration's intentions and recommendations.●

UKRAINIAN INDEPENDENCE DAY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. RODINO. Mr. Speaker, last Thursday marked the 63d anniversary of the Declaration of Independence by the Ukrainian people, who continue their long and bitter struggle for national self-determination.

The Ukrainian people have a long history of resisting imperialism and colonialism. In April 1917 the Ukrainians formed the National Ukrainian Congress in the hopes of gaining their national independence while Czarist Russia was in revolution. On June 23 that same year the elected council of the Ukrainian people proclaimed an autonomous Ukrainian Republic, with a national army, judicial system, administrative agencies and schools. This Government was recognized by many foreign countries. Within 2 years all Ukrainian lands were proclaimed free and they united into one sovereign nation. The Ukrainian people fought gallantly against Soviet forces for over 2 years to protect their freedom, but the Soviets reoccupied the Ukraine in the summer of 1920 and they have maintained control ever since.

As a result, the Ukrainian people have been the victims of religious and political persecution and the denial of personal freedoms. Their quest for national self-determination continues.

In America we are fortunate to have over 1,200 local Ukrainian-American organizations which help to preserve the Ukrainian heritage and culture in America and strengthen our democracy. I am proud of the Ukrainian-Americans living in New Jersey's 10th Congressional District, which I represent. Their contributions to our society reflect the richness of their culture and their personal commitment to democratic principles.

As Americans we should join in commemorating Ukrainian Independence Day by reaffirming our commitment to the defense of human rights around the world and recognizing those whose struggle for freedom and liberty has not ended.●

SOLVING OUR ECONOMIC ILLS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. MILLER of California. Mr. Speaker, last week I shared with the Members of the House a portion of the recent article by economist Emma Rothschild concerning our lagging economy and declining productivity. In this article, Dr. Rothschild critically examines the Reagan economic agenda and illustrates some serious shortcomings which could produce results directly contrary to those the new President anticipates.

I would like today to share with you the conclusion of that article:

How welcoming is this environment for Mr. Reagan's economic policy, founded as it seems to be in the hopes of industry, of sector IA? The industrial sector is easily surpassed, in employment, by sector II; it is surpassed in total output and in output per employee in sector IB. Only the most prodigious expansion of industrial production, therefore, would suffice to invigorate the entire economy.

Consider, for example, the consequences of a more dynamic industrial performance in the 1970s. Let us double the 1973-1979 rate of growth of output per employee in sector IA—0.615 percent per year—keeping all else constant, and call this hypothetical dynamic economy D-growth. In this outcome, 1979D output per employee in IA would be $16,913 instead of the actual $16,275. But the total growth rate of output per employee would have increased only to 0.261 percent per year; just the same, in fact, as under our earlier hypothetical outcome (1979N) where employment in sector II grew at no more than its "normal" historic rate.

Or imagine the transformation that would have been required in IA in 1973-1979 to shift the private economy not to a paltry 0.2 percent annual growth rate in output per employed person but to its historic rate, for

1947–1973, of 2.055 percent per year. Such a shift, with conditions in the other two sectors held unchanged, would have required an increse in IA output per person employed to $22,297 in 1979S (outcome S for superdynamic). This would imply an annual growth rate of over 6 percent from 1973–1979S: more than twice the historic growth rate of output per employee in this sector, and ten times its actual growth rate.

A "supply side" enthusiast might answer, to these considerations, that the recent emphasis on traditional industry is no more than political rhetoric; that the Republicans once in office will care not at all whether their economic recovery comes about in sector IB, sector IA, or sector LXXXIV. Supply-siders—like their opponents and mirror-images, the "demand-siders" or Keynesians—are unconcerned with the real industries and workers and technologies that constitute an economy. They prefer to live among the abstractions of economic theory and economic politics, whether of "supply" and "expectations" or of "effective demand."

But the primacy of traditional industry, of IA, is not easily ignored. If the economy were to expand in sector IB, employment would be unlikely to increase fast. And the characteristic behavior of IB corporations—immense semi-public utilities, bus companies and truckers, financial corporations, AT&T—is hardly that of the sensitive, even skittish entrepreneurs, the investors in new factories and equipment to whom the Republican policy is addressed. Yet if growth of output and employment continues to expand in sector II, then the present problems of inflation and low productivity growth will be compounded.

There seems a very reasonable chance, in sum, that the Republican inspiration will not bring about rapid, noninflationary growth and increased productivity; that the spirit, fizzling rather than blazing, will not be equal to the constraints of domestic structure and international recession.

The Reagan program in these conditions is likely to be wildly inflationary. And the military spending to which the new government is committed will exacerbate such tendencies. The Republicans do not discuss the economic consequences of remilitarization; nor are they likely to, given their conviction of the priority of defense, which transcends the banal calculus of economic costs and benefits. But the military boom of 1981 is likely to bring all the problems of previous expansions with few of their benefits. The two periods of greatest military expansion were both times of rapidly accelerating inflation. Thus the Korean War boom began in 1950, when inflation was 1 percent; in 1951 inflation was over 8 percent. The Vietnam War-related military boom began in 1966, when inflation was less than 3 percent; since then, inflation has averaged 6 percent per year.

At the same time, the employment effects of increased military spending will be dampened in the 1980s by the overall structural changes in the economy. The "defense products industries" are only a minor subdivision of our sector IA: together they employ fewer workers than they did in 1967, and only a third as many people as are employed in eating and drinking places. The Defense Department employs less than two thirds as many people, military and civilian, as it did in 1967, and its purview is unlikely to increase. Does Caspar Weinberger want more civilian bureaucrats? Does the Middle East Rapid Deployment Force want more quartermasters, or more missiles?

The proposed military expansion seems organized to maximize the economic costs of defense, and to minimize its economic benefits. It will favor nuclear missile "systems," submarines, planes, and other "big ticket" items. But spending of this sort requires large numbers of scientists and engineers and construction workers; it requires relatively few manufacturing workers. The MX missile system, or a substitute costly project, would provide some employment, and inflation, in Cambridge, Massachusetts; it would also provide considerable inflation and employment for low productivity construction workers in Utah and Nevada. But it would not provide jobs for unemployed steel workers. MIRVed experimental missiles are not bolted together in assembly lines.

What will the Republicans do if their policies lead them into higher inflation and unbalanced budgets? Their most likely recourse will be to the conventional conservative remedy of recession. The old conservatism represented in the Reagan cabinet by Mr. Regan and Mr. Weinberger has its acrid but available medicines: control the money supply, increase taxes (or limit tax cuts), hack with ever greater frenzy at nonmilitary government spending. There is a recent precedent for the repression of neoconservative exuberance. Mrs. Thatcher came into office determined to cut taxes and inspire the "spirit" of British entrepreneurship, but has retreated to the purest policies of victory through recession.

Such conservative orthodoxy could bring about the second great danger of the Reagan economic policy, namely a collapse of employment throughout the economy. The 1970s seem to have confirmed the experience of the postwar period, that employment in sector II is immune to the vicissitudes of the business cycle. Employment in services and to a lesser extent in retail trade changes, on this view, according to a long-term growth path. And the recent dominance of sector II employment has indeed been countercyclical in just this sense. From 1974 to 1975, employment in sector I fell by 2.4 million jobs; employment in sector II increased by 0.5 million jobs. Similarly during the recession of 1980. From July 1979 to July 1980, employment in I fell by 1.3 million jobs, while employment in II increased by 0.8 million jobs.

But there are reasons to doubt whether the resilience of retail and services employment will continue into the next one or two recessions of the 1980s. First, because services employment has not in the past been immune to cyclical declines, if the cycles in question are sufficiently great. Second, because there may be special characteristics of the new employment which make it particularly vulnerable to the special recessions which lie ahead.

The ominous precedent is 1929–1932. The 1920s were a period of rapid expansion in the equivalent of sector II: trade and services together accounted for 77 percent of all new private employment from 1920 to 1929. But many of these jobs were lost after October 1929. From 1929 to 1932, employment in retail trade declined almost as much as did employment in the entire economy, and employment in services also declined substantially. In some services—particularly frivolous ones, like hotels and "amusements"—employment declined even more than it did in the economy as a whole.

It is also plausible to suppose that sector II employment will be particularly vulnerable even to milder recessions in the 1980s. This is so, above all, to the extent that the next recessions will be accompanied by cuts in civilian government spending. One apparently "recession-proof" sector, state and local government, has already been affected. This sector accounted for over 40 percent of all new public and private employment in 1973–1976 and less than 10 percent from 1976–1979. And other retail and service activities may be affected directly and indirectly by spending cuts. Each of the "Big Three" employment-intensive industries of the 1970s could be vulnerable to a combination of recession and government cutbacks.

The expansion of employment in eating and drinking places seems to be closely linked to long-term trends: more people live alone (and are far more likely to eat out than are "multi-person households"); more women work (and families with working wives spend more money on eating out). But output in eating and drinking places is also sensitive to changes in real per capita income: it stagnated in 1959–1961, for example, and also in 1973–1974. In the next recession, this sector might behave like the "frivolous" services of the early 1930s. People might treat eating out, even eating hamburgers, as an amusement and not a necessity. There could also be an adverse multiplier effect having to do with the long-term demographic trends. If a recession in the 1980s led to lay-offs of women workers in such "feminine" activities as local government, health services (and eating places themselves), then the demand for meals might contract further.

There might also be tendencies within the eating and drinking industry which will affect employment. Productivity growth in eating places was much less rapid in the 1970s than in the 1960s, but might increase again. Large chains—notably in fast food—are particularly adept at labor-saving innovations: the pre-frozen portions, automatic frying baskets, and continuous flow broilers which transform cooks into unskilled materials handlers. A recession could lead to the bankruptcy of small restaurants (and even small fast-food chains), and a concentration of employment in more efficient operations. Will the deserted Burger King (or Milkshake Queen) be as common in the 1980s as the closed-down gasoline station of the 1970s?

The boom in business services is also a consequence of persistent trends. Corporations now contract out jobs such as copying, data processing, mailing, cleaning. This is to some extent a function of technological change and the onward march of the division of labor: business uses more data processing, for example, and specialized companies are efficient providers of computer services. But it is also related to social trends. Large corporations may find it easier to send out copying and bring in cleaners; their suppliers are obliged to manage part-time and temporary workers, many of them women.

Business services depend none the less on the overall business environment. In a recession, corporations could retrench, compelling their own employees to do more photocopying, and cutting back on temporary help. Here again, there are small and perhaps vulnerable companies, and many vulnerable short-time employees. There could also be a further multiplier effect, in, for example, the "personnel supply" establishments which provide temporary workers for other business services.

Medical services seem the most inexorable of the three big industries. Americans are

getting older and they show few signs of wanting less health care; they are not less sick in a recession. Private health services (which employed some 400,000 people in 1929 compared to five million now) were scarcely affected by the collapse in employment in the 1930's. But medical services are also among the private industries which will be most hurt by reductions in civilian government spending.

Senator Richard Schweiker (R-Pa), the Secretary-Designate of Health and Human Services, has announced an assault on "abuse" in Medicaid, and has said that Medicare could save money if more people were looked after at home. His colleague Senator Pete Domenici (R-NM), the incoming chairman of the Senate Budget Committee, agrees that "nothing's immune—indexed programs, entitlements, the whole works." Such budget cutting could affect employment in all the private activities which have grown up around the semi-private health care system: for example in the million-employee "nursing and personal care facilities" business. Here too, as in other services, there are small companies which might go bankrupt. And there are four million women workers, who unemployed might return to unpaid cooking, cleaning, and nursing: the reverse multiplier once more.

The Reaganites are probably right to be preoccupied with an economic "spirit." Marx conveyed the theatrical and irrational character of capitalist inspiration. The Cambridge economist Nicholas Kaldor once criticized Schumpeter's tendency to explain economic growth by recourse to a "stage army of entrepreneurs"; he too conceded the importance of what Keynes called the "animal spirits" of investors.

But the conservatives are dangerously wrong when they invoke an old spirit—"the spirit . . . still there"—and old American industries. For changes in the structure of the American economy have brought equivalent changes in expectations, in the structure of entrepreneurial spirits.

The growth of employment in what we called sector II corresponds to persistent social and economic tendencies. At a superficial level, we can see that the economic booms of the 1970s were related to the multiple "crises" of American society: eating places and the crisis in the family; business services and the crisis of the corporation. But the expansion of sector II also has deeper origins.

Two of the essential institutions of modern capitalist growth are intimately concerned: the system of reproduction of the labor force, and the corporation. The family, it seems, is increasingly incompetent to sustain the reproduction of educated, healthy workers. Women's work is multiplied by the isolation of small families; women themselves join the commercial labor force; many work for the small fly-by-night companies of sector II. These problems are exacerbated by the demographic tendency toward an aging population. In 1968, 9.6 percent of the American population was over 65; in 1978 the proportion had increased to 11 percent. And most elderly Americans—unlike Donald Regan (Sixty-two), Caspar Weinberger (sixty-five), William French Smith (sixty-two), Ronald Reagan (sixty-nine)—are not chosen for well-paid and respected jobs; many are consigned to the ignominy of "personal care facilities" and the declining family.

At the same time, the corporation is faced with two different assaults. On the one hand, it is ill suited to fulfilling the new needs of the labor force for familial and other services. On the other hand, the sector I monolith of Alfred Sloan's imagination is equally unsuited to employing part-time and temporary workers, young people, old people, and women.

These problems are by no means unique to the United States. Sector II-type employment is increasing throughout the advanced industrial world, although different countries have arrived at different patterns—for replacing the extended family with public or private employment, with the welfare state, or with nursing homes and fast-food restaurants. Mr. Reagan's conservative nostalgia for an old industrial spirit is itself not new: he echoes the hopes of (ill-fated) conservatives in two other sector II countries—Thatcher in Britain and Falldin in Sweden.

The capitalist solution, in the long term, will be a new entrepreneurship to "industrialize" sector II. Certain service activities will become far more mechanized; others will be detached from the retail and service sector and reattached to sector IA. We can see the outlines of this process in the electrostatic frying baskets of the fast-food industry, or in the instant meals, the panglandular biscuits of Brave New World. In medical services, there will be more institutions like the Swedish hospital for long-term care, with a swimming pool and comfortable cafeteria, but where the patients were sent to bed early because there were too few staff to keep the facilities open.

The industrialized service economy may be dismal. It will evoke capitalist spirits of a different sort: vicious feminine entrepreneurs, Frederick Winslow Taylors of the kitchen and the hospital. The transition to a humane post-sector II economy is in some respects the most profound political problem for progressive governments in Europe or, some day, in the United States.

But in Mr. Reagan's America, the transition may be cruel in another sense. For it may require the convulsive decline in employment to which we pointed earlier: the disintegration of the existing sector II. The employment boom of the 1970s in the United States was extremely odd. The US is historically far more brutal, in its "normal" levels of unemployment, than are its main competitors. In the 1960s, average unemployment was over three times as high in the US as in Japan, West Germany, or France. In the 1970s, however, unemployment rates increased far less in the US than in these other countries (except Japan). By 1981, unemployment rates in France, West Germany, and Britain will be five times their 1960s levels, but less than twice their 1960s level in the United States.

Mr. Reagan's initial economic policies are unlikely to bring the high productivity, non-inflationary growth he seeks. His next set of policies—his next economic emergency, not for Inauguration week but for a recession months or years from now—may lead back to even higher levels of unemployment than were previously accepted. The employment expansion of the 1970s, of the Carter years, was bizarre: compassionate, androgynous, not characteristically American. There may be far worse to come.●

DAY OF MARTI

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. PEPPER. Mr. Speaker, I would like to bring to the attention of my colleagues a bill I am reintroducing, to authorize and request the President to proclaim January 28, 1982, as "Day of Marti, Apostle of Liberty."

Jose Marti was founder of the democratic tradition of Cuba at the beginning of this century, a man who cherished liberty and the ideals for which our Nation also stands. Not only as one of the greatest poets in the Spanish tongue but also as politician in exile in New York City and as guerrilla martyr for the cause of freedom, he served to glorify the dignity of his people and our common goal.

The memory of Jose Marti, which stands today as a reminder of the terrors of oppressive government in Cuba and of the desire of its people to be free, ought not to be forgotten in this land of a renewed Cuban exile. Let us join in support of the memory of such an outstanding man of present and past history as Jose Marti.

The joint resolution follows:

Joint resolution to authorize and request the President to proclaim January 28, 1982, as "Day of Marti, Apostle of Liberty".

Whereas the contributions of Jose Marti to the cause of liberty, freedom, and the self-determination of peoples of the world are worthy of the praise and admiration of mankind;

Whereas the Cuban people derived their independence from colonial government much as a result of the efforts and inspiration of Jose Marti; and

Whereas Jose Marti is remembered as "The Apostle of Cuban Independence" by hundreds of thousands of Cubans and Cuban-Americans residing in the United States who contribute richly to the life of our Nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating January 28, 1982, as "Day of Marti, Apostle of Liberty", and calling upon the people of the United States and interested groups and organizations to observe such a day with appropriate ceremonies and activities.●

H.R. 7, THE CAPITAL INVESTMENT INCENTIVE ACT OF 1981

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. HEFTEL. Mr. Speaker, on January 5, 1981, my colleague BILL FRENZEL and I introduced H.R. 7, the Capital Investment Incentive Act of 1981.

This legislation reduces the includable portion of capital gains from 40 to 30 percent, thereby reducing the maximum capital gains tax for individuals from 28 percent to 21 percent.

Under present law, 40 percent of capital gains income is taxed at rates of up to 70 percent, the maximum rate on so-called unearned income, resulting in a top capital gains rate of 28 percent. The bill also reduces the statutory tax rate on corporate capital gains from 28 percent under present law to 21 percent. For corporations, however, the existing "add-on" minimum tax limits the apparent 7-percentage-point reduction to about 4 percentage points.

Our proposal is a significant step toward further reduction of the tax bias against saving and investment. Equally important, it will help to restore our country's proud record of economic growth, long eroded by high taxes, inflation, and the burdensome costs of government regulation.

1978 CAPITAL GAINS TAX CUTS

The first step toward ameliorating the high taxation of capital gains was taken with the Revenue Act of 1978. This legislation reduced the top tax rate on capital gains from approximately 49 percent to 28 percent for individuals and lowered the alternative tax rate for corporations from 30 to 28 percent. Thus far, the economic response to these reductions has been dramatic.

The 1978 capital gains tax cut encouraged individuals to reenter the stock market, providing needed equity for American business. According to a recent New York Stock Exchange (NYSE) survey, 6.5 million individual investors entered the stock market between June 1975 and June 1980, causing a net increase of 4.6 million shareholders; 22 percent of this 18.1-percent increase consisted of investors entering the market for the first time, as compared with first-time investors of 9 percent in the 1970 to 1975 period.

The capital gains cut also had a significant effect on the number of stock issues for firms going public for the first time. According to Meredith Young, editor of the venture capital industry publication Going Public, new issues amounted to a yearly average of less than $225 million in the 3 years before the 1978 cut. In 1979, new issues rose to $506 million, and preliminary estimates show that in 1980, new capital raised through initial stock offerings exploded to a level of about $1.35 billion.

Accompanying this tremendous increase in initial stock offerings was an increase in activity for all stocks. Standard and Poor's 500-stock index rose 41.6 percent between April 13, 1978—the date the Steiger bill to lower the tax on capital gains was introduced—and September 16, 1980. For the same period, the American Stock Exchange, home of many small- and medium-sized firms, fared even better, as the AMEX index increased 155 percent. These increases have occurred despite the uncertain economic climate.

Thus, the 1978 capital gains tax cut has resulted in higher equity values, increased common stock purchases, and more initial stock offerings. The reduction stimulated an increase in venture capital investment—investment that is sorely needed to maintain our international position as a leader in new products and industry. Further reductions in the tax rate on capital gains will encourage production investment and stimulate additional venture capital activity.

HIGH TECHNOLOGY

The level of taxation of capital gains can have a significant impact on research and development and on American leadership in new technology.

In the past, the United States has been the world leader in technology. To maintain this position of leadership, our research and development (R. & D.) expenditures must increase. However, expenditures for R. & D. in the United States have fallen while other international competitors have been increasing expenditures. According to a McGraw-Hill economics report, "America in the World Economy," November 1980, R. & D. as a percent of gross national product in the United States declined by roughly 20 percent between the 1960's and the 1970's. During that period, R. & D. as a percent of total output increased in Germany and Japan. Some experts, including Dr. Paul E. Gray, president of the Massachusetts Institute of Technology, in the New York Times, October 8, 1979, have cited our high taxation of capital was one of the major reasons for America's faltering technological leadership.

Evidence to date suggests that the 1978 capital gains tax cuts have resulted in a burst of activity in the venture capital market. According to statistics provided by the American Council for Capital Formation, venture capital investment increased from an average of $325 million per year in the 3-year period prior to the cut, to $550 million in 1978, and $1 billion in both 1979 and 1980.

The venture capital market is a vital source of funds for entrepreneurs who, because of their inexperience or size of operation, are unable to get financial backing from conventional sources. Thus, by facilitating the growth of innovative firms, the venture capital market helps to finance the IBM's and Xeroxes of tomorrow.

REVENUE ESTIMATES

In the 97th Congress, budget restraint must be kept uppermost in our minds as we determine the makeup of a program of tax cuts. We must be selective in the types of tax cuts that are enacted—tax cuts in 1981 must convey benefits which substantially exceed their costs. I believe the significant increase in economic activity engendered by reductions in the capital gains tax rate justifies further rate reductions at this time. The cost of the Capital Investment Incentive Act of 1981 must be measured in terms of its ability to generate investment activity, not simply in terms of "static" revenue cost.

There are three revenue impacts associated with capital gains tax reductions. First, there is the static or first-order revenue loss resulting from a reduction in the tax rate. However, this analysis assumes no change in behavior from individuals or businesses as a result of the tax cut. The second type of estimate takes into account the "unlocking" effect. By reducing the tax on capital gains, the cost of selling stock is lowered, thereby inducing realizations from the sales of capital assets. Finally, there is the economic "feedback" that arises from a tax reduction. Lowering the tax on capital gains lowers the cost of capital, making a larger number of investment projects profitable. As new investment projects come onstream, productivity will rise. The increase in productivity leads to increases in real wage payments which, together with increases in investment, leads to higher levels of gross national product, and to increases in individual and business tax revenues collected by the Treasury. This powerful feedback effect should not be overlooked.

The cost of the Revenue Act of 1978 has been much lower than originally estimated. The nearly $3 billion static loss for both 1979 and 1980, originally projected to be offset by induced realizations of $573 million in 1979 and $535 million in 1980, has now been offset by close to $1 billion in realizations for both years, according to Treasury estimates. Furthermore, a recent analysis by Oscar S. Pollock of Ingalls and Snyder, "The 1978 Capital Gains Tax Reduction: An Emerging Breakthrough in U.S. Tax Policy," June 11, 1980, indicates that the Treasury estimate of the cost of the 1978 capital gains tax cut underestimates the unlocking effect and is based on unrealistic effective tax rates. If additional revenues from economic feedback are taken into account, it is probable that the 1978 capital gains tax cuts actually increased revenues to the Treasury, as well as making an important contribution to the economic health of the country.

CONCLUSION

Substantial capital gains reductions were enacted into law as part of the Revenue Act of 1978. This lowering of

capital gains taxes has resulted in higher equity values, an increase in the number of individual investors, a surge in venture capital investment, and a rise in new stock offerings. I believe that additional reductions in the capital gains tax are necessary to further stimulate the capital investment so vital to our Nation's economic health and stability. My colleague BILL FRENZEL and I urge the Congress to help revitalize America by enacting the Capital Investment Incentive Act of 1981.

Mr. Speaker, I insert the bill I am introducing today, with my distinguished cosponsor, at this point in the RECORD:

H.R. 7

A bill to reduce the capital gains tax rate and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Capital Investment Incentive Act of 1980".

SEC. 2. Section 1202(a) (relating to the deduction for capital gains) of the Internal Revenue Code of 1954 is amended by striking out "60 percent" and inserting in lieu thereof "70 percent".

SEC. 3. Section 1201(a) (relating to alternative tax for corporations) is amended by striking out "28 percent" and inserting in lieu thereof "21 percent".

SEC. 4. The amendments made by this Act shall apply to taxable years ending after December 31, 1980.

TRIBUTE TO THE BALDWIN PARK HIGH SCHOOL BRAVES

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. ROUSSELOT. Mr. Speaker, sports is a way of life in America, and we all are proud when a local sports team is a winner. We have a winner in the 26th District of California, and I ask my colleagues in the House of Representatives to join me in honoring the Baldwin Park High School Braves for the team's great show of victory this football season.

Under the leadership of head coach Trifone M. (Ty) Pagone and assistant coaches, Tony Zane, Larry Davis, Ron Mead, and Mike Hunkins, the Baldwin Park Braves won the Montview League championship and the California Interscholastic Federation's Desert-Mountain Conference championship, culminating in an undefeated season.

The Braves victoriously represented Baldwin Park, and brought pride and acclaim not only to the school, but to the whole community.

Coming from behind in 9 of the 13 games in which they competed, the Baldwin Park Braves demonstrated their confidence and ability to win when under pressure out on the playing field.

During the season the Baldwin Park Braves scored 344 points to the opponents 120, piled up 4,189 yards to their opponents 2,576 and left two teams scoreless.

Whenever one of the team members was injured, another came right off the bench, able to meet the challenge and fill the gap. Sixty-eight students made the varsity football roster for 1980, and 19 of the 22 members of the starting lineup will graduate this year.

During Coach Pagone's tour at Baldwin Park the football team has placed in league playoffs 5 of the 9 years, but this is the first time the team has been able to get through the second round in CIF playoffs. Needless to say, recruiters from all over the United States are now courting members of this outstanding team.

Not willing to accept second spot, in the final playoff game the Braves faced the team that had been rated No. 1 throughout the season, and defeated that group 20 to 13. This was the only CIF division with two undefeated teams.

Congratulations are in order for the Baldwin Park Braves. Members of the team did a terrific job, and Baldwin Park is very proud to claim its own football team as a big winner. We only hope this year's team members travel the same route as Baldwin Park High School's former student Freeman McNeill, who now plays for the UCLA Bruins and was recently named to the first All-American team.

Each and every member of the Braves deserves recognition for his hard and successful football playing. Following are their names:

Denver Abner, George Alapag, Doug Allen, Sergio Alvarez, Walter Andretta, Mark Avila, Robert Bean, Gary Burney, Paul Bustamante, Anthony Cardenas, Arturo Carlos, Alan Casa, Carlos Cedeno, Armando Ceja, Hector Chavez, Jesse Chavez, Louis Chavez, Kel Christianson, John Corpus, Paul Corpus, Danny Creal, Greg Elias, George Escarrega, John Flores, and Brian Fontes.

Other members include, Oscar Gallegos, Danny Garcia, Gary Glass, Mike Gray, Brian Guerrero, Carlos Guillen, John Henry, Michael Hoodye, Albert Jimenez, Robert Kirkland, John Leavelle, Doug Lee, Martin Lopez, Scott Masney, Danny Mendez, Alan Moore, Joey Mueller, Javier Murillo, Andres Ochoa, Pedro Padilla, Steve Parker, John Paul, Danny Perez, Sergio Reynosa, Eddie Reynoso, Jeff Richardson, Mario Rodriguez, and Enrique Ruelas.

The rest of the 68 members are Sammy Ruiz, Ron Salazar, John Saldarriaga, Norman Santiago, Darrell Sawyer, Robert Scala, Mark Shonefield, Darryl A. Smith, Tim Staab, Robert Torres, Gilbert Valdez, Steve VanMierlo, Mike Villareal, and Robert White.

Baldwin Park Unified School District Board of Education members Margaret Burnett, Robert Gair, Clinton O. Nixon, Bruce Snyder, and Robert Viramontes, along with Superintendent Jerry Holland and Principal William Barnholdt, all deserve recognition and thanks for providing the means and facilities to make this kind of participation possible.

Baldwin Park Mayor Jack White and City Councilmen Robert McNeill, Felipe Aguilar, Leo King, and Blair Holman passed a resolution commending the Baldwin Park Braves for public service. And the residents will honor this outstanding group of high school athletes on January 31 at a banquet.●

PRISONERS OF WAR

HON. TENNYSON GUYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. GUYER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

THE CURRENT STATUS ON THE PRISONER OF WAR/MISSING IN ACTION (PW/MIA) ISSUE AS PREPARED BY THE JOINT CHIEFS OF STAFF

1. Many Americans are unaware that nearly 2,500 servicemen are still unaccounted for as a result of the Vietnam war. There were 2,553 military and 41 civilian Americans unaccounted for at "Homecoming" in 1973. The military included 96 prisoners of war (POW's), 1,178 killed in action—body not recovered, and 1,279 missing in action (MIA). The civilians included 25 missing and 16 presumed dead. Since then, 75 remains have been returned and most individual cases of those unaccounted for have been administratively reviewed. Cases reviewed have invariably resulted in a presumptive finding of death, based on data accumulated in the file and the additional criteria of a lapse of time without information to indicate the individual is still living. Therefore, as of November 1980, only 14 military personnel, of those unaccounted for, have not been presumed dead. These 14 cases are broken down to 1-POW (USAF) and 13 MIA (11-USAF, 1-USN, and 1-USMC).

2. The fact that only 14 cases remain active does not minimize the need to achieve the fullest possible accounting for the approximately 2,500 men whose fate remains in question. The debt owed to each serviceman that is unaccounted for, as well as to that individual's family is well known. Although this obligation can never be fully satisfied, the USG can and should make every effort to achieve as extensive an accounting as possible. It should be emphasized that this is not just a humane gesture, but a US Government (USG) responsibility due every serviceman, past, present, and future.

3. Since the end of the Vietnam war, there has been an ebb and flow of government and public interest in accounting for Americans missing as a result of the war. The DOD PW Policy Committee, which handled the PW/MIA issue prior to the end of US involvement, became inactive shortly after the US withdrew from Vietnam. However,

in January 1980, an interagency group (IAG), which is comprised of representatives of the State Department, Office of the Secretary of Defense/International Security Affairs, Joint Chiefs of Staff, Defense Intelligence Agency (DIA), National Security Council, Subcommittee on Asian and Pacific Affairs/House Foreign Affairs Committee and the National League of POW/MIA Families, was established and has since been active. The main purpose of this group is to insure that priority is given to the issue and that US efforts are coordinated as we continue to press for resolution of the PW/MIA issue. The IAG is continuing the work started by the JCS to develop an explicit USG policy on the PW/MIA issue.

4. Although the Vietnamese claim to have released all POW's and to have been fully cooperative with the US Government the facts deny this claim. The SRV has returned 73 remains and has allowed Laos to return four remains, two of which were identified as not being American and returned. However, the Vietnamese have refused to account for Americans who were known POW's. In some cases, they have even acknowledged holding specific individuals at one time or another. These circumstances clearly belie their present claim to have fully cooperated in resolving the status of these individuals.

5. Of greatest concern are the recurring reports of the sightings of caucasians currently held captive in Indochina. As more Indochinese refugees are interviewed, the frequency of live sighting reports has also increased significantly. We now have over 280 firsthand reports of live sightings under investigation. Additionally, over 170 second hand or "hearsay" reports are being investigated. Further, a DIA validated source provided specific, detailed data on what he was told were three live Americans still in Vietnam. Due to the number of reports of live sightings, the PW/MIA IAG recently approved the following USG public affairs response to queries about unaccounted Americans: "There is an increasing number of reports that Americans may be held against their will in Indochina, but the U.S. Government has thus far been unable to substantiate this information and priority effort will continue to be assigned to investigating these reports." The increasing possibility that Americans are still incarcerated in Indochina, seven years after the war has ended, mandates immediate, high-level, US government attention. One should really get a DIA intelligence briefing on the subject before forming an opinion.

6. The same source who provided information on three live Americans also testified that the SRV collected skeletal remains of Americans for many years and possessed, as late as early 1979, over 400 individual remains. Portions of this testimony have been independently verified by DIA and the witness has successfully passed polygraph tests. After first denying access to the building where the remains were reportedly stored, the Vietnamese, after several months, allowed reporters to visit the complex. As expected, no remains were found; however, DIA still considers this source valid.

7. Logically, successful resolution of the PW/MIA issue requires a number of specific actions: release of any live Americans presently being held; return of previously collected remains of US personnel; search, recovery, and return of any additional US remains; and a cooperative effort by the USG and Indochinese Governments in those cases where no remains exist or can be found. Additionally, fullest possible accounting requires priority attention to the issue and coordination of the efforts of all responsible US government agencies, as well as active participation and cooperation of all concerned nations.

8. Although both the USG and the Vietnamese Government have tacitly agreed that the PW/MIA issue is humanitarian in nature and should be resolved regardless of political differences, the Vietnamese continue to link the PW/MIA issue to other considerations. History shows that the Vietnamese, in dealing with France on the return and accounting for missing French personnel, responded only when it was beneficial to their self interests. Humanitarian ideals have had little significance; therefore, a new USG negotiation strategy is required. Although numerous demarches have been made to the Indochinese nations to this date, they have "stonewalled." The standard SRV response cites their inability to cooperate in search or accounting activities because their manpower is being fully utilized to defend against the threat of attack from the People's Republic of China (PRC). Recently, the Vietnamese have also stated that their people are reluctant to assist because of hostility over the "collusion" between the United States and the PRC. Although the Joint Casualty Resolution Center liaison team's recent trip to Hanoi (1-4 Oct 1980) had the potential for progress on the PW/MIA issue, once again, nothing of significance resulted.

9. The IAG is addressing the issues and any resulting proposed actions by the responsible US government executive agencies, the Congress, and the PW/MIA families. In respect to Congressional action, the Subcommittee on Asian and Pacific Affairs, House Foreign Affairs Committee, under Chairman Wolff is considering a hearing on the issue in December 1980. It is important not to lose the momentum generated during 1980, and to maintain unrelenting pressure on the Indochinese nations, especially the SRV, with respect to resolving the PW/MIA issue.●

A TRIBUTE TO HON. EMANUEL CELLER

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. LENT. Mr. Speaker, it is a distinct honor and privilege to join in this tribute to our former colleague, the distinguished gentleman from New York, Emanuel Celler, who so ably represented the 16th District of New York for 50 years. All of us who knew "Manny" were saddened by the news of his passing.

Few men in the history of this Republic have left such a deep and lasting imprint on our Nation as Manny Celler. During the more than two decades that Manny presided as chairman of the House Judiciary Committee our former colleague played a leading role in passage of much historic legislation. This included no less than four amendments to the Constitution, which eliminated the levying of poll taxes in Federal elections, revised Presidential succession provisions and lowered the voting age to 18.

Literally hundreds of laws originated in Manny Celler's Judiciary Committee including such landmark legislation as the major civil rights bills of the 1950's and 1960's. As a champion of human rights, Manny Celler had no peer. His leadership, and the magnificent legislative record which that leadership produced will continue to have an impact upon our country for generations to come. It is not likely that any future Member of the House of Representatives will equal Manny Celler's 50 years of service in this body, or his 22 years as chairman of the House Judiciary Committee.

Mr. Speaker, it was my privilege to have served with Manny Celler during his final term in office. I came to the House that term as a freshman Member with the New York State delegation. I know what great respect and admiration Manny Celler commanded from his colleagues. He was always ready with advice and counsel to his younger colleagues. Although our political philosophies differed we worked on many projects dealing with the cause of human rights, and in support of the security of the State of Israel.

Mr. Speaker, our former colleague was a peerless legislator, a dedicated public servant, a fighter for human rights, but above all, he was a marvelous human being, whose zest for life continually bubbled with a wonderful sense of humor. In his passing we have experienced a great loss, as has New York State and our Nation. The sense of loss is even greater among those of us who enjoyed the privilege of his friendship.

Manny Celler's life and deeds serve as an inspiration to every American.

I join my colleagues in extending our condolences to his family, and in the hope that our words of tribute will indicate the depth of our gratitude for Emanuel Celler's magnificent contributions to our Nation.●

EL SALVADOR AND VIETNAM

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. STUDDS. Mr. Speaker, there is a great deal to be said about the implications of current U.S. policy in El Salvador and throughout Central America. In a recent column in the Boston Globe, Monty Montgomery put it about as well, and as succinctly, as anyone yet has. I commend his words to my colleagues:

A LOOK BACK—OR IS IT AHEAD?

On Monday, a young friend of mine left home to protest the inauguration, the draft

and the general cussedness of government. I thought he was overstating his case.

On Monday I read the news. Oh boy. Five million dollars worth of small arms and ammunition so that the junta in El Salvador can shoot leftists. They know how to use it in El Salvador, the only country in the world where the leading cause of death is murder.

The young man is carrying a new guitar. After he gets through protesting the inaugural in Washington, and assuming he is not in the pokey today, he is hitchhiking to Arizona to pick fruit and play his guitar. I thought he was trying to live over the 1960's.

In El Salvador they are running out of ammo, which is the kind of thing that can happen when you keep wasting it on nuns and newspaper photographers, but the shortage will be eased.

Sometimes I think we underestimate the general cussedness of the government of the United States, or, at least its ability to keep playing the 1960's over again like a golden oldie on a million dollar weekend. My young friend will not do much to stop the draft, nor do I think he will do much good by following in Woodie Guthrie's footsteps. But he is hell-bent and dead set against contributing to the system that just sent $5 million worth of death to El Salvador.

What the hell, if the government wants to play the 1960's game, why shouldn't he drop out? He didn't make up the rules.

They used to call a demonstration "bringing the war home." Now the government is helping . . . our new Vietnam is nearer home, somewhere in Central America.

A long time ago a young Specialist Fourth Class in the Sixth Army stood up in front of the troops and gave them a 55-minute lecture on the communist menace in Southeast Asia. This was in the very early 1960's, a long, long time ago.

He had charts and maps and colored pictures and knew how to pronounce Dien Bien Phu and Haiphong. He did such a terrific job that he was asked back to give the same talk three times. To officers, yet. They liked it so much they made him a sergeant.

The young man with the guitar will at least be spared that. Either giving the lecture on the communist menace in El Salvador or listening to it. Believe me, somewhere in the Sixth Army there is a young Sp4 giving a lecture on the domino theory in Central America.

In the very early 1960's the world was at peace except for the occasional crisis (missile or Berlin) and the shipping of large amounts of small arms to anyplace in Southeast Asia where the good guys lived. There was no visible protest against the draft, or the inauguration of John Kennedy. It was, for the Sp4 about to become a genuine noncommissioned officer, very much like a line from a Simon and Garfunkel song, when he was young, he carried a gun, but he never got a chance to serve. He thinks, now, that is very unlikely that any draftees who heard this marvelous lecture on the dangers of creeping communism in Vietnam ever got any closer to it than he did. He expects that most of the regular army soldiers and the officers got there. He gave the lectures to a very combat-ready infantry outfit.

The young man with the guitar does not believe that the rightists are always the good guys and the leftists are always the bad boys. He is in the Moral Minority, I guess.

Sometimes I worry about him. Not everybody you meet on the road is a good person. Even your fellow anarchists might steal your guitar. I think he will have trouble finding an organically grown orchard to work in, he worries about pesticides, too.

I worry, but I also envy him. Not for being young, but for being safe from giving lectures on the leftist menace in Central America. I especially envy him when I think about the young man who gave the stirring lecture on Southeast Asia. It will be good for the young man with the guitar to be 40 someday, and not have that to think about.

There are things you regret doing, sometimes they are things that once seemed reasonable. Among other things, I very much regret being the over educated young soldier who gave the terrific lecture on how we could stop communism in Vietnam.●

ROSENTHAL INTRODUCES TAX-STRADDLE LEGISLATION

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. ROSENTHAL. Mr. Speaker, today I am introducing, with Mr. BRODHEAD, of Michigan, H.R. 1338, a bill designed to discourage and limit tax evasion and shelter activity in "straddle" and "cash and carry" transactions.

Although the Internal Revenue Service ruled 4 years ago that tax-motivated commodity trading was riskless and without real economic purpose, unscrupulous promoters continue to attract high-income clients eager to reduce or eliminate tax liabilities by creating and deducting enormous paper losses from their income 1 year while deferring offsetting gains to a later year. Some try not only to defer their taxes, they also try to convert ordinary income or short-term capital gain to long-term capital gain which is taxed at significantly lower rates.

Tax-straddle promoters make it clear that they are offering tax savings, not an investment opportunity. Commissions frequently are determined as a percentage of the desired tax writeoff. Offering materials tout alleged tax benefits. Some even promise to provide clients with legal representation in the event of IRS audits.

The promotional materials for one offshore straddle shelter blatantly advertises tax deferral as a certainty:

> The first objective of the (tax shelter) is deferment. And since our taxing system requires voluntary reporting, deferment is a virtual certainty. Losses are created and claimed. The burden of review falls upon the IRS, thus tax payment is deferred until the IRS acts. (Sometimes years.)
>
> If the IRS rejects the claims of the (tax shelter), their decision can be appealed through the tax appeals process. This process can take years to complete. Deferment can be further stretched out through part of the appeals process.
>
> Successful tax reduction is the goal. Deferment is a certainty.

In the last few years, the number and variety of these shelter deals have increased, and conservative estimates put the revenue loss to the U.S. Treasury at more than $1.3 billion annually. Straddle shelters have been structured in many commodities. Popular offerings include straddles in precious metals, especially silver and silver futures contracts, and in financial paper, particularly Treasury bills and Treasury bill futures. Individuals can purchase a single straddle, engage in multiple transactions through matched accounts, or invest in partnerships or subchapter S corporations participating in these shelters. Some persons take advantage of straddle shelters through offshore promoters, especially in foreign countries which refuse the IRS access to their records for audit purposes.

The following examples, currently under audit by the Internal Revenue Service, illustrate the enormous revenue losses attributable to tax straddles:

First, an executive with annual income of over $250,000 from salary, dividends, and interest and substantially appreciated stock, used silver straddles and other tax shelters over the course of several years as a means of not reporting any taxable income. In 1975, this taxpayer had long-term capital gains from the sale of stock of more than $600,000. Toward the end of the year this executive purchased silver straddles which produced a paper loss of $600,000. Other tax shelters were used to eliminate the $250,000 in income. In the next year, more silver straddles were used in an attempt to continue to defer the $600,000 gain.

Second, another wealthy executive with annual income from salary, dividends, and interest of over $200,000 sold the stock of his business for a $10 million profit in 1976 but reported no net capital gains because of a reported offsetting $10 million short-term capital loss from silver straddles. This reported loss was generated from the loss leg of the straddle—silver contracts were purchased for $140 million and sold for $130 million. Of course, the gain leg which was not reported in this year had an unrealized profit of about $10 million so that the taxpayer had no real loss. Additional silver straddle transactions were entered into in subsequent years in an attempt to continue to defer the gain.

Third, one corporate executive had income from salary and investments of over $500,000. This taxpayer attempted to report a loss in excess of $500,000 from a Treasury bill tax straddle and consequently showed a net loss for the year. The taxpayer even received a refund of withheld taxes of over $38,000. This case, which is currently under examination by the IRS, illustrates the gross distortions in income that taxpayers may attempt to claim

through the use of commodity tax transactions.

Fourth, another taxpayer had a very substantial gain upon liquidation of a business and began engaging in commodities straddle transactions in an attempt to defer tax. This taxpayer attempted to defer approximately $2 million of gain year after year. It is significant to note that the taxpayer did not have any margin requirements during this time.

Fifth, tax shelter limited partnerships have been formed that claim to act as dealers in commodities and money market instruments. In its first full year of operations, one of these partnerships, with almost 100 partners, recognized an ordinary loss of about $46 million. At the same time, in commodity futures transactions which it claimed were of an investment nature, the partnership registered $20 million of short-term loss. Remarkably, its long-term investment transactions resulted in gains totaling almost $37 million. Such dismal results so impressed investors, that the partnership doubled in size the following year, and investor interest proved fully justified. The enlarged partnership proceeded to lose close to $70 million—an average of about $400,000 of ordinary losses for each partner. Meanwhile, investment activities again showed a remarkable dichotomy—short-term capital transactions produced a net loss of almost $240 million, while long-term transactions resulted in gains of almost $280 million. All the returns described above are now under audit by the IRS.

In a typical commodity straddle, such as silver, the taxpayer buys and sells equal amounts of commodity futures contracts simultaneously on a commodity exchange. Risk is limited or even eliminated because, although the price of a commodity may gyrate wildly, the spread between two contracts, the buy contract and the sell contract to deliver the commodity in different future months, remains fairly constant.

Any price change in the commodity will cause offsetting increases and decreases in the value of the two sides or legs of the transaction. If the price of silver goes up, the long contract will increase in value because the taxpayer holds the right to purchase at a price lower than the market price, and the short contract will decrease in value because the cost of fulfilling the obligation to deliver the silver is greater than the price at which the taxpayer is obligated to sell the silver.

It is significant to note that the taxpayer does not care whether the price of silver goes up or goes down. Actually, his only concern is that it move one way or the other. Once the price moves, the taxpayer will have an unrealized loss on one leg of the transaction and an unrealized gain of a roughly equivalent amount on the other.

Taxpayers' continuing disregard of the IRS position and their attempts to shelter income through these abusive devices must be stopped. Although IRS presently has authority to prohibit these straddles, it appears that shelter-seeking individuals and corporations will be dissuaded from purchasing these devices only if straddle shelters are outlawed by specific statute. While I believe that the IRS eventually will prevail judicially against these abuses, I also recognize that litigation is lengthy and costly. Therefore, the enactment of specific rules to invalidate straddle sheltering is necessary.

The bill which I have introduced with Representative BRODHEAD is intended to end these shelters by specifically denying deductions for noneconomic losses claimed even though a straddle position continues to be maintained. Taxpayers clearly are entitled to reflect real losses on their tax returns. Hedgers and legitimate speculators must be allowed to reduce their income and gains by losses. But, phantom, paper losses which do not reflect any genuine economic change cannot be fabricated to create enormous tax savings.

When taxpayers sell stock at a loss and immediately replace it with substantially identical stock, present law provides that they may not deduct any loss from that sale. The wash-sale rules in section 1091 of the Internal Revenue Code forbid such manipulation. My bill extends the wash-sale principle to similar transactions in other types of property.

H.R. 1338 also amends the Internal Revenue Code to treat Treasury bills and other Government obligations issued at discount as capital assets. Currently these instruments, but not a futures contract for such obligations, are ordinary assets even if held for investment. Accordingly, a taxpayer holding a futures contract in such Treasury obligations which has declined in value, would have an inducement to take delivery of the Treasury obligations, and immediately sell the obligation thus producing an ordinary loss.

In testimony May 22, 1980, before the Commerce, Consumer, and Monetary Affairs Subcommittee, which I chair, officials of the Treasury Department expressed their strong concerns that tax-motivated trading and delivery demands could seriously and adversely impact Treasury's debt management policies and objectives:

Many transactions in these markets have been undertaken for speculative purposes. A 1979 CFTC survey estimated that noncommercial traders accounted for 81.7%, 72.6%, and 66.4%, respectively, of the open interest in the GNMA, T-bill and T-bond contracts. These are the traders most likely to use the market for speculative and tax purposes.

Speculative activity can adversely affect Treasury's debt management responsibility to the extent that it disrupts the underlying cash market for Treasury securities. Destabilizing speculation would increase the price risk of Treasury securities, making investors less receptive to new issues and decreasing the liquidity of the important secondary market for Treasury securities.

The Treasury futures contracts now trading or proposed are all based on a presumption that supplies of cash market issues with requisite maturities will be readily available to meet any demands for delivery that may develop from market participants holding long positions in the futures. A concern is that pressure may be exerted on Treasury to increase the deliverable supply of a particular issue if the existing supply is too small and subject to manipulation in the market.

There is an added problem with contracts in Treasury notes because Treasury debt management tactics might change before the delivery date of a contract already trading. In this case, a much smaller supply of deliverable securities would be available than had originally been expected. Again, pressure might be exerted on the Treasury to modify its longer-run debt management objectives.

These markets have grown very rapidly in recent years, increasing Treasury's concerns. For instance, the 3-month Treasury bill future contract volume exceeds the cash market in that area, about $2 trillion in 1979 and almost $3 trillion in 1980.

Tax-motivated trading has contributed to market instability and may also affect the commodity's price or availability. The economic purpose of the futures markets should not be distorted by positions taken only for tax purposes.

It should be noted that hedgers, such as farmers or cereal processors, who establish offsetting positions in commodity futures contracts in order to protect their selling price or costs and then close out their positions, may recognize any otherwise allowable loss sustained on those positions.

I have attached a copy of the bill and a technical explanation and I urge interested Members to join us in this legislation. The full collection of tax revenues is perhaps more important now than it has ever been. These revenues could be used to offset the costs of stimulative tax proposals now under study in the 97th Congress.

More importantly, the effect of these tax straddles and shelters which allow certain very wealthy individuals to evade legitimate tax liabilities increase the tax burden on the rest of us—so that many Americans pay not only their fair share but more. Public policy and basic fairness require the prohibition of phantom losses from becoming income tax deductions and a more equitable distribution of tax liabilities.

H.R. 1338

A bill to amend the Internal Revenue Code of 1954 with respect to straddles, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. POSTPONEMENT OF RECOGNITION OF LOSSES, ETC.

"(a) GENERAL RULE.—Part VII of subchapter O of chapter 1 of the Internal Revenue Code of 1954 (relating to wash sales of stock or securities) is amended by adding at the end thereof the following new section:

"SEC. 1092. STRADDLES.

"(a) GENERAL RULE.—In the case of a straddle—

"(1) that portion of any loss with respect to such straddle which exceeds the recognized gain with respect to such straddle shall be treated as sustained not earlier than the close of the balanced period, and

"(2) the running of the holding period for each position which is part of such straddle shall be suspended for the balanced period.

"(b) STRADDLE DEFINED.—For purposes of this section—

"(1) IN GENERAL.—The term 'straddle' means offsetting positions with respect to personal property.

"(2) OFFSETTING POSITIONS.—A taxpayer holds offsetting positions with respect to personal property if there is a substantial diminution of the taxpayer's risk of loss from holding any position with respect to personal property by reason of his holding 1 or more other positions with respect to personal property (whether or not of the same kind).

"(3) PRESUMPTION.—

"(A) IN GENERAL.—For purposes of paragraph (2), 2 or more positions shall be presumed to be offsetting if—

"(i) the positions are customarily treated as offsetting positions (whether or not such positions are called a straddle, butterfly, or any similar name),

"(ii) the aggregate margin requirement for such positions is lower than the sum of the margin requirements for each such position (if held separately), or

"(iii) there are such other factors as the Secretary may by regulations prescribe as indicating that such positions are offsetting.

"(B) PRESUMPTION MAY BE REBUTTED.—Any presumption established pursuant to subparagraph (A) may be rebutted if the taxpayer establishes to the satisfaction of the Secretary that the positions were not offsetting.

"(c) BALANCED PERIOD.—

"(1) IN GENERAL.—For purposes of this section, the term 'balanced period' means any period during which the taxpayer holds the straddle plus the 30-day period after the day on which the positions which make up the straddle cease to be offsetting.

"(2) SHORTENING OF 30-DAY PERIOD WHERE TAXPAYER DISPOSES OF ALL POSITIONS.—If, before the close of the 30-day period specified in paragraph (1), the taxpayer disposes of all the positions which make up a straddle, the balanced period shall be treated as ending on the day on which the taxpayer makes the last such disposition.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) PERSONAL PROPERTY.—The term 'personal property' means—

"(A) commodities,

"(B) evidences of indebtedness,

"(C) currency, and

"(D) any other type of personal property.

"(2) POSITION.—

"(A) IN GENERAL.—The term 'position' means an interest (including a futures contract or option).

"(B) SUCCESSOR POSITION.—If the taxpayer (within the period beginning 30 days before and ending 30 days after the date of the disposition of a position) acquires a successor position, such successor position—

"(i) shall be treated as the same position as the position to which it succeeds, and

"(ii) shall be treated as held on each day which intervenes between the disposition of the interest which it succeeds and the day on which such successor interest is acquired.

For purposes of the preceding sentence, personal property acquired by the taxpayer pursuant to a futures contract, option, or other interest shall be treated as a successor position to such interest.

"(3) POSITIONS HELD BY RELATED PERSONS, ETC.—

"(A) IN GENERAL.—In determining whether 2 or more positions are offsetting, the taxpayer shall be treated as holding any position held by a related person.

"(B) RELATED PERSON.—For purposes of subparagraph (A), a person is a related person to the taxpayer if—

"(i) the relationship between such person and the taxpayer would result in a disallowance of losses under section 267 or 707(b), or

"(ii) such person and the taxpayer are under common control (within the meaning of subsection (b) or (c) of section 414).

For purposes of clauses (i), an individual's family shall consist only of such individual, such individual's spouse, and a child of such individual who has not attained the age of 18.

"(C) CERTAIN FLOW-THROUGH ENTITIES.—If part or all of the gain or loss with respect to a position held by a partnership, trust, or other entity would properly be taken into account for purposes of this chapter by a taxpayer with respect to whom the entity is not a related person, then, except to the extent otherwise provided in regulations—

"(i) such position shall be treated as held by the taxpayer, and

"(ii) the offsetting positions held by the taxpayer shall be treated as held by the entity.

"(e) CROSS REFERENCE.—

"For provision requiring capitalization of certain interest and carrying charges where there is a straddle, see section 263(g)."

(b) CLERICAL AMENDMENTS.—

(1) The table of sections for such part VII is amended by adding at the end thereof the following new item:

"Sec. 1092. Straddles."

(2) The heading for such part VII is amended to read as follows:

"PART VII—WASH SALES; STRADDLES."

(3) The table of parts for subchapter O of chapter 1 of such Code is amended by striking out the item relating to part VII and inserting in lieu thereof:

"PART VII. WASH SALES; STRADDLES."

SEC. 2. CAPITALIZATION OF CERTAIN INTEREST AND CARRYING CHARGES IN THE CASE OF STRADDLES.

Section 263 of the Internal Revenue Code of 1954 (relating to capital expenditures) is amended by adding at the end thereof the following new subsection:

"(g) CERTAIN INTEREST AND CARRYING COSTS IN THE CASE OF STRADDLES.—

"(1) GENERAL RULE.—No deduction shall be allowed for interest and carrying charges properly allocable to personal property which is part of a straddle (as defined in section 1092(b)). Any amount not allowed as a deduction by reason of the preceding sentence shall be chargeable to the capital account with respect to the personal property to which such amount relates.

"(2) INTEREST AND CARRYING CHARGES DEFINED.—For purposes of paragraph (1), the term 'interest and carrying charges' means—

"(A) interest on indebtedness incurred or continued to purchase or carry the personal property, and

"(B) amounts paid or incurred to insure, store, or transport the personal property."

SEC. 3. CERTAIN GOVERNMENTAL OBLIGATIONS ISSUED AT DISCOUNT TREATED AS CAPITAL ASSETS.

(a) GENERAL RULE.—Section 1221 of the Internal Revenue Code of 1954 (defining capital asset) is amended by striking out paragraph (5) and by redesignating paragraph (6) as paragraph (5).

(b) TECHNICAL AMENDMENT.—Subparagraph (D) of section 1231(b)(1) of such Code is amended by striking out "paragraph (6)" and inserting in lieu thereof "paragraph (5)".

SEC. 4. PROMPT IDENTIFICATION OF DEALER TRANSACTIONS IN SECURITIES.

Subsection (a) of section 1236 of the Internal Revenue Code of 1954 (relating to gains and losses of dealers in securities) is amended by striking out "30th" each place it appears therein.

SEC. 5. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this Act shall apply to property acquired by the taxpayer after January 27, 1981, in taxable years ending after such date.

(b) SECTION 4.—The amendment made by section 4 shall apply to property acquired by the taxpayer after the date of the enactment of this Act in taxable years ending after such date.

TECHNICAL EXPLANATION OF H.R. 1338

This bill would amend the Internal Revenue Code by providing new rules governing the taxation of straddles, "cash and carry" transactions, and related matters.

The bill would limit tax sheltering through straddle transactions by postponing the recognition of losses on certain straddle positions while the taxpayer continues to maintain offsetting positions in a straddle.

The bill would provide that if a taxpayer holds a straddle (i.e. offsetting positions), the portion of any loss which exceeds recognized gain from the positions may not be recognized for the period during which the taxpayer holds the offsetting positions plus the 30 days after the day on which the positions cease to be offsetting.

However, if the taxpayer disposes of all of the offsetting positions before the close of the 30-day period, the balanced period is treated as ending on the day of the last such disposition by taxpayer. Thus, taxpayers who close out their offsetting positions would be allowed to recognize, at that time, any otherwise allowable loss sustained on such positions. This rule would benefit hedgers, such as farmers or cereal processors, who establish offsetting positions in commodity future contracts in order to protect their selling price of costs until the actual sale of their crops or the purchase of their inventory requirements.

In addition, the running of holding periods for each of the straddle positions would be suspended for the balanced period, generally the period during which the positions are offsetting plus 30 days. However, in determining the taxpayer's holding period for any position, any period during which the position was held prior to the establishment of an offsetting position could be tacked on any period during which that position was held after the close of the balanced period.

The bill defines the term "straddle" as offsetting positions with respect to personal property. Under the bill, a taxpayer would hold offsetting positions if there is a substantial reduction of the taxpayer's risk of loss from holding any position with respect to personal property because the taxpayer also holds one or more other positions with respect to personal property (whether or not of the same kind).

The bill would create a rebuttable presumption that two or more positions are offsetting under specified circumstances. If two or more positions are customarily treated as straddles or offsetting positions (whether or not called a straddle, butterfly, or similar name) or if the aggregate margin requirements for such positions is lower than the sum of the margin reguirements for each such position (if held separately), the positions would be presumed to be offsetting unless the taxpayer establishes that they are not offsetting. The Secretary could prescribe by regulations other factors which indicate that two or more positions are offsetting and which would establish a rebuttable presumption that the positions are offsetting.

The bill would apply to positions in personal property which are interests, including futures contracts or options, in commodities, evidences of indebtedness, currency, and other types of personal property. If a taxpayer, within the period beginning 30 days before and ending 30 days after the date of the disposition of any position which is part of an offsetting position, acquires a successor position, such successor position shall be treated as the same position as the position to which it succeeds. In addition, a successor position shall be treated as held on each day which intervenes between the disposition of the interest which it succeeds and the day on which such successor position is acquired. Personal property acquired by a taxpayer pursuant to a futures contract, option, or other interest will be treated as a successor position to such interest.

The bill would provide that positions held by related persons are treated as held by the taxpayer for purposes of determining whether any positions are offsetting. Under the bill, a person is a related person to the taxpayer if the relationship between such person and the taxpayer would result in a disallowance of losses under section 267 or 707(b), or if such person and the taxpayer are under common control (within the meaning of subsection (b) or (c) of 414). However, an individual's family would consist only of the individual, his or her spouse, and the individual's children under 18 years of age. In addition, the bill provides attribution of positions to and from a partnership, trust, or other entity if any gain or loss with respect to a position held by such entity would properly be taken into account by a taxpayer with respect to whom the entity is not a related person.

The bill would limit tax sheltering in so-called "cash and carry" transactions by requiring taxpayers to capitalize interest and carrying charges properly allocable to personal property which is part of a straddle (as defined above). No deduction would be allowed for such charges, which would include interest on indebtedness incurred or continued to purchases or carry the property, and amounts paid or incurred for insurance, storage costs, and transportation costs.

In order to preclude manipulation of the character of gain or loss as ordinary income or loss, or capital gain or loss, the bill provides that obligations of the United States, of its possessions, of a State or political subdivision of a State, or of the District of Columbia, issued on a discount basis and payable without interest in less than one year, would be treated as capital assets in determining gain or loss. Thus, these obligations would be treated by the holder in the same manner as similar debt obligations. Any discount at issue would be treated as interest under generally applicable tax rules.

The bill would require a dealer in securities to identify a security as held for investment not later than the day after the date of the security's acquisition instead of before the expiration of the 30th day after its acquisition, as required under present law.

Except for the change in identification of dealer transactions in securities, the amendments made by the bill would apply to property acquired by the taxpayer after January 27, 1981, in taxable years ending after such date.

The amendment pertaining to dealer identification of securities held for investment would apply to property acquired by the taxpayer after the date of enactment in taxable years ending after that date.●

MEDICAL BENEFITS

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. JOHN L. BURTON. Mr. Speaker, today I am reintroducing a bill to provide medical benefits to ex-spouses of military personnel who had been married for 20 years. This legislation would rectify one of the present inequities and inconsistencies with other Federal laws, including social security and medicare, which grant benefits to divorced spouses.

Current law deprives spouses, the vast majority of whom are middle-aged women, of medical coverage upon divorce. These women have served their families and our Nation for 20 years, and have represented one-half of a military partnership. At divorce, however, the law denies their economic contributions, ignores their sacrifices, and casts them into a lonely world with no security.

Many of those affected by this legislation lack work experience or the education requisite to obtain employment—and employers are reluctant to hire them. Those who have obtained court orders to receive funds from their ex-husbands as compensation, find that these court orders are nonenforceable because military pay cannot be garnished under these circumstances. Others receive no fault divorce decrees. Almost all are left with no medical coverage and next-to-no resources.

The present law is inequitable and places an unfair hardship on divorced military spouses. I hope that the Members of this House will give their full and sympathetic consideration to these, the forsaken spouses, when this legislation comes before you.●

KING REMEMBERED

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. DYSON. Mr. Speaker, an editorial by Trilla Ramage, in the January 14, St. Mary's Beacon, shows us that the death of Martin Luther King had an impact that transcended the urban populations. We, of the rural communities, have as much interest in the well-being of the American people as we do in maintaining the heritage of our farmland communities—only our approach is different. I insert the editorial as a sign of our interest in the future of the dream.

KING REMEMBERED

As a country torn by division and suffering, we walked the back roads of our own bigotry and hatred with the late Martin Luther King.

America, black and white, sailed her hopes for a better tomorrow on King's vision of equality for all people during the upheaval of the 1960s. Head of the Southern Christian Leadership Conference, King was catapulted into national prominence during the 1955 Montgomery, Alabama bus boycott.

The strategy of non-violent protest became the trademark of the black, trouble-shooting preacher.

King won international recognition receiving the 1964 Nobel Peace Prize for his contributions to the struggle and advancement of human rights.

August 28, 1963 King led 250,000 Americans in a march on Washington, D.C. to demand a constitutional amendment guaranteeing equal treatment under the law. Their voices were heard with its passage.

Tomorrow, on King's birthday, another march will be led on Washington by King's wife, Coretta, and black entertainer Stevie Wonder. They are asking Americans to "take" the day off in remembrance of struggle, past and present, to combat injustice and discrimination of a person's race, religion or creed.

Ironically, they will march to Capitol Hill, in a testament to our progress and the steps still needed to be taken in claiming the dream. It was that same hill in 1968 where M-50 machine guns were mounted for use during the racial riots of the summer following King's death.

Let us hope the bullet that gunned down King in Memphis and so many other Freedom Fighters did not shatter the conviction and courage necessary to educate and insure people of their rights.

King's life spoke to us of what might be—what could be—in this land. The riots are passed and over with, but what will be our legacy?

Preventive action for the aged, disadvantaged and the forgotten needs to be a focus during the decade ahead. Both the St. Mary's County Human Relations Commission and NAACP have stated the need for a more open, vital dialogue in the community.

"It behooves us to do some preventive kinds of things in the community in the 1980s," Jonathan Nelson of St. Mary's County's NAACP recently said. It behooves us not to forget the message of King's life and death.

The dream needs not to end before we are able to catch a glimpse of the vision King held before us: America's real dream.●

ANY FUTURE EMBASSY TAKEOVERS

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. PARRIS. Mr. Speaker, I have today introduced a House resolution expressing the sense of the House in regard to what steps should be taken by the United States in the event of a future Embassy takeover.

I believe it is essential that America have a clear-cut plan to deal with any attempts to violate our Embassies in foreign countries or to hold our recognized diplomatic personnel hostage. The absence of such a plan could invite further extortion attempts by any terrorist group which sought notoriety for their cause.

It is the responsibility of Congress to "define and punish piracies and felonies committed on the high seas and offenses against the law of nations." This power is conferred upon the Congress through article I, section 8, clause 10 of the Constitution.

I would like to insert at this time an editorial from the Washington Post of January 25, 1981, an article by James Bond Stockdale which also appeared in the January 25 Washington Post and a commentary given by Walter Cronkite on the CBS radio network for my colleagues' use and information.

The article follows:

[From the Washington Post, Jan. 25, 1981]

THE CRISIS NEXT TIME

On the opposite page today, Vice Admiral James B. Stockdale, who was a prisoner of war in Hanoi for eight years, writes a stunning critique of the way this country—its institutions and its individuals—plays into the hands of those who hold its citizens captive. He believes, among other things, that our efforts to win partial concessions and provide little mercies actually work to make things worse for the captives and/or to prolong their captivity. In the same space last week, Israel's Moshe Dayan, no stranger to these affairs, also argued for a more clear-cut, direct and forceful American stand in any future such episodes, suggesting that stealthy, dark of night "apologetic" attempts at Entebbe-like action were inappropriate to this country's power and circumstances. To us both men's positions have an authenticity that proceeds not just from their special qualification to speak, but equally from the logic of what they say.

Even as the returning American hostages must still be unaccustomed to their freedom and obliged to remind themselves from time to time that it's okay to say what they please, so too the American public, restrained until now by concern for the hostages' safety, will probably need some time to understand that it can also speak freely at last and without inhibition. And in a general way it no doubt will need some reminding that all complaint and criticism of past policy is not, repeat not, the forbidden and legendary "nightmare of recrimination" against which the more voluble among us are continually being warned.

Perhaps because we in this country have had a few truly raw experiences with after-the-fact blaming and purging and scapegoating when our foreign relations went wrong, we are almost neurotic in our anxiety to avoid any disagreeable arguments concerning our overseas failures now. "Let's look to the future," we are admonished, "not dwell on the past. . . . There's blame enough for everybody. . . . It's easy to say what was wrong in hindsight. . . . Let's not turn this into a 'Who Lost China' debate. . . ." and so forth. But there is a huge difference between merely nasty, politically motivated charges concerning a defeat or setback abroad and the rigorous, unsentimental inspection of how and where we went wrong that is essential to recovering from it—and to preventing a repetition of our mistakes next time around.

Only a fool would claim that there exists somewhere in the realm of objective fact a collection of all-purpose rules for dealing with these terror situations—and one that is accessible to anyone who is willing to think rationally about the subject. No number of well-intended inquiries is going to provide us with a set of perfect guidelines to haul down from the shelf and follow the next time the unthinkable happens. But there is plenty in the case of the embassy hostages that needs to be reviewed and subjected to the toughest and most unprotected scrutiny for the sake of doing things better in the future: the role of the media, the appropriateness of negotiations, the attitude toward the use of force, the attitude toward the well-being of the hostages and the way in which their well-being is a part of more comprehensive national interests.

With the exception of the hostages themselves, we don't think anyone will come out of such an inquiry looking awfully prescient or good. But that is not a reason to avoid such inquiry. On the contrary, it suggests precisely why such an inquiry must be undertaken.

[From the Washington Post, Jan. 25, 1981]

THE HOSTAGES AS "EXTORTIONIST THEATER"

(James Bond Stockdale)

As an eight-year beleaguered and bludgeoned captive of Hanoi who spent most of that time in solitary confinement, I have in recent months been bombarding audiences from the eastern seaboard to Ohio to California with the message that America has been inviting future hostage disasters by so naively providing both actors and audiences in support of the new worldwide art form, "Extortionist Theater"—most recently successfully produced by Iran. Every outlaw power and terrorist group in the world surely took note of how Jimmy Carter's queasiness about the threat or use of force, and our national demand for continuous TV hostage soap opera, provided the positive and negative terminals of a power source into which they could plug a few American captives for profit and prestige. We got ourselves into this tempting and vulnerable position by backing into what became a national stance roughly attuned to a misguided popular sentiment that fell out of highly questionable if not false assumptions about the basic nature of the captivity problem. On my road show, I contrasted some of these assumptions with the reality I knew behind barbed wire and proceeded to tear them apart. The sample below will give you an idea of what I mean.

FALSE ASSUMPTION NO. 1

"We must not hammer the captors or they'll take it out on the captives." Ask any of the 400 Americans in the prisoners' organization in Hanoi and they'll tell you that our North Vietnamese jailers were never more sweet than right after Col. Bull Simon's Son Tay helicopter rescue attempt (when he shot up a couple hundred of them, and they in turn, for security reasons, felt obliged to bring us leaders out of solitary and put all prisoners together in better living conditions in the big prison downtown), or during the B52 bombings in December 1972 (when formerly abusive guards dropped their posturing and meekly broke precedent by bringing us tubs of hot coffee each dawn). Our bones got broken as often as not during America's sporadic bombing pauses when we were showing national "good will." Does the Iranian experience correlate with this? I think it does. Being nice to the enemy so he'll be nice to your captives is still a bush-league idea.

FALSE ASSUMPTION NO. 2

"We as a country are doing best by the captives if we support the infusion of 'a little bit of home' into their lives by sending visitors, at least during the Christmas season." Rev. Do-Good, or even William Sloane Coffin and Ramsey Clark, some Americans believe, are better than nobody. To fully realize the evil these people do, the damage they wreak on the morale and self-respect of the captives, one has to appreciate the tremendous ennobling and uplifting effect the overcoming of shared hardships has on a band of prisoners over time. In Hanoi, the greater the degradation and torture and the more years we withstood this together, the deeper grew the bonds of mutual respect and love for each other. Our world literally became our band of brothers, and personal pride and reputation among our peers our total life's investment. Captors became symbols of tinhorn fakery.

Imagine now the stage of Extortion Theater onto which enter "the friendly representatives of the people back home"—all of whom are necessarily admitted as supplicants, as apologists. Moreover, these visitors are psychologically committed to dragging the captives before cameras as actors in the supplicant role. "Let the people at home see you" or "The intelligence people want to see you," they probably say. Though feeling humiliation, few captives can muster the emotional energy to take on these American finks as enemies. Each has enough enemies to concentrate on even though these so-called friends are on the make, and they destabilize and damage the prisoner's life. Sometimes these finks damage his most prized possession: his reputation. Ramsey Clark came to Hanoi and incited American

prisoners of war to violate their Code of Conduct and got a few takers. When does he account for that and for the disinformation he spread about the situation in Iran?

FALSE ASSUMPTION NO. 3

"Any release is a good release; if they'll agree to return 5 out of 52 next week, encourage it." Thank goodness this is often identified as a poor bargaining idea as seen from Washington; what our politicians and countrymen in general need to understand is the true and total perniciousness of early releases as seen from within that band of brothers behind barbed wire. Each person who walks out ahead of the others leaves behind him a trail of lifelong grudges and broken unity, and he installs within himself a time bomb of depressive remorse.

The early release idea also has the potential of providing the producers of Extortionist Theater with a grand finale act featuring the captives scrambling for places in line to go home by scoring high in an anti-American propaganda production contest. Hanoi had something like that in mind for us POWs, but I and others finessed that finale with strict orders to all Americans that there would be no exception to the Code of Conduct's prohibition against accepting parole. I also outlawed the accepting of amnesty. After our release, my constituents demanded justice in the form of prosecution of the few who bugged out in violation of my orders. Funny thing, though; I couldn't find anybody in Washington who understood the problem.

These problems and a dozen more like them need to be understood if we are going to truly shut down Extortionist Theater on a "never again" basis. This country has to get itself in hand, get its actors off the stage and get our audiences ready to shed not tears but rotten eggs and at least a credible threat of bombs and bayonets the minute the next bunch of punks tries to pull our chain by taking prisoners.

WALTER CRONKITE REPORTING, MONDAY, JANUARY 19, 1981

This is Walter Cronkite reporting from Washington with news and commentary on the CBS Radio Network. Signaling the end of one of the most bizarre episodes in all of diplomatic history, Iran's chief hostage negotiator told his nation this morning, I think the adventure is reaching its final point. The adventure, he called it. In the midst of today's understandable and legitimate euphoria over the end of the hostages' 14-and-a-half month ordeal that phrase merits some sober reflection. It was 443 days ago that an Iranian mob stormed the American Embassy in Teheran and took the Americans there hostage. While the takeover was accomplished by groups of militant young people, it quickly was endorsed and embraced by the new authorities in Iran. It became in effect a kidnapping by a sovereign government, the violation by that government of the whole codex of diplomatic principles and usage, an act of war. For a variety of reasons, Iran did not have to suffer the full consequences of that act. The long nightmare for the hostages did cost the Iranians economically, in terms of international isolation and in their war effort against Iraq. But the hostage adventure also had its uses for several factions in the alley fight of Iranian politics, and in the progress of their revolution. They got what they could from their adventure, and then abandoned it as a change in personalities and policies in Washington loomed on the horizon, with all too little in the way of price or penalty paid. This is not to fault the deal struck by the Carter Administration to free 52 imprisoned Americans. It is, however, to recognize that there is little in this whole bizarre, unprecedented episode that might stand as deterrent, or even discouragement to similar unlawful acts in the future. And that is a fact that should temper our celebration today. Nor should we forget the kind of precedent the Iranians have set. Diplomatic links between nations are fragile enough, in any case, in our unstable and frequently revolutionary world. The image of a revolutionary government establishing an office of hostage affairs, and haggling for months over ransom terms, is a foretaste of international anarchy. Our anger at the Iranians may soften today and ease in the days to come. But that is sure to be a slow process, and lot of bitterness will remain for a very long time. And it will be in the interests of the Reagan Administration gradually to improve relations with whatever government happens to rule Iran. The rhetoric of righteous anger aside, Iran's strategically critical location on the Persian Gulf dictates such a course for any American government. At the same time, we cannot simply forget what has happended. Our diplomacy elsewhere has been hobbled, and our domestic politics shaped, perhaps even warped, by the crisis. And it's been grievously hard on both our self-image and our image abroad. Most important, a new brand of terrorism has been initiated, openly indulged in by the government of an independent nation. The world has not really come to grips with that. And until it does, we could face new hostage ordeals in the future. We might give some more thought to that after these hostages are home.●

HONORING BERNARD J. GANLEY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. MURTHA. Mr. Speaker, it is a pleasure to honor Bernard J. Ganley who is retiring from the Indiana University of Pennsylvania after 20 years of service to the university.

During that time he saw the university grow tremendously, not only in the raw numbers of students and buildings and faculty, but in the excellence of the university, in its research, its academic standing, and its service to the community.

Bernie's own change at the university mirrored that progress. He came to the school as the track and assistant football coach, then moved up to assistant dean of men and acting dean of men. Eventually, he became vice president for administration, and also served a period as president of the university.

During my work with Bernie, I have always found him to possess the highest academic standards, to show a firm and positive commitment to the university and the community, and to possess a wonderful concern for the faculty, students, and administrators he worked with and learned with over the years.

As Bernie Ganley completes 35 years in education in the State of Pennsylvania, I am proud to cite this record in the CONGRESSIONAL RECORD of the U.S. Congress because it is at the highest level of service and commitment that is a hallmark of our great Nation and its people.●

A NEW YORKER PAYS TRIBUTE TO PRESIDENT REAGAN

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BIAGGI. Mr. Speaker, I would like to insert into the RECORD a poem written by Rabbi Baal Ha Tov of New York City in honor of the inauguration of Ronald Reagan. Rabbi Baal Ha Tov is a good example of the hope and optimism which characterizes our Nation today, especially in light of the release of our 52 citizens from Iran. The rabbi has been occupied during the past 2 weeks collecting signatures of dignitaries on a beautiful picture which he drew in honor of our new President where this poem is inscribed. I commend it to the attention of my colleagues:

REAGAN'S REALISM—AMERICAN IDEALISM

(By Rabbi Baal Ha Tov)

Ronald Reagan whom we Honor and Behold,
Engaged in dialogue between young and old,
Resolute in courage, reason, wisdom, bold
Our Land, Its People, Fabric to mold
On the horizon of a Great American to unfold
Formidable Leadership, New Direction stronghold
We salute to stars and stripes that entail,
We salute to freedom and liberty, never us to fail
We salute U.S. Democracy heritage avail,
We salute the American dream forever to prevail.
We salute all presidents for their bravery and heroism we hail
We salute the Commander-in-Chief, wish him every success,
Nationship to sail.

We salute the Chief for his eminence,
His unique guidance,
His keen intelligence,
His unsurpassed competence,
His valiant performance,
in conquering national decadence.

We salute a brilliant strategist,
Perceptive ideologist,
A realistic individualist,
Indispensible protectionist,
An invincible American Protagonist.

It is a formula of freedom, a revival pact
For an era of renewal, of bouncing attack.
To rescue our Nation from economic slack
Our Democracy to move to its previous track
On the road to prosperity, and dignity back
With Ronald Reagan's prophetic almanac.

We salute the Chief
To strive, to make us
Sound and Strong,
Hailing to the endless throng,

Sing a song
Tales of Old Glory,
Peace and Happiness
A never-ending story.
We salute the inauguration celebration, all the way.
America honors you for dedication, devotion you display
America needs you day by day
To safeguard the U.S.A.●

PRESENTING GOLD MEDALS TO SERVICEMEN WHO DIED IN IRAN

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. GUARINI. Mr. Speaker, today I am introducing legislation which would authorize the President of the United States to present gold medals to the families of the Americans who died in the ill-fated attempt to rescue the American hostages in Iran.

On the night of April 24, 1980, an elite American commando team lifted off the deck of the carrier U.S.S. *Nimitz* in the Arabian Sea in a courageous effort to liberate the hostages. But three of their helicopters were crippled en route or in the desert staging area, and the mission was forced to be canceled. As the team prepared to evacuate, a helicopter collided with a transport plane, shattering the calm night with a fountain of flaming debris. The result was the death of eight American servicemen. It was these men who made the supreme sacrifice.

In this time of joyous celebration for our recently freed American hostages, we must not, nor cannot allow ourselves to overlook the unselfish efforts of these eight Americans. And we must not, nor cannot allow ourselves to overlook the eight grieving families of these servicemen. It is not an everyday occurrence that men of such high caliber would so unselfishly risk their lives in an attempt to save 53 people. It is an even more outstanding event when one realizes that the only common bond the former hostages and the deceased servicemen shared was the bond of American citizenship. But that bond was enough. These eight servicemen symbolize the spirit of America, a spirit in which, even in the darkest of times, cannot and will not be broken. And it is this spirit of the servicemen and their families which we need to honor.

To me, this dauntless sacrifice exemplifies the unity of the American people and their willingness to fight for what we believe in. Therefore, I would urge all of my fellow Congressmen to join me in supporting this bill which will authorize President Reagan to present, on behalf of the Congress, gold medals to the families of Harold L. Lewis, George N. Holmes, Jr., Richard L. Bakke, Charles T. McMillan II, Lyn D. McIntosh, Dewey L. Johnson, John Davis Harvey, and Joel C. Mayo, in recognition of the patriotism and courage exhibited by these men in their heroic efforts of April 24, 1980.

John F. Kennedy once said that:

The courage of life is often a less dramatic spectacle than the courage of a final moment; but it is no less than a magnificent mixture of triumph and tragedy. A man does what he must—in spite of personal consequences, in spite of obstacles and dangers and pressures—and that is the basis of all human morality.

In view of all the national and international attention the former hostages have recently been receiving I believe it only fair that the men who gave their lives attempting to end the hostages' ordeal also be recognized and in some small way be rewarded. It is the least we can do as a grateful nation. Thank you.●

U.S. ARMY ASSOCIATION ON STATUS OF FREEDOM

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. DOWNEY. Mr. Speaker, there recently arrived in my office a booklet entitled "The Status of Freedom, A Year-End Assessment" by the Association of the U.S. Army.

I opened it, I am a trifle embarrassed to admit, expecting to find a simple-minded equation of freedom with the absence of communism, a kind of heritage foundation report in olive drab. Instead, I read a perceptive, balanced, and quite sophisticated summary of the political balance in various nations around the world. I found a sincere concern for freedom, with the term used as Webster defines it. This is not to say the report is without flaws; its military analysis is a bit on the simplistic side and places undue emphasis on numerical bean counting. But all in all, it is a very creditable piece of work.

I will not insert it in the RECORD because of its length, but I urge my colleagues to read and file it rather than sending it the way of most unrequested reports.●

STATEMENT ON RETIREMENT OF GLEN W. KELLY

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. GRISHAM. Mr. Speaker, in an age when all we seem to read about is the problems faced by our communities, it is indeed a pleasure to place in this RECORD a tribute to a man who, in his 35 years of service to the Whittier Union High School district, never worried about problems, but was always working on solutions.

Glen W. Kelly was born on January 2, 1921, graduated from Whittier High School in 1938, and then from Whittier College in 1942. Unlike so many others, Glen focused his energies back on the community that gave him so much, and in so doing earned the respect and gratitude of all who he has helped over the years.

Glen began his career as coach of the Whittier High basketball team, compiling a record that includes eight league championships and a C.I.F. championship. As a coach, he devoted himself to building the mental and moral character of the young men he coached, as well as their athletic abilities. Many of his players and students he has taught have gone on to become strong leaders within the Whittier community and other areas of our Nation.

As an English and history teacher for 5 years and then as athletic director for another 10 years, Glen served the community and brought to his students the same dedication that he had given to his teams. Glen's abilities as an educator and an administrator won the admiration of all who came in contact with him, and his efforts were rewarded when he was appointed principal of Monte Vista, a position in which he served with commitment and dignity for the next 15 years. For the past 2½ years he has continued to contribute to the Whittier Union School District as special assistant to the superintendent.

The experience of a man of this caliber will be sorely missed by all who have worked with him. He will never be replaced, for a man of his understanding, compassion, and dedication comes along only once in a lifetime.

I am sure that Glen's wife Muriel, daughters Shiela and Maureen, and son John, share in our community's pride.

I hope that the members of this Congress will recognize the inspiration that can be gained from Glen Kelly's example, and will pass this inspiration on to members of their own communities. Glen Kelly's career exemplifies the American spirit. We can all learn from him.●

THIRTY-ONE NEW AMERICAN CITIZENS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. LONG of Maryland. Mr. Speaker, it is with particular pleasure that I congratulate 31 residents of Mary-

land's Second Congressional District who have chosen to become American citizens, accepting all of the responsibilities that freedom and citizenship entail. I hope that my colleagues will join me in welcoming these new Americans and extending to them our wishes for a happy and prosperous life in the land we love.

They are: Gladstone Ademiluyi, Vasilios Hapsis, Ingeborg Osterchrist, Peter Osterchrist, Pamella Rose, George Bilis, Mrs. Aleykutty, Joseph Benamor, Raisa Moshinskaya, Antonio Naval, Tjin-Siong Lay, Bankimchandra Vaishvan, Sung Kim, Chih-Yuan Liaw, Aristofanis Lessis, Helga Hoesch, Dvora Fromberg, Ernesto Leon, Mark Chudnovsky, Lilian Chudnovsky, Fatme Kanaan, Tae Kim, Mariam Zwald, Ruly Yoediono, Ingka Yoediono, Kozo Murakoshi, Raimondo Lubrano, Lakshmi Kashyap, Maria DeLara, Marvin Thoms, and Gertrud Thoms.●

STATEMENT UPON INTRODUCTION OF LEGISLATION TO PROVIDE SCHOLARSHIPS TO CHILDREN OF PUBLIC SAFETY OFFICERS KILLED IN THE LINE OF DUTY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BIAGGI. Mr. Speaker, today I am introducing legislation, as I have since the 95th Congress which would provide scholarships for the dependent children of public safety officers who are killed in the line of duty, the Public Safety Officers Memorial Scholarship Act.

My concern for the children of these officers stems from my 23-year career as a New York City police officer. During that time, I witnessed the need for protecting the future educational opportunities for children of officers. Today, with the skyrocketing costs of education, the need for these scholarships becomes even greater. It is but a small, yet important tribute we can pay to the heroic efforts of men and women who lose their lives so that others may be protected from the criminal element in our society.

As a senior member of the House Education and Labor Committee, I have been a strong advocate for our Federal programs which provide thousands of students educational opportunities in the form of grants and subsidized student loans at low interest rates. In the 96th Congress, I was an original cosponsor of the Education Amendments of 1980 which authorized $50 billion in aid for students and institutions over the next 5 years. This bill that I am introducing today provides an additional critical component to our programs under the Higher Education Act to assure that children of officers will be assured access to a postsecondary education. While these children are also eligible for other financial aid programs under this act, these scholarships will help to supplement their awards and minimize any barriers they might encounter in paying for their college education.

The need for this legislation is great and its costs will be minimal, compared to the costs of a dependent child of an officer not going to college because they could not afford to. Our law enforcement officials regularly risk their lives for all of us. Fortunately, few have to make the ultimate sacrifice in their jobs, but when they do, we should stand ready to help their families in any and every way possible. This bill will address a small, but important need of assuring a college education for their children and I urge my colleagues to join me in supporting it.●

CUTTING THE U.S. CONTRIBUTION TO THE UNITED NATIONS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, in the last decade the United Nations has enacted numerous measures inconsistent with the principles of its charter. This is exemplified by last summer's Security Council resolution condemning Israel for its stand on Jerusalem. To make matters worse, the United States abstained from that vote. Since 1970 the United States has been forced to veto numerous United Nations actions, though it never used its veto power prior to that time. But, while the balance of power in the United Nations (U.N.) has shifted, the financial responsibilities placed on member nations have not—creating a situation where those who have the least responsibility for paying the bills have the most influence over the decisions made. Such a situation is an invitation to political demagoguery and further violations of the U.N. charter.

Actually the problem has been far more evident in the U.N. General Assembly than in the Security Council since all 152 member nations participate in the General Assembly on an equal basis regardless of financial contribution—except for the Soviet Union which has three votes to everyone else's one. In the last 10 years the General Assembly has; one, seated Red China while expelling Nationalist China; two, suspended South Africa from membership; three, granted observer status to the Palestinian Liberation Organization and allowed Yasir Arafat to speak while denying Israel the right to full reply; four, countenanced expropriation of property without compensation and; fifth, passed a resolution equating Zionism with racism. Particularly unsettling is the fact that many of the nations supplying the margin of victory in these instances are not only new Third World nations, but among the smallest financial supporters of the U.N. United Nations membership has become an excellent economic and political investment for the Third World, one from which these small nations and the Communist bloc have gained considerable advantage at minimal expense.

In view of the current situation, a number of suggestions have been made to revaluate our Nation's relationship with the U.N. Logically, some of these have dealt with our financial contribution level to the United Nations. While it is quite evident that continuing adherence to the national income formula will simply accelerate the growing polarization between the primary financial supporters and the principal power brokers, the alternatives, such as equalizing assessments, need careful examination. For one thing, such a system would discriminate against those nations not having permanent seats on the Security Council. In addition, reducing our annual contribution to a level no greater than that which would be in effect if all nations contributed equally, is not likely to result in the U.N adopting a more reasonable assessment standard. The more probable development would be further deterioration of the U.N.'s financial situation due to smaller payments by each nation, or nations, withdrawing from the U.N. because they are unable to afford a higher level of assessment.

Given that premise, I think that it is imperative that the United States adopt a new contribution formula that would be fair to the United States, be as fair as possible to other member nations, be fiscally responsible insofar as the future of the U.N. is concerned, and be reflective of the representative nature of the United Nations. All things considered, given the fact that no plan can be completely equitable, I think these goals can be best accomplished by initially reducing our annual U.N. contribution to a percentage equal to that of our population when compared to the total population of all U.N. member nations. If implemented, this would mean that instead of paying 25 percent of all U.N. expenses each year the United States would contribute 5.1 percent and other nations, particularly the People's Republic of China and the Third World, would have to carry a fairer and hence more appropriate share of the financial burden.

The biggest flaw that I perceive in this proposal is that, should the U.N. accept the whole package, the annual contribution of the Soviet Union would, like that of the United States, be reduced. Given the fact that the Soviets have contributed less than one-fifth of what we have contributed to the U.N. over the years, and keeping in mind that they are currently well behind in their financial obligations—without having suffered any significant penalty—the Soviets deserve to pay more rather than less. However, this drawback is negligible when compared to the other considerations that would result from enactment of this proposal. The People's Republic of China, which occupies a permanent Security Council seat, would have its percentage share raised from an unreasonably low 1.62 percent of the regular budget to a more realistic 22.6 percent. In addition, India's assessment—which is presently 0.6 percent of the regular budget each year—would be increased to 15.6 percent. Most important, however, is the tremendous expenses the United States would be spared. If, instead of paying 25 percent of the entire U.N. budget, or $922,950,000 in 1980, the United States were to pay an amount comparable to its share of the population, the cost to our country would be reduced by 80 percent to assess $188,281,800. The result of this proposal would be financial obligations consistent with the amount of power within the United Nations each country commands. I would also recommend that, at the same time the United States asks the U.N. to follow its example and use the proportional population formula for assessments, the U.N. collect what it is owed from those nations who are delinquent in their payments. Present U.N. financial difficulties would certainly be eased if members, in particular the Soviet Union, would pay what they owe. There is no reason, particularly in light of the actions taken against Nationalist China, South Africa, and Israel in recent years, to allow such abuse to go uncorrected.

If the United States continues to pay an unduly large share of the U.N. expenses each year while other nations fail to honor their obligations, we can expect to see a deepening of the hypocrisy that has so blatantly marked U.N. sessions in recent years. If the U.N. is ever to be an effective force for world peace, it must be more than simply a political vehicle for the side that has the most votes. It must reject the demagoguery that so often accompanies the exercise of power unchecked by any concern for fiscal responsibility. If the U.N. fails to take such action, there is little hope for its being any more than what Ambassador Scali once termed "the tyranny of the majority" with the very real possibility that it will become no less than the pawn of the Internationale.

It is in lieu of this possibility that I have introduced a bill to reduce our contribution level to the aforementioned 5.1 percent. By so doing we would not only save the American taxpayer over $700 million annually, but more importantly, we would put the U.N. on notice, without wrecking or withdrawing from it, that it cannot expect to command financial support unless it exercises more discretion and acts with a greater sense of responsibility. I firmly believe such notice would, in the long run, benefit all concerned. The bill to accomplish this goal follows:

H.R. 864

A bill to limit United States contributions to the United Nations

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the aggregate amount of assessed and voluntary, contributions by the United States to the United Nations and its affiliated agencies for any calendar year after 1980 shall not exceed an amount which bears the same ratio to the total budget of the United Nations and its affiliated agencies as the total population of the United States bears to the total population of all the member states of the United Nations.●

KIM DAE JUNG—SOUTH KOREA

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BONKER. Mr. Speaker, I want to congratulate South Korea's President, Chun Doo Hwan and his government for commuting the death sentence of opposition leader Kim Dae Jung, and for lifting the martial law edict issued last May. This action, which shows great foresight, will be hailed around the world.

I am pleased Korea's leadership understood that the execution of Kim would not have served any purpose. In fact, it would have created a dangerous rift in the close relationship of our two countries. The charges against Kim Dae Jung were labeled farfetched by our State Department. It is my hope that a way may be found to free Mr. Kim and that he would be allowed to leave the country.

All of my distinguished colleagues who joined in the effort to save the life of Kim Dae Jung must feel a great deal of satisfaction. But our work is not finished. There are a number of other political prisoners who languish in jail, and military rule is still in force. If Korea is to have a stable future then it must have a government which enjoys broad popular support. President Chun has moved in the right direction; he must act now to restore Korea's democratic freedoms.●

THE MARTIN LUTHER KING DAY MARCH: SOME OBSERVATIONS

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. MOFFETT. Mr. Speaker, sometimes it is better to forget the diplomacy and be blunt. For those who took part in the January 15 march in Washington to push for the establishment of a national holiday on the birthday of Dr. Martin Luther King, the event was incredibly moving. But the media coverage and the participation level by whites in that special day were shameful and disappointing.

It might sound like an overstatement, but I do not think that the busloads of Connecticut people that were in attendance would disagree. Symbolically, this matter of the holiday is very important to the black community. That is a fact, whether or not you believe in the goal.

Various police observers estimated that as many as 200,000 people from 30 States took part in the march on that cold and snowy day.

The crowd was almost entirely black. The old ones who had marched many times before; the young ones who had never marched and who had never had to march, their Loomis-Chaffee jackets and other signs of sound and prosperous upbringing reflected the progress, for some, of the years since King's tragic death.

At the march's end, the grounds of the Washington Monument were packed. The crowd listened to speakers urge adoption of the holiday by the Congress. In the last session, the measure failed by only five votes. Blacks reacted the way Italians would to the repeal of Columbus Day. But speakers such as Jesse Jackson and Dick Gregory spoke of more than a holiday.

Jackson talked of self-respect and pride, "You are somebody" he told the young people in the crowd, most of whom did not have jackets from expensive prep schools. Gregory was even more direct: "Ronald Reagan can't do nothin' to us, compared to what we're doin' to ourselves with drugs and alcohol," he said.

Indeed, this was healthy stuff. Not calls to revolution, but to self-help and hard work; the kind of speeches that would have made Dr. King proud.

But the highlight, even including the words and music by Stevie Wonder, was the stirring speech by Martin Luther King III, the son of the slain leader. "We're not anywhere

near through yet," he told the people. "We must keep working."

All of this was treated much like some kind of highly classified national secret by the news media. The networks either excluded it entirely from their nightly programs, or showed 15 seconds of footage with practically no narrative. They estimated the crowd at not 200,000, or even 150,000, but 15,000. The New York Times seemed to pretend that the entire event never took place.

Just as troubling was the lack of participation by whites. In a way, you hate to say that you noticed the color of the marchers, but it was all so painfully obvious. What was white society saying? That the holiday is not important? Or that things are tough enough economically right now for us whites, so why should we march for your thing?

It is important that we march in honor of Columbus, or to salute Walesa, or protest treatment of Irish Catholics. But the King contribution should receive similar attention.

Especially with black children continuing to be snatched away in the night in Atlanta, with the blatant reemergence of the KKK, it did not seem unreasonable to expect that somewhere within driving distance to Washington, would be 25,000 or so white people who would march simply to show their support for the eminently responsible, hard-working and patriotic people in the black community throughout our land.

Are there no longer college students with time on their hands for such demonstrations of support? Are there no longer liberals and sensitive business people who still believe in such things?

Yes, it is nonsense to imply that white America's attitude toward the black community can be summed up by its reaction to one event on one snowy day in January. Perhaps when the vote on the holiday itself comes in Congress, enough Americans of all colors, shapes, and sizes will have expressed their views to make its passage a reality and to put to rest any fears about our commitment to equality.●

THE 63D ANNIVERSARY OF DECLARATION OF UKRAINIAN INDEPENDENCE

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BROOMFIELD. Mr. Speaker, at a time when all Americans rejoice in the newly regained freedom of 52 Americans who have been held hostage so barbarically for 444 days, we reflect upon the millions of people who remain oppressed throughout the world. As we give a warm welcome to our courageous countrymen, we are reminded that January 22 marked the 63d anniversary of the declaration of Ukrainian independence. The words "freedom" and "self-determination" are but a vision for the long suffering Ukrainian people.

This brave Nation, which so valiantly combated Bolshevik forces for 3 years after declaring its independence on January 22, 1918, was again overcome by the overwhelming number of Communist forces.

Throughout the years of Soviet domination, the proud Ukrainian people have maintained a sense of ethnic identity and an undiminished yearning for independence. Their determination to be free has been nurtured by the steadfastness of Ukrainians outside the U.S.S.R. and by expressions of support by Members of this body.

In marking the anniversary of Ukrainian independence, we are giving support to a better, freer future of these proud people. We also help insure that the world rejects the tragic consequences of Soviet domination. And we stand for the ideals most noble in the American experience—freedom and justice for all.●

BARNES RECOGNIZES ACCOMPLISHMENTS OF DONNA HUBER, FEDERAL EMPLOYEE ADVOCATE

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BARNES. Mr. Speaker, I would like to take note of the fact that Donna Huber is stepping down from her position as executive secretary of the Westwood Employees Committee on Problem Solving (WECOPS). For several years Ms. Huber has tirelessly volunteered her services as an advocate for the rights of Federal employees who work in the Westwood complex in Bethesda, Md., and her efforts in that capacity stand out as an excellent example of what one dedicated person can accomplish.

I have had the pleasure of working with Donna Huber on a number of issues, most notably in her successful attempt to improve working conditions at the Westwood complex. She has also been active in articulating the Westwood employees' position with respect to parking fees at Federal facilities, in organizing the Westwood recognition of the American hostages' captivity in Iran, and on a host of other matters. I know that the employees at Westwood Building will miss Ms. Huber's dedicated activism in their behalf, though I look forward to responding to any requests which they might make to my office in the future.

For the record, I include a copy of a summary of a report prepared by the General Accounting Office last year, which I requested on behalf of the Westwood employees and Ms. Huber. I might add that the General Services Administration has been very responsive to requests from my office for attention to matters at the Westwood Building, for which I am most grateful.

Also included below is a copy of an article from the Federal Times, which chronicles some of Ms. Huber's efforts related to the Westwood Building:

[Comptroller General's Report]

GSA FOUND LAX IN ENFORCING LEASES ON WESTWOOD COMPLEX

The General Services Administration which leases the Westwood complex for Government use, the National Institutes of Health which occupies the complex, and the lessor have continually disagreed over maintenance responsibilities. The disagreements over fire safety problems call for the most urgent resolution. A recent fire inspection identified numerous violations, including faulty fire doors on eight floors of the Westwood Building and seven floors of the Annex.

General Services has now determined responsibility for repair of the fire doors and other violations and has taken or is taking action to have the violations corrected. The lessor has also been required to equip elevators with an automatic recall system. These actions, when completed, should improve the safety of the Westwood buildings.

Government leases for real property contain a general provision that if the lessor fails to provide any service, utility, maintenance, or repairs required under the lease, the Government has the right to secure the services, utilities, maintenance, or repairs and to deduct the cost from the rent. However, General Services' efforts to secure required maintenance and cleaning services for the Westwood Building and Annex have been ineffective.

Congressman Barnes described his observations of the maintenance deficiencies in the Westwood complex in a July 23, 1979, letter to the Administrator of General Services and expressed the hope that General Services could make some change in its lease enforcement, rather than attack problems on a piecemeal basis. (See p. 1.) While General Services had some problems corrected, its reply to the Congressman did not propose any change in enforcement of lease provisions.

Seven times from February 1973 to August 1979, General Services informed the lessor that it would exercise the Government's right to secure services and deduct the cost from the rent. But it has not done so. In 1975 and again in 1977, the National Institutes of Health suspended rental payments to General Services because the lessor failed to provide building services required in the leases.

General Services should more aggressively discharge its responsibility to enforce leases and ensure that public funds are not used to pay for services that have not met or do not meet contract requirements.

General Services contends that it has enforced the leases aggressively and, together with the lessor, believes that deficiencies

have been corrected within a reasonable time, but that many problems in the Westwood complex are due to overcrowding and discontented occupants. However, GAO used the General Services' record of independent building inspections as a basis for this report. That record did not attribute service and maintenance deficiencies to overcrowding or occupants' discontent.

The Administrator of General Services should direct the contracting officer for the two Westwood building leases to enforce the Government's contractual rights more effectively.

[From the Federal Times, May 5, 1980]

FAILURE OF GSA TO PUSH BUILDING UPKEEP RAPPED

The General Services Administration has been reluctant to crack down on numerous and long-standing safety and health violations in two leased buildings which house 1100 employees of the National Institutes of Health, congressional investigators have concluded.

General Accounting Office investigators also found that GSA failed to get required maintenance and cleaning for the Westwood Complex in Bethesda, Md., leased at an annual cost of more than $1.1 million.

GSA, the federal government's landlord and housekeeping agency, has had other problems with the buildings' owner, Westwood Joint Venture, which also leases several other Washington-area structures to the government. In one case, GSA took over cleaning and maintenance operations when the owner could not meet lease requirements.

The Westwood study was requested by Rep. Michael D. Barnes, D-Md., who received a series of complaints about conditions there. During a visit in mid-1979, Barnes found such dangers as exposed electrical wiring and outlets, inadequate ventilation, a hole in a walkway floor covered by a rug and "a wall so loose . . . that it is held up by pencils forced into its cracks."

Local fire inspectors last November found faulty doors on eight floors of the main building and seven floors of the annex, plus a gas leak, improper storage of flammable materials, 42 fire extinguishers in need of servicing and various other hazards.

"While some of the cited problems have been corrected, GSA's reply does not suggest what change can be made in its enforcement of the lease provisions . . . other than to establish a faster reporting system," GAO said.

The auditors, however, found that the reporting system had little to do with the problems. They recommended instead that GSA take strong action on lease compliance. GSA said its action had been aggressive and blamed "extenuating circumstances" for problems in administering the leases.

NIH, which pays GSA more than $2 million a year for the space, twice has withheld its rent because of poor services in the buildings. Although GSA threatened to provide its own services and deduct the cost from its rent to the owner—seven times since 1973—it never followed through, GAO said.

"The government has a contractual right to secure satisfactory services and maintenance, but GSA has indicated its reluctance to exercise this right," auditors said.

"GSA should more aggressively discharge its responsibility to see that public funds are not used to pay for services that have not met or do not meet contract requirements."

Disagreements over responsibility for hazards and damage in the buildings have been part of the problem. Both GSA and the owner blamed overcrowding and the owner said Westwood tenants feel "deprived" because they are located away—about five miles—from the main NIH "reservation."

An employee representative disagreed. "We are not a group of malcontents," said Donna Huber, a grants technical assistant and executive secretary of the Westwood Employees Committee on Problem Solving.

"Our roof still leaks, and although the walls were recently painted, the grade is so poor that when you wipe off fingerprints, you wipe off the paint.

"Right now I'm sitting in a room with brown paper over the window because the owner won't put up venetian blinds. It was 85 degrees in here this morning. We're supposed to get some soon, but NIH will end up paying for them."

Huber welcomed the GAO findings but said GSA still is not making the building managers keep the restrooms clean or fix other long-standing hazards.

"We have a large room in the sub-basement—the only way to get to it is from the outside—which is filled with forms and applications and the type of information one of our institutes needs each day," she said.

Last August, one of two springs on the garage-type door broke and requests for its repair went unheeded, Huber said. About a month ago, the second spring broke.

"At this point, it takes four strong men to lift that door. Two weeks ago, three men suffered back sprains when they tried to lift it. One of them has been put on light duty now," she said.

Barnes, who called GSA's efforts to fix Westwood's fire safety problems and the GAO report a "starting point," plans to visit the complex again.

Before his last visit, a notice of his plans was posted on a building bulletin board. "People told us that there was more action during the time before the visit than in a long time before that," an aide said.●

DR. GIULIERI: EDUCATION AT ITS BEST

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. MILLER of California. Mr. Speaker, I rise today to honor Dr. Elmo Giulieri, who will be retiring on January 31, 1981, after 33 years of service to the Walnut Creek, Calif., school district. Dr. Giulieri has spent his entire educational career helping the students of Walnut Creek as a teacher, principal, director of special services, and finally, as superintendent of the Walnut Creek School District.

Dr. Giulieri has been instrumental in the formation of many fine education programs for the students of Walnut Creek, including the reading clinic under the title I program and the developmental kindergarten program for children who need special help. These programs will be a lasting tribute to the greatness of this man.

We are entering a time when all our basic assumptions about education are being questioned. One of these is whether we can provide a strong public education system. I believe that Dr. Giulieri's dedication to excellence in education over the past 33 years provides an example of the best our education system has to offer. I hope that we will continue to have such dedicated citizens as Dr. Giulieri providing the fundamental education our children need for the world of tomorrow.●

RICHARD L. WILSON DIES

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. SMITH of Iowa. Mr. Speaker, one of the distinguished journalists of our times, well known over the years to many of us in the Congress, died at his home in Washington on January 18 of this year. Mr. Wilson was chief of the Washington bureau of the Des Moines Register when I first came to the House 22 years ago. He served in that capacity for 37 years before retiring in 1970.

Dick Wilson was respected as a solid professional in his coverage of national affairs. His career extended from the early days of the New Deal into the Presidency of Richard M. Nixon. His work as editor, war correspondent, reporter, and nationally syndicated columnist won him many coveted journalistic awards including the Pulitzer Prize, the Raymond Clapper Memorial Award, and the Sigma Delta Chi Distinguished Service Award.

Our sympathy goes out to his wife, Katherine, his two daughters and six grandchildren. Mr. Speaker, I ask unanimous consent that the obituary of Mr. Wilson, carried in the January 20 edition of the Washington Post be printed in the RECORD.

[From the Washington Post, Jan. 20, 1981]

RICHARD L. WILSON DIES; BUREAU CHIEF HERE 37 YEARS FOR DES MOINES REGISTER

Richard L. Wilson 75, chief of the Washington bureau of The Des Moines Register newspaper for 37, years before retiring in 1970, died Sunday in his home in Washington. He had cancer.

During his years in Washington, Mr. Wilson covered many of the major stories of an era that began with the New Deal and extended into the presidency of Richard M. Nixon.

He wrote about President Franklin D. Roosevelt's plan to "pack" the Supreme Court, covered the Geneva Summit of 1955, and accompanied Nixon, the then vice president, to Moscow in 1960 for his famous "kitchen debate." Mr. Wilson was on hand for the Kennedy-Khrushchev summit in Vienna in 1961 and was a member of the press corps that accompanied President Nixon to China in 1972.

Mr. Wilson won some of his profession's most prestigious awards, including a Pulitzer Prize for a 1953 series that said the FBI

had warned the White House in 1945 of the alleged Soviet connections of Harry Dexter White, a high Treasury Department official during World War II. White was accused but never convicted of having served as a Soviet spy.

His other awards included the Raymond Clapper Memorial Award and the Sigma Delta Chi Distinguished Service Award. He had been president of both the National Press Club and the Gridiron Club.

After retiring as bureau chief in 1970, Mr. Wilson wrote a syndicated editorial page column for five years. He covered the 1976 political conventions and then went into retirement a second time.

In 1975, he wrote that during his half-century of reporting "three major events happened. This country was engulfed, nay, swamped in technology. The United States became a world power. It is also a continental welfare state. That encompasses the whole of it."

Mr. Wilson was born in Galesburg, Ill., and studied chemical engineering at Iowa State University and journalism at the University of Iowa. He first went to work for The Register in Des Moines in 1926. In 1933, he came here to open the paper's Washington bureau. His original assignment was to cover New Deal programs that would be of special interest to Iowa farmers, hard-pressed as they were by the Great Depression.

In fact, he became an expert on agriculture; but he also went on to many other assignments and subjects, including the fighting in North Africa and Europe during World War II, which he covered as a war correspondent.

Survivors include his wife, Katherine M., of Washington; two daughters, Susan W. Seymour of Minneapolis, and Katherine Lesses of Cambridge, Mass., and six grandchildren.●

WELCOME HOME

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. LEWIS. Mr. Speaker, the Americans taken hostage in Iran while serving their country are welcomed home with open arms and with relief. We share the joy of their families at being reunited, with gratitude for the efforts of those nations who supported America through this trying period and with concern for the sanctity of diplomatic tradition. In order to commemorate this fact, I am introducing a resolution to designate an area in Washington, D.C., as "Freedom Park."

Tuesday, January 20, 1981, is a day which will long be remembered in the hearts of all Americans: It is a day of celebration and unity, of concern, recollection, and hope. For 444 days we lived in suspense; now we can give thanks and express officially the joy felt by the parents, brothers, sisters, wives, and children of the hostages.

Yet last Tuesday was also a day to recall that the principles of diplomacy which have prevailed from the days of ancient Greece have been violated. Such unprecedented disregard for international law and the traditional standard of respect in the diplomatic community could have a serious and destructive impact on the world's hope for peace. Let us, therefore, take this day to recommit ourselves to the diplomatic code of honor and immunity and to peace among all nations.

Thanks are especially to be given to those who have been instrumental in bringing the hostage situation to an end: Canada, for her aid above and beyond the call of duty in bringing home the Americans not captured during the Embassy takeover in Tehran; Algeria, for her untiring efforts as mediator in a delicate and decisive negotiation, and the American diplomats and negotiators who, more than any, brought about this happy day.

At the hope-filled time of a new administration and a new beginning for our country, to the former hostages, welcome home.●

A WELL-DESERVED TRIBUTE TO ED JONES

HON. DAVID R. BOWEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BOWEN. Mr. Speaker, Progressive Farmer, one of America's leading farm journals, has recently honored our colleague, ED JONES, with its Man of the Year Award. As those of us who serve with ED know, he has dedicated his life to a more productive, efficient U.S. agriculture and to the well-being of American farmers.

From my close association with him, I have developed deep admiration for his knowledge, good humor, and the sensitive way he deals with the most controversial issues.

Since some of you may have missed the January 1981 issue of Progressive Farmer, I would like to insert this article into the CONGRESSIONAL RECORD. I know you will want to join me in congratulating ED.

ED JONES—MAN OF THE YEAR IN SERVICE TO SOUTHERN AGRICULTURE

It may be that milking cows is the best training a potential Congressman of the United States can get. You have to be calm and unruffled, yet firm and certain, to get the most out of a dairy herd. And above all, you have to be regular and persistent in your work. Those are the same traits you need in the Congress.

Whether or not his dairy farm experience gets the credit, Ed Jones, Representative of the Seventh District, State of Tennessee, is surely one of the more successful members of Congress today.

His successes have brought some dramatic benefits to farmers all over the South as well as to those in his West Tennessee Congressional district.

In Congress, the leaders assign individual Representatives as managers of each important bill. If the bill is complicated and likely to meet with vigorous opposition, Congressional leaders assign it to the most successful manager.

More often than not, these tough-to-pass agricultural bills get assigned to Ed Jones. Note these complex bills that have become law under the management of Ed Jones:

The Egg Research and Promotion Act, one of the first that permits producers to vote in a checkoff and use their own money for research and promotion.

The dairy price support sections of the Agriculture and Consumer Protection Act of 1973 that set price supports between 75 and 90 percent of parity, and the subsequent amendment in 1975 that put an 80 percent parity floor under dairy products.

The Federal Crop Insurance Act of 1980 that will expand insurance protection to just about every crop and every crop farmer in the U.S. by 1985. This act could well become one of the most significant pieces of farm legislation ever passed. Jones worked for over four years in developing the legislation and then pushing for its passage. (See "New All Risk, All-Crop Insurance Replaces Disaster Programs," September 1980 issue.)

Farm Credit Act Amendments of 1980, which raise the loan limits on Federal land bank loans, authorize the Bank of Cooperatives to lend money to farmer cooperatives for the purpose of exporting farm products, extend Farm Credit Service lending to aquatic producers, and much more.

The hallmarks of many of the laws guided through Congress by Jones are that they provide benefits to farmers, yet remove control of these benefits from the Washington bureaucracy.

"That's the most important thing I think we can do," says Jones. "Nothing is more depressing than to have to return year after year and beg Congress and the bureaucracy for help for farmers."

He points out that Washington does play the numbers game and that farmers suffer when politicians start counting heads. Farmers have gotten far more help from Congress in the past then their numbers would indicate.

"I think we have to turn more and more to farm programs where farmers themselves, with initial help from the Government, take control of their own programs," says Jones.

Getting bills like these passed isn't easy because there are hundreds of pressure groups jealous of their own prerogatives in the farm field. Many Congressmen spend years in the Congress without ever getting legislation passed. It takes some hard work, fancy footwork, and the ability to compromise on the least important points as far as farm interest is concerned.

That's how Ed Jones has accomplished so much. That's why he'll continue to get things done for farmers. "We have some tough, far-reaching decisions to make on farm policy in the 1980's," observes congressman Tom Foley, chairman of the House Agriculture Committee. "Ed Jones will be playing a very important part in shaping the future of agriculture."

The editors of Progressive Farmer saw that same promise for service to agriculture when they named Ed Jones, then a farmer and Tennessee Commissioner of Agriculture, as the 1951 Tennessee Man of the Year.

Now, for his national effort, Progressive Farmer is pleased to name him man of the Year in Service to Southern Agriculture for 1980 for his special and conspicuous leader-

ship to farmers in the development and passage of the Federal Crop Insurance Act and the Farm Credit Expansion Act.●

VICE ADM. B. R. INMAN—AN OUTSTANDING APPOINTMENT

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BOLAND. Mr. Speaker, Saturday Vice Adm. Bobby R. Inman was named as President Reagan's nominee to be Deputy Director of Central Intelligence.

This comes as good news to all who know Admiral Inman and to all who want to see the United States maintain and improve its foreign intelligence capabilities.

President Reagan has chosen well in selecting Bob Inman to be the deputy for the new Director of Central Intelligence, Bill Casey.

The Permanent Select Committee on Intelligence, during the 3½ years I have served as its chairman has enjoyed a very close and satisfactory relationship with Admiral Inman in his capacity as the Director of the National Security Agency.

Most Americans and, indeed, most Members of Congress do not know much about the activities of the NSA, and appropriately so, because its activities are, and need to be, a closely guarded secret.

Mr. Speaker, the members of the Permanent Select Committee on Intelligence are fully apprised of NSA's operations and I know I speak for all its members when I say that in Admiral Inman the country has been blessed with a most competent, loyal, and trustworthy officer.

He has conducted himself in the most thoroughly professional manner possible in all the difficult positions in which he has served.

His performance as Director, NSA, has been exemplary in every respect.

I know that as the No. 2 official in the entire U.S. intelligence community, he will continue his outstanding performance.

That Admiral Inman has been chosen to fill such a position of responsibility comes as no surprise to those of us who have dealt with him.

It would be hard to imagine anyone with a better intelligence background or with sounder judgment than Bob Inman.

Prior to his service as the Director of the National Security Agency, he was Vice Director of the Defense Intelligence Agency.

He has also served as the Director of Naval Intelligence and has had numerous assignments with combat commands in his distinguished naval career.

As he enters upon this new assignment of high responsibility, I extend to him my own best wishes and those of the Select Committee on Intelligence.

The Nation is well served by his appointment as Deputy Director of Central Intelligence.●

COMMEMORATING EMANUEL CELLER

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. GREEN. Mr. Speaker, I would like to commemorate the passing of one of our former colleagues, a man who served in this body for half a century, Emanuel Celler. He came to Washington in 1923, and when he left he was the dean of the House. A Democrat from New York City, he was a strong supporter of the early New Deal legislation of President Roosevelt, and devoted his career to the cause of individual rights.

As chairman of the Judiciary Committee from 1949–53, and 1955–73, he led well-publicized investigations and was coauthor of the major Celler-Kefauver Anti-Merger Act of 1950. During the 1950's he was one of Congress strongest opponents of the special House Un-American Activities Committee.

What I best remember about Manny Celler is his commitment to the cause of civil rights. He sponsored or managed all the major civil rights acts during his long tenure on the Judiciary Committee. He was the principal architect of the 1957 Civil Rights Act, sponsored the 24th amendment to the Constitution, guided the landmark Civil Rights Act of 1964, and managed the 1965 Voting Rights Act.

Emanuel Celler served in the Congress longer than any other New Yorker, and all of us from his State, and indeed the Nation, can be proud of his long record of achievements. He served this House with the courage of his convictions, and I am pleased to join my colleagues in honoring his memory.●

GUN CONTROL PROBLEMS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. SKELTON. Mr. Speaker, William Hale of the Pleasant Hill Times wrote an excellent editorial concerning the misdirected attempt to have gun control. I commend this editorial to the Members of this body:

GUN CONTROL NOT THE ANSWER

While contemplating the sad death of musician John Lennon, Americans should realize that no "gun control" law, no amount of restrictive firearms legislation, could have prevented this tragic act.

Gun laws simply cannot stop someone who is intent upon committing murder. The suspect charged with Lennon's murder purchased the murder weapon in Hawaii, a state which requires that all firearms and ammunition be registered with local and state authorities. The crime took place in New York City which has perhaps the most stringent gun laws in the country. New York not only requires registration and permits for handguns, but also requires the licensing of firearms owners. These restrictive gun laws did not stop Lennon's murder. Additional gun laws would not have stopped it, either.

The act, for whatever reason it was committed, was premeditated. Once he is bent upon such a crime, a person cannot be thwarted by an existing gun law, nor by the passage of any additional legislation. Murder is already against the law.

There will be those who call for more "gun control" laws. Such laws, however, only restrict the law-abiding citizen's use of firearms and will not affect the criminal or reduce crime. Such laws merely open the door for civil rights violations which have occurred many times under the Federal Gun Control Act of 1968. These violations have already resulted in 63 United States Senators calling for reform of that gun law.

To stop crime, laws must be directed at the violent criminal.●

NUTRITIONAL COUNSELING

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. LEHMAN. Mr. Speaker, today I am introducing legislation to amend the Social Security Act to include nutritional counseling as a home health service when such counseling is provided under the supervision of a registered dietitian.

Our concern for the health of our citizens should be expanded to include all facets of total health care. Unfortunately, a long-overlooked element has been nutritional dietary care. I believe a commitment should be made to promote optimal nutritional health care complete with dietary counseling. Nutrition is an integral part of health; we cannot ignore this important factor.

Home health services provide essential medical aid to people unable to leave their homes for necessary medical attention. My bill would broaden the present list of eligible services to include nutritional counseling. Medicare provides coverage for home health services and allows reimbursement for all reasonable costs related to patient care. Therefore, medicare coverage enables many people to uti-

lize home health care services which previously were inaccessible.

As the Government becomes more deeply involved in programs to meet the health care needs of the population, it has a responsibility to provide dietary counseling for both individuals and groups. Dietary counseling would be available to those who need it the most, individuals confined to their homes and normally unable to take advantage of such services. Increased costs for both inpatient and ambulatory health care make it mandatory that attention be turned to programs that will prepare citizens to assume more responsibility for their nutritional well-being.

Good nutrition is the foundation on which positive health is built. To neglect this opportunity to insure better health for the population is not being totally responsive to a major need in this country. Health care legislation for the 1980's must provide access to home nutritional care. Let us begin by the passage of this bill.●

HEMET HONORS IRWIN FARRAR

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. LEWIS. Mr. Speaker, on February 12, the Chamber of Commerce of Hemet, Calif., will meet to honor Irwin Farrar, a man who has been an active and invaluable community leader since first joining the community back in 1917. I am fully aware of the major contributions Mr. Farrar has made to the area over the past 60 years and want to join his family and friends in paying him tribute.

In his early years, Mr. Farrar practiced law and became a successful businessman. He served as the first president of the Hemet Chamber and later headed that organization for the entire county of Riverside. Additionally, he was a founding member of the Hemet Kiwanis Club and was twice lieutenant governor of the California-Nevada-Hawaii District of Kiwanis International. He has also served as a member of the local school board and held posts in many other civic organizations.

But it is for his contributions in the area of water management, conservation, and control that he will be most remembered. Since 1951, he has served as the Eastern Municipal Water District representative on the board of directors of the Metropolitan Water District. He currently serves on the water problems, executive, and legal and claims committees of that board. In this capacity, he has been intimately involved in both acquiring necessary water supplies for southern California and for overseeing the distribution and use of this precious resource. His latest project is the Peripheral Canal issue scheduled for inclusion on the State ballot next June. Additionally, in the past, he has served as president of the San Jacinto River Conservation District, as chairman of the Riverside County Flood Control and Conservation District organizing committee and, subsequently, as one of the district's first commissioners. Finally, he also joined the ranks of academe when he served for 5 years as a member of the Advisory Council of the Water Resources Center of the University of California.

Mr. Speaker, I join the residents of the Hemet area in expressing my profound gratitude and deep admiration to Mr. Farrar.●

THE DECLARATION OF FREEDOM

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. PEPPER. Mr. Speaker, the beginning of the 97th Congress marks the 21st anniversary of the year when Castro, with the aid of Soviet arms and personnel, established his illegitimate claim to the governorship of the island of Cuba, the jewel of the Caribbean. Since then, the Soviet Union has consistently exploited Castro's dependence on their aid and guidance.

The events of the Cuban missile crisis, when the Russians attempted to place nuclear missiles at our doorstep, and finally were forced to remove them by President Kennedy, are familiar to us.

The reports and sightings of Soviet armaments, installations, subsidies, and advisers have been too numerous to mention.

At this very moment, Castro maintains about 40,000 of his troops on the African Continent. I am reintroducing today a joint resolution expressing our determination to vigorously oppose Soviet penetration of Cuba, using Cuba to extend its military influence into Africa and the Americas, contrary to the Monroe Doctrine. I hope I will be joined by other Members of the House in making this effort for freedom in the Caribbean.

The text of the resolution follows:

H.J. RES. 136

Joint resolution expressing the determination of the United States with respect to the situation in Cuba

Whereas the Soviet Union has deployed military personnel to Cuba for the purpose of piloting and maintaining Cuban Mig-22 fighter aircraft, to operate Cuban radar installations, and for other military purposes; and

Whereas this Soviet deployment of military personnel into this hemisphere has occurred in conjunction with the depletion of Cuban military forces through the intervention of tens of thousands of Cuban troops in Africa in support of various Communist-supported military actions on that continent; and

Whereas such deployment of Soviet military personnel to Cuba, and Soviet and Cuban military personnel, arms, and support to Communist forces in Africa, is in the interests only of Communists expansionism and not in the interests of world peace; and

Whereas such Soviet military presence and buildup in Cuba is in violation of the Monroe Doctrine of 1823, which termed any attempt on the part of European powers "to extend their system to any portion of this hemisphere as dangerous to our peace and safety," and of the Kennedy-Khrushchev agreements of 1962, which assured no deployment of Soviet forces of offensive arms in Cuba; and

Whereas in the Rio de Janeiro Treaty of 1947 the parties agreed that "an armed attack by any State against all the American States shall be considered as an attack against all the American States, and, consequently, each one of the said contracting parties undertakes to assist in meeting the attack in the exercise of the inherent right of individual or collective self-defense recognized by article 51 of the charter of the United Nations"; and

Whereas the Punte del Este Resolution II of the Organization of American States of January 1962 agreed "to urge the Member States to take those steps that they may consider appropriate for their individual and collective self-defense, and to cooperate, as may be necessary or desirable, to strengthen their capacity to counteract threats or acts of aggression, subversion, or other dangers to peace and security resulting from the continued intervention in this hemisphere of Sino-Soviet powers, in accordance with the obligations established in treaties and agreements such as the Charter of the Organization of American States and the Inter-American Treaty of Reciprocal Assistance": Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States is determined—

(a) to prevent the Communist regimes of the Soviet Union and Cuba, acting individually or collectively, from extending by force or threat of force their aggressive or subversive activities to any part of this hemisphere;

(b) to prevent in Cuba the creation or use of an externally supported military capability, or the deployment in Cuba of military forces from another nation, for the purpose of establishing a stronger base for Communist expansionism in this hemisphere, thus endangering the security of the United States and other non-Communist nations; and

(c) to work with the Organization of American States and with freedom-loving people of all nations to implement collective security agreements and to support the aspirations of all people in this hemisphere for freedom and self-determination; and be it further

Resolved, That the President of the United States take every possible action to carry out the intent of this resolution.●

AN INEQUITABLE TAX ON CIVIL SERVANTS WORKING IN FORT CAMPBELL, KY.

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BEARD. Mr. Speaker, today I am introducing a bill designed to remove an inequitable tax burden facing civil servants who reside in the sixth District of Tennessee, but work in Fort Campbell, Ky. These persons pay Kentucky State income tax, even though they are not the recipients of any services from that State.

In most situations where individuals are domiciled in one State, work in another, and pay taxes in both, one of the taxes is taken as a credit against the other. However, several States have no income tax, making this type of offset impossible.

I feel that my bill offers a practical solution for this inequity by simply prohibiting States from levying an income tax or withholding tax on any Federal Government employee who is not a resident or domiciliary of such State.●

ONEONTA'S FAVORITE SON

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. WORTLEY. Mr. Speaker, it gives me great pleasure to note the achievements of a certain gentleman from Oneonta, N.Y., a city which I represent. This gentleman is Mark May, a football player with the University of Pittsburgh Panthers.

Mark is distinguished from all other American athletes, as he has been awarded the Outland Trophy, the honor given to college football's outstanding interior lineman. The honor is well deserved. Mark has also been named All-American first team by the Associated Press, Football Writers of America, Kodak American Football Coaches Association, Sporting News, United Press International, and the Walter Camp Foundation.

Mark has dominated the line of scrimmage for the Panthers over the past 3½ years. During that time, Pittsburgh compiled a 38–8–1 record, appeared in four bowl games, and ranked among the top 10 football teams in the Nation.

Mark is not just an athlete, though. He is a gentleman. His concern for his neighbors, friends, and fellow students speaks well of him and has earned him their respect and admiration. I join them in paying tribute to Mark May and wishing him future success.●

LESS REGULATIONS BY GOVERNMENT

HON. KEN KRAMER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. KRAMER. Mr. Speaker, there can be no question that the American public has expressed a strong desire to reduce the overbearing presence of government in our personal and business lives by demanding lower Government spending and less Government regulation. The problems of overregulation are evident throughout the economy and the horror stories of conflicting, duplicative, overlapping, contradictory regulations are legion.

Over the past several years, the Congress has variously tried to assume a greater measure of control over the regulations issued by Government agencies through sundry legislative review and approval mechanisms. However, as the number of laws and agencies has expanded over the years, the regulatory volume has grown geometrically, and the efforts at congressional control have been haphazard at best. In recent years, the Congress has come very close to enacting Government-wide legislative veto authority, which would certainly be a major step forward in the effort to assure proper oversight of Government regulation, and hopefully, the 97th Congress will finally enact such authority. Inasmuch as the agencies which are responsible for issuing regulations are created by Congress, and are not directly accountable to the public, it is essential that the Congress, which is accountable to the public, exercise the necessary oversight and control over the bureaucracy to which it has delegated implementation of the laws. In the absence of such congressional control, too often the unelected bureaucrats have assumed responsibilities beyond mere implementation and have effectively used the regulations writing process to become legislators or policymakers.

Because I believe the congressional responsibility to hold the regulators accountable is so important, I am today reintroducing legislation which I sponsored in the last Congress to provide for a systematic and comprehensive review of regulations. Not only is the end result of the legislative disapproval mechanism important, but the process by which that disapproval mechanism can be effectively employed is equally important, and I do not believe that process has received adequate attention. My bill follows the basic format for congressional disapproval and reconsideration of agency regulations that is contained in the legislation introduced by Mr. LEVITAS in the last Congress, H.R. 1776, which I was pleased to cosponsor. But my bill goes a step further by setting out a uniform procedure for the Congress to follow in reviewing agency regulations and in considering disapproval or reconsideration resolutions.

Specifically, the bill would require each standing committee to designate one subcommittee as having responsibility for reviewing all agency regulations which come within the legislative and oversight jurisdiction of that committee. New regulations would be transmitted to the responsible committee, and then referred to the designated subcommittee, and would not become effective if both Houses pass a resolution of disapproval within 90 days, or if either House passes such a resolution within 60 days which is not disapproved by the other body within the next 30 days.

Resolutions of disapproval and resolutions for reconsideration would also be referred to the designated subcommittee, and the bill provides a timetable for congressional action on such resolutions once reported by the subcommittee. If the full committee does not disapprove the subcommittee's report, or fails to act within the allotted period of time, the committee is automatically discharged from further consideration of the resolution, and the resolution is then placed on a special calendar for floor consideration. A resolution on regulations calendar is established to assure prompt consideration of resolutions of disapproval and resolutions for reconsideration without unnecessarily disrupting the regular legislative schedule. A separate calendar for regulations would highlight the importance of this critical congressional oversight function and would guard against such resolutions being buried in committee or lost in the floor shuffle.

While not always glamorous or newsworthy, the oversight responsibility of Government regulations rests with the Congress, and it is extremely important that the Congress reassert its legislative prerogatives which have been increasingly assumed by the executive and regulatory agencies. The legislative veto authority is a necessary and proper means to assure the proper implementation of laws which the Congress enacts. The bill I am introducing today sets out a systematic process to assure the effective and thorough exercise of that authority. I hope that this approach will generate broad interest and I welcome my colleagues' cosponsorship.●

TRIBUTE TO HON. EMANUEL E. CELLER

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. DE LA GARZA. Mr. Speaker, I was greatly saddened to learn of the death of Emanuel Celler who died last Thursday at the age of 92. Mr. Celler led a long and distinguished career in the House. At the time of his retirement, he had served in the House for 50 years, and was chairman of the Judiciary Committee, in addition to being dean of the House.

"Manny" Celler left his mark on a number of pieces of historic legislation, especially in civil rights, the effect of which we are still acknowledging today. It was an honor to have known and worked with Emanuel Celler, his dedication to public service has left our Nation a legacy.●

NATIONAL POW-MIA RECOGNITION DAY

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. HOLLENBECK. Mr. Speaker, as we all know our Nation has endured the hardships of four major conflicts to preserve America's freedom and ideals both domestically and abroad. I refer, of course, to Vietnam, Korea, and both World Wars. During the course of these hostilities, the United States demanded and received great sacrifices from its citizens.

I think it only appropriate that we pause and take time to reflect on the brave deeds of those who made these sacrifices—those who have generously given of themselves to keep America free. Through the heroic efforts of the men and women who served in our Nation's major conflicts, we continue to enjoy all the benefits of freedom.

When I take time to ponder the realities of these many sacrifices, I am struck by the overwhelming pressures and often complete terror that confronted our prisoners of war. I firmly believe that all former POW's deserve our highest accolades for the many perils which they encountered during their weeks and often years of captivity.

Today, on the eighth anniversary of the Paris peace accords signifying an end to the Vietnam conflict, I have introduced a resolution which would designate July 18 as National POW-MIA Recognition Day—a day honoring all of the 142,000 POW's from our last four major conflicts. I believe this kind of tribute to our POW's has been long overdue and that a National POW-MIA Recognition Day would provide an appropriate forum to demonstrate our concern for their past sacrifices and their future realities. It would say to these brave men that we remember the frustration of not being able to reach out and help, we remember the nagging suspicions caused by not knowing, and we remember the joy and pride we experienced upon their return.

Needless to say, I sincerely hope that a majority of my colleagues in this distinguished Chamber will join me in the effort to designate July 18 as National POW-MIA Recognition Day. A copy of the joint resolution follows:

H.J. RES. 134

Joint resolution designating July 18, 1981, as "National POW-MIA Recognition Day"

Whereas the United States has fought in many wars;

Whereas thousands of Americans who served in such wars were captured by the enemy or are missing in action;

Whereas many American prisoners of war were subjected to brutal and inhuman treatment by their enemy captors in violation of international codes and customs for the treatment of prisoners of war and many such prisoners of war died from such treatment;

Whereas it is uncertain whether those Americans missing in action are alive or dead and such uncertainty has caused their families to suffer acute hardship; and

Whereas the sacrifices of American prisoners of war and Americans missing in action and their families is deserving of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 18, 1981, is designated as "National POW-MIA Recognition Day", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.●

COMPENSATION FOR FILIPINO VETERANS

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. AKAKA. Mr. Speaker, I have recently introduced the second of two bills which provide for the relief of certain natives of the Philippines who served in the U.S. Armed Forces during World War II.

Under this second bill, citizens of the Philippines who want to immigrate to the United States will be granted an automatic visa, provided that they served in any U.S. Armed Forces during World War II and received an honorable discharge. It is only fair that we offer an opportunity of American citizenship to those citizens of the Philippines who served us so honorably and faithfully at great personal risk during World War II.

This bill will also complement legislation I have already introduced to compensate men of the Philippine Scouts and the Navy Insular Force by awarding them the balance of moneys promised them by Gen. Douglas MacArthur but never paid out. Although the Philippine Scouts were promised the same rate of pay as the rate received by Americans of corresponding rank and grade, the Filipinos were paid at a rate only one-half that of their American counterparts. The first bill will compensate men in the Philippine Scouts and the Insular Force of the U.S. Navy by awarding them the balance of pay that is long overdue.

These brave men fought and died alongside American soldiers in defense of the Pacific during the war. The history of such famous battles as Bataan, Corregidor, Leyte Gulf, and Mindanao might have been written differently if not for the efforts of the Philippine enlistees. The logistic and intelligence support that these soldiers provided during these engagements was invaluable. Unfortunately, when it came to compensation for their service, our Government was less than generous.

General MacArthur recruited Filipinos into the Pacific forces because he recognized the importance of supplementing his troops with skilled men familiar with the local terrain. In doing so, he promised that they would receive equal pay and allowances based upon U.S. pay scales. Despite this pledge, servicemen in the Philippine Scouts and the Philippine Navy Insular Force have not received their due. This is a situation which should be corrected by Congress.●

A TRIBUTE TO EMANUEL CELLER: LEGENDARY LEGISLATOR AND CIVIL RIGHTS ADVOCATE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. BIAGGI. Mr. Speaker, few among us come to this House to shape and change the course of history. Many of us become a part of it—in a small way—and are fortunate to be party to landmark pieces of legislation that better the lives of our citizens. The names of those who distinguished themselves during their careers here through legendary legislation as well as length of office are well-remembered by us. One such man, Emanuel Celler, former Congressman from my own State of New York, passed away on January 15 at the age of 92. His indelible imprint upon this body remains today, long after he finished an illustrious 50-year career in 1972.

The year was 1922 and our President was Warren G. Harding when

"Manny" Celler first came to Congress from Brooklyn's 10th Congressional District. His election was a surprise to many, since the district had never before send a Democrat to Congress. Over the years, reapportionment shifted the boundaries, but never shifted the votes, as his biennial victories became certainties.

From the earliest days in his career, Manny supported the major New Deal and Fair Deal programs of F. D. R. Such a foundation prepared him for the most important role of his legislative career which he assumed, in 1949, chairmanship of the House Committee on the Judiciary. He held this post until his departure from the House in 1972, except for the few years the Republicans were in control.

As chairman, he authored our civil rights legislation in the years of our Nation's major advances in this area. In 1957, Manny wrote and steered into law the first comprehensive rights legislation enacted by Congress in 82 years.

A maverick, as well as a foresighted legislator, Chairman Celler continued his leadership in this area by authoring the 1960 Civil Rights Act. The crowning glory in his career of civil rights advocacy was the February 1964 passage of the Johnson administration's omnibus civil rights bill, incorporating all the elements of President John F. Kennedy's draft he submitted to Congress in 1963 before his untimely death.

Never at a loss for words, his peppery, but always colorful style sustained him through his special assignment from the House leadership to discipline the flamboyant Adam Clayton Powell. Noting his willingness to be a good soldier, Manny winced when someone wished him well in his task. His reply: "I'm entitled to commiserations, not congratulations."

In addition to his work in the civil rights field, Emanuel Celler's Judiciary Committee also investigated a number of areas and industries, including insurance companies, organized baseball, the steel industry, and the television industry. His fairness and his depth of knowledge about the legislative process was well respected among his colleagues and contributed to his success as Judiciary Committee chairman.

When I was elected to Congress in 1969, Emanual Celler was dean of the House and a legend in both Washington and New York politics. As a freshman, I recall the influence he held in this House and the respect he commanded from the most senior to the most junior among us. The many facets of Emanuel Celler's character were perhaps best personified by his definition of success that I would like to share with my colleagues:

To be a successful Congressman, one must have the friendliness of a child, the enthusiasm of a teen-ager, the assurance of a college boy, the diplomacy of a wayward husband, the curiosity of a cat, and the good humor of an idiot.●

EMANUEL CELLER

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. LONG of Maryland. Mr. Speaker, I offer these words of honor and respect to the memory of my former colleague, Emanuel Celler, who passed away January 15, 1981, at the age of 92.

"Manny" was elected to the House in 1922 at the age of 34. In 1949 he became chairman of the Judiciary Committee, a post he held until his retirement in 1972, with the exception of 1953 and 1954 when the House was controlled by Republicans. He became dean of the House only a few years after I was first elected to Congress.

His vigor and resourcefulness were astonishing. His management of the major civil rights measures in the 1950's and 1960's played a larger role in the advancement of civil rights than that of anyone in the history of Congress.

Our Nation is fortunate to have had Emanuel Celler's 50 years of service. I feel honored to have known him. I doubt if there will ever be another like him.●

TRIBUTE TO EMANUEL CELLER

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. CORRADA. Mr. Speaker, today I would like to join my colleagues in paying tribute to our former colleague Emanuel Celler.

Mr. Celler served in the House of Representatives for over 50 years, many of these as chairman of the Judiciary Committee.

Although I never had the privilege of serving with Mr. Celler, I have heard many stories, both from my colleagues and some of my constituents in New York, and they always referred to Manny Celler as a compassionate and highly intelligent man. I am sure that his passing is a loss to all of us and to America.●

A PRAYER FOR THE HOSTAGES

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BENJAMIN. Mr. Speaker, today, the 52 former hostages are being officially welcomed back to the United States as heroes. I join my colleagues in rejoicing their safe return and saluting their patriotism and that of those previously released and the Americans who volunteered to participate in the rescue mission, particularly the eight who gave their lives for their fellow Americans.

Miss Murcie Poplar of Gary, Ind., wrote a touching prayer for the hostages calling attention to their former plight. No doubt, her prayer, along with millions of others from fellow Americans, helped secure their safe release.

Miss Poplar, a schoolteacher, was honored by the Gary City Council on December 9 through the adoption of Resolution No. 1504. I would like to share that resolution which incorporates the hostage prayer with you.

HONORING MISS MURCIE L. POPLAR, WHO WROTE THE PRAYER FOR THE HOSTAGES

Whereas, Ms. Murcie L. Poplar, a woman, on a mission for our 52 American Hostages in Iran has taken it upon herself to light up the City of Gary, Indiana and our Nation's Capital, Washington, D.C., with a candle prayer; and

Whereas, Ms. Murcie L. Poplar, who is a native of Gary, Indiana, professional artist and art teacher for the Gary Community School Corporation did write this special prayer:

Almighty God,

We fellow Americans have come to You in prayer along with the families and friends of our American hostages.

We are asking You to please protect the hostages with Your divine shield and love from harm and danger.

Help the hostages to have faith in You and know that You can and will rescue them from captivity the same as You delivered Daniel from the lion's den. DANIEL 6:16-23.

Please do not let our American hostages become discouraged or impatient. We Americans have always stood up strongly and proudly during troubled times with courage and faith in spite of our many trials and tribulations.

We have been victorious as a nation because You guided us.

We pray that as the hostages make such a historic sacrifice You will give them a deeper commitment to better understand You.

God, please give to the hostages more perseverance and courage, as You remove fear and worry from their minds.

We pray that You will give strength to President Jimmy Carter and continue to guide him in the right direction to make the decisions that would lead to the safe release of the hostages.

God, please help people of all nations understand that we must continue placing You first in our daily lives to help solve our personal and world conflicts. We can all give testimony to how our three American clergymen went to Iran to our hostages and touched their lives with Your Words of Comfort.

Please give strength to the families and friends of our American hostages as they feel the absence of their loved ones.

Almighty God, please release all the hostages safely and bring them back home to

join their families, friends, and fellow Americans who patiently wait to receive them with fellowship and love.

Whereas, on October 21, 1980, she wrote a letter to President Jimmy Carter to make him aware of how she had been inspired to manufacture patriotic candles, on behalf of our 52 American hostages; and

Whereas, she has made a strong appeal for fellow-Americans to continue to join together in prayer for our American hostages, for it is her hope that as we light the candles and read the prayer that God will hear us, and continue to touch the spirits of our American hostages with His care and love; and

Whereas, it is her hope that the candle prayers will serve as an inspiration to President Jimmy Carter and President-Elect Reagan as they both continue to work together for the safe release of our 52 American hostages: Now, therefore, be it *Resolved*, That the Common Council, Gary, Indiana, does hereby honor Ms. Murcie L. Poplar for her contribution, dedication and commitment to the safety of the 52 American Hostages, and urge all Gary citizens to join together in prayer for the safe release of our 52 American Hostages.●

OAKLAND RAIDERS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. STARK. Mr. Speaker, my hometown of Oakland has something to be proud of. For the second time in 5 years, the Oakland Raiders have brought the world championship of professional football to the bay area.

It is a tribute to the coaching of Tom Flores and the talent and desire of the Raiders themselves that a team picked by the experts to have a mediocre season dominated the game of football for the past several months. It is equally a tribute to the shrewd managerial ability of Raider owner Al Davis that Oakland has a team of great players and even greater achievements.

But the unsung heroes of this championship are the tens of thousands of fans who have stood by the Raiders and supported them with sellout crowds for the past 12 seasons. The people of my district, of Oakland and Alameda County were more than just loyal fans. As wage earners and taxpayers they provided the millions of dollars necessary to build a stadium befitting a championship team.

As these same fans celebrate the Raiders' 27-10 victory over the Philadelphia Eagles, they are simultaneously apprehensive and angry that this very same team does not want to open the next season in the Oakland-Alameda County Coliseum, but in another city with other fans who cannot appreciate the accomplishments of the Oakland Raiders the way the people of Oakland can.●

THE DECLARATION OF FREEDOM

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. PEPPER. Mr. Speaker, I am reintroducing today a bill to recognize and commend the "Declaration of Freedom" which was proclaimed on January 23, 1966, by a group of Cuban exiles in Key West, Fla. The ideals of this resolution, for freedom were the abolition of communism as well as a renewal of Cuban liberty and independence.

In 1959 liberty and growing economic prosperity of the Cuban Republic were destroyed when Fidel Castro seized power and drove hundreds of thousands from their homes in Cuba who valued their freedom higher than the possessions and lives they were forced to leave behind. Recently, hundreds of Cubans have left this unfortunate island to escape political restraints and the oppressive climate of domestic poverty and armed intervention abroad under the leadership of Soviet Russia, Castro's mentor.

I would like to ask our distinguished colleagues to join with me in expressing the indignation of this House at Castro's tyrannical part and officially commend the bravery of these few and their mighty stand for a better future.

The resolution follows:

H.J. RES. 137

Joint resolution commending the Cuban "Declaration of Freedom"

Whereas on January 23, 1966, a "Declaration of Freedom" was adopted by one thousand five hundred Cubans in exile meeting in Key West, Florida; and

Whereas this declaration was written at the San Carlos Club from which the great Cuban patriot, Jose Marti in 1898, turned the course of history by proclaiming the ideological basis of a free Cuba; and

Whereas Cuba once again has fallen victim to a totalitarian regime as embodied by Castro communism; and

Whereas the "Declaration of Freedom" reads as follows:

"In the city of Key West, Monroe County, State of Florida, United States of America, we, the Cuban exiles in the United States, in the name of God Almighty, and speaking both for ourselves and the oppressed people in Cuba, the martyr island, do say:

"That on January 1, 1959, the slavery yoke that came from Europe and was extinguished in Cuba at the end of the nineteenth century, was resumed.

"That those responsible for this high treason to our fatherland and to our people are just a score of traitors who, usurpating the government of the country have been acting as mercenary agents for the Sino-Soviet imperialism, and have surrendered to that imperialism our freedom and our dignity, also betraying the American hemisphere.

"That as a consequence of this high treason, those who are usurpating the power in Cuba (as they were never elected by the people), are imposing a regime of bloodshed, terror and hate without any respect or consideration to the dignity of the human being of the most elementary human rights.

"That in their hunger for power, these traitors, following the pattern of totalitarian regimes are trying, within Cuba, to separate the family, which is the cornerstone of actual society, and at the same time, are poisoning the minds of the Cuban children and youth, in their hope of extending the length of time for this abominable system.

"That the rule of the law has been wiped out in Cuba, and it has been replaced by the evil will of this score of traitors, who are acting under orders from their masters, the Sino-Soviet imperialists.

"In view of the aforegoing, we declare:

"First. That the actual Cuban regime is guilty of high treason to our fatherland and to the ideals of the freedom revolution which was started on October 10, 1868.

"Second. That this score of traitors who have committed treason against our fatherhood, in case they survive the downfall of their regime, will have to respond, even with their lives before the ordinary courts of justice of Cuba.

"Third. That as the noble Cuban people will not ever surrender, because that nation was not born to be slave, we, the Cuban people, hereby make the present declaration of freedom.

"We hereby swear before God Almighty to fight constantly, until death comes to us, to free Cuba from communism.

"The fundamentals of this resolution for freedom are:

"First. God Almighty, above all things, in whom we believe as the essence of life.

"Second. The fatherland, with all of its laws, traditions, customs, and history as a spiritual value, only surpassed by the concept of God.

"Third. The family, as the cornerstone of the human society.

"Fourth. Human rights, for each and every citizen, regardless of race or creed.

"Fifth. The law, as the foundation for the proper development of the human society.

"Sixth. Democratic government, with its three independent branches: Legislative, executive, and judicial.

"Seventh. Representative democracy, through the exercise of universal suffrage, periodically, free, and secretive, as the expression of popular sovereignty.

"Eighth. Freedom of worship, freedom of teaching, freedom of the press and free enterprise.

"Ninth. Private property and ownership, as the basic expression of liberty.

"Tenth. The improvement of living conditions for both rural and city working masses, with the just and necessary measures, keeping in mind the legitimate interests of both labor and capital.

"Eleventh. The derogation and eradication of anything which is opposed to the political and religious fundamentals aforementioned, and specifically, the abolition of communism and any other form of totalitarian manifestation.

"Signed and sealed in Key West, Fla., on the 23d day of January, 1966."

Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of the House of Representatives that this inspiring declaration should be patriotically considered by all Cubans in exile and by all who wish to end the tyranny of Castroism and communism and Cuba and that the "Declaration of Freedom" should serve to unite those pledged to restoring Cuban lib-

erty and independence, and that it should be the objective of the United States to commend and encourage recognition and respect for the declaration.●

HELPING ONE'S NEIGHBOR

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. IRELAND. Mr. Speaker, in these times of economic, social, and political stress it is nice to hear of an example of that good old American quality of helping one's neighbor. Recently, the elderly mother of one of my staff members, Mrs. Elinor Pilney of Boca Raton, Fla., lost her wallet. Mr. Burt Chamberlain, a policeman with the Boca Raton Police Department, who was off duty at the time, found the wallet and promptly returned it to her. I would like to commend Officer Chamberlain for his selfless sense of responsibility to the citizens of Boca Raton even while in an off-duty capacity.

Thank you.●

BERNIE BRALOVE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. LEHMAN. Mr. Speaker, in the days when Congress was in session for only part of the year, many Senators and Congressmen made the Shoreham Hotel their home in Washington.

Bernie Bralove, the owner and operator, was Mr. Shoreham, and the No. 1 Washington host.

Over the last 30 years, Bernie comforted, counseled, and kept in good cheer hundreds who have served in our Government. He made true Washingtonians of the elected officials coming from all over the country—adding a special dimension to their lives.

Bernie was also my own dear, good friend. He was someone who was always there not only when the times were good, but also when they were not. I will miss him.

The eulogy by Morton H. Wilner, a Washington attorney and lifelong friend of Bernie's, well describes who Bernie Bralove was and how his life touched so many. I wanted to memorialize those remarks by having them placed in the CONGRESSIONAL RECORD:

I stand here at Bernie's request. During a very recent visit with Bernie he said "I have not been a religious person and it would be inappropriate for a Rabbi who knew nothing—or little—about me to give a so-called eulogy. But I recognize that for the family form should be followed. I can't remember when you and I have not known each other. Will you say a few words at my upcoming funeral?" My answer—"Bernie, I only hope I don't break up."

Although there was little formal training, Bernie was, indeed, a religious man. He lived by the Golden Rule. His integrity was unquestionable. If you were his friend and needed help you could count on him volunteering. That was his code. And if ever a man walked humbly before his God, it was Bernie. He knew Presidents, Vice Presidents, Senators, Cabinet Officers, Judges and Congressmen, but he treated all good men alike, regardless of origin or position.

And Bernie was an achiever, too. As a youngster and later as an adult. He went to camp with Paul and me when he was about twelve. He won all the prizes. His infectious dimpled smile charmed everyone. Bernie's picture swing in baseball, his fluid tennis stroke, and his will to win made him a top college athlete at Rollins. There was talk of him playing big-league baseball when he entered law school. After his law, at Harvard, I recall him coming to Philadelphia with Edie in about 1938, as a litigating lawyer for the National Labor Relations Board. I watched him use his agile mind in the courtroom then, and since I have often pondered the heights he could have achieved in the legal profession had his family obligations permitted.

Bernie had a superior mind, was articulate and well read in the classics and contemporary literature. I recall when just the two of us, many years ago, drove together to Western Massachusetts for a camp reunion. He kept relishing the view of the green Berkshires and this sensitivity was consistent with his modest, but selective collection of certain pieces of fine art. A many-sided man, Bernie served as a Trustee of Rollins College, launched several B'nai B'rith Anti-Defamation League Fund campaigns from his home, and he did wartime service. His sense of humor was delightful—often lusty, but always to the point. He was just good company.

I was privileged to witness the warm, loving care and comfort Alice afforded Bernie. And in his last year—without even the help of a professional nurse. The empathy between them from the beginning is a beautiful story in itself.

His brothers, Alan and Richard, know that they have lost their best friend. Edie, I hope, will take a measure of solace from remembering the good years, as Bernie told me he did, with affection.

Steve, Mary, John and Cathy will memorialize Bernie in their own ways, and own style. The more experience they garner in life, the deeper will be their respect for his memory. Bernie will grow taller to them and their children each year.

To see and feel that courage and uncomplaining attitude in the last year of his life—when he knew he was dying—was an exemplary lesson in manhood. Our generation, which is now passing into time, indelibly marked Bernard Bralove as an authoritative man of courage. But one of grace and accomplishment as well.

A rare man has been taken from us, and we must think of Bernie not as someone we have lost, but thank God a full man we have been fortunate to have had.●

ELOQUENT SUPPORT EXPRESSED FOR NATIONAL HOLIDAY HONORING REV. MARTIN LUTHER KING, JR.

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. KILDEE. Mr. Speaker, an eloquent statement in support of a national holiday in honor of the Reverend Martin Luther King, Jr., recently was published in the Flint (Mich.) Journal. The article, by reporter Rhonda S. Sanders, relates with poignancy and sensitivity the feelings that many black Americans as well as many others share about Dr. King. Ms. Sanders begins by telling how Dr. King's great contributions toward world peace, equality, and human rights made her feel especially close to Dr. King. She continues in her article to provide insights into the depth of that feeling, writing:

Whether to make King's birthday today a national holiday has been in contention since his assassination in 1968. In that year and every one since, Rep. John Conyers (D-Mich.) has introduced a "King's Birthday Bill" in Congress.

The drive is gaining ground, emotionally and politically. Last year, the bill failed by just four votes.

Appreciating how special King was comes easiest to those who have been poor and without hope, downtrodden and living under the thumb of racism.

To me, Martin Luther King was like a favorite uncle whose deeds were the stuff of my childhood bedtime stories.

My familial roots are in Montgomery, Ala., where King led the famous bus boycott in 1955 to protest segregated seating. It was his first battleground in a war against racism.

My father, a native of Montgomery, told me about driving his 1949 Ford through a barrage of rocks and venomous catcalls when he volunteered for carpooling during the 352-day boycott.

My mother remembers riding on the same bus route as Rosa Parks, whose refusal to give up her seat sparked the bus boycott. And she remembers being threatened with expulsion from Montgomery's Alabama State College if she supported the protest.

My 85-year-old grandmother still rides at the back of Montgomery buses, though she knows she does not have to, because old habits die hard.

Cousins of mine have shared memories of playing with the King children before the bombing of the King home shattered their relaxed association.

In keeping with King's doctrine of peace and non-violence, these injustices have been forgiven, though not forgotten.

Though I grew up in Detroit, my Montgomery connections have always held King close to me.

By chance, I was in Atlanta, Ga., when his body was flown there for burial.

Like a bad dream, I remember the weeping crowds, swarms of television cameras and armed policemen. They were grave tes-

timony to the impact of King's death on the civil rights movement.

My reverence of King grew out of that experience and from contact with people whose lives were touched by him.

Conyers will re-introduce the birthday bill this year. He will have reinforcements.

Blind singer Stevie Wonder is leading a march to Washington, D.C. today to urge Congressional approval of the King birthday bill.

A performer whose mass appeal spans ethnic gaps, Wonder is using his musical medium to recruit marchers. Those who join him at the Capitol today will be treated to a free concert Friday.

In a song from his latest album "Hotter Than July", dedicated to King, Wonder sings:

You know it doesn't make much sense
There ought to be a law against
Anyone who takes offense
At a day in your celebration

'Cause we all know in our minds
That there ought to be a time
That we can set aside
To show just how much we love you

The song, entitled "Happy Birthday," has sparked an emotional response among Wonder fans that is being relayed by radio stations across the country, according to Flint's WDZZ program manager Don Wiggins.

There are those who argue that a national observance of King's birthday would be one holiday too many and would cost too much in overtime pay and lost work time. I have overheard other trifling comments that a King holiday would ruin a day to do banking, receive mail and pick up welfare checks.

That is hardly a fitting tribute to a man whose humanitarian efforts benefited so many.

Out of a history of violence, blacks have chosen to honor a peaceloving hero. Though giving him a special day cannot breathe new life into the civil rights movement, it could at least reassure those who looked upon him as a saviour that his dreams are not dead.

Stevie Wonder says it best:

And we all know everything
That he stood for
Time will bring
For in peace our hearts will sing
Thanks to Martin Luther King.●

BIAGGI URGES MEMBERS TO JOIN AD HOC CONGRESSIONAL COMMITTEE FOR IRISH AFFAIRS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BIAGGI. Mr. Speaker, today for the benefit of my colleagues I am inserting a factsheet on the ad hoc congressional Committee for Irish Affairs, of which I am chairman.

We now have 117 Members, including two Senators, and I am confident that many more members will be encouraged to join by human rights advocates in their districts.

This year marks the third Congress we have been in existence and support for our work is stronger than ever, generated from all fronts—both national and international.

I urge my colleagues who have not yet joined as members to read this fact sheet closely and assist us in our efforts to enhance the U.S. role in bringing peace and justice to Northern Ireland.

FACT SHEET: AD HOC CONGRESSIONAL COMMITTEE FOR IRISH AFFAIRS

Membership: Bi-partisan in make-up. Nonpartisan in activity. Membership open to all House and Senate members. Membership total: 131 House, 2 Senate members (end of 96th Congress). Mario Biaggi (D-N.Y.), Chairman and Founder. 18 Member Executive Committee.

History: Established on September 27, 1977. Followed a specific request by the Ancient Order of Hibernians National President. Established as a non-official and non-legislative Committee.

Purposes: (1) To elevate Congressional and media attention on the multi-faceted Irish question, including: Hearings on the issue of human rights; passage of an Irish resolution in Congress calling for a British peace initiative in Northern Ireland (H. Con. Res. 122 in the 96th Congress); and maintenance of a Committee-inspired August 1979 suspension of United States arms to the Northern Ireland police.

(2) To revise existing State Department policies with respect to the issuance of Irish visas to insure that no element of political thought is excluded from this Nation.

(3) To work closely with the new Administration in the development of foreign policy relating to Northern Ireland.

MAJOR ACTIVITIES, 1977–1980

September 27, 1977: Committee formed.

February 1978: Prime Minister Lynch of Ireland directly attacks Chairman Biaggi for his role in the Committee. Results in Committee membership increase from 80 to 100 Members.

June 1978: Special order on human rights abuses in Northern Ireland conducted on the House floor.

September 27, 1978: Three new members join on the first-year anniversary bringing total Committee membership to 121.

November 1978: Chairman Biaggi, and Rep. Benjamin Gilman (R-N.Y.) travel to Northern Ireland to meet with all parties involved in the conflict. Tour the Long Kesh prison, meet with inmates and families of prisoners.

December 1978: Meeting with Assistant Secretary of State for Human Rights Pat Derian on the issue of human rights violations of prisoners and prison suspects in Ulster.

December 1978: Meeting with United Nations Ambassador Andrew Young on the issue of human rights violation in Northern Ireland.

January 1979: Chairman Biaggi travels to Northern Ireland to continue discussions with all parties to the conflict.

February 1979: Executive Committee unanimously approves a proposal to sponsor a "Peace Forum" where all parties and organizations in Ulster would be invited to present and discuss peace proposals.

March 8, 1979: Sean McBride, Nobel laureate, addresses the Irish Committee and endorses the Peace Forum.

April 1979: Committee reaches all-time membership high of 126.

April 1979: State Department licensing and sale of arms to Great Britain for use in Northern Ireland attacked by Committee.

May 19, 1979: Biaggi introduces H. Con. Res. 122, calling upon the British Government to embark upon a new initiative for Northern Ireland to promote peace and self-determination.

June 1979: Judiciary report on *"Northern Ireland: A Role for the United States?"* released by Rep. Hamilton Fish (R-N.Y.), a Committee member.

July 12, 1979: Biaggi amendment to 1980 State Department Appropriations bill leads to hearings on gun sale issue in Foreign Affairs Committee.

July 31, 1979: Hearings held, resulting in suspension of further U.S. arms sales pending a full review of the policy by State Dept.

August 7, 1979: President Carter and Chairman Biaggi confer on Ulster.

September 13, 1979: Peace Forum postponed because of increased violence in Ulster. Committee condemns the murder of Lord Mountbatten by terrorists.

December 4, 1979: Neil Blaney, Member of the Irish and European Parliaments addresses Irish Committee and endorses its work.

December 19, 1979: Gun sale suspension reaffirmed by President Carter in a meeting with Prime Minister Thatcher.

February 1980: Biaggi hails Prime Minister Haughey Ulster initiative.

May 1980: Gun sale suspension reaffirmed by State Department.

July 1980: Biaggi attacks new British Ulster plan as inadequate. Urges recreation of Rhodesia/Zimbabwe blueprint by U.K.

August 1980: Biaggi testifies before Democratic National Committee urging inclusion of an "Irish" plank. Committee adopts Biaggi recommendation in 1980 Democratic Party Platform.

September 1980: Biaggi contacts Supreme Court Chief Justice Burger prior to his meeting with Lord Kenneth Diplock, originator of judicial system currently in place in Ulster.

October 1980: Chairman Biaggi receives reaffirmation of Carter position on Ulster.

October 1980: Chairman Biaggi leads Committee in urging State Department and the United Nations to promote a humanitarian resolution of hunger strike staged by Long Kesh prisoners.

December 1980: Chairman Biaggi leads House colleagues in urging a United States role in ending the hunger strike.

PROJECTED ACTIVITIES 1981

(1) Introduction of a resolution to reaffirm support for a continuation of the ban on United States arms to the Royal Ulster Constabulary.

(2) To continue Committee examination into the issue of economic discrimination in Northern Ireland, including an investigation into the employment policies of American firms operating in Northern Ireland.

(3) Selected House floor activities, such as Special Orders or clustered one-minute statements on important events. The first of these can be expected during the visit of Prime Minister Thatcher in late February.

(4) Solicit speakers familiar with the Irish issue to address the Committee. Previous speakers have included:

Sean McBride, Nobel Peace Price winner, Lenin Peace Prize winner, international scholar and diplomat;

Neil Blaney, Member, Irish Parliament, Irish Representative to the European Parliament.

Roy Mason, Secretary of State for Northern Ireland under the Callaghan Labor Government;

John Hume, Leader, Social Democratic Labor Party in Northern Ireland, UK Representative to the European Parliament; and

Michael Mullen, General Secretary, Irish Transport and General Workers Union.●

U.S. SUBS MEET PROPULSION SNAG

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BEARD. Mr. Speaker, as you have probably noted, the Navy is experiencing tremendous cost and time delay problems with its Trident submarine program. I first became interested beyond the point of passive observation early last fall when I heard about a memorandum from Adm. Hyman Rickover to then Secretary of the Navy Edward Hidalgo. Reportedly, the focus of that memo was on $250 million cost overruns and Admiral Rickover's suspicions that the prime contractor, General Dynamic's Electric Boat Co., was preparing to file claims against the Navy in conjunction with those problems.

I wrote Secretary Hidalgo November 21 asking that he please outline the problems with the Trident program, specifically with the first boat, the *Ohio,* and his proposals to deal with them. After hearing nothing but subsequently obtaining a copy of the Rickover memo on my own, I again wrote to Secretary Hidalgo. This letter, dated December 4, was also ignored.

As the time passed with no response from the Navy, so did the rumors, I had heard stories, among others, that the Secretary was privately negotiating with top General Dynamics executives without assistance from counsel or nuclear submarine experts. The intimations, when measured along with the reluctance of the Secretary to discuss the problems with me, led me to believe than an investigation was in order.

Consequently, I wrote Armed Services Committee Seapower Subcommittee Chairman CHARLES BENNETT and requested his assistance when he resumed his Trident hearings. He has since responded favorably, offering to add my area of inquiry to his investigation.

Finally, just as he was leaving office, Secretary Hidalgo responded to my two letters of inquiry. His answer, as I suspected, confirmed the rumors of his having met privately with General Dynamics executives. There were also copies of other memorandums detailing fears that Electric Boat was preparing claims against the Navy.

I hope my colleagues are as disturbed as I am with the growing problems with this Nation's most important strategic weapons system now under development. For further background on this pressing problem, I am inserting the following excellent articles by Defense Week managing editor Richard Barnard in the RECORD:

U.S. SUBS MEET PROPULSION SNAG: NAVY URGED TO REOPEN A FEDERAL SHIPYARD

In a multi-million dollar production blunder, General Electric Co. has supplied faulty turbine engines for the Trident ballistic missile submarine *Ohio* and for 16 SSN-688 Los Angeles class attack submarines, including 10 attack subs, already in the Navy's fleet. Faulty design of the GE engine in each of the 17 submarines results in fatigue of the geared turbine rotors which turn the boats' propeller shafts, several sources have told Defense Week. The rotors must be repaired or replaced, with at least some of the costs paid by the government, since the Navy splits up to $100 million of any cost escalation in its submarine production contract with General Dynamics Corp., builder of the *Ohio* and most of the attack boats.

Replacement of a rotor in a submarine is a massive job which requires cutting a hole in the pressure hull of the sub, a source said. The job must be done under carefully controlled conditions Repair of the hull requires "hard patch" welding which must be precisely done. After such an operation, "there are always doubts about the hull."

Rotor repairs to the *Ohio* alone will cost approximately $3 million, according to Navy estimates. The costs of repairs to the SSN-688s have not yet been calculated, but similar expenses would bring repair costs for all 17 boats to roughly $51 million.

"We have our lawyers looking at the possibility of recovering costs from General Electric," Vice Adm. Earl Fowler, commander of the Naval Sea Systems Command, said during secret testimony before the House Appropriations defense subcommittee in mid-May. General Electric refused to discuss the submarine propulsion systems. Alex Piranian, a General Dynamics spokesman, confirmed that the *Ohio's* turbine rotors were replaced, but said he is uncertain about the attack subs.

The $1.2 billion *Ohio,* the lead ship in the Navy's Trident submarine program, is being built in Groton, Conn., by General Dynamic's Electric Boat Division. Its construction has been delayed repeatedly, principally because of poor quality control by Electric Boat, according to Fowler's deputy, Rear Adm. James Webber. Completion of the *Ohio* is now expected in June 1981.

Electric Boat also is building six of the *Los Angeles* class attack boats, which are designed to hunt down Soviet submarines. An additional eight boats will be built by a Tenneco Inc. subsidiary, the Newport News Ship Building and Dry Dock Co. of Newport News, Va.

Millions of dollars in extra costs are only part of the Navy's problems caused by the faulty GE turbines. When the defective rotors were discovered on the *Ohio* in December 1978, the SSN-688s in the fleet were ordered to avoid high speeds which might strain the rotors and, if they failed, cripple the ships. The Navy would not confirm a report that rotors for some of the SSN-688s have already been repaired.

In addition, the faulty rotors have been a factor in construction delays at the General Dynamics shipyard in Groton. The attack boat *Bremerton* was scheduled for completion in March, to be followed by the *Jacksonville* in April. However, completion dates for these ships plus four others—*Dallas, La Jolla, Phoenix* and *Boston,* are now uncertain.

Several sources said that, at present, the Navy has few options in dealing with the continuous delays in submarine production. "Electric Boat and Newport News are the only shipyards in the nation that can build nuclear submarines," says one expert, "they've got us and they know it."

A WAY OUT

Rep. Charles Bennett (D-Fla.), chairman of the House Armed Services Subcommittee on Seapower, believes there is a way out of the dilemma. In a September 25, letter to Navy Secretary Edward Hidalgo, Bennett suggested refurbishing at least one of the eight federally owned naval shipyards which, prior to 1973, built up to five nuclear subs a year.

At a hearing before Bennett's seapower committee last week, Adm. Webber said he wanted other sources of production. The Navy is dusting off a 1977 study on equipping a public shipyard to speed production of submarines. It's due out in December and Bennett wants a copy for the subcommittee's consideration

Electric Boat has fallen so far behind, Bennett told Hidalgo in his letter, that the higher cost of federally built ships may be worth the price. The consignment of only one attack boat to a public shipyard, however, would mean the loss of $500 million in business to either General Dynamics or Tenneco, and would undoubtedly prompt a vicious political battle within the subcommittee. The Newport News shipyard, which employs 26,000 people, lies in the district of Rep. Paul Trible (R-Va.), a subcommittee member, while the privately owned Bath Iron Works shipyard, which employs 14,000, is in the district of Rep. David Emery (R-Me.). Two other subcommittee members, Rep. Floyd Spence (R-S.C.) and Rep. Paul Dougherty (R-Pa.) have publicly owned shipyards in their districts.

Another possible obstacle: preparing a federal shipyard for submarine production would cost several hundred million dollars.

Some production problems arise, says a congressional expert, because the Navy's shipbuilding contracts protect the builder from paying for many of his own mistakes. In 1976, for example, the lead shipyard for the attack boats discovered defects in several emergency hydraulic control valves, yet another yard installed the same type of valves several months later. The problem was easily resolved, however. The Navy paid the second yard $5.8 million to replace the valves.

Several sources fear that the production delays—plus several add-on payment claims by General Dynamics—will prompt a series of protracted contract wrangles between the corporation and the Navy, similar to those which occurred in the early 1970s. This could further delay completion of the subs.

The deficient GE rotors are the latest in a series of problems to plague submarine construction by General Dynamics. In December 1979, for example, Navy inspectors discovered defective welds on the decks and deck stanchions of the attack boats *Bremerton, Jacksonville* and *Phoenix.* The welds had been inspected and approved by General Dynamics inspectors, according to an August 18 General Accounting Office report on the SSN-688 program. Futher inspection revealed numerous incomplete and defective welds and missing inspection records, the

Navy told Defense Week. Similar problems were encountered in the Trident sub *Ohio*.

"The whole thing happened because four [General Dynamics] inspectors simply quit inspecting and submitted false reports," Defense Week was told. General Dynamics says the ships were carefully reinspected and all unsatisfactory welds were corrected. The cost: $17 million. General Dynamics and the Navy assert that the strength of the subs' hulls was not affected.

Another major problem is that General Dynamics accepted and used low-carbon steel in several areas of the attack boats, including structural support foundations. The cost of replacement: $2.7 million. While testifying before the seapower subcommittee last Tuesday, Adm. Webber said he doubts that General Dynamics has corrected its quality control problems.

The delays in production of the attack submarines are all the more vexing to the Navy because the SSN-688 boats seem to have done well in actual operations. On a recent patrol, the *Memphis, Los Angeles,* and *Cincinnati* each simultaneously tracked two Soviet *Victor* class subs in the high density environment of the Mediterranean, according to a message from the boat captains to the Navy's submarine warfare office. The captains praised the boats' BQQ 5 long distance sonar, built by International Business Machines. And, they said, their boats easily outran the *Victors.*

Shipbuilding in 1982: Parting Surgery From Carter

President Carter's 1982 defense budget contains about $6 billion for the construction of 14 Navy ships, five less than will be built with fiscal year 1981 funds, government sources say.

The budget recommends construction of three surface warships: two CG-47 guided missile cruisers and one FFG-7 guided missile frigate. One Trident nuclear submarine and one SSN-688 attack submarine are also included in the Carter budget submission, along with one TAKX prepositioning ship and two SL-7 transport ships (including the conversion of one existing craft).

Other items on Carter's shipbuilding agenda: four TAGOS ocean surveillance ships, an oiler and an ARS salvage ship. Between 1982 and 1986, Carter would build about 80 Navy ships, sources say, rather than the 97 called for in his Administration's previous five-year shipbuilding program.

Critics of the Carter Administration's shipbuilding program in recent years already are preparing a counter-offensive: "You can look at those numbers as starting figures only," said a congressional aide angry at the "paltry" number of surface warships in the Carter budget. "We can boost that bottom line by $2 billion with no problem," he told Defense Week.

Rep. David Emery (R-Me.), a member of the House Armed Services seapower subcommittee, said three surface combatants "is not enough." Worried by an increase in Soviet naval forces in recent years, Emery says the U.S. should produce at least three CG-47 cruisers, five FFG-7 frigates and three SSN-688 attack subs each year, as well as three more nuclear aircraft carriers. (Some Pentagon officials expect that the Reagan Administration will view carriers as necessary and viable warships, rather than the Carter Administration view that they are costly and vulnerable targets.)

A more wary observer, however, cautions those who expect signficant increases in the Navy's shipbuilding program: "It will depend on how much money we find floating around, and there won't be a lot of it."

Government sources say that $19 million of the 1982 shipbuilding money will be used to purchase the British combat supply ship *Lyness,* which has been declared surplus by the British Navy. The 525-foot ship has already been chartered from Britain and is to join the U.S. Sixth Fleet in March. After its purchase, the *Lyness* will be fitted with communications gear and, possibly, helicopter servicing facilities.

The Carter budget also contains "several million dollars to charter three roll-on, roll-off transport ships from the Lykes Brothers Steamship Co., Inc. of New Orleans, La. Under an arrangement being negotiated with the Navy's Military Sealift Command, Lykes will purchase the ships from Hansa Lines of Germany and renovate them for charter to the Navy.

Carter's 1982 shipbuilding program would fund the fifth CG-47 cruiser equipped with the Aegis combat system. The third and fourth ships were funded last year at about $815 million each, and are being built by the Ingalls Shipbuilding Corp. The Navy wants to build 21 CG-47s.

The single frigate in the budget is in stark contrast to the four FFG-7s funded this year, "a reduction which may have a few supporters in the Pentagon. The Navy wants heavy ships and isn't interested in having too many frigates around," says a congressional aide. Congress has authorized construction of 40 frigates; seven have been delivered. The FFG-7s are being built by two companies—Bath Iron Works and Todd Shipyards Corp.

The single Trident in Carter's budget would be the Navy's ninth. The *Ohio,* lead ship in the class, is scheduled for completion in June though skeptics say it may be late August before the Navy accepts delivery from General Dynamics. The second sub, the *Michigan* is scheduled for completion about four months after the *Ohio.*

The lone SSN-688 in the 1982 budget proposal would provide the Navy with its 18th attack submarine. The Navy wants to build a total of 35. The attack subs are being built by General Dynamics and the Newport News Ship Building and Dry Dock Co. of Newport News, Va.

The four TAGOS ships in the 1982 budget would complete the Navy's requirement for a dozen of the undersea surveillance vessels. TAGOS ships, which are manned by civilian crewmen, pull a long linear array of hydrophone collection devices through the water to collect undersea acoustic data.

Probe of Navy-Electric Boat Relations Sought By Beard

Perturbed by the Navy's refusal to provide detailed information about why construction of Trident nuclear submarines has been repeatedly delayed, Rep. Robin Beard (R-Tenn.) has called for a congressional investigation of the submarine program. In a January 9 letter to Rep. Charles Bennett (D-Fla.), chairman of the House Armed Services seapower subcommittee, Beard says that the subcommittee should investigate the relationship between the Navy and Electric Boat, builder of the Trident subs, which has led to the "inexcusable delay" of more than two years and over $250 million in cost overruns.

Beard wants details about private meetings between Electric Boat executives and Navy Secretary Edward Hidalgo which may have been held to decide who should pay for the cost overruns. In a letter to Hidalgo last month, Beard demanded a record of all Hidalgo's meetings with Electric Boat officials and a listing of the Navy personnel present at each meeting. In addition, Beard asked Hidalgo for an explanation of "what decisions were made."

In a November 21, letter to Hidalgo, Beard said: "In view of the fact that our nuclear submarines are becoming an increasingly important part of the U.S. strategic triad, I am disturbed that the Trident program has been characterized by a series of delays . . . [which were] caused in large part by quality control problems at the Electric Boat shipyard in Groton, Connecticut, pertaining to the welding, steel plating and turbine rotors" for the submarines. Beard asked for a summary of quality control problems at Electric Boat and the Navy's proposed remedies. Hidalgo has not answered either request despite his repeated promises to do so, Beard told Defense Week, adding: "I am beginning to detect the odor of something that smells wrong." Beard said he wants to determine if Hidalgo discussed the cost overruns with Electric Boat during meetings in which he was not accompanied by Navy lawyers or accountants. "I would hope that an investigation by Rep. Bennett would cover all of these questions, and others," Beard said.

During hearings on the Trident program in September, Bennett said he would call Electric Boat executives to testify early this year. Further hearings have yet to be scheduled, however.

Navy Submarines: Delayed Again

The delivery of six of the Navy's SSN-688 attack submarines has been delayed once again. In a January 5, letter to the House and Senate Armed Services committees, former Navy Secretary Edward Hidalgo said delivery of the six submarines would be delayed from two to eight months beyond the dates in a submarine delivery schedule sent to the Navy only five months ago by General Dynamics Corp., builder of the attack boats. For example, the *Bremerton,* SSN-698, will be delivered in February this year rather than last December, as originally projected, while the *Boston,* SSN-703, will be delivered in June 1982, instead of September 1981.

In addition, Hidalgo indicated that there may be further delays in the Trident nuclear ballistic missile submarines. A General Dynamics review of the Trident construction program, which is now underway, may show further delays in store. Delivery of the *Ohio,* the lead Trident, is expected in June.

A chief reason for the delay, according to government and industry sources, is that the correction of several quality control problems at General Dynamics' shipyard in Groton, Conn., is taking longer than anticipated. Faulty submarine propulsion systems designed by the General Electric Co., are being replaced, as is some of the low-carbon steel supplied by various subcontractors. The attack boats and Trident subs were affected.

Meanwhile, Rep. Charles Bennett (D-Fla.), chairman of the House Armed Services seapower subcommittee has indicated he may broaden the scope of his hearings on the Navy's submarine construction programs to investigate the relationship between Hidalgo and General Dynamics, builder of many of the attack boats and all Trident nuclear submarines.

In a January 19 letter to Rep. Robin Beard (R-Tenn.), Bennett implied his subcommittee may look into the reasons for several private meetings between Hidalgo and two General Dynamics executives: Board Chairman David Lewis and Executive Vice President P. Takis Viliotis, head of the corporation's marine division. "If you feel further investigation is needed," Bennett wrote Beard, "the hearings . . . to be held early this year could be widened to include any matter relative to naval ship construction."

In early January, Beard asked Bennett to determine if any decisions were made during at least five private meetings between Hidalgo and the corporate executives. Specifically, Beard wants to know if they discussed the resolution of approximately $250 million in cost overruns on the Trident program.

In answer to a series of requests from Beard, the Navy recently confirmed that Hidalgo had a private meeting in his office with Lewis on February 11, 1980, and held four such meetings with Veliotis in May, July, October and December. On Jan. 2, 1981, three days before his letter announcing the new delays, Hidalgo met again with Veliotis, but this time he was accompanied by three Navy officials, including Coleman Hicks, the general counsel.

In a recent memorandum to Beard, the Navy asserts that, "These were not decision-making meetings, but rather meetings for the purpose of exchanging information and mutual views. Maintaining open lines of communication is always important, but during periods when a shipbuilder is encountering production delays, it is essential." A General Dynamics spokesman declined comment on the substance of Hidalgo's meetings with Lewis and Veliotis.

The SSN-688 attack submarines are designed to destroy ships, principally submarines. Each carries a crew of 102 and displaces 6,900 tons. The Navy wants about 35 of the new subs, including 10 already in the fleet, eight under construction (including two by the Newport News Shipbuilding and Dry Dock Co., a Tenneco subsidiary) and 14 to be funded by 1986, according to the Navy's five-year shipbuilding program released last week. The Pentagon's 1982 budget contains $576.7 million for procurement of one SSN-688. Millions more for "cost growth," outfitting and research run the cost up to $778.8 million.●

HOUSE OF REPRESENTATIVES—*Wednesday, January 28, 1981*

The House met at 3 p.m.

The Reverend Richard Englund, Trinity Church, Chambersburg, Pa., offered the following prayer:

O God, we come before You with the song of joy and thanksgiving still ringing in our hearts. We are grateful that this difficult and trying chapter in our national life is now over and that the hostages have been returned from Iran. We ask You to be with them and their families as they begin to pick up the pieces of their lives and put them back together again. May they be aware of Your presence and Your love as they go through these difficult days of getting to know one another again.

We ask for Your special grace upon our Nation and our leaders. Help us so that our anger and disgust at the way they have been treated does not turn into wrath and vindictiveness. You have not taught us to live that way. Guide us into following in the footsteps of Your Son, Jesus Christ, whose forgiveness came to us from the cross and whose love bore all things and endured all things.

We seek Your guidance in particular for all those to whom is committed the Government of this Nation. At this time of great uncertainty give them wisdom and courage, discipline and self-control, so that they may consider all questions calmly in their deliberations, and act wisely and promptly, upholding what is right, abhorring what is wrong, and performing that which is just, so that in all things Your will may be done. In Jesus' name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

THE REVEREND RICHARD ENGLUND

(Mr. PETRI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PETRI. Mr. Speaker, it is my privilege this afternoon to welcome the Reverend Richard Englund of the Trinity Evangelical Lutheran Church of Chambersburg, Pa., to the House of Representatives.

Reverend Englund was the pastor of my church in Fond du Lac for 5 years. His warmth and his guidance to all the members of the church is still remembered by all of us. It was in his living room in Fond du Lac that Reverend Englund urged me to give up the practice of law and try my hand at politics. I like to think that is a good example of his wise counsel.

He was educated in Massachusetts where he received his bachelor's and master's degrees in chemical engineering and then decided to set his life on a different road and attended the Lutheran School of Theology in Chicago.

Reverend Englund has had churches all over the United States: Colorado, Nebraska, Wisconsin, and now, Pennsylvania; and he has been joined in his work by his wife Greta and three children.

The dedication and love of all the ministers, rabbis, and priests of this country—men like Dick Englund—contribute toward maintaining our country's value system.

Dick Englund represents here today, all those men and women who spend their lives teaching and preaching among us.

Thank you, Reverend Englund.

SWEARING IN OF MEMBER-ELECT

The SPEAKER. Will the gentleman from Vermont (Mr. JEFFORDS) kindly step into the well of the House and take the oath of office?

Mr. JEFFORDS appeared at the bar of the House and took the oath of office.

The SPEAKER. The Chair recognizes the gentleman from Texas (Mr. WRIGHT), the majority leader.

LEGISLATIVE PROGRAM

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, I take this time to make some brief announcements with respect to the schedule.

The first thing is that today there is a special order, in which any Member who desires to do so is invited to participate, in memory of Olin E. Teague, who was buried yesterday.

The second thing I want to tell Members is that we will have a pro forma session tomorrow, another Friday and another Monday. It is not anticipated that legislation would be brought up on the House floor tomorrow, Friday, or Monday.

The next thing is that the President of the United States has requested of the leadership that we enact very early next week, if possible, a debt ceiling extension at a net figure of $985 billion. Now, if it is possible for the Congress to complete action upon this request next week, either by Thursday or by Friday if necessary, then it will be possible for the House to take the entire week of Lincoln's birthday as a home district work period.

If it is not possible, for whatever reason, to complete action on that debt ceiling extension requested by President Reagan next week, then we would have to be in session Monday and/or Tuesday of the following week.

INTEREST RATES

(Mr. MOTTL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOTTL. Mr. Speaker, today I have introduced a resolution calling for the Federal Reserve Board to take action to bring down interest rates.

For the past year, the Fed has been literally bludgeoning major sectors of the economy by twice pushing the prime borrowing rate above the unbelievable level of 20 percent. In the name of fighting inflation, the Fed has been causing more while only delaying economic revitalization which in the long run would reduce inflationary pressures.

Mr. Speaker, tight money will not end inflation unless we are brought to an unacceptable economic standstill. We in Congress must also do our part, by cutting taxes and spending, balancing the budget, scrapping needless regulations, and restraining energy prices.

Let us not put the inflation-fighting burden on the family wanting to buy a house or a car, or on the small businessman trying to stay out of the red.

ANNOUNCEMENT OF APPOINTMENT OF STAFF MEMBER JONNA LYNNE CULLEN TO OMB STAFF

The SPEAKER. The Chair would like to make the following announcement.

There has been a young, able, talented, and beautiful woman who has worked for the Committee on Rules for many years, and her name is Jonna Lynne Cullen. She is leaving the committee and going to the Office of Management and Budget to be the liaison to the House for the newly con-

firmed Director, Mr. Stockman, and the Chair is sure all Members and friends wish her the greatest success and happiness.

THE FORGOTTEN HOSTAGE IN IRAN

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, I rise today to express the sincere hope that the celebration by this body and this Nation in the past 8 days over the release of the 52 Americans held hostage in Iran will not dim our memory of an American citizen who remains today an uncharged, untried prisoner of the Islamic Republic of Iran.

Cynthia Dwyer, a freelance journalist from Amherst, N.Y., near Buffalo, traveled to Iran last April after having published several articles on the Iranian revolution—articles that, ironically, were anything but supportive of the Pahlavi regime. She was in Tehran to continue her journalistic research when, on May 5, she was arrested by revolutionary guards at her hotel, accused of being a spy for the CIA. The accusation, never followed by formal charges, is blatantly false; nevertheless, the shameless and irrational leaders of Iran have used it to indefinitely detain this professional writer, this homemaker, and mother of three young children, this innocent American.

I urge the administration, which has already initiated third-party efforts to secure a definition of Mrs. Dwyer's status and to seek her release, to redouble those efforts immediately in this uncertain stage of American-Iranian relations. And I call on my colleagues and my fellow citizens not to allow Cynthia Brown Dwyer to become a forgotten hostage of Iran. We owe her and her family the freedom so recently won for her 52 countrymen.

□ 1510

MR. DONOVAN SHOULD BE CONFIRMED

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, I am outraged over yesterday's proceedings at the confirmation hearing for Labor Secretary-designate, Raymond J. Donovan. The FBI on the basis of admittedly unsubstantiated allegations from informants—attempted to link Donovan's construction company to questionable or illegal mob activities.

Mr. Donovan was entirely correct in calling these informants slime. I was a police officer for 23 years in New York City and know that informants are unreliable—pathological liars and are oftimes manipulated. The very best one can expect from an informant is a lead or a direction which in and of itself may be meaningless unless pursued for confirmation by supporting credible evidence.

The reliance on informants prompted Mr. Donovan to say—

I'm from a great State, New Jersey. But if you're in the construction business in this country, you're suspect. If you're from New Jersey, you're indictable. And if you're Italian, you're convicted.

What Mr. Donovan is enduring is not unique—but he very graphically makes the point. The Italian-American community has been burdened with this problem for years. Numerous prominent and average Italian Americans have been the victims of character assassination on the strength of informant innuendos that somehow are leaked to the media and which result in extreme political and personal damage.

Any individual or agency which uses informant evidence without corroboration is truly abusing their power. The fact that the FBI has resorted to this tactic is truly unfortunate—it threatens the very integrity of the system of justice in our Nation.

Based on the testimony received, I hope the Senate Labor Committee goes forward with a vote to confirm Mr. Donovan.

PRESIDENT ERRS IN REMOVING PRICE CONTROLS ON OIL

(Mr. DONNELLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DONNELLY. Mr. Speaker, President Reagan has made a serious mistake by removing price controls from oil at this time.

It may be warm and sunny in some parts of this Nation, but in New England, we are in the middle of the coldest winter this century.

We have already run short of coal; we have run short of natural gas; we are running short of heating oil; and we have conserved every possible Btu.

The President's order will not produce any more oil this afternoon, this week, this winter. The only fuel it will provide immediately is fuel for inflation.

The decision to decontrol today will cost the American consumer billions of dollars more than if he had waited until controls expire in 8 months.

Government may profit; the oil companies will profit; and price gougers will make giant profits. Only the American consumer will lose.

EL SALVADOR SHOULD HANDLE ITS OWN PROBLEMS

(Mr. SHANNON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHANNON. Mr. Speaker, last week, the State Department informed the Congress that the United States will be sending military personnel into El Salvador to assist Salvadoran security forces. These are the same security forces that Ambassador Robert White said were undoubtedly "directly involved" in the December murder of four American Catholic missionaries.

Our military personnel are now involved in the internal problems of El Salvador. In the State Department's own words, they are at risk from the "possibility of an 'isolated' terrorist attack." Terrorist attacks are not isolated incidents in El Salvador—10,000 people have been killed there in acts of political violence during the past year.

It is ludicrous to risk the lives of American military to support a government that our own State Department has implicated in the murders of American civilians.

The problems of El Salvador must be solved by Salvadorans, not by Washington. Mr. Speaker, I urge the removal of all U.S. military personnel, and the discontinuation of all economic aid to the Government of El Salvador.

MR. DONOVAN SHOULD NOT BE SUBJECT TO ABUSE BASED ON HEARSAY

(Mr. FOGLIETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOGLIETTA. Mr. Speaker, I have listened attentively to the remarks made by Mr. BIAGGI and I concur with him entirely. Too often, decent Americans, called into public service, have their pasts picked through with finetooth combs, only to be rewarded with a barrage of unsubstantiated allegations. I do not think that men of Mr. Donovan's stature should be subjected to slander and abuse in a public forum on the basis of unrealiable and hearsay information.

WHO WILL HEAD THE VETERANS' ADMINISTRATION DURING THE NEXT 4 YEARS?

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, I am very concerned that the President has not yet disclosed his choice to head the Veterans' Administration for the next 4 years. Many of my colleagues share my concern.

I realize there are many things that must be done in assuming the Presidency and I am sure the administra-

tion is doing the very best it can to put in place those people who will help lead the administration during the next 4 years. I believe the Administrator of Veterans' Affairs is one of the most important appointments the President will make and I would have hoped the President would have made his choice before now. Obviously, he must first concentrate on the Cabinet-level positions and one can even understand the high priority being placed on the No. 2 position in the Cabinet.

What concerns me is that many sub-Cabinet positions have already been announced. In fact, the Washington Post this weekend revealed that the President has selected his Director of the Internal Revenue Service and his Administrator of the Federal Railroad Administration.

Mr. Speaker, the Veterans' Administration is the largest independent agency in the executive branch. In fact, it is larger than several departments combined. It operates a budget of more than $22 billion and its total number of employees exceeds 220,000. I would, therefore, urge the President to move with dispatch to make known to the Congress and to the veterans of our Nation his choice to head this most important agency during his administration. It is in the best interest of all our Nation's veterans that this be done without further delay. In this way our veterans will know the President cares about them and that he intends to place a high priority on benefits and services to be provided to them and their families.

H.R. 1008 PROVIDES FLEXIBILITY IN CLEAN WATER ACT

(Mrs. BOUQUARD asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOUQUARD. Mr. Speaker, while we all support the goal of abundant pure clean water, hearings before the Public Works Subcommittee on Oversight and Review last year made it clear that the EPA is not implementing the pretreatment provisions of the Clean Water Act in a cost-effective manner. In fact, testimony before this subcommittee indicated that the EPA's attempt to develop national uniform pretreatment standards would add tremendously to the cost borne by industries in waste treatment and not necessarily provide cleaner water.

Mr. Speaker, I have introduced H.R. 1008. Legislation to provide some flexibility in enforcing section 307 of the act by allowing local communities to develop their own pretreatment programs as long as the final discharge from the publicly owned treatment works did not violate the effluent limitation for treatment works. Our chief concern, as well as the chief concern of the EPA, should be in controlling the amount of toxicity which is ultimately discharged from a treatment works. It should be left to the local authorities to determine just what the most cost-effective means of meeting these requirements will be.

I urge my colleagues to join with me in providing this needed flexibility by cosponsoring H.R. 1008.

CONSUMERS LEFT AT MERCY OF OIL COMPANIES AND OPEC

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, the Reagan administration is wasting no time showing the American people where it stands on energy issues. The action by President Reagan to immediately decontrol domestic oil leaves consumers entirely at the mercy of the big oil companies and OPEC.

President Reagan is renouncing any responsibility for our Nation's energy policies. In throwing away the Federal Government's energy tools, he is insuring that big oil and OPEC will dictate energy policies and energy prices to the American people.

While I did not agree with the previous policy of gradual decontrol, that policy did provide a buffer for the American consumer and American industry. But in his efforts to get a running start, President Reagan has resorted to running over consumers. His action will bring long-term economic shocks and mean real hardship for the American people.

Letting OPEC and big oil determine our energy costs will only further unleash inflation and make a mockery of our free market system. Energy has been the single most important factor disrupting our economy for the past 8 years. In one hastily reached decision, the Reagan administration is surrendering the sole weapon we possess to limit the full brunt of spiraling energy costs on American consumers. And with one stroke of the President's pen, the essential allocation protections we worked so hard to get are being cast aside.

This decision to immediately decontrol domestic oil will have long-term repercussions, primarily on energy dependent States. Instead of being enhanced, the free market system will be further stifled. Decontrol has the potential to encourage monopoly as oil companies pull out of exisiting markets in search of more profitable areas closer to their product sources.

In my own State of Minnesota, four oil companies—Texaco, Gulf, DX, and Shell—are already considering moving out. The lifting of allocation requirements will only increase the possibility of such desertions.

The loss of these oil companies could create a real crisis in my State. Forty-four percent of the refined oil consumed in Minnesota is brought in from other States. With the loss of these major oil companies, who would make up their share of the Minnesota market? How much freer would the market be without them?

The problem is compounded by the cutbacks and gradual phase out of Canadian crude oil to Minnesota. At present, 82,000 barrels per day are brought into the State from Canada. Compare this to the 123,000 barrels per day we received just last year. And in a few short years there will not be any Canadian crude at all. There is real concern that Minnesota farmers will face shortages of the fuel needed to plant and harvest their crops. Homeowners whose bills are already soaring will find their utility bills even higher. And consumers who have already reduced gasoline consumption to minimal levels will face higher costs and the prospect of gasoline shortages.

The sad aspect of this situation is that Minnesota is not alone. Other energy dependent States will have to come to grips with the effects of immediate decontrol. We should have had in place, before decontrol occurred, alternative measures to insure that all those who need oil would have access to it at affordable prices.

□ 1520

COMMEMORATIVE POSTAGE STAMP TO HONOR OUR RETURNEES AND SERVICEMEN

(Ms. FIEDLER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FIEDLER. Mr. Speaker, since November 1979, our country has been bedecked with a symbol—a symbol that has been seen in every corner of the Nation. That symbol is the yellow ribbon, signifying our Nation's desire for the safe return of our countrymen who were held hostage in Iran.

Yesterday that symbol covered Washington, even to the balcony of the White House. There is a proposal before this House to strike a medal for each of our returned hostages. Today, I propose an additional step—that Congress pass a concurrent resolution calling for the printing of a commemorative postage stamp to honor our returnees and the eight American servicemen who died during the aborted rescue attempt. Perhaps the theme of that stamp could be the yellow ribbon our countrymen have displayed and worn for 14 months.

I believe a commemorative postage stamp, easily within the means of every American, will be a constant reminder to the people of our country of the need to remain strong in the face

of hostile enemies and keep alive the memory of those Americans who suffered so long in Iran and those who gave their lives trying to free them.

LET TERRORISTS BE AWARE

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Florida. Mr. Speaker, on November 7, 1979, just after the Iranian terrorists attacked our Embassy and kidnapped our fellow Americans, I came before this body charging that it was decision time for our country—time to warn the terrorists of the world that the United States is through backing away and apologizing—time to say and do those things necessary to let the world know that America will never go to its knees again, except in the worship of Almighty God.

President Reagan proclaimed such a decision yesterday when speaking for the American people he said:

> Let terrorists be aware that when the rules of international behavior are violated, our policy will be one of swift and effective retribution.

I am proud of our President for saying what has been in the hearts and minds of our countrymen for so long.

The President's announcement will be welcomed by our country's friends and allies, who now realize that the slumbering giant has been aroused and it will be greeted with grudging respect by those who would be our adversaries.

Our President has made a strong statement, one that has been long overdue, but one that will enjoy the strong support of a united America.

SUMMIT MEETING TO IMPROVE RELATIONS WITH OUR NORTH AMERICAN NEIGHBORS

(Mr. STANGELAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STANGELAND. Mr. Speaker, today, I am reintroducing a concurrent resolution calling upon President Reagan to invite President Lopez Portillo of Mexico and Prime Minister Pierre Trudeau of Canada to a summit meeting to discuss improving our relations with our North American neighbors in a variety of areas such as trade, immigration, agriculture, transportation, energy, and others. This resolution is modeled after a similar one I introduced in the last Congress which was consponsored by over 70 Members and which generated hearings before several foreign affairs subcommittees. As a result of these hearings and in consultation with both private sector and governmental leaders in all three countries, I have broadened the scope of my original proposal to cover a wide range of issues affecting the United States, Canada, and Mexico.

This North American summit meeting is designed to provide a forum for discussion of key issues that have, in the past, caused strained relations with our border neighbors to the north and south. Potential conflicts should also be studied at such a top-level meeting. It is important to emphasize that the spirit behind this resolution is one of mutual cooperation and benefit to all three nations. This spirit has often been lacking in previous negotiations and, for this reason, it is imperative that President Reagan act expeditiously to improve our relations with Mexico and Canada, as he has promised to do during his Presidential campaign.

As cochairman of the House North American Trade Caucus with Congressman JOHN BREAUX, it is our intention to urge greater sensitivity to the issue of North American relationships. The summit meeting will be an important first step and strong signal to our neighbors that we are, in fact, serious about this proposition.

PRESIDENT McKINLEY'S BIRTHDAY

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, we Americans, in every corner of our great Nation, have just experienced a marvelous week, an historic week, a week which drew us together in love of country and in determination to be resolute in the protection of our greatest blessing—freedom.

I think it is appropriate at this particular moment in our history, when America is reasserting itself as a world leader, to recall an American leader who stood for the values and principles we cherish as a people.

Tomorrow is the birthday of our martyred President William McKinley. It was during his administration that the United States moved onto the world scene as a great power and it was generally recognized that isolation was no longer desirable or even possible.

Our 25th President led our country to accept its international responsibilities and commitments. The history of the world was greatly influenced as a result.

If he had been present here in the Nation's Capital yesterday, I am sure he would have strongly endorsed the words of our 40th President when he warned international terrorists that our patience has a limit.

A religious man, President McKinley found it necessary to lead us in war. His goal, however, was peace. He said, in one of his speeches:

> Let us ever remember that our real eminence lies in victories of peace, not those of war.

William McKinley served the 16th District of Ohio, which I am proud to call my own, for 13 years and, in his last term, was chairman of the Ways and Means Committee. Before being elected President in 1896, he also served 4 years as Governor of Ohio.

His favorite flower was the red carnation, Ohio's State flower. The carnations you see today in the House dining room honor his memory.

CONSTITUTIONAL AMENDMENT TO BALANCE THE BUDGET

(Mr. HARTNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARTNETT. Mr. Speaker, today I have introduced legislation to provide for a constitutional amendment to balance the budget. The American people spoke on November 4 and they said they are tired of runaway government. In order to control the growing bureaucracy there must be some belt tightening. The businesses and workers of the United States are required to balance their budgets, why should they not be able to expect the same from their Government. The actual 1980 budget had a deficit of almost $74 billion. President Carter's 1981 budget has an estimated deficit of $78.4 billion. Need we wonder why inflation has been in the double digits for 2 consecutive years, only for the second time since 1917.

The budget is full of fat. Joseph Califano, former Secretary of HEW admitted his agency lost billions of dollars through fraud and waste. As another example, OSHA has had a constant budget increase for 5 years while job-related accidents have skyrocketed. This to me indicates inefficiency in the OSHA program not to mention the cost to businesses and consumers in paperwork.

In the past 4 years the majorities in the House and Senate have not acted on their own to balance the budget, therefore, I feel it is time to listen to the American people.

Former President Carter's 1982 budget shows a deficit of $27.5 billion, but his estimate includes a 10-cent-per-gallon gasoline tax. The American people have spoken and I for one have heard. The heroes that President Reagan spoke of in his inaugural address do not need more taxes, they do not want more government, they want a government that can live as they do, within their means.

THE IMPUTED TAX RELIEF ACT OF 1981

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, today I am introducing legislation to prohibit the Internal Revenue Service from issuing final regulations that would harm family farms and businesses and further depress the housing industry.

This measure, the Imputed Tax Relief Act of 1981, would prohibit the Internal Revenue Service from adopting new regulations that increase the imputed interest rate on a loan between related parties and on transactions involving deferred payment sales of certain property. At a time when high and fluctuating interest rates are hurting economic recovery as much or more than any other factor, the IRS should not be throwing fuel on the fire by raising imputed interest rates.

In August of 1980, the Internal Revenue Service proposed regulations that would increase imputed interest rates by 50 percent on transactions between related parties and on deferred property sales. It is obvious that this increase is inflationary and that it will most affect farm and ranch income.

One of the most important factors affecting the sale of farm and ranch land is not only the price of the land but the terms of the sale as well. The freedom of the seller to offer a property at less than commercial rates gives him and the buyer a critical edge in the market. IRS action to raise the imputed interest rate will seriously erode this critical edge.

The typical farm or ranch operation simply does not generate the income to pay for land, meet equipment and operational costs, and pay higher interest rates. The land contract is one of the common estate-planning tools used by many young farmers and ranchers.

Such special arrangements may allow the young farmer an entry into land owership that might otherwise not be available. The proposed IRS action, which my bill will prevent, would discriminate against family transactions by requiring higher interest rates on loans for the sale of property to family members. The increased interest rates are contrary to our historic national policies of preserving the family farm and the operation of the independent farmer.

The IRS justifies the increase on the ground that it is necessary to reflect current market rates. I contend that the market rates referred to do not accurately reflect the unique situation in the agriculture economy. Agriculture is Nebraska's leading industry and this multibillion-dollar economy is suffering.

The past year has been a year of lower prices and higher production costs, a year marred by losses due to the grain embargo, and a year of drought and other poor weather conditions. Imposing higher imputed interest rates will only add to the forces working against the economic well-being of American agriculture.

The IRS was wise to heed public protest against these proposed rules by delaying their implementation until July 1, 1981. Congress would be wise to take this opportunity to enact legislation to prohibit on a permanent basis the increase in imputed interest rates sought by the IRS.

JUMPING TO CONCLUSIONS IN EL SALVADOR

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, I would like to point out to all the Members that one of the wisest things we could do is not jump to conclusions on the basis of press reports. There have been press reports of a dramatic nature about developments in El Salvador. The picture is painted as if all the evil lies on one side and somehow the truth only lies with the would-be rebels.

We went through a similar scenario in Nicaragua and the picture now looks very, very different after more facts come in.

I would suggest that the responsible committees of the House and the other body take a good look through proper channels and procedures at the situation in El Salvador and that we in the House personally and collectively not be stampeded into any premature judgment.

REMEMBER THE VIETNAM VETERANS

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, in the wake of all the celebration yesterday and welcoming home our 52 hostages, I just have one observation I have to make. After participating with the Speaker and the distinguished majority leader in those proceedings at Andrews Air Force Base, we along with many of our colleagues, present and former, attended the funeral of that great patriot and nine-time decorated veteran, a former Member of this House, Olin "Tiger" Teague, at Arlington National Cemetery. The eulogy was a most beautiful one, delivered by Colonel Singleton of the Air Force who was, you may recall, a fighter pilot who was shot down over North Vietnam and held prisoner for more than 7 years in those hell holes where our prisoners were held at the time.

He is now an Air Force chaplain and, as I said, delivered a most moving and touching eulogy.

□ 1530

I could not help but think as I went home last night, after all that had taken place, that it was just too bad we did not—we did not—give just a fraction of the attention to those returning prisoners from Vietnam as we did for those returning yesterday. In my judgment, we still owe those heroes much more attention than their Government ever gave them.

SEXUAL ORIENTATION SHOULD NOT BE REGARDED AS LEGITIMATE GROUNDS FOR BIAS

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WEISS. Mr. Speaker, on behalf of Mr. WAXMAN and 31 other of our colleagues, I am today introducing legislation that addresses one of the most pervasive forms of discrimination found in our Nation. My bill also reinforces the constitutional guarantee of the right to privacy since this fundamental freedom is undermined whenever an individual's sexual orientation becomes the basis for discrimination.

A person's sexual orientation should not be regarded as legitimate grounds for bias any more than should skin color or religious expression.

Over 20 million homosexual men and women are in every occupation and institution in our Nation. They are doctors, lawyers, professors, carpenters, clerks, secretaries, writers, Government workers, and streetsweepers. They are rich and poor, black and white, city dwellers and rural residents. And like most Americans, they obey the law and work hard.

But unlike other groups, homosexuals do not have legal recourse when they encounter discrimination. A man or woman may meet every possible criterion for housing or employment and yet if he or she is a homosexual an apartment or job can be denied him or her simply on the basis of personal, private sexual orientation.

Last October, hearings were held by the Subcommittee on Employment Opportunities on this issue in San Francisco. Almost every witness testified to the need for this legislation. And its enactment would confirm my belief that most Americans oppose this form of bias just as strongly as they reject discrimination directed against racial and religious minorities.

I hope this Congress will recognize that homosexuality is not a sufficient

reason to relegate a person to the status of second-class citizen. I urge my colleagues to join me in cosponsoring this legislation to amend the Civil Rights Act so that we may eliminate discrimination against homosexuals in housing, employment, education, and public accommodations.

When we address the issue of rights for homosexuals we are, in fact, talking about human rights. Let us make 1981 the year when our Nation no longer sanctions discrimination based on the private sexual orientation of millions of Americans.

A copy of the bill follows:

H.R.—

A bill to prohibit discrimination on the basis of affectional or sexual orientation, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Civil Rights Amendments Act of 1981."

PUBLIC FACILITIES

SEC. 2. Section 301(a) of the Civil Rights Act of 1964 (42 U.S.C. 2000b(a)) is amended by inserting after "religion," the following: "affectional or sexual orientation,".

FEDERALLY ASSISTED OPPORTUNITIES

SEC. 3. Section 601 of the Civil Rights Act of 1964 (42 U.S.C. 2000d) is amended by inserting after "color," the following: "affectional or sexual orientation,".

EQUAL EMPLOYMENT OPPORTUNITIES

SEC. 6. (a) Sections 703(a), 703(b), 703(c), 703(d), 703(e), 703(j), 704(b), 706(g), and 717(a) of the Civil Rights Act of 1964 (42 U.S.C. 2000e-2, 2000e-3, 2000e-5, 2000e-16) are amended by inserting after "sex," each place it appears the following: "affectional or sexual orientation,".

(b) Section 717(c) of such Act (42 U.S.C. 2000e-16) is amended by inserting ", affectional or sexual orientation," after "sex".

(c)(1) Section 703(h) of such Act (42 U.S.C. 2000e-2) is amended by inserting after "sex," the first place it appears the following: "affectional or sexual orientation,".

(2) Such section 703(h) is further amended by inserting ", affectional or sexual orientation," after "sex" the second place it appears.

INTERVENTION AND PROCEDURE

SEC. 7. Section 902 of the Civil Rights Act of 1964 (42 U.S.C. 2000h-2) is amended by inserting after "sex" the following: ", affectional or sexual orientation,".

HOUSING SALE, RENTAL, FINANCING AND BROKERAGE SERVICES

SEC. 8. (a) Section 804 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation and for other purposes," (42 U.S.C. 3604), is amended by inserting after "religion," each place it appears the following: "affectional or sexual orientation,".

(b) Section 805 of such Act (42 U.S.C. 3605) is amended by inserting after "religion," the following: "affectional or sexual orientation,".

(c) Section 806 of such Act (42 U.S.C. 3606) is amended by inserting after "religion," the following: "affectional or sexual orientation,".

PREVENTION OF INTIMIDATION

SEC. 9. Section 901 of the Act entitled "An act to prescribe penalties for certain acts of violence or intimidation, and for other purposes," (42 U.S.C. 3631) is amended by inserting after "religion," each place it appears the following: "affectional or sexual orientation,".

DEFINITION

SEC. 11. As used in the amendments made by this Act, the term "affectional or sexual orientation" means male or female homosexuality, heterosexuality, and bisexuality by orientation or practice by and between consenting adults.

RULE OF INTERPRETATION

SEC. 12. No amendment made by this Act shall be construed to permit or require—

(1) the determination that discrimination exists to be based on any statistical differences in the incidence of persons of a particular affectional or sexual orientation in the general population as opposed to in the activity wherein such discrimination is alleged; or

(2) the fashioning of any remedy requiring any sort of quota for the activity wherein such discrimination is alleged for persons of any particular affectional or sexual orientation.

FRANK R. HOOD, HEAD OF THE VETERANS' ADMINISTRATION'S PUBLIC INFORMATION PROGRAM, HAS RETIRED

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, I would like to call the attention of my colleagues in the House to the fact that after nearly 23 years as head of the Veterans' Administration's public information program, Frank R. Hood, has retired.

Mr. Hood has been acclaimed professionally over the years and is held in esteem by countless persons he has worked with, in VA, in the Congress, in veterans' organizations.

But it is interesting to think what he accomplished during his long tenure for people who do not know him and will never hear of him. As VA's Assistant Administrator for Information Services, he directed a nationwide program to inform veterans and dependents of their rights and opportunities—and he did it for more than a generation.

At the time he was elevated from assistant to top VA publicist, many veterans who served in World War II and the conflict in Korea were still receiving readjustment help from VA. He was there through the buildup in Vietnam, the long war that followed, the development of new benefits and services to help veterans of that war, the end of the Vietnam era, and several years into the post-Vietnam era.

More than a third of those who are veterans today became veterans during Mr. Hood's tenure and heard about—and have been constantly reminded of—their rights and privileges through word put out by his organization. Those who already had service have continued to receive facts and advice of value to them.

Every newspaper, every radio station, every television station, every news organization in the United States has played a part in the dissemination of this vast amount of information Frank Hood has initiated and supervised. The number of people he has touched is inestimable.

A BILL TO LIFT SOME OF THE TAX BURDEN FROM SMALL BUSINESS

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, we call our Nation the land of opportunity, and rightfully so. Here people have a chance to build for themselves, to keep the fruits of their labors for themselves and their posterity.

How terrible it is then, Mr. Speaker, when we find those people who cannot do this. Rather, too often, the fruits of their labor wind up going to the tax collector.

In his inaugural address, President Reagan spoke about lessening the tax burden. I think we have to do this, particularly in regard to the crushing level of taxation small business bears.

Mr. Speaker, many, many family-owned small businesses and family farms have been sold to pay taxes. This is very unfortunate. It is something that should be stopped. Unless it is, we are going to see family-owned small businesses cease to exist, being bought up by large businesses that tend to greater and greater economic concentration.

Mr. Speaker, small business accounts for the creation of 87 percent of the new jobs in this country. The only way we are going to get true recovery from this recession is by encouraging small business. The way to do this is to keep small business functioning.

Mr. Speaker, I join our colleague, Congressman TAUKE, of Iowa, in sponsoring a bill to lift some of this burden from the back of small business. We propose, in essence, that the estate tax threshold on a family-owned business or farm be raised from the current $500,000 to $1 million provided the business or farm is passed along to the members of the immediate family. This increase would be phased in over a 5-year period, and the maximum amount would be indexed for inflation.

Mr. Speaker, this is a good bill for the "New Beginning."

LEGISLATION INTRODUCED TO METE OUT JUSTICE IN CASES WHERE VANDALS AND THIEVES DISHONOR THE SACRED RIGHTS OF OTHERS

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISH. Mr. Speaker, among the many treasured liberties guaranteed to each American under the Constitution of the United States is the right to freely exercise the religion of one's choice. Our reverence for that right is generally reflected in the profound respect and deference that we accord one another in choosing and honoring our respective religions.

Regrettably, Mr. Speaker, there is an increasing minority among us which does not share that respect. With heightened regularity, newspapers carry stories of vandalism, theft, and arson directed against cemeteries, buildings used for religious purposes, and irreplaceable religious relics. These incidents are not confined to any geographic region, nor are they directed exclusively against any particular religion. Although the brunt of this crime wave has been borne by Jews, attacks have been waged on Christians and Buddhists as well.

Mr. Speaker, a survey released by B'nai B'rith in December of last year highlights this frightening assault on first amendment rights. That survey suggests an increase in episodes directed against Jewish property alone from 1979 to 1980 of as much as 192 percent. Furthermore, many of these incidents involved potentially life-threatening activities, such as arson and firebombings. It has been estimated that losses to religious organizations stemming from this type of destruction may run as high as $1.5 billion per annum.

Because of the first amendment concerns that permeate this area, the Federal Government must take firm, effective, and swift measures to bring this horrifying trend to an immediate halt. Since existing Federal criminal law provides the Justice Department with inadequate means for prosecuting those who flagrantly and intentionally attempt to interfere with the free exercise of religion, I am today introducing a bill designed to remedy this situation. Specifically, it would add a new section to title 18 of the United States Code which would prohibit anyone from willfully damaging a cemetery, a building used for religious purposes, or any religious article contained therein, or stealing such religious articles, with an intent to interfere with the free exercise of religion by any person or class of persons. Attempts to commit such destruction or theft would also be an offense under this section. Because property damage of this nature can pose a serious threat to life and limb as well, the penalties are graded based on the type of damage that results. Thus, the penalties provided are: First, in general, $10,000 and/or 5 years maximum imprisonment; second, $15,000 and/or 15 years maximum imprisonment where bodily injury results; and third, maximum life imprisonment where death results.

Mr. Speaker, I believe that this bill addresses a clear Federal interest in an effective manner. Vandals and thieves who dishonor the sacred rights of others should be put on immediate notice that the strong arm of the Federal Government will mete out justice in these cases.

INCREASING NUMBER OF MEMBERS OF COMMISSION ON WARTIME RELOCATION AND INTERNMENT OF CIVILIANS

Mr. MINETA. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the Senate bill (S. 253) to increase the number of members of the Commission on Wartime Relocation and Internment of Civilians, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman yield to explain what this is about?

Mr. MINETA. Will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to the gentleman from California.

Mr. MINETA. As the gentleman, my distinguished colleague from California, knows, in July 1980 the House passed and the Senate passed the committee bill to establish the Commission on Wartime Relocation and Internment of Civilians. Since then we are now going to add an additional appointment by the President pro tempore of the Senate and the Speaker of the House, in addition to the two or three that were authorized originally in the legislation, for the President to appoint two in the House and two in the Senate. So this is to increase it so that each of the branches, the executive, the House, and the Senate, will have three appointments to the Commission.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, so this is just an expansion of that?

Mr. MINETA. If the gentleman will yield further, this is an extension of that and an expansion of that Commission to one additional member each as an appointment from each body of the Congress. It was passed by the Senate yesterday.

Mr. ROUSSELOT. With no additional cost, or anything?

Mr. MINETA. No additional cost, just the addition of one Commission member.

Mr. ROUSSELOT. I thank the gentleman for his explanation.

Mr. MINETA. I thank the gentleman from California.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding. I just wanted to know, can the gentleman give us some idea of the reason for expanding the size of the Commission over and above the original bill?

Mr. MINETA. Would my colleague from California yield?

Mr. ROUSSELOT. I will be glad to yield to my colleague from California.

Mr. MINETA. I thank the gentleman. In response to the inquiry of the gentleman from Pennsylvania (Mr. WALKER), in making the appointments to the Commission, in the legislative history of the establishment of the Commission, the President or the Senator from Alaska had gotten a promise that an Aleut would be one of the appointees to the Commission. That commitment was overlooked at the time the commissioners were appointed and, consequently, in order to accommodate the Senator from Alaska, this has been approved by the Senate and is now up for House consideration.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 253

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) subsection (b) of section 3 of the Commission on Wartime Relocation and Internment of Civilians Act is amended by striking out "seven" and inserting in lieu thereof "nine".

(2) Clause (2) of such subsection is amended by striking out "Two" and inserting in lieu thereof "Three".

(3) Clause (3) of such subsection is amended by striking out "Two" and inserting in lieu thereof "Three".

(b) Subsection (e) of section 3 of such Act is amended by striking out "Four" and inserting in lieu thereof "Five".

Passed the Senate January 27 (legislative day, January 5), 1981.

The Senate bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

COMMENDING FORMER PRESIDENT CARTER, FORMER SECRETARY OF STATE MUSKIE, FORMER DEPUTY SECRETARY OF STATE CHRISTOPHER, AND THE ALGERIAN NEGOTIATORS

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the resolution (H. Res. 43) commending former President Jimmy Carter, former Secretary of State Edmund Muskie, former Deputy Secretary of State Warren Christopher, and the Algerian negotiators for their efforts in securing the safe release of the 52 American hostages from Iran, and President Reagan for designating former President Carter to greet the freed hostages, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

□ 1540

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. DERWINSKI. Mr. Speaker, reserving the right to object, may I ask the gentleman from Wisconsin this question: Is this not a version of the resolution originally introduced by the gentleman from New York (Mr. BIAGGI)?

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman for yielding.

Mr. Speaker, as the gentleman from Illinois and other Members recall, a version of the resolution introduced by our good friend, the gentleman from New York (Mr. BIAGGI), was to be considered last week. There was some concern about the wording and the inclusion of certain statements and phrases in that resolution. This is a resolution that is perfected, and there is no objection. I am proud to support the resolution that was introduced by the distinguished gentleman from New York (Mr. BIAGGI), with certain amendments.

Mr. DERWINSKI. Further reserving the right to object, Mr. Speaker, would it be more accurate to say "with certain language perfections"?

Mr. ZABLOCKI. The gentleman from Illinois, as always, is accurate and true in his perception.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, can the chairman of the committee tell us, did this resolution go before the gentleman's committee, or was the Foreign Affairs Committee consulted? Because I know that last week the gentleman was not completely sure that enough Members had been consulted.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman from Illinois (Mr. DERWINSKI), under his reservation, yield to me?

Mr. DERWINSKI. I yield to the distinguished gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Speaker, the resolution was referred to the Committee on Foreign Affairs after the perfecting amendments were agreed to or included, and, as is normal when we have a resolution that is timely, to expeditiously consider it, I am asking unanimous consent to discharge the Foreign Affairs Committee.

Mr. ROUSSELOT. I thank the gentleman.

PARLIAMENTARY INQUIRY

Mr. DERWINSKI. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. DERWINSKI. Mr. Speaker, the request before us is to discharge the committee. If that is accepted, then there will subsequently be a motion to adopt the resolution; is that correct?

The SPEAKER pro tempore. The gentleman is correct.

Mr. DERWINSKI. Mr. Speaker, at that time I will reserve the right to object so that I might direct some helpful questions to the original sponsor of the resolution.

Mr. Speaker, I withdraw my reservation at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. WALKER. Mr. Speaker, reserving the right to object, do I understand that the resolution that we would have before us will mention in particular the Algerian negotiators, but will not at any point mention the efforts of our friends in Canada and our friends in Switzerland who have also participated in trying to help us during the crisis? Am I correct that only the Algerian negotiators are mentioned and not the Canadians and the Swiss?

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I would be glad to yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman for yielding.

Mr. Speaker, the gentleman must remember and does recall that we indeed have expression of appreciation as far as the cooperation and the efforts made on the part of the Canadians and the Swiss, and others, in the last Congress.

So, to answer the gentleman, this is specifically commending the President, the Under Secretary of State, President Reagan, and the Algerian negotiators.

Mr. WALKER. Mr. Speaker, further reserving the right to object, do I understand from the gentleman that there is no language in here with regard to the Canadian and the Swiss participation in the negotiations? It mentions only the Algerian negotiators?

Mr. ZABLOCKI. If the gentleman will yield, that is true. But we felt it was not necessary because we already have done so.

Mr. WALKER. I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 43

Whereas the 52 Americans who were held as captives of the Iranian Government for 444 days were set free on January 20, 1981; and

Whereas during the period of the hostages' captivity the American people kept the plight of the hostages foremost among their concerns; and

Whereas our Nation will always remember the supreme sacrifice made by the eight American servicemen who were killed in the April 1980 effort to rescue the American hostages; and

Whereas the persistent efforts of former President Jimmy Carter throughout the duration of the crisis resulted in all 52 Americans being released alive; and

Whereas the diligence and leadership exhibited by former President Carter, former Secretary of State Edmund Muskie, and former Deputy Secretary of State Warren Christopher were instrumental in securing the release of the hostages; and

Whereas the Algerian negotiators played a pivotal intermediary role in the final stages of the negotiations which led to the release of our citizens; and

Whereas President Reagan reflected the unity of the American people when he requested former President Carter to officially greet the hostages after their safe arrival in Wiesbaden, Federal Republic of Germany: Now, therefore, be it

Resolved, That the House of Representatives commends former President Jimmy Carter, former Secretary of State Edmund Muskie, and former Deputy Secretary of State Warren Christopher for their success in securing the release of the American hostages from captivity in Iran, for the diligence and leadership they exhibited in their efforts during the hostage crisis, and for their persistence in these efforts. The House further conveys its deep appreciation to the Algerian negotiators for the role which they played in resolving the crisis.

SEC. 2. The House of Representatives pays special tribute to the eight Americans who lost their lives during the heroic effort to rescue the American hostages.

SEC. 3. The House of Representatives commends President Reagan for his warm gesture in recognition of former President Carter's significant contribution to the successful resolution of the hostage crisis.

SEC. 4. The House of Representatives welcomes the 52 Americans back to freedom and wishes them peace and happiness in the days ahead.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I urge the adoption of the resolution. A similar resolution was passed in the other body unanimously.

Mr. Speaker, I proudly rise in support of the resolution introduced by the distinguished gentleman from New York (Mr. BIAGGI) commending our former President, Jimmy Carter and former Deputy Secretary of State, Warren Christopher for their leadership in securing the safe release of the 52 American hostages from Iran, and President Reagan for recognizing those efforts.

The measured and steady actions which former President Carter took throughout this long ordeal played a key role in helping to bring about the happy outcome, and convinces me that history will prove that his patience and statesmanship were the ultimate key to this long trial.

To Mr. Christopher must surely go our lasting gratitude for his diligence and able negotiating ability. Under intense pressure he resolved several complex and difficult issues together with the key assistance of the Algerian Government.

To former Secretary of State Muskie goes our thanks for the continuity he brought to the negotiations when he assumed his Cabinet position last year.

To President Reagan goes our commendation for his crucial support of the negotiations and the unity he brought to that delicate point when the hostages were being freed and the new administration was being installed.

To the Government of Algeria, and especially to its Foreign Minister, Mohammed Benjahia, and Algerian President, Chadli Bendjidid, go our everlasting thanks and appreciation. Under their able leadership, Algerian mediators accomplished a duty dictated to them by the exercise of their international obligations.

Finally, Mr. Speaker, we express our deep gratitude to the families of those held in Iran for their patience and courage. Above all, we extend our highest praise and everlasting thanks to those who died in the ill-fated rescue attempt. Their courage will be long remembered.

Mr. Speaker, the gentleman from Illinois (Mr. DERWINSKI) had earlier stated that he would seek some answers from the gentleman from New York (Mr. BIAGGI). At this time I yield 5 minutes to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Speaker, I am delighted to yield to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. I thank the gentleman from New York, and I wish to commend the gentleman for the initiative he has shown, for the fact that he has worked with many other Members in perfecting this language, the fact that he has taken into account in what I consider a very practical fashion the realities of the situation. I especially wish to commend the gentleman for the final language of his resolution that refers to the Algerian negotiators. I know that the gentleman realizes that for too long Algeria was a haven for terrorists. The earlier Algerian Governments, in fact, were quite responsible for international terrorism. So I think it is accurate to note the proper role of the Algerian negotiators rather than to mistakenly embrace everything their Government has done.

Mr. BIAGGI. Yes; we did. We modified the original resolution as a result of the suggestion made by the gentleman from California (Mr. ROUSSELOT).

Mr. DERWINSKI. Then I noticed that the gentleman's language properly notes the efforts of former President Carter, the diplomatic initiative of former Secretary Muskie and former Deputy Secretary Christopher, and notes their persistence in this effort.

I take that to mean that it would only be a skilled diplomat who would be able to understand the true magnitude of the undertaking, and my question is——

Mr. BIAGGI. Before the gentleman poses the question, Mr. Speaker, that is not our construction. In this case, there were, true, some skilled diplomats. Ofttimes there are others who are not truly skilled but have the ability to communicate and have a special feeling for questions and commit themselves to seek some resolution.

Now I will defer to the gentleman for his question.

Mr. DERWINSKI. Mr. Speaker, notwithstanding the modesty of the gentleman from New York, which is very obvious, I was wondering when the gentleman would be able to advise this House of the successes, if any, that he may be able to achieve when he applies his unique diplomatic skills to the problems in Northern Ireland.

Mr. BIAGGI. I think that if the gentleman looks at the record, it was yesterday that we submitted a record of performance of the ad hoc committee, and I am just delighted to have the gentleman from Illinois as a valued member of that ad hoc committee. We appreciate his presence and, hopefully, one day there will be a resolution. In the end, I do not know that it will be the United States that will resolve it. We have always said that it would be the ultimate responsibility of all parties to the conflict—the same resolution, the same formula that was used in the resolution of the problem in Zimbabwe, Rhodesia.

Mr. DERWINSKI. Mr. Speaker, I would hope for a better resolution than that particular example, but I think the gentleman is to be commended for his very special interest in the most difficult of foreign affairs problems. I commend him for his persistence. I hope that some day he would join us as a member of the Committee on Foreign Affairs where his expertise would be truly implemented.

Mr. BIAGGI. I thank the gentleman from Illinois for his kind remarks.

Mr. PEYSER. Mr. Speaker, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding.

Mr. Speaker, first, I want to congratulate the gentleman for the resolution. I certainly support it.

I do want to make reference to the fact that Ambassador Haynes, who was the American Ambassador to Algeria, also played a very important role. I understand the gentleman's resolution, and I simply wanted to make comment of that, because the Ambassador has not appeared too much in the press or the media involvement; but I know of his personal involvement, and it was of great help in the matter.

Mr. BIAGGI. Mr. Speaker, yesterday, Members of this House and the Senate greeted the 52 American heroes whose captivity in Iran ended on January 20 after 444 excruciatingly long days. I consider it most appropriate that we commemorate this special occasion by calling up under unanimous consent this resolution welcoming the former hostages and commending those responsible for securing their freedom.

As the author of this resolution, I am proud to note that it is cosponsored by 144 of my colleagues on both sides of the aisle. The resolution is offered in a bipartisan spirit.

It pays an appropriate tribute to our former President Jimmy Carter, former Secretary of State Edmund Muskie, and former Deputy Secretary of State Warren Christopher for their efforts throughout the crisis, but most especially during the final few critical days which proved to be the turning point. The resolution offers our gratitude to the Algerian negotiators who played such a vitally important role as an intermediary during the last days of the crisis; and salutes President Reagan for his generous gesture of sending former President Carter to meet the freed hostages in West Germany—a gesture which symbolizes the unity of the American people.

My resolution also pays a special tribute to the supreme sacrifice made by the eight American servicemen who were killed in the ill-fated April 1980 rescue mission. I consider it absolutely critical that this Nation never forget what these patriotic Americans did to try and save their fellow citizens from an illegal and immoral captivity. At this point in the RECORD, I wish to insert their names:

S. Sgt. Dewey L. Johnson; Sgt. John D. Harvey; T. Sgt. Joel C. Mayo; Capt. Harold L. (Butch) Lewis; Capt. Charles McMillan, Jr.; Cpl. George N. Holmes, Jr.; Capt. Lynn D. McIntosh; and Capt. Richard L. Bakke.

Finally, and in a most appropriate sense, my resolution welcomes the former hostages back to freedom in the United States. It salutes them as the heroes they are and wishes them a life filled with peace and happiness.

Americans in general—and Washingtonians in particular—today are basking in a sense of patriotic euphoria created by the freedom granted to the hostages. We know that nothing happens by itself and my resolution seeks to bestow the proper thanks of this House for those who contributed so much to this cause.

Our Nation owes thanks to other individuals and countries not mentioned specifically in the resolution, but who aided us in this unprecedented crisis. The countries of West Germany, Canada, and all our Western Allies who united against Iran are to be acknowledged and commended for their actions. A special word of praise is reserved for Italy, which was the first nation to call for the release of our hostages and which fought hard on the diplomatic front on our behalf.

This Nation can be proud of the solidarity which we exhibited throughout this ordeal. The fate of the hostages never left our minds and prayers. Our national resolve was never stronger, and most importantly, it has been rewarded.

With this in mind, I now urge immediate support for my resolution, so we can all join in the welcoming committee for the 52 American heroes who have made a lasting impression on our Nation's Capital. At this time, I am privileged and honored to insert the names of the 52 freed Americans:

Thomas L. Ahern Jr., Clair C. Barnes, William E. Belk, Robert O. Blucker, Donald J. Cook, William J. Daugherty, Robert Engelmann, William A. Gallegos, Bruce W. German, Duane Gillette, Alan B. Golacinski, John E. Graves, Joseph M. Hall, Kevin J. Hermaning, Donald R. Hohman, Leland J. Holland, Michael H. Howland, Charles Jones, Jr., Malcolm Kalp, Moorhead Kennedy, William F. Keough, Steven W. Kirtley, Kathryn Koob, Frederick Lee Kupke, L. Bruce Laingen, Steven Lauterbach, Gary E. Lee, Paul E. Lewis, John W. Limbert, Jr., James Michael Lopez, John D. McKeel, Jr., Michael J. Metrinko, Jerry J. Miele, Michael E. Moeller, Bert C. Moore, Richard H. Morefield, Paul M. Needham, Robert C. Ode, Gregory A. Persinger, Jerry Plotkin, Regis Regan, David M. Roeder, Barry Rosen, William B. Royer, Jr., Thomas E. Schaefer, Charles W. Scott, Don A. Sharer, Rodney A. Sickmann, Joseph Subic, Jr., Ann Swift, Victor L. Tomseth, and Phillip R. Ward.

● Mr. ROE. Mr. Speaker, I join with all other Americans in sharing the joy of seeing our hostages in Iran finally return home after some 15 months in captivity.

That is a great moment for the hostages, their families and all of us who have prayed for their release.

But there is another group of Americans who at this very moment may also be imprisoned in some foreign land. I refer of course to those American servicemen who were captured during the Vietnam war and never heard from again.

Time and time again we hear reports from refugees and other travelers from Southeast Asia that they have indeed seen Americans being held, alive, in Vietnam, Laos, and Cambodia.

There are an estimated 2,500 American families who have no confirmation that their men, who have been listed as missing in action, are alive or dead.

Today marks the eighth anniversary of the signing of the Paris peace accords, which officially ended our involvement in the Vietnam war.

But there is no peace for the families of the missing American servicemen and they will never be able to fully accept of the fate of their loved ones until definite knowledge of their status is provided by the Vietnamese Government.

I urge President Reagan and this Congress to pressure the Vietnam political leaders to show a sense of true humanity by releasing this information once and for all.●

● Mr. FARY. Mr. Speaker, I rise today to share with my distinguished colleagues in the House, my joy at the release of the 52 American diplomats held hostage by the terrorist government in Iran. I praise former President Carter, Secretary of State Edmund Muskie, and Deputy Secretary of State Warren Christopher for their long hours of hard work in putting together the compromise that led to the release of the hostages after so many months of frustration. I would also like to praise the Government of Algeria for their unswerving fidelity to the principles of international justice and their courage in sticking to the agreement even though Iran balked in the final hours.

In the past few years, Mr. Speaker, America has often doubted not only its ability to triumph over the evils of communism and anarchy in the world but its need to do so. The return of the hostages should point out to the American people not only the quality of our Nation and fellow citizens but the need to hold ourselves forth as an example to the other nations of the world. For 14 months, the hostages underwent torture and mistreatment by the Iranians, and at the end of those 14 months they have come back to us whole and eager to set out again into the international community to show the stuff America is made of. For 14 months, the American people prayed and waited patiently for the good people in Iran to gain the strength to overcome the madmen and return the hostages. For 14 months, Americans kept faith with their American brothers and sisters suffering in captivity, and at the end of those 14 months, we were rewarded by victory. Patience and perseverance are two new weapons in America's arsenal to protect peace and freedom.

Mr. Speaker, because it has been in turmoil for so long, the world has often seemed to me and my constituents in Chicago, to be a harsh desert, which is unfriendly to freedom-loving nations. We have sometimes despaired of finding friends we can count on while we are constantly encountering enemies hostile to America and the American people. It is good to know that there are nations in this world and especially in the Middle East, like Algeria that we can deal with openly and honestly and who will not desert us when the mood strikes them. In these next few years, which will be so important to the future of freedom in the world, it will help greatly to remember Algeria's performance in this episode.

Again, Mr. Speaker, I thank God for the return of the former hostages, and I welcome them home. God bless them and the Americans they represent.●

● Mr. WEISS. Mr. Speaker, I share in the elation which is sweeping the Nation over the return to freedom of the 52 Americans held hostage for more than 14 months in Iran. The prolonged act of terrorism strained the patience of all Americans and tested our belief in peaceful methods of resolving international conflicts. But in the end our commitment to negotiation and nonmilitary means of handling the crisis was not in vain. Our 52 fellow Americans are home safely, and our national commitment to world peace is strengthened.

We should also remember at this time of joy that eight American servicemen died last April in an attempted rescue of the hostages. I lament that they are not able to share in our happiness now, and I express my condolences to their families and loved ones.

To the returned hostages I express my gratitude and admiration for their strength, endurance, courage, and most of all, for their commitment to our Nation. The pressures they endured and the anguish they suffered were great. The difficult ordeal was shared by the families and loved ones of the hostages. We should offer our

assurances of support and assistance to them all.

Former President Carter, too, deserves our commendation. His handling of this dangerous international conflict successfully prevented the outbreak of war, and set a precedent for the use of peaceful means to resolve future international conflicts.

Algerian diplomats who aided negotiations deserve our special thanks. They provided stability to a dangerous, volatile situation, and successfully guided the negotiations to a happy conclusion. Our Nation long will be indebted to the Algerians for the crucial role they played in this difficult task.●

● Mr. GILMAN. Mr. Speaker, I rise in support of House Resolution 43 commending former President Carter, President Reagan, and others for their efforts in behalf of the release of the 52 American hostages from Iran.

It is appropriate at this time of national celebration resulting from the release of our 52 American citizens that we reflect on all of those individuals who worked so long and hard for their release. In particular, the resolution recalls that throughout the 444 days of their captivity the American people kept the plight of the hostages uppermost in their minds. Furthermore, it reminds us all that eight other brave Americans made the ultimate sacrifice by laying down their lives in an attempt to rescue their countrymen.

Throughout this crisis former President Carter, former Secretary of State Muskie, and former Deputy Secretary of State Christopher demonstrated relentless dedication and leadership in the release effort, and were instrumental in its successful outcome. In addition, President Reagan exhibited true statesmanship through his support of a unified, nonpartisan foreign policy on this issue and showed true graciousness by his warm gesture of sending former President Carter to represent him in Germany.

The valuable assistance provided by other nations cannot be overlooked. Algeria, Canada, Switzerland, and West Germany all played constructive roles in helping resolve the crisis.

As the Representative of our 26th Congressional District of New York, I wish to express the appreciation of our region for the great honor of hosting the hostages first touchdown back in this country at Stewart Airport and at the U.S. Military Academy at West Point. For the citizens of the 26th District and for our entire Nation, the hostage experience has drawn our Nation closer together than at any time in the last 30 years.

By recognizing the contributions of former President Carter, President Reagan, and the many others who played such a significant role in securing the release of the hostages, we underscore concern for our fellow man which has made our Nation such a beacon for freedom throughout the world. Their efforts which brought about the safe return of these Americans gave purpose and meaning to the 444-day Iranian ordeal and to the eight brave servicemen who sacrificed so much.

Accordingly, I urge my colleagues to support the passage of House Resolution 43.●

● Mr. DE LUGO. Mr. Speaker, I proudly rise as a cosponsor in support of House Resolution 43 commending our former President, Jimmy Carter, and former Deputy Secretary of State, Warren Christopher, for their leadership in securing the safe release of the 52 American hostages from Iran, and the Algerian negotiators who played such a pivotal intermediary role in the final stages of the negotiations. Their courageous role in these delicate negotiations on behalf of our hostages is an example to other developing nations that must not be forgotten.

I also wish to pay a special tribute to the eight Americans who lost their lives during the heroic effort to rescue the American hostages and to the black American hostages who had been released at an earlier date and whose suffering must not be forgotten.

It is appropriate that the Congress commemorate this special occasion by passing House Resolution 43 welcoming the former hostages and commending those responsible for securing their freedom.●

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DESIGNATING MEMBERSHIP ON CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. LONG of Louisiana. Mr. Speaker, as chairman of the Democratic Caucus and at the direction of that caucus, I send to the desk a privileged resolution (H. Res. 44) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 44

Resolution designating membership on certain standing committees of the House

Resolved, That the following named Members, Delegates, and Resident Commissioner be, and they are hereby, elected to the following standing committees of the House of Representatives:

COMMITTEE ON AGRICULTURE

E de la Garza, Texas, chairman;
Thomas S. Foley, Washington;
Walter B. Jones, North Carolina;
Ed Jones, Tennessee;
George E. Brown, Jr., California;
David R. Bowen, Mississippi;
Charles Rose, North Carolina;
Frederick W. Richmond, New York;
James Weaver, Oregon;
Tom Harkin, Iowa;
Berkley Bedell, Iowa;
Glenn English, Oklahoma;
Floyd J. Fithian, Indiana;
Leon E. Panetta, California;
Jerry Huckaby, Louisiana;
Dan Glickman, Kansas;
Charles Whitley, North Carolina;
Tony Coelho, California;
Thomas A. Daschle, South Dakota;
Beryl Anthony, Jr., Arkansas;
Charles W. Stenholm, Texas;
Harold L. Volkmer; Missouri;
Charles Hatcher, Georgia; and
Byron L. Dorgan, North Dakota.

COMMITTEE ON APPROPRIATIONS

Jamie L. Whitten, Mississippi, chairman;
Edward P. Boland, Massachusetts;
William H. Natcher, Kentucky;
Neal Smith, Iowa;
Joseph P. Addabbo, New York;
Clarence D. Long, Maryland;
Sidney R. Yates, Illinois;
David R. Obey, Wisconsin;
Edward R. Roybal, California;
Louis Stokes, Ohio;
Tom Bevill, Alabama;
Bill Chappell, Jr., Florida;
Bill Alexander, Arkansas;
John P. Murtha, Pennsylvania;
Bob Traxler, Michigan;
Joseph D. Early, Massachusetts;
Charles Wilson, Texas;
Lindy Boggs, Louisiana;
Adam Benjamin, Jr., Indiana;
Norman D. Dicks, Washington;
Matthew F. McHugh, New York;
Bo Ginn, Georgia;
William Lehman, Florida;
Jack Hightower, Texas;
Martin Olav Sabo, Minnesota;
Julian C. Dixon, California;
Vic Fazio, California;
W. G. (Bill) Hefner, North Carolina;
Les AuCoin, Oregon;
Daniel K. Akaka, Hawaii;
Wes Watkins, Oklahoma;
William H. Gray III, Pennsylvania; and
Bernard J. Dwyer, New Jersey.

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Dan Daniel, Virginia;
G. V. (Sonny) Montgomery, Mississippi;
Les Aspin, Wisconsin;
Ronald V. Dellums, California;
Patricia Schroeder, Colorado;
Abraham Kazen, Jr., Texas;
Antonio Borja Won Pat, Guam;
Larry McDonald, Georgia;
Bob Stump, Arizona;
Beverly B. Byron, Maryland;
Nicholas Mavroules, Massachusetts;
Don Bailey, Pennsylvania;
Earl Hutto, Florida;
Ike Skelton, Missouri;
Marvin Leath, Texas;
Dave McCurdy, Oklahoma;
Thomas M. Foglietta, Pennsylvania;
Roy Dyson, Maryland; and
Dennis M. Hertel, Michigan.

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Parren J. Mitchell, Maryland;
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Stephen L. Neal, North Carolina;
Jerry M. Patterson, California;
James J. Blanchard, Michigan;
Carroll Hubbard, Jr., Kentucky;
John J. LaFalce, New York;
Gladys Noon Spellman, Maryland;
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James J. Florio, New Jersey;
Anthony Toby Moffett, Connecticut;
Jim Santini, Nevada;
Edward J. Markey, Massachusetts;
Thomas A. Luken, Ohio;
Doug Walgren, Pennsylvania;
Albert Gore, Jr., Tennessee;
Barbara A. Mikulski, Maryland;
Ronald M. Mottl, Ohio;
Phil Gramm, Texas;
Al Swift, Washington;
Mickey Leland, Texas;
Richard C. Shelby, Alabama;
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Mike Synar, Oklahoma;
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Ron Wyden, Oregon; and
Ralph M. Hall, Texas.

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Stephen J. Solarz, New York;
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Gerry E. Studds, Massachusetts;
Andy Ireland, Florida;
Dan Mica, Florida;
Michael D. Barnes, Maryland;
Howard Wolpe, Michigan;
George W. Crockett, Jr., Michigan;
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John F. Seiberling, Ohio;
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Jim Santini, Nevada;
James Weaver, Oregon;
George Miller, California;
James J. Florio, New Jersey;
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Baltasar Corrada, Puerto Rico;
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Bruce F. Vento, Minnesota;
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Jerry M. Patterson, California;
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Pat Williams, Montana;
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Tony Coelho, California;
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George E. Danielson, California;
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William J. Hughes, New Jersey;
Sam B. Hall, Jr., Texas;
Mike Synar, Oklahoma;
Patricia Schroeder, Colorado;
Billy Lee Evans, Georgia;
Dan Glickman, Kansas;
Harold Washington, Illinois; and
Barney Frank, Massachusetts.

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Glenn M. Anderson, California;
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Gerry E. Studds, Massachusetts;
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Carroll Hubbard, Jr., Kentucky;
Don Bonker, Washington;
Norman E. D'Amours, New Hampshire;
James L. Oberstar, Minnesota;
William J. Hughes, New Jersey;
Barbara A. Mikulski, Maryland;
Mike Lowry, Washington;
Earl Hutto, Florida;
Brian J. Donnelly, Massachusetts;
W. J. (Billy) Tauzin, Louisiana;
Thomas M. Foglietta, Pennsylvania;
William N. Patman, Texas;
Fofo I. F. Sunia, American Samoa;
Dennis M. Hertel, Michigan; and
Roy Dyson, Maryland.

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Patricia Schroeder, Colorado;
Gladys Noon Spellman, Maryland;
Robert Garcia, New York;
Mickey Leland, Texas;
Geraldine A. Ferraro, New York;
Donald Joseph Albosta, Michigan;
Gus Yatron, Pennsylvania;
Mary Rose Oakar, Ohio;
George E. Danielson, California;
Ronald V. Dellums, California;
Stephen J. Solarz, New York;
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James L. Oberstar, Minnesota;
Henry J. Nowak, New York;
Bob Edgar, Pennsylvania;
Marilyn Lloyd Bouquard, Tennessee;
John G. Fary, Illinois;
Robert A. Young, Missouri;
Allen E. Ertel, Pennsylvania;
Billy Lee Evans, Georgia;
Ronnie G. Flippo, Alabama;
Nick Joe Rahall II, West Virginia;
Douglas Applegate, Ohio;
Geraldine A. Ferraro, New York;
Eugene V. Atkinson, Pennsylvania;
Donald Joseph Albosta, Michigan;
William Hill Boner, Tennessee;
Ron de Lugo, Virgin Islands;
Gus Savage, Illinois;
Fofo I. F. Sunia, American Samoa;
Buddy Roemer, Louisiana; and
Brian J. Donnelly, Massachusetts.

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Claude Pepper, Florida;
Gillis W. Long, Louisiana;
Joe Moakley, Massachusetts;
Shirley Chisholm, New York;
Leo C. Zeferetti, New York;
Butler Derrick, South Carolina;
Anthony C. Beilenson, California;
Martin Frost, Texas;
David E. Bonior, Michigan; and
Tony P. Hall, Ohio.

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Richard L. Ottinger, New York;
Tom Harkin, Iowa;
Marilyn Lloyd Bouquard, Tennessee;
James J. Blanchard, Michigan;
Doug Walgren, Pennsylvania;
Ronnie G. Flippo, Alabama;
Dan Glickman, Kansas;
Albert Gore, Jr., Tennessee;
Robert A. Young, Missouri;
Richard C. White, Texas;
Harold L. Volkmer, Missouri;
Howard Wolpe, Michigan;
Bill Nelson, Florida;
Stanley N. Lundine, New York;
Allen E. Ertel, Pennsylvania;
Bob Shamansky, Ohio;
Ralph M. Hall, Texas;
Dave McCurdy, Oklahoma; and
Mervyn M. Dymally, California.

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Neal Smith, Iowa;
Joseph P. Addabbo, New York;
Henry B. Gonzalez, Texas;
John J. LaFalce, New York;
Berkley Bedell, Iowa;
Frederick W. Richmond, New York;
Henry J. Nowak, New York;
Thomas A. Luken, Ohio;
Andy Ireland, Florida;
Ike Skelton, Missouri;
Billy Lee Evans, Georgia;
Charles W. Stenholm, Texas;
Romano L. Mazzoli, Kentucky;
Nicholas Mavroules, Massachusetts;
George W. Crockett, Jr., Michigan;
Charles Hatcher, Georgia;
Ron Wyden, Oregon;
Dennis E. Eckart, Ohio;
Byron L. Dorgan, North Dakota;
Gus Savage, Illinois;
Buddy Roemer, Louisiana; and
John G. Fary, Illinois.

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Louis Stokes, Ohio, chairman;
Nick Joe Rahall II, West Virginia;
Bill Alexander, Arkansas;
Charles Wilson, Texas;
Ken Holland, South Carolina; and
Don Bailey, Pennsylvania.

COMMITTEE ON VETERANS' AFFAIRS

G. V. (Sonny) Montgomery, Mississippi, chairman;
Don Edwards, California;
George E. Danielson, California;
Jack Brinkley, Georgia;
Ronald M. Mottl, Ohio;
Bob Edgar, Pennsylvania;
Sam B. Hall, Jr., Texas;
Douglas Applegate, Ohio;
Marvin Leath, Texas;
William Hill Boner, Tennessee;
Richard C. Shelby, Alabama;
Dan Mica, Florida;
Thomas A. Daschle, South Dakota;
Bob Stump, Arizona; and
Phil Gramm, Texas.

COMMITTEE ON WAYS AND MEANS

Dan Rostenkowski, Illinois, chairman;
Sam Gibbons, Florida;
J. J. Pickle, Texas;
Charles B. Rangel, New York;
William R. Cotter, Connecticut;
Fortney H. (Pete) Stark, California;
James R. Jones, Oklahoma;
Andrew Jacobs, Jr., Indiana;
Harold E. Ford, Tennessee;
Ken Holland, South Carolina;
William M. Brodhead, Michigan;
Ed Jenkins, Georgia;
Richard A. Gephardt, Missouri;
Thomas J. Downey, New York;
Cecil (Cec) Heftel, Hawaii;
Wyche Fowler, Jr., Georgia;
Frank J. Guarini, New Jersey;
James M. Shannon, Massachusetts;
Marty Russo, Illinois;
Donald J. Pease, Ohio;
Kent Hance, Texas; and
Robert T. Matsui, California.

Mr. LONG of Louisiana (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

□ 1550

Mr. LONG of Louisiana. Mr. Speaker, this is the usual resolution presented at the beginning of each session of the Congress designating members on the standing committees of the House. The committee assignments contained in the resolution have been approved by the Democratic Caucus.

Mr. Speaker, I have no requests for time.

The SPEAKER. Without objection, the previous question is ordered on the resolution.

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DESIGNATING MEMBERSHIP ON CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. MICHEL. Mr. Speaker, I offer a privileged resolution (H. Res. 45), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 45

Resolution designating membership on certain standing committees of the House

Resolved, That the following named Members, Delegates, and Resident Commissioner be, and they are hereby, elected to the following standing committees of the House of Representatives:

COMMITTEE ON AGRICULTURE

William C. Wampler, Virginia;
Paul Findley, Illinois;
James M. Jeffords, Vermont;
Tom Hagedorn, Minnesota;
E. Thomas Coleman, Missouri;
Ron Marlenee, Montana;
Larry Hopkins, Kentucky;
William M. Thomas, California;
George Hansen, Idaho;
Arlan Stangeland, Minnesota;
Pat Roberts, Kansas;
Bill Emerson, Missouri
John Napier, South Carolina;
Joe Skeen, New Mexico;
Sid Morrison, Washington;
Clint Roberts, South Dakota;
Steven Gunderson, Wisconsin;
Cooper Evans, Iowa; and
Eugene Chappie, California.

COMMITTEE ON APPROPRIATIONS

Silvio Conte, Massachusetts;
Joseph M. McDade, Pennsylvania;
Jack Edwards, Alabama;
John T. Myers, Indiana;
J. Kenneth Robinson, Virginia;
Clarence E. Miller, Ohio;
Lawrence Coughlin, Pennsylvania;
C. W. Bill Young, Florida;
Jack Kemp, New York;
Ralph Regula, Ohio;
Clair W. Burgener, California;
George M. O'Brien, Illinois;
Virginia Smith, Nebraska;
Eldon D. Rudd, Arizona;
Carl D. Pursell, Michigan;
Mickey Edwards, Oklahoma;
Robert L. Livingston, Louisiana;
S. William Green, New York;
Tom Loeffler, Texas;
Jerry Lewis, California;
Carroll Campbell, Jr., South Carolina; and
John E. Porter, Illinois.

COMMITTEE ON ARMED SERVICES

William L. Dickinson, Alabama;
G. William Whitehurst, Virginia;
Floyd Spence, South Carolina;
Robin L. Beard, Tennessee;
Donald J. Mitchell, New York;
Marjorie S. Holt, Maryland;
Robert W. Daniel, Jr., Virginia;
Elwood Hillis, Indiana;
David F. Emery, Maine;
Paul S. Trible, Jr., Virginia;
Robert E. Badham, California;
Charles F. Dougherty, Pennsylvania;
James A. Courter, New Jersey;
Larry J. Hopkins, Kentucky;
Robert W. Davis, Michigan;
Kenneth B. Kramer, Colorado;
Duncan L. Hunter, California;
James L. Nelligan, Pennsylvania; and
Thomas F. Hartnett, South Carolina.

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Chalmers P. Wylie, Ohio;
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George Hansen, Idaho;
Henry J. Hyde, Illinois;

Jim Leach, Iowa;
Thomas B. Evans, Jr., Delaware;
Ronald E. Paul, Texas;
Ed Bethune, Arkansas;
Norman D. Shumway, California;
Jon Hinson, Mississippi;
Stan Parris, Virginia;
Ed Weber, Ohio;
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Gregory Carman, New York;
George Wortley, New York;
Margaret Roukema, New Jersey;
Bill Lowery, California; and
James K. Coyne, Pennsylvania.

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Eldon D. Rudd, Arizona;
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Ed Bethune, Arkansas;
Lynn M. Martin, Illinois;
Albert Lee Smith, Alabama;
Eugene Johnston, North Carolina; and
Bobbi Fiedler, California.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Stewart McKinney, Connecticut;
Stan Parris, Virginia; and
Thomas J. Bliley, Jr., Virginia.

COMMITTEE ON EDUCATION AND LABOR

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John N. Erlenborn, Illinois;
James M. Jeffords, Vermont;
William F. Goodling, Pennsylvania;
E. Thomas Coleman, Missouri;
Kenneth B. Kramer, Colorado;
Arlen I. Erdahl, Minnesota;
Thomas E. Petri, Wisconsin;
Millicent Fenwick, New Jersey;
Marge Roukema, New Jersey;
Eugene Johnston, North Carolina;
Larry DeNardis, Connecticut;
Larry E. Craig, Idaho; and
Wendell Bailey, Missouri.

COMMITTEE ON ENERGY AND COMMERCE

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Clarence J. Brown, Ohio;
James M. Collins, Texas;
Norman F. Lent, New York;
Edward R. Madigan, Illinois;
Carlos J. Moorhead, California;
Matthew J. Rinaldo, New Jersey;
Marc L. Marks, Pennsylvania;
Tom Corcoran, Illinois;
Gary A. Lee, New York;
William E. Dannemeyer, California;
Bob Whittaker, Kansas;
Thomas J. Tauke, Iowa;
Don Ritter, Pennsylvania;
Harold Rogers, Kentucky;
Cleve Benedict, West Virginia;
Daniel R. Coats, Indiana; and
Thomas J. Bliley, Jr., Virginia.

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Edward J. Derwinski, Illinois;
Paul Findley, Illinois;
Larry Winn, Jr., Kansas;
Benjamin A. Gilman, New York;
Tennyson Guyer, Ohio;
Robert J. Lagomarsino, California;
William F. Goodling, Pennsylvania;
Joel Pritchard, Washington;
Millicent Fenwick, New Jersey;
Robert K. Dornan, California;
Jim Leach, Iowa;
Arlen I. Erdahl, Minnesota;
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Olympia Snowe, Maine; and
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Hal Daub, Nebraska;
John Hiler, Indiana;
David Dreier, California;
Wendell Bailey, Missouri;
Larry DeNardis, Connecticut; and
Judd Gregg, New Hampshire.

COMMITTEE ON HOUSE ADMINISTRATION

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William L. Dickinson, Alabama;
Robert E. Badham, California;
Newt Gingrich, Georgia;
William M. Thomas, California;
Gary A. Lee, New York;
James K. Coyne, Pennsylvania; and
Lynn M. Martin, Illinois.

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Don Young, Alaska;
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Dan Marriott, Utah;
Ron Marlenee, Montana;
Richard B. Cheney, Wyoming;
Charles Pashayan, Jr., California;
Douglas K. Bereuter, Nebraska;
Jon Hinson, Mississippi;
David O'B. Martin, New York;
Larry Craig, Idaho;
William M. Hendon, North Carolina;
Hank Brown, Colorado;
David (Mick) Staton, West Virginia;
Denny Smith, Oregon; and
James V. Hansen, Utah.

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M. Caldwell Butler, Virginia;
Carlos J. Moorhead, California;
John M. Ashbrook, Ohio,
Henry J. Hyde, Illinois;
Thomas N. Kindness, Ohio;
Harold S. Sawyer, Michigan;
Daniel E. Lungren, California;
F. James Sensenbrenner, Jr., Wisconsin; and
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Paul N. McCloskey, Jr., California;
Edwin B. Forsythe, New Jersey;
Joel Pritchard, Washington;
Don Young, Alaska;
Norman F. Lent, New York;
David F. Emery, Maine;
Thomas B. Evans, Jr., Delaware;
Robert W. Davis, Michigan;
William Carney, New York;
Charles F. Dougherty, Pennsylvania;
Norman D. Shumway, California;
Jack Fields, Texas;
Claudine Schneider, Rhode Island; and
Clay Shaw, Florida.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

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Gene Taylor, Missouri;
Benjamin A. Gilman, New York;
Tom Corcoran, Illinois;
James A. Courter, New Jersey;
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Arlan Stangeland, Minnesota;
Newt Gingrich, Georgia;
William F. Clinger, Jr., Pennsylvania;
Gerald B. Solomon, New York;
Harold C. Hollenbeck, New Jersey;
H. Joel Deckard, Indiana;
Wayne R. Grisham, California;
Jim Jeffries, Kansas;
Jack Fields, Texas;
Guy Molinari, New York;
Clay Shaw, Florida;
Bob McEwen, Ohio; and
Frank Wolf, Virginia.

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James H. Quillen, Tennessee;
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Harold C. Hollenbeck, New Jersey;
Robert S. Walker, Pennsylvania;
Edwin B. Forsythe, New Jersey;
William Carney, New York;
Margaret M. Heckler, Massachusetts;
F. James Sensenbrenner, Jr., Wisconsin;
Vin Weber, Minnesota;
Judd Gregg, New Hampshire;
Raymond McGrath, New York;
Joe Skeen, New Mexico;
Claudine Schneider, Rhode Island;
Jim Dunn, Michigan; and
Bill Lowery, California.

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Silvio Conte, Massachusetts;
J. William Stanton, Ohio;
William S. Broomfield, Michigan;
Dan Marriott, Utah;
Lyle Williams, Ohio;
Olympia J. Snowe, Maine;
Douglas K. Bereuter, Nebraska;
Daniel B. Crane, Illinois;
John Hiler, Indiana;
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Vin Weber, Minnesota;
Hal Daub, Nebraska;
Chris Smith, New Jersey;
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Chris Smith, New Jersey;
Albert Lee Smith, Alabama; and
Denny Smith, Oregon.

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Bill Archer, Texas;
Guy Vander Jagt, Michigan;
Philip M. Crane, Illinois;
Bill Frenzel, Minnesota;
James G. Martin, North Carolina;
L. A. (Skip) Bafalis, Florida;
Richard T. Schulze, Pennsylvania;
Willis D. Gradison, Jr. (Ohio);
John H. Rousselot, California; and
W. Henson Moore, Louisiana.

Mr. MICHEL (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The gentleman from Illinois (Mr. MICHEL) is recognized for 1 hour.

Mr. MICHEL. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, we have already made the point several times that you, sir, have done us an injustice with your tabulation of committee ratios. If you were really trying to be fair, I would suggest that you buy a new calculator. If you were trying to stick it to us, then congratulations on a job well done.

You may be growing weary of our complaints, Mr. Speaker. I guess I am growing weary of making them, but they must be made again and again and again. The public has got to understand the full consequences of your actions.

We are not just talking about one vote on one committee. We are talking about ratios on subcommittees as well, where one vote or two votes can easily decide whether we have tax relief or more tax increases in the next 2 years. We are talking about the debt ceiling, spending limitations or reductions, the issue of productivity and welfare reform, all of which could easily be decided by a heavily weighted vote in one or a number of subcommittees. And, you are not only insisting on the ratio on full committees, but on subcommittees; and in applying that same ratio to conference committees. Each time you do that, the effect is magnified many times over.

The public must know the full ramifications of the issue. The Democratic majority must be reminded of the new realities of this 97th Congress. You are not dealing with just a handful of Republicans over here anymore. We are now 192 strong. We may not have that elusive working majority that everyone is talking about, but I will tell you this: There is no longer a majority's minority over here either.

The ratios you have established clearly do not reflect our numbers as elected on November 4. To add insult to injury, you are not even being square with the public on the actual numbers. While my distinguished colleagues who serve as Delegates and Resident Commissioner in this House may not be able to vote on the floor, they do vote in committee and subcommittee, and their presence on those committees ought to be counted in the ratios you advertise. But, they are not. Tell me, is the ratio for Interior 23 to 17, or is it really 26 to 17? Is the ratio for Armed Services 25 to 19, or is it really 26 to 19?

I said when I was elected leader last December that I was tired of being the minority. Does anyone wonder why? Well, I am tired of being dealt from the bottom of the deck, tired of getting up every morning and coming to work wondering how the mickey is going to be slipped to us today.

You have argued in the past, Mr. Speaker, that it is the prerogative of the majority to organize this House as it sees fit—and I see the distinguished chairman of the Rules Committee, who likewise shares that feeling. To the victor, I guess, belongs the spoils. I do not question the privileges that go with power, but with privileges go responsibility; and in this country with power goes limitations.

There are limits to which you can play fast and loose with the rights of the minority, and you have exceeded those limits in your handling of the ratios, particularly in regard to our Ways and Means Committee. Your 2 to 1 minus 1 ratio for Ways and Means makes a mockery of representative government. We have 44 percent of the membership of the House on our side, but we only have 34 percent of the seats on the Ways and Means Committee. By what standard is that considered to be fair? By what formula is it representative of the House or the will of the people?

I suspect that some of my colleagues, frankly, would even like to take you to court over this issue of ratios. And why not? It touches the very heart of the principle of representative government. Maybe there is a threshold of injustice where the courts have a legitimate right to step in and protect the rights of the people who elected us.

I suspect I would consider it somewhat of an embarrassment for one independent branch of Government to have to go to another branch in order to resolve its internal disputes. It does not speak well for the manner in which we fulfill our solemn responsibilities. I would prefer to settle this dispute here and now; Republicans and Democrats working together to organize a House of Representatives that reflects and represents the electorate.

That is why we are here on our side going to make one more effort to achieve fairness and equity by the parliamentary device of a motion to commit with instructions. The motion will be made at the appropriate time by the distinguished whip on our side, Mr. LOTT. I would urge as many Members as are persuaded by the legitimate arguments in our favor to support that motion.

With that, Mr. Speaker, I yield such time as he may desire to the gentleman from Louisiana, Mr. HENSON MOORE.

Mr. MOORE. Mr. Speaker, on November 4 the American electorate gave the American people and us in public service a mandate to lower taxes. If we look at the record, I do not really blame them. The ratio of taxes to the GNP when President Carter took office was 18.5 percent. When he left office 4 years later, it was almost 23 percent of the GNP being taken in Federal taxes. During the Carter years, we saw a $29 billion increase in new social security taxes; $13.6 billion increase in windfall profit taxes, which will be paid by the consumers and not by the oil companies; a $15 billion increase in inflation-induced "bracket creep" taxes which are paid by all of us; $12 billion in other tax increases. President Reagan ran on tax cut, won decisively on tax cut, and stated it as his highest priority in his inaugural address. The majority of us in this House today also ran on that same platform.

A tax cut is necessary to get the economy rolling again, to put our jobless back to work, to reduce the tax bite on the average American.

This House, by the action it may well take today, will demonstrate that it is clearly out of step with the American people. A liberal minority of this House is controlling the wishes and the future of the majority. That minority does not want to cut taxes. That minority wants to block or cripple those tax cuts by stacking the Ways and Means Committee. This vote you are about to make on the motion to commit is not a procedural vote. It is not a party line vote. It is not an insignificant vote. It could be as important a vote as will be cast in this Congress, as it may well determine the outcome of the tax policy in this Congress, and thus the economic recovery of this country.

I understand my colleagues on the other side of the aisle were instructed this morning in their caucus to vote no on this motion to commit, or they would be ousted by their caucus. That is a serious matter, but I would simply say to them that the public really does not care about what party we are members of. The public has repudiated excessive spending and runaway taxation, and they expect us to do

something about it. They are not concerned about our problems of getting along with our party colleagues.

Stacking the Ways and Means Committee to prevent or to emasculate a tax cut is not what the American people had in mind on November 4. A vote for the motion to commit to be offered by the gentleman from Illinois (Mr. MICHEL), to add two members to the Ways and Means Committee, will unstack it somewhat. It will be less than the ratio of the membership of Democrats to Republicans in this House, but it will do something to make a tax cut a reality. Therefore, I conclude that a yes vote on that motion to commit is a yes vote for tax reform the people said they wanted on November 4; and likewise, a no vote on this motion to commit is in reality a no vote for a tax cut for the American people.

□ 1600

Mr. MICHEL. Mr. Speaker, I yield 4 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, the stacking of committees by a relatively thin majority group is not a new phenomenon.

The historical record is replete with examples of congressional and legislative unfairness. Political parties have tried, as the Democrat majority is trying today, to insure by rule a tighter control over the process than the voters wanted to give them.

Therein lies the problem. Political greed, as exemplified by this Speaker's unfair committee ratios, often exceeds the mandate of the people.

The voters, about as many of whom voted for Republicans as Democrats in House elections, did not intend that the Speaker and his liberal majority should take all the marbles in this game. The people, having elected 44 percent Republicans, are laboring under the understandable delusion that Republicans should hold 44 percent of the committee positions.

Our system provides a variety of checks and balances thought by most Americans to be salutary. Denying any group, even Republicans, its rightful voice in the legislative process warps the system by destroying one of the most important checks.

Of course, it is easier to run the House if the voice of the minority group is stilled. To political elitists, the stifling of opposition by committee stacking is always a strong temptation. To this Speaker and to this Democrat majority, that temptation appears to be irresistible.

What makes this power grab extraordinarily offensive is the fact that this Democrat majority has proclaimed itself "the reform Congress." It has loudly and proudly told whomever would listen that it has rejected the old politics of greed, unfairness, and secrecy. We have been told again and again that this House now literally drips with purity, ethics, openness, and integrity.

But today the new politics becomes misrepresentation. The new ethics becomes unfairness. This is the new post-Watergate morality. There is nothing new about committee stacking, power grabs, legislative greed, or denying minority rights. In fact, the only stated justification for this exercise in new politics is the claim that someone did something almost as bad 26 years ago.

Fortunately, however, there is a modest counterbalance. Modern communications means that the people will have a little better idea of what is being done to them. Those who vote for disproportionate committee ratios can be assured that they will have an opportunity to explain that vote. They will be called upon to rationalize committee stacking with their recorded words on not only morality, openness, ethics, but also maybe even on tax policy or budget policy.

Those who spoke bravely of ethics, fairness and morality, Mr. Speaker, may want at this time to remember the politician's prayer:

O Lord, make my words both tender and sweet—for soon I may have to eat them.

To the Speaker and his friends, I can only say, "Bon appetit."

Mr. MICHEL. Mr. Speaker, I yield 4 minutes to the distinguished whip on our side, the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Speaker, I thank the distinguished Republican leader for yielding me this time.

Mr. Speaker, the committee ratios imposed on us by the Democratic majority do not reflect the ratio of Democrats to Republicans in the House. They are patently unfair, especially on the Committee on Ways and Means.

In essence, the committee ratios ignore the will of the American people as expressed in the last election. Maintaining these unfair ratios effectively disenfranchises a major portion of the American electorate and flies in the face of the one-man-one-vote rule.

The committee ratio on the Committee on Ways and Means amounts to a blatant act to block and obstruct the Reagan economic package, which is the issue the American people should naturally be—and they are—very much concerned about.

Therefore, as the minority leader mentioned in his remarks, at the conclusion of this resolution and before the vote on the resolution, I will offer a motion to commit the resolution to a select committee to be appointed by the Speaker and to be composed of nine members, not more than five of whom shall be from the same political party, with instructions to report the same back to the House forthwith with the following amendment:

Strike all after the resolving clause and insert: That the following-named Members, Delegates, and Resident Commissioner be and hereby are appointed to the following standing committees.

There is only one change. That change is that on the Committee on Ways and Means we have added two seats on the Republican side to be filled until otherwise so designated by the Republican conference by the distinguished leader, the gentleman from Illinois (Mr. MICHEL), and by myself, the gentleman from Mississippi.

So there is only one change in this motion to commit, and that would be that the select committee report back forthwith and add those two names on the Republican side to the Committee on Ways and Means. It does not deal with the Committee on Rules; it deals only with the Committee on Ways and Means.

I know that there are some Members on this side of the aisle who recognize the basic unfairness of what this committee ratio calls for on Ways and Means. I urge those Members to join us in this motion to commit so that we will have a resolution that provides a fairer ratio, one that reflects the vote of the American people in last year's election, and so that we can get through a fair economic package that is demanded and needed by the American people.

Mr. Speaker, I yield back the balance of my time.

Mr. MICHEL. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker, of course those of us who are speaking on the Republican side are either in the leadership or on the Committee on Ways and Means because the limited time available to us forces us to concentrate the feelings of our side of the aisle on the issue of committee stacking.

Nevertheless, I think I speak for all Republicans in saying that we deeply regret the decision which has been made to have an unrepresentative party ratio in the Committee on Ways and Means. In our democracy there is, of course, dialog within the parties, and there is dialog between the parties. It is important that both types of dialog go forward in a constructive way. We can count on the diversity of our two great parties to insure a high level of dialog within our parties. We depend on comity in the relationship between the parties based on respect, and on fairness. We have come to define fairness in traditional ways, because in fact rules are written for each Congress, and it is within the power of those who have the votes to change those rules unless tradition interprets the meaning of the word "fairness."

I have done some investigation of the facts about the Ways and Means

Committee ratio because the allegation has been made that when the Republicans were in control of the Congress, they did to the Democrats what the Democrats are now doing to us.

The percentage of the majority Members in the House for the 97th Congress is 55.8. The percentage of majority members on the Ways and Means Committee is 65.7. The difference is 9.9 points. There has not been so disproportionate a committee ratio over at least the past 20 Congresses or for the past 40 years.

For 16 of the preceding 20 Congresses, the majority-minority ratio on the Ways and Means Committee has been 15 to 10 or 3 to 2. That statistic certainly approaches tradition.

The exceptions are as follows:

The 89th Congress in which the Democrats gained 37 seats. The majority party percentage was then 67.8 in the House, and in the committee the percentage was 68—17 Democrats and 8 Republicans. In the following Congress, when the majority House percentage dropped to 56.9, the committee returned to its 15 to 10 or 3-to-2 format.

The other few Congresses which were exceptions to the by now well-established tradition of the 3-to-2 ratio on the Ways and Means Committee were the 94th, the 95th, and the 96th Congresses, when the majority percentages in the House were, respectively, 66.9, 66.7, and 63.4. The committee majority percentages for those Congresses were, respectively, 67.6, 67.6, and 66.7, each reasonably consistent with the percentage in the House as a whole.

The Democrats have contended that the 23-to-12 committee ratio is consistent with past practice, and that we Republicans adopted a similarly disproportionate ratio when our party held a majority of the seats in the House during the 83d Congress. The Republicans really were continuing a majority-minority ratio which had become virtually traditional by then. The committee ratio was 15 to 10 in each Congress from the 77th through the 88th Congress.

□ 1610

The Republican 83d Congress committee ratio of 15 to 10 or 3 to 2 is far more liberal than the 23-to-12 or 2-to-1 ratio imposed this year. A ratio of 3 to 2 in short would be traditional for either party.

Tradition is something we have to depend on in this House to provide the guidelines that we need if we are to have the constructive party dialog which is so significant in our democracy and so necessary to its continuance.

Mr. Speaker, when we no longer can appeal to the sense of fairness or the sense of tradition, which has protected us in the past, we have to fall back on appealing to the self-interest of the majority, because quite frankly, the destruction of a tradition of this sort ultimately is a threat for the majority as well as the minority in a society in which the two-party system involves viable choices between the two parties. I am not threatening, but stating an obvious fact when I say there may be a role reversal at any time.

I deeply regret that after this violation of tradition, it will be difficult for the new minority in the future to fall back on the fairness this tradition embodies. The tradition has been realistic in the past, and has helped the process work. It should not be lightly abandoned.

We are most regretful. We urge in the Members' own self-interest, if not in their sense of fairness, that this body vote for the motion to commit.

Mr. MICHEL. Mr. Speaker, I yield myself such time as I may consume.

I simply want to commend the distinguished ranking member of the Committee on Ways and Means, the gentleman from New York (Mr. CONABLE) for wrapping up the debate on our side with respect to this very critical question that he is going to have to deal with as the one responsible on our side for leading our side on the Committee on Ways and Means.

I have no more requests for time, Mr. Speaker, but before moving the previous question, I would simply advise the membership of the House that the parliamentary situation is such that the gentleman from Mississippi (Mr. LOTT), after the previous question has been ordered, will move to commit. That is a nondebatable motion, and there will be a vote immediately following which will give Members an opportunity to express themselves on the substitute which is embodied in the gentleman's motion.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

MOTION TO COMMIT OFFERED BY MR. LOTT

Mr. LOTT. Mr. Speaker, I offer a motion to commit.

The SPEAKER pro tempore. The Clerk will report the motion to commit.

The Clerk read as follows:

Mr. LOTT moves to commit the resolution (H. Res. 45) to a select committee to be appointed by the Speaker and to be composed of nine members not more than five of whom shall be from the same political party, with instructions to report the same back to the House forthwith with the following amendment:

Strike all after the resolving clause and insert in lieu thereof the following:

The following named Members, Delegates, and Resident Commissioner be, and they are hereby, elected to the following standing committees of the House of Representatives:

COMMITTEE ON AGRICULTURE

William C. Wampler, Virginia;
Paul Findley, Illinois;
James M. Jeffords, Vermont;
Tom Hagedorn, Minnesota;
E. Thomas Coleman, Missouri;
Ron Marlenee, Montana;
Larry Hopkins, Kentucky;
William M. Thomas, California;
George Hansen, Idaho;
Arlan Stangeland, Minnesota;
Pat Roberts, Kansas;
Bill Emerson, Missouri;
John Napier, South Carolina;
Joe Skeen, New Mexico;
Sid Morrison, Washington;
Clint Roberts, South Dakota;
Steve Gunderson, Wisconsin;
Cooper Evans, Iowa; and
Eugene Chappie, California.

COMMITTEE ON APPROPRIATIONS

Silvio Conte, Massachusetts;
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J. Kenneth Robinson, Virginia;
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Lawrence Coughlin, Pennsylvania;
C. W. Bill Young, Florida;
Jack Kemp, New York;
Ralph S. Regula, Ohio;
Clair W. Burgener, California;
George M. O'Brien, Illinois;
Virginia Smith, Nebraska;
Eldon D. Rudd, Arizona;
Carl D. Pursell, Michigan;
Mickey Edwards, Oklahoma;
Robert L. Livingston, Louisiana;
S. William Green, New York;
Tom Loeffler, Texas;
Jerry Lewis, California;
Carroll Campbell, Jr., South Carolina; and
John E. Porter, Illinois.

COMMITTEE ON ARMED SERVICES

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L. A. (Skip) Bafalis, Florida;
Richard T. Schulze, Pennsylvania;
Willis D. Gradison, Jr., Ohio;
John H. Rousselot, California;
W. Henson Moore, Louisiana;
Robert H. Michel, Illinois; and
Trent Lott, Mississippi.

Mr. LOTT (during the reading). Mr. Speaker, I ask unanimous consent that the motion to commit be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. LOTT. Mr. Speaker, this vote then would occur on the motion to commit, not on the resolution itself?

The SPEAKER pro tempore. On the motion to commit.

Mr. LOTT. An "aye" vote on the motion to commit would be a vote for fairness in the committee ratio.

The SPEAKER pro tempore. The Chair does not interpret it in that way.

Mr. LOTT. I thank the Speaker.

The SPEAKER pro tempore. Without objection the previous question is ordered on the motion to commit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to commit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. LOTT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 172, nays 221, not voting 40, as follows:

[Roll No. 7]

YEAS—172

Archer	Dickinson	Hillis
Badham	Dornan	Hinson
Bafalis	Dougherty	Hollenbeck
Bailey (MO)	Dreier	Holt
Beard	Duncan	Hopkins
Benedict	Dunn	Horton
Bereuter	Edwards (AL)	Hunter
Bethune	Edwards (OK)	Hyde
Bliley	Emerson	Jeffords
Broomfield	Emery	Jeffries
Brown (CO)	Erdahl	Johnston
Broyhill	Erlenborn	Kemp
Burgener	Evans (DE)	Kindness
Butler	Evans (IA)	Kramer
Campbell	Fenwick	Lagomarsino
Carman	Fiedler	Leach
Carney	Fields	LeBoutillier
Chappie	Findley	Lee
Cheney	Fish	Lent
Clausen	Forsythe	Lewis
Clinger	Frenzel	Livingston
Coats	Gilman	Loeffler
Collins (TX)	Gingrich	Lott
Conable	Goldwater	Lujan
Conte	Goodling	Lungren
Corcoran	Gradison	Madigan
Coughlin	Green	Marks
Courter	Gregg	Marlenee
Coyne, James	Gunderson	Marriott
Craig	Guyer	Martin (NC)
Daniel, R. W.	Hagedorn	Martin (NY)
Dannemeyer	Hammerschmidt	McClory
Daub	Hansen (ID)	McCloskey
Davis	Hansen (UT)	McCollum
Deckard	Hartnett	McEwen
DeNardis	Hendon	McGrath
Derwinski	Hiler	McKinney
Michel	Ritter	Snyder
Miller (OH)	Roberts (KS)	Solomon
Molinari	Roberts (SD)	Spence
Moore	Robinson	Stangeland
Moorhead	Rogers	Stanton
Morrison	Roukema	Staton
Myers	Rousselot	Tauke
Napier	Rudd	Trible
Nelligan	Sawyer	Walker
O'Brien	Schneider	Weber (MN)
Parris	Schulze	Weber (OH)
Pashayan	Sensenbrenner	Whitehurst
Paul	Shaw	Whittaker
Petri	Shumway	Winn
Porter	Shuster	Wolf
Pritchard	Skeen	Wortley
Quillen	Smith (AL)	Wylie
Railsback	Smith (NE)	Young (AK)
Regula	Smith (NJ)	Young (FL)
Rhodes	Smith (OR)	
Rinaldo	Snowe	

NAYS—221

Addabbo	Fountain	Nelson
Akaka	Frank	Nichols
Alexander	Frost	Nowak
Anderson	Fuqua	Oakar
Annunzio	Garcia	Obey
Anthony	Gaydos	Ottinger
Applegate	Gejdenson	Panetta
Aspin	Gephardt	Patman
Atkinson	Gibbons	Patterson
Bailey (PA)	Ginn	Pease
Barnard	Glickman	Pepper
Barnes	Gonzalez	Perkins
Bedell	Gore	Peyser
Beilenson	Gramm	Pickle
Benjamin	Gray	Price
Bennett	Guarini	Rahall
Bevill	Hall (OH)	Ratchford
Biaggi	Hall, Ralph	Reuss
Bingham	Hall, Sam	Richmond
Blanchard	Hamilton	Rodino
Boggs	Hance	Roemer
Boland	Hatcher	Rose
Bolling	Hawkins	Rostenkowski
Bonior	Hefner	Roybal
Bonker	Heftel	Sabo
Bouquard	Hertel	Santini
Bowen	Hightower	Savage
Breaux	Holland	Scheuer
Brinkley	Howard	Schroeder
Brodhead	Hubbard	Schumer
Brooks	Huckaby	Seiberling
Burton, John	Hutto	Shamansky
Byron	Ireland	Shannon
Chappell	Jacobs	Sharp
Clay	Jenkins	Shelby
Coelho	Jones (NC)	Simon
Collins (IL)	Jones (OK)	Skelton
Conyers	Jones (TN)	Smith (IA)
Cotter	Kastenmeier	Solarz
Coyne, William	Kazen	St Germain
Crockett	Kildee	Stark
D'Amours	Kogovsek	Stenholm
Daniel, Dan	LaFalce	Stokes
Danielson	Lantos	Stratton
Daschle	Leath	Studds
Dellums	Lehman	Stump
Derrick	Leland	Swift
Dicks	Levitas	Synar
Dingell	Long (LA)	Tauzin
Dixon	Long (MD)	Traxler
Donnelly	Lowry	Udall
Dorgan	Luken	Vento
Downey	Lundine	Volkmer
Dwyer	Markey	Walgren
Dymally	Matsui	Washington
Dyson	Mattox	Watkins
Early	Mavroules	Waxman
Eckart	Mazzoli	Weaver
Edgar	McCurdy	Weiss
Edwards (CA)	McHugh	White
English	Mica	Whitley
Ertel	Miller (CA)	Whitten
Evans (GA)	Mineta	Williams (MT)
Evans (IN)	Minish	Wilson
Fary	Mitchell (MD)	Wirth
Fascell	Moakley	Wolpe
Fazio	Moffett	Wright
Ferraro	Mollohan	Wyden
Fithian	Montgomery	Yates
Flippo	Mottl	Yatron
Florio	Murphy	Young (MO)
Foglietta	Murtha	Zablocki
Foley	Natcher	Zeferetti
Ford (TN)	Neal	

NOT VOTING—40

Albosta	Fowler	Pursell
Andrews	Grisham	Rangel
Ashbrook	Harkin	Roe
AuCoin	Heckler	Rosenthal
Boner	Hughes	Roth
Brown (CA)	Latta	Russo
Brown (OH)	Lederer	Stockman
Burton, Phillip	Lowery	Taylor
Chisholm	Martin (IL)	Thomas
Coleman	McDade	Vander Jagt
Crane, Daniel	McDonald	Wampler
Crane, Philip	Mikulski	Williams (OH)
de la Garza	Mitchell (NY)	
Ford (MI)	Oberstar	

□ 1630

Messrs. NICHOLS, JOHN L. BURTON, GRAY, and SCHEUER changed their votes from "yea" to "nay."

Mr. COLLINS of Texas changed his vote from "nay" to "yea."

So the motion to commit was rejected.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT AS MEMBERS OF JOINT ECONOMIC COMMITTEE

The SPEAKER. Pursuant to the provisions of 15 U.S.C. 1024(a), the Chair appoints as members of the Joint Economic Committee the following Members on the part of the House: Mr. REUSS of Wisconsin; Mr. BOLLING of Missouri; Mr. HAMILTON of Indiana; Mr. LONG of Louisiana; Mr. MITCHELL of Maryland; Mr. RICHMOND of New York; Mr. BROWN of Ohio; Mrs. HECKLER of Massachusetts; Mr. ROUSSELOT of California; and Mr. WYLIE of Ohio.

HOUR OF MEETING ON TOMORROW

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 2 p.m. tomorrow.

The SPEAKER pro tempore (Mr. FOLEY). Is there objection to the request of the gentleman from Missouri?

There was no objection.

WRONG SIGNALS TO CENTRAL AMERICA

(Mr. LOWRY of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LOWRY of Washington. Mr. Speaker, I rise today to call attention to the Sunday Washington Post article by its foreign affairs writer, Chris Dickey and to a resolution approved by the Church Council of Greater Seattle on January 15 on the current situation in El Salvador. The Post states that we have resumed military aid to

El Salvador complete with M16 rifles, grenade launchers, and six U.S. helicopters which are awaiting to be transformed into gunships and troop transports. Along with this aid, the U.S. Government has provided up to 20 advisers.

We have resumed aid without a satisfactory inquiry into the murders of four American churchwomen, including three nuns, or into the murders of two Americans involved in the land reform effort. We have resumed aid without evidence that the Government of El Salvador is able to control its own security forces or find a solution to the violence which is tearing at its country. At least 10,000 of its citizens were killed last year. Today's Washington Post reports 26 more deaths.

El Salvador has had one of the highest proportions of landless laborers and tenant farmers in Latin America. The grievances of the landless have played a crucial role in the political polarization and violence in that country. The Agrarian Reform Law of El Salvador spelled out a three-phase program which would transfer over 1 million acres of land—over one-third of the farmland—to over 200,000 peasant families. The resumption of military aid comes at a critical time for the land reform program. The program is currently being paralyzed by the Government. On April 28, 1980, the Government enacted decree 207 which transferred 500,000 acres to 150,000 families who had worked the land as tenants or sharecroppers. This step has resulted in a record corn crop which is now being harvested with enough excess to export to Nicaragua and Guatemala. However, the Government has not issued additional decrees for formal titling of the new owners nor has it compensated the former owners for the expropriated land, required under 207. These steps are necessary to prevent attempts by former landowners to reverse the land reform process and to prevent the tenants from being driven back toward supporting the opposition forces.

Therefore, the United States should not repeat the mistake that it made in Vietnam; that of blindly providing military support to a repressive government without guarantees of a policy of land reform and an end to human rights violations. Any continuation of assistance must be tied to willingness of the Government of El Salvador to complete the land reform program. Without land reform, El Salvador will degenerate into a brutal civil war torn country that may cost hundreds of thousands of lives. I am deeply concerned and am afraid that the New York Times editorial of January 15 is correct when it states that the United States is sending "the wrong signal at the wrong time and is bound to encourage more killing."

Thank you, Mr. Speaker, for allowing me the time to address this important issue.

The material follows:

WRONG SIGNALS TO CENTRAL AMERICA

Of the legacies of the Carter Administration, surely the sloppiest is its policy in El Salvador. The decision, in its last days, to resume the shipment of combat weapons to a besieged and divided junta made a hash of whatever political objectives Washington once had there. Now the Reagan Administration has added to the confusion by halting economic aid to Nicaragua because its regime is allegedly aiding the rebel forces in El Salvador.

There is nothing wrong in reexamining old premises. But in the volatile atmosphere of Central America, every tactical lurch in Washington is sure to be gravely read and misread. Until action can be coherently explained, it would be better to do nothing at all.

The American objective in both countries should be obvious: the encouragement of centrist political forces that aspire to social justice and friendly relations with the United States. Nicaragua has had its revolution and is led by an uneasy coalition of authoritarian socialists and private-enterprise democrats. The $75 million aid program, long delayed and now suspended, was intended to strengthen the groups most favorable to the United States. They are sure to suffer politically if they cannot deliver significant support.

El Salvador is close to civil war. Its junta is led by a Christian Democrat but dominated by the military. The tragic reality now is that neither President Duarte nor the democrats who have jointed the opposition control their respective armies. Therefore Washington, too, may have lost the chance to affect events.

But whatever influence it can still exert has to be directed to the junta's armies, pressing them to pursue policies that will make friends rather than enemies of the country's peasants. Land reform was the chosen instrument, but the old oligarchs were never reconciled to it. If their private armies and allies in the junta continue to make every reformer an enemy, the game will be lost to Marxists.

To make clear its displeasure with the junta's performance, the Carter Administration only a few weeks ago suspended military aid, at least until it was satisfied that Government forces did not conspire in the murder of opposition leaders and American Catholic missionaries. No fair inquiry seems to have been held, yet suddenly the aid was restored. It was the wrong signal at the wrong time and is bound to encourage more killing; last year's death toll was an appalling 10,000 in a country of only 4 million.

If the Reagan Administration wants to write off America's avowed friends in Nicaragua and potential allies in the Salvadoran opposition, that would at least be a policy, no matter how wrong and shortsighted. On reflection, however, it may see the pitfalls of a course that has the effect of stiffening both political extremes at the expense of the center.

Whatever the chances of still finding centrist solutions, the most hard-boiled Reagan realists will want to think long and hard before they make Nicaragua dependent on, say, Cuba, and pour American weapons into a savage Salvadoran war.

RESOLUTION ON EL SALVADOR

Whereas, in El Salvador 90 percent of the people earn less than $100 a year while 2 percent of the people own 60 percent of the land, and almost 75 percent of Salvadoran children under age 5 suffer from malnutrition; and

Whereas, very basic human rights of the people are not respected by the government and the military; and

Whereas, 10,000 people were killed in 1980, 80 percent killed by military or right wing security forces according to the Legal Aid Office of the Archdiocese of San Salvador. Those killed included 9 priests, Archbishop Romero, 3 Catholic Sisters, and numerous Church lay leaders; and

Whereas, The Church of El Salvador is the voice of those who have no voice, and it through Archbishop Romero last March requested to President Carter, "to guarantee that your government will not intervene directly or indirectly with military, economic, diplomatic, or other pressures to determine the destiny of the Salvadorean people." Therefore

We the Church Council of Greater Seattle:

Denounce the human rights violations in El Salvador.

Call for an end to the persecution of the Salvador Church.

Condemn all U.S. intervention in El Salvador.

Ask for an end to all economic and military aid to El Salvador until a representative government has been established.

Approved January 15, 1981.

COMMITTEE STAFF FUNDING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 60 minutes.

● Mr. COLLINS of Texas. Mr. Speaker, committee funding resolutions are now being prepared by each committee. Before each committee finishes the process of drafting budgets, let us review the pitfalls to avoid. Attached to this statement are charts showing the breakdown of total expenditures for several committees from the 92d through the 96th Congresses, although we do not yet have the 1980 expenditure figures. They show exactly where the exorbitant growth and unnecessary expense has occurred.

Each of these charts represents costs above the statutory budget which is already provided to the committees. Every standing committee, except Appropriations and Budget, is allowed to hire up to 30 statutory staff members. Each committee is given office space, equipment, telephones, and postage moneys needed for those 30 employees to work. These charts show the expenditures for added temporary, investigative staff. They are not subject to civil service or House rules. They are hired by the chairmen of the committees. They have grown rapidly in size and costs to the point where they are

creating more legislation, regulations, and agencies just to justify their jobs.

The charts make it clear just where the unnecessary waste has occurred. The salaries for the investigative staff alone represent around 90 percent of each committee's expenditures during the last 10 years. Look at the consultant fees which are an additional personnel cost. Examine the travel budgets. Remember, these are for supplemental employees.

Each Member of Congress has up to 18 personal staff in his own office plus the 30 statutory for each committee, which totals 600 already at his disposal. Why are we spending $86 million on these additional investigative staff?

During the next 3 weeks, we will be closely studying the specific problem areas. Salaries, for example. My own committee, Commerce, tops the list—the $3 million club. That has grown from half a million dollars just 10 years ago. Remember, this budget is just for 1 year—not both sessions of Congress. Merchant Marine in 1979 was $1,262,618 for investigative salaries; in 1971 it was only $161,303. Subcommittees have added to the problem. Agriculture, which has 10, has seen a tremendous growth in costs, many of which are for subcommittee employees—and many of these subcommittees hardly ever meet. Cotton Subcommittee last year met less than 4 hours.

Let us look at the charts and start thinking where you can cut within your own committee. Let us hold the line here so we do not have to make further reductions within the Subcommittee on Accounts. Remember, our constituents expect us to cut back in spending, because less Government spending means less inflation.

Reducing inflation begins by reducing the size of Government. The more we reduce Government spending—the more we will reduce America's inflation.

When Congress makes committee staffs larger, the staffers create work to justify their jobs. Committee staffs stay busy creating new agencies, establishing new regulations requiring additional reports, and redefining the rules. The Federal Register has grown from 35,572 pages in 1973 to 87,012 in 1980.

Congress wants to reduce the budget so let us cut Government spending. The place to start cutting effectively is at the cause of the trouble. Let us eliminate these obsessed staffers, who compete to see how many new creative laws and complicated regulations they can introduce every week.

The answer for less Government rests with us in Congress. We need to provide the example. Congress must lead the way. We expect all bureaucracies to cut, and we must be the first to cut staff.

EXPENDITURES 92d TO 96th CONGRESSES

Item	92d			93d			94th			95th			96th	
	1st session 1971	2d session 1972	Full Congress	1st session 1973	2d session 1974	Full Congress	1st session 1975	2d session 1976	Full Congress	1st session 1977	2d session 1978	Full Congress	1st session 1979	2d session 1980
Committee on Agriculture:														
Investigative salaries			$155,256	$104,473	$140,817		$150,135	$123,148		$348,321	$354,276		[1] $572,409	
Majority subcommittee salaries							161,675	234,124		239,508	297,812		303,752	
Hearings and travel			8,154	1,768	2,228		26,529	15,005		35,239	37,039		47,338	
Telephone and telegraph			501	320	696		1,868	1,468		4,565	7,543		9,523	
Supplies/equipment			995	1,456	1,980		21,034	45,522		65,923	73,692		74,972	
Periodicals							2,237	1,514		2,849	3,770		3,494	
Miscellaneous			494	158	184		233	188			104		223	
Special food study								134,942						
Consultants							1,350			[2] 183				
Total			165,400	108,175	145,905		365,061	555,911		696,588	774,236		1,011,711	
Committee on Armed Services:														
Salaries	191,169	157,152		132,954	78,465		106,859	153,066		297,551	380,986		436,349	
Travel	1,917	0		1,289	1,217		119	2,661		3,000	55,199		14,638	
Telephone	639	716		495	1,064		890	1,472		1,374	1,803		2,942	
Office Equipment				4,061	106		7,025	6,674		9,545	12,818		17,830	
Stationery	1,741	1,241		192	523		328	646		1,297	797		1,924	
Periodicals/books							2,367	1,478		1,198	1,153		2,216	
Special training										489	3,567		4,311	
Witness fees and travel	781	178		113	2,145		528	3,268		717	1,509		4,247	
Consultant fees and travel	4									1,200	7,000		11,500	
Representation													667	
Miscellaneous	1,638	4,393		1,134	6,616								37	
Reporting service	1,866	26,222		7,056	7,574									
Total	199,755	189,902		147,294	97,710		118,116	169,265		316,371	464,832		496,661	
Committee on Banking, Finance and Urban Affairs:														
Salaries			1,380,852	823,529	956,599		1,164,311	1,577,155		1,816,534	2,036,745		2,012,732	
Travel			40,690	24,094	31,473		28,571	83,983		46,823	73,283		46,791	
Witnesses			3,938	1,429	3,081		8,638	11,053		8,454	9,052		11,366	
Stationery and supplies			7,427	2,984	6,373		16,579	17,985		18,967	19,045		14,081	
Telephone and telegraph			12,856	5,852	8,100		9,322	26,256		19,676	22,232		20,756	
Publications			16,430	10,273	10,694		18,487	22,830		24,253	23,166		24,325	
Duplicating machines			24,920	12,344	14,909		22,959	41,603		32,741	36,904		36,491	
Miscellaneous			781	1,741	3,282		10,257	43,124		36,845	24,760		24,204	
Reporting services			5,280	21,884	5,364									
Contracts			11,600			$42,300	50,700	44,450			15,000			
Computer			5,630											
Petty cash			100											
Total			1,510,504	904,130	1,082,165	1,986,295	1,329,824	1,868,439		2,004,293	2,260,187		2,190,746	
Committee on District of Columbia:														
Salaries	103,543	121,675		244,559	280,673		247,573	330,355		229,386	230,818		232,586	
Supplies and publications				1,018	1,176		1,512	3,362		2,395	2,910		5,036	
Equipment services				3,623	1,000		8,558	15,907		10,965	13,420		10,941	
Phone/telegraph				4,900										
Reporter service and witness fees				371				469		85			306	
Travel				1,090	2,775		7,844	16,067		1,893	3,614		2,662	
Conference fees				101										
Contracts				5,000				6,000						
Miscellaneous	263	10,659		100										
Total	103,806	132,334	236,140	252,042	294,245	546,287	265,487	372,160	$637,647	244,724	250,762	$495,486	251,531	

EXPENDITURES 92d TO 96th CONGRESSES—Continued

Item	92d			93d			94th			95th			96th	
	1st session 1971	2d session 1972	Full Congress	1st session 1973	2d session 1974	Full Congress	1st session 1975	2d session 1976	Full Congress	1st session 1977	2d session 1978	Full Congress	1st session 1979	2d session 1980
Committee on Education and Labor:														
Salaries			1,640,305	986,067	1,364,668		1,098,568	1,332,741		1,425,164	1,629,263		1,761,225	
Travel			98,552	36,313	65,474		69,655	87,601		90,126	81,242		87,354	
Communication			20,342	11,294	19,076		13,062	19,575		18,791	15,732		17,285	
Publications			9,342	8,240	9,702		12,369	13,611		16,219	18,361		23,088	
Consultants						1,700	4,000	17,000		24,430	2,666		3,000	
Xerox						[1]34,034	12,644	19,827		20,491	23,568		27,740	
Hearings			29,429	13,971	15,680									
Per diem														
Reporting														
Miscellaneous			20,280				2,757	694		959	429		1,672	
Witness fees			817											
Total			[1]1,819,067	1,069,589	1,496,628	2,566,217	1,213,055	1,491,049		1,596,180	1,771,261		1,921,364	
Committee on Foreign Affairs:														
Salaries	276,507			439,324	526,768		513,837	639,833		975,193	1,294,036		1,402,634	
Travel	2,079			1,574	4,055		3,415	7,537		52,376	101,286		21,256	
Witness expense	10,271			5,144	8,167		7,957	11,831		21,652	15,155		20,590	
Telephone and telegraph	2,724	4,497		2,937	4,195		6,317	9,773		12,235	10,780		13,238	
Periodicals	746	1,627		969	2,081		4,774	6,776		10,077	8,185		10,057	
Miscellaneous expenses	641	416		425	433		49	50		387	559		654	
Printing services						706	162	127		205	84		288	
Duplicating expense		3,476					10,186	16,559		24,865	29,335		39,106	
Consulting fees						19,512	6,554	44,563		3,100	22,006			
Parliamentary exchange							2,343	3,376		7,808			6,331	
Stenography services				21,828	19,714									
Duplicating machines				4,784	6,121									
Professional salaries				276,452	427,000									
Clerical salaries				162,873	189,703									
Reporting service	17,356	13,456												
Total	310,324		737,985	476,985	590,945	1,067,930	555,594	740,425		1,107,898	1,481,427		1,514,153	
Committee on Government Operations:														
Salaries	789,497	772,896		861,070	937,493		971,515	1,198,138		1,345,379	1,535,558		1,669,482	
Travel	9,021	10,958		20,369	9,471		26,771	26,571		30,076	43,733		57,494	
Telephone and telegraph	2,882	3,701		2,300	2,732		6,969	10,748		9,630	11,329		12,974	
Stationery and printed matter	7,827	11,450		10,325	17,387		21,803	42,958		37,182	56,897		56,235	
Witness expense	1,398	569		2,619	1,762		3,385	4,566		4,338	4,408		7,290	
Consultant expense		10,961		32,868	1,000		2,850				810			
Reporting services	21,882	21,982		25,447	22,153									
Computer	3,286	2,144												
Miscellaneous			12			17		393		180	172		546	
Total	835,792	834,673	1,670,466	955,015	991,998	1,947,013	1,033,293	1,283,374		1,426,785	1,652,907		1,804,021	
Committee on Interior and Insular Affairs:														
Salaries			365,559	407,668	582,812		437,410	438,360		597,906	758,079		985,879	
Consultant fees										1,900	6,147			
Travel			104,409	69,896	82,206		76,794	59,894		185,552	77,171		84,760	
Telephone and telegraph			3,246	4,770	5,136		7,865	6,978		14,743	13,448		20,205	
Periodicals			1,017	748	2,416		2,402	2,806		3,745	7,114		7,776	
Miscellaneous			6,964	637	2,320		20,032	20,393		30,501	33,766		41,880	
Reporting services			9,098	9,179	8,919									
Equipment rental				5,095	14,000									
Petty cash														
Majority room printing														
Total			490,333	497,993	697,809		544,503	528,431		834,347	895,725		1,140,500	
Committee on Interstate and Foreign Commerce:														
Salaries	572,627	681,273		740,529	782,798		1,364,794	2,055,769		2,578,860	2,993,564		3,137,122	
Travel	38,129	47,811		25,913	38,843		40,397	80,263		103,079	124,131		84,931	
Witness fees				1,024		1,024	5,964	12,028		18,636	21,107		20,292	
Stationery supplies	19,866	14,643		15,987	21,872		958	1,785		3,211	1,183		553	
Telephone/telegraph	3,681	6,681		7,454	10,275		16,981	27,902		38,929	39,310		45,814	
Periodicals				3,925		3,925	8,723	16,323		17,072	19,358		29,456	
Consultants				6,400	29,800						22,204		160	
Reporting services	11,755	11,554		13,483	8,056									
Miscellaneous	61	233		501	6,678		78,285	77,210		187,864	77,465		92,265	
Total	646,119	762,195	1,408,314	810,267	903,271	1,713,538	1,516,102	2,271,280	3,878,382	2,947,651	3,298,322	5,245,973	3,410,593	
Committee on Judiciary:														
Salaries	[3]265,297	339,634		1,025,602	1,321,810		777,529	993,940		1,031,814	1,067,157		1,046,591	
Staff training											816		429	
Travel	21,031	7,549		11,913	36,044		40,273	26,717		36,566	48,869		37,272	
Consultants				4,171	133,963		13,200	29,574		31,802	44,080		24,541	
Witnesses				1,720	5,444		17,938	16,277		6,950	11,718		12,829	
Telephone and telegraph	1,200	2,654		6,724	15,257		10,581	9,164		10,475	9,383		12,575	
Periodicals	877	993		4,793	5,667		5,776	8,762		6,833	8,607		10,416	
Office equipment and leasing				19,719	100,163		26,015	43,569		49,943	48,902		52,745	
Mimeographing				128	3,034		602	370		409	365		272	
Office supplies and miscellaneous						24,456		43		267	851		265	
						5,790								
Purchase of transcripts				8,174	27,412		314							
Computer Reporting service	6,202	7,579				15,024	2,815							
GAO reimbursement				24,592	27,049									
Miscellaneous	5,330	12,494												
Total	299,993	370,903		1,114,147	1,714,502	2,828,649	895,043	1,128,416		1,174,338	1,240,748		1,197,935	
Committee on Merchant Marine and Fisheries:														
Salaries	161,303	221,084		181,052	205,281		170,478	188,210		578,472	948,655		1,262,618	
Contract payments										13,373	113,980		70,412	
Travel	15,993	9,086		10,532	25,642		21,798	24,652		74,381	97,916		67,843	
Duplication	2,888	5,099		3,677	8,889		6,467	6,741		19,726	33,502		27,822	
Periodicals	1,066	555		672	901		1,911	2,521		5,233	6,085		6,575	
Telephone	3,443	3,887		659	1,208		1,572	3,816		2,579	5,071		5,929	
Equipment rental										5,065	23,689		20,131	
Miscellaneous	622	333		81	87					1,869	4,238		5,861	

EXPENDITURES 92d TO 96th CONGRESSES—Continued

Item	92d			93d			94th			95th			96th	
	1st session 1971	2d session 1972	Full Congress	1st session 1973	2d session 1974	Full Congress	1st session 1975	2d session 1976	Full Congress	1st session 1977	2d session 1978	Full Congress	1st session 1979	2d session 1980
Reporting services	9,052	6,040		6,413	3,764									
Total	194,367	246,084		203,086	245,692		202,226	225,940		700,698	1,233,136		1,467,191	
Committee on Post Office and Civil Service:														
Salaries	386,830	421,116		411,015	442,949		374,879	377,262		504,688	593,183		644,704	
Travel	19,611	26,167		18,424	21,049		31,563	47,856		40,100	45,898		51,939	
Equipment				4,551	5,855		6,596	10,178		14,850	17,123		16,654	
Telephone and telegraph			9,690	2,865	4,078		4,619	5,903		7,732	8,444		9,206	
Periodicals			876	770	1,726		1,983	2,173		3,454	3,165		609	
Miscellaneous			8,106	292	808		868	2,089		4,605	2,589		1,213	
Witness fees and expenses							475	1,009			100		100	
Consultants			41,896	44,465	79,290		25,300	21,099		67,258				
Reporting services			7,105	4,455	6,277									
Contracts														
Stationery			466											
Supplies														
HIS														
Total	418,401	503,462	921,863	486,846	562,023	1,048,869	446,283	467,569	913,852	642,688	670,402	1,313,090	728,424	
Committee on Public Works and Transportation:														
Salaries	616,014	796,673		934,295	1,121,761		1,184,182	1,413,960		1,523,155	1,465,615		1,459,887	
Travel	42,989	77,384		57,013	119,646		107,981	185,732		114,618	117,862		103,039	
Telephone and telegraph	3,324	5,343		3,207	12,742		12,176	10,180		11,104	12,767		13,349	
Publications	970	1,133		21017	3,571		4,605	5,977		4,404	4,982		4,837	
Electrical equipment	6,074	7,206		11,423	16,492		19,699	19,866		20,788	27,396		25,570	
Witnesses	929	567		1,217	2,362		509	798		4,755	3,904		187	
Miscellaneous	1,807	260				153	259	153		149	305		1,392	
Special training										300			4,800	
Stationery and supplies	2,378	4,858		1,701	1,192		1,007	1,485		11				
Photo-visual equipment and services						13,563	600	489		128				
Consultants	24,690	44,010		46,900	65,650			2,000						
Hearing/reporting service	6,044	5,796		2,285	9,683									
Panelists						11,500								
Total	705,219	943,230	1,648,449	1,060,058	1,378,316	2,438,374	1,331,018	1,640,640	2,971,658	1,679,412	1,632,831	3,312,243	1,613,061	
Committee on Rules:														
Office machine rental			[4]924			3,860		6,923		7,536	12,310		24,962	
Telephone and telegraph						432		1,118		1,126	1,308		2,823	
Subscriptions			144			375		706		812	1,129		5,415	
Miscellaneous						127	14	146		91	1,038		629	
Travel											598		4,713	
Salaries													269,811	
Equipment rental							3,756							
Telephone			178				657							
Witness fees and travel						736								
Contracts													9,000	
Witness													3,042	
Books													1,227	
Printing			[5]378										357	
Office supplies													212	
Education													35	
Stenograph			120 (c)											
Total			1,744 (c)			5,530	4,427	8,893		9,565	16,383		322,226	
Committee on Science and Technology:														
Salaries			$579,462	$284,688	$320,661		$306,795	$464,912		$887,144	$1,077,101		$1,318,171	
Travel			59,575	23,978	48,196		41,840	66,954		110,998	89,051		89,004	
Witnesses			4,297	4,146	6,663		17,087	29,562		34,019	38,478		44,747	
Duplicating equipment											39,241		34,830	
Periodicals								2,708		5,936	5,960		6,279	
Telephone and telegraph			2,688	1,743	4,411		7,548	6,240		9,785	8,602		9,885	
Supplies and stationery										3,902	7,889		14,858	
Miscellaneous			563	341	879		1,783	2,073		4,672	2,344		2,032	
Consultants fees				150	900		6,000	27,250		42,174	18,775			
Consultants travel							3,704	7,737		15,867	1,794			
Special training										2,620				
Duplicating			9,936	5,904	11,826		18,279	19,508		24,523				
Reporting services			15,469	8,037	7,241									
Total			671,990	328,987	400,777	$729,764	403,036	626,944		1,141,640	1,289,235		1,519,806	
Committee on Small Business:														
Salaries			840,805	433,043	385,933		291,581	361,319		451,595	598,567		622,681	
Travel			18,494	8,726	7,311		11,399	14,672		20,177	21,016		35,999	
Witness fees				526	235			1,596		2,902	2,803		3,584	
Stationery supplies			2,033	707	1,243		968	1,570		1,410	1,662		2,883	
Telephone and telegraph			5,210	2,359	3,184		3,000	3,597		5,735	9,944		17,705	
Publications and periodicals			1,419	698	781		645	340		1,906	1,631		4,651	
Duplicating services			711	89	285		20	170		183	387		11,897	
Miscellaneous			7,644	410	1,137		23,747	2,671		6,221	10,777		873	
Consultant fees						12,000							15,000	
Equipment lease						1,153							9,829	
Outside computer charges													4,500	
HIS charges													5,200	
Reporting			10,307	10,473	10,192									
Total			886,533			880,485	331,360	385,935		490,129	646,787		734,802	
Committee on Standards of Official Conduct:														
Salaries										54,791	189,874			
Consultants			7,400			6,389	10,793	163,113		123,299	135,348		241,136	
Stationery, supplies and equipment			626			1,107	1,028	3,288		7,566	14,535		8,365	
Telephone and telegraph			171			266	424	1,656		4,954	11,954		1,389	
Publications			592			747	1,144	622		1,293	989		1,027	
Members and staff travel			629			417	223	2,169		25,720	37,902		4,097	
Witness fees										12,139	23,588			
Travel											9,642		[6]2,788	
Miscellaneous			48			8		17,018		19,544	15,929		8,820	
Total			9,466			8,934	13,612	187,866		249,306	439,761		267,622	

EXPENDITURES 92d TO 96th CONGRESSES—Continued

Item	92d			93d			94th			95th			96th	
	1st session 1971	2d session 1972	Full Congress	1st session 1973	2d session 1974	Full Congress	1st session 1975	2d session 1976	Full Congress	1st session 1977	2d session 1978	Full Congress	1st session 1979	2d session 1980
Committee on Veterans' Affairs:														
Salaries	$78,382	$75,678		85,595	83,281		81,564	106,530		164,794	211,303		204,998	
Travel	20,453	21,365		12,909	9,715		27,315	27,797		25,544	33,742		29,093	
Witness			167			156					499			
Stationery and Supplies	1,934	5,914		1,851	3,594		4,226	10,259		16,972	22,162			
Telephone and telegraph	302	572		336	663		347	260		275	124		2,093	
Periodicals and publications	318	560		237	195		805	673		670	597			
Consultant fees	7,200	9,400		6,775	8,738						4,819		4,070	
Equipment lease														
Equipment and supplies													24,450	
Publications													1,106	
Miscellaneous								1,900		2,653				
Reporting service			338			259		2,336		470				
HIS contract fees							5,975							
Total	109,095	113,488	222,583	107,962	106,342	214,304	120,232	149,755	$269,987	211,378	273,246		265,810	
Committee on Ways and Means:														
Consultant fees			1,100			7,000		3,000		10,580	1,275		5,750	
Duplicating Services			10,027	3,634	6,207		11,977	19,825		24,454	24,575		30,909	
Equipment						1,215	718	21,064		14,661	18,926		17,471	
Miscellaneous			17	21	32		573	51		551	1,424		88	
Periodicals			1,719	996	1,364		2,867	5,232		9,570	8,285		11,316	
Tax services			8,253	3,065	6,480		14,172	11,489		16,484	14,136		17,137	
Technical publications			2,888	1,852	1,373		1,557	2,012		9,419	3,302		2,060	
Telephone and telegraph			1,706	1,117	1,348		4,892	14,641		13,507	13,134		18,307	
Travel			613	6,694	342		33,273	53,673		69,640	85,618		51,150	
Witnesses										5,478	6,095			
Salaries			20,400	45,411	106,207		617,154	1,008,099		1,375,601	1,592,056		1,708,718	
Representation allowance													145	
Total			46,723	69,790	124,568		687,183	1,139,086		1,549,945	1,768,826		1,863,051	

[1]Includes minority subcommittee.
[2]Includes miscellaneous.
[3]56 temporary.
[4]Machine utilization.
[5]Publishing.
[6]Includes duplicating expenses.●

□ 1640

Mr. GLICKMAN. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Kansas.

Mr. GLICKMAN. I thank the gentleman for yielding,

Mr. Speaker, I would point out to my colleague that the Agriculture Committee has reduced from 10 to 8 subcommittees, in an effort to comply with Democratic Caucus rules, which is trying to bring down the number of subcommittees. I just wanted to set the record straight. My colleague said that we had 10, and we do have 8 subcommittees.

Mr. COLLINS of Texas. There were 10 the last time. And I want to commend the gentleman. I hope the gentleman can get it down to six. The figure we are shooting for now is six. Does the gentleman anticipate that we might be able to get to six in Agriculture?

Mr. GLICKMAN. I cannot speak for the committee. I am just saying that, as a matter of policy, we have reduced from 10 to 8 subcommittees.

Mr. COLLINS of Texas. That is a step in the right direction.

I might just say this, since the gentleman mentioned subcommittees, that no committee is as bloated as the committee on which I serve, which is the Committee on Energy and Commerce. This committee has a staff of over $3 million. Three million dollars. We not only have a staff, but we have high priced executives. I was interested to see that on the investigative staff, we have eight of them who make over $50,000, which puts you in the ranks of a top executive. We have everything on that Commerce Committee, but we have done it in six subcommittees. So it is not the number of subcommittees. You can end up just putting staff, staff, staff on any of them that you have. The thing that we want to do is to reduce staff.

Mr. BOWEN. Mr. Speaker, the gentleman from Texas, Mr. COLLINS, will be pleased to know that the Agriculture Committee is reducing the total number of subcommittees from 10 to 8 and that the Subcommittee on Cotton, which I chair, is being consolidated into a new Subcommittee on Cotton, Rice, and Sugar, which I should chair.

Mr. Speaker, I am sure, however, that the gentleman from Texas must have received some erroneous information about the time the Cotton Subcommittee spent in session last year.

During 1980 we spent more than 30 hours in session, including markup, hearings in Washington, and field hearings in three different locations across the Cotton Belt of our Nation.

Although we were very busy on that subcommittee, I, too, regard the consolidation as a progressive and economical step forward.

TRIBUTE TO THE LATE HONORABLE OLIN E. TEAGUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. WRIGHT) is recognized for 60 minutes.

Mr. WRIGHT. Mr. Speaker, Olin E. Teague was buried yesterday at Arlington National Cemetery. It is right that this should be his resting place, for that is where heroes lie. And "Tiger" Teague was a hero. His footprints are everywhere in the history of the past half century.

Tiger Teague was, in the best sense of that word, a man's man. He was an American's American, guileless, unaffected, and unashamed in his patriotism. It would please him, I think, to be described as a Texas Aggie's Texas Aggie.

Olin Teague's name is synonymous with courage. His blood watered the battlefields of Europe, and he left a part of himself there in World War II. He was a battlefield commander who fought his way through the thick of combat. Tiger Teague was awarded three Silver Stars, three Bronze Stars, and three Purple Hearts.

Patched back together after numerous operations, Olin Teague walked for the rest of his life on one leg which was several inches shorter than the other. He wore a heavily built up shoe. Finally, some 3 years ago, his damaged foot developed gangrene and had to be amputated. Nor was this the only physical impediment which Tiger Teague bore uncomplainingly. He was afflicted during the latter years of his life with a diabetic condition and other internal maladies.

But what a man he was. And what a competitor. During my early years in Congress, Tiger was the scourge of the paddleball court. Unable to compete with swiftness of foot, he would place himself in the center of the court and

dominate it. Barrel chest and torso and muscular arms, he was an intimidating presence. So competitive was he that others kept their distance lest their insteps fall under the crunch of that heavily built up shoe.

Tiger once told me that he had "lost 250 pounds this year." When I scoffed in jocular incredulity, he assured me it was literally true. "I've lost 25 pounds 10 times," he said. Plagued by overweight, Tiger Teague would goad someone into a friendly wager as to which of the two could lose the most in the succeeding 2 weeks. If the wager were for no more than a quarter, Tiger Teague would starve himself rather than lose the competition. That is the kind of man he was.

But he was also another kind of man as well. He had a gentle side. Never was this more evident than in his tender concern for the families of those who were prisoners of war or missing in action in the Vietnam hostilities. With aggrieved young wives and mothers and little children, Olin Teague was the heart of sympathy and the soul of patience.

The law books of our Nation bear his handiwork. Olin Teague had much to do with veterans legislation, with our space program, and with our first legislative attempts to launch a synthetic fuels program for America.

Returning from World War II as a decorated hero, Tiger perhaps predictably was assigned to the Veterans' Affairs Committee, of which he became chairman 8 years later. The GI bill of rights, the educational benefits that were provided for the veterans of Korea and Vietnam, and other productive ways in which the Nation expressed its gratitude to those who gave of their wholeness in defense of the things we hold dear, were influenced strongly by Olin E. Teague. But he was never what one could call a professional veteran. He could say "no" and often did whenever he thought the demands of any veterans' organization were excessive.

Upon the inception of the Space Committee, Tiger Teague was assigned to it. He was chairman of the Subcommittee on Manned Space Flight and helped to launch and monitor the programs which put American footprints on the Moon. During his last few years in Congress, he was chairman of the full Committee on Science and Technology.

One of Olin Teague's greatest disappointments was his failure—barely, by a margin of only one vote—to muster the support necessary to launch a meaningful synthetic fuels program for our country. If Tiger Teague had had his way, we would have been 5 years further down the road toward energy sufficiency than we are. The ambitious program which Congress finally launched last year is in no small measure due to the earlier vision of Olin E. Teague.

We who knew and loved him will miss him. His family—Freddie, Jack, Jim, and Jill—have a rich and towering legacy. Olin Teague loved his country and his country owes much to him.

□ 1650

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the distinguished gentleman from Arizona.

Mr. RHODES. Mr. Speaker, I thank my good friend for yielding to join with him and the delegation from Texas—and indeed all of the Members of the House—in remembering our great former colleague, Olin Teague, and expressing our sympathy at his passing.

The gentleman from Texas has, I think, set forth the record of Olin Teague as a man and as a Member of the Congress as well as it can be done, and I do not intend to repeat any of his accomplishments, although I certainly could because I have had the honor of not only being a colleague of "Tiger" Teague, but also a close personal friend. As a matter of fact, Tiger lived out in that part of Montgomery County, Md., near the part in which Betty and I reside, and we often rode together from that part of Maryland to the Capitol.

We have very similar philosophies on almost everything. The defense of the country was uppermost in the mind of Tiger Teague, and second only to that was his love and respect and admiration and concern for the American veteran. I think that every veteran in this country owes Tiger Teague a debt of gratitude that could never, never, never be repaid. In fact, he would not want it repaid because his reward for all he did was the fact that, I think, most people understand that the American veteran has been treated as well as any veteran ever has in any war, any country, at any time. Much of this has been due to the concern and hard work of our good friend, Tiger.

His wonderful wife, Freddie, their children, are dear friends of Mrs. Rhodes and me. We extend to them our heartfelt sympathy; to the people of Texas who loved him; in fact, to the people all over the country who love him and who will feel poorer because of the fact that the good Lord has seen fit to remove Tiger from our midst.

We wish them, or course, the best of everything, and God rest the soul of a noble, noble gentleman.

Mr. WRIGHT. I thank the gentleman.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the distinguished gentleman from Texas, the dean of the Texas delegation (Mr. BROOKS).

Mr. BROOKS. Mr. Speaker, I want to say to my distinguished friend, I want to thank him for calling this special order in recognition of the passing away of our beloved friend, "Tiger" Teague. I want to say that previously, on January 27, I made a statement about him, and a good many other Members did, in inviting the Members and announcing the detail of the funeral which you and the Speaker and many other Members attended.

I want to say that I do not know anybody who was more fun or who did a better job than Tiger Teague. I want to thank the gentleman very much for bringing this to the attention of the House.

Mr. WRIGHT. I thank the gentleman.

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Speaker, I thank the distinguished leader for the opportunity to join in this special order. I certainly listened with great attention to the experiences of my colleagues who shared friendship with Congressman Teague long before I came on the scene, but yesterday at the Fort Myer services I think one of the most impressive things I have ever seen, witnessed, or even read about was the testimony rendered in very simple language by an officer in the U.S. Air Force and a chaplain, who had been a prisoner of war of the Vietnamese Communists for 7 years, and who explained to us how it was that he was identified with Congressman Teague and with the memories he was evoking.

It was the most impressive testimony I have ever heard about a man's true dimensions and stature of greatness, of a great human being with a great heart and great capacity for feeling for his fellow Americans as that which was explained to us by this chaplain yesterday.

My own experience has been that when I first came up in 1961, in the middle of the 87th Congress, I met Chairman Teague for the first time under very auspicious circumstances in which he literally cussed me in the well of the House because I came up consecrated and dedicated and pledged to the task of supporting what turned out to be Congressman Denton of Indiana in his effort to obtain pensions for World War I veterans. When I had been in the State senate I had memorialized Congress through resolutions about the need for World War I veterans' pensions. I still am, for that matter. I did not know that that was a big hot issue up here in which the administration and the chairman of the committee were stoutly resisting that

particular version of Congressman Denton's bill, which he later said would cost $11 billion.

They had a petition registered with the Clerk, a discharge petition, so I went over and signed that petition, and as much as I might have experienced 5 years in the State Senate—we did not have the equivalent—I discovered that my name was 1 short of the necessary 218. At that point, I heard this muffled voice in very expressive, concise, cogent Texas language—familiar now—express his sentiments.

I did not know him. I had not met Tiger Teague, but I soon found out. So, that started our friendship. Of course, the rest is history because Congressman Denton did get the sufficient number, and the President himself had to intervene and did some arm twisting, and about nine Members came in thereafter and removed their names from the discharge petition.

I want to tell you that in the course of the years, though, who was to say that later on it was Tiger who singlehandedly saved the veterans hospital for the San Antonio area years later when, singlehandedly, he saved that veterans hospital. In fact, it is named the Audie Murphy Hospital because, and only because, of Tiger Teague.

Also, I got to know so much more about this man who, to me, epitomizes what I call the old stock American, which I feel and have said repeatedly back home and everywhere that we owe everything to those that I identify or visualize as what I call the old stock Americans; the ones who made it possible for us who came on the scene later to inherit these wonderful opportunities, the privilege of being in the freest, the most democratic nation in the world, where the likes of myself could not be here as a Congressman anywhere else except in this country.

□ 1700

Mr. Speaker, I identify with these sturdy yeoman Americans who have managed to sustain this great edifice, and I identify Tiger as that particular symbol of this old-stock American. This is what I look upon him as; this is what I recall. I join my colleagues in extolling his virtues and praying for and desiring for his widow, Mrs. Freddie Teague, the comfort and the surcease from sorrow that the Lord himself must give.

Mr. Speaker, I thank the majority leader for this opportunity.

Mr. WRIGHT. Mr. Speaker, I thank my colleague, the gentleman from Texas (Mr. GONZALEZ), for those words, and I yield to the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Speaker, I thank the gentleman from Texas (Mr. WRIGHT) for getting this special order and for yielding to me.

Mr. Speaker, I want to say something that you all know, and that is that the appreciation of Tiger Teague has for many, many years reached far beyond the district he served and far beyond the State of the district in which he served to the whole United States.

I had heard of Tiger Teague for many years before I came to Congress. He was the undisputed leader of the whole United States during those crucial years following World War II when 11 million veterans depended upon people like Tiger Teague to make their point and do what was right. He was a man who really had the guts to do what was right and not to overreach but to be sure to get what he wanted.

Mr. Speaker, there is something else that some people do not appreciate probably because this was not well publicized. Tiger Teague was very, very active in revising the rules of the House and the rules of the Democratic Caucus. He was one of the members of that committee, and that is where I really came to appreciate him greatly. He was just an artist at compromise. Whenever he thought that, even though it was not 100 percent to his liking, it was fair and it was right and it was a good bargain, he was willing to make the compromise and stand up for it.

Mr. Speaker, I want to join those who just paid tribute to this man and emphasize the noble character of Tiger Teague and the great contribution he has made to this country.

Mr. WRIGHT. Mr. Speaker, I yield to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Speaker, I thank the distinguished majority leader for taking this occasion to recognize our great friend, "Tiger" Teague.

As we attended the funeral services yesterday and as the chaplain kept referring to Olin E. Teague, I remembered that that is one of the few times I ever heard him spoken of as Olin E. Teague. He was the tiger and I tell you, he was a tiger all the way. He was a leader from your side of the aisle.

I know that at one time he was the chairman for the Democrats, but I want to say as a Republican and a Member from Texas who knew him, that there never was a finer man who ever served in the U.S. Congress than Tiger Teague. He had so many things going for him. We always think of him as the voice of the veterans, just as I heard my friend, the gentleman from Iowa (Mr. SMITH), say that he was chairman of the Committee on Veterans' Affairs. Later, of course, he served as chairman of the Committee on Science and Technology, and there again he was interested in what we could do in outer space. He was always for defense.

But as I remember Tiger, I recall that he was a man who won three Silver Stars. That means that three times he was where the action was. I was also interested to know that Tiger also won three Purple Hearts, which meant that he was where it was the roughest and the toughest. And whenever it was rough and tough, you could always count on Tiger. In fact, as we would see him, I noted that he would tend to limp a little bit, and we know that he still carried that shrapnel with him when he was serving here in Congress.

There is something else about Tiger, and that is that whenever you saw him and he would slap you on the back and knock you four laps forward, you knew that that was his way of being a friend. He had more actual bounce than any man I have ever seen.

And there is one other thing I remember about Tiger. He was a loyal friend and dedicated to his university and his friends at home. He had a feeling for people who love their friends, who love their hometown, and who love their university and their institutions, and if there was ever anyone who loved Texas A. & M. and who was a better Aggie, I do not know who it could be. He had a great interest in Texas A. & M., and the spirit of Aggieland was in his heart all his life.

We have many fine people who serve in Congress, and there is no man here who was more honest or who was more fair and square, but above all, he was dedicated to his country.

We have lost Tiger, Mr. Speaker, but those of us in Texas will always remember him as one of the greatest men who ever served in the Halls of Congress.

Mr. WRIGHT. Mr. Speaker, I yield to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Speaker, I believe I knew the Honorable Olin "Tiger" Teague about as long as anyone else in this House, at least since the end of World War II. Tiger Teague was an honest-to-goodness authentic World War II hero, and he was a real-life hero and unquestioned leader for his Sixth Congressional District for over 32 years. Few men served longer. None served with more dedication or integrity.

Many people associated Tiger Teague solely with the veterans of this country. It is true he was probably the most distinguished chairman the Veterans' Affairs Committee ever had. Tiger served longer as chairman for veterans and passed more legislation, because he was known as Mr. Veteran, and rightly so. I think the previous chairmen and the present chairman of the committee would agree that Tiger was the essence of veteran leadership. He looked like, he acted like, and performed like the true American fighting man. He was a great patriot.

But this recognition of Tiger's dedication on veterans matters sometimes belies the fact that he had many other outstanding qualities. For some 8 years, Tiger Teague served as chairman of the House Science and Aeronautics Committee. Along with former Chairman GEORGE MILLER, Tiger led the committee toward a major role in putting man on the Moon. He was the planner, coordinator, and power that kept the space program on schedule—the Saturn rocket, the launch pad, and the thrust all rolled into one. I used to think he could generate enough steam to send his own rocket to the Moon. Tiger took this responsibility not because of unusual technical or scientific knowledge, but he had the knack for working out knotty problems, making the tough decisions and getting people to stick with them.

Our space program just would not have accomplished what it has without Tiger Teague's unwavering command and coordination. I speak with authority about Tiger's role because I had the privilege of serving on the science panel for 4 years. I personally know the influence the chairman exercised when we reached a point where the membership was split into too many factions. The membership would turn to Tiger for a solution. He would look at them with his beady eyes and bellow in a strong voice:

I am not going to bring a bill to the floor until you work out your differences. There will be no legislation on the space program until you quit squabbling. The Congress and the whole country will wait on you.

With such an ultimatum, the Members knew they had better get off dead center and act. They knew the space program should not be held back just because of partisanship or personality clashes.

Tiger wielded a strong and quick gavel. He could make it sound like an M-1 rifle, and he could move about the committee like a Sherman tank. When the going got tough, nobody fooled with him or his legislation.

Our next rocket or satellite launching after the Shuttle *Columbia*, should be called the Tiger or the Tiger Teague. I shall make such a recommendation to NASA, and other officials.

Tiger also served as chairman of the Democratic Caucus for 2 hectic years. He settled problems with kindness yet firmness. Again, we saw the winning combination of toughness yet warmth—a pattern unique under the trademark of Tiger Teague.

Throughout this land, there are tens of thousands of Texas Aggies proud of Texas A. & M. University. In their hearts, they claim Tiger Teague as the original Aggie. Nobody gave more of his mind, body, or soul than Tiger. That institution can never fully repay Tiger or his family for the way he helped A. & M. gain national recognition.

As a graduate of the University of Texas, I found myself competing against Tiger for grants or projects, just as the two football teams produce a lively competition on the field. Often, I came up on the short end. Tiger was not against UT. He just was for A. & M. first and foremost—and then maybe for UT and the other universities. Teague never forgot A. & M. The school befriended him as a young man, gave him a good education, and he went forward in life endowed by the spirit of that great school.

For 32 years, Tiger Teague served this body with honor and distinction. Beside his legacy, he left a wonderful family. His wife, Freddie, and their three attractive and capable children are all respected and loved.

Mr. Speaker, somewhere in the heavens a new star is shining. It will not be a bashful star. It will take on an extra luster because of Tiger Teague's ascendancy. Tiger Teague was one of the bright, shining lights of this body. His leadership, illuminating our hearts and our minds, will be long remembered.

Mr. WRIGHT. Mr. Speaker, I yield to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, I, too, want to express my thanks to the distinguished majority leader for taking this time so that I might tell the family of Tiger Teague of the affection which I feel for him at this moment.

Yesterday I attended the funeral services for my friend, Olin E. "Tiger" Teague, and, as expected, there was a huge outpouring of friends who paid their last respects. It was indeed a moving and lasting experience.

As many others, I feel a deep sense of personal loss, but I would just like at this moment to presume to mention just one personal experience which endeared him to me and let me know early why Olin E. Teague was affectionately referred to by his friends as "Tiger."

□ 1710

During one of my earlier campaigns, my opponent was mistaken about a position I had taken on a veterans' bill, and it made the newspapers back home.

I saw "Tiger" Teague on the elevator and showed him the newspaper article. Tiger was chairman of the Veterans' Affairs Committee at the time, and he boomed out, "That is not right. Come with me, Chalmers."

So as we were going through the outer office of his office there in the Rayburn Building, he said, "Margaret, come in here." Margaret came in, and he dictated a letter to the editor correcting a mistake right on the spot.

He said, "Is there anything else I can do?"

I said, "Well, Mr. Chairman, it also made TV. I guess there is not much we can do about that."

He said, "The heck there is not. Have you got the TV station number?"

I gave him the television station number, and he called the manager and gave him the same account and corrected the mistake.

That is the kind of a friend Tiger Teague was. We had worked together on the Veterans' Affairs Committee, and I had supported him on some earlier legislation; and he did that for me.

Mr. Speaker, no one could ever begin to list all of Olin "Tiger" Teague's accomplishments.

Mr. Speaker, as a member of the Veterans' Affairs Committee, I witnessed his unswerving dedication to veterans. He felt an abiding responsibility to them and their survivors. This began, I am sure, while he was an infantry battalion commander during World War II. His personal courage became legendary among his men. He was wounded in action a number of times and became one of the most decorated of the war's combat veterans.

Mr. Speaker, I can say the entire structure of benefits for veterans, their dependents and survivors was cast by his hand. It was he to whom veterans and their organizations turned year after year to obtain increased benefits for GI bill education, housing, insurance, pension, compensation, and medical care. He was particularly interested in medical research insisting year after year during his chairmanship of the Veterans' Affairs Committee that VA physicians and nurses be provided a pay scale comparable to those in the private sector. "Health care second to none," was his goal for VA medical facilities and he focused his immense talents on the development and enactment of legislation required to bring it about.

I am very proud that the 96th Congress, renamed the Veterans' Administration hospital in Temple, Tex., the "Olin E. Teague Memorial Hospital" in time for this grand warrior to participate in the ceremony. He was a patient at that same hospital for 2 years recovering from wounds following World War II when it was known as the McCloskey Army Hospital.

Of all the many honors and decorations bestowed on him by our own and foreign governments, this simple act of commemoration seemed to mean the most to him.

Olin E. Teague was a titan among us, Mr. Speaker, He has left us with a permanent heritage of achievements but many of us have lost a dear friend.

I would just like to say that my wife, Marjorie, and I wish to extend our

sympathies to his wonderful wife, Freddie, and to his beautiful family.

Mr. HIGHTOWER. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentlemen from Texas.

Mr. HIGHTOWER. Mr. Speaker, occasionally when we want to compliment someone, we say that "When they made him, they threw the mold away." I think that we could honestly say that about "Tiger" Teague. There never was a man like Tiger Teague. I doubt if there will ever be another man like him. He was unique. He was distinctive. He was special in every fine and good way.

In an age of antiheroes, he was a genuine hero.

As has already been pointed out by several speakers, he was one of the most decorated soldiers of World War II, but he was a hero in real life. He is one that we could know and identify with, and he continued to be a hero as he came to the Congress to represent that district in Texas. He had tremendous legislative impact, and it was the impact of his personality.

We have often seen where people, because of their distinctiveness and the force of their personality, can achieve things that men of lesser spirits might aspire to do but would be unsuccessful.

That was the great strength of Tiger Teague and the reasons for his success.

Yesterday afternoon, as he was being interred at Arlington National Cemetery, we were experiencing what has been called in the press a celebration of freedom, as the hostages returned and were being received in the White House Rose Garden.

I think there is a significance about the timing of the going home of Tiger Teague; Tiger Teague, a free man, who had always been a free man, now relieved of his pain and discomfort, now he belongs to the ages, going home to Arlington, to his final rest, as the Nation celebrated the arrival home of the 52.

Tiger Teague was a very special Texan, as has already been pointed out. But he was a Texan, the epitome of the kind of Texans that all men of that State admire and would like to say that is typical Texas, a Texas Aggie, a true Texan. He never let anyone forget it. You always knew who he was and where he stood and that he could be counted on.

We have already missed him on the floor of this House after his retirement last year, but we will continue to miss his friendship; but we cannot fail to thank God for the privilege of having known the very unique and distinctive man, a very special man that was Olin "Tiger" Teague.

Thank you.

Mr. WRIGHT. I yield to the gentleman from Texas (Mr. LEATH).

Mr. LEATH of Texas. Mr. Speaker, I wish to join with my colleagues in paying tribute to the life and memory of Olin E. "Tiger" Teague.

All his life Tiger Teague looked to the future with an unshakeable belief in his fellow human beings. It was not because he was naive that this great Texan looked to the future with so much optimism, nor because he was blind to the failings of others. Rather, Tiger Teague believed in mankind because he saw how far we have come—and the potential we have to go further still. This faith in people made him a natural leader who was both revered and respected by his colleagues and the literally thousands of people who knew and loved him.

Tiger was a man of boundless energy. He was a fighter. He fought for veterans and he was their hero. He fought for the dreams of those who believed in the unlimited capacity of America to conquer outer space. He fought for education for the young and decent health care for the aged. He gave of himself because he deeply believed in his country and the people.

Horace Greeley, the famed journalist, wrote:

Fame is a vapor, prosperity an accident, riches take wing, those who cheer today will curse tomorrow; the only thing that endures is character.

Mr. Speaker, Tiger Teague had character in abundance. Those who knew him drew on his character and were strengthened by it. This House is the better because of Tiger Teague. We are grateful that he touched our lives.

Mr. Speaker, among Tiger Teague's many accomplishments in life was his ability to lead and instill confidence in those around him. Part of this success came from straightforward action and unswerving dedication to principle. However, an even greater part of his life's work was achieved through his ability to make friends and to keep friends close to him. Tiger Teague had many friends. The loyalty he showed them came back to him and his family over the years many times over. It will continue even though he is gone.

Mr. Speaker, one of Tiger's friends, one of his many friends, was our former colleague from Texas and chairman of the House Committee on Veterans' Affairs, Ray Roberts. Until his retirement at the end of the 96th Congress, Ray had served 18 years on the Veterans' Committee and 6 years as chairman. He shared with Tiger Teague a deep concern for the veterans of this country as his colleague, and an abiding love of Texas and America as his long time friend.

Mr. Speaker, it is a privilege for me to place in the RECORD Ray Roberts' remarks in tribute to his friend, Tiger Teague.

The death of Tiger Teague leaves a void in the country that can never be filled. Along with Sam Rayburn, Tiger exemplified the best qualities of American citizenship. Words like duty, honor, country were not just words to Tiger Teague. He lived them every day of his life.

From humble beginnings, he used his great talents for the public good. He spoke as a common man for the common man; as a citizen for the citizens of this country. In war and in peace he was a star performer. His rock-ribbed integrity combined with his consistent faith in America's potential made him among the most influential and effective members of the House of Representatives:

As my friend of more than 35 years, I can never adequately express my gratitude for his many kindnesses to me, for his counsel, his wisdom and his example. My work on the House Veterans' Affairs Committee was one of the joys of my life, but I never forgot that it was Tiger Teague who gave the leadership and the creativity that established our veterans' programs.

We are all better for having known Tiger Teague. He leaves us a legacy of honor, a legacy of hope, and an inspiration that if we work and have faith in ourselves America's best years are before us.

Mr. WRIGHT. Mr. Speaker, I yield to the gentleman from Texas (Mr. HANCE).

Mr. HANCE. Mr. Speaker, "Tiger" Teague was indeed a great Congressman. We can talk about what he did for the veterans. He did do an outstanding job. We can talk about being the father of the Science and Technology Committee, and that is certainly true.

I had a unique opportunity to know him in a different light. His daughter Jill was a friend of mine while we were students at the University of Texas. It was quite evident from the type of person she was, and is, that she had outstanding parents.

Yesterday at the funeral, if you noticed, Jill's 11-year-old son wept when he was reading and throughout the funeral. He loved and worshipped his grandfather, and the feeling was mutual.

You could get Tiger talking about that youngster, and he would spend some time talking with you about him. But I think Tiger Teague—one thing I would like to add—not only was he a great Congressman, a great American, and a great Aggie, but he was a great family man. He loved his family and worshipped them, and the feeling was mutual.

I am glad I had an opportunity to know him and call him my friend.

Mr. WRIGHT. I now yield to the gentleman from Florida (Mr. PEPPER).

Mr. PEPPER. Mr. Speaker, I thank the able gentleman in the well for giving me the honor to join my colleagues in tribute to Olin Teague.

President Kennedy, one of the Nation's heroes, said on one occasion that war does not strike and fall with equal severity upon all who participate. Some escape unscratched from its battles. Others give much of themselves. Some sacrifice their lives.

Olin Teague was one of those men who gave much of himself physically in the service of his country in World War II.

□ 1720

I think it was some six or seven different wounds that he received in combat. He received many decorations and honors. I can imagine what kind of an intrepid leader "Tiger" Teague was on the field of battle, how he must have been revered and followed with fidelity by the men whom he so bravely led.

Our distinguished majority leader has already reviewed much of the illustrious legislative record of Tiger Teague. It is known to all of us who are here and remember it with vivid admiration.

I like to think of Tiger Teague for what he was himself, the kind of man that he was—a man of indomitable will, a man of unparalleled courage, a man of fidelity to his country, a man who loved the things that were of the spirit, a man who was a family man, a friendly man, a man who cherished the friendship of his colleagues on this floor and in many parts of our country and the world.

For some reason or another, he always called me CLAUDE PEPPER. He never did say CLAUDE or PEPPER. He always said CLAUDE PEPPER and I felt a profound admiration and a great affection for him.

I would like to conclude, Mr. Speaker, by saying that the patriotism, the courage, and the character of Tiger Teague was such that he adds even luster to that heroic company among which he sleeps in honored glory in our National Cemetery at Arlington.

May God give America many more intrepid men like Tiger Teague.

Mr. WILSON. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the distinguished gentleman from Texas (Mr. WILSON).

Mr. WILSON. Mr. Speaker, there is little that could be said that would honor "Tiger" more than the words that have already been spoken. I know I would just like as a personal note to say that I think I probably had more affection for Tiger Teague than any other Member of this body, excluding the majority leader, of course; but the thing about Tiger that stuck with me more than anything else is the 38 years that he handled great pain every hour of every day. I used to think about Tiger, that I never saw him without pain and I never saw him without a smile. I think that is what he left us with.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, I join my colleagues on this sad occasion to pay tribute to the memory of Olin E. "Tiger" Teague.

Tiger Teague was a Member of this body for 32 years where he served his district, the State of Texas, and the veteran with great distinction and dedication. It was in 1946, while a patient in a U.S. Army hospital in Texas, that he was first elected to Congress. Tiger was a bona fide war hero. He was the Member of Congress with the highest number of decorations and awards for valor and heroism which included several Silver Stars for gallantry in action against the enemy, Bronze Stars for valor and Purple Hearts for wounds received in combat against the enemy. He was commander of foot soldiers on the battlefields of Europe during World War II.

Tiger Teague had been in an Army hospital for 2 years for disabilities which resulted in his being awarded his third Purple Heart. Ironically, it was this third combat-incurred wound which ultimately caused him to retire from the Congress in 1978.

I mention this disability for the purpose of emphasizing that Tiger Teague always identified with combat and disabled veterans all of his years in Congress. Undoubtedly, the 2 years he spent in an Army hospital helped him to gain an insight into the desires, concerns, and needs of veterans that was to help him to earn the title of "Mr. Veteran" on Capitol Hill for over a quarter of a century.

Tiger Teague authorized more bills for veterans' rights, benefits, and assistance than any Member in the history of Congress.

A few highlights are legislation which established the Department of Medicine and Surgery—a 172-hospital system and other facilities which is one of our veterans' greatest health assets; the Korean and Vietnam conflict GI bills, which have not only helped millions of veterans to go to college, but have helped the general welfare by training hundreds of thousands of physicians, dentists, engineers, technicians, teachers, and others who have made this Nation the leader of the free world. The War Orphans' Education Assistance Act for the survivors of those who made the supreme sacrifice in defense of the Nation, and a loan guarantee program, which has helped millions of veterans to purchase a home, and is vital to the housing and mortgage banking industry.

Mr. Speaker, Tiger Teague was a leader. He was a statesman. His interests and concerns went far beyond veterans. He was for a strong national defense. He was for a strong fiscal policy. He abhorred waste and inefficiency. He was opposed to a bloated bureaucracy. He loved America.

While he kept his intense interest in the welfare of veterans to the day he died, he was also deeply involved in the space age. Soon after America was taken by surprise when Russia launched its first sputnik in 1957, Congress established the Science and Technology Committee. Tiger Teague was elected a member of this new committee. Later he was to become its chairman. Under his leadership, the United States not only surpassed the Russians, but was successful in landing a man on the Moon. Just this year we electrified the world with our incredible Voyager journeys which have advanced the science of astronomy beyond our wildest dreams of only a few years ago.

Tiger Teague was also honored by his colleagues when he was elected to chair the Democratic Caucus during the 92d and 93d Congresses.

He was a man of great personal ability who was admired by veterans everywhere. He loved this country and all it stands for. He loved the Congress. Our Nation has lost a great man who labored hard and long for the causes to which he was devoted.

I join with all Members to extend my deepest sympathy to Mrs. Teague and their children.

Mr. WRIGHT. Mr. Speaker, I yield to the gentleman from Florida (Mr. CHAPPELL).

Mr. CHAPPELL. Mr. Speaker, I appreciate the opportunity of joining my colleagues in paying tribute to a great American, Tiger Teague.

I suppose once in an eon of time there moves across the stage of life the kind of man such as Tiger Teague, a man who was determined to be right and who had always the energy to see it through. He was the kind of a man that believed in doing the right and making certain that others around him had an opportunity to do the same.

When I first came to the House, Tiger was one of the first Members that I had the opportunity to know. He always was willing to help, always interested in the problems which I had and always good guidance and counsel.

I am pleased that we have taken this time today to honor a man such as Tiger Teague.

I just wish somehow that the communications of our country were such that into the hearts of every American there could be poured the kind of information that we have before us today on this wonderful man. Somehow I wish there was a way to inspire the hearts of other Americans, as we have been inspired by the life of Tiger Teague. He was a great soldier, a great statesman, a great American. We shall all miss him. We shall miss his life. We shall miss his personality, but we shall remember forever that wonderful spirit that has contributed so much to our great and wonderful country and we will always remember Tiger Teague.

● Mr. HAMMERSCHMIDT. Mr. Speaker, we who are Members of this body have been honored to serve with individuals of strength and courage. Some have been known for the distinction of their intellect, others for the broad range of their interests; still other Members of the House were renowned for their character and integrity.

To me, there was one Member who combined all these noble qualities and that was Tiger Teague. The passing of Olin E. Teague in the early morning hours of January 23 was a personal loss to me. He was chairman of the House Veterans' Affairs Committee when I was first elected to Congress in 1966. After being assigned to the committee he gave me one of those big bear hugs of his and announced that I was his Congressman.

He had once been a resident of the small town of Mena in my district—some of his people still lived there—and he said with a smile, he was honored that I was here to represent him. Our friendship began on that note, and it flourished over the years.

Tiger left the Veterans' Affairs Committee to serve as chairman of the House Committee on Science and Technology, or as it was then known, the Committee on Science and Astronautics. The future of America's space program was in some doubt when Tiger took the gavel. During the early days of the Apollo program, there had been numerous failures—all well publicized—and the early enthusiasm of the Nation was waning. But Tiger Teague believed in the program and accepted it as his responsibility to make Congress see its importance to the Nation's future. Had he not put his great prestige and powers of persuasion to work when he was chairman of the Subcommittee on Manned Space Flight, billions of dollars in appropriations would have been shunted away from this vital program and our national defense would be in deadly peril.

But Tiger never let his attention drift far away from veterans and their families. Although chairman of the Science Committee, he retained the chairmanship of the Subcommittee on Education, Training and Employment of the Veterans' Affairs Committee. He had developed the GI bill for veterans of the Korean war. In the 82d Congress he investigated abuses that had crept into the administration of the World War II GI bill. Thus, he was better qualified than any other individual in this body to write a GI bill for Vietnam veterans. The high quality of that legislation can be seen in the fact that it provided a free college education to 7.8 million Vietnam-era veterans.

Consider, Mr. Speaker, the enormous impact this great man had on the lives of veterans. Behind his leadership, the House approved extensive compensation programs for them, their dependents and survivors. He was the congressional overseer for the construction of most of the VA's network of 172 hospitals and 222 outpatient clinics. I have heard it said by VA officials that the Tiger might not have actually set the bolts that went into building that great health system, but he saw to it money was available to buy the bolts and he knew where every one was.

As he was a veterans' veteran, so he had been a soldier's soldier during World War II. He commanded an infantry battalion and was in combat for 6 months before severe wounds drove him to a bed at the McCloskey Army Hospital. It was a proud moment for Tiger when the 96th Congress redesignated that same hospital the "Olin E. Teague Memorial Hospital."

Tiger Teague represented the Sixth District of Texas while he sat with us in this Chamber but to many of us he also represented the best qualities in the American character. He was strong and unrelenting in the pursuit of his goals, yet he was compassionate and kind in their formulation.

He was the most decorated combat veteran to sit in Congress—that is true—but history will write of him as one of its most distinguished ornaments as well.●

● Mr. DE LA GARZA. Mr. Speaker, last week we lost a great Texan, and a great American, Olin E. "Tiger" Teague. Tiger Teague led a long and distinguished career in the service to his country, a highly distinguished combat veteran of World War II, and as a Member of Congress from 1946 to 1973. In Congress, Tiger Teague distinguished himself for his service to his constituents in the Sixth District of Texas and for his work on behalf of all veterans of our country's Armed Forces.

As a member of the Veterans' Committee, and as chairman from 1963 to 1973, Tiger Teague oversaw and was responsible for many of the veterans benefits which we take for granted today, the GI bill of rights which provided an education to untold numbers of veterans, the War Orphans Act, which provided college educations for the children of those who died in service to their country, and for a medical system to take care of their health needs. I know of no other country which provides as much for its veterans, and we owe much of it to this one man.

As much as he was concerned by the needs of our veterans, Tiger Teague also had other interests. In 1973, he took over the chairmanship of the Science and Astronautics Committee, a strong believer in our Nation's space program. While many scoffed at the idea of spending money to send people into space, thanks to the foresight of men like Tiger Teague, all of us now benefit in an untold number of ways from the by products of the research conducted for space exploration.

It was a great privilege to have known and been able to work with Tiger Teague, a great soldier and a great statesman. Our society is richer and our country stronger thanks to Olin Teague's great dedication to public service.●

● Mr. McCLORY. Mr. Speaker, the passing of our former colleague, Congressman Olin "Tiger" Teague marks the close of a long, productive and yet a hard and courageous life. Tiger Teague's leadership in veterans affairs and in behalf of programs related to the whole areas of science and technology establishes an enduring record which few in this body can match.

Mr. Speaker, my close relationship with Congressman Teague in connection with the interests of our veterans demonstrated to me his thorough knowledge of the veterans' rights and interests and enabled me to render maximum service in behalf of the many veterans who are served by the North Chicago Veterans' Administration facility in my congressional district.

Mr. Speaker, likewise on the subject of science and technology, and more particularly, in my constant sponsorship of an orderly and essentially volunteer conversion to the metric system of weights and measures, Congressman Teague was most cooperative.

Mr. Speaker, I know that my wife, Doris, had a close relationship with Mrs. Teague and we have expressed between ourselves our profound respect for Congressman Teague and Mrs. Teague and their family. We take this occasion to pay tribute to Tiger Teague's useful and distinguished life and to extend to his widow, Freddie, and other members of the family our deep sympathy.●

● Mr. EDWARDS of California. Mr. Speaker, I join my colleagues and Americans everywhere in expressing sorrow at the loss of our former colleague and friend, Tiger Teague.

When I think about the old-fashioned marks of character—like honor, duty, integrity—I want to add—"you know, like Tiger Teague."

When I think of the plain marks of good behavior—like courtesy, fairness, gentleman—I want to add—"you know, like Tiger Teague."

When I think of the distinguishing marks of one devoted to public service—like courage, vision, caring—I want to add—"you know, like Tiger Teague."

Tiger Teague was not afraid to be in the minority, nor did he allow the shifting winds of day to day politics to cloud his perception of what was right. I shall remember him as a man of con-

science, a man who loved his country, and a man who cared about people.

Tiger Teague made this House a better place in which to work. Our country is richer for his life. We will miss him.●

● Mr. HILLIS. Mr. Speaker, our Nation has lost a true American with the passing of our former colleague, the Honorable Olin E. "Tiger" Teague, and America's veterans have lost a stalwart champion as well.

When I arrived in the House of Representatives, I chose to become a member of the Committee on Veterans' Affairs, chaired for 18 years by Mr. Teague. During my service on the committee, I found him at all times to be helpful, friendly, and understanding. Even though he retired at the end of the 95th Congress, his influence will long be felt by all of America's veterans, the committee, and the Veterans' Administration.

His personal achievements are numerous, his legislative achievements are legion, but perhaps both are best summarized in the citation he received accompanying the Veterans' Administration's Exceptional Service Award. The citation stated in part:

No person in the history of America has had such a salutary effect on the lives of veterans and their families.

No member of Congress has ever exerted as much leadership or has been so successful in producing fair, enlightened and helpful legislation for America's veterans.

Mrs. Hillis and I extend our deepest sympathy to his devoted wife Freddie, his three children James, John, and Jill, and his grandchildren. Though death has removed Tiger from our midst, his spirit and his influence will abide with us for many years. Indeed, his life leaves us with an example and an inspiration for higher and nobler deeds.●

● Mr. PERKINS. Mr. Speaker, for 28 years it was my privilege to serve in this House alongside Olin E. Teague. I do not use the word privilege loosely here, for the opportunity to be associated for so many years with an authentic American hero cannot be described by any other term.

Listen to this recitation of the decorations placed upon him for his service to his country during World War II:

Silver Star with two clusters. Bronze Star with two clusters. Purple Heart with two clusters. Combat Infantryman's Badge. Army Commendation Ribbon. Two high French decorations. And a Presidential Unit Citation.

Many times wounded in action, this gallant soldier spent 2 years in Army hospitals before he was deemed fit for release in 1946. And his long service as a Member of this House was punctuated many times by his having to return to a hospital for treatment of illnesses directly stemming from his war service.

But "Tiger" Teague was not a man to complain. He was neither a man to boast. He regarded himself simply as an American who was called to defend the things his country stood for, and it never entered his mind that there was any other course.

Duty, honor, country. These were three essential elements of his character. Not only did he accept them, he took pride in them, and he lived by them.

His fellow American veterans may never know of all of his work in their behalf during his years as a member of the Committee on Veterans' Affairs. Chairman of that group for 18 years, he presided over many, many pieces of legislation for the benefit of those who, in the words of Lincoln, "have borne the battle."

And Tiger Teague's fellow Americans who have gloried in our accomplishments in space exploration also owe him a tremendous debt of gratitude. When last year our Voyager II sent home those splendid photographs of the planet Saturn, and even today plows on through space for an even more distant appointment, they should remember the work of Tiger Teague as chairman of the Committee on Science and Astronautics.

Tiger Teague was an honest, hardworking, useful Member of the House for more than three decades. And those of us who were honored by his friendship will never forget his example.

It was a great loss to the Congress when he retired a little over 2 years ago. And it is a sad loss to his friends that he has now been claimed by death that he fought so long and evaded so skillfully.

The name of Olin Teague is written in the stars.●

● Mr. RODINO. Mr. Speaker, many of us in this House will go to Arlington National Cemetery this afternoon to pay our last respects to an old friend, Olin "Tiger" Teague. When Tiger Teague died last Friday morning, America lost one of its great heroes—a man who fought on the battlefields of Europe during World War II and who came home to become an outstanding lawmaker for 32 years. Although he gave a great deal to his country, he asked for very little in return—simply the opportunity to serve his fellow Americans.

Tiger Teague was the most decorated soldier to serve in Congress, having been awarded the Silver Star with two clusters, the Bronze Star, the Purple Heart with two clusters, Combat Infantryman's Badge, Army Commendation Ribbon, and the Croix de Guerre with Palm. He landed with the Allied forces at Normandy Beach on June 6, 1944, and the wounds he suffered in battle plagued him for the rest of his life. Tiger Teague understood the tremendous sacrifices made by the men and women of America's Armed Forces, and as chairman of the House Veterans' Affairs Committee he was responsible for building a system that has helped America's veterans overcome the hardships of war when they return home.

This great legislator also will be long remembered as the father of America's space program. As the chairman of the House Committee on Science and Technology, Tiger Teague helped launch many of the programs which brought our Nation to a position of world leadership in space exploration.

Mr. Speaker, I am sure that the many Members of this House who knew Tiger have their own memories of this great public servant. I am no exception. My first few months in Congress were spent as a member of the House Veterans' Affairs Committee, where I met Tiger Teague and became his friend. I soon moved on to become a member of the House Judiciary Committee, but our friendship endured. I always admired Tiger Teague because of the decency he showed to his fellow man, his courage to stand up for what he believed, and his selfless dedication to our country. This spirited Texan also was a tough competitor, who refused to quit. Whether he was trying to defeat me in a game of paddle ball, or was fighting a more difficult and serious battle against diabetes and the effects of his war wounds, Tiger Teague's courage and dignity were exemplary.

I will miss my friend very much, and I offer my deepest sympathies to his wife Freddie, his sons, John and James, and his daughter, Jill Ruth.●

GENERAL LEAVE

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of the late Olin E. Teague.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

FORCED SCHOOL BUSING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. HARTNETT) is recognized for 5 minutes.

Mr. HARTNETT. Mr. Speaker, I would like to bring to your attention a problem we are having in my district of Charleston, S.C. The U.S. Department of Justice has filed suit against the Charleston County Consolidated School District to implement forced school busing.

I am opposed to this action. The people of South Carolina know that forced school busing has hindered quality education for our children. Since forced busing was imposed on public schools, scholastic aptitude test

(SAT) scores of graduating high school seniors have declined 82 points from 1964 to 1978.

In 1979, 25 percent of all high school students dropped out before they graduated; the dropout ratio in 1968 was 20 percent.

The Federal Government has ignored the initial Supreme Court decision regarding forced school busing. The 1954 Brown decision entitled every child to be educated in the school nearest their home. In this case, a little black girl in Wichita, Kans., wanted to go to her neighborhood school which was seven blocks from her home. Because of her race, she was forced to go on a bus 27 blocks to another school. The Court said that every child in America is entitled to and must go to their neighborhood school. The Court also said that no child shall be assigned to a school because of race.

We now have a complete reversal of this original decision. Children are being forced to leave their neighborhood schools and are being assigned to schools based on race and are allocated by racial quotas.

Public opinion polls show that 85 percent of the American people are opposed to court-ordered school busing. Even Dr. James Coleman, known as the father of busing has stated that—

School desegregation in the form of mandatory busing for racial balance has been destructive to its own goals.

One of the primary purposes of busing is to desegregate minority-dominated public schools. A comparison of 1968 and 1977 figures on minority enrollment show that with court-ordered busing, students are increasingly attending segregated schools. The following table shows the increase in the percentage of minority students in public schools enrollment in cities that practice forced school busing:

	1968	1977
Atlanta	61.8	88.8
Boston	31.5	56.1
Chicago	62.3	75.3
Cleveland	57.5	61.5
Dallas	38.8	61.9
Detroit	60.7	81.4
Houston	46.7	66.0
Los Angeles	46.3	63.5
Memphis	53.7	70.6
New Orleans	68.7	83.5
St. Louis	63.5	72.2
San Antonio	73.1	85.2
San Francisco	58.8	72.4
Washington, D.C.	94.4	96.5

Forced school busing deprives children of participating in extracurricular school activities. They must get up early to catch a bus to ride clear across town to school. This greatly affects their academic performance as they are tired before they even get to school. Then these children must get on a bus immediately after school which prevents them from becoming involved in any other school programs. Parent participation is vitally important in a child's education. Parents who are eager to become involved in the PTA are often unable to drive miles away from home to attend school meetings.

Busing is not only ineffective in terms of segregation, it is also very costly. At a time when we must closely scrutinize our energy consumption, busing is a wasteful measure. In 1977, the Federal Highway Administration estimated that 401 million gallons of gas, averaging 26,200 barrels of oil per day were used for court-ordered busing of schoolchildren.

It is time for Congress to end this unnecessary and wasteful practice. Children need and should have the right to go to their neighborhood schools.

□ 1730

TAKE AWAY THE MARRIAGE TAX PENALTY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. SAWYER) is recognized for 5 minutes.

● Mr. SAWYER. Mr. Speaker, I am today introducing legislation to eliminate the so-called marriage tax which penalizes the over 19 million married working couples in the United States today.

There is no justice in a marriage tax. The Congress, in 1969, set up the present unfair system when attempting to create a tax break for single wage earners. Unfortunately, for over 12 years the Congress has ignored the side effect of this action which causes millions to pay more when married than if they remained single. Under current law, when two incomes are joined together the husband and wife are lifted into a higher tax bracket.

Under my bill married couples would be allowed the choice of filing either a joint return or separate returns. With tax time coming, I am sure more people will become aware of this unjust tax penalty. Repeatedly, I have heard from my constituents during town hall meetings and mobile office visits of the unfairness of tax on marriage and the sabotage which the Federal Government has committed against the traditional family unit.

Fifty-seven percent of today's families have both the husband and wife working. In many situations two incomes in a family are an economic necessity and no longer a luxury.

One of the major initiatives of the new administration will be a revised tax program to help get our economy healthy again. I hope that we take this opportunity to eliminate the marriage tax.●

AGRICULTURE: A TIME TO CHOOSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 5 minutes.

● Mr. JEFFORDS. Mr. Speaker, two important studies relating to the future of American agriculture were concluded in January 1981. I urge all of my colleagues to closely review the study findings as we consider the 1981 farm bill, soil and water conservation laws, and other related legislative options for strengthening our food and fiber industry.

I refer to the final report of the national agricultural lands study by the U.S. Department of Agriculture and the Council on Environmental Quality, as well as USDA's summary report on the structure of agriculture, entitled "A Time To Choose."

In announcing the structure study, Bob Bergland had some comments that, for me, blend the concerns about agricultural land with all of the other factors that make up the business of farming and ranching. He said:

There have been a number of fundamental changes in the environment in which farmers produce our food, feed, and fiber.

One of these basic changes is that agriculture is no longer—if it ever was—an isolated part of the economy whose problems could be addressed separately without consideration of the influences of other forces on farming and the effects of the farm economy on the rest of society. The connections among the various parts of the U.S. economy and the various parts of the world have become so much broader and so much more direct that it no longer makes sense to think about our agriculture that way.

The final goal, Mr. Bergland said, is "consistency between agricultural policy and other national policies." I agree.

It is this need for a broader look at agricultural issues that leads me to augment my role in addressing the concerns of America's dairy farmers by accepting the role of ranking minority member on the House Agriculture Committee's Conservation, Credit, and Rural Development Subcommittee. The subcommittee will constitute an important forum for legislation seeking to improve future opportunities for all farmers and ranchers while assuring reasonable food costs for consumers and limiting the need for future Federal expenditures.

I know that many of my colleagues understand the need for a broader perspective on agricultural issues. Some of you last winter expressed the advisability of delaying consideration of a farmland preservation bill until we had more information on impacts and options. Now that the two studies I mentioned are available, I believe it is time to carefully review the results and recommendations and act accordingly.

The NALS report concluded:

Continuing nonagricultural demands upon the agricultural land base (have) become a matter for national concern * * *. The cu mulative loss of cropland, in conjunction with other stresses on the U.S. agricultural system such as the growing demand for exports and rising energy costs, could seriously increase the economic and environmental costs of producing food and fiber in the United States during the next 20 years.

The NALS report went on to say:

The conversion of highly productive land will continue unless there is a major shift of development onto rural land that is less productive for agriculture.

NALS identified about 90 Federal programs that contribute to the conversion of agricultural lands to other purposes. Some of these programs have major impacts.

On the other hand, NALS found that considerable grassroots interest in the protection of good agricultural land exists in widely different communities around the country. State and local governments have tried a remarkable number of different approaches to agricultural land protection. No one approach by itself seems entirely adequate, but the interest and the efforts are encouraging.

I agree with NALS that we need to further encourage and assist these local initiatives. It also is imperative that the Federal Government get its own house in order so that the unnecessary shift of good productive land out of agriculture can be avoided.

The programs that can help, and the programs that are part of the problem, are located in many departments—not just Agriculture. The issues are complex and go far beyond considerations of land supply.

As the structure of agriculture study put it:

We found that even the programs that were designed to protect the farm sector accelerated and continue to reinforce trends that push families out of farming, keep new farmers out, and concentrate control of the resources that produce our food into the hands of fewer persons.

I believe that you and I have the responsibility to see that these trends are reversed. We must see that all sectors of American society are fair to each other and the need for expensive Federal programs to repair land use and production mistakes is kept to the absolute minimum.

I hope that you will join me in using the structure study and the agricultural lands study findings to the fullest advantage in designing workable approaches in related legislation during the 97th Congress.●

PATRICK J. CULLERTON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I rise in tribute to Hon. Patrick J. Cullerton, the late Chicago alderman and "assistant mayor" who gave outstanding service to the people of Chicago for half a century.

P. J. Cullerton's death on January 26 is a tremendous loss to the people of the northwest side of Chicago in the 11th Congressional District I am honored to represent, for he had dedicated his entire life to effective government of and for the people.

Parky, as he was affectionately called by his friends and constituents, was a quiet man who carefully listened to the people he represented in the city council from his 38th ward, and he was overwhelmingly reelected time and time again because he made sure that Chicago's government was effective in meeting their wants and needs. He prided himself on getting the proposals he initiated passed by the city council, and he will be sorely missed by many thousands of people, but especially by me because he was my friend for over 40 years, and during that time I greatly benefited from his advice and counsel.

Alderman Cullerton, after training and working for a time as an electrical engineer, began his political career with an appointment by Mayor Anton J. Cermak as signal engineer for the Chicago Police Department. Subsequently, he became a member of the board of local improvements, and was elected alderman of the 38th ward in 1933 and remained in that position until 1958. During his years of service in the city council, he chaired the council's finance committee, a postion many referred to as assistant mayor, and he also was the chairman of the council's emergency committee, assigned to root out fraud and abuse in Chicago government operations.

In 1958, P. J. Cullerton was appointed Cook County Assessor and was reelected repeatedly, retiring from the post in 1974. To his great satisfaction, he was elected the president of the Irish Fellowship Club of Chicago in 1959.

At the time of his death, Parky Cullerton was celebrating his 50th year in Chicago politics, and was still actively serving as the 38th ward's Democratic committeeman. His passing is a great loss to his thousands of friends, and he will be remembered as one of the great leaders of Chicago.

My wife, Angeline, joins me in extending our deepest sympathy to Patrick J. Cullerton's daughter, Helen Liddy, and her family.●

LEGISLATION TO AMEND THE POWERPLANT AND INDUSTRIAL FUEL USE ACT TO ALLOW LOCAL DISTRIBUTION COMPANIES TO CONTINUE NATURAL GAS SERVICE TO RESIDENTIAL CUSTOMERS FOR OUTDOOR LIGHTING FIXTURES FOR WHICH NATURAL GAS WAS PROVIDED ON THE DATE OF ENACTMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. YOUNG) is recognized for 5 minutes.

● Mr. YOUNG of Missouri. Mr. Speaker, today Mr. CORCORAN and I are introducing legislation to amend section 402 of the Powerplant and Industrial Fuel Use Act in order to permit the owners of residential outdoor gaslights to retain service to the lights.

This bill is identical to the legislation which was cosponsored by 134 Members during the 96th Congress and passed the House by unanimous consent on December 13, 1980. It amends section 402 by removing the requirement that existing residential gaslights be extinguished by January 1, 1982.

Section 402 was included in the Fuel Use Act at a time of apparent shortage of natural gas. That situation has now changed, and I believe that Congress must act now to recognize that change and remove this costly prohibition. As the law now stands, 2 to 4 million owners of residential gaslights are confronted with a choice between doing without necessary outdoor illumination and paying $200 to $300 each for conversion of their lights. Most gaslight owners installed these lights for safety and security reasons, and they should not be forced to make this choice.

Whether or not they personally own gaslights, taxpayers are paying for this prohibition. They have paid for development and promulgation of regulations by the Federal Government, and they will pay for the States, and in some case the municipalities, to enforce the regulations and respond to the thousands of requests for exemptions. At best, a saving of one-fifth of 1 percent of natural gas usage will be realized through enforcement of section 402. As a Department of Energy witness stated at hearings before the Energy and Power Subcommittee, the gaslight provision "promises slight energy savings at potentially enormous bureaucratic and litigative costs."

This legislation will continue to encourage natural gas conservation through a provision which requires gas distribution companies to periodically inform customers of the costs of burning outdoor gaslights. The provision replaces the elaborate enforce-

ment apparatus required by the Fuel Use Act with information which will allow the consumer to make an informed decision, rather than forcing him to choose between safety and compliance with the law.

I believe that the available data, combined with good judgment, clearly argue in favor of amending section 402. I urge my colleagues to join us in pressing for rapid passage of this legislation early in the 97th Congress.●

GAO AUDIT OF LEGISLATIVE ACCOUNTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, during the 96th Congress, there were numerous allegations about misconduct or abuse of funds by our colleagues in Congress. These charges, substantiated or not, have cast a shadow over the credibility of Congress in general. One very direct way I know of restoring public confidence in the honesty and integrity of elected officials is to let the Sun shine on official office accounts as provided for in legislation that I plan to reintroduce.

The Legislative Accounts Audit and Control Act, which I will introduce, requires an annual audit by the General Accounting Office of House Members' and committees' accounts. At the present time, every appropriation made by the Congress for any function of the Federal Government is subject to an annual audit by the GAO, except for the Congress of the United States. Our predecessors in the Congress established the GAO and required annual audits to insure that taxpayers' dollars were being properly spent.

In my view, the congressional exemption should never have been granted in the first place. While we cannot speak for the other body, we in the House have an obligation to the taxpayer to let him know how we expend public funds to run our individual offices and our committees. Certainly, it is not too much to ask that those who set policy and appropriate funds for other governmental functions be subject to scrutiny on how they will spend over $1.3 billion in tax dollars in 1981 to carry out the legislative function.

Therefore, my bill would require the GAO to perform an audit of any expenditures or financial transactions of each Member, officer, or standing committee of the House of Representatives involving disbursements from the contingent fund of the House during calendar years 1977, 1978, 1979, and 1980, such audit to be completed within 9 months. Beyond that, my bill would require, beginning with calendar year 1979 and each calendar year thereafter, an annual GAO audit to be completed no later than 3 months following the close of the calendar year. Upon completion of any audit, the Comptroller General would transmit a report to the Speaker of the House with respect to the results of such audit and any such report would be available to the public for inspection and copies furnished upon request for a reasonable charge.

More than ever, Government, and certainly Congress, is being held up to public scrutiny. We resolved in the 95th Congress to open up our personal finances to public view. I can think of no reason for not letting the taxpayers see how their public moneys are being used.●

STATEMENT TO ACCOMPANY NATIONAL GUARD/RESERVE BILLS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 10 minutes.

● Mr. BEDELL. Mr. Speaker, despite their essential role in meeting combat readiness goals, our National Guard and Reserve units continue to suffer from inadequate funding.

This problem is critical because of the reliance that our active Armed Forces place on the Reserve units. In the Army alone, Reserves provide 90 percent of combat reinforcements, 65 percent of deploying units, 60 percent of support forces, and 53 percent of combat troops. Moreover, our defense strategists rely in their war plans on sending into battle all 8 of the National Guard's combat divisions, along with 20 of the Guard's infantry brigades. In the event of a Soviet invasion of Western Europe, the Army National Guard is expected on the front lines within 30 days, with its total 351,000 troop level in battle within 90 days. The Air National Guard, with 94,000 members and 1,500 planes, would have a similar mission.

Nevertheless, only $1.6 billion, or little more than 5 percent of the total defense budget goes to maintaining the National Guard and Reserve. As a result, our Reserve units suffer from chronic shortages of manpower and modern equipment.

The crucial problem undermining the Reserve contribution to readiness is a consistent inability to meet maximum authorized manpower levels. After 1973, when elimination of the draft erased the key incentive to Reserve enlistment, recruitment declined rapidly. At the same time, however, the All-Volunteer Force was founded on a "total force concept," which declared an integration of the Active and Reserve components into one unified fighting force.

Now, despite modest gains since 1979, manpower strength remains critically low. Specifically, the total Reserve force lags at only 85 percent of its authorized level. Of the six major components, Army National Guard, Army Reserve, Air National Guard, Air Force Reserve, Navy Reserve, and Marine Corps Reserve, only the Air National Guard is at full strength. On the other hand, the Army National Guard, with 3,368 units scattered in 2,600 cities, is nearly 68,000 short, while the smaller Army Reserve is over 73,500 short. The Army Reserve, in effect, is at 72 percent strength; the Army National Guard at 82 percent strength.

Fortunately, the Army has taken several steps in recent years to attract more Reserve volunteers. Reserve-recruiting chores are now being handled by regular Army recruiters, who can offer the option of either Active or Reserve service. Cash bonuses are being given to volunteers for joining and reenlisting in high priority Reserve units slated for early deployment. Most recently, the Pentagon began offering a $600 bonus to veterans who reenlist for 3 years after finishing their regular military service obligations.

Nonetheless, I believe it is time that we, as Members of Congress, face up to the problems that remain. Studies have shown that those who join the Guard or Reserves do so because of additional income, social ties, variety from civilian life, opportunities to learn new skills, promotion possibilities, and retirement benefits. In addition, at meetings in my district with National Guard and Reserve representatives, a number of changes and proposals were discussed that would help correct the very real problems regarding manpower strength. Of particular importance were proposals to provide retention incentives and to spur recruiting.

As a result, I am today introducing a package of three bills aimed at improving the Reserve component strength levels. First is a bill to reduce from 60 to 55 the age at which a member of the Armed Forces may retire for nonregular service, providing means by which there is no additional cost to the Government. I believe that this will help provide these individuals and their families with a quality of life commensurate with the sacrifices we demand of them.

The second bill provides a refundable tax credit to employers for supplementary payments to employees who participate in Armed Forces training missions. This will help insure that Guard and Reserve members are not financially penalized for attendance at summer camp. This proposed change should unquestionably improve recruiting and retention. There are more than 100,000 Federal employees out of an 817,000 total Guard and Reserve force. Many of these employees are

willing to serve because of the fully paid leave policy that the Federal Government provides for participation in military training.

The third bill would amend the Higher Education Act of 1965 to increase by $500 the eligibility of Guard and Reserve members for basic educational opportunity grants. Current law provides for forgiveness of some portion of a student loan for persons service on active duty in combat. the House of Representatives recently changed the Higher Education Act to forgive a portion of student loan for active or reserve enlisted service. This bill would provide an additional educational assistance recruiting incentive.

Mr. Speaker, any realistic solution to the problems of the currently structured All-Volunteer Force must alleviate the manpower shortage. The bills that I am introducing today are an important step in the right direction of insuring that our National Guard and Reserve components have the manpower to meet our national defense goals. They are also an important step in doing our utmost to make the All-Volunteer Force concept succeed. We must continue to evaluate our military personnel policies and search for solutions that will provide the programs needed to halt manpower losses and to overcome existing shortfalls. I urge my colleagues in the House to join with me in seeing that the personnel needs of our military are met. The choice confronting us is simple: either we provide the resources necessary to recruit and retain skilled people or we settle for a military less ready and ill-prepared to respond to our future security and defense needs.●

VETERANS' EDUCATIONAL ASSISTANCE ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, I am introducing a bill today which proposes to establish a veterans' education and training assistance program for certain individuals serving in the Armed Forces.

Since the enactment of the Servicemen's Readjustment Assistance Act of 1944—the World War II GI bill—all who have served satisfactorily in the Armed Forces since the beginning of World War II have been provided entitlement to educational assistance following their discharge or release from active duty.

By way of background, the Congress has authorized three separate GI bills. The World War II GI bill terminated on July 25, 1956. The Korean GI bill terminated on January 31, 1965. The Vietnam GI bill, which includes all who served between January 31, 1955, and December 31, 1976, is scheduled to terminate on December 31, 1989. For those who have served after December 31, 1976, the Congress established the veterans' educational assistance program (VEAP), a voluntary contributory assistance program. The VEAP program is a 5-year pilot program under which there will be no enrollments after December 31, 1981, unless the President recommends that the program continue.

I have heard a number of statements attributed to President Reagan which indicated that he was in favor of reinstating the GI bill for persons serving in the Armed Forces. In that regard, I do know that the President told delegates to the American Legion convention held in Boston, Mass., on August 20, 1980:

> We must provide the resources to attract and retain superior people in each of the services. We should take steps immediately to restore the GI bill, one of the most effective, equitable and socially important programs ever devised. In short, our country must provide these persons and their families with a quality of life that is equivalent to the sacrifices they make on our behalf.

Therefore, Mr. Speaker, we would expect that budget amendments to be submitted by President Reagan will have a provision for the restoration of the GI bill for active duty personnel in the Armed Forces, and that a recommendation for a veterans' educational assistance program will be a part of President Reagan's legislative program for fiscal year 1982.

Mr. Speaker, none of the three GI bills were identical. In fact the provisions of each of the GI bill programs and the VEAP program are distinct, having been developed at a different time and period in our history to reflect the needs and philosophy of the period in which the programs were approved.

The bill I am introducing today responds to the concerns expressed by many Members of Congress and the military services about the effectiveness of our Armed Forces and the capability of the military to attract and retain the quality of personnel it needs.

The All-Volunteer Force is confronted with major recruitment and retention problems which will be aggravated by the continuing decrease in the recruitment age population. For example, the Army was unable to fulfill its authorized strength in fiscal year 1979, failing to meet its goal by over 27,000, and difficulties in this regard continue.

Much publicity has been given to the failure of the Navy to carry out its mission because of acute personnel shortages. Members will recall that the Congress considered adding additional funds to reactivate an aircraft carrier and a battleship. The Navy, however, vetoed the idea due to a shortage of qualified personnel to man these vessels.

The Air Force also lacks personnel with critical skills. We are told there is a shortage of pilots in both the Navy and the Air Force, and it is estimated there will be an increase in the shortage of pilots, as well as navigators, during the next fiscal year.

So long as we have an All-Volunteer Force, we must continue to improve both the compensation and other benefits for persons serving in the military. As the Members know, I am strongly in favor of reinstituting compulsory military service. Since that is not the case, I believe that educational benefits for those serving in the military can play a vital role in attracting and retaining qualified military personnel, especially in areas where there are critical shortages.

The purposes of my bill are: First, to provide an education and training program to assist in the readjustment of veterans upon their discharge or separation from the Armed Forces; second, to enhance the recruitment of quality personnel for the Armed Forces; third, to encourage reenlistments for active duty service in the Armed Forces; and, fourth, to facilitate the retention of key personnel in critical positions.

To carry out these purposes, the proposed bill would authorize preservice educational assistance to certain individuals who agree to fulfill a tour of military service; provide a basic educational entitlement to certain individuals who serve an initial period of service; provide additional supplemental assistance for those who reenlist for an additional period of service; provide authority for individuals in critical positions to transfer their educational benefits to dependents, and extend the authorization to repay student loans as provided for in Public Law 96-342 for 2 additional years.

Military officers have openly discussed the problems the services are experiencing in meeting recruitment and retention goals not only for active duty personnel, but also for the Selected Reserve and National Guard. The proposed bill, therefore, addresses itself to some degree with the problems of both the Regular and Reserve Forces so far as recruitment and retention are concerned. In addition, the proposed bill authorizes the Secretary of Defense to increase benefits in a number of instances as deemed necessary or appropriate for recruitment or retention of persons in critical specialities in both the Regular and Reserve Forces.

Mr. Speaker, under the proposed bill, the basic educational assistance would be $250 per month for 1 month of active duty service for high school graduates or those with a general equivalency diploma or entering active service on or after October 1, 1981. Eligiblity for 36 months requires completion of 3 years continuous active duty

or 2 years continuous active duty plus 4 years Selected Reserve or National Guard service. In addition to the basic rate, a person would be entitled to an additional $300 a month upon completion of 6 years of continuous active duty plus 8 years in the Selected Reserve or National Guard service.

A preservice educational program in the proposed bill authorizes the Secretary of Defense to enter into an agreement with an individual to permit such individual to complete or continue an education program prior to fulfilling his or her military obligation. Upon completion of the preservice educational program, the individual would be required to pay back 1 month of active duty service for 1 month of educational benefits, or 3 months of Selected Reserve or National Guard service for 1 month of educational benefits.

To enhance retention of persons in positions with critical specialties, the proposed bill would authorize the Secretary of Defense to allow the veteran to transfer his or her entitlement to educational benefits to a spouse or child for any person who has served on active duty for no less than 8 years and no more than 12 years. The spouse or child could attend school following the transfer of the entitlement so long as the person continues to serve on active duty or, in the case of a person who retires after serving a period of 20 years or longer, following the veteran's discharge or release from active duty.

The Department of Defense Authorization Act of 1981 authorizes the Secretary of Defense to provide a 1-year pilot test program for payment of Higher Education Act student loans by the Secretary of Defense. For the Reserve components, an outstanding Federal student loan of up to $500 and for enlisted members of the Armed Forces serving in certain military specialties up to $1,500 may be paid by the Secretary of Defense for each satisfactorily completed year of service. Under the proposed bill, this program would be extended 2 years, for a total of 3 years.

Last, the existing VEAP program for persons who have entered the Armed Forces after December 31, 1976, would no longer be available for those entering service after September 30, 1981. However, those currently participating in the VEAP program would be permitted to continue to contribute to the program.

There seems to be a general consensus that an education and training program for veterans serving in the Armed Forces, similar to previous education and training programs, is needed. These include representatives of the major veterans organizations, associations of retired military personnel, and representatives of the active duty military. There is some difference of opinion, however, on how this program should be funded. Some suggest the entire cost should be paid for by the Department of Defense. Others suggest the entire cost should be the responsibility of the Veterans' Administration.

The cost of my bill would be borne by both the Veterans' Administration and the Department of Defense. Since the program would be administered in its entirety by the Veterans' Administration, the administrative cost for the program would continue with the Veterans' Administration. This cost would not increase since the superstructure is already in place. The cost of the basic educational assistance payment of $250 a month, to all entering service with high school or general equivalency diplomas after the effective date of my bill will also be borne by the Veterans' Administration.

All other benefits to be provided by my bill, which includes the supplemental educational assistance, transfer of entitlement, preservice educational assistance program, and other provisions relating to the recruitment and retention of persons in critical positions, will be borne by the Department of Defense.

Under my proposal, no personnel will be eligible for educational benefits until after completion of at least 2 years of military service. Therefore, no funds will be required to implement this bill for fiscal years 1982 and 1983. It is expected that there will be a modest cost for the program in fiscal year 1984, with the maximum cost not occurring until the early 1990's.

Presently, for the academic year 1980–81, there will be some $10 billion not including veterans educational benefits in student aid available directly or indirectly for students. These education aid programs provide three different types of assistance; grants, loans and workstudy.

It is time we adjusted our educational priorities. It is my intention to bring to the attention of the Budget Committee that the highest priority of educational assistance should be veterans' educational programs, with the balance going to those who do not choose to serve in the Armed Forces. In other words, there does not have to be an increase in Federal outlays for educational assistance if my bill is enacted.

The proposed bill will be referred to our Subcommittee on Education, Training, and Employment. I would anticipate hearings on this, and similar proposals, in the near future, and would urge my colleagues in joining with me in cosponsoring this legislation.●

AMENDING THE POWERPLANT AND INDUSTRIAL FUEL USE ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

Mr. CORCORAN. Mr. Speaker, I am pleased today to join Mr. YOUNG of Missouri in introducing a bill which would amend section 402 of the Powerplant and Industrial Fuel Use Act in connection with allowing the owners of residential outdoor gaslights to retain service to those lights. The Fuel Use Act prohibits such use of natural gas as of January 1, 1982, and our legislation would remove that prohibition.

As one of the 134 cosponsors of similar legislation during the 96th Congress (H.R. 4576), I was pleased that the House of Representatives passed that legislation without dissent on December 13 of last year. House passage followed by 1 day a hearing on H.R. 4576 by the Energy and Power Subcommittee of the Interstate and Foreign Commerce Committee, of which I was a member. Mr. YOUNG of Missouri and I urge congressional support for this legislation.

Mr. Speaker, for the benefit of our colleagues, the text of the bill we are introducing today follows:

H.R. 1464

A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to permit local distribution companies to continue natural gas service to residential customers for outdoor lighting fixtures for which natural gas was provided on the date of enactment of such Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 402(b)(1) of the Powerplant and Industrial Fuel Use Act of 1978 (Public Law 95-620) is amended—

(1) by inserting "(other than any outdoor lighting fixture which was installed before the date of the enactment of this Act for use in connection with a residence and for which natural gas was being provided on such date of enactment)" after "use in outdoor lighting", and

(2) in subparagraph (C), by striking out the dash and all that follows through "residence," and inserting in lieu thereof "any municipal outdoor lighting fixture".

SEC. 2. Section 402 of such Act is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f)(1) For the purpose of discouraging the use of natural gas for outdoor lighting, each local distribution company which is subject to subsection (a) or (b) shall, in accordance with rules promulgated by the Secretary—

"(A) establish a reasonable and simple method, as determined by each such company, by which the company shall periodically inform its customers about the amount of natural gas consumed by outdoor lighting and the annual cost of such gas for such lighting; and

"(B) report to the Secretary the method established under subparagraph (A).

A company may establish a method which provides for reporting such information on the basis of estimates where actual information is not readily available.

"(2) The Secretary shall propose the rules referred to in paragraph (1) as promptly as possible after the date of the enactment of this subsection, and such rules shall take effect not later than the ninetieth day after they are proposed. In promulgating such rules, the Secretary shall, to the greatest extent feasible, consult with the appropriate regulatory authority of the States and the local distribution companies who will be subject to the rules.".

RULE TO BE REQUESTED ON LEGISLATION RELATING TO THE PUBLIC DEBT LIMITATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 10 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, on February 3, the House Committee on Ways and Means will hold hearings on the Reagan administration's recent recommendation to increase the public debt limitation. Since the Congress will only have a brief amount of time available to consider this matter, it will be my intention to consider the legislation in executive session on the afternoon of the hearing. At that time, it is likely that the committee will recommend that a rule be requested which is other than one allowing any germane amendments.

As a result, pursuant to the rules of the Democratic Caucus, I take this occasion to advise my colleagues that when this bill is reported from the committee, it is likely that the committee will seek a modified rule.

It is my intention that when the committee completes its work on this legislation, the report will be filed at the earliest opportunity, and we will request to be heard before the Committee on Rules as expeditiously as possible.

A copy of the press release announcing the hearing follows:

HON. DAN ROSTENKOWSKI, CHAIRMAN, COMMITTEE ON WAYS AND MEANS, ANNOUNCES PUBLIC HEARING ON TUESDAY, FEBRUARY 3, 1981, ON THE PUBLIC DEBT LIMITATION

The Honorable Dan Rostenkowski (D. Ill.), Chairman, Committee on Ways and Means, U.S. House of Representatives, today announced that the Committee on Ways and Means will conduct a morning public hearing on Tuesday, February 3, 1981, beginning at 10:00 a.m., in Room 1100, Longworth House Office Building, the Main Committee Hearing Room, on the Administration's recent request for an increase in the public debt ceiling. It is expected the Committee will then immediately follow the public hearing by a markup session that afternoon.

The present debt limitation under the Second Liberty Bond Act, as amended, consists of a permanent ceiling of $400 billion, and a temporary additional limitation, effective through September 30, 1981, of $535.1 billion, resulting in a combined permanent and temporary limitation of $935.1 billion. The current level of Federal debt subject to the ceiling is approximately $931.8 billion (as of January 26, 1981). The Reagan Administration has requested, in a letter to the Chairman from the Secretary of the Treasury dated January 28, 1981, that the amount of the temporary combined limitation be increased to $985 billion.

The Administration witnesses will be officials from the Department of the Treasury and the Office of Management and Budget, to be followed by testimony from the general public requesting to be heard.

The cutoff date for requests to be heard is no later than noon, Monday, February 2, 1981. Requests to be heard should be made by telephone to John J. Salmon, Chief Counsel, Committee on Ways and Means, Room 1102 Longworth House Office Building, Washington, D.C. 20515, (202) 225-3625. Notification to those scheduled to appear will be made by telephone as soon as possible after the filing deadline.

Persons scheduled to appear must submit 100 copies of their prepared statement to the Committee office, Room 1102 Longworth House Office Building, on the day before the hearing. An additional supply may be furnished for distribution to the press and public. For those who wish to file a written statement for the record of the hearing, five copies would be required for this purpose and will be accepted until noon on Tuesday, February 3.●

MARVIN L. STONE RECEIVES AWARD IN PHILADELPHIA

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, on January 18, 1981, at the Chapel of the Four Chaplains in Philadelphia, a special vesper service was held honoring one of America's most distinguished journalists, Marvin L. Stone, editor in chief of the weekly news magazine, U.S. News & World Report.

Dr. Walter H. White, senior chaplain in the chapel since its inception, presented to Mr. Stone the chapel's highest award, the Bronze Medallion for Distinguished Service.

Sponsoring Mr. Stone were Lucien Katzenberg, a trustee of the chapel and a leading businessman who has devoted much time to advancing the work of the chapel, Mr. John L. Koenig, an energy public affairs consultant who, as a chapel trustee, has been instrumental in bringing to the chapel some of America's outstanding leaders, and Dr. Karl Bennet Justus, executive director emeritus of the Military Chaplains Association, who since retirement from that organization has served as a consultant to the chapel.

The approach of the 38th anniversary of the February 3, 1943, sinking of the troopship *Dorchester* is a fresh reminder that the most dramatic, unforgettable example of brotherhood unfolded on the storm-tossed deck of that torpedoed ship when Chaplains George L. Fox, John P. Washington, Alexander D. Goode, and Clark V. Poling gave their lifejackets to frightened young soldiers. Then, in a picture that cannot fade from memory, those brave clergymen, two Protestants, a Catholic priest, and a Jewish rabbi, locked arms, joined in prayer and went down with the vessel. As long as time shall last, this dramatic event will be the greatest example of true brotherhood, for truly, "this was their finest hour" as they laid down their lives for their friends.

In accepting the Legion of Honor Bronze Medallion, Mr. Stone's response was characterized by a keen editorial insight into the times in which we live. In part, he said:

The Four Chaplains that we honor sacrificed their lives during World War II, almost forty years ago, while on a mission many of us embarked on—to preserve against sinister forces a way of life in this nation, indeed, to preserve it throughout this world. One might pause a moment and ask what these four men would think of this world today—for it has become a far different world in the past four decades. And what would have been their counsel to us?

Perhaps they would agree that seldom in the course of human events has the spirit of brotherhood been more sorely tried than it is now. We live not only in a divided world but in a divided nation.

Abroad we have not just the Communist East against the non-Communist West. We have, in the Middle East, not only Moslem against Jew, but Moslem against Moslem and Moslem against Christian. In Ulster it is Catholic against Protestant; in South Africa black against white. . . .

The problems we face today are of a nature that tend to divide our people rather than unite them. . . . All across this country, special interest groups are growing, not only in numbers but in influence. Each group is out to get special advantage for itself. These are wedges that are splintering our society. In this push and pull of competing special interests, the really important interest—that of the nation as a whole—is all too often ignored. What kind of brotherhood is this? Is it going to take another World War to revive the kind of dedication and selflessness that motivated those four chaplains to give up their own life jackets and go down with the sinking *Dorchester* in World War II?

I believe that the counsel of the Four Chaplains would not be far from what I am about to say in conclusion:

Certainly we have the intelligence to understand that we are going through one more profound social revolution in this country. The challenge is to preserve the best of the past and embrace the good in the new. But it will take wise leadership to define and inspire a common purpose, and desire by the rest of us to pursue it. We have lost our innocence in the years since World War II. We have been through a lot, and will be forced to endure a lot more—but adversity may bring us back together where affluence could not. . . .

We all have a strong obligation to think about these things if we are to survive and grow as a healthy nation. We should have no illusions about the difficulty of making a comeback in the 1980s. But it can happen, if we want badly enough to make it happen.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GINGRICH), to revise and extend their remarks and include extraneous matter:)

Mr. HARTNETT, for 5 minutes, today.
Mr. SAWYER, for 5 minutes, today.
Mr. JEFFORDS, for 5 minutes, today.

At the request of Mr. HARTNETT, Mr. CORCORAN, for 5 minutes, today.

(The following Members (at the request of Mr. DYSON) to revise and extend their remarks and include extraneous matter:)

Mr. BINGHAM, for 5 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. YOUNG OF MISSOURI, for 5 minutes, today.
Mr. LEVITAS, for 5 minutes, today.
Mr. BEDELL, for 10 minutes, today.
Mr. FORD of Tennessee, for 5 minutes, today.
Mr. MONTGOMERY, for 5 minutes, today.
Mr. ROSTENKOWSKI (at the request of Mr. GONZALEZ), for 10 minutes today, to revise and extend his remarks and to include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GINGRICH) and to include extraneous matter:)

Mr. BROOMFIELD.
Mr. PETRI.
Mr. THOMAS.
Mr. GREEN.
Mr. MCCLOSKEY.
Mr. LEBOUTILLIER.
Mr. LAGOMARSINO.
Mr. SHUMWAY in two instances.
Mr. GILMAN in three instances.
Mr. WHITEHURST.
Mr. CONABLE in three instances.
Mr. HOPKINS.
Mr. PAUL.
Mr. FRENZEL in five instances.
Mr. COUGHLIN.
Mr. COLLINS of Texas in two instances.

(The following Members (at the request of Mr. DYSON) and to include extraneous matter:)

Mr. BRODHEAD in two instances.
Mr. WEISS in five instances.
Mr. STOKES.
Mr. EDWARDS of California.
Mr. BEILENSON.
Mr. STARK.
Mr. DORGAN OF NORTH DAKOTA.
Mr. ROSENTHAL in two instances.
Mr. GAYDOS.
Mr. MILLER of California.
Mr. HAMILTON.
Mr. DIXON.
Mr. LONG of Maryland.
Mr. HOWARD.
Mr. PEYSER.
Mr. NOWAK in three instances.
Mr. HEFNER.
Mr. ROE.
Mr. PATTERSON.
Mr. MAZZOLI.
Mr. OTTINGER.
Mr. MINETA.
Mr. ROSE.
Mr. LEHMAN.
Mr. SIMON in two instances.
Mr. FARY.
Mr. LUNDINE.
Mr. SHELBY.
Mr. DASCHLE in three instances.
Mr. PEASE.
Mr. BAFALIS.
Mr. FAZIO.
Mr. ATKINSON in two instances.
Mr. ROSTENKOWSKI in two instances.
Mr. MINISH.
Mr. BEREUTER.

Mr. BOWEN, to revise and extend his remarks, immediately following Mr. COLLINS of Texas on his special order.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 35 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, January 29, 1981, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

410. A letter from the Acting Assistant Secretary of the Army (Installation, Logistics and Financial Management), transmitting notice of the proposed conversion to contractor performance of the motor vehicle maintenance activity at Fort Shafter, Hawaii, pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

411. A letter from the Acting Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the family housing maintenance function at Grissom Air Force Base, Ind., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

412. A letter from the Acting Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the family housing maintenance function at Dyess Air Force Base, Tex., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

413. A letter from the Secretary of Education, transmitting proposed final regulations to implement amendments to title I of the act of September 30, 1950, applying to local educational agencies claiming entitlements based on the number of children residing on Indian lands, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

414. A letter from the Acting Director, ACTION Agency, transmitting final regulations implementing restrictions on certain volunteer activity related to the use of appropriated funds in connection with electoral and lobbying activities, pursuant to section 420(d) of the Domestic Volunteer Service Act of 1972, as amended; to the Committee on Education and Labor.

415. A letter from the Acting Assistant Secretary of the Treasury for Legislative Affairs, transmitting project performance audit reports prepared by the International Bank for Reconstruction and Development, special studies prepared by the External Review and Evaluation Office of the Inter-American Development Bank, and project performance audit reports or project completion reports prepared by the Asian Development Bank, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

416. A letter from the Acting Chairman, Board for International Broadcasting, transmitting the seventh annual report of the Board, together with its review and evaluation of the operation and mission of Radio Free Europe/Radio Liberty, covering fiscal year 1980, pursuant to section 4(a)(8) of Public Law 93-129, as amended; to the Committee on Foreign Affairs.

417. A letter from the General Counsel, Council on Wage and Price Stability, Executive Office of the President, transmitting a report on the Council's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

418. A letter from the Chairman, Federal Mine Safety and Health Review Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

419. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during December 1980, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

420. A letter from the Acting Assistant Administrator, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting notice of the designation of a marine sanctuary in certain waters around the Point Reyes-Farallon Islands area off the coast of California, pursuant to section 302(h) of the Marine Protection, Research and Sanctuaries Act of 1972, as amended (94 Stat. 1058); to the Committee on Merchant Marine and Fisheries.

421. A letter from the Acting Assistant Administrator, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting notice of the designation of a marine sanctuary in certain waters in the lower Florida Keys, pursuant to section 302(h) of the Marine Protection, Research and Sanctuaries Act of 1972, as amended (94 Stat. 1058); to the Committee on Merchant Marine and Fisheries.

422. A letter from the Acting Assistant Administrator, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting notice of the designation of a marine sanctuary in certain

waters around Gray's Reef off the coast of Georgia, pursuant to section 302(h) of the Marine Protection, Research and Sanctuaries Act of 1972, as amended (94 Stat. 1058); to the Committee on Merchant Marine and Fisheries.

423. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on the Hydroelectric Power Study, Raystown Lake, Pa., in partial response to a resolution of the House Committee on Public Works adopted April 11, 1974; to the Committee on Public Works and Transportation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON:

H.R. 1353. A bill making additional appropriations to the Secretary of Health and Human Services for the National Institutes of Health to carry out research with respect to lupus erythematosus; to the Committee on Appropriations.

H.R. 1354. A bill to amend section 301(3) of title 38, United States Code, so as to include lupus erythematosus among the chronic diseases; to the Committee on Veterans' Affairs.

By Mr. ASPIN:

H.R. 1355. A bill to provide for continuing appropriations for salaries of officials and employees of the United States and former officials and employees of the United States when funds are not available for such salaries; to the Committee on Post Office and Civil Service.

H.R. 1356. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. ATKINSON (for himself, and Mr. BAILEY of Pennsylvania):

H.R. 1357. A bill to amend the Clean Air Act to prohibit the Environmental Protection Agency from requiring motor vehicle inspection and maintenance before January 1, 1986, and to provide for the separate testing of new motor vehicles to insure that such vehicles comply with emission standards before the time of their sale by the manufacturer, and for other purposes; to the Committee on Energy and Commerce.

H.R. 1358. A bill to amend the Clean Air Act to prohibit the Environmental Protection Agency from requiring motor vehicle inspection and maintenance until such time as each new motor vehicle is required to be separately tested for compliance with emission standards, and for other purposes; to the Committee on Energy and Commerce.

By Mr. BEDELL:

H.R. 1359. A bill to amend title 10, United States Code, to reduce from 60 to 55 the age at which a member of the Armed Forces may retire for nonregular service and to provide that the retired pay of such a member retiring before the age of 60 shall be reduced in a manner determined by the Secretary of Defense; to the Committee on Armed Services.

H.R. 1360. A bill to amend the Higher Education Act of 1965 to increase the eligibility of members of the military Reserves and of the National Guard for basic educational opportunity grants by $500; to the Committee on Education and Labor.

H.R. 1361. A bill to amend the Internal Revenue Code of 1954 to provide a refundable tax credit to an employer who pays compensation to an employee for a period during which the employee is participating in Armed Forces training; to the Committee on Ways and Means.

By Mr. BEDELL (for himself, Mr. HALL of Ohio, Mrs. SNOWE, Mr. TAUKE, Mr. ATKINSON, Mr. AUCOIN, Mr. BAILEY of Pennsylvania, Mr. BARNES, Mr. CLAY, Mr. COELHO, Mr. CONTE, Mr. D'AMOURS, Mr. DELLUMS, Mr. EDGAR, Mr. ERDAHL, Mr. FAZIO, Mr. FLORIO, Mr. FORSYTHE, Mr. HANSEN of Idaho, Mr. HARKIN, Mr. HOLLENBECK, Mr. HOWARD, Mr. JOHNSTON, Mr. KASTENMEIER, Mr. KILDEE, Mr. KOGOVSEK, Mr. LOWRY of Washington, Mr. MILLER of California, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MURPHY, Mr. NOWAK, Mr. OBERSTAR, Mr. PEPPER, Mr. RAHALL, Mr. RICHMOND, Mr. ROSE, Mr. SEIBERLING, Mr. ST GERMAIN, Mr. STARK, Mr. SWIFT, Mr. VENTO, Mr. WEISS, and Mr. WHITEHURST):

H.R. 1362. A bill to amend the Small Business Act to provide special loan guarantees to small business concerns for the acquisition of motor fuel service stations, to require the divorcement of such stations from operation by certain producers and refiners of motor fuels, to control sales by producers and refiners of motor fuels, and for other purposes; jointly, to the Committees on Small Business and Energy and Commerce.

By Mr. COLLINS of Texas:

H.R. 1363. A bill to amend the Internal Revenue Code of 1954 to exempt incremental tertiary oil from the crude oil windfall profit tax; to the Committee on Ways and Means.

By Mr. CONABLE (for himself, Mr. BRODHEAD, and Mr. FRENZEL):

H.R. 1364. A bill to amend the Internal Revenue Code of 1954 to adjust provisions governing private foundations; to the Committee on Ways and Means.

By Mr. CORRADA:

H.R. 1365. A bill to amend the Social Security Act to increase the dollar limitations and Federal medical assistance percentages applicable to the medicaid programs of Puerto Rico, the Virgin Islands, and Guam; to the Committee on Energy and Commerce.

H.R. 1366. A bill to provide that certain judicial pleadings and proceedings in the Commonwealth of Puerto Rico may be conducted in the Spanish language, and for other purposes; to the Committee on the Judiciary.

H.R. 1367. A bill to amend title 38, United States Code, to provide a service pension for veterans of World War I who have annual incomes of less than $10,000 and for certain surviving spouses and dependent children of veterans of World War I; to the Committee on Veterans' Affairs.

H.R. 1368. A bill to amend the Social Security Act to provide that Federal assistance to Puerto Rico, the Virgin Islands, and Guam under the aid to families with dependent children, child welfare, and social services programs shall be furnished on the same basis (under the same formula and without specific dollar ceilings) as in the case of other States, and to amend section 228 of such act to extend to Puerto Rico, the Virgin Islands, and Guam the program of special benefits at age 72 for certain uninsured individuals; to the Committee on Ways and Means.

By Mr. DANIELSON:

H.R. 1369. A bill to create a Federal Disaster Insurance Corporation to insure the people of the United States against losses due to major natural disaster, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1370. A bill to provide that no relocation payments made under the Uniform Relocation Assistance Act shall be paid to persons who are unlawfully present in the United States; to the Committee on Public Works and Transportation.

By Mr. DANIELSON (for himself and Mr. KINDNESS):

H.R. 1371. A bill to amend section 12 of the Contract Disputes Act of 1978; to the Committee on the Judiciary.

By Mr. DANIELSON (for himself and Mr. MATSUI):

H.R. 1372. A bill to amend chapter 44 of title 18 of the United States Code to penalize the use of a cutting or stabbing weapon in the commission of a felony, and to increase the penalties for the use of firearms in the commission of a felony; to the Committee on the Judiciary.

By Mr. DASCHLE (for himself, Mr. FITHIAN, Mr. DORGAN of North Dakota, and Mr. BEREUTER):

H.R. 1373. A bill to terminate the grain embargo imposed upon the shipment of U.S. grain to the Soviet Union in January 1980; to the Committee on Foreign Affairs.

By Mr. DASCHLE:

H.R. 1374. A bill to provide that Federal rights-of-way may be issued for coal pipelines utilizing groundwater only where affected States have approved such utilization, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DOWNEY:

H.R. 1375. A bill to amend the Internal Revenue Code of 1954 with respect to the deduction, by certain financial institutions, of interest paid on deposits of public funds where those deposits are secured by tax-exempt obligations; to the Committee on Ways and Means.

By Mr. FISH:

H.R. 1376. A bill to amend title 18 of the United States Code to prohibit certain damage to, and theft of property used for religious purposes, and for other purposes; to the Committee on the Judiciary.

By Mr. FRENZEL:

H.R. 1377. A bill to amend the Internal Revenue Code of 1954 to encourage small business capital formation; to the Committee on Ways and Means.

H.R. 1378. A bill to amend the Internal Revenue Code of 1954 to clarify the definition of specially defined energy property for purposes of the investment tax credit; to the Committee on Ways and Means.

H.R. 1379. A bill to amend the Internal Revenue Code of 1954 with respect to employee stock ownership plans; to the Committee on Ways and Means.

H.R. 1380. A bill to amend the Internal Revenue Code of 1954 to make permanent the provisions relating to the funding of employee stock ownership plans through the investment tax credit, to provide a credit against tax for contributions to an employee stock ownership plan based upon wages as an alternative to that based on investment in equipment, and for other purposes; to the Committee on Ways and Means.

H.R. 1381. A bill to amend the Internal Revenue Code of 1954 to provide that no gain or loss will be recognized in the case of transfers of a principal residence in divorce

or legal separation proceedings; to the Committee on Ways and Means.

H.R. 1382. A bill to amend the Internal Revenue Code of 1954 to permit heads of households to use the standard deduction used by married persons; to the Committee on Ways and Means.

H.R. 1383. A bill to amend the Internal Revenue Code of 1954 to provide that the amount of the charitable deduction allowable for expenses incurred in the operation of a motor vehicle will be determined in the same manner Government employees determine reimbursement for use of their vehicles on Government business; to the Committee on Ways and Means.

H.R. 1384. A bill to amend the Internal Revenue Code of 1954 to allow the tax-exempt status of the interest of certain life insurance accounts to flow through to policyholders; to the Committee on Ways and Means.

H.R. 1385. A bill to amend part A of title IV of the Social Security Act to make it clear that any State may impose work requirements as a condition of eligibility for aid to families with dependent children; to the Committee on Ways and Means.

H.R. 1386. A bill to amend the Internal Revenue Code of 1954 to exempt from tax gain from the sale of an individual's principal residence; to the Committee on Ways and Means.

H.R. 1387. A bill to amend the Internal Revenue Code of 1954 to make certain changes in the tax treatment of private foundation; to the Committee on Ways and Means.

H.R. 1388. A bill to amend the Internal Revenue Code of 1954 to provide a maximum individual income tax rate of 50 percent; to the Committee on Ways and Means.

H.R. 1389. A bill to amend the Internal Revenue Code of 1954 relating to group-term life insurance purchased for employees; to the Committee on Ways and Means.

H.R. 1390. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 1391. A bill to amend the Internal Revenue Code of 1954 with respect to the valuation of bank holding company assets for the purpose of determining the amount certain private foundations are required to distribute; to the Committee on Ways and Means.

H.R. 1392. A bill to amend title XVIII of the Social Security Act for the purpose of authorizing the President to enter into agreements establishing reciprocal arrangements between the medicare program and similar programs of any foreign country; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. FUQUA:

H.R. 1393. A bill to amend titles 14 and 38, United States Code, to provide veterans' benefits to temporary members of the U.S. Coast Guard Reserve, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Veterans' Affairs.

By Mr. FUQUA (for himself and Mr. HUTTO):

H.R. 1394. A bill to provide for a Veterans' Administration outpatient clinic at an appropriate location in northwest Florida; to the Committee on Veterans' Affairs.

By Mr. GEPHARDT:

H.R. 1395. A bill to provide that an advisory referendum be conducted as part of each general election to give voters an opportunity to express their views on certain issues of national importance; jointly, to the Committees on House Administration and Rules.

By Mr. GRADISON:

H.R. 1396. A bill to provide that the retroactive change in method of accounting for life insurance companies which is permitted by Revenue Procedure 78-6 may be made for certain closed taxable years; to the Committee on Ways and Means.

By Mr. GREEN:

H.R. 1397. A bill to encourage savings and capital formation by offering a bonus payment to modest-income people who purchase certain savings certificates or make certain investments; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LEHMAN:

H.R. 1398. A bill to amend title 5, United States Code, to provide that any Federal employee who, at the time of retirement, does not elect a reduced annuity in order to provide a survivor annuity to a spouse or other person may make such an election within 1 year after retiring; to the Committee on Post Office and Civil Service.

By Mr. LEVITAS:

H.R. 1399. A bill to require the Comptroller General of the United States to carry out audits of expenditures and financial transactions of Members, officers, and standing committees of the House of Representatives; to the Committee on House Administration.

By Mr. MONTGOMERY (for himself, Mr. HAMMERSCHMIDT, Mr. WHITE, Mrs. HOLT, Mr. AUCOIN, and Mr. HARTNETT):

H.R. 1400. A bill to amend title 38, United States Code, to establish new educational assistance programs for veterans and for members of the Armed Forces; jointly to the Committee on Veterans' Affairs and Armed Services.

By Mr. LOWRY of Washington:

H.R. 1401. A bill to amend the Internal Revenue Code of 1954 to allow each individual to exclude $1,000 of interest on savings, and to deny the deduction for interest paid or incurred with respect to credit extended through the use of credit cards; to the Committee on Ways and Means.

By Mr. LUJAN:

H.R. 1402. A bill to authorize equalization of the retired pay of certain members and former members of the uniformed services; to the Committee on Armed Services.

H.R. 1403. A bill to provide that members of all commissions, councils, and similar bodies in the executive branch of the Government appointed from private life shall serve without any remuneration for their services other than travel, subsistence, and other necessary expenses; to the Committee on Post Office and Civil Service.

H.R. 1404. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for each barrel of oil or bitumen produced from the several rock types variously know as "tar sand", "bitumen rocks", "oil impregnated rocks", "oil sand and rock asphalt", from which oil is not recoverable in its natural state by oil well production methods including currently used enhanced oil recovery techniques; to the Committee on Ways and Means.

By Mr. LUJAN (for himself, and Mr. GUARINI):

H.R. 1405. A bill to amend the Railroad Retirement Act of 1974 with respect to benefits payable to certain individuals who on December 31, 1974, had at least 10 years of railroad service and also were fully insured under the Social Security Act; to the Committee on Energy and Commerce.

By Mr. McCLOSKEY:

H.R. 1406. A bill to amend the Atomic Energy Act of 1954 to modify certain provisions relating to restricted data, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1407. A bill to amend the Voting Rights Act of 1965 to limit certain aspects of its coverage for other than racial groups; to the Committee on the Judiciary.

By Mr. McKINNEY:

H.R. 1408. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to reduce from 30 to 7 legislative days the period for congressional review of acts of the Council of the District of Columbia which do not involve a Federal interest, to allow such acts to take effect during a congressional recess or adjournment, to repeal the authority of the Council of the District of Columbia to enact temporary emergency legislation, and for other purposes; to the Committee on the District of Columbia.

By Mr. MARRIOTT:

H.R. 1409. A bill to amend section 21 of the act of February 25, 1920, commonly known as the Mineral Leasing Act; to the Committee on Interior and Insular Affairs.

H.R. 1410. A bill to amend the Internal Revenue Code of 1954 with respect to the deduction of certain expenses in connection with the business use of homes and the rental of residences to family members; to the Committee on Ways and Means.

By Mr. MINISH:

H.R. 1411. A bill to amend title IV of the Higher Education Act of 1965 to provide for the exchange of information concerning defaulting student borrowers with credit bureau organizations to promote responsible repayment of Federal student loans; to the Committee on Education and Labor.

H.R. 1412. A bill to authorize the Secretary of Energy to enter into a cooperative arrangement with the State of New Jersey respecting radium pollution in that State; to the Committee on Interior and Insular Affairs.

H.R. 1413. A bill entitled: "The Handgun Crime Control Act of 1981"; to the Committee on the Judiciary.

H.R. 1414. A bill to grant immigrant visas to certain nationals of Italy who were victims of earthquakes which occurred on or about November 23, 1980, in Italy; to the Committee on the Judiciary.

H.R. 1415. A bill relating to tax treatment of qualified dividend reinvestment plans; to the Committee on Ways and Means.

H.R. 1416. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 1417. A bill to amend the Internal Revenue Code of 1954 to provide tax relief to residential users of refined petroleum products; to the Committee on Ways and Means.

H.R. 1418. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the personal exemptions from $1,000 to $1,200; to the Committee on Ways and Means.

H.R. 1419. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $500 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

H.R. 1420. A bill to increase alternatives to institutionalization for senior citizens; jointly, to the Committees on Energy and Commerce and Ways and Means.

H.R. 1421. A bill to establish an Energy Company of America, and for other purposes; jointly, to the Committees on Energy and Commerce, Interior and Insular Affairs, Science and Technology, and Ways and Means.

By Mr. MURTHA:

H.R. 1422. A bill to allow certain interest costs to be reimbursable under the Disaster Relief Act of 1974 in the case of grants to victims of the Johnstown flood; to the Committee on Public Works and Transportation.

By Mr. NOWAK:

H.R. 1423. A bill to amend the Internal Revenue Code of 1954 to increase to $15 million the exemption for certain small issues from treatment as industrial development bonds; to the Committee on Ways and Means.

By Mr. OBERSTAR:

H.R. 1424. A bill to amend the Federal Food, Drug, and Cosmetic Act so as to require that in the labeling and advertising of drugs sold by prescription the "established name" of such drug must appear each time their proprietary name is used, and for other purposes; to the Committee on Energy and Commerce.

H.R. 1425. A bill to amend the Federal Food, Drug, and Cosmetic Act and the Fair Packaging and Labeling Act and to otherwise require the labels on foods and food products to disclose all of their ingredients and any changes in their ingredients, their nutritional content, accurate weight data, storage information, their manufacturers, packers, and distributors, and their unit prices and to provide for uniform product grading and prohibit misleading brand names; to the Committee on Energy and Commerce.

H.R. 1426. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from the highway use tax in the case of certain trucks and other vehicles which are used primarily for hauling unprocessed farm and forest products from their place of production to market or mill; to the Committee on Ways and Means.

H.R. 1427. A bill to amend the Internal Revenue Code of 1954 to exempt farmers from the highway use tax on heavy trucks used for farm purposes; to the Committee on Ways and Means.

H.R. 1428. A bill to amend the Social Security Act to provide for inclusion of the services of licensed registered nurses under medicare and medicaid; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. OTTINGER:

H.R. 1429. A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that States reduce the amount of unemployment compensation payable for any week by the amount of certain retirement benefits, and for other purpose; to the Committee on Ways and Means.

By Mr. PEASE:

H.R. 1430. A bill to expedite the decisionmaking process with respect to the siting of new coal-fired powerplants and to provide, where possible, that such plants be located in the general area where the energy is to be distributed; to the Committee on Energy and Commerce.

H.R. 1431. A bill to amend the Clean Air Act to encourage owners of coal-fired powerplants to utilize new technologies for pollution control and to establish an emissions charges and rebate plan; to the Committee on Energy and Commerce.

By Mr. PETRI:

H.R. 1432. A bill to amend part A of title IV of the Social Security Act to reduce from six to three the maximum age of a child on account of whom a mother or other caretaker relative receiving aid to families with dependent children may claim an exemption from registration under the WIN program; to the Committee on Ways and Means.

By Mr. PRICE:

H.R. 1433. A bill to authorize the Secretary of the Interior to enlarge the Jefferson National Expansion Memorial National Historic Site, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1434. A bill for the relief of the State Community College of East St. Louis; to the Committee on the Judiciary.

H.R. 1435. A bill to permit credit for civil service retirement purposes and in computing length of service for purposes of determining leave, health insurance, severance pay, tenure, and status in the case of certain individuals who performed National Guard technician service before January 1, 1969; to the Committee on Post Office and Civil Service.

By Mr. ROSTENKOWSKI:

H.R. 1436. A bill to amend the Public Health Act to provide that enrollment increases made by schools of medicine to receive assistance from the Veterans' Administration shall not be considered in determining if the schools have met the first-year enrollment requirements for capitation grant assistance under title VII of such act; to the Committee on Energy and Commerce.

By Mr. SAWYER:

H.R. 1437. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

H.R. 1438. A bill to amend the Federal Railroad Safety Act of 1970 to direct the Secretary of Transportation to issue regulations requiring that the locomotive and rear car of all passenger, freight, and commuter trains have bulletproof glass and equipment capable of providing controlled temperatures; to the Committee on Energy and Commerce.

H.R. 1439. A bill to require the Federal Bureau of Investigation to classify the offense of arson as a part I offense for purposes of the uniform crime reporting program and the uniform crime reports for the United States; to the Committee on the Judiciary.

H.R. 1440. A bill to amend title 18 of the United States Code to provide penalties for certain activities relating to the taking of children by parents from legal custodians; to the Committee on the Judiciary.

H.R. 1441. A bill to repeal the provisions of law allowing automatic cost-of-living adjustments in the salaries of Members of Congress; to the Committee on Post Office and Civil Service.

H.R. 1442. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

H.R. 1443. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to claim a credit for amounts paid as tuition to provide education for himself, for his spouse, or for his dependents, and to provide that such credit is refundable; to the Committee on Ways and Means.

By Mr. SAWYER (for himself and Mr. LUNGREN):

H.R. 1444. A bill to amend section 924(c) (relating to mandatory penalties for certain felonies committed with firearms) of title 18 of the United States Code to change the sentencing structure for offenses under such section, to eliminate parole for such offenses, and to make specific the exclusion of certain felonies from the groups of felonies to which such section applies; to the Committee on the Judiciary.

By Mr. SAWYER:

H.R. 1445. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for dividends paid by domestic corporations; to the Committee on Ways and Means.

By Mr. SHELBY:

H.R. 1446. A bill to change the name of the China Bluff Access Area being constructed by the Army Corps of Engineers as part of the Tennessee-Tombigbee Waterway near Warsaw in Sumter County, Ala., to the "S. W. Taylor Memorial Park"; to the Committee on Public Works and Transportation.

By Mr. SKELTON:

H.R. 1447. A bill to amend the Commodity Credit Corporation Charter Act to establish a revolving fund to finance short-term export credit sales of agricultural commodities produced in the United States; to the Committee on Agriculture.

By Mrs. SMITH of Nebraska:

H.R. 1448. A bill to prohibit proposed regulatory increases in imputed interest rates for tax purposes on loans between related parties and on deferred in the case of certain sales of property; to the Committee on Ways and Means.

By Mr. STRATTON:

H.R. 1449. A bill to stabilize prices, rents, wages, salaries, profits, dividends, interest rates, and other economic transfers; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1450. A bill to amend the Economic Stabilization Act of 1970 to establish an Economic Stabilization Board, to stabilize prices, wages, rents, and interest rates at levels prevailing on the date of enactment of these amendments and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1451. A bill to amend the Federal Election Campaign Act of 1971, to provide free radio and television time to candidates for election to Federal office; to the Committee on House Administration.

H.R. 1452. A bill to prohibit the importation into the United States of motor vehicles, and of parts of motor vehicles, that are products of the Union of Soviet Socialist Republics; to the Committee on Ways and Means.

By Mr. VOLKMER:

H.R. 1453. A bill to amend the Internal Revenue Code of 1954 to increase the unified credit against estate and gift taxes so that estates under $500,000 will not be subject to estate tax, to allow unlimited marital deduction and to increase the gift exclusion from $3,000 to $6,000; to the Committee on Ways and Means.

By Mr. WEISS (for himself, Mr. WAXMAN, Mr. RICHMOND, Mr. GREEN, Mr. YATES, Mr. STUDDS, Mr. ROSENTHAL, Mr. JOHN L. BURTON, Mr. MCCLOSKEY, Mr. HAWKINS, Mr. MOFFETT, Mrs. SCHROEDER, Mr. LOWRY of Washington, Mr. FAUNTROY, Mr. CLAY, Mrs. CHISHOLM, Mr. DELLUMS, Mr. MITCHELL of Maryland, Mr. PHILLIP BURTON, Mr. STARK, Mr. EDWARDS of California, Mr. CONYERS, Mr. SCHEUER, Mr. RANGEL, Mr. SABO, Mr. DIXON, Mr. LELAND, Mr. BINGHAM, Mr. GRAY, Mr. FRANK, Mr.

BARNES, Mr. MILLER of California, Mr. FAZIO, and Mr. BEILENSON):

H.R. 1454. A bill to prohibit discrimination on the basis of affectional or sexual orientation, and for other purposes; jointly, to the Committees on the Judiciary and Education and Labor.

By Mr. WHITE:

H.R. 1455. A bill to amend the Consolidated Farm and Rural Development Act to increase the number of years with respect to which emergency loans may be made to eligible borrowers; to the Committee on Agriculture.

H.R. 1456. A bill to amend the Internal Revenue Code of 1954 to increase the exclusion for dividends and interest and to make such exclusion permanent; to the Committee on Ways and Means.

By Mr. WHITEHURST:

H.R. 1457. A bill to amend chapter 55 of title 10, United States Code, to authorize the provision of medical and dental care to surviving spouses of members and certain former members of the uniformed services who are not remarried; to the Committee on Armed Services.

H.R. 1458. A bill to amend the Internal Revenue Code of 1954 to encourage greater individual savings; to the Committee on Ways and Means.

H.R. 1459. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for State and local public utility taxes; to the Committee on Ways and Means.

H.R. 1460. A bill to amend the Internal Revenue Code of 1954 to encourage the use of methanol as an alternative fuel for motor vehicles by allowing the rapid amortization of facilities producing methanol; to the Committee on Ways and Means.

By Mr. YATRON:

H.R. 1461. A bill to amend the Federal Mine Safety and Health Act of 1977 to provide that such act shall not apply to persons engaged in the processing or disposal of waste materials recovered from certain dredging operations; to the Committee on Education and Labor.

H.R. 1462. A bill to amend the Railroad Retirement Act of 1974 to eliminate the reduction of railroad retirement annuities by amounts payable as social security benefits in cases of certain persons; to the Committee on Energy and Commerce.

H.R. 1463. A bill to amend title 5, United States Code, relating to qualifications for appointment and retention in the civil service; to the Committee on Post Office and Civil Service.

By Mr. YOUNG of Missouri (for himself and Mr. CORCORAN):

H.R. 1464. A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to permit local distribution companies to continue natural gas service to residential customers for outdoor lighting fixtures for which natural gas was provided on the date of enactment of such act, and for other purposes; to the Committee on Energy and Commerce.

By Mr. ZEFERETTI (for himself, Mr. LUNDINE, and Mr. MINETA):

H.R. 1465. A bill to amend the Congressional Budget Act of 1974 to require the Congressional Budget Office, for every significant bill or resolution reported in the House or the Senate, to prepare and submit an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution; to the Committee on Rules.

By Mr. RAHALL:

H.R. 1466. A bill for the relief of the Herbert J. Thomas Memorial Hospital; to the Committee on the Judiciary.

By Mr. BRINKLEY:

H.J. Res. 139. Joint resolution designating the month of February 1981 as "National PTA Membership Month"; to the Committee on Post Office and Civil Service.

By Mr. DANIELSON:

H.J. Res. 140. Joint resolution proposing an amendment to the Constitution of the United States relating to the election of the President and Vice President; to the Committee on the Judiciary.

By Mr. EVANS of Georgia:

H.J. Res. 141. Joint resolution authorizing and requesting the President to issue a proclamation designating the period from October 4, 1981, through October 10, 1981, as "National Schoolbus Safety Week"; to the Committee on Post Office and Civil Service.

By Mr. HARTNETT:

H.J. Res. 142. Joint resolution proposing an amendment to the Constitution of the United States which requires (except during fiscal years during which the United States is at war) that the total amount of money expended by the United States during any fiscal year not exceed the total amount of revenue of the United States received during that fiscal year; to the Committee on the Judiciary.

By Mr. MARRIOTT:

H.J. Res. 143. Joint resolution to authorize the President to issue a proclamation designating the week beginning on November 22, 1981, as "National Family Week"; to the Committee on Post Office and Civil Service.

By Mr. MINISH:

H.J. Res. 144. Joint resolution to authorize the President to proclaim the last Friday of April each year as "National Arbor Day"; to the Committee on Post Office and Civil Service.

By Mr. RAHALL:

H.J. Res. 145. Joint resolution to authorize "National Shut-in Day"; to the Committee on Post Office and Civil Service.

By Mr. SAWYER:

H.J. Res. 146. Joint resolution proposing an amendment to the Constitution to provide that except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year; to the Committee on the Judiciary.

H.J. Res. 147. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

By Mr. STRATTON:

H.J. Res. 148. Joint resolution authorizing the President to designate the 29th day in May of each year as "John Fitzgerald Kennedy Memorial Day"; to the Committee on Post Office and Civil Service.

By Mr. VOLKMER:

H.J. Res. 149. Joint resolution proposing an amendment to the Constitution of the United States which provides that the total expenditures of the United States shall not exceed the total amount of revenue (except in time of war or during a period of suspension) and providing that the debt of the United States shall not exceed that amount existing upon ratification of this amendment; to the Committee on the Judiciary.

By Mr. EVANS of Iowa:

H. Con. Res. 42. Concurrent resolution commending the Americans held hostage by the Iranian Government and the personnel who took part in the attempt to rescue them; jointly, to the Committees on Armed Services and Post Office and Civil Service.

By Ms. FIEDLER:

H. Con. Res. 43. Concurrent resolution to urge the U.S. Postal Service to issue a commemorative postage stamp to honor the 66 Americans who were taken hostage in Iran, the 6 Americans who escaped capture by the Iranians with the assistance of the Canadian Government, and the 8 American servicemen who died during the aborted attempt to rescue the American hostages; to the Committee on Post Office and Civil Service.

By Mr. MOTTL:

H. Con. Res. 44. Concurrent resolution expressing the sense of the Congress that the Board of Governors of the Federal Reserve System should reverse its policy of manipulating the discount rate to cause increased interest rates which result in higher unemployment and economic dislocations; to the Committee on Banking, Finance and Urban Affairs.

By Mr. STANGELAND:

H. Con. Res. 45. Concurrent resolution expressing the sense of the Congress that the leaders of the United States, Mexico, and Canada should participate in a North American summit meeting for purposes of establishing a common economic bond of mutual cooperation and coordination in dealing with issues involving our three countries; to the Committee on Foreign Affairs.

By Mr. STRATTON:

H. Con. Res. 46. Concurrent resolution to express the sense of the Congress that the foreign policy of the United States should reflect a national strategy of peace through strength; to the Committee on Foreign Affairs.

By Mr. BIAGGI (for himself, Mr. WRIGHT, Mr. LEDERER, Mr. RAHALL, Mr. FORD of Tennessee, Mr. LAFALCE, Mr. MOAKLEY, Mr. FOGLIETTA, Mr. BRINKLEY, Mr. MILLER of California, Mr. HATCHER, Mr. YOUNG of Missouri, Mr. DYSON, Mr. WALGREN, Mr. SOLARZ, Mr. MURPHY, Mr. BINGHAM, Mr. ADDABBO, Mr. DE LUGO, Mr. GONZALEZ, Mr. NICHOLS, Mr. RICHMOND, Mr. WEISS, Mr. WASHINGTON, Mr. ALBOSTA, Mr. KILDEE, Mr. DWYER, Mr. JONES of North Carolina, Mr. TAUZIN, Mr. FASCELL, Mrs. BOGGS, Mr. BROOKS, Mr. WINN, Mr. MCHUGH, Mr. WOLPE, Mr. SOLOMON, Mr. FORD of Michigan, Mr. NEAL, Mr. JONES of Tennessee, Mr. UDALL, Mr. MORRISON, Mr. EDGAR, Mr. MATTOX, Mr. MATSUI, Mr. LEHMAN, Mr. PATTERSON, Mr. BEILENSON, Mr. PERKINS, Mr. RODINO, Mr. KAZEN, Mr. WEAVER, Mr. GLICKMAN, Mr. SANTINI, Mr. SWIFT, Mr. WILLIAMS of Ohio, Mr. ANNUNZIO, Mr. NOWAK, Mr. SCHUMER, Mr. SIMON, Mr. FAZIO, Mr. BOLAND, Mr. MOLLOHAN, Mr. ANDREWS, Mr. LUNDINE, Mr. PEPPER, Mr. LUKEN, Mr. CONTE, Mr. MARKEY, Mr. COELHO, Mrs. COLLINS of Illinois, Mr. BONKER, Mr. AUCOIN, Mr. FROST, Mr. OTTINGER, Mr. ROSE, Mr. GINN, Mr. OBERSTAR, Mr. GEJDENSON, Mr. BRODHEAD, Mr. BAILEY of Missouri, Mr. VENTO, Mr. AKAKA, Mr. DASCHLE, Mr. FRANK, Mr. DYMALLY, Mr. WON PAT, Mr. LEVITAS, Mr. BENNETT, Mr. PICKLE, Mr. BARNARD, Mr. PRICE, Mr. DANIELSON, Mr. FISH, Mr. WATKINS, Mr. D'AMOURS, Mr. MARTIN of New York, Mr. ANTHONY, Mr. HERTEL, Mr.

MITCHELL of Maryland, Mr. SAM B. HALL, JR., Mr. KOGOVSEK, Mr. TRAXLER, Mr. MITCHELL of New York, Mr. CORRADA, Mr. LUJAN, Mr. FOWLER, Mr. MAVROULES, Mr. RINALDO, Mr. STENHOLM, Mr. RITTER, Mr. GRADISON, Mr. LOWRY of Washington, Mr. ERTEL, Mrs. BOUQUARD, Mr. BARNES, Mr. SHAMANSKY, Mr. BROWN of California, Mr. HUTTO, Mr. ROE, Ms. OAKAR, Mr. SCHEUER, Ms. FERRARO, Mr. CRAIG, Mr. DICKS, Mr. BEDELL, Mr. GUARINI, Mr. WYDEN, Mrs. CHISHOLM, Mr. BENJAMIN, Mr. GOODLING, Mr. LEWIS, Mr. SUNIA, Mr. DOWNEY, Mr. PEASE, Mr. HOWARD, Mr. GEPHARDT, Mr. GORE, Mr. MCGRATH, Mr. YATRON, Mr. FOUNTAIN, Mr. BEVILL, and Mr. SEIBERLING):

H. Res. 43. Resolution commending former President Jimmy Carter, former Secretary of State Edmund Muskie, former Deputy Secretary of State Warren Christopher, and the Algerian negotiators for their efforts in securing the safe release of the 52 American hostages from Iran, and President Reagan for designating former President Carter to greet the freed hostages; to the Committee on Foreign Affairs.

By Mr. DASCHLE:

H. Res. 46. Resolution expressing the sense of the House of Representatives that the President should not allow any spare parts or other military equipment to be shipped from the United States to Iran and, to the extent consistent with the agreements relating to the release of the American hostages in Iran, should prohibit any new trade between the United States and Iran, including all imports of oil from Iran; jointly, to the Committees on Foreign Affairs and Ways and Means.

By Mr. JACOBS:

H. Res. 47. Resolution establishing a commission to recommend an appropriate memorial to former U.S. Representative Allard K. Lowenstein; to the Committee on Rules.

By Mr. McDONALD:

H. Res. 48. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BIAGGI:

H.R. 1467. A bill for the relief of Son I Adrianzen; to the Committee on the Judiciary.

H.R. 1468. A bill for the relief of Edward Carbellini; to the Committee on the Judiciary.

By Mr. DANIELSON:

H.R. 1469. A bill for the relief of Madeleine Mesnager; to the Committee on the Judiciary.

By Mr. DONNELLY:

H.R. 1470. A bill for the relief of Pius Joseph Lund; to the Committee on the Judiciary.

By Mr. FUQUA:

H.R. 1471. A bill for the relief of Dr. John Gamble and Ursula Gamble; to the Committee on the Judiciary.

By Mr. JEFFORDS:

H.R. 1472. A bill for the relief of Camille Joseph Paul; to the Committee on the Judiciary.

By Mr. MONTGOMERY:

H.R. 1473. A bill for the relief of Vincent Man-Suentsin; to the Committee on the Judiciary.

By Mr. OBERSTAR:

H.R. 1474. A bill for the relief of Dana Braford Barretto; to the Committee on the Judiciary.

By Mr. PRICE:

H.R. 1475. A bill for the relief of Christina A. Macon; to the Committee on the Judiciary.

H.R. 1476. A bill for relief of Phyllis Steiner; to the Committee on the Judiciary.

By Mr. RAHALL:

H.R. 1477. A bill for the relief of Sarah O. Loot, doctor of medicine, Jesse L. Loot, doctor of medicine, and Brian O. Loot; to the Committee on the Judiciary.

H.R. 1478. A bill for the relief of Pablo Del Rosario Esguerra, doctor of medicine, Theresa Esguerra, and Micheline C. Esguerra; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.R. 1479. A bill for the relief of Catalina Ensico Fimbres; to the Committee on the Judiciary.

By Mr. SAWYER:

H.R. 1480. A bill for the relief of Omar Marachi; to the Committee on the Judiciary.

H.R. 1481. A bill for the relief of George Herbert Weston and Mabel Gregson Weston; to the Committee on the Judiciary.

By Mr. SHELBY:

H.R. 1482. A bill for the relief of Christina Boltz Sidders; to the Committee on the Judiciary.

By Mr. VOLKMER:

H.R. 1483. A bill for the relief of Horst Franz Janzer; to the Committee on the Judiciary.

By Mr. WRIGHT:

H.R. 1484. A bill for the relief of Elena Kosztelnik Cazimir; to the Committee on the Judiciary.

H.R. 1485. A bill for the relief of Marius Radu Stefan Cazimir; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. BARNARD, Mr. BEDELL, Mr. BENJAMIN, Mr. BEVILL, Mr. BONIOR of Michigan, Mrs. BOUQUARD, Mr. BROOMFIELD, Mr. D'AMOURS, Mr. DAN DANIEL, Mr. DELLUMS, Mr. DICKS, Mr. DOUGHERTY, Mr. EDGAR, Mr. ENGLISH, Mr. EVANS of Georgia, Mr. FAZIO, Mr. FOLEY, Mr. GIBBONS, Mr. GLICKMAN, Mr. GORE, Mr. GRAY, Mr. GRISHAM, Mr. GUARINI, Mr. LEE, Mr. LEHMAN, Mr. MARLENEE, Mr. MOFFETT, Mr. MOTTL, Mr. NICHOLS, Mr. NOWAK, Mr. PANETTA, Mr. PEASE, Mr. PEPPER, Mr. SHARP, Mr. VENTO, Mr. WALGREN, Mr. WATKINS, Mr. WILSON, Mr. WINN, and Mr. WIRTH.

H.R. 316: Mr. HANSEN OF IDAHO, Mr. HOWARD, Mr. BLILEY, Mr. BEVILL, Mr. COELHO, Mr. WHITTEN, Mr. ROTH, Mr. MCEWEN, Mr. PARRIS, Mr. EVANS of Georgia, Mr. WALKER, Mr. HARTNETT, Mr. JONES of Oklahoma, Mr. JOHNSTON, Mr. DAN DANIEL, Mr. STUMP, Mr. JONES of Tennessee, Mr. FOUNTAIN, Mr. MARLENEE, Mr. DOUGHERTY, Mrs. SCHNEIDER, Mr. WHITTAKER, Mr. ROE, Mr. BARNARD, Mr. GREGG, Mr. BENEDICT, Mr. SAWYER, Mr. RITTER, and Mr. BAILEY of Missouri.

H.R. 318: Mr. FROST, Mr. LOTT, Mr. ROUSSELOT, Mr. LIVINGSTON, Mr. BEARD, Mr. COLLINS of Texas, Mr. LUNGREN, Mr. BROOKS, Mr. ROSE, Mr. HYDE, Mr. HARTNETT, Mr. BARNARD, Mr. ATKINSON, and Mr. TAUKE.

H.R. 390: Mr. YATRON, Mr. WHITEHURST, Mr. MURPHY, Mr. FISH, Mr. PEPPER, Mr. NELLIGAN, Mr. MCHUGH, Mr. LAFALCE, Mr. SMITH of Iowa, Mr. PRITCHARD, and Mr. BARNARD.

H.R. 654: Mr. MOTTL, Mrs. BOUQUARD, Mr. EDGAR, Mr. GOLDWATER, Mr. BARNARD, Mr. WINN, Mr. FAZIO, and Mr. SNYDER.

H.R. 1003: Mr. GINGRICH, Mr. WHITLEY, Mr. GUNDERSON, Mr. MOLLOHAN, Mr. GILMAN, Mr. DORGAN of North Dakota, Mr. WAXMAN, Mr. JAMES K. COYNE, Mr. FISH, Mr. BEVILL, Mr. MADIGAN, Mr. BROYHILL, Mr. ENGLISH, Mr. PEPPER, Mr. ASPIN, Mr. STANGELAND, Mr. ROSE, Mr. MARTIN of New York, Mr. ROBERTS of South Dakota, Mr. D'AMOURS, Mr. NOWAK, Mrs. CHISHOLM, Mr. BINGHAM, Mr. MITCHELL of Maryland, Mr. HOWARD, Mr. RINALDO, Mr. PASHAYAN, Mr. LOEFFLER, and Mr. LEBOUTILLIER.

H.R. 1019: Mr. FORD of Michigan and Mr. COURTER.

H.R. 1064: Mr. BARNARD, Mr. LOEFFLER, Mr. APPLEGATE, Mr. WHITTAKER, Mr. SIMON, Mr. KAZEN, Mr. MILLER of Ohio, Mr. LEATH of Texas, Mr. HINSON, Mr. TAUKE, Mr. HUTTO, Mr. BAFALIS, Mr. KOGOVSEK, and Mr. PRICE.

H.J. Res. 2: Mr. CHAPPIE, Mr. DANNEMEYER, Mr. EDWARDS of Alabama, Mr. GUNDERSON, Mr. SAM B. HALL, JR., Mr. ROUSSELOT, Mr. SENSENBRENNER, and Mr. SHUMWAY.

H.J. Res. 56: Mr. HYDE, Mr. IRELAND, Mr. HUCKABY, Mr. EVANS of Georgia, Mr. JOHNSTON, Mr. BAILEY of Missouri, Mr. RUDD, Mr. BARNARD, Mr. SMITH of Alabama, Mr. NICHOLS, Mr. GOLDWATER, Mr. LUKEN, and Mr. ASHBROOK.

H.J. Res. 125: Mr. BENEDICT and Mr. DANNEMEYER.

H. Con. Res. 34; Mr. BAILEY of Missouri, Mr. BEVILL, Mr. BIAGGI, Mr. CHAPPELL, Mr. PHILIP M. CRANE, Mr. DUNCAN, Mr. LEE, Mr. LOEFFLER, Mr. LUJAN, Mr. LUNGREN, Mr. ROBERTS of Kansas, Mr. SCHEUER, Mr. STANGELAND, and Mr. YOUNG of Alaska.

H. Con. Res. 37: Mr. HORTON, Mr. ATKINSON, Mr. MARRIOTT, Mr. BONKER, Mr. MARKEY, Mr. GINN, Mr. GEJDENSON, Mr. D'AMOURS, Mr. IRELAND, Mr. DERRICK, Mr. BROOMFIELD, Mr. PURSELL, Mr. OTTINGER, Mr. DANIELSON, Mr. PRITCHARD, Mr. WON PAT, Mr. THOMAS, Mr. MAZZOLI, Mr. WATKINS, Mr. CORRADA, Mr. MICA, Mr. WINN, Mr. BIAGGI, Mr. SCHEUER, Mrs. BOUQUARD, Mr. EARLY, Mr. WHITEHURST, Mrs. CHISHOLM, Mr. VENTO, Mr. DOWNEY, Mr. YOUNG of Missouri, Mr. NEAL, Mr. HIGHTOWER, Mr. YATRON, Mr. AUCOIN, Mr. BINGHAM, Mr. EVANS of Georgia, Mr. WIRTH, Mr. TAUKE, Mr. JENKINS, Mr. SAWYER, Mr. RATCHFORD, Mr. BEVILL, Mr. SEIBERLING, Mr. CLAY, Mr. PRICE, Mr. MITCHELL of New York, Mr. HUGHES, and Mr. DE LUGO.

EXTENSIONS OF REMARKS

ALAMEDA TAKES CARE OF ITS OWN

HON. FORTNEY H. (PETE) STARK
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. STARK. Mr. Speaker, I would like to take this opportunity to bring to the attention of my fellow colleagues, a project in my district of which I am very proud. This program, Meals on Wheels, has just celebrated its seventh birthday.

The program is entirely voluntary and aimed at providing the elderly people of Alameda County, Calif., with low-cost meals in their homes. These meals are delivered daily to their homes in Alameda by many cheerful, caring volunteers.

Alameda Meals on Wheels began rolling October 1, 1980, when the first meals, costing 65 cents each and prepared by the Alameda Unified School District Food Department, were picked up by volunteers and delivered to 10 clients, 5 days a week. Rev. H. W. Vincent, former pastor of the Santa Clara Methodist Church, provided $2,000 of the first seed money from their insurance and maintenance costs. The congregation merged with the Twin Towers United Methodist Church, which continues its support. Civic and social organizations, fraternal groups, doctors, and nurses, Alameda Council of Churches, Commission on Aging, and the general public join in supporting the program.

The program has helped many elderly people stay in their homes and has enabled many handicapped persons to return home, reducing their hospital convalescence.

I am proud to report that Meals on Wheels received a total of $19,931.80 in voluntary contributions from the people of Alameda in 1980. This symbolizes to me the concern and respect that everyone in Alameda has for those less fortunate. I am proud to be among those honoring this organization, and I salute the over 500 volunteers who have been a part of this wonderful program.●

THE MAGNIFICENT OPPORTUNITY

HON. PAUL N. McCLOSKEY, JR.
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. McCLOSKEY. Mr. Speaker, every 4 years a breath of fresh air blows across the United States. We feel a new hope that an institution in our lives which we traditionally distrust—our Government—has become capable, for a brief moment at least, of living up to our collective hopes. Whether we be Republicans or Democrats, the election of a new President prompts us to hope that he can succeed, that he can bring the Nation together, and that he can lead us toward solutions to the problems of our time.

For only the President is elected by all of the American people. Whatever philosophy of government he may have, that philosophy has been approved by the American people through an electoral process deeply rooted in our history.

Nevertheless, the period of cooperation between a new President and Congress is brief. The honeymoon between two branches of government constitutionally designed to check and balance rather than cooperate with one another may last only a few months.

In the case of our 38th President, Gerald Ford, the honeymoon period ended in less than 1 month, when Ford pardoned his predecessor, Richard Nixon. Wise as that decision may appear to have been in retrospect, it cost Ford the cooperation of the Congress, and without the mandate of a popular vote behind him, the Nation was deprived of the chance for significant legislative change during the 2⅝ years of the Ford administration.

The shock of President Kennedy's assassination, coupled with Lyndon Johnson's landslide victory 1 year later, gave President Johnson the opportunity to push through the landmark Civil Rights Act of 1964 and 1965, as well as his war on poverty program.

A comparable turning point had occurred three decades earlier when the Great Depression led to a sweeping mandate for change in the 1932 election. President Franklin Roosevelt, confident in his intentions and supported by a strong public vote, was able to change the whole concept of the role of government in American society.

The despair of 1932 and the despair of 1980 were not unlike. I agree with new OMB Director Dave Stockman that the Nation is in a period of economic crisis; we must decide whether a representative democracy can cut spending from a budget where payments for welfare, unemployment compensation, food stamps and health care for the elderly now consume nearly 50 percent of our total expenditures.

Unless our elected representatives can cut those benefits and reduce the inflation caused by deficit spending, our form of government may very well not survive. The crisis is that grave.

When President Reagan took the oath of office last week as our 40th President, he commenced a brief period where he will enjoy the same magnificent opportunity for sweeping change that Franklin Roosevelt was given in 1932 and Lyndon Johnson in 1964.

In many ways, the mandate of 1980 is even clearer than that of 1932 and 1964. To many of us it means:

First, cut Government spending and balance the budget;

Second, cut the size, cost, and complexity of Government itself;

Third, create an environment for renewed productivity, innovation, and competition in the private sector;

Fourth, create incentives for new private jobs while phasing out makework public jobs; and

Fifth, restore a strong Defense Establishment.

The vote on November 4 was not for a new moral majority or for a reduction in environmental protection; the vote, in my judgment, reflected concern primarily for economic and governmental issues. That vote recognized a primary and historic American principle: government is inherently incompetent and has grown too large. The voters turned out of office, after 26 years in power, a Democratic majority in the Senate, particularly those Members identified with big Government spending. They had been in power too long. They had run out of ideas and energy, and they had lost the faith of the people in their ability to lead.

So power now shifts to us Republicans. The opportunity for change is tremendous, but so also is the possibility of failure.

President Reagan's first 5 months in office can be a period of the most significant change in recent history. If the President and his Cabinet officers know what they want to do, if they can quickly select their subordinates and work in concert with Republican leadership in Congress, we could, within months, enact sweeping new legislation comparable to the changes achieved in 1932 and 1964–65.

We can abolish agencies of Government, simplify laws and regulations, reduce inflation, and in time, balance the budget.

The President could declare that if the Federal budget remains unbalanced at the end of his first year in office, he, his top administrators, and

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

the Congress should subject themselves to a percentage salary reduction commensurate with the proportion by which the budget is out of balance. There was a 10-percent deficit during 1980.

We could see a new acceptance of the concept that service to the Nation is both a privilege and a duty; we could restore the public faith embodied in President Kennedy's words, "Ask not what your country can do for you * * *."

But, time is short. If the Reagan administration is unable to get its people into place swiftly, to translate its concepts into specific legislative language, and to reach an early consensus with the 40-odd committees of the House and Senate on legislative priorities, the precious 5- or 6-month honeymoon period could pass without significant achievement. Historically, when a new President and Congress have not made substantial progress by the first summer recess, there is traditionally a loss of momentum, direction, and spirit. We tend to bog down in bickering and petty political maneuvering as election results fade from memory and the reality of the next election looms large.

President Carter squandered his honeymoon period 4 years ago; hopefully President Reagan will not. The President's inaugural address last Tuesday could not have been more appropriate; hopefully his new administration will move quickly to translate his words into concrete changes in law and regulations.

There is a sense of electricity and hope in Washington today, a desire to work cooperatively and effectively. That desire is shared as much by Democrats in the Congress as it is by Republicans. All of us want to see the Nation strong again, and all of us want to do our part to restore the public's faith in the American system of government.

I would be remiss, however, if I did not confess to a small but nagging fear that we will fail to put it all together: the mandate, the brief weeks of opportunity, and the specific legislative craftsmanship required to change the rhetoric into reality. It will be 4 years until we have another opportunity of this kind; if we fail now, it will properly and rightfully be a new set of American leaders who will be given that brief 5 months of opportunity 4 years hence.

It may well be a time for national prayer.●

TRIBUTE TO WARREN CHRISTOPHER

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. DORGAN of North Dakota. Mr. Speaker, it was through the contributions of many dedicated Americans that the release of 52 Americans who were held hostage by Iran was accomplished. Those persons who played key roles in accomplishing the release of the hostages deserve recognition by and appreciation from the American people for a job well done.

I believe that one man's efforts stand out in his contribution to a peaceful settlement to the Iranian crisis. Warren Christopher, Deputy Secretary of State and a former North Dakotan, demonstrated in these last several weeks in his role as America's chief negotiator with Iran, the special qualities of patience, determination, and honor that have always distinguished the American people when confronted with delicate and explosive international situations.

At a time when it is in vogue to be highly critical of our public officials, it is appropriate I think to stop and pay special thanks to a public official who was faced with a very difficult task and who served our country's interests with distinction and honor.

Warren Christopher, who spent his boyhood in Scranton, N. Dak., is one of those Americans who fit the definition of "hero" described by Ronald Reagan in his inaugural address. I know that my colleagues in Congress join me in saying "thank you" to Warren Christopher.●

LONG ISLAND JEWISH-HILLSIDE-MANHASSET MEDICAL CENTER PROJECT: AN IMPORTANT STEP

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. LeBOUTILLIER. Mr. Speaker, as my first remarks in the CONGRESSIONAL RECORD, it is my privilege to bring to the attention of this body the achievements and developments of two excellent, vital and historically significant health care facilities on Long Island—the Manhasset Medical Center of Manhasset, N.Y., and the Long Island Jewish-Hillside Medical Center of New Hyde Park, N.Y. Over the post World War II years, these two fine institutions have both served individuals directly, as well as providing pioneering health-related research accomplishments. The matter of interest today, Mr. Speaker, is the announced takeover of the Manhasset facility by Long Island Jewish-Hillside Medical Center. This saga represents in a clear way just how prolonged, bothersome and stifling the maze of regulatory redtape can be. But, the hospitals persevered nevertheless; 5 years and 25 permits later, this plan that will better serve the people of the North Shore of Long Island will finally come to fruition.

Excerpts of this saga deserve reading, and I am placing into the RECORD the portions of an article that appeared in the January 5, 1981 edition of the Port Washington News.

MANHASSET MEDICAL CENTER SOON TO BE LIJ DIVISION

(By Renee E. Paley)

Five years and some 25 agency permits later, the sounds of hammers and drills may finally be heard at the Manhasset Medical Center (MMC) as Long Island Jewish-Hillside Medical Center (LIJ) prepares to take over the building following the scheduled Feb. 2 closing of the sale.

The saga of the acquisition of the Manhasset facility by LIJ touches on long and delicate negotiations, dwells on bureaucracy's red tape, and skirts roadblocks set up by institutional envy before landing at its successful conclusion. In anticipation of a happy ending, LIJ has had its administrator-designate, Lawrence Gold, working since last June as a guest of the current owners in what will be called the Manhasset Division.

Gold, 33, has been associated with LIJ for 14 years, he said. His position at Manhasset has been mainly that of a liaison between the two institutions, but he is also in charge of gradually converting the administrative system of his host to that of the new parent hospital. "Basically, a voluntary hospital is acquiring a proprietary hospital," said Robert Markowitz, LIJ's vice-president of administration. "For the Weiners, this was a business venture."

The Weiners, the soon-to-be-former owners, have been operating the Manhasset Medical Center for about 30 years. In addition to the hospital, the building housed tenants—private physicians' offices * * *.

Markowitz said plans are to phase out the commercial tenants and replace them with hospital programs. "We are not the official owners as yet, but we have given them (the tenants) informal notice and most of them have already relocated to other space," he said. Markowitz added that the tenants have been very cooperative, understanding the hospital's need to repossess the space.

Although the Manhasset Division will be handling far more complex cases than MMC did, it will not admit multi-specialty cases such as patients needing open heart or brain surgery, or any patient requiring a large variety of back-up services or whose case demands equipment not installed at the new facility.●

GASOLINE MARKETING LEGISLATION

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. BEDELL. Mr. Speaker, today I am reintroducing the Small Business

Motor Fuel Marketer Preservation Act. Joining me are TONY HALL, OLYMPIA SNOWE, TOM TAUKE and more than 40 additional cosponsors.

In 1979, the House Small Business Committee held extensive hearings on gasoline retail marketing practices. We found a clear pattern of small and independent businesses being denied the opportunity to compete on a fair and equitable basis. The major integrated oil companies, who are both the suppliers and landlords for these small businesses, increasingly are going into direct competition with these same distributors and marketers. There is no way that the small business can ever be expected to survive when its competitor is in a position to control the rent, supply, and price of product, advertising, credit, and other elements vital to the company's success or failure.

To remedy the problems and inequities we found, the members of the Small Business Subcommittee on Antitrust developed the Small Business Motor Fuel Marketer Preservation Act, H.R. 6722. Mr. HALL, Mrs. SNOWE, Mr. TAUKE, and I were original cosponsors of the bill, as it was introduced by a bipartisan majority of the members of the subcommittee.

The legislation was marked up and reported out of the Antitrust Subcommittee by a unanimous vote. It was reported out of the Small Business Committee by a vote of 25-1. Unfortunately, the Interstate and Foreign Commerce Committee, to which the bill was jointly referred, was not able to conclude its consideration of the bill in time to get it to the floor before adjournment last year.

In the Senate, a companion bill, S. 2798, was marked up and reported unanimously from the Senate Judiciary Subcommittee on Antitrust. The full committee did not take up the bill until the lame duck session, however, and so it was not sent to the floor last year.

I am pleased to note that a companion bill is again being introduced in the Senate. I understand it is being sponsored by HOWARD METZENBAUM, who chaired the Senate Antitrust Subcommittee's hearings on this subject last year.

The bill we are introducing today is very similar to the marked up legislation that was reported out of the House Small Business Committee and the Senate Judiciary Subcommittee on Antitrust. The only significant change is the replacement of one section with a new provision that was worked out by the Senate Judiciary Committee late last year.

Mr. Speaker, there is tremendous support for this legislation in the small business community. Last year, it was endorsed by the National Federation of Independent Business, the National Small Business Association, the Service Station Dealers of America and the Chief Counsel for Advocacy at the Small Business Administration. Within the Congress, support for the bill always has been broad and bipartisan. Consequently, I am hopeful that we will be able to act on the Small Business Motor Fuel Marketer Preservation Act quickly as we start this new session of Congress.

The complete decontrol of motor fuel marketing, announced today by President Reagan, makes passage of this legislation all the more timely and important. This bill is intended to help restore some equity to the relationship between small business marketers and the big oil companies. For the past several years, the Federal Government has acted as a sort of buffer between those two groups, but the removal of Federal controls will require some congressional action to assure fair competition in the marketing of motor fuel.

At this point in the RECORD, I wish to insert a summary of the key provisions of the proposed Small Business Motor Fuel Marketer Preservation Act of 1981.

THE SMALL BUSINESS MOTOR FUEL MARKETER PRESERVATION ACT OF 1981

SUMMARY OF KEY PROVISIONS

1. Dealers' rights; SBA loan guarantees

The proprietor on any leased service station that is offered for sale by a refiner shall have the right of first refusal to purchase that station. SBA loan guarantees are made available for such purchases.

First, the refiner shall make an offer to the lessee dealer. The dealer has 60 days to consider the offer.

Second, the dealer may make a counter offer. If this is not accepted, an independent appraisal of the value of the property shall be made, subject to rules to be established by the Small Business Administration. The dealer will have the right to purchase the property at the appraised value within 30 days.

2. Divorcement; refiner sales rule

Effective one year after date of enactment, major integrated refiners will be prohibited from directly operating any retail gasoline outlets. (They will be permitted to continue ownership and to operate them through lessee dealers.) The refiners who are exempted from the prohibition on operating service stations generally are those classified as small or independent refiners according to the Emergency Petroleum Allocation Act.

Small or independent refiners would be subject to a refiner sales rule. Each may sell through its own directly-operated outlets an amount of motor fuel equal to: 1) all motor fuel purchased from others; plus 2) all motor fuel manufactured by the refiner—up to 1978 direct sales total; plus 3) 50% of the excess of motor fuel manufactured above 1978 direct sales total.

3. Wholesale transfer pricing

Effective six months after date of enactment, suppliers of motor fuel will be prohibited from transferring motor fuel to other marketing units within their own companies at prices less than those charged independent wholesale purchasers of their products. Uniform and reasonable surcharges for the use of brand names and related services may be added to the price charged independent buyers.

4. Open supply

Effective one year after date of enactment, it shall be unlawful for anyone to interfere with the right of a dealer to purchase, store or sell motor fuel products obtained from anyone else. Agreements providing that a dealer shall buy product only from a particular supplier would be permitted only if they specify the dealer's right to purchase product elsewhere if it is not available from the regular supplier. Dealers operating branded stations must provide point-of-sale notice to customers if product being sold was not obtained from the brand-name supplier.

5. Information required

Within three months after date of enactment, refiners must provide the following information to the Federal Trade Commission: (a) total amount of motor fuel sold in refiner-operated outlets during the preceding year; (b) total amount of motor fuel manufactured; (c) total amount of crude oil produced; and (d) total amount of crude oil refined. The FTC shall establish regulations for annual reports. To the extent that the information sought is available from other agencies of the government, the Commission shall waive reporting requirements.

6. Penalties; enforcement

Violation of this Act shall be punishable by fines of up to $50,000 per month for each service station operated after the deadline for divorcement, and up to $25,000 for each 25,000 gallons of motor fuel sold in excess of the amount permitted by the refiner sales rule. Violation of the discriminatory pricing provision is punishable by fines of up to $10,000 per violation. Responsibility for enforcement is given to the FTC. In addition, individuals may bring civil actions against anyone who fails to comply with the Act.●

GASOHOL GROWTH IN SOUTH DAKOTA

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. DASCHLE. Mr. Speaker, the results of a recent survey conducted by the South Dakota Auto Club show impressive growth in the number of service stations now selling gasohol in South Dakota. According to the Auto Club survey, more than 125 service stations in 72 South Dakota cities and towns now sell gasohol. The more than 125 stations now selling gasohol in South Dakota represent a 50-percent increase during the last year in the number of stations offering gasohol to motorists in my State. This rapid increase in the number of stations now offering gasohol to the motoring public again demostrates the remarkable degree of consumer acceptance and support for gasohol, our Nation's first alternative motor fuel.

The South Dakota Auto Club has also reported gasohol sales during the year ending June 30, 1980, accounted for 2 percent of total gasoline sales for

highway use in South Dakota. This important contribution to the motor fuel supply of South Dakota is a significant first step to lessening our dependence on imported energy resources. As the alcohol fuel plants now being planned and already under construction in South Dakota become a reality, gasohol will make an increasingly larger contribution to our State's motor fuel supply and our national goals of increased energy security and expanded renewable fuel production and use.●

GILMAN CRITICIZES UNITED NATIONS STAMP HONORING "PALESTINIAN RIGHTS"

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. GILMAN. Mr. Speaker, on January 30 the United Nations is scheduled to issue a stamp to publicize the inalienable rights of the Palestinian people.

This action, which came as a result of a vote in the United Nations General Assembly, greatly disturbs me. It represents an example of the inappropriate activities of the driving force behind the stamp, the United Nations Committee on the Exercise of the Inalienable Rights of the Palestinian People.

This House has made its views on the activities of that Committee known by passing legislation to reduce the U.S. contribution to the United Nations by the amount of our dues which would have been diverted to fund the activities of this Committee and similar activities by other U.N. organs.

During the 97th Congress, Mr. Speaker, I plan to closely scrutinize the activities of the Committee, which has been closely associated with the terrorist Palestine Liberation Organization. I urge those of my colleagues who share my concern in this regard to contact my office so that we may cooperate in this venture.

Mr. Speaker, I would ask permission to insert at this point in the RECORD a copy of my letter to Secretary-General Waldheim on the matter of the issuance of the stamp in question, and outlining my concerns about the activities of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, as well as a UPI story on the controversy.

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 27, 1981.

His Excellency KURT WALDHEIM,
Secretary-General of the United Nations, United Nations, New York.

DEAR MR. SECRETARY-GENERAL: It has come to my attention that the United Nations will soon issue a commemorative stamp dealing with the "Inalienable Rights of the Palestinian People". I must protest the issuance of the stamp. It represents another inappropriate, propagandistic action by the Committee on the Exercise of the Inalienable Rights of the Palestinian People. This Committee has dealt with the Palestinian question in an arbitrary and one-sided manner, choosing to disregard the rights of the State of Israel and its inhabitants.

The aspect of the Committee that is most disturbing to me is its connection to the Palestine Liberation Organization. The Committee's 1976 report to the Thirty-First session of the General Assembly deemed the Palestine Liberation Organization to be "indispensable in all efforts, deliberations, and conferences on the Middle East which are held under the auspices of the United Nations". The Palestine Liberation Organization has, in fact, clearly demonstrated itself to be diametrically opposed to the noble goals and ideals of the United Nations. I am disheartened that the United Nations seeks to advance the cause of a group which is not peaceable in intent or in method. The Committee's alliance with the Palestine Liberation Organization, a group dedicated to the destruction of the State of Israel, a Member-State of the United Nations, will have deleterious effects on any efforts by the United Nations or its organs to work for peace in the Middle East. A review of the Committee's mandate and actions is of vital importance.

The territory occupied by the former British Mandate of Palestine has been the home to people of many national groups. Indeed, each has "inalienable rights". But these rights must be exercised in a manner acceptable to those of other national groups. These interests of the international community must also be taken into consideration.

It is my understanding that until now, only three United Nations stamps have been issued under a special General Assembly mandate. This latest stamp is, in my view, an inappropriate exercise of propaganda that deals with an inappropriate subject, and I hope that the General Assembly will exercise its powers more judiciously in the future.

The issue of the Palestinians is one of great delicacy which demands a subtle approach. I sincerely hope that the issuance of the United Nations postage stamp marks an end to the offensive manner in which the Committee has operated; heretofore they have only succeeded in lending a sinister meaning to the phrase "the Inalienable Rights of the Palestinian People."

Very truly yours,

BENJAMIN A. GILMAN,
Member of Congress.

UNITED NATIONS (UPI) January 26.—The United Nations Monday defended the issuing of three new U.N. postage stamps commemorating Palestinian rights, which has been attacked by Jewish groups.

The stamps, worth 15 cents in the United States, will be issued Friday at the U.N. offices in New York, Geneva and Vienna. They carry the slogan "Inalienable Rights of the Palestinian People" and "United Nations" in English, French and German.

U.N. spokesman Rudolf Stajduhar defended the stamp issue against what he called "recent media and public misunderstanding" in a statement to reporters.

The objections carried by Israeli newspapers and the Jewish press in the United States and Europe assert the United Nations is promoting the Palestine Liberation Organization, considered a terrorist organization by Israel.

Stajduhar said the issue of the stamps was authorized in the U.N. General Assembly—by a vote of 117-15 with nine abstentions—in December 1979. The United States, Israel, Britain and West Germany were among the countries opposed.

The resolution requested Secretary-General Kurt Waldheim to "direct the United Nations Postal Administration to issue a series of U.N. commemorative stamps to publicize the grave situation and the inalienable rights of the Palestinian people."

Stajduhar denied there was any intention "to legitimize terrorism to which the United Nations remains strongly opposed."

"The importance of assuring the rights of the Palestinian people in the process of establishing a permanent peace in the Middle East has been accepted by the vast majority of the world community, including all the parties directly concerned with the question of Palestine," he said.

Proceeds from the sale of the stamps, as in the case of all U.N. stamps, will go to the United Nations general fund for distribution to its members.●

FOR MORE PRODUCTIVE INVESTMENT

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. FRENZEL. Mr. Speaker, many Americans today agree that the country faces a shortage of capital available for investment in new plant and equipment, investments which must be made if the United States is to regain its competitive edge over its other trading partners. I believe that one of the reasons we are faced with this capital shortage is the excessive rates at which investment income is taxed.

Currently, all unearned income is taxed at a maximum rate of 70 percent. Put simply, this means that when an individual in the highest tax bracket makes an investment, he only gets to keep less than one-third of his return; the Government takes the rest. When the Government makes more money from a taxpayer's investments than the taxpayer does, there is very little incentive to invest at all. The money would be better invested, in tax-exempt Government issues or into any of a variety of so-called shelters. This flow of capital into such investments merely serves to aggravate the already serious shortage of capital available for productive investment in the private sector.

In order to stimulate more productive investment, and make tax shelters relatively less attractive, I have introduced legislation which would equalize the maximum tax rate for unearned income with that for earned income, currently 50 percent. To lessen the revenue impact on the Treasury of this proposal, my bill would phase in the new rates over a 4-year period. In

the first year after enactment of the bill, the maximum rate would be 65 percent. In the second year, 60 percent. The maximum tax rate would be 55 percent in the third year, and would reach 50 percent in the fourth and final year of the phasein.

It is important that this legislation be passed during this session of the 97th Congress, so that we can create an incentive for individuals to invest again in the private sector, and we can, in turn, get on with the business of rebuilding our economy.●

INTRODUCTORY STATEMENT FOR FOUNDATION PAYOUT LEGISLATION

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. CONABLE. Mr. Speaker, present law is rapidly diminishing the capacity of our independent foundations to support the vast array of humanitarian, educational, and other charitable enterprises to which they are committed. Today I am introducing a bill that would eliminate the feature of the tax law which—entirely unintentionally—produces this problem. Passage of this bill is essential if we are to preserve foundations as a vital part of American philanthropy.

THE IMPORTANCE OF FOUNDATIONS

As a nation we are coming increasingly to see the need for government to strengthen rather than to supplant private institutions and individual initiative. Nowhere is this need so great as with respect to private philanthropy in general, and private foundations in particular.

Private foundations in America play a special and vital role in responding to the needs of our society. Their grants and activities have yielded major dividends in the past. Foundations have provided the research leading to control of diseases like malaria, yellow fever, typhus, and others. Their work produced the phenomenon known throughout the world as the green revolution, which promises major increases in world food supplies. They have provided scholarships supporting millions of American students through school. They have made highly important contributions to the development and continuing support of public television. They have supported local community charitable activities of virtually every sort.

Congress has already enacted detailed rules which insure that private foundations will always be operated for public rather than private benefit. These rules, enacted in 1969, prohibit self-dealing transactions between foundations and related parties, require foundation to make substantial current distributions to charity, limit foundation involvement in business enterprises, and impose detailed restrictions on the nature of foundations grants. After a decade of experience with these rules—and intensive scrutiny by the Internal Revenue Service—Congress and the American people can be assured that the assets of private foundations are being used in the public interest.

IMPACT OF PRESENT LAW ON FUTURE FOUNDATION GRANT CAPABILITY

Generally, current law requires that private foundations distribute annually the greater of an amount equal to 5 percent of the value of their investment assets or their total realized income. This payout rule, adopted in 1969, was intended primarily to deal with certain situations in which foundations maintained unproductive assets and, therefore, distributed little or nothing in charitable grants. It was not intended to eliminate foundations or to diminish their future capabilities to support charitable activities. On the contrary, the legislative history of the 1969 law reflects our clear and repeatedly emphasized concern that the future grantmaking capabilities of foundations be preserved.

However, the past 11 years have brought dramatic reversals of the economic assumptions upon which the payout requirements were based. Inflation continues at rates unimagined in 1969; the real value of equity investments has dropped; and the income yields on many very conservative debt instruments have risen dramatically.

Under these radically different economic conditions, the requirement that foundations distribute their entire current income is producing an effect never intended by Congress—the rapid erosion of future foundation grant capability. Foundations, unlike colleges, universities, and all other tax-exempt institutions, cannot take advantage of the normal steps available to prudent investors to defend themselves—and their beneficiaries—against inflation. Instead, under the present payout rule they face an unrealistic investment constraint which aggravates the effect of inflation.

The real value of foundation assets has fallen sharply in recent years. Data from the Foundation Center show that the value of foundation assets, taking into account both the effect of inflation and the effect of additional contributions, fell by almost 30 percent from 1972 to 1977. A recent Council on Foundations survey found a further 11-percent decline from 1977 to 1979. As these figures indicate, gifts to new and existing foundations have not been nearly large enough to offset the erosion in the real value of foundation assets—and the real ability of foundations to support charitable works. If this trend is permitted to continue, its conclusion is inevitable: Foundations will for all practical purposes be eliminated from American philanthropy.

THE SOLUTION

Under the bill which I introduce today, foundations would continue to be required to distribute an amount equal to at least 5 percent of the value of their investment assets. Studies of the rates of return on stock and bond investment over the past 54 years indicate that foundations cannot reasonably be expected to have real income in excess of this amount. Therefore, preservation of the 5-percent payout requirement will insure that foundations distribute their entire real income to charity, and will thus fully satisfy the objectives for which the payout rule was originally enacted.

At the same time, by eliminating the unrealistic investment constraint imposed on foundations by present law, the proposed payout rule will advance another goal endorsed by Congress in the past, that of preserving the future ability of foundations to meet charitable needs. We must not allow the press of present problems to cause us to forget our obligation to the future. Foundations, like our natural environment, are an important and fragile resource, and we must act now to preserve their grant capability for the future. Passage of this bill will be a major step in that direction.●

TRIBUTE TO FRANK HOOD

HON. W. G. (BILL) HEFNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. HEFNER. Mr. Speaker, it has come to my attention that a key official of the Veterans' Administration has retired. I am referring to Frank R. Hood, who has served the VA for a total of 35 years, during which period he served almost 23 years as Director of Information Services.

While I did not have the opportunity to know Frank Hood personally, I can report that he was held in the highest esteem by members of the Veterans' Affairs Committee with whom he worked closely on veterans' programs and legislative matters. One of the highest compliments attributed to Mr. Hood is the unprecedented record of having been appointed and reappointed by six consecutive Administrators of Veterans' Affairs. During Frank Hood's long period of service to the Nation's veterans, he was called upon to explain and inform most of the benefits and assistance programs Congress has approved for veterans and their families. Frank Hood's expertise and professionalism will be missed by the Veterans' Administration, and those on our committee, who

worked with him on programs of mutual interest.

I take this opportunity to extend every best wish to Frank Hood for a well-earned retirement, and I know that he will continue to serve veterans and their families as he has done so well during his many years at the Veterans' Administration.●

TRIPLE ANNIVERSARY AT FATHER BAKER'S

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. NOWAK. Mr. Speaker, 1981 will mark several anniversaries associated with a great institution in Lackawanna, N.Y.—Our Lady of Victory Homes of Charity, a complex providing a variety of social and health services that is popularly known as "Father Baker's" after the extraordinary priest who dedicated his life to helping the needy.

The homes were made famous by Father Nelson H. Baker, who was known as "The Padre of the Poor."

This year, which also marks the 45th anniversary of Father Baker's death, will also include observances of:

The 125th anniversary of service to Lackawanna and Father Baker's by the Sisters of St. Joseph.

The 75th anniversary of Our Lady of Victory Infants Home.

The 25th anniversary of Baker Hall, a facility serving troubled adolescents.

The enclosed articles from the Buffalo Courier Express and the Buffalo News detail some of the celebrations that are being planned to observe these anniversaries.

Father Baker's is synonymous with community service, extending a helping hand to the needy—the handicapped babies, the unwed mothers, the young boys judged to be delinquent or potentially delinquent.

Father Baker's is a living monument to the vision of a dedicated priest who labored for nearly six decades to help thousands upon thousands of people.

By his life and his example, Father Baker demonstrated that one person can make a difference and that faith, hope, and charity are interwoven virtues.

Today, the charitable complex in Lackawanna, N.Y., that commemorates him and his service continues on a day-to-day basis to help improve the quality of life for our citizens.

It is a genuine pleasure, therefore, to join with so many other well wishers in congratulating the more than 1,200 staff members of Father Baker's and the Sisters of St. Joseph as they mark these milestones of service this year. I know I echo the sentiments of many of my fellow citizens in wishing this fine institution continued success in the decades and decades ahead.

Newspaper articles follow:

[From the Buffalo Courier-Express, Jan. 21, 1981]

OUR LADY OF VICTORY HOMES TO MARK THREE ANNIVERSARIES

The year 1981 is a very big year for Our Lady of Victory Homes of Charity (Father Baker's).

Marking this year's celebrations will be the 25th anniversary of Baker Hall, a service for troubled adolescents; 75 years for Our Lady of Victory Infant Home, which serves pregnant women and handicapped children and a special honoring of the Sisters of St. Joseph (Diocese of Buffalo) for 125 years of service to Lackawanna and the Father Baker child care agencies.

OUR LADY IMAGE ON CHAIN

A key chain bearing the image of Our Lady of Victory and noting the year's celebrations has just been made available to the general public.

Measuring two inches by one and one-quarter inches, the emblem and ring are cast in metal with a "brass like" finish.

The medals are available from the administrative offices of Father Baker's at 780 Ridge Road in Lackawanna, N.Y. 14218. An offering of $2 ($2.50 if mailed) is requested.

The Rev. Robert C. Wurtz, executive vice president and treasurer of the homes says, "There will be a series of celebrations ranging from May to November. Our kickoff celebration will be May 1, 1981 at 7:30 p.m. at Our Lady of Victory Basilica. At that time we plan to especially honor the Sisters of St. Joseph who have served these agencies and the poor with such dedication. We are expecting over 1,000 people to join Bishop Edward Head, Msgr. Robert Murphy of the Basilica and me for a celebration of the Mass and a reception at Baker Hall School.

OPEN HOUSES PLANNED

"During the balance of the year we will be having open houses at our child care agencies, offering a first annual award for service to youth and honoring our employees and donors who have sustained us throughout the years."

Father Wurtz also noted, "We have been truly blessed by Our Lady of Victory and her Divine Son, this is a year in which we would like to publicly acknowledge Our Lady of Victory, the sisters, our employees and our dear devoted donors for all their help."

The homes were made famous by Father Nelson H. Baker who was known throughout the East as "The Padre of the Poor." The year 1981 also marks the 45th anniversary of Father Baker's death.

[From the Buffalo News, Jan. 10, 1981]

THREE ANNIVERSARIES HIGHLIGHT YEAR AT FATHER BAKER'S

Plans are under way for a six-month celebration of triple anniversaries this year at Our Lady of Victory Homes of Charity in Lackawanna, better known as Father Baker's.

This year marks the 125th anniversary of service to Lackawanna and Father Baker's by the Sisters of St. Joseph. It also is the 75th anniversary of Our Lady of Victory Infant's Home and the 25th anniversary of Baker Hall, a facility for troubled adolescents.

The Rev. Robert C. Wurtz, executive vice president and treasurer of the homes, said the triple anniversary will be launched with a Mass at 7:30 p.m. May 1 in Our Lady of Victory Basilica.

"At that time," he said, "we plan to especially honor the Sisters of St. Joseph, who have served these agencies and the poor with such dedication.

"We are expecting more than 1,000 people to join Bishop Edward D. Head, Monsignor Robert E. Murphy, pastor of the basilica, and me for the celebration of the Mass and a reception at Baker Hall School."

Among the other observances being planned are Youth Day, May 22, with an open house in the Infant's Home and Baker Hall, and a commemoration on Father Baker Day, July 26, the 45th anniversary of the death of the renowned priest, he said.

As a part of its triple anniversary celebration, a commemorative key chain has been commissioned. The emblem is embossed with the image of Our Lady of Victory and denotes the 1981 anniversaries.

The key chains are available from the Ridge Road administrative offices. An offering of $2 is requested.

Our Lady of Victory Homes offer a wide range of services for infants, adolescents and expectant mothers. It also includes Our Lady of Victory Hospital.●

EMANUEL CELLER

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. PEYSER. Mr. Speaker, I join with my other Members of the House who had the opportunity of serving in the Congress with Emanuel Celler. His courage to fight for what he felt was right was undeniable and his work on civil rights will certainly go down in history as one of his major accomplishments. His ability to make people laugh at some of their problems, and his general good humor was certainly one of his great assets. We shall all miss him.●

FACING UP TO TERRORISM

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. BROOMFIELD. Mr. Speaker, yesterday, President Reagan pledged to the American people, and in particular to our freed hostages, that every means of protection the United States can offer will be afforded to the men and women who serve our country overseas. Moreover, the President warned the world that in the future terrorists should be aware of swift and effective American retribution. I fully agree with the President's remarks and encourage the new administration to review the entire question of what to do in response to future acts of terrorism. As a recent editorial in the Washington Post stated:

The old relaxed ways of dealing with terrorism will no longer do. Responsibility for it must be fixed, and new policies, operational and political, must be devised.

To be sure, modern terrorism is not a national policy tool and it will no doubt continue to be used by a number of nations in the 1980's. Moreover, as a substitute for traditional diplomacy, terrorism will have a tremendous impact upon U.S. strategic interests as in the case of Iran. As Dr. Ray S. Cline, director, Georgetown Center for Strategic Studies, pointed out in a presentation at the Jerusalem Conference on International Terrorism in July of 1979:

* * * The truth is that the use of physical and psychological force, involving intimidation, political coercion, assassination, and wanton destruction of property, has become part of the arsenal of geopolitics and will be an important ingredient of international conflict in the 1980's.

Contemporary terrorism largely began when the Soviet Union accepted the Palestine Liberation Organization as a major political instrument in the Mideast, and began to subsidize many of its terrorist activities. There is no doubt that Soviet support for international terrorism often through such surrogates as the Cubans and the East Germans provide a suitable substitute to traditional warfare and as a result threaten free societies, including our own. International terrorism, however, can also transcend simply Soviet design, as evidenced by several hundred terrorist groups who differ in ideology, size, composition, and group purpose.

In the past, the United States has been affected by various terrorist incidents, both here and abroad as evidenced by spectacular airline hijackings, the killing of U.S. representatives in the Sudan and Afghanistan, as well as the more recent Hanafi Muslim takeover in the Nation's Capital. But in those cases, no nation supported the terrorists which was, as we all know, not the situation in Iran.

The terrorism in Tehran was, to say the least, unique to the American experience. Moreover, it was representative of what could become a more commonplace incident in the decade ahead if we and our friends are not sufficiently prepared.

With increasing U.S. strategic interests in the Third World regions, a growing awareness of the interdependency of all people, and the advent of modern communication which can televise events around the world, terrorism has come of age. As a result, the United States must know how to cope with a sizable terrorist threat, and in this regard, the tragic experiences of our former 53 American hostages contain lessons which can serve as the basis for future American efforts to deter terrorism.

As the ranking minority member of the House Foreign Affairs Committee, and its Subcommittee on International Security and Scientific Affairs, I am preparing for hearings on Iran which may, among other things, explore the administration's compliance with the War Powers Act, the development and implementation of international security plans to prevent and/or predict hostage situations, as well as the need to examine crisis management efforts, including an assessment of what changes in organization and personnel are needed in the areas of hostage negotiation and conflict resolution.

As Robert Kupperman and Darrell Trent have pointed out in their book entitled "Terrorism: Threat, Reality, Response," concerning various aspects of a terrorist situation, authority is dispersed over a number of U.S. Government departments in a manner which is convenient to handling daily concerns, but which may impede efforts to deal swiftly with a crisis. In order to more effectively cope with a terrorist incident, I would encourage the administration to improve the capabilities of the Departments of State and Defense, while creating a small interagency working group which could effectively deal with a crisis. Moreover, I have long felt that the Federal Emergency Management Agency (FEMA), which Mr. Kupperman now directs, should be provided with a mandate to manage domestically disruptive terrorist acts as a part of civil defense preparedness. Terrorism in the 1980's may affect us both here and abroad, and we should be prepared for it.

Most importantly, in order for the United States to better combat terrorism, our weakened intelligence system must be improved, including better coordination and exchange of information among free nations. In short, effective intelligence is our major line of defense against terrorism. Moreover, our Embassies also must be better hardened by limiting access to buildings and having them equipped with such mob control devices as smoke machines and banana foam, the latter being a slippery substance which would spread throughout specific floor areas of the Embassy. In order to deter any future terrorist incidents, we must also have the paramilitary capability to perform rescue operations. This capability must be second to none if we are to truly guarantee the security and the freedom of American personnel abroad. Last, but certainly not least, the Congress must adopt tough antiterrorism legislation. In this regard, the Congress and the new administration must work closely so that we Americans are sufficiently prepared to deal with terrorism swiftly, decisively, effectively, and, if necessary, with retribution.

Never again should we Americans tolerate tales of terrorist torture and torment.●

SOVIET GRAIN EMBARGO UNFAIR TO OUR FARMERS

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. DASCHLE. Mr. Speaker, I am introducing today, along with colleagues Mr. FITHIAN, Mr. DORGAN, and Mr. BEREUTER, a bill to end the current Soviet grain embargo.

I hope this bill will not have to be enacted into law; I hope that President Reagan will fulfill his pledge to end the embargo.

The embargo, while having some negative repercussions for the Soviets, has not had its intended effect—85,000 Soviet troops are still in Afghanistan. Furthermore, the Soviets were able to import 31 of the 34 million metric tons of grain they had planned to import.

Even though the U.S. Government spent about $3 billion to try to offset the effect of the grain embargo, farm income declined 40 percent in the second quarter of 1980—and the embargo was certainly a major factor in that decline.

The American farmers, who make up only 2.8 percent of our population, were made to bear the brunt of the embargo through uncertain markets and lowered prices. The recently completed structure of agriculture study confirms what we all know—that owning and operating a family farm is a rapidly diminishing profession and that our farm policies have contributed to this demise. The grain embargo is yet another one of our policies which has harmed this struggling profession. It is ridiculous to consciously pursue a strategy which has not worked and which targets the economic burden to a group least able to absorb more economic loss. Should an embargo prove necessary for compelling national security reasons at some future time, the economic burden must be shared more equitably by all segments of society.●

CAPITATION GRANT ASSISTANCE

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. ROSTENKOWSKI. Mr. Speaker, I am today introducing legislation that addresses a problem confronting several medical schools as a result of responding to two Government programs. I introduced this bill in the last

Congress, and it was incorporated in the health manpower bills that failed to be enacted.

One of these schools, Loyola University Stritch School of Medicine, serves the Chicago area. Loyola's Stritch School of Medicine increased its enrollment over the past 10 years in response to several Federal programs, and had a class size of 130 in 1972.

The school received a 7-year grant from the Veterans' Administration which obligated them to admit 13 additional first-year students. Therefore, the school had two separate commitments to two different Federal agencies.

Under the terms of the Health Professions Educational Assistance Act, the Stritch School of Medicine had obligated itself to a class size of 130 students. In 1975, they accepted an additional 13 students that obligated them under the conditions of the 7-year Veterans' Administration grant.

The school received Veterans' Administration approval to terminate entry of new students for the year, 1979–80. However, the Department of Health and Human Services notified Stritch that under the terms of the Health Professions Educational Assistance Act, the school had to maintain in the year the same enrollment that it had in 1976, that is 143. The school complied, but with the failure to enact the health manpower bill in the 96th Congress, Stritch finds that the entering class for 1981–82 must also be 143 in order to qualify for capitation grant funds.

This bill allows the Department of Health and Human Services to exclude increases in enrollment due to Veterans' Administration programs for purposes of determining first-year enrollment requirements for capitation grant assistance.

The bill follows:

A bill to amend the Public Health Service Act to provide that enrollment increases made by schools of medicine to receive assistance from the Veterans' Administration shall not be considered in determining if the schools have met the first-year enrollment requirements for capitation grant assistance under title VII of such Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 771(a)(1) of the Public Health Service Act (42 U.S.C. 295f-1(a)(1)) is amended by inserting after "first-year enrollment" the following: "(determined without regard to any increase in such enrollment made by the school to enable it to qualify for financial assistance under chapter 82 of title 38, United States Code)".●

FORMER HOUSE MEMBER ADDRESSES RELIGIOUS LEADERS

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. SIMON. Mr. Speaker, one of the finest Members ever to serve in this House was Representative Jerry Voorhis of California. He was defeated in a House election by Richard Nixon. Had Jerry Voorhis won that election, our history would be significantly different.

There is no better way to judge the contrast than an appeal that Jerry Voorhis has sent to leaders of various Christian denominations.

You do not have to agree with every word in his appeal to recognize that there is both wisdom and compassion in a message that somehow gets lost in all the political oratory and bombast that surrounds us.

I urge my colleagues to read this message which is specifically addressed to leaders of Christian denominations, but in fact is addressed to the consciences of all Americans of whatever religious persuasion.

A MESSAGE TO CHRISTIAN CHURCHES THROUGHOUT THE UNITED STATES

The inscription on our American money says: "In God We Trust".

But we don't. Instead we place our trust in the most frightful arsenal of military weapons known to history. We do this despite the fact that we know full well that if those weapons are ever used it will be in a war that will kill most of the people of the world and destroy the Earth as the home for life, which God created it to be.

A nuclear war, whoever "wins" it will be a war not between nations but a war against God Almighty Himself and his whole creation. For it will destroy his greatest and highest work—human kind. Those who do not die will be demented, distorted beings, their descendants some sort of mutation monsters.

Despite our knowledge of these facts we, a supposedly Christian people, go on listening to strident voices urging even more horrendous weapons, advocating a tough, threatening foreign policy—even suggesting that a nuclear war might be waged if our supply of oil were threatened.

Most inexcusable of all are the voices which say that the United States could win a nuclear war and that our people could survive it. There is no competent scientific evidence to support such demagoguery.

Yet in the election of November 1980 at least 5 incumbent Senators whose records were ones of conscientious responsibility in foreign affairs generally, who sought to curb the arms race, who supported Salt II and who voted for the Panama Canal Treaty were defeated by opponents who took exactly the opposite position, who advocated more not less military confrontation and who were supported by an organization that called itself a Christian "Moral Majority."

Today the best resources of mind and material are devoted all over the world to the building of armament, while a billion people suffer from preventable hunger. Especially is this true in the U.S.A. and U.S.S.R.

Willing workers are denied the basic human right to work and earn a living. One reason for this is that the best of dwindling natural resources are being poured into ever-increasing armament. What should, according to God's plan, be used to save life, is used instead for its possible destruction.

The so-called super powers lead this march to destruction but even the poorest nations in the world follow their dangerous lead.

In this time of looming scarcities, when sharing should be the rule, nonetheless those who are powerful among men and nations attempt to maintain their privilege by force and threaten to fight wars to gain for the selfish satisfaction of this one generation a lion's share of those fast-dwindling resources.

Whereas the technology for the development of new clean inexhaustible nonpolluting sources of energy is known and tested that development is neglected and given a pittance so that military appropriations can be increased beyond all reason. Were this not the case, were such new energy sources developed with all the fervor and commitment that is given to weapon development, there would be no need to fight wars over the last remaining deposits of petroleum.

It is truly said that man's extremity is God's opportunity. Which means that when humanity faces ultimate dangers and is baffled by problems that appear insolvable, then at such times religious people begin to open their minds and hearts to the guidance of God and begin in earnest to seek to do His Will.

There can be no doubt that these are days of man's extremity.

And there is some evidence that Christian people will turn to their Faith for guidance and follow that guidance wherever it may lead. To that end this message is sent to your Church.

In this time of ultimate danger there are those who are giving God the opportunity. There are increasing numbers of Christians who are willing to risk for peace. There are those who are saying that they do not desire to have the utterly false "security" of huge armaments to "protect" them—when they know that no such protection is any longer possible by military means.

These fully awakened Christians are seeing that God can never bless an economic system that rewards the rich and exploits the poor.

They are seeing that hope lies only in seeking peace and justice according to the Will of their Creator.

They read even in the Old Testament commandments of God to put trust in Him and not in arms. And they look at the entire life, teaching and self-sacrifice of Jesus with clear eyes and understand that nothing could be more contrary to His every precept than the war system as it enslaves people today.

These deeply committed Christians call upon their nation not to pursue further the lethal arms race but instead to risk for peace by offering an end to our own development of any more weaponry and challenging the rest of the world to follow our lead.

They place their trust in God and His guidance and they know full well where that leads. All the effort, all the resources, all the wisdom, they say, that their nation possesses must be put into a relentless drive for economic justice, compassion, and mercy

toward all human beings and to the building of a structure of peace that can make possible the wiping of all nuclear weapons from the face of the Earth.

Only so, these Christians see and believe, can God's will be done. Only so can the children of God survive on planet Earth. If we must die, they say, let us die in Faith not in disobedience to the clear will and purpose of the Almighty Father of life. Fervently it is to be hoped that the example of these men and women will be followed by increasing numbers of professing Christians. It is also to be hoped that in these critical days of ultimate decision, our Churches and Church Councils will not hesitate to give full support to organizations and movements, within and even outside the religious community, which are devoted to the cause of world peace under law, and of disarmament to that end.●

TRIBUTE TO BOB WIRE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. LAGOMARSINO. Mr. Speaker, last month, Detective Cpl. Robert J. Wire retired from the Ventura Police Department following 26 years of devoted service to the citizens of the city of San Buenaventura, Calif.

Bob Wire began working for the Ventura Police Department on December 12, 1954, at a time when there were 32 officers on the department. He has seen the agency grow to 90 officers today.

Bob came to the Ventura Police Department by way of Oxnard Air Force Base. When the Air Force transferred him to the Oxnard area, Bob decided he liked this part of the country better than the Midwest, and settled here.

He has worked in nearly all areas of the police department. After beginning in patrol, he rode enforcement motorcycle for 8 years. He was promoted to detective on November 1, 1963, and this title changed to corporal on August 11, 1980. His many assignments have included working burglary, checks, auto theft, narcotics, warrants, and traffic investigation.

Bob Wire's many community activities have included membership in the Avenue Lions Club (past president), the Poinsettia Masonic Lodge, and the Ventura Shrine Club. He was also instrumental in working with the police boys club and getting it into a full-time organization with the Boys Club of America in Ventura.

Bob and his wife, Betty, have been married for 29 years and they have three children—Bob Jr., Bonnie, and Cynthia.

On behalf of the citizens of Ventura and the Members of the House of Representatives, I would like to extend our gratitude and very best wishes to Bob Wire and to his family.●

TRIBUTE TO ANDRE GALERNE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. BIAGGI. Mr. Speaker, in my congressional district, there lies an oasis away from the hustle and bustle of the Bronx—yet it is in the Bronx. I refer to City Island, where the people are hardworking and fiercely independent, an area where pride in neighborhood is evident everywhere. On November 7, the City Island Chamber of Commerce, at its annual dinner dance paid tribute to a true friend of City Island, its president, and my good friend, Andre Galerne.

Andre was honored for his work as president of the chamber. Yet in reality, the people of City Island have had Andre Galerne as a friend for many years. In 1971, the International Underwaters Contractors, Inc., was established on City Island. Andre Galerne who today is the distinguished president of the IUC group, has followed a policy of buying their materials only from City Island merchants or as Galerne himself says "I support local merchants. We need to bring business here so residents will not leave the island to shop."

I have known Andre for a number of years and have found him to be a most educated and interesting person. He is a man of feeling and of commitment. He deserved all the accolades which he received at the dinner.

At this point in the RECORD I would like to insert an article entitled "Probing the Depths of Andre Galerne" as printed in the December 1980 edition of the City Island Current.

PROBING THE DEPTHS OF ANDRE GALERNE

(By Maria Gil)

With a mixture of Gallic insouciance and robust American enthusiasm, Andre Galerne presides over International Underwater Contractors, an organization as colorful and multi-tentacled as Captain Nemo's Giant Squid. He sits baronially in a tilt-back swivel chair and surveys "la vie Americaine" from I.U.C.'s office at 222 Fordham Street.

"You know," he says, I first wanted to be a test pilot, to go up, up, up." (A sweeping arm gesture.) "But now . . . " The arm reverses position, the shoulders hunch up in a shrug, and fathoms of underwater adventure are expressed in a bright-eyed, dolphin smile.

Mr. Galerne was born in Paris in 1926. At 17 he joined the Resistance, and later the French Air Force, but was thwarted in his dreams of an airborne career by the ravaged condition of post-war aviation in France.

He also served as a frogman with the French Navy, which led to his meeting Jacques Cousteau and joining the diving team aboard the oceanographic research vessel Calypso.

HIS FIRST DIVING BUSINESS

After the war, Mr. Galerne cast bread upon the water, so to speak and founded Sogetram (Societe Generale de Travauz Maritimes et Fluviaux), the world's first international organization of professional frogmen.

"Young people were shell-shocked, traumatized by the war," he recalls. "To help, I because active with the Boy Scouts. I took the older ones on physical explorations, spelunking, canoeing. Sometimes, deep inside a cave, we'd find water so mysterious, it seemed very wrong not to go down and explore it. We got some aqualungs and we learned how."

Mr. Galerne developed expertise with the scuba, unknown during those days of heavy diving suits and cumbersome copper helmets.

The first big break for Sogetram came in 1952, when Mr. Galerne and his partners surveyed the freezing murky depths of a crater lake for Electricite de France. From then on, he says, "It was no job too big or too small. We will do anything anywhere underwater."

It's a satisfied, dapper Galerne who puts his feet up on this desk and grins. "We studied everything we could about diving. We wanted to be the best. I remember we even got a U.S. Navy training manual, and then couldn't read it because it was in English."

I.U.C. BEGINS

Canada became the first overseas arm of Sogetram in 1958, and the name International Underwater Contractors was born. In 1962, a branch was established in New York City. "We chose New York because all the big oil companies were based here. It used to be excellent for business, but now . . ." he runs his agitated fingers across his forehead. "That Lindsay, he ruined the city. All the companies, they leave, move right out. And business here . . ." Another shrug, deprecatory head shaking. Volumes in a gesture.

A most Latin man is Andre Galerne, in the Mediterranean sense, and a man of paradox. Clearly given to extremes of feeling, he talks to a man phoning from New Orleans to sell a boat. "Yes, yes, my friend. We will look at your boat. We will be happy to see it." And then, with predatory charm, "But of course, you are asking far too much."

He appears at times ill at ease, a man preoccupied with much, yet conversely always willing to shoulder another burden. The list of organizations both here and abroad of which he is a member or officer (including our own Chamber of Commerce) is staggering. One gets the impression of energy and action fueled by a mind that hums like a computer. The quintessential buccaneer turned businessman; the fullback in a pinstripe suit and Sulka tie.

"I AM A BUSINESSMAN"

Are there any regrets? Would he rather be out on the Calypso with Cousteau, his old friend and partner?

"I am a businessman," he says. "I own I.U.C. 100 percent, and it is important to me that the image of businessmen, especially American ones, is positive. Historically, business has had negative connotations for people. Chambers of commerce become social clubs rather than forces for community change and growth.

"I came to this country and became naturalized, even though my wife and children chose to remain citizens of France, because I believe in it, in democracy and the free system of capitalism."

There is more than money to capitalism, Mr. Galerne believes. For the system to survive, he feels it must be responsible to itself and to the society which gave it birth. "The

people of the Third World view us through television eyes, unrealistically, like gangsters, exploiters. We must change that impression. Business has a trust placed in it which it cannot betray."

There is the spirit of the old cave explorer as Mr. Galerne speaks, the fearless crater diver. The company head who can afford to sit back and rest on considerable laurels does no such thing.

I.U.C.'S ACHIEVEMENTS

I.U.C. and Mr. Galerne not only developed tri-gas (Helium/Nitrogen Oxygen) for more cost-efficient short dives, but pioneered safe and practical procedures for long-term deep dives, and the use of underwater closed-circuit color T.V. for salvage diving.

Innovation and diversity are evidenced by the formation ten years ago of I.U.C. International, a separate company serving the offshore drilling industry and employing the use of manned freeswimming submarines like I.U.C.'s own Pisces VI.

The Undersea Medical Society was pleased to have Mr. Galerne serve as committee chairman in a study it undertook for the National Institute of Safety and Health to insure the well-being of divers in the ever-expanding quest for alternative subsea energy.

The North Sea Hyperbaric Center in Aberdeen, Scotland which was created to provide emergency medical treatment for divers under pressure, owes its conception, design and construction to none other than Andre Galerne.

SOME OF HIS COMPLAINTS

He wants to talk about taxes and how unjust they are to American businessmen. "It costs me $15 or 20 thousand a year just to live in New York State." And about laws which mandate the use of American-made equipment on overseas jobs but forbid hiring American workers. "The whole thing is foolish. It is bad for good will and also discriminates against the businessman. Do you know that I cannot bring my wife with me on a business trip because of the added expense even though I would welcome the companionship and even though it would present a proper image abroad? No, no, according to these American laws, the wife is a hindrance. But the secretary, she can come for free! Completely deductible! Silly, non?"

HIS FEELINGS FOR CITY ISLAND

He is more generous where City Island is concerned. I.U.C. and the diving school need accessible waterfront and Mr. Galerne likes a community where he does not have to "carry a machine gun to get to my car at night," he says, he cites many needed improvements which are dear to his heart, like the return of small businesses, a public fishing pier and mini-van service to help control the traffic problem.

"I.U.C. buys from Island merchants whenever possible. I support local merchants. We need to bring business here so residents will not leave the Island to shop. That will be death of us. Those misguided people who removed the City Island signs are insulationists. They do not belong to this century."

But Andre Galerne most definitely does. He speaks for a revitalizing force in the American economy with business forging the way, investing in itself, providing new jobs, a new sense of pride.

It's a proud man who rises, shakes hands, bows slightly. One final question elicits that he has four children and lives in Larchmont with Jeannine, his wife of 31 years.

"I am a lucky man," he admits somewhat ruefully. Encore the Gallic shrug. "Happy? Yes, I suppose, but most assuredly, very, very, lucky."●

BILL TO REQUIRE CBO TO PREPARE ESTIMATES OF COSTS TO STATE AND LOCAL GOVERNMENTS

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. MINETA. Mr. Speaker, today I joined with my colleagues, Mr. LUNDINE and Mr. ZEFERETTI, to introduce the State and Local Government Cost Estimate Act of 1981. This legislation would require the Congressional Budget Office (CBO) to estimate the costs incurred by State and local governments in carrying out every significant bill or resolution reported in the House or Senate. Under current law, CBO prepares estimates of the costs to the Federal Government only.

Section 403 of the Congressional Budget Act of 1974 does require CBO to "the extent practicable, to prepare for each bill or resolution of a public character reported by any committee of the House of Representatives or the Senate * * * an estimate of the costs which would be incurred in carrying out such a bill or resolution in the fiscal year in which it is to become effective and in each of the 4 fiscal years following such fiscal year, together with the basis for each such estimate."

CBO has gradually implemented this section, adding more bills each year as it built up capability to handle the large volume of reported legislation. In fiscal year 1980, CBO did cost estimates of 830 bills, which represented 98 percent of the bills reported with spending impact.

The Legislative Reorganization Act of 1970 required each committee to provide a cost estimate with their reported bills. At that time, the estimates submitted by each committee were not standardized and were of varying quality and reliability. Section 403 required cost estimates to be made by CBO—a professional, nonpartisan organization with independent estimating capability.

The time has come to extend the cost estimate requirement to State and local governments. As communities try to cope with inflation, growing demands for services, and dwindling revenue sources, we here at the Federal level must be much more cognizant of the intergovernmental ramifications of our legislation. Many times Federal mandates are cumbersome and costly to State and local governments who devote many man-hours to meet federally imposed requirements for aid; in some cases the return is not worth the amount of Federal aid received.

For instance, section 504 of the Rehabilitation Act will cost San Jose $100,000 in unanticipated costs in fiscal year 1981 to meet the regulations requiring access for the handicapped to public buildings. I strongly support this provision, but the point I wish to make is the city had not planned or budgeted for this contingency. Under this legislation, State and local governments will have some indication in advance of the cost of federally imposed regulations and can plan for them. Another more substantial expense is the $7.8 million local cost to San Jose for the tertiary water treatment plant required by Public Law 92-500. This is a heavy burden for any local government and should be planned for well in advance. By having the cost impact to State and local governments available at the time Congress is considering the legislation, an assessment can be made by Congress whether the requirements are unnecessarily burdensome or time consuming. In some cases Congress may decide to change the legislation to make the requirements more realistic.

While there has been considerable discussion over the past few years concerning the issues of Federal constraints on locals, I am afraid analysis has been short and rhetoric long. Enactment of the State and Local Government Cost Estimate Act of 1981 will better equip us to undertake detailed analysis rather than rhetorical speculation.

Because of the diversity of population, financial conditions, and structure of governments among the States, the cost of legislation may vary widely. The estimates of cost to States which this bill would require could not possibly factor in all of those differences State by State, but it would be possible, according to CBO, to prepare reasonable approximations of the costs to the State and local sector as a whole, using estimates of average impacts on various categories of jurisdictions.

It seems ironic that after the decade of "New Federalism" and consolidated block grants, that we must once again raise the issue of excessively compartmentalized arrays of Federal programs. I am not taking issue with the nearly 490 categorical grant programs, but simply with the fact that no matter how justifiable they are individually, collectively they present an unworkable and confusing mass of programs, each with its own conditions and requirements and deadlines.

Joint hearings by the Task Force on Budget Process and Task Force on State and Local Governments were held on this legislation during the 96th Congress. The hearings further emphasized the impact of the myriad and often contradicting Federal requirements on State and local govern-

ments. As a result of these hearings, the Task Force on Budget Process and the Task Force on State and Local Governments recommended to the Committee on the Budget to endorse the bill.

This legislation has been endorsed by the Council of State Governments, the International City Managers Association, the National Association of Counties, the National Conference of State Legislatures, the National Governors Association, the National League of Cities, the Northeast-Midwest Congressional Coalition, and the U.S. Conference of Mayors.

This legislation is a reasonable approach to the underlying purpose of fiscal responsibility in the Congressional Budget Act, and I would strongly urge that Members of the House support this bill.●

REMARKS OF NORMAN Y. MINETA TO THE 79TH CONVENTION OF THE AMERICAN ROAD & TRANSPORTATION BUILDERS ASSOCIATION

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. HOWARD. Mr. Speaker, I would like to share with my colleagues the remarks which our colleague, Congressman NORMAN Y. MINETA, delivered at a recent meeting of the American Road & Transportation Builders Association. Congressman MINETA's speech makes a strong case for continued investment in the capital plant of our transportation system. As he points out, our transportation system is basic to the entire economy and if we allow the system to deteriorate the effects will be far reaching.

Congressman MINETA also discusses the need for continued public investment in the development of major airports. He supports renewal of the airport development assistance program (ADAP) in which airport development is funded from a trust fund financed entirely by fees paid by users of the airport system. Congressman MINETA points out that ADAP is the most efficient and reliable system of financing airport development and that there are legal barriers which prevent many major airports from financing development through other means.

Congressman MINETA's remarks will be of great interest to all who are concerned with the future of our national transportation system.

REMARKS TO THE 79TH ANNUAL CONVENTION OF THE AMERICAN ROAD AND TRANSPORTATION BUILDERS ASSOCIATION BY CONGRESSMAN NORMAN Y. MINETA, JANUARY 24, 1981, HOUSTON, TEX.

It's a real pleasure to be here with you this morning, with this distinguished panel, to discuss what I consider to be some of the major challenges confronting us as a nation.

We were asked to comment on the new Washington scene, so before I flew down to Houston, I looked around to see what was new about Washington.

It didn't look much different.

The Republicans were everywhere on the upswing, of course, bouyed by having taken over the White House and the Senate. But if you look beyond that change in party labels, you find that the hard realities haven't changed, the tough choices haven't changed, and the factors that eliminated all the easy solutions haven't left town either.

I think you'll find that once the Inaugural hangover has worn off, the new Washington scene will be face to face with the same hard tasks the old Washington scene had to face.

One of the hardest of those tasks, and one that you will be hearing a great deal about in the coming months, is the task of balancing the Federal budget. Don't let anyone's campaign rhetoric deceive you. It won't be any easier this year than it was last year.

In the weeks ahead, President Reagan will be attempting eleventh-hour cuts in the budget just proposed by President Carter, in order to balance the budget, or to make room for tax cuts, or some combination of the two.

The politicians are under pressure from their constituents to cut expenditures, without of course cutting any of the worthy programs which benefit that particular constituent. Add up all these constituents and you have a clear mandate to cut spending without cutting any services. And many of those politicians won their office by promising that they could do just that. They've made the oldest promise in the book—something for nothing—and it got to be the oldest because, no matter how many times it proves false, it always seems to play well one more time.

But how to cut expenditures without cutting services, or without at least appearing to cut services?

In that bind, politicians from city councilmen to Presidents are prey to a constant temptation, the temptation to slide the necessary cuts over onto the capital side of the budget, where the benefits of that spending—and therefore the pain of the cut—are generally several years in the future.

This gives the appearance that you can cut spending today without cutting services.

The tragedy is that for the sake of short-term appearances, we end up trifling with long-term investment in the basic infrastructure on which all economic vitality in this country ultimately depends.

Now I am not here to minimize the importance of cutting the budget and of controlling federal spending. As a Member of the House Budget Committee, I've devoted much of the last four years to the very painful process that is essential to regaining control of the budget. And I am not arguing that the capital construction programs in the Federal budget should be held sacrosanct at budget cutting time. Everybody is going to have to feel some belt-tightening.

But my message to you today is that we cannot allow others to load their budget-cutting disproportionately on the Federal capital-construction programs which are our investment in the economic future of this nation. We cannot allow the Federal government to be cavalier with badly needed ongoing capital reinvestment in this nation's infrastructure. This is one area where the health and vitality of the private sector depends on an active public sector.

As an example, there has been a great deal of discussion about "reindustrialization". Many have called attention to the need for massive private capital investment in the traditional basic industries in which this nation once excelled. Some of these industries, such as coal, steel, auto, and shipbuilding have fallen to weak competitive positions due to a lack of continuing investment to keep their plants and technology current. But what good does it do to make those kinds of investments if we don't also make the investments needed in port facilities to handle coal, steel, and ships; in the highways, bridges and rail systems needed to move those goods and people; and in the transit systems and airports needed to keep those workforces mobile and productive? Reindustrialization, like industry itself, will go no further than the transportation network which supports it.

There has also been a great deal of discussion about the need for private capital formation, the need for capital to be consistently generated to meet the essential investment needs of the private sector. But the same needs apply equally to those segments of our economic life which are in the public sector, and these are mainly the transportation systems upon which all industrial activity depend. Government in general, and, because of the interstate nature of transportation, the Federal Government in particular, has played a key role in the capital formation needed to keep these essential transportation links growing apace with private sector needs. A variety of capital formation devices have been used at various times and in various modes: Trust Funds, dedicated user taxes, general funds, contract authority, annual appropriations, and so on. But whatever the device, the purpose has been the same: to make possible the continuous investment and reinvestment in our transportation systems and other public facilities so that these can continue to meet the needs of our economy for years to come.

In too many quarters, there has come to be a quick and facile belief that if it's public sector spending, then the private sector would be better off without it. In many instances, that is just not true. And, in the case of transportation, that statement is a potentially disastrous falsehood.

In aviation, for example, the industry has a tradition of concern for future aircraft capacity and productivity. There is considerable thought given to how the capital can be provided, over a period of many years into the future, to create the kind of aircraft fleets needed by the airlines. But too often the questions of airport capacity, of airway capacity, and of the capital investment necessary to provide for them, are just left to somebody else. They are thought of as a separate issue. And that is a mistake, because fleet capacity and airport capacity and airway capacity are all part of a single system and we ought to deal with them as a system. We shouldn't be deceived into a fragmented approach to capacity issues simply because on the fleet side we have private capital investment, while on the airport and airway side the public sector is heavily involved in the capital investment effort.

The costs of underinvestment certainly do not observe the boundary between the private and public sectors, as a recently published study by the Aerospace Industries Association clearly shows. They found that airport and airway congestion and delays cost the airlines dearly in increased fuel and other operating costs. A study of just three of the U.S. airlines (American, Eastern, and

United) for just one year (1977) showed that delays cost them 237 million gallons of fuel wasted and a total of $273 million dollars in additional operating costs. Just these delay-caused operating costs alone were more than those three airlines made in net earnings for that entire year. So a dependable system of investment in airport and airway system capacity and productivity is essential to the long-term economic viability of the airlines.

And we shouldn't kid ourselves about where we stand on airport and airway capacity in 1981. We haven't got much of a margin above us before we hit capacity in many key areas, and one of the reasons we've got even that much margin is that demand has been temporarily depressed. We have in recent years fallen behind the curve of needed reinvestment in these facilities and we have definitely failed to keep pace with the rate of inflation for construction costs. It has gotten to the point where this past year for the first time, the Department of Transportation and the FAA testified that in the next few years they may be forced to constrain traffic growth, due to the saturation of runway and air traffic capacity.

And we are at the beginning of a decade in which the number of air passengers is projected to double.

Whether it's highways, transit, or airports, what we are talking about is the same pattern of deferred reinvestment and deferred maintenance which many of the railways of this country used just to get by a few tough years. But they found that once you start slipping behind the curve of needed reinvestment, you get pulled into a vicious cycle, and it becomes nearly impossible to get out. We face the threat of more and more of our transportation systems following in the footsteps of Penn Central. And that is one of the key issues facing this country today.

To prevent that from happening, we have to make sure:

(1) That national policy makers understand the vital importance of this nation's infrastructure in general and of its transportation systems in particular;

(2) That they appreciate the key role the Federal government must often play in generating and investing the capital on which these systems depend; and

(3) That they not upset those long-term investment mechanisms casually or without the most thorough kind of deliberation.

One of our transportation programs has been particularly challenged in the past year and a half. It is certainly not the largest of the programs we have discussed here today, but it is under the most pointed assault. The issues involved are the same issues of Federal participation in the generation and investment of needed capital that apply to any of the transportation modes we have discussed. If we don't effectively deal with these issues in this particular program, we may find our other programs under similar attack.

The program is the airport development program, known as ADAP. The challange to the program is a concept known as "defederalization", introduced in the Senate in 1979.

The ADAP program was created in 1970 in response to severe airport capacity problems in the late 1960's. Through the imposition of dedicated user taxes it put the Federal government in the role of guaranteeing that capital would be steadily accumulated and made available to supplement local capital investments in airport facilities, and in the air traffic control and en route airway systems.

The Senate ADAP bill in the last Congress, however, contended that for the larger airports—the so-called large and medium hubs which comprise roughly the 72 largest airports in the country—a Federal role in airport development was no longer necessary. These airports, in the view of the bill's authors, should be able to raise their own capital and were therefore to be "defederalized", to use the Senate's term. The Federal Government would henceforth raise no airport development capital on their behalf.

The Senate's bill, including defederalization, passed the Senate last year, but died at the end of the 96th Congress in the face of overwhelming House opposition to defederalization. The likelihood is for a repeat of those positions in the coming year.

The bottom line issue here—and it could be asked of any mode of transportation, not just of aviation—is why have the Federal Government involved at all in the capital formation and investment necessary in a particular mode? Why have federally mandated highway user taxes? Why have a Highway Trust Fund? Why not have the States and localities deal directly with those who use the highways and hope they can all work something out? That is the core of the defederalization issue, only at this point expressed in terms of airports.

The answer, of course, is one of practicality. And in reviewing last year's deliberations on defederalization, I am struck by what appeared to be an almost casual acceptance of many of the key assumptions behind defederalization, without ever really challenging how practical they would be in the real world. Let's look at a few of these assumptions.

First of all was the general impression that we were just kicking the biggest airports out of the program, the ones that were big and tough and could take care of themselves. Everyone immediately pictures New York, Chicago, Atlanta, Los Angeles, San Francisco. But the 72 large and medium hubs that would be defederalized go a lot farther down the list than that, to airports like Norfolk, Virginia, El Paso, Texas, and Birmingham, Alabama. The large and medium hub airports account for nearly 90 percent of all passenger enplanements. This is no small piece of the total airport system that would be defederalized. And many of these larger airports are the ones where capacity and congestion problems will be the most severe in the 1980's.

Secondly, there was a general assumption that the larger airports really did not rely on ADAP funding for much of their capital needs. Again this assumption does not seem to be supported by the facts. A 5-year survey of the 72 airports showed that an average of 38 percent of all capital spending at those airports was ADAP funding. This has to be measured against the fact that all projects are not ADAP eligible, and for those that are a local match of at least 10 to 50 percent is required. About half of all capital projects in the survey relied on ADAP assistance.

Third, and most important, was the assumption that big airports could deal directly and as equals with the airlines to assure that needed funds were raised at each airport for capital investment. This assumption sounded good as stated in the rhetoric, but in practice airlines and airports bring with them binding contractual commitments which more often than not would make this assumption invalid. Many airports have come to rely, either before ADAP or in addition to ADAP, on revenue bonds to raise capital for necessary construction projects. In many cases, particularly until the last few years, the successful issuance of those bonds depended on long range contracts with the airlines. The airlines in effect guaranteed that their landing fees would be as high as was necessary for the airport to cover its capital program and/or operating budget. These are generally called "break even" or "net lease" provisions. And in return the airline usually got a "majority of interest clause", giving any group of airlines who enplaned a majority of passengers at that airport virtual veto authority over airport expenditures.

Compounding this situation was the fact that these agreements typically ran for many years (up to 30 years in some cases) and often contained explicit prohibitions on any airport attempts to renegotiate the contract during its term.

Looking at the operators of the large and medium hubs, over half have "break even" type contracts with their airlines, nearly half have majority of interest clauses, roughly 40 percent are specifically barred by their contracts from renegotiations of those contracts, and over half have contracts which include at least one other provision that would impede their ability to force a renegotiation of long term agreements with the airlines.

Put all that together and the result is that most of the airports slated for defederalization would bring with them one or more contractual commitments which would make it highly questionable that they could negotiate as equals or that they could drive a bargain which would raise new capital to replace the missing ADAP funds. This obviously raises serious concerns as to whether necessary long-term capital projects would receive the funding they need, and whether they would receive it on a timely and predictable basis.

The fourth assumption which pervaded the Senate discussion of defederalization was the name itself. Defederalization implied getting the Federal government out of the airport business and returning that function to local government. That is not what the bill would have done, however. The Federal Government would still be involved as the air traffic control operator and the determiner of approach and landing aids and air traffic patterns and procedures. It would have remained to decide whether an airport had met all applicable Federal standards and should be certificated. It would have retained the Federal prohibitions on what kinds of revenues the airports could raise and from whom they could raise them. And most importantly, it would still collect Federal user taxes for flights originating from those "defederalized" airports. In fact, the airports to be defederalized generate roughly 80 percent of all the passenger ticket tax revenues to the Trust Fund, yet under defederalization those airports would be barred from using any of those funds for airport development.

In short, we weren't getting the Federal government out of airports at all; we were just getting Federal funds out of airports. It wasn't airport defederalization, as advertised, it was just airport defunding.

In fact, the closer you looked at defederalization, the less workable it seemed and the more it sounded like a half-baked idea getting a free ride under a misleading name.

It is ironic that the proponents of defederalization have chosen as their target the

mode and the program where the ability of the local authorities and the users to raise their own capital has to the greatest extent been recognized and incorporated into the program. More than transit, highways, or waterways, airports under ADAP are expected and in effect required to raise much of their own capital. It can hardly be argued that the existence of a Federal program has stiffled airport initiative or responsibility for doing their own fund-raising. Atlanta, as an example, has undertaken a massive expansion program, and spent $234 million in capital investment in the 1974 to 1978 period. ADAP funds only covered about one-fifth of that. Atlanta went through the usual array of bond agreements and airline contracts to get the rest.

And the ADAP program has recognized the generally greater fund-raising ability of the larger airports and has required them to use that ability to a greater degree. It does this by requiring greater matching funding from the larger airports and by allowing the larger airports less in formula funds per passenger than the smaller airports are allowed.

But we have never before gone that extra and critical step of a flat-out ban on funding eligibility for the major airports of this country. And that is the key, because ADAP funding, even though it might be only a relatively modest proportion of the total capital budget at an airport, has proved repeatedly to be a bridge that enables a long range capital program to move forward even where a variety of conflicting airline views cannot be reconciled. Airlines at an airport often have widely divergent points-of-view; some may be prosperous, others just scraping by with no means to look to the future; some may hold hopes for future growth at that airport, others may hold no such hopes; some may need one kind of facility, others may want different kinds of projects all together. Most airport development waits for those differences to be worked out. But there are those occasions where needed work must proceed with or without consensus, and ADAP can make that possible.

If anybody bought defederalization thinking they were buying into a get-the-Feds-off-the-backs-of-the-local-governments position, they got it completely backwards. In this case, it is often the availability of Federal ADAP funding that preserves the option for the local airport operator to carry out his needed capital improvements.

And for many of the same reasons, ADAP provides the airlines with needed stability and uniformity in their contributions to airport funding. The airline industry is a chronically cyclic industry. Whether it's airplanes or airports, when times are good airlines need more capacity and they need it now. But those investments take several years to become operational. Too often you have to buy in a down cycle to benefit in the up cycle, and airlines caught in down cycles can rarely afford to do that. As a result, the aircraft manufacturers are plagued by the cycles of the airlines: aircraft orders are up when traffic is up and nearly evaporate when it is down. The same would be equally true of airport development if it were not for the steadying influence of ADAP user taxes and funding. With ADAP, if people are flying, they're contributing to the Trust Fund which provides at least some of the capital funding needed to make the system work: it's automatic because it's collection is required of all airlines by the Federal Government.

If ADAP were ended, the cost of making up for those withdrawn funds would fall ultimately to the airlines.

Either in the form of higher landing fees haggled out at each local airport, or in the form of costly delays or capacity constraints which would ultimately result from not making timely capital investments in airport capacity.

In the final analysis, it is in the best interest of the airlines to have an ADAP program and to having the Federal Government using its national authority to act as an impartial and stable collector of revenues for capital investment in a national system of airports. It protects the airlines, as well as the airports, from the occasional corner-cutter in the industry who would block long-term investment for a short-term competitive edge. ADAP provides an element of long-range investment and of stability, both of which the aviation industry could use more of. The ADAP program has traditionally been a kind of capital formation service. It has not been the kind of Federal program that is highly regulatory and an unwanted intruder into the affairs of either local government or private industry.

The final irony is that those who saw the label "defederalization" and thought they were getting something that would help bring the Federal budget under control, were sold a bill of goods. The Senate proposal would have reduced the user taxes to the Trust Fund by so much that the net effect would have been to increase the Federal deficit and make it harder to balance the budget.

In the months ahead, I expect to be working hard on the capital investment issues we have discussed here today, and especially on ADAP. There is a message that needs to be carried in defense of these programs, and I expect to carry it as forcefully as I possibly can.

Where defederalization in particular is concerned, the message is that this is one book that should not be judged by its cover. You've got to look at the real world and how defederalization would perform in actual practice. I don't think it looks very promising. I think you find that in airports, as in many other modes, vitally needed capital reinvestment is more likely to occur where the Federal Government lends its authority to the relationship between the providers and the users of transportation facilities.

And I hope I can count on your assistance in carrying that message.

Thank you very much.●

THE HOMECOMING CELEBRATION FOR 52 AMERICANS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. STOKES. Mr. Speaker, I would like to take this opportunity to join my colleagues and fellow Americans across this great land in welcoming home our 52 countrymen who were held hostage in Iran for over 14 months. In many respects, this Nation during the last few days has hosted a great homecoming celebration. Parades, receptions, cards, gifts, and fireworks exemplified our relief and happiness about the release of our countrymen.

Ironically, it has taken this crisis and the final resolution of it to bring us together as one big family. Every American, regardless of the city or region of the country they live in, has shared in the suffering of the hostages and in the jubilation about their release in some way.

Their release was a sweet moment for us all. Appropriately, the American public chose to decorate our homecoming celebration with American flags and yellow ribbons.

Mr. Speaker, keeping in tradition with great homecoming celebrations and reunions, I think that we should pause to pay tribute to our fellow Americans who are no longer with us as a result of the hostage crisis in Iran. I am referring to the eight courageous American soldiers who gave their lives in an attempt to free the 52 hostages. They not only gave their lives but also gave us a renewed sense of patriotism and courage.

I hope that this homecoming and rekindled patriotism signals a new beginning for our Nation as well as for the 52 freed Americans and their families.

With that thought, Mr. Speaker, I welcome the 52 Americans home.●

HUMAN RIGHTS: AMNESTY INTERNATIONAL REPORTS SOVIET REPRESSIONS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. BONKER. Mr. Speaker, Amnesty International reported last week that more than 200 dissidents have been imprisoned in the Soviet Union in the last 15 months. Furthermore, in order to silence opponents of the Soviet regime, courts are handing down severe sentences.

Amnesty, an international human rights organization and winner of the Nobel Peace Prize, further states:

In the general repression of the last 15 months, three types of dissenter appear to have been especially hard-hit, * * * members of unofficial groups trying to monitor Soviet observance of human rights agreements reached at the 1975 Helsinki Conference on Security and Cooperation in Europe, national rights campaigners in the non-Russian Soviet republics, including Ukrainians, Lithuanians, Estonians and Armenians; and religious believers, particularly Baptists, Seventh Day Adventists, Pentecostalists, and Russian Orthodox believers.

It should be noted that Soviet Jews have not been immune from this special treatment. In 1979, 54,320 Jews were allowed to emigrate, but in 1980 that level fell to 21,470 persons.

The Soviet Union has put its name to international accords guaranteeing

freedom of thought, expression, conscience, association, and movement, the right to work and exchange ideas, to enjoy equal protection under the law, and freedom from arbitrary invasion of privacy. But the U.S.S.R. dishonors its commitments by systematically victimizing citizens who seek to exercise their rights, and we must continue to reveal to the world how the Soviet Union treats its citizens.

I commend to the attention of my distinguished colleagues the following news release from Amnesty International:

AMNESTY INTERNATIONAL SAYS HEAVY SENTENCES HANDED DOWN IN SUSTAINED SOVIET CRACKDOWN ON DISSENTERS

Amnesty International said today (Tuesday, January 20, 1981) that Soviet courts are handing down severe sentences as the authorities keep up a drive that has already imprisoned more than 200 dissenters in the last 15 months.

The international human rights organization pointed to sentences of up to 15 years of combined imprisonment and internal exile imposed for "anti-Soviet agitation and propaganda" in recent months.

The sustained crackdown has hit dissenters of all kinds all over the Soviet Union—religious believers, human rights activists and campaigners for national rights in the non-Russian republics of the U.S.S.R., Amnesty International said. Heavy sentences have been frequent: since December 1979 at least 12 people are known to have been sentenced to more than 10 years each, the organization said.

All the members of a group monitoring political abuse of psychiatry have now apparently been rounded up. The fifth and last active member, Felix Serebrov, was arrested on January 9, 1981. Amnesty International cited the compulsory confinement of Ukrainian librarian Anna Mykhaylenko in November 1980 as evidence that dissenters were still being put in psychiatric hospitals for political rather than medical reasons. She had been arrested for circulating unofficial reports of human rights violations.

The organization called attention to long sentences given to five dissenters convicted on the "anti-Soviet agitation" charge in recent months: Mart Niklus, 46, a leading Estonian activist, was sentenced on January 8, 1981 to a total of 15 years' imprisonment and exile. Vazif Meylanov, 42, a mathematician from Dagestan who demonstrated peacefully against the internal exile of a dissident physicist Andrei Sakharov, was sentenced on December 2, 1980 to a total of nine years; two Ukrainians, Dr. Stepan Khmara, 43, a physician and Vitaly Shevchenko, 46, a journalist, were given 12 and 11 years respectively for circulating an unauthorized Ukrainian journal; and Nikolai Goretoi, 59, a leading Pentecostalist, was sentenced in November 1980 to 12 years.

In the general repression of the last 15 months, three types of dissenter appear to have been especially hard-hit, Amnesty International said: members of unofficial groups trying to monitor Soviet observance of human rights agreements reached at the 1975 Helsinki Conference on Security and Cooperation in Europe, national rights campaigners in the non-Russian Soviet republics, including Ukrainians, Lithuanians, Estonians and Armenians; and religious believers, particularly Baptists, Seventh Day Adventists, Pentecostalists, and Russian Orthodox believers.

Recent arrests include those of Natalya Maltseva, a feminist activist, Viktor Brailovsky, activist in the Jewish emigration movement, and Viktor Nitsoo, an Estonian dissenter.

The trials of a number of people arrested in 1980 are believed to be imminent. They include Helsinki monitors Vytautas Skuodis (Lithuania) and Tatyana Osipova (Moscow) and feminist Natalya Lazareva, Amnesty International said.●

ROBERT McNAMARA DELIVERS A NEEDED LECTURE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. SIMON. Mr. Speaker, one of the most impressive public officials I have known during my 6-plus years in Congress is the President of the World Bank, Robert S. McNamara. All of us of all nations will be experiencing a great loss when he steps down as the President of that organization.

Recently, the U.S. News & World Report had an interview with him in which he says, among other things, that:

No other industrial nation today, with the single exception of Italy, is doing as little in relation to the size of its population and the level of its income as the United States.

A little later in the same interview he notes that:

The average of all other industrialized nations, excluding the United States, is 0.42 percent—more that double what we do.

And then he has this significant statement to which we should pay heed:

It is a time to do more. If we don't do more, we are going to be in worse shape economically that we are. And we're going to have to face all of those social and political problems in the developing world I mentioned earlier.

I would urge my colleagues in the House and Senate to read this perceptive, thoughtful interview with Robert McNamara:

[From U.S. News & World Report]

INTERVIEW WITH ROBERT S. MCNAMARA, PRESIDENT, WORLD BANK—A PLEA FOR AID TO "800 MILLION ON MARGIN OF LIFE"

Americans may have given away billions, but they aren't helping enough now, contends the head of the 134-nation agency. He argues that assistance for the "absolute poor" is a game in which all win—including the U.S.

Question. Mr. McNamara, you've been pleading with the U.S. and other industrialized nations to provide more money to poor nations—and rapidly. What's so urgent about this need?

Answer. The fundamental point is this: All of us are living in an increasingly interdependent world—interdependent both economically and politically. And that combination offers many opportunities for actions from which everyone will benefit. This is why it's urgent that the U.S.—in its own national interest—act now to deal more effectively with the plight of the poorer nations.

Yes, I am pleading—to use your word—for a more realistic understanding of this basic point, and pleading for additional economic support for the less developed countries, not only through the transfer of resources but through expanded trading opportunities as well.

And I'm pleading for two reasons: It is very much in the interest of the developed countries themselves to do this, and it is very much in the interest of the developing countries that it should happen. The developing countries require economic support so that they can buy what they need from the rest of the world—an expense that is exacerbated by recent increases in oil prices. Those increases alone have more than doubled the current-account deficits these countries are facing in their trade and financial dealings with other nations.

Their social and economic advance will be crippled unless they are assisted. If they are to make a reasonable rate of progress, they will need additional external financing. That's why I am pleading for them.

Question. Why is it in the national interest of the U.S., as you put it, for us to provide such help?

Answer. For the U.S., the fastest-growing markets for exports—and the greatest potential stimulus to U.S. employment and trade—are in these oil-importing developing countries. So it is a plussum game. If the U.S. does not act intelligently, there will be a deflationary impact on the world, and the U.S. will be hurt as a result.

Question. What's the source of opposition? Is it ignorance, or is it a feeling of irritation that some of these Third World countries ganged up on us in the United Nations?

Answer. It's both, but basically it's ignorance. You can put up with some of the irritations if you understand where your fundamental interests lie.

If we in the U.S.—I'm speaking now as a U.S. citizen, not as the president of the World Bank—really believed that or fundamental interests would be served by additional assistance, whether it be in the form of trading opportunities or financial assistance, we'd be very shortsighted to let our irritations guide our behavior.

Question. On the negative side, what can happen if we aren't forthcoming in the Third World? Political turmoil? Collapse?

Answer. In simple terms, one would expect a greater degree of economic disorder, lower rates of economic and social advance, which in turn would lead to political disorder.

The truth is that the U.S. can no longer isolate itself from political disorder in other parts of the world as easily as it could in the past. We see ample evidence of that today in the Middle East. And I think we'll see evidence of it in many other parts of the world.

Beyond that, there are the humanitarian and moral considerations. They are very important. They move me; I hope they'll move others.

Question. Can you elaborate on the humanitarian stakes involved?

Answer. The World Bank today serves roughly 100 developing countries, containing some 2.25 billion people, excluding China. Of those 2.25 billion people, roughly 800 million are literally living on the margin of life—just bordering between life and death. If these countries do not advance economically, the number of people who are trapped in poverty will increase. It's a disgrace to the human race that we tolerate such a situation.

So one has these two considerations: Very narrow national considerations of economic and political interests, and then the much broader humanitarian and moral considerations.

Question. You're talking about a role that obviously is bigger than the World Bank's role. What should the industrialized countries be doing beyond what the bank does?

Answer. The World Bank can play three very important roles: One is the narrow one of being a major source of funds. We have expanded our financial commitments roughly tenfold in the last 12 years.

Second, we can also play a role as adviser to the developing countries' governments. We have been increasingly active in that field.

For example, the oil-importing developing countries must ultimately pay for the higher-priced oil. There's no way to finance that indefinitely simply by piling up debt. In the end, the only way they can pay for it is by expanding their exports or reducing their imports—or by some reasonable combination of the two. But it's going to take time for them to make those policy changes, and we can be helpful on that process.

And, third, we can serve as a focal point for discussion of key development issues and of the actions required to deal with them—issues, for example, such as absolute poverty, the population problem and the energy situation. Over the past decade, we've sought to stimulate more thoughtful and practical discussion of these and other critical issues.

Question. Who are these 800 million people on the margin of life that you refer to? What countries do they live in?

Answer. They are what we have termed the absolute poor. One can divide the approximately 100 developing countries into two broad groups: One group comprises the low-income countries, with roughly 1.25 billion people. These include countries such as India, Bangladesh, Kenya and most of sub-Sahara Africa. And the other group comprises the middle-income countries, with roughly a billion people: Countries such as Brazil, Korea and Turkey.

There are absolute poor in each of these two groups of nations—some 600 to 625 million in the low-income countries and some 150 to 175 million in the middle-income group.

Question. Many of these countries have been getting aid for years. Why haven't they been able to make it on their own? Why haven't many been able to feed themselves?

Answer. If you mean why haven't they been able to get along without external capital, I don't believe that historically any of today's developed nations did, either. At a comparable stage of development, for example, the U.S. was a borrower on a tremendous scale. Our railroads were financed by external capital. Much of our industry was financed by external capital. That's typical of a certain stage of economic development.

Question. But beyond that, why aren't the developing nations able to grow faster than they have? Why can't some feed their people?

Answer. On balance, they have learned to feed their own people. Take India. The World Bank is very active in agriculture there. Compare the years 1966 and 1980, for example. Both were drought periods. In 1966, India produced 72 million tons of cereal grain. In this past year, it produced 116 million tons. That is a 60 percent increase in 14 years, and India did not have to import grain this time.

What I am saying is that there has been great progress in these countries. Life expectancy increased on the order of 40 percent, on average, between 1950 and 1975. Never before in the history of the world has life expectancy of any large number of people increased 40 percent in a quarter-century.

Question. The more people there are, the bigger the problem becomes, doesn't it?

Answer. It does in one sense but not in another. Almost 12 years ago, I began to talk about the problem of population. We were absolutely right in recognizing it as an extremely important problem. But we were wrong in believing in too simplistic a solution, which was that if you supplied the world with contraceptives, the problem would be taken care of. But that is not the case.

It's a supply-and-demand problem. In terms of supply, you've got to have appropriate contraceptive services if fertility is going to be reduced on any broad scale. But you must also have a demand for their use, or not much is going to happen.

One of the things that research has revealed is that there is a direct correlation between the percentage of females that have passed through primary school and the desire for small families. And there is also a direct correlation between fertility rates and life expectancy.

In India, for example, in order to be fairly sure that a male child would survive into his parents' old age, you needed statistically about 6.7 births per woman throughout her reproductive years. And actual births were around 6.8. Obviously, the number of births was at least partly a function of parents' desire to have a male child to help take care of them in their later years.

If you can reduce infant mortality and increase life expectancy, there will be a marked change in the desire for large families. So the improvement of life expectancy—immensely desirable in itself—also has a beneficial effect on fertility reduction.

Question. You're saying aid is working—

Answer. Yes. Now, having said that, I want to emphasize that one has to insist on good management of scarce aid resources. We're proud of our efficiency in the World Bank. And one of the things I think we have proved is that you can be a hardheaded investor. You can demand efficiency in the investment of capital while at the same time being sensitive to social advance and social objectives and social values.

Question. Americans, as a whole, probably believe that they have given more aid than others and ask why they should do more—

Answer. Yes, they do believe that, but they're not fully correct. They're wrong to believe that they have done more over the last decade and that they shouldn't do more now.

No other industrial nation today, with the single exception of Italy, is doing as little in relation to the size of its population and the level of its income as the United States. Official development assistance by the U.S. amounted to 0.19 percent of gross national product in 1979. That is on the order of $20 per capita. Now, that's very little out of a GNP of about $10,000 per capita. A substantial portion of that, by the way, is really directed to security purposes—to Israel and other countries that do not fall in the category of low-income countries.

The average of all other industrialized nations, excluding the U.S., is 0.42 percent—more than double what we do. Yet our income per capita is higher, on average, than the others. In a speech at Harvard a few months ago, former Secretary of State Vance called the U.S. effort disgraceful. And Secretary of State Muskie has made the same point. I certainly believe they're right.

Question. Do Americans confuse our military assistance with development assistance?

Answer. Absolutely. And it's a confusion that contributes in part to the belief that we're doing more than we should. In every single poll I've ever seen on this subject, people invariably say we're doing five or 10 times more than we are.

The other part of the problem is that they also believe that in a time of inflation, at a time of inflation, at a time of high unemployment and at a time when the federal government is—and should be—operating under substantial fiscal constraints, the U.S. should simply not try to do more.

I contend that's wrong. It is a time to do more. If we don't do more, we are going to be in worse shape economically than we are. And we're going to have to face all of those social and political problems in the developing world I mentioned earier.

Question. Why do you say that?

Answer. Consider the deflationary impact of our doing less. Today, there exists in the capital-surplus oil-exporting countries—members of the Organization of Petroleum Exporting Countries—roughly 100 billion dollars more in surplus capital than existed two years ago. Those surpluses aren't going to be buried in the sand. They're going to move into the money markets of the world.

If they do not move into productive investment in the developed or developing countries, the surpluses will have a deflationary impact on the whole world. It's absolutely essential to the developed economies that those surpluses be put to work. One way to put them to work is to use a modest portion of them for development assistance.

Question. What's the answer to this complaint: Why should we send millions of dollars to a country that I've never heard of when hundreds of thousands of people in the U.S. are in deep poverty?

Answer. My response is this: If the U.S. as a nation restricts this market of 2.25 billion people in the developing world—3.25 billion, if China is included—if it holds back their advance, it is going to sell fewer goods and have fewer jobs in this country. There's just no question about it. One out of every 7 manufacturing jobs in the U.S. depends on foreign trade. One out of every 3 farm acres is producing for export. More than 25 percent of U.S. exports are going to these oil-importing developing countries. Hundreds of thousands of U.S. jobs depend on their growing markets.

Manufacturers like Caterpillar or Ford know this. They know where their markets are. The markets that are growing the fastest are the markets in these 100 developing countries with 2.25 billion people.

Question. No farmer in Bangladesh is going to buy a Caterpillar tractor, is he?

Answer. Well, the farmer in Bangladesh is beginning to produce more. Henry Kissinger called Bangladesh a basket case. It's not a basket case today.

It's still in great difficulty. There are 90 million people in Bangladesh in 50,000 square miles—which is the size of the state of Florida—and two thirds of Bangladesh is alternately flooded or arid. There is high infant mortality, high illiteracy, high mal-

nutrition and low life expectancy. But that economy is growing.

We believe that in the next five years Bangladesh will increase its food output by roughly a third. When they do that, they will be able to buy more from the U.S. Their imports are rising substantially every year. Where do those imports come from? They come from the developed world.

Question. What is the World Bank doing to recycle oil money?

Answer. In the simplest of terms, the World Bank is recycling it by increasing its lending. Those surplus funds flow into the world's money markets, and the World Bank borrows them for relending. In the year that ended June 30, the total financial commitments of the World Bank group were 12 billion dollars. In 1985, they're planned for 20 billion—an 8-billion-dollar-per-year increase in commitments in these five years. That is a major contribution to the recycling.

Question. Haven't the Arabs been reluctant to go along with that?

Answer. The Arabs are very anxious to see those funds recycled. They understand it is in their broader interests. They have played a growing role in what I'll call "direct recycling"—providing direct aid themselves to the developing countries—but there are some who would like them to do even more.

Question. Some critics contend that countries get excessively dependent upon foreign aid—

Answer. If aid sources—whether it be the World Bank, the U.S. or others—permit that, they should be severely criticized. I don't believe the World Bank has. One bit of evidence that it hasn't is that in 35 years the Bank hasn't lost a single dollar on either its soft or hard loans.

Countries do recognize that they must use World Bank loans productively and that they must repay them—and repay them on time. We insist on it.

Question. Are there any prospects that the Communist countries will give more aid to the very poor countries?

Answer. You'd have to address that question to them. Today, aid by the Soviet bloc is so small it's virtually not measurable. It's roughly 0.04 percent of their GNP.

Question. Mr. McNamara, you're planning to retire in June as president of the World Bank. What do you see as the greatest challenge facing the industrialized countries?

Answer. I think their greatest single challenge, both in philosophical terms and in practical terms, is to better understand the nature of the world they live in and where their own national interest as industrial countries lies.

To erect trade barriers, to reduce foreign assistance, to isolate oneself politically from these developing countries would be very, very shortsighted. U.S. citizens do not always perceive this. If they did, the U.S. performance on development assistance would be very different than it is.

People talk to me about Congress: Congress won't do this; Congress won't do that. But Congress reflects the views of the American people. If the Congress will not support increases in financial assistance, if the Congress will not support appropriate participation in political terms, if the Congress will not support opening our markets, it's because it reflects the views of our people.

I do not believe the average American sees the world of the '80s yet as it really is. It is an interdependent world, and the U.S. is not yet acting fully in its own interest in that world. That's the long and short of it.

Question. Are you pleased with the election of A. W. Clausen, president of the Bank of America, as your successor?

Answer. I am delighted. President Carter asked my recommendation for candidates, and Mr. Clausen was high on my list.●

PENSION OFFSET REQUIREMENT MUST BE REPEALED

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. OTTINGER. Mr. Speaker, today, I am reintroducing legislation I sponsored last year to eliminate the pension offset which requires States to deduct retirement benefits from unemployment benefits. This cruel and unfair provision is causing great financial hardship for older workers in New York and around the country and must be repealed immediately.

Effective April 1, 1980, Federal law required all States to reduce a person's unemployment compensation benefits, dollar-for-dollar, by the amount of any governmental or private pension or retirement pay received by the individual. Last fall, Congress modified the offset provision to reduce the harmful effects of the law, but thousands of retirees are still suffering, barely able to make ends meet as inflation eats up their pensions. Corrective action is needed desperately.

Under present law, States may disregard a pension that is based on work performed prior to the employment upon which his or her eligibility for unemployment is based. Specifically, the new law requires States to make the offset only in those cases in which the pension was maintained or contributed to by a base period or chargeable employer. These are employers whose accounts will be charged for unemployment compensation received by the individual.

In addition, States are allowed to reduce the amount of the offset by an amount consistent with any contribution the employee made toward the pension. This allows States to limit the offset to one-half of the amount of a social security pension received by an individual who qualifies for unemployment benefits.

While these changes lessened the impact of the offset and fewer retirees are receiving reduced unemployment benefits, further congressional action is needed.

The key issue in my mind is: Should an individual who is involuntarily unemployed and looking for work be denied the same unemployment benefits as those received by other job seekers simply because that individual has earned certain retirement benefits? Clearly the answer is "No." I find it appalling that Congress has singled out retirement income from all other income to reduce or eliminate unemployment benefits. Hardworking Americans have a right to unemployment benefits. We must recognize and insure that right.

Recently the United Auto Workers, the American Association of Retired Persons and other groups filed suit in U.S. district court in Washington challenging the legality of the unemployment compensation offset law. I wholeheartedly support their efforts, but feel it is incumbent on Congress to take immediate and effective action to insure that this injustice is eliminated by repealing the pension offset provision.

The text of my bill is printed below:

H.R. —

A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that States reduce the amount of unemployment compensation payable for any week by the amount of certain retirement benefits, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Subsection (a) of section 3304 of the Internal Revenue Code of 1954 (relating to requirements for approval of State laws) is amended by striking out paragraph (15) and by redesignating paragraphs (16) and (17) as paragraphs (15) and (16), respectively.

SEC. 2. The amendment made by section 1 of this Act shall apply with respect to certifications of State programs for 1980 and subsequent years.●

ANOTHER LOOK AT MILITARY MANPOWER

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. MAZZOLI. Mr. Speaker, the beginning of a new Congress offers us the opportunity to take a fresh look at our most pressing and crucial national problems.

No issue is of greater importance to the United States than insuring our national security. And, one vital aspect of our national security is our military manpower.

In this connection, I recommend to my colleagues the following article which appeared in the Washington Post on January 12, 1981:

TOUGH, EFFECTIVE ARMED FORCES

Accusations of military incompetence should come as no surprise when the ball is fumbled deep in enemy territory. Defeats resulting from inadequate preparation, crossed signals or an ill-conceived game plan can hardly be blamed on the opposing team. A recent essay by Jeffrey Record called into question our military's competence. His comments are part of a rising chorus of critical commentary from responsible circles.

Many Americans in uniform are similarly concerned that our win-loss average since

World War II has been discouraging: a stalemate in Korea, a rout in Cuba, a pointless bloodletting in Vietnam, and a desert raid launched with all the hope of an Apollo moon rocket only to fizzle embarrassingly before the world audience.

Given the general doubt that America is unable to employ its military power to achieve even limited objectives, some of Record's observations merit comment:

A historically illiterate officer corps is obviously unacceptable. At the company level, however, a deep awareness of historical precedent is of little value. As a young lieutenant, I went to Vietnam as familiar with Clausewitz as most of my contemporaries were with Playboy. It was poor preparation for the shock of battle. Perhaps this is because there are a good many books about war, but relatively few about fighting. Green troops in every war quickly learn that no classroom exercise is adequate preparation for the dry-mouth fear and confused anxiety of the battlefield. It makes more sense to spend less time teaching the cadets at West Point the finer aspects of the Peloponnesian War and more time on basic, small-unit tactics—ours and theirs.

It is risky to generalize that today's officer corps possesses an "unbounded faith in the power of technology." If anything there is a healthy skepticism, particularly in the "people intensive" Army and Marine Corps. Anybody who has been in a fight knows that how much gear one has is irrevelant—how much of it works does count. Perhaps we have fallen into the trap of trying to design weapons to compensate for the shortcomings of our troops. Instead of producing smart warriors trained to maximize the effects of relatively simple weapons, we have built "smart" weapons to mechanize capabilities frequently beyond the ken of the typical front-line troop. There is little doubt that the imaginative application of technology often opens new possibilities; placing it in the hands of functional illiterates is foolishness.

Late in World War II, a "blitzkrieg" attack on the Americans was proposed to Gen. Heinz Guderian, chief of the German General Staff. The latest tanks, guns and materiel would be available. "Nonsense," snorted Guderian, "we haven't got the troops we had in 1940." Neither do we have the troops in 1980 that we had in 1965.

It is a pity that our officer corps does not generally equate "leadership with managerial ability." The officer incapable of managing his resources is wasting the people's money and he unduly hazards the lives of the fellow citizens entrusted to his care. The Department of Defense is one of the largest species of dollar-eating agencies in the federal zoo, where even slight economies can yield substantial savings. Yet, million-dollar tanks, $20 million fighters and cost overruns are practically the norm rather than the exception. Perhaps designing to cost, rather than spending whatever is neccessary to achieve an idealized capability, is one way out of this dilemma.

In any event, a sound familiarity with the tools of management is the bread on which the modern officer's tactical "butter" is spread. The officer unfamiliar with the means of maintaining a spare parts inventory is hardly capable of leading an armored brigade, however brilliant his tactics. Patton understood this; his charisma was matched by a penchant for detailed planning and the skillful and adroit use of an expert staff. Management and leadership are synonymous: to suggest otherwise leads to officers more concerned with running marathons than doing their homework.

It should not be forgotten that good staff work, i.e., sound management, has been key to many military successes. The Germans' 1941 Ardennes offensive was considered by Liddell Hart to be a model of solid preparation and staff functioning. Careful and detailed planning, however compressed in time, is the key to successful amphibious assaults such as the Inchon landing. Some of our best military minds, MacArthur and Marshall to name two, made their reputations as managers.

None of these factors excuses or allays the sense of embarrassment we all feel about our military shortcomings. Compared with Israel's much briefer martial legacy, we appear as the big clumsy kid on the block who isn't feared as much as the small wiry runt who invariably fights "all out" and is not above a dirty punch or two below the belt.

Unfortunately, it is much easier to lament problems than to propose solutions. "Equitable conscription" is hardly the solution of first resort: how is it possible to "equitably" draft half a million conscripts annually out of a pool of millions? Moreover, armies of hastily trained draftees have hardly left a legacy of distinguished battlefield competence. They have usually prevailed more through overwhelming numbers than skill, usually at terrific human cost.

Now, for the first time in our history, we are outnumbered by our potential foes. Clearly, a professional military is vital, and there is much room for improvement. Some possibilities:

We can retain the positive features of both a draft and a volunteer force by considering a hybrid: discard any pretense of social equity and draft the fraction of annual enlistees required in the upper mental groups. The remaining needs can be satisfied by taking the best qualified volunteers.

Emphasize the basics. Marksmanship, crew drill and battle exercises too often take second place to meeting an unrealistically compressed operational tempo. Army tank crews may have difficulty shooting as well as their NATO counterparts because they don't spend enough time on the firing range.

Another reason they don't spend this time together is that base support has been cut to the bone, forcing tenant combat units to lend people necessary to provide essential base services. In the interest of "efficiency" we have siphoned off needed NCOs and fragmented combat units to mow grass and wash dishes. A more robust base support establishment makes sense on two counts: fighting units are kept together to train together, and the bases are better manned to handle any wartime buildup of tenant commands.

The notion of careerism as typically practiced in the officer corps tends to produce rather more generalists than true experts. The route to the top is usually the road of orthodoxy: following a progression of varied (and usually brief) assignments in accordance with a stereotyped career template. This practice of career "ticket punching" encourages orthodoxy and entails incentives for officers to avoid those assignments perceived to delay promotion. Thus, claims Frederick Mosher, "careerism is an important discourager of creativity, innovation, and risk-taking because of the perceived . . . dangers of stepping out of line."

Our tactics in Vietnam bear witness to the price of orthodoxy; as in Korea we tried to "dollar the enemy to death" with a rain of steel as original as the dismal battles of the Somme, Ypres and Paschendale.

The need for well-rounded officers of varied experience remains, but there is also a need for creativity and original thinking. Our officer assignment and career development practices can be modified to achieve a better balance.

Of equal importance is an honest assessment of our state of discipline. The principal element of military discipline is the subordination of individual prerogatives to the needs of the unit. Unfortunately, the administration of military justice has been placed in the hands of lawyers more concerned with the "right" of their clients than the commander's problems. The accused now waits weeks for trial; he usually remains with his unit, where additional transgressions may be overlooked because adding them to the original charges only creates further delays. Thus it comes about that a state of indiscipline is too frequently accepted because the price of imposing high standards is an unbelievable administrative nightmare of writs, statements, charges and testimony.

There are many worthy features of the military judicial system, but much can be done to provide swift justice to those who break the rules. As in the civilian community, the military community must also be protected from those who would threaten its cohesion and stability.

The American experience has proven that the U.S. soldier will rise to any standard of excellence demanded of him. The best trained, most disciplined units invariably reflect a swagger and pride that extends down to the last private in the rear rank. No real man can take pride in being part of a mob, and the kind of men we want in uniform will enlist in the needed numbers when we quit serving up the military as some sort of experimental playpen for would-be sociologists.

It is time to stop kidding ourselves that spending more money and keeping up the numbers are a sufficient national sacrifice to maintain tough, effective Armed Forces. Gen. Sherman was right to say, "Every attempt to make war easy and safe will result in humiliation and disaster." If we are unhappy with the current state of military proficiency, it must be recognized that we brought it on ourselves, and the old palliatives won't work anymore.

THE MANDATE MILLSTONE

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. ZEFERETTI. Mr. Speaker, on behalf of my distinguished colleagues, Mr. LUNDINE and Mr. MINETA, I am pleased to introduce today the State and Local Government Cost Estimate Act of 1981. This legislation is a necessary and commendable step in forcing the Congress to begin to address the direct cost impact of Federal legislation on State and local governments. This bill requires the Congressional Budget Office to prepare and submit

an estimate of the costs to State and local governments of significant bills reported to the House and Senate by congressional committees. As two former mayors, Congressmen LUNDINE and MINETA have long been concerned with the costs of federally mandated programs for State and local governments for some time and I am happy to have their assistance and support.

We in the Congress almost recognized the inherent need for such legislation last year. A companion measure, introduced by Senator SASSER, was approved unanimously by both the Senate Budget Committee and the Senate Governmental Affairs Committee. Here in the House, the bill received the bipartisan support of 143 Members of Congress and was endorsed by the National League of Cities, the U.S. Conference of Mayors, the National Association of Counties, and the National Governors Association, and many others. In hearings before the House Budget Committee last year, the bill received the unanimous support of the State and local public officials who testified. And the House Rules Committee had almost finished action on the bill when the 96th Congress came to an end. Now it is time to act again.

The idea behind this legislation is to act as a brake on the Federal Government. This brake is necessary because of the rapid growth over the last two decades in the costs, scope, and quantity of mandates imposed on State and local governments. Mandate proliferation puts increasing amounts of stress on the budgets of State and local governments—they force them to either rechannel resources from other efforts or else raise local taxes or fees.

The city of New York, as an example, and I use my city because I know its problems best, is driven by 47 Federal and State mandates. The cost to the city of meeting these requirements over the next 4 years will be $711 million in capital expenditures, $6.25 billion in expense budget dollars, and $1.66 billion in lost revenue. An example of one such mandate is the handicapped access program required by regulations promulgated in response to section 504 of the Rehabilitation Act of 1973 for the New York Metropolitan Transit Authority. The cost of implementing the 504 handicap requirements breaks down as follows:

The purchase of equipment and placement of 481 elevators in the system; $649 million.

Costs for property acquisition; $50 million.

Costs to change the collection system; $1 million.

Structural modifications for stairs and ramps; $11 million.

Removal of obstacles and placement of emergency exists; $150 million.

New graphics in the stations; $5 million.

The total cost estimates for the Metropolitan Transit Authority of New York will be equivalent to the U.S. Department of Transportation's total estimate for retrofitting all rail systems throughout the Nation. The numbers be larger in New York but these mandates have an equally significant impact on the budget and local autonomy of every city.

Mr. Speaker, if we are going to enact legislation imposing significant costs on State and local governments, we should be aware of those costs at the time we are considering the legislation—not afterward. Currently, 33 States require that State bills be accompanied by estimates of their impact on local budgets, and those requirements have worked to improve the operation and fairness of State governments.

This legislation, Mr. Speaker, is an important step toward full disclosure of the cost of Federal policies. In the past, many Federal mandates have imposed unsuspected costs on States and localities. This bill will provide an essential managerial oversight tool for Congress and provide a vehicle for determining the financial obligations placed on State and local governments in meeting national policy objectives.●

TRIBUTE TO THE LEFKOVITS

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. SHELBY. Mr. Speaker, the story of how Max Lefkovits got his start in America late in the 1800's is familiar: He carried a pack on his back, peddling goods about the countryside.

Eventually, he owned a business which he passed on to his sons, a business that gradually changed from one with a country store atmosphere where farmers brought in their bales of cotton to a small town department store.

The story recently came full circle, when the remaining son, Norman Lefkovits and his wife Sonya, closed the Columbiana business as 1981 began. It had been in continuous operation by members of the Lefkovits family since 1896, and was apparently the oldest business in Shelby County, Ala.

The founding of the store antedates the memories of almost all living Shelby Countians. Max Lefkovits, who immigrated from Hungary, was first involved in the Columbiana Mercantile Co.—located across the street from where the Leader now stands—which opened in 1907.

The store in its early days had furniture, men's overalls, piece goods, and notions, some groceries, and just about anything else one might need. People would trade chickens or eggs from their farm for clothes.

Among the changes that have occurred in the store since World War II, according to Sonya Lefkovits are:

We quit being a country store and became a "small town" store. By the late 1950's all the stores in Columbiana took on a more modern look.

Norman and his wife regret having to close the store with its long traditions and history, but both agree that among the rewards were the great many friends they made—both in customers and the people who worked in the store through the years.

It is my pleasure to have this opportunity to wish Norman and Sonya Lefkovits well on the occasion of their retirement. They have truly been a special asset to the Columbiana community and Shelby County. This kind of devotion to a family business should serve as an example to us all.●

THE FACTS

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. FAZIO. Mr. Speaker, at the Adjutant General Conference held this month in Texas, the California National Guard presented a white paper entitled "Uncompensated Time, Members of the Guard and Reserve." Maj. Gen. Frank J. Schober, Jr., Commander of the California National Guard, and Col. Donovan L. Burton, special representative to the commander, have requested that I bring this report to the attention of the U.S. Congress.

We are all keenly aware of the vital role that the Guard and Reserve play in service to our Nation. However, many of us are unaware of the tremendous personal and financial sacrifice that these men and women are required to make. I believe the information contained in this report will help each of us better understand the needs of these individuals, and thereby to make better decisions concerning their well-being.

I am pleased to present the following excerpts from the white paper:

THE FACTS

1. As a means of reducing the Federal Budget, the Department of Defense and certain members of Congress have attempted each year, for the past several years, to eliminate benefits that are being provided for members of the Reserve Components.

2. Two of the more prominent benefits considered for reduction or elimination are military pay leave for public employees and administrative function pay for unit commanders. Under current law, federal employees are entitled to 15 days of paid military leave each fiscal year. Administrative function pay for unit commanders, $20 per month, was eliminated effective 1 October 1980.

3. A reduction of the limited benefits for members of the reserve components, particularly federal and public employees, will impact adversely on the ability of the reserve components to perform their missions.

4. This study was conducted to determine the amount and nature of uncompensated time being expended by key personnel in the California Army National Guard (ARNG) in accomplishing their missions.

5. For the purpose of this study, ARNG respondents were selected from a stratified random sample of key officers and non-commissioned officers. Key personnel are defined as battalion commanders, their executive officers, personnel officers, training operations officers, and selected officers considered as being key to the battalion mission. Enlisted personnel considered at the battalion level are the command sergeant major, the sergeant major and other selected enlisted members essential to the battalion mission. Personnel considered at the company level are the commander, first sergeant and other selected officers and enlisted members vital to the company mission.

6. The statistical methods used by the researchers in this study process are deemed to be valid and could be expected to produce the same responses in 99 percent of any set of surveys conducted by similar methods on this same subject.

RECOMMENDATIONS

1. Members of Congress and State legislature should consider expanding benefits available to key managers of the Reserve Components, not reducing or eliminating ones that are already established. Administrative Function pay for unit commanders should be restored immediately and military pay leave for public employees must be retained.

2. A minimum of four full-time employees, for administration, supply, maintenance and training be employed at unit level to accomplish the missions being assigned to Reserve Components and to meet minimum readiness requirements.

3. Establish a means to reimburse key members of the Reserve Components for personal expenses related to accomplishment of their unit's mission.●

THE COMING ECONOMIC EMERGENCY AND WHAT CAN BE DONE ABOUT IT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. MILLER of California. Mr. Speaker, there is a need for frank and nonpartisan discussions about the state of our economy. We cannot afford to luxuriate in rhetorical analyses or magical elixirs any longer. A recent article by Felix Rohatyn provides a sensible analysis of our economic situation, and I want to share it with my colleagues.

The article follows:

THE COMING EMERGENCY AND WHAT CAN BE DONE ABOUT IT

(By Felix Rohatyn)

What is the outlook for American society and, more specifically, how can our society adapt to an economy in distress? It is a vast question that I can only speak to from a rather limited, but nonetheless eye-opening, experience, as chairman of New York's Municipal Assistance Corporation. But, in brief, I would say that the outlook for American society is highly uncertain and that it cannot, in the long run, adapt itself to an economy in distress.

Austerity and democracy do not walk hand in hand in the United States, except in wartime. The near-bankruptcy of New York City created in 1975 something like a "moral equivalent of war" for city and state politicians, as well as business and labor leaders. Before then the city had, for years, plunged toward disaster. Year-to-year deficits were papered over by accounting gimmicks; pension plans were underfunded; industries were driven away by high taxes and low productivity; borrowing was more and more relied on to finance operating deficits while capital programs were starved; the political leaders refused to face reality: all of these made disaster inevitable.

It was only when this became apparent, when month after month one bankruptcy deadline after another had to be faced, that Governor Carey called on business and labor to join forces with government in order to devise a program that would head off the crisis and bring the city back to life. The programs that accomplished this were initially harshly deflationary, then followed by a gradual shift to moderately relaxed fiscal policy and support of business, which led this year to New York City's first truly balanced budget in memory.

It is worth analyzing what we were able to do in New York as well as the limits beyond which we could not go, under the severest kind of pressure, since New York is, in certain respects, a mirror of the US. There is after all little difference between New York City's mounting year-after-year deficits from the mid 1960s to 1975 and the fact that the national budget has been in balance only twice during the last fifteen years; little difference between New York City burying its operating expenditures in its capital budget and the $15 billion annual financing of the US government that is "off-budget" (i.e., the loan guarantees and similar commitments that do not appear in the budget); little difference between New York City having driven business south and west as a result of high taxes and low productivity and the US driving business abroad for the same reasons; little difference between New York City selling short-term notes to finance its deficits and the US financing with the shortest of all notes, namely demand deposits of OPEC oil producers; little difference between New York City's sky-rocketing pension costs and the requirements that social security be adjusted to the cost of living (COLA). New York City faced actual bankruptcy by its inability to pay off its debts when they came due; the US is facing the national equivalent of bankruptcy in the form of uncontrolled inflation requiring increasing levels of national debt to be paid off in currency worth less and less.

Looking back over the last five years in New York, during which a deficit of $1.8 billion annually was brought to zero with a minimum of social disturbance, one can see two distinct phases. First came the brutal shock of actions intended to stop the hemorrhaging: these included a wage freeze coupled with deferrals of past increases; a 20 percent reduction in the work force; increases in transit fares and tuition at City University for the first time in 120 years; reduction by the banks of interest rates paid by the city and extension of the time period of the city's loans; shifts in pension costs from the city to the unions; increased taxes and the creation of a state-run control board to pass on the city's budget.

These programs, most of which were negotiated or set in motion by the Municipal Assistance Corporation, were coupled with limited federal credit assistance. They enabled the state-created MAC to provide a total of $7 billion of long-term financing to the city, both to refinance past accumulated short-term debts as well as to finance its increasing deficits and increasing capital programs over the period. The large initial layoffs of city employees were followed by a period of limited attrition and then by a stabilization of the work force at its present level; the wage freeze was followed by a two-year labor settlement at 4 percent annually.

But then austerity had to yield to the reality of society's pressures, and a more recent settlement was made at essentially market rates between management and labor. Tax increases were replaced by tax cuts designed to favor businesses. Harmony was broken by a transit strike this spring. Increasing social tension in the ghettos of Harlem and Bedford/Stuyvesant culminated in ugly demonstrations to block the closing of just one facility of the city's sprawling municipal hospital system. Civil service reform is still politically impossible and real progress on improving management and productivity is largely confined to rhetoric. Some of the city's essential services have deterioriated.

Still, what saved the city was a limited period of austerity, imposed under the direst of threats, followed by gradual relaxation while a prosperous city economy, together with inflation, generated the growth in revenues to bring about a balanced budget. From 1975 to 1980, the expenditures of New York City grew in the aggregate by less than 10 percent, while the state's expenditures grew by 35 percent and the federal government's by 80 percent. The secret of our success, both at the city and state level, temporary though it may be, was to clamp a lid on expenditure growth while business activity and additional state and federal aid generated enough revenue growth to allow us to survive. As John Kennedy said: "A rising tide floats all ships."

It must be remembered that our imposition of extreme austerity was temporary, that it was essentially imposed by outside forces—i.e., the state, the federal government, and the workings of the bond market—that it required the courageous political leadership of the governor, as well as a true social contract with business and labor. The people of the city were willing to make real sacrifices as long as they believed that those sacrifices were relatively fairly distributed, that there was an end in sight, and that the result would be a better city, a better environment, and a better life. What we did in New York City was completely alien to the concepts of "No Growth" and the "Zero Sum" society so fashionable in economic circles these days.

Americans today are confused and dispirited. They have seen our country, over the last twenty years, dissipate its world-wide economic, military, and spiritual leadership at a more rapid rate than any other major power in history. They are accused, with some justification, of being wasteful and lazy by political leaders whom they perceive at best as inept and at worst corrupt; they hear business leaders calling for belt-tight-

ening and conservative orthodoxy from the comfort of their corporate jets. No wonder people are dispirited.

The United States today, like New York City in 1975, is on the edge of crisis. Financially, militarily, spiritually we are like an airplane about to stall. The answer, however, does not lie in a simple acceptance of "less for everybody"; I would invite economists of the no-growth school to walk in the South Bronx and convince people there that a reduced standard of living is required to curb inflation. I believe that most Americans, just like New Yorkers, would accept a limited period of austerity provided they are assured that we are in a crisis that justifies it, that their particular group is not bearing an unfair share of the burden, and they have a clear sense of how their sacrifice will ultimately lead to a better life for themselves and their children. This requires courageous political leadership with a program that has the following objectives:

A. Opportunity for private employment for most Americans who want to work;

B. A strong currency with reduced inflation;

C. A military policy that will insure U.S. security against any aggressor.

Just as New Yorkers accepted a period of higher taxes, lower services, and, in many cases, loss of income for a perceived goal, i.e., the solvency of the city, so now Americans in the rest of the country would, in my view, accept a period of austerity if they really believed there was serious prospect of change. They have no reason to believe it at this point. The presidential campaign has offered little hope in that connection. At this writing it is clear that whoever is elected, we are condemned, because of uncertain leadership and a Congress unwilling to face responsibility, to stumble from inflation to recession and back, with each stumble worse than the one before. I do not believe that our society will stand the strain over the next four years. Our next president will face an emergency during his term of office, either internationally or domestically, possibly both, and the real issue now is how it will be faced.

It seems to me that we face different types of critical problems today:

1. Problems like that of energy, which should have been apparent for years, where solutions are obvious, but to which the political structure cannot respond.

2. Problems of inflation and productivity, about which there is a great deal of theoretical—one might say theological—controversy, and very little knowledge, in which the spectrum of professional opinion is exceeding broad, and therefore no political consensus can even begin to be formed.

3. Problems of our security vis-a-vis Russia. We do not seem able, at a cost of $140 billion a year, to project a credible sense of the U.S. as a world-wide power. At the same time, we seem incapable of continuing a process of reduction in weapons competition by ratifying SALT II.

4. Problems like those in the Middle East, which is vital to our security and our economy, where governments tend to be irrational in conduct and far removed from the exercise of our power.

5. Problems like employment and education in the urban ghetto, which have baffled all attempts at improvement, and which will, with continued "benign neglect," have consequences that are anything but benign.

6. Problems like the great shift in wealth from the Northeast and Midwest to the energy-producing areas of the US, as a result of price decontrol. This trend will ultimately turn the country into "have" and "have-not" regions. One has only to look at Canada for its political implications and to be mindful of the fact that Canada does not have our existing social strains. This is a problem the political leadership resolutely refuses to acknowledge.

7. The problem of the West and the third world, which must be faced by a coherent policy of the Western nations, a willing OPEC, and a realistic third world, none of which exists today. Western technology must combine with OPEC financing to help the third world. It is beyond the West's capacity to bear any but a small part of the financial costs of third world development.

8. The problem of the coming capital shortage, which will be created by at least three forces: the enormous financing requirements of the US government; the equally enormous financing that American industry will require to increase productivity and create energy independence; and the drain on our economy of a $100 billion annual payment to OPEC for imported oil. Nonetheless, our economic leaders deny the possibility of a capital shortage.

9. The problem of our relations with Mexico and Canada, which both pose large risks and large opportunities for the US. Mexico, with its oil resources, its fast-growing population, and its distrust of the US, may be our most important long-term foreign policy problem. The potential benefits of a North American Common Market should be explored. But this is not even being discussed peripherally.

These problems are all vital to our future, are all directly related to each other, and require inspired political leadership as well as intellectual honesty to find solutions. It is also well to remember that there are no permanent solutions to anything, only continuing adjustments to continually changing situations. It seems likely that the current political structure and the existing trends will exacerbate rather than help resolve this series of interrelated problems, and, in my judgment, this makes a crisis inevitable.

Our energy problem, together with our exposed strategic position in the Middle East, can only be resolved by a strong commitment to practical independence from imports. This would, in addition, strengthen the dollar by eliminating a $100 billion a year outflow and would help reduce inflation. A stiff gasoline tax; rational development of coal and nuclear energy with a realistic appreciation of the difficulties with each one, a willingness to compromise on environmental issues—none of these proposals is mysterious or new, and yet current politics make efforts to explore and implement any of them practically impossible.

Insofar as the economy, inflation, and productivity are concerned, we cling to theological explanations that are as tired as they are unworkable. Liberal demands for public works and public jobs have to be matched against the failure of such policies during the past twenty years. But the current conservative proposals for tax cuts that favor production, and for tight monetary policy coupled with tight fiscal policy, have failed with equal consistency. When Presidents Nixon, Ford, and Carter tried these methods, they were quite successful in inducing recession, but they wholly failed to reduce inflation; quite to the contrary.

The purest attempt so far is Mrs. Thatcher's United Kingdom, where the Anglican Church seems to have been replaced by the "Sayings of Milton Friedman." Income tax cuts coupled with sales tax increases, government spending cuts together with tight money have, after a year and a half, resulted in a 20 percent rate of inflation, an 8 percent reduction in manufacturing output, and the highest level of unemployment since the Depression in spite of the enormous cushion provided by England's North Sea oil. In view of the record during the past twenty years, it is relatively easy to understand why liberal economic thinking has become discredited; it is, however, more difficult to understand how the conservative monetarist theology continues to enjoy such uncritical popular support while the current example of England's struggle is vividly in front of us, along with its extraordinary potential for social explosion.●

BOY SCOUTS HONOR J. C. AGAJANIAN

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. ANDERSON. Mr. Speaker, tomorrow evening, the Los Angeles Area Council of the Boys Scouts will honor my good friend, J. C. Agajanian, for the contributions he has made over the years to scouting.

"Aggie" needs little introduction to anyone who has ever had even the most passing interest in auto racing. He has entered cars in 33 consecutive Indianapolis 500 races. That is but one of his incredible records in the sport. Because one of my first endeavors as a young man was in motorcycle racing, I have long had a special admiration for the very special place J. C. Agajanian holds in racing. You never get the grease and the dirt and the fumes out of your system, no matter how far you get from the track.

But, the most important of his accomplishments do not show up in the record books. Auto racing has always been in the vanguard of progress for our entire automobile industry, the racetrack frequently being the first place that changes are tested, in grueling conditions, to provide advances in safety and efficiency. And in that select effort, J. C. Agajanian has been in the forefront of innovation. He has served on the Safety and Rules Committee of the U.S. Auto Club (USAC), and in that capacity has made significant improvements in racing safety. He has not been afraid to risk his own resources on revolutionary advances, like the turbine racing car, in order to be on the cutting edge of changes with effects far beyond the limits of the speedway.

He is also a successful businessman in Gardena, Calif. If for no more than what I have already mentioned, I am proud to have had J. C. Agajanian as one of my constituents.

But, it is for a different, and far more important, aspect of his life that the Boy Scouts will honor Aggie to-

morrow night. In business and racing, one of his chief talents has been as a promoter. The Boy Scouts have also been beneficiaries of that talent. Aggie has made a number of generous contributions to the Scouts. One of the most notable and successful has been the Boy Scout benefit nights at Ascot Park, where he is the president. In fact, there seems to be no limit to Aggie's generosity in behalf of the community, especially when it comes to the benefit of our youngsters. It is for this community commitment that the Boy Scouts will pay tribute to J. C. Agajanian.

My wife, Lee, and I wish J. C. Agajanian, his wife Faye, and their four children continued success in all of their endeavors, and we join with the Boy Scouts in expressing our pride in his accomplishments for which he will be recognized tomorrow.●

LOW INCOME ENERGY ASSISTANCE

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. VENTO. Mr. Speaker, while our Nation's Capital is enjoying this warm weather, it is important that we remember the millions of low-income families who are struggling with increased heating bills. Only a few weeks ago, our communities were subjected to brutally cold weather, but that cold blast was a tropical breeze compared to the normal winter temperature in the northern half of our country. In addition to the inflationary pressures which low-income families must face, these families have had to absorb a 100 percent to 200 percent increase in the cost of heating their homes since decontrol. The Reagan administration's plan to totally decontrol the price of domestic oil will surely aggravate this situation.

Congress and the Carter administration have not been totally insensitive to this problem. The low income energy assistance program has increased from a token $200 million in fiscal year 1977–78 to $250 million in fiscal year 1979, $1.6 billion in fiscal year 1980 and $1.85 billion in fiscal year 1981. A cursory look at this program would show a dramatic increase in Federal aid, but it would not reveal that the number of eligible families has greatly expanded and the program has expanded to serve the cooling needs of persons in warm climates.

The program has also evolved from the original "crisis intervention" orientation for families with heating emergencies to a less targeted program. The program is not sufficiently funded to provide adequate assistance to all eligible families nor is it flexible enough to protect very low income families from heating emergencies. In Minnesota's Fourth Congressional District, the area I represent, the net effect of the expanded mission of this program has been an ironic reduction in assistance for an expanded and different universe of beneficiaries than were previously eligible.

It has become the policy of this country to remove the restraints on the cost of energy, but we have not provided sufficient consideration for those persons disproportionately affected by this policy. A study published by the Department of Energy demonstrates that although low-income families use 25 percent less heating energy than the average American family, in Northern States energy costs may consume up to 35 percent of total family income which is four times the national average.

The following article in the Christian Science Monitor vividly demonstrates the burden we have placed upon the low- and moderate-income families. I commend this article to the attention of my colleagues and urge the continued support for this needed program.

FEDERAL FUEL AID FALLS FAR SHORT OF MEETING NEED OF U.S. POOR

(By D. K. Piot)

Members of the Harold Hulce family in Milwaukee, Wis., make a total of $227 a month. They pay $250 for a tankful of home heating oil, which lasts six weeks in this winter's colder-than-normal weather.

Social workers in Midwestern and Northeastern states say the financial bind this places on the Hulces is not at all uncommon. This heating season more and more low-income households are finding that fuel bills can exceed total family income.

With the prices of food and other necessities rising along with the cost of fuel, and with unemployment on the increase, a lot of families are unable to cope.

"We're seeing far more people with fuel emergencies this year than we've seen historically," says Tony Maggiore, director of the energy crisis assistance program in Milwaukee.

"Thousands of low-income people who never before sought public assistance are seeking it now because they have no other alternative. They're finding that the higher energy prices coupled with unemployment and inflation are impossible to handle."

Mr. Maggiore says his staff has received 40 percent more energy emergency phone calls since Dec. 1 than during the same period last year. "In many cases, lives are in jeopardy because open kitchen ovens and gas flames from stoves have been used to keep the family warm."

Critics say the $1.85 billion appropriated by Congress for this year's low-income fuel assistance program under the Home Energy Assistance Act won't begin to help all those who need it.

Says Carol Werner, a legislative advocate for the National Consumer Law Center in Washington, "The appropriation is larger than the $1.6 million allocated last year, but this year's eligibility pool has grown considerably. There are now almost 21 million households eligible for assistance compared with the 17 million eligible last year.

"If the expected 70 percent of all eligible households participated, each one would receive an average of only $128—and that's before administrative costs are deducted. That's hardly an adequate level of assistance when you are looking at fuel bills which will run upwards to $1,000 and $1,500."

If the Reagan administration goes ahead with immediate decontrol of oil and natural gas prices, the spiraling costs will create additional "intolerable pressure" upon poor people, Ms. Werner says. Sixty percent of all low-income households heat with natural gas.

Says Bob Coard, executive director of Action for Boston Community Development: "Poor people are pressed to the wall with nowhere to go. They have a tremendous amount of anxiety over what's going to happen to them under the [Reagan] administration. I hope things don't get back to the '60s with riots and all that. Last year people without fuel were siphoning it from other people's oil tanks.

"For low-income people it's a catastrophic situation. They depend on a hand-to-mouth delivery system. They don't have the cash to pay for home heating oil ahead of time. Small delivery companies don't give them credit. They won't deliver under 100 gallons of oil, and some charge a premium to do that."

A recently released study published by the Department of Energy's Fuel Oil Marketing Advisory Committee (FOMAC) says of low-income households in the US:

On average nationwide they will spend at least 21.8 percent of their income on household energy. In the Northeast and Midwest, they could spend up to 35 percent.

They will continue to pay nearly four times more of their income on household energy than the average American household.

They lost over $6 billion in purchasing power last year due to soaring energy costs.

By necessity, they occupy low quality and energy inefficient housing stock that further penalizes them and their efforts to cut energy costs.

They use 25 percent less energy than the average American household for heat.●

FAHD'S CALL FOR JIHAD AGAINST ISRAEL DAMAGES THE SEARCH FOR PEACE

HON. BENJAMIN S. ROSTENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. ROSENTHAL. Mr. Speaker, the Crown Prince and Deputy Prime Minister of Saudi Arabia Fahd ibn 'Abd al-Aziz damaged the cause of peace and threw a serious obstacle in the way of continued Saudi-American friendship with his shrill cry for a holy war against Israel.

I recognized the difficulty which the Saudis have in achieving the modernization of their country while they preserve the positive values of the tribe and family which lie at the core of a stable society; and in the context of these efforts the spirit of compromise needs fostering.

Unfortunately neither compromise nor moderation has yet to find a place in the Saudi attitude toward the Arab-Israeli conflict. For more than 30 years Saudi Arabia has refused to recognize Israel's right to exist. In 1948, 1967, and 1973, the Saudis supported the wild adventures of the Arab countries determined to destroy Israel by force of arms. Since the Camp David accords the Saudi policy has been one of outspoken opposition to any negotiation with Israel.

Prince Fahd's call for a jihad can only inflame passions on the Arabian Peninsula and throughout the Arab world.

His remarks raise the question of whether Saudi Arabia can be a reliable partner of the United States of America. Lest he think the U.S. Congress does not listen to speeches marked for a solely Islamic consumption, I insert his remarks of January 21, 1981, as reported by the Foreign Broadcast Information Service:

His Royal Highness the Crown Prince and Deputy Prime Minister Fahd ibn 'Adb al-'Aziz has asserted that the call on Arabs and Muslims for long and persistent holy jihad is the only reply to the Zionist racist arrogance, now that all masks have dropped and talk of peace with the Israeli enemy has become a mere illusion.

In a statement published in today's Al-Madinah, his royal highness said that the call for jihad has not [word indistinct] in our struggle with the Zionist enemies, for a number of reasons connected with controlling matters, moderation and also hope for a just peace which preserves for the Arabs their legitimate rights.

His royal highness added: Words and statements have become of no avail in these critical and difficult circumstances. The Arab and Muslim nation is being confronted with a unique challenge which is supported by the strongest military power in the world. As far as we are concerned it is a question of to be or not to be.

His royal highness said that the Zionist enemy, having upsurped the entire land of Palestine and some other Arab territory, is today declaring Jerusalem its united capital, defying by this the feelings of the Arabs and Muslims and also the UN resolutions. Hence we wonder: Of what avail has moderation been? Is this the West's concept of a just peace? Where is the comprehensive peace framework which they imagine they laid down at Camp David and which they promised us?

Referring to the question of autonomy for the Palestinians, his royal highness said that this issue requires from those who still wager on it a stand of pride and a lofty mind in order to admit failure and back down from what has taken and is taking place.

We in Saudi Arabia, he added, firmly believe that the Zionist enemy has embarked on [words indistinct] our territory gradually and is annexing Arab territory to itself at the appropriate time so that this territory becomes part of its so-called empire.

His royal highness stressed that putting the Arab house in order quickly has become a pressing and urgent matter on our list of priorities. He stressed that Saudi Arabia, in cooperation with other brothers, has embarked on unifying the ranks so that we adopt a united stand in a single battle, regardless of cost—a battle in which we place all determination, faith, resources and energies and everything dear to us. We shall not rest until our usurped land is liberated and until the Palestinian people return with dignity and pride to their homeland to set up their independent state, with Jerusalem its capital.●

BRAZIL'S ALCOHOL FUELS PROGRAM AS A MODEL FOR THE UNITED STATES

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. BEREUTER. Mr. Speaker, the purpose of this report to my colleagues is to assess the Brazilian alcohol fuels program, describe the research undertaken and technology used, indicate possible areas for cooperation and assess the applicability of the Brazilian experience with alcohol fuels to the United States and other nations. This report is largely a condensation of a January 1980 report of the U.S. State Department, prepared in Brazil and dated January 2, 1980. It is, however, further supplemented and substantiated by this Member of Congress through observations and discussions held with governmental and private sources during a visit to Brazil on January 10-18, 1981, as part of the Latin American study tour by the Mines and Mining Subcommittee of the U.S. House Committee on Interior and Insular Affairs—led by the subcommittee chairman, the gentleman from Nevada, the Honorable JAMES SANTINI.

SUMMARY OF BRAZILIAN ALCOHOL FUELS PROGRAM

While Brazil depends on the renewable resources of hydropower and biomass—largely firewood—for over one-half of its energy consumption as the largest industrial power in Latin America, it also has developed a dependency on oil.

Despite refreshing Brazilian optimism, the future may realistically hold little promise of dramatic increases of domestic oil production. Currently, it imports 85 percent of its oil; payments for oil imports were $6.2 billion in 1979, with a level for 1980 projected at $10 to $11 billion. Thus, the overall goal of Brazil's energy program is to reduce oil imports by increasing domestic oil production, adopting conservation measures, and replacing oil with domestically produced products: Coal—limited known reserves—and electric power—great potential—for fuel oil, and ethanol for gasoline.

The Brazilian alcohol program established in 1975 by Presidential decree specifically seeks to increase alcohol production for the gradual replacement of oil derivatives. The program's main objectives are to: First, reduce demand for imported oil, and hence reduce balance-of-payments problems; second, increase the security of energy supply; third, utilize excess capacity for producing sugarcane; fourth, decentralize industrial development now predominately in the south; fifth, increase income and create jobs in rural and underdeveloped areas; and sixth, develop a chemical industry based on alcohol.

As a target for 1985, the Government has set an overall production of 10.7 billion liters, to be used as follows: 6.1 billion liters or 57 percent, of hydrous ethanol to fuel vehicles designed or adapted to run on 96-percent ethanol; 3.1 billion liters, or 29 percent, of anhydrous—waterless—ethanol to blend with gasoline, in proportion of up to 20 percent; 1.5 billion liters for chemical industry—14 percent.

The Government program is being implemented entirely through private enterprise. Loans are reportedly being provided to enterprises covering 80 percent of needed investment for sugarcane distilleries and 90 percent for cassava distilleries—at 17-percent annual interest—inflation in 1979 was forecast to be 75 percent. To accelerate the program, the present administration plans to spend US$5 billion from 1979 to 1985. As of November 1979, 248 proposals have been accepted for funding at a governmental expenditure of about $1 billion. When completed, these approved projects will add a capacity of 4.6 billion liters per harvest, bringing the total Brazilian capacity to produce ethanol up to 5.5 billion liters. In addition, the Federal funds under the national alcohol program are being expended on research. As estimated in 1978, the Secretariat of Industrial Technology (SIT) was spending $20 million to support research on raw materials, 14 percent, development of processes and products, 55 percent, utilization, 12 percent, and residues, 15 percent. The chief recipients are the National Technology Institute (INT) in Rio, 61 percent, Planalsucar of the Ministry of Agriculture, 22 percent, and the Center for Aerospace Technology (CTA) 8 percent.

Ethanol production quadrupled from 1976 to 2.5 billion liters in 1979. A distillery capacity of 4.8 billion liters is being installed for the 1980-81 harvest. Once again production is expected to quadruple to 10.7 billion liters in 1985. Almost all ethanol is now produced from the fermentation and distillation of sugarcane, using conventional technology. Process heat is supplied by burning plant residue, called bagasse. Brazil has also already begun the industrial production of ethanol from cassava, using plant residues and firewood for process heat. Early prob-

lems of an unstable supply, inadequate organic residue for processing energy, and technical problems in fiber removal make the goal of producing 10 percent of Brazilian alcohol from cassava by 1985 seem optimistic. However, INT claims that the prototype plant at Curvelo is now operating satisfactorily.

Several projects are underway to demonstrate the feasibility of converting wood into methanol and into both coke and ethanol. Three demonstration plants for gasifying wood will be built.

Another option for which INT is said to have developed technology is the production of ethanol through acid hydrolysis. A pilot plant for this process was planned and may now be in operation.

A planned pilot plant in Caucaia will demonstrate a third approach. It will attempt to convert cassava and black marmeleiro, a shrub tree native to the northeast, into ethanol to fuel a turbine electrical generator, whose waste heat would be recycled into the distillation process. The stillage would be converted into animal feed. Finally, in a cooperative, governmental/private sector project, the Brazilian Institute of Forestry Development (IBDF) plans to build a pilot plant to produce ethanol from a rotational cutting of timber from an area 20,500 hectares in size. The president of IBDF is quoted as saying that the cost of ethanol will be one-half that of the ethanol from sugarcane plants because of the value of the coke produced in the process.

Finally research is underway on the use of the babacu palm and sorghum. Coconuts from the palm are to be used in a plant in Maranhao to furnish edible oil, charcoal from the endocarp, ethanol from the mesocarp, and process heat from the apicarp. While the research on the use of sweet sorghum to produce ethanol is still in the research stage, its use especially intrigues the Brazilians for it could be used to extend the operating season of the sugarcane distilleries.

Up until 1980, ethanol had been mainly used in gasohol in blends of up to 20-percent alcohol without engine modification. By 1985 Brazil expects to meet two major objectives in ethanol use: First, to serve as a fuel for automobiles—about 60 percent of 1985 ethanol production; and second, to replace naphtha by using ethanol as a base raw material in the chemical industry—about 15 percent of 1985 ethanol production.

GASOHOL-FUELED ENGINES

The addition of 20-percent ethanol to gasoline has a number of advantages. Most obviously, it saves gasoline—about 16 percent according to researchers at Volkswagen and the Aeronautical Technology Center (CTA), which has primary responsibility for testing alcohol fueled engines. While ethanol provides 30 percent less power than an equal volume of gasoline—40 percent per kilogram—the gasohol mixture tends to be burned more efficiently in the automotive engines, which in Brazil are typically set for fuel-rich mixtures. Second, ethanol acts as an octane booster. Brazilian gasohol with 20-percent ethanol shows an average octane rating of 81 compared with 73 for regular gasoline. Automakers have been unable to take advantage of the octane-boosting effects by increasing the compression ratio because of regional and seasonal variation in alcoholic content of gasohol. Nevertheless, Petrobras has been able to reduce the lead content of gasoline while complaining that even so they are now "giving away octane," that is, delivering gasohol with an octane number higher than required. The 20-percent blend not only saves an estimated 16-percent gasoline, but also has an increased octane number—81 versus 73 for gasoline—thereby reducing the need to add lead. Third, alcohol reduces engine knock. Fourth, emissions from gasohol are less, particularly carbon monoxide and certain hydrocarbons. Nitrogen oxide emissions, however, may be higher—though not exceeding USG standards.

ALCOHOL-FUELED ENGINES

The future success of the Brazilian alcohol program depends greatly on the large-scale introduction of automobiles designed or adapted to run on near hydrous ethanol. This phase is by far the most ambitious use of alcohol fuels that Brazil, or indeed any other nation, has attempted. It will require the simultaneous coordination of the manufacture of alcohol cars, production of hydrous ethanol, geographical distribution of alcohol fuel supplies, and incentives for consumers to buy alcohol cars.

By agreement with the Brazilian Federal Government, Brazilian automakers last year easily met the goal of producing 250,000 vehicles that use pure alcohol. Certainly the cars seemed to be popularly received by the Brazilian public. The price of gasoline per gallon is pegged twice as high as alcohol, and the Brazilian Federal Government has guaranteed that there will be adequate suppliers of ethanol fuel for the public. The goal for 1981 has been boosted from 300,000 to 400,000 vehicles using pure alcohol. Including plans to adapt 470,000 cars to alcohol combustion, there could be well over 2 million cars using pure alcohol in Brazil by 1985.

Based on research and development including the experience of 730 alcohol-fueled vehicles, which have run a total of 22 million kilometers, Brazilian engineers and authorities are convinced that the major problems of using ethanol as a standard fuel has been solved. The first such problem is the low calorific value of ethanol relative to gasoline which thermodynamically implies that an engine would consume 43 percent more ethanol than gasoline for the same distance. However, the alcohol engine is being adapted to run more efficiently by increasing the compression ratio from about 6 or 7—standard in Brazil for ordinary gasoline with an average octane number of 73—to 10 or 11, thus accommodating the higher octane number (89) of ethanol. In addition, alcohol engines are adapted to run on a leaner air-to-fuel mixture. All in all, researchers estimate that, given their increased efficiency, alcohol engines consume only about 20 percent more fuel by volume than gasoline engines.

Another problem is the relatively high amount of heat required to vaporize ethanol, causing difficulties in operating when the engine is cold—at temperatures below 10° C.—50° F. For cold starts, a small auxiliary tank of gasoline is installed with a capacity of about 2 liters of gasoline. During ignition, the gasoline is fed through an electric pump, solenoid injector, or even by hand, into the ethanol fuel stream in mixtures of 5 or 10 percent gasoline. Thus far, this has proven satisfactory. In normal operation, the fuel intake system is preheated with hot exhaust gas for increased temperature and better distribution of the fuel mixture.

In addition, the solvent action of ethanol on certain plastic and rubber parts requires replacement by nonethanol soluble parts. Ethanol produced in Brazil also contains varying concentrations of sulfuric acid residues, which require careful monitoring and when necessary, correction. Otherwise, the acid could combine with metals like zinc to form sulfates harmful to engine performance. Ethanol also tends to absorb water thus decreasing engine efficiency, lowering calorific value of the fuel, and increasing the possibility of corrosion of parts by water. To insure quality control and to prevent illegal additions of water, densitometers may be installed on all ethanol pumps.

In road tests, CTA reports no unusual amount of mechanical difficulties, except for the fuel pump. Volkswagen researchers said that in test runs of 100,000 kilometers, no unusual mechanical problems were observed. Indeed they quoted Texaco that the lubricating oil behaved better, metal content was lower, and viscosity extended. Research and road testing have determined that optimum engine performance is obtained from a mixture of 96-percent ethanol with 4-percent water. Further dilution with water is tolerable down to 91-percent ethanol. Beyond this point, engine efficiency deteriorates, described by one engineer as "the steam engine effect."

Brazilian authorities and automakers are confident also that the public will buy the alcohol cars. Volkswagen claimed that customers are now postponing purchases to have the opportunity later to buy alcohol cars. There are significant economic incentives. The Government plans to keep the price of ethanol at the pump at least 25 percent less than that of gasoline, thus making the price of deliverable energy from ethanol slightly less than that from gasoline. According to Volkswagen, the annual licensing tax will be reduced from 7 percent for gasoline cars to 3 percent for alcohol cars and the terms of financing will be extended from 12 to 16 months to 36 months.

PROBLEMS AHEAD FOR BRAZIL

In order to meet the ambitious targets set for 1985 and beyond, Brazil must solve several looming problems:

1. COST

Ethanol from sugarcane or cassava costs about twice as much to produce as gasoline because of the high cost of feed material, which comprises two-thirds of overall cost. Also sugarcane distilleries operate only 180 days a year; large and costly storage capacity is required. The real cost of ethanol according to the U.S. State Department report of January 1980 was, at the cruzeriro equivalent, estimated at US$40 per barrel by Petrobras—the Brazilian nationalized oil giant—and at US$35 by the Brazilian Secretariat of Industrial Technology—values assigned before the December 1979 devaluation.

2. FOOD VERSUS FUEL

Ideally, crops for both food and alcohol would be produced on good farmland near population centers. However, such areas are already heavily cultivated, even though, generally speaking, unused arable land in Brazil is immense. Thus, there is a Brazilian concern that Government-guaranteed markets for alcohol will displace food production. There are obvious parallels here to the concerns that have been heard within the U.S. Department of Agriculture on the dangers of displacing grain production.

3. INSTABILITY OF SUGAR SUPPLIES

An increase in world sugar demand or a bad harvest would drive up sugar prices and thus cause a shortfall in sugarcane available for conversion to alcohol. Until 1980 Brazil exported ethanol to the United States and other foreign nations, but in January 1981 governmental officials indicated that such exports have been stopped and are not likely to be resumed in the immediate future. Since Brazilian and West German alcohol has in substantial amount been used to produce gasohol marketed in the United States, additional American alcohol production is an immediate requirement.

4. STILLAGE

The waste effluents from distilleries are often disposed in rivers thereby creating heavy pollution. The stillage, and organic effluent, is in volume over 12 times that of the ethanol produced. Extensive research is being conducted in creating useful byproducts from stillage, such as animal feed and methane gas.

5. CONSUMER PREFERENCE

Although initial enthusiam with alcohol-fueled cars seems high, it is not known with certainty how consumers will ultimately react to them. If sales slump and automakers then cut back production, an excess of ethanol production capacity will result. Shortages of ethanol also, of course, would have a drastic effect on consumer acceptance.

6. EMISSIONS FROM ALCOHOL ENGINES

No conclusive research has been done regarding the health effects of emissions from ethanol fueled engines. They are, however, generally considered to be less harmful than those from gasoline combustion.

7. DIESEL FUEL IMBALANCE

As alcohol replaces gasoline, and coal replaces fuel oil, an imbalance at refineries will develop, creating further diesel shortages. With railroads moving proportionately far less freight in Brazil than in the United States, its economy moves largely on diesel trucks. Thus while a barrel of crude oil can be—within limits—and is being, refined to produce more diesel fuel and less gasoline, the need for proportionately more diesel fuel still propels Brazilian demand for foreign crude oil. Currently it is actually exporting some of the excess gasoline produced to meet its diesel fuel requirements. Naturally, research for a diesel-fuel substitute is a Brazilian priority.

RESEARCH OPPORTUNITIES

Considering the aforementioned problems, opportunities exist for collaborative research with Brazilian agencies and institutes, including the following areas: First, sugarcane and cassava productivity; second, useful stillage products; third, health and environmental effects of emissions from ethanol-fueled cars; and fourth, development of low-cost additives to enhance ignitability of ethanol in diesel engines.

LESSONS FOR THE UNITED STATES AND OTHER NATIONS

Overall, the Brazilian alcohol program can thus far be judged a successful response to the exigencies of oil dependence, given Brazilian conditions.

Already within a significant part of its total fleet of 8 million cars Brazil has demonstrated that ethanol can be used nationwide in blends with gasoline up to 20 percent, with no engine modification, with good driveability, and, in all likelihood, with reduced pollution. In performance, ethanol can be considered an environmentally acceptable substitute for lead additives as well as gasoline. By 1985 Brazil will probably have demonstrated the economic and technical feasibility of using ethanol as a base material for the chemical industry and, in neat form, as a fuel for automobiles. Its success in producing and marketing alcohol-fueled automobiles is, of course, even more impressive.

However, Brazil's alcohol program has benefited from the following unique factors:

First, the jump in production of ethanol from sugarcane from 1976 to 1979 was possible because of existing excess capacity to grow sugarcane and low sugar prices.

Second, Brazil has unutilized arable lands, which can be cultivated to produce sugarcane, cassava, and other feeds for ethanol production, as well as tropical growing conditions and the water resources necessary for irrigation.

Third, large-scale cultivation of cassava is not feasible in temperate zone nations like the United States.

Fourth, because of balance-of-payments problems and rural unemployment, Brazil has been willing to incur the high cost—in local currency—of ethanol in order to save the cost—in foreign currency—of importing oil.

Fifth, the energy requirements for producing ethanol in Brazil are entirely met by local biomass. Feed materials other than sugarcane do not necessarily leave sufficient residues for processing heat.

Sixth, Brazil was willing to embark on its alcohol program before completely resolving pollution problems.

Nonetheless, considering the following factors, the United States and many other nations do have immense resources and the capability to produce alcohol:

First, agricultural, industrial and even municipal organic waste can be used. Wood also has tremendous potential for alcohol production.

Second, reductions in costs and energy requirements could be expected from scientific and technological innovations by the U.S. chemical industry, once the alcohol industry develops.

Third, environmental problems probably would be less in the United States because stillage is already routinely used as an animal feed. Additionally, catalytic converters now in use would sharply reduce emissions of noxious aldehydes.

Ethanol looks even better when compared to alternative fuels for automobiles. Oil prices undoubtedly will continue to rise. Total reliance on electric power could prove costly. Regardless of fuels used in the immediate or near future, eventually a substitute

for oil will be needed as world oil reserves dwindle. Alcohol derived from biomass appears to be one likely and practical alternative.●

A SECOND CHANCE FOR FEDERAL RETIREES

HON. WILLIAN LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. LEHMAN. Mr. Speaker, during the 96th Congress, my colleagues and Federal retirees throughout the United States expressed a great deal of interest in and support for my bill to give a second chance to Federal retirees who did not elect survivor benefits at the time of their retirement. I have therefore decided to reintroduce this legislation today.

Under current law, a Federal employee must choose to elect retirement benefits at the time of retirement, or, if not married at that time, must decide if he or she wants survivor benefits within 1 year from the date of marriage. This bill would give civil service retirees a year from the date of the bill's enactment or date of retirement to take advantage of this opportunity.

Our office has received numerous letters and phone calls from retired senior citizens indicating their support for this legislation. Most of these people were not aware of their rights at the time of retirement, and therefore missed the opportunity to elect survivor benefits. These retirees have expressed their willingness to pay back the necessary funds to the Federal Government for this second opportunity. This legislation provides for such repayment.

There are also cases where individuals, although married at the time of their retirement, were in the midst of divorce proceedings, and decided not to elect survivor benefits. However, many of these individuals later remarried, and were then unable to elect survivor benefits for their new spouses. Passage of this bill would provide relief to these deserving retirees.

As I have already indicated, there is widespread interest in this bill, and I am hopeful that this legislation to give our Federal retirees a second chance will be considered and passed in the near future.●

PENNY WISE, POUND FOOLISH: U.S. FOREIGN AID POLICIES

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. LaFALCE. Mr. Speaker, one of the most unfortunate and widely held misrepresentations concerns the level of foreign aid which this country bestows on Third World countries.

Every time a foreign aid appropriation or authorization bill appears, a hue and cry arises concerning the extravagant level of U.S. financial and technical assistance to impoverished countries in the Third World. Yet, that rhetoric ignores the fact that the share of the U.S. gross national product going to foreign aid has fallen to 0.19 percent, which is less than every other Western country with the exception of Italy. That figure stands in dismal comparison to other Western nations, such as Sweden, Norway, and the Netherlands, which contribute 0.9 percent of their GNP to foreign aid. Even the notoriously parsimonious Swiss donate a larger share of their GNP to this worthy cause.

Although the humanitarian aspect is obvious, there is an equally important side to this declining trend in U.S. foreign assistance. That downward trend has been naturally accompanied by a declining level of respect and admiration for the United States among Third World countries. It should come as no surprise that a leader of a country with a per capita income of $200 should feel some hostility to a country with a per capita income of $8,750, which decreases its actual contribution to foreign aid. Ironically, many of those who favor a stronger and more assertive U.S. posture on the world arena are adamantly opposed to bilateral and multilateral U.S. foreign aid, which demonstrates a somewhat incomplete understanding of the nature of modern diplomacy.

For example, after Zimbabwe received its independence, Prime Minister Mugabe immediately turned to the West and particularly to the United States for assistance to rebuild his war-torn country. He pointedly ignored the U.S.S.R. and the Soviet bloc, despite his somewhat socialist leanings. However, due to a congressional refusal to support an adequate level of foreign aid, this country was only able to offer him a pittance in assistance, which ran the risk of forcing the Prime Minister to turn to the Soviet bloc. It is to his credit that he has not done so.

I want to commend to all of my colleagues attention an article from the Economist, which quite accurately analyzes this country's "penny-wise, pound-foolish" foreign aid policies. The article is entitled "Hard Luck Story" and appeared in the September 13, 1980, edition of this requested and conservative English journal.

The article follows:

HARD LUCK STORY

WASHINGTON, D.C.—Last year Americans spent more on potted plants and flowers (over $5 billion) than they did on aid to the third world ($4.6 billion). Opinion polls show that, when it comes to federal budget cuts, foreign aid is the favorite candidate of more than four in five Americans, a sentiment not lost on Capitol Hill.

Congress has not managed to pass a foreign aid bill for the current fiscal year, which ends this month. And with congressional elections only two months away, few politicians at present want anything to do with the bill for the next fiscal year, 1981. So for the second year running the administration may have to resort to a "continuing resolution", a tactic which allows it to finance its aid programmes, but at levels much below its original request to congress.

In the late 1960s, when America devoted just over 0.4% of its gross national product to help for the third world, only France, Australia, Belgium and Holland gave a bigger slice of their national income. By last year, when the share of America's gnp going to aid had fallen to 0.19%, only Italy, among the rich countries of the non-communist world, was more parsimonious. Austria also gave just 0.19%, but the American effort had even been bettered by the incorrigibly stingy Swiss.

Bilateral aid accounts for 80% of America's total aid bill. By last year the United States was spending 38% less, in real terms, on this kind of direct aid than it had in 1962. At the same time the aid given has been concentrated in the hands of a few favoured recipients. In 1973 congress decided to direct foreign aid to the poorest of the less-developed countries (ldcs). In 1979, however, about 40% of all America's bilateral aid went to Egypt and Israel to further the Camp David agreements.

A recurrent issue in this year's presidential election campaign has been whether or not America's foreign policy has suffered through an apparent reluctance, even inability, to use military force. What is never mentioned, however, is the possibility that the unwillingness to spread foreign aid at all thickly in more than two Middle East countries has robbed American foreign policy of a useful tool elsewhere in the world. Foreign aid does not necessarily produce client states (which is why some Americans have turned against it). But it can do something for the donor's prestige and influence.

Bilateral American aid falls into three categories. "Development assistance," administered by the Agency for International Development, is widely shared among 68 of the world's poorest countries: last year 81% of assistance loans and grants went to nations falling within the World Bank's poverty criterion (those with an annual income per head of less than $625). Measured in constant (1972) dollars, spending on this type of aid, largely for basic rural development, has fallen from $2.5 billion in 1962 to $1.4 billion in 1970 to $968m last year.

By contrast, spending from the "economic support fund" has more than doubled in real terms in the past decade. This aid is much more political in nature, designed to promote the economic and political stability of countries in regions that America regards as vital to its interests. In the early 1970s up to 85% of the fund went to South Vietnam. Now Egypt and Israel are the big beneficiaries: more than three quarters of the fund last year went to these two signatories to the Camp David accords which they used partly for industrial projects but mainly to finance imports.

The shift in emphasis from development assistance to the economic support fund means that the poorest countries have been hit not only by the decline in America's for-

eign aid budget but also by the growing chunk allocated to Egypt and Israel within that declining budget. There has also been a fall in American food shipments—the third form of bilateral aid—to third-world countries. Last year America gave or sold through soft loans $1 billion of wheat and rice—in real terms only half the value of food shipments made 10 years ago.

Bilateral belt-tightening, of course, could be offset by American contributions to the multilateral development banks. In fact, congress has been even more suspicious of foreign aid over which the American government has no direct control. Congress has now started to cut administration requests for funds over the next three years for the International Development Association (the World Bank's soft-loan affiliate) and the regional development banks. Failure to appropriate enough money to meet its capital obligations means that America's subscription share in the World Bank has fallen from its original 34% to below 24%. Indeed, American voting strength in the World Bank is only just above the 20% share it needs to protect its veto over bank charter changes. Partly because of this, the convention of America naming the bank's president—Mr. Robert McNamara, the current president, resigns this autumn—is now under attack.

The Carter administration has started to wake up to the dangerous trends in American foreign aid policy. It wants to increase development assistance, freeze spending on the economic support fund and go for higher contributions to the World Bank group. The secretary of state, Mr. Edmund Muskie, has been pointing out that of every $1 "given" as foreign aid 70 cents is spent in the United States, to the benefit of 600,000 jobs. But the conservative mood in congress is thwarting these plans. It killed an $8 billion foreign aid appropriations bill for fiscal 1980, forcing the government to continue its aid programme at 1979 levels, that is, 30% below the budget requested.

The appropriations committee of the house of representatives has agreed on a $7.2 billion budget for fiscal 1981, $400m less than Mr. Carter timidly asked for. But the bill has an uncertain future. Plans to bring it to the floor of the house this month have been shelved. It could face the same fate as its predecessor. It is unlikely to be considered by the whole house until after the election.

The most immediate casualty of the current anti-foreign aid mood is Zimbabwe. Its prime minister, Mr. Robert Mugabe, was greeted by President Carter as a "notable world leader" when he visited Washington last month. But the president was less forthcoming when Mr. Mugabe pressed for "massive financial help". He wants $350m for immediate reconstruction and $5 billion for long-term development. No doubt Mr. Mugabe was over-ambitious. But America's offer of $25m this year and $30m next is far short of what Mr. Mugabe could use.

Mr. Mugabe's problem is not just American tight-fistedness. Washington is divided on how to treat foreign aid requests from governments it thinks are suspiciously left-wing. After months of wrangling, congress at last agreed this summer to a $75m package for Nicaragua. But it stipulated that the money should be disbursed only if the left-wing revolutionary leaders of Nicaragua were not fomenting revolution elsewhere in Central America. When reports came that arms were being shipped from Cuba to Nicaragua for use by other guerrilla groups Mr. Carter was forced to freeze the aid until the rumours could be clarified. The state department (which wants the aid) and the defense department (which does not) are singing different tunes to the president, and Mr. Carter is in a mood to procrastinate. Coherence, never mind growth, in American foreign aid programmes will have to wait.●

THE IMPACT OF THE EXECUTIVE ORDER DECONTROLLING CRUDE OIL PRICES

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. WEISS. Mr. Speaker, President Reagan's Executive order issued today decontrolling crude oil prices will result in an unfair burden on consumers and homeowners who use oil to heat their homes and gasoline in their cars. This effect will be felt particularly in my State, which relies on oil more heavily than any other State in the Nation.

It seems incredible that oil companies, which directly benefit from decontrol, claim they need such an action, when the industry as a whole recently revealed its extraordinary profit margins. The higher prices decontrol will create for consumers will result in grossly increased profits for the oil companies. Administration sources estimate the profit increase conservatively at as much as $10 million over the next year, but we can anticipate a much greater amount. Unexpected changes in the market supply of oil, such as the interruption of supply by events in world affairs, could double or possibly even triple the cost of oil to consumers and the profits accrued by oil corporations.

The program of gradual decontrol which was cut short yesterday provided a short period of adjustment for oil consumers, but President Reagan's action makes it still more difficult for many oil-product users who already spend disproportionately large parts of their income on heating costs and vital transportation needs.●

BLUE RIBBON COMMITTEE OF BEAVER COUNTY, PA.

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. ATKINSON. Mr. Speaker, among the many groups and individuals that visited Washington last week to attend the inaugural festivities and tour this great city was a particularly distinguished group from Beaver County, Pa. I had the distinct honor and pleasure to host the more than 40 members and guests of the Blue Ribbon Committee of Beaver County during their 3-day visit to Washington.

Arriving in Washington on Monday they spent Tuesday participating in the many activities centered around the inauguration of our 40th President, Ronald Wilson Reagan. This was in keeping with the avowed purposes of the National Blue Ribbon Committee and its local affiliates which is to foster civic pride, work to better our community, and recognize those who contribute in many ways to make this such a great country to live and work in.

On Wednesday, I was pleased to sponsor a reception for the committee at the National Democratic Club. While not every member of the Pennsylvania delegation was able to attend, most were on hand to honor the committee members who traveled by bus to Washington at their own expense. Louis Uihlein, the president of the Blue Ribbon Committee of Beaver Valley made some brief comments at that time which I feel would make worthwhile reading for all of the Members of this body. At the close of my remarks today I will submit them for inclusion in the RECORD.

For the remainder of Wednesday they were escorted on VIP tours of such local landmarks as the Federal Bureau of Investigation, the Department of State, and the Washington Monument. It was a particular pleasure for me as their Congressman to arrange these activities for them.

To conclude my remarks, Mr. Speaker, I would just like to take a moment to read for the RECORD the names of the members and guests of the Blue Ribbon Committee of Beaver County who were in Washington on this historic trip last week:

Camden L. Williams, Dorothy L. Williams, Marguerite E. Zaperach, Terry E. Zaperach, Marguerite M. Zaperach, Lilyan A. McKelvey, James K. Glitsch, Jr., Dolores Boyle, Mary C. Knopick, Anna Dzubak.

Elizabeth Barto, Anne Yount, Dorothy D. Happ, Janice Happ, Ann Bufalini, Elizabeth Banyo, H. Louis Danneker, Geraldine C. Zugay, Velma J. Bleasdale, David Cuteri, Guido P. Lamark.

Lois J. Sanvito, Anthony A. Sanvito, Lee Uihlein, Marie K. Smith, D. Susan Pratt, Earl R. Pratt, Irene H. McCullough, Hazel M. Masson, Florence D. Musgrave, Mildred S. Shane.

Audrey E. Davidson, Katherine Wozniak, Jo A. Delivuk, Stelle Kilpatrick, Sarah Kostal, Marianne Kostal, Louis Henry Uihlein, S.E.T., Frank Struggs, Sgt., Michael J. Diaddigo, Kenneth L. Young, and Charlotte Sommerville.

STATEMENT OF LOUIS UIHLEIN

Let's have your attention, please. We will now have the pledge of allegiance led by Colonel Louis Danaker. • • •

Thank you Colonel. Please remain standing. Our chaplain for this historical occasion will now give the invocation. Ann Zooback • • •

Thank you, Ann.

Ladies and gentlemen, Honorable Eugene Atkinson, Congressman representing the 25th Congressional District of Pennsylvania, ladies and gentlemen, elected officials from the governmental offices of the United States.

Each and everyone here today is a V.I.P., a very important person. We have traveled many miles to be here for the Presidential inauguration of Ronald Wilson Reagan and Vice President George Herbert Walker Bush. We are here today to salute our Representative, Eugene Atkinson from the 25th Congressional District of Pennsylvania. Ladies and gentlemen, this is a very historical occasion. We have with us today constituents, both Democrats and Republicans, members of the Blue Ribbon Committee of Beaver County, Pennsylvania. We are here on this visit to the Capitol of the United States to fellowship with our elected and appointed officials representing the people of these United States. We call all the States united and that is as it should be, united, a government of the people, and by the people, and for the people. Our forefathers did a great job and over the years we have become the greatest nation in the world.

United States means just what it implies, the state or fact of being one—wholly united and complete within itself a state or quality of general concord and mutual understanding with a goal of harmonious agreement forming a oneness—working as a united unit with equal rights—therefore we should strive to preserve the moral principles that this Nation was founded upon—one nation, under God, with liberty and justice for all.

We have many, many outstanding buildings here in Washington, each a monument to the people and the greatness of these United States of America. I could go on and on elaborating on the wonders of this Nation. I want to give thanks to all the congressional staff—a special thanks to Congressman Eugene Atkinson's staff at the Beaver Valley Mall—Michele Joseph, Barbara Kay, Irene Taylor, Peg Turcic, Ruth Ann Spears, and Staff Director Paul O'Palka. Their gracious assistance was coordinated with the Washington office.

A special thanks to Nancy, Bernice, Robb, and a special thanks to Jewel Lee Huff, who did an outstanding job in assembling the many added privileges and sightseeing arrangements that have been afforded us on this 20th day of January and this 21st day of January, 1981.

A special thanks to all the members of the Blue Ribbon Committee of Beaver County who have given many hours of themselves. A special thanks to Charlotte Somerville, recording secretary and treasurer of the Blue Ribbon Committee. I, Louis Uihlein, president of the Blue Ribbon Committee, thank you one and all for being such a wonderful group, and do look forward to our next trip. Susan and Earl Pratt will entertain you as will my wife Lenore. Let's all join in—this reception was made possible today by our Congressman Eugene Atkinson, who personally planned this luncheon. Today is your day, a day that should long be remembered in your life, a day in the pages of history of these United States These wonderful buildings are your buildings, and each and everyone here in Washington are our representatives, and they represent each and everyone of us, we the people. Gene wants you all to fraternize and enjoy the good fellowship of oneness—united in the knowledge that we have dedicated leaders here in Washington. Please feel free to contact your Representative any time. Together we shall continue to be great. This Nation knows no ethnic, religious, social, political, regional, or economical boundaries—the spirit of our forefathers, immigrants from every corner of the Earth, came here to make this the greatest nation on Earth. We the people shall continue to maintain the Constitution of the United States.●

"MURTHA MISTREATED," EDITORIAL STATES

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. GAYDOS. Mr. Speaker, anyone who serves in public office or occupies a position of public prominence is vulnerable to unwarranted, unfounded, and unproven attacks on their character and integrity which frequently appear in the Nation's media under the guise of "news".

Too often, it seems, these insinuations, allegations and innuendoes are "leaked" to the media by "unidentified sources" and, despite their lack of confirmation or verification, they may be interpreted by readers or listeners as fact. Such reports can cause extreme anguish, humiliation, and embarrassment to an individual. They can disrupt a family and ruin a friendship. They can do irreparable damage to a career. They can cost a life.

It is a risk, I suppose, that goes with the territory. The first amendment of the Constitution gives those who report the news the right to protect their sources of information. I find no quarrel with that. I support the concept of a free press. I strongly believe in the philosophy that "news" must never be allowed to be suppressed in our country.

But, I become concerned when facts and fiction become confused. I cannot help but question the fairness of permitting an unconfirmed report, perhaps one that is totally false, to besmirch someone's character or stain a career while the source of the report remains unidentified and protected by the Constitution. Certainly, the maligned individual has some rights as well.

While he may be held up to public question, scorn and, in some cases, ridicule, the source remains hidden and safe from public scrutiny. The source's reputation is not sullied. His integrity and motives are not questioned. His family is not publicly humiliated or embarrassed. His job or career remains secure.

This feeling of concern was expressed in a recent editorial broadcast by KDKA-radio and KDKA-TV in Pittsburgh, Pa. The editorial dealt with the Abscam scandal and the mistreatment accorded our colleague, JOHN MURTHA.

It said:

The Abscam scandal has been in the news since February. When the story broke, Johnstown Congressman Murtha was linked to the mess.

When there was talk of indictments Murtha's name came up. When a grand jury started to meet in May, Murtha's name was mentioned again. When indictments were handed down in June, Murtha's name popped up once again, even though he wasn't indicted. Finally, in November, the Federal Justice Department said there won't be any more indictments. This time Murtha's name wasn't mentioned.

It's generally agreed now, Murtha wasn't on the take in Abscam. But for nine months his name was blackened across the country. And there's plenty of blame to go around. Last February somebody in the Justice Department had to leak the story lumping seven Congressmen together—one of them Murtha. The news media never took the time to separate the cases and investigate each individually. The innocent and the guilty were painted with the same brush.

No amount of apologies can remove the personal pain and embarrassment Murtha has had to live through. What happened to him proves something. We have to find a way to protect the reputations of people who happen on the fringe but not in the center of a publicly damaging event. That's the lesson all of us can learn from Murtha's mistreatment.

Mr. Speaker, I commend KDKA-radio and KDKA-TV on its efforts to clear the name of a respected colleague. I admire the call for responsibility in reporting the news.●

TARGETED TAX CUTS

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. NOWAK. Mr. Speaker, I hope that the 97th Congress will be able to devise a tax package this year that capitalizes on the growing popularity of providing Federal tax incentives to stimulate economic growth and job creation in the private sector.

In particular, however, I believe that a key component of that tax package must be targeted to address the special expanison needs of small- and medium-sized businesses located in the economically distressed urban centers of our Nation.

While broad-based, across-the-board tax incentives are needed to speed investment and increase productivity in our business community as a whole, at the same time I believe we must provide special incentives to meet the special needs of our older central cities.

What I am advocating is a broader use of the Federal tax code as a tool of urban revitalization and to help these communities counter the adverse impact of long-term high unemployment, population loss, local tax base erosion, and the resultant disincentive to private investment.

I have already communicated this view to President Reagan and I trust that serious consideration will be given this concept as the new administration developes its tax policies and legislative proposals.

I have long been an advocate of tailoring and targeting Federal tax incentives to assist economically distressed communities. I firmly believe such targeted incentives would provide multiple benefits, including assisting localities address in a meaningful way the problems of the chronic jobless and aging, deteriorating physical plants, and abandoned structures.

A carefully tailored and targeted tax incentive package in the long run would result not only in increased revenues for the Federal, State, and local treasuries but also would help curb unproductive governmental expenditures for items like welfare and unemployment compensation.

That is why one of the first bills I introduced in 1975—my first year in the House—was a measure seeking to provide a 5-percent bonus—in addition to the regular 10-percent investment tax credit—for both plant and equipment expenditures in targeted distressed areas.

My experience during the last 6 years and my work during the last 2 as chairman of a House Small Business Subcommittee, reaffirm my belief that this type of incentive would be a viable and valuable economic development and expansion tool.

It is one of six incentives I have included in H.R. 390, the Job Expansion and Urban Development Act of 1980, which I introduced in October. I would like to bring this package to my colleagues' attention in the hope of spurring debate and interest in the viability of this targeting concept.

This bill is intended to help foster the growth of employment and industrial development—particularly among small- and medium-sized firms—in targeted depressed urban areas. The targeting criteria includes levels of poverty, unemployment, and the lag in per capita income.

In general, the bill would:

First, stimulate new investment by providing increased depreciation allowances.

Second, provide a 5-percent investment tax credit on new structures placed in service by a qualified business. This will encourage new construction and business development.

Third, increase the amount of used property eligible for the investment tax credit from $100,000 to $400,000.

Fourth, provide for a 25-percent investment tax credit on the rehabilitation of commercial buildings.

Fifth, help start up companies through a refundable investment tax credit of up to $100,000.

Sixth, expand the present targeted jobs tax credit.

This six-pronged approach would, therefore, provide a range of incentives that would stimulate a variety of economic development initiatives, from new construction to rehabilitation, in the targeted areas. This type of stimulus would do much to improve the physical plant condition in these areas, improving the quality of life and the areas' attraction to both investors and residents.

An important aspect of this approach is its total reliance on Federal—rather than local—tax incentives to stimulate this economic expansion and revitalization.

Cities, like my hometown of Buffalo, N.Y., for example, are levying property taxes at or near their constitutional limits. And still, they are having trouble making ends meet.

Thus, I do not believe that such hard-strapped cities could afford the revenue losses that would be incurred it they sought to provide such investment incentives to target areas by using local property tax abatement as the vehicle.

In addition to the revenue loss, such cities' fiscal woes would be compounded by the continued need to provide costly basic services to the target area that was the beneficiary of such tax abatement.

Thus, adapting Federal tax laws to provide the desired relief and economic stimulus would be the most appropriate and effective route to pursue.

Of course, the all-encompassing intent of my proposals is to create jobs * * * permanent, long-term jobs in the private sector, particularly among small business and medium-sized growth firms.

Another major goal, however, is to deal in a meaningful way with the problems of the chronically unemployed. My proposed expansion and targeting of the jobs tax credit program would be a major step in addressing the needs of the long-term jobless. It would give special tax incentives to firms in the target area who hired residents of the target area. This is in line with my original point that we need to provide special incentives to meet special needs.

Despite various Government-sponsored training programs, thousands of inner-city residents remain trapped in the vise of long-term unemployment. We must enlist the broader involvement of the private sector in dealing with this serious problem and my proposed jobs tax credit would stimulate just that kind of activity.

As our efforts intensify in the months ahead to curtail inflation and achieve a balanced budget, greater and greater constraints are expected on our limited Federal resources.

If we really want to insure that our older cities do not become wards of the Federal Government, if we really want to enable localities to help themselves, if we really want to reduce Federal spending and yet achieve urban revitalization, I suggest that the new administration in cooperation with the 97th Congress seriously address the potential of the targeted tax incentives approach. It will certainly be a top priority item for me.

Cosponsors of H.R. 390 are: Mr. YATRON, Mr. WHITEHURST, Mr. AUSTIN MURPHY, Mr. FISH, Mr. PEPPER, Mr. NELLIGAN, Mr. MCHUGH, Mr. LAFALCE, Mr. NEAL SMITH, Mr. PRITCHARD, and Mr. BARNARD.●

FOREIGN MILITARY SALES TO THE MIDDLE EAST AND PERSIAN GULF DURING THE 1970'S

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues Department of Defense figures on U.S. foreign arms sales during the past decade.

During the 1970's, foreign military sales (FMS) have assumed a larger importance as an instrument of foreign policy. Arms sales increased from $1.3 billion in fiscal year 1971 to $15.2 billion in fiscal year 1980, current year dollars. While this quantum increase in dollar value can in part be attributed to inflation and the ability of many nations, particularly in the Persian Gulf, to purchase arms and military services with cash, it is clear that more and more states of the Third World want to buy advanced weaponry.

As the following charts show, the Middle East and Persian Gulf have, since 1973, consistently been the recipients of over 50 percent of all arms sales. These areas are increasingly important for the United States.

Arms sales remain an important part of our foreign policy and of our friends' and allies' security but we need to be careful to insure that they dovetail with political and economic policies and do not dominate other instruments of American foreign policy.

Two charts prepared by the Defense Department follow:

TOTAL FOREIGN MILITARY SALES WORLDWIDE, IN THE PERSIAN GULF AND THE MIDDLE EAST

[In millions of dollars]

	Worldwide total	Middle East and Persian Gulf	Worldwide total [1]
1971	1,390	690	701
1972	2,950	1,190	1,760
1973	4,848	3,465	1,383
1974	10,343	8,551	1,792
1975	16,053	8,622	7,431
1976	14,371	11,146	3,225
1977	8,305	5,397	2,908
1978	10,177	6,256	3,921
1979	13,014	8,293	4,721
1980	15,277	8,100	7,177

[1] Exclusive of the Persian Gulf and the Middle East.

Source: Data from (B) report as of end of fiscal year 1980; that is, Nov. 20, 1980. Rounded to dollars in millions.

TOTAL FMS FOR PERSIAN GULF COUNTRIES, EGYPT, ISRAEL, JORDAN, LEBANON, LIBYA, MOROCCO[1]

[In thousands of dollars]

	Bahrain	Egypt	Iran	Israel	Jordan	Kuwait	Lebanon	Libya	Morocco	Oman	Qatar	Saudi Arabia	Tunisia	UAE	Yemen	Total
1971	.....	.....	354,613	300,530	16,282	.....	187	632	2,259	.....	.....	15,245	.....	.....	.....	689,748
1972	.....	.....	455,615	399,829	18,877	.....	232	2,672	7,490	.....	.....	305,426	.....	.....	.....	1,190,141
1973	.....	.....	2,133,680	162,488	6,861	40	5,155	130	2,499	.....	.....	1,152,036	2,137	.....	.....	3,465,026
1974	.....	.....	3,935,069	2,450,583	64,506	31,693	9,775	12	8,192	.....	.....	2,048,234	722	.....	2,606	8,551,392
1975	15	.....	1,290,509	828,322	77,547	365,256	240	.....	281,324	1,610	.....	5,775,999	383	.....	372	8,621,577
1976	26	62,192	1,558,797	979,547	359,946	202,480	244	.....	105,374	223	.....	7,742,087	2,247	2,176	130,355	11,145,694
1977	76	1,671	2,760,650	503,015	99,726	31,248	28,505	.....	37,228	764	.....	1,888,155	42,670	268	2,530	5,396,506
1978	27	162,883	913,494	867,328	71,776	85,581	22,545	.....	7,337	.....	.....	4,121,519	2,156	37	1,285	6,255,968
1979	28	449,693	35,862	987,791	88,775	11,780	32,130	.....	3,580	59	.....	6,468,701	33,802	2,847	177,749	8,292,797
1980	6,072	2,408,920	.....	290,421	351,419	126,496	10,947	.....	321,410	23,710	78	4,536,777	21,833	154	1,525	8,099,762

[1]As of the end of fiscal year 1980.●

PUBLIC VERSUS PRIVATE RESPONSIBILITY

HON. CHARLES ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. ROSE. Mr. Speaker, recently the following editorial appeared in one of the major newspapers in my district, the Robesonian in Lumberton, N.C. Because I feel that this editorial raises some very interesting points about public versus private responsibility in an economic crisis, I thought that my colleagues would be interested in this article.

I certainly agree with the editors of the Robesonian that we are facing a difficult and trying economic period. I firmly believe that we need to encourage all Americans to look first to themselves for guidance. The Federal Government cannot possibly solve every problem. I am encouraged by the insight shown in this editorial, and I hope my colleagues will find it as useful as I did.

EVIDENT EMERGENCY

A "national economic emergency" may be declared by President-Elect Ronald Reagan as soon as he is inaugurated. That is hinted by his transition director, Edwin Meece, who admits that any such step would be largely a public relations gesture. No presidential powers exist by which Reagan could take control of the economy and impose "solutions" on which he and his advisers are working.

As a public relations gesture, a declaration of emergency would seem like an anticlimax. The condition of the economy was fully recognized by the public in voting for a change in national administration. If anybody did not get the message throughout months of political campaigning this year, the re-escalation of interest rates should make the point.

The usual purpose of such a declaration is to generate demand for emergency legislation and emergency executive powers, either or both increasing federal control and regulation. That would be contrary to campaign advocacy of less government control. It might be consistent, however, if emergency powers were sought to reduce federal regulation in the interest of a freer economy.

Temporarily, the Reagan administration might win support for doing something, right or wrong, as a show of activity. Yet within a few months, results would become more impressive than intentions. False starts could throw the economy further out of balance and make recovery all the more difficult.

It is the duty of Congress to examine administration proposals and use the judgment of its membership in evaluating them. This is as necessary as ever, or more so, when proposals ride on a wave on non-critical enthusiasm for political promises. A Congress with more Republican clout will need to be as cautious about drastic Reagan proposals as a Democratic Congress was about the liberal plans offered by the highly popular Senator Kennedy.

Nevertheless, the existence of a national economic emergency might be reaffirmed, without arousing unrealistic expectations, in an appeal for public cooperation at the individual and community level. Ways in which the economy could be stabilized by changes in the pattern of general economic activity might be pointed out, and local governments could be asked to cut down on their applications for federal funding of projects they could get along without.

In a national economic emergency, if people are shown what they can do for their country, there will be less reliance on what it can do for them, which has reached limits under an administration.●

IOSIF MENDELEVICH SHOULD BE RELEASED BY SOVIET UNION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. BIAGGI. Mr. Speaker, I wish to bring to the attention of my colleagues the case of Iosif Mendelevich, an original defendant in the Leningrad trials, who today remains incarcerated in Perm Camp 36.

For the past 2 months, Mendelevich has been waging a hunger strike and from all indications his condition is rapidly deteriorating. The apparent motivations for the hunger strike are several. Mendelevich is the only remaining defendant from the Leningrad trials who is still in prison. It is noteworthy that in February, the 10th anniversary of these trials will be observed. Further it is apparent that Mendelevich has been the victim of cruel treatment by his Soviet captors. In a letter he sent to his sister Rifka Drori, he described his life in prison as intolerable. He indicated that his jailers compelled him to work long hours without any breaks in his new duties as an iron cutter. Mendelevich indicated further that as an Orthodox Jew, he had asked to be able to work longer hours so as to be able to meet his religious obligations, but this was refused. Then as a final act of brutality, the jailors confiscated his prayer book. Mendelevich according to his letter relied on his religion to sustain him and now that has been taken.

I have dispatched a letter to Soviet President Brezhnev urging a release of Iosif Mendelevich. I feel his case is especially compelling and worthy of our attention.

I am growing increasingly concerned about an apparent hardening of Soviet attitudes toward the treatment of Jewish dissidents and citizens. One revealing indication is the alarming reduction in the number of Jews emigrating from the Soviet Union. According to figures provided to me by the Library of Congress, the total number of emigration visas granted in 1980 were 21,471 as compared with 51,320 in 1979. In the last 2 months of 1980, only 1,678 visas were granted as compared to 8,338 in 1979 and 7,397 in 1978. I would hope that the Reagan administration would look into this matter in some detail and communi-

cate its concern at the first possible opportunity.

Mr. Speaker, I wish to thank two prominent Jewish organizations for bringing the case of Mendelevich to my attention—the Jewish Identity Center and the Student Struggle for Soviet Jewry.●

BILL SIMON—LESS GOVERNMENT

HON. JAMES COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. COLLINS of Texas. Mr. Speaker, Congress needs to face realities. Bill Simon speaks out in plain language on the crises facing America. William E. Simon was one of America's greatest Secretaries of the Treasury. He understands economics and believes in the free market. Bill Simon is now a contributing editor to the Dallas Morning News. His hard hitting report should get through to everyone on the Hill.

Here are some of the key sections in the Dallas News story as written by Bill Simon.

FOR AMERICA, NOW OR NEVER

There is no more leeway! I do not think I exaggerate when I say that we are faced, quite literally, with our extinction as a bastion of freedom, prosperity and democracy.

Could anything be plainer? We have so disregarded the tenets of free enterprise, and so interfered with the natural workings of the economy in a desperate attempt to repeal universal economic laws by government fiat, that in 1980 we became a 7-times multiplication table of disaster: 7 percent unemployment, 14 percent inflation and 21 percent interest rates.

The two basic industries in the United States, steel and automotive, have had a calamitous year, battered by the one-two punch of inept domestic fiscal and monetary policies, and of international competitors who freely subscribe to policies that were once our pride.

Did you ever expect to see all three of our major automobile makers running in the red, with one quite literally propped up by Uncle Sam?

How many times can the housing industry be knocked flat within a few months before structural damage impairs it permanently?

When have you seen the federal budget jump in such uncontrollable increments? In three years' time, federal spending has jumped by more than 30 percent.

We talk about the strangling burden of overregulation and it has now become a chiche, but we quickly lose sight of the fact that proposed regulations in the Washington pipeline are worse than any that are already on the books. One distinguished economist has put the cost of overregulation at $125 billion. How many nations in the world would like to see their country's entire GNP at that level?

I assure you that my Washington experience has shown me how fast people in all walks of life abandon principles when it requires them to give up some government largesse. The labor unions will recklessly scream for more. The bureaucrats will resist any tampering with their fiefdoms and domains. Those on the public payroll will scream to maintain their prerogatives and their jobs whether they are needed or not. And sadly my experience in Washington—still painful—showed me that businessmen, captains of industry, those who should be in the forefront arguing for the government to back off and allow competitive free enterprise to work, are in the forefront of the mob with their hands held out.

How easy it will be for congressmen to accept the goodies—the tax cuts, the new programs, etc.! And oh how they will resist the tough ones—the budget cuts, the program cutbacks, the agency eliminations, etc.

This time, though, will be the last time we will ever have the choice. Indeed, if all of us as a people, and our leaders, are not steadfast now, we will have few if any choices about anything ever again.●

OPPRESSED JEWRY WEEK—THE ABRANZON FAMILY

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. BEILENSON. Mr. Speaker, on June 25, 1980, I brought the plight of Zina and Arkady Abranzon to my colleagues' attention as a part of the Spirit of Helsinki Vigil, 1980. Unfortunately, this imprisoned couple's situation has worsened since then, so now, during Oppressed Jewry Week—January 23 through January 30, 1981, I would like to speak again on their behalf.

Mr. and Mrs. Abranzon are Soviet Jewish citizens who had planned to apply for exit visas. Mr. Abranzon was the director of several electronics stores, and his wife was in charge of a jewelry and gift store.

The Soviet police broke into the Abranzons' apartment on October 5, 1979, confiscated all of their possessions, and incarcerated them at Ivano-Frankovsk, a trail-isolation prison in the Ukrainian Soviet Socialist Republic, where they were held without trial for more than 1 year.

I deeply regret that Soviet officials have recently found the Abranzons guilty of the crime of possession of resources. Arkady Abranzon has been sentenced to 14 years in prison, and his wife, Zina, has been given a prison term of 6 years.

I would like to take the occasion of Oppressed Jewry Week to reaffirm my strong belief that releasing the Abranzons and granting them exit visas would not only indicate to the world the Soviet Union's compliance with the Helsinki accords, but would also affirm the Soviet's desire to ameliorate relations between our two great nations. I hope the new year will hallmark the beginning of an end to the disturbing mistreatment of Soviet Jewish citizens, and that statements such as this will no longer be necessary.●

ARLINGTON BAPTIST SCHOOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. LONG of Maryland. Mr. Speaker, on Thursday, January 29, 1981, 164 young men and women from the Arlington Baptist School in Baltimore, Md., will journey to Washington to augment their studies of American Government with a firsthand look at their Nation's Capital.

These students, led by Marsha Gevadan, Robert King, Chuck Dickert, John Lee, John Schuit, Bruce Barber, Linda Bond, Sharon Janicki, and David Wheelock will tour the White House, the Capitol Building, observe the House and Senate in session, and visit the Federal Bureau of Investigation as part of their day's activities.

I look forward to meeting with these students, their teachers, and parents to discuss with them the legislative process, their studies of our Government, and their questions about national issues. I am delighted that they are taking the opportunity to expand on their classroom learning.

Students who will visit us Thursday include:

Virna Alexander, Larissa Belt, Michael Bender, Ruth Bergman, Donald Boone, Artraelle Boyette, Steven Boyd, Samuel Brown, Scott Brown, Dawn Calvert, Eric Caraway, Hurraina Chapple, Chris Cole, Donald Cook, Reed Correll;

Sean Craddock, Julie Cress, Melissa Crump, Melissa Davis, Peggy DeYoung, Stanley Furrow, Jane Gallman, Gwen Gates, Jeff Gill, Steven Green, Robin Griffin, Joyce Hartsock, Rhoda Hayes, Laura Heuisler, Dennis Hollar;

Barry Hubble, Judy Hurlburt, Michele James, Brad Johnson, Tony Johnson, Lisa Keith, Cindy Kelly, Tyrone Kelly, Song Kim, Duane Khrum, Le Hai, Jeff Leach, James Marshall, Phillip Martin, Lisa Morrison.

Jay Murray, Tim Norris, James Parker, Janice Parker, Jeanne Peters, Alayna Phillips, Dionne Plowden, Kim Powell, Kathryn Racer, Diana Raiford, Robert Reverski, Dennis Ross, Catherine Roy, Laura Sebol, Jacqueline Sewell;

Pan Smeltzer, David Smith, Gary Smith, Stephen Smith, William Smith, Sharon Sporny, Laura Sterling, Paul Stevens, Brian Stokes, Lisa Stonesifer, Glen Summerfield, Renard Teal, Leslie Thompson, Charmaine Tomago, William Traband;

Kay Trombero, Sharon Turner, Kim Twigg, Rudy Tyrell, Andrea Waker, Jeff Weaver, Julie Westfall, Lisa Wilhoit, Wendy Woodruff, Daniel Zepp, Clair Andreae, Helen Atkinson, Brenda Ault, Gregg Bender, Bonnie Best;

Jeri Brothers, Heather Brown, Sue Brown, Cindy Burdette, Monica Cockrell, Keith Conley, Nancy Conway, Twilah Copeland, Valerie Curry, Carol Davis, Charlotte

DeColigny, Mary DeHaven, Tracey Emerson, Rosemary Farkas, Towanda Fletcher;

Lisa Gaddis, Marvin Glick, Craig Garrett, Mark Hammett, Danny Harlow, Gail Hartman, Julie Haynes, Justus Heger, Dana Highland, Kathy Hinegardner, Robin Jachens, Karen Jenny, Marcia Johnson, Lynn Jorda, Bonnie Kelbel;

Darryl Kelly, Sonah Kim, Nancy Kiser, Victoria Larkin, Bruce Leake, Lloyd Leverett, Lisa Licona, Doris Lindley, Robin Lindsay, Katrina Litzau, Lisa Ludwig, Lily MacFadden, Deborah McFadden, Karen McInnes, David Miller;

Robin Mills, Paul Morris, Dawn Nicholson, Jerry Perryman, Nancy Peterson, Jamie Petrides, Steve Heintzelman, Brian Rabette, David Rent, Gordon Rent, Kim Robinson, Marie Robinson, Marc Rowan, Marilyn Russell; and

Dawn Rutter, Anne Sewell, Kay Sewell, Susan Shank, Scott Sparks, Darryl Stokes, Dean Summers, Belinda Switzer, Michael Trescott, William Waller, Beth Walter, Janice Williams, Barbara Wootton, Hea Yoon, Wendy Zink.●

LEGISLATION TO DISCOURAGE THE USE OF TAX STRADDLES FOR TAX EVASION

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. BRODHEAD. Mr. Speaker, today I am introducing legislation with Congressman BENJAMIN ROSENTHAL and several other members of the House Ways and Means and Government Operations Committees to stop the spread of tax shelter schemes used by the wealthy to avoid paying their fair share of income taxes. These tax avoiders deduct paper losses from transactions motivated solely for tax avoidance and involving no real risk and no potential for real economic gain. The Internal Revenue Service ruled years ago that these schemes, called tax straddles, are illegal. Despite this 1977 IRS ruling denying tax-straddle losses, an increasing number of high-income individuals—often unwittingly enticed into these deals by their broker—are attempting to reduce their incomes and their tax liabilities by claiming artificial losses from straddles. Apparently they hope that IRS auditors will not discover their returns, or that even if audited, they can at least postpone paying taxes for several years. The Treasury estimates that this scheme would be used by wealthy Americans to avoid paying $1.3 billion in taxes in 1982 alone. If this loophole is not closed, it is estimated that the revenue loss could double and triple in the next few years. Congress must act soon to stop this billion dollar gross injustice to the average taxpayer.

At present, the IRS position is being contested in the courts. Even if the IRS prevails in these cases, it may be years before the courts reach a final decision. In the meantime, the abuse is growing by leaps and bounds and brokers are devising ever more complicated schemes for their clients to avoid detection. Congress must enact new, strong statutory rules which clearly outlaw these tax-avoidance schemes. My bill, which is similar to a recent legislative proposal by the Department of the Treasury, would establish rules denying these fake losses in order to discourage the use of straddles to shelter income from taxation.

I first became aware of this abuse last year when Congressmen ROSENTHAL and VANIK introduced similar legislation to discourage the use of commodity straddles for tax avoidance purposes. I learned that the commodity futures markets are manipulated through these devious and complex schemes to subvert the tax system. The futures markets are supposed to exist primarily for the use of hedgers—producers or users of a particular commodity who hold futures contracts as a hedge against price increases.

Yet tax straddles which have no economic purpose (except tax avoidance) already constitute a growing and significant percentage of the activity in certain futures markets. Such tax shelter activity may adversely affect the functioning of a market and introduce noneconomic factors into price determination. Thus, a true hedger, such as the average farmer, may suffer from the impact of taxtrading on futures markets because he enters the futures market for an economic reason—not for tax considerations.

For example, a farmer might want to insure the price at which he will sell his grain for 6 months from now. He would enter into a futures contract in which he promises to sell it for, say, $2 a bushel next June. A speculator, betting that the price of grain will go up, may take the other side of the contract promising to buy the grain at that price. If the price of grain goes up, the speculator makes money. If it goes down, he loses (he might have to buy $2 grain and sell it for $1.90).

However, the taxpayer who creates a tax straddle is not interested in speculating for profit or hedging to protect a price. Rather, he wants to enter into an even-sided transaction (simultaneously holding both "buy" and "sell" contracts for different months in the same commodity) to generate a loss which he deducts in 1 year and a gain in the following year. Because gains are taxed at a lower rate than ordinary income, a huge tax reduction and deferral can be realized. I am including a Washington Post article which explains in more detail how this scheme works.

Several glaring examples provided by the Treasury from actual tax returns will illustrate how beneficial tax straddles can be for those with large incomes. In one case, a corporate executive who had salary and investment income in excess of $500,000 deducted over $500,000 as loss from a Treasury bill straddle. This taxpayer reported a net loss for the year and claimed a refund of $38,000 for withheld taxes. In another case which the IRS examined, a taxpayer who recognized a substantial gain from a business liquidation tried to defer $2 million of gain year after year through commodities straddles.

These examples, multiplied by the thousands of wealthy persons using similar methods, are a cause for tremendous concern for a variety of reasons. First, the rich are able to shift their tax burden on to the backs of middle-income taxpayers. The basic unfairness of this situation breeds contempt for the tax system. Second, the widespread proliferation of these straddles distorts the futures market and thus may disrupt its use by legitimate hedgers and speculators. Third, because tax avoidance straddles increase the volume of trading, I believe they are driving up the price of commodities and thus pushing up the cost to consumers of products made from these commodities. And fourth, I am concerned that the rapidly growing use of straddles involving Treasury bills and Treasury bill futures will create havoc in the Federal debt management process.

The bill that I am introducing today would address these concerns by specifically denying deductions for noneconomic losses if the taxpayer continues to maintain a straddle position. The bill recognizes that taxpayers clearly are entitled to reflect real losses on their tax returns. Hedgers and legitimate investors must be allowed to reduce their income and gains by losses. However, phantom paper losses which do not reflect any genuine economic change cannot be fabricated to create enormous tax savings. A law to prohibit similar tax abuses in securities trading has been on the books since 1939. My bill would simply apply the same principle to commodities.

[From the Washington Post, Dec. 21, 1980]

HOW IT WORKS

(By Jerry Knight and James L. Rowe, Jr.)

How does a butterfly spread work? How can a butterfly or any other tax straddle cut your taxes?

Suppose you are one of the lucky ones. Last October, you bought 1,000 shares of the hot new gene-splicing stock Genentech at $35 a share and sold it at $80 on the first day it was offered to the public.

You made a killing: a $45,000 profit in a matter of hours. But you have to share most of it with Uncle Sam. If you are in the top tax bracket, the government will claim 70 percent, and you'll get to keep only $13,500.

You are the most common candidate for a tax straddle, someone who wants to avoid taxes on windfall income. If the Internal Revenue Service lets you get away with it,

you might be able to increase the amount left after taxes on your Genentech profits from $13,500 to $32,400. Or you may be able to postpone paying taxes on the profits until next year.

A commodity tax straddle can convert ordinary income that's taxed at 70 percent into a long-term capital gain taxed at 28 percent and also delay the tax liability for a year or more.

The basic technique is to create an artificial loss that can be deducted from this year's taxes, then recoup that loss with a profit that's taxed next year at a lower rate.

The silver butterfly is one of the most complex tax transactions yet devised. It is so arcane that only a handful of specialists are adept at it. Most Wall Street firms prohibit rank-and-file brokers from even attempting a butterfly and channel all the business through a specialist at headquarters.

A commodity specialist who arranged tax straddles at a major brokerage firm said there are myriad ways they can be constructed. The favorite is called a butterfly spread, because a diagram of the deal looks like a butterfly with bifurcated wings.

The butterfly is tailored to the specific needs of the customer. The butterfly specialist has to understand federal (and state) income tax laws well enough to know how to minimize the customer's tax liability and to be good enough at commodity trading to insure that the deal works in the market as well as on paper.

Some basics: First, ordinary income—wages, interest, etc.—is taxed at higher rates than capital gains. The maximum rate on "earned income" such as salaries or wages is 50 percent; on "unearned income" such as interest, the maximum is 70 percent; for long-term capital gains the limit is 28 percent. So if you can convert ordinary income to capital gains, you pay less taxes.

HOW TO NET A VALUABLE SILVER BUTTERFLY

Second, most investments have to be held for a full year to qualify for long-term capital gains treatment, but commodity investments qualify for capital gains rates after only 6 months. Finally, you can only deduct losses from the same kinds of profits; you can't use a capital loss to offset ordinary income.

In this case, the customer needs a $45,000 short-term capital loss to deduct from 1980 taxes and offset the Genentech profit. The butterfly will create that loss and simultaneously create a $45,000 profit next year that will be taxed at a maximum 28 percent rate.

The basic technique for using commodities to reduce your tax bill is called putting on a spread or a straddle. That means simultaneously buying and selling a commodity for delivery sometime in the future.

The commodity futures markets make that easier by establishing formal contracts that define the quantity and quality of the commodity and the time and place for delivery.

A simple spread could involve buying 5,000 ounces of silver to be delivered next June and at the same time selling 5,000 ounces of silver and promising to deliver it in July.

No matter whether the price of silver rises or falls by next summer, you'll make money on one deal and lose on the other.

If silver prices go up, you'll profit on the contract to buy, because the silver you get will be worth more than it was when you made the deal and set the price. But the silver you sell will be worth more than you'll collect for it, and you'll lose on that "leg" of the straddle.

If prices go down, the silver you sold will be worth more than you get paid for it, but you'll make money by getting the other batch of silver for less than it's current price.

Over all, you break even, but it doesn't have to look that way on the income tax returns, where you can deduct the losses from other income and cut your tax bill.

What you want to do is arrange to lose money on one of the deals this year and wait to claim your profit on the other deal next year.

If prices are going up, that's easy enough to work out—just sell silver for December delivery at a loss and put it back at a profit in January.

But what if the prices go down? Then your trade is backward, you'll make money delivering silver in December, but that will produce more income and more taxes to pay. You'll qualify for a tax write-off next February, but that won't do any good on the first year's taxes.

When prices are going down, you'll want to arrange to buy silver for December delivery, so you'll lose on that deal. Then sell an identical amount for delivery in January, earning a profit to offset the December loss.

A "butterfly spread" works by covering both bets at once—simultaneously buying and selling four contracts for silver in a pattern that assures you'll get profits and losses at the desired time.

To set up a typical silver butterfly, you first buy 5,000 ounces of silver for delivery in March and simultaneously sell another 5,000 ounces, promising to deliver in July. Then sell another 5,000 ounces for July and balance it with an order to buy for delivery in December.

No matter how much the price of the metal rises or falls, the silver butterfly will float along, making money on two of its wings and losing an identical amount on the other two.

So you watch the market price move up or down, and wait. When you've lost as much as you want, you close out the unprofitable contracts and tell the tax man you've got a deduction.

To protect the profits made on the other wings, you have to set up a second butterfly and keep it alive until next year. If you hold the contracts more than six months, they qualify for long-term capital gains and the 28 percent maximum tax rate.

Even that tax can be avoided by repeating the butterfly process the second year and "rolling forward" the profits to 1982. In theory, at least, it can be kept up indefinitely, so you stall the taxes forever.

Generating a $45,000 loss to offset the hypothetical Genentech profit probably will require setting up a multiple-contract butterfly, because the price of one 5,000-ounce contract usually won't move up or down by that much.

One specialist figures the maximum price change a butterfly trader can count on is $3,500 a contract, so creating a $45,000 loss will take 12 or 13 contracts.

A large number of butterflies may be needed if the price of the commodity is very stable or if there isn't time to wait. An investor who gets a windfall in December, for example, needs to lose money quickly. If the price of silver drops 10 cents an ounce, a 5,000 ounce contract will lose $500. At that rate, it would take 90 butterfly straddles to lose $45,000.

Commodity straddles were not invented to bedevil the Internal Revenue Service. They have many legitimate uses for professional commodity traders, who can make money when there is a change in the difference between the prices of a commodity in two different months.

Last week there was a 10-cents-a-bushel difference between the price of soybeans for delivery in January and for delivery in March. If demand for soybeans in March suddenly increases, that differential could increase to 20 cents a bushel. On 5,000 bushels of beans, the widening spread could mean a profit or loss of $500.

The two wings of the butterfly, however, tend to minimize the effect of changes in the spread prices. A study prepared for the Internal Revenue Service contends there's only one chance in 40 that a butterfly spread will make enough money to pay the commission a commodity broker charges for placing the buy and sell of orders.

The only way most people make money on a butterfly straddle is on the tax deduction it provides.

Technical Explanation

This bill would amend the Internal Revenue Code by providing new rules governing the taxation of straddles, "cash and carry" transactions, and related matters.

The bill would limit tax sheltering through straddle transactions by postponing the recognition of losses on certain straddle positions while the taxpayer continues to maintain offsetting positions in a straddle.

The bill would provide that if a taxpayer holds a straddle (i.e. offsetting positions), the portion of any loss which exceeds recognized gain from the positions may not be recognized for the period during which the taxpayer holds the offsetting positions plus the 30 days after the day in which the positions cease to be offsetting.

However, if the taxpayer disposes of all of the offsetting positions before the close of the 30-day period, the balanced period is treated as ending on the day of the last such disposition by taxpayer. Thus, taxpayers who close out their offsetting positions would be allowed to recognize, at that time, any otherwise allowable loss sustained on such positions. This rule would benefit hedgers, such as farmers or cereal processors, who establish offsetting positions in commodity future contracts in order to protect their selling price or costs until the actual sale of their crops or the purchase of their inventory requirements.

In addition, the running of holding periods for each of the straddle positions would be suspended for the balanced period, generally the period during which the positions are offsetting plus 30 days. However, in determining the taxpayer's holding period for any position, any period during which the position was held prior to the establishment of an offsetting position could be tacked to any period during which that position was held after the close of the balanced period.

The bill defines the term "straddle" as offsetting positions with respect to personal property. Under the bill, a taxpayer would hold offsetting positions if there is a substantial reduction of the taxpayer's risk of loss from holding any position with respect to personal property because the taxpayer also holds one or more other positions with respect to personal property (whether or not of the same kind).

The bill would create a rebuttable presumption that two or more positions are offsetting under specified circumstances. If two or more positions are customarily treated as

straddles or offsetting positions (whether or not called a straddle, butterfly, or similar name), or if the aggregate margin requirement for such positions is lower than the sum of the margin requirements for each such position (if held separately), the positions would be presumed to be offsetting unless the taxpayer establishes that they are not offsetting. The Secretary could prescribe by regulations other factors which indicate that two or more positions are offsetting and which would establish a rebuttable presumption that the positions are offsetting.

The bill would apply to positions in personal property which are interests, including futures contracts or options, in commodities, evidences of indebtedness, currency, and other types of personal property. If a taxpayer, within the period beginning 30 days before and ending 30 days after the date of the disposition of any position which is part of an offsetting position, acquires a successor position, such successor position shall be treated as the same position as the position to which it succeeds. In addition, a successor position shall be treated as held on each day which intervenes between the disposition of the interest which it succeeds and the day on which such successor position is acquired. Personal property acquired by a taxpayer pursuant to a futures contract, option, or other interest will be treated as a successor position to such interest.

The bill would provide that positions held by related persons are treated as held by the taxpayer for purposes of determining whether any positions are offsetting. Under the bill, a person is a related person to the taxpayer if the relationship between such person and the taxpayer would result in a disallowance of losses under section 267 or 707(b), or if such person and the taxpayer are under common control (within the meaning of subsection (b) or (c) of 414). However, an individual's family would consist only of the individual, his or her spouse, and the individual's children under 18 years of age. In addition, the bill provides attribution of positions to and from a partnership, trust, or other entity if any gain or loss with respect to a position held by such entity would properly be taken into account by a taxpayer with respect to whom the entity is not a related person.

The bill would limit tax sheltering in so-called "cash and carry" transactions by requiring taxpayers to capitalize interest and carrying charges properly allocable to personal property which is part of a straddle (as defined above). No deduction would be allowed for such charges, which would include interest on indebtedness incurred or continued to purchase or carry the property, and amounts paid or incurred for insurance, storage costs, and transportation costs.

In order to preclude manipulation of the character of gain or loss as ordinary income or loss, or capital gain or loss, the bill provides that obligations of the United States, of its possessions, of a State or political subdivision of a State, or of the District of Columbia, issued on a discount basis and payable without interest in less than one year, would be treated as capital assets in determining gain or loss. Thus, these obligations would be treated by the holder in the same manner as similar debt obligations. Any discount at issue would be treated as interest under generally applicable tax rules.

The bill would require a dealer in securities to identify a security as held for investment not later than the day after the date of the security's acquisition instead of before the expiration of the 30th day after its acquisition, as required under present law.

Except for the change in identification of dealer transactions in securities, the amendments made by the bill would apply to property acquired by the taxpayer after January 27, 1981, in taxable years ending after such date.

The amendment pertaining to dealer identification of securities held for investment would apply to property acquired by the taxpayer after the date of enactment in taxable years ending after that date.●

H.R. 1015

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. CONABLE. Mr. Speaker, H.R. 1015 is intended to nullify Revenue Procedure 80-55, issued by the Internal Revenue Service on December 15, 1980.

Revenue Procedure 80-55 jeopardizes the deduction by commercial banks for interest paid on time deposits of State and local government funds where those deposits are secured by State and local obligations whose interest is exempt from Federal income tax. While Revenue Procedure 80-55 itself only applies to commercial banks, its principle could be extended to other financial institutions.

Revenue Procedure 80-55 involves the application of section 265(2) of the Internal Revenue Code. Section 265(2) denies an interest deduction to a taxpayer who uses borrowed funds to purchase or carry State or municipal tax-exempt obligations. Applying this general rule to the situation of banks which simultaneously hold governmental deposits and own governmental obligations marks a major departure from how this provision has been interpreted for many years.

Enforcement of this new position threatens the long-standing relationship between commercial banks and State and local governments. For example, banks in many States are required by law to pledge municipal bonds as collateral to secure municipal deposits. Accordingly it seems to place Federal tax law at cross purposes with State law to apply adverse tax consequences to the relationship between banks and States and local governments.

Besides the policy implications of Revenue Procedure 80-55, it also could have a very practical effect. That is, commercial banks might be influenced to pay lower interest rates on State and local deposits, if those interest payments were not deductible. This would result in reduced income for the States and local governments on their deposits.

Revenue Procedure 80-55 raises important policy questions; threatens to disrupt the long-standing relationship between commercial banks and State and local governments; and could result in lower interest payments on deposits of State and local governments. For these reasons I believe Revenue Procedure 80-55 should be nullified. H.R. 1015 accomplishes this result.●

A FREE MARKET FOREIGN POLICY

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. PAUL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

A FREE MARKET FOREIGN POLICY

Can there be a foreign policy based on the same principles as a free-market economy?

Some would say that economic and foreign policies are unrelated, and that the latter must be "bipartisan," unlike the former. How else could we get a Henry Jackson and a Barry Goldwater agreeing on foreign policy? In reality, foreign and economic policies are intertwined.

LIBERAL AND CONSERVATIVE INTERVENTIONISTS

Economic interventionism allows some to support government action for the benefit of business, e.g., tariffs and subsidies; and others to support labor with monopoly wage settlements and compulsory unionism.

Variations can also be found among those who endorse international interventionism.

Most liberal economic interventionists want to intervene overseas to help left-leaning countries.

Most conservatives want to do the same for right-leaning ones.

Liberals want us to aid the Sandinistas. Conservatives say we should have helped Somoza.

Is it inconsistent that "free enterprises" should support intervention overseas? Not really, because very few follow a free-market policy consistently. Generally, they endorse special assistance to business with loans, subsidies, and protectionism.

Our foreign policy is like our prevailing economic policy. We accept economic interventionism of liberal and conservative varieties, and we also accept, with little questioning, international interventionism of both varieties as well.

All sorts of liberal/conservative combinations can be seen in economic and foreign policy, but most Members of Congress are interventionists of some sort.

If our foreign policy reflects a general philosophy of economic interventionism and political pragmatism, could we assume that our foreign policy would change if our economic order were based on consistent free-market principles?

FREEDOM AND FOREIGN POLICY

The economic order of a nation reflects the prevailing attitude of its people towards individual liberty. If a strict definition of individual liberty, adequately protected by a Constitution, establishes the foundation on which a totally free economy operates, and

we adhere to it, it would not be surprising to see a foreign policy quite different from that which we now suffer.

Generally, most people see foreign policy as being completely separate from economic policy. For instance, my concerns have always been much more oriented toward economic policy, and yet, as I spend more time in government, I have come to realize that the two are interwoven.

When the people of a country insist on maximum liberty, a free market will result and a non-interventionist foreign policy (armed neutrality) will follow. In our own history, when we had our freest economy and soundest currency, we did not fight on foreign soil. As our freedoms eroded and our marketplace became dominated by special interests (labor and business), involvement in the internal affairs of other nations grew and foreign wars resulted. Although the Spanish-American War was late 19th century, the dramatic changes were in the 20th century, with World War I, World War II, Korea, Vietnam, and the pending conflict.

A free society is based on the fundamental premise of God-given, inalienable rights—rights that are individual, not collective, absolute, and not alterable by any state action. A nation so ordained will protect voluntary associations and free choices, demand that contracts be upheld, and insist that money be honest. Under these circumstances, no economic system other than a free-market economy can evolve.

Under these conditions, it follows that government is small with its power strictly limited, as ordained by the Founding Fathers.

THE RESPONSIBILITY OF GOVERNMENT

If—for moral and constitutional reasons—we cannot interfere with our citizens' lives and property, to control the economy or individuals' preferences, we also cannot control the internal affairs of any other nation. The responsibility of the government is then limited to protection of life and property.

Robert Taft said, "The purpose of American foreign policy is to maintain the freedom of the people of this country, and insofar as it is consistent with that purpose, to keep this country at peace."

"No entangling alliances" was the foreign policy watchword for every administration from George Washington's to Grover Cleveland's.

Washington said, "It is our true policy to steer clear of permanent alliances with any portion of the foreign world.

The great rule of conduct for us in regard to foreign nations in extending our commercial relations, is to have with them as little political connection as possible.

"Observe good faith and justice to all nations. Cultivate peace and harmony with all. In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies towards particular nations, and passionate attachments for others should be excluded; and that in place of them an amicable feeling toward all should be cultivated."

Cleveland reiterated by saying, "The genius of our institutions, the needs of our people in their home life, and the attention which is demanded for . . . our vast territory, dictate this scrupulous avoidance of any departure from that foreign policy commended by the history, the traditions and prosperity of our republic. It is the policy of independence favored by our position and defended by our known love of justice and by our power. It is the policy of peace suitable to our interest. It is the policy of neutrality, rejecting any share in foreign brawls, and ambitions upon other continents, and repelling their intrusion here. It is the policy of Monroe and of Washington and of Jefferson; peace, commerce, and honest friendship with all nations; entangling alliances with none."

WHEN WE WENT WRONG

McKinley began the change in our foreign policy, leading us into the Spanish-American War. But it was Wilson who radically departed from the neutral, non-interventionist foreign policy which we had followed for more than 100 years.

Wilson's policy was "make the world safe for democracy." "America's duty," he said, "is to stand shoulder-to-shoulder, to lift the burdens of mankind in the future, and to show the path of freedom to all the world . . . The American flag is henceforth to stand for . . . the assertion of the right of one nation to serve other nations of the world . . . America is now rich enough and free enough to look abroad for great tasks to perform . . . Our duty is to serve the world."

The concept of individual rights requires that we reject, on a moral basis, any authority to use funds or lives to manipulate the affairs of other nations if we are not directly threatened. (But individuals should not be prohibited from volunteering for or contributing to any cause they support around the world. I would gladly contribute to buy arms for the Afghan rebels, for example, if the law allowed.)

Our Constitution follows this line of reasoning and gives no authority to the Congress to intervene illicitly around the world. We were not designated the policeman or savior of the world by the Founding Fathers. And all our attempts have failed. Our constitutional obligation is to protect our land and our people, and we cannot legally nor morally justify anything more.

Economically, intervention on the international level has turned out to be a disaster and it has not been endorsed by the people. The people have resisted more taxes, and have not been willing to loan the funds to the government to finance foreign aid. So it has been financed by inflation. The past 35 years of international intervention in particular have been a severe financial drain on us. Interventionism has destroyed the dollar, bankrupted our country, and has now caught up with us. Our policy has permitted Japan to spend essentially nothing on defense, and allowed them to subsidize the very industries that undersell competing American companies.

THE IMPRACTICALITY OF INTERVENTIONISM

Practical reasons alone mandate that we rethink our foreign policy. We are now militarily incapable of being the world's policeman. Our economy cannot stand further dollar weakness, and continual debt increase. Our foreign policy—financial aid to the entire world—is contributing significantly to the downfall of our economic system. We can show no good results from all this spending and intervention. We essentially have no friends in the world, we are seen as a paper tiger, and we continue to sign bad treaties. We are misled by administrations, both Republican and Democrat; by compromises; and by wishful thinking.

Leftists in our government have led us to subsidize our enemies. Arguing that we should only subsidize our "friends" is of no value, since the conservatives have argued this for 40 years, and it not only hasn't helped, it has made things worse. We have financed both sides of many major conflicts since 1945. It's time to look after ourselves.

WHAT A FREE-MARKET FOREIGN POLICY MEANS

A free-market foreign policy would emphasize international free trade for both its economic benefits to our people, and its value in creating an atmosphere of friendly relations with all nations, and guiding us away from militant isolationism.

Free trade recognizes that the consumer is sovereign, and that it is his right to buy any goods or receive any service at the best price. Free trade also precludes favors to special interests. No foreign aid and no corporate welfare of any sort: no subsidies; no export assistance; no insurance help; no licensing restriction; and no tariffs.

When people and goods flow freely over borders, armies will not. Limitation of trade can only be justified for the direct security of the nation in an armed conflict. If there is any doubt about restraining trade, we should always lean towards permitting trade.

Under these conditions, businessmen would make better economic decisions. Without subsidies for his insurance, overseas investments, and exports, the businessman would anticipate world events, and would voluntarily curtail trade with nations unable to guarantee property protection and honest payment. Now we encourage bad investments and subsidies to the enemy at the innocent taxpayers' expense.

Instead of businessmen selling to Russia or China at American taxpayers' expense, they would demand gold rather than accept rubles or yuans. Public opinion would also restrain trade with perceived enemies.

THE THIRD CHOICE

In our foreign policy debate, we have had only two choices: be weak, or be international policemen. A third choice is available to us: neutrality, with a policy of nonintervention in the internal affairs of other nations, plus all the armed strength necessary to protect America.

With such a foreign policy of strength and confidence, our system would prosper, our international respect would be heightened, and our example to the rest of the world would be much brighter. The complex messes, like the one involving Iran, would not occur, and we would not invite such anti-American resentment.

A liberal—known to follow the weak-America policy—said that he was delighted that our troops are in Europe, since they keep Western Europe from developing a stronger defense capability that might threaten the U.S.S.R.

European nations have never invited our nuclear missiles into their territory. The West Germans now are showing a great reluctance in setting themselves up as a target. They are delighted to let the U.S. be the potential target of Russia, if Russia chooses to wipe out the West's retaliatory capability.

Nations like West Germany must assume the responsibility of their own defense. We cannot afford it economically, nor is it militarily wise for us to continue to provide it for them. For instance, it certainly is in the best interests of the Germans and the French to develop the neutron bomb. The American taxpayer shouldn't do so. Encouraging dependency on the U.S. has neither helped the nations receiving aid, nor us who have provided it. Foreign assistance cannot create a "will to win." Vietnam proved that.

More than half our defense budget now goes to the defense of other nations. These funds would go a long way in providing adequate military pay and building the best weapons, with many dollars left over to use in budget-cutting.

A non-interventionist foreign policy would shift the lines of strategic confrontation. To do nothing about Soviet troops in Cuba and give away the Panama Canal, at taxpayers' expense, while allowing 50,000 men to die in a no-win war in Vietnam, is inconceivably inconsistent. Even though our opinions may vary on just when armed conflict is necessary, it's unforgivable to commit lives to a war with no intention of winning, without even a specific goal. This reflects a sick foreign policy. The Koreas and the Vietnams are preventable. Even our involvement in World War I and World War II can be seriously questioned. Overinvolvement, no matter how promoted by the government, will eventually fail if the will and the spirit of the people reject its intended goals. The draft, the lives, the bombs, and the dollars did not compensate for the bad policy that got us involved in Vietnam.

Non-intervention would also negate bad treaties. SALT I would be repealed, with due notice, and an antiballistic missile built, and SALT II would be scrapped. The Panama Canal would not have been handed over to the Marxists at the American taxpayers' expense. No twisted reasoning could trap us into trusting the communists by signing agreements with them, whether they be Russian, Chinese, Cuban, or Nicaraguan. Neither would we subsidize them.

NO ISOLATIONISM

A free-market, non-interventionist foreign policy is frequently attacked as "isolationist." Nothing could be further from the truth. The image of a nation walling itself off from the rest of the world is impossible in a free society, and is instead exactly what happens under interventionism. With an "internationalist" foreign policy, which includes goals of government and international banking with a fiat currency, economic isolationism always results, with nations becoming more militarily nationalistic. Trade wars ensue, and protectionism follows. Today we hear the preparations for this.

A society with a free-market foreign policy protects absolutely the rights of its citizens to travel and trade across the borders, without tariffs or licenses, and rejects all special-interest subsidies. Emigration is always permissible, and no attempts to curtail the movement of currency or people is made. The ultimate right of the free society is to be able to vote with your feet—to leave freely with your assets.

This freedom of movement, of people and goods, encourages the intermingling of people and a natural balance in trade, assuming nations do not participate in the fraud of inflation. Freedom would not create a Fortress America, or a country isolated. Only the opposite could result.

NO CONSCRIPTION

A crucial aspect of the free-market foreign policy is a volunteer military. The best vote on the advisibility of war and the commitment needed to win comes from those who are forced to risk their lives. In America, a fight to defend our freedoms will bring out the volunteers by the millions. But another halfhearted fight to "contain" communism, or prop up a "Western-leaning" dictator, will not wash.

The best way to find out if a war is needed for our survival and security is to ask the people who are to risk their lives to volunteer.

Also, can the war be fought with open taxation or borrowing, and without resorting to the inflation machine? Remember, the American Revolution was fought without a draft, and it was won against great odds. With all our firepower, and with a conscripted army, we couldn't even defeat North Vietnam.

As our children are forced to pay for the effects of borrowing on tomorrow through inflation, and suffer the erosion of the free market system, so too will they suffer the consequences of unwise treaty commitments. Why should a youngster born in 1960, pay with his life for a war fought to police the world, pursuant to a treaty signed in 1945? This is hardly fair. All of our international commitments need reassessment.

Some say we will need to fight for Middle Eastern oil. But these are the same economic interventionists who won't deregulate our energy industry, who compel the use of coal, and who prohibit nuclear power. Economic policy and foreign policy cannot be separated. And, despite the scare talk, only 5% of total U.S. energy comes through the Straits of Hormuz.

THE NEED FOR CHANGE

In spite of the dollars spent, the rhetoric heard, draft preparations, CIA activities, and troops around the world, we are weaker than ever before. Our policies need change, for even if it is still claimed that we need international commitments, it is precisely the policy of the past 40 years that has made us so weak. America now is desperately close to being undefended from Russian attack. This must be changed, but it won't be without a new policy. We can tolerate no more Koreas or Vietnams, economically, militarily, or psychologically.

The evidence is clear: the more intervention economically, the more intervention internationally, and the greater the chance of poverty and war. The less economic intervention, the less international intervention, and the greater the chance of prosperity and peace.

My vote is for non-intervention.●

CONDOMINIUM CONVERSION

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. ROSENTHAL. Mr. Speaker, the Commerce, Consumer, and Monetary Affairs Subcommittee of the Government Operations Committee is conducting an investigation into the public policy implications of the dramatic increase across the country in the number of conversions of rental units to condominium and cooperative ownership. As chairman of the subcommittee I am concerned with how governmental programs and activities impact the conversion trend.

In the course of the subcommittee's investigation, I have become aware of the often traumatic experience endured by people, particularly the elderly whose homes are converted. In this connection, I recently visited a building in Jenkintown, Pa., which is being converted from rental housing to condominiums by the Chicago-based American Invsco Corp.

The January 8, 1981, Times Chronicle of Jenkintown reported on my visit. I want to share that article with my colleagues because it deals with some very poignant examples of elderly people faced with an awful dilemma.

I also visited, with our colleague, WILLIAM H. GRAY III, of the Second District of Pennsylvania, a building at 3600 Conshohocken Avenue in Philadelphia which is being converted by another Chicago developer. The Philadelphia Inquirer reported on January 3, 1981, on the large and enthusiastic meeting of the tenants.

The articles follow:

CONGRESSMAN LISTENS TO BEAVER HILL TENANTS

(By Andy Kraus)

Beaver Hill tenants met last week with the chairman of a congressional subcommittee investigating American Invsco Corp., the Chicago-based developer which is selling condominiums at Beaver Hill.

About 12 tenants were selected to meet with U.S. Rep. Benjamin Rosenthal, D-N.Y., chairman of the House Commerce, Consumer and Monetary Affairs Subcommittee, to describe their experiences regarding the conversion of their apartments to condominiums and the marketing practices of the Beaver Hill Limited Partnership.

During November, Rosenthal's subcommittee released the details of a staff investigation into American Invsco, the parent company for the Beaver Hill group. In it, American Invsco, which has been called the largest and most successful converter in the country, was accused of allowing widespread speculation in its units, and of possible violations of federal law in selling condominiums.

American Invsco has denied the allegations, calling the committee staff biased and saying its report was based on "bizarre economic theories."

Rosenthal called Friday's informal meeting in Jenkintown a "fact finding mission" aimed at preparing for congressional and regional hearings on condominium conversion in the spring.

As part of a one-day visit to the Philadelphia area, Rosenthal, who was joined by the chief counsel for the subcommittee, Theodore Jacobs, met with tenants at two other apartment complexes, one of which had recently been converted by American Invsco.

The congressman told the Beaver Hill tenants that he had heard "Bizarre stories of tenants being pushed out of their homes" by converters in other areas of the country.

He said that some of the answers to ending the problems caused by conversions are to restrict the amount of mortgage money available for condominium sales; to declare a moratorium on conversions until the government "learns how to deal with and respond to conversions" in terms of laws and regulations, and to pass a national condominium conversion law which among other things might require that 35 percent of the tenants in a building agree to conversion before the owner is allowed to do so.

In fact, Rosenthal has introduced such a law in the House. It would provide for a three-year moratorium on conversions. The bill would use the federal government's con-

trols over lenders to prohibit loans to converters and to people who want to buy a converted unit for that period.

Commenting on Rosenthal's efforts to limit conversions, Ed Woolery, vice president of American Invsco and its top representative at Beaver Hill, said that "His attention should be on stimulating more housing rather than on trying to limit it.

"People should be able to dispose of their personal property in the manner in which they see fit. This is part of the free enterprise system," he said, adding that in Rosenthal's home state of New York, there is a housing shortage partly because of the thinking of people like Rosenthal.

"With the limitation imposed by rent control, maintaining a rental property in a place like New York is a losing proposition" he said. Woolery said that his statements were his own opinion and didn't necessarily reflect the views of American Invsco.

One of the tenants who spoke at the meeting, Morton Schwann, 82, discussed the personal and financial hardship that buying at Beaver Hill or moving from it would create for him and his wife.

"With the pension that we have, we have just been able to keep our heads above water, although the rise in the cost of living has made it much more difficult," he said. Schwann said that his wife, who is 80, is a "very sick woman" and that moving would be a strain on her.

The couple's monthly rent of $538 for their one-bedroom apartment is slightly more than one-quarter of their pension income of $21,000. To stay in the same apartment, which Schwam says has been offered to him for $87,000, he would have to spend more than 60 percent of his income on mortgage payments and associated costs.

Schwam said he doesn't want to make such an investment considering the couple's future medical bills.

Schwam said that he was asked by one of the Beaver Hill salesmen if he had any children who might be interested in investing in the property for the couple. He told them of his son in California, who soon received an envelope of material about the units for sale.

The next day, Schwam continued, his son received a call from the salesman, who urged him to buy quickly because half the units had already been sold and said that he "had to make up his mind fast."

"This is one of their (the salesmen's) threats," said Allen Beckman, a lawyer who is representing the tenants of Beaver Hill. "They tell them that time is running out," giving tenants the impression that they are going to lose their homes if they don't buy right away.

Asked to respond, Beaver Hill's Woolery said later that he doesn't have a sales force large enough to contact the tenants frequently and that what the tenants objected to was having "any" time limit within which they had to decide whether to buy or move.

He said that "No matter how long you gave some of these people, they would be mad."

According to Beckman, the salesmen have said that the person who buys the apartment will be happy to rent it back to the people who now live in it. He said the people who don't know a lot about real estate investments or transactions are the people that the salesmen are really looking to sell to.

Melba Klein, 80, who said she can afford to buy her apartment said that she won't do so because she "doesn't want to be around these people, (the staff of the Beaver Hill partnership). She said that instead, she and her husband who is 83, will move into a retirement village.

Her husband said that his experience had been "high pressure straight through" and that the Beaver Hill owners were "only after the almightly dollar."

Annette Eisenberg, who has lived in the complex since it opened 16 years ago, said that while she would like to stay, she could not take the chance that her medical problems would not get worse leading to medical bills she would not be able to afford. She said she has looked for other places to live but thus far had been unsuccessful. The process of moving already was causing "a serious emotional reaction," she said.

"When the Government feels that people aren't as important as garbage," she said, referring to environmental laws, "then there is something wrong with government.

"They have written laws to protect forests and parks but not the elderly who are not asking for money but only for decency and protection for the few years they have left on earth," she said.

Another tenant, Irving Harburger, said that the move-or-buy choice that he has been faced with is "the biggest shock that we have suffered since we were forced out of Germany in the 1930s."

Reacting to Harburger's statement, Jacobs said the "The most valuable thing about this meeting is to hear from people like that man—it takes away the abstractness of the situation and makes it more real."

Rosenthal was unsure as to what could be done to help the tenants at Beaver Hill and implied that any legislation might not be passed in time to help them.

"It took 20 years to pass Medicare," Rosenthal said, "but where the need is acute, attention must be focused.

"If the need is as serious as I think," he continued, "I think there will be a response, but the impact (of the conversions) must be proved to be nationwide."

The Federal Department of Housing and Urban Development has said that by 1990, half the population of the United States will be living in condominiums.

Rosenthal said that because of his jurisdiction over the banking industry, he might be able to do something on a short-term basis to control the avenues of funding for those who want to buy and convert buildings the way American Invsco does.

Beckman, however, said that the battle being waged by the tenants at Beaver Hill is "one of the strongest in the country."

Realistic about the effect of any future legislation on the Beaver Hill tenants, tenant Schwam said that "Maybe through our efforts, we can help other people who later find themselves in our position."

Frightened Residents Band in Yet Another Condominium Battle

(By Jan Schaffer)

Abe Abramson is not sure where his home will be when he celebrates his upcoming 75th birthday. But if he wants to continue living in the River Park Apartments, his home for the last nine years, he may well have to buy his two-bedroom apartment.

"Believe me, I don't want to buy, and I'm not going to," Abramson said yesterday at a meeting where he and about 150 fellow residents vowed to fight plans to convert the 360-unit building at 3600 Conshohocken Avenue into condominium apartments.

The conversion is a particularly worrisome prospect for River Park tenants because 74 percent of them are senior citizens living on fixed incomes.

They estimate that buying the units that they are now renting would mean paying two or three times what they now are paying in monthly rent.

The meeting yesterday was called by the apartment complex's tenants association to organize against the conversion. Encouraging the residents in their stand against conversion were U.S. Reps. William H. Gray 3d (D-Pa.) and Benjamin S. Rosenthal (D-N.Y.), who have been leading the fight in Congress to develop a national policy to slow the so-called "condomania."

The congressmen have sponsored a bill that calls for a three-year moratorium on condominium and cooperative conversions so that the impact of the process can be studied further.

"The impact of conversions is enormous and the trauma is very, very deep," said Rosenthal, who chairs the House Subcommittee on Commerce, Consumer and Monetary Affairs. The committee is studying the mode of operations of some of the largest conversion firms, and the involvement of government sponsored mortgage financing in effecting the conversions.

Rosenthal said yesterday that the committee plans to hold hearings on the problem in Philadelphia in early spring.

In the meantime, Rosenthal advised the residents of River Park to ask the state legislature to amend state law to allow Philadelphia City Council the local option to pass laws dealing with condominium conversions in the city.

The council has passed such an ordinance, restricting condominium converters, in October 1979. But Gov. Thornburgh, in the middle of last year, signed a statute that effectively pulled the teeth out of the city ordinance.

Until then, Arnold Goldman, president of the River Park Tenants Association, advised the apartment complex's residents, "Don't move and don't buy."

Goldman said the group was planning to picket the apartment building, and also the bank that provided financing to the Chicago converter, Wayne Kubicki. They also plan to distribute bumper stickers and to put advertisements opposing the conversion in the Jewish Exponent newspaper.

Most of the residents intended River Park to be their last apartment, Goldman said. Now they are faced with carrying a heavy mortgage and paying monthly maintenance fees for their apartments, or searching for a new apartment that may also turn condominium.

"One week you're paying $400 and the next week you're paying $900 for the same place," griped resident Joseph Goldman, who is retired.

River Park residents will learn the details of the converter's plans next week, although Goldman said yesterday that the apartments were expected to cost between $60,000 and more than $100,000."The whole thing is cockeyed," said auctioneer Louis Prince, a long-time resident of the building. "Morally, it's wrong."●

TOMORROW'S LEADERS—SERVICE ACADEMY NOMINEES

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. PATTERSON. Mr. Speaker, one of the most rewarding annual events which I enjoy is nominating students from my congressional district to our Nation's armed service academies.

I make it a practice not to nominate en masse, but rather to make the selection process as deserving as possible for the nominee. The criterion set down by my reviewing committee is rigid and demanding. This insures that the best and brightest will represent my district and its schools and communities at the service academies.

This year I have nominated 22 outstanding young men and women from my district for appointments to the service academies. I am sure that my constituents join their families and me in wishing them well. Whether they attend a service academy or not, these young people are a credit to their community and their country.

My nominees to the Military Academy at West Point are: Richard LeBlanc, Western High School; Mike Simmons, Rancho Alamitos High School; Timothy Rushing, Orange High School; Randy Pagan, Kennedy High School; Christopher Rocha, Saddleback High School; Jay Wigboldy, Savanna High School; Gregg McPherson, Servite High School; David Nyberg, Bolsa Grande High School.

My nominees to the Naval Academy at Annapolis are: Scott Henderson, Cypress High School; Richard LeBlanc, Western High School; Anne Pendlebury, University of California, Irvine; Joseph Thelander, Westminster High School; Mike Simmons, Rancho Alamitos High School; Emily Salanio, Rancho Alamitos High School; Timothy Rushing, Orange High School; Randy Pagan, Kennedy High School; David Huddleston, Westminster High School; Reginald Bennett, Westminster High School; Joseph Luntz, Los Alamitos High School; Derrith Young, Cypress High School; Helen Garner, Garden Grove High School; David Nyberg, Bolsa Grande High School.

My nominees to the Air Force Academy at Colorado Springs are Scott Henderson, Cypress High School; Mary Shogren, Rancho Alamitos High School; Mario Farneti, Garden Grove High School; Richard LeBlanc, Western High School; Anne Pendlebury, University of California, Irvine; Michael Howard, Bolsa Grande High School; Joseph Thelander, Westminster High School; Mike Simmons, Rancho Alamitos High School; Emily Salanio, Rancho Alamitos High School; Timothy Rushing, Orange High School; Randy Pagan, Kennedy High School; David Huddleston, Westminster High School; David Harris, Westminster High School.

My nominee to the Merchant Marine Academy at Kings Point, N.Y. is: Edward Mendieta, Valley High School.●

PROFESSIONAL FOOTBALL BESET BY LACK OF MINORITY OPPORTUNITIES

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. DIXON. Mr. Speaker, with the euphoric Mardi Gras atmosphere of the Super Bowl game still freshly in mind, it is appropriate to draw attention to a nagging problem which besets professional football, and which has significant implications for the society which follows the game religiously, and whose values and ideals the sport purports to represent. As Weldon Young points out in the most recent issue of Equal Opportunity Forum, the National Football League continues to exclude minorities from top managerial positions. Even though roughly 50 percent of NFL players are black, there are no black general managers, no black head coaches, and of the last 261 openings for assistant coaches over the last 20 years, only 20 were filled by blacks.

Mr. Young's insightful analysis of this continuing problem, and the NFL's apparent insensitivity to it, raises a number of thoughtful questions about the relation of sports and society, and I commend it to my colleagues' attention:

BLACK AND BLUE: PLAYING GAMES IN THE NFL

Professional football is a pervasive force on the American scene. It generates a tremendous amount of interest, debate, and revenue each year. Broadcast rights in 1980 alone were bought by the major networks at a price in excess of $201 million. The 28 franchises in the NFL draw more than 14 million fans annually. Countless others follow the game religiously on TV and radio, in newspapers and magazines. Ex-ball players become product symbols (like O. J. Simpson), politicians (Jack Kemp), and sports announcers (Don Meredith). Whole cities are galvanized by championship games. But behind the roar of the crowd and endless hype there is a troubling reality.

The National Football League is an American institution. Like many institutions, it has an established hierarchy from which minorities and women are excluded. And like all American institutions, it cannot be extracted from its societal context. But why is it that the U.S. Army has black generals when the NFL has no black coaches? Why is the influential and wealthy Ford Foundation headed by a black professional while the NFL power structure remains lily white? In terms of equal opportunity, professional football fails the test.

Roughly 50 percent of the players in the National Football League are black. Of the 261 assistant coaching positions and 68 head coaching positions to become vacant in the last 20 years, 20 assistant coach positions have been filled by blacks. The NFL has yet to have a team directed by a black head coach. There are no black general managers; the Commissioner and both the conference presidents are white. If a similar situation existed in the industrial sector and such a large talent pool were similarly available, the federal government and civil rights groups would be all over the offending industry or group of companies. Apparently there is something sacrosanct about our great national pastime.

In 1978, the National Football League Players Association (NFLPA) presented the above statistics and their implications to Commissioner Pete Rozelle. While he said that he recognized the disparity between the percentage of black players and that of blacks in field management (coaching), Rozelle's only tangible action was to urge the League's owners to hire "qualified" blacks. In addition, Rozelle pointed out that the NFL is no more serious an offender than the news media which cover the weekly football contest. He concluded on a strong note by saying, "Things are changing."

Emlen Tunnel was the first black assistant coach in the NFL with the New York Giants. Willie Wood is now a head coach in the Canadian Football League. Deacon Jones, ex-Rams star, sought unsuccessfully to become a coach at the end of his career. Kermit Alexander was likewise not allowed to make the transition from player to coach at the end of his playing days. Chicago Bears great Gale Sayers found that accepting an athletic director job at a small college was the only way he could retain his affiliation with football. But the two names most often mentioned as head coach potentials are Lionel Taylor, Assistant Coach for the L.A. Rams, and Eddie Robinson, Head Coach at Grambling College.

Lionel Taylor began his career with the NFL in 1959 as a wide receiver for the Chicago Bears. He played in the American Football League for the Denver Broncos from 1960–66 and ended his playing career with the Houston Oilers. During this time, Taylor made 567 pass receptions, which places him fifth on the all-time receptions list. His career as an assistant coach in the NFL has been impressive. He became the receiver coach for the Pittsburgh Steelers in 1970 and remained there until 1976, coaching the Steelers to three Super Bowl victories. When lured away by the Rams in 1977, Taylor became the senior member of former Head Coach Chuck Knox' coaching staff. Since 1977, Taylor has been offensive coordinator of the Rams and has helped coach them to three Western Division Championships.

Eddie Robinson has been the man most often touted as the possible first black head coach in the NFL. He is a veritable institution at Grambling College where he has been head coach for 35 years, sending 160 players to the ranks of the NFL—something no one else in college football has achieved. Robinson reportedly was the number one candidate to replace George Allen at the helm of the Ram organization two years ago when Allen was fired. The deal never went through.

While these two men are currently "in the running," the list is too small. They are

typical of the many fine black prospects available to the NFL as head coaches. While no racist motives are imputed to the NFL, it seems apparent that a mechanism which produces the effects of racism is an important part of its organizational structure.

The National Football League Players Association (NFLPA) recently urged the implementation of an affirmative action policy to recruit blacks into NFL management positions. Commissioner Rozelle refused. Consequently, the NFLPA commissioned a social scientist from Johns Hopkins University, Dr. Jomills Braddock, to conduct a study to examine race discrimination in NFL managerial recruitment.

The Braddock study was released late last year. It concludes that race is a significant factor in filling coaching and front office positions. Dr. Braddock statistically determined that such characteristics as education and personal career success were strong determinants in the probability of landing a coaching job in the NFL. Upon examining the available data covering the last 20 years (i.e., education and player performance statistics), Dr. Braddock determined that race is a very strong predictor of accession to coaching positions. If black and white players had been promoted from the players' ranks equally, NFL clubs should have hired 10 blacks as head coaches rather than none and 92 blacks as assistants rather than the meagre 20 hired in the last two decades. The study also indicates that the NFL organizational structure has a built-in propensity to discriminate by race in filling coaching positions. Many coaching positions are filled through social contacts between coaching prospects and their potential employers; there is an apparent disregard for the objective qualifications of the person being considered.

Jim Hill, a TV sportcaster for CBS in Los Angeles and former NFL player, thinks that it is "strange to have so many black players and no black coaches," adding that it makes one "suspicious." When asked about possible explanations, Hill simply said, "General managers usually hire people they can control." Perhaps Hill was implying that black coaches might bring an unwanted air of independence to the NFL field management.

Lionel Taylor told Forum there is a myth in the NFL "that a person must have had some previous affiliation with the NFL to be an effective NFL coach." Taylor believes that there is an informal network of coaches, general managers, and ex-coaches who hire personnel "on the basis of recommendations" among themselves. This is a concrete reference to the "old boy" network referred to in the NFLPA study and a parallel to similar practices in other fields.

Traditionally, three main arguments are used to justify the NFL status quo:

(1) The NFL is improving in terms of bringing blacks into decision-making positions.

(2) There aren't enough "qualified" blacks to step in and take over coaching positions, since most coaches are recruited from the college ranks and there are currently no black head coaches at major universities.

(3) Most superstar NFL players would not be inclined to forego the lucrative earnings in other arenas after their playing days are over to opt for a lower paying coaching job.

The first argument falls flat under critical examination. The Braddock study has determined that "roughly 1 out of every 20 [former] football players can expect to become . . . a coach." When the same data is utilized with race as a variable, the figure decreases to "1 out of 100." In terms of any improved ratio outside of the statistical realm, we only have to consider official NFL comments. For example, Jack Donlin, Executive Director of the NFL Management Council, indicated in a recent interview that the NFL has no short-range plans to recruit blacks from the playing ranks.

Moving on to the second argument about the lack of "qualified" blacks, we find that it is equally suspect. Research indicates that 40 percent of all black players come from black colleges with presumably a large percentage of black head coaches and assistants. These black colleges are apparently not considered by the NFL to be "qualified" talent pools from which to select coaches for the NFL. Jack Donlin points out that most field managers are recruited from colleges. It seems absurd that the NFL can recruit players from black colleges but will not recruit coaches. In other words, blacks are acceptable as field fodder but not as management material.

The third and final argument, that black superstars would not be willing to sacrifice million-dollar contracts to become coaches, appears on the surface to have a certain ring of truth. The facts, however, prove otherwise. First of all, when you speak of "superstar" football players, you are speaking of a small minority. About 2 percent make more than $100,000 annually. Football pays its players on the average less than other major league sports ($61,000 as compared to $120,000 for basketball and $77,000 for baseball). While the data is hard to obtain, there have been numerous newspaper reports about million-dollar coaching contracts (Don Shula, Dick Vermeil, and John McKay, to name just a few). Again, this is only a small percentage of the total coaching population; the rank and file player and coach salary levels are probably about the same. if a person is willing to play for the going rate, he would certainly be willing to coach for the going rate.

The future of the race factor is still an uncertain issue in the NFL. Due to the efforts of the NFLPA and increased media attention, there is some hope. Brigg Owens, Assistant to the Executive Director of the NFLPA, feels that the facts and figures involved clearly point to the need for an immediate change. Owens compared the situation to the U.S. Constitution, pointing out that to insure equality, "amendments were added and pressure applied by influential organizations." The NFLPA has commissioned a new study to be conducted by the Civil Rights Division of the AFL-CIO and a panel of player representatives. The study is to be headed by NAACP Director Benjamin Hooks and would include, it is hoped, some representatives from the NFL management.

Individual members of an institution need not personally hold racist attitudes for the institution to have a racist effect. If equality is as widely a shared goal as suggested by some NFL officials, it seems clear that something should change to achieve parity in management. If past struggles are any indication, however, parity will only come after a prolonged period of pressure, compromise, and more pressure.

As an institution and as a business, the NFL is displaying a marked lethargy in approaching change. But it really can't afford to continue this way. Given the impact of football on so many of our lives, the demands for energetic correction will only become louder and more powerful. The future is not so far off when we'll be seeing a head coach on our TV screens because of his field management skills and not because of his winning baby blues.●

THE BREMER FOUNDATION

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. FRENZEL. Mr. Speaker, today I am introducing a bill which is designed to correct an oversight in the Tax Reform Act of 1969 that could have the undesirable consequence of forcing the dissolution of one of the largest and most generous foundations in Minnesota, the Otto Bremer Foundation.

The Otto Bremer Foundation is a private foundation, and it is also a bank holding company. It is the only private foundation in the country to have this dual status. Due to its unique status, the foundation has been required to enter into complex negotiations with the IRS in order to insure that it is in compliance with all of the provisions of the 1969 act. For the most part, these negotiations have gone smoothly, and the foundation has gone to great lengths to keep the negotiations on the right track. Unfortunately, the foundation and the IRS have thus far been unable to determine the value of the foundation's assets for the purposes of section 4942 of the Internal Revenue Code of 1954, as the code did not make any provisions for a foundation with the Bremer Foundation's unique dual status.

Under section 4942, a private foundation is required to distribute the greater of its adjusted net income, or 5 percent of the fair market value of its assets. As the foundation's adjusted net income has been less than the 5-percent figure, the foundation has been paying out the latter amount. In this case, the value of the foundation's assets, the banks which make up the bank holding company, was determined by capitalizing the net income derived from such assets at a 6-percent-capitalization rate.

However, the IRS has inexplicably opposed this method, and wants to value the foundation's assets by computing their market value were the banks to be sold off individually. This is an unrealistic demand, as it incorrectly treats all of the banks as separate entities, when they are in fact not. They are a part of a complete banking system, and should be treated as such.

In addition, the IRS's method of valuation would place the bank holding company in direct conflict with the various bank regulators, who require that all banks maintain a sound capital position. The foundation currently

maintains a very sound dividend policy, a policy which would be jeopardized if the banks were forced to significantly increase their dividends in order to meet the IRS's unreasonable demand for an increased payout.

My bill would correct this flaw in the current statute by permitting a foundation—which is also a bankholding company—to capitalize its assets at 6 percent. This would permit the Bremer Foundation to continue to meet all of its generous charitable commitments, and to maintain sound banking policies, while at the same time meeting all of the requirements set forth by the minimum payout provisions of section 4942 of the Internal Revenue Code. A copy of the bill follows:

H.R. 139

A bill to amend the Internal Revenue Code of 1954 with respect to the valuation of bank holding company assets for the purpose of determining the amount certain private foundations are required to distribute

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SPECIAL VALUATION FOR BANK HOLDING COMPANY ASSETS.

(a) GENERAL RULE.—Subsection (e) of section 4942 of the Internal Revenue Code of 1954 (defining minimum investment return) is amended by adding at the end thereof the following new paragraph:

"(3) SPECIAL VALUATION.

"(A) IN GENERAL.—For purposes of paragraph (1)(A), in the case of a private foundation which is a bank holding company and which has a substantial portion of its assets consisting of securities in—

"(i) banks,

"(ii) bank related companies, or

"(iii) a bank holding company,

the private foundation shall have the option of valuing the banks and bank related companies which are owned in whole or in part by the private foundation (or by any bank holding company in which the private foundation owns securities) by capitalizing the dividends paid by the banks and bank related companies at a capitalization rate of 6 percent.

"(e) DEFINITIONS.—For purposes of this paragraph—

"(i) BANK RELATED COMPANY.—The term 'bank related company' means any corporation or company which may be acquired by a bank holding company under the provisions of paragraph (1) or (8) section 4(c) of the Bank Holding Company Act of 1956 as amended.

"(ii) BANK HOLDING COMPANY.—The term 'bank holding company' has the same meaning as when used in the Bank Holding Company Act of 1956."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1971.●

DR. MARTIN LUTHER KING, JR.: BUFFALO, N.Y.'S TRIBUTE

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. NOWAK. Mr. Speaker, on January 15, 1981, my hometown of Buffalo, N.Y., like so many other communities in our Nation, paid its special tribute to the memory of Dr. Martin Luther King, Jr.

One of the highlights of the event in Buffalo's Lafayette Square was the tribute offered to Dr. King by two schoolchildren, one black, the other white.

Reflecting the display of racial unity among the 5,000 persons gathered in the square, Derrick Houstin, 14, a black student at School 80, and Anna Lynn Furst, a 17-year-old white student from the City Honors School, gave their insights into the achievements and vision of the slain civil rights leader.

These students and their teachers are to be commended for the inspirational and meaningful role their comments played in Buffalo's commemoration this year of Dr. King's birthday.

Also to be commended are the many public officials and private citizens who helped make Buffalo's observance a stunning success, despite the adverse publicity associated with a new-Nazi rally scheduled the same day. The community owes particular thanks to so many individuals and organizations but especially to the following members of the Black Leadership Forum, who spearheaded the Lafayette Square observance:

BUFFALO, N.Y.: BLACK LEADERSHIP FORUM

Daniel Acker, NAACP.

Bishop Leroy Anderson, Prince of Peace Temple.

George K. Arthur, City Councilman at Large.

Rev. R. E. Baines, Zion Missionary Baptist Church.

Theodore Banks, Ted Banks Auto Services.

Robert Barksdale, SETU Local 200, AFL-CIO.

Herbert L. Bellamy, City Councilman at Large.

Rev. L. T. Boyce, Calvary Baptist Church.

Rev. Will J. Brown, New Covenant Church of God.

Father Walter L. Bryan, St. Philip's Episcopal Church.

David Collins, City Councilman.

Leroy Coles, Jr., Buffalo Urban League.

Charles Davis, Attorney.

Rev. Elroy Day, Tabernacle Baptist Church.

Rev. Elijah J. Echols, First Shiloh Baptist Church.

Arthur O. Eve, New York State Assemblyman.

Rev. Maceo Freeman, Centennial AME Zion Church.

Minnie Gillette, County Legislator.

Dorothy Grey, Community Action.

Rev. James Hemphill, Hemphill Baptist Church.

Octavia Hudson, Adm. Assistant to Mr. Eve.

James A. W. McLeod, Attorney.

Sheila Nickson, Black Faculty and Staff, Assoc., Buff. State.

Eugene L. Pierce, AFL-CIO.

James Pitts, City Councilman.

Charles L. Price, United Auto Workers.

Rev. Herbert V. Reid, Gethsemane Baptist Church.

Rev. Bennett W. Smith, St. John Baptist Church.

Tex Smith, Local 210.

Rev. Andrew B. Whitted, St. Luke's AME Zion Church.

Rev. S. W. Williams, New Zion Baptist Church.

Following are the complete texts of the tributes offered by Derrick Houstin of School 80 and Anna Lynn Furst of the City Honors School respectively:

TRIBUTE TO DR. MARTIN LUTHER KING, JR.

(By Derrick Houstin)

When we think of Rev. Martin Luther King, Jr. we think of those who came before him who symbolized his leadership and spirit—Sojourner Truth, Frederick Douglass, Abraham Lincoln, Mary McLeod Bethune, Paul Lawrence Dunbar, and William DuBois.

We are reminded of his contemporaries such as Mohandas Gandhi, Andrew Young, John F. Kennedy, Robert Kennedy, Roy Wilkens, Whitney Young.

Today we see his dreams of universal brotherhood and his belief in God's wish that each man reach his full potential being carried on by people such as Rev. Jesse Jackson, Benjamin Hooks, Rev. Ralph Loew of the Chautaqua Institute and our own Rev. Bennett Smith as well as many educators, public spirited citizens, and community leaders. Many of these people including you in the audience are here today.

When I think of Rev. Martin Luther King, Jr. I think of the March from Selma to Montgomery, Alabama, the March to the Lincoln Memorial in Washington, D.C., the moral wrongs of the Viet Nam War, Operation Bread Basket, The Southern Christian Leadership Conference, nonviolent demonstrations, the philosophy of nonviolence and the winning of the Nobel Peace Prize.

When I as an eighth grade student think of Rev. Martin Luther King, Jr. I think of him as a man of honor, trustworthiness and vision, a friend of mankind and a model to look up to.

The Rev. Dr. Martin Luther King, Jr. was an author and educator who stood for universal excellence and for being responsible as a citizenship of the world.

When we think of the achievements of Dr. Martin Luther King we are reminded of the quote from former President John F. Kennedy who said, "Ask not what your country can do for you, ask what you can do for your country."

I and my friends at School 80 took a pledge to excel which was written by the Rev. Jesse Jackson. This pledge exemplifies Dr. King's philosophy of the achievement of excellence that students must aspire to so that they can be responsible citizens. The pledge to excel reads:

We will take the opportunity to learn all that we can about life. We will help our school and community by exercising discipline and by becoming a positive thinker.

We will sacrifice some of our wants of today, so that we may satisfy most of our needs of tomorrow. We will learn the secrets of success and practice them daily. We must be motivated to accept responsibility because nobody will save us from us but us.

We all have the "Force" to achieve as Obi-Wan-Ken-Obi said in the movie Star Wars, to achieve and develop to our full potential. Let all of us adults and children pledge to do our best, to leave this world a better place because we were here and to do this in the name of Rev. Dr. Martin Luther King.

TRIBUTE TO DR. MARTIN LUTHER KING, JR.

(By Anna Lynn Furst)

Members of the clergy, distinguished citizens, and fellow students of this city:

We are here to celebrate the birth of Doctor Martin Luther King, Jr. Dr. King was a man who devoted his adult life to the principles of brotherhood and equality. Not just brotherhood within the black population and not just brotherhood within the white population, but brotherhood within America. Equality for all Americans.

Dr. King played an essential role in helping blacks to achieve the equality promised them almost one-hundred years before the civil rights movement even started. Before the 1950's and 60's, the United States had been extremely slow in removing the glaring racial injustices thrown upon one group of our American Population.

Our country needed a man like Dr. King to revive the hopes of blacks. He went about this in a very brave and noble way. He said that blacks must not drink from the cup of bitterness and hate, but must conduct themselves with dignity and discipline.

Though the end to his struggle may never have been in his sight, he persevered. He was sentenced to jail and he was deluged with criticism. He saw blacks being killed for no reason and he saw blacks being denied equal education. For an ordinary man, that could only hinder his cause, but it made Dr. King's stronger and revived even more hope within his followers.

Though a great deal was still to be achieved after his death, without him, America would not have received the rude awakening it needed.

And that is why we are here today, to commemorate a man whose unselfish motives were only for good, only for the benefit of all human beings.

It is indeed a great honor for me to have been chosen to represent the high school students in the city of Buffalo in paying tribute to a truly great American and an even greater human being.●

COAL LEGISLATION

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. PEASE. Mr. Speaker, I remain very concerned about our Nation's energy problems and how we can best get a grip on them. Undoubtedly, inflation—including the cost of living and the cost of doing business—will continue to soar until we as a nation get serious about reducing our dependence upon imported, OPEC oil and until we take effective action to develop and substitute alternative energy resources. Our dependence upon imported, OPEC oil also is a critical element in our foreign policy; an element which has helped erode our country's once preeminent international position.

There is no one solution to "The Energy Problem." The only hope consists of developing diverse alternative sources, to conserve energy and to utilize it in a more efficient and environmentally sound manner.

One of the alternatives which must be used in our energy mix is coal. The world coal study (Wocol) entitled "Coal: Bridge to the Future," released last May estimated that world coal production two and one-half to three times its present level will be required to meet between one-half and two-thirds of the world's additional energy needs through the year 2000 primarily because of dwindling supplies of oil at acceptable prices.

The Wocol carried out by researchers from 16 countries under the direction of Dr. Carrol L. Wilson of the Massachusetts Institute of Technology states:

A tripling of coal use and a tenfold to fifteenfold increase in world steam coal trade would allow the energy problems of the next two decades to be faced with confidence. Without such a coal expansion the outlook is bleak.

For 7 years our national leaders have been calling for greater reliance on coal to meet our energy needs, yet little progress has been realized. We know that increased use of coal can decrease our reliance upon imported fuels; however, coal is not a panacea. Often its use can lead to environmentally harmful effects which subsequently lead to bitter protracted battles between coal producers and users, and the environmentalists both in the courts and before regulatory agencies. A unique and novel undertaking, the national coal policy project (NCPP), under the auspices of the Center for Strategic and International Studies of the Georgetown University, has brought together leaders from these traditional adversarial groups to resolve the issues involved in using coal in an economically and environmentally acceptable manner.

The NCPP, initiated in 1977, brought together over 100 corporate executives and environmentalists to discuss and debate policy issues related to coal use. The participants agreed to abide by the "Rule of Reason," seeking to find solutions rather than to resume their traditional adversarial roles. In nearly 4 years of the project's existence, its participants have been able to agree upon over 200 recommendations and policy guidelines; in several major areas these findings and conclusions have been published under the name, "Where We Agree," highlighting the very positive nature of the agreements developed by these long-warring interests.

The project has been the subject of much national interest and publicity, including the cover story of Fortune magazine. In the past year, it has been described in "Energy Future," the report of the energy project at the Harvard Business School, and "Energy in America's Future: The Choices Before Us," and the "Resources for Future" study, as a very hopeful methodology for the future. These reports agreed that a reasoned approach to the Nation's energy problems is more likely to achieve meaningful results than constant bickering and legal battles.

I became interested in the NCPP more than 2 years ago because I felt it held promise for identifying meaningful ground for compromise between competing environmental and industrial views on key public policy decisions that will facilitate prudent use of more of America's vast coal resources. For more than a year I have been working closely with participants in the NCPP with an eye toward incorporating some of their mutually agreed upon recommendations into legislation to be considered by the Congress. Today, I am reintroducing two bills in the House I offered last year which address the critical issues of coal use in relation to air pollution policy and the extraordinary delays associated with powerplant siting. These bills draw their inspiration from the NCPP deliberations and they draw heavily upon NCPP recommendations.

It is important to remember these bills take into account hundreds of hours of negotiations, research, debate, and discussion among NCPP participants drawn from boardrooms of corporations such as the Union Carbide Co. and major environmental organization like the Sierra Club. I am sure that environmental groups and industrialists reading these bills for the first time will find many features that will please them. On the other hand, they are almost certain to find elements that they will disagree with. This is to be expected since these bills include compromise positions agreed to by key leaders from both sides.

My first bill amends the Clean Air Act to provide incentives to develop new technology capable of minimizing air pollution and decreasing costs associated with increased coal production and use.

Under current law, industry does not have sufficient incentives to attempt the implementation of new pollution control technologies which may be more effective or less costly than proven technologies. Yet, it is important to note that industry's interest in achieving required pollution control at lower costs and the environmentalist's interest in achieving improved pollution control coincide in a desire to en-

courage the development of new technology.

To promote the development of such technology, the Environmental Protection Agency under this bill would be given the authority to allow a limited number of exceptions from the new source performance standards (NSPS) and the best available control technology (BACT) requirements of the Clean Air Act. Variances, however, would not be allowed from compliance with the national ambient air quality standards (NAAGS). Only technologies with a reasonable chance of success would qualify for an exception.

A charge would be imposed if the new technology failed to comply with NSPS or BACT, but in no instance would the cost of the new technology, plus the charge imposed, exceed the cost of achieving NSPS or BACT with proven technology. The charge would be structured to encourage the development of technology to provide the most pollution control possible.

Let me stress, once again, that this bill is designed to minimize the effects of sulfur dioxide, particulate, nitrogen oxide emissions and other forms of air pollution. It would provide industry with a goal to shoot for in an effort to cut costs and improve the quality of the air we all breathe.

My first bill also attempts to harness economic incentives to improve ambient air quality, specifically in those regions where national or secondary ambient air quality standards are not now being achieved, through the imposition of an emission charges and rebate plan.

Under the plan suggested in this bill, provisions would be added to the Clean Air Act to authorize the Administrator of the EPA to develop and implement, in air quality control regions which are not now in attainment of national or secondary standards, a system of charges to be paid per unit of emissions of any particular pollutant in a given control region. The funds collected would be redistributed annually to those paying the per unit charges in proportion to each emitter's total useful output in the industry for which the system was in place. Year-to-year emission reduction schedules for each pollutant and each industry subject to the charge plan would be specified. If in any given year, actual emission exceeded scheduled emissions, the fee for the next year would automatically increase.

Under this plan, revenues produced would not be just another form of tax, but rather would act as an incentive to achieve cost-efficient abatement through economic competition. I must point out that these are not noncompliance penalties.

The emission charge and rebate is most appropriate or use in nonattainment areas because current nonattainment provisions severly restrict the opportunities for placement of new industries in such areas, even for proposed new facilities which would have very low emissions. The plan is an effort to deal with problems and constraints associated with the present air pollution control system in an innovative way instead of building upon the ambiguities and uncertainties of the current system.

Mr. Speaker, my second bill deals with the siting of coal-fired powerplants. It is well known that many Government agencies possess various powers with respect to the issuance of the various permits and licenses which are necessary for the construction and operation of coal-fired powerplants. These duties are often overlapping and duplicative, and frequently result in unreasonable and unnecessary delays and expense for those who would seek to construct such new plants. The unpredictability which results jeopardize our Nation's ability to meet future energy demands through more use of coal and less reliance on imported oil.

This bill would remedy that situation by requiring coordination of the activities of the various governmental agencies which have responsibility for various aspects of permitting and licensing of new coal-fired powerplants. The Secretary of Energy would be authorized to require Federal agencies to conduct consolidated proceedings, and to establish a reasonable period of time within which the Federal agencies must render their decisions. The Secretary would also be authorized to consult with State agencies concerning the consolidation of State proceedings, and to establish a reasonable period of time within which the Federal agencies must render their decisions. The Secretary would also be authorized to consult with State agencies concerning the consolidation of State proceedings with necessary Federal proceedings. With these provisions I expect that the Secretary of Energy will plan a leading role in coordinating all levels of Government decisionmaking in the powerplant siting process.

In order to provide for effective participation of all interested parties in the expedited siting process, this bill provides for the compensation of all reasonable attorney fees, expert witness fees, and other costs of participating in proceedings before a Federal agency. Such compensation would be provided for those who have a point of view or interest not otherwise represented and who would be unable to participate in the proceedings because they are unable to afford the costs. Federal financial assistance would be made available to States for the implementation of streamlined plant siting programs subject to certain requirements, including the existence of a citizen-funding mechanism similar to that available in proceedings before Federal agencies.

New coal-fired powerplants are often sited in areas which are remote from the areas where the energy produced is to be used. Such siting effectively removes the social and environmental burdens of these facilities from those persons who will benefit most from their operation. Consequently, efforts to improve pollution control and to further energy conservation are not encouraged as they might be if the powerplants were not sited with this "out of sight, and out of mind" mentality. This bill recognizes this tendency and tries, in part, to counteract it.

Thus, Mr. Speaker, under this bill the decisions with respect to such new facilities would be reached in a much more timely manner, at a significantly reduced cost, and in a more socially responsible manner. In these times, our Nation simply cannot afford to wait for 10 or 15 years before it becomes clear if a proposed facility will be allowed to operate. We must speed up the decisionmaking process and at the same time provide for meaningful participation in the siting decisionmaking process. Similarly, we cannot continue to hide our air pollution in someone else's backyard. We must have a way of expeditiously determining our energy needs and taking appropriate actions to meet these needs. The coal-fired powerplant siting policy contained in this bill would do much to alleviate these problems.

Again, Mr. Speaker, I would like to remind the Members of this body that both of the bills I am offering address the interests of many environmentalists and industrialists. They are the product of a reasoned attempt to accommodation based upon an understanding of the interests of various parties. As we are pulled farther apart by the conflicting demands of our Nation for energy, and our desire to protect the environment, we should listen closely to those who have already done much to eliminate their own differences. By following their counsel, we too may be spared many of the unnecessary delays which we have experienced in the past.

In closing, I call to the attention of my colleagues the principal finding of the world coal study:

> Coal can provide the principal part of the additional energy needs of the next two decades . . . But the public and private enterprises concerned must act cooperatively and promptly if this is to be achieved.
>
> Governments can help in particular by providing the confidence and stability required for investment decisions, by eliminating delays in licensing and planning permissions, by establishing clear and stable environmental standards, and by facilitating the growth of free and competitive international trade.

The two bills I am introducing today serve each of these purposes. I commend them to my peers for thoughtful study and careful consideration.●

THE HOSTAGES: WHAT HAVE WE LEARNED?

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. THOMAS. Mr. Speaker, it is a very happy time in Washington, D.C., right now—as it is all over the country. Yellow ribbons everywhere, on buildings, on car antennas, on clothing, a welcoming parade down Pennsylvania Avenue, with flags waving—all part of the reunion of 52 American hostages with their families and the American people.

Everybody is happy and proud—but over what? There certainly was no victory in battle that we now herald. It is not as though the hostages' release was secured in a surprisingly short time. The only role the United States finally played was that of a parent who paid part of a demanded ransom and had a child returned without any serious harm—we hope. Obviously the Iranian crisis is not resolved—we still are faced with an extremely hostile government where for 30 years we had a friend, and our access to the Mideast remains threatened. The President and his advisers in the Department of State must turn quickly and determinedly to this ongoing, and very serious problem.

No, our eyes did not water last Tuesday as we heard the now famous phrase "Wheels up" because of pride in some action taken by the United States; rather it was because of something each of us felt inside.

We are joyous now—January 1981—because the resolution of this 14½-month experience has crystallized in American hearts and minds what living in America really means, what is embodied in the phrase—the land of the free.

Not since the dark days of World War II have Americans as a nation focused so intently on what it would be like not to be free. Something we have been told we have taken for granted, is something we have taken for granted—until last Tuesday. But, since then it has sunk in, at least to me and I think to many Americans. My heart swelled with pride as the band played "My Country 'Tis of Thee * * *" while the freed hostages boarded the plane in Germany for the final flight home to the United States, and as a marine firmly saluted as he reached the top of the stairs "* * * sweet land of liberty * * *."

We often admit that we forget our prayers until we are in trouble; that a dying man quickly finds God. Likewise, as Americans we seem to have forgotten what liberty—freedom—and being an American means. Not only what it means, but why we must fight to protect that liberty, that freedom, and that right to be an American.

Somehow the words "liberty" and "freedom" became out of style, something popular and necessary in the 1700's, part of our history books, but not something for the 1970's and 1980's when the important things became objects—cars, televisions, or a weekend at the beach.

One young college student even said to me several months ago, during day whatever of the hostage crisis—"Well, I feel sorry for the 52 hostages, but I don't want to go fight a war for the oil companies."

How misguided that young man was—and yet, I dare say, if I was in his home as he watched the televised return of the hostages, I am sure I would have seen the same pride and happiness in his eyes that I see everywhere.

We do not fight wars for oil companies. We do not fight wars for multinational corporations. It does not matter what foreign nation it might be—or what products that country exports—or how different the people look from us—freedom in America is threatened whenever we witness—and do nothing about—someone else's liberty being taken.

So, while the crowds and media, families and friends emerge from this episode, let us benefit from the experience, let us not forget why we fight or more importantly why we need the equipment—both machinery and intelligence—to possess the strength to prevent unwarranted aggression.

Let us not forget the look on these 52 American faces—and the glimpse of several who even kissed American soil when they first landed.

That is what it means to be an American—knowing the difference between living in freedom—and surviving in captivity.●

THE IMPORTANCE OF ENCOURAGING PERSONAL SAVING

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. GREEN. Mr. Speaker, the United States has the lowest personal saving rate of any major industrial nation—4.7 percent in the third quarter of 1980. The current U.S. rate has dropped by half over the past 10 years to a level that is one-fourth the Japanese rate and one-third the German rate.

This lack of saving has significant consequences. Saving is the source of funds for financing Government deficits, for investment, and for personal borrowing for consumption. When saving is inadequate, something has to give. In the United States, in recent years, that give has consisted of: First, the inflationary practice of printing money to cover Government deficits, second, inadequate investment which results in declining productivity in our economy—in fact, U.S. productivity growth has been generally slowing down since 1974 and in 1979 productivity actually fell 0.8 percent. This negative trend continued into 1980—and third, personal borrowing became so inflationary in early 1980 that credit controls were instituted to restrict further expansion.

Recently, some limited steps have been taken to stimulate saving. The Depository Institutions Deregulation and Monetary Control Act of 1980 will gradually decontrol interest rates, allowing regular savings accounts belonging to individual savers to earn interest at market rates. A rider to the windfall profit tax bill expanded the existing dividend exclusion—a maximum of $100 for a single individual or $200 for a couple filing a joint return—to include an exclusion of $200 of earned interest and dividends or $400 for a couple filing a joint return. And the Keogh plan and individual retirement accounts (IRA's) have allowed certain saving programs to operate tax free.

But only the first of these approaches, the deregulation of passbook savings account interest rates, means much to low- and moderate-income households in terms of the net return they may receive on their savings. The interest exclusion and the tax deferral on income invested in retirement plans, however, are of small value to these income groups and will not encourage a significant increase in saving behavior.

If we want to stimulate personal saving, we should focus on these low- and moderate-income households, since it is elementary economics that the well-to-do families already tend to save a larger proportion of their income. A number of countries have saving incentive programs designed to encourage lower income households to save. One of the most successful was instituted by the West Germans in 1959. Until recently, the West Germans have been able to receive interest bonuses on certain contractual amounts deposited in banks and life insurance companies or invested in employers' firms if the saver's income did not exceed certain limits. In addition to the regular return the investment received, the German Government paid a bonus of 14 percent at the end of 6 or 7 years for a limited amount of investment. Indeed, that program was so successful that the

program was recently suspended. The program induced 15,000,000 households to save and has apparently changed the West Germans' attitudes toward saving. Most households continue to save even after receiving the bonus.

The ingredients of my program for this country include the following:

Participants would have to commit to save or invest for 7 years.

The savings could be held at banks or invested in mutual funds or other vehicles similar to those allowed under Keogh and IRA programs.

The United States would commit to pay a substantial interest bonus of 14 percent of the value of the initial investment depending on household status at the end of the investment period of 7 years.

The program would have an income limit of $15,000 adjusted gross income for an individual or $30,000 for a married couple.

The program would have an investment limit per year of $500 per individual and $1,000 for a married couple.

The benefits of the significant transfer of funds from consumption to saving that this program would promote are twofold:

First. Inflationary consumption expenditure would be reduced.

Second. Funds would be available to modernize our productive capacity and to cover Government deficits.

Instituting a saving incentive program that is targeted to modest income savers would be even more urgent if the Kemp-Roth tax cut is enacted. The reason for this is the comparative timing of the impact of the two programs. In the case of the Kemp-Roth program, few but the most ardent believers in the Laffer curve think that the stimulative effects of an across-the-board tax cut will be instantaneous. That is particularly true because a 10-percent cut in tax rates in 1981—the first stage of Kemp-Roth—will be more than offset by higher social security taxes and the fact that inflation will push wages up thus pushing individuals into higher tax brackets. The lag between the enactment of Kemp-Roth and its actual economic stimulus will thus, in the short run, increase the budget deficit. Absent an increase in personal saving, the Government will either print more money to cover the deficit, thus increasing inflation or, if the money supply is not increased, private investment will be crowded out, thus eliminating the stimulation Kemp-Roth was supposed to induce.

The timing of a saving program works in just the opposite way. If one assumes a program where savers must save 7 years before the Government pays the bonus they have earned, we get 7 years of saving before the Government outlay starts. That gives us 7 years worth of savings to cover Government deficits—including the start-up of Kemp-Roth—and 7 years of investment in private sector productivity improvement. Basically, the saving program buys 7 years time to get a handle on inflation.

A second benefit of a saving subsidy program is political and ethical. A Kemp-Roth tax cut benefits primarily upper income households—whose taxes rose the fastest as tax rates were increased over the past 40 years. A low and moderate income saving program rounds out Kemp-Roth by offering something to those further down the economic ladder.

In short, I believe a savings subsidy program for low and Moderate income families is a key part of our fight on inflation and should rank high on our economic agenda for 1981. Accordingly, I am today introducing legislation which would establish the program I have outlined above. I urge my colleagues to give prompt and favorable consideration to this program.●

THE NONPROFIT TAX REFORM ACT OF 1981

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. CONABLE. Mr. Speaker, on January 20 I reintroduced H.R. 990, a bill entitled the Nonprofit Tax Reform Act of 1981. This is a comprehensive measure with a number of separable provisions, and I introduced it for study purposes so that interested parties can consider its impact on their organizations and their tax relationships.

Tax problems in the nonprofit area are frequently complicated, although they often do not involve large amounts of revenue. Due to complexities, uncertainties, and ambiguities, and the evolution of increasingly diverse functions, considerable manhours can be invested by both the Internal Revenue Service and the nonprofit groups themselves in assuring compliance with the law. H.R. 990 is designed to try to reduce the problems inherent in nonprofit status and to make the overseeing of such organizations by the IRS more definite and certain so that activities and programs can be planned with confidence. The law must change through redefinition and increasingly precise provision for changing institutions, including those in the nonprofit sector.

I am hopeful that interested parties will suggest changes and additions to the provisions of this legislation. Although I have reservations about some of the matters included in the bill, I reintroduced it in the hope that Congress will benefit from the public discussion, definition, and efforts to resolve the many different issues involved.●

PRICE CONTROL ON PETROLEUM PRODUCTS

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. MINISH. Mr. Speaker, earlier today President Ronald Reagan issued an Executive order eliminating price controls on domestic oil, gasoline and other petroleum products. It is estimated that this action will result in an almost immediate price increase of from 3 to 12 cents per gallon of gasoline and home heating oil.

Mr. Speaker, I cannot state too strongly what a disastrous effect this action will have on the average American consumer, and I feel that those of us who oppose price decontrol must rise in protest.

First let me point out that I have opposed petroleum price decontrol from the moment President Carter first proposed it. The cost to the consumer is too much to bear. In addition, I told President Carter personally at the White House that his proposal to place a 10-cent-per-gallon tax on gasoline would also be a disaster. Petroleum prices were and are too high.

And, of course, the burden of higher prices falls hardest on those people who can afford it least, the beleaguered middle and lower income groups.

Mr. Speaker, the decision to decontrol these products is particularly unfair to consumers, since it affects only old oil. I would like to know how this action will encourage new oil development when almost all newly discovered oil already can be sold at world market prices. The action of President Reagan today is nothing more than a bonanza for the oil companies which continue to rake in tremendous profits.

I am seriously concerned about the effect of this action on the families and individuals who are straining to live within their means. While they may have some leeway in the amount of gasoline they use, there is very little room to cutback in the use of heating oil. The consumers are stretched to the limits of their resources and it is not fair to place this unnecessary and inflationary obstacle in their paths.●

ENERGY DEVELOPMENT IN THE WESTERN UNITED STATES

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. DASCHLE. Mr. Speaker, I am today introducing legislation which speaks to one of the most serious, yet often overlooked, problems that exists in the West today. We have all heard about the great possibilities for energy development in the Western United States. We have all heard time and again that the coal reserves in our country, if properly developed, can provide us with energy independence. We have all heard, more times than I can count, that the development of those resources must be one of this Nation's top priorities.

I would certainly never underemphasize the importance of that energy development. It is, after all, one of our greatest natural resources. But I am concerned today with another of our great natural resources, one whose fate is tied inextricably to that development. I am speaking, of course, of the water resources of this country, without which no meaningful energy industry can exist. It is my fear that, in our headlong rush to make our energy resources a realized national asset, rather than simply a potential one, we are in danger of destroying the delicate balance that provides the agricultural, industrial, and domestic stability of an entire region.

There is a significant body of Federal law which deals with the allocation of surface water: the rivers, lakes, and streams that we are all familiar with. But there is, as yet, no protection offered to our underground water supplies, about which we know much less. These underground water formations, known as aquifers, provide much of the usable water for cities, towns, farms, and ranches all over the country. Their geographical extent is often difficult to determine with great exactitude. Many lie underneath multistate areas. They have served the needs of those States well in the past, but they will continue to do so in the future only if some attention is paid to their protection.

At this very moment there are proposals to use much of that underground water as a transportation vehicle in coal slurry pipelines. I will not, at this time, speak to the merits of coal slurry pipelines themselves, although I do feel the entire concept is somewhat questionable. What I am concerned with is that such a proposed use of groundwater, while perhaps legitimate and defensible in some instances is, in others, nothing less than a disaster. Water rights for such underground formations may be granted by one State which completely ignore the effect that such use may have on a neighboring State. That neighboring State, to protect itself, and its citizens, has no other recourse except litigation, a time-consuming and expensive process.

The bill that I am proposing today seeks to remedy that situation, not through any Federal interference, but simply by providing a mechanism whereby States which share in common underground water formations may have a voice in protecting their own interests. It leaves the decision on the beneficial use of those waters precisely where it belongs; namely, to the affected States. It avoids the interminable, often divisive legal battles over underground water rights which are now beginning.

The bill simply states that any coal slurry pipeline using any groundwaters as a vehicle for transmission must, before it can receive a Federal right-of-way, receive the consent of the States affected by the use of such groundwater. The thrust of the bill is to insure that the rights of the individual States to their most precious commodity, water, are not destroyed in a hasty, ill-conceived rush to cash in on our present energy problems.

With perserverance and care, we can develop our energy potential. But we must make sure that, in doing so, we do not destroy the most single important asset that our country has: Its plentiful supply of clean, available water.●

RECOGNITION DAY

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. WHITEHURST. Mr. Speaker, on Sunday afternoon, I had the pleasure of participating in the Recognition Day ceremonies held by Tidewater Post 4809 of the Veterans of Foreign Wars of the United States, in Norfolk, Va.

One of those honored was the district winner of the Voice of Democracy competition, a young man named Samuel White, who is in the 11th grade at Norview High School in Norfolk. Indeed, Samuel was the runner-up in the State VOD competition.

I was deeply moved by his words, and I am delighted to take this opportunity to share them with my colleagues at this point in the RECORD. It is heartening to me to know that we have young citizens like Samuel who appreciate our great country and understand the need for commitment to its historic principles.

MY COMMITMENT TO MY COUNTRY

All my life I have taken for granted that I live in the best country in the world. I have believed this without really thinking about it—until lately. Not long ago I met a man from Russia, who had recently emigrated to this country, and what he had to say suddenly made me see everything in a different light. I was so used to my country that I think I was blind to all it has to offer.

"You Americans just don't realize what you have!" he said. Only then did it come to me that not everyone enjoys the rights and liberties that Americans do. Because of this we must do all in our power to protect and preserve the liberties and rights we have been blessed with.

As Americans, we can speak out freely and without fear on any subject; we can choose our own kind of work and if we are competent we can expect to advance in our chosen field; we can vote as we wish in any election; . . . the list is endless it seems. We Americans are the envy and wonder of the World.

But too often we forget that we enjoy such freedoms not because we deserve them but simply because we had the good fortune to be born as Americans. We forget that even liberties such as ours may be weakened or even lost through apathy and neglect. Each of us has the obligation to preserve our priceless heritage and where it is still imperfect—to improve it. I acknowledge my obligations and freely make my commitment to my country and will do everything in my power to help it live up to its promise and become all that it can be.

What exactly is a commitment? The letters in the word commitment form words which stand for the ideas and concepts which every person as a citizen of the U.S. should be aware and strive their best to fulfill.

C Covenant. Each time we pledge to our flag or sing The Star Spangled Banner, a bond, an agreement, a covenant between us and our country is renewed.

O Obligations. As children we are taught to accept our responsibilities and to fulfill our obligations. As a citizen of the U.S. I am obligated by birth to foster and nurture our Democratic way of life.

M Morality. Our country was founded on a moral code of what is right and wrong. It is my responsibility as a citizen to distinguish between the two and by doing so to do what is morally right for my country.

M Might. In order for our country to retain the highest level of respect throughout the world it is necessary that we remain the mightiest nation also, not only in military power but in the strength of compassion as well.

I Individuals. This country is the home of many millions of individuals. As one of them I have the responsibility to do what I can for the benefit of my country.

T Togetherness. Our country is not run by one person alone but by the combined efforts of many. In our government, our schools and our families, people are working together to make our country stronger.

M Mindful. I must at all times be mindful of what takes place around me and realize when my commitments be and how I can fulfill them.

E Environment. My environment is another important aspect of my commitment. I will strive to "Keep America Beautiful" without strangling its industry.

N Necessary. I have these responsibilities to my country because I believe them to be necessary and vital for the continuance of our American way of life.

T Total. My commitment to my country must be a total commitment. It cannot be something which is expressed only now and

then, but a continual, steadfast bond between me and my country.

In the months and years to come the pride and love I feel for my country will be tested to its fullest. Despite those critics who claim that America can never be what it once was, my belief and trust in this country will not be swayed. Despite the misinformed who preach indifference, my faith in our "government for the people, by the people" will not be dimmed. I believe in her completely and totally. I am committed.●

TRIBUTE TO THELMA STEWART

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. SHUMWAY. Mr. Speaker, being selected Stocktonian of the Year in Stockton, Calif., is an honor of the highest order. It indicates that the individual in question is a caring, contributing, and humanitarian person, one who gives of himself or herself to enhance the lives of others. Thelma Stewart is just such a person, and I am delighted that she has received the Stocktonian of the Year Award this year.

For 17 years, Thelma Stewart has devoted herself to charitable work. She has done extensive fundraising for such groups as the Stockton Police Youth Activities, the Children's Home of Stockton, and for Special Olympics. Her concern for the lifestyle of retarded people is further demonstrated by the fact that she formed a group called Lady Bugs to supplement the Harrison School for the retarded's budget. She was also a founding member of the Ladies Aid for Retarded Citizens and Women Active for Charitable Services.

Thelma is the first and only woman ever to serve as president of the Stockton Boys Club. She also served as a member of the boys club board for 11 years.

She also gave 11 years in service as a member of the board of United Way, and headed the United Way's kickoff luncheon for several years. Thelma is a member of the Dameron Hospital board and the Dameron Auxiliary.

Very few spheres of interest have been untouched by Mrs. Thelma Stewart's competence and concern. She is a person able to translate noble ideas into realistic action, and to generate enthusiasm and assistance in those around her. Thelma is an enormous asset to our community, and I am delighted to consider her my friend. To her, and to her husband, Don, I extend congratulations on a job well done, and every best wish for continued success.●

THE STATE AND LOCAL GOVERNMENT COST ESTIMATE ACT OF 1981

HON. STANLEY N. LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. LUNDINE. Mr. Speaker, I am pleased to join today with my distinguished colleagues from New York (Mr. ZEFERETTI) and California (Mr. MINETA) in introducing the State and Local Cost Estimate Act of 1981. This legislation requires the Congressional Budget Office to provide estimates of the costs to State and local governments of significant bills or resolutions reported by House and Senate committees.

I am offering this legislation because I believe congress has failed to fully assess the consequences of its actions on State and local governments. In our increasingly complex economy, even minor changes in Federal programs and policies can impose significant fiscal burdens on local governments, burdens which are often unexpected and usually unintended.

It is important that Congress have both the opportunity and the means to assess all potential costs and consequences of Federal actions. The legislation we are introducing provides the means for such assessments by requiring the submission of estimates of the costs incurred by State and local governments in carrying out or complying with bills or resolutions which, in the judgment of the Director of CBO, are likely to have a significant fiscal impact on State and local governments. These cost estimates would permit Congress to identify all potential costs to taxpayers before a legislative proposal is enacted into law.

I believe there is a very clear need for such a procedure. During the past decade we have witnessed an unprecedented expansion in Federal assistance and a corresponding growth in Federal controls. Power has shifted from local elected officials to Federal bureaucrats. State and local governments have had their traditional policy and funding priorities disrupted. Their operations have become so encumbered with the details of responding to Federal agencies that many have lost their capacity to respond to the concerns of local citizens.

During the 1970's Congress enacted some 150 new categorical aid programs, bringing the total number of such programs to nearly 500. Federal assistance programs for State and local governments alone increased to 442 by the end of the decade. Today there is virtually no function of local government, from police protection to community arts promotion, which does not have its counterpart Federal aid program.

Each new Federal program has come with its own set of requirements, regulations, and overhead costs. Burdened by declining revenues and rising demand for services, local governments have had little choice but to accept these requirements as the price of needed Federal assistance. The result has been an increase in Federal control over the budgets and policies of local governments, requiring that an ever increasing amount of local effort be diverted to the task of responding to Federal requests and mandates.

This expansion of Federal programs has not had the intended effect of making local government more responsive to social needs and public concerns. In fact, the opposite has occurred. The uncentralized and uncoordinated administration of hundreds of Federal programs has increased the overall cost of government, has made it less efficient and, most importantly, has made it less responsive than ever before.

Most of the local costs associated with Federal programs result from program requirements which appear beneficial on paper, but prove extremely costly to implement. During my years as mayor of Jamestown, N.Y., I found numerous instances in which Federal programs, initially design to help local government, actually resulted in new and unexpected burdens for local officials and taxpayers.

Hundreds of examples of costs imposed on localities by Federal legislation can be cited by State and local officials throughout the Nation. As I noted earlier, most of these costs were unintended, since Congress has had little capacity to assess the cost of legislation on anything other than the Federal budget.

It has become clear that Federal legislation can no longer be considered in isolation. Federal objectives cannot be achieved, nor current programs simplified by merely shifting a greater burden of the cost to State and local government. The public's growing resistance to higher taxes and new public expenditures should serve to remind us that the cost of government, whether at the Federal, State or local level, untimately falls on the same taxpayers.

The cost estimate procedure we are proposing would permit Congress to identify, early in its deliberative process, all the significant costs associated with proposed programs and policies. This can result, I believe, in the drafting of more responsible, less costly legislation and the rejection of proposals that impose excessive and unreasonable fiscal burdens on State and local governments.

We are reintroducing this proposal at a critical time for State and local

governments. Congress continues to impose requirements on local jurisdictions while simultaneously reducing funding for State and local assistance programs. The new administration has proposed an even greater shift in responsibility for Federal programs to the State and local level. It would be irresponsible for Congress to continue imposing fiscal burdens on State and local governments without even attempting to assess the magnitude of these burdens.

Mr. Speaker, I know that some Members will question this proposal because of the additional expense these cost estimates will add to the legislative process. I am certainly no advocate for a needless complication of the legislative process or for the creation of additional bureaucracy. I am convinced, however, that the expenditures required to prepare these cost estimates will be more than offset by the savings that will result from less costly, more responsible legislation.

Thirty-five States currently employ some system for preparing "fiscal notes" estimating the cost of legislative proposals on local jurisdictions. In States where these systems have operated for many years, local officials are convinced the process has provided substantial savings to local governments and to taxpayers.

I think it is time for Congress to adopt some cost-saving measures that have been developed by State and local officials in response to changing economic conditions. This legislation offers a first step toward achieving the kind of fiscal responsibility the American people are now demanding of government.●

TRIBUTE TO CANADIAN EMBASSY IN TEHRAN

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. COUGHLIN. Mr. Speaker, we are, as a nation of free men and women, witness to and participants in the return of our fellow Americans from 444 long and painful days in captivity. Their return, their passage to these shores, has been a profound and moving celebration of freedom. There is a very understandable sense of pride that we are a nation blessed with dignity, humility, unity, and with knowledge that we as a people have prevailed in this long, dark night of trial.

In this time of joy for our brothers and sisters who have returned to us—in this time of profound gratitude to the memory of the eight Americans who gave their lives in the Iranian desert—let us also reflect at this very special time in our history on the singular courage of a group of Canadians.

It was they, these heroic men and women, who at enormous risk to their own lives, undertook to rescue and shelter six Americans on November 4, 1979, as they escaped from the beleaguered U.S. Embassy compound into the nightmare of Tehran.

Words seem inadequate in conveying the selflessness and valor of these brave Canadians. Let it be said simply, then: We love you and we shall never forget that you stood by six desperate Americans in a wonderful display of fellowship, sacrifice, and heroism in the face of such danger. You have the right stuff.●

CALL FOR MEDIA COMPASSION

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. HOPKINS. Mr. Speaker, last Friday I made a suggestion to the heads of several leading news organizations regarding the coverage of the former hostages upon their return to the United States.

It is not my intention to become habitually involved in the everyday policy decisions of national news services; however, because I do feel this is an extraordinary situation that merits the attention of all Americans, I have offered a suggestion on news coverage—hoping it will be taken as the one-time-only proposal I intend.

The following is a sample letter I mailed to Mr. Ben Bradlee, executive editor, the Washington Post; Mr. A. M. Rosenthal, executive editor, the New York Times; Mr. Murray Gart, editor, the Washington Star; Mr. Larry Grossman, president, PBS; Mr. Fred Silverman, president, NBC; Mr. Thomas Wymas, president, CBS; Mr. Roone Arledge, president, ABC; Mr. H. L. Stevenson, editor in chief, UPI; and, Mr. Louis Boccardi, executive news editor, AP:

JANUARY 23, 1981.

Mr. BEN BRADLEE,
Executive Editor,
The Washington Post,
Washington, D.C.

DEAR MR. BRADLEE: I have been reading in The Washington Post the enlightening and informative stories of our "returnees" since their release from Iran. As an interested, disbelieving, outraged and curious viewer, I have hung on every word, gleaning as many details as possible.

However, today, I realized my hunger for this news is—as some of your reporters again informed me—at the expense of the former hostages and their families. And, having listened to the radio this morning and hearing physicians in West Germany explain that some hostages already show potential signs of psychiatric stress, and that they run the risk of further emotional strain by the intensive media exposure they're certain to get upon their arrival in the United States, I have decided to offer a proposal for your consideration:

I feel the American media—print and broadcast—should restrain itself, voluntarily, for a short period of time to allow for the personal readjustment of the former hostages by limiting coverage to public events or returnee-initiated interviews. If a newspaper of your caliber and influence announced such a policy, many other news organizations would follow your lead.

This, I believe, would enhance your prestige among readers all over the country because, as you realize, the press is getting bad press over this media dilemma.

Let there be no mistake, I am a firm believer in the First Amendment rights of the press; still, I am also a believer in the individual's right of privacy and peace of mind. This delicate situation appears to be an extraordinary case when the lives of our former hostages should be considered over and above those people—myself included—whose voracious appetites for details deny the well-being of others.

Again, my suggestion does not preclude coverage of the returnees and their families. It does limit coverage to public appearances and interviews that are instigated by the former hostages and/or their families for a designated period of time—a month or six weeks, for example. Thereafter, it would be "business as usual" in your reporting coverage of these men and women.

I hope you will consider this proposal as soon as possible. It is, I feel, in the best interest of the 52 American diplomats, their families, and, perhaps equally importantly, the media and the image it portrays to its clientele and the world.

Yours very truly,

LARRY J. HOPKINS,
Member of Congress.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, January 29, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JANUARY 30

8:45 a.m.
Veterans' Affairs
Organizational business meeting, to consider committee budget for 1981, adopt committee rules of procedure for the 97th Congress, and announce committee agenda.
412 Russell Building

10:00 a.m.
Appropriations
To continue hearings to review the proposed budget for fiscal year 1982 and the state of the U.S. economy.
1114 Dirksen Building

Energy and Natural Resources
Business meeting, to consider committee budget for 1981.
3110 Dirksen Building

FEBRUARY 2

10:00 a.m.
Foreign Relations
To hold hearings on the nomination of William P. Clark, of California, to be Deputy Secretary of State.
4221 Dirksen Building

FEBRUARY 3

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for employment and training administration programs of the Department of Labor.
1114 Dirksen Building

Judiciary
To hold a business meeting on general committee business.
2228 Dirksen Building

2:00 p.m.
Select on Intelligence
To hold hearings on the nomination of E. R. Inman, of California, to be Deputy Director of Central Intelligence.
6202 Dirksen Building

FEBRUARY 4

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Labor-Management Services Administration, the Pension Benefit Guaranty Corporation, and the Employment Standards Administration of the Department of Labor.
1114 Dirksen Building

10:30 a.m.
Special on Aging
To hold hearings on the estate tax impact on older women.
1224 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Occupational Safety and Health Administration and the Mine Safety and Health Administration of the Department of Labor.
1114 Dirksen Building

FEBRUARY 5

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Bureau of Labor Statistics, departmental management programs, and the President's Committee on Employment of the Handicapped of the Department of Labor.
1223 Dirksen Building

FEBRUARY 17

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Health Services Administration of the Department of Health and Human Services.
1114 Dirksen Building

Rules and Administration
To hold hearings on committee resolutions requesting funds for operating expenses for 1981.
301 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Center for Disease Control of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 18

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institutes of Health of the Department of Health and Human Services.
1114 Dirksen Building

Rules and Administration
To continue hearings on committee resolutions requesting funds for operating expenses for 1981.
301 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the National Institutes of Health of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 19

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the National Institutes of Health of the Department of Health and Human Services.
1114 Dirksen Building

Rules and Administration
To continue hearings on committee resolutions requesting funds for operating expenses for 1981.
301 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Alcohol, Drug Abuse and Mental Health Administration of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 20

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Health Resources Administration of the Department of Health and Human Services.
1223 Dirksen Building

FEBRUARY 23

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Assistant Secretary for Health, scientific activities overseas, and retirement pay program for commissioned officers of the Department of Health and Human Services.
1223 Dirksen Building

FEBRUARY 24

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Health Care Financing Administration of the Department of Health and Human Services.
1114 Dirksen Building

Rules and Administration
Business meeting, to consider committee resolutions requesting funds for operating expenses for 1981, and other legislative and administrative committee business.
301 Russell Building

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1981 from the Disabled American Veterans.
318 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Human Development Services of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 25

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Social Security Administration of the

Department of Health and Human Services.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General, Office for Civil Rights, policy research programs, and departmental management programs of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 26

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain departmental management programs and the Office for Civil Rights of the Department of Education.
1114 Dirksen Building

MARCH 2

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for elementary and secondary educational programs of the Department of Education.
1114 Dirksen Building

MARCH 3

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for impact aid programs, and emergency school aid programs of the Department of Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for library and learning resource programs and vocational and adult education programs of the Department of Education.
1114 Dirksen Building

MARCH 4

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for educational, rehabilitation, and research programs for the handicapped of the Department of Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain student financial assistance programs of the Department of Education.
1114 Dirksen Building

MARCH 5

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain school improvement programs, special institutions, and Howard University of the Department of Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Education, fund for the improvement of postsecondary education, educational statistics, educational research and training activities overseas of the Department of Education.
1114 Dirksen Building

MARCH 10

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Community Services Administration.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Mediation and Conciliation Service, the National Labor Relations Board, the National Mediation Board, the Occupational Safety and Health Review Commission, and the Federal Mine Safety and Health Review Commission.
1114 Dirksen Building

MARCH 11

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Railroad Retirement Board, domestic operations programs of ACTION, and the Soldiers' and Airmen's Home.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Corporation for Public Broadcasting, National Commission on Libraries and Information Science, and the President's Commission on Ethical Problems in Medicine.
1114 Dirksen Building

MARCH 16

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 17

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Labor, Health and Human Services, and Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 18

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 19

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 20

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

SENATE—*Thursday, January 29, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met in executive session at 10:15 a.m., on the expiration of the recess, and was called to order by the Honorable S. I. HAYAKAWA, a Senator from the State of California.

PRAYER

The Reverend Dr. Richard C. Halverson, pastor, Fourth Presbyterian Church, Bethesda, Md., offered the following prayer:

Gracious Heavenly Father, our hearts are filled with gratitude for the return of the hostages. We are grateful for the fact that their return has united the people in heartfelt celebration and thanksgiving.

When the exaltation felt by the whole Nation for the liberation of the hostages is over and the hard business of adjustment begins, grant that their reentry will be laced with care and healing. May the painful memories which haunt them be dissolved in the love and understanding of family, friends, and neighbors. Give to their families the insights and patience which will help them through as the effects of the ordeal fade and the restoration is complete.

We thank Thee for all of the influences here and in other nations which contributed to their release. We remember with appreciation those whose lives were lost in the attempted rescue of the captives, and we pray for the comfort and consolation of their families.

In the elation of this hour, grant us as a people the grace to be wise and strong, compassionate and humble in our private, domestic, and international affairs.

We ask this in the name of Him who gave His life for us all. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 29, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable S. I. HAYAKAWA, a Senator from the State of California, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. HAYAKAWA thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Tennessee is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RETIREMENT OF THE REVEREND DR. EDWARD L. R. ELSON, D.D., THE CHAPLAIN, U.S. SENATE

Mr. BAKER. Mr. President, at the conclusion of the Senate's business today, a rather remarkable chapter in the history of this body will come to a close.

For with the closing of that chapter, we shall lose the services of one who has graced this Chamber for some 12 years now—one who has been a moral guide for the Senate as an institution and one who has been a personal spiritual guide for so many of us fortunate to sit in this body.

The retirement of the Reverend Dr. Edward L. R. Elson as Chaplain of the Senate on the one hand calls for a quiet and individual reflection on the counsel and service he has so freely rendered to the men and women of the Senate.

I, for instance, recall the comfort Dr. Elson extended my family as he conducted the funeral services for my father-in-law, our late colleague, the Honorable Everett Dirksen, of Illinois, and his wife, Louella Dirksen.

But as much as Dr. Elson has consoled and advised us on an individual basis, so, too, has he counseled us collectively in the public sector.

As he takes his leave of the Senate, I should like to recall some of those public moments for my newer colleagues.

The Reverend Dr. Elson was ordained a minister of the Presbyterian Church in 1930 and served his church for the next 11 years in pastoral roles in California.

He subsequently served as a U.S. Army chaplain in Europe during World War II—receiving the Legion of Merit and the Bronze Star from this Nation and additional decorations from France, Lebanon, and Jordan.

Following the war, Dr. Elson was chosen to be the pastor of the National Presbyterian Church here in Washington and presided over construction of the National Presbyterian Center, at which so many other Members of the Congress and I are privileged to worship.

He served as pastor of that center until 1969, when he became the Chaplain of the Senate. Throughout his ministry, the Reverend Dr. Elson has been a prominent and widelv recognized leader of the Presbyterian clergy—having been commissioned on six separate occasions to attend the general assembly of his church and for many years representing the Presbyterian churches of the United States in global religious conferences.

In 1954, the Reverend Dr. Elson was selected the "Clergy Churchman of the Year" by the Religious Heritage of America and, in 1959, was named one of the six most influential members of the Protestant clergy in this country.

Dr. Elson is the author of 10 books, with 2 more forthcoming. Also in that regard, Dr. Elson is now preparing, for the first time in the history of the Senate, a comprehensive report on the historical role and activities of the Senate Chaplain, a report I shall submit, upon its completion for the official journals of this body.

In that regard, the contribution the Reverend Dr. Elson has personally made to the public sector is, quite simply, stunning and inspirational.

The most widely known of those acand moving relationship with former President Eisenhower, who was the only President ever baptized after assuming the Presidency. In addition to performing that ceremony, Dr. Elson officiated at President Eisenhower's funeral, as well as those of former President Johnson, Supreme Court Justices Tom Clark and William O. Douglas, FBI Director J. Edgar Hoover, and from this Chamber, former Senators Hubert Humphrey, John McClellan, Jim Allen, and as I mentioned, Everett Dirksen.

Furthermore, the Reverend Dr. Elson has invigorated the role of the Senate Chaplain in a host of ways. On more than 1,700 occasions, Dr. Elson has personally prepared our daily prayer. In addition, he has brought the Senate nearly 300 guest chaplains from 28 religious denominations, including the first American Indian chief holy man, the first clergy woman, and the first Roman Catholic nun.

He has consoled us. He has advised us. He has encouraged us. He has enriched our lives and our lives' work by his presence.

And as the Reverend Dr. Elson takes his leave of the Senate, I know I speak for all whose lives he has touched in saying to him, as John Milton wrote in "Paradise Lost":

Servant of God, well done, well hast thou fought the better fight.

Mr. ROBERT C. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, I join with the majority leader in expressing our thanks to Dr. Elson for the service he has performed, for the dedi-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

complishments, I suppose, is his warm cation he has shown, and for the devotion to the Senate and to duty he has so well demonstrated. He has known our sorrows and he has shared in our happiness and he has served with us. He has prayed for us, he has prayed with us. And he has set a fine example of a Chaplain of the U.S. Senate.

He has been thoroughly dependable and we have learned, long ago, to count on Dr. Elson as being the epitome of dependability.

Tennyson said we are a part of all that we have met; we are all somewhat the better if we have had the opportunity to work with and to serve with the Reverend Dr. Elson.

In closing, I think that I would probably be justified in presuming to say that I can speak for all of my colleagues when I say to Dr. Elson that we hope that he will return, that he will be back with us from time to time, and that we will continue to be in his prayers.

To his lovely wife, we also express the hope that we shall get to see her from time to time and that life for both Dr. Elson and Mrs. Elson will be even more beautiful and more rewarding as the days come and go.

I think of Alexander Pope's words as we bid this formal farewell to Dr. Elson:

Thou wert my guide, philosopher, and friend.

Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 6 minutes and 47 seconds.

Mr. ROBERT C. BYRD. Does my colleague wish to have any time?

Mr. HEFLIN. I should like to make a remark or two about the Chaplain.

Mr. ROBERT C. BYRD. Would 3 minutes be sufficient?

Mr. HEFLIN. Yes.

Mr. ROBERT C. BYRD. Mr. President, I yield 3 minutes to the Senator from Alabama and the remainder of my time to the majority leader.

Mr. HEFLIN. Mr. President, I did not know that this was the last day that our Chaplain, the Reverend Dr. Edward L. R. Elson, would be with the Senate and I did not come prepared to make a speech. But, hearing the majority leader and the minority leader express so well the thoughts that they had, I wish to concur in those remarks.

As I sat and listened, my mind reflected on a song that I sang quite often, as a young man, at religious services and youth gatherings. I remember a line from that hymn: "I will look up and laugh and love and lift." I think those words express to me the influence that Dr. Elson has had on me and other Senators.

He has caused us to look up; he has caused us to laugh; he has caused us to love; and he has caused us to lift.

I think the fact that we can look up and lift in this world that we live in today is important. His contributions to my life have been immeasurable and great.

His prayers were carefully structured to meet the issues and challenges of the day. His counsel was always to the point and helpful. While he did not participate in the discussions at the Senate prayer breakfasts because of a rule that the Chaplain should listen and not speak, nevertheless, his private discussions following those meetings clarified many unresolved issues.

I will miss him not only as our Chaplain but as a friend. Hopefully, he will return and visit with us frequently.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. Mr. President, I yield now to the distinguished Senator from Oregon, the chairman of the Appropriations Committee.

Mr. HATFIELD. Mr. President, I thank the distinguished majority leader for yielding time.

Mr. President, the majority leader has outlined the distinguished career of our Chaplain, Dr. Elson.

I know of no man in this Nation today who has served in more and varied posts in proclaiming the gospel of Christ than Chaplain Elson. We could develop an entire résumé of his service to the National Presbyterian Church or to the U.S. Army, where he served as chaplain, as well as his distinguished record here in the U.S. Senate, and have ample material to demonstrate the faithfulness and the excellence of this man's ministry.

I believe that one of the greatest gifts Chaplain Elson has given us is his attention to historical continuity—not only to the continuity of the importance of the function of history of the chaplaincy of the U.S. Senate but more especially the continuity of the important role of theological reflections in public policy formulation.

He has demonstrated time and time again that we do not have to leave our kingdom of dreams at the door of the U.S. Senate.

So I wish Chaplain Elson well and express my deep gratitude for his faithful proclamation of the gospel over these many years.

I had the privilege of reading the commentary that was made on this floor during the time of his 50th celebration of ordination, and so it is today that I rise again to congratulate him on a job well done.

If I were to try to reflect upon scripture that might emulate or might reflect the character and the ministry of Chaplain Elson, I think I would turn to Philippians, chapter 3. I should like to quote a few verses from that letter which represents, to me, the kind of ministry and the kind of role Chaplain Elson has played in the Senate:

That I may know Him, and the power of His resurrection and the fellowship of His sufferings, being conformed to His death;

In order that I may attain to the resurrection from the dead.

Not that I have already obtained *it*, or have already become perfect, but I press on in order that I may lay hold of that for which also I was laid hold of by Christ Jesus.

Brethren, I do not regard myself as having laid hold of *it* yet; but one thing *I do*: forgetting what *lies* behind and reaching forward to what *lies* ahead,

I press on toward the goal for the prize of the upward call of God in Christ Jesus.

To me, that reflects and epitomizes the ministry of Chaplain Elson of the U.S. Senate.

● Mr. HOLLINGS. Mr. President, on this the last day of the Reverend Edward L. R. Elson's chaplaincy of the U.S. Senate, we pause to pay tribute to this wise and good man who has ministered so effectively and faithfully as Senate Chaplain these past 12 years.

For some 53 years now, Dr. Elson has served his church and served his country. It is difficult to say something new about a man who has nearly two dozen honorary degrees, 18 military decorations, and 13 Freedom Foundation Awards. The essence of the man is best described in Dr. Elson's own language when he told his alma mater, Asbury College, about what he had learned there:

My labor and work here shaped my whole life. I carried from this place a sense of three great D's—Dignity, Discipline and Dedication.

We who have seen him as Chaplain, minister, adviser, and friend know of his refusal ever to deviate from any of those traits. The words Dr. Elson used to describe his educational heritage describe the man and his ministry. And they describe the traits he has endeavored to foster here in the U.S. Senate.

We feel a real loss at Dr. Elson going today. He has been here longer than most Senators, and he has served through some of the most difficult times in the annals of our Republic. He is not only part of the living Senate, but he will always be a significant part of the history of this Chamber.

So today we say a formal "farewell" to our Chaplain and friend, but in wishing him Godspeed we look forward to continuing the ties and friendships which have grown between Dr. Elson and so many of us as Senators. We are a better place for our friend's patient and farseeing ministry.●

Mr. THURMOND. Mr. President, I rise to join the tribute to Dr. Edward Elson who has served as Chaplain of the Senate since 1969.

Dr. Elson has rendered a distinctive service to the Senate over these years and I have found him to be a man of great capacity and courage. He has provided to all Senators whose terms covered this period a model of Christian leadership through his inspirational conduct and service. His daily prayers have fortified us during difficult times and he has always been on hand when we suffered personal losses in our families or in the Senate family.

Only last year Dr. Elson celebrated the 50th anniversary of his ordination. At that time I was pleased to offer on the Senate floor a tribute in recognition of his long career as a minister.

Dr. Elson had the unique privilege of administering the baptism of President Eisenhower. The circumstances of this event were interesting in that as a youth

President Eisenhower was a member of the Church of the River Brethren, a small denomination which only baptizes adults. By the time he was old enough to be baptized in his church, he was moving around the country and the world as an officer in the U.S. Army. Thus, it came to pass that Dr. Elson baptized President Eisenhower after his election in 1952.

One trait of Dr. Elson's life which has impressed me particularly is his patriotism. He is truly a patriot in the finest sense of the word. He has served as chaplain of the Freedom Foundation in Valley, Forge, Pa., and has shown his strong dedication to this country in countless other ways.

Mr. President, over the years Dr. Elson has served as the minister of many prominent public figures. This resulted from his work in the Senate and his previous service as pastor of the National Presbyterian Church in Washington where he was pastor from 1946 to 1973. During this period he became close to many public figures of all different political beliefs, ranging from John Edgar Hoover to William O. Douglas.

Despite these heavy duties, Dr. Elson faithfully rendered the Senate prayer on a daily basis, often working 50 or more hours a week, speaking around the country, writing articles, and serving on numerous religious and patriotic groups.

He takes pride in the fact that he invited the first woman to lead the prayer in the Senate, and later invited the first nun and the first American Indian holy man to lead us in prayer.

Mr. President, I would encourage Dr. Elson to write a book about his experiences and more important, the lessons he has learned during his long period of service as a minister in the highest level of our American Government. Such a book would enable us and future generations to benefit greatly from the experiences of this unique religious leader.

In conclusion, I wish to extend to Dr. Elson my deep appreciation for the personal service he has rendered to me as an individual Senator, the service he has rendered to my own family, the Senate family, and the Nation as a whole. He will be missed but not forgotten. I wish him well in his future endeavors which I predict will be substantial in the service of God and man.

Mr. FORD. Mr. President, today will mark the final day that the Reverend Dr. Edward L. R. Elson serves as Chaplain of the Senate, and I want to join in expressing my appreciation and gratitude for his distinguished record of service to this body.

Dr. Elson has served as Senate Chaplain since January 9, 1969, and he has carried out his responsibilities in a diligent and faithful manner. He has been a source of inspiration to each of us and his presence will be missed.

I feel a very special kinship to Dr. Elson since he began his ministerial career at one of Kentucky's oldest and most respected institutions of higher education, Asbury College in Wilmore. He is one of the college's most well-known alumni and he continues to take an active interest in the school's welfare.

It has been a privilege to know and serve with Dr. Elson and may God continue to bless his life and important work in the years ahead.

● Mr. JOHNSTON. Mr. President, We are losing today the services of perhaps one of the very best friends the U.S. Senate has ever had. Dr. Edward Elson is retiring.

At one time or another, I am sure that he has been both a counsel and a comfort to each Member of this body, and in so doing shared with us more bad times than good. Dr. Elson's unassuming manner, his soothing words, his compassion, and his irreproachable character are exemplar, the memories of which will forever serve to remind us of the bountiful gifts of faith.

I wish Dr. Elson godspeed. We will doubtlessly be remembered in his prayers, but lest he forget, Dr. Elson leaves behind many good friends, who hope his future duties will not preclude him from frequent visits back to Capitol Hill.●

Mr. HARRY F. BYRD, JR. Mr. President, today the Senate is saying goodbye to one of its most treasured people, the Reverend Edward L. R. Elson, Chaplain of the Senate for the last 12 years.

All who have served in the Senate during Chaplain Elson's tenure have felt the warmth of his personality and benefited from the soundness of his counsel. He embodies the Christian love which he preaches.

Often I have been present at the opening of the Senate and have been moved and inspired by the prayers of Dr. Elson. But he has not construed his pastorate as a ceremonial one, and his presence often has been a source of comfort and strength during sessions which have gone far into the night.

Even before coming to the Senate, Edward Elson had achieved high distinction as a clergyman. He served with great honor as a chaplain in the U.S. Army during World War II and was for 27 years the minister of the National Presbyterian Church. His sermons and writings are known around the world.

A quarter century ago, Religious Heritage of America named him "Clergy Churchman of the Year," and he was named by Christian Century magazine one of six "outstanding representatives of the contemporary Protestant pulpit." He was awarded 18 military decorations and 13 Freedom Foundation Citations.

Of course all of us in the Senate are honored to have had so distinguished a clergyman among us. But when one talks with Edward Elson, one thinks of him not in terms of his worldwide honors, but in terms of friendship and Christian counsel.

That is a tribute to the man, perhaps the highest tribute. He has known fame and glory, he has moved among the mighty, yet one remembers him as a friend and spiritual guide.

In the Senate, he will be greatly missed.

● Mr. CANNON. Mr. President, today marks the end of a distinguished career compiled by our longtime Senate Chaplain, Dr. Edward L. R. Elson. Dr. Elson last year marked the 50th anniversary of his ordination, a remarkable milestone that says much about his dedication and commitment. His has been an enviable record of public service which has reflected most favorably on the Senate and the many Senators who have served during his tenure.

I would like to take this opportunity to congratulate Dr. Elson for his service and wish him the greatest of God's blessings in the days ahead.●

ORDER OF BUSINESS—ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I have no requirement at this time for additional time.

Are there special orders for this morning?

The ACTING PRESIDENT pro tempore. There are three special orders this morning.

Under the previous order, the Senator from Michigan (Mr. LEVIN) is recognized, as in legislative session, for not to exceed 15 minutes.

Mr. BAKER. Mr. President, will the Senator from Michigan yield to me for a brief moment?

Mr. LEVIN. I am happy to yield.

Mr. BAKER. Mr. President, after the conclusion of the three special orders for this morning—for Mr. LEVIN, Mr. PROXMIRE, and Mr. BENTSEN—it is my intention to proceed to the nomination of Dr. Kirkpatrick, which I believe will be the pending business before the Senate. Is that correct?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. BAKER. After the disposition of the nomination, on which there is a time limit, I hope to ask unanimous consent for a fairly extended period for the transaction of routine morning business in which Senators could speak. It is my present plan to ask for 2 hours, to begin immediately after the disposition of the Kirkpatrick nomination.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. Will the Senator be willing to obtain that order now, so that Senators may know that they will be able to proceed with such statements, if the majority leader has no reason not to make such a request?

Mr. BAKER. I thank the minority leader. I am pleased to do that.

Mr. President, I ask unanimous consent, as in legislative session, that following the disposition by the Senate of the nomination of Dr. Jeane Kirkpatrick to be U.S. Representative to the United Nations, there be a period for the transaction of routine morning business, not to exceed 2 hours, and that Senators may be permitted to speak therein.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I say to the distinguished majority leader that I am attempting to inquire on my side of the aisle as to whether or not there is any objection to proceeding with the nomination of Mr. Trent and, in accordance with the majority leader's wishes, also inquire as to whether or not any Senator seeks a rollcall vote on that nomination, if it is proceeded with today.

The majority leader may wish to qualify his request at the moment to allow him to proceed—if the matter is cleared—with that nomination before morning business begins. I will have a response for him soon on my side.

Mr. BAKER. I thank the minority leader.

The minority leader and I had discussed my hope that we could do the only other remaining nomination on the calendar, which is that of Darrell M. Trent, to be Deputy Secretary of Transportation.

Rather than modify the request at this time, I believe I will wait until the distinguished minority leader has advised me that he can or cannot do that by unanimous consent or without the requirement for a rollcall vote.

Also, it is possible that other nominations will reach the floor today, and one or two might fall in the same category. Perhaps we could do them by unanimous consent.

I appreciate the inquiry by the minority leader; and if he will permit me, I will withhold making that request until we ascertain what we may be able to do in the course of the day.

Mr. ROBERT C. BYRD. Very well. I thank the Senator.

The ACTING PRESIDENT pro tempore. Does the Senator from Tennessee withdraw his request?

Mr. BAKER. No. My request has been granted, has it not, with respect to 2 hours for the transaction of routine morning business?

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. And that it will commence after the disposition of the Kirkpatrick nomination?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. BAKER. I thank the Chair.

I thank the Senator from Michigan for yielding to me.

S. 312—A BILL FOR THE RELIEF OF MARIA AND TIMOFEI CHMYKHALOV. AND FOR LILIA. PETER. LIUBOV. LIDIA AND AUGUSTINA VASHCHENKO

Mr. LEVIN. Mr. President, today I am pleased to be reintroducing a bill which would assist the Vashchenko and Chmykhalov families, Pentecostal Christions living in the American Embassy in Moscow.

It is particularly appropriate and fitting, I believe, that this bill is being introduced today, the last day that Dr. Elson is serving as Senate Chaplain.

This is a bill which represents the love of religious freedom that has been expressed dramatically by these two families in our Embassy during the last 2½ years. It is the same love which has been dramatized here in this Chamber by Dr. Elson so beautifully for so long.

Before Dr. Elson leaves, I wish to add a personal note of my gratitude to him for the personal guidance he has given me during the few years I have been in the Senate. It will be a real loss to the Senate when Dr. Elson leaves us.

Mr. President, as I have indicated, these two families have been in refuge in the American Embassy in Moscow since June 27, 1978—more than 2½ years. I am proud that 53 of our colleagues have joined me as cosponsors of this measure, including Senators BOREN, HATFIELD, BUMPERS, and JEPSEN, as well as the Presiding Officer this morning, the good Senator from California (Mr. HAYAKAWA); the Senator from Wisconsin (Mr. PROXMIRE); and the Senator from Alabama (Mr. HEFLIN), who is in the Chamber at this time.

This legislation would grant Marie Chmykhalov and her son, Timofei, and the five members of the Peter Vashchenko family, permanent resident status in the United States and would allow them to be eligible for naturalization as citizens 5 years from the date they entered the American Embassy. This bill will not guarantee them freedom; only the Soviet Government can agree to allow them to emigrate. But this bill will guarantee them protection under the U.S. Constitution while they continue to reside in the Embassy and it will insure that they are accommodated as well as possible under the circumstances. This bill, in addition, will be a strong indicator of support for the families and they have such great support in the United States.

Mr. President, aside from granting permanent resident status to the families in the Embassy, we believe that our legislation will have a significant effect upon the way the Vashchenkos and Chmykhalovs live their lives while they remain in the Embassy. It is important for the United States to do all that it can to protect the families in their struggle and do whatever we can to protect them while they wait for permission to emigrate from the Soviet authorities. The Vashchenko and Chmykhalov families should be treated respectfully and judiciously——not like unwanted intruders. The religious persecution the families have endured throughout their lives is not unusual.

The faith and perseverance they have displayed, the circumstances surrounding their many attempts to immigrate, and the fact that they have resided in our Embassy for over 2½ years make this a unique situation. It requires a unique solution.

The Vashchenkos and Chmykhalovs have struggled for 19 years to gain emigration visas from the Soviet Union. The Vashchenkos' oldest children were taken from their parents at a young age and put in an orphanage for what the Soviets call "reeducation." After the imprisonment of Peter, the father of the Vashchenko family, the family sought aid from the American Embassy in Moscow. The Embassy could not help and Peter Vashchenko remained incarcerated for 2 years and the children lived for more than 6 years in the orphanage.

Their second appeal for emigration permission proved equally unsuccessful. After making a 2,000-mile journey from Chernogorsk to Moscow, Peter was arrested by Soviet police and imprisoned for 1 year after being placed in a psychiatric hospital for 2 months. Peter's wife, Augustina, was also imprisoned and was later placed in a labor camp for 3 years. The Vashchenko family suffered increased repression and brutality in the years that followed.

Finally, in June 1978, the Vashchenko family received the necessary invitation to emigrate to the United States. Despite this, they were refused the requisite papers at three Soviet visa offices.

Once again they turned to the American Embassy for assistance. On this latest journey, the Vashchenkos were accompanied by Timofei and Maria Chmykhalov—neighbors who had also suffered repression for many years. As they entered the Embassy compound with the necessary passes, the Soviet guards attempted to stop them from entering. Fearing for their safety, the families rushed into the Embassy for refuge. John Vashchenko, the second oldest son, was caught and taken away in this altercation. In an attempt to insure the safe return of John, they decided to remain in the Embassy until John was safely returned.

After 2 weeks, the Vashchenkos received word that John had returned home to Chernogorsk. Still, they felt they could not safely return to their families in Siberia and remained in the Embassy. For 2½ years these courageous families have resisted all pressures to leave the Embassy and have sought assurances that they would be permitted to emigrate and that the remaining members of their families would suffer no further injustices and would soon be able to join them outside the Soviet Union. Their living conditions have been moved from the waiting room to a basement room in the Embassy. The room is approximately 12 by 15 feet. It is furnished with two twin beds, while the adults sleep on the floor. Their time is spent studying English and the Bible as well as praying. Their food and clothing is supplied by the Embassy.

I have personally visited these families, and it was one of the most extraordinary moments of my life when I was able to sit with them for a few minutes in our Embassy in Moscow and talk with them about their dreams for personal and religious freedom for themselves, for their children, and for their families as well as for all Pentecostal Christians and

others in Russia who seek freedom of religion and personal freedom.

I believe the case of the "Embassy Seven" is an extreme example of the length that individuals will go to seek that personal and religious freedom. They have been in the Embassy now, as I said, for 2½ years, sacrificing their freedom and health to fight for permission to emigrate. The United States should be strong enough in its own right to act on this most unique case.

In August of last year, I explained this entire situation in a statement I submitted to the Judiciary Committee. While parts of that statement repeat what I have already said today, it also explains the background of the situation further and goes into some of the problems the families have encountered during their stay in the Embassy.

Mr. President, I ask unanimous consent to have printed in the RECORD the statement to which I have referred.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT IN SUPPORT OF S. 2890

This is in response to the Committee's request for supporting information on S. 2890, private legislation on behalf of Maria and Timofei Chmykhalov and for Lilia, Peter, Liubov, Lidia and Augustina Vashchenko.

These seven individuals have resided in the U.S. Embassy in Moscow since June 27, 1978. This legislation, introduced on the second anniversary of their refuge, would grant these seven individuals permanent resident status in the United States. The unusual nature of this legislation is made necessary by the unique characteristics of the Vashchenko and Chmykhalov families' situation at the Embassy. It is my belief that this legislation may be the only viable way to protect the rights of the family members while they remain in the Embassy and could be one way to stimulate the eventual granting of exist visas to the families by the Soviet government.

The Vashchenkos' and Chmykhalovs' struggle for emigration began in 1962, a time of extremely violent anti-religious campaigns in the U.S.S.R. Peter and Augustina Vashchenko's determination to raise their children according to their religious beliefs resulted in 16 years of separation, persecution and repression. Finally, in June of 1978, the Vashchenko family received the necessary invitation to immigrate to the United States. However, they were refused the necessary papers at three separate visa offices. The families' sixth and final venture to the Embassy in Moscow—2,000 miles from their home in Chernogorsk, Siberia, was prompted by this newest injustice. Accompanied by Maria Chmykhalov, and her son, Timofie, the Vashchenko family turned to the United States Embassy for help and advice. Even though they were carrying the proper passes, the group was stopped by Soviet guards outside the building in Moscow. Fearful, yet with no intention of remaining at the Embassy, they ran to the Embassy for safety. John Vashchenko, the second oldest son, was caught by the guards and dragged away. The seven remaining chose to stay in the Embassy until John was safely returned. Two weeks passed before they received word of his release—too long a time to return home safely after such a rebellious action. They asked for assurances from the Soviet government that they would be allowed to leave the country and that reprisals would not be brought against any other family members.

Kevin Lynch, who has followed the situation in articles in the National Review, described their situation in an article which appeared in August of 1979:

"Unless they make it out this time, the children said, none of them would ever make it out. This was the Vashchenko's sixth visit to the Embassy, and this time they had committed an unforgivable offense. They had sullied the image of the socialist motherland . . . They have two options: they can remain in the Embassy, where they know they are not wanted, or they can walk outside into the sturdy arms of the KGB."

The Soviet Union has refused for two years to let these seven emigrate. Both families have received official affidavits of sponsorship from families in the United States. But they have no close relatives abroad, a Soviet prerequisite for emigration permission. The families remain in the basement room, where I visited them in August 1979, and which the Embassy staff refers to as "the dungeon." The room is furnished with two twin beds, which the children sleep on while the adults sleep on the floor.

After two years, they are still patient and hopeful that there will be a positive solution to their struggle. Although Embassy officials are now providing their food and clothing, the policies of the Embassy administration towards the Vashchenkos and Chmykhalovs are becoming aimed at isolating the families from personal contact with the outside world. Aside from public assurances that the State Department and Embassy officials are doing all they can to encourage Soviet cooperation and despite repeated declarations that the "Soviet Seven" will not be forced to leave the Embassy, official American action to help the families has been extremely cautious and slow.

From first hand reports, I have learned that Embassy staff has followed policies designed to discourage the families from staying and intended to minimize publicity and to deprive the families of free contact with those who are willing to provide them with the moral support necessary to endure this difficult struggle for emigration.

For two years the families have resisted all pressure to leave. They have not been able to see other members of their families although several of their relatives have been persecuted for the actions of "the Seven." The eldest Vashchenko son, Sasha, who has been sentenced to a three year term in a labor camp for his beliefs and who has been beaten into unconsciousness on several occasions by Soviet guards, has reported increased coercion on the part of the KGB to make him renounce his family and condemn their efforts to obtain visas. The Vashchenko and Chmykhalov families have suffered through psychiatric hospitals, prisons and labor camps. I do not believe that they should continue to suffer American oppression as well. The Embassy has made them outcasts in the very place they seek refuge or asylum. The families are neither criminals nor unhealthy persons. Yet they are essentially "quarantined" from the outside world and from friends and supporters. Only those persons on the Ambassador's "Embassy Pentecostalist Access List" of approved visitors may meet with the family in their quarters.

The Embassy has continually refused to allow the press to interview the families in the room in which they live and has never allowed their voices to be recorded for broadcast. Under new, strict regulations, an Embassy spokesperson must be present during each interview with the press.

Another isolation tactic involves the mail policy. Mail addressed to the families, and sent through the international post is rarely delivered by the Soviets and probably, confiscated by the KGB. Literally thousands of pieces of American mail have been lost but the U.S. State Department has not made a formal complaint to the Soviets regarding the undelivered mail. If, however, a letter to one of the seven arrives at the Embassy through diplomatic channels, it is summarized for the addressee, but the letter is not given to him/her physically. The most blatant example of this policy involves a letter which I sent to Maria Chmykhalov. An Embassy staffer told Maria of the arrival of the letter, read her parts of it, but would not read it all and would not even allow her to hold the letter. The part which he did not read commented about the imminent introduction of S. 2890. I believe that it should have been presented to Mrs. Chmykhalov.

This happens more frequently now. The Embassy insists that it can deliver only mail which arrives for the families through the international post and not through the diplomatic pouch. The Embassy maintains that it is bound by international law not to deliver this mail, even though it has been provided with unquestionable evidence that the Soviets have not honored their own international pledge to deliver the normal international mail which is addressed to the Embassy. Reports in the press that the Embassy refuses to allow mail which arrives through the pouch to be loaned or read to the families have been corroborated by the families in letters to supporters in the United States.

Realizing that there are thousands of other Soviet citizens who have been unable to emigrate from the Soviet Union, this legislation is tightly constructed so that it can not become a broad precedent for other possible asylum/refuge situations. The legislation specifically states the unique qualities of the situation, which involves the two families, who since 1962 have requested that they be released from Soviet citizenship and who have lived in the United States Embassy in Moscow since June 27, 1978.

The bill also states that the families shall be considered to have been physically present and residing in the United States since their arrival in the Embassy. This section of the bill is intended only to reduce the amount of time the families would have to be in the United States to become eligible for naturalization as American citizens.

The efforts of the Vashchenko and Chmykhalov families are unique because, as a result of their efforts to leave the Soviet Union, they were forced to seek refuge in the American Embassy for their personal safety. After two years in the Embassy, they have no assurances of their safety in their homeland. This legislation would protect their rights until they are able to leave the Embassy or the Soviet Union.

Mr. LEVIN. Mr. President, the families have reported to me that at times, officials of the U.S. Government have suggested and even urged, that they return to their homes in Chernogorsk, Siberia, and resume the normal emigration application process from there. For example, former American Ambassador Malcom Toon, under the direction of the State Department, suggested to the families in 1978 that they leave. I understand that others have made similar suggestions. Efforts to coax the Vashchenkos and Chmykhalovs to leave proved fruit-

less. They believe, and we share their feelings, that if they leave the Embassy, without U.S. protection and without completed Soviet emigration visas, they will suffer harsh treatment and harassment at the hands of the Soviets.

Our legislation guarantees them proper treatment in the embassy for the duration of their stay. Their "status" and the constitutional protection that it brings with it will enable them to remain in the embassy until a resolution is reached, thereby insuring their safety. It should also clarify their status relative to mail, visitation, and work privileges.

The bill which we are introducing today is substantially identical to S. 2890, that was introduced in June 1980, and which was before the Judiciary Committee when the last Congress adjourned.

At this time we state in the findings section of the bill that there are 13 members of the Vashchenko family and 11 members of the Chmykhalov family.

The permanent resident status, however, will only apply to the seven persons specifically named in the bill that is being introduced today, that is the seven members of those two families that reside in our Embassy in Moscow.

Mr. President, this issue is one which has attracted the interest of many people across the country. Last year, when we introduced S. 2890, I received letters from individuals and organizations in almost every State asking how they could help support this legislation. The case of the Vashchenkos and the Chmykhalovs has attracted attention, despite the attempts of our Embassy and State Department to keep publicity to a minimum. Pictures of the families have appeared in magazines and newspapers around the world. Their story has been told in a recently published book "The Siberian Seven," by John Pollock. A noted radio commentator once devoted an entire program to their plight.

That commentator was Ronald Reagan who in 1979 concluded his program with the question: "Why can't the Vashchenko and Chmykhalov families get out?"

Today, I repeat that question. I hope that the President will remember that broadcast and support this bill as the best available remedy until the families in fact get out.

I note one other portion of that broadcast of President Reagan when he said:

Detente is supposed to be a two-way street. Our wheat and technology can get into Russia—why can't the Vashchenko and Chmykhalov families get out?

I hope that before he gives even further thought to resuming grain shipments to Russia, the President will remember his own words about "Why can't the Vashchenko and Chmykhalov families get out?" if we are going to send our wheat into Russia.

Mr. President, I ask unanimous consent to have printed in the RECORD the transcript of the President's radio program on these families.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

VLASENKO

Yuri Vlasenko, a Soviet citizen, tried to leave the Soviet Union. Yuri Vlasenko is dead.

On March 28th one of our embassy officials went out of the embassy in Moscow and led Vlasenko past the ever-present KGB agents into the embassy. Once inside, Yuri asked for an exit visa so that he could leave the Soviet Union. Upon being told that we couldn't do that he revealed a homemade bomb and threatened to blow himself up.

Our Ambassador tried to negotiate with him and then turned the matter over to the Soviet authorities who don't negotiate in cases of this kind. They attacked with tear gas and a sharpshooter who got off two shots before Yuri Vlasenko detonated his bomb. He died there in the embassy where he had sought refuge.

This tragic story is by way of introduction to the plight of seven other Soviet citizens who were in the American embassy the day Yuri Vlasenko died. They had been there, living in the reception room since June 27th, 1978.

There are five members of one family, two of another. All are Christians, members of the largest religious group in Russia and all have other family members outside the embassy who are undergoing the worst kind of persecution.

These seven made their way to Moscow from Siberia. They had tried in every way to obtain, legally, exit visas from their own government. Finally in desperation they had sought the counsel of our ambassador. The religious group to which they belong is the largest in the Soviet Union. It is also the most persecuted and not one member has ever been allowed to emigrate from Russia.

These seven courageous and desperate people have a promise of sponsorship in America from Reverend Cecil Williamson, Jr. of Selma, Alabama. Over the past 10 years they and other members of their families have been imprisoned, tortured, found insane and some have died. Thousands of Americans, knowing of their plight, have written to them but they haven't received the letters. Our Ambassador has ordered that mail to them must go through the Soviet postal service.

Shortly after the Vlasenko killing, efforts were made to persuade the seven to leave the embassy. KGB cars were mysteriously waiting at the embassy entrance. When they refused to give up their sanctuary they were moved to a 20-by-20 foot room the Marine guards call the dungeon. There for a year now they have lived together in that one room. They are denied embassy food, but embassy employees—acting as Americans are supposed to act—stand for hours in the endless lines and buy food for them in the Russian stores.

Last June the ambassador grudgingly allowed American TV networks to interview them but not show the room in which they are kept confined. Then another mystery—somehow the interviews were never shown to American audiences.

Detente is supposed to be a two-way street. Our wheat and technology can get into Russia—why can't the Vashchenko and Chmykhalov families get out?

Mr. LEVIN. Mr. President, I ask unanimous consent to have printed in the RECORD the bill with its list of 53 cosponsors.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 312

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. The Congress finds that—

(1) since 1962, 13 members of the Vashchenko family and 11 members of the Chmykhalov family from Chernogorsk, Siberia have requested that they be released from Soviet citizenship and be permitted to receive exit visas so that they may leave the Union of Soviet Socialist Republics legally and in accordance with the Universal Declaration of Human Rights; and

(2) since June 27, 1978, seven members of the Vashchenko and Chmykhalov families have resided in the United States Embassy in Moscow and have been living in accordance with United States laws.

SEC. 2. Notwithstanding any numerical limitations or any other provision of the Immigration and Nationality Act, for purposes of such Act, Maria and Timofei Chmykhalov, and Lilia, Peter, Liubov, Lidia, and Augustina Vashchenko shall be issued visas and admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by the required number during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the aliens' birth under paragraphs (1) through (8) of section 203(a) of such Act, or if applicable, the total number of immigrant visas and conditional entries which are made available to natives of the country of the aliens' birth under section 202 of such Act.

SEC. 3. Notwithstanding section 316 of the Immigration and Nationality Act or any other provision of law, for purposes of the Immigration and Nationality Act, Maria and Timofei Chmykhalov, and Lilia, Peter, Liubov, Lida, and Augustina Vashchenko shall be held and considered to have been lawfully admitted to the United States for permanent residence as of June 27, 1978, and to have been physically present and residing therein continuously since such date.

The cosponsors are as follows:

Mr. Levin, for himself, Mr. Boren, Mr. Hatfield, Mr. Jepsen, Mr. Bumpers, Mr. Andrews, Mr. Baucus, Mr. Bentsen, Mr. Biden, Mr. Boschwitz, Mr. Burdick, Mr. Cannon, Mr. Chafee, Mr. Cohen, Mr. Cranston, Mr. Danforth, Mr. DeConcini, Mr. Denton, Mr. Dodd, Mr. Durenberger, Mr. Eagleton, Mr. Garn, Mr. Goldwater, Mr. Gorton, Mr. Hayakawa, Mr. Heflin, Mr. Heinz, Mr. Helms, Mr. Hollings, Mr. Huddleston, Mr. Humphrey, Mr. Inouye, Mrs. Kassebaum, Mr. Kasten, Mr. Lugar, Mr. Mathias, Mr. Matsunaga, Mr. Mattingly, Mr. McClure, Mr. Melcher, Mr. Metzenbaum, Mr. Moynihan, Mr. Nickles, Mr. Pressler, Mr. Proxmire, Mr. Pryor, Mr. Randolph, Mr. Riegle, Mr. Sarbanes, Mr. Schmitt, Mr. Simpson, Mr. Stevens, Mr. Tsongas, and Mr. Williams.

Mr. LEVIN. Mr. President, I thank the Chair and yield the floor.

Mr. PROXMIRE. Before the Senator yields back his time will the Senator yield the remainder of his time to the Senator from Iowa because I am limited time, and he has asked me to yield time?

Mr. LEVIN. Before I do that, let me add a note. I see the Senator from Iowa is now on the floor. I mentioned his active role before, but I would like to reiterate the role Senator JEPSEN has played in helping to move this bill forward. His support for this bill has been of inestimable value. His personal interest in the families, in the situation of the Pentacostals in Russia and all people in Russia who seek religious freedom, who seek the right to move freely, is worthy of him, of this Senate.

Again while he is now on the floor I want to thank him and commend him for that support not only for the bill but for the greater cause that is involved.

Mr. JEPSEN. I thank the Senator.

The ACTING PRESIDENT pro tempore. The Senator from Iowa.

Mr. JEPSEN. Mr. President, today is the 948th day that two families, the Vashchenkos and Chmykhalovs, have been living in a 12-by-15-foot room in the basement of the American Embassy in Moscow. They have tried and failed six times to receive official permission to emigrate from the U.S.S.R. Their situation seems hopeless.

Yet today also marks the ninth day of freedom for the 52 former hostages of Iran, whom Americans proudly welcomed home after their grueling experience. Although the seven Russian Christians in the American Embassy do not face the constant danger that the 52 Americans faced in Iran, they hourly face the fear of being released into the hands of the KGB and losing their refuge at the American Embassy.

These families have two hard choices: To remain in the Embassy, even though they are not wanted there; or to leave the Embassy and be escorted in the hands of the KGB back to their hometown in Chernogorsk, Siberia, some 2,000 miles away. For over 18 years these families have suffered through psychiatric hospitals, labor camps, orphanages, beatings, hunger, and the loss of their jobs for their request to secure permission to emigrate from the U.S.S.R.

What was intended to be a brief consultation with American Embassy officials on that June day in 1978 has instead turned into a nightmare for these seven Christians when one of their sons was dragged away by the Soviet guards at the entrance gates of the Embassy. They never intended to stay at the Embassy; they had rushed inside in the hope of insuring their son's safety as well as their own. For years these families have been given false hope by the Soviets about their emigration.

The ACTING PRESIDENT pro tempore. The time of the Senator from Michigan has expired.

Mr. JEPSEN. Mr. President, I ask unanimous consent to continue for another 2 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. JEPSEN. It is most difficult, and rightly so, for these people to really believe Soviet assurances that if they return to Siberia, then their emigration would be guaranteed; especially now, at a time when reports verify that the Soviets are stepping up their crackdown on dissenters. There is evidence that in the last 15 months over 200 such dissenters have been given severe sentences.

I submit that the United States cannot, with good conscience, condemn these families to the same fate, to return to Siberia.

Instead, we who are the cosponsors of this bill are proposing that the United States of America, the pillar of hope to those parts of the world where freedom is denied, must come to the defense of human rights and religious freedom by granting citizenship to these brave people. We must do what is good and right in this situation and take an unwavering stand.

If we will do that, the Soviet Union will respect our strength and firmness. I do not believe that we can tacitly turn these people over to the Soviet police, who will only send them back to Chernorgorsk, Siberia. These people would then be subject to worse harassment and persecution, and possibly even imprisonment once they are back in Siberia.

I urge my colleagues to press unequivocally for the passage of this bill. The Embassy, as well as the Vashchenkos and Chmykhalovs, report that the families are losing hope. We, along with hundreds of thousands of Americans and people in the U.S.S.R. and around the world, fear that their distress may soon cause them to give in and give up their courageous fight for the freedom of worship that those of us in America enjoy unconditionally.

Their lives are in our hands, but the hands of Embassy officials are tied unless we act now. The passage of this bill would enable these families to leave the Soviet Union safely and come to the United States of America. Without exaggeration, I believe that the world is waiting for us to act.

I thank the Chair.

Mr. HAYAKAWA. Mr. President, I rise in support of S. 312, which will assist the seven Soviet Pentecostals living in the basement of the American Embassy in Moscow. I cosponsored this legislation in the 96th Congress and am pleased to do so again in the 97th.

The Vashchenko and Chmykhalov families have been attempting to emigrate from the Soviet Union for over 18 years. Two and a half years ago they entered our Embassy in Moscow seeking assistance in leaving the Soviet Union and took refuge when Soviet guards threatened them and dragged away one of the children.

The living situation in the Embassy has been tolerable because of the kindness and help given them by our Embassy personnel—done entirely on their own. However, the refuge of the families is a unique situation and it is apparent that some means are needed to clearly define the families' legal status with regard to the United States Government.

This legislation grants permanent resident status to the seven members of the families in the Embassy and will extend constitutional protections to them. It will not directly guarantee their emigration to the United States but should the Soviets allow them to receive exit visas, there are provisions in the bill which will expedite their emigration. I believe it is incumbent upon the United States to do all it can to aid these families in their struggle to gain permission to leave the Soviet Union.

Finally, Mr. President, their case is another example of flagrant violation of human rights by the Soviet Union and the East European bloc and is a direct violation of the Helsinki accords signed by the member nations in 1975. Such an egregious failure on the part of the Soviet Union and the East European block countries must not go unheeded by the Western peoples. Immediate consideration of this legislation will help demonstrate to the Soviets our firm resolve to support the pursuit of civil liberties worldwide.

Thank you. Mr. President.

RECOGNITION OF SENATOR PROXMIRE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin (Mr. PROXMIRE) is recognized, as in legislative session, for not to exceed 15 minutes.

THE REAGAN CABINET: A DISAPPOINTMENT ON CUTTING SPENDING

Mr. PROXMIRE. Mr. President, the Reagan Cabinet will have to start fast or miss the opportunity of a lifetime to stop the 50-year momentum toward an ever bigger, more inflationary and less effective Government.

The Senate has now confirmed almost the entire Reagan Cabinet and what a sorry record the confirmation record left.

Here is a Cabinet that must truly hit the ground running to have any real chance of overcoming the powerful forces in this country that have pushed every Congress and every President—Republican or Democratic since 1932—toward bigger and bigger Government.

But any objective review of the public record left by these new Cabinet officials—with the exception of Stockman at OMB—suggests that when it comes to cutting spending, they will hit the ground sleeping.

A DEEP COMA

As far as cutting spending is concerned, this Cabinet came before Senate confirmation hearings in the deepest coma since Rip van Winkle. They reminded me of Dorothy Parker's crack about Calvin Coolidge—silent Cal—who often went days without speaking. When Dorothy Parker heard Coolidge was dead, she asked, "How could they tell?" As far as reducing the size and cost and burden of their department goes, for this Cabinet it is strictly nap time.

Run down the list—forget Weinberger at Defense. Of course, he will and must and should increase defense spending and by tens of billions. That makes reductions elsewhere especially vital. But where will they come from?

Consider:

Haig at State hinted that he may need more personnel. Regan at Treasury, who in private life built the biggest brokerage firm on Earth into something far bigger, seemed startled that he could begin to think smaller and cut down personnel, services and budget. Secretary Regan, the administration's economic spokesman, did not have the remotest notion of where or how to cut his agency.

He did, however, have definite ideas about cutting taxes. Of course. Who does

not? But Secretary Regan will be the chief tax official of this Nation as well as the economic spokesman for the administration. And what did the strongest voice on tax policy tell the Appropriations Committee on Tuesday, the day before yesterday? Secretary Regan told the committee that he favors the entire Kemp-Roth tax cut—in full.

THE $100 BILLION DEFICIT

What does that mean? Well, on Wednesday economist Otto Eckstein told the committee it meant that the Reagan administration might well be looking at a hundred billion dollar deficit in 1982.

Oh, yes, indeed that assumes that the Congress does increase defense spending by $20 billion or more over the Carter projections and that it does little more than match this spending with corresponding cuts in nondefense programs.

All of this, of course, makes a Reagan Cabinet which is ready, willing, and able to make king-size spending reductions absolutely vital, and, of course, I mean spending reductions that hurt in housing and transportation, in aid for the cities and education, and most other programs.

Attorney General Smith opined that cutting spending was not an important issue in the Justice Department. He said the Justice Department offers less opportunity for discontinuing spending than other agencies. He lacked economy ideas about even so lush a target as the bloated, wasteful, LEAA.

A SERIES OF STRIKEOUTS

At Interior, Watt, who has devoted much of his life to trying to make the Interior Department get lost, now has no ideas on how to cut budgets, personnel, regulations, or paperwork.

Agriculture Secretary Block pledges to devote his energy to increasing farm income. That is dandy. But he denied having any ideas on how to cut the $20-billion plus budget of his Department.

Commerce Secretary Baldrige could offer the Senate no budget cuts, no regulations rollback, no paperwork reductions.

He did show disdain for the 1977 law that outlaws bribery by U.S. corporations abroad, but there was no hint of how gutting this law would significantly help our inflation problems.

Health and Human Services Secretary Schweiker deserved credit as one of only three Cabinet-level officials to suggest where and how the Federal Government could make some reductions. But even the Schweiker reductions would save only a tiny fraction of his huge agency's budget and only begin that small savings many months down the road. The Secretary suggested no cuts in regulations or paperwork but mentioned hospital regulations and the AFDC program as places to look.

Of course, we could achieve a major reduction in spending by reducing indexing for social security recipients. Here is the biggest spending program in the Government. But do not hold your breath till we make those cuts. This Senator would oppose such a reduction. President Reagan has indicated we would not make these cuts. And in all justice we should not. Social security recipients average a near-poverty income, $5,500 for a retired couple. Try to live on that these days.

Social security beneficiaries have worked a lifetime for their benefits; the Government has a commitment to them. We should keep it and keep it whole. We should not allow inflation to erode it.

HUD COULD DO BETTER

HUD Secretary Pierce thought HUD may have to take a 10-percent cut and said he would look at community development grants, UDAC, and the eligibility for rent supplements. He said staff could be reduced but gave no specific indication where. He agreed there was too much paperwork and was specific that HUD overregulated local governments, and he opposed HUD multiple review of local government planning.

Well, that was something compared to the others. He deserves an "A" for effort.

Frankly, I thought Secretary Pierce could do much better than this. It will not be easy because so much of HUD's spending lies under long-term commitments, promises the Government cannot break. But we can make far deeper than 10-percent cuts in community development, section 8 housing, urban development action grants and many other such programs.

Transportation Secretary Lewis offered no suggestions for cuts in his multibillion dollar budget. The Secretary said he had not identified any specific regulations that needed to be revised or revoked.

Energy Secretary Edwards, a former Governor and renowned oral surgeon, virtually reneged before the committee on his previously announced pledge to extract the Energy Department from the Federal budget. President Reagan pledged the extraction in his campaign. But now it appears the Energy Department will continue to give the taxpayer a multibillion dollar toothache.

BELL AT EDUCATION: SPENDING DISASTER

Most ironic of all, Education Secretary Bell moves into his Department without repudiating his 1976 assertion that—

> The Federal government must guarantee certain rights, and in doing so, it should specify the ends of education and provide the financial support to meet these ends.

On the other hand, the Reagan campaign pledge was crystal clear to abolish the Department. Now it seems that the Department may drop out of the Cabinet but with Bell as the education head, the budget, the burdensome regulations and the massive paperwork will probably go upwards and onward as they always have.

Here we have a program. the Federal aid and education program, that has been a signal failure. For the last 20 years the Federal Government has enormously increased its spending for elementary and secondary education. And yet every year during virtually the entire 20 years the test scores for our high school children, the best objective measure of results, has gone down. It seems the more we spend on our kids, the dumber they get. We have an almost perfect correlation betwen Federal spending on education and negative SAT scores. Since 1974 alone Federal aid for grade and high schools has jumped from $3.36 billion to $6.96 billion, an increase of more than 100 percent.

And in Federal aid for higher education, again we have massively increased Federal assistance. All American families, even the very richest are now eligible for subsidized and I mean highly subsidized educational loans. In the past 7 years the cost of this subsidy program has more than quadrupled. Higher education from 1974 to 1981 went right through the ceiling from $1.5 billion to $6.5 billion: that is a fourfold increase, Mr. President, in 7 years.

Can anyone really believe—in view of his record and his publicly expressed attitude that Bell will bring this situation under control?

CASEY: THE BACK OF HIS HAND

CIA Director Casey gave the Senate nothing except the back of his hand when he testified. He had no specific or general ideas about cuts. Anyone who thinks the CIA budget will not increase would pick New Orleans as next year's winner of the Super Bowl.

Neither Brock as special trade representative nor Kirkpatrick as U.N. representative will have significant budgets.

Labor Secretary Donovan may reduce the Labor Department's budget but if so he kept the hearing record in the dark on specific cuts. His references to cutting regulations or paperwork were general in nature.

STOCKMAN ON RIGHT TRACK

All this leaves OMB Director Stockman. Stockman may well be the best choice as Budget Director the country has ever had. He is smart, he knows the budget. He not only knows where we can cut the budget and regulations and paperwork, he has the most important characteristic of all, he has a zeal to do the job. Just today the papers have announced a Stockman call for sharp cuts in foreign aid.

Right now, Stockman appears to be all that stands with a President who also obviously wants very much to do the job. On every side they face the most powerful political pressure groups in this Nation. With a pitiful performance of the Cabinet in the nomination hearings, Stockman and the President face awesome odds in the struggle to arrest the mammoth growth of this Federal Government of ours.

Mr. President, I fully realize that in some ways this speech may seem unfair to the Reagan administration. No one asked for the kind of zeal I am calling for in previous administrations.

But, Mr. President, these are extraordinary times. Here we have the first real chance—and maybe the last—to turn back a 50-year momentum of building more and more spending into our Federal Government. But except for Stockman I found little or no realization of the unique opportunity—the big chance—the challenge that faces this incoming Cabinet.

BUREAUCRATIC PRESSURE TO SPEND

And, Mr. President, I have said nothing about the great pressure that will come from within each of these departments. The established officials in any depart-

ment are naturally proud of their department and its functions. As in any other organization they want to see it succeed and in most cases in this country that means see it grow. They will push and pressure the Secretary for more not less budget, more not less regulations, more not less paperwork. The appointed secretaries seemed unaware of this pressure. They will not be unaware long. And they must find a way of transforming this "grow bigger and better" psychology into smaller is beautiful. And, believe me, that will not be easy.

CONGRESS: BIG SPENDER

Mr. President, I have said nothing about the role of the Congress in pushing for more and more spending. We have done that for 50 years and it looks dangerously like we will continue to do that unless somehow we find common cause with Cabinet secretaries who want to curtail, limit, cut down their departments and excise services and functions they now perform. We in Congress look to those of our constituents who have a specific message for us on particular programs: farming, housing, transportation. Usually that message—initiated by most constituents is to spend, spend, spend, spend. It comes from educators, from mayors, from homebuilders, from farmers. We have to find a way to say "no" and help the Cabinet secretaries to do likewise.

WHISTLE BLOWERS—FIRED

And Mr. President, I have ignored the deeply imbedded resistance in every department to the whistle blowing, waste exposing employee who can be worth his weight in gold if the Secretary will listen to him. Defense fired Ernie Fitzgerald when he became too critical of billion dollar cost overruns.

He was denounced and criticized by the Johnson administration, the Nixon administration, the Ford administration, and the Carter administration. Of course, in the Carter administration, President Carter campaigned and said during the campaign that Ernie Fitzgerald should be rewarded. He rewarded him by continuing to push him in the face and keep him out of doing constructive work. Before my committee, he has been awarded an award which is the highest reward any civilian can receive in our Government for his great work in weapons analysis.

The Navy canned John McGee when he blew the whistle on oil thefts in Thailand that were costing the Navy a bundle. HUD fired David Stith when he revealed that millions of dollars of anti-poverty money was winding up in the pockets of developers, instead of helping the poor.

If there has ever been a whistle blower who has raised hell about waste in his department and won anything but the back of the hand of his superior for his action, I have never heard of it.

And finally, Mr. President, in my 20 years on the Appropriations Committee I can remember very few occasions when any Secretary has come before that prime spending committee of the Congress and asked for us not to spend the money. How we need that.

THE ANTI-INFLATION COMMITTEE RECOMMENDATION

Mr. President, last June a list of 13 of the most experienced and highly respected men in Government formed a committee to fight inflation. Seven of those men were Democrats and six Republicans. They included: former Federal Reserve Chairman Arthur Burns and William McChesney Martin; former Treasury Secretaries Henry Fowler, Mike Blumenthal, Douglas Dillon, George Schultz and William Simon, and former Under Secretary Fred Deming; former CEA Chairman Paul McCracken; former Ways and Means Chairman Wilbur Mills and ranking minority member John Byrnes, and former Senator John Williams, the ranking minority member of the Senate Finance Committee a few years ago. Not one of these men is a theoretical ideologue.

These are the most practical and experienced kind of men. And they unanimously agreed, their No. 1 prescription: balance the budget—not by increasing taxes, but by cutting spending. They said reduce—expenditures, and reduce expenditures—not balance defense increases with other cuts—I should say, recognize that we have to increase defense spending but, overall, even with the increase in defense spending, cut expenditures net so that we reduce overall spending and balance the budget without a tax increase; in fact, with a tax reduction. That, Mr. President, is something a lot of us know we must do. But of the performance of this Cabinet at the hearings, do not hold your breath until we get it.

Miracles rarely happen. And it will take a major one for the American taxpayer and consumer to win on this one.

Mr. President, I ask unanimous consent to have printed in the RECORD a table I have prepared which summarizes the answers each Cabinet nominee gave to the specific questions I submitted to them at their confirmation hearings with respect to where they would cut their budget, personnel, and excessive regulations and paperwork in their department.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ANSWERS TO SENATOR PROXMIRE'S QUESTIONS AS TO WHERE EACH NOMINEE WOULD REDUCE OR CUT

Department or agency	Nominee	Where would nominee cut or reduce?		
		Budget	Personnel	Regulations and paperwork
State	Haig	He said no decision had been made as yet	Hint that there might have to be some increase.	No specifics.
Treasury	Regan	No specifics	Vague	Not prepared to comment.
Defense	Weinberger	Not asked	Cannot be certain	No specifics.
Attorney General	Smith	Extraordinarily vague and general responses to all questions. Senator Biden remarked that no nominee in his experience in the Senate had been less specific than Mr. Smith.		
Interior	Watt	Said he was not briefed on the Interior budget	Said he was unable to comment on his intention's for personnel.	He said he would review the Department's regulations.
Agriculture	Block	He was extraordinarily vague and general in response to all these questions.		
Commerce	Baldridge	Said he had not seen the budget	He said he first wanted to see what results have been achieved by the partial freeze.	Said it was premature to identify specific regs to cut. Said he would do his best to achieve the 25 percent paperwork reduction goal in 1980 act.
Labor	Donovan	Said it was inappropriate to answer at this time	Said he would examine the problem, but no specifics.	Said there is a problem but it was not possible to say where to cut now.
HHS	Schweiker	Said he would focus on data systems, would look at consulting contracts, attack fraud as GAO brought out.	Said it was premature to set goals but would look at it.	Said it was too early to give specifics but he did get specific about hospital regs, and AFDC.
		In general, Mr. Schweiker was more specific than any other nominee, although it is merely by comparison with the overwhelmingly vague and general answers of the others that his answers appear superior.		
HUD	Pierce	He was not specific. He thought HUD "may" have to take a 10 percent cut in budget (actual dollars) in 1982. Said he would look at CD grants, UDAG, and eligibility for rent sups.	Not specific. He believed staff could be reduced and agreed to provide quarterly reports, but he did not indicate where the cuts could be made.	Said there was too much paper work and regulation. Felt HUD overregulated local governments and opposed HUD multiple review of local government planning.
DOT	Lewis	Said it was not possible at this time to assess DOT budget priorities. He wants to analyze Carter budget proposals first.	Said he could not assess personnel priorities at this time.	Said he had not identified any specific regulations that needed to be revised or revoked.
Energy	Edwards	Said it was premature and that he would consider cuts in upcoming weeks.	Had no specific ideas as to cuts	He had no specific ideas on the removal of regulations.
Education	Bell	Said there have been too many changes in the last 4 years for him to give a listing of any cuts based on his past experience.	He said he planned to reduce employment in the DOE but did not have any exact figures on where they currently stood. He would provide a personnel time cut table as soon as possible.	He said he would launch an immediate attack on excessive regulations and paperwork but provided no specific regs or paperwork which was excessive.
United Nations	Kirkpatrick	Not applicable. She said the U.N. special agencies make very large contributions to the values that we do hold. The U.S. should do its best to encourage and maximize its activities. Said agencies which do not share our values might be cut but only after debate and as a last resort.	Not applicable	Not applicable.

ANSWERS TO SENATOR PROXMIRE'S QUESTIONS AS TO WHERE EACH NOMINEE WOULD REDUCE OR CUT—Continued

Department or agency	Nominee	Where would nominee cut or reduce? Budget	Personnel	Regulations and paperwork
CIA	Casey	He had no specific nor no general answers to where his budget might be cut.	He had no specific or general answers or suggestions on any personnel cuts.	He had no specific or even general answers on where or how to reduce regulations or paperwork.
OMB	Stockman	He gave only the most vague and general answers which was noticeably at odds with his public statements in the "Stockman Manifesto" and his Press Club speech. What he has told the world he failed to tell Congress at his confirmation hearing or in submitted questions.	Same, even though the "Manifesto" is specific on this subject.	Same (even though the "Stockman Manifesto" gives a long specific list of regs to cut.
Trade	Brock	Said he would explore it	Would examine to see if he could make economies in staff.	Not applicable.

(Mr. GORTON assumed the chair.)

OBJECTIONS TO THE TREATY ARE NOT STRONG

Mr. PROXMIRE. Mr. President, some opponents of the Genocide Treaty say it should not be ratified because objections exist concerning the "Mental Harm" section, but this argument is not a strong one.

According to the Convention, genocide involves acts "committed with intent to destroy, in whole or in part, a national, ethnical, racial, or religious group."

One of these acts is: "Causing mental harm to members of the group."

Critics contend that there is an objection to the section in article II of the Treaty concerning "Mental Harm".

They claim that "Mental Harm" could mean that hurting somebody's feelings, to take an extreme case, could be considered genocide.

This argument is simply ridiculous, because if it were true, we would all be guilty of genocide.

According to Richard Gardner, a former Deputy Assistant Secretary of State for International Organization Affairs, the reason for the section on "Mental Harm" was not intended to cover verbal slurs.

This reference to "Mental Harm" was inserted at the request of the Chinese delegation (Chiang Kai Shek) and other delegations in order to deal with drugs which would "cause physical impairment of mental facilities."

Last night there was a dramatic demonstration of that in a docudrama on CBS.

Specific examples of genocide "are only genocide if they are committed with the intent to destroy the group.".

I must say that this use of drugs to destroy mental facility cannot be confined to just a few hundred or a few thousand. It would have to be used to virtually wipe out an entire ethnic or religious group to constitute anything like genocide.

Therefore, this is not a legitimate objection to the treaty. We should ratify the Genocide Convention.

RECOGNITION OF SENATOR BENTSEN

The PRESIDING OFFICER. Under the previous order, the Senator from Texas (Mr. BENTSEN) is recognized for not to exceed 15 minutes.

S. 317—INVESTMENT TAX ACT OF 1981

Mr. BENTSEN. Mr. President, there is general agreement that any comprehensive program to restore stability and real growth to the American economy must focus on the problem of lagging productivity.

The United States has traditionally led the world in productivity, or average output per man-hour. We have a proud history of giving our workers the most modern and efficient tools to do the job. The productivity of the American worker is still unsurpassed, but today our rates of productivity increase are the lowest of any major industrialized nation. We are losing our competitive edge.

One of the primary reasons for lagging productivity is a lack of capital for modernizing the productive capacity of America. We are asking the American worker to do tomorrow's job with yesterday's tools. Faster depreciation is probably the most efficient and effective way to encourage the investments needed to boost productivity and update our industrial infrastructure.

Today I am introducing legislation that will help strengthen our economy by providing faster tax deductions for depreciation and increasing the rehabilitation tax credit for certain structures. These proposals are targeted at the problem of productivity and incorporate many of the suggestions presented at hearings of the Senate Finance Committee and House Ways and Means Committee during the last Congress.

Mr. President, before going into the specifics of this legislation, I think it is important to understand why productivity occupies such a central position in our economic problems.

When we talk about productivity, we are not suggesting that the American worker work harder or put in longer hours. The best way to increase productivity is to give a worker the best technology available, thereby enabling him to increase his output. When this happens, a company can pay the worker a higher wage and maintain or even reduce the price of the goods produced.

But in recent years productivity in America has actually been declining. Our economy is becoming less efficient at a time wages and prices are rising. When that happens, inflation becomes inevitable. There is no way around it.

I ask unanimous consent to have printed at this point in the RECORD a table demonstrating the extent to which the United States trails our major trading partners in rates of productivity increase.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PRODUCTIVITY MEASURES FOR VARIOUS COUNTRIES

	Average annual percentage change in productivity		
	1950–65	1965–73	1973–78
Japan	7.2	9.1	3.1
West Germany	5.2	4.3	3.2
Italy	5.1	5.6	1.3
France	4.7	4.5	2.8
Canada	2.7	2.3	.8
United Kingdom	2.2	3.3	.9
United States	2.4	1.6	.4

Note: Measured by growth in real domestic product per employed person, using own country's price weights.

Mr. BENTSEN. We are looking at a 3-year, $100 billion balance-of-trade deficit that contributes to inflation, destroys the value of our currency and creates doubt about the future of our free market system. Improvements in productivity are essential if we are to improve our terms of trade and remain competitive in the international marketplace.

The Japanese, one of our toughest competitors in trade, turn over their industrial base every 10 years. In this country it takes 30 years. Project that trend into the future, and it is not difficult to see which country will end up more efficient and competitive.

As we look to our economic future, Mr. President, we must search for tax cuts that foster real economic growth and reject tax policies that merely stimulate demand, Government spending, and budget deficits.

If we have learned anything from three decades of experience with the economics of demand stimulation, it is that tax cuts alone will not create a healthy economy.

I think there is broad, bipartisan agreement in this body on the need to cut taxes, reduce Government spending, lighten the regulatory burden on the American business community, and provide new incentives for savings, investment, and production.

The legislation I am proposing is totally consistent with those shared objectives. It includes many of the concepts approved overwhelmingly by Republicans and Democrats on the Finance Committee during the last Congress.

I would like to summarize briefly the three major features of this legislation.

First, it would simplify depreciation computations, which is particularly important for small businesses. Faster de-

preciation tax deductions for investments in equipment and machinery can help us curb inflation and boost exports. Under my legislation, equipment and machinery would be depreciated over either 2, 4, 7, or 10 years. Generally, such equipment and machinery would be depreciated 50 percent faster than under present law.

A simple "open account" system for computing depreciation deductions, which has been successful in Canada, would replace the complicated "vintage account system" of present U.S. law.

In addition, investment tax credit rules would be modified. A full 10-percent credit would be allowed for equipment depreciated over 7 years or longer. Property depreciated over a 2-year period would be eligible for a 4-percent investment tax credit and property depreciated over 4 years would be eligible for a 7.5-percent investment tax credit.

Second, at the option of the taxpayer, structures and structural components would be eligible for 20-year, straight-line depreciation with section 1250 recapture. This compares to a useful life of some 30 years for apartments, 35 years for industrial structures, and 40 years for commercial structures under present law.

Also at the option of the taxpayer, low-income rental housing would be given 15-year, straight-line depreciation with section 1250 recapture. This compares to a useful life of some 30 years for low-income rental housing under present law. Further, certain owner-occupied business structures can be depreciated over a period of 15 years using 150 percent declining balance methods.

If this last election is made, the recapture rules currently applicable to depreciable personal property will apply. These provisions would provide an "audit proof" system for taxpayers. These provisions would encourage the construction of new factory buildings, provide assistance to the depressed housing industry, and create jobs for construction workers.

Third, in an effort to help revitalize some of the urban centers of our Nation, this legislation would increase the existing 10-percent investment tax credit for the rehabilitation of industrial and commercial structures to 25 percent.

Mr. President, let me describe this legislation in greater detail.

SIMPLIFIED COST RECOVERY (SCR)

This legislation would replace the current depreciation rules for equipment and machinery (tangible personal property) with a simplified cost recovery system. (SCR)

Compared to present law, the new system would simplify the computation of depreciation on most tangible personal property and shorten the period over which the cost of such property can be recovered.

Under the Bentsen system, the cost of all depreciable tangible personal property (other than public utility property, property subject to amortization, and property depreciable on a basis other than time) would be eligible and would be classified in one of the following four recovery accounts with a recovery period of 2, 4, 7, or 10 years:

Current law (midpoint life under ADR*)	Bentsen bill (in years)
7½ years or less	2
8–13½ years	4
14–19½ years	7
Greater than 20	10

*Asset depreciation range.

The taxpayer could elect to exclude from the SCR system any livestock for which special capital gain treatment is allowed under section 1231 of the Internal Revenue Code.

This legislation mandates that the period for depreciation of property be at least 50-percent shorter than the current midpoint useful life (under the existing asset depreciation range system). No recovery period, though, can be reduced below 2 years.

As examples, machines used to manufacture clothing which currently have a midpoint life of 9 years would be reduced to 4 years under the legislation. Equipment used to manufacture steel mill products now has a midpoint life of 15 years and would be reduced to 7 years under the bill.

Used property which is at least 3 years old would be depreciated one category faster than comparable new equipment; 3-year-old property that could be depreciated over 7 years when new, for example, would be depreciated over 4 years.

The Treasury Department would be required to publish simplified tables which incorporate the shortened depreciation schedules in the Bentsen bill.

SCR is a simplified approach to depreciation. It eliminates the dozens of categories that now exist and replaces them with four.

SCR will also eliminate all disputes as to the salvage value of property. Since the entire cost of an asset is depreciated without reductions for estimated salvage value, salvage computations are no longer required.

The bill speeds depreciation in two ways. It not only reduces the number of years involved, but it also provides a weighing process so that the bulk of the property can, in fact, be depreciated during the first part of the period in question.

For example, property can be depreciated at a range of either 200 percent, 150 percent, or 100 percent of the straight line rate. In addition, the depreciation method can be changed from year to year for any of the four recovery accounts.

The legislation generally adopts the so-called half-year convention of the present ADR system. Under this convention, one-half of an asset's cost is placed in an account which may include more than one asset in the first year. The other half of the asset's cost is added to the account in the next year.

Under SCR gains or losses on assets that are sold are generally deferred. Instead, the amount realized in the sale reduces the balance of the depreciation account which, in turn, would reduce depreciation deductions for other assets in the account during subsequent years. Where the amount realized from sale of assets reduces the balance of an account to a negative figure, the amount of the negative balance would be recaptured as ordinary income.

INVESTMENT TAX CREDIT

Modifications of the investment tax credit are needed to supplement the simplified cost recovery system in order to encourage additional investment in equipment and machinery.

Under present law, if an otherwise eligible asset has a useful life of at least 7 years, 100 percent of the basis of the asset qualifies for the investment tax credit. If the useful life is 5 or 6 years, 66⅔ percent of the basis is eligible for the investment tax credit. If the useful life is 3 or 4 years, 33¾ percent of the basis is eligible for the investment credit. The useful life used for depreciation purposes is generally the useful life that applies for investment credit purposes.

Under the bill I am introducing today, 40 percent of the basis of an asset is eligible for the investment credit if the property is in the 2-year recovery period. Seventy-five percent of the basis of the asset is eligible for the investment tax credit for assets in the 4-year period. The full basis qualifies for the investment tax credit for assets that fall in the 7- or 10-year categories.

PUBLIC UTILITIES

The bill also reduces the depreciable life of public utility property. This is achieved by increasing to 30 percent the 20-percent variance currently allowed for public utility property under the asset depreciation range system—ADR.

With respect to utilities, I am also a sponsor of S. 141 which provides an option for a stockholder to exclude from gross income the value of common stock received by the stockholder under a "qualified dividend reinvestment plan." The amount excluded annually would be limited to $1,500—$3,000 in the case of joint return.

OPTIONAL 20-YEAR STRAIGHT LINE DEPRECIATION FOR STRUCTURES AUDIT-PROOF SYSTEM

At the option of the taxpayer, structures and structural components would be eligible for 20 years straight line depreciation with section 1250 recapture. This "audit-proof" system will provide certainty for taxpayers by eliminating disputes over useful life between taxpayers and the Internal Revenue Service.

These provisions would encourage the construction of new factory buildings and help create jobs in the construction industry. Modernization of basic manufacturing capacity—through investment in new factory buildings and new equipment—is essential if we are to compete successfully in world trade. Improvements in productivity require modernization of both the factory building as well as equipment since the structures and machinery are often integrally related. In making investment decisions, businessmen look at the after-tax cost of a business' total fixed capital investment.

In an effort to provide additional assistance to lower income rental property, the legislation provides 15-year straight line depreciation for these structures. More favorable tax incentives for

investment in low-income housing—as compared to other structures—is needed to compensate for the restrictions on return and limited potential for appreciation inherent in low-income housing.

Were low-income housing to be limited to the same 20-year depreciation of other structures, low-income housing might fail to attract investment capital that might otherwise be available. Such capital would flow instead to real estate projects which are not as risky as low-income housing and which are not encumbered by other restrictions. Low-income housing normally is limited, either by Federal or State laws or regulations, as to the rate of return payable to investors and the rents which may be charged to tenants.

Under the bill, "low-income housing" is that housing which is intended for rental to families and individuals of low and moderate income. These are persons who cannot afford to pay the fair market rent for standard quality (not superior or luxury quality) rental units without some form of assistance. Generally, these persons have incomes of 80 percent or less of the area median.

The bill maintains the definition of low-income housing presently contained in the Internal Revenue Code which includes so-called section 8 housing, sections 221(d)(3) and 236 housing, rural low-income housing assisted through the farmers home loan program, rehabilitated low-income housing, and similar low-income housing programs assisted by direct loan or tax abatement under State law.

In addition, the legislation extends the definition to the section 221(d)(4) housing program (which serves persons of low and moderate income) and other Government-assisted housing where at least 20 percent of the dwelling units are rented or held for rental to families or individuals who qualify for section 8 assistance or other assistance to assure that they do not pay more than one-quarter of their income for rent.

For qualified owner-occupied industrial and commercial buildings, a taxpayer may elect to depreciate the property over a 15-year period under the declining balance method using a rate not in excess of 150 percent of the straight-line rate. Also, only the composite method is available for the building and its structural components under this election.

The term "qualified owner-occupied building" means any building or structure located in the United States if (a) such building is 100 percent owned by the taxpayer (not as a condominium within the meaning of applicable State law, if any), (b) an election under this new provision is in effect for such building, and (c) at least 80 percent of the building or structure is used by the taxpayer for a qualified use or uses at all times during the taxable year.

For purposes of the 80-percent test, common areas such as halls, stairwells, and convenience facilities, are to be disregarded.

If an election is made to depreciate a qualified owner-occupied building under this new 15-year method, then gain from the disposition of the property will be subject to ordinary income recapture in accordance with Code section 1245. Once an election has been made under this provision, all depreciation allowable with respect to the property will be subject to ordinary income recapture under code section 1245.

Except for qualified owner-occupied buildings for which the new 15-year method is elected, the bill retains the current recapture rules under which, in general, only "additional depreciation" is recaptured on the sale of depreciable real property.

In a further effort to help the housing industry, which has suffered more than other segments of the economy in recent months, the bill repeals section 189 of the Internal Revenue Code which requires that certain construction period interest and taxes be amortized over a 10-year period. Under the bill, these expenses could be deducted in the year in which the payments are made.

Taxes are an out-of-pocket expense. Tax bills come out yearly and are paid as they are issued. In other businesses, a deduction is allowed for taxes in the year in which they are paid. Construction interest is attributable to a construction loan which exists only during the 12- to 24-month period when a multifamily housing project is under construction, for example. When construction is complete, the construction loan is paid off. Construction period interest is clearly an expense of the short construction term and should be allowed as a deduction during that period.

REHABILITATION OF INDUSTRIAL AND COMMERCIAL STRUCTURES

In an effort to provide special assistance to older industrialized sections of the country, this legislation would increase the present 10-percent rehabilitation tax credit for industrial and commercial structures to 25 percent.

The 1978 Revenue Act extended the 10-percent investment tax credit to rehabilitation expenses of nonresidential structures. Eligible buildings include factories, office buildings and retail and wholesale stores.

In order to qualify as a rehabilitation expenditure, the expense must be incurred in connection with the rehabilitation of a building which has been in use for at least 20 years. Capital expenditures for the replacement of plumbing, electrical wiring, flooring, permanent interior partitions and walls, and the heating or air-conditioning systems could qualify as qualified rehabilitation expenditures when incurred in connection with a rehabilitation. In situations where a part of a building is rehabilitated, the rehabilitation costs will qualify for the credit only if the rehabilitated part constitutes a "major portion" of the building.

CONCLUSION

In conclusion, passage of this bill would spur lagging investment and help modernize the productive capacity of this country. America's economic potential remains the greatest the world has ever seen, but we have fallen far short of that potential for many years now. As of 3 years ago this country had slipped into fifth place among the world's industrialized nations on a per capita gross national product basis. We fell behind Switzerland, Denmark, West Germany, and Sweden and we were rapidly losing ground to Japan. Is it any wonder that we are losing ground? The United States invests only 17.5 percent of its GNP, while a country like West Germany is investing 23.1 percent and Japan 33.2 percent.

The tax bill I am introducing today would put modern tools in the hands of the American worker; it will help our efforts to increase productivity and hold down prices while creating hundreds of thousands of new jobs.

I urge the Senate to promptly approve this legislation.

Mr. President, at this point I ask unanimous consent that a factsheet describing my proposal as well as a section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FACTSHEET

Senator Lloyd Bentsen introduced a bill featuring tax reductions targeted to encourage investment. The Bentsen bill would be effective for taxable years ending after December 31, 1981.

This tax legislation offers broad incentives to invest.

1. Simplified cost recovery (SCR)—The bill establishes a Simplified Cost Recovery System (SCR) which provides tax incentives for investment in equipment and machinery. Under the legislation, equipment would be classified in one of four recovery accounts with a recovery period of 2, 4, 7 or 10 years. Generally, equipment and machinery would be depreciated 50 percent faster than under present law. A simple "open-ended account" system for computing depreciation deductions, which has been successful in Canada, would replace the complicated "vintage account" system of present law. In addition, the investment tax credit rules would be modified.

2. Structures.—At the option of the taxpayer, structures and structural components would be eligible for twenty year straight line depreciation with Section 1250 recapture. This compares to a useful life of some 30 years for apartment buildings, 35 years for industrial structures and 40 years for commercial structures under present law. Also at the option of the taxpayer, certain low income rental housing would be eligible for 15 year straight line depreciation with Section 1250 recapture. This compares to a useful life of some 30 years for low income housing under present law. Further, certain owner-occupied structures can be depreciated over a period of 15 years using 150 percent declining balance methods. If this last election is made, the recapture rules currently applicable to depreciable personal property will apply. These provisions would provide an "audit-proof" system for taxpayers by eliminating disputes over useful life between businessmen and the Internal Revenue Service.

These provisions will encourage the construction of new factory buildings which is so important in modernizing our industrial base. The new rules will provide a needed stimulus to the depressed housing industry and help create jobs in the construction industry. Additional incentives are provided for low income housing.

In addition the bill repeals the requirement of present law that certain construc-

tion period interest and taxes be amortized over a ten year period. Under this legislation, these expenses could be deducted in the year incurred. Construction period interest and taxes are "out-of-pocket" expenses and should be deducted when incurred.

3. Rehabilitation of commercial and industrial structures—In an effort to help revitalize some of the older industrial sections of the nation, the legislation increases the existing 10 percent investment tax credit for the rehabilitation of commercial and industrial structures to 25 percent.

4. Extension of Net Operating Loss and Investment Tax Credit carryover—To encourage business to make the necessary purchases of new equipment without regard to the investment tax credit limitation the carryover for such is extended from 7 years to 10 years. Further, recognizing that small businesses often suffer losses in their initial years the net operating loss is also extended to 10 years.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the text of the bill may be printed in the RECORD.

The PRESIDING OFFICER. Without objection it is so ordered.

The text of the bill follows:

S. 317

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Investment Tax Act of 1981".

SEC. 2. AMENDMENT OF 1954 CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SUBTITLE B—COST RECOVERY PROVISIONS

SEC. 3. SIMPLIFIED COST RECOVERY.

(a) IN GENERAL.—Part IV of subchapter B of Chapter 1 (relating to itemized deductions for individuals and corporations) is amended by inserting after section 167 the following new section:

"SEC.168. SIMPLIFIED COST RECOVERY

"(a) ALLOWANCE OF DEDUCTION.—In the case of recovery property, there shall be allowed, in lieu of any deduction allowed by any other section of this part, the recovery deduction provided by this section.

"(b) AMOUNT OF DEDUCTION.—The amount of the deduction allowable by subsection (a) for any taxable year shall be the aggregate determined by applying—

"(1) the recovery percentage of each class of property, to

"(2) the balance in the recovery account for such class at the end of such year.

"(c) CLASS AND RECOVERY PERIOD.—

"(1) TABLE.—All recovery property—

"(A) shall be placed in 1 of the classes set forth in the following table, and

"(B) shall have the recovery period set forth for such class in the following table:

"Class and Recovery Period Table

"Class	Years
1	2
2	4
3	7
4	10

"(2) USEFUL LIFE REDUCED BY AT LEAST 40 PERCENT.—Property shall be placed in the highest class which has a recovery period at least 50 percent shorter than its present midpoint life. Nothing in the preceding sentence shall reduce a recovery period below 2 years.

"(3) ASSIGNMENT TO CLASSES.—The Secretary shall implement the provisions of this subsection by prescribing simplified class tables setting forth the types of assets which fall in each of the 4 classes.

"(4) ELECTION TO PLACE PROPERTY IN CLASS HAVING NEXT LONGER RECOVERY PERIOD.—The taxpayer may elect to place any item of property in the class having the next longer recovery period than the class in which such item would (but for this paragraph) fall.

"(d) RECOVERY PERCENTAGE.—For purposes of this section—

"(1) IN GENERAL.—The term 'recovery percentage' means, with respect to any class of recovery property for any taxable year—

"(A) the percentage which the taxpayer elects under paragraph (2) for such class for such taxable year, divided by

"(B) the number of years in the recovery period.

"(2) ELECTION OF PERCENTAGE.—In computing the recovery percentage for any class of recovery property for any taxable year, the taxpayer shall elect to use—

"(A) 200 pecent,

"(B) 150 percent, or

"(C) 100 percent.

"(e) RECOVERY PROPERTY DEFINED.—Except as provided in subsection (g), for purposes of this title, the term 'recovery property' means tangible property of a character subject to the allowance for depreciation (other than a building and its structural components)—

"(1) used in a trade or business, or

"(2) held for the production of income, which is placed in service by the taxpayer after December 31, 1980.

"(f) RECOVERY ACCOUNT.—

"(1) IN GENERAL.—The taxpayer shall establish a recovery account for each class of recovery property.

"(2) ADDITIONS TO ACCOUNT.—The recovery account for any class of recovery property shall be increased by an amount equal to the sum of—

"(A) one-half of the basis of each recovery property in such class which is placed in service by the taxpayer during the taxable year, plus

"(B) one-half of the basis of each recovery property in such class which was placed in service by the taxpayer during the preceding taxable year.

"(3) REDUCTIONS IN ACCOUNT.—

"(A) PROPERTY DISPOSED OF DURING YEAR.—The recovery account for any class of recovery property shall be reduced by an amount equal to the amount realized on each recovery property by such class disposed of by the taxpayer during the taxable year.

"(B) AMOUNT ALLOWED UNDER THIS SECTION.—The recovery account for any class of recovery property shall be reduced by an amount equal to the amount of the deduction allowed under subsection (a) with respect to such class (but not less than the amount allowable).

"(4) TIME FOR MAKING ADJUSTMENTS.—

"(A) IN GENERAL.—Any adjustment under paragraph (2) or (3)(A) shall be made as of the close of the taxable year but before the determination of the amount allowable as a deduction under subsection (a) for such taxable year.

"(B) REDUCTION FOR DEDUCTION.—Any reduction under paragraph (3)(B) shall be made as of the beginning of the taxable year following the taxable year for which the amount was allowed (or allowable) as a deduction under subsection (a).

"(5) COORDINATION WITH OTHER PROVISIONS.—

"(A) DISPOSITIONS NOT TREATED AS DISPOSITIONS FOR CERTAIN PURPOSES.—For purposes of this title (other than this section and section 47), the disposition of any property in a recovery account shall be treated as if it were not a disposition.

"(B) NEGATIVE BALANCE.—If, as of the close of any taxable year, there is a negative balance in any recovery account then, notwithstanding any other provision of this subtitle—

"(i) an amount equal to the amount by which—

"(I) such negative balance (expressed as a positive number), exceeds

"(II) one-half of the basis of all recovery property in the class of recovery property for which such account is established which was placed in service by the taxpayer during the taxable year

shall be included in gross income for such taxable year as ordinary income, and

"(ii) the balance in the account shall be adjusted by adding to the account an amount equal to the amount included in gross income under clause (i).

"(6) SEPARATE ACCOUNTS TO REFLECT PARTNERSHIP ALLOCATIONS AND ADJUSTMENTS.—Under regulations prescribed by the Secretary, separate recovery accounts shall be established to the extent necessary to reflect—

"(A) allocations under subsections (b) and (c) of section 704, and

"(B) adjustments to basis under section 734 or 743.

"(g) PROPERTY EXCLUDED FROM APPLICATION OF SECTION.—For purposes of this section—

"(1) CERTAIN LIVESTOCK.—The term 'recovery property' does not include livestock (within the meaning of section 1231(b)(3) without regard to the period for which such livestock has been held by the taxpayer) other than items of livestock which the taxpayer elects to treat as recovery property.

"(2) AMORTIZATION PROPERTY.—The term 'recovery property' does not include property with respect to which the taxpayer—

"(A) is entitled to elect amortization (in lieu of depreciation), and

"(B) elects such amortization.

"(3) CERTAIN METHODS OF DEPRECIATION.—The term 'recovery property' does not include—

"(A) property if—

"(i) the taxpayer elects to exclude such property from the application of this section, and

"(ii) for the first taxable year for which a deduction would (but for such election) be allowable under this section with respect to such property, the property is depreciated under the unit-of-production method or any other method of depreciation not expressed in a term of years,

"(B) property which is a leasehold improvement which is depreciated or amortized over the term of the lease, or

"(C) property which is depreciated under the retirement-replacement method.

"(4) PUBLIC UTILITY PROPERTY.—The term 'recovery property' does not include any public utility property (within the meaning of section 167(l)(3)(A)).

"(5) OIL OR GAS FIRED BOILERS.—The term 'recovery property' does not include any boiler described in section 167(p).

"(6) PROPERTY USED PREDOMINANTLY OUTSIDE THE UNITED STATES.—The term 'recovery property' does not include property which, during the taxable year, is used predominantly outside the United States (within the meaning of paragraph (2) of section 48(a)).

"(h) SPECIAL RULES.—

"(1) PRESENT MIDPOINT LIFE.—For purposes of this section, the present midpoint life of any property is a useful life which is not longer than the asset guideline period (if any) which would have been applicable to such property as of August 20, 1980, under section 167(m) (determined without regard to any regulation, ruling, or announcement published by the Secretary after that date).

"(2) NO ADJUSTMENT WHERE PROPERTY DISPOSED OF BEFORE CLOSE OF TAXABLE YEAR IN WHICH PLACED IN SERVICE.—No adjustment

shall be made under paragraphs (2) and (3)(A) of subsection (f) in respect of any property which is disposed of by the taxpayer before the close of the taxable year in which placed in service by the taxpayer.

"(3) TRANSFERS AT DEATH.—No reduction shall be made under paragraph (3)(A) of subsection (f) by reason of any transfer at death.

"(4) PROPERTY CEASING TO BE RECOVERY PROPERTY.—If any property taken into account under subsection (f) ceases to be recovery property during any taxable year—

"(A) such property shall be treated as disposed of by the taxpayer during such taxable year, and

"(B) the basis of such property in the hands of the taxpayer after such cessation shall be treated as equal to its fair market value.

"(5) DISPOSITIONS OTHER THAN SALE OF EXCHANGE.—If any recovery property is disposed of in a disposition which is not a sale, exchange, or involuntary conversion and which is not described in paragraph (6) or (7), the reduction under paragraph (3)(A) of subsection (f) for such disposition shall be the fair market value of the property disposed of. In the case of property disposed of by abandonment, the fair market value thereof shall be treated as if it were zero.

"(6) TRANSFERS WHERE BASIS GOES OVER.—

"(A) IN GENERAL.—If any recovery property is transferred and the transferee's basis of such property is determined in whole or in part by reference to the adjusted basis of the transferor, then, under regulations prescribed by the Secretary—

"(i) the transferor's recovery account for the class of property in which the recovery property falls shall be reduced by the transferred amount, and

"(ii) for purposes of determining the transferee's basis in such property, the adjusted basis of such property in the hands of the transferor shall be treated as equal to the transferred amount.

"(B) TRANSFERRED AMOUNT.—For purposes of subparagraph (A), the transferred amount shall be the amount which bears the same relation to—

"(i) the total amount in the transferor's recovery account immediately before the transfer, as

"(ii) the fair market value of the transferred property bears to the fair market value of all property in such amount immediately before the transfer.

"(C) AUTHORITY TO PRESCRIBE ALTERNATE METHODS OF ALLOCATIONS.—The Secretary may by regulations prescribe alternate methods for allocating the balance in any recovery account for purposes of determining the transferred amount of any property.

"(D) COORDINATION WITH SECTION 170(e).—In the case of any charitable contribution of recovery property, the excess of the fair market value of such property (determined at the time of such contribution) over the transferred amount shall be treated as gain described in section 1170(e)(1)(A).

"(7) LIKE KIND EXCHANGES; INVOLUNTARY CONVERSIONS.—Under regulations prescribed by the Secretary in the case of any exchange described in section 1031 or 1033—

"(A) if the properties fall in the same class, changes shall be made in the taxpayer's recovery account for such class only to the extent necessary to reflect the money or other property (within the meaning of section 1031) or property not similar or related in service or use (within the meaning of section 1033), paid, exchanged, or received, as the case may be, and

"(B) if the properties fall in different classes, proper adjustments in the recovery accounts for both classes shall be made to carry and the nonrecognition provided for in such sections.

"(8) MANNER AND TIME FOR MAKING ELECTIONS.—

"(A) IN GENERAL.—Any election under this section (other than under subsection (d)(2) or (i)) shall be made for the taxable year in which the property is placed in service.

"(B) MADE ON RETURN.—Any election under this section shall be made on the taxpayer's return of the tax imposed by this chapter for the taxable year concerned.

"(C) REVOCATION ONLY WITH CONSENT.—Any election under this section, once made, may be revoked only with the consent of the Secretary.

"(9) TRANSITIONAL RULE.—

"(A) IN GENERAL.—For any taxable year beginning after 1984, the taxpayer may elect to treat as recovery property any property which would be recovery property if it had been placed in service after December 31, 1980.

"(B) ELECTION MUST APPLY TO ALL CLASSES.—If the taxpayer makes an election under subparagraph (A) with respect to any item of property, the election shall apply to all property of the taxpayer which would be recovery property if it had been placed in service after December 31, 1980.

"(C) METHOD IN WHICH PROPERTY TAKEN INTO ACCOUNT.—Any property which is treated as recovery property by reason of an election under this paragraph for any taxable year—

"(i) shall be treated as placed in service during such taxable year, and

"(ii) shall be taken into account in an amount equal to—

"(I) the entire adjusted basis of such property as of the beginning of the taxable year, or

"(II) in the case of property to which 167(m) applies, the remaining balance in the vintage account.

"(10) SHORT TAXABLE YEARS.—The application of this section to taxable years of less than 12 months shall be in accordance with regulations prescribed by the Secretary.

"(i) ADDITIONS TO RECOVERY ACCOUNT BEFORE PROPERTY IS PLACED IN SERVICE.—

"(1) IN GENERAL.—Any qualified progress expenditure with respect to progress expenditure property shall be treated for purposes of this section as if such expenditure were property placed in service.

"(2) QUALIFIED PROGRESS EXPENDITURE; PROGRESS EXPENDITURE PROPERTY.—Except as provided in paragraph (3), for purposes of this subsection, the terms 'qualified progress expenditure' and 'progress expenditure property' have the respective meanings given to such terms by subsection (d) of section 46 (relating to qualified progress expenditures for purposes of the investment credit).

"(3) EXCEPTIONS.—For purposes of this subsection—

"(A) clause (ii) of section 46(d)(2)(A) shall be applied by substituting 'recovery property' for 'new section 38 property', and

"(B) the election under paragraph (6) of section 46(d) shall be a separate election with respect to each recovery property.

"(4) COORDINATION WITH SUBSECTION (f).—The amount which would (but for this paragraph) be treated as the basis of each recovery property under subsection (f) shall be reduced (but not below zero) by any amount treated by the taxpayer or a predecessor of the taxpayer as a qualified progress expenditure payment under this subsection with respect to such property.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) RECOVERY DEDUCTION TREATED AS DEPRECIATION.—Subsection (a) of section 167 (relating to depreciation) is amended by adding at the end thereof the following new sentence: "In the case of recovery property (within the meaning of section 168), the deduction allowable under section 168 shall be deemed to constitute the reasonable allowance provided by this section.".

(2) COORDINATION WITH MINIMUM TAX.—

(A) IN GENERAL.—Paragraph (3) of section 57(a) (relating to accelerated depreciation on leased personal property treated as item of tax preference) is amended to read as follows:

"(3) ACCELERATED DEPRECIATION ON LEASED PERSONAL PROPERTY.—

"(A) RECOVERY PROPERTY.—With respect to each class of recovery property, the amount by which—

"(i) the deduction allowable under section 1^8 for the taxable year with respect to the portion of such class which is subject to a lease, exceeds

"(ii) the deduction which would have been allowable under section 168 for the taxable year with respect to such portion if the percentage elected by the taxpayer under section 168(d)(2) for all taxable years were 80 percent.

"(B) PROPERTY OTHER THAN RECOVERY PROPERTY.—With respect to each item of section 1245 property (as defined in section 1245(a)(3)) which is subject to a lease and which is not recovery property, the amount by which—

"(i) the deduction allowable for the taxable year for depreciation or amortization, exceeds

"(ii) the deduction which would have been allowable for the taxable year had the taxpayer depreciated the property under the straight-line method for each taxable year of its useful life for which the taxpayer has held the property.

For purposes of clause (ii) of the preceding sentence, useful life shall be determined as if section 167(m)(1) (relating to asset depreciation range) did not contain the last two sentences thereof.".

(B) TAX PREFERENCE FOR LEASED RECOVERY PROPERTY NOT TAKEN INTO ACCOUNT FOR PURPOSES OF THE 50-PERCENT MAXIMUM RATE FOR PERSONAL SERVICE INCOME.—Subparagraph (B) of section 1348(b)(2) (defining personal service taxable income) is amended by striking out "paragraph (9)" and inserting in lieu thereof "paragraphs (3)(A) and (9)".

(3) UNREALIZED RECEIVABLES.—Subsection (c) of section 751 (defining unrealized receivables) is amended by adding at the end thereof the following new sentence: "For purposes of this section and sections 731, 736, and 741, the excess of the aggregate fair market value of the property in any recovery account established under section 168(f) over the balance in such account shall be treated as an unrealized receivable.".

(c) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by inserting after the item relating to section 167 the following new item:

"Sec. 168. Simplified cost recovery.".

SEC. 4. 30 PERCENT VARIANCE FROM CLASS LIFE FOR PUBLIC UTILITY PROPERTY.

Paragraph (1) of section 167(m) (relating to class lives) is amended by adding at the end thereof the following new sentence: "In the case of public utility property (within the meaning of subsection (l)(3)(A)), the preceding sentence shall be applied by substituting '30 percent' for '20 percent'.".

SEC. 5. SHORTER USEFUL LIFE REQUIREMENTS FOR INVESTMENT TAX CREDIT.

(a) GENERAL RULE.—Paragraph (2) of section 46(c) (defining applicable percentage) is amended to read as follows:

"(2) APPLICABLE PERCENTAGE.—

"(A) IN GENERAL.—For purposes of paragraph (1), except as otherwise provided in this subsection, the applicable percentage

for any property shall be determined under the following table:

"If the useful life is—	The applicable percentage is—
2 years or more but less than 4	40
4 years or more but less than 7	75
7 years or more	100.

"(B) SPECIAL RULE FOR ENERGY PERCENTAGE AND EMPLOYEE PLAN PERCENTAGE IN CASE OF RECOVERY PROPERTY.—In the case of any recovery property, for purposes of applying the energy percentage and the employee plan percentage, the applicable percentage shall be determined under the following table:

"If the useful life is—	The applicable percentage is—
2 years or more but less than 4	66⅔
4 years or more	100.

"(C) USEFUL LIFE.—For purposes of this subpart, the useful life of any recovery property shall be the recovery period determined under section 168, and the useful life of any other property shall be the useful life used in computing the allowance for depreciation under section 167 for the taxable year in which the property is placed in service.".

(b) CONFORMING AMENDMENTS.—

(1) The last sentence of paragraph (1) of section 48(a) (defining section 38 property) is amended by striking out "3 years" and inserting in lieu thereof "2 years".

(2) Subparagraph (C) of section 48(l)(2) (defining energy property) is amended by striking out "3 years" and inserting in lieu thereof "2 years".

(3) Subparagraph (A) of section 46(c)(6) (relating to special rule for commuter highway vehicles) is amended by striking out "3 years" and inserting in lieu thereof "2 years".

SEC. 6. DEPRECIATION OF REAL PROPERTY.

(a) GENERAL RULE.—Section 167 (relating to depreciation) is amended by redesignating subsection (r) as subsection (s) and by inserting after subsection (q) the following new subsection:

"(r) SHORTER AND AUDIT-PROOF LIVES FOR CERTAIN BUILDINGS.—

"(1) IN GENERAL.—At the election of the taxpayer, in the case of section 1250 property, the depreciation allowance under subsection (a) may be computed under the straight line method using a useful life of 20 years.

"(2) LOW INCOME HOUSING.—At the election of the taxpayer, in the case of low-income housing described in clause (i), (ii), (iii), or (iv) of section 1250(a)(1)(B), the depreciation deduction under subsection (a) may be computed under the straight-line method using a useful life of 15 years.

"(3) QUALIFIED OWNER-OCCUPIED INDUSTRIAL AND COMMERCIAL BUILDINGS.—

"(A) IN GENERAL.—At the election of the taxpayer, in the case of a qualified owner-occupied building, the depreciation deduction provided by subsection (a) may be computed under the declining balance method, using—

"(i) a useful life of 15 years, and

"(ii) a rate which does not exceed 150 percent of the rate which would have been used had the annual allowance been computed under the straight line method.

"(B) QUALIFIED OWNER-OCCUPIED BUILDING.—For purposes of this subsection, the term 'qualified owner-occupied building' means any building or structure located in the United States if—

"(i) such building or structure is owned by the taxpayer (other than as a condominium as determined under applicable State law), and

"(ii) at all times during the taxable year for which an election is in effect under this paragraph with respect to such building or structure, at least 80 percent of the useable area of the building or structure is used by the taxpayer for a qualified use.

"(C) QUALIFIED USE.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'qualified use' means use as an industrial building, retail store, or catalog distribution center.

"(ii) INDUSTRIAL BUILDING.—The term "industrial building' means a building or structure used for manufacturing, production, or extraction, or the furnishing of transportation or communications, or as a research facility used in connection with such activities of the taxpayer. The term does not include—

"(I) a warehouse or storage area unless it is an integral part of, or adjacent to, such a building or structure and necessary for, and directly related to, such activities, or used for the storage of raw materials or unfinished goods for use by the taxpayer in such an activity;

"(II) an office building; or

"(III) public utility property (as defined in subsection (1)(3)(A)).

"(iii) RETAIL STORE.—The term 'retail store' means a building or structure used for the sale of goods to the public for purposes other than resale, and includes a warehouse or storage area which is—

"(I) an integral part of, or adjacent to, such building or structure,

"(II) used for the storage of such goods, and

"(III) necessary for and directly related to, the sale of goods at such location.

For purposes of this clause, incidental sales of goods at prices or on terms and conditions not offered to the public shall not disqualify the building or structure as a retail store.

"(iv) CATALOG DISTRIBUTION CENTER.—The term 'catalog distribution center' means a building or structure used for the distribution of goods ordered by the public from the taxpayer from a catalog or similar publication.

"(D) DEFINITIONS AND SPECIAL RULES.—

"(i) MEMBERS OF AFFILIATED GROUP.—For purposes of this subsection, members of the same affiliated group of corporations which file a consolidated return under section 1501 for the taxable year shall be treated as 1 taxpayer.

"(ii) HUSBAND AND WIFE.—For purposes of this subsection, a husband and wife shall be treated as 1 taxpayer.

"(iii) SEPARATE IMPROVEMENTS.—For purposes of this section and for purposes of section 1245, each separate improvement (within the meaning of section 1250(f)(4)) shall be treated as a separate property.

"(4) ELECTION.—Any election under this subsection with respect to any property shall be made on the taxpayer's return of the tax imposed by this chapter for the taxable year in which such property is placed in service and, once made, may be revoked only with consent of the Secretary.

"(5) TAXPAYER MUST USE SAME USEFUL LIFE FOR COMPONENTS.—For purpose of this section, a taxpayer who has made an election under paragraph (1), (2), or (3) with respect to any property shall use the same useful life for all structural components of such property. The preceding sentence shall not apply to any structural component for which amortization (in lieu of depreciation) is allowable.

"(6) SUBSECTION DOES NOT APPLY TO PUBLIC UTILITY PROPERTY FOR WHICH A CLASS LIFE IS PRESCRIBED UNDER SUBSECTION (m).—This subsection shall not apply to any public utility property (within the meaning of subsection (l)(3)(A)) for which a class life has been prescribed under subsection (m).

"(7) YEAR IN WHICH BUILDING IS NOT QUALIFIED OWNER-OCCUPIED BUILDING.—If—

"(A) an election with respect to any property is in effect under paragraph (3) for any taxable year, and

"(B) for a subsequent taxable year, such property is not a qualified owner-occupied building,

paragraph (1) shall apply with respect to such building for such subsequent taxable year as if the taxpayer had made a valid election under paragraph (1) with respect to such property.".

(b) RECAPTURE UNDER SECTION 1245 FOR QUALIFIED OWNER-OCCUPIED BUILDINGS.—

(1) Subparagraph (D) of section 1245(a)(2) (defining recomputed basis) is amended by inserting after "or 193" the following: "or for which a deduction for depreciation is allowed under an election made under section 167(r)(3)".

(2) Subparagraph (D) of section 1245(a)(3) (defining section 1245 property) is amended by inserting after "or 193" the following: "or in which there are reflected adjustments for depreciation computed under an election made under section 167(r)(3)".

SEC. 7. REPEAL OF SECTION 179.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 is amended by repealing section 179.

SEC. 8. INCREASE IN INVESTMENT CREDIT CARRYOVER PERIOD TO 10 YEARS.

(a) INCREASE.—Subparagraph (B) of section 46(b)(1) of the Internal Revenue Code of 1954 (relating to carryback and carryover of unused investment credits) is amended by striking out "7 taxable years" and inserting in lieu thereof "10 taxable years".

(b) CONFORMING AMENDMENTS.—Section 46(b)(1) of such Code is amended—

(1) by striking out "10 taxable years" and inserting in lieu thereof "13 taxable years" in the second sentence thereof,

(2) by striking out "9 taxable years" and inserting in lieu thereof "12 taxable years" in the second sentence thereof, and

(3) by striking out the last sentence thereof and inserting in lieu thereof the following: "In the case of an unused credit for an unused credit year ending before January 1, 1971, which is an investment credit carryover to a taxable year beginning after December 31, 1970 (determined without regard to this sentence), this paragraph shall be applied by carrying such an investment credit carryover to a later taxable year (than the taxable year to which it would, but for this sentence, be carried) to which it may be carried if, because of the amendments made by section 802(b)(2) of the Tax Reform Act of 1976, carrying such carryover to the taxable year to which it would, but for this sentence, be carried would cause a portion of an unused credit from an unused credit year ending after December 31, 1970 to expire.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to unused credits attributable to qualified investment (as determined under section 46 (c) and (d) of such Code) in taxable years beginning after December 31, 1981.

SEC. 9. INCREASE IN NET OPERATING LOSS CARRYOVER PERIOD TO 10 YEARS.

(a) INCREASE.—Subparagraph (B) of section 172(b)(1) of the Internal Revenue Code of 1954 (relating to net operating loss carryovers and carrybacks) is amended by adding at the end thereof the following new sentence: "Except as provided in subparagraphs (D), (F), and (G), a net operating

loss for any taxable year after December 31, 1981, shall be a net operating loss carryover to each of the 10 taxable years following the taxable year of such loss.".

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 812(b) of such Code (relating to operations loss carrybacks and carryovers) is amended by adding at the end thereof the following: "In the case of an operations loss for any taxable year ending after December 31, 1981, this paragraph shall be applied by substituting '10 taxable years' for '5 taxable years'.".

(2) Paragraph (1) of section 825 (d) of such Code (relating to unused loss deduction) is amended by adding at the end thereof the following: "In the case of an unused loss for a taxable year ending after December 31, 1981, such unused loss shall be an unused loss carryover to each of the 10 taxable years following the loss year.".

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to net operating losses incurred in taxable years beginning after December 31, 1981.

SEC. 10. INCREASE IN INVESTMENT TAX CREDIT FOR REHABILITATED STRUCTURES.

Subsection (g) of section 48 (relating to special rules for qualified rehabilitated buildings) is amended by adding at the end thereof the following new paragraph:

"(4) ADDITIONAL 15 PERCENT CREDIT.—In the case of property which is treated as section 38 property by reason of subsection (a)(1)(E), section 46(a)(2)(B) shall be applied by substituting '25 percent' for '10 percent'.".

SEC. 11. REPEAL OF SECTION 189.

(a) IN GENERAL.—Part VI of Subchapter B of chapter 1 is amended by repealing Section 189.

(b) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by striking out the item relating to section 189.

SEC. 12. EFFECTIVE DATE.

Except as otherwise expressly provided, the amendments made by this Act shall apply to property placed in service in taxable years beginning after December 31, 1980.

S. 321—REVENUE PROCEDURE 80–55

Mr. BENTSEN. Mr. President, it is my pleasure to join together with my distinguished colleague the Senator from Illinois, Senator DIXON, in introducing legislation to correct a grave error by the Internal Revenue Service in interpreting the Tax Code.

This bill would block IRS Revenue Procedure 80–55, issued December 15, 1980, by amending section 265 of the Internal Revenue Code to specifically allow these transactions.

Revenue Procedure 80–55 would prohibit financial institutions from deducting as a business expense interest paid on time deposits which are collateralized by tax-exempt securities.

This would have a severe impact on all units of State and local governments in many of our States. Some 33 States have laws which require that public deposits be secured with pledges of Government securities, and in most cases the securities which are pledged are tax exempt. If interest on such accounts is not deductible as a business expense, then the financial institutions holding those deposits will simply pay less interest on them and will buy fewer municipal bonds with which to secure those public accounts.

The first course will reduce the revenues which States, cities, counties, school districts, and other public entities earn on their deposits, forcing offsetting cutbacks in vital services or increases in taxes. The second course will reduce the demand for municipal bonds at a time when the market is already severely depressed, resulting in even higher financing costs for local governments. Both of these hit directly at the taxpayers of these State and local governments, who will bear the true burden of this mistaken ruling.

IRS STRETCHES LAW

Mr. President, Revenue Procedure 80–55 has stretched the law to the breaking point. It is a good example of the way in which IRS sometimes takes a statute aimed at correcting a simple problem and stretches it with a closely tailored interpretation in order to extract revenues and inflict undue burdens on taxpayers who are not intended to be covered by the statute.

Section 265 of the Internal Revenue Code is the statutory basis for this decision. This has been a part of the Internal Revenue Code since 1954, yet it has never before been interpreted to apply to collateralized deposits in financial institutions. The Treasury Department should be well aware of this, since they ruled in 1961 that:

> The provisions of Section 265(2) * * * have no application to interest paid to indebtedness represented by deposits in banks engaged in the general banking business since such indebtedness is not considered to be "indebtedness incurred or continued to purchase or carry obligations * * *" within the meaning of Section 265.—Revenue Ruling 61–222, 1961–2 CB58.

As recently as October, 1980, Judge Samuel B. Sterrett, writing for the U.S. Tax Court in the case of New Mexico Bank Corp. and Subsidiaries against Commissioner of Internal Revenue, held that section 265(2) was not applicable to situations where the municipal bonds are held by the bank as collateral pursuant to a repurchase agreement. The arguments in favor of excluding the application of section 265 to State and local funds secured by exempt securities is even more compelling.

However, while the State and local governments might win in litigation, and I believe that they should, the process would be time consuming and costly. Those delays would only weaken further the municipal bond market, and therefore the litigated victory would be a victory only in name.

ADMINSTRATIVE ACTION NEEDED

Mr. President, I believe that Revenue Procedure 80–55 was ill-advised, was issued in error and should be withdrawn. These opinions are shared by a number of my colleagues who have joined with me in writing to Treasury Secretary Donald Regan to draw this issue to his attention and to ask that he move expeditiously to withdraw this decision. This letter was cosigned by 34 distinguished Members of this body, including my friend the Senator from Illinois, and I ask unanimous consent that a copy of this letter and a copy of the bill be inserted in the RECORD following my remarks.

I would hope that the Secretary will see fit to withdraw this revenue procedure and to spare our State and local governments and the bond markets further turmoil. In such case the need for this legislation is much less pressing. However, should further study indicate that this legislation is needed to guarantee that this situation will never recur, or if quick administrative relief is not forthcoming, then I would urge that the Senate act expeditiously to enact this legislation and solve this problem permanently.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter to Donald T. Regan, Secretary of the Treasury.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C.

HON. DONALD T. REGAN,
Secretary, Department of the Treasury, Washington, D.C.

DEAR MR. SECRETARY: As you begin your service as Secretary of the Treasury you face a number of pressing issues and demands for your valuable time. We are writing to bring your attention to one of these items which is of major importance to state and local governments, banks, and the municipal bond market, but which can be taken care of quickly.

The issue is Revenue Procedure 80–55, issued by the Internal Revenue Service on December 15, 1980. This revenue procedure would have a devastating effect on the municipal bond market, which is already so depressed that its use as a financing source has been severely curtailed. In addition, it will greatly reduce the interest rate which can be paid on municipal accounts, forcing local taxpayers to bear the burden of this lost revenue either through reduced services or increased taxes.

We believe that it was never the intent of Congress that Section 265 of the Internal Revenue Code be applied in this way. It seems clear from the willingness of the IRS to first eliminate the retroactive feature of 80–55 and then to postpone the effective date that the case for issuing it is a weak one. We urge you to withdraw Revenue Procedure 80–55 immediately.

Quick administrative action on this issue is imperative. We do not believe that Congressional action is necessary, however, we will press for a legislative remedy if need be.

Due to the time required for legislative action and the June 1 deadline which IRS has imposed, we would appreciate an expeditious reply to this request.

Mr. BENTSEN. The letter was signed by the following Senators:

Senators Bentsen, Boren, Tower, Cochran, D'Amato, Pryor, Sasser, Huddleston, Ford, Dixon, Hatfield.

Goldwater, Levin, Stennis, Zorinsky, Abd-

nor, Eagleton, Heflin, Randolph, Murkowski, Cannon, Domenici, Nickles, Heinz.

Moynihan, Inouye, Cranston, East, Helms, Kassebaum, Boschwitz, Nunn, Matsunaga, Thurmond, and Durenberger.

Mr. BENSTEN. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the bill follows:

S. 321

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. APPLICATION OF SECTION 265(2) OF CERTAIN PUBLIC DEPOSITS.

Paragraph (2) of section 265 of the Internal Revenue Code of 1954 (relating to interest) is amended by adding at the end thereof the following new sentence: "For the purpose of applying this paragraph to interest paid by an institution described in subparagraph (A) or (B) of section 116(c)(1), the term 'indebtedness' does not include any deposit of public funds by a State or local government secured by tax-exempt obligations which qualify, under applicable State or local law, as collateral for the deposit of public funds.".

SEC. 2. EFFECTIVE DATE.

The amendment made by section 1 shall apply with respect to any taxable year to which the Internal Revenue Code of 1954 applies.

Mr. DIXON. Mr. President, on December 15, 1980, the Internal Revenue Service issued Revenue Procedure 80–55. That ruling states, and I quote, that "section 265(2) of the Internal Revenue Code will be applied to disallow deductions for interest paid by commercial banks on certain time deposits when such deposits are made for a specific period of time and are secured by pledges of tax-exempt obligations." In other words, banks would no longer be permitted to deduct from their Federal income tax the interest they pay on time deposit accounts of State governments if the banks use tax-free State or municipal bonds as collateral to secure those deposits.

The announcement appeared in the IRS Bulletin, a weekly publication compiling the lateset IRS rulings and announcements. Revenue Procedure 80–55 took only about 1 page of the 32-page edition that appeared that week.

To all appearances, the ruling was of little consequence and of interest only to tax lawyers. There was no news conference announcing the ruling. The television networks did not cover it on their news programs that evening, and the next day's newspaper did not mention it.

However, Mr. President, as everyone knows, appearances can be deceiving. This seemingly innocent technical interpretation of an obscure section of the Internal Revenue Code represents, in reality, a major change in the tax law. As originally issued, it would have cost the Nation's commercial banks billions of dollars. It could significantly worsen the market for tax free State and municipal bonds, and could reduce the interest income earned by State and local government funds on deposit in commercial banks by hundreds of millions of dollars.

The IRS has, I believe, overreached itself in issuing Revenue Procedure 80–55. Its interpretation of the Internal Revenue Code is, in this instance, questionable at best.

The ruling is inconsistent with the legislative history of section 265(2). In fact this ruling is inconsistent with the Service's own longstanding position on the issue. Revenue Ruling 61–222, which this revenue procedure does not explicitly overturn, states that section 265(2) of the Code has no application to—

Interests represented by deposits in banks engaged in the general banking business since such indebtedness is not considered to be indebtedness incurred or continued to purchase or carry obligations.

It is this sudden turnabout in what State and local governments and banks had justifiably believed to be the law on the subject that is my chief objection to the action taken by the Internal Revenue Service. In view of the magnitude of the impact of the proposed change on both State and local governments and the banking industry, I believe that the IRS should have gone through the rulemaking process if they believed that a change in policy was desirable, instead of acting without first discussing the change with any of the affected parties. In fact, I believe that a major change in tax policy such as this should generally be made only by the Congress.

Mr. President, I have characterized Revenue Procedure 80–55 as a major change in tax policy. I was State Treasurer of Illinois from 1971 to 1977 and my experience in that position leads me to believe that the impact of the ruling may be substantial.

State and local governments stand to lose in a number of important ways if the IRS action is not reversed.

The ruling could make State and local bonds less valuable to banks by making it impossible for the banks to pledge those securities as collateral for State and local time deposits without suffering a severe additional Federal tax liability. The net effect would be to reduce the demand by commercial banks for State and local bonds. Less demand by commercial banks for those bonds will have major impact on State and local finances because banks are the single largest holder of those bonds.

In 1978, for example, banks held over 41 percent of all outstanding State and local bonds. This would make the bonds less desirable in the bond market and State and local governments would have to pay a higher interest rate to attract buyers.

Interest income paid to State and local governments on their funds deposited in commercial banks could decline severely. Under the ruling, banks could no longer deduct the interest paid to governments as a business expense if the deposits were collateralized with State or local bonds. My own State of Illinois, for example, estimates that it could lose up to $30 million per year in interest income on State time deposits at commercial banks. Lower interest income will force State and local governments to either cut spending or raise taxes to balance their budgets. In either case, Illinois taxpayers, like taxpayers in every State, will be the losers.

In addition, the ruling could force a number of States to change their collateral requirements. According to a recent Wall Street Journal article, 33 States currently require collateral on their deposits in commercial banks to be in the form of State or local bonds, and other States often request it.

The banking industry could also be significantly affected by the ruling. Small banks could be particularly hurt as States and local governments move their funds out of small banks to larger money-center banks in an attempt to minimize their loss of interest income. The State of Illinois, for example, currently deals with more than 1,100 banks; it may not be able to continue to do so if the ruling is not reversed. Losing State deposits is harmful not only because the small banks would be financially damaged, but also because the development incentive that State deposits can provide will be lost to the local economies.

In the face of the storm of protest that the ruling has aroused, the Internal Revenue Service has backtracked somewhat. It recently announced that the ruling will not go into effect until June 1, 1981. There is some speculation that the IRS, with encouragement from the Reagan administration, will withdraw the ruling. However, as I stated earlier, I believe that it is the Congress, and not the IRS, that should make the major tax-policy decisions.

Therefore, I am pleased to join my distinguished colleague from Texas, Senator BENTSEN, in introducing legislation designed to reverse Revenue Procedure 80–55, legislation that would prevent the IRS from ever issuing a similar ruling anytime in the future. Specifically, the bill makes it clear that section 265(2) of the Internal Revenue Code, the section on which the IRS based its ruling, does not apply to time deposits of State and local government at commercial banks collateralized by tax-free State or local bonds.

I do not necessarily believe that a legislative reversal of the ruling is essential, but I do think that a legislative remedy should be available to the Congress if administrative action leads to a result contrary to congressional intent.

Mr. President, the Internal Revenue Service has agreed to meet with representatives of State and local governments, the banking industry, and others interested in the ruling. Their comments may cause the IRS to reconsider its position. I hope that it does so. If it does not, the Congress will have to decide whether a legislative remedy is appropriate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. I yield back the remainder of my time.

MAJORITY SUPPORT FOR GOLD STANDARD

Mr. HELMS. Mr. President, the January 1981 issue of Nation's Business maga-

The PRESIDING OFFICER. Does the Senator from Texas yield back his time?

zine, devoted a page to responses received to a request for opinions published in the magazine's November issue concerning a proposed U.S. gold standard. The published opinions were overwhelmingly in favor of such a reform.

By a margin of 4 to 1, the readers of this 1.3 million circulation magazine said, "yes". "A return to the gold standard would allow the Nation to get back to stability and thus bring an end to the inflation spiral," said Paul A. Brauch, a salesman from Le Mars, Iowa.

As expected, some did oppose a gold standard because of the present price changes in gold—not recognizing that the price changes are generally a reflection of the rate of decline in the value of paper currencies. Another opponent of a gold standard suggest that "gold producers and gold speculators" would be the only beneficiaries of such a change. This theory rests on the view that gold producers would somehow reap greater profits under a gold standard. In fact, of course, the price of gold today is probably greatly inflated because it is demanded as an inflation hedge, and as an alternative to depreciating dollars. If the dollar were as "good as gold," the market price of gold today would probably be much lower.

As to the benefits of speculators, does anyone suppose that there would be much profit in speculation if the dollar/gold price were fixed under a gold standard? No, speculation can only be profitable if there are price swings. Speculation in commodities in general is far more profitable when the monetary system is eratic, unstable, and politically controlled. Under a gold standard, the incentive is to put capital into long term investments, rather than short term, "speculations."

Mr. President, on the first day of this Congress, I introduced the Gold Reserve Act of 1981, S. 6, a bill which would answer the public demand for a decent monetary system: a dollar as good as gold.

I ask unanimous consent that the article, "Majority Pan for Gold Standard," be printed in the RECORD at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAJORITY PAN FOR GOLD STANDARD

Efforts to halt this country's spiraling inflation have prompted talk about a return to the gold standard. Economists don't agree on the subject. Do business people?

In November's Sound Off to the Editor, we posed the question: Is it time to revive the gold standard? NATION'S BUSINESS readers who responded favor the revival by a margin of 4 to 1.

"This one stroke would restore the confidence of everyone in America and all over the world. It would bring a miracle transfusion to the economy," says Robert Coulter, a line supervisor for Arvig Telephone Company in Pine River, Minn.

Richard D. Davenport, president of Arrowhead II Realty in Springfield, Mo., sees a disadvantage: "The gold standard cannot be expected to work infinitely because it is based on a limited natural resource. This would ultimately create a false international economy, bolstering the gold producing nations to the forefront only because they have the natural resource."

A majority of respondents agree, however, with Bill Feye, owner of Feye Bros. Auto Body in Dubuque, Iowa. He says, "If we had a gold standard we would virtually stop inflation in its tracks. With gold as a watchdog we could not spend more than we take in." Fellow Iowan Paul A. Brauch, a real estate salesman in Le Mars, adds, "A return to the gold standard would allow the nation to get back to stability and thus bring an end to the inflation spiral."

Taking the negative side, Paul D. Orris, commodity specialist in Chicago, says, "In theory, a gold standard would discipline against excess monetary expansion. But in the practical sense, it would be next to impossible to implement as most countries do not have gold. If the U.S. did it alone it would cause a worldwide depression through massive deflation."

Some respondents for reviving the gold standard contend there simply is not enough faith in the American dollar. "The rush to precious metals is a result of the dollar being backed by a promise," explains Steve Chapman, president of D. C. Oliver & Sons in Dallas, Tex. "A Federal Reserve note is nothing more than paper. A return to the gold standard would eliminate the rampant spending programs of the government since they could no longer print more paper promises."

Furthermore, says Leonard B. Birkeland, a salesman for Ferguson Realty in Faith, S.D., "Our inflationary problems really began when we as a nation dropped the gold standard. I don't think any single action would do more to re-establish common sense and reliance upon our government by its people. We desperately need the gold standard again."

Yet, Robert K. Entriken, an associate professor at Golden Gate University in San Francisco, isn't so sure. "The only ones benefiting from revival of the gold standard would be the gold producers and gold speculators," he says. "Gold is otherwise nonproductive. We must quit hiding from the reality that it is our national productivity that determines the value of our money and our trade advantage. A gold standard of exchange would only help obscure the true facts of economics."

Far from obscure is the opinion of R. E. Mastin, who sells real estate in Sunapee, N.H. He remarks, "When the only thing of value behind printed currency is wet ink, as is happening right now, we can look forward to nothing but deep problems."

To Americans like Allen Murr, owner-operator of A&B Gravel in Whitefish, Mont., "The gold or silver standard means sound money. It makes the value of money independent of government. Gold is least corruptible and that is why the founding fathers insisted on it." Expanding on that premise, John P. Dermody, vice president for the Spirate Company in Dearborn, Mich., says, "Since the purchasing power of gold in terms of goods and services has remained relatively stable for the last 500 years, gold really is the only reliable gauge against which we can measure our own increase or decrease in productivity."

But Stephen Lucas, an accountant in Highlands, N.C., contradicts that viewpoint. "It should be obvious from the market fluctuations of gold that it is not a standard, but a commodity, on which investors speculate," he says. "Real value is goods and services, and to have their exchange rate rise and fall with the gold market is irresponsible."

Many respondents view the gold standard as a bulwark against government overspending. "What better way to prevent irresponsible bureaucrats from their flagrant misuse of our national wealth?" asks Charles R. O'Brien, president of Action-Manderson Real Estate in Selma, Ala. Says Jim Mitchell, owner of Mitchell Welding in Sterling, Colo., "History has proven that gold or precious metals are the only honest backing for money."

Wilson O. Shealy, Jr., owner of Gaston Auto Supply in Gaston, S.C., puts it still another way. "It is my opinion that it would be better for the buck to stop fast than to be eternally sliced to pieces by inflation," he says. "Whatever happened to the phrase 'sound as a dollar?' Now it appears to be a sick joke."

INTERNATIONAL TERRORISM

Mr. ROBERT C. BYRD. Mr. President, within the last couple of days, both President Reagan and Secretary of State Haig have addressed the issue of international terrorism. They have addressed it forcefully and have given it the solid attention and consideration which it deserves.

During the ceremony honoring the return of the hostages, President Reagan said, "Let terrorists be aware that when the rules of international behavior are violated, our policy will be one of swift and effective retribution." And yesterday, during his press conference, Secretary Haig was quoted as indicating that in terms of priorities, "international terrorism will take the place of human rights. . . ."

I think it is clear that these stern warnings and comments are in keeping with the mood of the country and are designed to convey the mood to the world at large. In a sense, we have declared war on international terrorism, just as the previous administration, in a similar sense, declared war on human rights violations. In these "times that try men's souls," both declarations are needed.

In the best traditions of hoping to fashion a bipartisan foreign policy, I join in supporting the President and the Secretary of State in their determination to focus attention on the terrorist issue and to balance the national concern on it with the equally justifiable national concern about human rights violations. Obviously, we need to look at both sides of the coin.

UNITED NATIONS

NOMINATION OF JEANE J. KIRKPATRICK, OF MARYLAND, TO BE THE REPRESENTATIVE OF THE UNITED STATES TO THE UNITED NATIONS

The PRESIDING OFFICER. Under

the previous order, the Senate will now resume consideration of the Executive Calendar, Order No. 12, the nomination of Dr. Jeane Kirkpatrick, to be U.S. Representative to the United Nations.

The clerk will state the nomination.

The legislative clerk read the nomination of Dr. Jeane J. Kirkpatrick, of Maryland, to be U.S. Ambassador to the United Nations.

Mr. BAKER. Mr. President, may I have a brief moment to inquire of the Chair if there is a time limitation on this nomination?

The PRESIDING OFFICER. There is a 1-hour time limitation on this nomination.

Mr. BAKER. I thank the Chair.

The nomination will be managed on this side by the distinguished Senator from North Carolina (Mr. HELMS), who is not presently on the floor. On his behalf, I am prepared to say that if the distinguished Senator from Wisconsin wishes to proceed——

Mr. PROXMIRE. I have some questions for the manager of the nomination.

The PRESIDING OFFICER. Who yields time?

The Senator from North Carolina.

Mr. HELMS. Mr. President, I say good morning to the Chair and I thank the Chair for recognizing me.

Mr. President, it gives me the greatest pleasure——

Mr. PROXMIRE. Will the Senator yield so I can get the yeas and nays?

Mr. HELMS. I am glad to yield.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on this nomination.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, it gives me great pleasure to offer to the Senate the nomination of Dr. Jeane J. Kirkpatrick to be U.S. Representative to the United Nations, and the Representative of the United States in the Security Council of the United Nations.

Mr. President, I do not use the word "extraordinary" very often, but in this case it fits. This lady is an extraordinary person; and if there were a nominee who is aptly fitted, in the words of President Reagan, for "an era of national renewal," then I believe that Dr. Kirkpatrick is that person. Fewer than 10 days ago, the President, in the front of this Capitol, said "Let us renew our determination, our courage and our strength. And let us renew our faith and our hope. We have every right to dream heroic dreams." Dr. Kirkpatrick is the kind of person that the President had in mind when he made that statement.

There is a myth going around that the people of the United States are unconcerned about the status of this Nation in the world. I had some European visitors the other day who expressed that thought, and who went even further and expressed doubt that the American people, in the long pull, would let their determination fade even as the rhetoric fades.

Mr. President, this is one Senator who has confidence in the American people. Their basic instincts are sound, their judgments are valid, their will is strong—provided that they have good leadership, offering policies that accord with the American people's dreams. It has been a long time since we have had that kind of leadership.

Dr. Kirkpatrick, the nominee now before the Senate, brings that kind of leadership to a post which will be increasingly important in the coming administration. I predict—even though I have no crystal ball—that it will become increasingly important because Dr. Kirkpatrick will make it so. She brings with her an outside view of the foreign policy apparatus of this Nation, but more than that, she brings an outside vision—a vision of what this Nation ought to be and what it ought to be doing in the world.

Our foreign policy establishment contains thousands of dedicated men and women of fine character and expert ability. In fact, this week we have just seen 52 of them who have come home after a particularly exhausting ordeal. But there are thousands more who serve throughout the world, as well as here in the city of Washington. Yet, the policymakers of the establishment face a certain kind of occupational hazard. That hazard is that they are professionals, and the success of their profession is too often measured in their ability to avoid crisis, rather than to overcome it.

The problem of the foreign policy establishment is that collective failure is more often rewarded by the system than individual success. They become experts on how to manage a crisis so that confrontation disappears—at any cost—rather than take the risk of developing the crisis so that the national goals of the United States are perceived and achieved.

So for 30 years, we have seen a policy of crisis management, a policy that calls for eliminating the fundamental causes of conflict, even if the United States itself is required to surrender its vital interests. I believe it is demonstrable that what we need instead is a policy of conflict development. The dynamic forces of change in the world cannot be contained. They cannot be tamed. If we try to ignore them, or to bottle them up, we should be able to perceive now that they will explode later on in a way that is harmful to our interests. The contending forces in conflict should be directed and developed so that not only peace but also liberty will triumph and prevail in the world.

Instead, we have seen the attempted liquidation of the conflicts of the world. Our foreign policy planners have directed the liquidation of the Vietnam war, the liquidation of the Panama Canal, the attempted liquidation of the Soviet strategic arms threat, the ongoing liquidation of the conflicts in Central America, and the liquidation of the crisis in Iran. But at what cost, Mr. President? In every case, the attempts at management made the crisis more unmanageable and diminished the prestige and influence of the United States, not to speak of the many deaths and horrors of civil war that these policies have left behind.

The foreign policy establishment is not known for producing dynamic concepts of reversal. Little or no thought has been given to the liberation of those under Communist oppression, or the elimination of terrorism. Foreign policy becomes a process, without content. Foreign policy is seen as little more than a technology for defusing conflict, often by withdrawing whatever interest of the United States that is being challenged.

That notion of foreign policy as a process is very evident at the United Nations. We are expected to accept the logic of the organization of the U.N., a logic which subordinates the Western superpowers to the whims of the Third World and the socialist bloc. The priorities, the budgets, the terms of debate, even are decided by systems which are fundamentally antagonistic to a free world, market-oriented, with human rights guaranteed by property rights and the rule of law. Once we have embarked on the logic of this process, we can only lose, despite the exercise of an occasional veto. Unless our representative to the United Nations challenge this process with a clear concept of what the United States is all about and what the United States hopes to accomplish, there is no way that we will ever be able to reverse the liquidation of our interests and the interests of the free world as a result of our participation in the United Nations.

Mr. President, I could not be more convinced that Dr. Jeane Kirkpatrick has that kind of vision, and that is why I call her extraordinary.

Jeane Kirkpatrick has been Leavey Professor of Political Science at Georgetown University and a resident scholar at the American Enterprise Institute. Thus, she comes with that outside view which is so important for a fresh start.

Indeed, it was that outside view, that new vision, that brought her to the attention of the President of the United States.

Dr. Kirkpatrick published in the November 1979 issue of Commentary a critique of the Carter administration's foreign policy which was widely read among President Reagan's campaign officials. When the President himself read it, he asked Dr. Kirkpatrick to join the campaign, and she did so.

Entitled "Dictatorships and Double Standards," the article took President Carter and his principal advisers to task for misguided liberalism and a failure to confront the realities of Marxist subversion. The article states:

> The Carter administration brought to the crises of Iran and Nicaragua several common assumptions each of which played a major role in hastening the victory of even more repressive dictatorships than had been in place before. These were, first, the belief that there existed at the moment of crisis a democratic alternative to the incumbent government; second, the belief that the continuation of the status quo was not pos-

sible; third, the belief that any change, including the establishment of a government headed by self-styled Marxist revolutionaries was preferable to the present government. Each of these beliefs was (and is) widely shared in the liberal community. Not one of them can withstand close scrutiny.

Mr. President, Dr. Kirkpatrick suggested that proponents of such beliefs were mesmerized by a view of history in which "the forces of change" are irresistible, and that the United States must line itself up with such forces even when that means that the friendly but autocratic governments would be replaced by unfriendly, Marxist ones. She challenged the assumption that revolutionaries in the name of "the people" truly represent a better future for their countries than the military or patrimonial dictatorships against which they rebel. She also criticized the double standard that seemed to accept Communist dictatorships as inevitable and irreversible, while pressuring less repressive, pro-Western governments to make rapid reforms. She said:

The President's mistakes and distortions are all fashionable ones. His assumptions are those of people who want badly to be on the progressive side in conflicts between "rightist" autocracy and "leftist" challenges, and to prefer the latter, almost regardless of the probable consequences.

Mr. President, as evidence of the actual preferences of most people, Dr. Kirkpatrick cited the "damning contrast between the number of refugees created by Marxist regimes and those created by other autocracies." Her general prescription is for a basic change in attitude and assumptions among U.S. policymakers. She wrote:

A posture of continuous self-abasement and apology vis-a-vis the Third World is neither morally necessary nor politically appropriate. No more is it necessary or appropriate to support vocal enemies of the United States because they invoke the rhetoric of popular liberation. It is not even necessary or appropriate for our leaders to foreswear unilaterally the use of military force to counter military force. Liberal idealism need not be identical with masochism, and need not be incompatible with the defense of freedom and the national interest.

Mr. President, in her 1979 Commentary article, Dr. Kirkpatrick noted that the "crowning achievement" of the Carter administration had been "to lay the groundwork for a transfer of the Panama Canal from the United States to a swaggering Latin dictator of Castroite bent." She noted our failures in Iran and Nicaragua, where we actively collaborated in the replacement of moderate autocrats friendly to American interests. She pointed out how the State Department's report on human rights failed to understand the true forces at work in a traditional society. She criticized the central concern of our foreign policy with "the modernization of the Third World" in a way which failed to view this objective in terms of U.S. national interests, but rather "in terms of a contemporary version of the same idea of progress that has traumatized Western imaginations since the Enlightenment."

Mr. President, in the current issue of Commentary, Dr. Kirkpatrick published another article entitled "U.S. Security and Latin America," which further developed the same argument. That article begins:

While American attention in the past year has been focused on other matters, developments of great potential importance in Central America and the Caribbean have passed almost unnoticed. The deterioration of the U.S. position in the hemisphere has already created serious vulnerabilities where none previously existed, and threatens now to confront this country with the unprecedented need to defend itself against a ring of Soviet bases on and around our southern and eastern borders.

Mr. President, Dr. Kirkpatrick goes on to emphasize the role of Cuban and Soviet subversion in the Caribbean and Central America and asserts that "American policies have not only proved incapable" of dealing with such activities, "but have positively contributed to them." She attributes the philosophy which animated those policies to the two reports issued by the Commission on United States-Latin American Relations headed by Sol Linowitz. Those, as the Chair may recall, were the reports which paved the way for the giveaway of the Panama Canal, and provided the rationale for assisting the development of Marxist and socialist governments in Latin America.

Mr. President, when Dr. Kirkpatrick came before the Foreign Relations Committee, she answered the inquiries of the Senators with her usual candor and forthrightness. She made it clear that she viewed the U.N. as a forum for advancing the national interests of the United States, and how refreshing that is. In Dr. Kirkpatrick we have the opportunity for the "clean break" with the past which is so necessary if this Nation is to prosper and to endure.

The committee heard and questioned Dr. Kirkpatrick for a full day on January 15 and voted unanimously, 17 to 0, to recommend her confirmation to the Senate. She is an extraordinary person with well-developed and well-articulated views on U.S. relations with the Third World. I believe she will be an effective spokesman both at the United Nations and within the President's Cabinet.

Mr. President, I say again that on behalf of the Foreign Relations Committee I am delighted and I am honored to report this nomination and to support it vigorously.

Mr. President, for the sake of the record, I ask unanimous consent to have printed in the RECORD Dr. Kirkpatrick's biography.

There being no objection, the biography was ordered to be printed in the RECORD, as follows:

CURRICULUM VITA JEANE KIRKPATRICK

PERSONAL

Born: November 19, 1926; Duncan, Oklahoma.

Marital Status: Married, three sons.

EDUCATION

Ph.D., Columbia University, 1968; in political science.

University of Paris (French Government Fellow); Institute of Political Science, 1952–53.

M.A., Columbia University, 1950; in political science.

McGill University, French Summer School, Certificate, 1947.

A.B., Barnard College, 1948.

A.A., Stephens College, 1946.

Languages: French, Spanish.

PROFESSIONAL POSITIONS

Thomas and Dorothy Leavey University Professor, Georgetown University, September 1978 to present.

Resident Scholar, American Enterprise Institute for Public Policy Research, May 1977 to present.

SELECTED PUBLICATIONS

Books and monographs

"The New Presidential Elite," Russell Sage Foundation, 1976.

"Political Woman," Basic Books, 1974.

"Leader and Vanguard in Mass Society: A Study of Peronist Argentina," MIT Press, 1971.

"Dismantling the Parties: Reflections on Party Reform and Party Decomposition," American Enterprise Institute, 1978.

Articles

"U.S. Security & Latin America," Commentary, January 1981.

"Dictatorship and Double Standards," Commentary, November 1979.

"Why Reagan? Washington Star, November 2, 1980.

"Democratic Elections, Democratic Government, and Democratic Theory," in Austin Ranney, Howard Penniman, David Butler (eds) Democracy at the Polls, American Enterprise Institute (forthcoming).

"Public Opinion and Foreign Policy," the Washington Quarterly, Autumn 1980.

"Patterns of Partisanship in Post-Gaullist France: An Overview," in Howard Penniman (ed), France At the Polls II, American Enterprise Institute, 1980.

"The Politics of the New Class," in Barry Bruce-Briggs (ed), The New Class, Transaction Press, 1979.

"Changing Patterns of Electoral Competition," in Anthony King (ed), The New American Political System, American Enterprise Institute, 1978.

"The Limits to Decency in U.S. Foreign Policy," Washington Star, November 18, 1979.

"Why We Don't Become Republicans," Commonsense. Fall 1979.

"The Teaching of Democratic Values," American Educator, Spring 1979.

"Martin Diamond and the American Idea of Democracy," Publius, Summer 1978, Vol. 8, No. 3.

"Polls and Politics: The French Elections," Public Opinion, May/June 1978.

"Selective Invocation of Universal Values," Morality and Foreign Policy, Ethics and Public Policy Center, Georgetown University, 1978.

"Regulation, Equality and Liberty," Regulation, November 1977.

"Why the New Right Lost," Commentary, February 1977.

"Representation in American Political Conventions: The Case of 1972," British Journal of Political Science, July 1975.

Numerous book reviews to Commentary, The Journal of Politics, The American Political Science Review and The New Republic.

SELECTED PROFESSIONAL AND PUBLIC SERVICE

Lecture tours for the U.S. International Communications Agency, Department of State in Africa, East Asia, India, Latin America.

Member, International Research Council, Center for Strategic and International Studies, Georgetown University.

Board of Trustees, Robert A. Taft Institute of Government.

Member, Democratic National Convention's National Commission on Party Structure and Presidential Nomination, (the Winograd Commission), 1975–1978.

Co-Chairman, Task Force on the Presidential Election Process, Twentieth Century Fund.

Executive Council, International Political Science Association, 1976–1978.

Co-Vice Chairman, Coalition for A Democratic Majority.

SELECTED HONORS AND GRANTS

Honorary Degree of Doctor of Humane Letters, Mount Vernon College, Washington, D.C., September 1978.

Distinguished Alumnae Award, Stephens College, Columbia, Missouri, May 1978.

Twentieth Century Fund and Russell Sage Foundation, grant for research on political conventions and women in American politics, 1973–1974.

National Endowment for the Humanities, 1970.

Andreas Foundation Grant, 1965, for research on Argentina.

Earhart Fellowship, 1959–1960.

French Government Fellowship, 1952–1953.

Mr. JACKSON. Mr. President, I believe President Reagan made a wise decision in nominating Dr. Jeane Kirkpatrick to the Cabinet-level post of U.S. Ambassador to the United Nations. This is a welcome sign of an openness to bipartisanship in foreign policy on the part of the new administration. Jeane Kirkpatrick has special resources of intellect, good sense, humor, and experience which will stand America in excellent stead. I enthusiastically support her confirmation.

Over the years, Jeane and I have shared many spirited efforts to enhance the effectiveness of this country in the conduct of foreign policy. Recently, during the transition, I served with her on President Reagan's Interim Foreign Policy Advisory Board, where she proved once again her scholarly grasp of the complexities of foreign policy, her shrewd ability to sort out key issues, and her unusual skill in exposition.

These qualities are bound to be an asset in handling American relations with the United Nations. Fortunately, the period of romanticism about the United Nations is over. In many ways, the United Nations is out of hand and operating in ways which undermine and run counter to our basic national interests. Some of its specialized agencies have demonstrated their practical usefulness; the performance of others is disappointing and mischievous. All this has to be coolly and realistically sorted out and U.S. financial support for U.N. agencies reviewed and revised. Dr. Jeane Kirkpatrick is equipped, ready and willing to undertake this formidable task. She has my pledge of cooperation and my blessings.

Mr. PROXMIRE. I yield myself such time as I may require.

Mr. President, I have some questions I wish to ask of the manager of the bill.

I understand that Senator HELMS, the distinguished Senator from North Carolina, will manage this nomination.

Mr. HELMS. I will manage this nomination as best I can and it will be with pleasure.

Mr. PROXMIRE. Very good.

I understand Dr. Kirkpatrick has stated that some United Nations special agencies "make very large contributions to the values we do hold," and that the United States should do its best to encourage and maximize such activities.

The Senator from North Carolina is the expert in the Senate on much of this. The level of funding by the United States to the U.N. is approximately $600 million.

Did Dr. Kirkpatrick discuss whether such encouragement will be better served by increased appropriations from this country or by attempting to withdraw our funds or not provide U.S. funds to those U.N. agencies that oppose the goals of the United States?

Mr. HELMS. The answer to the Senator's question is, "no." She did not discuss that with the committee. However, she is on record in her public statements that she would favor the withdrawal of U.S. financial support from U.N. agencies if they opposed the goals of the United States. The committee last year moved to consider the larger question and we will consider it, whether it is in the best interests of the United States to reduce the funding to the United Nations.

Mr. PROXMIRE. The reason I raise the question, of course, is that her recommendation would and should be considered very carefully. She is in this key position. She is working with the U.N. all the time.

The Senator is right. She is a woman of outstanding intellect and ability. That is why I would be very concerned with her attitude.

I wonder if in the private conversation the Senator had or others had with Dr. Kirkpatrick there was any indication. I realize it was not in the record because I studied the record carefully.

Mr. HELMS. No, I did not discuss that, I say to my friend from Wisconsin, but I think he knows in a general way, at least, my attitude about funding for the U.N.

Mr. PROXMIRE. I certainly do.

Mr. HELMS. I promise the Senator this, that we will hear from Dr. Kirkpatrick just as soon as she has had time to get there and put her bags down.

Mr. PROXMIRE. I wonder, in general, has Dr. Kirkpatrick discussed whether the United States should reduce or increase its financial commitments to U.N. agencies and special projects? Is it her idea we should do more or could we economize here and save some money?

Mr. HELMS. The Senator is going to have to forebear because I was not present at all of her confirmation hearing. I am advised, however, that she did not.

Mr. HAYAKAWA. Mr. President, will the Senator from North Carolina yield for a moment while I respond to the question of the Senator from Wisconsin?

Mr. HELMS. That will be most helpful.

Mr. HAYAKAWA. Mr. President, in response to Senator PROXMIRE's question about what Dr. Kirkpatrick will do as regards to funding of the United Nation's agencies, I wish to point out this fundamental fact about Dr. Kirkpatrick and her philosophy in which I place a great deal of reliance.

She and her husband are both disciples in the political philosophy of Sir Karl Popper, the great British political philoscpher who wrote the influential book, "The Open Society and Its Enemies."

In that book Sir Karl Popper takes the position against what he called Utopianism, that is, the kind of social reform that hopes to establish in the next 2 weeks a Utopia. It is the kind of thing that many Americans have believed in when they were taken in by Marxism, that the idea that Marxism is a society——

Mr. PROXMIRE. Will the Senator yield?

Mr. HAYAKAWA. I am trying to answer the Senator's question.

Mr. PROXMIRE. I wish to know what Dr. Kirkpatrick said, not what Sir Karl Popper said. This is all very interesting, but I want to know what she said. She follows Sir Karl Popper on some things, but I am sure she does not slavishly follow him.

Mr. HAYAKAWA. What she said is particularly she believes Sir Karl Popper, in what she calls or Sir Karl Popper called piecemeal evolution rather than sudden Eutopian revolution to establish a Eutopia overnight.

Therefore, I will trust her judgment in her votes on the allocation to special agencies, the United Nations Food and Agriculture Organization, the United Nations Children's Fund, and all kinds of United Nations organizations. They are all attempts at piecemeal step-by-step improvement of the human condition as opposed to Eutopianism such as is espoused by many members of the United Nations and by practically all Marxist societies.

Mr. PROXMIRE. I appreciate that. That is reassuring.

What I wish to ask the distinguished manager of the nomination is if he would ask Dr. Kirkpatrick for the record. I realize she is going to be confirmed in a few minutes, and probably unanimously. I appreciate it if we could elicit from her a statement as to whether she would, in general, favor increases or decreases overall in the funding. That is all.

Mr. HELMS. As I recall, I believe she said she would evaluate it on a case-by-case basis.

Mr. PROXMIRE. All right.

But I still would feel better if she could look at the whole picture and give us

some notion where she thinks we should go in a time of great financial stringency.

Mr. HELMS. I assure the Senator that will be done.

Mr. PROXMIRE. Let me ask: Did Dr. Kirkpatrick indicate what her position was on having a fixed percentage contribution by the United States to all U.N. activities, such as not to exceed 25 percent?

Mr. HELMS. We did not take up that issue.

Mr. PROXMIRE. I understand the acting chairman. I think the Senator from North Carolina has voted as I have for 25 percent or less limitation.

Mr. HELMS. I am prepared to go further than that.

Mr. PROXMIRE. Let me ask the manager. Is it still true that the Soviet Union is in arrears in its payments to the United Nations for peace-keeping activities?

Mr. HELMS. The Soviets have been in arrears since the Congo peacekeeping activity of 1962. The Senator is correct.

Mr. PROXMIRE. What can our Ambassador to the United Nations do about that situation? Does the manager feel there is anything she could do to put some kind of pressure or at least call it to the attention of the other countries and make it an issue?

Mr. HELMS. There really is no recourse except to throw them out of the United Nations. The French also are in arrears, as the Senator knows. And I think the Senator knows that the Senator from North Carolina shares his view on this set of circumstances.

But I believe that to the extent of her capability and authority you will find Dr. Kirkpatrick representing very strongly the views that the Senator is implicitly stating with his questions.

Mr. PROXMIRE. Dr. Kirkpatrick places great emphasis on the use of language, plain language, that is explicit, which is certainly one of her good characteristics. Did she provide the committee with any indication of how she would handle charges by officials of Arab nations that Israel and its allies are racist nations?

Mr. HELMS. That particular question did not come up. I think that her writings make it abundantly clear how she would handle such charges.

Mr. PROXMIRE. It just seems to me a corruption of the language. The distinguished Senator from New York (Mr. MOYNIHAN) when he was Ambassador to the United Nations, I think, stood up, and stood up to the great pride of this country, against that kind of slur, and made it clear that the racism practiced by the Arab nations hardly put them in a position where they could denounce Israel as racist.

Mr. HELMS. I do recall Dr. Kirkpatrick said that the distinguished Senator from New York was her model in terms of responding.

Mr. PROXMIRE. That is reassuring. That is the best thing I have heard yet, although I must say I have admiration for Dr. Kirkpatrick.

For 5 years the Senate, through its Foreign Relations and Appropriations Committees, has been pressing for a reform of the United Nations technical assistance program. Technical support programs have sprung up in over 40 U.N. bodies with a consequent increase in assessed payments of member nations. As a result U.N. assessed contributions went up over 126 percent in the 6-year period ending in 1979.

My question is did Dr. Kirkpatrick indicate an awareness of the Senate's urging to consolidate technical assistance programs within the United Nations development program?

Mr. HELMS. Not in her testimony before the committee, but we discussed that prior to the meeting. As you know, this Senator from North Carolina was the author of legislation 2 years ago which prohibited the provision of technical assistance from contributions assessed against the United States. I would say that she shares the same apprehensions as you do, Senator.

Mr. PROXMIRE. There is one other area that concerns me, and that is the salary structure of the United Nations. I understand 35 executives draw larger paychecks than the Vice President of the United States, and their tax position is also very favorable.

Did Dr. Kirkpatrick indicate a willingness to urge holding down top-level salaries at the United Nations?

Mr. HELMS. No, she did not, not to my knowledge. The question did not come up.

Mr. MOYNIHAN. Mr. President, will the Senator yield to me on that point because I would like to thank him and the acting chairman in permitting me to make a comment.

I wonder if the Senator from North Carolina, with respect to the very important question raised by the Senator from Wisconsin, is aware that the Soviet Union has for many years now been systematically infiltrating the Secretariat of the United Nations.

Two years ago, in an egregious action, a known officer of the KGB was named to be the director of personnel for the United Nations in Geneva. As I am sure the chairman does know, there are more persons employed in Geneva than in New York. The old League of Nations world never went away.

Now, for a KGB agent to be a U.N. officer is a clear violation of article 100 of the U.N. Charter, but to give to the secret police the control of who gets into the United Nations is an outrage. Our Government, however, seems to acquiesce in it. I am sure the Senator from Wisconsin would not acquiesce.

Mr. PROXMIRE. Mr. President, if the Senator will yield, what I am concerned with is the position taken by Dr. Kirkpatrick here on whether she will speak up and call attention to it.

Mr. HELMS. Indubitably.

Mr. PROXMIRE. She is a plain-spoken person, and I wonder if on the record she would speak up in this kind of disastrous situation where a KGB agent is in charge of personnel.

If we had a former FBI agent in charge of personnel you can imagine the reaction the Russians would have, and this is the same kind of thing.

Mr. MOYNIHAN. It would be a violation of the United Nations Charter.

Mr. PROXMIRE. Of course.

Mr. MOYNIHAN. I heard the Senator from North Carolina say "indubitably," and he is indubitably correct. It is a violation of the charter and we can expect Dr. Kirkpatrick to stand by the charter and expect her to speak up.

Mr. HELMS. I think the Senator would be pleased by the part played by Dr. Kirkpatrick. Let me just say, in further response to your inquiry, last year on this floor I raised the question, precisely the question, that the Senator just raised about subversives taking over the so-called diplomatic functions of the United Nations and elsewhere, and I put in the RECORD at that time a letter from the Director of the FBI confirming reports that I had gathered.

Mr. PROXMIRE. May I just ask the Senator if he, acting in his own capacity, would agree with me that we should do our best to see what we can do about holding down these salary increases for United Nations executives. That was my fundamental question. Thirty-five executives are making more than the Vice President of the United States. Under these circumstances, it is something we have to challenge.

Mr. HELMS. Senator, I give you that pledge in blood, and I think you know where you and I have stood on this question over the years.

Mr. PROXMIRE. I did not mean to interrupt the Senator if he wants to put something in the RECORD.

Mr. HELMS. Mr. President, if the Senator will forbear, Senator PERCY and I inquired of Dr. Kirkpatrick on this in the hearing, and the colloquy follows:

The CHAIRMAN. I thank my colleague, and I am not surprised at all that he has been right on top of this issue. And I bring it up because in 14 years I have found that the best way to work and deal with the Soviet Union—and I have a high regard for the intelligence, the perseverance, the sense of purpose that the high officials—and I include Anatoly Dobrynin as a very high official in the Soviet Union—that they have. They fight for what they believe in.

All we are saying and I am saying is that there are certain rules of the game that must be observed, that when we have treaties we expect our side to observe those treaties and we expect the other side. Otherwise, they are not worth the paper they are written on.

When we have a Charter and we sign it—for the most part, the Soviet Union has been supportive of the United Nations and has been actively involved in its activities since its inception, when they signed the Charter. And Article 100 of it says—it is eminently clear—that you cannot use that international organization to serve your national purposes.

Then I think we have got to lay it right on the line with them and discuss it out. If they think we are doing the same thing, let them say so. And certainly we stand ready to talk about this. If they can prove that all of these allegations made in the Swiss press, our press, by members of the House Intelligence Committee that looked at this

carefully, are wrong—but I simply let out to you as a problem, is this a problem that you would consider it your duty to look into, to do something about, and to bring it to the attention of the Secretariat in New York that we are unhappy with this situation, that we feel it undermines and undercuts the UN itself, and it contributes to the dissatisfaction with the United Nations as an organization by the very people who have to provide those huge sums of money to keep the UN operating, and it weakens in a sense the main thrust and purpose of the United Nations when these activities are engaged in.

I am making no allegations from firsthand knowledge. All I am saying is that I am quoting sources that are looked upon as responsible sources. I have talked to some of these individuals who have written it, and they say, we stand behind what they have said. And I therefore say to you, can this be a subject of discussion within the Administration and in your role at the United Nations?

Ms. KIRKPATRICK. Yes, Senator Percy. I think the answer to that is an unqualified yes. I am aware of the charges which you have been reviewing as regards to the Secretariat and the Soviet misuse of the permanent staff of the UN, both in New York and in Geneva and in Vienna.

I understand, by the way, that a new article which is forthcoming by Arnaud de Borchgrave and Michael Dean will explore in further detail than has so far been done in a public source particular problems which exist in Geneva and which I understand have been quite sharply felt by some of the UN officials in Geneva.

I have been making an effort to inform myself about this problem. I will continue that effort to inform myself as well as I can, and I will consult with Secretary Haig and perhaps the President-Elect and take some steps, I can assure you. Because obviously you are so right when you say that this is a perversion of the United Nations, a violation of the Charter, a violation of the contract which members sign on becoming members, and not something that we should simply ignore.

The CHAIRMAN. I thank you. And again. it is an area that I will enjoy working with our distinguished future representative to the UN.

Senator HELMS. Mr. Chairman, may I ask you to indulge me just one moment?

The CHAIRMAN. Of course, I would be happy to yield.

Senator HELMS. I thank the Senator.

It was almost a year ago that I began to dig into how many subversives there are in this country. And I was informed in February of 1980 that the Soviets have more than 500 officials at the United Nations. And then the Director of the FBI, Mr. Webster, and I made inquiry of this; had this to say: "It has been"—and I am quoting him:

"It has been our view that the scope and intensity of hostile intelligence services activity in the United States are directly related to the numbers of their personnel posted in this country."

Now, I called down to Mr. Webster's office and I said, well, gee whiz, if you know this why do you not do something about it? And he said, we are powerless to do anything about it; it is up to the White House. Those were not his direct precise words, but that was the effect of them.

So that was when I called the White House and a representative of the President came to see me. He took copious notes. I showed him what I had, and he said, thank you very much. And that is the last that I have heard, except when I made inquiry.

And the answer has been repeatedly, we will get back to you.

Now, I hope that the Reagan Administration will not just give us that; that they will attempt to stop this business as best we can of making the United Nations a haven for subversives. And that is what it is.

Now, I alluded to comments on the Senate floor when I spoke with you this morning. And those Senators are representing what I believe to be the majority view in this country, that if we cannot cause the United Nations to shape up then we ought to ship out and stop financing that thing, which insofar as I know has not been particularly successful in doing anything for the Free World or freedom in the world, for that matter.

So again I would say to Senator Percy that I appreciate his going into this subject. And I have here—I asked to be sent down—I did not know this was coming up and I did not have my file with me. I had to telephone for it, Senater Percy.

The British handle the subversive problem over there pretty well. They just send them out. Here is from a British newspaper: 105 Soviet officials expelled for spying.

Ms. KIRKPATRICK. What is the date on that, sir?

Senator HELMS. What is the date? What is your question?

Ms. KIRKPATRICK. What is the date on that?

Senator HELMS. Saturday, September the 25th, 1978, is it—'71.

But in any case, we are having such an influx of visitors from the Soviet Union, many of whom are legitimate. But we had 30,000 scientists come from the Soviet Union to this country last year, or at least they said they were scientists. But the intelligence estimates said that a great many of these people who come under the aegis of scientific missions and even cultural missions are not really coming for that purpose. They are participating in subversion.

Now, I do not want to be an alarmist, but we ought to protect ourselves.

And I thank the Senator again for yielding to me.

Mr. PROXMIRE. Mr. President, for years the Senator from North Carolina has led the fight in this body on limiting indirect aid, where we contributed 25 percent, to countries such as Vietnam, Cambodia, Laos, or Cuba. I have supported the Senator from North Carolina consistently.

At a time when we are cutting back on foreign aid—I noticed Mr. Stockman indicated he was going to recommend a very sharp reduction in foreign aid generally—foreign aid to our friends, I presume—at a time when that is being done, did the committee engage Dr. Kirkpatrick in any discussions, either formally or informally, on the issue of indirect financing limitations, whether we should limit our 25 percent contribution from going to countries such as Vietnam, Cambodia. Laos, or Cuba?

Mr. HELMS. The question was not raised.

Mr. PROXMIRE. In informal conversations, too?

Mr. HELMS. To my recollection, it was not.

Mr. PROXMIRE. I once again hope that the distinguished acting chairman will pursue this with Dr. Kirkpatrick. She is in a position of great influence here, and I think she has rightfully been supported as a person of intellect, capability, and strength. But I hope we do not, when we are cutting everything else and, should be cutting everything else, find any way that we are going to provide aid to those nations that have been our foes. It makes no sense at all.

Mr. HELMS. I agree absolutely.

If the Senator will yield, I want to commend him for his line of questioning because he has made a record which will be useful to Dr. Kirkpatrick and will strengthen her hand in the positions I am confident she would have taken anyhow, but I commend the Senator, and I thank him.

Mr. PROXMIRE. Mr. President, I thank the Senator.

How much time do I have remaining?

The PRESIDING OFFICER. Thirteen minutes and 23 seconds.

Mr. PROXMIRE. I understand the Senator from New York wants part of that time.

Mr. MOYNIHAN. The Senator is very generous.

Mr. PELL. Either of us can yield time to him. I am delighted to yield 5 or 10 minutes.

Mr. PROXMIRE. I am all through, so I will yield 10 minutes to the Senator.

Mr. MOYNIHAN. It is most generous of the Senator from Wisconsin.

Mr. President, I must need be brief in my remarks about Jeane Kirkpatrick, lest warming to the subject I would not stop talking all day.

This Nation is going to be proud of our new Ambassador to the United Nations, and I rise for a, perhaps, somewhat more restricted circle of persons which is already proud of her.

In the world of political science, among teachers of government in our Nation, there are few persons who have so distinguished themselves as disciplined, productive, capable scholars, and as brilliant teachers than Jeane Kirkpatrick. She is known throughout her profession, our profession, as a person of rare capacity to discover things and to impart them. Of course, these are essential to the tasks she now assumes for the whole of the Nation and not simply for our profession or the students.

She is above a tough-minded person in the efforts she has brought to learn the distinctions that exist in the real world and not impose upon that real world the abstractions of a largely hypothetical view of reality. She is an empiricist in the best sense and a moralist in the best sense because at no point does she suppose that the existence of a fact ever exempts a free society or a free person from the moral choices that might follow such existence.

One of the things she has done most recently, the next to last writings that appeared before her nomination for the post she will now assume, was an exceptionally insightful article on a subject which less cautious persons and less competent persons would have carefully avoided. She tried to draw a distinction—the kind that my friend from California would appreciate—between those regimes in the world which are authoritarian and those which are totalitarian, a distinction which, at a certain superficial level,

might appear hardly to exist, but which in fact, is profoundly different in reality as it is profoundly important that American policy should learn to make that decision.

Even to approach such a subject is to invite misunderstanding and to open yourself to deliberate misinterpretation. She already had that and will have it. But she did not stay away from the subject. The subject had to be pursued, and without any political interests whatsoever. She was doing it as a scholar, saying the United States has got to learn this distinction and learn to respond differently to these different situations.

In particular, behind so much of her work is the understanding that the totalitarian state was an invention of the 20th century. It had never existed before. It commenced in Petrograd in 1917 and it has changed the experience of mankind and dominated the experience of the world since that time. She is a person who understands these matters and knows how important it is to be precise in distinguishing them.

I was so pleased that the Senator from Wisconsin spoke to her capacity for plain language and her insistence that murkiness of language is evidence of murkiness of thought. We are not going to learn from this Ambassador to the United Nations that there had been a misunderstanding about such and such Security Council resolution or that some other resolution passed, but, what does it matter, it is only words. As Disraeli once said, if I may quote him:

> Few ideas are correct ones and none can say which they are, but it is with words we govern men.

Finally, Mr. President, may I simply take note of the decision of the President to resume the bipartisan tradition of our U.S. Representatives at the United Nations. Mr. President, as you will recall, in 1946, President Truman appointed Warren Austin, a Republican Senator from Vermont, a very distinguished Member of this body, to be the U.S. Permanent Representative to the United Nations, a Republican representing a Democratic administration because both of them spoke for this Nation at the U.N.

I had the great honor to be, as a Democrat, asked by President Ford to represent our Nation at the U.N. and felt not the slightest difficulty in doing that; it being very much a point that when we go to that forum or to those fora, we go as a nation united in its foreign policy and not as representatives of any internal position.

I think it was an inspired choice of the President to choose a Democrat in this regard. And I know that he will find in her—her loyalty, her energy, her extraordinary capacity for analysis—a choice that was rewarded beyond even the essentially political decision not to politicize this office; a wise and competent decision by the President and his Secretary of State.

We are a nation fortunate to have in Jeane Kirkpatrick our spokesman. I, for one, would like to congratulate the Members opposite for the support they have given. One has heard that not every person nominated by the President has been greeted with unanimous enthusiasm on the other side.

I see the distinguished majority leader is on the floor and I cannot help but note with great satisfaction that the one appointment of the Reagan administration that seems to have brought about unanimous approval from the Members opposite is that of the one Democratic member of the Cabinet. It shows that if you cannot agree among yourselves you can occasionally be gracious to others and we ought to respond by thanking you and saying a wise choice was made and the President and the Secretary of State should be congratulated.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I am happy to yield to the distinguished majority leader.

Mr. BAKER. Mr. President, I must say that the Senator has brought to my attention new information which I did not have before. But even so, under those circumstances, I will not change my position on this nomination. On the contrary, I urge that it be confirmed and I hope even unanimously.

I commend the Senator from New York for his initiative in this matter. I especially am grateful to hear his remarks today on the bipartisan nature of this undertaking. No one in this Chamber sets a better example for that diligence and dedication to fundamental policy than does the Senator from New York. I am happy to be associated with him in my support for this nomination.

Mr. MOYNIHAN. Mr. President, I thank the majority leader for his gracious remarks.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President, I yield 5 minutes to the Senator from California, or more if he needs it.

The PRESIDING OFFICER. The Senator from California.

Mr. HAYAKAWA. Mr. President, I am delighted to rise in support of the nomination of Dr. Jeane Kirkpatrick as Ambassador to the United Nations.

Dr. Kirkpatrick will bring a refreshing outlook to the job. I want to call attention to her article, "Dictatorship and Double Standards," in which she criticizes our tendency toward what she called "Utopianism."

She draws attention to a distinction which was already called to our attention by the distinguished senior Senator from New York, Senator MOYNIHAN, the distinction between authoritarianism and totalitarianism or, as Dr. Kirkpatrick calls it, between traditional and revolutionary atrocities.

She defines traditional atrocities as leaving in place existing allocations of wealth, power, status, and other resources which in most traditional societies favor an affluent few and maintain masses in poverty. But, however, as she says—

> Because the miseries of traditional life are familiar, they are bearable to ordinary people * * * such societies creat no refugees.

However, revolutionary Communist autocracies are just the opposite—

> They create refugees by the million because they claim jurisdiction over the whole life of the society and make demands for change that so violate internalized values and habits that inhabitants flee by the tens of thousands.

I want to call attention to a statistic given by Dr. Kirkpatrick at this point. In the traditional autocracies, the number of refugees from places such as Argentina, Brazil, and Chile is one in 35,000 population, whereas in Cuba, which has a totalitarianism, it is one out of nine who become a refugee. That is the difference. They say they tend to favor Marxism, when the known fact is that the common people of those countries flee at the first opportunity.

She does not oppose assisting change but advocates a U.S. policy which could effectively encourage the process of democratization—

> Provided that the effort is not made at a time when the incumbent government is fighting for its life against violent adversaries, and that proposed reforms are aimed at producing gradual change rather than perfect democracies overnight.

Dr. Kirkpatrick reminds us that—

> In relatively few places where they exist, democratic governments have come into being slowly, after extended prior experience with more limited forms of participation—decades, if not centuries, are normally required for people to acquire the necessary disciplines and habits.

In other words she is willing to accept, apparently imperfect regimes, imperfect dictatorships, or even imperfect tyrannies, in preference to the wild disorder than can ensue if those are overthrown and replaced by revolutionary totalitarianism.

John Stewart Mill is among the authors that Dr. Kirkpatrick quotes. He identifies the three fundamental conditions of a democratic society: First, that the people should be ready to receive it; second, that they should be willing to do what is necessary for its preservation; and, third, that they should be willing and able to fulfill the duties and discharge the functions which a democracy imposes upon them. These are not things learned overnight.

As Dr. Kirkpatrick points out, it takes centuries for some societies to achieve democracy. The road from the Magna Carta to the great reform bills of the 19th century took seven centuries. American history gives not better grounds for the belief that democracy comes quickly.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PELL. Mr. President, I yield an additional 2 minutes to the Senator.

Mr. HAYAKAWA. Democracy is a result of long training of the people. For it to happen in decades is miraculous, whereas for it to happen over centuries is normal. At the same time, we overthrow authoritarianisms that exist in

friendly governments, such as that of the Shah of Iran or Somoza. However imperfect those governments were, we helped to overthrow them. What do we get in their place? Much worse tyrannies, or much worse totalitarians.

Therefore, this distinction which the Senator from New York pointed out between authoritarians and totalitarians is a crucial one. This is what Dr. Kirkpatrick will use as a guiding light in all her decisions as to policy within the United Nations.

In the past we have seriously misjudged social movements because of our addiction to a kind of utopianism. We have imposed certain standards of morality on many of our friends in the name of helping them achieve democracy and in the process of "assisting change" pushed them in the direction of revolutionary totalitarianism.

And we have been hypocritical in applying these same standards to other countries. As Dr. Kirkpatrick puts it—

So far, assisting "change" has not led the Carter administration to undertake the destabilization of a Communist country. The principles of self-determination and nonintervention are thus both selectively applied. We seem to accept the status quo in Communist nations (in the name of "diversity" and national autonomy), but not in nations ruled by "right-wing" dictators or white oligarchies.

Certainly we have seen this mentality the last 4 years—for example, we castigate Argentina, Brazil, and especially Chile but we adopt a laissez-faire attitude toward Cuba. This attitude is something I have not been able to understand and am delighted to see that we will have an Ambassador at the United Nations who understands this phenomenon.

As a semanticist, I was impressed with Dr. Kirkpatrick's views on the importance of the clarification of language and the exposure of the deception involved in so much of language. This is essential in order to make certain that when we as a country respond to a proposal presented before the United Nations we know exactly what we are speaking of, or agreeing to.

The term, "Third World," is a case in point. To quote Dr. Kirkpatrick again—

Nations sometimes lumped under the term are so diverse economically, technologically, socially, culturally, politically, diverse in their relationships in importance to us as well, that I almcst cannot think of a single policy relevant statement that can be made with any clarity that uses that term.

I could not agree more.

I believe Dr. Kirkpatrick will serve our country well in her new role as our Ambassador to the United Nations. But I also feel that if she succeeds in contributing to the clarification of language in the United Nations she will perform an enormous service to that body. I wish her well.

Thank you, Mr. President.

Mr. PELL. Mr. President, I commend the Senator from California on his thoughts, his analysis of the situation, and his views of the common denominator of democratic governments.

Earlier the question arose as to on whose conduct Dr. Kirkpatrick will model her role in the United Nations. I would like to read into the RECORD page 27 of the transcript her words:

I hope to model my own role, if confirmed, at the U.N. very much on the quiet, effective, persuasive type and style of operation that Don McHenry has illustrated for us.

If she models her role on his style and on the style of my friend, the Senator from New York, she will be a magician. I wish her well and congratulate her.

Mr. President, in my view, the position of Ambassador to the United Nations can be second only to the Secretary of State in the foreign policy area. It is the only other post in the State Department to have Cabinet rank.

The committee held a full, fair and productive hearing on Mrs. Kirkpatrick, and I believe she will be an excellent representative of the United States.

I am a firm believer in the United Nations and in multilateral diplomacy. In this regard, I regret exceedingly the actions which were announced in the press today that would strike a blow to much of the multilateral aid program in which we are engaged.

I believe I am correct in saying that I am the only Senator who was an actual participant in the drafting of the United Nations charter at San Francisco in 1945. Our little group in the secretariat worked very hard on articles 43, 44, and 45 of the charter to develop a system of military enforcement arrangements that would work to help insure world peace.

We created the military staff committee, a body that has never met effectively in all the years since it was created, but it was created with great hopes.

We were resolved in 1945 not to make any of the mistakes of the old League of Nations as we sought new formulas and ideas. I well remember the idealism and hope that was at San Francisco in those days. And then afterwards, I remember working for the United Nations on loan as Assistant Secretary of the Committee of Experts of the Security Council at Hunter College.

My family's and my own personal belief in the United Nations was such that our family offered as a gift to the United Nations the place where we lived, a thousand acres not too far from the Hudson River, as a site for the new world organization. But our offer was declined by Trigve Lie in favor of Turtle Bay in New York City.

I have had a long belief in the United Nations, and my faith in it continues. I represented our Nation there on occasions, being appointed both by Republican and Democratic Presidents.

I had the pleasure, in particular, of being named by President Eisenhower as a representative to the initial meeting of the Intergovernmental Maritime Consultative Organization (IMCO) and later being named as a representative to the General Assembly in 1970 along with Senator Javits.

Throughout the existence of the United Nations, I have sought to follow its activities closely. It is a far different body today, 35 years later, than it was when it was created in 1945. Membership has grown from the 51 charter members to 154 today. And now, instead of having just that little group that was working at Hunter College, there are three operating headquarters in New York, Geneva and Vienna with over 18,000 employees and more than 30 major programs or agencies.

In my view, the United Nations over these years has proved to be of great value. Although it has not fully achieved its charter objectives of saving succeeding generations from the scourge of war, the test of its success has been the wars not fought and the wars contained over the last 35 years.

This is, in part, God's grace, but it is a fact, and this is also in part because the U.N. has successfully intervened to contain and mediate a series of lesser conflicts, including four Middle East wars, two India-Pakistan conflicts, as well as civil strife in the Congo, Cyprus, and Lebanon. This alone, I believe, justifies our membership in and contributions to the United Nations.

In addition, we must not forget that the United Nations has become the world's most important diplomatic forum. New York is for many nations the only place where they have government-to-government contact with most of the world. Countries usually send to the United Nations their most qualified diplomats; and many of these diplomats are authorized to conduct a wide variety of official activities. Thus, the United States can, through quiet but effective diplomacy in New York, advance a broad array of American interests.

Much of the diplomacy in New York occurs in the corridors or in the delegates' lounge, and as I suggested privately to Mrs. Kirkpatrick, I hope she spends a certain amount of time in the delegates' lounge mixing with the other delegates in an informal way.

During her testimony before the Foreign Relations Committee, Mrs. Kirkpatrick spoke of the work of the U.N.'s many specialized agencies. I am glad that she did that, because millions of lives have been improved or actually saved through the work of these agencies. UNICEF has done excellent work, as have the U.N. development program and the U.N. environment program. In addition, the World Health Organization's role in eradicating the killer disease of smallpox is one of the finest examples of international cooperation in the service of mankind. The U.N. High Commission for Refugees has also done important work in protecting and sustaining much of the world's ever-increasing refugee population.

The United Nations may not be all that we wish it were, but thank God it is there, because if it were not there, our world would be worse off than it is. I am satisfied that Mrs. Kirkpatrick is resolved, as she put it to me in a private conversation, to help preserve the United Nations, and I hope she will also be able to enhance the role and strength of that organization.

I have great confidence in Mrs. Kirkpatrick, and I urge that the Senate give its advice and consent to her confirmation to the high post to which she has been nominated by President Reagan.

Mr. President, I yield to the Senator from New York.

Mr. MOYNIHAN. Mr. President, it is characteristically alert and gracious of the Senator from Rhode Island to agree to the excerpt of Dr. Kirkpatrick's testimony in which she suggested that her predecessor would be her model, and it would be characteristic of her to think in terms of the continuity of that role more than any break therein.

The point about the United Nations is not whether one is accommodating or whether one is confrontational. The point is to represent the President of the United States and his view on foreign policy. The Ambassador does represent the President of this Nation and does act as instructed.

If on occasion an ambassador seems to be deferential in accommodating, if he is properly an ambassador he has been so instructed.

And if, on occasion, he finds himself in a bit of a brawl, he has also been so instructed.

There is this one exception, Mr. President, which is that the work takes place in private, to be sure, but this is a parliamentary situation, and things happen. There are occasions when an ambassador must decide on the spot what to do. I know, certainly, there is a French aphorism on this matter which seems to me not a poor guide for policy. It simply says:

Cet animal est très méchant, quand on l'ataque il se défend.

Which translates to, "This animal is very wicked; when attacked, it defends itself." That seems to be not a bad policy, Mr. President.

In any event, the point is that Dr. Kirkpatrick will bring her own style, her own capacity, to her role as instructed Ambassador of the President and representative of the American people.

Mr. PELL. I thank the Senator from New York for his remarks. He really knows more about the United Nations and its present operation than anybody else in our body. He was a representative there for a substantial period of time.

Mr. THURMOND. Mr. President, I rise today in support of President Reagan's nominee to United Nations Ambassador, Jeane J. Kirkpatrick.

Mr. President, Jeane Kirkpatrick has impeccable academic credentials and a formidable gift for tough-minded advocacy. In her roles as professor of political science at Georgetown University and scholar at the American Enterprise Institute, she has been critical of efforts by some to move our Nation toward the left.

Mr. President, I believe Ms. Kirkpatrick to be well qualified and fully capable of serving as U.S. Ambassador to the United Nations. I have no doubt as to her ability to effectively rebut the rhetorical attacks of Communist and Third World countries that have become all too common in the United Nations.

Mr. President, I sincerely hope that my colleagues will join me in supporting confirmation of the well-qualified Jeane Kirkpatrick to be United Nations Ambassador.

● Mr. PERCY. Mr. President, I am pleased to report the nomination of Jeane J. Kirkpatrick to be U.S. Representative to the United Nations, with the rank and status of Ambassador Extraordinary and Plenipotentiary, and Representative of the United States in the Security Council.

The Committee on Foreign Relations heard and questioned Dr. Kirkpatrick for a full day last Thursday and voted unanimously, 17 to 0, to recommend her confirmation to the Senate. She is an extraordinary person with well-developed and well-articulated views on U.S. relations with the Third World. I believe she will be an effective spokesman both at the United Nations and within the President's Cabinet.

Dr. Kirkpatrick has been Leavey professor of political science at Georgetown University and a resident scholar at the American Enterprise Institute. Although she will be the only Democrat in the Reagan Cabinet, she was both a campaign adviser and a member of the Reagan transition team.

The committee explored a wide range of subjects with Dr. Kirkpatrick, discussing both her general views on U.S. foreign policy and particular issues which will confront her as U.N. Ambassador in the near future. Dr. Kirkpatrick agreed that the United Nations was sometimes the victim of a bad press, or perhaps more accurately, that its actions only received wide play in the media when they were unfavorable to the United States. In fact, even in the General Assembly, where the United States and its allies can easily be outvoted, we have fared rather well in the last couple of years, in contradiction to the frequent suggestion that the United States is repeatedly overwhelmed in the United Nations. The votes condemning Soviet aggression in Afghanistan are the most obvious examples. Other international organizations, such as the International Court of Justice, have performed their functions admirably.

Mr. President, I have discussed with Dr. Kirkpatrick her conception of the role of the U.N. Ambassador, and she has assured me that she will not play the part of a diplomatic "unguided missile" operating independently of the State Department. She told the committee that the policy of the United States in the United Nations would be a policy set in Washington, that she and the new Secretary of State would be in constant contact and complete agreement on all important matters.

Finally, Dr. Kirkpatrick agreed to consult closely with the Foreign Relations Committee on United Nations issues. In particular, she assured the committee that she would discuss with us in advance the question of a possible successor to Secretary General Kurt Waldheim, whose second 5-year term expires at the end of this year.

Mr. President, I think the Senate and the country will be very impressed with Dr. Kirkpatrick's performance at the United Nations, and I urge immediate advice and consent to her nomination.

As a final technical matter, I ask that a record of the recent political contributions of the nominee and her immediate family be included in the RECORD. which is the legal requirement for all U.S. ambassadorial appointments. I note that she herself has made none during the past 4 years.

The material follows:

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Jeane J. Kirkpatrick.

Post: U.S. Permanent Representative to the United Nations. Nominated. January 20, 1981.

Contributions, amount, date, donee.

1. Self, none.
2. Spouse, none.
3. Children and spouses names, none.
4. Parents names, deceased.
5. Grandparents names, deceased.
6. Brothers and spouses names, Jerry Jordan.
7. Sisters and spouses names, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

JEANE J. KIRKPATRICK.

Subscribed and sworn (or affirmed) before me this 19th day of January A.D. 1981, at District of Columbia.

(SEAL)

HELEN M. BAILEY,
Notary Public.

My Commission Expires July 31, 1982.

Contributions, amount, date, donee.

$50, Oct. 1978, Samuel Devine for Congress.
$50, Oct. 1978, Chalmers Wylie for Congress.
$1000, April 8, 1980, Reagan for President.
$100, Aug. 1, 1980, Unity Committee (RNC).
$100, Oct. 27, 1980, Talmadge for Senate.
$200, Jan. 7, 1981, Campaigner Membership (RNC).●

Mr. PELL. Mr. President, I am prepared to yield back the remainder of my time.

Mr. HAYAKAWA. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. BOSCHWITZ). All time has been yielded back. All time having been yielded back, the question arises, Will the Senate advise and consent to the nomination of Jeane J. Kirkpatrick, of Maryland, to be the Representative of the United States to the United Nations and the

Representative of the United States in the Security Council of the United Nations? On this nomination, the yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN), the Senator from Alabama (Mr. DENTON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Nevada (Mr. LAXALT), the Senator from Illinois (Mr. PERCY), the Senator from South Dakota (Mr. PRESSLER), the Senator from Wyoming (Mr. SIMPSON), the Senator from Vermont (Mr. STAFFORD), the Senator from Wyoming (Mr. WALLOP), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT), the Senator from Illinois (Mr. PERCY), the Senator from Vermont (Mr. STAFFORD), and the Senator from Wyoming (Mr. SIMPSON) would each vote "yea."

Mr. CRANSTON. I announce that the Senator from Florida (Mr. CHILES), the Senator from Arizona (Mr. DECONCINI), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Montana (Mr. MELCHER), the Senator from Maine (Mr. MITCHELL), the Senator from Arkansas (Mr. PRYOR), and the Senator from Nebraska (Mr. ZORINSKY) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 81, nays 0—as follows:

[Rollcall Vote No. 18 Ex.]

YEAS—81

Abdnor	Exon	McClure
Andrews	Ford	Metzenbaum
Armstrong	Garn	Moynihan
Baker	Glenn	Murkowski
Baucus	Gorton	Nickles
Bentsen	Grassley	Nunn
Biden	Hart	Packwood
Boren	Hatch	Pell
Boschwitz	Hatfield	Proxmire
Bradley	Hawkins	Quayle
Bumpers	Hayakawa	Randolph
Burdick	Heflin	Riegle
Byrd, Harry F., Jr.	Heinz	Roth
	Helms	Rudman
Byrd, Robert C.	Humphrey	Sarbanes
Cannon	Inouye	Sasser
Chafee	Jackson	Schmitt
Cohen	Jepsen	Specter
Cranston	Kassebaum	Stennis
D'Amato	Kasten	Stevens
Danforth	Kennedy	Symms
Dixon	Leahy	Thurmond
Dodd	Levin	Tower
Dole	Long	Tsongas
Domenici	Lugar	Warner
Durenberger	Mathias	Williams
Eagleton	Matsunaga	
East	Mattingly	

NOT VOTING—19

Chiles	Johnston	Simpson
Cochran	Laxalt	Stafford
DeConcini	Melcher	Wallop
Denton	Mitchell	Weicker
Goldwater	Percy	Zorinsky
Hollings	Pressler	
Huddleston	Pryor	

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, if I could have the attention of the Senate for a moment, I have three unanimous-consent requests that I intend to propound. Might we have order in the Senate, Mr. President?

The PRESIDING OFFICER. The Senator is right.

May we have order in the Senate?

The Senator may proceed.

Mr. BAKER. Mr. President, I thank the Chair. Mr. President, really I shall propose only two unanimous-consent requests at this time, and I may say that I have consulted with the minority leader on both of these requests.

UNANIMOUS-CONSENT REQUEST FOR COMMITTEE MEETING

Mr. BAKER. Mr. President, first, I ask unanimous consent that the Judiciary Committee may meet during the session of the Senate this afternoon beginning at 2:30 p.m. in the afternoon for the purpose of further organization of the committee.

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold?

Mr. BAKER. I withhold for just a moment.

Mr. President, I withdraw that request for the time being.

ORDER FOR CONSIDERATION OF DONOVAN NOMINATION ON TUESDAY, FEBRUARY 3, 1981

Mr. BAKER. Mr. President, I am advised by the distinguished chairman of the Labor Committee and the distinguished ranking member that they have reached an agreement now on the consideration of the Donovan nomination, which is the last of the Cabinet-level appointments.

I have consulted with the chairman and ranking minority member and with the minority leader, and I am prepared now to make the following request:

Mr. President, I ask unanimous consent, conditioned upon the availability on Monday, February 2, of a report by the Committee on Labor and Human Resources on the nomination of Ray Donovan to be Secretary of Labor, that such nomination be made the first order of business on Tuesday, February 3, and that it be subject to a time limitation of 4 hours, equally divided between and controlled by Senator HATCH and Senator KENNEDY.

Mr. President, the nature of this request is to place this as the pending business in executive session following on after the time allocated under the standing order to the two leaders.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, could the majority leader place a specific time for the report to be available on Monday?

Mr. BAKER. Yes. I thank the minority leader.

Mr. President, is it agreeable to the distinguished chairman and ranking minority member if we agreed that this condition is that the report be available for the Public Printer, available in the usual way, that is logging in at the leaders' offices, no later than 12 noon on Monday next?

Mr. ROBERT C. BYRD. That is fine.

Mr. BAKER. I thank the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That on Tuesday, February 3, 1981, following the time for the two Leaders, and subject to the report being printed and available no later than 12:00 o'clock noon on Monday, February 2, 1981, that the Senate proceed to the consideration of the nomination of Mr. Ray Donovan to be Secretary of Labor, and the time thereon be limited to 4 hours, to be equally divided and controlled by the Senator from Utah (Mr. Hatch) and the Senator from Massachusetts (Mr. Kennedy).

Mr. TOWER. Mr. President, reserving the right to object, I have not had a chance to discuss this with the distinguished Senator from Tennessee, the majority leader, but I wonder if anything has transpired now in moving the nomination of Mr. Carlucci to be the Deputy Secretary of Defense, Mr. Marsh to be Secretary of the Army, and Mr. Lehman to be Secretary of the Navy?

Mr. BAKER. Mr. President, these three items are not on today's Executive Calendar.

I might say to the distinguished chairman of the Armed Services Committee that I would very much like to do these. I wonder if I might get this agreement and have it entered and then I wish to confer with the distinguished chairman and with the minority leader and investigate the possibility of doing these.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I thank the Chair.

WITHDRAWAL OF UNANIMOUS-CONSENT REQUEST

Mr. BAKER. Mr. President, I temporarily withdraw my request in respect to the Judiciary Committee meeting pending further clearance on the minority side.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I am advised that the nomination of Darrell Trent of California to be Deputy Secretary of Transportation has now been cleared on both sides, that it will not require a rollcall vote.

Mr. President, I ask unanimous consent that the order previously provided for in the sequence of business be amended to provide now for the consideration of the Trent nomination to be followed on immediately then by the order for morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Darrell M. Trent, of California, to be Deputy Secretary of Transportation.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

DEPARTMENT OF TRANSPORTATION

The assistant legislative clerk read the nomination of Darrell M. Trent, of California, to be Deputy Secretary of Transportation.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. TOWER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now proceed to consider two nominations at the desk.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. I say to the distinguished Senator that the Democratic cloakroom has contacted the offices of all Senators on our side. There is no objection to proceeding with the two nominations in question and to confirming the nominations by voice vote, and it probably will take only a minute to do this.

U.S. ARMY

NOMINATION OF JOHN O. MARSH, JR., OF VIRGINIA, TO BE SECRETARY OF THE ARMY

The PRESIDING OFFICER. The nomination will be stated.

The legislative clerk read the nomination of John O. Marsh, Jr., of Virginia, to be Secretary of the Army.

Mr. THURMOND. Mr. President, I rise in support of the nomination by President Ronald Reagan of John O. Marsh, Jr., of Virginia as Secretary of the Army.

Mr. Marsh is exceptionally well qualified for this position in many respects, especially so when an examination is made of his military background.

As a graduate of the Infantry Officers Candidate School at Fort Benning, Ga., at the age of 19 he entered service during World War II. Following this period he joined the Virginia National Guard until his retirement as a lieutenant colonel. During his Guard service he qualified as a senior parachutist and performed 30 days' annual active duty training in Vietnam.

In addition to his service in the uniform, he has lectured widely on military affairs at our leading military colleges. In the 1970's he reentered the Federal Government and served for 2 years during 1973 and 1974 as Assistant Secretary of Defense for Legislative Affairs. He later acted as Vice President Gerald Ford's assistant for National Security Affairs and culminated this service as a counselor with Cabinet rank to President Ford during which time he specialized in military intelligence and legislative affairs.

Complementing his strong military background, Mr. Marsh has a distinguished record in the legal and business field. Besides a general law practice, he has served as a police justice, town attorney, bank adviser, and real estate consultant.

Mr. President, Mr. Marsh brings to this position an intimate knowledge of the Congress by virtue of his service in the House of Representatives. He was elected to four successive House terms before voluntarily retiring from Congress to enter private business.

His contributions to his State and Nation are well documented by the numerous awards he has received as a private citizen in recognition of his contributions to his State and local community. He has also been awarded the highest decorations given by the Federal Government for his service in the Defense Department and the White House.

Mr. President, I have had the privilege of knowing Mr. Marsh on a personal basis for many years. He is a man of great capacity and courage. I am confident he will render the Army and our Nation a distinct and badly needed service as Secretary of the Army. I therefore urge his immediate and favorable confirmation by the Senate.

JOHN O. MARSH, JR., AS SECRETARY OF THE ARMY

● Mr. DOLE. Mr. President, the Senator from Kansas will vote today with great pleasure to confirm the nomination of John O. Marsh, Jr., to be Secretary of the Army. John Marsh is a competent and able administrator, and I admire his talents and abilities. But, over quite a few years, I have come to know him on a personal level, and I respect his character and value his friendship as well. We served as colleagues in the House of Representatives, where John Marsh was noted for his dedication and expertise while a member of the Appropriations and Veterans' Affairs Committees.

Over the last decade, John Marsh has worked hard to insure a strong national defense. As Assistant Secretary of Defense, Assistant for National Security to Vice President Ford and counselor—with Cabinet rank—to President Ford, where he conducted the review and reorganization of the U.S. intelligence community as chairman of the Intelligence Coordinating Group, John Marsh has been at the forefront of efforts to maintain an America whose military capabilities remain second to none.

We now stand at the threshold of a dangerous era for our Nation's security—faced with the threat of nuclear proliferation, unstable regimes in the Third World and other regions, and a drastic cooling of détente. We are at a time when, equipped with only volunteer forces, we must employ all practical and appropriate means to improve our national defense to an acceptable level. John Marsh believes in this objective.

He believes that America must make the maximum use of our available resources, including the Reserve Forces and the National Guard, to enhance our national security in the most effective and efficient way. During the hearings before the Armed Services Committee on his confirmaion, Jack said:

I happen to be of the view that many people, not only in the legislative body but in the country, are not aware that when we went to the All-Volunteer Force that we deliberately adopted as a matter of policy the "total force" concept, which in the Army translates to a one-army concept, and that in order for our forces to execute the missions that they have (our active duty regular forces) it is vitally essential that they have an ability to call on the reserves and the national guard for a great deal of the combat support, the combat service support. And, I would say to you that the area of the guard and the reserve and their role and mission in the total force concept will be an area of high priority and special emphasis by me.

Mr. President, I encourage my colleagues to join with me in supporting the confirmation of John Marsh as Secretary of the Army.

Someone once said that national strength lies only in the hearts and spirits of men. With such men as John Marsh leading our Defense Establishment, our country can be assured we will remain strong.●

The PRESIDING OFFICER. Without

objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. NAVY

NOMINATION OF JOHN F. LEHMAN, JR., OF VIRGINIA, TO BE SECRETARY OF THE NAVY

The PRESIDING OFFICER. The nomination will be stated.

The legislative clerk read the nomination of John F. Lehman, Jr., of Virginia, to be Secretary of the Navy.

Mr. THURMOND. Mr. President, I rise in support of the nomination by President Ronald Reagan of John F. Lehman, Jr., of Virginia to the post of Secretary of the Navy.

Mr. Lehman brings to this position a wealth of experience as a result of his military training, Government service and private business undertakings.

A native of Pennsylvania, Mr. Lehman has received undergraduate and graduate degrees from the University of Pennsylvania and Cambridge University in England.

His professional life is filled with service in positions which involved him in foreign and military policy issues, culminating in 1975 when he acted as Deputy Director of the U.S. Arms Control and Disarmament Agency. Previously he had served on the National Security Council staff, and as a delegation member on the balanced force reduction team in Austria.

In his private life he has authored a number of books on military and foreign issues. One of these publications studied the role of aircraft carriers, an exercise which will serve him well in view of his new responsibilities.

His military service in the U.S. Naval Reserve should also be of great benefit to him as he assumes his new duties. He is an A–6 operator, and has had many experience as a Reserve officer which will strengthen him in making proper decisions as Secretary of the Navy.

Mr. President, I urge the Senate to give prompt and favorable action on this nomination.

FULL SPEED AHEAD FOR THE NAVY

● Mr. DOLE. Mr. President, it is with great pleasure today that the Senator from Kansas casts his vote in favor of the confirmation of John F. Lehman, Jr., as the Secretary of the Navy. Mr. Lehman is a distinguished scholar and experienced analyst on national security issues. He has worked with great diligence and dedication, both in high Government positions and in the private sector, in the service of this Nation to further our military strengths and capabilities.

I have come to know John Lehman very well over the past few years, while he served on the staff of the National Security Council, his later service as Deputy Director of the Arms Control and Disarmament Agency, and in his role as a private sector defense consultant while president of Abington Corp. I have sought his advice many times on issues concerning the military and strategic defense. His counsel has always been extremely well-informed, prudent and farseeing. I admire his abilities and accomplishments very much, but additionally have come to value his friendship.

John Lehman is a man of character and decisive leadership. At a time when our Navy is facing serious problems of retention, training and a potentially dangerous lack of ships, he understands the needs for immediate action. It is my belief that he will make an excellent Secretary of the Navy, taking charge from the beginning, and providing the calm yet forceful leadership this country asked for and got with the new Reagan administration.

It is not without considerable self-sacrifice that John Lehman assumes this post in the Government. He is one of those that Mr. Reagan said he needed to recharge the Nation's leadership: Successful men who, for love of country, will step down from their private pursuits to serve the common welfare. In his recent confirmation hearing, John put it this way: I believe this country is at a crossroads in history, and the course we take now may determine the future course of Western society—the path we have been recently following leads us toward disaster—but, I believe we have the opportunity with this new leadership, the aroused concern about our military and the will of the people to participate in a new undertaking.

A NATIONAL CONSENSUS ON NAVAL POLICY

It is John's aim to take the lead in forging a new consensus within our national security establishment and the Government as a whole over what this country's naval policy should be. What are the goals we seek to accomplish with the Navy? What kind of Navy does the United States need in the decade of the eighties and beyond? With this united consensus, the Navy can then reverse the trend of the past few years and begin to build for the future.

In 1976, John wrote "The Executive, Congress and Foreign Policy." In that book he clearly sets out his belief that the Founding Fathers intended for our national security and foreign policies to be formulated by a full partnership of Congress and the executive branch.

It is my understanding that this theoretical foundation, buttressed by his experience as a liaison on the National Security Council staff between Dr. Kissinger and the legislature, will lead to a high level of cooperation with Congress, and the Armed Services Committees in particular, in constructing the new Naval policy.

John Lehman believes that the national security interests of this country require a Navy that is second to none. Our strategic goal should be nothing less than naval superiority. The mission of the Navy will continue to be the prevention of any adversary from denying us access to the seas. I share those beliefs and am convinced that the confirmation of John Lehman will lead to a revitalized naval establishment.

Cicero, an accomplished diplomat of his own time, once said that "armed forces abroad are of little value unless there is prudent counsel at home"—parvi enim sunt foris arma, nisi et consilium domi. With John Lehman in the Pentagon at the Navy's helm, I believe the United States will have the best possible counsel on naval affairs.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETING

Mr. BAKER Mr President, I am advised now that the request in respect to the Judiciary Committee has been cleared.

I now renew the unanimous-consent request that the Judiciary Committee may meet this afternoon beginning at 2:30 p.m. during the session of the Senate to continue the business of organization of the committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I thank the Chair, and I thank the minority leader and all Senators.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I ask the Chair now to state the business before the Senate.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to exceed 2 hours, and during that period Senators may speak therein.

DECONTROL OF OIL PRICES

Mr. METZENBAUM. Mr. President, yesterday the President saw fit to terminate control over crude oil prices and domestic oil products with some specified exceptions.

Mr. President, I think that we have turned back the clock. We have set the Nation on its heels, and this decision is truly not in the Nation's best interest.

By terminating price controls on crude oil and oil products, President Reagan has taken a step that the people of this country and the President himself are certainly soon to have cause to deeply regret.

I believe that the decision is prema-

ture. There are those who would say, "But this was his campaign commitment," as did the Secretary of Energy, and to that I respond, yes, that was his campaign commitment, but it also was his commitment that he would turn back the wheels of inflation, that he would cut taxes, and that he would balance the budget.

I believe that the administration failed to take the time to study carefully the full implications of this hasty and ill-advised action for our economy. To my mind, there is a far stronger case for extending oil price controls indefinitely than there is for abolishing them here and now.

Let us look at the President's inaugural address, where the President cogently described what he called "an economic affliction of great proportions," and continuing on, "we suffer," he said, "from one of the longest and one of the worst sustained inflations in our national history. It distorts our economic decisions, penalizes thrift and crushes the struggling young and fixed income elderly alike. It threatens," the President stated, "to shatter the lives of millions of our people."

(Mr. STEVENS assumed the Chair.)

Mr. METZENBAUM. I agree entirely with the President's description of our economic situation, but I cannot agree with a policy that would have us believe that we can control inflation by creating more of it.

The sad fact is that with one stroke of the pen President Reagan has put in jeopardy his entire commitment to wring inflation out of our economy. Oil decontrol will immediately add at least a half point, and probably something closer to a full point, to the rates of inflation.

According to the administration, decontrol will cause gasoline pump prices to jump immediately by about 5 cents a gallon. I think it was Secretary Edwards who said prices would rise something like 3 to 5 cents a gallon. Well, he is about the only one who thinks that.

Yesterday, Exxon immediately increased their prices. In my own State, Sohio has indicated that prices will go up from 7 to 10 cents a gallon. A preliminary CBO estimate places that figure at 8 cents. The Wall Street Journal says a dime. And a worst case calculation puts the immediate impact at 17 cents. And that is on top of the 16 to 40 cents increase the Wall Street Journal predicts without decontrol in the first half of 1981.

Mr. President, I made a similar point to this body a couple of years ago when we decontrolled the price of natural gas on a phased basis. Many of my colleagues responded, "Don't worry, prices will only go up about 8 cents per thousand cubic feet in a year." I stood on the floor of the Senate and said it would go up 15 cents, twice that amount, and that is exactly what happened.

Since that time natural gas prices have just soared beyond belief. When we had the jet fuel bill on the floor to deregulate the price of jet fuel, even the airlines came before us and said it will only add 1 cent a gallon to the price. Within 2 or 3 weeks, however, the airlines were before the CAB asking for increases in their rates because of the tremendous increases they were paying for jet fuel.

Mr. President, I believe we will see $1.50 gas this spring, any maybe before. And it is just a matter of time until the oil companies, and their associates, the OPEC nations, will be driving gasoline pump prices up to $2 a gallon. That is not much of an inauguration present to the people of America from a President who believes in encouraging savings and investment.

Is that going to happen? Is there going to be more money available for savings and investment? Not if the additional money people get from the proposed tax cuts has to be used for gasoline, heating oil, and propane.

Let there be no question about it. When we decontrol the price of oil and gasoline we are causing an increase in the price of the food we put on our table; we are causing an increase in the price of the clothing we wear, causing an increase in the real estate taxes we pay to keep our schools open; we are causing an increase in the price of the autos we buy and steel that is used in making those autos. In sum, we are causing an increase across the board, not just an increase in the price of a gallon of gasoline.

If the oil companies are permitted to soak up the profits that other industries need for their own investments, what then happens to the rest of our industries? Where are the production incentives when you let the oil companies take all the profits unto themselves?

Decontrol is inflationary, very much so. But more inflation is not the only negative consequence that we can expect. In effect, decontrol means we are signing away our economic sovereignty. We are saying to the multinational oil companies and the OPEC cartel, "You decide. You tell us the value of oil. You decide how much we can have and how much we are going to pay for it."

We are saying to those leaders of the OPEC nations, "We sit at your feet. Tell us the price we should be charging for oil in this country."

I hear the argument about, "Well, let the marketplace prevail." And I hear people say, are they not paying $3 and and $3.50 a gallon for gasoline in the European nations and in Japan?"

Yes, that may be so. But there is a distinction between those nations and this Nation, where we produce approximately half of the oil we use.

But there is another important distinction, and that is that much of the oil produced in this country is coming from the lands and waters that the people of this Nation own. It is our oil, but the price of the oil we own is not being determined by domestic economic conditions.

There is no free market. It is being determined by the prices that the OPEC nations set. We are saying to the world through this decision that Americans are willing to have their vital economic decisions made in the foreign ministries of the Persian Gulf and in the board rooms of the oil multinationals. We have abandoned all hope of having an American energy policy.

Mr. President, that is not what I call an auspicious beginning for an era of national renewal, a phrase that the President has used. It is not a promising start for an administration pledged to a tight budget, a revised economy, a strong military, and an all-out war on inflation.

Decontrol means higher Federal expenditures. In the Defense budget alone every penny increase in the price of liquid fuels means that it costs an additional $70 million just to keep the planes flying, the vehicles rolling, and the bases operating.

That means that we are talking about $½ to $1 billion in additional costs to the American people and to our efforts to balance the budget. It just means we are going to be spending billions of dollars more on fuel—billions of dollars that will not buy one tank, launch one ship, build one plane or train one GI.

Decontrol is dangerous to the health of America's basic industries. In 1972, the year before OPEC began to jack up oil prices, the oil industry earned about 15 percent of the total profits of American industry. But in the first half of 1980 oil companies took in fully 40 percent of all the profits earned by all of America's corporations. The trend is going only one way—upward.

That is a prescription for economic disaster. It means capital starvation, a stagnating economy, and an unprecedented concentration of economic power in the hands of a few big companies.

Let us be realistic. We have been talking in the Congress about production incentives to let the manufacturing companies have more profit available to them so that they can buy new equipment, so that they can gear up to compete in the international arena, so that we can produce more for the dollar. But the fact is that if those same companies have to pay more for the energy they use, then it means less of those dollars will be available for production incentives.

Consider, for example, what the President's decontrol decision will do overnight to the value of the proven domestic oil reserves of the major oil companies. Assuming that the decision holds—and some of us hope to be able to find a legal way to challenge it—the price of a barrel of domestic crude will rise from the current average of $30 to the OPEC level of $37.

As a result, the value of Exxon's 3 billion barrels of proven domestic reserves will increase overnight by $21 billion.

Sohio's 3.9 billion barrel domestic reserve will go up in value by more than $27 billion.

Shell, with 2.2 billion proven barrels, will benefit to the tune of $15.4 billion. Texaco's 1.3 billion barrels translates into a $9 billion windfall in asset valuation. Arco's assets will go up by over $18 billion, Mobil's by over $6 billion, and Sun's by nearly $5 billion.

API figures indicate that in 1979, the 20 largest domestic oil companies held between them a total of 23.4 billion barrels of proven domestic reserves.

With one stroke of the pen, the President's action has caused those reserves to grow in value by nearly $164 billion. That is a bonanza—a truly spectacular

gift from the consumers and businesses of this country to an industry that is already awash in cash.

And let us remember that we are talking current prices. Every time OPEC raises the prices in the future, the value of domestic oil company assets will rise on a commensurate basis. Every time that happens, the domestic industry will have another incentive to do just what OPEC does—hold down production in order to keep prices high.

The argument is made that decontrol will provide domestic firms with an incentive to explore for oil and gas. But for the very large companies it provides no incentive whatever to produce today what will be far more valuable in the future.

The argument is stated, "If we get a little bit better price, we are going to produce so much more."

Well, I would like to point out to my fellow Members of the Senate that in 1973, we were producing over 9 million barrels a day in the lower 48 States. At that time, the domestic price of oil was around $3 a barrel. In 1980, we are producing less than 7 million barrels a day, down better than 2 million barrels a day, and the price has gone up 13 times.

And for those who would like to include in the figures the production from Alaska, I say that that production would have come on whether or not the price had gone from $3 to $39. But even with the Alaskan production, we are producing today less oil than we produced back in 1973.

We also have heard the argument that it is better to pay American producers and keep the money at home than to send billions upon billions of our dollars to foreign lands. But decontrol does not prevent that. It just means Americans will pay the large oil companies more while paying foreigners an equally increased amount. It means that American producers will have a profound, vested interest in protecting the continued ability of the OPEC goose to lay even larger and even more golden eggs.

Decontrol will not work to the advantage of the American people, but equally important, it will not work to the advantage of the American free enterprise system. It will not bring us more oil.

Now, I am willing to accept the argument that if you charge higher and higher prices, you may get a fraction more production, even though there is no evidence in past history to support it. And even if you can make the argument that we are going to get more, the incremental amount will be so small and at such a higher price—$5, $10, or $20 more—that the impact upon the economy will be so tremendous that this Nation simply cannot afford it.

Higher prices is by no means the efficient, effective or equitable method of reducing gasoline consumption to decontrol the price of gasoline. Studies conducted in this and other countries have shown that time and time again higher prices have a relatively small effect on demand for gasoline. Generally they say it takes a 10-percent increase in price to bring about a 1-percent decline in demand. But as the January 23, 1981, issue of the highly respected Lundberg Letter points out, price is not the only force at work on gasoline demand. Real income also has an impact—about three times that of price, according to Lundberg, and the impact is in the opposite direction. Higher real personal income, in other words, more than cancels out the inhibiting effect on demand of higher gasoline prices. "Any marked increase in personal disposable income or decrease in the rate of inflation," Lundberg says, "would encourage gasoline consumption, as a matter of economic fact, offsetting to some degree consumption decreases caused by higher gasoline prices."

Mr. Lundberg goes on to conclude, "Now and in the immediate future, improving automobile efficiency—not raising prices and lowering income—appears to be the most dependable way to limit or reduce U.S. gasoline consumption."

Now that is not a new insight. Some of us made just that point 3 years ago in arguing for a strong mandatory conservation package. But, "no," we were told by the previous administration, "higher prices will do the trick."

They will not, Mr. President. And we gain very little from them in return for a very great burden on each and every person in this country.

We had a witness before the Energy Committee the other day from the Department of Energy who was knowledgeable in this area. And he agreed that there are two major reasons why we have had some cutback on our energy consumption in this country. One of the reasons is very obvious: You do not use gasoline driving back and forth to work if you do not have a job. And with 12-percent unemployment in my own State of Ohio and comparable figures in so many other States throughout the Nation, of course we are not using as much gasoline.

But there is the other factor: Because of our pushing the auto industry, the domestic industry, as well as our foreign imports, we have been getting much better fuel efficiency than they did just a few years ago. The foreign cars are probably getting the best efficiency. We have pushed, we have attempted to enact legislation to lead our own domestic industry to move in that direction. Slowly, very slowly, but surely, they are. And that is another reason why there is less consumption.

But we must not forget that by just increasing the price we are placing all of the burden upon the consumer, while putting billions of dollars into the pockets of the oil companies.

Even if we concede the argument on price, there are some who say we need higher prices to make alternative fuels competitive. I agree, Mr. President, that is a seductive argument. It might make sense if the administration had coupled decontrol with a strenuous effort to create real competition between varying energy sources. But the administration has not done this, nor has the previous administration done it.

As things now stand there is no reason to believe that higher oil prices will bring truly competing fuels into the marketplace on any large scale.

The reason for that is obvious. The oil companies of this country at this moment pretty well control most of the other areas where we might expect competition. And, unfortunately, our own Department of Energy has not even attempted to keep them from doing that.

Look at coal. Forty percent of the coal reserves are owned by the oil companies. In nuclear energy, the oil companies control all of the uranium. They have moved into geothermal, and solar energy. They also have moved very effectively into shale oil.

In the previous administration, we should have had production going forward in connection with gasifying and liquefying coal. For 4 years we begged for it, and we asked for and the Department of Energy, filled with oil company executives, hardly moved us one step forward.

The oil companies have a lock on the energy resources of this country. And alternate energy resources are not going to be developed on a pace and on a scale determined by an industry, if that industry recognizes that fast development of alternative energy sources would only cut into their own profits.

I am not talking here of devil theories and dark conspiracies. Rather, I am talking about what businessmen do when they operate in a free, competitive market. I am not criticizing them for moving into these new areas. I am criticizing the Congress of the United States and the past administration for failing to make it possible for there to be real competition in the energy industry.

The oil company executives do what they are doing on behalf of their shareholders. But we in the Congress and in the administration have a responsibility to concern ourselves not only with the shareholders of these corporations, but the shareholders who own a piece of America, the people of America.

I also understand the interests of the oil companies are not the same as the interests of the American people. They are multinational companies. Their interests are not always with the United States of America. That was pretty evident in the recent war when they took their orders, not from us and our Government, but from the Arabs, who did not want them to move their tankers in a particular direction.

Now, let us consider the energy market itself. As you look at that, you must come to the conclusions that we must have competition. But how, for example, are we going to get competition in the solar energy field if of the nine leading firms in the solar field. more than half of them, are controlled by the oil companies?

Some people will say to this argument, is it not better for the oil companies to invest in coal and solar instead of buying up department stores, cardboard box companies, printing firms, almond groves, and a life insurance company?

I say to that, no. They have come to us time and again saying they wanted higher prices so they could produce more oil. And we ought not make these dollars

available to them instead for the purpose of buying up all of the competition.

I believe the oil industry ought to have and does have the resources it needs to seek, develop and produce oil and natural gas. I believe that the industry ought to be highly profitable, so that it should be able to attract venture capital. But I do not believe that we serve this Nation's interest by permitting oil to control coal, solar power, geothermal, and all the other competing power sources. We do not strengthen the free enterprise system by pouring resources into one sector at the expense of all others.

The administration is doing this Nation no favor pretending that these issues do not exist.

Really, what we are talking about in decontrolling the price of oil is who is going to determine the Nation's energy future. No more, no less.

I believe, Mr. President, that by decontrol the President has set this Nation back. I believe that he has set his own program of controlling inflation back. I believe that it is a disservice to our efforts to make the free enterprise system work more effectively.

Therefore, Mr. President, I will continue to find a way to bring this issue to the floor of the Senate, and I hope that my counterparts in the House will do likewise. I believe the voice of the Congress should be heard. I think the Members of this body should be given an opportunity to vote on the issue of decontrol, and I believe that we will be given an opportunity to vote on the issue of decontrol before too long. This Senator, and I would guess others as well, will seek to find such an opportunity.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. I might comment at the outset, this is the first time I have seen my colleague from Alaska in the Chair presiding. He looks very nice there.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. RIEGLE. Yes.

Mr. ROBERT C. BYRD. The Senator sitting in the Chair is a very nice man indeed. He is one of the finest of gentlemen, a great Senator, and my friend, but I will say it is his turn to sit in the chair.

Mr. RIEGLE. I thank the Senator from West Virginia.

DECONTROL OF OIL

Mr. RIEGLE. Mr. President, I commend the Senator from Ohio (Mr. METZENBAUM) and also Senator JACKSON, the former chairman of the Energy Committee in the Senate, for their leadership in the last several days in elevating the importance of the decision by the Reagan administration to decontrol the price of oil. I think this is a critical issue. I think to have that decision come at this time with other items dominating the news, the return of the hostages and other matters, diminishes the extent to which the public can catch up with this decision and its meaning before suddenly it is a fait accompli and new things come along to take one's attention, and perhaps we will never really understand what happened to us.

The decision by the Reagan administration to raise gasoline and fuel oil prices by immediately decontrolling the price of oil is a serious mistake—and will hurt our people within a matter of days. This decision will increase inflation without any gains in increasing the supply of gas and oil. Every citizen and every family will find their living standard reduced by this decision, and it will hurt those people most who must drive to work, drive to their shopping, and who heat with fuel oil—and therefore have no choice but to pay these deliberately inflated prices.

This country has already undergone the shock of two massive oil price increases—first in 1973 and then 1979. Americans have adapted and adjusted to these increases—quite often at great personal hardship.

If we look back, perhaps we might have cut consumption faster if we had begun the decontrol process in 1973. Maybe—but many experts then believed the shock would have been too great.

Our situation in 1981 is greatly different. Americans are not wasting energy resources as we did prior to 1973. Americans are trying to conserve energy in every possible way. I remember hearing experts several years ago say that intense conservation would occur when gasoline hit 80 cents/90 cents per gallon, we are now at $1.30/$1.50 per gallon.

At the present time, the country is in a recession. The prime interest rate is near 20 percent, the inflation rate in December was about 13 percent, food prices are up 14 percent. Unemployment continues high.

At the same time, we have seen a dramatic increase in oil exploration and a giant synthetic fuels program backed by the Federal Government.

Also, on January 22, the Department of Energy told the Senate Energy Committee that further continuance of the Iran-Iraq war could result in an increase in imported oil costs, meaning their going even higher—perhaps $20 billion annually.

I think the decision to decontrol oil prices now is a mistake and a hard blow to American consumers and the American economy at this time. Gradual decontrol or decontrol later, when our economy is stronger, would be much wiser.

It is unclear under this decontrol plan how the Midwest will be protected in the event we run into a material energy shortage in the period ahead. As I analyze the Executive order, there will be no mandate that regions of the country have equitable access to oil supplies.

This can pose a critical problem for the farmers in the United States. Under the controls and allocation system, farmers enjoy a priority status, which I think was necessary and sound. That status had insured that adequate supplies would be available for the production of agricultural products in the United States.

Priority status is maintained if we were actually to go to a situation requiring gasoline rationing. The concern is what happens if we have a shortage that does not constitute a rationing situation? How are our farmers and other vital sectors to be protected in terms of having an adequate supply of fuel and having it at the time they need it? I think the decontrolling action raises new questions about the likelihood of whether we can be certain there will be sufficient fuel for farmers this year during the spring planting season.

We were protected under the old law, but that protection has now been stripped away. Now that that has been stripped away, we lose that protection. Higher prices are clearly another consideration that will affect farmers. Decontrol will mean a major cost increase for their operations, in the same way that consumers are affected. The difference, however, is that farming employs methods that require large amounts of gasoline and diesel fuel. A 5-cent or 10-cent increase in the cost of fuel can mean the difference between a farmer showing a profit in 1981 and suffering another loss.

So, it is also on the basis of my fears that supplies to farmers will either be curtailed, interrupted, or priced too high that I feel that this decision is unwise and poorly timed.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. RIEGLE. Yes, I yield.

Mr. KENNEDY. Mr. President, the Reagan administration's first major action on energy and the economy is an unwise step that only makes inflation worse. Accelerated decontrol of the price of oil will mean a harsh, new, Government-inflicted blow to the consumers of Massachusetts and New England already suffering from the coldest winter and the highest fuel prices on record. It is a burden we should not have been asked to bear.

There is no free lunch. The additional Federal revenues generated through immediate oil price decontrol will be largely offset by increased Federal costs for low-income energy assistance, unemployment compensation, and for filling the strategic petroleum reserve. The price increase from decontrol will send a sudden, new surge of inflation through the reeling economy. It will impose severe costs in both the short run and the long run on working families and the poor, on energy-intensive businesses, and on the competitive position of American industry in the world.

These costs must be faced forthrightly, and the administration must forthrightly accept its responsibility to alleviate the burden on those injured by today's action.

Past administrations have promised that the harsh impact of oil decontrol on the poor would be offset by the low-income energy assistance program, but the performance has never matched the promise. The existing assistance program provides only $1 for every $4 increase in energy bills. The current appropriation of $1.8 billion would have to be quad-

rupled if even the poorest families are to be fully protected. In fact, funds to achieve this goal will be available from the additional windfall profit tax revenues received in the Treasury as a result of today's decision to accelerate decontrol.

Past administrations have also promised to cushion workers especially hard hit by energy policies. Oil decontrol will put 750,000 workers out of work. Today's decision alone will put 40,000 more auto workers out of work. Benefits under the existing trade and other unemployment programs must be continued to help these families meet this burden of forced unemployment.

Finally, the decision to decontrol oil prices means that billions of dollars of industrial plant and equipment, designed to be efficient at much lower oil prices, will now be obsolete. Unless new investment incentives to increase energy efficiency are quickly implemented, the dangerous decline in productivity of American industry will fall even further because of decontrol.

There is also real danger that thousands of small businesses whose supply of petroleum products was guaranteed by allocation regulations will be driven out of business if the major oil companies decide to cut off their supplies. Vigorous oversight by the Department of Justice and the Federal Trade Commission is essential to avoid these bankruptcies.

No region of the Nation and no group in our population should be forced to bear an undue burden of our national energy policy. The weeks to come will test the commitment by both Congress and the administration to this basic principle of fairness in our society.

The fundamental reason that I oppose permitting OPEC to control U.S. oil prices is that I believe America must control its own economic destiny.

When President Carter began the decontrol of oil, it was assumed that decontrol would cause less than a point increase in the Consumer Price Index. The experts predicted that the price of oil would not exceed $16 per barrel. Instead, oil costs rose to $35 per barrel. The expected cost of decontrol increased from $26 billion to $153 billion—the most incredible cost overrun of a Government policy in history.

Once the decision was made to hand over the power to control U.S. oil prices to OPEC, we lost the power to set our own economic policy. In reality, decontrol of oil will cost six times more than that predicted by the Council of Economic Advisers before my Energy Subcommittee. Its inflationary impact is six times greater than predicted.

The American people must understand the enormous price they are paying for this decision.

Because of decontrol, the inflation we will suffer will be double-digit rather than single-digit inflation next year.

Because of decontrol, three quarters of a million more workers will be unemployed.

Because of decontrol, the Federal deficit will be increased by $15 billion in 1982.

Because of decontrol, the productivity of the American economy will be reduced.

We do not make America strong by increasing inflation, by throwing hundreds of thousands of men and women out of work, by increasing the Federal deficit and cutting productivity.

But this is the price that every American and every American business—except the oil industry—will pay for this policy.

I have proposed a major alternative energy program that would cut U.S. imports by more than half by increased energy production and increased energy efficiency. This policy will protect the American economy and foster, rather than undercut, economic growth.

America needs a responsible energy policy. The Nation must stand for the principle that we, and not OPEC, are the masters of our economic destiny.

Mr. President, I ask unanimous consent that studies by the Congressional Budget Office, the Wharton economic forecasting group, and other experts be placed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., June 19, 1980.

MEMORANDUM

From: Lawrence E. DeMilner, Chief, Inflation Impact Unit, Fiscal Analysis Division.

Attached is a letter prepared in response to a request from Senator Edward M. Kennedy asking the CBO to reestimate the inflationary impact of decontrol of domestic crude oil prices.

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., June 13, 1980.

Hon. EDWARD M. KENNEDY,
Chairman, Subcommittee on Energy, Joint Economic Committee, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your request, the CBO has reestimated the inflationary impact of decontrol of domestic crude oil prices. The inflationary impact has, as you suggested, been significantly altered by the unexpectedly large increases in OPEC oil prices over the past six months. We now project that the decontrol of domestic crude oil prices will raise the general (Gross National Product) price level 3.6 percent by 1983 and the Consumer Price Index by approximately 4.3–4.6 percent by 1983.

The increase in expenditures per year, the GNP price level impact, and the Consumer Price Index impact are given below. The price level and CPI–W impact are fourth quarter to fourth quarter:

	Expenditure increase [1] (billions)	General (GNP) price level impact (percent)	CPI–W impact (approximate) (percent)
1979	$2.0	0.2	0.3
1980	21.8	1.1	1.5
1981	54.9	1.7	2.1
1982	74.8	.6	.7
Percent		3.6	[2] 4.6

[1] Does not include expenditures for oil produced as a result of higher prices due to decontrol.

[2] CPI–U impact would be approximately 4.3–4.4 percent due to lower relative importance for gasoline in that measure.

I would briefly like to describe four aspects of the CBO analysis:

Methodology,
Assumptions,
Interpretation of results, and
Other estimates.

METHODOLOGY

The GNP price level impacts are calculated by dividing the increase in expenditures due to decontrol by nominal GNP. The increase in expenditures represent increases over what would have occurred under indefinite continuation of controls with a composite price limitation on the average price of domestic crude oil. The CPI impact is calculated in several steps. The direct impact is computed based on the percent increase in price of petroleum products consumed directly (chiefly, gasoline and fuel oil) multiplied by the relative importance of these items in the index. The indirect impact is calculated by subtracting the increase in petroleum products consumed directly from the total increase in expenditures, and dividing the result by nominal GNP.

ASSUMPTIONS

The analysis is based on five key assumptions:

$35 first sale domestic decontrolled price in the fourth quarter of 1979, increasing 12 percent per year through 1981,
Full passthrough of oil price increases,
No effect on prices of substitute fuels,
No effect on world oil prices, and
Fifty percent wage price feedback.

INTERPRETATION OF RESULTS

The results of the CBO analysis should be interpreted in light of the key assumptions in the analysis. The impacts will be smaller than those above if the higher domestic crude oil prices resulting from decontrol are not fully passed through to consumer and other prices, if wages do not rise significantly in response to higher consumer prices resulting from the increase in domestic crude oil prices, or if decontrol results in lower world oil prices than would prevail under continued controls. The impacts will be larger if wages are quite responsive to higher prices or if prices of substitute fuels, such as coal or natural gas, rise substantially faster as a result of domestic oil decontrol.

The impact on the CPI is larger than on the GNP price level because of the greater petroleum intensiveness of the CPI. The calculation of the CPI impact is, however, less precise than the GNP price level impact, due to the approximation of the indirect CPI impact. More importantly, the direct impact on the CPI is based on 1972–73 consumption of gasoline and heating oil. Since gasoline and heating oil usage among consumers has declined relative to the consumption of other items, the direct CPI impact overstates the impact.

The impact is larger on the CPI–W than the CPI–U. This reflects the fact that gasoline has a larger weight in the CPI–W than the CPI–U. The impacts on both measures are of importance. The CPI–U is generally regarded as the preferred measure of consumer prices since it covers about 80 percent of the population as opposed to the 40 percent covered by the CPI–W. On the other hand, the CPI–W, and not the CPI–U, is used for indexation, that is, increases in wages under cost of living agreements and in benefits under Social Security and other programs are tied to the CPI–W.

OTHER ESTIMATES

CBO estimated the inflation impact of the decontrol in May and November 1979. In May 1979, CBO estimated an impact of 0.6 to 0.8 percent based on an assumption of world oil prices of $14.54 at the end of 1979,

increasing at 7 percent thereafter. In November 1979 the estimate was increased to 1.9 to 2.1 percent based on world oil prices of $30 in the fourth quarter of 1979 increasing at a two percent real rate thereafter. Both of these estimates were impacts on the general price level, not CPI impacts.

CBO's estimate is higher than most other estimates. Most of these estimates were prepared at the time of the President's decision to decontrol domestic crude oil prices. Thus they would require upward revision in order to be comparable to the CBO estimate. CBO's estimate may also be higher than other estimates because it assumes full passthrough of oil price increases to the consumer, whereas other estimates may assume less than full passthrough.

We would, of course, be pleased to respond to any further questions you may have.

Sincerely,

ALICE M. RIVLIN,
Director.

[Press Release]

SEVERE DAMAGE TO U.S. ECONOMY FROM FURTHER OIL DECONTROL AND PROPOSED GASOLINE TAX FORECAST USING WHARTON ECONOMETRIC FORECASTING ASSOCIATES' MODEL

Congressman Benjamin S. Rosenthal (D-NY) today released an analysis using the Wharton Econometric model that forecasts severe damage to the U.S. economy if the remaining price controls on domestic oil are removed between now and October 1981. This situation would be made considerably worse if Congress were to approve the Administration's announced intention to seek legislative authority for a 10 cents per gallon tax on gasoline.

The analysis, which Wharton prepared for Rosenthal's Subcommittee on Commerce, Consumer and Monetary Affairs, was based on pricing patterns DOE supplied to the subcommittee and shows the following:

I. IMPACT ON THE NATION'S OIL BILL

The effect of letting U.S. oil prices rise to world levels through further decontrol will be to add nearly $40 billion a year to the Nation's already huge oil bill (approximately 53 percent of the Nation's crude oil production is currently subjected to price control but will be decontrolled in stages between now and October 1981);

If the Administration's suggested gasoline tax of 10 cents per gallon is permitted to take effect, an additional $10 billion would be imposed on America's energy consumers;

Thus, the total annual impact of decontrol and the suggested gasoline tax, can be conservatively estimated at almost $50 billion per year.

II. IMPACT ON THE CONSUMER PRICE INDEX (CPI)

With decontrol and a 10 cent gasoline tax, inflation is expected to be considerably worse than it would be with continued controls. The Wharton model forecasts that the Administration's oil plan would add another 30 percent to inflation by 1982.

III. IMPACT ON UNEMPLOYMENT

It is projected that an additional 800,000 persons will lose their jobs if domestic oil price controls are removed and a 10 cents per gallon tax is imposed. Without them, the Wharton analysis projects that unemployment would have dropped below 6 percent by 1982.

IV. IMPACT ON REAL GROSS NATIONAL PRODUCT (GNP)

Decontrol and the gasoline tax would retard anticipated real growth in GNP by $18.2 billion in 1982, as against a projected GNP increase without them from $1.438 trillion in 1980 to $1.475 trillion in 1981 and $1.525 trillion in 1982.

V. IMPACT ON DISPOSABLE PERSONAL INCOME

The Wharton analysis projects that real disposable personal income (a measure of consumer spending power) will drop by $18 billion in 1982 if decontrol continues on schedule and the gasoline tax is adopted. In nominal terms, a typical family of four will lose $400 of purchasing power due to these oil price increases alone.

The New York Democrat said that "The Administration's energy policy of driving up prices is in dramatic conflict with its expressed desire to reduce inflation and prevent a serious recession." Rosenthal called on the President to "establish immediately a Blue Ribbon Commission to examine the far-reaching consequences on the U.S. economy of our present policy of fostering higher energy prices; and to make speedy recommendations for basic policy changes."

WHARTON ANNUAL AND INDUSTRY MODEL: DECONTROL WITH GASOLINE TAX, OIL PRICE CONTROL—NO GASOLINE TAX

TABLE 1.—SELECTED ECONOMIC INDICATORS

Item	1979	1980	1981	1982
Gross national product (1972 dollars):				
Oil price decontrol	1,431.92	1,433.93	1,466.00	1,506.72
Oil price control	1,431.92	1,437.64	1,474.74	1,524.94
Difference	0	−3.72	−8.74	−18.23
Percent difference	0	−0.26	−0.59	−1.20
Real disposable income (1972 dollars):				
Oil price decontrol	994.36	996.41	1,023.25	1,050.30
Oil price control	994.36	999.86	1,031.01	1,068.81
Difference	0	−3.45	−7.76	−18.50
Percent difference	0	−0.34	−0.75	−1.73
Nominal disposable income:				
Oil price decontrol	1,623.75	1,806.49	1,986.94	2,188.06
Oil price control	1,623.75	1,802.84	1,977.74	2,166.05
Difference	0	3.64	9.20	22.01
Percent difference	0	0.20	0.47	1.02
Change in CPI:				
Oil price decontrol	11.47	15.15	8.95	8.87
Oil price control	11.47	14.23	7.94	6.86
Difference	0	0.92	1.01	2.01
Percent difference	0	6.50	12.72	29.26
Unemployment rate:				
Oil price decontrol	5.79	6.88	6.95	6.76
Oil price control	5.79	6.74	6.59	5.926
Difference	0	0.14	0.36	0.76
Percent difference	0	2.14	5.40	12.72

Source: Wharton E.F.A.

[From the Wharton Magazine, Summer 1979]

ENERGY AND THE FUTURE U.S. ECONOMY

(While U.S. policy has subsidized OPEC, higher energy prices have slowed our growth rates. The new condition is not just a temporary aberration.)

(By Dale W. Jorgenson)

The political upheaval in Iran has interrupted the flow of world petroleum supplies and has resulted in a sharp increase in world petroleum prices. It is highly unlikely that these events will produce a downturn in the U.S. economy on the scale of the recession that followed the Arab oil embargo of 1973 and 1974, but the U.S. economy is certain to suffer damage.

The Iranian crisis has made it clear that the post-embargo petroleum price increases are a permanent feature of the world economy rather than a temporary aberration. Recent price increases have brought home the fact that the U.S. economy is more vulnerable to the impact of world petroleum price changes today than it was six years ago.

U.S. energy policy has failed to insulate the nation from upheavals in the world petroleum market. To the contrary, that policy has resulted in increased reliance on foreign oil as a consequence of price controls on domestic crude. On April 5 of this year President Jimmy Carter announced a program to reduce the growth of petroleum imports by phased decontrol of domestic petroleum prices.

The U.S. is almost alone among industrialized countries in retaining a cumbersome system of price controls on energy that bases the price of refined products on the average of prices of imported crude and domestic crude. In effect, foreign producers receive a subsidy paid by means of a corresponding tax on domestic producers. The subsidy acts as a stimulus to petroleum imports, while the tax reduces incentives to produce petroleum domestically.

Price controls on domestic petroleum, established by President Nixon in Project Independence, have allowed demand for petroleum to rise more rapidly than it would have risen in the absence of price controls. The effective tax on domestic producers also permitted domestic supply to fall more rapidly than it would have fallen in the absence of controls. The impact of Project Independence has been a dramatic increase in dependence on petroleum imports.

The price controls have discouraged domestic producers from increasing production and resulted in an increase in petroleum imports from 6.3 million barrels in 1973 to 8.3 million barrels in 1978. A second and less obvious effect is that large sectors of the U.S. economy have been shielded from the true cost of energy on the world market today. As a result, the U.S. lags far behind the rest of the industrialized world in energy conservation.

The question of whether these controls should remain is an understandably controversial one. While all sides agree on the need for a new national energy policy, there is bitter disagreement over what it should be:

To the producers of energy, the objective of a national energy policy must be to provide incentives for energy production—that is, allow producers to charge higher prices.

To the consumers of energy, however, the objective must be to provide plentiful energy at a reasonable cost—that is, lower prices to consumers.

The reconciliation of these two mutually exclusive objectives is the main problem now confronting the Congress and the Administration in enacting new legislation. It will be no small feat to come up with a policy that will give producers a boost without giving consumers a jolt.

The U.S. government did not start out with a policy intending to keep domestic oil prices below world levels. In fact, from 1959 to 1972, the Federal government administered a program of import quotas on crude petroleum in order to keep domestic prices above world levels.

The reversal in policy came about after the Arab oil embargo of October 1973 that quadrupled the price of foreign oil. At the time of the embargo, a wage and price control system was in effect in the United States, and former President Richard M. Nixon considered the embargo an affront in his war against inflation. The resulting energy policy—dubbed Project Independence—rapidly evolved into a complex system of price controls on domestically produced crude petroleum and refined products that effectively held domestic prices below world levels.

It is worth noting that, until the embargo, energy was one of the great bargains of American life. From 1950 to 1973, the real price of energy to the consumer, adjusted for inflation declined at a rate of 1.8 percent a year. This decline was an important factor in the relatively high rates of economic growth in the U.S. during the post-war period.

The stated objective of the oil import program in force from 1959 to 1972 was to maintain national security by keeping petroleum prices above world levels. In contrast, the objective of Project Independence was to maintain national security by keeping prices below world levels. Such inconsistencies are typical of U.S. energy goals, not temporarily aberrations, and, regrettably, can be expected to continue for the foreseeable future.

From historical evidence, it is now clear that the Arab oil embargo had very little impact on the supply of petroleum products, but the price controls prompted massive inventory accumulations. While lines formed at gas pumps and station attendants doled out $2 portions, producers, distributors and even some consumers added to inventories, creating the need for a federal allocation program.

If supplies were not scarce, why did prices soar so high? At least three different explanations have been advanced:

Resource exhaustion. According to this thesis the world began to run out of oil at the time of the embargo. Proponents of this thesis now say that the world will begin to run out of oil in 1985. My prognosis is that this date will continue to recede, perhaps indefinitely.

Resource scarcity. A sophisticated version of the resource exhaustion approach, this explanation states that the 1973 price boost was a speculative increase to reflect the belief that the world would run out of oil in the next decade. (In the terminology of economists, this is called "scarcity rents.")

The OPEC Cartel. The third explanation is that the Organization of Petroleum Exporting Countries (OPEC) succeeded in establishing an effective cartel in petroleum, raised prices fourfold, and then settled back to enjoy the benefits of its well-entrenched monopoly position.

The interruption in the flow of oil from Iran has resulted in petroleum price increases that are relatively modest by comparison with the increases that occurred in 1973 and 1974. World petroleum production has remained virtually unchanged as OPEC members other than Iran have expanded output. However, the Iranian crisis has brought into sharper focus the need for action by Congress on a new energy policy that will decrease our dependence on foreign oil.

In addition to decontrol of petroleum prices, President Carter has also proposed a windfall profits tax on oil production to capture part of the price increase on oil already discovered. The proceeds of this tax would go into an Energy Security Fund that would be authorized to dispense funds for three purposes:

Protect low-income families from energy price increases.

Build a more efficient mass transit system.

Develop alternative energy technologies based on more abundant sources of energy.

President Carter has also announced that he will request authority for mandatory conservation measures. The first is to require that thermostats in commercial office buildings be set no higher than 65 degrees in winter and no lower than 80 degrees in summer. In addition, he will take steps to eliminate free parking for federal employees to discourage automobile commuting to work and he will request tax credits for wood-burning stoves.

The primary impact of raising domestic petroleum prices will be to eliminate the effects of price controls that now shield large sectors of the U.S. economy from the full impact of the OPEC cartel. Higher energy prices will dampen the rate of economic growth, but the new national energy policy should move the U.S. toward the announced objectives of increased energy conservation and reduced energy imports. Conversion to coal will be stimulated, and the stockpiling of petroleum likely will protect the U.S. from future oil embargoes.

The most bitter controversy over the Administration program has involved how to distribute proceeds of the proposed windfall profits tax, which is designed to transfer part of the gains from the proposed price increases to the federal treasury. What should the government do with the expected revenues of $1.6 billion in 1980. $4.7 billion in 1981 and $7.8 billion in 1982? Should it be used to promote mass transit or alternative energy sources? Should it be returned to the populace in the form of a tax rebate? Should it, as the oil industry has suggested, be plowed back to the industry as an incentive for increased production?

Re-distribution of the gains from higher energy prices will have a substantial effect on the welfare of energy producers and consumers, but the impact of such a re-distribution on economic growth will be insignificant. Whatever the final redistribution of these gains, there is no doubt that both energy producers and energy consumers will be forced to make substantial changes in their behavior.

Before turning to an economic outlook based on the new energy situation, it is useful to recall a few features of the great 1974–75 recession and subsequent recovery and then compare them with the recovery period of 1970 to 1973.

The longest period of continuous economic expansion in U.S. post-war history was brought to an end by the Nixon Administration in 1969. Military expenditures associated with the Vietnam War were cut back and the investment tax credit was repealed, leading to sizeable slowdown in investment spending in 1970 and 1971. The policy of defiation was reversed in late 1971 and early 1972, leading to a recovery that turned into a boom in 1972 and 1973. The boom was accompanied by a jump in the prices of food and other raw materials.

In the autumn of 1973, the U.S. economy was entering the final stages of a boom. GNP was growing rapidly, inflation was accelebrating and interest rates were rising rapidly as monetary policy tightened. Then, in October, the Arab oil embargo pushed petroleum prices up fourfold and the U.S. economy went into the most severe downturn of the postwar period.

The recession of 1974 and 1975 was the most severe of the post-war period and resulted in a collapse of investment in 1975 of 13.2 percent in real terms. We are well into the recovery from that recession; however, this recovery has some features that set it apart from prior cyclical experience.

Real growth, as measured by the growth rate of GNP, is running well below the last recovery. The average growth rate from 1970 to 1973 was 3.5 percent, while the 1974–78 growth rate was 2.3 percent a year.

The recovery of capital spending has been very weak. While the growth rate of business fixed investment exceeded that of GNP from 1970 to 1973, running at 3.7 percent a year, investment growth has fallen short of growth in GNP from 1974 to 1978, averaging only 1.7 percent a year.

The growth of employment was slowed by the downturn in business activity in 1974 and 1975, but has rebounded sharply with additional jobs averaging more than three million in 1976, 1977 and 1978.

The growth of productivity has lagged far behind the rate of growth of productivity in the previous recovery. Productivity grew at 2.1 percent per year from 1970 to 1973 but has grown at only .9 percent per year in the 1974–78 period.

The rate of return for the economy as a whole, corrected for inflation, has been running lower than levels at corresponding stages of the earlier recovery.

The key to the slowdown of capital formation and the relatively rapid growth of employment in the recent recovery has been the impact of dramatically higher energy prices. At any given level of output, higher energy prices drive down the demand for energy. The short-run impact of changes in energy prices

is rather modest. Over the long run, however, elasticity of demand for primary energy sources—crude petroleum, natural gas and coal—means that a 10 percent increase in the price of energy results in a 3 or 4 percent decrease in energy demand.

Similarly, higher energy prices drive down the demand for capital because there is a decrease, for example, in the construction of new buildings that require heating and cooling. This energy/capital complementarity is not inconsistent with the fact that more capital in the form of added insulation or greater instrumentation can be used to conserve energy.

An example may be useful. Refrigeration services, involving capital and energy, are used to produce food. Now, suppose energy prices increase. This will give food producers an incentive to conserve energy by using more capital in the form of better insulated and more carefully instrumented refrigeration eqiupment. However, it will also give food producers an incentive to conserve their basic refrigeration services, which are now more costly, thereby using less capital as well as less energy. If the food producers' demand for refrigeration is reduced enough to offset their increased demand for energy conservation materials, the overall demand for capital will be reduced along with the demand for energy.

The impact of higher energy prices on labor is just the opposite—that is, it increases demand. In the short run wage rates will rise and employment will increase. In the recent recovery, higher wages and enhanced prospects for employment accelerated the growth of the labor force. This rapid growth of the labor force, especially in unskilled labor, has contributed to the persistence of high levels of unemployment in the face of rapidly expanding employment opportunities.

Because the supply of capital is fixed in the short run, reduced demand for capital depresses the rate of return to owners of capital without affecting supply. In the course of the current recovery, rates of return have deteriorated steadily compared to corresponding stages of earlier recoveries. A fall in the rate of return typically results in a lower level of capital formation and a rise in consumption. Again, this is precisely what has happened in the course of the current recovery. The recovery of investment spending has been disappointingly sluggish, while a boom in consumer spending has led the recovery.

Move ahead to early 1979. Once again, the U.S. economy neared the end of a boom, with GNP growing at an annual rate of 6.3 percent in the fourth quarter of 1978, inflation accelerating to double-digit levels and interest rates up sharply in response to tighter money. The failure of investment to develop expected momentum at this phase of the recovery has been the source of great anxiety on the part of economic forecasters: concern has surfaced that we may be on the verge of a new economic collapse. The evidence indicates that capital formation will play a diminished role in the future growth of aggregate demand and consumption will continue to be unusually buoyant. Slower growth of investment will result in a slowdown in the rate of economic growth, and could make a recession more likely.

The question that does remain is how high are petroleum prices going to go? The answer—and it is speculative at best—lies both in Washington and the Middle East.

Domestically, the initial impact of the energy proposals now being debated in Washington will be to raise domestic crude petroleum prices. Domestic natural gas prices will follow, with the delay due to lags in the regulatory process. The prices of coal and other primary energy sources are not now controlled, so they can be expected to rise at a comparable rate. Repeated technology assessments of solar energy, oil from shale, and synthetic fuels based on coal have revealed very limited opportunities for commercialization at current real prices for petroleum.

The past five years have revealed that there is no long-run solution to the eneregy problem that has the comparative simplicity of building atomic weapons through a Manhattan Project or landing on the moon with an Apollo Project. Dependence on imports has proved to be the least undesirable of the alternatives confronted by the U.S. economy thus far—certainly better politically than allowing domestic prices to rise and mandating conservation measures. However, that approach is shortsighted and, if it continues, could do serious and permanent damage to the economy.

Prior to the cessation of Iranian production; price increases by OPEC had created the threat of a petroleum glut on world markets. Members of OPEC, like members of the U.S. Congress, have a problem of distributing the proceeds of higher petroleum prices. Increases in prices could increase the petroleum glut, raising the problem: Who is willing to absorb the production cutbacks that will be required? This problem accounts for some of the lack of enthusiasm for price increases by the largest producer, Saudi Arabia.

The smaller producers in OPEC are perfectly happy to raise prices and to have the Saudis cut back on production, thereby redistributing cartel profits. By removing the effective subsidies to OPEC through the present system of price controls in the United States, the Carter energy program would put pressure on the smaller members of OPEC to support the policies of price moderation.

While no permanent damage has been done to Iran's oil fields, leaders of the new Iranian government have announced their intentions to reduce petroleum production considerably below the levels that prevailed under the Shah. As Iranian production has risen, the production of other members of OPEC has fallen, leaving little slack between supply and demand. Because of higher prices brought about by the shutdown of production in Iran, the growth in world demand likely will grow more slowly. The outcome of this scenario is that the OPEC price increase holds, local supply gluts such as the one currently prevailing on the West Coast of the U.S. will be absorbed, and there will be some further upward pressure on prices.

To construct a "worse case" scenario, suppose that Iran, either because of technical difficulties or further political upheavals, cannot maintain production at the anticipated lower levels. Then suppose that political upheavals spread to Kuwait, Saudi Arabia and the Arab Emirates. Under this scenario, all bets are off and the world is headed for economic disaster. Under the most likely outcome of the Iranian situation, production will be restored to levels below those that prevailed until the Shah's departure.

2 RECENT RECOVERIES

[Rates in percent]

	Growth rate real GNP	Growth rate real BFI [1]	Employment change (millions)	Growth rate of productivity	Owners rate of return
1970	−0.3	−.3	0.7	0.7	3.6
1971	3.0	−1.8	.5	3.4	3.9
1972	5.7	8.1	2.6	3.4	4.5
1973	5.5	12.2	2.7	1.9	5.4
Average, 1970–73	3.5	3.7	1.6	2.1	4.4
1974	−1.4	−3.	1.5	−3.0	3.7
1975	−1.3	−13.0	1.2	2.1	3.6
1976	5.7	4.7	2.7	3.5	4.0
1977	4.9	9.2	3.1	1.6	4.7
1978	3.8	7.8	3.8	.4	5.2
Average, 1974–78	2.3	1.7	2.0	.9	4.2

[1] Business fixed investment.

If the U.S. economy continues to be confronted by increases in world petroleum prices at rates much beyond those set by OPEC in December and March, there is a serious risk that the policy response of the Carter Administration, like that of the Nixon Administration, will be to maintain rigidly deflationary monetary and fiscal policies in the name of the war on inflation. In that event, long lines at the gas pumps, growing unemployment, rapid inflation and much presidential exhortation to turn down the thermostats are in prospect.

The unsatisfactory nature of the recovery that began in 1976 gave rise to President Carter's promised economic nirvana of a balanced budget, full employment, and an end to inflation—all by 1981. This is the vision that led to the expansionary monetary and fiscal policies of the last two years and the resurrection of double-digit inflation. The vision has now been replaced by more modest goals. But the gap between Administration promises and economic performances has given an opening to the unlikely trio of Howard Jarvis, Jerry Brown and Milton Friedman—all focusing on the connection between expansionary government policies and inflation.

The forces behind fiscal conservatism appear to be sufficient to rule out business tax cuts on a scale that would offset the impact of higher energy prices and slower economic growth on investment. An investment tax credit in the range of 20 to 25 percent would be needed to bring economic growth back to rates that prevailed before 1973. The cost of such a program would rule out any other tax cut before the 1980 election—a distressing prospect for Congress and the Administration alike.

The United States has entered an era of increased dependence on foreign supplies of petroleum without the benefit of policy guidelines for managing supply interruptions. For dealing with the shortrun impact of production cutbacks like those in Iran, petroleum reserves in the hands of the public and the government are critical. In the intermediate term, the most important issue remains the need to bring domestic petroleum prices into line with world conditions to reduce dependence on imports.

With increased reliance on imports the U.S. economy has become more vulnerable to the impact of world petroleum price changes. This is ordinarily a second order

problem for intermediate term energy policy, but became paramount during the rapid increase in prices following the Arab oil embargo. The experience of 1974 through 1978 reveals that energy price changes can have substantial impact on the U.S. economy. Uncertainty about future energy prices vastly complicates the ordinarily difficult problem of economic management.

From a macro-economic perspective the problem posed by the role of energy in the U.S. economy is that impacts of changes in energy prices are felt over a period from two to five years. This is a kind of blindspot in economic policymaking, lying between the annual cycle organized around legislative enactment of the federal budget and the consideration of long-run issues such as the role of the government in regulating the economy, the balance between social and military spending, and the allocation of the national product between public and private sectors.

It will be difficult to come to terms with the impact of the OPEC cartel at an intellectual level until much time has passed. The effects of higher energy prices are not easy to detect for quarter-to-quarter fluctuations in the national income and product accounts. In the short and intermediate term, we can expect economic commentators to blame a variety of "special factors" for the growing departure between current economic developments and past historical experience. Business confidence will be seen to be declining, even as consumer confidence is seen to be rising. The ability of the American labor force to continue to perform according to the work ethic will be seriously questioned. Environmental regulations, occupational safety, the declining dollar—all these and other explanatory factors will appear in the commentator's lexicon.

We are entering a Ptolemic age of explanations built upon explanations. But in the long run, presumably when we are all dead, there is at least a modest probability that the most significant economic reversal since the Great Depression of the 1930's will be seen to be the slowdown in economic growth brought about by the OPEC cartel.

SUGGESTED READING

Ernst R. Berndt and Dale W. Jorgenson. "How Energy, and Its Costs, Enter the Productivity Equation," IEEE Spectrum, October 1978. Presents the underpinnings of capital-energy complementarity and capital-labor substitution.

Robert E. Hall and Robert S. Pindyck. "The Conflicting Goals of National Energy Policy," The Public Interest, No. 27, Spring 1977. Discusses the conflicting economic interests that underlie disagreements over energy policy.

Edward A. Hudson and Dale W. Jorgenson, "Energy Prices and the U.S. Economy, 1972-1976," Natural-Resources Journal, Vol. 18, No. 4, October 1978. Provides an analysis of the impact of higher world oil prices on the U.S. economy.

Edward A. Hudson and Dale W. Jorgenson, "Energy Policy and U.S. Economic Growth," American Economic Review, Vol. 68, No. 2, May 1978. Analyzes the long term economic impact of policies to reduce the growth of energy consumption.

HOW ENERGY PRICES AFFECT LABOR AND CAPITAL INVESTMENT

No segment of the U.S. economy can escape the effects of higher energy prices. The links between energy, capital, labor and materials are so strong that any change alters the entire economic balance.

There is an elasticity of demand for energy—that is, at any given level of output, demand will fall as prices rise. Similarly, the demand for productive inputs such as capital, labor and raw materials changes proportionately with price fluctuations in energy. If energy prices and demand for one of the inputs rise together, they are considered substitutes. Alternatively, energy and the other productive inputs are complements if one rises and the other falls.

Recent empirical research has shown that an increase in energy prices also increases the demand for labor; thus, the two are substitutes. Energy and materials are substitutes as well.

However, higher energy prices have a negative impact on capital investments, so the two are considered complements. Few businessmen are willing to commit themselves to expanding facilities or installing high-technology equipment when oil prices are on the rise. Rather, they tend to expand the labor force and continue using present equipment in the hope that energy price hikes will slow. Higher energy prices do encourage conservation, and that can involve an investment of capital—for example, adding insulation or installing photo-sensitive lights—but such investments are the exception.

The cross-elasticities of demand explain why, in the current recovery, investment has remained sluggish while consumer spending, sparked by the increase in labor, has remained strong. Over the long run, however, consumer demand cannot keep growing at a healthy pace unless the economy as a whole grows as well.

The rate of overall economic growth is the sum of growth in productivity and growth in the number of hours worked. The number of hours worked depends on how many people are in the labor market—and that, in turn, depends on how many babies were born two decades ago. But the growth in productivity is tied to a current condition—the level of capital spending.

That completes the circle. Higher energy prices give a short-term boost to consumer spending but decrease the level of capital spending, lower capital spending results in lower productivity and, therefore, slower economic growth. Without strong economic growth the consumer spending boom fizzles.

To put the cycle in current terms, the OPEC cartel pushed oil prices up and that resulted in rapid growth of both employment and, through rising wages, of personal disposable income. But growth in business fixed investment is running at half the rate it was seven years ago, and real growth in Gross National Product is down as well. There is nothing in the short run outlook that suggests an imminent downturn in the economy. Similarly, nothing in the long-run outlook suggests a realistic possibility of returning to high rates of growth.—D.W.J.

DECONTROL OF OIL PRICES

Mr. JACKSON. Mr. President, decontrolling oil prices—while not producing a single barrel of oil—will cause more inflation at a time when we should be making every effort to reduce inflation.

Last week, the price of imported oil averaged $37 per barrel. Domestic prices, which were $30 at the refinery gate, will probably jump to the world price. If that happens, the price of gasoline would increase 5- to 17-cents per gallon at the pump. Heating oil prices will go even higher.

Testimony before the Energy Committee last week showed that the experts are very concerned about our oil supply situation if the war between Iran and Iraq continues much longer. We are living on surplus stocks of crude oil and refined products. Those stocks will be depleted by late spring. If the war does not end by then, crude oil prices could top $50 a barrel. Gasoline prices would skyrocket because the President's action leaves us without protection.

I simply cannot support the decision which, I believe, comes at the expense of the American economy and the American consumer.

Every drilling rig in the country is at work drilling for oil and gas right now—without complete decontrol. As a matter of fact, we are setting records every week on active drilling rigs. There are plenty of incentives under the present structure. We already have decontrolled oil that is expensive to produce, as well as new discoveries. This action simply means that "old" oil—that which is selling for $6.78 a barrel now—will be able to go to the world price of $37 per barrel. That is 15 percent of our domestic production, according to the latest figures. Another 20 percent of production will go from $15.14 a barrel to the world price of $37 per barrel.

Decontrolling oil prices removes an incentive for domestic producers to fight OPEC price increases. As OPEC prices rise, so will domestic prices. It places our total supply at the pricing whim of OPEC.

Mr. LEAHY. Mr. President, I wish to express to my colleagues in the Senate the same concern I have expressed to my fellow Vermonters regarding the administration's decision to accelerate the decontrol timetable.

New England—and the Northeast, for that matter—is experiencing a far more severe winter than it experienced last year. It is also faced with the problems of both coal shortages and natural gas shortages.

While there may have been mixed feelings about the idea of decontrol throughout my region of the country, we realized that decontrol would come about by the end of this year, and steps were at least being taken to absorb the shock. To suddenly have it thrust upon us at the height of our heating season, in a rural area, with average incomes that are below those of the rest of the country, is really a cruel decision, with little national interest to justify it.

The acceleration of decontrol is not going to produce one more barrel of domestic oil. It is not going to bring about a curtailment of consumption by itself. If it is 25 degrees below zero, people tend to heat their homes. Whether they like the idea or not, they really do not have any choice. It is not a luxury. If people live in small rural areas and have to commute to work, it is not a question of shifting to a transportation system. Most likely, there is no transportation system other than their individual cars.

Mr. President, I must strongly protest the step taken, for the reasons I have stated. It comes abruptly, without any warning, without the ability to prepare for the increased costs it will bring about and at the worst possible time of the year.

Furthermore, I am convinced—based on the testimony of a number of major oil companies themselves—that such decontrol will not produce even one barrel of additional oil. Also, it will not bring about conservation when, by necessity, people in my part of the country already

have conserved, certainly more than most of the rest of the country, and have conserved as much as one can in a time of severe winter.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, together with some of my colleagues who have spoken already, I should like to express my dismay, chagrin, and disappointment that the President has seen fit to accelerate the decontrol of domestic oil prices. Admittedly, it is just an acceleration of decontrol of domestic prices that otherwise was going to take place on September 30, anyway.

However, this acceleration still means that the American people will have to pay billions of dollars prematurely. All those billions of dollars, of course, will go to the oil companies.

I am not here to kick the major oil companies. They cannot be blamed for taking advantage of their own lobbying efforts. You cannot, in a sense, blame the President for keeping a campaign promise. He promised to do it, and he has done it. Yet, I objected strongly when a Democrat was President, and I object strongly when a Republican does it.

Decontrolling domestic oil simply means that we are transfering the control of oil prices from the U.S. Congress to a rapacious oil cartel. No one can possibly delude himself into believing that this final act does anything but make the American oil industry a partner in the OPEC cartel.

That cartel includes Iran, which calls us satanic, and it includes Libya, which finances the terrorism in every part of the world, that Secretary Haig so soundly and roundly condemned yesterday. Those are two of the 13 countries that will in the future determine the price of oil in this country. No one denies that. As a matter of fact, the domestic oil that is already decontrolled is priced even slightly higher than the world price charged by the OPEC cartel.

In the past we have prayed that they would be moderate. In the future we have not been heard, and I suspect that should pray harder because those prayers they are not going to be heeded or heard any more in the future than they have in the past.

All of this is done in the name of the economic theory that we will increase production, that the higher the price the more oil will be produced.

Even the American Petroleum Institute repudiates that theory. I have heard some of the highest officials of the American Petroleum Institute say that by 1990, regardless of the price of oil in this country, production will be down 500,000 barrels a day below current production. Last year with 60,000 holes being drilled in the ground of the U.S. proper, we increased production 100,000 barrels, or about 12 percent. The American Petroleum Institute and any thoughtful producer of oil in this country will admit that we will not do that well in the future.

It is a theory that just simply makes no sense. It has been repudiated. There are mountains of evidence to the contrary.

Then, there are those who say, as the President and Secretary of Energy, Mr. Edwards, said, that higher prices will reduce consumption. That is true, but oh, how harsh.

Although we may still have too many gas guzzlers, they are not a major problem. People are converting to fuel efficient automobiles.

When we consider decontrol, we have a vision of immediate conversion to highly efficient cars. That was not the vision we beheld on Inauguration Day, with seemingly hundreds of big long limousines. Yet, they are not the problem, and neither are gas guzzlers. We are making pretty good progress of converting. People wish to distract us into believing that decontrol will put everyone in a four cylinder automobile. I have been in one for years, but we are made to think of the big gas guzzlers, while home heating oil goes up. Also, natural gas is being decontrolled, and it is following the course of the price of decontrolled oil.

The other day a man said to me that he had asked another fellow: "Have you ever had a $100 gas bill?"

The second man said: "No, I have not. I had some $200 bills and $300 bills, but not an $100 bill."

Two years from now he will never say, "I have a $200 bill." But he will say: "I had some $300 or $400 gas bills."

How low can people turn their thermostats? How much can farmers produce when diesel fuel increases with the price of gasoline?

Since decontrol was begun by President Carter, the price of gasoline has gone from 82.3 cents per gallon to $1.22 cents per gallon, a 50-percent increase in price, and a 2-percent decrease in consumption.

Consider that equation out. Carry that equation out, and it will show that it might take a 5,000-percent increase before we can stop the use of gasoline in this country. More realistically, if we wish to cut consumption in half, we will need a 2,500-percent price increase.

Yes, if we wish to stop people from eating in this country just charge enough for bread and they will quit eating.

It is the wildest, elitest theory I know of.

What industry in the United States enjoys having a conspiratorial cartel set their prices for them? No one, except big oil.

In short, decontrol is designed to see how much can we squeeze out of the American people before they take to the streets. It will be wildly inflationary, and not just for the farmers, or the people of my fine State who have to drive long distances to and from work, it is going to be reflected in that loaf of bread: it is going to be reflected in the price of the suit we have on our backs; and it is going to be reflected in the price of homes, because making those things requires energy.

It seems to me such a terrible contradiction to talk about ending inflation, on the one hand, and then allow a basic necessity to rise to whatever levels a monopoly chooses to set. We are just abdicating control over that much of our life to someone else.

Mr. President, this administration talks about a tax cut. I do not know whether it will be Kemp-Roth or not. I do not intend to vote for Kemp-Roth. I will vote for a specifically targeted tax cut which I do not think will be inflationary. When that debate takes place in this Chamber, we will talk about tax decreases. Does the Senate know how much the Kemp-Roth proposal is supposed to save the taxpayer? Thirty billion dollars.

Does the Senate know how much the American consumer is going to pay to the American oil industry just for decontrol? Any figure would be speculative, but it will assuredly be much more than that.

So what the right hand giveth, the left hand taketh away.

The only difference is the tax that the American people are going to be paying in the form of decontrolled prices does not go into the National Treasury. It goes into the pockets of the oil companies.

Again, I am not blaming them. They fought hard for it. They gave exorbitant sums of money to the President. He told them he would do it, he was elected, and he has done it.

Many people compare our gasoline prices to those in England, Japan, Germany, or Italy? In Greece it is $6 a gallon. In most Western European countries it is anywhere from $2.50 to $3.25 a gallon. In Japan it is about $2.75 a gallon.

None of those countries have private oil companies. The United States is one of very few countries with private oil companies.

In England the tax is close to $1, and that is why their gasoline is $3 or $2.50 a gallon. When they have chosen to cut consumption in those countries, they have raised the tax, and the increase goes into the treasury of the country. There is at least some social or economic value when that money is handed back to the people.

Here the only thing I can recommend is that everybody who can afford it buy stock in the oil companies. That is the only possible rebate.

I know a lot of widows who own stock in a very, very big oil company. I had dinner with one who told me that her dividends were, I believe, $6. They need them, and I am not quarreling with her, I am not quarreling with anybody. It is just smart, just good business sense, to invest in the oil companies, because I promise you we are not going to lay a hand on them.

When we run out of oil, Mr. President, which we will sooner rather than later and to the detriment of my children and yet unborn grandchildren, you need have no fear because the oil companies

now own 40 percent of all the coal in the country, and they will ultimately have the lion's share of the oil shale, the natural gas. So far as the control over the country is concerned, it will remain in the same hands. That is the reason it is a good buy.

Mr. President, I am more than dismayed and chagrined, I am saddened because I consider decontrol to be such a terrible betrayal. The arguments for it have been plausibly and persuasively made without much rebuttal but the American people will ultimately repudiate this entire policy, whether it occurs this year or 5 years from now. If we are going to remain a republic, we neither have oil companies nor five or six energy producing States in the United States setting a price equal to the OPEC cartel price for everything they produce. You cannot allow the Western States that produce a large portion of the coal in the country to levy any severance tax they want to and expect the rest of the country to pay it.

I have heard it said that the Alaska oil royalties are enough to abolish taxes, increase the State budget by 23 percent annually, give everybody in the State somewhere between $5,000 and $7,500 rebate, and have a surplus by the year 2000.

Who do you think is going to pay that? The other 49 States. We are going to polarize this Nation not just politically but polarize it economically between a very few "haves" and a very many "have-nots."

It is all part and parcel of the same thing. So I am saddened, Mr. President, saddened in my fear for the American people, and saddened by the fact that we have charted a course which is now irreversible. It does not matter how many times I make this speech. I have made it a lot of times, and I will make it some more, but nothing is going to change in the next 4 years in our energy policy, and it is a tragedy because it is the harshest of all policies.

Mr. President, yesterday President Reagan issued an order to remove controls from domestic crude oil and all oil products. There is nothing surprising in this, because he was merely fulfilling a campaign pledge, and it only speeded up the scheduled decontrol set by President Carter. It will come as no surprise to most of you that I oppose this action, but I must speak out, again, to express that opposition.

The rationale for President Reagan's action is the same as President Carter's was, and it is equally wrong. We are all familiar with it. Following decontrol, the price will go up, and that is supposed to provide the incentive for oil companies to find more oil. As decontrol has progressed for nearly a year and a half, the price of oil has gone up. The reason for these increases, however, seems somehow to escape the notice of those who have campaigned for decontrol. The price of oil is controlled by the OPEC cartel, which is composed largely of countries whose only wealth is their oil reserves. They are understandably determined to increase oil prices to an absolute maximum. They are not going to sell their patrimony for anything else.

By relinquishing our domestic controls over oil, we are subjecting ourselves to the control of this rapacious cartel. We are merely trading a benign form of domestic self-control for vulnerability to controls established by a monopoly, one of whose constituent members is Iran, which regards us as a "satan," and another is Libya, a frequent supporter of the terrorists which Secretary of State Haig has singled out as prime targets of the new administration. By decontrolling oil, we surrender ourselves to their animosity, and we merely hope that the other members of the cartel will somehow moderate them, despite the fact that they share the same desire to maximize prices.

We are stepping into this never-never land of foreign control over our destiny for the sake of an economic theory which is already repudiated by harsh facts. The theory is that increased prices will spur exploration and development of our oil resources, which will, in turn, make us less dependent upon foreign oil producers. Yet, the harsh fact is that our domestic supplies are limited by nature, and no amount of exploration can create more oil.

According to the Department of Energy's most recent statistics, the average domestic wellhead price of domestic oil has more than doubled during the phased decontrol. In May 1979, the average price was $10.71 per barrel. In August 1980, the price was $22.63. That is an increase of 111 percent. By comparison, the most recent Hughes rig report shows that drilling activity has increased by 29 percent from last year to this year, as drilling rigs have increased from 2,631 to 3,391. A shortage of rigs and crews has kept that number down slightly.

Despite the incredible increases in domestic prices and in the face of smaller increases in drilling activity, domestic production has decreased. In May 1979, domestic production was 8,585,000 barrels per day, and in October 1980, the most recent month for which DOE has published statistics, domestic production averaged 8,570,000 barrels per day. There is no reason for thinking that further increases in the price of oil will generate increases in production which are in any way commensurate with the price increases.

Given this track record, it is absolutely absurd to suggest that decontrolling domestic oil prices will let us break OPEC's ability to dictate the price of oil. We are barely able to maintain the current level of production, which is less than 20 percent of free world production. There is no way that such a small proportion of production will be able to undercut the remainder of free world production, especially because Saudi Arabia would readily cut its production by a million barrels per day in order to maintain prices. Other countries, for example, the United Arab Emirates have already reduced their production, and they might well follow the Saudi's lead if they cut production.

In short, it is necessary for us to face the simple fact that our oil supplies are finite, and that increasing the price further will not stimulate production.

The other side of the theoretical argument is that higher prices will reduce consumption. That is both true and heartless. If people cannot afford to buy heating oil or gasoline, they will not buy it. We can provide some financial assistance to help people purchase heating oil, but budget cutters will always find that to be a prime target, just as they would reduce food stamps. How low can thermostats be set? There is some point at which higher prices cannot force consumption down any further. We cannot in good conscience endorse a policy which seeks to find out what that point is, yet the decontrol policy would do just that.

Similarly, that policy seems determined to find out how much conservation can be squeezed out of Americans' gasoline consumption. The perception persists that Americans are still happily joyriding across the countryside in gas guzzling cars, but that is not the case. Consumption has already gone down, but the reduction has not been commensurate with increases in prices.

Since phased decontrol began, the average price of all grades of gasoline has increased from 82.3 cents per gallon to $1.22, which is nearly a 50-percent increase, but consumption is currently down only 2 percent. That is an apt measure of the elasticity of demand. It shows as a statistical matter what we already know, that it takes time for people to reorient their lives to expensive energy. People are buying more efficient cars, but abrupt increases in gas prices will not increase the rate at which they are doing so. The previous increases have already provided more than sufficient incentive.

Also, the very size of the country requires extensive use of fossil fuels for transportation. Increasing gasoline prices will not shrink the size of the country.

In short, this policy of decontrol is designed to find out how much the American public can be squeezed. What it will really do is determine how much they can suffer. The amount of suffering is not limited simply to energy prices, because those prices contribute to inflation, and that magnifies the problem. It is true, as Mr. David Stockman has testified, that increases in prices do not, of themselves, cause inflation.

If our national wealth increases at a rate sufficient to match those increases, there will be no inflation. Yet, it is totally unrealistic to argue or to suppose that our national wealth will be able to keep pace with oil price increases dictated by the OPEC cartel. Our experience since the embargo of 1973 proves that we cannot. The act of decontrolling oil prices will be inflationary, by any measure or theory.

This inflationary action taken by President Reagan is the practical equivalent of raising taxes, but it is actually far worse. Either action takes money from Americans, but at least a

tax increase is returned to Americans in the form of greater national security and better services. Higher oil prices will do neither. They will simply take $100 to $200 from each household and give it to the oil companies. We can only speculate what the total amount of money will be, but it will run into the billions of dollars. We can confidently predict that it will not appreciably increase oil production. We can also reasonably anticipate that it will also allow the oil companies to extend their domination of all energy production and that they will also continue to diversify their operations until they dominate other areas as well.

It is absolutely inconsistent to preach of tax cuts and the need to curb inflation and then to impose new burdens which are worse than tax increases and which spur inflation. It is plainly apocryphal when that action is in pursuit of a fruitless and inhumane policy. The decontrol of oil prices, however, is just that, and I will continue to oppose it.

(Mr. QUAYLE assumed the chair.)

Mr. EXON. Mr. President, yesterday the administration issued an Executive order decontrolling the price and allocation of crude oil, gasoline and propane. I wish to address the Senate today to express my concerns, not about the propriety of decontrol itself, but about the timing and the method of implementing this decision announced in the President's order.

As of January 28, immediate elimination of price controls and allocation authority of the Federal Government took effect and was replaced by the forces of the free market. Provision was made to maintain the State set-aside program until March 31, 1981. This order accelerated the phased decontrol plan of President Carter by some 9 months, as the Emergency Petroleum Allocation Act is scheduled to expire on October 1 of this year.

Phased decontrol was designed to soften the inflationary impact of decontrol and to provide for a transition period where the industry, government and consumers could prepare for the forces of the open market to take hold.

Of particular concern to this Senator from the State of Nebraska is the consequence of this decontrol order for the agricultural industry. This action, of course, translates into higher fuel costs to the farmer which otherwise would at least have been delayed until the 1982 crop planting and harvesting season, higher costs for food to the consumer, and higher inflation for everyone. Even more critical, however, than price, is the issue of supply should a disruption even as slight as the recent Iranian shortfall occur again.

Mr. President, long before the gas lines appeared here in Washington in 1979, the American farming community was desperately searching for adequate diesel supplies in a decontrolled diesel market. As you know, diesel fuel was decontrolled effective July 1, 1976. The spring and summer of 1979, however, posed a serious diesel fuel crisis for the farming community in the Midwest. Tight supplies and the Iranian cutoff combined with unfavorable weather conditions in the Midwest created a situation which approximately doubled demand for diesel fuel in the agricultural sector during the spring planting period. Acting under the authority of the Emergency Petroleum Allocation Act, State set-aside programs were available to help alleviate hardship or emergency situations by requiring a percentage of fuel supplies to be held in reserve and used to prevent the interruption of agricultural production. That program was far from a perfect system; however, it did provide relief in critical areas where the free market had temporarily failed.

Mr. President, the administration's decontrol order will eliminate the State set-aside program after March 31, 1981. This action leaves the food producing sector of our economy without even the frailest of safety valves should the conditions of 1979 repeat themselves. Already, predictions for a dry spring are being made due to an unusually dry winter in the Midwest which will place even greater reliance upon diesel-powered irrigation systems.

The agricultural and rural sectors of our Nation depend upon farmer cooperative owned and operated refineries for up to 45 percent of their fuel needs. These independent refineries rely primarily on the open market for crude supply. In a decontrolled environment, the major integrated refiners who own or effectively control substantial proportions of domestic and foreign supplies of crude now hold a privileged position in the competitive market. Independents must purchase their supplies from either the majors or on the high-priced spot market.

Absent some form of standby allocation controls, there is no mechanism available to insure an equitable distribution of crude oil and refined products such as gasoline to the independents during periods of supply disruption. Granted, the allocation controls had their shortcomings; but, a standby allocation authority of some fashion would provide a minimal guarantee to the farming community and independents in both the refining and retail markets that some product will be made available during a period of supply disruption. It would be foolish to believe that these supply interruptions of Middle Eastern oil will not occur.

Mr. President, the farmer co-op refineries become even more important today to the Midwest area as many major oil companies make partial or total market withdrawals in farm and rural areas. Agriculture, under the Reagan administration program, is now left to compete with the highly profitable commuter markets of the east and west coasts. Mr. President, I ask that an article from the Oil Daily, which outlines and gives credence to these concerns, be printed at the end of my statement.

In summary, Mr. President, I am concerned that yesterday's order reflects a lack of appreciation for the special energy needs of agriculture, particularly in the event of supply interruptions. The administration's decontrol order fails to recognize the legitimate needs of the independent refining and marketing sector and the unique and paramount energy needs of our Nation's priority agricultural users. It is disappointing to this Senator that we now have no shortfall safety valve as we begin to walk the decontrol highwire.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Oil Daily, Jan. 23, 1981]

MAJORS SEEN CHANGING MARKETING PRACTICES

(By Gene Wilburn)

HOUSTON.—Unconfirmed reports rampant in the nation's retail gasoline marketplace Thursday indicate that many majors plan drastic changes in their marketing practices, including a virtually total pullout from some specific areas, concurrently with the end of price controls.

Now scheduled for Oct. 1, decontrol could come earlier through a presidential executive order.

Most often mentioned among sources contacted by the Oil Daily were: Shell Oil Co., rumored to be planning a withdrawal from the upper Midwest, and Exxon USA, reportedly closing some retail outlets in the Southeast.

Some sources believe Texaco Inc. to be programming an expansion of its pullback from the North Central U.S., which was started more than three years ago, and Gulf Oil Corp. from the West Coast where last year it disposed of more than 200 retail outlets.

Most often mentioned as targets of these reported changes in marketing practices of the majors are:

Small stations pumping less than 50,000 gallons a month.

A majority of company-operated stations other than those serving as training centers for personnel.

Rural stations, especially those which make rather long, costly tank-truck hauls necessary.

FORCED CLOSINGS

Should the rumored pullbacks happen, they, coupled with increasing pricing pressures, would force the closing of many stations—leaving their supplies, and customers to existing large volume outlets of 150,000 gallons or more in sales per month.

One of the factors contributing to this threatened danger for small retail gasoline operators has been the recent upward explosiveness of the wholesale market.

These changes, reflecting the permissable pass-through of cost increases, have generally ranged in the 1- to 3-cent category but have occurred as often as three times in one week by the same refiner-supplier.

Informed industry sources say the large-volume outlets—those pumping upwards of 5,000 gallons a day—can go three to four days without moving their pump prices upward to accommodate the wholesale market's changes. Small operators, it was pointed out, do not have this luxury.

In response to reports of a planned restructuring of retail policies, a Shell Oil Co. spokesman told The Oil Daily:

"We have no program to pull out of any area at this time. We are constantly re-evaluating the viability of our stations, the status of which may be altered due to economics, shifting population trends and the like."

EXXON RESPONSE

Exxon, which reportedly has permanently closed some outlets and "mothballed" others—possibly for a future re-opening—in the Memphis, Tenn. area, likewise denied existence of a "program" aimed specifically at reducing or eliminating small gallonage and company-operated outlets.

An Exxon spokesman said that "for a number of years, Exxon has followed a practice of periodic review of its retail store chain to identify changes that should be made.

"Included in that review is the identification of those stations whose income potential is limited and which appear to be marginal operations for both the dealer and Exxon. A decision to close a station usually results from the fact that its dealer either elects to retire, to quit or to move."

Texaco Inc., meanwhile, is in the last phase of an admitted four-step pullout from the Upper Midwest and Great Lakes area.

When completed, a Texaco spokesman said, "we will be totally out of motor gasoline marketing in eight states, and partially out in 11 others."

The states in which Texaco will no longer be retail active include Iowa, Kansas, Michigan, Minnesota, Montana, North Dakota, Ohio and Wisconsin.

Those in which Texaco will be only partially active upon completion of the withdrawal program are Idaho, Illinois, Indiana, Kentucky, Missouri, Nebraska, New York, Pennsylvania, South Dakota, Washington and West Virginia.

Mr. ROBERT C. BYRD. Mr. President, in an effort to reduce America's alarming dependence on foreign oil, President Carter initiated the phased decontrol of domestic crude oil prices. This step was recommended by industry experts and independent analysts alike as the most effective means of spurring domestic production and energy conservation. This action has proved correct over the past 18 months. Rising domestic prices have led to increased exploration for oil and natural gas, while oil imports have recently averaged about 23 percent less than in 1979. Higher petroleum prices have also encouraged investment in a multitude of alternative energy sources.

Phased decontrol helped to diffuse the drastic inflationary impact which immediate decontrol would have had. At the time decontrol was announced in April, 1979, OPEC oil sold for approximately $14.50 per barrel; now the average world price is about $38 per barrel. Even then, it was predicted that higher prices for domestic oil would fuel inflation, slow economic activity, and increase unemployment.

It was also recognized that the inflationary impact of decontrol would be considerably higher if OPEC continued to raise the world price of oil. It is certain that the graduate approach has cushioned the shock which otherwise would have rocked the American economy. Phased decontrol allowed the American consumer to adjust gradually, albeit painfully, to these new energy realities.

Even as the predicted benefits of decontrol have been realized, so have the economic consequences. In the recently issued President's Economic Report, the pass-through of oil price increases into other commodities was labeled as the most important single factor in the acceleration of inflation.

Skyrocketing energy prices, resulting from OPEC hikes and the phased decontrol of domestic crude oil prices, was directly responsible for one-fifth of the overall increase in consumer prices in 1979 and nearly one-third of the price surge in the early part of 1980. Personal consumption expenditures for gasoline rose 29 percent between 1979 and 1980, reflecting price increases of about 20 cents per gallon. Home heating oil and utility costs also rose dramatically.

Yesterday, President Reagan signed an Executive order authorizing the immediate decontrol of domestic crude oil, gasoline, and propane, accelerating this process by almost 9 months. The President justified this action on the grounds that it will boost production and stimulate energy conservation. Decontrol was also billed as the first step to "deregulate America."

Mr. President, I supported President Carter's wise decision to begin the process of decontrol. It was critical for the United States to adopt a more realistic policy on oil pricing. It was also imperative that the overly complex and burdensome allocation system, which had at least contributed to severe shortages, be dismantled. I do not challenge the policy of decontrol; I merely question the timing of this latest decison.

The most recent economic statistics indicate that inflation is still raging at an unacceptably high level. The Consumer Price Index increased 1.1 percent in December and 12.4 percent for the whole year. Unemployment is still too high at 7.4 percent, and economic growth has been uneven.

According to the Department of Energy and the Congressional Budget Office, immediate decontrol of crude oil and gasoline could add from 5 to 14 cents to the price of gasoline at the pump and could cause a 0.5 to 0.6 increase in the CPI. In the midst of a record cold winter in the Northeast, decontrol could raise the cost of home heating oil by 8 to 10 cents a gallon. The decision leaves refiners and retailers free to charge whatever the market will bear. In those States which are dependent on heating oil the effects of this could be severe.

There are some other hidden costs connected with the President's decontrol decision. The end of controls also means an end to the entitlements program, which has helped to equalize costs and insure the availability of crude oil supplies for small- and medium-sized refiners. Although complex allocation regulations may not have been the answer, decontrol has now been accomplished before any accommodations have been made to assure the continued viability of our domestic refining industry. This could especially hurt the Midwest and Appalachian States as the summer driving season approaches.

Early decontrol also means that Government outlays for the strategic petroleum reserve could rise as much as $1.6 to $2.4 billion in the current fiscal year, depending on world oil prices. To help finance acquisitions of oil for the reserve, the Department of Energy has participated in the entitlements program. This advantageous arrangement will end with immediate decontrol.

Mr. President, immediate decontrol means that energy will cost more, inflation will worsen, and the oil companies will prosper. These consequences cannot ultimately be avoided. In the long run, the expected benefits of increased production and conservation should outweigh these costs. But in the short term, as we struggle to right our economic ship, immediate decontrol may not prove to be the most advisable course of action to take at this time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DECONTROL, AT LAST

Mr. LONG. Mr. President, the Washington Post has often been regarded as one of the great liberal voices of America. I am pleased to see that that great publication has the ability to temper its liberalism with logic.

In an editorial appearing in the Washington Post this morning it commends President Reagan for his decontrol of the oil industry. It is a very thoughtful editorial and one with which I completely agree.

There is no doubt in my mind, Mr. President, that this Nation in its policies of bureaucracy and Federal control, redtape, has impeded enormously this Nation's hopes for energy independence.

The President's move for decontrol is moving this Nation in the direction of a capability to control its own destiny.

I commend the President for his decontrol order. I ask unanimous consent that the editorial that appeared this morning, Thursday, January 29, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DECONTROL, AT LAST

President Reagan was absolutely right to decontrol oil and gasoline prices, quickly and without qualification. It is an essential step toward a rational energy policy. You can dismiss all of those tendentious claims about the added cost to the consumer. The added cost to the consumer will probably be in the range of zero. More than five-sixths of the country's crude oil supply is decontrolled. Home heating oil was decontrolled five years ago. As for gasoline, competition is holding actual retail prices well below the legal ceilings. For the country as a whole, these controls have brought nothing but harm, and the end of them will bring nothing but benefit.

The controls were wrong in theory when President Nixon imposed them in 1971. They were demonstrably wrong, as much costly experience already showed, when Congress insisted on perpetuating them in 1975. President Carter wisely began the process of decontrol last spring. The schedule was a gradual one running into next fall, when the law will expire altogether. Mr. Reagan has now sped up that final process by eight months.

Why were controls wrong? Because they disguised the dangerously high cost of oil to the American economy. The control system

required refiners with cheap, price-controlled domestic oil to subsidize othe refiners' imports. That held the price to American consumers far below the cost of the imports. Americans used a lot and kept the flow of imported oil high. That seriously damaged the country's balance of payments and eroded the value of the American dollar.

The high level of American imports helped create the very tight market that enabled the exporting nations to double their prices in 1979. By now, the price to the American consumer is undoubtedly higher than it would have been in the absence of any price controls at all. As an attempt to protect the American economy from higher oil costs, the controls have been an unmitigated failure.

Prices have been rising, inevitably, even under the controls. They aren't going to rise any faster in the absence of controls, unless another world shortage develops. Decontrol may even slow the rise a little. The control system contained a number of hidden subsidies—including the usual fat subsidy for the independent refiners that will now lapse, saving the public a little money.

At worst, in another international shortage and panic like the one in 1979 following the Iranian revolution, prices will indeed rise. How much? It depends on the scale of the shortage. There could be a squeeze on the supply line as early as this spring, if the war continues between Iran and Iraq. But in return for higher prices at the gasoline pump, you will get insurance against a return of the gasoline lines. Those lines were created by the price ceilings, and the cumbersome allocation rules that they required. Having been through two memorable episodes of gasoline lines, most Americans would surely prefer the next time around to pay in money rather than time, anger and anxiety.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEATH OF EMANUEL CELLER

Mr. MATHIAS. Mr. President, I noted with regret the news of the death in New York of Emanuel Celler, who for half a century of distinguished service in the Congress was our colleague.

Representative Celler, during an important part of his career in the other body, was the chairman of the Judiciary Committee. As chairman of the Judiciary Committee, he led the fight in a number of major legislative efforts that have resulted in the enhancing of the quality of life in America.

In the great civil rights agenda of the decade of the 1960s, he was among the legislative leaders who helped to enact the civil rights bill of 1964, the voting rights bill, the fair housing bill, and many other legislative measures designed to bring us closer to the goal of an equal opportunity in life for all Americans. In this work he was fortunate in having an able and gifted partner in Representative William McCulloch of Ohio, the ranking minority member of the Judiciary Committee. Together they made a formidable team.

In addition to his role in civil rights, Chairman Celler was one of those who fought for freedom of the marketplace. He took an active role in the antitrust activities of the House Judiciary Committee, and was one of the leading advocates of a vigorous antitrust program in the Department of Justice.

As a former member of the House Judiciary Committee, I can recall, with a great deal of admiration, respect, and pleasure some of the meetings of that committee over which Chairman Celler presided in a unique and inimitable way. He wielded the gavel in the House committee during a stormy period in American history, but he always managed to ride above the storm and to preside over the committee with fairness, dignity, and a certain amount of humor.

One of his particular devices for keeping the committee on track would be to resort to poetry or an anecdote whenever the atmosphere became too heated. Among the favorite lines of verse that he used to repeat from time to time, when he wanted to gain a few moments of respite for the committee so that people could allow their tempers to calm and their thoughts to be composed, was to recall that:

King David and King Solomon
Led merry, merry lives.
With many, many concubines
And many, many wives;
But when old age crept over them—
With many, many qualms,
King Solomon wrote the Proverbs
And King David wrote the Psalms.

And that short verse recited by Emanuel Celler would work wonders in the Judiciary Committee of the House of Representatives. Members would all chuckle and laugh and think about the shortness of the span of life of all of us, whether David or Solomon, or ordinary, garden variety Members of the House. We would get a new perspective on the issue that we were debating and go at it in a more positive and a more objective way.

So one of the legislative giants of American history has now passed from the scene. Although Emanuel Celler has been absent from the Congress for some years, his presence in American history has been very keenly felt.

Although he has now passed from this Earth, the work that he has done in the Congress, which has benefited millions of Americans, will be remembered and will constitute a very impressive monument to a great Member of Congress. The example of how much a single Member of Congress can accomplish is a challenge to each of us.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRASSLEY). Without objection, it is so ordered.

Mr. STEVENS. Mr. President, are we in executive session or legislative session?

The PRESIDING OFFICER. We are in morning business.

CLARIFICATION OF THE METHOD OF PAYMENT OF SEVERANCE PAY AND ANNUAL LEAVE

Mr. STEVENS. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 46), clarifying the method of payment of severance pay and annual leave.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the resolution.

Mr. STEVENS. Mr. President, this resolution is intended to clarify the resolution that was adopted last year concerning severance pay and annual leave, I am indebted to the new chairman of our Legislative Appropriations Subcommittee, Senator MATTINGLY, to Senator WALLOP, the staff of the Rules Committee, and others who have worked with us to make certain that the intention that we had at that time is clarified and that the Rules Committee and the Secretary of the Senate will carry out that intention.

The impact of this resolution will be that an employee who is eligible under the first resolution for severance pay or annual leave and who is reemployed by the Federal Government will be entitled to such pay for the period under the resolution that the employee was actually out of work. That was our intention at the outset.

Second, an employee on the personal staff of a Senator or a committee staff, or, for that matter, anyone who is eligible for payments under the first resolution, will be entitled to pay based only upon the salary of that individual as of November 1, 1980, or the most recent pay period that preceded November 1, 1980 when that individual was employed in the Senate.

Third, to be eligible for severance pay or annual leave under the first resolution, an employee must have been employed in the Senate for at least 183 days. This resolution clarifies the fact that that condition applies to all those eligible under the original resolution.

Fourth, April 1, 1981, will be the cut off date for the applications for severance pay or annual leave under the first resolution as was originally intended. However, if an employee must revise an application due to this second resolution, he will have until June 1, 1981 to do so.

If that is not necessary, all applications must be filed April 1, 1981.

Again, Mr. President, let me say that I am grateful to all those who have assisted us to prepare this resolution to make certain that it does carry out the intent that we had when I introduced the amended resolution on the last day of the last Congress.

This resolution has been cleared on both sides, Mr. President. I ask unanimous consent that it be considered at

this time, unless the distinguished Senator from West Virginia has a comment concerning it.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I shall not object, the resolution by Mr. STEVENS provides as follows, as I understand it:

First. Severance pay would be calculated based on the rate the individual was paid on November 1, 1980, or the next earlier date the employee was on the payroll. This will avoid the possible abuse of employees being given big pay increases after the election and the severance pay being calculated on those rates.

Second. All eligible employees must have served at least 6 months (183 days) in the Senate during calendar 1980. Under the current resolution, the requirement does not extend to all employees to be covered.

Third. The third change provides that no severance pay shall be paid to an employee who immediately secured another Federal position. Those employees who were employed for a period, for example 20 days, would receive a pro rata share of the 30-day maximum, that is 20 days severance pay.

Fourth. The one new provision is a cutoff date of April 1, 1981.

The changes proposed by Senator STEVENS, as I understand them, will reduce the cost and concentrate the severance pay on those who need it the most—in other words, the unemployed. Am I correct?

Mr. STEVENS. Mr. President, the Senator from West Virginia is correct. It is my opinion that that was our original intention, but the resolution was modified somewhat after it had been taken from the continuing resolution, as the Senator from West Virginia will recall. In the process of taking that out of the bill and making it into resolution form, it became clear. In effect, this treats all employees alike, as I understand it, and by doing so, prevents the original intent from being expanded to open the vistas for these larger demands.

Mr. ROBERT C. BYRD. Mr. President, there is no objection on this side.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 46) was agreed to, as follows:

S. RES. 46

Resolved, That notwithstanding the provisions of Senate Resolution 573, Ninety-sixth Congress, agreed to December 16, 1980, such resolution shall be implemented in accordance with the following provisions:

(1) The amount of any payment under such resolution shall be reduced (but not below zero) by an amount equal to the product of—

(A) the daily rate of basic pay of the individual on which such payment is based, multiplied by

(B) the number of days on which the individual is employed by the United States Government or the District of Columbia during the period beginning on the date of separation from service for which the payment is being made and ending on the last day of the period for which the payment is being computed.

(2) Any payment made under such resolution shall be made on the basis of the rate of basic pay of such employee on—

(A) November 1, 1980, or

(B) if such employee was not employed on such date, on the first day preceding such date on which such employee was employed by the Senate.

(3) No payment shall be made under such resolution to any individual who was not an employee of the Senate for at least 183 days during calendar year 1980 (whether or not such service was continuous).

(4) Any application for any payment under such resolution shall be made before April 1, 1981; except that if a revised application is required as a result of this resolution, such revised application shall be submitted before June 1, 1981.

SEC. 2. The Committee on Rules and Administration shall issue such regulations as are necessary to carry out the provisions of this resolution.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I thank the Chair. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO EXTEND MORNING BUSINESS TO 3:30 P.M.

Mr. BAKER. Mr. President, at what time does the time for morning business previously ordered expire?

The PRESIDING OFFICER. At 2:48 p.m.

Mr. BAKER. Mr. President, I ask unanimous consent that that time be extended until 3:30.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT OF MISS M. ELIZABETH CULBRETH AS DEPUTY SENATE LEGAL COUNSEL

Mr. BAKER. Mr. President, I have a resolution that I send to the desk on behalf of myself and the distinguished minority leader and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A Senate resolution (S. Res. 47) appointment of Miss M. Elizabeth Culbreth as Deputy Senate Legal Counsel.

Mr. BAKER. Mr. President, Mr. Robert Kelley, who has served as the Senate's first Deputy Senate Legal Counsel since the organization of the Office of Senate Legal Counsel in August 1979, is leaving that position to enter private practice in Washington, D.C.

This resolution makes effective Miss Elizabeth Culbreth's appointment as Deputy Senate Legal Counsel.

Miss Culbreth has been a senior litigation attorney with the Tennessee Valley Authority for a number of years. She is a graduate of Berea Colleage and the Vanderbilt University School of Law. She has prior Senate experience, having served as a lawyer on the staff of the Senate Select Committee to Study Governmental Operations With Respect to Intelligence Activities in 1975–76. Miss Culbreth is a member of the bars of the District of Columbia and the State of Tennessee.

I take this occasion to commend Bob Kelley for his service to the Senate as Deputy Senate Legal Counsel. Mr. Kelley provided highly professional representation to the Senate, its Members, and staff in this formative stage of the Office of Senate Legal Counsel. As Deputy Senate Legal Counsel, Mr. Kelley also rendered valuable service as counsel to the Senate Judiciary Subcommittee to Investigate Individuals Representing the Interests of Foreign Governments. Previously, Mr. Kelley has served as a staff counsel to the Senate Intelligence Committee, the Senate Judiciary Committee, and as administrative assistant to Senator CHARLES MCC. MATHIAS, Jr. of Maryland.

Miss Culbreth's appointment is made pursuant to title VII of the Ethics in Government Act of 1978.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 47) was considered and agreed to as follows:

S. RES. 47

Resolved, That the appointment of Miss M. Elizabeth Culbreth to be Deputy Senate Legal Counsel made by the President pro tempore of the Senate on January 28, 1981, shall become effective on February 2, 1981, and the term of service of the appointee shall expire at the end of the 98th Congress.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STAFFORD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ELECTION OF DR. RICHARD C. HALVERSON, OF MARYLAND, AS CHAPLAIN OF THE U.S. SENATE

Mr. BAKER. Mr. President, I send to the desk a resolution and ask that it be immediately considered.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 48) electing Dr. Richard C. Halverson, of Maryland, as Chaplain of the United States Senate.

The resolution (S. Res. 48) was considered by unanimous consent and agreed to as follows:

S. RES. 48

Resolved, That Dr. Richard C. Halverson, of Maryland, be, and he is hereby, elected Chaplain of the Senate as of Monday, February 2, 1981.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STAFFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR RECESS UNTIL 11 A.M. TOMORROW, AND FROM TOMORROW UNTIL 10:15 A.M. TUESDAY, FEBRUARY 3

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11 a.m. tomorrow, January 30, and that when the Senate convenes on tomorrow, it immediately stand in recess until 10:15 a.m., Tuesday, February 3.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR CERTAIN ACTION ON FRIDAY, JANUARY 30, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that on Friday, January 30, 1981, between the hours of 9 a.m. and 4 p.m., Senators be permitted to introduce bills, resolutions, and statements, and that committees be authorized to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING RECEIPT OF MESSAGES AND APPROPRIATE REFERRAL THEREOF AND SIGNING DULY ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. BAKER. Mr. President, I ask unanimous consent that during the recess of the Senate over until Friday, January 30, and Tuesday, February 3, messages from the President of the United States and the House of Representatives may be received by the Secretary of the Senate and appropriately referred, and that the Vice President, the President pro tempore and the acting President pro tempore be permitted to sign duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I yield the floor.

ORDER FOR RECOGNITION OF CERTAIN SENATORS ON TUESDAY, FEBRUARY 3, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that on Tuesday, February 3, following the time allocated to the two leaders under the standing order, the following Senators be recognized for 15 minutes each: Senator CHAFEE. Senator BUMPERS, and Senator HARRY F. BYRD, JR.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time for the transaction of routine morning business be extended to 4 p.m., under the same terms and conditions previously ordered.

The PRESIDING OFFICER (Mr. SYMMS). Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Committee on the Budget has approved our own budget for the upcoming year, and the budget is 10.2 percent less than this year's budget in dollars and 10 percent smaller in terms of the number of staff.

The committee approved this budget for submission to the Rules Committee at our organizational meeting yesterday, and as chairman of the committee, I send to the desk the resolution which is our formal submission.

Mr. President, our committee recognized when we sat down to consider our budget that Public Law 96–508 requires a 10-percent reduction in expenditures for Senate activities in fiscal 1981 as compared to fiscal 1980. The Budget Committee felt compelled to do our part to meet that requirement, and we did. As I said, we cut the committee budget 10 percent or more, in both money and staff.

Let me point out, Mr. President, that the budget we propose would allow the Budget Committee no more money this year than it had in 1977. So, our budget for next year is actually lower than the committee budget was 5 years ago.

Notwithstanding all the reasons we all know so well—that the cost of everything has increased astronomically over the last 5 years—our committee feels strongly that we must cut back all across the Federal budget, and the cutbacks must start here. It is a case of "physician heal thyself".

Despite inflation totaling 50 percent since 1977, we refuse to increase our budget.

We must find ways to constrain Federal spending, control inflation, reduce the burden of taxation, and get our economy back on track. We can do all that. The people of this country, in my estimation, made it very clear last November that they expect us to do all that. And, the best way to get going in that direction is to start here and now. The Budget Committee has done that. I hope, and expect, other Senate committees will do the same and reduce their individual budgets by a true 10 percent.

If we reduced all Federal spending by 10 percent, fiscal 1981 budget authority would be about $71 billion lower than now anticipated and outlays would be about $66 billion lower than now expected. In short, Mr. President, we would come very close to balancing the Federal budget for this year.

Mr. President, the submission I send to the desk today is the result of the most intense deliberations by the Budget Committee. It will require real sacrifice by the committee and by individual members of the committee. I want to commend the committee for its courage and action in this delicate matter.

I ask unanimous consent that the resolution be printed in the RECORD at this time.

(The resolution is printed under routine morning business in today's RECORD.)

Mr. DOMENICI. Mr. President, I wish to say to our leader that this Budget Committee under Senator Muskie for the past 3 years has not increased the budget of the Budget Committee at all. That made the task of living up to the 10-percent cut even more difficult, but I report that there is no equivocation about it. It is straight arithmetic, It is 10.2 percent less than the previous budget and 10 percent less in personnel.

This was extremely difficult not only for the committee but I must say in all honesty extremely difficult for the new minority. That is a very dramatic and traumatic experience to go from two-thirds to one-third and then have a 10-percent cut also.

I give particular praise to my ranking minority member, Senator HOLLINGS. He had to bite the bullet very severely on it. He did so. It was not without a great deal of difficulty.

I report to our leader that if anyone thought these kinds of budgets were going to come easy it took 2 hours and 45 minutes with a full quorum in attendance, I say to our leader, with a full committee hearing to resolve this issue, but it is done.

I think we are the better for it. Certainly the Budget Committee has a responsibility for the Nation. I think it is absolutely appropriate that we start by cutting our own budget as we have.

I want our leader to know that we did it and in spite of it being difficult for many now to face up to these kinds of staff cuts I think the committee can do its job responsibly with the 10-percent

cut in numbers of people and 10.2 percent less in dollars.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. DOMENICI. I am pleased to yield.

Mr. BAKER. Mr. President, I am pleased and delighted that the chairman of the Budget Committee has made this report to the Senate.

At the beginning of the year I made a public request that committees try to reduce their budgets in the aggregate by 10 percent.

I would have expected that all committees would try, but I certainly felt confident that the distinguished Senator from New Mexico and the Budget Committee would be in the vanguard trying to achieve that effort.

Mr. President, I wish to express my personal appreciation to the Senator from New Mexico, the chairman of the Budget Committee, and to the Senator from South Carolina, the ranking minority member, not only for making this cut but for setting an example for other committees and indeed for the entire Senate in symbolizing our determination to see that the level of expenditures and the budget of this Government are brought under control.

So I thank the distinguished Senator for bringing this matter to our attention. I congratulate him on that successful effort, and I wish to express my personal appreciation.

Mr. DOMENICI. I thank my good friend, our leader.

THE RULES OF THE COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Committee on the Budget held its organizational meeting yesterday, at which we adopted the Committee Rules for this Congress; and I ask unanimous consent that a copy of the Committee Rules be inserted in the RECORD.

The Budget Committee Rules for this Congress are substantially the same they have been for the last 2 years. The committee did decide to adopt, as part of our permanent rules, the "no-proxy rule" for budget resolution deliberations we have observed on a temporary basis since February of 1979.

As far as I know, our "no-proxy rule" on budget resolutions is unique in either House of Congress. Senator CHILES first proposed, in February of 1979, that the Budget Committee require that its members be present if they wanted to vote during the committee's deliberations on budget resolutions.

We have observed this practice during deliberations on the first and second budget resolutions for fiscal years 1980 and 1981, and it has worked very well. The committee has found that we get outstanding attendance throughout our markups, and that all of our members are therefore better informed about the decisions we make, when we report budget resolutions to the Senate.

Senators' schedules being what they are, Mr. President, I do not need to tell my colleagues what a difficult task it is for members of the Budget Committee to arrange to attend the sometimes very lengthy markup sessions—some of which have gone from 9 in the morning to midnight—which are frequently necessary in order for the commitee to meet its statutory deadlines and report budget resolutions to the Senate in a timely fashion.

I believe that it is only because the committee members take very seriously the importance of our task, in recommending to the Senate appropriate fiscal policy for the Nation—and the appropriate allocation of scarce resources amongst competing priorities—that the members have chosen to bind themselves by a rule which denies them the opportunity to vote on these important questions unless they attend the markups.

I think the members of the Budget Committee should be commended for their commitment. I think this attitude is entirely consistent with the majority leader's often-voiced concern that the Senate is intended to be—and indeed should be—the deliberative body which carefully considers issues of compelling importance to the Nation; and I want to take this opportunity to say that I look forward to working with all of our members, in my new role as chairman, as we approach what will certainly be a very challenging year for all of us.

Mr. President, I ask unanimous consent to have printed in the RECORD the committee rules.

There being no objection the rules were ordered to be printed in the RECORD, as follows:

RULES OF THE COMMITTEE ON THE BUDGET
NINETY-SEVENTH CONGRESS

I. MEETINGS

(1) The committee shall hold its regular meeting on the first Thursday of each month. Additional meetings may be called by the chairman as he deems necessary to expedite committee business.

(2) Each meeting of the Committee on the Budget of the Senate, including meetings to conduct hearings, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee determines by record vote in open session of a majority of the members of the committee present that the matters to be discussed or the testimony to be taken at such portion or portions—

(a) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(b) will relate solely to matters of the committee staff personnel or internal staff management or procedure;

(c) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(d) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement; or

(e) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

(1) an act of Congress requires the information to be kept confidential by Government officers and employees; or

(2) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

II. QUORUMS

(1) Except as provided in paragraphs (2) and (3) of this section, a quorum for the transaction of committee business shall consist of not less than one third of the membership of the entire committee: *Provided*, That proxies shall not be counted in making a quorum.

(2) A majority of the committee shall constitute a quorum for reporting budget resolutions, legislative measures or recommendations: *Provided*, That proxies shall not be counted in making a quorum.

(3) For the purpose of taking sworn or unsworn testimony, a quorum of the committee shall consist of one Senator.

III. PROXIES

When a record vote is taken in the committee on any bill, resolution, amendment, or any other question, a quorum being present, a member who is unable to attend the meeting may vote by proxy if the absent member has been informed of the matter on which the vote is being recorded and has affirmatively requested to be so recorded: except that no member may vote by proxy during the deliberations on Budget Resolutions.

IV. HEARINGS AND HEARING PROCEDURES

(1) The committee shall make public announcement of the date, place, time, and subject matter of any hearing to be conducted on any measure or matter at least 1 week in advance of such hearing, unless the chairman and ranking minority member determine that there is good cause to begin such hearing at an earlier date.

(2) A witness appearing before the committee shall file a written statement of his proposed testimony at least 1 day prior to his appearance, unless the requirement is waived by the chairman and the ranking minority member, following their determination that there is good cause for the failure of compliance.

V. COMMITTEE REPORTS

(1) When the committee has ordered a measure or recommendation reported, following final action, the report thereon shall be filed in the Senate at the earliest practicable time.

(2) A member of the committee who gives notice of his intention to file supplemental, minority, or additional views at the time of final committee approval of a measure or matter, shall be entitled to not less than 3 calendar days in which to file such views, in writing, with the chief clerk of the committee. Such views shall then be included in the committee report and printed in the same volume, as a part thereof, and their inclusion shall be noted on the cover of the report. In the absence of timely notice, the committee report may be filed and printed immediately without such views.

Mr. DOMENICI. Mr. President, I yield the floor.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FILING DATE FOR ANNUAL REPORTS REQUIRED BY FEDERAL ELECTION CAMPAIGN ACT OF 1971

Mr. BAKER. Mr. President, the filing date for the annual report as required by the Federal Election Campaign Act of 1971, as amended, is Saturday, January 31, 1981. Reports solely relating to Senate candidates should be submitted to the Senate's Office of Public Records, 119 D Street, NE, room A–623, Washington, D.C. 20510. The Office of Public Records will be opened from 9 to 12 on that date. Any questions in this regard should be directed to the Office of Public Records at 224–0329.

ACID RAIN: WHY CALIFORNIA AND FLORIDA?

Mr. FORD. Mr. President, the Council on Environmental Quality in its 1979 report made two important points with respect to "acid rain:"

Insufficient knowledge exists about the explicit causes and total effects of acid rain, a fact that has hampered development of sound control and mitigation measures.

The research effort to date for assessing the acid-rain problem has been small in comparison to what is needed. Few concrete facts are known.

Despite this, we are constantly berated by arguments that the major cause of acid rain is the burning of coal, particularly in coal-fired powerplants that lie to the west of the incidence of acid rain.

In point here is a recent report done for the Department of Energy by PEDCo Environmental Inc., Cincinnati, Ohio. Among other matters the report concentrates on California which does not have a single coal-fired plant and Florida which has only four coal-fired plants among its 56 powerplants. Neither State is affected by long-range transport of pollutants from westward.

The report reaches the following findings:

Close examination of fuel use information and source emission characteristics in the Adirondacks, Florida, and California suggests that local oil burning and automotive sources may be major contributors to the occurrence of acid rain in these areas.

Oil-fired units emit comparatively large quantities of catalytic compounds capable of rapidly converting still more sulfur oxide to sulfate in the atmosphere. Thus, in areas where large quantities of oil are burned, the direct impact from locally generated sulfates may equal or even exceed that produced by "imported" sulfates derived from distant coal-burning sources.

Fuel consumption data show that large quantities of oil are being consumed in areas experiencing acid rain. Forty percent of the residual and 36 percent of the distillate oil burned in the United States is consumed in the eight State area surrounding the Adirondacks. California is the next largest oil-consuming area, and Florida is third.

Nitric acid is responsible for about 30 percent of rainfall acidity in the Northeast and Florida, and for about 30 to 75 percent of the rainfall acidity in California. Nitrates are believed to be formed from nitrogen oxides emitted principally by mobile and stationary combustion sources. In California, these NO_x emissions clearly arise from local sources; in Florida and the Northeast they may be generated by both local and remote sources.

Control strategies aimed at reducing emissions from Midwestern sources would have profound economic implications and may only have minor effects on· First, concentration of local source pollutants in the Northeast, and second, material damage caused by acid rain and its precursors. Application of flue gas desulfurization to the 50 largest coal-fired SO_2 emitters east of the Mississippi would cost in the neighborhood of $10 to $15 billion. The environmental effects of replacing oil with coal as an energy source should be reconsidered in light of the potentially greater hazards associated with oil burning.

Where large quantities of oil are burned, the direct impacts of local oil burning may exceed those that would be produced by burning equivalent amounts of coal. In fact, the preliminary results of atmospheric modeling suggest that 50 percent or more of the sulfates impacting locally are produced locally.

Mr. President, I commend the report to the committees of jurisdiction, especially the implications of the findings.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

FOURTH SPECIAL MESSAGE FOR FISCAL YEAR 1981—MESSAGE FROM THE PRESIDENT—PM 28

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report a proposal to rescind $1.5 million in funds appropriated for the Council on Wage and Price Stability. The details of this rescission proposal are contained in the attached report.

RONALD REAGAN.

THE WHITE HOUSE, *January 29, 1981.*

MESSAGES FROM THE HOUSE

At 10:18 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 253. An act to increase the number of members of the Commission on Wartime Relocation and Internment of Civilians.

The message also announced that, pursuant to the provisions of 15 U.S.C. 1024 (a), the Speaker appoints as members of the Joint Economic Committee the following Members on the part of the House: Mr. REUSS, Mr. BOLLING, Mr. HAMILTON, Mr. LONG of Louisiana, Mr. MITCHELL of Maryland, Mr. RICHMOND, Mr. BROWN of Ohio, Mrs. HECKLER, Mr. ROUSSELOT, and Mr. WYLIE.

The message further announced that pursuant to sections 42 and 43 of title 20 of the United States Code, the Speaker appointed on January 23, 1981, the following Members to the Board of Regents of the Smithsonian Institution on the part of the House; Mr. MINETA, Mr. BOLAND, and Mr. CONTE.

At 11:30 a.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the Speaker has signed the following enrolled bill:

S. 253. An act to increase the number of members of the Commission on Wartime Relocation and Internment of Civilians.

The Vice President subsequently signed the enrolled bill.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. Res. 43. An original resolution authorizing expenditures by the Committee on Agriculture, Nutrition, and Forestry; referred to the Committee on Rules and Administration.

By Mr. HEINZ, from the Special Committee on Aging, without amendment:

S. Res. 45. An original resolution authorizing expenditures by the Special Committee on Aging; referred to the Committee on Rules and Administration.

By Mr. STAFFORD, from the Committee on Environment and Public Works:

S. Res. 49. An original resolution authorizing expenditures by the Committee on Environment and Public Works; referred to the Committee on Rules and Administration.

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 50. An original resolution authorizing expenditures by the Committee on the Budget; referred to the Committee on Rules and Administration.

By Mr. COHEN, from the Select Committee on Indian Affairs, without amendment:

S. Res. 51. An original resolution authorizing expenditures by the Select Committee on Indian Affairs for inquiries and investigations; referred to the Committee on Rules and Administration.

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, without amendment:

S. Res. 52. An original resolution authorizing expenditures by the Committee on Commerce, Science, and Transportation; referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WARNER, from the Committee on Armed Services:

John F. Lehman, Jr., of Virginia, to be Secretary of the Navy; and

Frank C. Carlucci, of Virginia, to be Deputy Secretary of Defense.

By Mr. HARRY F. BYRD, JR., from the Committee on Armed Services:

John O. Marsh, Jr., of Virginia, to be Secretary of the Army.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HATFIELD (for himself, Mr. JACKSON, Mr. WALLOP, Mr. MELCHER, Mr. CRANSTON, Mr. DOMENICI, and Mr. DECONCINI):

S. 306. A bill to authorize the Secretary of the Interior to construct, operate, and maintain hydroelectric powerplants at various existing water projects, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BAKER (for Mr. COCHRAN) (for himself, Mr. BOREN, Mr. BENTSEN, Mr. TOWER, Mr. WALLOP, and Mr. SYMMS):

S. 307. A bill to amend the Internal Revenue Code of 1954 to exempt from the windfall profit tax oil produced from interests held by or for residential child care agencies; to the Committee on Finance.

By Mr. BAKER (for Mr. COCHRAN):

S. 308. A bill for the relief of Hueng-Sang Chun (also known as Margaret Chun); to the Committee on the Judiciary.

S. 309. A bill for the relief of Rene Arevalo Guerrero; to the Committee on the Judiciary.

S. 310. A bill for the relief of JinSuk Park; to the Committee on the Judiciary.

By Mr. JEPSEN:

S. 311. A bill to establish a Soil Tilth Center at Iowa State University; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. LEVIN (for himself, Mr. BOREN, Mr. HATFIELD, Mr. JEPSEN, Mr. BUMPERS, Mr. ANDREWS, Mr. BAUCUS, Mr. BENTSEN, Mr. BIDEN, Mr. BOSCHWITZ, Mr. BURDICK, Mr. CANNON, Mr. CHAFEE, Mr. COHEN, Mr. DANFORTH, Mr. DECONCINI, Mr. DENTON, Mr. DODD, Mr. DURENBERGER, Mr. EAGLETON, Mr. GARN, Mr. GOLDWATER, Mr. GORTON, Mr. HAYAKAWA, Mr. HEFLIN, Mr. HEINZ, Mr. HELMS, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. INOUYE, Mrs. KASSEBAUM, Mr. KASTEN, Mr. LUGAR, Mr. MATHIAS, Mr. MATSUNAGA, Mr. MATTINGLY, Mr. MCCLURE, Mr. MELCHER, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. NICKLES, Mr. PRESSLER, Mr. PROXMIRE, Mr. PRYOR, Mr. RANDOLPH, Mr. RIEGLE, Mr. SARBANES, Mr. SCHMITT, Mr. SIMPSON, Mr. STEVENS, Mr. TSONGAS, and Mr. WILLIAMS):

S. 312. A bill for the relief of Maria and Timofei Chmykhalov, and for Lilia, Peter, Liubov, Lidia and Augustina Vashchenko; to the Committee on the Judiciary.

By Mr. HEFLIN:

S. 313. A bill to amend title XIX of the Social Security Act to permit States to terminate eligibility for medicaid medical assistance for up to one year for individuals determined to have abused the Medicaid program; to the Committee on Finance.

S. 314. A bill to permit relatives of Medicaid eligible individuals residing in nursing homes to contribute voluntarily to a State fund for the provision of such care; to the Committee on Finance.

S. 315. A bill to amend title XIX of the Social Security Act to permit State medicaid programs to require nominal copayments for basic services provided to categorically needy individuals; to the Committee on Finance.

S. 316. A bill to amend title XIX of the Social Security Act to allow States to provide for competitive bidding for the purchase of certain items under their Medicaid plans; to the Committee on Finance.

By Mr. BENTSEN:

S. 317. A bill to amend the Internal Revenue Code of 1954 to provide faster tax deductions for depreciation and larger investment tax credits in order to help combat inflation and increase the United States position in world trade; to the Committee on Finance.

S. 318. A bill for the relief of Doctor Vidal O. Simpao, Jr.; to the Committee on the Judiciary.

S. 319. A bill for the relief of Doctor Virgilio C. Carandang and Cecilia Tanedo Carandang; to the Committee on the Judiciary.

S. 320. A bill for the relief of Doctor Ricardo Mateo Rodriguez; to the Committee on the Judiciary.

By Mr. BENTSEN (for himself and Mr. DIXON):

S. 321. A bill to amend section 265 of the Internal Revenue Code of 1954 with respect to the deduction, by certain financial institutions, of interest paid on deposits of public funds where those deposits are secured by tax-exempt obligations; to the Committee on Finance.

By Mr. STENNIS:

S. 322. A bill for the relief of Vincent Man-Suen Tsin to the Committee on the Judiciary.

S. 323. A bill for the relief of Mrs. Josefina N. Sta Ana; to the Committee on the Judiciary.

S. 324. A bill for the relief of A. Z. M. Rabiul Hasan; to the Committee on the Judiciary.

By Mr. ANDREWS:

S. 325. A bill for the relief of Doctor Manuel Javier Mariano and his wife, Lilia Zapanta Mariano; to the Committee on the Judiciary.

By Mr. METZENBAUM:

S. 326. A bill to require the divorcement of motor fuel service stations from operation by certain producers and refiners of motor fuels, to control sales by producers and refiners of motor fuels, and for other purposes; to the Committee on the Judiciary.

By Mr. JACKSON (for himself and Mr. GORTON):

S. 327. A bill to establish the Protection Island National Wildlife Refuge, Jefferson County, State of Washington; to the Committee on Environment and Public Works.

By Mr. BAKER (for Mr. PERCY) (for himself, Mr. DIXON, Mr. ABDNOR, and Mr. LEVIN):

S. 328. A bill to amend the Internal Revenue Code of 1954 to encourage the production of alcohol for fuel use by repealing the occupational tax on manufacturers of stills and condensers; to the Committee on Finance.

By Mr. PELL:

S. 329. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for certain home heating costs; to the Committee on Finance.

By Mr. DURENBERGER (for himself and Mr. BOREN):

S. 330. A bill entitled the "Investment Income Incentive Act of 1981"; to the Committee on Finance.

By Mr. GRASSLEY:

S. 331. A bill for the relief of Emanuel F. Lenkersdorf; to the Committee on the Judiciary.

By Mr. BOREN (for himself and Mr. NICKLES):

S. 332. A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to encourage a reduction of air pollution and oil consumption by existing electric powerplants; to the Committee on Energy and Natural Resources.

By Mr. EAGLETON:

S. 333. A bill for the relief of Ajith Situge DeSilva and Suneetha Situge DeSilva, husband and wife, and their daughter Varsha A. S. DeSilva; to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 334. A bill for the relief of Erlinda Cayetano; to the Committee on the Judiciary.

S. 335. A bill for the relief of Ramzi Sallomy and Marie Sallomy; to the Committee on the Judiciary.

S. 336. A bill for the relief of Joon Ho Lim; to the Committee on the Judiciary.

S. 337. A bill for the relief of Bedros Bastajian and Makrouhie Bastajian; to the Committee on the Judiciary.

S. 338. A bill for the relief of Sushma Sidh, Suresh Sidh and Sushant Sidh; to the Committee on the Judiciary.

By Mr. DANFORTH:

S. 339. A bill for the relief of Alexis Maria Devaraj; to the Committee on the Judiciary.

S. 340. A bill for the relief of Doctor Herman Sardjono and his wife, Erlanda Sardjono; to the Committee on the Judiciary.

By Mr. EAGLETON:

S. 341. A bill for the relief of Isaac N. Hulver of Kansas City, Missouri; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S.J. Res. 22. Joint resolution authorizing the President to proclaim March 16 of each year as "Freedom of Information Day"; to the Committee on the Judiciary.

By Mr. HEFLIN:

S.J. Res. 23. Joint resolution proposing an amendment to the Constitution to promote fiscal responsibility; to the Committee on the Judiciary.

By Mr. DURENBERGER (for himself, Mr. QUAYLE and Mr. DANFORTH):

S.J. Res. 24. Joint resolution proposing an amendment to the Constitution of the United States with respect to reconfirmation of Federal judges after a term of ten years; to the Committee on the Judiciary.

By Mr. DANFORTH (for himself, Mr. DECONCINI, Mr. WALLOP, Mr. HAYAKAWA, Mr. GARN, Mr. GOLDWATER, Mr. EXON, Mrs. KASSEBAUM, Mr. HUMPHREY, Mr. SIMPSON, Mr. DURENBERGER and Mr. QUAYLE):

S.J. Res. 25. Joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office of Members of the Senate and of the House of Representatives; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATFIELD (for himself, Mr. JACKSON, Mr. WALLOP, Mr. MELCHER, Mr. CRANSTON, Mr. DOMENICI, and Mr. DECONCINI):

S. 306. A bill to authorize the Secretary of the Interior to construct, operate, and maintain hydroelectric powerplants at various existing water projects, and for other purposes; to the Committee on Energy and Natural Resources.

ADVANCING THE PRODUCTION OF HYDROELECTRIC POWER IN THE WESTERN STATES

● Mr. HATFIELD. Mr. President, those who were in this Chamber last Congress will recall when I was joined by several of our colleagues in introducing two measures to advance the production of hydroelectric power in the Western United States. One of the measures, a bill to authorize feasibility investigations by the Secretary of the Interior of certain hydroelectric developments, was signed into law. The other measure, which would have authorized construction of hydroelectric facilities at existing water and power resources service projects, passed the Senate but unfortunately was not taken up by the House in the last days of the 96th Congress.

Today, I am joined by the distin-

guished Senators from Washington (Mr. JACKSON), Wyoming (Mr. WALLOP), Montana (Mr. MELCHER), California (Mr. CRANSTON), New Mexico (Mr. DOMENICI) and Arizona (Mr. DECONCINI) in reintroducing legislation to authorize the construction of those hydroelectric facilities. Briefly, the bill authorizes the construction of additional hydroelectric facilities at 11 reclamation projects and the replacement of an existing turbine and generator with a larger unit at a 12th site. The 12 projects would represent a new rated capacity of over 732 megawatts. The measure authorizes $481 million for construction costs, or about $650 per kilowatt of installed capacity which is a real bargain at current costs. The taxpayers' investment in these projects would be repaid with interest by the ratepayers of the area served by the power.

Hydroelectric power is our only renewable energy resource which can have an immediate impact on our energy needs. It is a clean, environmentally sound source of energy capable of development with off-the-shelf hardware and proven technology. The 12 projects which would be authorized by this measure will add significantly to our power resources in respect to both satisfying projected demands and decreasing our dependence upon imported oil. I should point out that no new storage or reregulating structures would be required in order to produce electricity at these projects.

Timing on this legislation is crucial as funding for six of these projects is included in the budget request for fiscal year 1982. Evidently this funding request was prepared last fall in anticipation of congressional authorization but, as I mentioned, the House was unable to complete work on the bill prior to adjournment. If we fail to act on the bill that I introduce today, we will not be able to appropriate the needed funds and there will be further wasteful delay in initiating construction on these projects.

This bill is identical with S. 1420 which passed the Senate on December 5, 1980 and I am hopeful that the measure will receive consideration by the full Senate in the near future.

Mr. President, I ask unanimous consent that the text of the bill be included in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 306

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Acts of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof and supplemental thereto), is authorized to construct, operate, and maintain hydroelectric powerplants at existing reclamation project facilities at locations and in the approximate capacities set forth in section 4 of this Act: *Provided,* That construction by the Secretary of the Interior of a powerplant designated in subsection (a), (g), (h), or (i) of section 4 of this Act may not proceed prior to October 1, 1983, or if a license has been issued prior to such date to a non-Federal entity pursuant to section 4(e) of the Federal Power Act (16 U.S.C. 797) to construct such powerplant. In carrying out the purposes of this Act, the Secretary of the Interior is authorized to modify the capacity of a powerplant designated in section 4 as determined to be necessary or desireable during postauthorization study and design, and after consultation with the Secretary of Energy.

SEC. 2. The Secretary of Energy is authorized to construct, operate, and maintain transmission facilities as required physically to connect the hydroelectric powerplants authorized in this Act to existing power systems and as he determines necessary to accomplish distribution and marketing of power generated by powerplants constructed pursuant to this Act, and to purchase replacement capacity, energy, or both in order to maintain deliveries to customers during unit outages which result from construction of the powerplants authorized in this Act.

SEC. 3. During construction of powerplants authorized in this Act, the Secretary of the Interior and the Secretary of Energy shall seek to minimize the loss of capacity, energy, or both to power customers due to unit outages which result from such construction. The Secretary of Energy shall seek to maintain deliveries of capacity, energy, or both at contract prices to customers affected by unit outages resulting from such construction.

SEC. 4. (a) Friant powerplant unit, Central Valley project, California, consisting of:

(1) a turbine generator unit of two thousand seven hundred kilowatts on the river outlet from Friant Dam;

(2) a turbine generator unit of five thousand kilowatts on the outlet to the Madera Canal at Friant Dam; and

(3) a turbine generator unit of fifteen thousand kilowatts on the outlet to the Friant-Kern Canal at Friant Dam.

(b) Whiskeytown powerplant unit, Central Valley project, California, consisting of a turbine generator unit of three thousand kilowatts on the outlet works of Whiskeytown Dam.

(c) Canyon Ferry powerplant enlargement, Pick-Sloan Missouri Basin program, Montana, consisting of a turbine generator unit of ninety thousand kilowatts on the outlet works of Canyon Ferry Dam.

(d) Yellowtail Afterbay powerplant unit, Pick-Sloan Missouri Basin program, Montana, cosisting of a turbine generator unit of ten thousand kilowatts on the outlet works of Yellowtail Afterbay Dam.

(e) Hoover Dam powerplant modification, Arizona-Nevada, consisting of not more than four turbine generator units to increase the powerplant capacity by five hundred thousand kilowatts.

(f) Buffalo Bill Dam powerplant replacement, Shoshone project, Wyoming, consisting of a turbine generator unit of twenty thousand kilowatts in replacement of an existing unit of five thousand kilowatts at Buffalo Bill Dam.

(g) Red Bluff powerplant unit, Central Valley project, California, consisting of three turbine generator units of five thousand kilowatts each at Red Bluff Diversion Dam.

(h) Stony Gorge powerplant unit, Orland project, California, consisting of a turbine generator unit of three thousand kilowatts on the outlet works of Stony Gorge Dam.

(i) Monticello powerplant unit, Solano project, California, consisting of a turbine generator unit of sixteen thousand kilowatts on the outlet works of Monticello Dam.

(j) Boca powerplant unit, Truckee storage project, California-Nevada, consisting of a turbine generator unit of two thousand kilowatts on the outlet works of Boca Dam.

(k) Prosser powerplant unit, Washoe project, California-Nevada, consisting of a turbine generator unit of one thousand kilowatts on the outlet works of Prosser Dam.

(l) Blue Mesa powerplant unit, Colorado River storage project, Colorado, consisting of a turbine generator unit of fifty-five thousand kilowatts on the outlet works of Blue Mesa Dam.

SEC. 5. (a) Hydroelectric power generated by facilities constructed pursuant to this Act shall be delivered to the Secretary of Energy for distribution and marketing through existing Federal hydroelectric power marketing programs in accordance with existing law and policy consistent with the provisions of this Act.

(b) The powerplants authorized in this Act shall be financially integrated with and the power marketed under rate schedules in effect for the several programs as follows:

(1) Friant, Red Bluff, Whiskeytown, Stony Gorge, and Monticello powerplant units shall be marketed through the Central Valley project power marketing program;

(2) Canyon Ferry powerplant enlargement, Yellowtail Afterbay powerplant unit, and Buffalo Bill Dam powerplant replacement shall be marketed through the Pick-Slon program power marketing program;

(3) Hoover Dam powerlant modification peaking capacity increases shall be marketed through the Boulder Canyon project power marketing program;

(4) Boca powerplant unit and Prosser powerplant unit shall be marketed under arrangements to be made by the Secretary of Energy in accordance with authority set forth in section 5 (a) of this Act; and

(5) Blue Mesa powerplant until shall be marketed through the Colorado River storage project power marketing program.

SEC. 6. Powerplants authorized in this Act shall be designed, constructed, and operated in such a manner as to be compatible with valid existing water rights or water delivery to the holder of any valid water service contract.

SEC. 7. The interest rate used for computing interest during construction and interest on the unpaid balance of the reimbursable cost of a powerplant authorized in this Act shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of such powerplant commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for fifteen years from date of issue.

SEC. 8. (a) There are hereby authorized to be appropriated beginning October 1, 1981, to the Secretary of the Interior for construction of the powerplants authorized in this Act the amounts set forth in subsection (b), on the basis of January 1979 price levels, plus or minus such amounts as may be justified by reason of ordinary fluctuations of construction cost indexes applicable to the type of construction involved herein. There are also authorized to be appropriated to the Secretary of the Interior such additional sums as may be required for the cost of replacement capacity, energy, or both purchased under section 2, and for the operation and maintenance of the powerplants authorized by this Act. In addition there are also authorized to be appropriated beginning October 1, 1981, to the Secretary of the Interior the sum of $1,418,000 for construction of an automated gate at Lake Helena, bank stabilization, replacement of fishery access, and other fish and wildlife and recreational facilities concurrent with the construction of the Canyon Ferry powerplant enlargement.

(b) (1) Friant powerplant unit, $19,150,000.

(2) Whiskeytown powerplant unit, $2,750,000.

(3) Canyon Ferry powerplant enlargement, $87,600,000.

(4) Yellowtail Afterbay powerplant unit, $19,500,000.

(5) Buffalo Bill Dam powerplant replacement, $20,300,000.

(6) Hoover Dam powerplant modification, $279,000,000.

(7) Red bluff powerplant unit, $21,000,000.
(8) Stony Gorge powerplant unit, $1,918,000.
(9) Monticello powerplant unit, $8,770,000.
(10) Boca powerplant unit, $930,000.
(11) Prosser powerplant unit, $1,240,000.
(12) Blue Mesa powerplant unit, $36,300,000.

(c) There are also authorized to be appropriated beginning October 1, 1981, such sums as may be required by the Secretary of Energy to accomplish the purposes of section 2 of this Act.

SEC. 9. The authorization hereinabove provided by this Act for the Canyon Ferry powerplant enlargement, Pick-Sloan Missouri Basin program, Montana, shall become final and effective twenty months after the date of enactment: *Provided*, That such authorization shall not become effective if the Secretary of the Interior has transmitted a feasibility report to the Speaker of the House of Representatives and the President of the United States Senate, by the aforesaid date, establishing that the project fails to meet contemporary tests of economic justification or creates significant adverse environmental effects.●

By Mr. BAKER (for Mr. COCHRAN) (for himself, Mr. BOREN, Mr. BENTSEN, Mr. TOWER, Mr. WALLOP, and Mr. SYMMS):

S. 307. A bill to amend the Internal Revenue Code of 1954 to exempt from the windfall profit tax oil produced from interests held by or for residential child care agencies; to the Committee on Finance.

CHILD CARE AGENCY TAX AMENDMENTS OF 1981

● Mr. COCHRAN. Mr. President, I am pleased to introduce legislation to exempt homes for disabled and neglected children from the windfall profit tax. Joining me in sponsoring this measure are Senators BOREN, BENTSEN, TOWER, SYMMS, and WALLOP.

Currently, over 200 such homes receive income from royalty-producing properties. While the income is relatively small, its significance to these homes cannot be overstated.

Unfortunately, when Congress passed the windfall profit tax, it failed to exclude these homes from its coverage. Other charitable organizations, churches, hospitals, and educational organizations were excluded. And, had the bill remained as originally considered in the Senate, children's homes would have been exempted from the tax. But in conference the exemption was narrowed considerably, and homes were removed from exempted organizations. The Senate thus never really had an opportunity to vote on this specific issue.

These homes, most of which exist on shoestring budgets, cannot pass along increases in taxes. Their only resort is to reduce services. I do not think we want that.

Ironically, the windfall profit tax was enacted to raise revenues for the very services and programs which these homes provide.

There will be no reduction in revenues as a result of this bill; Congress mandated the collection of $229 billion from taxes on deregulated oil.

I hope that we will enact this legislation as quickly as possible. Already some homes are having potential donors balk in the face of increased taxes on their bequests. We need to remove this threat immediately.●

By Mr. JEPSEN:

S. 311. A bill to establish a soil tilth center at Iowa State University; to the Committee on Agriculture, Nutrition, and Forestry.

ESTABLISHMENT OF SOIL TILTH CENTER

● Mr. JEPSEN. Mr. President, new statistics are beginning to reveal that the deterioration of agricultural land quality, coupled with loss of land quality, could be so great in the next few years that what once seemed like this country's almost infinite ability to produce food and fiber for the world may become limited.

My home State of Iowa produces 20 percent of the Nation's corn crop and nearly 15 percent of the soybean crop. The average annual soil loss per acre is nearly 10 tons—twice the level at which topsoil and nutrients can be replaced through natural processes.

While erosion levels have increased, the money necessary for adequate soil conservation research has declined. Thus, while the USDA has gathered data proving the extent of erosion loss, it lacks research facilities capable to develop the necessary technology.

The bill I am introducing today, to establish a soil tilth center at Iowa State University in Ames, Iowa, will require the center to conduct research related to the development of practices that can help maintain and improve the soil tilth.

Soil tilth is a qualitative term used to describe the condition of the soil related to plant growth and water movement. Good soil tilth helps to prevent erosion, while poor soil tilth frequently reduces crop yields by preventing plants from utilizing all the nutrients and moisture available in the soil.

Soil tilth deterioration is a major factor in a number of problems. Scientists at such a center would be able to study the following areas:

The effects of intensive intertilled crop production upon soil tilth, soil structure, soil characteristics and productive capacity;

The effect of intensive grain production upon the seedbed environment;

The potential loss of productive capacity, soil tilth deterioration, and soil and water losses due to intensive corn and soybean production;

The impact of improved management and cultural practices on nonpoint source pollution from corn and soybean land, as well as studying the more effective use of plant nutrients and soil moisture; and

Alternative tillage systems that will result in improved soil tilth for continued crop production, reduce reliance on chemical pesticides, reduce energy requirements, and maintain or improve crop yields.

Our Midwestern farmlands, the lands which allowed the Midwest to earn the label, the "breadbasket" of the world, must be preserved and improved so that our future food and fiber needs can be efficiently produced. As early as 1959, leading soil scientists and the Congress recommended, in Senate Document 59, that a soil tilth center should be established at a land-grant university in the Cornbelt. The report suggested that:

More information is badly needed to determine the effect of contour listing, level terraces, and other conservation practices on runoff and sediment yield—

For use in control structures.

The report continued that:

The relation of the structural attributes of the soil to water intake, soil and water losses, tillage practices, and crop production have particular significance in this area, where the intensive intertilled cropping patterns leave the land exposed to erosion during critical periods.

The report concluded that:

If scientists could develop practical methods of exerting a real control over the tilth of soils, many critical problems of farm and watershed conservation could be met with less costly measures than are now available . . . At the present time, progress in research on soil tilth is seriously hampered by lack of a basic understanding of the nature of the forces involved in holding soil particles together in a stable crumb structure.

Mr. President, research at the soil tilth center would result in new technology that would be available immediately for application on farms and other areas through the Soil Conservation Service and the Extension Service.

The center would be national in scope, with particular emphasis on Midwest corn and soybean soils. Iowa has the largest amount of intertilled acres of any State in the United States, and its soils are therefore most representative of such Midwest soils. Specifically, the center would fulfill research needs for the Cornbelt and the eastern Great Plains. Senate Document 59 agreed that the facilities needed to conduct the proposed research in such a soil tilth center should include: Offices, laboratories, greenhouses, plant growth rooms, soil bins, a machinery shop, storage area, and a location for field plot experiments.

These highly specialized facilities exceed the present financial capabilities of existing individual State research units. Construction costs for such a facility are estimated at $9.5 million. Scientists from the USDA's Science and Education Administration Soil and Water Management Unit at Ames near the university are already working on a related soil and tillage problems, and would be able to provide a nucleus for building a strong tilth research program.

Mr. President, when soil conservation hearings were held on behalf of the Senate Agriculture Committee last summer in Iowa, many soil conservation experts testified that increased research needs are a top priority. In addition, my office recently sent a questionnaire to several thousand Iowa farmers, asking them which of several conservation policy options they preferred. Over 70 percent of the questionnaires tallied to date have agreed that an expanded research program to develop more effective soil and water conservation measures is a top priority.

Even though the United States has

the best technology in the world, the best fertilizers, herbicides, and the most modern equipment, the basic and most important ingredient for providing abundant food to feed a hungry world is good soil.

The construction and operation of the soil tilth center that I am proposing today will be a significant step toward preserving our Nation's good top soil.●

By Mr. LEVIN (for himself, Mr. BOREN, Mr. HATFIELD, Mr. JEPSEN, Mr. BUMPERS, Mr. ANDREWS, Mr. BAUCUS, Mr. BENTSEN, Mr. BIDEN, Mr. BOSCHWITZ, Mr. BURDICK, Mr. CANNON, Mr. CHAFEE, Mr. COHEN, Mr. DANFORTH, Mr. DECONCINI, Mr. DENTON, Mr. DODD, Mr. DURENBERGER, Mr. EAGLETON, Mr. GARN, Mr. GOLDWATER, Mr. GORTON, Mr. HAYAKAWA, Mr. HEFLIN, Mr. HEINZ, Mr. HELMS, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. INOUYE, Mrs. KASSEBAUM, Mr. KASTEN, Mr. LUGAR, Mr. MATHIAS, Mr. MATSUNAGA, Mr. MATTINGLY, Mr. MCCLURE, Mr. MELCHER, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. NICKLES, Mr. PRESSLER, Mr. PROXMIRE, Mr. PRYOR, Mr. RANDOLPH, Mr. RIEGLE, Mr. SARBANES, Mr. SCHMITT, Mr. SIMPSON, Mr. STEVENS, Mr. TSONGAS, and Mr. WILLIAMS):

S. 312. A bill for the relief of Maria and Timofei Chmykhalov, and for Lilia, Peter, Liubov, Lidia and Augustina Vashchenko; to the Committee on the Judiciary.

RELIEF OF THE CHMYKHALOV AND VASHCHENKO FAMILIES

(The remarks of Mr. LEVIN, Mr. JEPSEN, and Mr. HAYAKAWA on this legislation appear earlier in today's RECORD.)

By Mr. HEFLIN:

S. 313. A bill to amend title XIX of the Social Security Act to permit States to terminate eligibility for medicaid medical assistance for up to 1 year for individuals determined to have abused the medicaid program; to the Committee on Finance.

S. 314. A bill to permit relatives of medicaid eligible individuals residing in nursing homes to contribute voluntarily to a State fund for the provision of such care; to the Committee on Finance.

S. 315. A bill to amend title XIX of the Social Security Act to permit State medicaid programs to require nominal copayments for basic services provided to categorically needy individuals; to the Committee on Finance.

S. 316. A bill to amend title XIX of the Social Security Act to allow States to provide for competitive bidding for the purchase of certain items under their medicaid plans; to the Committee on Finance.

CHANGES IN THE MEDICAID LAW

Mr. HEFLIN. Mr. President, I am introducing four bills today, each of which would make certain changes in the medicaid law.

Mr. President, one of my bills will give the States the choice of requiring patients to make copayments for all medicaid services.

This legislation would allow families to make a contribution to the cost of medical care and to participate in a voluntary "relative responsibility" program for their loved ones in nursing homes.

Mr. President, this legislation would also give the several States the right to end a recipient's eligibility if he or she has a history of abusing the medicaid program.

Finally, one of my bills would allow the States to negotiate for purchases of medical services through a prudent buying plan. Mr. President, at this time, I ask unanimous consent that the text of these four bills be printed in the RECORD.

Mr. President, as you of course know, there are strict Federal guidelines covering the medicaid program. The legislation that I have just introduced would give the States more flexibility in their management of this important program which provides the health benefits for needy people such as the blind, disabled, and families with dependent children.

Mr. President, I have introduced this legislation because I believe that it is important to give the individual States more latitude and decisionmaking options in their efforts to meet the health needs of these citizens.

Throughout the 96th Congress, I met several times with officials from my State regarding the need to change the Federal law regulating the medicaid program.

It is on behalf of medicaid officials in my State and in every State across the country who share management problems similar to those in my State that I introduce this legislation. I think that this legislation would benefit the almost 50 million aged, disabled, and indigent Americans who look for the medicaid programs throughout the country for assistance. Some of my distinguished colleagues may have also heard from officials from their States expressing similar concerns. These concerns may be expressed in language that indicates that the Federal Government is over regulating the medicaid program. Sometimes, Mr. President, these over regulating procedures are done to the extent that they tie the hands of State officials to provide quality service to the medicaid recipients. Some of my colleagues may have also heard from medicaid officials in their States regarding these over regulations by the Federal Government.

When I introduced this legislation during the 96th Congress, I was contacted by people who reside outside my State expressing their views in support of this legislation. There was a doctor in Seattle, Wash. who wrote to me saying "Your introduction of four bills designed to help improve our current medicaid program is of great interest to me. I believe that the changes, which I understand you are proposing, are both very much needed and commendable". In our State this doctor said "We have been wrestling with our current medicaid program and I can appreciate the importance of some of these proposals."

Mr. President, it is my belief that these bills that I have introduced will give the States more flexibility in managing their medicaid programs and I hope that the U.S. Congress will see fit to act favorably upon this legislation.

Mr. President, I thank you and I thank the Senate.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 313

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 1909(a) of the Social Security Act (42 U.S.C. 1396(a)) is amended—

(1) by inserting "either" before "is convicted of an offense", and

(2) by inserting "or, after notice and opportunity for a hearing, is determined (by a preponderance of the evidence) to have committed an act described in paragraph (1), (2), (3), or (4) of this subsection" after "under the preceding provisions of this subsection".

SEC. 2. The amendments made by the first section of this Act shall apply to acts committed on or after the date of the enactment of this Act.

S. 314

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That nothing in title XIX of the Social Security Act shall be construed to prohibit a State (as defined for purposes of such title) from establishing a program under which persons, who are related to individuals receiving skilled nursing facility on intermediate care facility services for which medical assistance is provided under the State's plan approved under that title, may contribute voluntarily to a fund which is used for the provision of medical assistance with respect to skilled nursing facility and intermediate care facility services covered under such plan.

S. 315

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1902(a)(14)(A) of the Social Security Act (42 U.S.C. 1396a(a)(14)(A)) is amended—

(1) by striking out ", and no deduction, cost sharing, or similar charge with respect to the care and services listed in clauses (1) through (5) and (7) of section 1905(a)," in clause (i), and

(2) by striking out "with respect to other care and services" in clause (ii).

SEC. 2. The amendments made by the first section of this Act shall take effect on the first day of the first calendar quarter beginning after the date of the enactment of this Act.

S. 316

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1902(a)(23) of the Social Security Act (42 U.S.C. 1396a(a)(23)) is amended by inserting "(A)" before "has entered into" and by inserting before the semicolon at the end the following: ", or (B) has made arrangements through a competitive bidding process or otherwise for the purchase of (at the election of the State) laboratory and X-ray services (referred to in section 1905(a)(3)), family planning supplies (referred to in section 1905(a)(4)(C)), or prescription drugs, dentures, prosthetic device, or eyeglasses (referred to in section 1905(a)(12)), if the Secretary has found that (i) adequate services will be available under such arrangements,

(ii) the providers of such services meet the requirements otherwise imposed for the provision of such services under the plan, and (iii) charges for such services provided under such arrangements are made at the lowest rate charged (determined without regard to administrative costs which are related solely to the method of reimbursement of such services) for comparable services by the provider of such services, or, if charged for on a unit price basis, such charges result in aggregate expenditures not in excess of expenditures that would be made if charges were at the lowest rate charged for comparable services by the provider of such services".

SEC. 2. The amendments made by the first section of the Act shall take effect on the first day of the first calendar quarter beginning after the date of the enactment of this Act.

By Mr. BENTSEN:

S. 317. A bill to amend the Internal Revenue Code of 1954 to provide faster tax deductions for depreciation and larger investment tax credits in order to help combat inflation and increase the U.S. position in world trade; to the Committee on Finance.

FASTER DEDUCTIONS FOR DEPRECIATION AND LARGER INVESTMENT TAX CREDITS

(The remarks of Mr. BENTSEN on this legislation appear earlier in today's RECORD.)

By Mr. METZENBAUM:

S. 326. A bill to require the divorcement of motor fuel service stations from operation by certain producers and refiners of motor fuels, to control sales by producers and refiners of motor fuels, and for other purposes; to the Committee on the Judiciary.

SMALL BUSINESS MOTOR FUEL MARKETER PRESERVATION ACT OF 1981

● Mr. METZENBAUM. Mr. President, I am pleased to be introducing today the Small Business Motor Fuel Marketer Preservation Act of 1981. This bill is similar to one which was reported out of the Senate Antitrust Subcommittee at the end of the last Congress. It would provide independent gasoline dealers of this country with an opportunity to compete on an equitable basis in the retail marketing of gasoline.

During most of the last decade, we have seen a steady decline in the number of independent service station dealers. Between 1972 and 1979, approximately 80,000 dealers have gone out of business and this attrition appears to be continuing at a rate of about 10 percent per year.

Those are shocking statistics. But they are more than just numbers. Behind these numbers stand family men and women—proud, independent business persons who create jobs, and who provide their communities with essential services.

While some dealers may have failed as a result of poor management and changing market conditions, many appear to have been victims of unfair leasing and marketing practices by the major integrated oil companies that continue unabated today. Our hearings last year revealed a vast array of tactics used by the major integrated refiners against these small and independent businesses. Such tactics, according to extensive testimony from present and former dealers, have included excessive rent increases, abrupt changes in credit terms, delays in credit card processing, subsidization by refiners of their own directly operated stations, refusals to provide routine maintenance service to dealers, and reduced gasoline allocation to the independents.

It is clear that the major integrated refiners have reaped the benefits of such "economic eviction" techniques. At the same time that independent dealerships have been declining by the tens of thousands, integrated refiners have more than doubled their sales of gasoline through stations that they themselves owned and operated.

This structural change did not occur because big refiners are somehow more adept than independent businesspersons at running service stations. I doubt that corporate franchises are as efficient as the individual businessmen and women whose life's savings are tied up in their businesses. I seriously doubt that independent dealers are closing their businesses because of any failure to do their jobs. What we have seen instead is the devastating market impact that can take place when powerful companies change the rules of the free enterprise system.

Such tactics by the major integrated refiners cannot be permitted to continue unchecked. We must attempt to restore the ability of the small, independent gasoline dealers to compete in the marketplace. The need for legislative relief becomes even more compelling this year as the dismantling of the oil price control system removes even the modicum of protection the independent dealers have had against some of the more blatant efforts by the major refiners to eliminate them from the marketplace.

The legislation we are proposing today, the Small Business Motor Fuel Marketer Preservation Act, is designed to restore the competitiveness of small businesses engaged in gasoline marketing in part by eliminating the incentives that lead to such inequitable practices by the major refiners. The approach is essentially threefold.

First, under the divorcement provisions, the major integrated refiners would be barred from direct operation of retail outlets. With the institution of the divorcement provisions, oil companies would no longer have any incentives to drive their independent dealers out of business. Since the companies would not be able to operate the retail outlets themselves, they would have to depend on the independent dealers for the marketing of their gasoline.

Second, all suppliers would be precluded from subsidizing their own marketing outlets to the disadvantage of the independent businesses that are their competition. This will insure that everyone—dealer, wholesaler, refiner—is placed on an even footing when it comes to the retailing of gasoline.

Third, the legislation would permit dealers to purchase gasoline from any source in the event that the contract supplier cannot meet demand, an option refiners attempt to deny lessee dealers today. A more detailed description of the legislation's provisions is included below.

This legislative approach is a moderate one. Unlike total divestiture proposals, it does not strip the major oil companies of their right to own retail outlets. It simply precludes them from operating such outlets. Nor does it force either lessee or independent dealers to come up with financing to purchase their stations at a time when money is in short supply and interest rates are high. With a minimum of disruption and at no cost to the taxpayer, changes will be made to the structure of the retail gasoline marketplace that will serve the interests of both the small independent gasoline marketer and the American consumer. I urge my colleagues to join me in this important effort to bring some urgently needed relief to these hard-pressed businesses.

SUMMARY OF PROVISIONS

1. DIVORCEMENT

Effective 1 year after date of enactment, major integrated refiners would be prohibited from directly operating any retail motor fuel service station. There would be no restriction on continued ownership of gas stations; they could be leased to dealers or otherwise operated by independent marketers while the refiners continue to hold the properties.

Refiners which have total refining capacity of less than 175,000 barrels per day or which produce less than 30 percent of their own crude oil would be exempt from the divorcement provision. This definition of small and independent refiners parallels the standards established in the Emergency Petroleum Allocation Act.

2. PROHIBITION AGAINST DISCRIMINATORY PRICING

Effective 1 year after date of enactment, refiners and suppliers of gasoline would be precluded from subsidizing their own marketing outlets to the disadvantage of independent businesses that are their retailing competitors. This would be accomplished by requiring each gasoline supplier to sell gasoline to each of its customers, including intracompany sales or sales to related companies, at the supplier's "posted wholesale transfer price" which is to be posted daily. Two exceptions to this requirement would be permitted, however: First, if sales at below the posted price were made in good faith to meet a competitive offer; and second, if sales at other than the posted price reflect cost differences resulting from differing methods of quantities in which the gasoline is sold.

3. OPEN SUPPLY

Effective 1 year after date of enactment, it would be unlawful for anyone to interfere with the right of a dealer to purchase, store, or sell motor fuel products obtained from anyone else. Agreements providing that a dealer shall buy

products only from a particular supplier would be permitted only if they specify the dealer's right to purchase the product elsewhere if it is not available from the regular supplier upon terms and conditions reasonably comparable to those available to the dealer from other sources. Dealers operating stations bearing a refiner's tradename or trademark must provide point-of-sale notice to customers if product being sold was not obtained from the brand-name supplier.

4. INFORMATION REQUIRED

Within 3 months after date of enactment, refiners would be required to provide the following information to the Federal Trade Commission: First, total amount of motor fuel sold in refiner-operated outlets during the preceding year; second, total amount of motor fuel manufactured; third, total amount of crude oil produced; and fourth, total amount of crude oil refined. The FTC would be required to establish regulations for annual reports. To the extent that the information sought is available from other agencies of the Government, the Commission would waive reporting requirements.

5. PENALTIES; ENFORCEMENT

Violation of this act would be punishable by fines of up to $50,000 per month for each service station operated after the deadline for divorcement, up to $50,000 for violation of the bill's open supply provisions, and up to $10,000 for violation of the antidiscriminatory pricing provisions. Responsibility for enforcement would be given to the FTC. In addition, individuals would bring civil actions against anyone who fails to comply with the act.

I ask unanimous consent that the full text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 326

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SHORT TITLE

SECTION 1. This Act may be cited as the "Small Business Motor Fuel Marketer Preservation Act of 1981".

SEC. 2. (a)(1) Notwithstanding any other provision of law, it shall be unlawful for any refiner, other than an independent refiner or a small refiner, to operate any motor fuel service station in the United States.

(2)(A) Any interest in any motor fuel service station may be disposed of by a refiner to any person other than the dealer at such station only if such dealer is offered a right of first refusal of an offer made by the refiner to sell such interest.

(B) For purposes of subparagraph (A), a dealer at a motor fuel service station is considered to be offered a right of first refusal of an offer made by the refiner to sell an interest in the station only if—

(i) the refiner gives the dealer, in writing, an exclusive 60-day option to accept an offer to sell such interest, and

(ii) in any case in which, during such 60-day period, the dealer makes a counter-offer, in writing, to purchase such interest at a different price, the refiner, during the 30-day period following the date of the counter-offer—

(I) agrees, in writing, to the counter-offer, or

(II) submits to the dealer, in writing, a revised offer to sell the interest to the dealer at a price to be determined by an independent appraisal meeting the standard prescribed by the Small Business Administration pursuant to subparagraph (C) and undertakes such an appraisal within such time and in such manner as shall be prescribed by the Administration by regulation.

The cost of such appraisal shall be borne equally by the refiner and the dealer.

(C) The Small Business Administration shall prescribe by regulation standards which must be met with respect to an appraisal in order for such appraisal to be considered an independent appraisal for purposes of this paragraph.

(b)(1) Notwithstanding any other provision of law, except as otherwise provided in paragraphs (2) and (3)—

(A) it shall be unlawful for any supplier to sell to any independent wholesale purchaser any type of motor fuel on any day at any point of transfer at any price other than the daily wholesale transfer price for that day (described in paragraph (3)); and

(B) it shall be unlawful for any supplier to sell or to transfer any type of motor fuel on any day at any point of transfer to any person related to the supplier at a price lower than the daily wholesale transfer price for that day (described in paragraph (3)).

(2)(A) Nothing in this subsection shall be construed to prevent differentials in prices of any type of motor fuel from the daily wholesale transfer price for such type of motor fuel which make only due allowance for differences in the cost of manufacture, sale, or delivery of such motor fuel resulting from the differing methods or quantities in which such motor fuel is sold and delivered.

(B) Nothing in this subsection shall be construed to prevent differentials in prices of any type of motor fuel from the daily wholesale transfer price for such type of motor fuel consisting of price reductions offered to independent wholesale purchasers in good faith to meet competing price reductions offered by others to those independent wholesale purchasers.

(C) Nothing in this subsection shall be construed to prevent a refiner from charging a uniform and reasonable surcharge in connection with sales of motor fuel to persons as consideration for the use by such persons of a trademark, trade name, service mark, or other identifying symbol or name and any services associated with such use.

(3) Each supplier shall maintain for each business day a single daily wholesale transfer price for each type of its own motor fuel, which the supplier shall make available to purchasers at all times during such day at each point of transfer used by the supplier. A supplier's daily wholesale transfer price for any type of motor fuel for any day shall be the price which is charged to the first independent wholesale purchaser of that motor fuel that day. If the supplier's first independent wholesale purchaser of any type of motor fuel on any day does not take title to the product at a point of transfer, the supplier's daily wholesale transfer price for that type of motor fuel shall be calculated by deducting any reasonable and uniform transportation expense which has been allocated to the price charged to that first purchaser for that type of motor fuel.

(c)(1)(A) Notwithstanding any other provision of law, it shall be unlawful for any person to restrain, interfere with, or in any way prevent the purchasing from another, the storing, or the selling of motor fuel by any dealer.

(B) Subparagraph (A) shall not apply with respect to any provision of any contract or agreement to the extent that the provision requires the purchasing of any motor fuel by any dealer exclusively from any refiner or distributor, but only if such provision provides that such dealer may purchase such motor fuel from any other person if such motor fuel is not readily available from such refiner or distributor upon terms and conditions reasonably comparable to those available to the dealer from such other person.

(2) Notwithstanding any other provision of law, it shall be unlawful for any dealer, at a motor fuel service station displaying a trademark, trade name, service mark, or other identifying symbol or name owned by a refiner, to sell motor fuel which is not provided by such refiner without providing reasonable notice at the point of sale to each purchaser of such motor fuel that such motor fuel is not refined by such refiner.

(d)(1) Not later than 90 days after the date of the enactment of this Act, and annually thereafter, each refiner shall provide in writing to the Federal Trade Commission—

(A) the number of gallons of motor fuel sold at motor fuel service stations operated by the refiner during the preceding calendar year by the refiner in the United States,

(B) the number of gallons of motor fuel manufactured during the preceding calendar year by the refiner in the United States,

(C) the number of barrels of crude oil produced during the preceding calendar year by the refiner, and

(D) the number of barrels of crude oil refined during the preceding calendar year by the refiner.

(2) Not later than 90 days after the date of the enactment of this Act each refiner shall provide in writing to the Federal Trade Commission the information described in paragraph (1) with respect to calendar year 1978.

(3) The Federal Trade Commission shall not require from any person information referred to in the preceding provisions of this subsection to the extent that the Commission is able to obtain such information from agencies or departments of the United States.

(e) For purposes of this section:

(1)(A) The term "producer" means any person who is engaged in the production of crude oil or who owns crude oil when it is produced.

(B) Such term includes any related person with respect to such person.

(2)(A) The term "refiner" means—

(i) any person engaged in the refining of motor fuel, and

(ii) any producer for whom refining of crude oil produced by such producer, or owned by such producer when such crude oil is produced, is performed under contract.

(B) Such term includes, when used in connection with any person described in clause (i) or (ii) of subparagraph (A), any related person with respect to such person.

(3) The term "independent refiner" means a refiner who obtained, directly or indirectly, in calendar year 1978, more than 70 percent of the refiner's refinery input of domestic and imported crude oil from producers who are not related persons referred to in paragraph (2)(B).

(4) The term "small refiner" means a refiner whose total refinery capacity does not exceed 175,000 barrels per day.

(5) The term "supplier" means any person who sells motor fuel to motor fuel service stations or other independent wholesale purchasers.

(6) The term "independent wholesale purchaser" means any purchaser of motor fuel who sells the motor fuel at retail or distributes the motor fuel for sale at retail, but does not include any purchaser related to the person selling the motor fuel to the purchaser.

(7) The term "related person" means, with respect to any other person—

(A) a person who holds a significant ownership interest in such other person;

(B) a person in whom such other person holds a significant ownership interest; and

(C) a person in whom a third person holds a significant ownership interest while holding a significant ownership interest in such other person.

(8) The term "significant ownership interest" means—

(A) with respect to any corporation, the single largest share in value of the outstanding stock of such corporation,

(B) with respect to a partnership, the single largest share in the profits or capital of such partnership, and

(C) with respect to an estate or trust, the single largest share of the beneficial interests in such estate or trust.

For purposes of determining significant ownership interest, an interest owned by or for a corporation, partnership, trust, or estate, or held by a voting trust, shall be considered as owned directly both by itself and proportionately by its shareholders, partners, or beneficiaries, as the case may be.

(9) The term "motor fuel" means gasoline, diesel fuel, alcohol, and any mixture of any of the foregoing, suitable for use as a fuel in self-propelled vehicles designed primarily for use on public streets, roads, and highways.

(10) The term "motor fuel service station" means any facility at which motor fuel is sold at retail.

(11) The term "sell at retail" means to sell to the general public for ultimate consumption.

(12)(A) Except as provided in subparagraph (B), the term "dealer" means a person who occupies as a retailer a motor fuel service station.

(B)(i) When used in subsection (c)(2), the term "dealer" means, with respect to a refiner, a person described in subparagraph (A) who occupies the motor fuel service station under lease or rental agreement with the refiner.

(ii) Notwithstanding clause (i), a person described in such subparagraph shall not be considered a dealer if the lease or rental agreement is with a refiner in connection with whom such person is a related person referred to in paragraph (2)(B).

(13) The term "operate" means, when used in connection with a motor fuel service station, to engage at such station in the business of selling motor fuel at retail through any—

(A) employee,

(B) commissioned agent,

(C) person operating such station pursuant to a contract with a refiner, or

(D) person acting on behalf of the refiner or under the refiner's supervision,

whose duties include the sale of such motor fuel.

(14) The term "basic unit" means, in connection with motor fuel—

(A) a dealer tankwagon or transport load;

(B) a railroad tank car load;

(C) a barge load; and

(D) a pipeline tender.

(15) The term "person" includes one or more individuals, partnerships, associations, corporations, legal representatives, joint-stock companies, trustees and receivers in bankruptcy and reorganization, commonlaw trusts, and any organized group, whether or not incorporated.

(16) The term "United States" means, when used in a geographic sense, the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Northern Mariana Islands, Guam, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

(f)(1) Any person who violates any provision of subsection (a)(1) shall, upon conviction, be punished by a fine of not to exceed $50,000 per month for each motor fuel service station operated during such month in violation of such section.

(2) Any person who violates any provision of subsection (a)(2) shall, upon conviction, be punished by a fine not to exceed $50,000 for each such violation.

(3) Any person who sells motor fuel in violation of subsection (b) shall, upon conviction, be punished by a fine not to exceed $10,000 for each such sale.

(4) Any person who violates any provision of subsection (c)(1) shall, upon conviction, be punished by a fine not to exceed $50,000 for each such violation.

(5) Any person who violates any provision of subsection (c)(2) shall, upon conviction, be punished by a fine not to exceed $5,000 for each such violation.

(6) It shall be the duty of the Federal Trade Commission to commence a civil action for appropriate relief, including a permanent or temporary injunction, whenever any person violates any provision of subsection (a), (b), or (c). Any action under this paragraph may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to restrain such violation and to require compliance.

(g)(1) If any person fails to comply with the requirements of this section, any other person directly affected by such failure may maintain a civil action against such person failing to comply with such requirements for damages and appropriate equitable relief, including temporary and permanent injunctive relief. If the plantiff prevails in any action under this section, the plaintiff shall be entitled to reasonable attorney and expert witness fees to be paid by the defendant, except that in any case in which the court determines that only nominal damages are to be awarded to the plaintiff, the court may, in its discretion, determine not to direct that such fees be paid by the defendant.

(2) Such action may be brought, without regard to the amount in controversy, in the district court of the United States in any judicial district in which the principal place of business of such person is located or in which such person is doing business.

(h) Subsections (a)(1), (b), and (c) of this section shall take effect 1 year after the date of the enactment of this Act.

REGULATIONS

SEC. 3. (a) The Small Business Administration shall prescribe the initial regulations required by the provisions of section 2 before the 180-day period beginning on the date of the enactment of this Act.

(b)(1) The Federal Commission shall prescribe by regulation the annual date by which the information described in section 3(d)(1) is required to be provided under such section before the end of the 60-day period beginning on the date of the enactment of this Act.

(2) The Federal Trade Commission shall prescribe any other initial regulations required by the provisions of section 3 before the end of the 180-day period beginning on the date of the enactment of this Act.●

By Mr. JACKSON (for himself and Mr. GORTON):

S. 327. A bill to establish the Protection Island National Wildlife Refuge, Jefferson County, State of Washington; to the Committee on Environment and Public Works.

PROTECTION ISLAND NATIONAL WILDLIFE REFUGE

Mr. JACKSON. Mr. President, in behalf of Senator GORTON and myself I send to the desk a bill to establish the Protection Island National Wildlife Refuge.

Mr. President, when in 1792 Capt. George Vancouver made a short trip from his moorage in the Strait of Juan de Fuca in northwest Washington to a small island off the coast, he "found the surface of the sea almost covered with aquatic birds." The island was their home, and Captain Vancouver named it Protection Island. With passage of this bill, we have the opportunity to preserve the most significant habitat for aquatic fowl in the entire Puget Sound area—an island that is home for over 21,000 pairs of birds.

Although Protection Island is only 400 acres in size, it is the nesting place for over 70 percent of the seabirds breeding in the Strait and Puget Sound. It is the home for over 240 harbor seals. While the sheer numbers of birds finding sanctuary on the island is noteworthy, great importance must be given to the fact that the island is the nesting place for the rhinocerous auklet.

Mr. President, you and my other colleagues may be curious about the rhinocerous auklet—and well you might be. Protection Island monopolizes over one-half the population of the rhinos in the entire United States. 97 percent of the rhinos in the Puget Sound area live on the island. The specie has been described as an "aerodynamic accident." Uncoordinated in air, the rhino swims underwater with its stubby wings, using its feet as a rudder. It is rarely seen. It flies only at night and spends days in burrows along the bluffs of Protection Island. They are truly unique assets of the island.

Few people have chosen to live on Protection Island. It currently has no source of safe drinking water, no power, no access except by boat or plane, and rapidly erodes with tidal action and the wind.

Nevertheless, the island has been platted to contain no fewer than 835 lots and a domestic source of water is actively being sought—even the feasibility of piping fresh water to the island is being considered. Massive development of the island and destruction of the waterfowl habitat is seriously threatened. The intent of this bill, Mr. President, is to insure that this does not occur.

The Fish and Wildlife Service is aware of the resources of Protection Island. In a letter last year to Senator Magunson, the area manager of the Service wrote that an initial strategy report for the island had been completed and indicated:

The marine bird resources on the island are substantial enough for a federal interest; (2) application of existing laws and regulations will not protect these resources; (3) other commitments prevent other Federal, State, local and private agencies from acquiring and managing the island; and (4) support for Service acquisition appears to be forthcoming.

As a result, the Service began a more detailed environmental assessment. To hasten this work, the act providing for the fiscal year 1981 appropriations to the Department of the Interior directed the Service to complete its environmental assessment.

Mr. President, I am pleased to announce that similar legislation is being introduced today in the House of Representatives by the entire Washington State delegation. Such bipartisan support for the measure in both Houses is an indication of the importance to the people

of our State and the Nation of preserving the habitat of Protection Island.

Mr. President, I ask unanimous consent that the text of the Protection Island National Wildlife Refuge bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 327

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Protection Island National Wildlife Refuge Act."

SEC. 2. (a) FINDINGS.—The Congress finds that—

(1) Protection Island provides nesting habitat for 72 percent of the entire seabird population of Puget Sound and the Strait of Juan de Fuca;

(2) this island also provides refuge for other species, including the endangered bald eagle and the harbor seal; and

(3) this island is a nationally significant environmental resource threatened with destruction through residential and related development.

(b) POLICY.—It is therefore declared to be the policy of the Congress in this Act to preserve Protection Island through the establishment of a Protection Island National Wildlife Refuge as part of the National Wildlife Refuge System.

SEC. 3. As used in this Act:

(a) The term "refuge" means the Protection Island National Wildlife Refuge that includes those lands and waters, and interests therein, located in Jefferson County, State of Washington, that are depicted on the map entitled "Protection Island National Wildlife Refuge", dated September 1980, and on file at the United States Fish and Wildlife Service.

(b) The term "Secretary" means the Secretary of the Interior.

SEC. 4. The Secretary is authorized to acquire lands and waters or interests therein within the boundaries of the refuge by donation, purchase with donated or appropriated funds or exchange. In order to lessen the impact of Federal acquisition on the present owners, the Secretary shall give special consideration to providing for extended use reservations to the extent compatible with the purposes for which the refuge is established and effective management of the refuge.

SEC. 5. The Secretary shall establish the refuge by publication of a notice to that effect in the Federal Register at such time as he determines that lands, waters, and interests therein sufficient to constitute an efficiently administrable refuge have been acquired. The Secretary may make such minor revisions in the boundaries of the refuge as may be appropriate to carry out the provisions of this Act.

SEC. 6. Prior to the establishment of the refuge and thereafter, the Secretary shall administer the lands, waters, and interests therein acquired for the refuge in accordance with the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd-ee). The Secretary may utilize such additional statutory authority as may be available to him for the conservation and development of wildlife and natural resources, the development of wildlife and natural resources, the development of outdoor recreation opportunities compatible with the wildlife resources, and interpretive education as he deems appropriate to carry out the purposes of this Act.

SEC. 7. There are authorized to be appropriated $5,000,000 for acquisition of lands and waters and interests therein.

● Mr. GORTON. Mr. President, I am very pleased to join Senator JACKSON in introducing a bill to establish Protection Island as a national wildlife refuge in Washington State.

Protection Island is located within the inland waters of Puget Sound. It encompasses an area of 400 acres and is approximately 0.6 miles wide and 1.8 miles long. The island provides nesting habitat for 72 percent of the entire seabird population of Puget Sound and the Strait of Juan de Fuca. Without question, this island serves as the single most important nesting site of marine birds in these waters.

Currently, there are six species of sea birds which nest on the island: Rhinoceros auklets, tufted puffins, glaucous-winged gulls, pelagic cormorants, pigeon guillemots, and black oystercatchers. This assemblage of species and their numbers on Protection Island are unique in the contiguous United States. The island also provides refuge for several other species, including the endangered bald eagle and the harbor seal. The U.S. Fish and Wildlife Service has designated these species as significant wildlife resources.

Protection Island is a nationally significant environmental resource. However, drilling for water has been dis the island is presently threatened by building construction and development. Unintentional human disturbance and the introduction of predators or domestic animals could destroy the nesting grounds of these species.

This legislation authorizes the Secretary of the Interior to acquire the entire 400-acre island for a refuge which would be incorporated into the National Wildlife Refuge System.

Because there is no domestic water supply on the island, no significant development has occurred to date. However, drilling for water has been discussed as well as the possibility of transporting water from the mainland via an underwater pipeline. Of the 836 lots on the island, 578 are in private ownership. It is my understanding that a majority of property owners recognize the unique assets of the island and support including it in the National Wildlife Refuge System. This legislation will provide a vehicle for addressing the concerns of all interested parties.

For these reasons, I believe that it is in the public interest to maintain Protection Island in its natural state, as a refuge, for the many nationally significant wildlife resources which inhabit the island.●

By Mr. BAKER (for Mr. PERCY) (for himself, Mr. DIXON, Mr. ABDNOR, and Mr. LEVIN):

S. 328. A bill to amend the Internal Revenue Code of 1954 to encourage the production of alcohol for fuel use by repealing the occupational tax on manufacturers of stills and condensers; to the Committee on Finance.

GASOHOL TAX REPEAL ACT

● Mr. PERCY. Mr. President, today I am jointly introducing the Gasohol Tax Repeal Act along with Representative THOMAS PETRI in the House of Representatives. The purpose of this bill is to remove outdated tax provisions that present needless financial disincentives and a paperwork burden on the alcohol fuel industry.

Currently, the manufacturers of stills and condensers which are used in the production of alcohol fuels are required to pay a tax of $55 per year. Additionally, they must pay $22 for each still and condenser produced. These tax provisions were put in place many years ago to help the Internal Revenue Service keep track of who produced and used stills for alcohol production. The usefulness of these taxes has now passed because other administrative means are used for obtaining this information. However, these tax laws remain on the books, burdening alcohol fuel equipment producers with useless paperwork requirements.

A major effect of the Gasohol Tax Repeal Act will be to free the alcohol fuel industry and the Internal Revenue Service from the needless administrative requirements associated with these taxes. In doing so, a net dollar saving will result to the Federal Government because the cost of administering these tax laws is greater than the small revenue generated. Repealing tax laws such as these that actually drain the Federal coffers certainly represents a step in the correct direction.

Another effect of this bill will be to delete a Government-imposed financial disincentive to alcohol fuel production. In large part, these still and condenser taxes are passed on to those who purchase and use alcohol production equipment such as farmers who make alcohol for their farm vehicles and industries which make alcohol for blending into gasohol. This bill will financially encourage all who want to develop alcohol fuel as a renewable, domestic alternative to imported petroleum.

Along with energy conservation, alcohol fuels and other renewable energy resources have extremely important roles to play in our future. Renewables can help to lessen our dangerous dependence on imported oil and could provide energy for our economy during a future energy supply interruption. I, therefore, feel that we must take steps to remove unnecessary constraints to the development of our renewable energy resources. The Gasohol Tax Repeal Act will help in this development by encouraging the continued growth of our domestic alcohol fuel industry.●

● Mr. DIXON. Mr. President, I am pleased to join my distinguished senior colleague from Illinois, Senator PERCY, in sponsoring the Gasohol Tax Repeal Act. This act will remove an unnecessary Federal excise tax on the manufacture of alcohol production equipment.

Specifically, this legislation will eliminate a tax of $55 annually on manufacturers of alcohol production equipment and a tax of $22 on each still and condenser produced.

While eliminating the tax is not a major financial incentive for the production of gasohol, I believe that we should

do all that we can to encourage its use. Since the current tax cost more to administer than it generates in revenue, it is a particularly good candidate for elimination.

The development of gasohol as an alternative energy source is particularly important to a major agricultural State like Illinois. I believe we should put our vast stores of grain toward the production of gasohol, a renewable resource that could help provide part of a permanent solution to our energy problems.

In 1979, we paid farmers not to raise 20 crops on 21 million acres of ground. I would rather see these crops raised and ultimately converted to gasohol to run our automobiles and tractors.

Other countries are moving forward to encourage the use of gasohol. We can do the same thing, using energy resources that would come, at least in part, from Illinois rather than the Middle East.

The Gasohol Tax Repeal Act will help encourage the use of gasohol in the United States; I hope and expect that the Senate will act quickly to repeal the current superfluous excise tax on the manufacture of alcohol production equipment.●

By Mr. PELL:

S. 329. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for certain home heating costs; to the Committee on Finance.

TAX CREDIT FOR CERTAIN HOME HEATING COSTS

● Mr. PELL. Mr. President, I am today introducing legislation to provide an income tax credit of up to $300 to help offset the skyrocketing costs that families are paying to heat their homes.

This legislation, I believe, is essential in the wake of the order yesterday by President Reagan decontrolling oil prices.

Gradual decontrol of oil prices is a policy that was adopted by the Congress, with full control scheduled for September. The objective was to use less oil, produce more and reduce imports, while allowing time for consumers to adjust.

The sudden complete decontrol ordered by the President in January, 9 months ahead of schedule, will have an immediate impact that cannot be ignored or overlooked.

That immediate impact will be to increase costs for consumers. Right now, in the midst of an unusually harsh winter, with home heating costs already at record high levels, families are going to have to pay from 8 to 13 cents a gallon more for oil to heat their homes.

Nationally, consumers during the next 8 months will pay from $10 to $16 billion more for oil and gas. That will show up as added income for the oil companies, and the Federal Government will take from $6 to $10 billion of that away from the oil companies through the windfall profit tax.

So the oil companies will do nicely, and the Federal Government will do very nicely. The consumers, however, will be worse off than ever. If we look at this squarely and honestly we can see that decontrol of oil is really the same as a new tax on consumers, with Government and the oil companies sharing the revenue.

In the long run, this may provide incentive and capital for energy companies to produce more oil, and for consumers to use less or switch to alternate fuels. But in the short run, it means that families who are already being pinched to the bone to pay heating bills in this frigid winter are going to be pinched even more. The timing could not be worse.

I think it is essential that a portion of this financial bonanza from decontrol be returned promptly to the consumers. The bill I am introducing today would return $2.6 to $3 billion to consumers through tax credits.

The home heating tax credit I am proposing is essential to relieve the crushing burden being imposed on families by the upward spiraling costs of home heating. In Rhode Island a typical family that paid $600 to heat its home 2 years ago now faces a cost of nearly $1,400, and similar costs are being faced by families across the Nation. This is a burden that is causing real hardship to many low- and moderate-income families.

This assistance is justified, Mr. President, because to a large extent the sharp increases in home heating costs are the result of national energy policy, enacted by the Federal Government, which permits prices of oil and gas to rise rapidly to the levels set by the OPEC nations. This abrupt change in national policy has provided no reasonable time for homeowners to adjust and adapt to the higher costs. The Federal Government has a responsibility to provide some relief during a period of transition while homeowners change heating systems, change to new fuels, and make their homes more energy efficient.

Indeed, the Federal Government has recognized that responsibility by providing home heating assistance grants to the poor who are simply unable to heat their residences at the higher prices. My proposal would extend similar assistance to low- and moderate-income families who do not qualify for the current grant program.

Home heating assistance is particularly important this year, Mr. President, because much of the Nation is enduring one of the harshest, coldest winter seasons in decades. Even with strenuous efforts at conservation, families throughout the Nation have simply had to burn more fuel to maintain reasonable temperatures in their homes. And this necessity to use more fuel has magnified the already heavy burden of home heating costs.

From mid-December through mid-January, temperatures over much of the United States averaged from 5 to 14 degrees below normal for the period. The few milder days we have experienced since that time are but a brief interlude before colder temperatures return. The long-range outlook for the remainder of the heating season is not comforting.

The tax credit I have proposed would be available to all households with incomes up to $30,000, and above that income level would be reduced until it phased out completely at $35,000. The credit would be available to persons who rent homes or apartments as well as homeowners. The credit would be reduced by the amount of any home-heating assistance grant received by the household, so the Government would not be providing double assistance to any household.

Mr. President, the Federal Government should not become a permanent subsidizer of home heating bills. But this Nation is undergoing an accelerated, revolutionary change in the production, use, and pricing of all forms of energy. For many families, these changes are causing more than discomfort; they are causing real hardship. I believe the Federal Government has a real responsibility to help in this transition by returning to the consumers some of the billions of dollars in windfall profits being taxed away from the oil companies.

I ask unanimous consent that the text of the bill I have introduced be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 329

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. HOME HEATING CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowed) is amended by inserting immediately before section 45 the following new section:

"SEC. 44F. CREDIT FOR RESIDENTIAL USERS OF ENERGY.

"(a) GENERAL RULE.—In the case of an individual, there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) the sum of the products of—

"(A) the amount or incurred during such taxable year for any qualified home heating energy source, multiplied by

"(B) 0.126, or CPI for taxable year,

"(2) an amount equal to the degree day factor for the State in which the principal residence of the taxpayer is located during such taxable year.

"(b) LIMITATIONS.—

"(1) MAXIMUM DOLLAR AMOUNT.—The amount of the credit allowed to a taxpayer under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(A) $300, over

"(B) 10 percent of so much of the adjusted gross income of the taxpayer for the taxable year as exceeds $30,000.

"(2) REDUCTION FOR GRANTS.—The amount of the credit allowed to a taxpayer under subsection (a) (after application of paragraph (1)) shall be reduced by any amount received by the taxpayer for any qualified home heating energy source under any Federal, State or local program.

"(3) ONE INDIVIDUAL ELIGIBLE PER HOUSEHOLD.—

"(A) IN GENERAL.—In the case of any household, the credit under subsection (a) shall be allowed only to the individual residing in such household who furnishes the largest portion (whether or not more than one-half) of the cost of maintaining such household.

"(B) DETERMINATION OF AMOUNT.—In the case of an individual described in subparagraph (A), such individual shall, for purposes of determining the amount of the credit allowed under subsection (a), be treated as having paid or incurred during

such taxable year for qualified home heating energy sources an amount equal to the sum of the amounts paid or incurred for such sources by all individuals residing in such household (including any amount allocable to any such individual under subsection (d)).

"(4) MARRIED INDIVIDUALS FILING SEPARATELY.—In the case of a married individual filing a separate return of tax, the provisions of subsection (b) of this section shall be applied—

"(A) by substiuting '$150' for '$300', and

"(B) by substituting '$15,000' for '$30,000'.

"(5) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) for a taxable year shall not exceed the tax imposed by this chapter for such taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43.

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) DEGREE DAY FACTOR.—The term 'degree day factor' with respect to any taxable year means the excess (if any) of—

"(A) the number of degree days during the 12-month period ending on August 31 of the calendar year preceding the calendar year in which the taxable year begins, over

"(B) the number of degree days during the 12-month period ending August 31 of the second calendar year preceding the calendar year in which the taxable year begins.

The number of degree days for any period shall be made on the basis of data provided by the National Weather Service.

"(2) QUALIFIED HOME HEATING ENERGY SOURCE.—The term 'qualified home heating energy source' means any energy source used for a qualified use, including wood.

"(3) QUALIFIED USE.—The term 'qualified use' means use in connection with any principal residence of the taxpayer located in the United States for purposes of heating such residence.

"(4) PRINCIPAL RESIDENCE.—The term 'principal residence' has the same meaning as in section 1034, except that—

"(A) no ownership requirement shall be imposed, and

"(B) the principal residence must be used by the taxpayer as his residence during the taxable year.

"(5) PRINCIPAL RESIDENCE IN MORE THAN 1 STATE.—If—

"(A) a taxpayer has more than 1 principal residence during any taxable year, and

"(B) such residences are located in more than 1 State,

the degree day factor shall be prorated between such States in such manner as the Secretary may prescribe.

"(d) ALLOCATIONS.—

"(1) TENANTS.—

"(A) IN GENERAL.—In the case of a tenant (other than a tenant-stockholder in a cooperative housing association) residing in a dwelling unit which is heated by a qualified home heating energy source and with respect to which the amount paid for such source is not separately stated, the amount determined under subsection (a)(1) for any taxable year for any qualified home heating energy source used for a qualified use shall be equal to 0.126 multiplied by an amount equal to that portion of rent paid by the taxpayer during such taxable year as is equal to the qualified rental portion.

"(B) QUALIFIED RENTAL PORTION.—For purposes of this paragraph, the term 'qualified rental portion' means that percentage of rental amounts paid for principal residences during a calendar year which the Secretary determines, after consultation with the Secretary of Housing and Urban Development or his delegate and after taking into account regional differences in climate and heating costs, to be the average percentage of rental amounts paid in a region of the United States attributable to the payment of the costs of the qualified home heating energy source so used for a qualified use in connection with the principal residence.

"(2) CONDOMINIUMS AND COOPERATIVES.—The Secretary shall provide by regulation for the application of this section to condominium management associations (as defined in section 528(c)(1)) or members of such associations, and tenant-stockholders in cooperative housing corporations (as defined in section 216), in such a fashion that the amount allowed by subsection (a) is allowed, whether by allocation, apportionment, or otherwise, to the individuals paying, directly or indirectly, for the qualified home heating fuel so used.".

(b) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting immediately after the item relating to section 44E the following new item:

"SEC. 44F. Credit for residential users of energy.".

(2) Section 6096(b) (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44D" and inserting "44D, and 44F".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1980, and before January 1, 1985.●

By Mr. DURENBERGER (for himself and Mr. BOREN):

S. 330. A bill entitled the "Investment Income Incentive Act of 1981"; to the Committee on Finance.

INVESTMENT INCOME INCENTIVE ACT OF 1981

● Mr. DURENBERGER. Mr. President, our Nation faces an urgent need to expand the pool of available capital to reinvigorate our industrial base and house our people. We must erect new factories utilizing the best technology and most efficient machinery if we are to battle inflation and compete effectively in the world marketplace. We must finance the housing demands of the baby boom generation as they attempt to purchase their first home.

The measure I introduce this morning would be a first step toward meeting these needs. Entitled the "Investment Income Incentive Act of 1981," it would exempt the first $1,250 of interest and dividend income on a single tax return ($2,500 on a joint return). The expanded exemption would be phased in over a 3-year period. Not only will this bill be a direct and effective means of capital formation in its own right, it will help fight inflation and also reverse the growing bias of a tax system that has turned us from a savings society into a consumptive one.

The U.S. League of Savings Associations estimates a need for $7 trillion in savings during the 1980's. Of this total, $5 trillion is needed to restore and retain our industrial base while $2 trillion is required to finance housing. At this time of greatest need our savings rate has been in a state of decline since 1973 and dropped substantially to a 4.5-percent rate in 1979. This included a 3.5-percent rate in the fourth quarter of the year, the lowest recorded quarterly level ever.

Our annual savings rate during the past decade ranks lowest among the Western industrialized nations. We managed a 6.6-percent annual savings rate during the 1970's compared to 19.6 for Japan, 15.4 for West Germany, 12.4 for the United Kingdom, and 9.2 for Canada. Not surprisingly, the other countries encourage savings with a variety of tax incentives while we place a double tax on interest and dividend income.

The drop in the U.S. savings rate was reflected in a significant drop in our productivity growth rate, which tapered to near standstill in the late 1970's. This reduced productivity growth also played a major role in driving up inflation. It is no coincidence that productivity growth has declined hand in hand with the savings and investment rate while inflation has risen inversely.

The steel and auto industries stand in not so mute testimony to the results of inadequate capital formation. We are already falling 1 million units short annually in our efforts to house those 41 million Americans who will reach the prime first-time homebuying age of 30 in the 1980's. We must reverse the bias against savings in our system of taxation if we expect our economy to employ and shelter the people of this country.

This legislation can begin to cure the economic malaise we are suffering. We could see up to $3 billion in new savings in the first year of this program increasing to $12 billion as this effort is phased in. Over 75 percent of the taxpayers report less than the $1,250/$2,500 ceiling on interest income, and they all would have an increased incentive to save.

This is obviously not a giveaway to the rich. It is a proper form of long overdue tax relief for those who practice the values of thrift and economy we used to encourage. Why should these hard-won earnings be taxed again after already being subjected once to an inequitable, inflation producing tax system?

Additionally, this legislation attacks the inflationary spiral that afflicts every single person in this country. New plants, more modern equipment, and improved tools in the hands of entrepreneurs and working people will increase productivity greatly. Improved productivity means more and better goods produced at a lesser price to the American consumer and a leadership position for America in the world marketplace as well.

Given the latest equipment, the American workers in the VW plant in Pennsylvania out-produce their West German counterparts. The key is providing the proper tools and equipment. The will is there in the worker and businessman alike to restore and retain our world economic leadership. Our tax system should provide the way to achieve this end, not discourage it.

Though this proposal will create some temporary loss of revenue, the schedule I have proposed for phasing in the needed changes should minimize the problem. Under my proposal the following limits would apply:

	Single return	Joint return
1981	$ 250	$ 500
1982	500	1000
1983	750	1500
1984	1000	2000
1985 and after	1250	2500

Few, if any, other investment incentives provide such an immediate return in terms of stimulating the economy, reducing inflation, and dispelling the adverse expectations that plague the investment environment in our country today. As savings and investment increase, more homes will be built, more factories erected, and more jobs created which will more than offset any loss to the Treasury. The phased-in schedule I suggest will allow the administration sufficient time to adjust to the budgetary impact of this measure. I am acutely conscious of the need to restrain Government spending and borrowing, and I introduce this measure with full confidence that it will very shortly be of great help to us as we strive to attain greater fiscal responsibility.

I seek your support for this measure. It provides a fiscally sound base upon which to revitalize our economy. It restores the traditional virtues of savings which supplied the capital that fueled the miraculous economic growth of this Nation. Renewed incentives for savings and investment can only help to get our economy off to a strong, new beginning.

I ask unanimous consent that the bill be printed in full in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 330

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. INCREASE IN THE MAXIMUM AMOUNT OF THE DIVIDEND AND INTEREST EXCLUSION.

(a) DIVIDEND AND INTEREST EXCLUSION—Subsection (b)(1) of section 116 of the Internal Revenue Code of 1954 (relating to partial exclusion of dividends and interest received by individuals) is amended by striking out everything after "exceed" and inserting in lieu thereof the following: "the amounts shown in the following table for the appropriate taxable years:

"Year	Dividend exclusion	Dividend exclusion for a married couple filing a joint return under section 6013
1981	$250	$500
1982	500	1,000
1983	750	1,500
1984	1,000	2,000
1985 and after	1,250	2,500."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1980.

SEC. 2. PERMANENT EXTENSION OF PARTIAL EXCLUSION OF DIVIDENDS AND INTEREST.

Section 404(c) of the Crude Oil Windfall Profit Tax Act of 1980 is amended by striking out ", and before January 1, 1983".●

● Mr. BOREN. Mr. President, I am pleased to join with Senator DURENBERGER in sponsoring the Investment Income Incentive Act of 1981.

I believe that we must act quickly to avert severe economic problems in this Nation. It is impossible for any thinking person to ignore the signs of extreme danger. These include an 18-percent inflation rate, a prime rate that has hit 20 percent and may rise even higher and individual savings which are not only at the lowest quarterly level ever recorded, but lag significantly behind most of the other major industrialized countries in the world. Our 6.6-percent annual average savings rate in the 1970's compares with 9.2 percent for Canada, 12.4 percent for the United Kingdom, 15.4 percent for Germany and 19.6 percent for Japan. Productivity is at an all time low.

Business in general, and small business in particular, does not have access to the capital they need to survive. Consumer debt has more than doubled in 10 years to the point where it is more than $300 billion today. Our trade deficit was $3.6 billion in January alone and is over $30 billion for the last 3 years. Unemployment is increasing steadily. The housing industry is on the verge of a major depression, with new starts declining over the past 2 years. The economy from major industrialized centers such as Detroit, to the farm belt States of the Midwest, is experiencing severe difficulties.

Our first priority must be to shift resources from the public sector to the private sector. We will never combat inflation until we shift more into private savings and investment to increase our productivity. In the 1980's we will need about $7 trillion in savings—$2 trillion for housing and $5 trillion to rebuild our industrial complex. The level of private savings is crucial in determining the rate of productivity, the level of inflation, and ultimately the standard of living for all Americans.

We must have stronger incentives to increase savings. The present dividend and interest treatment passed last year allows taxpayers to exclude up to $200 of income from dividends and interest if filing individual returns and up to $400 if filing joint returns for tax years 1981 and 1982 only. The Investment Income Incentive Act of 1981 would make this exemption permanent. It would also provide much stronger incentives to save, by increasing the exclusion limits to $1,250 for taxpayers filing individually and $2,500 for joint returns.

This legislation provides us with only the first step necessary to get our economy back on the right track. We must make deep cuts in Government spending in order to balance the budget and provide for the tax cuts needed to encourage productivity through increased depreciation rates and other incentives for capital formation. Balancing the budget is important, but cutting Government spending is the most important action of all. Balancing the budget by increasing taxes would just further bleed off resources needed by the private sector to revitalize the economy.

Mr. President, in summary there is an urgent need for action on all fronts. To restore confidence and to stabilize the economy we must not wait. Every day, every week of inaction increases the risks to our economy.●

By Mr. BOREN (for himself and Mr. NICKLES):

S. 332. A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to encourage a reduction of air pollution and oil consumption by existing electric powerplants; to the Committee on Energy and Natural Resources.

PETROLEUM DISPLACEMENT ACT OF 1981

● Mr. BOREN. Mr. President, today I am introducing legislation to protect consumers from huge utility bill increases due to enactment of the Powerplant and Fuel Use Act of 1978, commonly called the Fuel Use Act. Such an amendment would correct a gross inequity imposed by the act when it was adopted in 1978. The act basically prohibits burning natural gas to generate electricity after 1990. If conversions are not made, such plants would have to be shut down. Temporary and permanent exemptions are provided in the law, but many States such as my own do not believe they can take advantage of these due to location of present generating facilities and unfavorable regulatory interpretations by the Department of Energy.

Conversion for many of the oil-fired generating plants merely requires the addition of coal moving and storage equipment, since many of these plants were originally coal burning plants that were converted to oil when the price of oil was lower. Both oil and coal facilities usually contain some pollution control devices already. Conversion for natural gas utilities like most of those in the Southwest, requires actual replacement of the plant.

It is technically and economically unreasonable to convert natural gas-fired generating units to coal. The entire boiler of a gas-fired plant would have to be replaced, rail lines, additional real estate and extremely expensive environmental safeguards such as scrubbers would be required to be added to the unit before it could burn coal. The cost to convert a natural-gas fired unit to coal would exceed the cost to build a new and more efficient coal-fired plant with a longer life.

Let us look at the example of Oklahoma. Oklahoma's electrical capacity is close to 100 percent fired by natural gas. Thus, each and every one of those natural gas plants would have to be replaced by coal-burning facilities. It will cost Oklahoma utilities around $5 billion to replace existing generating capacity, most of which is less than 20 years old in 1980. The entire capital structure of the utilities only stands at $3.6 billion.

The Oklahoma State Corporation Commission—which regulates utilities—has estimated that this would require an annual increase for Oklahoma utilities of $600 million just to replace the existing plants. This would mean that an annual increase in rates of hundreds of dollars per year for every ratepayer. The waste of these natural gas-fired plants and the resulting costs to comply with the Fuel Use Act would necessarily be passed on to

the customer. Thus, coal conversion would not come cheaply to the Southwest.

There are approximately 250 totally, natural gas fired electrical generating units in the United States with a remaining useful life after 1990. These generating units are located in nine States, but the majority are found in only three: Texas, Louisiana, and Oklahoma.

The approximate capacity of these 250 generating facilities equals 54,000 megawatts. These natural gas-fired plants are located in a region of the country where natural gas is plentiful and easy to obtain. Thus, many electrical suppliers in this region are committed to long-term and often exclusive contracts with natural gas producers and pipelines on a take or pay basis. They will, therefore, be required to convert to coal at the same time that they are sitting on a cheap, clean and guaranteed source of fuel.

I believe that it is important to point out that one of the basic assumptions underlying the Fuel Use Act at the time of its passage was that there was a current or pending shortage of natural gas. That assumption was invalid in 1978 and recent figures on production and reserves indicate that domestic supplies of natural gas will be ample to meet U.S. demands for many decades. Although there has been some slight fluctuation, for the past several years the United States has consumed approximately 20 TCF annually. Experts both in and out of Government predict that this level of demand will remain relatively constant if mandatory reductions are not imposed.

It is now obvious that the apparent "shortage" of natural gas in eastern markets in 1977–78 was the result of unrealistic Federal pricing for interstate gas sales that acted to divert gas to the intrastate market. There was no actual shortage of natural gas then nor is there a shortage today. The market for gas is soft and supplies exceed demand. Further Federal interference in gas usage or pricing can only serve to again discourage exploration and exacerbate the soft gas market. From a resource standpoint there is no need to junk all existing natural gas-fired powerplants.

The legislation that I have introduced will eliminate the requirement under the Fuel Use Act that all existing natural gas-fired powerplants be converted by 1990. My amendment would allow existing powerplants burning natural gas to continue to burn natural gas through the useful life of the plants. It would still provide that any new powerplants built would be coal-fired. It is just not in keeping with good conservation practices to require a new facility be built to replace a perfectly good existing generating facility. It is also extremely costly to the consumers who have to pay for the conversion over a short span of years—by 1990—instead of spreading it out over the useful life of the plants.

A study done on behalf of the Southern Growth Policies Board has estimated that the Southwest United States will face a 43-percent increase in utility bills entirely due to the passage of the Fuel Use Act. The rest of the United States will only be looking at an increase in rates of about 3 percent.

I urge the support of my colleagues for my bill to ease the unfair impact of the Fuel Use Act on Oklahomans and citizens of the Southwest. It is absolutely time for our leadership in the Nation to give equal treatment to all regions of the country in terms of the burden of Federal energy policy.

Passage of my bill will be a step toward equalizing the impact on all regions of the Nation and make this law fairer across the board for all Americans.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 332

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Petroleum Displacement Act of 1981".

SEC. 2. FINDINGS AND STATEMENT OF PURPOSES.

(a) FINDINGS.—The Congress finds that natural gas is a clean, economical fuel with the clear potential of displacing significant amounts of petroleum used as a primary energy source by existing electric powerplants.

(b) STATEMENT OF PURPOSES.—The purposes of this Act are—

(1) to reduce petroleum consumption by existing electric powerplants;

(2) to improve air quality; and

(3) to benefit consumers of electrical power by restraining the cost of electricity.

SEC. 3. INCREASED PETROLEUM DISPLACEMENT.

The Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8301–8483) is amended by striking out Section 301 (42 U.S.C. 8341).●

By Mr. EAGLETON:

S. 341. A bill for the relief of Isaac N. Hulver of Kansas City, Mo.; to the Committee on the Judiciary.

RELIEF OF ISAAC N. HULVER

● Mr. EAGLETON. Mr. President, I am today reintroducing a private claims bill for the relief of a wounded World War II veteran, Mr. Isaac "Ike" Hulver of Kansas City, Mo. I first introduced this legislation during the 2d session of the 95th Congress. Insufficient time, however, precluded the Senate Judiciary Committee from fully considering the matter before the Congress adjourned.

Subsequent to my reintroducing the legislation at the beginning of the 96th Congress, the Judiciary Committee reported it favorably and the Senate passed it without amendment. This past December 11, the House passed a modified version of the same basic legislation. Unfortunately, and much to my chagrin, former President Carter pocket-vetoed the bill as one of his last acts as our Nation's 39th Chief Executive.

In 1976, the U.S. district court in Kansas City awarded Mr. Hulver $202,298.12 in damages because of negligent medical treatment he received from a doctor at a Veterans' Administration hospital. Because of this negligence, Mr. Hulver can no longer work, he can barely walk. Even though the U.S. Circuit Court of Appeals in St. Louis was silent on the issue of negligence it reversed a district courts ruling in favor of Mr. Hulver because of a legal technicality. Subsequently, the U.S. Supreme Court has announced it will not review this case.

Mr. President, following my remarks I will once again ask unanimous consent to include in the RECORD of today's proceedings a summary of Mr. Hulver's situation as reported by the Kansas City Star. I will also include an editorial that appeared in the April 10, 1978 issue of the Kansas City Star, regarding this same matter.

After reading these two articles I think my colleagues will agree that Mr. Hulver has suffered immeasurably because of negligence on the part of the doctor at the Veterans' Administration hospital. The ultimate responsibility for this malpractice must be borne by the Federal Government. Therefore, I am proposing that Mr. Hulver receive payment from general revenues in the amount he was awarded in damages by the district court judge. In my years in the Senate I have seldom introduced a private claims bill, but, in this unique situation, action of this type is justified.

Mr. President, I ask unanimous consent that the articles to which I have referred be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Kansas City Star]

SAD END TO EX-GI'S "OVERSIGHT"

(By Harry Jones Jr.)

The U.S. Supreme Court already has written an unhappy ending to this story—unhappy, anyway, for Isaac "Ike" Hulver, who is 65.

He was Private Hulver, a 33-year-old draftee, the morning of Dec. 1, 1944, the day this story began.

Ike had felt himself lucky when he awoke that morning. It had been the first night's sleep in several that he had spent under a roof. The roof was on a barn, true, and Ike was outside Saarbrucken, Germany, fighting World War II, at the time. But a roof is a roof, and Ike appreciated that one.

It was cold outside and foggy. A road lay ahead. Ike's lieutenant ordered him and another GI to advance to it and scout the area. Germans were nearby, but they did not know how near.

The two soldiers advanced to the road, saw nothing threatening in view and signaled to the lieutenant that the rest of his squad could advance.

Ike had signaled by raising his M–1 rifle over his head with both hands, then had relaxed and lit a cigarette.

Suddenly he saw movement from behind a railroad embankment. It was a German soldier. He fired twice at the soldier and, although an expert marksman, missed both times. The German retaliated with a long burst from his machine gun.

One bullet caught Ike's buddy between the eyes and he fell forward, dead. Five other bullets hit Ike—one in the right knee, three in the abdomen, one in the chest, puncturing a lung.

Ike managed to crawl back to his outfit but 45 minutes later, as he was lying on his back, an 88-millimeter shell burst in a tree above him and riddled his body with shell fragments.

That was the end of World War II for Ike Hulver, who now lives at 2808 N.E. 45th. He

spent the next seven months in military hospitals where he underwent 15 operations. In July 1945 he was discharged with a 100 per cent disability rating.

A year later that was reduced to 70 per cent disability and a little later was raised to 80 per cent. It has remained at that level since. He now receives a government check of $410 a month.

Ike worked as a monotype casterman for The Star from 1953 until 1971. The job required him to do a great deal of lifting all day—35-pound, hot metal "pigs" and 25-pound galleys made from the "pigs," between 200 and 300 of them each day.

It had taken Ike three years to learn how to walk. His right leg, because of one bullet wound, would bend in either direction at the knee instead of just back. Until he learned to walk, he found himself falling frequently whenever the leg bent in the wrong direction.

After consulting with his private physician, he went to the Veterans Hospital here in 1968 complaining of pain and numbness in his right hip and leg. It was determined that he needed a bilateral aortoilliac endarterectomy—removal of mineral deposits in the artery leading to his right leg to improve his circulation.

As Ike related it in an interview at his home earlier this week—and as he testified in federal court in 1976—when told by the surgeon at the VA hospital that X-rays had shown a small mineral deposit in the artery leading to his left leg, he specifically told the doctor not to touch his left leg—this was the leg he had favored since the war and he wanted nothing done to it.

Ike said the surgeon was from Argentina and spoke poor English. He thought the doctor understood him, however, he said.

After undergoing surgery Oct. 17, 1968, he awoke the next day to find his left leg numb. His right leg, however, was improved.

As described in a ruling by the 8th U.S. Circuit Court of Appeals in St. Louis: "As a result of the operation, plaintiff's (Ike's) left leg, which had previously caused him no pain or trouble, was disabled by a clot that formed in the left branch of the arterial tree in the weeks following the operation. In addition, his sexual function was seriously impaired."

He returned to the hospital in December 1968 for corrective surgery by the same surgeon. The surgeon's attempt to remove the clot, however, was unsuccessful.

He underwent surgery a third time on March 10, 1969, this time by a different surgeon who inserted a plastic tube for part of the artery in a bypass operation.

Friends familiar with his leg problems began urging him to sue the government over the October operation. Finally, in late 1970, he went to see William Pickett, a lawyer. Pickett investigated the case and filed notice of a lawsuit on Feb. 18, 1971—two years and four months after the first operation, one year and 11 months after the third operation.

Ike quit his job at The Star. His legs could not stand the strain.

Pending trial, he continued to go to hospitals for more operations. He underwent two at the North Kansas City Memorial Hospital in 1973 and two more at the Mayo Clinic in Rochester, Minn., in 1974 and 1975.

He was out of work. He could no longer pursue his two favorite hobbies—hunting and flying. He was sexually impotent (a nerve had been cut accidentally in the October 1968 operation). And he could barely walk.

The case went to trial before Judge William H. Becker in the U.S. District Court here in 1976. It lasted three days.

The judge ruled in his favor and awarded him $202.298 in damages.

The judge found that Ike had proved negligence in the October 1968 operation when the surgeon elected to perform work on Ike's left leg after having been told not to and in the post-operative care provided him by the VA Hospital staff.

But there was another issue before the court and it was this that led to the unhappy ending provided Monday by the Supreme Court.

The statute of limitations on this type of case is two years—in other words, Ike was required by law to file his lawsuit within two years of the time he "discovered, or in the exercise of reasonable diligence should have discovered" that he had been the victim of malpractice.

Judge Becker ruled that Ike "proved by a preponderance of the evidence that he did not discover the alleged acts of malpractice which he contends caused his sexual impairment and the impairment of the functions of his left lower extremity until after Feb. 18, 1969."

Ike had maintained he did not become aware of the actual cause of his problems with his left leg and his sexual capacity until after undergoing the third operation, at which time the new surgeon explained to him what had gone wrong in the first operation.

The Justice Department decided to appeal Judge Becker's ruling. It based its appeal on the statute of limitations issue solely, not arguing the negligence ruling.

The Eighth U.S. Circuit Court of Appeals in St. Louis overruled Judge Becker in October of last year. The appeals court said that while it supported the finding of negligence in the first operation, Ike should have known he had been the victim of malpractice shortly after the first operation and well before the third operation.

In other words, it ruled, Ike had filed his lawsuit a few months too late.

Picket appealed that decision to the U.S. Supreme Court. The Supreme Court announced Monday it had decided not to hear the appeal.

[From the Kansas City Star, April 10, 1978]

WHEN JUSTICE IS ERODED

The first reaction to the Isaac "Ike" Hulver case is a burst of emotion. How can this 65-year-old war-scarred veteran, the victim of gross malpractice, be turned away by the courts in his attempt to recover damages for his permanent impairments from surgery? Even on reflection it is a fair and appropriate question—one that unfortunately raises doubts about the capability of our system to deliver justice in a compassionate and equitable way.

A ruling by a federal appellate court prevented Hulver from receiving the $202,298 that he was awarded by a federal district jurist here. From the lay person's view, the appeals decision appears to hang on a technicality. Namely that the statute of limitations expired shortly before the case was filed. This was a reversal of the district court judge who had listened to witnesses and made a determination that the case had indeed been filed before the deadline.

The U.S. Supreme Court has refused to consider the case, which leaves standing the ruling against Hulver. That means the damages, unless there is further legal action or an administrative ruling in the executive branch of the government, will not be paid by the federal government.

It is difficult to say where the fault in this case lies. But we are troubled deeply by the results. The ultimate responsibility for this malpractice, which occurred in a Veterans Administration hospital, must be borne by the federal government. The case was defended by federal attorneys in the line of their duty. They did not contest the ruling on negligence in their appeal: that action was based on the law that prohibits legal action being taken after a prescribed time has elapsed. Had the Justice Department not appealed the district court decision that favored Hulver, he would have received the settlement.

We submit that justice, irrespective of the narrow interpretation of the law, has suffered in this instance. It may stand as a good legal exercise. It does not stand the test of equity under the law. Perhaps this injustice can be remedied by the Veterans Administration, further litigation or by a special appropriation by Congress. But something needs to be done—and fast.●

By Mr. PROXMIRE:

S.J. Res. 22. Joint resolution authorizing the President to proclaim March 16 of each year as "Freedom of Information Day"; to the Committee on the Judiciary.

FREEDOM OF INFORMATION DAY

Mr. PROXMIRE. Mr. President, today I am once again introducing a joint resolution to establish an annual Freedom of Information Day to be celebrated on March 16, James Madison's birthday.

The resolution I am introducing today is identical to Senate Joint Resolution 196, which I introduced last fall. That resolution, which passed the Senate September 29, enjoyed widespread bipartisan support. I am pleased to say that 36 Senators from both sides of the aisle joined me in cosponsoring the resolution. Unfortunately, the resolution did not pass the House of Representatives before the end of the 96th Congress and therefore must be reintroduced.

Obviously, a national Freedom of Information Day would recognize the vital role that a free press plays in our country. But this is not just a day for the press. It is a day that celebrates a basic right of every American—the right to information, the right to know what is happening in their Federal, State, and local governments.

A free press, as envisioned by our Founding Fathers, exists to serve the American people by providing them with the information they need to make their daily decisions.

It is a fundamental principle of our Nation that, given the necessary information, the American people can make the decisions that will govern their present and their future. If the American people are to make wise decisions, they must have all the facts, and be able to weigh the alternatives and consequences.

Why do we need to set aside a day each year to celebrate this right of freedom of information? We need such a day because too many Americans take this precious right for granted.

Because they have never known another way of life, many Americans do not recognize how important the freedom of information is to preserving the other freedoms they hold dear.

As long as our right to information is protected, we will never lose the other freedoms guaranteed in the Constitution.

So Mr. President, it is important that we set aside a day to recognize the fact that we are the only nation in the world that guarantees its people the right to know what their Government is doing. If we take our right to freedom of information for granted, we risk losing that right.

It is fitting that the day selected for

the annual observance of Freedom of Information Day is March 16, the birthday of James Madison, our fourth President. James Madison was the Founding Father who drafted the Bill of Rights and recognized the need to guarantee individual rights in the Constitution.

Mr. President, I urge the Senate to adopt this joint resolution, and I ask unanimous consent that the text of the joint resolution be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. Res. 22

Whereas, a free press exists to serve the American people, whose daily decisions rest on their having information;

Whereas, a fundamental principle of our Nation is that, given information, the people can make the decisions that determine their present and their future;

Whereas, if these decisions are to be wise, they must be reached after weighing the facts and considering the alternatives and consequences;

Whereas, the freedom we cherish in the land is rooted in information;

Whereas, this freedom of information deserves to be emphasized and celebrated annually;

Whereas, many Americans, because they have never known any other way of life, take the freedom of information provided under the First Amendment of the Constitution for granted;

Whereas, many Americans do not recognize fully how this provision of the Bill of Rights affects their daily lives; and

Whereas, March 16 is the birthday of James Madison, who was the founding father who recognized and supported the need to guarantee individual rights through the first ten amendments to the Constitution: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate March 16 of each year as "Freedom of Information Day", and to call upon Federal, State, and local government agencies, and the people of the United States to observe such day with appropriate programs, ceremonies and activities.

By Mr. HEFLIN:

S.J. Res. 23. Joint resolution proposing an amendment to the Constitution to promote fiscal responsibility; to the Committee on the Judiciary.

FISCAL RESPONSIBILITY

Mr. HEFLIN. Mr. President, I, for the third time since I became a Member of this body, am introducing a joint resolution which would require the Federal budget to be balanced on an annual basis. This resolution is similar to a measure I sponsored and worked on during the 96th Congress, Senate Joint Resolution 126, which was approved by the Constitution Subcommittee of the Judiciary Committee but which died an untimely death at the full Judiciary Committee.

Mr. President, the very first piece of legislation I introduced when I first came to the Senate in 1979 was a resolution calling for a constitutional amendment doing essentially the same thing that is called for by this resolution. This fulfilled a pledge I made to the people of Alabama during my campaign, and by working for the measure that I am sponsoring during this session I am further fulfilling a commitment I have made to the people of Alabama as I traveled around my home State over the last several months.

The people of Alabama, like people all over this country, realize that inflation continues to be the No. 1 problem facing this country today. No doubt there are other problems which we must face and overcome, but as these problems come and go, the problem of inflation goes on and on and on. Many of these other problems, of course, are offshoots of the underlying problem of inflation. The high interest rates which are burdening the people of this country even today are an offshoot of the problem of inflation. If we solve the problem of inflation, many of the problems that are spinoffs will evaporate.

The people of this country are crying out for relief from inflation and high interest rates, and it is the responsibility of this Congress to assume the leadership in trying to bring these problems under control and to provide much-needed relief for the average American worker and taxpayer.

In my first floor speech in this body, I urged the Senate and the House of Representatives to assume the leadership in this battle. I noted then that a strong move was being made by the States to convene a constitutional convention in order to propose a balance-the-budget constitutional amendment. I felt then, and I feel now, that such a convention would be unwise and certainly would be unneeded if this body fulfills its own responsibilities and provides leadership in this area. At the start of the last session, Mr. President, the prospects for progress looked bleak indeed. There were many, many persons both in and out of Congress who thought the balance-the-budget movement would never get off the ground. Dozens of proposals for achieving a balanced budget were put forward; and, although each had its own constituency, no consensus could be seen for any particular approach to solving the problem.

Early in 1979, however, Mr. President, a coalition of Senators who were interested in providing relief from inflation to the American taxpayers began to meet and seek ways of attacking this problem. This coalition of Senators and their staffs met frequently throughout the spring, summer, and fall of 1979 trying to arrive at a consensus measure which would be supported by all the various factions and constituencies who were seeking this same end, although by a variety of means.

In early fall of 1979 it was clear that a majority of the members of the Constitution Subcommittee were in agreement that some action should be taken at that time, but again there was no consensus as to the particular approach which would be the most appropriate. Several months of intensive work by the staffs of Senators THURMOND, HATCH, SIMPSON, DECONCINI, and myself, always in coordination and in conjunction with the efforts of the ad hoc Balance the Budget Committee made up of members from the Senate at large, worked diligently on trying to form some kind of coalition. Various approaches were taken, scrutinized by the subcommittee members and the ad hoc committee, and revised or rejected.

Finally, a measure was forwarded which took a fresh approach to the problem and which combined the best features of various competing approaches to the solution of the problem of balancing the budget and restraining Federal spending and Federal growth. Senate Joint Resolution 126 was introduced, and many other Senators joined us as cosponsors of it.

The proposed amendment has been scrutinized by many Senators and interest groups, as well as the staffs of many in this body. It has been examined by outside experts, and while it does not garner universal acclaim, there is a strong feeling that it is an amendment that we can live with, that the American public will rally behind, and that has a realistic chance of being passed by this Congress and ratified by the several States. During the last Congress, the resolution was approved by a majority of the Constitution Subcommittee but failed to be reported by the full Judiciary Committee by one vote.

Today, as I mentioned above, I have introduced a slightly modified, in my judgment, improved, version of that amendment. I think this is a historic day because I feel that this is the first step in a long journey which will eventually see this amendment become part of our organic law.

I think at this point it is important to note the characteristics of this amendment. It is not my intention to write economic policy in the Constitution. In my judgment, it is only incidentally an economic amendment; primarily, it is an amendment of process. Section 1 of the amendment establishes a norm, and that norm is that spending should not exceed revenues.

If a government is going to spend money for whatever purpose, it should and must have the money in hand to pay for the goods or services required. This is a concept that is basic to sound fiscal policy both on an individual level and on the national level. It is a concept that all Americans understand. You cannot continue to spend more money than you take in year after year and be on sound economic footing. Section 1 can be waived by a majority vote in case of war or by a three-fifths vote of the Members of Congress. Under certain conditions, defense spending bills which exceed the authorized budget level could be passed by a majority vote, but this is the only exception to the general rule.

Section 2 requires that revenues not grow at a rate which exceeds the growth of national income and thereby establishes a norm. This norm is that tax increases must be above board and affirmatively approved by a vote of the elected representatives. It does not try to control the level of Government spending per se. What it does is provide that if the Government is going to raise taxes, it must do it by majority vote in the open and not rely on hidden taxes such as in-

flation to drive up Federal revenues and thus finance increased Federal spending. The Congress can no longer hide behind inflation if this amendment is approved, as I think it will be. It will then be put in the hard position of making decisions about whether to cut out spending or to raise taxes to cover the increased spending.

Either decision will be difficult, and this difficulty I think will inhibit the growth of needless Federal programs. Thus, in effect, the provision will be both a limitation on spending and a limitation on taxation, which are major goals for any such amendment.

As mentioned, the amendment is a unique combination of the approaches which were competing for attention. First and foremost, it is a balance-the-budget amendment. But, as mentioned above, it also has the characteristics of a spending-limitation and a tax-limitation amendment. It expressly mandates a balanced budget which can be waived by Congress only by a three-fifths vote. It is a tax limitation because it prohibits hidden inflationary tax increases, and it is a spending limitation in that if there is no vote to raise taxes, spending will be held down by the section mandating a balanced budget.

Mr. President, I stated earlier that today is a historic day. I truly believe this, and I think that the American people will rally behind this amendment once the details of the amendment are made known generally. I hope that all groups who have an interest in bringing fiscal restraint and economic sanity to this Government will rally behind this amendment and give it their support.

Mr. President, extensive hearings were held by the last Congress on various approaches to balancing the budget so, in my judgment, a record has been made for this amendment and extensive hearings need not be held this year. I think that we have achieved a breakthrough in the war on inflation, and we must now move boldly to exploit our success.

I call upon all Americans around this Nation to get involved in this movement. The time is ripe, and if we act decisively, perhaps before the end of this session of Congress we can present the American people the opportunity to ratify this much needed and sensible amendment to our Federal Constitution.

I urge each and every Member of this body to examine the merits of this amendment and to join me in cosponsoring what may prove to be the most significant amendment to the Federal Constitution since the adoption of the Bill of Rights.

I ask unanimous consent that the resolution be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 23

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. The Congress shall adopt for each year a budget, which shall set forth the total receipts and expenditures of the United States. No budget in which expenditures exceed receipts shall be adopted, unless three-fifths of each House of Congress approve such budget by a rollcall vote directed solely to that subject. The Congress shall not pass and the President shall not sign any appropriation bill which would cause the total expenditures for any year to exceed the expenditures in the budget for such year; provided, however, if the Congress shall first approve a resolution declaring a condition of military urgency, then defense appropriation bills only may be passed by majority vote and signed by the President which would cause the total expenditures for the year to exceed the expenditures in the budget for such year.

"SEC. 2. The receipts in any year shall not exceed, as a proportion of the national income, that collected in accordance with this section in the prior year, unless a bill directed solely at approving a specific increase in such proportion has been passed by each House of Congress by rollcall vote and such bill has become law.

"SEC. 3. The Congress may waive the provisions of section 1 with respect to any single year in which a declaration of war is in effect.

"SEC. 4. Terms used in this article shall be construed in accordance with their meanings on the date on which this article was submitted to the States for ratification.

"SEC. 5. This article shall take effect on the first day of January of the second calendar year beginning after its ratification."

By Mr. DURENBERGER (for himself, Mr. QUAYLE, and Mr. DANFORTH):

S.J. Res. 24. Joint resolution proposing an amendment to the Constitution of the United States with respect to reconfirmation of Federal judges after a term of 10 years; to the Committee on the Judiciary.

CONSTITUTIONAL AMENDMENT ON JUDICIAL TERM LIMITATION

● Mr. DURENBERGER. Mr. President, this morning I am introducing a constitutional amendment limiting Federal judicial appointees to a single 10-year term. Joining me in cosponsoring the amendment is my colleague from Indiana (Mr. QUAYLE) and my colleague from Missouri (Mr. DANFORTH).

The amendment would preserve the essential independence of the judiciary by limiting nominees to a single-term, free from the political pressure surrounding reelection or reappointment. At the same time, it would produce a more responsive judiciary as "professional jurists" serving life terms more gradually replaced with "citizen jurists" serving terms of limited duration. The progressive turnover assured by this amendment would insure a flow of fresh ideas and perspectives to the Federal branch. It would also extend the opportunity for judicial service to a greater number of talented men and women.

It is impossible to ignore the fact that under the present life tenure system, a Federal judge can only be removed from the bench in the most extreme case of illegal or unethical conduct. Even under these circumstances, it has been 45 years since an impeachment proceeding was successfully concluded. But what about the appointee who meets basic ethical and background standards, but for a variety of reasons performs poorly on the bench? As Senators, we are repeatedly called upon to confirm judicial appointments for individuals who have a high degree of legal training but no judicial experience. We can evaluate their legal competence, and make accurate judgments on their ethics. But we never really know whether the nominee possesses the right combination of personality and demeanor to be an effective Federal judge until he or she actually takes office. In the rare case where we err, the mistake is irreparable. The judge serves for life.

The 96th Congress was cognizant of that problem, and took a first step toward addressing it by enacting the Judicial Conduct and Disability Act of 1980. That legislation established a mechanism for dealing with certain categories of judicial misconduct short of an impeachable offense. It was a positive step, and it had my support. But the improvements brought about by that landmark legislation are matters of degree. It still cannot address the consequences of life tenure for a judge who is guilty of no mal (or mis) feasance, but simply performs poorly on the bench.

The amendment I propose would alter that system. It would insure a fresh flow of ideas to the judiciary, while minimizing the negative impact of poor judicial appointments. Equally important, it would keep the judiciary in closer touch with the progressively evolving views of American society. This amendment, and the congressional term limitation I have joined in introducing this morning, are reforms designed to bring all branches of Government closer to the people they represent. I urge every Senator to join me in supporting them.

I ask unanimous consent that the joint resolution be printed in full in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 24

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following article is proposed as an amendment to the Constitution of the United States:

"ARTICLE —

"SECTION 1. Notwithstanding the provisions of the second sentence of section 1 of Article III of the Constitution of the United States each judge of the Supreme Court and of the inferior Courts of the United States shall hold such office during good behavior, but for a term of not to exceed ten years. This article shall apply to any person holding such office prior to ratification of this article by the legislatures of three-fourths of the several States.

"SEC. 2. Any judge having held office in one Court shall not be precluded from holding office in any other courts.

"SEC. 3. Judges holding office under section 1 of Article III of this Constitution on the date of ratification of this article shall con-

tinue in office until their successors have been appointed and have qualified for office under this article

"SEC. 4. This Article shall be valid only if it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification.".●

Mr. QUAYLE. Mr. President, I am pleased to join today in introducing a constitutional amendment limiting Federal judicial appointees to a single 10-year term.

In recent years we have heard complaints, from many quarters about the "imperial judiciary" that is insensitive to the needs and desires of those over whom it enjoys jurisdiction. A change of the bench every 10 years would not be so often as to disrupt adjudication, but it would offer the chance for relief from a justice who has lost the confidence of the people under his jurisdiction. This amendment would preserve the essential independence of the judiciary while insuring a fresh influx of ideas to the bench.

Mr. President, as the situation now stands, a Federal judge can be removed only in the most extreme cases of judicial misconduct. The fact is that it has been 45 years since a Federal judge was successfully impeached. A poor judicial appointment is practically equivalent to a life sentence of incompetent and/or unresponsive adjudication.

This amendment will alter this situation. It will be a significant step toward restoring popular faith in our Federal court system—a faith which has eroded to dangerous levels in recent years.

I urge my Senate colleagues to support this amendment.

By Mr. DANFORTH (for himself, Mr. DECONCINI, Mr. WALLOP, Mr. HAYAKAWA, Mr. GARN, Mr. GOLDWATER, Mr. EXON, Mrs. KASSEBAUM, Mr. HUMPHREY, Mr. SIMPSON, Mr. DURENBERGER, and Mr. QUAYLE):

S.J. Res. 25. Joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office of Members of the Senate and of the House of Representatives; to the Committee on the Judiciary.

CONSTITUTIONAL AMENDMENT LIMITING CONGRESSIONAL TENURE

● Mr. DANFORTH. Mr. President, today I am once again introducing a joint resolution calling for a constitutional amendment to limit the tenure of Members of Congress. Under my proposal, service in the Senate would be limited to a maximum of two terms. Service in the House of Representatives would be limited to a maximum of six terms. However, in order to prevent the ratification process from becoming embroiled in disputes over the wisdom of retaining certain incumbent Members of Congress—or reelecting former Members of Congress—the proposal, as in years past, contains a limited grandfather clause. No matter how many terms an incumbent or former Member of Congress had served prior to ratification of the amendment, he or she could still be elected an additional six times to the House of Representatives or two times to the Senate.

When I first proposed the idea of limiting congressional terms during my campaign for the Senate in 1976, some people theorized that the purpose of the proposal was to break the Democratic Party's control on the Congress. If nothing else, I hope I put that misconception to rest by my decision to reintroduce the proposal this year—the first of what I hope will be many years of Republican control of the Senate.

The fact of the matter is that this proposal has never been aimed at any political party or faction.

The goal of this amendment—simply stated—is to serve notice that service in Congress is not a lifetime proposition. With passage of this amendment, there will be scant rewards for the politician inclined to say "yes" to everyone and "no" to no one in the hope of perpetual reelection. To my mind, the people are not well-served when decisions are made on the basis of political expediency. As Winston Churchill once observed, "A politician who consistently has his ear to the ground is scarcely in a position to be looked up to." With passage of this amendment, we can hope for a more statesmanlike Congress. Other advantages come readily to mind: An orderly, but consistent turnover in Congress, and with it a constant infusion of new ideas; a Congress that is closer to the people, as fewer and fewer Members of Congress come to view Washington as their permanent home; a Congress less concerned about reelection, less subject to interest group pressures.

I am confident that passage of a constitutional amendment limiting congressional terms will have a salutary effect on the Congress of the United States. However, in the absence of a constitutional amendment, I feel obliged once again to point out that my support for a limitation of congressional terms does not necessarily carry with it a promise that I will retire from the Senate after my second term, assuming that I decide to run for a second term, and assuming that the people of Missouri are good enough to reelect me if I do run. Absent passage of a term limitation amendment, given the benefits which seniority carries in this body, I would do the people of my State a disservice in voluntarily stepping down after two terms simply for the sake of stepping down. Term limitation must apply across the board to be meaningful, and should apply across the board or not at all.

This is the third time I have introduced this proposal and, notwithstanding its failure to make much headway in the Halls of Congress, I have been quite gratified by the response it has received. Not long after I first introduced it in 1977, 60 percent of people responding to a Gallup poll said they would favor a limit on congressional terms. Shortly thereafter, some 87 percent of people responding to a Nation's Business poll supported the idea. Throughout the last 4 years, the subject has been discussed on college campuses and has been the topic of radio and television debates, as well as magazine and newspaper articles and editorials. There is much to be gained from this debate, and I hope it continues.●

Mr. QUAYLE. Mr. President, I am pleased to join today in introducing a joint resolution which calls for a constitutional amendment limiting the tenure of Members of Congress. I welcome the opportunity to join Senator DANFORTH and my other distinguished colleagues in seizing this initiative to make the representatives of the people more accessible to the people. It is time to exchange the current model of the professional politician for the original model of citizen-statesman.

We have watched in recent years as politics has become a way of life, a permanent vocation for many who set reelection as their primary goal. When I was a Member of the House of Representatives, the most talked about issue was reelection. Though I am a new Member of this august body, I doubt whether I shall find the situation here to be much different, in this respect, at least.

The Founding Fathers did not intend it this way. I feel confident in asserting that they would be dismayed were they here today to witness the rise of the professional politician. They believed deeply in the concept of the citizen-statesman who would lend his services to the conduct of the Nation's business for relatively short periods of time and then return to his community. While they set no limits on terms of offices, it was the generally observed tradition in the first Congresses for a Representative to serve but two terms and then retire. In addition, a representative was expected to pursue his regular occupation and the job of legislating for the Nation was strictly part time.

These customs gave rise to a national legislature that was responsive to constituents and their particular interests and needs, yet was mindful of its responsibility for the general welfare of the whole Nation. Today, the grim reality of reelection pressures has produced a body that overemphasizes responsiveness and underemphasizes responsibility.

Mr. President, limiting congressional tenure will alleviate these reelection pressures and help to restore the balance to legislative life by providing a better blend of stability, efficacy, and responsiveness. A legislator will be able to concentrate on the job at hand, not on the accumulation of favors, benefits, and other trappings of office. The 12-year limit on tenure will allow sufficient time to develop and enact a legislative program at a thoughtful, considered pace, but not enough time to become a professional politician whose primary goal is reelection and maintaining a residence in Washington, D.C.

Further, a limitation on terms guarantees that there will be more frequent turnover of personnel in office. This would insure a constant influx of new ideas and fresh approaches to the difficult problems that confront our Nation. Limiting tenure would also have the effect, I believe, of revitalizing pub-

lic participation in the political process at the grassroots. Members of Congress will be looked upon as members of the community who are on temporary leave in Washington in order to lend their talents toward the solution of national and local problems.

Mr. President, I am well aware of the argument that the limitation of terms, such as this proposal envisages, would deprive us of the leadership of those who have distinguished themselves and their Nation by many years of service. While this argument has some merit, I am more powerfully persuaded by the sentiment that our current system discourages the infusion of new vitality and fresher approaches to the challenge of governing this large and diverse Nation.

Mr. President, I believe that my colleagues will find, as I have in recent years, a great deal of support for this responsible reform. The American people want an active role in their Government, but too often they find it a closed system which requires too much time and effort to penetrate. With congressional offices being vacated in an orderly, reliable fashion, I believe we would find a much greater interest in the workings of Government, and would one day see a return to the citizen-statesman model of the Founding Fathers.

I urge the passage of the joint resolution.

● Mr. WALLOP. Mr. President, like the resolution I introduced back in the 95th Congress, I fully support the present resolution here introduced by Mr. DANFORTH, which proposes the "revolutionary" concept of limiting congressional terms to 12 years in the U.S. Congress. I stress that this amendment to the Constitution is a useful tool to a fully democratic society. The concept is far from new. Our Founding Fathers envisioned a Congress made up of citizen legislators who could bring their various expertise to the Nation's capital to broadly represent the people of this country.

In this age of increasing interdependency and complexity, it is even more imperative that our Congress optimally represent the people of the States and be instilled with fresh ideas and grassroots perceptions of the problems facing this Nation.

Under the present unlimited terms, we have bred a seniority system which is disadvantageous to the majority of the States. I must emphasize that this situation can only be changed by constitutional amendment. Yet I caution all States at this time not to act to limit their Congressmen's terms on their own motion—such action would only jeopardize a State's political standing, and influence within a seniority system. We must work from within to change our system and to ratify the amendment in order that it apply equally to every State, before any State unduly constrains itself.

Some concern was espoused in the previous sessions of Congress that it takes a Senator at least one term to just learn the ropes. I remind my colleagues that the President is limited to 8 years in the White House. I am sure that his job is at least as hard as ours.●

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. MATHIAS, the Senator from Wisconsin (Mr. KASTEN), and the Senator from Tennessee (Mr. BAKER) were added as cosponsors of S. 2, a bill to amend the Internal Revenue Code of 1954.

S. 7

At the request of Mr. THURMOND, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 7, a bill to amend title 38, United States Code, to provide a new educational assistance program for veterans and persons who serve on active duty with the Armed Forces after September 30, 1981, and for persons who perform service in the Selected Reserve of the Ready Reserve of an Armed Force after such date, and for other purposes.

S. 12

At the request of Mr. DOLE, the Senator from Idaho (Mr. SYMMS) was added as a cosponsors of S. 12, a bill to amend the Internal Revenue Code of 1954 to allow a retirement savings deduction for persons covered by certain pension plans.

S. 45

At the request of Mr. SASSER, the Senator from Ohio (Mr. METZENBAUM), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 45, a bill to reform the laws relating to the provision of Federal assistance in order to provide State and local governments with greater flexibility in managing programs and projects using such assistance.

S. 46

At the request of Mr. THURMOND, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 46, a bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 63

At the request of Mr. RANDOLPH, the Senator from Utah (Mr. GARN), the Senator from Indiana (Mr. QUAYLE), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Arkansas (Mr. BUMPERS), and the Senator from Texas (Mr. BENTSEN) were added as cosponsors of S. 63, a bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization.

S. 75

At the request of Mr. WALLOP, the Senator from Georgia (Mr. MATTINGLY) was added as a cosponsor of S. 75, a bill to amend the Internal Revenue Code of 1954 to encourage capital investment by individuals and corporations.

S. 142

At the request of Mr. BENTSEN, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 142, a bill to increase the amount of the exemption of certain interest and dividend income from taxation, and to make permanent the exemption of interest from taxation.

S. 255

At the request of Mr. MATHIAS, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 255, a bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product.

SENATE JOINT RESOLUTION 4

At the request of Mr. BURDICK, the Senator from Florida (Mr. CHILES), the Senator from Idaho (Mr. MCCLURE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Montana (Mr. BAUCUS), the Senator from Utah (Mr. HATCH), the Senator from Tennessee (Mr. SASSER), the Senator from Indiana (Mr. LUGAR), the Senator from South Carolina (Mr. HOLLINGS), the Senator from North Dakota (Mr. ANDREWS), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Michigan (Mr. RIEGLE), the Senator from South Dakota (Mr. ABDNOR), and the Senator from Kentucky (Mr. FORD) were added as cosponsors of Senate Joint Resolution 4, a joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

SENATE RESOLUTION 43—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 43

Resolved, That, in carrying out its powers, duties and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Agriculture, Nutrition and Forestry is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,325,000.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required

for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 44—RESOLUTION RELATING TO A CONVENTION TO AMEND CERTAIN INTERNATIONAL AGREEMENTS

Mr. MOYNIHAN submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 44

Whereas it is a tradition of American diplomacy to advance the rule of law in international relations;

Whereas on November 4, 1979, the United States Embassy in Tehran was seized by terrorists, and United States diplomatic agents and other United States nationals were taken hostage;

Whereas fifty-two Americans were held at ransom, subject to physical and mental abuse, with the cooperation of the Government of Iran, until January 20, 1981;

Whereas the Vienna Convention on Diplomatic Relations and the Vienna Convention on Consular Relations provide for the inviolability of diplomatic and consular agents and the premises of diplomatic missions and consular posts;

Whereas optional protocols relating to such Conventions vest compulsory jurisdiction in the International Court of Justice with respect to disputes arising out of the interpretation or application of such Conventions;

Whereas the Order of the International Court of Justice of December 15, 1979, called on the Government of Iran to release all Americans being held hostage in Iran, and the Court's subsequent Judgment of May 24, 1980, found Iran to be in violation of such Conventions;

Whereas on January 13, 1980, the Government of the Soviet Union vetoed the application of sanctions against Iran by the United Nations Security Council in accordance with the World Court's Order; and

Whereas future assaults on diplomatic and consular personnel will be made less likely by prior international agreement on the application of sanctions: Now, therefore, be it

Resolved, That (a) it is the sense of the Senate that the President, acting through the Secretary of State, should invite from each government of a country which adheres to—

(1) the Vienna Convention on Diplomatic Relations and the Optional Protocol Concerning the Compulsory Settlement of Disputes relating thereto, done at Vienna on April 18, 1961, or

(2) the Vienna Convention on Consular Relations and the Optional Protocol Concerning the Compulsory Settlement of Disputes relating thereto, done at Vienna on April 24, 1963,

an appropriate representative to attend an international conference for the purpose of amending the optional protocols referred to in paragraphs (1) and (2).

(b) Such amendments should provide that whenever the International Court of Justice, upon application made in accordance with such optional protocols, decides that a country which is a party to a Convention referred to in paragraph (1) or (2) of subsection (a) violates such Convention—

(1) by unlawfully detaining or arresting a diplomatic or consular agent of another contracting party, or

(2) by willfully failing to protect, or by seizing, the premises of a diplomatic mission or consular post of another contracting party.

all other contracting parties shall break diplomatic relations with the offending country—

(A) by withdrawing their diplomatic and consular agents from the territory of the offending country; and

(B) by declaring persona non grata or not acceptable the diplomatic and consular agents of the offending country assigned to such countries..

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

● Mr. MOYNIHAN. Mr. President, our citizens have at last returned from their inhuman captivity in Iran, and we cannot too strongly express our relief, our gratitude, and our admiration for their conduct. They endured their suffering and the brutality of their captors with a courage that honors our Nation.

If we now wish to honor them in return, we cannot do better than to take up the difficult problem of preventing such outrages in the future. This is urgently necessary, for little would be more dangerous to the peace of the world than the spread of government-sponsored terrorism. Our Iranian experience must not, must never be repeated. We must set about today to find ways to prevent it from happening again. At the same time, we must begin to find means for dealing with the much broader threat of terrorism, of which Iran's actions are just one part.

For these reasons, I am introducing a resolution to guarantee the imposition of sanctions against governments that participate in the taking of diplomatic hostages. It calls on the President to convene an international conference of states that adhere to existing treaties on the rights of diplomats. I believe the United States should seek agreement among them that in the future they would break diplomatic relations with any nation that violates these rights.

Mr. President, the last 14 months have demonstrated the extreme difficulty of creating real cooperation among governments in the face of such a terrorist challenge. This difficulty seems to be all the greater once the crisis has begun. If nations are to meet such dangers cooperatively, plainly they will need to work out a formal agreement in advance, on some minimal punitive steps that will be taken automatically. This is an unusual procedure but the problem is acute: after all, the inviolability of envoys has always been and must remain a fundamental tenet of diplomacy.

Precisely because it is so fundamental, and so widely recognized, we have no need here of a wholly new agreement to protect the conduct of diplomacy. The rights of diplomats are already set forth in two agreements, the 1961 Vienna Convention on Diplomatic Relations and the 1963 Vienna Convention on Consular Relations.

Among their many provisions that bear on the Iranian problem, article 22 of the 1963 convention declares, for example, that:

The premises of a diplomatic mission shall be inviolable, and that [t]he receiving State is under a special duty to take all appropriate steps to protect the premises of the mission.

Article 29 states:

The person of a diplomatic agent shall be inviolable. He shall not be liable to any form of arrest or detention.

On the basis of these conventions as well as bilateral United States-Iranian agreements, the International Court of Justice twice ruled against Iran during the hostage crisis, first in its provisional order of December 15, 1979 and subsequently in its judgment of May 24, 1980. The court judgment declared:

The facts of the present case . . . speak loudly and clearly of successive and still continuing breaches by Iran of its obligations to the United States under the Vienna Conventions of 1961 and 1963 . . . (Paragraph 80)

And it ruled that Iran:

(a) must immediately terminate the unlawful detention of the United States Charge d'affaires and other diplomatic and consular staff and other United States nationals now held hostage in Iran . . .;

(b) must ensure that all the said persons have the necessary means of leaving Iranian territory, including means of transport;

(c) must immediately place in the hands of the protecting Power the premises, property, archives and documents of the United States Embassy in Tehran and of its consulates in Iran . . .

Lastly it held that the Iranian Government was "under an obligation to make reparation to the Government of the United States * * *." (Paragraph 95)

Let it be noted that in the agreement for our diplomats' release, the restoration of the Embassy itself—of American property and papers—was not achieved. Nor was Iran's obligation to make reparation, as set out by the Court, recognized. These are reminders that although our international legal apparatus is in good order, we have not found the means to make it work. Indeed, through the entire hostage crisis the Court's judgment enjoyed little support from states other than the United States. Early in the crisis on January 15, 1980 the Soviet Union had vetoed a U.N. Security Council resolution that called for sanctions against Iran in accordance with the Order of the International Court. And subsequently other states sometimes evaded American demands for sanctions by noting that the Security Council had not called for them. Except for the United States, no state imposed economic sanctions on Iran beyond the curtailment of new commercial contracts. And except for the United States, no state formally broke diplomatic relations with Iran (though many, as a matter of prudence, reduced their representation).

In light of this experience the need for prior commitment to sanctions is quite obvious. This is what the resolution I am offering envisions: A conference to strengthen the protocol to the Vienna conventions by providing for automatic sanctions. Under this proposal, once the International Court of Justice ruled that a government had unlawfully seized diplomats or diplomatic missions, parties to the agreements would be bound to expel the offending state's diplomats and call their own representatives home.

We should not minimize the impact that such a step could have. Diplomatic isolation is a very potent weapon. But it will be most potent—and do the most good—if we nail it down in advance. It must be all but automatic.

After the frustrations of the past year, we cannot, of course, delude ourselves that legal mechanisms can ever be the only course of action against government-sponsored terrorism. To counter future abuses against diplomats, other measures will also be called for, including the use of force when necessary. As President Reagan said in greeting our returned citizens on Tuesday, "When the rules of international behavior are violated, our policy will be one of swift and effective retribution."

We will not be shy of force, and yet we recognize its risks. To the extent that other effective measures can be devised, force may prove unnecessary. True diplomatic isolation was never seriously tried during the Iran hostage crisis, but unless preparations are made in advance, and nations committed to a course of action, it will almost certainly not be tried in the future. For this reason, an international conference of the sort proposed in my resolution is especially necessary.

Such a conference would also be part of a policy to meet the growing threat of terrorism. Many members of the new administration have pledged to devise such a policy; Secretary Haig yesterday referred to terrorism as the "ultimate abuse of human rights." Whether we speak of the narrow case of government-sponsored terrorism against diplomats, or of the broader forms in which terrorism plagues modern politics, the same approach needs to be taken: Our success will be greater if we have prepared in advance. An instance of terrorism should not be the occasion for debate and discord on the many responses available. Rather, it must bring forth a rapid, coherent, above all a planned response. Without this planning, which is certain to require the cooperation of many nations for success, we are doomed to be at the mercy of terrorist groups and terrorist states. It is now time to recover the initiative, to put our plans in place. The resolution I offer today can be, I hope, one small part of this preparation.●

SENATE RESOLUTION 45—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE SPECIAL COMMITTEE ON AGING

Mr. HEINZ, from the Special Committee on Aging, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 45

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Special Committee on Aging is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $908,946, of which amount (1) not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202 (i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 49—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. STAFFORD, from the Committee on Environment and Public Works, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 49

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Environment and Public Works is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,186,000, of which amount (1) not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,000 may be expended for the training of the professional staff of such committee (under procedures specified by subsection 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 50—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE COMMITTEE ON THE BUDGET

Mr. DOMENICI, from the Committee on the Budget, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 50

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on the Budget is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,693,632, of which amount (1) not to exceed $80,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $–0– may be expended for the training of the professional staff of such committee (under procedures specified by section 202 (j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 51—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. COHEN, from the Select Committee on Indian Affairs, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 51

Resolved, That in carrying out the duties and functions imposed on it by section 105 of S. Res. 4, Ninety-Fifth Congress, agreed to February 4 (legislative day, February 1), 1977, as amended and in exercising the authority conferred on it by such section, the Select Committee on Indian Affairs is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $567,324 of which amount not to exceed $20,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under

this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at annual rate.

SENATE RESOLUTION 52—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES 52

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Commerce, Science, and Transportation is authorized from March 1, 1981, through February 28, 1932, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $3,219,146, of which amount (1) not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The Committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

AMENDMENTS SUBMITTED FOR PRINTING

PORTS IMPROVEMENT ACT OF 1981

AMENDMENT NO. 1

(Ordered to be printed and referred to the Committee on Environment and Public Works.)

Mr. RANDOLPH submitted an amendment intended to be proposed by him to the bill (S. 68) to recognize the importance of ports and harbors to this country's economy and national defense, and the world's economy and energy self-sufficiency, and to authorize construction of harbor improvement, to promote domestic commerce and to facilitate the U.S. export of coal and other commodities.

NOTICES OF HEARINGS

SUBCOMMITTEE ON INTERNATIONAL FINANCE AND MONETARY POLICY

Mr. HEINZ. Mr. President, as chairman of the Subcommittee on International Finance and Monetary Policy of the Senate Banking Committee, I am pleased to announce that there will be hearings on S. 144, the Export Trading Company Act of 1981, on February 17 and 18, 1981, in room 5302 Dirksen Senate Office Building, beginning at 9:30 a.m. This bill to promote the formation of export trading companies is the same, with only minor changes, as S. 2718, which passed the Senate last September 3 by a vote of 77 to 0. S. 144 presently has 55 cosponsors.

The Export Trading Company Act is the product of nearly 3 years of concerted effort by the subcommittee, chaired by former Senator Adlai Stevenson, which has held hearings including witnesses from virtually every segment of our economy, from academia, from business people, from labor and consumers, from exporters and importers. Witnesses for the new set of hearings will include representatives of the administration, the Federal Reserve Board, the business and financial communities, and other expert witnesses.

It is my belief that this bill can substantially and permanently expand U.S. exports, particularly by small and medium-sized firms that are presently not involved in exporting.

The legislation would revise Government policies which have tended to discourage formation of U.S. export trading companies in the past. It aims at long term improvement in America's trade posture through improved export intermediation by private American export traders.

Witnesses testifying at the hearing or submitting statements should direct their comments to the issues raised by S. 144, including but not limited to:

The necessity for bank participation in trading companies;

The circumstances under which banks should be permitted control of trading companies, and what safeguards, if any, are necessary over that control;

Whether an antitrust immunity is necessary to encourage the formation of export trading companies; and

The method by which the antitrust immunity is to attach to the formation of export trading companies.

Witnesses should also comment on how the various sections of S. 144 resolve the above issues and whether, if the legislation were enacted, the financial provisions of the bill are adequate to successfully implement it.

Any questions regarding this hearing should be directed to Dr. Paul Freedenberg, counsel to the subcommittee, 5300 Dirksen Senate Office Building, Washington, D.C. 20510 (202) 224-0891.

ADDITIONAL STATEMENTS

CONSTITUTIONAL AMENDMENT TO LIMIT CONGRESSIONAL TENURES

● Mrs. KASSEBAUM. Mr. President, those of us who have the privilege to serve in Congress are frequently confronted with questions about the diminished faith of the people in the Government. We are asked why this has occurred, and we are charged with the responsibility for finding solutions to this problem. Each of us could list a number of contributing causes and a number of potential solutions. Today, I have the opportunity to join with Senator DANFORTH and my other distinguished colleagues in proposing a partial solution.

The joint resolution we place before the Senate would amend the Constitution to limit the terms of office of Members of the Congress. Mr. President, the objective of this amendment is to return to the notion of citizen politicians who served this country so well in its infancy. We pride ourselves on being a representative democracy that responds to the needs of our citizens.

However, I believe that recent years have seen a deterioration in this aspect of our Government. By beginning an effort to achieve this electoral reform, we can revise this trend. We first acted upon the dangers associated with extended service in elective office when we limited the Presidency to no more than two terms. I believe that it is now time to place limits on congressional tenure.

The debate on this idea has continued for 200 years. When our Founding Fathers drafted the Constitution, this was a matter of intense controversy. The issue was the same as it is now: Where do we strike the balance between continuity in Government. responsiveness of the Government to the governed, and independence of Government action?

In our early days, it was customary, even in the House of Representatives, for Members to serve two terms and retire. This was at a time when congressional sessions were much shorter. I believe that this practice holds many advantages in our modern society. By removing the burden of constantly facing reelection, legislators would have more time to focus on the needs of their constituents within the context of the broad responsibilities to the overall national welfare.

The present structure institutionalizes the temptations for temporary solutions to our problems and creates tremendous disincentives for facing controversial issues.

It has become expedient to ignore complexities, to encourage undue emphasis on single issues or special interest legislation that will be primarily important at election time. We sacrifice the broad, long-term interests of national policy in favor of immediate needs. As a result, the whole is less than the sum of the parts and our common welfare suffers.

Without a doubt, the country has been well served on many occasions by those who have had long, distinguished careers in the Congress. Some believe that this proposal would deprive us of the leadership of these individuals. However, this argument ignores the fact that every district has an untapped reserve of talented people willing and able to serve as effective legislators. This amendment will enable a continuous infusion of new ideas and will give our legislators an independence that will better serve our national interests in the long run.

Limitations such as this have been proposed with increasing frequency in recent years. Similarly, public opinion polls have revealed that 60 percent of our con-

stituents favor limiting Senate terms. Mr. President, I believe this amendment will help restore faith in our institutions because it will entice the active participation of more citizens in the electoral process. The new citizen politicians it will bring to Washington will remain closer to their constituents and will revitalize the political process in a way intended and practiced by our founders.

I urge the passage of the joint resolution.●

TVA RATE PROJECTIONS

● Mr. SASSER. Mr. President, I have reviewed the budget justification for the fiscal year 1982 power program of the Tennessee Valley Authority.

Fiscal year 1982 budget appendix appears to assume approximately a 19-percent increase in electric rates for valley consumers between now and September 30, 1981. The TVA projects sales of 118 billion kilowatt-hours of electricity at a cost of $4,443,000,000 to the ratepayers for an average of 3.7 cents per kilowatt-hour.

This compares to 3.145 cents per kilowatt-hour which TVA had projected to be the average cost of electricity for the current year.

In looking at the details of the TVA power program projected for fiscal year 1982, the rate increases could range from a low of 12 percent to as high as 27 percent with the 19 percent figure the most probable midrange increase.

Last year the TVA budget program estimated that in fiscal year 1981, TVA would sell 120.4 billion kilowatt-hours of electricity at an average cost of 3.145 cents per kilowatt-hour. The most recent budget document now projects that TVA will sell 113.6 billion or 6.8 billion kilowatt-hours less than expected at a slightly higher cost of 3.185 cents per kilowatt-hour.

For the next fiscal year, which began in October, TVA projects sales ranging from 116 billion to 124.3 billion kilowatt-hours.

If the economy grows substantially and TVA sells 124.3 billion kilowatt-hours, the budget projects a need for slightly less than $4.4 billion in revenues at an average cost of 3.510 cents per kilowatt-hour—a 12-percent increase from the previous estimate. Since TVA is projecting sales of only 113.6 billion kilowatt-hours in the current year it appears doubtful that sales will increase in the magnitude of 10 to 11 billion kilowatt-hours next year, which indicates that rate increases could be higher than the 12-percent figure.

If the valley economy fails to grow and TVA sells only 116 billion kilowatt-hours in fiscal year 1982, the budget projects a need for $4.6 billion in revenues at an average cost of 3.98 cents per kilowatt-hour, reflecting a rate increase of as high as 27 percent from the current level. (In order for this amount of revenue to be achieved in fiscal year 1982, the new rates would have to be in place by the beginning of October—the longer the increases are delayed, the higher they will be.)

In the midrange, if the valley experiences moderate growth, TVA projects sales to be 118.6 billion kilowatt-hours. At this level, TVA projects revenue requirements of more than $4.4 billion or an average cost of 3.74 cents per kilowatt-hour—a 19-percent increase in rates.

All in all, the fiscal year 1982 power program appears to assure continued rate increases.

What are the reasons behind the projected rate increases?

Production expenses will increase by at least $345 million to $2.2 billion to perhaps as high as $2.4 billion, a $517 million increase.

Increases in the cost of production reflect primarily continued increases in the cost of coal and the cost of bringing new nuclear capacity on line.

The net cost of borrowing (interest) will increase by $145 million to $273 million to over $1 billion. These costs will, of course, be somewhat higher by $15 million to $30 million if TVA is unable to utilize the Federal financing bank.

The TVA is also projecting a $90 million increase in power revenues being utilized for energy research and development—almost a 200-percent increase in 1 year.

Administrative expenses will increase by $32 million—a 50-percent increase.

I intend to thoroughly question TVA officials regarding these cost increases and the apparent projected increase in electric rates during the annual appropriations hearing before the Energy and Water Development Subcommittee.●

BILL HAWKS: CONSTITUENTS' FRIEND

● Mr. SASSER. Mr. President, I want to take this opportunity to commend William H. (Bill) Hawks, Jr., Director of Congressional Relations at the Small Business Administration, for the outstanding service he has rendered our constituents throughout the Nation.

Bill is leaving SBA as a member of the former administration—but he leaves a legacy of commitment to the needs of the people of this country. Bill has a strong congressional background. He was an aide to the formidable Joe L. Evins, Member of Congress, one of the most powerful chairmen on the House side before his retirement. Bill learned his lessons and learned them well from Evins, who served in the Congress for 30 years.

Bill has been responsive and helpful in response to calls from congressional offices. When you call Bill, you know that he will move; he will act; he will put something in motion in an effort to assist your constituent. And more often than not, he succeeds, because he is not satisfied with a gesture; his satisfaction comes from success.

Bill is from Lebanon, Tenn., from a respected family. His father is a successful farmer and Bill himself now owns a farm.

As Bill leaves SBA, we all wish him well. He can be proud of his record. He has set an example of excellence for others who follow. In conclusion, I want to congratulate Bill for a job well done—for the people, for SBA and for Congress.●

THE BOND OF THE YELLOW RIBBONS

● Mr. DOLE. Mr. President, on this day of rejoicing over the return of the former American hostages, the Senator from Kansas joins in the vast national outpouring of goodwill and happiness. Seldom in recent years have Americans been tied together in such a bond of national unity, and pride in being American, as we have become in this protracted crisis. The yellow ribbons that have become the badge of hope and fredom for our fellow Americans held hostage are the symbol of this bond. Americans have proclaimed, in a loud and unanimous voice, that the ties that bind us now shall remain unbroken.

America was built on the bedrock of liberty, on the right to life, liberty and the pursuit of happiness. These inalienable rights were temporarily taken away from 52 Americans by a lawless and barbaric nation. But, their return to American soil has restored to them those rights that still attract more aspirants to freedom than any other nation in the world, even including some desperate Iranian refugees. The ordeal of the former hostages and their ultimate return to us have reminded us that we must constantly work to preserve the principles set forth in the founding of our Nation over 200 years ago. Life, liberty, and the pursuit of happiness are something each generation must renew with great effort, and sometimes with their lives.

To insure these principles—the very underpinnings of our Nation—we must put the world on notice that the taking of American hostages will result in dark and severe retribution. Virtually all Americans support President Reagan in this proclamation. It is vital that Khomeini and his fanatic followers remember their actions over these last 14½ months as the biggest mistake in their national history. They should be remembered as the antecedent to the darkest period their nation had ever experienced. Otherwise, what is to stop other terrorists, who may at this very moment be drooling over the prospect of putting America to public shame, from committing this monstrous deed?

STRONG REPRISALS ADVOCATED

From the beginning of this crisis, the Senator from Kansas has advocated strong reprisals against Iran. In November 6—2 days after the takeover of the American Embassy—I called for the suspension of all trade, including agricultural products, with that nation. In January and again in March, I urged the President to enforce a full economic embargo. I have also advocated a naval blockade of goods going into Khomeini and his people to squeeze the Iranians until they let our people go. In a resolution of November 13, 1979, I called for universal support of the President in the crisis and urged him to take all appropriate actions necessary to bring about

the hostages' release while preserving national honor.

In this resolution, I suggested two actions: First, that the President convince all nations to close their Embassies and withdraw diplomatic personnel from Iran, recommend their citizens leave the country and suspend diplomatic relations until the hostages were released. Second, that the United States remove the club that the ayatollah was holding over our heads, the dependency on Iranian oil. The President was encouraged to urge the global community to impose a unified, voluntary world embargo on the purchase of Iranian crude oil. It is now apparent that the sanctions worked.

HONOR BOUND TO AGREEMENT?

This Senator now recommends that the pressure on Iran not be removed. The final release of the hostages was not an act for which the Iranians deserve reward. It was instead an admission that they had committed a grave and unconscionable crime, a crime that deserves severe punishment. We must now act as strongly as we know how to insure that the freedom of American citizens is forever sacrosanct.

There is some feeling that since Iran has completely performed its side of the arrangement, the United States is morally obligated to do the same. This reasoning would be valid if the hostage agreement had been negotiated without undue external pressure on either one of the parties; but, obviously, such was not the case. The United States was negotiating while Iran was holding 52 Americans at virtual gunpoint for over 14 months. Under international law, as declared by the Vienna Convention on the Law of Treaties of 1969, any agreement between two countries made under duress is automatically "void" if it is "procured by the threat or use of force."

Moreover, in considering whether to completely fulfill the hostage deal, the Reagan administration should remember that the International Court on May 24, 1980, ruled that Iran should immediately release all the hostages and held it liable to pay reparations for its actions. At that time, our Government insisted that Iran was bound by the decision.

Furthermore, there are constitutional and ethical concerns over that part of the agreement which precludes the hostages and their families from asserting, in either the U.S. courts or any other tribunal, compensation claims against Iran for the outrageous treatment they received.

Certainly, there are serious political, geostrategic and financial considerations in shaping U.S. foreign policy toward Iran and, to a lesser extent, Algeria, which directly relate to how the United States presently treats the hostages deal. If all the pros and cons were carefully weighed, perhaps America would be better off in complying. However, the Reagan administration in its deliberations and we as a nation should not feel obliged to comply under a false notion of national honor. After all, Iran, by taking the 52 Americans as hostages, committed a crime under international law, and we should do nothing, either deliberately or inadvertently, which legitimates such conduct.

Little did Khomeini know that his hypocrisy would forcefully bring the American people together against him. As our Nation joins in celebration at the return of our fellow Americans, may we raise a unanimous voice of gratitude that we, too, live in America, and are safe and free. Mr. President, I for one wish to lend my wholehearted support to the designation of January 29 as a day of thanksgiving—as a Nation and for the returnees. On this day, the world will see a portrait of a united America, that knows the meaning behind the words, "the right to life, liberty, and the pursuit of happiness," and is committed to defending these freedoms.●

IMMIGRATION CONTROL

● Mr. HUDDLESTON. Mr. President, now that the Select Commission on Immigration and Refugee Policy is winding up its final report, the Congress will soon be able to tackle the long-standing problem of bringing U.S. immigration under control. This is a serious national problem which must be addressed immediately because of the detrimental impact it is having and will continue to have on our society and economy.

A few elected officials have been trying for many years to focus our attention on the implications of uncontrolled immigration to the United States and the world population pressures which have contributed to this problem. One of these is the distingusihed Congressman from New York (JAMES H. SCHEUER). Congressman SCHEUER is especially qualified to speak on this subject because of the expertise he acquired as chairman of the House Select Committee on Population.

In a recent article in the Washington Star, Congressman SCHEUER took a very thoughtful look at the immigration pressures which face the United States today and found them to be "ominous." The Congressman rightly concludes that:

Our resources are, after all, finite. Right now, there are millions of people abroad who want to resettle in the United States—hundreds of millions if we open the floodgates. We simply cannot take them all—while, at the same time, we try to remedy the bleak conditions of our own poor.

I ask that the article by Congressman SCHEUER be printed in the RECORD.

The article follows:

"KEEP YOUR TIRED, YOUR POOR, AND YOUR MASSES"

(By JAMES H. SCHEUER)

Times change. In just over 300 years, the United States has gone from an agrarian to an industrial society, and some say we are approaching a reindustrial, or maybe even a post-industrial, age. In each era, until now, a steady influx of immigrants, mostly from Europe, has fueled the prosperity of this country.

The time has come, however, when we must seriously entertain the idea that the United States—which even now accepts two-thirds of all the world's legal immigrants—can no longer be the haven for huge waves of immigrants and refugees seeking to settle here—to escape poverty or political oppression, or both. The recent Cuban and Haitian influx is but the tip of the iceberg and points up the ominous warning of Algerian President Boumedienne, who has said:

"No quantity of atomic bombs could stem the tide of billions of people . . . who will some day leave the poor southern half of the world to erupt into the relatively accessible spaces of the rich, Northern Hemisphere looking for survival."

Clamping down on immigration will not come easily to the American spirit. A rich part of the American tradition is reflected in Emma Lazarus' words inscribed on the pedestal of the Statue of Liberty in 1903:

"Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore,
Send these, the homeless, tempest-tost to me:
I lift my lamp beside the golden door."

Or consider the perceptive observations of Alexis de Tocqueville, in his Democracy in America, written in the early 1800s:

"The immigrants who came at different times to occupy what is now the United States were not unalike in many respects . . . It is not the happy and powerful who go into exile, and poverty with misfortune is the best-known guarantee of equality among men."

De Tocqueville also noted that since 1620 immigration to America never has ceased. "The religious and political passions which ravaged the British Empire throughout the reign of Charles I drove fresh swarms of dissenters across America every year," De Tocqueville observed, noting that it was from the middle classes that most of the emigrants sprang, eventually creating "the novel phenomenon of a society homogeneous in all its parts." Until recently, the same could have been written about many millions of immigrants to the United States, of which the essential middle-class Cubans of the 1960s are a conspicuous example.

The Cubans who were to arrive in mid-1930 were quite different, however, some were misfits in Cuban society, others came directly from Cuban jails.

The mood of the country today appears decidedly hesitant about opening the floodgates to waves of new immigrants, most of whom seem to be relatively poor, such as the newest wave of Cubans and Haitians. Americans perceive that the absorptive capacity of the country has changed since the turn of the century. Violence, crime and other social tensions have become exacerbated. Some national polls have shown that Americans tend to regard, by three-to-one margins, the recent influx of some 122,000 Cubans as bad for the United States.

Such anti-immigration sentiment is not new in America: we need only remember the deplorable and essentially racist quota laws of the 1920s which reflected to a large extent the prevailing ethos of the day. The basis of the reform movement in immigration policy was to increase equity, to eliminate the racism in previous immigration laws,—laws, for example, that once explicitly excluded all Chinese. Or the national origins quotas of the 1920s that were deliberately racist quotas from each country where chosen so as to maximize the numbers of Northern and Western Europeans and to minimize others who were deemed at the time to be racially inferior.

SOME HAD TO WAIT

The Hungarian migration of 1956 and the Indochinese who arrived here in the 1970s were a phenomenon distinctly different from regular immigration—those refugees were not able to reach the U.S. in a few hours; they had to wait in other countries until the U.S. agreed to accept them—after

determining that they met this country's laws.

The clear limits of our absorptive capacity are symbolized by the huge hidden class of illegal aliens—some say as many as two to 12 million—who are competing for jobs at a time of growing unemployment and increasing immigration, legal and illegal, when the worldwide population time bomb is ticking away.

World population is now 4.4 billion, and, growing at a rate of 80 million persons a year, will surpass 6 billion by the year 2000. Ninety per cent of this increase will occur in the developing world—in Asia, Africa and Latin America—where the poor are getting poorer.

A "Global 2000 Report," issued by the State Department and the President's Council on Environmental Quality, warned in July that the world faces the "potential for global problems of alarming proportions" by the turn of the century. "If present trends continue," said the study, "the world in 2000 will be more crowded, more polluted, less stable ecologically and more vulnerable to disruption than the world we live in now."

POOREST WILL SUFFER MOST

Similarly, the World Bank predicted in August that economic growth rates will decline worldwide in the first half of the 1980s because of inflation, recession and higher energy costs. Countries in Africa and South Asia that import all of their oil, and contain most of the 800 million people living in what the World Bank calls "absolute poverty," will be hardest hit, with economic growth rates dropping to the levels of the 1960s or lower, the study stated. According to the World Bank study, people in sub-Saharan Africa, under any but the most favorable circumstances, will be poorer in 1990 than they are now.

These are bleak forecasts and they presage a quantum leap in the magnitude of the "push" forces that will be fueling the engine of illegal immigration into our country. In general, people move to improve their well-being. People are "pushed" from their original place of residence because of adverse conditions there; and at the same time, the "push" is reinforced by the "pull" of what they perceive to be significantly better conditions elsewhere. Often both factors act together to influence immigration decisions.

AGENDA FOR REAGAN

Thus, there are many related public policy questions and concerns that the new Reagan administration and the new Congress should include in their national agenda. For example:

The factors that encourage Mexicans to enter the United States illegally should be addressed by Congress more closely than before. These factors include both "push" factors, such as extensive unemployment in Mexico, and "pull" factors, such as the perceived opportunity for relatively high-paid employment in the United States. We must consider the establishment of employer sanctions and an identity card system for job seekers in this country—excluding, however, those not looking for jobs, such as the young, the elderly and the retired—even though the Select Commission on Immigration and Refugee Policy just recently rejected such a proposal.

How might the costs of internal and international migration be borne at the federal, state, and local levels? Who should bear these costs?

The effectiveness of the State Department's visa procedures and the Immigration and Naturalization Service's border inspection and patrol policies must be reconsidered.

What is our absorptive capacity for poor people from abroad who have no language skills, no job skills, no urban skills? How far do we want to thin out already thinned out resources and services available to the 20 to 25 million American citizens who are poor and who are certainly keenly aware of and apprehensive about the masses of people abroad just waiting to immigrate here? Should we not help our own poor to make it before we will permit tens of millions more from abroad to crash through our gates? Or do we perhaps have a moral obligation to reduce our standard of living by accepting such an inundation of refugees—even to the point where we have to change radically our whole way of life?

Do we want to destroy new concepts of fairness in our reformed immigration laws by throwing away the rule book and rewarding those who have the aggressiveness to make it across a border illegally—or who get here legally on a temporary student or tourist visa and then simply melt into the population?

WE CAN'T TAKE THEM ALL

Our resources are, after all, finite. Right now, there are millions of people abroad who want to resettle in the United States—hundreds of millions if we open the floodgates. We simply cannot take them all—while, at the same time, we try to remedy the bleak conditions of our own poor. President Carter's chief domestic adviser, Stuart Eizenstat, has called the extraordinarily high figures on youth unemployment in this country (19.1 per cent—and 37.4 per cent for black teen-agers) "absolutely staggering." So, we must ask ourselves, does it make sense to take in hundreds of thousands of additional people each year who have even less in the way of urban skills and job skills?

I support a generous immigration and refugee policy, one consistent with the limited ability of our society to sustain and assimilate more people and to provide them with productive opportunities, one that will protect our ability to meet the needs of our own poor. We in the United States must continue to be humanitarian regarding immigrants and refugees. But that cannot mean an unlimited refugee and immigrant flow, a letting-down of the floodgates.

In the next 20 years, the world will gain another two billion people—90 per cent of that growth coming in the developing world. By the turn of the century at least 80 per cent of the world's population will be inhabitants of developing countries.

Just to stay even with their present level of underdevelopment, underemployment and unemployment, Third World economies will have to create between 750 million and 850 million additional jobs between now and the year 2000, more than the entire currently employed population of the developed world!

NO FOCUS ON REAL NEEDS

Unfortunately there is no possibility that the developing world is going to create jobs at that order of magnitude. There is no evidence that either decision-makers in the donor countries in the consortium of international aid and finance agencies, or in many developing nations themselves, are focusing on the kinds of policies that would be labor intensive and job-creative—especially benefiting the rural poor—and that would produce the necessary programs of education and health, which alone can produce an effective work force.

An absolutely top priority in these developing countries must be the provision of a network of maternal and child health services—manned by village paraprofessionals—which would include a strong family planning component in order to give Third World women a chance to control their fertility. This would enhance the well-being of mothers and children already born, eventually making it possible for Third World governments to get a handle on the population explosion, which is dooming to defeat all their efforts at national development.

The 1980 U.S. refugee law gives a definition of "refugee"; it is a substantially revised definition from those of the past in that it eliminates preferences for those fleeing a Communist country and certain Middle Eastern countries. It focuses instead on whether a person is fleeing his country because of his race, religion, nationality, membership in a particular social group, or political opinion. It also allows for consultations between the administration and Congress if emergencies require that immigrants be admitted in excess of the normal 50,000-a-year limit. Thus, the law itself recognizes that there must be a limit. The Refugee Act explicitly declares that to qualify for refugee status, a person must normally be outside his or her home country and unable to return for fear of persecution.

Mexico is an example of countries that seem to have a studied policy of encouraging emigration—both to lessen domestic political problems posed by the unemployed and the underemployed, and to assure the continued flow of $3–5 billion of remittances sent back home every year from Mexicans who emigrate to the United States. There are about 1,950 miles of open border between Mexico and the United States. We should not and do not want a Berlin Wall on that border. Yet neither should we find acceptable the present pitiful enforcement effort that allocates one Border Patrol officer for every seven miles—a simply impossible situation. Intrinsically, this system invites abuse.

The real fear is that if the pendulum in this country continues to swing to the right, and if we have a deeper recession, Americans who are otherwise responsible and essentially fair-minded might start looking for scapegoats. It has happened before. Such a nasty reaction could wipe out all the progressive trends that have been in force for a generation.

So it is essential for our nation to enforce the existing structure of immigration laws that has been built up over the last 40 or 50 years—ever since those deplorable years of the 1920s, an era of social Darwinism and of assertions that some potential immigrants were genetically incapable of assimilation into democratic institutions.

ONCE IN, YOU'RE SAFE

Senator Walter Huddleston, D-Ky., summed up the concerns of many Americans when he declared that "Once an illegal immigrant enters this country, he is safe—safe to displace Americans from jobs, safe to use resources and social services, and safe to bring in his family and friends as future illegal immigrants." Senator Huddleston has correctly noted that "We have lost control of immigration to this country."

In addition to bringing our own immigration laws and practices into order and establishing the integrity of our borders, we must help the Third World come to the understanding that they have to create more fair and just societies, with better equalization of income and a better sharing of resources. Sri Lanka, for example, is commendably trying just that, and has no emigration to speak of.

Such redistributive programs in developing countries, encouraged by the United States, not only would make those countries more just but also their people more productive by becoming healthy and literate. How can we do this?

First, the U.S. should reorient and redirect development efforts in Third World countries so as to improve the situation of their very poor—by providing them with jobs, basic health care, education and minimal standards of living, at the least.

Second, we must work more closely with such agencies as UNESCO, the World Health Organization; UNIDO, the FAO, the World Bank and the world's regional banks, to make

sure that their development efforts with Third World countries continue, that they are focused on the needs of the poor, and that they are essentially job-producing, labor (not capital) intensive in emphasis.

Finally, we must encourage other countries of the developed world to help absorb some of the potential refugees and immigrants. The United States already takes two-thirds of all the world's legal immigrants—but we can't do it alone.

Mr. HUDDLESTON. Mr. President, at a time when U.S. immigration is in a state of chaos, it is imperative that Congress select its leaders on this issue from those who have the wisdom and strength to make some extremely difficult but necessary decisions. I believe that the Senate Judiciary Committee has found such a person by its selection of Senator ALAN SIMPSON, the distinguished Senator from Wyoming, as the chairman of the new Immigration Subcommittee.

Because of his tireless service to the Select Commission on Immigration and Refugee Policy, Senator SIMPSON has a wealth of knowledge and information on immigration problems from which to draw. By combining this with his deep personal concern for the immigration problems which face the United States, I am confident that he will help fashion a new immigration law which is compassionate for prospective emigrants and which is designed to assure that immigration policy will represent the best interests of this country.

In a "straight talking" interview with a reporter from the Los Angeles Times, Senator SIMPSON demonstrated that he will be a fair and forceful figure in the immigration debate. The fight to reshape our immigration laws will not be an easy one but I assure the distinguished Senator that I will do everything in my power to assist him in his efforts.

I ask that the article from the Los Angeles Times be printed in the RECORD.

The article follows:

NEW LEGISLATIVE OVERSEER ON IMMIGRATION POLICY: BLUNT SENATOR IS NOT AFRAID TO FACE AN EMOTIONAL ISSUE

(By Evan Maxwell)

WASHINGTON.—The tall gangling man from Cody, Wyo.—population 6,706—is fond of saying, "Washington, D.C., is a 68.5-square-mile enclave surrounded on all sides by reality."

Al Simpson, 48, has good reason to know. He has spent two years in Washington as U.S. senator from Wyoming, the self-proclaimed "Equality State." His father, Milward, something of a legend in Wyoming politics, served as a freshman senator nearly 20 years ago with Edward M. Kennedy (D-Mass), the man Simpson is replacing as chief legislative overseer of immigration matters in the Senate.

Simpson, a Republican, is chairman of the new subcommittee on immigration. He is expected to be the leading exponent of tougher laws that will make immigration to this country more difficult, even as the clamor to enter increases from political refugees and impoverished people around the world.

The immigration issue has long been a difficult one in the enclave on the Potomac. It has defeated the efforts of such sophisticated and powerful legislators as Peter Rodino, (D-N.J.) long-time chairman of the House Judiciary Committee.

But Al Simpson says he hopes to "defang" the snake of emotions that has poisoned immigration policymaking, or at least to neutralize its venom.

"You defang these kinds of issues by going right to the guts of them" he said. "The presenter of a good idea around here often becomes afraid he might be referred to as a clod or a Neanderthal or a racist or as one who is unloving and uncaring.

"Now I am not afraid of being called any of those things because I know that I am none of them. So I can wade right in without being bothered by all this emotional crap underneath."

Simpson, no doubt, will find plenty of emotion to confront in immigration, certainly no less than in his other subcommittee chairmanship, nuclear regulation. But he seems to thrive on such charged issues. That probably is why he says some strong, seemingly impolitic things.

For instance, he takes the position that the motto on Statue of Liberty, " . . . give me your tired, your poor, your huddled masses, yearning to breathe free . . . " may be out of date. "Everytime you bring up the idea of immigration restrictions, somebody jumps up and says, 'Wait a minute. That is how my parents got here.'

"Well, so did mine. My middle name is Kooi. That side of the family all came from Holland. The rest came from England."

But, he says, the country needed immigrants a century ago. "The reason they got here was because the country legislated to let them in, legislated because we needed them at the time to populate places like Wyoming. We needed their brains and their skills and their numbers."

Simpson says that he intends to apply the same principle of self interest to present-day immigration policy.

"This will probably get me labeled as some kind of introneo-nationalist or something but my tenet is that our first obligation is to the people who are already in this country; it is those people who are going to get the first crack, who we ought to protect."

There is a folksy, nativist bluntness about such a statement that some of his associates find difficult to accept. "He lays it on a bit thick," said a staff member of the Select Commission on Immigration. "His sense of personal theater sometimes gets the best of him."

FOUND TO BE GENUINE

But some of the immigration activists who might seem most likely to take offense at Simpson's intentions find him genuine, if sometimes disingenuous.

"He is more complex than many people give him credit for," said a Washington representative of one of the nation's most powerful Latino organizations. "I think we can work with him. I do not think he is an evil man; I don't think he wants to remove all brown faces from the country."

Simpson acknowledges that a great many emotional snakes will have to be defanged if the country's immigration problems are to be resolved.

But, he says, the process must be started. "The American people are embarrassed and offended by our present situation. That feeling is very rich and real, and any political person who doesn't feel the great force of that wind is really missing the boat.

"Some of them, the ones I say have been overcome by compassion fatigue, disappeared last Nov. 4, and more of them will disappear the next time around unless we deal with the matter."

ROLE IS ACCEPTED

Simpson, whose sense of personal theater sometimes seems to amuse even himself, said, "I don't mind being the resident ——— on this issue. I really don't.

"But I intend to do it without any violations of anyone's civil rights and without making anyone into second- or third-class citizens."

And he remains hopeful about the prospects. "There has never been a greater set of constituencies in favor of dealing with the issue than there is right now.

"And they are fascinating forces—organized labor, blacks, reds even browns. These are exactly the historical contituencies that make you want to be a caring legislator."

He stopped, reflected. "They are exactly the ones who in their public posture may be quoting the Statue of Liberty. But down underneath they are saying 'Wait a minute boys. This has got to stop.'" ●

COACH TOM FEELY

● Mr. DURENBERGER. Mr. President, America, especially in this era of instant communications, is a great country for conferring immediate celebrity status on individuals. Daily, new heroes rise to the surface and, almost as quickly, are forgotten.

Throughout our country, though, there are thousands of men and women who work at a labor of love, helping develop and train the young adults who will be the leaders of tomorrow. Their work is often unrewarded or even noticed, but their contributions are invaluable.

One of those people is Coach Tom Feely. Coach Feely has devoted 34 years to high school and college athletics. Throughout those years he has had the opportunity to influence thousands of young adults. Coach Feely accepted the opportunity with a deep sense of responsibility. Every person who came under Tom's wing—from star players to benchwarmers—learned the principles of team play, cooperation, and discipline. Each person left Coach Feely with an education that will last a lifetime.

Mr. President, Coach Feely will be honored February 2 for his outstanding career. I join in praising this unsung hero, and I ask that an article from the Jan. 8, 1981, St. Paul Dispatch be included in today's RECORD.

The article follows:

ST. THOMAS HONORS A LEGEND—TOM FEELY

(By Bob Schabert)

He's almost an institution at the intersection of Summit and Cretin Avenues.

Because of his outstanding coaching in basketball and baseball, Tom Feely will be honored Feb. 2 by the Alumni Association of the College of St. Thomas. The alums are having a recognition dinner for the affable coach at 6 p.m. Monday, Feb. 2, at Murray Hall on the campus. Steve Dolan is general chairman. For ticket information, contact Dennis Swan at the Alumni Office (647-5203).

Feely coached basketball and baseball at St. Thomas Academy and College for 34 years. He guided the Cadets and Toms to 28 championships with 645 victories against 379 losses.

In Feely's eight years at the Academy his cage teams were 154-32 and won five Central Catholic Conference titles and four state Catholic crowns. He also led the Cadets to one state Catholic baseball title.

At the college level, Feely's cagers were 417-269. During his 26 years, the Toms won seven Minnesota Intercollegiate Athletic Conference crowns and six District 13 (Minnesota) National Association of Intercollegiate Athletics titles.

Feely led the baseball Toms to a 124-78 record with five MIAC titles and one District 13 NAIA championship.

Asked to name some of the outstanding players he has coached in his 34 years, Feely said:

"I'd have to say John Horan was the best high school basketball player."

Horan, who died in November at 51, was a three-time Catholic All-State choice while leading the Cadets to three state titles and became an All-American at Dayton University in Ohio.

Jerry Thomas, who later helped the University of Minnesota to an NCAA championship (1956), was rated as the the top baseball player Feely coached in the prep ranks. He hurled the Cadets to the State Catholic title his senior year.

Feely's most thrilling moment at the Academy was the sudden-death overtime triumph over St. Cloud Cathedral for the 1952 state Catholic basketball championship.

On the collegiate level, Feely said it would be to hard to single out one individual but did narrow his selections to five.

He named Dennis Fitzpatrick as the best all-round player and Terry Mikan, who played for only a year and a half under Feely, as having the most talent.

Bob Rosier, the leading scorer in St. Thomas history, was considered the most effective player, mainly due to his 7–2 height. Feely listed center Ted Hall, who played only two years for Feely, as perhaps the best scorer and shooter.

Steve Fritz, now serving as the Toms' interim coach since Feely's resignation, was considered the player most adapted at handling a certain situation. Fritz also was a center and is the school's second all-time scorer.

Feely's biggest thrill in college basketball came when the Toms edged Winona State in overtime to win the District 13 NAIA championship at Macalester in 1972. Fitzpatrick sank the wining free throws.

Feely was inducted into the college's Athletic Hall of Fame in 1977 and currently is a candidate for the NAIA basketball Hall of Fame. Still a few years from retirement, he is teaching in the college's physical education department.

Feely also is very proud of his four sons. The oldest, Pat, played basketball and baseball for his dad, and now is in this 10th season as basketball coach at Roosevelt, where he also coaches tennis.

Tom, Jr. is in the counseling department and coaches wrestling at the Academy. Dick is head of the Oceanography department at the University of Washington in Seattle. Dan, the youngest, is in his first year of medical school at Creighton University after graduating from St. Thomas College last spring.●

MINNESOTA SCHOOL NURSE DAY

● Mr. DURENBERGER. Mr. President, I wish to recognize a group which is rarely mentioned yet who play an essential role in the total education of our children: the school nurses. January 28, 1981, is the 9th annual Minnesota School Nurse Day, sponsored by the School Nurse Association of Minnesota as part of SHAPE week, "School Health A Positive Environment." This day is an opportunity to give due recognition to the contributions and services of school nurses.

The school nurse expands the student's right to a full education by administering to the needs of the total person. He/she functions as a valuable input in the child support team. Serving as a medical contact to resources in the community, the school nurse aids parents, while his/her presence and knowledge benefits the teacher. The work of the school nurse is very diverse ranging from first aid and instruction for teachers and students to medical care in emergency situations. Also, included is the administration of tests and screenings which are vital to the detection and prevention of illness. The school nurse has been essential for mainstreaming disabled children. As a professional she/he can monitor medications, therapy and medical devices thus allowing the seriously ill or handicapped child to function in school. Our educational system truly benefits from the work of the school nurses.

In closing I should like to honor the school nurses on their contributions to a comprehensive, healthy school environment and their dedication.●

A TRIBUTE TO 25 YEARS OF SERVICE TO MENTAL HEALTH IN PRINCE GEORGES COUNTY, MD.

● Mr. SARBANES. Mr. President, on Saturday, January 31, the Mental Health Association of Prince Georges County, Md., will hold a celebration to mark its 25th anniversary. Since its founding, the association has contributed greatly to efforts to improve the delivery of mental health care services and has played an innovative role in the development of numerous programs to prevent mental illness and promote mental health.

The Mental Health Association of Prince Georges County traces its beginning to 1948 when a mental health study center was established in the county as a field station for the National Institute of Mental Health. Prior to that, the only public mental health services available to residents were those of State mental hospitals located outside the county.

Enlisting the aid of the Community Chest, the Planning Council of Prince Georges County and other community groups, the center carried out a study which demonstrated the need to involve county residents in developing mental health services. As a result, the Prince Georges County Mental Health Society was founded March 28, 1955. This pioneering group of dedicated and concerned citizens helped convince public officials of the need for a publicly funded mental health center in the county and in September 1955, just 6 months later, such a center was opened on a part-time basis.

The Mental Health Association of Prince Georges County is a chapter of the National and Maryland Associations for Mental Health. Its accomplishments reflect the wide range of activities it has pursued in close cooperation with these organizations. The association has been influential in the development of such major mental health services as the Directorate of Mental Health in the Prince Georges Health Department, the Inpatient Psychiatric Services of Prince Georges Hospital, the Cheltenham Residential Treatment Center and the Hamilton Children's Center. It was also successful in efforts to improve physical conditions for Prince Georges County residents at Spring Grove Hospital in Catonsville, Md.

In addition to working for improved treatment facilities, the association has sponsored such services as Project Return, the Prince George's County hotline, and the resocialization program. The association has also made important contributions in its role as educator, conducting numerous workshops to inform county residents of available community resources, and has done much to increase public understanding of mental illness. As a further demonstration of its broad community involvement, the association has been instrumental in establishing such groups as the Coalition for the Support of Handicapped Children and the Police-Community Relations Coalition.

Working in both leadership and advisory roles in coordination with related organizations, the association has contributed significantly to the legislative process at the Federal, State and county level. As an example, the association joined other concerned groups in successfully advocating improved funding for services for emotionally disturbed children.

In carrying on its work these past 25 years, the association has relied heavily upon the efforts of thousands of volunteer staff members. Their contribution has been a stellar example of what concerned citizens can do to improve their community. It is estimated that in 1972, for example, concerned citizens donated 47,252 hours of their time to assist in the association's work.

The accomplishments of the association are a tribute to the voluntary spirit among county residents and offer proof of the extended impact which individuals can have when they unite in addressing a problem of major public concern such as mental health. As it celebrates this important anniversary, the Mental Health Association of Prince Georges County, its officers past and present, its board of directors and professional advisory council, and its dedicated workers can indeed be proud of an outstanding record of community service and continuing dedication to the goal of improved mental health care.●

THE RELIGION OF ABRAHAM LINCOLN AND THE WORDS OF FORMER PRESIDENTS

● Mr. HATFIELD. Mr. President, one of the most compelling and most influential books in my library is Elton Trueblood's Abraham Lincoln: Theologian of the American Anguish. The magnitude of Lincoln's accomplishments and the size of our Civil War President's heart place a duty upon us to understand him. His spiritual pilgrimage is informative to all of us who seek to be faithful to the personal God of the Holy Scriptures.

Yesterday morning at our weekly Senators' prayer breakfast, our brother and esteemed colleague STROM THURMOND led us in a very moving and challenging reflection on our martyred President. He entitled his remarks, "The Religion of Abraham Lincoln." I submit Senator THURMOND's message for the RECORD.

The message follows:

REMARKS BY SENATOR STROM THURMOND

THE RELIGION OF ABRAHAM LINCOLN

One of the greatest blessings we enjoy as American citizens is our rich abundance of national heroes. These men and women, who have adorned every period of American history, provide us with worthy examples of character and achievement. We can look to them for needed guidance in both our public and our private lives.

With the inauguration last week of a new President and the approaching birthday of Abraham Lincoln on February 12, I thought it would be appropriate this morning to say a few words about the religion of Abraham Lincoln.

Abraham Lincoln is arguably the most admired American of all, and he arguably deserves to be. He had resources of character and intellect that, even in an age of great men, shone forth like the moon among the stars. His service to the nation was unique. To contemporary Americans, looking back upon his life and career, he seems almost superhuman.

Yet Lincoln himself entertained no such illusions. He knew his limitations. He recognized that he was only a man—frail, fallible, and mortal. Surely, we might think, if anyone ever had within himself the capacity to cope with the problems of life, it was Abraham Lincoln. The truth is very different: Lincoln himself was constantly seeking the same guidance which many now seek in him.

Where he sought this guidance most of you probably know. Authorities on the subject call Lincoln our most religious President. It was faith that supported and consoled him in times of need, particularly during the last years of his life.

The subject of Lincoln's religion is as instructive as it is interesting. His religious views were deeply personal—so much so that he never joined any particular church. Moreover, his faith was not static but dynamic, deepening and intensifying as he grew older.

When he was a young man, his interest in religion, while keen, was mainly speculative. He knew his Bible well. It was probably the only book his family owned, and we can imagine him, as a boy, pouring over the Old and New Testaments by firelight after a hard day's work. His speeches and writings, and such fragments of his conversation as has been preserved, are loaded with Biblical stories and language. Nevertheless, he seems to have rejected the conventional Christianity of the frontier, and to have adopted the impersonal religion, known as Deism, that was then popular in intellectual circles. He refrained from using the word God, preferring philosophical terms like Supreme Being, Divine Providence, and The Deity.

As the years went by, he got something of a reputation for his unorthodoxy. Indeed, during his campaign for Congress in 1846, his opponent, a famous and eloquent preacher attacked him as an atheist. In defending himself, Lincoln did not assert that he was a Christian, but only denied that he had ever scoffed at Christianity.

The story is told of how, in the middle of this campaign, his opponent was addressing a religious meeting at which Lincoln was present. The preacher demanded that all of his listeners who wanted to go to heaven, or did not want to go to hell, should stand up. Everyone stood up except Lincoln. Trying to score some political points, the preacher cried out, "Mr. Lincoln, where are you going?"

Lincoln answered, "I am going to Congress."

This lighthearted remark must have amused more people than it offended, for Lincoln won the election.

As increasing age brought increasing responsibilities, however, Lincoln's religious views became more serious and more substantial. Personal grief contributed significantly to this development. Lincoln's four-year-old son Eddie died in 1850. Thereafter, his wife's health became more and more erratic. Politics brought other concerns, less personal but equally distressing. His election as president prompted the dissolution of the union. Leaving his friends at Springfield in 1861, he spoke poignantly of "Him who can go with me, and remain with you, and be everywhere for good."

Nevertheless, the religious habits of his youth did not die easily. In his First Inaugural Address, the new president made only one reference to religion, mentioning in characteristically vague language "the Almighty Ruler of Nations." In this speech, he was arguing against the need for war between the North and the South.

When the war came in spite of his appeals, Lincoln was horrified by its irrationality and brutality. Many are the accounts of his emotional reactions to unexpected deaths and defeats. Probably never in history had so compassionate a man had to order so many men to go forth and kill or be killed.

To add to the grief occasioned by the war, in 1862 Lincoln lost another son, Willie, a boy of only twelve years. This event left the president disconsolate, and was probably the critical point in the transformation of his religious views. For a period of several weeks, he secluded himself from the public and even from his closest advisors. Finally, he succeeded in pulling himself together, telling his wife, "Mary, we must live." He was not, however, the same man as before.

While he had previously attended church irregularly, and only on Sundays, he now began to steal away from the White House in the middle of the week for prayer meetings. Prayer assumed a new importance for him. He confided to a friendly journalist, "I have been driven many times upon my knees by the overwhelming conviction that I had nowhere else to go." The death of Willie, if it was not the first of these times, was surely one of the foremost.

In 1863, he proclaimed a national day of fasting, chiding the nation for its godless ways. "We have forgotten God," he said in his proclamation. ". . . intoxicated with unbroken success, we have become too self-sufficient to feel the necessity of redeeming and preserving grace, too proud to pray to the God that made us."

There can be little question that Lincoln was thinking of himself, at least to some extent, when he wrote this denunciation. His earlier attitudes, he was implicitly confessing, were wrong.

His speculative interest in religion, as an academic field like philosophy or law, had now given way to passionate conviction. Religion came to dominate his thinking. On the field of Gettysburg, when urging the nation on toward "a new birth of freedom," he emphasized that this birth should be accomplished "under God." It was in his Second Inaugural Address, though, that his new attitude was most evident.

This speech is not only one of the most important political documents in American history, but a singular and powerful religious statement. The last half of it read almost like a devotional essay. The contrast with the purely political First Inaugural is striking.

Lincoln had obviously been wrestling with the age-old question of how a merciful and all-powerful God can allow suffering in the world. The terrible carnage of the war made this question inescapable for so acute a mind. Lincoln's answer, as formulated in the Second Inaugural, reflects complete confidence in God, complete acceptance of His will.

"The Almighty has his own purposes," he said. ". . . Fondly do we hope, fervently do we pray, that this mighty scourge of war may speedily pass away. [Nevertheless, even if the war goes on indefinitely], still it must be said, 'the judgments of the Lord are true and righteous altogether.' "

These words mark the end of Abraham Lincoln's religious journey, the culmination of a lifetime of hard thinking and varied experience. Through struggle and strife, trial and tragedy, he had found his way to a faith that gave him peace. Scarcely a month later he lay dying of the assassin's bullet.

When his sorely tried heart finally stopped beating, Secretary of War Edwin Stanton is suppcsed to have remarked, "Now he belongs to the ages." There is, however, another version of the story. According to this version, Stanton's remark was, "Now he belongs to the angels."

On first consideration, it is an odd image—the rough, bearded figure of Abraham Lincoln joining the shining heavenly hosts. Appearances aside, though, it seems particularly appropriate. It would be hard to imagine a more angelic character than that of Abraham Lincoln—"with malice toward none, with charity for all, with firmness in the right as God gives us to see the right."

Furthermore, Lincoln gave to the world a religious message which clearly entitles him to be included among the spokesmen of God. That message may be stated very simply: a good head, a big heart, and physical strength are not enough in this world. Lincoln had all of these attributes in the highest degree, and while they brought him success, they did not bring him peace. Only faith in God did that.

Only faith in God will do that for us.

Let the memory of this great man falling on his knees in prayer inspire us all to do the same, and frequently. When we, like Lincoln, have "nowhere else to go," we should not be bashful or hesitant about going there. With humble and receptive hearts, we may gain the same guidance that he did, the Divine guidance which is essential to a good and happy life.

Mr. HATFIELD. Mr. President, the uplifting experience of the inauguration causes us to reflect not only on previous great leaders such as Abraham Lincoln, as Senator THURMOND did yesterday, but it also inspires to pay heed to the words of our former Presidents. Mr. Cornelius W. Heine, the executive secretary of the U.S. Capitol Historical Society, has done just that with a timely document entitled "Words That Lead the Way: A Message from the Inaugural Addresses of the Presidents of the United States." I commend it to your reading and ask that it be printed in the RECORD.

The document follows:

WORDS THAT LEAD THE WAY

[A Message From the Inaugural Addresses of the Presidents of the United States]

(By Cornelius W. Heine)

On January 20, 1981, the Executive Branch of the Government was transferred to new keeping. But as Grover Cleveland once said it "is still the Government of all the people, and it should be none the less the object of their affectionate solicitude." As he faced the west from whence he came, Ronald Reagan, on January 20, 1981, with his hand on the Holy Word, pledged to "preserve, protect and defend the Constitution of the United States." He assumed a burden, in many ways, as great and difficult as that ever faced by any President. As in the time of Lincoln, he expressed, that with the help of the American people, working harmoniously, success is attainable and the achievements of a national destiny can become a reality.

But in the legacy of the Inaugural Addresses, many Presidents, who have gone be-

fore, have sought the people's help. They have charted their courses and outlined their goals. And many have failed to see their hopes for the Nation realized. Time and time again in America's onward march, apart from the known successes and achievements of our form of Government, we have encountered failure and frustration. We are not unique in this among nations, but it does bring to mind a prevalent question—namely what is the value of history if man continues to make the same mistakes over and over again? Calvin Coolidge once said that we must realize that "human nature is about the most constant thing in the Universe and that the essentials of human relationship do not change." In Ecclesiastes, V. 8–9, we read "What has been, that will be; What has been done, that will be done. Nothing is new under the sun . . ." And yet the goal of history—the eternal search for Truth—is so compelling. We must realize that it must be pursued as a continuous process—that we must hope and strive—that is the genius of America. And that genius is seen as we study the lofty ideals and principles which have been ever present as constant threads of thought woven through all the Inaugural Addresses of the Past. Let us capture "This genius of America" now from the continuous message, as contained in past Inaugural Addresses, beginning with the First in 1789 to this very moment.

The first thread is the recognition of the need for morality in Government. From the time that Thomas Jefferson said that it is in our lives and not from our words that our religion must be read, the founders of the unique American system of Government saw the need for morality in Government, as well as in private life. Charles Sumner, powerful and forceful Senator from Massachusetts, flatly stated, without any equivacation, that his work in the Senate of the United States was "with morals and not politics." And of those men who took the Oath of Office as President, none more clearly saw the need for morality than George Washington. In his First Inaugural Address, he said, ". . . the foundation of our national policy will be laid in the pure and immutable principles of private morality."

Washington, as the other founding fathers, was well aware that to be just and equitable, public leaders must have, within their hearts, a framework of principles, by which their decisions are guided. In aiding in the forming of these moral principles, Washington saw an indespensable role for religion, saying that,

"Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle."

Some 74 years later, after this newly found Nation had enjoyed unparalleled growth, wealth, and power, President Abraham Lincoln saw the dangers of a people forgetting the guiding Hand which had preserved the Nation in peace. "Intoxicated with unbroken success," he said, "we have become too self-sufficient to see the necessity of redeeming and preserving grace, too proud to pray to the God who made us."

Facing still another national crisis in 1933, President Franklin D. Roosevelt, in his First Inaugural Address, called for a resurgence of morality throughout the Nation. "We face the arduous days . . . before us in the warm courage of the National unity," he said, and "with the clear consciousness of seeking old and precious moral values." Tired and worn in physical strength but not in his inner strength, in his last Inaugural Address, he acknowledged that "we may make mistakes . . . but they will never be mistakes which result from faintness of heart or abandonment of moral principles."

Earlier, in his First Inaugural Address, Herbert Hoover saw the people moving toward a stronger moral and spiritual life, from which "our sympathies are broadening beyond the bounds of our Nation and race toward their true expression in a real brotherhood of man." Still earlier, President Calvin Coolidge viewed morality in the heart of humanity as the critically important element leading to Peace under law and based "on righteousness and supported by the religious conviction of the brotherhood of man." In 1953, President Dwight Eisenhower described our American Faith and spiritual strength as "The deathless dignity of man, governed by eternal moral and natural laws."

Thus, to a man, those who assumed the awesome responsibility—the mantel of the Presidency of the United States—saw the need for morality as a bulwark for the success of the Republic itself. Perhaps, it is not strange then that such a perceptive commentator as Alexis de Tocqueville also saw the importance of morality in this new land saying, prophetically, "When America ceases to be good America will cease to be great."

Flowing forth as a natural result of morality in Government was the concept of Ethical conduct in Government, which concept appeared again and again in the Inaugural Addresses of all American Presidents. For morality in the eyes of these men led to public virtue and integrity in public office. This need for public virtue was commented upon by nearly all Presidents, but few more forcefully than President James Buchanan, who said, that

"Public virtue is the vital spirit of Republics, and history proves that when this has decayed and the love of money has usurped its place, although the forms of free Government may remain for a season, the substance has departed forever."

In the mind of President Buchanan the very character of Government suffered in the estimation of the people, when they perceived a decline in the integrity of public officials.

Early in the Twentieth Century, a crusading President Theodore Roosevelt placed the strongest emphasis on the highest ethical conduct in public office and in the business community. He said,

"It should be as much the aim of those who seek social betterment to rid the business world of crimes of cunning as to rid the entire body politic of crimes of violence."

Similarly, in his First Inaugural Address, Franklin Delano Roosevelt also saw public office as a trust, calling for the highest standards. To view public office otherwise merely as a pride in the office and in personal profit caused him to remark that ". . . small wonder that confidence languishes, for it thrives only on honesty, on honor, on the sacredness of obligation, on unselfish performance; without them it cannot live."

But undoubtedly, the most profound, and yet simple words of advice on ethical conduct in Government came from the Nation's first President, as he advised all those who would hold public office as follows:

"Do not suffer your good nature when application is made, to say 'yes' when you should say 'no;' Remember, it is a public, not a private cause that is to be injured or benefited by your choice." G. W.

Adhering to moral and ethical conduct in the public service heightened the spirit of personal responsibility for actions and a sense custodianship of the highest order. Franklin D. Roosevelt stated in his 1937 Inaugural Address that "Government is competent when all who compose it work as trustees for the whole people."

President Andrew Jackson, in his Second Inaugural Address in 1833 called for responsible action on behalf of all citizens. He reminded his fellow citizens of their responsibilities to one another, asking them to constantly bear in mind "that in entering into society, 'Individuals must give up a share of liberty to preserve the rest'." It will be my desire, he said to reconcile "our fellow-citizens to those partial sacrifices, which they must unavoidably make for the preservation of the greater good."

And further concerning responsibility in public life President Benjamin Harrison, in his 1841 Inaugural Address, stressed that the public official must never forget that "he is the accountable agent, not the principal; the servant, not the master."

President Franklin Pierce in 1853 believed that responsible Government required diligence, integrity, and capacity to perform duties. "Without these qualities in . . . public servants," said President Pierce "more stringent laws for the prevention or punishment of fraud and negligence, . . . will be vain" with those qualities, in his words, "They will be unnecessary."

In further carrying out the reforms of his predecessor, President William Howard Taft, in 1909, stressed that the business and industrial community must also have a responsibility for the public good. He said that reforms to suppress lawlessness and abuses of power by great combinations of Capital have caused the various businesses affected to have a much higher regard for existing law.

In speaking of personal responsibility, President Woodrow Wilson warned against man's incessive search for satisfaction through self-indulgence.

"His mind," said the President, "is spent in vain upon itself," and "not in action itself, and not in pleasure shall it find its desires satisfied; but, in consciousness of right, of powers greatly and nobly spent." In that responsible way, said the President, the mind of man "comes to know itself in the motives which satisfy it, in the zest and power of rectitude."

Morality, ethical conduct, personal responsibility—common threads of advice appearing throughout the Inaugural Addresses of all the Presidents—pave the way for the attainment of creative leadership. Past Presidents spoke of the importance of that leadership and the delicate strands which constituted it in their Addresses to the People.

In speaking to that most important question of leadership in their Inaugural Addresses, several Presidents made clear how much they felt that their leadership also depended greatly upon the people's support. Franklin Pierce, in 1853, said to the American people "You have summoned me in my weakness. You must sustain me by your strength." President Warren Harding envisioned a shared responsibility for leadership, saying—

"If I felt that there is to be sole responsibility in the Executive for the America of Tomorrow I should shrink from the burden. But there are a hundred million, with common concern and shared responsibility, answerable to God and country. The Republic summons them to their duty, and I invite (their) cooperation."

President Franklin D. Roosevelt felt that the Chief Executive should listen and look for dominant public needs out of the confusion of many voices. "Then," he said in his Inaugural Address of 1937, "political leadership can voice common ideals, and aid in their realization."

President Herbert Hoover had called a sense of responsibility in facing the questions before the country; and seeing the need for support of the public, he said to the people in his First Inaugural Address, "That responsibility rests upon you my countrymen, as much as upon those of us who have been selected for office."

President Abraham Lincoln in assuming the Presidency, amid a great national crisis, knew that his leadership depended greatly

upon the support of the people and he said, "Why should there not be a patient confidence in the ultimate justice of the people? Is there any better or equal hope in the world?"

And what of the subtle elements composing leadership as seen by those Presidents as they prepared to assume the most important office conferred upon any American. President Franklin Pierce saw the power of leadership reposing in our example. But he remarked further that no example can be powerful for lasting good . . . "which is not based upon eternal principles of right and justice." Among the qualities of leadership that President Herbert Hoover mentioned was the stimulation of initiative and individuality, and above all, "absolute integrity in public affairs." Franklin Roosevelt saw the striving for ideals as essential to leadership. In 1937, during his Second Inaugural, he said:

"We are beginning to wipe out the line that divides the practical from the ideal; and in so doing, we are fashioning an instrument of unimagined power for the establishment of a morally better world."

Another President, who saw devotion to a lofty ideal as vital to leadership, was President Theodore Roosevelt. In his Inaugural Address of 1905, he called upon The Nation to leave this American Heritage" unwasted and enlarged to our children and our children's children." In leadership, he said we must show bold courage, hardihood, endurance, "and above all the power of devotion to a lofty ideal."

Prayer and reliance upon a Higher Power was also seen by The Presidents as a basic ingredient to leadership, based on moral principles. Seeking this help on behalf of himself and all his associates in the Executive Branch of the Government, Dwight David Eisenhower asked "That Thou will make full and complete our dedication to the service of the people in this throng and their fellow-citizens everywhere,"

But given the moral underpinning the support of the people, the leader must act. President Harry Truman was aware of this when he said, "History does not make the man. And I say the official who hides in the clouds of hesitation, expediency, and weakness, is captive of events and is unable to offer the leadership The American people ask for and are entitled to."

Another quality of leadership seen by the Presidents was the necessity of maintaining always a genuine interest in the people—the ones who, as Calvin Coolidge said, "bear the cost of Government . . ." and who "know by hard experience what this great burden (of taxation) is, and what it does."

And all the Presidents in their Inaugural Addresses saw the need to recapture for all the people the spirit of America, to arouse among the people a rekindling of the American spirit of the pioneer. And they saw also the importance of vision of the future stated beautifully by Franklin Roosevelt in 1933, as he said, ". . . When there is no vision the people perish." These then were qualities to be part of the leadership required to guide a great Nation.

Another element of leadership, as seen by past Presidents in their Inaugural Addresses, was the ability to understand, in a special way, the times and the needs of the people. This was voiced with emphasis by President Woodrow Wilson, who saw this task as one "which shall search us through and through to see whether we be their spokesmen and interpreters, whether we have . . . the will to choose our high course of action."

A knowledge of history was recognized as an aid in helping Presidents understand the present and the trends in process. President Calvin Coolidge said we must continue to learn from the Past, and "If we wish to erect new structures, we must have a definite knowledge of the old foundations."

And lastly, leadership, in the view of many of the Presidents called for an interdependence of the people upon each other. And further, leadership was to instill a sense of discipline in all the people for a common good. In 1933, President Roosevelt said, ". . . if we are to go forward, we must move as a trained and loyal army willing to sacrifice for the good of a common discipline, because without such discipline no progress is made, no leadership becomes effective."

Lastly, the Inaugural Addresses of our Presidents show also that our national leaders, in varying degrees, were looking to the future and trying to envision the kind of America of succeeding generations. In doing so, most attempted to define the inner spirit of America. In phrasing their remarks, some Presidents may have reflected upon the architectural grouping upon the pediment of the East Front of the Capitol, where the "Genuis of America," the creation of Luigi Persico, showed the figure America pointing to "Justice" on her right, with an Eagle, symbolizing "Hope" on her left—conveying the thought of seeking success with hope, while armed with justice.

Nearly all Presidents believed that, an inner spirit strengthened America's will, and this was, perhaps, best expressed by Franklin Roosevelt when he said:

"Lives of nations are determined not by the count of years, but by the lifetime of the human spirit . . . The life of a Nation is the fullness of the measure of its will to live."

He continued to say in his Inaugural Address that ". . . It is not enough to clothe and feed the body of this Nation, and instruct and inform its mind. For there is also the spirit. And of the three, the greatest is the spirit."

The Presidents often saw this spirit as synonomous with the faith of America. "This faith," Dwight D. Eisenhower said in 1953, "rules our whole way of life. It decrees that we, the people, elect leaders not to rule but to serve . . . It inspires initiative that makes our productivity the wonder of the world. And it warns that any man who seeks to deny equality among all of brothers betrays the spirit of The free and invites the mockery of the Tyrant."

In speaking of the Spirit of America, the Inaugural Addresses contained an optimism for the future. In his 1853 Inaugural Address, Franklin Pierce said ". . . if your past is limited, your future is boundless. Its obligations throng the unexplored pathway of advancement and will be limitless as duration."

Enabling that Spirit of America called for a sense of pride and individual commitment, as Woodrow Wilson commented in his Inaugural Address, "Let us stand forth . . . with a new dignity of national pride and spirit. Let each man see to it that the dedication is in his own heart, the high purpose of the Nation in his own mind . . ."

And the vision of the Spirit of America, evolving from all the noble thoughts of the Inaugural literature, called for a vision of right, guided by a national consciousness, as called for by George Washington. And when that vision of right faltered in practice, individual Presidents called for a restoration of values. President Wilson, in his Address, called on Americans "To lift everything that concerns our life as a Nation to the light that shines from the hearthfire of every man's conscience and the vision of right . . ."

And in their Inaugural Addresses, the Presidents showed faith in making the Nation a better place for life to be lived to its fullest and most inner satisfaction. They reflected that since American ingenuity and spirit had made the Nation all that it was, that that same American ingenuity and spirit will make America all it can be.

And they further saw, as they tried to look into America's heart, that the resurgence of American ingenuity needed the companionship of integrity and individual genius.

And woven in the Inaugural Addresses was the appreciation of the beauty of the soul of America and the fragile beauty of its face, and a sensing that solving the great problems alone may not be enough, if we as individuals as a Nation lose our sense of beauty. Though not in an Inaugural Address, this calls to mind the parting advice of the late John D. Rockefeller, 3rd, who said that beauty awakened both the spirit and intellect of man and "In so many ways it provides the key to higher values—to the understanding of ourselves, to the enrichment of our individual lives." From such timeless thoughts, and as alluded to in many Inaugural Addresses, America in 1872 became the "Mother of the National Park concept," and a world-wide path finder in conservation.

President Herbert Hoover saw the importance of preserving beauty not only across the Nation but in the Nation's Capital to keep faith with the great vision of our forefathers for the Capital of America. Speaking of Washington, the Seat of the National Government, President Hoover said, the Nation's Capital was "unique from its birth in its inspired conception, flexibility, and wonderful beauty. No one in 150 years has been able to improve upon it."

In further speaking of the spirit of America in their times, the Presidents saw the need to uphold timeless principles of human conduct and to redefine courses of actions to preserve those values in changing periods of history, with different challenges confronting the Nation. The Presidents expressed faith in the Nation's power to endure, its eagerness to hope, its compassion for humanity. They knew, in certain instances, that the times called for the Nation to take a hard look at itself—with a firm purpose of renewal. In Woodrow Wilson's First Inaugural Address, he asked for a vision that would see the Nation and its national life as a whole—". . . at last we see the bad with the good, the debased and decadent with the sound and vital."

The Presidents, in their Inaugural Addresses, saw the need for a spirit of renewal both in the hearts and minds of individuals and in the Nation as a whole—a totality of interactions. They saw the need to humanize every facet of life in America, and to do so without, in any way, weakening the strength of the Nation to meet the threats that invariably arise in the affairs of Nations. From Washington through to the Nation's 40th President, our National leaders saw the infinite value of nurturing the human spirit, and through such actions the Spirit of the Nation itself. They saw the need for the Nation to scrutinize itself with integrity. And among the imperishable and ever-required qualities needed to fire the spirit of America, these goals were spoken to time and time again in the great historical treasury of the Inaugural Addresses:

The need for morality in private life and Government.

Ethical conduct and integrity in the public service.

Personal responsibility and responsible actions in Government.

A leadership of courage.

A search for and stimulation of the American Spirit.

And to realize these treasures of achievement in human life, to renew the faith in an America of right and justice, the Presidents knew how much patience and understanding were needed. They asked the people, as President John Kennedy did, "Ask not what your country can do for you, but what you can do for your country." And

some Presidents, broadening that sincere request, as President Warren Harding did in his Inaugural Address of 1921, said ". . . Mankind needs a world-wide benediction of understanding. It is needed among individuals, among peoples, among Governments, and it will inaugurate an era of good feeling to make the birth of a new Order . . ."●

THE EMBARGO ON GRAIN SALES TO THE SOVIET UNION

● Mr. BAUCUS. Mr. President, yesterday John Block, Secretary of Agriculture disclosed that the full Cabinet will review the partial embargo on grain sales to the Soviet Union. According to reports in the press this review will begin next week.

Few issues have caused as much concern among farmers as the grain embargo. Mr. Reagan's campaign pledge to lift the embargo was heavily supported in Montana and other farm States. However, the lack of a clear and unequivocal reiteration of that pledge since the election is causing alarm and concern among farmers.

I hope this does not mean President Reagan is reconsidering his campaign pledge.

Any limitation on farm exports is nothing more than a Government action to limit farm income.

I have many good friends who are farmers and ranchers, and I know them to be tough and hardy individuals. But sometimes I wonder if we are not asking too much of them.

This Nation has asked its agricultural producers to help reduce the trade deficit by expanding exports. We have asked farmers to provide food for hungry nations overseas as part of our foreign policy.

The Nation has asked farmers not to sell food overseas to advance our foreign policy goals. Some would limit imports as part of our effort to keep food prices down.

I suspect American farmers and ranchers are getting a little confused. I know I am; I thought we wanted to expand exports.

I suspect every one of us in the Senate has at one time called for expanded farm exports.

Several years ago some of my colleagues and I worked very hard to pass the Agricultural Trade Expansion Act. Our goal was to help develop markets overseas, and thus improve farm income and reduce the trade deficit.

Congress has spent a great deal of money in the last decade developing foreign markets for agricultural products.

We spent a good part of last year in the Finance Committee and here on the Senate floor talking about the multinational trade negotiations. A major part of these talks was our push to remove barriers to American agricultural exports.

That is why I am a little confused about embargoes. That is why I am a little confused about curbing agricultural exports to "protect domestic consumers."

If American public policy is to provide agricultural products for overseas countries only when we have more than we can use, and only when we think those countries are behaving themselves this country is not going to reach its export potential.

I do not think it is right that American companies can continue to sell tractors to the Russians. I do not think it is right that we continue to sell the Russians fertilizer so they can grow their own grain to replace what they do not buy from us. And, I do not think it is right for us to sell computers and Coca-Cola and a thousand other products over there and then tell our farmers and ranchers to sit on their grain because "it's in the national interest."

I believe unrestricted agricultural exports are in the national interest. But if, for some national security reason, we restrict trade with another country, then we must make sure the burden falls equally across all parts of our economy.

The soybean embargoes that Presidents Nixon and Ford imposed convinced the Japanese, for example, that Americans could not be depended on to provide food. The Japanese developed their own soybean industry in Brazil, and are perfectly happy to pay more for Brazilian soybeans just to have an assured supply.

When you think about it, it makes sense. If your grocery store started closing its doors whenever its inventories were down a little, or whenever it thought you were not behaving properly, you would probably look around for another grocery store.

I suspect that a lot of the countries that buy food from the United States are going to look around for other grocery stores.

All of us will get hurt if that happens. The wheat and corn, the cotton and soybeans, that we have been selling all over the world have been the one bright spot in our economy. Farm exports almost offset the massive amount of money we spend for oil.

Thus, talk of not removing the grain embargo and of limiting exports disturbs me.

I have written President Reagan and Secretary Block urging them to lift the embargo immediately. In my view, any other policy would be shortsighted.

If the Reagan administration does not lift the embargo, I am prepared to introduce legislation that would do so. It is the right policy and should not be delayed.

My letter to the President follows:

U.S. SENATE,
Washington, D.C., January 29, 1981.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am writing to express my concern about the status of the partial embargo of grain sales to the Soviet Union. I read with great interest Mr. Block's comments on the Cabinet-level review you have scheduled on this issue.

As you know, few issues have caused as much concern among farmers as the embargo. Your campaign pledge to lift the embargo was heavily supported in Montana and other farm states.

However, the lack of a clear and unequivocal reiteration of that pledge since the election is causing alarm and concern among farmers.

As you noted several months ago, any limitation on farm exports is nothing more than a government action to hold down farm income. It is unconscionable to ask agricultural producers to sacrifice more than other Americans.

I urge you to avoid further delays and lift the embargo immediately. I hope a Cabinet level review does not mean the Administration will back away from this position.

In October of last year, a majority of the Senate voted with me to end the embargo. If it is not lifted in the near future, there will be increased pressure to take similar action again this year. I hope that will be unnecessary.

I appreciate your consideration in this matter.

Sincerely,

MAX BAUCUS.●

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. BAKER. Mr. President, there are certain negotiations going on which will determine whether or not there is any further business that can be transacted by the Senate today. While we are awaiting the outcome of those negotiations, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

The motion was agreed to, and at 4 p.m., the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 5:07 p.m. when called to order by the Presiding Officer (the Vice President).

THE UNITED STATES SENATE

Mr. ROBERT C. BYRD. Mr. President, in my series of statements on the United States Senate, I have given special attention to a description of this body's meeting places here in the Capitol. I have spoken of the statuary, the paintings, and the architecture that so distinguish the inside of this building. Today, in my 33rd statement since last March, I should like to discuss the Capitol's exterior beauty, focusing on the Botanic Garden and the landscaping of the surrounding 181 acres.

Looking back over the past 100 years, there have been major changes to both the Garden and the grounds. Undoubtedly, the coming century will bring additional alterations. So, today, I shall speak for the edification of my colleagues, and for future generations, about the efforts, over many years, to bring to this place the natural beauty that surrounds us. I am afraid that we become so busy with our legislative duties that we sometimes pass its beauty by unnoticed or not fully appreciated.

Countless hours of planting, weeding, watering, spraying, pruning, separating, planning, and worrying about bugs and slugs, beetles and worms, droughts and rains, hail and frost go into making Capitol Hill the glorious splash of greenery and color we know and love. Most of the people who do all of this weeding and worrying, who try to keep our trees alive and our grass green, work in the Botanic Garden, or for the Landscape Architect, under the supervision of the Architect of the Capitol. We and the birds and squirrels of Capitol Hill owe them much.

There is no more lovely oasis from the trials and tribulations of the Senate than the Botanic Garden, only a block away.

Its history is almost as old as the nation's. Because it is so old, its past is difficult to track down. I am very grateful for the efforts of Karen Solit, who, until recently, worked for the Garden, to help to piece together its story.

The Botanic Garden grew out of a dream shared by George Washington, Thomas Jefferson, James Madison, and other early men of vision. As early as September 1796, Alexander White, who was one of the District of Columbia's Commissioners, wrote to James Madison, then a member of the House, meeting in Philadelphia. Mr. White suggested that a botanic garden be built on what we now know as the Mall in the new federal city, to which the government would soon move. Madison, in turn, wrote to George Washington endorsing the idea, and, in October 1796, the president wrote to the District Commissioners urging that a botanic garden be built as part of the national university envisioned for the nation's capital.

The university did not materialize right away, and the idea of a botanic garden lay fallow until January 1814, when Dr. William Thornton, who had designed the Capitol and was, at that time, Superintendent of the Patent Office, wrote to President Madison, telling him that a botanic garden should be built even if not part of the hoped-for university. Fearing that some native plants might soon become extinct, Thornton warned Madison that:

> By clearing lands, whole families of plants are likely to be lost to the world, but a greenhouse would preserve what the Almighty has given . . . If a university be ever established . . . the botanic garden would be a necessary appendage.

Six more years passed, however, before anything was done to make the botanic garden a reality. In 1816, a scientific organization known as the Metropolitan Society was established in Washington. Its name was soon changed to the Columbia Institute for the Promotion of Arts and Sciences, and, on April 20, 1818, it received a charter from Congress. Among its first members were Jefferson, Madison, John Adams, and General Lafayette. One of the Institute's purposes, as stated in its constitution, was to "collect, cultivate, and distribute the various vegetable production of this and other countries whether medicinal, esculent, or for the promotion of arts and manufacturing."

In 1820, Congress granted the Columbia Institute five acres of land on which to carry out these noble objectives. The land was on the eastern end of the Mall, bounded by Pennsylvania Avenue and Maryland Avenue on the north and south, and First Street and Third Street on the east and west. Unfortunately, lack of funds prevented the Institute from developing the gift, and the Columbia Institute itself ceased to exist after 1837.

With the demise of the Columbia Institute, the idea of a botanic garden withered on the vine, so to speak. Five years would pass before the gardens would be revived. However, on August 18, 1838, an event occurred that would affect the botanic garden's future. On that morning, an expedition, consisting of six ships, led by the sloop *Vincennes*, gaily started out from Hampton Roads, Virginia on the first lap of a long and dangerous voyage. These ships made up the United States Exploring Expedition to the South Seas, under the command of Lieutenant Charles Wilkes. Incidentally, Wilkes later went on to a notable career: during the Civil War, it was Wilkes who stopped the British ship *Trent* and removed Confederate Commissioners Mason and Slidell, almost causing war between England and the Union.

According to Wilkes, the primary objective of his 1838 expedition was "the promotion of the great interest of commerce and navigation, yet all occasions will be taken, not incompatible with the great purpose of the undertaking, to extend the bounds of science and to promote the acquisition of knowledge . . ." Among those aboard to see that knowledge was acquired was William D. Breckenridge, a horticulturist.

Nearly four years later, in June 1842, the Expedition returned to the United States and put into New York harbor. Wilkes had covered 87,000 miles, surveying vast portions of the Pacific and confirming the existence of the continent we know as Antarctica. Thanks largely to Breckenridge's efforts, stowed away in the holds of the returning ships were ten thousand species of seeds, nuts, and bulbs, and over one hundred live plants. This treasure-trove of flora became the basis of the Botanic Garden we know today.

The Expedition collection was placed temporarily on exhibition on a lot behind what was then the new Patent Office, which still stands but is now the beautiful National Portrait Gallery and National Collection of Fine Arts. By the fall of 1842, a greenhouse had been built to protect the delicate plants from a North American winter. The greenhouse, which measured sixty feet by seventeen feet, was put under the custodianship of the Commissioner of Patents.

The actual care of these precious plants was largely the responsibility of Mr. Breckenridge, who was happy to show visitors his prizes. For the first time in the United States, exotic plants like the beautiful bird-of-paradise, and species of the mimosa tree, which we see all over suburban Washington today, were on display.

The Patent Office greenhouse had been operating for eight years when it became an indirect victim of the industrial revolution. In 1849, the increased number of inventions forced the expansion of the Patent Office and made it necessary to find a new location for the plants. The site selected was at the west end of the Capitol grounds, where the Columbia Institute gardens were to have been located. In 1850, Congress appropriated $5,000 for the new greenhouse and. upon completion, it became an instant attraction for both citydwellers and tourists. In 1859, the Washington *Star* affirmed that "The Botanic Gardens at the foot of the Capitol are well worth visiting. Sinuous gravel walks. tastefully bordered with box, invite the visitor through a labyrinthian garden." During the particularly harsh January of 1860, the *Star* reminded readers that, "A stroll through the hot houses of the government at the foot of the Capitol in these times of snow, mud, and ice, is vastly pleasant."

May I say that based upon my most recent experience of only yesterday, 120 years subsequent to the Star article, I found, and others will find, that a stroll through the hot houses of the Government at the foot of the Capitol in these times of sunshine and almost balmy weather in January is vastly pleasant. I take this occasion to thank Mr. Albert DePilla, who has worked at the Garden since 1923, and who is now in his 57th year as manager of the Garden, for his courtesy and kindness in escorting me through the Garden explaining its exotic plants and displaying all of the verve, interest, dedication, and devotion of which he is capable.

It is a dedication that is born of more than a half century of working in the place he loves and with the plants and flowers he loves.

In 1854, William R. Smith, who later replaced Breckenridge as superintendent of the gardens, prepared a catalogue of the plants in the conservatory and noted that the majority were still plants from the Wilkes' expedition. Smith was kept busy collecting their sought-after seeds and distributing them around the country. In 1856, in recognition of its increasing stature, the Botanic Garden was placed under the official jurisdiction of the Joint Committee on the Library, and named the United States Botanic Garden. It has received an annual appropriation ever since.

This Mr. William R. Smith was a very interesting character. For almost sixty years the Botanic Garden was in effect his private estate. Visitors undoubtedly enjoyed treading the garden's shaded walks, and little children would peep in at the flowers through the iron fence that enclosed it, but William R. Smith actually lived there. As official keeper of the coconuts and cyclamens, he occupied the little brick house buried in the jungle of rare and exotic plants.

In 1850, while Mr. Breckenridge was still chief horticulturist, the 19-year-old Smith, fresh from Scotland with a letter of introduction from eminent botanist Sir Joseph Hooker, was hired as the director's assistant. When Breckenridge resigned in 1863, Smith became superintendent of the garden. During his long tenure there, the cuttings he had planted with young hands grew into lofty trees.

Seeds from the plants brought back by the Wilkes Expedition were not the only things Smith gathered and distributed. He returned from one of his trips to England with a clipping of what we call "Boston Ivy," which he proceeded to cultivate and introduce across the nation. The Washington *Star* of October 20, 1907, reported:

> Among the treasures in vegetation which grow in the National Botanic Garden in addition to the memorial trees is the Ampelopsis veitchii, the parent of millions of the same vine and ancestral vine of all of them in the United States. The vine is an English immigrant . . . Hence Mr. Smith is the foster father of a vine that climbs and clasps uncounted walls from sea to sea—the foster

father of the most popular city vine in America.

Smith collected more than just plants. Over the years, Smith, an ardent Scotsman, collected the finest and most complete library, outside of Scotland, of the works of poet Robert Burns. At Smith's death, fellow Scotsman Andrew Carnegie bought his Burns collection and presented it to the Scottish Rite Temple of Washington.

One of the major attractions of the Botanic Garden today is the Bartholdi fountain in the outdoor garden off Independence Avenue and First Street, Southwest. It has been part of the garden, although not always in the same spot, since 1877 and Mr. Smith was present when it arrived. This thirty-foot-high sculpture is the work of Frenchman Frederic Auguste Bartholdi. He had designed it for the Philadelphia Centennial Exhibition of 1876, where it stood right in front of the main entrance. Also on exhibit at the 1876 Exhibition was a part of one of Bartholdi's most famous works—the sixteen-foot-high right hand of the Statue of Liberty. By the way, Bartholdi had originally proposed that the enormous figure be called "Progress" and placed at the entrance of the Suez Canal.

After the Philadelphia Exhibition closed in 1877, the United States Government purchased Bartholdi's fountain for $6,000 and erected it on the grounds of the Botanic Garden at the center of the Mall near Third Street. At the time of its creation, the fountain epitomized the artistic use of cast iron, which previously had been looked upon with disdain by many artists and critics. The cast iron was coated with bronze, but pollution and time have so deteriorated its surface that it now must be painted black periodically to keep it from rusting.

This enormous fountain, with its huge basins, strange little sea creatures spitting water, and its three graceful, eleven-foot-high ladies represented, Bartholdi said, water and light. Indeed, the fountain was a major nighttime attraction in late nineteenth century Washington since its twelve Victorian lamps made one of the earliest public displays of electric lighting in the city.

By the turn of the century, the Botanic Garden had won national prominence, but had not yet found a permanent home. In 1901, the dramatic new program for the beautification of Washington, known as the "McMillan Plan" for Senator James McMillan of Michigan who worked so hard for it, was unveiled. The most dazzling feature of the plan was the proposed Mall, an unbroken swath of green stretching from the Washington Monument to the Capitol. Gone would be the tangles of shrubbery, the Baltimore and Potomac Railroad Station and sheds littering the area, and the infamous area of crime known as "Murder Bay."

The Botanic Garden ran afoul of the McMillan plan on two counts. The Garden and its greenhouses obstructed the planned vista between the Capitol and the Washington Monument. Moreover, the plan called for a large memorial to President Grant to be erected right where the Garden stood. The planners claimed that the Grant memorial was the keystone of their design, which couldn't be altered without irreparable harm being done to the whole symmetrical concept.

The resulting uproar proves that historic preservation battles are far from a recent phenomenon. What particularly outraged the friends of the Garden was the fact that the installation of the Grant memorial would mean that a grove of old and beloved memorial trees would have to be uprooted. The Washington *Star* launched a series of articles denouncing the Grant memorial and pleading that the trees be spared the ax. Among the endangered trees was an oak grown from an acorn taken from the tree over Confucius' grave, memorial trees honoring Presidents Hayes and Garfield, and trees planted by, or honoring, several members of Congress.

The controversy was drawn out for several years but, in the end, the planners won. In the 1920's, over 200 trees, including the memorial trees, were destroyed, the late Mr. Smith's little red brick house was razed, and the greenhouses were dismantled to make way for General Grant. In 1926, Congress ordered the Bartholdi statue removed and placed in storage until a new site could be prepared. There was some discussion about relocating the gardens in the suburbs, away from the bustling city but this idea, fortunately for us today, made little headway. It was finally decided to move the Botanic Garden only slightly to the south of its old location.

On November 12, 1931, acting as chairman of the Joint Committee on the Library, Senator Simeon Fess of Ohio laid the cornerstone of the new conservatory at Maryland Avenue and First Street, southwest, the Garden's present location. The next year, the Bartholdi fountain was taken out of storage and placed on the square across Independence Avenue from the conservatory in what has become a beautiful garden. At the end of the garden square, a little, fan-shaped building, planned as a home for the Director of the Garden, was built. In 1934, when the Garden was placed within the jurisdiction of the Architect of the Capitol, under the supervision of the Joint Committee on the Library, this attractive little house became the Garden's offices.

The Garden's new home was completed a year earlier, in 1933. While its most visible feature is the soaring glass conservatory dome of the palm room, its most unique feature is less apparent. The conservatory represents the first time that aluminum was used in the construction of a building this size. Even more amazing, the thirty-one tons of aluminum parts have been virtually maintenance-free for the past fifty years.

Stepping into the aluminum-ribbed conservatory is like entering another world. In the midst of a snowy February day, or an almost balmy January day with just a few steps one can be transported to the tropical lushness of the South Seas where bananas grow in profusion, or to the hot, dry Mexican desert where cacti grow in bizarre shapes. Roaming under the conservatory's 87,000 cubic feet of glass windows, through the palm house, the fern house, the citrus cycad and cactus houses, and the bromeliad houses, by the little stream full of goldfish, one can find all sorts of strange and exotic plants. In a glance, one can learn both their common and Latin names and what country they are from.

Mr. Jimmie Crowe, the assistant director of the Garden, has been working with the plants there for over two decades. He speaks of them as we speak of old friends. Some of these plants are as old as the original Garden. There is one juju date tree, Mr. Crowe says, that came back in the hold of Wilkes' ships in 1842 in a five-gallon tub. The progeny of many of those original plants are still flourishing.

One of the rarest plants at the Garden is an enormous vessel fern that measures twenty feet across. And there are palms so big that they push the window panes right out of the palm room's one hundred-foot-high roof. Mr. Crowe explains that heat and humidity collect right under the ceiling and, once the palms grow tall enough to reach this pocket of warm, moist air, they just take off. There are banana trees in this room, too. Each tree yields only one bunch of bananas in its lifetime and then dies, but a new tree shoots up on the same spot. Right next to the bananas are palms over 150 years old. There are also the amazing, if more junior, century plants—palms that are said to bloom only once after a century of growth. Then they die. Of course, in the perfect conditions of the greenhouse, the process gets speeded up a bit. One century plant bloomed a few years ago, and Mr. Crowe tells me another bloomed this past December.

The Garden's beautiful orchid collection is one of the largest in the world with more than one thousand specimens. A major attraction is the orchid display in which there are tiny little yellow orchids, delicate white ones, and the large purple Mother's Day-type. Some of the orchids in the Garden's collection are exceedingly rare. Because of its excellent and well-deserved reputation for good care of its plants, some private orchid breeders give one of the only two existing plants of a new breed to the Garden for protection.

While some plants are very rare and very old, others are simply fun to look at. There are painted fingernail plants from Brazil that really look like their tips just received a fresh coat of fuchsia lacquer. One of the plants that children like best is the chenille plant from Malay that sends out fuzzy pink tongues that very much resemble the chenille bedspreads and bathrobes. Some plants look rather creepy, as though they would like to wrap their tendrils around you when your back is turned. And some, like the pincushion cactus from Mexico, leave no question that you had better not touch.

There is the Mother-In-Law Plant, a plant that has a slightly poisoned taste, and will make your tongue sore.

Then there is the Prayer Plant which

each night when darkness comes on folds its leaves like a child at its bedside entering into prayer, and then when the light returns the leaves again open.

All of these living plants, just like children, need the constant and careful supervision that Mr. Crowe and his staff of fifty-six provide. A broken window, a sudden drop in temperature, the failure of a heating unit, lightening, or fire can destroy the collective growth of several centuries. In 1957, the Garden, normally open every day except Christmas and New Year's Day, had to close for a brief period because of damage done by a terrible windstorm. Dozens of panes of glass shattered, but only a few plants were lost—even the most delicate orchid was saved.

Though more than two million people a year, including 800,000 children in school groups, pass through the gardens, Mr. Crowe reports that he does not have much difficulty with vandalism. A few visitors, however, cannot seem to resist leaving their mark. In the cactus room, several poor old venerable giants bear the indignity of having names and hearts gouged into their sides. Speaking of visitors, foreign dignitaries and horticulturists are drawn to the gardens with great regularity. A Chinese delegation recently made a visit as did a group from India. What these visitors delight most in seeing is a familiar plant so far from home, like the banyan tree from India, where it is considered sacred.

While people who visit the Garden generally behave themselves, there are other visitors who do not. Birds and squirrels seem to know when the windows atop the conservatory are going to be opened to regulate temperature and humidity. In 1941, a red squirrel wandered in, stayed for years, and was finally named "Charlie." There are mockingbirds who spend the winter inside the conservatory, and who can blame them. Once, a few years ago, someone turned his pet iguana loose in the garden, reasoning, no doubt, that it would be more at home there among the lush tropical foliage than in his basement. The iguana did seem to enjoy the change, but he terrified the tourists. Only by turning off all the water was the staff able to coax him out of hiding and capture him.

During the summer, the outside as well as the inside of the conservatory is ablaze with color. Tubs of impatiens and baskets of begonias invite visitors to picnic or rest on the benches. Across the street, the Bartholdi fountain is surrounded by one of the prettiest gardens this side of West Virginia. There are daisies, snapdragons, white and yellow sundrops, silvery dusty millers—incidentally, that is the name of a fiddle tune, also, Dusty Miller—silvery dusty millers, gorgeous climbing clematis. The walk-ways are bordered with Senator Everett Dirksen's beloved marigolds. This past summer, as in the last few years, there was a lovely twenty-two-foot butterfly-shaped arrangement in the garden, made from flowering plants. For the Bicentennial in 1976, there was a magificent map of the United States made of plants.

The purpose of the Botanic Gardens is still the same as set forth by the congressional charter given to the Columbia Institute over 160 years ago. The Garden is authorized to "collect, cultivate, and grow the vegetable production of this and other countries for collection and display." The displays the Garden produces are truly spectacular. For years, there have been four flowering plant shows each year: an azalea show, a spring show, a chrysanthemum show, and a poinsettia show. Now Mr. Crowe and his staff are aiming for a major show each month with additions like the Inauguration display this year, and hanging basket shows in the summer.

For the azalea show, over 150 blooming plants in tubs are massed in the exhibit halls. The fall chrysanthemum show features over 2,500 plants of over 150 varieties. The Garden staff begins preparing for the spectacular December poinsettia show in May when nurserymen start cuttings from older plants. It is always a challenge to get the more than two thousand plants to bloom on schedule and even more of a feat to transport all these plants, which wilt in cold drafts, to the conservatory in heated vans.

One of the most interesting facts associated with the history of the Capitol's flora is that the poinsettia was named for a member of Congress, Joel Poinsett. Mr. Poinsett was a representative from South Carolina from 1821 to 1825. From 1825 until 1829, he served under President John Quincy Adams as Minister to Mexico, where the flaming red flower grew wild. Poinsett brought cuttings home with him for cultivation and distributed the plants to his friends.

"Collecting and display" means much more at the Garden than just setting up pretty plants for visitors to look at. It has increasingly come to mean information and education. All the plants are carefully labeled so that visitors can learn of their origins. There are a variety of free information sheets available on everything from cultivating vegetables in containers to growing gloxinias. The Botanic Garden also offers free courses taught by its own staff and open to the public. The subjects covered this year include cacti, holiday plants, and flower arranging. The classes have been a big success.

Dispensing information also means answering the dozens of calls and letters that come into the Garden office each week. Mr. Crowe tries to answer all of them personally. He keeps a list of poisonous plants by his desk to answer the calls of distraught mothers who fear, many times rightfully, that their children have eaten harmful plants. Incidentally, some parts of the beautiful poinsettias are toxic. Sometimes children, not plants, are the culprits. One woman was worried that her young son had killed her prize cactus by dousing it with dish-washing detergent. Mr. Crowe reassured her that the brand her child selected was biodegradable.

Each day's mail brings requests for help, samples of sickly leaves and sometimes squashed bugs. After consultation, these specimens are quickly destroyed before whatever it was that did them in could start to feed on the Garden's delicacies. J. Edgar Hoover, school children, elderly ladies, and members of the Senate and House have all brought their plant problems to the Botanic Garden. Mr. Hoover's problem was ailing gardenias. Children have asked how to grow a mango tree from the large, ugly mango seed. (It is very difficult.) A public official once brought in two wilted geraniums, planted in chamber pots.

Members of the House and Senate get not only advice but plants *on loan* from the Botanic Garden. Many a Senator's office is brightened by the Garden's greenery, as mine is today. It has some flowers sent from the Botanic Garden. If one of their wards becomes ill, the Garden staff will retrieve it and nurse it back to health. But sometimes it is too late. One Representative's secretary edged his stationery in black and wrote, "We regret to inform you of the demise of the two plants which were in four inch pots."

All of the plants in our offices—and that includes the carnations that are in mine today; by the way, they are salmon in color—and all those two thousand poinsettias and 2,500 crysanthemums, and the hundreds of marigolds and begonias that adorn the Garden are grown at the Garden's Poplar Point nursery, twenty-two acres of gardens and greenhouses in the District of Columbia's Anacostia section.

The Poplar Point nursery also provides the thousands of plants that decorate the grounds of the Capitol and the Library of Congress, and I shall now shift the focus of my remarks from the Garden to the grounds. The more than 180 acres that make up Capitol Hill are the domain of landscape architect Paul Pincus and his staff of eighty. Not a day goes by when the gardeners cannot be seen tugging at weeds, pruning trees, or tenderly setting out tiny new plants. Thanks to them, from early spring to late fall, those who work and visit here enjoy a veritable wonderland of color.

One of the prettiest areas on Capitol Hill is the little hillside garden, just bursting with pansies, along the grounds between the Russell Building and Union Station. Not only is this small garden a delight to see, but Mr. Pincus says it has nearly solved the old problem of erosion of the bank.

I wonder how many of my colleagues have ever seen the beautiful job of landscaping Mr. Pincus' staff has done in the little courtyard on the Senate side of the Capitol's West Front. If one peers from the windows of the Senate Library, in the summer one can see an enormous star and the word "Senate" spelled out in glorious red, purple, white, and green flowers and foliage.

It is hard to believe that, lovely as they are today, the Capitol grounds were once sadly neglected. It was not until 1874, when portions of the Capitol were already three-quarters of a century old, that Congress turned its attention to the surrounding grounds. When it decided to

act, Congress hired the most famous landscape architect in America, Frederick Law Olmsted, who had laid out New York City's Central Park.

Olmsted found the acres he was to work his magic upon in sad shape. No single plan for their improvement had been consistently followed. In 1881, he reported to Congress that, "There is, mainly in consequence of a wavering policy and make-shift temporizing operations, but one tree on the ground that yet approaches a condition of tree majesty." This tree was the George Washington elm, of which I will say more later.

The Capitol grounds had been enclosed and encirled by a road in the very early 1800's, but these improvements were obliterated by the burning of the Capitol in 1814. When the House and Senate wings had been added at mid-century, the huge quantity of earth removed for the foundations had been heaped into geometric outlines and sodded, but the grass had died and rain had eroded the mounds.

Some attention had been given to the East Front, but the West Front was a barren, bumpy stretch of earth. Congress had always thought that the city of Washington would grow to the east and so it considered the East Front most important. By 1874, however, it was apparent that this was not to be. Washington lay to the west and the Capitol looked as if it had turned its back on the executive branch and the people of the federal city. It was time, Olmsted told Congress, to clean up the "backyard."

Though the terribly uneven grade of the West Front presented a challenge, Olmsted's worst enemy was the soil itself. Like much of Washington's soil, it had a heavy clay base. Shortly after the government moved to the new capital in 1800, an observer described the soil as "exceedingly stiff clay, becoming dust in dry and mortar in rainy weather." Olmsted ordered both the East and West Fronts plowed up, regraded, drained, and covered over with two feet of top soil. To make sure the thousands of trees and bushes he had ordered for the new grounds would grow, he had added to the top soil doses of oyster-shell lime, stable manure, and "swamp muck."

Olmstead's plans for the Capitol were largely completed by the mid-1880's and all of Washington marveled at the change. No longer did the gleeming white Capitol seem to rise from a flat and ugly plain of dull brown, appearing in imminent danger of sliding off its hill. Instead, its base was softened by graceful groves of trees and a long sweeping lawn of green joined it to the rest of the city to the west. The lovely configuration of the grounds we see today, and the terrace completed in 1892, are Olmsted's magnificant legacy.

It is always sad to see summer fade and the flowers die The red cannas and the yellow crysanthemums on the East and West Fronts that Olmsted laid out are some of the last to go. But we can rest assured that spring will bring a new burst of color to the Hill. Until the mid-1960's, members of Congress had to wait almost until June to see much color up here. We have our beloved late colleagues Hubert Humphrey and Everett Dirksen to thank for getting some of spring's earliest harbingers planted on the grounds.

No one had a way with words quite like Senator Humphrey. On April 25, 1962, he rose in the Senate and lamented:

> The calendar tells us that spring has come. If we step outside right now, we can feel that it is spring. The flowers which are blooming in the private yards and gardens throughout the Washington area tell us it is spring. The gardens surrounding the center of the executive branch of our Government—the White House—tell us it is spring. Even the leaves and the trees surrounding the Capitol tell us rather plaintively that it is spring.
>
> But there are no flowers in the eastern areas of the Capitol Grounds to tell us that it is spring.

What he wanted, Senator Humphrey said was to:

> nudge my colleagues out of their deep, somber concern for earthshaking budgets and policy deliberations for a few moments to consider a small—but important—need in the front yard of the Nation's Capitol.

As it turned out, Senator Humphrey had chosen to speak out on flowers when his colleague, Senator Dirksen, an expert horticulturist and no mean orator himself, was present. Senator Dirksen applauded Senator Humphrey's plea for more plants, but cautioned him of the danger of frost. While noting that he had planted his own cannas at home that weekend, Senator Dirksen urged Senator Humphrey to be patient. Said Senator Dirksen:

> Certainly in due time there will be cannas and dahlias and princes-feathers and, in due time, all the other beautiful flowers, that somehow engender a kind of introspection, assuage all the turbulence of the soul, and bring peace to the hearts of all those who labor here and of all the thousands who come here to visit. So, Mr. President, all in its own good time will be brought to pass.

But Senator Humphrey would not be put off. What about all those flowers already blooming in Maryland, "far enough away from the Capitol so that the air out there is not quite as warm as it is here," he challenged. Senator Dirksen suggested that perhaps Senator Humphrey had gotten his flowers mixed up with early shrubs like forsythia, to which Senator Humphrey indignantly replied that he certainly did know the difference. *Flowers* were blooming in Maryland and at the White House!

There the matter rested, but only until the following day when Senator Humphrey, delighted to find his friend Senator Dirksen also in the chamber, announced that he had done a little research overnight. He had before him, he proudly announced, Pamphlet No. 309 from the National Arboretum and went on to list the variety of plants that could have been blooming on the Capitol grounds that very minute if only they had been planted the previous fall. Several other senators jumped in, noting that their states' flowers bloomed early in the spring as well. While Senator Dirksen continued to insist that his colleague still did not know the difference between a flower and a shrub, all finally agreed that perhaps some effort could be made to beautify the Capitol in the springtime. I must add here that one of the shrubs that does its part to add color to the Hill in spring is the state flower of West Virginia, the lovely rhododendron.

That fall, the gardeners put in the tulip and daffodil bulbs that blossomed the next spring. By 1973, Mr. Pincus' staff was planting more than thirty thousand bulbs each October. And this past October, between sixty and seventy thousand tulips, hyacinths, daffodils, crocuses, and narcissuses were planted. In the middle of January, when the cold winds whip across the lawn, we should take heart at the thought of all those wonders of nature growing beneath the frozen soil, preparing for their spring debut.

Sometimes, the gardeners must wonder if they do too good a job of enticing the public to come and look at nature's handiwork. Each year, whole azalea bushes are dug up and carted off during the night. There was an especially high disappearance rate among some beautiful ornamental pepper plants Mr. Pincus tried in the gardens this summer.

As majestic as the flowers at our feet are the trees that tower over our heads, as we cross the Capitol grounds. Among the more than five thousand trees of over one hundred species that grace the Hill are California redwoods, Chinese saucer magnolias, umbrella trees, cucumber trees, cherry trees, red buds, and pines. There was once an elm said to have been the one George Washington stood under while examining the plans for the new Capitol in the 1790's, but it died in 1948. These grounds are a squirrel's paradise because of all the nut trees: hickory, pecan, walnut, and oak.

I spoke earlier about the old memorial trees at the base of Capitol Hill which were destroyed to make way for the Grant monument. Since the early 1900's, ninety-four more memorial and historic trees have been planted on the Capitol grounds and seventy-three of them are still living.

Until 1978, the oldest trees on Capitol Hill were a trio of stately elms. The trio is now a duo. My colleagues probably remember the sad day in 1978 we heard the buzz of the saw signaling the demise of another tree—one of these elms, on the Capitol's northeast lawn. Seventeen feet in circumference. the tree was so badly diseased that it had to be taken down. When it was cut down, its rings showed that the elm was more than 110 years old. Generations of tourists had posed for pictures beneath its branches. Its life spanned the administrations of at least twenty-two presidents.

This elm was not one of the official memorial trees. but Senator Edward Kennedy delivered a fine eulogy to it the day after it was felled. Though it bore no official name. the senator said his brother, John, when a young senator himself, liked to call it the "Humility Tree," because senators always had to duck their heads when they passed under its low branches on their way to the Capitol.

The two old elms that remain are on

the House side of the grounds. Both are over one hundred years old. While the one, on the East Front, is unnamed, the other, just to the south of the House wing, is the Cameron Elm. It honors Senator Simon Cameron of Pennsylvania, who saved its life. One day in the mid-1870's, Senator Cameron was crossing the lawn when he saw workmen about to chop down a perfectly healthy tree. The tree, he learned, stood in the middle of the new walkway landscape architect Frederick Law Olmsted had planned through the grounds, and it had to go. Cameron stood in front of the tree and ordered the workmen to leave it alone. Today you can see how the concrete sidewalk curves right around the tree's base. Now eighty feet tall, the old elm is ailing. Its insides are filled with tons of concrete and steel cables to hold its major branches off the ground. Mr. Pincus and his crews are doing their best to save it.

Another man who loved his tree was Speaker Sam Rayburn. In October of 1949, a Texas white oak was planted in his honor. Many a day, as Speaker Rayburn left the Capitol, he would walk over to his tree with a tape measure to see how it was doing.

There are trees on the grounds honoring almost every state. The redwood I mentioned was planted on the West Front of the Senate side in 1966 by a delegation of Cherokee Indians. In 1976, the citizens of Maryland presented the Capitol with a seedling of their State's great Wye Oak, the oldest white oak in America. Also in 1976, the citizens of Paw Paw, West Virginia, planted a paw paw tree on the grounds. The state tree of West Virginia is the sugar maple. There are 187 sugar maples on the grounds, the newest being the young tree recently planted to honor retiring Representative Harley Staggers of West Virginia's Second Congressional District.

In looking over the list of memorial and historic trees, I was struck by an entry listing five crabapple trees dedicated to the Sullivan brothers, and recalled their sad, sad story. No one who is old enough to remember World War II could forget it.

The Sullivan brothers—George, Francis, Joseph, Madison, and Albert—were young men from Waterloo, Iowa, who all enlisted in the Navy together after Pearl Harbor. They were from a close-knit family and they requested that they all be assigned to the same ship. They were assigned to the *U.S.S. Juneau* in the Pacific. On November 13, 1942, the *Juneau* was struck by a Japanese torpedo and went down near the Solomon Islands. All five brothers—George, Francis, Joseph, Madison, and Albert—the only sons their parents had, went down with the ship. We shall never see those five crabapples on the Senate side of the East Front without thinking of those brave boys.

The crabapples, Senator Cameron's elm, Sam Rayburn's white oak, Senator Dirksen's marigolds, Senator Humphrey's daffodils—they are all a part of the history that surrounds the United States Senate here. It is not just a history cast in stone and bronze; it is also a green past that continues to grow today and will grow on into the future.

The VICE PRESIDENT. The majority leader is recognized.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I announced earlier that the Senate would stand in recess while certain negotiations were being undertaken in an effort to see if there might be further business that could be transacted by the Senate this afternoon. It appears now that no such result was obtained.

I know of no further business to come before the Senate. I inquire of the distinguished minority leader if he has any further business to transact.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader. I know of nothing on this side of the aisle.

Mr. BAKER. Mr. President, I thank the minority leader.

RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 11 o'clock tomorrow.

The motion was agreed to; and, at 5:08 p.m., the Senate, in executive session, recessed until Friday, January 30, 1981, at 11 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 29, 1981:

UNITED NATIONS

Jeane J. Kirkpatrick, of Maryland, to be the Representative of the United States of America to the United Nations with the rank and status of Ambassador Extraordinary and Plenipotentiary, and the Representative of the United States of America in the Security Council of the United Nations.

DEPARTMENT OF TRANSPORTATION

Darrell M. Trent, of California, to be Deputy Secretary of Transportation.

DEPARTMENT OF DEFENSE

John O. Marsh, Jr., of Virginia, to be Secretary of the Army.

John F. Lehman, Jr., of Virginia, to be Secretary of the Navy.

HOUSE OF REPRESENTATIVES—*Thursday, January 29, 1981*

The House met at 2 p.m., and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
January 29, 1981.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on January 29, 1981.
Thomas P. O'Neill, Jr.,
SPEAKER OF THE HOUSE OF REPRESENTATIVES.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We were like those who dream. Then our mouth was filled with laughter, and our tongue with shouts of joy; then they said among the nations, "The Lord has done great things for them." The Lord has done great things for us; we are glad.—Psalms 126: 2, 3.

On this day of national thanksgiving we raise our voices in gratitude for those Americans who have returned from captivity. We offer this our prayer in the hopes you have nourished and sustained during these difficult and dangerous days. We specially remember with appreciation those brave men who died in the attempt to bring freedom to their countrymen.

O God, as we give thanks this day, so also breathe into us the spirit of reconciliation that we may put aside all that which would separate us or make us alien one from another. May your blessing and benediction enable people to live together in harmony and in peace. This we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 304. An act to establish a national tourism policy and an independent Government agency to carry out the national tourism policy.

RESIGNATION FROM HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore laid before the House the following communication, which was read:

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 27, 1981.
Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives,
The Capitol, Washington, D.C.

DEAR MR. SPEAKER: I have this evening submitted my resignation from the United States Congress to Governor William Milliken of Michigan. I did so in order that I might assume the position of Director of the Office of Management and Budget.

I have enclosed a copy of my letter to Governor Milliken for your information with the hope that you will inform my friends and former colleagues of my decision.

I regard the opportunity to serve with you in the House of Representatives as an honor and I look forward to working closely with you in the future.

With all best wishes, I am,
Very truly yours,
DAVID A. STOCKMAN.

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 27, 1981.
GOV. WILLIAM MILLIKEN,
State Capitol,
Lansing, Mich.

DEAR BILL: Whereas the United States Senate this evening confirmed my nomination to serve as Director of the Office of Management and Budget, I herein resign my position as the Representative of the Fourth Congressional District in the United States Congress.

It has been a great honor to serve the people of southern Michigan for the last four years. I will always be grateful for this experience.

At the same time, I am proud to have this opportunity to serve our country at this critical time. My new responsibility provides a tremendous chance to put into practice many of the reforms we both know to be so important to the future of America.

I hope that I will continue to benefit from your guidance in my new capacity as I have in the past.

With warm personal regards, I am
Very truly yours,
DAVID STOCKMAN.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to clause 4, rule I, the Speaker signed the following enrolled bill today:

S. 253. An act to increase the number of members of the Commission on Wartime Relocation and Internment of Civilians.

WRONG TIME TO LIFT GRAIN EMBARGO

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, is it time for us in the Congress and in this administration to reward the Soviet Union for the invasion of Afghanistan? Evidently Secretary of Agriculture Block feels that this is the time. Very fortunately, the Secretary of State, Mr. Haig, does not share that opinion.

It is my hope, Mr. Speaker, that the Congress, the House of Representatives, will help President Reagan by letting him know that we also believe the embargo should stay in place. Just a few minutes ago, Mr. Speaker, I put in 60 additional names to the resolution calling for the keeping of the grain embargo.

To me, if we were to lift this grain embargo, it could be a clear signal to the Soviet Union that an invasion of Poland will also receive our approval.

MARINE HOSTAGE OF HISPANIC DESCENT REFUSED RELEASE

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute.)

Mr. GONZALEZ. Mr. Speaker, early last year, in the spring, I rose under similar circumstances of a 1-minute speech to address the House and point out that at least one of those held in captivity in Iran happened to be a marine of what I call Mexican descent, and that I happened to know that he too had been offered a chance to be released on the basis of the obvious Iranian leaders' attempt to try to divide Americans into ethnic components on the false theory that Hitler's geopoliticians used to espouse back before World War II, saying that the United States was so divided and had such a hatred among its component ethnic members that it could not work in case it ever got into a war.

Of course, they were dead wrong, but they may have been right in some other respects, because the Iranians have captured that idea. I announced this to the House, and said that the

marine private had bravely refused. Unfortunately, I was accused of untruthfulness, not backing up what I was saying. The AP reporter, a woman who interviewed me after that, said, "Well, what is your source?"

Of course, I could not give the source because even to this day I have not done so.

Last night, on the ABC series, it came out that indeed and in fact not only this gentleman but two of the other captives, a man of Indian descent and another of Hispanic descent, indeed and in fact, later than when I had spoken, had been part of a negotiation by intervenors, and that the deal had been worked that they would be released.

□ 1410

It failed only because one of the lawyers intervening in the deal talked to someone in Paris, France, and spoiled the deal. I happen to know that even if they had been offered, these gentlemen would not have taken up that offer because the release was again predicated on springing the Americans by the Iranians saying:

OK, we are going to release these downtrodden Americans who are victims of discrimination in the United States.

Mr. Speaker, I wanted to straighten that point out and say that I had confirmation last night in a nationwide documented TV show of these efforts on the part of the Iranians.

PROPOSAL FOR FOREIGN AID CUTBACK

(Mr. SIMON asked and was given permission to address the House for 1 minute.)

Mr. SIMON. Mr. Speaker, let me say to my colleagues in the House that I picked up this morning's Washington Post and read on the front page a story that is hair-raising and is incredibly shortsighted. The heading is "Huge Cutback Proposed in Foreign Aid."

This OMB document, which I hope, for the sake of this Nation and other nations, will not become policy, calls for, among two things—and let me quote—a reduction in aid which "would mainly affect the poorer countries of Africa and the Asian subcontinent."

I hope that we do not want to adopt such a policy.

Second, it says that aid—and I quote again—"could be concentrated on a small number of countries of key importance to the United States, perhaps at the loss of influence in countries of lesser importance."

Now, what are countries of lesser importance? Well, a couple of years ago we might have said Afghanistan; a few years prior to that we would have said Vietnam. There is no such thing as a country of lesser importance.

The security viewpoint of the United States cannot be solely and simply that we build submarines and missiles and things like that. It has to be a much larger concept than that.

Let me just close by citing one instance. What is the chance, I ask my colleagues, that the Soviets will send their tanks through central Europe? Well, it is a fraction of 1 percent, but we cannot take a chance on it and so we devote approximately one-fourth of our defense budget to that fraction of 1 percent possibility.

But what is the chance that the Soviets will take advantage of hunger, desperation, and chaos in a developing nation? The chance, let me say to my friends, is 99 percent, and we are talking about cutting back in that area.

Mr. Speaker, I just think that it is an incredible policy if it is followed, and I hope the policy will be reversed.

ANOTHER AMERICAN REMAINS HOSTAGE IN IRAN

(Mr. WAXMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WAXMAN. Mr. Speaker, on this day of national thanksgiving for the safe return of our 53 fellow citizens from Iran, I must bring to the attention of the Nation the continued captivity in Tehran of Mohi Sobhani, a naturalized American citizen.

Mr. Sobhani was arrested at the Tehran airport last September 6, as he and his family were about to leave the country for the United States. The revolutionary authorities gave no reason at that time for his detention.

But Mr. Sobhani is a Baha'i—a member of a religious faith that has been marked for persecution by the Ayatollah Khomeini. Already seven Bahai's have been executed during the course of the revolution.

The arrest of Mr. Sobhani was broadcast on Iranian television and radio. People were invited to inform the authorities of any allegations against him. Iranians came and denounced him as a Baha'i. Others accused him, since he is a naturalized American citizen, of being an American agent—a spy for the "great Satan."

Mohi Sobhani has never had a trial. He has no means to defend himself or prove his innocence. His only crime appears to be that he is a member of a religious minority.

Mr. Sobhani's sister, brother, and son live in Los Angeles as did Mr. Sobhani. They are terribly afraid for his life. After my own inquiries on his behalf, I have every reason to believe Mr. Sobhani is in the gravest personal danger.

I have appealed to the State Department, and through them to the Swiss Embassy, which represents our interests in Iran, to ascertain the precise status of Mr. Sobhani, and to appeal for his freedom.

Mohi Sobhani is an American citizen. In this moment of rejoicing over the freedom for the 53, we must not forget the fate of an American who remains in captivity. Mr. Sobhani must be freed as well. I appeal to all to assist him.

INTRODUCTION OF GOVERNMENT CONTRACTORS' PRODUCT LIABILITY ACT OF 1981

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, in 1977 the Supreme Court issued its decision in the case of *Stencel Aero Engineering Company* v. *United States*, 431 U.S. 666. The rationale espoused by the Court in that case underlines the unfair, counterproductive, and inequitable situation faced by Government contractors. The Stencel case stands for the principle that a Government contractor cannot obtain indemnification from the Federal Government, when the contractor is held liable for money damages to a service man for injuries caused by a defective design. This is so even if the Federal Government is responsible for and mandates the design of the defective product in question.

The problems presented by federally mandated design specifications have also recently received considerable press attention in connection with the so-called Flxible bus. Both the Grumman Corp. and General Motors manufactured these buses according to the exact requirements of the Department of Transportation's White Book. DOT, through its Urban Mass Transportation Administration, imposed this new bus design on both the manufacturers and their municipal customers as a prerequisite for receiving urban mass transit funds. The DOT design specifications have been an admitted failure, with the resulting buses being both unsafe and uncomfortable. Grumman recently notified 27 municipalities about a newly discovered problem that could cause drivers to lose control of the buses. But while the design defects are directly the fault of Federal bureaucrats, Grumman would solely be liable for any resulting injuries or damage.

Today, I am introducing legislation—the "Government Contractors' Product Liability Act of 1981"—which aims at rectifying this situation. Under the terms of this measure, a manufacturer-supplier could seek indemnification from the Federal Government for losses incurred unless the court determines that the contractor was guilty of willful negligence or that the injury

or loss was the result of the primary and active negligence of the contractor.

The legal vulnerability in which a private contractor finds himself, in part, can be traced to the application of the principle of sovereign immunity; that is, the Government is immune from suit absent its own consent. But, as we all know, the sovereign immunity doctrine has been significantly modified over the years. For example, Congress has enacted legislation removing the defense of sovereign immunity in contract claims asserted directly against the United States (28 U.S.C. 1491). The theory being that when the United States enters into the marketplace, it sheds somewhat the cloak of immunity and is treated legally as a private person.

In fact, Congress has already partially espoused the principle of Government contractor indemnification. Two statutes currently exist under which indemnification may be provided on defense contracts involving unusually hazardous risks (10 U.S.C. 2354; 50 U.S.C. 1431-5). But, unfortunately, the term "unusually hazardous" has been very narrowly construed by the agencies implementing these laws—it has been applied principally to explosives, nuclear materials, and rocket fuels. There are numerous products that involve genuinely unusual hazards and which present serious liability risks for contractors and, yet, have been deemed not to be indemnifiable. Included among these are: aircraft ejection systems, guidance and control systems for aircraft, rockets, and missiles, the manufacture of parachutes, and air traffic control and navigation systems.

Suffice it to say, existing statutory law in this area is inadequate. This conclusion is supported by the findings of the U.S. Government Procurement Commission. In its final report to the Congress, the Commission recommended the enactment of new, more comprehensive indemnification legislation.

The application of the legal theory of strict liability in tort has also posed severe problems for the Government contractor. Strict liability essentially means that negligence no longer has to be proven by a plaintiff in a product liability situation. All that must be shown is that the product was manufactured or sold by the defendant, and supplied in its defective state to the user so as to be the proximate cause of the injury or damage. Liability exists even though the defendant contractor has exercised all possible due care in the manufacture or sale of the product. But in a Government contract setting an injured party cannot sue the Government directly but, rather, can only seek recourse against the contractor.

It is important to remember that very often a manufacturer or supplier on a Government contract is not in control of the way his products are designed or used. The private contractor has no ability to unilaterally change the specifications in his contract. However, the Government through its contracting officer does have the power to require such unilateral changes. Very frequently these are single-use products and the Government is the only customer for such products. Consequently, a contractor in this instance cannot spread the risk of his potential loss among a group of buyers. For these reasons, it is my view that the application of the theory of strict liability in tort is inappropriate in Government contract liability situations. Liability without fault is patently unfair where the specifications are in control of the buyer rather than the seller.

The bill I am introducing today is based upon legislation (H.R. 5351) introduced in the 96th Congress by the Honorable Lamar Gudger. Hearings focusing on this problem were held in 1980 by the Subcommittee on Administrative Law and Governmental Relations of the House Judiciary Committee. I am pleased that the distinguished gentleman from California (Mr. DANIELSON), who is the chairman of the Administrative Law Subcommittee, has agreed to join me in cosponsorship of this important measure. The applicability provisions have been revised based upon recommendations made to the subcommittee by the public contract law section of the American Bar Association. I want to express my thanks to numerous members of the public contract law section who have been most helpful to myself and my staff in this effort.

Mr. Speaker, the Judiciary Committee and the Congress ought to take another, closer look at this situation. The merger of modern product liability law, with the doctrine of sovereign immunity, in the Government contracting process has resulted in unfairness and unnecessary cost. The result of the Stencel Areo case and the recent experience with the Flxible bus are graphic illustrations as to why a congressional reevaluation is badly needed.

GOVERNMENT REGULATIONS KILL ANOTHER SMALL BUSINESS

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. NELLIGAN. Mr. Speaker, I was distressed to learn that the Gensemer Co., which has operated in my congressional district for 80 years, has fallen victim to the demands of Federal regulation. I submit for your information the text of a perceptive news article by Ted Fenstermacher, a correspondent for the Berwick, Pa., Enterprise, which discusses the unfortunate and unnecessary closing of this family-owned business.

GENSEMER MEAT, FOOD SERVICE TO END 80 YEARS IN BUSINESS

(By Ted Fenstermacher)

One of the region's oldest firms, Gensemer's Meats and Gensemer's Food Service will, as of Jan. 15, terminate its business. It means the end of an 80-year-old, four-generation firm.

Columbia County Commissioner and Mrs. George Gensemer's sons, Tom, John and Brad, who have been active in the operation of the business have no particular plans at present.

Principal cause for the cessation of the long-established firm are "increased pressure from the Federal Meat Inspection Program, DER, EPA and OSHA with their constantly changing and constricting regulations." A spokesman for the firm also points out, "It is becoming increasingly difficult for the small and independent businessman to survive in the climate of the present business world with rapidly rising costs and high interest rates" in addition to the seemingly endless and frustrating interference by bureaus and agencies.

Gensemer's is another in a series of meat firms that are giving up due largely to the frustrating regulations and orders. Just one of a great many such cases was the installation of a new $1,200 ceiling in the meat cutting room, done in the past few weeks.

Another recent example was a visit by a federal inspector, Albert Eisvig. He saw 60 hams on racks in the Gensemer plant. It was explained to him that those hams had been smoked in a Millville plant because a needed part for Gensemer's smoking equipment was at the time unavailable. Eisvig immediately went to Millville—then returned and threatened to condemn all the hams—even though Gensemer explained an inspector's permission had been given for smoking the hams at Millville. That was too much for the Columbia County firm and two firm members went to Washington and explained the situation. Eisvig has been transferred to the west coast. Threats of fines and imprisonment faded.

According to the Gensemers, the firm was directed to use separate power saws for pork and beef and maintain a separate cutting room for poultry. Frequent regulations changes as to what type labels are to be used has resulted in heavy losses in the printing of the labels, the owners contend.

An OSHA agent recently visited the Gensemer plant and threatened fines of $450. The "violations" were failure to have exit signs over doors leading from the cutting room (where only employes are permitted), having an uncovered bulb in the men's restroom and having an extension cord in use.

Regulations have, for a long time, required a federal meat inspector to be at the Gensemer plant—as at all similar plants—from 7 a.m. to 3 p.m. daily. The federal regulations also demand the owners provide an office, desk, chair and locked file for the inspector. A family spokesman commented however that that inspector, Charles Jones, has always been fair and cooperative.

The Gensemer operation had its beginning in 1900, in charge of the late John Gensemer. In 1925 it became John Gen-

semer and Sons with Ira, Frank and Lester also in the firm. Ira was the father of George Gensemer.

The Great Depression dealt a severe blow to the firm four years later. Ira, unable to get a bank loan and faced with a sheriff sale took the keys to the four trucks and processing building to the bank, tossed them onto the cashier's desk and quipped, "You're in the baloney business now." Granting of the loan followed. Another important financial aid had been a $500 loan from Ira's father-in-law, Postmaster Thomas Evans, of Audenreid.

In 1931 Ira Gensemer, who had been acting as "agent" for the firm became the sole owner. The business prospered, largely in the deliveries to the Hazleton and McAdoo areas, which accounted for about 70 percent of the business then. Ira's bi-lingual abilities—Polish, Russian, Italian and English were helpful.

The Gensemer Food Service was started a few years ago and has 1,100 members. A family spokesman commented, "It is with deep regret and great sorrow that we announce termination of the business."

This article points out the strength of the unelected bureaucrats who write the rules and regulations to which the citizens of this Nation must adhere. It gives us a case study of the unwarranted destruction of the great American entrepreneurial dream. No longer can an individual use his drive and ambition to start and develop a business; they must also have extraordinary resources to cope with unreasonable regulatory demands. Study after study has pointed out the cost of Federal regulations; however, little is written about the emotional devastation of having to close the doors to your business because you face a no-win situation with Federal inspectors and the faceless bureaucrats who sit in Washington drawing up rules and regulations that often far exceed the intent of the law passed by the Congress.

Mr. Speaker, I am pleased that President Reagan has appointed Vice President BUSH to head a Presidential task force to study and reform Federal regulation in an effort to fulfill his campaign promise to "get the Government off the backs of the people." This is a step in the right direction, and it is my hope that this task force will move expeditiously. If it does so perhaps there will be far fewer incidents similar to the sad story of Gensemer's Meats Gensemer's Food Service.

AUTHORIZING THE SPEAKER TO INTERVENE IN CASES AGAINST THE IMMIGRATION AND NATURALIZATION SERVICE AND THE FEDERAL ENERGY REGULATORY COMMISSION

Mr. FOLEY. Mr. Speaker, I send to the desk a privileged resolution (H. Res. 49) and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 49

Whereas, on February 27, 1978, a brief amicus curiae was submitted on behalf of the chairman of the Committee on House Administration in the United States Court of Appeals for the Ninth Circuit in the case of Chadha v. Immigration and Naturalization Service, No. 77-1702, in support of the constitutionality of the legislative review provision in section 244(c)(2) of the Immigration and Naturalization Act, 8 U.S.C. 1254(c)(2), and on December 22, 1980, the Court of Appeals ruled that this legislative review provision violated the principle of separation of powers and was unconstitutional, and the Department of Justice, although it prevailed before the Court of Appeals, has filed a notice of appeal to the Supreme Court;

Whereas, the United States Court of Appeals for the District of Columbia Circuit is now considering the case of Consumer Energy Council of America et al v. Federal Energy Regulatory Commission, Nos. 80-2184 and 80-2312 wherein the Department of Justice has submitted a brief amicus curiae urging that the legislative review provisions of section 202 of the Natural Gas Policy Act, 15 U.S.C. 3342, are unconstitutional, and the Attorney General has suggested that the House submit a brief amicus curiae in support of these legislative review provisions;

Whereas, it is essential that the House be given an opportunity to present fully its views to the appropriate court in both of these cases, either as amicus curiae or by intervention as a party: Now therefore be it

Resolved, That the Speaker is authorized to retain counsel and take any steps he considers necessary, including intervention or submission of briefs amicus curiae, to protect the interests of the House before the court in the case of Chadha v. Immigration and Naturalization Service and in the case of Consumer Energy Council of America et al. v. Federal Energy Regulatory Commission.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Speaker, this resolution, which has been discussed by the leadership on both sides, is made necessary because of challenges to the constitutionality of certain sections of the Immigration and Naturalization Act and the Federal Natural Gas Policy Act, both of which acts provide for legislative review by either the House or the Senate and a so-called one-House veto of the regulations issued by the respective departments under the act.

The constitutionality of these particular sections has been challenged, and unfortunately the department and the petitioner agree in one case that the act is unconstitutional. So if the position of the legislative branches is to be protected here, it is necessary that we authorize the Speaker to intervene as a party in the case. Counsel, on behalf of the Committee on House Administration, I understand, has submitted an amicus brief, but that does not entitle counsel to petition for rehearing or for review or certiorari if the House does not enter as a party. The purpose of the resolution is to authorize that act.

□ 1420

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the distinguished minority leader.

Mr. MICHEL. I appreciate the distinguished whip yielding, and I would simply want to subscribe and embrace the explanation of the resolution as the gentleman from Washington has done so well, and I certainly support the passage of the resolution.

Mr. FOLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE STRANGE CASE OF LYNDON LaROUCHE, JR., ALSO KNOWN AS LYN MARCUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. MCCLOSKEY) is recognized for 15 minutes.

Mr. McCLOSKEY. Mr. Speaker, I want to alert the House today to a demented and unprincipled individual, a three-time candidate for the Presidency, Lyndon LaRouche, Jr., who has been making false and scurrilous charges in materials distributed to Members of Congress. In particular, Mr. LaRouche has falsely charged Merchant Marine and Fisheries Committee staff member Charles Fager with being a Soviet KGB-linked mole. The FBI states that LaRouche's charges are without substantiation in FBI files. This kind of charge, smacking of the McCarthyism of the 1950's, justifies an inquiry into LaRouche's history.

Lyndon LaRouche campaigned as a Democrat in last year's Presidential campaign, winning 2.1 percent of the Democratic primary vote in New Hampshire after qualifying for Federal matching funds.

LaRouche campaigned on a platform of promoting free enterprise and capitalism, with grave warnings against the dangers of big government and liberalism. He sounded very much like a Republican of the ultraconservative school, and his articulate and persuasive monologs were broadcast on both television and radio programs throughout New England. I watched and listened to several such broadcasts and was struck by the apparent similarity between Mr. LaRouche's arguments and those of Republican conservative economists.

Mr. LaRouche, however, is apparently an actor of consummate skill and

capable of adopting almost any political coloration he deems appropriate.

In World War II, for example, Mr. LaRouche was originally a conscientious objector. Tiring of work in a Quaker camp in New Hampshire, he enlisted in the Army and ultimately served in a noncombatant role in the Burma theater.

In 1948, he joined the Socialist Workers Party (SWP), a Trotskyist group, and adopted the alias Lyn Marcus. He was an active member of the SWP until 1957.

In the 1960's, LaRouche, using the name Marcus, made several unsuccessful attempts to form new leftist organizations. In 1966 he cofounded the Village Committee for Independent Political Action, alined with the Students for a Democratic Society (SDS). He and a group of followers left the SDS in 1969 to form the National Caucus of Labor Committees (NCLC), subsequently known as the U.S. Labor Party. LaRouche spent the next several years developing his political theories and organizing European chapters of the NCLC.

In 1972, LaRouche ran for the Presidency as the U.S. Labor Party candidate, under the alias of Lyn Marcus.

In 1973, LaRouche initiated an effort through the NCLC to eradicate elements of the American Communist Party and other Marxist groups. He called his project Operation Mop-Up, with an announced goal to "destroy the last vestige of left hegemony of the Communist Party in the U.S.A. today."

Operation mop-up was in apparent retaliation for the Communist Party's opposition to LaRouche's founding of the National Unemployed and Welfare Rights Organization, and involved considerable violence in New York and other east coast cities, where LaRouche's goon squads broke up rallies and meetings of various leftist groups.

By 1976 the FBI was describing the NCLC as a "violence-oriented Marxist revolutionary organization."

LaRouche's earlier literature had referred to his tactics as necessary to create a Socialist revolution in America within 5 years—a goal which he asserted required the NCLC's dominance of all leftist organizations.

In 1974, the New York Times published a story describing an alleged NCLC kidnaping, in which a young member of the group, Ms. Alice Weitzman, had been held against her will in her apartment, finally alerting the police by way of a note dropped out of her window. The charges were denied by the NCLC who explained that the woman was being deprogramed in order to free her from the influence of alleged KGB brainwashing. In what was to become an increasingly marked preoccupation with possible assassination attempts on LaRouche, the NCLC put out a press release to announce that it had hard evidence of a plot by the KGB and the CIA to assassinate Lyn Marcus, using brainwashed party members as zombie-like killers. LaRouche stated his belief that these party members had been hypnotically programed to kill him when they received a secret verbal command from their CIA-KGB masters.

The importance of deprograming became an integral part of the LaRouche political philosophy.

In an NCLC internal discussion paper dated August 16, 1973, entitled "The Politics of Male Impotence," LaRouche stated that—

> To the extent that my physical powers do not prevent me, I am now confident and capable of ending your political- and sexual-impotence; the two are interconnected aspects of the same problem.

Tracing the root of all personnel difficulties to the sadistic possessiveness of the sexually impotent mother—which reaches its apogee in the black ghetto mother—and purporting to establish a link between sexual and political impotence, LaRouche proposed a type of deprograming requiring one to break with your mother's love and become real human beings. Then—

> By application of such clinical knowledge and techniques to mass work, we shall systematically evoke from our audiences precisely that sense of inner terror which must be evoked to absolutely compel them to become revolutionaries.

He concluded:

> "In Germany, I am Der Abscheulicher." (The "Bestial one", the "Horrible one.") "I shall soon be regarded similarly here."

This self-appraisal was corroborated in a statement by one NCLC member, Christine Berl, who, having left the organization, and fearing for her safety, gave a detailed statement about LaRouche's psychosexual political theories, and his use of those theories through sessions as a means to completely dominate his followers.

Ms. Berl stated, on April 2, 1974:

> According to Marcus, the purpose of the sessions was to create a new kind of leadership based on the capacity to withstand psychological terror; but in reality the content of the sessions themselves was pure psychological terror * * * Marcus located the origin of psychological terror, as the 8th century church had done, in the image of the witch-mother who prevented the individual from acting on the basis of self-consciousness by reducing him to an impotent and banalized ego-state. And to this bestialized image of the ego Marcus counterposed himself; for it was never disputed during the course of the sessions that all true self-consciousness emanated from his own person. * * *
>
> "The obsession with [excrement], and the endless stream of scatological and sadistic humor issuing from Marcus around this obsession, successfully and repeatedly reduced all the individuals in the sessions to the level of animals. . . . Women were hit particularly viciously with this form of reductionism, even to the point of tracing their sexuality to the proximity of the anus and the vagina with only the thin strip of the perineum distinguishing between the two. Marcus claimed that this anatomical peculiarity was the origin of women's feelings of degradation, since it gave rise to the confusion of the sexual act with the act of excretion. It is hardly an exaggeration to say that this was a radical departure from classical Marxism since it located identity not within the matrix of social-reproductive relations, but in bestialized anatomical reductionism.

In 1976, LaRouche again ran for the Presidency as the U.S. Labor Party candidate; this time, however, under his true name, Lyndon LaRouche. By this time his platform had begun to shift toward those of rightwing organizations and conservative organizations and individuals. According to a former member, the NCLC, the dominant force in the U.S. Labor Party, now recognized that potential alliances could develop between the NCLC and the extreme right, based on shared beliefs in conspiracy theories. A security memorandum issued in the spring of 1975 by the NCLC stated:

> Our success in beating back the Fang's (Nelson Rockefeller's) Endgame Scenario (thermonuclear war) shows the potential impact we can have among previously unpenetrated strata (right wing circles) * * * Cadres should be firmly fixed on the politics underlying this move: the real enemy is Rocky's fascism with a democratic face, the liberals, and social fascists. We can cooperate with the Right to defeat the common enemy. Once we have won this battle, eliminating our rightwing opposition will be comparatively easy.

LaRouche included in his attacks the American Jewish community. He charged Jews and Jewish interests with controlling a worldwide drug traffic, creating and funding the American Nazi Party, and having conspired to help the Confederacy win the U.S. Civil War. LaRouche characterized the B'nai B'rith Anti-Defamation League as "The Bad Breath Anti-defecation League." He stated:

> The little aunties who work the telephone for the Anti-Defamation League are fascists. They are working for the same people who are responsible for every Jew murdered by the Nazis during the 1930's and 1940's.

Following LaRouche's 1976 campaign, NCLC initiated efforts to work with Republicans and conservative groups, primarily through a front organization, the Committee for Fair Elections, which charged the Carter campaign with massive voter fraud. LaRouche had portrayed Gerald Ford as the lesser of two evils, who should be supported in the general election. The Washington Post called this "one of the year's strangest political alliances," stating:

> The U.S. Labor Party, *a self-described Marxist organization* has joined forces with some Republicans in four states in lawsuits charging fraud in the November 2 election (emphasis added).

The NCLC also, like Father Moon's Unification Church, seeks to expand its influence on Capitol Hill through a variety of front organizations, one of

which is the New Solidarity International Press Service, or IPS.

An NCLC security memorandum dated April 28, 1975, had stated:

Our contact network on Capitol Hill has been firmly established, and the legitimacy of IPS as a press service is now generally recognized. (W)e can begin to cultivate some specific contacts in targeted Congressional offices through IPS. * * * Our attack on Rocky's Endgame Scenario in Congress will provide us with an in into (sic) conservative Congressmen.

* * * Special emphasis will be given to the offices and staffs of Senators Helms, Thurmond and Stennis. A full list of targeted offices is being prepared by the National Security Staff.

According to the Washington Post of November 28, 1976, an FBI memorandum described the NCLC as a clandestinely oriented group of political schizophrenics who have a paranoid preoccupation with Nelson Rockefeller and the CIA.

In 1976, LaRouche founded the Fusion Energy Foundation, a tax-exempt foundation which now publishes Fusion magazine. Fusion is a pronuclear, antienvironmentalist publication which combines accurate information on nuclear and fusion issues with political essays.

One such essay by PHIL CRANE on the Three Mile Island incident was published in the April 1980 issue of Fusion during the height of the Republican Presidential primary when CRANE was still an active contender.

While seeking to work and identify with Republicans, however, LaRouche also formed the National Democratic Policy Committee, a political action committee designed to support Democratic candidates and officeholders and to develop policies in the Nation's interest. The committee's first national policy initiatives include nuclear and fusion power, tax reduction, parity, and an end to Justice Department harassment such as Abscam. The NDPC repeatedly attacks Speaker O'NEILL and moderate or liberal Democrats. Among the advertisements which appear regularly in Fusion, including ads for LaRouche's companies, are ones for an economic analysis publication called Executive Intelligence Review (EIR), which features "economic analysis using the groundbreaking economic model developed by Lyndon LaRouche, the foremost economist of the century."

Checks for this service are payable to Campaigner Publications, Inc., publisher and distributor of NCLC and U.S. Labor Party materials.

Another of LaRouche's organizations is his Anti-Drug Coalition, which publishes a magazine, War on Drugs, which espouses the theory that drug use and the rock and roll counter-culture in America are the result of deliberately subversive efforts led by the British oligarchy through the so-called Zionist lobby.

While the NCLC's activities for the past few years seem to indicate a new conservatism, the group's real goals were made clear by the NCLC's chief of staff in New York in 1976:

We are socialist, but first we must establish an industrial, capitalist republic and thus rid this of the Rockefeller anti-industrial, antitechnology, monetarist dictatorship of today.

Once the capitalist republic is established, concurrent global economic development will occur and we will enter into a period of the highest prosperity the world has ever known.

With society expanding and material progress being made, you win over the people's minds, and under an advanced technology, including fusion power, there will be a trend toward government of a socialist state.

Our former colleague, Mike McCormack, must be truly delighted with this kind of motivation for support of his landmark fusion bill—Public Law 96-386.

Mr. Speaker, you may wonder why I have taken this time and trouble to detail the strange history of Lyn Marcus/Lyndon LaRouche. The man is clearly a paranoid and demented megalomaniac, and would ordinarily be a curiosity rather than a subject of proper congressional concern.

His new efforts to influence Congress, however, justify a careful attention to his work on the part of each of us. In November he distributed to every office on the Hill a so-called "National Security Memorandum" from the New Solidarity International Press Service (IPS) alleging that House Merchant Marine and Fisheries Committee minority staff member Charles "Chuck" Fager, was a "Soviet KGB-linked Mole" connected with Soviet KGB Gen. Kim Philby. A five-page dossier on Fager was also distributed.

Upon receipt of this document, I asked Mr. Fager to respond, and forwarded both LaRouche's charges and Fager's response to the FBI and CIA for investigation.

The CIA deferred to FBI jurisdiction, and after review of FBI files, FBI Director Webster responded on January 15 as follows:

DEAR CONGRESSMAN MCCLOSKEY: Reference is made to your letter dated December 11, 1980, which advised of allegations made by one Lyndon H. LaRouche, Jr., concerning your staff employee Charles Fager, and which requested this Bureau to initiate whatever investigation was deemed appropriate regarding the allegations, i.e., that Fager is a "longstanding close collaborator of Philip Agee's immediate patrons and mole * * * linked to Soviet KGB General H. Kim Philby.

Federal Bureau of Investigation records have been reviewed and nothing was located which would substantiate the allegations by Mr. LaRouche. No additional inquiries are contemplated by this Bureau.

Sincerely yours,

WILLIAM H. WEBSTER,
Director.

The FBI obviously has fairly complete files on Mr. LaRouche in order to be able to respond so quickly and with such clarity, but I think it essential that each Member of the House and Senate be fully aware of the nature and extent of Mr. LaRouche's background, obsessions and connection with the International Press Service (IPS), National Democratic Policy Committee, Fusion magazine, Anti-Drug Coalition, possibly several other organizations working for LaRouche's announced goal of a socialist state.

It appears that LaRouche's charges against Charles Fager stem from Fager's work as a reporter in 1973, which revealed for the first time that Lyn Marcus, former SDS member and founder of the NCLC, was, in fact, Lyndon LaRouche, Jr. After Fager's discovery was published, Marcus dropped the alias and in subsequent elections ran for the Presidency on the U.S. Labor Party ticket under his real name.

Fager also discovered that Lyndon LaRouche/Lyn Marcus was born of Quaker parents in Lynn, Mass. Fager is also a Quaker, and was at that time a reporter for the Real Paper in Cambridge, Mass.

LaRouche's reaction to Fager's work was to characterize Fager in 1973 as a harasser whose employer and colleagues were CIA agents.

Quakers and Quaker groups have been the targets of LaRouche's charges on other occasions as well. In a two-part 1978 essay on the American Friends Service Committee (AFSC) in his publication New Solidarity, LaRouche called the Committee the "American Friends of Sodomy Committee," stating:

The AFSC is not only an evil organization, which this writer has known since adolescent first acquaintance with that entity; it is currently linked to certain of the vilest of the operations deployed under the cover of the environmentalist and proterrorist "left" in the USA and abroad.

Typically, Mr. LaRouche finds the AFSC to be a tool of the international conspiracy centered in British Secret Intelligence Service, stating: "What they represent, is pure evil."

In conclusion, Mr. Speaker, it seems to me our staff member, Charles Fager, is entitled to an absolute presumption of innocence, considering LaRouche's checkered history and the FBI's statement that their files have nothing to substantiate the allegations by Mr. LaRouche.

More than that, I hope every Member of the House and Senate will retain a wary skepticism with regard to future communications from LaRouche, his New Solidarity International Press Service, the National Democratic Policy Committee, the Anti-Drug Coalition, Fusion magazine, the Fusion Energy Foundation and any other organization led or founded

by Lyndon LaRouche/Lyn Marcus. Demented though he may be, LaRouche clearly has the financial means, organization, ability, and determination to attempt to cause major changes in U.S. law and policies. His words and actions should be followed with care.

UNSUNG HEROES OF THE HOSTAGE CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 10 minutes.

● Mr. JEFFORDS. Mr. Speaker, at a time when all Americans share a sense of joy at the return of the hostages and sorrow at the conditions they were forced to endure, it may appear that every aspect of the hostage drama has been extensively reported by the news media.

There are, however, thousands of dedicated young Americans who played a crucial role in the success of the negotiations, Americans whose selfless efforts have gone widely unacknowledged.

I am referring to the men who manned our Nation's battle groups in the Persian Gulf. I was privileged to be able to spend the 2 weeks prior to the release of the hostages with these men, fulfilling my commitment to the Naval Reserve. I would like today to share with my colleagues some of the insights I was able to gain from the vantage point of the U.S.S. *Ranger.*

There is no question that our military presence in the gulf provided the backdrop—and the clout—behind the success of the negotiations.

Most of the men serving there were very young. On the U.S.S. *Ranger,* the average age was 19. They were serving under the most difficult of circumstances. Many have been aboard ships for 150 days or more, working 12-hour days, 7 days a week. The constant presence of military planes and ships from the Soviet Union and other nations serve as a constant reminder that they are in the area of the greatest international tension in the world today.

Despite the exhausting pace and tense atmosphere of their work, the morale of these men was exceptionally high. Their spirits were boosted by their recognition of the importance of their mission.

Many, however, wondered whether anybody back home really cared. They wanted assurances that their fellow Americans knew they were there, and why.

Although the outcome will continue to be analyzed at length, I believe history will attribute the success of the negotiations to three factors: Iran's war with Iraq, America's military presence, and the deadline established by the inauguration.

The war obviously made Iran more vulnerable to the economic sanctions by the United States and to the implied threat of limited military action. Beyond the well publicized shortage of spare parts, Iran has become increasingly dependent upon shipping activity in its two open ports. Vital supplies continue to come in from other nations, including some which are not overtly friendly to Iran's cause. Meanwhile, Iran's economy is kept alive by continued sale of oil off Kark Island.

In that context, it has long been clear that the United States had the option of setting a deadline for release of the hostages, and enforcing it by outlining specific actions which would be taken if the deadline were not met.

The first such action would most likely have been mining of the harbor where Iranian warships are parked, neutralizing the Iranians' threat to mine the Oman Straits. The second would probably have been mining of the harbor where oil is sold, a step which would have greatly stepped up the economic pressure. The third, to be carried out only if the hostages were harmed, endangered, or not released would have been to undermine the Iranian Air Force by knocking out radar control stations. Such actions would be devastating to Iran, economically and militarily in its war with Iraq, without any direct U.S. aggression against the people of Iran.

No American would want to carry out such threats. But the knowledge that our Nation had the option of setting a deadline and enforcing it, without direct aggression against the Iranian people, provided the only real clout we had at the bargaining table.

Without such a deadline, the Iranians clearly were prepared to drag out the crisis interminably. They even bypassed the deadline which could have been worked to their greatest advantage politically, the U.S. election. Without question, Iran could have received greater concessions prior to the election than afterward.

The deadline ultimately accepted by the Iranians was set by events, not by initiatives of the Carter administration. The Iranians perceived that the new administration would be less reluctant to use the threat of limited military action as a bargaining chip, and that they would get their best deal before that chip was laid on the table. The deadline, therefore, was the inauguration.

As it turned out, the role of the Americans manning the battle groups in the Persian Gulf was only an implied factor in the success of the negotiations. But there is no question about the importance of their mission, and their contribution to the successful outcome. These young men are the unsung heroes of the hostage crisis. They deserve to be honored alongside the other heroes: the U.S negotiators, the Algerian intermediaries, the brave men who died in the unsuccessful rescue attempt, and of course the hostages themselves.

Without the dedicated service of these thousands of Americans under the most difficult of circumstances, the hostages would not have been freed.●

THE OBSTETRIC CARE INFORMATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

● Mr. BINGHAM. Mr. Speaker, on the opening day of this session, I introduced a bill which would, if passed, help to insure that women will be able to make more informed decisions about the use of drugs and procedures during pregnancy and delivery, and which could help prevent injury to untold numbers of infants. I introduced the bill in the last Congress. It is called The Obstetric Care Information Act.

Our growing experience with the adverse effects of obstetric-related drugs, which often do not become apparent until long after the drugs have been administered to the mothers, has made us more sensitive to the need for legislation which would help prevent these tragic occurrences.

The Obstetric Care Information Act would do three things. First, it would require States to provide women access to their obstetric medical records and current information on obstetrical procedures. Second, it would require the dissemination of information on the effects and risks of women who are pregnant or in labor and of prospective and developing children. Third, it would provide for a study on the delayed long-term effect on child development of obstetrical drugs and procedures administered to or used by women who are pregnant or in labor.

The tragic and devastating effects of the use by mothers of the drug diethylstilbestrol—DES—on their offspring are well known. This is just one example of the kinds of potentially harmful effects the careless use of drugs may have. The fact of the matter is that health professionals have all too little information on the hazards or potential hazards of the use of obstetric drugs and procedures.

I call the attention of my colleagues to a report issued by the General Accounting Office on September 24, 1979, entitled "Evaluation Benefits and Risks of Obstetric Practices—More Coordinated Federal and Private Efforts are Needed." This report confirms that, with few exceptions, drugs and procedures employed in obstetric care have never been properly evaluated and found to be in the best interest of mothers and their babies.

Mr. Speaker, I was first made aware of the need for this kind of legislation by my courageous and persevering constituent, Mrs. Estelle Cohen, who herself had a tragic experience in the case of a child of her own. Mrs. Cohen has become a knowledgable and dedicated opponent of the use of harmful or possibly harmful drugs and procedures before, during, and after childbirth.

Mrs. Doris Haire, president of the American Foundation for Maternal and Child Health, who has also been trying for years to call attention to the need for this kind of legislation, made significant contributions to the writing of this bill. Senator Javits of New York, former member of the Subcommittee on Health and Scientific Research of the Senate Committee on Human Resources, helped call attention to questionable obstetrical practices in the United States by conducting hearings on the subject in April 1978.

There is so much information that needs to be developed and so many questions that need to be answered about just what effects the use of certain drugs and procedures have on the fetus and mother. The futures of our newborn may be inadvertently altered for the worse in ways we have not yet even begun to comprehend. We must begin to take a systematic look at this area and I urge that hearings be held by the appropriate subcommittees.

Following is the text of the bill and an article published in the September 14, 1978, issue of the Co-op City News, published in my congressional district, about Mrs. Cohen's experience. It is a poignant story and I hope my colleagues will read it.

This is a matter of grave importance and I hope it will receive the attention it deserves. The text of the bill and the article follow:

H.R. 138

A bill to amend title V of the Social Security Act to require States to provide women access to their obstetric medical records and current information on obstetrical procedures, to amend the Federal Food, Drug, and Cosmetic Act to require the dissemination of information on the effects and risks of drugs and devices on the health of pregnant and parturient women and of prospective and developing children, and to provide for a study on the delayed long-term effect on child development of obstetrical drugs and procedures administered to or used by pregnant and parturient women.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Obstetric Care Information Act".

ACCESS OF WOMEN TO THEIR OBSTETRIC (AND THEIR INFANTS') MEDICAL RECORDS AND PROVISION OF CURRENT INFORMATION REGARDING OBSTETRICALLY RELATED DRUGS AND PROCEDURES

SEC. 2. (a) Section 505(a) of the Social Security Act (42 U.S.C. 705(a)) is amended (1) by striking out "and" at the end of paragraph (14), (2) by striking out the period at the end of paragraph (15) and inserting in lieu thereof a semicolon, and (3) by adding after paragraph (15) the following new paragraphs:

"(16) provides that the State has a law under which any health care practitioner or provider of services (as defined in section 1861(u)) who furnishes health services in the State to a woman during pregnancy or parturition must provide the woman, upon her request, with—

"(A) the opportunity to inspect and copy any medical records which the practitioner or provider maintains relating to the condition or treatment of the woman and her infant during the pregnancy, parturition, and post partum, and

"(B) a reasonable explanation of any portion of such medical record which is not comprehensible to a layperson.

and under which there are appropriate procedures (as determined by the Secretary) to ensure the provision of the opportunity for inspection and explanation specified in subparagraphs (A) and (B); and

"(17) provides that the State has a law under which any health care practitioner or provider of services (as defined in section 1861(u)) in the State who performs a medical procedure on, or administers a drug or medical device to, a woman during pregnancy or parturition must (except under emergency and other extraordinary circumstances established by the Secretary)—

"(A) inform the women, before performing the procedure or administering the drug or device, of the side effects, risks, contraindications, and effectiveness, with respect to the health of the woman and of her prospective children, of the procedure, of not performing the procedure or administering the drug or device, and of performing other medically recognized procedures (and of administering other drugs or devices) instead of the procedure, drug, or device involved, and

"(B) after being so informed, receive her consent to the performance of the procedure or administration of the drug or device.".

(b)(1) Except as otherwise provided in paragraph (2), the amendments made by the subsection (a) shall apply on and after August 1, 1981.

(2) In the case of any State plan which the Secretary of Health and Human Services determines requires State legislation in order to meet the additional requirements imposed by section 505(a) (16) and (17) of the Social Security Act, the State plan shall not be regarded as failing to comply with those requirements until the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

INFORMATION FOR PREGNANT WOMEN ON SIDE EFFECTS, RISKS, CONTRAINDICATIONS, AND EFFECTIVENESS OF DRUGS AND DEVICES

SEC. 3. (a) Section 502 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 352) is amended by adding after paragraph (t) the following new paragraph:

"(u)(1) If it is a drug or device distributed or offered for sale in any State and intended for the use of any woman during pregnancy or parturition, unless its label or a written insert accompanying the drug bears an explanation, meeting guidelines established by the Secretary under subparagraph (2), of the side effects, risks, contraindications, and effectiveness of the drug or device on the health of women during pregnancy and parturition and on the health of prospective and developing children.

"(2) The Secretary shall, by regulation, establish guidelines with respect to the explanation of the side effects, risks, contraindications, and effectiveness of drugs and devices intended for the use of women during pregnancy or parturition.".

(b)(1) Subparagraph (1) of section 503(u) of the Federal Food, Drug, and Cosmetic Act (added by subsection (a) of this section) shall only apply to drugs distributed in commerce on or after the first day of the sixth month beginning after the date of the enactment of this Act.

(2) The Secretary of Health and Human Services shall establish the guidelines required under section 503(u)(2) of the Federal Food, Drug, and Cosmetic Act (added by subsection (a) of this section) not later than the first day of the third month beginning after the date of the enactment of this Act.

STUDY OF DELAYED LONG-TERM EFFECTS OF OBSTETRICAL DRUGS AND PROCEDURES ON MATERNAL HEALTH AND CHILD DEVELOPMENT

SEC. 4. (a) The Secretary of Health and Human Services (hereinafter in this section referred to as the "Secretary") shall arrange, in accordance with subsection (b), for the conduct of a study (hereinafter in this section referred to as the "study") to determine the long-term side effects, risks, contraindications, and effectiveness of the use of obstetrical drugs, devices, and procedures with respect to maternal health and child development, including child development through the age of seven years. The study shall be developed and carried out in consultation with behavioral psychologists, pediatric neurologists, obstetricians, and other appropriate professionals and knowledgeable consumer representatives whose expertise would enhance the conduct of the study.

(b)(1) The Secretary shall provide for the conduct of the study by a public or nonprofit private entity under an arrangement whereby the actual expenses incurred by the entity conducting the study will be paid by the Secretary.

(2) The arrangement entered into under paragraph (1) shall require that the study be designed and completed and reports thereon be submitted within such period as the Secretary may require to meet the requirements of subsections (c) and (d).

(c) The design of the study shall be completed not later than six months after the date of the enactment of this Act and the study shall be completed, and the final report described in subsection (d)(3) submitted, not later than eight years after the date the design of the study has been completed.

(d) The Secretary shall provide to the appropriate committees of Congress—

(1) a preliminary report on the design of the study, after the development of the study design and before the study itself has been undertaken;

(2) a report on the progress of the study, including any preliminary results of the study, not less often than once every Congress during the period the study is being undertaken; and

(3) a final report on the results of the study, including any recommendations for

legislative or administrative action on the State or Federal level.

(e)(1) There are authorized to be appropriated for the fiscal year ending September 30, 1982, such sums as may be necessary to carry out the study. Sums appropriated to carry out the study shall remain available until expended, but in no case shall they remain available after the submission of the final report described in subsection (d)(3).

(2) The authority of the Secretary to enter into any contract for the conduct of the study shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

RESIDENT WINS DRUG REFORM

(By Patrick McDonnell)

On July 12, 1951, a proud Estelle Cohen left Columbia Presbyterian Hospital with a "beautiful" and seemingly healthy baby boy, born several weeks before her due date.

The child, Ben, was born early because Mrs. Cohen was given an injection of the hormone drug Pitocin, which artificially starts labor.

Mrs. Cohen hadn't sought the early birth, but the obstetrician had insisted. "And I figured the doctor knew best," the Co-op City resident explains.

Today, 27 years later, Mrs. Cohen thinks differently.

Her son, Ben, was born with brain damage which Mrs. Cohen believes was brought on by the injection of the labor-inducing Pitocin (oxytocin)—commonly called "Pit."

LONELY CRUSADE

Mrs. Cohen's life has since been dominated by her son's inability to lead a normal life, and she and a few others have waged a lonely crusade to inform the public about the dangers of Pitocin and other drugs given to pregnant women by physicians.

Finally, on Sept. 1, largely through Mrs. Cohen's efforts, a new law became effective in New York State, requiring that physicians or nurse-midwives warn expectant mothers of possible harmful effects of obstetric drugs on the mothers and their babies.

The bill was ceremoniously signed into law by Gov. Carey last Tuesday, at a meeting in New York attended by Mrs. Cohen and Bronx State Sen. Abraham Bernstein, the bill's sponsor. Mrs. Cohen had first informed Sen. Bernstein three years ago of the potential harm of obstetric drugs.

AMERICAN HEROINE

Doris Haire, president of the American Foundation for Maternal and Child Health and an outspoken critic of many current obstetrical practices, called Mrs. Cohen "one of America's heroines," and said the new bill would "dramatically" alter the way pregnant women were treated by doctors.

Because New York is a major center for medical education, Mrs. Haire said in an interview, the "ripple effect" of the new law may soon be felt throughout the United States and abroad.

Mrs. Haire noted that the new regulation also requires that physicians inform expectant mothers that the delayed, long-term effects of certain drugs on human development are unknown.

Labor-stimulating drugs such as Pitocin may cause brain damage in infants by sparking stronger, longer and more frequent uterine contractions, thus decreasing the ability of the fetus to restore its supply of needed oxygen. If the fetus is deprived of oxygen long enough, brain damage can result.

The severe contractions may also result in brain damage to the infant by causing cerebral hemorrhaging in the fetus.

Mrs. Haire and her group also note that the strong contractions often present during induced labor make it more likely that mothers will need pain-killing drugs—which can further harm infants, depressing their respiratory ability.

NO EXACT STATISTICS

Although no precise figures are available documenting how widely labor-inducing drugs are used, it was estimated in 1975 that labor in one of ten births in the United States is induced—or actually started—by drugs, usually Pitocin. In addition, it was estimated that in one-fifth of all births, labor is stimulated—or speeded up—by drugs, and Pitocin is the most widely used labor-stimulant.

Mrs. Haire and her group concede that at times there are clear medical reasons for the use of labor-inducing drugs, such as when the mother has diabetes or toxemia or other conditions that may result in the death of the fetus if the pregnancy is continued.

Regarding labor-stimulation, Mrs. Haire and Mrs. Cohen point to warnings by many experts that labor should be stimulated only when uterine contractions are too weak or infrequent to result in the normal progression of the fetus through the birth canal. Ironically, one factor that may hamper the fetus' progression is the presence of pain-relieving medication in the mother.

EXPERT SPEAKS

Dr. Caldeyro-Barcia, president of the International Federation of Gynecologists and Obstetricians, has said that if labor were induced and stimulated only when it was absolutely necessary, these practices would be used in only about three percent of all U.S. births—instead of the estimated 20 percent of the births that may now involve elective induction and drugs-stimulated labor.

These procedures are used so often, Dr. Caldyro-Barcia was quoted as saying on April 9, 1975, "Because the doctor wants to finish earlier so he can do something else, or because he wants to go away for the weekend—all at the expense of the fetus."

An editorial in the prestigious British medical journal, The Lancet, on Nov. 16, 1974, stated: ". . . Induction on the grounds of social convenience is a pernicious practice which has no place in modern obstetric care. The mother's holiday, the calls of the obstetrician's private practice, must not influence, for the sake of even a few days, an event which for the child may affect the ourcome of its entire life."

In a recent interview with the News, Mrs. Cohen, who works for obstetrical reform with an almost religious fervor, recalled the birth of her abnormal son, Ben, and the subsequent events that resulted in her current obsession with the issue.

ROUTINE VISIT

On July 10, 1951, she says, she went for a "routine visit" to her obstetrician at Columbia Presbyterian Medical Center; it was still several weeks before she was due to give birth.

The doctor, to whom she had been referred by her regular obstetrician, who was on vacation, informed her that she should return in two days and have labor "induced."

"I didn't even know what induction meant at that point," says Mrs. Cohen, a round-faced, brown-eyed woman who is now 57.

"I wasn't in any hurry to have the baby, I wasn't impatient . . . Some women, they feel very uncomfortable at that stage of pregnancy and they want their labor to be started artificially. I didn't mind waiting until my time came . . . There wasn't a single sign of imminent labor."

Mrs. Cohen already had one son—who is now a 29-year-old department store executive—and that birth had gone smoothly.

SHE WAS AFRAID

When Mrs. Cohen went home after conferring with the obstetrician, she says she was "upset and frightened."

"I had a feeling there was something wrong that the doctor wasn't telling me," she explained.

Years later, Mrs. Cohen says, she discovered what the doctor was allegedly holding back from her: That he was a research obstetrician and he was then experimenting with a new method of administering the labor-inducing drug Pitocin.

On the afternoon of July 10, Mrs. Cohen says, her husband Irving, an auditor, called the obstetrician.

"The doctor said I might have the baby on the street. He asked my husband if he wanted his wife to have her baby on the street? . . . He told my husband not to interfere."

MAKES DECISION

Mrs. Cohen then made the decision that has haunted her the rest of her life: She agreed to have labor induced, as the doctor had ordered.

"In my day," she recalls, "the doctor's word was law. The women of my generation never questioned a doctor's motives. It was taken for granted that what the doctor advised must be the right thing . . . We were wrong."

On July 12, 1951, Mrs. Cohen says she entered Columbia Presbyterian and she was given the Pitocin intravenously by an assistant. Her obstetrician, she was informed, was busy with another patient.

For a long time after the injection, she says, there were only faint contractions, "But suddenly I had a contraction so painful and sustained—it was completely different from my first birth. I expected pain, but not that . . . I was convinced that I'd never leave that hospital alive."

LEAVES HOSPITAL

But her beautiful baby Ben was born, weighing a healthy six pounds ten ounces. Five day later, Mrs. Cohen left Columbia Presbyterian with her "seemingly beautiful" child.

Before Ben was one year old, however, she began to notice that something was wrong with him.

"It was during that time after the war when everybody was having babies," says Mrs. Cohen, who then lived in Washington Heights.

"We'd all meet in the park, and Ben was different from all the other children. There were one or two retarded kids . . . But there weren't any other children like Ben."

Doctors told Mrs. Cohen they were baffled by Ben's problem, and they could find no physiological damage.

As Ben grew older, he had difficulties relating to other children.

RAN OTHER WAY

"Every day, there must have been 75 kids playing on 170th Street near our house," Mrs. Cohen recalls. "But Ben just couldn't seem to understand how to play. To the other children, and to my older son, it was

easy to learn that when you hit the ball you were supposed to run to first base. But when Ben hit the ball, he'd run the other way."

School was another obstacle for Ben.

"He didn't want to go to kindergarten. I had to drag him out of bed every morning and dress him from scratch. At first, I even had to carry him there. It looked awful, a mother carrying a great big kid to school."

Ben spent his entire first week of kindergarten "spread-eagled on the floor," refusing to participate, says Mrs. Cohen.

BUTT OF JOKES

In elementary school in Washington Heights, she says, "he was the butt of the jokes of every tease in the class." His adjustment problems were exacerbated by his hyperactivity and by his occasional violent temper tantrums—sometimes aimed at his parents and other times at his classmates.

As doctors still insisted there was no physiological damage, Mrs. Cohen began to blame herself for her son's ailments.

"Every day I used to ask myself, 'What did I do to this poor boy to bring this on?' I felt very guilty."

Years later, Mrs. Cohen's guilt was replaced by rage when she obtained a copy of an official Columbia Presbyterian Medical Center report, dated Dec. 8, 1955, which concluded that her then four-year-old son may have sustained damage to his central nervous system—although the mother was never informed of this fact.

HE'S UNPREDICTABLE

Ironically, Mrs. Cohen thinks it may have been easier for her if Ben were born completely retarded. "Life would have been more predictable if he were retarded. As it was, the only thing that was predictable about Ben was that he was unpredictable."

Such unpredictability was illustrated by his frequent, sudden outbursts of temper, as well as by the occasional good marks he received in school, especially in science courses.

Finally, when Ben was 9, it was diagnosed that he had suffered brain damage, probably at birth. Ben's particular ailment warps his sense of time and space, as well as making it difficult for him to grasp concepts and think abstractly.

LEARNING DISABILITY

Ben's problem, which used to be referred to as "minimal brain dysfunction," is nowadays grouped under the catch-all phrase of "learning disability." Some 10 million children in the United States are thought to be suffering learning disabilities to some extent, many of them more subtle than Ben's.

Although there is little definitive proof, Mrs. Cohen and others contend that expectant mothers' increasing reliance on drugs has contributed to the postwar explosion of children with learning disabilities.

The learning problems are generally thought to be brought on by brain dysfunction, which experts believe can be caused by, among other factors, poor diet, injury or illness of the mother during pregnancy, and inadequate oxygen during birth—which can be an effect of unnecessarily-used obstetric drugs.

Consequently, Mrs. Cohen believes her crusade against the liberal use of obstetrical drugs has ramifications far beyond her own personal cause.

"We're part of an enormous problem," she says. "We don't even know how many kids are walking around with damaged brains brought on by these drugs . . . It's easy to see the problem in my Ben, but how many other kids are going around with much more subtle damage because of the drugs? What right have we to reduce someone's intelligence by even one iota by using these drugs?"

OTHER HARMFUL DRUGS

Besides the damage done by medications given to mothers during childbirth, Mrs. Cohen notes that abnormalities have resulted in children when expectant mothers took other drugs, such as Diethystilbestrol (DES), which was prescribed to prevent miscarriages and Thalidomide, a tranquilizer.

In addition, Mrs. Cohen says, the accepted obstetrical practice in the United States of keeping women lying on their backs during labor and delivery has been criticized by many experts, who maintain that lying on one's side, sitting or squatting during childbirth is healthier for both the mother and the fetus.

But before Mrs. Cohen ever became aware of these larger issues, her son attended several different schools, until his inability to adjust persuaded her to withdraw him from George Washington High School while he was in tenth grade.

Three years earlier, in 1966, Mrs. Cohen read a magazine article entitled "Babies by Appointment?" which first led her to suspect that she had been a "guinea pig" for a research obstetrician.

ALWAYS CONTROVERSIAL

The article stated that Pitocin, the drug Mrs. Cohen had been given to induce labor, had always been controversial—not "absolutely safe and routine," as she says the doctor assured her. The article further explained how the prolonged contractions brought on by Pitocin may "clamp down on the blood vessels of the placenta, thus depriving the fetus of oxygen-carrying blood for longer periods than with a slower labor."

Mrs. Cohen was outraged.

In testimony presented last year to the Obstetrics and Gynecology Committee of the Food and Drug Administration, Mrs. Cohen related her reaction to this new found information: "I began to ask many questions. I began to suspect that a frightening situation existed in obstetrics, that people who were supposed to be protecting the welfare of our children were not aware of what was developing in our school population.

MALPRACTICE SUIT

In 1969, Mrs. Cohen started the process of filing a malpractice suit against Columbia Presbyterian Medical Center and the obstetrician who delivered her son.

In October, 1975, a jury in Manhattan State Supreme Court ruled that there was no malpractice.

Shortly before that verdict, Mrs. Cohen says, she and her husband turned down an offer from hospital attorneys to settle for $100,000 in damages.

Mrs. Cohen rejected the cash settlement, she says, because she was "absolutely convinced" of the suit's justice, and had she accepted the money she probably would have been obligated to remain silent about her complaint.

"I think that would have choked me," Mrs. Cohen says.

SHE'S ENCOURAGED

Despite her frustrating experiences, Mrs. Cohen was cheered by her successful effort to have the obstetrical-warning bill passed—even though she warns that the new law "is only a start."

She says she would like to see the movement culminate in a realization on the part of all parents that, "The protector of the child are its mother and father—not the medical profession."●

PRESIDENT'S OIL DEREGULATION COSTS ALL AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ECKART) is recognized for 5 minutes.

● Mr. ECKART. Mr. Speaker, President Reagan yesterday issued an Executive order that immediately ended Federal price and allocation controls on U.S. oil, gasoline, and petroleum products.

The Reagan administration estimates that the effect of this price decontrol will be to raise retail gasoline prices by only 3 to 5 cents per gallon.

Other estimates, however, have projected the impact of full decontrol at anywhere from 6 to 12 cents per gallon.

Mr. Speaker, the only thing that we can be sure of is that Americans will soon be paying higher prices at the gasoline pump as a direct result of the President's order. This is the same man who railed against inflationary governmental actions during the recent Presidential campaign.

The President issued this Executive order with the hope that it would stimulate domestic oil production. This is a forlorn hope indeed. Oil industry officials agree that nearly every promising exploration and production project is already being pursued, and that the extra revenues from decontrol, while they will be quite substantial, will not make much difference.

Mr. Speaker, with all price controls on oil removed, the price of virtually all the U.S. supply of oil, whether produced domestically or abroad, will now be set by OPEC decisions.

While higher fuel prices will undoubtedly lower total energy consumption, placing domestic fuel prices at the world market level will also amplify the effect of OPEC price increases on the American economy. If there is a disruption in the world oil market, Americans will be paying even higher prices with no effective recourse open to them.●

PROPOSED OMB FOREIGN AID REDUCTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 30 minutes.

● Mr. ZABLOCKI. Mr. Speaker, I would like to bring to your attention and that of the other Members of the House a matter of the utmost importance, the OMB proposal to cut U.S. foreign assistance programs by $777

million in fiscal year 1981 and by $1.530 billion in fiscal year 1982.

The proposed cuts are not merely the work of an overzealous budget cutter who has been in office barely a week. They are irresponsible in terms of the U.S. national interest. They could have been conceived only by persons who do not comprehend the role and interests of the United States in world affairs and how they are served by U.S. assistance programs.

The fact is that our military and economic aid programs overseas are just as necessary to America's security and well being as our defense spending. It makes no sense to put taxpayer's dollars into building up our military might, without at the same time promoting aid programs which make the world a safer place to live in. Our foreign assistance levels already have been subjected to excessive cuts over the past 2 years. We should not be cutting them again where it hurts our own best interests.

The Stockman/OMB redraft of the Carter budget reported in the newspapers today would drastically reduce U.S. assistance funds for the food-for-peace program—Public Law 480—the Peace Corps, economic development in Third World countries, international financial institutions, and international organizations. By 1985 the cut would be 50 percent of earlier projected budget figures.

For an administration that campaigned on pledging to strengthen U.S. national defense, it is incredible that its budget czar could have such a narrow understanding of U.S. national security as to think that it translates only into guns and money for the Defense Department, without any appreciation of the critical role that is also played by U.S. economic/political interests around the world.

Objective and responsible students of U.S. foreign policy and national security are well aware that the threat to U.S. security comes, not just from the Soviet Union, but also from political/economic instability that creates fertile pastures for the sowing of radical ideologies and the type of disrruption that the Soviet Union and Cuba like to foment. What is happening in Central America and the Caribbean today, for example, illustrates how U.S. national security must be defined, not just in terms of military hardware, but also in economic and social terms.

The OMB proposal, among other things, would phase out the concessional sales portion of Public Law 480, the food-for-peace program, which has served the United States so well abroad since its enactment by Congress more than a quarter century ago. This overseas use of U.S. farm surpluses not only feeds millions of poverty-stricken people and helps in economic development of poor countries, but it also helps develop U.S. agricultural markets abroad, furthers U.S. foreign policy interests, and improves prices for U.S. farmers at home. As the OMB document admits, one consequence of the cut would be to force Egypt to seek help from elsewhere, for example, at this delicate point in the Middle East peace process.

Stockman's drastic reductions in U.S. contributions to the World Bank and the International Development Association and other multilateral development banks would include reneging on some commitments the United States previously indicated it would enter into. The big cut is argued on the grounds that the United States should focus assistance on a few select countries. Again, such a cut can only be premised on the misperception that the U.S. interests involve only a few developing countries and that those interests can be secured through manipulating a small amount of bilateral assistance. In reality, we have a long-term interest in the economic growth and stability of many if not all developing countries, and in the multilateral development banks. One U.S. dollar can leverage 60 to 70 additional developmental dollars because of the contributions made by others. Contributing to an international development bank clearly is a cost effective way to promote our interests—one would think that a budget "expert" would be particularly appreciative of that fact.

Furthermore, the OMB proposal ignores the many positive political and economic benefits that multilateral bank programs contribute to our country. For example, U.S. participation in the general capital increase of the World Bank, at a budgetary cost of $635 million spread over several years, will result in procurement in the United States of over $8 billion, an increase in U.S. export activity which will more than pay for the costs of our participation. Moreover, continued U.S. economic growth is closely related to economic growth in developing countries, which are the largest and most rapidly increasing market for U.S. exports. Developing countries bought 39 percent of U.S. manufacturing products and a quarter of U.S. agricultural produce in 1979.

As I mentioned, the Stockman proposal would force the United States to renege on legal financial commitments already made to international organizations pursuant to international agreements and treaties. Not only would this damage America's credibility and honor, it would also contribute to the collapse of essential activities such as those carried out by the World Health Organization—WHO—and the U.N. peacekeeping forces which have been of direct benefit to the United States.

With respect to the World Bank, the OMB cut would reduce the U.S. contribution below 20 percent and thus would lose for the United States the power it has held to veto any bank charter amendments, a power we have had ever since the bank was created after World War II.

Again, what rationale can there be to propose a 25-percent cut in the Peace Corps? The Peace Corps is composed of thousands of volunteers among America's young men and women and includes some older volunteers as well. They are among our finest citizens. They serve abroad with little pay, at considerable self-sacrifice and often hardship. They constitute a low-budget, highly cost effective U.S. program in developing countries. What program brings the United States more good will in countries around the world than the Peace Corps?

While the Stockman document repeats the Reagan position that bilateral aid should take priority over U.S. participation in multilateral programs, it is ironic that most of the outlay savings will come almost exclusively from bilateral programs, especially the very effective food-for-peace program—Public Law 480.

I am confident that once those in the new administration responsible for U.S. national security and foreign policy have looked at this proposed budget retrenchment, there will be a return to sensibility and more reasonable budget figures. To assist in that process and to inform the Congress and the public of the extent and variety of U.S. interests around the world, I anticipate that the Committee on Foreign Affairs will begin its review of the fiscal year 1982 foreign assistance budget by first hearing from the officials who developed the Carter budget proposals and then from the Reagan officials when they complete their budget review. The committee will take a fair and balanced look at the two budgets. It will approach the matter from the perspective that budget cutting clearly is desirable, but not to the extent that it jeopardizes important U.S. national security and foreign policy interests.●

FIRST HOMEOWNERSHIP ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, today I am reintroducing legislation which I introduced in the 96th Congress to aid citizens of our country in purchasing a first home. This legislation, the First Homeownership Act of 1981, will provide a tax-free savings account for individuals purchasing a first home, and tax credits for contributions to that account.

We are all aware of the present difficulties facing the housing industry. During the past year, housing starts hit an alltime record low, while interest rates spiraled to record highs. This economic roller coaster has devastated the housing industry. Persons interested in purchasing a home for the first time, particularly young couples, have been most affected. With high mortgage rates, monthly mortgage payments are so expensive that young couples are finding them unaffordable, and the dream of homeownership is being destroyed.

This tragic situation is not unique to residents in populous States like California or New York, but persons all across the Nation who are experiencing similar difficulties. Housing statistics indicate that in 1977 median home prices were around $44,000. Today, that price is up almost 35 percent to nearly $65,000 with many areas ranging from $75,000 to $100,000. At the same time, median monthly housing costs, including the mortgage payment, taxes, utilities, and insurance, have also increased 35 percent to over $600 per month. During this period, the percentage of first-time home buyers have declined from 36 percent to less than 18 percent of all buyers.

In view of this situation, Congress must recognize the need for action in this area. I believe my legislation is an effective approach to addressing this problem, by targeting assistance to low- and moderate-income people, the hardest hit by increased home prices.

My legislation offers three basic features: A tax-free individual housing account; a tax credit for contributions to that account; and, an income scale that limits the size of the tax credit for contributions to that account. These features are intended to provide incentives to encourage homeownership as well as increase the savings availability of mortgage funds.

The option to establish an individual housing account would be made available only to those interested in purchasing their first home. Like the individual retirement account (IRA), interest income on an individual housing account would be exempt from Federal income tax. As an added incentive to save, this legislation would provide for a tax credit of up to $500 based upon income level and the amount contributed to the account.

The tax credit would range from 1 to 20 percent of a person's annual contribution to the individual housing account with a maximum contribution of $2,500 in any given year. People earning under $25,000 would be eligible for the full 20-percent credit. Each additional $1,000 of income would reduce the allowable tax credit by 1 percentage point. My legislation places a 10-year limit on the life span of these accounts, and provides strict penalties for using the funds for any purpose other than the purchase of a first home.

With the housing industry in the midst of an economic recession, there is an obvious need to assist first-time home buyers. By providing assistance to the housing industry, it will surely benefit our overall economy. More importantly, it will help renew the hope that many Americans can share in the dream of owning a home. I urge my colleagues to support this legislation.

The bill follows:

H.R. 1490

A bill to amend the Internal Revenue Code of 1954 to provide a credit for amounts contributed to an individual housing account

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "First-Home Ownership Act of 1981".

SEC. 2. ALLOWANCE OF CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 is amended by inserting after section 44E the following new section:

"SEC. 44F. CONTRIBUTIONS TO INDIVIDUAL HOUSING ACCOUNTS.

"(a) CREDIT ALLOWED.—In the case of an individual who has never owned a principal residence (within the meaning of section 1034) by himself or with one or more other individuals, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the product of—

"(1) the applicable percentage, and

"(2) the sum of the amounts paid in cash by such individual to an individual housing account during the taxable year before the purchase of such a principal residence.

"(b) LIMITATIONS.—

"(1) MAXIMUM ANNUAL CREDIT.—The amount which may be taken into account under subsection (a)(2) by an individual for any taxable year shall not exceed $2,500. In the case of a married couple filing separate returns, the sum of the amounts which may be taken into account by each of them under subsection (a)(2) for the taxable year shall not exceed such amount.

"(2) MAXIMUM LIFETIME CREDIT.—The amount which may be taken into account under subsection (a)(2) by an individual for all taxable years shall not exceed $10,000. In the case of a married individual, such $10,000 amount shall be reduced by an amount equal to the sum of the amounts taken into account for all taxable years by his spouse.

"(3) MINIMUM DEPOSIT PERIOD.—Any amount paid into an individual housing account which is paid or distributed out of the account less than 12 months after it was paid into the account shall be treated as if it were not contributed. For purposes of this paragraph, any amount paid or distributed out of such an account shall be treated as having been distributed out of the most recently contributed amounts.

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) INDIVIDUAL HOUSING ACCOUNT.—The term 'individual housing account' means a trust created or organized in the United States for the exclusive benefit of an individual, or in the case of a married individual, for the exclusive benefit of the individual and his spouse jointly, but only if the written governing instrument creating the trust meets the following requirements:

"(A) No contribution will be accepted unless it is in cash, and contributions will not be accepted for the taxable year in excess of $2,500 on behalf of any individual or in excess of $10,000 on behalf of an individual for all taxable years.

"(B) The trustee is a bank (as defined in section 401(d)(1)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which that person will administer the trust will be consistent with the requirements of this section.

"(C) No part of the trust funds will be invested in life insurance contracts.

"(D) The interest of an individual and the balance in his account is nonforfeitable.

"(E) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

"(F) The entire interest of an individual or married couple for whose benefit the trust is maintained will be distributed to him, or them, not later than 120 months after the date on which the first contribution is made to the trust.

"(2) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means a percentage determined in accordance with the following table:

"If adjusted gross income is:	The applicable percentage is:
Not over $25,000	20
Over $25,000 but not over $26,000	19
Over $26,000 but not over $27,000	18
Over $27,000 but not over $28,000	17
Over $28,000 but not over $29,000	16
Over $29,000 but not over $30,000	15
Over $30,000 but not over $31,000	14
Over $31,000 but not over $32,000	13
Over $32,000 but not over $33,000	12
Over $33,000 but not over $34,000	11
Over $34,000 but not over $35,000	10
Over $35,000 but not over $36,000	9
Over $36,000 but not over $37,000	8
Over $37,000 but not over $38,000	7
Over $38,000 but not over $39,000	6
Over $39,000 but not over $40,000	5
Over $40,000 but not over $41,000	4
Over $41,000 but not over $42,000	3
Over $42,000 but not over $43,000	2
Over $43,000 but not over $44,000	1
Over $44,000	0

"(3) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—In the case of a married couple filing separate returns, the applicable percentage shall be determined by multiplying each dollar amount in the table in paragraph (2) by one-half.

"(d) TAX TREATMENT OF DISTRIBUTIONS.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, if any amount is paid or distributed out of an individual housing account for any purpose other than the purchase of a principal residence, then the tax under this chapter for the taxable year shall be increased by an amount equal to 20 percent of the amount so paid or distributed. The basis of any person in such an account is zero.

"(2) EXCESS CONTRIBUTION RETURNED BEFORE DUE DATE OF RETURN.—Paragraph (1) does not apply to the distribution of any contribution paid during a taxable year to an individual housing account to the extent that such contribution exceeds $2,500 if—

"(A) such distribution is received on or before the day prescribed by law (including

extensions of time) for filing such individual's return for such taxable year,

"(B) no credit is allowed under subsection (a) with respect to such excess contribution, and

"(C) such distribution is accompanied by the amount of net income attributable to such excess contribution.

Any net income described in subparagraph (C) shall be included in the gross income of the individual for the taxable year in which it is received.

"(3) TRANSFER OF ACCOUNT INCIDENT TO DIVORCE.—The transfer of an individuals housing account to his former spouse under a divorce decree or under a written instrument incident to a divorce is not to be considered a taxable transfer made by such individual notwithstanding any other provision of this subtitle, and such interest, at the time of the transfer, is to be treated as an individual housing account of the spouse, and not of such individual. After the transfer, the account is to be treated, for purposes of this subtitle, as maintained for the benefit of the spouse.

"(4) AMOUNTS NOT MEETING MINIMUM DEPOSIT PERIOD REQUIREMENT.—Paragraph (1) does not apply to any amount to which subsection (b)(3) applies.

"(e) TAX TREATMENT OF ACCOUNTS.—

"(1) EXEMPTION FROM TAX.—Any individual housing account is exempt from taxation under this subtitle unless such account has ceased to be an individual housing account. Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations).

"(2) EFFECT OF PLEDGING ACCOUNT AS SECURITY.—If, during any taxable year, the individual for whose benefit an individual housing account is established uses the account or any portion thereof as security for a loan, the portion so used is treated as distributed to that individual.

"(f) ADDITIONAL TAX FOR CERTAIN AMOUNTS DISTRIBUTED.—

"(1) DISTRIBUTION NOT USED TO PURCHASE RESIDENCE.—If a distribution from an individual housing account to an individual for whose benefit such account was established is made, and such distribution is not used in connection with the purchase of a principal residence for such individual, the tax liability of such individual under this chapter for the taxable year in which such distribution is received shall be increased by an amount equal to 10 percent of the amount of the distribution.

"(2) DISABILITY CASES.—Paragraph (1) does not apply if the payment or distribution is attributable to the taxpayer becoming disabled within the meaning of section 72(m)(7).

"(g) COMMUNITY PROPERTY LAWS.—This section shall be applied without regard to any community property laws.

"(h) CUSTODIAL ACCOUNTS.—For purposes of this section, a custodial account shall be treated as a trust if the assets of such account are held by a bank (as defined in section 401(d)(1)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which he will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an individual housing account described in subsection (c). For purposes of this title, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

"(i) REPORTS.—The trustee of an individual housing account shall make such reports regarding such account to the Secretary and to the individual for whom the account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such individuals at such time and in such manner as may be required by those regulations.

"(j) REDUCTION OF BASIS.—The basis of any residence acquired with funds withdrawn from an individual housing account shall be reduced by an amount equal to the amount of expenditures made in connection with the acquisition of the residence out of such funds."

(b) TAX ON EXCESS CONTRIBUTIONS.—Section 4973 of such Code (relating to tax on excess contributions to individual retirement accounts, certain section 403(b) contracts, certain individual retirement annuities, and certain retirement bonds) is amended—

(1) by inserting "INDIVIDUAL HOUSING ACCOUNTS," after "ACCOUNTS," in the caption of such section.

(2) by redesignating paragraphs (2) and (3) of subsection (a) as (3) and (4), and by inserting after paragraph (1) the following:

"(2) an individual housing account (within the meaning of section 44F(c)(1)),", and

(3) by adding at the end thereof the following new subsection:

"(d) EXCESS CONTRIBUTIONS TO INDIVIDUAL HOUSING ACCOUNTS.—For purposes of this section, in the case of an individual housing account, the term 'excess contributions' means the amount by which the amount contributed for the taxable year to the account exceeds $2,500 for such taxable year or, for all taxable years, exceed $10,000. For purposes of this subsection, any distribution to which section 44F(d)(2) applies shall be treated as an amount not contributed."

(c) REFUND OF EXCESS CREDIT.—

(1) Subsection (b) of section 6401 of such Code (relating to amounts treated as overpayments) is amended—

(A) by striking out "and 43 (relating to earned income credit)", and inserting in lieu thereof the following: "43 (relating to earned income credit), and 44F (relating to contributions to individual housing accounts)", and

(B) by striking out "sections 31, 39, and 43" and inserting in lieu thereof the following: "sections 31, 39, 43, and 44F".

(2) Paragraph (4) of section 6201(a) (relating to erroneous credit under section 39 or 43) is amended—

(A) by striking out "section 39 or 43" in the caption and inserting in lieu thereof the following: "section 39, 43, or 44F", and

(B) by striking out "or section 43 (relating to earned income)," and inserting in lieu thereof the following: ", section 43 (relating to earned income), or section 44F (relating to contributions to individual housing accounts),".

(d) FAILURE TO PROVIDE REPORTS ON INDIVIDUAL HOUSING ACCOUNTS.—Section 6693 of such Code (relating to failure to provide reports on individual retirement account or annuities) is amended—

(1) by inserting "OR ON INDIVIDUAL HOUSING ACCOUNTS" after "ANNUITIES" in the caption of such section, and

(2) by adding at the end of subsection (a) the following: "The person required by section 44F(i) to file a report regarding an individual housing account at the time and in the manner required by such section shall pay a penalty of $10 for each failure unless it is shown that such failure is due to reasonable cause."

(e) ADJUSTMENT OF BASIS OF RESIDENCE PURCHASED THROUGH USE OF AMOUNTS IN ACCOUNT.—Section 1016(a) of such Code (relating to adjustments to basis) is amended by striking out "and" at the end of paragraph (21), by striking out the period at the end of paragraph (22) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(23) in the case of a residence the acquisition of which was made in whole or in part with funds from an individual housing account, to the extent provided in section 44F(j)."

(f) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44E the following new item:

"Sec. 44F. Contributions to individual housing accounts."

(2) The table of sections for chapter 43 of such Code is amended by striking out the item relating to section 4973 and inserting in lieu thereof the following:

"Sec. 4973. Tax on excess contributions to individual retirement accounts, individual housing accounts, certain 403(b) contracts, certain individual retirement annuities, and certain retirement bonds."

(3) The table of sections for subchapter B of chapter 68 of such Code is amended by striking out the item relating to section 6693 and inserting in lieu thereof the following:

"Sec. 6693. Failure to provide reports on individual retirement accounts or annuities or on individual housing accounts."

(g) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 1980.●

IMPROVEMENTS FOR NATIONAL GUARD AND RESERVES

The SPEAKER pro tempore. Under a previous order of the House, the gentlemen from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, I am introducing with Mrs. HOLT 10 bills to provide essential improvements for the National Guard and Reserves in this country. Each is designed to correct inequities or weaknesses that exist in our current system.

I am compelled by my concern for the manpower problems in the armed services to work toward a return to a partial draft. The bill I have introduced today would assure a continuation of the registration with the Selective Service established last summer, provide for classification and a partial draft into the Individual Ready Reserve. The legislation would assist the military services in meeting the manpower needs that we are unable to attain with the All-Volunteer Forces. There is no question that

our Active Forces have fallen short qualitatively as well as quantitatively of our personnel needs. My bill is designed to help assure our armed services with adequately trained replacement troops to meet national emergencies.

An amendment to title 38, United States Code, would increase the maximum amount of servicemen's group life insurance to $40,000. Under current law the maximum is $20,000, and this figure is long overdue an adjustment for inflation. The $40,000 figure accomplishes an equitable increase. This would be at no extra expense to the Government; the insurance program is self-sustained with the premiums covering the benefits.

Next, I have written a bill amending the fiscal year 1981 Department of Defense Authorization Act to extend the educational loan repayment in behalf of persons serving as officers in pay grade O-1 and O-2 in the Selected Reserves. Section 902 of the Authorization Act authorizes partial repayment of certain federally guaranteed or insured educational loans in behalf of persons who enlist or reenlist for service on active duty in the Selected Reserves. The repayment is limited to $500 or 15 percent of the loan for each year of service. This was designed as a very effective incentive for enlistment into the Selected Reserves, but its success has been met with the unintended result of deterring participation in Officer Candidate School accessions in the National Guard. Officer candidates would, upon appointment, cease to accrue entitlement to loan repayment under this law. The amount of loan repayment available to the enlisted personnal can be substantial and the large amount of money lost with the acceptance of a commission serves as a prohibitive factor in enrollment of potentially skillful leaders in the OCS program. With this legislation extending the same entitlement to members of the Selective Reserves serving as officers in pay grades O-1 and O-2, enlisted members who subsequently accept a commission would continue to accrue entitlement long enough to allow maximum benefits under the law.

I am introducing two measures to correct inequities for members of the Reserve components serving in hazardous duty and aviation positions. Currently these men and women by law are entitled to hazardous duty incentive pay and aviation career incentive pay: First, only when they are entitled to basic pay, and second, on the basis of one-thirtieth of the monthly entitlement for each unit training assembly. This method is unfair to members of the National Guard and other members of the Selected Reserves who may perform hazardous duties or aerial flights to virtually the same extent as their active-duty counterparts but who, because the activities are concentrated into a few training assemblies, receive far less incentive pay than members on active duty. This bill would allow members of the Selected Service who qualify for the pay on the same basis as active duty personnel to draw the incentive pay in full.

My bill to amend section 1333 of title 10, United States Code relates to retirees point credit for nonregular service. The purpose is to eliminate the 60-point-per-year ceiling which prevents members of the Reserve components from receiving retirement credit for more than 45 days in any one year for attendance at drills. This bill would authorize a member of the Reserve component who attends in excess of 45 drills or equivalent periods of instruction per year to be awarded retirement point credit for the excess performances after June 30, 1975.

I am also introducing three measures to provide currently unavailable medical and dental benefits to members of the National Guard and Reserves:

A bill to amend titles 10, 32, and 37 authorizing medical and dental care and related benefits for reservists and members of the National Guard under certain conditions. This would provide coverage to members for all travel to and from Guard/Reserve duty. Such full coverage is not now available to the member while he is en route to or returning from a required training assembly. There have been cases of injuries for which there should have been compensation but none was authorized. This bill corrects this oversight in current law.

A bill to amend title 10, United States Code, to authorize additional medical and dental care for dependents of reservists and members of the National Guard, under certain conditions. Current death gratuity available to Guard members does not provide CHAMPUS and other related medical and dental care for their survivors. My bill would extend such benefits to survivors of guardsmen and reservists who are killed in the line of duty during an authorized training period.

A bill to authorize medical and dental care for reservists and members of the National Guard who become ill while on duty for 30 days or less. The current assumption that any illness contracted by a member of the Guard or Reserves was from other sources due to the brevity of duty time. This is an erroneous assumption and my bill would provide for coverage for illnesses that are legitimately contracted while the member is on authorized military duty.

My final bill would amend title 10 of the United States Code so as to permit members of the Reserves and the National Guard to receive retired pay at age 55 for nonregular service. This provides for early retirement to those men and women who have 20 years of acceptable military services in the Reserve and National Guard and gives them treatment more in line with that available to other members of the armed services.●

TRIBUTE TO THE MEMORY OF RONALD W. CHURCHILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. HUBBARD) is recognized for 5 minutes.

● Mr. HUBBARD. Mr. Speaker, it is my privilege today to offer a tribute to the memory of Ronald W. Churchill, who died at the age of 81 on Friday, January 2, at Murray in Kentucky's First Congressional District.

Not many people achieve the measure of admiration and respect that Ronald Churchill enjoyed. He earned that admiration and respect because he genuinely cared about people and about the welfare of his community.

He was a rarity—a man who had the vitality and know-how to be extremely effective in getting things done, yet warmth and sensitivity that made him a beloved leader.

A licensed funeral director for more than a half century before his retirement in 1973, Mr. Churchill was a devoted family man, a tireless community worker, and active member of the First Baptist Church of Murray, and an avid sportsman.

He became a member of the Murray Rotary Club in 1925, the year after it was chartered, and maintained a perfect attendance record for many years. In December, he was named a Paul Harris Fellow, the highest honor that can be awarded to a Rotarian.

Mr. Churchill also served on the Murray Board of Education, as a member of the Murray Chamber of Commerce, and was a founder and had held every office in the Western Kentucky Funeral Directors Association.

His knowledge of local history, his skill as a raconteur, his ready sense of humor, and his magnetic personality gave him a charm that endeared him to many.

Surviving are his wife of more than 57 years, Rebecca Wear Churchill of Murray; two daughters, Mrs. Martha Imes of Almo, Ky., and Mrs. Minnie Lee Walker of Brentwood, Tenn.; a son, Ronald W. Churchill, Jr., of Middleburg Heights, Ohio; a brother, Max Churchill of Murray; nine grandchildren; and eight great-grandchildren.

This Member of Congress considered Ronald W. Churchill to be an esteemed friend and truly an outstanding gentleman. He will be missed by me and by many.●

RULES OF PROCEDURE FOR THE COMMITTEE ON HOUSE ADMINISTRATION—97TH CONGRESS

(Mr. HAWKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HAWKINS. Mr. Speaker, in accordance with the rules of the House governing standing committees, I ask unanimous consent to insert in the RECORD at this point the rules of procedure for the Committee on House Administration—97th Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The rules of procedure for the Committee on House Administration—97th Congress—are as follows:

RULES FOR THE COMMITTEE ON HOUSE ADMINISTRATION, 97TH CONGRESS

RULE NO. 1—GENERAL PROVISIONS

(a) The Rules of the House are the rules of the committee and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees. Each subcommittee of the committee is a part of the committee, and is subject to the authority and direction of the committee and to its rules as far as applicable.

(b) The committee is authorized at any time to conduct such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities under Rule X of House Rules and (subject to the adoption of expense resolutions as required by Rule XI, clause 5 of House Rules) to incur expenses (including travel expenses) in connection therewith.

(c) The committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee. All costs of stenographic services and transcripts in connection with any meeting or hearing of the committee shall be paid from the contingent fund of the House.

(d) The committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on the activities of the committee under Rule X and XI of House Rules during the Congress ending at noon on January 3 of such year.

(e) The committee's rules shall be published in the Congressional Record not later than 30 days after the Congress convenes in each odd-numbered year.

RULE NO. 2—REGULAR AND SPECIAL MEETINGS

(a) The regular meeting date of the Committee on House Administration shall be the first Wednesday of every month when the House is in session in accordance with Clause 2(b) of Rule XI of the Rules of the House. Additional meetings may be called by the chairman as he may deem necessary or at the request of a majority of the members of the committee in accordance with Clause 2(c) of Rule XI of the House of Representatives. The determination of the business to be considered at each meeting shall be made by the chairman subject to Clause 2(c) of Rule XI of the House of Representatives. A regularly scheduled meeting need not be held if there is no business to be considered.

(b) If the chairman of the committee or subcommittee is not present at any meeting of the committee or subcommittee the ranking member of the majority party on the committee or subcommittee who is present shall preside at the meeting.

(c) The committee may not sit, without special leave, while the House is reading a measure for amendment under the 5-minute rule.

RULE NO. 3—OPEN MEETINGS

As required by Clause 2(g), Rule XI, each meeting for the transaction of business, including the markup of legislation, of the committee or its subcommittees, shall be open to the public except when the committee or subcommittee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, However,* that no person other than members of the committee, and such congressional staff and such departmental representatives as they may authorize, shall be present in any business or markup session which has been closed to the public. This provision does not apply to any meeting that relates solely to internal budget or personnel matters.

RULE NO. 4—RECORDS AND ROLLCALLS

(a) The result of each rollcall vote in any meeting of the committee shall be made available for inspection by the public at reasonable times at the committee offices, including a description of the amendment, motion, order or other proposition; the name of each member voting for and against, and whether by proxy or in person, and the members present but not voting.

(b) All Committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the member serving as a chairman of the committee; and such records shall be the property of the House and all members of the House shall have access thereto.

(c) In order to facilitate committee compliance with Paragraph (e)(1) of Clause 2, Rule XI, each subcommittee shall keep a complete record of all subcommittee actions which shall include a record of the votes on any question on which a rollcall vote is demanded. The result of each such rollcall vote shall be promptly made available to the full committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order or proposition, and whether by proxy or in person, and the names of those members present but not voting.

(d) All subcommittee hearings, records, data, charts, and files, shall be kept distinct from the congressional office records of the member serving as chairman of the subcommittee. Such records shall be coordinated with the records of the full committee, shall be the property of the House, and all members of the House shall have access thereto.

RULE NO. 5—PROXIES

A vote by any member in the committee or in any subcommittee may be cast by proxy, but such proxy must be in writing and in the hands of the chief clerk of the committee or the clerk of the subcommittee, as the case may be, during each rollcall in which such member's proxy is to be voted. Each proxy shall designate the member who is to execute the proxy authorization and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigning his vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum. The member does not have to appear in person to present the proxy.

RULE NO. 6—POWER TO SIT AND ACT; SUBPOENA POWER

(a) For the purpose of carrying out any of its functions and duties under House Rules X and XI the committee, or any subcommittee thereof, is authorized (subject to subparagraph (b)(1) of this paragraph)—

(1) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, and

(2) to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. The chairman of the committee, or any member designated by the chairman, may administer oaths to any witness.

(b)(1) A subpoena may be authorized and issued by a committee or subcommittee under subparagraph (a)(2) in the conduct of any investigation or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. The power to authorize and issue subpoenas under subparagraph (a)(2) may be delegated to the chairman of the committee pursuant to such rules and under such limitations as the committee may prescribe. Authorized subpoenas shall be signed by the chairman of the committee or by any member designated by the committee.

(2) Compliance with any subpoena issued by the committee or subcommittee under subparagraph (a)(2) may be enforced only as authorized or directed by the House.

RULE NO. 7—QUORUMS

No measure or recommendation shall be reported to the House unless a majority of the committee is actually present. For the purposes of taking any action other than reporting any measure, issuance of a subpoena, closing meetings, promulgating Committee orders, or changing the Rules of the Committee, the quorum shall be one-third of the members of the Committee. For purposes of taking testimony and receiving evidence, two Members shall constitute a quorum.

RULE NO. 8—AMENDMENTS

Any Amendment offered to any pending legislation before the committee must be made available in written form when requested by any member of the committee. If such amendment is not available in written form when requested, the chair will allow an appropriate period of time for the provision thereof.

RULE NO. 9—HEARING PROCEDURES

(a) The chairman, in the case of hearings to be conducted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter of any hearing to be conducted on any measure or matter at least 1 week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event the chairman or

the subcommittee chairman whichever the case may be shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify the Daily Digest Clerk of the Congressional Record as soon as possible after such public announcement is made.

(b) Unless excused by the chairman, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee, at least 48 hours in advance of his appearance, a written statement of his proposed testimony and shall limit his oral presentation to a summary of his statement.

(c) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the chairman by a majority of those minority members before the completion of such hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(d) All other members of the committee may have the privilege of sitting with any subcommittee during its hearing or deliberations and may participate in such hearings or deliberations, but no such member who is not a member of the subcommittee shall vote on any matter before such subcommittee.

(e) Committee members may question witnesses only when they have been recognized by the chairman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witness in both full and subcommittee hearings shall be initiated by the chairman, followed by the ranking minority party member and all other members alternating between the majority and minority. In recognizing members to question witnesses in this fashion, the chairman shall take into consideration the ratio of the majority to minority members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the members of the majority. The chairman may accomplish this by recognizing two majority members for each minority member recognized.

(f) The following additional rules shall apply to hearings:

(1) The chairman at a hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) If the committee determines that evidence or testimony at a hearing may tend to defame, degrade, or incriminate any person, it shall—

(A) afford such person an opportunity voluntarily to appear as a witness;

(B) receive such evidence or testimony in executive session; and

(C) receive and dispose of requests from such person to subpoena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the committee shall dispose of requests to subpoena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee.

RULE NO. 10—PROCEDURES FOR REPORTING BILLS AND RESOLUTIONS

(a)(1) It shall be the duty of the chairman of the committee to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(2) In any event, the report of the committee on a measure which has been approved by the committee shall be filed within 7 calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the committee notice of the filing of that request.

(b)(1) No measure or recommendation shall be reported from the committee unless a majority of the committee was actually present.

(2) With respect to each roll call vote on a motion to report any bill or resolution of a public character, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the committee report.

(c) The report of the committee on a measure which has been approved by the committee shall include.

(1) the oversight findings and recommendations required pursuant to clause 2(b)(1) of Rule X of the House separately set out and clearly identified;

(2) the statement required by section 308(a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures;

(3) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee; and

(4) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 2(b)(2) of Rule X of the House separately set out and clearly identified whenever such findings and recommendations have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the committee's deliberations on the measure.

(d) Each report of the committee on each bill or joint resolution of a public character reported by the committee shall contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(e) If, at the time of approval of any measure or matter by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than 3 calendar days, commencing on the day on which the measure or matter(s) was approved, excluding Saturdays, Sundays, and legal holidays, in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The report of the committee upon that measure or matter shall be printed in a single volume which—

(1) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and

(2) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (3) and (4) of subparagraph (c)) are included as part of the report. This subparagraph does not preclude—

(A) the immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

(B) the filing by any such committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that committee upon that measure or matter.

(f) If hearings have been held on any such measure or matter so reported, the committee shall make every reasonable effort to have such hearings printed and available for distribution to the members of the House prior to the consideration of such measure or matter in the House.

RULE NO. 11—SUBCOMMITTEE OVERSIGHT

The standing subcommittees of the committee shall conduct oversight of matters within their jurisdiction in accordance with Rule X, clauses 2 and 3 of the Rules of the House of Representatives.

RULE NO. 12—REVIEW OF CONTINUING PROGRAMS; BUDGET ACT PROVISIONS

(a) The committee shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing programs and activities of the Federal Government and the District of Columbia government will be made annually to the maximum extent feasible and consistent with the nature, requirements, and objectives of the programs and activities involved. For the purposes of this paragraph a Government agency includes the organizational units of government listed in clause 7(c) of Rule XIII of House Rules.

(b) The committee shall review, from time to time, each continuing program within its jurisdictions for which appropriations are not made annually in order to ascertain whether such program could be modified so

that appropriations therefor would be made annually.

(c) The committee shall, on or before March 15 of each year, submit to the Committee on the Budget (1) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing fiscal year which are within its jurisdiction or functions, and (2) an estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction which it intends to be effective during that fiscal year.

(d) As soon as practicable after a concurrent resolution on the budget for any fiscal year is agreed to, the committee (after consulting with the appropriate committee or committees of the Senate) shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such resolution, and promptly report such subdivisions to the House, in the manner provided by section 302 of the Congressional Budget Act of 1974.

(e) Whenever the committee is directed in a concurrent resolution on the budget to determine and recommend changes in laws, bills, or resolutions under the reconciliation process it shall promptly make such determination and recommendations, and report a reconciliation bill or resolution (or both) to the House or submit such recommendations to the Committee on the Budget, in accordance with the Congressional Budget Act of 1974.

RULE NO. 13—BROADCASTING OF COMMITTEE HEARINGS

The rule for the broadcasting of committee hearings shall be the same as Rule XI, clause 3 of the Rules of the House of Representatives.

RULE NO. 14—COMMITTEE AND SUBCOMMITTEE STAFF

Except as provided in Rule XI, clause 5(d) of the Rules of the House of Representatives, the staff of the Committee on House Administration shall be appointed as follows:

A. The subcommittee staff shall be appointed, and may be removed, and their remuneration determined by the subcommittee chairman within the budget approved for the subcommittee by the full committee;

B. The staff assigned to the minority shall be appointed and their remuneration determined in such manner as the minority party members of the committee shall determine within the budget approved for such purposes by the committee;

C. The employees of the committee not assigned to a standing subcommittee or to the minority under the above provisions shall be appointed, and may be removed, and their remuneration determined by the chairman within the budget approved for such purposes by the committee.

RULE NO. 15—TRAVEL OF MEMBERS AND STAFF

(a) Consistent with the primary expense resolution and such additional expense resolutions as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel for any member or any staff member shall be paid only upon the prior authorization of the chairman. Travel may be authorized by the chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee or any subcommittee thereof and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee. Before such authorization is given there shall be submitted to the chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which the travel will occur;

(3) The locations to be visited and the length of time to be spent in each;

(4) The names of members and staff seeking authorization.

(b)(1) In the case of travel outside the United States of members and staff of the committee or of a subcommittee for the purpose of conducting hearings, investigations, studies, or attending meetings and conferences involving activities or subject matter under the legislative assignment of the committee or pertinent subcommittee, prior authorization must be obtained from the chairman. Before such authorization is given, there shall be submitted to the chairman, in writing, a request for such authorization. Each request, which shall be filed in a manner that allows for a reasonable period of time for review before such travel is scheduled to begin, shall include the following:

(A) the purpose of the travel;

(B) the dates during which the travel will occur;

(C) the names of the countries to be visited and the length of time to be spent in each;

(D) an agenda of anticipated activities for each country for which travel is authorized together with a description of the purpose to be served and the areas of committee jurisdiction involved; and

(E) the names of members and staff for whom authorization is sought.

(2) Requests for travel outside the United States shall be initiated by the chairman and shall be limited to members and permanent employees of the committee.

(3) At the conclusion of any hearing, investigation, study, meeting or conference for which travel outside the United States has been authorized pursuant to this rule, each subcommittee (or members and staff attending meetings or conferences) shall submit a written report to the chairman covering the activities and other pertinent observations or information gained as a result of such travel.

(c) Members and staff of the committee performing authorized travel on official business shall be governed by applicable laws, resolutions, or regulations of the House and of the Committee on House Administration pertaining to such travel.

RULE NO. 16—NUMBER AND JURISDICTION OF SUBCOMMITTEES

(a) There shall be five Standing Subcommittees. The ratio (majority/minority) and jurisdiction of the subcommittees shall be:

Subcommittee on Accounts. (7/5).—Internal budget matters; expenditures from the contingent fund.

Subcommittee on Contracts and Printing (3/2).—Matters pertaining to contracts for goods and services. Matters pertaining to cost of printing, Government Printing Office, depository libraries, material printed in Congressional Record, executive papers and authorization for printing Army Engineers' reports.

Subcommittee on Services (3/2).—Matters pertaining to parking facilities, restaurant facilities, barber and beauty shop facilities, and other House services.

Subcommittee on Office Systems (3/2).—Matters pertaining to furniture, electrical and mechanical office equipment and other accoutrements for use in the office of members, officers or committees and matters pertaining to the development of management systems for such offices.

Subcommittee on Personnel and Police (3/2).—Matters pertaining to salary of scheduled House employees and Police, and number of positions.

(b) The chairman of the committee may appoint such ad hoc subcommittees as he deems appropriate.

(c) The chairman of the committee and the ranking minority member shall serve as ex-officio members without vote of all subcommittees of the committee unless either member is appointed as a voting member of any subcommittee.

RULE NO. 17—POWERS AND DUTIES OF SUBCOMMITTEES

Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it. Subcommittee chairmen shall set meeting dates after consultation with the chairman of the full committee and other subcommittee chairmen, with a view toward avoiding simultaneous scheduling of committee or subcommittee meetings or hearings wherever possible. It shall be the practice of the committee that meetings of subcommittees not be scheduled to occur simultaneously with meetings of the full committee. In order to ensure orderly and fair assignment of hearing and meeting rooms, hearings and meetings should be arranged in advance with the chairman through the staff director of the committee.

RULE NO. 18—REFERRAL OF LEGISLATION TO SUBCOMMITTEES

All legislation and other matters referred to the committee shall be referred by the chairman to the subcommittee of appropriate jurisdiction within 2 weeks, unless by majority vote of the members of the full committee, consideration is to be otherwise effected. The chairman may refer the matter simultaneously to two or more subcommittees, consistent with House Rule X, for concurrent consideration or for consideration in sequence (subject to appropriate time limitations), or divide the matter into two or more parts and refer each such part to a different subcommittee, or refer the matter pursuant to House Rule X to an ad hoc subcommittee appointed by the chairman for the specific purpose of considering that matter and reporting to the full committee thereon, or make such other provisions as may be considered appropriate. The chairman may designate a subcommittee chairman or other member to take responsibility as "floor manager" of a bill during its consideration in the House.

RULE NO. 19—OTHER PROCEDURES AND REGULATIONS

The chairman of the full committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the committee.

RULE NO. 20—DESIGNATION OF CLERK OF THE COMMITTEE

For the purposes of these rules and the Rules of the House of Representatives, the staff director of the committee shall act as the clerk of the committee.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CLINGER) to revise and extend their remarks and include extraneous material:)

Mr. MCCLOSKEY, for 15 minutes, today.

Mr. JEFFORDS, for 10 minutes, today.

Mr. GOLDWATER, for 5 minutes, today.

(The following Members (at the request of Mr. FOLEY) to revise and extend their remarks and include extraneous material:)

Mr. WAXMAN, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. BINGHAM, for 5 minutes, today.

Mr. WILLIAM J. COYNE, for 5 minutes, today.

Mr. ECKHART, for 5 minutes, today.

Mr. ZABLOCKI, for 30 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

Mr. HUBBARD, for 5 minutes, today.

Mr. STRATTON, for 60 minutes, February 3, 1981.

Mr. PEYSER, for 60 minutes, February 3, 1981.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. CLINGER) and to include extraneous matter:)

Ms. FIEDLER.

Mr. PETRI.

Mr. MCKINNEY.

Mr. RINALDO.

Mr. SMITH of New Jersey.

Mr. MICHEL.

Mr. BEREUTER.

Mr. HOLLENBECK.

Mr. FINDLEY.

Mr. PARRIS.

Mr. DERWINSKI in two instances.

(The following Members (at the request of Mr. FOLEY) and to include extraneous matter:)

Mr. FITHIAN.

Mr. ATKINSON.

Mr. MAZZOLI.

Mr. GAYDOS.

Mr. REUSS.

Mr. HAMILTON.

Mr. APPLEGATE.

Mr. ROSENTHAL.

Mr. MILLER of California in two instances.

Mr. DICKS.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 304. An act to establish a national tourism policy and an independent Government agency to carry out the national tourism policy; to the Energy and Commerce Committee.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 253. An act to increase the number of members of the Commission on Wartime Relocation and Internment of Civilians.

ADJOURNMENT

Mr. SUNIA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 40 minutes p.m.), the House adjourned until tomorrow, Friday, January 30, 1981, at 11 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees, and delegations traveling under an authorization from the Speaker, concerning the foreign currencies and U.S. dollars utilized by them during the second, third, and fourth quarters of calendar year 1980 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT OPERATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Eugene F. Peters	10/23	10/26	Great Britain	210.60	515.97					210.60	515.97
	10/26	10/29	Belgium	10,459	117.00	727	24.40			11,186	141.40
	10/29	11/3	Germany	820.14	433.94					820.14	433.94
Roundtrip commercial air							1,065.00				1,065.00
Richard C. Barnes	10/23	10/26	Great Britain	210.60	515.97					210.60	515.97
	10/26	10/29	Belgium	10,459	117.00	727	24.40			11,186	141.40
	10/29	11/3	Germany	820.14	433.94					820.14	433.94
Roundtrip commercial air							1,065.00				1,065.00
David E. Holt	10/23	10/23	Great Britain	210.60	515.97					210.60	515.97
	10/26	10/29	Belgium	10,459	117.00	727	24.40			11,186	141.40
	10/29	11/11	Italy	404,950	455.00	55,051	61.98			460,001	516.98
Roundtrip commercial air							1,150.00				1,150.00
James L. George	10/23	10/26	Great Britain	210.60	515.97					210.60	515.97
	10/26	10/29	Belgium	10,459	117.00	727	24.40			11,186	141.40
	10/29	11/3	Italy	404,950	455.00	55,051	61.98			460,001	516.98
Roundtrip commercial air							1,150.00				1,150.00
Committee total [3]					4,309.76		4,651.56				8,961.32

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Enter committee totals on the last page of the report only.

JACK BROOKS, Chairman.

January 21, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Thomas S. Dunmire, staff	10/14	10/17	Australia								
	10/17	10/24	New Guinea	761.89	904.00					761.89	904.00
	10/24	10/28	Philipines	2,272.50	300.00		3,093.30			2,272.50	3,393.30
Committee total [3]					1,204.00		3,093.30				4,297.30

[1] Per diem constitutes lodging and meals.
[2] If foreign currenty is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Enter committee totals on the last page of the report only.
January 19, 1981.

MORRIS K. UDALL, Chairman.

AMENDED REPORTS OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Expended between April 1 and June 30, 1980: Rental car for study mission to Israel.	4/05	4/13	Tel Aviv, Israel	42,119.00	987.80						
Expended between July 1 and Sept. 30, 1980:											
Oliver, R. Spencer	9/11	10/5	Madrid, Spain	156,326.60	2,136.00						
Cosman, Catherine	10/3	10/7	London, England	160.74	387.00						
Wise, Samuel G.	9/6	9/21	Madrid, Spain	103,683	1,424.00						

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
December 31, 1980.

DANTE B. FASCELL, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Blackburn, Barbara	11/8	11/23	Madrid, Spain to U.S.A		89.00		[6]1,084.00			60,950.22	807.28
Boutin, George	11/20	12/4	Madrid, Spain to U.S.		89.00		1,084.00			102,839.00	1,335.00
Wise, Samuel G.	10/26	11/5	Madrid, Spain		89.00		[6]1,107.81			73,033.40	979.00
	11/6	11/8	Rome, Italy		91.00	36,580	484.50			246,519	273.00
	11/9	11/13	Madrid, Spain to U.S.A		89.00					26,824.00	356.00
	11/22	12/20	Madrid, Spain to U.S.A		89.00		[3]2,089.45			200,258.00	2,581.00
Pederson, M. Susan	11/9	12/20	Madrid, Spain to U.S.A		89.00		[4]558.00			280,597.00	3,649.00
Brescia, Christopher	11/22	11/23	Madrid, Spain	6,853	89.00		[3]1,547.65			6,853	89.00
	11/23	11/28	Geneva, Switzerland		100.00		[8]34.68			1,035.00	600.00
	11/29	12/20	Madrid, Spain to U.S.A		89.00		[7]749.10			145,479.00	1,869.00
Pennington, Paula	9/7		Madrid, Spain to U.S.A		89.00		[6]982.00			645,527.00	8,633.00
Sletzinger, Martin	9/19	10/17	Madrid, Spain to U.S.A	6,514.80	89.00		[6]1,218.00			182,884.00	2,492.00
	11/22	12/20	Madrid, Spain to U.S.A		89.00		[3]2,101.35			193,334.00	2,492.00
Cosman, Catherine	11/9	12/20	Madrid, Spain to U.S.A		89.00		[4]558.00			280,597.00	3,649.00
Hardt, John P., Library of Congress	12/12	12/16	Madrid, Spain to U.S.A	6,853.00	89.00					27,839.00	356.00
Davidson, Lynne Ann	11/9	12/20	Madrid, Spain to U.S.A		89.00		[4]558.00			241,949.33	3,149.64
Knisley, Elizabeth	11/8	12/20	Madrid, Spain to U.S.A		89.00		[6]1,084.00			287,369.40	3,738.00
Oliver, R. Spencer	10/10	10/26	Madrid, Spain to U.S.A		89.00		[6]2,410.00			105,553.40	1,424.00
	11/6	11/7	Brussels, Belgium	3,503	114.00		[6]1,703.40			3,503	114.00
	11/8	12/20	Madrid, Spain to U.S.A		89.00					293,654.00	3,827.00
Donovan, Margaret Ann	11/9	12/20	Madrid, Spain to U.S.A		89.00		[4]558.00			280,597.00	3,649.00
Fascell, Dante B.	11/22	11/29	Madrid, Spain to U.S.A	6,853.00	89.00		[3]3,095.31			47,971	623.00
Pell, Claiborne	11/22	11/29	Madrid, Spain to U.S.A	6,853.00	89.00		[3]3,095.31			41,837.00	517.36
Bingham, Jonathan	11/22	11/29	Madrid, Spain to U.S.A	6,853.00	89.00		[3]3,095.31			47,971	623.00
Yates, Sidney	11/22	11/29	Madrid, Spain to U.S.A	6,853.00	89.00		[3]3,095.31			47,971	623.00
Fenwick, Millicent	11/22	11/29	Madrid, Spain to U.S.A	6,853.00	89.00		[3]3,095.31			38,571.00	500.92
O'Regan, Charles Robert	11/22	11/29	Madrid, Spain to U.S.A	6,853.00	89.00		[3]3,095.31			47,971	623.00
Christianson, Gerald	11/22	11/29	Madrid, Spain to U.S.A	6,853.00	89.00		[3]3,095.31			40,971.00	523.09
Other official expenses (including rental cars and transportation) of the congressional delegation.										343,792.00	4,418.00
Committee total [5]							41,579.11				56,825.29

[1] Per diem constitutes lodging and meals. [2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended. [3] Travel by military aircraft.
[4] Special White House travel to Madrid with public members; return commercially. [5] Enter committee totals on the last page of the report only. [6] Round trip. [7] One way. [8] Train.
December 31, 1980.

DANTE B. FASCELL, Chairman.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

424. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the military family housing maintenance function at Luke Air Force Base, Ariz., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

425. A letter from the Acting Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the family housing mainte-

nance function at Malmstrom Air Force Base, Mont., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

426. A letter from the executive vice president, Potomac Electric Power Co., transmitting the company's balance sheet as of December 31, 1980, pursuant to section 8 of the act of March 4, 1913; to the Committee on the District of Columbia.

427. A letter from the Secretary of Commerce, transmitting the fourth interim report on the Federal involvement in the 1980 winter Olympic games, covering fiscal year 1980, pursuant to section 5 of Public Law 94-427; to the Committee on Energy and Commerce.

428. A letter from the Chairman, Federal Mine Safety and Health Review Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1980, pursuant to 5 U.S.C. 552(j); to the Committee on Government Operations.

429. A letter from the clerk, U.S. Court of Claims, transmitting the court's judgment order in docket No. 181-C, *The Confederated Tribes of the Colville Reservation* v. *The United States;* to the Committee on Interior and Insular Affairs.

430. A letter from the Comptroller General of the United States, transmitting a report on weapon system design (PSAD-81-17, Jan. 29, 1981); jointly, to the Committees on Government Operations and Armed Services.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BONKER (for himself, Mr. DICKS, Mr. FOLEY, Mr. LOWRY of Washington, Mr. MORRISON, Mr. PRITCHARD, and Mr. SWIFT):

H.R. 1486. A bill to establish the Protection Island National Wildlife Refuge, Jefferson County, State of Washington; to the Committee on Merchant Marine and Fisheries.

By Mr. BRODHEAD:

H.R. 1487. A bill to amend the Internal Revenue Code of 1954 to provide that certain trusts may be shareholders of subchapter S corporations; to the Committee on Ways and Means.

By Mr. CLINGER:

H.R. 1488. A bill to authorize the project for flood control at Lock Haven, Pa.; to the Committee on Public Works and Transportation.

By Mr. CORRADA:

H.R. 1489. A bill to permit the transportation of passengers between Puerto Rico and other U.S. ports on foreign-flag vessels when U.S. flag service for such transportation is not available; to the Committee on Merchant Marine and Fisheries.

By Mr. PANETTA:

H.R. 1490. A bill to amend the Internal Revenue Code of 1954 to provide credit for amounts contributed to an individual housing account; to the Committee on Ways and Means.

By Mr. MONTGOMERY (for himself and Mrs. HOLT):

H.R. 1491. A bill to amend titles 10, 32, and 37, United States Code, to authorize medical and dental care, and related benefits for reservists and members of the National Guard under certain conditions, and for other purposes; to the Committee on Armed Services.

H.R. 1492. A bill to amend title 10, United States Code, to authorize additional medical and dental care for dependents of Reservists and members of the National Guard, and for other purposes; to the Committee on Armed Services.

H.R. 1493. A bill to amend title 10, United States Code, to authorize medical and dental care and related benefits for Reservists and members of the National Guard who contract a disease or become ill while on duty for 30 days or less, and for other purposes; to the Committee on Armed Services.

H.R. 1494. A bill to amend title 37, United States Code, to grant to members of the Selected Reserve full entitlement to aviation career incentive pay; to the Committee on Armed Services.

H.R. 1495. A bill to amend title 37, United States Code, to grant to members of the Selected Reserve full entitlement to hazardous duty incentive pay; to the Committee on Armed Services.

H.R. 1496. A bill to extend certain educational loan repayment benefits to officers in the Selected Reserve of any of the Armed Forces who are serving in pay grade O-1 or O-2; to the Committee on Armed Services.

H.R. 1497. A bill to amend title 38, United States Code, to increase the maximum amount of servicemen's group life insurance from $20,000 to $40,000; to the Committee on Armed Services.

H.R. 1498. A bill to amend section 1333 of title 10, United States Code, relating to retirees point credit for nonregular service; to the Committee on Armed Services.

H.R. 1499. A bill to amend title 10 of the United States Code so as to permit members of the Reserves and the National Guard to receive retired pay at age 55 for nonregular service under chapter 67 of that title; to the Committee on Armed Services.

H.R. 1500. A bill to amend the Military Selective Service Act to require registration and classification under such act, to provide authority for induction of not more than 200,000 individuals each year for training and service in the Individual Ready Reserve of the Army Reserve, and for other purposes; to the Committee on Armed Services.

By Mr. GIBBONS:

H.R. 1501. A bill to protect taxpayers' privacy regarding third-party recordkeepers summoned to produce records of taxpayers and at the same time to insure effective, efficient enforcement of Internal Revenue Service third-party summons; to the Committee on Ways and Means.

H.R. 1502. A bill to insure the confidentiality of information filed by individual taxpayers with the Internal Revenue Service pursuant to the Internal Revenue Code and, at the same time, to insure the effective enforcement of Federal and State criminal laws and the effective administration of justice; to the Committee on Ways and Means.

By Mr. HOWARD:

H.R. 1503. A bill to amend the Communication Act of 1934 to provide that telephone receivers may not be sold in interstate commerce unless they are manufactured in a manner which permits their use by persons with hearing impairments; to the Committee on Energy and Commerce.

By Mr. McCLORY (for himself and Mr. DANIELSON):

H.R. 1504. A bill to provide Government indemnity for suppliers of products to the Government in certain cases in which such suppliers become liable for loss with respect to those products, and for other purposes; to the Committee on the Judiciary.

By Mr. McCLOSKEY:

H.R. 1505. A bill to amend title 10, United States Code, to eliminate certain limitations imposed on excess profits arising from any contract with any military department of the United States for the construction or manufacture of all or part of any complete aircraft or any contract with the Secretary of the Navy for the construction or manufacture of all or part of any complete naval vessel, and for other purposes; to the Committee on Armed Services.

By Mr. MOAKLEY:

H.R. 1506. A bill to establish an Interagency Committee on Arson Control to coordinate Federal antiarson programs, to amend certain provisions of the law relating to programs for arson investigation, prevention, and detection, and for other purposes; jointly, to the Committees on the Judiciary, Banking, Finance and Urban Affairs, and Science and Technology.

By Mr. PETRI (for himself, Mr. PANETTA, Mr. DUNCAN, Mr. TAUKE, Mr. BRODHEAD, Mr. LAGOMARSINO, Mr. DANIEL B. CRANE, and Mrs. FENWICK):

H.R. 1507. A bill to amend the Internal Revenue Code of 1954 to encourage the production of alcohol for fuel use by repealing the occupational tax on manufacturers of stills and condensers; to the Committee on Ways and Means.

By Mr. RINALDO:

H.R. 1508. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize the Secretary of Transportation to require tire dealers or distributors to provide first purchasers with a form to assist manufacturers in compiling tire registration information and to require public notice of tire defects if the Secretary determines such notice is necessary in the interest of motor vehicle safety; to the Committee on Energy and Commerce.

By Mr. STUDDS (for himself, Mr. EDGAR, Ms. MIKULSKI, Mr. BRODHEAD, Mr. MOFFETT, Mr. ST GERMAIN, Mr. OBERSTAR, Mr. WASHINGTON, Mr. FRANK, Mr. HARKIN, Mr. MILLER of California, Mr. WOLPE, Mr. RATCHFORD, Mr. WEISS, Ms. OAKAR, Mr. SHANNON, Mr. FAZIO, Mr. LOWRY of Washington, and Mr. AUCOIN):

H.R. 1509. A bill to amend the Foreign Assistance Act of 1961 to prohibit military assistance under that act, and to prohibit sales or credits, under the Arms Export Control Act, to El Salvador; to the Committee on Foreign Affairs.

By Mr. SYNAR (for himself, Mr. JONES of Oklahoma, Mr. WATKINS, Mr. ENGLISH, Mr. EDWARDS of Oklahoma, and Mr. MCCURDY):

H.R. 1510. A bill to reform the Powerplant and Industrial Fuel Use Act of 1978 to encourage a reduction of air pollution and oil consumption by existing electric powerplants; to the Committee on Energy and Commerce.

By Mr. WEAVER:

H.R. 1511. A bill to insure the availability of Oregon National Forest lands for timber production and other multiple uses, and to establish an appropriate balance of multiple uses on the national forests of Oregon; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. SOLOMON (for himself, Mr. DERWINSKI, Mr. COLLINS of Texas,

Mr. LEVITAS, Mr. MURPHY, Mr. BAILEY of Missouri, Mr. HINSON, Mr. SMITH of Alabama, Mr. WHITEHURST, and Mr. LAGOMARSINO):

H. Con. Res. 47. Concurrent resolution expressing the sense of Congress that the President should seek through appropriate international means the apprehension, trial, and punishment of those responsible for the takeover of the U.S. Embassy in Teheran and the subsequent holding of American hostages; to the Committee on Foreign Affairs.

By Mr. ROE:

H. Res. 50. Resolution expressing the sense of the House that the Congress take immediate action to reimpose price controls on home heating oil and gasoline, and that pending such action the President rescind his decontrol order of January 28; to the Committee on Energy and Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. DAN DANIEL introduced a bill (H.R. 1512) for the relief of John W. Wilson, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 27: Mr. AUCOIN, Mr. BAILEY of Pennsylvania, Mr. BARNARD, Mr. BEDELL, Mr. BENNETT, Mr. BEVILL, Mr. BONIOR of Michigan, Mr. COELHO, Mr. CORCORAN, Mr. DERWINSKI, Mr. DWYER, Mr. DYSON, Mr. EDGAR, Mr. ENGLISH, Mr. EVANS of Georgia, Mr. FAZIO, Mr. GIBBONS, Mr. GORE, Mr. GREEN, Mr. GRISHAM, Mr. HEFNER, Mr. HIGHTOWER, Mr. HINSON, Mr. HORTON, Mr. HOWARD, Mr. IRELAND, Mr. JONES of Oklahoma, Mr. KOGOVSEK, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LEVITAS, Mr. LOWRY of Washington, Mr. MCEWEN, Mr. MOLLOHAN, Mr. MURPHY, Mr. PARRIS, Mr. PICKLE, Mr. PRICE, Mr. SAWYER, Mr. STANGELAND, Mr. STARK, Mr. STENHOLM, Mr. STUMP, Mr. WALKER, Mr. WHITEHURST, Mr. WON PAT, Mr. PANETTA, Mr. FORSYTHE, and Mr. MAZZOLI.

H.R. 1053: Mr. ALEXANDER, Mr. ANNUNZIO, Mr. ARCHER, Mr. AUCOIN, Mr. BAILEY of Pennsylvania, Mr. BAILEY of Missouri, Mr. BARNARD, Mr. BARNES, Mr. BEARD, Mr. BEDELL, Mr. BENEDICT, Mr. BENJAMIN, Mr. BLANCHARD, Mrs. BOGGS, Mrs. BOUQUARD, Mr. BROOKS, Mr. BROWN of Ohio, Mr. BROWN of Colorado, Mr. BROYHILL, Mr. BUTLER, Mr. CAMPBELL, Mr. CHAPPELL, Mr. CLAUSEN, Mr. COATS, Mr. COELHO, Mr. CONTE, Mr. CORCORAN, Mr. COUGHLIN, Mr. COURTER, Mr. DANIEL B. CRANE, Mr. D'AMOURS, Mr. DAN DANIEL, Mr. ROBERT W. DANIEL, JR., Mr. DANNEMEYER, Mr. DASCHLE, Mr. DAVIS, Mr. DE LA GARZA, Mr. DERWINSKI, Mr. DICKINSON, Mr. DICKS, Mr. DORNAN of California, Mr. DUNCAN, Mr. EMERY, Mr. ENGLISH, Mr. ERLENBORN, Mr. ERTEL, Mr. EVANS of Georgia, Mr. FAZIO, Mrs. FENWICK, Mr. FINDLEY, Mr. FORSYTHE, Mr. FOUNTAIN, Mr. FRENZEL, Mr. GEPHARDT, Mr. GINGRICH, Mr. GINN, Mr. GLICKMAN, Mr. GRADISON, Mr. GRAY, Mr. GREEN, Mr. GREGG, Mr. GRISHAM, Mr. GUARINI, Mr. GUYER, Mr. SAM B. HALL, JR., Mr. HALL of Ohio, Mr. HAMMERSCHMIDT, Mr. HANCE, Mr. HARTNETT, Mr. HEFNER, Mr. HIGHTOWER, Mrs. HOLT, Mr. HORTON, Mr. IRELAND, Mr. JEFFORDS, Mr. JOHNSTON, Mr. JONES of Tennessee, Mr. KAZEN, Mr. KINDNESS, Mr. KOGOVSEK, Mr. KRAMER, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LATTA, Mr. LEHMAN, Mr. LONG of Louisiana, Mr. LOTT, Mr. LUJAN, Mr. LUNGREN, Mr. MCCLORY, Mr. MCCURDY, Mr. MCHUGH, Mr. MADIGAN, Mr. MARKS, Mr. MARTIN of North Carolina, Ms. MARTIN of Illinois, Mr. MAVROULES, Mr. MAZZOLI, Mr. MICHEL, Mr. MITCHELL of New York, Mr. MONTGOMERY, Mr. MOTTL, Mr. MURPHY, Mr. MURTHA, Mr. NEAL, Mr. NELLIGAN, Mr. NICHOLS, Mr. NOWAK, Mr. PARRIS, Mr. PASHAYAN, Mr. PEPPER, Mr. PRITCHARD, Mr. QUILLEN, Mr. RAHALL, Mr. RICHMOND, Mr. RITTER, Mr. ROBERTS of South Dakota, Mr. ROE, Mr. ROSE, Mr. ROTH, Mrs. ROUKEMA, Mr. ROUSSELOT, Mr. RUDD, Mr. SAWYER, Mrs. SCHNEIDER, Mr. SENSENBRENNER, Mr. SHELBY, Mr. SHUMWAY, Mr. SKEEN, Mr. SMITH of New Jersey, Mr. STANTON of Ohio, Mr. STATON of West Virginia, Mr. STENHOLM, Mr. SWIFT, Mr. SYNAR, Mr. TAUKE, Mr. THOMAS, Mr. TRAXLER, Mr. WALGREN, Mr. WALKER, Mr. WATKINS, Mr. WEBER of Minnesota, Mr. WHITE, Mr. WHITEHURST, Mr. WHITTAKER, Mr. WINN, Mr. WON PAT, Mr. WORTLEY, Mr. YATRON, Mr. YOUNG of Missouri, and Mr. ZEFERETTI.

H.R. 1330: Mr. GINGRICH, Mr. LOTT, Mr. HARTNETT, Mr. HINSON, Mr. WHITEHURST, and Mr. ROBERTS of South Dakota.

H.J. Res. 131: Mr. YATRON, Mrs. FENWICK, Mr. GUARINI, Mr. WEAVER, Mr. DE LA GARZA, Mr. KASTENMEIER, Mr. DOWNEY, Mr. JENKINS, Mr. DYSON, Mrs. HOLT, Mr. BOWEN, Mr. KAZEN, and Mr. ANDERSON.

H. Con Res. 34: Mr. BARNARD, Mr. ROBERT W. DANIEL, JR., and Mr. GARCIA.

H. Res. 30: Mr. ANNUNZIO, Mr. ASPIN, Mr. BARNES, Mr. BIAGGI, Mr. BRODHEAD, Mr. BROWN of California, Mr. D'AMOURS, Mr. DIXON, Mr. DOWNEY, Mr. DWYER, Mr. EDWARDS of California, Ms. FERRARO, Mr. FUQUA, Mr. GARCIA, Mr. GONZALEZ, Mr. HAWKINS, Mr. LAFALCE, Mr. LEVITAS, Mr. MATSUI, Mr. MAVROULES, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MURPHY, Mr. MURTHA, Mr. NOWAK, Mr. OTTINGER, Mr. PRICE, Mr. RATCHFORD, Mr. SCHEUER, Mrs. SCHROEDER, Mr. SCHUMER, Mr. SOLARZ, Mr. STARK, Mr. STRATTON, Mr. VENTO, Mr. WALGREN, Mr. WEISS, Mr. WILSON, Mr. DERWINSKI, Mr. DORNAN of California, Mr. MCDADE, Mr. RINALDO, Mr. MINETA, Mr. HERTEL, Mr. MINISH, Mr. GUARINI, Mr. WRIGHT, Mr. SEIBERLING, Mr. GEJDENSON, Mr. ECKART, Mr. ZEFERETTI, Mr. SUNIA, Mr. BONKER, Mr. ROE, and Mr. ROSENTHAL.

PETITIONS, ETC.

Under clause 1 of rule XXII,

21. The SPEAKER presented a petition of the Common Council, Buffalo N.Y., relative to Northern Ireland; which was referred to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

OFFING THE FROST BELT

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. HUGHES. Mr. Speaker, last Sunday the Washington Post Outlook section printed an article by the esteemed political analyst and author, Neal R. Peirce. Mr. Peirce has made an invaluable contribution to our body of knowledge about our Nation and its regional interplay for many years and this article was no exception to his always astute and farsighted thinking.

As a Representative of a Frost Belt State, I was appalled when the President's Commission for a National Agenda for the Eighties suggested that the Federal Government become involved in further efforts to assist the Sun Belt States at our expense. Federal policies have, for many years, favored the Sun Belt over the Frost Belt and nature has further blessed that region in the industrial era by making it energy rich while we in the Frost Belt suffer from a lack of energy resources.

Mr. Peirce also lays to rest the myth that the Frost Belt is being supported by the tax dollars of the Sun Belt. Discussing the repercussions of the Defense Department policy of moving military bases from the Frost Belt States to the Sun Belt States, a policy that has had a very negative impact on my own constituents in New Jersey, Mr. Peirce points out the present unfair Federal balance of payments:

> It is almost entirely because of defense outlays, in fact, that the Frost Belt states between 1975 and 1979 sent Washington $165 billion more in taxes than they received back in overall federal spending, while 32 Sun Belt and Western states have a $112 billion dollar surplus in the "balance of payments" with the federal government. Yet now we are told, in a section of the President's Commission report chaired by a Houston college President and written by a political scientist from Dallas, that the federal government should let the blind hand of market forces determine interregional movement. How nice. Now we have ours, and you can freeze.

Mr. Peirce closes his articles by reminding us of President Lincoln's warning that "A house divided against itself cannot stand." I can only hope that still prophetic phrase will be remembered in the coming years by those controlling the many policy areas that determine preferential regional treatment by the Federal Government.

I ask that Mr. Peirce's article be printed in its entirety in the RECORD following my remarks.

OFFING THE FROST BELT: A STUPID IDEA WHOSE TIME HAS COME

(By Neal R. Peirce)

As Ronald Reagan, the quintessential Sun Belt president, enters the White House this week, the storm flags of present loss and future peril are flying all across the nation's Northeast-Midwest quadrant, and especially over its older industrial cities.

The problem isn't Reagan himself—not yet, anyway. Rather, it's the mass of regional indicators already flashing red. The 1980 census figures show massive population drops in the older Eastern and Northeastern cities while such citadels as San Diego, Houston and Dallas ride a fast "up" escalator. The once-Empire State of New York loses 3.7 percent of it's people in a decade while Texas gains 26 percent, Florida 41 percent, California 18 percent. The impending congressional reapportionment will shift political power along with the people movement—a gain of 17 House seats by booming Sun Belt and western states, all at the expense of the Northeast and Midwest.

A drumbeat of newspaper headlines drives home the message: "South Leads, Northeast Lags in New Living Standard Measure"; "The Cities Call Out for Help But Their Voice Is Fainter"; "Energy To Foster Boom in West"; "Ohio Governor Urges New Taxes to Prevent 'Economic Disaster' "; "Personal Income to Rise Most Rapidly in West, South."

Behind the headlines, equally grim trends are reported. Since 1970, nearly a million manufacturing jobs have been lost in the region stretching from the chemical plants of Wilmington and the factories of Baltimore to the steel mills of Pittsburgh and Youngstown, the rubber plants of Akron and the auto plants of Dayton, Pontiac and Flint.

Now Detroit, quavering at the prospect of a Chrysler bankruptcy, faces a massive deficit last estimated at $150 million, and growing. New York City's welcome short-term budget surplus is said to be but a prelude to further crisis in a year or two. Accelerating decontrol of oil and gas prices floods the treasuries of such states as Texas, Oklahoma, Lousiana and Alaska with billions of dollars in severance taxes and royalty payments—even while service cutbacks and budget emergencies are the order of the day in Wisconsin, Michigan and Massachusetts.

Finally, in an act of monumental ineptitude, the outgoing Carter administration allows its President's Commission for a National Agenda for the Eighties to produce a report belittling hopes for the older industrial states and cities and suggesting instead that Washington assist able-bodied workers to find jobs in the Sun Belt. The report stands as a total repudiation of the Carter urban policy, perhaps the best conceived and sensitively applied new domestic initiative of the last four years.

Thus the president, in receiving the commission report, finds himself obliged to disown its principal urban policy recommendations and to point to the success of his administration's efforts to target economic development aid to distressed areas. The disavowal is a highly unusual occurrence in the history of presidential commissions, but not as strong as some of his advisers urged. The leaking of the report has already left the authors and implementers of the cities policy in HUD and other departments tearing their hair in anger and frustration. They fear that the report, privately characterized by a top White House aide as "an abomination," will be seized on by some policymakers of the new administration as justification for an attitude of benign neglect toward Frost Belt states, cities and their people, whose taxes made possible the federal growth subsidies that triggered the Sun Belt boom.

Thus fears mount that the 1980s could be an era of two Americas—one thriving, one hemorrhaging at every pore; one reaching new levels of growth and prosperity, one on a slippery slide of permanent decline. This was the grim specter raised a few months ago by Felix Rohatyn, chairman of New York's Municipal Assistance Corporation, when he wrote of "half the country nearly bankrupt, many of its major cities pools of unemployment and unrest, and the other half swimming in oil, industry and wealth."

It would be a tragedy of unspeakable proportions—akin to the North's blindness toward Southern needs in the Reconstruction era following the Civil War—if the new administration and Congress were to accept such a scenario as inevitable. And in fact a key Reagan adviser, Rep. Jack Kemp (R-N.Y.), has characterized the presidential commission's urban proposals as "outrageous" and said Reagan "will not write off the Northeast and depressed cities."

Cool analysis confirms that the Frost Belt now suffers under major disadvantages. Aged industry, concentrations of urban poverty, a crazy and overlapping patchwork of local government jurisdictions—all are devilishly difficult to deal with. But there are hopeful signs, too, including islands of strong center city and neighborhood renaissance, of states and cities trying to take control of their own economic fate, of inventive new partnerships between businesses and local governments, of public payroll and tax cutbacks to make the region more competitive.

I think of cities like Flint, Mich., traditionally General Motors-dependent and suffering a horrendous 20 percent unemployment rate, which is nevertheless reclaiming its long-neglected riverfront and building a whole range of tourist and convention facilities to create jobs and give its inner city fresh vitality. Of poverty-wracked Wilmington, Del., which instituted stiff productivity measures to overcome local overspending and in the last two years has generated $160 million in investment, a sum overwhelmingly in private dollars. Or of Lowell, Mass., a birthplace of the Industrial Revolution in America whose long-abandoned textile mills were for years a symbol of urban decay, a city that has attracted state and national parks to celebrate its tradition, renewed its downtown and attracted such internationally active high technology firms as Wang Laboratories to establish their headquarters there.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Indeed, through "hi tech," New England as a whole has staged an astounding comeback in the last several years, defying every economist's analysis that would have declared the region a hopeless relic. It may be difficult for Pennsylvania, Ohio, Illinois or Michigan to repeat that trick. But who knows? New economic strategies based on small enterprise development are starting to gain recognition as far more promising job producers than traditional big industries. No iron law of economics says the industrial heartland can't adapt. Already some of its major cities—Pittsburgh, Boston, Baltimore and Minneapolis-St. Paul out to the west—have staged inner city revivals no one would have imagined possible a decade ago.

Federal aid has been central to many of those revival strategies. The Urban Development Action Grants program has already stimulated a claimed $8.6 billion in new, private investments in officially "depressed" cities, based on federal investment of only one-sixth that amount. Compared to such ongoing federal boondoggles as the Tennessee-Tombigbee Waterway in Alabama and Tennessee, who is to say that is a bad investment?

In city after city, large and small and in between, I have met elected officials and local business leaders stretching every mental muscle, pulling every wire they know to make their cities viable, productive, competitive places once again. Of course, along the way, there are some wasted federal aid dollars, some less-than-desirable political deals. But the cumulative dedication of many of those city leaders is far beyond what most of us ever give to our communities.

Yet the new President's Commission report tells us that current national urban policy, with its focus on restoring the economy of distressed areas, "may undermine a more general effort to revitalize the national economy." It would have us recognize "the near immutability of the technological economic, social and demographic trends," afflicting older cities and regions. The government, we're told, should eventually get out of economic or community development, housing, transportation or development planning. Washington, it's said, can and should be neutral in the competition between regions.

But Washington never has been neutral and, given political reality, never will be. From the first federally subsidized canals and turnpikes fostering development westward over the Appalachians, the federal government has been a central player in nation-building. It was Congress that gave away the land that permitted the railways to move across the continent, that built the great dams that made western cities and agriculture possible.

In the 1930s it was a president from New York, Franklin Roosevelt, who declared the South "the Nation's Number One economic problem" and initiated a vast array of programs, starting with the Tennessee Valley Authority, that eventually helped rescue the Southland from a century of depression. After World War II, it was federal housing and highway and tax policy that sped the abandonment of old houses and plants in favor of new, of mass transit in favor of private cars, of railroads in favor of trucking, and thus accelerated the movement from city to suburb, from Frost Belt to Sun Belt. It was southern congressional committee chairmen who prompted the military to move so many bases to the South and West that today not a single major combat division is located in the Frost Belt where it might learn wintertime fighting skills or test the weapons to be used in a snowy European, Afghanistan or Korean theater of war.

It is almost entirely because of defense outlays, in fact, that the Frost Belt states between 1975 and 1979 sent Washington $165 billion more in taxes than they received back in overall federal spending, while 32 Sun Belt and western states had a $112 billion surplus in their "balance of payments" with the federal government. Yet now we are told, in a section of the President's Commission report chaired by a Houston college president and written by a political scientist from Dallas, that the federal government should let the blind hand of market forces determine interregional movement. How nice. Now we have ours, and you can freeze.

The existing energy disparities between the states, now being intensified by decontrol, only exaggerate the Frost Belt's competitive problems. Alaska is now so awash in oil revenue that it has repealed its income tax retroactive to January 1979. By 1985, Texas will be receiving $3 billion annually in oil and gas severance taxes, according to a New Jersey government study. Louisiana will be taking in $1.3 billion in severance taxes by mid-decade—170 percent more than 1978, 400 percent over 1973. Already, Louisiana has been able to reduce its income taxes, with collections down from $247 million to $75 million a year.

With ever-escalating energy prices, there are few practical limits to the severance taxes that energy-producing states can place on each barrel of oil, each ton of coal, each thousand cubic feet of natural gas produced within their borders. Who pays? Eventually, the consumers. The energy states can "export" a major part of their tax burden to out-of-state individuals and businesses. Already the personal tax burden of a typical Louisiana, Texas or Oklahoma family is less than half what a family in New York, Michigan or Illinois must pay. Even if they now institute every budget stringency and service cutback known to man, it's almost inconceivable that the energy-poor states could erase that differential.

There's no way the Reagan administration—politically or practically—can or even should try to stem the entire flow of jobs and investment from the Frost Belt to the Sun Belt, or, on a local basis, from cities to suburbs. But there is nothing preordained about the speed and magnitude of such change, and federal policy can make a real difference. Just a few examples:

Watch for inadvertent side effects of federal tax policy. Budget Director-designate Dave Stockman and Rep. Kemp, for instance, have suggested stimulating the economy through a 40 percent acceleration in business depreciation writeoffs for investment in new plant and equipment. But past experience shows that across-the-board tax incentives for capital investment encourage industrialists to abandon older plants and equipment, most often located in cities, and build anew in suburbs or low labor-cost states. Such policies end up generating higher urban dependency levels—jobs lost, higher unemployment and welfare benefits and city fiscal distress. Conversely, the Sun Belt states often find themselves inundated with industrial and population growth they can hardly accommodate on a short-term basis and turn to the federal government for new roads, water and sewer projects.

But the same gains in productivity the new administration wants might be achieved by what Tom Cochran of the Northeast-Midwest Institute describes as "a more prudent and surgical set of tax cuts," including a "bonus" depreciation allowance for firms that invest in distressed areas, or differential investment tax credits for firms that invest on-site in their communities.

Target a portion of the increased defense spending the new administration plans to Frost Belt states by a regional equalization strategy for bases and by procurement set-asides for small business and labor surplus areas.

Save the best of the Carter urban policy: working closely with mayors, neighborhood groups and businesses to encourage city economic growth; targeting federal jobs and offices into cities and depressed regions; and coordinating, under White House direction, the programs of federal agencies to make sure they focus on city needs and don't promote heavily competitive highway, sewer or economic development on the urban periphery.

Look for alternatives to federal programs, such as synfuels development or the MX missile, that would transfer huge amounts of capital out of the East and Midwest and into thinly populated western states. One example: a major program of energy weatherization and neighborhood heating systems that bring jobs to cities and effect much earlier and greater net energy savings than a crash synfuels program ever could.

Think twice about massive budget cuts that hit cities disproportionately. Stockman and Kemp, for instance, would cut at least a third from such programs as CETA manpower training, urban development grants, the Community Development Bloc Grant Program, Economic Development Administration, urban parks and impact aid for distressed communities. Admittedly, major cities are probably far more dependent on federal aid than they ought to be. But rapid-fire cuts could throw several more cities onto the ropes of severe fiscal distress and undermine the potentially beneficial effects of the urban enterprise job zones, proposed by Kemp and supported by Reagan, before they're even instituted.

The new administration needs to remember that the Frost Belt States and cities, however great their problems, still have 45 percent of the nation's people and represent a vast portion of its manufacturing and financial strength. At most recent count, the "declining" cities of Chicago and Philadelphia still had more private jobs than the combined total of Houston, Dallas, Phoenix and San Jose. The national security could be undermined by excessive decline in such basic industries as steel, autos and tires, concentrated in the Northeast and Midwest.

Abandonment of many existing plants, schools, roads and sewer systems is highly inefficient—especially when those facilities, in a period of severe capital shortages, must then be duplicated at high cost by a Sun Belt region already reeling under the impact of suburban sprawl, poor and energy-wasteful transportation, growing crime, high immigrant flows from the Hispanic world, and ever-more-worrisome water scarcity.

Unneeded abandonment of established Frost Belt neighborhoods is socially malevolent and should be highly distasteful to a new administration pledged to undergirding family and neighborhood values. And the surprising, strong surge of office space and demand and construction, even in otherwise troubled cities like Cleveland and Milwau-

kee, is a national asset that should be built on, not vitiated.

Finally, a President represents all regions—and indeed Ronald Reagan was elected with the support of all. A "two Americas" policy, even if inadvertent, would be to the long-term detriment of the entire United States. Abraham Lincoln warned 123 years ago that "A house divided against itself cannot stand." The same is equally true today.●

TRIBUTE TO THE LATE OLIN TEAGUE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. MAZZOLI. Mr. Speaker, I wish to join with my colleagues in the House of Representatives in paying tribute to Olin Teague, distinguished Congressman from the State of Texas, who died January 23, 1981.

"Tiger" served the House and the people of the Fifth District of Texas with wisdom and distinction for 32 years. He will best be remembered for his decisive leadership role as chairman of the Science and Technology Committee, as well as for his ardent support for the advancement of the space program.

Over the years, Tiger Teague's insights and wisdom earned him the respect of his colleagues and friends.

We will all miss this fine American.●

THE HOSTAGES AS "EXTORTIONIST THEATER"

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. MICHEL. Mr. Speaker, our Nation is going through an emotional high as the story of the returned former hostages continues. It certainly says quite a bit about the great hearts of this country.

But at the same time we should not fail to think, as well as feel, as we consider the hostage situation. Have we learned anything from this terrible episode? Is our only response going to be an outpouring of emotion or are we also going to make certain that we prepare ourselves so that terrorists cannot ever again blackmail our Nation?

James Bond Stockdale, former prisoner of war of the Communist Vietnamese has written a thought provoking and, in my view, very much needed analysis of the American response to the hostage situation from the beginning. Stockdale, a Congressional Medal of Honor winner, criticizes our country's failure to understand the need for a strong, consistent and principled stand against terrorism.

I might add in passing, Mr. Speaker, that Professor Stockdale is from the 18th Congressional District of Illinois not far from where President Reagan grew up. We are very proud of both of these great Americans.

The Washington Post, using Stockdale's article as a basis, calls for an investigation of the taking of the hostages, not for purposes of witch-hunting or fault-finding but to see what we can learn and then apply to similar situations in the future.

At this time, Mr. Speaker, I include in the RECORD "The Hostages as 'Extortionist Theater'" and "The Crisis Next Time," both from the Washington Post, January 25, 1981.

The articles follow:

THE CRISIS NEXT TIME

On the opposite page today, Vice Admiral James B. Stockdale, who was a prisoner of war in Hanoi for eight years, writes a stunning critique of the way this country—its institutions and its individuals—plays into the hands of those who hold its citizens captive. He believes, among other things, that our efforts to win partial concessions and provide little mercies actually work to make things worse for the captives and/or to prolong their captivity. In the same space last week, Israel's Moshe Dayan, no stranger to these affairs, also argued for a more clear-cut, direct and forceful American stand in any future such episodes, suggesting that stealthy, dark of night "apologetic" attempts at Entebbe-like action were inappropriate to this country's power and circumstances. To us both men's positions have an authenticity that proceeds not just from their special qualification to speak, but equally from the logic of what they say.

Even as the returning American hostages must still be unaccustomed to their freedom and obliged to remind themselves from time to time that it's okay to say what they please, so too the American public, restrained until now by concern for the hostages' safety, will probably need some time to understand that it can also speak freely at last and without inhibition. And in a general way it no doubt will need some reminding that all complaint and criticism of past policy is not, repeat not, the forbidden and legendary "nightmare of recrimination" against which the more voluble among us are continually being warned.

Perhaps because we in this country have had a few truly raw experiences with after-the-fact blaming and purging and scapegoating when our foreign relations went wrong, we are almost neurotic in our anxiety to avoid any disagreeable arguments concerning our overseas failures now. "Let's look to the future," we are admonished, "not dwell on the past. . . . There's blame enough for everybody. . . . It's easy to say what was wrong in hindsight. . . . Let's not turn this into a 'Who Lost China' debate. . . ." and so forth. But there is a huge difference between merely nasty, politically motivated charges concerning a defeat or setback abroad and the rigorous, unsentimental inspection of how and where we went wrong that is essential to recovering from it—and to preventing a repetition of our mistakes next time around.

Only a fool would claim that there exists somewhere in the realm of objective fact a collection of all-purpose rules for dealing with these terror situations—and one that is accessible to anyone who is willing to think rationally about the subject. No number of well-intended inquiries is going is provide us with a set of perfect guidelines to haul down from the shelf and follow the next time the unthinkable happens. But there is plenty in the case of the embassy hostages that needs to be reviewed and subjected to the toughest and most unprotected scrutiny for the sake of doing things better in the future: the role of the media, the appropriateness of negotiations, the attitude toward the use of force, the attitude toward the well-being of the hostages and the way in which their well-being is a part of more comprehensive national interests.

With the exception of the hostages themselves, we don't think anyone will come out of such an inquiry looking awfully prescient or good. But that is not a reason to avoid such inquiry. On the contrary, it suggests precisely why such an inquiry must be undertaken.

THE HOSTAGES AS "EXTORTIONIST THEATER"

VICE ADMIRAL STOCKDALE, WHO SPENT NEARLY A DECADE AS A PRISONER OF WAR IN NORTH VIETNAM, "TEARS APART" SOME OF THE FALSE ASSUMPTIONS ABOUT CAPTIVITY

(By James Bond Stockdale)

As an eight-year beleaguered and bludgeoned captive of Hanoi who spent most of that time in solitary confinement, I have in recent months been bombarding audiences from the eastern seaboard to Ohio to California with the message that America has been inviting future hostage disasters by so naively providing both actors and audiences in support of the new worldwide art form, "Extortionist Theater"—most recently successfully produced by Iran. Every outlaw power and terrorist group in the world surely took note of how Jimmy Carter's queasiness about the threat or use of force, and our national demand for continuous TV hostage soap opera, provided the positive and negative terminals of a power source into which they could plug a few American captives for profit and prestige. We got ourselves into this tempting and vulnerable position by backing into what became a national stance roughly attuned to a misguided popular sentiment that fell out of highly questionable if not false assumptions about the basic nature of the captivity problem. On my road show, I contrasted some of these assumptions with the reality I knew behind barbed wire and proceeded to tear them apart. The sample below will give you an idea of what I mean.

False Assumption No. 1: "We must not hammer the captors or they'll take it out on the captives." Ask any of the 400 Americans in the prisoners' organization in Hanoi and they'll tell you that our North Vietnamese jailers were never more sweet than right after Col. Bull Simon's Son Tay helicopter rescue attempt (when he shot up a couple hundred of them, and they in turn, for security reasons, felt obliged to bring us leaders out of solitary and put all prisoners together in better living conditions in the big prison downtown), or during the B52 bombings in December 1972 (when formerly abusive guards dropped their posturing and meekly broke precedent by bringing us tubs of hot coffee each dawn). Our bones got broken as often as not during America's sporadic bombing pauses when we were showing national "good will." Does the Iranian experience correlate with this? I think it does. Being nice to the enemy so he'll be nice to your captives is still a bush-league idea.

False Assumption No. 2: "We as a country are doing best by the captives if we support the infusion of 'a little bit of home' into their lives by sending visitors, at least during the Christmas season." Rev. Do-Good, or even William Sloane Coffin and Ramsey Clark, some Americans believe, are better than nobody. To fully realize the evil these people do, the damage they wreak on the morale and self-respect of the captives, one has to appreciate the tremendous ennobling and uplifting effect the overcoming of shared hardships has on a band of prisoners over time. In Hanoi, the greater the degradation and torture and the more years we withstood this together, the deeper grew the bonds of mutual respect and love for each other. Our world literally became our band of brothers, and personal pride and reputation among our peers our total life's investment. Captors became symbols of tinhorn fakery.

Imagine now the stage of Extortion Theater onto which enter "the friendly representatives of the people back home" all of whom are necessarily admitted as supplicants, as apologists. Moreover, these visitors are psychologically committed to dragging the captives before cameras as actors in the supplicant role. "Let the people at home see you" or "The intelligence people want to see you," they probably say. Though feeling humiliation, few captives can muster the emotional energy to take on these American finks as enemies. Each has enough enemies to concentrate on even though these so-called friends are on the make, and they destabilize and damage the prisoner's life. Sometimes these finks damage his most prized possession: his reputation. Ramsey Clark came to Hanoi and incited American prisoners of war to violate their Code of Conduct and got a few takers. When does he account for that and for the disinformation he spread about the situation in Iran?

False Assumption No. 3: "Any release is a good release; if they'll agree to return 5 out of 52 next week, encourage it." Thank goodness this is often identified as a poor bargaining idea as seen from Washington; what our politicians and countrymen in general need to understand is the true and total perniciousness of early releases as seen from within that band of brothers behind barbed wire. Each person who walks out ahead of the others leaves behind him a trail of lifelong grudges and broken unity, and he installs within himself a time bomb of depressive remorse.

The early release idea also has the potential of providing the producers of Extortionist Theater with a grand finale act featuring the captives scrambling for places in line to go home by scoring high in an anti-American propaganda production contest. Hanoi had something like that in mind for us POWs, but I and others finessed that finale with strict orders to all Americans that there would no exception to the Code of Conduct's prohibition against accepting parole. I also outlawed the accepting of amnesty. After our release, my constituents demanded justice in the form of prosecution of the few who bugged out in violation of my orders. Funny thing, though; I couldn't find anybody in Washington who understood the problem.

These problems and a dozen more like them need to be understood if we are going to truly shut down Extortionist Theater on a "never again" basis. This country has to get itself in hand, get its actors off the stage and get our audiences ready to shed not tears but rotten eggs and at least a credible threat of bombs and bayonets, the minute the next bunch of punks tries to pull our chain by taking prisoners.●

ESTABLISHING A UNITED STATES-MEXICO JOINT DEVELOPMENT BANK

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. GONZALEZ. Mr. Speaker, today I am reintroducing a bill to establish a United States-Mexico Joint Development Bank. As I have pointed out in previous Congresses, the purpose of this Bank will be to bring together financial endeavors between the United States and Mexico which will be helpful in creating a sound economic condition.

Illegal immigration, which has become a major social and economic problem, is reflective of the economic environment in which these two countries operate and is one of the causes of the heavy traffic of illegal immigration from Mexico into the United States.

I believe the long-run solution to this problem lies in increased economic development of Mexico, particularly in the creation of employment opportunities in those areas of Mexico where these immigrants originate.

The Bank that I am proposing is similar in nature to the multilateral development banks such as the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank, with which I am familiar since my subcommittee has the responsibility for passing legislation authorizing these institutions. The Bank would be different, however, in that it would be funded and managed equally between the United States and Mexico.

The Bank would be authorized and encouraged to enter into agreements with the Inter-American Development Bank and the World Bank for cofinancing of projects, joint lending operations, sharing of technical assistance, and utilizing the large amount of data which has been compiled by these two organizations. The proposed Bank would also be able to solicit commercial banks to participate in project loans.

Mr. Speaker, a United States-Mexico Joint Development Bank would be the first time that we have joined with Mexico to finance endeavors which will alleviate the economic conditions and in turn, help to curb illegal immigration. The establishment of this special Bank is proposed in the spirit of this policy and is in line with insuring a workable political climate in order to make the program successful.●

VIETNAM VETERANS

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. APPLEGATE. Mr. Speaker, there has been much said on this floor during the last few days about the former American hostages or "prisoners of war" as President Reagan prefers to call them, and I will not add to the many fine tributes paid to them, except to agree with all that has been said. But, I think, while we are reflecting about these Americans, I think we should also pay the highest tribute today, and every day in fact, to others of those who have given of themselves and I refer particularly to America's Vietnam veterans who sacrificed for us, including the 58,000 who died there, yet were never received by America as the heros they were and are.

In this session of Congress we can help restore these great Americans to a place of honor by more than just tributes but by upgrading neglected Veterans' Administration programs.●

THE CONSERVATIVE ONSLAUGHT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. MILLER of California. Mr. Speaker, the former Chairman of the President's Council of Economic Advisers, Prof. John Kenneth Galbraith, has succinctly stated his analysis of our Nation's perilous economic predicament in a recent article in the New York Review. I would like to share Dr. Galbraith's views with my colleagues:

THE CONSERVATIVE ONSLAUGHT

(By John Kenneth Galbraith)

In economic and social affairs we value controversy and take it for granted; it is the essence of politics, its principal attraction as a modern spectator sport. This regularly keeps us from seeing how substantial, on occasion, can be the agreement on a broad range of ideas and policies within which the political debate proceeds.

Such has been the case with economic and social policy in the industrial countries since World War II. There has been a broad consensus in the United States extending to most Republicans and most Democrats. Similarly as between Christian Democrats and Social Democrats in Germany and Austria, the Labour and Tory parties in Britain, Liberals and Progressive Conservatives in Canada. Policies in France, Italy, Switzerland, and Scandinavia have generally conformed. The rhetoric in all countries has been diverse. The practical action has been similar.

There have been three points of convergence. All governments in all of the indus-

trial countries, although differing in individual emphasis, have agreed that:

There must be macroeconomic management of the economy to minimize unemployment and inflation. This, at least in the English-speaking countries, was the legacy of Keynes.

There must be action by governments to provide those services which by their nature are not available from the private sector or on which, like moderate-cost housing, health care, and urban transportation, the private economy defaults.

There must be measures—unemployment insurance, welfare payments, old-age pensions, medical insurance, environmental protection, job safety and product safety regulation—to protect the individual from circumstances with which he or she cannot, as an individual, contend. Much of this last has been thought of as smoothing and softening the harsh edges of capitalism.

No accepted term exists for the consensus which these policies comprise. Keynesian policy refers too narrowly to macroeconomic action; liberal or social democratic policy has too strong a political connotation for what has been embraced in practice by Dwight D. Eisenhower and Gerald Ford, Charles de Gaulle, Edward Heath, and Konrad Adenauer. I will not try to devise a new term; instead I will refer to the broad macroeconomic, public-service, and social-welfare commitment as the economic and social consensus or just the consensus. It is the present attack on this consensus—notably by Mrs. Thatcher's government in Britain and by numerous of Ronald Reagan's supporters in the United States—that I wish to examine.

The ideas supporting the economic and social consensus have never been without challenge. Keynesian macroeconomic management of the economy, the first pillar of the consensus, was powerfully conservative in intent. It sought only to correct the most self-destructive feature of capitalism, the one Marx thought decisive; its tendency to recurrent and progressively more severe crisis or depression. It left the role of the market, current income distribution, and property rights unchallenged. But numerous conservatives, especially in the United States, long equated Keynesian economics with subversion. There was some conservative discomfort when, thirty years after Keynes's General Theory was published and the policy it prescribed was tending visibly to obsolescence, Richard Nixon, in an aberrant moment, was led to say that all Americans, including Republicans, were Keynesians now. A reference to the social welfare policies of the consensus has always encountered a slightly disapproving mood: something expensive or debilitating was being done for George Bernard Shaw's undeserving poor. The need to compensate for the failures of capitalism in providing lower-cost housing, lower-income health care, and mass transportation has been accepted in all countries; but in the United States at least not many have wanted to admit that this is an unavoidable form of socialism. In all countries at all times there has been much mention of the cost of government, the level of taxes, the constraints of business regulation, and the effect of these on economic incentives.

It has always been likely, one should note, that an attack on the economic and social consensus would be taken to reflect the views of a larger section of the population that was actually the case. That is because articulate expression on public issues is strongly correlated with income, and the consensus is of the greatest importance for those of lowest income. Also the perception of a movement in political attitudes can be as important in its effect on politicians as a movement itself. These matters deserve a special word.

That a large share of all economic comment comes from people of comfortable means will not be in doubt. High social, business, and academic position gives access to television, radio, and the press. And professional access to the media also gives a relatively high income. It follows that the voice of economic advantage, being louder, regularly gets mistaken for the voice of the masses. On the need for tax relief, investment incentives, or a curb on welfare costs, the views of one articulate and affluent banker, businessman, lawyer, or acolyte economist are the equal of those of several thousand welfare mothers. In any recent year the pleas by Walter Wriston of Citibank or David Rockefeller of Chase Manhattan for relief from oppressive taxation, regulation, or intrusive government have commanded at least as much public attention as the expressions of discontent of all the deprived of the South Bronx. So the voice of affluence being resonant, it is frequently thought to be the voice of the masses. And since it is so interpreted by politicians, it has much the same effect on legislatures and legislation as a genuine shift of opinion.

In the last thirty-five years we have had many such shifts of opinion—all drastically to the right. Immediately after World War II, Professor Friedrich Hayek emerged as the messiah of the modern and comprehensive rejection of the state. His Road to Serfdom was hailed as the new sacred tablet. In 1964 Senator Goldwater was thought to represent a growing conservative mood that was sweeping the country. Messrs. Richard Scammon and Ben Wattenberg then identified this conservative mood with an unpoor and distinctly unradical Dayton housewife; this lady was for some months the new American arch-type. The applause for Spiro Agnew was taken to mean the rejection, at long last, of the liberal elite. George Wallace was once thought to have a highly conservative message for the American people. Based on all past experience, it was the beginning of wisdom to doubt the depth and durability of great shifts of American opinion to the right.

However, even after an appropriate discounting, it seems certain that not only in the United States but in other industrial countries as well there is now an attack on the economic and social consensus that has a deeper substance. Mrs. Thatcher and Mr. Reagan have won elections. Much, if not most, of Mr. Reagan's success must be attributed to President Carter's economists—to the macroeconomic management that combined a severe recession with severe inflation, with a drastic slump in the housing industry, with particular economic distress in the traditional Democratic industrial states—and all these in the year of the election. Economists do some things with precision. But effective macroeconomic management was one part of the consensus. Obviously there is something wrong with the way it now functions.

There is, indeed, substance to the conservation attack on the economic and social consensus. It strikes at genuine points of vulnerability. This, however, is not true of all of the attack; some of it is merely a rejection of reality—or compassion. The conservative onslaught we now witness needs careful dissection and differentiation.

Three different lines of attack can be identified, and the relevant nomenclature readily suggests itself. There is the simplistic, the romantic, and the real attack. These terms, needless to say, are intended to be purely descriptive; they have no pejorative connotation.

The simplistic attack consists in a generalized assault on all the civilian services of modern government. Education, urban services, and other conventional functions of government; government help to the unemployed, unemployable, or otherwise economically incapable; public housing and health care; and the regulatory functions of government are all in the line of fire. People, in a now famous phrase, must be left free to choose.

In its more elementary form this attack on the consensus holds that the services of government are the peculiar malignity of those who perform them; they are a burden foisted on the unwilling taxpayer by bureaucrats—public servants. The most eloquent American spokesman for this view is William Simon, once a prominent Cabinet prospect under Mr. Reagan. "Bureaucrats," Mr. Simon has said, "should be assumed to be noxious, authoritarian parasites on society, with a tendency to augment their own size and power and to cultivate a parasitical clientele in all classes of society." There must, he urges, "be conscious, philosophical prejudice against any intervention by the state into our lives." If public services are a foisted malignancy—if they are unrelated to need or function—it follows that they can be reduced more or less without limit and without significant social cost or suffering. This is implicit, even explicit, in this case.

Other participants in this line of attack are, superficially at least, more sophisticated. Professor Arthur Laffer of the University of Southern California has supported the case with his now famous curve, which shows that when no taxes are levied, no revenue is raised, and that when taxes absorb all income, their yield, not surprisingly, is also zero. Taxes that are too high, as shown by a curve connecting these two points, have at some point a reduced aggregate yield. The Laffer Curve, which in its operative ranges is of purely free-hand origin, has become, in turn, a general case against all taxes. Let there be large horizontal reductions and the resulting expansion of private output and income—supply-side economics for those who will believe anything—can be great enough to sustain public revenues at more or less the previous level. For the less gullible, the Laffer Curve still argues for a large reduction in the cost and role of government.

Yet another attack on the public services comes from Professor Milton Friedman and his disciples. It holds that these services are relentlessly in conflict with liberty. The market accords to the individual the sovereignty of choice; the state, as it enlarges its services, curtails or impairs that choice. And its tendency is cumulative and apocalyptic. By its acceptance of a large service and protective role of the state, democracy commits itself to an irreversible descent into totalitarianism and communism. Professor Friedman is firm about the prospect. "If we continue our present trend," he has said, "and our free society is replaced by a collectivist society, the intellectuals who have done so much to drive us down this path will not be the ones who run the society; the prison, the insane asylum, or the graveyard would

be their fate." "Or," he has asked, "shall we have the wisdom and the courage to change our course, to learn from experience, and to benefit from a 'rebirth of freedom?' "

I have called this attack on the social consensus simplistic; it could, by the untactful, be called purely rhetorical. That is because it depends almost wholly on passionate assertion and emotional response. No one, after reflection, can easily conclude that publicly rendered services are less urgently a part of the living standard than privately purchased ones—that clean water is less needed than clean houses, that good schools for the young are less important than good television sets.●

JEFFERSON FIREMEN MARK ANNIVERSARY

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. GAYDOS. Mr. Speaker, during the recent recess I had the pleasure of attending the 23d anniversary banquet of the Jefferson 885 Volunteer Fire Co., an organization which serves the residents of Jefferson Borough in the 20th Congressional District of Pennsylvania.

The occasion marked a milestone in the history of the volunteer fire company which is indicative of such units throughout the State and the Nation. It is an organization comprised of men and women who willingly sacrifice a great portion of their private lives to serve others. These volunteers often risk life and limb in the interests of their friends and neighbors. They are supported in their efforts by their wives and families, who give unstintingly of their time and talent in the promotion of fundraising activities, the principal means of support for most volunteer units.

In the course of the anniversary banquet, the Jefferson 885 company also honored two of its own for outstanding service to the unit and to the community. They publicly recognized the contributions of August "Augie" Smarra and Samuel Ciafardone for 20 years of loyalty and commitment to the protection of their neighbor's lives and property. Mr. Smarra was doubly honored for serving as the president of the volunteer firefighting company for 5 consecutive years.

Mr. Smarra relinquished the reins of leadership to a young man who already has proven himself a worthy successor, Mr. Dan Marra. Mr. Marra has held several positions of responsibility within the fire company, both as an administrator as well as a line officer, having served as assistant chief for the past few years.

The esteem in which the Jefferson company is held was evident by the more than 100 persons who turned out for the anniversary observance. They included some of the most prominent figures in the community: Mayor and Mrs. Andrew E. Reilly, Council President and Mrs. James McFarland, Council Vice President and Mrs. Ernest Voss, Councilman and Mrs. James Hall, Councilman and Mrs. Joseph Essey, Councilman and Mrs. Walter Cameron, Councilman and Mrs. Thomas Yogan, Solicitor and Mrs. Loyd Fuge, Police Chief William Pust, Street Commissioner and Mrs. Kenneth Stevens, Building Inspector and Mrs. William McVicker, and Borough Engineer and Mrs. Frederick Omer.

There were also a number of visiting dignitaries, including Douglas Garretson, emergency medical service technician for the city of Pittsburgh, guest speaker; Police Chief Stanley Smith of Pleasant Hills Borough, and fire chiefs and administrative officers from several neighboring volunteer groups.

Officers of the Jefferson VFC for 1981 were installed by District Magistrate Olive Stocker. Those assuming office were:

Fire chief—John Lattanzi; deputy chief—Michael Plavchak; assistant deputy chief—Daniel Marra; fire captain—Joseph Lopresti; rescue captain—Lino Ferrari; fire lieutenant—Ray Stinner; rescue lieutenant—William Madden; assistant fire lieutenant—Keith Laughlin, and assistant rescue lieutenant—William Wolfgang.

President—Daniel Marra; vice president—Charles Shuback; treasurer—James Shuback; recording secretary—Norma Carlson, and trustees—Mr. Smarra, Mr. Ciafardone, Sam Francillini, Mr. Laughlin, Jeff Detwiler, and Joseph Sajna.

Mr. Speaker, volunteer firemen have earned the respect of all Americans and to the officers, members, and the auxiliary of the Jefferson 885 company on the occasion of their 23d anniversary I offer, on behalf of my colleagues in the Congress of the United States, our congratulations and our sincere appreciation for dedication and service to their neighbors, their community, and their country.●

THE WARRIOR'S CHILDREN

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. McKINNEY. Mr. Speaker, on January 9, 1981, I again introduced the Amerasian Immigration Act, now H.R. 808. While Congress has remained silent and inactive on this issue, the discrimination and inhuman conditions Amerasians endure have increasingly come to the attention of the American public through the national media. I have included for your review an excerpt from an article, entitled "The Warrior's Children," by David Devoss which appeared in the November 1980 issue of GEO. I hope it will further clarify the circumstances in which an Amerasian must currently exist.

The article follows:

Every working day just before sunrise, Lee Sung-gu leaves his shack in a working-class section of Seoul, South Korea, and trudges downhill to his job, passing huts edged with barbed wire, clay pots full of the fermenting cabbage mixture called kimchi, and scabrous curs still whimpering at the moon. He meets neighbors, also on their way down the hill, but none of them acknowledge his presence. Neither is he greeted by any of his fellow commuters at the bus stop.

Lee waits for his bus in the icy silence. in the distance, downtown Seoul is emerging slowly from the predawn gloom, but the approach of a new day brings no promise of a brighter day for Lee. He is an Amerasian, the son of a Korean mother and an American father. That alone makes him a cipher, a pariah, beneath notice. He is only matter-of-fact when he says, "I can truthfully say that I've never had a Korean friend."

Few societies would fail to value a presentable young man like Lee. His bearing is erect, his manner precise, He is a devout Presbyterian and a devoted son. He performs well at his modest job as a vegetable chef in one of Seoul's most exclusive private clubs. And yet, the visible fact of his parentage condemns him to contempt or invisibility. When they speak to him at all, his coworkers use a form of address reserved for menials and children. Korean women of every class and profession avoid him. Only by agreeing to a marriage arranged by his church has he managed to avoid a life of celibacy.

A quarter of a century of scorn, ridicule, isolation, has made Lee skeptical about human contact. Tense and dour, he recoils when approached. Saving money is his major preoccupation; he reserves a third of his $400 monthly paycheck for the child he and his wife hope to have. "I was weak, and I missed being adopted, but if I have a child, he must escape to the United States," he whispers. "I cannot allow him to endure the life of an Amerasian in Korea."

For Westerners weaned on the myth of the melting pot, the word Amerasian might evoke a benign blending of two great cultures. Koreans, however, pride themselves on being danil min jok, or "one-blooded people." The 6,000 Amerasians among them are an affront, a mockery of the deeply held shibboleth that Korean blood has remained pure throughout the more than 2,000 years of Korean history. It was possible for Koreans to accept and assimilate the progeny of earlier waves of foreign soldiers, such as the Mongols and the Japanese. Unlike Americans, they did not sire children with disquieting blue eyes, negroid lips or the amber cast of a Chicano.

But Koreans are not alone in their bigotry. In Japan, racial homogeneity is the essence of patriotism, and in underdeveloped Asian countries farther south, mixed blood smacks of neocolonialism or loose morals. Amerasians are seen as embarrassing social parasites consuming resources that would be better devoted to serving the pure, struggling native population. Still, it is in Korea that the fetish of racial purity is at its ugliest.

Conceived in loneliness by parents temporarily linked, sometimes by no more than the passing of a $20 bill, the Amerasian in

Korea is stereotyped from birth. In a Confucian society defined by a rigid ladder of hierarchical relationships, he occupies the lowest rung. His mother has violated social norms, and for this outrage, she and her alien child must forever wander outside the fence of respectability.

Not all Amerasians are the products of prostitution. Many are born to peasant girls who were promised eternal devotion by temporarily devoted soldiers. Once the father vanishes, so does the child's chance of being registered on a hojuk, or "family record." The document is nothing more than a portable genealogy, but without it, no respectable school will accept a student, no employer will offer a satisfying job. Uneducated, poor and without hope of advancing themselves, many Amerasians are forced to subsist in the smoke-filled bars and short-time hotels that cluster near every U.S. Army base in Korea.

Most Amerasians in Korea gravitate to Seoul, if only because it offers the largest concentration of Americans. During the day, hundreds of them kill time by skylarking through the cavernous pedestrian subways that are designed to serve as bomb shelters. Periodically, some will ask for work at the sprawling U.S. Eighth Army headquarters, but few get jobs: all hiring is controlled by Korean labor contractors.

Female Amerasians unable to find conventional work eventually become "working girls" in the bars of the red-light Etaewon district. Amerasian men are their procurers. It is an unsavory symbiosis, but since the customers are American servicemen, the flesh trade is unofficially sanctioned.

The teenage American soldiers assigned to protect South Korea are a far cry from the colorful heroes depicted on recruiting posters. Dressed in garish velveteen jackets embroidered with snorting dragons and macho nicknames, they go "down to the ville" every night to drink 50-cent beers and negotiate with impassive hookers. In the eyes of Amerasians, these pubescent GIs are models to be emulated and, if possible, followed back to America, the promised land.

"In America I wouldn't have any problems," explains Paul (Kwang Gyun) Shin, a sepia-toned Amerasian who affects the swagger of the South Philadelphia dude he imagines his father to have been. "I could stop fighting and wouldn't have to hear the word twigi [wild seed] every day. I love my mother, but I want my inheritance. If I have my father's face, I should be able to live in my father's country."

America's culture may be rooted in Europe, but its vital interests have been tied to Asia ever since 1853, when Commodore Matthew Perry steamed into Tokyo Bay. Perry's dramatic show of force was repeated some four decades later when another American commodore, named George Dewey, confronted the Spanish at Manila. Because of Dewey's victory, America's western frontier moved to the very rim of Asia, thus linking for better or worse the destinies of the two continents.

Twelve major U.S. military installations are scattered along the periphery of East Asia. More than 40,000 military personnel are stationed in South Korea, and another 14,000 in the Philippines. Additional personnel are stationed at the three U.S. Air Force bases in Japan.

The degree to which American GIs have served the interests of humanity can be argued strenuously, but it is hard to dispute their procreative urgency. Thirty years of U.S. military involvement in Korea have produced as many as 6,000 Amerasians. Only 4,500 of an estimated 8,000 Amerasians have been located in Thailand. There are more than 5,000 "Vietnam era" Amerasians in the Philippines, and the number of unwanted half-Americans in Vietnam itself, which hosted better than 2.1 million U.S. soldiers between 1965 and 1973, could conceivably total 25,000. Only the homeless Amerasians in Saigon were ever counted, and when the last U.S. helicopter rose from Tan Son Nhut Airport five years ago, an estimated 8,000 of them were left behind. Adorned with cowlicks and spattered with freckles, many resemble midwestern members of Future Farmers of America. Only their tattered pajamas and the pox they have acquired from sleeping in fetid back alleys brand them as bui doi—"dust of life."

The rumpled, bureaucratic men who control South Vietnam today insist that Amerasians are not their responsibility. For them, the children and their mothers are "American" and thus ineligible to attend public schools, hold a job or receive a government ration card. "Our society does not need these bad elements," says Vo Vonh Thuan, a former Viet Cong who administers Saigon's Department of Social Welfare. "We will turn them all over if America is willing to accept them."

American soldiers were not the first to discover the pleasures of Asia. The Dutch were established on the Malay archipelago by 1700. The British landed at Penang in 1786, and the French entered Cambodia and were well settled by 1863. Miscegenation became commonplace. The Eurasians thus born out of wedlock were never accepted socially—but neither were they left stranded. Illegitimacy was no impediment to becoming a British subject. A simple acknowledgment of paternity was enough to establish Dutch citizenship. And the merest hint of Gallic blood earned a French passport in Indochina.

Rather than grant similar forms of no-fault citizenship, the United States has traditionally ignored its bastard sons and daughters. Now, however, there is a bill pending before Congress that could help end the hypocrisy and permit some Amerasians to enter the United States as resident immigrants.

Last year, Rep. Stewart McKinney (R-Conn.) introduced a bill in the U.S. House of Representatives that would allow illegitimate children of American military personnel to receive permanent immigrant visas if they satisfy customary health and character criteria. H.R. 3439 does not give all Amerasians a free ticket to the United States. It merely confers a much higher immigration status on orphans of proven American parentage so that they may enter the country legally if a sponsoring organization or family can be found.

Though children of mixed blood living in Vietnam, Laos and Thailand are covered by the proposed legislation, the 6,000 Amerasians in Korea would be the first to benefit. No one can dispute their status as people "who by their physical appearance and color are prevented from being fully integrated into a society and the culture into which they have been born."

It is orphans such as these, tortured by a legacy not of their making, that H.R. 3439 is intended to assist, but despite the support of 62 cosponsors, McKinney's bill is a long way from becoming law. It has languished for more than a year in the House Judiciary Subcommittee on Immigration. It does not have an energetic sponsor in the Senate.

Thousands of lives can be redeemed by the passage of H.R. 3439. If you believe these abandoned offspring of America deserve a chance for happiness, please write Rep. Elizabeth Holtzman (D-N.Y.), chairman of the House Judiciary Subcommittee on Immigration, Refugees, and International Law, or your own congressman.

Those wishing to provide direct monetary support for Amerasian children may do so with donations to the Pearl S. Buck Foundation, Green Hills Farm, Perkasie, Pennsylvania 18944, or by supporting the work done by Father Alfred Keane at St. Vincent's Home for Amerasians in Seoul, Korea. Money for St. Vincent's should be sent to Maryknoll Fathers, Maryknoll Post Office, Maryknoll, New York 10545.●

WASHINGTON'S WAR ON MOTORISTS

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. ATKINSON. Mr. Speaker, the Clean Air Act Amendments of 1977 will soon require approximately 40 million automobiles in 29 States be subjected to a mandatory inspection and maintenance for emissions of carbon monoxide and photochemical oxidants—ozone. This program will be quite costly. Each motorist will be responsible for the cost of inspection and for the costs of any repairs to the automobile's emission control equipment. Each State will also have to bear considerable costs as a result of administering this program.

While one thing is certain; that individual motorists and States will be forced to meet considerable expenses, many aspects of the inspection and maintenance program are still unclear. Inspection and maintenance may be entirely unnecessary since the older cars on the road are already being gradually replaced with newer cars which contain factory-installed emissions control equipment. It is also doubtful that such a program would produce the desired effects. More than one automobile company has stated that maintenance of the complex pollution control equipment by mechanics who are not company-training factory personnel could do more harm than good. There are also a great many problems surrounding the particular test, which is probably too simple a test to properly indicate what specific component of the emission control package is responsible for a vehicle's emissions exceeding the standard. To make matters more confusing, many of the vehicles which consumers purchase are already out of compliance. The Environmental Protection Agency only spot checks production line vehicles. According to the General Accounting Office, of the roughly 9 million automobiles manufactured in 1978, the EPA only spot checked 332

of them and 25 percent of those were already producing emissions at levels above EPA standards.

Today, Representative BAILEY of Pennsylvania and I have introduced two bills, H.R. 1357 and H.R. 1358, to delay the provisions of the Clean Air Act amendments which require the inspection and maintenance program. I respectfully urge that this legislation be considered. The atmosphere has changed much since the enactment of the amendments. The air itself may already be approaching the goals set out in the amendments without the costly inspection and maintenance program.●

PROTECTION ISLAND NATIONAL WILDLIFE REFUGE

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. BONKER. Mr. Speaker, I am today reintroducing—with the support of the entire Washington State delegation—a bill to create a Protection Island National Wildlife Refuge.

The 400-acre island, which lies in the Strait of Juan de Fuca a short distance off Washington State's northern shore, is the most important unprotected seabird nesting and rearing habitat in the State. According to the Fish and Wildlife Service, Washington State's inland waters support 29,400 pairs of nesting seabirds, and 21,000 of those pairs use Protection Island.

One-half of the breeding population of rhinoceros auklets in the contiguous States depend upon the island; the 17,000 nesting pairs of auklets there represent 97 percent of the Washington State population, the Fish and Wildlife Service reports.

Protection Island is also home to two-thirds of the State's tufted puffin breeders; the island's glaucous-winged gull colony is the largest in the State; pelagic cormorants, pigeon guillemots, and black oystercatchers nest in significant numbers, and a herd of harbor seals and at least one pair of bald eagles utilize the island at key points in their life cycles.

Forty-eight acres at the west end of the island are protected by a State game sanctuary. This area is not part of the proposed national wildlife refuge, but State and Federal wildlife managers are prepared to adopt cooperative management agreements after the refuge is established.

Strong support exists for preserving and protecting the fragile wildlife habitat of Protection Island. Twelve parcels of land have been purchased and will be protected with contributions raised by the Admiralty Audubon Society. The driving force behind this effort is Eleanor Stopps, one of my constituents and chairman of the Save Protection Island Fund. Mrs. Stopps has for years been a careful student and watchful guardian of the island's wildlife. She has an unswerving commitment to safeguarding the birds, animals, and habitat of Protection Island. Establishing a national wildlife refuge there is also among the top priorities of a host of local, State, and national conservation organizations.

Protection Island's future is also of concern to hundreds of individuals who own some 800 lots into which the portion of the island outside the State game sanctuary has been subdivided.

Although the subdivisions have existed for more than a decade, little development has occurred because county officials have maintained a building moratorium imposed in 1974. Fish and Wildlife Service data indicate only three permanent residences and about two dozen trailers are now on the island.

The moratorium was imposed due to lack of a domestic water supply that meets county and State standards. Well drilling on the island was unsuccessful last year. Efforts are now underway to obtain permits for construction of an underwater pipeline to supply water to the island from the mainland. Local and State officials indicate, however, that this project—and other water supply alternatives—face a long review and an uncertain fate.

Many property owners have indicated a desire to dispose of their holdings; a smaller number wants to retain ownership.

The fragile ecological balance that supports the nationally significant wildlife resources of the island could be treatened by building construction, the introduction of predators, or even by excessive foot travel by people on the nesting grounds, according to the Fish and Wildlife Service.

The Service has concluded:

> The greatest threat to the island is the potential development of some 800 homesites. A development of this magnitude would be incompatible with the nesting seabirds of the island and would either eliminate or greatly reduce most nesting populations. The island and its wildlife resources are not adequately protected at the local, State or Federal level.

A Protection Island National Wildlife Refuge bill was introduced in 1980, and the Fish and Wildlife Subcommittee of the House Merchant Marine Committee held a briefing in Seattle to hear local views on the legislation. Progress was made on perfecting the bill, but, unfortunately, time ran out on the 96th Congress before this work could be completed.

The bill I am introducing today will provide the vehicle for continuing that work this year.

The text of the bill follows:

H.R. —

To establish the Protection Island National Wildlife Refuge, Jefferson County, State of Washington

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "Protection Island National Wildlife Refuge Act".

SEC. 2. (a) FINDINGS.—The Congress finds that—

(1) Protection Island provides nesting habitat for 72 percent of the entire seabird population of Puget Sound and the Strait of Juan de Fuca;

(2) this island also provides refuge for other species, including the endangered bald eagle and the harbor seal; and

(3) this island is a nationally significant environmental resource threatened with destruction through residential and related development.

(b) POLICY.—It is therefore declared to be the policy of the Congress in this Act to preserve Protection Island through the establishment of a Protection Island National Wildlife Refuge as part of the National Wildlife Refuge System.

SEC. 3. As used in this Act:

(a) The term "refuge" means the Protection Island National Wildlife Refuge that includes those lands and waters, and interests therein, located in Jefferson County, State of Washington, that are depicted on the map entitled "Protection Island National Wildlife Refuge", dated September 1980, and on file at the United States Fish and Wildlife Service.

(b) The term "Secretary" means the Secretary of the Interior.

SEC. 4. The Secretary is authorized to acquire lands and waters or interests therein within the boundaries of the refuge by donation, purchase with donated or appropriated funds or exchange. In order to lessen the impact of Federal acquisition on the present owners, the Secretary shall give special consideration to providing for extended use reservations to the extent compatible with the purposes for which the refuge is established and effective management of the refuge.

SEC. 5. The Secretary shall establish the refuge by publication of a notice to that effect in the Federal Register at such time as he determines that lands, waters, and interests therein sufficient to constitute an efficiently administrable refuge have been acquired. The Secretary may make such minor revisions in the boundaries of the refuge as may be appropriate to carry out the provisions of this Act.

SEC. 6. Prior to the establishment of the refuge and thereafter, the Secretary shall administer the lands, waters, and interests therein acquired for the refuge in accordance with the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd-ee). The Secretary may utilize such additional statutory authority as may be available to him for the conservation and development of wildlife and natural resources, the development of outdoor recreation opportunities compatible with the wildlife resources, and interpretive education as he deems appropriate to carry out the purposes of this Act.

SEC. 7. There are authorized to be appropriated $5,000,000 for acquisition of lands and waters and interests therein.●

YOUNG FARMERS—IN THE EYES OF A LOCAL NEWSPAPER

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. BEREUTER. Mr. Speaker, shortly before Christmas I read an article in one of the local newspapers in my congressional district, the Henderson News. Its title, "Young Farmers Best Ever," caught my eye and I wanted to share it with my colleagues.

This year, 1981, will be an important one for agriculture, as we draft a new farm bill. Now, perhaps more than ever, it is refreshing to read about the successes of American agriculture and our Nation's farmers.

We are a Nation blessed with many fine farmers and farm families. Their success is owed to their individual initiative and endurance far more than to any governmental assistance. That is a fact we should bear in mind as we begin consideration of the new farm bill.

I ask permission to have the article printed in the CONGRESSIONAL RECORD.

YOUNG FARMERS BEST EVER

Today's young farm and ranch operators are probably the best this country has ever produced.

This is the time of year when several organizations in the state recognize young farmers and ranchers with awards for the excellence of their crop and livestock operations, for innovations in soil and water conservation and for leadership in farm and community activities.

Newspeople who have been interviewing these award recipients over the past 10 to 15 years know that there is a pattern to their success and that pattern includes many of the following ingredients:

They have been reared on family farms and ranches and learned their vocation under the guidance of their parents. They have been handling equipment and caring for livestock since they were small boys.

Nearly all have been active participants in 4-H and FFA where they learned more of the fine points of crop and livestock production and acceptance of new and improved techniques.

Many are leading 4-H clubs, holding positions of leadership in their local community and contestants in 4-H and FFA competition at local and state levels.

Almost without exception, successful young farmers and ranchers are in business because their parents helped them get started . . . by sharing equipment, participating in hog and cattle production enterprises on a partnership basis, or providing some land and capital.

In most cases, "the help in getting started" came from parents, grandparents or perhaps an interested neighbor who was nearing retirement and wanted to help a young person enter the field. Usually the help amounted to the minimum needed, not lavish but enough to provide sound opportunity for those who really wanted to make the best use of it.

Success of the award winners achievements came relatively quick indicating that for those who are qualified and are willing to use sound advice and judgment, the rewards in modern farming and ranching can be attractive.

Most young farmers and rancher award winners have goals of increasing the size of their operations. They want to buy or rent more land, to increase their hog and cattle numbers and expand their facilities. They do not want limits on their opportunities.

Most have a surprising amount of building and mechanical skills, able to plan and construct their own facilities and do much of their own equipment repair and maintenance work. Some are college graduates or have had special training at some of Nebraska's vocational-technical colleges.

Most employ good recordkeeping systems and have established good farm credit sources.

Most have definite marketing programs for their crop and livestock production, recognizing the advantages in using some of the new marketing techniques.

Rarely do the award winners dwell on the role of government farm programs in their present and future plans. They may participate in government programs available to them but they voice little desire to see them expanded or to be dependent on them.

Those who constantly predict the worst for U.S. agriculture and the family farm and prescribe all manner of government intervention would do well to go out and see these young farmers and ranchers in action.●

GASOHOL TAX REPEAL ACT

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. PETRI. Mr. Speaker, today I have introduced legislation entitled the "Gasohol Tax Repeal Act." Senator CHARLES PERCY has jointly introduced the bill in the Senate.

Much has been done in this country to encourage the production of alternative fuels such as gasohol. However, a tax that costs more to administer than it generates in revenue impedes this effort.

This outdated Federal law requires a yearly tax of $55 for manufacturing gasohol plants, and a tax of $22 on each still and condenser manufactured for a gasohol plant. Most of these taxes are passed on to people who buy gasohol plants for their own energy needs, such as farmers who purchase gasohol plants for onfarm use.

The Gasohol Tax Repeal Act would repeal these taxes and thereby further encourage the development of gasohol.

The taxes were established many years ago to help Internal Revenue agents keep track of alcohol stills. This need for the tax no longer exists, for today the Service has other administrative ways of keeping track of stills.

The IRS reports that these taxes generate only about $6,000 a year in revenue. Accordingly, Treasury officials say the cost involved in administering them is much higher than the actual revenues these taxes bring in.

By eliminating administrative expenses needed to keep these taxes on the books, repeal would result in a net saving to the Government. In addition it would cut out useless paperwork for private businesses.

Whether it is a major energy research program, or a repeal of an outdated tax, everything that can be done must be done to lessen America's energy crisis. These needless and restraining taxes should be repealed.

The text of the bill reads as follows:

H.R.—

A bill to amend the Internal Revenue Code of 1954 to encourage the production of alcohol for fuel use by repealing the occupational tax on manufacturers of stills and condensers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) except as provided in subsection (b), subpart C of part II of subchapter A of chapter 51 of the Internal Revenue Code of 1954 (relating to occupational tax on manufacturers of stills) is hereby repealed.

(b) Section 5105 of such Code (relating to notice of manufacture of and permit to set up still) is hereby—

(1) transferred to, and inserted at the end of, subchapter I of chapter 51 of such Code (relating to miscellaneous general provisions), and

(2) redesignated as section 5563.

(c)(1) Paragraph (2) of section 5179(b) of such Code is amended by striking out "section 5105" and inserting in lieu thereof "section 5563".

(2) Paragraph (2) of section 5615 of such Code is amended by striking out "section 5105(a)" and inserting in lieu thereof "section 5563(a)".

(3) The table of subparts for part II of subchapter A of chapter 51 of such Code is amended by striking out the item relating to subpart C.

(4) The table of sections for subchapter I of chapter 51 of such Code is amended by adding at the end thereof the following new item:

"Sec. 5563. Notice of manufacture of and permit to set up still."

(d) The amendments made by this Act shall take effect on the date of the enactment of this Act.●

TRIBUTE TO THE LATE HONORABLE OLIN E. TEAGUE

HON. PHIL GRAMM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. GRAMM. Mr. Speaker, Olin E. "Tiger" Teague was an American hero who served his country in war and peace. As the most decorated soldier to serve in Congress, he was the natural choice to speak for the interests of American veterans. The veteran never had a better friend in Congress than Olin Teague, but he never forgot the interest of the taxpayer either.

Mr. Teague established America's post-World War II veterans' program on two premises. First, those who had given the most and were in the greatest need should be helped first. And second, it was the duty of Congress to oversee every program to assure that it not only benefited the veteran, but that it did so in an efficient and economical manner. Under these guidelines, the Veterans' Committee, under the leadership of Olin Teague, hammered out a GI bill of rights which educated an entire generation of Americans; wrote the War Orphans Act, which sent me and millions of other children of those who died in the service of their country to college; built the largest medical system under one management in the world; and provided benefits to those who sacrificed to preserve the life of the Nation which have never been equaled in the history of mankind.

Olin Teague was the father of the space program in the U.S. Congress. As chairman of the Science and Technology Committee, his early and abiding faith in the space program was instrumental in the appropriation of tens of billions of dollars to make possible our successful conquest of space.

With the passing of this soldier-statesman, an era in our history has passed. Our country is richer because Olin Teague dedicated his life to its service.●

DOCUMENTATION FOR FLOOR REMARKS

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. McCLOSKEY. Mr. Speaker, in my floor remarks today, I referred to several documents which are attached. They include:

First, the charges made against Merchant Marine staff member Charles Fager by Lyndon LaRouche, formerly known as Lyn Marcus,

Second, the FBI's response to those charges stating that there is no substantiation for such charges, and

Third, an index to the quotations and positions of Lyndon LaRouche/Lyn Marcus referred to in my remarks.

U.S. DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF INVESTIGATION,
Washington, D.C., January 15, 1981.

Hon. PAUL N. McCLOSKEY, Jr.,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN McCLOSKEY: Reference is made to your letter dated December 11, 1980, which advised of allegations made by one Lyndon H. LaRouche, Jr., concerning your staff employee Charles Fager; and which requested this Bureau to initiate whatever investigation was deemed appropriate regarding the allegations, i.e., that Fager is a "longstanding close collaborator of Philip Agee's immediate patrons and a mole . . . linked to Soviet KGB General H. Kim Philby."

Federal Bureau of Investigation records have been reviewed and nothing was located which would substantiate the allegations by Mr. LaRouche. No additional inquiries are contemplated by this Bureau.

Sincerely yours,

WILLIAM H. WEBSTER,
Director.

POLICY GOVERNING RELEASE OF CONCRETE INFORMATION CONCERNING SOVIET KGB-LINKED "MOLES"

(By Lyndon H. LaRouche, Jr.)

This past weekend, I issued a general background report on the use of the Heritage Foundation as a conduit for deployment of "moles" linked to Soviet KGB General H. "Kim" Philby. That general summary is intended to serve as a background orientation briefing for the concrete supporting information which my associates and I are now beginning to leak in a controlled fashion.

I give you now the names of three persons who are not directly associated with the Heritage Foundation, but who are integral to the network otherwise operating under the cover of the Heritage Foundation.

1. Charles "Chuck" Fager, a long-standing close collaborator of Philip Agee's immediate patrons, and currently placed with Representative Paul McCloskey (R-Cal.).

2. Harvey Kahn, an immediate collaborator of Philip Agee, a collaborator of the Heritage Foundation's resource, Francis M. Watson, and William Wollman of McGraw-Hill's Business Week. Kahn is also a resource for Jeremiah Novak, the latter a key lead to the core of the KGB-connected network.

3. John Rees, one of the creators of the Newark riot's Imamu Baraka (Leroi Jones), and long associated with the tainted Representative Larry MacDonald (D.-Ga.).

Detailed dossiers containing crucial information concerning these three are being leaked to appropriate channels during the course of this coming week, and should be in general circulation through appropriate channels by the time that Congress reconvenes.

These three names are almost in the category of throwaways. However, attention to the credibility of those three subject cases in certain circles serves the purpose of beginning to destabilize the entire network.

I add the following names, as names you should register for future attention.

1. Viktor Louis, a British correspondent based in Moscow, already well-known to intelligence services as Philby's most active cut-out contact to the network intersecting the Heritage Foundation.

2. Robert Moss, an associate of the British side of the same network, and already uncovered as a link to the Heritage Foundation's Francis M. Watson by Michael Deaver of President-elect Reagan's circle, with Deaver's information independently cross-corroborated by other sources.

3. Herbert Waddams, a top-ranking figure within the network, operating under the cover of the Anglican church's foreign-intelligence arm, and penetrating into the same aspects of the household of Queen Elizabeth II as the exposed associate of H. "Kim" Philby, Anthony Blunt.

I shall cause to be released soon names and relevant activities of a number of Waddams' highly-placed proteges deployed inside the United States, including their connections to certain of the same terrorist networks otherwise linked to Philip Agee. This latter connection will also take us directly to Clovis Maksoud, and to an entire nest of Christian Arabs married to Muslim wives who are more than closely allied with both Colonel Qaddaffi of Libya and Hafez Assad in Syria, as well as to the Qaddaffi-allied, Khomeini-allied terrorist elements within the Palestinian Liberation Organization.

Moss and Armand de Borchegrave are of special interest on several counts, including the authorship of a widely promoted fictional hoax, entitled The Spike. The function of that piece of fiction is to attempt to cover up the tracks involving the network of which Moss himself is a positively identified part. The novel promotes belief in a non-existent aspect of the Soviet KGB, thereby tending to distract attention from the relevant aspect of the KGB, the aspect which is directly connected to such interesting locations as the leadership of the Communist Party U.S.A. The real section involved is the Soviet Communist Party foreign-intelligence front-organization known as IMEMO.

IMEMO was activated into its present role shortly after H. "Kim" Philby's jump into Moscow. Philby crony MacLean became from then to the present date the controlling advisor to IMEMO.

From IMEMO was spun off a sub-entity called the U.S.A.-Canada Institute. This is the entity which runs the official link to the top leadership of the Communist Party U.S.A. and to David Rockefeller's Dartmouth Conference.

IMEMO itself is directly interfaced with the British side of the network penetrating the Heritage Foundation, and Robert Moss is an integral part of the network penetrating the Heritage Foundation.

More on these subjects, as well as the case of Viktor Louis, will be leaked in dossier-form to appropriate channels in due course.

I now report the reasons for the procedures being used for controlled release of concrete information.

All concerned persons should assemble and study all available files on the way in which the investigation of H. "Kim" Philby was blocked during the 1950s. While examining such available information, concerned persons should also know the network in place within the U.S. intelligence establishment which prevented a competent counter-intelligence investigation of this matter then is still an active and influential component of the U.S.A. intelligence establishment today. Without the aid of that tainted network, the significant "mole"-network now being conduited through the Heritage Foundation could not have penetrated policy circles to the extent this problem now exists.

Unfortunately, in light of the extent and influence of that tainted network, and in light of the numerous influentials who are influential dupes of that network, we must release information in a manner which strikes a balance between urgency of national-security interests and the capabilities of the tainted network for destroying evidence and otherwise blocking investigation.

Already, massive disinformational campaigns are being conduited through channels including the Heritage Foundation against me, as part of an effort to discredit the information relevant tainted networks know that I possess and am able to release under the improved circumstances of President-elect Ronald Reagan's recent victory.

The immediate Soviet KGB-linked threat we must neutralize is the effort of certain Soviet and other forces to destroy certain

options of the incoming Reagan administration prior to January 29, 1981. Watch Poland. Watch Syria. Watch the new pattern of operations concerning the holding of U.S. hostages by the terrorist government of Iran. Watch the present deployment of the effort to destabilize the government of West Germany's Chancellor Helmut Schmidt. Watch the conference of the Socialist International being staged in Washington, D.C.—see who is involved in plotting what antics during that conference. The Heritage Foundation's influential moles are connected to this Socialist International operation.

Let us hope that the cleansing of the National Security Council, the replacement of Warren Christopher at the State Department, the elimination of the tainted elements of the Benjamin Civiletti Justice Department, and the cleaning of Admiral Stansfield Turner's crowd on top of the Central Intelligence Agency will give the relevant parts of the Executive branch back to the service of the interests of our nation in connection with the problems of Heritage Foundation "moles."

In conclusion, I assure you that the information to be released will elaborate a network in which Philip Agee, Soviet KGB General H. "Kim" Philby, Herbert Waddams, Sir Anthony Blunt, and relevant links of those persons inside the United States are consistent reference-points for destroying concretely the network as a whole.

McCLOSKEY FLOOR SPEECH—FOOTNOTES

Page 1: "In World War II, for example . . . ." Biographical data on LaRouche can be found in "Meet Lyn Marcus: The Marxist Messiah," by Vin McLellan in The Boston Phoenix, 1/29/74.

Page 2: "By 1976 the FBI . . . ." This quote is cited in the Heritage Foundation's June 1978 Institution Analysis of the U.S. Labor Party, page 20.

Page 3: "In 1974, THE NEW YORK TIMES . . . ." The date was 1/20/74.

Page 3: "LaRouche stated his belief . . . ." His comments are transcribed in a New Solidarity Extra (no date, circa 1/74), headlined "Uncover CIA-Police Plot To Take Over U.S."

Page 6: "A 'security memorandum' issued in the spring of 1975 . . . ." This memorandum is cited by ex-NCLCer Gregory Rose, in his article "The Swarmy Life and Times of the NCLC," National Review 3/30/1979.

Page 7: "LaRouche characterized the B'Nai B'Rith . . . ." These statements are from a Campaigner Special Report #18, "Put LaRouche in the White House in 1981," in which LaRouche's lead article is "Solving the Machiavellian Problem Today."

Page 7: "LaRouche had portrayed Gerald Ford. . . ." See Rose, National Review, 3/30/79, cited above.

Page 8: "An NCLC 'security memorandum'. . . ." Ibid.

Page 9: "The NDPC repeatedly attacks Speaker O'Neill. . . ." See for example their letter of 12/8/80, headed "Socialists, O'Neill Set to Gut Democratic Party."

Page 10: "Another of LaRouche's organizations is his 'Anti-Drug Coalition'. . . ." See, for instance, the New Solidarity article "War on Drugs Exclusive," 8/1/80; and "LaRouche Front Group Fizzles," by Lee B. Higgs, in Our Town, 12/21-27/80.

Page 10: "While the NCLC's activities. . . ." The Washington Post, 8/16/77.

Page 12: "After Fager's discovery was published. . . ." Fager's own paper retreated from LaRouche's threats and did not publish the information. It was published in the competing Boston Phoenix, 1/29/74.

Page 13: "LaRouche's reaction to Fager's work. . . ." This reaction was expressed in a New Solidarity Extra release dated 1/13/74 and headlined, " 'Real Paper' Shovels CIA Dirt".

Page 13: "Quakers and Quaker groups. . . ." LaRouche's virulent attacks on the American Friends Service Committee were published in two parts in New Solidarity, 11/7 and 11/10/78.●

IN RECOGNITION OF MR. ELMER BAUER

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. FLORIO. Mr. Speaker, I would ask my colleagues to join with me today in recognizing the exemplary record of achievement and service of a constituent of mine. Mr. Elmer Bauer of Elm, N.J. Tomorrow evening, Mr. Bauer's friends, colleagues, and family will gather at the Silver Lake Inn to honor Mr. Bauer on the occasion of his retirement from the New Jersey Division of Employment Services.

As a manpower specialist III at the Job Service Office in Hammonton, sited in the heart of New Jersey's farm country, Mr. Bauer has been largely responsible over the last 15 years in securing jobs for agricultural workers in the Hammonton area. In performing this important function, he has rendered a valuable service to both farmers and seasonal employees who rely on such work for their livelihood.

It is unfortunate that after 15 years of service, Mr. Bauer is forced to retire as a result of a disability related to his military service during World War II.

At this time, I would like to add my congratulations and thanks, as well as those of my colleagues, to those he will receive tomorrow evening. It is small compensation for the years of service to his country and community.●

JAPAN, THE UNITED STATES, AND NATO

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. FINDLEY. Mr. Speaker, the Atlantic Council has recently released an extremely important policy paper, "The Common Security Interests of Japan, the United States, and NATO." This paper is the product of a Joint Working Group of the Atlantic Council and the Research Institute for Peace and Security in Tokyo.

In the coming year, it will be critical for the United States and all its allies to enhance their combined capability to meet the growing Soviet threat. To date, the United States has been disappointed with the inadequate contribution of some of its allies—particularly Japan—to the common defense. At the same time, it must be admitted that the United States itself needs to do more to assure the security of the free world.

In its policy recommendations, the joint working group, chaired by U. Alexis Johnson, former Under Secretary of State and U.S. Ambassador to Japan, provides clear guidelines for the United States and its allies so that they might meet more effectively common threats to their security. I urge my colleagues in the Congress and our counterparts in the Japanese Diet, to contemplate the policy recommendations which follow:

POLICY RECOMMENDATIONS

The Joint Working Group of the Atlantic Council of the United States and the Research Institute for Peace and Security of Japan believes that the following recommendations can be effective in defending the common security interests of Japan, the United States and NATO.

1. FORMING A POLITICAL FRAMEWORK FOR COMPREHENSIVE SECURITY

There should be established a procedure, within or outside the framework of the present "Big Seven" Economic Summit Conferences, for high level exchanges of views or consultations among the United States, the other major members of NATO and Japan on comprehensive security questions of common interest to include (but not be limited to) those set forth below. Such activities would address overall goals and missions, including equitable sharing of the overall costs and responsibilities. Existing institutions would be used to the maximum extent possible in implementing decisions that are reached, but new institutions might be established where necessary.

2. ESTABLISHING A CREDIBLE MIDDLE EAST DETERRENT

To deter the Soviet Union from directly or indirectly expanding its influence in the Middle East or obtaining control of access to Middle Eastern oil supplies, and adequate deterrent force should be established as quickly as possible in that area, capable of a variety of missions on land, sea and in the air. The United States is the only country capable of taking the lead in this operation. Other North Atlantic Treaty nations and Japan should undertake agreed assignments within the region:

France, the Federal Republic of Germany, the United Kingdom and Canada should provide appropriate military assets to the Middle East/Persian Gulf area to enhance allied capability and to demonstrate allied solidarity.

Other NATO/Europe nations and Japan should apply their own civil assets, including airlift and sealift, to support this allied presence in the Middle East/Persian Gulf area. Countries with past operational experience in the Middle East region could provide valuable intelligence and training support for forces in or being deployed to the area.

3. MAINTAINING DETERRENCE ELSEWHERE

As the foregoing will require some drawdown of US forces earmarked for deployment to the European and Asia/Pacific theaters in an emergency, and perhaps even limited temporary reductions in US air and naval forces there in peacetime, other NATO nations and Japan should promptly increase their defense efforts to compensate for the drawdowns of American forces.

4. STRENGTHENING U.S. FORCES

The United States should make greater efforts to maintain a sufficiently strong and credible strategic nuclear posture vis-a-vis the Soviet Union.

The United States should promptly increase the size and quality of its conventional forces in order to maintain with its allies a satisfactory level of deterrence in all three theaters. In doing so, the US should fulfill its commitments under NATO's Long Term Defense Program.

The United States should immediately proceed to implement its plan to create and maintain substantial strategic petroleum reserves.

5. DEMONSTRATING CONTINUED U.S. COMMITMENT IN THE ASIA/PACIFIC AREA

By word and deed, the US should avoid any implication that it intends to withdraw from the Asia/Pacific region. By demonstrating that it is and will remain a Pacific power, the United States can ease many of the anxieties of its allies and potential supporters in the region.

6. RESTORING U.S. ECONOMIC HEALTH

The United States should promptly do whatever is necessary to restore its own economy to health, enhancing its productivity, curbing inflation, correcting balance of payments deficits, and reducing its dependence on oil imports.

7. INCREASING JAPAN'S DEFENSE CAPABILITIES

Japan should strengthen and improve its Self Defense Force. It should stress its air defense, anti-submarine and mine-laying capabilities. Japan may have to increase its own war reserve stockpiles, thereby decreasing its dependence on US combat-sustaining support.

8. INCREASING THE EFFECTIVENESS OF THE U.S.-JAPAN SECURITY TREATY

To the maximum feasible extent, Japan and the United States should, in implementing the 1978 Joint Defense Guidelines, standardize and integrate their intelligence, communications, logistics, weapons and training systems for the purpose of being prepared to undertake joint operations in the event of an outbreak of hostilities. The United States and Japan should also find new and effective means to coordinate joint operations. Japan should increase the application of its own civil assets—including airlift and sealift—to support the movement of US reinforcements across the Pacific.

9. INCREASING JAPAN'S FINANCIAL CONTRIBUTION

Japan should continue to increase its share of the costs for maintaining US troops and bases in Japan, since those troops contribute in an important way to the comprehensive security of Japan and the United States.

10. ENHANCING JAPAN'S CONTRIBUTION TO ALLIED ENERGY INDEPENDENCE

As a significant component of comprehensive allied security, Japan should devote a major new effort to support research and development of alternate sources of energy.

11. INCREASING JAPAN'S CONTRIBUTION TO MIDDLE EAST STABILITY

Japan should continue to increase its economic and technical assistance to areas of conflict and potential conflict, especially to key nations in the Middle East.

12. AVOIDING TRADE CONFLICTS AND PROTECTIONISM

Japan, the U.S., and the other NATO nations should not permit temporary and inevitable trade frictions to undermine their far more important and lasting interest in working together for the common good. Above all, the kind of protectionism which led to disaster in the 1930s must be avoided. The advanced industrial democracies share a huge stake in maintaining regional and world peace and security for all nations, and in preserving stability and growth of the world economy under conditions of orderly trade, investment and access to raw materials. They share in interest in seeing that representative governments flourish wherever possible. All of these shared interests—and more—dictate that they should place potentially divisive trade issues in the perspective of the larger goals and deal with them accordingly.

13. AFFIRMING U.S. SUPPORT FOR THE REPUBLIC OF KOREA

The United States must make it unmistakably clear that it will continue its support for the Republic of Korea, and that the United States intends to maintain ground combat forces there.

14. ASSISTING THE PEOPLE'S REPUBLIC OF CHINA

The allied nations should provide economic and technological assistance but not lethal military equipment in support of the modernization program of the People's Republic of China.

15. SUPPORTING ASEAN

The ASEAN nations represent an important element in the maintenance of the stability of Southeast Asia and occupy a critically important geographic position on the sea lines of communication. The allied nations should continue to support ASEAN and maintain close relations with these friendly nations.

16. SUPPORTING OTHER DIPLOMATIC AND POLITICAL MEASURES

Although these recommendations have focused mainly on common security interests and the strengthening of defense capabilities, this should not be interpreted as in any way detracting from the importance of diplomatic and political measures aimed at reducing areas of potential conflict, especially in the Middle East.

The Joint Working Group strongly recommends that the allied nations energetically pursue such efforts in concert.●

RAY VENTRINE

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. HOLLENBECK. Mr. Speaker, citizens of my home town of East Rutherford, N.J., are paying tribute this week to a very special citizen. From 1933 until 1958, Ray Ventrine owned and operated Ray's Luncheonette, a place best known for its ice cream and its friendliness. Now in his 79th year, Ray has retired and moved away, but he continues to have a special place in the hearts of those of us who still call East Rutherford home—especially the many hundreds of us who found Ray's a home away from home during our high school years.

Ray Ventrine gives us good memories of our youth and of the town in which we were raised. He helped to provide our young people with a sense of belonging, and he left us with an abiding faith in individuals and in the individuals who make up a local community.

When the residents who gather to pay tribute to Ray this week were 16 and 17, his luncheonette was a way of life. Perhaps we did not fully appreciate in those young years the uniqueness of a small businessman who always had a friendly word and sound advice on growing up—who trusted us and genuinely cared about the people of his community.

But those special qualities Ray shared with us have not been forgotten. It is with gratitude and affection that we honor our friend, Ray Ventrine.●

CUTTING THE FEDERAL BUDGET

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, January 28, 1981, into the CONGRESSIONAL RECORD:

CUTTING THE FEDERAL BUDGET

Almost everyone favors a reduction in federal spending. The federal budget will be the major focus of the new Congress, and I suspect that recommended cuts in federal spending will cause most of the legislative fights. The general problem before Congress is that although everyone dislikes the excessive spending the budget proposes in total, almost every line item in the budget is championed by some individuals and groups.

No one doubts that slower growth in federal expenditures can have benefits. Interest rates can be lowered, private borrowers will not be shouldered aside by the federal government's need for credit, and expectations that inflation will continue can be dampened. Tax cuts can be used to improve incentives and reduce costs.

No one should doubt the difficulty of trimming the budget. In a recent public meeting I listed the reasons why federal spending was so hard to control, but a constituent, reflecting the frustration of the people with budgetary excess, said that he really did not want to hear excuses. He wanted results, pure and simple. All of us can appreciate his feelings, but before the right steps can be taken it is necessary to understand where and why the growth of the federal budget has occurred.

The unpredictability of events and a myriad of forces often disrupt the careful

planning of budget makers. No one foresees the eruption of a volcano or the sudden influx of thousands of refugees. Moreover, most of the budget is not controllable in the current year. The controllable percentage has dropped sharply: 40 per cent in 1967, it will fall to 25 per cent by next year. Payments to individuals (for social security, food stamps, medicare and so on) will reach $335 billion in 1982, up from $142 billion in 1967. Thirty years ago, benefits for social security and railroad retirement accounted for less than 3 per cent of outlays. Today, they account for more than 20 per cent. The proportion of federal spending tied to the Consumer Price Index will be about 30 per cent next year; it was only 3 per cent ten years ago. Behind the growth of the budget are such trends as the aging of the population, the increase in the amount of money advanced to state and local governments, and the growth of federal credit programs. The interest rate subsidy alone now costs more than $20 billion a year.

There is a blunt message in these percentages and figures: the federal goverment should not spend more money than it takes in, even if it spends for causes that are good in themselves. Our resources have limits, yet the demands on them are frozen by law into a pattern of growth. We have a budget that is hemorrhaging.

I am surprised that many constituents find the growth in federal spending so puzzling. They often seem to believe that the President and Congress shovel out cash willy-nilly without careful thought. It is worth noting that while spending has grown much too rapidly, its growth in recent years did not result from the establishment of a large number of new programs. Rather, it has come principally from two sources: increased outlays to protect national security (a goal overwhelmingly approved by the American people) and increased outlays for long-standing and well-accepted programs of income maintenance (such as social security) which are indexed to inflation.

There is misspending in the federal budget. Every effort must be made to cut it back. No task is more important. The reasons for runaway spending, however, have little to do with wholesale fraud, waste and abuse. When I ask constituents where they want to cut the budget, the usual response mentions misspending. No one can disagree, but unfortunately there is no line item in the budget labelled "fraud, waste and abuse." While some savings can and should be made by eliminating misspending, most cuts will involve genuine sacrifice.

As a first step toward a disciplined federal budget, Congress itself must set its own house in order. In future newsletters I will discuss how Congress can do this. Congress will simply have to do better in turning aside special pleas for exemption from budgetary discipline. The use of multi-year budgets would give Congress more time to study and alter existing programs. In addition, several technical changes could be made to give Congress' budgetary process more teeth. Outside Congress, the off-budget credit programs clearly must be curtailed, perhaps by imposing a ceiling on the authority to grant credit. A hard look at the issue of indexation must also be part of any effort to establish long-term budgetary control. One encouraging note is that after years of hiding the causes of uncontrolled spending, the federal budget is now exposing them.

There will be many suggestions as to how federal spending should be cut: elimination of fraud, waste and abuse, better management, a freeze on hiring, reductions in expenditures for travel and procurement, termination of low-priority programs, curbs on spending that occurs off the budget, and reform of entitlement programs will be mentioned. However, there is no gimmick that will solve the problem of federal spending. There is no chance of success without a revolution in the public's expectations. Congressmen are already complaining of letters from home that say, "Cut the budget, but don't touch my program."●

THE CONSUMER TIRE REGISTRATION AND PUBLIC NOTICE IMPROVEMENT ACT

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. RINALDO. Mr. Speaker, today I am introducing the Consumer Tire Registration and Public Notice Improvement Act, a bill which makes several very important changes in the National Traffic and Motor Vehicle Safety Act of 1966.

The first provision of my bill amends section 158(b) of the Vehicle Safety Act to provide for the registration of new tires on a voluntary basis by consumers. At the present time, tire dealers are required to fill out and return the registration form to tire manufacturers. Experience has shown, however, that the present mandatory program is not working. As the Senate Commerce Committee stated in its report—No. 96-185, "the present mandatory tire registration program has resulted in a low level of tire registration." Moreover, this system has added to the Federal paperwork burden and related regulatory costs imposed on tire dealers.

Clearly a change is needed if tire registration rates are to be improved and the interests of consumers are to be better protected in the event of a tire recall. The results of an independent survey commissioned by the National Tire Dealers and Retreaders Association revealed that approximately 86 percent of those responding would register their new tires under a voluntary program. Assuming some readjustment of this figure, the survey research firm still projected a significant increase in the rate of registration. While this change will exempt tire dealers and distributors from certain reporting requirements, it will impose an affirmative obligation on all dealers and distributors to furnish the consumer with a registration form which includes the tire identification number at the time of purchase. I'd like to point out that the National Tire Dealers and Retreaders Association is committed to the success of the voluntary tire registration program. They have stated on numerous occasions that they will promote the program in a variety of ways with both their dealers and with consumers.

This provision was unanimously included by the Senate last Congress as part of S. 1159, the NHTSA authorization bill, and subsequently adopted by the House and Senate conferees on that bill. While the provision received widespread support on the House floor, the inclusion of several controversial provisions in the conference report worked against its passage in the final days of the 96th Congress. My provision incorporates the exact language which appeared in S. 1159.

The second provision in my bill authorizes the Secretary of Transportation to require the tire manufacturers to give public notice of a tire recall, if and when he determines such notice to be in the public interest. The Secretary may order such public notice only after consultation with the manufacturer and after consideration of several factors, that is, the magnitude of the risk to motor vehicle safety created by the tire defect and the cost of such public notice as compared to the additional number of owners who would be notified.

This provision is identical to that found in H.R. 3949 which was passed by the House on October 9, 1979, by a vote of 380 to 9. This provision was also unanimously included in the conference report to accompany S. 1159, the NHTSA authorization bill, by the House and Senate conferees. However, because of the controversy surrounding other provisions of the conference report, it did not pass the House.

Both provisions are badly needed and long overdue. Both further the interests of public safety on our highways and, at the same time, impose no additional regulatory costs on taxpayers. Finally, they have widespread support in both the House and the Senate and should be enacted by the 97th Congress.●

FOREIGN AND DOMESTIC RESPONSIBILITIES OF UNITED STATES

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. MILLER of California. Mr. Speaker, I would like to submit another article by Felix Rohatyn which outlines some of the very critical decisions we face in addressing our economic situation.

(The article follows:)

Our business leaders put the blame for inflation on runaway government spending, and call for welfare cutbacks. Government spending is obviously one of several culprits and putting a limit on welfare and Medicaid spending is a necessity, especially for those

of us who live in the Northeast and Midwest. But the only practicable way to limit these programs is to provide private jobs for those on the welfare rolls; it cannot be done without some form of government involvement or subsidy. We should also, after seven years of experience, be more realistic about the impact of our payments to OPEC. At the current rate of imports, before price rises that inevitably will result from the Iran-Iraq war, we will, during the next five years, pay over to OPEC approximately half the market value of all companies listed on the New York Stock Exchange. This means that we soon will be turning over the equivalent of half our productive capital built up over the last 200 years for a product we burn every day. Even the lure of huge contracts with the OPEC nations, or the attraction of their large deposits of money in the U.S., should not blind us to the economic and political power transferred from the West as well as its inflationary impact. Recycling is a myth; it only means lending more and more to people in third world countries who can afford it less and less.

We live today in a "padded society" for the majority, and a "nowhere society" for millions in the urban ghettos. It is a "padded society" because everywhere one turns, one finds padding for security. Cost of living allowances and automatic increases for workers regardless of productivity; constantly increasing unemployment compensation and trade-adjusted payments for laid-off workers; constantly increasing pensions for retirees—every sort of contract and stock options for management regardless of performance; COLAs for social security; government price supports for the farmers.

RESPONSIBILITIES OF UNITED STATES

It is understandable that people want security, but it is the padding of our society that has become our inflationary albatross, not people using credit cards. It is the padding that creates rigidity in wages and prices, regardless of economic activity; that erodes the work ethic; that makes government deficits inevitable in good times and in bad. And management shares guilt with labor and the politicians of both parties by sacrificing the future to avoid facing today. We have created a gigantic pyramid club called "pensions and social security" where more and more retired people expect to enjoy higher and higher levels of benefits to be paid by a society producing less and less. While this goes on, in the ghettos of our cities, with a 60 percent unemployment rate, young blacks are told to stop pushing drugs and find a job and that welfare is a luxury the country cannot afford.

As in New York City, any national economic program, to have a chance of success, must combine austerity with growth. To begin to control inflation, an incomes policy that relates wage and price increases to productivity is essential. This should be administered through benefits and penalties of the tax system rather than through a new bureaucracy. A freeze of both wages and prices should be imposed until such an incomes policy can take its place. That is one aspect of austerity.

A stiff gasoline tax has to be imposed to permit an overall reduction in interest rates and a strengthening of the dollar. We can have no real growth until our interest rate structure is lowered. This cannot be done responsibly until the dollar is strengthened by other means. Part of the gas tax should finance tax cuts that will lead to increased investment and an increase in military spending. The balance should be rebated to lower income groups; those in higher income brackets will just have to pay more. That is another aspect of austerity.

We are in a military competition with the Soviet Union, in which the US is dangerously deficient in conventional as opposed to nuclear power. Against a standing conscripted army we try to compete with a volunteer army at immense cost and low effectiveness. We spend $140 billion a year on defense and cannot airlift three divisions into the Middle East. Until the millennium when peace reigns world wide, we must have an adequate conscripted army with low pay, with no excuses from service except for health, and a highly professional, highly paid cadre of officers and noncoms. That is the third aspect of austerity.

We must rebuild our older cities, as well as our older industries, and we must do so in a way that also brings work to the ghetto areas. I believe this requires the creation of an entity similar to the Reconstruction Finance Corporation of the 1930s and the cooperation of business, labor, and government, national and local. Unemployment in the ghetto can be solved either by taking the people to the jobs, which I do not believe to be feasible, or bringing the jobs to the people. Our older cities, our older industries, our hardcore unemployed are all tied to the same umbilical cord. An independent financing entity is needed to cope with the fundamental restructuring of older industries, with the renewal of the physical plant of older cities, and to make use of the work potential of the inner-city unemployed. Providing employment in the private sector to the ghetto dweller is not only a humane, social necessity; it is an economic necessity. It cannot be done, however, without cooperation between business and labor and without government support. To the argument that this is undue interference with the free-market mechanism, I would answer than an RFC making equity investments is no different, in basic theory, from a refundable investment tax credit; both methods use taxpayers' money to provide capital to enterprise.

The RFC, like the Municipal Assistance Corporation in New York City, could extract concessions from various participants before committing itself to invest; the tax credit has no such potential. The RFC could also assist older cities with their capital programs, thereby both creating jobs and improving the quality of urban life. Just as in Canada where the oil-producing provinces have created the Heritage Fund to make investments in Canadian industry and infrastructure, so our own oil-producing states should consider the possibility of investing some of their increasing revenues in the capital of such an RFC. This should be coupled with the borrowing back, on a long-term basis, of a part of the vast amounts of OPEC funds currently deposited on a short-term basis with US banks. That would be another aspect of austerity.

Ultimately this country must look to a future of relatively evenly distributed burdens and benefits, regardless of geography, regardless of class, regardles of race if it is to maintain itself as a strong democracy. The present trends go in the opposite direction and yet our own most serious problems create our greatest opportunities. A determined domestic energy program, coupled with an industrial policy, and the investments in infrastructure and city renewal that go with it, could put the whole country to work for the next twenty years. That, in my view, would be the tide that could "lift all ships."

Temporary austerity will have to be accepted, on a well-defined basis. We cannot reduce inflation without a tough incomes policy. We cannot limit the growth of government spending without shifting large segments of the population from government support to private employment. This can only happen if there are noninflationary stimuli of the economy, large-scale investment programs, lower business taxes and interest rates, as well as a strong currency. A stiff gasoline tax to fund part of this program, and a tough incomes policy, together with large-scale long-term borrowings from OPEC will help protect the dollar and permit the safe lowering of interest rates. An RFC is not state capitalism; it is a temporary mechanism to restructure on a sensible basis those older, basic industries that otherwise will either disappear or be bailed out by indiscriminate government funding.

In addition, the examples of Germany and Japan should convince us that a genuine partnership of business and labor in government is required to accomplish any program dealing with inflation and the economy. I strongly support the Carter Administration's move in that direction with the creation of the Economic Revitalization Board and other similar structures. To cries of elitism or the fear of creating a new "establishment," I say that where we are going otherwise is infinitely worse.

We have recently heard much talk of the Silent Majority, the Moral Majority, and other majorities. The fact of the matter is that our country today cannot muster a majority for anything except complaint. The body politic is so splintered and balkanized that the impotence of the political establishment is a perfectly valid reflection of the negativism and lack of interest of the electorate.

A government of checks and balances has become all checks and no balances. As usual, we have heard the presidential candidates orate about cutting government spending and bureaucracy, instituting great programs, changing the country's direction. We all know this will not happen. We must face the reality that our problems are getting larger as the system's ability to cope with them is lessened, a trend that leads over the edge of the cliff. Recently there have been suggestions for fundamental constitutional changes in our government. Some call for a single-term presidency and related limits on congressional terms, others for variations of parliamentary government, as was advocated by Lloyd Cutler in a recent issue of Foreign Affairs, or for a congressional cabinet structure.

These do not, however, have serious prospects at present. Only a major crisis will force the kind of constitutional change advocated by serious students of government today. I believe such a crisis is likely to occur because to avoid it, too many things have to go right, all over the world, for a long period of time. Although it is impossible to predict whether it will be monetary or military, in the Middle East or in Cleveland, the potential for military, economic, or social strife is probably too great to be avoided. When a crisis of sufficient magnitude creates the possibility for fundamental change, it will carry with it enough of a popular majority for action so that a president with a real vision of the future will be able to put his program through. That is obviously a risk for democracy as well as a hope.

In the meantime, the best that can be done is to have a government as competent

as possible with a coherent program, no matter how difficult of implementation. We are for the time being locked into a strait jacket of high inflation, low growth, and high unemployment, no matter who the next president may be. This state of affairs carries with it suffering and austerity that are unevenly distributed geographically and socially, and cannot be sustained for very long. It is fantasy, however, to have illusions of real long-term solutions at present.

Today, we could not build our road system, the TVA, or the Manhattan Project. Between the Congress, the courts, the numerous interest groups, these projects would all die on the vine. The concept of democracy in which the minorities are willing to abide by the will of the majority has been much eroded. What little rationality is left in the system is being eliminated by TV politics in which little capsules of show business are supposed to pass for statesmanship.

This country should be able to speak for the nations and interests of the Western world. To abdicate this role to Helmut Schmidt or Giscard d'Estaing, no matter how capable they are, is to abdicate our responsibilities. We are, however, in no position to carry them out even if we had leaders capable of conceiving what they should be. Whether it be the defense of the Middle East, disarmament negotiations with the Warsaw Pact, the problems of the third world nations in their fight against poverty and overpopulation, only the United States can provide the counterweight to the mass of China and the shadow of Russia.

In 1938, at the time of Munich, Neville Chamberlain rose in the House of Commons to speak for the Conservative Party when a backbencher yelled: "Speak for England!" The United States, I suggest, should speak for the West. It must speak for opportunity, for growth, for social justice, and it must speak with confidence and power. That will only happen when a majority of Americans will decide that the drift has got to stop, and a president with a sense of the future gives direction to the power that will be unleashed. This will not happen today, but it will come sooner than we think.●

LETTER FROM POLISH GOVERNMENT IN EXILE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. DERWINSKI. Mr. Speaker, in the interest of giving wide dissemination to the truth, I am entering into the CONGRESSIONAL RECORD a letter I received from Mr. Aleksander Kajkowski, representative in the United States of the Polish Government in Exile which has its seat in London. The letter is self-explanatory.

JANUARY 21, 1981.

Hon. E. J. DERWINSKI,
House of Representatives,
Flossmore, Ill.

SIR: I am writing to inform you that many people in the United States and Canada received a letter supposedly sent from the Foreign Department of the Polish Government in Exile. This letter insinuates that the Government in Exile is aware of a plot by Leszek Moczulski, leader of the opposition party in Poland, to overthrow the Communist Government and establish a new government in Poland.

This information is totally erroneous. No such word was received from Poland by the Polish Government in Exile, and no such letter from this Government exists. It is believed that this misinformation has been disseminated by the Communist Government for the sole purpose of compromising Mr. Moczulski, presently in prison, and awaiting an imminent trial, and to embarrass the Polish Government in Exile.

Already the mass media in Poland has begun propaganda to the Polish people about this intended coup, in order to create confusion and lack of credibility about an innocent Polish patriot.

Sincerely,

ALEKSANDER KAJKOWSKI.●

ECONOMIC REVITALIZATION: A NECESSARY STEP

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. REUSS. Mr. Speaker, I want to share with my colleagues the text of my article entitled "Industrial Revitalization: A Necessary Step", which appears in the January 1981, issue of USA Today.

INDUSTRIAL REVITALIZATION: A NECESSARY STEP

(By Henry S. Reuss)

American industry is in big trouble. It is losing jobs, losing sales, losing markets, and losing that edge of competitive excellence that once made the "Made in USA" label a guarantee of quality and value.

So what? Do we really need all that industry? Many economists and many editorial writers seem to think we do not. Leave the market alone, they say, even if that does mean turning us all into paper-pushing clerks, secretaries, accountants, management consultants, and lawyers. Keep the government out of it, they say, and let big business and small business alike go bankrupt if market forces dictate.

I disagree. America needs a strong industrial base, for three reasons. We need it for national security, to keep our defenses strong, and so that no nation can hold us hostage by refusing us access to vital manufactured goods like steel. We need it for international competitiveness, to assure that other nations, particularly those supplying our oil, will continue to want the goods we produce as much as we want theirs. And we need it for our domestic security, to ensure that we have enough jobs and, more importantly, the right mixture of jobs, for all of our diverse and multi-talented work force, not just those who feel happiest behind a typewriter or a telephone.

What's more, government can play a constructive role in helping American industry revitalize. I'm no starry-eyed idealist—government meddling in industry can, and does, produce a lot of mistakes—but the fact is that government meddles in industry all the time, every day, already. It's only a question of whether a sensible, rational, organized, and coordinated system of government policy-making toward industry can do less harm and more good than the current uncoordinated mishmash of regulations, price supports, trigger prices, loan guarantees, export subsidies, and what not. I believe it can.

A serious revitalization effort must begin by giving the broom to the legions of quick-fix artists in our economic life. These modern-day equivalents of Father Coughlin and the Social Credit movement are great at getting attention, but they have no useful solutions for the problems of American industry and the American economy.

The first set of quick-fixers, very fashionable in election years, are those who claim that a block-buster tax cut is all that's needed to get America moving again. A case can be made for a carefully targetted tax reduction in two areas: accelerated depreciation of new industrial plant and equipment, and a roll-back of the scheduled increase in Social Security payroll taxes, but that's all. Those who claim that business "incentives" would improve drastically if we taxed fat corporate salaries at lower rates should try to come up with one businessman, just one, who will admit to goofing off on the job because of high tax rates. And those who think that letting dividend earners escape untaxed—while wage earners continue to foot the bills—should ask a worker or two what he thinks of the fairness of that. The Laffer Curve, it has been said, has the shape, and the substance, of a wishbone.

A second group of quick-fixers are the monetarists, who believe that inflation can be conquered by turning over control of the money supply to an educated horse. It is true enough that a tight monetary policy, maintained long enough, will eventually reduce the rate of inflation, but this is no solution for American business. It means high unemployment, low investment, falling productivity and competitiveness, and increasing business bankruptcies for the indefinite future. The cost of the monetarist prescription, compared to a sensible program that brings all the instruments within the power of government to bear on controlling inflation quickly and fairly, is exorbitant. There is no way the American people will permit it to be paid.

Third and last, there is a small group of eccentrics who believe, in the tradition of Huey Long, that by passing out a few shares of stock to workers we can get unsound businesses back on their feet. There is a kernel of good advice here. Occasionally, an Employee Stock Option Plan can provide the infusion of capital and enthusiasm necessary to turn a marginal business into a successful one; but, in general, this is no solution. The problem with most American business is more complicated than low worker morale, or a shortage in any absolute sense of investment capital. You can not correct these problems with an accounting device any more than you can cure dry rot with wallpaper.

What is to be done?

First, we need a commitment by government to try, in a coordinated way, to understand the problem and find the solutions. This means that there should be in the White House, with the full support and authority of the President, a council of wise people dedicated to solving the reindustrialization problem. The council should not have operating powers; instead, it should be a clearing house of information and ideas, an identifier of bottlenecks, and a resolver of disputes. Ideally, it should be patterned on the high-level mobilization boards of World War II, which brought together the nation's best and brightest men and women to create the basic materials capacity and later the factories for airplanes, ships,

tanks, and ammunition that we needed to win the war. The proposed Industries Council should be outspoken and pedagogic, and staffed by the most respected and independent-minded leaders from industry, labor, government, and the service sector.

Second, government should revamp all of its economic policies so as to give industrial expansion the highest priority, consistent with standards for clean air and water, occupational safety, and inflation control. (Actually, these goals are *not* contradictory. New factories usually embody the latest environmental and occupational safety designs, and they increase productivity and so help to reduce inflation.)

Government economic policy can be thought of as a fortress of old, with a single castle in the center which is the commitment to structural reform discussed above. The castle is surrounded and protected by four barbicans [outer defense works] of economic policy.

The first barbican is monetary policy. This can and should be steady-as-you-go. We must try to keep interest rates as low as possible, consistent with a steady expansion of total domestic credit. One way is to set targets for the growth of the money supply and stick to them over the long run, but not to try to offset every jiggle in the statistics as the Federal Reserve sometimes seems inclined to do.

Our monetary policy must also be coordinated with our allies. The Germans in particular have relied too heavily on their central bank to fight inflation, while running up a large fiscal deficit. The resulting high interest rates in Germany draw foreign capital there and away from here, causing a weakness in the dollar. Our efforts to defend the dollar under these circumstances only make interest rates higher here than we need for our own economic well-being. What we should do instead is talk to the Germans (and the British), persuade them to lower rates and more growth all around without destabilizing anyone's currency.

Finally, we need to have a firm control over those who would misuse our scarce supplies of bank credit. Banks should not lend for unproductive, speculative uses to goldbugs, silverfish, and other commodity-market manipulators; to corporate take-over artists; to rental housing condominium converters; and to brutal dictators in Latin America and elsewhere. The Federal Reserve has the responsibility to ensure that sound banking practices are maintained and that chartered banks serve the public interest. The Federal Reserve can be helped in its task by interested citizens, who should have the right to know and to protest when a bank is siphoning community deposits into risky, unproductive, or unsavory uses.

The second barbican is fiscal policy. This too should be steady-as-you-go. We need a Federal government in sound fiscal condition, as an example to all Americans of our determination to fight inflation and as a practical matter so that capital for private industry will be reasonably priced. That means, once again, no pie-in-the-sky-side tax cuts. There is room for some equity-increasing tax adjustments, such as the reduction in Social Security taxes mentioned earlier, and for some targeted investment incentives. In addition, fiscal policy must accommodate a concerted effort to build the human capital of our work force, through education and vocational and on-the-job training, so that we will continue to have the most capable working men and women in the world.

The third barbican is regulatory reform. Already, substantial progress has been made toward reducing the regulatory clogs in the airline and railroad industries, but more is needed. It still takes too long for a strapped and ailing railroad like the Milwaukee Road to get permission to end unprofitable freight service that can be provided more economically by truck, to abandon track that can not be maintained, and to merge with other lines to provide a more comprehensive and rational framework of rail service. We need the kind of superagency that will clear the roadblocks for new job-creating factories to be built in our older cities, where the workers are. Even the Environmental Protection Agency, which has done a generally good job, could benefit from still more careful evaluation of the costs and benefits of proposed regulations.

One way to reduce the burden of regulations without reducing their effectiveness is to transfer the power to enforce standards to the people who care most about them: the workers in the factories, the citizens who breathe the air, and the communities whose savings are in the banks. In Sweden and in Saskatchewan, Canada, effective power to enforce occupational safety standards is in the hands of workers' committees. As a result, all sides work hard to ensure that serious hazards don't arise, the taxpayers save the cost of workplace inspections, and the companies are spared the burden of regulatory paperwork.

The final barbican is an incomes policy. We must have a sensible system of collective bargaining and of corporate price-setting which does not generate a self-sustaining spiral of competitive hikes in relative wages and in the prices of raw materials. One way to focus attention on the urgent need for reform in this area, I believe, would be to have a temporary, across-the-board wage and price freeze, which would last until more orderly procedures of collective bargaining are worked out. Virtually every country that has successfully conquered inflation has addressed this problem, and it's past time that we did, too.

Industrial policy should not be a cloak for one get-rich-quick scheme or another. The government should not be in the business of trying to second-guess consumer preferences or technological developments; it should be in the business of trying to create the best possible climate for industrial expansion. This can be done by reducing the cost of credit, by investing directly in human capital and in infrastructure, by assuring a macro-economic climate of stable expansion, by reducing regulatory barriers to growth, and by controlling inflation. We know how to do all these things. What we need is the will and the wit to do them.●

EFFECTS OF PETROLEUM DECONTROL

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. PARRIS. Mr. Speaker, on Friday, January 16, 1981, I addressed the House regarding the immediate decontrol of the price of domestically produced petroleum. I strongly believe that by the lifting of these controls, the American economy will benefit immensely. In the short run, we may experience a small rise in prices, but this rise would have occurred even without decontrolling the prices. The effects of this in the long run, however, are very positive. In fact, by October 1, 1981, we can expect lower prices to exist.

Many people were, and still are, disillusioned about the price controls; they believed that the price controls were helping our economy, when in fact they were harming it. With these controls, the high cost of oil to the American economy was covered up. By now, most of the damage is done and the price to the American consumer is undoubtedly higher than it would have been in the absence of any price controls.

So, the choice is ours, either pay a little more now, or pay much more later. But in return for the slightly higher prices, we can be assured that the gasoline lines will not return.

I would like to insert at this time an article which appeared today, January 29, 1981, in the Washington Post, which clearly establishes the accuracy of this position. I hope my colleagues will find it useful.

The information follows:

DECONTROL, AT LAST

President Reagan was absolutely right to decontrol oil and gasoline prices, quickly and without qualification. It is an essential step toward a rational energy policy. You can dismiss all of those tendentious claims about the added cost to the consumer. The added cost to the consumer will probably be in the range of zero. More than five-sixths of the country's crude oil supply is decontrolled. Home heating oil was decontrolled five years ago. As for gasoline, competition is holding actual retail prices well below the legal ceilings. For the country as a whole, these controls have brought nothing but harm, and the end of them will bring nothing but benefit.

The controls were wrong in theory when President Nixon imposed them in 1971. They were demonstrably wrong, as much costly experience already showed, when Congress insisted on perpetuating them in 1975. President Carter wisely began the process of decontrol last spring. The schedule was a gradual one running into next fall, when the law will expire altogether. Mr. Reagan has now sped up that final process by eight months.

Why were controls wrong? Because they disguised the dangerously high cost of oil to the American economy. The control system required refiners with cheap, price-controlled domestic oil to subsidize other refiners' imports. That held the price to American consumers far below the cost of the imports. Americans used a lot and kept the flow of imported oil high. That seriously damaged the country's balance of payments and eroded the value of the American dollar.

The high level of American imports helped create the very tight market that enabled the exporting nations to double their prices in 1979. By now, the price to the American consumer is undoubtedly higher than it would have been in the absence of any price controls at all. As an attempt to protect the American economy from higher

oil costs, the controls have been an unmitigated failure.

Prices have been rising, inevitably, even under the controls. They are not going to rise any faster in the absence of controls, unless another world shortage develops. Decontrol may even slow the rise a little. The control system contained a number of hidden subsidies—including the usual fat subsidy for the independent refiners—that will now lapse, saving the public a little money.

At worst, in another international shortage and panic like the one in 1979 following the Iranian revolution, prices will indeed rise. How much? It depends on the scale of the shortage. There could be a squeeze on the supply line as early as this spring, if the war continues between Iran and Iraq. But in return for higher prices at the gasoline pump, you will get insurance against a return of the gasoline lines. Those lines were created by the price ceilings, and the cumbersome allocation rules that they required. Having been through two memorable episodes of gasoline lines, most Americans would surely prefer the next time around to pay in money rather than time, anger and anxiety.●

CONDO CONVERSIONS FIZZLING

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. ROSENTHAL. Mr. Speaker, the market for apartments converted from rentals to condominium or co-op status is experiencing a slump. In part, this is proof once again of the economic truisms that nothing keeps going up, that what goes up must come down, and that bubbles do burst.

Federally insured lending institutions should be aware that the value of units on which they make loans may be artifically high values, fueled by inflation and filled with the hot air of speculation. Such values are often ephemeral, and should not form the basis for lending by federally insured institutions.

In south Florida, where extensive condo conversion activity has taken place, displacing many elderly people in the process, the converters are beginning to withdraw. Two articles, in the New York Times of January 26, 1981, and the Miami Herald of January 22, 1981, document this phenomenon in the Miami area. Given the tactics of some converters and the prevailing nationwide housing and inflation problems, I predict that it will not be long before the market for converted condos begins to fizzle and slump in other parts of the country.

The Wall Street Journal of January 28, 1981, reports on concern about over-building and excessive speculation that could signal a long-term market decline in the general real estate industry. Once again, federally insured lending institutions should be aware that properties they are asked to finance may be overvalued.

The articles referred to follow:

[From the Wall Street Journal, Jan. 28, 1981]

SOME EXPERTS FORESEE A COLLAPSE IN PRICES FOR HOMES AND OFFICES

Even in a housing market slowed by high interest rates, most real estate investors have remained optimistic. But cautious ones do exist, and lately a few of them have warned of signs of overbuilding and excessive speculation that could signal a long-term market decline.

Wes English, publisher of a real estate and investment letter in Walnut Creek, Calif., is one of the bears. In 1979, Mr. English predicted a 50% decline in the average value of housing through 1984. That crash, he says, is right on course. Using data from the Federal Home Loan Bank Board, Mr. English calculates that through November 1980, the average sale prices of homes in 32 metropolitan areas declined 18%, or $17,056, from the recent peak average of $94,534. (Some question these calculations. Robert Sheehan, director of research for the National Association of Home Builders, says Mr. English's average peak prices are at least $11,000 too high.)

Mr. English says high mortgage rates will continue to deter buyers. The days of cut-rate mortgages are gone, he says, because banks have to earn more on their loans to cover the cost of higher rates that depositors are demanding. Also, Mr. English says a lot of post-war "baby-boom" children have already bought homes. This will mean reduced demand for housing in the 1980s, he says.

"As the 1970s roared on, everyone got more and more confident in real estate," Mr. English says. "A house, normally a consumer item, became an investment item." Speculation grew rife, he says, the classic prelude to collapse.

The speculative fever, says Charles J. Urstadt, president of the Manhattan real estate firm of Pearce, Urstadt, Mayer & Greer, is like "two guys buying and selling cans of sardines. They sell for 10 cents one day, 20 cents the next, and on up to over $1 a can. Finally one man opens a can and tells his partner how terrible the salty sardines taste. His partner replies, 'Sardines aren't for eating, they're for buying and selling.'"

Mr. Urstadt isn't predicting collapse, but he recalls earlier booms in 1957-62 and 1967-69 that were followed by busts. He says he sees the same overbuilding, price escalation, and office construction without guarantees of tenants that preceded the earlier declines.

In downtown Manhattan, adds Lewis Rudin, president of Rudin Management Co., New York, some 12 million square feet of new office space will become available in the next three or four years. "I'm not predicting doom," Mr. Rudin says. "I just think it might be prudent to slow down the pace of building a little bit."

Even in the booming Sun Belt, some are cautious. Rick Salam, a senior vice president at Henry S. Miller & Co., a Dallas developer, says commercial space in Dallas will increase 40%, or 18 million square feet, this year. Houston's commercial space will expand 35%, or 12 million square feet this year, and Fort Worth's will double in five years to 10 million square feet.

"The brokers say they anticipate no problem with absorption but they're naturally optimists," says Mr. Salam. "I don't know. That's a lot of footage."

[From the Miami Herald, Jan. 22, 1981]

CONDO CONVERSIONS FIZZLING—HIGH INTEREST RATES CUT DEMAND SHARPLY

The condo conversion drive, which just one year ago drove thousands of renters into the streets in search of housing, is stalling.

One of South Florida's largest condominium converters has halted sales at the Hallmark and the Diplomat Towers in Hollywood and at South Beach Club in Miami Beach.

Other condo converters have problems, too. Some have closed sales offices to wait for better times. Others have extended leases for tenants to keep money coming in until buyers can be found.

Daon Corp., the Canadian-based company that was South Florida's most active converter, said it will change 1,000 waterfront apartments back to rentals. But the company plans to continue conversions at the 225-unit Belle Plaza on Miami Beach and is almost sold out at the 107-unit Ocean Towers in Palm Beach.

The firm, which has assets of $1.6 billion and ranks among the top three publicly held development companies in North America, has condominium conversions underway in a half-dozen other states.

David Moon, the firm's general manager, blamed high interest rates and "the lack of sales" for the shutdown in South Florida.

Too many units and not enough buyers is responsible, according to Miami appraiser Michael Cannon, who has studied condo conversions throughout the area.

Condo converters, he added, now are finding competition for buyers "very tough; with all the new high-rise construction going on."

Construction of new condominiums also has slowed down.

One Canadian developer, the Cadillac-Fairview Corp., shut down construction weeks ago on three South Florida condominium projects with nearly 1,000 units. The company, North America's largest publicly held development firm, stopped work on L'Excellence, Rive Gauche and the Miami Beach Yacht Club.

The tough market has done what government could not do to control conversions.

One year ago, outraged tenants suddenly faced with buying or moving convinced Miami Beach commissioners to adopt a 90-day emergency moratorium on conversions.

The moratorium was tossed out by a Circuit Court judge, as were similar moratoriums passed by Broward County and the cities of Lauderhill in Broward and North Bay Village in Dade.

Last spring, the Florida Legislature passed a law that gives tenants hit by conversions a minimum of nine months to move.

But converters such as Daon now plan to give renters one-year or two-year leases until the outlook for sales improves.

Alec Kotler, another Canadian developer, and his partners at the 1,162-unit Roney Plaza on Miami Beach, decided months ago to extend some tenant leases until December 1982.

Kotler also halted the conversion of a smaller, garden-apartment complex in the Kendall area.

"Converters faced with the clock ticking on their mortgages, and the cost of money at 24 per cent, either sell quickly or go down

the tubes without rent coming in," Cannon said.

The rental apartment situation also has improved substantially in Broward, a study by the county property appraiser's office showed earlier this week. The vacancy rate recently was 2.27 per cent, the study showed, compared to 0.56 per cent a year ago.

Some condo converters have laid off sales staff, closed their sales offices and started renting out unsold apartments, Cannon added.

DAON SALES DIP

Daon invested more than $100 million in South Florida apartment buildings. Yet; in the past year, the Canadian firm only was able to record 33 apartment sales at the Hallmark and South Bay Club. No sales were recorded at the Diplomat Towers.

Just last week, full-page ads promoting Daon projects began appearing in regional editions of Time magazine and on billboards and television.

The projects they promote are no longer for sale.

Daon, which has held deposits on some apartments for almost a year, has promised refunds. Some buyers at South Bay Club also will be offered 6 per cent interest on their money if they wish to cancel their purchases.

Tenants, outraged when conversions began a year ago, are equally incensed by the latest turn of events.

"I hope they [condo converters] break their necks," said Marriot Nadler, a renter forced out by the conversion of Belle Plaza on Miami Beach.

Nadler, who was paying $500 a month in rent for a one-bedroom apartment at Belle Plaza, refused to buy. Mortgage payments, he said, would have been $1,300 to $1,400 a month.

He moved. So did other tenants at Belle Plaza, along with virtually all the tenants at South Bay Club.

SUITS PENDING

Renters at the Diplomat Towers, 3505 S. Ocean Dr., and the Hallmark, 3800 S. Ocean Dr., filed suit a year ago to stop the conversion of their Hollywood apartments. The legal battle is still unresolved.

"This place is a hellhole with "transients walking in," said Dorothy Goldstein, president of the tenants' association at the Diplomat Towers.

Small wads of crumbled paper litter the building's narrow corridors. A gaping hole scars a third-floor wall where plumbing pipes, burst in a kitchen. Residents complain of harassment and say the building is being allowed to decay.

Empty apartments are being rented by the week or month in some cases, Goldstein said. Old-time tenants complain about increased crime.

"When I come in at night I have a flashlight and when I see someone I don't know I scream out because I am petrified," said an 82-year-old woman.

"They [condo converters] made a lot of old people suffer." Nadler said. "The way they handled it, old people had a very hard time finding another place to live."

RELOCATING TOUGH

Nadler said he had to "pay money under the table" to find another apartment. "I had a very hard time of it."

Daon was among the few condo converters in South Florida offering relocation money. The company gave Belle Plaza tenants $2,000 if they left before June 5, 1980 and $1,500 if they left before July 5, 1980.

"That money they gave, $1,000 or $2,000, didn't mean a thing. These were old people in their 80s," Nadler said.

Some buyers don't want refunds. They want to move into the remodeled apartments they agreed to buy.

Edward Reilly of Fairfield, Conn., said he doesn't want his money back; he wants to buy at South Bay Club.

So does Roberta Carroll, who has been planning to move into the Miami Beach apartment building since October: "I hope they go through with the conversion. I want to buy."

South Bay Club, she said, "will be a good investment. I believe in redevelopment."

So does Daon. Moon said he hopes to restart the conversion program at all three apartment buildings when the "economic climate improves. All we are doing now is delaying the marketing program."

Helen Devey, a renter at South Bay Club who purchased her apartment, said she has no complaints with the converter. "I'm very well-satisfied," she said. "The building is really turning out very attractive, much better than I anticipated."

LEASES EXTENDED

Daon paid $14.9 million for the building in November 1979 and has spent nearly $5 million on renovations. Today, the 347-unit building on Miami Beach is virtually empty.

At the Roney Plaza on Collins Avenue, developer Kotler has offered to extend tenant leases up to two years.

State law on conversions only requires nine-month extensions to tenants. In counties where the housing vacancy rate is below 3 percent, extensions up to one year can be required.

"These are elderly people. They don't enjoy making a move. We have extended certain leases," said Morton Glick, the marketing man at Roney Plaza.

Months ago, Kotler halted the conversion of a garden-style apartment complex called Sherwood Apartments in the Kendall area of Dade County.

"They didn't get enough tenants interested in buying," said Lloyd Peterson, a tenant who has lived at Sherwood Apartments for six years. He refused to buy and is still renting.

"When they first began the conversion, they didn't want to give out leases. Now, we're on one-year leases," Peterson added.

Cannon said converters and developers of new condominiums now find themselves competing for the same buyers. And with today's 15.5 per cent to 16.5 per cent mortgage rates, there are fewer and fewer interested buyers.

SUPPLY IS UP

Added competition is coming from "the thousands of used condos that are on the market at any one time," Cannon said.

"It's simple supply-demand economics," the Miami economist said. And right now the supply of apartments exceeds the number of buyers interested and able to buy.

Miami Beach alone had more than 3,885 rental-apartment conversions in the past 24 months, Cannon said.

Out-of-town developers miscalculated the reception to conversions, he added, "especially on Miami Beach, where the elderly have a very strong lobby with City Hall."

"These developers don't realize they're not converting a building, they're converting people. They hire a dynamic marketing firm, but their slam-bam-thank-you-ma'am attitude doesn't work."

FLORIDA EXPERIENCES A SLUMP IN CONDOMINIUM SALES

MIAMI, January 25.—The South Bay Club condominium project in Miami Beach had a pool, a health spa and its own marina—everything but buyers. After months of heavy advertising, only six purchasers had closed on 347 apartments.

Last week, the Canadian-based Daon Corporation, one of the most active condominium converters in South Florida, pulled the South Bay Club and two other condominiums, a total of 1,000 units, off the market and began advertising "the triumphant return of luxury rentals."

Earlier, another Canadian developer, the Cadillac-Fairview Corporation, the largest publicly held development concern in North America, suspended construction on three new luxury condominium projects with 1,000 units.

HIGH INTEREST RATES BLAMED

The slump in the sale of condominiums is also showing up in California and Chicago, and to a lesser extent in the New York metropolitan area. But the problem is worse in Florida, which, with 500,000 units, is home to half the nation's stock of condominiums.

The reason for the slump, say Daon officials and other developers, real estate analysts and lenders, is a lack of demand from buyers unwilling or unable to take out mortgages at high interest rates. The only exceptions to the slump seem to be the expensive condominiums, like many in Manhattan, that attract wealthy buyers who can pay cash or qualify for mortgages, no matter what the rate is.

"The best interest rates are 13¾ percent and the top is 15¼ percent," said Wayne Johnson, vice president of the Arvida Mortgage Company and president of the Mortgage Bankers Association of Greater Miami. "If the price of a condominium is $150,000, a 2 percent difference in the interest rate can make a difference of $300 to $400 a month in the payments. That's a big factor. A buyer who might be able to qualify at 13 percent might not at 14¾ percent."

Mortgage rates, like all interest rates, are linked to the prime, which in the last year has gone from lows of about 10 to highs beyond 20.

BUYING LINKED TO NECESSITY

"People are buying new construction," Mr. Johnson continued, "signing contracts and hoping rates will come down before they have to close six months to a year from now. Sales on existing construction are slow. About the only people who are buying are those who have to buy."

Edwin J. Glickman, senior vice president of the New York-based Sybedon Corporation, and one of the developers of the Galleria condominiums, now selling for about $500 a square foot in Manhattan, agreed that while the luxury market did not seem to be suffering, high interest rates had caused "a significant dropping off" in the middle-class market around the country.

The New York City market has not declined so much, partly because inflation has already brought new apartment construction to a standstill. Existing buildings are being converted to cooperatives, New York's version of the condominium movement, at a rapid rate in all the boroughs but Staten Island, according to the State Attorney General's office, which must approve con-

version plans. The condominium buyer actually purchases a unit; the co-op buyer purchases shares in a building.

Unlike conversions in other cities, New York projects generally offer rental tenants preferential prices for their shares in a co-op building, and this has helped sustain the demand for apartments ranging in price from $5,000 a room to $50,000 and up.

But in Monmouth, N.J., Mr. Glickman said, a developer offering new condominiums in the $125,000 price range was unable to sell. "The buyers were there, but they couldn't buy with the interest rates," Mr. Glickman said.

Mr. Glickman said that his concern had arranged for the developer to "warehouse," or underwrite himself, $10 million in loans to individual purchasers who were willing to put 25 percent down. The developer then obtained financing for most of the balance himself and intends to sell the loan to institutional lenders when interest rates improve.

The warehousing of loans to purchasers is one of a number of techniques that developers are using to get expensive, empty condominiums off their hands. Some are renting all or some of their new condominium units. Others are delaying conversion or have postponed or suspended construction.

On Miami Beach, the 1,162-unit Roney Plaza, which announced its conversion to condominiums last year, is instead giving its elderly tenants leases until 1982, a reprieve that even city officials had been unable to deliver. A year ago, the Miami Beach City Commission adopted a 90-day emergency moratorium on such conversions, but it was thrown out by a state court.

"It's prolonging the agony," said Dr. Morris Zucker, 87 years old, a retired dentist from the Bronx. He lives in a $500-a-month one-bedroom apartment. "They say, 'Look, we gave you a two-year lease. You should fall on your knees.' But the years fly—then what?"

$1,600 EXPENSES FOR MONTH

The purchase price of his apartment, he said, is $111,000. "If I should buy this place," he said, "my monthly expense would be close to $1,600. I simply can't do it."

The Daon Corporation paid $14.9 million for the South Bay Club in 1979, relocated the tenants and spent $5 million on renovations. Rent for the condominiums, which were to sell for $60,000 to $120,000, will range from $450 to $1,050 a month.

In the Chicago suburbs of Mt. Prospect and Itasca, where still another developer has decided to combine rentals with sales, two projects with 398 units priced from $45,000 to $55,000 had an unsold inventory of from 25 to 30 percent. However, according to Anita Lovkvist, who has handled these units for Landsmith Realty, rentals at $370 a month have raised the occupancy rate to 96 percent.

Nevertheless, for a variety of reasons, many condominium developers are unwilling to take this route.

"A rental program takes away your flexibility if the economy makes a turnaround," said Joe Zekas, general partner in the Condominium Equity Corporation in Chicago. "I have seen a number of rental programs, but everybody's leery of doing it. It smells of a project being in trouble."

WALL OF TENANT PROTEST

Developers, said Jerry Grimaldi, director of market research for Coast Equities in Long Beach, Calif, "don't want to hold onto these projects. They want to get in and get out. They don't want to be a landlord. Most of them will do anything and everything short of rental—anything to get out from under these things. They're giving rebates or getting into creative financing."

Dorothy Goldstein, chairman of the tenants association at the Diplomat Towers in Hollywood, Fla., one of the buildings that Daon will continue to rent, said that her group had "built a solid wall of tenant protest" when the conversion of the building was announced. At 49 years of age, she is the building's youngest tenant. The oldest is 98, and more than 20 percent of the tenants are over 80 years old.

Her two-bedroom apartment, for which she was paying $560 a month rent, was to go on the market at $173,000, she said. Her new lease has raised her rent to $855 a month.

"The people balked, and the economy helped the people," she said of the current reprieve.●

EMANUEL CELLER

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. HUGHES. Mr. Speaker, though I did not have the opportunity to work with Emanuel Celler as a colleague, as a member of the Judiciary Committee I am well aware of this great man's remarkable legacy. We on that committee know of his work on the Civil Rights Act of 1964, on the Voting Rights Act and its extension, and of his constant dedication to human rights and civil liberties that made him one of the most remarkable chairmen in the history of that committee. Just as we were all ennobled by his life, we are all now diminished by his death.

More than most of the committees on which we are privileged to serve, the Judiciary Committee is charged with a sacred trust. We on that committee are honored to be entrusted with safeguarding the future of the Constitution and the Bill of Rights, of the civil liberties of our fellow citizens, of many of the rules that govern our legal process and the legal experiences of our people. Few men had greater reason to be proud of the legacy left by their service on that committee than Emanuel Celler.

He served in the House for half a century, 50 years of distinguished contribution. He was a politician in the finest sense of the word, using his office and his political ability to work for his constituents and his district but also to work for the future of his Nation.

The Talmud says: "I did not find the world desolate when I entered it; my fathers planted for me before I was born; so do I plant for those who will come after me."

I somehow think that Emanuel Celler carried those sentiments with him. It is clear he realized the remarkable legacy he found entering the world of politics in this country, the most enduring legacy of freedom of any nation in the world. And Emanuel Celler "planted" for those of us who would follow him in the House of Representatives and on the Judiciary Committee.

My colleagues and I on the committee feel the presence of Emanuel Celler during many of our deliberations on the issues he struggled over with such diligence. We labor having the benefits of his brilliance, his conscience, his practicality, his belief in the equality of all men and women and his belief that words alone were not enough, that we would all be judged by our deeds, not our words. History will judge Emanuel Celler one of the great men of our time, for above all he was never afraid to act for what he believed in and his actions were always those of a man dedicated to the true principles of our democracy. For his many years of extraordinary stewardship over our sacred heritage all of us and many generations yet to come are obliged beyond words to Emanuel Celler.●

THE NEED TO PROTECT DIPLOMATIC MISSIONS AND THEIR PERSONNEL: THE ESTABLISHMENT OF AN INTERNATIONAL OFFICE OF DIPLOMATIC SECURITY WITHIN THE UNITED NATIONS SECRETARIAT

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. FITHIAN. Mr. Speaker, I have introduced a bill expressing the sense of Congress that the President of the United States should take appropriate actions to obtain the support of foreign states for, and to present a proposal to the United Nations for the establishment of an International Office of Diplomatic Security within the U.N. Secretariat. The purpose of this Office would be to monitor compliance of signator nations with international agreements which guarantee the protection of diplomatic missions and their personnel.

The return of American hostages from our Tehran Embassy underlines the need to protect and safeguard diplomatic missions and their personnel. What happened in Tehran might have been prevented if we had a system such as the International Office of Diplomatic Security. There must be no more Tehrans. What happened at the American Embassy in Tehran must never happen again. We in the 97th Congress owe it to the 52 American hostages to insure that such a violation of universal standards of conduct is never repeated. Let us through passage of this resolution seek to put in

place an organization which may spare our own or another nation such a trial.

The inviolability of diplomats and the premises of diplomatic missions is one of the oldest and most fundamental principles of international law. For centuries this principle has enjoyed universal acceptance as an essential element for peaceful relations among all nations of the world. Yet, over the last decade, erosion of this principle has become an international disgrace. Scores of diplomats from various countries have been kidnaped, harassed, wounded, and killed because of inadequate diplomatic protection from local governments—governments which are obligated under international law to provide such protection. In the last 2 years, we have seen the governments of countries, which are signators of international agreements guaranteeing protection of diplomats, overtly or tacitly encourage brutal attacks on diplomatic missions located in their territory. Our own Embassies in Iran, Pakistan, and Libya were overrun by mobs; the Spanish Embassy in Guatemala was invaded by forces of the local government. Former Secretary of State Cyrus Vance has called diplomatic service for the United States abroad "hazardous frontline duty," and the Department of State has requested millions to improve security against terrorist attacks for our diplomatic posts abroad. Violence and the threat of violence have become unavoidable facts of contemporary diplomacy. The search for peace cannot prosper where terrorism reigns.

To reverse this destructive trend, we must restore respect for and observance of international agreements guaranteeing protection of diplomats and the missions to which they are assigned. Establishment of an International Office of Diplomatic Security would do much toward accomplishing this goal.

I would like to briefly describe how this Office would function. The multilateral agreements which the International Office of Diplomatic Security would seek to enforce have already been signed and ratified by the international community. Others may refine and improve them, but those existing set forth accepted standards of diplomatic security in international law. The United Nations is in fact the repository of the Vienna Convention on Diplomatic Relations and other international agreements guaranteeing protection of diplomats. Giving an organization of the U.N. a mandate to enhance compliance with these agreements would be a natural extension of the United Nations' mission to promote peaceful relations among its members.

The International Office of Diplomatic Security could operate with a small staff at U.N. headquarters and several regional representatives. The latter would periodically visit countries in their regions to evaluate diplomatic security through discussion with local authorities, members of the various resident diplomatic missions and other concerned groups. These representatives would also be prepared to travel to countries where a visit is requested by a state concerned for the safety of its diplomatic personnel, or where a deteriorating security situation warrants on-the-spot investigation.

When the International Office of Diplomatic Security determines that a government is not providing security in keeping with accepted international standards, it would immediately bring this to the attention of the host government. If a government so informed does not take prompt corrective action, then the Office would issue a warning to all states that it is unsafe for foreign diplomats in that country.

This resolution also recommends a mechanism for the U.N. to either entertain motions to sanction the delinquent country, or, if appropriate, to consider providing international assistance to enable that country adequately to protect its resident foreign diplomats.

This is not a complicated nor frivolous resolution. The international office it urges established is a practical and timely response to a compelling international problem. It is a problem which the United States cannot hope to effectively address alone. We can build barricades around our Embassies all over the world, but American diplomats abroad will still be in danger until international consensus on the necessity for all nations to provide adequate protection for diplomats has been restored. To meet this challenge, we must work in concert with other nations which are no less concerned than our own about the security of their people.

Today the United Nations' role in handling disputes between nations over violence against diplomats is to attempt to mediate already-raging confrontations. It tries to minimize damage to international peace in conflicts over whose origins it has little or no control. The International Office of Diplomatic Security would give the U.N. an active, ongoing intermediary role. Through regular liaison with local governments, it could do much to prevent deteriorating security from reaching the point that foreign diplomats are placed in imminent danger. Governments with domestic violence problems would be accountable on diplomatic security to a specific international organization rather than an inchoate ideal of international law—an ideal which in many parts of the world has been forgotten or is ignored with impunity. Bilateral representations to unresponsive governments over diplomatic security would, through the International Office of Diplomatic Security, be reinforced by the united voice of the international community.

There is a very important element of my resolution which I want to especially recommend to the attention of Members of this body. That is the provision whereby the International Office of Diplomatic Security would issue a warning to other states when it finds conditions in a given country unsafe for foreign diplomats. Such a warning would give the United States and other nations international sanction for removing diplomats from danger. What happened in Tehran may have been prevented if such a system had been in effect. No U.S. administration has deliberately endangered the lives of its diplomats, but historically it has been very difficult to make the decision to unilaterally pull out our diplomatic personnel. It is extremely difficult to abandon the field in a troubled country which may be a traditional friend of the United States. Such a withdrawal is an explicit expression of complete lack of confidence in a government's ability to maintain order. Such a withdrawal can potentially do serious damage to future relations with that country. The temptation, even in an obviously dangerous environment, is to give an unstable government the benefit of the doubt on security. Introducing an outside international judgment would minimize damage to our bilateral relations and greatly lower the threshold for reducing our diplomatic presence when a doubtful security situation exists.

When an International Office of Diplomatic Security is effectively carrying out its mandate, we can reasonably hope that there will be no more diplomatic missions taken over by terrorists. I urge my colleagues to support this timely and practical approach to a problem which can no longer be tolerated on the international scene.

The bill reads as follows:

H. CON. RES. —

Expressing the sense of the Congress that the President should seek the support of other nations for the establishment of an International Office of Diplomatic Security within the Secretariat of the United Nations.

Whereas the inviolability of diplomatic agents and of the premises of diplomatic missions is one of the oldest and most fundamental principles of international law;

Whereas countries which are signatories of the Vienna Convention on Diplomatic Relations and of other international agreements have assumed specific obligations to ensure the inviolability of diplomatic personnel and to protect the property of diplomatic missions from damage or intrusion;

Whereas recent events in Iran and other countries demonstrate that there is a developing trend in some countries to disregard their international obligations to protect

diplomatic missions from domestic violence; and

Whereas it is essential to the development of friendly relations among nations that the international community take action to reverse this trend and to ensure universal compliance with international agreements protecting the diplomatic missions of all countries: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (a) it is the sense of the Congress that the President should take appropriate actions to obtain the support of foreign states for, and to present a proposal to the United Nations for, the establishment of an International Office of Diplomatic Security, within the Secretariat of the United Nations, to monitor compliance with the provisions of the Vienna Convention on Diplomatic Relations and other international agreements which obligate their signatories to provide appropriate protection for members of the staff and property of diplomatic missions.

(b) It is further the sense of Congress that an International Office of Diplomatic Security described in subsection (a) should have the following functions:

(1) Regularly evaluate the protection provided diplomatic missions by the various countries.

(2) Conduct inspection visits in any country, on an emergency basis if necessary, in any case in which a pattern of violence in that country indicates potential danger to diplomatic missions or in which another country concerned for the safety of its diplomatic missions requests such a visit.

(3) If as a result of its investigations the Office determines that a country is not providing all appropriate protection for diplomatic missions within its borders, inform that country of its findings and request immediate corrective action.

(4) If a country fails to take such corrective action, issue a warning to all countries that the government of that country is either unable or unwilling to provide adequate protection for diplomatic missions.

(5) If a country is unwilling to fulfill its international obligations to protect diplomatic missions, refer the matter to the United Nations Security Council for consideration of international sanctions.

(6) If a country is unable to fulfill its international obligations to protect diplomatic missions, consider submitting to the United Nations Security Council a request for international security assistance sufficient to meet those obligations.●

THE CHOIR OF THE WEST

HON. NORMAN D. DICKS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. DICKS. Mr. Speaker, last Sunday, many in the House and in Washington, D.C., were treated to a superb concert by one of this country's finest choirs—the Choir of the West from Pacific Lutheran University in Tacoma, Wash.

At the Kennedy Center, the choir demonstrated why it is internationally renowned for its rare ability, musical intensity, and quality of voice.

This tradition of excellence began over 50 years ago when 42 young singers boarded a rickety bus in Tacoma and began an 8,000 mile concert tour which eventually took them to America's Midwest.

During those depression days, midwesterners rarely had much contact with the Pacific Northwest. But during this 6-week concert tour, the contact they did have was most enjoyable.

The artistic quality and skill which was demonstrated on that first tour is a hallmark of the Choir of the West. Those of you who heard this group of singers Sunday know this firsthand.

So do the many composers who have heard their works performed by the choir. These composers include Kryzysktof Penderecki of Poland, Ingvar Lidholm of Sweden, and Hans Werner Zimmerman of Germany.

More recently, the Choir of the West was honored by Academy-Award-winning American composer Miklos Rosza, who chose the group

This outstanding company has given hundreds of concerts in this country and in Europe, Canada, and Mexico. All have received national and international acclaim.

This year marks the choir's third consecutive coast-to-coast tour, during which performances will be given in 23 cities from New York to Los Angeles and from Minneapolis to the Bahamas.

Mr. Speaker, I am very proud of this choir and I was delighted that this city and many in this Chamber had the opportunity to hear this group sing.

Truly, PLU's Choir of the West is a national treasure and Sunday they showed us this once again.

Thank you.●

FUEL USE ACT NEEDS REFORM

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. SYNAR. Mr. Speaker, I today introduced along with the other House members of the Oklahoma congressional delegation legislation to repeal section 301 of the Powerplant and Industrial Fuel Use Act of 1978. My colleagues in the Senate, Mr. BOREN and Mr. NICKLES, have introduced an identical companion bill in that body. The legislation we have introduced would repeal the provision of the Fuel Use Act which prohibits the burning of natural gas in existing electric power plants across the country after January 1, 1990.

In 1978, the Congress passed the Powerplant and Industrial Fuel Use Act as one segment of the five-part national energy plan enacted by the 95th Congress. One of the basic assumptions underlying enactment of the Fuel Use Act and the so-called off gas provisions in the law was that there was a then current or pending shortage of natural gas. The shortage of natural gas which afflicted the eastern markets during that period now appears to have been in large part the result of Federal pricing for interstate natural gas sales, which diverted gas to the free, intrastate market. In retrospect, it appears that no shortage existed during that period, and that supplies of natural gas will be ample to meet U.S. demand for many decades to come.

In addition, with respect to the continued use of natural gas by existing gas-fired utility units, the supply outlook is so favorable that a recent Department of Energy study recommends "urgently needed" policy initiatives to allow electric utilities to substitute natural gas for oil. This recent recommendation is obviously contrary to the off-gas provisions contained in the FUA of 1978.

Mr. Speaker, recent estimates of both proved reserves and undiscovered recoverable resources vary somewhat. But in large part all point to the fact that the natural gas supply situation for the United States is extremely favorable for many decades. Prior to 1978, exploration for new gas was discouraged primarily by Federal price controls, and additions to reserves did not keep pace with production. But with the start of phased deregulation of natural gas prices under the Natural Gas Policy Act, exploration has increased dramatically. During 1980, new gas drilling activity reached an all-time high. In fact, many expect that 1980 data, when compiled, will show that additions to proved reserves will equal production. Furthermore, unconventional gas potential from tight sands, Devonian shale, and other sources can add significantly to supplies by the turn of the century. The simple fact is that there is no natural gas shortage. With increased drilling activity, and the enormous potential from unconventional gas sources along with Alaskan, Mexican, and Canadian supplies, the off-gas provision for utilities contained in the 1978 FUA is unwarranted and unwise.

But our optimistic supply situation is by no means the only reason to repeal this provision of existing law.

Repeal can be important from a national security standpoint. There is no argument from any quarter that the United States must reduce its dependence on petroleum, and particularly on unstable sources of foreign oil. The act does not prohibit existing powerplants from switching from natural gas to oil. In fact, for economic reasons, the act has forced, and will continue to force, existing gas-fired utilities to burn oil.

With the Congress and the Nation so conscious of the need to reduce our

overall dependence on petroleum, the fact that utilities will take this step should concern all of us.

From an economic and consumer standpoint, forcing the premature abandonment of perfectly good natural-gas-fired powerplants is disastrous. For several reasons, utilities in every region of the Nation are already experiencing serious capital formation problems. For utilities which are already caught in this squeeze, the unnecessary replacement of these facilities will place them in untenable financial positions. More importantly, the consequence of this action will be imposed upon our residential and industrial electric consumers. This would be a serious financial blow to millions of electric ratepayers across the Nation. If existing gas-fired powerplants are required to shut down after January 1990, the costs of needlessly replacing these units will impose extraordinary financial burdens on our ratepayers. In my own State, for instance, the average residential customer would be burdened with hundreds of dollars in additional utility costs annually. Mr. Speaker, what is so unfortunate about this situation is that such replacements are simply unnecessary, and therefore the costs imposed upon ratepayers is unnecessary.

I want to stress that the legislation we have introduced today does not alter the Fuel Use Act prohibition against new gas-fired powerplants or industrial facilities. The burning of natural gas by facilities not in existence in 1978 will continue to be prohibited. This is only one reason why the use of natural gas by utilities will decline steadily in the future. With new gas-fired plants prohibited, with utilities already phasing in planned units employing alternative energy sources, and with the natural decline in use from existing gas-fired plants dropping off line, there will continue to be a decrease in powerplant gas use, even with the repeal of section 301 of the Fuel Use Act.

Finally, Mr. Speaker, I want to touch upon an issue which I know is of concern to many of my colleagues throughout the country, that of residential natural gas supplies. Under our legislation, residential customers will not lose their priority usage status. More importantly, with currently stabilized supplies and optimistic predictions for future supplies, residential customers will be well protected.

The natural gas outlook has changed dramatically since passage of the Fuel Use Act in 1978. Natural gas is our largest domestically produced energy source, with drilling activity at an all-time high. Its long-term role in our national energy picture is more optimistic than ever. And very importantly, it can meet our serious efforts to displace large amounts of imported petroleum. There are now estimates that by 1985, natural gas could displace over 2 million barrels per day of the oil we now use. Natural gas is clean, its supply is ample, its price is still reasonable.

There is no question in my mind, Mr. Speaker, that this step is in the right direction for our Nation's energy future. I hope my colleagues will join me in support of the legislation introduced today.●

OLIN E. TEAGUE: 1911-81

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. ADDABBO. Mr. Speaker, all of us who have been privileged to have served in Washington, have met in our careers a few special people, who early on, were there to guide and advise us. In my lifetime, Olin E. Teague was such a man, and I will never forget him.

It is with a saddened heart that I join my colleagues today to honor the memory of Olin, a dear friend, invaluable colleague, and patriotic American, who passed away a few days ago at the age of 70. I am sure I speak for all Members of Congress when I say the State of Texas has lost one of its greatest contributions to Congress and this Nation.

When I first came to Washington 21 years ago, the first committee assignment I had was the House Veterans' Committee, chaired by Olin. Like most first-term Representatives the transition to public office was a confusing one. Olin Teague assisted me during that period with advice that I have adhered to ever since, lessons which have made me a better person and public servant to my people. He was never too busy to lend me a hand with a problem and he was continuously encouraging me to seek out new avenues to assist my constituents. What made this man so remarkable, was that he did this for many people, whether they were first or 20 termers, and that is why he was revered and admired by all who knew him.

While serving as chairman of the committee, Olin was instrumental in pushing through countless pieces of legislation which improved the quality of life for thousands of veterans and their families. It is no wonder that this man who was decorated 11 times for his service in World War II, and who fought so hard as a civilian to build new hospitals, and increase benefits for veterans, should be considered the greatest spokesman the veteran ever had.

Later in his distinguished career, Olin served as chairman of the Science and Technology Committee where he encouraged NASA to pursue new ventures in the post-Apollo era. His encouragement worked beautifully, as will be seen very shortly when the first flight into space of the Space Shuttle, America's new adventure in space, takes place. The Space Shuttle was one way Olin believed NASA could work for the benefit of its citizens, enabling us to, among other things, locate new sources of energy on Earth. Much of Olin's assistance to NASA has led to the development of devices which can assist the handicapped, devices which evolved from the technology utilized in space exploration. That is the way Olin was, he was always thinking of ways Government could eventually serve the people who needed to be served the most.

The name Olin E. Teague will long remain synonymous with dedication, loyalty, love of fellowman, and statesmanship. To his wife and family, as well as to his countless friends who mourn his passing, I extend my deepest sympathy in their hour of bereavement.●

MAKING POLLUTION PREVENTION PAY

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. MILLER of California. Mr. Speaker, one of the most important issues which will come before the 97th Congress will be the reauthorization of the Clean Air Act. Few deny that this law, together with the Clean Water Act, the National Environmental Policy Act, and other environmental protection laws, have begun to produce significant improvement in our Nation's air and water quality.

Recently, some have suggested that however meritorious these laws may be, they interfere with economic growth and ought to be pared back. A recent article in the Harvard Business Review impressively argues that the prevention of pollution is not only sound public policy, but economically advantageous.

Indeed, far from hampering growth, author Michael G. Royston found that pollution control directly can add 2 percent to the GNP and stimulate job creation and productivity. The Environmental Improvement Council estimated that 2 million jobs in 1977 were attributable to environmental protection efforts.

Between 1970 and 1978, the annual benefit of improvements in air quality exceeds $21 billion and by 1985, the annual benefits from reduction in water pollution will be $12.3 billion.

Far from hampering our competitive position, Royston finds other countries doing even more than the United States in pollution controls. The eco-

nomic payoff in new jobs, reduced energy needs, recycling, and product innovations is measured not only in esthetic improvements, but also in bigger profits.

Before we get carried away in advocating an abandonment of pollution prevention, let us note the important contributions environmental controls have made to our economy.

The article follows:

MAKING POLLUTION PREVENTION PAY

Some businesses have long understood that environmental protection and economic progress can go hand in hand. Consider the following examples:

Ciba-Geigy, the chemical complex in Basel, Switzerland has, with little capital investment, been able to eliminate up to 50% of the pollution from its operations and save an estimated $400,000 a year. By changing its manufacturing processes and recycling its water and solvents, it has saved not only money but also energy.

A plant producing atactic polypropylene waste in Japan has a waste recovery and utilization plant with capital charges and operating costs amounting to $100 a ton. The value of recovery energy at $140 a ton yields an annual profit of $500,000.

In the Federal Republic of Germany, Reffelmann Metallverarbeitung KG has recovered its electroplating liquors and made a 40% profit on them. ENKA-Glanzstoff AG is increasing its marginal profit by 30% in recovering zinc from its rayon plant effluents.

In France, 22 factories have been converting their production wastes into useful, salable products. The Elf Oil Refinery at Feyzin, for example, has turned its hydrocarbon pollution into an annual profit of $1,320,000. The Société Alimentaire Equilibrée at Commentry has turned a methionine mother-liquor pollution problem into an annual saving of $600,000. The Sacilor steel works in Gandrange has recovered its iron dust residues and saved $200,000 a year. The Société Lacto-Centre in Bas-en-Basset has recovered its whey residue that was previously polluting local rivers and made a gross profit of $180,000 a year on it.[1]

In the United Kingdom, North British Distilleries, near Edinburgh, has turned its highly polluting still bottoms into nutritious animal feed and has had an annual return on investment of over 100%. Tomatim, another distillery in Scotland, is raising $6 million worth of eels in its hot water effluent. An ICI plant is saving $600,000 a year in fuel bills by segregating and burning its wastes.[2]

Minnesota Mining and Manufacturing Company, the multinational based in the United States and known as 3M, has since 1976 expanded production by 40% and significantly reduced its annual pollutant load. Its liquid effluent has gone from 47 tons to 2.6 tons, its gaseous effluent from 3,000 tons to 2,400 tons, and its solid waste from 6,000 tons to 1,800 tons. This cleanup has resulted in a cost saving of $2,400,000 a year.

By 1976, this company had realized that the cost of meeting increasing demands for pollution control was threatening its profitability. It decided to attack the problem at its root by applying the philosophy that pollutants plus know-know equal potential resources and new profits. The company initiated this approach under the slogan "Pollution Prevention Pays" (3P).

In the first nine months of operation in 15 countries, 3P programs eliminated 70,000 tons of air pollutants and 500 million gallons of waste water. Instead of expending money, 3M saved $11 million. By viewing pollution as an indicator of waste and an opportunity for profit rather than as a costly threat, the company had by 1979, saved over $20 million.[3]

NEW NO-WASTE TECHNOLOGIES

The savings possible from such no-waste approaches vary widely from industry to industry and from plant to plant. Most of the old technologies and processes in use were selected when the costs of energy, water, and raw materials were much lower than they are now and when the costs of waste disposal were either very low or could be ignored. Designs were selected to maximize the discounted cash flow, so long-term running costs tended to be sacrificed in favor of reducing initial capital costs. Thus, many existing plants and processes in all industries tend to have a good margin for improving efficiency, reducing costs, and minimizing waste and pollution.

Even the best managed and most efficient businesses are finding opportunities to improve their efficiency, to the benefit of both the economy and the environment. Many of these examples are to be found in Europe because it has a history of high energy and raw material costs as well as long-standing environmental concern. There, for example, the cogeneration of process steam and electric power, much discussed recently in the United States, has been routine practice for many years. Many industrial and municipal installations in Europe convert wastes into energy in specially designed incinerators and use waste heat from power plants for district heating.

It was there, in Finland, that the metallurgical industry developed the Outokumpu process, which since 1947 has been turning 98% of the damaging sulfur dioxide fumes arising from copper smelting into salable sulfuric acid.[4] It was there that the "systems approach" of integrating one type of processing plant with another to take care of wastes resulted in combined treatments that are clean, productive, profitable, and capable of generating 50% of their own energy needs.

It is in Europe, again, that a new technology known as fluidized-bed combustion has eased the acid rain problem. Scotland has been using this technique on a large scale to burn coal at 97% combustion efficiency and retain 90% of the sulfur in a bed during the burning of 3.5% of its sulfur coal.

In the extraction and building industries, English Clays has been using its china clay wastes to make prefabricated houses.

Germany's steel industry has recycled 99% of the water it uses and converted over 90% of its solid wastes into other useful materials. It is in Germany where coke ovens are being moved to enclosed quenching zones to recover gas and steam as energy sources and to eliminate air pollution, where the aluminum industry is using a closed fluoride cycle, and where the rubber and plastics industries have a large number of schemes to recover, resynthesize, and reuse waste materials as fuels by a variety of specialized pyrolysis and incineration techniques.

In the chemical industry, the Soviet Union has been using energy conversion and water recycling to cut the costs in an ammonia plant to $40 or $50 a ton.

In the food industry, France has been getting a 30% return on investment from the recovery of protein from slaughterhouse wastes.

The process industries in general are able to turn half their gross pollution load to profit before having to pay for the hard task of cleanup, and many of them are in North America.

Hylsa, the steel company in Mexico, is using the sponge iron process to implement direct reduction technology and prevent the massive pollution of coke ovens, which cost U.S. Steel over $600 million to clean up recently at its Clairton works.

Shell Oil in Canada has been disposing of its refinery sludge by ploughing it into the prairie and increasing barley yields from 18% to 31%. In a pulp mill at Thunder Bay on Lake Ontario, the Great Lakes Paper Co. Ltd. has for the past three years been using the Rapson-Reeve process, which is neither as dirty as a conventional mill nor as uneconomic as one retrofitted with expensive pollution control equipment.[5] It is based on closed cycle operation and produces pulp more cheaply than a conventional plant does.

In the United States, the paper companies have begun to look at their industrial wastes as ways of making money.[6]

Union Camp, for instance, which used to sell its mill wastes for eight cents a pound, now turns them into flavors and fragrances worth more than a dollar a pound. It has boosted its chemical sales to $100 million a year.

As a by-product of processing at its Bellingham, Washington plant, Georgia Pacific is producing 190-proof alcohol "so pure and potent" that the Treasury Department has stationed men in the plant full-time to make sure that none of it is converted to drinking liquor before its sale to industrial users.

Westvaco has found the conversion of mill wastes into other products so profitable that it has created a chemical subsidiary with four processing plants and a research center staffed with 80 scientists. In the past five years, Westvaco's chemical sales have doubled to $45 million, all from materials that the company used to dump.

Other U.S. industries are now doing similar rethinking.

Dow Corning has found that recovering chlorine and hydrogen previously lost to the atmosphere in making silicon can reduce operating costs by $900,000 a year. A $2.7 million capital investment in equipment is producing a 33% annual return on investment.

Hercules Powder spent $750,000 to reduce solids discharged into the Mississippi River and is now saving $250,000 a year in materials and water costs.

Process improvements in a Goldkist poultry plant have cut water use by 32%, reduced wastes by 66%, and produced a net

[1] See Ministère de la Qualité de la Vie, *Usines Propres* (Paris: La Ministère, 1976).

[2] See my book, *Pollution Prevention Pays* (Oxford: Pergamon Press, 1979).

[3] See Joseph T. Ling, "Developing Conservation Oriented Technology for Industrial Control," in *Non-Waste Technology and Prodution* (Oxford: Pergamon Press, 1978), P. 313.

[4] S. Harkki, "The Outokumpu Flash Smelting Method," in Non-Waste Technology and Production (Oxford: Pergamon Press, 1978).

[5] United Nations Economic Commission for Europe, "The Rapson-Reeve Process, A Case Study," Compendium of Low-Waste and Non-Waste Technology (Geneva: Palais des Nations, 1980).

[6] United Nations, "Money from Wastes," Development Forum, January-February 1977, p. 3.

annual gain of $2.33 for every $1.00 expended.

The chairman of the Hanes Dye and Finishing Company has testified that "cleaning up our stacks and neutralizing our liquids was expensive, but in the balance we have actually made money on our pollution control effort. EPA has helped our bottom line."

All these examples confirm the impression that in many industries a good deal of pollution stems simply from inefficiency and waste—waste that could be turned into profit.

ORGANIZING FOR PROFIT

How can companies best exploit their own pollution prevention opportunities? The key to 3M's success has been giving corporatewide recognition to the importance of technological innovation in making the company efficient and profitable, delegating responsibility and initiative to the shop floor, and rewarding all company personnel who get involved in 3P programs.

Joseph T. Ling, as vice president of environmental engineering and pollution control, heads up the corporate effort at St. Paul, Minnesota and works directly with the corresponding managers of the overseas companies. In the United Kingdom, for example Ling works with the manager of engineering services and a central energy and environment committee. The manager serves as chairman, and an accountant, the central engineering manager, the manufacturing manager, the maintenance engineer, and the public relations manager serve as the five other members of the central committee.

Each 3M factory has its own plant energy and environment committee comprising the plant engineer as chairman, the manufacturing supervisor, the process engineer, the maintenance supervisor, the control engineer, the division engineer, and an industrial engineer. Their job is to set targets for waste avoidance, establish programs with shop floor personnel, report progress to management, audit savings, and report to the central committee.

At 3M all corporate personnel from the shop floor upward are mobilized to contribute their knowledge and observations to the pollution abatement programs adopted. To qualify as a 3P program, a proposal has to eliminate or reduce a pollutant; bring about reduced energy use or more efficient use of raw materials like water; include some innovative feature; and bring monetary benefit through reduced or deferred controls or manufacturing costs, increased sales of existing or new products, or reduced capital or running costs. Pollution has been efficiently lessened, not by installing pollution control plants but by reformulating products, redesigning equipment, modifying processes, or recovering materials for reuse.

Good housekeeping has been the basis for successful pollution prevention at most of the companies I have mentioned. Often, however, they feel they have arrived at the best programs possible though computer optimization. They have looked at their intuitive proposals singly and in combination through sophisticated computer programs and have reached rank orderings of returns on investment for each degree of pollution abatement.

They have found that the economic way to abate pollution is not to call in equipment suppliers but to detect waste in their operating conditions; establish material, energy, and water balances; take note of legislative trends, and predict future waste treatment costs in the light of present expenses. Action based on this approach includes reducing energy consumption through heat reuse; coupling heat-producing and heat-consuming processes; integrating heat and power production; reducing heat and cold losses; and modifying temperatures, compressor and pump loads, and boil-up rates.

The next stage after they have eliminated substantial amounts of their waste has been to sell as much of that waste as possible to someone else and, with the residual pollutants, to build extra plants to convert them into useful raw materials or products. Then they have appraised the self-cleansing and dispersing power of their local environments and, with state authorities and local communities, have established appropriate discharge conditions for final residues.

Whenever possible, the companies have built treatment facilities jointly, as for example, Airco Alloy and a pulp mill in Sweden did and as Bass Charrington's giant brewery and the town of Runcorn in the United Kingdom did to profit from the compatibility of their mixed wastes. The treatment facilities have also usually been built with the companies' own manpower so as to develop the kind of environmental know-how that can be commercialized.

GROWTH BOOST

If taking such a positive approach to environmental protection can help companies maintain their profit, it can also help them grow. In the United States this year, environmental business has been almost a $50 billion affair and has recently been increasing 20 percent a year.

This new commercial area has brought in its wake a wave of new businesses. In the Federal Republic of Germany, more than 200 new companies have recently set themselves up to provide environmental products and services. In the United States, there are companies like Apollo Chemical Co., which started in the air pollution business some 15 years ago employing 10 people but which now employs over 400 and has subsidiaries around the world. Another is Waste Management Inc., a garbage handling business based on a new technology that yields a turnover of $350 million.

Even more significant, many large companies have added divisions to provide environmental goods and services. In the United States, Boeing, FMC, Exxon, Dow Chemical, 3M, and Caterpillar Tractor all market environmental products and services. In Europe, Shell, BP, Ciba-Geigy, Krupp, and Philips market specialized environmental services. ICI, in the United Kingdom, has three environmental divisions—a general technical and instrument division, a division for deep-shaft waste treatment systems, and another for general biological services and marketing plastic filter medium. In Sweden, the PLM Company, formerly only in the packaging business, has diversified into the reclamation area and doubled its turnover to $500 million.[7]

In such diversification, it is as important as ever to link the new activity to an existing strength. Thus, in pyrolyzing garbage, the Danish firm Destrugas is producing fuel gas, Union Carbide is producing ammonia, and Occidental Petroleum is producing fuel oil.

New growth areas tend to stem from technological innovation, and innovation tends to result from external need or pressure. Environmental pressure generates innovation.

Environmentally induced economic activity continues to stimulate the economy. It is an estimated 2% of the gross national product in countries like the United States. The amount of employment engendered by all aspects of environmental protection in the United States was, at the 1977 Environmental Improvement Council Conference, reported to be 2 million jobs. Direct employment induced by the National Environmental Policy Act runs at about 75,000.[8]

A 1978 estimate of the economic impact of environmental policies in the United States indicates that the annual benefits of improvements in air quality since 1970 have been $21.4 billion and that the total annual benefits in 1985 due to improved water quality will be $12.3 billion.[9] It is further estimated that by the end of 1980 U.S. environmental regulations will have added 0.1% to the consumer price index, reduced unemployment by 0.4%, and increased gross national production by $9.3 billion.

Japan, in recession in 1974, used strict pollution control legislation to boost construction and engineering and hence restimulate the economy; 20% of its economic growth since then can be attributed to its new strict environmental legislation.[10] Japanese companies are world leaders in supplying advanced pollution control equipment such as pyrolysis plants and flue gas desulfurizers.

Sweden used similar measures in 1970 when it faced an economic recession. The government introduced strict pollution control and offered industries cash grants of up to 75% of the purchase price of pollution control equipment installed before 1975. The result was a major improvement in the environment and a massive stimulation of the construction, equipment, and chemical industries. Sweden pulled out of the recession, and, like Japan, developed companies that are now leading suppliers of advanced pollution control equipment, chemicals, and know-how in the world.[11]

SURVIVAL OF THE FITTEST

In determining the direction of their future growth, companies as well as nations will more and more have to take environmental concerns into account. The ultimate objective of the corporation is survival, and reaching that depends very much on the adaptation of the corporation to its environment.

Such major companies as Shell and BP are directing their development by forecasting from scenarios. They describe all the possible environmental conditions that might control their growth and make decisions accordingly. AKZO, the Dutch chemical multinational, constructs elaborate scenarios based on the social, political, physical, economic and technological environments that it feels may prevail in the future and then determines which products and

[7] I. Flory, "Separation of Paper, Glass and Tinplate from Waste in Residential and Industrial Areas," ELMIA Conference, Jönköping, Sweden, October 1976.

[8] "Eighth Annual Report of the Council on Environmental Quality" (Washington, D.C.: U.S. Government Printing Office, 1977), p. 332.

[9] "Tenth Annual Report of the Council on Environmental Quality" (Washington, D.C.: U.S. Government Printing Office, 1980), pp. 655–662.

[10] Organization for Economic Cooperation and Development, "Prevention Less Costly than Cure," OECD Observer, May 1979, p. 9.

[11] Organization for Economic Cooperation and Development, "The Environment and Current Economic Problems" and "The State of the Environment," OECD Observer, May 1979, p. 29.

services will be more compatible with such conditions.

More and more companies are assessing the environmental impact of projects they are about to introduce. Some, such as DSM, the Dutch state coal mining enterprise that is now a large, successful multinational chemical company, go to the extent of simulating public hearings of impact reports. Company staff members play the roles of community and environmental advocates to identify the dangers and problems early so that remedies can be applied while cost and time penalties are still minimal. Under programs like this, enterprises accept the validity of environmental concern and encourage environmental awareness on their staffs. They can minimize the negative and maximize the positive impacts of their new projects.

They can also prevent their projects from being blocked by the courts or by citizen protest actions. By becoming concerned about environmental impact ahead of time, companies can avoid costly delay, bad press, and heavy financial burden.

THE PAYOFF

If a company looks at economic questions in an ecological way and at ecological questions in an economic way, it can make pollution prevention pay in relation to three corporate objectives. By focusing attention on waste avoidance and efficient operation, it can increase profit. By investigating new areas in which to develop products and services, it can grow. By avoiding conflict over new projects and winning acceptance for them by looking at them with an eye to the new environmental values, it can improve its chances of surviving.●

SALUTING THE MAKER OF THE INAUGURAL MEDALS

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. RATCHFORD. Mr. Speaker, I commend the attention of my colleagues today to the creative industry of a company in the Fifth District of Connecticut, the Medallic Art Co., Inc., which has struck and is producing a series of unique and highly collectible medals commemorating the inauguration of Ronald Reagan as President.

The Medallic Art Co. has been in the business of manufacturing high-quality medals for years, and has been a valued employer, taxpayer, and good neighbor in my home city of Danbury. But, of course, Medallic Art's business has been more than just a business: A sense of artistry is palpably apparent in each of its creations; a sense of history informs and inspires its entire collection.

Medallic Art's inaugural medal—in five different size and metal combinations—displays on its obverse a careful portrait of the President, prepared from a life mask, and on its reverse a detailed depiction of the West Front of the Capitol, where Mr. Reagan last week took the oath of office as our Nation's 40th President. The medal is more than a fine piece of work and a credit to all of us in western Connecticut—a region that is proud to be the home of a number of collection-quality medallic mints. It is a testament to the esteem numismatists have long accorded Medallic Art—for the Presidential medals that have preceded the current edition, for the special Olympic collection minted to commemorate the games at Lake Placid, N.Y., last year, and for dozens of other brilliantly wrought examples of the numismatic art.

I trust my colleagues will join me in saluting the care and craftsmanship of Medallic Art Co.—a business I and all the citizens of the Fifth District are proud to call a neighbor, a business we are pleased to see building success from a firm tradition of innovation, artistry, and the highest standards of minting excellence.●

CONGRESS AND TECHNOLOGY

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. WINN. Mr. Speaker, I have served on the Board of the Office of Technology Assessment for 4 years now. During my tenure I have come to realize just how important OTA and its contributions are to the deliberations of the Congress. The following article, which appeared in the September 1980 issue of Government Executive, gives an overview of the Office of Technology Assessment and describes how it might be even better utilized in the future. I commend this article to my colleagues.

FACING UP TO THE REALITIES OF FINITENESS

It will not appear in the plethora of political rhetoric swamping the U.S. There will not be but a fleeting hint of it in the political reporting assaulting the senses through printed and electronic news barrages.

And, certainly, no individual Member of either House will devote any speech to it for public consumption.

It manifests itself most visibly in the great energy problems facing Congress—but it is also present in transportation, health, defense, welfare and in almost all of the major issue identifiers abounding on the Hill.

Energy is a big word with scientific, technological, social, economic and political connotations. But the whole energy question is really the first confrontation between Congress and the "realities of finiteness." It is an absolute confrontation.

And D. John H. Gibbons, Director of the Office of Technology Assessment, U.S. Congress, finds this fascinating because those realities basically question the ability of our physical resources and our institutions to deal with a national problem.

OUT OF THE COWBOY AGE

"It is imperative to take this lesson seriously," says Gibbons, "not because the solutions are so critical in energy, but that the processes involved are changing the whole way we think about problem-solving in our society. It is not just a shortage of fuel but a confrontation of the anachronism of the underlying tradition of western thought that is involved."

The point Gibbons is making is that we have always used our natural or industrial resources to solve problems. Now we are beginning to have to use our brains.

And Congress, in spite of polls and heavy criticism to the contrary on particulars, is moving, slowly and sporadically as an institution, away from the cornucopia concept. "We are far from running out of technology," says Gibbons, "but we still look back for a quick technological fix every time we get into a jam." This is a natural and very comfortable attitude—because it means we do not have to change our thinking or, even more terrifying, change the way we, as a Nation, do things.

There are very few technologists elected to Congress, yet, because of the very great mix of levels of sophistication in that body, many Members have a far better understanding of the complex inter-relationships among technologies and other societal elements than the Public. And almost all of the legislature knows that policy is a process, not a fixed point in time. (Those who do not, simply do not count.)

It could have been anticipated when Congress established its own Office of Technology Assessment back in 1972, that the entity would eventually serve as a window into Congress itself. All of Government's creations eventually do this. But the OTA window is small and often slightly opaque.

In its initial years, OTA could be best described as a joint committee and it was pretty much treated as such. But the original idea was to create a body capable of providing non-partisan, objective and fair advice to the Committees and Members of Congress who are inherently deeply involved in political choices. Which are, of course, the opposite of non-partisan, objective and fair.

So in its first phases, OTA wound up too close to the day-to-day action of Congress. In its next phase, the obvious swing to the other end started and OTA, in the minds of many Members, was getting to be almost irrelevant.

CONSTANT CHANGE

OTA is now in the third, and by no means final, phase. Gibbons realizes that Congress wants a degree of independence in OTA but that the organization must also work for Congress. "So the attempt is to move close to the imperatives of Congress while doing the least amount of violence to these studies—which do take both money and time.

"OTA is an experiment, that is now working and working better because we have learned a lot."

So has Congress.

Yet Congress must also appreciate that the advice it wants from OTA immediately must have already been in the works at OTA for many months, if not years.

"Our hope is that Congress understands we have an undercurrent of projects that take a year or two to complete and at the same time we must develop the ability to pull, out of those studies and others already completed, information that is germane to current issues before Congress. It is a balancing act."

OTA's role is not to tell Congress what to do, but to supply intelligent options. "It is a little like the difference between projecting into the future where you are going based

on energy supplies and forecasting where energy is going to go. A lot of people do not realize the difference between the two. We in OTA project, we do not forecast," says Gibbons.

A university, or a major corporation, tackles an interdisciplinary study by gathering electrical, mechanical, civil, and other engineers together and turning them loose on a problem.

"Congress," says Gibbons, "is at a unique extreme, and has to bring together an inordinate number of considerations."

On the other hand, the National Academy of Sciences is now integrating over the life and physical sciences—but when they get into economic or social elements they tend to bog down. "It gets too complicated."

"You can consider OTA as being at the next level. We integrate over the life and physical sciences but also over the social, economic and political sciences as well. We are just beginning to synthesize information—but still at a level far below what Congress must take into account."

"We are starting to become a significant part of the Congressional process."

Gibbons thinks that OTA is also the catalytic point between what the Congressional committees want and where the relevant information exists. "This information is literally all over the U.S. So we form advisory panels on issues approved or requested by the Board, and include all interested parties. Everybody whose ox is going to get gored or fed is on these panels."

OTA actually has a very small professional staff—less than a hundred. The major work of information synthesis is through panels, short-term employment, consultants and subcontracting. This gives the small staff a tremendous outreach. Every major study OTA instigates involves panels and "these panels are carefully pulled together to make sure that all interests are represented." They may not have equal representation but the target is to be fair.

"And then we always put out these documents that are too much for anybody to read," says Gibbons, so he has expanded on an idea of one of his predecessors—the one page summary. "We print separate summary packages designed to meet the needs of Congress." He is also working on graphics and other information packaging techniques to improve the communication of OTA's basic works.

INSTANT RESPONSE

"We are not in the business of filling shelves with information. We must fill the voids of information in the current policy generating functions of the Congress. We have to be responsive and have damned good stuff. If you feed Congress junk they just turn you off."

OTA's ability to respond to short term queries is improving. This is a function of the number of studies underway and the backlog of completed projects. It is also an imposed attitude. "We should be far less reactive and much more anticipatory in our working for Congress," says Gibbons.

Oddly enough, Gibbons has found the best way to reach his hundreds of "Bosses" is through magazines and newspapers, as well as T.V. "It is often a far more effective route than sending reports and the media, is, in fact, turning out to be one of our most important delivery systems."

OTA is fairly open. It is impossible to keep much of what it does under wraps because of the many inputs and the controversial nature of much of the subject matter. OTA does suffer from leaks in the sense that draft information is often made public to bolster a particular point of view while ignoring all of the rest of the options, projections and other aspects appearing in the final report.

"Frankly, I think we just have to take our chances here. The benefits of open information exchange in the development of assessments far outweighs any short term negative publicity," says Gibbons. He might have added that no Member of Congress is anything less than expert in promulgating partisan information through the news media. So there is an understanding here.

GRASPING INTANGIBLES

There is one area causing Gibbons some concern. This is in the perception of duplication of effort. A Member sees a report from the GAO on, say gasohol, and then a study from OTA on the same subject and forms the superficial conclusion that one or the other was a waste of effort. "Not true," says Gibbons, "what you have is the same subject analysed from two entirely different aspects. In fact, OTA and GSA would probably have been aware of each other's project and cross-correlated along the way."

In a recent hearing on the synthetic fuel issue, Gibbons, acting for OTA, and the Congressional Budget Office spokesman hit the same subject and, in fact, came up with the same bottom line in their separate analyses. "I did not know about the Congressional Budget study until the hearing itself. The point is that the Budget Office analysis worked its way through macroeconomics and we worked our route through engineering and technology. The fact that the bottom lines were the same is a clear advantage to Congress. Far from being a duplication of effort, it was actually a demonstration of the intrinsic worth of complementary analysis."

The charge that OTA duplicates the work of other Congressional support organizations is one of the most serious levied against the organization—not because it is true but because it shows a fundamental misunderstanding about the purpose and value of OTA to the legislative process.

In a very real sense, the most formidable problem facing Gibbons is the abstract nature of many of the deficiencies he has to resolve.

"We have been called the 'Office of Technology Harassment'" says Gibbons, as if OTA had the power at all.

There are differences of opinion among the more powerful Members of the House and Senate as to exactly how OTA should proceed. Gibbons is very much aware of the impasse that can easily develop between an organization that generates multi-year assessments at the whim of a body that stands for re-election every two years and every six years.

In Washington, there is an impression that Congress is a fast moving legislative arena and OTA, by its nature and the complexities of assessing technology against the intangibles driving Congress, therefore moves slower.

Yet that so called fast moving legislation is normally in response to social and political problems perceived by Congress long after it surfaces somewhere in the U.S. and the legislative "solutions" arrive on the spot after the problem has changed or died of old age. Or misses the problem entirely because all Congress can do is enact, it cannot enforce or even administrate its creations. Or causes other problems which, in turn, generate more legislation.

The point is that Congress had better be more right than wrong the first time—and that is really why it created OTA in the first place.

An example of the product of OTA is the recent assessment of oil shale technologies. The study took all six elements—technology, economics and finance, resource acquisition, environment, water resources and socioeconomics and developed four production targets for 1990 with strategies for reaching each. In doing this, the study identified no less than thirty issues and thirty-nine policy options.

That, in only one aspect of energy, is a considerable range—especially since the study was done for Congress and treats only what Congress alone can do. And the study concerned itself with the oil shale formations in portions of only three states—Colorado, Wyoming and Utah. Obviously those three states are represented by a part of the House and Senate—so the considerations facing Congress as a whole with respect to exploiting oil shale can get interesting real fast.

It is an example of what Gibbons means when he says that "anything that has big potential positive consequences is sure to have big potential negative potential as well."

Reading any of the concise summaries of OTA's studies, much less the full reports themselves, strongly indicates that the era of the quick technological fix is over. And since all of these studies were requested by Congress, the aggregate is also a good indication that Congress, itself, has an institutional awareness that the cowboy days are also over and that, as Gibbons notes, there is a new dependence on the brain.

The oil shale study is also a case-in-point of the brutally dispassionate delivery of indigestible effects of technology. Take, for example, the following excerpt:

"An illustration of the needs for tradeoffs, among objectives can be seen at the 1-million-barrel-per-day production level, which attains the positioning and energy production objectives (i.e., it would displace about 16% of imported oil and significantly reduce the U.S. balance of payments) but only at the cost of extensive Federal involvement, increased pollution and social disruption."

The only thing that is known about the effect of the million barrel level is that it would exceed the capacity of all of the communities in the affected areas.

This is the projection of only one of the four strategies in the report—all of the others involve less than a million barrel daily production. But it shows one of the unintended impacts of an effective OTA—it provides Congress with a technological conscience. That is what you can expect to get from a non-partisan, objective and fair analysis.

"There is an impression that Congress does not worry about the long term," says Gibbons, "but if you look at the legislation going on now, you find an awful lot of it is concerned with where we are going to be in the year 2000. Much of what Congress is trying to do in energy will really only start to take effect as we cross the year 2000."

BATH WATER AND BABIES

It could well be that OTA was created with only a dim perception of its full role in the Congressional process. But, less than 10 years after its formation, it would seem that the parent is starting to get comfortable with the child—and neither have even scratched the potential involved.

As one congressional expert notes—OTA is, at the top, short on staff with extensive Congressional experience and, to some extent, a dash of old fashioned legislative relations would help OTA. Gibbons is trying to close the communications link through more effective reporting, interim responses supporting the "quick question" and developing better substantive relationships between OTA and the various caucuses on the Hill.

But Gibbons knows that there is no way to speed up the basic OTA process without compromising the quality of the results—his "getting close to the imperatives while

doing least violence" shows his awareness of the problem.

And Gibbons also knows, as do the more thoughtful Members of Congress, that many technological crises will seemingly develop overnight having evaded OTA's early warning system.

There must be a very necessary element of trust on the part of Congress towards OTA for the latter to perform effectively. OTA now seems to have the confidence of the Congressional leaders—but this is an intangible that takes careful and constant nurturing on both sides.

There is evidence available on this. OTA will soon be taking a look at the whole area of non-nuclear toxic industrial waste. But the assessment will involve what is going on now and in the future rather than what happened twenty and thirty years ago. The future look is to detail what can be done through process design and other technological avenues now to prevent history repeating itself. The toxic waste problem of the future must be cut at the source rather than at the end of the pipe. Since almost anything in industrial processing has the potential of harm—and all that such processes really do is concentrate such problems rather than disperse them—then engineering and chemical design should be brought to bear up front.

OTA is also studying the availability of Soviet energy and the influence of U.S. trade on Soviet energy production. A short study, drawing heavily on past work, will involve the combination of U.S. electronic, automotive and steel elements in foreign trade.

These go beyond the obvious. The problem is the development of federal policies involving innovation—especially in the international arenas.

It is Gibbons who will determine, to a large extent, the future of OTA. He is the third director, Former Congressman Emilio Daddario, after pushing the enabling legislation through Congress, became OTA's first director. He was then criticized for running OTA like a Congressional Office and for all of the trappings of a joint committee staff.

Former Governor of Delaware, Russell Peterson was the second Director and he got charged with allowing OTA to drift too far away from the legislative pattern of doing things.

But Gibbons thinks that Daddario and Peterson made the necessary rough cuts in establishing OTA and also bore the blame for the many problems that always accompany the creation of such a highly specialized operation.

For countless reasons, good and bad, with many being completely beyond its control, OTA could sink to such a level of routine that it should be abolished, or worse, grafted into the GAO or the Congressional Research Service—two entirely different functions.

But it is far more likely, given the Congress' belated, and private, recognition of technological complexities and the extent to which these now penetrate the purely political realm of old, that Gibbons will turn OTA into an effective tool aiding Congress in making technology the servant of U.S. policy, domestic, military and foreign.

Right, now, technology runs both Congress and the Administration.●

VETERANS' BENEFITS FOR RADIATION VICTIMS

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. GONZALEZ. Mr. Speaker, I am once again proposing a bill which would furnish veterans' benefits to certain veterans who were exposed to ionizing radiation as a result of nuclear testing conducted by the U.S. Government. Many of our veterans who over the years have developed diseases related to radiation exposure are unable to receive adequate compensation from the Veterans' Administration. The fact is that veterans who were directly involved in these nuclear tests and have attempted to file claims with the VA for compensation have had their claims denied because they lack sufficient evidence.

I am well aware of the controversy over the connection between radiation exposure and diseases commonly thought to be related to effects of ionizing radiation, but it is my understanding that there is sufficient evidence in particular illnesses to assume there is a link.

My bill proposes that any veteran who was exposed to ionizing radiation as a result of nuclear testing undertaken by the United States and since have developed leukemia, thyroid cancer, bone cancer or any other cancer, disease or illness included in a list to be published by the advisory panel on the health effects of exposure to radiation, which my bill would establish, will be eligible for VA benefits.

Mr. Speaker, the purpose of this measure is to offer the veteran who is suffering from such side effects, eligibility for a fair and just compensation past due and for the Government to assume the responsibility in these circumstances.

I hope that by introducing my bill early in the legislative year, it will be considered as soon as possible in order to alleviate the present situation confronting many ailing veterans.●

SENATE—*Friday, January 30, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met in executive session at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

AUTHORITY TO REPORT ORIGINAL RESOLUTION

The PRESIDENT pro tempore. Without objection, as in legislative session, it will be in order to report an original resolution of the Committee on the Judiciary concerning the budget for the committee and that no objection lie with respect thereto under section 133 of the Legislative Reorganization Act of 1946, as amended.

RECESS UNTIL 10:15 A.M., TUESDAY, FEBRUARY 3, 1981

The PRESIDENT pro tempore. Under the previous order, the Senate stands in recess until 10:15 a.m., Tuesday next.

Thereupon, at 11:40 a.m., the Senate, in executive session, recessed until Tuesday, February 3, 1981, at 10:15 a.m.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, January 30, 1981, he presented to the President of the United States the following enrolled bill:

S. 253. An act to increase the number of members of the Commission on Wartime Relocation and Internment of Civilians.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-276. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "New Means Of Analysis Required for Policy Decisions Affecting Private Forestry Sector"; to the Committee on Agriculture, Nutrition, and Forestry.

EC-277. A communication from the Acting Public Printer, U.S. Government Printing Office, transmitting, pursuant to law, a quarterly report of certain charges incurred for congressional printing and binding which cannot be identified with specific congressional committees; to the Committee on Appropriations.

EC-278. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "No Easy Choice: NATO Collaboration And The U.S. Arms Export Control Issue"; to the Committee on Armed Services.

EC-279. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, the seventh annual report on "Rationalization/Standardization Within NATO"; to the Committee on Armed Services.

EC-280. A communication from the Acting Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report on a study with respect to converting the family housing maintenance function at Grissom Air Force Base, Indiana, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-281. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examinations of Financial Institutions Do Not Assure Compliance With Consumer Credit Laws"; to the Committee on Banking, Housing, and Urban Affairs.

EC-282. A communication from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, two amendments to the Trade Regulation Rule on Games of Chance in the Food Retailing and Gasoline Industries that had been previously submitted to the 96th Congress; to the Committee on Commerce, Science, and Transportation.

EC-283. A communication from the Secretary of Commerce, transmitting, pursuant to law, an interim report on the progress of the planning and construction of facilities for the 1980 Winter Olympics covering fiscal year 1980; to the Committee on Commerce, Science, and Transportation.

EC-284. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to establish a revolving fund in the Department of the Interior, and for other purposes; to the Committee on Energy and Natural Resources.

EC-285. A communication from the Chairman of the U.S. Railroad Retirement Board, transmitting a draft of proposed legislation to amend the Railroad Retirement Act of 1974 and the Railroad Retirement Tax Act to assure increased revenues, reduced costs, and simplified administration; to the Committee on Finance.

EC-286. A communication from the Acting Chairman of the Board for International Broadcasting, transmitting, pursuant to law, the annual report on the activities of the Board for fiscal year 1980; to the Committee on Foreign Relations.

EC-287. A communication from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting, pursuant to law, project performance audit reports prepared by the International Bank for Reconstruction and Development, special studies prepared by the External Review and Evaluation Office of the Inter-American Development Bank, and project performance audit reports prepared or project completion reports prepared by the Asian Development Bank; to the Committee on Foreign Relations.

EC-288. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the annual report of the General Accounting Office for fiscal year 1980; to the Committee on Governmental Affairs.

EC-289. A communication from the National Executive Director of the American Veterans of World War II, Korea-Vietnam (AMVETS), transmitting, pursuant to law, the audit report of AMVETS for the year ended August 31, 1980; to the Committee on the Judiciary.

EC-290. A communication from the Chairman of the U.S. Railroad Retirement Board, transmitting a draft of proposed legislation to amend the Railroad Retirement Act of 1974 to provide that the amount authorized to be appropriated to the Railroad Retirement Account each year to subsidize the costs of "windfall" benefits shall not exceed $350,000,000; to the Committee on Labor and Human Resources.

EC-291. A communication from the Secretary of Education, transmitting, pursuant to law, the Long-Range Plan for Rehabilitation Research; to the Committee on Labor and Human Resources.

EC-292. A communication from the Secretary of Education, transmitting, pursuant to law, an appendix to the first annual report of the Department of Education; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions were laid before the Senate, and referred as indicated:

POM-11. Concurrent resolution adopted by the Legislature of American Samoa; to the Committee on Energy and Natural Resources:

SENATE CONCURRENT RESOLUTION

Whereas, on 5 January 1981, Delegate Fofō I. F. Sunia was sworn in as the Territory's first non-voting Delegate to the U.S. House under P.L. 95-556 and P.L. 95-584 (1978); and

Whereas, this has been a long and arduous struggle for many years through many Fono's and Congresses by many interested and dedicated individuals; and

Whereas, especial praise should go to former Delegate A. P. Lutali under whose Delegate's administration the bill was eventually passed and signed into law by the 95th Congress; and

Whereas, of course, the Governor at that time, Peter Tali Coleman and his administration are to be thanked for their efforts; and

Whereas, our many friends in Congress, both in the House and in the Senate—to them we extend our heartfelt gratitude over this expression of trust and confidence in our evolving political maturation—but in passing we must thank Congressman Phillip Burton and his aide Eni F. Hunkin for their unique contributions to this endeavor; and

Whereas, we always owe special thanks to Senator "Spark" Matsunaga and the rest of the Hawaii Congressional Delegation—Senator Daniel Inouye, Representative Dan Akaka, and Representative "Cec" Heftel—for all their ever present assistance; and

Whereas, we would like to also extend our

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

blessings and wish him Godspeed to the newly elected as well as former Delegate, High Talking Chief Fofō I. F. Sunia, for through his initial efforts the Territory of American Samoa will grow and be recognized within Congress, the United States, and even the world—to him and his staff go our best wishes.

Now, therefore, be it resolved by the Senate of the Territory of American Samoa, the House of Representatives concurring:

That, the entire United States Congress is most humbly and generously thanked and commended for the honor they have bestowed on our Territory by elevating our representation in Congress to that of a full-fledged non-voting Delegate to the U.S. House of Representatives; and

Be it further resolved, That, High Talking Chief Fofō I. F. Sunia is commended for the manner in which his campaign was run and the fact that he will be American Samoa's first Delegate to Congress with all the importance that special event entails; and

Be it further resolved, That the following are especially commended and thanked for their tireless efforts to accomplish the task of managing the appropriate bills through the 95th Congress and previous attempts:

Honorable Senator Henry M. Jackson;
Honorable Representative Morris K. Udall;
Honorable Representative Phillip Burton;
Honorable Senator "Spark" Matsunaga;
Honorable Senator Daniel K. Inouye;
Honorable Representative Dan Akaka;
Honorable Representative "Cec" Heftel;
Secretary of the U.S. Senate;
Clerk of the U.S. House of Representatives;
Mr. Eni F. Hunkin, Staff Attorney to the U.S. House Sub-Committee on National Parks & Insular Affairs;
Honorable Former Delegate A. P. Lutali;
Honorable Delegate Fofō I. F. Sunia; and
Honorable Peter Tali Coleman, Governor of American Samoa; and

Be it further resolved, That the Secretary of the Senate is directed to transmit copies of this resolution to: the Honorable Secretary of the Interior; the Honorable Senator Henry M. Jackson; Honorable Representative Morris K. Udall, Chairman, U.S. House Committee on Interior and Insular Affairs; Honorable Representative Phillip Burton, U.S. House Sub-Committee on National Parks and Insular Affairs; Honorable Senator "Spark" Matsunaga; Honorable Senator Daniel Inouye; Honorable Representative Dan Akaka; Honorable Representative "Cec" Heftel; Secretary of the U.S. Senate; Clerk of the U.S. House of Representatives; Mr. Eni F. Hunkin, Staff Attorney to the Sub-Committee on National Parks and Insular Affairs; Honorable Former Delegate A. U. Fuimaono; Honorable High Chief A. P. Lutali, former Delegate to the U.S. Government; Honorable High Talking Chief Fofō I. F. Sunia, Delegate to the U.S. House of Representatives; and to Honorable Peter Tali Coleman, Governor of American Samoa.

POM-12. Joint resolution adopted by the Legislature of the State of Maine; to the Committee on Rules and Administration:

JOINT RESOLUTION

Whereas, on the 20th day of January, 1981, a unique American tradition called Inauguration Day will occur; and

Whereas, during these dramatic times, Ronald Wilson Reagan will face the Nation for the first time as the 40th President of the United States of America; and

Whereas, the people of this Nation through a free and open election process have clearly placed their faith, trust and confidence in Ronald W. Reagan and George H. W. Bush; and

Whereas, all Americans sincerely pray that the next four years will be years filled with peace in the world and prosperity without inflation at home, and that the direction taken by this administration in the 1980's will bring new hope and meaning for the people of this country; now, therefore, be it

Resolved: That, We the Members of the 110th Legislature of the great and sovereign State of Maine, now assembled, extend our heartiest congratulations to President Reagan and Vice-President Bush on the occasion of their inauguration; and be it further

Resolved: That a duly attested copy of this Resolution be transmitted forthwith by the Secretary of State to our new Chief Executive and the Vice-President of the United States in honor of the occasion; and be it further

Resolved: That a duly authenticated copy of this Joint Resolution be immediately submitted by the Secretary of State to the Honorable Ronald W. Reagan, President of the United States, and Honorable George H. W. Bush, Vice-President of the United States, the President of the Senate and Speaker of the House of the Congress of the United States and to each Member of the Senate and House of Representatives in the Congress of the United States from this State.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S. Res. 53. An original resolution authorizing expenditures by the Committee on the Judiciary; referred to the Committee on Rules and Administration.

By Mr. GOLDWATER, from the Select Committee on Intelligence, without amendment:

S. Res. 54. An original resolution authorizing expenditures by the Select Committee on Intelligence; referred to the Committee on Rules and Administration.

By Mr. HATFIELD, from the Committee on Appropriations, without amendment:

S. Res. 55. An original resolution authorizing expenditures by the Committee on Appropriations; to the Committee on Rules and Administration.

By Mr. McCLURE, from the Committee on Energy and Natural Resources, without amendment:

S. Res. 56. An original resolution authorizing expenditures by the Committee on Energy and Natural Resources; to the Committee on Rules and Administration.

By Mr. ROTH, from the Committee on Governmental Affairs, without amendment:

S. Res. 57. An original resolution authorizing expenditures by the Committee on Governmental Affairs; to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources:

Raymond J. Donovan, of New Jersey, to be Secretary of Labor (Ex. Rept. No. 97-3).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. INOUYE:

S. 342. A bill for the relief of Andrew N. Respicio; to the Committee on the Judiciary.

S. 343. A bill for the relief of Ms. Kinisimere Fonua Suschnigg; to the Committee on the Judiciary.

By Mr. LEVIN (for himself, Mr. BOREN, Mr. BAUCUS, Mr. PRYOR, Mr. SIMPSON, Mr. COCHRAN, Mr. SASSER, Mr. DIXON, Mr. INOUYE, and Mr. HEFLIN):

S. 344. A bill to increase the accountability of, policy coordination by, and management of priorities by agencies through an improved mechanism for congressional oversight of the rules of agencies; to the Committee on Governmental Affairs.

By Mr. GLENN:

S. 345. A bill for the relief of Delphi P. Panisa; to the Committee on the Judiciary.

S. 346. A bill for the relief of Diana C. Alvarez; to the Committee on the Judiciary.

S. 347. A bill for the relief of Clarita C. Guerrero; to the Committee on the Judiciary.

By Mr. NICKLES (for Mr. HATCH):

S. 348. A bill to authorize a youth minimum wage differential under the Fair Labor Standards Act of 1938 and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HART (for himself, Mr. CRANSTON, and Mr. DECONCINI):

S. 349 A bill to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration; and for other purposes; to the Committee on Veterans Affairs.

By Mr. GLENN:

S. 350. A bill to establish a uranium enrichment fund; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEVIN (for himself, Mr. BOREN, Mr. BAUCUS, Mr. PRYOR, Mr. SIMPSON, Mr. COCHRAN, Mr. SASSER, Mr. DIXON, Mr. INOUYE, and Mr. HEFLIN):

S. 344. A bill to increase the accountability of, policy coordination by, and management of priorities by agencies through an improved mechanism for congressional oversight of the rules of agencies; to the Committee on Governmental Affairs.

AGENCY ACCOUNTABILITY ACT OF 1981

● Mr. LEVIN. Mr. President, today Senator BOREN and I along with Senators BAUCUS, COCHRAN, DIXON, HEFLIN, INOUYE, PRYOR, SASSER, and SIMPSON, introduce the Agency Accountability Act of 1981, the so-called Levin-Boren bill, a bill that would apply a joint resolution legislative veto to the significant regulations issued by most of the Federal agencies. It is legislation designed to obtain some accountability in the regula-

tory process and to return to the elected officials in Congress a greater degree of responsibility for the conduct of the programs we legislate. This bill, with minor modifications, was approved in the last Congress by the Governmental Affairs Committee, and a version of it as applied only to one agency, was attached to the Federal Trade Commission authorization in the Senate by a vote of 87 to 10.

We have been hearing much recently about the public's disenchantment with the growth of Government. The voters in the last election clearly stated their strong desire to "get Government off the backs of the people," yet the number of regulations continues to grow seemingly geometrically, and our system for regulating proceeds in an archaic fashion with lengthy litigation being the main defense to overbearing, needless and sometimes counterproductive regulations. The current situation is simply not tolerable—relief from the regulatory nightmare frequently takes too long to obtain and the regulators are too far removed from the people they are supposed to serve to be accountable for their decisions.

We are all aware of this situation, that is why Congress has for the past several years been considering sunset, sunrise, and regulatory reform legislation as well as other means for improving the system. I think many of these proposals can be extremely helpful in reducing the burdens and inconsistences of Federal programs.

But, I believe we need an actual structural change in the way this country does its business in order to make a real impact. We need to give the citizen who bears the brunt of a regulation, someplace to go for relief, besides the courts. We need to provide access to a politically accountable public official. If the people who issue these regulations had to face the voters every 2 years to justify their conduct, I do not think we would be experiencing the overregulation and regulatory inflexibility that we now face. Accountability is the important check and so far, the regulatory process does not have it.

Some have expressed concern that a legislative veto would upset and contravene the constitutionally established separation of powers. In the form contained in this bill, that argument has no merit. No one has ever envisioned the separation of powers to be clear and precise, with the domains of the three branches being impenetrable to each other. Rather, as the Supreme Court stated in *Buckley* v. *Valeo*, 424 U.S. 1, 120–121:

> All of the courts which have addressed themselves to the matter start on common ground in the recognition of the intent of the Framers that the powers of the three great branches of the National Government be largely separate from one another.
>
> Yet, it is also clear . . . that the Constitution by no means contemplates total separation of each of these three essential branches of government . . . The men who met in Philadelphia in the summer of 1781 were practical statesmen, experienced in politics, who viewed the principle of separation of powers as a vital check against tyranny. But they likewise saw that a hermetic sealing off of the three branches of Government from one another would preclude the establishment of a Nation capable of governing itself effectively.

The regulatory process is in many cases an extension of the legislative process. In order to achieve consensus, we Members of Congress must frequently draft our legislation with a broad brush, leaving much room for interpretation. Given this reality, it is only sensible to allow Congress the opportunity to comment on—or to review—the agency implementation and interpretation of the statute in the form of a regulation, before it takes effect.

Let me briefly summarize the procedure contained in this bill:

First. Agency agendas of significant rules—as now defined in Executive Order 12044—shall be forwarded semiannually to the appppropriate congressional committees, thereby giving committees early notice of ongoing rulemaking. Preparation of these agendas would create no additional burden, as agencies are already required by Executive order to do so. Copies of proposed and final rules shall also be sent to the appropriate committees at the time they are sent to the Federal Register for publication.

Second. No significant rule can become effective for 20 days after publication.

Third. If the appropriate committee votes to report out a joint resolution of disapproval during the 20-day period following publication, then that rule cannot take effect for an additional 60 days.

Fourth. Both Houses of Congress and the President must approve the joint resolution during the 60-day period, otherwise the rule will take effect at the end of the 60-day period .

Fifth. An agency head may determine that an emergency exists and that it is in the public interest to waive the procedures established by this bill for congressional review. The agency head must notify the appropriate committee of this determination and the reasons supporting it.

Because this bill uses a joint resolution, involving both Houses of Congress and the President in the final act of disapproval, it does not raise the same constitutional questions raised by other legislative veto proposals. At the same time the bill does give Congress more power than it now has—and that is the important authority to delay the implementation of a regulation, by committee action, to allow for further congressional scrutiny for a period of 60 days. It establishes a recognized procedure for reviewing the regulations before they take effect.

The legislative veto is not a new proposal. Its origins date back to England where a "laying on the table" procedure has been in operation for centuries. Proposed regulations are placed before Parliament for either affirmative or implicit approval. Likewise, some 34 States have a similar process. To date there are some 264 legislative veto provisions enacted into individual Federal laws.

In 1980, alone, the Congress attached some 33 legislative vetoes to 13 separate statutes. This variety of legislative vetoes, in fact, argues for passage of this bill, so that we can move to establish as quickly as possible, a uniform approach to regulatory review. By adopting a generic approach we can save ourselves the confusion of keeping track of the new and varied legislative veto requirements pertaining to numerous programs.

I am pleased to be introducing this bill again with Senator BOREN and my other colleagues and I hope the Senate will give it speedy consideration.●

● Mr. BOREN. Mr. President, I am delighted to once again join my friend and colleague Senator CARL LEVIN, in the introduction of the Levin-Boren legislative veto bill.

Senator LEVIN has already outlined the provisions of the measure, so I will not repeat his thorough description.

I am extremely hopeful that this may finally be the year when the Senate and the Congress and the President act in consort to pass a legislative veto measure that is applicable to all of the Federal Government.

As you know, Mr. President, the Senate supported this proposal last year as an amendment to the FTC authorization bill. And the Governmental Affairs Committee reported this bill out last year—the first time in the history of the Senate that such an action has been taken.

There will be ample opportunity in the coming weeks to review the many arguments in support of this concept, and to address the concerns of those in opposition. I will not take the time of the Senate to do so today.

I believe, for now, it is sufficient to say that the mood in the country, as expressed in last November's elections, demands that significant progress be made in the field of regulatory reform in general, and I believe in the exercise by the Congress of their oversight responsibilities.

Once again, Mr. President, I am very pleased to be joining forces with Senator LEVIN on this measure, and in closing would pay tribute to him for the many hours of dedicated work he has already given in support of this bill.●

● Mr. PRYOR. Mr. President, I am proud to cosponsor the Levin-Boren legislative veto proposal. At the outset, I should pay tribute to its authors, two of the most distinguished Members of the Senate—Senator LEVIN of Michigan and Senator BOREN of Oklahoma. They have contributed much to the wisdom of this body and never more so than in their responsible, careful approach to the question of how the elected representatives of the people—the Members of Congress—can make their intent clear and effective in the implementation of agency rules and regulations.

I am joining as a cosponsor of this bill because I believe a legislative veto will improve the quality of regulations issued

by various agencies. As a result of hearings in the Governmental Affairs Committee during the last session, I became even more certain of the necessity of enacting a legislative veto in order to promote accountability in agency regulations.

Accountability is the compelling problem that makes this legislation absolutely essential. As it stands now, there is almost no accountability whatsoever in implementation of agency rules and regulations. It is difficult to hold a nonelected agency administrator responsible for bad regulations. But with the adoption of a legislative veto, it would be Congress that would have the responsibility to scrutinize and debate significant agency regulations. This would put the responsibility on the shoulders of those who are directly accountable to the American people; and that is where the responsibility should be.

The people expect and deserve to have someone responsible for those regulations that affect them. I can think of few things more frustrating than having a desire to express unhappiness with a regulation, but having no clearly accountable, responsible public officials to hear those views. We must act now to break down this wall between the agencies and the people they serve.

Another problem with agency regulations is that today they may not be drafted within the spirit and letter of congressional intent. I can see no better way to assure compliance with legislative intent than the prospect of legislative veto. It makes sense that an agency, knowing that its regulations will be carefully examined by a particular committee, will be less likely to go beyond the realm of authority Congress intended the agency to exercise if that agency realizes a legislative veto is a possibility.

Public confidence in Government can be strengthened with the enactment of this legislation. If Congress has more control over the regulations which agencies implement, then the people also have more control over those regulations. In this era of bureaucratic redtape, it is important that Government be as responsive as possible. This legislation will contribute to that cause by letting Government work more directly through the people, not around them.

With the possibility of a legislative veto, agency regulations should improve. As agency administrators realize regulations have the prospect of resting before Congress for a specified period of time, they will be less likely to issue inappropriate or unnecessary regulations.

The Agency Accountability Act will serve as an important step toward improving the relationship between the American people, the agencies, and the Congress. It will make it clear that Congress intends to exercise authority to review agency regulations, and thereby improve the agency and its operating procedures.●

● Mr. SASSER. Mr. President, I am pleased to cosponsor S. 344, the Levin-Boren legislative veto bill. Enactment of this legislative veto is an important step, in my view, toward scaling back the burgeoning bureaucracy that now threatens to choke us with burdensome rules and counterproductive regulations.

Unfortunately, I have found, along with many of my Senate colleagues, that all too often the Federal bureaucrats are running the engine of Government and we are just along for the ride. We need to get control of that engine. We must exercise the oversight of Government regulations that reach into our businesses, schools, and even our homes. We have a duty to comment on how the Federal agencies have interpreted the laws that we spend so much time shaping.

There is widespread support in the Congress for the enactment of comprehensive, across-the-board legislative veto and the review authority. Presently more than 175 separate statutes have some form of legislative veto or review provisions. However, these provisions are enacted on a case-by-case basis, with application only to specifically named agencies or procedures.

Continuing to enact legislative veto and review authority on a case-by-case basis does not effectively do the job because we have to stop and reconsider the question for each individual piece of legislation.

Unless we pass the Levin-Boren legislative veto and review legislation, we will continue to see our legislative priorities so snarled in redtape that they are no longer recognizable as our own. This has happened because we have left to others the unfettered interpretation of the statutes authorizing the implementation of procedures to carry out these legislative priorities.

A mechanism such as this legislative veto and regulation review legislation will force the Congress to take stock of what it has wrought and conduct effective oversight of the programs that it has enacted. By requiring this legislative veto process, the Congress holds itself accountable, as well as the Federal agencies, for the execution of Federal programs.

We have this responsibility. We must excercise it. In the process we are allowing those who are affected by particular Federal programs a point of access so that they can comment on how these programs are run. When a regulation is burdensome, those who are affected can make their access to an elected Member of Congress and expect to be heard. There are many examples of instances where unaccountable Federal officials turned a deaf ear to the small businessman or the schoolteacher or the farmer who had a legitimate complaint about Federal rulemaking.

We do not make laws in a vacuum and I do not believe that Federal laws should be interpreted in a vacuum, either. Legislative veto insures that Federal rulemaking will be an open and accountable process.

S. 344, the Levin-Boren legislative veto bill that we are considering requires a joint resolution of disapproval by both Houses of Congress and the President. This avoids the constitutional concerns about other forms of legislative veto which have been raised by the courts recently. I believe that this legislation is well considered and certainly much needed. I urge early Senate action on this progressive and far-reaching legislation.●

By Mr. NICKLES (for Mr. HATCH):

S. 348. A bill to authorize a youth minimum wage differential under the Fair Labor Standards Act of 1938 and for other purposes; to the Committee on Labor and Human Resources.

YOUTH OPPORTUNITY WAGE ACT

● Mr. HATCH. Mr. President, no Senator needs to stand on the floor of the U.S. Senate and say that youth unemployment is a serious problem. We can see it. It is evident from the discouragement of teenagers in every part of our country. It is time to do something about it.

We cannot attack youth unemployment solely through expensive Federal job training and work experience programs. Tax credits to employers to hire disadvantaged minority members will help, but this strategy only transfers the Federal expenditure to the income side of the balance sheet. We need a youth opportunity wage.

The bill I am introducing today would permit employers to pay young people under the age of 20, 75 percent of the minimum wage, which is currently $3.35 an hour. It would modify current law to allow employers to pay full-time students 75 percent of the minimum without having first obtained a certificate from the Secretary of Labor. Provisions of the bill would impose penalties on employers who violate the spirit of the law by paying less than 75 percent of the minimum, who retain youths at the subminimum level longer than 6 months, or who engage in a practice of substituting workers at the lower wage.

It has been shown that the relationship between increases in the minimum wage and in the rate of youth unemployment is positive; when one increases, so does the other. The fact is many jobs which can be performed by unskilled youth workers are simply not worth the full minimum wage to employers. Consequently, many jobs are eliminated. I wonder, Mr. President, if any of my colleagues have recently patronized a fast food restaurant and compared the long lines in 1981 to the relatively short lines of several years ago. The reason is the minimum wage. Jobs for young people are becoming fewer since the types of jobs usually done by teenagers are no longer worth the high minimum wage.

This is an important point to make, Mr. President. It has been said that a youth opportunity wage will deny jobs to older workers. Some argue that sons and daughters will gain jobs while fathers and mothers will lose theirs. This is a false assumption. First, youth and older,

experienced workers compete for different types of jobs. Second, this argument assumes that there are only a finite number of jobs in the marketplace—that whenever one person is hired, another is laid off. We all realize this is not the case. We are trying to create jobs for youth. For example, it may be worth a fast food restaurant owner to hire additional workers at 75 percent of the minimum wage to improve service to his customers

Further, young people need the self-confidence and intrinsic instruction that comes from holding a job. They need opportunities to show that they are responsible, industrious and honest. They need the opportunities to develop these qualities in a constructive employment setting. It is disheartening that some teenagers have become discouraged and are led into worrisome activities.

There is no denying, Mr. President, that the effect of increases in the minimum wage is to price unskilled workers out of their jobs. It is time Congress provided an incentive to businesses to take a chance on young people by adopting the youth opportunity wage. I sincerely believe this proposal to be fair and reasonable and I invite the cosponsorship and support of my colleagues in the Senate.

Mr. President, I ask that the text of the bill be included in the RECORD.

The bill follows:

S. 348

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Youth Opportunity Wage Act of 1981".

YOUTH OPPORTUNITY WAGE

SEC. 2. (a) Section 14(b) of the Fair Labor Standards Act of 1938 (29 U.S.C. 214(b)) is amended to read as follows:

"(b)(1) To encourage youth employment an employer may employ any youth who has not attained 20 years of age for a period of 180 days, without prior or special certification by the Secretary of Labor, at a wage rate not less than 75 per centum of the otherwise applicable wage rate in effect under section 6 (or in the case of employment in Puerto Rico or the Virgin Islands not described insection 5(e) at a wage rate not less than 75 per centum of the otherwise applicable wage in effect under section 6(c)) in compliance with applicable child labor laws. This paragraph shall not apply to any youth employee who has been employed by the same employer for a period of at least 6 months or is currently employed by an employer at a rate of at least the minimum wage in effect on the day prior to the date of enactment of the Youth Opportunity Wage Act of 1979.

"(2)(A) To encourage youth employment, an employer or institution of higher education may employ any full-time student (regardless of age but in compliance with applicable child labor laws) at a wage rate not less than 75 per centum of the otherwise applicable wage rate in effect under section 6 (or in the case of employment in Puerto Rico or the Virgin Islands not described in section 5(c), at a wage rate not less than 85 per centum of the wage rate in effect under section 6(c)).

"(B) Any full-time student so employed under this paragraph by an employer other than an institution of higher education shall prior to such employment present to the employer a letter from the institution at which the student is enrolled certifying that such student is a full-time student enrolled at that institution.

"(C) Any full-time student employed pursuant to this paragraph shall be employed on a part-time basis and not in excess of 20 hours in any workweek, except during vacation periods.

"(3) While no prior certification shall be required by the Secretary for purposes of paragraphs (1) and (2), the Seretary is authorized under this Act to insure that the provisions of paragraphs (1) and (2) of this subsection are not violated. Whenever the Secretary discovers that an employer is employing youth at a wage rate lower than the wage rate allowable under this subsection or at a wage rate lower than the applicable wage rate under section 6 after the period of time specified by this subsection, or is engaged in a pattern and practice of—

"(A) substituting younger workers employed at less than the minimum wage for older workers employed at or above the minimum wage, or

"(B) terminating the employment of youth employees and employing other youth employees in order to gain continual advantage of the youth opportunity wage,

the employer shall be deemed to have violated section 6 of this Act. The liability of such an employer under this paragraph shall include—

"(i) unpaid wages and overtime compensation determined on the basis of otherwise applicable minimum wage and overtime rates pursuant to sections 6 and 7 of this Act, and

"(ii) a fine to be determined by the Secretary not to exceed $2,500 for the first offense by an employer and not to exceed $10,000 for any subsequent offense by the same employer.

"(4) To minimize paperwork for, and to encourage, small businesses to employ students under special certificates issued under paragraphs (1) and (2), the Secretary shall, by regulation or order, prescribe a simplified application form to be used by employers in applying for such a certificate for the employment of not more than 6 full-time students. Such an application shall require only—

"(i) a listing of the name, address, and business of the applicant employer,

"(ii) a listing of the date the applicant began business, and

"(iii) the certification that the employment of such full-time students will not reduce the full-time employment opportunities of persons other than persons employed under special certificates.".

(b) Section 13(a)(7) (29 U.S.C. 312(a)(7)) is amended to read as follows:

"(7) any employee to the extent that such employee is exempted by regulations, order, or certificate of the Secretary under section 14, or in accordance with the provisions of section 14(b); or.".●

By Mr. HART (for himself, Mr. CRANSTON, and Mr. DECONCINI):

S. 349. A bill to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration; and for other purposes; to the Committee on Veterans Affairs.

VETERANS' ADMINISTRATION ADJUDICATION PROCEDURE AND JUDICIAL REVIEW ACT

● Mr. HART. Mr. President, today Senator CRANSTON, Senator DECONCINI and I are introducing legislation to provide for limited judicial review of the administrative actions of the Veterans' Administration—the second largest client agency of the Federal Government. The bill will also provide for the payment of reasonable attorney's fees for veterans who wish to be represented by legal counsel in hearings before the Veterans' Administration or the Federal courts. Additionally, this measure will require the VA to comply with the rulemaking provisions of the Administrative Procedure Act (APA) and to take other actions to safeguard the procedural due process rights of the veteran.

Mr. President, I first introduced legislation to open the administrative procedures of the Veterans' Administration to the scrutiny of the Federal courts in the 94th Congress. Since that time, with the full and complete cooperation and assistance of the distinguished Senator from California (Senator CRANSTON), the Senate Veterans Affairs' Committee, during the 1st session of the 96th Congress, reported out and the full Senate passed S. 330, the Veterans' Administration Adjudication Procedure and Judicial Review Act. The successful consideration by the Senate of S. 330 was the result of an exhaustive series of 7 hearings held by the Senate Veterans' Affairs Committee and extensive staff work by the committee VA staff, and other interested parties. The bill we are reintroducing today is identical to the measure which was unanimously passed by the Senate on September 17, 1979.

Unfortunately, the U.S. House of Representatives did not act on S. 330 during the 96th Congress. The House Veterans' Affairs Committee did hold two hearings on the issue of judicial review of veterans' claims in November of 1980, but no bill granting judicial review of VA claims was reported by the committee.

Mr. President, the Veterans' Administration is unique among major Federal agencies in that its benefit decisions are not subject to the scrutiny of the Federal courts. In addition, there is an outdated $10 limitation on the amount a veteran may pay an attorney to assist in the preparation and presentation of a claim for benefits before the VA which prevents many veterans from being represented by legal counsel of their choosing.

At present, 1 of 58 local VA rating boards first reviews a veteran's case to determine if he or she is eligible for disability, pension, or other benefits. If the local board renders an unfavorable decision, the veteran can appeal to the Board of Veterans Appeals (BVA) in Washington, D.C., which is also a part of the

VA. Under existing law, the decision of the BVA on "any question of law or fact under law administered by the Veterans' Administration providing benefits for veterans and their dependents or survivors, shall be final and conclusive, and no other official or any court of the United States shall have power or jurisdiction to review any such decision * * *" (title 38 U.S.C., Sec. 211 (a)). Unlike claimants before other Federal agencies, a veteran who feels that the BVA has misinterpreted the law or decided a case without taking all relevant facts into account has no recourse outside the Veterans' Administration.

For more than two decades, the Social Security Administration (which also adjudicates disability claims) has been subject to judicial review of its final benefit decisions (title 42, U.S.C., Sec. 405(g)).

Mr. President, to insulate any agency from the scrutiny of the Federal courts runs counter to some of the most cherished constitutional principles. In human terms, this denial of the due process rights of veterans has too often resulted in hardship and disillusionment for those who have defended our country and are most deserving of the fruits of our constitutional form of government.

Although veterans may be represented by counsel in proceedings before the VA, the amount a claimant can pay an attorney is limited to $10 (title 38, U.S.C. Sec. 3404(c)). This fee limitation, which was instituted more than a century ago, severely limits the ability of a veteran to exercise freedom of choice in obtaining effective legal counsel.

Less than 2 percent of veterans who appeal their claims to the Board of Veterans Appeals are represented by legal counsel. Currently, veterans can obtain assistance without charge in preparing and presenting claims before the Veterans' Administration from the various national veterans' service organizations and VA benefit counselors. In most cases, the assistance given by these representatives is of excellent quality, providing the VA Rating Board with sufficient evidence to render a fair and equitable decision on the veteran's claim.

Many cases, however, involve complex legal and technical issues. If a veteran desires the representation of an attorney in these proceedings, the $10 fee restriction severely limits the right to counsel because almost no attorney is available at this unrealistic rate.

Veterans who desire outside legal representation in VA proceedings should be able to exercise that right. This legislation establishes a schedule for the payment of attorneys which insures that the veteran will be able to secure competent counsel without fear that an inordinate portion of any payment he or she may receive be devoted to legal expenses. Therefore, the $10 limitation for payment of attorneys who represent veterans in making original claims before local VA rating boards is retained. Most original claims are relatively simple to prepare and, of course, the veteran may seek the competent help of a veteran service organization officer or VA counselor in presenting his original claim.

Recently, the Federal courts have greatly expanded their jurisdiction over VA actions which were formerly precluded from judicial review. For example, a landmark decision by the U.S. Supreme Court was *Johnson* v. *Robison*, 415 U.S. 361 (1874) which held that section 211(a) (precluding judicial review) cannot be construed to deny jurisdiction to those who challenge the constitutionality of statutes providing veterans benefits.

In the case *Plato* v. *Roudebush*, 397 F. Supp. 1295, D.-Md. (1975), the Federal District for the District of Maryland held that section 211(a) does not preclude judicial review of VA procedures in instances where VA pensions were terminated by the agency without a pretermination hearing.

In a recent court case, *Wayne State University* v. *Cleland*, 590 F.2d 627 (6th Cir. 1978), the Court of Appeals held that section 211(a) is not a bar to judicial review of the constitutionality of rules and regulations promulgated by the Administrator of Veterans' Affairs or his authority to promulgate regulations.

Mr. President, the fundamental issue addressed in the bill we are introducing today is simple justice for the American veteran. To deny a citizen access to an attorney, isolate an agency from the scrutiny of the courts and to fail to allow judicial review of the rules and regulations which govern the operation of a Federal agency runs counter to some of the most basic precepts of our constitutional form of government.

The bill Senator CRANSTON and I are introducing today reflects several years of hard work by many individuals, and will insure that veterans of this Nation are granted the full measure of their constitutional rights.●

Mr. CRANSTON. Mr. President, I today join with the Senator from Colorado (Mr. HART) in introducing S. 349, the proposed "Veterans' Administration Adjudication Procedure and Judicial Review Act." I am delighted to note that we are joined today by a new member of the Veterans' Affairs Committee, the Senator from Arizona (Mr. DECONCINI), who served in the last Congress as the chairman of the Subcommitte on Improvements in Judicial Machinery of the Judiciary Committee and, in this Congress, is the ranking minority member of the Subcommittee on the Constitution on that committee and who therefore has very extensive background in the theoretical and practical underpinnings of this legislation.

Mr. President, the Senator from Colorado (Mr. HART) has been the principal supporter in recent years of legislation to provide judicial review of decisions of the Veterans' Administration on claims for benefits before that agency, and it was his persistent effort, beginning in the 94th Congress, that played such a large role in Senate passage in the last Congress of S. 330, legislation identical to that which is being introduced today. I know Senator HART stands ready to help gain Senate support for and action on this measure in this Congress, and I am glad to be working with him again so closely on this issue.

Mr. President, we introduced, as S. 330, in the last Congress legislation that was the predecessor to this measure. After 2 days of hearings and consideration by the Committee on Veterans' Affairs, followed by another hearing and consideration by the Judiciary Committee, S. 330 as reported by the Veterans' Affairs Committee, which incorporated numerous changes that I developed based on the suggestions of witnesses as well as continuing consultation with many interested parties, was passed by the Senate on September 17, 1979. Unfortunately the House Committee on Veterans' Affairs, to which the measure was referred in the other body, took no action in connection with the measure until very late in the Congress when 2 days of hearings were held by a nonlegislative subcommittee. Nevertheless, I remain hopeful that, should the Senate again pass judicial review legislation, the Committee on Veterans' Affairs in the other body might take some action on the issue which could then serve as a basis for the development of some consensual approach on this important issue.

Mr. President, when S. 330 was before the Senate in the last Congress, the Congressional Budget Office estimated that its first-year cost would be $2.9 million and the cost of the first 5 years would be $42 million. Although that estimate has not been updated, I see no reason for any change except to the extent necessary to reflect the effects of inflation.

Mr. President, as is more fully developed in a statement that I will ask be reprinted at the end of my remarks—the testimony that I presented in a November 13, 1980, hearing of the Subcommittee on Special Investigations of the House Committee on Veterans' Affairs—there are a number of reasons supporting the enactment of judicial review legislation, and I would like to briefly highlight some of them at this time.

Mr. President, one of the important reasons judicial review is needed is to help assure fairness to individual claimants before the VA. I do not believe that the current system that results in final, unappealable decisions by the Board of Veterans' Appeals is necessarily or uniformly unjust. What I do know, however, is that this system, together with the statutory limit of $10 on the amount a claimant before the VA can pay an attorney for representation, leaves many disappointed claimants believing that they have been denied a full and fair opportunity to pursue their claims.

In addition to this perception of a denial of justice, Mr. President, is the very real chance that actual injustices occur under the current system, a problem that opportunity for judicial review

would remedy. Although I know the VA claims adjudication system is set up to be supportive of the veteran—as it should be—the VA is a very large and complex Federal agency and unfair results will occur.

The case that was recently considered by the U.S. Court of Appeals for the District of Columbia Circuit, *DeMagno* v. *United States*, No. 79–1852, September 24, 1980, is a clear example of a real injustice occurring under the current system. In its opinion in this case, which is described in more detail in my testimony to the House Committee, the Court of Appeals stated:

> We have read and reread the administrative record and the briefs of the parties, and confess ourselves mystified at the action taken by the VA in this case. Either the VA is withholding, both from us and from DeMagno, *all* evidence which would justify its conduct, or this woman has been the victim of wholly arbitrary administrative ineptitude, leaving her impoverished for nearly four years. (Emphasis in original; footnote omitted.)

The most compelling lesson for me from the DeMagno case, aside from its example as a miscarriage of justice, is that, had it not been for a highly unusual aspect of the facts of that case which fit into a narrow window of judicial reviewability regarding certain insurance claim matters, there would not have been any opportunity for judicial review and redress of the injustices described by the court.

Mr. President, another reason that judicial review legislation is needed is that, although the Committees on Veterans' Affairs in both Houses do their utmost to oversee the activities of the VA, the limited resources of the committees do not allow a thorough review of all the issues confronted by such a large and complex agency. In the recent past, the VA has taken a number of administrative actions, of highly dubious legal validity, that have been designed to restrict benefits in the name of reducing spending. Although some of these actions, which are described in my testimony, have been corrected—but not fully remedied in all cases—by concerted action by the Committees on Veterans' Affairs, it would be far preferable if judicial review were available.

Aggrieved veterans should not be dependent for relief on the vagaries of congressional committee processes which, for all their virtues, cannot be fairly said to be designed to achieve or capable of achieving evenhanded dispensation of justice. Rather, if individual claimants had access to court to challenge administrative actions that they believed were unlawful, the appropriate judicial check on administrative action would be available.

Mr. President, a final important reason in support of judicial review is related to the status of the Board of Veterans' Appeals. Fundamental canons of due process, as guaranteed by the Constitution, require an independent review of administrative action affecting individuals' liberty or property interests. Although there are earlier court decisions suggesting that veterans' benefits are gratuities and not worthy of general due process protections, such a viewpoint is no longer valid, either philosophically—veterans benefits are earned by service in the military—or legally in light of a number of decisions rendered by the Supreme Court in the last decade holding that various statutory governmental benefits are legal entitlements and, thus, protected property interests of the recipient.

Mr. President, review by the BVA does not provide the required independent action required by due process. Although the BVA is not directly under the control of the Administrator of Veterans' Affairs, it is far too bound up with the agency, in many informal ways, to be truly independent and, more importantly, its independence is restricted by law. Under section 4004(c) of title 38, the Board is "bound in its decisions by the regulations of the Veterans' Administration, instructions of the Administrator, and the precedent opinions of the chief law officer." As I noted in my testimony, I have the highest regard for the professionalism and integrity of the outgoing General Counsel, but this does not alter the fact that allowing him to restrict the decisionmaking authority of the BVA significantly limits that body's independence. In this regard, I would note that the outgoing General Counsel, in his testimony on the issue of judicial review before the Veterans' Affairs Committees of both Houses, recognized this situation and agreed that it should be corrected, a position that I trust the incoming General Counsel will also support.

Mr. President, the foregoing discussion focused on positive reasons in support of judicial review legislation. There is at least one negative reason, in the sense of avoiding an undesirable result, that also supports its enactment. Under current practice, the VA's adjudicatory procedures are very informal and, as I noted earlier, supportive of veteran claimants. If an appropriate case were to reach the Supreme Court challenging the constitutionality of the bar to judicial review in section 211(a) of title 38, United States Code, and the VA's present adjudicatory procedures, I believe that the Court might well strike the 211(a) bar as an unconstitutional denial of due process and, in so doing, also dictate an entire new set of standards for the adjudicatory process, including access to court review, to meet due process requirements.

Such a result would be unfortunate, in my view, because many of the existing VA procedures are beneficial to veterans with claims before the VA. If, however, the Congress acts to provide judicial review, I believe that it can and should also act to maintain the beneficial aspects of existing procedures. That is what title I of the bill we are introducing is designed to do.

Mr. President, so that all Senators and the public will have a full understanding of the basis and need for judicial review legislation and of the provisions of the measure that is being introduced, I ask unanimous consent that there be printed in the RECORD at the conclusion of my remarks three items: First, testimony that I submitted to the Subcommittee on Special Investigations of the House Committee on Veterans' Affairs during its hearings last Congress on judicial review legislation; second, a section-by-section analysis of the provisions of the bill; and third, a document showing the changes that this measure would make in current law.

The material follows:

TESTIMONY OF SENATOR ALAN CRANSTON

Mr. Chairman, I very much appreciate the opportunity to present to your Subcommittee my views on a subject of great importance to me—the judicial review of final Veterans' Administration decisions.

Since I so strongly support the enactment of judicial review legislation, I am very pleased and gratified that the Subcommittee is holding this hearing to investigate this important matter and am hopeful that it will lead to the consideration of legislation by your Committee.

As you know, with the exceptions of insurance claims, housing program matters, and constitutional issues, veterans have been denied access to judicial review of determinations made by the Administrator of Veterans' Affairs since the enactment of the Economy Act of 1933, legislation which greatly limited veterans' benefits generally. Veterans, as a class, are the only recipients of major Federal benefits programs who are denied access to the courts after all administrative remedies have been exhausted. I strongly believe that this discrimination against veterans is inappropriate and unfair and that the current system fails to provide checks against arbitrary or capricious action by the agency, either with respect to determinations in individual cases or in the promulgation of regulations relating to benefits.

I will direct my comments to S. 330, the proposed "Veterans' Administration Adjudication Procedure and Judicial Review Act", which was passed by the Senate on September 17, 1979, and referred to this Committee, and to H.R. 6181, an identical House bill, which was introduced by Congressman Drinan on December 19, 1979. The Senate Committee on Veterans' Affairs, which I have been privileged to chair for the past four years, worked long and hard, together with Senator Gary Hart, to develop this legislation, and I believe that it represents a carefully reasoned approach to the issue of judicial review.

I. BASIC PURPOSE OF JUDICIAL REVIEW LEGISLATION

The basic purpose of S. 330 is to assure that veterans and other claimants before the VA receive all benefits to which they are entitled under law by providing them with the opportunity for judicial review of final decisions of the Administrator of Veterans' Affairs denying claims for benefits, by codifying certain internal procedures of the VA relating to the adjudication of benefit claims, by requiring that VA rule-making processes comply with provisions of the Administrative Procedure Act relating to notice and comment, and by making it possible for veterans and other claimants to obtain the services of attorneys in pursuing their claims by allowing the payment of reasonable, limited attorneys' fees for services rendered after an initial denial.

II. NEED FOR LEGISLATION

A. Assuring fairness to individual claimants:

I believe that the need for this type of judicial check on the system is clear. Both of our Committees do their utmost to oversee and monitor the activities of the VA to ensure that veterans and their survivors and dependents receive the benefits to which they are entitled and that the programs are administered in a fair and effective manner. However, our limited resources do not allow us to review thoroughly every issue confronted by such a large and complex agency as the VA—which has an annual budget exceeding $21 billion, employs over 215,000 people, pays cash benefits to over 6 million veterans and dependents each year, provides hospital, nursing home, and domiciliary care to nearly 2 million patients a year, and provides approximately 18 million outpatient visits annually—or even to attempt to assure that each individual claimant receives his or her due.

My decision to support judicial review legislation was not based on a belief that the current system resulting in final, unappealable decisions by the Board of Veterans' Appeals leads to widespread injustices—although there is significant evidence that injustices warranting court review do occur. Rather, my support is primarily based on concerns raised by a number of witnesses and commentators that, whatever the merits of the original statutory preclusion of judicial review in 1933, the view that veterans' benefits are mere gratuities and that veterans have no interest in or right to such benefits warranting the protection afforded by access to court review seems highly questionable at this time, particularly in light of the protections, including access to court, now provided most all other beneficiaries of Federal benefits.

In addition, the tremendous volume of applications for benefits that are processed annually by the VA and the many thousands of appeals taken from unfavorable decisions—61,097 in fiscal year 1979, of which 22.8 percent were allowed—suggests that there is a significant opportunity for some injustices to occur. Under the present state of the law, a veteran or other claimant aggrieved by a final VA decision is generally left without any further recourse.

The recent United States Court of Appeals for the District of Columbia Circuit decision in DeMagno vs. United States (No. 79-1852, Sep. 24, 1980) clearly illustrates the susceptibility of the present system to erroneous factual determinations and denials of benefits and the plight of those who have no recourse in the courts. In that case, the dependency and indemnity compensation benefits of the widow of a veteran who had died as a result of a service-connected disability were declared forfeit, under section 3503(a) of title 38, United States Code, on the basis of a determination that, in September 1972, she had knowingly made a false, material statement for the purpose of enabling another claimant improperly to receive benefits. In December 1977, the Board of Veterans' Appeals affirmed the forfeiture, which was applied retroactive to the date of that statement. In order to collect the amount of the payments made between the dates of the statement and the determination in October 1973 to suspend her DIC payments pending an investigation, the VA decided to withhold that amount from Mrs. DeMagno's VA-administered life insurance benefits, which were not subject to forfeiture and to which the judicial-review bar does not apply. On the basis of a special provision (38 USC 784) providing for judicial review of certain VA-administered life insurance claims, Mrs. DeMagno filed suit in Federal district court, but the district court held that, under section 211(a), it lacked jurisdiction over both the forfeiture decision and the VA's decision to offset insurance benefits, and granted the Government's motion to dismiss.

The court of appeals reversed the district court's ruling and held that, when the VA takes affirmative action to recover a claim against an individual by court action or, as in this case, by set-off, "the validity of the underlying basis of the action becomes open to judicial scrutiny."

Addressing the factual basis for the forfeiture, the three-judge appellate panel found the determination that Mrs. DeMagno's statement was knowingly false to be totally unsupported by any evidence of record in her case. The panel's unanimous opinion stated:

"We have read and reread the administrative record and the briefs of the parties, and confess ourselves mystified at the action taken by the VA in this case. Either the VA is withholding, both from us and from deMagno, *all* evidence which would justify its conduct, or this woman has been the victim of wholly arbitrary administrative ineptitude, leaving her impoverished for nearly four years." (Emphasis in original; footnote omitted.)

The DeMagno case portrays several defects in VA adjudications and the unfairness of the general preclusion of judicial review of those proceedings. First, although the court of appeals found in Mrs. DeMagno's favor on the jurisdictional issue, the fact is that, but for the highly unusual situation involving a set-off against insurance payments—which only a tiny fraction of even survivors' benefits cases are likely to involve and no veterans' claim would involve—an obvious injustice would have been permitted to have been permanently done.

Second, if the law had not barred direct judicial review of the forfeiture determination, a much more timely judicial focus on the lack of evidence to support that determination would have been available at the trial court level and Mrs. DeMagno might not have suffered the erroneous denial of DIC and insurance benefits during most of the 34-month period between the BVA's denial of the appeal and the VA's decision, after receipt of the court of appeals opinion, to restore payment of Mrs. DeMagno's benefits.

Third, I consider three aspects of the administrative procedures followed in this case to be highly questionable—the suspension of Mrs. DeMagno's DIC benefits pending investigation, with no notice of or opportunity to respond to the allegation of fraud for a ten-month period; the statement—made in the letter ultimately notifying her of the allegation of fraud and her right to a hearing and discouraging her from exercising that right—that, if she had "no new evidence to present . . ., a hearing will serve no useful purpose"; and the BVA's express reliance on evidentiary materials in the case file of the other claimant that were not disclosed to Mrs. DeMagno and were even withheld by the VA in the proceedings in the Federal district court. I believe that the exposure of VA proceedings to judicial scrutiny would provide the most effective, ongoing means for insuring that the legality of such dubious practices receives the thorough examination that fairness to VA claimants requires.

Because I am deeply concerned that the many deficiencies noted in the VA's handling of Mrs. DeMagno's case may be manifest in other forfeiture cases, I have asked the Comptroller General to undertake a review of a sample of such cases decided during the last five years. Although such a review may ultimately lead to legislative or administrative remedies to correct any unfair or illegal policies or practices that are found, I do not consider a sampling of past decisions to be nearly as effective or timely an approach to the prevention and correction of unfairness and injustice as providing an opportunity for judicial review.

Beyond the possibility of real injustices without a remedy, our Committee also developed judicial review legislation in order to address what some veterans, especially those whose claims for benefits are denied by the VA, perceive as a system with various inequitable features. The combination of no access to court review of the agency decisions coupled with a statutory limit of $10 on the amount an attorney is permitted to receive for representing an individual with respect to a claim for benefits, which effectively precludes any meaningful non-legal-services attorney representation of veterans or other claimants in VA claims matters, has led many claimants over the years to believe that they have been relegated to second-class citizenship with respect to their claims for veterans' benefits.

Therefore, after reviewing all the various arguments and concerns relating to judicial review in seven days of hearings over three years, our Committee concluded that providing an opportunity for those aggrieved by VA decisions to have such a decision reviewed by a court, in a manner similar to that enjoyed by claimants before almost all other Federal agencies, was necessary to provide VA claimants with fundamental justice. To continue to inform a claimant before the VA that a benefit to which he or she was entitled by law could be wrongly—indeed arbitrarily or capriciously—denied and that there is no recourse to remedy such a denial, no longer seemed a viable response.

In addition, our Committee believed that the provision of judicial review, by opening the decisions of the VA to court scrutiny, would have a salutary effect on such decisions and the VA's decision-making process in general by involving the judiciary as an outside check on agency actions. Although the VA has the unique and vital mission of providing service to our Nation's veterans and their survivors, it is, at the same time, a large and complex Federal agency, and providing the opportunity for an independent, impartial body, in the form of the Federal courts, to review the processes and procedures of the agency should provide fuller reassurance of fair treatment to those with claims or other matters before the VA.

B. Review of questionable actions restricting benefits:

I would also like to stress my belief that, in addition to providing veterans with the opportunity for review of administrative denials of their individual claims, judicial review legislation can serve as an effective barrier to administrative actions, of dubious legal validity, designed to restrict benefits or exclude certain classes of veterans from eligibility for some benefits. In these times of fiscal austerity and the resulting need to achieve economies in all Federal programs, I am concerned that pressures to reduce spending may in some instances produce Executive Branch actions—restricting, withholding, or withdrawing a benefit—that are of questionable legality. It seems to me that the temptation to achieve savings through such possibly illegal action may well be more appealing when the agency knows that court review is unavailable to question its activities.

Certain incidents that have occurred in the past two years illustrate this point. During

fiscal years 1979 and 1980, certain aspects of VA activities funded through non-entitlement accounts were at times hard-pressed, and both our Committees received reports of certain benefits—most frequently medications and medical supplies for VA outpatients and beneficiary travel reimbursements—being curtailed at various stations. In some cases, these benefits were reportedly withheld from service-connected disabled veterans.

The most striking incident in this regard was the decision of the Office of Management and Budget to require the VA to apply to VA beneficiary travel reimbursements the limitation under Public Law 96-86 on obligations for Executive Branch employee travel and transportation. At an April 16, 1980, hearing of our Committee, I asked the VA to provide us with a copy of whatever legal analysis had been made in support of the Administration's conclusion that the employee travel limitation was applicable to non-employee travel. No legal memorandum or other documentation in support of that conclusion was ever submitted. While that unsupported determination remained in effect, we received reports of stations that were expecting to run out of funds for beneficiary travel cutting back on reimbursements and, as a result, some eligible veterans being denied this benefit and others being unable to travel to a VA facility to keep appointments after being notified that they would not be reimbursed. Lacking recourse to the courts, the veterans affected and the organizations representing them were powerless to prevent this action.

A further example of the type of administrative action that demonstrates the need for judicial review occurred several months ago following the submission of the President's March revised budget, in which it was proposed that the VA deny health care to military retirees for non-service-connected disabilities. Instead of waiting until the completion of Congressional action on fiscal year 1981 appropriations to implement this proposal, at least one VA Medical Center proceeded to put the proposal into effect. It seems unreasonable to me that an individual denied care as the result of this administrative action could, after exhausting available administrative appeal processes, go to a court of law for a determination as to the legality of this administrative decision.

Most recently, the VA's Department of Medicine and Surgery issued a directive—Circular 10-80-218—requiring that, in all cases in which medical care was provided during the past 5 years to non-service-connected veterans who are Federal employees with group health-insurance coverage, a review be undertaken to determine whether collection action should be pursued against the veterans concerned on the grounds that the oaths of inability to defray the costs of the care involved were falsely executed. In the agency's view, the receipt of VA care in such circumstances results in an indebtedness to the United States that should be collected from the veteran. Since VA-provided care is excluded from coverage under the health insurance policies involved, recoveries would be made from the veterans personally—from their non-insurance resources—and it was foreseeable that, in the cases of some veterans, collection would be made by way of offset against future payments of VA benefits, such as GI Bill and pension benefits, and even compensation in the case of a subsequently established service-connected disability. In such cases, the agency would make the factual determinations regarding ability to pay and the legal determinations regarding the existence of an indebtedness and the consequent requirement under section 3114 of title 38 to collect it by way of offset. In addition, under section 3301(g)(4) of title 38, the VA would have the option of disclosing to consumer reporting agencies (credit bureaus), for the purpose of adversely affecting the veteran's credit standing, information regarding what the VA may determine to be a delinquent indebtedness.

I am advised both that the legal underpinnings of the circular were open to serious question and that, if it were implemented, a veteran against whom such administrative collection actions were taken would probably be unable to obtain court review of the factual and legal determinations made adversely to him or her and of the administrative actions that I have described—including collection by offset or disclosure of information to consumer reporting agencies.

Fortunately, as the result of objections raised by both Committees and the veterans' service organizations, the VA has withdrawn and is reconsidering the circular. However, the possibility exists that it may be reissued, and the point is that there should have been other recourse.

Regardless of what, if any, action is taken with respect to this circular and the other issues I've highlighted, the point I wish to stress remains—that the possibility of legally questionable measures being implemented administratively to realize cost savings at the expense of veterans exists (and it is very conceivable to me that budgetary considerations may actually increase the pressures to take such steps) and the availability of recourse to the courts could prove to be a highly desirable and effective check on such agency actions.

In this connection, I would also note that, under section 4004(c), even the semi-independent BVA does not have the authority to question the legality of the regulations and instructions of the Administrator or the precedent opinions of the VA's General Counsel. Thus, in effect, the final arbiter of many legal issues relating to VA claims, including the legality of VA regulations (except with respect to constitutional questions), is the VA's General Counsel. Although I have the highest regard for the professionalism and integrity of the present General Counsel, I would note that that position itself is not an independent one and is not insulated by any statute, regulation, or organizational means from the budget-related pressures that I have just noted. Thus, the almost total judicial-review immunity accorded the legal decisions of the occupant of the VA General Counsel's office with respect to claims for benefits and regulations relating to benefits is, I believe, a fundamental defect in the present system. It seems clear that the present General Counsel, in his testimony before both Houses in support of judicial review of questions of law, also recognizes this defect and concurs that it should be corrected.

III. ARGUMENTS AGAINST JUDICIAL REVIEW LEGISLATION

Mr. Chairman, I am aware of two major arguments that have been advanced against S. 330—first, that judicial review could undermine the informal nature of adjudicatory proceedings within the VA and, second, that the provisions for attorneys' fees would allow attorneys to take advantage of veterans by obtaining contingency fees, thus permitting veterans' benefits to be paid to lawyers rather than to the veterans and other claimants who are entitled to those benefits.

A. VA adjudicatory proceedings:

On the first issue of undermining the adjudicatory process in place within the VA, we in the Senate worked very hard in the development of S. 330 to structure certain VA procedures and the judicial review process in order to avoid that result. I believe that this measure would serve to enhance and improve that administrative process by clarifying certain important matters that are expressed in rather confusing regulatory language, establishing certain new procedures that preserve the nonadversary nature of BVA proceedings, and explicitly exempting VA adjudicatory procedures from the formal rules of evidence. In completing action on such legislation, the Congress would have the opportunity to structure VA administrative and court review processes in a way which it deems appropriate. I consider this to be an important opportunity at the present time because the possibility exists that—in the absence of major statutory guidelines established by Congress—cases raising procedural due process issues under the Constitution may result in the courts filling the void by establishing some procedural safeguards as constitutionally mandatory. In fact, many commentators have suggested that, if a particularly compelling case were to present a constitutional challenge to the current preclusion of judicial review and allege a denial of due process, the Supreme Court, following decisions handed down over the past decade relating to the rights of beneficiaries of governmental programs, would decide that the preclusion is unconstitutional. In that event, it seems likely that the Supreme Court or other courts would proceed to determine what the due process clause requires in terms of the agency's internal adjudicatory functions and ultimate court review of them.

Rather than run these risks of having court-made law resolving such major issues, I believe that it is far preferable for the Congress to codify certain procedures. In this regard, I believe that the provisions of title I of S. 330, which were worked out during extensive deliberations with the VA and based on the recommendations of many knowledgeable witnesses—including those representing the veterans' service organizations, all of whom supported the enactment of this title—reflect a reasonable approach that the courts would respect and that would preserve the desirable features of the VA's adjudicatory processes.

In addition, by establishing statutory rules and procedures for review of VA claims, the Congress has the opportunity to preserve the prime role of the Board of Veterans' Appeals as the expert fact finder in VA claims cases. I believe we have appropriately addressed this issue in title III of S. 330. Under the provisions of that title, the scope of court review on a question of fact would be limited to a review of the record of the case as developed by the Board of Veterans' Appeals to determine if the BVA's decision was "arbitrary, capricious, or an abuse of discretion". Even if a court were to determine that the BVA's decision were so poorly founded, the court would not initially have the power to make its own factual determination. Rather, the court would be required to remand the case to the BVA for reconsideration of the factual issues involved—including further development of the evidentiary record. Those procedures would insure that the fact-finding responsibilities of the Board and the informal nature of BVA adjudications are well protected.

B. Attorneys' fees issue:

On the second issue, that of attorneys taking advantage of veterans and their survivors and dependents, S. 330 would retain the existing $10 limit on attorneys' fees at the initial claims' processing point. I believe that this limit on attorneys' fees is appropriate with respect to the initial claims stage because the initial procedures for applying for VA benefits are relatively uncomplicated, with the VA generally securing the relevant military records and evaluating the merits

of the claim. In light of the availability of the highly trained service officers of the national veterans' organizations and other forms of free assistance, there would seem to be no need for the assistance of a private attorney to initiate the claims process by completing and filing an application. Continuing to discourage attorney representation at the initial application and decision stage would thus appropriately serve to protect claimants' benefits without prejudicing the claimant's ability to obtain a legal representative of his or her own choosing for purposes of reconsideration of, or appeal from, an initial denial of a claim.

Taking into account the various checks incorporated in title IV of S. 330 on unreasonable fees, I strongly believe that this approach is clearly preferable to the antiquated prohibitions in section 3404 of title 38 against the payment of attorneys' fees of more than $10.

IV. ALTERNATIVE TO JUDICIAL REVIEW

One final issue I would like to address is the alternative to judicial review which has been suggested by some, that is establishing the Board of Veterans' Appeals as an independent agency, although not a court. This suggestion has been made to counter the argument that the need for judicial review is premised on the belief that the BVA, as a VA component subordinate to the Administrator, is too intimately connected with the VA to render impartial decisions. Although I believe that there is some merit in this proposal, I believe that the approach to judicial review embodied in S. 330 is far preferable for three reasons. First, I believe veterans should be treated equally with others who are entitled to benefits through programs established by the Federal Government, virtually all of whom have recourse to the Federal courts. Second, I believe that the opportunity for an informal, administrative appeal within the VA, which the BVA provides, is much too valuable to discard in the process of providing for fully independent review. Third, in order for that proposal to be truly equitable to veterans, branches of the BVA would have to be established throughout the country since Federal district courts are readily available in all parts of the country.

V. CONCLUSION

Mr. Chairman, I greatly appreciate having this opportunity to express my views on judicial review to your Subcommittee and to urge serious consideration of S. 330 by your Committee. I have greatly enjoyed and benefited from my close working relationship with this Committee over the years and look forward to continuing that dialogue in the future.

SECTION-BY-SECTION ANALYSIS

Section 1.

Subsection (a) of section 1 provides that this Act may be cited as the "Veterans' Administration Adjudication Procedure and Judicial Review Act".

Subsection (b) of section 1 provides that, except when otherwise expressly provided, reference to a section or other provision shall be considered to be made to a section or other provision of title 38, United States Code, relating to veterans' benefits.

TITLE I—ADJUDICATION PROCEDURES

Section 101.

Subsection (a) of section 101 would amend chapter 51 of title 38, United States Code, relating to applications for, the effective dates of, and the method of payment of veterans' benefits, to add a new section 3007 codifying, for VA adjudication purposes, the burden of proof and reasonable doubt standards currently provided for by VA regulation (38 C.F.R. 3.102). These standards would be codified in order to ensure that the VA's present practices of making every reasonable effort to assist a claimant and construing the evidence favorably to the claimant are not abandoned in response to the provisions of title III of the bill proposing to amend title 38 to authorize court review. The new section 3007 would be added to chapter 51, as follows:

New section 3007.—Burden of proof; benefit of the doubt: Subsection (a) would provide that, except where otherwise provided by the Administrator in accordance with provisions of title 38, a claimant would have the burden of submitting evidence sufficient to justify a belief by a fair and impartial individual that a claim is well grounded. Thus, as presently provided for in VA regulations (38 C.F.R. 3.102), the initial burden of going forward with evidence to establish all elements of a claim would be on the claimant. This subsection would not affect existing statutory or regulatory procedures that specify a different procedure relating to burden of proof (for example, the statutory presumptions relating to certain diseases in section 312 of title 38, United States Code, pursuant to which certain such diseases are considered service-connected without a showing that the particular disease existed during active duty service if it became manifest within a specified period after the individual's discharge from such service). In addition, this subsection is not intended to affect the obligation of the VA (pursuant to 38 C.F.R. 3.103) to provide complete assistance to the veteran or other claimant in the development of a claim.

Subsection (b) would provide, without shifting the burden specified in subsection (a) of this section, that, if, after reviewing all of the evidence in a case, there is an approximate balance of positive and negative evidence regarding the merits of an issue material to the determination of the claim, the VA is to give the claimant the benefit of the doubt on each such issue, thus resolving the issue in favor of the claimant. This provision is derived from an existing VA regulation (38 C.F.R. 3.102) but the rules are simplified and the phrase "benefit of the doubt" is used in lieu of the phrase "reasonable doubt" in order to avoid confusion with the meaning of the latter phrase in the criminal law context.

Paragraph (1) of subsection (b) of section 101 would amend the table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part IV of such title, relating to general administrative provisions, to strike, in the item relating to chapter 51, "Applications" and insert in lieu thereof "Claims" in order to reflect the change made in that chapter heading by paragraph (2) of this subsection.

Paragraph (2) of subsection (b) of section 101 would amend the heading of chapter 51 to read "Chapter 51—Claims, Effective Dates, and Payments" in lieu of "Applications, Effective Dates, and Payments" in order to indicate more accurately the subject matter of that chapter.

Paragraph (1) of subsection (c) of section 101 would amend the table of sections at the beginning of chapter 51 of title 38, United States Code, relating to claims, effective dates, and payments, to strike, in the item relating to subchapter I, "Applications" and insert in lieu thereof "Claims" in order to reflect the change made in that subchapter heading by paragraph (2) of this subsection.

Paragraph (2) of subsection (c) of section 101 would amend the heading of subchapter I of chapter 51 to read "Subchapter I—Claims" in lieu of "Subchapter I—Applications" in order to indicate more accurately the subject matter of that subchapter.

Subsection (d) of section 101 would amend the table of sections at the beginning of chapter 51 of title 38, United States Code, relating to claims, effective dates, and payments to reflect the addition of the new section 3007 proposed to be made by subsection (a) of this section of the Committee bill.

Section 102.

Would amend present section 3311, relating to the Administrator's authority to issue subpenas, to provide that subpenas authorized under that section may be served either by personal delivery to the person named or by registered or certified mail. This provision is derived from (and intended to have the same substantive effect as) section 205(d) of the Social Security Act, (SSA) (42 U.S.C. 405(d)).

Section 103.

Clause (1) of section 103 would amend subsection (a) of present section 4001, relating to the composition of the Board of Veterans' Appeals, to increase from 50 to 65 the limitation on the size of the Board of Veterans' Appeals membership in order to enhance the Board's ability to handle the increased workload, in the form of longer, more detailed opinions and court-ordered remands for further development of the record in individual cases that the judicial review of VA decisions (as would be authorized by the amendments proposed to be made by title III of the Committee bill) is expected to generate; to make a technical amendment in the statutory description of members of the Board (striking "associate" in the description of members of the Board based on the VA's explanation that there is no difference between "members" and "associate members"); and to require expressly that the Board dispose of appeals properly before it in "a timely manner."

Clause (2) of section 103 would further amend present section 4001 by adding a new subsection (c), as follows:

New subsection (c): Would require the Chairman of the Board of Veterans' Appeals to submit a report to the appropriate committees of Congress, not later than February 1, 1980, and annually thereafter, on the Board's activity for the prior fiscal year, together with a projection for the fiscal year in which the report is submitted and the subsequent fiscal year. The report must include detailed information on the Board's workload, including a report on the average length of time cases were before the Board, and an evaluation of the Board's ability, based on existing and projected personnel levels, to dispose of cases before it in "a timely manner" as expressly required by the amendment to subsection (a) of present section 4001 as proposed to be made by clause (1) of section 103 of the Committee bill.

Section 104.

Would amend present section 4002, relating to the assignment of members of the Board of Veterans' Appeals, to make a technical amendment in the statutory description of members of the Board (that is, to delete "associate" from the description of members of the Board for the reason set forth in the analysis of clause (1) of section 103 of the Committee bill (above).

Section 105.

Would amend subsections (a) and (b) of present section 4003, relating to determinations by the Board of Veterans' Appeals, to require that the Board, before reversing its prior decision in an individual case on the basis of additional office information from the service department concerned, to provide the claimant with notice of such additional information together with an opportunity to be heard in connection with such information.

Section 106.

Would amend present section 4004, relating to the jurisdiction of the Board of Veterans' Appeals, to codify a number of existing practices of the Board and to clarify other practices and procedures in conjunction with court review of VA decisions, as would be authorized by the amendments made by title III of the Committee bill.

Clause (1) of section 106 would amend subsection (a) of present section 4004, relating to a claimant's right to one appeal, which is to be decided by the Board, to provide claimant with appeals before the Board with the express statutory right to an opportunity for a hearing before the Board, and to require that Board decisions be based exclusively on evidence and material of record in the proceeding and on applicable provisions of law. These changes codify the general practice now followed by the Board, derived from the provisions of present section 4005(a) as to a right to a hearing (made express in 38 CFR 19.133(a)) and present section 4005(d)(5) as to the record, which provision is proposed to be deleted by section 107 of the Committee bill.

Clause (2) of section 106 would amend subsection (b) of present section 4004, relating to the reopening of Board decisions, to eliminate the requirement that new and material evidence sufficient to allow the Board to reopen a previously disallowed claim be in the form of "official reports from the proper service department" (this change is consistent with the Board's current practice of allowing previously denied claims to be reopened on the basis of new and material evidence from any source, although the applicable regulation, 38 CFR 19.155, does not clearly articulate this process; and to specify that a judicial decision (pursuant to the new judicial review provisions added by the amendments made by title III of the Committee bill) upholding, in whole or part, a prior decision of the Board disallowing a claim shall not diminish the Board's discretionary authority to reopen a claim on the basis of new and material evidence. This latter provision is designed specifically to make it clear that nothing in the new provisions authorizing judicial review is intended to allow the doctrine of res judicata to affect the VA's "open file" system of claims adjudication.

Thus, the fact of an adverse court ruling on a claim in no way is intended to preclude a veteran or other claimant from continuing to pursue the claim by gathering and offering new and material evidence sufficient to reopen the matter.

Clause (3) of section 106 would amend subsection (d) of present section 4004, relating to the form of Board decisions, by requiring that Board decisions state separately findings of fact and conclusions of law on each material issue in the case, and that the Board mail a copy of its final decision to the last known address of the claimant and of the claimant's authorized representative, if any. These requirements would codify current Board practices not expressly provided for in regulation, and provide a statutory basis for procedures that would precede and should facilitate court review of a matter appealed to court. The date on which the decision is mailed to the last known address of the claimant and the claimant's authorized representative would serve as the date from which time would begin to run on the 180-day period following a Board decision that would be allowed for the commencement of a civil action under new section 4025 of title 38 (as added by subsection (a) of section 302 of the Committee bill). The provision relating to the contents of the Board's decision, which is derived from the Administrative Procedure Act (APA) (5 U.S.C. 557(c)), is intended to assure that decisions of the Board are sufficiently explicit and detailed so as to enable the claimant to understand clearly the basis of the Board's action and, in the case of an appeal to a court, to enable the claimant to state specific grounds for disputing the decision; and to provide the reviewing court with a basis to understand and interpret the decision of the Board.

Section 107.

Would amend present section 4005(d)(5), relating to the Board's disposition of appeals, to delete the requirement that the Board base its decision on the entire record because that requirement would be included in present section 4004(a) by an amendment made by section 106(1) of the Committee bill.

Section 108.

Would amend present section 4009, relating to the obtaining of independent medical opinions by the Board in medically complex or controversial cases, to add a new subsection (c), as follows:

New subsection (c): Would provide the claimant with the right to request an independent medical opinion when the Board has a case in which there is a substantial disagreement between the substantiated findings or opinions of two physicians with respect to a material issue in the case and the Board cannot resolve the disagreement in any other way (for example, by interrogators to one or both physicians, probing the basis for such physician's findings or opinion). In the case of a denial of such a request, the Board would be required to provide the claimant and the claimant's authorized representative, if any, with a statement of its reasons for denying a request for an IMO under this subsection, but the Board's decision on such a request would be committed to agency discretion and thus would be final and not subject to judicial review.

Section 109.

Would amend chapter 71 of title 38, United States Code, relating to the Board of Veterans' Appeals by adding two new sections, one establishing certain procedures to be followed in adjudicatory proceedings within the VA (largely derived from provisions of APA (5 U.S.C. 554, 555, and 556)) and the other setting forth requirements for the Administrator to apprise claimants of their procedural rights before the VA.

Subsection (a) of section 109 would amend chapter 71 by adding two new sections, as follows:

New subsection 4010.—Adjudication procedures: Subsection (a) would authorize the Administrator, in any hearing, investigation, or proceeding in the VA, in connection with a clam for benefits under laws administered by the VA, to administer oaths, examine witnesses, and take evidence. This fundamental authority codifies existing VA practice, derived, insofar as subpenaed witnesses are concerned, from present section 3311 and not required from a specific regulation, and is based on an APA provision (5 U.S.C. 556(c)) and is similar to SSA section 205(b) (42 U.S.C. 405(b)).

Subsection (b) would provide for the admission of any evidence in VA proceedings, including before the Board, even evidence that would be inadmissible under the rules of evidence applicable in judicial proceedings, but would also authorize the Administrator to prescribe regulations allowing exclusion of irrelevant, immaterial or unduly repetitious evidence. This provision, which is based on similar APA (5 U.S.C. 556(d)) and SSA provisions (42 U.S.C. 405(b)), generally codifies the existing VA regulation, 38 CFR 19.133(c).

Subsection (c) would specify certain procedural rights of claimants in proceedings before the Board of Veterans' Appeals, the first four of which (clauses (1) through (4) below) are derived from the APA (5 U.S.C. 556(d)).

Clause (1) of subsection (c) would give the claimant or the claimant's authorized representative the right to examine the contents of the case files and all documents and records that the VA plans to use in the proceeding and, on the payment of a fee, prescribed pursuant to present section 3302(b), not to exceed the direct cost of duplicating the materials, the right to obtain copies of all such materials.

Clause (2) of subsection (c) would give the claimant or the claimant's authorized representative the right to present witnesses and evidence restricted only by regulations of the Administrator relating to irrelevant, immaterial, or unduly repetitious evidence as authorized by proposed subsection (b) of this section.

Clause (3) of subsection (c) would give the claimant or the claimant's authorized representative the right to make arguments to the Board, both orally and in the form of a written brief or similar document, on both substantive and procedural issues.

Clause (4) of subsection (c) would give the claimant or the claimant's authorized representative the right to submit rebuttal evidence.

Clause (5) of subsection (c) would give the claimant or the claimant's authorized representative the right to present medical opinions as part of the case and to request an independent medical opinion pursuant to new subsection (c) of present section 4009 (as added by section 108 of the Committee bill).

Clause (6) of subsection (c) would give the claimant or the claimant's authorized representative the right to serve on any person written interrogatories that would have to be answered in writing separately and under oath unless the person served makes an objection to the Administrator. (Other provisions of this subsection discussed below provide specific procedures for objection to and enforcement of such interrogatories.)

Subsection (c) would further provide, in a final paragraph, that the fee provided for in clause (1) of this subsection for the reproduction of the contents of case files and all materials that the VA plans to use in the proceeding may be waived, pursuant to regulations of the Administrator, either on account of a party's inability to pay or for other good cause. In addition, the final paragraph of the subsection would provide procedures that would apply in conjunction with the use of interrogatories authorized in clause (6) of this subsection. In the event an individual served with interrogatories objects to some or all of the interrogatories, the Administrator would be required, pursuant to regulations which the Administrator must prescribe establishing standards consistent with standards for protective orders under Rule 26(c) of the Rules of Civil Procedures for the United States District Courts, to evaluate the objection and either order the interrogatories to be answered as served or as modified by the Administrator or order that the interrogatories need not be answered. In this manner, the Administrator would be available to protect against the use of interrogatories to harass or unduly burden the person served with the interrogatories. This paragraph would also provide that, if a person served with interrogatories under this section fails to answer or to provide responsive answers and the party serving the interrogatories shows the general relevance and reasonable scope of the evidence sought, the Administrator is to issue a subpena pursuant to present section 3311 of title 38 with enforcement pursuant to present section 3313 of title 38, United States Code, to require the person served with the interrogatories to appear at a disposition on written questions at a location within 100 miles of the witness' residence or place of work. This procedure for enforcing the interrogatories, together with the check provided by the Administrator's evaluation of any objection, is designed to prevent abuse of this discovery tool while providing a claimant with a means of obtaining relevant evidence that would otherwise be unavailable to the claimant. The provisions relating to the use of interrogatories are proposed in lieu of al-

lowing a claimant to subpena a witness to appear at a Board hearing for the purpose of cross-examination by the claimant or the claimant's authorized representative because of concern that such cross-examination would not be consistent with the goal of conducting proceedings by the Board in a nonadversarial fashion.

Subsection (d) would provide authority for a hearing officer in any VA proceeding to disqualify himself or herself because of personal bias or other cause and also would provide authority for a party to challenge a hearing officer on such basis. This provision is derived from the APA (5 U.S.C. 556(b)).

Subsection (e) would specify that the administrative record in a case would consist of the transcript or recording of testimony and the exhibits, all papers and requests filed in the proceeding, and the decision of the Board; and would require the Administrator, upon payment of a reasonable fee for the cost of duplicating, pursuant to present section 3302(b) of title 38, to copy the contents of the record for the claimant. The duplicating fee would be waivable on account of a party's inability to pay or for other good cause shown.

Subsection (f) would specify that, notwithstanding any other provision of law, the adjudication and hearing procedures contained in title 38, and in regulations prescribed by the Administrator are exclusive. This provision is designed to preclude judicial incorporation of other procedures from the Administrative Procedure Act or elsewhere in order to assure that VA procedures remain informal and nonadversarial in nature.

New section 4011.—Notice of procedural rights: Would require the Administrator to provide, at each stage of the proceedings before the VA, notice, in easily understandable language, to a claimant of procedural rights and the procedures available to obtain various opportunities for review. This provision is designed to assure that at each critical juncture in the adjudication/appeals process, the claimant is specifically notified of his or her rights, at that level and of remaining available options; and to assure that, where there are substantial populations of veterans with limited English-language proficiency, this notice is provided in a language other than English, such as Spanish, which is spoken by a significant percentage of the clientele of the particular VA facility.

Subsection (b) of section 109 would amend the table of sections at the beginning of chapter 71 to reflect the addition of new sections 4010 and 4011 made by the amendments in subsection (a) of this section of the Committee bill.

Section 110.

Would require the Administrator to conduct a study of alternative methods of providing speedier claims resolution at locations convenient to claimants' residences. The study would include two alternative procedures: First, in at least three VA regional offices, a procedure utilizing an intermediate review panel of regional office personnel from the Department of Veterans' Benefits, which would conduct a de novo review of the claim prior to any appeal to the Board of Veterans' Appeals; and, second, in at least three other VA regional offices, an enhanced schedule of visits by traveling panels of the Board of Veterans' Appeals (on at least a quarterly basis). The Administrator would be required to report to the Congress on the results of the study, including an evaluation of the cost factors associated with each alternative and the impact on the workload of the regional offices and the Board of Veterans' Appeals resulting from each alternative, together with any recommendations for administrative or legislative action, or both, as may be indicated by the study.

TITLE II—VETERANS' ADMINISTRATION RULE MAKING

Section 201.

Subsection (a) of section 201 would amend subchapter II of chapter 3 of title 38, United States Code, relating to various administrative matters pertaining to the Veterans' Administration, by adding a new section 221, as follows:

New section 221.—Rule making: Would provide that, notwithstanding the preclusion in section 553(a)(2) of title 5, United States Code, of matters involving "loans, grants, benefits, or contracts" from Administrative Procedure Act rulemaking procedural requirements, the VA's rulemaking procedures must be in compliance with the provisions of the Administrative Procedure Act section relating to rule making, section 553 of title 5, United States Code. This section would generally codify the current VA regulations, 38 CFR 1.12.

Subsection (b) of section 201 would amend the table of sections at the beginning of chapter 3 of title 38, United States Code, relating to general administrative matters pertaining to the Veterans' Administration, to reflect the addition of the new section 221 proposed to be made by subsection (a) of this section of the Committee bill.

TITLE III—JUDICIAL REVIEW

Section 301.

Would amend section 211(a) of title 38, United States Code, relating to decisions by the Administrator, which generally precludes judicial review of decisions of the Administrator in matters relating to claims for benefits under laws administered by the VA, to add to the matters to which such preclusion does not apply, chapter 72, the new judicial review chapter proposed to be added by section 302 of the Committee bill.

Section 302.

Subsection (a) of section 302 would amend part V of title 38, United States Code, relating to VA boards and departments, to add a new chapter, chapter 72, entitled "Judicial Review", which would authorize and prescribe procedures for access to the Federal court system for review of certain VA decisions and would consist of new sections 4025 through 4029, as follows:

New section 4025.—Jurisdiction: Would define the reviewing court's jurisdiction to review a case involving a claim for benefits under laws administered by the Veterans' Administration.

Subsection (a) would authorize judicial review of a "final decision" (as defined in subsection (c) of this new section) in a matter involving a claim for benefits under laws administered by the Veterans' Administration. A civil action seeking such review could be brought in Federal district court in either the home district of the claimant or in the district court where the Board of Veterans' Appeals is situated (presently the District of Columbia), and must be brought within 180 days (the same period as is allowed for bringing an action in Federal court in connection with a tort claim against the United States, as provided for in 28 U.S.C. 2401(b), following final denial of such claim by the Federal agency involved, as required by 28 U.S.C. 2675(a)) after the notice of the Board of Veterans' Appeals decision is mailed to the claimant pursuant to new section 4004(d) (as proposed to by added by clause (3) of section 106 of the Committee bill).

Subsection (b) would provide that, in matters not directly involving a claim for benefits, present section 211(a), which generally precludes judicial review of decisions of the Administrator, shall not bar a Federal civil action that otherwise would be authorized by law. This provision is intended to make clear that nothing in section 211(a) operates to bar judicial challenges to VA regulations, practices or procedures that would be open to such challenge if carried out by any other Federal agency. Thus, the provision is not a grant of jurisdiction and is in no way intended to vitiate any available defenses, such as standing, ripeness, and failure to exhaust administrative remedies, in civil actions for the review of Federal agency conduct. Rather, this provision is intended to recognize and codify an emerging body of case law (for example, the decision of the United States Court of Appeals for the Sixth Circuit in *Wayne State University* v. *Cleland*, 590 F. 2d 627 (6th Cir. 1978), holding that section 211(a) does not preclude court review of the Administrator's authority to promulgate particular regulations) to the effect that present section 211(a) precludes judicial review of only those decisions that Administrator makes in the administration of a statute providing benefits to veterans or other claimants.

Subsection (c) would define "final decision of the Administrator", as used in subsection (a) of this new section, to include not only a decision on the merits pursuant to section 4004(a), as it is proposed to be amended by section 106 of the Committee bill, but also a refusal to reopen a claim pursuant to section 4004(b), as it is prosposed to be amended by section 106 of the Committee bill, or a refusal on the basis of non-conformity with present chapter 71 provisions relating to form * * *.

* * * * *

Clause (3) of subsection (a) would define a reviewing court's authority to hold unlawful and set aside decisions, findings, and conclusions of the Administrator. Specifically, a reviewing court would be empowered to reverse a decision of the Administrator if such a decision is found to be: (A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; (B) contrary to constitutional right, power, privilege or immunity; (C) in excess of statutory jurisdiction, authority or limitations, or in violation of a statutory right; or (D) without observance of procedure required by law. As noted above, this authority to reverse is largely derived from the APA; however, it is specifically limited in cases where a reviewing court finds the Administrator's decision on a factual issue to be arbitrary, capricious, or an abuse of discretion so as to require the court, before reversing the decision, to specify where it finds the record to be deficient and to remand the case, once, for a time-limited period, to allow the Administrator either to reconsider the decision or substantiate the record. It is the Committee's intention that these limits on a reviewing court's authority to reverse a decision of the Administrator on a factual issue, together with the limitation on a court's review of factual issues to an evaluation for arbitrariness, capriciousness, or abuse of discretion, should serve to restrict court review of factual matters more tightly than is the case where review is authorized (as in the APA, 5 U.S.C. 706) to determine whether a Federal agency's decision on a factual issue is "'supported by substantial evidence". Thus, the role of the Board of Veterans' Appeals as the primary expert arbiter of factual matters involving claims for VA benefits would be preserved.

Subsection (b) would incorporate the rule of prejudicial error from the APA (5 U.S.C. 706) in order to define further a reviewing court's role. Thus, pursuant to this rule, a court would be expected to disregard errors in the administrative record that are not significant to the outcome of the matter.

Subsection (c) would clarify a reviewing court's role in relation to questions of fact decided by the Administrator by specifying that in no event shall such findings be subject to a trial de novo in the reviewing court.

Subsection (d) would provide that, in reviewing a matter resolved by the VA solely on the basis of a failure to conform to VA regulations or procedures, the reviewing court may consider only those issues relating to the validity of or conformity with the regulation or procedure. Thus, if a court were to uphold the validity of a regulation or procedure and its application to the facts of a case, the matter would be ended; but if, on the other hand, the court were to rule that the regulation or procedure is unlawful, the underlying claim for benefits must be returned to the VA for its consideration, and the VA's role as the principal arbiter of VA claims matters would thus be preserved.

New section 4027.—Remands: Would provide for three different types of remands (two mandatory and one discretionary), in addition to the mandatory remand provision to be provided for under new section 4026 (a). Under the first, the court would be required, at the request of the Administrator, to remand the case, after it is appealed to court and before the Administrator files an answer, for a single reconsideration by the Administrator, which must be completed within 90 days or the matter would be returned to court. This provision is derived from a similar one in the SSA (42 U.S.C. 405 (g)) but modified to place a specific limit on the amount of time allowed before the case must be returned to court. The second remand provision would allow the reviewing court, in its discretion, to remand a case for further action after the Administrator has filed an answer. The third remand provision would require a court to remand a matter when either party applies for leave to adduce further evidence and shows "good cause" for the remand. In the Committee's view, the burden of showing good cause for the remand should be applied to protect parties and administrative and judicial processes from dilatory practices but not so as to create undue impediments to the Administrator's consideration of additional evidence bearing on the merits of a claim. The new section would thus authorize a reviewing court to specify a time period within which the Administrator must act on a matter remanded under either the second or third remand provisions in this new section.

New section 4028.—Survival of actions: Would provide that actions brought under new section 4025 would survive the tenure of any individual as Administrator.

New section 4029.—Appellate review: Would provide that decisions of district courts pursuant to the new judicial review chapter would be subject to review in higher Federal courts in the same manner as other civil judgments.

Subsection (b) of section 302 would amend the table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part V of such title, relating to boards and departments, to reflect the addition of the new chapter 72 proposed to be made by subsection (a) of this section of the Committee bill.

Section 303.

Would amend present section 1346 of title 28, United States Code, relating to the jurisdiction of Federal district courts when the United States is the defendant, to provide that the exclusion contained therein limiting the jurisdiction of Federal district courts in matters involving pensions shall not apply to VA pension matters. This is a conforming amendment to effectuate the purpose of the new chapter 72 that would be added by section 302 of the Committee bill.

TITLE IV—ATTORNEYS' FEES

Section 410.

Would amend present section 3404 of title 38, United States Code, relating, in connection with VA proceedings, to the recognition of agents and attorneys and to attorneys' fees, to revise the present title 38 limitation of $10 for claimants' attorneys' fees by providing for the approval by the Administrator of reasonable attorneys' fees, within certain specified amounts for representation of individuals before the Veterans' Administration and for approval by the court of a reasonable attorneys' fees in cases appealed to court.

Clause (1) of section 401 would amend present subsection (c) of present section 3404, to provide for approval by the Administrator of attorneys' fees above the present $10 maximum for services rendered in representing a claimant following the issuance by the Administrator of a statement of the case (a formal explanation of an initial denial of a claim) pursuant to present section 4005(d), but would retain the $10 maximum limitation for cases resolved upon the initial proceeding at the regional office level. With respect to claims resolved within the VA but following the issuance of the statement of the case, the Administrator's approval of an attorneys' fee is limited to the lesser of:

(A) the fee agreed upon by the claimant and the attorney, or

(B)(i) $500 (an amount which could be increased administratively by the Administrator in future years as warranted by changed economic conditions) except that a greater amount may be approved by the Administrator in an individual case involving extraordinary circumstances warranting such a higher fee, or

(ii) if the claimant and attorney have entered into a contingent-fee agreement, an amount not in excess of 25 per centum of the total amount of past-due benefits awarded.

Thus, approved fees for legal representation before the VA following the issuance of a statement of the case will generally be limited to a maximum of $500 unless the claimant and attorney have entered into a contingent-fee agreement and the matter is resolved in a manner favorable to the claimant, in which case the limitation would be 25 per centum of any past-due benefits awarded in the claim. The Committee does not anticipate that the Administrator will have occasion to approve a fee in excess of $500 on the basis of "extraordinary circumstances" except in the most unusual of cases where an attorney is able to demonstrate that the facts and circumstances of the case were so markedly different, in terms of complexity or difficulty, from the average case before the Administrator that an exceptional amount of time was legitimately required to prepare and present it.

Clause (2) of section 401 would further amend present section 3404 of title 38, United States Code, by adding six new subsections, (d) through (i), as follows:

New subsection (d): Would define the court's role in approving attorneys' fees in cases appealed to court under the new judicial review chapter as proposed to be added by section 302 of the Committee bill. In a case that is resolved in a manner favorable to the claimant (as that result is defined in new subsection (h) of this section), the court may approve a reasonable fee, with the limitation that, if the claimant and attorney have entered into a contingent-fee agreement, the amount of the fee is limited to 25 per centum of the total amount of past-due benefits awarded in the case. In the event that a matter is not resolved in a manner favorable to a claimant in court, the reviewing court may approve a limited reasonable fee, not to exceed $750, taking into consideration the extent to which success appeared reasonably probable when the action was filed. Of course, where the claimant and attorney have entered into a contingent-fee agreement, no fee could be approved unless court review ultimately results in an award of past-due benefits.

New subsection (e): Would provide authority for the Administrator to authorize payment to an attorney from any past-due benefits that are awarded by the Administrator or a court but would specifically preclude the VA from making payments out of any future benefits accruing to a claimant on the basis of the action.

New subsection (f): Would provide for court review of an approval of a fee award by either the Administrator or a court. Where the matter is resolved within the VA and the Administrator approves an award, the amount approved may be challenged as reflecting an abuse of discretion by an action brought by either the claimant or the attorney in the Federal district court in the claimant's home district. Where the fee is approved in a matter appealed to court, either the claimant or the attorney could make a motion, in the United States district court where the appeal was considered, within 30 days after the fee is approved.

New subsection (g): Would limit the applicability of the new attorneys' fees section, section 3404 (as proposed to be amended by this section of the Committee bill), to cases involving claims for benefits under laws administered by the VA. Thus, in all other types of cases (for example, constitutional challenges to regulations. Freedom of Information Act cases, and other claims for relief other than VA benefits) where no claim for benefits is involved, the fee agreement between the individual and the attorney would not be restricted by the provisions of this section.

New subsection (h): Would provide that, for the purposes of this section, a claim is to be considered as having been resolved favorably to a claimant when any or all of the relief sought is granted.

New subsection (i): Would provide that a court may, in its discretion and as an extraordinary remedy, allow a prevailing party, other than the Administrator, reasonable attorneys' fees as part of the costs awarded after the decision. This provision is intended to permit a court to evaluate all of the circumstances of a claim and, in particular, the VA's basis for denying the relief requested and its conduct with respect to the claimant. The Committee's intention is that the court's evaluation of the VA's actions be similar to that undertaken by courts in Freedom of Information Act cases when the issue to be resolved is whether the governmental agency involved had a reasonable or colorable basis in law for its action (for example, the analysis on *Keye* v. *Burns*, 411 F. Supp. 897, 902 (S.D. N.Y. 1976) cited with approval in *Cueno* v. *Rumsfeld*, 553 F. 2d 1360 (D.C. Cir. 1977)). Accordingly, there should seldom be an award of attorneys' fees under this provision; an award would be appropriate only upon a finding by a court that the VA had been "recalcitrant" in its denial of a valid claim or had otherwise "engaged in obdurate behavior" in the adjudication of the claim. One situation that might, in particular cases, warrant such a finding and an award of attorneys' fees would be where the reviewing court has found a factual determination of the Administrator to be "arbitrary, capricious or an abuse of discretion" and remands the matter to the VA pursuant to proposed new section 4026 (as proposed to be added by section 302 of the Committee bill), following which the matter is returned to the court with the Administrator's finding unchanged and with no further substantiation or development of the record.

Section 402.

Would amend present section 3405 of title 38, United States Code, relating to penalties for certain acts, to delete a gender reference and to strengthen this provision by making it a Federal criminal offense for an attorney

or other person willfully and intentionally to defraud a VA claimant.

TITLE V—EFFECTIVE DATES

Section 501.

Would make the Act effective on the first day of the month beginning 180 days after the date of enactment.

Section 502.

Would allow for judicial review, pursuant to proposed new section 4025 (as proposed to be added by section 302 of the Committee bill), of decisions of the Board of Veterans' Appeals rendered on or after January 1, 1977, and prior to the effective date of the Act. This section also specifies that any appeals of such decisions rendered prior to the effective date of the Act must be brought within 180 days after the effective date of the Act or after mailing of notice by the Administrator to the claimant of the right to such an appeal, whichever is later.

CHANGES THAT WOULD BE MADE IN EXISTING LAW

Changes in existing law made by this legislation are shown as follows (existing law proposed to be omitted is enclosed in brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 28—JUDICIARY AND JUDICIAL PROCEDURE

* * * * *

Chapter 85—DISTRICT COURTS; JURISDICTION

Sec.

* * * * *

1346. United States as defendant.

* * * * *

§ 1346. United States as defendant

(a) The district courts shall have original jurisdiction, concurrent with the Court of Claims, of:

(1) Any civil action against the United States for the recovery of any internal-revenue tax alleged to have been erroneously or illegally assessed or collected, or any penalty claimed to have been collected without authority or any sum alleged to have been excessive or in any manner wrongfully collected under the internal-revenue laws;

(2) Any other civil action or claim against the United States, not exceeding $10,000 in amount, founded either upon the Constitution, or any Act of Congress, or any regulation of an executive department, or upon any express or implied contract with the United States or for liquidated or unliquidated damages in cases not sounding in tort. For the purpose of this paragraph, an express or implied contract with the Army and Air Force Exchange Service, Navy Exchanges, Marine Corps Exchanges, Coast Guard Exchanges, or Exchange Councils of the National Aeronautics and Space Administration shall be considered an express or implied contract with the United States.

(b) Subject to the provisions of chapter 171 of this title, the district courts, together with the United States District Court for the District of the Canal Zone and the District Court of the Virgin Islands, shall have exclusive jurisdiction of civil actions on claims against the United States, for money damages, accruing on and after January 1, 1945, for injury or loss of property, or personal injury or death caused by the negligent or wrongful act or omission of any employee of the Government while acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be liable to the claimant in accordance with the law of the place where the act or omission occurred.

(c) The jurisdiction conferred by this section includes jurisdiction of any set-off, counterclaim, or other claim or demand whatever on the part of the United States against any plaintiff commencing an action under this section.

(d) The district courts shall not have jurisdiction under this section of any civil action or claim for a pension *except as provided for in chapter 72 of title 38.*

(e) The district courts shall have original jurisdiction of any civil action against the United States provided in section 7426 or section 7428 (in the case of the United States district court for the District of Columbia) or section 7429 of the Internal Revenue Code of 1954.

(f) The district courts shall have exclusive original jurisdiction of civil actions under section 2409a to quiet title to an estate or interest in real property in which an interest is claimed by the United States.

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TITLE 38—UNITED STATES CODE

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PART I—GENERAL PROVISIONS

* * * * *

Chapter 3—VETERANS' ADMINISTRATION; OFFICERS AND EMPLOYEES

Subchapter I—Veterans' Administration

Sec.

201. Veterans Administration an independent agency.
202. Seal of the Veterans' Administration.
203. Availability of appropriations.

Subchapter II—Administrator of Veterans' Affairs

210. Appointment and general authority of Administrator; Deputy Administrator.
211. Decisions by Administrator; opinions of Attorney Genenral.
212. Delegation of authority and assignment of duties.
213. Contracts and personal services.
214. Report to the Congress.
215. Publication of laws relating to veterans.
217. Studies of rehabilitation of disabled persons.
218. Standards of conduct and arrests for crimes at hospitals, domiciliaries, cemeteries, and other Veterans' Administration reservations.
219. Evaluation and data collection.
220. Coordination of other Federal programs affecting veterans and their dependents.
221. Rule making.

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Subchapter II—Administrator of Veterans' Affairs

* * * * *

§ 211. Decisions by Administrator; opinions of Attorney General

(a) On and after October 17, 1940, except as provided in section 775[.] *and* 784 *and chapter 72 of this title,* and as to matters arising under chapter 37 of this title, the decisions of the Administrator on any question of law or fact under any law administered by the Veterans' Administration providing benefits for veterans and their dependents or survivors shall be final and conclusive and no other official or any court of the United States shall have power or jurisdiction to review any such decision by an action in the nature of mandamus or otherwise.

* * * * *

§ 221. Rule making

Notwithstanding the provisions of subsection (a)(2) of section 553 of title 5, the promulgation of rules and regulations by the Administrator shall be subject to the requirements of section 553 by title 5.

* * * * *

PART IV—GENERAL ADMINISTRATIVE PROVISIONS

Chapter Sec.

51. [Applications] *Claims,* Effective Dates, and Payments ---------- 3001
53. Special Provisions Relating to Benefits ---------- 3101
55. Minors, Incompetents, and Other Wards ---------- 3201
57. Records and Investigations ---------- 3301
59. Agents and Attorneys ---------- 3401
61. Penal and Forfeiture Provisions ---------- 3501

Chapter 51—[APPLICATIONS] *CLAIMS,* EFFECTIVE DATES, AND PAYMENTS

SUBCHAPTER I—[APPLICATIONS] *Claims*

Sec.

3001. Claims and forms.
3002. Application forms furnished upon request.
3003. Incomplete applications.
3005. Joint applications for social security and dependency and indemnity compensation.
3006. Furnishing of information by other agencies.
3007. Burden of proof; benefit of the doubt.
3010. Effective dates of awards.

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Subchapter I—[Applications] *Claims*

§ 3001. Claims and forms

(a) * * *

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§ 3007. Burden of proof; benefit of the doubt

(a) Except when otherwise provided by the Administrator in accordance with the provisions of this title, a claimant for benefit under laws administered by the Veterans' Administration shall have the burden of submitting evidence sufficient to justify a belief by a fair and impartial individual that the claim is well grounded.

(b) When, after consideration of all evidence and material of record in any proceeding before the Veterans' Administration on a claim for any benefit under laws administered by the Veterans' Administration, there is an approximate balance of positive and negative evidence regarding the merits of an issue material to the determination of such claim, the benefit of the doubt in resolving each such issue will be given to the claimant, but nothing in this section shall be constructed as shifting from a claimant to the Administrator the burden described in subsection (a) of this section.

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Chapter 57—RECORDS AND INVESTIGATIONS

* * * * *

Subchapter II—Investigations

§ 3311. Authority to issue subpenas

For the purposes of the law administered by the Veterans' Administration, the Administrator, and those employees to whom the Administrator may delegate such authority, to the extent of the authority so delegated, shall have the power to issue subpenas for and compel the attendance of witnesses within a radius of one hundred miles from the place of hearing, to require the production of books, papers, documents, and other evidence, to take affidavits, to administer oaths and affirmations, to aid claimants in the preparation and presentation of claims, and to make investigations and examine witnesses upon any matter within the jurisdiction of the Veterans' Administration. Any person required by such subpena to attend as a witness shall be allowed and paid the same fees and mileage as are paid witnesses in the district courts of the United States. *Subpenas authorized under this section shall be served by any individual authorized by the Administrator by (1) delivering a copy thereof to the individual named therein, or (2) mailing by registered or certified mail addressed to such individual at such individual's last dwelling place or principal place of business. A verified return by the individual so serving the subpena setting forth the manner of service, or, in the case of service by registered or certified mail, the return post office receipt therefor signed by the individual so served shall be proof of service.*

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Chapter 59—AGENTS AND ATTORNEYS

* * * * *

§ 3404. Recognition of agents and attorneys generally

(a) The Administrator may recognize any individual as an agent or attorney for the preparation, presentation, and prosecution of claims under laws administered by the Veterans' Administration. The Administrator may require that individuals, before being recognized under this section, show that they are of good moral character and in good repute, are qualified to render claimants valuable service, and otherwise are competent to assist claimants in presenting claims.

(b) The Administrator, after notice and opportunity for a hearing, may suspend or exclude from further practice before the Veterans' Administration any agent or attorney recognized under this section if he finds that such agent or attorney—

(1) has engaged in any unlawful, unprofessional, or dishonest practice;

(2) has been guilty of disreputable conduct;

(3) is incompetent;

(4) has violated or refused to comply with any of the laws administered by the Veterans' Administration, or with any of the regulations or instructions governing practice before the Veterans' Administration; or

(5) has in any manner deceived, misled, or threatened any actual or prospective claimant.

[(c) The Administrator shall determine and pay fees to agents or attorneys recognized under this section in allowed claims for monetary benefits under laws administered by the Veterans' Administration. Such fees—

[(1) shall be determined and paid as prescribed by the Administrator;

[(2) shall not exceed $10 with respect to any one claim; and

[(3) shall be deducted from monetary benefits claimed and allowed.]

(c) The Administrator, pursuant to regulations which the Administrator shall prescribe, may determine and approve payment of reasonable attorneys' fees to be paid by the claimant, to attorneys recognized under this section, for services rendered in representing an individual before the Veterans' Administration in connection with claims for benefits under laws administered by the Veterans' Administration. In no event shall such attorneys' fee, determined and approved by the Administrator, exceed—

(1) for any claim resolved prior to the claimant's receipt of a statement of the case pursuant to section 4005(d) of this title, $10 or

(2) for any claim resolved following the claimant's receipt of such statement of the case, an amount in excess of the lesser of—

(A) the fee agreed upon by the claimant and the attorney; or

(B)(i) $500, or a greater amount specified in regulations prescribed by the Administrator based on changed national economic conditions subsequent to the date of enactment of this subsection, except that the Administrator may, in the Administrator's discretion, determine and approve a fee in excess of $500 or such greater amount if so specified, in an individual case involving extraordinary circumstances warranting a higher fee; or

(ii) if the claimant and an attorney have entered into an agreement under which no fee is payable to such attorney unless the claim is resolved in a manner favorable to the claimant, 25 per centum of the total amount of any past-due benefits awarded on the basis of the claim.

(d) If, in an action brought under section 4025 of this title, the matter is resolved in a manner favorable to a claimant who was represented by an attorney, the court may determine and approve as part of its judgment a reasonable fee for the representation of such claimant in such action. When the claimant and an attorney have entered into an agreement under which no fee is payable to such attorney unless the matter is resolved in a manner favorable to the claimant, the fee so determined and approved shall not exceed 25 per centum of the total amount of any past-due benefits awarded on the basis of the claim. If, in such an action, the matter is not resolved in a manner favorable to a claimant, the court may determine and approve as part of its judgment a reasonable fee, taking into consideration the extent to which there could have appeared to have been a reasonable probability of success for such an action at the time it was filed, for the representation of such claimant not in excess of $750.

(e) To the extent that past-due benefits are awarded in proceedings before the Administrator or by a court, the Administrator shall direct payment of any attorney's fee that has been determined and approved under this section out of such past-due benefits, but in no event shall the Administrator withhold any portion of benefits payable for a period subsequent to the date of the decision of the Administrator or court making such award.

(f) The determination and approval by the Administrator regarding attorneys' fees pursuant to subsection (c) of this section may be reviewed by a court only to determine whether the Administrator's action constituted an abuse of discretion. Review of the determination and approval by either the Administrator or the court regarding an attorney's fee shall be obtained as follows:

(1) For an award in conjunction with a claim before the Administrator pursuant to subsection (c) of this section, by an action brought, within thirty days after the date of notice of such award, by either the claimant or the attorney in the district court of the United States in the judicial district in which the claimant resides or the claimant's principal place of business is located.

(2) For an award in conjunction with a claim approved by a United States court pursuant to subsection (d) of this section, on a motion made, within thirty days after the date of such award, by either the claimant or the attorney in the district court of the United States where the appeal was considered.

For actions brought under clause (1) of this subsection, the Administrator shall be named as the defendant, but notice of any such action shall also be given to all parties in interest and all such parties shall be heard by the court reviewing the award.

(g) The provisions of this section shall apply only to cases involving claims for benefits under the laws administered by the Veterans' Administration, and such provisions shall not apply in cases in which the Veterans' Administration is the plaintiff or in which other attorneys' fee statutes are otherwise controlling.

(h) For the purposes of subsections (c) and (d) of this section, claims shall be considered as resolved in a manner favorable to the claimant when all or any part of the relief sought is granted.

(i) In an action brought under section 4025 of this title, the court, in its discretion, may, as an extraordinary remedy, allow the prevailing party, other than the Administrator, reasonable attorneys' fees as part of the costs.

§ 3405. Penalty for certain acts

Whoever (1) directly or indirectly solicits, contracts for, charges, or receives or attempts to solicit, contract for, charge, or receive, any fee or compensation except as provided in section 3404 or 784 of this title, [or] (2) wrongfully withholds from any claimant or beneficiary any part of a benefit or claim allowed and due [him] *such claimant or beneficiary, or (3) with intent to defraud, in any manner willfully and knowingly deceives, misleads, or threatens a claimant or beneficiary or prospective claimant or beneficiary under this title with reference to any matter covered by this title, by word, circular, letter, or advertisement,* shall be fined not more than $500 or imprisoned at hard labor for not more than two years, or both.

* * * * *

PART V—BOARDS AND DEPARTMENTS

CHAPTER Sec.

71. Board of Veterans' Appeals 4001
72. *Judicial Review* *4025*
73. Department of Medicine and Surgery 4101
75. Veterans' Canteen Service 4201

CHAPTER 71—BOARD OF VETERANS' APPEALS

Sec.

4001. Composition of Board of Veterans' Appeals.
4002. Assignment of members of Board.
4003. Determinations by the Board.
4004. Jurisdiction of the Board.
4005. Filing of notice of disagreement and appeal.
4005A. Simultaneously contested claims.
4006. Administrative appeals.
4007. Docketing of appeals.
4008. Rejection of applications.
4009. Independent medical opinions.
4010. Adjudication procedures.
4011. Notice of procedural rights.

§ 4001. Composition of Board of Veterans' Appeals

(a) There shall be in the Veterans' Administration a Board of Veterans' Appeals (hereinafter in this chapter referred to as the "Board") under the administrative control and supervision of a chairman directly responsible to the Administrator. The Board shall consist of a Chairman, a Vice Chairman, such number (not more than [fifty] *sixty five*) or [associate] members as may be found necessary, and such other professional, administrative, clerical, and stenographic personnel as are necessary in conducting hearings and considering and disposing of appeals properly before the Board *in a timely manner.*

(b) Members of the Board (including the Chairman and Vice Chairman) shall be appointed by the Administrator with the approval of the President.

(c) The Chairman shall submit a report to the appropriate committees of the Congress, not later than February 1, 1980, and annually thereafter, on the experience of the Board during the prior fiscal year together with projections for the fiscal year in which the report is submitted and the subsequent fiscal year. Such report shall contain, as a minimum, the number of cases appealed to the Board during the prior fiscal year, the numbers of cases pending before the Board at the beginning and end of such fiscal year, the number of such cases which were filed during each of the twenty-four months preceding the prior fiscal year and the then current fiscal year, respectively, the average length of time a case was before the Board between the time of filing of an appeal and the disposition during the prior fiscal year, and the number of members and other professional, administrative, clerical, stenographic, and other personnel employed by the Board at the end of the prior fiscal year. The projections for the current fiscal year and subsequent fiscal year shall include, for each such year, estimates of the number of cases to be appealed to the Board and an evaluation of the Board's ability, based on existing and projected personnel levels, to ensure timely disposition of such appeals as required by subsection (a) of this section.

§ 4002. Assignment of members of Board

The Chairman may from time to time divide the Board into sections of three mem-

bers, assign the members of the Board thereto, and designate the chief thereof. If a section as a result of a vacancy or absence or inability of a member assigned thereto to serve thereon is composed of a number of members less than designated for the section, the Chairman may assign other members to the section or direct the section to proceed with the transaction of business without awaiting any additional assignment of members thereto. A hearing docket shall be maintained and formal recorded hearings shall be held by such [associate] member or members as the Chairman may designate, the [associate] member or members being of the section which will make final determination in the claim. A section of the Board shall make a determination on any proceeding instituted before the Board and on any motion in connection therewith assigned to such section by the Chairman and shall make a report of any such determination, which report shall constitute its final disposition of the proceeding.

§ 4003. Determinations by the Board

(a) The determination of the section, when unanimously concurred in by the members of the section shall be the final determination of the Board, except that the Board on its own motion may correct an obvious error in the record, or may upon the basis of additional official information from the service department concerned, *after notice to the claimant of such additional information together with an opportunity to be heard in connection with such information,* reach a contrary conclusion.

(b) When there is a disagreement among the members of the section the concurrence of the Chairman with the majority of members of such section shall constitute the final determination of the Board, except that the Board on its own motion may correct an obvious error in the record, or may upon the basis of additional official information from the service department concerned, *after notice to the claimant of such additional information together with an opportunity to be heard in connection with such information,* reach a contrary conclusion.

§ 4004. Jurisdiction of the Board

(a) All questions on claims involving benefits under the laws administered by the Veterans' Administration shall be subject to one review on appeal to the Administrator. Final decisions on such appeals shall be made by the Board *after affording the claimant an opportunity for a hearing and shall be based exclusively on evidence and material of record in the proceeding and on applicable provisions of law.*

(b) When a claim is disallowed by the Board, it may not thereafter be reopened and allowed, and no claim based upon the same factual basis shall be considered; however, where subsequent to disallowance of a claim, new and material evidence [in the form of official reports from the proper service department] is secured, the Board may authorize the reopening of the claim and review of the former decision. *A judicial decision upholding, in whole or in part, the disallowance of a claim under chapter 72 of this title shall not diminish the Board's discretionary authority under this subsection to reopen the claim and review the Board's former decision.*

(c) The Board shall be bound in its decisions by the regulations of the Veterans' Administration, instructions of the Administrator, and the precedent opinions of the chief law officer.

[(d) The decisions of the Board shall be in writing and shall contain findings of fact and conclusions of law separately stated.]

(d) After reaching a decision in each case, the Board shall promptly mail notice of its decision to the claimant and the claimant's authorized representative, if any, at the last known address of the claimant and at the last known address of the claimant's authorized representative, if any. Each decision of the Board shall include—

(1) a written statement of the Board's findings and conclusions, and reasons or bases therefor, on all material issues of fact, law, and matters of discretion presented on the record; and

(2) an order granting appropriate relief or denying relief.

§ 4005. Filing of notice of disagreement and appeal

(a) * * *

* * * * *

(5) The Board of Veterans' Appeals [will base its decision on the entire record and] may dismiss any appeal which fails to allege specific error of fact or law in the determination being appealed.

* * * * *

§ 4009. Independent medical opinions

(a) When, in the judgment of the Board, expert medical opinion, in addition to that available within the Veterans' Administration, is warranted by the medical complexity or controversy involved in an appeal case, the Board is authorized to secure an advisory medical opinion from one or more independent medical experts who are not employees of the Veterans' Administration.

(b) The Administrator shall make necessary arrangements with recognized medical schools, universities, or clinics to furnish such advisory medical opinions at the request of the Chairman of the Board. Such arrangement will provide that the actual selection of the expert or experts to give the advisory opinion in any individual case will be made by an appropriate official of such institution.

(c) Whenever there exists in the evidence of record in an appeal case a substantial disagreement between the substantial findings or opinions of two physicians with respect to an issue material to the outcome of the case, the Board shall, upon the request of the claimant and, after taking appropriate action to attempt to resolve the disagreement, arrange for an advisory medical opinion in accordance with the procedure prescribed in subsection (b) of this section. If the Board denies the request of such claimant and the claimant's authorized representative, if any, a statement setting forth the basis for its determination. Actions of the Board under this subsection, including any such denial, shall be final and conclusive and no other official or any court of the United States shall have the power or jurisdiction to review any aspect of any such decision by an action in the nature of mandamus or otherwise, chapter 72 of this title to the contrary notwithstanding.

§ 4010. Adjudication procedures

(a) For purposes of conducting any hearing, investigation, or other proceedings in connection with the consideration of a claim for benefits under laws administered by the Veterans' Administration, the Administrator may administer oaths and affirmations, examine witnesses, and receive evidence.

(b) Any oral, documentary, or other evidence, even though inadmissible under the rules of evidence applicable to judicial proceedings, may be admitted in a hearing, investigation, or other proceeding in connection with the consideration of a claim for benefits under laws administered by the Veterans' Administration, but the Administrator, under regulations of the Administrator, may provide for the exclusion of irrelevant, immaterial, or unduly repetitious evidence.

(c) In the course of any proceeding before the Board, any party to such proceeding or such party's authorized representatives shall be afforded opportunity—

(1) at a reasonable time prior thereto as well as during such proceeding, to examine and, on payment of a fee prescribed pursuant to section 3302(b) of this title (not to exceed the direct cost of duplication), obtain copies of the contents of the case files and all documents and records to be used by the Veterans' Administration at such proceeding;

(2) to present witnesses and evidence, subject only to such restrictions as may be set forth in regulations of the Administrator, pursuant to subsection (b) of this section, as to materiality, relevance, and undue repetition;

(3) to make oral argument and submit written contentions, in the form of a brief or similar document, on substantive and procedural issues;

(4) to submit rebuttal evidence;

(5) to present medical opinions and request an independent advisory medical opinion pursuant to section 4009(c) of this title; and

(6) to serve written interrogatories on any person, including employees of the Veterans' Administration, which interrogatories shall be answered separately and fully in writing and under oath unless written objection thereto, in whole or in part, is filed with the Administrator by the person to whom the interrogatories are directed or such person's representative.

The fee provided for in clause (1) of this subsection may be waived by the Administrator, pursuant to regulations which the Administrator shall prescribe, on account of the party's inability to pay or for other good cause shown. In the event of any objection, filed under clause (6) of this subsection, the Administrator shall, pursuant to regulations which the Administrator shall prescribe establishing standards consistent with standards for protective orders under rule 26(c) of the Rules of Civil Procedure for the United States District Courts, evaluate such objection and issue an order (A) directing that, within such period as the Administrator shall specify, the interrogatory or interrogatories objected to be answered as served or answered after modification, or (B) indicating that the interrogatory or interrogatories are no longer required to be answered. If any person upon whom interrogatories are served under this section fails to answer or fails to provide responsive answers to any such interrogatories within thirty days after service or such additional time as the Administrator may allow, the Administrator shall, upon a statement or showing by the party who served such interrogatories of general relevance and reasonable scope of the evidence sought, issue a subpena pursuant to section 3311 of this title (with enforcement of such subpena to be available pursuant to section 3313 of this title) for such person's appearance and testimony on such interrogatories at a deposition on written questions, at a location within one hundred miles of where such person resides, is employed, or transacts business.

(d) In the course of any hearing, investigation, or other proceeding in connection with the consideration of a claim for benefits under laws administered by the Veterans' Administration, an employee of the Veterans' Administration may at any time disqualify himself or herself, on the basis of personal bias or other cause, from adjudicating the claim. On the filing by a party in good faith of a timely and sufficient affidavit averring personal bias or other cause for disqualification on the part of such an employee, the Administrator shall determine the matter as a part of the record and decision in the case.

(e) The transcript or recording of testimony and the exhibits, together with all papers and requests filed in the proceeding, and the decision of the Board shall constitute the exclusive record for decision in accordance with section 4004(a) of this title, and shall be available for inspection by any party to such proceeding, or such party's authorized representative, at reasonable times and

places and, on the payment of a fee prescribed pursuant to section 3302(b) of this title (not to exceed the direct cost of duplication), shall be copied for the claimant or such claimant's authorized representative within a reasonable time. Such fee may be waived by the Administrator, pursuant to regulations which the Administrator shall prescribe, on account of the party's inability to pay or for other good cause shown.

(f) Notwithstanding section 4004(a) of this title, section 554(a) of title 5, or any other provision of law, adjudication and hearing procedures prescribed in this title and in regulations prescribed by the Administrator under this title for the purpose of administering veterans' benefits shall be exclusive with respect to hearings, investigations, and other proceedings in connection with the consideration of a claim for benefits under laws administered by the Veterans' Administration.

§ 4011. Notice of procedural rights

In the case of any denial, in whole or in part, of a claim for benefits under laws administered by the Veterans' Administration, the Administrator shall, at each procedural stage relating to the disposition of such a claim, beginning with denial after an initial review or determination and including the furnishing of a statement of the case and the making of a final determination by the Board, provide to the claimant and such claimant's authorized representative, if any, written notice of the procedural rights of the claimant. Such notices shall be on such forms as the Administrator shall prescribe by regulation and shall include, in easily understandable language, with respect to proceedings before the Veterans' Administration, (1) descriptions of all subsequent procedural stages provided for by statute, regulation, or Veterans' Administration policy, (2) descriptions of all rights of the claimant expressly provided for in or pursuant to this chapter, of the claimant's rights to a hearing, to reconsideration, to appeal, and to representation, and of any specific procedures necessary to obtain the various forms of review available for consideration of the claim, and (3) such other information as the Administrator, as a matter of discretion, determines would be useful and practical to assist the claimant in obtaining full consideration of the claim.

Chapter 72—JUDICIAL REVIEW

Sec.
4025. Jurisdiction.
4026. Scope of review.
4027. Remands.
4028. Survival of actions.
4029. Appellate review.

§ 4025. Jurisdiction

(a) Except as provided in subsection (h) of this section, after any final decision of the Administrator (as defined in subsection (c) of this section) adverse to a claimant in a matter involving a claim for benefits under any law administered by the Veterans' Administration, such claimant may obtain a review of such decision in a civil action commenced within 180 days after the mailing to the claimant of notice of such decision pursuant to section 4004 of this title. Such action shall be brought against the Administrator in the district court of the United States for the judicial district in which the plaintiff resides or the plaintiff's principal place of business is located, or in the district court of the United States for the judicial district where the principal offices of the Board of Veterans' Appeals (established under section 4001 of this title) are located.

(b) In any matter not directly involving a claim for benefits under any law administered by the Veteran's Administration, section 211(a) of this title shall not operate as a bar to a civil action otherwise authorized by law.

(c) For the purposes of this chapter, "final decision of the Administrator" means—

(1) a final determination of the Board of Veterans' Appeals pursuant to section 4004 (a) or (b) of this title; or

(2) a dismissal of an appeal by the Board of Veterans' Appeals pursuant to section 4005 or 4008 of this title.

(d) The provisions of this chapter shall not apply to matters arising under chapters 19 and 37 of this title.

(e) The complaint initiating an action under subsection (a) of this section shall contain sufficient information to permit the Administrator to identify and locate the plaintiff's Veterans' Administration records.

(f) The Administrator shall file, together with the answer to a complaint filed pursuant to subsection (a) of this section, a certified copy of the records upon which the findings of fact and decision complained of are based or, if the Administrator determines that the cost of filing copies of all such records is unduly expensive, the Administrator shall file a complete index of all documents, transcripts, or other materials comprising such records. After such index is filed and after considering requests from all parties, the court shall require the Administrator to file certified copies of such indexed items as the court deems relevant to its consideration of the case.

(g) In action brought pursuant to subsection (a) of this section, the court shall have the power, upon the pleadings and the records specified in subsection (f) of this section, to enter judgment in accordance with section 4026 of this title or remand the cause in accordance with section 4026 or 4027 of the title.

(h) No action may be brought under this section as to which the initial claim for benefits is filed pursuant to section 3001(a) of this title after the last day of the fifth fiscal year beginning after the effective date of this section.

§ 4026. Scope of review

(a) In any action brought under section 4025 of this title, the reviewing court to the extent necessary to its decision and when presented, shall—

(1) decide all relevant questions of law, interpret constitutional, statutory, and regulatory provisions;

(2) compel action of the Administrator unlawfully withheld; and

(3) hold unlawful and set aside decisions, findings, and conclusions of the Administrator found to be—

(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;

(B) contrary to constitutional right, power, privilege, or immunity;

(C) in excess of statutory jurisdiction, authority, or limitations, or in violation of a statutory right; or

(D) without observance of procedure required by law.

If the reviewing court finds the Administrator's finding on an issue or issues of fact to be arbitrary, capricious, or an abuse of discretion, the court shall specify where it finds the record to be deficient and shall, prior to entering any judgment reversing such decision, remand the case a single time to the Administrator for further action not inconsistent with the court's order. In so remanding, the court shall specify a reasonable period within which the Administrator shall complete the required action and, if such action is not completed within the time specified by the court, the matter shall be returned to the court for its action.

(b) In making the determinations under subsection (a) of this section, the court shall review the whole record before the court pursuant to section 4025(f) of this title or those parts of such record cited by a party, and due account shall be taken of the rule of prejudicial error.

(c) In no event shall findings of fact made by the Administrator be subject to trial de novo by the reviewing court.

(d) When a final decision of the Administrator (as defined in section 4025(c) of this title) is rendered in any case and such decision is adverse to a party solely because of the failure of such party to comply with any applicable regulation of the Veterans' Administration, the court shall review only questions raised as to compliance with and the validity of the regulation.

§ 4027. Remands

In any action brought under section 4025 of this title, the reviewing court shall, on motion of the Administrator made before the expiration of the time specified for the filing of an answer to a complaint filed pursuant to subsection (a) of such section, allow a single remand of a case to the Administrator for further review by the Administrator. If such review is not completed within ninety days after the date of such remand, the matter shall be returned to the court for its action. At any time after the Administrator files an answer, the court may, in the exercise of its discretion, remand the case to the Administrator for further action by the Administrator and, if either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there is good cause for granting such leave, the court shall remand the case to the Administrator and order such additional evidence to be taken by the Administrator; in either case, the court may specify a reasonable period of time within which the Administrator shall complete the required action. After a case is remanded to the Administrator, and after further action by the Administrator, including consideration of any additional evidence, the Administrator shall modify, supplement, or affirm the findings of fact or decision, or both, and shall file with the court any such modification, supplementation, or affirmation of findings of fact or decision or both, as the case may be, and certified copies of any additional records and evidence upon which such modification, supplementation, or affirmation was based. Any such modification, supplementation, or affirmation of the findings of fact or decision shall be reviewable by the court only to the extent provided in section 4026 of this title with respect to the review of the original findings of fact and decision.

§ 4028. Survival of actions

Any action brought under section 4025 of this title shall survive, notwithstanding any change in the person occupying the Office of the Administrator or any vacancy in such office.

§ 4029. Appellate review

The decisions of a district court pursuant to this chapter shall be subject to appellate review by the courts of appeals and the Supreme Court of the United States in the same manner as judgments in other civil actions.

* * * * *

By Mr. GLENN:

S. 350. A bill to establish a uranium enrichment fund; to the Committee on Energy and Natural Resources.

URANIUM ENRICHMENT ACT OF 1981

● Mr. GLENN. Mr. President, I introduce and send to the desk the Uranium Enrichment Fund Act of 1981.

The uranium enrichment enterprise of the U.S. Department of Energy has been the backbone of our nuclear effort. Since the inception of the "Atoms-for-Peace" program first proposed by President Ei-

senhower in 1953, it has played an important role both here and abroad, not only in aiding the expansion of our nuclear industry, but in helping our nuclear nonproliferation effort.

The uranium enrichment enterprise, unlike most Government activities, provides a commercial service and represents a significant business operation: More than $1 billion in revenues annually and future capital expenditures estimated at several billions of dollars. These revenues, which may be used to fund enrichment operations, are larger than those of all but about 275 U.S. corporations. The rapidly changing domestic and foreign prospects for nuclear reactors, as well as the business-type nature of the enrichment enterprise, calls for a financial system which provides more management flexibility than is offered in the usual authorization and appropriations cycles.

Establishment of a uranium enrichment revolving fund would provide such increased flexibility and would also result in greater overall economy and efficiency. The U.S. image as a world supplier of enrichment services would be improved and foreign competitors' criticisms about the "unbusinesslike" nature of U.S. enrichment operations would be blunted. The establishment of a revolving fund thus would promote better domestic and international marketing initiatives, while also furthering U.S. nonproliferation objectives and improving U.S. balance of payments.

Mr. President, in May 1980, Dr. Ruth Davis, DOE's Assistant Secretary for Resource Applications, requested that a group of experienced business executives be assembled to review the operation, financing, and management of the uranium enrichment enterprise. The review group, composed of distinguished individuals who had held top-level executive positions, specifically was asked to focus on those management activities to which sound business practices could be applied. Their recommendations, just received on December 2, 1980, included support of a revolving fund:

> If a revolving fund were established, the enrichment enterprise would be managed as a self-sufficient entity, generating adequate cash flow for operation and capital outlay. The enterprise would have an exceptionally strong borrowing base, should bond financing become necessary for ma'or capital expansion projects. This financial flexibility would enable it to time purchases vis-a-vis receipts, manage cash effectively, and employ other cost-saving techniques used by corporate management.
>
> Besides these financial advantages, the revolving fund would give the enterprise greater visibility among its domestic and overseas customers and among U.S. taxpayers.

I wholeheartedly agree with that assessment and believe that this legislation will lead to the benefits described by the review panel. In recognition of the continuing congressional interest in the enterprise, expenditures would be subject to whatever limitations and directives that are inserted into authorization and appropriations acts. Moreover, the Secretary of Energy could not acquire plant and capital equipment whose cost exceeds 5 percent of the total net book value of the uranium enrichment fixed assets or construct new enrichment capacity without express congressional authorization.

In addition, obligations for plant and capital equipment which would increase expenditures to a level greater than 15 percent above that approved by Congress could not be made until Congress had been notified and a period of 30 days, while Congress is in session, had elapsed.

Mr. President, it is vitally important that some degree of stability be provided to the uranium enrichment enterprise at this time. The recent cutbacks endured by the Gas Centrifuge Enrichment Plant at Portsmouth, Ohio, are a subject of great concern—especially at a time when the United States wishes to reestablish its position as a reliable supplier in the area of nuclear enrichment services and at a time when our nonproliferation efforts are suspected by some to be flagging. The revolving fund will bring a degree of stability to the enrichment enterprise and will make it less subject to budgetary whim.

In creating this revolving fund, I do not want to reduce or to make more difficult congressional oversight of the nuclear enrichment enterprise. Accordingly, the bill requires that comprehensive reports be sent to the Congress concerning the operation of the fund, DOE plans on future enrichment activities, the financial position of the fund, projections and statement of policy regarding tails assay, and projected uranium enrichment needs.

It is my view that the Uranium Enrichment Fund Act of 1981 will aid our domestic industry as well as our competitive posture with respect to foreign uranium enrichment sales. I urge the support of my colleagues for this measure.

Mr. President, I ask that the text of the bill and a section-by-section analysis be printed at th's point in the RECORD.

The bill and analysis follow:

S. 350

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Uranium Enrichment Fund Act of 1981".

SEC. 2. The Atomic Energy Act of 1954 is amended by inserting the following sections:

"SEC. 252. URANIUM ENRICHMENT FUND.—

"a. There is established in the Treasury of the United States a Uranium Enrichment Fund (hereinafter referred to as the 'Fund'). The Fund shall consist of—

"(1) all receipts, collections, and recoveries of the Secretary of Energy (hereinafter referred to as the 'Secretary') in cash from the provision of services for the production or enrichment of uranium in the isotope-235, and the sale, lease, distribution, or transfer of uranium and from activities incidental to the foregoing;

"(2) all proceeds derived from the sale of bonds by the Secretary pursuant to section 263;

"(3) proceeds from the investment of fund moneys;

"(4) the unexpended balance of any funds available prior to the effective date of this Act for functions or activities necessary or incident to the production or enrichment of uranium enriched in the isotope-235, and the sale, lease, distribution, or transfer of uranium; and

"(5) any appropriations made by Congress to the Fund.

"b. The Secretary may make expenditures from the Fund which shall have been included in the annual budget submitted to Congress by the President, without further appropriation and without fiscal year limitation, but within such specific directives or limitations as may be included in appropriation or authorization Acts, for—

"(1) any purpose necessary or appropriate to the conduct of the Secretary's functions and activities for the provision of services for the production or enrichment of uranium enriched in the isotope-235 and the sale, lease, distribution, or transfer of uranium; the conduct of research and development activities related to the isotopic separation of uranium; and the acquisition, design, construction, modification, replacement, and operation of facilities necessary or incident to the foregoing; and

"(2) paying the principal, interest, premiums, discounts, and expenses, if any, in connection with the bonds issued under section 263 of this Act.

"c. The Provisions of the Government Corporation Control Act (31 U.S.C. 841) shall be applicable to the Secretary in his utilization of the Fund in the same manner as they are applied to the wholly owned Government corporations named in section 101 of such Act (31 U.S.C. 846).

"'d. If the Secretary determines that the moneys of the Fund are in excess of current needs he may request the investment of such amounts as he determines available by the Secretary of the Treasury in obligations of the United States with maturities suitable for the needs of the Fund and bearing interest at rates determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining period to maturities comparable to the maturities of such investments except that the interest rate on such investments shall not exceed the average interest rate applicable to existing borrowings.

"e. Proceeds realized by the Secretary from issuance of bonds and revenues from the conduct of activities described in this section and the expenditure of such proceeds and revenues shall be subject only to annual apportionment under the provisions of section 665 of title 31 of the United States Code.

"f. Commencing October 1, 1981, the Secretary shall pay to the Treasury revenues and proceeds derived from sources set forth in subsection a. (1) and a. (3) of this section save and except such part of said revenues and proceeds as in the opinion of the Secretary shall be reasonably necessary in the foreseeable future for the conduct of the functions and activities set forth in subsection b. of this section.

"g. Notwithstanding any other provision of this section the Secretary shall not—

"(1) enter into an obligation for plant and capital activity purpose if that obligation, together with prior obligations and outlays results in an increase in the total capital outlays in that fiscal year of more than 15 per centum above the level of outlays in the plant and capital activity budget as submitted for that fiscal year as such budget may have been reduced or increased by congressional direction or limitation until the Secretary has reported such obligation to Congress and a period of thirty days shall have elapsed while Congress is in session (in computing such thirty days there shall be excluded the days on which either House is not in session because of adjournment for more than three days);

"(2) without express prior congressional authorization, enter into obligations for the construction of a new uranium enrichment

plant or the acquisition of any new plant and capital equipment the cost of which exceeds an amount equivalent to 5 per centum of total net book value of Department of Energy fixed assets which are devoted primarily to uranium enrichment activities; or

"(3) without express prior congressional authorization, modify any obligations authorized under paragraph (2) which would result in a decrease in authorized uranium enrichment capacity.

"SEC. 263. REVENUE BONDS.—

"a. The Secretary of Energy (hereinafter referred to as the 'Secretary') is authorized to issue and sell to the Secretary of the Treasury from time to time, to such extent or in such amounts as are contained in appropriation Acts, bonds, notes, and other evidences of indebtedness (collectively referred to herein as 'bonds') to assist in financing the acquisition, construction, modification, replacement, and operation of facilities necessary or incident to the conduct of the Secretary's functions and activities for the provision of services for the production or enrichment of uranium enriched in the isotope-235; the sale, lease, distribution, or transfer of uranium; and for activities incidental to the foregoing. Such bonds shall be in such forms and denomination, bear such maturities, and be subject to such terms and conditions as may be prescribed by the Secretary of the Treasury taking into account terms and conditions prevailing in the market for similar bonds and the useful life of the facilities for which the bonds are issued.

"b. The principal of, premiums, if any, and interest on such bonds shall be payable solely from the Secretary's net proceeds as hereinafter defined. 'Net proceeds' shall mean for the purposes of this section the remainder of the gross receipts of the Secretary from the sources described in subsection 262 a. (1) and (3) after first deducting noncapital expenditures made pursuant to subsection 262 b. (1) and shall include reserve or other funds created from such receipts.

"c. The Secretary of the Treasury shall purchase any bonds issued by the Secretary under this section and for that purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purpose for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchases of the bonds issued by the Administrator under this section. The Secretary of the Treasury may, at any time, sell any of the bonds acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such bonds shall be treated as public debt transactions of the United States.

"SEC. 264. ANNUAL REPORTS TO THE CONGRESS.—

"a. The Secretary shall report to the Congress on or before the first day of January each year on the principal activities for the preceding fiscal year of the Uranium Enrichment Fund established by section 262 of this Act and the revenue bonds issued under section 263 of this Act.

"b. Such reports shall contain a comprehensive description of the operation of the Fund, including information on—

"(1) projected enriched uranium needs for the next succeeding five years;

"(2) tails assay projections and policy for the next five years;

"(3) plans to meet the projected needs for the next succeeding five years;

"(4) estimated revenue of the Fund for the next succeeding five years;

"(5) any other future plans or administrative actions under consideration which would affect the operation of the revolving fund, incluing projections of expected revenues and costs resulting from those plans or actions;

"(6) management problems resulting from operation of the revolving fund; and

"(7) legislative proposals which may be necessary to assure that the purposes of the revolving fund are carried out most effectively.

"c. In addition, the anual report should include a comprehensive statement of the financial activities of the revolving fund, including, as a minimum, the following information:

"(1) the current financial position of the Fund, including a statement of assets and liabilities and surplus or deficit;

"(2) a statement of surplus or deficit analysis;

"(3) a statement of the sources and application of funds;

"(4) a statement of changes in Government investment in the revolving fund;

"(5) a statement of any changes in the financial position of the Fund;

"(6) schedules showing changes in inventory balances, plant and capital equipment, costs of production and sales, and power costs; and

"(7) such comments and information as may be deemed necessary to inform Congress of the financial operations and condition of the revolving fund.

These statements and supporting schedules should be prepared in accordance with generally accepted accounting principles.".

URANIUM ENRICHMENT FUND ACT OF 1981

SECTION-BY-SECTION ANALYSIS

1. Section 1 of the bill would add Sections 262 and 263 to the Atomic Energy Act of 1954, as amended.

2. Subsection a of the proposed Section 262 would establish a Department of Energy Uranium Enrichment Fund (hereafter called the "fund"). The Fund would consist of (1) all of DOE's revenues derived from activities associated with uranium enrichment activities (the term "uranium enrichment activities" as used in this analysis involves operations of the DOE uranium enrichment plants; the sale of enriching services; the sale, lease, disposition or transfer of uranium; the conduct of research and development activities related to the isotopic separation of uranium; the acquisition, design, construction, modification, replacement, and operation of facilities necessary or incidental to the foregoing; and such other functions or activities as may be necessary or appropriate for the conduct of the above enumerated items); (2) proceeds derived from the sale of bonds authorized by the new Section 263 of the Atomic Energy Act; (3) proceeds from the investment of fund monies; (4) the unexpended balance, as of the date of enactment of the legislation, of funds appropriated for uranium enrichment activities; and (5) Congressional appropriations for the Fund.

3. Subsection b of the proposed Section 262 would provide that expenditures from the Fund could be made only for purposes necessary or incidental to DOE's uranium enrichment activities. Expenditures from the Fund could be made without additional Congressional appropriation or fiscal year limitation but would be subject to specific directives or limitations which Congress might include in annual appropriation and authorization acts.

4. Subsection c of the proposed Section 262 would apply the Government Corporation Control Act to the utilization of fund monies. This would allow the uranium enrichment activities of DOE to be operated pursuant to a business type budget, which provides more flexibility than an appropriations-type budget.

5. Subsection d of the proposed Section 262 would allow the Secretary to request of the Secretary of the Treasury to invest Fund monies in obligations of or guaranteed as to both principal and interest by the United States during periods when they are not immediately required for fund purposes.

6. Subsection e of the proposed Section 262 exempts the expenditure of bond proceeds and uranium enrichment revenues from other than annual apportionment under the provisions of Section 665 of Title 31 of the U.S. Code.

7. Subsection f of the proposed section 262 would require the Secretary to pay to the Treasury revenues and proceeds derived from sources other than appropriations and bond sales to the Treasury save and except those revenues which in his opinion shall be reasonably necessary in the foreseeable future for uranium enrichment activities. This subsection assures that the uranium enrichment fund will not be the repository for idle monies. Each year, commencing in fiscal year 1982, the Secretary will make payment to the Treasury, for application to the total Federal budget of any monies which he determines are excess.

8. Subsection g (1) of Section 262 would require the Secretary to report to Congress changes in the enrichment enterprise during a fiscal year which would increase outlays in the plant and capital budget by more than 15 percent above the outlay level governing that fiscal year as represented in the President's budget as changed by Congressional action.

9. Subsection g (2) would require specific Congressional authorization before Fund monies could be obligated for new uranium enrichment capacity or for acquisition of any capital asset which would exceed an amount equivalent to five percent of the total net book value of DOE assets devoted primarily to uranium enrichment.

10. Subsection g(3) would require specific Congressional approval of any modification of obligations authorized pursuant to subsection g(2) when such modification would result in reduction of authorized enrichment capacity.

11. Subsection a of the proposed Section 263 would authorize the Secretary to issue revenue bonds, the proceeds of which would be used for Fund purposes. The Secretary of the Treasury would prescribe the form, denomination, maturities, interest rates and other terms and conditions of the bonds. Bonds could be issued only to such extent or in such amounts as are contained in appropriations acts.

12. Subsection b of the proposed section 263 would provide that the principal and interest on such bonds would be payable solely from the net proceeds of DOE uranium enrichment activities and defines the method by which net proceeds would be determined.

13. Subsection c of the proposed section 263 would require the Secretary of the Treasury to purchase bonds issued by the Secretary pursuant to Section 263. This subsection would also authorize the Secretary of the Treasury to sell any bonds acquired from the Secretary.

14. The proposed section 264 requires the Secretary to report to the Congress by January 1st of each year on the principal activities for the preceding fiscal year of the uranium enrichment fund established by section 262 of this Act and the revenue bonds issued under section 263 of this Act.

15. Subsection b of the proposed section 264 delineates specific items to be contained in the comprehensive annual report outlining the present scope and operation of the Fund along with future projections of the Fund's activities.

16. Subsection c of the proposed section 264 provides that the annual report also include precise information on the current financial status, position, and operation of the

revolving fund, plus a statement of the Fund's assets and liabilities and surpluses or deficits.●

ADDITIONAL COSPONSORS

S. 265

At the request of Mr. PERCY, the Senator from Wisconsin (Mr. PROXMIRE), and the Senator from Maine (Mr. COHEN) were added as cosponsors of S. 265, a bill to amend the Congressional Budget Act of 1974 to establish procedures for setting targets and ceilings, in the congressional budget process, for loans and loan guarantees under Federal credit programs

S. 293

At the request of Mr. THURMOND, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 293, a bill to amend the Food Stamp Act of 1977 to prohibit any household from participating in the food stamp program if such household has one or more members on strike as a result of a labor dispute.

SENATE RESOLUTION 20

At the request of Mr. BAKER, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of Senate Resolution 20, a resolution providing for television and radio coverage of proceedings of the Senate.

SENATE RESOLUTION 53—ORIGINAL RESOLUTION AUTHORIZING EXPENDITURES BY THE COMMITTEE ON THE JUDICIARY

Mr. THURMOND, from the Committee on the Judiciary, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 53

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraph 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on the Judiciary is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $4,295,722, of which amount (1) not to exceed $172,490 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $3,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the Chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. THURMOND. Mr. President, yesterday the Committee on the Judiciary by a vote of 14 to 0 approved a new budget for the Committee on the Judiciary in the first session of the 97th Congress. The budget is reduced from last year's level by 25 percent or $1,431,097, a significant savings for taxpayers and a decision which I frankly believe will lead to a more effective committee rather than to hardship or lack of resources.

In my judgment, the budget of the Committee on the Judiciary in past years has been excessive. Although the committee handles a large volume of legislation, estimated to be as high as 25 percent of the bills handled by Congress, a staff of excessive size at the committee has tended to create disorganization and confusion so that the goals and desires of the Senators on the committee are often lost in the committee's own overgrown bureaucracy.

I might add that the budget and staff reduction decided yesterday was approved notwithstanding a reorganization of the committee which has created nine new subcommittees to replace seven subcommittees of the committee in the 96th Congress.

Each new subcommittee, however, under the organization plan approved by the committee on Tuesday, January 27, is a subcommittee with a clear area of functional responsibility. These subcommittees will have a major share of the legislative burden on the committee, and they will be fully expected to carry out the tasks for which they are responsible.

Mr. President, I believe that the Committee on the Judiciary has set an excellent example for the other standing committees of the Senate in having voted a 25-percent reduction in the budget. I realize that circumstances differ from committee to committee, but I am hopeful that the example set by the Senators who serve on the Committee on the Judiciary will be acknowledged and followed elsewhere.

SENATE RESOLUTION 54—ORIGINAL RESOLUTION AUTHORIZING EXPENDITURES BY THE SELECT COMMITTEE ON INTELLIGENCE

Mr. GOLDWATER, from the Select Committeee on Intelligence, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 54

Resolved, That in carrying out its powers, duties, and functions under Senate Resolution 400, approved May 19, 1976, in accordance with its jurisdiction under section 3 (a) of such resolution, including holding hearings, reporting such hearings, and making investigations as authorized by section 5 of such resolution, the Select Committee on Intelligence is authorizsd from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,670,000, of which amount not to exceed $20,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 55—ORIGINAL RESOLUTION AUTHORIZING EXPENDITURES BY THE COMMITTEE ON APPROPRIATIONS

Mr. HATFIELD, from the Committee on Appropriations, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 55

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under Rule XXV of such Rules, including holding hearings, reporting such hearings, and making investigations as authorized by Paragraphs 1 and 8 of Rule XXVI of the Standing Rules of the Senate the Committee on Appropriations is authorized from March 1, 1981 through February 28, 1982 in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the Committee under this resolution shall not exceed $3,791,203.

SEC. 3. The Committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the Committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the Chairman of the Committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 56—ORIGINAL RESOLUTION AUTHORIZING EXPENDITURES BY THE COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE, from the Committee on Energy and Natural Resources, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 56

Resolved, That, in carrying out its powers, duties and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Energy and Natural Resources

is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned with the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,039,259 of which amount not to exceed $10,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 57—ORIGINAL RESOLUTION AUTHORIZING EXPENDITURES BY THE COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROTH, from the Committee on Governmental Affairs, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 57

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Governmental Affairs is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $4,732,526, of which amount (1) not to exceed $68,725.32 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,500 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee, or any duly authorized subcommittee thereof, is authorized to study or investigate—

(1) the efficiency and economy of operations of all branches of the Government including the possible existence of fraud, misfeasance, malfeasance, collusion, mismanagement, incompetence, corruption, or unethical practices, waste, extravagance, conflicts of interest, and the improper expenditure of Government funds in transactions, contracts, and activities of the Government or of Government officials and employees and any and all such improper practices between Government personnel and corporations, individuals, companies, or persons affiliated therewith, doing business with the Government; and the compliance or noncompliance of such corporations, companies, or individuals or other entities with the rules, regulations, and laws governing the various governmental agencies and its relationships with the public: *Provided*, That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting their particular branch of the Government;

(2) the extent to which criminal or other improper practices of activities are, or have been, engaged in the field of labor-management relations or in groups or organizations of employees or employers, to the detriment of interests of the public, employers, or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interests against the occurrence of such practices or activities;

(3) syndicated or organized crime which may operate in or otherwise utilize the facilities of interstate or international commerce in furtherance of any transactions which are in violation of the law of the United States or of the State in which the transactions occur, and, if so, the manner and extent to which, and the identity of the persons, firms, or corporations, or other entities by whom such utilization is being made, what facilities, devices, methods, techniques, and technicalities are being used or employed, and whether or not organized crime utilizes such interstate facilities or otherwise operates in interstate commerce for the development of corrupting influences in violation of the law of the United States or the laws of any State, and further, to study and investigate the manner in which and the extent to which persons engaged in organized criminal activities have infiltrated into lawful business enterprise; and to study the adequacy of Federal laws to prevent the operations of organized crime in interstate or international commerce; and to determine whether any changes are required in the laws of the United States in order to protect the public against the occurrences of such practices of activities;

(4) all other aspects of crime and lawlessness within the United States which have an impact upon or affect the national health, welfare, and safety;

(5) riots, violent disturbances of the peace, vandalism, civil and criminal disorder, insurrection, the commission of crimes in connection therewith, the immediate and long-standing causes, the extent and effects of such occurrences and crimes, and measures necessary for their immediate and long-range prevention and for the preservation of law and order and to insure domestic tranquility within the United States;

(6) the efficiency and economy of operations of all branches and functions of the Government with particular reference to—

(A) the effectiveness of present national security methods, staffing, and processes as tested against the requirements imposed by the rapidly mounting complexity of national security problems;

(B) the capacity of present national security staffing, methods, and processes to make full use of the Nation's resources of knowledge, talents, and

(C) the adequacy of present intergovernmental relationships between the United States and international organizations principally concerned with national security of which the United States is a member; and

(D) legislative and other proposals to improve these methods, processes, and relationships;

(7) the efficiency, economy, and effectiveness of all agencies and departments of the Government involved in the control and management of energy shortages including, but not limited to, their performance with respect to—

(A) the collection and dissemination of accurate statistics on fuel demand and supply;

(B) the implementation of effective energy conservation measures;

(C) the pricing of energy in all forms;

(D) coordination of energy programs with State and local government;

(E) control of exports of scarce fuels;

(F) the management of tax, import, pricing, and other policies affecting energy supplies;

(G) maintenance of the independent sector of the petroleum industry as a strong competitive force;

(H) the allocation of fuels in short supply by public and private entities;

(I) the management of energy supplies owned or controlled by the Government;

(J) relations with other oil producing and consuming countries;

(K) the monitoring of compliance by governments, corporations, or individuals with the laws and regulations governing the allocation, conservation, or pricing of energy supplies; and

(L) research into the discovery and development of alternative energy supplies;

(8) the efficiency and economy of all branches and functions of government with particular reference to the operations and management of federal regulatory policies and programs.

Provided, That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting that particular branch of the Government.

(b) Nothing contained in this section shall affect or impair the exercise of any other standing committee of the Senate of any power, or the discharge by such committee of any duty, conferred or imposed upon it by the Standing Rules of the Senate or by the Legislative Reorganization Act of 1946, as amended.

(c) For the purpose of this section the committee, or any duly authorized subcommittee thereof, or its chairman, or any other member of the committee or subcommittee designated by the chairman, from March 1, 1981, through February 28, 1982, is authorized, in its, his, or their discretion (1) to require by subpena or otherwise the attendance of witnesses and production of correspondence, books, papers, and documents, (2) to holding hearings, (3) to sit and act at any time or place during the sessions, recess, and adjournment periods of the Senate, (4) to administer oaths, and (5) to take testimony, either orally or by sworn statement.

(d) All subpenas, contempt proceedings, and related legal processes of the committee and its subcommittees authorized under Senate Resolution 351 of the 96th Congress, 2d session, including the subpena enforcement and contempt proceeding against William Cammisano, are authorized to continue.

SEC. 4. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 5. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Committee on Energy and Natural Resources on the nomination of Donald P. Hodel to be Under Secretary of the Interior.

The nomination hearing is scheduled for Thursday, February 5, 1981, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. For further information regarding the hearings, you may wish to contact Mr. Tony Bevinetto at 224–5161.

ADDITIONAL STATEMENTS

THE CASE FOR DECONTROL OF NATURAL GAS

● Mr. HELMS. Mr. President, earlier this week, my good friend, M. C. Newsome of Roanoke Rapids, N.C., stopped by to discuss energy issues. What he proposed made sense: Inasmuch as President Reagan has deregulated gasoline and crude oil, he ought now to do the same for natural gas. As the President has indicated, it is time to look beyond the trees to the forest—to look beyond a short-term increase in price to the consumer to the necessity of encouraging more free enterprise activities in exploration and research.

Mr. President, M. C. Newsome and I agreed that he was "preaching to the choir" by lobbying me for less Government intervention. He and I both know that the energy industry has been manipulated to the point that we have a mass of confused and conflicting regulatory requirements discouraging private investment. Let us "bite the bullet" now while we still are able, and deregulate natural gas.

M. C. Newsome and I are not alone in suggesting that the President take this action. In the January 24 edition of the National Journal, Richard Jakmas offers some very cogent reasons for immediate decontrol. Senators may benefit from this perspective on the issue. I, therefore, ask that this article be printed in the RECORD at the conclusion of my remarks.

The article follows:

TOWARD HARMONIZING ENERGY AND ECONOMIC POLICY: DEREGULATE OIL AND NATURAL GAS PRICES NOW

(By Richard Jakmas)

The curtain is rising on a new act in the drama of energy politics. Voices on stage and off are demanding that, as one of its first acts, the Reagan Administration lift controls on crude oil and gasoline prices. Swift action, they reason, would be cheaper for consumers in the long run and sounder for the economy, particularly if world oil prices spiral upward again. Should that occur, the gap between the composite U.S. oil price and the world price—now $3.50 a barrel—would widen still furtner, setting the stage for an economic shock when controls expire next September.

For the new administration to ignore that advice would be folly. But to heed that wise advice and ignore the opportunity to lift existing controls on natural gas at the same time would be an even greater folly. To deregulate oil and natural gas simultaneously would signify that the new administration is serious about sweeping away impediments to economic growth and greater energy independence. Not to do so would signify a return to the piecemeal energy and economic policies of the last three administrations and provide no solution to a decade of economic stress.

Ever since world oil prices exploded suddenly in 1973, the government's feverish attempt to regulate the economy out of the "energy crisis" with one iron hand while trying to offset the inflationary impact of those policies with the other, has failed. Contradictory policies have tied the economy up in knots and sent confusing signals to consumers.

The consequences of energy regulations must be noted. They have failed to provide equal access to limited supplies or to assure the competitiveness of small businesses in the energy industry or provide lower costs to consumers. Yet their collective purpose, beginning in 1971, was just the reverse.

It is now generally accepted, for example, that the long gasoline lines of 1979 were attributable more to complex, onerous federal allocation regulations than to any other single factor. Furthermore, the regulations that kept domestic oil prices below the world price had the unintended consequence of encouraging oil consumption in general and foreign imports in particular.

In addition to those who argue for oil decontrol on the basis of free enterprise, there are others with an equally compelling case: Deregulation now will cost consumers less than it would when controls are lifted next September, the schedule the new administration has inherited.

Recognizing the fact that competitive pressures created by current, relatively stable supply conditions are keeping prices below the legal ceiling, Robert Stobaugh and Daniel Yergin, co-editors of the revised Energy Future: Report of the Energy Project at the Harvard Business School, argue that under gradual decontrol, the composite (domestic and imported) barrel price would rise gradually until it reaches decontrolled levels, about 22 cents a gallon higher than today if OPEC doesn't raise its prices. Of that 22 cents, 10 cents would be due to the recent OPEC price boost and 12 cents due to decontrol. With immediate decontrol, on the other hand, the 12 cent per gallon increase would occur quickly.

As a result, consumers would actually save money since the price increase would help reduce U.S. imports during the interim period, easing pressure on the world oil market and reducing the likelihood of a continued increase in world oil prices.

The case for oil decontrol is a powerful one, but the case for deregulating natural gas is stronger still. If natural gas is not immediately decontrolled, it may never be possible to deregulate it without causing catastrophic economic effects. Closing the gap between the U.S. oil price and the world price is difficult enough, but postponing the decision day for natural gas is tantamount to participating in the creation of an economic nightmare we know will come true. Failure to act in tandem on oil and gas pricing will mean that the new administration will have denied itself the chance to develop a truly consistent energy policy in harmony with economic policy. To act in tandem would mean that for the first time the U.S. would have a consistent policy that efficiently uses U.S. energy resources at their real price.

The goal of the Natural Gas Policy Act (NGPA), passed by Congress two years ago, was to gradually decontrol the price of natural gas and provide producers with new incentives to increase gas supplies.

It is stipulated in that Act that newly discovered gas and new onshore production wells are to be deregulated by 1985, whereas "old" gas will remain under controls for an indefinite period with price rises held to the rate of inflation.

The initial response to the passage of the NGPA was encouraging. In 1979, natural gas drilling activity increased by 12.4 per cent over its 1978 level. However, that initial growth in activity has now tapered off to well below the rate experts say is required.

In contrast, oil drilling activity has increased sharply. This "tilt" to oil drilling is generally attributed to the incentive offered by decontrolled crude oil prices. Although the NGPA aimed to gradually achieve natural gas price parity with alternative fuels, world conditions have caused the price of oil to increase far more than anticipated. Thus, the price of natural gas is still not offering incentives adequate to encourage producers to drill more wells. Resource development capital is being invested in more profitable oil production.

According to Dr. Edward Erickson of North Carolina State University, "Because success ratios for both exploration and development drilling may fall as drilling activity becomes more intensive, the rate of increase in total drilling may have to exceed 12 percent per year by a considerable margin in order to allow the target of 26,000 successful gas wells to be reached in 1985. It is a matter of concern whether the gas prices and category definitions in the NGPA will continue to permit rates of increase in drilling activity of this order of magnitude for duration of NGPA ceiling price controls upon new gas prices."

Simply put, accelerated drilling increases yielding natural gas reserve additions that exceed current production levels are unlikely to occur without immediate deregulation.

And the passage of the NGPA has not reversed the 10-year decline in proven reserves of natural gas. In 1971, proven natural gas reserves in the United States were estimated to be 278 trillion cubic feet.

By 1978, they had fallen to 200 trillion cubic feet. And as of June 1980, the Department of Energy reports natural gas reserves were down to 195 trillion cubic feet. Thus, the statistics clearly suggest that the U.S. is still consuming gas faster than it is being replaced.

Supplemental sources of natural gas, including imported natural gas, are being tapped as a hedge against depleting domestic reserves. The Department of Energy projects that imported natural gas (not including imports from Mexico) will constitute 20 percent of total interstate natural gas supplies by 1983. Recognizing the increasing demand for imported natural gas, exporting countries are raising the price of that gas in line with the world price of oil.

Another facet of the NGPA requires industrial customers to bear much of the burden of steadily increasing prices. The consequences of this requirement raise the prospect of a loss of this vitally necessary market, but extend beyond it as well.

When industry is forced to subsidize the residential sector, necessary conservation efforts are discouraged, and the increased costs industrial customers pay for are passed on to consumers in the price of finished products. In fact, heating oil and electric users (depending upon the type of generation) also subsidize the residential natural gas user by paying for finished products.

Vigorous marketing efforts by the natural gas industry to attract more residential customers, primarily based on artificially suppressed natural gas prices, have been effective. But they have not assured consumer

equity, nor brought us any closer to achieving a balanced energy program to insure economic growth. The increased demand for natural gas from the residential sector forces other energy suppliers to reduce net profits to a level insufficient to meet the capital needs necessary for growth.

To be sure, natural gas deregulation is an admittedly more complex endeavor than decontrol of oil but it is no less necessary. Total decontrol of the entire energy industry will at last bring about free enterprise, the only way to enhance our supplies of domestic energy resources, and discourage wasteful consumption.

If natural gas is not immediately decontrolled, it may never be. The principal argument offered by opponents is that it would have an inflationary impact on consumers. What they overlook, however, is the explosive leap natural gas prices would have to take to achieve parity in 1985. If the new administration and the new Congress allow this opportunity to be lost, it may never come their way again. Deregulation now will ease the price impact on natural gas users over the long run, while at the same time assuring the necessary incentives for exploration and development of new sources.●

FACING UP TO THE HARD FACTS OF INFLATION

● Mr. HATCH. Mr. President, David Rockefeller will soon be retiring as chairman of the Chase Manhattan Bank. In recent months, Mr. Rockefeller has chosen to speak out repeatedly on the state of our economy and specifically on inflation.

As chairman of one of the leading financial institutions in our economy, Mr. Rockefeller has been in an excellent position to observe the devastating effects of inflation on households, consumers, and businesses alike. In the corporate sector of the economy, inflation has been the single biggest cause of weakening corporate profits. What profits do exist are more illusory than real—illusory to everyone except the Federal Government which continues to tax these so-called "profits" even though the capital base necessary to increase productivity and improve efficiency is not being built.

One of President Reagan's top priorities, as he has stated, is to get America back to work again. This will include an easing of the burden which the Federal Government currently imposes on businesses both small and large alike. This program will also include a restructuring of our tax system to encourage more saving. These additional savings will be channeled to capital starved units in the economy where they will find optimal use. Additional incentives to business to reinvest and expand will be created and implemented.

Mr. Rockefeller correctly asserts that the major cause of this inflationary spiral has been excessive Government spending. To solve the inflation facing us today, we will have to rely on the genius of American business to create jobs for the unemployed, increase the level of innovative technology which will be stimulated by competitive forces, and—with a prudent fiscal policy—produce enough goods to support the existing supply of money. All of this will serve to enlarge the total economy and bring inflation within reasonable bounds.

Mr. Rockefeller's views are incisive and are backed up by years of experience in the banking industry. I commend them to my colleagues and ask that Mr. Rockefeller's address entitled "Facing Up to the Hard Facts of Inflation" be printed in the RECORD.

The address follows:

FACING UP TO THE HARD FACTS OF INFLATION

A MUNDANE AND PERVASIVE REALITY

As always, I feel it is a special honor—even a spiritual homecoming—to address the American Bankers Association. I have been a banker now nearly 35 years, and there is no audience before which I feel so comfortable—and compatible.

It is a particular honor to be asked to speak to this distinguished group just two years after my first keynote address before you. On that occasion, I said—and I quote—"our economic problems are complex and not easily solved. But in my view, we cannot even begin to get at these problems unless we first attack one insidious root cause—namely government deficit spending and through it, that curse to all humanity—inflation."

Well, I guess the ABA feels that if at first you don't succeed, try, try again. Because here I am, back once more, with the same message and even greater urgency. During the last two years, inflation has continued to surge, and deficits have continued to grow. Productivity has continued to deteriorate, and personal savings—a vital source of future productivity growth and a crucial bastion against inflation—have shrivelled to the lowest level in recent history . . . and to the lowest rate of increase in the free world.

There is no question that we face an inflation crisis of worldwide reach and profound ramifications in the United States. Nonetheless, discussions of this crisis all too often drift off into metaphor, without first driving home the specific character and consequences of the problem. Inflation is compared to a "mythical dragon" that devours our substance; or "obesity," an effect of excessive consumption; or a "fire," as in the common warning not to fuel its flames. Or inflation is seen as a problem of the aerodynamics of money: the economy viewed as an airplane that has to be brought down safely, avoiding two extremes—either a crash landing or a runaway into an orbit of hyperinflation.

All these metaphors are vivid and alarming, particularly in combination: "an obese and blazing airborne dragon." But such images leave the audience more frightened than informed. Inflation is not a U.F.O. It is a mundane and pervasive reality that should be carefully considered in view of its effects and causes, its nature and its remedy.

Notice I mentioned its effects before its causes. That is because inflation is so often defined by its effects—namely rising prices—that many people have come to believe that rising prices are both the cause and the effect.

EDUCATING A MISINFORMED PUBLIC

A recent study of the coverage of inflation on television news programs found that 80 percent of the reports deal with the problem only as a matter of price hikes or wage increases. The public then learns to see inflation as something done by the private sector: businesses lifting prices and pulling in higher profits; workers demanding raises; bankers asking higher interest rates. The government is left altogether out, which is somewhat like giving a performance of Hamlet without the moody Danish prince—in this case the moody American Administration, Congress, and Federal Reserve Board. For inflation, as every banker knows, is a decline in the value of money—and only government has the power to debase the currency by creating too much of it.

Nonetheless, erratically rising prices are indeed a key facet of inflation and an index of its destructive effects. The effect on the poor is particularly grievous. The goods and services consumed by a family living on a low budget cost just under $7,000 in 1970. Today, they cost nearly $12,600. And at the inflation rate of the last five years, this budget will be over $24,000 by 1990.

The food budget of an average family of four has risen from $59 a week in 1970 to $122 today.

This family can no longer afford a new house. A house that cost $29,000 to buy in 1970 would cost about $75,000 today. At the recent rate of inflation, the price of an identical house will be $131,000 just five years from now—and $231,000 by 1990.

The insidious impact of inflation cuts across our entire society. For example, the fastest growing population group is the one between 25 and 34 years of age: the period when most people marry and have their first children. According to the Department of Labor, such a family will have to double its real income in 10 years, even to maintain its standard of living as it moves from being a family of two to becoming a family of four.

Older people also suffer from inflation. Even though social security payments are tied to the Consumer Price Index, social security, on the average, amounts to just one-third of the incomes of the elderly. The elderly also hold approximately one-third of the nation's personal savings, and inflation has been destroying these savings at a rate of more than 10 percent a year—or an estimated $30 billion in 1979 alone. The sad fact is that when the government gives the elderly with one hand, it takes away with the other.

Some analysts of inflation—and demagogic politicians—try to divide the American people by blaming the problem on one group or another in the private sector: whether profiteering capitalists or greedy workers or grasping lobbies or even interest-gouging bankers.

Such explanations may be politically appealing. But to speak of a "wage-price spiral" and blame it on either wages or prices misses the point. Wages after all are simply the price of labor. What we really have is a "price-price spiral." Even interest rates can be considered the price of money, and the greater part of them now consists of an inflation premium based on expectations of inflation.

THE MOST ONEROUS COST OF ALL

And there is one further price—or more accurately, cost—that is the most onerous of all. Over the last decade, this cost has risen faster than the cost of food or the cost of housing, faster than wages and infinitely faster than profits. You might think that I am speaking of the cost of energy. Well, I am not. The fastest rising cost in the American economy over the past 15 years is neither the cost of haircuts nor mortgages nor any of the other goods and services in the Consumer Price Index. It is the cost of government—federal, state and local—paid for through our systemic taxation.

Between 1975 and 1979, the Federal tax bill for all American families increased more than eight times as much as their fuel bill. During those years, personal consumption expenditures on gas and oil rose 65 percent, or by a total of more than $25 billion. Total personal taxes at the Federal level rose by $211 billion, or 78 percent, and total taxes at all levels rose by $303 billion.

To put it bluntly, the root of our current inflationary crisis is clearly the soaring price of government.

Yet this fact does not appear obvious to everyone. The monetarists among us have another explanation. They say inflation is a

monetary phenomenon. We all know that if the supply of money increases more rapidly than supplies of goods and services, prices are likely to rise. The Federal Reserve has permitted this to happen. But a nagging question remains. Why has the supply of money in our country increased as much as it has—enough to fuel a rising inflation? Is it because our Federal Reserve is weak and supine, derelict in its duty to manage the money supply? Or are the reasons more complex?

I think the latter. In the end, in fact, the answer lies at the very heart of the socio-political process.

We don't have to search far and wide for the instigator of much of the increase in the money supply. It rests in the huge rise in government spending. As a nation, we have been unwilling to couple this increase in government claims on our economy with an equivalent reduction in private spending. Instead, we have countenanced a steady stream of government deficits. For 19 of the past 20 years, the Federal budget has been in deficit, with the total exceeding $400 billion. Add to this another $300 billion, representing borrowing and loan guarantees by over 150 Federal credit agencies, and it should be no mystery why our nation has experienced an inflationary increase in its money supply.

WE ARE ALL TO BLAME

There are those who still contend that the Federal Reserve, like the Dutch boy with his finger in the dike, could have held back this monetary flood. Technically, this could have been possible. And yet, to do so would have been to fly in the face of what appeared to be the expressed will of the people. Budget deficits first ballooned as a result of the Vietnam War. They were compounded by the host of social programs that fell under the name of The Great Society—many of which were worthy in themselves, but which frequently were entered into with no understanding of future costs. Over the past decade, Federal outlays for education, health, social security and other benefits increased by $270 billion. And they now account for more than 60 percent of the total budget. Moreover, these outlays have gained the name "entitlements" and many have come to be indexed to inflation—so costs rise automatically.

These programs were all authorized by elected representatives of the people—who frequently promised that such programs would be enacted. That is why I say, in the end, inflation is the result of the socio-political process. It is not this group or that group that is to blame. All of us, collectively, are responsible.

It is popular these days and appropriate to analyze inflation and its cure in terms of demand side and supply elements. Clearly, the Federal budget is the outstanding culprit on the demand side.

A top priority of the new Congress therefore must be a more effective control over expenditures.

There is much to be said for further changes in the budget-making process—building on the reforms in the Budget Control Act of 1974—that would force Congress to control expenditures more effectively. One possibility would require any deficit to be approved by more than a simple majority vote—perhaps by two-thirds or more. Alternatively, a similar vote might be required to approve any appropriations bill. Or the President might be authorized to withhold expenditures that Congress has authorized, unless his decision is overridden by 60 percent of the Congress. Such changes merit serious consideration by both the Administration and the Congress.

REINING IN THE "ENTITLEMENTS"

At the same time, we must recognize that no effective control over expenses is possible without action on the so-called entitlements. Standards for some of these programs could be tightened without creating hardship for genuinely needy recipients. Moreover, the practice and method of indexing many of these benefits to inflation should be scrutinized carefully. Certainly upward adjustments for inflation need to be made for social security and other purpose. But I am opposed to using the Consumer Price Index as the inflation barometer for such purposes. Perhaps a more reasonable and more equitable measure would be the average increase in hourly wages. If this lagged somewhat behind the rate of inflation, both active workers and the retired would share the burden of adjustment during periods of rapid inflation. This approach would also permit retired people to share in the real growth of our economy once we got inflation under control.

While we as bankers should support efforts to bring the money supply under control, all the moral support in the world will be insufficient to ensure a sound monetary policy if Federal spending is allowed perpetually to expand beyond the willingness of the public to foot the bill.

Much of our tax system is also geared to the promotion of demand. In particular, capital gains taxes discourage saving. So too does the personal income tax. In both cases, income is taxed even if it is entirely lost to inflation. The tax system does not quite order us to spend rather than save. But an abysmal national record of saving indicates than more and more Americans are getting the point anyway.

While the government has promoted consumption, it has also been busy discouraging supply. If inflation can be roughly summed up as too much money chasing too few goods, a relative decline in production is as inflationary as a relative increase in money.

Inflation has made a travesty of reported corporate profits. American industry was reported to enjoy before-tax profits of close to $240 billion in 1979. A quarter of that amount represented under depreciation of assets and appreciation of inventory. These profits, of course, are not real; capital must be available to replace them. But the supposed gains are taxed anyway—and the capital available to expand production and improve efficiency accordingly erodes—a process that goes on year after year.

REGULATORY REFORMS/SUPPLY-SIDE TAX CUTS

Environmental, health, safety and other regulations proliferate. They not only add directly to costs, and, therefore prices, but they also preempt billions in capital that otherwise might be productive.

Small wonder that the United States trails most of the major industrial nations in the share of output devoted to capital investment. Even less wonder that it trails in improving productivity and thus raising its standard of living.

A meaningful program to restrain inflation must emphasize an aggressive array of regulatory reforms and judicious supply-side tax cuts.

Many regulations—in the environmental, civil rights, and other areas—are useful and necessary. But too many regulations, issued too rapidly and thoughtlessly, in ever greater complexity, defeat their every purpose, except perhaps the enlargement of governmental power. A crucial mandate is to prune the forest of rules and let the economy grow.

Equally important is a prudent program of tax cuts for corporations and individuals. The initial purpose of supply side tax cuts is to counteract the damage already inflicted on America's corporations by the vicious interplay of inflation and taxes. While there is still some disagreement on the form that depreciation reform should take, there is now gratifying agreement that it has top priority in tax reform—that we must increase, and increase dramatically, the speed at which new plant and equipment can be written off. We should also implement a judicious program of income tax cuts that will ultimately encourage personal savings.

Special assistance for R&D also is justified because its benefits spread far beyond the company pursuing it. Otto Eckstein of Data Resources has concluded that supply side tax reforms designed to enhance productivity can be an effective instrument in overcoming inflation. In a report for the Joint Economic Committee, he presented empirical evidence of a multiplier effect in the relationship between productivity and inflation. Each sustained increase of one percent in productivity growth can bring a two percent reduction in the rate of inflation.

In the long run, innovation is perhaps the economy's most potent force for lower prices. Between 1950 and 1974, for example, high technology companies grew about twice as fast as the rest of the economy, while their prices grew only one-sixth as fast. In general, throughout the economy, the companies with the highest profits are those that can use earnings most productively in reducing the costs of the entire system.

CRITICAL ROLE OF THE COMMUNITY BANKER

Let me conclude on this note.

As bankers, you and I—and particularly you—must spread the word to all of those with whom we come in contact—our customers, our neighbors, the media, and politicians alike. We must convince our constituents that inflation, once and for all, must be brought under control. You in this audience carry considerable clout in your local communities. I would urge you to use it—to demand an end to the debauchery of the money of the American people and the betrayal of their trust.

The key truth we must communicate, the crucial fact we must face is that unless we halt the irresponsible growth of government spending—we will fail in all our other goals.

It is that simple and also that painful.

We are talking about programs that involve literally millions of Americans. The growth of such programs over the past 40 years is a great tribute to the generosity of the American people—and no major politician or other American leader, least of all myself—wishes to have these programs repealed.

But I would not be honest with you if I did not say something else: the headlong expansion of government benefits, if it continues, will make it impossible for us to control inflation, or restore healthy economic growth or provide adequately for the national defense. The burden of government benefits on the productive economy must first be reduced, and future increases must be no greater than can be soundly supported by growth in the private economy.

BUSINESS GROWTH HOLDS THE KEY

We have reached the end of the line. The growth of social programs can no longer exceed the growth of the businesses on which they finally depend.

That is the bottom line.

But there is also a line of hope. For the best way to reduce the burden on all Americans is to enlarge the total economy and to give the poor and the unemployed opportunities for real jobs. And that can be done if we have faith in the future of freedom. We can never surely predict what is to come. But we can be sure that any trial or difficulty can be overcome by the American people, if their leaders trust them to be free.

By relieving our workers and entrepreneurs of the burdens of inflation and controls, we can release the most powerful energies in the history of the globe—the energies that transformed a wilderness into the worlds' most productive economy. We face problems today. We confront limits. But if we remember

our past, we can gain inspiration for our future. We can understand that our current limits and problems are merely our newest frontier.

In my own lifetime, I have seen America triumph over crises of depression and war far more desperate than our current plight. Provided we keep our trust with the American people—and maintain our faith in God and in freedom—I am confident we can prevail over the curse of inflation that afflicts us today.●

THE REVEREND EDWARD L. R. ELSON, CHAPLAIN, U.S. SENATE

● Mr. INOUYE. Mr. President, recently, Chaplain Elson was recognized for his 50 years of service as a chaplain. This alone is a remarkable feat for any one individual. But, Chaplain Elson is also a remarkable man of God who has become a close friend and confidante of many U.S. Senators in his efforts to bring his fellow man closer to Almighty God. Chaplain Elson's life has been characterized by his service to mankind. He has served Presidents, Cabinet members, the military, and for the past 12 years we here in the U.S. Senate.

We have been particularly honored to have this man of God with us and assisting us in establishing a moral code in our quest to glorify the dignity of mankind. Chaplain Elson's marvelous efforts will long be remembered by his many close friends and admirers. Words cannot adequately explain a chaplain's devotion to his fellow man that expands over half a century. Perhaps, Calvin Coolidge's words best describe Chaplain Elson's efforts when he said:

It is only when men begin to worship that they begin to grow.

In my view, Chaplain Elson has caused innumerable men to grow and thereby become closer to God. A finer tribute cannot be paid to a man of God and a friend.●

ANNIVERSARY OF SRI LANKA INDEPENDENCE

● Mr. INOUYE. Mr. President, February 4, 1981, is the 33d anniversary of the regaining of independence by Sri Lanka, formerly Ceylon, from Great Britain, the last of the three countries which colonized her over the past four centuries. The year 1981 also holds special significance for Sri Lanka, in that it marks the 50th anniversary of the granting of universal adult suffrage for national elections. Universal adult franchise has long existed in Sri Lanka at the local level, but in 1931 the first national level election based on universal adult suffrage was held, and since that time all elections have been held on that basis.

Sri Lanka has made noteworthy gains since independence in developing and strengthening its democratic political institutions and practices. The people of Sri Lanka have created and nurtured a political system founded solidly upon democratic principles. On February 4, 1978, the 30th anniversary of Sri Lanka's independence, a new constitution was promulgated, which adapted constitutional practices developed in the United States, Great Britain, and France to the aspirations and needs of Sri Lanka and her people. A strict separation of powers between the legislature, the judiciary, and the executive is observed, with the sovereignty of the people exercised through a parliament, which is declared to be supreme.

The new constitution guarantees and protects the fundamental rights and insures the equal opportunity of all of Sri Lanka's citizens. Sri Lanka is an extremely heterogenous nation, ethnically and religiously. The rights of all her people are declared and preserved in a chapter in the new constitution which contains all 30 clauses of the Universal Declaration of Human Rights of the United Nations.

Sri Lanka has attempted to consolidate the gains made in political development, enhance the quality of life of her people, foster human rights, and enrich and stabilize her political institutions by creating substantial economic opportunity for her people. Sri Lanka has endeavored since 1948 to carry out a policy of economic progress through providing for the basic needs of her people and by stimulating economic growth. His Excellency J. R. Jayewardene, the First Executive President of Sri Lanka, who came into power in 1977, has made a major commitment in his government's program to economic development.

The dual basis of the economic development program is to promote agricultural self-sufficiency and the generation of adequate electrical power, and to attract foreign investment for industrial development. Sri Lanka is accomplishing the later through the creation of free trade zones.

The free trade zones, made more attractive by a combination of tax and other incentives and the availability of a complete infrastructure, has drawn 130 industrial ventures from 25 countries. Motorola has recently established a factory for the assembly and testing of semiconductor devices. Eleven new foreign banks and credit companies, including four from the United States, were attracted to Sri Lanka from 1978 to 1980.

These efforts toward economic development have resulted in significant successes, and have helped to build a healthy, literate, and educated populace. The average life expectancy of a male is 64 years, and for a female it is 67 years. The literacy rate is a very high 88 percent. It is a testament to these efforts that the quality of life is highly rated, and has been measured at 83 on a scale of 100.

In her relations with the world community, Sri Lanka has strictly adhered to a policy of nonalinement, and based her actions on the principles established in the United Nations Charter. Sri Lanka has consistently attempted to operate within this framework, and has endeavored to promote reconciliation among nations, the peaceful resolution of disputes, and an international atmosphere of cooperation where nations of diverse views and desires can work together toward the betterment of the condition of all the world's nations and peoples, especially the poorest among them.

I wish to commend the people and Government of Sri Lanka for their admirable progress in economic development, and for the vigorous commitment with which they have developed and enhanced democratic institutions. The vitality of the nation of Sri Lanka is a tribute to the strength of the principles upon which that modern nation, and our own, were founded.●

THE DEPARTURE OF REVEREND ELSON

● Mr. BURDICK. Mr. President, we who serve in the Senate represent people, and are ourselves personally, from many diverse faiths. However, within the framework of those differences we find ourselves united in our acknowledgement that we labor in vain unless we do so in harmony with the principles deriving from our beliefs. Fallible human beings as we are and humble, as we ought, we occasionally fail in this higher vision. We often require a guiding hand to help point our way toward those goals. It has been a distinct comfort during my years of service here to know that Reverend Elson would always be at hand to fulfill that role. His sincerity and eloquence will be remembered with deepest appreciation by all of us I am sure. I join with my colleagues on this day of valediction to wish Reverend Elson a long life full of many blessings.●

HOUSE OF REPRESENTATIVES—*Friday, January 30, 1981*

The House met at 11 a.m. and was called to order by the Speaker pro tempore (Mr. ALEXANDER).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
January 29, 1981.

I hereby designate the Honorable BILL ALEXANDER to act as Speaker pro tempore on Friday, January 30, 1981.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

During the days of thanksgiving, let us pray in the words of the 100th Psalm:

Make a joyful noise to the Lord, all the lands! Serve the Lord with gladness! Come into His presence with singing! Know that the Lord is God! It is He that made us, and we are His; we are His people, and the sheep of His pasture.

Enter His gates with thanksgiving, and His courts with praise, give thanks to Him, bless His name! For the Lord is good; His steadfast love endures forever, and His faithfulness to all generations.

Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 29, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit a sealed envelope from The White House received in the Clerk's Office at 4:14 p.m. on Thursday, January 29, 1981 and said to contain a message from the President wherein he transmits the fourth special message for FY 1981 under the Impoundment Control Act of 1974.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

PROPOSAL TO RESCIND $1.5 MILLION APPROPRIATED FOR COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-16)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report a proposal to rescind $1.5 million in funds appropriated for the Council on Wage and Price Stability. The details of this rescission proposal are contained in the attached report.

RONALD REAGAN.

THE WHITE HOUSE, *January 29, 1981.*

A MONDAY HOLIDAY FOR MARTIN LUTHER KING, JR.

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, today I am introducing legislation to establish the third Monday in January as a legal public holiday in memory of the late Rev. Martin Luther King, Jr.

Mr. Speaker, designation of this great black civil rights leader's birthday as a holiday is receiving widespread support in our Nation—with the result that many communities and States have already established Reverend King's birthday as a legal holiday.

Designation of the third Monday in January would be consistent with the concept of the Monday holiday bill, of which I was the principal sponsor in 1968. As a result of the passage of this bill, the celebration of the birthday of George Washington was established as the third Monday in February, the celebration of Columbus Day was established as the second Monday in October, and Memorial Day was designated as the last Monday in May.

Mr. Speaker, as I have stated on other occasions, there are numerous other Americans who are beloved and who are deserving of the devotion and honor of our citizens. However, in the recognition which this legislation would provide for the late Rev. Martin Luther King, Jr., we would be giving a special tribute to a black American, whom like many other black leaders, our Nation has been privileged to know.

By designating Reverend King's birthday on a Monday, the question of economic loss and inconvenience which are created by holidays that fall during the week would be diminished and the weekend leading up to the third Monday in January would provide an appropriate period of time for preparing for a birthday celebration consistent with Reverend King's greatness as a citizen, his contribution to our American society, and as a commemoration of his martyrdom at the hands of an assassin.

Mr. Speaker, as I recall, when this legislation was considered earlier, the principal sponsors acquiesced in the amendment which I offered at that time to designate the third Monday in January as the legal holiday for the celebration of Reverend King's birthday. Accordingly, I would hope and expect that similar support would be provided this year.

NATIONAL ENDOWMENT FOR THE HUMANITIES

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, Cicero called Aristotle a river of flowing gold. If Cicero were alive and operating in the Nation's Capital, he unquestionably would discover a rich golden alternative to Aristotle. It is the National Endowment for the Humanities.

Obviously and forensically, I make no attempt to speak for Cicero, but I rather imagine he would have laughed all the way to the Forum, if he could have foreseen that his B.C. wit would be the subject of a 20th-century Federal grant. Fortunately or unfortunately, depending upon your point of view, we soon may have some definitive answers from the French Department of the University of Illinois. The department has been awarded a grant

of up to $22,000 to provide a fellowship for the study of Cicero's jokes in Renaissance France and Italy. I wonder if the joke is not really on us.

Of course, if we have any reservations about coming out on the short end of that deal the National Endowment for the Humanities already is a step ahead of us. It has awarded a $22,000 outright grant for a fellowship which will concentrate on "Origins of the Doctrine of Unequal Exchange."

I must confess to a sentimental interest in another $22,000 outright grant. It was awarded for a fellowship which will study "The Folk Rituals of Birth, Marriage and Death Among Urban Polish-Americans."

In reviewing the recent list of grants approved by the National Endowment for the Humanities, I was left with a song in my heart. It was indeed heart warming to learn another grant of up to $22,000 will be available for a fellowship which will focus on "An Ethnomusicological Study of the Harp Traditions of Uganda."

Are you listening, Idi Amin, wherever you are?

PRISONERS OF CONSCIENCE

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I would like to bring to the attention of the House and the attention of the wider world a resolution that came to me from a major city in my home State concerning the Ukrainian Republic. I think it is appropriate that we should remember that this was, for a time, an independent state swept up in the new empire that is called the Soviet Union, together with the Baltic States which also were independent but were traded between Nazi Germany in the treaty signed by Molotov of the Soviet Union and Ribbentrop for Nazi Germany.

But I would also like to bring to the attention of this body the fate of those in Czechoslovakia who are suffering, specifically Mr. Battek, Rudolf Battek, a prisoner of conscience, and also the fate of Vaclav Havel. How is it that these people can be taken for nothing more than a very short statement of dissent that their country is not following as it should? I hope that the Czechoslovak regime will reconsider their imprisonment.

RESOLUTION INTRODUCED PROVIDING FOR REVIEW OF AGREEMENT BETWEEN UNITED STATES AND IRAN REGARDING RELEASE OF HOSTAGES

(Mr. HARTNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARTNETT. Mr. Speaker, today I am introducing a resolution which provides that the U.S. agreement with Iran for the release of the 52 American hostages cannot be implemented unless approved by both Houses of Congress.

There are many legal questions surrounding the United States-Iranian agreement which must be resolved. One major legal problem is whether or not the President of the United States has the right to override court orders which protect an American citizen's property.

It is my belief that congressional action is needed in order to resolve the more than 300 claims which American businesses have filed against the Iranian Government. In addition, the agreement prevents the former hostages from filing suit against Iran for the loss of their property. However, the agreement does not prevent the hostages from suing the American Government for these losses.

I believe the former hostages deserve compensation for any loss of property they incurred due to the takeover of the U.S. Embassy in Tehran. This compensation should not come from the American taxpayers, but instead, it should come from the Iranian assets that were frozen in this country.

Most Americans believe that we are not obligated by international law to carry out an agreement which was the result of ransom and a criminal violation of international law. I believe that before any claims are issued to the Iranian Government, Congress and the American people should have the right to review each term in the agreement.

ADJOURNMENT TO MONDAY, FEBRUARY 2, 1981

Mr. DYSON. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

□ 1110

TRIBUTE TO EMANUEL CELLER

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PANETTA. Mr. Speaker, it is with profound sadness that I rise to express my condolences upon the death of Emanuel Celler.

While I did not have the privilege of serving in this body with Manny Celler, I am very familiar with his tremendous efforts in obtaining passage of the landmark civil rights legislation of the midsixties. For part of that time, I was a legislative assistant to Senator Tom Kuchel, who also played an important role in the passage of that legislation. Senator Kuchel had great admiration for Mr. Celler, and it was clear to those of us working in the other body that none of that legislation would have made it through Congress without the round-the-clock work of Manny Celler.

Mr. Speaker, Manny Celler spent 50 years in the House of Representatives—half a century. Many of us today find it difficult to imagine committing 20 or 30 years of our lives to the House of Representatives, let alone 50. But Manny Celler had enough feeling for this body and for making our country a better place for all of its citizens to stay here long enough to make a truly lasting contribution.

The United States owes a debt of gratitude to Manny Celler that it will never be able to repay. But his family should know that he will always be remembered as one of the enlightened Members of Congress who helped to bring this Nation into the 20th century by reaffirming the notion of racial equality. Let us pray for a time when we do not need a Manny Celler to remind us of the need to guarantee fundamental human rights.

TRIBUTE TO MRS. ELMARIE DYKE, "MRS. PACIFIC GROVE"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, it is with great sadness that I rise to tell my colleagues of the death of Mrs. Elmarie Dyke, a lifetime resident of California and a citizen of my district who made tremendous contributions to the well-being of her community and the surrounding area.

Elmarie Dyke was known as Mrs. Pacific Grove, but in 1978 she was named "Citizen of the Year" by the Monterey Peninsula Chamber of Commerce. While she lived in one town, her work and her influence spread far beyond its environs.

Mrs. Dyke was the first woman member of the Pacific Grove City Council, and she also served as president of the Pacific Grove Retreat Association. In the 1930's, she helped found the Monterey Peninsula Concert Association. Then, during World War II, she chaired the Red Cross blood donor program in Monterey County and served as women's civil defense director in Pacific Grove.

In addition to these accomplishments, Mrs. Dyke was a founder of the Pacific Grove Chamber of Commerce, a State vice president of the California School Supervisors Association, secre-

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tary of the Monterey Peninsula Society for Crippled Children, and director of the Pacific Grove Boosters. She also served as president of the Pacific Grove Business & Professional Women's Club and of the Wesleyan Service Guild of the Pacific Grove Methodist Church.

Mrs. Dyke was undoubtedly one of the great leaders of her community. But it is also worth mentioning that whatever Mrs. Dyke did, she did with style. It is said that she shocked some residents of Sutter Creek back in 1915 by taking a ride in an open-cockpit airplane, and in the 1920's, she could not teach in the Pacific Grove schools because of her bobbed hair.

Indeed, she was not afraid to stand against the tide. Mrs. Dyke was the leader of forces that kept Pacific Grove dry until 1968, and her daily radio program always bore the mark of her own individualism.

When Elmarie Dyke died earlier this month, she was 84 years old. She was a dear friend to me and my wife Sylvia. She always recalled my playing the piano as a young boy and always was supportive of the peninsula's own. She led a long eventful life, and we on the Monterey Peninsula will never forget her. I would like to take this opportunity to express my condolences to her family. I do not think we will see anyone quite like Elmarie Dyke ever again.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DYSON), to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ for 15 minutes, today.

Mr. ANNUNZIO for 5 minutes, today.

Mr. PANETTA for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GRISHAM) and to include extraneous matter:)

Mr. FINDLEY in two instances.

Mr. DUNN.

Mr. HOLLENBECK in two instances.

Mr. FISH.

(The following Members (at the request of Mr. DYSON) and to include extraneous matter:)

Mr. HOWARD.

Mr. SMITH of Iowa in two instances.

ADJOURNMENT

Mr. DYSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 11 minutes a.m.), under its previous order, the House adjourned until Monday, February 2, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

431. A letter from the Mayor of the District of Columbia, transmitting a draft of proposed legislation to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the capital improvements program of the District of Columbia; to the Committee on the District of Columbia.

432. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Spain (Transmittal No. 81-14), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

433. A letter from the Comptroller General of the United States, transmitting a report on the effectiveness of the Small Business Administration's section 8(a) pilot program for disadvantaged small businesses (CED-81-22, January 23, 1981), pursuant to section 202(b)(1) of Public Law 95-507, as amended; jointly, to the Committees on Government Operations and Small Business.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Ms. OAKAR:

H.R. 1513. A bill to amend title II of the Social Security Act to provide that the combined earnings of a husband and wife during the period of their marriage shall be divided equally and shared between them for benefit purposes, so as to recognize the economic contribution of each spouse to the marriage and assure that each spouse will have social security protection in his or her own right; to the Committee on Ways and Means.

H.R. 1514. A bill to amend title II of the Social Security Act to provide that upon the death of one member of a married couple the surviving spouse or surviving divorced spouse shall automatically inherit the deceased spouse's earning credits to the extent that such credits were earned during the period of their marriage; to the Committee on Ways and Means.

H.R. 1515. A bill to amend title II of the Social Security Act to provide that the combined earnings of a husband and wife during the period of their marriage shall be divided equally and shared between them for benefit purposes if they become divorced and either of them so elects; to the Committee on Ways and Means.

H.R. 1516. A bill to amend title II of the Social Security Act to provide for the payment of a transition benefit to the spouse of an insured individual upon such individual's death if such spouse has attained age 50 and is not otherwise immediately eligible for benefits; to the Committee on Ways and Means.

H.R. 1517. A bill to amend title II of the Social Security Act to provide full benefits for disabled widows and widowers without regard to age (and without regard to any previous reduction in their benefits); to the Committee on Ways and Means.

By Mr. DUNN:

H.R. 1518. A bill to require the heads of Federal agencies having authority to regulate the domestic automobile industry to eliminate or revise certain regulations which constitute an economic burden upon the automobile industry; to the Committee on Energy and Commerce.

H.R. 1519. A bill to amend the Internal Revenue Code of 1954 to allow an income tax credit for the purchase of certain new automobiles and for interest on any loan used for such purchase, to allow more rapid depreciation of certain automobile manufacturing equipment, to allow the deduction as expenses of certain special tools used in automobile manufacturing, and to extend the carryback provisions of the investment tax credit and the net operating loss deduction to 7 years for manufacturers of automobiles, automobile parts, and equipment and materials used in the manufacture of automobiles and parts; to the Committee on Ways and Means.

By Mr. FUQUA (for himself and Mr. WINN):

H.R. 1520. A bill to authorize appropriations for activities for the National Science Foundation for the fiscal year 1982; to the Committee on Science and Technology.

By Mr. HOLLENBECK (for himself, Mr. ROE, Mr. HUGHES, and Mr. MINISH):

H.R. 1521. A bill to provide for the repatriation of the remains of five unknown members of the U.S. Navy killed and interred in Tripoli in 1804 and for the interment of such remains at the U.S. Naval Academy or Arlington National Cemetery; jointly, to the Committees on Armed Services and Veterans' Affairs.

By Mr. McCLORY:

H.R. 1522. A bill to amend title 5, United States Code, to make the birthday of Martin Luther King, Jr., a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. PANETTA (for himself, Mr. JONES of Oklahoma, and Mr. LATTA):

H.R. 1523. A bill to rescind certain budget authority contained in the message of the President of January 15, 1981 (H. Doc. 97-11) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. ROUSSELOT (for himself and Mr. MATSUI):

H.R. 1524. A bill to amend sections 46(f) and 167(l) of the Internal Revenue Code of 1954 with respect to the treatment of public utility property; to the Committee on Ways and Means.

By Mr. HARTNETT:

H. Con. Res. 48. Concurrent resolution expressing the sense of the Congress that further steps may not be taken to implement the agreements between the United States and Iran until such time as the agreements receive congressional approval; to the Committee on Foreign Affairs.

By Mr. MOFFETT (for himself, Mr. MOTTL, Mr. WOLPE, Mr. KASTEN-

MEIER, Mr. MARKEY, and Mr. HERTEL):

H. Res. 51. Resolution expressing opposition to oil decontrol action; to the Committee on Energy and Commerce.

MEMORIALS

Under clause 4 of rule XXII,

7. The SPEAKER presented a memorial of the Legislature of the State of South Dakota, relative to payments in lieu of taxes for lands purchased or brought under trust status by the Federal Government; to the Committee on Interior and Insular Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 143: Mr. DINGELL and Mr. KILDEE.

H.R. 146: Mr. FORD of Michigan, Mr. BLANCHARD, and Mr. BROOMFIELD.

H.R. 150: Mr. WOLPE and Mr. ANDERSON.

H.R. 614: Mr. LEBOUTILLIER.

H.R. 1464: Mr. CHAPPELL, Mr. QUILLEN, Mr. WINN, Mr. SAM B. HALL, JR., Mr. DANIEL B. CRANE, Mr. HANSEN of Idaho, Mr. COLLINS of Texas, Mr. EVANS of Georgia, Mr. MCDONALD, Mr. LUNGREN, Mr. WILSON, Mr. GEPHARDT, Mrs. BYRON, Mrs. BOGGS, Mr. GINGRICH, Mr. WIRTH, Mr. DAN DANIEL, Mr. GINN, Mr. WOLPE, Mr. STENHOLM, Mr. WHITTEN, Mr. FROST, Ms. MARTIN of Illinois, Mr. DICKINSON, Mr. HEFTEL, Mr. FORD of Tennessee, Mr. FISH, Mr. SWIFT, Mr. WHITTAKER, Mr. TAUKE, Mr. CAMPBELL, and Mr. ROE.

H.J. Res. 104: Mr. FARY, Mr. LAGOMARSINO, Mr. MOTTL, Mr. MURPHY, and Mr. RINALDO.

EXTENSIONS OF REMARKS

STEEL INDUSTRY FORUM

HON. WILLIAM J. COYNE
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. WILLIAM J. COYNE. Mr. Speaker, on January 14, 1981, Mr. Thomas C. Graham, president and chief executive officer, Jones & Laughlin Steel Corp., addressed the Steel Industry Forum at Robert Morris College.

Mr. Graham called for "a reordering of priorities that will open the way for a more beneficial relationship between the American steel industry and Government."

Mr. Graham develops this theme in a thoughtful and cogent manner. I am inserting the speech in the RECORD at this point because I think my colleagues would do well to read this speech:

I must say as I stand before this group that it warms my heart to see so many people of diverse backgrounds who are willing to declare themselves in behalf of a cause which is dear to my heart. I would be a much younger-looking person today if I could realize the same unity of thought among my own business associates, or even my own family:

Although we are saying it in different ways, it seems to me that the common thread of opinion running through this group is the need for change—a reordering of priorities that will open the way for a more beneficial relationship between the American steel industry and its government.

Such a change will require the abandonment of some deeply ingrained attitudes on both sides. There are many of them, but I will focus on two which I feel are basic.

Most businessmen, and that includes businessmen who make and sell steel, are devoted to the concept of free enterprise. They tend to be sensitive to any action by government which they regard, rightly or wrongly, as an unwarranted intrusion in their affairs.

Government leaders for the most part, are intent on serving the people who put them in office, that is, the voters. They tend to be sensitive to any action by business which is perceived, rightly or wrongly, as being detrimental to their constituents.

These conflicting attitudes are reflected in different ways and in varying degrees in the adversarial relationship that exists between government and a large part of the business community of the United States. They represent a barrier which will have to be overcome if there is to be any enduring solution to the steel industry's current problems.

There is a certain amount of logic in these attitudes, but there are also some flaws, and I think they need to be stated as the first step in surmounting the barrier.

Businessmen cannot realistically assert a right to be absolutely free of any regulation or restraint by government. It is government that establishes and then enforces the ground rules for the system in which businessmen operate. In a modern society, it can be no other way.

Government leaders, for their part, must recognize that businessmen deal with a number of economic imperatives that cannot be excised by legislation or wishful thinking no matter how popular they may be. No business can continue to make its contribution to society in the form of products or services, jobs, and taxes, unless it is guided by these imperatives.

If these two propositions are accepted, we have made a beginning from which can flow a reordering of priorities on both sides. We have opened the way for some new approaches to problems, the solution of which can be beneficial to the steel industry and to the government.

I believe there are some signs that this change is beginning to take place within the industry. I'll take a look at that first, and then indicate what is needed from the government's side.

The industry as we all know has been fencing with an unsympathetic government for years in the issues of imports, prices, taxes, and the environment, with little tangible result. Now, under the pressure of adverse circumstances, American steel companies have begun to pursue solutions to their problems that do not depend on government action to be effective.

For example, at J&L, we concluded that one of our most pressing needs relating to profitability is to reduce production costs by improving productivity. Since our ability to do that through heavy capital investment is limited, we have taken another approach. It is productivity improvement through more effective management of our human resources.

To implement this concept, we have opened up the corporation to change. We are encouraging our people to innovate—to seek out new ways of doing things, and we reward them when they succeed. This effort is not limited to the salaried force by any means. We recognize that within the hourly workforce there is a great potential for achievement that can benefit the business. As a first step in tapping that potential, we are working to ease the adversarial relationship that has traditionally existed in the steel industry between the hourly and the supervisory force. We are encouraging the personal involvement of the hourly employees, and opening lines of communication between the workers and plant management.

This approach to productivity improvement has produced some very significant results at some of our production units. The involvement of the hourly employees is a concept that is taking hold. From an industry standpoint, the establishment of labor-management participation teams in the national labor agreement with the United Steelworkers of America recognizes the validity of the approach, and has the union's concurrence.

Another of the industry's efforts to deal with its problems has been more controversial. Over the past three or four years, some very difficult decisions have been made in regard to the continued operation of obsolete facilities. As a result, some five or six million tons of steelmaking capacity has been shut down and many job opportunities have been lost. This capacity was, for the most part, not replaced, and the contraction has opened the way for even more penetration of the domestic market by foreign producers. That's just one of the things that made the shutdown decisions so difficult. On the other hand, these shutdowns relieved the industry of facilities that were costly to operate and uncompetitive from the standpoint of product quality. The net result of the shutdowns will be to strengthen the more efficient core of the industry which remains.

On the more positive side, the industry is making renewed use of its research and engineering talent in the development of new grades of steel that can maintain steel's position in the face of competition from other materials. The outstanding example is the development over the past decade of a whole new family of high strength, low alloy steels. They are being put to good use by the auto makers in Detroit in the design of the new generation of small, light-weight cars.

And we are using that same talent to devise innovative solutions to our environmental problems. At J&L for example, we have developed new, low-cost techniques for controlling emissions from blast furnaces and basic oxygen furnace shops. These new techniques will eliminate the need to spend many millions of dollars for baghouses and precipitators.

All of the measures that I've just described will eventually show up in improved profits for the domestic steel industry. They support the proposition that the industry is working hard with the resources available to sustain itself in the face of a hostile business climate.

But I do not want to leave you with the idea that skill and ingenuity alone can do the entire job. Sooner or later, heavy investments in more efficient equipment will have to be made. They are in fact already being made on a limited basis as funds become available.

In connection with these projects, I think it is interesting to note that the industry has departed from its long-standing position that may be stated as follows: "If it isn't invented in America, we don't want it." Several steel companies, including J&L, have turned to experts overseas for help in the development of such facilities as strand casters and seamless pipe mills. I for one have no trouble in defending such moves. If you are preparing to spend millions for a new facility, you owe it to yourself to get the best advice available. That's another sign that the industry is changing its priorities, and I think a healthy one.

Now then, what changes do we see taking place on the government's side? There have been some, but none to indicate that the government is dealing with the industry's problem in a realistic way.

In my mind what is needed most is a change in the government's long-standing attitudes toward trade and foreign affairs. As part of its post-war strategy to strengthen the economies of the non-communist nations, including many newly developing

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

countries, our government has encouraged them to build their own steel industries. In fact, through the Export-Import Bank, it has helped to finance many such projects.

This policy is in part responsible for a considerable excess in world steel capacity that now exists. Much of the excess production has been shipped to the United States. Our government believed in the beginning, and apparently still believes, that any excess production could be disposed of in the United States without serious consequences to our own industry. That, as we now know, is a false assumption.

The same attitude has carried over into the administration of the anti-dumping laws, which have been on the books for many years. Until recently, the government simply looked the other way, even though it was obvious that foreign producers were dumping their products at far below the cost of production.

The result of these government actions and non-actions has been that for most of the past 20 years, imported steel has taken nearly all the growth in the American steel market. Inevitably, profits have suffered. With one exception in the past ten years, they have been far below what is needed to sustain a viable industry.

Earlier I listed imports as only one of several problems contributing to steel's financial plight, the others being related to environmental enforcement and tax policies. To my mind, imports are by far the most important. They are robbing us of the opportunity to earn adequate profits.

The depressing part of the story is that there is little likelihood that import pressures will be eased without firm action by our government. Last year, for example, some people had the misconception that imports were easing off because the import tonnage declined by several million tons. But domestic shipments were also greatly reduced. The net effect was that imports increased their share of the domestic market from 15 to 16 percent. The present excess in world steel capacity may increase because construction of new facilities is continuing in many third world countries.

American steel companies are in business to make a profit, and they can survive only by making a profit. That's not the case in most other countries. Steel companies are seen as vehicles for solving a variety of social and political problems that have nothing to do with the manufacture of steel products. If they happen to lose money, they will be sustained one way or another by their governments.

American steelmakers cannot hope to prosper in this kind of a trading arena. We are willing and able to compete head-to-head with people who are playing by the same rules. Whether we like it or not, those conditions do not exist in international trade today.

In this connection, I'd like to digress here for a moment to rebut the critics on two issues involving the steel industry's position on imports. These opinions are voiced by some academicians and people in Government and they are reflected in the Government's adversarial stance. One of these is that any measures taken to limit imports are in effect protecting an industry that is unable to compete in the world marketplace. Such protection would be inflationary because it would deprive the economy of the benefits of low priced foreign steel.

My answer to that flows from what I just said about the world trading arena. We can be fully competitive with any foreign producer operating under the same profit imperatives as we, but none of them are. You can be sure that if American steel companies were forced out of business by the predatory pricing of foreign producers, the price of steel sold by foreign companies in America would rise dramatically above what it is today.

The second criticism that troubles me is the one about bad management by American steel companies. That's an easy accusation to make, and a difficult one to rebut. It requires more information than most outsiders have to properly evaluate the quality of a given management decision. However, there is one quantitative measure of a management's effectiveness, and that is the bottom line. American steel companies are not making adequate profits, but, in spite of a hostile business climate, they are for the most part in the black. That cannot be said for most foreign producers who are literally coddled by their governments. I saw figures recently which indicated that five major European producers last year lost 14 billion dollars among them. If the performance of American steel companies is an indication of bad management, what would you say about the Europeans?

I said earlier that Government's role in relation to business is to establish and enforce the ground rules by which businessmen operate. I believe it is time for our government to exercise this function in the way it was originally intended in regards to its steel trade policies.

Since the initial wave of plant closings in 1977, the government has been attempting to deal with the industry's economic problems. It has devised the trigger price mechanism, a loan guarantee program, the trade readjustment act, and a variety of other programs to help laid-off steelworkers. Although we cannot be callous about the individual hardships created by steel plant closings, the fact is that these measures do not go to the root of the problem.

The root of the problem is the virtual destruction of the domestic industry's earnings capability by the flow of imported steel from countries who are not playing by the rules of what we define in our laws as fair trade. The problem will only be solved when the government takes firm action to redress that balance. It can do so first by vigorously enforcing anti-dumping laws that are already on the books, and second, if necessary, by negotiating new trade agreements that will ensure that the domestic market competition takes place among companies who must show a profit.

To conclude, I think it would be well to review briefly the benefits to America that would flow from the reestablishment of a prosperous domestic steel industry. First, it would assure the survival of an industry that is the basis for our industrial economy, as it is for every industrial economy in the world, and one that we can ill-afford to be without. Second, it would protect American steel users against the predatory pricing of foreign steel that we have already seen during recent periods of peak demand, and which will be sure to get worse as our own industry contracts. Third, it would preserve thousands of steel-related jobs, and reduce the need for expensive income and job insurance programs now administered by the government. And finally, it would help arrest the deterioration of the nation's foreign trade balance.

I believe these are benefits worth working for. The industry is contributing to the effort with some new approaches that will enable it to do a better job with available resources. The Government can contribute by doing a better job of policing the arena in which steel is sold. That is a power that only the government can exercise and for the sake of the steel industry and our nation, I fervently hope that it will.

Thank you.●

THE TAX ON MARRIAGE

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. HOLLENBECK. Mr. Speaker, I rise today to urge my colleagues on the Ways and Means Committee to take immediate action and enact changes in existing law which discriminate against married persons.

The basic structure of our income tax laws which favors married, one-earner couples, dates back to 1948. At that time, in the average American family, the husband worked and the wife stayed at home. Now 33 years later, families in which both husband and wife work outnumber one-earner couples. Yet despite this change, the male "head of the household" concept still holds fast in our national tax policy.

Unfortunately, by trying to solve the inequity between single and married persons, Congress failed to anticipate the millions of married women entering the labor force during the last decade. The Tax Reform Act of 1969 established a new, lower rate schedule for single wage earners and ignored the impact this would have on households with two wage earners. This new rate schedule, combined with an increase in the standard deduction has produced what is commonly known as the marriage tax.

This tax structure forces millions of working couples to pay more in Federal income taxes than they would if they were single. The Treasury Department estimates that 16 million working couples have paid an additional $8.3 billion in 1979 taxes simply because they were married. Much of the extra tax revenue is a result of a couple's income being combined for tax purposes, thus pushing the household into a higher tax bracket than either spouse would be in individually. The result is a tax on married couples at all income levels. For example, a husband and wife each earning $15,000 a year pay a penalty of $907 on their joint return. At higher income levels the penalty is even greater.

In testimony before the House Ways and Means Committee during the 96th Congress it was documented that thousands of couples are quietly getting tax divorces every year. Thus, we are faced with one of today's greatest ironies. The U.S. Tax Code actually

encourages people to save money by divorcing or remaining single.

It is not right to penalize people for adhering to a socially moral way of living. It is not right in this era of runaway inflation to discourage people from working to help meet the family bills. And it is not right to penalize women who wish to pursue a career for getting married. I appeal to the Members of this body to seize this opportunity to repeal the unfair tax burden on married couples. There are several bills pending in the Ways and Means Committee right now which would extend such equity to our tax laws. As a cosponsor of legislation allowing married, two-earner couples the option of using the singles' tax rate for each spouse's income, I cannot overemphasize the importance of invoking immediate changes in existing law.●

CONFESSIONS OF AN ENERGY REGULATOR

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. FINDLEY. Mr. Speaker, the President wisely decided this week to end controls on U.S. oil production and marketing.

Recently the Wall Street Journal included a piece by a former energy regulator who presented quite well the argument against continuing those controls. His comments follow:

[From the Wall Street Journal, Jan. 5, 1981]

CONFESSIONS OF AN ENERGY REGULATOR

(By Thomas L. Jackson)

In the spring of 1979 every telephone in my office in Washington rang off its hook. The Shah had been toppled and Iran's oil production was drying up. Gasoline station owners from all over the U.S. were calling me demanding more gasoline.

I didn't own a drop of the stuff myself. I didn't even own a car. I was a lawyer just a year out of school, but I had been given the power to order Exxon and other refiners to supply gasoline.

I was part of an "allocation task force" within the Department of Energy's Office of Hearings and Appeals. We were a sort of regulatory emergency room where patients suffering from an overdose of competition came for help.

My power flowed from a law Congress passed in 1973 in the panic following the Arab oil embargo and OPEC's first quadrupling of crude oil prices. The law holds down gasoline prices to artificially low levels. It also gives station owners and wholesalers a legal right to continue getting gasoline in times of shortage from the people who had supplied it to them earlier.

A YEAR TO RUN

The gasoline price controls aren't scheduled to be phased out fully until the end of 1981, though some of President-elect Reagan's people would like to remove them sooner. The allocation madness could recur any time gasoline supplies run short.

I discovered that the allocation rules didn't always work the way the station owners wanted. When they felt the Energy Department was unjustly depriving them of Exxon's gasoline, they could appeal to my office. And appeal they did.

Nearly 14,000 applications for special exception were filed between March and August 1979. Some came with aerial photographs, tri-color maps with circles and arrows drawn in or letters from the Chamber of Commerce, the local bank or the family doctor. Everybody had a reason why his station should get more gasoline to sell.

In my office, people who had processed perhaps 25 cases a year were soon faced with backlogs of 200. Morale plummeted.

I had reservations about writing decisions that encouraged gasoline guzzling. After all, the Iranian gasoline "crisis" wouldn't have happened had motorists conserved fuel before the way they did later. And all this map marking, letter-writing and paper-shuffling was consuming thousands of hours of labor by station owners, oil-company lawyers and government officials like me—without producing a whiff of gasoline. We simply spread around the shortage—and the profits—and kept open a lot of stations that might have been put to better use as, say, bus stations or bicycle shops. Despite reservations, I surrendered to my duty.

It was thankless work. The average applicant seemed to expect the government to intervene in the economy like God in history to ensure that his business outdistanced inflation, competition and world events.

I recall one who had expanded his station in Rancho Cucamonga, in freeway-happy Southern California, and he wanted more gasoline. He argued that the public interest would be served because "the community" was growing rapidly. I felt that the Los Angeles area was sprawling more than growing, and as a direct result of too much cheap gasoline. But neither my feelings nor his about "growth" mattered legally. The department granted special relief only to the down and out, and the financial filings of the gentleman from Rancho Cucamonga showed he wasn't doing so badly. Relief denied.

Many applicants had difficulty understanding that they had to prove they deserved more gasoline. A woman from Tampa, Fla., upset at being told her facts didn't support her case, confided that dealing with a "snippy" bureaucrat like me had been so disconcerting that she and her husband found it necessary to take a short vacation. In the Bahamas. Other applicants just resorted to foul language.

The major oil companies, whose gasoline we were handing out, were understandably reluctant to part with the stuff. Mobil Oil Corp. in particular could be counted on to contest every request for its fuel, no matter how small the amount. The company routinely ignored our regulations requiring compliance with orders transmitted by telephone, holding onto its gasoline until we sent orders in writing, by facsimile, at considerable expense to the taxpayer.

The big companies sometimes seemed as inefficient as my government agency. One Gulf official on the East Coast tried to complain to me about all the gasoline the government was handing out, unaware that in California another Gulf official was ignoring our orders to stop supplying extra amounts to favored stations.

Exxon was so unprepared for the 1979 shortage that for a while I found myself acting as a go-between for independent wholesalers in North Carolina who couldn't get the company's regional officials to comply with our regulations. Exxon's brass later made sure the regional officials understood what the law required.

The impossible backlog of allocation cases at the DOE forced some bending of due process. We developed a couple of shortcuts for weeding out applicants who we thought could look after themselves.

Sometimes we would call to "explain the standards" for relief, a strong hint to dubious applicants that they were wasting their time. Those who persisted were sometimes lumped with others into a single mass denial, which saved us the trouble of writing individual opinions. Unfortunately, many just resubmitted the same weak applications and got their Congressman or Senator to bedevil us. Elected representatives are a constant nuisance in this sort of bureaucratic government.

Applicants always found our red tape frustrating. One small wholesaler from Arkansas, after a year of waiting, insisted that his case be dropped even after I strongly hinted that he would prevail if he'd just stick it out.

Another man, from Illinois, became furious after only a few months of inaction. One morning he arrived unannounced in Washington demanding to see me and threatening to call the news media. Riding the elevator down to meet him, I happened to hear that there was "someone in the lobby with a reporter." I scrambled off at the second floor and rode back up to my office at the eighth. The man from Illinois later got the fuel he wanted, but no thanks to his badgering.

Like most regulatory schemes designed for mass application, the Energy Department's rules often inflicted a dumb sort of cruelty on those who didn't fit the mold. I remember particularly a young man from Green Bay, Wis., who had lost the ability to speak when his brain was damaged in an automobile accident. Undaunted, he had bought a gasoline station and found that pumping gas and servicing cars had been so therapeutic that he had begun to regain his speech. He needed more gas to stay in business. Could I please help him?

BRIGHT MEMORY

He was in trouble because the gasoline allocation depended on the amount sold during a previous "base period." But the regulations didn't allow for businesses that were just starting and therefore had unusually low base-period sales. The man from Green Bay was saved by a last-minute regulatory amendment that cured this problem. Telephoning him with that news is among the happiest memories of my life as a bureaucrat.

Others weren't so fortunate. Some were buried in the avalanche of paper work and went out of business before we could help.

I quit the government last summer, but the allocation cases will grind on until gasoline price controls wind down next October. Some businesses may go under. Motorists, however, will have more incentive to conserve, and so the public won't need so many gas pumps. A lot of station owners, pump jockeys, bureaucrats and oil-company lawyers will be free to pursue more useful work.

[Mr. Jackson, an attorney, is completing requirements for a master's degree in Business Administration at Indiana University.]●

OLIN TEAGUE

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. UDALL. Mr. Speaker, there are few heroes around these days, but "Tiger" Teague qualified as one in every way. He would have made an ideal commander in any kind of war. He had courage and was a "can-do" kind of man who could make any group ready for combat.

Olin loved people, and people loved him. He never held grudges and as far as I could tell, he had no enemies. His sense of humor was famous around the Capitol, and he delighted in putting together a good practical joke that would make all of us laugh.

Olin's stewardship of veterans' affairs for some two decades was absolutely superb. He was himself wounded in combat, but could sometimes say no to a group of veterans, when he wanted to say yes.

The good memories held by these halls must include the memory of Olin Teague—"Tiger" Teague. A good and decent and exceptional man, who served his country with real distinction.

He was a good friend. I feel his loss, and I am sad that he is gone.●

THE ROMANTIC ATTACK ON THE SOCIAL CONSENSUS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. MILLER of California. Mr. Speaker, in a recent article, Prof. John Kenneth Galbraith recommended that we abandon the romantic image of the market system and that we recognize that some of the rhetoric of cost cutting is really a thinly masked assault on the poor. Neither, he suggests, will help us solve the many economic ills which confront our country. Dr. Galbraith's views should be read by every Member of the House.

The article follows:

THE ROMANTIC ATTACK ON THE SOCIAL CONSENSUS

Public services are not rendered in most countries with high efficiency, a point worthy of real concern. But no way has ever been found for seriously reducing outlays for either efficiently or inefficiently rendered services without affecting performance. Public bureaucracy has a dynamic of its own, but so does private bureaucracy. As road builders promote highways and public educators promote public education, so private weapons firms promote weapons and other corporate bureaucracies promote automobiles, alcohol, toothpaste, and cosmetics. This is the common tendency of organization, as we've known since Max Weber. Good education, health, and law enforcement do not impair liberty or foretell authoritarianism. The entire experience of civilized societies is that they are consistent with liberty and enlarge it. Professor Friedman's belief that liberty is measured, as currently in New York City, by the depth of uncollected garbage is, as I've previously observed, deeply questionable.

Taxes on the affluent do reduce the freedom of those so taxed to spend their own money. "An essential part of economic freedom is freedom to choose how to use our income." But welfare payments, unemployment compensation, and old-age pensions serve even more specifically to increase the liberty of their recipients. That is because the difference for liberty between considerable income and a little less income can be slight; in contrast, the effect on liberty of the difference between *no* income and *some* income is always very, very great. It is the unfortunate habit of those who speak of the effect of government on freedom that they confine their concern to the loss of freedom for the affluent. All but invariably they omit to consider the way income creates freedom for the indigent.

The differential effect of taxes and public services on people of different income is something we must not disguise. Taxes in industrial countries are intended to be moderately progressive; in any case, they are paid in greatest absolute amount by people of middle income and above. Public services, in contrast, are most used by the poor. The affluent have access to private schools; the poor must rely on public education. The rich have private golf courses and swimming pools; the poor depend on public parks and public recreation.

Public transportation is most important for the least affluent. So are public hospitals, public libraries, and public housing. So are the services of the police and other municipal services. Unemployment and welfare benefits are important for those who have no other income. They have no similar urgency for those who are otherwise provided. In California an estimated two-thirds of the tax saving under Proposition 13 accrued to individual corporations and large property owners. The services curtailed (or which would have been curtailed in the absence of state rescue action) were most used by those with the lowest incomes.

We hesitate in these careful days to suggest an opposition of interest between the rich and the poor. One should not stir the embers of the class struggle. To encourage envy is uncouth, possibly even un-American. But any general assault on the public services must be understood for what it is; it is an attack on the living standard of the poor.

The romantic attack on the social consensus, to which I now turn, has superficially a more powerful intellectual base. It calls on the two-hundred-year old tradition of classical and neoclassical economics which holds that all possible economic decision should be left to the freely competitive market. No other system is socially so efficient or responds more genuinely to the will of the consumer. None rewards more reliably the competent response or punishes more reliably the incompetent one. The social consensus has impaired the operation of the market in two ways: first, by enlarging the public sector, it has diminished, pro tanto, the market sector of the economy; second, by accepting and encouraging a large and varied range of regulation, it has interfered with the free operation of markets. So for this reason too government must be reduced in scale. And, more specifically, it must remove the regulatory shackles from private enterprise and restore the market. In the recent campaign this demand was strident. It is an appeal that can be counted upon to arouse the interest of numerous, otherwise quite placid economists. Here is the opportunity to protect or retrieve the textbook market to which the intellectual capital of much of the profession is still firmly mortgaged.

I have called this attack on the consensus romantic; that is because it ignores the historical forces which make practical steps to restore the market deeply unappetizing. And it makes them especially unappetizing to the very people who urge reestablishing the primacy of the market.

Specifically, the greatest historical force against the market is the modern great corporations. Of these, a couple of thousand now produce around 60 percent of all private product in the United States. This is not exceptional; the concentration is similar in the other industrial countries. These corporations have substantial discretion in setting their prices. They extensively influence the taste of consumers. They similarly organize their supplies of raw materials. With all of this they erode the power of the market. And, given the scale of their investment and the long-term horizons involved, this is what corporations must do. Planning in a partially controlled setting is essential for modern corporate operations. Such planning the classical market does not allow.

But a crusade against corporations does not attract the free-market philosophers. One does not turn the guns on one's own cavalry. So it must be pretended that the modern corporation does not exist. Or with equal implausibility it must be urged that General Motors, Shell, IBM, Philips, and Nestlé are only a slightly enlarged manifestation of the classical atomism of the market. Mobil is just the corner grocer grown up. This latter effort, regularly undertaken by corporate spokesmen, serves principally to cultivate the suspicion that the large corporation somehow lacks legitimacy. Something must be fishy when corporate spokesmen (or compliant economics professors) are forced to argue that Exxon and the friendly neighborhood news vendor are the same economic institution—that each is governed by the same inexorable competitive forces; each is subordinate to the same impersonally determined market prices; neither has a significant political role in the state.

A few of the devout who seek the revival of the market do call for vigorous action to restore competition—for action to arrest and reverse the trend to industrial concentration. But that again is to turn the guns on one's own troops. It also requires action by the government—an alliance with the enemy. And even for the passionate, the antitrust laws, which are the traditional instrument, are a serious strain on faith. We have had them now for ninety years; how much longer do we have to wait before they become effective against industrial concentration?

So, in one way or another, those who defend the market must contrive to ignore the modern great corporation and conglomerate—not an easy thing to do. And few of the other forces degrading the classical market are attractive as political antagonists. Farmers in all the industrial countries have replaced their market with state-supported minimum prices. But few conservatives wish to take on the farmers, and farmers are often conservative too. OPEC has set

the market aside for oil. But OPEC is beyond reach. Trade unions powerfully influence their own wage claims and set the pattern for wages in general. But unions fight back. So it comes about in the United States that practical action against the forces infringing upon the free market regularly ends up (as predictably in these last weeks) in proposals for reducing or reforming the minimum wage. An attack on the minimum wage, the poor man's union, is, almost uniquely, safe.

The elimination of other government regulation that interferes with the free expression of market forces also encounters the difficulty that much of it is very much wanted by those who most protest their devotion to the market. The crusade against, unnecessary, crippling, costly, and otherwise repressive government regulation goes hand in hand with a desperate effort by the trucking companies to preserve licensing and otherwise to restrict competition in interstate transport. It goes along with a parallel effort by the steel companies to have target prices and to regulate steel imports; and with an effort by the textile companies to keep quotas on cloth imports; and with a demand by the auto industry to ease the competition from Japanese cars; and with a keen wish by all who fly that there be nothing casual about government standards of maintenance for the DC-10. Even in Southern California, the home turf of the New Right and Ronald Reagan, there is no urgent demand for more air pollution. Thus, it emerges that unnecessary regulation is what those urging regulation do not happen to need.

The conflict with reality in which those opposing regulation find themselves in a highly organized, highly technological, interdependent society could not be better illustrated than in the case of nuclear power. Just as the advocates of nuclear freedom were gearing themselves up a year and a half ago for a major campaign against government regulation came the accident at Three Mile Island. And just as they recovered their equilibrium came the recent trouble at Indian Point, New York. Ideology is a wonderfully flexible thing; it gives its exponents a wide range of choice. Circumstance, in contrast, is very confining. And it is circumstance that largely governs. This the Reagan years will admirably reveal.

The market, none should doubt, continues to render highly useful service. In economics there are no absolutes. But the only possible policy toward the market, either for conservatives or liberals, right or left, is one of openminded pragmatism. Where it works, the market should be allowed to work. Where it doesn't, regulation has to be accepted.

I come now to the attack on the economic and social consensus which I called real. It holds that expenditure on public welfare services has involved no careful judgment on need or cost; more has been believed to be better. And that the quality of public administration has been seriously deficient. And finally and most importantly it holds that the macroeconomic management of the consensus no longer works. On all three points the attack seems to me justified; on all three the economic and social consensus is vulnerable.

On public welfare and social expenditure—for housing, health care, various forms of direct welfare support, education, and public services in general—active exponents of the consensus have indeed taken the position that the more the better. The basic test has been what conservatives could be made to accept.

For so long as whatever was done by way of social insurance, welfare payments, health care, housing, was elementary or limited, this was a workable test. But it was workable only under conditions of general insufficiency. Thereafter an objective consideration of opportunity cost was needed. The effect of public outlays on such a direct and widely used levy as the property tax needed especially to be considered. It cannot be thought reactionary that such tests be applied. On the contrary, the older working assumption that more is always better was certain at some point to become intellectually and politically discrediting. I do not suggest, however fashionable it might be at the moment, that our public-service and social-welfare expenditures are too high, and certainly not for those who use or need them most. Comparing generally the quality and extent of the public services with the extent and variety of private consumption, one can be certain that the balance wonderfully favors the latter. I argue only for better tests of sufficiency—tests that, at a minimum, contribute to a better defense of social expenditures than we have now.

The second vulnerable point of the economic and social consensus concerns the quality of public management. Chrysler has for many years had a reputation in automobile circles for cloning inadequacy. This is now conceded; its advertising speaks of the "new" Chrysler Corporation. No public agency ever descended to a deeper level of incompetence than Penn Central in its final years. In these last months NBC, one of the guardians of our public virtue, has been contending with the imaginative larceny of its own unit managers.

Many years ago I divided my efforts between Time Inc. and the Federal Government. One could not doubt that it took more people earning more money to do less work in New York than in Washington. One had a blessed feeling of relaxation on returning to private enterprise. Expense-account writing at Time was a small creative art, so discussed. Everyone dealt righteously with the U.S. Treasury. When an important and articulate man in the State Department wore out or was too obviously dissolving in alcohol, he was made ambassador to a minor country or the consul-general in Naples. At Time, if similarly important, he was promoted to corporate vice president and put in charge of looking into new publishing opportunities.

But none of this excuses inferior performance by the public agency. It is under far more rigorous scrutiny by both those whom it serves and those who pay for it. And more attention is paid to training for private management than for public. Business schools train private administrators by the thousands. No comparable effort goes into training in the theory and practice of public administration. Performance in public office, as in sex, is still believed to be extensively a matter of basic instinct.

The solution is without novelty. Defenders of the consensus must be far more concerned with the quality of public management and address ever more seriously the development of a force of public managers of the highest level of intelligence and proficiency. They must be men and women who believe in public service and public enterprise, who take pride in seeing performance that improves on private capitalism, and who take a substantial part of their reward in their own sense of accomplishment.●

HUMAN RIGHTS—LATIN AMERICA

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. BONKER. Mr. Speaker, the world renowned Council on Hemispheric Affairs, led by its able executive-director Larry Birns, has issued its annual report on Human Rights in Latin America for the year 1980.

COHA's report indicates that throughout Latin America, Guatemala and El Salvador have replaced Argentina as the nations with the region's worst human rights record. The report further states, "More people have died in El Salvador during the past year, largely as the result of Government condoned right-wing death squad killings, than in all the other nations of Latin America combined."

We must not and cannot forget the seven Americans killed in El Salvador and the one American who has been kidnaped by terrorists in Colombia. It will be interesting to observe what the new administration will do about these atrocities especially in light of its get tough rhetoric concerning terrorists.

Finally, in commenting on President Carter's human rights policy, the report notes:

Whatever its shortcomings, the Carter administration's human rights policy can only be described as Americanism in action. Lives have been saved, repression has been reduced, and in a number of instances, a movement toward a more democratic society in Latin America has taken place because of it. Without question, this policy was the most innovative action of the Carter presidency. No truly free and democratic society can easily in the future turn its back on the values of upholding a strong human rights policy without being accused of hypocrisy or cynicism.

I commend to the attention of my distinguished colleagues the following which is a synopsis of COHA's annual report.

VIOLATIONS OF HUMAN RIGHTS THROUGHOUT LATIN AMERICA

In its Annual Report on Human Rights in Latin America for the year 1980, the Council on Hemispheric Affairs has found Central America to be the focus for the most serious and widespread violations of human rights during the past year. In COHA's soon-to-be-distributed country-by-country analysis of human rights conditions throughout Latin America, Guatemala and El Salvador have replaced Argentina as the nations with the region's worst human rights record. These two small Central American countries, with a combined population of just 12 million, accounted for the deaths—through politically-motivated violence—of some 15,000 people in 1980; upwards of 5,000 people were killed in Guatemala and almost 10,000 died in El Salvador. More people have died in El Salvador during the past year, largely as the result of government-condoned right-wing "death

squad" killings, than in all the other nations of Latin America combined.

COHA's annual Human Rights Report, which was prepared by the organization's research staff, finds that the ongoing pattern of human rights violations has persisted in the Southern Cone countries of Argentina, Chile, Uruguay, and Paraguay. It notes with concern that the practice of gross human rights violations now appears to have been institutionalized in these nations. They are described in the report as "second-generation violators," since they have governments which a year or two ago sanctioned massive killings of members of the political opposition and anyone else in official disfavor, but which now only occasionally "disappear" or murder their citizens.

The report states that the reduction of late in the number of killings and disappearances in these Southern Cone nations may be attributed to their governments' success in eliminating domestic political opposition over the past several years and to the fact that, through continued repression, these governments have succeeded in intimidating all potential voices of dissent into silence. The public knows that the mail fist is always ready to pound.

The COHA report notes that in Uruguay and Argentina, hundreds, if not thousands, of political prisoners remain jailed without charges or trial, and that arrests, harassment, and the use of physical and psychological torture, as well as Soviet-style secret police tactics against members of the moderate opposition, are the order of the day.

Further indications that, far from improving, the human rights situation in these countries has entered a subtle new phase are provided by this year's series of plebiscites on strengthening and institutionalizing military rule. While the COHA document lauds the courage of Uruguay's people in soundly defeating their military government's proposal for constitutional changes to ensure its perpetuation in power, the report points out that similar and just-as-ominous plebiscites have been or may be staged in Chile and Argentina.

Bolivia has also joined the ranks of serious human rights violators in the Southern Cone this year, as a result of the massive killings which took place after the July coup staged by General Luis Garcia Meza, with the assistance of Argentina military personnel and equipment. The bloody repression which has continued in that country over the past six months leads COHA to distinguish Bolivia as Latin America's most arrant violator of human rights after Guatemala and El Salvador, and has cost a heavy death toll, with countless more jailed. Although the techniques differ, repression in Chile makes the Pinochet government a prime human rights violator.

Both Argentine intrigue with the armed forces and the desire of the Bolivian generals to profit from Bolivia's burgeoning traffic in cocaine were factors in the coup, according to the COHA document. Among those said to have been killed with the connivance of the Argentine Anti-Communist Alliance (AAA) were Socialist Party leader Marcelo Quiroga and trade union head Oscar Sanjines.

The report cites Ecuador, Venezuela, Costa Rica, and the Dominican Republic for having the strongest human rights policies in 1980, although it expresses concern for the deteriorating quality of government in Costa Rica and pinpoints the deplorable situation of Haitian sugar-cane workers in the Dominican Republic as requiring serious attention by the Guzman government. Peru is also lauded.

Venezuela's human rights diplomacy, rather than its standard of observance, came in for some criticism. Caracas' unstinting support for the feckless ruling regime in El Salvador, almost unique in the hemisphere, was viewed as a case of misguided and automatic solidarity with a sister Christian Democratic regime, just as its economic assistance to Guatemala (as part of a regional policy based on petroleum rebates) was characterized as "a policy devoid of discrimination as well as good sense." Venezuela's chairing of the just-concluded 10th session of the OAS General Assembly, was seen as "a triumph of affable mediocrity and a retreat from a vigorous defense of a strong human rights position."●

AMERICANS MISSING IN ACTION IN SOUTHEAST ASIA

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. HOWARD. Mr. Speaker, last Monday, January 26, 1981, marked the anniversary of the signing of the Paris peace accord and the end of the war in Vietnam. However, for nearly 2,500 unaccounted American civilians and military personnel the end is still to be seen. For their families, these last 8 years have been ones of anger, courage, and hope. They live from day to day wondering if their loved one is still alive. For the relatives of the known dead, it is the hope that perhaps one day soon, they will be able to give the deceased a proper burial.

The Government of Vietnam has not been cooperative to American inquiries on the whereabouts of personnel, both alive and dead. Seventy-two bodies have been returned but reports of other remains have surfaced. Sightings of Americans held captive have also come to light. Time and time again the Government of Vietnam has stalled on the release of information and denied accusations. Information that has been released has been sketchy and inconclusive. We can no longer stand for this policy of silence on the part of Vietnam. It is both unfair to the families and the memories of the missing.

Thanks to the determination of the relatives of the missing and other concerned citizens, we have not forgotten our POW/MIA's. The U.S. Government has also not given up. It is our obligation as representatives of the people to continue to pressure the Vietnamese to release our people. We owe this to the men who fought for the honor of our country.●

NSF AUTHORIZATION BILL CONTAINS NEW INITIATIVES FOR REINDUSTRIALIZATION

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. FUQUA. Mr. Speaker, today I am introducing legislation to authorize appropriations for the important activities of the National Science Foundation. The programs and funds proposed in this bill reflect the recommendations made after full budgetary considerations over the past year by the former administration.

Yesterday our committee held posture hearings of the National Science Foundation to gain an overview and an assessment of their targeted budget for the coming fiscal year.

The following were comments I made in opening those hearings:

STATEMENT BY CHAIRMAN DON FUQUA, JANUARY 28, 1981

We will continue our hearings this afternoon and will be hearing testimony from representatives of the National Science Foundation. We hope to get an overview of their major programs and an assessment of their targeted budget for the coming fiscal year.

A total of $1.35 billion has been proposed in the current budget for fiscal year 1982. This represents an increase of $257.5 million or 23.5 percent more than the level of the current plan for fiscal year 1981.

A number of changes and initiatives are being proposed by NSF, not the least of which is a reorganization of the Foundation's applied sciences and engineering programs. As I understand it, the Foundation is taking a "new management approach" by relating applied research more closely to the programs of basic R. & D. Hopefully, such a change will lead to a more vigorous development of the technical knowledge necessary for innovation and, thus, national economic growth. This Committee has taken for sometime a strong interest in the problems of innovation and the need for developing a stronger, more competitive economy through our scientific and technological capability. Our studies indicate that the Foundation holds a key position in determining the direction and magnitude of applied, as well as fundamental R. & D. in the various research institutions of this country. We will be maintaining a strong interest in the Foundation's proposed increased emphasis on engineering research, as well as the effects of other organizational changes underway.

Scientific and engineering education are also assuming increasing importance to this country's basic well-being. A major report issued last year by the Foundation together with the Department of Education notes important deficiencies in both the quality and quantity of engineers and various scientific professionals. Raising general scientific literacy, to achieve a technologically sophisticated work force and voting public, is also being widely stressed. The Foundation has responded with major initiatives for upgrading of instructional engineering equipment, improving research instrumentation and

facilities, and establishing needed traineeship for engineering graduate studies. We will examine with some care the Foundation's proposals in these areas. Certainly strong support must be established and maintained on a long term basis in order to reverse the current negative trends of our scientific and technical education programs.

Finally, the current proposed budget calls for a number of interesting and important changes:

Increasing support for fundamental research by 14 percent to a total of $1,056.6 million;

Expanding of small business R. & D. programs for innovation and commercial applications from $7.5 million to $14.5 million;

Continuing development of the Ocean Margin Drilling Program through a proposed 45 percent increase of $11 million to $16 million; and

Development of initiatives to provide increased opportunities for women and minorities in science and engineering.

I look forward to hearing further about these programs and other concerns of the Foundation, this morning.●

HOUSE RESOLUTION 43

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. BRINKLEY. Mr. Speaker, it was a special pleasure for me to cosponsor House Resolution 43, which the House has just passed, because, in commending former President Jimmy Carter for his unrelenting and statesmanlike efforts to secure the release of our countrymen from Iran, it honored a man whom I am proud to call my most-distinguished constituent.

Four years ago, when he took office, we in Georgia were extremely proud that one of our State's sons was serving in the Oval Office. Today, however, our pride is even greater, for our excitement over his being President has been replaced by respect for his conduct as President.

Certainly, his arduous work on behalf of our former hostages was a fitting way for him to spend his final and most-rewarding hours in office. Still, the things about his service which will live longest in my heart are his strong commitments to brotherhood among all peoples and peace among all nations.

Despite the ups and downs of public life, Jimmy Carter has always been a man of faith. Because he so nobly embodies the spirit of our country, you can understand our pride in pointing out, as we honor him today, that he was and always will be one of our own, a son of the South and a son of Georgia.●

THE JUSTICE DEPARTMENT'S NAZI HUNTERS

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. FISH. Mr. Speaker, bringing Nazi war criminals to justice has always been a major concern of mine. That some of these war criminals are currently living in the United States, and have U.S. citizenship, is beyond belief.

I would like to bring to the attention of my colleagues an article which appeared in yesterday's Washington Star. I think it will be useful for me to place this article in the CONGRESSIONAL RECORD since it focuses on the Justice Department's Office of Special Investigations and its Chief, Mr. Allan Ryan. I applaud the work of Mr. Ryan and the Office of Special Investigations and their efforts to rid our country of Nazi war criminals.

I also want to point out that earlier this week, my distinguished colleague BILL LEHMAN and I circulated a letter we are sending to President Reagan on the Office of Special Investigations. We are asking the President to provide full funding and complete support for this important office.

I urge my colleagues to read the following article by Mr. Charles McCollum of the Washington Star and to then join Mr. LEHMAN and me in our letter to President Reagan.

[From the Washington Star, Jan. 29, 1981]

YOUNG, NEW BREED OF NAZI HUNTERS

(By Charles McCollum)

For three decades, Feodor Fedorenko lived quietly in a small Connecticut town. The factory worker was a good union member, a good member of the community, the sort of person you wanted as a next-door neighbor.

But there had been another Feodor Fedorenko, one whose life the soft-spoken Connecticut man wanted to keep buried in the rubble of World War II. During the Holocaust, Fedorenko—a Ukrainian—had been a guard at the Treblinka concentration camp in Poland. Former prisoners said he had shot Jewish prisoners, pushed women into gas chambers and carried a steel-tipped whip to punish inmates.

When Fedorenko entered this country in 1949, he said nothing of his past and, last week, the United States Supreme Court ruled that the 74-year-old man could be stripped of his citizenship and deported for failing to do so. Deportation hearings against Fedorenko will begin soon.

For one man, Justice Department attorney Allan A. Ryan Jr., the Supreme Court decision was particularly satisfying. It was the Fedorenko case that had first drawn the one-time Marine and former corporate attorney into a world of concentration camp horrors, former Nazis and trails of evidence that began before he was even born.

The 35-year-old Ryan, who lives with his wife and young daughter in Rappahannock County, Va., is the head of a Justice Department effort to track down surviving Nazi war criminals living in this country. The Office of Special Investigations has a staff of 50, including 20 attorneys, and most of them—like Ryan—were not even born when the crimes of World War II were committed.

The distance of decades has not made the search any less important to Ryan and his staff. "The most important aspect of the Supreme Court ruling (in the Fedorenko case) was that it validated the legal theory on which we are basing most of our cases in the lower courts," says Ryan with quiet enthusiasm. "What it essentially says is that, if you lie on a visa application, you have not lawfully been admitted to this country . . . that the citizenship was illegally procured."

The bearded, slightly rumpled attorney leans back in his office chair and says arguments that the former Nazis or Nazi collaborators are now old men and women who have atoned for their sins "doesn't cut any ice with me.

"I have no particular interest in disrupting the lives of old men . . . (but) that is bull . . .," he says flatly. "They have not atoned for their sins or shown any pangs of remorse. All they cared about was keeping such matters out of the public eye, as if nothing had ever happened.

"I don't know what may go through their minds while they're lying in bed at night but I've never seen any of them come forward and say, 'Look, I have to get this off my conscience.' "

Ryan admits that leading a hunt for former Nazis was not how he planned to spend his life and his career. A graduate of Dartmouth College and the University of Minnesota Law School, he had led the life of a "typical" Washington lawyer—a stint as law clerk to Supreme Court Justice Byron R. White, three years with the high-powered law firm of Williams, Connolly and Califano, three years as assistant to the Solicitor General of the United States.

Then, along came the case of Feodor Fedorenko.

"The INS (Immigration and Naturalization Service) had lost the case against Fedorenko and wanted to appeal. The Solicitor General's office has to authorize any appeal by a government agency and the case was assigned to me," Ryan says. "Ultimately, I recommended that it should be appealed . . . and, when the case came to trial, the INS asked if I would handle it.

"The legal issues were certainly interesting enough," he continues, "but what affected me was: here was this man that, by his own admission, was a concentration camp guard at Trelinka, who had concealed his background and had come into this country as a result of that deception. I thought the United States ought to be able to do something about that.

"It was my first realization that there were Nazis in this country, more or less living in the open . . . who were responsible for the persecution of millions of people but were being allowed to live peaceful and unquestioned lives here. That intrigued me."

As Ryan was appealing the case, Rep. Elizabeth Holtzman, D-N.Y., was holding hearings on the cases of the former Nazis. Under pressure from her subcommittee, the Justice Department agreed in 1978 to fund a new office to evaluate accusations of war crimes against 350 persons and to search out other Nazis living in this country.

Ryan became deputy director of the OSI in January of last year and director three months later. So far, his office has 17 cases in litigation—10 involving denaturalization,

the first step, and seven involving deportation.

Hundreds of other cases are still being investigated. Most involve persons from the Ukraine, Latvia, Estonia and other segments of the Soviet Union who are accused of collaborating with the Nazis and came to this country under the Displaced Persons Act of 1948. But, just recently, the West German government provided the OSI with the names of 50,000 former SS officers and enlisted men and Ryan indicated some may have slipped into this country under normal immigration procedures.

"I don't want to talk about those cases yet, but we are very close to going into court on a case of that type," Ryan noted.

Ryan and his investigators have spent hundreds of hours poring over the records of a dozen nations and have interviewed witnesses in Israel and the Soviet Union and other Eastern European countries. A bit surprisingly, the OSI has received the cooperation of Russian officials.

The chase has affected Ryan and his staff. Last October, Ryan himself slipped into the former concentration camp at Dachau outside Munich as a tourist. "It was an incredible experience," he says. "You stand there at Dachau and try to realize that this really happened. No matter how many photographs you've seen, no matter how many documents you've seen, you stand there and you say, 'How could this have happened? How could people do this?'"

On a trip to Warsaw, Ryan visited the rooms where the Nazis once tortured prisoners. "You stand there and you think, 'That's the blood that was spilled, those are the bullet holes left when people were shot, that's the Star of David a prisoner scratched in the wall with his fingernail.'

"It is almost too much for the human mind to comprehend—and, maybe that's the great lesson in the Holocaust."

His staff, Ryan says, "has a strong emotional attachment to what they are doing.

"There are lawyers and others on this staff who would not be working for the government, certainly not for the Justice Department, if it weren't for this work. They believe in it, so they are here. We share the feeling that we are doing the right thing, that we are doing justice."

Ryan hopes that, beyond bringing war criminals to justice, his staff's efforts will have an educational effect on the American public and, more important, refute a recent spate of revisionism which suggests that the tragedy never occurred.

The attorney recalls that a Polish official asked him about this revisionist history at one meeting and that he had told him not to take it seriously.

"His reply was, 'Yes, that's all true now in 1980. But 100 years from now, 200 years from now, when we are dead and our grandchildren are, when the Holocaust is to people of that time what the Crusades are to us now, what then?'

"That is ominous," Ryan says. "The Holocaust is something that must not be forgotten."●

AN EARNED RIGHT

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. HOLLENBECK. Mr. Speaker, I rise today to express my deep concern over the financial problems facing the social security system. I take this opportunity to share with my colleagues the basis of my concern.

As we know, the President's Commission on Pension Policy is expected to submit their final report on overall retirement policy to the Congress in February. The Commission's recommendations and the impact they hold for millions of current and future social security recipients warrants careful evaluation by the Congress.

It is unfortunate that the accelerating cost of social security has prompted numerous studies and recommendations aimed at reducing benefits but none to increase payments and expand coverage. Former Social Security Commissioner William J. Driver, for instance, recently told the Senate Committee on Aging that continuing high inflation and unemployment would result in serious financial problems for the retirement system. In his testimony, Mr. Driver said the financial base of the system would deteriorate, even with frequent tax increases, if unemployment continues to reduce revenues and inflation continues to force benefit payments upward.

President Reagan's Social Security Task Force has offered several alternatives to restore the financial integrity of the social security program. Recommendations include an increase in the retirement age, reduced indexing of benefits to inflation and changing the way initial benefit levels are fixed.

Let us not forget that the Government is responsible for making sure the social security system is kept in balance and that it is financially sound. Thus, when problems are recognized, the President and Congress can act to restore fiscal balance to the programs by enacting changes. However, whatever the merits of a particular change may be, we must recognize that we run the risk of altering the fundamental nature of the social security system. Social security benefits are not a gift from a generous Government, but an earned right. We should be careful, therefore, not to undermine people's faith in social security promises and the promises of their elected officials. We owe older Americans, future retirees, and the taxpayers no less.●

TRIBUTE TO DICK WILSON

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. SMITH of Iowa. Mr. Speaker, a few days ago the Washington Post's obituary of Dick Wilson, the distinguished journalist and longtime Washington bureau chief of the Des Moines Register, was printed in the RECORD at my request. Since then I have received the eloquent and more detailed obituary carried in the Register. For the benefit of my colleagues who knew Dick Wilson, I request unanimous consent that the obituary published in the Des Moines Register of January 19 be printed in the RECORD. It is as follows:

REGISTER'S RICHARD WILSON DIES AFTER NOTED D.C. NEWS CAREER

(By George Anthan and Donald Kaul)

WASHINGTON, D.C.—Richard Wilson, 75, one of the capital's most respected and influential newsmen during more than four decades as The Register's chief Washington correspondent, died here Sunday after a long illness and treatment for cancer.

Wilson, who was on a first-name basis with all the presidents from Franklin Delano Roosevelt through Richard Nixon, had won most of the awards presented to journalists, including the Pulitzer Prize, the Raymond Clapper Memorial Award, the Sigma Delta Chi distinguished service award and the Headliners Club award.

Wilson retired late in 1970 after 37 years as chief of The Register's Washington Bureau, but continued as the newspaper's top correspondent in Washington and wrote a syndicated editorial page column until 1975.

Having covered every national political convention since 1932, he returned to The Register briefly in 1976 to assist in covering the Democratic and Republican conventions in New York City and in Kansas City, Mo.

He had been living in Florida but returned to Washington when his health worsened several months ago.

Wilson considered himself a native of Newton, Ia., although he was born in Galesburg, Ill., where his family lived for one year. He majored in chemical engineering at the old Iowa State College and in journalism at the University of Iowa.

He went to work for The Register in Des Moines in 1926 and remained with the Cowles newspaper, broadcasting and magazine organization for the rest of his career, except for a year as a reporter with the St. Louis Globe-Democrat.

He was married to the former Katherine Macy, formerly of Adel, Ia., who was managing editor of the Daily Iowan in Iowa City when Wilson was the paper's night editor. She survives him, along with the couple's two daughters, Susan and Kay. Funeral services for Wilson are pending.

DRESSED LIKE A DIPLOMAT

Tall, slender and reserved, Wilson was looked up to by his colleagues and by the government officials he covered. His dress was uncompromisingly conservative, less that of a journalist than of a British diplo-

mat or the president of a large, old-line bank.

Wilson once told the story of an incident that occurred during then-Vice President Richard Nixon's trip to Russia in 1960. Wilson was covering the trip for The Register.

The Nixon party had gone to view one of Russia's proudest achievements, a huge hydroelectric project. From the party's vantage point, the visitors could see not only the huge dam and the lake behind it but a grand Russian vista as well. It was, Wilson recalled, breathtaking. Nixon walked up to him. Expecting the vice president to say something significant, Wilson stooped slightly to listen.

Nixon fingered the cloth of Wilson's lapel and asked, "Dick, where do you buy your suits?"

Although publicly reserved, Wilson privately was a warm man, quietly convivial and helpful to younger journalists. On occasion, he could be mildly sardonic. In the early 1970s, when some mature men began to let their hair grow long, he turned to Kenneth MacDonald, then editor of The Register, and observed, "Ken, I see you've taken off some weight and put on some hair."

Wilson was under few illusions about Washington and about the fame and power that so pervade this city.

"SATISFYING AND ILLUSORY"

"A career in journalism," he wrote in The Register upon retiring in 1975, "is both satisfying and illusory. Said Lyndon Johnson as we climbed mother-naked out of his overheated White House swimming pool: 'You can come to see me every week, if you want to.' I didn't. Said Franklin D. Roosevelt to an awed boss [of Wilson's]: 'Dick Wilson is one of the four best reporters in Washington.' Roosevelt barely knew who I was at that time. All standard Washington persiflage."

Wilson had held the presidencies of the National Press Club and the Gridiron Club—he was for a time the Gridiron's unpaid treasurer—but of his own awards and honors he said:

"A few awards, prizes, honors have come my way—some of them deserved, I hope. But Washington journalism is overstocked with press indulgence, awards by the dozen, dinners by the score for shoulder-rubbing with the great."

Wilson won the Pulitzer Prize for his exclusive stories in 1953 revealing that in 1945 the FBI had warned the White House of the Communist connections of Harry Dexter White. His stories provided a complete picture of Soviet espionage in the United States, beginning in the years before World War II.

Wilson has opened The Register's Washington Bureau in 1933, mainly to provide Midwestern farmers with news of the myriad programs being fashioned by the new Roosevelt administration to try to lift the nation out of the Great Depression.

He quickly became the pre-eminent agricultural expert among Washington reporters, but his interests were wide ranging. Wilson wrote the first story of Roosevelt's attempt to purge congressional leaders who had opposed his court-packing plan; he covered the African and European theaters in World War II; he wrote the first full story of Nixon's campaign fund scandal in 1953; he covered the Geneva summit conference in 1955; he accompanied Nixon to Africa in 1957 and to Russia in 1960; he traveled with President Eisenhower to Europe and Asia and was in Paris in 1960 when the summit conference collapsed because of U.S. spy plane flights over Russia.

WITH KENNEDY AND NIXON

Wilson covered the Khrushchev-Kennedy conference in Vienna in 1961 and traveled with Kennedy to Europe in 1963. He went to Southeast Asia twice in 1966 and was on Nixon's around-the-world trip in 1969. In 1972, he went with Nixon to China.

Until 1970, Wilson also headed the Washington bureau of the Minneapolis Tribune, and during his career he wrote more than 100 articles for LOOK Magazine, another Cowles publication, which no longer is published. He frequently appeared on NBC's "Meet the Press" program.

MacDonald, who now is retired, recalled Sunday that Wilson "was a great newspaperman but no city editor. Every time a really good story broke, he'd get someone to cover the desk while he went and covered the story. His going to Washington for us was one of the crucial moves we made in those days. It was a sign to our readers and to the rest of the staff that the paper was going someplace.

"Wilson distinguished himself early on in his reporting of agricultural developments. It was said that Agriculture Department bureaucrats learned more from The Register about what was happening in their department than they did from official channels."

WASHINGTON SUBURBANITE

Wilson was one of the first Washington suburbanites, living in then distant Bethesda, Md., in the late 1930s and trying to grow some corn, partly in an attempt to retain his Iowa ties.

When Iowan Henry Wallace became secretary of agriculture and then vice president, Wilson cultivated him as a source and recruited him as a tennis partner. Wilson had to get up every morning well before dawn so he could be in Washington at 6 a.m. to play tennis with Wallace. Then he put in a full day's work.

MacDonald recalls, "It was killing him, but he kept it up because he thought Wallace, although reticent, would continue to be a good source."

Wilson gave up playing tennis with Wallace after the vice president told him—during a tennis match—that there wouldn't be war between the United States and Japan. That was on Dec. 5, 1941.

Wilson's boyhood friend and former managing editor of The Register, Frank Eyerly, said of Wilson:

"He was a terrific reporter, always, but when he went to Washington, he really took off. He pioneered in the coverage of the Agriculture Department and set the stage for the kind of work that Risser and Anthan do today."

James Risser, chief of The Register's Washington Bureau, who currently is on a leave of absence from the newspaper, said, "Richard Wilson was a quiet and elegant man who was one of the most influential and respected Washington reporters of his day. It was no accident that at one time all three members of The Register's bureau that he headed were Pulitzer Prize winners, an unprecedented accomplishment in Washington."

Nick Kotz, who won a Pulitzer Prize while working for The Register bureau under Wilson, said:

"I never worked for anyone more supportive. He gave people their head and assumed that they were as mature, professional and serious about the business of news as he was. And if you occasionally got into trouble with editors on the paper or with government officials, he was a bulwark of support."

Charles Bailey, now editor of the Minneapolis Tribune and a former member of the Cowles bureau in Washington, said, "I know I'll never have a better teacher or boss. He assumed you were a professional, told you what he wanted and left it up to you to do it."

Wilson perhaps was proudest of the achievements of the bureau he built, watching over the years as its members received most of the major journalism awards.

Wilson himself wrote in 1975 that through his half-century of reporting, "Three major events happened. This country was engulfed, nay, swamped in technology. The United States became the greatest world power. It also became a continental welfare state. That encompasses the whole of it."

In the past, Wilson wrote, lay a "miles-long ribbon of columns, a couple of hundred magazine articles, hundreds of broadcasts—and one wonders if anyone was enlightened by them."

Wilson said he learned that government cannot do what has come to be expected of it, that no way has been found to avoid war and that no way has been found to provide never-ending security and comfort. And presidential candidates, he stated, will continue to promise a new tomorrow that will arrive flawed or not at all.

But, finally, he was an optimist. Noting that the late Arthur Krock had concluded his 60 years with the New York Times by stating that the "tenure of the United States as the first power in the world may be one of the briefest in history," Wilson himself concluded:

"Such dark thoughts hover about, but I reject them. We will recover."●

MORE U.N. HYPOCRISY ON MID-EAST PEACE

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. PORTER. Mr. Speaker, I note with great consternation that on this day the United Nations Postal Administration, as directed by a General Assembly resolution that the United States voted against, is releasing a set of three stamps on the theme "inalienable rights of the Palestinian people." The stamps are dedicated to "Palestinian self-determination, independence, and sovereignty" and the General Assembly resolution from which they spring speaks of the fact that "no just solution to the problem of Palestine has been achieved."

Mr. Speaker, it is only with the greatest hypocrisy that the U.N. majority may speak of this failure to find a just solution, for the recent record of the U.N., relating to the conflict there, is deplorable.

With all of its flowery language espousing Palestinian national rights, where was the U.N. when the combined Arab armies dismembered the

fledgling Palestinian state created by the U.N. in 1948? When Jordan annexed the West Bank, and Egypt controlled Gaza for 19 years, where were the world cries for Palestinian nationalism? And what of the inalienable rights of the Israeli people? By unconditionally seating representatives of a terrorist organization—PLO—whose sole cause is the annihilation of a U.N. member state—Israel—the United Nations renounces any good faith role in seeking a just solution to the conflict. By turning its back on the Camp David process, and by lending moral support to PLO terror, the U.N. has dug its heels into the status quo and refused to embrace the cause of peace.

Mr. Speaker, these stamps are merely an emblem of the U.N.'s seemingly endless fascination for anti-Israel and even anti-Semitic sentiment. Time after time in recent years, the U.N. has failed in its principal mission of nurturing world peace, and chosen rather to squander its time and resources on constructing a stage upon which the floor show of anti-Americanism may be viewed. It becomes clearer that only an ambition of self-destruction would have the United States continue to bear the plurality of costs for this spectacle.

The U.N. seems hellbent on delivering itself into history's dustbin, our protestations notwithstanding. Faced with episodes like last year's Women's Conference in Copenhagen becoming a PLO propaganda festival, or continued UNESCO anti-Semitism, it is difficult indeed not to endorse enthusiastically our new U.N. Ambassador's call for withdrawing U.S. finanical support for certain U.N. agencies. If Ambassador Kirkpatrick's voice of reason is not heard on the floor of the U.N. General Assembly, then it shall surely be heeded on the floor of this House of Congress.●

U.S.S. "GEORGE PHILIP"

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. LAGOMARSINO. Mr. Speaker, one of the Navy's newest surface warfare ships, the guided missile frigate U.S.S. *George Philip* (FFG-12) will arrive at Port Hueneme, Calif., Friday, February 6. The ship will be open to the public.

George Philip's visit will be held in conjunction with its ship qualification trials on the Pacific missile range off Point Magu. Naval ship weapon systems engineering station is providing support during the 2-week trials which start February 1.

Comdr. James L. Turnbull, commanding officer of *George Philip*, grew up in Ventura County where he attended elementary and secondary schools and was graduated from Nordhoff Union High School in 1957. He is the son of Mr. and Mrs. Archie Turnbull of Ojai, and is married to the former Linda Lee Dobbs of Ventura.

On behalf of the Members of the House and my constituents in Ojai and Ventura County, I welcome Commander Turnbull and his men to our area and wish them the best of luck in their mission.●

THE EMERGENCY AUTOMOBILE REGULATORY RELIEF ACT OF 1981 AND THE AUTOMOTIVE ECONOMIC RECOVERY TAX ACT OF 1981

HON. JIM DUNN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. DUNN. Mr. Speaker, today I am introducing a measure to provide emergency regulatory relief to the automobile industry, to stimulate demand for purchase of new automobiles and to lessen the burdens of capitalization costs of converting to more fuel efficient vehicles.

By all accounts, it is becoming increasingly clear that:

The future viability of the automobile industry should be a concern to the entire country;

The automobile industry has been the victim of unpredictable energy supply interruptions and Government pricing policies;

Long leadtimes necessary to build more fuel efficient cars made it difficult to respond instantaneously to such interruptions;

The U.S. auto industry has been in the process of converting to greater fuel efficient cars for some time and that the capital required for this conversion makes it the largest privately funded investment program in history; and

Certain Government regulations and policies are making it difficult to come up with that capital and relief from those regulations and policies is essential to the industry's chance for survival.

THE DILEMMA

The domestic automobile industry today is facing an unprecedented economic crisis.

The U.S. Department of Transportation has just issued a report on the state of the automobile industry that is alarming.

Three hundred thousand auto workers lost their jobs in 1980. Another 350,000 to 650,000 in auto related industries lost their jobs.

The cost to the U.S. Government in unemployment benefits, lost tax revenues, trade adjustment assistance, food stamps, medicaid, welfare and other Federal support programs for the loss of one auto worker was $14,100 according to the most recent DOT estimates that were taken for the year 1979, when costs were substantially lower than today.

To cloud this picture further, during the first 10-day period of January 1981, domestic car sales were down 20 percent from 1980.

As a Member from the State of Michigan, I am all too well aware of the widely held misconception that the problems of the automobile industry are the problems of Detroit, the State of Michigan, and a handful of other States where auto manufacturing is concentrated.

Nothing could be further from the truth.

As a major consumer of raw materials, of component parts, and as a supplier to dealers across the country, the auto industry's well-being directly affects the economic welfare of the entire country. To underscore this, the Department of Transportation released the following figures:

Roughly one of every six jobs in America is related to the auto industry; in total more than 4 million people directly owe their employment to the automobile.

The automobile industry utilizes 21 percent of the nation's steel output; 60 percent of the synthetic rubber; 11 percent of the primary aluminum; 30 percent of the ferrous castings; 25 percent of the glass; 20 percent of the machine tools; and significant percentages of plastics and electronics.

Production of the auto involves a vast and expensive industrial network. There are more than 100 plants involved in the manufacturing process of each automobile; over 2,000 companies produce goods primarily for the auto industry, which each year purchases $10 billion of equipment and material from suppliers.

Clearly, the interdependence of so many major industries with the automobile industry is such that the economic well-being of our country rests to a substantial extent upon this vast industry and its future viability. Those who would ignore the automobile industry at this crucial juncture in its development may well be turning their backs on America's economic future itself.

CAUSES OF THE DILEMMA

Before we can talk about solutions to the automobile industry's current dilemma, it is necessary to understand the primary causes of its distress. They are: First, U.S. energy pricing policies and particularly the sharp increases in gasoline prices in 1979; second, the effect on demand of the current economic downturn; third, the costly burden of certain Government regulations.

Beginning with the Arab oil embargo in 1973 and followed by increases in the cost of oil and continuing threats of supply interruption, the demand for fuel supplies has played an increasingly pivotal role in the direction of the

U.S. auto industry. While other nations did not shelter the real price of oil and consequently encouraged the production of more fuel efficient cars, the United States controlled the cost of oil and thereby artificially maintained lower oil prices.

Because the natural market forces were not at play, the American consumer was not demanding smaller fuel efficient cars. In fact, in about late 1975, when many of the decisions concerning 1980 model cars were being made, import sales had just suffered a tremendous drop in penetration from 21.7 percent of the market in March 1975 to 11.6 percent in November of the same year, a decline of almost 50 percent in 8 months. Gasoline prices were half what they are today and large domestic passenger cars were selling very well.

Today, after the doubling of gas prices in 1979, gasoline usage is down over 12 percent over 1 year ago.

These rapid changes in demand have created havoc in the auto industry. This is because new cars cannot be built in a day or a year. To produce an all new automobile with a new engine, transmission, and other components takes a minimum of 5 years. A car may have 7,000 to 12,000 parts originating from 100 or more plants; it must be made in millions of copies, operate in a broad range of environments, please a variety of customers and be compatible with existing infrastructure of sales, maintenance, and repair facilities. The Department of Transportation estimates that it takes about 2 years for the preliminary design of an automobile and 3 years to design, build, and put in place the manufacturing and assembly equipment. Decisions, for example, to produce GM's X car were not made last year with the advent of the Iranian oil crisis, but much earlier in the 1970's.

In addition to these long lead times that make it difficult for the industry to keep up with rapidly changing demand shifts, the economic downturn we are currently experiencing coupled with high interest rates and high inflation has resulted in the most massive losses ever recorded by any industry. This is despite the fact that the price per vehicle has remained remarkably steady. In fact, the public has been receiving a vastly improved auto each year without real price increases.

AUTO INDUSTRY TODAY AND IN THE FUTURE

In order to respond to changes in demand for greater fuel efficiency, radical and costly changes are taking place in the American automobile industry.

By 1985, domestic autos will be smaller, lighter, front wheel driven, run on smaller engines, and boast more sophisticated technology.

To bring this about, new facilities and equipment must be built. New product designs must be developed. The capital needed to revamp product lines has brought on enormous financial difficulties. In fact, capital investments in the next few years will be 2 to 3 times historical trends in real terms. Whereas in the past when spending could be put off during sales downturns, the demands to keep production of new fuel efficient cars on schedule is such that spending cannot be put off.

More than $70 billion in new investment will be needed by 1985. This is the largest privately funded investment program in history. It dwarfs the spending on the Apollo program.

The ability to come up with this capital is severely hindered by the excessive costs of Government regulations. The Department of Transportation in its report agreed that "Government automotive regulations have often been insensitive to the cash flow problems they create."

Long-term aggregate costs of Government regulation are normally thought to be recouped through multiyear high volume production. But the fact is that the front-end cash requirements needed to comply with Government regulations is placing significant short-term financial pressures on the industry. This ties up capital in nonproducing assets and further delays the industry's ability to recapture its tooling outlays.

Last week a subcommittee of the Senate Finance Committee heard testimony on the impact of Government regulations on the auto industry. An expert in this area, Dr. Lawrence White, a New York University economist, testified that Government pollution and safety regulations cost auto manufacturers an additional $600 to $1,000 per automobile. Passive restraint requirements in 1982 will add somewhere between $70 to $100 per vehicle. Airbags would add as much as $500 per vehicle.

PROVISIONS OF THE BILL

The legislative package I am introducing today is designed to stimulate demand for the purchase of new autos in the light of the current economic downturn, to help the U.S. auto industry meet the enormous costs of converting to more fuel efficient cars and make more cost-effective certain Government regulations.

I am introducing tax proposals which will stimulate demand, recapitalization, and employment, thereby pushing the industry back on the road to health and productivity.

During a period of 6 months, tax credits will be offered toward the retail purchase of certain automobiles that meet certain fuel efficiency standards. Five hundred dollars will be credited against the purchase price of a new car, with an additional credit allowed for those who must borrow money in order to buy. High interest rates have been a major factor in the downturn in automobile sales, rates which are neither the fault of the auto industry nor the burdened consumer. This measure cushions the impact of high interest rates in the auto market by allowing a tax credit for 50 percent of the interest paid on loans for automobiles bought within the 6-month period. This is limited by a $400 ceiling allowed each year per vehicle.

While foreign car manufacturers operate in close cooperation with their governments, U.S. auto makers have traditionally been made to produce and evolve in a tight competitive atmosphere. Long-term health may come only by quick and substantial capital investment within the American auto industry. Our Government now has the chance to provide some cooperation for the manufacturers and work force. My bill will help ease the industry through the critical next 5 years. It will provide incentive for capital to be invested in the machinery and equipment needed to be competitive. Such machinery will be depreciated 25 percent faster, while special tools used for short periods of time in retooling and other efforts will be expensed in the taxable year of their use.

Manufacturers are currently entitled to investment tax credits and net operating loss deductions. Indeed, current law allows a carryback and carryover of these benefits to allow for years when a company may have no tax from which it may credit and no profit from which it may deduct. This scheme, however, did not foresee what now exists: A huge industry, basic to our economy, undergoing an extended depression many years beyond what once was considered a reasonable period of carryback. This legislation will increase the carryback period from the current 3 years to 7. This extension would apply to not only auto manufacturers themselves but to suppliers of the auto industry as well.

These tax incentives are called the Automotive Economic Recovery Tax Act of 1981.

Finally, a separate bill, the Emergency Automobile Regulatory Relief Act of 1981, calls on the President to conduct an emergency review of all regulations affecting the automobile industry including manufacturers, suppliers, and dealers and to revise and amend those regulations which are found to impose excessive financial burdens on the industry.

President Reagan and Secretary of Transportation Drew Lewis have ordered an executive-level task force to identify regulations that must be revised. My bill takes this one step further by requiring that action be taken on an emergency basis within 90 days. I have spoken with White House offi-

cials and with Secretary Lewis who have voiced their full cooperation in this effort.

I strongly believe in market solutions to problems of the auto industry. At the same time, we should all recognize that the auto industry has been forced to bear the brunt of the current economic downturn as well as the impact of Government energy pricing policies and costly regulations. Government must now share the responsibility for returning U.S. automakers to their prior competitive positions.

Let us not fool ourselves into believing that the auto industry can alone recover without the U.S. economy improving. We must have restraint in Federal spending and responsible monetary policies in order to get our economy back on the track.

I believe that the proposals I am putting forth today are a reasonable and moderate response to the impact of a whole host of factors, many of which have long been beyond the control of the automobile industry itself.●

KAREN WACASER, MISS ILLINOIS UNITED TEENAGER

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. FINDLEY. Mr. Speaker, I am very proud of Karen Wacaser of Springfield, Ill., who was chosen to represent Illinois in the Miss United Teenager Pageant and who crisscrossed the country in that capacity. During her Washington tour, Karen wore an exact replica of a ball gown worn by Mary Lincoln as her State gown. Her essay was one which could have been written for this week's grand celebration in Washington in honor of the former hostages.

I want to share her words with you.

America, my country reminds me in many ways of a rose. Before the rose, there was the seed, and before the Republic there was the idea.

Just as the new seedling experiences growing problems, America has also experienced growing pains.

Like the rose that grows and branches out, America has cultivated friendships with other countries to spread good will across all lands.

Just as the rose experiences cold nights yet is always confident of the coming dawn, America has also experienced its dark moments, and yet we've always been confident that brighter days are ahead.

But this rose is like my country in that it has not yet reached full bloom. We have yet to discover our full potential.●

HOUSE OF REPRESENTATIVES—*Monday, February 2, 1981*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. MOAKLEY).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
January 29, 1981.

I hereby designate the Honorable JOE MOAKLEY to act as Speaker pro tempore on Monday, February 2, 1981.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, give us the appreciation we should have for the opportunities of each day. We admit, O gracious God, that we become so involved in our busy and necessary efforts that we can easily miss the gifts that might be new every morning—the gifts of life, of hope, of freedom, of forgiveness, and the assurance that You are with us always, every hour until our last day. O God, we thank You for this day. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

WHO REPRESENTS AMERICANS? FOREIGN AID MUST BE CUT

(Mr. LOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOTT. Mr. Speaker, it never ceases to amaze and dismay me that every time there is a suggestion of reducing foreign aid, a tremendous hue and cry goes up from the State Department, foreign countries, Congressmen and Senators with a direct interest, and the Washington Post. But who represents the American people in this debate? They have had enough. They want reductions in Federal spending—beginning with foreign aid.

Our new Director of the Office of Management and Budget, Dave Stockman, last week proposed some reductions in President Carter's budget for consideration. It was immediately leaked to the press and panicked screams ensued.

First of all, who leaked it? That person should be found and fired. I hope Secretary of State Haig can get his Department under control and stop such irresponsible actions in the future.

And what did Stockman actually propose? For consideration, he suggested we hold down President Carter's astronomical 30-percent increase in this year's budget for foreign aid. Last year our budget had $6 billion for foreign aid. Carter proposed $8 billion for this fiscal year. Director Stockman suggested $5.4 billion, which was a slight reduction from last year's budget.

The American people made it plain in last year's elections that they want reductions in Federal spending, but not only in domestic programs while foreign aid goes merrily on its way. The time is now for at least a reasonable reduction in foreign aid.

FOREIGN AID NOT SACROSANCT—CUTS IN PROGRAM SEEN

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I just want to commend the gentleman from Mississippi (Mr. LOTT) for making the point he made about foreign aid because the press obviously missed the very important point that the budget that was presented by President Carter was, as the gentleman indicated, far in excess of what it was this year and it did not represent what Mr. Stockman was talking about. It did not represent a significant cut from where we are but, rather, some projected increase that was just a figment of many people's imaginations.

To this point, if we are going to make significant reductions, as the gentleman indicated have to be made, certainly foreign aid is not going to be sacrosanct and left untouched when there are so many domestic programs that are going to have to be scaled down and so many projected increases that are going to have to be scaled back to a more acceptable level.

Mr. Speaker, I commend the gentleman from Mississippi (Mr. LOTT) for making this point clear to us.

WORLD HUNGER, PEACE CORPS CUTS WOULD RESULT FROM FOREIGN AID CUTBACK

(Mr. DIXON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DIXON. Mr. Speaker, those concerned with world hunger and underdevelopment were jolted by Friday's news in the Washington Post.

The Director of the Office of Management and Budget, David Stockman, has called on the President to cut $2.6 billion from our 1982 foreign aid program.

This would devastate our contribution to the fight against world hunger, disease, and deprivation.

To slash foreign aid by one-third, OMB says the heaviest burden will be felt by Africa. How can we explain this action to ourselves or to others? Half the children die before the age of 5, and hunger is a way of life.

The number of Peace Corps volunteers would be cut by one-quarter. This is no message of thanks to 6,000 Americans—young and old—who make the difference in 60 of the world's poorest countries. Who will Mr. Stockman have to teach farmers to better plant crops, or mothers to raise healthy babies?

This is an ominous message to have our President send, and one the world's poor do not deserve to hear.

KOREAN ADS IN WASHINGTON POST

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, I was concerned this morning—in fact, it did not do my breakfast a bit of good—to see all those full page ads in the Washington Post saying welcome to the President of Korea on his visit to Washington. Seven of them.

I am told a full page ad in the Post costs between $20,000 and $25,000, so what I was looking at is an expenditure of between $140,000 and $170,000. And the same ads ran in the New York Times last Friday at probably a higher cost. They may have run in other papers as well. So we are talking about an outlay of maybe a half million dollars or more. And for what? Who are those ads trying to influence? What is the message they are trying to get across?

I will tell you the message that came across to me. If the Korean Government or industries have that kind of money to throw around, they must be in very good shape. They surely are not in need of any great assistance from us. And if any of that money came from our military or foreign aid programs, it would be an outrage and a clear indication that Korea is getting more money than it needs.

Mr. Speaker, there is a great effort on now to cut waste and unnecessary expenditures out of government. The foreign aid program is one of the areas that will be most closely examined for such expenditures. It was extremely poor judgment for the promoters of this nauseating display to offer such a prime example of wasteful, unnecessary spending.

INTRODUCTION OF FEDERAL MANAGERS ACCOUNTABILITY ACT OF 1981

(Mr. BROOKS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BROOKS. Mr. Speaker, today I am introducing the Federal Managers Accountability Act of 1981. This measure will improve the management and expenditure of Government funds by improving the internal accounting and administrative control systems of Federal executive agencies.

The Federal Managers Accountability Act fulfills a recommendation of the General Accounting Office that internal control systems within the agencies be upgraded and improved. The head of the GAO, Comptroller General Elmer Staats, has stated:

> We believe that the reason internal control systems are in a state of disrepair is that top management has devoted most of its concern and emphasis to delivering funds and services and that effective controls over tasks and functions which lead to the delivery of these funds and services has had a low priority . . . .

The cornerstone of effective accountability is control and direction by the chief executive of each agency. The bill that I am introducing today requires that the head of each agency certify that the agency has an adequate system of control. It is expected that he or she will have to instigate appropriate inspections and audits to insure the accuracy of the certifications. It is also expected that any deficiencies in the control process will be eliminated promptly.

The Federal Managers Accountability Act also requires personal responsibility of the Secretary for the provision of adequate resources for the Offices of Inspector General in the various agencies. Such provision is crucial. The Offices of Inspector General cannot fulfill their responsibilities without the resources necessary to pursue effective audit and investigation responsibilities.

Of course, certification and reporting by themselves will not improve management performance. There is no substitute for good judgment, competence, and ethical behavior, but the requirements of this legislation will make Government managers responsible for their actions and accountable to the public that they serve. This accountability will improve management performance and will be a step toward restoring the public's confidence in the Federal Government. I hope this legislation will be approved.

□ 1210

THE FREE ENTERPRISE POSTAGE STAMP ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, I am today reintroducing the Free Enterprise Postage Stamp Act, and I am pleased to have seven of my colleagues join me in cosponsoring this measure.

When I first introduced this bill last November, the public response was overwhelmingly positive, and since that time, I have continued to receive requests by interested parties from all over the country for more details on my proposal, which seeks to reduce the taxpayer's subsidy to the Postal Service.

Last year, the American people subsidized the Postal Service to the tune of $1.7 billion. In addition, it costs 15 cents for first-class postage; an increase of 300 percent in only 15 years. In another month, we could be paying 20 cents for a stamp, and who knows what we will be paying a couple of years from now? I believe this bill can reduce subsidies and at the same time maintain revenue levels so periodic postage rate increases can be reduced or delayed. This just might be a concept which will let us have our cake and eat it, too—a rare commodity in politics.

Basically, my bill would allow domestic corporations to promote their logos on postage stamps. Through a competitive bidding process, corporations would be allowed to buy the space on the face of a postage stamp, and then the stamp would be resold to the public at current rates. This double source of revenue would be used to offset congressional appropriations and delay or reduce future periodic rate increases.

One hundred million stamps would comprise 2,000 bids, and there would be a minimum starting figure of $10,000 per bid. With such figures, millions of dollars could be raised. If, upon the success of this idea, we expanded the program to all 6 billion stamps produced annually, a minimum of $1.2 billion could be raised.

Mr. Speaker, that is enough money to completely eliminate the tax subsidy, and in these budget-cutting times, it would be a real pleasure to cut spending without hurting someone.

There are strict guidelines in the bill concerning the appropriateness of logos. No pornographic, religious, scandalous, or political messages are allowed. A small three-member panel composed of the Postmaster General, the Assistant Postmaster General, and the Federal Trade Commission Chairman would advise the Postal Service regarding borderline cases.

Most importantly, my bill does not create a separate bureaucracy in competition with the Postal Service. It uses existing governmental mechanisms. Corporations will be allowed to buy the postage stamp space only. The Postal Service will continue to print, sell and distribute the stamps. At the end of 1 year, the act will "sunset," and the U.S. Postal Service is authorized to prepare a report summarizing the act's effectiveness.

Mr. Speaker, the American people depend upon the U.S. Postal Service as an important system of communication, but ever-escalating postal rates constitute a serious economic burden on mail users and discourage the free flow of information through the mails. Although one of the primary purposes of the U.S. Postal Service is to insure that the operations of the postal system are financially self-supporting, postal rates have continued to increase steadily over the past decade, and will continue to increase in the future. Tax subsidies are both inappropriate and ineffective as a means of eliminating the need for frequent postal rate increases.

Industry, and most importantly, the public, have been overwhelmingly in favor of this idea. The American taxpayer is tired of hearing their elected Representatives only talk about skyrocketing inflation and ever-increasing solutions to the problem of increasing postal rates and subsidies. I believe this is a concept worthy of attention and action, and I would welcome my colleagues as cosponsors and urge the Post Office and Civil Service Committee to schedule hearings on this bill before the scheduled first-class postal rate increase this March.

THE NEED FOR TAX REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, tax reform should be a top priority of the 97th Congress. President Reagan has already indicated that he will push for a tax cut early in the first session. In

addition to the rising tax burden, other severe economic problems—long-term trends of declining productivity and capital formation; the concern over incentives to work, save, and invest; and the current recession—have given rise to a broad range of tax reform proposals.

I am hopeful that these proposals will be addressed as soon as possible during this new Congress.

The standard of living of the average American is declining. Americans are currently suffering from a double-edged malady. On the one hand, inflation is eating up a larger share of the purchasing power of each American's paycheck. And, on the other, Federal tax collectors are taking Americans to the cleaners.

The economy has been severely injured because of Government's failure to reduce Federal spending—And hence taxes—and encourage private sector saving and capital formation and by Government's unwillingness to adjust the tax system to recognize the impact of inflation.

Heavy taxation and the incredible growth in Government spending have left a dwindling percentage of national income to individuals and businesses. The loss of purchasing power has been substantial, particularly among middle-income groups. The argument that the Federal Government can make better use of expenditures than the average taxpayer has been proven incorrect. In fact the propensity of the private sector to save and make investments which stimulate productivity is much greater than that of the public sector.

Heavy taxation has contributed to economic stagnation. Productivity is declining. Substantial portions of American industry are becoming outmoded and uncompetitive. Millions of Americans are out of work. The economic downturn we are currently experiencing is real and serious.

The enormous displacement of economic activity by taxes and Government spending has prevented us from improving our productivity and achieving economic growth and, at the same time, has contributed to intolerable rates of inflation. Government policies—the heavy taxation of income from capital, Federal and State individual income taxes, business taxes, capital gains taxes, and so forth, and the failure to index the tax system for inflation—have discouraged investment and capital formation, thus inhibiting the supply side of the economy.

And finally, the interaction of inflation and our tax system has produced an ever-worsening taxflation. Better known as bracket creep, this condition has occurred because inflation has pushed workers into higher tax brackets where their wages are, in turn, subject to higher taxes. The lack of indexation in the tax system has caused Federal tax receipts to literally go through the roof. Taxpayers try harder and harder to keep up, but unfortunately they fall further and further behind in their attempts to whip inflation. In effect, their pay gains and increased purchasing power are wiped out.

Just as bracket creep has affected individual tax rates, stagnant depreciation schedules have affected business tax rates. In order to provide employment opportunities and increase production, industry must be able to modernize its plants and replace its equipment as they wear out. But under present laws, profits, and thus income taxes, are overstated because the depreciation allowances are based on the historical cost of the items, rather than on the replacement cost. Higher taxes and dividends paid out on overstated profits have left fewer resources for investment and have made our productivity improvement levels some of the worst in the free world. American companies are having a much more difficult time competing with their counterparts in Japan and Europe.

While it would be foolhardy for me to say that I have a sure-shot remedy for our economic ills, I would like to outline policies that will help us achieve solutions.

Unfortunately, our political process is often geared to quick fixes, to policies that produce rapid economic and political payoffs. While we must develop programs immediately that recognize the interaction of inflation with our tax systems, short-term solutions will not solve our problems. Our economic ailments are too structural and fundamental in nature to permit quick and easy remedies. What is needed, instead, is a multiyear program of tax and spending policies that will result in increases in savings, investment, and productivity, without contributing to a Federal deficit. We need tax reform that will strike a balance between helping individuals keep pace with inflation and increase their disposable income and providing incentives to businesses to increase their productivity, investment, growth, and employment. With these thoughts in mind, I urge my colleagues to support the following proposals:

First, tax policies aimed at reducing the burden on American taxpayers and at fostering savings and investment:

Tax rate reductions for individuals—A 10-percent marginal tax rate reduction for 1981. Since taxes are presently slated to increase by over $90 billion in 1981, this proposal would simply roll back part of the increase and would reverse the effects of bracket creep.

The permanent indexation of individuals income tax rates for inflation beginning in 1982—a bill recently introduced by Representative GRADISON. During inflation, an unindexed tax system simply raises the real tax burden to individuals and shifts the resources from the private to the public sector. Indexation, on the other hand, would tie the dollar amounts specified in the Tax Code—such as tax brackets and the standard deduction—to the cost of living. As the Consumer Price Index goes up, the tax brackets would be adjusted accordingly, thereby allowing workers to maintain the real value of their income.

An end to the so-called marriage tax as outlined in Representative FENWICK's bill or, at the very least, a reduction in the marriage penalty, reflected in Representative CONABLE's bill.

Small savers legislation—I will soon reintroduce a bill to exclude from gross income, for tax purposes, the first $500 of interest earned by an individual and $1,000 by a couple. Such legislation will encourage small investors to save since interest would not be taxed.

Second, tax policies aimed at reducing the effects of our current economic drag and at stimulating capital formation in the business sector:

Capital Cost Recovery Act, the Jones-Conable bill—better known as 10-5-3, it would replace the present tax treatment of depreciation based on useful life with three classes of eligible property—allowing buildings to be depreciated in 10 years, tangible property or equipment in 5 years, and automobiles and light trucks in 3 years.

Small business tax incentives, including: Accelerated depreciation (10-5-3); lifting the present $100,000 cap on used equipment, making the total cost eligible for a tax credit; deferring capital gains from the sale or exchange of small business stock, when proceeds are invested in another business within 24 months; and reducing small business income taxes. Specifically on the last point, we must replace the present corporate income tax schedules with more graduated rates, especially at the lower end of the scale, to encourage small businesses to use retained earnings for reinvestment. At the same time, this action would provide a disincentive for the sale of small operations to large conglomerates, thereby discouraging economic concentration.

Third, tax reform must go hand in hand with Government fiscal responsibility, which should encompass policies aimed at balancing the Federal budget, reducing Federal spending, slowing down the expansion in the money supply, and restraining credit. If Federal spending is not curbed, it will snowball to the whopping figure of $1 trillion by 1985. Undoubtedly, that would mean higher taxes and larger deficits.

Cuts in Federal Government spending are essential. Because tax measures designed to stimulate investment and productivity are long-term efforts, they will not result in sufficient supply increases in the short run. As a result, tax reductions, unaccompanied by controlled Federal spending, might lead to excessive demand and greater inflation.●

RULES OF THE COMMITTEE ON WAYS AND MEANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, pursuant to the requirement of clause 2(a) of rule XI of the Rules of the House of Representatives, I submit herewith the rules of the Committee on Ways and Means for the 97th Congress and ask that they be printed in the RECORD at this point. These rules were adopted by the committee in open session on January 29, 1981:

RULES OF THE COMMITTEE ON WAYS AND MEANS FOR THE 97TH CONGRESS

Rule XI of the Rules of the House of Representatives, provides in part:

"* * * The Rules of the House are the rules of its committees and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees.

"* * * Each subcommittee of a committee is a part of that committee, and is subject to the authority and direction of that committee and to its rules as far as applicable.

"* * * Each standing committee of the House shall adopt written rules governing its procedure. Such rules * * *

"(1) shall be adopted in a meeting which is open to the public * * *

"(2) shall be not inconsistent with the Rules of the House or with those provisions of law having the force and effect of Rules of the House * * *."

In accordance with the foregoing, the Committee on Ways and Means, on January 29, 1981, adopted the following as the Rules of the Committee for the 97th Congress.

RULE 1. IN GENERAL

Except where the terms "full committee" and "subcommittee" are specifically referred to, the following rules shall apply to the Committee on Ways and Means and its subcommittees as well as to the respective chairmen.

RULE 2. MEETING DATE, QUORUM, AND QUORUM FOR TAKING TESTIMONY AND EVIDENCE

The regular meeting day of the Committee on Ways and Means shall be on the second Wednesday of each month while the House is in session. A majority of the Committee constitutes a quorum for business. Provided, however, that two members shall constitute a quorum at any regularly scheduled hearing called for the purpose of taking testimony and receiving evidence.

RULE 3. SUBCOMMITTEE MEETINGS

Insofar as possible, meetings of the Committee and its subcommittees shall not conflict. Subcommittee chairmen shall set meeting dates after consultation with the Chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of Committee and subcommittee meetings or hearings wherever possible.

RULE 4. SUBCOMMITTEES

All matters referred to the Committee on Ways and Means involving the Internal Revenue Code, except those revenue measures referred to the Subcommittee on Select Revenue Measures under paragraph 3 hereof, shall be considered by the whole Committee and not in subcommittee. The purpose of this is to expedite consideration of these matters.

There shall be six standing subcommittees as follows: Subcommittee on Social Security; Subcommittee on Health; Subcommittee on Public Assistance and Unemployment Compensation; Subcommittee on Trade; Subcommittee on Select Revenue Measures; and Subcommittee on Oversight.

The jurisdiction of such subcommittees shall include:

1. Subcommittee on Social Security shall consist of 11 Members, 7 of whom shall be Democrats and 4 of whom shall be Republicans.

In general, the jurisdiction of the Subcommittee on Social Security will include bills and matters referred to the Committee on Ways and Means which relate to the Federal Old-Age, Survivors' and Disability Insurance System and employment taxes and trust fund operations relating to that system, but shall not include those titles of the Social Security Act involving health benefits, unemployment compensation or welfare matters. The jurisdiction of this subcommittee, more specifically, will include bills and matters involving title II of the Social Security Act, as well as provisions in title VII and title XI of the Act relating to procedure and administration involving the Old-Age, Survivors' and Disability Insurance System.

2. Subcommittee on Health shall consist of 8 Members, 5 of whom shall be Democrats and 3 of whom shall be Republicans.

In general, the jurisdiction of the Subcommittee on Health includes bills and matters which are referred to the Committee on Ways and Means relating to programs which provide payments (from any source) for health care, health delivery systems, or health research. More specifically, the jurisdiction of the Subcommittee on Health includes bills and matters relating to the health care programs of the Social Security Act (including titles V, XI (Part B), XVIII, and XIX thereof) and tax credit (including tax credits where no tax is due) and deduction provisions of the Internal Revenue Code dealing with health insurance premiums and health care costs.

3. Subcommittee on Select Revenue Measures shall consist of 11 Members, 7 of whom shall be Democrats and 4 of whom shall be Republicans.

The jurisdiction of this subcommittee shall consist of those revenue measures which, from time to time, shall be referred to it specifically by the Chairman of the full Committee.

4. Subcommittee on Trade shall consist of 14 Members, 9 of whom shall be Democrats and 5 of whom shall be Republicans.

In general, the jurisdiction of the Subcommittee on Trade will include proposed legislation and oversight activities involving: customs and customs administration including tariff and import fee structure, classification, valuation of and special rules applying to imports, and special tariff provisions and procedures relating to customs operation affecting exports and imports: import trade matters, including import impact, industry relief from injurious imports, adjustment assistance and programs to encourage competitive responses to imports, unfair import practices including antidumping and countervailing duty provisions, and import policy relating to dependence on foreign sources of supply; commodity agreements and reciprocal trade agreements including multilateral and bilateral trade negotiations and implementation of agreements involving tariff and non-tariff trade barriers to and distortions of international trade; international rules, organizations and institutional aspects of international trade agreements; budget authorizations for the U.S. Customs Service, the U.S. International Trade Commission, and U.S. Trade Representative; and special trade-related problems involving market access, competitive conditions of specific industries; export policy and promotion, access to materials in short supply, bilateral trade relations including trade with developing countries, operations of multinational corporations, and trade with non-market economies.

5. Subcommittee on Public Assistance and Unemployment Compensation shall consist of 11 Members, 7 of whom shall be Democrats and 4 of whom shall be Republicans.

In general, the jurisdiction of this subcommittee shall include bills and matters referred to the Committee on Ways and Means affecting the public assistance provisions of the Social Security Act including welfare reform, supplemental security income, aid to families with dependent children, social services, child support, eligibility of welfare recipients for food stamps and low-income energy assistance.

More specifically, the jurisdiction of this subcommittee shall include bills and matters relating to titles I, IV, VI, X, XIV, XVI, XVII, XX and related provisions of titles VII and XI of the Social Security Act.

The jurisdiction of this subcommittee shall also include bills and matters referred to the Committee on Ways and Means which relate to the Federal-State system of unemployment compensation, and the financing thereof, including the programs for extended and emergency benefits.

More specifically, the jurisdiction of this subcommittee shall include all bills and matters pertaining to the programs of unemployment compensation under title III, IX and XII of the Social Security Act, Chapter 23 of the Internal Revenue Code, the Federal-State Extended Unemployment Compensation Act of 1970, the Emergency Unemployment Compensation Act of 1974, and provisions relating thereto.

6. Subcommittee on Oversight shall consist of 11 Members, 7 of whom shall be Democrats and 4 of whom shall be Republicans.

The jurisdiction of this subcommittee shall include all matters within the scope of the Committee but shall be limited to existing law and said oversight jurisdiction shall not be exclusive but shall be concurrent with that of the other subcommittees, and with respect to matters involving the Internal Revenue Code said concurrent jurisdiction shall be shared with the full Committee. Before undertaking any investigation or hearing, the chairman of the Subcommittee on Oversight shall confer with the Chairman of the full Committee and the chairman of any other subcommittee having jurisdiction.

RULE 5. SUBCOMMITTEE CHAIRMEN

Democratic members of the Committee shall have the right in order of full Committee seniority to bid for vacant subcommittee chairmanships. Such bids shall be subject to approval by a majority of those present and voting in the Democratic caucus of the Committee. If the caucus rejects a subcommittee chairmanship bid, the next senior Democratic Member may bid for the position as in the first instance. No member of the Committee who serves on the Budget Committee shall serve as a chairman of a subcommittee. A subcommittee chairmanship shall not be considered vacant while the subcommittee chairman has taken a leave of absence to serve on the Budget Committee.

RULE 6. EX-OFFICIO MEMBERS OF SUBCOMMITTEES

The Chairman and the ranking minority member may sit as ex-officio members of all subcommittees. They may be counted for purposes of assisting in the establishment of a quorum for a subcommittee. However, their absence shall not count against the establishment of a quorum by the regular members of the subcommittee. Ex-officio members shall neither vote in the subcommittee nor be taken into consideration for purposes of determining the ratio of the subcommittee.

RULE 7. REFERENCE OF LEGISLATION AND SUBCOMMITTEE REPORT

Every bill, or other matter (except bills concerning the Internal Revenue Code) referred to the Committee or initiated by the Committee shall be referred by the Chairman of the full Committee to the appropriate subcommittee within 2 weeks from the date of its receipt by the Committee unless by a majority vote in the full Committee, consideration is to be by the full Committee. A subcommittee shall, within 3 legislative days of receipt of a bill referral, acknowledge same to the full Committee.

After a bill has been pending in a subcommittee for a reasonable period of time, the Chairman of the full Committee may make a request in writing to the subcommittee that the subcommittee forthwith report the bill to the full Committee with its recommendations. If within 7 legislative days after the Chairman's written request, the subcommittee has not so reported the bill, then there shall be in order in the full Committee a motion to discharge the subcommittee from futher consideration of the bill. If such motion is approved by a majority vote in the full Committee, the bill may thereafter be considered only by the full Committee.

No bill reported by a subcommittee shall be considered by the full Committee unless it has been presented to all members at least 2 legislative days prior to the meeting, together with a comparison with present law, a section-by-section analysis of the proposed change, a section-by-section justification, and a draft statement of the costs of carrying out the bill that is consistent with the requirements for reported bills under clause 7 of Rule XIII of the Rules of the House of Representatives.

RULE 8. SUPERVISION, DUTIES OF COMMITTEE STAFF

The staff of the Committee, both professional and clerical, shall be under the general supervision and direction of the Chairman of the full Committee except as provided in clause 5(d) and clause 6 of Rule XI of the Rules of the House of Representatives concerning committee expenses and staff. Provided, however, that the chairman of each subcommittee shall be entitled to select and designate at least one professional staff member for said subcommittee and at least one clerical staff member for said subcommittee subject to the approval of a majority of the Democratic members of said full Committee. The ranking minority member shall have the right to designate one staff member. Said staff members shall be compensated at a salary commensurate with the responsibilities prescribed by said subcommittee chairman. Compensation shall be provided out of appropriated amounts—rather than statutory amounts allowed each committee.

RULE 9. COMMITTEE BUDGET AND EXPENSES

The Chairman, in consultation with the majority members of the Committee, shall, for each session of the Congress, prepare a preliminary budget. Such budget shall include necessary amounts for staff personnel, travel, investigation, and other expenses of the Committee. After consultation with the minority members, the Chairman shall include an amount budgeted to minority members for staff under their direction and supervision. Thereafter, the Chairman shall combine such proposals into a consolidated Committee budget, and shall present the same to the Committee for its approval or other action. The Chairman shall take whatever action is necessary to have the budget as finally approved by the Committee duly authorized by the House. After said budget shall have been adopted, no substantial change shall be made in such budget unless approved by the Committee.

RULE 10. WITNESSES

In order to assure the most productive use of the limited amount of time available to question hearing witnesses, a witness who is scheduled to appear before the Committee shall file with the clerk of the Committee at least 24 hours in advance of his appearance a written statement of his proposed testimony. Failure to comply with this rule may result in the witness being denied the opportunity to testify in person. A witness shall limit his oral presentation to a summary of his position and shall provide sufficient copies of his written statement to the clerk for distribution to Members, staff and news media.

RULE 11. QUESTIONING OF WITNESSES

Committee members may question witnesses only when recognized by the Chairman for that purpose. All members shall be limited to five minutes on the initial round of questioning. In questioning witnesses under the five minute rule, the Chairman and the ranking minority member may be recognized first after which members may be recognized in the order of their arrival at the hearing. Among the members present at the time the hearing is called to order, seniority shall be recognized. In recognizing members to question witnesses, the Chairman may take into consideration the ratio of majority members to minority members and the number of majority and minority members present and shall apportion the recognition for questioning in such a manner as not to disadvantage the members of the majority.

RULE 12. PUBLICATION OF TENTATIVE DECISIONS

A copy of any tentative or final legislative decision made by the Committee on the subject matter under consideration shall be made available to each member of the Committee by the next meeting of the Committee, or at the latest, by the next day.

RULE 13. AMENDMENT TO PROVISION PREVIOUSLY READ

In the process of reading a bill for amendments it shall be in order to return to a previously read portion of the bill for the purpose of considering and acting upon amendments thereto. However, if such previously read portion has been adopted by a record vote, it shall be in order for any member of the majority, on the same or the next day on which a quorum of the Committee is present, to move for the reconsideration thereof, and such motion shall take precedence of all other questions except the consideration of a motion to adjourn, and shall not be withdrawn without the consent of the Committee, and thereafter any Member may call it up for consideration.

RULE 14. RECORD VOTES

A record vote on an issue shall be required on the request of a Member which is supported by at least one-fifth of a quorum.

RULE 15. PREVIOUS QUESTION

The Chairman shall not recognize a Member for the purpose of moving the previous question unless the Member has first advised the Chair and those Members present that this is the purpose for which recognition is being sought.

RULE 16. RECOMMENDATION FOR APPOINTMENT OF CONFEREES

Whenever in the legislative process it becomes necessary to appoint conferees, the Chairman shall recommend to the Speaker as conferees the names of those members of the subcommittee (or subcommittees) which handled the substantive legislation in the order of their subcommittee seniority and such other committee members as the Chairman may designate. In making recommendations of minority members as conferees the Chairman shall consult with the ranking minority member of the Committee.

RULE 17. RECORDS OF HEARINGS

An accurate stenographic record shall be kept of all testimony taken at a public hearing. The staff shall transmit to a witness the transcript of his testimony for correction and immediate return to the Committee office. Only changes in the interest of clarity, accuracy and corrections in transcribing errors will be permitted. Changes which substantially alter the actual testimony will not be permitted. Members shall correct their own testimony and return transcripts as soon as possible after receipt thereof. The Chairman may order the printing of the hearing without the corrections of a witness or Member if he determines that a reasonable time has been afforded to make corrections and that further delay would impede the consideration of the legislative action which is the subject of the hearing. A witness appearing in a public hearing, or submitting a statement for the record of a public hearing, or submitting a written comment in response to a published request for comments by the Committee must provide the Committee with a list of any clients or persons, or any organization for whom the witness appears which shall be made available for public inspection unless otherwise directed by the Committee. Verbal testimony and statements for the record, or written comment in response to a request for comments by the Committee, will be accepted only from citizens of the United States or corporations or associations organized under the laws of one of the 50 States of the United States or the

District of Columbia, unless otherwise directed by the Chairman of the Committee or subcommittee involved. Written statements from noncitizens may be considered for acceptance if transmitted to the Committee in writing by Members of Congress.

RULE 18. TRANSCRIPTS OF OTHER COMMITTEE MEETINGS

An accurate stenographic record shall also be kept of all markup and other meetings of the Committee, whether they be open or closed to the public. This record, marked as "uncorrected," shall be available for inspection by Members of the House, or members of the Committee together with their staffs, at reasonable times and places. This record shall not be published or made public in any way except by a majority vote of the Committee. Before any public release of the uncorrected record. Members must be given a reasonable opportunity to correct their remarks. In instances in which a stenographic record is kept of a conference committee proceeding, all of the requirements of this rule will likewise be observed with respect to such record.

RULE 19. BROADCASTING OF COMMITTEE OR SUBCOMMITTEE HEARINGS

The provisions of clause 3(f) of Rule XI of the Rules of the House of Representatives are by reference specifically made a part of these rules.

RULE 20. PARTY RATIO

The ratio of Democrats to Republicans on any subcommittee of the Committee shall be consistent with the ratio of Democrats to Republicans on the Committee.

RULE 21. PROXY VOTING

Voting by proxy shall be permitted in accordance with the manner prescribed in clause 2(f) of Rule XI of the Rules of the House of Representatives.

RULE 22. TRAVEL OF MEMBERS AND STAFF

(a) Consistent with the primary expense resolution and such additional expense resolution as may have been approved, the provisions of this rule shall govern travel of Committee members and Committee staff. Travel to be reimbursed from funds set aside for the full Committee for any Member or any Committee staff member shall be paid only upon the prior authorization of the Chairman. Travel may be authorized by the Chairman for any Member and any Committee staff member in connection with the attendance of formal or informal hearings conducted by the Committee, its subcommittees, or any other committee or subcommittee of the Congress on matters relevant to the general jurisdiction of the Committee, and meetings, conferences and investigations which involve activities or subject matter relevant to the general jurisdiction of the Committee. Before such authorization is given there shall be submitted to the Chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which the travel is to be made and the date or dates of the event for which the travel is being made;

(3) The location of the event for which the travel is to be made;

(4) The names of Members and Committee staff seeking authorization.

Where travel is in connection with the conduct by Members of the Committee of an informal hearing, the prior approval not only of the Chairman but also of subcommittee chairmen shall be required where the hearing involves any matter within the jurisdiction of one or more of the subcommittees of the Committee.

(b) In the case of travel of Members and staff of a subcommittee to hearings, meetings, conferences, and investigations involving activities or subject matter under the legislative assignment of such subcommittee to be paid for out of funds allocated to such subcommittee, prior authorization must be obtained from the subcommittee chairman and the Chairman. Such prior authorization shall be given by the Chairman only upon the representation by the applicable chairman of the subcommittee in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (a).

(c) Within 60 days of the conclusion of any travel authorized under this rule, there shall be submitted to the Chairman a written report covering the information gained as a result of the study or investigation, or meeting, conference or hearing attended pursuant to such travel.

HIS—HOUSE INFORMATION SYSTEMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 15 minutes.

Mr. COLLINS of Texas. Mr. Speaker, today I am introducing a resolution to terminate the duplicate computer system that we now have. Known as HIS, this system provides the same material that we can now receive in our congressional offices from the Library of Congress computer and other supportive agencies now in existence.

In Congress, we need to make specific and decisive cuts to get our budget in balance.

COMPUTER SERVICES IN THE HOUSE

Official computer support services for the House of Representatives come from the House Information Services staff of the Committee on House Administration.

HIS offers traditional data processing services and operates administrative facilities such as electronic voting, payroll, and Member allowances systems, office equipment inventory, and the House publication service.

Six systems are available through computer terminals in individual congressional offices or certain central locations, without having HIS.

First. LEGIS: Information on the status and content of bills, resolutions, amendments, and other legislative items;

Second. SOPAD: On-line retrieval and broadcast system summarizing House floor proceedings;

Third. SCORPIO: CRS data;

Fourth. FAPRS: Computerized version of the Catalog of Federal Domestic Assistance. System maintained by Office of Management and Budget;

Fifth. JURIS: Retrieves legal document digests and full texts, including United States Code. System maintained by Department of Justice; and

Sixth. MBIS: Provides summary level budget figures and other budget information.

ANALYSIS OF HIS

HIS employs nearly 200 staff and spends $10 million to perform computer work which is identical to that produced by several existing governmental bodies.

Let us look at the six main programs provided by HIS. SCORPIO, operated by the Congressional Research Service, gives the same information the LEGIS system provides for congressional offices. In fact, the SCORPIO computer offers more detailed, in-depth answers to legislative questions.

SOPAD is simply the written, televised version of House floor activities as they occur. If a Congressman cannot be on the floor, the Member can watch proceedings, live, from his or her personal office. There is no need to have the floor actions written on a screen for broadcast.

FARPS information is readily available from OMB, as is JURIS information from the Department of Justice. Both may also be obtained from the Congressional Research Service. The Congressional Budget Office makes available the same information contained in MBIS. Just call CBO to obtain a printout.

Taxpayer dollars are used to maintain additional extras at HIS. Graphics and maps can be created by the computer system, IMAGE, "without the additional costs or time considerations encountered when specialists are required." (Quote from HIS brochure.) The Budget Tracking System, operated by HIS, produces reports which can be requested of the Congressional Budget Office. HIS staff are used to perform survey planning and processing. CRS analysts are capable of developing such research for a Member. Policy analysis done by HIS on economic forecasting is available from two sources: CRS or CBO.

Such duplication is unnecessary. We must end this waste of taxpayer dollars. Examine the expenditure chart on the Committee on HIS. Virtually every line item shows a large increase over the past Congresses. More and more is being spent on equipment and software. Why are these systems which have been established needing additional computers? In any well-run business, all future costs to maintain such systems would be minimal. At HIS, personnel costs keep pace with the growing equipment expenses.

In addition to the expenditures for HIS, why do so many individual committees spend additional money on computer services? Why did the Small Business Committee spend almost $10,000 above and beyond the services provided by HIS?

Why cannot the administrative functions, such as electronic voting and Member allowance system and office equipment inventory be transferred to

the Clerk's Office? Why cannot CRS handle the legislative information?

HIS continues to initiate projects and programs. The time is now to eliminate the unjustified growth of this costly system. We must carefully assess the actual computer service needs of the 97th Congress and let us save the taxpayer on this $10-plus million check.

EXPENDITURES 94TH–96TH CONGRESSES, COMMITTEE ON HOUSE INFORMATION SYSTEMS

Item	94th		95th		96th	
	1st session 1975	2d session 1976	1st session 1977	2d session 1978	1st session 1979	2d session 1980
Salaries	2,129,375	3,002,066	3,747,324	4,140,350	4,236,760	
Equipment purchase	10,864	5,921	36,710	92,782	22,286	
Equipment maintenance	70,572					
Equipment rental/purchase	665,220	1,452,780	2,664,438	3,239,158	3,821,351	
Software rental and maintenance	86,973	63,693	95,238	78,952	71,267	
Software purchase	2,100	29,272	19,756	23,204	33,475	
External computer system		406,127	397,764	287,917	159,532	
Supplies	70,800	107,155	152,006	240,127	217,359	
Stationery	19,185	42,617	9,293	11,499		
Travel	2,602	7,438	13,066	23,202	16,330	
Telephone/telegraph	1,229	446	2,119	935	2,450	
Technical publications	981	2,265	6,514	3,316	3,871	
Contract services	389,868		1,045			
Conference fees	3,773	9,977				
Training/media	3,222	1,481	22,997	26,713	28,977	
Subtotal		5,131,239		8,189,334	8,613,659	
Less reimbursement to HIS		196,349		4,277	110,976	
Net expenditure	3,456,765	4,934,890	7,168,271	8,185,057	8,502,683	

WELCOME TO SINGING GROUP FROM COLUMBIA COLLEGE, COLUMBIA, MO.

(Mr. BAILEY of Missouri asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAILEY of Missouri. Mr. Speaker, joining us today in Washington, D.C., is a double sextet from Columbia College in Columbia, Mo. Among the many activities of the group include singing on the Capitol steps, and I would like for the U.S. House of Representative to welcome these good ambassadors of higher education.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HYDE) to revise and extend their remarks and include extraneous material:)

Mr. GOLDWATER, for 5 minutes, today.

Mr. TAUKE, for 5 minutes, today.

(The following Members (at the request of Mr. MATSUI) to revise and extend their remarks and include extraneous material:)

Mr. WILLIAM J. COYNE, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

(The following Members (at the request of Mr. BLILEY) to revise and extend their remarks and include extraneous material:)

Mr. COLLINS of Texas, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HYDE) and to include extraneous matter:)

Mr. MICHEL in two instances.

Mr. WHITEHURST in two instances.

Mr. HYDE.

Mrs. HOLT.

Mr. PORTER.

(The following Members (at the request of Mr. MATSUI) and to include extraneous matter:)

Mr. COELHO in three instances.

Mr. ROE.

Mr. GORE.

Mr. WAXMAN in two instances.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. ROSENTHAL in 10 instances.

Mrs. BOUQUARD in five instances.

Mr. HAMILTON in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. RICHMOND.

Mr. SANTINI in two instances.

Ms. OAKAR.

Mr. SKELTON.

Mr. BEDELL.

Mr. MAZZOLI.

Mr. LANTOS.

Mr. MILLER of California.

Mr. LONG of Maryland.

Mr. MURTHA.

ADJOURNMENT

Mr. MATSUI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 16 minutes p.m.) the House adjourned until tomorrow, Tuesday, February 3, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

434. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment to Spain (Transmittal No. 81-14), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

435. A letter from the Acting Under Secretary of Defense, transmitting a report on funds obligated in the chemical warfare and biological defense research programs during fiscal year 1980, pursuant to section 409(a) of Public Law 91-121; to the Committee on Armed Services.

436. A letter from the Acting Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting notice of the proposed conversion to contractor performance of the family housing maintenance function at Castle Air Force Base, Calif., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

437. A letter from the Acting Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelf-stocking and custodial services function at England Air Force Base, La., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

438. A letter from the Acting Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelf-stocking and custodial services function at McConnell Air Force Base, Kans., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

439. A letter from the Acting Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelf-stocking and custodial services function at Carswell Air Force Base, Tex., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

440. A letter from the Comptroller of the Currency, transmitting the annual report for 1979, pursuant to section 333 of the Revised Statutes; to the Committee on Banking, Finance and Urban Affairs.

441. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting the Board's fifth annual report on the Equal Credit Opportunity Act, pursuant to section 707 of the act; to the Committee on Banking, Finance and Urban Affairs.

442. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the number of U.S. Government personnel performing full-time functions under the Arms Export Control Act as of September 30, 1980, pursuant to section 43(c) of the act, as amended (93 Stat. 709); to the Committee on Foreign Affairs.

443. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of

a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

444. A letter from the Deputy Assistant Secretary of Housing and Urban Development, transmitting a report on the Department's disposal of foreign excess property for fiscal year 1980, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

445. A letter from the Chairman, U.S. International Trade Commission, transmitting the annual report on activities of the U.S. International Trade Commission, pursuant to 5 U.S.C. 552(d) of the Freedom of Information Act; to the Committee on Government Operations.

446. A letter from the Chairman, Advisory Commission on Intergovernmental Relations, transmitting the 22d annual report of the Commission, pursuant to section 5(3) of Public Law 86-380; to the Committee on Government Operations.

447. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

448. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

449. A letter from the Acting Chairman, U.S. National Alcohol Fuels Commission, transmitting the final report of the U.S. National Alcohol Fuels Commission, entitled "Fuel Alcohol: An Energy Alternative for the 1980's," pursuant to Public Law 95-599; jointly, to the Committees on Agriculture, Banking, Finance and Urban Affairs, Energy and Commerce, Public Works, and Transportation, and Ways and Means.

450. A letter from the Comptroller General of the United States, transmitting a report on administrative changes needed to reduce employment of illegal aliens (HRD-81-15, January 30, 1981); jointly, to the Committees on Government Operations, Education and Labor, and the Judiciary.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRINKLEY:

H.R. 1525. A bill to amend title 38, United States Code, to establish a program to provide direct loans to veterans for residential solar energy systems and certain other energy conservation improvements; to the Committee of Veterans' Affairs.

By Mr. BROOKS:

H.R. 1526. A bill to amend the Accounting and Auditing Act of 1950 to require ongoing evaluations and reports on the adequacy of the systems of internal accounting and administrative control of each executive agency, and for other purposes; to the Committee on Government Operations.

By Mr. BURGENER:

H.R. 1527. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Santa Margarita project, California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. EDWARDS of California:

H.R. 1528. A bill to provide an exception to the requirements of the act of August 30, 1890 (26 Stat. 391; 43 U.S.C. 945), with regard to certain lands in Riverside County, Calif.; to the Committee on Interior and Insular Affairs.

By Mr. EDWARDS of California (for himself and Mr. MINETA):

H.R. 1529. A bill to amend the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; to the Committee on Public Works and Transportation.

By Mr. GARCIA:

H.R. 1530. A bill to designate the birthday of Martin Luther King, Jr., a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. GOLDWATER (for himself and Mr. BEVILL):

H.R. 1531. A bill to amend the National Flood Insurance Act of 1968 for the purpose of providing insurance with respect to damage caused by flood-related landslides, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. GOLDWATER (for himself, Mr. YOUNG of Alaska, Mr. LUJAN, Mr. WHITTAKER, Mrs. HOLT, Mr. CHAPPELL, Mr. OTTINGER, Mr. GRAMM, Mr. BEVILL, AND Mr. WINN):

H.R. 1532. A bill to amend title 39, United States Code, to establish a Free Enterprise Postage Stamp Advisory Committee and to authorize the U.S. Postal Service to enter into a contract with any domestic business enterprise to print, distribute, and sell postage stamps that contain the logo of such business enterprise; to the Committee on Post Office and Civil Service.

By Mr. MOTTL:

H.R. 1533. A bill to amend section 924(c) of title 18 of the United States Code to modify the minimum mandatory additional penalty for the use or carrying of a firearm in felony cases; to the Committee on the Judiciary.

H.R. 1534. A bill to amend title 18, United States Code, to establish a constitutional procedure for imposing the sentence of death, and for other purposes; to the Committee on the Judiciary.

By Mr. VANDER JAGT:

H.R. 1535. A bill to amend title 38, United States Code, to provide for the payment of service pensions to veterans of World War I and the surviving spouses and children of such veterans; to the Committee on Veterans' Affairs.

H.R. 1536. A bill providing that certain foreign losses which were economically incurred before December 31, 1975, will not be subject to the loss recapture rules of the Tax Reform Act of 1976; to the Committee on Ways and Means.

H.R. 1537. A bill to amend the Internal Revenue Code of 1954 with respect to State or local government obligations issued to finance certain beverage container facilities the construction of which is made necessary by an antidisposable beverage container law; to the Committee on Ways and Means.

H.R. 1538. A bill to amend title 18 of the Social Security Act with respect to emergency inpatient hospital services furnished outside the United States; to the Committee on Ways and Means.

By Mr. VANDER JAGT (for himself, Mr. PICKLE, Mr. FRENZEL, Mr. GUARINI, Mr. ARCHER, Mr. DOWNEY, Mr. MOORE, Mr. CAMPBELL, and Mr. MCCLOSKEY):

H.R. 1539. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for certain research and experimental expenditures, and for other purposes; to the Committee on Ways and Means.

By Mr. WHITEHURST:

H.R. 1540. A bill to amend chapter 55 of title 10, United States Code, to allow certain former spouses of members of the uniformed services to receive medical and dental benefits under such chapter, and for other purposes; to the Committee on Armed Services.

By Mr. WINN:

H.R. 1541. A bill to amend the Internal Revenue Code of 1954 to increase the amount of dividends and interest which are excluded from gross income, and to make such exclusion permanent; to the Committee on Ways and Means.

Mr. WIRTH:

H.R. 1542. A bill to eliminate 1,000 of the positions within the Department of Energy associated with the administration of the Emergency Petroleum Allocation Act of 1973; to the Committee on Energy and Commerce.

By Mr. BEDELL:

H.J. Res. 150. Joint resolution proposing an amendment to the Constitution of the United States to provide 4-year terms for Members of the House of Representatives and to limit the number of consecutive terms that Representatives and Senators may serve, and for other purposes; to the Committee on the Judiciary.

By Mr. MINETA (for himself, Mr. PANETTA, Mr. LAGOMARSINO, Mr. WON PAT, Mr. MAZZOLI, Mr. BRODHEAD, Mr. WEAVER, Mr. MONTGOMERY Mr. JENKINS, Mr. HORTON, Mr. RAHALL, Mr. NICHOLS, Mr. CHAPPELL, Mr. WINN, Mr. NOWAK, Mr. ROBINSON, Mr. GINN, Mr. BROOKS, Mr. VENTO, Mr. CLINGER, Mr. ROE, Mr. CAMPBELL, Mr. BENJAMIN, Mr. DICKINSON, and Mr. NELSON):

H.J. Res. 151. Joint resolution designating the square dance as the national folk dance of the United States of America; to the Committee on Post Office and Civil Service.

By Mr. COLLINS of Texas:

H. Res. 52. Resolution providing for cost savings by elimination of nonessential activities of House Information Systems and transfer of remaining activities of House Information Systems to other Government entities; to the Committee on Rules.

By Mrs. HOLT:

H. Res. 53. Resolution disapproving the action of the District of Columbia Council approving the legalized lotteries, daily numbers games, and bingo and raffles for charitable purposes initiative of 1980; to the Committee on the District of Columbia.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EDWARDS of California:

H.R. 1543. A bill to confirm a conveyance of certain real property by the Central Pacific Railway Co. and Southern Pacific Co. to A. C. Taber and his wife, Mary Taber; to the Committee on Interior and Insular Affairs.

By Mr. DORNAN of California:

H.R. 1544. A bill for the relief of Norma Obitz; to the Committee on the Judiciary.

H.R. 1545. A bill for the relief of Pranas Brazinskas; to the Committee on the Judiciary.

H.R. 1546. A bill for the relief of Christiaan F. R. Kunstt; to the Committee on the Judiciary.

H.R. 1547. A bill for the relief of Remedios R. Alcudia, Christopher, Ezra, Vermillion, and Peristello Alcudia; to the Committee on the Judiciary.

H.R. 1548. A bill for the relief of Claire Hamada Bach; to the Committee on the Judiciary.

H.R. 1549. A bill for the relief of Algirdas Brazinskas; to the Committee on the Judiciary.

By Mr. GOLDWATER:

H.R. 1550. A bill for the relief of Aurora Isidra Rullan Diaz; to the Committee on the Judiciary.

H.R. 1551. A bill for the relief of Maria Cavalieri (nee Fernandez); to the Committee on the Judiciary.

By Mr. ROBERTS of South Dakota:

H.R. 1552. A bill for the relief of Bharat Persaud; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 116: Mr. WOLPE.

H.R. 911: Mr. HOLLAND, Mr. MOORE, Mr. SHANNON, Mr. BAFALIS, Mr. JENKINS, Mr. MARTIN of North Carolina, Mr. HEFTEL, and Mr. GRADISON.

H.R. 1200: Mr. EDGAR, Mr. ATKINSON, Mr. HINSON, Mr. DAUB, Mr. COURTER, Mr. PANETTA, Mr. ROBERTS of Kansas, Mr. SMITH of Alabama, Mr. JEFFORDS, and Mr. SANTINI.

H.R. 1339: Mr. LAGOMARSINO, Mr. PRICE, Mr. WALKER, Mr. CAMPBELL, Mr. FORSYTHE, Mr. DAVIS, Mr. ROBERT W. DANIEL, JR., Mr. GUYER, Mr. HUGHES, and Mr. DYSON.

H.R. 1340: Mr. LAGOMARSINO, Mr. PRICE, Mr. WHITEHURST, Mr. WALKER, Mr. CAMPBELL, Mr. FORSYTHE, Mr. DAVIS, Mr. ROBERT W. DANIEL, JR., Mr. GUYER, Mr. HUGHES, and Mr. DYSON.

H. Res. 13: Mr. MCDONALD, Mr. RICHMOND, Mr. LEVITAS, Mr. AKAKA, Mr. FISH, Mr. BARNES, Mr. NOWAK, Mr. DENARDIS, Mr. ATKINSON, Mr. HERTEL, Mr. HOWARD, Mr. GRISHAM, Mr. MINETA, Mr. LOWRY of Washington, Mr. SHAW, Mr. YATRON, Mr. HIGHTOWER, Mr. ERDAHL, Mr. MAVROULES, Mr. PEPPER, Mr. PRITCHARD, Mr. DOWNEY, Mr. FAUNTROY, Mr. CHAPPELL, Mr. WON PAT, Mr. DOUGHERTY, Mr. ANDERSON, Mr. BROWN of California, Mr. DIXON, Mr. STRATTON, Mr. DAUB, Mr. GARCIA, Mr. NICHOLS, and Mr. YOUNG, of Alaska.

EXTENSIONS OF REMARKS

FAREWELL ADDRESS OF THE PRESIDENT

HON. IKE SKELTON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. SKELTON. Mr. Speaker, President Jimmy Carter delivered his farewell address on January 14, 1981, which was televised across the Nation. He spoke on several topics that should be remembered in the years ahead. I offer a copy of his address so that it may be included in the CONGRESSIONAL RECORD:

FAREWELL ADDRESS OF THE PRESIDENT

Good Evening. In a few days I will lay down my official responsibilities in this office, to take up once more the only title in our democracy superior to that of President, the title of citizen.

Of Vice President Mondale, my Cabinet, and the hundreds of others who have served with me during the last four years, I wish to say now publicly what I have said in private: I thank them for the dedication and competence they have brought to the service of our country.

But I owe my deepest thanks to you, to the American people, because you gave me this extraordinary opportunity to serve. We've faced great challenges together, and we know that future problems will also be difficult, but I am now more convinced than ever that the United States, better than any other country, can meet successfully whatever the future might bring.

These last four years have made me more certain than ever of the inner strength of our country, the unchanging value of our principles and ideals, the stability of our political system, the ingenuity and the decency of our people.

Tonight I would like first to say a few words about this most special office, the Presidency of the United States. This is at once the most powerful office in the world and among the most severely constrained by law and custom. The President is given a broad responsibility to lead but cannot do so without the support and consent of the people, expressed formally through the Congress and informally in many ways through a whole range of public and private institutions. This is as it should be.

Within our system of government every American has a right and a duty to help shape the future course of the United States. Thoughtful criticism and close scrutiny of all government officials by the press and the public are an important part of our democratic society. Now, as in the past, only the understanding and involvement of the people through full and open debate can help to avoid serious mistakes and assure the continued dignity and safety of the nation.

Today we are asking our political system to do things of which the founding fathers never dreamed. The government they designed for a few hundred thousand people now serves a nation of almost 230 million people. Their small coastal republic now spans beyond a continent, and we also now have the responsibility to help lead much of the world through difficult times to a secure and prosperous future.

Today, as people have become ever more doubtful of the ability of the government to deal with our problems, we are increasingly drawn to single-issue groups and special interest organizations to ensure that whatever else happens our own personal views and our own private interests are protected. This is a disturbing factor in American political life. It tends to distort our purposes because the national interest is not always the sum of all our single or special interests. We are all Americans together—and we must not forget that the common good is our common interest and our individual responsibility.

Because of the fragmented pressures of these special interests, it's very important that the office of the President be a strong one and that its constitutional authority be preserved. The President is the only elected official charged with the primary responsibility of representing all the people. In the moments of decision, after the different and conflicting views have all been aired, it's the President who then must speak to the nation and for the nation.

I understand after four years in this office, as few others can, how formidable is the task the new President-elect is about to undertake, and to the very limits of conscience and conviction, I pledge to support him in that task. I wish him success, and Godspeed.

I know from experience that Presidents have to face major issues that are controversial, broad in scope, and which do not arouse the natural support of a political majority.

For a few minutes now, I want to lay aside my role as leader of one nation, and speak to you as a fellow citizen of the world about three issues, three difficult issues: The threat of nuclear destruction; our stewardship of the physical resources of our planet; and the pre-eminence of the basic rights of human beings.

It's now been 35 years since the first atomic bomb fell on Hiroshima. The great majority of the world's people cannot remember a time when the nuclear shadow did not hang over the earth. Our minds have adjusted to it, as after a time our eyes adjust to the dark.

Yet the risk of nuclear conflagration has not lessened. It has not happened yet, thank God, but that can give us little comfort—for it only has to happen once.

The danger is becoming greater. As the arsenals of the superpowers grow in size and sophistication and as other governments, perhaps even more in the future dozens of governments, acquire these weapons, it may only be a matter of time before madness, desperation, greed, or miscalculation lets loose this terrible force.

In an all-out nuclear war, more destructive power than in all of World War II would be unleashed every second during the long afternoon it would take for all the bombs and missiles to fall. A World War II every second—more people killed in the first few hours than in all the wars of history together. The survivors, if any, would live in despair amid the poisoned ruins of a civilization that had committed suicide.

National weakness, real or perceived, can tempt aggression and thus cause war. That's why the United States can never neglect its military strength. We must and we will remain strong. But with equal determination, the United States and all countries must find ways to control and to reduce the horrifying danger that is posed by the enormous world stockpiles of nuclear arms.

This has been a concern of every American president since the moment we first saw what these weapons could do. Our leaders will require our understanding and our support as they grapple with this difficult but crucial challenge. There is no disagreement on the goals or the basic approach to controlling this enormous force. The answer lies not just in the attitudes or the actions of world leaders, but in the concern and the demands of all of us as we continue our struggle to preserve the peace.

Nuclear weapons are an expression of one side of our human character. But there is another side. The same rocket technology that delivers nuclear warheads has also taken us peacefully into space. From that perspective, we see our earth as it really is—a small, fragile and beautiful blue globe, the only home we have. We see no barriers of race or religion or country. We see the essential unity of our species and our planet. And with faith and common sense, that bright vision will ultimately prevail.

Another major challenge, therefore, is to protect the quality of this world within which we live. The shadows that fall across the future are cast not only by the kinds of weapons we have built, but by the kind of world we will either nourish or neglect. There are real and growing dangers to our simple and most precious possessions: The air we breathe, the water we drink, and the land which sustains us. The rapid depletion of irreplaceable minerals, the erosion of topsoil, the destruction of beauty, the blight of pollution, the demands of increasing billions of people, all combine to create problems which are easy to observe and predict, but difficult to resolve. If we do not act, the world of the year 2000 will be much less able to sustain life than it is now.

But there is no reason for despair. Acknowledging the physical realities of our planet does not mean a dismal future of endless sacrifice. In fact, acknowledging these realities is the first step in dealing with them. We can meet the resource problems of the world—water, food, minerals, farmlands, forests, over-population, pollution, if we tackle them with courage and foresight.

I've just been talking about forces of potential destruction that mankind has developed and how we might control them. It's equally important that we remember the beneficial forces that we have evolved over the ages, and how to hold fast to them. One of those constructive forces is the enhancement of individual human freedoms through the strengthening of democrary and the fight against deprivation, torture, terrorism, and the persecution of people through the world. The struggle for human

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

rights overrides all differences of color, or nation, or language. Those who hunger for freedom, who thirst for human dignity, and who suffer for the sake of justice, they are the patriots of this cause.

I believe with all my heart that America must always stand for these basic human rights at home and abroad. That is both our history and our destiny.

America did not invent human rights. In a very real sense, it's the other way around. Human rights invented America. Ours was the first nation in the history of the world to be founded explicitly on such an idea. Our social and political progress has been based on one fundamental principle, the value and importance of the individual. The fundamental force that unites us is not kinship or place of origin or religious preference. The love of liberty is the common blood that flows in our American veins.

The battle for human rights, at home and abroad, is far from over. We should never be surprised nor discouraged because the impact of our efforts has had and will always have varied results. Rather, we should take pride that the ideals which gave birth to our nation still inspire the hopes of oppressed people around the world. We have no cause for self-righteousness for complacency, but we have every reason to persevere, both within our own country and beyond our borders.

If we are to serve as a beacon for human rights, we must continue to perfect here at home the rights and the values which we espouse around the world: A decent education for our children, adequate medical care for all Americans, an end to discrimination against minorities and women, a job for all those able to work, and freedom from injustice and religious intolerance.

We live in a time of transition, an uneasy era which is likely to endure for the rest of this century. It will be a period of tensions, both within nations and between nations, of competition for scarce resources, of social, political, and economic stresses and strains. During this period we may be tempted to abandon some of the time-honored principles and commitments, which have been proven during the difficult times of past generations.

We must never yield to this temptation. Our American values are not luxuries, but necessities—not the salt in our bread but the bread itself. Our common vision of a free and just society is our greatest source of cohesion at home and strength abroad—greater even than the bounty of our material blessings.

Remember these words: "We hold these truths to be self-evident, that all men are created equal; that they are endowed by their creator with certain inalienable rights; that among these are life, liberty and the pursuit of happiness."

This vision still grips the imagination of the world. But we know that democracy is always an unfinished creation. Each generation must renew its foundations. Each generation must discover the meaning of this hallowed vision in the light of its own modern challenges. For this generation, ours, life is nuclear survival; liberty is human rights; the pursuit of happiness is a planet whose resources are devoted to the physical and spiritual nourishment of its inhabitants.

During the next few days I will work hard to make sure that the transition from myself to the next President is a good one, that the American people are served well. And I will continue as I have the last 14 months to work hard and to pray for the lives and the well-being of the American hostages held in Iran. I can't predict yet what will happen, but I hope you will join me in my constant prayer for their freedom.

As I return home to the South where I was born and raised, I look forward to the opportunity to reflect and further to assess, I hope with accuracy, the circumstances of our times. I intend to give our new President my support, and I intend to work as a citizen, as I have worked here in this office as President, for the values this nation was founded to secure.

Again, from the bottom of my heart, I want to express to you the gratitude I feel. Thank you, fellow citizens, and farewell.●

PUNXSUTAWNEY PHIL PREDICTS MORE WINTER WEATHER

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. MURTHA. Mr. Speaker, I am glad to notify the Congress of the United States that my most famous constituent, Punxsutawney Phil, today made his annual weather prediction. It is now certain that we will have 6 more weeks of winter, although it will be mild and bearable.

Last week, knowing Groundhog Day was coming, I spoke with Dr. Richard Hallgren, Director of the National Weather Service, to caution him against any forecast before today. He admitted that the Government's weather agency faced a major problem. Dr. Hallgren told me:

Eleven months out of the year, when the Weather Service makes its monthly forecast, we feel very confident, but in one month we know we can be upstaged just a few days after our prediction. We have a problem with the February forecast because we know that Punxsutawney Phil's forecast could completely outdate what we have done.

And, yes, once again Punxsutawney Phil has made the absolute, official declaration for the upcoming weather. Please allow me to insert into the CONGRESSIONAL RECORD the official proclamation issued this morning at Gobbler's Knob in Punxsutawney, the weather capital of the world. With this forecast, we overwhelm whatever scientific data the Weather Service may bring to its prediction, because there clearly is no better weather predictor than Punxsutawney Phil.

Hear ye Hear ye! To all faithful followers assembled here on Gobblers Knob, Punxsutawney, Pennsylvania, and to all believers around the world: I, Charles M. Erhard, Jr., President of the Punxsutawney Groundhog Club hearby proclaim that his Imperial Majesty King Philip has emerged from his snow covered borrow at 7:27 this morning.

Squirming and twisting his sleek, furry body in a much liverlier manner than in past years, the King of All Weather Prognosticators seemed temporarily confused by the unpredictable nature of the winter thus far. But just a few seconds later as all those here in his following can attest, Phil definitely saw his shadow, albeit less black and less ominous than upon other occasions, but he saw a shadow none the less! Having spoken momentarily with his Majesty, he stated that he really would like to have cooperated with President Reagan in working out a time of new beginnings, but the mighty woodchuck has decried that this is one time when the tried and true must remain as is!

So, as we all have seen, once Phil spotted the unmistakable warning of six more weeks of bearable winter weather, he has turned and quickly returned to his Royal Residence, the borrow atop Gobbler's Knob.

So, there will be six more weeks of fairly mild winter weather. That is the official word today, Monday, February 2, 1981 from the Weather Capital of the World, Punxsutawney, Pennsylvania, the home of the only reliable weather forecasting groundhog!●

WALTER MONDALE

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. COELHO. Mr. Speaker, the attached article by my good friend and constituent Michael Sanford McGuire appeared in the January 14, 1981, issue of the Livingston Chronicle, which is a newspaper in Livingston, Calif., in my district. Mr. McGuire's article is about former Vice President Walter Mondale who is a very good friend of mine, and I wish to share the article with my colleagues:

VICE PRESIDENT MONDALE

(By Michael Sanford McGuire)

Come January 20, Walter F. Mondale will vacate room 2203 of the Dirksen Senate Office Building after serving four years as Vice President of the United States, President of the Senate, and as a member of the National Security Council.

Most Americans err in not closely and continuously studying the conduct of our vice presidents, for—as the saying goes—the occupant of that office is but a heartbeat away from the highest position of responsibility in the free world. The competence—or lack thereof—of our vice presidents to assume the presidency in the wake of a tragedy should be of concern to us all.

My judgment is that Mr. Mondale has done an excellent job as Vice President, but—considering his long public record—it would have been a surprise had he performed otherwise.

At age 20, Mr. Mondale successfully organized and managed Minneapolis Mayor Hubert H. Humphrey's first campaign for United States Senator.

At age 22, Mondale managed Orville Freeman's campaign for Minnesota state attorney general. Freeman later was elected governor of that state, and then served as U.S. Secretary of Agriculture.

After the Freeman campaign, Mondale entered the U.S. Army for a two-year period before graduating from law school at the age of 28.

Just four years out of law school, he became, at age 32, attorney general for the state of Minnesota. During his four years in

that office, Mondale earned a solid, favorable reputation for his stands in the areas of antitrust law and consumer protection.

In 1964, the 36-year-old Mondale entered the Senate, where he served twelve years.

It may never have made the newspaper headlines, but Senator Mondale probably did more than any Senator in the history of this Republic to try to assist the tiny victims of child abuse. Indeed, most of his endeavors in the Senate revolved around providing a voice in Washington for the very young, the elderly, and all those without the ability, time, or financial resources to lobby the Congress for themselves.

In the field of international relations, the senator fought hard for the sound principle that, in a democratic society, the elected representatives of the people have a right to know where and when American men are being sent to fight and die, and he fought for the right of our representatives to have some "say so" in the conduct of war.

I did not happen to agree with Mondale at the time on that point, but I have come to see how terribly wrong I was.

Walter Mondale's first major project as Vice President was to travel to Western Europe and Japan to demonstrate American concern for the world economy by paving the way for an economic conference of the industrialized nations.

A collapse of any major allied nation's economy could have lead to a severe depression in the United States. That is precisely what happened fifty years ago.

Whatever can be said about the state of our economy, we must admit the situation today would be much worse had the present administration not had the wisdom and foresight to begin early to enter into many public and private discussions with our Asian and West European allies concerning the economic status and future of the entire free world.

The Vice President travelled not only to Japan, but to our own San Joaquin Valley to speak with and listen to many, young and older, who share our problems and concerns.

At 53, Walter Mondale is still a young man. His is a needed voice of compassion and moderation. After a brief vacation from the challenges of the past several years, I trust we will hear more from him.

I am looking forward to it.●

JAMES J. KILPATRICK COMMENTS ON GLOBAL NEEDS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. BROWN of California. Mr. Speaker, a change of administrations inevitably brings loose talk about where sweeping and dramatic changes in policy can be made. Two such areas, ironically linked, are foreign aid and environmental policy. While those who have carefully studied both topics understand how they are linked, and how important global environmental concerns are to the national security of the United States, I have found recent news accounts of pending proposals from the new administration to be quite discouraging in their apparent shortsightedness.

Perhaps for this reason, I have found a recent guest editorial by the well-known conservative columnist, James J. Kilpatrick, in a well-known conservative journal, Nation's Business, to be a refreshing bit of commonsense. For my colleagues who may have missed this commentary, I wish to place the editorial in the CONGRESSIONAL RECORD at this time.

[From the Nation's Business, February 1981]

THE COMING CATASTROPHE

(By James J. Kilpatrick)

Five years ago, Scribner's published an English translation of Jean Raspail's "The Camp of the Saints." The novel had been well received abroad, but here in the States the liberal reviewers killed it with ridicule or with silence. The plot was intolerable to them. Raspail was predicting that somewhere around 1995 or 2000 a horde of wretched, starving have-nots would swarm like locusts upon Southern France and ravage the food, the property and the lives of the haves. This was a nighmare novel, chillingly told.

Raspail's prophetic work came to mind the other day, when I finally got around to reading "Global 2000." This was a report submitted to President Carter last summer by the Council on Environmental Quality and the Department of State. It is an immensely important study, staggering in its implications, and if you wonder why it has received so little attention, I can only surmise that in Washington we are inundated by reports, and at the time of publication this must have looked like merely one more report.

It is much more than that. The authors have pulled together the best projections of experts in a dozen fields—population, food production, natural resources and the like—and have compressed them into a single word: catastrophe. If we fail to heed the clear warnings of this study—if we fail to take sensible actions now—we will invite terrible consequences just two decades hence.

The population projections alone are enough to cause serious concern. By 2000, the world's population will have increased to about 6.35 billion, a gain of 55 percent over 1975. The more developed countries will increase slowly; The United States may have 248 million inhabitants, up 16 percent; Western Europe can anticipate a population of 378 million, up 10 percent. But the less developed countries will soar. By 2000, Mexico can expect a population of 131 million, up 119 percent. Mexico City will be the largest city in the world, with a population of perhaps 31.6 million—three times as large as New York is today. Africa's population will double; China will go to 1.3 billion and India to 1 billion.

How are these billions of human beings to be fed? In most of Asia, and in poor areas of North Africa and the Middle East, a calamitous drop in food per capita is projected. In these areas, "the quantity of food available to the poorest groups of people will simply be insufficient to permit children to reach normal body weight and intelligence and to permit normal activity and good health in adults." The number of seriously malnourished people will roughly double, from about 600 million today to 1.3 billion two decades hence.

What these projections suggest is that the great grain and rice producing nations must redouble their efforts. An answer cannot be found in putting more land in production, because most good land already is under cultivation. Increased reliance upon fisheries could help, but "unfortunately, the world harvest of fish is expected to rise little, if at all, by the year 2000."

Other concerns cry out for thoughtful attention. The world's forest resources are in deep trouble. By 2000, growing stock per capita is expected to decline 47 percent worldwide and 63 percent in less developed countries. Water supplies, already short in many areas, will get worse.

One thing leads to another: As urban sprawl continues, valuable cropland goes out of cultivation. As forested hills are denuded, erosion takes over. For want of fuel wood, millions will be forced to burn animal dung, thus robbing the soil of organic nutrients.

The authors emphasize that their projections are conservative. They do not allow for drought, or wars or agricultural pestilence. On the other hand, they do project technological developments that will enhance productivity. They do not assume breakthroughs in fusion energy or solar energy. They acknowledge the increased risk that goes with increased production of electrical energy in atomic plants, and grimly but matter-of-factly they point to the mounting problem of disposing of atomic wastes.

Yes, this is a gloom and doom report, made all the more disturbing by the constrained and dispassionate style in which the authors lay out the evidence. But it is not a report without hope. Their message, finally, is that the impending catastrophe can indeed be averted—or at least minimized—if sensible public policies are put in motion now. New methods of safe and reliable birth control must be developed. The world will need new varieties of fast-growing trees. New techniques of aquaculture and desalinization will have to be found.

Above all, a sense of urgency has to be aroused. Otherwise, our children and grandchildren may soon discover that Jean Raspail wrote not fiction, but fact.●

THE 33D ANNIVERSARY OF SRI LANKA'S INDEPENDENCE

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. RICHMOND. Mr. Speaker, it gives me the greatest of pleasure to share with my colleagues a report on the achievements and aspirations of the nation of Sri Lanka, which on February 4, will celebrate the 33d anniversary of its independence.

I wish to thank the Ambassador of the Republic of Sri Lanka, W. S. Karunaratne, for providing me with the following information, outlining the progress and promise of Sri Lanka, the Resplendent Land:

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA, NATIONAL DAY—4TH OF FEBRUARY 1981

On February 4th, 1948 Sri Lanka regained her independence from the British, the last of three nations that had colonised her over the preceding four centuries, the others being the Portuguese (1505–1658), and the Dutch (1658–1796).

The year 1981 also marks the 50th Anniversary of the granting of universal adult franchise in the modern political history of the nation. Although the experience and practice of adult franchise existed in Sri Lanka even in historic times, this was only at the local level of government; the government at the national level was monarchical. In 1931 elections were held at the national level on the basis of universal adult franchise for the first time. Since then all elections in the country have been held on this basis. Today, every citizen of the country over the age of 18 years has a vote.

Since 1948 seven general elections have been held in Sri Lanka and as the result of six of these elections the government in power has been defeated and the major opposition party (either by itself or in coalition with other parties) has been voted into power. Sri Lanka has a multi party system. Over the past sixteen years voter turnout at general elections has averaged over 80 percent.

Women in Sri Lanka have always actively participated in politics. The first general election held on the basis of universal adult franchise in 1931 also saw a woman elected to the national legislature which was then called the State Council.

From 1948 till 1972 Sri Lanka, while being an independent nation, still retained, in common with certain other nations, the British monarch as Head of State. On May 22nd 1972 a Republican constitution was adopted by which the Governor-General, who had represented the British Monarch was replaced by a titular President nominated by the selected Head of Government (the Prime Minister). This constitution set up a unicameral legislature instead of the bicameral one that had hitherto existed. It also changed the name of the country back from Ceylon to its traditional and historic name, Sri Lanka.

Mr. J. R. Jayewardene, under whose leadership the United National Party had been returned to office in July, 1977, had consistently campaigned for the establishment of an executive Presidential system. Such a constitution was promulgated on February 4, 1978. It draws from the constitutional practices of the United States, France and Britain, adapting them to the needs and aspirations of Sri Lanka and her people. Sovereignty of the people is exercised through Parliament which has been declared supreme. Legislative power is vested in Parliament. The President has no right of veto over legislation passed in Parliament. There is strict separation of powers between the legislature, the executive and the judiciary.

Sri Lanka, has living within its area of 25,000 square miles a variety of ethnic groups (Sinhalese, Tamils, Moors, Burghers, Parsis) who are adherents of almost an equal variety of religious beliefs (Buddhists, Hindus, Muslims, Christians, Zoroastrians). The guarantee of fundamental rights and equal opportunities to all citizens is given by the constitution where the chapter on fundamental rights embodies all 30 clauses contained in the Universal Declaration of Human Rights of the United Nations.

In foreign affairs Sri Lanka has chose to follow a policy of strict non-alignment. Both in the 95 member non-aligned movement of which she was Chairman from 1976 to 1979 and also in the UN, of which she is a member, she bases her actions and initiatives on the principles established at Bandung in 1955 and on the purposes and principles of the Charter of the United Nations. Her consistent aim has been to work within this framework towards the furtherance of reconciliation among nations, the peaceful settlement of disputes among them, and the evolution of an international milieu where nations of diverse ideological persuasions could move together towards the betterment of the lot of all nations and peoples, and particularly the underprivileged.

Since 1948 Sri Lanka has pursued a domestic policy of betterment of the lot of her population both through the provision of basic needs and through the stimulation of economic growth. Basic needs support measures in the field of health, education and food, coupled with a strong family planning programme have helped evolve a healthy, literate and educated people. Life expectancy is 64 years for males and 67 years for females; the death rate is 8.1 per 1000; the literacy rate is 88 percent. The quality of life has been rated high and set at 83 on a scale of 100. With the gradual improvement of the lot of her people the government has been able to phase out some of these support measures. However, Sri Lanka's earnings have been and still are inadequate to meet the needs of development being vulnerable to price movements in international commodity markets. So, although successive governments have addressed themselves to the problem of economic development, its solution still has eluded them.

The present government, which came into power in 1977, has focussed sharply on economic development as a major commitment of its programme. It has approached the question in two main areas—agricultural self-sufficiency and the production of adequate power through the Mahaweli Development Programme, and the attraction of foreign investment for industrial development, mainly through the setting up of Free Trade Zones.

In the first stage of development of the Mahaweli Programme five dams are to be constructed and land opened for agriculture with financial assistance from a consortium of countries comprising the United States, Canada, Britain, the Federal Republic of Germany, Sweden and Japan together with the World Bank and the IDA. This stage is expected to irrigate around 117,000 hectares of land and generate around 500 megawatts of power.

In the area of industrial development, the initial period of decontrol and deregulation in the economic field soon after the present government came into power, cleared the way for the entry of foreign investment, both within the Free Trade Zones and outside them. One zone has been parcelled out and a second is being created. Attracted by the package of tax and other incentives and the complete infrastructure facilities given, 130 industrial ventures from 25 countries have so far signed agreements for operation in the zones. Most recent among them is Motorola semi-conductors which is to set up a factory for the assembly and testing of semi conductor devices. Currently 23 factories are in production and 19 others are in various stages of construction.

The number of foreign investment proposals approved for establishment in Sri Lanka outside the framework of the Free Trade Zones has also grown from 33 in 1978 to 138 during the first nine months of 1980.

The period from 1978 to 1980 has also seen 11 new foreign banks and credit companies given permission to operate in Sri Lanka on an offshore basis. They comprise four from the United States (Chase Manhattan, Bank of America, Citibank and American Express), three from the Arab World (BCCI, Bank of Oman and Bank of Dubai), three from Europe (Algemene Bank Netherland, Indo-Suez and European Asian) and one from Hong Kong (Overseas Trust Bank). In the field of trade, too, the pattern of imports has shown an emphasis on development. Imports of intermediate goods has risen from 38 percent of total imports in 1978 to 40.5 percent in 1979. Imports of investment goods has risen from 23 percent of total imports in 1978 to 24 percent 1979. Both these categories are essential for development. By contrast, imports of consumer goods has fallen from 38 percent of total imports in 1978 to 35 percent in 1979. The comparison becomes that more forceful when one considers that the value of imports in these three categories, in terms of SDR's has grown from 744 million in 1978 to 1114 million in 1979.

This trend continues. In the first half of 1980 imports of intermediate goods rose to 43.4 percent of total imports, investment goods remained at the same level as 1979 and imports of consumer goods declined further to 32.5 percent.

The objective of all these efforts is to endeavour to ensure that the gains of the country in the fields of political development and awareness, education, health and other basic needs are consolidated by the creation of adequate economic opportunity for her people. For it is only by doing this that Sri Lanka can enhance the quality of life of her people, promote human rights and enrich and stabilise her democratic institutions.●

UKRAINIAN CULTURE CENTER HONORS NATALIE SLUZAR

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. WAXMAN. Mr. Speaker, in recognition for the outstanding public service of Natalie Sluzar, the Ukrainian Culture Center in Los Angeles honored her at an awards dinner last December 13. Ms. Sluzar was on the staff of the White House Office for Ethnic Affairs, and was instrumental in forging closer links between the Government and the Ukrainian community. I am honored to bring to the attention of my colleagues the tribute given Natalie Sluzar in Los Angeles:

[From the Ukrainian Weekly, Jan. 4, 1981]

L.A. UKRAINIANS HONOR SLUZAR

LOS ANGELES.—Natalie Sluzar, Assistant to Dr. Stephen Aiello at the White House Office for Ethnic Affairs, visited southern California from December 13 to 19 under the auspices of the Ukrainian Culture Center of Los Angeles.

The highpoint of the visit was the presentation of the Ukrainian Culture Center's Distinguished Public Service Award to Ms. Sluzar on December 16 by its president, Dr. Roman Kulczycky.

The award was presented in recognition of Ms. Sluzar's "significant contributions to improving the quality and effectiveness of communication between the White House and local communities through her work in the Office for Ethnic Affairs and for her outstanding work in enhancing the reputa-

tion and visibility of the Ukrainian American community in official Washington circles."

The award also recognized Ms. Sluzar's assistance to the Ukrainian Culture Center in its endeavors in the areas of public relations, cultural matters and anti-defamation activities.

Following presentation of the award, Walter Lesiuk introduced Mykola Novak, pioneer immigrant and the first president of the Ukrainian Culture Center (1944). Mr. Novak presented Ms. Sluzar with a copy of his book, "Guardians of Ukraine," which is a pictorial history of Ukrainian community in the United States since 1926.

Ms. Sluzar's topic at the award ceremonies was "Ethnicity in the 1980s."

Ms. Sluzar arrived in Los Angeles on December 13, where she was met by Dr. Kulczycky and Mr. Lesiuk and later that day, was a guest at a dinner hosted by Mr. and Mrs. Nestor Wasylyn and their family.

During her visit, Ms. Sluzar had an opportunity to meet with the pastors and parishioners of both the Nativity of the Blessed Virgin Mary Ukrainian Catholic Church in Hollywood and of St. Andrew's Ukrainian Orthodox Church in Los Angeles. Ms. Sluzar was also a guest at the annual Christmas dinner of the Kobzar Ukrainian Choir of Los Angeles.

Before her departure on Dec. 19 for San Francisco for a meeting with representatives of Chinese American and Ukrainian American organizations, Ms. Sluzar was interviewed by S. Shumsky of the Ukrainian American radio program.●

MX MISSILE REFERENDUM

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. SANTINI. Mr. Speaker, I would like to enter into the RECORD an article from the Reno Evening Gazette which summarizes the results of an MX missile referendum which was on the ballot of almost half of all Nevada counties on November 4, 1980. In every county where the question, "Do you want MX constructed in Nevada?" appeared on the ballot, the answer was a definite "no."

While we Nevadans do not believe that national security should be subject to a popularity contest, neither do we believe that the residents of our State should be ignored. These are the people whose lifestyles, jobs, businesses, farms, and communities will be enormously affected by the dragstrip deployment of the MX missile. As my colleagues know very well, the people of Nevada are among the most patriotic of Americans, and we firmly believe in a strong national defense. But we are not convinced that this particular method of deploying the MX missile is perfect or sacred. It will consume billions of gallons of our scarce water; it will scar a relatively pristine area with 10,000 miles of roads and it will change the Great Basin forever.

All of this damage will take place in order to put into place a system which is designed to meet a SALT treaty which has never been approved, a system which major defense experts question and a system which will not even meet our immediate defense vulnerability.

Given all of these negative factors, I strongly feel that the Nation is asking Nevada to make a long-term sacrifice which will not, in fact, result in the best defense system for our country. It is my sincere hope that this Congress and the new administration will take a long, hard, and objective look at the current deployment proposal for the MX missile.

[From the Reno Evening Gazette, Nov. 5, 1980]

NEVADA VOTERS SAY NO TO THE MX MISSILE

(By Pat O'Driscoll)

Construction of the controversial MX missile system in Nevada was strongly opposed Tuesday by voters in the eight counties that had MX questions on the election ballot.

Voters in Mineral County in south central Nevada were divided on the issue, opposing Nevada deployment of MX by a narrow margin. Nye County, too, was relatively close compared with the runaway 70-30 margin in some counties.

Although the non-binding advisory question on the ballots of almost half of Nevada's 17 counties cannot in itself prevent the massive, multibillion-dollar defense system from being built in Nevada, anti-MX forces view it as more evidence their cause has popular support.

With 100 percent of the vote counted in other counties, the results were:

MX Missile

Washoe County:	
Yes	19,995
No	41,901
Churchill County:	
Yes	1,180
No	3,844
Humboldt County:	
Yes	698
No	1,894
Lander County:	
Yes	334
No	1,006
Mineral County:	
Yes	1,092
No	1,201
Nye County:	
Yes	1,543
No	1,889
Pershing County:	
Yes	360
No	795
White Pine County:	
Yes	937
No	2,199

Voters in six of the counties were asked if they favor construction of MX in Nevada, but in Churchill and White Pine counties, the question narrowed to how voters feel about building it in their own counties.

Gov. Robert List said Tuesday night the MX question outcome didn't surprise him. "I've known for a long time that's the way the people of Nevada feel," he said, adding that Nevada must continue to stress that in Congress, "where the decision is going to be made." He said that although Nevada Sen. Howard Cannon believes it's too late, "I don't agree. It's an expensive system and its so costly environmentally. . . ."

Glenn Miller, a Reno spokesman for NO MX (Nevadans Opposing MX), said the vote should send a strong states' rights message to President-elect Ronald Reagan. Miller also said Reagan's past suggestion that the missile system could be deployed in existing missile silos in the Midwest "is good from the Nevada desert veiwpoint," although not for those who want to scrap the controversial missile program.

Sylvia Baker, a vocal leader of NO MX (Nevadans Opposing MX) in Eastern Nevada, said the results were "better than I had hoped. But I had the impression from almost everybody I've talked to over the last year that at the very least they were very uneasy about MX."

The prospect of Ronald Reagan in the White House makes Mrs. Baker "somewhat hopeful" that the federal government "will take another look" at putting the controversial missile in Nevada. "In spite of the fact that they (Reagan's forces) are in favor of increased defense spending, they are still skeptical about the (MX) basing mode," she added.

Mrs. Baker said that within the month, NO MX will write to most U.S. senators and representatives, "especially the new ones," to register oppostion to MX.

Bill Vincent, state coordinator of Citizen Alert, a major anti-MX force, also said the response was better than expected.

He also said the MX proposal will likely be reviewed completely by the new administration because Reagan's chief military advisers have "considerable doubt" about deploying the nuclear missiles in the Nevada desert.

The MX vote does not bind the counties that put the issue on the ballot, the Congress, or the Air Force, the military branch that would operate the missile system.

The Air Force's top MX official, Brig. Gen. James McCarthy, said the MX referendums were premature because the vote was taken before all the evidence was in.

"I haven't seen any of the results, but some of the counties that are voting are clearly not affected directly by MX," McCarthy said Tuesday night. "It seems premature to take a position on the issue when information about the MX system provided in the (upcoming) environmental impact statement is not yet available."

The twice-delayed environmental review, which will be used by Congress and the president to make an official MX siting decision, is now due out in mid-December, six months behind schedule.

McCarthy said the information contained in the environmental review will change skeptics' minds.

"It will reflect adverse impacts that very clearly the system will cause. On the other hand, it will show, in a positive vein . . . the impacts in some areas will not be nearly as bad as others may suggest and show many positive effects of the system as well," said the general.

The Air Force has said the positive effects include thousands of new jobs and millions of dollars in payroll.

A midsummer poll by a non-profit, Phoenix-based public opinion firm found 63 percent of Nevadans opposed to the MX project. A more detailed Nevada poll last February by the Nevada State Journal and Reno Evening Gazette found broad disagreement on MX among Nevadans.

That poll, in which a scientific sample of 500 persons was surveyed, 39 percent favored MX, 37 percent opposed it, and 24 percent were undecided.

Of that, Washoe County registered the strongest opposition, with 47 percent op-

posed and 36 percent in favor of MX. In the rural counties, meanwhile, 43 percent were against MX and 28 percent in favor, with a large number—29 percent—undecided.

The strongest support for MX in that poll was in Clark County—44 percent in favor—but Clarke does not have an MX question on the ballot.

Only three of the nine counties with MX ballot questions—Lander, Nye and White Pine—would actually have the MX system on their soil, although anti-MX forces argue the impact would be felt statewide.

Ironically, the county that would probably feel the MX impact the greatest, Lincoln County, didn't have an MX question on the ballot. Nor did Eureka County, another Central Nevada county likely to be an MX site.●

PRELUDE TO VICTORY

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. WHITEHURST. Mr. Speaker, on January 5, 1981, I introduced House Joint Resolution 68, a joint resolution designating September 5, 1981, as "Battle Off the Virginia Capes Day." On pages 138–139 of the RECORD for that day, I inserted a statement outlining the reasons for that resolution.

Today, I would like to share with my colleagues a most generous editorial which appeared in the Newport News-Hampton, Va., Daily Press on Saturday, January 17, endorsing this effort and pointing out the appropriateness of recognizing the continued value of naval strength.

I hope that a strong effort will be made in the coming months to insure that this forgotten battle will receive the recognition it deserves.

Thank you, Mr. Speaker.

The editorial follows:

PRELUDE TO VICTORY

As a fitting prelude to the celebration of the Yorktown victory in the Revolution 200 years ago this October, Congressman G. William Whitehurst of Norfolk has just asked Congress to issue a memorial proclamation commemorating France's role in the naval victory in the Battle off the Virginia Capes. It should do so.

That oft-forgotten victory by Adm. Francois de Grasse prevented the British navy from sending relief vessels from New York to Yorktown to evacuate Cornwallis' besieged army. Thus the British commander on Oct. 19, 1781, was compelled to surrender his 7,500-man army and its massive equipment. That led to American independence.

George Washington, who led the armies of America and France to triumph at Yorktown, said that de Grasse was "the arbiter of our victory."

It is heartening to know that the U.S. Post Office is issuing special stamps honoring both the de Grasse naval victory in the Chesapeake Bay off Cape Henry and the Washington-Rochambeau achievement at Yorktown.

As Congressman Whitehurst so rightly declares in his resolution, "The celebration of our nation's 200th birthday . . . will reach another climax in 1981 with the commemoration of the surrender at Yorktown.

"A major ceremony has been planned for this October, and national recognition will be given to this great event . . . Insofar as naval activity was concerned, no action was more vital to American success than the leadership of Admiral de Grasse in the Battle off the Virginia Capes. . . ."

America must not forget the value of naval strength to her security, now as in 1781.●

OFF WELFARE, INTO WORK

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. ROTH. Mr. Speaker, on Friday, January 30, 1981, our distinguished colleague, PAUL FINDLEY, had an editorial printed in the Washington Post entitled "Off Welfare, Into Work." I would urge my colleagues to read his fine article and consider the budgetary implications carefully.

The editorial follows:

OFF WELFARE, INTO WORK

(By Paul Findley)

In seven communities around the country, able-bodied food stamp recipients now face a requirement to work off the value of the benefits they receive in public service jobs. Budget-cutters watching these "workfare" pilot projects see a welfare reform gold mine. Policymakers should go prospecting and stake a claim.

The work projects under the food stamp program have been operating for over a year. According to USDA figures, 88 percent of the food stamp recipients obligated to work dropped food stamps rather than take a public service job. Only 12 percent actually worked the few days a month needed to continue receiving food stamps.

San Diego was the largest project and accounted for about 50 percent of the cases. It included a beach area where many transients were apparently using food stamps to help finance extended vacations. They simply moved on when faced with a work requirement.

The proportion of food stamp dropouts would have been much smaller without the San Diego resort data. Yet overall, the work projects encouraged numerous people who are employable to leave food stamp rolls and find private-sector jobs.

Providing jobs instead of welfare promises to deliver taxpayer savings by reducing welfare rolls and outlays. And those who take public service jobs gain valuable work experience and a reinforcement of their incentive to get into the economic mainstream. Work can break the welfare syndrome and lead to a better life for those in need.

The new administration is looking to accomplish just that. President-elect Reagan pioneered in welfare work programs as governor of California. His program helped move employable people into regular jobs.

Even liberals are seeing advantages to work instead of welfare as the best way to help the poor. Columnist William Raspberry wrote last June, "We are starting to think less about how best to take care of people, and more about ways to move them toward self-sufficiency."

For a decade, the United States has struggled with the fact that our current welfare system discourages able-bodied recipients from working. When a welfare recipient earns income, the government lowers his or her welfare payments accordingly. Working brings only a very small net increase in total income.

The major welfare reform proposals of the past decade sought to counter this. But those reforms would have resulted in enormous increases in welfare costs and, therefore, died in Congress. We need a work incentive without a corresponding increase in welfare and its costs.

Work projects are the answer. They encourage the able-bodied on welfare to get regular jobs in the private sector since they must otherwise work in public service jobs. In San Diego, one food stamp recipient had been a movie theater manager but had not been able to find another job after being laid off. She did so well in the work project that she landed a regular part-time job with the county.

Finding jobs for welfare recipients involves some added administrative costs. But they are worth it—and extra costs should likely be more than paid by savings as increased welfare dropouts reduce welfare costs, on the one hand, and by the value of the public service performed by participants, on the other.

There is also a social value. Welfare recipients learn useful skills and actively contribute to society while associating with others instead of stagnating at home. And most important, through work programs, welfare families—adults and impressionable children alike—can learn that a full-time, regular job means progress. Unfortunately, that is not the case under our present welfare system.●

GALBRAITH'S RECOMMENDATIONS ON ECONOMIC POLICY

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. MILLER of California. Mr. Speaker, in the following statement, Prof. John Kenneth Galbraith makes some perceptive points about the strengths and limitations of fiscal versus monetary policies, as well as some policy recommendations for our country. I would recommend that all Members read Dr. Galbraith's views.

The statement follows:

RECOMMENDATIONS ON ECONOMIC POLICY

(By John Kenneth Galbraith)

The important, indeed decisive, failure of the consensus has been in the macroeconomic management of the economy—its failure to deal effectively with inflation and unemployment. This was a major part of its promise. No one can doubt that an attack here is justified—that this is a point of conspicuous vulnerability. There is verification in the fact that in those industrial countries which have succeeded in combining high employment with stable prices, West Germany and Austria being the notable examples, the economic and social consensus has remained invulnerable.

In the two decades following World War II, the primary need of macroeconomic management was to counter deflation and unemployment. In the United States and

elsewhere this was done by increasing expenditures and reexpenditures from borrowed funds through low interest rates and easy lending conditions—monetary policy. And it was accomplished by increased public services and expenditure or by reduced taxes and increased private expenditure—fiscal policy. None of these measures involved any serious political conflict with any important economic interest. Nor do lower interest rates, lower taxes, or higher public expenditures encounter any serious public objection. Since prices were relatively stable—a not surprising thing in the context of the concern for deflation and unemployment—union wage settlements and their effect on prices were not a matter for great anxiety. Everything was pleasant in those years for economists and economic policy. It was something to which economic policy makers became accustomed.

But in those years—roughly from 1948 to 1969—changes were in process that drastically altered both the economic and the political context of macroeconomic policy. Corporate concentration, a singular and indubitable feature of capitalist development, however sophisticated the denial, continued. So did the power of corporations to hold and increase prices—to escape the discipline of the market. Trade unions were still of only slight power in the United States at the beginning of World War II. In the other industrial countries they had been weakened by depression or suppressed by fascism. Now, after the war, they asserted their claims everywhere with increasing confidence and effect and, as earlier noted, set the pattern for all wages. Corporations, in turn, after ritualistic objection, passed the cost of wage settlements on to the public. Farm prices in the industrial countries were also now supported by governments. And with OPEC, third world countries entered the game.

The game, in effect, was to set aside the market and win the power to raise prices and incomes. When used, this power became the new and intractable form of inflation. Prices could still rise as a consequence of strong demand. But prices now also rose as the result of the strong upward pressure of corporations, trade unions, farmers, oil producers, and other organized power.

This new development was admirably designed to weaken the ecomomic and social consensus and encourage attack. With inflation the costs of government go up and so do taxes. When taxes, property taxes in particular, are relatively stable, they are much less noticed. When they are going up, they are greatly visible and much resented. This resentment is then transmuted into an attack on all public services. And the inability to control inflation conveys a further impression, not unjustified, of government inadequacy or imcompetence.

As damaging to the consensus were the measures which were taken to deal with inflation. Monetary policy was the first resort. This requires no legislation, only a pliable central bank. Here Professor Friedman, the omnipresent and, by a wide margin, the most eloquent figure in the great conservative revolt, comes to the foreground again. Control the money supply, have it increase only as the economy expands, and you control everything. There may be some initial discomfort and unemployment; presently all will be well.

Unfortunately central banks have not yet learned to control the money supply with any precision. Nor under modern circumstances, when money can be anything from currency to bank deposits to savings deposits to unused lines of credit, is it at all clear what is to be controlled. Controlling what you don't know you are controlling is difficult. And running through all monetary action is a disconcerting uncertainty about the relationship between action and effect. In 1979 in the United States there was an intense discussion over whether tighter bank lending and higher interest rates would cause a recession. The most self-confidently learned participants said it would and were wrong. Then in 1980 there was a further tightening, and the experts turned out to be right. Thus the recession that coincided so admirably for the Republicans with the election. There is a strong case against a policy that has a largely random result.

Going on from the uncertainty of the connection between action and effect, monetary policy has other adverse consequences. It discriminates sharply against those industries, housing being the notable case, which rely on borrowed money. Strong corporations (unlike Chrysler) with capital from earnings and the ability to pass costs along in prices are much less affected. Working against inflation through a reduction in investment spending, monetary policy has a highly adverse effect on productivity. And most important, it works against the inflation caused by corporate, union, and other organized power only as it creates enough unemployment to soften union claims and enough idle plant capacity to make it difficult for corporations to raise prices. To get price stability in this way requires very strong monetary action. Even though the recent recession was painful, politically and otherwise, it did not arrest—has not arrested—inflation. This, given the new power of organization, was altogether predictable.

The reliance on monetary policy has thus been deeply damaging to the economic and social consensus. Fiscal action which controls demand by controlling private and public consumption would have been less so. It is more predictable in effect, it does not favor the large firm over the small, and, since its restraining effect is on consumption, it is not directly damaging to productivity. Unfortunately fiscal policy—higher taxes, reduced public expenditure—is, to put it mildly, politically inconvenient. For this reason policy makers in recent times, looking as ever for soft solutions, have been reluctant to use it. Instead we have combined inflation with tax reductions and compensated with ever more severe monetary policy.

But fiscal policy also works against the inflationary pricing of strong corporations and strong unions only as it creates a substantial amount of idle capacity and of unemployment—until a recession becomes the restraining influence on wages and prices. Economic change—corporate concentration, trade union strength, other power to influence income—has thus rendered all of the measures of the old consensus against inflation ineffective except as they induce idle capacity and unemployment. Such has been the fate of the macroeconomic management, which was one of the three pillars of the consensus.

The arrival of the Reagan administration in the United States will not be very useful to those who would like to move on from the consensus. That is because its design for economic management incorporates all of the old elements of failure in a somewhat exaggerated form. As a result, adherents to the old consensus will be able to accumulate negative capital merely by sitting quietly and awaiting the failures. Specifically, the Reagan administration promises higher defense expenditures, which are certain. And it promises lower taxes, which are almost certain. And it promises to reduce total federal expenditure by reducing the relatively small volume of noncontractual civilian expenditures, i.e., expenditures other than for interest, social security, and the like.

This it cannot do; and the consensus not being vulnerable in respect of these residual expenditures the administration will make itself wonderfully unpopular if it seriously tries. With lower taxes and public spending as high as or higher than before, fiscal policy under President Reagan will, if anything, be more inflationary than in the past. The new administration promises further that the present rather primitive arrangements for restraining wages and prices will be abandoned; indeed, these cannot be tolerated by scholars for whom all forms of government regulation are repugnant—for whom the market, however deteriorated, is still a totem. So there will have to be greater reliance than ever before on monetary policy. As the arch-exponent of monetarism, Professor Milton Friedman has great days ahead.

This will not be his unalloyed good fortune. There are grave disadvantages in being associated with a policy that, however persuasively it is defended, does not work. Professor Friedman has already been forced to disassociate himself from Chile and Israel where he was once celebrated as a prophet. And the Friedman policy in Britain has so far produced only high inflation, deep internal stagnation, the highest unemployment since the Great Depression, and some indication that Professor Friedman would like to detach from Mrs. Thatcher as well. But deep as is my compassion for an old friend, my present concern is for the effect on the adherents to the consensus. Their tendency will be to relax comfortably in the discovery that monetarism means either high unemployment and high rates of inflation or a little less unemployment and yet more inflation. Were it otherwise, were there here a simple formula for solving our troubles, it would have been in general use long before now.

What will be needed by defenders of the consensus is not relaxation but a vigorous effort to bring it abreast of the changes that rendered it vulnerable. This means, as noted, better tests of what is sufficient and affordable in public services and public welfare. It means all possible steps to ensure better public management. But it requires, most of all, acceptance of the logic of modern corporate, union, and other organized power and its effect on price-making and inflation.

A firm resourceful use of fiscal policy is still necessary. When demand presses on resources, there must be increased taxes, and these must be primarily on the affluent. This is the alternative to the excessive—and disastrous—reliance on monetary policy to limit demand or a heartless manipulation of the public services to the poor. I would urge increased use of indirect taxation on objects of upper-income or luxury consumption; it is hard to have tears for those who must pay more for luxury automobiles, furniture, housing, attire, or entertainment. Even those so taxed have some reluctance in pleading hardship. There must also be a general stand against tax concessions to the rich, and this applies to virtually all talk of incentives. Lurking behind the word incen-

tives, we must never forget, is always the wish of someone for more income.

Corporations now have an admirable tendency to invest when they foresee a profit; tax reduction does not turn a prospective loss into a profit. It is the pride of the modern corporate executive that he gives his all to his enterprise; it is insulting to him to suggest that he grades his effort to his after-tax income. And he would be fired were he thought to do so. Taxes on unearned income and inheritance are good for the work ethic; over time they return the rich and their offspring to useful toil. It is one of the oddities of our time that we think the work ethic to be particularly ethical for those in the lower income brackets. A well-considered use of leisure by the affluent is a mark of civilized behavior.

But we must also have direct action to hold wages and salaries to what can be afforded at current prices. And likewise, and as firmly, there must be action, enforced as necessary by law, to restrain industrial prices where market power is great. No market principles are violated when the state moves to fix those prices that, as the product of industrial concentration, are already fixed. And other income that is subject to organized enhancement must similarly be subject to restraint. This is not as great a task as is sometimes imagined. The centralization of market power by corporations, unions, and farm organizations that causes inflation in its modern form greatly reduces the number of firms and organizations that must be controlled. It is not the classical market that is being replaced. That has obviously gone forever and that is the problem.

Thus the task. The consensus must, of course, be defended at its positions of present strength. But here there will be great support from circumstance. The real task is to repair, renew, and redesign it at its points of present failure.●

EUROPE ON $223 MILLION A DAY

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mrs. SCHROEDER. Mr. Speaker, the February 1981 Washington Monthly contains an excellent article by Joseph Nocera, "Europe on $223 Million a Day," which calls for a thorough keelhauling of our European foreign policy.

Get hold of the entire article, but here is a preview:

Western Europe is the great sacred cow of American foreign policy. We haggle endlessly over whether West Germany should up its contribution to Western defense spending by two percent instead of three, but we almost never stop to ask the larger question: When was the last time the foreign policy establishment took a fresh look at whether it still makes sense even to have a joint Western defense or a NATO umbrella? Or whether it was really in America's best interest to continue spending upwards of $81 billion a year to keep NATO in business? Or whether the strategic interests of West Germany and those of the United States are still virtually one and the same? In the world of foreign policy, these are all "givens"—accepted as truth by just about everyone. But they shouldn't be; the postwar world whence they came is now so far in the past that these beliefs are precisely the ones that need to be called into question. That isn't happening largely because the people who are in a position to question the dogma are the very ones so tied to it. These people include not only the diplomats who live and work in Europe, but the journalists who write from there, the military brass who operate from there, and even the congressmen who junket there.●

WILLIAM K. HOWARD

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. WAXMAN. Mr. Speaker, on Wednesday evening, March 11, 1981, William K. Howard, a most dedicated and respected man, will be honored on the occasion of the inaugural Israel salute to the film industry of California. In acknowledgment of Bill Howard's concern for people everywhere, the Torch of Freedom Award will be conferred upon him by an eminent representative of the State of Israel.

William Howard is president of the Hollywood Film Council, and in addition to his personal attributes which have earned him this honor, has personified American Labor's unreserved and unstinting support of Israel for 33 years.

Bill Howard is a fourth generation Californian, born in Pasadena. He served as a bomber pilot in World War II from 1942 to 1945, and upon leaving the service became affiliated with the film industry as a costumer. In 1963 he became the business representative of the Motion Picture Costumers Local 705—I.A.T.S.E. and M.P.M.O., continuing in that office to date. In 1973 he became president of the Hollywood Film Council. For the past 18 years he has unstintingly devoted his time and energy as president of the California State Theatrical Federation, as board chairman; chairman of the Finance Committee, and member of the board of trustees of the Motion Picture Industry Pension Plan. He is a member of the executive committee of the board of trustees of the Motion Picture & Television Fund; the board of directors of the Motion Picture Costumers Federal Credit Union; the board of trustees of the Hollywood Canteen Foundation; the Permanent Charities Committee; the Motion Picture Academy of Arts & Sciences.

Bill has served his State as a member of the Industrial Welfare Commission Wage Board for both the motion picture and the television industry, and his city as membership chairman of Mayor Bradley's Film Development Committee as well as the recording secretary of the Hollywood Broadcast Labor Council.

Recognizing that only in an economically secure Israel can his brothers and sisters in the democratic labor movement there maintain their dignity, their jobs, and their way of life, William Howard supports the reaffirmation of AFL–CIO to support Israel and Israel bonds.

I ask the Members to join me in extending our heartfelt commendation to William K. Howard for his dedicated service to his community and to his ideals.●

UNITED STATES SHOULD SUSPEND NICARAGUAN AID

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. PORTER. Mr. Speaker, former Secretary of State Ed Muskie, on Thursday, January 29, in an interview with Washington Post editors, revealed convincing evidence that arms to leftist guerrillas fighting in El Salvador are coming from Nicaragua. Mr. Speaker, if this is true, then the United States should suspend further assistance to Nicaragua at once. I have addressed this day a letter to President Reagan spelling out this abuse of neutrality by the Nicaraguan Government and urging the President's stipulation to an immediate American aid embargo. I have also written Secretary of State Haig requesting his support for an immediate Nicaraguan aid cutoff.

Mr. Speaker, on February 27, 1980, at the time when this House voted for foreign aid to the leftist Sandanista government in Nicaragua, some of us warned that American generosity in this instance would be abused. But that vote carried over our objections by the thin margin of 202 to 197. Congress at that time did write into the legislation the proviso that should Nicaraguan aid be misused to aid leftists in Central America, there would be an immediate American aid cutoff. We now have that clear evidence of Nicaraguan abuse of American aid assistance. Arms and supplies used in El Salvador's bloody leftist assaults are flowing through Nicaragua. And to quote former Secretary Muskie, "certainly with the knowledge and to some extent the help" of Nicaraguan authorities.

Mr. Speaker, I call upon the administration and the Congress jointly to urge an immediate halt to American assistance to the Sandanista government in Nicaragua. Nicaraguan neutrality is a fiction favoring a Cuban- and Soviet-backed takeover by antidemocratic forces in El Salvador and in Central America.●

PROPOSED RULEMAKING TO INFLUENCE LEGISLATION

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. GRISHAM. Mr. Speaker, I would like to call to the attention of my distinguished colleagues a glaring example of regulatory excess which has been proposed by the Internal Revenue Service in the Federal Register of November 25, 1980. The proposed regulations relate to the treatment, for tax purposes, of expenditures for attempts to influence legislation. If implemented, these proposed regulations will have an adverse effect on the small business community. The proposed regulations will also have a significant impact on the tax treatment of an individual Member's own legislative activities. I have prepared a letter to the President asking that he place an immediate freeze on these proposed regulations pending a public hearing and further consideration of the potential effect. The text of the letter, which will be sent to the President on February 11, is as follows:

DEAR MR. PRESIDENT: On November 25, 1980, the Internal Revenue Service published in the Federal Register a notice of proposed rule-making, relating to the treatment of expenditures for attempts to influence legislation. We are deeply concerned that these proposed regulations will have a severe negative impact on the small business community.

The current rule provides that if an organization does not spend a "substantial" amount of its funds on grass roots lobbying, its members may deduct all dues or membership fees paid to the organizations. The proposed regulations would establish a three factor test to be used as a guideline for determining whether an action or communication is an attempt to influence public opinion, and therefore non-deductible. An organization must then evaluate all expenditures on the basis of this three factor test in order to determine the total outlay for grass roots lobbying. Every organization must furnish a statement to its members indicating the percentage of funds used for such efforts. Using the figure provided, the member must then calculate the amount of the corresponding percentage of his dues or fees which was used for grass roots lobbying. This amount is non-deductible, and is subtracted from the total dues paid by the member to determine the deductible figure.

We are concerned that the promulgation of these regulations will have serious consequences for the small business community. Because of the fundamental change involved in defining a "substantial" amount as any amount, the regulations will have the potential to severely diminish the role of small organizations in grass roots lobbying. The resulting increase in the tax liability of the members will be a disincentive to the members for participation in these organizations, and an unwarranted increase in the tax burden for these members.

The proposed reporting requirement obviously imposes an unnecessary and excessive burden on the organizations involved. It demands an extensive amount of paperwork and places a much greater burden on the smaller organizations who may not have the accounting capability for such analyses. These proposed regulations will discriminate unfairly against the smaller organizations, and against their members who use the services they provide. We question the need for such regulations, especially when according to an IRS spokesman, there is no evidence of any violation of the present rules.

The results of the 1980 elections clearly illustrate that the American people want less regulation and less government intrusion in their lives. To impose these regulations refutes the overwhelming mandate of the voters. We recommend that you place an immediate freeze on these proposed regulations to prevent their promulgation pending an assessment of the impact on the small business community. This is an opportunity to demonstrate to the public that the new administration intends to curtail over-regulation and excess. We appreciate your consideration in this matter.

I hope that you will consider this matter carefully and lend your support to this petition to the President.●

INSPECTORS GENERAL MUST BE NONPARTISAN

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. LANTOS. Mr. Speaker, I would like to draw to the attention of my colleagues the recent dismissal of 15 Inspectors General at major Federal agencies. This action may be counterproductive to the administration's stated goal of fighting waste and fraud.

One critical task facing the new administration, and facing this new Congress, is to make the Federal Government lean and cost effective. The elimination of waste and incompetence is not a Republican or Democratic priority; it is a managerial priority, the achievement of which is essential if we are to restore public confidence in our form of government. But it is important that we distinguish partnership and false economies from genuine reform.

I am seriously disturbed by President Reagan's recent decision to summarily dismiss all 15 agency Inspectors General. The President can and should remove any top agency official whose work is not of the highest caliber. But the administration has hardly had time to examine the records of these 15 individuals and find them wanting; it has removed them without regard to whether their records are good or bad. The White House now indicates it will permit the dismissed Inspectors General to reapply for their old positions. Whether those reapplications will be taken seriously we cannot now know.

I urge the President to consider carefully and individually the records and credentials of each of the Inspectors General. Many of these women and men have developed important and needed expertise regarding the abuses in their agencies, and we can ill afford to wait for new officials to learn what the dismissed ones had ferreted out over a protracted period. I am very concerned that, a year or two from now, we will read about an important investigation that foundered because of the dismissal of the knowledgeable investigating official.

I understand Mr. Reagan's expectation that every Inspector General be "meaner than a junkyard dog," but I hope that he recognizes that meanness alone will not get the job done. An Inspector General must have the skill to grasp the complex activities of the agencies he or she monitors. Above all, the Inspector General must have the resolute backing of an agency head committed to disciplining inept program managers, and to implementing changes which audits and investigations reveal are necessary.

In filling these positions, the administration must be scrupulously careful to avoid creating the appearance that loyalty to President Reagan or the Republican Party is a relevant consideration. Any Inspector General who believes he or she was hired on that basis may well act accordingly, suppressing facts that might be embarrassing to the new administration. The purpose of Congress in creating these positions would be defeated if the Office of Inspector General were politicized in this manner.

An important story about the Inspectors General appeared in this morning's Washington Post. It is an article worth reading, and I commend it to the attention to my colleagues by inserting it in the RECORD.

The article follows:

FIRED U.S. WASTE FIGHTERS BARE GOVERNMENT FOULUPS

(By Charles R. Babcock and Patrick Tyler)

There are 15 men and women out there in the federal bureaucracy who could tell President Reagan where a lot of bodies are buried as his administration begins its much-heralded search for waste, fraud and mismanagement in federal programs.

They make up the corps of inspectors general at major federal agencies. But, instead of debriefing them, Reagan fired them all last week.

Inez Smith Reid, the inspector general at the Environmental Protection Agency, for instance, could talk about the $133,000 worth of unused airline tickets dating back to 1972 that she found under a secretary's desk during a recent audit.

Thomas F. McBride, the former Watergate assistant special prosecutor who was inspector general at the Agriculture Department, could detail the widespread use of food stamps as an underground currency to buy drugs, illegal weapons and cars.

June Gibbs Brown, the IG at the Interior Department, might volunteer her discovery

that a youth camp director in Missouri ordered 1,072 pairs of leg chaps, 3,736 pairs of work gloves, 112 stepladders and 1,509 desk calendars, all for a camp that was scheduled to enroll 136 youngsters.

The IGs' tales of waste and fraud range from the trivial to the enormous, from the Energy Department employe who was caught running up $100 in long-distance telephone bills between his office and a pornographic story "hotline" in the Midwest to the mortgage bankers in Puerto Rico who set up phony housing sales to siphon off millions from the Department of Housing and Urban Development.

When Reagan abruptly fired the IGs last week, some Democratic sponsors of the 1978 inspector-general legislation criticized the move as politicizing the fledgling corps. Congress' intent, they said, was to create independent, nonpolitical offices in the major executive departments, through the president has right to replace the IGs.

Reagan aides did say the fired inspectors can reapply for their jobs in the new administration if they think they can meet the new president's challenge to rip into waste and fraud like a "junkyard dog." Several IGs are trying to stay on.

During his presidential campaign, Reagan continually declared the elimination of "waste and fraud" a top priority. He tied the success of his entire tax-and-budget-slashing recovery program to finding and cutting tens of billions of dollars in fraud and waste from government programs.

When asked during his televised campaign debate with President Carter how he would cut spending while cutting taxes and increasing the defense budget, Reagan replied, "I believe there is enough extravagance and fat in government."

He cited the Carter Cabinet secretary who once estimated that there was $7 billion of fraud and waste in the Department of Health, Education and Welfare alone, and the General Accounting Office estimate of the "tens of billions of dollars that is lost in fraud alone."

While hard figures on the magnitude of waste and fraud are elusive, several members of the outgoing class of Carter inspectors general agreed in interviews that they barely dented the problem. They also contend that, while fraud is prevalent, mismanagement and inefficiency do the greatest damage to taxpayers' wallets.

Like good bureaucrats, the inspectors say that they would do better if they only had more help, that they don't have enough auditors and investigators to police the multibillion-dollar programs. Some say they have been hampered by backbiting in their own offices, lack of support from Cabinet officers, or the difficulty of merging sometimes incompatible audit and investigative staffs.

But their biggest complaint is that program managers in the various agencies aren't held accountable for correcting the problems the IGs uncover.

"Cabinet officers need to start demoting and firing program managers for inattention and negligence to waste and fraud issues," said Agriculture's McBride.

Donald L. Scantlebury, director of the GAO's accounting and financial management division, which investigates waste and fraud for Congress, is sympathetic to the IGs' frustration. "I think the [IG] concept is working out well," he said. "But it's a little early to expect dramatic results."

The idea of putting independent inspectors inside the Cabinet agencies was resisted by the executive branch for years. The first inspector general's office was set up at Agriculture in 1962 after internal audits failed to uncover the schemes of Texas fertilizer swindler Billy Sol Estes. But Agriculture Secretary Earl L. Butz abolished the office during the Nixon administration.

The first statutory inspector general was established after a House investigation found that HEW had only 10 investigators to oversee a $118 billion program. A 1978 law set up IGs in 13 additional agencies. The Department of Energy got an inspector general a year later. Because of hiring freezes, however, only about 5,300 of an authorized 5,900 slots for auditors and investigators have been filled.

The Defense Department, which doesn't have an inspector general, does have 18,000 auditors and investigators to oversee a $185 billion budget. By contrast, the Department of Health and Human Services, HEW's successor, has only about 700 auditors and 100 investigators to watch over a $260 billion budget.

Several of the inspectors general regard the required semiannual report to Congress as their greatest weapon against unrepentent federal program managers. "Without that statute we wouldn't last eight seconds," one outgoing IG said.

Some of these reports are filled with undecipherable statistics, while others are highly readable chronicles of program abuse. McBride's latest report, for example, tells of two Greenville, S.C., men who sold five cars and trucks, 32 firearms and some marijuana to undercover agents in return for food stamps. In Gary, Ind., the assistant fire chief was convicted of selling $11,000 in food stamps for $7,000 cash to undercover agents from McBride's office.

Paul R. Boucher, IG at the Small Business Administration, said in a report early this year that five farmers who received $1.4 million in SBA disaster aid loans at 3 percent interest diverted some of the funds to 10 percent interest certificates of deposit, and bought stocks and tax-free municipal bonds with more of the funds.

Richard B. Lowe III, who has been acting IG at the gigantic HHS, said he was upset to learn that the Social Security Administration doesn't have adequate controls to prevent employes with access to computers from diverting benefit checks to themselves.

The greatest cheaters, according to the audits, are not individual welfare or health care recipients, but doctors and pharmacists and other providers of services who overbill the government. A recent HHS audit screen detected abuse in laboratories in the Los Angeles area that led to an FBI undercover investigation called "Labscam" and several kickback indictments.

EPA's Reid, with only 95 auditors, has been trying to police the nation's largest public works project—the $30 billion sewerage construction effort designed to clean up the nation's rivers—and she says she loses sleep over the vast areas of EPA operations she couldn't even look at.

"Because of poor management, the federal government is losing millions, perhaps billions of dollars," she said.

When Energy Department inspector general J. Kenneth Mansfield looked into a synfuels pilot plant built by Ashland Oil, he found that firm had put up a $1 million brick administration building instead of the prefabricated model called for by DOE. As it happened, the elaborate new building was adjacent to an Ashland refinery.

Too late to recover the government's loss, Mansfield called for sweeping management changes on the project, some of which were adopted.

Several of the outgoing IGs voiced the concern that Reagan's pledge to cut billions in waste will fall on its face unless their successors get more help.

To put a serious dent in waste, they said, the president will have to increase support for the program, especially within the Office of Management and Budget and in some agencies where sub-Cabinet administrators have starved the inspectors' budgets, cut travel funds to do audits, refused to place all auditors directly under the control of the inspectors and, in some cases, attempted to head off investigations.

"I personally would not want to continue [in the job] without a commitment that the agency wanted this kind of work done or that they intended to support it," said Interior's Brown. She said she found then-Secretary Cecil D. Andrus a pleasure to work for, but that he was seldom there to back her up when program chiefs ignored her audit findings or refused to recoup challenged expenditures.

Reid said that then-EPA Administrator Douglas Costle never returned her memos. "To this day I don't know what his feeling was about the program," she said.

The day after the Energy Department's Mansfield released a report critical of a top aide to former Energy Secretary Charles W. Duncan Jr., Duncan called the surprised inspector into his office and asked him to consider a job in Paris, even though the department had no office there.

Most of the fired inspectors have been on the job less than two years, and some of them said they were deeply wounded by Reagan's action.

"I really like my job and want to keep it," said former prosecutor Boucher at SBA, who in the waning hours of the Carter administration blew the whistle on a presidential assistant who got Carter to sign an order quadrupling the size of a minority aid program even though Congress had forbidden it.

A career man in Carter's Senior Executive Service, Boucher sent in his reapplication for the job to Reagan Thursday.

One inspector general summed up his view of Reagan's firing this way:

"Everyody wants a strong IG operation until it starts investigating them. The administration may start out thinking they want junkyard dogs, and what they may end up getting is French poodles."●

REBIRTH OF PATRIOTISM

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. LONG of Maryland. Mr. Speaker, why do we not honor our war veterans as we do the hostages?

In this period of thanksgiving for the safe return of our 53 Americans held hostage for 444 days in Iran, I congratulate all Americans for a rebirth of patriotism and national unity. Our released hostages certainly deserve recognition for what they endured during their captivity, as well as for the low profile they themselves have maintained.

As released hostage Michael Metrinko said, "We are not heroes. We were just doing our jobs. The guys from Vietnam deserve this. They did not get it."

I hail Mr. Metrinko's view that our Vietnam veterans deserved a far better welcome home than they got. The veterans fulfilled their commitment to their country in a time when duty to one's country was not fashionable. But those men who came home after fighting that unpopular war were given a raw deal by the public. Instead of a heroes' welcome, they were, in many circles, scorned and ostracized.

Further, let us not forget those eight servicemen who lost their lives in the aborted attempt to rescue our hostages last April. Very little has been said or done to honor those men who volunteered and who suffered a far higher percentage of casualties than in most military operations in a declared war.

I can only hope that this renewal of public support of public servants for a difficult job well done is the setting of a new precedent to honor all, not merely some, of the men and women who have suffered in the line of duty to their country.●

TRIBUTE OF OLIN E. TEAGUE

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mrs. HOLT. Mr. Speaker, I was deeply saddened to hear of the death of our former colleague, Olin E. Teague, who served in this House more than 30 years as a great Representative of his district, his State of Texas, and his country.

I served with Olin Teague on the Board of Technology Assessment and was very impressed with his intelligence and wisdom. Even more, I came to know his gracious and generous manner and to appreciate his strong and abiding patriotism.

Sometimes the Second World War might seem like ancient history to some of our younger Members, but the experiences of that era are fresh in the minds of many of us who lived through it. I would tell our younger Members that we had some heroes, and Olin Teague was one of mine.

A young infantry combat officer, he was decorated 11 times and spent 2 years in an Army hospital recovering from wounds he had received on the battlefields of Europe. Nobody deserved more the honor to be buried in Arlington National Cemetery. He was elected to Congress in 1946.

Olin Teague was a serious legislator. His major committee assignment was the Science and Technology Committee, which does not often generate the big emotional issues of electoral politics. But here was where he knew he could make a lasting contribution to future generations, and he served as chairman of that important committee with great distinction.

After Olin Teague retired at the conclusion of the 95th Congress, I missed his steady hand and leadership in the matters of science and technology. It is very sad that he lived only 2 years in retirement.

I join my colleagues in expressing our heartfelt condolences to his family.●

PHARMACISTS NEED PROTECTION

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. HYDE. Mr. Speaker, in the last Congress we came close to achieving a long-held goal of registered pharmacists and retail druggists throughout the country—providing them the protection of the Federal Government and drug enforcement officers should the pharmacy be robbed of federally controlled substances.

However, the 96th Congress adjourned before final action could be taken, and it is therefore necessary to begin all over. I have reintroduced legislation, H.R. 351, providing a penalty for the robbery or attempted robbery of any controlled substance from any pharmacy, and invite my colleagues to join me as cosponsors.

Drugstores have become primary targets; pharmacists and customers are beaten and even killed by criminals and addicts determined to steal these controlled substances. The local community pharmacist is totally at the mercy of these criminals who need a fix or have a shopping list of drugs for sale on the street. The pharmacist usually is forced at gunpoint to meet the demands of the criminal.

Drugs such as amphetamines and barbiturates can command as much as $25 or $30 on the street for one pill. A couple of 100-tablet bottles can mean as much as $5,000 to a drug-dealing criminal.

Support for pharmacy protection is building, as evidenced by the following comments:

In the following message to Stanley Siegelman, editor-in-chief of American Druggist magazine, C. R. Walgreen III, chairman of Walgreen Co. in Illinois, clearly states the urgency of speedy congressional action to make drug-related burglary and robbery Federal crimes:

Pharmacy, the highly efficient and cost-effective arm of the nation's health care system, is today threatened by a growing plague of burglaries and robberies of pharmacists by addicts and illicit-drug dealers.

The criminal side-flow of Schedule II pharmaceuticals from pharmacy to street use and abuse is turning into a tide. The list of victimized—and dead—pharmacists is rapidly lengthening.

Pharmacy's pride is complete professional service to physicians and patients—the prompt, convenient availability of any prescribed drug, and the personal, face-to-face communication between pharmacist and patient.

Today, however, as a defense to growing crime, more and more pharmacists must elect not to stock target drugs. Today, more and more pharmacists must dispense drugs from behind impersonal bulletproof glass. The constant threat of crime is beginning to change the face of pharmacy.

It is time, it is past time for more meaningful deterrents to drug-related crime, for stiffer penalties. The signal need is for swift congressional action to make drug-related burglary and robbery federal crimes.

Now, tens of thousands of pharmacists, with one urgent voice, call upon Congress to unanimously enact positive, protective federal legislation. Now, without delay . . . to give clear warning to criminals and drug traffickers. Now, without delay . . . to save the lives of pharmacists and to save traditional pharmacy service for the people of America.

Sincerely,

C. R. WALGREEN, R. Ph.
Chairman, Walgreen Co.

At its 68th annual meeting, the National Drug Trade Conference adopted a resolution as follows:

Controlled Substances Crime as a Federal Offense. Since the number of felonious crimes related to controlled substances is escalating, and is a serious threat to the lives and safety of pharmacist practitioners, their customers, employees and supplies, the National Drug Trade Conference urges that Congress enact legislation making it a federal offense to commit controlled substances crimes involving assault or deadly weapons and that the Drug Enforcement Administration lend its support to enactment of such legislation.

The National Drug Trade Conference included delegates from the American Association of Colleges of Pharmacy, the Drug Wholesalers' Association, the National Association of Chain Drug Stores, the National Association of Retail Druggists, the National Wholesale Druggists' Association, the Pharmaceutical Manufacturers Association, and the Proprietary Association.

In an "Open Letter to Members of the 97th Congress," the officers and executive committee of the National Association of Retail Druggists, pledged to assist the Congress in "supporting legislation to assure that owners, employees, and customers are protected from harm and intimidation by criminals by making robbers of controlled drugs from pharmacies Federal offenses."

Finally, I wish to share with my colleagues the January 1981 editorial in American Druggist magazine by editor in chief Stanley Siegelman:

OPEN LETTER TO RONALD REAGAN: PHARMACISTS NEED PROTECTION

(By Stanley Siegelman)

Mr. President, the pharmacists of America urgently need your help. They are targets of an unprecedented wave of violence. Drug-seeking marauders are invading pharmacies, committing brutal acts and dark deeds.

An editorial in this space, published in September 1980, listed 50 pharmacists who had been murdered in their drug stores. Additional names of pharmacists who have been shot, stabbed, and otherwise assaulted reach us almost daily. What is needed is a law that would make drug-related crimes against pharmacists a Federal offense.

You have consistently maintained that citizens should not look to "Big Brother"—the Federal government—for solutions to all problems. But the pharmacist's case is exceptional. Federal regulations impose on him unique responsibilities as the guardian of controlled substances—narcotics, barbiturates, amphetamines. Yet, Federal law fails to protect him as he carries out this mandated function. The inequity of the situation is palpable.

Violence against pharmacists is forcing drug stores out of business. When this happens—often in depressed areas—local residents are deprived of badly needed health services. Ironically, the more efficient the Drug Enforcement Administration becomes in drying up the sources of illicit drugs, the more do criminals focus on the hapless pharmacist.

We do not assert that extending Federal jurisdiction will necessarily solve the problem. But it would help considerably—especially in localities where law enforcement is sub-standard. If the prospect of Federal pursuit deters a single robbery or break-in, and saves the life of a single pharmacist, justice will have been served.

Since our initial editorial on this subject appeared, expressions of support have poured in from pharmacists across the country. They are aroused, angry and fearful.

The drug store was never intended to be a battleground. The pharmacist's white jacket was not meant to be blood-stained.

Today, many pharmacists are compelled to practice their profession with a loaded gun on hand, for self-protection. It is impossible, under such circumstances, to perform well. They may, for example, fail to advise patients on the correct usage of medications—a function of great importance. It is difficult to concentrate on what one is doing or should be doing when one has to eye each new face warily.

Mr. President, the pharmacists of America overwhelmingly approved your candidacy. You received 64% of their vote, according to our surveys. They voted for you partly in the expectation that your administration would take a strong stand against those who assault law-abiding citizens.

Pharmacists are precious assets in the nation's health care provider system. They deserve protection.

As you assume the reins of office, you are in a position to help. With the momentum of your electoral mandate, you can inspire legislative action.

The practicing pharmacists of America—130,000 strong—look to you for leadership.

I again urge my colleagues to join me in cosponsoring H.R. 351, and protect pharmacists and their customers from drug-seeking criminals.●

CLEAN AIR ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. MILLER of California. Mr. Speaker, today I am reintroducing an amendment to the Clean Air Act to allow the construction of a polluting facility during a construction ban if its operation will result in less pollution overall.

The current construction ban in California, due to the lack of an automobile inspection program, has halted the construction of new wood-burning boilers at a Louisiana-Pacific plant in Antioch, Calif. When completed and operating, these wood boilers will replace two oil-fired boilers and actually emit less pollution. In addition to saving about 500,000 barrels of oil a year, the wood's lower cost will improve the economic health of the plant and protect its 450 jobs.

My amendment to allow the construction of these wood boilers was developed with the assistance of plant management and scores of employees who are dependent upon plant modernization for their jobs.

This construction ban is designed to force the California Legislature to pass an automobile inspection program in order to help reduce excessive air pollution levels in the State. While I understand the law's intent, it is contrary to the goals of the Clean Air Act to prevent a building program that will reduce pollution, protect jobs, and reduce our dependency on foreign oil. I will be requesting the Energy and Commerce Committee to adopt my amendment during their consideration of the Clean Air Act this year, and I urge my colleagues to support this commonsense reform.

The text of the amendment follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 110(a)(2)(I) of the Clean Air Act is amended by adding at the end of the section "or unless such construction or modification shall result in the reduction of emissions of such pollutant from an existing stationary source.".●

CONGRESSIONAL SALUTE TO ST. FRANCIS OF ASSISI ELEMENTARY SCHOOL, HASKELL, N.J.

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. ROE. Mr. Speaker, this week Catholic Dioceses throughout our Nation will be celebrating Catholic Schools Week and in my congressional district, State of New Jersey, St. Francis of Assisi School, Diocese of Paterson, located on Father Hayes Drive, Haskell, N.J., will be commemorating this annual observance having as its theme, "Choosing a Tradition—Catholic Schools". With special ceremonies throughout the week bringing together their students, faculty, and parents in a common bond of communion and understanding, working together in the hopes of giving today's youth the fullest and most complete educational experience which will better prepare them for living in our complex world.

Mr. Speaker, one of the highlights of the week's program will be a special testimonial dinner—called Tradition Night—honoring their most esteemed former pastor, Father Hayes, and their distinguished first principal, Sister Anne. Their recollections and commemoration will span three decades as they reflect on the history of St. Francis Church and St. Francis of Assisi School.

With your permission I would like to insert at this point in our historic journal of Congress a brief history of the church and school and the outstanding good works of the revered clergy and highly capable sisters who diligently worked, in service to God and to our people, in bringing spiritual leadership and quality education to their parishioners. The brief history of the church and school as provided to me by Sister M. Concepta, FSR, chairperson of Catholic Schools Week, reads, as follows:

GROUND BROKEN FOR NEW CHURCH

Working continuously to raise money for the erection of a larger church for a rapidly-growing parish, Father Hayes acquired ground on Ringwood Avenue for a new church that would be unique in design and expressive of the people's love of God. Dignity and reverence were paramount in the House of God he planned for Wanaque.

On October 1, 1950, Father Hayes broke ground for the new St. Francis Church. On that day, Benediction of the Most Blessed Sacrament was held outdoors. On December 16, 1951, the cornerstone was laid, and the Most Reverend Thomas A. Boland officiated at the dedication.

FIRST MASS IN NEW CHURCH

On Monday morning at 9:30 A.M., December 17, 1951, the Most Reverend Thomas A. Boland offered the first Mass in the new St. Francis Church. The first Sunday Masses were celebrated in the new church on December 23, 1951, by Father Hayes and Father Murray. The building was designed by Brother Cajetan Baumann, O.F.M.

Father Hayes next devoted himself to drawing up plans for a new Catholic school, also to be designed by Brother Cajetan, to accommodate the hundreds of new families moving into the new housing developments in Wanaque. These plans had reached the hands of the bidders when Father Hayes was called to be Guardian and Superior at St. Joseph's Seraphic Seminary in Callicoon, New York. The Mayor and Council drew up a resolution to name the street adjacent to the new church "Father Hayes' Drive" in memory of the good he had done

in the borough during his six years of spiritual leadership here. He quickened faith through his deep sincerity in performing the offices which brought God close to the people. The lives of many were enriched by this understanding priest and holy man.

NEW ST. FRANCIS SCHOOL

On June 25, 1952, Father Godfrey Weitekamp, O.F.M., who had served over seven years in mission work in Georgia, was appointed Pastor of St. Francis Church. This Jubilee Year begins the fourth year of his fruitful labors in Wanaque and it is in his capable hands, the task has fallen of suitably celebrating the fifty years that God in the Blessed Sacrament has reposed on the altars of St. Francis Church in the Borough of Wanaque. Two months after his arrival on August 17, 1952, ground for the new school was broken and on the Feast of the Purification, February 2, 1953, the children moved into the new St. Francis School. Archbishop Boland gave this building his blessing as his last official act in the Diocese of Paterson on January 8, 1953.

A near-by order of teaching Sisters, the Capuchin Franciscan Sisters of the Infant Jesus, took over the education of the Catholic children in this borough in September, 1952, at which time there were 240 children enrolled. Reverend Mother M. Veronica, O.M. Cap., provided the rapidly growing school with the needed faculty of sisters, headed by Sister M. Anne, O.M. Cap. principal. The teaching staff at this jubilee time consists of Sister M. Gesuina, Sister M. Elizabeth, Sister M. Assunta, Sister M. Paschal, Sister Kathryn Marie, Miss Naomi Gilpatrick and Mrs. Julia Kane. Sister M. Anne—Principal.

In June, 1955, there were 364 children in St. Francis School and for the first time, one teacher for each of the nine grades. There were 70 children in the 1955 kindergarten graduating class and 23 in the eighth grade graduating class. A Mothers' Club was organized that, along with other organizations, worked untiringly with the pastor not only for the welfare of the parishioners, but to materialize the dream of four buildings on the St. Francis grounds, devoted to the service of God.

Mr. Speaker—

Whereas the cultural, historical, and economic achievements, even the basic health, well-being and longevity of a State and Nation depend in large measure upon how well we educate each generation charged with the trust of carrying out its responsibilities and traditions;

Whereas expanded educational opportunities are necessary to meet the educational needs of our young people and permit those of our teaching profession who have acquired the most modern, technological and scientific knowledge available to translate their professional acumen effectively and meaningfully into an educational program that will provide optimum service to the youth of America;

Whereas there is a desperate need to wholeheartedly support the continuing and increased investment in educational development in our Nation through the dedication and fullest utilization of all available resources—public and private—to effectively reconcile our objectives and provide an educational system compatible to our total resources that can achieve the quality of education and way of life that we seek for ourselves and future generations to enjoy and reach even greater heights of fulfillment and purpose;

Whereas this year's national observance of "Catholic Schools Week" is being celebrated during the week February 1 to February 7 and the theme is "Choosing a Tradition—Catholic Schools"; and

Whereas Catholic Schools Week affords all of us time to think about the needs, the importance, and the hopes for education to satisfy the high idealism of our young people and an opportunity to reaffirm our commitment to the excellence and quality of the educational opportunity offered to every individual in our Nation.

Mr. Speaker, I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations and best of wishes to the clergy, faculty, students and parents of St. Francis of Assisi School and join with them in observing the period February 1 through February 7, 1981, as Catholic Schools Week.●

SCIENCE EDUCATION: AN AREA WHERE MORE RESOURCES ARE JUSTIFIED

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. BROWN of California. Mr. Speaker, as we prepare to receive the second administration budget request of fiscal year 1982, each Member of Congress will undoubtedly examine each budget category from his or her own level of awareness and overall perception of what constituents want. One area which may unfortunately fall below the threshold level of perception, or otherwise seem relatively unimportant, is science and engineering education. As one who has followed this subject for nearly two decades, I am quite familiar with the trends over the years and the critical role Congress has played during this time.

The truth is, in spite of consistent congressional support and our insistence on greater attention to science and engineering education than the administration, whether Republican or Democrat, has wanted, the U.S. posture in science education has slipped. Our Nation's slip in productivity seems to be linked to our slippage in training technically competent people and our Nation's level of scientific literacy is lower than that of countries like Japan, who are now our chief economic rivals.

It would be wise if this Congress examined each budget proposal of the Carter and the Reagan administrations with care. Among those areas deserving specific attention is the status of science and engineering education. We owe this country's future an adequate intellectual base to deal effectively with the needs of the future.

Mr. Speaker, at this time I commend a recent editorial from Science magazine which describes this issue in much better terms than I have. The editorial follows:

[From Science, Jan. 23, 1981]

SCIENCE EDUCATION: RHETORIC AND REALITY

(By William D. Carey)

In 1980 the federal government seemed, at last, to have discovered the low estate into which science education in this country has fallen. The Secretary of Education and the acting director of the National Science Foundation (NSF) delivered to the President, at his request, an assessment in a report which did not whitewash the facts. Headlining their recommendations was a call for "A new national commitment to excellence in science and technology education for all Americans."

That was in October. By Christmas, hopes for federal leadership in the "new commitment" were jolted by the Administration's markup of the 1981 budget of the NSF, with a cutback in support for science education. Never mind that the report to the President had warned that "there has been, over the past fifteen years or so, a shrinking in our national commitment to excellence and international primacy in science, mathematics, and technology." When budget imperatives confront the needs for science education, the budget prevails. Science education continues its decade-long record as NSF's habitual loser.

In the past 12 years, the total budget of NSF has more than doubled in current dollars, while in constant dollars the funding of science education has suffered a two-thirds erosion. In 1970, funds for science education amounted to 27 percent of NSF's total budget, but for 1981 the science education share is down to 7.5 percent. If all were well with the state of science and engineering education, there might be nothing to complain about. But if the Secretary of Education and the acting director of NSF are right in what they report, there is a great deal to complain about. The meaning of the budget action is that the government has chosen to disregard its own findings on the predicament of science and engineering education.

Budget policies are seldom models of economic or political logic, as we have come to realize. But there is this much to be said of them: they are symbolic proxies for the nation's values, expressed in consensus terms. They serve to signal, however imperfectly, the government's view as to how national priorities should be ordered. What we must ask, then, is what inputs go to construct this process of ordering. When a President is sufficiently aroused to call for a fitness report on science and engineering education in the United States, and is given bad news, it would be reasonable to suppose that even painful budget choices would take the findings into account. Instead, the latest budget actions have brought science education in NSF to its smallest share of resources in the last 30 fiscal years. If state and municipal

governments, trapped between rising costs and taxpayer revolts, take their cues from the federal government and economize at the expense of science education in the schools, the road back to "excellence" will indeed be a long one.

President Carter will soon send his budget for 1982 to the Congress, whereupon President-elect Reagan will promptly recall it and substitute his own. If the passion for squeezing government's "controllable" outlays should take advantage of the vulnerability of the science education budget, lumping it in with other discretionary programs that make up the celebrated "coast-to-coast soup line," matters would become desperate very quickly. The Reagan Administration has the opportunity, without compromising prudent economic policies, to reorder priorities and set a positive course toward rebuilding America's excellence in science and engineering education.●

TONY CUNHA: DISTINGUISHED SERVICE TO AGRICULTURE

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. COELHO. Mr. Speaker, 1980 was the last of 37 years that Tony Cunha devoted to serving agriculture at three different universities. In retiring from his post as dean of the school of agriculture at California State Polytechnic University, Pomona, he leaves behind a distinguished career as a visionary agriculturalist, a scholar in the truest sense of the word, and a reputation as grand master of the academic fields in which he so diligently studied.

My colleagues in the House who have an interest in agriculture would find his record of accomplishment fascinating. Tony Cunha was raised as I was—on a dairy farm in Los Banos, Calif. He went on to learn agricultural sciences at California Polytechnic State University in San Luis Obispo, then at Utah State where he began work in animal nutrition. His Ph. D. followed, from the University of Wisconsin. At Washington State University he taught for 4 years before moving on to chair the Department of Animal Science at the University of Florida—a position he held for 25 years. From there he was made dean of the school of agriculture at California State Polytechnic University in Pomona, where he now serves as dean emeritus and university consultant in agriculture.

By no means were Tony Cunha's contributions confined to the classroom. In 1962 he served as president of the American Society of Animal Science. Six years later the Morrison Award, a cash payment of $2,000, was presented to him for distinguished research in animal nutrition. Gamma Sigma Delta awarded him $500 in 1976 for internationally distinguished service to agriculture, and he holds no fewer than 39 other campus, State, national, and worldwide honors recognizing his achievements.

There is more to the Tony Cunha story. He has edited or contributed to the publication of 20 books and over 1,200 professional articles. He has lectured extensively and observed in dozens of foreign countries different methods of livestock production. For 5 years he chaired the Animal Nutrition Committee of the National Academy of Science National Research Council. At about that time he also was a member of the Board of Agriculture and Renewable Resources, and he chaired the Swine Nutrient Requirements Committee for 10 years. Furthermore, while teaching at the University of Florida he received an appointment as distinguished service professor and is now distinguished service professor emeritus of the institution.

Tony Cunha's credentials do not stop there. He helped organize the first two World Conferences on Animal Production. He served as a member of the White House Conference on Food, Nutrition, and Health, and on four national committees making recommendations on future programs to increase animal food production, three of which he chaired. And a few years ago he was appointed to the Joint Committee on Research for the Board of International Food and Agricultural Development.

I hold Tony Cunha's views on public policy for agriculture and world trade in the highest regard. One cannot direct but the highest measure of respect for his philosophy on global food issues and the management of farm operations for the broadest economic benefit. It is with great pride, Mr. Speaker, that he is a leader in California's agriculture community—the principal interest I am privileged to represent in Congress. For his distinguished service to academia and his commitment to the advancement of agricultural and animal sciences, a special tribute and the very best wishes upon his retirement as dean.●

CONGRESSIONAL TERM LIMITATION BILL

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. BEDELL. Mr. Speaker, today I am reintroducing a constitutional amendment that will provide long-needed reform of the terms of service for Representatives and Senators.

This joint resolution lengthens a Representative's term from 2 to 4 years and limits House Members to 12 years and Senate Members to 18 years of consecutive service. In addition, it would divide the House of Representatives into two classes so that fully one-half of the House is elected every 2 years.

There is growing sentiment in the Congress and at the Nation's grassroots level that a limitation on congressional terms would improve the performance of the legislative branch through greater consistency and responsiveness. It is my view that a congressional term limitation in conjunction with an increase in the Representative's term of service would greatly improve the operation of Congress by making the political process more democratic and by insuring a steady and orderly turnover of personnel in the House and Senate.

I urge my colleagues to take a serious look at this issue.

The text of the joint resolution follows:

H.J. RES. 150

Joint resolution proposing an amendment to the Constitution of the United States to provide four-year terms for Members of the House of Representatives and to limit the number of consecutive terms that Representatives and Senators may serve, and for other purposes

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, to be valid only if ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE—

"SECTION 1. The House of Representatives shall be composed of Members chosen for a term of four years by the people of the several States. Immediately after the Members shall be assembled in consequence of the election for the term beginning on the date on which this article takes effect, they shall be divided as equally as may be into two classes. The seats of the Representatives of the first class shall be vacated at the expiration of the second year, and of the second class at the expiration of the fourth year, so that as close to one-half of the Members as the division into two classes allows may be chosen every second year.

"SEC. 2. A person who is a Member of the House of Representatives for three consecutive terms of four years each may not be a Member during the two-year period beginning immediately after the end of the third such term.

"SEC. 3. A person who is a Senator for three consecutive terms of six years each beginning more than one year after the ratification of this article may not be a Senator during the two-year period beginning immediately after the end of the third such term.

"SEC. 4. No person shall be elected as Senator who, on the date on which such election is held, is a Representative with more than one year remaining in his or her term unless such person has, before such date, submitted a resignation as Representative, such resignation to be effective no later than noon of the first January 3 occurring after the date on which such election is held.

"SEC. 5. This article shall take effect at noon of the first January 3 which occurs

more than one year after the date of the adoption of this article and on which terms of Representatives begin.".●

TRIBUTE TO DAVID LILIENTHAL

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. GORE. Mr. Speaker, when David Lilienthal died last week at the age of 81, the country lost one of its finest, most dedicated, and most articulate public servants.

As a young lawyer and administrator, David Lilienthal attracted the attention of President Roosevelt, who in 1933, chose him to serve on the Board of Directors of the Tennessee Valley Authority. His dedication to this bold experiment in regional development brought him widespread accolades and made him a natural choice as TVA Director in 1941. During his 12 years with TVA, he maintained an enduring belief in democracy and the good that TVA could do for the people of the valley. At the same time, he was committed to a cautious, sensible approach to resource development.

His successes and his talents made him a natural choice of President Truman to serve as Chairman of the Atomic Energy Commission. During his confirmation hearings, his loyalty to the country was unfairly attacked, and he responded with an eloquent and impassioned rebuttal. The "Lilienthal Credo" as it became known, was the subject of numerous editorials and was compared with the noblest declarations in the history of man. The following is an excerpt:

I believe—and I conceive the Constitution of the United States to rest upon, as does religion—the fundamental proposition of the integrity of the individual; and that all government and all private institutions must be designed to promote and protect and defend the integrity and the dignity of the individual; that that is the essential meaning of the Constitution and the Bill of Rights, as it is essentially the meaning of religion.

Any form of government, therefore, and any other institutions which make men means rather than ends, which exalt the state or any other institutions above the importance of men, which place arbitrary power over men as a fundamental tenet of government, are contrary to that conception, and, therefore, I am deeply opposed to them . . .

One of the tenets of democracy that grows out of this central core of a belief that the individual comes first, that all men are the children of God, and that their personalities are therefore sacred, carries with it a great belief in civil liberties and their protection, and a repugnance to anyone who would steal from a human being that which is most precious to him—his good name—either by imputing things to him either by innuendo or by insinuation. And it is especially an unhappy circumstance that occasionally that is done in the name of democracy. This, I think, can tear our country apart and destroy it if we carry it further.

I deeply believe in the capacity of democracy to surmount any trials that may lie ahead, provided only that we practice it in our daily lives.

And among the things we must practice is that while we seek fervently to ferret out the subversive and antidemocratic forces in the country, we do not at the same time, by hysteria, by resort to innuendo, and smears, and other unfortunate tactics besmirch the people—cause one group and one individual to hate another, based on mere attacks, mere unsubstantiated attacks upon their loyalty.

Mr. Speaker, Mr. Lilienthal was a rare individual who enriched the lives of all around him. Tennesseans will always have a special place in their hearts for him.

The Board of the Tennessee Valley Authority wrote an eloquent tribute to David Lilienthal which I would also like to share with my colleagues.

STATEMENT BY TVA BOARD ON DEATH OF DAVID LILIENTHAL

David Lilienthal's death is a very personal loss to all of us at TVA. His dedication to the principle that technology can help to make men free without despoiling the natural environment, was a source of lasting inspiration to everyone involved in government.

Lilienthal's faith in democracy was a special source of inspiration to TVA, both during his 14 years on the TVA Board and in subsequent years. He stated his own belief so well in "TVA: Democracy on the March":

"The physical job is going to be done; of that I think we can be sure. But . . . if the people are denied an active part in this great task, then they may be poor or they may be prosperous but they will not be free."

Under his leadership as a founding Director from 1933 until 1941, TVA became known as one of the most exciting experiments in government in our history. Under his leadership as Chairman from 1941 until 1946, TVA was recognized as one of the most successful.

Even after he retired from government, Lilienthal never lost his intense interest in the future of the Nation and especially of TVA. On a return visit to the Tennessee Valley in 1979, he declined to look backward, instead exhorting TVA employees not to give up their commitment to the original dream of TVA—a better life for the people of the Tennessee Valley.

It is for his steadfast devotion to the principle of the greater good of mankind and for the way he carried it to fruition at TVA, as Chairman of the Atomic Energy Commission, and later as a vocal advocate of sensible development of the world's resources that David Lilienthal will be best remembered.

David Lilienthal stood out as a giant. We extend our deepest sympathy to his family and his many close friends.●

THE TIMES AND THE POST BACK THE PRESIDENT

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. MICHEL. Mr. Speaker, if I awake tomorrow and find that the Sun has risen in the West and that roses are blooming in my front yard, I will not be surprised for truly we live in an age of miracles. This, at least, is how I interpret the fact that the Washington Post and New York Times published editorials, on the same day, supporting President Reagan's decision to decontrol oil. I know we are supposed to have a new beginning, but this is going a bit far. After all, both of those newspapers found the candidacy of Ronald Reagan to be something between a bad joke and cosmic disaster. Now, suddenly, without warning, they are warmly embracing precisely those policies which he has long stood for.

I welcome this age of miracles, but I must say its all happened very quickly.

I ask unanimous consent to insert in the RECORD "Decontrol, at Last" from the Washington Post and "Yes, Decontrol; But Now What?" from the New York Times, both published on Thursday, January 29, 1981.

The articles follow:

DECONTROL, AT LAST

President Reagan was absolutely right to decontrol oil and gasoline prices, quickly and without qualification. It is an essential step toward a rational energy policy. You can dismiss all of those tendentious claims about the added cost to the consumer. The added cost to the consumer will probably be in the range of zero. More than five-sixths of the country's crude oil supply is decontrolled. Home heating oil was decontrolled five years ago. As for gasoline, competition is holding actual retail prices well below the legal ceilings. For the country as a whole, these controls have brought nothing but harm, and the end of them will bring nothing but benefit.

The controls were wrong in theory when President Nixon imposed them in 1971. They were demonstrably wrong, as much costly experience already showed, when Congress insisted on perpetuating them in 1975. President Carter wisely began the process of decontrol last spring. The schedule was a gradual one running into next fall, when the law will expire altogether. Mr. Reagan has now sped up that final process by eight months.

Why were controls wrong? Because they disguised the dangerously high cost of oil to the American economy. The control system required refiners with cheap, price-controlled domestic oil to subsidize other refiners' imports. That held the price to American consumers far below the cost of the imports. Americans used a lot and kept the flow of imported oil high. That seriously damaged the country's balance of payments and eroded the value of the American dollar.

The high level of American imports helped create the very tight market that en-

abled the exporting nations to double their prices in 1979. By now, the price to the American consumer is undoubtedly higher than it would have been in the absence of any price controls at all. As an attempt to protect the American economy from higher oil costs, the controls have been an unmitigated failure.

Prices have been rising, inevitably, even under the controls. They aren't going to rise any faster in the absence of controls, unless another world shortage develops. Decontrol may even slow the rise a little. The control system contained a number of hidden subsidies—including the usual fat subsidy for the independent refiners—that will now lapse, saving the public a little money.

At worst, in another international shortage and panic like the one in 1979 following the Iranian revolution, prices will indeed rise. How much? It depends on the scale of the shortage. There could be a squeeze on the supply line as early as this spring, if the war continues between Iran and Iraq. But in return for higher prices at the gasoline pump, you will get insurance against a return of the gasoline lines. Those lines were created by the price ceilings, and the cumbersome allocation rules that they required. Having been through two memorable episodes of gasoline lines, most Americans would surely prefer the next time around to pay in money rather than time, anger and anxiety.

YES, DECONTROL OIL; BUT NOW WHAT?

President Reagan is right to end the price controls on oil immediately, eight months ahead of schedule. The effect of that decision will be to raise the cost of fuel by an additional 5 to 10 cents a gallon. But price increases are a necessary if unpleasant part of the process of adjusting to energy scarcity.

Decontrol alone does not, however, constitute an adequate oil policy. It is not likely to protect the economy against temporary shortages like those experienced in 1974 and 1979. Nor will it significantly reduce dependence on foreign oil imports in the long term.

The price controls imposed on domestic oil and refined fuels after the 1973 Arab oil embargo were intended to deny American producers the fruits of the OPEC monopoly. They did offer some price relief, but they also reduced the incentive both to conserve oil and to explore for more. Equally damaging was the tangle of price regulations created by controls, delaying modernization in the refining industry and providing billions in unearned, if legal, profits for refiners and retailers who know their way around Washington.

President Carter wisely pronounced the control system a failure last year and ordered it phased out by next September. President Reagan is now on the verge of speeding the pace. The danger is that he will listen to advisers who believe that decontrol and repeal of the "windfall" tax are all that is needed for an energy policy. Unleash industry, they contend, and it will find all the energy America needs.

But a free market alone cannot possibly eliminate dependence on the OPEC nations. Higher oil prices have helped to reduce imports over the last three years, both by cutting demand and increasing exploration. Still higher prices will surely help in the same way. Decontrol will have succeeded even if it did no more than arrest the downward spiral in domestic production. But few analysts believe that America could become self-sufficient in liquid fuels at anything like current prices.

At least in theory, freely priced oil could prevent chaos caused by gasoline shortages, as in the summer of 1979. Once dealers are free to charge even a dollar or two more per gallon in a time of critical shortage, they would ration the available gas far more effectively than did the gasless Sundays and long lines. But it is hard to believe that American motorists would long tolerate such enormous price increases. The public resents the trend of oil company profits. An emergency that increased their profits tenfold would quickly produce demands for more formal rationing or much higher oil taxes.

Oil decontrol, in other words, is no magic bullet. To minimize import dependence, Government intervention must supplement market forces. Heavy taxes on gasoline, rebated dollar for dollar to the public, would probably accomplish the most with the least economic dislocation. No one would get rich at the public's expense. Yet those who needed to use their cars would have adequate access to fuel; those who didn't would have a powerful incentive to conserve.

There are other means to the same end, such as tariffs on oil imports or tougher fuel economy standards for automobiles. But one prerequisite for a debate on their relative merits is leadership from the top. The sooner President Reagan accepts the reality of energy scarcity the sooner that debate can begin.●

COAST-TO-COAST DROUGHT AFFLICTING UNITED STATES

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. WHITEHURST. Mr. Speaker, in a newsletter which I sent to my constituents in 1979, I pointed out that water could well be our next crisis, and the nationwide drought in recent months has clearly proven the accuracy of that prediction. I am including at this point in the RECORD a news article from the February 2, 1981, edition of the Washington Post which further documents this precarious situation.

In the 96th Congress, I introduced a resolution calling for the establishment of an Ad Hoc Committee on Water Resources, but no action was taken. Because matters have clearly worsened, I have reintroduced my resolution; it is now House Resolution 38, and I would urge my colleagues to join me in this effort. The lack of water has now become a national issue, and it is now nearly past time to establish some sort of national water policy. For further background, let me refer my colleagues to page 28224 of the October 12, 1979, RECORD, and page 29701 of the October 25, 1979, edition. I feel very strongly that this is an issue that we cannot afford to continue to ignore.

Thank you, Mr. Speaker.

COAST-TO-COAST DROUGHT IS UNIQUE IN ANNALS OF WEATHER RECORDING

MEMPHIS.—For the past four months, a single weather pattern has gripped virtually the entire United States, causing a coast-to-coast drought unique in the annals of weather recording.

Water emergencies have been declared all along the East Coast; farmers from Colorado to Pennsylvania are seeing damage to winter crops and are fearful about their spring ones; ski resorts, despite some snow in the past few days, have reported disastrously low levels, even bare ground in several areas that usually have 60 or 70 inches.

The drought's most visible effects are in the Midwest. The Mississippi River, which draws water from 40 percent of the United States—from the Rockies to the Appalachians and from Canada to the Gulf—dropped off the water gauge at Memphis in early January.

Officials installed additional gauges, but by the 10th of the month, the river had sunk below the lowest water level ever recorded at the city. And it continued to drop until last week when it hit 24 feet below normal, the lowest since records began to be kept when Mark Twain used to pilot vessels past Memphis more than 110 years ago.

The low water has struck fear into the hearts of the river pilots. Scores of towboats and barges have run aground in the mud and sand between Illinois and Louisiana, closing the river to traffic at least six times since Christmas and for up to five days at a time.

"I've just come from a meeting with many of the captains of these boats and some of them have been on the river 25 years or more. They say they have never seen anything like it—drought, yes, but never continuing for such a long time," said Les Sutton, president of Dravo-Mechling Barge Co.

"If the drought continues, I can imagine things just gradually getting worse and worse, with river closures of up to a week or longer, and finally the [Army] Corps of Engineers will just not be able to maintain the channel at all," he said.

The Mississippi barges normally carry over half the grain, 20 pecent of the crude oil, and 15 percent of the coal transported in the United States each year. In the past month, 126 towboats and 1,455 barges have run aground even though barge owners have reduced loads by 15 to 20 percent to lessen the draft of their vessels.

The economic losses to the barge transport industry are estimated in the millions of dollars, some of which is being passed through to food, chemical, oil, and manufacturing companies, which are suffering losses of their own in some cases because of the fouled river traffic.

The weather system causing the drought is one of the most unusual national patterns ever recorded. Many meteorologists feel it marks the end of a 40-year cycle, the end of the extremely good weather the nation has experienced since the Dust Bowl days. They believe that the United States is in for severe and highly erratic weather conditions like those that brought record snow, cold, and drought in three of the past four years.

"This is a very unusual, a unique weather pattern for the nation," said Roland Loffredo, chief hydrologist with the National Weather Service. "I've never seen anything like it and I don't think anyone else has either.

"Rain and snowfall is below normal in virtually every area of the United States—I've never seen a pattern so broad. In the Midwest, the rainfall is up to 15 inches or more below normal," Loffredo said.

According to several meteorologists who have analyzed the situation, there are two reasons for the current weather pattern, both extremely unusual:

First, there are two very large and very persistent high-pressure systems that have planted themselves over the West Coast and Rocky Mountains and remained there for four months. In America such long-lived weather centers were almost unheard of until 1977, when a similar one blocked the West Coast for months. Last summer, another pressed down on the Midwest and part of the East, causing record high temperatures and continuing the water deficit that began the previous winter.

Second, the "jetstream"—a bundle of powerful steering currents that move at speeds up to 300 miles per hour at 30,000 feet above the earth—is not where it normally is. This is important because its high-speed wind currents drive storm systems before them as they meander across the continent.

Normally the jetstream would wander straight through the middle of the country from west to east, pushing storms into a position where they could pick up moisture from the Gulf of Mexico and, as they spin clockwise, deposit it on the Midwest and East.

When the jetstream alters course the meteorological results are dramatic.

In 1977, it skipped up and crossed Canada instead of the United States, dropping down south only when it reached the Great Lakes. This left the West in extreme dryness while the Midwest and East experienced severe Arctic cold mixed with snow created when the icy air met moisture moving northward from the Gulf of Mexico.

This year, because of the very long-lived high-pressure system sitting on the West Coast, the jetstream jumped again up into Canada. However, this time it has not turned south at the Great Lakes. It has continued across to the north and straight to the Atlantic Ocean.

So one great engine that drives the nation's storms is missing us almost completely.

One good dose of rain and snow did blast its way across the West last week, dumping up to nine inches of snow over parts of the Midwest over the weekend.

"That will be great for the ski resorts for about two weeks," said a spokesman for the National Weather Service in Denver. "But that is the only storm that has broken through the dry pattern dominating the nation's weather." By the middle of this week the Washington area should receive some rain from that system, but probably not enough to appreciably affect low river levels, ground water levels, or reservoir depletion.

"That one storm has passed through . . ., and we've gone right back and set up the very stable high pressure area that has caused the drought. It looks like we are going right back into the dry weather, and possibly for some time to come," the spokesman said.

And even a good dose of rain won't go far toward replenishing the Mississippi. "If it rains 24 hours a day from now until next week," said an Army Corps of Engineers spokesman, "that won't even bring it [the river] up to its old record [low]."

The fear of those who own boats and barges on the Mississippi, and the fear of the thousands of farmers whose lands lie in the Mississippi basin, is that this drought will not confine itself to the winter in which it can do limited damage. They fear it will remain through February and even into March or April.

"Everything now depends on having heavier-than-normal rains in the late winter and spring," said Loffredo. "We are already at the bottom limits on our reservoirs and river levels. And we are still operating at a deficit from the dry conditions last summer, and even last winter. So we have to try to rebuild the water levels of three winters ago.

"If we don't get those rains, the situation will get very serious. Very serious," he said.

The National Weather Service, is now predicting rain below normal levels for all the United States in the next 30 days, except for a patch of the West including Texas, Arizona, New Mexico, and part of Colorado.

This prediction, if it turns out to be correct, means that the drought will continue through February, bringing the country toward a major climatic disaster in the spring.

Some farmers have already reported that winter wheat appears stunted, and if the drought continues through the winter, a large percentage of their crops will be lost. To grow well in the spring, winter wheat must be planted in a moist soil, and then get a good snow cover to protect the sprouts from temperatures below zero degrees Fahrenheit, which can kill them. The current crop in most places had too little soil moisture to begin with, and now has little or no snow cover. Under these conditions the crop may be killed at temperatures even several degrees above zero.

In the Washington area, the Occoquan Reservoir has dropped from a 100-day supply of water to less than 40 days' worth. Another supply of fresh water for Washington residents, the Potomac River, has slumped to the second-lowest level in the 50 years that records have been kept. The Potomac is flowing at 1.3 billion gallons per day; normal flow is over 7 billion gallons.

If the drought continues, the river by next month could drop to 700 million gallons a day—the danger level in terms of its ability to supply Washington with water.

The Chesapeake Bay had a record low inflow of fresh water in January, only about 20 percent of normal.

Normally, at this time of year, 55.3 billion gallons of fresh water flow into the bay every day; in January the average was 11.5 billion per day. This dribbling flow into the bay represents the rainfall and stream conditions over the entire 65,000-square-mile area of the Middle Atlantic states, and it was the lowest since records began to be kept 30 years ago.

As a result the salt front, where the ocean's salt water meets the flowing fresh water of the bay, has begun to move. No longer held back by the force of fresh water flowing from rivers into the bay, the salt front has now moved 28 miles inland.

Similar drought conditions exist throughout the East, with record lows being set on streams in New Jersey, especially the Delaware River, which fell to 25 percent below the lowest level ever recorded. Reservoir levels that feed New York City have fallen to less than two-thirds of capacity.

Notices of fines totaling $4.2 million have been sent to thousands of businesses and residences in New Jersey in an effort to enforce the state's water rationing plan. The residents of wealthy Greenwich, Conn., have been asked to cut their water use by more than half, as that community is now left with less than an 18-day supply.●

THE GOOD NEWS DEPARTMENT

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. COELHO. Mr. Speaker, many of my colleagues may have seen the article in Sunday's New York Times business section about the condition of U.S. exports. In fiscal year 1981 our agricultural exports are expected to reach a record high of $48.5 billion according to the Economics and Statistics Service of the U.S. Department of Agriculture. This represents a 20-percent gain over the previous year's figure which valued farm shipments from the United States to our foreign trading partners at $40.5 billion.

For California's agriculture community, which I am most proud to represent here, our farm exports belong in, what one California economist called, the good news department of our trade picture. From a news article written by John Johnson of the Fresno Bee, which I will include in the RECORD following my remarks, a better than average year is predicted for California farm exports. It is interesting to note that if California were a separate nation, it would be exceeded only by the United States, itself, in cotton exports.

The contribution of my home State's farmers to our overall business in world trade is important to the entire country, especially when we take into account our sizable imports of foreign oil.

With our economy in desperate need of brightening, there is much we can do to expand California's good news department.

Thank you, Mr. Speaker.

The article follows:

FARM EXPORTS HELP KEEP STATE AFLOAT

A third of California's agricultural products last year ended up in South Korean garment shops, in Japanese fruit bowls and on the shelves of European nut lovers.

In fact, according to an economist from Security Pacific National Bank, farm exports are helping the state keep its economy from sinking under rising foreign oil prices.

In the first half of 1980, California agricultural exports amounted to $2.7 billion, a 35 percent increase over the first half of the previous year, according to Gladys Moreau.

Her export forecast for 1981, delivered at a Fresno City and County Chamber of Commerce luncheon Wednesday, was for another good year, although not as good as this year. The reason is that the 1980 cotton crop is not as good as the 1979 "bumper crop," she said.

Another factor is the continuing worldwide economic slowdown, which means a reduction in buying power abroad.

But Moreau still predicted a 25 percent increase in the value of foreign exports—better than an average year.

Calling agricultural exports the "good news department" of America's foreign trade, Moreau pointed out that farm ex-

ports recently produced a $1.6 billion surplus for California. That alone offset nearly half of the state's overall deficit, which she attributed to imports of expensive foreign oil.

"If agriculture was not doing so well, the state would really be in trouble," she said.

California's five major export crops are cotton, fruit and nuts, grains, oil and fats and meat and meat products.

"If California was a nation, it would be second in the world (behind the rest of the United States) in cotton exports," she said.

She said the outlook for cotton internationally remains good, in part because oil price increases are forcing up the cost of synthetic, oil-based materials. There also has been a fashion revival of interest in cotton clothing.

Much of America's cotton winds up in garment houses of nations with cheap labor, where it is made into clothing and resold.

California exports 90 percent of the nation's nuts, mostly walnuts and almonds, many of which wind up on European tables.

But California's biggest customers abroad are Asian countries, which account for 75 percent of the state's farm exports. By contrast, Europe receives only 18 percent of the farm exports, Moreau said. But that represents an increase of 7 percent over last year, which is a hopeful economic sign, according to Moreau.

Questioned about the future, she said grains will be in demand, because many nations cannot feed themselves.

But there are some uncertainties in Japanese trade, she said. The Japanese are among California's best customers in fruit and meat products.

On the one hand, Japan has lifted some trade restrictions on American farm products. But on the other, if overt pressure is brought on the Japanese to reduce their exports of small cars to take the pressure off Detroit, there could be retaliation.

Moreau said she doubts anything that drastic will occur, however. She said Japan probably will quietly, and voluntarily, reduce auto exports.●

IS IT TIME TO SWITCH OFF TAX DOLLARS FROM PUBLIC TELEVISION?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. MICHEL. Mr. Speaker, syndicated columist Patrick J. Buchanan recently raised serious questions about the future of public television. Given the fact that the Reagan administration is committed to cutting the Federal budget drastically, is there any reason why tax dollars should any longer support public television? Buchanan offers a convincing argument that the Reagan administration should take a long, hard look at public tax-supported financing of public television. We are going to be debating subjects like this so I thought it would be worthwhile to bring this column to your attention.

Mr. Speaker, I insert "Time To Switch Off Public Television" by Patrick J. Buchanan, the Chicago Tribune, January 29, 1981:

TIME TO SWITCH OFF PUBLIC TELEVISION

(By Patrick Buchanan)

WASHINGTON.—Early on in the Reagan administration the proposition that federally created agencies are immortal may be tested.

In a still-secret report to budget director Dave Stockman, the transition team for public radio and TV makes the unanimous recommendation "that federal funding for the Corporation for Public Broadcasting be phased out."

The arguments arrayed for pulling the plug on CPB, and letting its creatures, the Public Broadcasting System and National Public Radio, sink or swim are familiar but more compelling when Congress is considering a cut in food stamps.

First, says the secret report, CPB has few functions to justify the $8 to $10 million in administrative overhead it gobbles up annually in its handsome headquarters office on 16th Street, a door or two down from the Soviet Embassy. Three of every $5 it gets annually from Congress are disbursed to local PBS stations according to a mechanical formula which could be handled by a first generation computer.

Second, federal funding—which provided almost every dime of CPB's money—has ceased to be the major source of funds for public broadcasting, which now leans on corporations, foundations, states, local governments, universities, and individuals.

Third, the outstanding public television shows—such as Sesame Street and the MacNeil-Lehrer Report—have never been primarily dependent upon federal subsidy.

Most important, argues the transition team, technology is making moot the original argument for taxpayer subsidies to public television. With cable TV coming on stream, cassettes, video discs, and direct satellite transmission, public television is no longer the "alternative" to commercial fare, but, rather, a redundancy, a superfluity with a dubious claim to further taxpayer support.

(While an earlier draft of the transition report recommends putting CPB through cold turkey—i.e., zero funding, as soon as possible—the final report recommends a phasing out beginning in fiscal 1983, to give public television time to adjust to a competitive environment.)

"The Reagan administration has a unique opportunity," the report reads. "It is possible and feasible in the 97th Congress to lift the federal tax burden of public broadcasting and begin to put it on a stable, long-term, self-sustaining basis—free of government involvement and control."

While the annual taxpayer subsidy to public TV, less than $200 million in a budget approaching $700 billion, is relatively small, the administration's decision will be a test of its willingness to take on a powerful, articulate constituency which will not surrender its subsidized entertainment without a fight.

In the winter issue of the scholarly Wilson Quarterly, communications professor Stuart Shorenstein asks—and appears to answer in the negative—the question: "Does Public Television Have a Future?"

His arguments parallel those of the confidential transition report:

"To be blunt, PBS has neither the freedom nor the resources to compete with the commercial networks in news or public affairs programming. It has no overseas bureaus, no central news desk, no equivalent of the networks' evening news programs. PBS barely covered the 1980 Republican and Democratic conventions. Even the best of public TV's news shows, like the "MacNeil-Lehrer Report," do not approach the popularity or the visual range of CBS "60 Minutes."

"Ratings are not PBS' strong point either. PBS' prime-time ratings share is about 3.5 per cent; even the most popular shows on public TV such as the periodic National Geographic specials have never reached more than 16 per cent of television households. A commercial show with that rating would be cancelled at once."

"Public television's dilemma is that if it can't attract large enough audiences, many of its funding sources—e.g., corporations, foundations, and the federal government, not to mention the audience itself—may dry up; if it gears its programming to the ratings game, it will betray the principles on which it was founded. . . ."

For 18 years, the taxpayers have been subsidizing public broadcasting. Time enough to put it on its feet. As the transition report notes:

"Citizens should be allowed to see, hear, and pay for what best meets their needs and desires. There is no more basis for the federal government to play a leading role in this process than there is for the government to play a similar role in the publication of novels or textbooks or in theatrical productions." Amen.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, February 3, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 4

10:00 a.m.

Appropriations

Labor, Health and Human Services, and Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1982 for the Labor-Management Services Administration, the Pension Benefit Guaranty Corporation, and the Employment

Standards Administration of the Department of Labor.
1114 Dirksen Building

Environment and Public Works
To hold hearings on the prospective nomination of Ray A. Barnhart, of Texas, to be the Federal Highway Administrator of the Department of Transportation.
4200 Dirksen Building

Finance
Taxation and Debt Management Subcommittee
To hold hearings on proposed legislation to extend the temporary limit on the public debt.
2221 Dirksen Building

10:30 a.m.
Special on Aging
To hold hearings on the estate tax impact on older women.
1224 Dirksen Building

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for certain programs of the U.S. Army Corps of Engineers.
S-128, Capitol

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Occupational Safety and Health Administration and the Mine Safety and Health Administration of the Department of Labor.
1114 Dirksen Building

Finance
Business meeting, to consider proposed legislation to extend the temporary limit on the public debt.
2221 Dirksen Building

4:00 p.m.
Office of Technology Assessment
The Board, to hold a general business meeting.
EF-100, Capitol

FEBRUARY 5

10:00 a.m.
*Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Bureau of Labor Statistics, departmental management programs, and the President's Committee on Employment of the Handicapped of the Department of Labor.
1114 Dirksen Building

Armed Services
To resume hearings on proposed fiscal year 1982 authorizations requests for Navy and Marine Corps programs of the Department of Defense.
212 Russell Building

Energy and Natural Resources
To hold hearings on the nomination of Donald P. Hodel, of Oregon, to be Under Secretary of the Interior.
3110 Dirksen Building

Judiciary
To hold hearings on the nomination of Edward C. Schmults, of Connecticut, to be Deputy Attorney General.
2228 Dirksen Building

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for certain programs of the U.S. Army Corps of Engineers.
S-128, Capitol

FEBRUARY 6

10:00 a.m.
Joint Economic
To hold hearings on the employment-unemployment situation for January.
2128 Rayburn Building

FEBRUARY 17

9:30 a.m.
Banking, Housing and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold hearings on S. 144, to promote the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.
5302 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Health Services Administration of the Department of Health and Human Services.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings to review those programs administered by the Department of Transportation.
1318 Dirksen Building

Rules and Administration
To hold hearings on committee resolutions requesting funds for operating expenses for 1981.
301 Russell Building

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for certain programs of the U.S. Army Corps of Engineers.
S-128, Capitol

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Center for Disease Control of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 18

9:30 a.m.
Banking, Housing and Urban Affairs
International Finance and Monetary Policy Subcommittee
To continue hearings on S. 144, to promote the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.
5302 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institutes of Health of the Department of Health and Human Services.
1114 Dirksen Building

Rules and Administration
To continue hearings on committee resolutions requesting funds for operating expenses for 1981.
301 Russell Building

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for certain programs of the U.S. Army Corps of Engineers.
S-128, Capitol

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the National Institutes of Health of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 19

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the National Institutes of Health of the Department of Health and Human Services
1114 Dirksen Building

Rules and Administration
To continue hearings on committee resolutions requesting funds for operating expenses for 1981.
301 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Alcohol, Drug Abuse and Mental Health Administration of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 20

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Health Resources Administration of the Department of Health and Human Services.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Panama Canal Commission; and the St. Lawrence Seaway Development Corporation of the Department of Transportation.
1318 Dirksen Building

FEBRUARY 23

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Assistant Secretary for Health, scientific activities overseas, and retirement pay program for commissioned officers of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 24

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Health Care Financing Administration of the Department of Health and Human Services.
1114 Dirksen Building

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on proposed legislation authorizing funds through fiscal year 1985 for the airport development aid program.
235 Russell Building

Rules and Administration
Business meeting, to consider committee resolutions requesting funds for operating expenses for 1981, and other legislative and administrative committee business.
301 Russell Building

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1981 from the Disabled American Veterans.
318 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Human Development Services of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 25

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Social Security Administration of the Department of Health and Human Services.
1114 Dirksen Building

Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on proposed legislation authorizing funds through fiscal year 1985 for the airport development aid program.
235 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General, Office for Civil Rights, policy research programs, and departmental management programs of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 26

9:30 a.m.
Special on Aging
Organizational business meeting, to consider its rules of procedure for the 97th Congress, and other pending committee business.
Room to be announced

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain departmental management programs and the Office for Civil Rights of the Department of Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Coast Guard of the Department of Transportation.
1318 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 270, to provide for the deregulation of the radio broadcasting industry.
235 Russell Building

FEBRUARY 27

10:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 270, to provide for the deregulation of the radio broadcasting industry.
235 Russell Building

MARCH 2

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for elementary and secondary educational programs of the Department of Education.
1114 Dirksen Building

MARCH 3

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the American Battle Monuments Commission, Army Cemeterial Expenses, the Office of Consumer Affairs, and the Consumer Information Center.
1224 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for impact aid programs, and emergency school aid programs of the Department of Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General of the Department of Transportation; and the National Transportation Safety Board.
S-126, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for library and learning resource programs and vocational and adult education programs of the Department of Education.
1114 Dirksen Building

MARCH 4

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for educational, rehabilitation, and research programs for the handicapped of the Department of Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain student financial assistance programs of the Department of Education.
1114 Dirksen Building

MARCH 5

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain school improvement programs, special institutions, and Howard University of the Department of Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Highway Traffic Safety Administration of the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Education, fund for the improvement of postsecondary education, educational statistics, educational research and training activities overseas of the Department of Education.
1114 Dirksen Building

MARCH 10

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Building Science, Federal Home Loan Bank Board, National Credit Union Administration, and the Office of Revenue Sharing (NYC).
1224 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Community Services Administration.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Administration, Research and Special Programs and the Office of the Secretary of the Department of Transportation.
S-126, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Mediation and Conciliation Service, the National Labor Relations Board, the National Mediation Board, the Occupational Safety and Health Review Commission, and the Federal Mine Safety and Health Review Commission.
1114 Dirksen Building

MARCH 11

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Railroad Retirement Board, domestic operations programs of ACTION, and the Soldiers' and Airmen's Home.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Corporation for Public Broadcasting, National Commission on Libraries and Information Science, and the President's Commission on Ethical Problems in Medicine.
1114 Dirksen Building

MARCH 12

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Civil Aeronautics Board, Interstate Commerce Commission, and the Washington Metropolitan Area Transit Authority (Metro).
1318 Dirksen Building

MARCH 16

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 17

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Veterans' Administration.
1224 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Urban Mass Transportation Administration of the Department of Transportation.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 18

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 19

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Railroad Passenger Corporation (Amtrak).
1318 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 20

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

APRIL 1

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Emergency Management Agency, and the Selective Service System.
S-126, Capitol

APRIL 8

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Science and Technology Policy, Council on Environmental Quality, and the National Regulatory Council.
S-126, Capitol.

APRIL 22

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Environmental Protection Agency.
1318 Dirksen Building

APRIL 29

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank, and the Consumer Product Safety Commission.
1318 Dirksen Building

APRIL 30

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Science Foundation.
1318 Dirksen Building

MAY 12

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Aeronautics and Space Administration.
1224 Dirksen Building

MAY 20

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.
1224 Dirksen Building

MAY 21

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

JUNE 2

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.
1224 Dirksen Building